

MINISTRY OF CONSTRUCTION
CONSTRUCTION MACHINERY
CORPORATION

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

No: 126/COMA-TCKH

Hanoi, April 24, 2026

Re: Explanation of causes and remedial
measures regarding restricted trading status.

To: Hanoi Stock Exchange

On April 7, 2026, Construction Mechanical Corporation – JSC received Notice No. 1505/TB-SGDHN regarding the trading status of TCK shares on the UpCoM trading system; Decision No. 433/QĐ-SGDHN and Decision No. 434/QĐ-SGDHN dated April 7, 2026 issued by the Hanoi Stock Exchange concerning the explanation of causes and the proposal of remedial measures for the restricted trading status.

1. Construction Mechanical Corporation – JSC would like to provide an explanation of the causes leading to negative equity in the audited financial statements for 2025 and the qualified audit opinions for three consecutive years or more, as follows:

- The Corporation's core business is mechanical fabrication and steel structure installation. Given the nature of this industry, it is currently very difficult to secure projects due to intense market competition. Limited job opportunities and low revenue have resulted in a correspondingly low profit margin (profit-to-revenue ratio).

- Some projects funded by the state budget were completed a long time ago but have not yet been finalized with the investors; therefore, the Corporation has been unable to recover receivables and lacks the funds to pay taxes, resulting in late payment interest/penalties.

- As of December 31, at the end of the fiscal year, the Corporation conducted a comprehensive review and assessment of all receivables and long-term financial investments to make provisions in accordance with regulations. Due to the substantial accumulated provisions carried forward from previous years, the Corporation's equity has become negative.

- The qualified audit opinion arose because, as of the reporting date, some customers had not signed confirmations of the reconciliation of receivables and payables that were overdue by more than six months. The Corporation assesses these balances as recoverable in the following fiscal year; therefore, it has not made provisions for them at this time.

2. Remedial measures to address the restricted trading status:

- In the following fiscal year, the Corporation will strengthen its efforts to secure new projects and expand service business activities to increase revenue. It will also proactively work with customers to finalize and settle outstanding projects, recover receivables, and reverse previously recognized provisions to reduce expenses.

- The Corporation is implementing divestment from its subsidiaries to balance cash flows for tax payments, thereby avoiding late payment charges, reducing expenses, and increasing profits to gradually offset the negative equity balance.

The Corporation respectfully submits this explanation to the Hanoi Stock Exchange and kindly requests your consideration.

Sincerely,

Recipients:

- As above;
- Board of Directors (for reporting);
- Supervisory Board;
- Corporate Governance Department;
- Filing: Office, Finance & Planning Department.
- Published on the website



GENERAL DIRECTOR

Đào Đức Thọ