

No: /NQ-HĐQT

Hanoi, April 9th, 2025



Draft

REPORT

of the Board of Directors (BOD) on results of duty performance for the year 2024 and plan for the year 2025

To: General Meeting of Shareholders of Construction Mechanical Corporation - JSC

In accordance with the Charter of the Corporation and Resolution No. 29/NQ-ĐHĐCĐ dated May 31st, 2024 of the 2024 Annual General Meeting of Shareholders, the approved programs and plans, the Board of Directors of the Corporation reports to the General Meeting of Shareholders on operation of the Board of Directors (BOD) for the year 2024 and plan for the year 2025 as follows:

I. PERFORMANCE RESULTS FOR THE YEAR 2024

1. Summary of meetings and decisions of the Board of Directors:

In 2024, the Board of Directors held 14 meetings (including joint meetings with the Party Committee/Standing Committee of the Party Committee) to handle tasks under its authority regarding: construction investment, finance, organization, personnel, restructuring, etc. of the Corporation; evaluate the results of production and business activities each quarter and propose solutions to complete the plan approved by the General Meeting of Shareholders; consider and approve proposals and handle recommendations of the Executive Board related to the production and business activities of the Corporation.

In 2024, the Board of Directors issued 43 resolutions and 14 decisions in the following areas:

- 15 resolutions on organization, personnel, salary;
- 09 resolutions on production and business, finance, asset liquidation;
- 03 resolutions on investment, final settlement of investment projects;
- 07 resolutions on divestment and restructuring;
- 09 resolutions on directing the annual General Meeting of Shareholders and a number of other documents to manage the activities of the Corporation.

The Board of Directors chaired and organized successfully the 2024 Annual General Meeting of Shareholders on May 31st, 2024; directed to implement fully, accurately and timely the information disclosure contents in accordance with the provisions of law imposed on public joint stock companies and supervised the implementation of information disclosure in accordance with the provisions of the Law on Enterprises and the Law on Securities.

The resolutions, decisions, programs, plans and implementation solutions of the Board of Directors were issued suitable with actual conditions, meeting the

production and business tasks of the Corporation, aiming at successful implementation of the goals and tasks set by the Corporation.

2. Results of implementing the resolutions of the General Meeting of Shareholders

2.1. Production and business activities

The year 2024 is forecasted to be a difficult year for enterprises operating in the construction and installation sector in general and the Corporation in particular. Assessing the advantages and difficulties, opportunities and challenges, along with the efforts and solidarity of all employees of the Corporation, the Board of Directors and the Executive Board proposed on time, flexible and effective solutions, of which focusing on completion of the investment project "Construction of warehouses, workshops and technical infrastructure for the lifting equipment manufacturing factory" in Quang Minh Industrial Park and restructuring the enterprise, focusing on divesting from the companies in the list approved by the General Meeting of Shareholders. In 2024, the production and business targets achieved are as follows:

- The value of the total production and business output of the Corporation reached 329.83/400.4 billion VND, equal to 82% of the yearly plan; The parent company achieved 115.73/156.9 billion VND, equal to 74% of the yearly plan;

- The total net revenue of the Corporation reached 285.83/366.6 billion VND, equal to 78% of the yearly plan; The parent company achieved 98.68/146 billion VND, equal to 68% of the yearly plan.

- The total state budget contribution of the Corporation reached 46.86/42.9 billion VND, equal to 109% of the yearly plan; The parent company achieved 15.51/15.1 billion VND, equal to 103% of the yearly plan.

- The total pre-tax profit of the Corporation was 37.14/3.70 billion VND, equal to 1,004% of the yearly plan; The parent company achieved 41.55/1.9 billion VND, equal to 2,187% of the yearly plan (the sudden increase in profit was due to the divestment of invested capital).

- The total investment value of the Corporation reached 29.86/44.6 billion VND, equal to 67% of the yearly plan; The parent company achieved 26.39/35 billion VND, equal to 75% of the yearly plan.

2.2. Planning and financial, capital and asset management works

Based on the production and business plan approved by the General Meeting of Shareholders, the Board of Directors approved the financial plan, loan plan, credit limit for the year 2024 and authorized the Executive Board to sign the credit contracts to assure financial resources for production, business and investment of the parent company.

