**PVX: Explanation on the Audited Financial Statements 2023**

On March 29, 2024, Petro Vietnam Construction Joint Stock Corporation announced Official Dispatch No. 496/XLDK-TCKT on the disclosure of the explanation of the audited consolidated Financial Statements 2023 as follows:

1. On the profit after tax of the consolidated before and after the audit:

* Profit after tax for the year 2023 after the audit: VND (265.22) billion.
* Profit after tax for the year 2023 before the audit: VND (223.91) billion.
* The difference in Profit after tax after the audit compared to before the audit: VND (41.307) billion.

After the audit, the profit after tax of the consolidated Financial Statements of the Corporation decreased by VND 41.307 billion, equivalent to 18.45% due to: The consolidated Financial Statements of the Corporation are prepared on the basis of the combined Financial Statements of the Holding Company and its Subsidiaries, thus depending heavily on the audited Financial Statements of the Holding Company and the units. After the audit, there were some changes in the business and production activity reports of the Holding Company and its Subsidiaries, mainly at the Holding Company, hence the consolidated Financial Statements changed accordingly.

1. On the fluctuation of the profit after tax target on the audited consolidated Financial Statements for the year 2023 compared to the same period in 2022 (The profit after tax after the audit in 2023 was at a loss and changed from profit in the report of the previous year to a loss in this period):

* Profit after tax for the year 2023 after the audit: VND (265.22) billion.
* Profit after tax for the year 2022 after the audit: VND 2.92 billion;
* Difference: VND (268.14) billion.

The profit after tax of the audited consolidated Financial Statements for the year 2023 was at a loss and decreased by VND 268.14 billion, equivalent to 9,159% compared to 2022, changing from profit in the report of the previous year to a loss in this period due to: The consolidated Financial Statements of the Corporation are prepared on the basis of the combined Financial Statements of the Holding Company and its Subsidiaries with several internal factors. The main reason for the fluctuation of the profit after tax target on the consolidated Financial Statements is due to the fluctuation of revenue, cost of goods sold, gross profit, and management expenses, and other expenses of the Holding Company and its member units specifically:

* Revenue after the audit in 2023 decreased by VND 593 billion, equivalent to 33%; the cost of goods sold in 2023 after the audit decreased by VND 368 billion, equivalent to 22%, with the rate of revenue decrease higher than the rate of cost reduction.
* Gross profit decreased sharply by VND 224.9 billion, equivalent to 172% compared to the same period last year, mainly due to the fluctuation of gross profit of the Holding Company and Petroleum Equipment Assembly & Metal Structure.,JSC. During the period, the Holding Company continued to implement the Thai Binh 2 Thermal Power Plant project with an expected gross loss rate of 0.67% according to the decision of the Board of Directors of Petro Vietnam Construction Joint Stock Corporation on the temporary approval of the implementation plan for the EPC Contract of the Thai Binh 2 Thermal Power Plant project. The application of the gross loss rate was implemented from the beginning of 2022, and the cumulative cost difference due to the application of the old gross loss rate (which was 1.28%) was adjusted in the cost of goods sold target for 2022. At the same time, at Petroleum Equipment Assembly & Metal Structure.,JSC (a subsidiary), the cost of goods sold increased due to the settlement of Package A2 Storage and connecting pipelines under the Long Son Petrochemical Complex. This is the reason for the sharp decrease in gross profit in this period compared to the same period last year.
* Management expenses in 2023 after the audit increased by VND 31.9 billion, equivalent to 33% compared to the same period last year, mainly in the items of wages, salaries, and provision for doubtful accounts. As of 2022, the unit had recovered some outstanding debts, thereby reversing the provision for doubtful accounts receivable, leading to a significant reduction in management expenses in 2022 compared to 2023.

These are the main reasons leading to the business results in this period being at a loss of VND 265.22 billion, while the same period had a profit of VND 2.9 billion.

