

No: **106** CV/ĐT-TCKT

(Explanation of the audited consolidated financial statements for 2024 compared to 2023 and the cumulative financial data of Q4/2024)

Hanoi, March 28, 2023

To: - State Securities Commission of Vietnam
- Hanoi Stock Exchange

In accordance with Article 14 – Chapter III – Circular 96/2020/TT-BTC issued on November 16, 2020, by the Ministry of Finance on information disclosure in the securities market, Vietnam Electronics and Informatics Joint Stock Corporation (Viettronics), whose stock code on the UPCOM exchange is VEC, has submitted the audited consolidated financial statements for 2024 to relevant authorities. Viettronics hereby provides an explanation regarding fluctuations in financial indicators as required by law:

1. Regarding the difference in post-tax profit in the audited consolidated financial statements for 2024 compared to the cumulative post-tax profit in the Q4/2024 consolidated financial statements, exceeding 5%, we provide the following explanation:

- At the time of preparing the Q4/2024 consolidated financial statements, Viettronics had not yet fully collected reports from associated companies, and the financial reports of its subsidiaries had not been audited. This led to fluctuations in certain indicators, such as:
- Financial revenue increased by VND 3,043 million, equivalent to a 35.73% increase after the audit.
- The loss from joint ventures and associates increased by VND 1,270 million.
- Other expenses increased by VND 172 million, equivalent to a 42.52% increase.

As a result, post-tax profit increased by VND 1,297 million, equivalent to a 143.52% increase.

2. Regarding the post-tax profit of 2024 compared to 2023, which fluctuated by 10% or more, the main reasons are:

- Gross profit in 2024 decreased by VND 18,763 million, equivalent to a 15.13% decrease compared to 2023, due to
 - + Increased competition in bidding, while the company's resources remain limited and dependent on partners, making it challenging to secure projects with prudent capital use.
 - + Some investors encountered land clearance issues, delaying projects that had been contracted, resulting in a revenue shortfall in 2024.

Financial revenue in 2024 decreased by VND 1,556 million, equivalent to a 68.29% decrease, due to a sharp decline in bank interest rates.

- The loss from joint ventures and associates in 2024 was reduced by VND 2,566 million compared to 2023.
- Selling expenses in 2024 decreased by VND 10,921 million compared to 2023.
- Other profits in 2024 increased by VND 1,090 million compared to 2023.
- Current corporate income tax and deferred corporate income tax in 2024 decreased by VND 3,016 million and VND 1,834 million, respectively, compared to 2023.

Due to these factors, post-tax profit in 2024 decreased by VND 2,043 million, equivalent to a 93.20% decrease compared to 2023.



a. Exclusions in the Audited Consolidated Financial Statements for 2024

- In the audited 2024 consolidated financial statements, CPA VIETNAM provided an exclusion basis as follows:
- As of December 31, 2024, the ongoing production and business costs for the project "Design, supply of materials and equipment, transportation to the site, installation, testing, handover, and warranty for the ash discharge system of the Thai Binh 2 Thermal Power Plant Project" amounted to VND 2,691,835,668. Based on the documents provided by the company, the auditors were unable to estimate the necessary provision for inventory devaluation (if any). Consequently, they could not determine whether adjustments to these figures were necessary.

→ This project has been delayed for a long time due to investor-related issues. The company has not yet finalized the contract and is urging the investor to verify and accept the project for operation.

- As of December 31, 2024, the company and its subsidiaries had not assessed the necessary provisions for overdue and doubtful receivables, totaling approximately VND 63.6 billion (including VND 43.6 billion for the parent company, VND 2.2 billion for Viettronics Construction JSC, VND 4.5 billion for Viettronics Industrial JSC, and VND 13.3 billion for Viettronics Thu Duc JSC). The alternative audit procedures did not allow the auditors to estimate the necessary provisions for bad debts or their impact on the related financial indicators.

→ The company's management believes that these overdue receivables can still be recovered in the coming years, so no provision has been made.

- The investment in the associated company "Thu Duc Electronics JSC 1" is presented at historical cost because the financial statements for the fiscal year ending December 31, 2024, had not been obtained.
- The financial statements of the associated company "Vietnam Computer Corporation JSC" for the fiscal year ending December 31, 2024, had not been audited.
- At Viettronics Thu Duc JSC, the 2024 audited financial statements contained the following exceptions:
- As of December 31, 2024, the company had inventory consisting of outdated and slow-moving products totaling VND 18,638,821,840. As of the audit report issuance date, the auditors could not obtain sufficient evidence regarding management's assessment that these items had not lost value or their realizable net value. Therefore, the auditors could not provide an opinion on the realizable net value of these slow-moving and outdated items or their impact on the financial statements for the fiscal year ending December 31, 2024.
- 2024 was the first year the auditors were appointed to audit the company. They could not obtain sufficient audit evidence regarding the opening balance of the "Accumulated post-tax profit carried forward from previous periods." Therefore, they could not express an opinion on this item.
- The company had not depreciated assets that had ceased operations as of December 31, 2024, totaling VND 4,578,995,578.

→ These exclusions are reflected in the financial statements of companies such as Viettronics Thu Duc JSC and Viettronics Industrial JSC, as these issues have existed for a long time. The parent company is requiring its representatives in these subsidiaries to report and address these matters.

Vietnam Electronics and Informatics Joint Stock Corporation provides this explanation to clarify the fluctuations in key financial indicators in the consolidated business results for Q4/2024,



as accumulated until December 31, 2024, compared to the audited consolidated financial statements as of December 31, 2024, for the benefit of relevant authorities, shareholders, and investors.

Respectfully submitted.

Recipients:
As above.
Archive: VT, TCKT.

GENERAL DIRECTOR



TỔNG GIÁM ĐỐC
Vũ Hải Vĩnh

