

MINISTRY OF INDUSTRY AND TRADE
MACHINES AND INDUSTRIAL
EQUIPMENT CORPORATION
No.: **196** /CV-MIE-TCKT

On the explanation of exceptional audit
opinion
recorded in the audited Consolidated
Financial Statements 2024

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

Hanoi, 28 March 2025

To:

- State Securities Commission;
- Hanoi Stock Exchange.

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

Pursuant to the audited Consolidated Financial Statements 2024 of MACHINES AND INDUSTRIAL EQUIPMENT CORPORATION with the announced information.

MACHINES AND INDUSTRIAL EQUIPMENT CORPORATION (Corporation) explains the auditor's exceptional audit opinion as follows:

1. The audit opinion except as stated in the audited Consolidated Financial Statements 2024

Basis of exception audit opinion

(1) As presented in Section 5.3; Section 5.4; Section 5.5, Part 5 "Notes to the Consolidated Financial Statements", the Corporation has a number of outstanding debts as of December 31, 2024 as follows: Accounts receivable from customers of The Vietnam National Complete Equipment And Technics Import Export Corporation Limited: 59,039,493,041 VND; Prepayments to seller of Mechanical Products Export-Import Company Limited: 20,549,503,289 VND; Other receivables of The Vietnam National Complete Equipment And Technics Import Export Corporation Limited: 6,115,416,932 VND. These are outstanding debts as of September 30, 2014 (the time of determining the enterprise value for equitization) but have not been processed when determining the enterprise value as well as when announcing the enterprise value for equitization and the Accounts receivable from customers of Mechanical Products Export-Import Company Limited arising after September 30, 2014 that are overdue for payment as of December 31, 2024 with a value of: 20,848,537,213 VND (for which a provision of VND 543,275,781 has been recognized). At the time of issuance of these Consolidated Financial Statements, the Parent Company and four Subsidiaries 100% owned by the Parent Company are awaiting approval from competent authorities for equitization settlement and handling of related issues including outstanding debts. Therefore, the Corporation has not yet set aside provisions for doubtful debts for these debts. We were



also unable to perform alternative audit procedures to evaluate the amount of the provision required at December 31, 2024. Therefore, we are unable to determine whether any adjustment to these figures is necessary.

(2) As presented in Section 5.3; Section 5.4; Section 5.5, Part 5 “Notes to the Consolidated Financial Statements”, the Corporation has a number of outstanding debts as of December 31, 2024 as follows: Accounts receivable from customers: 328,790,740 VND, Prepayment to seller: 234,572,661 VND, Other receivables: 18,184,136,530 VND. These are outstanding debts related to the case that occurred at the General Import-Export Business Enterprise of Quang Trung Mechanical Engineering Company Limited (Subsidiary). According to the Consolidated Financial Statement for the fiscal year ending December 31, 2024 of Quang Trung Mechanical Engineering Company Limited, because the case is in the execution stage, Quang Trung Mechanical Engineering Company Limited has not yet determined the loss for the above bad debts. As of December 31, 2024, the Corporation has not set up provisions for doubtful debts for these debts. We were also unable to perform alternative audit procedures to evaluate the amount of the provision required at December 31, 2024. Therefore, we are unable to determine whether any adjustment to these figures is necessary.

Exception audit opinion

In our opinion, except for the effects of the matters described in the “Basis for qualified audit opinion” paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2024, as well as the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and the relevant statutory requirements applicable to the preparation and presentation of consolidated financial statements.

2. Explanation

(1) On the opinion on receivables at subsidiaries, the Corporation would like to explain as follows:

Similar to the previous explanations, the receivables at the subsidiary include some overdue outstanding debts arising before September 30, 2014 (the time of determining the enterprise value for equitization), because currently the units are waiting for the competent authority to approve the equitization settlement and handle related issues, including the above-mentioned outstanding debts. The competent authorities are still carrying out the equitization settlement at the Corporation, so the Corporation has not yet assessed the receivable loss of these two subsidiaries in the audited Consolidated Financial Statements 2024.

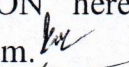
As soon as the competent authorities carry out the equitization settlement, the Corporation will make adjustments according to regulations. Currently, the Corporation

has sent documents to the Ministry of Industry and Trade urging the equitization settlement according to Official Dispatches No. 726/CV-MIE-TCKT dated July 21, 2021, Official Dispatch No. 212/CV-MIE-TCKT dated March 25, 2022 and Official Dispatch No. 286/CV-MIE-TCKT dated April 14, 2023 but has not received any response.

(2) On the related audit opinion in the case under investigation occurring at the General Import-Export Business Enterprise - a unit under Quang Trung Mechanical Engineering Company Limited (Company):

In 2022, the High People's Court in Hanoi issued the appellate judgment No. 536/2022/HS-PT dated August 11, 2022, which took legal effect from the date of judgment.

In 2024, the Company will continue to conduct legal proceedings to sue Mr. Nguyen Duy Xuyen and Ms. Than Thi Nham (jointly) to request the performance of obligations due to causing damage to the Enterprise and the Company. After a long time of providing documents and explanations as requested by the People's Court of Hoang Mai district, the case was accepted by the Court. At the time of preparing the audited Consolidated Financial Statements 2024, because the case was in the execution stage, the Company had not yet determined the loss on the above bad debt receivables. Therefore, the Company and the Corporation have not made provisions for these debts. Immediately after the execution process is completed, the Company and the General Corporation will handle the above debts. From then on, the auditor will no longer make exceptions to this content.

MACHINES AND INDUSTRIAL EQUIPMENT CORPORATION, hereby commits that the above contents are correct and we will be responsible for them. 

Best regards,

Recipients:

- As above;
- Board of Directors, Board of Supervisors (to replace report);
- Website of MIE;
- Archived at: VT, TCKT.

GENERAL DIRECTOR



Le Huy Hai

