

No.199/BC-HDQT

Hanoi, June 4<sup>th</sup>, 2025

**REPORT**  
**ON 2024 PERFORMANCE RESULTS AND 2025**  
**OPERATIONAL PLAN OF THE BOARD OF DIRECTORS**  
**VIETNAM MACHINERY INSTALLATION CORPORATION - JSC**

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

Pursuant to the Charter of organization and operation of Vietnam Machinery Installation Corporation - JSC;

Pursuant to the Resolution No. 183/NQ-ĐHĐCĐ dated June 28<sup>th</sup>, 2024 of the 2024 Annual General Meeting of Shareholders of Vietnam Machinery Installation Corporation - JSC,

In accordance with assigned responsibilities and authority, the Board of Directors of Vietnam Machinery Installation Corporation - JSC (LILAMA) respectfully submits to the General Meeting of Shareholders the Report on the 2024 performance results and 2025 operational plan of the Board of Directors as follows:

**I. 2024 Performance Results of the Board of Directors**

**1. Results of business operations**

In 2024, despite continuing to face many challenges and difficulties, the Board of Directors, in coordination with the Executive Board of the Corporation, with great efforts, endeavors and determination, led and directed the management and operation work proactively, flexibly and effectively; implemented assigned programs, plans and tasks adapting to the socio-economic context, helping LILAMA overcome difficulties, maintain stable business operations, ensure employment and full implementation of employee benefits and policies, and fulfill all obligations to the state budget.

The Corporation's key business performance results in 2024 are as follows:

*\* Performance results of the parent company:*

*Unit: Billion VND*

No.	Indicator	Resolution of the 2024 Shareholders' Meeting	2024 Actual	% 2024 Actual/Plan
1	Output value	4,980.0	6,083.5	122.2%
2	Revenue	4,880.0	6,225.4	127.6%
3	Profit before tax	60.0	95.6	159.4%
4	Payable to the State budget	40.0	106.6	266.5%



No.	Indicator	Resolution of the 2024 Shareholders' Meeting	2024 Actual	% 2024 Actual/Plan
5	Dividend rate (%)	3.0 %/year	Expected 3.5%/year	116.7%
6	Investment	51.0	1.1	2.2%
7	Employee salary fund	363.27	386.17	106.3%

In 2024, LILAMA continued to implement large and key projects such as Nhon Trach 3&4 Thermal Power Plant, Vung Ang 2 Thermal Power Plant, Project of manufacturing steel structures and electrolytic module mechanical equipment complex for export to NEOM Hydrogen Production Plant... , meeting the requirements on progress and quality of the Investor and partners. The Corporation recorded revenue of VND 6,225.4 billion/VND 4,880 billion, reaching 127.6 % of the plan approved by the 2024 Annual General Meeting of Shareholders. The following factors have contributed to LILAMA's revenue in 2024 exceeding the planned target:

- Due to the urgent need to supply electricity to ensure energy security for the Southern and Central regions in particular and the national power system in general, the Investor/ General Contractor requested LILAMA with its available resources (human resources, construction machinery and equipment...) to speed up construction progress, so that output and revenue in 2024 increased sharply compared to the expected plan at key projects such as Nhon Trach 3&4 Thermal Power Plant and Vung Ang 2 Thermal Power Plant;
- The progress of manufacturing steel structures and electrolytic module mechanical equipment for export to the NEOM Hydrogen Production Plant has exceeded the expected plan;
- Final settlement with foreign general contractors at Long Son Petrochemical Refinery and Van Phong 1 Thermal Power Plant projects was completed ahead of schedule;
- Construction and capital recovery work at projects using State budget capital must ensure progress according to the signed Contract.

In addition, the Corporation has recovered a part of the bad debt, resulting in an increase in the reversal of the provision for doubtful receivables, and at the same time, received 23.2 billion VND in dividends from investments (at LILAMA 10, LILAMA 18, BV INVEST), thereby contributing to increasing pre-tax profit (pre-tax profit in 2024 at 95.6 billion VND/60 billion VND, reaching 159.4 % of the plan).

*\* Results of the whole Corporation:*

*Unit: Billion VND*

No.	Indicator	2024 Plan	2024 Actual	% 2024 Actual/Plan
1.	Total revenue			
	<i>Parent company</i>	<i>4,880.00</i>	<i>6,225.37</i>	<i>127.6%</i>



No.	Indicator	2024 Plan	2024 Actual	% 2024 Actual/Plan
	<i>Subsidiary</i>	166.87	175.40	105.1%
	<i>Subtotal</i>	5,046.87	6,400.78	126.8%
	<i>Consolidated</i>	5,046.87	6,277.96	124.4%
2.	Profit before tax			
	<i>Parent company</i>	60.0	95.64	159.4%
	<i>Subsidiary</i>	(15.00)	(24.87)	
	<i>Subtotal</i>	45.0	70.77	157.3%
	<i>Consolidate</i>	45.0	82.81	184.0%
3.	Pay to the state budget			
	<i>Parent company</i>	40.0	106.58	266.5%
	<i>Subsidiary</i>	9.00	7.85	87.3%
	<i>Subtotal</i>	49.00	114.43	233.5%
4.	Invest			
	<i>Parent company</i>	51.00	1.10	2.2%
	<i>Subsidiary</i>	0.30	0.27	88.7%
	<i>Subtotal</i>	51.30	1.37	2.7%

In 2024, the subsidiaries and associated companies of the Corporation continued to face numerous challenges. The construction and installation market has been shrinking, while competition has intensified significantly from both domestic and international contractors. In that context, the financial and construction capacity of most companies remain limited and fail to meet practical demands, leading to a considerable decline in operational efficiency. Many companies have fallen into losses, with increasingly tense and imbalanced financial situation. Specifically, these issues include inability to repay loans on time, facing legal actions from banks, requests for asset foreclosure, or cash flow recovery from ongoing projects; credit institutions suspending loan facilities, preventing enterprises from accessing capital to implement new projects; prolonged arrears, including unpaid employee wages, social insurance debts, and tax liabilities...

