

No : 128/CV/IFS/2022

Dong Nai, 20th October 2022

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

(Re: Explanatory for Business results of 3rd Quarter 2022)

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 2022 as following:

Unit: VND'000

Descriptions	3rd Quarter - 2022	3rd Quarter - 2021	%	YTD2022Q3	YTD2021Q3	%
Revenue from sale of goods	459,250,790	253,298,062	81%	1,298,943,632	997,133,142	30%
Deductions	29,116,765	21,913,625	33%	82,497,415	63,679,147	30%
<i>% of Deductions</i>	6%	9%		6%	6%	
Net revenue	430,134,025	231,384,437	86%	1,216,446,217	933,453,995	30%
Cost of sales	289,048,671	152,279,716	90%	824,347,961	571,639,251	44%
<i>Cost of sales %</i>	67%	66%		68%	61%	
Gross profit	141,085,354	79,104,721	78%	392,098,256	361,814,744	8%
<i>Gross profit %</i>	33%	34%		32%	39%	
Financial income	5,411,274	1,950,225	177%	13,105,849	4,393,601	198%
Financial expenses	104,236	51,528	102%	144,178	68,744	110%
<i>In which: interest expense</i>	-	934	-100%	-	5,416	-100%
Selling expenses	95,887,312	51,764,430	85%	251,638,360	167,054,510	51%
<i>Selling expenses %</i>	22%	22%		21%	18%	
General and administration expenses	9,415,508	9,223,755	2%	26,650,542	26,763,569	0%
Operating profit	41,089,572	20,015,233	105%	126,771,025	172,321,522	-26%
Other income	260,183	223,311	17%	513,925	448,169	15%
Other expenses	278,277	11,792,011	-98%	1,376,911	12,362,503	-89%
Profit before tax	41,071,478	8,446,533	386%	125,908,039	160,407,188	-22%
CIT for the current year	9,703,842	4,502,618	116%	30,721,818	30,298,216	1%
Deferred CIT	(1,422,855)	(2,783,944)	-49%	(5,214,725)	1,941,637	-369%
Profit after tax	32,790,491	6,727,859	387%	100,400,946	128,167,335	-22%
<i>Profit after tax %</i>	8%	3%		8%	14%	

The third quarter of 2022 is a period of positive recovery after the pandemic, as shown by the results that the Company continues to make profits from business activities, reaching VND 41 billion, profit after tax reached VND 32.7 billion and accumulated until the end of the third quarter of 2022, reaching VND 100 billion in profit after tax

Total sales increased strongly by more than 81% y/y as the market has almost fully recovered, although there are still some areas still facing difficulties due to objective factors, net revenue increased impressively, exceeding 86% compared to the same period in 2021.

Cost of goods sold in the third quarter of 2022 was still quite high, accounting for 67% of net revenue, continuing to be affected by fluctuations in input material prices due to global uncertainties.

Financial income increased because in this period the company continued to maintain a short-term deposit of VND700 billion at one bank with competitive interest rate.

Selling expenses increased due to the transportation costs still high following the general trend, plus in this quarter the Company continues deploy various sales promotion programe and launching renewal products to promote sales growth, led to an increase in the ratio of selling expenses to net sales to 19% compared to 16% in the same period last year. General and administrative expenses remained stable at 2.1% over the same period.

Other expenses in this quarter are mainly related to the compensation for the processing company, down compared to the same period last year Q3-2021 which mainly related to the costs of Non production during the big impact from Covid 19.

Above are some explanation for operating results of the 3rd Quarter of 2022.

Thanks and best regards.

ONBEHALF OF THE COMPANY

(Signed and sealed)

Hajime Kawasaki
General Director