PHUONG ANH INTERNATIONAL JOINT STOCK COMPANY
No.: 2407/2026/CV-PAS
Re: Explanation of revenue and profit discrepancies in Q2/2026 compared to Q2/2025

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

Hung Yen, July 24, 2026

To: - **THE STATE SECURITIES COMMISSION**
- **HANOI STOCK EXCHANGE**

Listed Organization: **PHUONG ANH INTERNATIONAL JOINT STOCK COMPANY**
Stock Code: **PAS**
Exchange: **UPCOM**

Business Registration Certificate No. 0900613295 issued by the Hung Yen Department of Planning and Investment for the first time on August 30, 2010, amended for the 20th time on May 28, 2026

Head office address: No. 60, Pham Ngu Lao Street, Tu My Residential Area, Duong Hao Ward, Hung Yen Province, Vietnam.

We respectfully send our greetings to your esteemed agencies!

Under:

- Circular No. 96/2020/TT-BTC dated November 16, 2020, of the Ministry of Finance guiding information disclosure on the securities market.
- Q2/2026 Financial Statements of Phuong Anh International Joint Stock Company.

Phuong Anh International Joint Stock Company (stock code PAS) hereby explains the differences in revenue and after-tax profit in the Q2/2026 business performance report compared to the same period in 2025 as follows:

No.	Target	2th Quarter 2026	2th Quarter 2025	Difference Amount	Percentage rate
I	**Parent company**				
1	Revenue	427,766,891,651	579,974,889,087	(152,207,997,436)	(26)%
2	Profit after corporate income tax	1,256,930,946	2,832,005,073	(1,575,074,127)	(56)%
II	**Consolidated company**				
1	Revenue	431,635,821,762	579,974,889,087	(148,339,067,325)	(26)%
2	Profit after corporate income tax	(1,142,279,297)	1,602,586,230	(2,744,865,527)	(171)%

Reasons:

During the second quarter of 2026, the Parent Company recorded revenue of VND 427.77 billion, representing a 26% decrease compared to the corresponding period of 2025. Consolidated revenue amounted to VND 431.64 billion, also 26% lower than that of the same period last year.

The decrease in revenue was primarily attributable to the continued weak market conditions and the fact that customer demand had not yet fully recovered, resulting in lower sales volume and a decline in the value of sales orders compared to the corresponding period of the previous year. In addition, intense price competition within the steel industry continued to put pressure on selling prices, thereby narrowing the Company's gross profit margin.

Although the Company implemented various cost control measures and enhanced operational efficiency, the reduction in operating costs was not sufficient to offset the significant decline in revenue. As a result, profit after tax for the second quarter of 2026 decreased by 56% compared to the second quarter of 2025.

As a result of the decline in revenue, the Group's consolidated profit after tax decreased from a profit of **VND 1.60 billion** in the second quarter of 2025 to a loss of **VND 1.14 billion** in the second quarter of 2026.

This change was primarily attributable to the following factors:

- The steel market remained highly competitive, with selling prices continuing to stay at low levels while raw material prices showed an upward trend. In addition, fixed costs required to maintain production operations remained largely unchanged, resulting in a narrower profit margin.
- Furthermore, the slow recovery of demand from the construction and real estate sectors led to a decline in sales volume compared with the corresponding period of the previous year.

Revenue

Revenue from sales of goods and rendering of services of the Parent Company for the second quarter of 2026 amounted to VND 427.77 billion, representing a 26% decrease (approximately VND 152.21 billion) compared with the corresponding period of 2025. Consolidated revenue amounted to VND 431.64 billion, also 26% lower (approximately VND 148.34 billion) than that of the same period last year.

The decrease in revenue was mainly attributable to the following factors:

- Steel sales volume declined as domestic market demand remained weak, particularly in the construction and public investment sectors.
- The Company continued to prioritize the supply of high-quality steel products. Consequently, the cost of raw materials and goods purchased was higher than that of many comparable products available in the market. Nevertheless, in order to maintain its competitiveness and support customers, the Company continued to offer selling prices below the prevailing market level. This pricing strategy, together with the decline in sales volume, resulted in lower sales revenue compared with the corresponding period of the previous year.

Profit after tax

- At the Parent Company level, profit after tax for the second quarter of 2026 amounted to VND 1,256,930,946, representing a decrease of VND 1,575,074,127, or 56%, compared with the corresponding period of the previous year. This decrease was mainly attributable to the highly competitive market environment, under which the Company maintained a competitive pricing policy while raw material prices continued to fluctuate, resulting in a lower gross profit margin.
- On a consolidated basis, profit after tax declined from a profit of VND 1.60 billion in the second quarter of 2025 to a loss of VND 1.14 billion in the second quarter of 2026. The primary reason was that several subsidiaries reported operating results below plan, which adversely affected the Group's consolidated profit.

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Results

The Parent Company's and the Group's net revenue for the second quarter of 2026 decreased by 26%, equivalent to VND 152.21 billion and VND 148.34 billion, respectively, compared with the corresponding period of the previous year. Consolidated profit after tax decreased by VND 2.74 billion, from a profit of VND 1.60 billion to a loss of VND 1.14 billion. In addition, the Parent Company's corporate income tax expense decreased by 56%, in line with the reduction in taxable profit.

Overall, the decline in the Group's business performance in the second quarter of 2026 compared with the corresponding period of the previous year was primarily attributable to the decrease in revenue amid the continued challenges in the steel market. Meanwhile, operating expenses did not decline proportionately with the decrease in revenue, resulting in the Group's consolidated results changing from a profit to a loss.

We sincerely thank you!

Recipients:
- As above;
- Accounting – Finance Department
- Administration Department

PHUONG ANH INTERNATIONAL JOINT STOCK COMPANY

CÔNG TY CỔ PHẦN QUỐC TẾ PHƯƠNG ANH

CHỦ TỊCH HĐQT

Nguyễn Hùng Cường

CÔNG TY CỔ PHẦN QUỐC TẾ PHƯƠNG ANH

Digitally signed by CÔNG TY CỔ PHẦN QUỐC TẾ PHƯƠNG ANH
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