The above difficulties have been seriously affecting the business operations, and at the same time creating great pressure on the management capacity, reputation and overall operating efficiency of the entire Corporation.

## 2. Investment Performance

### 2.1. Capital construction, machinery and other investments

Based on a prudent investment approach and efforts to reduce unnecessary expenses, the Corporation did not undertake any capital construction investment activities in 2024. However, to serve the manufacturing and execution of ongoing projects, the Corporation invested in several pieces of construction equipment and machinery with a



total value of 1.1 billion VND, ensuring the capacity to meet project implementation requirements.

## **2.2. External Investment**

As of December 31, 2024, the total value of the Corporation's external investments amounted to VND 569.7 billion. This amount does not exceed the Charter Capital and Owner's Equity, of which: Investment in 05 Subsidiaries VND 49.5 billion; investment in 10 Associated Companies VND 271.2 billion and investment in 07 other enterprises VND 248.9 billion.

According to the Restructuring Plan of Vietnam Machinery Installation Corporation - JSC for the period of 2021-2025, approved by the Ministry of Construction and the General Meeting of Shareholders, LILAMA maintained its ownership ratio of 36% of charter capital in 02 associate companies (LILAMA 10 and LILAMA 18) and divest entire investment capital from all other companies. As for LILAMA Southeast Asia Sdn Bhd (LILAMA SEA), depending on the workload situation in Brunei and the surrounding region in the near future, LILAMA will determine whether to allow LILAMA SEA to continue operations under the most efficient option or to proceed with divestment/dissolution in order to recover capital.

In implementation of the LILAMA Restructuring Plan for the period of 2021 - 2025, the Corporation is currently carrying out necessary processes and procedures in accordance with prevailing regulations to divest capital from several companies with LILAMA's capital contribution. The details are as follows:

- Hua Na Hydropower Joint Stock Company: After a period of implementing the procedures for divestment, due to objective and subjective factors, the public auction of Hua Na shares could not be carried out within the validity period of the Valuation Certificate (from October 15, 2024 to April 15, 2025). Based on recommendations from the consulting firms, the Board of Directors of the Corporation issued a Resolution approving the continuation of the divestment process from Hua Na Hydropower Joint Stock Company. Accordingly, the Corporation has re-performed the valuation work at December 31<sup>st</sup>, 2024, adjusted the divestment plan and applied for an extension of the registration certificate for public offering of shares. Currently, the Corporation is carrying out the required legal procedures to proceed the shares offering at Hua Na Hydropower Joint Stock Company according to the set plan.

- LHT International Engineering Joint Stock Company and Erection Electromechanics Testing Joint Stock Company: Based on the direction of the Ministry of Construction in Official Letter No. 2788/BXD-QLDN dated April 28, 2025 and Official Letter No. 2819/BXD-QLDN dated April 29, 2025, the Board of Directors approved the divestment plan for the two companies mentioned above and directed the Corporation to carry out procedures for offering shares according to the set plan.

- LILAMA 69-1 Joint Stock Company: Based on the direction of the Ministry of Construction in Official Letter No. 3381/BXD-QLDN dated May 13, 2025, the Board of Directors is considering to carry out relevant procedures in accordance with regulations to implement the transfer of the Corporation's investment capital at LILAMA 69-1.

- LILAMA 45.4 Joint Stock Company: The capital representative group has submitted Proposal No. 24/TTr-DDV dated February 19, 2024 to the Ministry of Construction for consideration and approval of the plan to issue individual shares to convert debt of LILAMA 45.4 Joint Stock Company. On September 18, 2024, the



Ministry of Construction issued Official Letter No. 5336/BXD-KHTC on the issuance of individual shares to convert debt at LILAMA 45.4. Currently, the Corporation is coordinating with LILAMA 45.4 to review the documents to carry out the valuation work, as a basis for considering and directing the Corporation's capital representative at LILAMA 45.4 to vote to approve the plan.

- For the remaining companies subject to divestment under the Restructuring Plan, the Corporation is seeking for potential investors and considering the appropriate timing to develop a detailed divestment roadmap for each company.

### **3. Financial management**

In 2024, the Board of Directors continued to direct the strengthening of inspection and supervision of financial activities across the Corporation and its subsidiaries, review, reconcile, and classify receivables and payables, focus on debt collection, and handle inventories to improve production and business efficiency, implement solutions to ensure the safety and soundness of corporate finances, conduct inventories as prescribed as a basis for preparing financial statements and auditing financial statements.

Directing the preparation of financial plans and the development of loan plans and credit limits for 2024 to ensure financial resources for production, business and construction of the Corporation's projects. On that basis, the Board of Directors has approved credit limits at Vietinbank, BIDV, VIB, PVCombank, and Tien Phong Bank, Thang Long Branch.

Directing to continue debt collection at member companies with debts due to the Corporation, however, because most of the borrowing units are in a state of financial instability, production and business activities are at a loss and/or are ineffective, in 2024, the debt collection work (principal and interest) of the Corporation faced many difficulties.

