

No: 354/XLTK-TCKT

Hanoi, 31 March 2025

Re: Disclosure and explanation of the
audited consolidated 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 consolidated 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 consolidated financial statements before and after the audit:

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|---|------------------|
| - Net profit after tax for 2024 (audited): | VND 2.61 billion |
| - Net profit after tax for 2024 (unaudited): | VND 1.04 billion |
| - Increase in net profit after tax after the audit: | VND 1.57 billion |

Following the audit, the net profit after tax in the consolidated financial statements of the corporation increased by VND 1.57 billion, equivalent to 150.96%. This is because the consolidated financial statements of the corporation are prepared based on the aggregation of the financial statements of the holding company and its subsidiaries, and are therefore highly dependent on the audited financial statements of both the holding company and its subsidiaries. After the audit, there were certain changes in the business performance results of the holding company and its subsidiaries, which consequently led to corresponding changes in the consolidated financial statements.

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

- Net profit after tax for 2024 (audited): VND 2.61 billion
- Net profit after tax for 2023 (audited): VND (265.22) billion
- Increase in net profit after tax in 2024 compared to 2023: VND 267.83 billion

The net profit after tax in the audited consolidated financial statements for 2024 increased by VND 267.83 billion, equivalent to 101% compared to 2023, shifting from a loss in the corresponding period of the previous year to a profit in the current period. This is because the Corporation's consolidated financial statements are prepared based on the aggregation of the financial statements of the Holding Company and its subsidiaries, with the elimination of certain internal transactions. The primary reasons for the change in net profit after tax in the consolidated financial statements were fluctuations in gross profit, administrative expenses, other income, and other expenses of the Holding Company and its subsidiaries, specifically as follows:

- + Gross profit (audited) increased significantly by VND 146.104 billion, equivalent to 154.71% compared to the same period of the previous year, mainly because in 2024, the subsidiaries secured new projects and contracts, with 5 out of 7 subsidiaries generating gross profit from construction and installation activities, reflecting the Corporation's overall efforts in business operations and job acquisition.
- + Administrative expenses for 2024 (audited) decreased by VND 51.99 billion, equivalent to 41% compared to the same period of the previous year, primarily due to the Corporation's strengthened efforts in debt recovery and reassessment of the collectability of certain receivables, resulting in the reversal of provisions for doubtful debts.
- + Other income for 2024 (audited) increased by VND 55.54 billion, equivalent to 754.93% compared to the same period of the previous year, mainly due to the recognition of other income arising from reductions in payables as agreed with partners.
- + Other expenses for 2024 (audited) decreased by VND 11.53 billion, equivalent to 49.55% 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 Consolidated Financial Statements reflect the following: an accumulated loss (code 421) of VND 3,998.41 billion, current liabilities (code 310) of VND 5,393.51 billion, which exceeded current assets (code 100) by VND 781.85 billion, and overdue debts as at 31 December 2024 amounting to VND 1,209.95 billion. The Corporation's financial position as at 01 January 2024 was similarly challenging. These factors, together with the disclosures in Note 1, lead to substantial doubt about the Corporation's ability to continue as a going concern. The Corporation's ability to maintain operations depends on its plans to recover outstanding receivables, restructure investments, complete and finalize works in progress to recover funds, and secure financial support from shareholders and creditors. Within the scope of an audit of the financial statements, we did not obtain sufficient appropriate evidence to assess the feasibility and effectiveness of these operational 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 consolidated 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 business operations (as at 01 January 2024: VND 200 billion). A provision of VND 124.4 billion had been made for this loan (as at 01 January 2024: VND 124.4 billion) (Note 7). We were unable to obtain sufficient appropriate audit evidence regarding the recoverability of this receivable as at 31 December 2024 and 01 January 2024. Consequently, we were unable to determine whether any adjustments to these amounts were 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 related to Vung Ang 1 Thermal Power Plant Project (Note 10) and Quang Trach 1 Thermal Power Plant Project (Note 14) amounted to approximately VND 245.1 billion and VND 25.8 billion (as at 01 January 2024: VND 245.1 billion and VND 25.8 billion). As at the reporting date, the Corporation was still engaging 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) acceptance and finalization of the Corporation's incurred expenses under the Quang Trach 1 Thermal Power Plant Project. We were unable to obtain the net realizable value of these work in progress as at 31 December 2024 and 01 January 2024. Consequently, we were unable to determine whether any adjustments to these amounts were 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: In Note 15 of the Notes to the Consolidated Financial Statements presents the balance of construction in progress as at 31 December 2024 including projects (where 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 (as of 01 January 2024: approximately VND 5.72 billion). We were unable to obtain sufficient appropriate evidence regarding the potential future economic benefits of these projects. Consequently, we were unable to determine whether any adjustments to these amounts were 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 5: The Corporation is consolidating Petrovietnam Urban Development Joint Stock Company (a subsidiary) into the Corporation's Consolidated Financial Statements based on the unaudited Financial Statements for the second quarter of 2024. As at 30 June 2024, the subsidiary reported total asset of VND 15.16 billion and negative equity of VND 193.44 billion, with revenue and profit after corporate income tax amounting to VND 0.09 billion and negative VND 0.53 billion, respectively. Regarding associate companies, except for Thanh Hoa Petroleum Construction Joint Stock Company and Mien Trung Petroleum Construction Joint Stock Company, whose financial statements have been audited, the value of investments in the remaining associates is presented using the equity method based on unaudited financial statements for the financial year ended 31 December 2024 or the most recent Financial Statements available to the Corporation (Note 04). We were unable to assess the appropriateness of these figures.

