VNSTEEL - THU DUC STEEL JOINT STOCK COMPANY

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*No.: ...527...../CV-VKC*

*Re: Explanation of the semi-annual business results report for 2026*

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

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*Ho Chi Minh City, August 05, 2026*

***To: HANOI STOCK EXCHANGE***

VNSTEEL - Thu Duc Steel Joint Stock Company (Stock code: TDS) hereby provides an explanation for the 10% change in profit after tax in the 2026 semi-annual financial statements compared to the 2025 semi-annual financial statements, specifically as follows:

| No. | Item | Unit | Semi-annual 2026 | Semi-annual 2025 | Increase/Decrease (%) |
|---|---|---|---|---|---|
| *1* | *2* | *3* | *4* | *5* | *6* |
| | Profit after tax | VND billion | 11.98 | 4.75 | 152.21% |

In the first 6 months of 2026, strong market demand led to an increase in total net revenue of VND 401 billion, equivalent to a 42.25% increase compared to the same period in 2025. The cost of goods sold and services provided in this period increased by VND 374 billion, equivalent to a 40.69% increase compared to the same period in 2025. The revenue growth rate was higher than the cost growth rate, which resulted in an increase in the 2026 gross profit margin compared to the same period in 2025. The combination of the aforementioned factors caused the gross profit from sales and services in 2026 to increase by VND 27 billion, equivalent to a 90% increase compared to the same period in 2025.

Also in the 2026 period, financial expenses increased by VND 1.69 billion, equivalent to a 693.85% increase compared to the same period in 2025, primarily due to higher interest expenses resulting from the Company's short-term borrowings to support production and business activities.

Selling expenses and general and administrative expenses in the 2026 period increased by VND 16.77 billion, equivalent to a 61.27% increase compared to the same period in 2025. This was mainly due to transportation costs, coupled with fluctuations in fuel prices which caused transportation unit costs to rise. Sales volume increased to expand and regain market share, leading to a corresponding increase in selling and administrative expenses.

The combination of the above factors helped the Company record a profit after tax of VND 11.98 billion in the first 6 months of 2026, an increase of VND 7.23 billion, corresponding to a 152.21% increase compared to the same period in 2025.

Sincerely,

**GENERAL DIRECTOR**

M.S.D.N: 0305409326 - C.T.C.P - CÔNG TY CỔ PHẦN THÉP THỦ ĐỨC - VNSTEEL - TP. THỦ ĐỨC - TP. HỒ CHÍ MINH

Hoang Duc Hoa

***Recipient:***
- *Hanoi Stock Exchange;*
- *Company Finance – Accounting Department;*
- *Company Archives.*

Signature Not Verified
Ký bởi: CÔNG TY CỔ PHẦN THÉP THỦ ĐỨC - VNSTEEL
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