

No. 186 /TTr-HDQT

Hanoi, June 2 2026

## PROPOSAL

### Re: The approval of the 2025 Audited Financial Statements Of Vietnam Machinery Installation Corporation - JSC

To: The 2026 Annual General Meeting of Shareholders  
Vietnam Machinery Installation Corporation - JSC

*Pursuant to the Enterprise Law No. 59/2020/QH14 dated June 17, 2020, as amended and supplemented by Law No. 03/2022/QH15 dated January 11, 2022 and Law No. 76/2025/QH15 dated June 17, 2025;*

*Pursuant to the Charter of Organization and Operation of Vietnam Machinery Installation Corporation - JSC;*

*Pursuant to the 2025 financial statements of Vietnam Machinery Installation Corporation - JSC, audited by AASC Auditing Firm Co., Ltd.*

The Board of Directors of the Corporation respectfully submits to the Annual General Meeting of Shareholders 2026 for approval the separate financial statements for 2025 and the consolidated financial statements for 2025 of Vietnam Machinery Installation Corporation - JSC, audited by AASC Auditing Firm Co., Ltd. (Financial statements are attached to the General Meeting of Shareholders documents). A summary of some key indicators is as follows:

#### I. SEPARATE FINANCIAL STATEMENTS FOR 2025

##### 1. Assets - Equity:

No.	Indicator	Unit	Amount
I	<b>TOTAL ASSETS</b>	<b>VND</b>	<b>6,720,782,617,007</b>
1	Current assets	VND	6,069,797,117,993
2	Long-term assets	VND	650,985,499,014
II	<b>TOTAL EQUITY&amp; LIABILITIES</b>	<b>VND</b>	<b>6,720,782,617,007</b>
1	Liabilities	VND	5,256,250,090,260
2	Equity	VND	1,464,532,526,747

##### 2. Business results for 2025:

No.	Indicator	Unit	Amount
1	Revenue from sales of goods and provision of services	VND	5,337,702,211,702
2	Total accounting profit before tax	VND	598,896,126,322

No.	Indicator	Unit	Amount
3	Profit after corporate income tax (CIT)	VND	507,135,151,898

### 3. Auditor's Opinion on the Separate Financial Statements

The audit report is unqualified but includes some points of emphasis, specifically as follows:

*"We would like to draw the reader's attention to the following:*

*In explanatory note 2.3 - "Basis for preparing separate financial statements", as of the time of issuing this report, the work related to the equitization settlement of the Corporation is still being carried out and the Corporation has not yet received a decision from the competent authority approving the settlement of the value of State capital at the time of officially converting into a joint-stock company.*

*This point of emphasis does not change our above-mentioned unqualified audit opinion."*

## II. CONSOLIDATED FINANCIAL STATEMENTS FOR 2025

### 1. Assets - Equity:

No.	Indicator	Unit	Amount
<b>I</b>	<b>TOTAL ASSETS</b>	<b>VND</b>	<b>7,353,839,929,953</b>
1	Current assets	VND	6,533,106,249,908
2	Long-term assets	VND	820,733,680,045
<b>II</b>	<b>TOTAL EQUITY&amp; LIABILITIES</b>	<b>VND</b>	<b>7,353,839,929,953</b>
1	Liabilities	VND	5,937,792,459,951
2	Equity	VND	1,416,047,470,002

### 2. Business results for 2025:

No.	Indicator	Unit	Amount
1	Revenue from sales of goods and provision of services	VND	5,432,589,386,760
2	Total accounting profit before tax	VND	566,161,512,514
3	Profit after corporate income tax (CIT)	VND	473,379,941,191

### 3. Auditor's Opinion on the Consolidated Financial Statements

An audit report is a report containing a qualified opinion and issues that need to be highlighted, specifically as follows:

#### Qualified Opinion:

*"1. Issues at subsidiaries affecting consolidated financial statements:*

*Accounts receivable and provisions for doubtful accounts.*



- As of January 1, 2025 and December 31, 2025, the subsidiaries of the Corporation, including Lilama Mechanical and Installation Joint Stock Company, Lilama 5 Joint Stock Company, and Lilama 7 Joint Stock Company, recorded several overdue receivables with total values of VND 76.17 billion and VND 92.26 billion respectively. However, we have not yet obtained evidence of the Board of Directors' assessment or other relevant documents regarding the recoverability of these receivables. Therefore, we cannot determine the necessary adjustments (if any) to the consolidated financial statements for the fiscal year ended December 31, 2025 of the Corporation.

### ***Inventory***

- We have performed the necessary audit procedures; however, we cannot guarantee the accuracy and any potential losses of the inventory items at the Corporation's subsidiaries, including Lilama Mechanical and Installation Joint Stock Company, Lilama 5 Joint Stock Company, and Lilama 7 Joint Stock Company, with total values as of January 1, 2025 and December 31, 2025 of VND 287.24 billion and VND 246.69 billion respectively. Therefore, we have not yet determined the necessary adjustments related to the "inventory" item, nor the impact (if any) on the Corporation's consolidated financial statements for the fiscal year ending December 31, 2025.

