

No. **0.2.7.0**/TRADIN-TCKT

*Ho Chi Minh City, March 31, 2025*

*Re: explanation of audit exceptions and  
explanation of profit difference of more than  
10% compared to the audited financial  
statements of the same period in 2023*

**To: Ha Noi Stock Exchange**

Pursuant to Circular 96/2020/TT-BTC dated November 16, 2020 of the Ministry of Finance guiding the disclosure of information on the securities market;

Based on the 2024 financial statements from January 01, 2024 to December 31, 2024. Ho Chi Minh City Power business Investment Joint Stock Company ( Tradincorp ) explains the audit's disclaimer of opinion, explains the profit difference of more than 10% of the 2024 audited financial statements compared to the audited financial statements of the same period in 2023.

**1/ Explanation of the audit's disclaimer of opinion:**

According to the Independent Audit Report No.: A0724236\_R/MOORE AISC-DN6 dated March 31, 2025 by MOORE AISC Auditing & IT Services Co., Ltd., there is a disclaimer of opinion:

As presented in Note V.7 of the accompanying financial statements, the Company has not reviewed the detailed tracking of general management expenses incurred before 2022 of each construction contractor to determine the cost of each completed construction product sold in 2024. Therefore, the Company's Board of Management has not allocated general management expenses recorded in the Work-in-progress item as of December 31, 2024, amounting to VND 12,498,253,760 in accordance with the revenue of some projects recorded in the current year. This may lead to incomplete reflection of expenses in 2024 and affect (if any) the Company's business results.

In addition, the Company has not considered assessing losses for long-term work-in-progress costs with a value of VND 1,563,820,450 as of December 31, 2024.

Based on the documents provided by the Company and the alternative audit procedures performed, we were unable to accurately determine the amount to be allocated and the value of the loss provision recorded in the expenses in the statement of business results for the current year. However, the impact of this issue does not have a pervasive effect on the overall 2024 annual financial statements.

**Ho Chi Minh City Electric Power Trading Investment Corporation would like to explain as follows:**

***Regarding the disclaimer of opinion.***

As of December 31, 2024, it was determined that the general management expenses recorded in the work-in-progress cost item were suspended as of December 31, 2024, with the amount of VND 12,498,253,760. According to the disclaimer of opinion, this general





management expense was incurred before 2022 by all departments directly involved in the company's main production activities, such as the business department, construction, and consulting center. This is the expense that the audit firm stated that it was not possible to accurately determine the amount to be allocated and the value of the loss provision recorded in the expenses in the statement of business results for the current year 2024, because this is an expense accumulated from many years before 2022, so when reviewing all records and documents of contracts/projects that have been completed or are still in progress from previous years. Our company also cannot provide a basis for allocating this expense reasonably and in accordance with regulations.

Therefore, temporarily excluding this general expense in the 2024 financial statements. Tradincorp will plan to analyze and evaluate the reasons for the existence of this accumulated general expense from 2022 and earlier, firstly to inform and warn the departments to issue better cost management policies. At the same time, the Company's Board of Management will develop specific plans and solutions to allocate this expense in accordance with regulations and the annual business situation.

For the excluded opinion item not yet reviewed for loss assessment for multi-year work-in-progress production costs valued at VND 1,563,820,450 as of December 31, 2024. This cost includes items such as warranty costs, other accumulated suspended costs of some departments, warranty provision costs, and a suspended cost of VND 1,189,648,345 for a contract that has been suspended since 2022 due to the inability to restore the site. For this excluded multi-year work-in-progress production cost, Tradincorp has reviewed and assessed each cost item, for costs related to warranty costs ending in 2025, the company will have the departments closely monitor the implementation on schedule. For other temporarily accumulated costs of some departments, the company will also plan to allocate these costs according to the business situation of that department in accordance with regulations. As for a project that has been suspended since 2022, the investor has planned a solution to accept and liquidate the part of the work that Tradincorp has performed but still has outstanding costs, which is likely to be completed in 2025.

## **2/ Explanation of the audit's qualified opinion in 2023**

According to the Independent Audit Report No. A0623240-R/MOORE AISC-DN6 dated March 30, 2024, by MOORE AISC Auditing & IT Services Co., Ltd., which states a qualified opinion:

Note V.7 - Inventories presents the work-in-progress production costs of the contracts for the supply of the "1x925KWP grid-tied rooftop solar power system at Phuoc Dong Port Industrial Park" package as of December 31, 2023, amounting to VND 77,332,922,489, and the Company has recorded the entire accepted value with the corresponding Subcontractors for this cost but has not yet conducted acceptance with the Investors. At the same time, the Company also recorded advances from Investors of the above projects under the "Advance from customers" item as of December 31, 2023, amounting to VND 42,189,436,426. The progress of these contracts was completed and energized on December 18, 2020, but to date, they have not been accepted and settled with these Investors. The Company has requested the competent court to resolve the breach of the economic contract and this lawsuit has been accepted. Accordingly, the parties have



carried out reconciliation steps but have not been successful. The failure to consider estimated loss provisions for the above costs stems from the Company's decision in previous years and led to the predecessor auditor issuing a qualified audit opinion on the financial statements of those years. As of the date of this report, we were also unable to obtain sufficient appropriate audit evidence to assess the recoverability as well as the completeness of the value, the correct period, and the reasonableness of this cost, as well as to determine their impact on other items in the accompanying financial statements.

