

VIETNAM NATIONAL TOBACCO CORPORATION  
**HOA VIET JOINT STOCK COMPANY**

**SOCIALIST REPUBLIC OF VIETNAM**  
**Independence - Freedom - Happiness**

No: 477 /CPHV-TCKT

*Dong Nai province, August 11, 2025*

Re: Explanation of the qualified opinion in  
Reviewed Interim Financial Statements 2025

To: Hanoi Stock Exchange

Hoa Viet Reviewed Interim Financial Statements 2025 (No 22/2025/SX-AVI-TC2 issued on *August 11, 2025*), that was audited by An Viet Auditing Company Limited, includes a qualified opinion as follows:

“The bases of the qualified opinion:

As detailed in Note 14 of the Notes to the Financial Statements, the Company has recently received land lease arrears notifications from the Dong Nai Tax Department, including:

Notification No. 783/TB.CT.QLHKDCNTK dated November 20, 2020 regarding land lease payment (land lease arrears) for the period 2011–2015 with an amount of approximately VND 22.6 billion; Notification No. 675/TB-CT.QLHKDCN&TK dated June 2, 2021 regarding land and water surface lease arrears for the period 2016–2020 with an amount of VND 16.97 billion, and the payable amount for the year 2021 is VND 11.59 billion (the Company had declared and paid land lease for 2021 in the amount of VND 1.75 billion; therefore, the outstanding amount for 2021 per the above notification is VND 9.84 billion); On August 19, 2021, the Dong Nai Tax Department issued Official Letter No. 7056/CTDON-QLHKDCNTK regarding the correction of the contents of the notice and difficulties in determining the land lease unit price for Hoa Viet Joint Stock Company, stating: “According to the Company's opinion, the amount paid during the period from January 1, 2016 to December 31, 2020 is VND 8,785,470,000. If this amount has been paid to the State Budget in accordance with tax law (not delayed compared to the provisional annual land lease payment notices from January 1, 2016 to December 31, 2020 and Notification No. 675/TB-CT.QLHKDCN&TK dated June 2, 2021 of Dong Nai Tax Department), then the Company has fully paid its annual land lease and any additional amount due to price differences.”

For the period from 2021 to June 30, 2025, the annual amount payable for land and water surface lease is VND 11.59 billion (the Company has declared and paid land lease each year in the amount of VND 1.75 billion and the remaining amount payable each year per the notifications from the Dong Nai Tax Department is VND 9.84 billion), including: Notification No. 675/TB-

CT.QLHKDCN&TK dated June 2, 2021 for the year 2021, Notification No. 100/TB-CTDON dated May 18, 2022 for the year 2022, Notification No. 108/TB-CTDON dated May 18, 2023 for the year 2023, Notification No. 103/TB-CTDON dated April 25, 2024 for the year 2024, and Notification No. 937/TB-CCTKV15-DON dated April 26, 2025 for the year 2025. As of the date of issuance of the accompanying interim financial statements, the Company has received Judgment No. 130/2024/HC-PT dated March 1, 2024 from the High People's Court in Ho Chi Minh City with the ruling:

"To accept the lawsuit filed by Hoa Viet Joint Stock Company, and to annul the administrative decisions of the Director of the Dong Nai Tax Department, including: Notification No. 2863/TB-CT dated April 14, 2020 of the Director of the Dong Nai Tax Department regarding land lease unit price; Notification No. 5546/TB-QLHKDCNTK dated June 18, 2020 of the Director of the Dong Nai Tax Department regarding correction of the notification on land lease unit price No. 2863/TB-CT dated April 14, 2020; Notification No. 783/TB.CT.QLHKDCNTK dated November 20, 2020 of the Dong Nai Tax Department regarding land lease payment (land lease arrears)."After receiving Judgment No. 130, the Company is continuing to petition and work with the competent authorities in Dong Nai Province to negotiate and agree upon the land lease unit price as the basis for signing the annexes to the land lease contract No. 47/HĐTĐ dated October 12, 2009, in order to accurately determine the amount of land lease payable, providing a reliable basis for recognition in the Financial Statements. The accompanying interim financial statements have not yet included necessary adjustments related to the impacts of the above-mentioned matters.

The qualified opinion:

In our opinion, excluding the effect of the matter mentioned in the paragraph "The basis of the qualified opinion", Financial Statements reflects faithfully and reasonably, in material components, the financial position of Hoa Viet JSC. as at June 30<sup>th</sup>, 2025, as well as the income statement and the statement of cashflow in the period, in accordance with Vietnamese Accounting Standards, enterprise accounting regime in Vietnam and regulations relating to preparing and presenting financial statements."