Directing the Executive Board to regularly review the implementation of the production and business plan, financial plan, complete the periodic financial statements of the parent company and consolidated financial statements of the Corporation assuring quality and progress requests for the purpose of governance, operation and information disclosure as stipulated.

Directing the Executive Board to strengthen financial management, cost control, unfinished output, speed up acceptance and final settlement of completed contracts, cut unnecessary costs; manage cash flow, assure capital mobilization, safe, effective, flexible and appropriate use of capital; focus on strict management and control, avoid bad debts arisen.

In debt collection, the Board of Directors directed, supervised and speeded up the Executive Board to carry out different measures (including litigation) to collect debts from companies and projects arisen from previous years in order to focus financial resources on production and business activities of the Corporation. Debt collection changed positively but there were still many difficulties, mainly because of the debtors' difficulty in finance. The total overdue debt recovered and offset in 2024 was nearly 6.3 billion VND (of which 500 million from COMA18, 2 billion VND from VIETRADICO and 3.8 billion VND from COMA7).

2.3. Investment work

a) Investment work and final settlement of the completed projects

The Board of Directors directed the Executive Board to focus resources on speeding up the construction progress and completing procedures to hand over and put into operation of the Project "Construction of warehouses, workshops and technical infrastructure for the lifting equipment manufacturing factory" in Quang Minh Industrial Park. In June 2024, the project was put into operation assuring efficiency as the approved plan. In parallel with organizing the construction of the Project, the Board of Directors directed the Executive Board to complete the quality records, the final settlement records and select an auditor for auditing the project as the basic to submit for approval of the Board of Directors in compliance with its authority.

The Corporation completed and approved the final settlement of the investment project for the construction of "Skylight Residential Housing", completed settlement of problems relating to the agreement signed between the Corporation and Minh Khai Lock Joint Stock Company.

b) Capital invested outside the enterprise

As of December 31st, 2024, the Corporation invested in 06 subsidiaries, 08 joint venture, affiliated companies and companies with financial investments with a total capital contribution value at par value of VND 78.916 billion.

In general, the efficiency of the Corporation's investments outside the enterprise was low. Subsidiaries and some affiliated companies were extremely difficult in production and business activities. The production and business results of subsidiaries and the capital investment efficiency of the Corporation in 2024 are detailed as follows:

- 04/06 subsidiaries (COMA2, COMA16, COMA27 and COMAEL) were profitable and preserved the invested capital but the profit ratio is low; 02/06 subsidiaries reduced losses (Minh Khai Lock, Decoimex).

-04/08 affiliated and financial investment companies were profitable; 02/08 companies (COMA 9, COMA17) operated ineffectively; 02/08 companies (COMAREE, COMA10) were temporarily suspended.

For the year 2024, the total amount of dividends received from companies with COMA's investment capital was VND 237.8 million.

The Board of Directors directed the Executive Board to fully exercise the rights and obligations of shareholders at the subsidiaries: Approving the content of the General Meeting of Shareholders and directing the Representative of the Corporation to vote/give opinions on the contents under the authority, related to the rights and obligations of the Corporation in the progress of management and operation of production and business at the enterprises in compliance with the provisions of law.

The Board of Directors directed the Executive Board to continue strengthening the inspection, supervision and management of subsidiaries to grasp the current situation, operational efficiency, in compliance with the law and the decisions of the Corporation; promptly rectify or apply appropriate measures to overcome shortcomings and limitations to achieve business goals and plans, improve the efficiency of production and business activities and competitiveness of the subsidiaries.

2.4. Organization, personnel and salary work

- Organization and personnel work:

+ Implementing the restructuring project of the Corporation, the Board of Directors directed the amendment of the Regulation on functions and duties of the administration division, departments and center of the Corporation; at the same time, directed the rearrangement of the organizations and personnel at the Head Office in the direction of innovation, streamlining and efficiency.

+ The Board of Directors coordinated with the Party Committee of the Corporation to consider and approve the results of the review and supplement of the planning of leading and managing positions of the Corporation's subsidiaries for the current and next term; approve the personnel work of COMA17, COMA2, results of the assessment and classification of the personnel under the Corporation's management for the year 2023; direct completion of documents and procedures to submit to the Ministry of Construction for approval of the policy of reappointing the General Director of the Corporation in compliance with the regulations.

