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Ha Noi, June 4th 2025



**REPORT
ON THE 2024 PERFORMANCE AND 2025 ACTIVITY PLAN OF
THE BOARD OF SUPERVISORS OF VIETNAM MACHINERY
INSTALLATION CORPORATION - JSC**

**To: The 2025 Annual General Meeting of Shareholders of Vietnam
Machinery Installation Corporation - JSC**

In accordance with the rights, duties, and responsibilities of the Board of Supervisors as stipulated in the Charter on Organization and Operation of LILAMA, the Board of Supervisors's Operating Regulations, and relevant legal provisions, the Board of Supervisors hereby respectfully submits to the General Meeting the report on the 2024 performance and the 2025 activity plan, with the main contents as follows:

1. Summary of the Board of Supervisors' Activities in 2024

In the past year, the Board of Supervisors (BOS) held five meetings to carry out its duties as prescribed. The BOS's activities primarily focused on the following areas:

- Supervise the compliance with laws and the level of diligence exercised by the Board of Directors (BOD) and the Board of Management in their governance and executive operations; oversee the implementation of the resolutions of the General Meeting of Shareholders and the issuance and execution of resolutions and decisions by the BOD in 2024.
- Monitor LILAMA's business operations and financial position; evaluate the completeness, legality, and accuracy of the 2023 business performance report, as well as the 2023 annual financial statements and the financial report for the first half of 2024.
- Review contracts and transactions between LILAMA and related parties that fall under the approval authority of the BOD or the General Meeting of Shareholders, in accordance with the Law on Enterprises.
- Monitor the implementation of LILAMA's restructuring plan, the finalization and handover of State capital to the joint-stock company; supervise the debt recovery process and the handling of outstanding debts.
- Assess the effectiveness and efficiency of LILAMA's internal control system, internal audit, and risk management.
- Participate in and contribute feedback during the drafting process of several internal regulations and policies of LILAMA.
- Prepare reports and proposals of the BOS to be submitted to the 2024 Annual General Meeting of Shareholders for approval (including the report on 2023 activities,

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the orientation plan for 2024, and the proposal on the selection of the auditing firm for LILAMA's 2024 financial statements).

- Propose and recommending several matters related to corporate governance and risk management for the BOD and the General Director's consideration

In carrying out its duties, the members of the BOS maintained regular communication, worked with a strong sense of responsibility, and strived to ensure independence and prudence in assessing LILAMA's financial condition and business operations.

2. Remuneration, Salaries, and Other Benefits Paid to the Board of Supervisors in 2024

The salaries, remuneration, and other benefits for each member of the Board of Supervisors in 2024 were paid in accordance with the levels approved by the 2024 Annual General Meeting of Shareholders. Details are as follows:

Unit: million VND

Full name	Approved Salary / Remuneration	Paid Salary / Remuneration	Bonus from the Enterprise Management and BOS (derived from 2023 profit)
Nguyen Thi Thu Trang	409.20	327.36	44.2
Le Thi Thu Hong	60.00	60.00	10.0
Tran Thuong Huyen	60.00	60.00	10.0
Tổng cộng	529.20	447.36	64.2

3. Report on transactions related to members of the Board of Directors and the General Director

- In 2024, there were no transactions between LILAMA, its subsidiaries, or companies controlled by LILAMA with ownership of 50% or more of charter capital, and members of the Board of Directors, the General Director, or related persons of those members.

- In 2024, there were no transactions between LILAMA and any company in which a member of the Board of Directors is a founding shareholder or has held a managerial position within the past three years before the time of the transaction.

4. Supervision results of the management and administration activities of the Board of Directors and the Board of Management

4.1. Evaluation of the management activities of the Board of Directors

- In 2024, there were personnel changes within the Board of Directors as follows:

+ The 2024 Annual General Meeting of Shareholders on June 28, 2024, approved the dismissal of Mr. Nguyen Huu Thanh from his position as a member of the Board of Directors for the 2021–2026 term and elected Mr. Nguyen Manh Dung as a new member for the same term.

+ Mr. Le Van Tuan submitted his resignation from the Board of Directors and retired as of October 1, 2024. As a result, from the time of Mr. Tuan's retirement, only four members remained to attend and vote in meetings of the Board of Directors.

