

**MACHINES & INDUSTRIAL
EQUIPMENT CORP**

THE SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom – Happiness

No.: **257** /CV-MIE-TCKT

Ha Noi, April 16th 2026

Re: Explanation regarding the placement of
MIE shares under warning status

To:

- State Securities Commission of Vietnam;
- Hanoi Stock Exchange.

On 13 April 2026, The Machines and Industrial Equipment Corporation (the “Corporation”) received Notice No. 1316/TB-SGDHN together with Decision No. 289/QĐ-SGDHN dated 1 April 2026 issued by the Hanoi Stock Exchange regarding the continued placement of MIE shares under warning status. The reason for this is that the Corporation’s aggregated financial statements have received qualified audit opinions for three consecutive years, along with a requirement for the Corporation to provide explanations and remedial measures.

Based on the qualified opinions in the aggregated financial statements and consolidated financial statements audited by CPA Vietnam Auditing Company Limited over three consecutive years (2023–2024–2025), the Corporation hereby provides explanations of the causes and proposed remedial actions as follows:

A. Based on the grounds for the qualified audit opinions, the auditors issued qualifications for specific years as follows:

1. Year 2023

- Combined Financial Statements

“As disclosed in Section 5.2.b, Part 5 of the Notes to the aggregated financial statements, the Corporation has investments in two subsidiaries, namely Mecanimex Products Export-Import Company Limited and Complete Equipment and The Vietnam National Complete Equipment and Technics Import-Export Corporation Limited (Technoimport), with carrying amounts as at 31 December 2022 of VND 186,946,683,204 and VND 35,893,995,830, respectively (unchanged as at 31 December 2022). As at the date of these aggregated financial statements, the Corporation has not assessed any impairment of these investments. We were also unable to obtain sufficient appropriate audit evidence regarding the impairment of these investments, nor were we able to perform alternative audit procedures to assess the required provision amounts as at 31 December 2023 and 31 December 2022. Accordingly, we are unable to determine whether any adjustments to these amounts are necessary.”

- Consolidated financial statements



(1) “As disclosed in Sections 5.3, 5.4 and 5.5, Part 5 of the Notes to the consolidated financial statements, the Corporation has certain long-outstanding receivables as at 31 December 2023 and 31 December 2022, including: trade receivables of Technoimport amounting to VND 59,039,493,041; prepayments to suppliers of Mecanimex amounting to VND 20,549,503,289; and other receivables of Technoimport amounting to VND 6,115,416,932. These balances have been outstanding since prior to 30 September 2014 (the date of enterprise valuation for equitization) but were not addressed during the enterprise valuation or disclosure process for equitization. In addition, trade receivables of Mecanimex arising after 30 September 2014, which were overdue as at 31 December 2023, amounted to VND 20,936,665,113.

As at the date of this report, the parent company and four wholly owned subsidiaries are awaiting approval from competent authorities on the equitization finalization, including the resolution of the aforementioned outstanding balances. Accordingly, the Corporation has not recognized any provision for doubtful debts in respect of these receivables. We were unable to perform alternative audit procedures to assess the provision required as at 31 December 2023 and 31 December 2022. Therefore, we are unable to determine whether any adjustments are necessary.”

(2) “As disclosed in Sections 5.3, 5.4 and 5.5, Part 5 of the Notes to the consolidated financial statements, the Corporation has certain outstanding balances as at 31 December 2023 and 31 December 2022, including: trade receivables of VND 328,790,740; prepayments to suppliers of VND 234,572,661; and other receivables of VND 18,184,136,530. These balances are related to a criminal case at the General Import-Export Trading Enterprise under Quang Trung Mechanical Engineering Company Limited (a subsidiary - QTMEC). According to the aggregated financial statements of QTMEC for the year ended 31 December 2023, as the case is still under enforcement proceedings, the Company has not been able to determine the loss related to these doubtful receivables. As at 31 December 2023, the Corporation has not recognized any provision for doubtful debts in respect of these balances. We were also unable to perform alternative audit procedures to assess the required provision amounts as at 31 December 2023 and 31 December 2022. Accordingly, we are unable to determine whether any adjustments are necessary.”

