**DDM: Explanation on maintaining transaction restrictions**

On March 28, 2024, Dong Do Marine Joint Stock Company announced Official Dispatch No. 55/CBTT-DDM on explanation for maintaining transaction restrictions according to Official Dispatch 143/QD-SGDHN as follows:

1. Dong Do Marine Joint Stock Company (DDM) explains the content related to Decision No. 143/QD-SGDHN, dated March 21, 2024 of the Hanoi Stock Exchange on maintaining the transaction restriction as follows:

Content of the above Decision: Maintaining trading restrictions on DDM shares of Dong Do Marine Joint Stock Company. Reasons for maintaining transaction restrictions: The company has negative owners’ equity in its audited Financial Statements 2023.

This content is also commented by the Auditing Unit - TTP Auditing Company Limited - in the audited Consolidated Financial Statements 2023 as follows:

“The Company's accumulated losses as of December 31, 2023 are: VND 969,002,058,422, payables as of December 31, 2023 are: VND 1,354,892,370,911, exceeding total assets of VND 526,582,799,284 with the amount of VND 828,309,571,627. The Company's ability to continue operating depends on its future profitability and continued financial support from its owners’ equity. Thus, the Company's owners’ equity is negative (-) VND 828,309,571,627.”

This is the reason why the Hanoi Stock Exchange made the above Decision.

The explanation related to the opinion of the Audit Company (also the reason for Decision No. 143/QD-SGDHN mentioned above) has been explained by DDM Company in the Financial Statements of previous years from 2012 until now. Accordingly, the main reasons leading to negative business results of DDM Company as well as other shipping enterprises are:

* The domestic and international shipping market has been in recession since 2008 and has not yet recovered.
* Shipping businesses, including DDM Company, often have to borrow foreign currency (USD) to invest in ship projects, leading to large loan interest and losses due to exchange rate differences over the years.
* The value of ships is often very large, from which large depreciation costs also arise.

These difficulties have occurred and lasted from 2008 until now, causing accumulated losses for the Company as described above.

1. To appropriately respond to the above situation, Dong Do Marine Joint Stock Company has and is continuing to promote the search for the most effective method of ship operation to maximize revenue, reduce operating costs, strictly manage direct and indirect costs. At the same time, the Company also actively searches for customers, good and reputable sources of goods in the market to increase freight prices and increase exploitation efficiency.

In addition, the Company will also try to deploy additional ancillary service activities to improve business results and improve cash flow.