

No.: 24-01/2025/CV-TNI

Hanoi, April 29, 2025

Re: Explanation of revenue and profit

difference in Q1/2025 compared to

Q1/2024

**To: STATE SECURITIES COMMISSION
HO CHI MINH CITY STOCK EXCHANGE**

Name of listed organization: THANH NAM GROUP JOINT STOCK COMPANY

Stock code: TNI

Trading office: HOSE

Business code: 0101515686 issued by the Department of Planning and Investment of Hanoi City for the first time on July 17, 2009.

Head office address: 3rd Floor, Tower A, Golden Palace Office Building, No. 99 Me Tri Street, Me Tri Ward, Nam Tu Liem District, Hanoi City.

Our company would like to express our best regards to all agencies!

Pursuant to:

- Circular 96/2020/TT-BTC dated on November 16, 2020 of the Ministry of Finance guiding information disclosure on the stock market.

- Financial report of the first quarter of 2025 of Thanh Nam Group Joint Stock Company

Thanh Nam Group Joint Stock Company (Stock code TNI) would like to explain to your agency about the fluctuations in revenue and profit after corporate income tax on the

Business results:

No.	Target	1 th Quarter 2025	1 th Quarter 2024	Difference Amount	Percentage rate
I	Parent company				
1	Revenue	160,967,240,606	73,564,846,846	87,402,393,760	119%
2	Profit after corporate income tax	(3,407,967,285)	(8,671,792,722)	5,263,825,437	61%
II	Consolidated company			-	
1	Revenue	208,941,414,761	126,420,798,764	82,520,615,997	65%
2	Profit after corporate income tax	(5,349,629,476)	(8,960,604,393))	3,610,974,917	40%

Reasons:

Main Reason for the Fluctuation in Revenue and Net Profit After Tax in Q1/2025 Compared to Q1/2024

General situation: According to a recent report by the Steel Association in the first 8 months of 2024, construction steel and HRC prices in Vietnam decreased by 32% and 28% respectively compared to the same period due to weak demand, stemming from the real estate crisis in China. As a result, there is a sharp decline in steel consumption, putting pressure on prices. However, experts assessed that steel prices in China will recover from the fourth quarter of 2024 due to tight supply. Accordingly, the Chinese government is restricting the licensing of coal-fired steel furnaces to protect the environment, thereby reducing supply. In particular, some steel manufacturers in Hebei and Jiangsu have reduced their capacity from 78% in 2023 to 72% in September 2024, causing China's steel output to fall 10% year-on-year.

In Vietnam, construction steel demand increased by 25% in the first 8 months of 2024 thanks to the recovery of the real estate market and the acceleration of public investment disbursement. Therefore, from the fourth quarter of 2024, domestic construction steel prices may recover by 5% compared to the bottom in August, with an average of about 571 USD/ton (+4% compared to the same period).

Thanks to this leverage, with the efforts of our Board of Directors in closely monitoring domestic and international market developments, promoting market exploitation, and searching new customers. Proactively building up a selective purchasing plan right from the time of purchase, looking for steel sources that meet the requirements of quality, quantity, and reasonable prices. At the same time, well operate and reserve goods with consideration, in accordance with actual business demand in order to reduce the minimum inventory.

The results show that revenue in the fourth quarter of this year nearly doubled compared to the same period last year. However, our Group's after-tax profit decreased mainly due to the decline in the export market, fierce competition in the domestic market, high inventory cost, our company flexibly boosted revenue to recover outstanding capital and the plan to import new shipment lots which are suitable with market prices. With the motto of maintaining customer data and preparing a diverse amount of goods, we expect that 2025 shall be a stepping stone to continue to sales explosion, high business efficiency in order to compensate for previous accumulated business losses.

Results:

The consolidated and parent company's revenue in the fourth quarter of 2024 doubled, accounting for 94% compared to the same period last year.

The consolidated and parent company's profit after corporate income tax in the fourth quarter of 2024 decreased sharply compared to the same period last year.

Sincerely thanks!

THÀNH NAM GROUP
JOINT STOCK COMPANY



CHỦ TỊCH HĐQT
Nguyễn Hùng Cường