



**LONG SON PETROLEUM INDUSTRIAL
ZONE INVESTMENT JOINT STOCK
COMPANY**

THE SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom – Happiness

No. *72* : /CV-TCKT

Ho Chi Minh City, March 28, 2025

Regarding: explanation of⁽¹⁾ the basis for the except-for opinion on the audited Financial Statements for the financial year ended December 31, 2024; ⁽²⁾ the profit after corporate income tax in the reporting period having a difference before and after audit of 5% or more; ⁽³⁾ the change in profit after corporate income tax in the reporting period of 10% or more compared to the same period last year

To: Hanoi Stock Exchange

Based on the data as of December 31, 2024 on the published Q4 2024 Financial Statements (self-prepared) and the audited Financial Statements for the financial year ending December 31, 2024, Long Son Petroleum Industrial Zone Investment Joint Stock Company (“**Company**”) explains the basis for the except-for opinion on the audited Financial Statements for the financial year ended December 31, 2024; the difference in profit after corporate income tax before and after audit is 5% or more; profit after corporate income tax in the Income Statement for the reporting period changed by 10% or more compared to the same period last year, specifically as follows:

1. Explanation of the except-for opinion on the audited Financial Statements as of December 31, 2024:

Regarding the audit opinion stated in the paragraph: “Basis for the except-for Audit Opinion”, the Company explains these contents as follows:

1.1. Explanation for not considering the provision for receivables, including:

- Receivables related to the Business Cooperation Contract, capital contribution to the Nam An Apartment project, Tan Phu District, Ho Chi Minh City with a capital contribution value of VND 8,000,000,000 within 03 years and a fixed profit distribution of 13%/year. To date, the Business Cooperation Contract has reached the profit distribution deadline, but Sieu Thanh Co., Ltd., the Developer, is currently being administratively sanctioned by the construction management agency, leading to the project being temporarily suspended on the construction site, not eligible for sale, collection, and profit distribution, so Sieu Thanh Co., Ltd. has not yet refunded the capital contribution and distributed profits to the Company according to the regulations of the Business Cooperation Contract. To ensure its rights, the Company has filed a lawsuit with a competent court to resolve and recover the debt. Currently, the case is being handled and resolved by the competent authorities, but there is no final judgment yet. The company continues to monitor developments to recover and manage debts according to regulations.

- For receivables from PetroVietnam-Nghe An Construction Joint Stock Corporation (“**PVNC**”) related to the share transfer contract at Petroleum Cement 12/9 Joint Stock Company (now Cement Joint Stock Company Song Lam 2) with the amount of VND 72,652,495,243: This is the receivable that has been agreed upon



by the related parties (including PVNC, PetroCons, and VISSAI) in the form of monthly installments within 15 years (from 2015-04) without interest. Therefore, considering the receivable subject is PVNC, the above receivable is overdue, but since the related parties have committed to installment payments within 15 years and VISSAI has actually made partial payment of the capital contribution transfer at Cement 12/9 to Petrocons's account, and the Company has recovered/offset the receivables with PVNC, however, the amount VISSAI paid according to the monthly progress up to the audit date has not fully offset the value of the payable amount that is overdue according to the monthly progress. The Company assesses that this receivable is collectible and is still regularly and actively coordinating with Petrocons and PVNC to resolve related issues between the parties, urging Hoang Phat VISSAI Group Co., Ltd. to fully pay the payable, ensuring that the payable value is offset on time according to the monthly progress.

- For the capital contribution receivable (remaining principal balance of VND 15,000,000,000) according to the Business Cooperation Contract for products and services of the Kinh Bac Petroleum Hotel project No. 56/20210/HĐ/PVC.KBC-PIVLS dated December 04, 2010 with Petro Kinh Bac Investing And Construction Joint Stock Company (PVC-KBC): During the implementation of the Investment Cooperation Contract, due to PVC-KBC's breach of contract, arbitrarily pledging the joint venture's assets, which is the Land Use Right Certificate of the project, to PVcombank for borrowing capital not for the purpose of serving the Project investment, the project has been suspended. The Company has filed a lawsuit with a competent court to resolve the issue. Based on the Asset Valuation Result Notice No. 01/2024/TB-TA, the People's Court of Bac Ninh province declared that PVC-KBC is obligated to refund the Company the amount of VND 123,972,508,800 (much greater than the initial capital contribution value). On July 02, 2024, the Company submitted a Request for Enforcement and a Request for Application of Enforcement Security Measures to the People's Court of Bac Ninh province and the Civil Judgment Enforcement Department of Bac Ninh City. However, since the project land is currently also the execution asset of another civil case between VAMC and PVC-KBC, the enforcement work has been difficult and has not yet achieved results. The Company commits to continue monitoring the developments of the case to recover and manage debts, and make provisions according to regulations when there are enforcement results.

