**VTG: Explanation**

On April 27, 2017, Ba Ria - Vung Tau Tourist Company explained the change on Profit after corporate income tax in 2016 and 2015 audited financial statement as follows:

**1. Report on financial situation of parent company:**

Profit after corporate income tax in 2016 (with a loss of VND 5,614 million) reduced compared to that in 2015 (with a profit of VND 2,370 million: profit has been retroactive according to audited financial statements) with an amount of VND 7,984 million. The following are main causes:

* Tourists to Vung Tau in 2016 reduced from the same period in 2015. Consequently, tourists using services of the company (hospitality and related services) reduced, while travel activities of the parent company in 2016 made no profit. As a result, profit in 2016 reduced from that in the same period in 2015.
* In 2016, the company had debts being sued. Therefore, the 2016 audited financial statements appropriated provisions for bad debts (increasing VND 6,679 million).This led to remarkable changes in profit in 2016 compared to that in the same period in 2015.

**2. Consolidated financial statements of parent company and subsidiaries:**

Profit after corporate income tax in 2016 (with a loss of VND 5,758 million) reduced compared to that in 2015 (with a profit of VND 891 million: profit has been retroactive according to audited financial statements) with an amount of VND 6,649 million. The following are main causes:

* Tourists to Vung Tau in 2016 reduced from the same period in 2015. Consequently, tourists using services of the company (hospitality and related services) reduced.
* In 2016, the company had debts being sued. Therefore, the 2016 audited financial statements appropriated provisions for bad debts (increasing VND 6,679 million).This led to remarkable changes in profit in 2016 compared to that in the same period in 2015.