

No: *168* /CPHV-TCKT

*Dong Nai province, April 08, 2026*

Re: Explanation regarding the maintenance of  
warning status for HJC shares

To: Hanoi Stock Exchange

- Based on Notice No. 1259/TB-SGDHN dated March 27, 2026, from the Hanoi Stock Exchange regarding the securities status of HJC shares on the UPCoM trading system;

- Based on Decision No. 244/QD-SGDHN dated March 27, 2026, of the Hanoi Stock Exchange regarding the maintenance of the warning status for HJC shares,

- Hoa Viet Joint Stock Company (the Company) received Decision No. 288/QD-SGDHN from your Exchange regarding the maintenance of the warning status for HJC shares on the reason that "The annual financial statements have received qualified opinions from the auditing firm for three consecutive years or more". The Company would like to provide explanations on the matters, underlying causes, and proposed remedial actions and corrective measures to your Department as follows:

1. Explanation

The auditor's qualified opinions on the company's financial statements in recent years all relate to the unresolved determination of land lease rate and not having signed an addendum to the land lease contract to determine the land lease rate between the Dong Nai Provincial People's Committee and the company. Furthermore, during each financial statement audit, the company has submitted a written explanation regarding the qualified audit opinions in accordance with regulations.

The bases of the qualified opinion:

From 2020 to 2025, the Company received several notifications from the Dong Nai Provincial Tax Department regarding the retrospective collection of land rental for the periods from 2011 to 2015, from 2016 to 2020, and land rental notices for the years from 2021 to 2025 (details are presented in Note 15). The total difference between the land rental amounts stated in the notifications issued by the Dong Nai Provincial Tax Department and the amounts already paid by the Company to the State budget for the aforementioned periods is approximately VND 71.8 billion. As of the date of issuance of this Report, the Company is still



working with the competent authorities in Dong Nai Province to request adjustments and reductions of the aforementioned land rental obligations. Accordingly, the Company is currently unable to fully assess the potential impact of this matter on whether the land rental obligations have been fully recognized in the Company's financial statements for the fiscal year ended December 31, 2025.

The qualified opinion:

In our opinion, except for the effects of the matter described in the paragraph 'Basis for Qualified Opinion', the accompanying financial statements present fairly, in all material respects, the financial position of Hoa Viet Joint Stock Company as at December 31, 2025, and its results of operations and cash flows for the fiscal year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and relevant legal regulations relating to the preparation and presentation of financial statements.

## 2. Causes

Hoa Viet Joint Stock Company (hereinafter referred to as the "Company") provides the following explanation regarding the auditor's qualified opinion:

The qualified opinion arises because the People's Committee of Dong Nai Province and the Company have not yet reached an agreement on the land rental unit price and have not signed the appendix to the land lease agreement to determine the applicable land rental rate. The Company has submitted petitions to the competent state authorities requesting the determination of the land rental unit price in accordance with the prevailing legal regulations, specifically as follows:

- For the period from 2011 to 2015, the Company is eligible to apply the provisions stipulated at Point b, Clause 7, Article 15 of Decree No. 46/2014/ND-CP (as amended and supplemented by Clause 4, Article 3 of Decree No. 135/2016/ND-CP) and Point b, Clause 2, Article 8 of Circular No. 77/2014/TT-BTC (as amended and supplemented by Clause 1, Article 4 of Circular No. 333/2016/TT-BTC), as the Company inherits all rights and obligations of Southern Tobacco Materials Company prior to equitization and fully satisfies the four conditions required for application of the above provisions.

- For the period from 2021 to 2025, the Company falls under the cases eligible to apply Clause 4, Article 3 of Decree No. 135/2016/ND-CP, which amends and supplements Clause 7 and adds Clause 8 to Article 15 of Decree No.



46/2014/ND-CP, and Point b, Clause 7, Article 15 of Decree No. 46/2014/ND-CP.

- Official Letter No. 11818/BTC-QLCS dated October 15, 2021 issued by the Department of Public Asset Management under the Ministry of Finance regarding the determination of land rental unit price was sent to the Company. Accordingly, the Ministry of Finance cited the relevant legal provisions under Decree No. 46/2014/ND-CP dated May 15, 2014 and Circular No. 77/2014/TT-BTC dated June 16, 2014 concerning the principles for adjusting land rental unit prices and requested the Company to base on the applicable legal regulations on land rental for each period and the relevant documentation to work with the tax authorities for consideration and determination of the land rental payable in accordance with regulations.