Directing the promotion and application of many measures (including litigation) in the work of settlement, capital recovery at construction projects, debts of customers, and outstanding debts from previous years to concentrate financial resources to serve the production and business activities of the Corporation; Strengthening financial management, cutting unnecessary expenses, reducing costs and implementing measures to make production and business more effective.

In order to have a basis for voting to approve a number of related contents at the 2024 Annual General Meeting of Shareholders of LILAMA, the Capital Representative Group has submitted to the Ministry of Construction for approval the Financial Report, profit distribution plan, fund allocation and dividend payment for 2023. Accordingly, the Board of Directors has directed the Corporation to distribute profits and pay dividends for 2023 of the parent company LILAMA according to the plan approved by the Ministry of Construction and the General Meeting of Shareholders.

Directing the implementation of financial supervision and performance evaluation of enterprises in 2023 and the first 6 months of 2024 for the Corporation's subsidiaries and affiliated companies. Thereby, directing the Capital Representatives at the Companies to seriously implement the recommendations and instructions of the Corporation related to financial management and supervision at the enterprises.

With the function of guiding and supervising the implementation of the development strategy of the Corporation and its member companies, ensuring that LILAMA's operations



comply with internal management regulations, LILAMA's Charter and current laws, the Board of Directors has directed the Corporation and its member companies (through the capital representative) to strengthen financial management, implement the reporting regime in accordance with regulations to fully and promptly assess the financial situation and detect weaknesses in the production and business activities of the enterprise, thereby warning and proposing appropriate corrective measures.

\* Evaluation of capital efficiency in production and business at the parent company:

a. Asset structure (%)

- Long-term assets/Total assets: 12.77%
- Current assets/Total assets: 87.23%

b. Capital structure (%):

- Liabilities/Total capital: 81.73%
- Equity/Total capital: 18.27%

c. Liquidity (times):

- Quick ratio = (Current assets – Current assets)/Total short-term debt: 1.14 times
- Current ratio = Current assets/Current liabilities: 1.18 times

d. Profit margin (%):

- Pre-tax profit margin/Average total assets: 1.72%
- Pre-tax profit margin/Revenue: 1.58%
- Return on equity after tax/Average equity: 9.67%

The above indicators and results show:

- Regarding asset structure: Current assets account for the majority of total assets.
- Regarding capital structure: Liabilities/Total capital is 81.73%. Because the charter capital of the Corporation is small compared to the scale of operation and capital needs for production, business and investment activities, the capital source for production and business is mainly borrowed capital, leading to relatively large financial costs.
- Regarding solvency: The Corporation's solvency ratio is greater than 1, indicating that the Corporation's debt payment ability is currently at an acceptable level compared to the industry's business characteristics.
- Profit margin: Due to the nature of the industry, the profit margin before tax/Total assets and profit margin before tax/Revenue of the Corporation are relatively low. However, the profit margin after tax/Equity in 2024 improved significantly compared to the previous year, reaching 9.67% (in 2023 it reached 6.92%).

#### **4. Corporate Governance Activities**

In accordance with assigned responsibilities and authority, in 2024, the Board of Directors of Vietnam Machinery Installation Corporation - JSC held 70 meetings, consulted, and collected opinions, issued 108 resolutions, 35 decisions and a number of other documents related to the work of comprehensive management and direction in all aspects of the Corporation's operations. Members of Board of Directors participating in Board meetings are structured as follows:



No.	Board Member	Number of Board of Directors meetings attended	Meeting attendance rate	Reason no attend meeting
1	Mr. Bui Duc Kien	70/70	100.0%	
2	Mr. Le Van Tuan	55/70	78.6%	Mr. Le Van Tuan retired from October 1, 2024. At the same time, Mr. Le Van Tuan submitted a resignation letter from the Board of Directors from October 1, 2024.
3	Mr. Nguyen Van Hung	70/70	100.0%	
4	Mr. Nguyen Huu Thanh	38/70	54.3%	Dismissal of Board of Directors from June 28, 2024
5	Mr. Tran Vu Vuong	70/70	100.0%	
6	Mr. Nguyen Manh Dung	32/70	45.7%	Election of additional members of the Board of Directors for the 2021-2026 term from June 28, 2024

In 2024, the Board of Directors continued to direct the Corporation to review internal management regulations and rules in accordance with the provisions of law and the actual situation of the Corporation's production and business activities. Accordingly, the Corporation has revised and issued a number of regulations such as the Regulation on salary payment for employees, the Regulation on emulation and rewards, the Regulation on management of materials, tools, labor protection equipment and office equipment for project boards, etc.

Continue to direct the development and promulgation of the Plan to monitor and inspect the compliance with the law in production and business, anti-corruption, and practice thrift and combat waste in 2024 of the Corporation.

Directing the implementation of thematic inspections at Lilama 5 Joint Stock Company and Lilama 69-3 Joint Stock Company according to the approved plan. In addition, the Board of Directors continues to direct and monitor the activities of the Person assigned to participate in the Board of Supervisors at the Company with capital contributions of the Corporation (Supervisor), thereby summarizing issues that need to be noted in the management and operation of production and business activities at the Companies with capital contributions of the Corporation.

Review reports seeking opinions from the representative of the Corporation's capital at the Companies with LILAMA's capital contribution to pass resolutions directing the representative of the capital to exercise the rights and obligations of LILAMA shareholders at the General Meeting of Shareholders and the Board of Directors of the



Companies in accordance with the provisions of law, the Charter of the units' operations and the Regulations on management of the representative of the Corporation's capital.