### ***Liabilities***

- As of January 1, 2025 and December 31, 2025, Lilama 5 Joint Stock Company, a subsidiary of the Corporation, is reporting overdue interest expenses of VND 74.01 billion and loans from the Vietnam Investment and Development Bank - Bim Son Branch (BIDV) of VND 182.96 billion and VND 182.96 billion respectively. Based on the audit procedures performed, we have no basis to determine the accuracy and completeness of the interest expenses recorded this year and previous years, as well as the accuracy and obligations regarding the outstanding BIDV loan balance of this subsidiary. Therefore, we cannot assess the effects (if any) related to the items "Short-term payables", "Loans and financial lease liabilities" at January 1, 2025 and December 31, 2025 and the item "Financial expenses" on the consolidated financial statements for the fiscal year ended December 31, 2025 of the Corporation.

- As of January 1, 2025 and December 31, 2025, Lilama Mechanical and Installation Joint Stock Company, a subsidiary of the Corporation, is presenting accumulated interest expenses from 2023 to the end of 2025 for short-term loans from the Vietnam Investment and Development Bank - Ninh Binh Branch, amounting to VND 21.31 billion and VND 31.56 billion respectively, under the item "Other short-term receivables" without recording them in the annual business results. This results in the consolidated income statement showing that the "Financial expenses" item for 2025 and the comparative figure for 2024 are underrecorded, while the "Total accounting profit before tax" item is overrecorded by the same amounts of VND 10.24 billion and VND 10.5 billion respectively. On the consolidated balance sheets as of January 1, 2025 and December 31, 2025, the items "Other short-term receivables" and "Undistributed after-tax profit" are over-recorded by VND 21.31 billion and VND 31.56 billion, respectively.

- As of December 31, 2025, according to the Social Insurance agency's notice, Lilama Mechanical and Installation Joint Stock Company, a subsidiary of the Corporation, is obligated to pay late payment penalties for social insurance contributions totaling VND 8.03 billion (VND 7.07 billion as of January 1, 2025), of which VND 0.96 billion is late payment penalty interest incurred in 2025 (VND 1.13 billion in 2024). This late payment



penalty has not been recorded by the subsidiary in its financial statements for the fiscal year ending December 31, 2025. This results in the "Other short-term payables" item being understated, and the "Undistributed after-tax profit" item on the consolidated balance sheet as of December 31, 2025 being overstated by the same amount of VND 8.03 billion (compared to VND 7.07 billion as of January 1, 2025). The "Net profit after corporate income tax" item on the consolidated income statement for 2025 is overstated by VND 0.96 billion (compared to VND 1.13 billion in 2024).

#### **Other issues**

- At its subsidiary, Lilama 7 Joint Stock Company, the presented item "Long-term prepaid expenses" as of January 1, 2025 and December 31, 2025 shows amounts of VND 2.1 billion and VND 2.1 billion respectively. Based on the audit procedures performed, we cannot assess the appropriateness of the above figures or their impact on the consolidated financial statements for the fiscal year ending December 31, 2025 of the Corporation.

- We are unable to assess the appropriateness of the accounts receivable and accounts payable balances as of January 1, 2025 and December 31, 2025 at the subsidiaries - Lilama 7 Joint Stock Company and Mechanical and Installation Joint Stock Company - with accounts receivable of VND 50.89 billion and VND 21.06 billion respectively, and accounts payable of VND 48.35 billion and VND 34.49 billion respectively, as well as the impact of this issue on the consolidated financial statements of the Corporation for 2025.

- At Lilama 7 Joint Stock Company, a subsidiary of the Corporation, interest and penalties for late payment of land lease fees and infrastructure fees incurred in previous years are being recorded as other expenses in 2024 according to Arbitration Award No. 40/19 dated February 4, 2020, between Lilama 7 Joint Stock Company and Saigon - Da Nang Investment Joint Stock Company, amounting to VND 4.9 billion, without retroactively adjusting these expenses into the business results of previous years. This results in the "Total accounting profit before tax" figure on the consolidated income statement for 2024 ( comparative figures) of the Corporation being lower by VND 4.9 billion.

#### **2. Issues at associated companies affecting consolidated financial statements:**

The Corporation is accounting for investments in associate companies using the equity method as presented in Note 2.9 - Notes to the Consolidated Financial Statements. However, the value of these investments using the equity method has not been considered in relation to the basis of the qualified audit opinion stated in the audit reports on the 2025 financial statements of Lilama 45-3 Joint Stock Company, Lilama 69-3 Joint Stock Company, and Lilama Real Estate Joint Stock Company. We are unable to assess the impact of these issues on the financial statements of the aforementioned entities. Therefore, we cannot determine the necessary adjustments (if any) to the item "Investments in Joint Ventures and Associates" (Code 252 on the Consolidated Balance Sheet) as of January 1, 2025 and December 31, 2025, and the item "Share of profit or loss in joint ventures and associates" (Code 24 on the Consolidated Income Statement) for the fiscal year ended December 31, 2025, of the Corporation.



