HAI PHONG ELECTRICITY WATER MACHINE ASSEMBLY JOINT STOCK COMPANY

SOCIALIST REPUBLIC OF VIETNAM
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Hai Phong, March 15, 2025.

REPORT
ON ACTIVITIES OF THE AUDIT COMMITTEE IN 2024 AND ORIENTATIONS AND TASKS IN 2025

Respectfully submit to: 2025 Annual General Meeting of Shareholders
Hai Phong Electricity Water Machine Assembly Joint Stock Company

1. Audit Committee Activities

Pursuant to the Law on Enterprises 2020, the Law on Securities and Decrees and Circulars guiding the Audit Committee and its functions and duties are stipulated in the Law on Enterprises 2020 and Decree 155/2020/ND-CP and the Company Charter.

- The Audit Committee operates according to the Audit Committee's Operating Regulations under Decision No. 17/QDHDQT dated May 10, 2021.

- Mr. Ta Van Son, independent member of the Board of Directors, is Chairman of the Audit Committee.

- Internal Audit Board includes: Mr. Nguyen Trung Kien, Member of Board of Directors (Head of Committee); Ms. Nguyen Thi Thu Ha and Ms. Duong Thuy Linh

1.1. Audit Committee Meetings

The Audit Committee has held regular meetings in accordance with the Audit Committee's Operating Regulations..

1.2. Conclusions and recommendations of the Audit Committee:

- Check, review and give comments on the Company's Rules, Provisions and Regulations to ensure compliance with legal regulations, requirements of regulatory agencies and other internal regulations of the Company.;

- Direct the Internal Audit Board to implement the internal audit plan for 2024: Investment activities, construction of power lines and transformer stations in 2023 of the Company; Production and business activities of Ecopark Hung Yen Branch.

* Internal audit of investment activities, construction of power lines and

transformer stations in 2023. The Internal Audit Board pointed out a number of shortcomings and made recommendations to the Board of Directors: Develop forms, processes and regulations on management and archiving of records; Speed up the completion of design documents, construction drawings and project estimates after having site plan and connection location documents; Enhance responsibility and perform well the supervision tasks of the investor; Review the time of supply and quality of materials and equipment for construction works to ensure technical requirements; Speed up the construction progress of assigned works, ensuring compliance with technical and safety requirements according to regulations; Strictly implement regulations on construction quality management, regulations on financial management and project settlement; Urge the project settlement to ensure compliance with procedures and time according to regulations.

* Internal audit of production and business activities from January 2023 to October 31, 2024 of Ecopark Hung Yen Branch. The Internal Audit Board pointed out a number of shortcomings and made recommendations to the Board of Directors: Strengthen management of the Branch; The functional departments direct and guide the Branch to properly implement the Company's regulations.

- Coordinate with functional departments to urge the correction of financial violations at Thuy Nguyen Power Plant and violations in electricity business management at Ha Long Branch.

- Through the audit, there was a written recommendation to the Board of Directors to direct the Board of General Directors to take measures to overcome loopholes and shortcomings.

2. Financial statements, operation situation and finance of the Company;

- Financial statements are prepared and published in accordance with accounting standards and current legal regulations. Financial statements are prepared to reasonably and honestly reflect the financial situation of the Company.

- Resolutions and Decisions are issued validly, within authority and in compliance with information disclosure regime for listed companies.

- The selected Auditing Company ensures reliability, honesty, compliance with professional regulations, and objectivity when giving audit opinions.

- In 2024, The company achieved sales and service revenue of 937,408,787,887 VND, a growth rate of 117%. Pre-tax profit reached 53,194,131,318 VND, a growth rate of 111% compared to 2023.

- The Company's financial situation in 2024 is maintained healthy, indicators of capital structure, operating capacity, and profitability remain stable and increase compared to 2023.

3. Transactions between the Company, other companies in which the Company controls 50% or more of the charter capital with members of the Board of Directors, General Director, other executives of the Company and related persons of that entity

The company has complied with the law, transactions are announced in accordance with the regulations.

4. Results of supervision of the Board of Directors, General Director and other executives of the Company

4.1. For the Board of General Directors

- The Board of General Directors has seriously implemented the Resolutions of the 2024 General Meeting of Shareholders and performed its functions and duties in accordance with the provisions of law and the Company's Charter.

