

**TIEN THANH SERVICE AND TRADING  
JOINT STOCK COMPANY**

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No. : *18.03/2025/TTH*

*Re: Explanation relating to the audited  
financial statements for the year 2024*

**THE SOCIALIST REPUBLIC OF VIETNAM**

**Independence – Freedom - Happiness**

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*Hanoi, March 18, 2025*

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

Tien Thanh Service and Trading Joint Stock Company (stock code: TTH) would like to extend our respectful greetings to your esteemed organization.

Our company would like to provide explanation relating to the audited financial statements for the year 2024 as follows:

**I. Explanation of the difference in profit after tax for the year 2024 compared to 2023, changing from a profit in the same period last year to a loss in this period:**

Indicators	Year 2023 (VND)	Year 2024 (VND)	Change	
			Value (VND)	Ratio (%)
Revenue	947.178.000,988	783.143.603.491	(164.034.397.497)	-17%
Cost of goods sold	855.346.723.543	744.593.726.267	(110.752.997.276)	-13%
Gross profit	91.831.277.445	38.549.877.224	(53.281.400.221)	-58%
Profit before tax	23.501.586.280	(14.411.657.677)	(37.913.243.957)	-161%
Profit after tax	19.801.270.338	(16.033.823.730)	(35.835.094.068)	-181%

**Reasons:**

- Due to adjustment made by the Auditor based on the Tax Inspection Report, the revenue, cost of goods sold, and profit of 46 properties in the Real Estate sector were moved from 2024 to 2023.
- Due to a significant decrease in revenue from the Real Estate sector in 2024 compared to 2023: in 2023, it was 325,6 billion VND; in 2024, it was 70,6 billion VND.
- Due to the provision for doubtful debts in the trading sector for 2024 amounting to 23,9 billion VND.

**II. Explanation of the data differences before and after the audit, highlighting discrepancies of 5% or more:**

*Unit: dong*

Indicator	Before being audited	After being audited	Change	
			Value	Ratio
Profit after tax	(12.665.400.693)	(16.033.823.730)	(3.368.423.037)	27%

**Reasons:** Due to adjustment made by the Auditor based the Tax Inspection Report, the profit of 46 properties in the Real Estate sector was moved to 2023, which resulted in a decrease of 733 million VND; reclassification to account 811 - other expenses (20% penalty and late payment penalty according to the Inspection Report) of 1,322 billion VND; additional recognition of project cost of 354 million VND; the additional depreciation of fixed assets (the car parking basement) 628 million VND and additional determination of corporate income tax expenses of 251 million VND.

### III. Explanation of the restatement of the financial statements

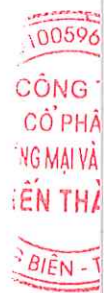
#### 1. Auditor's opinion:

"In our opinion, the financial statements referred to have fairly reasonably reflected, in all material respects, the financial position of Tien Thanh Service and Trading Joint Stock Company as of December 31, 2024, as well as the results of its operations and cash flows for the financial year ended on the same date, in accordance with accounting standards, the Vietnamese accounting system, and relevant legal regulations regarding the preparation and presentation of financial statements."

#### 2. Results of the restatement of the financial statements:

Some of key figures at the beginning of the year on the Balance Sheet, Income Statement, and Cash Flow Statement have been adjusted according to the tax inspection report, specifically as follows:

	Code	Data according to the audited financial statements of the previous year	Adjusted data	Data after adjustment
<b>Balance Sheet</b>				
Short-term receivables form customers	131	449.958.484.823	4.470.651.925	454.429.136.748
Short-term advances to suppliers	132	38.247.552.098	(18.249.788.978)	19.997.763.120
Inventory	141	121.483.701.668	(70.430.144.628)	51.053.557.040
Short-term advances from customers	312	143.402.482.642	(84.942.386.578)	58.460.096.064
Taxes and other payables to the State	313	5.522.930.290	240.519.561	5.763.449.851
Undistributed after-tax profit	421	44.036.398.498	492.585.336	44.528.983.834
<b>Income Statement</b>				
Revenue from sales of goods and provision of services	01	857.764.962.485	89.413.038.503	947.178.000.988
Net Revenue from sales of goods and provision	10	857.764.962.485	89.413.038.503	947.178.000.988



of services				
Cost of goods sold	11	784.916.578.915	70.430.144.628	855.346.723.543
Gross profit from revenue from sales of goods and provision of services	20	72.848.383.570	18.982.893.875	91.831.277.445
Sales expenses	25	52.089.379.873	18.249.788.978	70.339.168.851
Net profit from business operations	30	22.819.150.227	733.104.897	23.552.255.124
Total accounting profit before tax	50	22.768.481.383	733.104.897	23.501.586.280
Current corporate income tax expense	51	3.459.796.381	240.519.561	3.700.315.942
Net profit after corporate income tax	60	19.308.685.002	492.585.336	19.801.270.338
Basic/diluted earnings per share	70;71	517	13	530
<b>Cash Flow Statement</b>				
Profit after tax	01	22.768.481.383	733.104.897	23.501.586.280
Increase or decrease in receivables	09	(215.664.002.790)	13.779.137.053	(201.884.865.737)
Increase or decrease in inventory	10	258.019.676.071	70.430.144.628	328.449.820.699
Increase or decrease in payables	11	(152.087.762.016)	(84.942.386.578)	(237.030.148.594)

Above is our explanation regarding to the audited financial statements for the year 2024. Tien Thanh Service and Trading Joint Stock Company respectfully reports to the State Securities Commission and the Hanoi Stock Exchange.

Respectfully thank you !

**Recipients:**

- SSC, HNX;
- Archived in the document department.

**TIEN THANH SERVICE AND  
TRADING JOINT STOCK COMPANY  
GENERAL DIRECTOR**

  
PHAN THANH NAM