**VEC: Explanation on the Audited Consolidated Financial Statements 2023**

On March 30, 2024, Vietnam Electronics And Informatics Joint-Stock Corporation announced Official Dispatch No. 096 CV/DT-TCKT on explaining the Audited Consolidated Financial Statements for 2023 compared to the cumulative data of the Consolidated Financial Statements for Q4/2023 as follows:

1. On the difference in profit after tax on the Audited Consolidated Financial Statements for 2023 compared to the cumulative profit of the Consolidated Financial Statements prepared in Q4/2023, the difference is 51.81%. We would like to explain the specific reasons as follows:

* At the time of preparing the Consolidated Financial Statements for Q4/2023, Viettronics had not fully collected reports from associates and reports from subsidiaries that had not been audited, leading to fluctuations in some indicators such as financial revenue after the audit decreased by VND 1,497 million, equivalent to a decrease of 10.26%; Profit and loss of joint ventures and associates increased by VND 1,217 million; other expenses after the audit decreased by VND 1,026 million... leading to an increase in profit after tax of VND 1,214 million, equivalent to an increase of 51.81%.

1. On the difference of 10% or more in profit after tax in 2023 compared to that in 2022, the main reasons are:

* Gross profit in 2023 compared to that in 2022 decreased by VND 7,863 million
* Profit and loss of joint ventures and associates in 2023 decreased by VND 6,997 million compared to that in 2022;
* Selling expenses in 2023 compared to that in 2022 increased by VND 5,533 million
* Other profits in 2023 compared to that in 2022 increased by VND 1,111 million
* Current corporate income tax and deferred corporate income tax in 2023 compared to that in 2022 both increased by VND 902 million and VND 638 million, respectively

Due to the above reasons, profit after tax in 2023 compared to that in 2022 decreased by VND 8,832 million, equivalent to a decrease of 71.29%

1. On the basis for exclusion in the Audited Consolidated Financial Statements for 2023.

In the audited consolidated report for 2023, UHY Auditing And Consulting Company Limited gave a basis for exclusion.

As of December 31, 2023, the receivable from customer Khang Phuc House Trading Investment Co., Ltd. was overdue with a value of VND 22,376,666,534. The Board of Management of the Corporation has not made a provision for doubtful debts for the above short-term receivables. We have performed the necessary audit procedures but have not been able to assess the recoverability of this customer receivable. Therefore, we have not been able to determine the losses (if any) as well as the necessary adjustments for these losses to the consolidated Financial Statements of the Corporation as of December 31, 2023.

The Financial Statements for the fiscal year ended December 31, 2023 of Thu Duc Viettronics Joint Stock Company were audited with a "Qualified audit opinion" due to the following issues:

* The auditors have not been able to collect sufficient minutes of debt reconciliation related to short-term advances to suppliers (Code 132) on the Balance Sheet as of December 31, 2023 with an unreconciled value of VND 7,145,249,631, alternative audit procedures have not provided us with the necessary audit evidence to assess the balance of unreconciled payables as well as the recoverability of these payables.
* As of December 31, 2023, the excess expenditure over the Company's Reward and Welfare Fund with a value of VND 1,295,679,244 is being reflected in the item: Other short-term receivables (Code 136).
* The Company's short-term receivables from customers are presented in the Financial Statements with a value of VND 15,470,093,136. The Board of Directors of the Company has not made a provision for doubtful debts for short-term receivables from customers amounting to VND 13,630,819,280 as of December 31, 2023 in accordance with the provisions of Vietnamese Accounting Standards. If the Board of Directors makes a provision for doubtful debts for these short-term receivables from customers, the enterprise management cost item on this year's Income Statement will increase by VND 8,967,098,623, and at the same time the value of the Provision for short-term doubtful debts on the Balance Sheet as of December 31, 2023 must increase accordingly, and the undistributed profit after tax item must decrease by VND 8,967,098,623.
* As of December 31, 2023, the Company still has some slow-moving inventory items with a total inventory value of VND 20,538,043,210. The auditors did not obtain the necessary evidence related to the Board of Directors' assessment in believing that there will be no decrease in the value of inventories in the future. Accordingly, we do not express an opinion on the net value of these slow-moving inventories as well as their impact on the Financial Statements for the fiscal year ended December 31, 2023 of the Company.
* The Company has under-accrued the accumulated depreciation of some fixed assets up to December 31, 2023 with a total amount of VND 5,363,966,266. The reason for the cessation of depreciation is that after being transferred from New Light Led Technology Co., Ltd. in 2015, these assets have all been operating inefficiently.

Therefore, we do not express an opinion on the above issues and their impact on the accompanying consolidated Financial Statements.

The investment in Thu Duc Electronics Joint Stock Company 1 is presented at cost because the Corporation has not obtained the Company's Financial Statements.

The Financial Statements for the fiscal year ended December 31, 2023 of Vietnam Electronics And Informatics Joint-Stock Corporation were audited with a "Qualified audit opinion" because the Company has not assessed the value that needs to be set aside for overdue receivables and doubtful debts. Therefore, the Auditors cannot determine the impact on the figures presented in the consolidated Financial Statements for the fiscal year ended December 31, 2023 of the Corporation.

* The Financial Statements of the associate Vietnam Computer Joint Stock Company have not been audited. We were unable to perform audit procedures on the figures of this Company, and alternative audit procedures could not be performed. Therefore, the Auditors cannot determine the impact on the figures presented in the consolidated Financial Statements for the fiscal year ended December 31, 2023 of the Corporation.
* The above qualified opinions are expressed in the Financial Statements 2023 of the holding company, Viettronics Thu Duc Joint Stock Company and Viettronics Industry Joint Stock Company, because these companies have long-standing issues. The Corporation is requesting the representatives of the Corporation's capital in the above companies to report and handle the above matters.