1. Disclaimer of opinion on auditor's report:

Opinion 1: "As of December 31, 2023, the Financial Statements of the Corporation reflect: The accumulated loss (code 421) of the Corporation is VND 4,005.33 billion, short-term liabilities (code 310) are VND 5,503.17 billion exceeding short-term assets (code 100) by VND 787.77 billion, overdue debts as of December 31, 2023, are VND 1,063.22 billion. The financial situation of the Corporation as of January 1, 2023, was also in a similar state. These factors, along with the contents in footnote No. 1, lead to doubts about the Corporation's ability to continue operating. The Corporation's ability to continue as a going concern depends on the plan to recover debts, restructure investments, complete and settle works in progress to recover money, financial support from shareholders and creditors. In the scope of a Financial Statements audit, we do not have sufficient information to be able to assess the appropriateness and effectiveness of these operational plans."

The auditor's opinion stated in the audit report is due to the inability to collect sufficient information, therefore, it cannot be determined whether the accompanying consolidated Financial Statements prepared with the assumption that the Corporation will continue as a going concern are appropriate or not.

Opinion 2: "As of December 31, 2023, the Corporation has a receivable balance for Lam Kinh Hotel Joint Stock Company loaned to support the capital for Lam Kinh Hotel's production and business activities amounting to VND 200 billion (as of January 1, 2023, it was VND 200 billion) and the provision for this receivable is VND 124.4 billion (as of January 1, 2023, it was VND 124.4 billion) (Footnote No. 7). We were unable to gather appropriate audit evidence related to the recoverable value of this receivable as of December 31, 2023, and January 1, 2023. Therefore, we could not determine if these figures needed to be adjusted or not.

The auditor’s opinion stated in the auditor's report was due to the inability to collect sufficient appropriate evidence to evaluate the effect of the above matters on the Consolidated Financial Statements of the Corporation. Therefore, the auditors could not determine if these figures needed to be adjusted or not.

Opinion 3: "As of December 31, 2023, the balance of unfinished production and business costs for the Vung Ang 1 Thermal Power Plant project (Footnote No. 10) and the Quang Trach 1 Thermal Power Plant project (Footnote No. 15) were originally valued at VND 245.1 billion and VND 25.8 billion, respectively (as of January 1, 2023, they were VND 245.1 billion and VND 25.8 billion). As of the date of the consolidated Financial Statements, the Corporation is working with the competent authorities to: (1) review the adjustment of the unforeseen value arising from the Vung Ang 1 Thermal Power Plant project; and (2) accept and settle the costs of the Corporation incurred at the Quang Trach 1 Thermal Power Plant project. We were not able to obtain sufficient appropriate evidence regarding the net realizable value of the above production and business costs as of December 31, 2023 and January 01, 2023. Therefore, the auditors could not determine if these figures needed to be adjusted or not.

The auditor's opinion stated in the audit report is due to the inability to gather sufficient appropriate evidence related to the net realizable value of the aforementioned unfinished production and business costs as of the reporting date, therefore, it cannot be determined whether it is necessary to adjust these figures or not.

Opinion 4: Footnote No. 15 of notes to the consolidated Financial Statements presents the balance of unfinished basic construction costs as of December 31, 2023, including projects (the Corporation is the Investor) that have been temporarily suspended from previous years are (1) the Petroleum University Urban Area project and (2) the Tien Giang Petroleum Industrial Park project with a total amount of about VND 5.7 billion (as of January 1, 2023, it was about VND 5.7 billion). We were unable to gather appropriate documents related to the future economic benefits of these projects. Therefore, the auditors could not determine if these figures needed to be adjusted or not.

The auditor’s opinion stated in the auditor's report was due to the inability to collect sufficient appropriate evidence to evaluate the effect of the above matters on the Consolidated Financial Statements of the Corporation. Therefore, the auditors could not determine if these figures needed to be adjusted or not.

