



CENTURY SYNTHETIC FIBER CORP.

MANAGEMENT PRESENTATION

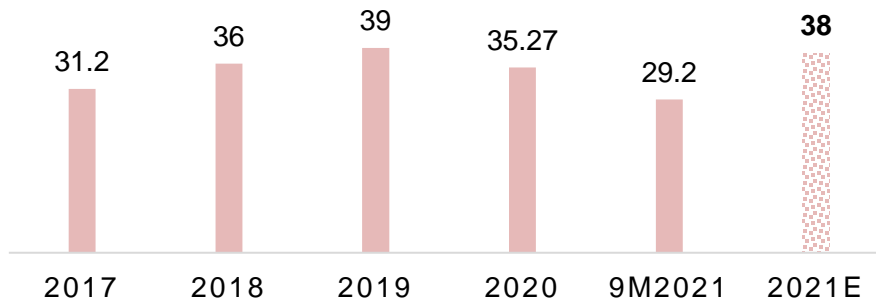
October 2021



VIETNAM TEXTILE AND GARMENT INDUSTRY

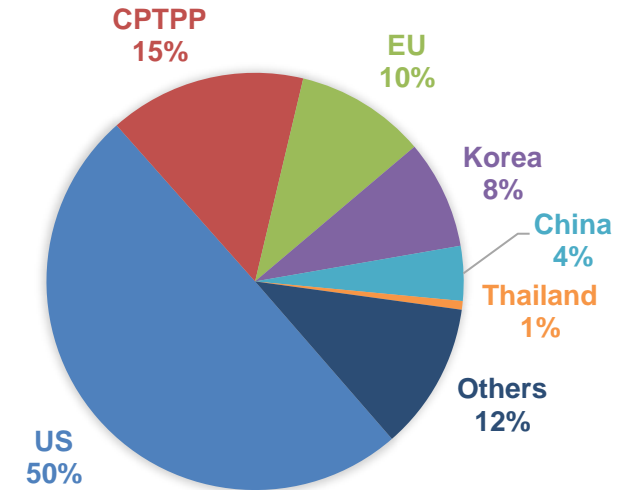
Performance and key drivers

VIETNAM TEXTILE & GARMENT EXPORTS (USD MIL.)



Sources: VCOSA

VIETNAM'S GARMENT AND TEXTILE EXPORT BY MARKETS 8M2021



VN textile industry's key drivers

- Order relocation out of China to VN due to the Trade War;
- Opportunities from FTAs : CTCPP, EVFTA, UKVFTA, RCEP, VJEPA, VKFTA...
- Development in environmentally friendly sportswear products, indirectly boosting the sales volume and demand for textile materials from Vietnam;
- Recovery of Vietnam's prominent export markets after Covid-pandemic;



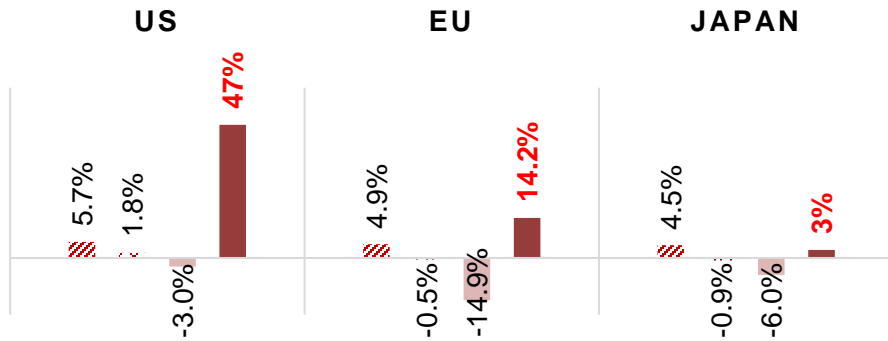
VIETNAM TEXTILE AND GARMENT INDUSTRY

Growth potential of VN textile garment industry

Source: OTEXA, MOF-JAPAN, EUROSTAT

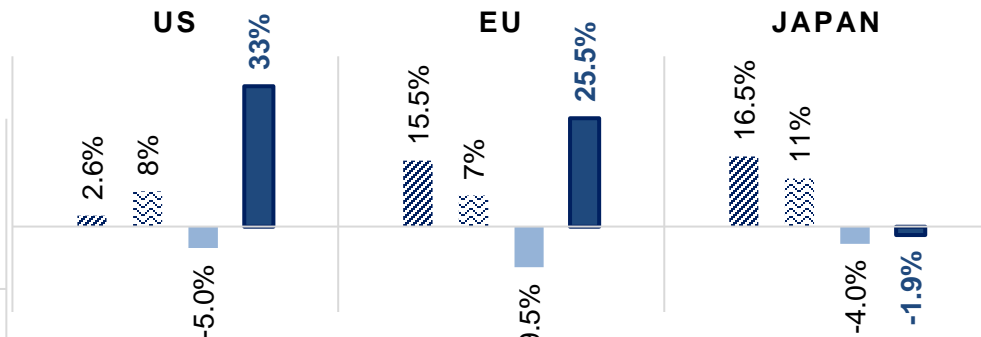
GLOBAL TEXTILE IMPORT VOLUME GROWTH RATE IN 2016 - 2019 AT 3-MAJOR MARKETS

2018/17 2019/18 2020/19 8M2021/8M2020



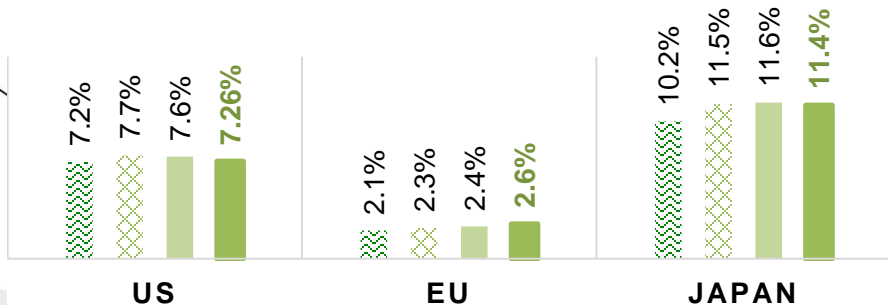
VN'S TEXTILE EXPORT VOLUME GROWTH RATE IN 2016-2019 AT 3-MAJOR MARKETS

2018/17 2019 vs 2018 2020/19 8M2020/8M2021



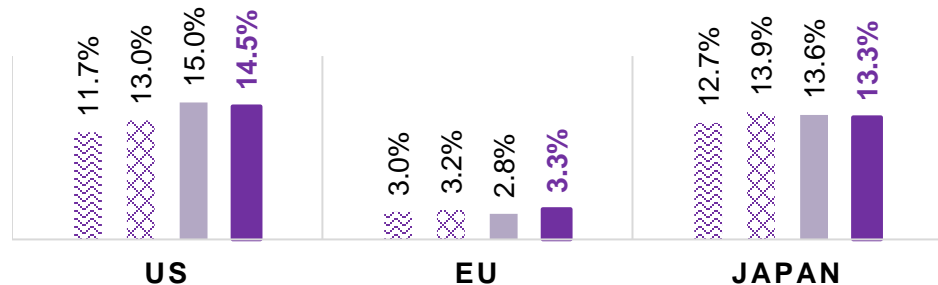
SHARES OF VN TEXTILE EXPORT VOLUME 2017-4M2021 IN US, EU, JPN

