



IR BULLETIN 29th STK-Q1.2022

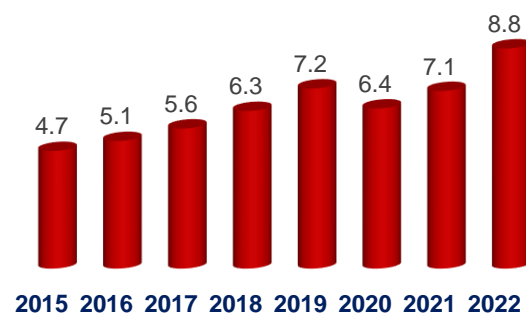


I. VIETNAM'S TEXTILE INDUSTRY OVERVIEW IN 1Q2022

In 1Q2022, prime markets in global such as the US, EU, and Japan have shown a positive signal of economic recovery, normal activities were restored to the pre-pandemic stage, resulting in a rapid increase in consumer demand in these markets since January 2022, in particular with fashion, apparel, home textile, and automotive products. Therefore, the total export turnover of Vietnam's textiles and garments in 1Q2022 also recorded a very positive result, reaching USD 8.837 billion, increasing by 22.5% as compared to the last same period in 2021, completing 21% of the targeted plan for 2022 (USD 42 billion).

Vietnam's garment and textile export turnover in Q1 over the years (USD billion)

■ Q1- export turnover (USD billion)



(Source: General Statistics Office of Vietnam)

In detail, regarding export mix by geographic regions in 1Q2022, US remained the largest importer of Vietnam's textile and garment, recording export revenue of USD 4.3 billion, increasing by 24 % as compared to the last same period in 2021 and by 28% as compared to 1Q2019, accounting for 50.3% in the total of Vietnam's textile and garment exporting value; exporting to EU market reached USD 896 million, increasing by 31 % as compared to the same period last year; exporting to Japan reached USD 771 million and Korea market reached USD 754 million, respectively declining by 3% and increasing by 7% as compared to the same period last year. (Source: General Department of Vietnam Customs, Ministry of Industry and Trade). On the other hand, based on the forecast of the **European Textile and Apparel Federation (Euratex)**, the EU textile industry has recovered sharply after the Covid-19 pandemic with the demand and output value of textiles and garments products growing back to the pre-pandemic level since the end of November 2021. At the same time, the **International Monetary Fund (IMF)** and the **World Bank (WB)** also forecasted that the global GDP growth in 2022 would reach 4.9%, helping to bring the world textile and garment demand in 2022 back to the 2019 level, reaching about USD 740 billion.

The recovery of the global textile and garment industry will also help Vietnam's export turnover to shortly complete the targeted plan in 2022 of 42 billion USD, inclining by 8% as compared to 2019. (Source: Euratex, vietnamplus.vn).

In the coming time, Vietnam will continue to be one of major sourcing destinations for importers and retailers in the world due to the brand-names is continuing shift of garment orders away from China while Vietnam competitiveness over other exporting peers such as Bangladesh, Myanmar has been improving thanks to its high vaccination coverage rate, political stability, and favorable tariff treatment under signed free trade agreements EVFTA, CPTPP, RCEP, UKVFTA. This relocation of orders to Vietnam, coupled with the on-going trend in promoting the consumption of environmentally friendly products such as recycled yarn, dope dyed yarn of prime brands like Nike, Adidas, H&M, Uniqlo is expected to push for higher demand for yarn locally (in order to meet the rules of origin under FTAs) and especially demand for eco-friendly yarn. (Source: Vitas, Ministry of Industry and Trade)

