**PVR: Explanation on the Financial Statements 2023**

On March 16, 2024, Hanoi PVR Investment Joint Stock Company announced Official Dispatch No. 25/PVR-TCKT on explaining the reasons for profit after tax in the period being a loss and increasing/decreasing by more than 10% compared to the same period last year as follows:

In 2023, the Company continues to not generate revenue from goods sales and service provision but still incurs expenses, so in 2023 the Company continues to suffer losses.

The loss in 2023 increases compared to 2022 mainly because financial revenue in 2023 only reaches VND 16.4 million, while in 2022 the Company had financial revenue of VND 5.89 billion from selling investments in PV2 and PXL securities code. In addition, in 2023, although the Company does not have to make financial investment provisions, the Company incurs late payment interest costs for dividends payable to Ocean Commercial Joint Stock Bank according to the decision of the Department of Judgment Enforcement.

On March 16, 2024, Hanoi PVR Investment Joint Stock Company announced Official Dispatch No. 25/PVR-TCKT on explaining the auditor’s disclaimer of opinion on the reviewed Financial Statements 2023 as follows:

According to Independent Auditor’s Report No. 150324.020/BCTC.KT7 of AASC Auditing Firm Company Limited dated March 15, 2024, the audit company's disclaimer of opinion in PVR's Financial Statements as of December 31, 2023 is related to the following issues:

1. In Footnote No. 10 of the Footnotes to the Financial Statements, the company is monitoring the cumulative investment costs of construction in progress on the Tan Vien Luxury International Tourist Area Project until December 31, 2022 and December 31, 2023, which are both VND 24.92 billion, of which accumulated interest until December 31, 2023 is VND 7.34 billion. At the same time, as presented in Footnote No. 10, the Company is also facing the risk of having the project revoked. We have not collected complete records and evidence about the accuracy of investment costs as well as certainty about investment efficiency and specific implementation orientation of the Company.  
   Therefore, we were unable to evaluate the invested value of the Project and the possibility of losses in the investment costs of this Project, as well as evaluate whether it is necessary to adjust interest expenses that the Company has capitalized on the Project or not.
2. For financial investments in Petro Vietnam Construction Joint Stock Corporation (amount of VND 21.35 billion), the Company has not collected the Financial Statements as of December 31, 2022 and December 31, 2023; and in Lam Kinh Hotel Joint Stock Company (amount of VND 5 billion), the Company has not collected Financial Statements as of December 31, 2023 as a basis for considering adjustments to provisions for devaluation of investments.
3. As of December 31, 2022 and December 31, 2023, we have not collected enough dossier to draw conclusions about the unfinished value of the Project. In addition, the Company has not yet evaluated the effectiveness and recovery value of the CT10 - 11 Van Phu Project, which is under construction due to schedule delays. The value of unfinished construction costs of this project as of December 31, 2022 and December 31, 2023 are VND 692.66 billion and VND 692.78 billion, respectively. Selling expenses for this project being monitored on Prepaid expenses as of December 31, 2022 and December 31, 2023 are both VND 7.34 billion.
4. The Company's financial investments, receivables and payables as of December 31, 2022 and December 31, 2023 have not been fully reconciled and confirmed. The specific balances are as follows: Financial investments are VND 246.85 billion; Receivables are 36.49 billion VND; Liabilities are 492.36 billion VND. Therefore, we cannot asses whether it is necessary to adjust the above figures or not.
5. The Company has not declared and paid payable corporate income tax on the deposit received from customers for the Van Phu Project in accordance with current tax regulations.
6. The Company has not considered making provisions for devaluation of long-term financial investments in Binh An Investment and Development Joint Stock Company (Binh An) as of December 31, 2021 and December 31, 2022 in the amount of VND 205.08 billion. We also cannot evaluate the correctness of the share transfer contract at Binh An Company dated June 30, 2011 between One Capital Hospitality Joint Stock Company (OCH) and Hanoi PVR Investment Joint Stock Company, as well as unable to determine whether the founding shareholders and common shareholders of Binh An Company have contributed enough capital or not.
7. As of December 31, 2023, the Company is temporarily calculating the value of securities investments and investments in entities (other than companies with EFI, PXL, PV2 securities code) according to the fair value as of April 10, 2023 in the amount of VND 5.2 billion and deducted from the dividend liabilities with Ocean Commercial One Member Limited Liability Bank. Currently, the two parties have not yet clarified their debt obligations. We were unable to collect sufficient evidence and assess the basis of the provisional value as accurate.
8. In Footnote No. 01 of the Footnotes to the Financial Statements, the Company is presenting information related to its plan to temporarily suspend business and resume normal operations after 12 months. However, the Company's Financial Statements for the fiscal year ending December 31, 2023 are still presented under a going concern assumption.

