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

On March 28, 2024, Phu Tho Tourist Service JSC announced Official Dispatch No. 40/CV-2024 on explaining auditor's opinions in the audited Financial Statements 2023 as follows:

* Based on the audited Financial Statements 2023 with qualified opinion and emphasis of matters, Phu Tho Tourist Service JSC would like to explain as follows:

1. Auditor’s qualified opinion:

The Company records the receivable balance from Hung Ocean Trading And Producing Corporation on December 31, 2023 in the amount of VND 9,814,794,062, arising from the Contract on management and business exploitation of Ngoc Lan hotel between Phu Tho Tourist Service JSC and Hung Ocean Trading And Producing Corporation.

At the time of issuing the Financial Statements, AASC Auditing Firm Company Limited had not collected sufficient appropriate evidence to determine the recoverability of this receivable, so this issue was included in the qualified opinions.

The Company has filed a lawsuit against Hung Ocean Trading And Producing Corporation with the People's Court of District 3, Ho Chi Minh City. At the time of preparing this Financial Statements, the case is in the process of carrying out legal proceedings according to regulations.

1. Emphasis of matters:

* The land rent data on the Company's Financial Statements is different from the land rent notice of the Tax Department of District 11 because the Company performed accounting and paid into the State Budget the full land rental obligation as recommended by the State Audit of Region XIII for the period before and after equitization. Tax Department of District 11 in 2020, 2021 and 2022 also issued notices on the collection of land rent and late payment interest, and tax enforcement related to stages along with the period of collection by the State Audit.
* As of December 31, 2023, the People's Committee of Ho Chi Minh City has not approved the equitization settlement at Công ty TNHH MTV Dịch Vụ Du Lịch Phú Thọ (tentatively translated as Phu Tho Tourism Services Company Limited). Accordingly, receivables and payables related to this issue that may affect the state capital settlement data during the transition period include: commercial dispute related to Dam Sen Bowling Mall and receivable from Saigontourist Holding Company amounting to VND 70,224,591,554. Therefore, as of December 31, 2023, the Company is still accounting and tracking assets and liabilities on the Balance Sheet.
* The company and the City Party Committee Office are in the process of negotiating to agree on the unit price and time for calculating house and land rent from the end of the lease term until now, based on the agreement between the parties to carry out a price appraisal. The Company handed over premises No. 293 and 295/1 Ly Thuong Kiet to the City Party Committee Office on March 7, 2023.

On March 28, 2024, Phu Tho Tourist Service JSC announced Official Dispatch No. 41/CV-2024 explaining the difference in profit after tax in 2023 (audited) as follows:

Explanation of difference in profit after tax in 2023:

|  |  |  |  |
| --- | --- | --- | --- |
| Targets | In 2023  VND | In 2022  VND | Difference  VND |
| Profit after tax | 2,332,360,849 | -41,594,751,153 | 43,927,112,002 |

1. Profit after tax in the income statement of the announced period changed by 10% or more and changed from a loss in the previous period to a profit in this period compared to that of the same period in 2022:

In 2023, the Company has cut its loss of VND 41.5 billion in 2022 and has a profit of VND 2.3 billion in 2023 mainly because the Company received a decision to reduce land rent and water surface rent in 2022 by VND 27.1 billion from the Tax Authority. The Company also and recorded a decrease in expenses this year. This is the main reason why this year's Cost of goods sold decreased by VND 27.52 billion compared to last year, corresponding to a decrease of 10.49%. In addition, bank interest rates this year are higher than last year, helping financial revenue from deposits in the year increase sharply. In addition, the dividends received in 2022 and dividend prepayment in 2023 from joint ventures and affiliated companies also helped this year's financial revenue increase sharply by VND 26.06 billion, which is an increase of 68.48% compared to the previous year. The above factors have helped this year's operating results improve compared to last year.

1. The data and accumulated business results from the beginning of the year in the published Financial Statements Q4 compared to the audited Financial Statements 2023 have a difference of 5% or more:

|  |  |  |  |
| --- | --- | --- | --- |
| Targets | Audited Financial Statements 2023  VND | Self-made Financial Statements 2023  VND | Difference  VND |
| Profit after tax | 2,332,360,849 | 4,540,224,673 | -2,207,863,824 |

The main reason is due to mistakes in recording revenue from financial activities.

(Revenue from financial activities in 2023 in the Self-made Financial Statements 2023: VND 66,476,427,611, financial revenue in 2023 in the Audited Financial Statements: VND 64,108,564,599, difference of VND 2.3 billion).