

V/v: Explanation of the difference in after-tax profit  
on 2025 financial statements compared to the same period

Hung Yen, March 26, 2026

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

Based on Circular No. 96/2020/TT-BTC dated November 16, 2020, of the Ministry of Finance guiding the disclosure of information on the securities market, explanation is required when the after-tax profit in the Statement of Business Results for the reporting period changes by 10% or more compared to the same period of the previous year.

Hung Yen Garment Corporation - Joint Stock Company (stock code: HUG) would like to explain the fluctuation in after-tax profit in the financial statements for 2025 compared to 2024 as follows:

- After-tax profit in 2025: VND 80,628,854,326
- After-tax profit in 2024: VND 64,230,028,467

The difference increased by VND 16,398,825,859, equivalent to a 25.5% increase. The main reasons are:

2024 was a very difficult year, with many uncertainties in the world due to geopolitical conflicts. Some countries such as the US, UK, EU, Japan, and South Korea still had high inflation rates, and the US had not yet lowered interest rates... which affected the global economy. For Hung Yen Garment Corporation, the production and business situation in 2024 faced difficulties due to low processing prices; the workforce decreased by about 7% compared to the same period. There was significant labor migration in the region due to increased labor export. Costs for wages, insurance, transportation, electricity, etc., all increased.

In 2025, with the recovery of the US and EU markets and a slight increase in contract prices, the company will boost production for export to the US, taking advantage of the fact that the US has not yet imposed reciprocal tariffs. The USD/VND exchange rate is expected to increase by 3%-4%. Furthermore, the company will strengthen its application of technology, optimize production processes, and reduce indirect labor.

These factors will positively impact the company's business results in 2025, increasing profits and raising the net profit after tax target on the 2025 financial statements by 25.5% compared to the same period.

Hung Yen Garment Corporation - Joint Stock Company commits that the content in the above explanation is truthful and accurate.

Best regards!

**GENERAL DIRECTOR**  
  
  
**Phan Thi Phuong Hoa**