

No. 263/PP-TCKT

Ho Chi Minh City, August 28, 2026.

*Re: Explanation on the changes in
profit after tax for the first 6 months 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;

According to the combined and consolidated interim financial statements for the year 2026 of Phong Phu Corporation, which have been reviewed by A&C Auditing and Consulting Co., Ltd;

Phong Phu Corporation hereby explains the changes in profit after tax in the combined and consolidated interim financial statements for 2026, which increased by more than 10% compared to the same period in 2025, as follows:

In the first 6 months of 2026, the business operations of Phong Phu Corporation experienced positive growth, primarily driven by a 4,5% increase in yarn production revenue, while production costs were well-controlled, resulting in a 24% year-on-year increase in gross profit. Interest expenses decreased, and exchange rate fluctuations in the the first 6 months of 2026 were lower than in the same period last year (the exchange rate increased by 2,8% in the first 6 months of 2025, compared to 0,2% in the first 6 months of 2026), which reduced foreign exchange losses and contributed to the increase in profit for the period. Concurrently, 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 the first 6 months of 2026 in the consolidated financial statements increased by over 10% compared to the first 6 months of 2025.

The foregoing is the explanation for the business and production performance in the first 6 months of 2026, based on the reviewed combined and consolidated financial statements of Phong Phu Corporation, submitted to the State Securities Commission and the Hanoi Stock Exchange.

Sincerely./.

Recipient:

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



Duong Khue