2018 2019 2020 8M2021



SHARES OF VN TEXTILE EXPORT VALUE 2017-4M2021 IN US, EU, JPN

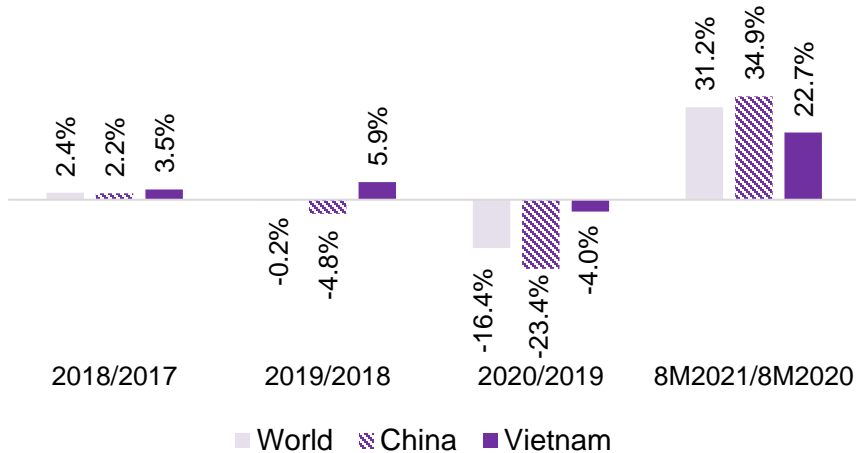
2018 2019 2020 8M2021



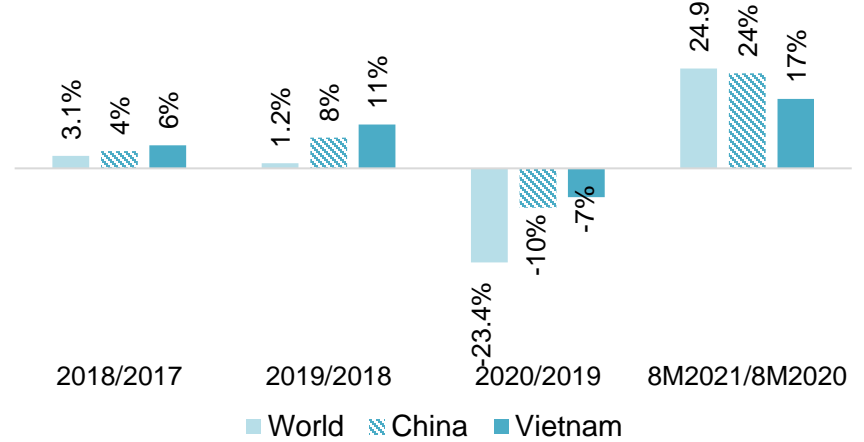


U.S APPAREL IMPORT

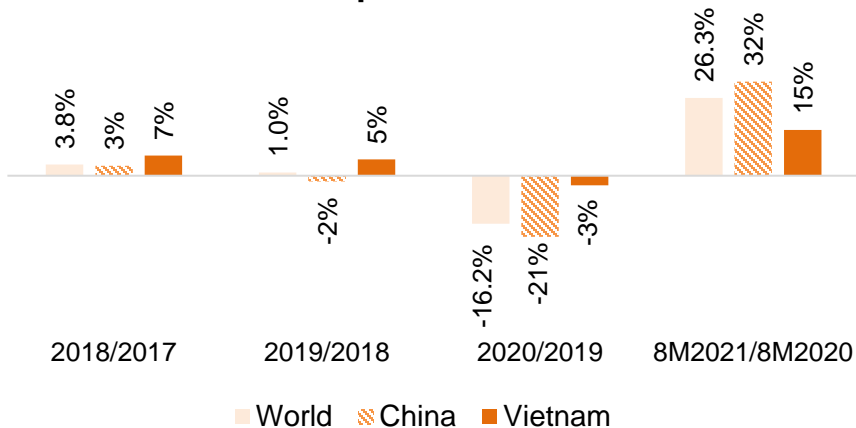
Growth rate of U.S apparel import volume



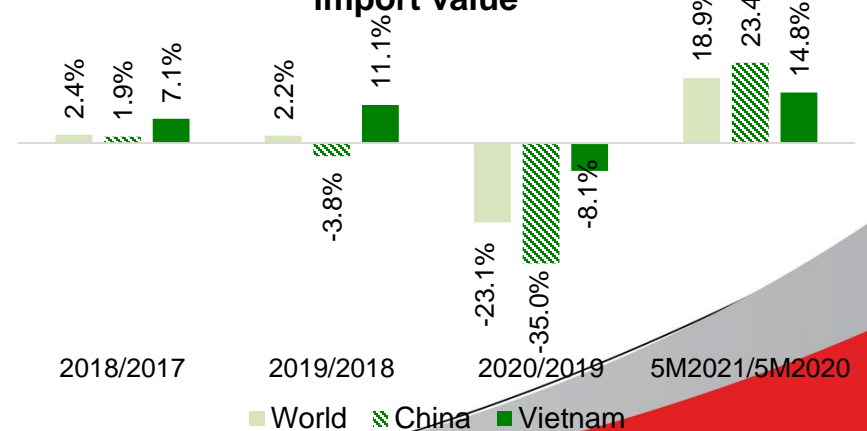
Growth rate of U.S apparel import value



Growth rate of U.S Man-made apparel import volume



Growth rate of U.S Man-made apparel import value

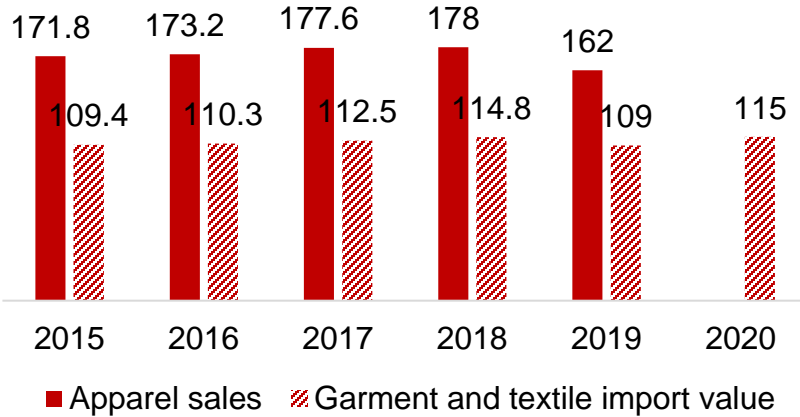




EVFTA

Vietnam's growth opportunities in the EU are enormous

Apparel sales and textile import value of EU (EUR bn)