- The Board of Directors of LILAMA convened 70 meetings and also collected written opinions to provide direction, make decisions, and oversee matters within its authority. The activities of the Board complied with the Law on Enterprises, the Company's Charter, and other relevant regulations, and were aligned with the contents of the 2024 General Meeting of Shareholders' Resolutions.

- The Board of Directors regularly monitored the activities of the Board of Management, provided strategic direction, and facilitated conditions for the Board of Management to manage operations and implement the resolutions and decisions of the General Meeting of Shareholders and the Board of Directors.

The resolutions of the 2024 Annual General Meeting of Shareholders regarding the 2024 business plan targets, profit distribution plan, appropriation to funds and dividend payment for 2023, remuneration for the Board of Directors and the Board of Supervisors, and the selection of the auditing firm for the audit and review of the 2024 financial statements were all implemented under the direction of the Board of Directors and achieved the intended results.

However, the investment target for construction machinery and equipment in 2024 was not met (actual: VND 1.1 billion vs. plan: VND 51 billion). The reason is that although in the medium and long term, LILAMA still has a demand to invest in enhancing its construction and manufacturing equipment capacity, the company has cautiously decided not to proceed with the investment based on a careful assessment of the current and upcoming workload. Instead, it chose to lease part of the necessary equipment as needed, rather than making new purchases.

- The Board of Directors continued to focus on resolving pending issues related to determining the land use plans and the value of land use rights for several LILAMA land lots, to complete the finalization and handover of State capital to the joint stock company.

In implementation of the resolution of the 2022 Annual General Meeting of Shareholders approving the plan to return two real estate investment projects — the LILAMA high-rise mixed-use project in Phuoc Long B Ward, District 9, Ho Chi Minh City, and the LILAMA Office Headquarters project on lot 0-E6, Pham Hung Street, Cau Giay District, Hanoi — the Board of Directors has directed the execution of all necessary procedures in accordance with legal regulations.

After a period of working with the authorities, the Hanoi Department of Planning and Investment has issued an official notification regarding the termination of the LILAMA Office Headquarters project on Pham Hung Street. On January 22, 2025, the Hanoi Department of Finance refunded VND 8.157 billion in land deposit for the aforementioned land lot to LILAMA.

Currently, LILAMA is awaiting written responses from relevant government agencies regarding: (i) the determination of the land use rights value corresponding to 3 office floors and 50% of the basement area of the 21-story LILAMA mixed-use building at 124 Minh Khai Street, Hai Ba Trung District, Hanoi; (ii) guidance on



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procedures for transferring the internal garden area and auxiliary facilities associated with the high-rise mixed-use building at 124 Minh Khai; (iii) the return of the LILAMA high-rise mixed-use project located in Phuoc Long B Ward, District 9, Ho Chi Minh City.

- The Board of Directors has actively directed the implementation of the LILAMA Restructuring Plan for the 2021–2025 period, which was approved by the Extraordinary General Meeting of Shareholders on January 18, 2024. The focus has been on restructuring LILAMA's external investments.

According to the plan for restructuring LILAMA's subsidiaries during 2024–2025, approved under Resolution No. 53/NQ-HĐQT dated March 18, 2024, LILAMA planned to divest entirely or dissolve 14 companies in 2024 and fully divest from 5 companies in 2025. However, due to complex legal requirements related to the divestment process and the fact that most of the investment stakes intended for divestment do not meet the necessary conditions for public auction under the Securities Law, LILAMA was unable to complete any divestments from its subsidiaries in 2024.

4.2. Assessment of the Executive Management by the Board of Management

- The Executive Management diligently implemented the directives, resolutions, and decisions of the Board of Directors, made efforts to promptly identify both opportunities and challenges in the business environment, and sought solutions to overcome difficulties and obstacles in production and business activities. By the end of 2024, LILAMA had exceeded the key business performance targets approved by the General Meeting of Shareholders, while maintaining and ensuring stable employment, wages, and income for its employees.

- Under the leadership of the Executive Management and the efforts of engineers and workers at the Nhon Trach 3 & 4 Power Project - Vietnam's first LNG power plant project (1,500 MW capacity) – LILAMA, despite many implementation challenges, successfully fulfilled its role as an EPC consortium contractor alongside Samsung C&T. The project has achieved key milestones, with Nhon Trach 3 power plant successfully synchronized with the national grid on February 5, 2025, and expected to begin commercial operation in August 2025. Nhon Trach 4 is scheduled to commence commercial operation in November 2025. The project generated VND 3,192.9 billion in revenue, reaching 144.7% of the target and contributing 52.6% of LILAMA's total revenue in 2024.

