

**LAM THAO FERTILIZERS AND
CHEMICALS JOINT STOCK COMPANY**

SOCIALIST REPUBLIC OF VIETNAM
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No.: 762 /SPLT-TCKT

Re: Explanation of the Decrease in Profit
After Tax Compared with the Same Period
Last Year and the Difference After Audit

Phu Tho, August 04, 2026

To:

- State Securities Commission of Vietnam;
- Hanoi Stock Exchange;
- Shareholders.

Company Name: Lam Thao Fertilizers and Chemicals Joint Stock Company;

Stock Code: LAS

Lam Thao Fertilizers and Chemicals Joint Stock Company has prepared its financial statements for the operating period from January 1, 2026 to June 30, 2026. These financial statements have been reviewed by Vietnam Auditing and Valuation Co., Ltd.

1. Lam Thao Fertilizers and Chemicals Joint Stock Company explains the changes in the Company's production and business results between the self-prepared financial statements and the reviewed financial statements as follows:

Item	Financial Statements Prepared by the Company	Reviewed Financial Statements	Difference	
			±	%
Profit after tax	43.851.600.282	50.466.986.503	6.615.386.221	115,1
Cost of goods sold	1.993.021.766.814	1.978.914.324.329	(14.107.442.485)	99,3
Financial income	4.597.517.250	6.869.818.620	2.272.301.370	149,4
Finance costs	22.187.088.757	22.998.273.271	811.184.514	103,7
Selling expenses	67.596.475.583	73.452.260.392	5.855.784.809	108,7
General and administrative expenses	105.091.284.198	106.534.822.198	1.443.538.000	101,4

Based on the figures in the Financial Statements reviewed by Vietnam Auditing and Valuation Co., Ltd., Lam Thao Fertilizers and Chemicals Joint Stock Company respectfully reports to the State Securities Commission of Vietnam, the Hanoi Stock Exchange, and all shareholders that the principal reason for the increase in profit after tax of VND 6,6 billion is the reassessment of costs affecting

cost of goods sold. Specifically, accrued employee expenses decreased by VND 20,2 billion and purchased service expenses increased by VND 3,4 billion, resulting in a decrease in cost of goods sold of VND 14,1 billion. At the same time, certain expenses and income were adjusted to the appropriate accounting period, including an increase in financial income of VND 2,3 billion, an increase in finance costs of VND 0,8 billion, an increase in selling expenses of VND 5,8 billion, and an increase in general and administrative expenses of VND 1,4 billion. These increases and decreases in costs resulted in a change in the Company's operating results, thereby increasing profit after tax by VND 6,6 billion.

2. Lam Thao Fertilizers and Chemicals Joint Stock Company explains the change in profit compared with the same period as follows:

Item	First six months of 2026	First six months of 2025	Difference	
			±	%
Profit after tax	50.466.986.503	123.036.070.336	(72.569.083.833)	41,0
Gross profit from sales	256.631.807.298	402.363.935.679	(145.732.128.381)	63,8
Other profit	2.592.213.077	2.333.074.848	259.138.229	111,1
Net revenue	2.235.546.131.627	2.667.727.223.947	(432.181.092.320)	83,8
Cost of goods sold	1.978.914.324.329	2.265.363.288.268	(286.448.963.939)	87,4
Financial income	6.869.818.620	17.873.849.351	(11.004.030.731)	38,4
Finance costs	22.998.273.271	13.400.742.136	9.597.531.135	171,6
Selling expenses	73.452.260.392	103.565.346.900	(30.113.086.508)	70,9
General and administrative expenses	106.534.822.198	150.352.069.172	(43.817.246.974)	70,9

- According to the figures in the Financial Statements for the first six months of 2026, the Company's profit after tax for this period decreased by VND 72,5 billion, equal to 41,0% of that for the same period in 2025. Lam Thao Fertilizers and Chemicals Joint Stock Company hereby reports to the State Securities Commission of Vietnam, the Hanoi Stock Exchange, and all shareholders as follows:

+ Gross profit from sales: During this period, global political instability caused fertilizer prices in both the domestic and international markets to increase continuously, thereby affecting the prices of input materials for the Company's production and business activities. In addition, apatite ore has become increasingly scarce in quantity and has declined in quality. To achieve the required P2O5 content, the Company had to supplement raw materials with materials having a higher P2O5 content, resulting in a 23% increase in the average cost of goods sold compared with the same period last year. Regarding selling prices, in order to maintain sales volume and the consumption market, the Company's Management issued policies to increase or decrease selling prices in line with fluctuations in domestic agricultural commodity prices. The average selling price increased by 19%, meaning that the rate of increase in the cost of goods sold was higher than the rate of increase in selling prices, causing the ratio of cost of goods sold to net revenue to increase by 4%. Although the Management adjusted selling prices flexibly, distributors remained cautious in stocking inventories, resulting in a decrease of 121,264 tons of fertilizer sold during the period, which caused net revenue to decrease by VND 432 billion. These factors led to a decrease in gross profit from sales of VND 145,7 billion, equivalent to 63,8% of the corresponding figure for the same period in 2025.

+ Expenses: Due to the increase in bank interest rates during this period, finance costs increased by VND 9,6 billion. In addition, the Company's idle cash available for bank deposits was lower during the period, resulting in a decrease in financial income of VND 11 billion. As a result, the Company's financial activities were VND 20,6 billion less effective compared with the same period last year. Selling expenses decreased by VND 30,1 billion compared with the same period due to the lower fertilizer sales volume during the period. The Company also reduced management expenses by cutting certain expenditures, such as repair expenses and office equipment procurement expenses, resulting in a decrease in general and administrative expenses of VND 43,8 billion. As a result of the above increases and decreases in expenses, the Company's profit after tax for this period decreased by VND 72,6 billion compared with the same period in 2025.

The above is the Company's explanation of the principal factors affecting the difference in profit between the production and business results in the financial statements prepared by the Company and those reviewed by Vietnam Auditing and Valuation Co., Ltd., as well as the change in profit for the first six months of 2026 compared with the first six months of 2025. Lam Thao Fertilizers and Chemicals Joint Stock Company hereby reports this to the State Securities Commission of Vietnam, the Hanoi Stock Exchange, and all shareholders of the Company./.

Recipients:

- As above;
- Filed at: Administration Office,
Finance and Accounting Department.



GENERAL DIRECTOR

Phạm Thanh Tung