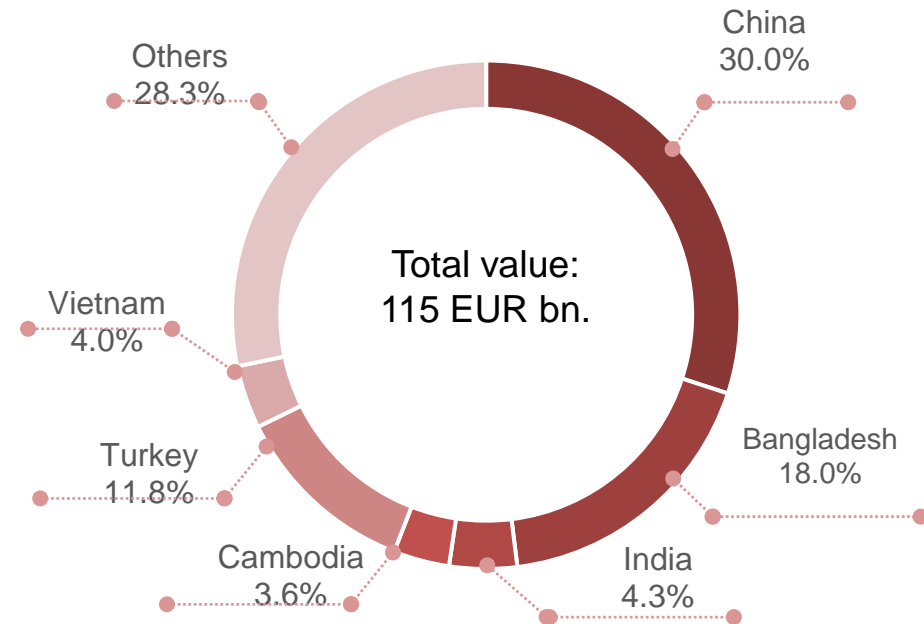


Sources: Euratex, Statista, EUROSTAT

EU Tariff treatment on apparels

Standard GSP Duty rate 9.6%	GSP + Duty rate 0%	EBA Exempted Duty
Vietnam	Pakistan	Bangladesh
Indonesia	Sri Lanka	Cambodia
India	Philippines	Lao
		Myanmar

The market share of countries in total EU import value 2020



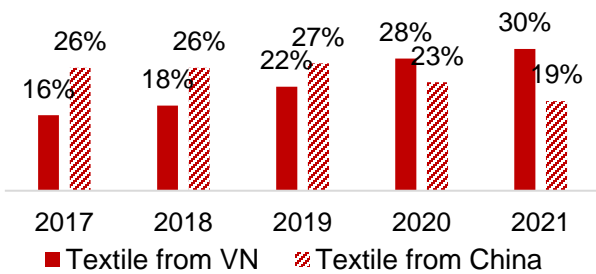
Sources: <https://ec.europa.eu/trade/policy/countries-and-regions/development/generalised-scheme-of-preferences/>



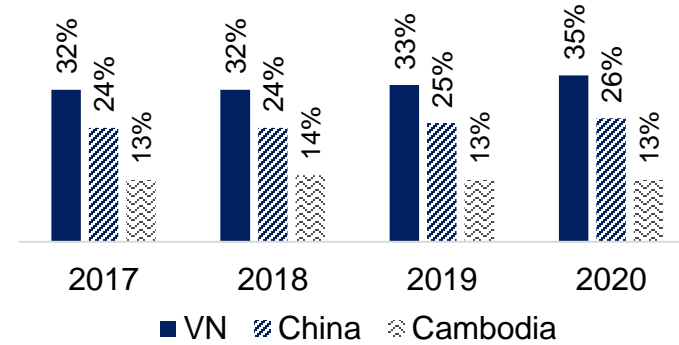
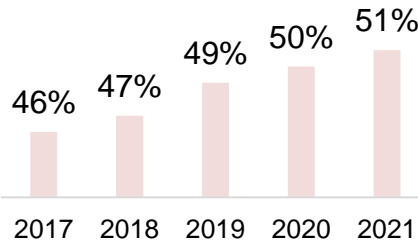
VIETNAM'S SHARE AT MAJOR BRANDS



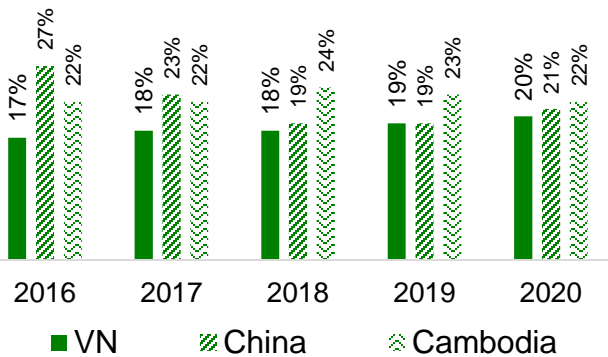
Apparel products



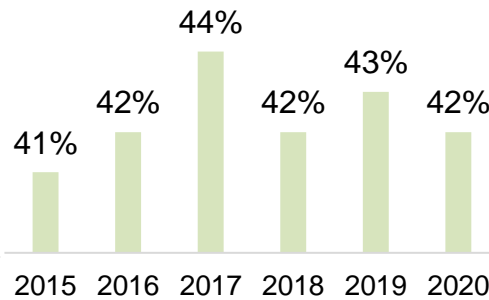
Footwear



Apparel products



Footwear from VN

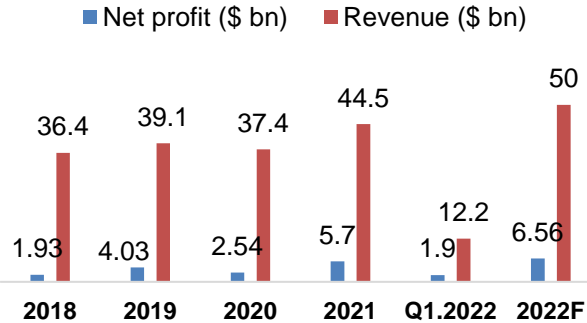


(Source: Annual Reports of Nike, Adidas, Puma,)

