

**GKM HOLDINGS
JOINT STOCK COMPANY**

Number: 0511 /2025/TCKT- GKM

*Re: Explanation of auditor's opinion
Semi - annual report 2025 (audited)*

SOCIALIST REPUBLIC OF VIETNAM

Independence - Freedom - Happiness

Ninh Binh , November 5 , 2025

Dear:

- **STATE SECURITIES COMMISSION**
- **VIETNAM STOCK EXCHANGE**
- **HANOI STOCK EXCHANGE**

GKM Holdings Joint Stock Company (Stock code: GKM) would like to explain the auditor's opinion that the 2025 Semi-Annual Report was "approved, with exceptions" as follows:

2025 semi- annual report was audited by International Auditing and Valuation Company Limited , including: Balance sheet; Business performance report; Cash flow statement; Explanation of the Financial Statements according to the law on accounting and auditing. The audit opinion on the 2025 semi -annual report is an "acceptance, with exceptions" opinion , due to the problem described in the "Basis for refusing to give a conclusion" paragraph due to not having collected enough appropriate evidence to form a basis for drawing a conclusion, including:

According to the audited semi-annual financial statements of 2025 :

I. The auditor cannot participate in witnessing the inventory of items: Cash, Inventory at June 30, 2025 with the respective values of: VND 3,417,866,058 and VND 54,986,639,540.

The reason is that the Auditor was appointed after June 30, 2025, leading to a limitation in scope. The Company performed internal inventory according to standard procedures, but lacked independent witness.

II. The Company has accumulated unpaid corporate income tax as of June 30, 2025 of: VND 6,984,700,865.

The reason is that the current business situation in 2025 is not optimistic, some of the company's business lines are limited, revenue is mainly from factory rental activities.

Solution to overcome tax debt :

The Company has proactively discussed with the Ninh Binh Provincial Tax Department to propose a plan to resolve tax arrears, with the goal of completion by 2026. Key steps:

1. Periodically issue invoices for factory rental revenue : Create a stable source of income from leasing production facilities, ensuring transparency and cash flow to gradually pay off debt (issue periodic VAT invoices to avoid additional penalties).

2. Find partners to sell rice products : Expand business by cooperating with distributors, increase revenue from agricultural products (subject to 5% VAT and 20% CIT), and supplement capital to repay debt.

3. Timeline : Pay in installments based on revenue from the above two activities, reaching 100% payment by 2026, avoiding penalty interest (0.03%/day) and enforcement.

III . The Company has a Loan and Finance Lease Debt: The principal of the bond loan is extended to September 20, 2026. The amount of unpaid bond interest payable accumulated to June 30, 2025 is VND 5,954,367,986. The bond extension has not been disclosed as prescribed. In addition, the documents on the bond extension do not clearly state the plan for using capital after the bond extension, the plan for repaying the bond debt, the collateral and the value of the collateral of the bond lot.

The main reasons are: Business results have declined, the company does not have the resources to pay the principal and interest on the bonds.

Solution:

1. Extension of principal and interest on bonds

- **Implementation process :** The Company has proactively sent a written request for extension to relevant parties, including bondholders (bond holders). This document clearly states the request for a two-year extension for both the principal (initial loan amount) and bond interest (unpaid accrued interest).

- **Extension Period :** The proposed debt is extended from September 20, 2024 (original original maturity date) to September 20, 2026.

- **Benefits :** Extension helps relieve short-term financial pressure, allowing the company to focus on business operations to generate profits or seek new sources of capital .

2. Debt repayment plan through investment in fund certificates

To ensure capital for debt repayment in 2026, the company has implemented an investment strategy in highly liquid financial assets, specifically fund certificates (CCQ) of Vision Dynamic Investment Fund (VIF). This is an open-ended investment fund, managed by FPT Investment Fund Management Joint Stock Company (FPT Capital), with a focus on investing in stocks and dynamic assets in the Vietnamese stock market. This fund, formerly known as FPT Capital Investment Fund, was established in 2020 and officially changed its name on January 2, 2025 according to the certificate of the State Securities Commission. Below are the details:

- **Investment scale and details :** The Company purchased 4,900,000 fund certificates with an initial purchase price of VND 10,000 per fund certificate (VND/CCQ). The total initial investment value is estimated at VND 49 billion (4,900,000 x 10,000). This is a significant investment, which may account for a large part of the company's asset portfolio, in order to generate profits from the fund's growth.

