**PTE: Explanation and proposal on solutions to overcome shares being put under trading restriction**

On April 15, 2024, Phu Tho Cement JSC announced Official Dispatch No. 66/CV-XMPT on explaining and offering a plan to overcome the situation of trading restriction as follows:

1. Reason leading to the negative owners’ equity in the Combined Semi-annual Financial Statements 2023 (reviewed by Nhan Tam Viet Audit Company Limited):

Vietnam's cement consumption in 2023 reach more than 88.72 million tons (down 5% compared to 2022), of which domestic consumption decreased by 8% and exports almost remained unchanged. In 2023, there were 8 cement production lines that had to stop operating across the country, many factories stopped 1 or 2 lines to reduce inventory, causing the overall mobilization coefficient of the entire industry in 2023 to only 70%, a decrease of 16% compared to that in 2022. This is the year with the lowest overall mobilization coefficient in the history of the cement industry (excerpted from http://hoivlxdvn.org.vn).

In 2023, the demand for cement decreased due to the decline in the real estate market, real estate businesses encountered difficulties in legal procedures, capital... leading to delays in project and public investment progress.

Excess supply of cement, no increase in exports, and decrease in domestic consumption made the production and business situation of the entire industry and Phu Tho Cement JSC face many difficulties, causing very fierce competitive pressure. In Phu Tho Province, the Company's products must compete fiercely with other cement products such as Song Thao Cement (Vicem Hai Phong), Yen Bai Cement, Tan Quang Cement, Hoang Long Cement, Thanh Thang Cement....causing a decrease in Company's cement consumption. This caused revenue reduction while fixed expenses such as depreciation expense, loan interest expenses did not decrease. Due to many difficulties and lack of proactive economic resources, Phu Tho Cement JSC had to stop clinker production for 4 months (February, September, October, December 2023), the remaining time, the Company must produce in moderation. Clinker production output in 2023 only reached 20.37% of capacity, equal to 52.48% compared to that in 2022, and cement consumption of all kinds was only 70% compared to that in 2022.

Revenues decreased and could not make up for the high cost of goods sold. Moreover, the costs still incurred, especially the interest expense was very high (in the first 6 months of 2023, the interest expense that the Company had to bear was VND 35.93 billion), making the Company’s production and business a loss. In 2023, after reviewing the Annual Financial Statements by the independent auditor (NTV), the Company had a loss of VND 61.576 billion; Accumulated loss was VND 444.751 billion; Owners’ equity was negative VND 314.901 billion.

1. Solutions

The Board of Leaders of Phu Tho Cement JSC is fully aware that the Company has been facing difficulties and gradually overcoming them. All employees of the Company and its affiliated units have been very active in reviewing, developing and implementing solutions to overcome difficulties, restore and stabilize production and business activities. Some solutions that have been and are being implemented are as follows:

* Although the difficulties of the cement industry last and directly affect the operation of the Company, but Phu Tho Cement JSC continues to try by finding customers and expanding the market. The company is also completing and tightening the norm of raw material consumption to reduce costs at the same time improving product quality, increasing the competitiveness of Vinh Phu Cement products and developing a new brand (Thanh Ba Cement).
* Enhance the role of management, supervision and administration of production and business activities to improve the operational efficiency of the Company as well as its affiliated units and the effective use of investment capital in the Company.
* The Company reviews and restructures the personnel apparatus to optimize the Company's personnel apparatus.
* Be drastic in reviewing, comparing and recovering debts for each month and quarter in order to collect capital to ensure production and business activities, minimize financial expenses due to capital misappropriation.
* Despite facing many difficulties, the Company still boldly cooperates with Quynh Anh Manufacture Service and Trading Company Limited to invest in Construction investment project to improve the productivity of the kiln system and renovate the cement grinding station with a capacity of 600,000 tons of cement/year. Currently, the Company is promoting the construction of the following categories:
* Dust filter system to recover cement products (completed)
* The system of tanks containing fly ash (cement additives) to increase the cement additive rate (completed)
* Dust filter system to improve the Clinker production efficiency (completed)
* New bagging system (implementing)
* The pre-crusher system to enhance the current 65 tons/hour cement mill capacity. (implementing)
* Actively work with banks to restructure debts, extend loan periods, and remove penalty interest so that the Company could stabilize production and reduce interest expenses.

Phu Tho Cement JSC would like to request the Hanoi Stock Exchange to consider and approve the company's explanations, according to which our company proposes HNX to remove PTE shares from trading restriction according to the provisions of Point a, Clause 1, Article 34 of the Regulations on Registration and Management of Unlisted Securities Trading.