

**VIETNAM INDUSTRIAL CONSTRUCTION  
CORPORATION**

**SOCIALIST REPUBLIC OF VIETNAM**  
**Independence - Freedom - Happiness**

No.: 190/VINAINCON-TCKT

*Hanoi, April 13<sup>th</sup>, 2026*

Regarding the explanation of warnings  
and transaction restrictions.

Addressed to: Hanoi Stock Exchange

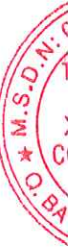
Vietnam Industrial Construction Corporation (the Corporation) received Notice No.1333/TB-SGDHN dated April 01<sup>th</sup>, 2026, from the Hanoi Stock Exchange regarding the securities status of VVN shares on the UPCoM trading system. The Corporation would like to provide the following explanation:

1. Decision No.310/QĐ-SGDHN dated April 1<sup>th</sup>, 2026, on maintaining the trading restrictions for VVN shares, for the reason that: The organization registering for trading has negative equity in its audited consolidated financial statements for 2025.

According to the audited consolidated financial statements for 2025, the negative equity is 2,752 billion VND. The reason for the negative equity is that when consolidating the financial statements of Quang Son Cement Co., Ltd. (a subsidiary of the Corporation), the equity is negative 3,659 billion VND, of which: Owner's investment capital is 200 billion VND, contributed 100% by the Corporation; Undistributed profit of the Company is negative 3,859 billion VND, which is the accumulated loss from 2011 to the reporting date. The Company's loss is mainly due to interest expenses payable in the years of 2,167 billion VND and exchange rate difference losses in the valuation of foreign currency in the years of 878 billion VND.

According to the audited consolidated financial statements for 2025 of the parent company, the Corporation is still profitable. Undistributed after-tax profit is 188 billion VND and equity is 739 billion VND, of which: owner's contributed capital is 550 billion VND.

Currently, the Corporation has implemented remedial measures to improve production and business capacity at its units and focused on resolving difficulties at Quang Son Cement Company Limited, such as developing a restructuring plan for the company, working with the Ministry of Finance, the Ministry of Industry and Trade, and the Vietnam Development Bank (VDB) to restructure long-term loans, including principal and interest payments, at VDB and the Ministry of Finance (loans for the Thai Nguyen Cement Plant project, now Quang Son Cement Co.,Ltd).





2. Decision No.311/QD-SGDHN dated April 1<sup>th</sup>, 2024, on maintaining the warning status for VVN shares, for the reason that: The annual financial statements have received qualified audit opinions from the auditing firm for three consecutive years or more.

- Auditor's opinion: *“As of December 31, 2025, the outstanding work-in-progress costs of projects and works of the Corporation's subsidiaries amount to 134.04 billion VND (as of December 31, 2024: 62.63 billion VND). The subsidiaries are still working with the investors on the final settlement of these projects, so we do not yet have sufficient basis to assess and determine the impact of this issue on the Corporation's consolidated financial statements for the fiscal year ending December 31, 2025.”*

Explanation: These projects originated in previous years at various units. The main reason is that these projects have not yet been approved for final settlement by the investor or the competent authority.

- Auditor's opinion: “ As of December 31, 2025, the outstanding balances of long-standing accounts receivable and payable at several subsidiaries are 139.4 billion VND and 198.28 billion VND respectively (as of December 31, 2024, the values were 120.0 billion VND and 161.13 billion VND respectively). We have not yet obtained sufficient appropriate evidence to assess the recoverability and debt obligations of these receivables and payables. Therefore, we do not have sufficient basis to assess and determine the impact of this issue on the consolidated financial statements for the fiscal year ended December 31, 2025 of the Corporation. ”

Explanation: The Corporation's units have coordinated with the auditing unit to issue confirmation letters and reconcile accounts receivable and payable as of December 31, 2025, to all customers. However, the number of customers who signed and returned the reconciliation documents to some units is insufficient, therefore some companies do not have complete reconciliation records as of December 31, 2025. Reason: Due to the specific nature of the construction sector, projects have long construction periods, with many items and implementation phases. Projects are completed but the investor has not yet approved the final settlement and contract liquidation, especially many projects that have been ongoing for many years. In many projects, investors do not sign confirmation and reconciliation of accounts receivable and payable with contractors, citing the reason that they are waiting for the State Audit Office to complete the audit of the completed project before determining the official value and liquidating the contract and confirming the debt with the contractors.

The issues raised in this qualified audit opinion are problems existing in the Corporation's units due to the specifics of the construction sector. Projects have long construction periods, with many items and phases of implementation. Some



projects are completed but the investor has not yet approved the final settlement or contract liquidation. In particular, many projects have dragged on for many years, making it very difficult to reconcile accounts payable and settle accounts because the investor refuses to sign confirmations, and projects have not yet received final settlement approval from the investor or competent authority. To overcome these issues, the Corporation has requested that the units, in collaboration with the auditors, focus on issuing reconciliation statements, confirming accounts payable, and working with investors and competent authorities to finalize the settlement of each phase, item, and project.

Respectfully report!

**Recipient:**

- As above;
- Save file, accounting.

**GENERAL DIRECTOR**



**Đo Chi Nguyen**

