**MTB: Explanation on the auditor’s disclaimer of opinion**

On April 16, 2024, Thai Binh Environment And Urban Projects Joint Stock Company announced Official Dispatch No. 35/BC - MTB on the explanation of the disclaimer of opinion on the Financial Statements 2023 as follows:

* Content of the Auditor's disclaimer of opinion:

As of December 31, 2023, accounts receivable from customers and payable to sellers that have not received full confirmation letters are VND 4,098,582,614 and VND 6,379,246,883, respectively. Alternative audit procedures did not provide us with sufficient audit evidence necessary to express an opinion on the existence, completeness and accuracy of the unreconciled outstanding balances above, as well as its impact on the targets on the company's Financial Statements for the fiscal year ending December 31, 2023.

The balance of unfinished production and business expenses as of December 31, 2023 is VND 13.7 billion, including VND 8.2 billion that has not been clearly classified for each service the company has provided: waste treatment, decoration and build graves. We cannot assess the value of this unfinished production and business expenses that has not been clearly classified as of December 31, 2023 and the expenses that needs to be transferred and added to production and business expenses during the year as well as their impact on the Financial Statements for the fiscal year ending December 31, 2023.

* The Company explain as follows:
* Regarding the balance of receivables from customers and payables to sellers, the Company has enough economic contracts and financial invoices to record according to regulations. The Company has fully issued the Debt Confirmation Letter as required by the auditor and actively coordinated with suppliers and customers in confirming and sending it to the audit company.

However with the large number of suppliers and because the operating area is far away, the confirmation letter has not arrived on time as required by the auditor.

* Regarding the balance of unfinished production and business expenses as of December 31, 2023, which have not been clearly classified for each service the Company has provided: Waste treatment, decoration build graves and the expenses that needs to be transferred and added to production and business expenses during the year; these issues have been determined by the company as a total value, but at the time of auditing, the Company is still implementing these work and urging customers and partners to accept and settle settlements, so it is not possible to clearly classify each activity in the expenses of production and business in progress and the expenses that need to be transferred and added to production and business expenses during the year.
* Remedy plan:
* Regarding the balance of accounts receivable from customers and payable to sellers, the Company continues to urge customers and suppliers to complete it as soon as possible.
* Regarding the balance of unfinished production and business expenses and the expenses that need to be transferred and added to production and business expenses during the year, the Company will continue to work with customers, partners as well as related units of the Thai Binh Provincial People's Committee and Thai Binh City People's Committee to soon complete the acceptance and settlement.

The Company will report to the People's Committee of Thai Binh Province, People's Committee of Thai Binh City and related units to have solutions to complete the documents and complete the procedures for the above activities as soon as possible.