**LMH: Explanation on Audited Financial Statements 2023**

On April 10, 2024, Quoc te Holding Joint Stock Company announced Official Dispatch No. 04/CV-LMH on explaining the results of Audited Financial Statements 2023, as follows:

1. Explain the difference of more than 10% compared to that of the same period last year:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Type of the Financial Statements | Profit after tax | | | |
| In 2023 | In 2022 | Difference | Difference rate |
| (1) | (2) | (3)=(1)-(2) | (4) = (3)/(2) |
| Combined Financial Statements | (70,848,527,521) | (22,232,386,519) | (48,616,141,002) | 118,7% |

For the Combined Financial Statements, profit after tax of the Financial Statements 2023 increased losses (118,7%) compared to that of the same period last year. The main reason is that general and administrative expenses increased by 226,9% compared to that of the same period in 2022, due to an increase in provision for doubtful debts and unfinished basic production and business expenses.

1. Explain the difference in profit and loss increase after the audit compared to that of the same period last year.

Profit after tax in the reporting period has a difference before and after audit of 5% or more, changing from profit to loss or vice versa (for the Audited Financial Statements 2022); Profit after tax in 2023 has a difference of over 10% compared to that of the same period last year;

The main reason is the increase in provision for bad receivable debts and unfinished basic production and business expense at the Manhattan Tower Project. This is the main factor affecting business results in the reporting period.

1. Explanation of the disclaimer of opinion:

* “Insufficient dossiers to confirm the balance at December 31, 2023 of debts: loan receivables and short-term receivable for customers”

Explanation: Customers are not present at the registered address, customers do not notify the change of transaction information, so it leads to all periodic debt confirmation letters that are not confirmed by customers.

* “’There is no basis for evaluating the unfinished expenses provision at Manhattan Tower Project that is behind schedule and suspended.”

Explanation: Ba Dinh Construction Investment - Consulting Joint Stock Company said that, at the moment Ba Dinh Construction Investment - Consulting Joint Stock Company is strengthening the entire structure of the project’s management board, the project will continue to be implemented after strengthening the organizational structure. Quoc te Holding Joint Stock Company continues to connect with Ba Dinh Construction Investment - Consulting Joint Stock Company to monitor and promote the implementation of the Project.