



RAILWAY CONSTRUCTION
CORPORATION

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

No: 467/CTĐS-KT

Hanoi, March 30, 2025

(Re: Explanation regarding the qualified
opinion in the audited financial statements of
the parent company and the consolidated
financial statements)

Dear : State Securities Commission;
Hanoi Stock Exchange.

Company name: The Railway Construction Corporation Joint Stock Company
Địa chỉ: No. 33, Lang Ha Street, Thanh Cong Ward, Ba Dinh District, Hanoi
Stock code: RCC

Register for securities trading: UPCOM

The Joint Stock Company - Railway Construction Corporation (RCC) provides an explanation regarding the qualified opinion in the audited financial statements of the parent company and the consolidated financial statements for the year 2024 as follows:

In the financial statements for the year 2024, audited on March 30, 2025, AASC Auditing Company issued a qualified opinion on the following matters.

Issue 1: During the year, the Corporation engaged in advance payment transactions and subsequent recoveries with related parties for investment participation in the Muong Hoa Eco-Tourism Area (Hoa Binh Province) and the acquisition of a stone quarry at Go Truong Mountain (Thanh Hoa Province). These projects were discontinued pursuant to Resolution No. 67/NQ-CTĐS-HĐQT dated 30 December 2024, issued by the Board of Directors, and the Corporation has recovered the advanced amounts. We have been unable to obtain sufficient appropriate audit evidence regarding the nature of these transactions and their impact on the accompanying Separate Financial Statements for the financial year ended December 31, 2024.

Issue 2: The Corporation acquired 11 million shares in Neo Floor Joint Stock Company pursuant to Resolution No. 67/NQ-CTĐS-HĐQT dated 30 December 2024, issued by the Board of Directors, with a total value of VND 214.5 billion. As of the issuance date of this Independent Audit Report, we have not been able to obtain complete documentation related to this share acquisition transaction. Therefore, we are unable to determine the necessary adjustments (if any) to the accompanying Separate Financial Statements concerning this long-term financial investment.

RCC provides the following explanation:

Regarding Issue 1: The above-mentioned advance and advance recovery transactions were carried out in accordance with the Corporation's regulations for the purpose of investing in potential projects. Due to market conditions and other objective factors, the Board of Directors decided to discontinue the projects under Resolution No. 67/NQ-CTĐS-HĐQT. As of now, the Corporation has fully recovered the related advances in accordance with regulations, ensuring no financial loss. However, due to prudence in the audit process, the auditor issued a qualified opinion.

Regarding Issue 2: The transaction of transferring 11 million shares at NeoFloor Joint Stock Company has been completed by the company on December 31, 2024, in



accordance with Resolution No. 67/NQ-CTĐS-HĐQT, in compliance with RCC regulations and other legal provisions. However, since the fiscal year 2024 of NeoFloor Joint Stock Company begins on April 1, 2024, and ends on March 31, 2025, at the time of the audit, the company was unable to provide the audited financial statements for the fiscal year 2024 and only provided the financial statements for the year 2023 (from April 1, 2023, to March 31, 2024). This has resulted in the auditor being unable to collect sufficient documentation regarding the investment.

Above is the explanation regarding the qualified opinion in the separate and consolidated financial statements for the year 2024 of the company. RCC commits to continue reviewing and supplementing the necessary documents and materials to provide sufficient appropriate audit evidence in subsequent audit periods.

Best regards!

LEGAL REPRESENTATIVE

General Director



Võ Văn Phúc

