**VGP: Explanation for the audit’s exception in the FS 2015**

On 14/03/2016, The Vegetexco Port Joint Stock Company explained the audit’s exception in FS 2015 as follows:

**Audit’s exception**

- According to the FS 2015, the Company has paid:

+ The land rent from 2012 to 2014: VND 5,313,557,776

+ The punishment for the late payment of income tax from 2007 to 2010: VND 1,169,370,866

+ Additional corporate income tax from 2007 to 2010: VND 2,775,334,018

- The Company recorded these expenses into FS of 2015 did not record into the FS of previous years.

**Explanation**

- Based on the investment preference certificate No. 5464 BKH/DN issued on 14/08/2001 by the Minister of Planning and Investment Ministry, the Company would be exempted from land rent within 06 years for the land hired for the equitization from the date of signature. The Company signed land rent contract No. 7863/HD-TNTM-QLSDD on 26/12/2012 with People’s Committee. The Company submitted the documents proving that the Company was exempted from land rent. In 2015, the Company received an announcement on land rent payment No. 5755/TB issued on 13/08/2015 by Taxation Department of District No. 07. The Company paid that land rent from 2012 to 2014 with total amount of VND 5,313,557,776.

- The additional corporate income tax and the punishment for the late payment from 2007 to 2010 was paid by the Company according to the Decision No. 282/QD-CT-XP issued on 27/01/2015.

Therefore, the Company recorded these expenses into the FS of 2015.