

No. 2201.2/2025/CVKP-FID

*Hanoi, 22<sup>th</sup> January 2025*

About: Measures and plan to resolve the situation of  
securities being warned and controlled

**To: Hanoi Stock Exchange (HNX)**

Vietnam Enterprise Investment and Development Joint Stock Company (the Company) would like to sincerely thank for your attention and support to our Company during recent times.

Pursuant to the Decisions and Notices of the Hanoi Stock Exchange for the Company's shares (Stock Code: FID) including:

- Decision No. 700/QD-SGDHN dated 3 July 2024 of Hanoi Stock Exchange on putting the Company's securities into the situation of warning due to the negative retained earnings as at 31 December 2023;
- Decision No. 701/QD-SGDHN dated 3 July 2024 of Hanoi Stock Exchange on putting the Company's securities under control because the Auditing Company expressed qualified opinion for the audited financial statements during 02 consecutive years (2022 and 2023);
- Announcement No. 3084/TB-SGDHN dated 3 July 2024 of Hanoi Stock Exchange on the situation of FID's stocks on 3 July 2024.
- The Consolidated and Separate Financial Statements for the fourth quarter of 2024 dated 22 January 2025.

The Company would like to present the measures and plan to resolve the situation of securities being warned and controlled as follows:

**1. Business results**

**"Viet Nam Industry Steel and Iron Joint Stock Company (a subsidiary) is in the process of applying for extension of the mineral exploitation license in Phu Tho province. In 2023, the subsidiary does not have revenue from mining activities, leading to the loss at the end of the period. Therefore, the Company's retained earnings (FID) is negative as at 31 December 2023."**

**Measures and remediation plan:**

At the present time, the subsidiary is still in the process of applying for an extension of the mineral exploitation license in Phu Tho province.

In the upcoming time, FID will coordinate with our subsidiary to complete the procedures for extension of the mineral exploitation license in Phu Tho province.

We will make an effort and closely coordinate with the Subsidiary to accelerate the progress of obtaining the renewal license soon which help the Subsidiary does not suffer losses, in order to overcome the Company's retained earnings being no longer negative.



## **2. The qualified Audit opinion in the audited Financial Statements for the year 2022 and 2023**

### **2.1. The qualified Audit opinion regarding the Advances in the Audited Financial Statements**

"The Financial Statements of Viet Nam Industry Steel and Iron Joint Stock Company (a subsidiary) are recording an advance for individuals with a value of about VND 22.1 billion. At the time of reporting date, the Company has prudently implemented and made 100% provisions. However, we were unable to collect sufficient appropriate audit evidence of the existence and accuracy in the future of this advance. Replacement procedures are not feasible. Therefore, we have been unable to assess the amount of necessary provisioning as well as the existence of this advance and its impact on other items to the Financial Statements."

#### **Measures and remediation plan:**

In 2024, the subsidiary has received this advance amount from individuals with a value of VND 22.1 billion. The subsidiary has reversed the provision and recorded a reduction in general & administration expenses in 2024. By 31 December 2024, these advance and provision have run out of balance.

### **2.2. The Qualified Audit opinion regarding the Bank Loans in the Audited Financial Statements**

"We have not collected the loan documents related to the Bank's Loan. Viet Nam Industry Steel and Iron Joint Stock Company (a subsidiary) has stopped calculating interest payment from the Bank loans. However, we do not have a basis for estimating the loan interest payment that may be incurred. The replacement procedures are not feasible."

#### **Measures and remediation plan:**

At the present time, the subsidiary has not agreed on the method of calculating loan interest with the Bank, so it has not overcome the above Qualified Audit opinion.

In the upcoming time, FID will coordinate with our subsidiaries to try to unify and reconcile the loan interest calculation for the Bank to overcome the above Qualified Audit opinion in the 2024 financial statements.

In addition, while the Company's FID's shares are still in a situation of being warned and controlled, the Company will quarterly explain and report on the overcoming situation of securities being warned and controlled to disclose information in accordance with regulations.

The above is an explanation of measures and plan to overcome the situation of securities being warned and controlled from Vietnam Enterprise Investment and Development Joint Stock Company (FID).



The Company respectfully explains and reports to Hanoi Stock Exchange, the Company is looking forward to receiving your feedback and support in the future.

Sincerely thanks./.

**Recipient:**

- As above
- Save Office.

**LEGAL REPRESENTATIVE  
GENERAL DIRECTOR**



**BUI THUY LINH**

