**HFB: Explanation on Financial Statement**

On 17th April, 2017, Ho Chi Minh City Ferry Bridge Construction Joint Stock Company explained the financial statement as follows:

**1/ Explanation of auditor’s qualified opinion:**

- Auditor’s qualified opinion of AASC Auditing Firm Company Limited:

+ We did not collect enough confirmation of accounts receivable and payable of the Company as of 03/05/2016 and 31/12/2016. This has led us to provide our auditor’s qualified opinion for the financial statements between 01/01/2016 and 03/05/2016. We also performed alternative auditing procedures but still could not confirm the availability, adequacy of accounts receivable and payable which have not been confirmed as of 03/05/2016, including: short-term trade receivables of VND23.5 billion, other short-term receivables of VND2.6 billion, short-term trade payables of VND2.8 billion, short-term prepayments from customers of VND9.2 billion and as of 31/12/2016, including short-term trade receivables of VND23.93 billion, other short-term receivables of VND4.71 billion, short-term trade payables of VND2.89 billion, short-term prepayments from customers of VND4.5 billion. Therefore, we also could not assess the impact of the above on the financial statements for the period from 04/05/2016 to 31/12/2016 of the Company.

+ The company has not made inventory of production and business works in progress as of 31/12/2016. With the available documents, we cannot assess: The availability and accuracy of the item of costs for production and business in progress with the book value of VND9.3 billion in the Company's Balance sheet as of 31/12/2016; The adequacy of recognizing the costs incurred in respect of work performed but not yet accepted and paid by the customers in the Financial statements.

- Explanation of Ho Chi Minh City Ferry Bridge Construction Joint Stock Company:

+ Debts as of 03/05/2016: some trade receivables and payables, prepayments from customers have not been compared: because equalization was conducted in the middle of fiscal year and some investors did not sign the debt confirmation with the company.

+ Debts as of 31/12/2016: We sent the debt comparison to customers but by the time of issuing audited financial statements, we have not yet received enough comparison according to the auditor’s opinion.

+ Costs for production and business in progress as of 31/12/2016: Due to the specific nature of construction activities, the company reflects the costs in progress only based on the invoice of expenses incurred as of 31/12/2016 of the construction in progress.

**2/ Explanation of delayed disclosure of the auditor’s qualified opinion and of financial statements 2016:**

- Our first trading day of registered shares approved by the Hanoi Stock Exchange is on 30/03/2017, although we have studied Circular 155/2015/TT -BTC, because we have just joined the stock market, not understood to disclose information in case of the auditor’s qualified opinion.

- We sent the 2016 financial statements via IDS portal on 30/03/2017 on time, but we did not know to submit hard copy and mail simultaneously to the Hanoi Stock Exchange. On 10th April, 2016, when we were told to send the statements to the Stock Exchange, we sent the report on that day.

We hereby recognize shortcomings in the delayed disclosure of the auditor’s qualified opinion and the financial statements and give explanation of the auditor’s qualified opinion.

We undertake to perform the above tasks in the future well. We look forward to receive your support.