

**DUC QUAN INVESTMENT  
AND DEVELOPMENT JSC**

**THE SOCIALIST REPUBLIC OF VIETNAM**  
**Independence – Freedom - Happiness**

Số: 38/CV-ĐQ

*Explanation of the variance in business  
results between Q1/2025 and Q1/2024*

*Thai Binh, 18 April 2025*

**To: Vietnam Exchange/ Hanoi Stock Exchange**

*Company: DUC QUAN INVESTMENT AND DEVELOPMENT JSC*

*Stock symbol: FTM*

*Add: Lot A3, Nguyen Duc Canh Industrial Zone, Tran Thai Tong Street, Tien Phong  
Ward, Thai Binh City, Thai Binh Province*

Duc Quan Investment and Development Joint Stock Company would like to provide an explanation regarding the business results for the first quarter of 2025 as follows:

In Q1/2025, the loss narrowed compared to the same period last year due to improved revenue; however, the average actual exchange rate rose by approximately 6% year-over-year, resulting in higher costs for imported raw materials. Additionally, the textile and garment industry, particularly the yarn sector, has faced difficulties due to a decline in orders, most of which are small and short-term. The imposition of import tariffs by the U.S. has caused international partners to be more cautious, while domestic companies are confronted with rising production costs, increased competition from other countries, and fluctuations in exchange rates and raw material prices.

All these factors have resulted in the inability to expand revenue, a lack of production growth due to labor shortages, and an increase in fixed processing costs per product. As a result, gross profit has decreased significantly, leading to a loss in the first quarter of 2025.

Duc Quan Investment and Development Joint Stock Company would like to provide the explanation.

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**TỔNG GIÁM ĐỐC**

*Đỗ Văn Sinh*