

VLF: Explanation for business results in Q2.2013

Vinh Long Cereal And Food Import Export Company has announced explanation for business result in quarter 2/2013 as follows:

- Loss after tax in quarter 2/2013 was VND21,440,237,216 because:

Items	Quarter 2.2013	Quarter 2.2012	Difference	Rate
Selling output (ton)	35,126.97	46,139.54	(11,012.57)	(23.87)
Net revenue, in which:	379,919,059,082	446,548,302,543	(66,629,243,461)	(14.92)
<i>Revenue from rice</i>	230,234,314,133	355,388,311,890	(125,153,997,757)	(35.22)
Cost of goods sold	371,802,156,625	428,432,231,213	(56,630,074,588)	(13.22)
Gross profit	8,166,902,457	18,116,071,330	(9,949,168,873)	(55.20)
Financial income	7,568,081,046	21,446,204,038	(13,878,122,992)	(64.71)
Financial expenses	20,881,781,054	16,830,878,832	4,050,902,222	24.07
<i>Interest expenses</i>	12,833,921,062	14,283,459,170	(1,449,538,108)	(10.15)
Selling expenses	8,749,397,883	11,182,828,761	(2,433,430,878)	(21.76)
General & administrative expenses	7,918,801,686	9,126,830,201	(1,208,028,515)	(13.24)
Net operating profit	(21,864,997,120)	2,421,737,574	(24,286,734,694)	(1,002.86)
Other profit	133,944,283	682,129,124	(548,184,841)	(80.36)
Profit before tax	(21,731,052,837)	3,103,866,698	(24,834,919,535)	(800.13)
Profit after tax	(21,440,237,216)	2,627,675,377	(24,067,912,593)	(915.94)

- Export difficulties in the first 06 months of 2013, selling prices of rice decreased while the company bought rice in Quarter 1/2013, leading to cost of goods sold was high. Therefore the company has losses in Quarter 2/2013.
- Rice sales volume in Quarter 2/2013 decreased 23.87% compared to in Quarter 2/2012 and selling prices of rice was less than USD26.6/ton, leading to revenue from rice decreased 35.22% and net revenue decreased 14.92%. Cost of goods sold decreased 13.22%, leading to gross profit decreased strongly 55.2%
- Financial income decreased 64.71% while financial expense increased 24.07%. Although selling expenses and general & administrative expenses decreased 21.76% and 13.24%, net profit decreased 10 times and profit before tax decreased 8 times.