- After persistent negotiations with the investor, local authorities, and related parties, LILAMA was approved by the Vung Ang - Quang Trach Petroleum Power Project Management Board (the investor's representative for the Vung Ang 1 Thermal Power Plant Project) to sign an EPC Contract Appendix covering additional, previously unforeseen construction and installation work, with a value of VND 1,452 billion (excluding VAT). Although payment of this additional value still awaits the State Audit Office's opinion, the agreement marks a significant breakthrough and reflects the Executive Management's great effort and determination in resolving the unanticipated scope of the Vung Ang 1 EPC contract.

- Despite having focused on implementing procedures for obtaining approvals from competent authorities to restructure LILAMA's subsidiaries in line with the

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Board of Directors' resolution, the divestment process at some of LILAMA's invested companies has been prolonged due to various reasons. As a result, divestment outcomes have yet to meet the Board's expectations. At present, in addition to continuing divestment procedures at several companies, the Executive Management is coordinating with LILAMA's capital representatives in subsidiaries to seek solutions and restructure operations at certain companies to partially overcome existing difficulties.

5. Report on the Coordination between the Board of Supervisors and the Board of Directors, General Director, and Shareholders

During the performance of its duties, the Board of Supervisors consistently received support and favorable conditions from the Board of Directors and the Executive Management.

In 2024, the Board of Supervisors did not receive any feedback from shareholders or shareholder groups regarding issues related to LILAMA's business operations or corporate governance, or management.

6. Assessment of LILAMA's Business Operations and Financial Status in 2024

The Board of Supervisors reviewed LILAMA's separate and consolidated financial statements for the fiscal year ended December 31, 2024, which were audited by AASC Auditing Firm Co., Ltd., and concurred with the auditor's opinion. Accordingly, except for the effects of the qualified opinions and the emphasis of matter raised, the separate and consolidated financial statements fairly and reasonably present, in all material respects, LILAMA's financial position as of December 31, 2024, in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting Regime, and other legal regulations related to the preparation and presentation of financial statements.

6.1. Business Performance of LILAMA:

Unit: Billion VND

Indicators	2023 Actual	2024 Plan	2024 Actual	2024 Actual/ Plan	2024 Actual/2023
1. Results of Separate Business Operations:					
- Revenue from sales and service provision	5,013.3	4,880.0	6,063.7	124.3%	121%
- Profit before tax	58.6	60.0	95.6	159.3%	163.1%
- Profit after tax	58.4		94.2		161.3%
2. Results of consolidated business operations:					
- Revenue from sales and service provision	5,079.0		6,101.3		120%
- Profit before tax	(12.1)		82.8		
- Profit after tax	(19.5)		79.2		

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Indicators	2023 Actual	2024 Plan	2024 Actual	2024 Actual/ Plan	2024 Actual/2023
- Profit after tax of the Parent Company	4.2		92.7		2.207%
- Profit after tax of non-controlling shareholder	(23.7)		(13.5)		

6.2. Evaluation of LILAMA's operational results and financial situation

In 2024, building on the advantage of a stable workload that LILAMA has secured over the past few years, along with the determination and efforts in leadership and management direction, and the dedication of all employees, the major projects that LILAMA participated in constructing met the progress and quality requirements set by the investors/main contractors. Thanks to this, LILAMA exceeded its business plan targets for 2024.

Revenue from sales and services in 2024 reached VND 6,063.7 billion, surpassing the plan by 24.3% and increasing by 21% compared to 2023. The main contracts/projects contributing significantly to LILAMA's revenue structure included the EPC contract for Nhon Trach 3 & 4 LNG power plants (VND 3,192.9 billion), the Hydrogen NEOM fabrication contract (VND 1,127 billion), and the installation contract for Vung Ang 2 thermal power plant (VND 1,036.3 billion).

Profit before tax in 2024 was VND 95.6 billion (including VND 41.3 billion from gains on revaluation of foreign currency monetary items at year-end), exceeding the plan by 59.3% and increasing by more than 63% compared to 2023. Profit after tax in 2024 was VND 94.2 billion, up 61.3% compared to 2023. The return on equity after tax in 2024 was 9.7% (compared to 6.3% in 2023).