The auditor's opinion stated in the audit report was due to the inability to obtain sufficient appropriate audit evidence to assess the impact of the aforementioned matter on the Corporation's consolidated financial statements. 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, the Corporation had not yet obtained the audited financial statements as of 31 December 2023 of the aforementioned entities. Accordingly, Petrocons used the most recently available financial statements of those entities for consolidation purposes. Petrocons believes that the aforementioned consolidation was conducted in accordance with applicable accounting standards and prevailing regulations.

Opinion 6: As at 31 December 2024, the Corporation was unable to obtain financial statements from the investee entities related to the "Equity investments in other entities" item (code 253) on the Consolidated Statement of Financial position. The total carrying amount and total provision for these investments were VND 191.595 billion and VND 149.99 billion, respectively (as at 01 January 2024: VND 191.595 billion and VND 160.08 billion, respectively). Provisions for these investments were made based on the latest financial statements available to the Corporation. We were unable to obtain sufficient appropriate documentation to access the impairment of these investments.

The auditor's opinion stated in the audit report was due to the inability to obtain sufficient appropriate audit evidence to assess the impact of the aforementioned matter on the Corporation's consolidated financial statements. 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, the Corporation had not yet obtained the audited financial statements as of 31 December 2023 of the

aforementioned entities. Accordingly, Petrocons used the most recently available financial statements of those entities for consolidation purposes. Petrocons believes that the aforementioned consolidation was conducted in accordance with applicable accounting standards and prevailing regulations.

Opinion 7: Thai Binh Petroleum Trading and Investment Joint Stock Company (a subsidiary) has neither assessed the impairment nor estimated the net realizable value of its real estate inventories, which had carrying value of VND 36.3 billion as at 01 January 2024 and 31 December 2024 (Note 10). We were unable to obtain appropriate documentation regarding the net realizable value of these real estate inventories.

This is the audit opinion issued on the audited financial statements of a subsidiary under the Corporation. The auditor's opinion was expressed due to the inability to obtain sufficient appropriate audit evidence regarding the net realizable value of the aforementioned inventories, as well as the inability to perform alternative audit procedures to assess the necessary provision. Accordingly, the auditor was unable to determine whether any adjustments to these figures were required.