2. Year 2024

- Combined Financial Statements

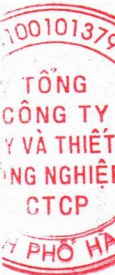
“As disclosed in Section 5.2.b, Part 5 of the Notes to the aggregated financial statements, the Corporation has investments in two subsidiaries, namely Mecanimex and Technoimport, with carrying amounts as at 31 December 2024 of VND 186,946,683,204 and VND 35,893,995,830, respectively (unchanged compared to 31 December 2023).

As at the date of these aggregated financial statements, the Corporation has not assessed any impairment of these investments. We were also unable to obtain sufficient appropriate audit evidence regarding the impairment of these investments, nor were we able to perform alternative audit procedures to assess the required provision amounts as at 31 December 2024 and 31 December 2023. Accordingly, we are unable to determine whether any adjustments to these amounts are necessary.”

- Consolidated Financial Statements

(1) As presented in Notes 5.3, 5.4 and 5.5 to Section 5 "Notes to the Consolidated Financial Statements", the Corporation had certain outstanding balances as at 31 December 2024 as follows: Trade receivables of Technoimport: 59.039.493.041 VND; Advances to suppliers of Mecanimex: 20.549.503.289 VND; Other receivables of Technoimport: 6.115.416.932 VND. These are outstanding balances as at 30 September 2014 (the date of enterprise valuation for equitization) that were not resolved during the enterprise valuation process nor upon the announcement of enterprise value for equitization. Additionally, trade receivables of Mecanimex arising after 30 September 2014 and overdue as at 31 December 2024 amounted to: 20.848.537.213 VND (for which an allowance of: 543.275.781 VND has been recognized). As at the date of issuance of these consolidated financial statements, the Parent Company and four wholly-owned subsidiaries are awaiting approval from the competent authorities for the finalization of the equitization process and the resolution of related matters, including these outstanding balances. Accordingly, the Corporation has not recognized an allowance for doubtful debts for these receivables. We were also unable to perform alternative audit procedures to assess the adequacy of the allowance for doubtful debts as at 31 December 2024. Consequently, we are unable to determine whether any adjustments to these balances are necessary.

(2) As presented in Notes 5.3, 5.4 and 5.5 to Section 5 "Notes to the Consolidated Financial Statements", the Corporation had certain outstanding balances as at 31 December 2024 as follows: Trade receivables: 328.790.740 VND, Advances to suppliers: 234.572.661 VND, Other receivables: 18.184.136.530 VND. These balances relate to a legal case occurring at the General Import-Export Trading Enterprise under Quang Trung Mechanical Engineering Company Limited (a subsidiary). Based on the combined financial statements for the fiscal year ended 31 December 2024 of QTMEC, as the case remains under enforcement proceedings, the subsidiary has not been able to reliably estimate the recoverable amounts of these receivables. As at 31 December 2024, the Corporation has not recognized any allowance for doubtful debts in respect of these balances. We were also unable to perform alternative audit procedures to assess the adequacy of the allowance for doubtful debts as at 31 December 2024. Accordingly, we are unable to determine whether any adjustments to these balances are necessary.



3. Year 2025

- Combined Financial Statements

“As presented in Note 5.2.b, Part 5, Notes to the Combined Financial Statements, the Corporation has an investment in a subsidiary, namely Technoimport, with book values as of 31 December 2025 of 35.893.995.830 VND (as of 31 December 2024, the value was 35.893.995.830 VND). As of the date of these combined financial statements, the Corporation has not assessed the impairment of the investment in this subsidiary. We have not been able to obtain sufficient appropriate audit evidence regarding the impairment of this investment and have not been able to perform alternative audit procedures to assess the value of the provisions required to be made as at 31 December 2025 and 31 December 2024. Therefore, we are unable to determine whether any adjustments to these figures are necessary”

