

PHU THO CEMENT – JSC**No: 194 /CV-XMPT**

*Re: Explanation of the variance first 6
months of 2025 Net Profit After Tax and
response to the auditor's qualified
opinion*

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

Thanh Ba, August 14, 2025.

To: - The State Securities Commission of Vietnam (SSC).

- The Hanoi Stock Exchange (HNX).

Phu Tho Cement Joint Stock Company presents the explanation for the net loss after tax; the variances between the this period and last period, and the auditors' qualified opinions first 6 months of 2025 Audited Consolidated Financial Statements as follows:

Consolidated Financial Statements:

1. Explanation of the After-tax Loss and the Difference in 6 months of 2025 and 6 months of 2024:

Indicator	6 months of 2025	6 months of 2024	Variance	Percentage variance (%)
Revenue from sales and service provision	79.135	74.428	4.707	6,32
Deductions	-	-	-	
Net revenue from sales and service provision	79.135	74.428	4.707	6,32
Cost of Goods Skd	82.509	76.328	6.181	8,10
Gross profit from sales and service provision	(3.373)	(1.900)	(1.474)	77,57
Financial income	0,5	0,2	0,29	153,83
Financial expenses	14.054	9.544	4.511	47,26
Selling expenses	725	893	(168)	(18,81)
Administrative expenses	6.087	5.671	416	7,33
Operatng income	(24.239)	(18.008)	(6.232)	34,6
Other income	-	0,3	(0)	-
Other expenses	5,6	16,4	(11)	-
Non-operating profit	(5,6)	(16)	10	-
Accounting profit before tax	(24.245)	(18.024)	(6.221)	34,5
Current income tax expense	-	-	-	
Profit after tax	(24.245)	(18.024)	(6.221)	34,5

The Company's after-tax profit for the first 6 months of 2025 was a loss of VND 24,245 million, an increase of VND 6,221 million compared to the first 6 months of 2024 (loss of VND 18,024 million), due to the following reasons:

Cost of goods sold increased from VND 76,328 million in the first 6 months of 2024 to VND 82,509 million in the first 6 months of 2025 (an increase of 8.1%, equivalent to an increase of VND 6,181 million. In 2025, the prices of some raw materials did not fluctuate much compared to 2024, but due to the decrease in demand for cement in the market and fierce competition in the market, the situation of cement consumption encountered many difficulties. From the above factors, the gross profit from sales and service provision in the first 6 months of 2025 decreased by VND 1,474 million compared to the first 6 months of 2024.

Selling expenses for the first 6 months of 2025 are: 725 million VND, a decrease of 168 million VND compared to the first 6 months of 2024 (893 million VND). Business management expenses for the first 6 months of 2025 (6,087 million VND) increased by 416 million VND compared to the first 6 months of 2024 (5,671 million VND). Financial expenses for the first 6 months of 2025 (14,054 million VND) increased by 4,511 million VND compared to the first 6 months of 2024 (9,544 million VND).

From the above factors, the net profit from production and business activities of the first 6 months of 2025 decreased compared to the first 6 months of 2024 by: 6,232 million VND.

Other expenses decreased by VND 11 million compared to the first 6 months of 2024. Other profits increased by VND 10 million, causing the total pre-tax accounting profit for the first 6 months of 2025 to decrease by VND 6,221 million compared to the first 6 months of 2024.

2. Explanation of changes in Profit after tax before and after auditing for the first 6 months of 2025 as follows:

- Regarding Financial Expenses: After the auditing unit audited the Financial Statements for the first 6 months of 2025, they commented that it was necessary to assess the exchange rate difference at June 30, 2025 for foreign currency loans of

Banks. The amount of exchange rate difference assessed at June 30, 2025 was: VND 6,660,436,526. This increased the financial expenses after reviewing the Financial Statements for the first 6 months of 2025 from VND 7,394 million to VND 14,054 million.

- Regarding business management costs: After the auditing unit audited the Financial Statements for the first 6 months of 2025. Based on the announcements of state agencies on annual land rent, water surface rent and mineral exploitation rights fees in 2025. After reviewing the Financial Statements, the Auditor reallocated monthly costs, thereby increasing the Business Management Costs from VND 5,975 million to VND 6,087 million.

From the above factors, the audited profit after tax in the first 6 months of 2025 increased from VND 17,472 million to VND 24,245 million.

3. Explanation of the auditor's qualified opinions:

* We have properly recorded and disclosed all incurred liabilities, all contingent liabilities, and the guarantees we have provided to third parties.

* The provision for doubtful receivables has been fully made for each overdue receivable based on the potential loss that may occur over the debt aging period and the evaluation and estimation by the Board of Directors. For the overdue debts, we are actively taking recovery measures, and we continue to have transactions in 2025 with the entities that still have outstanding balances. These receivables will be recovered in 2025. Therefore, we believe there is no need to make an additional provision at this time.

* Regarding the obligations to pay suppliers and overdue loan interest, we have reviewed and worked with the relevant parties to extend the payment deadlines. At the same time, we are actively arranging capital sources to gradually settle the debts. We believe that with efforts in business operations and negotiations with suppliers as well as banks, we will not fall into a situation of losing the ability to continue operations due to delayed payments.

* We have sent confirmation letters as requested by the auditors for all receivables, payables, and investment accounts. We confirm that the receivables and payables presented in the financial statements accurately reflect the rights and obligations of our customers and suppliers.

* We recognize that as of June 30, 2025, the Company's financial statements reflect a total short-term debt greater than short-term assets by VND 550.499 million, and the accumulated losses as of June 30, 2025 amount to VND 471.390 million, exceeding the owner's equity. However, due to the expectation that the Company's business activities will continue to grow in the future with revenue from its operations, the financial statements for the accounting period from January 1, 2024, to December 31, 2025, are prepared on the going concern basis.

Above is the explanation from Phu Tho Cement Joint Stock Company, requesting the State Securities Commission and the Hanoi Stock Exchange to review it.

Sincerely appreciate your attention !

Recipients:

- As addressed to;
- Board of Directors (Report);
- Audit Committee (Report);
- Archive (Office).



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