

No: 30 /CV-ĐQ

*Re: Explanation of the Discrepancy in Post-
Tax Profit for 2024 Compared to the Audited
Financial Statements of 2024*

Thai Binh, March 31st, 2025

**To: - THE STATE SECURITIES COMMISSION OF VIETNAM
- HANOI STOCK EXCHANGE**

- Company Name: Duc Quan Investment and Development Joint Stock Company
- Stock Code: FTM
- Address: Lot A3 – Nguyen Duc Canh Industrial Zone – Tran Thai Tong Street – Tien Phong Ward – Thai Binh City – Thai Binh Province.

I. Explanation of the Causes Leading to Business Loss:

The cost of production materials increased due to the exchange rate remaining high throughout 2024, while the primary input materials were imported. Difficulties in recruiting workers prevented the company from increasing production output, resulting in higher fixed processing costs per product unit. Additionally, depreciation costs, high interest expenses, and the lack of revenue recovery contributed to the company's business losses.

II. Explanation of Audit Refusal Opinions:

The company's production and business activities continued to operate normally. In 2024, the total value-added tax (VAT) offset amounted to 16.7 billion VND. VAT and import taxes paid in cash on imported goods totaled 10 billion VND. Land rental expenses were 499 million VND, and personal income tax incurred and paid was 52.6 million VND. The company did not have any tax debts or invoice coercion, ensuring normal business operations.

All company loans were secured by collateral. The company proactively reported market difficulties to related banks and actively sought policies and operational solutions to recover production. Plans to restructure organizational, business, and financial management included reorganizing overdue loans. In 2024, the company worked with banks to write off over 106 billion VND in delayed interest payments. Supplementary agreements were signed to exclude late interest charges, and efforts to secure production and business capital were expedited.

III. Explanation of Data Discrepancies Before and After Audit:

There were no changes in post-tax profit figures in the 2024 financial statements after the audit.

This explanation addresses the audit opinions raised in the 2024 audited financial statements.

Sincerely,

To:

- + As Above
- + Chairman of the BOD
- + BOD
- + Secretary
- + Office, Finance and Accounting.

**DUC QUAN INVESTMENT AND
DEVELOPMENT JSC**



TỔNG GIÁM ĐỐC
Đỗ Văn Sinh