

**TRUONG THANH FURNITURE
CORPORATION**

No.: 01.../2025/TTF

V/v Explanation of income statement
fluctuations Quarter 4/2024.

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

Binh Duong, 27 January 2025

**To: State Securities Commission of Viet Nam
Ho Chi Minh Stock Exchange**

- Pursuant to Circular No. 96/2020/TT-BTC dated November 16, 2020, issued by the Ministry of Finance regarding information disclosure in the securities market;
- Pursuant to the separate and consolidated financial statements for Quarter IV/2024 prepared by the Company.

Truong Thanh Furniture Corporation (TTF)

Address: DT 747 Road, Quarter 7, Uyên Hưng Ward, Tân Uyên City, Bình Dương Province

Stock: TTF

Truong Thanh Furniture Corporation respectfully submits an explanation of the business performance results for Quarter 4/2024 as follows:

I. Separate financial statement for Quarter IV/2024:

The separate income statement for the quarter IV/2024:

- Net revenue in Q4/2024 was VND 223.7 billion, a decrease of VND 128.9 billion compared to Q4/2023; and
- Loss for Q4/2024 was VND 28.2 billion, an improvement of VND 40.2 billion compared to the loss of VND 68.5 billion in Q4/2023. The mainly reasons are as below:
 - o Export revenue decline: The Company's order volume dropped in Q4/2024 primarily due to significant challenges faced by major markets. Consumer demand for furniture in the U.S. and European markets decreased as consumers in these regions expressed concerns over economic recession and rising interest rates. Additionally, logistics costs remained high due to global transportation disruptions resulting from ongoing regional conflicts. Customers continued to adopt a cautious stance, awaiting new economic policies following the U.S. Elections.
 - o Domestic project revenue delay: Progress on domestic projects slowed, with only finishing phases being implemented, due to the negative impacts of tightened credit policies and rising interest rates on the real estate market.
 - o Increased raw material prices and reduced production: The Company faced adverse effects on profit margins in Q4/2024 due to higher material costs and lower production volumes.

II. Consolidated financial statement for Quarter IV/2024:

The consolidated income statement for the quarter IV/2024:

- Net revenue in Q4/2024 was VND 289 billion, a decrease of VND 168 billion compared to Q4/2023;
- Profit after tax for Q4/2024 was VND 40.7 billion, compared to a post-tax loss of VND 95.5 billion in Q4/2023.

The mainly reasons are as below:

- Decline in revenue: Due to the negative market impacts mentioned above.
- Financial income: Revenue generated from divestment in companies with weak financial performance and business results in recent times, allowing the Company to focus resources on projects with higher profitability in the future.

The Company's leadership has continued to implement measures to enhance business performance, including:

- Expanding and seeking new customers in Europe, the U.S., and particularly in Asia, Dubai, Australia, and East Asia to rapidly increase production volumes and fully utilize factory capacity. Several new customers placed bulk orders and recorded revenues in Q4/2024. Existing customers also increased their order volumes starting December 2024, driven by positive market signals from the U.S. market.
- Participating in exhibitions and trade fairs in markets such as Dubai, Europe, and the U.S. to introduce new products to customers.
- Actively engaging in real estate projects anticipated to be launched by major developers in 2025, with initial steps already underway for implementation starting Q2/2025.

We sincerely appreciate your attention and cooperation.



Nguyen Trong Hieu