Opinion 5: "The Corporation is consolidating PetroVietnam Urban Development JSC (a subsidiary) into the Corporation's consolidated Financial Statements according to the Financial Statements for Q4/2023, which have not been audited (wherein: As of December 31, 2023, the total assets were VND 15.65 billion and the owner's equity was negative VND 192.9 billion; Revenue and profit after tax for the year were respectively VND 4.23 billion and negative VND 8.16 billion). For joint ventures, except for the audited Financial Statements of Thanh Hoa Petroleum Construction Investment Joint Stock Company and Central Petroleum Construction Joint Stock Company, the value of investments in other associated companies is being presented according to the equity method based on the Financial Statements prepared for the fiscal year ending December 31, 2023, or the most recent Financial Statements that the Corporation could gather (Footnote No. 04). We were unable to assess the appropriateness of these figures."

The auditor’s opinion stated in the auditor's report was due to the inability to collect sufficient appropriate evidence to evaluate the effect of the above matters on the Consolidated Financial Statements of the Corporation. Therefore, the auditors could not determine if these figures needed to be adjusted or not.

As of the issuance date of Petrocons' audited Financial Statements, the unit had not yet gathered the audited Financial Statements of the aforementioned companies as of December 31, 2023, therefore Petrocons used the most recent Financial Statements of these units for consolidation. Petrocons believes that the above consolidation is in accordance with accounting standards and current regulations.

Opinion 6: "As of December 31, 2023, the Holding Company of the Corporation did not gather the Financial Statements of the units receiving investment for the "Investments in other units" (code 253) on the Consolidated Balance Sheet with the total book value and total provision for these investments respectively being VND 206.31 billion and VND 169.708 billion (the provision for investment in these companies was based on the most recent Financial Statements that the Corporation could gather). We were unable to gather appropriate documents related to the impairment of these investments.

The auditor’s opinion stated in the auditor's report was due to the inability to collect sufficient appropriate evidence to evaluate the effect of the above matters on the Consolidated Financial Statements of the Corporation. Therefore, the auditors could not determine if these figures needed to be adjusted or not.

As of the issuance date of Petrocons' reviewed Financial Statements, the unit had not yet gathered the audited Financial Statements as of December 31, 2023, of the aforementioned companies; therefore, Petrocons used the most recent Financial Statements of these units for consolidation.

Petrocons believes that the above consolidation is in accordance with accounting standards and current regulations.

Opinion 7: "Thai Binh Petroleum Investment and Trading Joint Stock Company (a subsidiary) has not yet assessed the impairment nor estimated the net realizable value of the inventory of real estate finished goods, which had a book value as of January 1, 2023, and December 31, 2023, of VND 36.3 billion (Footnote No. 10). We were unable to gather appropriate documents related to the net realizable value of the inventory of these real estate finished goods."

This is the opinion in the audit report of the subsidiary under the Corporation. The auditor's opinion stated in the audit’s report was due to the failure to collect sufficient appropriate audit evidence relating to the net realizable value of the above inventories, as well as the inability to perform alternative audit procedures to assess the value of provisions that need to be made. Therefore, the auditors could not determine whether the adjustment of these figures was necessary.

Opinion 8: As of December 31, 2023, the inventories presented in the Financial Statements of the Subsidiary - Petroleum Dong Do Joint Stock Company, included Thai Binh 2 Thermal Power Plant, Song Hau 1 Thermal Power Plant, Tran Anh - Long An Apartment and the construction work of multi-purpose house in District 1, with a total value of works in progress of about VND 57.97 billion (as of January 01, 2023: VND 61.21 billion). We were unable to assess the net realizable value of the aforementioned unfinished construction works at the stated times.

This is the opinion in the audit report of the subsidiary under the Corporation. The auditor's opinion stated in the audit report is due to the inability to gather sufficient appropriate audit evidence; therefore, it cannot be determined whether it is necessary to adjust these figures or not.

Opinion 9: "As of December 31, 2023, the investment contribution balance of Dong Do Petroleum Joint Stock Company (a subsidiary) in the project "Residential complex combined with supermarket services and office space at number 28, Tran Binh Street, My Dinh 2 Ward, Nam Tu Liem District, Hanoi" (Dolphin Plaza project) was VND 27.2 billion (as of January 1, 2023, it was VND 27.2 billion) (Footnote No. 16). We were unable to gather sufficient appropriate audit evidence to assess whether it is necessary to make a provision for this investment contribution."

