**PCN: Explain and propose solutions for share status**

On April 17, 2024, DMC - Northern Petroleum Chemicals Joint Stock Company announced Official Dispatch No. 1704/2024/CV-PCN explaining and providing methods to overcome the situation of transaction restrictions as follows:

The reason why PCN shares of DMC - Northern Petroleum Chemicals Joint Stock Company are kept under restricted trading status is because the audit organization refused to give opinions on the Audited Financial Statements 2023 on some content:

* MOORE AISC Auditing and Information Services Company Limited is appointed as auditor after December 31, 2023, therefore, the audit company cannot witness the inventory of cash, inventory, and fixed assets at the end of the year, it is impossible to give an opinion on the existence and correctness of Cash, Inventory, and Tangible Fixed Assets recorded on the balance sheet as of December 31, 2023.
* The debt balance as of December 31, 2023 of some items in the Financial Statements has not been fully confirmed, the company has not yet evaluated and made provisions for devaluation of inventory as of December 31, 2023.
* The company needs to evaluate and make provisions for bad debts at December 31, 2023. The value of provisions for bad debts is estimated by the auditor to be VND 9,966,764,551.

PCN would like to explain and propose corrective measures as follows:

* Regarding the cash, inventory, and fixed asset counts, the Company conducted the counts on December 31, 2023. However, as the audit company was appointed after December 31, 2023, did not directly witness the inventory.
* 2023 was a challenging year due to the economic impact and market contraction. The Company is a business unit operating in machinery trading and warehouse rental, and was greatly affected after the pandemic. As of December 31, 2023, the Company accumulated debts of VND 24,599,638,718. The Company did not have sufficient cash flow to serve its business activities and fulfill its due payment obligations.
* In 2023, the Company underwent significant internal personnel changes in management and administration, resulting in incomplete review of related documents. Hence, the Company could not provide sufficient evidence to the audit company.

In 2024, the Board of Directors and Board of Management of the Company have been consolidating the operating direction, focusing on traditional business activities and the strengths of the Company, expanding market scale, customers and focus on debt collection activities to proactively source business capital. In addition, the Company also consolidated human resources to improve labor productivity, and at the same time built a specific financial plan to be able to pay due debts, thereby gradually improving the Company's business performance. In addition, the Company will make provisions when making profits in accordance with regulations on accounting standards, and at the same time strive to overcome shortcomings in the internal work handover process.