Người ký: CÔNG TY CỔ PHẦN HÒA VIỆT

VIETNAM TOBACCO CORPORATION **HOA VIET JOINT STOCK COMPANY**	**SOCIALIST REPUBLIC OF VIETNAM** **Independence - Freedom - Happiness**
No.: 426/CPHV-TCKT Re: Explanation of the auditor's qualified opinion on the audited semi-annual financial statements for 2026	*Dong Nai, 12 August 2026*

To:

- State Securities Commission of Vietnam
- Hanoi Stock Exchange

Pursuant to the audited semi-annual financial statements for 2026 of Hoa Viet Joint Stock Company, audited by An Viet Auditing Company Limited under Report No. 13/2026/SX-AVI-TC2 dated 10 August 2026, which states the following qualified audit opinion:

1. Basis for qualified conclusion

"During the period from 2020 to 30 June 2026, the Company received notices from the Dong Nai Provincial Tax Department regarding the retrospective collection of land rental for the period from 2011 to 2020 and notices regarding the payment of land rental and water surface rental for the period from 2021 to 2026. As of the issuance date of this Report, the Company continues to submit petitions and work with the competent authorities in Dong Nai City to agree on the land rental unit price as a basis for signing appendices to Land Lease Contract No. 47/HĐTĐ dated 12 October 2009, in order to accurately determine the land rental payable and provide a reliable basis for recognition in the financial statements. The accompanying interim financial statements have not included the necessary adjustments relating to the full recognition of the obligation to pay land rental to the State budget due to the effects of the above matters."

2. Qualified audit opinion

"In our opinion, except for the effects of the matter described in the 'Basis for Qualified Audit Opinion' paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of Hoa Viet Joint Stock Company as at 30 June 2025, as well as its operating results and cash flows for the financial year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and relevant legal regulations governing the preparation and presentation of financial statements."

3. Explanation

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

As the Dong Nai Provincial People's Committee and the Company have not yet agreed on the land rental unit price and have not signed an appendix to the land lease contract to determine the applicable land rental unit price, the Company has submitted petitions to the competent State authorities requesting resolution of the land rental unit price in accordance with applicable laws, specifically as follows:

- For the period 2011 - 2015, the Company is eligible for the provisions at Point b, Clause 7, Article 15 of Decree No. 46/2014/NĐ-CP (as amended and supplemented by Clause 4, Article 3 of Decree No. 135/2016/NĐ-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), because it inherited all rights and obligations of Southern Tobacco Materials Company prior to equitization and fully satisfies the four conditions for application.

- For the period 2021 - 2025, the Company is eligible for application under Clause 4, Article 3 of Decree No. 135/2016/NĐ-CP amending and supplementing Clause 7 and adding Clause 8 to Article 15 of Decree No. 46/2014/NĐ-CP, and Point b, Clause 7, Article 15 of Decree No. 46/NĐ-CP.

- Official Letter No. 11818/BTC-QLCS dated 15 October 2021 of the Department of Public Asset Management under the Ministry of Finance, responding to the determination of the land rental unit price, was sent to the Company. Accordingly, the Ministry of Finance cited the legal provisions in Decree No. 46/2014/NĐ-CP dated 15 May 2014 and Circular No. 77/2014/TT-BTC dated 16 June 2014 regarding the principles for adjustment of land rental unit prices and requested the Company, based on the legal provisions on land rental applicable in each period and the specific dossier, to work with the tax authority for consideration and resolution and to determine the land rental payable in accordance with regulations.

