

No: 355/XLDK-TCKT

Hanoi, 31 March 2025

Re: Disclosure and explanation of the
Audited separate financial statements
for the Fiscal Year 2024

To: Hanoi Stock Exchange

Pursuant to the Securities Law No. 70/2006/QH11 dated June 29, 2006, by the National Assembly of the Socialist Republic of Vietnam;

Pursuant to Circular No. 96/2015/TT-BTC dated November 16, 2020, by the Ministry of Finance guiding the disclosure of information on the securities market;

Pursuant to Circular No. 68/2004/TT-BTC dated August 18, 2024, issued by the Ministry of Finance, providing guidance on the amendment and supplementation of certain provisions of the circulars governing securities transactions on the securities trading system; clearing and settlement of securities transactions; operations of securities companies; and information disclosure in the securities market.

PetroVietnam Construction Joint Stock Corporation (Petrocons) hereby provides an official explanation regarding the changes in net profit after tax as reported in the audited separate financial statements, with a fluctuation of 5% or more compared to the figures prior to the audit, and a change of 10% or more compared to the audited financial statements for 2023, including a shift from a loss in the corresponding period of the previous year to a profit in the current period, as follows:

1. Regarding the net profit after tax as presented in the separate financial statements before and after the audit:

- | | |
|---|------------------|
| - Net profit after tax for 2024 (audited): | VND 4.12 billion |
| - Net profit after tax for 2024 (unaudited): | VND 3.59 billion |
| - Increase in net profit after tax after the audit: | VND 0.53 billion |

The net profit after tax for 2024 increased by VND 0.53 billion, equivalent to 14.68%, after the audit compared to the pre-audit figure. The primary reason for this increase was the reduction in financial expenses and administrative expenses after the audit, specifically as follows:

- + Financial expenses decreased by VND 0.34 billion, equivalent to 0.59%, as a result of changes in the business performance of Petrocons' member and investees after the audit. Accordingly, Petrocons reassessed these matters and made appropriate provisions for financial investments in accordance with applicable accounting standards and financial regulations.
- + Administrative expenses decreased by VND 0.186 billion, equivalent to 3.5%, due to adjustments in the accounting of salary expenses based on the finalization of payroll figures after the audit.

2. Regarding the net profit after tax in the audited separate financial statements for 2024 compared to the same period in 2023:

- | | |
|--|------------------|
| - Net profit after tax for 2024 (audited): | VND 4.12 billion |
|--|------------------|

- Net profit after tax for 2023 (audited): VND (162.65) billion
- Increase in net profit after tax in 2024 compared to 2023: VND 166.77 billion

The net profit after tax for 2024 (audited) increased by VND 166.77 billion, equivalent to 102.53%, compared to 2023, shifting from a loss in the corresponding period of the previous year to a profit in the current reporting period. The primary reasons for this improvement were the increase in financial income and other income, along with a decrease in administrative expenses, financial expenses, and other expenses compared to the same period last year, specifically as follows:

- + Financial income for 2024 (audited) increased by VND 5.99 billion, equivalent to 18.74% compared to the same period of the previous year, primarily due to foreign exchange gains from the revaluation of foreign currency balances at year-end 2024, which were higher than those of the prior year.
- + Financial expenses for 2024 (audited) decreased by VND 115.64 billion, equivalent to 66.92%, mainly due to a significant reduction in the provision for financial investments compared to the same period of the previous year.
- + Administrative expenses for 2024 (audited) decreased by VND 45.36 billion, equivalent to 89.8%, primarily as a result of the Company's active efforts in debt recovery and the reassessment of the collectability of certain receivables, leading to the reversal of provisions for doubtful debts.
- + Other income for 2024 (audited) increased by VND 38.92 billion, equivalent to 2,175% compared to the same period of the previous year, mainly due to the recognition of income from the reduction of outstanding payables as agreed with partners in 2024.
- + Other expenses for 2024 (audited) decreased by VND 3.35 billion, equivalent to 82.09% compared to the same period of the previous year.

