

**MECHANNICS CONSTRUCTION AND
FOODSTUFF JOINT-STOCK COMPANY
(MECOFOOD)**

No: 116 /CV-MCF-TCHC

Re: Explanation for the fluctuations in profit for the second
quarter of 2026, increasing by 127,04% compared to the
same period in 2025

To: - **State Securities Commission**
- **Ha Noi Stock Exchange**

SOCIALIST REPUBLIC OF VIETNAM

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Tay Ninh, July 20, 2026

Based on the Q2/2026 business results, specifically highlighted by the following key metrics:

Unit: VND

Content	Q2/2026	Q2/2025	Variance (26/25)
Net revenue	212.763.349.383	140.800.565.841	51,11%
Profit before tax	10.002.717.717	4.276.118.305	133 ,92%
Profit after tax	7.743.063.916	3.410.456.279	127,04%

Mechannics Construction And Foodstuff Joint-Stock Company (ticker: MCF) would like to explain the variance in net profit for the second quarter of 2026, which increased by 127,04% over the same period last year, due to the following reasons:

a) Food sector:

Exported food: In the second quarter of 2026, the volume of rice sold reached 6.487 tons, an increase of 704,84% compared to the same period in Q2/2025. This surge was driven by the fact that the company successfully signed several rice export contracts sourced from domestic suppliers, resulting in a dramatic spike in export volume. This profitable performance in the exported rice segment significantly contributed to the growth of the company's total profit in Q2/2026 compared to Q2/2025.

Domestic food: In the second quarter of 2026, domestic sales volume reached 6,371 tons, a slight decrease of 8.04% over the same period in Q2/2025. Although sales volume experienced a minor drop, the company excelled in its procurement strategy from the beginning of 2026. By closely monitoring market trends, the company capitalized on low price points to buy raw rice, ensuring profitability upon processing and selling to customers. This high-margin segment substantially boosted the company's consolidated profits in Q2/2026 compared to the same period last year.

b) Concrete and Building Materials:

In Q2/2026, concrete sales volume reached 15,185 m³, up 12.22% year-on-year. Despite facing severe supply challenges regarding sand and stone procurement, the company successfully overcame these obstacles to secure a stable supply for production. Furthermore, the market demand for this segment was far more favorable than in the same period of 2025. The concrete business operated highly efficiently in Q2/2026, positively impacting the company's overall profit growth during the quarter.

c) Mechanical Engineering:

In Q2/2026, mechanical sales revenue stood at VND 4.172 billion, down 40.25% compared to Q2/2025. The decline was due to several ongoing projects being in the installation, testing, and commissioning phases, meaning final acceptance and settlement have not yet been finalized, leading to low recognized revenue. Although the mechanical segment underperformed this quarter, its impact on the company's overall financial results for Q2/2026 was minimal.



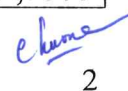
d) Packaging:

In Q2/2026, packaging sales volume reached 1.615 million units, an increase of 46.95% compared to Q2/2025. This growth was driven by the acquisition of several new clients alongside steady orders from traditional customers. Additionally, the company optimized its timing to import plastic resins at favorable prices and scheduled production during off-peak hours to minimize electricity costs, thereby boosting profit margins. The efficient performance of the packaging segment successfully contributed to the expansion of the company's total profits.

In summary, out of the company's 4 business segments in Q2/2026, 3 generated strong financial returns. The food sector continued to be the primary driver of high profitability. Consequently, the company's profit after tax for Q2/2026 reached VND 7.743 billion, marking a 127.04% increase over the same period in Q2/2025. The 6-month accumulated profit before tax reached VND 14.005 billion, achieving 111.15% of the target plan. This success reflects the great efforts and solidarity of the Management Board, who closely followed market developments to take prudent, firm, yet flexible steps to ensure efficiency and sustainable growth. The specific metrics are shown in the table below:

Unit: VND billion

No.	Category / Item	Q2/2026	Q2/2025	Variance (26/25)
1	Mechanical Engineering			
	a/ Revenue	4,172	6,983	-40,25%
	b/ Cost of goods sold (COGS)	4,448	6,304	-29,44%
	c/ Gross profit	-0,275	0,679	-140,50%
	Gross profit margin (%)	-6,59	9,72	-167,80%
2	Exported Food			
	a/ Volume (Tons)	6.487	806	704,84%
	b/ Revenue	95,237	16,314	483,77%
	c/ Cost of goods sold (COGS)	90,625	14,291	534,14%
	d/ Gross profit	4,612	2,023	127,98%
	Gross profit margin (%)	4,84	12,4	-60,97%
3	Domestic Food			
	a/ Volume (Tons)	6.371	6.928	-8,04%
	b/ Revenue	80,243	93,844	-14,49%
	c/ Cost of goods sold (COGS)	64,050	85,222	-24,84%
	d/ Gross profit	16,193	8,622	87,81%
	Gross profit margin (%)	20,18	9,19	119,59%
4	Packaging			
	a/ Volume (Million units)	1,615	1,099	46,95%
	b/ Revenue	7,524	4,804	56,62%
	c/ Cost of goods sold (COGS)	6,416	4,176	53,64%
	d/ Gross profit	1,108	0,628	76,43%
	Gross profit margin (%)	14,73	13,07	12,70%
5	Concrete & Building Materials			
	a/ Volume (m ³)	15.185	13.531	12,22%
	b/ Revenue	25,515	18,763	35,99%
	c/ Cost of goods sold (COGS)	21,862	15,999	36,65%
	d/ Gross profit	3,653	2,763	32,21%
	Gross profit margin (%)	14,32	14,73	-2,78%



The above is the explanatory report on the company's profit variance in Q2/2026 compared to Q2/2025.

Respectfully submitted./.

Recipient:

- As above
- Archived: Clerical Dept.

GENERAL DIRECTOR



LE TRUONG SON

