**CCT: Explanation on the Financial Statements 2023**

On February 28, 2024, Can Tho Port Joint Stock Company announced Official Dispatch No. 78/CCT-TCKT on explanation related to the Financial Statements 2023 compared to the same period in 2022 as follows:

Combined Financial Statements: The result of profit after tax in the Financial Statements 2023 is VND 6,452,277,430 (an increase of 784.64% compared to the same period in 2022).

| Target | 2023 | 2022 | Value | Rate ( %) |
| --- | --- | --- | --- | --- |
| (1) | (2) | (3) | (4)=(2)-(3) | (5) = (4)/(3) |
| Total revenue | 152,107,405,135 | 132,059,909,828 | 20,047,495,307 | 15.18% |
| Total expense | 144,037,206,804 | 131,067,208,862 | 12,969,997,942 | 9.9% |
| Profit before tax | 8,070,198,331 | 992,700,966 | 7,077,497,365 | 712.95% |
| Profit after tax | 6,452,277,430 | 729,364,353 | 5,722,913,077 | 784.64% |

* Reasons for the change of over 10% in profit after tax in 2023 compared to the same period in 2022 and business production results in 2023 at VND 6,452,277,430: In 2022, business production was still affected by the Covid-19 pandemic, and the supply of goods to ports was very limited. Therefore, although the port had tried to reduce costs, revenue still greatly decreased. In 2023, the production situation was relatively more favorable, the market and goods grew, especially in the profit structure, which increased significantly from liquidating old equipment and assets whose capacity and efficiency was no longer suitable for current production situation.
* The difference in profit after tax between the auditor's report in 2022 and the published Financial Statements 2022 is due to the following factors: The announced profit after tax in 2022 was VND 1,001,359,253 and the result of profit after tax in the auditor's report is: VND 729,364,353. This difference was because the Company had not made provision for bad receivables in the published Financial Statements but the auditor's report had the additional provisions, which led to this difference.
* Regarding the qualified opinion of the audit:

Regarding issues related to Cai Cui Port project: In the coming time, the Company will work to re-finalize the settlement of the costs incurred on the land reserved for the development of Can Tho Port Corporation Phase II with the Can Tho City People's Committee, at the same time, the Company is waiting to complete legal procedures and mobilize capital to continue implementing investment when conditions are available.

* Highlighted issues:

"The Cai Cui Port Construction Project Phase I" was implemented in 2002 with an initial estimated total investment of VND 230.3 billion; "The Cai Cui Port Construction Project Phase II" was implemented in 2009 with an initial estimated total investment of VND 829.8 billion. The investment in the two projects has taken longer than originally planned and is still not completed. The company is continuing to invest to complete and put project items into use for business activities.

* Regarding the retroactive adjustment of certain targets in the Financial Statements for the fiscal year ending on December 31, 2022: Accordingly, the comparative figures of the Balance Sheet in the Financial Statements for the accounting period from January 1, 2023 to December 31, 2023 are specifically adjusted as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Target | Code | Data on Financial Statements of the previous year/previous period (VND) | Adjusted figures (VND) | Difference | Note |
| Other short-term receivables | 136 | 11,842,726,899 | 7,764,791,456 | (4,077,935,443) | (1) |
| Provision for short-term bad receivables | 137 | (6,993,166,538) | (8,847,411,135) | (1,854,244,597) | (2) |
| Other short-term payables | 421 | 7,260,180,984 | 5,587,356,300 | (1,672,824,684) | (3) |
| Other long-term payables | 421 | 28,767,595,037 | 30,440,419,721 | 1,672,824,684 | (3) |
| Undistributed profit after tax | 421 | (10,292,270,072) | (16,224,450,112) | (5,932,180,040) | (4) |
| General and administrative expense | 26 | 24,465,987,558 | 24,737,982,458 | 271,994,900 | (5) |
| Total accounting profit before tax | 50 | 1,264,695,866 | 992,700,966 | (271,994,900) | (5) |

1. Other short-term receivables: Due to the Company's adjustment of the accounts receivable for profit sharing from Can Tho - Thanh Tuan Port Company Limited in previous years due to insufficient basis for recognition;
2. Provision for short-term bad receivable debts: The Company made additional adjustments to the Provision for bad receivable debts from previous periods;
3. Classify as long-term and short-term items;
4. Undistributed profit after tax: Change due to adjustments to other short-term receivables and provision for short-term bad receivable debts.
5. Impact of adjusting provisions on business results and cash flows in 2022.