

No: *128* /XLDK-TCKT

Hanoi, 24 January 2025

Re: Disclosure and explanation of the consolidated financial statements for the fourth quarter of 2024.

To: Hanoi Stock Exchange

Pursuant to the Securities Law No. 70/2006/QH11 dated June 29, 2006, by the National Assembly of the Socialist Republic of Vietnam;

Pursuant to Circular No. 96/2015/TT-BTC dated November 16, 2020, by the Ministry of Finance guiding the disclosure of information on the securities market;

Pursuant to Circular No. 68/2004/TT-BTC dated August 18, 2024, issued by the Ministry of Finance, providing guidance on the amendment and supplementation of certain provisions of the circulars governing securities transactions on the securities trading system; clearing and settlement of securities transactions; operations of securities companies; and information disclosure in the securities market.

PetroVietnam Construction Joint Stock Corporation (Petrocons) hereby provides an explanation regarding the changes in net profit after tax for the fourth quarter of 2024, which has fluctuated by 10% or more compared to the corresponding period of the previous year and has shifted from a loss in the corresponding period of the previous year to a profit in the current period, as follows:

- Net profit after tax for the Fourth Quarter of 2024: VND 88.508 billion.
- Net profit after tax for the Fourth Quarter of 2023: VND (97.026) billion.
- Net profit after tax increased : VND 185.534 billion.

Explanation:

Net profit after tax for the fourth quarter of 2024 increased by VND 185.534 billion, equivalent to a 191.22% increase compared to the corresponding period in the previous year, shifted from a loss in the previous year's financial statements to a profit in the current period. This was due to the Petrocons' consolidated financial statements being prepared based on the aggregation of the financial statements of the holding company and its subsidiaries. In the fourth quarter of 2024, the holding company and majority of its subsidiaries reported profits and net profit after tax increasing compared to the corresponding period in the previous year. As a result, the net profit after tax in the consolidated financial statements for the fourth quarter of 2024 recorded a significant increase compared to the corresponding period of

the previous year and shifted from a loss in the previous year's financial statements to a profit in the current period, as follows:

- Gross profit for the fourth quarter of 2024 increased by VND 13.904 billion, equivalent to a 335.45% increase compared to the corresponding period in the previous year. This increase was primarily due to the fact that most of Petrocons' subsidiaries reported gross profits, significantly higher than the previous year, especially the Petroleum Equipment Assembly and Metal Structure Joint Stock Company, which secured many new projects.
- Financial income for the fourth quarter of 2024 increased by VND 4.844 billion, equivalent to a 96.76% increase compared to the corresponding period in the previous year, primarily due to increased financial income at the holding company.
- Financial expenses for the fourth quarter of 2024 decreased by VND 23.438 billion, equivalent to a 100.54% decrease compared to the corresponding period in the previous year, primarily due to a reduction in financial expenses at the holding company.
- Administrative expenses for the fourth quarter of 2024 decreased by VND 59.843 billion, equivalent to a 156.04% decrease compared to the corresponding period in the previous year, primarily due to a reduction in administrative expenses at the holding company.
- Other income for the fourth quarter of 2024 increased by VND 84.500 billion, equivalent to a 305.9% increase compared to the corresponding period in the previous year, mainly due to higher other income at the holding company.

***In order to address the challenges and mitigate accumulated losses in the forthcoming period, the Board of Directors of Petrocons has formulated the following strategic directions and remedial measures:***

The Board of Directors of Petrocons is fully aware of the challenges the company is facing and has been taking steps to overcome them. Accordingly, with the support of Viet Nam Oil and Gas group (PetroVietnam) and its member units, Petrocons has been actively reviewing, developing, and implementing solutions to address difficulties, restore, and stabilize its business operations. The following specific solutions are planned for the upcoming period:

- Demonstrating resolute management in the execution of construction works across all projects undertaken by Petrocons and its subsidiaries.
- Proactively engage in marketing and bidding activities to seek and secure additional work sources.

- Continue implementing the comprehensive restructuring of Petrocons in alignment with the orientation approved by PetroVietNam, focusing on transforming the parent company into a direct participant in production and business activities within the construction sector. The parent company will play a strategic role in guiding the operations of its subsidiaries, divest all investments in entities outside Petrocons' core business sectors, and enhance its management, supervision, and operational oversight to ensure improved efficiency in the performance of subsidiaries and the effective utilization of Petrocons' investment capital.
- Take resolute measures in reviewing, reconciling, and recovering receivables, and develop detailed plans for debt recovery and resolution on a monthly and quarterly basis. These efforts aim to reclaim capital to ensure the continuity of production and business activities while minimizing financial costs arising from capital being tied up.
- Actively engage with PetroVietNam, its member units, and relevant state regulatory authorities to expedite the approval of additional costs incurred in projects in which Petrocons is currently participating
- Proactively and actively engage with banks and financial institutions to restructure debts, negotiate lower loan interest rates, and arrange sufficient capital to support production and business activities, as well as to release guarantees in the upcoming period

PetroVietnam construction Joint Stock Corporation hereby submits its report to the Hanoi Stock Exchange

Thank you very much for your kind attention.

**Recipients:**

- As stated above;
- Board of Directors (for reporting);
- Supervisory Board (for reporting);
- Petrocons Website;
- Information Disclosure Department;
- Archive: Office and Finance-Accounting Department.

**GENERAL DIRECTOR**




**Tran Quoc Hoan**

