**TAR: Explanation for the difference of over 10% in after-tax profit in the financial statement of the first 6 months of 2020 year on year**

On 03 Sep 2020, Trung An Hi-Tech Farming Joint Stock Company explained the difference of over 10% in after-tax profit in the financial statement of the first 6 months of 2020 year on year as follows:

1. Reviewed separate financial report:

Undistributed profit after tax in the first 6 months of 2020 increased by 4 billion VND, equivalent to 33.98% compared to the same period of 2019. This result was mainly due to the development orientation of the Board of Directors to promote domestic consumption as well as export, helping revenue of the first 6 months of 2020 increased by more than 517 billion VND compared to the same period in 2020, corresponding to an increase rate of 64.16%. However, in order to promote the sale of products, it led to a decrease in the profit margin, specifically, the revenue increased by 64.16%, but profit after tax only increased by 33.98%. Capital costs to expand business also increased by more than 11 billion VND, equivalent to 54.24% over the same period. In addition, due to the impact of the NCovd-19 epidemic, affecting the government's operating policy on banning export, restricting travel, selling costs increased by nearly 50% over the same period. That makes the growth of profits lower than the growth of revenue from selling goods and providing services.

2. Reviewed consolidated financial report:

The company owned a subsidiary from the fourth quarter of 2019, so the first 6 months of 2020, the company's consolidated report and the comparative data was the parent company's financial report for the first 6 months of 2020. The company's consolidated profit after tax in the first 6 months of the year reached more than 63 billion VND, due to the contribution of 800 hectares from the large sample field owned by the company in its subsidiary - Trung An Kieng Giang Company