**LCD: Explanation on the Financial Statements 2023**

On May 2, 2024, Erection Electromechanics Testing JSC announced Official Dispatch No. 57 EMETC/TCKT on explaining the contents related to the Audited Financial Statements 2023 as follows:

1. Explanation on the audit company’s modified opinion on the Financial Statements:

* Qualified opinion: Because the audit company is appointed after December 31, 2023 (Replacing the previous audit company due to the two parties not being able to arrange time and personnel), the auditor does not participate in witnessing the inventory of the Company at January 1, 2023 and December 31, 2023, so the auditor issued this qualified opinion.

1. Explanation on profit after tax in the reporting period with a difference of 5% or more before and after audit:

Unit: VND

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No. | Target | Before audit (2023) | After audit (2023) | Difference |
| 1 | Revenue from goods sale | 35537530153 |  |  |
| 2 | Financial revenue | 53,564,292 |  |  |
| 3 | Other income | 227,231,590 | 1,090,805,070 | 863,573,480 |
| 4 | Cost of goods sold | 23,573,962,041 |  |  |
| 5 | Financial expenses | 5,293,165,958 | 5,293,158,682 |  |
| 6 | General and administrative expenses | 6,489,604,772 | 6,610,901,711 | 121,296,939 |
| 7 | Other expenses | 231,862,962 |  |  |
| 8 | Profit before tax | 229,730,302 | 975,522,844 | 745,792,542 |
| 9 | Corporate income tax | 92,318,653 | 861,909,277 | 769,590,624 |
| 10 | Profit after tax | 137,411,649 | 113,613,567 | -23,798,082 |

Reasons: Other income increased by VND 863,573,480 due to: Reversal of project costs that was previously made allocation for in the amount of: VND 800,000,000, amount from office rental electricity previously made allocation for of: VND 63,573,480

General and administrative expense increased by VND 121,296,939 due to: Reversal of audit fee previously made allocation for in the amount of: VND 84,700,000, additional expenses for provisions for bad debts: VND 198,296,939

1. Explanation of profit after tax in the production and business results report changing from 10% compared to the same period last year:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No. | Target | In 2023 (VND) | In 2022 (VND) | Comparison |
| 1 | Profit after tax | 113,613,567 | 126,755,766 | 89.63% |

Reasons: Revenue in 2023 decreased compared to the same period last year, while input cost factors increased and high loan balance caused large interest expenses, leading to a decrease in profit after tax and a difference of over 10% compared to the same period last year.