

No : 145/CV/IFS/2021

Dong Nai, 12th August 2021

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

(Re: Explanatory for Business results of 1st half of year 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 half of year of year 2021 as following:

Unit: VND'000

Descriptions	1st half of year 2021	1st half of year 2020	%
Revenue from sale of goods	743,835,080	718,292,273	4%
Deductions	41,765,522	62,443,376	-33%
<i>% of Deductions</i>	<i>6%</i>	<i>9%</i>	
Net revenue	702,069,558	655,848,897	7%
Cost of sales	419,359,535	400,282,561	5%
<i>COGS %</i>	<i>60%</i>	<i>61%</i>	
Gross profit	282,710,023	255,566,336	11%
<i>GPM %</i>	<i>40%</i>	<i>39%</i>	
Financial income	2,443,376	2,547,985	-4%
Financial expenses	17,216	76,164,578	-100%
<i>In which: interest expense</i>	<i>4,482</i>	<i>10,537</i>	<i>-57%</i>
Selling expenses	115,290,080	128,901,494	-11%
<i>Selling expenses %</i>	<i>16%</i>	<i>20%</i>	
General and administration expenses	17,539,814	16,338,248	7%
Operating profit	152,306,289	36,710,001	315%
Other income	224,858	133,766	68%
Other expenses	570,492	521,363	9%
Profit before tax	151,960,655	36,322,404	318%
CIT for the current year	25,795,598	5,567,187	363%
Deferred CIT	4,725,581	1,833,736	158%
Profit after tax	121,439,476	28,921,481	320%
<i>PL %</i>	<i>17%</i>	<i>4%</i>	

In the first half of year 2021, although the production and business situation continues affected by the 4th outbreak of the Covid-19 pandemic, but this is first half of year the Company has escaped accumulated losses after many years, with business results reaching a profit before tax of 152 billion VND, increased by 318% compare with last period.

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, the net sale increased by 7% over the same period in 2020.

Cost of goods sold in the first half of year 2021 remained at the proportion of 60% of net revenue compared with 61% of the same period last year, because in this quarter although some input materials' price was significant increased, but the Company continues to effectively and economically use the resources of the general production costs... to maintain the production cost per unit of product

In the first half of year 2021 due to the impact of pandemic, selling expenses continued to decrease to 16% of net revenue, down 4% 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 administrative expenses maintained at 2.5% of net revenue compared to last year related to the cost of renovation of a new office.

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

Thanks and best regards.

ONBEHALF OF THE COMPANY

(Signed and sealed)

Hajime Kawasaki
General Director