- Salary work:

+ Directed the construction of a list of job positions, the system of Salary Scales and Tables and Regulations of the Corporation's Head Office on salary payment for application in order to clearly identify jobs of each person for suitable payment, creating motivation for employees to do their best and contribute to the Corporation.

+ In 2024, despite many difficulties, the Parent Company fully paid salaries, social insurance, assured rights, benefits and policies for employees. The average

income of employees of the Parent Company reached 14.4 million VND/person/month. However, at some subsidiaries, salary payments were not timely, policies for employees were not fully implemented and in accordance with regulations due to difficulty in production and business activities, financial situations and large social insurance debts, such as: COMA2, COMA17 and Minh Khai Lock.

2.5. Regarding the implementation of the Project “Restructuring and improving the management capacity of the Corporation for the period 2021-2025”

The Board of Directors focused on directing the implementation of the Project “Restructuring and improving the governance capabilities of the Corporation for the period 2021-2025”, detailed as follows:

a) Regarding the termination of operations of 4 branches: During the year, the Corporation completed the prescribed procedures to terminate the operation of the Import-Export Center, a branch of the Corporation. Branches COMA1 and COMA15 suspended its operations in actuality and the Corporation has been carrying out the prescribed procedures to terminate the operations of these 2 branches; Regarding COMA28, in 2024, it was still maintained operations to perform the tasks assigned by the Corporation. However, the Corporation has closely monitored the operations of the branch, so there will be no additional risks for the parent company.

b) Regarding the divestment from 09 enterprises: By December 31st, 2024, the Corporation successfully divested from 02 companies: COMA5 (3.19% of the Company's charter capital); COMA6 (6% of the Company's charter capital) and a portion of the capital contributed to COMA17 (3% of the Company's charter capital), the surplus after divestment from 3 companies was more than 19 billion VND)

c) Regarding the divestment of state capital from the Corporation:

- Implementing Decision No. 1479/QĐ-TTg dated November 29th, 2022 of the Prime Minister and Decision No. 382/QĐ-BXD dated April 11th, 2023 of the Minister of Construction on promulgating the Plan for restructuring state-owned enterprises and enterprises with state capital for which the Ministry of Construction is the owner representative for the period 2022-2025, up to now, the Corporation has implemented the following works:

+ On July 11th, 2023, the Board of Directors of the Corporation issued Decision No. 27/QĐ-HDQT on the establishment of the Board to implement the Project on restructuring and improving the enterprise's governance capability of the Construction Mechanics Corporation - JSC for the period 2021 - 2025;

+ On August 30th 2023, the Project Implementation Board issued Plan No. 260/KH-BĐA-COMA on making a detailed schedule for each work item and assigning tasks to each member of the Board to organize implementation.

- After issuing the Plan, the Corporation has implemented a number of contents related to the final settlement of State capital at the Corporation, detailed as follows:

+ Reviewed the costs of resolving surplus labor, costs of selling preferential shares to employees to complete the capital settlement dossier. On October 13th, 2023, the Corporation submitted Document No. 52/TTr-COMA to the Ministry of Construction for consideration and approval.

+ Reviewed and completed the dossier and approved the final settlement of the Skylight Residential Housing Project, completed the division of profits according to the agreement with Minh Khai Lock Joint Stock Company.

+ Continued to reconcile payables, especially determined payables to the state budget and debts related to employees.

+ Completed legal documents for real estate facilities managed by the parent company and subsidiaries according to the arrangement plan approved by competent authorities. Carried out additional arrangements of real estate facilities according to the provisions of Decree 167/2017/ND-CP. On October 16th, 2023, the Corporation issued Document No. 356/COMA-KTĐT proposing the Ministry of Construction to adjust the plan to re-arrange and handle real estate facilities managed by the parent company, including the plan to arrange real estate facilities "*Office and production, business facilities in Tay Mo ward, Nam Tu Liem district, Hanoi city*".

+ Reviewed the land use plan after equitization for the final settlement and handover of the state capital in accordance with the local planning and the current situation of the enterprises' use, submitted to the Ministry of Construction for consideration and approval.

+ Worked with the People's Committee of Ba Ria - Vung Tau province to get opinions on land prices and land use plans after equitization according to the conclusion of the Government Inspectorate.

