

V/v: Explanation of difference in profit after tax
on 2024 financial statements compared to the same period

Hung Yen, March 27, 2025

**Dear: - State Securities Commission
- Hanoi Stock Exchange**

Pursuant to Circular No. 96/2020/TT-BTC dated November 16, 2020 of the Ministry of Finance guiding the disclosure of information on the stock market, explanation when the profit after corporate income tax in the Business Performance Report of the disclosure period changes by 10% or more compared to the report of the same period last year. Hung Yen Garment Corporation - Joint Stock Company (stock code: HUG) would like to explain the change in profit after tax in the 2024 financial report compared to 2023 of the Corporation as follows:

- Profit after corporate income tax in 2024: VND 64,230,028,467
- Profit after corporate income tax in 2023: VND 76,594,248,327

Difference decrease: VND 12,364,219,860, equivalent to a decrease of 16.1%.
The main reasons are:

2024 is a very difficult year, the political conflict between Russia and Ukraine has not ended; geopolitical conflicts in the region...; some countries such as the US, UK, EU, Japan, South Korea still have high inflation rates, the US has not lowered interest rates... which has affected the global economy. For Hung Yen Garment Corporation, the production and business situation in 2024 faced difficulties due to low processing prices; labor decreased by about 7% compared to the same period. Labor in the region has shifted a lot due to increased labor export. Salaries, insurance, transportation, transportation, electricity, etc. all increased.

Financial revenue in 2024 decreased by VND 12,212,432,534 due to very low savings interest rates in 2024, dividends received from affiliated companies decreased compared to 2023.

The above reasons affected the production and business results in 2024, causing the profit after tax index on the 2024 financial statements to decrease by 16.1% compared to the same period.

Hung Yen Garment Corporation commits that the content in the above explanation is honest and accurate.

GENERAL DIRECTOR



Phạm Thị Phương Hoa