Opinion 8: At Thai Binh Petroleum Trading and Investment Joint Stock Company, we have carried out the necessary audit procedures. However, we were unable to obtain sufficient audit evidence to confirm the accuracy and recoverable value of the "Abandoned business production costs" of the Company as of December 31, 2024, with a total amount of VND 33.647 billion. Therefore, we have not determined the necessary adjustments related to the "Abandoned business production costs" account and other related accounts, as well as any potential impacts (if any) on the accompanying consolidated financial statements

This is the audit opinion stated in the audited financial statements of a subsidiary under the Corporation. The auditor's opinion, as presented in the audit report, was due to the inability to obtain sufficient appropriate audit evidence, and therefore, the auditor was unable to determine whether any adjustments to these figures were necessary.

Opinion 9: As at 31 December 2024, the balance of inventories presented in the financial statements of Petroleum Dong Do Joint Stock Company (a subsidiary) includes construction in progress for Thai Binh 2 Thermal Power Plant, Song Hau 1 Thermal Power Plant, Tran Anh - Long An Apartment Building and Multi-purpose Building Project in District 1, with a total value of approximately VND 55.36 billion (as at 01 January 2024: VND 57.97 billion). We were unable to assess the net realizable value of these construction in progress projects as at the respective dates.

This is the audit opinion stated in the audited financial statements of a subsidiary under the Corporation. The auditor's opinion, as presented in the audit report, was due to the inability to obtain sufficient appropriate audit evidence, and therefore, the auditor was unable to determine whether any adjustments to these figures were necessary.

Opinion 10: At Petroleum Dong Do Joint Stock Company (a subsidiary), the outstanding balances of receivables and payables are as follows: as of 01 January 2024 and 31 December 2024, receivables amounted to VND 14.25 billion and VND 42.41 billion,

respectively; payables as of the same dates amounted to VND 15.51 billion and VND 12.29 billion, respectively. As of 31 December 2024, the company had not reviewed or assessed the collectability of the outstanding receivable balance of VND 30.24 billion for potential allowance for doubtful debts. We are unable to assess the existence, recoverability, or the necessary provision for these receivables.

This is the audit opinion stated in the audited financial statements of a subsidiary under the Corporation. The auditor's opinion, as presented in the audit report, was due to the inability to obtain sufficient appropriate audit evidence, and therefore, the auditor was unable to determine whether any adjustments to these figures were necessary.

Opinion 11: At Petroleum Equipment Assembly and Metal Structure Joint Stock Company (a subsidiary), we were unable to obtain the necessary documentation related to the Thai Binh 2 Thermal Power Plant and Song Hau I Thermal Power Plant projects. Consequently, we were unable to express an opinion on the appropriateness of the cumulative revenue and cost of goods sold recognized as of 31 December 2024, which amounted to VND 892.97 billion and VND 921.34 billion, respectively (including revenue and cost of goods sold recognized in 2024 of VND 4.93 billion and VND 5.15 billion, respectively). Additionally, we have not been able to assess the appropriateness and completeness of the work-in-progress expenses related to these two projects as of 31 December 2024 and 01 January 2024, with values of VND 146.25 billion and VND 149.76 billion, respectively, nor their impact on the accompanying financial statements.

This is the audit opinion stated in the audited financial statements of a subsidiary under the Corporation. The auditor's opinion, as presented in the audit report, was due to the inability to obtain sufficient appropriate audit evidence, and therefore, the auditor was unable to determine whether any adjustments to these figures were necessary.

