**PVR: Explanation for the loss in the first 6 months of 2020 and remedies**

On 04 Aug 2020, Hanoi PVR Investment Joint Stock Company explained the the loss in the first 6 months of 2020 and remedies follows:

1. Reasons for the loss in the first 6 months of 2020

PVR is a company operating and doing business mainly in real estate. The company is the investor of the investment project of CT10-11 Van Phu, Ha Dong, Hanoi and Tan Vien high-class international tourism area (now renamed Ba Vi high-class international tourist area project)

Based on the guidance in Circular No. 96/2015/TT-BTC dated June 22, 2015, the time for recording revenue is the time when the service provision is completed or each service provision is completed. Therefore, the project was in the investment phase, and PVR Company could not record revenue and profit of the Project in this period

However, in the first 6 months of 2020, the Company incurred a cost of goods sold higher than sales of goods and services (machine leasing). In addition, PVR Company made provision for investments: Education Financial Investment Joint Stock Company (EFI), Lam Kinh Petroleum Hotel Joint Stock Company, PV2 Investment Joint Stock Company and administrative expense of VND 1.4 billion. The above blemishes affected profitability in the first 6 months of 2020, leading to negative profit figure

2. Remedy: In order to overcome the above situation, PVR provided specific solutions as follows:

- Complete legal documents of Tan Vien Project to carry out the next work of the stage of investment preparation and project implementation

- Seeking funding sources for the construction of CT10-11 Van Phu Project, ensuring investments in the future

- Actively and proactively seek partners with financial capacity to cooperate, ensuring credit for current investment projects in order to bring about economic efficiency

The above is the explanation of Hanoi PVR Investment Joint Stock Company on the cause of loss in the first 6 months of 2020 and the plan on recovering the situation