

**SUMMARY OF KEY CONTENTS**  
**Development Orientation of Vietnam Machinery Installation**  
**Corporation - JSC for the 2026-2030 period**

**1. Vision and Mission**

**1.1. Vision**

LILAMA shall become a leading corporation in Vietnam and the region; a professional EPC contractor and a reputable mechanical equipment manufacturer participating in global supply chains.

The realization of this vision is closely aligned with the mission of providing comprehensive solutions in the industrial and energy sectors; the development objectives in terms of scale, efficiency, and competitiveness through to 2030; as well as key strategic orientations comprising: strengthening EPC capacity, developing mechanical manufacturing, expanding markets, and promoting digital transformation and green transition.

**1.2. Mission**

- *In its capacity as a state-owned enterprise:* (1) To uphold its role as a core state-owned enterprise in the mechanical manufacturing and industrial construction sector, serving as a key instrument of the Government in organizing and implementing key national projects, defence- and security-related projects, and other specific requirements; (2) To be a domestic enterprise with sufficient capacity to serve as a counterweight to foreign enterprises in the EPC general contracting sector, thereby contributing to greater self-reliance, effective investment control, and the protection of national interests in large-scale projects.

- *With respect to the market:* To commit to providing customers with high-quality, safe, and competitively priced products and services to customers, supported by modern machinery and equipment, advanced management practices, and a professional, highly skilled technical workforce, thereby contributing to the development of industrial and energy infrastructure and enhancing the productive capacity of the economy.

- *With respect to employees:* To foster a professional working environment in which employees have opportunities for growth and are remunerated appropriately in line with their performance.

- *With respect to business partners:* To uphold the spirit of collaborative and mutually beneficial development, aspiring to become the “Partner of First Choice” for all counterparts.

- *With respect to society:* To align corporate interests with social interests and to make positive contributions to community-oriented initiatives.

## **2. Development objectives**

- During the 2026-2030 period, LILAMA shall continue to consolidate the results achieved, enhance brand equity and competitiveness, and affirm its position as a leading enterprise in EPC general contracting, industrial construction and installation, and equipment manufacturing, while progressively deepening its participation in global value chains.

- Focus shall be placed on core business areas, in which EPC and construction and installation maintain the primary role, while mechanical manufacturing progressively becomes an important pillar, contributing to enhanced added value and greater self-reliance in project delivery.

- The Corporation shall pursue quality growth in a sustainable direction, improve business efficiency, strengthen financial capacity, ensure capital preservation, and proactively adapt to market fluctuations; while progressively expanding into international markets, diversifying its workload base, and enhancing its regional standing.

- Efforts shall be directed towards refining the corporate governance model in a modern and transparent direction, enhancing management capability, risk control, and technology application in administration, thereby laying the groundwork for stable and long-term development.

### **2.1. Principal Business Lines**

- The Corporation shall focus on two core business lines in which LILAMA possesses high growth potential and competitive strengths: (1) EPC and Construction & Installation; and (2) Mechanical Manufacturing (\*).

- Certain ancillary activities related to the principal business lines (import-export, plant and equipment leasing, project management) shall be maintained to support and enhance the competitiveness of the core businesses.

*(\*) In addition to consolidating and developing the two core business lines in which LILAMA holds traditional strengths, LILAMA has a strategic objective of exploring expansion into industrial shipbuilding (already included in LILAMA's registered business activities) subject to the availability of suitable infrastructure.*

### **2.2. Enterprise Restructuring; Financial, Capital, and Asset Restructuring**

- To maximize enterprise value and develop LILAMA on a sound financial foundation, ensuring stable, sustainable, and growth-oriented development.

- The central objective of LILAMA's development orientation is to operate efficiently with growing profitability and maximum enterprise value. LILAMA shall endeavour to develop into a strong organization, concentrating on a select number of core business lines of strategic importance with high growth and profit potential, in which LILAMA holds competitive advantages. In parallel, LILAMA shall operate efficiently to maintain and develop appropriate resources and

promote job creation and employee welfare.