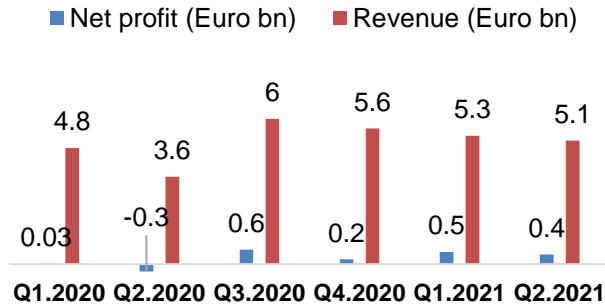


SPORTWEAR FIRMS OUTPERFORMED THEIR FASHION PEERS

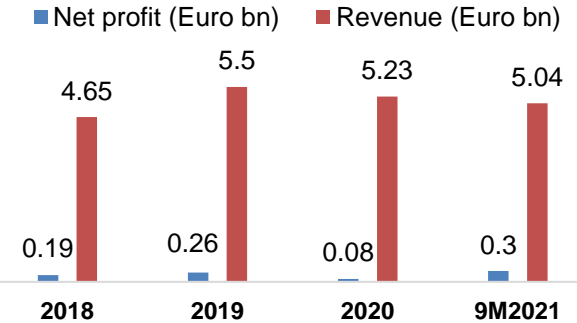
NIKE



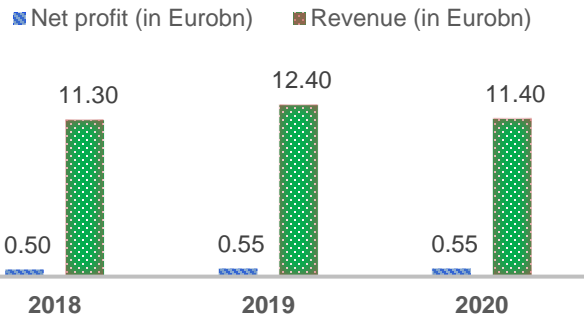
ADIDAS



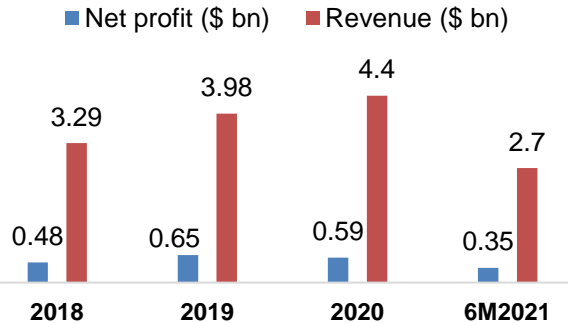
PUMA



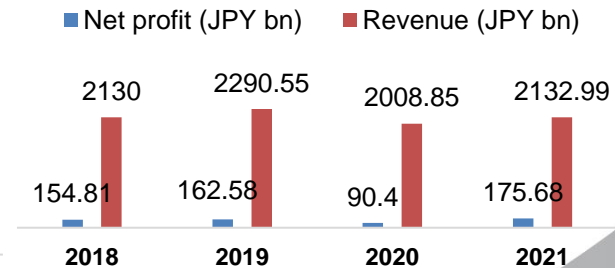
DECATHON



LULULEMON



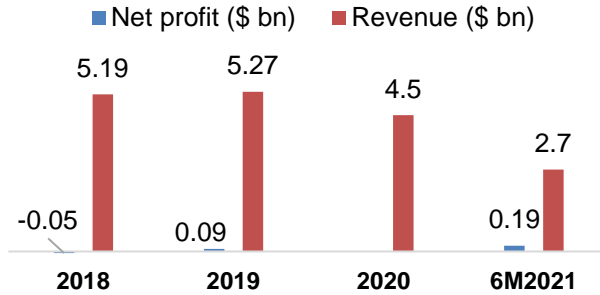
UNIQLO



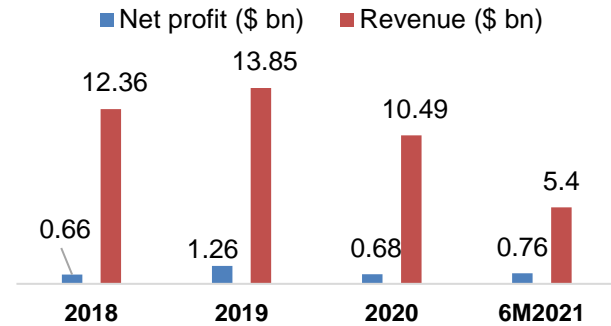


SPORTWEAR FIRMS OUTPERFORMED THEIR FASHION PEERS

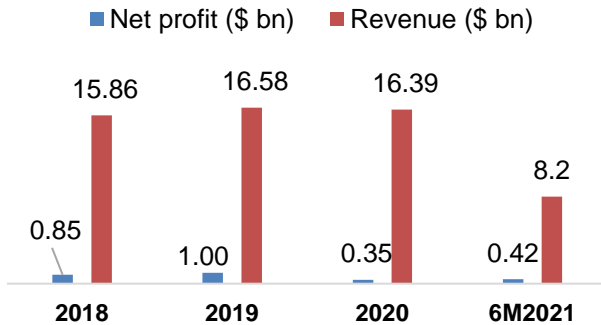
UNDER ARMOUR



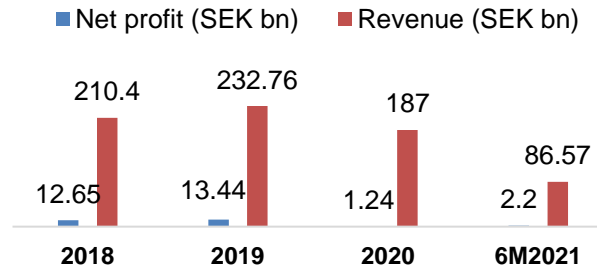
VF CORP.



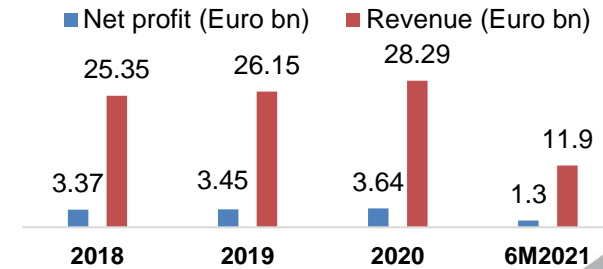
GAP INC.



