



QNC
corporation

CÔNG TY CỔ PHẦN XI MĂNG VÀ XÂY DỰNG QUẢNG NINH

A: Khu Hợp Thành, P. Phương Nam, Tp. Uông Bí, Quảng Ninh

T: (+84) 203.3668355 - 3854143 • F (+84) 203.3668354 - 3668392

E: qnc@qnc.vn - phongkinhdoanhqnc@gmail.com • W www.qncc.vn

No: 606/ CV – QNC

Quang Ninh, March 27th, 2025

“Regarding the explanation of profit difference post-audit vs. independent”

Dear:

- State Security Commission of Vietnam
- Hanoi Stock Exchange.

Company name: Quang Ninh Cement and Construction Joint Stock Company

Stock symbol: QNC

Address: Hop Thanh Area – Phuong Nam Ward – Uong Bi City – Quang Ninh Province

Quang Ninh Cement and Construction Joint Stock Company would like to send our respectful greetings to all agencies.

According to Audited Financial Statement No. 260325.013/BCTC.KT5 and No. 260325.014/BCTC.KT5 of AASC Auditing Company Limited sent to our Company were prepared on March 26th 2025, including Separate Financial Statements and Consolidated Financial Statements.

There is a difference in the profit after corporate income tax index on the audited Separate and Consolidated Financial Statements compared to the Company's independent financial statements. Specifically as follows:

1) Separate Financial Statements:

- The result on the Company's financial statements is after-tax profit of 40.40 billion VND.
- According to the audit results in 2024, the Company's profit after corporate income tax is 43.22 billion VND, an increase of 2.82 billion VND, equivalent to an increase of 7% compared to self-made.

1) Consolidated Financial Statements:

- The result on the Company's financial statements is after-tax profit of 40.35 billion VND.
- According to the audit results in 2024, the Company's profit after corporate income tax is 43.17 billion VND, an increase of 2.82 billion VND, equivalent to an increase of 7% compared to self-made.

The main reasons for the difference in 2024 audited profit between the self-prepared and audited financial statements are as follows:

i) For separate financial statements: Profit after corporate income tax increased by VND 2.82 billion due to the Auditor adjusting accounting entries to reduce revenue by VND 0.592 billion, reduce interest expenses, management expenses and cost of goods sold by VND 4.157 billion, and increase corporate income tax payment by VND 0.713 billion.

ii) For Consolidated Financial Statements: Profit after corporate income tax increased by VND 2.82 billion due to the Auditor adjusting accounting entries to reduce revenue by VND 0.566 billion, reduce interest expenses, management expenses and cost of goods sold by VND 4.055 billion, and increase corporate income tax payment by VND 0.669 billion.

We hereby commit that the information published above is true and take full legal responsibility for the content of the published information.

Best regards !

Recipient :

- As above ;
- Save company office .

GENERAL DIRECTOR



To Ngọc Hoang



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Quang Ninh, March 27th, 2025

No: 607 / CV - QNC

“Regarding the explanation of profit difference after audit compared to the same period last year”

Dear:

- State Security Commission of Vietnam
- Hanoi Stock Exchange.

Company name: Quang Ninh Cement and Construction Joint Stock Company

Stock symbol: QNC

Address: Hop Thanh Area – Phuong Nam Ward – Uong Bi City – Quang Ninh Province

Phone: 0203.3 668 359

Quang Ninh Cement and Construction Joint Stock Company would like to send our respectful greetings to all agencies.

According to Audited Financial Statement No. 260325.013/BCTC.KT5 and No. 260325.014/BCTC.KT5 of AASC Auditing Company Limited sent to our Company were prepared on March 26th 2025, including Separate Financial Statements and Consolidated Financial Statements.

With the profit after corporate income tax index on the 2024 financial statements in the Business results table compared to the same period in 2024, there is a difference of over 10 %. Specifically as below:

1) Separate Financial Statements:

- According to the audit results in 2024, the parent company's profit after corporate income tax reached 43.22 billion VND.

- Audit results in 2023 reached 72.53 billion VND, decreased 29.31 billion VND, equivalent to a decrease of 40.41% over the same period.

2) Consolidated Financial Statements:

- According to the audit results in 2024, the parent company's profit after corporate income tax is 43.15 billion VND.

- Audited results for 2023 show that the parent company's after-tax profit reached 76.14 billion VND, decreased 32.99 billion VND, equivalent to a decrease of 43.32% over the same period.

The main reasons for the sharp decrease in audited profit in 2024 compared to the same period last year:

- *Input costs of main raw materials, fuel, grease and other minerals in cement production increased compared to the previous period.*

- *Input costs of key raw materials such as coal, iron ore, silicon, additives, fuel, grease and other minerals in cement production increased compared to the same period last year.*

- *The cement supply of the whole industry in 2024 will be in excess of about 50 million tons, so competition between units is very fierce, domestic and export cement prices will decrease by an average of 180,000 VND to 220,000 VND/ton of consumed products.*

- *The policies to support domestic enterprises have expired, now there is only a tax policy reduced from 10% to 8%, the demand for construction materials has not shown any signs of increasing again. Therefore, the difficulties for units in the industry will continue*

until 2025. To compete with units in the same industry, the company has had to invest in improving technology, upgrading production lines, using alternative materials in cement production to reduce production costs , increasing competitiveness compared to units in the same industry.

