**MEG: Explanation for the audited financial statement of 2019**

On 16 Apr 2020, Megram Joint Stock Company explained the audited financial statement of 2019 as follows:

1. Profit after tax of the parent company in the income statement of the period changed over 10% compared to the same period last year:

|  |  |  |  |
| --- | --- | --- | --- |
| Indicator | Year 2019 | Year 2018 | Difference (%) |
| Profit after tax of the parent company | 27,793,388,562 | 25,258,912,316 | 10.03 |

Profit after tax of the parent company in 2019 increased by 10.03% compared to 2018 due to the better performance of household businesses compared to the same period in 2018. As a result, the profit after tax of the parent company increased by VND 2,534 million

2. Other income, other expense, the deferred corporate income tax in the accumulated consolidated income statement of the 4th quarter of the year changed from 5% or more compared to the audited financial statement of 2019:

|  |  |  |  |
| --- | --- | --- | --- |
| Indicator | Announced figure Q.4 | Audited figure 2019 | Difference (%) |
| Other income | 4,007,400,319 | 1,544,848,318 | (61%) |
| Other expense | 1,819,748,505 | 1,599,549,694 | (12%) |
| Deferred corporate income tax expense | 436,363,718 | 164,559,500 | (62%) |

Other income in the consolidated financial statement dropped by VND 2,462 million, equivalent to 61% compared to the audited financial statement because the Company reclassified the value of services provided to customers from account 711 - other income to account 511 - revenue of selling goods and services: VND 1,877 million, at the same time the Company offset other income and other expense: VND 582 million

Other expense in the published consolidated financial statement reduced by VND 220 million, equivalent to 12% than the audited financial statement due to the Company's additional tax payment of VND 139 million according to the inspection record; reclassification of accounts: recognizing part-time remuneration of the Board of Directors: VND 448 million; other income and other cost: VND 582 million; reclassifying from other expense to sales expense and administration expense: VND 179 million

Deferred corporate income tax expense in the published consolidated financial statement decreased by VND 272 million, equivalent to 62% compared to the audited financial statement due to the reversal of provision for financial investments, resulting in the decrease of VND 260 million in the deferred corporate income tax

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