**PRT: Explanation for the qualified opinion on the audited financial statement of 2019**

On 13 May 2020, Binh Duong Producing and Trading Corporation explained the qualified opinion on the audited financial statement of 2019 as follows:

I. Explanation for the qualified opinion on the financial statement of 2019 as follows:

1) For the financial statement for the accounting period from November 1, 2018 to December 31, 2018, we gave the qualified opinion on the fair value of share repurchase transactions of Tan Thanh Investment and Development Joint Stock Company. In this year, the parties canceled the above share transfer contracts (detailed information in Note 34a of the attached separate financial statement). Accordingly, the amount that the Corporation still had to recover from its partners on December 31, 2019: VND 867.713 billion, in which the receivable from Hung Vuong Joint Stock Company: VND 182.713 billion and the receivable from Mr. Dang Cong Thanh: VND 685 billion (the receivable debt of Mr. Dang Cong Thanh is guaranteed in writing by Phat Trien Co., Ltd.; guarantee commitment time: until June 30, 2020). With implemented audit procedures, we could not evaluate the impact of this issue on the attached separate financial statement

Explanation: because the receivable of VND 685 billion from Mr. Dang Cong Thanh was the receivable of an individual and was only guaranteed to be paid by Phat Trien Co., Ltd. without collateral. Therefore, the auditor did not assess the ability to recover debts of this receivable

2) According to the content presented in Note 34b of the separate financial statement, on December 31, 2019, the Corporation temporarily paid the increase difference due to the recalculation of the transfer price of the land use right for 43ha of Binh Duong Industrial - Service - Urban Complex, Hoa Phu ward, Thu Dau Mot city, Binh Duong province with the total value of VND 125.694 billion to the account of Binh Duong Party Committee Office. In which, the amount of VND 37.708 billion, equivalent to 30% of the Corporation was confirmed by the Provincial Party Committee to reduce other liabilities, the remaining amount of VND 87.986 billion, equivalent to 70%, the Corporation is monitoring the receivable from Tan Phu Construction Investment Co., Ltd. at the other receivable. This amount is related to the period before equitization, the Corporation has been negotiating with partners to definitely handle this debt. With the audit procedures applied we could not express an opinion on the existence, completeness of related liabilities and transactions, so we could not assess the impact of the matter on the attached separate financial statement

Explanation: The Corporation temporarily paid on behalf of Au Lac Joint Stock Company (a shareholder accounting for 70% of charter capital in Tan Phu Construction Investment Company Limited) the increase difference according to the price list prescribed by Binh Duong People's Committee in 2016 when transferring 43ha of Binh Duong Industrial - Service – Urban Complex. However, the recognition of this receivable was confirmed by Tan Phu Construction Investment Company Limited because Au Lac Joint Stock Company did not return. Therefore, the auditor believed that no basis to record this receivable for Tan Phu Company

3) According to the content presented in Notes 36a and 36b of the separate financial statement, the Corporation presented information related to land transfer to Phat Trien Co., Ltd and An Binh Joint Stock Company. The transactions related to Phat Trien Co., Ltd. was retrospectively adjusted by the Corporation for the State period before equitization, particularly for An Binh Joint Stock Company, on December 31, 2019, the Corporation was in progress of presenting the receivable related to the contract on land compensation and land transfer incurred before the time of transferring to joint stock company with the amount of VND 65 billion. On November 14, 2019, Binh Duong People's Committee issued Decision No. 3379 / QD - UBND on revoking the Decision on letting An Binh Joint Stock Company lease land with one-off payment for the entire lease term in Phu Loi ward, Thu Dau Mot city, Binh Duong province. The above contents were related to the period before transferring to a joint stock company and might change when the equitization settlement was made on October 31, 2018. With the audit procedures performed, we could not assess the impact of the above matters on the attached separate financial statement

Explanation: In 2016, Binh Duong Producing and Trading Corporation – One member Co., Ltd signed a contract to pay compensation for investment in land and land transfer on August 15, 2016 with An Binh Joint Stock Company. On August 25, 2016, Binh Duong Party Committee issued Official Letter No. 457 - CV/ TU approving the policy for the Corporation to transfer 15 hectares of land in Phu Loi ward, Thu Dau Mot city, Binh Duong province to An Binh for warehouse to serve production and business