The business results and financial figures in LILAMA's 2024 financial statements show:

Net cash flow from operating activities of LILAMA in 2024 showed significant improvement (positive VND 482.9 billion) compared to 2023 (negative VND 432.4 billion). This was thanks to positive results in recovering certain receivables from customers and other short-term receivables (at projects such as Nhon Trach 3 & 4 LNG power plants, Song Hau 1 thermal power, Thai Binh 2, Van Phong 1, Tan Thang Cement, Song Thao Cement, land use fee receivables at the 124 Minh Khai apartment complex, etc.).

Short-term receivables (at cost) as of the end of 2024 were VND 2,781.6 billion, down VND 590.1 billion compared to the beginning of the year. The bad debt provision expense reversed in 2024 was VND 16.96 billion (while in 2023, the provision expense was VND 34.1 billion). As a result, administrative expenses in 2024 amounted to only VND 39.35 billion, down VND 61.28 billion compared to 2023.

Despite these positive results, the value of short-term receivables (revalued at recoverable value) still accounts for a large portion of LILAMA's asset structure

(equivalent to 33% of current assets and 28.8% of total assets). The allowance for doubtful short-term receivables at year-end was VND 1,209.88 billion. Therefore, the effort to recover debts needs to be further intensified to improve capital efficiency and contribute to a healthier financial situation for LILAMA.

- The gross profit margin (gross profit/revenue) in 2024 was only 1.67% compared to 2.53% in 2023. However, LILAMA increased provisions for short- and long-term warranty obligations in 2024 with a total amount of VND 478.28 billion. In 2024, LILAMA also recognized other income of VND 19.6 billion from the reversal of warranty provisions for the Long Son refinery project, leading to other profit of VND 20.4 billion (an increase of VND 16.2 billion compared to 2023)

- Cash flow from operating activities improved, with cash and cash equivalents at the end of 2024 totaling VND 2,908.6 billion (including cash of VND 1,471 billion, which contains USD 49.76 million and nearly EUR 1.8 million), an increase of nearly VND 244 billion compared to the beginning of the year. Total short- and long-term borrowings and finance lease liabilities at year-end were VND 953.8 billion, down VND 291.8 billion compared to the beginning of the year. However, these figures are point-in-time; thus, budgeting and cash flow management must continue to be enhanced to optimize LILAMA's cash flow management efficiency.

- Regarding investments outside the company, at the end of 2024, LILAMA invested in 5 subsidiaries, 10 associates, and 7 other long-term investments with a total book value of VND 569.7 billion, and provisions for impairment losses totaling VND 116.1 billion.

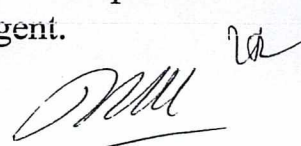
In 2024, 3 out of 5 subsidiaries reported losses (Lilama 5 JSC, Lilama 7 JSC, Lilama Mechanical Engineering), and 4 out of 5 subsidiaries had accumulated losses (Lilama 5, Lilama 7, Lilama Mechanical Engineering, LHT). Among associates, 5 out of 10 reported losses and had accumulated losses (Lilama 69-1, Lilama 45.1, Lilama 45.3, Lilama 45.4, Lilama Construction Design and Technology Consultancy). For other long-term investments, 2 out of 7 reported losses (Song Thao Cement, Thang Long Cement), and 3 out of 7 had accumulated losses (PV Shipyard, Song Thao Cement, Thang Long Cement).

In 2024, LILAMA recorded VND 23.28 billion in dividend income, but also had to provision an additional VND 10.09 billion for investment losses.

It can be said that the losses and financial difficulties of several companies with LILAMA's capital contributions continue to negatively affect the efficiency of external investments and LILAMA's consolidated results.

Some subsidiaries and associates (Lilama Mechanical Engineering JSC, Lilama 5, Lilama 7, Lilama 45.1, Lilama 45.3, Lilama 69-1, Lilama 69-3, Lilama Real Estate JSC, Lilama Electromechanical Testing and Installation JSC) have not been able to resolve issues raised in the auditor's qualified opinions on their financial statements for many years. As a consequence, LILAMA's consolidated financial statements have received qualified audit opinions from auditors for three consecutive years.

