

TTF: Explanation for consolidated profit before & after being audited

Truong Thanh Furniture Corporation has explained the difference in its financial statements for the first six months of 2012 before and after being reviewed as follows:

By: VND

	Quarter II/2012 unreviewed financial statements (Accumulation from the beginning of the year)	Reviewed financial statements From 01/01/2012 to 06/30/2012 (Accumulation from the beginning of the year)	Difference
(a) Net revenue from sales and services	1,324,363,220,468	1,326,817,420,855	2,454,200,387
(b) Cost of goods sold	1,127,057,969,731	1,136,253,562,142	9,195,592,412
Gross profit	197,305,250,737	190,563,858,713	(6,741,392,025)
(c) Financial income	3,939,586,476	6,499,360,954	2,559,774,478
(d) Financial expense	135,806,963,303	137,628,169,257	1,821,205,954
(e) Selling expense	9,610,685,732	8,536,307,204	(1,074,378,528)
(f) Administrative expense	46,529,317,749	45,494,772,811	(1,034,544,938)
Net operating profit	9,297,870,430	5,403,970,395	(3,893,900,035)
(g) Other profit	3,163,394,287	2,142,805,863	(1,020,588,424)
(h) Profit (loss) from associated companies	(621,483,392)	(2,583,216,074)	(1,961,732,682)
Profit before tax	11,839,781,325	4,963,560,184	(6,876,221,141)
Current corporate income tax	1,435,030,043	1,453,802,025	18,771,982
Deferred corporate income tax		7,804,044	7,804,044
Profit after tax	10,404,751,282	3,501,954,115	(6,902,797,167)

– Net revenue from sales and services increased because of the following reasons:

+ Income from fixed asset clearance in Truong Thanh Industrial Wood Particleboard Joint Stock Company decreased (VND6,285,667,974) because TTF transferred this item to other income.

- + Net revenue increased because of a decrease in the clearing of profit and expense of intra-group transactions worth VND7,761,032,461, and another increase of VND978,835,900.
- Cost of goods sold increased because: decreasing the cost of fixed asset clearance in Truong Thanh Industrial Wood Particleboard Joint Stock Company by (VND6,232,437,974); recording VND4,379,396,213 from the cost arising in subsidiaries (Dak Lak 1 and Dak Lak 2); decreasing the clearing of profit and expense of intra-group transactions worth VND11,034,094,230; and another increase of VND14,539,942.
- Financial income increased thanks to the distribution of income relating to an association contract of VND2,587,203,667, and another decrease of (VND27,429,189).
- Financial expense increased from paying the additional borrowing expense in subsidiaries worth VND1,799,269,881, and another increase of VND21,936,073.
- Selling expense decreased mainly because of the clearing of profit and expense of intra-group transactions.
- Administrative expense decreased because the Company set up an additional provision for doubtful debts of VND1,765,976,077 at the Company and its subsidiaries; the clearing of profit and expense of intra-group transactions of (VND3,135,331,378); and another increase of VND334,810,363.
- Other profit decreased mainly because of the clearing of profit and expense of intra-group transactions.
- Profit (loss) in associated companies increased mainly because the extra loss in OJI Plantation Joint Stock Company because of the additional distribution of value of development right to expense in the period.