

No.: **0.27.1** /TRADIN-TCKT

Ho Chi Minh City, March 31, 2025

*Regarding: Explanation of audit exceptions
and explanation of profit difference of more
than 10% of separate and consolidated
financial statements audited compared to the
same period in 2024*

To: Ha Noi Stock Exchange

Pursuant to Circular 96/2020/TT-BTC dated November 16, 2020 of the Ministry of Finance guiding the disclosure of information on the securities market;

Based on the 2024 Financial Statements from January 01, 2024 to December 31, 2024. Ho Chi Minh City Power business Investment Joint Stock Company (Tradincorp) explains the audit's disclaimer of opinion, explains the profit difference of more than 10% of the Company's 2024 Financial Statements compared to the audited 2024 Financial Statements.

1/ Explanation of the audit's disclaimer of opinion:

According to the Independent Audit Report No.: A0724236_R/MOORE AISC-DN6 dated March 31, 2025 by MOORE AISC Auditing & IT Services Co., Ltd., there is a disclaimer of opinion:

As presented in Note V.7 of the accompanying financial statements, the Company has not reviewed the detailed tracking of general management expenses incurred before 2022 of each construction contractor to determine the cost of each completed construction product sold in 2024. Therefore, the Company's Board of Management has not allocated general management expenses recorded in the Work-in-progress production costs item as of December 31, 2024, with the amount of VND 12,498,253,760 in accordance with the revenue of some projects recorded in the current year. This may lead to incomplete reflection of expenses in 2024 and affect (if any) the Company's business results.

In addition, the Company has not considered assessing losses for multi-year work-in-progress production costs with a value of VND 1,563,820,450 as of December 31, 2024.

Based on the documents provided by the Company and the alternative audit procedures performed, we cannot accurately determine the amount to be allocated and the value of the loss provision recorded in the expenses in the statement of business results of the current year. However, the impact of this issue does not have a pervasive effect on the overall 2024 annual financial statements.

Ho Chi Minh City Electric Power Trading Investment Corporation would like to explain as follows:

Regarding the disclaimer of opinion.

As of December 31, 2024, it is determined that the general management expenses recorded in the work-in-progress production costs item were suspended as of December 31,



2024 with the amount of VND 12,498,253,760. According to the disclaimer of opinion, this general management expense was incurred before 2022 by all departments directly involved in the company's main production activities such as commerce, construction, and consulting center. This is the expense that the audit firm stated that it was not possible to accurately determine the amount to be allocated and the value of the loss provision recorded in the expenses in the statement of business results of the current year 2024, because this is an expense accumulated from many years before 2022, so when reviewing all records and documents of contracts/projects that have been completed or are still in progress from previous years. Our Company also cannot provide a basis for allocating this expense reasonably and in accordance with regulations.

Therefore, the general expense is temporarily excluded in the 2024 financial statements. Tradincorp will plan to analyze and evaluate the reason for the existence of this accumulated general expense from 2022 and earlier, firstly to inform and warn the departments to come up with better cost management policies. At the same time, the Company's Board of Management will develop specific plans and options to allocate this expense in accordance with regulations and the annual business situation.

Regarding the excluded opinion without considering loss assessment for multi-year work-in-progress production costs valued at VND 1,563,820,450 as of December 31, 2024. This cost includes items such as warranty costs, other accumulated suspended costs of some departments, warranty provision costs, and a suspended cost of VND 1,189,648,345 for a contract that has been suspended since 2022 due to unresolved site clearance. For this excluded multi-year work-in-progress production cost, Tradincorp has reviewed and assessed each cost item, for costs related to the warranty expiring in 2025, the company will have departments closely monitor the implementation on schedule. For other temporarily accumulated costs of some departments, the company will also plan to allocate these costs according to the business situation of that department in accordance with regulations. As for the project that has been suspended since 2022, the investor has planned a solution to accept and liquidate the part of the work that Tradincorp has performed, but the cost is still pending, and it is likely to be completed in 2025.

