**HMS: Explanation on Financial Statement 2023**

On March 31, 2024, Hanoi Textile and Garment Joint Stock Corporation announced Official Dispatch No. 16/2024-CBTT on explaining auditor’s opinion on the Financial Statement 2023 and fluctuations of profit as follows

1. As for the difference in profit after tax

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Target | 2022 | 2023 | Difference | Rate |
| The Holding Company’s profit after tax | 38,539,411,683 | 11,426,440,695 | -27,112,970,958 | -70.35% |
| The Consolidated profit after tax  | 82,934,533,301 | 4,464,269,281 | -78,470,264,020 | -94.6% |

The decrease in profit in 2023 compared to 2022 on the Holding Company's report due to a decrease in revenue compared to 2022 resulted in a decrease in profits.

The decrease in profit in 2023 compared to 2022 in the consolidated report due to the goodwill assessment of the Holding Company's capital investment in Công ty cổ phần đầu tư BĐS TTT (tentatively translated as TTT Real Estate Investment Joint Stock Company) caused profits to increase suddenly compared to previous years (explained for Audited Financial Statements 2022). In addition, with the common difficult situation of the entire economy, especially the construction industry and hotel and accommodation service business, profits at both the Holding Company and its subsidiaries decreased.

1. As for the qualified opinion on the Consolidated Financial Statements 2023:

Basis of auditor’s qualified opinion: “At the time of December 31, 2023, we had not yet received sufficient confirmation letters for personal loans worth approximately VND 19.2 billion. The replacement audit procedures had not been performed yet. Consequently, we refrained from expressing an opinion on the unreconciled and unconfirmed debt balances mentioned above, as well as their impact on the related targets presented in the Consolidated Financial Statements for the fiscal year ended December 31, 2023 of the Company.”

This loan pertains to subsidiaries and serves business operations. The accounting department at the subsidiary has already confirmed the debt sent to the lending party, but due to some customers being away on business trips, the accounting team has not yet collected sufficient debt confirmation regarding the aforementioned borrowing. The accounting department is actively addressing these deficiencies and will complete them as soon as possible.