

REPORT
of the Executive Board on the results of production and business
for the year 2024 and plan for the year 2025

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

Pursuant to the Corporation's Charter and Resolution No. 29/NQ-ĐHĐCĐ dated May 31st, 2024 of the 2024 Annual General Meeting of Shareholders, the approved programs and plans, the Executive Board reports the results of production and business for the year 2024 and plan for the year 2025 as follows:

A. RESULTS OF PRODUCTION AND BUSINESS FOR THE YEAR 2024:

I. MAIN INDICATORS

Unit: billion VND

No.	INDICATORS	PLAN (approved by the GMS)		ACHIEVED RESULTS (audited financial statements)		PERCENTAGE OF COMPLETION	
		of the Corp.	of the Parent Co.	of the Corp.	of the Parent Co.	of the Corp.	of the Parent Co.
1	Total production and business value	400.4	156.9	329.83	115.73	82%	74%
2	Revenue	366.6	146.0	285.83	98.68	78%	68%
3	Profit before tax	3.7	1.9	37.14	41.55	1,004%	2,187%
4	Payment to the budget	42.9	15.1	46.86	15.51	109%	103%
5	Average income (million VND/person/ month)	9.5	12.7	10.16	14.40	107%	113%
6	Investment value	44.6	35.0	29.86	26.39	67%	75%

The indicators of production and business value and net revenue are lower than the plan's approved by the GMS because in 2024, output and revenue from the investment project for construction of warehouses and technical infrastructure of the lifting equipment factory were excluded from the financial statements during its establishment. The indicators of budget payment and average income exceeded the plan; the indicator of profit suddenly increased because in 2024, the Corporation divested its contributed capital from COMA5, COMA6 and a part of contributed

capital from COM17. In addition, in 2024, the Corporation reimbursed the provision for bad receivable debts of COMA18. Except the sudden profit from divestment, the net profit from production and business activities in 2024 of the parent company is 4.06 billion VND and the consolidated profit of the whole Corporation is 1.05 billion VND.

II. ASSESSMENT OF PRODUCTION AND BUSINESS ACTIVITIES

1. Tapping into market and searching for jobs:

In 2024, the Corporation proactively promoted marketing, bidding and job searching activities. The parent company participated in bidding and price offering for a number of projects and was successful in some projects with a total value of nearly 50 billion VND such as: Irrigation Project in Cambodia, Quang Trach Thermal Power Project, HH5 high-rise building construction - Khai Son Project, etc.

In addition to patrons, in 2024, subsidiaries also actively tapped into the market and signed additional contracts: Manufacture and erection of the roof of the stadium for Tien Du district - Bac Ninh province, Viet Yen town - Bac Giang province, manufacture of the incinerator shell for MITSUBISHI, manufacture of steel structures for overpasses, etc.

2. Manufacturing and installing/erecting work

- In 2024, the parent company completed contracts such as: Supply of steel structures for Vung Ang 2 Thermal Power Plant, Quang Trach Thermal Power Plant, supply and erection of the roof of the HH2 high-rise building - Khai Son Project; fabrication and transportation of gate valves to the construction site of Roleng Chery Irrigation Project - Cambodia; installation work at Yen Son Hydropower Projects - Tuyen Quang province, Roleng Chery - Cambodia Irrigation Project, etc.

- Subsidiaries such as COMA2, COMAEL, in addition to maintaining market share of traditional products, such as: transformer housing, molds, pipes, casting products, water tanks, proactively completed transitional contracts and deployed new contracts, such as: Manufacture and erection of the roof of the stadium for Tien Du district - Bac Ninh province and Viet Yen town - Bac Giang province, manufacture of waste incinerators for MITSUBISHI, manufacture and erection of steel structures of overpasses (COMA2); manufacture of kingpost, mechanical production and manufacture according to orders (COMAEL), etc.

In general, the projects implemented by the parent company and its subsidiaries assured time schedule and quality, which are highly appreciated by partners and investors.

3. Service business

- The rental business of the office, factory and warehouse of the parent company has been operating stably. The rental area has reached 98-99% of the

existing area, assuring competitive prices and stabilizing revenue for the Corporation. In 2024, some subsidiaries such as COMAEL, COMA16 and Minh Khai Lock also promoted this field, fully exploited the existing resources to have funds for payment of land use fees and improve the operation efficiency of the entire Corporation.

- Regarding the business of buying and selling materials and goods, in 2024, the parent company and COMA28 proactively sought customers and suppliers with good supply sources, contributing significantly to the revenue as well as the operation efficiency of the entire Corporation.

4. Investment work

- The parent company completed and put into operation and use of the project "Construction of warehouses, workshops and technical infrastructure for the lifting equipment manufacture factory" that helped creating cash flow to reimburse investment loans and contributing to improvement of the activity efficiency of the Corporation.

