

MINISTRY OF CONSTRUCTION
CONSTRUCTION MACHINERY
CORPORATION

No: 339/COMA-TCKH

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

Hanoi, August 27th, 2025

Re: Explanation of changes in after-tax profit in the reviewed semi-annual financial statements for the first six months of 2025, which increased / decreased by 10% or more compared to the same period of the previous year; change from a loss in the previous period to a profit in the current period; and the qualified opinion of the auditor.

To: Hanoi Stock Exchange

Construction Machinery Corporation – JSC would like to provide an explanation for the change of 10% or more in after-tax profit in the Reviewed Semi-Annual Financial Statements for the first six months of 2025, compared to the same period in 2024. Specifically, the Corporation has recorded a turnaround from a loss in the previous period to a profit in the current period. The explanation also addresses the qualified audit opinion on both the Financial Statements and the Consolidated Financial Statements, as follows:

Report Type	Indicator	Reporting Period		Difference	Percentage Change (%)
		2025	2024		
Combined Financial Statement	After-tax profit	3,348,685,203	3,567,660,635	(218,975,432)	(6.14%)
Consolidated Financial Statement	After-tax profit	4,506,911,387	(548,667,370)	5,055,578,757	(921.43%)
	Parent Company's After-Tax Profit	3,658,568,479	945,311,607	2,713,256,872	287.02%

1. Business performance results for the first six months of 2025 showed a profit and a change of 10% or more compared to the first six months of 2024, as presented in both the Financial Statements and the Consolidated Financial Statements, due to the following reasons:

- Financial Statements (profit: VND 3,348,685,203):

In the first six months of 2025, the Corporation divested its capital by transferring shares in one of its invested subsidiaries. It also completed acceptance and final settlement procedures for several legacy projects. At the same time, efforts were intensified in business development, job sourcing, and service operations. The Corporation reviewed and categorized outstanding receivables, actively worked with clients to recover overdue debts, and restructured its capital sources to fulfill tax

obligations. As a result, penalties for late tax payments were reduced, partially offsetting interest expenses and administrative costs.

For these reasons, profit after corporate income tax as presented in the Statement of Profit or Loss for the Financial Statements in the first six months of 2025 showed a profit.

- Consolidated Financial Statements (profit: VND 4,506,911,387):

- + Consolidated revenue increased by VND 34,8 billion compared to the same period last year, equivalent to a growth rate of 36,2%. This increase was mainly due to a VND 9,3 billion rise in service revenue, as the Parent Company and its subsidiaries enhanced the utilization of idle factory space for lease to generate additional income. In addition, other revenues—including sales of finished goods, construction contract revenue, and revenue from installation and fabrication activities—increased by VND 25,5 billion, primarily driven by the Parent Company. The Parent Company demonstrated stronger financial capacity compared to the same period last year, enabling the Corporation to secure new construction and commercial contracts with project owners and customers.

From the beginning of 2025, the Corporation's leadership thoroughly implemented the annual business plan with a commitment to achieving a minimum growth rate of 8% or double-digit growth, in line with the Government's directives.

- + Financial expenses decreased by VND 1,653 million as of June 30, 2025, representing a 24.88% reduction compared to June 30, 2024. This was mainly due to a decline in outstanding short-term and long-term borrowings from credit institutions and individuals, which dropped from VND 191 billion to VND 97 billion. The Parent Company and its subsidiaries proactively repaid short-term and long-term debts as they matured. In addition, the Corporation completed the divestment of one subsidiary during the reporting period, leading to the exclusion of that subsidiary's financial data and contributing to the decrease compared to the same period last year.

Furthermore, interest expenses declined as the Corporation benefited from a preferential loan package offered by SHB (Saigon - Hanoi Commercial Joint Stock Bank), which reduced interest payments from VND 6,643 million to VND 4,991 million.

- + In the first half of 2025, profit after corporate income tax as presented in the Statement of Profit or Loss of the parent company and four (04) subsidiaries was positive. The parent company recorded a high profit due to divestment and transfer of shares in a subsidiary with other equity investments. Subsidiaries including COMAEL (Construction and Electrical and Water Installation Joint Stock Company), COMA2, and COMA16 also generated significant profits after tax, which offset the losses of the remaining two subsidiaries. Consequently, profit after corporate income tax as presented in the Statement of Profit or Loss in the Consolidated Financial Statements was positive.