This is the opinion in the audit report of the subsidiary under the Corporation. The auditor's opinion stated in the audit report is due to the inability to gather sufficient appropriate audit evidence; therefore, it cannot be determined whether it is necessary to adjust these figures or not.

Opinion 10: At Dong Do Petroleum Joint Stock Company (a subsidiary), the balance of receivables has not been fully reconciled and confirmed, specifically: receivables as of January 1, 2023, and December 31, 2023, with values of VND 29.17 billion and VND 14.25 billion, respectively; payables as of January 1, 2023, and December 31, 2023, with values of: VND 25.53 billion and VND 15.51 billion. The outstanding receivable balance as of December 31, 2023, of VND 13.27 billion has not been reviewed by the company, and the ability to make a provision has not been assessed. We were unable to assess the existence, recoverability, and the necessary provision for doubtful accounts receivable for these debts."

This is the opinion in the audit report of the subsidiary under the Corporation. The auditor's opinion stated in the audit report is due to the inability to gather sufficient appropriate audit evidence; therefore, it cannot be determined whether it is necessary to adjust these figures or not.

Opinion 11: At Petroleum Equipment Assembly & Metal Structure.,JSC (a subsidiary): We have not gathered the cost estimates approved by the Board of Directors of this Company for the projects: Thai Binh 2 Thermal Power Plant and the Southern Vietnam Petrochemical Complex or other legally equivalent documents. Therefore, we were unable to assess the appropriateness of the revenue and cost of goods sold that this Company has recognized from these two projects as well as the impact of these figures on the attached consolidated Financial Statements. The figures this Company has recognized in the Financial Statements are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| Explanation | Cumulative as of January 1, 2023 | During the year | Cumulative as of December 31, 2023 |
|  | VND | VND | VND |
| Thai Binh 2 Thermal Power Plant | | | |
| Revenue | 798,164,456,646 | 19,862,921,914 | 818,027,378,560 |
| Cost price | 875,269,887,541 | 23,739,439,239 | 899,009,326,780 |
| Southern Vietnam Petrochemical Complex | | | |
| Revenue | 2,529,053,012,156 | 81,830,424,374 | 2,610,883,436,530 |
| Cost price | 2,553,716,068,756 | 134,272,868,266 | 2,687,988,937,022 |
| Song Hau I Thermal Power Plant Project | | | |
| Revenue | 68,241,835,342 | 1,771,439,032 | 70,013,274,374 |
| Cost price | 84,136,839,260 | 1,771,439,032 | 85,908,278,292 |

This is the opinion in the review report of the subsidiary under the Corporation. The auditor's opinion stated in the audit report is due to the inability to gather sufficient appropriate evidence to assess the impact of the issue on the Corporation's consolidated Financial Statements; therefore, it cannot be determined whether it is necessary to adjust these figures or not.

Opinion 12: "At Petroleum Equipment Assembly & Metal Structure.,JSC (a subsidiary): Footnote No. 13 of these consolidated Financial Statements presented the Company's monitoring of the land use right value related to the land plot at number 02 Nguyen Huu Canh, Thang Nhat Ward, Vung Tau City, Ba Ria-Vung Tau Province, with the historical cost of VND 15,166,470,000, and accumulated depreciation as of December 31, 2023, of VND 6,074,334,707. This land plot had been converted for the investment project of the High-rise Apartment Complex - Office Building, which the Company itself is the investor, and has been accepted and put into use since 2014. On August 24, 2017, the Department of Natural Resources and Environment of Ba Ria - Vung Tau Province revoked this land plot to reissue the land use rights to the owners within the project. The company has land use rights, ownership of houses, and other assets attached to the land, which include the 1st, 2nd, 3rd, 4th, 5th floors, technical floor, and technical roof within this project. However, the company has not yet accounted for the value of the land use rights of this land plot in the project's cost. We were unable to assess the impact of these issues on the attached consolidated Financial Statements.

