

*Hanoi, [date] 2026*

## **REPORT**

### **Vv approved the development strategy of Vietnam Forestry Corporation - JSC. period 2026-2030**

**Dear:** General Shareholders' Meeting  
Vietnam Forestry Corporation - Joint Stock Company

The Board of Directors of Vietnam Forestry Corporation - Joint Stock Company (the Corporation) reports and seeks the approval of all shareholders for the Corporation's Development Strategy for the period 2026-2030 (the Strategy) with the following main contents:

#### **A. MAIN CONTENTS OF THE STRATEGY:**

##### **1. Orientation goals**

##### **1.1 Perspectives and development orientations**

- Striving to become a strong, large-scale state-owned enterprise, playing a pioneering and guiding role in the development of the forestry sector; in line with the National Forestry Development Strategy and Planning.

- Promote and take the lead in research and application of science and technology, and digital transformation to actively participate in the development of a green economy, a circular economy, and the reduction and absorption of greenhouse gases.

- Implement modern corporate governance on a digital platform, applying advanced management principles; restructuring the Corporation in a substantive and effective manner, reducing the number of entities and increasing scale.

- Ensuring the consistent and comprehensive leadership of the Party in guiding the development of the Corporation.

##### **1.2 Overall objectives by 2030**

- The Corporation has become a leading enterprise in Vietnam in the field of sustainable forestry production based on modern science and technology, and is the forestry enterprise with the largest market capitalization on the Vietnamese stock market. In particular, it is a pioneer and leader in the following areas: (1) production and trading of high-quality forestry seedlings; (2) conversion to intensive cultivation of large-diameter timber associated with expanding the area of planted forests meeting FSC sustainable forest management standards, promoting multi-purpose tree planting according to the Government's orientation; (3) carbon credit consulting and trading; (4) participation in restructuring and reforming forestry companies in localities; (5) research to expand forestry investment area into the Lao People's Democratic Republic.

- Continuing to maintain the state capital ratio at 51%, the role of large state-owned enterprises in sustainable forestry development is promoted, closely linked to socio-economic development in mountainous, remote, and border regions; contributing to the development of a green economy, a circular economy, ensuring social security, national defense and security, poverty reduction, new rural development, and fulfilling the political tasks assigned by the Party and the State.

- To promote the restructuring and reorganization of the Corporation towards increasing scale, reducing the number of departments, and improving efficiency; to boost investment in key industries and business sectors; to promote the application of science and technology, innovation, and digital transformation in all aspects of the Corporation's operations; and to promote the development of Vinafor's corporate culture... in order to enhance productivity, operational efficiency, and competitiveness of the Corporation.

- Implement transparent and effective governance on a digital platform, applying OECD governance principles.

- Enhance the efficiency of core business operations, gradually reducing dependence on revenue from other activities; Strive for higher revenue growth than the industry growth rate during the 2026-2030 period and contribute to the national double-digit growth target; Ensure stable employment and improve the living standards and income of the Corporation's employees, contracted households, and people in the operating areas.

## **2. Main tasks**

**2.1** Adhering closely to the directives of the Party, Government, Ministry of Finance, and T&T Group, especially implementing the spirit of Resolution 79/NQ-TW of the Politburo, Resolution 29/NQ-CP and Resolution 41/NQ-CP of the Government; putting Law No. 68/2025/QH15 and guiding decrees and circulars into practice in all aspects of the Corporation's operations; focusing all resources and implementing all solutions to organize and implement, striving to complete and exceed the strategic targets set for the 2026-2030 period, contributing to achieving the national growth target of 10% or more in the 2026-2030 period. Specifically:

- Develop sustainable forestry production in harmony with three pillars: Economic - Social - Environmental; promote the role of large state-owned enterprises in pioneering and guiding the development of other economic sectors in the same field, developing a green economy, a circular economy, and improving the environment.

- Develop the wood processing sector.

- Expanding and developing the commercial and service business sector.

- Strengthen management and improve the efficiency of land use.