1.2. Regarding the retrospective adjustment of financial revenue recognized in the financial statements for the financial year ended December 31, 2019 for the amount representing the difference between the initial investment contributed capital of the Company in the Commercial Housing Project in Tuong Binh Hiep, Binh Duong Province (Van Khoi Thanh Corporation is the Developer) and the value that Van Khoi Thanh Corporation ("VKT") committed to refund according to the agreement signed between related parties, With financial revenue recognized in the 2019 financial statements amounting to VND 9.765 billion (at the rate that VKT committed to refund 1.2 times the initial investment contributed capital of VND 48.825 billion). The reason for the retrospective adjustment is: VKT violated the three-party agreement signed on March 29, 2019, failing to refund the Company's investment on time, therefore, based on the agreement in the three-party agreement, the Company has sufficient grounds to unilaterally terminate the three-party

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agreement signed on March 29, 2019. Upon termination of the three-party agreement, the value of the Company's investment in the Commercial Housing Project in Tuong Binh Hiep is recorded at the value of initial investment contributed capital, and VKT loses the 6.0 billion VND deposit paid to the Company. Currently, the Company is requesting VKT to provide relevant documents of the project, suing VKT in a court of competent jurisdiction, and is in the process of resolving the violations of the investment cooperation contract and the three-party agreement; In parallel, the Company is also seeking and negotiating with other partners and investors with sufficient financial capacity to transfer/divest the capital contribution in this Project.

2. Corporate income tax Profit after tax in the reporting period has a difference before and after audit of 5% or more, specifically as follows:

No.	Indicator	Code	Pre-audit (VND)	Post-audit (VND)	Difference (Increase +; Decrease -)
(A)	(B)		(1)	(2)	(3) = (2) - (1)
1	Revenue from sales of goods and provision of services	01	10,266,648,979	10,516,648,979	250,000,000
2	Net revenue from sales of goods and provision of services	10	10,266,648,979	10,516,648,979	250,000,000
3	Gross profit from sales of goods and provision of services	20	7,450,281,297	7,700,281,297	250,000,000
4	Financial expenses	22	1,055,186,477	928,840,236	-126,346,241
	<i>- In which: Interest expenses</i>		-	-	0
5	General and administration expenses	26	13,584,284,493	13,822,855,592	238,571,099
6	Operating profit	30	941,512,447	1,079,287,589	137,775,142
7	Total accounting profit before tax	50	1,231,474,596	1,369,249,738	137,775,142
8	Current corporate income tax expense	51	436,179,484	463,734,513	27,555,029
9	Profit after corporate income tax	60	795,295,112	905,515,225	110,220,113

Reason for the difference:

- (1) Revenue from sales of goods and provision of services and Gross profit from sales of goods and provision of services increased by VND 250,000,000 due to: Re-evaluation, additional transfer of revenue from the unearned revenue account according to the audit opinion to be consistent with reality and current accounting standards.
- (2) Financial expenses decreased by VND (-126,346,241) due to re-evaluation and reversal of the provision for contributed capital in charter capital of Binh Son Petroleum Construction JSC according to the enterprise's equity data when receiving the financial statements ended December 31, 2024.
- (3) General and administration expenses increased by VND 238,571,099 due to additional provision for overdue receivables from customers for late payment of materials.



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(4) The current profit and corporate income tax indicators have changed due to the impact of the above 03 adjusting entries, specifically Net operating profit increased by VND 137,775,142; Total net profit before tax increased by VND 137,775,142; Current corporate income tax expense increased by VND 27,555,029 and Profit after corporate income tax increased by VND 110,220,113 compared to before the audit.

3. Profit after corporate income tax in the Income Statement of the reporting period changed by 10% or more compared to the same period last year:

Compared to 2023, in 2024, although revenue from sales of goods and provision of services slightly decreased because the Company was unable to continue leasing out the 6-floor area at the Huynh Tan Phat Apartment Project's commercial center (due to customer difficulties and early termination of lease contracts in 2024), the Company's financial expenses and General and administration expenses/operating expenses were minimized. In summary, the decrease in revenue is much smaller than the decrease in expenses compared to the same period in 2023, so the Profit after corporate income tax in the 2024 Income Statement increased compared to the same period in 2023 (the Profit after corporate income tax ratio in the 2024 Income Statement is VND 905,515,225/VND 532,134,640, equal to 170.17% compared to 2023).

In compliance with current regulations on information disclosure in the securities market, Long Son Petroleum Industrial Zone Investment Joint Stock Company explains the above contents to the Hanoi Stock Exchange, shareholders and investors for their information.

Sincerely!

Recipients:

- As above;
- File: Administrative Office, Information disclosure Documents.

GENERAL DIRECTOR 

Vu Hoang Long

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