The qualified opinion of the Audit Company in 2023 has been handled by Tradincorp in accordance with regulations, and is reflected in the other matters section of the audited financial statements for 2024 with the following content:

The Company's separate financial statements for the fiscal year ended December 31, 2023, received a qualified audit opinion on March 30, 2024, regarding the Work-in-progress Production Costs item of the contracts for the supply of the "1x925KWP grid-tied rooftop solar power system at Phuoc Dong Port Industrial Park" package due to not being accepted and settled with the Investors. However, this issue has been accepted and settled with these Investors on July 31, 2024. Therefore, the qualified audit opinion has been resolved.

### 3. Explanation of profit difference of more than 10% of the 2024 Financial Statements compared to the same period in 2023

#### A./ Explanation of the difference in the 2024 Financial Statements.

##### Profit difference of more than 10% compared to the same period last year:

Unit: VND

No.	Indicator	2024 (1)	2023 (2)	Difference (3)=(1)-(2)
1	Revenue from sales and service provision	377,831,884,690	160,550,084,687	217,281,800,003
2	Revenue deductions	0	0	0
3	Net revenue from sales and service provision	377,831,884,690	160,550,084,687	217,281,800,003
4	Cost of goods sold	377,570,137,173	154,182,851,951	223,387,285,222
5	Gross profit from sales and service provision	261,747,517	6,367,232,736	(6,105,485,219)
6	Financial activities revenue	910,555,497	746,632,297	163,923,200
7	Financial costs	2,054,795	13,680,849	(11,626,054)
	<i>Of which: Interest expenses</i>	2,054,795	7,680,849	(5,626,054)
8	Costs to sell	0	0	0
9	Business management expenses	6,157,969,142	5,995,823,948	162,145,194
10	Net profit from business activities	(4,987,720,923)	1,104,360,236	(6,092,081,159)
11	Other income	23,814,830	870,078,928	(846,264,098)

No.	Indicator	2024 (1)	2023 (2)	Difference (3)=(1)-(2)
12	Other expenses	769,438,367	222,129,441	547,308,926
13	<b>Other profit</b>	<b>(746,623,537)</b>	<b>647,949,487</b>	<b>(1,393,573,024)</b>
14	<b>Total accounting profit before tax</b>	<b>(5,733,344,460)</b>	<b>1,752,309,723</b>	<b>(7,485,654,183)</b>
15	<b>Current corporate income tax expense</b>	<b>1,192,428,407</b>	<b>341,346,406</b>	<b>851,082,001</b>
16	<b>Total accounting profit after tax</b>	<b>(6,925,772,867)</b>	<b>1,410,963,317</b>	<b>(8,336,736,184)</b>

**Ho Chi Minh City Electric Power Trading Investment Corporation would like to explain as follows:**

Profit after tax in the 2024 financial statements is negative more than VND 8,336.73 million compared to 2023. The main reason is:

(1)	Net revenue from sales and service provision increased by VND 217,281.80 million compared to the same period due to: + Trading Service revenue increased by VND 134,588.37 million. + Construction Service revenue increased by VND 87,569.57 million. + Consulting Service revenue decreased by VND 4,876.15 million.
(2)	Cost of goods sold increased by 223,387.28 million VND: + Cost of Trading Services increased by 138,173.36 million VND. + Cost of Construction Services increased by 85,336.61 million VND. + Cost of Consulting Services decreased by 122.69 million VND.
(3)	From points (1) and (2) above, leading to a decrease in Gross profit from sales and service provision of more than VND 6,105.48 million.
(4)	Financial activities revenue increased by more than VND 163.92 million compared to the same period, due to higher profits recorded from term deposit contracts and dividends distributed in the same period.
(5)	Enterprise management expenses increased by VND 162.145 million compared to the same period in 2023 due to increases in employee salary expenses and other expenses such as stationery, printing paper, etc. compared to the same period.
(6)	From points (3), (4), and (5) above, the Company's Net profit from operating activities in 2024 was negative more than VND 6,092.08 million compared to the same period.
(7)	Other income decreased by VND 846.26 million compared to the same period. Income incurred in 2023 related to customer contract termination penalties and proceeds from the sale of assets resulted in higher income compared to 2024.
(8)	Other expenses increased by VND 547.30 million compared to the same period due to expenses related to handling outstanding expenses from previous years and penalties for losses in projects.
(9)	From points (7) and (8) above, leading to a decrease in Other Profit of VND 1,393.57 million compared to the same period in 2023.
(6) & (9)	From the above reasons, pre-tax accounting profit in 2024 decreased by more than VND 7,485.65 million compared to the same period in 2023. At the same time, in 2024, the current corporate income tax increased by more than VND



	851.08 million compared to 2023 due to an increase in tax payments for contracts related to the IMG customer group, resulting in a decrease in after-tax accounting profit in 2024 of more than 8,336.73 million VND compared to the same period in 2023.
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Profit after tax of Ho Chi Minh City Electric Power Trading Investment Corporation in 2024 is: VND (6,925.77) million, in 2023 is: VND 1,410.96 million.