2/ Explanation of the audit's qualified opinion for 2023

According to the independent audit report No. A0623240-R/MOORE AISC-DN6 dated March 30, 2024, by MOORE AISC Auditing & IT Services Co., Ltd., there is a qualified opinion:

Note V.7 - Inventories presents the work-in-progress production costs of the contracts for the supply of the "1x925KWP grid-tied rooftop solar power system at Phuoc Dong Port Industrial Park" package as of December 31, 2023, at VND 77,332,922,489, and the Company has recorded the entire accepted value with the corresponding subcontractors for this cost, but has not yet conducted acceptance with the investors. At the same time, the Company has also recorded advances from investors of the above projects under the "Advance from customers" item as of December 31, 2023, at VND 42,189,436,426. The progress of these contracts was completed and energized on December 18, 2020, but to date, they have not been accepted and settled with these investors. The Company has requested the competent court to resolve the breach of the economic contract, and this lawsuit has been

accepted. Accordingly, the parties have carried out reconciliation steps, but have not been successful. The non-consideration of estimated loss provisions for the above costs stems from the Company's decision in previous years and led to the predecessor auditor issuing a qualified audit opinion on the financial statements of those years. As of the date of this report, we were also unable to obtain sufficient appropriate audit evidence to assess the recoverability, completeness of value, timing, and reasonableness of this cost, as well as to determine their impact on other items in the accompanying financial statements.

The qualified opinion of the Audit Company in 2023 has been handled by Tradincorp in accordance with regulations, and is reflected in the other matters section of the audited 2024 financial statements with the following content:

The Company's separate financial statements for the fiscal year ended December 31, 2023, received a qualified audit opinion on March 30, 2024, regarding the Work-in-progress production costs of the contracts for the supply of the "1x925KWP grid-tied rooftop solar power system at Phuoc Dong Port Industrial Park " package due to not being accepted and settled with the investors. However, this issue has been accepted and settled with these investors on July 31, 2024. Therefore, the qualified audit opinion has been resolved.

3. Explanation of profit difference of more than 10% of the audited 2024 Financial Statements compared to the Company's 2024 Financial Statements.

3.1./ Explanation of profit difference of more than 10% between the audited 2024 Financial Statements and the Company's 2024 Financial Statements.

Unit: VND

No.	Indicator	Audited 2024 Financial Statements (1)	Company's 2024 Financial Statements (2)	Difference (3)=(1)-(2)
1	Revenue from sales and service provision	377,831,884,690	377,831,884,690	0
2	Revenue deductions	0	0	0
3	Net revenue from sales and service provision	377,831,884,690	377,831,884,690	0
4	Cost of goods sold	377,570,137,173	367,251,026,689	10,319,110,484
5	Gross profit from sales and service provision	261,747,517	10,580,858,001	(10,319,110,484)
6	Financial activities revenue	910,555,497	910,555,497	0
7	Financial costs	2,054,795	2,054,795	0
	<i>Of which: Interest expenses</i>	<i>2,054,795</i>	<i>2,054,795</i>	<i>0</i>
8	Costs to sell	0	0	0
9	Business management expenses	6,157,969,142	8,728,409,199	(2,570,440,057)
10	Net profit from business activities	(4,987,720,923)	2,760,949,504	(7,748,670,427)
11	Other income	23,814,830	23,814,830	0

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No.	Indicator	Audited 2024 Financial Statements (1)	Company's 2024 Financial Statements (2)	Difference (3)=(1)-(2)
12	Other expenses	769,438,367	769,438,367	0
13	Other profit	(745,623,537)	(745,623,537)	0
14	Total accounting profit before tax	(5,733,344,460)	2,015,325,967	(7,748,670,427)
15	Current corporate income tax expense	1,192,428,407	403,065,193	789,363,214
16	Total accounting profit after tax	(6,925,772,867)	1,612,260,774	(8,538,033,641)

Ho Chi Minh City Electric Power Trading Investment Corporation would like to explain as follows:

Profit after tax in the audited 2024 financial statements is negative more than VND 8,538.03 million compared to the Company's 2024 financial statements. The main reason is:

(1)	The cost of goods sold in the audited 2024 financial statements was VND 10,319.11 million higher than in the Company's 2024 financial statements, due to the Company's handling of general expenses of VND 3,541.74 million, allocation of tool and equipment expenses of VND 3,722.84 million, handling of expenses related to existing contracts that have been accepted and liquidated of VND 1,417.92 million, and adjustment of provision expenses from enterprise management expenses to cost of goods sold of VND 1,636.58 million.
(2)	Enterprise management expenses in the audited 2024 financial statements were VND 2,570.44 million lower than in the Company's 2024 financial statements, due to the adjustment of VND 1,636.58 million of provision expenses to cost of goods sold, an additional provision for long-term debt of VND 258.56 million, and an adjustment recorded in the current corporate income tax expense of VND 1,192.42 million.
(3)	The two main reasons above led to a decrease of more than VND 8,538.03 million in profit after tax in the audited 2024 financial statements compared to the Company's 2024 financial statements.

3.2/ Explanation of profit after tax difference of more than 10% between the audited consolidated 2024 Financial Statements and the Company's consolidated 2024 Financial Statements.

Unit: VND

No.	Indicator	Audited Consolidated Financial Statements 2024 (1)	Company's Consolidated Financial Statements 2024 (2)	Difference (3)=(1)-(2)
1	Revenue from sales and provision of services	377,831,884,690	377,831,884,690	0
2	Deductions from revenue	0	0	0
3	Net revenue from sales and provision of services	377,831,884,690	377,831,884,690	0
4	Cost of goods sold	377,570,137,173	367,251,026,689	10,319,110,484
5	Gross profit from sales and provision of services	261,747,517	10,580,858,001	(10,319,110,484)
6	Financial operating revenue	910,555,497	910,555,497	0
7	Financial expenses	2,054,795	2,054,795	0
	<i>Of which: Interest expenses</i>	2,054,795	2,054,795	0
8	Costs to sell	0	0	0
9	Enterprise management expenses	6,160,169,142	8,730,609,199	(2,570,440,057)
10	Profit from business activities	(4,989,920,923)	2,758,749,504	(7,748,670,427)
11	Other income	23,814,830	23,814,830	0
12	Other expenses	769,438,367	769,438,367	0
13	Other profit	(745,623,537)	(745,623,537)	0
14	Total accounting profit before tax	(5,735,544,460)	2,013,125,967	(7,748,670,427)
15	Current corporate income tax expense	1,192,428,407	402,625,193	789,803,214
16	Total accounting profit after tax	(6,927,972,867)	1,610,500,774	(8,538,473,641)

Ho Chi Minh City Electric Power Trading Investment Corporation would like to explain as follows:

Profit after tax in the audited consolidated 2024 financial statements is negative more than VND 8,538.47 million compared to the Company's consolidated 2024 financial statements. The main reason is:

(1)	Cost of goods sold in the audited consolidated financial statements for 2024 was higher by VND 10,319.11 million compared to the Company's 2024 financial statements due to the Company handling general expenses of VND 3,541.74 million, allocating tool and equipment expenses of VND 3,722.84 million, handling expenses related to existing contracts that have been accepted and liquidated of VND 1,417.92 million, and adjusting provision expenses from enterprise management expenses to cost of goods sold of VND 1,636.58 million.
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(2)	Enterprise management expenses in the consolidated financial statements for 2024 audited were VND 2,570.44 million lower than in the Company's consolidated financial statements for 2024, due to the adjustment of VND 1,636.58 million provision expense to cost of goods sold, additional provision for long-term debt of VND 258.56 million, and adjustment recorded to current corporate income tax expense of VND 1,192.42 million.
(3)	From the two main reasons above, the audited consolidated financial statement's after-tax profit for 2024 decreased by more than VND 8,538.47 million compared to the company's 2024 consolidated financial statement.

Above are the main reasons affecting the Company's 2024 business results.

Sincerely./.

Recipients:

- As above;
- Company website;
- Archived: VT, TCKT.

Legal representative 



Nguyen Anh Vu