- Consolidated Financial Statements

(1) As presented in Note 5.3, Note 5.4 and Note 5.5 to Section 5 "Notes to the Consolidated Financial Statements", the Corporation had certain outstanding balances as at 31 December 2025 as follows: Trade receivables of Technoimport: 59.039.493.041 VND; Advances to suppliers of Mecanimex: 20.549.503.289 VND; Other receivables of Technoimport: 6.115.416.932 VND. These are outstanding balances as at 30 September 2014 (the date of enterprise valuation for equitization) that were not resolved during the enterprise valuation process nor upon the announcement of enterprise value for equitization. Additionally, trade receivables of Mecanimex arising after 30 September 2014 and overdue as at 31 December 2025 amounted to: 21.182.771.745 VND (for which an allowance of 973.707.113 VND has been recognized). As at the date of issuance of these consolidated financial statements, the Parent Company and four wholly-owned subsidiaries are awaiting approval from the competent authorities for the finalization of the equitization process and the resolution of related matters, including these outstanding balances. Accordingly, the Corporation has not recognized an allowance for doubtful debts for these receivables. We were also unable to perform alternative audit procedures to assess the adequacy of the allowance for doubtful debts as at 31 December 2025. Consequently, we are unable to determine whether any adjustments to these balances are necessary.

(2) As presented in Note 5.3, Note 5.4 and Note 5.5 to Section 5 "Notes to the Consolidated Financial Statements", the Corporation had certain outstanding balances as at 31 December 2025 as follows: Trade receivables: 328.790.740 VND, Advances to suppliers: 234.572.661 VND, Other receivables: 18.184.136.530 VND. These balances relate to a legal case occurring at the General Import-Export Trading Enterprise under Quang Trung Mechanical Engineering Company Limited (a subsidiary). According to the aggregated financial statements for the financial year ended 31 December 2025 of QTMEC, as the case remains in the enforcement stage, QTMEC has not yet been able to

determine the loss related to the above doubtful receivables. As at 31 December 2025, the Corporation has not made any provision for doubtful debts in respect of these receivables. We were also unable to perform alternative audit procedures to assess the amount of provision required to be recognised as at 31 December 2025. Accordingly, we were unable to determine whether any adjustments to these figures were necessary.

B. Explanation of the causes and presentation of the remediation plan for the subsequent years in respect of the qualified audit opinions for three consecutive years from 2023 to 2025 is as follows:

1. With respect to the qualified audit opinion regarding receivables at subsidiaries in connection with MIE's investments in these entities:

Based on the explanatory letters regarding the qualified audit opinions for the years from 2023 to 2025, the receivables at the subsidiaries include certain long-outstanding overdue balances arising prior to 30 September 2014 (being the date of enterprise valuation for equitisation). The relevant entities are currently awaiting approval by the competent authorities of the equitisation finalisation and the resolution of related matters, including the aforementioned outstanding receivables. The competent authorities are still in the process of completing the equitisation finalisation procedures of MIE. Accordingly, MIE has not assessed any impairment loss in relation to its investments in these subsidiaries in the audited aggregated financial statements.

Upon completion of the equitisation finalisation by the competent authorities, MIE will make the necessary adjustments in accordance with applicable regulations.

2. With respect to the qualified audit opinion relating to the case under investigation at the General Import-Export Trading Enterprise, a dependent unit of Quang Trung Mechanical Engineering Company Limited (QTMEC):

In 2022, the High People's Court in Hanoi issued Appellate Judgment No. 536/2022/HS-PT dated 11 August 2022, which became legally effective from the date of pronouncement. During the period from 2023 to 2025, QTMEC continued to undertake legal procedures to initiate legal proceedings against Mr. Nguyen Duy Xuyen and Ms. Than Thi Nham (jointly and severally liable), requesting the performance of obligations arising from the losses caused to the enterprise and the Company. After an extended period of providing documents and explanations as requested by the People's Court of Hoang Mai District, the case was formally accepted by the Court in 2024. As at the date of preparation of the financial statements for the accounting period ended 31 December 2025, since the case remains in the enforcement stage, QTMEC and MIE have not yet assessed the related loss in the audited consolidated financial statements for the accounting period ended 31 December 2025.

Upon completion of the enforcement process, QTMEC and MIE will proceed with the settlement of the above receivables. Accordingly, the auditor's qualification in respect of this matter is expected to be removed.

MIE hereby undertakes and assumes full responsibility for the accuracy and completeness of the above explanations.

Respectfully submitted.

Recipients:

- As above;
- BoDs, SB (for reporting);
- FAD;
- Filed: Admin, HR.

GENERAL DIRECTOR



Le Huy Hai