

No.: 215/PP-TCKT

Ho Chi Minh City, July 29, 2026.

Re: Explanation of profit fluctuation
after tax for the second quarter of 2026

To: - State Securities Commission
- Hanoi Stock Exchange

Pursuant to the Law on Securities No. 54/2019/QH14 dated November 26, 2019;

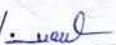
Pursuant to Circular No. 96/2020/TT-BTC dated November 16, 2020;

Based on the consolidated financial statements for the second quarter of 2026 of Phong Phu Corporation;

Phong Phu Corporation hereby provides an explanation regarding the increase of more than 10% in profit after tax in the consolidated financial statements for the second quarter of 2026 compared to the same period in 2025 as follows:

In the second quarter of 2026, the business operations of Phong Phu Corporation experienced positive growth, primarily driven by a 17% increase in yarn production revenue, while production costs were well-controlled, resulting in a 45% year-on-year increase in gross profit. Interest expenses decreased, and exchange rate fluctuations in the second quarter were lower than in the same period last year (the exchange rate increased by 2,2% in Q2/2025, compared to 0,15% in Q2/2026), which reduced foreign exchange losses and contributed to the increase in profit for the period. At the same time, the business operations of subsidiaries, joint ventures, and associates also achieved more favorable results compared to the same period last year; therefore, the profit after tax for Q2/2026 in the consolidated financial statements increased by over 10% compared to the second quarter of 2025.

The above is the explanation regarding the business performance for the second quarter of 2026 in the consolidated financial statements of Phong Phu Corporation, respectfully submitted to the State Securities Commission and the Hanoi Stock Exchange.

Sincerely./ 

Recipient:

- As above;
- Phong Phu website;
- Archived: Admin, Finance
& Accounting Dept.

GENERAL DIRECTOR 



Duong Khue