**E29: Explanation of the qualified opinion in the Financial Statements 2023**

On March 29, 2024, 29 Investment Construction And Engineering Joint Stock Company announced Official Dispatch No. 157/CT29-TCKT explaining the auditor’s qualified opinion in the Financial Statements 2023 as follows:

1. Basis of auditor’s qualified opinion

Due to some limitations from the Company, we cannot collect enough appropriate audit evidence to evaluate the existence of the items Cash Reserve and Expenses in progress as of January 1, 2023, with balances of VND 14,916 million and VND 14,916 million and 64,363 million VND. At the same time, we cannot collect enough appropriate audit evidence to evaluate the completeness and appropriateness of the costs of production and business in progress of some projects as of December 31, 2019. 2023 with a balance of VND 8,022 million.

As of January 1, 2023, and December 31, 2023, several overdue receivables were not fully provisioned for bad receivable debts by the Company according to current regulations (Details in Note No. 08 of the Financial Statement Footnotes). Through the audit procedures, we cannot assess the provision for bad receivable debts that need to be made and the impact of this issue on the Financial Statements for the fiscal year ending December 31, 2023, of the Company.

1. Auditors’ opinion:

In our opinion, except for the effect of the issues mentioned in the paragraph “Basis of auditor’s qualified opinion”, the attached Financial Statements gave a true and fair reflection, in all material respects, of the financial situation of 29 Investment Construction And Engineering Joint Stock Company as at December 31, 2023, as well as the results of business activities and cash flows situation for the fiscal year ended on the same day, following the Vietnamese Accounting Standards, Vietnamese accounting policy for enterprises and the legal regulations relating to the preparation and presentation of Financial Statements.

1. The Company’s explanation:
2. Expenses for production and business in progress as of December 31, 2023

* Due to the specific characteristics of the Company's production and business activities, which are construction and transportation activities, the operating area stretches from North to South, in many provinces and cities across the country; The Company's organizational structure includes the Office block, Branch block, Executive Board, and Representative Office. According to the Company's regulations, the units of the Branch self-manage, prepare, and record costs at the construction site to ensure timely construction progress, therefore, for the whole company, it is appropriate to maintain a cash balance of work in progress.
* The company monitored and established an inventory team at the construction site on December 31, 2023, following current regulations.

1. Receivables

* Due to the particularity of the construction industry, which is of great value, the construction period usually lasts more than 1 year. In particular, the projects funded by the State Budget are considered to have high debt recovery ability, however, this capital source is often dependent because the annual State Budget has not been allocated. Although it affects the financial situation of the Company, receivables usually lasting from 1-3 years are completely appropriate.
* The Company has actively conducted the acceptance of payment, and capital recovery of the works. At the same time, the Company has continuously urged the Branches, the Executive Boards, the Representative Office, and sub-divisions to strictly perform the reconciliation of receivables. The Company regularly works with investors to assess the solvency of customers in the coming time. In addition, customers have been and continue to make payments to the Company. Therefore, the Company has not determined and made provisions for overdue debts mentioned above.