

**DONG DO MARINE
JOINT STOCK COMPANY**

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

No: **68** /CBTT-DDM

Hanoi, April 08, 2025

Re: *“Explanation on the
Securities Status of DDM Shares”*

**To: - Hanoi Stock Exchange (HNX)
- State Securities Commission of Vietnam (SSC)**

- Company Name : **DONG DO MARITIME JOINT STOCK
COMPANY**
- Head Office Address : 19th Floor, Hoa Binh International Office Tower,
No. 106 Hoang Quoc Viet, Cau Giay, Hanoi,
Vietnam
- Telephone : (024).37556140 Fax: (024).37556149
- Charter Capital : 122.444.950.000 VNĐ
- Stock Code : DDM
- Registered Trading Platform : UPCoM

1- Dong Do Marine Joint Stock Company (DDM) would like to provide an explanation regarding Decision No. 190/QD-SGDHN dated March 26, 2025, issued by the Hanoi Stock Exchange on maintaining the restricted trading status, and Decision No. 191/QD-SGDHN of the same date on maintaining the warning status, as follows:

a- Decision No. 190/QD-SGDHN stipulates: Maintaining restricted trading status for DDM shares of Dong Do Marine Joint Stock Company.

Reason: The trading registrant has negative equity in the audited financial statements for 2024.

This matter was noted by the audit firm (Hanoi Branch - UHY Auditing and Consulting Co., Ltd.) in the audited consolidated financial statements for 2024 as follows:

Emphasis of matter:

“As disclosed in Note 2.4, the Company's accumulated losses amounted to approximately VND 951.153 billion, and its equity was negative over VND 814.782 billion...”

This issue has been explained by the Company in previous financial statements (from 2008 to 2024). The main reasons are:



The prolonged downturn of both domestic and international shipping markets since 2008 has yet to recover.

Shipping companies, including DDM, typically rely on foreign currency loans (USD) to invest in vessel projects, resulting in high interest expenses and exchange rate losses over the years.

Vessels have high investment value, leading to large depreciation expenses.

These prolonged difficulties since 2008 have caused the Company's significant accumulated losses as mentioned above.

However, the Company has developed a five-year business plan (2026–2030) aimed at achieving annual profitability by restructuring assets and liabilities to enhance operational efficiency and ensure debt repayment capability. Additionally, the Vietnam Maritime Corporation (VIMC), a major shareholder, has issued directives for the 2025 business and development plans and the five-year plan (2026–2030), along with a strong commitment to support the Company through this difficult period. At present, the Company remains operational with sufficient cash flow. The Company is striving to fulfill the objectives of the five-year plan (2026–2030) to overcome its challenges and ensure stable, continuous development in the future.

Decision No. 191/QD-SGDHN stipulates: Maintaining warning status for DDM shares of Dong Do Marine Joint Stock Company.

Reason: The Company has received a qualified audit opinion for three or more consecutive years.

The qualified audit opinions over the past three years cover the following issues:

b.1 “Since September 13, 2014, pursuant to the asset handover record No. 09/2014/BBBG/DDM-PVB regarding debt settlement at the request of lending institutions, the Company handed over the vessel Dong Mai to PvcomBank (a co-lender with Maritime Bank) and has since ceased recognizing interest expenses and depreciation for this asset. The accrued interest and depreciation not recorded amount to VND 713,695,304 and VND 718,202,444 respectively. The outstanding principal and interest of VND 291,030,252,528 are recorded under 'Other Payables' and the remaining book value of the vessel Dong Mai (VND 158,710,066,366) is recorded under 'Other Receivables'. As of the audit date, we were unable to obtain sufficient documentation from the lending bank (aside from the asset handover minutes), and therefore cannot express an opinion on the Company's suspension of depreciation and interest expense, or the carrying value of this fixed asset.”

b.2 “As disclosed in Note 2.4, the Company has an accumulated loss of approximately VND 951.153 billion, negative equity of over VND 814.782 billion, and all loans and finance leases are overdue. These circumstances indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Nevertheless, the Company has developed a five-year business plan

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