

## FINANCIAL STATEMENTS VARIANCE EXPLANATION

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

**Company Name:** Pomina Steel Joint Stock Company

**Stock Code:** POM

**Head Office:** No. 1, Street 27, Song Than 2 Industrial Park, Di An Ward, Ho Chi Minh City.

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Pursuant to Circular No. 96/2020/TT-BTC dated November 16, 2020 of the Ministry of Finance guiding information disclosure on the securities market;

Pomina Steel Corporation (Stock Code: POM) would like to provide an explanation for the fluctuations in its business results for the year 2024 compared with those of 2023, based on the independently audited financial statements for the fiscal year ended 31 December 2024, as follows:

### I. EXPLANATION OF BUSINESS PERFORMANCE FLUCTUATIONS IN 2024 COMPARED TO 2023 (AUDITED DATA)

According to the independently audited Statement of Profit or Loss for the year ended 31 December 2024, the Company's profit after tax (PAT) was as follows:

Financial Statement Indicator (Audited)	Year 2024 (VND)	Year 2023 (VND)	Increase/Decrease in Loss (VND)	Variance Rate
<b>1. CONSOLIDATED REPORT</b>				
- Net revenue	2,377,855,649,860	3,070,813,585,218	-692,957,935,358	-22.57%
- Gross profit from sales	(26,323,481,833)	(285,385,231,343)	+259,061,749,510	-90.78%
- Corporate Income Tax (CIT) profit after tax	(1,010,747,603,000)	(1,394,846,702,967)	+384,099,099,967	-27.54%
<b>2. PARENT COMPANY REPORT</b>				
- Net revenue	71,692,313,817	1,147,431,210,980	-1,075,738,897,163	-93.75%



- Gross profit from sales	(51,641,442,309)	(29,414,316,448)	-22,227,125,861	+75.57%
- Corporate Income Tax (CIT) profit after tax	(1,009,813,684,935)	(1,202,575,950,531)	+192,762,265,596	-16.03%

- **For the Consolidated Financial Statements:** The net loss decreased mainly due to lower raw material costs and the downward adjustment of steel billet inventory costs following the audit review.
- **For the Parent Company Financial Statements:** The net loss decreased primarily due to reductions in finance costs and general and administrative expenses as a result of audit adjustments.

The Company recorded a loss after corporate income tax in 2024 primarily because Pomina 3 Plant remained temporarily suspended from operations while continuing to incur interest expenses. In addition, the Company recognized foreign exchange losses arising from the year-end revaluation of foreign currency-denominated balances, which further contributed to the loss for the year.

## II. EXPLANATION OF THE BASIS FOR THE QUALIFIED AUDIT OPINION

### 1. Regarding the qualified audit opinion on Inventory

As the appointment of the auditor was completed after the financial year-end date, the independent auditors were unable to attend and observe the physical inventory count as at 31 December 2024. The Board of Management confirms that the inventory balance is genuine, exists in full, and fairly reflects the Company's actual assets. Such inventory is properly recorded and monitored through the Company's core accounting records, supported by inventory receipt and issuance documents as well as valid purchase invoices.

### 2. Regarding the material uncertainty related to Going Concern

The Company continues to experience declining revenue and accumulated losses. The Board of Management is actively working with investors and strategic partners to mobilize medium- and long-term funding in order to gradually restore its production and business operations. The resumption of blast furnace operations will enable the Company to secure its own supply of steel billets and enhance production efficiency.

Pomina Steel Joint Stock Company commits that all the contents of the explanation and aggregated data above are completely truthful and accurate, and accepts full responsibility before the law for this disclosed information.

Best regards./.

#### Recipients:

- As above;
- Board of General Directors, Board of Supervisors (to report);
- Saved: Admin, General Accounting Department.

LEGAL REPRESENTATIVE OF THE COMPANY

GENERAL DIRECTOR



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