

**TU HAI HA NAM  
JOINT STOCK COMPANY**

**SOCIALIST REPUBLIC OF VIETNAM**  
**Independence - Freedom - Happiness**

Number: 1408/2026/CV-THM  
Subject: Explanation of losses and net  
profit differences in the audited semi-  
annual financial statements of 2026

*Ninh Binh, date August 14th year 2026*

**Dear:**       - **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;*
- *Based on the company's audited semi-annual financial report for 2026;*
- *Based on the Company's Q2 2026 Financial Report.*

Tu Hai Ha Nam Joint Stock Company (Stock code: THM) ("the Company") would like to explain the following regarding the case where the after-tax profit ("NPAT") in the business performance report for the reporting period (first 6 months of 2026) shows a loss and a difference of 5% or more before and after audit, and the after-tax profit in the business performance report for the reporting period (first 6 months of 2026) changes by 10% or more compared to the same period of the previous year ( first 6 months of 2025), specifically as follows:

**1. Reviewed business results for the first six months of 2026 :**

|                                                                     | <b>Prepared<br/>financial<br/>statements for<br/>Q2/2026</b> | <b>Reviewed semi-<br/>annual financial<br/>statements 2026</b> | <b>Difference</b> | <b>Difference<br/>ratio</b> |
|---------------------------------------------------------------------|--------------------------------------------------------------|----------------------------------------------------------------|-------------------|-----------------------------|
| Revenue                                                             | 46,086,093,946                                               | 45,710,242,666                                                 | -375,851,280      | -0.82%                      |
| Net profit after tax<br>from January 1,<br>2026 to June 30,<br>2026 | (2,735,708,855)                                              | (3,524,097,251)                                                | -788,388,396      | -28.82%                     |

**2. Reasons for the loss:**

Due to the nature of its customer base, which largely consists of foreign organizations and domestic customers, the main products are autumn/winter clothing. Delivery times are often adjusted according to the requirements of many orders , with production taking place in the first six months of the year, but delivery and invoicing occurring at the beginning of the third quarter. Therefore, revenue in the first six months of the year is significantly lower than in the last six months, resulting in a loss when allocating overhead costs. For example, in the first six months of 2025, revenue was 42.5 billion VND and pre-tax profit was -1.87 billion VND (loss); while



in the last six months, revenue was 75.9 billion VND and pre-tax profit was 2.15 billion VND.

### 3. Reasons for the discrepancies in the figures after the review :

The main reasons for the difference in net profit after tax stem from two main discrepancies:

- **The revenue** for the first six months of 2026, after review, decreased by nearly VND 376 million. This decrease represents the value of a shipment (FOB) that the company invoiced and shipped in late June 2026, but the goods were loaded onto the ship in early July 2026. Therefore, after review, this VND 376 million revenue will be accounted for in Q3 2026 instead of Q2 2026 as previously reported in the company's self-prepared financial statements. This reduction in revenue from these shipments resulted in a corresponding VND 10 million decrease in cost of goods sold, causing gross profit to decrease by approximately VND 386 million.
- **Management expenses** increased by VND 191 million, mainly due to the under-accounting of office staff salaries, which has been added after the review.
- **Financial expenses** increased by VND 130 million, mainly due to the addition of a provision for investment in an associated company (Duc Manh JSC).
- **Financial income** increased by VND 109 million due to the additional accounting of expected interest from short-term loans in June 2026.
- **Other expenses** increased by VND 190 million due to the additional accounting for the write-off of two prepaid debts to suppliers: VND 100 million to Vietnam Star Automobile Co., Ltd. and VND 90 million to Ha Nam Construction Planning Center, as these debts could not be recovered.

These discrepancies are the main reasons for the decrease in cumulative pre-tax and after-tax profits for the first six months of 2026 by 788 million, corresponding to a difference of 28.82%.

### 4. Business results for the first six months of 2026 compared to 2025 :

|                      | June 2026       | June 2025       | Difference     | Difference ratio |
|----------------------|-----------------|-----------------|----------------|------------------|
| Net profit after tax | (3,524,097,251) | (1,874,184,427) | -1,649,912,824 | -88.03%          |

### 5. Reasons for the difference in profits in the first six months of 2026 compared to 2025 :

The main reasons for the difference in net profit after tax for the first six months of 2026 compared to 2025 stem from the following key factors:

- **Other income decreased** by more than 718 million because in the same period of 2025, there was 509 million in other income from the value of a batch of sewing machines gifted by a foreign partner, which was absent this year, and there were also other expenses incurred when writing off 190 million VND in debt as presented in section 2.
- **Management expenses increased** by VND 365 million, equivalent to a 4.14% increase, due to higher salaries for management personnel.





- **Selling expenses increased by** VND 227 million, equivalent to a 22.84% increase, largely due to the company actively seeking additional orders in early 2026 during a challenging period for the industry.
- **Financial costs decreased by** VND 476 million, largely due to the optimal allocation of borrowed capital during the first six months of 2026, resulting in a VND 400 million reduction in interest expenses.
- **Gross profit decreased** by over 936 million VND, mainly due to a 3.2 billion VND decrease in revenue, while the cost of goods sold margin increased from 78.53% to 82.09% (due to increased labor costs).

The above is the explanation from Tu Hai Ha Nam Joint Stock Company regarding the fluctuations in after-tax profit.

Best regards!

**Recipient:**

- As addressed to;
- Save VT.

**LEGAL REPRESENTATIVE  
MANAGER**



**Nguyễn Thị Mai Hương**

