**CE1: Explanation of the Financial Statements 2023**

On March 30, 2024, Construction And Industry Equipment Joint Stock Company - CIE1 announced Official Dispatch No. 18/CIE1 explaining the auditor’s qualified opinion on the Financial Statements 2023 as follows:

In Independent Auditor’s Report No. 447/2024/UHY-BCKT issued by UHY Auditing and Consulting Company Limited on March 29, 2024, the basis for the disclaimer of opinion is stated: “As of December 31, 2023, the Company makes a provision for bad debts of VND 22,438,126,790 on the short-term receivable balance that is overdue, which is VND 24,713,448,790 (as of January 01, 2023, it is VND 32,290,355,041). These are receivables that have been overdue for many years. We cannot determine when the above losses occurred, so we cannot evaluate whether it is appropriate to make this provision for receivables into business results in 2023.

As of December 31, 2023, the value of long-standing inventory is about VND 31 billion (including unfinished production and business expenses of VND 27.5 billion). The Company has not analyzed and evaluated the detailed current status of these contracts, projects, products, supplies, and goods to determine net realizable value and has not yet made provisions for the devaluation of inventory. We are unable to carry out alternative audit procedures. Accordingly, we cannot evaluate the balance, the possibility of obtaining future economic benefits, or the net realizable value of the long-standing inventory as well as the impact of this issue on the Company's Financial Statements for the fiscal year ending on December 31, 2023.

Project: Innovating concrete mixing plant production technology cannot be implemented further due to insufficient counterpart funds. Consulting expenses for setting up the technology innovation project as of December 31, 2023, with a value of VND 1,500,000,000 are being tracked in the item "Long-term prepaid expenses". We are unable to collect the Company's plans regarding the approval to handle this non-implementation project.

Construction And Industry Equipment Joint Stock Company - CIE1 explains the disclaimer of the opinion of UHY Auditing and Consulting Company Limited on the Financial Statements for the fiscal year ending on December 31, 2023, as follows:

1. Regarding customer receivables:

Before the end of the fiscal year (as of December 31, 2023), the Company prepared and sent debt reconciliation documents to all customers related to receivables; at the same time, sent its personnel to directly work with partners on paying receivables that have been overdue for many years. However, by the time of auditing the Financial Statements, the Company has not received full written feedback and/or late payment information from customers. The Company assesses the possibility of a full recovery as very difficult. Therefore, the Company is very cautious with the provision for bad debts of VND 22,438,126,790 on the overdue short-term receivable balance as of December 31, 2023 being VND 24,713,448,790 and as of January 01, 2023 being VND 32,290,355,041. Currently, the Company is continuing to take measures to urge and recover principal and interest from debtors and carry out debt collection procedures following the law. The provision for bad receivable debts is prudent and consistent with the information the Company has at the time of preparing the Financial Statements.

1. Regarding analysis and assessment of the detailed current status of contracts, projects, products, supplies, and goods to determine net realizable value as well as not making provisions for devaluation of inventory:

Operational characteristics of CIE1 are moderate science and technology enterprise, which self-researches new products, tests, and perfects technology and manufactures to supply to the market. Accordingly, new products that have not been sold (no output contracts) are also a form of inventory in progress, so the expenses of implementation (materials, equipment, labor,...) have not been allocated.

In addition, in the current difficult period of the economy, many economic contracts are canceled and deliveries are delayed - one of the objective reasons. Thus, CIE1 Company has not been able to make detailed allocations according to each contract.

Currently, we are focusing on finding partners to quickly reduce uncontracted inventory. It is expected that in about 2-3 years, C1E1 Company will overcome this limitation and significantly reduce inventory.

1. Regarding the Project: Innovating concrete mixing plant production technology:

The project has stopped implementation according to Decision No. 73/QD-NATIE-HDQL dated December 09, 2019, of the National Technology Innovation Fund on terminating the sponsorship contract to moderate science & technology tasks. Accordingly, the counterpart funds of CIE1 Company have to be paid at approximately VND 2.1 billion; In which, the consulting expenses for establishing this Project with a value of VND 1,500,000,000 are being tracked in the item "Long-term prepaid expenses". In 2023, the Board of Management reports and the Board of Directors of CIE1 Company approves that within the year, they will complete the liquidation procedures for the consulting contract to establish this Project with CIE Company - Holding Company of CIE1 Company and allocate the above-mentioned expenses; at the same time, compare and offset debts between the two parties to complete procedures for closing this Project. However, due to many objective and subjective factors, the above issue cannot be agreed upon. CIE1 Company will continue to work with CIE Company to resolve this issue in 2024.