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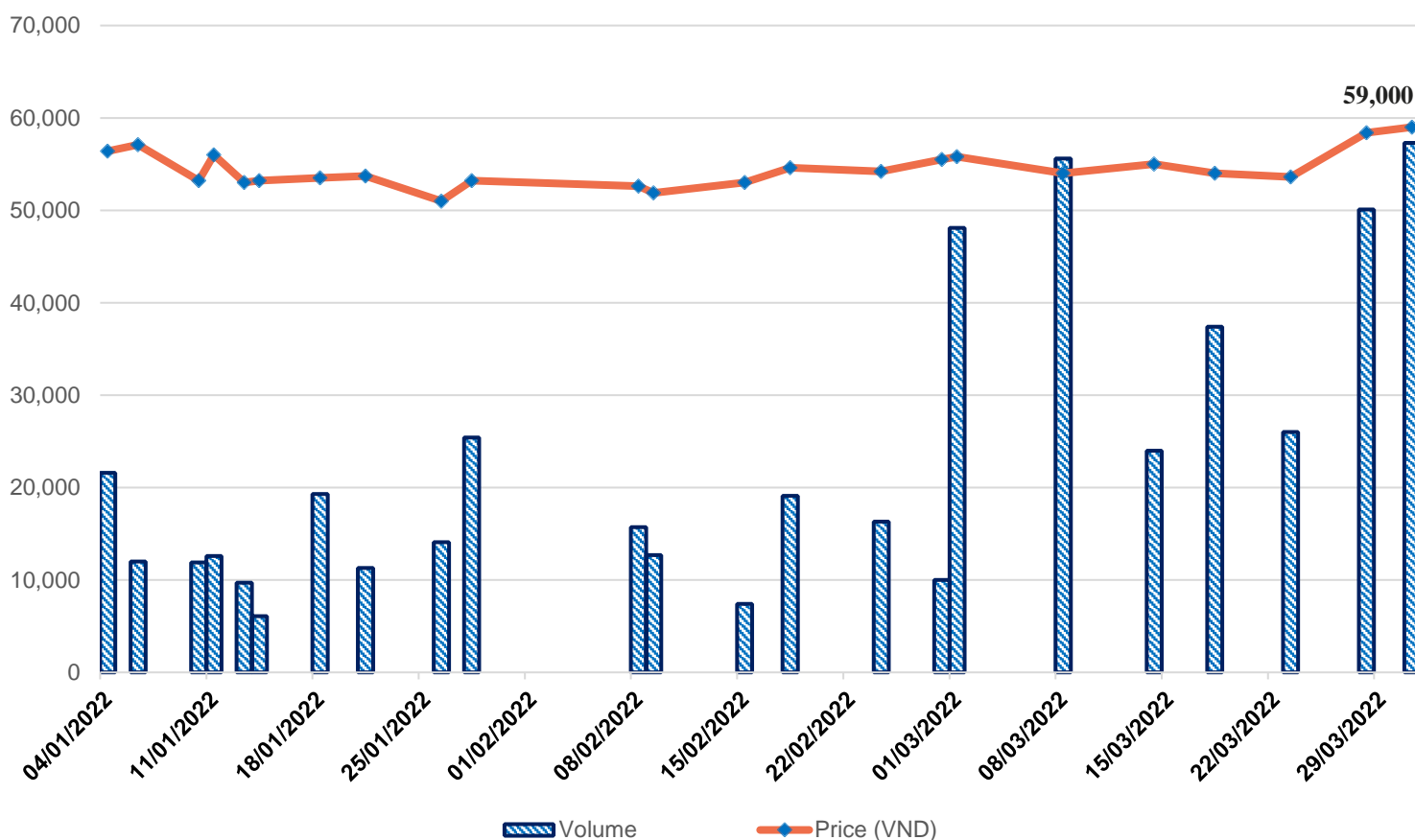
STOCK QUOTE (20/04/2022)

Stock price (VND)	66,500
Highest in 52 weeks (VND)	68,000
Lowest in 52 weeks (VND)	30,500
+/-% in 1 year	+103.07%
Average trading volume/10 transactions:	61,210
Outstanding shares	68,185,294
P/E (trailing)	15.91
P/B	3.39

STK'S IR ACTIVITIES

In 1Q2022, in order to provide further information on the Company's operating performance with shareholders, IR team conducted various online meetings with analysts, leaders of securities firms, and investment funds such as HSC, VN-Direct, VCSC, BSC, Rong Viet, Phu Hung... In addition, the Company also participated in investment conferences organized by leading securities firms in Vietnam such as SSI's Vietnam Corporate Day 2022 (March 01-02) and VCSC's Virtual Vietnam Access Day 2022 on March 17 in order to build and sustain the shareholders' and investors's creditability in the Company's development orientation.