Accordingly, profit after corporate income tax for the first six months of 2025 increased by 10% or more compared to the same period in 2024 and shifted from a loss in the previous period to a profit in this period, as presented in the Consolidated Financial Statements.

2. Auditor's Qualified Opinion:

2.1. As at Financial Statements for the accounting period ended 30/6/2025

- As of the date of preparation of the financial statements, certain customers had not yet signed debt confirmation documents for receivables and payables that have been



overdue for more than six months. The Corporation has assessed that these outstanding balances are likely to be recoverable in the following financial year and, therefore, has temporarily not made a provision. The estimated provision amount is approximately VND 21.5 billion. As a result, the auditor issued a qualified opinion regarding the provision for doubtful debts related to these receivables.

2.2. As at Consolidated Financial Statements for the accounting period ended 30/6/2025

- As at 30/6/2025, the subsidiaries of the Corporation held long-standing inventory with a total value of VND 14.8 billion, comprising VND 10.6 billion at the Construction Machinery and Water-Electric Installation Joint Stock Company, VND 1.8 billion at Minh Khai Lock Joint Stock Company, VND 1.2 billion at Thai Binh Mechanical and Construction Joint Stock Company, and VND 1.2 billion at Ha Bac Construction Machinery No. 2 Joint Stock Company. The inventory mainly consists of construction in-progress costs at various projects where project settlement periods have been extended. At present, it is very difficult to determine the realizable net value of these projects. However, the subsidiaries have not recognized any related losses in their operating results due to insufficient basis for recognition. Consequently, the auditor issued a qualified opinion regarding the carrying value of these long-standing inventories.

- As at the date of preparation of the consolidated financial statements, certain customers had not yet signed confirmation agreements for accounts receivable totaling VND 83.3 billion, and some suppliers had not signed reconciliation confirmations for accounts payable amounting to VND 36.6 billion. Additionally, the Corporation and its subsidiaries have not yet resolved asset shortages amounting to VND 2.1 billion. Consequently, the auditor issued a qualified opinion regarding these items.

- As at 30/6/2025, a subsidiary of the Corporation, Ha Bac Construction Machinery Joint Stock Company No. 2, recorded late tax payment fees, tax reassessments, and administrative penalties accumulated over multiple years as long-term prepaid expenses, totaling VND 8,973,730,365, without recognizing them as expenses within the current period. Since these penalties relate to multiple years, recognizing the entire amount at once would significantly impact the subsidiary's current period operating results. Therefore, the subsidiary accounts for these costs as prepaid expenses and allocates them gradually to annual expenses. Accordingly, the auditor issued a qualified opinion on this item.

- The One-Member Limited Liability Company for Production, Import-Export, and Rural Development Services, a subsidiary of the Corporation, received notifications from the Vung Tau – Con Dao Regional Tax Department regarding land use fees for the "Decoimex Housing Area Expansion Project in Ward 6 and Ward 9, Vung Tau City." The amount payable as at 28/02/2025, is VND 134,969,590,675, with late payment penalties totaling VND 127,683,442,991. However, the Company has not accepted these figures from the local tax authority and has not recorded them in the accounts because the Tax Department included fees for public area land, which the Company disputes. The Company has submitted a formal letter to the tax authority but has not yet received a response. Consequently, the auditor issued a qualified opinion regarding this matter.

Trên đây là những giải trình của Tổng công ty Cơ khí xây dựng – CTCP về lợi nhuận sau thuế của báo cáo tài chính Tổng hợp và báo cáo tài chính Hợp nhất bán niên đã được soát xét năm 2025. The above are the explanations provided by the

1065
CÔNG
KHÍ
DỰN
NG - T

Construction Machinery Corporation – JSC regarding the after-tax profit of the reviewed Consolidated Financial Statements and the reviewed Separate Financial Statements for the year 2025.

Sincerely!

Recipients:

- As above;
- Board of Directors (for reporting));
- Supervisory Board;
- Corporation Management;
- Archive: Office, Finance Department.



GENERAL DIRECTOR

Dao Duc Tho

