

VIET PROPERTY INVESTMENT
JOINT STOCK COMPANY

SOCIALIST REPUBLIC OF VIETNAM
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No.: 20/CV-VPRO

Re: Explanation of the Auditor's Opinion
on the Audited Consolidated Financial
Statements of 2024

Hanoi, March 29, 2025

To: State Securities Commission of Vietnam
Hanoi Stock Exchange

1. Company's name: Viet Property Investment Joint Stock Company
2. Stock code: PVL
3. Head office address: No. 2A Do Quang Street, Trung Hoa Ward, Cau Giay District, Hanoi City.
4. Tel.: 024-37856969
5. Disclosure Information Content: Viet Property Investment Joint Stock Company would like to provide explanations regarding the opinions stated in the audited Financial Statements for 2024 as follows:

Opinion: We have not yet obtained the basis for the accrual of the construction cost payable for the B1 Truong Sa project (the project has been completed and handed over) and the cost of the Linh Tay project that has existed for many years and has not been settled with the total amount as at 31 December 2023 and 31 December 2024 being VND 20,238,663,076 (details in note V.17). Alternative audit procedures do not provide us with appropriate audit evidence. Therefore, we do not have sufficient basis to evaluate the reasonableness of these accruals, nor can we determine whether the related items in the Financial Statements for the year ended 31 December 2024 and the Financial Statements for the year ended 31 December 2023 are necessary.

Opinion: The Company has not yet assessed the recoverability of the prepayments with PetroVietnam Power Real Estate Construction Joint Stock Company, Branch of PetroVietnam Power Real Estate Construction Joint Stock Company and Southern Project Management Board with balances as at 31 December 2024 and 31 December 2023 are VND 17,704,538,951, VND 2,347,350,629 and VND 1,890,194,141, respectively. We have not yet obtained sufficient appropriate audit evidence regarding the Board of Directors' assessment regarding the recoverability of the debt. Accordingly, we do not have sufficient basis to express an opinion on the provision for doubtful debts, as well as to determine whether any adjustments to the related items in the Financial Statements for the year ended 31 December 2024 and the Financial Statements for the year ended 31 December 2023 are necessary.

- **The company provides the following explanation for these two opinions:** This is an old outstanding debt related to the construction contract for the B1 Truong Sa project, which was signed in 2009 and has been completed. The company has made efforts to contact the partner for final settlement, but no results have been achieved. Additionally, in 2019 and 2020, the company's new management hired an internal audit unit to work alongside the Accounting Department and the leadership team to clarify outstanding issues. However, the necessary documents have not yet been fully located to serve as a basis for a thorough resolution.

Opinion: We have not yet obtained sufficient evidence to assess the recoverability of the long-term work in progress of the CV4.4 cultural and sports service commercial center project. The carrying value of this project in the Company's report as at 31 December 2024 is VND 41,900,263,716 (as at 31 December 2023: VND 41,674,263,716). The project started in 2011 and has not yet completed the site clearance phase (details in note V.8). Therefore, we are unable to determine whether any adjustments to the relevant items in the Financial Statements for the year ended 31 December 2024 and the Financial Statements for the year ended 31 December 2023 are necessary.

The company provides the following explanation for this opinion: The CV4.4 project is still planned to be restarted under the company's leadership. However, its implementation has been delayed due to obstacles related to land management regulations and site clearance... Currently, the company continues to make efforts to seek and negotiate with potential partners for investment cooperation, joint ventures, or alliances to carry out the project.

Opinion: As of the date of this report, we have not received confirmation letters for the Company's short-term prepayments to suppliers with a balance of VND 21,942,083,721 as of December 31, 2024 (as of December 31, 2023: VND 21,942,083,721), short-term payables to suppliers with a balance of VND 17,628,171,591 as of December 31, 2024 (as of December 31, 2023: VND 17,709,760,451) and other short-term payables with a balance of VND 2,188,585,188 as of December 31, 2024 (as of December 31, 2023: VND 1,963,275,217 VND). Our alternative audit procedures also did not provide sufficient appropriate audit evidence regarding the existence and completeness of the above-mentioned liabilities items. Therefore, we were unable to determine whether adjustments to these items in the Financial Statements for the year ended 31 December 2024 and the Financial Statements for the year ended 31 December 2023 are necessary.

