

**PORT OF HAI PHONG
JOINT STOCK COMPANY**

No: 3663 /CHP-TCKT
"Re: Clarification of the Qualified
Opinion by the Auditor in the Audited
Financial Statements for Fiscal Year
2025"

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

Haiphong, August 27th 2025

To: State Securities Commission
Hanoi Stock Exchange

Port of Hai Phong Joint Stock Company respectfully extends our greetings to your esteemed agencies.

Port of Hai Phong Joint Stock Company (Stock Code: PHP) would like to explain the audit exception regarding the separate and consolidated audited financial statements for the accounting period from January 1, 2025, to June 30, 2025, as follows:

Audit Opinion:

" As of 30 June 2025, Company recognized assets related to berth No., berth No. 05 and the container yard of Chua Ve Terminal under the item "Tangible Fixed Assets" (code 221) on the consolidated balance sheet. These assets had a total original value of VND 279.7 billion and net present value of VND 137.98 billion. The sources of funds for these assets are recorded under "Long-term Borrowings and Finance Lease Liabilities" (code 338) on the consolidated balance sheet, with a corresponding value of VND 342.1 billion. These assets belong to Phase II of the Port of Hai Phong Renovation and Upgrading Project, which was invested by Ministry of Transport using ODA loans by Japan and the Government's counterpart funding.

As required by Ministry of Finance, Company has temporarily paid to the State Reserve some amounts related to the above project, namely: Depreciation of assets related to berth No. 04, berth No. 05 and container yard of Chua Ve Terminal during the period from 2014 to 31 December 2018 at VND 44.8 billion, and temporary accrued interest expenses of ODA loans by Japan at VND 149.3 billion.

In compliance with the Resolution No. 71/NQ-CHP dated 12 June 2020 of the Board of Management, Company has stopped depreciating and recognizing interest cost since 01 January 2020 for assets related to berth No. 04, berth No. 05, and container yard of Chua ve Terminal; pending for approved finalized solution by Government authorities on these



assets. As at 8 June 2023, Company issued Document No. 1674/CHP-TCKT to Ministry of Transport proposing Port of Hai Phong JSC would be re-assigned to manage and use berth No. 04, berth No. 05 and container yard of Chua Ve Terminal, in accordance with the Document No. 2313/TTg-KTN dated 25 December 2013 by Prime Minister. Ministry of Transport issued Document No. 10882/BGTVT-TC on 28 September 2023, to Ministry of Finance seeking opinions on draft Decree of the management, operation and utilization of maritime infrastructure assets (replacing Decree No. 43/2018/NĐ-CP dated 12 March 2018). Ministry of Transport proposed adding content to the transitional provisions of the Decree in case the proposal is approved, it would resolve the management form of assets, i.e., the assets at berth No. 4 and No. 5 of Chua Ve Terminal would be handed over to Port of Hai Phong for management and utilization (not for lease). On 24 December 2024, the Government Office issued Notification No. 569/TB-VPCP regarding the conclusions on feedback and explanations from Government Members on the Decree on the management, operation, and utilization of inland waterway infrastructure assets. Accordingly, the Deputy Prime Minister agreed not to stipulate transitional handling in the Decree for maritime infrastructure assets formed from state capital, and assigned Ministry of Transport and Ministry of Finance to urgently report the solution plan. When the official approval of the management and utilization plan for the assets at berth No. 4, berth No. 5, Chua Ve container yard, and equipment package is received, Port of Hai Phong will be responsible for updating the financial report data. On 27 December 2024, following Resolution No. 168/NQ-CHP, the Company Board of Management approved the policy to continue depreciating berth No. 04, berth 05, and container yard of Chua Ve Terminal according to the proposal of the General Director of Hai Phong Port in Report No. 4882/CHP-TCKT dated 25 December 2024.

On 3 June 2025, Hai Phong Port issued Document No. 2212/CHP-TCKT reporting and requesting the Ministry of Construction and the Ministry of Finance to agree on a plan to report to the Government and the Prime Minister to approve the plan for managing and utilizing the above assets.

As of the issued date of this interim report, there has not been any further directive from the Government agency on the management form of berth No. 04, berth No. 05, and the container yard of Chua Ve Terminal, owned by Port of Hai Phong being issued. Therefore, we do not have sufficient background to determine the costs related to the use of berth 04, berth No. 05 and container yard of Chua Ve terminal owned by the Company from 01 January 2020 to 31 December 2024.

The Ministry of Finance has also requested a review of Company's equitization process (as the finalization of the State capital value at the time of equitization has not yet been approved by the relevant authorities). Once official approval is obtained from the regulatory authorities regarding the borrowing and debt repayment plan, Company will make the necessary adjustments (if any) to the consolidated financial statements. We have not been able to collect the necessary documents to assess the full impact of the aforementioned matters on Company's consolidated financial statement(attached)."

This audit exception has been mentioned since the Company transitioned to a joint-stock company on July 1, 2014, and Port of Hai Phong Joint Stock Company has submitted written explanations to the State Securities Commission and the Hanoi Stock Exchange regarding audit exceptions in the financial statements from 2014 to 2024. As of June 30, 2025, the regulatory authorities have not yet approved a resolution for assets berth No. 4, berth No. 5, and the container yard of Chua Ve Terminal; thus, the audit exception remains.

Port of Hai Phong Joint Stock Company submits this explanation of the audit exception to relevant esteemed agencies to provide clarity on the financial statements and ensure that shareholders and investors fully understand the Company's financial situation.

Sincerely,

Recipients: 

- As stated above;
- Management Board;
- Archive: Admin Dept, Finance-Accounting Dept.



GENERAL DIRECTOR

Nguyen Tuong Anh

