

*V/v: Explanation of difference in profit after tax*

on the 2st Quarter 2025 Financial Statement compared to the same period

Hung Yen, July 19, 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 decode the fluctuations in after-tax profit on the financial report of the second quarter of 2025 compared to the same period of 2024 of the Corporation as follows:

- Profit after corporate income tax in the second quarter of 2025: VND 25,087,139,604

- Profit after corporate income tax in the second quarter of 2024: VND 13,004,598,448

Increase difference: VND 12,082,541,156, equivalent to 93%. The main reasons are:

2024 is a very difficult year, the political conflict between Russia and Ukraine has not ended; some countries such as the US, UK, EU, Japan, South Korea still have high inflation rates, the US has not lowered interest rates... affecting the global economy. At Hung Yen Garment Corporation, the production in the second quarter of 2024 had low orders, down from 20% - 40%, which directly affected the production and business results in the first quarter of 2024. By the second quarter of 2025, due to US tariff policies, customers requested early delivery before July 9, 2025. The entire Company focused on production for early delivery. Products produced in the second quarter of 2025 had better contract prices and higher productivity. Export revenue in the second quarter of 2025 increased by 56% over the same period. Therefore, the better business results in the second quarter of 2025 led to a 93% increase in the profit after tax index on the financial statements in the second quarter of 2025.

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

**GENERAL DIRECTOR**

Phạm Thị Phương Hoa