H&M



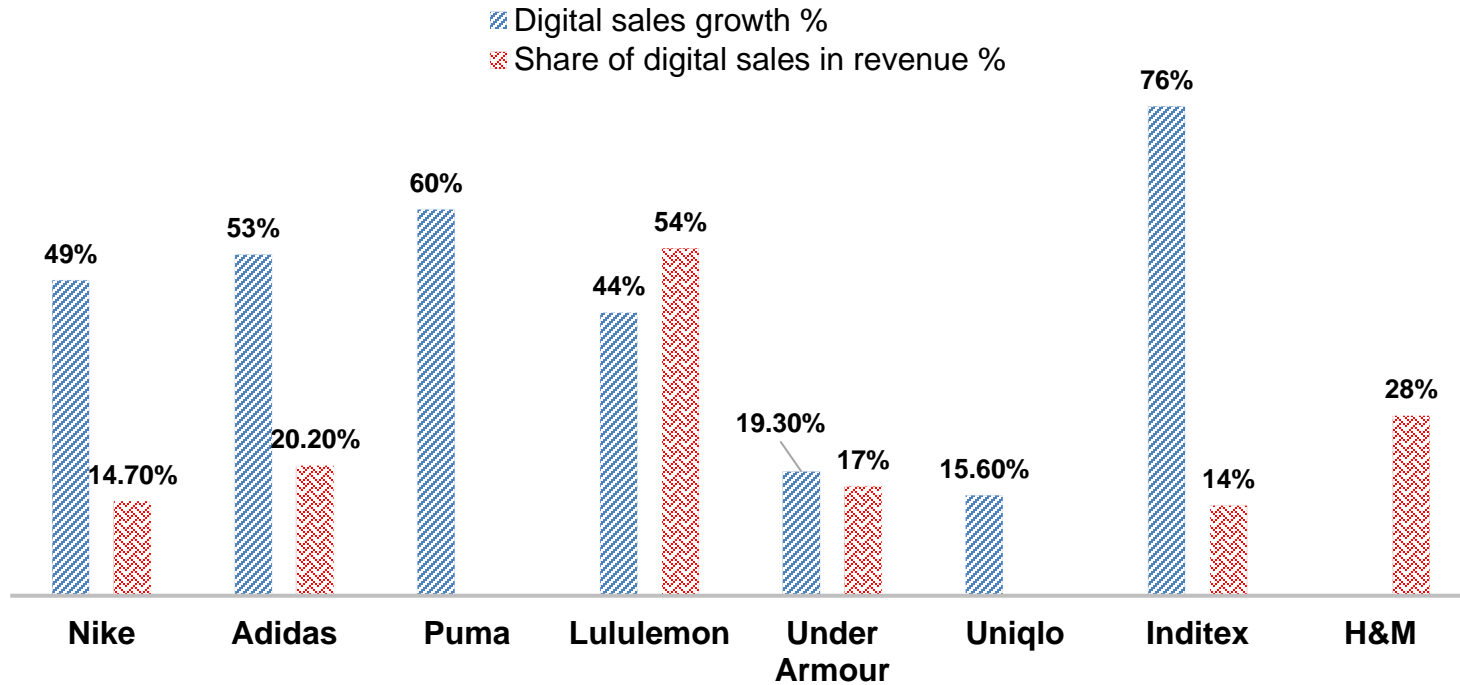
INDITEX





BRAND'S ONLINE SALES GROWTH

BRAND'S ONLINE SALES 2020





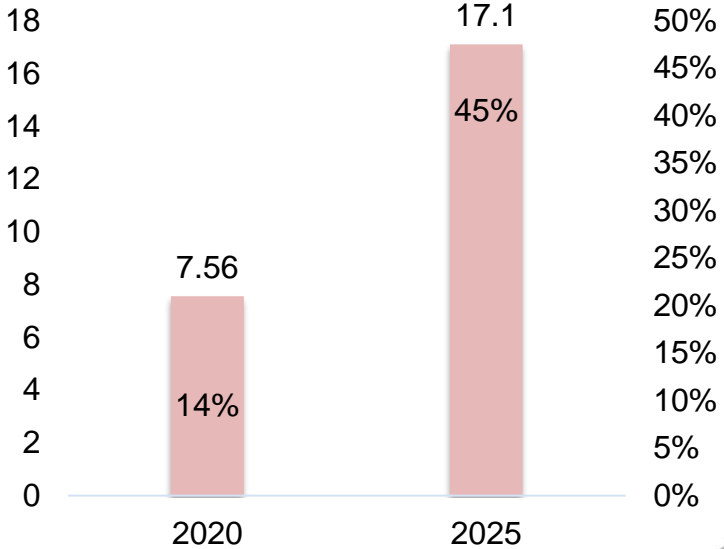
COMMITMENTS ON RECYCLED MATERIALS USAGE

AN INITIATIVE OF FASHION INDUSTRY TO NET-ZERO GREENHOUSE GAS EMISSIONS NO LATER THAN 2050 IN LINE WITH KEEPING GLOBAL WARMING BELOW 1.5 DEGREES

85 Brands (incl. Adidas, H&M, Inditex, Lululemon, VF Group, Athleta, Banana Republic, J.Crew) made commitment in April, 2021.

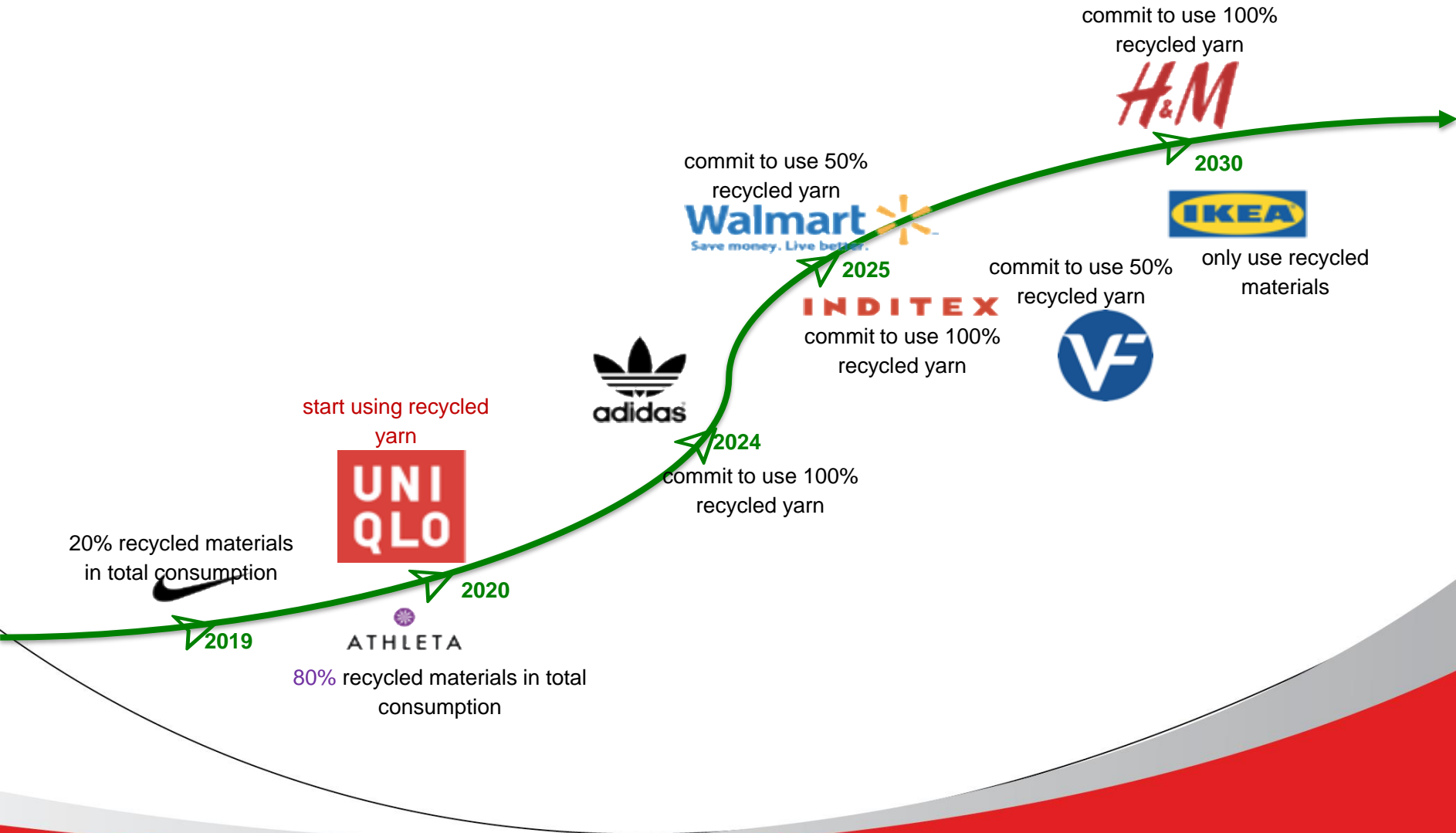


- Volume of recycled consumption (mil.tons)
- Share in total polyester fiber (%)





COMMITMENTS ON RECYCLED MATERIALS USAGE





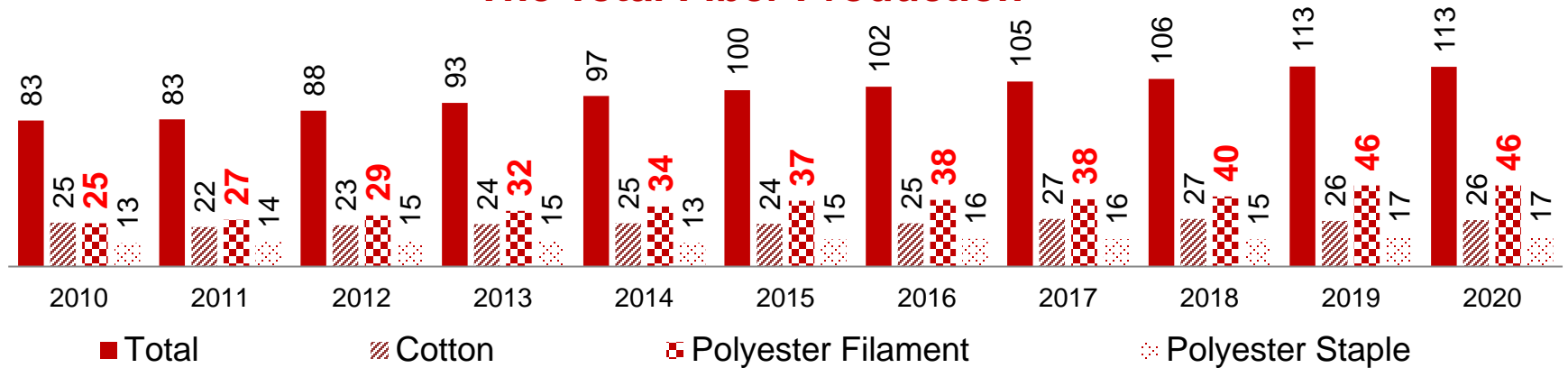
FIBER INDUSTRY – POLYESTER FILAMENT SECTOR OUTLOOK

