**CTC: Explanation for the qualified opinion of the auditors at the separate semi-annual Financial Statement of 2020**

On 14 Aug 2020, CTC Gia Lai Joint Stock Company explained the qualified opinion of the auditors at the separate semi-annual Financial Statement of 2020 as follows:

1. The qualified opinion of the auditors at the separate semi-annual Financial Statement of 2020:

The Company did not confirm the balance at 30 Jun 2020 of current trading receivables, current advance payment to sellers, other receivables, current payables for sellers which were VND 13.7 billion; VND 15.07 billion; VND 13.09 billion; VND 12.67 billion; VND 2.93 billion and VND 2.55 billion, respectively, confirmed at 31 Dec 2019 the above liabilities with the amount which were VND 14.67 billion; VND 14.13 billion; VND 12.17 billion; VND 18.05 billion; VND 2.93 billion and VND 2.62 billion, respectively

Explanation:

In December of 2019, the Company changed the personnel of Executive Board, including Chair of Board of Directors, Board of Management, when taking over, we had not received the handovers so for all the liabilities, we are reviewing and sending documents to request confirmation but due to the epidemic, the confirmation has not been replied timely at that moment

1. Difference in revenue and profit after tax at the audited Separate Financial Statement of 2020 compared to revenue and profit after tax at the audited Separate Financial Statement of 2019

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Indicators | Code of indicator | Revenue and profit after tax at the audited Separate Financial Statement of 2019 | Revenue and profit after tax at the audited Separate Financial Statement of 2020 | Difference |
| 1 | 2 | 3 | 4 | 5=4-3 |
| Revenue from sales and services supply | 01 | 31,000,427,907 | 39,920,258,787 | (8,019,830,880) |
| Profit after tax | 60 | (181,343,756) | 778,667,394 | 960,011,150 |

* Revenue of the first 06 months of 2020 increased year on year

Reason: The Covid-19 epidemic made the Company have to suspend all the business operations in 02 months of the service business department, to maintain the business operations continuously in other fields, the Company exploited the sector of commercial products wholesale, therefore, revenue increased

* Profit after tax of the first 06 months of 2020 increased year on year

Reason: Revenue increased so the profit also increased

1. Difference in revenue and profit after tax at the audited Separate Financial Statement of 2020 and the Separate Financial Statement of 2020 before audit:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Indicators | Code of indicator | Revenue and profit after tax at the Separate Financial Statement of 2020 before audit | Revenue and profit after tax at the audited Separate Financial Statement of 2020 | Difference |
| 1 | 2 | 3 | 4 | 5=4-3 |
| Revenue from sales and services supply | 01 | 31,936,570,883 | 38,596,614,350 | 6,660,043,467 |
| Profit after tax | 60 | 658,442,295 | 778,667,394 | 120,225,099 |

Explanation:

* Revenue of the first 06 months of 2020 after audit increased in comparison with before audit

Reason: Reduced the volume of products sold due to customers have not confirmed that the products were on delivery during the making period of the report

* Profit after tax of the first 06 months of 2020 after audit increased in comparison with before audit:

Reason: Revenue increased so the profit also increased