+ Prepared an adjusted financial statements on November 7th, 2016 (the time of handover to operate under the joint stock company model), updated data according to the settlement records of the Skylight Residential Housing Project.

+ Reviewed and completed the draft capital settlement report and the minutes of handover of State capital to the joint stock company. On December 9th, 2024, the Corporation submitted Document No. 49/TTr-COMA to the Ministry of Construction for consideration and approval of the State capital settlement.

- Developed a plan to divest state capital from the Corporation: Implementing the direction of the Ministry of Construction, on November 6th, 2024, the Corporation issued Document No. 46/TTr-DDV to the Ministry of Construction for approval of the Detailed Plan on the transfer of State capital at the Corporation.

Receiving the direction of the Ministry of Construction in Document No. 7018/BXD-TCKH dated December 23rd, 2024, the Corporation is currently reviewing and adjusting the plan in compliance with the progress of completing the final settlement and handing over state capital to the joint stock company with the actual situation of the Corporation. However, the plan to divest State capital from the Corporation in 2025 shall depend on the completion of the State capital settlement, in which the biggest problem is that land prices and land use plans of Decoimex has not been approved by the People's Committee of Ba Ria - Vung Tau province due to waiting for the results of the investigation and verification of the Ministry of Public Security related to the assignment, management and use of 01 real estate facility of the Company.

2.6. Selection of the Audit Company for auditing the 2024 Financial Statements

Pursuant to the Resolution of the General Meeting of Shareholders, the Board of Directors approved and selected CPA Vietnam Auditing Company Limited as the auditor of the Corporation's 2024 financial statements.

2.7. Information disclosure: Information disclosure was assured accuracy, timeliness and in compliance with regulations.

3. Results of monitoring the performance of management and execution tasks of the General Director and other executives

Implementing the provisions of the Charter, internal regulations on the Corporation governance and the Board of Directors' operating regulations on monitoring the performance of management and execution tasks of the General Director and other executives showed that:

- In 2024, the General Director performed well his role in managing, organizing and operating the Corporation's investment and service business activities. In the main production and business fields, the Executive Board actively tapped into market and sought for jobs. During the year, the parent company signed 02 new contracts, of which the contract "Upgrading and renovating the irrigation system in the south of Phnom Penh - Cambodia" and the contract "Providing and installing the roof structure of the HH5 high-rise building of Khai Son City project"; focused on directing and mobilizing all resources to organize the construction assuring the quality, progress and safety of the signed contracts; strengthened the role and function in coordinating with subsidiaries in inspection and supervision right from the planning stage to the implementation stage. Some subsidiaries also signed new contracts, such as: COMA2, COMAEL, COMA16. However, the quantity was still limited, so the output and revenue of the whole Corporation were still low, not reaching the planned targets.

- As the legal representative of the Corporation with the highest responsibility for operations, the General Director built close relationships and coordination between the Board of Directors and the Executive Board; built a democratic and public working mechanism, assigned specific tasks to each member of the Executive Board to maximize the initiative, creativity and

responsibility of each person in the assigned fields; fully provided information, created conditions for the Supervisory Board to access and inspect the financial situation and other activities of the Corporation.

- The Executive Board implemented various synchronous, drastic and timely solutions, making proposals, recommendations and solutions in line with the policies and orientations of the Board of Directors to help the Corporation's business activities go in the right direction, in compliance with the law and in the most optimal way in the actual market conditions. The Executive Board promptly reported issues arising during the operation progress, contributing to the completion of important targets assigned by the 2024 Annual General Meeting of Shareholders.

- The Executive Board facilitates and coordinates well with the Corporation's political and society organizations in organizing emulation activities in production and business, culture, sports and taking care of the material and spiritual life of employees.

The Board of Directors highly appreciates the efforts and determination as well as the quick and timely solutions of the Executive Board, creating a premise to gradually bring the Corporation to stable development in the following years.

4. Salaries and remuneration of the Board of Directors and the Supervisory Board in 2024:

The salary and remuneration fund of the Board of Directors for the year 2024 were paid in accordance with the Resolution approved by the 2024 Annual General Meeting of Shareholders and in compliance with the legal stipulations. The results of the implementation of the 2024 salary and remuneration plan of the Board of Directors and the Supervisory Board are as follows:

- Salaries and remuneration of the Board of Directors:

- + Total salary and remuneration plan approved by the General Meeting of Shareholders: VND 936 million.

