

**MACHINES & INDUSTRIAL  
EQUIPMENT CORP**

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

No.: **215** /CV-MIE-TCKT

*Ha Noi, 30 March 2026*

Re: Explanatory statement regarding the qualified audit opinion included in the audited consolidated financial statements for the financial year ended 31 December 2025

To:

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

Pursuant to Circular No. 96/2020/TT-BTC dated 16 November 2020 of the Ministry of Finance on information disclosure in the securities market;

Pursuant to the audited consolidated financial statements for the financial year ended 31 December 2025 of Machines and Industrial Equipment Corporation, as disclosed;

Machines and Industrial Equipment Corporation (MIE) hereby provides its explanation regarding the qualified audit opinion as follows:

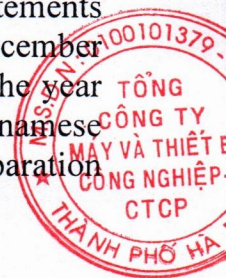
**1. Qualified Audit Opinion as stated in the audited Consolidated Financial Statements for the year ended 31 December 2025**

**Qualified Opinion**

In our opinion, except for the effects of the matters described in the paragraph “Basis for Qualified Opinion”, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of MIE as at 31 December 2025, and its consolidated results of operations and consolidated cash flows for the year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and relevant legal regulations relating to the preparation and presentation of consolidated financial statements.

**Basis for Qualified Opinion**

(1) As disclosed in Notes 5.3, 5.4 and 5.5 to Section 5 “Notes to the Consolidated Financial Statements”, MIE had long-outstanding balances as at 31 December 2025, comprising trade receivables of The Vietnam National Complete Equipment and Technics Import - Export Corporation Limited amounting to VND 59,039,493,041, advances to suppliers of MECANIMEX Products Export-Import Company Limited amounting to VND 20,549,503,289, and other receivables of The Vietnam National Complete Equipment and Technics Import - Export Corporation Limited amounting to VND 6,115,416,932. These balances have been outstanding since 30 September 2014 (the date of enterprise valuation for equitization) and had not been resolved during the enterprise valuation process nor upon the announcement of enterprise value for equitization. In addition, trade receivables of MECANIMEX Products Export-Import Company Limited arising after 30 September 2014 and overdue as at 31 December 2025 amounted to VND 21,182,771,745, for which an allowance of VND 973,707,113 has



been recognised. 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, MIE has not recognised an allowance for doubtful debts for these receivables. Furthermore, we were unable to obtain sufficient appropriate audit evidence, nor 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 disclosed in Notes 5.3, 5.4 and 5.5 to Section 5 “Notes to the Consolidated Financial Statements”, MIE had certain outstanding balances as at 31 December 2025, including trade receivables of VND 328,790,740, advances to suppliers of VND 234,572,661, and other receivables of VND 18,184,136,530. These balances relate to a legal case arising at the General Import-Export Trading Enterprise under Quang Trung Mechanical Engineering Company Limited (a subsidiary). Based on the combined financial statements of Quang Trung Mechanical Engineering Company Limited for the year ended 31 December 2025, 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 2025, MIE has not recognised any allowance for doubtful debts in respect of these balances. Furthermore, we were unable to obtain sufficient appropriate audit evidence, nor to perform alternative audit procedures, to assess the adequacy of the allowance for doubtful debts as at that date. Accordingly, we are unable to determine whether any adjustments to these balances are necessary.

## **2. Explanations**

The qualified opinions raised by the auditors relate to legacy issues that have been disclosed in the audited financial statements of prior periods, for which the Corporation has provided corresponding explanations. The Corporation hereby reiterates the explanations as follows:

### **(1) Qualification (1):**

The receivables at subsidiaries include certain long-outstanding receivables that are overdue for settlement, arising prior to September 30, 2014 (the date of enterprise valuation for equitization), and are pending finalization approval by the competent authorities, including the resolution of related matters such as the aforementioned outstanding receivables.

Accordingly, the Corporation has not assessed any impairment of these receivables of the two subsidiaries in the audited consolidated financial statements for the financial year ended December 31, 2025.

### **(2) Qualification (2):**

These receivables represent financial issues of the General Import-Export Trading Enterprise (a branch of Quang Trung Mechanical Engineering Company Limited), which are related to a criminal case that occurred at the enterprise.


As at the date of preparation of the audited consolidated financial statements for the financial year ended December 31, 2025, the case is under enforcement

proceedings, and Quang Trung Mechanical Engineering Company Limited continues to initiate legal action against Mr. Nguyen Duy Xuyen.

Therefore, the Company and the Corporation have not assessed any impairment of these receivables in the audited consolidated financial statements for the financial year ended December 31, 2025.

On December 29, 2025, the Ministry of Industry and Trade with the State Capital Investment Corporation (SCIC) signed a handover record transferring the ownership representative rights of the State capital at Machines and Industrial Equipment Corporation from the Ministry of Industry and Trade to SCIC. Accordingly, the Ministry of Industry and Trade remains responsible for approving the equitization finalization dossier of Machines and Industrial Equipment Corporation.

Machines and Industrial Equipment Corporation hereby confirms that the above statements are true and takes full responsibility for their accuracy.

Sincerely. 

**Recipients:**

- As above;
- Bod, SB (to replace report);
- Website MIE;
- Archived: Office, FAD.

**GENERAL DIRECTOR**



**Le Huy Hai**