This is the opinion in the audit report of the subsidiary under the Corporation. The auditor's opinion stated in the audit report is due to the inability to gather sufficient appropriate evidence to assess the impact of the issue on the consolidated Financial Statements of the Corporation; therefore, it cannot be determined whether it is necessary to adjust these figures or not.

Opinion 13: At Petroleum Equipment Assembly & Metal Structure.,JSC (a subsidiary): The bidding package "Construction of 02 bases JA&KA within the Gallaf 3 field development project" was completed in 2023, the company recognized revenue and cost of goods sold based on the settlement results in the 2023 business results with values of VND 55.37 billion and VND 120 billion, respectively; the gross loss was VND 64.63 billion. However, the company could not provide sufficient appropriate evidence to assess the appropriateness of the provision for the decrease in inventory value of this project that had been made in the previous year's Financial Statements; therefore, we could not assess the impact of this issue on the attached consolidated Financial Statements.

This is the opinion in the audit report of the subsidiary under the Corporation. The auditor's opinion stated in the audit report is due to the inability to gather sufficient appropriate evidence to assess the impact of the issue on the consolidated Financial Statements of the Corporation; therefore, it cannot be determined whether it is necessary to adjust these figures or not.

Opinion 14: At Petroleum Industrial And Civil Construction Joint Stock Company (a subsidiary): The company has not yet performed an assessment of the recoverability of the long-term receivable for the Long Son Riverside apartment project cooperation, which amounts to VND 12.89 billion (Footnote No. 16) and was completed in 2019. We were unable to assess the impact of these issues on the attached consolidated Financial Statements.

This is the opinion in the audit report of the subsidiary under the Corporation. The auditor's opinion stated in the audit report is due to the inability to gather sufficient appropriate evidence to assess the impact of the issue on the consolidated Financial Statements of the Corporation; therefore, it cannot be determined whether it is necessary to adjust these figures or not.

Opinion 15: At Petroleum Pipeline & Tank Construction Company (a subsidiary), the balance of payables has not been fully reconciled and confirmed, specifically: payables as of January 1, 2023, and December 31, 2023, with the same value: VND 11.67 billion The outstanding receivable balance as of December 31, 2023, of VND 106.22 billion has not been reviewed by the company, and the ability to make a provision has not been assessed. We were unable to assess the impact of these issues on the attached consolidated Financial Statements.

This is the opinion in the audit report of the subsidiary under the Corporation. The auditor's opinion stated in the audit report is due to the inability to gather sufficient appropriate evidence to assess the impact of the issue on the consolidated Financial Statements of the Corporation; therefore, it cannot be determined whether it is necessary to adjust these figures or not.

1. Regarding the auditor’s emphasis of matters on the Audited Financial Statements:

The auditors have stated the emphasis of matters in the auditor’s report as per Vietnamese Standards on Auditing No. 706. The Corporation stated that the emphasis of matters in the auditor’s report were neither qualified opinion nor disclaimer of opinion. This emphasis of matters were also not the limitation of the audit scope, because the Corporation provided all necessary documents for the auditors to ensure they had a firm basis to assess the issues related to this emphasis of matters. The purpose of this emphasis of matters were to direct the viewers’ attention toward the matters presented in the Financial Statements. Also, these emphasis of matters are not events which make auditors assume that the Financial Statements did not honestly and reasonably reflect the financial situations of the Corporation in vital aspects as of December 31, 2023, as well as its business results and cash flows in accordance with Vietnam Accounting Standards, the Vietnam Accounting System, and the legal provisions relating to the preparation and presentation of Financial Statements.

