**MVN: Explanation for not putting MVN shares under warning**

On April 1, 2024, Vietnam Maritime Corp. announced Official Dispatch No. 497/HHVN-TCKT on explaining not putting MVN shares under warning as follows:

1. Enterprise structure

Vietnam Maritime Corp (VIMC) is a large-scale public company, the Holding Company of another organization. As of December 31, 2023, VIMC has 19 subsidiaries and 14 affiliated companies, operating in 3 main areas: ocean freight, seaports and maritime services.

Periodically, VIMC prepares separate Financial Statements and consolidated Financial Statements. VIMC's separate Financial Statements are compiled from the Financial Statements of its affiliated units and the Corporation's office. The consolidated Financial Statements are prepared on the basis of merging the separate Financial Statements and Financial Statements of 19 subsidiaries.

1. Regarding auditing Financial Statements and auditors' opinions in the independent auditor's report

Every year, VIMC's Financial Statements are audited according to the provisions of the Independent Audit Law and the Law on Securities.

For Separate Financial Statements: In the independent auditor's report, the auditor gives an unqualified opinion.

For Consolidated Financial Statements: In the independent auditor's report, the auditor gave a qualified opinion due to the Financial Statements of subsidiaries including Port of Hai Phong Joint Stock Company (Hai Phong Port) and Biendong Shipping Company Limited (Bien Dong Company) having qualified opinions.

1. Explanation on the auditor's qualified opinion
2. On the Financial Statements of Port of Hai Phong Joint Stock Company

Hai Phong Port switched to operating under the joint stock company model from July 1, 2014. In the Financial Statements of Hai Phong Port continuously from 2016 to 2023, the auditors all gave qualified opinions on the recording of wharves No. 4, No. 5 and Chua Ve Port Container yard. The reason is that the handling plan for wharves No. 4, No. 5 and Chua Ve Port Container yard has not yet been agreed and approved. The process for handling this case is as follows:

* Wharves No. 4, No. 5 and Chua Ve Port Container yard are assets under the Hai Phong Port renovation and upgrading project - phase II invested by the Ministry of Transport. The project uses Japanese ODA loans and counterpart capital from the Government, and was approved by the Ministry of Transport to finalize completed investment capital according to Decision No. 4196/QD-BGTVT dated November 25, 2015.
* Continuously from 2016 up to now, VIMC and Hai Phong Port have had many reports and many working sessions with the Ministry of Transport, the Ministry of Finance, and the State Capital Management Committee at Enterprises on plans to handle wharves No. 4, No. 5 and Chua Ve Port Container yard. In recent times, Hai Phong Port continues to submit documents, specifically:

On June 8, 2023, Hai Phong Port sent document No. 1674/CHP/TCKT to the Ministry of Transport to report to the Government for approval of the plan to continue assigning Hai Phong Port to manage and operate wharves No. 04, 05, and Chua Ve Port Container yard according to the content of document No. 2313/TTg-KTN dated December 25, 2013 of the Prime Minister.

On November 17, 2023, Hai Phong Port continued to send document No. 3939/CHP-TCKT to the Ministry of Transport to consider and agree with the Ministry of Finance on a plan to handle wharves No. 4 and 5 of Chua Ve port.

* Regarding actions of the Ministry of Transport:
* On October 28, 2020, the Ministry of Transport sent Official Dispatch No. 10855/BGTVT-KCHT to the Government and Prime Minister reporting on accounting to increase assets and developing a plan to repay loans and interest on the value of the loan related to wharf No. 4 and No. 5 of Chua Ve Port - Hai Phong Port.
* The Ministry of Transport continues to send Official Dispatches No. 10533/BGTVT-KCHT dated October 11, 2022 and No. 2426/BGTVT-KCHT dated March 15, 2022.
* On December 27, 2022, the Ministry of Transport sent Official Dispatch No. 13874/BGTVT-KCHT to the Ministry of Finance, Ministry of Planning and Investment, Ministry of Justice, and Hai Phong City People's Committee on the Prime Minister's direction in Document No. 7642/VPCP-CN dated November 11, 2022.
* On March 27, 2023, the Ministry of Transport held a meeting to discuss management and operation plans for wharves 04 and 05 and the Container yard. At the end of the meeting, the Ministry of Transport announced the conclusion of meeting No. 97/TB-BGTVT dated March 30, 2023, assigning the Department of Transport Infrastructure to preside and coordinate with relevant units to complete the report on the Plan for management and operation of wharves No. 4 and No. 5 of Chua Ve Port, seek opinions from the Ministry of Finance and relevant ministries and agencies to receive and complete reports to the Government and Prime Minister.
* The Ministry of Transport agreed on the policy of submitting to the Government/Prime Minister a plan to hand over wharf No. 4 and 5 of Chua Ve Port to Hai Phong Port for management and exploitation. However, this plan is facing problems because:

1. Wharf No. 4 was put into use before September 1, 2006, and was approved by the Prime Minister to include the value when accounting to increase assets as a basis for determining the value of equitization of Hai Phong Port in accordance with Article 34, Decree No. 21/2012/ND-CP dated March 21, 2012 of the Government
2. Wharf No. 5 was put into use after September 1, 2006. The Ministry of Transport requires: when accounting to increase assets as a basis for determining the value of equitization of Hai Phong Port, it must be approved upon by the Government to have a sufficient legal basis (current regulations do not clearly address this issue).