Polyester filament is increasingly dominant

Source: The Fiber Year Consulting
2019,2020

Million tons

The Total Fiber Production



- ❖ During the period 2010 – 2020, the world production of polyester filament has experienced a CAGR of **6.5%**, vis-à-vis cotton at a CAGR of **1.6%** and polyester staple at **2.4 %**.
- ❖ Share of polyester filament in total production rose from **29.6%** (2010) to **41%** (2020).
- ❖ Popularity of polyester yarns is driven by its diversified application for textile (e.g. footwear and apparel, home furnishing, etc.) and industrial purposes (e.g. tire reinforcement, safety belts, etc.).



FACTORS AFFECTING GARMENT ORDER FLOWS TO VIETNAM

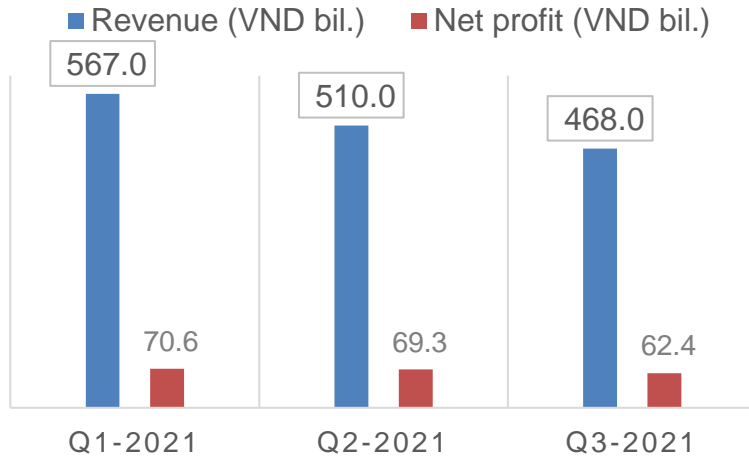
Factors	Short-term impact	Long-term impact
Covid preventive measures <ul style="list-style-type: none">✓ 3-at-site production✓ Transportation restriction	<ul style="list-style-type: none">✓ Garment: factories shut down✓ Textile mills: capacity scaled down✓ Yarn mills: capacity scaled down	
VN's favorable tariff treatment in major markets	High	High
Consumer demand	High	High
Order flows	Temporarily relocated to other markets	Would come back to Vietnam



COMPANY'S 9M2021 PERFORMANCE UPDATE AND DEVELOPMENT DIRECTIONS

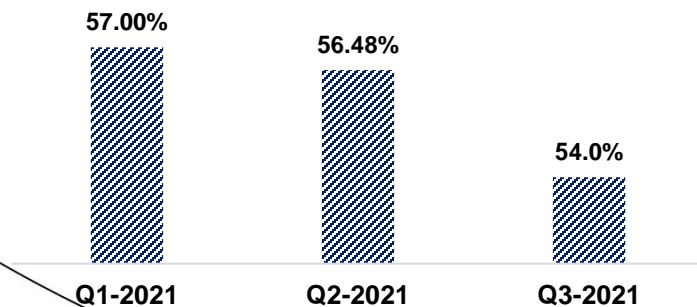


9M2021'S PERFORMANCE



- In 9M2021, the Recycle yarn ratio accounted for 54% on the total sales revenue.
- Recently, recycled product has been positioning as the Company's strategic development as thank to its strong growing demand from prominent fashion brandnames in accordance with their commitment road map and high entry barriers in terms of technology, CSR requirements and availability of material resources.

%RE/Net Revenue





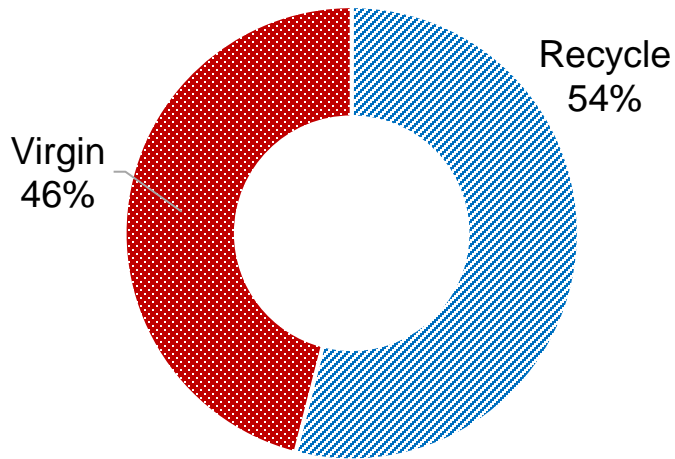
9M2021 PERFORMANCE

(VND billion)	Q3.2021	9M2021	9M2021 vs 9M2020
TOTAL REVENUE	468	1,545	+29%
NPAT	62.2	203.5	+171%



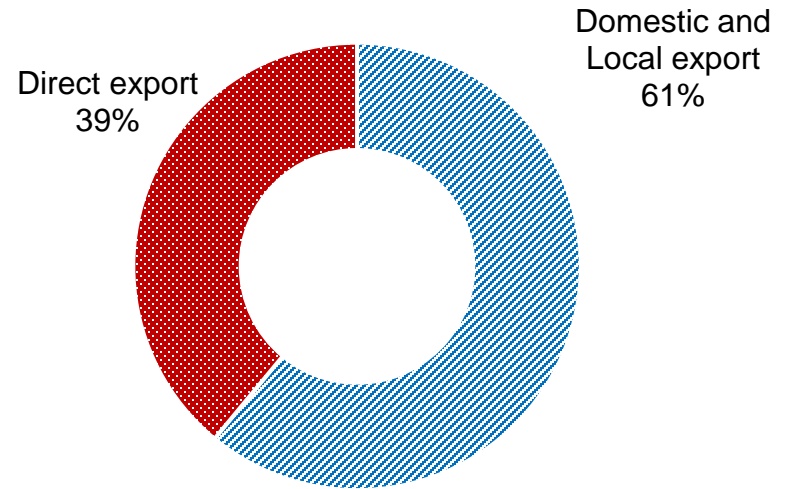
9M2021 SALES MIX BY PRODUCTS AND MARKETS

