**HDM: Explanation on the retroactive adjustments to Financial Statements 2022**

On March 13, 2024, Hue Textile Garment Joint Stock Company announced Official Dispatch No. 282/CBTT-DMH explaining the retroactive adjustments to the production and business results in 2022 and opening balance on Financial Statements 2023 as follows:

Hue Textile Garment Joint Stock Company has made retroactive adjustment to the Financial Statements 2022 as per Notice No. 12/TB-KTNN of the State Audit dated February 02, 2024. The adjustment has changed the figures in production and business results in 2022 and the opening balance on the Financial Statements 2023. These are detailedly presented in the audited Financial Statements 2023. The figures from the retroactive adjustment are as follows:

* Balance sheet

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| --- | --- | --- | --- |
| Targets | January 01, 2023 (Presented in the Financial Statements of last year) | January 01, 2023 (Adjustments by the State Audit) | January 01, 2023 (Adjusted on the Financial Statements 2023) |
| VND | VND | VND |
| Inventory | 445,761,744,112 | 8,594,643,954 | 454,356,388,066 |
| Provision for devaluation in inventories | (38,954,983,357) | 264,926,470 | (38,690,056,887) |
| Tangible fixed assets - historical cost | 1,015,052,990,134 | 1,164,293,439 | 1,016,217,283,573 |
| Tangible fixed assets - accumulated depreciation | (713,070,285,799) | (106,519,037) | (713,176,804,836) |
| Provision for long-term financial investment | (868,651,325) | 265,771,413 | (602,879,912) |
| Long-term prepaid expense | 20,812,109,960 | (972,139,955) | 19,839,970,005 |
| Short-term prepaid buyers  | 5,614,551,372 | (438,099,226) | 5,176,452,146 |
| Taxes and other payables to the State | 12,082,848,700 | 2,130,536,902 | 14,213,385,602 |
| Undistributed profit after tax | 153,186,318,981 | 7,518,538,608 | 160,704,857,589 |

* Report on business activities results

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| --- | --- | --- | --- |
| Targets | 2022(Presented in the Financial Statements of last year) | 2022(Adjustments by the State Audit) | 2022 (Adjusted on the Financial Statements 2023) |
| VND | VND | VND |
| Cost of goods sold and service provision | 1,707,182,782,119 | (350,560,917) | 1,706,832,221,202 |
| Financial expenses | 25,870,427,537 | (265,771,413) | 25,604,656,124 |
| Other incomes | 7,129,248,633 | 9,032,743,180 | 16,161,991,813 |
| Current corporate income tax expense | 39,783,419,997 | 2,130,536,902 | 41,913,956,899 |

* Upward revision for inventories on December 31, 2022 and downward revision for other incomes of the year ended the same date for the amount of fabric the customers gave the Company without collecting a fee of VND 8,595 million
* Downward revision for the provision for devaluation in inventories as of December 31, 2022 and downward revision of the cost of goods sold and service provision of the year ended on December 31, 2022 with the amount of VND 265 million
* Upward revision for tangible fixed assets - historical cost, tangible fixed assets - accumulated depreciation, and downward revision for the prepaid expense as of December 31, 2022 related to the capitalization of the expenses of big renovations with the amount of VND 1,164 million, VND 106 million, and VND 972 million, respectively. At the same time, make downward revision for cost of goods sold and service provision of the year ended on the same date, corresponding to the related depreciation expense with the amount of VND 86 million
* Downward revision for provision for long-term financial investment on December 31, 2022 and downward revision for financial expenses for the fiscal year ending on December 31, 2022 with the amount of VND 266 million
* Downward revision for short-term prepayment to buyers on December 31, 2022 and upward revision for other incomes for the fiscal year ending on December 31, 2022 with the amount of VND 438 million
* Upward revision for taxes and other payables to the State on December 31, 2022, upward revision for current corporate income tax expenses for the fiscal year ending on December 31, 2022 due to the impacts of the above adjustment of VND 2,131 million
* Upward revision for undistributed profit after tax as of December 31, 2022 due to changes in business results of VND 7,519 million