

No : 178/CV/IFS/2021

Dong Nai, 18th October 2021

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

(Re: Explanatory for Business results of 3rd 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 3rd Quarter of year 2021 as following:

Unit: VND'000

Descriptions	3rd Quarter - 2021	3rd Quarter - 2020	%	YTD2021Q3	YTD2020Q3	%
Revenue from sale of goods	253,298,062	402,120,438	-37%	997,133,142	1,120,412,711	-11%
Deductions	21,913,625	39,977,168	-45%	63,679,147	102,420,544	-38%
<i>% of Deductions</i>	<i>9%</i>	<i>10%</i>		<i>6%</i>	<i>9%</i>	
Net revenue	231,384,437	362,143,270	-36%	933,453,995	1,017,992,167	-8%
Cost of sales	163,995,671	220,247,380	-26%	583,355,206	620,529,941	-6%
<i>COGS %</i>	<i>71%</i>	<i>61%</i>		<i>62%</i>	<i>61%</i>	
Gross profit	67,388,766	141,895,890	-53%	350,098,789	397,462,226	-12%
<i>GPM %</i>	<i>29%</i>	<i>39%</i>		<i>38%</i>	<i>39%</i>	
Financial income	1,950,225	835,227	133%	4,393,601	3,383,212	30%
Financial expenses	51,528	92,767	-44%	68,744	76,257,345	-100%
<i>In which: interest expense</i>	<i>934</i>	<i>4,214</i>	<i>-78%</i>	<i>5,416</i>	<i>14,751</i>	<i>-63%</i>
Selling expenses	51,764,430	71,175,758	-27%	167,054,510	200,077,252	-17%
<i>Selling expenses %</i>	<i>22%</i>	<i>20%</i>		<i>18%</i>	<i>20%</i>	
General and administration expenses	9,223,755	9,065,586	2%	26,763,569	25,403,834	5%
Operating profit	8,299,278	62,397,006	-87%	160,605,567	99,107,007	62%
Other income	223,311	255,988	-13%	448,169	389,754	15%
Other expenses	76,056	1,449,623	-95%	646,548	1,970,986	-67%
Profit before tax	8,446,533	61,203,371	-86%	160,407,188	97,525,775	64%
CIT for the current year	4,502,618	14,530,058	-69%	30,298,216	20,097,245	51%
Deferred CIT	(2,783,944)	(2,000,012)	39%	1,941,637	(166,276)	-1268%
Profit after tax	6,727,859	48,673,325	-86%	128,167,335	77,594,806	65%
<i>PL %</i>	<i>3%</i>	<i>13%</i>		<i>14%</i>	<i>8%</i>	

In the third quarter of 2021, the production and business situation continued to be heavily affected by the 4th outbreak of the Covid-19 pandemic leading to a significant decrease in business results, profit before tax was only 8.4 billion VND, accumulated from the beginning of the year reached 160.4 billion VND

Total sales reduced by 37% year-on-year due to the impact of pandemic restrictions on production and sales activities. However, the Company still tries to maintain the supply of goods for supermarket sales channels as well as areas less affected by the pandemic. Cumulative net sales by the end of the third quarter of 2021 decreased by 8% compared to the same period in 2020.

Cost of goods sold in the third quarter of 2021 increased sharply, accounting for 71% of net revenue, an increase of 10% compared to the same period last year due to a decrease in sales volume in this quarter, production volume was only at very low level, causing the sold product to incur additional costs related to making the price pushed up

In the third quarter of 2021, sales decreased, but the Company still had to maintain fixed costs for the sales force, resulting in the proportion of selling costs over net revenue increasing to 22% compared to 20% in the same period last year. The proportion of administrative expenses also increased higher in relation to the costs of disease prevention.

Above are some explanation for operating results of the 3rd Quarter of 2021.

Thanks and best regards.

ONBEHALF OF THE COMPANY

(Signed and sealed)

Hajime Kawasaki
General Director