

No : 013/CV/IFS/2022

Dong Nai, 18th January 2022

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

(Re: Explanatory for Business results of 4th 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 4th Quarter of year 2021 as following:

Unit: VND'000

Descriptions	4th Quarter - 2021	4th Quarter - 2020	%	YTD2021Q4	YTD2020Q4	%
Revenue from sale of goods	316,110,310	418,909,653	-25%	1,313,243,452	1,539,322,364	-15%
Deductions	20,331,949	27,722,349	-27%	84,011,096	130,142,893	-35%
<i>% of Deductions</i>	<i>6%</i>	<i>7%</i>		<i>6%</i>	<i>8%</i>	
Net revenue	295,778,361	391,187,304	-24%	1,229,232,356	1,409,179,471	-13%
Cost of sales	198,646,276	216,794,986	-8%	770,285,527	837,324,927	-8%
<i>COGS %</i>	<i>67%</i>	<i>55%</i>		<i>63%</i>	<i>59%</i>	
Gross profit	97,132,085	174,392,318	-44%	458,946,829	571,854,544	-20%
<i>GPM %</i>	<i>33%</i>	<i>45%</i>		<i>37%</i>	<i>41%</i>	
Financial income	2,832,867	741,644	282%	7,226,468	4,124,856	75%
Financial expenses	138,709	37,695	268%	207,453	76,295,040	-100%
<i>In which: interest expense</i>	<i>106</i>	<i>3,458</i>	<i>-97%</i>	<i>5,522</i>	<i>18,209</i>	<i>-70%</i>
Selling expenses	66,355,203	67,320,676	-1%	233,409,713	267,397,928	-13%
<i>Selling expenses %</i>	<i>22%</i>	<i>17%</i>		<i>19%</i>	<i>19%</i>	
General and administration expenses	9,630,865	10,333,645	-7%	36,394,434	35,737,479	2%
Operating profit	23,840,175	97,441,946	-76%	196,161,697	196,548,953	0%
Other income	357,195	808,673	-56%	805,364	1,198,427	-33%
Other expenses	27,422,068	1,345,235	1938%	39,784,571	3,316,221	1100%
Profit before tax	(3,224,698)	96,905,384	-103%	157,182,490	194,431,159	-19%
CIT for the current year	1,821,711	17,320,382	-89%	32,119,927	37,417,627	-14%
Deferred CIT	(2,436,607)	2,146,038	-214%	(494,970)	1,979,762	-125%
Profit after tax	(2,609,802)	77,438,964	-103%	125,557,533	155,033,770	-19%
<i>PL %</i>	<i>-1%</i>	<i>20%</i>		<i>10%</i>	<i>11%</i>	

The fourth quarter of 2021 is the period when the Company's production and business begins to gradually recover after the heavy effects of the 4th outbreak of the Covid-19 pandemic, business results have changed positively and the Company has made a profit from business activities in the fourth quarter of 2021, reaching VND 23.8 billion, accumulated since the beginning of the year, the Company's profit after tax reached VND 125 billion.

Total sales decreased by 25% year-on-year because the company has not been able to fully restore production and sales activities. Cumulative net sales by the end of Q4/2021 decreased by 13% over the same period in 2020.

Cost of goods sold in the fourth quarter of 2021 increased sharply, accounting for 67% of net revenue, due to a decrease in sales volume in this quarter, production volume was only at low level, and with the increasing of raw material price, causing the sold product to incur additional costs related to making the price pushed up

In the fourth 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 17% in the same period last year.

Other costs increase related to the compensation for the product processing contract of the outsourcing partners due to low order quantity.

Above are some explanation for operating results of the 4th Quarter of 2021.

Thanks and best regards.

ONBEHALF OF THE COMPANY

(Signed and sealed)

Hajime Kawasaki
General Director