**X20: Explanation for the difference in financial statement of Q.2/ 2020 year on year**

On 29 Jul 2020, X20 Joint Stock Company explained the difference in financial statement of Q.2/ 2020 year on year as follows:

1. Difference in some targets in the parent company's financial statement in the 2nd quarter of 2020:

X20 Joint Stock Company, a textile and garment enterprise, was also heavily affected by the Covid 19 pandemic. For the export garment industry, in Q.2/2020, all customers announced to reduce production by 30% - 40%, delayed production time and cancelled orders; inventories could not be delivered, some orders had to delay delivery due to the failure in sale of products in markets: USA, Europe, Japan, Korea ... Besides, the focal points of domestic economic customers were slowed down; economic contracts were reduced due to the influence of the pandemic

However, with the attention of the governing body - the General Department of Logistics, in Q.2/ 2020, the Company deployed a number of reserve orders and Covid 19 prevention to serve the Military Logistics, so net sales of goods and services increased by 2.05%. Financial expenses decreased due to the reversal of provision for investment in subsidiaries; due to the partial advance of production capital, in the second quarter of 2020, bank loans decreased, leading to decrease of 59.77% in interest expense compared to the same period of 2019, equivalent to VND 500,796,191. Sales expense decreased due to the impact of the pandemic

In 2019, the Company did not make provision for salary, so the management expense in the second quarter of 2020 increased compared to the same period in 2019

The above factors caused the after-tax profit to decrease by 21.94%, equivalent to VND 1,093,617,667

2. Difference in some targets in the consolidated financial statement in the 2nd quarter of 2020:

Revenue increased by 5.06%, corresponding to an increase of VND 9,769,377,7394; cost of goods sold increased by 4.11%, lower than the rate of increase in revenue, resulting in an increase of 9.44%, in gross profit, equivalent to VND 3,237,498,940

Revenue from financial activities was 19.29% compared to 2019, a decrease of VND 106,959,257; financial expense decreased by VND 895,405,899 due to reversal of provision for investment in subsidiaries, loan interest rate decreased by 29.38% compared to the same period, equivalent to VND 499,116,305

The sales expense decreased by 27.49%, equivalent to VND 1,688,785,649 due to the export orders and the domestic economy influenced by the pandemic (reduction of production, cancellation of orders and shipping delay ...

The administrative expense increased due to the fact that in 2019 the Company could not make provision for wages, so all salaries in 2020 had to be recorded to increase expenses in the period; Besides, in May, Jun, 2020, there were many prolonged and harsh heat times, the Company incurred many expenses to ensure the health of employees such as: tonic, vitamins; supplement of drinking water in the middle of working time, continuing spraying disinfectants to prevent the epidemic, intensifying the implementation of preventive measures according to the guidance of the Ministry of Health

The above factors caused profit after income tax in the consolidated financial statement of quarter 2/2020 decreased and by 69.79% compared to the same period in 2019