

No : 071/CV/IFS/2023

Dong Nai, 18th July 2023

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

(Re: Explanatory for Business results of 2nd 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 2nd Quarter of year 2023 as following:

Unit: VND'000

Descriptions	2nd Quarter 2023	2nd Quarter 2022	Variance	YTD2023-Q2	YTD2022-Q2	Variance
Revenue from sale of goods	506,822,518	483,406,813	5%	928,416,287	839,692,842	11%
Deductions	29,920,414	32,771,440	-9%	56,316,902	53,380,650	6%
<i>% of Deductions</i>	6%	7%		6%	6%	
Net revenue	476,902,104	450,635,373	6%	872,099,385	786,312,192	11%
Cost of sales	299,010,439	309,016,277	-3%	567,052,294	535,299,290	6%
<i>Cost of sales %</i>	63%	69%		65%	68%	
Gross profit	177,891,665	141,619,096	26%	305,047,091	251,012,902	22%
<i>Gross profit %</i>	37%	31%		35%	32%	
Financial income	10,036,737	4,510,679	123%	20,349,089	7,694,575	164%
Financial expenses	14,429	62,761	-77%	73,082	39,942	83%
<i>In which: interest expense</i>	-	-		-	-	
Selling expenses	91,144,921	87,780,385	4%	177,805,066	155,751,048	14%
<i>Selling expenses %</i>	19%	19%		20%	20%	
General and administration expenses	9,526,126	9,329,108	2%	18,589,682	17,235,034	8%
Operating profit	87,242,926	48,957,521	78%	128,928,350	85,681,453	50%
Other income	82,863	101,046	-18%	145,333	253,742	-43%
Other expenses	1,418,960	167,867	745%	1,562,057	1,098,634	42%
Profit before tax	85,906,829	48,890,700	76%	127,511,626	84,836,561	50%
CIT for the current year	17,461,473	13,081,292	33%	24,898,366	21,017,976	18%
Deferred CIT	42,773	(3,738,269)	-101%	4,671,832	(3,791,870)	-223%
Profit after tax	68,402,583	39,547,677	73%	97,941,428	67,610,455	45%
<i>Profit after tax %</i>	14%	9%		11%	9%	

The second quarter of 2023 continues to mark the period of the Company's transition from a recovery state to a post-Covid sustainable growth phase, which is reflected in the results of the Company's pre-tax profit of VND 86 billion, exceeding 76% of the same period last year.

Regarding sales, in the quarter, the Company continued to promote basic sales activities, strengthen diversified marketing campaigns for many strategic brand, launched new Winter mealon tea in PET bottled product ... As a result, total sales increased by more than 5% over the same period last year

Cost of goods sold in the second quarter of 2023 decreased to 63%, the proportion of net revenue compared to the same period last year was 69%. The reason is due to fluctuations in prices of some key input materials in the quarter.

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 the Second quarter, the company continued to carry out communication campaigns to promote products to promote sales growth and continue to carry out sales support expenses, however, due to the unit price of transportation costs tended to decrease during the quarter, the ratio of selling expenses to net sales decreased to 19% of net revenue, equal to the same period last year.

The general and administration expenses maintained a stable level of 2%, compared to 2.1% in the same period last year.

Other expenses mainly related to other support and compensation.

Above are some explanation for operating results of the 2nd Quarter of 2023.

Thanks and best regards.

ONBEHALF OF THE COMPANY

(Signed and sealed)

Daisuke Hattori
General Director