**DDH: Explanation on the Financial Statements 2023**

On April 15, 2024, Hai Phong Waterway Traffic Assurance Joint Stock Company announced Official Dispatch No. 64/2024/GTDT on explaining the opinion of the audit company as follows:

In the Audited Financial Statements 2023, in the "Other Information" section on page 31, the Company provided a clear explanation of the issues raised in the “basis of the qualified opinion”. Therefore, the Company overlooked addressing this particular content in the process of submitting the Audited Financial Statements 2023. The Company has disclosed additional information on explaining the audit company's opinions to Hanoi Stock Exchange and posted it on the Company's website.

On April 15, 2024, Hai Phong Waterway Traffic Assurance Joint Stock Company announced Official Dispatch No. 65/2024/GTDT on explaining the opinion of the audit company as follows:

1. Besides effects of the matter described in the Basis for auditor's qualified opinion paragraph: On January 1, 2023, in the balance of the item "Other short-term payables" the Company recorded the amount payable to the State budget for the difference between the service fee of traffic through Got - Cai Vieng ferry terminal and Service settlement with Hai Phong Department of Transport according to Official Dispatch No. 3474/STC-TCDN dated September 15, 2022 of Hai Phong Department of Finance dated September 15, 2022 for service revenue settlement in 2019 with the amount of VND 12,347,155,197 and Minutes on the acceptance and liquidation of the contract for service of public passenger transport through Got - Cai Vieng ferry terminal in 2022 with the amount of VND 24,740,693,403. The recognition of this payable was not in accordance with the provisions of Circular No. 200/2014/TT-BTC of the Ministry of Finance dated December 22, 2014 guiding the corporate accounting regime, Circular No. 78/2014/TT- BTC of the Ministry of Finance dated June 18, 2014 and Circular No. 96/2015/TT-BTC of the Ministry of Finance dated June 22, 2015 providing guidance on corporate income tax. We have given our qualified opinion on this issue for the Company's Financial Statements for the fiscal year ending December 31, 2022. In 2023, the Company recorded the amount payable to the State budget for the difference between the service fee in 2023 of traffic through Got - Cai Vieng ferry terminal and settles the service with the Hai Phong Department of Transport according to the Minutes on the acceptance and liquidation of the contract for service of public passenger transport through Got - Cai Vieng ferry terminal with an amount of VND 19,920,367,825, cumulative amount of money payable to the state budget for the above content as of December 31, 2023 was VND 44,661,061,228. If the Company followed the provisions of Circular No. 200/2014/TT-BTC dated December 22, 2014, guiding the accounting regime of enterprises, Circular No. 78/2014/TT-BTC dated June 18, 2014, and Circular No. 96/2015/TT-BTC dated June 22, 2015, guiding corporate income tax, then in the income statement 2023, the target of Revenue from goods sales and service provision, current corporate income tax expenses, and Profit after tax would increase by VND 19,920,367,825; VND 3,984,073,565; and VND 15,936,294,260 respectively. At the same time, on the balance sheet as of December 31, 2023, the items of taxes and other amounts payable to the State and Undistributed profits after tax would increase by VND 11,401,643,285 and VND 45,606,573,140 respectively; the item of Other short-term payables would decrease by VND 44,661,061,228; and the item of Short-term receivables would increase by VND 12,347,155,197.
2. Reasons for the audit company to give a qualified opinion:

