**S55: Explanation for the difference in financial statement of 2019 year on year**

On 11 Mar 2020, Song Da 5.05 Joint Stock Company explained the difference in financial statement of 2019 year on year as follows:

Song Da 5.05 Joint Stock Company (Stock code: S55) has completed its 2019 financial statement audits conducted by AAC auditing & accounting Co., Ltd and implemented the information disclosure in accordance with regulations for companies listed on the stock market. With the profit after tax of 2019 achieved at the parent company: VND 51,810,242,243, equivalent to 93% compared to the same period last year and the profit after tax after consolidating financial statements of the subsidiaries: VND 35,043,533,383, a decrease of VND 2,356,764,975 compared to the financial statement published in the fourth quarter of 2019 and decreased by over 10% compared to the same period last year, the main causes leading to the reduction of profit after tax compared to the same period last year:

1. At the parent company: profits from construction activities and income from investments, deposits to banks were stable, however during the period, the Company made additional provisions for doubtful debts of VND 4.9 billion, leading to a decrease in profit after tax, besides that in 2019, the Company expired the CIT incentive period, resulting in a 7% decrease in profit after tax compared to the same period last year

2. Business results in the consolidated financial statement: In 2019, the price of electricity in the rainy season decreased, so the revenue of electricity generation at Bac Na Power Joint Stock Company (Subsidiary) decreased compared to the same period last year due to weather changes, less rain. As a result, the profit of this Company decreased. In addition, during the year, the Parent Company - the general contractor of construction at Bac Na 1 Hydropower project, Nam Bum 1 Hydropower project, so the profit from the construction of this project of the Parent company in the subsidiary which was excluded when consolidating financial statements was also the reason for a decrease in the profit in the consolidated financial statement

3. Difference in profit reduction between the audit report and financial statement of the fourth quarter of 2019: The audited profit after tax decreased by VND 2,356,764,975 compared to the unaudited financial statement of April 4, 2019 because:

- At the parent company: Adjusting the allocation of the Company's management expenses at Nam Bum 1 Hydropower project when consolidating financial statements: VND 493,671,916

- At Bac Na hydropower Joint Stock Company: Increasing interest expenses due to calculating the lack of interest for short term loans: VND 560,030,150

- At Song Ong Hydropower Joint Stock Company: Adjusting the increase in profit after tax in line with the number of shares of the Company: VND 607,622

- Deferred corporate income tax: Adjust the rate of corporate income tax from 20% to 10% in line with the average tax rate of the subsidiaries during the tax exemption and reduction time, leading to the decrease of VND 1,303,670,530 in the deferred corporate income tax