The company provides the following explanation for this opinion: The company has carried out procedures to send confirmation letters to suppliers and

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customers. However, as of the report issuance date, not all confirmation letters have been received. The company will continue to follow up and make every effort to collect these confirmations as fully as possible.

Opinion: In the audit report of the financial statements for the year ended 31 December 2022 of the Company, the predecessor auditor expressed his opinion on the inability to determine the provision value of the investment in Petroleum Telecom Land Joint Stock Company as at 31 December 2021 and 31 December 2022 with a carrying value of VND 202,465,337,987. The reason was that we could not obtain sufficient appropriate audit evidence to determine the impairment of the corresponding investment. Due to the impact of the above issue, we do not have sufficient basis to determine whether the Company recorded the entire loss on the transfer of shares at Petroleum Telecom Land Joint Stock Company in the 2023 business results with the amount of VND 78,365,649,930 is appropriate or not.

The company provides the following explanation for this opinion: In 2023, the Company received a decision from the Civil Judgment Enforcement Department regarding the auction result. Therefore, the entire loss from this share transfer was only determined in 2023 and was recorded in that year, as there was no basis for recognition in previous years and in what amount.

Opinion: During the audit, we have not yet collected the necessary audit evidence related to the cost of the Company's real estate goods, which are the commercial floor area at Linh Tay apartment project, Thu Duc district, Ho Chi Minh city, with the book value as of December 31, 2023 and December 31, 2024 being VND 22,275,112,339 and VND 23,042,862,339, respectively. Due to the impact of the above issue, we do not have sufficient basis to give an opinion on the value of the item "Real estate goods" nor assess the impact of this issue on the corresponding indicators in the Financial Statements for the year ended December 31, 2024 and the Financial Statements for the year ended December 31, 2023.

The company provides the following explanation for this opinion: The value of the real estate inventory is calculated based on the actual incurred costs per area unit recorded by the company from the project's initiation to its final acceptance. Collecting and providing supporting evidence for these cost figures will take considerable time, as the project was completed long ago. The company will coordinate with the audit firm to provide the necessary documentation in the near future.

Opinion: The Company is monitoring in the accounting books the receivables from the State for corporate income tax in excess payment as of December 31, 2023 and December 31, 2024 of VND 6,382,977,802. With the documents obtained at the

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time of audit, we do not have sufficient basis to give an opinion on the existence of the corporate income tax receivable from the State of the Company nor assess the possibility of recovering this tax receivable. Accordingly, we are unable to determine whether any adjustments to the related items in the Financial Statements for the year ended December 31, 2024 and the Financial Statements for the year ended December 31, 2023 are necessary.

The company provides the following explanation for this opinion: The company has contacted the tax authorities to reconcile outstanding debts. However, as of now, no official debt reconciliation report has been issued by the tax authorities. The company is continuing to work with the tax authorities to finalize the figures.

Emphasis of Matter: We would like to draw the attention of readers to Note II of the Notes to the combined financial statements. On the Company's Financial Statements, the Company's accumulated loss as of December 31, 2024 is VND 365,590,410,560 (as of December 31, 2023, it is VND 348,381,671,279). The Company's revenue from leasing assets and infrastructure in the year is insignificant, and has decreased significantly compared to 2023. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

The company provides the following explanation for this opinion: The company is currently operating as usual and is actively implementing measures to recover outstanding debts, improve business efficiency, and supplement working capital.

6. Website for the full financial report: www.vpr.vn

We hereby certify that the disclosed information is true and take full legal responsibility for the content of this disclosure.

LEGAL REPRESENTATIVE 



Bui Quang Minh