

VNECO1 ELECTRICITY
CONSTRUCTION JOINT STOCK
COMPANY

THE SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

No: 25 /VNECO1/TCKT

Regarding: Explanation of the variance
in financial results for the year 2024
compared to 2023.

Da Nang, April 5, 2025

Kính gửi: State Security Commission of Vietnam - SSC
Hanoi Stock Exchange – HNX

Company name: VNECO1 ELECTRICITY CONSTRUCTION JOINT STOCK COMPANY
Stock code: VE1
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VNECO1 Electricity Construction Joint Stock Company provides an explanation for the variance of 10% or more in the business results presented in the 2024 financial statements compared to those of 2023 as follows:

Unit: VND

| Target | Figures for 2024 | Figures for 2023 | Absolute Difference |
|---|------------------|------------------|---------------------|
| (1) | (2) | (3) | (4)=(2)-(3) |
| Gross profit from sales of merchandise and services | -138.914.165 | 631.585.506 | -770.499.671 |
| Finance cost | -526.990.430 | 553.357.230 | -1.080.347.660 |
| General and administration expenses | 2.198.259.517 | 4.019.886.377 | -1.821.626.860 |
| Profit after corporate income tax | 493.380.820 | -3.665.092.037 | 4.158.472.857 |

Explanation of the Variance:

1/ Gross profit from sales and service provision in 2024 decreased compared to 2023 by VND 770,499,671. The main reason for this decrease is that the company faced difficulties in maintaining ongoing projects and expanding new business opportunities, resulting in revenue from sales and services not meeting expectations, thus reducing the gross profit.

2/ Financial expenses in 2024 decreased by VND 1,080,347,660 compared to 2023. The main reason for this decrease is the increase in the value of the shares of Danang Airport Ground Services Joint Stock Company (MAS), in which the company has invested, leading to a reduction in the financial expenses.

3/ Administrative expenses in 2024 decreased by VND 1,821,626,860 compared to 2023. The reason for this reduction is that the company implemented measures to reduce administrative costs amidst the challenging economic situation and inflation, as well as the increase in material prices. Additionally, the company faced difficulties in finding new projects, resulting in insufficient revenue to offset costs. However, the company also reversed provisions for doubtful receivables, helping to reduce administrative costs.

4/ Profit after corporate income tax in 2024 increased by VND 4,158,472,857 compared to 2023. The adjustments in financial expenses and administrative costs, combined with the positive effects of the reversal of provisions, helped the company improve its business results, resulting in a significant increase in profit after tax in 2024.

⇒ All of the above factors contributed to a significant change in the company's business results, with profit after tax increasing by VND 4,158,472,857 in 2024 compared to 2023.

VNECO1 respectfully explains!