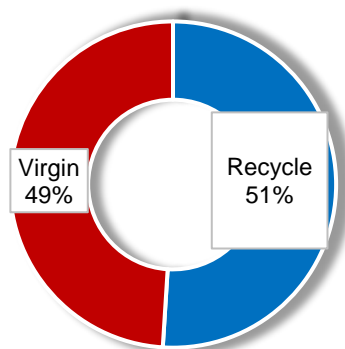
STOCK PRICE PERFORMANCE OF "STK" IN 1Q2022



II. BUSINESS PERFORMANCE IN 1Q2022

KPIs	Actual 1Q2022	Plan 1Q2022	Actual 1Q2022 vs Actual 1Q2021 (%)
SALES REVENUE	640.06 (VND billion)	651.25 (VND billion)	+13%
PROFIT AFTER TAX	76.3 (VND billion)	75.05 (VND billion)	+9%

SALES MIX BY PRODUCTS 1Q2022



SALES MIX BY MARKETS 1Q2022



■ Recycle ■ Virgin
■ Domestic and Local export ■ Direct export

FINANCIAL RATIOS

KPIs	Unit	As at 31.12.2021	As at 31.03.2022
Asset structure			
Current Assets/ Total Assets	%	49.8%	54%
Non-current Assets/ Total Assets	%	50.2%	46%
Owners' equity structure			
Debt/Equity	Times	0.26	0.26
Net Debt/Equity	Times	-0.04	-0.12
Debt paying ability			
Current ratio	Times	1.39	1.51
Quick ratio	Times	0.72	0.96
Profitability			
Gross margin	%	18.3% (FY2021)	17.5%
ROS	%	13.6% (FY2021)	12%
ROA	%	14.2% (FY2021)	4%
ROE	%	22.1% (FY2021)	6%

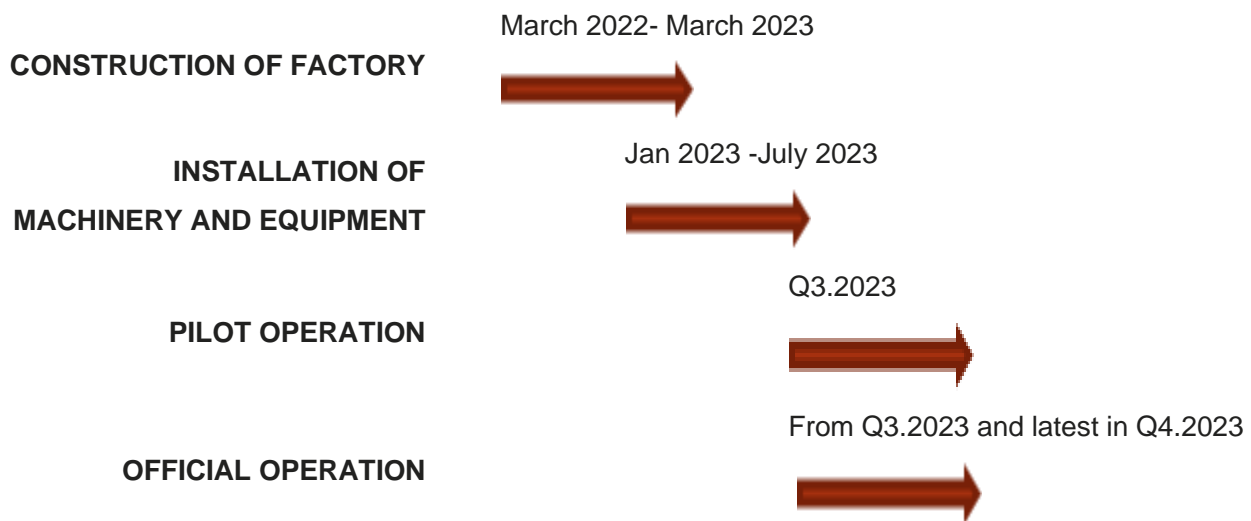
In 1Q2022, coupled with the market's good recovery when the Covid-19 pandemic was tamed, Company's existing customers in the domestic and export markets both have brought their capacity back to pre-pandemic levels. The Company seized the opportunity to boost order receiving and production activities, pushed inventory sales and applied more a flexible pricing policy to meet customers' needs. As a result, the **Company's sales revenue in 1Q2022 reached VND 640.06 billion, completing 98.3 % of the quarterly target, inclining by 13 % as compared to the same period in 2021 and by 29% as compared to 4Q2021.** The Company fulfilled 25% of the annual sales revenue target in 2022. In addition, as the number of recycled yarn orders increased in 1Q2022, sales volume and revenue of recycled yarn rose 81% and 78% respectively as compared to 4Q2021 and the proportion of **recycled yarn in 1Q2022 reached 51% of total sales revenue** as compared to **the set plan of 54% in 2022.**

