**PHH: Explanation on PHH stock under trading restriction**

On March 26, 2024, Hong Ha Viet Nam Joint Stock Company announced Official Dispatch No. 20/CV-HHVN on explaining the cause and proposing the solution as follows:

* The payment of VND 77,022,500,000 under the capital transfer contract No. 01/HDCN dated June 23, 2010 between Hong Ha Viet Nam Joint Stock Company and Mr. Nguyen Tat Lac was assessed by the Company as a loss according to the Minutes of the Board of Directors No. 10/2015/BB-HDQT on December 25, 2015: Currently our Company is still trying to contact with Mr. Nguyen Tat Lac to handle the rights and obligations of the parties under the Transfer Contract. To be prudent, in 2015, the Company allocated 50% (equivalent to VND 38,511,250,000) of the above payment to business expenses. In 2016, the Company continued to allocate the amount of VND 6,000,000,000 to business expenses, the remaining amount equivalent to VND 32,511,250,000 is currently recorded as a long-term prepaid expense by the Company.
* Other receivables of the Phong Thinh Company Limited related to Copper Ore Flotation Line contract No. 09/2010 on September 8, 2010; the Appendix of the contract on February 22, 2011; the Contract Appendix No. 02 dated March 22, 2011 with the balance on December 31, 2022 of VND 11,347,160,000; As of December 31, 2023, our Company has not yet confirmed the debt balance with Phong Thinh Company Limited. Currently, the company is also trying to contact with Phong Thinh Company Limited and related partners to confirm the reconciliation of this liability. In case of failure to confirm this liability, the Company will determine the loss due to the inability to recover and record it in the Company's management expenses in the coming years.
* As of December 31, 2023, the Company has not yet collected the Financial Statements 2023 of Công ty CP Kinh doanh Tổng Hợp Việt Lào (tentatively translated as Viet Lao General Business Joint Stock Company), leading to not considering the provision for the loss of the investment finance into this Company. In 2023, Viet Lao General Business Joint Stock Company did not operate at its registered address, the Company is also trying to contact to request the unit's Financial Statements 2023.
* Regarding receivables from customers with a value of VND 2.38 billion, our Company is still conducting processes and procedures to recover the above debt.