- + Total salary and remuneration implemented: VND 849.13 million, equivalent to 90.72% of the plan.

- Salaries and remuneration of the Supervisory Board:

- + Total salary and remuneration plan approved by the General Meeting of Shareholders: VND 408 million

- + Total salary and remuneration implemented: VND 370.72 million, equivalent to 90.86% of the plan.

II. KEY TASKS AND ORIENTATIONS IN 2025

1. Production and business plan indicators:

- Total production and business value: 398.27 billion VND for the whole Corporation, equals 121% of 2024 value; 152.57 billion VND for the Parent company, equals 132% of 2024 value;

- Total net revenue: 361.73 billion VND of the whole Corporation, equals 127% of 2024 revenue; 140.29 billion VND for the Parent Company, equals 142% of 2024 revenue;

- Pre-tax profit: 8.06 billion VND for the whole Corporation, equals 21.7% of 2024 profit; 5.06 billion VND for the Parent Company, equals 12% of 2024 profit;

- The total state budget payment: 35.79 billion VND for the Corporation, equals 76% of 2024 payment; 16.86 billion VND for the Parent Company, equals 109% of 2024 payment;

- The total value of basic construction investment: 15.92 billion VND for the Corporation, equals 53% of 2024 value; 1.15 billion VND for the Parent Company, equals 4% of 2024 value.

2. Key tasks

Assessing 2025, objectively, the world economic situation has many unpredictable fluctuations, and the country has many opportunities and goals to strive for. Subjectively, the Corporation continues to face many difficulties in bidding, marketing, job search, fierce market competition in the construction and installation sector, etc. To complete the 2025 production and business plan, the Board of Directors and the Executive Board continue to promote the spirit of solidarity and unity within the organization, while proactively promoting the internal strength of the Corporation with the following key tasks:

2.1. Corporate governance

- As the management body of the Corporation, the Board of Directors will fully exercise its rights and obligations in accordance with the provisions of law, the Charter, the operating regulations of the Board of Directors, the internal governance regulations of the Corporation as well as the Resolutions of the General Meeting of Shareholders, for the benefit of the Corporation and shareholders. To lead and direct the implementation of the Resolutions and Decisions of the General Meeting of Shareholders and issue timely and flexible Resolutions and Decisions for the General Director and the executive apparatus to implement; Regularly inspect and supervise the implementation of the issued Resolutions and Decisions.

- To promote the governance solutions that have been well implemented in the recent, the Board of Directors will focus on directing the completion of the system of internal management regulations and rules in compliance with the provisions of the Law, in order to improve the effectiveness of management and operation, limit risks for the enterprise and assure the lives and income of employees.

- To successfully organize the 2025 Annual General Meeting of Shareholders of the Corporation;

- To strengthen the supervision and direction of the Executive Board in monthly and quarterly production and business; organize leading and direction of

the Corporation to complete the 2025 production and business plan with the targets approved by the General Meeting of Shareholders.

- To supervise and assure that information is disclosed fully, transparently and promptly in accordance with the regulations of the Hanoi Stock Exchange and the State Securities Commission.

2.2. Production and business activities

- To direct and supervise the Executive Board in implementing marketing solutions, searching jobs to increase revenue and profit, striving to complete the production and business plan targets for 2025, improving production and business efficiency.

- To focus on construction, assuring progress, quality and safety of signed projects; to promote acceptance, payment and capital recovery to have cash flow for production and business activities.

- To develop service business plans, promote marketing and searching customers to effectively exploit the projects, offices and factories of the Corporation; to reorganize the management and operation of the Corporation's headquarters building in a professional and effective manner.

- To actively expand relationships with partners, proactively seek jobs, focus on the fields of mechanics, construction, transportation and hydropower to assure the completion of the 2025 plan and prepare work sources for 2026.

2.3. Organization, personnel, and salary work

- To continue to research and arrange the organizational structure, streamline management points to focus on management, increase labor productivity, be flexible in operating production and business organizations, optimize cost use and exploitation of human resources; To implement procedures to terminate the operations of COMA1 and COMA15 according to the Corporation's restructuring project.

- To search for high-quality personnel to supplement the Corporation's staff. To focus on training and fostering to improve the professional qualifications of cadres, employees and workers.

