**TCK: Explanation and the plan to overcome the restricted trading situation**

On April 19, 2024, Construction Machinery Corporation - JSC announced Official Dispatch No. 125/COMA-TCKT explaining the causes and measures to address the restricted trading situation as follows:

1. Construction Machinery Corporation - JSC would like to explain the reasons for the negative owners' equity in the Audited Financial Statements 2023 and the auditor's qualified opinion for more than three consecutive years, as follows:

* The main business line of the company is mechanical processing and steel structure installation. In such a field, finding employment is currently challenging due to high competition in the market. Low job opportunities and low revenue lead to low profit-to-revenue rate.
* Some projects, which were constructed using state budget capital, have been completed for a long time but have not been settled with the investors. As a result, the company has been unable to recover the debts, leading to delayed tax payments.
* At the end of the fiscal year, on December 31, the company conducted a review and evaluation of all receivable debts and long-term financial investments to establish provisions in accordance with regulations. The accumulated provisions from previous years have caused negative owners’ equity.

1. Plan to overcome the situation of restricted transactions:

* In the upcoming fiscal year, the company will enhance efforts to search for employment and provide services to increase revenue. Actively work with customers to settle outstanding projects to recover receivable debts and reduce expenses, thereby gradually offsetting the negative owners’ equity by increasing profits.
* The company is finalizing the accounting for the Skylight luxury apartment project to boost profits. It will also divest from units with revenue sources to ensure timely tax payments and increase profits, gradually compensating for the negative owners’ equity.