In 1Q2022, the Company continued to maintain the existing customer network and develop new customers to receive more orders, promote inventory sales as well as flexibly implement sales policies to maintain a stable price gap. The number of **newly developed customers in 1Q222 was 14.** As a result, the Company's gross profit value was equal to the one in Q1.2021, and the Company's **1Q2022 gross profit margin buoyed at 17.5%.**

Although the input materials price and shipping expense tended to increase in 1Q2022, the Company still exerted to manage the financial cost, controlling the S&A expenses budget and reducing wastage in production activities in order to maintain a stable price gap for the Company. In which, the Company has **completed 102% of the profit target of 1Q2022,** reaching a **profit after tax of VND 76.3 billion, an increase by 9% as compared to the last same period, completing 25% of the whole year profit plan.**

III. NEW PRODUCTS RESEARCH AND DEVELOPMENT, UPDATE ON PROJECT STATUS

- In Q1-2022, the Company kept the production of AAA products with high quality and special function yarns such as Quick Dry, Full Dull, Dope Dye, Recycle, CD Mix yarns for customers in the domestic and export markets (Japan, USA). In addition, the Company also continuously developed more product samples of Quick Dry, Full Dull, Dope Dye, Recycle, CD Mix, Soft package for new customers as well as developed further yarn specifications for existing customers such as 75/ 72/1 CD50% and Soft package yarns.
- Capacity expansion project – Unitex factory:
 - Maximum capacity: 60,000 tons/year; will be implemented in 2 phases (phase1: 36,000 tons/year; phase 2: 24,000 tons/year)
 - Construction site: Lot A17.1, C1 street, Thanh Thanh Cong Industrial Park, An Hoa Commune, Trang Bang District, Tay Ninh Province.
 - Project’s focused products: DTY yarn: recycled yarn, special function yarns with high added value.
 - Update on project implementation timeline as at 31st Mar, 2022:



Note: The project implementation progress is about 6 months later than expected schedule due to the impact of the Covid-19 pandemic.

V. THE COMPANY’S ACTIVITIES

- ✓ Shares issuance to existing shareholders (20%): The Company has cooperated with the consulting service firm to supplement documents and required information to apply for the securities offering permit with the State Securities Commission. It is expected that the permit will be granted by the end of April 2022.
- ✓ In 1Q2022, the Company held the 2022 Annual General Shareholders Meeting on March 31st, 2022. The main topics approved by the Annual General Shareholders Meeting in 2022 are as follows:

- Approving the audited financial statements for FY2021 with sales revenue of VND 2,042 billion and the profit after tax of VND 278.4 billion;
 - Approving the profit distribution plan of FY2021: FY2021's dividend will be paid by cash (rate 15%/par value), undistributed profit is VND176.1 billion;
 - Approving the 2022 business forecast: sales revenue of VND2,605 billion, PAT of VND 300.2 billion;
 - Approving the issuance of internal governance regulations and operating regulations of the Board of Directors and Supervisory Board;
 - Approving the plan of share offering under private placement in 2022;
 - Approving the plan to sell treasury shares in 2022;
- ✓ **Timeline of FY20221 dividend payment by cash at 15%/par value:**
- Ex-dividend date: April 22nd, 2022.
 - Date of record: April 25th, 2022.
 - Payment date of 15% cash dividend: May 23rd, 2022.