**BDP: Explanation for the difference in financial statement of 2019 year on year**

On 30 Mar 2020, Oriental sea villas and hotel joint stock Company explained the difference in financial statement of 2019 year on year as follows:

According to the audited financial statements of 2019, our Company's profit after tax targets are as follows:

- Profit after tax of 2018: VND - 178,467,619,402

- Profit after tax of 2019: VND - 147,207,616,481

Reasons:

- In 2018, due to the newly opened Sheraton Grand Danang Resort, the revenue was not enough to cover the costs incurred which included loan interest expense of VND 68 billion as the Company stopped capitalization in the year and the capital compensation for capital contributors of VND 41 billion resulted in a loss of VND 178.47 billion in 2018

In 2019, hotel operations gradually stabilized, revenue increased by VND 123.7 billion while fixed expenses were unchanged, leading to a sharp increase in gross profit this year compared to the previous year. However, due to interest expenses (VND 73.1 billion in 2019), capital cost compensation for capital contributors (VND 59.6 billion in 2019) and corporate management costs (in 2019: VND 95.8 billion) increased sharply compared to 2018, resulting in a loss of VND 147.2 billion in 2019