

CLW: Explanation for business result in Quarter 4.2012

Cho Lon Water Supply Joint Stock Company explained fluctuation in business result in Quarter 4/2012 compared to the same period of last year as follow:

I. Revenue from sales and services supply:

| Items | Quarter 4.2012 | Quarter 4.2011 | Difference | Rate |
|--|-----------------|-----------------|----------------|-------------|
| (A) | (1) | (2) | (3)=(1)-(2) | (4)=(1)/(2) |
| Revenue from sales and services supply | 170,338,606,478 | 145,492,064,454 | 24,846,542,024 | 117.08% |
| Net revenue from sales and services supply | 170,338,606,478 | 145,492,064,454 | 24,846,542,024 | 117.08% |

1. Water supply in Quarter 4.2012 increased 1,022,856 m³ (+105%) compared to in Quarter 4.2011.

2. Average selling price in Quarter 4.2012 increased 762 dong/m³ (109.9%) compared to in Quarter 4.2011.

3. Revenue from new installation, relocation, compensation of pipes in Quarter 4.2011 increased 1,554,080,507 dong (158.9%) compared to in Quarter 4/2011.

II. Cost of goods sold:

| Items | Quarter 4.2012 | Quarter 4.2011 | Difference | Rate |
|--------------------|------------------------|------------------------|-----------------------|----------------|
| (A) | (1) | (2) | (3)=(1)-(2) | (4)=(1)/(2) |
| Cost of goods sold | 142,394,592,683 | 131,670,126,809 | 10,724,465,874 | 108.14% |
| Total | 142,394,592,683 | 131,670,126,809 | 10,724,465,874 | 108.14% |

Details:

| Items | Quarter 4.2012 | Quarter 4.2011 | Difference | Rate |
|--------------------------------|----------------|----------------|----------------|-------------|
| (A) | (1) | (2) | (3)=(1)-(2) | (4)=(1)/(2) |
| Cost of raw materials directly | 90,906,564,859 | 79,066,993,587 | 11,839,571,272 | 114.97 |

| | | | | |
|------------------------------|------------------------|------------------------|-----------------------|---------------|
| Direct labor cost | 10,935,980,259 | 10,895,139,003 | 40,841,256 | 100.37 |
| Overall production costs | 40,552,047,564 | 41,707,994,219 | (1,155,946,654) | 97.23 |
| Total expenses of production | 142,394,592,683 | 131,670,126,809 | 10,724,465,874 | 108.14 |
| Total product cost | 142,394,592,683 | 131,670,126,809 | 10,724,465,874 | 108.14 |
| Cost of goods sold | 142,394,592,683 | 131,670,126,809 | 10,724,465,874 | 108.14 |

Cost of goods sold in quarter 4.2012 increased by VND10,724,465,874 (108.14%) compared with the same period of last year.

1. Water production in quarter 4.2012 increased compared to the same period of last year was 1,328,340 m³ (or +107.36%)
2. The average cost of goods according wholesale agreement in quarter 4.2012 increased compared to the same period of last year because provisionally purchase price of water increased 763,43 dong/m³ (or +115.06%).
3. Overall production costs in Quarter 4.2012 decreased by 1,247,576,945 dong (or -3%).

III. Selling expenses:

| Items | Quarter 4.2012 | Quarter 4.2011 | Difference | Rate |
|---|----------------------|----------------------|----------------------|--------------|
| (A) | (1) | (2) | (3)=(1)-(2) | (4)=(1)/(2) |
| Directly labor cost | 1,934,728,259 | 1,939,909,366 | (5,181,107) | 99.73 |
| Means and equipment expenses | | 40,687,200 | (40,687,200) | - |
| Depreciation | 66,743,215 | 47,226,443 | 19,516,772 | 141.33 |
| Expenses of services purchased and other expenses | 252,904,051 | 652,173,936 | (399,269,885) | 38.78 |
| Total | 2,254,375,525 | 2,679,996,945 | (425,621,420) | 84.12 |

Selling expense in Quarter 4.2012 decreased by 425,621,420 dongs (or 15.88%) because Expenses of services purchased and other expenses decreased 399,269,885 dongs (- 61.22%).

IV. General & administrative expenses:

| Items | Quarter 4.2012 | Quarter 4.2011 | Difference | Rate |
|---|----------------------|----------------------|-----------------------|---------------|
| (A) | (1) | (2) | (3)=(1)-(2) | (4)=(1)/(2) |
| Directly labor cost | 3,345,885,260 | 3,147,706,051 | 198,179,209 | 106.30 |
| Means and equipment expenses | 311,591,092 | (218,800,452) | 530,391,544 | 242.41 |
| Depreciation | 420,960,160 | 362,507,683 | 58,452,477 | 116.12 |
| Reserve for bad debts | 447,218,115 | 486,676,496 | (39,458,381) | 91.89 |
| Expenses of services purchased and other expenses | 1,733,293,662 | (2,446,811,213) | 4,180,104,875 | 170.84 |
| Total | 6,258,948,289 | 1,331,278,565 | 49,276,697,243 | 470.15 |

Selling expenses in Quarter 4/2012 increased 4,927,669,724 dongs (+470.15%) because:

1. Means and equipment expenses in Quarter 4/2012 increased 530,391,544 dongs (+ 242.41%) because of in 2012, decreasing means and equipment expenses to fix asset.
2. Expenses of services purchased and other expenses increased 4,180,104,875 dongs (+170.84%).

V. Financial income:

| Items | Quarter 4.2012 | Quarter 4.2011 | Difference | Rate |
|-------------------|----------------------|----------------------|-----------------------|---------------|
| (A) | (1) | (2) | (3)=(1)-(2) | (4)=(1)/(2) |
| Term deposits | 1,392,271,149 | 3,689,020,669 | -2,296,749,520 | 37.74% |
| Non-term deposits | 56,489,432 | 122,747,176 | -66,257,744 | 46.02% |
| Total | 1,448,760,581 | 3,811,767,845 | -2,296,749,520 | 38.01% |

Financial income in quarter 4/2012 decreased 2,245,984,292 dongs (-61.99%) compared to in quarter 4/2011 because the bank deposit decreased and deposit interest rates decreased.

VI. Profit:

| Items | Quarter 4.2012 | Quarter 4.2011 | Difference | Rate |
|-------------------|----------------|----------------|---------------|-------------|
| (A) | (1) | (2) | (3)=(1)-(2) | (4)=(1)/(2) |
| Profit before tax | 20,798,991,884 | 13,556,523,271 | 7,242,468,613 | 153.42% |

Profit before tax in Quarter 4/2012 increased 7,242,468,613 dongs (or 153.42%) compared to the same period of 2011.