**VC5: Explanation for the financial statement of 2019**

On 23 Apr 2020, Construction JSC No5 explained the financial statement of 2019 as follows:

On April 22, 2020, Construction JSC No. 5 received Official Letter No.503/SGDHN - QLNY dated April 9, 2020 of Hanoi Stock Exchange on request for explanation and information disclosure. According to the content of the Letter, Construction JSC No. 5 would like to explain as follows:

1. Explain the reason for Construction JSC No. 5 having negative equity based on the audited financial statement of 2019

In recent years, the Company has not implemented new projects, mainly focusing on the settlement and debt collection for completed projects and handing over to the Investor. Besides, a large interest expense incurred due to many difficulties in debt collection, leading to the loss of equity of the Company

2. Regarding the disclaimer of opinion on the Company's financial statement of 2019, Construction JSC No. 5 confirms that the audited financial statement of 2019 showed the operational situation of the Company. However, due to a number of limitations in confirming debts and assessing the ability to recover receivables, the accuracy of the above-mentioned debts is affected

3. Remedy:

In 2020, the Board of Directors continued to direct the Management Board to conduct and apply all the most effective measures to debt collection in order to make transparency and concretize the receivables and feasibility for bad debts

\* Specific measures:

- Continuing to reduce personnel to minimize costs

- Actively looking for employment opportunities from relationships to sign construction contracts

- Focus all resources on debt collection, restructuring, asset restructuring and debt restructuring for credit and financial institutions concerned

- Gathering resources, speeding up the completion of settlement dossiers of projects already completed and drastically speeding up the recovery of receivable debts from investors and related parties

- Negotiate with credit institutions to extend due debts and restructure debts for related credit and financial institutions. However, up to now, the projects have not been received and credit institutions have not restructured loans to the Company. With the above difficulties and solutions, the Company has been making efforts and waiting for signals from credit institutions

- Construction JSC No. 5 is trying and striving to find all measures to overcome the backlog and coordinate with the auditing organization to collect sufficient appropriate audit evidence to serve the audit of financial statement of 2020