**2.2** Effectively implement the investment and development plan for the period 2026-2030 to create a solid foundation for the Corporation's sustainable growth and development in the next phase.

**2.3** Continue to accelerate the restructuring and reorganization of the Corporation's capital according to the capital restructuring plan for the period 2026-2030.

**2.4** Developing high-quality human resources is essential for improving labor productivity and contributing to the Corporation's sustainable growth and development.

**2.5** Amend and supplement the Charter; improve the internal regulations, rules, and internal policies of the Corporation to conform with current legal regulations, aiming to simplify procedures, create a transparent legal framework for member units to innovate and develop, promote decentralization and delegation of authority,

strengthen inspection, supervision, and post-audit; and enhance the efficiency and transparency of the internal governance system in accordance with the law.

**2.6** Promoting the application of science and technology, innovation, and digital transformation in all aspects of operations (from management, production and business, investment, etc.) of the Corporation and its member units in accordance with Resolution No. 57-NQ/TW of the Politburo to improve the operational efficiency and competitiveness of the Corporation;

**2.7** Improve the governance system according to the main principles of the OECD, while adapting it to the specific characteristics of the Corporation.

**2.8** Effectively implement the Vinafor corporate culture development plan.

**2.9** Enhancing the comprehensive leadership role of the Party; effectively fulfilling the political tasks assigned by the Party and the State, contributing to ensuring social welfare, national security and defense, poverty reduction, and building new rural areas .

### **3. Specific targets by the end of 2030**

- The Corporation's seedling production and consumption output for the period 2026-2030 will reach over 300 million seedlings of all types, **with a growth rate of 10% per year** compared to the previous period;

- The area of intensively cultivated forests with large-diameter timber will increase by more than 2,000 hectares in the 2026-2030 period, doubling compared to the previous period;

- The consolidated total revenue of the entire Corporation for the period 2026-2030 is expected to reach approximately VND 13,551 billion. Of this, the parent company will contribute approximately VND 9,294 billion. The growth rate of forestry production value is projected at 5.6% - 5.8% per year;

- The consolidated after-tax profit of the entire Corporation for the period 2026-2030 is projected to reach approximately VND 1,809 billion. Of this, the parent company is expected to achieve approximately VND 1,595 billion.

- The average ROE for the consolidated corporation during the 2026-2030 period is expected to be around 7.1% per year. Of this, the average ROE for the parent company is expected to be around 7.9% per year.

### **4. Investment and development plan for the period 2026-2030**

#### **4.1 Investment objectives**

Ensuring adequate facilities and infrastructure to support efficient production and business operations, and expanding the wood processing and forestry production sectors of the Corporation and its member units, in order to achieve strategic goals by 2030 and beyond.

#### **4.2 Investment and development plan for the period 2026-2030**

The total investment is approximately 1,273 billion VND. Of this, the Corporation's investment is expected to be around 846 billion VND (excluding the forestry development investment project in the Lao People's Democratic Republic and participation in the restructuring and reform of local forestry companies). This includes:

- Investment plan for the project (with the parent company as the investor): 189 billion VND.

- Investment plan for equity contributions to subsidiaries, joint ventures, and affiliated

companies: 427 billion VND.

- Investment plan for developing wood processing projects (establishing businesses to invest or contributing capital with joint venture partners): 230 billion VND.

In addition, we will continue to research investment and development in forestry in the Lao People's Democratic Republic and participate in the restructuring and reform of local forestry companies.

## **5. The Corporation's capital restructuring plan for investments in other enterprises.**

### ***5.1 Criteria for restructuring capital in enterprises :***

Based on inheriting the capital restructuring criteria of the Corporation's restructuring plan for the period 2021-2025 and the new orientations and regulations of the Party and the State, the draft Decision on Criteria for classifying state-owned enterprises and enterprises with state capital to restructure state capital in enterprises, attached to the Ministry of Finance's Submission No. 144/TTr-BTC dated March 12, 2026, on the Decision on criteria for classifying state-owned enterprises and enterprises with state capital to restructure state capital in enterprises, the criteria for restructuring the Corporation's investment capital in other enterprises are as follows :

#### ***a) The criteria for continuing the Corporation's investment in other enterprises are as follows :***

- Criterion 1: Holding a controlling stake of 50% or more of the charter capital in a forestry company with a land use plan of 1000 hectares or more.

