

No : 044/CV/IFS/2023

Dong Nai, 19th April 2023

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

(Re: Explanatory for Business results of 1st Quarter 2023)

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

We would like to provide the result of income statement for the 1st Quarter of year 2023 as following:

Unit: VND'000

Descriptions	1st Quarter 2023	1st Quarter 2022	Variance	YTD2023Q1	YTD2022Q1	Variance
Revenue from sale of goods	421,593,769	356,286,029	18%	421,593,769	356,286,029	18%
Deductions	26,396,488	20,609,210	28%	26,396,488	20,609,210	28%
<i>% of Deductions</i>	6%	6%		6%	6%	
Net revenue	395,197,281	335,676,819	18%	395,197,281	335,676,819	18%
Cost of sales	268,041,855	226,283,013	18%	268,041,855	226,283,013	18%
<i>Cost of sales %</i>	68%	67%		68%	67%	
Gross profit	127,155,426	109,393,806	16%	127,155,426	109,393,806	16%
<i>Gross profit %</i>	32%	33%		32%	33%	
Financial income	10,312,352	3,183,896	224%	10,312,352	3,183,896	224%
Financial expenses	58,653	(22,819)	-357%	58,653	(22,819)	-357%
<i>In which: interest expense</i>	-	-		-	-	
Selling expenses	86,660,145	67,970,663	27%	86,660,145	67,970,663	27%
<i>Selling expenses %</i>	22%	20%		22%	20%	
General and administration expenses	9,063,556	7,905,926	15%	9,063,556	7,905,926	15%
Operating profit	41,685,424	36,723,932	14%	41,685,424	36,723,932	14%
Other income	62,470	152,696	-59%	62,470	152,696	-59%
Other expenses	143,097	930,767	-85%	143,097	930,767	-85%
Profit before tax	41,604,797	35,945,861	16%	41,604,797	35,945,861	16%
CIT for the current year	7,436,893	7,936,684	-6%	7,436,893	7,936,684	-6%
Deferred CIT	4,629,059	(53,601)	-8736%	4,629,059	(53,601)	-8736%
Profit after tax	29,538,845	28,062,778	5%	29,538,845	28,062,778	5%
<i>Profit after tax %</i>	7%	8%		7%	8%	

Quarter 1 of 2023 marks the beginning of the company's transition from the recovery phase to the sustainable growth phase post-Covid. The results of net revenue and pre-tax profit both exceeded the same period last year by 18% and 16%, respectively.

In the quarter, the company continued to implement effective marketing strategies, focusing on priority brands and continuing to spread the function of contributing to the health of consumers for its strategic brands. As a result, the total sales revenue increased significantly by over 18% compared to the same period last year.

The cost of goods sold in the first quarter of 2023 has increased, accounting for 68% of the net revenue compared to the same period last year, which was 67%. The reason for this is due to the increase in the price of some materials in this quarter. However, the impact of the price increase was mitigated by the increase in the production volume of finished products, resulting in an insignificant increase in the overall cost.

Financial income increased because in this period the company continued to maintain a short-term deposit of VND700 billion at one bank with higher interest rate.

In Q1-2023, the company continued to implement promotional campaigns to promote product sales growth, add the impact from increased sales support costs and transportation cost, resulting in a sales cost ratio on net revenue increasing to 22%, which is 2% higher than the same period last year.

The general and administration expenses maintained a stable level of 2.3%, compared to 2.4% in the same period last year.

Above are some explanation for operating results of the 1st Quarter of 2023.

Thanks and best regards.

ONBEHALF OF THE COMPANY

(Signed and sealed)

Daisuke Hattori
General Director