

**MECHANICS CONSTRUCTION AND
FOODSTUFF JOINT-STOCK COMPANY
(MECOFOOD)**

No.: 55/CV-MCF-TCHC

Re: Explanation of the 11.13% Decrease in Profit in 2024
Compared to 2023

THE SOCIALIST REPUBLIC OF VIETNAM

Independence - Freedom - Happiness



Long An, March 3, 2025

**To: - The State Securities Commission
- Hanoi Stock Exchange**

With the business results achieved in 2024, specifically through the following key indicators:

Unit: VND

Content	Year 2024	Year 2023	Fluctuation (24/23)
Net Sales	480,125,601,327	443,846,689,702	8.17%
Total accounting profit before tax	12,528,073,059	13,900,916,734	-9.88%
Profit after tax	9,654,232,940	10,863,544,809	-11.13%

Mechanics Construction And Foodstuff Joint-Stock Company (Stock code: MCF) would like to explain the profit decrease of 11.13% in 2024 compared to the same period last year, due to the following reasons:

a) Foodstuff Products:

Exported Rice: In 2024, the sales volume was 3,438 tons, a decrease of 2.30% compared to the same period in 2023. Overall, the rice export sector remained relatively stable compared to 2023. In 2024, the rice export sector was profitable and contributed positively to the company's overall profit.

Domestic Rice: In 2024, the sales volume was 19,002 tons, down by 12.73% compared to the same period in 2023. This was mainly due to the consistently high rice prices in the domestic market, which led to a reduction in purchases from the company's traditional customers, such as producers of cakes, noodles, and pasta. These customers reduced their orders due to slow consumption, increasingly demanding higher quality, and fierce competition over prices. As a result, the price difference between buying and selling was minimal. However, this sector remained the main source of profit for the company in 2024.

b) Mechanical Products:

In 2024, the revenue from mechanical products reached 15.772 billion VND, a decrease of 28.05% compared to the same period in 2023. The mechanical sector did not secure any large contracts, and the work primarily involved repairs, upgrades, and modifications of machinery and equipment in the corporation's system and for private clients, resulting in low profit.

c) Concrete - Construction Materials:

In 2024, the sales volume of concrete reached 42,657m³, an increase of 12.97% compared to the same period in 2023. The concrete sector performed well in 2024, contributing positively to the company's overall profit.

d) Packaging - Handicrafts:

In 2024, the sales volume of packaging products reached 5.466 million units, an increase of 45.84% compared to the same period in 2023. However, the profitability of this sector was low due to significant price competition from external private units. The company had to reduce prices to sell the products.

The handicraft item in 2024 sold 12.5 units. This product line no longer brings effective results for the company, and the Board of Directors decided to temporarily suspend the production and business activities of this product line. The company had to pay severance compensation for

workers who resigned from this product line, resulting in a loss of 1.187 billion VND in 2024. This is the main reason for the company's profit decline of 11.13% compared to the same period in 2023.

Unit: billion VND

No.	Items	Year 2024	Year 2023	Fluctuation (24/23)
1	Mechanical Products			
	a/ Revenue	15.772	21.921	-28.05%
	b/ Cost of goods sold	16.475	20.293	-18.81%
	c/ Gross profit	-0.703	1.628	-143.18%
	Gross profit/revenue (%)	-4.46%	7.43%	-160.03%
2	Exported Foodstuffs			
	a/ Quantity (Tons)	3,438	3,519	-2.30%
	b/ Revenue	74.218	64.255	15.51%
	c/ Cost of goods sold	67.19	56.001	19.98%
	d/ Gross profit	7.028	8.254	-14.85%
	Gross profit/revenue (%)	9.47%	15.85%	-40.25%
3	Domestic Foodstuffs			
	a/ Quantity (Tons)	19,002	21,775	-12.73%
	b/ Revenue	301.91	280.908	7.48%
	c/ Cost of goods sold	278.132	249.589	11.44%
	d/ Gross profit	23.778	31.318	-24.08%
	Gross profit/revenue (%)	7.88%	11.15%	-29.33%
4	Packaging			
	a/ Quantity (Million units)	5.466	3.748	45.84%
	b/ Revenue	24.123	16.401	47.08%
	c/ Cost of goods sold	20.726	14.124	46.74%
	d/ Gross profit	3.397	2.277	49.19%
	Gross profit/revenue (%)	14.08%	13.88%	1.44%
5	Concrete and Construction Materials			
	a/ Quantity (m ³)	42,657	37,760	12.97%
	b/ Revenue	54.638	50.947	7.24%
	c/ Cost of goods sold	48.702	46.52	4.69%
	d/ Gross profit	5.936	4.427	34.09%
	Gross profit/revenue (%)	10.86%	8.69%	24.97%

The above is the explanation report regarding the Company's profit decline in 2024 compared to 2023.

Respectfully submitted./.

Recipients:

- As above
- Filedss : Document Department

GENERAL DIRECTOR



LE TRUONG SON