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

On March 29, 2024, Petrovietnam Securities Incorporated announced Official Dispatch No. 393/CKDK-TCKT on Explanation of auditor’s emphasis of matters in the Financial Statements 2023 as follows:

About financial assets of the Company:

The Company hereby explains this issue as follows: The Company's available-for-sale financial assets include investments and portfolio management trusts with a book value of VND 146.6 billion, accounting for 21.5% of owners’ equity, arising from 2012 and before and no additional investment has occurred until now. The company has made provisions for impairment of financial assets available for sale with a cumulative value of VND 67.4 billion as of December 31, 2023, liquidated a number of ineffective investments and is trying to implement measures to bring the ownership rate of these financial assets in accordance with the regulations in Circular No. 121/2020/TT-BTC dated December 31, 2020 of the Ministry of Finance regulating the operations of Securities Company.

On March 29, 2024, Petrovietnam Securities Incorporated announced Official Dispatch No. 394/CV -CKDK on Explanation of reviewed Financial Statements for 2023 and 2022 as follows:

Unit: VND

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No. | Target | 2023 (After review) | 2022 (After review) | Difference | Fluctuation (%) |
| 1 | Revenue from Finance activities | 299,618,572,702 | 482,160,662,133 | -82,542,089,431 | -37.86% |
| 2 | Revenue from financial activities | 1,988,064,326 | 1,711,731,705 | 276,332,621 | 16.14% |
| 3 | Operating expenses | 181,872,442,841 | 327,456,517,879 | -45,584,075,038 | -44.46% |
| 4 | Financial expenses | 43,673,683,541 | 87,947,867,440 | -44,274,183,899 | -50.34% |
| 5 | General and administrative expense | 45,474,513,977 | 42,132,440,088 | 3,342,073,889 | 7.93% |
| 6 | Other activities results | 188,227,460 | 241,609,828 | -53,382,368 | -22.09% |
| 7 | Profit after tax | 24,456,335,537 | 26,577,178,259 | -2,120,842,722 | -7.98% |

Profit after tax in 2023 decreased by VND 2,120,842,722, equivalent to 7.98% compared to the same period in 2022 due to the following reasons:

* Operating revenue in 2023 decreased by VND 182,542,089,431 (decreased by 37.86%) compared to 2022, mainly coming from: Profits from financial assets recorded through profit/loss; Interest from loans and receivables; securities brokerage revenue; Financial consulting revenue and other operating revenue in the period both decreased compared to in the same period last year.
* Business operating costs decreased by more than VND 145,584,075,038 (decreased by 44.46%) due to the loss of financial assets recorded through profit/loss in 2023; redundancy costs; self-employment operating costs; securities brokerage fees; Costs of financial consulting activities and costs of other services all decreased compared to in the same period in 2023

On March 29, 2024, Petrovietnam Securities Incorporated announced Official Dispatch No. 395/CV-CKDK on the explanation of the audited Financial Statements 2023 before and after audit as follows:

*Unit: VND*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No. | Target | 2023 (After review) | 2023 (After review) | Difference | Fluctuation (%) |
| 1 | Revenue from Finance activities | 299,618,572,702 | 299,618,572,702 | - | 0 |
| 2 | Revenue from financial activities | 1,988,064,326 | 1,988,064,326 | - | 0 |
| 3 | Operating expenses | 181,872,442,841 | 176,432,813,529 | 5,439,629,312 | 3.08% |
| 4 | Financial expenses | 43,673,683,541 | 43,673,683,541 | - | 0 |
| 5 | General and administrative expense | 45,474,513,977 | 45,474,513,977 | - | 0 |
| 6 | Other activities results | 188,227,460 | 188,227,460 |  | 0 |
| 7 | Corporate income tax | 6,317,888,592 | 7,286,294,454 | 968,405,862 | -13.29% |
| 8 | Profit after tax | 24,456,335,537 | 28,927,558,987 | 4,471,223,450 | -15.46% |

Profit after tax post-audit in 2023 decreased by VND 4,471,223,450, equivalent to 15.46% compared to before audit in 2023 due to the following reasons: Business operating expenses increased by VND 5,439,629,312, equivalent to 3.08% because the Company made provisions for the decline in the value of financial assets available for sale according to Circular 114/2021/TT\_BTC. At the same time, corporate income tax decreased by VND 968,405,862, equivalent to 13.29%.