



Số: 02/GT-QCG.HN

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 Consolidated 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 Consolidated 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)
Consolidated Financial Statement	10.001	(16.622)	26.623	160,17%

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.

VND: million

Line item	Audit Y2025	Company Y2025	Difference	% Increase (+)/Decrease (-)
B	(1)	(2)	(3)=(1)-(2)	(4)=(3)/(2)
Consolidated Financial Statement	10.001	10.737	(736)	6,85%

The reason: Profit after CIT on the Consolidated Financial Statement for the first 6 months of 2025 decreased by VND 736 million, equivalent to a decrease of 6,85% compared to the Consolidated Financial Statement prepared by the Company due to the calculation of additional interest expenses for the first 6 months of the year at the subsidiary.

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

Auditor would like to address the following matters about "the emphasis of matter paragraph" in the Consolidated 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 relevant 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 m² 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 to resolve in accordance with the regulations of law, but while processing this task, Ho Chi Minh city People's Committee is requested to consider and ensure the rights of residents, enterprises, and organizations relate". The Company has invested, completely constructed, and handed over to customers to put the construction located in the area of 11.967,4 m² 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 **21.895,3m²**, 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 41.2 "Information on ongoing operations" at June 30, 2025, the Group's total current assets as amounted to 1.844,1 billion VND, while the Group's current liabilities as amounted to 3.814,9 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 Group's ability to continue as a going concern. However, the Group'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 Group will continue to meet its debt obligations as they fall due and will maintain its ability to continue operations in the future. Accordingly, the Consolidated Financial Statement 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 Group 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 Group 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 Consolidated Financial Statement for the period from January 1, 2025 to June 30, 2025.

After the Group 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. 41.2 in the Consolidated 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 Group was also positive (+10 billion VND); owner equity was positive (+4.586,5 billion VND). The Group assures that the business performance is stable and believes that the Group still can fulfill their payment obligations for the debts that fall due as well as maintain the on-going continuation of the Group in the future.

Above is the explanation of Quoc Cuong Gia Lai Joint Stock Company on the fluctuations in Business Performance Results on the Consolidated 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 Consolidated Financial Statements.

Best Regards!

GENERAL DIRECTOR



NGUYEN QUOC CUONG