**VC9: Explanation for financial statements of 2019**

On 30 Mar 2020, Construction JSC No.9 explained the financial statements of 2019 as follows:

I. Explanation for the qualified opinion:

- In the year, the Company did not record the full cost of goods sold corresponding to the recorded revenue of some constructions with an amount of VND 29,502,913,821 in accordance with current accounting regulations in Vietnam. Documents at the Company showed that, if fully reflecting the cost of the above works in the Balance Sheet on December 31, 2019, the work in progress will be reduced by VND 23,742,253,873; "Short-term payables" will increase to VND 5,760,659,948 and "Retained after-tax profit" will be reduced by VND 29,502,913,821, leading to "retained after-tax profit” converted into " accumulated losses" of VND 28,592,526,750. At the same time, in the income statement for the year ended 31 December 2019, the target "Cost of goods sold" will increase to VND 29,502,913,821, the target "profit before tax" will decrease accordingly and convert from "profit before tax" to "loss before tax" of VND 19,389,746,260

On 31 December 2019, the balance of the prepayment for short-term suppliers included prepayments for Mekong Construction Investment Joint Stock Company No. 1 with an amount of VND 1,488,996,000. Therefore, it is not possible to determine whether these figures need to be adjusted or not

II. For the general financial statements of 2019

1. Explanation for the difference in financial statement of 2019 before and after auditing

According to the financial statement audited by Deloitte Vietnam Co., Ltd, the profit after tax decreased by 55.08% compared the unaudited financial statement, in which: increase in cost of goods sold: 0.12%; decrease in general and administrative expense: 0.33%. As a result, the profit before tax fell by 9.94%. The above factors influenced on the operation results, especially, profit after tax of 2019 of the Company decreased by 55.08% compared to the unaudited profit after tax of 2019

2. Explanation for the difference in financial statement of Q.IV/ 2019 before and after auditing

- After the audit, profit after tax of Q.IV/ 2019 after the audit decreased by 92.72%, in which: the cost of goods sold increased by 0.39%; the general administrative expense decreased by 1.39%, which led to a decrease of 124.22% of the profit before tax. The above factors affected the business results, especially profit after tax of Q.IV/ 2019 after the audit decreased by 92.72% compared to before the audit

III. For the financial statements of 2019 of the Company’s Office

1. Explanation for the difference in financial statement of 2019 before and after auditing

According to the financial statement audited by Deloitte Vietnam Co., Ltd, the profit after tax decreased by 55.06% compared the unaudited financial statement, in which: increase in cost of goods sold: 0.12%; decrease in general and administrative expense: 0.33%. As a result, the profit before tax fell by 8.29%. The above factors influenced on the operation results, especially, profit after tax of 2019 of the Company decreased by 55.06% compared to the unaudited profit after tax of 2019

2. Explanation for the difference in financial statement of Q.IV/ 2019 before and after auditing

- After the audit, profit after tax of Q.IV/ 2019 decreased by 92.72%, in which: the cost of goods sold increased by 0.39%; the general administrative expense decreased by 1.39%, which led to a decrease of 124.33% of the profit before tax. The above factors affected the business results, especially profit after tax of Q.IV/ 2019 after the audit decreased by 92.78% compared to before the audit