THANH NAM GROUP
JOINT STOCK COMPANY

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

No.:307/2025/CV-TNI
Re: Explanation for the Discrepancy in Revenue and Profit in Q2/2025 Compared to Q2/2024

Hanoi, July 30, 2025

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 second 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	2th Quarter 2025	2th Quarter 2024	Difference Amount	Percentage rate
I	**Parent company**				
1	Revenue	299.329.886.297	197.892.388.668	101.437.497.629	51%
2	Profit after corporate income tax	4.097.219.568	(484.018.534)	4.581.238.102	947%
II	**Consolidated company**			-	
1	Revenue	322.026.730.921	224.367.707.745	97.659.023.176	43%
2	Profit after corporate income tax	3.674.923.705	1.882.040.149	1.792.883.556	95%

Reasons:

1. Market Context of the Steel Industry in Q2/2025

In the second quarter of 2025, the domestic steel industry continued a mild recovery starting from the end of 2024, thanks to policies promoting public investment and stable domestic consumption demand.

However, enterprises in the industry still faced numerous challenges from the international market, specifically:

- **Export Market Tightening:**
- The United States has expanded the scope of Section 232 and increased anti-dumping duties.
- The European Union revised its trade defense policies, effective from April 2025.
- India issued stricter regulations on steel import control.

These protectionist policies have negatively impacted both the volume and value of exports of key steel products such as hot rolled coil (HRC), coated steel sheets, and steel pipes — which constitute a significant proportion of Vietnam's steel industry product structure.

2. The Group's Response Measures and Strategy

In response to the above fluctuations, the Company's Board of Management has proactively implemented a series of measures to preserve market share and improve business efficiency, including:

- Proactively purchasing raw materials since late 2024, at a time when input prices showed a slight downward trend, helping to reduce production costs.
- Strictly controlling operating expenses, including:
  - Optimizing costs for warehouse leasing, fuel, and office expenses.
  - Reducing short-term debt, thereby significantly lowering financial expenses.
- Accepting lower profit margins in the short term in order to:
  - Maintain existing customers.
  - Increase consumption volume.
  - Strengthen the company's position during a period of market volatility.

Results:

1. **Significant Revenue Growth:**

- The parent company's revenue increased by over 51%, and consolidated revenue grew by 43%.
- This reflects a notable increase in consumption volume or an improvement in selling prices.

2. **Post-tax Profit Turned Positive:**

- Both the parent company and consolidated group significantly reduced losses and achieved modest profits.
- This indicates an improvement in profit margins as well as more effective cost control.

Respectfully yours,

THANH NAM GROUP
JOINT STOCK COMPANY

CÔNG TY CỔ PHẦN TẬP ĐOÀN THÀNH NAM

Digitally signed by CÔNG TY CỔ PHẦN TẬP ĐOÀN THÀNH NAM
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CHỦ TỊCH HĐQT
Nguyễn Hùng Cường