

No : 217 /CV/IFS/2024

Dong Nai, 16th July 2024

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

(Re: Explanatory for Business results of 2nd Quarter 2024)

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 2024 as following:

Unit: VND'000

Descriptions	2nd Quarter 2024	2nd Quarter 2023	Variance	YTD2024-Q2	YTD2023-Q2	Variance
Revenue from sale of goods	559,131,698	506,822,518	10%	1,037,534,427	928,416,287	12%
Deductions	34,427,726	29,920,414	15%	65,708,129	56,316,902	17%
<i>% of Deductions</i>	6%	6%		6%	6%	
Net revenue	524,703,972	476,902,104	10%	971,826,298	872,099,385	11%
Cost of sales	331,034,497	299,010,439	11%	624,456,173	567,052,294	10%
<i>Cost of sales %</i>	63%	63%		64%	65%	
Gross profit	193,669,475	177,891,665	9%	347,370,125	305,047,091	14%
<i>Gross profit %</i>	37%	37%		36%	35%	
Financial income	4,904,554	10,036,737	-51%	8,886,987	20,349,089	-56%
Financial expenses	195,175	14,429	1253%	227,185	73,082	211%
<i>In which: interest expense</i>	-	-		-	-	
Selling expenses	109,154,655	91,144,921	20%	194,967,064	177,805,066	10%
<i>Selling expenses %</i>	21%	19%		20%	20%	
General and administration expenses	15,000,632	10,552,557	42%	24,142,740	19,616,113	23%
Operating profit	74,223,567	86,216,495	-14%	136,920,123	127,901,919	7%
Other income	644,981	1,109,294	-42%	960,766	1,171,764	-18%
Other expenses	3,025,044	1,418,960	113%	3,409,007	1,562,057	118%
Profit before tax	71,843,504	85,906,829	-16%	134,471,882	127,511,626	5%
CIT for the current year	17,860,799	13,724,007	30%	26,725,247	21,160,900	26%
Deferred CIT	(996,132)	42,773	-2429%	2,755,440	4,671,832	-41%
Profit after tax	54,978,837	72,140,049	-24%	104,991,195	101,678,894	3%
<i>Profit after tax %</i>	10%	15%		11%	12%	

In the second quarter of 2024, the company achieved a profit after tax of 55 billion VND, decreased about 24% compared to the second quarter of year 2023. The company would like to explain as follows:

Net revenue increased by 10% over the same period as the company continues to make efforts to implement the proposed sales plan, focusing on key products and strategic products.

Cost of goods sold in the second quarter of 2024 maintained 63% of net revenue, on par with the same period last year, because in the quarter there were fluctuations in price increases of some input materials, but they were covered by other variable costs and fixed costs, leading to stable prices over the same period.

Financial revenue decreased due to the impact of the general downward trend in deposit interest rates this quarter.

The basic increase in selling expenses is related to the Company promoting promotional programs and enhancing communication campaigns to promote key strategic products to promote sales growth in the period.

The increase in administrative expenses this quarter is basically related to some technology investments to serve the Company's growth purposes.

Other income is mainly related to compensation from some suppliers.

Other costs are mainly related to corporate income tax incurred when closing the tax code of a subsidiary.

Above are some main factors explaining the result of a difference of over 10% increase in business activities in the second quarter of 2024 compared to the same period last year.

Thanks and best regards.

ONBEHALF OF THE COMPANY

(Signed and sealed)

Daisuke Hattori
General Director