

CLW: Explanation for business result in Quarter 2.2012

Cho Lon Water Supply Joint Stock Company explained fluctuation in business result in Quarter 2/2012 compared to the same period of last year as follow:

Revenue from sales and services:

Items	Quarter 2.2012	Quarter 2.2011	Difference	Rate
(A)	(1)	(2)	(3)=(1)-(2)	(4)=(1)/(2)
Revenue from sales and services	163,662,554,929	142,877,721,147	20,784,833,782	114.55%
Net revenue from sales and services	163,662,554,929	142,877,721,147	20,784,833,782	114.55%

1. Water supply in Quarter 2.2012 increased compared to in Quarter 2.2011 was 2,310,963 m³ (+106.6%)

2. Water price increased 10% on February 2011 according decision No.103/2009/QD-UBND dated December 12, 2009.

3. Average selling price in quarter 2.2011 increased compared to quarter 2.2011 was 823 dong/m³ (or +110.87%).

II. Cost of goods sold:

Items	Quarter 2.2012	Quarter 2.2011	Difference	Rate
(A)	(1)	(2)	(3)=(1)-(2)	(4)=(1)/(2)
Cost of goods sold	153,871,967,016	127,079,525,307	26,792,441,709	121.08%
Total	153,871,967,016	127,079,525,307	26,792,441,709	121.08%

Details:

Items	Quarter 2.2012	Quarter 2.2011	Difference	Rate
(A)	(1)	(2)	(3)=(1)-(2)	(4)=(1)/(2)
Cost of raw materials directly	117,216,991,359	98,940,353,701	18,276,637,658	118.47%
Direct labor cost	8,483,419,733	8,142,211,810	341,207,923	104.19%
Overall production costs	28,171,555,924	19,996,959,796	8,174,596,128	140.88%
Total expenses of production	153,871,967,016	127,079,525,307	26,792,441,709	121.08%
Total product cost	153,871,967,016	127,079,525,307	26,792,441,709	121.08%
Cost of goods sold	153,871,967,016	127,079,525,307	26,792,441,709	121.08%

Cost of goods sold in quarter 2.2012 increased by VND26,792,441,709 (121.08%) compared with the same period of last year.

Water production in quarter 2.2012 increased compared to the same period of last year was 2,310,963 m³ (or +106.67%)

The average cost of goods according wholesale agreement in quarter 2.2012 increased compared to the same period of last year because provisionally purchase price of water increased 722.05 dong/m³ (or +113.17%).

Overall production costs in Quarter 2.2012 increased by 8,174,596,128 dong (or +140.88%).

III. General & administrative expenses:

Items	Quarter 2.2012	Quarter 2.2011	Difference	Rate
(A)	(1)	(2)	(3)=(1)-(2)	(4)=(1)/(2)
Directly labor cost	2,416,635,771	1,271,018,785	1,145,616,986	190.13%
Means and equipment expenses	4,100,000	2,850,000	1,250,000	143.86%
Depreciation	50,450,624	37,515,044	12,935,580	134.48%
Tax, cost and charge				
Expenses of services purchased and other expenses	404,699,001	129,518,750	275,180,251	312.46%
Total	2,875,885,396	1,440,902,579	1,434,982,817	199.59%

Selling expense in Quarter 2.2012 increased by 1,434,982,817 dong (or 199.59%) because in 2012, the company changed personnel effect to labor cost. In Quarter 2.2012 labor cost increased 1,145,616,986 dong (or 190.13%).

IV. Financial income:

Items	Quarter 2.2012	Quarter 2.2011	Difference	Rate
(A)	(1)	(2)	(3)=(1)-(2)	(4)=(1)/(2)
Term deposits	1,984,036,995	3,461,809,999	-1,477,773,004	57.31%
Non-term deposits	78,683,874	105,927,348	-27,243,474	74.28%
Total	2,062,720,869	3,567,737,347	-1,477,773,004	57.82%

Financial income in quarter 2/2012 decreased 1,477,773,004dong (-42.18%) compared with quarter 2/2011 because the bank deposit decreased and deposit interest rates decreased.

V. Profit:

Items	Quarter 2.2012	Quarter 2.2011	Difference	Rate
(A)	(1)	(2)	(3)=(1)-(2)	(4)=(1)/(2)
Profit before tax	4,357,729,744	12,665,407,152	-8,307,677,408	34.41%
Business income tax	973,837,067	1,802,563,995	-828,726,928	54.03%
Profit after tax	3,383,892,677	10,862,843,157	-7,478,950,480	31.15%

Growth rate of revenue was lower than growth rate of total cost led to profit before tax decreased 8,307,677,408 dong (or -65.59%).