**HU6: Explanation for the qualified opinions**

On 17 Mar 2020, HUD6 City and Housing Development Investment Joint Stock Company announced the explanation for the qualified opinions as follows:

In order to supplement information related to the qualified opinions in the audited financial statements of 2019 under Circular No.155/ 2015/ TT - BTC dated October 6, 2015 of the Ministry of Finance, HUD6 City and Housing Development Investment Joint Stock Company (listed stock code: HU6) explains as follows:

Basis of the qualified opinion: as presented in Note 33 of the financial statement of 2019, the Company changed its accounting policy to recognize revenue for long-term kiosk rental. However, the Company did not retroactively adjust the indicators in the financial statements related to the change of this policy in the corresponding accounting periods but recorded all in the fiscal year 2019. The effect of no retrospective adjustment when changing the accounting policy was presented in Note 33.

Explanation of the Company: The company adjusted the method of revenue accounting for kiosk rental from annual recognition to the method of one-time revenue recognition for the entire amount received in advance for investment real estate to provide more reliable and appropriate information on the impact of transactions and events on the financial position, business results and cash flows of the Company, at the same time reducing administrative expenses, accounting expenses for these operations and in accordance with the characteristics of the Company's operations. However, if retrospectively adjusting in the corresponding accounting periods, the Company will have to adjust the books and reports for many years, causing inconvenience to the accounting work. For the purpose of accounting, at the same time, the implementation not changing the results of accumulated revenue and profit until December 31, 2019, the Company decided not to retroactively adjust the financial statements of the previous years but recorded all in the fiscal year 2019