**TL4: Explanation of the cause and proposing a plan to overcome the situation of securities being put under trading restriction**

On April 23, 2024, Hydraulics Construction Corporation No.4 announced Official Dispatch No. 057/CV-TCT-TK on explaining according to Decision No. 320/QD-SGDHN dated April 4, 2024 of the Hanoi Stock Exchange on the fact that the securities code TL4 maintains its trading restriction and proposing the solution as follows:

* The auditor’s opinion:
* “As of the date of making the Financial Statements, we have not collected the confirmation reconciliation letter of receivables with the value of VND 139,891,840,678 (in which the provision for bad receivable debts is VND 68,107,312,442). In addition, among these unconfirmed receivables, there is also receivable from individuals receiving construction contracts as presented in section V.05 of the attached Financial Statement Footnotes with the value of VND 30,832,107,293, This is the amount that the Corporation handles according to the approval of the Board of Directors in Proposal No. 286/TT-TCT dated December 31, 2023 on assigning responsibility for losses of projects that have been settled with the investor to individuals according to the content of the contract. As of the time of issuing the Financial Statements, these individuals and the Corporation have not implemented the settlement to determine the exact figures. In our opinion, if these receivables related to contract costs could not be recovered, business expenses would increase by an amount of VND 30,832,107,293 and profits would decrease by a corresponding amount.
* As of the date of making the Financial Statements, we have not collected the confirmation reconciliation letter of the payables with a value of about VND 93,322,487,734.”
* Causes and solutions of the Corporation:
* The auditor's opinion stated that the debt confirmation letter had not been collected: By the end of the fiscal year, the General Manager had sent the debt confirmation letter to customers but by the time of signing the auditor's report, the Corporation has still not received all of these.
* Solution: The Corporation will try to overcome the problem by increasing debt collection and continuing to send debt confirmation letter in the future.
* Regarding receivables: due to not being able to collect debt confirmation letter of VND 30,832,107,293, from the individuals receiving contracts for construction.
* Solution: The debt amount mentioned above is the debt of units and individuals receiving contracts for construction. In the future, the Corporation has a specific plan to work with each subject, individual and units receiving contracts, thereby providing directions for debt recovery as soon as possible.
* Regarding payables: because a confirmation reconciliation letter of the payable debts with a value of about VND 93,322,487,734 has not been collected.
* Solution: In the future, the Corporation will continue to send and collect confirmation reconciliation letter for payables.