**NDT: Explanation on the Audited Financial Statements 2023**

On March 29, 2024, Nam Dinh Textile Garment Joint Stock Corporation announced Official Dispatch No. 28/DMND-TCKT on explaining the change of 10% or more in profit after tax compared to the same period last year

1. The Financial Statements of the Holding Company:
* Profit after tax in 2023: VND -135,365 million.
* Profit after tax in 2022: VND 3,552 million.

Difference: VND -138,917 million compared to the same period last year

1. Consolidated Financial Statements:
* Profit after tax in 2023: VND -132,936 million
* Profit after tax in 2022: VND 18,482 million

Difference: VND -151,418 million over the same period last year

Main reasons:

In 2023, Nam Dinh Textile Garment Joint Stock Corporation and the Vietnamese textile and garment industry continued to face difficulties. From the end of Q2/2022 throughout 2023, major markets such as the US and Europe had very limited imports, China was almost frozen. The prolonged Russia-Ukraine conflict and new conflicts like Israel-Hamas greatly affected the global economy. Prices of raw materials and fuels increased or decreased unpredictably, supply chains were disrupted and broken, inflation and interest rates rose sharply. The above factors had a major impact on the corporation, seriously affecting the production and business efficiency of the corporation as well as its subsidiaries and associates. However, to ensure the livelihoods of workers, Natexco still tried to maintain production and create jobs for workers.

On March 29, 2024, Nam Dinh Textile Garment Joint Stock Corporation announced Official Dispatch No. 29/DMND on explaining the loss in profit after tax in the current period and the change from profit in the previous period to loss in the current period

1. Explanation for the loss in profit after corporate income tax in the reporting period:
2. The Financial Statements of the Holding Company:
* Profit after corporate income tax in 2023: VND -135,365 million.
1. Consolidated Financial Statements:
* Profit after corporate income tax in 2023: VND -132,936 million.
1. Explanation of the reasons for the change from profit in the same period last year to loss in this period's report:
2. The Financial Statements of the Holding Company:
* Profit after tax on the Financial Statements 2023: VND -135,365 million.
* Profit after corporate income tax in 2022: VND 3,552 million.

Difference: VND -138,917 million over the same period last year

1. Consolidated Financial Statements:
* Profit after tax on Consolidated financial statements 2023: VND -132,936 million.
* Profit after corporate income tax in 2022: VND 18,482 million.

Difference: VND -151,418 million over the same period last year

The main reasons for the loss in profit after tax in the current period and the change from profit in the previous period to loss in the current period are:

In 2023, Nam Dinh Textile Garment Joint Stock Corporation and the Vietnamese textile and garment industry continued to face difficulties: From the end of Q2/2022 throughout 2023, major markets such as the US and Europe had very limited imports, China was almost frozen. The prolonged Russia-Ukraine conflict and new conflicts like Israel-Hamas greatly affected the global economy. Prices of raw materials and fuels increased or decreased unpredictably, supply chains were disrupted and broken, inflation and interest rates rose sharply. The above factors had a major impact on the corporation, seriously affecting the production and business efficiency of the corporation as well as its subsidiaries and associates. However, to ensure the livelihoods of workers, Natexco still tries to maintain production and create jobs for workers.

On March 29, 2024, Nam Dinh Textile Garment Joint Stock Corporation announced Official Dispatch No. 30/BC-DMND on explaining the basis for the auditor's qualified opinion on the impact of the 2021 salary fund provision on the comparative information in the 2023 financial statements:

1. On the separate financial statements 2023:

The audit company (KPMG) issued a qualified audit opinion on "The impact of the 2021 salary fund provision on the comparative information in the 2023 financial statements", as follows:

As of January 1, 2022, the balance of Payables to employees included VND 15 billion, which was the amount the Corporation provisioned for salaries in the 2021 financial statements. The Corporation had not incurred a current debt obligation to employees as of the end of the 2021 fiscal year corresponding to this amount.

 In the year ended December 31, 2022, the Corporation reversed this provision into General and administrative expenses instead of adjusting it to Retained earnings as of January 1, 2022 in accordance with Vietnamese Accounting Standard No. 29 - Changes in accounting policies, accounting estimates and errors.

 Therefore, for the year ended December 31, 2022, General and administrative expenses were understated by VND 15 billion, Current corporate income tax expense was overstated by VND 3 billion, and Profit after corporate income tax was overstated by VND 12 billion.

This issue led the auditors to issue a qualified opinion on the separate financial statements for the year ended December 31, 2022 of the Corporation. We also issued a qualified opinion on the current year's separate financial statements due to the impact of this issue on the comparability of General and administrative expenses, Current corporate income tax expense and Loss after corporate income tax of the current year and the corresponding comparative figures for the year ended December 31, 2022.

1. On the consolidated financial statements 2023:

The audit company (KPMG) issued a qualified audit opinion on "The impact of the 2021 salary fund provision on the comparative information in the 2023 financial statements", as follows:

As of January 1, 2022, the balance of Payables to employees and Short-term provisions included VND 22 billion, which was the amount the Corporation and its subsidiaries provisioned for salaries in the consolidated financial statements for the year ended December 31, 2021 to pay employees for the following year. The recognition of this salary provision in the consolidated financial statements for the year ended December 31, 2021 of the Corporation and its subsidiaries was not in accordance with Vietnamese Accounting Standard No. 18 - Provisions, Contingent Assets and Contingent Liabilities, because the Corporation and its subsidiaries had not incurred a current debt obligation to employees as of the end of the 2021 fiscal year corresponding to this amount. In the year ended December 31, 2022, the Corporation and its subsidiaries reversed VND 19 billion out of the total VND 22 billion salary provision into General and administrative expenses instead of adjusting it to Retained earnings as of January 1, 2022 in accordance with Vietnamese Accounting Standard No. 29. Therefore, for the year ended December 31, 2022, General and administrative expenses were understated by VND 19 billion, Current corporate income tax expense was overstated by VND 3.8 billion, and Profit after corporate income tax was overstated by VND 15.2 billion.

This issue led the auditors to issue a qualified opinion on the consolidated financial statements for the year ended December 31, 2022 of the Corporation and its subsidiaries. We also issued a qualified opinion on the current year's consolidated financial statements due to the impact of this issue on the comparability of General and administrative expenses, Current corporate income tax expense and Loss after corporate income tax of the current year and the corresponding comparative figures for the year ended December 31, 2022.