**ING: Explanation on and solutions for negative owner’s equity**

On May 22, 2024, Investment and Construction Development Corporation announced Official Dispatch No. 14/05/2024/CV-INV on explaining the cause of negative owner’s equity and the solution as follows:

1. Regarding the cause of negative owner’s equity:

The company has experienced prolonged business losses over many years, resulting in negative profit after tax (losses), leading to the Company's accumulated losses. Specifically, as of December 31, 2023, the Company has accumulated losses of more than VND 281 billion. This accumulated loss exceeded other sources of owner’s equity, leading to a negative owner’s equity of more than VND 21 billion.

Currently, the Company's Investco Green City Residential Area Project is in the process of completing the legal process to meet the conditions for sale as per regulations, which resulted in no project revenue in 2023. Despite no revenue, the Company still has to pay mandatory expenses such as operating costs, company management costs, and financial costs to expedite the completion and put the Green City Residential Area Project into operation, business, and exploitation, which leads to negative profit after tax (losses) and negative owner’s equity.

1. Remedy plan:

The company is currently investing in the Green City Residential Area Project located in the frontage of Nguyen Van Linh Street, adjacent to Ong Be River, in functional area No. 7 - New Urban Area in the South of the City, Binh Hung Commune, Binh Chanh District, Ho Chi Minh City, 1,500m from Phu My Hung Urban Area, from the central districts of District 1, District 5, District 8, Nha Be and Binh Chanh Districts (within a radius of 3 to 5km). The Investco Green City Residential Area Project has completed important steps in land, compensation, and planning. The Company is currently carrying out the next legal procedures of the Project to put the Project into operation, and business. It is expected that revenue from the business of the Green City Residential Area Project will yield profits and offset all accumulated losses.

Additionally, despite facing financial pressures in the recent period, the Company still tried to balance its cash flow to pay off due debts and serve investment and business activities through the following sources:

* Source from the collection of remaining debts from customers of the Babylon Project.
* Additional capital contributions and financial support from shareholders, specifically, the company has plans to raise capital from partners as follows:
* Truong Son Land Corporation (Formerly Him Lam Land Trading Corporation)

Truong Son Land Corporation commits to continue to support capital according to the needs of the Investment and Construction Development Corporation to supplement working capital for business activities and pay due debts in the form of loans/cooperation.

* No 6 Building Installing Joint Stock Company

According to Extraordinary General Mandate 2021 No. 03/2021 /NQ-DHDCD dated March 3, 2021 of the Company, No 6 Building Installing Joint Stock Company was selected as a strategic investor to offer 180,000,000 shares, equivalent to VND 1,800,000,000,000 in the private placement to increase the Company's charter capital.

* Mr. Nguyen Tuan Kiet - Chair of the Board of Directors, a shareholder of the Company:

Given his financial resources, Mr. Nguyen Tuan Kiet has committed to continuing to provide capital support as needed by Investment and Construction Development Corporation to supplement working capital for business activities and pay due debts in the form of loans.

Along with the commitment of partners, shareholders, and leaders during this challenging period, the Board of Leaders of the Company is also concentrating all resources to complete the legal procedures for the Investco Green City Residential Area Project to create a revenue source in the future, overcoming the negative owner’s equity situation in the Financial Statements.