- Criterion 2: Companies belonging to the main/related business sectors that directly serve the main business sectors of the Corporation (forestry and processing of products from planted forests) and operating efficiently.

- Criterion 3: Companies that play a crucial, primary, or necessary role in implementing the Corporation's development strategy for the 2026-2030 period and operating effectively.

- Criterion 4 (regarding mergers): Limited liability companies with a single owner operating in the same industry or core business sector as the Corporation and in the same geographical area or region; or according to resolutions of the General Meeting of Shareholders/Board of Members of the companies; consistent with the Corporation's development strategy for the period 2026-2030.

- Criterion 5: Companies that do not meet criteria 1, 2, 3, and 4 above and do not fall under the divestment criteria.

#### ***b) The criteria for divestment are as follows:***

- Criterion 1: Companies included in the divestment list of the Corporation's restructuring plan for the period 2021-2025.

- Criterion 2: Companies whose main business activities (or those no longer related to the Corporation's main business activities) do not belong to the Corporation's main/related business sector that directly serves the Corporation's main business sector (forestry and processing of forest products).

- Criterion 3: Companies operating inefficiently (incurring losses, accumulated losses exceeding 50% of owner's investment capital, etc.) or no longer playing a crucial, primary role or possessing the necessary scale for implementing the Corporation's development strategy for the 2026-2030 period.

- Criterion 4: Companies with low controlling power (ownership ratio below 50%), where the parent company lacks the authority to make decisions or veto business matters at the General Meeting of Shareholders/Board of Directors/Board of Members as stipulated by the Enterprise Law and the Company Charter, and face difficulties in managing and preserving investment capital, posing potential risks to the parent company's interests.

- Criterion 5: Companies no longer possess the same potential and advantages as before (changes in laws and regulations or government policies adversely affect the company; loss of a large market, loss of important customers, loss of business rights through licensing, franchising, or loss of important suppliers; facing labor difficulties; having land with potential risks or subject to expropriation...).

**Note:** Whether a business is operating efficiently (profitable) or inefficiently (loss-making, with large accumulated losses, etc.) is determined based on the financial statements of the two consecutive years preceding the planning stage.

After the Prime Minister issues a decision on the criteria for classifying state-owned enterprises, if the above criteria are not consistent with this Decision, the Corporation will review and amend them accordingly.

## **5.2 List of capital restructuring projects of the Corporation in other enterprises**

**a) Maintain the following companies where the Corporation holds 100% of the charter capital : 8 companies**

- Dung Quat Wood Processing and Wood Chip Company Limited
- Vinafor Labor Cooperation and Services Co., Ltd.
- Ba To Forestry One-Member Limited Liability Company
- Dinh Lap Forestry One-Member Limited Liability Company
- Dong Bac Forestry One-Member Limited Liability Company
- La Nga-Dong Nai Forestry One-Member Limited Liability Company
- Loc Binh Forestry One-Member Limited Liability Company
- Vinafor Bac Giang Plywood Company Limited

This includes a study on merging Loc Binh Forestry One-Member Limited Company into Dinh Lap Forestry One-Member Limited Company.