**B./ Explanation of the difference in the 2024 Consolidated Financial Statements.**

**Profit difference of more than 10% compared to the same period last year:**

Unit: VND

No.	Indicator	2024 (1)	2023 (2)	Difference (3)=(1)-(2)
1	Revenue from sales and service provision	377,831,884,690	160,550,084,687	217,281,800,003
2	Revenue deductions	0	0	0
3	Net revenue from sales and service provision	377,831,884,690	160,550,084,687	217,281,800,003
4	Cost of goods sold	377,570,137,173	154,182,851,951	223,387,285,222
5	Gross profit from sales and service provision	261,747,517	6,367,232,736	(6,105,485,219)
6	Financial activities revenue	910,555,497	746,632,297	163,923,200
7	Financial expenses	2,054,795	13,680,849	(11,626,054)
	<i>Of which: Interest expenses</i>	<i>2,054,795</i>	<i>7,680,849</i>	<i>(5,626,054)</i>
8	costs to sell	0	0	0
9	Enterprise management expenses	6,160,169,142	5,997,823,948	162,345,194
10	Net profit from business activities	(4,989,920,923)	1,108,360,236	(6,098,281,159)
11	Other income	23,814,830	870,078,928	(846,264,098)
12	Other expenses	769,438,367	222,129,441	547,308,926
13	Other profit	(746,623,537)	647,949,487	(1,393,573,024)
14	Total accounting profit before tax	(5,733,544,460)	1,756,309,723	(7,491,854,183)
15	Current corporate income tax expense	1,192,428,407	341,346,406	851,082,001
16	Deferred corporate income tax expense		1,200,000	(1,200,000)
17	Total accounting profit after tax	(6,927,972,867)	1,413,763,317	(8,341,736,184)

Ho Chi Minh City Electric Power Trading Investment Corporation would like to explain as follows:

Consolidated profit after tax in 2024 is negative more than VND 8,341.73 million compared to 2023. The main reason is:

(1)	Net revenue from sales and service provision increased by more than VND 217,281.80 million compared to the same period due to: + Trading Service revenue increased by more than VND 134,588.37 million. + Construction Service revenue increased by more than VND 87,569.57 million. + Consulting Service revenue decreased by VND 4,876.15 million.
(2)	Cost of goods sold increased by more than VND 223,387.28 million: + Trading Service cost of goods sold increased by more than VND 138,173.36 million. + Construction Service cost of goods sold increased by more than VND 85,336.61 million. + Consulting Service cost of goods sold decreased by more than VND 122.69 million.
(3)	From points (1) and (2) above, leading to a decrease in Gross Profit from sales and service provision of more than VND 6,105.48 million.
(4)	Financial activities revenue increased by more than VND 163.92 million compared to the same period, due to the same period recording more profit from deposit contracts and dividends distributed.
(5)	Enterprise management expenses increased by VND 162.345 million compared to the same period of 2023 due to increased employee salary expenses, other expenses such as stationery, printing paper, etc., compared to the same period.
(6)	From points (3), (4) and (5) above, the Company's Net Profit from business activities in 2024 is negative by more than VND 6,098.28 million compared to the same period.
(7)	Other income decreased by VND 846.26 million compared to the same period. Incurred income in 2023 related to customer contract termination penalties and proceeds from the sale of assets created a higher income compared to 2024.
(8)	Other expenses increased by VND 547.30 million over the same period due to expenses related to handling outstanding expenses from previous years and penalties for project losses.
(9)	From points (7) and (8) above, leading to a decrease in Other Profit of VND 1,393.57 million compared to the same period in 2023.
(6) & (9)	For the above reasons, accounting profit before tax in 2024 decreased by more than VND 7,491.85 million compared to the same period in 2023. At the same time, in 2024, there was an increase in current corporate income tax of more than VND 851.08 million compared to 2023 due to an increase in tax payments for contracts related to the IMG customer group, resulting in a decrease in accounting profit after tax in 2024 by more than VND 8,341.73 million compared to the same period in 2023.

Above are the main reasons affecting the business results in 2024 of the Company.

Sincerely./.

Recipients:

- As above;
- Company website;
- Archived: VT, TCKT.



Legal representative

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Nguyen Anh Vu

