MCG ENERGY AND REAL ESTATE JOINT STOCK COMPANY
No: 102/CV-MCG
Explanation of financial statements for the first 6 months of 2026 audited by the parent company

SOCIALIST REPUBLIC OF VIETNAM
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Ha Noi, date 25 month 8 year 2026

Dear: **Hanoi Stock Exchange**

- Pursuant to Circular No. 96/2020/TT-BTC of the Ministry of Finance Guiding information disclosure on the stock market issued on November 16, 2020;

- Based on the Financial Report for the first 6 months of 2026, audited by the parent company, signed on 24./.8./2026;

MCG Energy and Real Estate Joint Stock Company (stock code MCG) would like to report as follows:

1. Explanation: The audit organization gave an opinion that was not an unqualified opinion on the financial statements for the first 6 months of 2026. The parent company has been audited

1.1. Explanation of qualified audit opinion:

- Debt reconciliation: We have actively sent debt reconciliation confirmation to customers and suppliers as well as provided information for the Auditing Company to send an independent confirmation letter from the Auditing Company to the Company's partners. However, due to time constraints, at the time of signing the report, some partner companies have not yet had time to send back a full debt confirmation letter.

We will soon supplement and provide to the Auditor, and we commit that the recording of unreconciled receivables and payables is correct according to the actual occurrence at each time.

- Revenue, Cost of goods sold HH1B Project: The Company is monitoring the cost of apartments in the HH1B building project, lane 102 Truong Chinh in the "Work in progress" item, the balance as of June 30, 2026 is 42.142.198.717 VND. At the same time, the "Other payables" item reflects the deposit received for apartment transfer of 82.524.003.750 VND. The Company plans to complete legal procedures, sign sales contracts with buyers and record revenue from the transfer of the above apartments in 2028.

1.2. Explain the audit emphasis:

The interim audit report draws attention to the Company's net loss of VND 5.360.319.433 for the accounting period from January 1, 2026, to June 30, 2026, and notes that as of June 30, 2026, the Company's accumulated losses stood at VND 454.471.239.743. Current liabilities exceeded current assets by VND

66.422.251.885. These conditions indicate the existence of a material uncertainty that may affect the Company's ability to continue as a going concern.

Regarding this matter, we would like to explain as follows: Chairman of the Board of Directors - Mr. Nguyen Ngoc Binh, who is also a major shareholder of the Company, committed to continue to provide financial support to the Company by providing financial loans so that the Company can continue to operate normally.

- Regarding short-term debt being larger than short-term assets, due to having to set aside provisions for doubtful debts, it significantly reduces short-term assets.

- Regarding accumulated losses up to June 30, 2026: The main reason for accumulated losses is that the Company set aside provisions for losses on financial investments in subsidiaries; Provision for doubtful debts.

The company proposes a plan to overcome accumulated losses as follows:

+ Organize construction and urgent acceptance of projects to recover capital;

+ Divest some subsidiaries, affiliates and other ineffective investments to supplement working capital for key projects and works.

+ Highly focused on finding new jobs to increase annual revenue, ensuring profits to offset losses from previous years

+ The Company has been stepping up debt collection to reverse the provision for doubtful debts. Currently, the Company is suing a number of companies with large receivable balances to recover debts.

2. Explanation: After-tax profit differs by more than 10% between the first 6 months of 2026 and the first 6 months of 2025

In the first six months of 2026, revenue from sales and services decreased by VND 5,08 billion, representing a 37,1% decline. Additionally, the Company had to make an additional provision for investment losses in its associate, Binh Long Renewable Energy Joint Stock Company; this associate incurred a loss during the reporting period due to significant interest and depreciation expenses following the commencement of commercial power generation, and the Company's increased ownership stake (to 20%) resulted in a substantial rise in financial expenses of VND 7,35 billion.

Furthermore, while the Company recovered previously provisioned bad debts in the first half of 2025, the first half of 2026 saw an increase in management expenses compared to the same period the previous year, resulting in a variance of VND 2,08 billion.

Due to the aforementioned factors, the profit after tax showed a variance of more than 10% between the first half of 2026 and the first half of 2025.

3. Explanation: Profit after tax in the first 6 month reporting period of 2026 is a loss.

MCG Energy and Real Estate Joint Stock Company reported an after-tax loss of VND 5,36 billion for the first six months of 2026, primarily due to a sharp decline in revenue from sales and services. Financial expenses and administrative expenses rose significantly compared to the same period last year; consequently, despite recording other income from penalties related to the Binh Dien construction contract, the company was unable to offset these costs, resulting in a loss for the reporting period.

Above is the explanation of MCG Energy and Real Estate Joint Stock Company, we hope to continue to receive support from Hanoi Stock Exchange.

Best regards!

MCG ENERGY AND REAL ESTATE JOINT STOCK COMPANY

Recipient:
- *As above;*
- *Board of Directors, Supervisory Board (for reporting);*
- *Save documents.*

M.S.D.N: 0100103295 - C.T.C.P
CÔNG TY CỔ PHẦN NĂNG LƯỢNG VÀ BẤT ĐỘNG SẢN MCG
THÀNH PHỐ HÀ NỘI

TỔNG GIÁM ĐỐC

Nguyễn Ngọc Hưng