Directing the overall review and assessment of member units in terms of operations such as financial situation, corporate governance, fulfillment of obligations to the state budget, social insurance, wages for employees, trade union funds and implementation of the Enterprise Restructuring Project, etc. Thereby, providing proposals, solutions, recommendations, and directives (through the Capital representative) for the Companies to promote the positive aspects achieved as well as overcome the remaining difficulties and weaknesses.

Direct and monitor risk management activities to identify, evaluate, rank risks and determine the Company's key risks in production and business activities, thereby taking preventive measures and making timely and appropriate action plans.

Direct the implementation of corporate information disclosure in accordance with the provisions of the Enterprise Law and the Securities Law.

Directly provide full information and create maximum conditions for the Corporation's Board of Supervisors to operate and complete its tasks.

Supervise and direct the activities of the Executive Board and other management staff according to the resolutions of the Board of Directors; thereby, the Board of Directors has supported and created maximum conditions for the Executive Board to proactively promote production and business activities according to the approved 2024 plan Indicators.

### **5. Organization, labor, salary**

The total number of employees of the Corporation as of December 31, 2024 is 1,701 people (excluding company managers), the average number of employees in 2024 is 1,747 people.

In 2024, the Corporation had major changes in senior management leadership. The process of electing, dismissing, and appointing officials is directed by the Board of Directors to be implemented in accordance with current regulations and rules, accordingly:

+ Mr. Nguyen Manh Dung was elected as a member of the Board of Directors for the 2021-2026 term at the 2024 Annual General Meeting of Shareholders of the Corporation, replacing Mr. Nguyen Huu Thanh;

+ Dismissed Mr. Le Van Tuan from the position of General Director of the Corporation from October 1, 2024 according to Decision No. 267.1/QD-HDQT dated September 30, 2024;

+ Appointed Mr. Nguyen Van Hung to hold the position of General Director of the Corporation from October 1, 2024 according to Decision No. 268/QD-HDQT dated September 30, 2024.

Regarding the organization, the Board of Directors has issued decisions on restructuring (Emulation and Reward Council; Steering Committee of the Anti-Corruption Steering Committee, etc.); Approved the plan to dissolve the Project Boards and Executive Boards of Vietnam Machinery Installation Corporation - JSC (Nghi Son 2 Power Project Board, Vinh Tan 4 Power Project Board, Nghi Son Oil Refinery Project Board, Restructuring Board).



Direct the organization of review and evaluation of cadres in 2023 for collectives and individuals representing State capital at the Corporation and representatives of the Corporation's capital at other enterprises.

Regarding the management of Capital Representatives, in 2024, the Board of Directors approved the plan to appoint and re-appoint the Corporation's Capital Representatives at a number of subsidiaries and affiliated companies; gave instructions for the Corporation's Capital Representatives at a number of subsidiaries and affiliated companies to vote at the General Meeting of Shareholders and the Board of Directors on personnel work at the units.

Regarding salary, the Board of Directors has directed the payment of salary to the company's managers in accordance with regulations. For employees, salary payment is made fully and promptly.

In 2024, the parent company of the Corporation fully implemented and ensured the rights, benefits, and policies for employees (salaries, social insurance, allowances, etc.). However, at some member units, due to difficulties in production and business and financial situations, salary payments were not timely, and policies for employees were not fully implemented and in accordance with regulations.

#### **7. Supervision activities for the Board of Directors and management staff**

The Board of Directors has directed and supervised the activities of the Board of Managers and managers through the issuance of resolutions, decisions and internal management regulations and rules for the Board of Managers and managers to comply with, ensuring efficiency, transparency and compliance with legal regulations as well as the set strategy; always closely monitor the activities of the Board of Directors and managers, promptly resolve arising issues within its authority to create favorable conditions for the Board of Managers and managers in the process of operating production and business activities, aiming to complete and complete at the highest level the Indicators according to the Resolution of the General Meeting of Shareholders and the Board of Directors of the Corporation, meeting obligations to shareholders.

#### **8. Selecting a Financial Statement Auditing Company for 2024**

Based on the list of Auditing Companies approved by the 2024 Annual General Meeting of Shareholders, the Board of Directors has approved the selection of AASC Auditing Firm Company Limited as the auditor of the 2024 financial statements of Vietnam Machinery Installation Corporation - JSC.

#### **9. Enterprise equitization and restructuring**

##### **✓ Equitization and transfer of state capital to joint stock companies:**

The settlement work to transfer state capital to the joint stock company has basically been completed. was fully implemented by the Corporation, except for the remaining problems related to the official opinions of the Hanoi People's Committee and the Ho Chi Minh City People's Committee on determining the value of land use rights after equitization of LILAMA at (i) 03 office floors (3,477.01m<sup>2</sup>) and 50% of the basement area (895.4m<sup>2</sup>) of the 21-storey mixed-use building at 124 Minh Khai, Hai Ba Trung District, Hanoi; (ii) Land lot in District 9 (now Thu Duc City), Ho Chi Minh City and (iii) Land lot E9-E6 Pham Hung Street (New Urban Area of Cau Giay District), Cau Giay District, Hanoi.



- Regarding (i) 03 office floors (3,477.01m<sup>2</sup>) and 50% of the basement area (895.4m<sup>2</sup>) of the 21-storey mixed-use building at 124 Minh Khai, Hai Ba Trung District, Hanoi: LILAMA has repeatedly sent official dispatches to the Hanoi People's Committee and the Hanoi Department of Natural Resources and Environment to request opinions on the land use rights value corresponding to the above 3 office floors and basement. However, up to now, LILAMA has not yet received any response or guidance from the Hanoi People's Committee and related Departments, Committees and Branches.