Therefore, restructuring and rearrangement/divestment of these companies according to LILAMA's restructuring plan is becoming increasingly urgent.



7. Recommendations of the Board of Supervisors to the Board of Directors and the General Director

The Board of Directors and the General Director should continue to exercise cautious, flexible, and appropriate leadership and management in the context of a highly volatile business environment, assessing risk factors that may affect production and business activities. They need to implement suitable risk management and contingency measures, use resources economically and efficiently, aiming to complete LILAMA's business tasks in 2025, ensuring the rights and interests of LILAMA shareholders, maintaining stable employment, wages, and income for LILAMA's employees, fulfilling obligations to the State budget, and responsibilities toward the community and society.

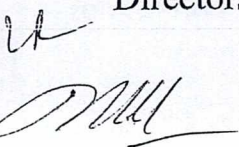
The Board of Directors and the General Director should continue to preserve and promote LILAMA's capabilities, reputation, and brand. They recommend that shareholders approve retaining profits for reinvestment to enhance production and business capacity, seek and seize cooperation and business opportunities, marketing, and market expansion to ensure a steady workload for LILAMA. At the same time, greater attention should be given to scientific construction management, ensuring safety, schedule, and quality of construction; researching and applying technology to improve labor productivity, optimize costs, and enhance the efficiency of management and use of LILAMA's resources.

The Board of Directors and the General Director should intensify efforts in acceptance, settlement, and recovery of construction capital, monitoring, reviewing, and reconciling all receivables and payables, and finding feasible solutions to recover all due and overdue receivables to ensure financial autonomy, budget planning, and effective cash flow management for LILAMA.

The Board of Directors and the General Director should continue innovating personnel work, ensuring fairness and transparency in employee remuneration, creating opportunities for talented staff, engineers, and employees to develop and advance. They should also continue building a positive corporate culture environment to motivate and encourage high-quality labor willing to dedicate and commit to LILAMA.

The Board of Directors and the General Director, through the State capital representative at LILAMA, recommend that the Ministry of Construction continue supporting LILAMA in working with relevant parties to promptly resolve remaining obstacles to quickly complete the finalization of State capital and transfer to the joint-stock company.

The Board of Directors and the General Director, through the State capital representative at LILAMA, also recommend that the Ministry of Construction assist LILAMA in overcoming difficulties, especially legal challenges in implementing the restructuring of external investments, and be determined to successfully execute LILAMA's restructuring plan. The State capital representatives at LILAMA's subsidiaries are required to strengthen coordination with LILAMA and the Boards of Directors and Executive Boards of those companies to find and implement effective



solutions to restructure weak companies, and cooperate with LILAMA in carrying out procedures for LILAMA's divestment from those companies.

The Board of Directors and the General Director should further promote the effectiveness and efficiency of the internal control system, internal audit, and risk management in LILAMA's management activities, directing the review, amendment, supplementation, and issuance of new regulations to ensure LILAMA's internal regulations system is comprehensive, fully compliant with legal requirements, and suitable for LILAMA's operational context.

8. Operational Plan Orientation of the Board of Supervisors for 2025

Alongside the regular, periodic tasks and duties as prescribed, in 2025, the activities of the Board of Supervisors will focus on the following key areas:

- Supervise the implementation of the LILAMA restructuring plan, with particular emphasis on the restructuring of external investments outside the company.
- Supervise the execution of production and business tasks for 2025; overseeing construction works, settlement and finalization of construction contracts, debt recovery related to construction activities, and other outstanding debts.
- Supervise the finalization of equitization and the transfer of State capital to the joint-stock company.
- Review and assess the effectiveness and efficiency of LILAMA's internal control system, internal audit, and risk management.

This concludes the report on the 2024 operational results and the orientation for the BOS's activity plan in 2025. Respectfully submitted for approval by the General Meeting of Shareholders.

On behalf of the Board of Supervisors, we wish the shareholders good health, happiness, and success.

Sincerely!

**ON BEHALF OF THE BOARD OF SUPERVISORS
HEAD OF THE BOARD**

Recipient:

- As above;
- Board of Directors;
- General Director;
- Members of the BOS;
- Archived: BOS.



Nguyen Thi Thu Trang

