**MIM: Explanation for difference in financial statement of QIV/2016 year on year (Head Office and consolidated)**

On 22 Jan 2017, Mineral & Mechanical Joint Stock Company explained for difference in financial statement of Head Office of 2016 year on year as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **Norm** | **QIV/2016** | **QIV/2015** | **Difference** |
| Total (revenue+ other income) | 75,549,142 | 17,575,700,547 | (17,500,151,405) |
| Total expenses | 1,920,794,041 | 16,404,105,882 | (14,483,311,841) |
| In which: + cost of goods sold | 4,916,084 | 15,914,286,337 | (14,908,370,253) |
| + Financial expenses | 590,284,767 | 546,020,328 | 44,264,439 |
| + Sales expenses |  | 340,319,545 | 340,319,545) |
| + Administration expense | 571,228,663 | 567,732,857 | 3,495,806 |
| Profit before tax | (1,845,244,899) | 1,171,594,665 | (3,016,839,564) |

In QIV/2016, the Company lost 1,845,244,899 dongs, decreased by 3,016,839,564 dongs compared to QIV/2015 due to the following reasons: Companies are subjected to enforcement by notice of invalid invoices as from 9 Mar 2016, hence the Company cannot sell commodities and earned revenue. The above income was allocated by advance revenue from previous periods. However, expenses and costs still incurred

On 22 Jan 2017, Mineral & Mechanical Joint Stock Company explained for difference in consolidated financial statement of 2016 year on year as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **Norm** | **QIV/2016** | **QIV/2015** | **Difference** |
| Total (revenue+ other income) | 26,572,594,878 | 16,498,255,854 | 10,074,339,024 |
| Total expenses | 24,228,640,173 | 17,004,439,445 | 7,224,200,728 |
| In which: + cost of goods sold | 22,006,911,995 | 14,982,757,899 | 7,024,154,096 |
| + Financial expenses | 590,284,767 | 546,020,328 | 44,264,439 |
| + Sales expenses | 233,521,819 | 586,940,105 | (353,418,286) |
| + Administration expense | 571,228,663 | 567,732,857 | 3,495,806 |
| Profit before tax | 2,343,954,705 | (506,183,59) | 2,850,138,296 |

Profit before tax of QIV/2016 reached 2,343,954,705 dongs increased by 2,850,138,296 due to the following reasons:

* The Company adjusted production and consumption, decreased production and consumption of inefficient products
* Reduced costs, including direct costs
* Sales of some goods increased compared to the last period.