

**PHUC THINH TRADING  
CONSTRUCTION TRADING  
CORPORATION**

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

No.: 15/PTD-2025

*Re: Explanation of the undistributed after-tax profit  
for 2024 being negative and the measures with a  
roadmap to resolve this situation according to  
Decision No. 199/QĐ-SGDHN dated March 27, 2025.*

*Ho Chi Minh City, April 10<sup>th</sup>, 2025*

**To: Hanoi Stock Exchange**

Phuc Thinh Design Construction Trading Corporation (stock code: PTD) respectfully sends greetings to the Hanoi Stock Exchange (HNX).

Pursuant to Decision No. 199/QĐ-SGDHN dated 27/03/2025 of the Hanoi Stock Exchange deciding to put the shares of Phuc Thinh Design Construction Trading Corporation (hereinafter referred to as the Company) under warning status because the undistributed after-tax profit as of 31/12/2024 was negative. The Company would like to explain the reasons and roadmap for remedial measures as follows:

**1. Explanation of undistributed after-tax profit being negative as of 31/12/2024:**

- In 2021, the Company constructed the medical glove factory project of Khai Hoan International Corporation. After acceptance and handover, the project was put into operation in 2022-12. After a short period of operation of less than 6 months, the Investor's project operated ineffectively and closed the factory. Given the above situation, our Company incurred a bad debt receivable from the customer Khai Hoan International Corporation of 42,197,059,866 VND. Based on the age of the debt, in 2023, we made a provision for bad debt of 4,603,716,642 VND and in 2024 it was 18,336,299,949 VND.

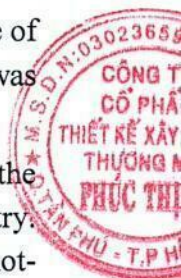
- On the other hand, revenue in 2024 decreased by almost 50% compared to 2023 because the company did not have many new projects, affecting the general trend of the construction industry. The slow recovery of debts caused high loan interest expenses during the year, and with the not-so-optimistic business situation, the Company still maintained personnel without cutting down to serve the long-term business strategy, so management costs could not be reduced.

➤ With the above two main reasons, the undistributed after-tax profit was negative as of 31/12/2024.

**2. Measures and roadmap to remedy negative undistributed after-tax profit**

➤ ***Solutions for reversing the provision for bad debt***

- The Company has filed a lawsuit against Khai Hoan International Corporation in court, and Khai Hoan International Corporation has another company M&A. They are negotiating the debt of 42,197,059,866 VND. The two sides had the 1<sup>st</sup> and 2<sup>nd</sup> meetings and are exchanging to agree on signing the Minutes of the 2<sup>nd</sup> meeting. Our company is proceeding in parallel,



both pursuing the lawsuit in court and negotiating with the M&A party, the company will have many opportunities to reverse this provision.

➤ ***Solutions for finding new customers and signing more construction and installation contracts***

In the first quarter of 2025, the Company has more positive signs of signing new construction contracts such as:

- Factory construction contract No. 23/HĐTC-2024, dated 28/11/2024 with customer Truong Hung Co., Ltd. with a value of 34,000,000,000 VND;
- Commercial contract No. 02/HĐTM-2025, dated 15/03/2025 with customer QingdaoZhongmian (Cambodia) Knitting Co., Ltd with a value of approximately 80,000,000,000 VND;
- Pile pressing construction contract No. 03/HĐTC-2025, dated 10/03/2025 with customer Elite Global Realty Estate Co., Ltd. with a value of 78,753,351,600 VND;
- Factory construction contract No. 05/HĐTC-2025, dated 15/03/2025 with customer Elite Global Realty Estate Co., Ltd. with a value of 495,000,000,000 VND.

➤ ***With the above measures, the roadmap to resolve the negative undistributed after-tax profit is as follows:***

Based on the expected market and business situation in 2025, the Company expects to complete the 2025 production and business plan, offsetting a portion of the accumulated losses after the end of the 2025 financial year and is expected to completely resolve the negative profit in the second quarter of 2026.

The above is the explanation of Phuc Thinh Design Construction Trading Corporation regarding the measures and roadmap to resolve the warned status of securities.

We respectfully request the Hanoi Stock Exchange's consideration and approval.

Sincerely thanks!

**PHUC THINH DESIGN CONSTRUCTION TRADING CORPORATION**

**GENERAL DIRECTOR**



**TRAN MINH TRUC**