

No: 451/CBTT-DMH

Hue City, 17th April 2026

Explanation for the variance of Q1/2026's net profit after taxes

**To: - State Securities Commission Of Vietnam Portal
- Hanoi Stock Exchange**

Pursuant to the provisions of Clause 3, Article 14 of Circular No. 96/2020/TT-BTC dated November 16, 2020 of the Ministry of Finance guiding information disclosure on the stock market providing guidelines on disclosure of information on securities market, Hue Textile Garment Joint Stock Company explains the variation of net profit after taxes of Q1/2026 Financial Statements in comparison to Q1/2025 Financial Statements as below:

1. For the Statement of income:

	Quarter 1/2026	Quarter 1/2025	Increase (+)/ Decrease (-)
Net profit after taxes	36,847,469,778	31,159,818,857	18%

2. Causes:

Compared to Q1/2025, the Company's profit after tax in Q1/2026 increased by 18%. In particular, the standalone profit before tax of the Yarn segment in Q1/2026 reached VND 11.6 billion, representing an increase of VND 7.0 billion, or 54.3%, year-on-year. The key drivers are as follows:

- The yarn market in Q1/2026 recorded an improvement in both demand and selling prices compared to the same period of 2025 (revenue increased by nearly 6%, of which yarn selling prices rose by approximately 5%). In addition, the cost of main raw materials consumed in Q1/2026 was lower than in the corresponding period of 2025. On this basis, the Company adjusted its actual product mix by increasing the share of cotton yarn to optimise the advantage of input material price. As a result, profit before tax of the Yarn segment in Q1/2026 increased by 54.3% compared with Q1/2025.

- Since the beginning of 2026, the garment market has been adversely affected by rising input costs (increases in freight charges and prices of raw and auxiliary materials, etc.) and weakening demand driven by ongoing geopolitical conflicts worldwide. Consequently, revenue of the Garment segment in Q1/2026 declined by 11.7% year-on-year. Nevertheless, through effective production management, the Company sustained earnings on par with Q1/2025.

The above constitutes the explanation for the variance in profit after tax between the Q1/2026 Financial Statements and the Q1/2025 Financial Statements of Hue Textile Garment Joint Stock Company./.

Recipients:

- As mentioned above;
- Archived: Clerical assistant, Secretary of the Board of Management.



GENERAL DIRECTOR

Nguyễn Hồng Liên