



**HYDRAULICS CONSTRUCTION
CORPORATION NO. 4 – JSC**

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No: 047/CV-TCT

*Subject: Explanation of causes and remedial
plan for securities under restricted trading
and warning status.*

SOCIALIST REPUBLIC OF VIETNAM

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Ho Chi Minh City, April 16, 2026

To: - HANOI STOCK EXCHANGE

Pursuant to the regulations on information disclosure as prescribed in Circular No. 96/2020/TT-BTC dated November 16, 2020, issued by the Ministry of Finance;

Based on the audited separate financial statements and consolidated financial statements for the year 2025 of Hydraulics Construction Corporation No.4 – Joint Stock Company;

Pursuant to Decisions No. 332/QD-SGDHN and No. 333/QD-SGDHN dated April 02, 2026, issued by the Hanoi Stock Exchange regarding the status of TL4 shares;

Hydraulics Construction Corporation No.4 - JSC (the Corporation) hereby provides the explanation of causes and the roadmap for remediation as follows:

1. Regarding the qualified opinion on the failure to collect sufficient confirmation letters for accounts receivable and accounts payable. (Refer to pages 5 and 6 of the 2025 Separate and Consolidated Financial Statements).

✓ **Causes:** Due to the specific nature of the construction industry, the Corporation's projects typically involve prolonged construction periods spanning multiple accounting periods. Delays in the inspection, acceptance, and final settlement with Project Owners have resulted in outstanding accounts receivable and accounts payable that have not been fully resolved. Furthermore, as the network of customers and suppliers is scattered across various provinces nationwide, objective difficulties arose in sending and retrieving direct confirmation letters at the time of closing the reporting data.

✓ **Remedial actions:**

- The Corporation is drastically urging functional departments to assign personnel to work directly with partners to sign debt reconciliation minutes, while simultaneously continuing to send confirmation letters via post to distant customers and suppliers.
- Implementing alternative audit procedures as guided by the auditing firm to verify the existence of the balances.
- In 2026, the Corporation will thoroughly review overdue debts to make appropriate provisions in accordance with regulations, ensuring that the financial data reflects a true and fair view with transparency.

2. Regarding the qualified opinion on Construction in Progress and Long-term Prepayments (*Relating to the Housing Project at No. 34 Thuy Loi Street, Phuoc Long A Ward, Thu Duc City*).

✓ **Causes:** These costs were incurred during the implementation of the project at No. 34 Thuy Loi Street. Due to changes in land-use policies and local master planning, the project is currently awaiting approval from competent authorities for adjustments to legal documentation. This has resulted in an extended implementation schedule compared to the original plan.

✓ **Remediation plan:**

- The Corporation identifies this as a key priority for 2026. The Management Board has established a specialized task force to closely follow the working roadmap with competent authorities to resolve legal bottlenecks and resume project implementation as soon as possible.
- We are committed to mobilizing all resources to complete investment procedures, ensuring the best interests of shareholders and investors.
- The Corporation pledges to exert maximum effort to rectify the aforementioned issues at the earliest, with the goal of removing TL4 shares from the restricted trading status.

The above is the explanation from Hydraulics Construction Corporation No. 4-JSC.

Respectfully yours!

Recipients:

- As above;
- Board of Directors; Inspection Committee (for reporting);
- Archives.

GENERAL DIRECTOR



Nguyễn Xuân Hòa