

No: **106**.....CV/ĐT-TCKT

(Explanation of the audited consolidated financial statements for 2024 compared to 2023 and the cumulative financial data of Q4/2024)

Hanoi, March 28, 2023

To: - **State Securities Commission of Vietnam**  
- **Hanoi Stock Exchange**

In accordance with Article 14 – Chapter III – Circular 96/2020/TT-BTC issued on November 16, 2020, by the Ministry of Finance on information disclosure in the securities market, Vietnam Electronics and Informatics Joint Stock Corporation (Viettronics), whose stock code on the UPCOM exchange is VEC, has submitted the audited consolidated financial statements for 2024 to relevant authorities. Viettronics hereby provides an explanation regarding fluctuations in financial indicators as required by law:

**1. Regarding the difference in net profit after tax in the audited consolidated financial statements for 2024 compared to the cumulative net profit of the Q4/2024 consolidated financial statements exceeding 5%:**

- Net profit after tax for 2024, after auditing, increased by VND 1,297 million, equivalent to a rise of 134.52% compared to the cumulative net profit of Q4/2024 due to:
  - + At the time of preparing the Q4/2024 consolidated financial statements, Viettronics had not yet fully collected reports from affiliated companies, and the reports from subsidiaries had not been audited, leading to fluctuations in certain indicators, such as financial revenue increasing by VND 3,043 million, equivalent to a 35.73% rise after auditing.
  - + The share of loss from joint ventures and affiliates increased by VND 1,270 million.
  - + Other expenses increased by VND 172 million after auditing, corresponding to a 42.52% rise.

**2. Regarding the difference in net profit after tax in 2024 compared to 2023 exceeding 10%:**

- Net profit after tax for 2024 decreased by VND 3.225 million compared to 2023, corresponding to a 90.64% decline.
- Gross profit for 2024 decreased by VND 18,763 million compared to 2023, equivalent to a 15.13% drop.
- Losses from joint ventures and affiliates in 2024 reduced by VND 2,566 million compared to 2023.
- Selling expenses in 2024 decreased by VND 10,921 million compared to 2023.
- Other profits in 2024 increased by VND 3.090 million compared to 2023.
- + Competition in bidding has become increasingly fierce, while the Corporation's resources remain limited and dependent on partners, making it difficult to secure projects that ensure prudent capital utilization.
- + Some investors faced obstacles in land clearance procedures, causing delays in projects that had already been contracted, leading to revenue shortfalls in 2024.
- Financial revenue in 2024 decreased by VND 1,538 million compared to 2023, equivalent to a 11.74% decline due to significantly lower bank interest rates in 2024.
- Current corporate income tax in 2024 decreased by VND 1,834 million compared to 2023 due to tax reductions at several units.
- Deferred corporate income tax in 2024 increased by VND 2,043 million compared to 2023 due to adjustments in provisions.





**3. Regarding the basis for exclusions in the 2024 audited consolidated financial statements:**

- In the audited consolidated financial statements for 2024, CPA VIETNAM Auditing Company provided an exclusion basis.

- As of December 31, 2024, the ongoing production costs for the "Design, supply of materials and equipment, transportation to the site, installation, inspection, testing, handover, and warranty of the ash disposal system for Thai Binh 2 Thermal Power Plant Project" amounted to VND 2,691,835,668. Based on the documents provided by the Corporation, we could not estimate the necessary inventory impairment provision (if any). Therefore, we are unable to determine whether adjustments to these figures are required.

→ This project has been delayed due to investor-related issues. The Corporation has yet to finalize the contract and continues urging the investor to complete acceptance and put the project into operation.

- As of December 31, 2024, the Corporation and its subsidiaries had not assessed the provision needed for overdue and doubtful receivables, totaling approximately VND 63.6 billion (including VND 43.6 billion at the Corporation, VND 2.2 billion at Viettronics Construction JSC, VND 4.5 billion at Viettronics Industry JSC, and VND 13.3 billion at Viettronics Thu Duc JSC). Alternative audit procedures did not allow us to estimate the necessary provision for doubtful debts or determine its impact on the consolidated financial statements.

→ The Corporation's management believes that these overdue receivables remain collectible in the coming years, so no provision has been made.

- The investment in the affiliate "Thu Duc 1 Electronics JSC" is presented at cost as the financial statements for the fiscal year ending December 31, 2024, have not been obtained.

- The financial statements of the affiliate "Vietnam Computer JSC" for the fiscal year ending December 31, 2024, have not been audited.

- At the subsidiary "Viettronics Thu Duc JSC," the audited financial statements for 2024 include the following audit qualifications:

- As of December 31, 2024, the company held obsolete and slow-moving inventory items valued at VND 18,638,821,840. As of the audit report issuance date, we had not obtained sufficient evidence regarding the management's assessment that these items would not suffer impairment or the net realizable value. Therefore, we cannot provide an opinion on their valuation or their impact on the financial statements for the year ending December 31, 2024.

- 2024 was our first year as the company's auditor. Due to audit procedures, we could not gather sufficient audit evidence related to the opening balance of "Retained earnings carried forward" and, therefore, do not express an opinion on this item.

- The company has not depreciated idle assets as of December 31, 2024, totaling VND 4,578,995,578.

→ These exclusionary opinions were expressed in the financial statements of companies such as Viettronics Thu Duc JSC and Viettronics Industry JSC due to long-standing issues. The Corporation is instructing its capital representatives at these companies to report and resolve these matters.

Vietnam Electronics and Informatics Corporation provides this explanation to clarify the fluctuations in key indicators in the consolidated financial statements for Q4/2024 compared to the audited consolidated financial statements as of December 31, 2024, for the reference of regulatory agencies, shareholders, and investors.

Respectfully submitted.

**Recipients:**

As above.

Archive: VT, TCKT.

GENERAL DIRECTOR



TỔNG GIÁM ĐỐC  
*Vũ Hải Vĩnh*