

No : 027/CV/IFS/2023

Dong Nai, 22nd March 2023

To : - State Securities Commission (SSC)
- Hanoi Stock Exchange (HNX)

(Re: Explanatory for audited business results of year 2022)

First we would like to thank you for your continued support.

We would like to provide the result of audited income statement for the year of year 2022 as following:

Unit: VND'000

Descriptions	Year 2022	Year 2021	Variance
Revenue from sale of goods	1,830,257,198	1,313,243,452	39%
Deductions	117,545,282	84,011,096	40%
<i>Percentage of deductions</i>	<i>6.4%</i>	<i>6.4%</i>	
Net revenue	1,712,711,916	1,229,232,356	39%
Cost of sales	1,151,195,520	770,285,527	49%
<i>Percentage of COGS</i>	<i>67.2%</i>	<i>62.7%</i>	
Gross profit	561,516,396	458,946,829	22%
<i>Percentage of gross profit</i>	<i>32.8%</i>	<i>37.3%</i>	
Financial income	22,130,875	7,226,468	206%
Financial expenses	466,995	207,453	125%
<i>In which: interest expense</i>	-	5,522	-100%
Selling expenses	359,312,454	233,409,713	54%
<i>Percentage of selling expenses</i>	<i>21.0%</i>	<i>19.0%</i>	
General and administration expenses	36,476,380	36,394,434	0%
Operating profit	187,391,442	196,161,697	-4%
Other income	7,902,438	805,364	881%
Other expenses	1,749,715	39,784,570	-96%
Profit before tax	193,544,165	157,182,491	23%
CIT for the current year	36,151,167	32,119,926	13%
Deferred CIT	1,747,368	(494,969)	-453%
Profit after tax	155,645,630	125,557,534	24%
<i>Percentage of profit after tax</i>	<i>9.1%</i>	<i>10.2%</i>	

2022 marks a strong recovery year for the Company after the Covid-19 pandemic. The Company's net revenue has exceeded the level achieved in 2019 before the pandemic, with a net profit after tax of over 155 billion VND, an increase of over 24% compared to the previous year.

In 2022, the Company continued to restore and enhance sales activities through various initiatives, including the restoration of sales points, launching renewal SKUs for Ice+, Latte brands, and strengthening the strategic SKU of Imuse brand. As a result, total sales revenue increased by more than 39% compared to the same period last year, and net revenue also increased by more than 39% compared to the same period.

However, the cost of goods sold in 2022 increased significantly, accounting for 67.2% of net revenue, compared to 62.7% in the same period last year. This was due to the sharp increase in the price of some key raw materials affected by the global fuel price hike.

Financial operating revenue increased significantly in 2022 as the Company continued to maintain a short-term deposit of 700 billion VND at a competitive interest rate in a bank.

To promote sales growth, the Company has strengthened its product advertising campaigns in 2022. However, the period of rising transportation costs due to the impact of the fuel price hike led to an increase in the ratio of selling expenses to net revenue to 21%, an increase of 2% compared to the same period last year.

Other income in the year mainly related to receivables from compensation from a supplier.

Other expenses in the year decreased compared to the same period last year as the cost of idle production expenses during the period of strong impact from the Covid-19 epidemic increased.

Thanks and best regards.

ONBEHALF OF THE COMPANY

(Signed and sealed)

Hajime Kawasaki
General Director