

VNECO1 ELECTRICITY  
CONSTRUCTION JOINT-STOCK  
COMPANY

THE SOCIALIST REPUBLIC OF VIETNAM  
Independence - Freedom – Happiness

No: 26/2026/CV-VNECO1

Da Nang, day 02 month 04 year 2026

To: State Securities Commission of Vietnam  
Hanoi Stock Exchange.

*Re: Measures and Roadmap to Remedy the Status of Securities under Warning*

**Respectfully submitted to the Authority,**

VNECO1 Construction Electricity Joint Stock Company (the “Company”, ticker: VE1) would like to extend our respectful greetings to the Authority.

Pursuant to Decision No. 269/QĐ-SGDHN dated March 31, 2026 of the Hanoi Stock Exchange regarding the continued designation of VE1 shares under warning status, VNECO1 Construction Electricity Joint Stock Company hereby presents the explanation and remedial measures as follows:

**1. Basis**

- The audited financial statements for the fiscal year 2025, audited by International Auditing and Valuation Co., Ltd.

**2. Causes Leading to the Warning Status**

As of December 31, 2025, the Company’s undistributed after-tax profit remained negative.

The primary reason is the significant accumulated losses. As of December 31, 2025, the undistributed after-tax profit amounted to VND (28,948,407,979). Although improved compared to the beginning of the year, it remains substantially negative, which is the main reason the Company’s shares are placed under warning.

**External factors from the economic environment include:**

- In 2025, both domestic and global economies experienced fluctuations, particularly in the construction and energy sectors. Prices of input materials (steel, electrical materials) increased at certain times, directly affecting construction costs and profit margins.
- The real estate and construction investment markets showed signs of slowdown, causing delays in project implementation, acceptance, and payment, thereby impacting revenue and cash flow.
- Although lending interest rates showed some downward trends, they remained relatively high during certain periods, increasing financing costs and affecting business efficiency.
- Competition in the electrical construction industry has intensified, with many contractors bidding at low prices, resulting in reduced profit margins across the sector.

**3. Remedial Measures**

**1. Improving core business performance**

- Focus on electrical construction and installation – the Company’s core business.
- Review and prioritize projects with higher efficiency; limit low-margin projects.
- Strengthen cost estimation and cost control for each project.



## 2. Cost control and reduction

- Establish appropriate administrative expense norms aligned with operational scale.
- Restructure the organizational system, streamline indirect personnel, and improve labor productivity.
- Apply technology and management software to reduce operating costs.

## 3. Revenue restructuring

- Reduce dependence on irregular and non-recurring income sources.
- Develop strategic customers and sign long-term contracts to ensure stable revenue streams.

## 4. Handling accumulated losses

- Use after-tax profits of subsequent years to offset accumulated losses in accordance with regulations.
- Consider plans for charter capital increase or financial restructuring when necessary to improve financial capacity.

## 5. Strengthening financial and cash flow management

- Strictly control receivables to minimize capital appropriation.
- Proactively manage cash flow to ensure liquidity and stable operations.

## 4. Remediation Roadmap

### In 2026:

- Focus on operational restructuring and cost control.
- Strive for break-even or profitability in core business operations.
- Maintain positive after-tax profit to gradually reduce accumulated losses.

### Period 2027 – 2028:

- Enhance core business efficiency and achieve sustainable revenue growth.
- Gradually eliminate accumulated losses.
- Ensure financial indicators meet regulatory requirements and remove the stock from warning status.

## 5. Commitment

The Company commits to strictly implementing the above measures, while enhancing transparency, improving corporate governance, and strengthening financial performance to protect shareholders' interests.

We respectfully request the Hanoi Stock Exchange to consider and facilitate the Company with sufficient time to implement these remedial measures.

Respectfully submitted./.

### Recipients:

- As above;
- Archived: Administration,
- Finance & Accounting Department.

LEGAL REPRESENTATIVE



DO NHU HIEP