- **Payment plan :** By 2026 (close to the new maturity date of September 20, 2026), the company will sell all or part of these fund certificates on the secondary market (through the stock exchange or directly through the fund management company). The proceeds are expected to be used to fully repay the bond principal. and bond interest .

- **Benefits :** This strategy takes advantage of the growth potential of the Vietnamese stock market, where funds like VIF can outperform conventional bank interest rates (usually about 5-7%/year). It also helps diversify the investment portfolio, converting short-term debt into liquid long-term assets.

IV. The company generated a profit in 2024 and transferred the previous period's profit to this period's loss in the 2025 semi-annual report .

- In fiscal year 2024, the Company recorded positive business results, with profit after tax reaching VND 3,845,593,671 , reflecting stability and growth from core business activities.
- However, in the semi-annual report for 2025 (from January 1, 2025 to June 30, 2025), the Company recorded a loss after tax of VND 893,901,580 , leading to a shift from profit from the previous period to loss this period.
- This change mainly stems from difficulties in the business operations of some of the Company's main products. Specifically, rice products are facing challenges from the market, including fierce competition, fluctuations in input material prices and declining consumer demand due to the impact of macroeconomic factors.
- In addition, the Company has not found a suitable strategic partner to support the distribution and market expansion of these products, leading to a decrease in revenue and an increase in fixed costs compared to the previous period. This has directly impacted the gross profit and net profit of the reporting period.

V. Profit after tax >5% before and after audit:



Content	Financial report for the first 6 months of 2025 (after audit)	Financial report for the first 6 months of 2025 (independent)	Difference
1. Sales and service revenue	4,837,227,276	4,837,227,276	-
2. Revenue deductions	-	-	-
3. Net revenue from sales and service provision (10 = 01 - 02)	4,837,227,276	4,837,227,276	-
4. Cost of goods sold	2,104,460,178	2,023,183,395	-
5. Gross profit from sales and service provision (20=10-11)	2,732,767,098	2,814,043,881	(81,276,783)
6. Financial revenue	1,667,252,278	931,149,538	736,102,740
7. Financial costs	3,412,705,652	3,263,934,424	148,771,228
- Including: Interest expense	3,412,705,652	-	-
8. Profit and loss in joint ventures and associates	-	-	-
9. Selling expenses	207,192,912	207,192,912	-
10. Business management costs	1,310,196,634	1,307,220,179	2,976,455
11. Net profit from business activities{30=20+(21-22)+24- (25+26)}	(530,075,822)	(1,033,154,096)	503,078,274
12. Other income	840,924	840,924	-
13. Other expenses	364,666,682	364,666,682	-
14. Other profits (40=31-32)	(363,825,758)	(363,825,758)	-
15. Total accounting profit before tax (50=30+40)	(893,901,580)	(1,396,979,854)	503,078,274
16. Current corporate income tax expense	-	-	-
17. Deferred corporate income tax expense	-	-	-
18. Profit after corporate income tax (60=50-51-52)	(893,901,580)	(1,396,979,854)	503,078,274
18.1 Profit after tax of parent company	-	-	
18.2 Profit after tax of non- controlling shareholders	-	-	
19. Basic earnings per share(*)	-	-	
20. Declining earnings per share	-	-	

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Profit after corporate income tax increased by VND 503,078,274 compared to the self-prepared report due to:

1. The business recorded a shortfall in customer financial activity revenue.
2. The business under-recorded the Financial Operating Expenses of the personal loan.
3. The enterprise records additional allocation of prepaid expenses.

The Company is implementing necessary work to discuss the above difficulties and problems to overcome the "acceptance, with exceptions" situation of the Auditing Unit.

Respectfully report./.

Recipient:

- As above;
- Luu VT, P.TCKT.

GKM HOLDINGS JOINT STOCK COMPANY
LEGAL REPRESENTATIVE



TỔNG GIÁM ĐỐC
Nguyễn Anh Tuấn