- To increase charter capital to VND 2,500 billion in order to strengthen the resource base for business operations and development investment.
- To restructure liabilities with a view to reducing the leverage ratio to a reasonable and safe level and lowering financing costs, through increasing charter capital, accelerating capital turnover, and replacing short-term, high-interest borrowings with long-term facilities at reasonable interest rates appropriate to the Corporation's needs.
- To restructure the external investment portfolio so as to optimize returns, and to concentrate investment capital on enhancing capacity in the principal business lines.
- To improve capital efficiency, ensure financial equilibrium, and improve financial metrics towards safety and sustainability.

### **2.3. Management Structure and Human Resources**

To complete the development of a new, lean organizational structure and finalize divestment from entities outside the principal business lines or performing inefficiently; to ensure that human resources are commensurate with the development plans for the core business lines; to increase the proportion of scientific, technical, and technological personnel; to rationalize the organizational apparatus in line with the operational model and improve labor productivity; and to progressively enhance employee performance and raise average per-capita remuneration.

To concentrate on developing human resources that meet the requirements of the core business areas, increasing the proportion of skilled tradespeople and highly qualified specialists; progressively improving labor productivity, work efficiency, and employee remuneration, in a manner consistent with the Corporation's operational scale and business performance.

### **2.4. Corporate Governance**

- LILAMA shall continue to fulfil its role as strategic planner and controller; organizer of business operations; and general coordinator of activities at enterprises in which LILAMA holds equity interests.
- To build a corporate governance framework in accordance with the Law on Enterprises and in alignment with international best practice; and to adopt and implement a corporate governance code to ensure fairness, transparency, and accountability.
- To enhance risk management capacity and operational efficiency; and to strengthen cross-functional coordination in monitoring, inspection, and performance evaluation, with a view to improving internal controls, transparency, and risk governance.
- To progressively promote the application of technology and digital transformation in corporate governance.

## **2.5. Digital Transformation Strategy; Application of Artificial Intelligence, Big Data, and Emerging Technologies**

- LILAMA shall pursue accelerated digital transformation across all business and corporate governance activities in a coordinated and comprehensive manner, with the aim of improving operational efficiency and competitiveness.
- The primary focus shall be on progressively forming a data-driven governance model and enhancing the application of digital technology in management, administration, and project execution, thereby improving control, forecasting, and decision-making capabilities.
- In parallel, LILAMA shall pursue a phased approach to adopting emerging technologies such as Big Data, Artificial Intelligence (AI), and other digital technologies appropriate to its operational characteristics, with the aim of optimizing resources, improving operational efficiency, and mitigating risks in project implementation.

## **3. Investment Plan**

- **Investment plan for the 2026–2030 period:** Formulated on the basis of enhancing self-reliant EPC project execution capacity, while establishing the foundation for the Parent Company to deepen its participation in industrial value chains and international markets. The investment structure shall be concentrated in the following principal categories:

+ Investment in mechanical manufacturing and modular fabrication at the Corporation level: To enhance fabrication and module integration capacity in support of EPC projects and value chains. This represents LILAMA's most significant investment priority for the forthcoming period.

+ Investment in enhancing direct construction and EPC capacity: To develop the construction workforce, procure specialized equipment, and establish management systems for project implementation.

+ Investment in design and technology capacity development: To establish and operate a Design Consulting and Innovation Centre and standardize technical solutions.

+ Selective equity investment in energy projects: To allocate capital through appropriate equity participation in a number of LNG gas-fired power projects and key energy projects, thereby expanding the market and enhancing LILAMA's position in the EPC value chain; while also facilitating early project access, increasing opportunities to participate in EPC and construction and installation packages, and progressively building a stable medium- and long-term pipeline of work.

+ Investment in digital transformation and governance capacity enhancement: To implement management systems aimed at improving operational efficiency and cost control.

+ Contingency and project-based flexible investment: To address emerging

needs associated with key projects.

The capital structure shall be oriented towards a progressively increasing share of equity, combined with debt financing and co-investment arrangements, so as to ensure financial equilibrium and enhance resource mobilization capacity. To meet investment requirements, LILAMA shall develop a diversified capital-raising plan, with priority given to the use of equity.

