**HUG: Explanation on difference in profit after tax 2023**

On March 29, 2024, Hung Yen Garment Corporation - Joint Stock Company announced Official Dispatch No. 391/CV-MHY on explaining the difference in profit after tax on the Financial Statements 2023 compared to the same period as follows:

1. Financial Statements of the Holding Company:

* Profit after tax 2023: VND 76,594,248,327
* Profit after tax 2022: VND 99,215,133,230

Difference (Decrease): VND 22,620,884,903, equivalent to a decrease rate of 22.8%. Main reasons:

2023 was exceptionally brutal as the global economy was in the doldrums and inflation high in some countries such as the US, UK, EU, Japan, Korea... thus reducing the demand for textiles and garments, leading to a lack of orders and a sharp decrease in processing prices. This is a common situation for companies in the Vietnamese textile and garment industry. For Hung Yen Garment Corporation - Joint Stock Company, due to scarcity of orders, in 2023, the Company must accept trivial orders, difficult orders, orders with processing prices plummeted by 20% - 40% compared to the previous time, thus directly affecting business results in 2023, causing profit after tax on the Financial Statements 2023 to decrease sharply over the same period.

1. Consolidated Financial Statements:

* Profit after tax in 2023: VND 73,432,385,906
* Profit after tax in 2022: VND 115,546,239,175

In 2023, the Corporation restructured its subsidiaries and joint ventures. According to General Mandate No. 01/NQDHDCD-MHY dated April 25, 2023, the Corporation does not buy additional shares issued at Phu Hung Joint Stock Company. Accordingly, the Consolidated Financial Statements are made until the time the Corporation loses control of the subsidiary, which is May 31, 2023. After May 31, 2023, the Corporation no longer had any subsidiaries.