**AAV: Explanation on the difference in the profit after tax in the Financial Statements 2023**

On March 30, 2024, AAV Group JSC announced Official Dispatch No. 3003/2024/CV-AAV on explaining the difference in profit after tax in the Financial Statements 2023 compared to the same period last year; the loss in profit after tax during the reporting period as follows:

1. Profit after tax in the Separate Financial Statements 2023 and the Consolidated Financial Statements 2023 has a difference of more than 10% compared to the same period last year:
2. In the Separate Financial Statements: (Unit: VND)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Target | 2023 | 2022 | Increase/Decrease | Rate |
| Revenue from goods sales and service provision | 7,894,000,600 | 111,569,235,130 | (103,675,234,530) | -93% |
| Financial expenses | 4,254,961,127 | 2,646,231,775 | 1,608,729,352 | 61% |
| Profit after tax | 1,025,546,006 | 9,890,459,091 | (8,864,913,085) | -90% |

In 2023, revenue from goods sales decreases sharply compared to 2022 due to many difficulties in the Company's business operations. On the other hand, financial expenses increased by VND 1,608,729,352 compared to 2022. From the above reasons, the profit after tax in the Separate Financial Statements 2023 has a difference of more than 10% compared to the same period last year.

1. In the Consolidated Financial Statements: (Unit: VND)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Target | 2023 | 2022 | Increase/Decrease | Rate (%) |
| Revenue from goods sales and service provision | 73,112,403,857 | 496,455,980,482 | (423,343,576,625) | -85% |
| Selling expense | 1,226,760,920 | 1,718,178 | 1,225,042,742 | 71299% |
| Profit after tax | (17,328,079,341) | 3,516,456,337 | (20,844,535,678) | -593% |

In 2023, revenue from goods sales and service provision decreases sharply compared to the same period in 2022. On the other hand, selling expense increases as shown in the table above, leading to a difference of more than 10% in Profit after tax in the Consolidated Financial Statements 2023 compared to the same period last year.

1. Loss in profit after tax in the reporting period

In 2023, the Company's production and business activities face many difficulties. Due to lack of profit guarantee, the Company has ceased commercial business activities. Therefore, revenue from goods sales and service provision decreases sharply and profit after tax in the reporting period suffered a loss.