1. To overcome difficulties and reduce accumulated losses in the coming time, the leaders of the Corporation had the following orientations and solutions:

The Board of Leaders of Petrocons is aware of the difficulties Petrocons is facing and has been taking steps to overcome them. Therefore, together with the support of Vietnam Oil and Gas Group and its affiliated units, the Corporation 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 construction management on all constructions and projects implemented by Petrocons and member units;
* Actively implement marketing and bidding activities to find additional sources of work;
* Continue to implement the overall restructuring of Petro Vietnam Construction Joint Stock Corporation as per the orientations approved by the Vietnam Oil and Gas Group, 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 affiliated companies, divest all investment capital in companies that are not in line with the main lines of business of Petro Vietnam Construction Joint Stock Corporation; 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 Petro Vietnam Construction Joint Stock Corporation;
* Drastically review, collate, and recover debt; develop the 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 Group, Group member units and state management agencies to accelerate the approval of costs incurred in projects that Petro Vietnam Construction Joint Stock Corporation 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.

On March 29, 2024, Petro Vietnam Construction Joint Stock Corporation announced Official Dispatch No. 497/XLDK-TCKT on the disclosure of the explanation of the audited Holding Company's Financial Statements for the year 2023 as follows:

1. On the profit after tax of the Holding Company before and after audit:

* Profit after tax for the year 2023 after the audit: VND (162.65) billion.
* Profit after tax for the year 2023 before the audit: VND (121.022) billion.
* The difference in profit after tax after the audit compared to before the audit: VND (41.63) billion.

Profit after tax for 2023 after the audit decreased by VND 41.63 billion, equivalent to 34%, mainly due to an increase in financial expenses, other income, and other expenses after the audit, specifically:

* Financial expenses increased by VND 11 billion, equivalent to 7%, because at the time of preparing the audit report, the unit adjusted the provision for financial investment according to the court's decision with Kinh Bac Petroleum Investment & Development Joint Stock Company. In addition, the business results of the member units and investment units of Petrocons changed after the audit, and Petrocons had to reassess these issues, making provisions for financial investment according to the guidance of accounting standards and current Financial Regime.
* Other income decreased by VND 27.5 billion, equivalent to 94%, because after the audit, the unit adjusted other income according to the court's decision with Thanh Trang Trading Investment Joint Stock Company.
* Other expenses increased by VND 3.7 billion, equivalent to 1,287%, because after the audit, the unit adjusted other expenses according to the court's decision with Dat Viet Investment Joint Stock Company and Minh Duc Concrete and Construction Co., Ltd.

1. On the fluctuation of the profit after tax target on the Holding Company's Financial Statements after the audit for the year 2023 compared to the same period in 2022 (Profit after tax after the audit in 2023 was of a loss and changed from profit in the report of the previous year to a loss in this period):

* Profit after tax for the year 2023 after the audit: VND (162.65) billion.
* Profit after tax for the year 2022 after the audit: VND 52.3 billion;
* Difference: VND (214.95) billion.

The profit after tax for 2023 was at a loss and decreased compared to 2022 by VND 214.95 billion, equivalent to 411%, changing from profit in the report of the previous year to a loss in this period. The reason is due to the decrease in revenue and cost of goods sold in 2023 after the audit compared to the same period last year, where the rate of decrease in revenue was higher than the rate of decrease in cost of goods sold, gross profit decreased, financial expenses increased, management expenses increased, and other income decreased compared to the same period last year, specifically:

* Revenue for 2023 after the audit decreased by VND 526 billion, equivalent to 42%; cost of goods sold for 2023 after the audit decreased by VND 421 billion, equivalent to 38% compared to the same period last year, with the rate of decrease in revenue higher than the rate of decrease in cost of goods sold.
* Gross profit decreased significantly by VND 105 billion, equivalent to 77% because: In 2023, the Corporation continued to implement the Thai Binh 2 Thermal Power Plant project with an expected gross loss rate of 0.67% according to the decision of the Board of Directors of Petro Vietnam Construction Joint Stock Corporation on the temporary approval of the implementation plan for the EPC Contract of the Thai Binh 2 Thermal Power Plant project. The application of the gross loss rate was implemented from the beginning of 2022, and the cumulative cost difference due to the application of the old gross loss rate (which was 1.28%) was adjusted in the cost of goods sold target for 2022. This is the reason for the sharp decrease in the gross profit margin this period compared to the same period last year.
* Financial expenses for 2023 after the audit increased by VND 87.9 billion, equivalent to 104% compared to the same period last year because: The Corporation made additional provisions for financial investment for investments in some subsidiaries and associated companies, leading to a significant increase in financial expenses compared to the same period last year. ’'
* Management expenses for 2023 after the audit increased by VND 29.88 billion, equivalent to 145% compared to the same period last year because in 2022 the unit had recovered some outstanding debts, thereby reversing the provision for doubtful accounts receivable, leading to a significant decrease in management expenses in 2022. Additionally, wage expenses for 2023 after the audit increased by VND 6.66 billion, equivalent to 22.2% compared to the same period last year.
* Other income for 2023 decreased by VND 2.7 billion, equivalent to 60% because in 2022 the unit had more income from the disposal of fixed assets than in 2023.

These are the main reasons leading to the business results in this period being at a loss of VND 162.65 billion, while the same period last year had a profit of VND 52.3 billion.

1. Disclaimer of opinion on auditor's report:

Opinion 1: "As of December 31, 2023, the separate Financial Statements of the Corporation reflect: The accumulated loss (code 421) of the Corporation is VND 3,770.05 billion, short-term liabilities (code 310) are VND 4,032.66 billion exceeding short-term assets (code 100) by VND 299.09 billion, overdue debts as of December 31, 2023, are VND 575.67 billion. The financial situation of the Corporation as of January 1, 2023, was also in a similar state. These factors, along with the contents in footnote No. 1, lead to doubts about the Corporation's ability to continue operating. The Corporation's ability to continue as a going concern depends on the plan to recover debts, restructure investments, complete and settle works in progress to recover money, financial support from shareholders and creditors. Within the scope of a Financial Statements audit, we do not have sufficient information to be able to assess the appropriateness and effectiveness of these operational plans."

The auditor's opinion stated in the report is due to the inability to gather sufficient information; therefore, it cannot be determined whether the separate Financial Statements prepared with the assumption that the Corporation will continue as a going concern are appropriate or not.

Opinion 2: "As of December 31, 2023, the Corporation has a receivable balance for Lam Kinh Hotel Joint Stock Company loaned to support the capital for Lam Kinh Hotel's production and business activities amounting to VND 200 billion (as of January 1, 2023, it was VND 200 billion) and the provision for this receivable is VND 124.4 billion (as of January 1, 2023, it was VND 124.4 billion) (footnote No.7). We were unable to gather appropriate audit evidence related to the recoverable value of this receivable as of December 31, 2023, and January 1, 2023. Therefore, the auditors could not determine if these figures needed to be adjusted or not.

The auditor's opinion stated in the report is due to the inability to gather appropriate evidence related to the recoverable value of this receivable as of the reporting date; therefore, it cannot be determined whether it is necessary to adjust these figures or not.

Opinion 3: "As of December 31, 2023, the balance of unfinished production and business costs for the Vung Ang 1 Thermal Power Plant project (Footnote No. 10) and the Quang Trach 1 Thermal Power Plant project (Footnote No. 14) were originally valued at VND 245.1 billion and VND 25.8 billion, respectively (as of January 1, 2023, they were VND 245.1 billion and VND 25.8 billion). As of the date of the separate Financial Statements, the Corporation is working with the competent authorities to: (1) review the adjustment of the unforeseen value arising from the Vung Ang 1 Thermal Power Plant project; and (2) accept and settle the costs of the Corporation incurred at the Quang Trach 1 Thermal Power Plant project. We were not able to obtain sufficient appropriate evidence regarding the net realizable value of the above production and business costs as of December 31, 2023 and January 01, 2023. Therefore, the auditors could not determine if these figures needed to be adjusted or not.

