**LAS: Explanation of the profit difference after the State Audit**

On January 17, 2024, Lam Thao Fertilizers & Chemicals Joint Stock Company announced Official Dispatch No. 58 TC-KT/SPLT explaining the profit difference increasing VND 5.1 billion after the State Audit as follows:

1. Balance sheet on December 31, 2022

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Targets** | **Code** | **Reported number of the Company** | **Reported number of the State Audit** | **Difference** |
| **A** | **B** | **1** | **2** | **3 = 2-1** |
| **Assets** |  |  |  |  |
| 1. **Short-term assets** | **100** | **1,948,557,255,844** | **1,953,958,309,772** | **5,401,053,928** |
| III. Short-term receivable | 130 | 601,121,145,557 | 602,019,981,680 | 898,836,123 |
| 6. Other short-term receivables | 136 | 1,153,692,721 | 2,052,528,844 | 898,836,123 |
| IV. Inventory | 140 | 1,233,624,934,984 | 1,237,693,824,568 | 4,068,889,584 |
| V. Other short-term assets | 150 | 3,041,020,850 | 3,474,349,071 | 433,328,221 |
| 1. Short-term prepaid expense | 151 | 2,708,022,218 | 3,141,350,439 | 433,328,221 |
| **Total assets** | **270** | **2,279,972,092,251** | **2,285,373,146,179** | **5,401,053,928** |
| **Capital source** |  |  |  |  |
| **C. Liabilities** | **300** | **934,832,172,505** | **935,053,983,672** | **221,811,167** |
| **Short-term liabilities** | **310** | **934,832,172,505** | **935,053,983,672** | **221,811,167** |
| 3. Taxes and other payables to the State | 313 | 13,533,760,421 | 15,628,764,935 | 2,095,004,514 |
| 5. Short-term accrued expenses | 315 | 37,797,233,620 | 35,507,051,045 | (2,290,182,575) |
| 9. Other short-term payables | 319 | 26,903,990,231 | 27,320,979,459 | 416,989,228 |
| **D. Owners’ equity** | **400** | **1,345,139,919,746** | **1,350,319,162,507** | **5,179,242,761** |
| 11. Undistributed profit after tax | 421 | 99,796,912,802 | 104,976,155,563 | 5,179,242,761 |
| **TOTAL CAPITAL SOURCE** | **270** | **2,279,972,092,251** | **2,285,373,146,179** | **5,401,053,928** |

1. Report on production and business results in 2022

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Targets** | **Code** | **Reported number** | **Audited number** | **Difference** |
| **A** | **B** | **1** | **2** | **3 = 2-1** |
| 4. Cost of goods sold | 11 | 2,701,249,926,007 | 2,697,570,626,858 | (3,679,299,149) |
| 5. Gross profit on insurance and service provision | 20 | 454,456,469,988 | 458,135,769,137 | 3,679,299,149 |
| 6. Revenue from financial activities | 21 | 12,309,394,388 | 13,069,805,347 | 760,410,959 |
| 7. Financial expenses | 22 | 21,096,151,933 | 21,513,141,161 | 416,989,228 |
| 8.Selling expenses | 24 | 136,335,752,704 | 134,045,570,129 | (2,290,182,575) |
| 9. Enterprise management expenses | 25 | 200,634,085,965 | 200,373,321,536 | (260,764,429) |
| 10. Net profit from business activities | 30 | 108,699,873,774 | 115,273,541,658 | 6,573,667,884 |
| 11. Other incomes | 31 | 4,707,513,947 | 4,845,939,111 | 138,425,164 |
| 13. Other profits | 40 | 3,752,882,194 | 3,891,307,358 | 138,425,164 |
| 14. Earning before tax | 50 | 112,452,755,968 | 119,164,849,016 | 6,712,093,048 |
| 15. Current corporate income tax expense | 51 | 23,924,476,946 | 25,457,327,233 | 1,532,850,287 |
| 17. Profit after corporate income tax | 60 | 88,528,279,022 | 93,707,521,783 | 5,179,242,761 |

According to the data in the Financial Statements audited by the State Audit specialized in VI issued on January 8, 2024, Lam Thao Fertilizers & Chemicals Joint Stock Company would like to report to the State Securities Commission, Hanoi Stock Exchange, and all the shareholders the main reasons for the increase in after-tax profit by VND 5.1 billion:

* The cost of goods sold decreased by VND 3.6 billion due to the re-determination of inventory value, the reallocation of tool costs, and the non-deductible value-added tax.
* Financial costs, sales costs, management costs, and other profits, the total of increasing and decreasing costs is VND 3.0 billion due to redefining costs on time.

The above data are the Company's explanation about the factors causing the difference in production and business results data after the State Audit. Lam Thao Fertilizers & Chemicals Joint Stock Company would like to report to the State Securities Commission, Hanoi Stock Exchange, and all the shareholders of the Company.