- For (ii) Land lot in Phuoc Long B Ward, District 9, Ho Chi Minh City and (iii) Land lot at E9-E6 on Pham Hung Street, Cau Giay District, Hanoi: The 2022 Annual General Meeting of Shareholders of Vietnam Machinery Installation Corporation - JSC has approved LILAMA to return the above 02 projects to the People's Committee of Hanoi City and the People's Committee of Ho Chi Minh City. On that basis, LILAMA has been implementing the procedures according to the instructions of the Ministry of Construction, of the competent authorities and in accordance with the provisions of law to return the projects. The implementation results up to the time of reporting are as follows:

+ Land lot 09-E6 Cau Giay Urban Area, Hanoi: On January 22, 2025, Hanoi Department of Finance returned the deposit and the Corporation is finalizing the project investment capital.

+ Land lot in District 9, Ho Chi Minh City: LILAMA is waiting for instructions from the Ministry of Finance and the Ministry of Construction to continue implementing the land return, and at the same time requesting the central budget or local budget to refund the project implementation costs (including 30,719,805,800 VND of land use fees paid to the budget).

**✓ Implementation status of the Plan to restructure state-owned enterprises and enterprises with state capital for the period 2022-2025 according to Decision No. 1479/QĐ-TTg dated November 29, 2022 of the Prime Minister and Decision No. 382/QĐ-BXD dated April 11, 2023 of the Ministry of Construction**

On November 29, 2022, the Prime Minister issued Decision No. 1479/QĐ-TTg approving the Plan to restructure state-owned enterprises and enterprises with state capital for the period 2022-2025; then, on April 11, 2023, the Ministry of Construction issued Decision No. 382/QĐ-BXD on the Plan to restructure state-owned enterprises and enterprises with state capital for which the Ministry of Construction is the owner representative for the period 2022-2025; accordingly, LILAMA is on the list of enterprises with a state capital divestment rate of 51% of charter capital, with the divestment completion time in the period 2024-2025. LILAMA has actively sought investors to divest state capital to 51% in 2024-2025. However, in the process of implementing the requirements of the Government and the Ministry of Construction, LILAMA found that the divestment of state capital at LILAMA encountered many difficulties and could hardly be completed according to the set schedule (due to the state investment capital at LILAMA not being attractive enough to interested investors, the impact of the world economic and political context with many fluctuations, problems in the settlement of state capital transfer to joint stock companies that have not been completely resolved, changes in legal policies...). Therefore, on May 10, 2024, LILAMA reported to the Ministry of Construction in Document No. 136/BC-DDV to recommend and propose to the Government and the Prime Minister to consider adjusting Decision No. 1479/QĐ-TTg dated November 29, 2022, not to divest state capital at LILAMA to



51% of charter capital in the period of 2024-2025. On December 2, 2024, the Ministry of Construction submitted Document No. 58/TTr-BXD to the Prime Minister on the restructuring of joint stock enterprises with the Ministry of Construction as the representative of state ownership, in which it recommended not to divest state capital to 51% of charter capital at LILAMA in the period of 2024-2025. The Government Office then issued Official Dispatch No. 8982/VPCP-DMDN dated December 6, 2024 requesting ministries and branches to comment on the proposal of the Ministry of Construction. After receiving comments from relevant ministries and branches, the Government Office issued Official Dispatch No. 1042/VPCP-DMDN dated February 11, 2025 directing the Ministry of Construction to study, receive and explain the opinions of the ministries. On March 28, 2025, the Ministry of Construction issued Official Dispatch No. 1202/BXD-QLDN to Deputy Prime Minister Ho Duc Phoc regarding the receipt and explanation of the proposal to restructure enterprises with shares under the Ministry of Construction.

While waiting for further instructions from the Prime Minister and the Ministry of Construction on the above issue, LILAMA has implemented the procedures for divestment of state capital according to Decision No. 1479/QD-TTg dated November 29, 2022 of the Prime Minister and Decision No. 382/QD-BXD of the Ministry of Construction. Accordingly, the Capital Representative in coordination with the Board of Directors of LILAMA has directed the Parent Company and its member units to carry out the preparation work for the inventory for the purpose of appraising the value of the Parent Company's enterprise at January 1, 2025 and the work of developing a production and business plan for the next 5-year period.

#### **10. Salaries and remuneration of the Board of Directors and the Board of Supervisors**

In 2024, the total salary and remuneration of the Board of Directors and the Board of Supervisors is as follows:

*Unit: Million VND*

No.	Content	Number	Salary/ remuneration	Number of months	Total amount
<b>I</b>	<b>Salary of the Board of Directors and the Board of Supervisors (Full-time)</b>				<b>1,588.80</b>
1	Chairman of the Board of Directors	1	54.20	12	650.40
2	Members of the Board of Directors	1	40.30	12	483.60
3	Head of the Board of Supervisors	1	37.90	12	454.80
<b>II</b>	<b>Remuneration of the Board of Directors and the Board of Supervisors (Concurrent)</b>				<b>351.00</b>
1	Members of the Board of Directors	1	7.00	12	84.00



No.	Content	Number	Salary/ remuneration	Number of months	Total amount
2	Members of the Board of Directors	1	7.00	9	63.00
3	Members of the Board of Directors	2	7.00	6	84.00
4	Members of the Board of Supervisors	2	5.00	12	120.00
	<b>Total</b>				<b>1,939.80</b>

### **11. Dividend payment situation**

Pursuant to the Resolution of the 2024 Annual General Meeting of Shareholders, the Board of Directors has directed the Corporation to pay 2023 cash dividends to shareholders, specifically as follows:

- Dividend payout ratio: 4.5%/share (1 share receives 450 VND)
- Amount paid to shareholders: VND 35,876,746,800 (of which the amount paid to shareholders of the Ministry of Construction is: VND 35,114,581,800, LILAMA has completed the payment of dividends to the state budget in December 2024).

