**THU: Explanation on the causes and proposal of a plan to remedy the status of securities being put under alert**

On April 02, 2024, Thanh Hoa Urban Environment and Works Joint Stock Company announced Official Dispatch No. 20/CV-CTMT on explaining the causes and proposing a plan to remedy the status of securities being put under alert as follows:

Pursuant to Independent Auditor’s Report No. 114/2024/BCKT-PB.00482 dated March 25, 2024 of AFC Vietnam Auditing Company Limited. In particular, the qualified opinion is as follows: As of December 31, 2023, the loan balance and interest payable to the Ministry of Finance on the Balance Sheet being monitored is VND 30,343,715,609. In which, the loan balance on the Balance Sheet is VND 21,923,995,129; the loan balance that has been reconciled as of December 31, 2023 is VND 11,915,775,406; the loan balance that has not yet been reconciled and confirmed as of December 31, 2023 is VND 10,008,219,723; the interest balance payable to the Ministry of Finance on the Balance Sheet according to the content of the loan contract with the principal amount of VND 43,372,381,129 is being monitored as VND 8,419,720,480; the loan interest balance that has been reconciled as of December 31, 2023 is VND 0.

1. Reason:

The Company records an increase in assets based on the Decisions on handing over assets of the People's Committee of Thanh Hoa City with a total value of: VND 43,372,381,129 (with separate accounting for principal and interest).

Minutes of debt reconciliation with Vietnam Development Bank - Thanh Hoa Branch (an intermediary unit assigned by the Ministry of Finance to monitor debt collection for the project loan package, recording the principal debt as VND 33,364,161,406).

The loan principal balance that has not been reconciled and confirmed as of December 31, 2023 is VND 10,008,219,723.

1. Remedy plan: The Company has coordinated and requested Vietnam Development Bank - Thanh Hoa branch to send to the Ministry of Finance to confirm detailed loan data monitored by the Ministry of Finance, data monitored by Vietnam Development Bank - Thanh Hoa Branch, and data recorded by Thanh Hoa Urban Environment and Works Joint Stock Company. However, up to now there has been no response.