

PHUONG ANH INTERNATIONAL JOINT STOCK COMPANY
THE SOCIALIST REPUBLIC OF VIETNAM

Independence – Freedom – Happiness

No.: 10/2025/CV-PAS

Re: Explanation on the difference in revenue and profit in Q1/2025 compared to Q1/2024

Hung Yen, April 29, 2025

To:

- State Securities Commission of Vietnam
- Hanoi Stock Exchange

Name of the listed organization: Phuong Anh International Joint Stock Company

Stock code: PAS

Exchange: UPCOM

Business registration certificate: No. 0900613295 issued by the Department of Planning and Investment of Hung Yen Province, initially registered on August 30, 2010, and amended for the 19th time on January 24, 2024.

Head office address: No. 60 Pham Ngu Lao Street, Tu My Residential Group, Phung Chi Kien Ward, My Hao Town, Hung Yen Province.

Our company respectfully extends our warmest greetings to your esteemed agencies.

Pursuant to:

- Circular No. 96/2020/TT-BTC dated November 16, 2020, issued by the Ministry of Finance, guiding information disclosure on the securities market;
- The Q1/2025 financial statements of Phuong Anh International Joint Stock Company;

Phuong Anh International Joint Stock Company (Stock Code: PAS) would like to provide an explanation to your esteemed agencies regarding the fluctuations in revenue and profit after corporate income tax as reported in the Income Statement for Q1/2025 compared to Q1/2024 as follows:

No.	Target	1 st Quarter 2025	1 st Quarter 2024	Difference Amount	Percentage rate
I	Parent company				
1	Revenue	266,714,792,843	227,509,219,166	39,205,573,677	17%
2	Profit after corporate income tax	1,088,017,821	1,233,130,710	(145,112,889)	-12%
II	Consolidated company			-	
1	Revenue	266,704,971,143	227,493,074,800	39,211,896,343	17%
2	Profit after corporate income tax	161,516,732	1,233,130,710	(1,071,613,978)	-87%

The main reason for the fluctuation in revenue and profit after corporate income tax in Q1/2025 compared to Q1/2024 is as follows:



According to experts, following the slowdown in 2023 and the slow recovery in 2024, Q1/2025 recorded a significant breakthrough in both steel output and domestic consumption. This marked a notable turning point for the steel industry in 2025, primarily driven by the recovery of the real estate market, with the supply of apartments in Hanoi and Ho Chi Minh City forecasted to grow by an average of 21% per year during 2025–2026. The growth in domestic demand is expected to fuel the momentum for steel enterprises in the coming period.

According to data from the Vietnam Steel Association (VSA), finished steel production in the first quarter of 2025 reached 7.5 million tons, up 5.7% compared to the same period in 2024. Not only did production increase, but domestic consumption also improved significantly, with total steel sales reaching 7.5 million tons, an increase of 12.2%. Of this, exports accounted for 1.4 million tons, down 37.2% year-over-year.

However, it is still too early to conclude that the Vietnamese steel industry has fully recovered and is on the verge of robust growth, as it continues to face a mix of challenges. In particular, the industry is grappling with the contrast between strong domestic growth and difficulties in export markets, mainly due to protectionist trade policies such as the expansion of Section 232 and countervailing duties by the United States. The European Union is also expected to update and tighten its domestic trade defense policies.

In light of both opportunities and challenges, the management of Phuong Anh International Joint Stock Company has made continuous efforts to closely monitor domestic and global market developments, intensify market expansion efforts, and seek new customers. The parent company proactively purchased raw materials early, taking advantage of the slight decline in input prices at the end of 2024. It optimized raw material consumption rates, conserved energy, and minimized production losses. Several previously outsourced activities were internalized, helping reduce processing and transportation costs. On the financial front, the company implemented a plan to control operating expenses (e.g., reducing office costs, warehouse rentals, fuel management, etc.). However, the company accepted lower profit margins in the short term to maintain revenue and market share. As a result, the company achieved a favorable revenue growth of over 17% in Q1/2025 compared to the same period last year. Meanwhile, profit after corporate income tax saw a slight decline — a significant achievement given the challenges of the previous year.

Result:

- Consolidated and parent company revenue in Q1/2025 increased by over 17% compared to Q1/2024.
- Parent company profit after corporate income tax decreased by 12% compared to the same period last year.
- Consolidated profit after tax declined more significantly due to the provisioning of expenses related to long-term investments in subsidiaries and associates currently in the early stages of construction and development.

We sincerely thank you for your attention and support!

On behalf of
PHUONG ANH INTERNATIONAL JOINT STOCK COMPANY



CHỦ TỊCH HĐQT.
Nguyễn Hùng Cường