**BCO: Explain the delay in disclosing information**

On April 9, 2024, Binh Phuoc Construction Joint Stock Company announced Official Dispatch No. 65/CV-XDBP explaining the auditor's qualified opinion on the Separate Financial Statements ending December 31, 2023, as follows:

1. Basis for auditor's qualified opinion:

During the year, the Company provided an interest-free loan of VND 2,296,000,000 to its subsidiary, Phu Mieng Company Limited.

1. Auditor’s qualified opinion:

In our opinion, except for the matter stated in the "Basis for auditor's qualified opinion" paragraph, the Separate Financial Statements have truly and fairly reflected in all material aspects of the financial situation of Binh Phuoc Construction Joint Stock Company as of December 31, 2024, as well as business results and cash flows for the fiscal year ending on December 31, 2023, following Accounting Standards, Vietnamese Enterprise Accounting Regime and legal regulations related to the preparation and presentation of the Financial Statements.

1. Explanation:

Binh Phuoc Construction Joint Stock Company would like to explain the auditor's qualified opinion on the Separate Financial Statements ending on December 31, 2023, as follows:

Phu Mieng Minerals Company Limited has 2 capital contributors: Binh Phuoc Construction Joint Stock Company (a state-owned enterprise with 98.84% of state capital), which accounts for 51% of the charter capital of Phu Mieng Minerals Company Limited, and An Loc Company Limited (private enterprise) which accounts for 49% of charter capital of Phu Mieng Minerals Company Limited.

Main business lines of Phu Mieng Minerals Company Limited: Produce pozzolan as a cement additive on an area of 77.6 hectares to provide for cement factories (Binh Phuoc Cement Factory and FiCo Tay Ninh Cement Factory).

Mineral exploitation license No. 2127/GP-BTNMT of Phu Mieng Minerals Company Limited was issued by the Ministry of Natural Resources and Environment on July 21, 2007. Mining capacity: 440,000 tons/year. Term of exploitation license: 30 years from the date of signing the license.

From the time the mine went into operation until December 31, 2018, production and business activities were effective. However, since 2019, cement factories have temporarily stopped accepting products due to switching to using other additives. Because there was no market for pozzolan stone products, Phu Mieng Minerals Company Limited temporarily suspended production and business activities from April 2020.

Although temporarily suspending production and business activities, Phu Mieng Minerals Company Limited still had to fulfill its obligation to pay the state budget (Mineral mining rights fees, land rent) and incurred expenses (business advantages, fixed asset depreciation expense, prepaid expense, general and administrative expense), leading to losses. According to the independently Audited Financial Statements, the total accumulated losses of Phu Mieng Minerals Company Limited from 2019 to 2023 are: VND 11,218,902,400.

To have a source of money to pay into the state budget and to avoid the Company having its exploitation license revoked (according to regulations, if the Company does not pay the exploitation rights fee within 3 years, its exploitation license will be revoked), due to the above situation, the two capital contributing members are: Binh Phuoc Construction Joint Stock Company and An Loc Company Limited agreed to lend money to Phu Mieng Minerals Company Limited (without interest) according to the capital contribution rate.

On the other hand, if two capital contributors had lent with interest, interest expenses would have arisen, leading to a loss for the Company when determining production and business results. At the same time, the two capital contributors must make a provision for the above losses according to the capital contribution rate. For that reason, the two capital contributors agreed to lend money to Phu Mieng Minerals Company Limited without interest to avoid incurring losses and the two capital contributors had to make additional provisions.