### **12. Overall assessment of the activities of the Board of Directors: Challenges, difficulties, existing issues, limitations, and causes**

With the assigned responsibilities and authority, the Board of Directors always promotes the spirit of solidarity, adheres to the principles of democratic centralism, honesty, prudence, performs well the role of governance and comprehensive supervision of all aspects of production and business activities, ensuring maximum rights and legitimate interests of LILAMA.

In 2024, the Board of Directors and the Executive Board of LILAMA remained steadfastly adhere to the key goals and tasks approved by the Annual General Meeting of Shareholders to implement, make efforts and strive to achieve the highest level of the planned Indicators, contributing to maintaining and stabilizing production and business activities, ensuring jobs and income for employees and fully fulfilling obligations to the state budget and shareholders.

In addition to the achieved results, the Board of Directors of the Corporation recognized several difficulties and obstacles that led to the implementation of the tasks and powers assigned to the Board of Directors, as well as the goals and plans set by the Corporation not being as expected, specifically as follows:

- In 2024, despite exceeding the production and business plan indicators, LILAMA continues to face significant challenges as the traditional job market (hydropower, thermal power, gas-fired power projects, etc.) is increasingly scarce, along with fierce competition from domestic and foreign contractors, leading to many difficulties in finding new projects, while most of the projects LILAMA is constructing are in the final stage. In an effort to find solutions to expand the job market, as well as to adapt to the global context, trends, and development strategies, in recent times LILAMA has been flexible



and proactive in approaching, thereby having the opportunity to participate in the global green energy chain through manufacturing and exporting Modules for green Hydrogen projects. However, this is a new field, so the workload and orders are not much, not to mention that in the coming time, changes in global trade, economic and trade policies had many unpredictable developments, which may affect the implementation of green energy projects, causing LILAMA's job market share to be at risk of being narrowed, and job search opportunities became even more difficult.

- Due to the capital scale being too small compared to the scale of operations and revenue, while the capital turnover is not fast, the receivables are high and have been outstanding for a long time, so LILAMA's production and business activities mainly depend on borrowed capital and the financial pressure, cash flow pressure, and debt repayment are very large.

- After a long period of active and determined work with the Government, Ministries and branches as well as the Investor to settle the Vung Ang 1 Project, in the fourth quarter of 2024, LILAMA signed Appendix No. 49 approving the unforeseen value of the construction and installation part of the EPC Contract of the Vung Ang 1 Thermal Power Plant Project. The project settlement has been basically agreed upon by the parties, however, LILAMA has not been able to completely handle it to recover capital because the Investor still has to wait for the conclusion of the State Audit before paying LILAMA. Meanwhile, foreign contractors are demanding debt from LILAMA very closely and fiercely with large sums of money, along with that, the Project has ended a long time ago, it is impossible to borrow capital from credit institutions, causing LILAMA to face pressure on capital sources to pay debts to the Project's subcontractors.

- Implementing the LILAMA restructuring project for the period 2021 - 2025, focusing on divestment of capital from outside the enterprise, LILAMA's Board of Directors has been very determined and resolute in implementing the prescribed procedures for divestment, however, the results have not been as expected because on the one hand, the capital investments LILAMA plans to divest are not attractive due to ineffective production and business activities and difficult financial situation; On the other hand, divestment at some public companies through public auctions still faces many difficulties due to compliance with the provisions of the Securities Law, leading to a reduction in flexibility and responsiveness of LILAMA (Business activities of 02 consecutive years immediately preceding the year of registration for offering must be profitable, and there must be no accumulated losses up to the year of registration for offering, while, among 10 public companies/19 companies on LILAMA's divestment list according to the Restructuring Project, up to 8 companies incurred losses/accumulated losses) .

- The general situation of the majority of subsidiaries and affiliated companies under the Corporation is extremely difficult, leading not only to the burden of setting up financial investment provisions for the Corporation, affecting the results of the Consolidated Financial Statements but also affecting the production and business capacity and competitiveness of the entire Corporation. Although the Board of Directors, through the representative of the Corporation's capital in the subsidiaries and affiliated companies, has regularly given close instructions, and at the same time provided orientations and recommendations to find solutions to overcome the shortcomings in the administration



and management of the production and business activities of the companies. However, due to many objective and subjective reasons, the situation of the companies has not improved, but has even become more and more difficult.

- The settlement of capital transfer to the joint stock company has not been completed yet due to problems related to determining the value of land use rights after LILAMA's equitization. LILAMA has always closely followed and fully complied with the instructions of the Ministry of Construction and related agencies, but the problem has not been completely resolved yet.

## **II. Board of Directors' 2025 operational plan**

### **1. Production and business plan for 2025**

In 2025, Vietnam's economic outlook is forecast to be positive, bringing many opportunities and challenges to businesses, including LILAMA, as it is the decisive year of the 2021-2025 period to create a foundation for acceleration and breakthrough, with a GDP growth Indicator of 8%, aiming for a double-digit growth rate in the next period; the year marking a major turning point when the country carries out a revolution in streamlining the organizational apparatus... Along with that, there are still existing risks and challenges such as increasing and unpredictable geopolitical crises; strategic competition in trade; unpredictable changes in foreign, economic and social policies... In particular, the decisions of the United States related to reciprocal tax policies with Vietnam and other countries in the world have a great impact on investment psychology and environment, price fluctuations, supply chain disruptions, causing great risks to business operations if the trade conflict persists.