### ***Qualified audit opinion***

*In our opinion, except for the impact of the issues mentioned in the paragraph "Basis for the qualified audit opinion", the consolidated financial statements fairly and reasonably reflect, in all material respects, the financial position of Vietnam Machinery Installation Corporation - JSC as of December 31, 2025, as well as the results of business operations and cash flows for the fiscal year ended on the same date, in accordance with the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and relevant legal regulations on the preparation and presentation of financial statements."*

### **Reasons for the Qualified Opinion:**

#### **1.1 Regarding issues affecting the consolidated financial statements arising at the subsidiary:**

*Regarding the comments on accounts receivable and provisions for doubtful receivables:* Currently, the general economic situation is facing many difficulties, therefore, customers of the Corporation's subsidiaries (Lilama 5, Lilama 7, and Lilama Mechanical and Installation) are facing many difficulties in arranging funds for payment. In addition, project settlement is also encountering many obstacles. Therefore, the subsidiaries are setting aside provisions based on the Corporation's assessment of losses.

*Regarding the qualified opinion on inventory:* The financial statements of LILAMA's three subsidiaries, including LILAMA 5, LILAMA 7, and LILAMA Mechanical and Installation, currently reflect a qualified opinion concerning the accuracy and potential loss (if any) of the Work-in-Progress Production Costs item. This is because these companies have not yet provided auditors with sufficient documentation to demonstrate the potential benefits from the inventory or any potential losses (if any) of the Work-in-Progress Production Costs item. In the future, these companies will conduct checks, comparisons, and determine any potential losses at the projects to fully reflect the costs in their production and business results.

*Regarding the financial expenses and payables of Lilama 5 Company:* As of January 1, 2025 and December 31, 2025, Lilama 5 had overdue bank loans; however, the company and the banks have not yet reconciled and confirmed the interest and late payment penalties for these overdue loans. Therefore, the auditing firm provides an opinion on this loan as well as the financial expenses incurred in connection with it.

*Regarding Lilama Mechanical and Installation's financial expenses:* The company is estimating and provisionally recording the interest expense payable in 2025 for a short-term loan from the Vietnam Investment and Development Bank - Ninh Binh Branch, amounting to VND 10.8 billion, under the item "Other short-term receivables," which has not yet been recorded in the 2025 business results. Lilama Mechanical and Installation is working with the bank to verify and determine the value of the interest expense to accurately reflect it in the business results.

*Regarding the late payment penalty interest as per the Social Insurance agency's notice to Lilama Mechanical and Installation Company :* Lilama Mechanical and Installation Company is currently working with the insurance agency to request a postponement or extension of the payment of the principal social insurance debt, as well as a waiver of the late payment penalty interest. Based on the results of these



efforts, the company will reflect this in its financial statements and business performance reports.

*For other issues:*

*Regarding Lilama 7 Company's prepaid expenses:* These are tools and equipment, long-term costs; however, the company has not yet accurately inventoried and assessed them to determine their allocation to production and business expenses.

*Regarding interest and penalties for late payment of land lease fees and infrastructure fees:* These interest and penalties will be paid by the Company and recorded as expenses in 2024.

## **1.2 Regarding issues affecting consolidated financial statements arising at associated companies.**

Based on the audit opinions on the 2025 financial statements of the associated companies, including Lilama 45.3, Lilama 69-3, and LILAMA Real Estate Joint Stock Company, the auditors of the auditing firm all issued audit opinions that were not unqualified opinions. Furthermore, the auditors of AASC (auditing LILAMA's consolidated financial statements) were unable to obtain sufficient appropriate audit evidence to determine the impact (if any) related to the items "Investment in joint ventures and associated companies" and "Profit or loss in joint ventures and associated companies," and issued a qualified opinion on this matter.

### **Points to emphasize:**

*"In explanatory note 2.3 - 'Basis for preparing consolidated financial statements,' as of the time of issuing this report, the work related to the equitization settlement of the Corporation is still being carried out, and the Corporation has not yet received a decision from the competent authority approving the settlement of the value of State capital at the time of officially converting into a joint-stock company."*

*This point of emphasis does not alter our audit opinion, except as stated above."*

Respectfully submitted to the General Meeting of Shareholders for consideration and approval./.

**ON BEHALF OF THE BOARD OF DIRECTORS  
CHAIRMAN**

### **Recipients:**

- As above;
- Members of BOD;
- General Director;
- Supervisory Board;
- Archived: BOD Support team,  
FACC Dept.

  
**Bui Duc Kien**