**APT: Explanation on securities put under trading restriction**

On April 19, 2024, Saigon Aquatic Products Trading Joint Stock Company announced Official Dispatch No. 70 /CV-THS explaining its securities put under trading restriction and under alert, as required in Decision No. 339/QD-SGDHN and Decision No. 340/QD-SGDHN as follows:

I. Explanation:

The reason for the situation of securities being put under trading restriction is that APT's Financial Statements have been given a qualified opinion by the auditor for 03 consecutive years or more based on the Audited Financial Statements 2023.

APT would like to explain this issue as follows:

The qualified opinion in the auditor's report concerns issues with the Company's ability to continue operating due to an unbalanced financial situation and negative owners’ equity many times larger than its charter capital. Specifically:

By December 31, 2023, the Company's accumulated loss was VND 1,354.5 billion, leading to the negative owners’ equity of VND 1,264.7 billion and the accumulated losses 15.39 times larger than the Company's charter capital.

Accumulated loss of VND 1,354.5 billion as of December 31, 2023 included:

* Accumulated loss before 2010: - VND 194.7 billion
* Loss arising from 2010-2023: - VND 1,159.8 billion

In which:

* Interest payable to Southern Commercial Joint Stock Bank (Sacombank): - VND 606.1 billion
* Gold loan exchange rate differences: - VND 564.5 billion
* Handling, making allowances, and reversing previous existing provisions: - VND 50.5 billion
* Profit from production and business activities from 2010 to 2023: VND 61.3 billion

Regarding loan interest payable to Sacombank: APT had borrowed capital from the Bank since January 2009. Up to now, the payment is overdue but the Company is unable to pay. Every year, the Company still deducts loan interest payable and reevaluates the gold loan according to regulations and accounts for it in accumulated losses, leading to accumulated losses increasing every year.

Thus, the accumulated loss on the Financial Statements for 2023 is a loss due to rising loan interest payable to Sacombank and handling provisions for debts, inventory, etc. of previous years. This leads to the Company having negative owners’ equity and an unbalanced financial situation.

From 2010 up to now, the Company has gradually restored production and business activities and stabilized the situation. If not counting debts and interest payable to Sacombank as mentioned above, the Company's production and business activities have an average profit of 5.5 billion/per year.

II REMEDY SOLUTIONS.

As stated above: The accumulated loss of VND 1,354.5 billion is a loss due to the loan interest payable to Sacombank and the handling of debt provisions, inventory, etc. of previous years. Therefore, to make APT's financial situation better, there must be a solution to completely resolve the debt payable to Sacombank.

The Executive Board has also sent documents to Sacombank many times to propose the finalization of the two credit contracts mentioned above, write off interest debt and freeze debt..., creating conditions for APT to restructure, maintain operations, and create jobs for workers in the spirit of Notice No. 477/TB-VP dated July 12, 2011, of the People's Committee of Ho Chi Minh City. Up to now, the Bank has not responded but has initiated a lawsuit against the Company at the People's Court of Binh Tan District, Ho Chi Minh City in 2022.

Although the Company has many difficulties such as degraded infrastructure and outdated machinery that does not meet production requirements, employees are unstable, disengaged, and lack business capital but must be self-reliant because there is no support from any bank or financial institution... the Board of Management has made great efforts to maintain APT Company's production and business activities, gradually stabilizing and restoring pure business activities to be effective every year, implementing good policies and taking care of the material and spiritual lives of employees. At the same time, since 2010 up to now, efforts have been made to find and propose feasible solutions, but up to now, we have not been able to resolve the existing problems. Shortly, the Executive Board will continue to negotiate with the parties to gradually resolve the above problems.