Based on the assessment of the advantages and disadvantages of the economy, existing and potential projects/works, factors affecting the market, along with the current state of production and business activities, the Corporation has developed a production and business plan for 2025 with the highest effort and determination. Some Indicators of the production and business plan for 2025 are as follows:

+ *Parent Company's 2025 production and business plan:*

*Unit: Billion VND*

<b>No.</b>	<b>Indicator</b>	<b>2024 Actual</b>	<b>2025 Plan</b>	<b>% 2025 Plan /2024 Actual</b>
1.	Output value	6,083.5	6,576.87	108.11%
2.	Total revenue (*)	6,225.4	5,965.5	95.8%
3.	Profit before tax (*)	95.6	110.0	115.1%
4.	Payable to the State budget	106.6	100.0	93.8%
5.	Expected dividend yield	Expected 3.5%/year	7.0%	200.0%
6.	Investment	1.1	600.0	
7.	Employee salary fund	386.17	347.38	89.9%

(\*) *The planned revenue and pre-tax profit figures do not include revenue and profit*



from the Corporation's divestment of external investments. In the event that such divestments are successfully executed, it is proposed that the General Meeting of Shareholders authorize the Board of Directors to adjust the business plan in accordance with the actual divestment results.

+ The 2025 production and business plan of the entire Corporation is as follows:

Unit: Billion VND

No.	Indicator	2024 Actual	2025 Plan	% 2025 Plan /2024 Actual
1.	Total revenue			
	Parent company	6,225.4	5,965.5	95.8%
	Subsidiary	175.4	179.4	102.3%
	Subtotal	6,400.8	6,144.9	96.0%
	Consolidated	6,277.9	6,144.9	97.9%
2.	Profit before tax			
	Parent company	95.6	110.0	115.0%
	Subsidiary	(24.9)	(2.8)	
	Subtotal	70.8	107.2	151.5%
	Consolidated	82.8	107.2	129.5%
3.	Pay to the state budget			
	Parent company	106.6	100.0	93.8%
	Subsidiary	7.8	8.3	105.7%
	Subtotal	114.4	108.3	94.6%
4.	Invest			
	Parent company	1.1	50.0	
	Subsidiary	0.3	0.5	187.8%
	Subtotal	1.4	50.5	

## 2. Investment plan for 2025

### 2.1 Investment in machinery, equipment and construction vehicles

In 2025, the Corporation plans to invest in a number of machinery and equipment to serve the construction of ongoing projects, with an estimated investment value of about 50 billion VND ( *List of investment in machinery, equipment and tools attached* ).

### 2.2 Investment in the construction of a Module Fabrication and Assembly Plant

With the aim of improving capacity, increasing competitiveness, aiming at sustainable development of LILAMA in the field of processing, manufacturing and assembly to maintain the core business of traditional mechanical manufacturing for domestic and export markets , the Corporation is researching to invest in the construction of a Module Fabrication and Assembly Plant. The investment policy will be carefully considered by the Corporation, and submitted to competent authorities for approval in



accordance with current regulations.

In case the Project is approved for investment, the Corporation plans to invest about 550 billion VND in 2025 to rent/purchase land to prepare for the construction of the Plant.

### 2.3 External Investment

In 2025, the Corporation will continue to implement the divestment of capital in enterprises with capital contributions according to the LILAMA restructuring project for the period 2021 - 2025. However, the implementation process in the past has shown that the divestment results will be difficult to achieve according to the plan set out in the project due to objective and subjective reasons as presented above (Section 12, Part I). In the coming time, LILAMA will study to propose and submit to competent authorities for approval to adjust the divestment plan in companies with capital contributions of LILAMA to suit the actual situation, and will continue to propose the Ministry of Construction to support in making recommendations to competent agencies to remove difficulties and obstacles in policies and mechanisms related to divestment from enterprises.

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

*Unit: Million VND*

No.	Content	Number	Salary/ remuneration	Number of months	Total amount
<b>I</b>	<b>Salary of the Board of Directors and the Board of Supervisors (Full-time)</b>				<b>2,118.00</b>
1	Chairman of the Board of Directors	1	58.00	12	696.00
2	Member of the Board of Directors	1	47.00	12	564.00
3	Member of the Board of Directors	1	47.00	6	282.00
4	Head of the Board of Supervisors	1	48.00	12	576.00
<b>II</b>	<b>Remuneration of the Board of Directors and the Board of Supervisors (Concurrent)</b>				<b>486.00</b>
1	Member of the Board of Directors	2	9.00	12	216.00
2	Member of the Board of Directors	1	9.00	6	54.00
3	Member of the Board of Supervisors	2	9.00	12	216.00
	<b>Total</b>				<b>2,604.00</b>

### 4. Key Tasks and Solutions for Implementing the 2025 Business Plan



Faced with the opportunities and challenges of the economy and in the spirit of Directive No. 09/CT-TTg dated March 21, 2025 of the Prime Minister on the tasks and solutions of state-owned enterprises contributing to double-digit economic growth, rapid and sustainable national development, LILAMA's Board of Directors will continue to enhance its responsibility, put the interests of the Corporation first, perform the assigned rights and tasks honestly, carefully, proactively, flexibly, promptly and effectively, and make the highest efforts so that the Corporation can complete the set production and business goals and plans, creating momentum and strength for LILAMA to overcome difficulties, obstacles and negative impacts from the outside, towards stable and sustainable development. The tasks and groups of solutions that need to be implemented are as follows:

**\* Regarding production, business and investment:**

- Continue to focus on directing and promoting marketing and bidding activities, improving competitiveness, closely following investors and general contractors, and offering reasonable prices to be able to sign contracts and ensure work for 2025 and the following years. In the context of the current difficult job market, strive to find every solution and every job opportunity that the Corporation can undertake to ensure cash flow.