The auditor's opinion stated in the report is due to the inability to gather sufficient appropriate evidence related to the net realizable value of these unfinished production and business costs as well as the inability to perform alternative procedures to assess the necessary provision for the decrease in inventory value that needs to be made. Therefore, the auditors could not determine if it was necessary to adjust relevant items.

Opinion 4: "In Footnote No. 14 of the notes to the separate Financial Statements, it presents the balance of unfinished basic construction costs as of December 31, 2023, including projects (the Corporation is the Investor) that have been temporarily suspended from previous years are (1) the Petroleum University Urban Area project and (2) the Tien Giang Petroleum Industrial Park project with a total amount of about VND 5.7 billion (as of January 1, 2023, it was about VND 5.7 billion). We were unable to gather appropriate documents related to the future economic benefits of these projects. Therefore, we cannot determine whether it is necessary to adjust these figures or not."

The auditor's opinion stated in the report is due to the inability to gather appropriate evidence related to the future economic benefits of these projects. Therefore, the auditors could not determine if it was necessary to adjust relevant items.

Opinion 5: As of December 31, 2023, the Corporation has investments in associated companies and other units with total book value and provision value respectively of VND 779.04 billion and VND 714.41 billion. These investments have been provisioned for impairment based on the self-prepared Financial Statements or the most recent Financial Statements that the Corporation has collected (Footnote No. 4). We were unable to gather sufficient appropriate documents related to the impairment of these investments, nor could we perform alternative audit procedures to assess the necessary provision to be made as of December 31, 2023. Therefore, we cannot determine whether it is necessary to adjust these figures or not."

The auditor's opinion stated in the report is due to the inability to gather sufficient appropriate audit evidence related to the impairment of these investments, as well as the inability to perform alternative audit procedures to assess the necessary provision to be made as of the reporting date. Therefore, the auditors could not determine if these figures needed to be adjusted or not.

As of the promulgation date of the Audited Financial Statement of the Corporation, the Corporation has not collected the Audited Financial Statements dated December 31, 2023 of the companies mentioned above. Therefore, the Corporation used the most recent Financial Statements of these companies to evaluate the investments as per regulations. Petro Vietnam Construction Joint Stock Corporation believed that the evaluation of the financial investments mentioned above was in line with the current accounting standards and regulations.

1. Regarding the auditor’s emphasis of matters on the Audited Financial Statements:

The auditors has stated the emphasis of matters in the auditor’s report as per Vietnamese Standards on Auditing No. 706. The Corporation stated that the emphasis of matters in the auditor’s report was neither qualified opinion nor disclaimer of opinion. This emphasis of matters were also not the limitation of the audit scope, because the Corporation has provided all necessary documents for the auditors to ensure they had the firm basis to assess the issues related to this emphasis of matters. The purpose of this emphasis of matters were to direct the viewers’ attention toward the matters presented in the Financial Statements. Also, these emphasis of matters are not events which make auditors assume that the Financial Statements did not honestly and reasonably reflect the financial situations of the Corporation in vital aspects as of December 31, 2023, as well as its business results and cash flows in accordance with Vietnam Accounting Standards, the Vietnam Accounting System, and the legal provisions relating to the preparation and presentation of Financial Statements.

1. To overcome difficulties and reduce accumulated losses in the coming time, the leaders of the Corporation had the following orientations and solutions:

The management of Petrocons is aware of the difficulties Petrocons is facing and has been taking steps to overcome them. Therefore, together with the support of Vietnam Oil and Gas Group and its affiliated units, the Corporation 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 Petro Vietnam Construction Joint Stock Corporation as per the orientations approved by the Vietnam Oil and Gas Group, 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 affiliated companies, divest all investment capital in companies that are not in line with the main lines of business of Petro Vietnam Construction Joint Stock Corporation; 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 Petro Vietnam Construction Joint Stock Corporation;
* Drastically review, collate, and recover debt; develop the 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 Group, Group member units and state management agencies to accelerate the approval of costs incurred in projects that Petro Vietnam Construction Joint Stock Corporation 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.