

PHU THO CEMENT JOINT STOCK COMPANY

No.: *A3* /CV-XMPT

Re: Explanation of the Variance in Net Profit After Tax

Q4 2024 and FY 2024

SOCIALIST REPUBLIC OF VIETNAM

Independence – Freedom – Happiness

Thanh Ba, January 15, 2025

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

Phu Tho Cement Joint Stock Company hereby submits an explanation regarding the loss in net profit after tax (NPAT) and the variance between the current and previous periods in the consolidated financial statements for Q4 2024 and FY 2024 as follows:

**I. Explanation of NPAT Loss and Variance in Q4 2024 vs. Q4 2023:**

Indicator	Q4 2024	Q4 2023	Variance	Rate (%)
Revenue from sales and services	50,030	49,771	259	0.52
Deductions	-	-	-	-
Net revenue from sales and services	50,030	49,771	259	0.52
Cost of goods sold	48,764	53,568	(4,804)	(8.97)
<b>Gross profit from sales and services</b>	<b>1,266</b>	<b>(3,797)</b>	<b>5,063</b>	<b>133.33</b>
Revenue from financial activities	0.10	0.20	(0.06)	(37.24)
Financial expenses	10,352	13,441	(3,089)	(22.98)
Selling expenses	331.3	475	(144.0)	(30.31)
Administrative expenses	3,200	3,686	(486)	(13.19)
<b>Operating profit</b>	<b>(12,617)</b>	<b>(21,399)</b>	<b>8,782</b>	<b>41.0</b>
Other income	-	-	-	-
Other expenses	54.2	3.0	51.2	-
Other profit	(54.2)	(3.0)	(51.2)	-
<b>Total profit before tax</b>	<b>(12,672)</b>	<b>(21,402)</b>	<b>8,731</b>	<b>(40.8)</b>
Current corporate income tax expense	-	-	-	-
<b>Net profit after tax</b>	<b>(12,672)</b>	<b>(21,402)</b>	<b>8,731</b>	<b>(40.8)</b>

+ The Company's PAT for Q4 2024 recorded a loss of VND 12.672 billion, representing a decrease in losses of VND 8.731 billion compared to Q4 2023 (a loss of VND 21.402 billion), due to the following reasons:

+ Net revenue from sales and services in Q4 2024 was VND 50.030 billion, an increase of 0.52% (equivalent to VND 259 million) compared to Q4 2023 (VND

49.771 billion). Cement consumption volume for Q4 2024 was 56,945.38 tons, an increase of 7.77% compared to Q4 2023 (52,838.03 tons).

+ Cost of goods sold (COGS) decreased from VND 53.568 billion in Q4 2023 to VND 48.764 billion in Q4 2024, a reduction of 8.97% or VND 4.804 billion. Gross profit from sales and services in Q4 2024 increased by VND 5.063 billion compared to Q4 2023.

+ Selling expenses for Q4 2024 were VND 331.3 million, a reduction of VND 144 million compared to Q4 2023 (VND 475 million). Administrative expenses for Q4 2024 were VND 3.200 billion, a decrease of VND 486 million compared to Q4 2023 (VND 3.686 billion).

+ Financial expenses for Q4 2024 decreased by VND 3.089 billion compared to Q4 2023.

In the fourth quarter of 2024, the domestic cement market still faces many difficulties due to the low number of new civil construction projects, and the lack of signs of recovery in real estate.

Excess cement supply, no increase in exports, and decreased domestic consumption have caused many difficulties in the production and business situation of the entire industry and Phu Tho Cement Joint Stock Company, causing fierce competitive pressure, causing the Company's cement consumption to decline. This has caused revenue to decrease while fixed costs such as depreciation costs and interest expenses have not decreased. Due to many difficulties and lack of proactive economic resources, Phu Tho Cement Joint Stock Company has had to continue to stop producing Clinker.

Revenue has decreased and cannot compensate for the high cost of capital. Moreover, expenses still have to arise, especially the very large interest expenses, causing the Company's production and business results to continuously suffer losses. Due to the above reasons, in the fourth quarter of 2024, the Company lost 12,672 million VND.

## 2. Explanation for PAT loss and discrepancy in FY 2024 and FY 2023:

Indicator	2024	2023	Variance	Rate (%)
Revenue from sales and services	160,765	188,086	(27,321)	(14.53)
Deductions	-	-	-	-
Net revenue from sales and services	160,765	188,086	(27,321)	(14.53)
Cost of goods sold	163,016	194,575	(31,559)	(16.22)
<b>Gross profit from sales and services</b>	<b>(2,250)</b>	<b>(6,489)</b>	<b>4,239</b>	<b>65.32</b>
Revenue from financial activities	0.3	0.6	(0.28)	(46.33)
Financial expenses	22,674	40,389	(17,716)	(43.86)
Selling expenses	1,589	1,934	(345)	(17.83)
Administrative expenses	11,366	12,722	(1,357)	(10.66)
<b>Operating profit</b>	<b>(37,879)</b>	<b>(61,534)</b>	<b>23,655</b>	<b>38.4</b>

Indicator	2024	2023	Variance	Rate (%)
Other income	0.3	0	0	-
Other expenses	79.3	42	37	-
Other profit	(79.0)	(42)	(37)	-
<b>Total profit before tax</b>	<b>(37,958)</b>	<b>(61,576)</b>	<b>23,619</b>	<b>38.4</b>
Current corporate income tax expense	-	-	-	-
<b>Net profit after tax</b>	<b>(37,958)</b>	<b>(61,576)</b>	<b>23,619</b>	<b>38.4</b>

The Company's PAT for FY 2024 recorded a loss of VND 37.958 billion, representing a decrease in losses of VND 23.619 billion compared to FY 2023 (a loss of VND 61.576 billion), due to the following reasons:

- + Net revenue from sales and services in FY 2024 was VND 160.765 billion, a decrease of 14.53% (equivalent to VND 27.321 billion) compared to FY 2023 (VND 188.086 billion). Cement consumption volume for FY 2024 was 179,922.21 tons, a reduction of 5.71% (10,902.27 tons) compared to FY 2023 (190,824.48 tons).
- + COGS decreased from VND 194.575 billion in FY 2023 to VND 163.016 billion in FY 2024, a reduction of 16.22% or VND 31.559 billion.
- + Selling expenses for FY 2024 were VND 1.589 billion, a reduction of VND 345 million compared to FY 2023 (VND 1.934 billion). Administrative expenses for FY 2024 were VND 11.366 billion, a decrease of VND 1.357 billion compared to FY 2023 (VND 12.722 billion).
- + Financial expenses for FY 2024 decreased by VND 17.716 billion compared to FY 2023.

These factors collectively resulted in an improvement of VND 23.619 billion in pre-tax profit for FY 2024 compared to FY 2023.

The above is the explanation from Phu Tho Cement Joint Stock Company. We kindly request the State Securities Commission of Vietnam and the Hanoi Stock Exchange to review the matter.

Thank you, sincerely!

**Recipients:**

- As addressed above;
- Board of Directors (for reporting);
- Supervisory Board (for reporting);
- Office archives.

**PHU THO CEMENT JOINT STOCK  
COMPANY**



**TỔNG GIÁM ĐỐC**  
*Trần Tuấn Đạt*