- During the period, revenue from other activities decreased by 87% compared to the same period, equivalent to a decrease of VND 29.9 billion. In addition, management costs in 2024 increased by VND 24.9 billion, equivalent to an increase of 44.71% compared to the same period.

We hereby commit that the information published above is true and take full legal responsibility for the content of the published information.

Best regards !

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GENERAL DIRECTOR



To Ngọc Hoàng



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No: 605 / CV-QNC

Quang Ninh, March 27th, 2025

“Regarding the explanation of the exception and emphasized points on the 2024 financial statements”

Dear:

- State Security Commission of Vietnam
- Hanoi Stock Exchange.

Company name: Quang Ninh Cement and Construction Joint Stock Company

Stock symbol: QNC

Address: Hop Thanh Area – Phuong Nam Ward – Uong Bi City – Quang Ninh Province

Quang Ninh Cement and Construction Joint Stock Company would like to send our respectful greetings to all agencies.

According to Audited Financial Statement No. 260325.013/BCTC.KT5 and No. 260325.014/BCTC.KT5 of AASC Auditing Company Limited sent to our Company were prepared on March 26th 2025, including Separate Financial Statements and Consolidated Financial Statements.

i) In the Separate financial statements for 2024, the auditor raised the following issues that need to be emphasized:

The auditors note the following issues to readers of the Financial Statements:

As of December 31st, 2024, the Company's short-term debt exceeded its short-term assets by VND 54.35 billion, and unpaid overdue debt was VND 1,736.63 billion (see notes 16, 19 and 20 for details). These events, together with Note 01, indicate the existence of a material uncertainty that casts significant doubt on the Company's ability to continue as a going concern. The Company's separate financial statements for the fiscal year ended December 31st, 2024 are still presented on the basis of the going concern assumption.

Regarding this point of emphasis, the Company has the following explanation:

- Regarding the content of short-term debt exceeding the Company's short-term assets of VND 54.35 billion: the Company has gradually restructured short-term and long-term capital sources, plans to issue to increase authorized capital in 2025 and the following years, the Company will continue to negotiate and sign with banks to borrow to compensate for the financial assets that have been newly invested, with the profit plan to be achieved in the coming years, the imbalance will be completely overcome in 2025 and 2026.

- Regarding the content of unpaid overdue debt, it is 173.63 billion VND (details see notes 16, 19 and 20), including suppliers debt and banks debt. The company has gradually paid off overdue debts to suppliers and banks. In addition, in the plan to increase authorized capital, priority will be given to pay off debts to banks.

ii) The audited consolidated financial statements state:

- Basis for exception opinion

In audit report No. 290324.005/BCTC.KT5 dated March 29th, 2024, we gave a qualified audit opinion on the inability to assess the impact of the Company's failure to consolidate the financial statements of its subsidiary, Cai Lan Industrial Park Joint Stock

Company - QNC, from the beginning of the year to the date of divestment, as well as the failure to record corresponding profits and losses on the consolidated financial statements for the fiscal year ending December 31st, 2023. This issue continues to affect the comparative figures on the consolidated financial statements for the fiscal year ending December 31st, 2024. Accordingly, we are unable to assess the impact of this matter on the comparative figures in the consolidated financial statements (including comparative figures in the consolidated income statement, consolidated cash flow statement and corresponding notes) for the fiscal year ended December 31st, 2024 as attached.

- Exception point

In our opinion, except for the effects of the matter described in the “Basis for qualified opinion” paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Quang Ninh Cement and Construction Joint Stock Company as at December 31st, 2024, as well as the results of its operations and its cash flows for the year then ended in accordance with Vietnamese accounting standards, accounting regime for enterprises and legal regulations relating to the preparation and presentation of financial statements.

Regarding this exception, the Company has the following explanation:

- On October 10th, 2019, implementing Resolution No. 34/NQ-HĐQT of the Board of Directors, the Company signed a share transfer contract No. 20.11/HĐCN/QNC-DLN dated November 20th, 2019 and the Contract Appendix dated January 1st, 2020 to transfer all 510,000 shares that the Company owns at Cai Lan Industrial Park Joint Stock Company - QNC to Ms. Do Linh Nham for the amount of VND 51 billion. During the period, Ms. Do Linh Nham fully paid the amount of VND 51 billion and the parties made a record of liquidation of the share transfer contract.

- The Company has recorded both the capital contribution to the Subsidiary and the transfer of all capital contribution to this Company in the interim separate financial statements. Therefore, the Company no longer has control and therefore does not consolidate it into the Company's annual consolidated financial statements. This exception will no longer exist in the 2025 financial statements.

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GENERAL DIRECTOR



TO NGOC HOANG