- **Plan for the utilization of the development investment fund:** The development investment fund constitutes one of the important capital sources for implementing foundational investment projects in support of LILAMA's long-term development orientation. Annual appropriations to the Fund shall be made from after-tax profit at the maximum permissible rate under prevailing regulations (up to 50%), and shall be applied towards productive investment, factory construction, charter capital supplementation, and other investment needs consistent with LILAMA's development orientation. The development investment fund shall be deployed in full and applied as a priority to the key investment objectives set out above.

- **Site identification for factory investment:** LILAMA shall continue the selection for suitable investment locations on the basis of established criteria and orientations, when conditions are satisfied.

#### **4. Charter Capital Increase Plan**

On the basis of development needs and resource allocation capacity, LILAMA proposes to increase its charter capital in accordance with an appropriate roadmap, ensuring feasibility and effectiveness.

- Current charter capital: VND 797 billion.
- Target charter capital upon completion of the increase: VND 2,500 billion.

The capital increase shall be carried out in two phases, as set out below:

- Phase 1 (2026–2027): Increase charter capital from VND 797 billion to VND 1,500 billion.

This phase is foundational in nature, aimed at improving the capital structure, supplementing working capital, and laying the preconditions for the implementation of key investment projects.

LILAMA's orientation to increase charter capital to VND 1,500 billion in the 2026–2027 period is based on the following considerations: this represents the projected post-equitization charter capital determined under the equitization plan (approved by the Prime Minister pursuant to Decision No. 1036/QĐ-TTg dated 10 July 2015); and the capital increase is feasible in terms of capital sources, addresses the pressing need to increase charter capital scale, improve the Corporation's financial capacity, and serve development requirements in the forthcoming period.

- Phase 2 (2028–2030): Continue to increase charter capital from VND 1,500

billion to VND 2,500 billion, commensurate with the need to expand the scale of operations, deepen investment, and enhance LILAMA's competitiveness in the subsequent period.

## **5. Plan for Restructuring the External Investment Portfolio**

Following a comprehensive review, LILAMA's investment portfolio for the 2026–2030 period shall be restructured according to the following principal categories:

### **5.1. Core Enterprise Group (3 enterprises)**

- LILAMA 10 Joint Stock Company.
- LILAMA 18 Joint Stock Company.
- LILAMA 69-3 Joint Stock Company.

With respect to these three companies, LILAMA's orientation is to: maintain ownership relationships, linkages, and operational coordination in direct support of LILAMA's business activities, particularly in EPC projects, mechanical manufacturing, and especially export manufacturing projects, key national projects, and large-scale industrial projects; where these companies require charter capital increases to support development and business expansion, LILAMA shall consider additional capital contributions to maintain (or increase) its ownership interest.

### **5.2. Newly Established or Newly Invested Enterprises**

In addition to the core enterprises referred to above, LILAMA may establish new enterprises wholly owned by LILAMA (single-member limited liability companies); contribute capital to enterprises in which LILAMA holds a controlling interest; or make selective equity investments in energy projects, including participation in a number of LNG gas-fired power and key energy projects through appropriate equity contribution arrangements. The establishment of new entities or equity investment in such enterprises is intended to directly serve a new production organization model, under which the Parent Company exercises comprehensive oversight over strategy and direction, operational management, and performance.

Such enterprises may be structured along the following lines:

- + Direct construction enterprises.
- + Specialized technical service enterprises.
- + Manufacturing, assembly, and modular fabrication enterprises, or specialized entities providing direct project support.
- + Enterprises operating in new business areas in line with the Corporation's business orientation (such as shipbuilding and repair activities).
- + Other enterprises as and when required.

The establishment of new entities shall be subject to detailed study by LILAMA regarding their functions, mandates, organizational structure, capital requirements, operational efficiency, and implementation roadmap, prior to submission to the competent authority for consideration and approval.

### **5.3. Enterprises Requiring Restructuring (1 enterprise)**

**Comprising: LILAMA 7 Joint Stock Company.**

With respect to LILAMA 7, during the 2026–2030 period, LILAMA shall prioritize the implementation of a comprehensive restructuring of the enterprise.