**b) Maintain the status of companies in which the Corporation holds more than 50% of the charter capital: 7 Companies**

- Cam Ha Joint Stock Company
- Northern Region Forestry Seed Joint Stock Company
- North Central Region Forestry Seed Joint Stock Company
- Northeast Forestry Seed Joint Stock Company
- Southern Region Forestry Seed Joint Stock Company
- Central Highlands Forestry Seed Joint Stock Company
- Southern Central Region Forestry Seed Joint Stock Company

**c) Maintain the status of companies in which the Corporation holds less than 50% of the charter capital: 9 Companies**

- 19/5 Doan Hung Joint Stock Company
- Red Flag Joint Stock Company
- Pisico Hue Joint Stock Company
- Vietnam Monkey Breeding and Development Company Limited

- Viet Nhat Paper Raw Materials Manufacturing Co., Ltd.
- Viet Nhat Cai Lan Paper Raw Materials Manufacturing Co., Ltd.
- Viet Nhat Vung Ang Paper Raw Materials Manufacturing Co., Ltd.
- Yamaha Motor Vietnam Co., Ltd.
- Viet Thanh Thai Co., Ltd.
- This includes a study on merging Vietnam-Japan Vung Ang Paper Raw Materials Manufacturing Co., Ltd. into Vietnam-Japan Paper Raw Materials Manufacturing Co., Ltd.

*d) companies in which the Corporation has partially divested its capital:* 1 Company

- Uni-Vinafor Chau Duc Renewable Energy Company Limited (divesting a portion of its capital equivalent to 10% of its charter capital to seek a strategic investor)

*e) companies in which the Corporation has divested all its capital:* 18 companies

- Archi Reenco Hoa Binh Joint Stock Company
- Saigon Forestry Machinery Joint Stock Company
- Buon Ma Thuot Veneer Joint Stock Company
- Kon Ha Nung Joint Stock Company
- Bamboo and Rattan Products Export Joint Stock Company
- Ha Tinh Forest Products and Import-Export Joint Stock Company
- Forestry Joint Stock Company 19
- Eastern Forestry Joint Stock Company
- Long Binh Joint Stock Company
- Naforimex Hanoi Joint Stock Company
- Saigon Forestry Products Manufacturing and Import-Export Joint Stock Company
- Joint Stock Company for Trade, Industry and Wood Processing
- Hanoi Forestry Products Trading Joint Stock Company
- Vinafor Da Nang Joint Stock Company
- Vinafor Quang Tri Joint Stock Company
- Vietnam Agricultural and Forestry Development Investment Construction Joint Stock Company
- Saigon Forestry and Agricultural Products Import-Export Joint Stock Company
- Quy Nhon Paper Materials Co., Ltd.

In the event that the Capital Restructuring List no longer conforms to the revised criteria after the Prime Minister issues a Decision on the Criteria for classifying state-owned enterprises and enterprises with state capital undergoing state capital restructuring (if any), the Corporation will review and revise the Capital Restructuring List to conform to the new revised criteria.

### ***5.3 Methods for implementing capital restructuring:***

a) *Regarding mergers:* These shall be carried out in accordance with the law on enterprises and other relevant legal regulations.

b) *Regarding divestment:*

Divestment from enterprises shall be carried out in accordance with the methods prescribed by law, ensuring adherence to market principles, transparency, and maximizing investment recovery, minimizing investment losses in capital transfer, and applying the provisions of the Law on State Capital Management and Investment in Enterprises (and guiding decrees) and other relevant laws; a valuation firm shall be hired to fully determine the actual value of the Corporation's invested capital, including the value created by land use rights granted with land use fees, legally transferred land use rights, and leased land use rights (lease with one-time payment for the entire lease period, lease with annual payments) as prescribed by law; and an auction organization shall be hired in accordance with the law to organize the capital transfer.

Regarding the proposed offering method: To increase the success rate of divestment, the Corporation plans to conduct a public auction of one lot comprising all shares/capital contributions owned in accordance with the law.

**Reason:** The majority of companies on the divestment list are those where the parent company does not hold a controlling stake, posing a risk to the parent company's capital preservation. Units with controlling stakes are often inefficient and incurring significant losses, making it highly difficult to attract interested investors through a conventional public auction (as they would find it harder to acquire the necessary controlling stake to gain veto power) . Furthermore, given the existing problems of these divested companies, only a portion of the offered shares/equity may be successfully sold, resulting in unsold shares/equity (if investors acquire the necessary shares/equity to gain veto or controlling power and do not intend to purchase all the shares/equity offered by the parent company). Selling these unsold shares/equity will be more difficult (due to the smaller offering ratio) . Therefore, transferring all of the shares/equity held in the company in a single auction lot is likely to be more successful than a regular auction.

