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

On 03 Apr 2020, Power Generation Joint Stock Corporation 3 explained the financial statements of 2019 as follows:

I. Profit after tax

1.1 Target profit after tax of this year compared to the previous year

Unit: VND million

|  |  |  |
| --- | --- | --- |
| Indicator | Accumulated from the beginning of the year | |
| Year 2019 | Year 2018 |
| Separate profit after tax | 650,263 | (890,863) |
| Profit after tax in the consolidated financial statement | 904,091 | (853,532) |

Note: (\*) Power Generation Joint Stock Corporation 3 officially transformed into Joint Stock Company on October 1, 2018. The comparative figures were presented in the financial statements for 2019 were figures for the period of from October 1, 2018 to December 31, 2018 of Power Generation Joint Stock Corporation 3 - Joint Stock Company

Profit after tax of this year was positive; the profit after tax of the previous year was negative due to the following main reasons:

- According to financial regulations at the time of official transformation into a joint stock company in Article 21, Decree No.126/2017/ND-CP dated November 16, 2017 of the Government on moving the State-owned enterprises and one-member limited liability companies invested by State enterprises with 100% of charter capital into joint-stock companies; the Corporation reassessed the monetary items in foreign currencies on September 30, 2018 with foreign exchange losses of VND 1,504 billion. These losses were not carried over to the results of production and business activities in the period of from 01 Jan 2018 to 30 Sep 2018 and transferred to the joint stock company for monitoring and handling according to regulations

- All of the above exchange rate losses were recorded into the business results of from October 1, 2018 to December 31, 2018, after financial settlement and offsetting the exchange rate difference profit due to revaluation of monetary items in foreign currencies on December 31, 2018; the amount of foreign exchange losses were recorded in financial expenses of October 1, 2018 to December 31, 2018: VND 1,239 billion

1.2. Profit after tax after auditing and before auditing

Unit: VND million

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Indicator | Accumulated from the beginning of the year | | | |
| After auditing | Before auditing | Difference | Rate (%) |
| Separate profit after tax | 650,263 | 686,820 | - 36,557 | 5.3 |
| Profit after tax in the consolidated financial statement | 904,091 | 955,674 | - 51,583 | 5.4 |

- Profit after tax in the separate financial statements after auditing decreased by VND 36.5 billion compared to the figures before auditing mainly because: The cost of goods sold increased by VND 50.5 billion; the corporate income tax decreased by VND 20.9 billion

- Consolidated after-tax profit after auditing decreased by VND 51.5 billion compared to the pre-audited figures mainly due to: Cost of goods sold increased by VND 70.6 billion; the corporate income tax decreased by VND 24.6 billion