

No: 41 /CV-DL

Vung Tau, March 31<sup>st</sup>, 2025

“Regarding the explanation of the change in profit after tax in the audited 2024 Financial Statements and the audit's disclaimer of opinion.”

To: - The State Securities Commission of Vietnam;  
- The Hanoi Stock Exchange.

First and foremost, Ba Ria - Vung Tau Tourist Joint Stock Company (hereinafter referred to as the "Company") would like to extend our sincere greetings to your esteemed agencies.

In accordance with Circular No. 96/2020/TT-BTC dated November 16<sup>th</sup>, 2020, the Company hereby publishes the audited financial statements for the year 2024, ending on December 31<sup>st</sup>, 2024. The Company explains the following: Changes in profit after tax in the reporting period that changed by 10% or more compared to the same period of the previous year (loss); Audit disclaimers on the financial statements are as follows:

**1. Changes in profit after tax that are profitable and changed by 10% or more compared to the same period last year (loss):**

Unit: VND

	Year 2024	Year 2023	Profit Increase(+)/ Decrease(-)
	Profit (+)/ Loss(-)	Profit(+)/ Loss(-)	Amount
Combined Financial Statements	5,165,719,971	-8,232,803,364	13,398,523,335
Consolidated Financial Statements	6,104,792,244	-7,777,634,293	13,882,426,537

The Company's profit after tax in 2024 on the separate and consolidated financial statements is 5,165,719,971 VND and 6,104,792,244 VND, respectively. The reasons for the profit after tax in 2024 being profitable and increasing compared to 2023:

In 2024, the Company's main business activities declined, the subsidiary, Nghinh Phong Tourist Joint Stock Company, and the Company's branch - Bien Dong Tourist Area, ceased operations to carry out the handover of the Thuy Van Beach – “Bai Sau” – “Back Beach land area”, Vung Tau City, according to Decision 2315/QĐ-UBND dated August 13<sup>rd</sup>, 2021 and Decision 1101/QĐ-UBND dated April 1<sup>st</sup>, 2022 of the Provincial People's Committee, this led to losses in the main business results (hotel and tourism services) of the parent company and the consolidated results in 2024, decreasing compared to 2023. However, in 2024, the Company recorded income from compensation for houses and architectural structures on land in the Thuy Van Beach - “Bai Sau” – “Back Beach land area”, Vung Tau City, due to land acquisition by the state for the Thuy Van Road

Renovation Project, Vung Tau City, according to Decision 3337/QĐ-UBND dated November 22<sup>nd</sup>, 2023, Decision 1376/QĐ-UBND dated May 6<sup>th</sup>, 2022, and Decision 2025/QĐ-UBND dated July 31<sup>st</sup>, 2024. Therefore, the separate and consolidated business results of the parent company were profitable, resulting in an increase in profit after tax in 2024 compared to 2023.

## **2. Audit disclaimer**

- The auditor's disclaimer on the Consolidated financial statements and the Combined financial statements have the same content related to the parent company and the subsidiary - Nghinh Phong Tourist Joint Stock Company not recording land rental fees and infrastructure rental fees invested by the provincial budget payable to the State at Thuy Van Beach - “Bai Sau” – “Back Beach land area”, Vung Tau City, according to Inspection Conclusion No. 261/KL-TTr dated September 17<sup>th</sup>, 2018 of the Ba Ria - Vung Tau Provincial Inspectorate (The Ba Ria - Vung Tau Provincial Inspectorate issued decisions on the recovery of money paid to the State budget No. 172/QĐ-TTr and No. 182/QĐ-TTr both dated October 5<sup>th</sup>, 2018 for the parent company; Decisions No. 173/QĐ-TTr and No. 177/QĐ-TTr both dated October 5<sup>th</sup>, 2018 for the subsidiary) as well as not fully accounting for land rental fees from 2018 to 2021 according to the notification of the Vung Tau - Con Dao Tax Department.

Regarding this matter, the Company explains as follows:

Up to the present time, the Parent Company and its subsidiary have not yet received the infrastructure lease agreement and land lease agreement for the entire land area at Thuy Van Beach, Vung Tau City, signed by the competent authority of Ba Ria - Vung Tau province.

The implementation of Decision No. 2315/QĐ-UBND dated August 13<sup>rd</sup>, 2021 on the recovery of 284,199m<sup>2</sup> leased by the Ba Ria - Vung Tau Province Investment and Construction Company under the Government's Decision No. 908/QĐ-TTg dated November 30<sup>th</sup>, 1996 to build Thuy Van Beach in Vung Tau City, Decision No. 1376/QĐ-UBND dated May 6<sup>th</sup>, 2022 on approving the compensation plan for units currently using land at Back Beach according to Decision No. 2315/QĐ-UBND dated August 13<sup>rd</sup>, 2021 and Decision No. 1101/QĐ-UBND dated April 1<sup>st</sup>, 2022 of the Provincial People's Committee to implement the Thuy Van Road Renovation Project, Vung Tau City. The Company continues to propose consideration based on the previously stated grounds:

According to the Notice dated May 2<sup>nd</sup>, 2013, the conclusion of the Ba Ria - Vung Tau Provincial People's Committee at the meeting supporting non-industrial zone projects on April 3<sup>th</sup>, 2013 stated: "Agree to calculate land rent in the infrastructure rent for the land area used for business purposes. The land area not used for business purposes will not be included in the infrastructure rent." Accordingly, the Parent Company, its subsidiary, and other businesses in the area using land at Thuy Van Beach are continuing to petition the Ba Ria - Vung Tau Provincial Inspectorate regarding the unit price and method of calculating land rent for each area, considering allowing the Company to sign a Land Lease Agreement at Thuy Van Beach to facilitate the implementation of the rights and obligations

stipulated in the Land Law, to calculate land rent on the area used for business purposes, and to recalculate land rent at a reasonable rate for businesses to implement.

- Opinion:

"Investments in associates are not consolidated using the equity method on the Consolidated Financial Statements for the fiscal year ended December 31<sup>st</sup>, 2024 because the associates did not provide financial statements.

In addition, we did not obtain financial statements for the fiscal year ended December 31<sup>st</sup>, 2024 for investments in other units of the Corporation. Therefore, we do not have a basis to assess the impact on the provision for impairment as well as the indicators on the Corporation's Consolidated Balance Sheet."

The Company explains as follows:

At the time the auditor conducted the Company's financial statements, other units were also undergoing audits, so they had not yet sent their reports. In addition, some units are projects that have not yet operated or have been suspended as the company presented in the Financial Statements. However, the Company has also considered making provisions for financial investments for all loss-making investments fully and in accordance with the actual situation.

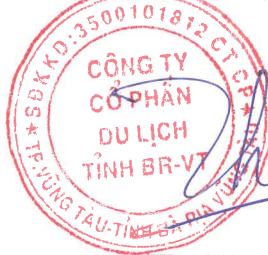
The above is the Company's explanation of the change in profit after corporate income tax and the audit's disclaimer of opinion in the audited 2024 Financial Statements ending on December 31<sup>st</sup>, 2024.

Sincerely!

**Recipients:**

- As above;
- File: Office, Finance & Accounting Dep.

**CHAIRMAN OF THE BOARD**



**Thai Hoang Than**