SALES MIX BY PRODUCTS 9M2021



Recycle Virgin

SALES MIX BY MARKETS 9M2021

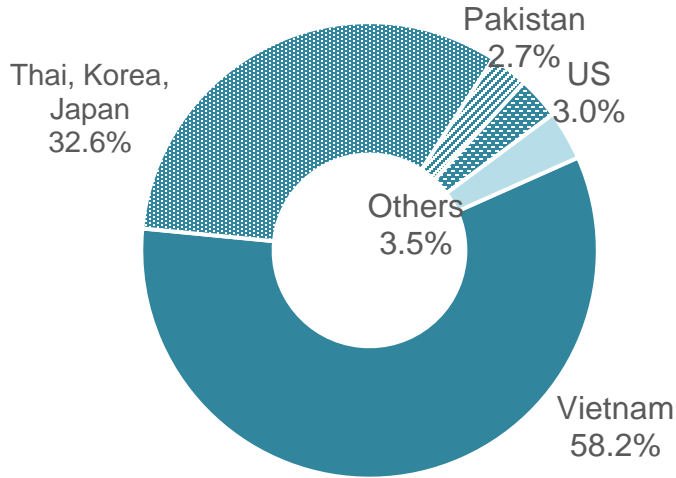


Domestic and Local export Direct export

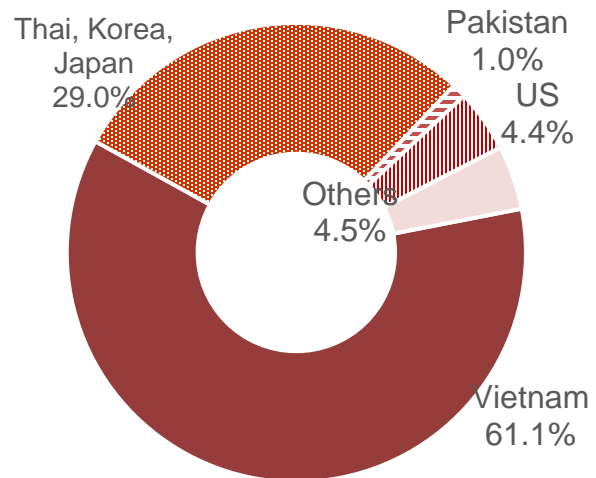


STK'S KEY MARKETS

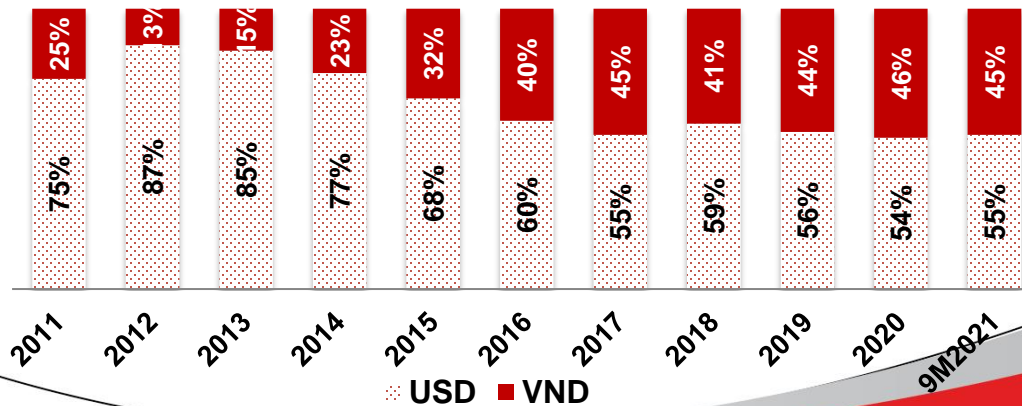
Sales mix 9M2020



Sales mix 9M2021



Sales mix by currency





Q4-2021's BUDGET FORECAST

(VND billion)	9M2021 Actual	2021 Budget	2021 Forecast
Total revenue	1,545	2,358	2,100
NPAT	203.5	248.4	250

Assumption:

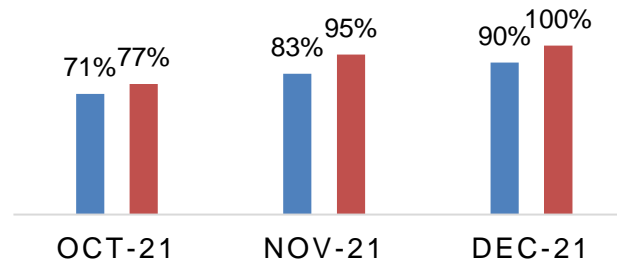
Q4-2021 forecast is the remaining of 2021 budget