3. Disclaimer of opinion in the audit report:

Opinion 1: As at 31 December 2024, the Separate Financial Statements reflect an accumulated loss (code 421) of VND 3,765.93 billion (compared to 3,770.05 billion as at 01 January 2024); current liabilities (code 310) of VND 3,874.35 billion, exceeding current assets (code 100) by VND 235.42 billion (as at 01 January 2024, current liabilities was 4,032.66 billion, exceeding current assets by VND 299.09 billion); overdue debts of VND 575.67 billion (which remained unchanged as at 01 January 2024). These factors, along with the disclosures in Note 1 lead to doubts about the Corporation's ability to continue as a going concern. The Corporation's continuing operations depend on plans to recover debts, restructure investments, complete and finalize works in progress to recover funds, and obtain financial support from shareholders and creditors. Within the scope of our audit, we do not have sufficient information to evaluate the appropriateness and effectiveness of these plans.

The auditor's opinion stated in the audit report is due to the inability to obtain sufficient appropriate information and, as a result, the auditor was unable to determine whether the accompanying separate financial statements were prepared appropriately under the assumption that the Corporation would continue as a going concern.

Opinion 2: As at 31 December 2024, the Corporation recorded a loan receivable of VND 200 billion lent to Lam Kinh Hotel Joint Stock Company to support its operations (the same amount was recorded as at 01 January 2024), for which a provision of VND 124.4

billion had been made (unchanged from 01 January 2024) (see Note 7). We were unable to obtain sufficient audit evidence regarding the recoverable amount of this receivable as at both 31 December 2024 and 01 January 2024. Consequently, we could not determine whether any adjustments to these amounts are necessary.

The auditor's opinion stated in the report is due to the inability to obtain sufficient appropriate audit evidence regarding the recoverable amount of this receivable as at the reporting date. As a result, the auditor was unable to determine whether any adjustments to the related figures were necessary.

Opinion 3: As at 31 December 2024, the cost of work in progress for the Vung Ang 1 Thermal Power Plant Project (see Note 10) and the Quang Trach 1 Thermal Power Plant Project (see Note 14) amounted to approximately VND 245.1 billion and VND 25.8 billion, respectively (the same amounts were reported as at 01 January 2024). At the reporting date, the Corporation was still working with the relevant authorities on (1) approval for adjustments relating to unexpected expenses incurred in the Vung Ang 1 Thermal Power Plant Project and (2) the acceptance and finalization of the Corporation's incurred expenses for the Quang Trach 1 Thermal Power Plant Project. We were unable to obtain sufficient evidence regarding the net realizable value of these works in progress as at both 31 December 2024 and 01 January 2024. Consequently, we could not determine whether any adjustments to these amounts are necessary.

The auditor's opinion stated in the report is due to the inability to obtain sufficient appropriate audit evidence regarding the net realizable value of the work-in-progress balance, as well as the inability to perform alternative procedures to assess the required provision for inventory devaluation. Accordingly, the auditor was unable to determine whether any adjustments to the related items were necessary.

Opinion 4: Note 14 of the Notes to Separate Financial Statements presents a balance of construction in progress as at 31 December 2024 for projects (in which the Corporation is the investor) that have been suspended in previous years, namely (1) the Petroleum University Urban Areas Project and (2) the Tien Giang Petroleum Industrial Zone Project, with a total amount of approximately VND 5.72 billion (the same as at 01 January 2024). We were unable to obtain adequate documentation regarding the potential future economic benefits of these projects. Consequently, we could not determine whether any adjustments to these amounts are necessary.

The auditor's opinion stated in the report is due to the inability to obtain sufficient appropriate audit evidence regarding the future economic benefits of these projects. As a result, the auditor was unable to determine whether any adjustments to the related items were necessary.

