**DNE: Notice of the result of retrospective adjustment of financial statements for the remaining 3 months of 2015, 2016, 2017 and 2018**

On 26 Mar 2020, Da Nang Urban Environment Joint Stock Company announced the result of retrospective adjustment of financial statements for the remaining 3 months of 2015, 2016, 2017 and 2018 as follows:

- Pursuant to the minutes of handover of the enterprise on handing over Da Nang Urban Environment One Member Company Limited to Da Nang Urban Environment Joint Stock Company on December 31, 2019;

- The Company cooperated with AAC Auditing and Accounting Co., Ltd which is in charge of auditing the 2019 financial data of the Company to retrospectively adjust the financial statements of the last 3 months 2015, 2016, 2017 and 2018. Retrospective adjustments affect the figures at the beginning of the year in the Balance Sheet and the figures of the previous year on the Income Statement of 2019 as follows:

1. Adjust the figures on October 1, 2015 in the Balance Sheet at the time of handing over company

2. Adjust to reduce revenue in the financial statements for the last 3 months of 2015 due to accounting of sanitary goods revenue in September 2015 and the last 3 months of 2015, leading to an increase in "Sales of goods and services", increase in "Taxes and payables to the State" and increase in "Short-term receivables of customers" in the Balance Sheet on 30 Sep 2015 respectively: VND 2,057,538,182, VND 205,753,818 and VND 2,263,292,000. This revenue was included in the enterprise valuation at the time of equitization

3. Adjustments to decrease the accumulated depreciation "Sewerage and wastewater treatment system - closing Khanh Son torn ground" in the financial statements for the last 3 months of 2015 because it is an unfinished capital construction asset under the list of transferred assets, not included in the value of equitized enterprises and then excluding depreciation. The accumulated depreciation at the time of stopping the depreciation on December 31, 2017: VND 533,136,164, in which included the value of the enterprise at the time of equitization of VND 204,689,778, the value of depreciation in the remaining years: the last 3 months of 2015: VND 36,547,044, year 2016: VND 146,188,176 and in 2017: VND 146,188,176. Accordingly, the target "Cost of goods sold" is adjusted downward accordingly

4. Adjusting upward the cost due to the allocation of long-term prepaid expenses to be an increase in tools and instruments of VND 1,719,359,017 according to the Enterprise Valuation Minutes, State Audit Minutes. The allocation time is 2 years based on the straight-line method. Accordingly, “long-term prepayments” allocated in the last 3 months of 2015: VND 214,919,877, in 2016: VND 859,679,500 and in 2017: VND 644,759,631. The item "Cost of goods sold" will increase according to the above figures

5. Adjustment to reduce some costs of the Consulting Center accepted by the tax authorities according to the tax inspection record and included in the enterprise valuation at the time of equitization and the Company recorded in the cost of goods of the 3 last months of 2015: VND 47,558,387, in 2016: VND 30,000,000

6. Adjustment to increase financial income as this is the interest of frozen accounts payable for equitization in the financial statement for the last 3 months of the year: VND 56,046,654, in 2016: VND 222,087,418, in 2017: VND 52,819,660 dong and 2017: VND 11,637,635