

**No : 072/CV/IFS/2021**

*Dong Nai, 16st April 2021*

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

*(Re: Explanatory for Business results of 1st Quarter 2021)*

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 2021 as following:

Unit: VND'000

Descriptions	1st Quarter - 2021	1st Quarter - 2020	%	YTD2021Q1	YTD2020Q1	%
Revenue from sale of goods	364,635,221	333,206,264	9%	364,635,221	333,206,264	9%
Deductions	17,120,680	28,702,509	-40%	17,120,680	28,702,509	-40%
<i>% of Deductions</i>	<i>5%</i>	<i>9%</i>		<i>5%</i>	<i>9%</i>	
<b>Net revenue</b>	<b>347,514,541</b>	<b>304,503,755</b>	<b>14%</b>	<b>347,514,541</b>	<b>304,503,755</b>	<b>14%</b>
Cost of sales	205,075,340	185,655,665	10%	205,075,340	185,655,665	10%
<i>COGS %</i>	<i>59%</i>	<i>61%</i>		<i>59%</i>	<i>61%</i>	
<b>Gross profit</b>	<b>142,439,201</b>	<b>118,848,090</b>	<b>20%</b>	<b>142,439,201</b>	<b>118,848,090</b>	<b>20%</b>
<i>GPM %</i>	<i>41%</i>	<i>39%</i>		<i>41%</i>	<i>39%</i>	
Financial income	534,607	973,061	-45%	534,607	973,061	-45%
Financial expenses	5,892	(2,844)	-307%	5,892	(2,844)	-307%
<i>In which: interest expense</i>	<i>2,661</i>	<i>5,608</i>	<i>-53%</i>	<i>2,661</i>	<i>5,608</i>	<i>-53%</i>
Selling expenses	57,841,407	61,623,732	-6%	57,841,407	61,623,732	-6%
<i>Selling expenses %</i>	<i>17%</i>	<i>20%</i>		<i>17%</i>	<i>20%</i>	
General and administration expenses	8,269,596	8,866,418	-7%	8,269,596	8,866,418	-7%
<b>Operating profit</b>	<b>76,856,913</b>	<b>49,333,845</b>	<b>56%</b>	<b>76,856,913</b>	<b>49,333,845</b>	<b>56%</b>
Other income	37,296	64,636	-42%	37,296	64,636	-42%
Other expenses	63,032	66,264	-5%	63,032	66,264	-5%
<b>Profit before tax</b>	<b>76,831,177</b>	<b>49,332,217</b>	<b>56%</b>	<b>76,831,177</b>	<b>49,332,217</b>	<b>56%</b>
CIT for the current year	11,051,454	3,711,518	198%	11,051,454	3,711,518	198%
Deferred CIT	4,332,301	-		4,332,301	-	
<b>Profit after tax</b>	<b>61,447,422</b>	<b>45,620,699</b>	<b>35%</b>	<b>61,447,422</b>	<b>45,620,699</b>	<b>35%</b>
<i>PL %</i>	<i>18%</i>	<i>15%</i>		<i>18%</i>	<i>15%</i>	

In the first quarter of 2021, although the business situation continued to be affected by the Covid 19 pandemic, with the efforts of all employees, the Company continued to get the achieved profit before tax of VND 76 billion, affirming determination to overcome difficulties to achieve business goals in 2021.

Regarding sales activities, Company continues to maintain basic sales policies and adhere to sales targets, maintain policies to support distribution systems during difficult times due to the impact of pandemic, as results, net sales in the first quarter of 2021 increased by 14% over the same period in 2020.

Cost of sales in the 1st Quarter of 2021 decreased, accounting for 59% of net revenue compared to 61% of the same period last year because in this quarter, the Company still maintain stable purchasing price of materials and efficient and economical use of overhead production costs causing the reduction of costs per unit of product.

In the first quarter of 2021 due to the impact of pandemic, selling expenses continued to decrease to 17% of net revenue, down 3% compared to with the same period last year. However, the Company continues to implement sales support programs such as discounts, promotions, sales bonuses for distributors and sales team, point of sale program ... to maintain sales.

General and administration expenses maintain at 2.4% on net revenue compared to 2.9% in the same period last year.

Above are some explanation for operating results of the 1st Quarter of 2021.

Thanks and best regards.

**ONBEHALF OF THE COMPANY**

*(Signed and sealed)*

**Tomohide Ito**  
**General Manager of Planning**

*As per the Letter of Authorization No 07-UQ/IFS-2021  
dated 26th March 2021 of the General Director*