PVR would like to explain the audit company's disclaimer of opinion as follows:

1. At the time of preparing the Financial Statements on December 31, 2022, PVR has not yet collected the Financial Statements of Binh An Company and has contacted and sent a document to Binh An Company requesting to provide a set of Financial Statements as a basis for provisioning, but Binh An Company did not provide them to us. Therefore, the Company had no basis to make provision for this investment.
2. At the time of preparing the Financial Statements on December 31, 2022, due to the early reporting time, the Company has not collected the Financial Statements of Petro Vietnam Construction Joint Stock Corporation and Lam Kinh Hotel Joint Stock Company. Therefore, PVR's basis for making provisions for these two investments is the Financial Statements data as of December 31, 2019 and December 31, 2021, respectively. We commit and are responsible for making full provisions upon receiving the Financial Statements of the investee.

Inventory: On the Financial Statements as of December 31, 2022, the Company cannot accurately evaluate the investment efficiency of the CT10-11 Van Phu Project because the parameters calculated according to the market at the present time is not complete and may still fluctuate, so the Company has no basis to make provisions for devaluation of inventory.

1. For receivables, liabilities and financial investments, the Company actively sent official dispatches and confirmation letters to customers, suppliers and investors. However, due to the early reporting time, we have not received a full confirmation letter for many debts. We will soon supplement them and provide them to the auditor. At the same time, we commit to recording unreconciled receivables, payables and financial investments correctly.
2. Regarding the debts that we monitor in the "Other short-term payables" section related to the Van Phu Project, according to the contracts signed with customers, these are the amounts received as capital contributions according to the project progress. This amount will be converted into the buyer's prepayment when the customer agrees to sign a sales contract with the Company (excerpt from point 1.4 in Article 1 - Capital contribution contracts). However, because the project is currently behind schedule, some customers are petitioning to withdraw this capital contribution. Therefore, we have not yet determined the Corporate Income Tax liability payable for the entire amount of capital contributed by customers to the Van Phu Project. In our opinion, the failure to determine related tax obligations is in accordance with the provisions of the signed contract and in accordance with the provisions of law.
3. For Tan Vien Luxury International Tourist Area Project: On July 20, 2019, the company received a document from the Hanoi Authority for Planning and Investment on terminating the Project's operations and revoking the Investment Certificate. Currently, the Company has stopped all activities related to the Project.
4. Regarding the dividend payable to Ocean Commercial One Member Limited Liability Bank, Thanh Xuan District Civil Judgment Enforcement Department promulgated Decision No. 513/QD-CCTHADS to execute the judgment as requested. On April 10, 2023, PVR's investment account in companies with EFI, PXL, PV2 securities code was blocked. PVR temporarily calculated the fair value of the investment according to the closing price of these securities codes on the UPCOM and HNX exchanges as of April 10, 2023, the amount of VND 5,246,560,000 and deducted from the debt payable to the Bank.
5. The company is temporarily suspending business operations according to Certificate No. 398038/28 issued by the Business Registration Office - Hanoi Authority for Planning and Investment on November 3, 2023 regarding temporary business suspension for 12 months from November 15, 2023. However, the Financial Statements for the fiscal year ending December 31, 2023 have still been prepared and presented by the Company.