**CC1: Explanation for financial statements of 2019**

On 01 Apr 2020, Construction Corporation No.1 Joint Stock Company explained the financial statements of 2019 as follows:

1. Explanation for the profit in the financial statements of 2019 after the audit reducing by over 5% compared to before auditing as follows:

- Because the Corporation reallocated the consolidated financial expenses from subsidiaries: VND 69,549 million

- Due to the adjustment of sharing dividend of associates and the recognition of dividend of the parent company

2. Explanation for profit after tax in financial statements of 2019 falling by over 10% compared to the profit in financial statement of 2018 as follows:

Due to the operation results of associates in the period and the recognition of dividend of the parent company after equitization from the companies, the profit and loss items in the associated companies in 2019 associate: VND 14,785 million, compared to the profit of associated companies in 2018 of VND 41,365 million, a difference of VND 56,150 million

|  |  |  |
| --- | --- | --- |
|  | Year 2019 | Year 2018 |
| 1. Dividend distributed in the period | 103,085,836,697 | 140,221,670,038 |
| 2. Part in the profit (loss) - associates | 117,870,892,000 | 98,856,349,600 |
| Total | (14,785,055,303) | 41,365,320,438 |

3. Explanation for the profit in the financial statements of 2019 of the holding company after the audit reducing by over 5% compared to before auditing as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Item | Profit in 2019 - before the audit | Profit 2019 - after the audit | Difference | Rate |
| Separate financial statement  | 54,835,638,480 | 50,442,087,501 | 4,393,550,979 | 9% |

Reason: The major change came mainly from the financial activities of 2019 due to:

- Financial income was from deposits at the end of December 2019 after collecting all balance confirmations on 31 December 2019 between CC1 and the banks

- The additional financial expense was from bank loans at the end of December 2019 after collecting all balance confirmation on 31 December 2019 between CC1 and the banks and supplement interest expense for construction projects in progress after receiving all documents