**FTM: Explanation on the Audited Financial Statements for the operating period from January 1, 2023 to December 31, 2023**

On March 31, 2024, Duc Quan Investment and Development Joint Stock Company announced Official Dispatch No. 30 on the explanation on the Audited Financial Statements for the operating period from January 01, 2023 to December31, 2023 as follows:

1. Explanation of the auditor's disclaimer opinion:

* In 2023, the total VAT that the Company incurred for offsetting was VND 13.7 billion; the VAT on imported goods and import taxes actually paid in cash amounted to VND 8.1 billion, land rent payments totaled VND 209 million, and personal income tax amounted to VND 147 million. As of the tax settlement period in 2023, the Company did not incur any tax debts. The Company has been continuously recruiting additional labor, and all business activities of the Company are operating normally. In 2023, the Company expanded its domestic and export markets, with a strong focus on the Indian market. Furthermore, it enhanced brand building domestically and internationally, improving and stabilizing product quality.
* The receivables and the amounts from business cooperation were also affected by the general economic difficulties, particularly in the real estate market.

1. Explanation of the difference in the Audited Financial Statements 2023:

The decrease in profit on the Audited Financial Statements 2023 was due to the provision for bad debts, adjustments to the expenses for bad debts, and payments to be made.