Hoa Viet JSC. (the Company) explains the qualified opinion as follows:

Because People's Committee of Dong Nai province and the Company have not had an agreement on the land lease unit price and signed a contract annex to

identify the land lease unit price. The Company petitioned government authorities to identify the land lease unit price in accordance with legal regulations, specifically as follows:

- Identify the land lease unit price in the period from January 1<sup>st</sup>, 2011 to December 31<sup>st</sup>, 2025 in accordance with clause 7 article 15 Decree No. 46/2014/ND-CP issued on May 15<sup>th</sup>, 2014 (amended and added by clause 4 article 3 Decree No. 135/2016/ND-CP issued on September 9<sup>th</sup>, 2016) and clause 2 article 8 Circular No. 77/2014/TT-BTC issued on June 16<sup>th</sup>, 2014 (amended and added by clause 1 article 4 Circular No. 333/2016/TT-BTC issued on December 26<sup>th</sup>, 2014) that is not over 15% compared to the price in the period from January 1<sup>st</sup>, 2006 to December 31<sup>st</sup>, 2010.

- Identify the land lease unit price in the period from 2021 to 2025 in accordance with clause 4 article 3 Decree No. 135/2016/ND-CP issued on September 9<sup>th</sup>, 2016 (amended and added by clause 7 and clause 8 article 15 Decree No.46/2014/ND-CP).

In the official correspondence No. 11818/BTC-QLCS issued on October 15<sup>th</sup>, 2021, Department of Public Asset Management, Ministry of Finance responded to the Company about identifying the land lease unit price. Accordingly, Ministry of Finance referred Decree No. 46/2014/ND-CP issued on May 15<sup>th</sup>, 2014 and Circular No.77/2014/TT-BTC issued on June 16<sup>th</sup>, 2014 to respond Vietnam National Tobacco Corporation about identifying an adjustment of a land lease unit price in a period. The adjustment is not allowed to increase by over 15% compared to the price in the previous sustainable period.

In the appeal judgement No. 130/2024/HC-PT issued on March 1<sup>st</sup>, 2024, The High People's Court in Ho Chi Minh city delivered a verdict of accepting the appeal of the Company and overturned decisions of the Director of the Dong Nai Tax Department including: Notification No. 2863/TB-CT issued on April 14<sup>th</sup>, 2020 of the Director of the Dong Nai Tax Department regarding land lease unit price; Notification No. 5546/TB-QLHKDCNTK issued on June 18<sup>th</sup>, 2020 of the Director of the Dong Nai Tax Department regarding correction of Notification No. 2863/TB-CT issued on April 14<sup>th</sup>, 2020; Notification No. 783/TB.CT.QLHKDCNTK issued on November 20<sup>th</sup>, 2020 of the Dong Nai Tax Department about paying land lease (land lease arrears). According to the decision of the appeal judgement No. 130/2024/HC-PT, People's Committee of Dong Nai province and The Company must have an agreement about identifying the land lease unit price in accordance with legal regulations to sign a contract annex.

In the official correspondence No. 8062/BTC-QLCS issued on June 10<sup>th</sup>, 2025 by Department of Public Asset Management, Ministry of Finance, an

opinion stated: “Thus, Land Law 2013 regulated land lease unit prices for land lease contracts that had been signed before the effective date of Decree 46/2014/ND-CP. All of the following documents: Investment Registration Certificate, Decision of Leasing Land, and Land Lease Contract signed by related authorities regulated land lease unit prices and the principle of adjusting land lease unit prices in accordance with Decision No. 210A-TC/VP issued on April 1<sup>st</sup>, 1990, Decision No. 1417/TC/TCĐN issued on December 30<sup>th</sup>, 1994, Decision No. 179/1998/QĐ-BTC issued on February 24<sup>th</sup>, 1998, Decision No. 1089/2000/QĐ-BTC issued on November 24<sup>th</sup>, 2000, Decision No. 1357/TC/QĐ-TCT issued on December 30<sup>th</sup>, 1995 by Ministry of Finance.

As a result, Vietnam National Tobacco Corporation based on specific documents and legal regulations mentioned above contacts to the local related authorities to identify the land lease unit price.”

Vietnam National Tobacco Corporation issued Official Dispatch No. 396/TLVN-PC on June 16<sup>th</sup>, 2025 to request People’s Committee of Dong Nai to review the petition of The Company in accordance with Land Law 2013 as the instruction in the official correspondence No. 8062/BTC-QLCS.

People’s Committee of Dong Nai and related authorities have not continued to work with The Company so far. If the result of identifying the land lease unit price is not in accordance with legal regulations and causes a negative effect on Hoa Viet JSC., The Company will continue to appeal in order to protect our legal rights and benefits as well as Government Capital invested in The Company.

This is our explanation about the qualified opinion in Reviewed Interim Financial Statements 2025. The Company commit that the information is faithful and are legally responsible for the explanation.

Hope that Hanoi Stock Exchange review and accept.

Sincerely./.

**Receivers:**

- As mentioned above;
- BGD, BKS;
- Save: VT, TCKT.

**Director**



**Luong Huu Hung**