## **6. Implementation solution**

### **6.1 Sustainable forestry development**

- Continue to promote investment in renovating and upgrading tissue culture research centers and nursery systems to create high-quality plant varieties and supply them to the market.

- Promote intensive cultivation of large timber trees using new, high-quality varieties; apply mechanization, science and technology, and digital transformation (land preparation, data digitization, and digital mapping applications, etc.); expand the planting of multi-purpose trees; review and reorganize the contract-based forest management system to ensure compliance with regulations and achieve higher efficiency,...

- Implement sustainable forest certification for areas that have not yet been certified; develop community-based FSC-certified raw material zones.

- Implement forest carbon credit projects for areas under the Corporation's management, and proceed to register several projects with competent authorities to implement forest carbon credit projects for various ecological zones in Vietnam.

- Research on expanding investment in forestry production development in the Lao People's Democratic Republic.

### **6.2 Developing wood processing**

- Increase investment in, renovate, and upgrade factories, workshops, and advanced machinery and equipment; expand production scale for units with development potential; actively apply science and technology to the production and processing of forest products; effectively utilize Free Trade Agreements (FTAs) between Vietnam and countries around the world.

- Continue to promote joint ventures and partnerships to establish new large-scale joint ventures in the wood processing sector, focusing on traditional partners and expanding cooperation with new partners who possess modern technology, management capabilities, and market access.

- Innovate product designs and improve product quality to meet market demands; develop online sales channels (such as the company website, online marketplaces, etc.); build, promote, and develop the Vinafor brand of wooden furniture products.

### **6.3 Expanding and developing commercial and service businesses.**

- Diversify product types and expand the domestic raw timber business; prioritize serving the processing activities of member units.

- Ensure a stable supply of high-quality timber with traceable origins and sustainable forest certifications to meet new standards in Vietnam's main import markets, namely the US and Europe.

- Maintain and expand export market share, proactively promote trade in wood and wood products in key markets including the US, Japan, South Korea, the EU, and China, and expand into new markets with significant potential and advantages.

- Expand the market through diverse sales channels such as online marketplaces (Amazon, Alibaba, etc.), social networks (Facebook, TikTok, etc.), chain stores, retail distribution channels, collaborators, etc., and apply information technology in sales and inventory management.

### **6.4 Improving land use efficiency**

- Review and finalize land legal documents; expedite land surveying, demarcation, preparation and approval of land use plans, issuance of land use right certificates, and signing of land lease contracts in accordance with regulations.

- Strengthen the management, inspection, and supervision of land use in accordance with regulations; review business cooperation contracts to ensure compliance with legal regulations; develop a comprehensive plan for land exploitation and use to ensure efficiency and avoid wasting resources.

- Closely coordinate with local authorities and relevant agencies in recovering encroached land, handing over areas no longer needed, and resolving long-standing land-related issues.

#### **6.5 Solutions regarding investment and development:**

- Develop a schedule for implementing the investment and development plan for the period 2026-2030. This includes focusing on: (1) researching investment in several large-scale wood processing factories linked to raw material areas; (2) researching increasing charter capital for forestry units and forestry seeds to invest in expanding and developing sustainable forestry production.

- Strengthen monitoring and supervision of the project implementation.

#### **6.6 Rearranging and restructuring the Corporation's capital.**

- Develop and aggressively implement the Corporation's capital restructuring plan for the period 2026-2030, ensuring transparency, efficiency, and compliance with legal regulations.

- Continue reviewing and reorganizing the Corporation towards a streamlined and efficient structure; merge some specialized departments, representative offices, branches, and member units operating in the same field and geographical area when conditions permit and the situation is appropriate.

