



Số: 01/GT-QCG.BCR

V/v: Explanation of the change in profit after CIT of over 10% compared to the same period last year and the emphasis of matter paragraph in Auditor's view of the audited Separate Financial Statements of 2025

Gia Lai, August 29, 2025

**To:** - STATE SECURITIES COMMISSION  
- HO CHI MINH STOCK EXCHANGE

Regarding the difference in the profit after CIT in the first 6 months of 2025 compared to 2024, the emphasis of matter paragraph in Auditor's view of the audited Separate Financial Statement which was audited by UHY Auditing and Consulting Co., Ltd. Quoc Cuong Gia Lai Joint Stock Company would like to explain as follows:

**I. Profit after CIT:**

VND: million

Line item	Audit		Difference	% Increase (+)/Decrease (-)
	Y2025	Y2024		
B	(1)	(2)	(3)=(1)-(2)	(4)=(3)/(2)
Separate Financial Statement	19.356	(10.492)	29.848	284,48%

The reason: The profit after CIT in the first 6 months of 2025 increased compared to 2024 because during the period, the Company boosted the sales and hand-over of apartments to customers.

**II. The emphasis of matter paragraph in Auditor's view of Separate Financial Statement which was audited:**

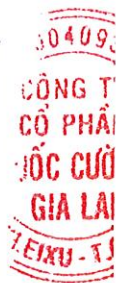
Auditor would like to address the following matters about "the emphasis of matter paragraph" in the audited Separate Financial Statement as follows:

**1. Viewpoint:** As stated in Disclosure 2 of Note 10 "Other receivables" the amount of VND 74.3 billion represents a portion of the payment related to the Tan Phong Riverside Apartment – Commercial High-rise Project. According to the Appellate Judgement No. 184/2023/HS-PT dated 03/04/2023, the High People's Court of Ho Chi Minh City ruled "Assign the People's Committee of Ho Chi Minh City to resolve in accordance with the law, but request the People's Committee of Ho Chi Minh City, during the resolution process, to consider ensuring the rights and interests of the residents, enterprises, and irrelevant organizations". As at the date of this report, the People's Committee of Ho Chi Minh City has not yet issued an official decision allowing the Company to continue implementing the project. The Company is currently continuing to work with the People's Committee of Ho Chi Minh City to proceed with the project.

**The Company's explanation:** This is a part or the value that the Company has paid to partners related to Tan Phong Riverside Apartment - Commercial Building Project located in District 7, HCMC. During the contract performance, Tan Thuan Investment and Construction Company Limited has not completed the relocation of the underground cable line of the 220kv Nha Be - Tao Dan line across the land, therefore Tan Thuan company has transferred and Quoc Cuong Gia Lai has received a part of the project area of 11.967,4 m<sup>2</sup> for investment and construction completion. After the underground cable line 220kv was completely moved out of the project. the Parties continued to implement procedures to hand over the remaining area. Then occurring the case involving Mr. Tran Cong Thien and his accomplices, the handover of the remaining area must be temporarily suspended and await the judgment of the competent Court. Until 03/04/2023, the Appeal judgment No. 184/2023/HS-PT issued by the High People's Court of Ho Chi Minh city declared that "The Riverside residential project (Area 4) is transferred to Ho Chi Minh city People's Committee is requested to consider and ensure the rights of residents, enterprises and organizations related". The Company has invested, completely constructed, and handed over to customers to put the construction located in the area of 11.967,4 m<sup>2</sup> into use as prescribed.

Because the planning indicators of the Project such as land use coefficient, land use density of the entire area, main technical infrastructure such as wastewater treatment tank, water supply and drainage system. Connecting traffic... have been approved by competent authorities at all levels for the entire area of the project of **21.895,3m<sup>2</sup>**, the Company has not completed the common utilities, main technical infrastructure (Such as the current temporary wastewater treatment tank, not in the right location and capacity for the entire project, only to temporarily serve the handed over project) lighting system, internal traffic (exit/entrance to the common parking basement) external area (exit/entrance adjacent to the project) has not been fully connected to the entire project (because there is still land that has not been assigned) will greatly affect the lives of residents who have received houses and lived here as well as future residents, affecting the security of the area, the legitimate rights or the people, as well as the responsibility in managing and operating the project of the entire Project. Currently, the Company has been actively working and making recommendations to the Ho Chi Minh City People's Committee so that the Company can continue to complete the Project to ensure the legitimate rights of residents and businesses.

**2. Viewpoint:** As stated in Note 36.1. at June 30, 2025, the Company's total current assets as amounted to 1,205.1 billion VND, while the Company's current liabilities as amounted to 4.041,2 billion VND (mainly the debt of VND 2.782,8 billion to be paid to the enforcement agency to enforce the obligations for Ms Truong My Lan according to the Appeal judgment No.1125/2024/HS-PT of the High People's Court of Ho Chi Minh City related to the Contract of Promise to buy and sell the Bac Phuoc Kien Residential area). This indicates the existence of a significant uncertainty that could lead to considerable doubt the Company's ability to continue as a going concern. However, the Company's management has recognized this issue and has developed business plans and cash flow plans for 2025 and the following years. The management believes that the Company will continue to meet its debt obligations as they fall due and will maintain its ability to continue operations in the future. Accordingly, the separate financial statements for the period from January 1, 2025 to June 30, 2025 have been prepared on a going concern basis.



**The Company's explanation:** Currently, the Company is in progress of deploying the procedures to complete the legal documents of Bac Phuoc Kien Residential area project in compliance with the applicable law while deploying the compensation for site clearance for the remaining area. Enforcement Agency is listing the assets which are the original documents of the compensation for the project's site clearance to serve the purpose of ensuring the execution of judgments related to the amount of VND 2.782,8 billion. To ensure reasonable comparative data as prescribed, the Company temporarily re-classifies and presents "Short-term work in progress" amounting to 5.401.519.910.704 VND as "Long-term work in progress" in the Balance Sheet when preparing the Separate Financial Statement for the period from January 1, 2025 to June 30, 2025.

After the Company temporarily re-classifies and presents "Short-term work in progress" (as mentioned above), the short-term liabilities are greater than short-term assets, which leads to "the information about on-going operation" mentioned in Note No. 36.1 in the Separate Financial Statement for the period from January 1, 2025 to June 30, 2025. On the other hand, in the period from January 1, 2025 to June 30, 2025 the profit after tax of the Company was also positive (+19,3 billion VND); owner equity was positive (+4.211,9 billion VND). The Company assures that the business performance is stable and believes that the Company still can fulfill their payment obligations for the debts that fall due as well as maintain the on-going continuation of the Company in the future.

Above is the explanation of Quoc Cuong Gia Lai Joint Stock Company on the fluctuations in Business Performance Results on the Separate Financial Statements before and after auditing, as well as the explanation of the contents of "the emphasis of matter paragraph" on the 2025 Mid-Year reviewed Separate Financial Statements.

Best Regards!

GENERAL DIRECTOR



NGUYEN QUOC CUONG