Opinion 12: At Petroleum Equipment Assembly & Metal Structure Joint Stock Company (a subsidiary), Note 13 of the Consolidated Financial Statements states that this subsidiary is monitoring the value of land use rights related to the land plot at No. 02 Nguyen Huu Canh, Thang Nhat ward, Vung Tau city, Ba Ria-Vung Tau province with an original cost of VND 15.166 billion and accumulated amortization of VND 6.488 billion as at 31 December 2024. This land plot has been repurposed for the development of a High-rise Residential and Office Complex project, for which the subsidiary is the investor. The project was completed and put into use since 2014. On 24 August 2017, the Department of Natural Resources and Environment of Ba Ria - Vung Tau province revoked the use rights to reallocate them to the project owners. Under this arrangement, the subsidiary retains land use rights, ownership of residential floors, and other land-attached assets, including floors 1 through 5, technical floors, and technical roof floor of the project. However, the subsidiary has not accounted for the value of the land use rights as part of the project's cost.

This is the audit opinion stated in the audited financial statements of a subsidiary under the Corporation. The auditor's opinion, as presented in the audit report, was due to the inability to obtain sufficient appropriate audit evidence, and therefore, the auditor was unable to determine whether any adjustments to these figures were necessary.

Opinion 13: The work-in-progress balance of PetroVietnam Industrial and Civil Construction Joint Stock Company (a subsidiary) includes the unfinished value of the Commercial, Service, Office, and Apartment Complex project, amounting to VND 32.99 billion (Note 10). The project was completed and put into use in 2019; however, as of the preparation date of these Consolidated Financial Statements, its final settlement has yet to be approved.

This is the audit opinion stated in the audited financial statements of a subsidiary under the Corporation. Currently, the Company has engaged an audit firm to audit the project's investment capital. Once the investment capital settlement is approved, the Company will account for the remaining work-in-progress costs accordingly.

Opinion 14: At PetroVietnam Industrial and Civil Construction Joint Stock Company (a subsidiary): The Company has not assessed the recoverability of the long-term receivable for the Long Son Riverside Apartment Project, amounting to VND 12.89 billion (Note 16), which was completed since 2019.

This is the audit opinion stated in the audited financial statements of a subsidiary under the Corporation. The project is currently in the process of completing legal documentation and carrying out procedures for investment capital audit. Therefore, the Company has not yet assessed the effectiveness of its capital contribution to this project.

Opinion 15: At PetroVietnam Industrial and Civil Construction Joint Stock Company (a subsidiary), the outstanding balances of receivables and payables had not been fully reconciled and confirmed as at 01 January 2024 and 31 December 2024. Specifically, payables amounted to VND 29.28 billion and VND 21.27 billion, respectively, while receivables amounted to VND 4.26 billion and VND 4.21 billion, respectively.

This is the audit opinion stated in the audited financial statements of a subsidiary under the Corporation. As of the date of preparation of the 2024 financial statements, the Company had substantially completed the confirmation of receivables and payables. However, as of the date of issuance of the financial statements, a small number of customers had not yet returned debt confirmation letters. The Company will continue to follow up with these customers to ensure full confirmation of the outstanding balances..

Opinion 16: At Petroleum Tank Pipeline Construction Joint Stock Company (a subsidiary), the outstanding balances of receivables and payables had not been fully reconciled and confirmed as at 01 January 2024 and 31 December 2024. Specifically, payables amounted to VND 11.67 billion and VND 15.55 billion, respectively; receivables amounted to VND 11.48 billion and VND 10.31 billion, respectively. Meanwhile, the outstanding receivables amounted to VND 106.22 billion and 131.89 billion as of the respective dates had not been reviewed and assessed for provision by the company.

This is the audit opinion stated in the audited financial statements of a subsidiary under the Corporation. As of the date of preparation of the 2024 financial statements, the Company had substantially completed the confirmation of receivables and payables. However, as of the date of issuance of the financial statements, a small number of

customers had not yet returned debt confirmation letters. The Company will continue to follow up with these customers to ensure full confirmation of the outstanding balances..

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 Viet Nam Oil and Gas group (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. 



Tran Quoc Hoan

C.T.C.P