**DL1: Explanation on the difference of 10% in profit after tax in Financial Statements 2023 compared to that in 2022**

On March 30, 2024, Alpha Seven Group Joint Stock Company announced Official Dispatch No. 10/2024/CV-A7 on explanations related to the audited financial statements 2023 as follows:

1. Explanation the difference of over 5% in the business activities results in the Income Statement before and after audit.
2. In the Separate Income Statement.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No. | Target | 2023 | | Difference | % Increase/decrease |
| After audit | Before audit |
| 1 | General and administrative expense | 3,720,855,096 | 3,772,909,704 | (52,054,608) | (1.38) |
| 2 | Net profit from business activities | 17,606,645,945 | 17,554,591,337 | 52,054,608 | 0.30 |
| 3 | Other incomes | 98,731,800 | 570,000,000 | (471,268,200) | (82.68) |
| 4 | Other expenses | 21,426,287 | 492,694,487 | (471,268,200) | (95.65) |
| 5 | Other profits | 77,305,513 | 77,305,513 | - | - |
| 6 | Total profit before tax | 17,683,951,458 | 17,631,896,850 | 52,054,608 | 0.30 |
| 7 | Current corporate income tax expense | 1,211,691,668 | 1,208,331,632 | 3,360,036 | 0.28 |
| 8 | Profit after tax | 16,472,259,790 | 16,423,565,218 | 48,694,572 | 0.30 |

- Other income and other expenses decreased by VND 471 million, equivalent to 82.68%; 95.65% respectively, compared to that before the audit due to recording a reduction in liquidation costs after the audit;

- Other adjustments have insignificant differences before and after the audit

1. In the Consolidated Income Statement

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No. | Target | 2023 | | Difference | % Increase/decrease |
| After audit | Before audit |
| 1 | Cost of goods sold | 143,361,920,645 | 142,969,424,803 | 392,495,842 | 0.27 |
| 2 | Gross profit from goods sales and service provision | 137,910,958,399 | 138,304,125,241 | (393,166,842) | (0.28) |
| 3 | Revenue from Financial activities | 71,445,902,439 | 71,452,887,780 | (6,985,341) | (0.01) |
| 4 | Financial expenses: | 128,872,791,447 | 128,827,268,371 | 45,523,076 | 0.04 |
| 5 | Profit or loss from joint ventures and associates | 20,465,184,444 | 20,353,123,399 | 112,061,045 | 0.55 |
| 6 | Selling expenses | 1,272,553,559 | 1,243,465,204 | 29,088,355 | 2.34 |
| 7 | General and administrative expense | 29,193,312,660 | 28,899,174,210 | 294,138,450 | 1.02 |
| 8 | Net profit from business activities | 70,483,387,616 | 71,140,228,635 | (656,841,019) | (0.92) |
| 9 | Other income | 1,377,185,376 | 2,318,639,309 | (941,453,933) | (40.60) |
| 10 | Other expenses | 79,300,582 | 1,020,754,515 | (941,453,933) | (92.23) |
| 11 | Other profits | 1,297,884,794 | 1,297,884,794 | - | - |
| 12 | Total profit before tax | 71,781,272,410 | 72,438,113,429 | (656,841,019) | (0.91) |
| 13 | Current corporate income tax expense | 1,211,691,668 | 1,208,331,632 | 3,360,036 | 0.28 |
| 14 | Profit after tax | 70,569,580,742 | 71,229,781,797 | (660,201,055) | (0.93) |
| 15 | Profit after tax of shareholders of the Holding company | 42,187,623,874 | 42,428,688,896 | (241,065,022) | (0.57) |
| 16 | Profit after tax of non-controlling shareholder | 28,381,956,868 | 28,801,092,901 | (419,136,033) | (1.46) |

* - Other income and other expenses decreased by VND 941 million, equivalent to 40.60%; 92.23% respectively, compared to that before the audit due to recording a reduction in liquidation costs after the audit;
* Other adjustments have insignificant differences before and after the audit.

