**SRA: Explanation for the financial statements of 2019**

On 30 Mar 2020, SARA Vietnam Joint Stock Company explained the financial statements of 2019 as follows:

Explanation of profit increase over 10% compared to the previous year

- Business results in 2018

+ Revenue: VND 391,887,665,624

+ Profit after tax: VND 104,915,063,044

- Business results in 2019

+ Turnover: VND 292,431,682,085

+ Profit after tax: VND 73,019,056,036

The Company's after-tax profit in 2019 – holding company decreased by VND 31,896,007,008 compared to the previous year, equivalent to a 30% reduction for the following reasons:

- Revenue from sales of machinery, medical equipment of subsidiaries decreased by 25% compared to the previous year;

- General and administration expenses increased by 69%, equivalent to an increase of VND 1.8 billion due to increased costs of outsourcing

2. Explanation for the difference in the figures in the results of business operations before and after the audit

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No | Indicators | Pre-audit figures (VND) | Figures after auditing (VND) | Differences (VND) | Causes |
|  |  | (1) | (2) | (3) = (2) - (1) |  |
| 1 | Financial income | 620,294,005 | 1,093,308,789 | 473,014,784 | Adjustment of exchange rate differences at the end of the year |
| 2 | Sales expense | 16,067,720 | 147,838,720 | 131,771,000 | Reclassification of costs |
| 3 | Administrative expenses | 4,690,768,742 | 4,565,897,742 | - 124,871,000 | Reclassification of expenses |
| 4 | Other income | 12,539,367,046 | 478,162 | - 12,538,888,884 | Adjustment of income, liquidation of fixed assets |
| 5 | Other expense | 12,643,570,221 | 25,521,122 | - 12,618,049,099 | Adjustment of expenses on purchase of fixed assets |
| 6 | Profit before tax | 72,735,946,552 | 72,965,086,068 | 229,139,516 | Adjustment of trust expenses and other expenses |
| 7 | Profit after tax  | 72,619,037,552 | 73,019,056,036 | 283,109,484 | Adjustment of commission expenses and other expenses |

3. Explanation of retrospective adjustment in the consolidated financial statements

Some of the targets in the 2018 cash flow statement are adjusted as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Indicators | Figures in the financial statement of the previous year | Adjusted figures | Difference | Reasons |
| Increased, decreased inventories | 18,558,945,455 | 25,958,945,455 | 7,400,000,000 | Adjustment due to reduction of consolidated figures of Nha Trang high-tech application medical Joint Stock Company  |
| Increased, decreased payables | (1,487,577,299) | (1,117,577,299) | - 370,000,000 | VAT of the above adjustment |
| Money spent to buy fixed assets and other long-term assets | (9,712,500,000) | (17,482,500,000) | 7,770,000,000 | Adjustment of the two indicators |