**KHD: Explanation on and remedy for KHD stock under trading restriction**

On April 17, 2024, Hai Duong Mineral Eineal Processing Joint Stock Company announced Official Dispatch No. 11/VB-KHD on explaining and providing a remedy for KHD stock under trading restriction as follows:

1. For the reasons:

Because the Company has been stopped from its main production and business activities for 1 year or more according to the provisions of Point dd Section 1 Article 34 of the Regulations on Registration and Management of unlisted securities transactions promulgated together with Decision No. 34/QD-HDTV, dated November 16, 2022, of Vietnam Stock Exchange's Board of Members.

The Company would like to explain this issue as follows:

The Company's main activities are exploiting and processing stone as common construction materials in Phu Thu Ward and Minh Tan Ward, Kinh Mon Town, Hai Duong Province. The Ang Dau, Tan Son, Ham Long, Ang Rong, Bac Tan Son mining mines which were licensed for exploitation many years ago and have had their licenses renewed multiple times, have now fully exploited their reserves. They must transition to the rehabilitation and environmental recovery phase, and close the mines after mining, in accordance with the provisions of the Mineral Law. As for the Ang Bat mine, the Company completed procedures to apply for a renewal to exploit the remaining reserves before the license expired. However, the mining license was not renewed as it did not meet the renewal conditions specified in Clause 5, Article 54 of the Mineral Law. Specifically, the license for this mine has been renewed many times, leading to the total license renewal period to date exceeding 20 years.

On March 14, 2023, the Company's Board of Directors promulgated Resolution No. 19/NQ-HDQT on operational suspension from March 14, 2023 due to the exhaustion of reserves to exploit. This is caused by mining licenses being expired, not eligible for renewal. Up to now, by April 15, 2024, the Company's main production and business activities are still shut down.

Thus, the Company has stopped main production and business activities for 1 year or more since March 14, 2023.

1. Remedy plan:

Being aware that resources in the area are increasingly depleted since last year, The Company has a policy of expanding its area and operations to other localities through business cooperation and purchasing shares from companies in the same industry. In line with its investment and development plan to expand its business area, the Company has made an investment by acquiring 99.99% of the capital contribution (shares) at Công ty cổ phần Đức Chung Thái Nguyên (tentatively translated as Duc Chung Thai Nguyen Joint Stock Company). This company owns a license to exploit limestone as a common construction material at the Hang Trai 2 Mine, located in Tan Long Commune, Dong Hy District, Thai Nguyen Province. The mine has a reserve of 5.1 million m3, which is licensed for exploitation over a period of 30 years.

The Company's current focal activity is mine closure, post-mining environmental rehabilitation according to the provisions of the Mineral Law. Concurrently, it actively supports improving management and administration at Duc Chung Thai Nguyen Joint Stock Company so that production and business activities at this Company achieve the highest efficiency and profits for the Holding Company’s going concerns.