**PVX: Explanation of securities continuing to be subject to transaction restrictions**

On April 15, 2024, Petro Vietnam Construction Joint Stock Corporation announced Official Dispatch No. 587/XLDK-TCKT on securities continuing to be restricted from trading as follows:

According to the Audited Financial Statements of AASC Auditing Firm Company Limited, profits of the holding company and consolidated profit in 2023 are as follows:

* Holding Company's profit after tax in 2023 was VND -162.65 billion; The holding company's accumulated profit after tax as of December 31, 2023 was VND -3,770.05 billion.
* Consolidated profit after tax in 2023 was VND -265.22 billion; The consolidated accumulated profit after tax as of December 31, 2023 was VND -4,005.33 billion.

In recent years, Petrocons' subsidiaries, joint ventures and other long-term investments have had lossed in business results due to very limited job resources, difficult real estate and construction markets, and projects being stopped and delayed, so revenue was not enough to cover costs such as management costs, interest costs; outstanding bad debts led to the holding company's Financial Statements having to make provisions according to regulations; at the same time, the Consolidated Financial Statements were consolidated from the Financial Statements of the holding company and its subsidiaries, so they also have similar loss results. Prolonged losses, difficulties in cash resources led to a shortage of working capital to pay due debts and many other difficulties stated in the Audited Financial Statements, whereby the auditor gave a qualified opinion on Petrocons’ Separate and Consolidated Financial Statements 2023 similar to those of Petrocons in previous years. Specifically on this issue, Petrocons has made explanations in documents No. 496/XLDK-TCKT and 497/XLDK-TCKT dated March 29, 2024 on announcing the explanation of the Financial Statements 2023 after audit.

To overcome difficulties and reduce accumulated losses in the coming time, overcome the points mentioned in the audit opinion, Petrocons' Board of Directors has the following orientations and solutions:

The Board of Leaders of Petrocons is aware of the difficulties that Petrocons is facing and has been taking steps to overcome them. Therefore, together with the support of the Corporation and member units of the Corporation, Petrocons actively reviewed, developed and implemented solutions to tackle difficulties, restore and stabilize the production and business activities. Some solutions to be taken in the coming time include:

* Be drastic in the management of construction work on all projects that Petrocons and its member units are implementing;
* Actively implement marketing and bidding activities to find additional sources of work;
* Continue to implement the overall restructuring of Petrocons as per the orientations approved by the Corporation, in which the Holding company would directly participate in the production and business activities in the construction and installation sector, develop the operational orientations for the subsidiaries, divest all investment capital in companies that are not in line with the main lines of business of Petrocons; enhance the role of management, supervision and operation of the production and business activities to ensure the improvement of efficiency of subsidiaries’ operation and in capital use of the Petrocons;
* Drastically review, reconcile, and recover debt; develop detailed plans on debt recovery and settlement for each month and quarter, thus recovering capital to facilitate production and business activities as well as minimizing financial expenses due to capital appropriation;
* Actively work with the Corporation, Corporation member units and state management agencies to accelerate the approval of costs incurred in projects that Petrocons is participating in;
* Actively work with banks/credit institutions to restructure debts, negotiate the reduction of loan interest rates, ensure sufficient capital for production and business activities, and release guarantees in the near future.

Implementing the above solutions synchronously, in 2023, Petrocons has paid the principal of the entrusted loan of VND 3.55 billion, the principal debt Petrocons still has to pay PVN until December 31, 2023 is VND 575.67 billion (in 2022 Principal balance was VND 579.22 billion; 2021 principal balance was VND 594.216 billion; 2020 principal balance was VND 690.384 billion). In addition, with efforts in debt collection, in 2023 the Corporation has handled and recovered a number of bad debts with a total amount of VND 11.766 billion. In marketing, the bidding has initially had remarkable results such as in 2023 and in the first 3 months of 2024, a number of economic contracts have been signed to implement the project at Vinh Tan thermal power plant and Uong Bi 7 thermal power plant.

With the above results, the Board of Directors of Petrocons has made timely plans and made great efforts to overcome the causes leading to the situation of securities being placed under trading restrictions and is continuing to implement the above solutions in the next stages.