- To regularly evaluate staff based on their job position, capability and work performance to implement salary and bonus regimes as well as manage and use staff. To establish emulation and reward regulations to promptly motivate and encourage staff to complete their tasks well.

- To carry out staff evaluation in 2024 according to regulations as a basis for the personnel work of the Corporation.

2.4. Financial planning and management

- To develop production and business plans, budget plans for the 2025 fiscal year; to increase the search for financial resources from credit institutions to borrow capital to serve the production, business and investment of the Corporation; to focus on balancing resources for projects/works in 2025 and the following years; strictly manage assets, capital sources, use capital effectively and transparently.

- To have specific and drastic plans and measures in contract acceptance and settlement; to strengthen cost management to improve operational efficiency. To supervise cash flow management to assure safe and effective capital mobilization, management and use.

- To supervise the management, handling and collection of debts throughout the system, do not allow new bad debts to arise; to pay attention to debt collection to supplement capital for production and business activities; for long-term and doubtful debts, it is necessary to consolidate legal documents and request legal agencies to intervene. To work with tax and insurance agencies to restructure outstanding debts at COMA1 and COMA15 so that they will not affect the overall finances of the Corporation.

- To strengthen the management of the Corporation's investment capital contributed in companies to assure the highest benefits; to continue to monitor the finances of subsidiaries that have caused loss to limit risks.

2.5. Investment and investment settlement

- To invest in upgrading and purchasing new office equipment systems for application of information technology in management, gradually improve work efficiency, serve the work of digitizing documents and bidding.

- To direct the completion of the settlement of the project "Construction of warehouses, workshops and technical infrastructure of the lifting equipment manufacturing factory" in Quang Minh Industrial Park for approval to include in accounting according to regulations.

2.6. Enterprise restructuring

Continue to implement the Project "Restructuring and improving the management capability of the Corporation for the period 2021-2025", detailed:

- To restructure production and business lines; to improve the efficiency of management and focus on applying information technology in management.

- To continue to divest capital from 7 affiliated companies according to the List approved by the General Meeting of Shareholders to assure efficiency, specifically: To held an auction for divestmen of the Corporation's capital contribution at COMA25 (4.69% of the Company's charter capital) on April 29, 2025; To complete the procedures for an auction of the Corporation's capital contribution at COMA9 (20% of the Company's charter capital), COMAENG (5% of the Company's charter capital) in the second quarter of 2025; the capital transfer of the remaining companies will be completed in 2025.

- To orient and direct subsidiaries to restructure and improve corporate governance capability.

- To co-ordinate with the Ministry of Construction and competent authorities to approve the land use plan after equitization and approve land prices of the Parent Company and Decoimex.

- To update, supplement and complete the settlement dossier and hand over state capital to the joint stock company.

- To implement steps to report to competent authorities for consideration of adjusting the progress of State capital divestment at the Corporation to the period 2026 - 2031.

3. Salary and remuneration of the Board of Directors and the Board of Supervisors in 2025:

Total planned salary and remuneration of the Board of Directors and the Board of Supervisors in 2025 is: VND 1,536 million, of which:

- Total planned salary and remuneration of the Board of Directors: VND 1,065.6 million.

+ Salary of the Chairman of the Board of Directors: VND 42.4 million/month.

+ Salary of specialized members of the Board of Directors: VND 34.4 million/person/month

+ Remuneration of concurrent members of the Board of Directors: VND 4 million/person/month

- Total planned salary and remuneration of the Board of Supervisors: VND 470.4 million, of which:

+ Salary of the Head of the Board of Supervisors: VND 35.2 million/month

+ Remuneration of concurrent members of the Board of Supervisors: 2 million VND/person/month.

The above is the report of the Board of Directors on the results of operations in 2024 and the plan for 2025. The Board of Directors looks forward to receiving the companionship and support of shareholders and all employees so that the Board of Directors can well implement the goals set by the 2025 General Meeting of Shareholders, gradually take the Corporation to sustainable development and ensuring the best interests of shareholders and employees./.

**FOR AND ON BEHALF OF THE BOD
CHAIRMAN**

Recipients:

- As stated above;
- Ministry of Construction;
- The BOD's members;
- Supervisory Board,
Management Board;
- COMA's Divisions;
- Archives: Ad. Div., BOD.

Trinh Nam Hai