

**PHU THO CEMENT – JSC**

No: 74 /CV-XMPT

Re: Explanation of the variance in 2025

Net Profit After Tax and response to the  
auditor's qualified opinion**SOCIALIST REPUBLIC OF VIETNAM****Independence – Freedom – Happiness**

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Thanh Ba, March 30, 2026

**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 current year and the previous year, and the auditors' qualified opinions in the 2025 Audited Consolidated Financial Statements as follows:

**Consolidated Financial Statements:****1. Explanation of the After-tax Loss and the Difference between 2025 and 2024:**

Indicator	Year 2025	Year 2024	Variance	Percentage variance (%)
Revenue from sales and service provision	152.636	159.641	(7.005)	(4,39)
Deductions	-	-	-	
Net revenue from sales and service provision	152.636	159.641	(7.005)	(4,39)
Cost of Goods Sold	157.640	162.680	(5.040)	(3,10)
Gross profit from sales and service provision	(5.004)	(3.039)	(1.965)	64,67
Financial income	0,6	0,3	0,26	80,35
Financial expenses	23.391	22.674	718	3,17
Selling expenses	1.651	1.589	61	3,85
Administrative expenses	12.633	11.366	1.267	11,15
Operating income	(42.678)	(38.667)	(4.011)	10,4
Other income	385,2	36.351,8	(35.967)	-
Other expenses	45,7	79,6	(34)	-
Non-operating profit	339,5	36.272	(35.933)	-
Accounting profit before tax	(42.339)	(2.395)	(39.944)	1.667,8
Current income tax expense	-	-	-	
Profit after tax	(42.339)	(2.395)	(39.944)	1.667,8

The company's after-tax profit in 2025 showed a loss of VND 42,339 million, an increase of VND 39,944 million compared to 2024 (a loss of VND 2,395 million), due to the following reasons:

+ Net revenue from sales and services in 2025 is 152,636 million VND, a decrease of 4.39% or 7,005 million VND compared to 2024 (159,641 million VND). Sales volume in 2025 is 161,142 tons of all types of cement, a decrease of 18,780.21 tons or 10.44% compared to 2024 (179,922.21 tons). Cost of goods sold decreased from VND 162,680 million in 2024 to VND 157,640 million in 2025 (a decrease of 3.1%, equivalent to a reduction of VND 5,040 million). In 2025, although the prices of some raw materials did not fluctuate much compared to 2024, the demand for cement in the market has not improved significantly, coupled with fierce competition, leading to difficulties in cement consumption.

+ The cost of goods sold in 2025 is VND 1,651 million, an increase of VND 61 million compared to 2024 (VND 1,589 million). The cost of administrative expenses in 2025 (VND 12,633 million) is an increase of VND 1,267 million compared to 2024 (VND 11,366 million).

+ Financial costs in 2025 are: VND 23,391 million, an increase of VND 718 million compared to 2024 (VND 22,674 million).

+ Other income in 2025 is VND 339.5 million, a decrease compared to VND 35,933 million in 2024. This results in a decrease of VND 39,944 million in total accounting income before tax in 2025 compared to 2024.

## **2. Explanation for the auditor's refusal to give an opinion:**

### ***\* The basis for refusing to comment:***

“We were unable to obtain complete confirmation letters for the Company's accounts receivable and payable as of December 31, 2024 and December 31, 2025. We performed alternative audit procedures but were still unable to confirm the existence, completeness, and necessary provision for doubtful debts for the unconfirmed accounts receivable and payable as of December 31, 2024, including: short-term customer receivables of VND 8.07 billion, short-term prepayments to suppliers of VND 10.04 billion, short-term accounts payable to suppliers of VND 54.76 billion, short-term customer prepayments of VND 6.86 billion; and as of December 31, 2025, including: short-term customer receivables of VND 8.15 billion,

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short-term prepayments to suppliers of VND 10.06 billion, short-term accounts payable to suppliers of VND 48.04 billion, short-term customer prepayments." The limit is VND 6.93 billion. Therefore, we cannot assess the impact of the above issue on the consolidated financial statements for 2025."

**\* Explanation of the cause:**

As of the date of this audit report, the auditors have not yet obtained all confirmation letters regarding accounts receivable and payable as of December 31, 2024 and December 31, 2025. However, we are committed to having appropriately recorded and disclosed all liabilities incurred, all contingent liabilities and guarantees we have made to third parties, and that the accounts receivable and payable presented in the financial statements accurately reflect the rights and obligations of our customers and suppliers.

**\* The basis for refusing to comment:**

"According to Note V.11 in the Notes to the Consolidated Financial Statements, we have not yet obtained the financial statements of the investment in the associate company, Tien Kien Cement Joint Stock Company. Using alternative procedures, we cannot assess the potential impact of the provision for investment impairment losses on the 2025 Consolidated Financial Statements."

**\* Explanation of the cause:**

As of the date of the audit report's issuance, the company had not yet obtained the financial statements for its investment in the associate company, Tien Kien Cement Joint Stock Company, which led to the aforementioned audit opinion.

**\* The basis for refusing to comment:**

As of December 31, 2025, the accumulated losses amounted to VND 489,484,151,033, exceeding the owner's investment by VND 364,484,151,033 (representing 392% of the owner's investment). Liabilities exceeded total assets by VND 359,634,749,111, and the company had been operating at a loss for several consecutive years (VND 42,338,582,081 in 2025). In 2025, many debts were overdue but not yet paid, and the company no longer received capital support from banks. These factors indicate the existence of material uncertainties that raise significant doubts about the company's ability to continue as a going concern. Based on the audit procedures applied, we do not have sufficient grounds to assert that the consolidated

financial statements for 2025, prepared on the going concern assumption, are appropriate.

**\* Explanation of the cause:**

We observe that as of December 31, 2025, the Company's financial statements reflect liabilities exceeding total assets by VND 359,635 million, and accumulated losses as of December 31, 2025, of VND 489,484 million, exceeding owner's equity. However, the Company's business operations are expected to continue growing in the future with revenue streams from business activities. The Company's management also has no plans to cease operations in the near future. Therefore, the financial statements for the accounting period from January 1, 2025, to December 31, 2025, are prepared on the going concern assumption.

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).



TỔNG GIÁM ĐỐC  
*Trần Tuấn Đạt*