**HAM: Explanation on Financial Statements 2023**

On March 11, 2024, Hau Giang Materials Joint Stock Company announced Official Dispatch No. 40/VT.2024 on the difference in business results compared to the report of the same period last year as follows:

From the end of 2022 until now, most steel manufacturing and trading enterprises have faced many difficulties and challenges due to the frozen real estate market and stagnant construction projects, causing production to decline. Construction steel products have no output, steel prices have decreased by 14%. That is the reason why the Company's revenue decreased by 31% compared to 2022. Sales costs decreased by 13%, general and administrative costs increased by 6%, and financial costs increased by 5%. Financial revenue increased by 68% due to receiving dividends from companies in which Hau Giang Materials Joint Stock Company invested capital in. That is the reason why revenue decreased sharply but company profit increased 18% compared to 2022.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No. | Target | 2022 | 2023 | Difference | Increase/decrease (%) |
| 1 | Revenue from goods sales and service provision | 2,722,119,374,764 | 2,062,893,394,387 | (659,225,980,377) | -32% |
| 2. | Revenue deductions | 850,875,013 | 10,738,000 | (840,137,013) |  |
| 3 | Net revenue from goods sales and service provision | 2,721,268,499,751 | 2,062,882,656,387 | (658,385,843,364) | -32% |
| 4. | Cost of goods sold | 2,623,523,357,237 | 1,994,616,667,830 | (628,906,689,407) | -32% |
| 5. | Gross profit from goods sale and services provision | 97,745,142,514 | 68,265,988,557 | (29,479,153,957) | -43% |
| 6. | Revenue from financial activities | 11,957,294,736 | 37,574,836,073 | 25,617,541,337 | 68% |
| 7. | Financial expenses | 29,124,060,534 | 30,889,537,327 | 1,765,476,793 | 6% |
|  | In which: interest expense | 28,040,811,923 | 29,122,921,937 | 1,082,110,014 | 4% |
| 8. | Selling expenses: | 41,427,489,670 | 36,648,938,959 | (4,778,550,711) | -13% |
| 9. | General and administrative expense | 22,258,469,836 | 23,744,025,265 | 1,485,555,429 | 6% |
| 10. | Net profit from business activities | 16,892,417,210 | 14,558,323,079 | (2,334,094,131) | -16% |
| 11. | Other incomes | 623,566,630 | 1,110,486,819 | 486,920,189 | 44% |
| 12. | Other expenses | 275,910,675 | 823,461,367 | 547,550,692 | -52% |
| 13. | Other profits | 347,655,955 | 287,025,452 | (60,630,503) | -21% |
| 14. | Total profit before tax | 17,240,073,165 | 14,845,348,531 | (2,394,724,634) | -62% |
| 15. | Current corporate income tax expenses | 5,119,425,452 | - | (5,119,425,452) |  |
| 16 | Deferred corporate income tax expense | - | - | - |  |
| 17. | Profit after tax | 12,120,647,713 | 14,845,348,531 | 2,724,700,818 | 18% |