Opinion 5: As at 31 December 2024, the Corporation held investments in subsidiaries, associates and other entities with a total book value of VND 932.58 billion and an impairment provision of VND 858.76 billion. These investments were provisioned for impairment based on the latest financial statements available to the Corporation (see Note 4). We were unable to obtain adequate documentation regarding the impairment losses on these investments and to perform alternative audit procedures to assess the adequacy of the impairment provision as at 31 December 2024, therefore, we could not determine whether adjustments to these figures are necessary.

The auditor's opinion stated in the report is due to the inability to obtain sufficient appropriate audit evidence regarding the impairment of these investments, as well as the inability to perform alternative audit procedures to assess the required provision as at the reporting date. As a result, the auditor was unable to determine whether any adjustments to these figures were necessary. As of the issuance date of Petrocons' audited financial statements, Petrocons had not yet obtained the audited financial statements as of 31 December 2024 of the aforementioned companies. Accordingly, Petrocons used the most recently available financial statements of these entities to assess the value of the investments, in compliance with applicable regulations. Petrocons believes that the assessment of the aforementioned financial investments was conducted in accordance with prevailing accounting standards and regulatory requirements.

4. Regarding the Emphasis of Matters included in the audit report on the post-audit financial statements:

The auditor included Emphasis of Matter paragraphs in the audit report in accordance with Vietnamese Auditing Standard No. 706. The Corporation affirms that these Emphasis of Matters do not constitute qualifications or disclaimers. These matters are also not limitations in the scope of the audit, as the Corporation has fully provided all necessary documents and evidence to the auditor to enable them to assess the issues related to the Emphasis of Matters. The inclusion of these paragraphs is intended to draw readers' attention to matters that have been appropriately presented in the financial statements. These matters do not indicate that the auditor believes the financial statements fail to present fairly, in all material respects, the Corporation's financial position as at 31 December 2024, or the results of its operations and its cash flows, in accordance with Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System, and other relevant legal regulations on the preparation and presentation of financial statements.

5. In order to address the challenges and mitigate accumulated losses in the forthcoming period, the Board of Directors of Petrocons has formulated the following strategic directions and remedial measures:

The Board of Directors of Petrocons is fully aware of the challenges the company is facing and has been taking steps to overcome them. Accordingly, with the support of PetroVietNam and its member units, Petrocons has been actively reviewing, developing, and implementing solutions to address difficulties, restore, and stabilize its business operations. The following specific solutions are planned for the upcoming period:

- Demonstrating resolute management in the execution of construction works across all projects undertaken by Petrocons and its subsidiaries.
- Proactively engage in marketing and bidding activities to seek and secure additional work sources.
- Continue implementing the comprehensive restructuring of Petrocons in alignment with the orientation approved by PetroVietNam, focusing on transforming the parent company into a direct participant in production and business activities within the construction sector. The parent company will play a strategic role in guiding the operations of its subsidiaries, divest all investments in entities outside Petrocons' core business sectors, and enhance its management, supervision, and operational oversight

to ensure improved efficiency in the performance of subsidiaries and the effective utilization of Petrocons' investment capital.

- Take resolute measures in reviewing, reconciling, and recovering receivables, and develop detailed plans for debt recovery and resolution on a monthly and quarterly basis. These efforts aim to reclaim capital to ensure the continuity of production and business activities while minimizing financial costs arising from capital being tied up.
- Actively engage with PetroVietNam, its member units, and relevant state regulatory authorities to expedite the approval of additional costs incurred in projects in which Petrocons is currently participating
- Proactively and actively engage with banks and financial institutions to restructure debts, negotiate lower loan interest rates, and arrange sufficient capital to support production and business activities, as well as to release guarantees in the upcoming period

PetroVietnam construction joint stock corporation hereby submits its report to the Hanoi Stock Exchange.

Thank you very much for your kind attention.

Recipients:

- As stated above;
- Board of Directors (for reporting);
- Supervisory Board (for reporting);
- Petrocons Website;
- Information Disclosure Department;
- Archive: Office and Finance-Accounting Department. *th*

GENERAL DIRECTOR



Tran Quoc Hoan