1. Explaining profit after tax in the business performance report changes by 10% or more over the same period report last year.
2. In the Separate Income Statement

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No. | Target | After audit | | Difference | % Increase/decrease |
| 2023 | 2022 |
| 1 | Revenue from goods sales and service provision | 17,324,865,803 | 13,552,417,576 | 3,772,448,227 | 27.84 |
| 2 | Revenue deductions |  |  | - |  |
| 3 | Net revenue from goods sales and service provision | 17,324,865,803 | 13,552,417,576 | 3,772,448,227 | 27.84 |
| 4 | Cost of goods sold | 7,019,378,685 | 9,626,746,578 | (2,607,367,893) | (27.08) |
| 5 | Gross profit from goods sales and service provision | 10,305,487,118 | 3,925,670,998 | 6,379,816,120 | 162.52 |
| 6 | Revenue from Financial activities | 56,149,886,204 | 57,365,265,558 | (1,215,379,354) | (2.12) |
| 7 | Financial expenses: | 44,540,682,467 | 40,667,123,288 | 3,873,559,179 | 9.53 |
| 8 | Selling expense | 587,189,814 | 693,193,678 | (106,003,864) | (15.29) |
| 9 | General and administrative expense | 3,720,855,096 | 3,635,875,741 | 84,979,355 | 2.34 |
| 10 | Net profit from business activities | 17,606,645,945 | 16,294,743,849 | 1,311,902,096 | 8.05 |
| 11 | Other incomes | 98,731,800 |  | 98,731,800 | 100 |
| 12 | Other expenses | 21,426,287 | 803,214,743 | (781,788,456) | (97.33) |
| 13 | Other profits | 77,305,513 | (803,214,743) | 880,520,256 | (109.62) |
| 14 | Total accounting profit before tax | 17,683,951,458 | 15,491,529,106 | 2,192,422,352 | 14.15 |
| 15 | Current corporate income tax expense | 1,211,691,668 | 1,393,530,438 | (181,838,770) | (13.05) |
| 16 | Profit after tax | 16,472,259,790 | 14,097,998,668 | 2,374,261,122 | 16.84 |

Profit after tax in 2023 increased by: VND 2.374 billion due to the following 2 main reasons:

* Revenue from sales and service provision in 2023 increased by 27.84% over the same period last year;
* Selling cost during the period decreased by 27.08% over the same period last year, causing gross profit from sales and service provision to increase by 162.52% respectively;
* Revenue from financial activities in 2023 decreased by VND 1,215 billion, equivalent to 2.12% over the same period last year;
* Financial expenses increased by VND 3,873 billion, increased by 9.53% over the same period last year;
* Selling expenses decreased by VND 106 million, equivalent to 15.29% over the same period last year;
* General and administrative expense increased by VND 84 million over the same period last year;
* Other income increased by VND 98 million over the same period last year;
* Other costs decreased by VND 781 million over the same period last year;

Accounting profit before tax increased by VND 2,192 billion, corporate income tax decreased by VND 181 million, leading to profit after tax increasing by VND 2,374 billion, equivalent to 16.84% over the same period last year.

1. In the Consolidated Income Statement

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No. | Target | After audit | | Difference | % Increase/decrease |
| 2023 | 2022 |
| 1 | Total profit before tax | 71,781,272,410 | 68,265,820,114 | 3,515,452,296 | 5.15 |
| 2 | Current corporate income tax expense | 1,211,691,668 | 1,393,530,438 | (181,838,770) | (13.05) |
| 3 | Profit after corporate income tax | 70,569,580,742 | 66,872,289,676 | 3,697,291,066 | 5.53 |
| 4 | Profit after tax of shareholders of the Holding company | 42,187,623,874 | 45,302,006,532 | (3,114,382,658) | (6.87) |
| 5 | Profit after tax of non-controlling shareholder | 28,381,956,868 | 21,570,283,144 | 6,811,673,724 | 31.58 |

Profit after tax in 2023 increases by VND 3,697 billion, equivalent to 5.53% compared to that in 2022.