

**DUC QUAN INVESTMENT AND
DEVELOPMENT JSC**

No: 66 / 2026 / PQ

SOCIALIST REPUBLIC OF VIETNAM

Independence – Freedom – Happiness

*Re: Explanation of the variance in business
results compared with the same period of the
previous year*

Hung Yen, October 19, 2026

**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 Ward – Hung Yen Province.

1. Business results

- In Q3/2026, net revenue from sales of goods and rendering of services reached VND 44,494,001,814, a decrease of VND 10,578,574,802 (approximately 19.2%) compared with the same period last year. Gross profit reached VND 1,208,624,617, an improvement compared with the gross loss of VND 3,474,100,908 in Q3/2025. Accounting loss before tax was VND 26,467,002,565, a reduction in loss of VND 8,259,219,628 (approximately 23.8%) compared with the same period last year (loss of VND 34,726,222,193).
- Year-to-date as of September 30, 2026, net revenue reached VND 135,239,564,138, a decrease of approximately 6.0% compared with the same period. Gross profit reached VND 1,476,714,655, whereas the same period last year recorded a gross loss of VND 34,742,057,211. Loss before tax was VND 92,907,080,762, a reduction in loss of VND 26,478,792,098 compared with the same period (loss of VND 119,385,872,860).

2. Causes of the loss

- Unfavorable product market. Market demand for the Company's products remains weak, and customers' purchasing power has not yet recovered. Sales volume fell short of the plan, causing revenue to decrease compared with the same period last year, and fixed costs allocated per unit of product remained high.
- Difficulties in labor recruitment. The Company has encountered many difficulties in recruiting and retaining production workers. The labor supply does not meet requirements, so the Company has been unable to increase production output as planned. Production capacity has not been fully utilized, which continues to affect sales volume as well as the efficiency of machinery and equipment utilization.
- Sharp fluctuations in input material prices. The main raw material, fiber, has experienced sharp price fluctuations and has risen rapidly in line with oil prices. Meanwhile, the Company's selling prices could not be adjusted in a timely manner because customers are not yet able to absorb the new price levels. The gap between the increase in raw material prices and selling prices has narrowed the gross profit margin, which reached only about 2.7% of net revenue for the quarter. At the same time, high financial expenses meant that gross profit was insufficient to cover these costs, resulting in an operating loss.

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TỔNG GIÁM ĐỐC
Đỗ Văn Sinh