

**Bien Hoa, 14th August 2014**

**To : State Securities Commission**

*(Re: Explanatory for Separated business results of 1st half year 2014)*

First we would like to thank for your support recently.

We would like to provide the result of consolidation income statement for the 1st half year 2014 as following:

Descriptions	1st halt year 2014	%	1st halt year 2013	%	Variance	%
	Thousand VND		Thousand VND		Thousand VND	
Gross sales	546,199,824		511,218,295		34,981,529	7%
Less deductions:	19,648,111		14,446,401		5,201,710	36%
Net sales	526,551,713	100%	496,771,894	100%	29,779,819	6%
Cost of sales	402,495,981	76%	354,043,833	71%	48,452,148	14%
Gross profit	124,055,732	24%	142,728,061	29%	(18,672,329)	-13%
Income from financial activities	4,621,753	0.9%	2,225,448	0%	2,396,305	108%
Expenses for financial activities	11,272,716	2%	9,140,666	2%	2,132,050	23%
<i>Including: interest expense</i>	3,470,061	1%	4,278,250	1%	(808,189)	-19%
Selling expenses	201,950,887	38%	197,782,484	40%	4,168,403	2%
General and administration expenses	15,764,451	3%	16,307,917	3%	(543,466)	-3%
Operating profit (loss)	(100,310,569)	-19%	(78,277,558)	-16%	(22,033,011)	28%
Other income	8,171,479	2%	75,175,996	15%	(67,004,517)	-89%
Other expenses	352,035	0%	2,296,474	0%	(1,944,439)	-85%
Profit (loss) before tax	(92,491,125)	-18%	(5,398,036)	-1%	(87,093,089)	1613%
CIT for the current year	-	0%	-	0%	-	
Deferred CIT	-	0%	-	0%	-	0%
Profit(loss) after tax	(92,491,125)	-18%	(5,398,036)	-1%	(87,093,089)	1613%

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

Net sales in the first half year 2014 increased by 6% comparing to the same period in year 2013, due to the company has expanded the sale outlets nationwide, launched new product (green tea), deployed selling program to increase the customer consuming, and as results the company has achieved and overcome the sale target for the 1st half of year 2014.

Cost of goods sold in the 1st half year 2014 increased, with ratio of 76% net sales compared to 71% of last year due to the increasing cost of input raw material, and an additional inventory provision was made in the 2nd quarter accounting to VND 16 billion.

Income from financial activities in the 1st half year 2014 increased comparing to the same period last year, mostly related to the difference of exchange rate for the items of foreign currencies according to the regulations.

Expenses for financial activities in the 1st half year 2014 increased relating to the foreign exchange rate revaluation, the loan interest was kept at 1% per net sale due to the Company is still maintaining the inter-company off-shore loans with interest rates about 1.9% per annual.

In the 1st half year 2014, the company continued performance of the advertising program, promotion and supporting for distributors, outlets, and salesmen.... lead to the selling expenses still kept high and accounted for 38% net sale.

General and administration expenses reduce compared to the same period in 2013 and kept at 3% net sale

Other income in this period increase due to the discounts from the main suppliers.

Other expenses mostly referred to the depreciation cost of several idled assets.

Above are some explanation for operating results of 1st half year 2014.

Thanks and best regards!

**ONBEHALF OF THE COMPANY**

(Signed and sealed)