**6.7 Developing human resources** in a streamlined and efficient manner to enhance labor productivity; strengthening linkages with partners for training and recruitment; focusing on planning training and professional development to improve the expertise and management capabilities of employees and skilled technical workers; building appropriate reward mechanisms based on job performance (KPIs); promoting human resource exchange and training in the forestry sector with leading forestry producing countries such as Japan, Australia, Denmark, Finland, etc.

#### **6.8 Improve the legal system and strengthen inspection and supervision.**

- Review and amend the Corporation's charter, regulations, and rules in a way that simplifies procedures, promotes decentralization and delegation of authority, and strengthens inspection, supervision, and post-audit activities to create conditions for units to be proactive in their production and business activities.

- Develop annual inspection and monitoring plans at units, and conduct internal monitoring to detect shortcomings and risks early and propose timely solutions. Implement the Regulations on Democracy effectively; Develop annual plans for saving resources, preventing waste, and combating corruption and negative practices.

**6.9 Promote the application of science and technology, innovation, digital transformation, and artificial intelligence (AI)** in all aspects of the Corporation's operations, from management and production to investment and development; build databases and utilize digital platforms to enhance management efficiency, increase transparency in decision-making processes, and connect with stakeholders. Issue internal regulations and procedures regarding the use of software systems.

#### **6.10 Alternative solution**

- **Governance solutions:** Apply OECD governance principles appropriate to the Corporation's actual situation. Maintain the Corporation as a public company, listed on the stock market. Develop a system for timely disclosure of financial information and ESG (Environmental, Social, and Governance) information.

- **Developing corporate culture:** Completing the Corporate Culture Regulations and Vinafor Culture Handbook; integrating corporate culture content into conferences, meetings, thematic activities, and internal newsletters. Incorporating criteria for evaluating corporate culture implementation into the content of emulation and reward activities.

- Strengthen linkages and integration with specialized organizations and associations in forestry and wood processing such as Hawa, Vifores, BIFA, etc.

- **Enhancing the comprehensive leadership role of the Party and effectively fulfilling the political tasks assigned by the Party and the State:** Continuing to improve the Party organization model at the parent company and its subsidiaries; ensuring the principle of Party leadership through Party organizations and Party members within the enterprise. Reviewing, amending, supplementing, and effectively implementing the regulations of the Coordination Regulations between the Party Committee and the Board of Directors, the General Director of the Corporation, and the two representative groups of the owner's capital. Closely coordinating with central agencies, departments, and local authorities, and actively participating in social welfare movements and activities at the central and local levels.

## **B. PROPOSAL FROM THE BOARD OF DIRECTORS**

1. To ensure timely and effective implementation, the Board of Directors of the Corporation respectfully submits to the General Meeting of Shareholders for consideration and approval the Development Strategy of Vietnam Forestry Corporation – JSC for the period 2026-2030.

In the event of significant changes to the Strategy (Investment Plan, Capital Restructuring Plan, etc.), the Board of Directors shall consider and decide on implementation within its authority (except for matters under the authority of the General Meeting of Shareholders) or report to the Ministry of Finance and T&T Group Joint Stock Company as prescribed, in order to implement the changes in a manner consistent with reality and beneficial to the Corporation.

2. After the General Meeting of Shareholders unanimously approves the Strategy, The Board of Directors will direct the Corporation's Executive Board to organize and implement the plan within its authority and in accordance with legal regulations, striving to successfully achieve the strategic directions and objectives set forth.

The above is a report on Development Strategy of Vietnam Forestry Corporation – JSC for the period 2026-2030. Board of Directors of the Corporation. This report is submitted to the General Meeting of Shareholders for consideration and approval.

Thank you very much./.

**Attachments:**

**TM. BOARD OF DIRECTORS**

- Appendix: Summary of results of the 5-year period 2021-2025 and the 5-year plan for the period 2026-2030.

**CHAIRPERSON**

**Phi Manh Cuong**