- For subsidiaries, due to financial difficulties and difficulties in finding partners to co-establish projects, in 2024, the investment work focused on purchasing additional equipment for production and renovating factories to improve working conditions for workers. The subsidiaries also continued to research and prepare plans for investment projects to improve the efficiency of asset exploitation in the coming time.

5. Economic, accounting, financial and credit work

- Continued to maintain good relationships with SHB bank and partners to mobilize capital for production, business and investment activities; strictly managed and controlled income and expenditure by control of cash flow to assure normal production and business activities; balanced capital sources to assure tax payment, invoice issuance, debt reimbursement and restructuring of loans at credit institutions, payment of salary and social insurance.

- Focused on reviewing documents, worked with partners to recover capital in some large projects such as: National Assembly House, Ministry of Foreign Affairs Headquarters, Ban Ve Hydropower Plant, Trung Son Hydropower Plant, Intersection Overpass Project in Long Bien district, Nam Hong Overpass....

- Worked with tax and insurance agencies to restructure outstanding debts, loans of COMA1 and COMA15 to create a basis for dissolution of branches according to the Project for restructuring and improving corporate governance capability of the Construction Mechanical Corporation - JSC for the period 2021-2025.

- Accounting, income and expenditure monitoring and cost control were carried out regularly, carefully and continuously. In 2024, the Corporation prepared and submitted on time the following reports: Annual Report, Supervision Report, Financial Report, Report to the State Securities Commission, Hanoi Stock

Exchange, Ministry of Construction, Ministry of Finance and relevant ministries and branches at request.

- Continued to review and propose detailed plans and solutions to recover long-standing outstanding debts such as: Dong Bang Cement, COMA10; COMA25, etc. Supervised and speeded up the reimbursement of debts from the companies which had signed confirmation of debts and debt repayment roadmap with the Corporation, such as: COMAEL, COMA7, COMA18, COMA25, Vietradico, etc.

- Implemented directionally coordination with subsidiaries, such as: Decoimex, Minh Khai Lock, COMA27, etc. in financial work, economic contract management, planning and investment work to assure efficiency and compliance with regulations in order to improve their management and operation capability.

6. Controlling 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 investment 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 is low. The production and business activities of subsidiaries and some affiliated companies were extremely difficult. The production and business results of subsidiaries and the capital investment efficiency of the Corporation in 2024 detailed as follows:

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

- + 04/08 affiliated companies and companies with financial investment were profitable; 02/08 companies (COMA17, COMA9) operated inefficiently; 02/08 companies (COMAREE, COMA10) temporarily suspended their operation. In 2024, the total amount of dividends received from companies with COMA's capital investment was: 237.8 million VND. The work of inspecting and controlling the operation of companies with the Corporation's investment capital through the representatives at the subsidiaries was strengthened in various sectors. However, specific and highly feasible solutions have not been proposed to support, supervise and speed up the representatives in the management of the companies.

III. EXISTENCES AND LIMITATIONS

- The production and business indicators planned for the year 2024 in terms of output and revenue were low, especially in the main production and business sectors.

- The work of tapping into market and searching jobs was still limited. There was no good coordination between the parent company and companies in COMA system. There was still internal competition, leading to low prices of signed economic contracts and low production and business efficiency. There was still the

internal competition between subsidiaries. Number of the transitional contracts for the year 2025 were small, leading to passivity in the organization of production and business activities of some subsidiaries.

- The investment in technology innovation of the parent company and subsidiaries was still limited, leading to the project management capability of the parent company, the labor scale and productivity of the subsidiaries were low, reducing competitiveness in the market.

- The implementation of key tasks of the Ministry of Construction and the Board of Directors related to the restructure of the Corporation in the period of 2021 - 2025, capital settlement and state capital divestment at the Corporation did not meet the scheduled requirements.

B. PRODUCTION, BUSINESS AND INVESTMENT PLAN FOR 2025

I. MAIN INDICATORS

Unit: billion VND

No.	INDICATORS	Implemented in the year 2024		Planned for the year 2025		Percentage of plan for the year 2025 per implementation in the year 2024	
		The Corp.	The Parent Co.	The Corp.	The Parent Co.	The Corp.	The Parent Co.
1	Total production and business value	329.83	115.73	398.27	152.57	121%	132%
2	Revenue	285.83	98.68	361.73	140.29	127%	142%
3	Profit before tax	37.14	41.55	8.06	5.06	21.7%	12%
4	Payment to the budget	46.86	15.51	35.79	16.86	76%	109%
5	Average income (million VND/person/month)	10.16	14.40	10.17	14.74	100%	102%
6	Investment value	29.86	26.39	15.92	1.15	53%	4%

The pre-tax profit target in 2025 is only calculated on production and business activities, so it is lower than it was achieved in 2024 (including the surplus of divestment and the reimbursement of provision for bad receivable debts. The indicator for the value of construction investment is constructed low because in 2025, the parent company shall only focus on investing in additional equipment serving digital transformation and repairing and renovating office buildings, but not investing in new projects.

