**HLT: Explanation on auditor's report for fiscal year 2023**

On March 28, 2024, Hoang Thi Loan Textile & Garment Joint Stock Company announced Official Dispatch No. 17/2024/CV-HTL on explaining certain contents of the auditor's report for the fiscal year 2023 as follows:

1. Explanation in the case the audit organization gives a modified opinion on the Financial Statements:

Basis for the qualified opinion of the audit company:

“The Company's consolidated Financial Statements are prepared on the basis of consolidating the Holding Company's Financial Statements and the subsidiary's Financial Statements. The subsidiary's Financial Statements 2023 have not been audited. At the time of the audit, we were unable to collect sufficient appropriate evidence to determine whether it is necessary to adjust the data on the consolidated Financial Statements 2023”

Hoang Thi Loan Textile & Garment Joint Stock Company has 01 subsidiary, Công ty TNHH MTV Đầu tư Halotexco (tentatively translated as Halotexco Investment Company Limited), established on February 18, 2022. In the fiscal year 2023, this subsidiary has not yet incurred production and business operations with the business result in 2023 being a loss of VND 164,640 (this loss is mainly due to bank fees). As a result, the Holding Company - Hoang Thi Loan Textile & Garment Joint Stock Company did not audit the Financial Statements 2023 for its subsidiary - Halotexco Investment Company Limited. Regarding the Holding Company's separate Financial Statements, the audit company also released the Auditor’s Report on the Financial Statements for the fiscal year 2023 with an Unqualified audit opinion.

1. Explanation in the case the profit after tax in the income statement of the reporting period fluctuates by 10% or more compared to the same period report of the previous year, or the business results in the reporting period is a loss.

Based on the Financial Statements 2023 audited by Anviet Auditing Company Limited, Hoang Thi Loan Textile & Garment Joint Stock Company (Securities code: HLT) would like to explain to the State Securities Commission, Hanoi Stock Exchange and shareholders about profit fluctuations compared to the same period in 2022 as follows:

* Profit after tax in 2023: (VND 49,853,373,528)
* Profit after tax in 2022: VND 2,320,522,962

Difference (Decrease): VND 52,173,896,490

Profit after tax decreased compared to the same period last year, due to the negative impact of the textile market and financial market, specifically:

As the Russia-Ukraine war dragged on, global inflation increased, especially in Europe and the US, forcing the Government to tighten monetary policy, consumer demand decreased, and raw material prices (cotton, fiber) had complicated fluctuations, leading to a sharp decrease in fiber prices, seriously affecting production and business activities of the textile industry in general and the Company in particular. The effects of the above causes make the Company's production and business activities extremely difficult; The domestic and export fiber markets have difficulty consuming, and fiber inventories have increased. Product prices increased due to increased fixed costs per unit of product because the Company had to suspend machines to limit production, financial costs increased, and selling expenses increased (logistics costs increased due to the crisis in the Red Sea). All of the above reasons make the fiber industry in general and the Company in particular suffer losses in production and business operations in 2023.