- Continue to direct production and business activities, focus on construction, ensure progress, quality, safety, and labor productivity at construction sites to complete the 2025 plan Indicators; contribute to increasing the trust, credibility, and strong brand of LILAMA, thereby opening up opportunities for long-term cooperation with partners and customers.

- For investment work, the implementation direction is based on careful consideration of the level of necessity and efficiency of use to avoid the situation of scattered investment, waste leading to capital backlog and cost overruns. In particular, for the Module Manufacturing Factory Investment Plan, the Corporation will analyze, evaluate carefully and comprehensively all aspects and will submit to the competent authority for approval in accordance with regulations in case investment is deemed necessary.

**\* About financial management:**

- Continue to direct the search for solutions to promote settlement and debt collection at completed construction projects and at member units with debts due to the Corporation to have additional cash flow for production and business activities.

- Strengthen cost management. Accordingly, by all means, direct cost optimization, practice savings, effectively use resources, manage the Corporation's budget and cash flow well to ensure fulfillment of obligations to shareholders, ensure income and benefits for employees, and fulfill obligations to the state budget, responsibility to the community, society, etc.

**\* Regarding restructuring:**

- Focus on directing the implementation of the LILAMA restructuring project for the period 2021-2025, focusing on divestment of investment capital in enterprises with LILAMA 's capital contribution according to the Project's list; at the same time, continue to implement comprehensive restructuring in all aspects of the Corporation's operations according to the Project such as: Industry restructuring, financial restructuring, governance restructuring, organizational restructuring, human resources, etc.

**\* About organization:**



- Continue to direct the strengthening of human resource management, rationalization of labor to suit construction needs, management of projects at Project Boards, especially at Construction Teams, Branches of the Corporation ; Monitor and control the mobilization of workers and salary payment to ensure effective and productive mobilization, avoid wasting resources as well as to ensure sufficient salary fund to pay workers.

- Carry out the organization of departments, assign and transfer labor reasonably, perfect the leadership team at the departments of the Corporation and the Capital Representative at the member companies to gradually improve and enhance the efficiency of management and operation of production and business activities, restructure human resources on the basis of streamlining, improve labor productivity to reduce costs for the Corporation.

**\* About administration:**

- Directing to continue reviewing, amending and supplementing to promulgate and apply internal management regulations and rules in accordance with current laws and the actual situation of the Corporation .

- Strengthen financial supervision, internal control, supervision of production and business activities at subsidiaries and affiliated companies through the representative of the Corporation's capital, strengthen internal audit and risk management.

- Direct the representatives of the Corporation's capital at the units to continue researching and applying synchronous solutions to improve existing and weak aspects; as well as direct the development of appropriate production and business development strategies, ensuring jobs and benefits and regimes for employees; fully perform obligations to the State budget and social insurance in accordance with regulations.

**\* Other work:**

- Continue to comprehensively direct other tasks according to the functions and tasks specified in the Charter of organization and operation of Vietnam Machinery Installation Corporation - JSC and the Operating Regulations of the Board of Directors of Vietnam Machinery Installation Corporation - JSC.

Above is the report of Vietnam Machinery Installation Corporation - JSC on the activities in 2024 and the orientation of the operation plan in 2025. On behalf of the Board of Directors and the Board of Directors of the Corporation, I would like to sincerely thank you for your companionship and trust in the past time and hope to continue to receive your attention and support so that Vietnam Machinery Installation Corporation - JSC can continuously develop and complete the strategic goals, plans and assigned tasks.

With sincere thanks!

**ON BEHALF OF THE BOARD OF DIRECTORS**

***Recipient:***

- As above;
- Members of Board of Directors;
- Board of Supervisors;
- Archived: Board of Directors.

  
**Bui Duc Kien**



## THE INVESTMENT LIST OF MACHINERY, EQUIPMENT AND TOOLS IN 2025

TT	Work category	Quantity	Unit	Unit price (million VND)	Total amount (million VND)	Note
1	70 ton tire crane	1,00	Item	13.500,00	13.500,00	
2	10 ton self-propelled crane truck	3,00	Item	5.400,00	16.200,00	
3	5 ton forklift	3,00	Item	2.161,08	6.483,24	
4	7 seater car	3,00	Item	1.750,90	5.252,70	
5	Saw	2,00	Item	561,60	1.123,20	
6	Drilling machine	2,00	Item	263,25	526,50	
7	Beveling machine	1,00	Full set	1.067,58	1.067,58	
8	Turtle cutter	2,00	Full set	159,30	318,60	
9	Handheld punching machine	1,00	Item	456,30	456,30	
10	TIG welding machine	24,00	Item	105,30	2.527,20	
11	MIG welding machine	24,00	Item	52,65	1.263,60	
12	DC welding machine	24,00	Item	15,80	379,08	
13	Welding rod drying cabinet	3,00	Set	68,22	204,66	
14	Welding rod dryer	30,00	Set	1,35	40,41	
15	Handheld grinder	90,00	Item	2,43	218,70	
16	Hand tools and instrumentation	1,00	Lot	450,00	450,00	
<b>TOTAL (VAT not included)</b>					<b>50.011,77</b>	



