**SVH: Explanation on difference in profit after tax 2023 before audit and after audit**

On March 19, 2024, Song Vang Hydropower Joint Stock Company announced Official Dispatch No. 12/2024/CVGT-SVH on explaining the reason for the difference in profit after tax 2023 after audit as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| Target (VND) | Audited Financial Statements 2023 | Unaudited Financial Statements 2023 | Difference (%) |
| 1. Cost of goods sold | 19,202,740,290 | 20,822,493,696 | -7.78% |
| 2. Financial expenses | 8,907,025,778 | 9,635,409,166 | -7.56% |
| 3. General and administrative expenses | 1,118,203,792 | 4,340,805,966 | -74.24% |
| 4. Other expenses | 1,497,943,481 | 922,684,825 | 62.35% |
| 5. Profit after tax | 29,661,578,279 | 25,221,193,191 | 17.61% |

Reason:

* The Company's profit after tax has a difference of 5% compared to the audited Financial Statements 2023 as follows:

Audited financial expenses in 2023 (VND 8,907,025,778) decreased by 7.56% compared to financial expenses in the reporting period accumulated to December 31, 2023 (VND 9,635,409,166), corresponding to the amount of VND 728,383,388, this is the interest on a new project loan that is not included in production and business during the period but is included in fixed assets in progress.

Audited general and administrative expenses in 2023 (VND 1,118,203,792) decreased by 74.24% compared to that in the reporting period accumulated to December 31, 2023 (VND 4,340,805,966).  
This is a LC UPAS fee for imported goods of a new project that is not included in production and business during the period but is included in fixed assets formed in the future.

Audited Cost of goods sold (VND 19,202,740,290) decreased by 7.78% compared to the cost of goods sold in the reporting period accumulated to December 31, 2023 (VND 20,822,493,696).  
This is the amount of electricity cost collected from project construction contractors that is not deductible when determining taxable income.

Audited Other Expenses in 2023 (VND 1,497,943,481) increased by 62.35% compared to Other Expenses in the reporting period accumulated to December 31, 2023 (VND 922,684,825) due to the auditor’s reclassification of expenses

This resulted in the company's profit after tax after the audit increasing by 17.61% compared to the profit after tax before the audit.