On December 22, 2016, Binh Duong People's Committee issued Decision No. 3536/ QD - UBND on acquisition of land managed by Binh Duong Producing and Trading Corporation – One member Co., Ltd to lease to An Binh Joint Stock Company under the one-off payment for the entire lease term in Phu Loi Ward, Thu Dau Mot City. The Corporation recognized the arising economic accounts related to this transaction in the period of before equitization. On January 1, 2019, the Corporation recorded the receivable of An Binh Joint Stock Company with the amount of VND 65 billion, the term of recovery of this receivable depended on the progress of land transfer procedures of the authorities

However, on November 14, 2019, Binh Duong People's Committee issued Decision No. 3379/ QD - UBND on revoking Decision No. 3536/ QD – UBND dated 22 Dec 2016 of the Provincial People’s Committee but at the time of issuing this financial statement, the Departments did not any guideline to handle this issue

Because of the above uncertain factors related to the ability to collect receivable from An Binh Joint Stock Company (65 billion), KTV could not assess the ability to recover this debt

4) According to the content presented in Note 36c of the Note to the separate financial statement, in 2016, the Corporation transferred the right of implementing the Go Chai Planning Project to U&I Real Estate Joint Stock Company under the approval policy of Binh Duong Party Committee. However, at the time of publishing this report, the parties did not complete the legal procedures related to the transfer of the right of carrying out the project and handing over the land. With the audit procedures performed, we could not assess the impact of the issue mentioned above on the attached separate financial statement. Explanation: The Corporation recognized revenue and profit from the transfer of the land in the period before equitization and recorded the receivable of U&I Real Estate Joint Stock Company on December 31, 2019: VND 204.512 billion

Up to now, the Corporation did not hand over the field boundary of Go Chai Planning Area to U&I Real Estate Joint Stock Company for the part compensated by the Corporation (23.64 ha). Therefore, U&I Real Estate JSC has not been able to take over the project yet and continue to implement the project as approved. Therefore, KTV cannot not assess the possibility of continuing to recover the receivable from U&I Real Estate Joint Stock Company

5) Related to capital contribution transaction at Tan Thanh Investment and Development Joint Stock Company as presented at Note 34c of the separate financial statement, these transactions relate to the period before the equitization and we could not determine the reasonableness of capital contribution transactions to Tan Thanh Investment and Development Joint Stock Company and the calculation of related capital advance interest. Therefore, we could not assess the impact of this issue on the attached separate financial statement

Explanation: provisional interest (VND 115 billion) under the agreement between the Corporation and Tan Thanh Development Investment Joint Stock Company based on the VND144 billion loan incurred before the transfer to Joint Stock Company and not settled when equitizing the Corporation. Therefore, KTV could not assess the suitability of this loan interest

6) According to the content presented in Note 15 of the separate financial statement, on 31 December 2019, the Corporation presented the value of investment property held for the purpose of waiting for price increase. It is the land use right with a total value of VND 78 billion in Dong Tu Quarter, Lai Thieu Ward, Thuan An Town, Binh Duong Province with an area of ​​10.547 m2. This investment property was purchased before the official transfer to a joint stock company, on December 31, 2019, the procedures for transferring the certificate of land use right to the Corporation was not completed. With the audit procedures performed, we did not assess the impact of this matter on the attached separate financial statement

Explanation: The Corporation paid for the purchase of real estate worth VND 78 billion but did not register to transfer the name from the previous owner. This land is used for production and business but the Corporation has not had a business plan yet. Therefore, Department of Natural Resources and Environment has not approved to transfer this land to the Corporation. As a result, KTV could not assess the Corporation's land use right

II. Explanation for profit in 2019 not reaching the plan: The reason is due to changes in accounting policies, provisioning according to Circular 48/2019/ TT - BTC, so when the Corporation made the provision for financial year of 2019 for financial investments affecting the initial 2019 business plan (not as expected)