- The Board of General Directors has implemented the contents of the Resolutions of the Board of Directors. Despite the difficult business situation, the company's business results have met the set plan, and some key targets have exceeded the set plan. The company still ensures and maintains stable and profitable business operations.

4.2. For the Board of Directors:

- The work of the Board of Directors in 2024 focused on the Resolution of the General Meeting of Shareholders and complied with the Company Charter and the Company Governance Regulations.

- The Board of Directors performs well the function of orienting the development of the Company, through planning, controlling and adjusting strategic decisions. The decisions of the Board of Directors at meetings are in accordance with the provisions of law, the Company's Charter, Internal Management Regulations, Resolutions of the General Meeting of Shareholders and are in accordance with the strategy approved at the General Meeting of Shareholders.

- The Board of Directors meetings were convened and conducted in accordance with regulations. The contents of the Board of Directors meetings were reported, discussed, and fully evaluated in the spirit of openness, fairness, and transparency to provide the best direction and solutions for the Company.

5. The Company's internal control and risk management system

- The Board of Directors and the Board of General Directors have regularly monitored developments, forecasted and proposed appropriate solutions to limit economic risks, legal risks, industry-specific risks and other risks.

- The Board of General Directors has reviewed, supplemented and issued documents and regulations related to operations, improving the effectiveness of the internal control system. In September 2024, the General Director signed and issued the supplement "Investment process for construction of medium voltage lines and transformer stations".

- Identify changes in legal regulations related to the Board of Directors, Audit Committee, Internal Audit Board; advise the Board of Directors on how to organize in accordance with legal regulations and the needs of the Company.

6. Results of the assessment of the coordination of activities between the Audit Committee, the Board of Directors, the General Director and shareholders

In 2024, the Audit Committee received close coordination and favorable conditions to perform its duties from the Board of Directors, the Board of General Directors and the Company's management staff, through the provision of complete reports and documents related to the Company's governance situation, production and business activities, and financial situation of the Company.

7. Remuneration, operating expenses and other benefits of the Audit Committee and each member of the Audit Committee

Remuneration, operating expenses and other benefits of the Audit Committee and each member of the Audit Committee are implemented in accordance with the Enterprise Law and the Company Charter. Detailed information is presented in the Company's Consolidated Financial Statements for 2024.

8. Recommendation:

- The General Meeting of Shareholders approved the list of independent auditors for the 2025 fiscal year as proposed by the Audit Committee.

- The company regularly updates and improves the system of internal administrative, management and operational documents; processes in production and business activities to standardize operations and enhance internal control activities.

- Review assessed and monitored risks, update to improve the company's business risk management processes.

- Strengthen market research, search for new projects, regularly improve the quality of the CCIS system to strengthen management and increasingly improve the efficiency of the Company's production and business activities.

- Strengthen financial work: control costs, cash flow, monthly payment of electricity and water bills at Enterprises, Branches, control import and export of materials,

- Focus on training high-quality human resources, have a strategy for training, fostering, building and supplementing a team of leaders and managers to meet the production and business activities of the Company.

- Strengthen exchanges between independent Board members and the Board of General Directors to enhance the independent Board of Directors' members' critical role, increase supervision, and minimize risks in the Company's production and business activities; actively exchanging information through regular meetings of the Board of Directors, meetings of the Board of General Directors, and other ad hoc meetings to closely follow the Company's business and financial situation.

9. Directions and tasks of the Audit Committee in 2025

- Perform well the functions and tasks of the Audit Committee in accordance with the provisions of law and the Company Charter.

- Regularly update the situation as well as legal regulations to advise the Board of Directors to issue and amend governance regulations as well as policies, rules and regulations to ensure the entire company's operations are in accordance with the law and the Company's Charter.

- Regularly monitor the operations of the Company and its Enterprises and Branches to report and make recommendations to the Board of Directors. Control is carried out regularly and suddenly when requested by the Board of Directors.

- Direct the Internal Audit Board to effectively implement the 2025 Internal Audit Plan approved by the Company's Board of Directors.

Respectfully submit to the General Meeting of Shareholders for consideration and approval of the report./.

FOR THE AUDIT COMMITTEE
CHAIRMAN

(Signed)

Ta Van Son