CENTURY'S RECOVERY FORECAST AFTER THE PANDEMIC

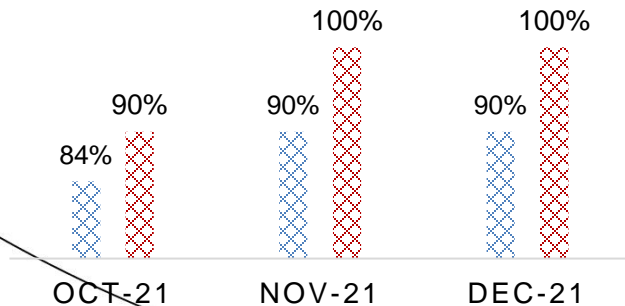
OVERALL RATE

■ % Capacity ■ % HR fulfillment



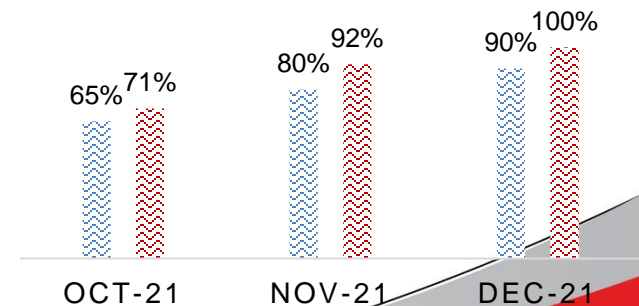
CUCHI PLANT

◊ % Capacity ◊ % HR fulfillment



TRANGBANG PLANT

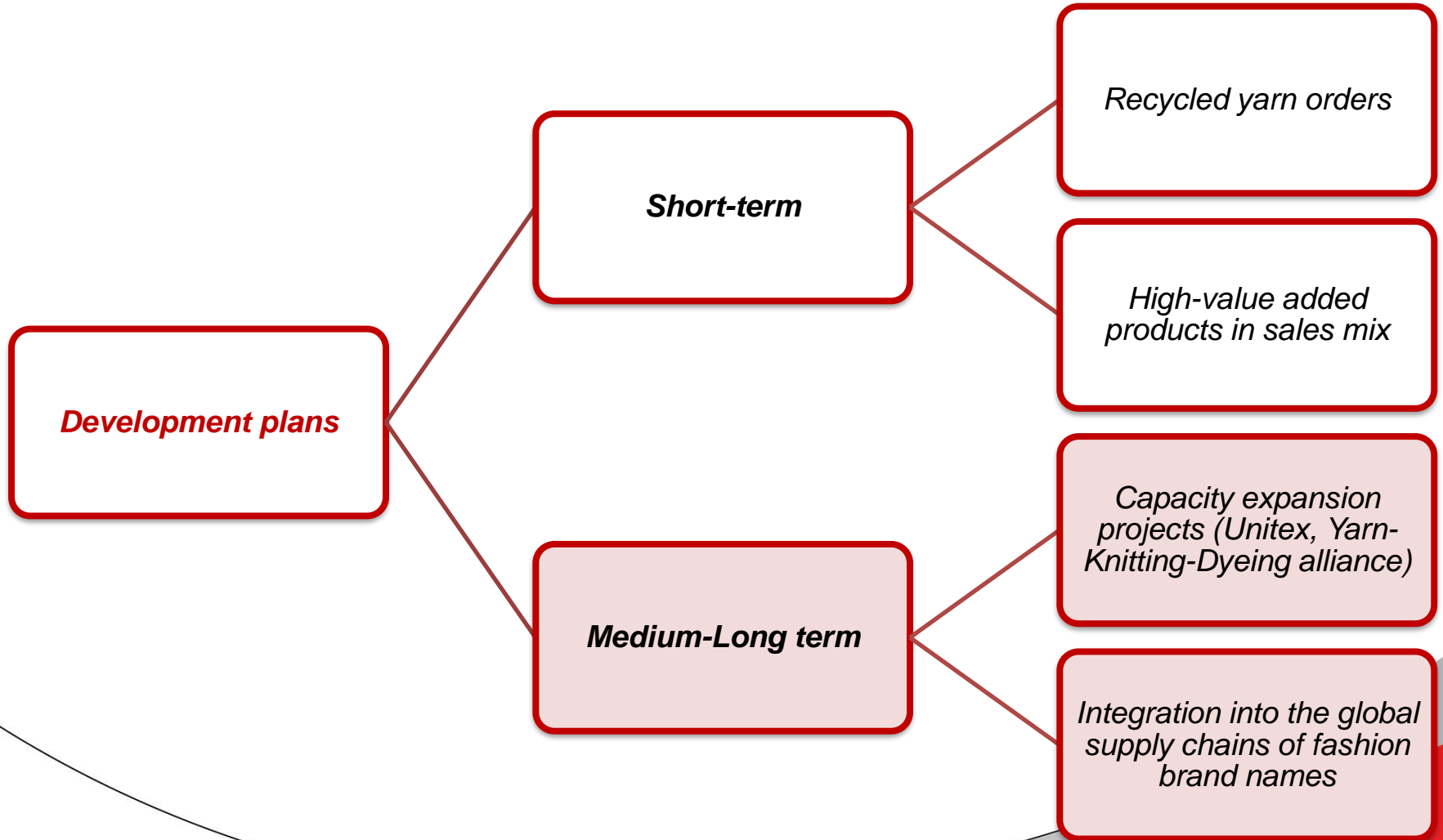
▨ % Capacity ▨ % HR fulfillment





STK'S BUSINESS GROWTH DRIVERS

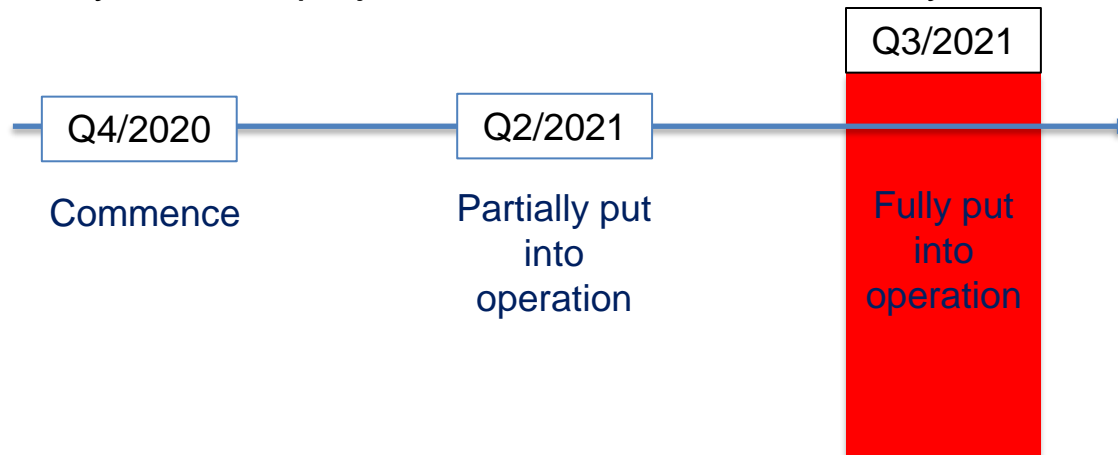
DEVELOPMENT PLANS FOR THE PERIOD 2021-2025





RENEWABLE ENERGY PROJECT

- The Solar Energy project is implemented for both Cu Chi and Trang Bang factories with the annual capacity of 10 Mw.
- The sustainability-oriented-project aims to cut down electricity costs at STK's factories.



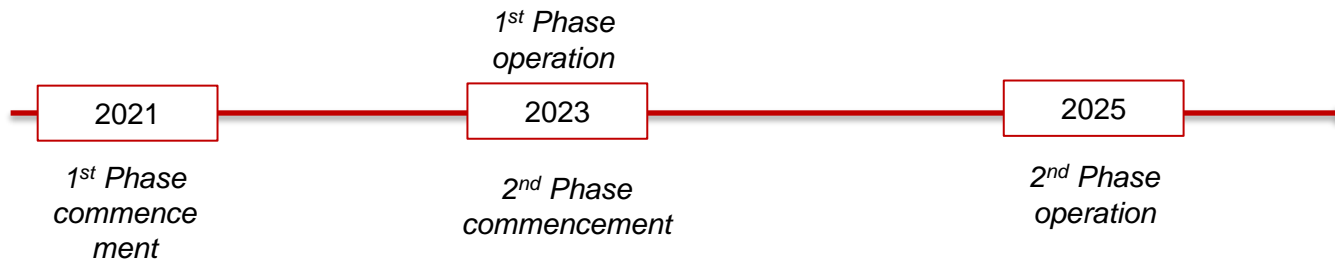


UNITEX YARN FACTORY INVESTMENT PROJECT

Total capacity: 60,000 tons/annum, (Phase1: 36,000 tons; Phase2: 24,000 tons)

Total capex: USD120 mil. (Phase1: USD75 mil., Phase2: USD45 mil.)

Financing structure: D/E: 70/30



Product segments: Recycled yarn, high-value-added yarn, specialty yarn...

Updates on the project:

- Century has completed the offering documentation submission to SSC;
- The Company is applying construction permit for the project.



ANTIDUMPING INVESTIGATION UPDATES



1. Anti-dumping case for polyester filament yarn products made from Vietnam, China, India, Indonesia and Malaysia.
 - the official tax rate was announced on 13.10.2021 (<http://www.trav.gov.vn/data/00195410-a87c-4a80-989d-83a83a4e020d/userfiles/files/QD%202302.pdf>)

2. Anti-dumping investigation on polyester texturized yarn (DTY) originating from Indonesia, Malaysia, Thailand and Vietnam
 - The imposed AD tariff finally announced on 19 Oct 2021 on Century was 2.58% and 22.36% for other Vietnam enterprises.



PREVAILING ANTIDUMPING TAX RATE – BRIEF

**Vietnam's imposing antidumping tariff
on China, India, Indonesia and Malaysia**

ORIGINS	PRELIMINARY RATE %	FINAL RATE %
INDIA	54.9%	54.9%
INDONESIA	21.94%	21.94%
MALAYSIA	21.23%	21.45%
CHINA	3.36%-17.45%	3.36%-17.45%



PREVAILING ANTIDUMPING TAX RATE – BRIEF

**US imposing antidumping tariff on
Vietnam, Indonesia, Thailand, Malaysia**

ORIGINS	Antidumping tariff %	Countervailing tariff %
Vietnam ✓ Century ✓ Others	2.58% 22.36%	
Indonesia	7.47%-26.07%	
Thailand	14.47%-56.08%	
Malaysia	8.50%	
India	10.8%-29%	7%-20.45%
China	65.4%-66.5%	32%-460%



Thank you - Cảm ơn - 谢谢

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