During this period, as an immediate stabilization measure to facilitate the restructuring process, LILAMA shall maintain its current ownership interest while providing support to the enterprise throughout the restructuring process. The retention of the ownership interest is also intended to ensure LILAMA's presence in the Central region, maintain a technical workforce, and preserve the capacity to implement projects in the region, particularly small- and medium-scale projects.

On the basis of restructuring outcomes, LILAMA shall consider the following options:

- + Where restructuring yields positive results: Consider participating in a charter capital increase to support financial restructuring, supplement resources for business operations, and enhance market competitiveness.
- + Where restructuring fails to achieve the required outcomes: Consider full divestment of the investment in the enterprise.

Any consideration of a capital increase (if applicable) shall be conducted on the basis of a comprehensive assessment, including: the effectiveness of the restructuring plan; capital requirements and the specific plan for capital utilization; the capacity to improve the financial position and business performance; as well as consistency with LILAMA's overall development strategy and resource allocation capacity.

### **5.4. Enterprises Subject to Full Divestment / Dissolution / Winding-Up**

With respect to entities not falling within the categories described above, LILAMA shall pursue restructuring oriented towards capital recovery, on the basis of flexibly considering disposal options appropriate to the actual circumstances of each enterprise and in accordance with applicable law.

Divestment shall be the preferred course of action; in cases where divestment is not feasible or cannot be executed on satisfactory terms, LILAMA shall consider alternative disposal measures such as dissolution, bankruptcy, or other appropriate restructuring options, with a view to maximizing recovery of invested capital and limiting risk exposure.

The selection of specific disposal measures shall be based on a comprehensive assessment of legal, financial, and capital recovery considerations.

This group comprises:

**a) Enterprises outside the principal business lines (9 enterprises)**

1. BV Invest Joint Stock Company.
2. Hua Na Hydropower Joint Stock Company.
3. Song Thao Cement Joint Stock Company.
4. Thang Long Cement Joint Stock Company.
5. Petrovietnam Marine Shipyard Joint Stock Company
6. LILAMA Real Estate Joint Stock Company (LILAMA Land).
7. LILAMA Technology and Construction Design Joint Stock Company
8. LILAMA Electric Mechanic And Environmental Corporation
9. Phu My Trung Viet Joint Stock Company

**b) Enterprises within the principal business lines but performing inefficiently or inconsistent with LILAMA's development orientation (8 enterprises)**

1. LILAMA Erection Mechanical Joint Stock Company
2. LHT International Engineering Joint Stock Company (subject to dissolution for capital recovery).
3. LILAMA 5 Joint Stock Company.
4. LILAMA 45.3 Joint Stock Company.
5. LILAMA 45.4 Joint Stock Company (\*).
6. LILAMA 45.1 Joint Stock Company.
7. LILAMA 69-1 Joint Stock Company.
8. Erection - Electromechanics Testing Joint Stock Company

*(\*) With respect to LILAMA 45.4 Joint Stock Company, LILAMA is currently coordinating with the Vietnam Debt and Asset Trading Corporation (DATC) to implement a restructuring plan. On the basis of outcomes from engagements with DATC, LILAMA shall consider and determine an appropriate disposal method for recovering its invested capital in the enterprise.*

**5.5. Foreign Enterprises (1 enterprise)**

**Comprising: LILAMA SEA Company Limited.**

LILAMA SEA was incorporated to implement a project in Brunei in accordance with the requirements of the host jurisdiction. The project has since been completed and the enterprise is currently in the defects liability period. Going forward, LILAMA shall manage its interest in LILAMA SEA on a flexible basis:

+ If the Bruneian and regional markets continue to offer work opportunities suitable to LILAMA's capabilities, the option of continuing operations under the most effective arrangement shall be considered.

+ If market conditions no longer support efficient ongoing operations, LILAMA shall consider transfer or dissolution in order to recover capital.

***(Further details are set out in the Development Orientation of Vietnam Machinery Installation Corporation - JSC for the 2026–2030 Period.)***