To demonstrate the feasibility of the plan, the Executive Board developed a detailed Financial Plan (with a detailed plan attached).

II. IMPLEMENTATION SOLUTIONS

To overcome the shortcomings and limitations and complete the planned targets and key tasks set out, the Corporation shall focus on strengthening

management and operation, propose active solutions to tap into market, search the jobs to assure output, revenue and available works for employees, in details:

1. Tapping into market and searching the jobs

- Consolidate the activities of the Bidding and Production Management Center by increasing personnel for the marketing division; completion of the capability profile, following up the projects that have bided for monitoring, negotiating and discussing. Closely co-ordinate between the parent company and companies in COMA system on job search and construction organization to effectively manage projects from the stage of marketing, bidding, signing contracts and organizing construction to assure harmonious benefits and risk sharing between the parent company and companies in the system.

- Co-ordinate with the partners, such as NARIME Institute, Vietnam Association of Mechanical Enterprises (VAMI), Hanoi Construction Corporation (HANCORP) to establish joint ventures or act as subcontractor in order to assure sufficient capability to implement key national projects and projects assigned by the Ministry of Construction.

2. Investment work

- For the parent company, invest in equipment to serve digital transformation. Strengthen recruitment and train human resources to assure quality, meeting the requirements of project management tasks in the new period.

- For subsidiaries, continue to invest in renovation of equipment systems and procurement of new equipment for improving labor productivity and product quality to increase competitiveness and adaptability in the market.

Direct and coordinate with Decoimex to work with competent authorities to complete legal documents and construction permits for the Decoimex's Housing Expansion Project. Speed up the construction progress to return products to secondary investors and recover capital of the project.

3. Financial and credit work

- Continue to work with credit institutions to expand credit limits according to the Financial Plan approved by the Board of Directors, work with the Tax Department and partners to restructure debts to minimize financial costs in order to improve the operating efficiency of the parent company and subsidiaries.

- Strengthen debt management and collection, focus on reviewing and classifying debts, especially provisions for doubtful debts. Work with debtors to confirm and commit to payment schedules as a basis for collection and reimbursement of provisions, in order to overcome the owner's negative equity situation, assuring eligibility to participate in bidding and price offering.

- Speed up the completion of settlement and capital recovery of backlogged projects and ongoing projects, balance reasonable cash flow between paying off backlogged debts and assuring capital needs for production, business and investment activities.

4. Controlling capital invested outside the enterprise

Strengthen the management, inspection and control of the Corporation over its subsidiaries, especially in finance, planning, investment and project implementation. Close coordination between the departments of the Corporation and representatives at the subsidiaries, especially those companies that still incur losses to control and assure the effective operation of the company, contributing to preserving the capital of the Corporation contributed to the companies.

5. Enterprise arrangement and innovation

- Strictly implement the instructions of the Ministry of Construction and the resolutions of the Board of Directors to remove existing problems, complete the documents on final settlement and hand over state capital to joint stock company, creating a premise for the divestment of state capital from the Corporation in the coming time.

- Continue to effectively implement the Project "Restructuring and improving corporate governance capability of the Construction Mechanical Corporation - JSC for the period 2021-2025" in accordance with the content approved by the General Meeting of Shareholders on June 29th, 2023 and the approval of the Ministry of Construction in Document No. 2536/BXD-KHTC dated June 16th, 2023, focusing on the arrangement and dissolution of branches and divestment of investment capital from the contributed enterprise according to the list approved by the Ministry of Construction.

- Carry out the arrangement and addition of real estate facilities according to regulations. Focus resources on completing legal documents of real estate facilities of the 2,152m² land lot of COMA27 in Lien Ninh commune, Thanh Tri district; the 8,970m² land lot in Xuan Phuong commune, Nam Tu Liem district, Hanoi.

The aforesaid is the report of the Executive Board on the results of production, business and investment in 2024 and the plan for the year 2025. The Executive Board looks forward to receiving the companionship and support of shareholders and all employees to successfully implement the goals of the Production, Business and Investment Plan in 2025.

Sincerely!

Recipients:

- As above stated;
- BOD (for report);
- Executive Board;
- Supervisory Board;
- Archives: Ad. Div.,
Financial & Planning Dept.

GENERAL DIRECTOR



Dao Duc Tho