- Appellate Judgment No. 130/2024/HC-PT dated 1 March 2024 of the High People's Court in Ho Chi Minh City ruled to accept the lawsuit petition of Hoa Viet Joint Stock Company and annul the administrative decisions of the Director of the Dong Nai Provincial Tax Department, including: Notice No. 2863/TB-CT dated 14 April 2020 of the Director of the Dong Nai Provincial Tax Department regarding the land rental unit price; Notice No. 5546/CT-QLHKDCNTK dated 18 June 2020 of the Director of the Dong Nai Provincial Tax Department regarding correction of Notice on land rental unit price No. 2863/TB-CT dated 14 April 2020; and Notice No. 783/TB.CT.QLHKDCNTK dated 20 November 2020 of the Director of the Dong Nai Provincial Tax Department regarding tax payment (retrospective collection of land rental). According to the ruling of Appellate Judgment No. 130/2024/HC-PT, the two parties, Hoa Viet Joint Stock Company and the Dong Nai Provincial People's Committee, must negotiate and determine the land rental unit price in accordance with law as a basis for signing an appendix to the land lease contract regarding the land rental price in accordance with the agreement signed by the parties.

- Official Letter No. 8062/BTC-QLCS dated 10 June 2025 of the Department of Public Asset Management under the Ministry of Finance, responding to the determination of the land rental unit price, was sent to the Company. It states: "Accordingly, the 2013 land legislation provided for land rental unit prices in cases where a land lease project commenced before Decree No. 46/2014/NĐ-CP took effect and where one of the following three documents: Investment Certificate (Investment License), Land Lease Decision, or Land Lease Contract issued (signed) by a competent State authority specifies the land rental unit price and states the principle for adjustment of the land rental unit price in accordance with the regulations of the Ministry of Finance on land rental unit prices (Decision No. 210A-TC/VP dated 1 April 1990, Decision No. 1417/TC/TCĐN dated 30 December 1994, Decision No. 179/1998/QĐ-BTC dated 24 February 1998, Decision No. 1089/2000/QĐ-BTC dated 24 November 2000, Decision No. 1357/TC/QĐ-TCT dated 30/12/1995 Vietnam Tobacco Corporation, on the basis of the specific dossier and the above-mentioned legal provisions, shall contact the local competent authorities for consideration and settlement in accordance with the prescribed regime and assigned functions and duties."

- Vietnam Tobacco Corporation issued Official Letter No. 396/TLVN-PC dated 16 June 2025 requesting the Dong Nai Provincial People's Committee to consider the petition of Hoa Viet Joint Stock Company on the basis of the response regarding the 2013 land law policy contained in Official Letter No. 8062/BTC-QLCS of the Department of Public Asset Management.

- Hoa Viet Joint Stock Company issued Official Letter No. 706/CPHV-TCKT dated 21 November 2025 to the Dong Nai Provincial People's Committee, Dong Nai Tax Authority and relevant departments and agencies, requesting redetermination of the land rental unit price in accordance with the law and the opinion of the Ministry of Finance in Official Letter No. 8062/BTC-QLCS dated 10 June 2025 and Decree No. 291/2025/NĐ-CP dated 6 November 2025 of the Government (amending and supplementing Decree No. 103/2024/NĐ-CP dated 30 July 2024).

As the matter relates to mechanisms, policies and the application of land laws corresponding to each period, and because the local administrative authorities have been slow in resolving it, the matter has not yet been finally settled. Since Appellate Judgment No. 130/2024/HC-PT dated 1 March 2024 of the High People's Court in Ho Chi Minh City up to the present time, the People's Committee, the specialized agencies under Dong Nai City and the Company have continued to work together but have not yet agreed on the applicable land rental unit price.

The above is the explanation of Hoa Viet Joint Stock Company regarding the auditor's qualified opinion in the audited semi-annual financial statements for 2026. The Company undertakes that the information provided in this explanation is entirely truthful and assumes legal responsibility for the disclosed information.

We respectfully request the Hanoi Stock Exchange to review and approve the above explanation.

Respectfully./.

Recipients:
- As above;
- Board of Directors, Supervisory Board;
- Filed at: Administration Office, FAD.

DIRECTOR

M.S.D.N: 3600262193 - C.T.C.P
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