**ECI: Measures to overcome securities being put under alert**

On April 23, 2024, Education Cartography and Illustration JSC announced Official Dispatch No. 22/ECI on measures to overcome securities being put under alert as follows:

* Reason: The Auditing Company had an auditor’s qualified opinion on the Audited Consolidated Financial Statements 2023 of the listed company.

The basis for the auditor’s qualified opinion is as follows:

“1. On the one hand, as presented at Footnote No. 29, in 2023, The Company granted Ms. Pham Ngoc Huyen, major shareholder owning more than 10% of the Company’s total common share capital and is the person in charge of information disclosure of the Company, an advance of VND 47,047,000,000, exceeding 35% of the total value of assets reported in the latest Financial Statements without the approval of the General Meeting of Shareholders. This action of the Company is not in accordance with the provisions of Point 4d, Article 293 of Decree No. 155/2020/ND-CP dated December 31, 2020 of the Government detailing a number of articles of the Law on Securities.

On the other hand, as presented in item (\*) of Footnote 8, Ms. Huyen’ s advance and reimbursement in cash transactions were VND 47,047,000,000 and VND 50,729,140,917, respectively; The advance balance as of December 31, 2023 was VND 900,000,000. In lieu of reimbursing the advance with accounting vouchers to fulfill the purposes of the advance, Ms. Huyen did in cash. Therefore, the auditor did not give any opinions on the reasonableness of the aforementioned advance and reimbursement transactions.

2.. As presented in item (\*) of Footnote 8 and Footnote 27, in 2023, the Company lent and recovered the debt from Ms. Pham Ngoc Huyen with a total transaction value of VND 33.5 billion and VND 33 billion, respectively. The loan principal balance as of December 31, 2023 is VND 17 billion, currently tracked in the item of "Short-term loan receivables", loan interest recorded during the year is VND 360,746,576. This loan occurs without collateral. As the transactions on borrowing and recovering debt were all carried out in cash with enormous transaction value of each time (over VND 15 billion/ transaction), we do not have enough evidence to give an opinion on the honesty and suitability of these transactions and items.

* Measures and roadmap to overcome this status:
* Regarding the auditor’s qualified opinion on the advance of VND 47,047,000,000 that has not been approved by the General Meeting of Shareholders:

Solution: The Company had supplemented this content to the documents of the Annual General Meeting of Shareholders 2024 to submit for the approval of the General Meeting of Shareholders

A roadmap to overcome: at the Annual General Meeting of Shareholders 2024 taking place on April 26, 2024

* Regarding the auditor’s qualified opinion on the advance/ reimbursement/ borrowing/ lending transactions in cash:

Solution: Although there are no current regulations prohibiting the Company from performing these transactions with individuals in cash, in the future the Company will aim to perform these transactions via bank transfer.

Roadmap: Starting from May 2024.