Pursuant to Proposal No. 145/TTr-STC dated December 31, 2019 of Hai Phong Department of Finance on adjusting the supply plan and approving orders for public passenger transport services by ferry through Got - Cai Vieng terminal in 2019, the People's Committee of Hai Phong City issued Decision No. 3404/QD-UBND dated December 31, 2019 on approving orders for public passenger transport services by ferry through Got - Cai Vieng terminal in 2019. According to the above documents, Hai Phong Waterway Traffic Assurance Joint Stock Company is responsible for paying the difference in revenue from ferry service prices greater than the settlement value of ordering public passenger transport services by ferry crossing Got - Cai Vieng terminal in 2019 into the State budget with an amount of VND 16,605,111,000. The Company sent Document No. 22/GTDT dated March 16, 2020 and Document No. 65/GTDT dated July 22, 2020 on recommending and requesting adjustment of order value for providing public passenger transport services by ferry through Got - Cai Vieng terminal in 2019, with the proposed adjustment for actual expenses incurred for ferry operations in 2019, the difference in revenue from ferry service prices was greater than the actual amount of VND 6,670,137,047 arising after the City adjusted the estimate that would be the Company's profit and the Company shall distribute profits according to regulations. On September 28, 2020, the People's Committee of Hai Phong City issued Document No. 6038/UBND-GT on requesting the Company to complete settlement procedures according to Decision No. 3404/QD-UBND dated December 31, 2019. The company continued to send Document No. 92/GTDT dated October 28, 2020 asking for guidance from the Ministry of Finance on this issue.

On January 5, 2021, the Ministry of Finance issued Response Document No. 72/BTC-TCDN, in which: "According to Decision No. 3404/QD-UBND dated December 31, 2019 of the People's Committee of Hai Phong City, Hai Phong Waterway Traffic Assurance Joint Stock Company is required to submit the difference between the revenue from the ferry service and the value of the public passenger transportation service through the Got - Cai Vieng ferry terminal in 2019. However, the legal basis for submitting this difference to the State budget is not specified. The Ministry of Finance requests the company to report to the People's Committee of Hai Phong City based on the provisions of Law on Enterprises, law on tax, and law on price to address the company's proposal to ensure accurate and non-redundant revenue collection into the State budget for ferry and boat services provided by the enterprise.” On January 8, 2021, the Company sent Document No. 02/BC-GTDT to the People's Committee of Hai Phong City. On January 18, 2021, the People's Committee of Hai Phong City sent Document No. 178/VP-GT assigning the Department of Finance, Department of Transport and relevant agencies to research, propose and report to the City People's Committee before January 27, 2021. On July 29, 2021, the Ministry of Finance announced Official Dispatch No. 8470/BTC-TCDN in response to the People's Committee of Hai Phong City regarding the “handling of the difference between revenue from the ferry service and the value of the public passenger transportation service through the Got - Cai Vieng ferry terminal in 2019”. Subsequently, on August 23, 2021, the People's Committee of Hai Phong City issued Document No. 5802/UBND-XD1 on requesting the Department of Finance and the Department of Transport to propose a report to the Committee on the handling of this difference based on the response from the Ministry of Finance.”

Decision No. 2315/QD-UBND dated July 15, 2022, and Decision No. 2316/QD-UBND dated July 15, 2022 of the People's Committee of Hai Phong City regarding the approval of the value of the contract for the public passenger transportation service through the Got - Cai Vieng Ferry Terminal in 2019, and Notice No. 222/TB-UBND dated May 6, 2022, of the People's Committee of Hai Phong City regarding the dissemination of conclusions reached by the leadership of the People's Committee of Hai Phong City at the meeting on handling the difference in revenue from the ferry service compared to the value of the contract for the public passenger transportation service through the Got - Cai Vieng Ferry Terminal in 2019. Document No. 3474/STC-TCDN dated September 15, 2022 on payment of the difference in ferry service prices and the final settlement value of public passenger transport services by ferry crossing Ben Got - Cai Vieng in 2019 with the amount of VND 12,347,155,197. On March 29, 2023, the Company paid the amount of VND 12,347,155,197 into the budget according to the documents mentioned above.

In 2022 and 2023, the Company continued to carry out the contract to order public passenger transport services by ferry crossing Got - Cai Vieng ferry terminal and the difference in ferry service fees must still be paid to the State budget according to the direction of Hai Phong City People's Committee and Hai Phong Department of Finance in Document No. 1230/STC-TCDN dated April 3, 2023, No. 1107/STC-TCDN dated March 25, 2024. Therefore, there is data that the audit company presents in the paragraph "Basis for auditor's qualified opinion". The recognition of this payable is not in accordance with the regulations of Circular No. 200/2014/TT-BTC of the Ministry of Finance dated December 22, 2014. Therefore, the audit company does not have enough basis to give an opinion approving the audit.