* Regarding actions of the Ministry of Finance:

On November 28, 2022, the Ministry of Finance issued document No. 12398/BTC-QLCS responding to document No. 4859/CHP-TCKT dated October 14, 2022 of Hai Phong Port. Accordingly, the Ministry of Finance has the opinion that the proposal of Hai Phong Port will be considered and processed after the Government and the Prime Minister have instructions on the management and operation plan for wharf No. 4, No. 5 of Chua Ve Port.

Currently, the Ministry of Finance is asking for opinions from relevant agencies to amend Decree No. 43/2018/ND-CP dated March 12, 2018 of the Government on the management, use and exploitation of maritime infrastructure. Only then will the transfer of assets to Wharf No. 5 have sufficient legal basis.

Therefore: By the time of releasing the audited Financial Statements 2023 of Hai Phong Port and VIMC, the management and operation plans for Wharves No. 4, No. 5 of Chua Ve Port Container yard have not yet been approved by competent authorities. This is an objective issue, not because of subjective reasons from the Corporation.

VIMC is continuing to actively and urgently work with Hai Phong Port with the authorities to soon get approval for the management and operation plan of wharves No. 4, No. 5, Chua Ve Port Container yard. Until then, the Financial Statements will still have qualified opinions.

1. In the Financial Statements of Biendong Shipping Company Limited

Bien Dong Company is one of five enterprises received by Vietnam Maritime Corporation from Vinashin Group according to Decision No. 926/QD-TTg dated June 18, 2010 of the Government.

Implementing Decision No. 276/QD-TTg dated February 4, 2013 of the Prime Minister on approving the project of restructuring Vietnam Maritime Corp for the period 2012-2015 and Official Dispatch No. 16655/BGTVT-QLDN dated December 16, 2015 of the Ministry of Transport on implementing the equitization of Bien Dong Company.

When determining enterprise value for equitization, Bien Dong Company does not meet the conditions prescribed in Decree No. 59/2011/ND-CP and current regulations. Accordingly, Bien Dong Company continued to work with Vietnam Shipbuilding Finance Company Limited (VFC Company) to complete debt transfer procedures and financial handling related to the transfer of 1730 TEU V22 Container ship, and urgently work with Vietnam Debt Trading Company Limited and credit institutions to negotiate business restructuring. Specifically, Bien Dong Company has implemented as follows:

* Implement restructuring work as directed in Resolution 107/NQ-CP dated October 10, 2017 of the Standing Government. From 2016 to the end of 2023, Bien Dong Company has made efforts in debt restructuring. The results of debt settlement are accounted for by Bien Dong Company as follows:
* According to the guidance of the Ministry of Finance in Official Dispatch No. 751/BTC-TCDN dated September 17, 2015 (separate official dispatch according to the specific characteristics of Vietnam Maritime Corp during the equitization period), Bien Dong Company (also in the equitization phase) has accounted for the difference between the amount the Company received as debt from Vietnam Debt Trading Company Limited and the value of the principal and interest payable to credit institutions to increase the value of State capital.
* On November 16, 2017, the Government issued Decree No. 126/2017/ND-CP on converting state-owned enterprises and one-member limited liability companies with 100% charter capital invested by state-owned enterprises into joint stock companies, the Ministry of Finance also issued Circular No. 41/2018/TT-BTC dated May 4, 2018 guiding Decree No. 126/2017/ND-CP, replacing previous guiding documents. These newly issued regulations do not guide the recording of debt restructuring results, so Bien Dong Company follows the current accounting regime.

Thus, the accounting of Bien Dong Company still ensures compliance with relevant legal regulations. The independent audit company has no qualified opinion on the accounting of Bien Dong Company.

* For the completion of debt transfer procedures and financial settlement related to the transfer of 1730 TEU V22 Container ship.

At the time of handing over the 1730 TEU V22 Container ship, Bien Dong Company completed the confirmation of debt transfer to Bachdang Shipbuilding Company Limited (Bach Dang Company). However, Bach Dang Company has not completed receiving the debt with VFC Company, so VFC Company has not yet liquidated the contract with Bien Dong Company.

Over the years, Bien Dong Company has issued many documents and worked directly with Bach Dang Company and VFC Company to resolve this existing problem but has not achieved results. Currently, Shipbuilding Industry Corporation and Bach Dang Company are both subject to bankruptcy according to Resolution No. 220/NQ-CP dated December 22, 2023 of the Government, so completing the above procedures is getting more and more difficult.

According to the above analysis, the problems that exist on the Financial Statements of Bien Dong Company are all objective causes, not subjective causes of the business.

VIMC and Bien Dong Company are still continuing to urgently, closely following the instructions of the competent authorities to overcome these shortcomings.

1. Suggestions and recommendations

The information disclosure of Vietnam Maritime Corp in recent years has complied with the regulations in Circular No. 96/TT-BTC dated November 16, 2020 of the Ministry of Finance, Decree No. 155/2020/ND-CP dated December 31, 2020 of the Government and Circular No. 116/2020/TT-BTC dated December 31, 2020 of the Ministry of Finance. VIMC commits to always comply with the principle of publicity and transparency of the enterprise's financial situation to provide timely and honest information to shareholders.

With the above analysis and explanation, Vietnam Maritime Corp proposes and recommends that the Hanoi Stock Exchange consider:

* Not putting MVN shares of Vietnam Maritime Corp under warning.
* Approving mandatory listing for PHP shares of Port of Hai Phong Joint Stock Company.