

**No : 00255/CV-IFS-2015**

**Bien Hoa, 14th August 2015**

**To : State Securities Commission**

*(Re: Explanatory for Separated business results of 2nd Quarter 2015)*

First we would like to thank for your support recently.

We would like to provide the result of separate income statement for the 2nd quarter of year 2015 as following:

Descriptions	Quarter 2 - 2015	%	Quarter 2 - 2014	%	Variance	%
	Thousand VND		Thousand VND		Thousand VND	
Gross sales	350,840,089		310,377,378		40,462,711	13%
Less deductions:	9,676,398		11,810,663		(2,134,265)	-18%
Net sales	341,163,691	100%	298,566,715	100%	42,596,976	14.3%
Cost of sales	254,677,217	75%	232,338,877	78%	22,338,340	10%
Gross profit	86,486,474	25%	66,227,838	22%	20,258,636	31%
Income from financial activities	7,674,392	2.2%	3,694,158	1.2%	3,980,234	108%
Expenses for financial activities	13,821,238	4%	9,324,505	3%	4,496,733	48%
<i>Including: interest expense</i>	<i>1,399,597</i>	<i>0.4%</i>	<i>1,749,920</i>	<i>1%</i>	<i>(350,323)</i>	<i>-20%</i>
Selling expenses	107,143,528	31%	121,904,602	41%	(14,761,074)	-12%
General and administration expenses	8,657,236	3%	8,148,739	3%	508,497	6%
Operating profit (loss)	(35,461,136)	-10%	(69,455,850)	-23%	33,994,714	-49%
Other income	2,914,517	1%	7,526,614	3%	(4,612,097)	-61%
Other expenses	995,422	0%	230,080	0%	765,342	333%
Profit (loss) before tax	(33,542,041)	-10%	(62,159,316)	-21%	28,617,275	-46%
CIT for the current year	-	0%	-	0%	-	
Deferred CIT	-	0%	-	0%	-	0%
Profit(loss) after tax	(33,542,041)	-10%	(62,159,316)	-21%	28,617,275	-46%

We would like to explain several factors related to the results of separated operations as of the reporting period as follows:

Net sales revenue increased 14.3% compared to its of 2014 respectively, continuing to expand outlets in the nationwide, maintaining sale supporting programs in order to increase volume.

COGS reduced, it took 75% of net sales, 3% decreased significantly, compared to the same period last year. It caused by reducing of fixed costs in the costing structure of Q2/2015

Financial income increased, compared to the same period last year, mostly related to the difference of exchange rate revaluation of foreign currencies as per requiremet of regulations

Financial income inceased, mostly related to the foreign exchange rate revaluation. Loan interest was kept at 0.4% per net sale due to the Company has being maintained the inter-company off-shore loans with interest rates about 1.9% per annual.

Selling expense maintained at 31% net sales revenue, caused by performing of the advertising program, promotion and supporting for distributors, outlets.

General and administration expenses maintained at 3%, compared to the same period in 2014

Other income increases causedv by liquidation of several material and scrap

Other expenses mostly related to the depreciation of several idled assets.

Above are some explanation for operating results of 2nd Quarter 2015.

Thanks and best regards!

**ONBEHALF OF THE COMPANY**

**Toru Yamasaki**  
**Chairman, General Director**