**TBT: Reason to be put into warning status**

On April 28, 2017, Ben Tre Transportation Works Construction Joint Stock Company announced the reason to be put into warning status as follows:

1. Financial statements

The company has completed its responsibilities in making and presenting financial statements in accordance with Vietnam accounting standards and Vietnam corporate accounting regime and legal regulations related to the preparation of financial statements that have honestly reflected the situation of the company.

The company has considered, evaluated and appropriated provisions for bad debts with overdue date, expenses of works in progress with lower net recognized value than cost price of inventories in accordance with provisions specified in Circular no. 228/2009/TT-BTC dated December 7, 2009 of Ministry of Finance.

The company has not recognized any events arising after the closing date of accounting period which should be adjusted and noted in accordance with regulations of Vietnam corporate accounting standards and regimes.

2. Reason why securities of the company were included in list of transaction limitation

- As at December 31, 2016, owner’s equity of the company in the Balance Sheet was negative VND 37,763,509,121 and short- term debts exceeded its short- term assets with an amount of VND 70,283,408,499. The company arisen loss in 2016 and cumulative loss as of December 31, 2016 of VND 49,168,097,996 and VND 54,743,344,063 respectively. Net cash flow from business of the company in 2016 was negative VND 10,502,070,939. The above caused concern about the cash generating ability of the company to pay its due debts.

- Owner’s equity of the company was reflected in 2016 audited consolidated financial statements were negative VND 42,861,260,873. This was because in 2016, jobs were unstable; the company only performed some water vehicles with low output, while suffering from high cost (*incomplete cost carried forward from previous years, loan interest),* irrecoverable debts. As a result, the company had to appropriate provision, leading to loss in the 2016 consolidated financial statements.

3. Plan of Board of Management of the company:

- The solvency of the company within the next 12 months totally depends on whether the company can collect its debts, investments or transfer work items, as well as on whether economic and credit organizations will continue to provide loans or not and on the the capacity to mobilize capital from investors.

- If the company could not mobilize investment capital or financial assistance from different financial organization to perform its works within the next 12 months, the company shall expand the schedule of the works or seek partners to transfer suitable works.

- Short- term debts as at December 31, 2016 included balance of the advance payment from customers of VND 107,359,242,824 *(mainly advance payment from Project Management Unit of Transportation in Ben Tre Province of VND 88,699,718,419)* and the short- term borrowing from banks of VND 80,370,269,373; individual short- term loan outside the company of VND 13,800,000,000. The company shall negotiate and strongly believe that it shall receive assistance from customers, banks and individuals by extending the time of completion of the works and extending loans.

- The company has set policies and plans and taken measures to reduce and save costs of management, cost of operation within the next 12 months. In addition, the company is seeking financial sources in order to manage to pay its due debts.

The financial situation as at December 31, 2012 and plans indicated that the company is facing many difficulties in payment given the normal business condition. However, the company has always made all efforts to recover the difficulties and strongly believes that it could consolidate and stabilize its production and business, continuing its normal production and business in the future.