**HGW: Explanation for the difference in financial statements of 2019 year on year**

On 26 Mar 2020, HauGiang Water Supply and Sewerage - Projects Urban Joint Stock Company explained the difference in financial statements of 2019 year on year as follows:

- Profit after tax of 2019: VND 11,285,791,786

- Profit after tax of 2018: VND 9,504,789,268

Difference: VND 1,781,002,518, equivalent to 18.74%

Reasons:

1. Sales of goods and services increased by VND 3,754 million, an increase of 2.12% over the same period last year, which was mainly due to increase in water revenue of VND 7,500 million, and increase in the turnover of additional works of VND 4,958, revenue of urban subscribers increased by VND 4,809 million; Bus revenue reduced by VND 13,802 million, equivalent to a decrease of 671.43%);

Cost of goods sold decreased by VND 431 million, a decrease of 0.30% compared to the same period last year, in which the main cause was the decrease in the cost of Bus of VND 14,160 million, equivalent to a decrease of 507.45%);

Sales of goods and services increased, while the cost of goods sold reduced. As a result, the gross profit increased by VND 4,185 million, equivalent to an increase of 11.97%

2. Financial income decreased by VND 16 million, a decrease of 12.01%

Financial expenses decreased by VND 949 million, equivalent to a decrease of 33.68%, due to a decrease in loan interest expenses;

The rate of decrease in financial income was slower than the rate of financial expense decrease: VND 933 million, making the financial income increase by VND 933 million

3. General and administration expenses increased by VND 2,538 million, equivalent to an increase of 11.76% over the same period

4. Other income decreased by VND 486 million, equivalent to 30.47% over the same period

Other expenses decreased by VND 166 million, equivalent to 46.03% over the same period;

Speed ​​of other income reduction was faster than other cost reduction, which made other profits decrease by VND 320 million, equivalent to a reduction of 25.91% over the same period

Sales of goods and services increased VND 3,754 million dong; cost of goods sold decreased by VND 431 million which made gross profit increase by VND 4,185 million or 11.97%. The increase in gross profit was greater than the rate of increase in administrative expenses and the reduction rate of other profits, which made the after-tax profit increase by VND 1,781 million, equivalent to 18.74%