- Appellate Administrative Judgment No. 130/2024/HC-PT dated March 1, 2024 issued by the High People's Court in Ho Chi Minh City accepted the claims filed by Hoa Viet Joint Stock Company and annulled several administrative decisions of the Director of the Dong Nai Provincial Tax Department, including: notification No. 2863/TB-CT dated April 14, 2020 regarding the land rental unit price; notification No. 5546/CT-QLHKDCNTK dated June 18, 2020 regarding the correction of notification No. 2863/TB-CT dated April 14, 2020 on the land rental unit price; notification No. 783/TB.CT.QLHKDCNTK dated November 20, 2020 regarding the payment of taxes (retrospective collection of land rental). According to the ruling of Appellate Judgment No. 130/2024/HC-PT, Hoa Viet Joint Stock Company and the People's Committee of Dong Nai Province are required to negotiate and determine the land rental unit price in accordance with the applicable legal regulations as a basis for signing an appendix to the land lease agreement regarding the land rental price as previously agreed by the parties.

- Official Letter No. 8062/BTC-QLCS dated June 10, 2025 issued by the Department of Public Asset Management under the Ministry of Finance of Vietnam regarding the determination of the land rental unit price was sent to the Company. The letter states as follows: "Accordingly, the Land Law 2013 provides regulations on the land rental unit price applicable to projects leasing land prior to the effective date of Decree No. 46/2014/ND-CP, where one of the following documents issued (or signed) by competent state authorities specifies the land rental unit price and stipulates the principle for adjustment of such land rental unit price in accordance with the regulations issued by the Ministry of Finance: Investment Certificate (Investment License), Land Lease Decision, or



Land Lease Agreement. The regulations referred to include Decision No. 210A-TC/VP dated April 1, 1990; Decision No. 1417/TC/TCĐN dated December 30, 1994; Decision No. 179/1998/QĐ-BTC dated February 24, 1998; Decision No. 1089/2000/QĐ-BTC dated November 24, 2000; and Decision No. 1357/TC/QĐ-TCT dated December 30, 1995. Therefore, Vietnam National Tobacco Corporation is requested, based on the specific documentation and the aforementioned legal regulations, to coordinate with the competent local authorities for consideration and resolution in accordance with the applicable regulations and assigned functions and responsibilities.”

- Vietnam National Tobacco Corporation issued Official Letter No. 396/TLVN-PC dated June 16, 2025 requesting the People’s Committee of Dong Nai Province to consider the petition of Hoa Viet Joint Stock Company based on the guidance on the Land Law 2013 as stated in Official Letter No. 8062/BTC-QLCS issued by the Department of Public Asset Management.

- Decree No. 291/2025/ND-CP dated November 6, 2025 issued by the Government (amending and supplementing Decree No. 103/2024/ND-CP dated July 30, 2024) introduces several new provisions related to the adjustment of land rental unit prices for the period from January 1, 2011 to December 31, 2015, and for the period from January 1, 2021 until the effective date of the Land Law 2024, applicable to the Long Binh land area.

- On November 21, 2025, Hoa Viet Joint Stock Company issued Official Letter No. 706/CPHV-TCKT addressed to the People’s Committee of Dong Nai Province, the Dong Nai Tax Department, and relevant provincial departments requesting the re-determination of the land rental unit price in accordance with the applicable legal regulations and the guidance of the Ministry of Finance of Vietnam stated in Official Letter No. 8062/BTC-QLCS dated June 10, 2025. As of the present time, the People’s Committee of Dong Nai Province and the relevant provincial authorities have not yet held further discussions with the Company on this matter.

### 3. Proposed Solutions

According to the content of appellate judgment No. 130/2024/HC-PT, both parties, Hoa Viet Joint Stock Company and the People's Committee of Dong Nai province, must agree on and determine the land lease price in accordance with the law, in order to serve as the basis for signing an addendum to the contract regarding the land lease price as agreed upon by the parties. Following the



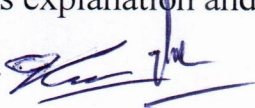
appellate judgment, the company has actively continued to contact relevant provincial authorities to consider and resolve the company's request.

However, due to the nature of the case involving state policies and regulations at different periods, procedural obstacles, and delays in resolution by local authorities, the matter remains unresolved. If the results of the land lease price determination are found to be inconsistent with legal regulations and cause damage to the Company, the Company reserves the right to pursue further legal actions, bringing the case to the competent state authorities to protect its legitimate rights and interests, as well as safeguard state capital invested in the Company, and will promptly report the outcome to your Department.

The above is an explanation of the reasons and proposed solutions for maintaining the warning status due to the reason that "the annual financial statements have received qualified opinions from the auditing firm for three consecutive years or more." The Company hereby confirms that the above explanations are true and accurate and assumes responsibility for its content.

We respectfully request the Hanoi Stock Exchange to consider and acknowledge this explanation and understand the process of resolving this matter.

Sincerely./.



**Receivers:**

- As above;
- BOD, BOS;
- Archives: Office, Accounting Department.

✓

**Director**



**Luong Huu Hung**