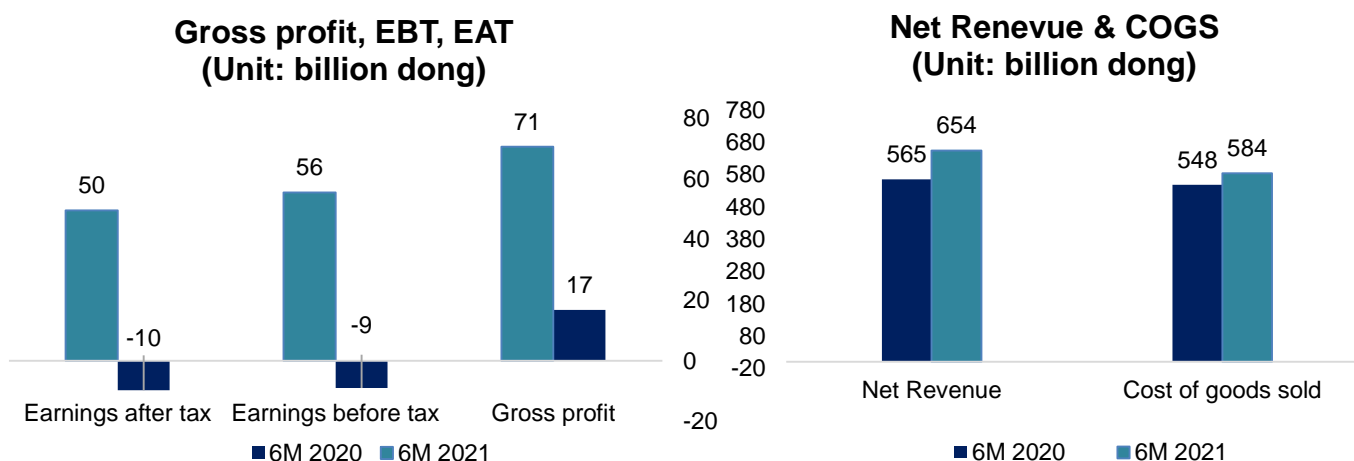




**ADS – 6M2021 – CONSOLIDATED EARNINGS BEFORE TAX INCREASED 717% YOY AND COMPLETED 77% OF THE 2021 BUSINESS PLAN**

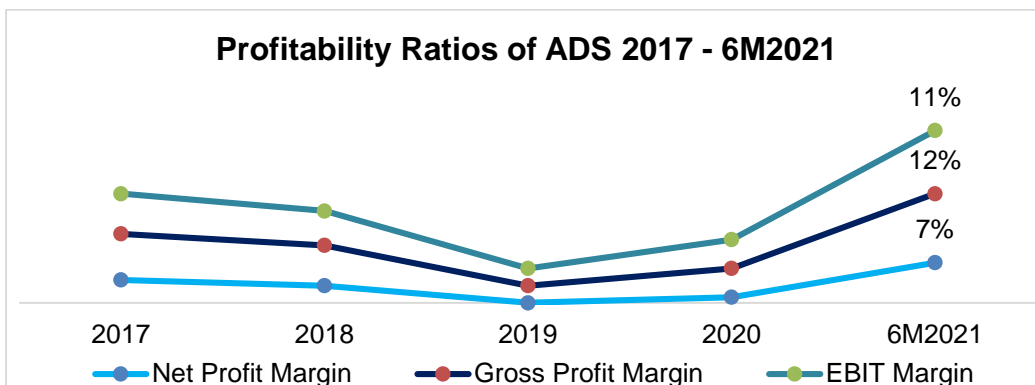
The amount of orders increased significantly and Revenue from Real Estates was accounted. Earnings before tax reached VND56 billion, up 717% y-o-y.

Damsan Joint Stock Company (HOSE: ADS) has just announced Q2 2021 Consolidated Financial Statements with an impressive business results. Accumulated in the first 6 months of 2021, the Company posted a consolidated Net Revenue of VND697 billion, up 22% y-o-y. The efficient operation of Dam San 1, Dam San 2, Eiffel Textile factories contributed VND654 billion to the Sales Revenue and recorded an increase of 16% y-o-y. In addition, the handover of Real Estate projects including Phu Xuan Damsan Urban Area and Bo Xuyen Ward Residential Area contributed VND39 billion in Real Estate Revenue.



Source: ADS

In the first 6 months of 2021, Revenue from Real Estate accounted for 6%, up from 1% in the same period last year while Revenue from Sales accounted for 94%. Revenue grew strongly but Cost of Goods Sold recorded an increase of only 11% to VND614 billion due to relatively low cost of Real Estate projects. Therefore, Gross profit was recorded at VND84 billion, up 357% over the same period, Gross profit margin up recorded at 12%, a strong increase compared to the 3% level in 6M 2020. In which, the profit margin from Sales activities maintained 11%, the profit margin from Real Estate was up to 27%. General and administrative expenses reached VND14 billion, up 34% over the same period in order to meet a sharp increase in export orders. Notably, interest expense was recorded to only VND19 billion, down 32% y-o-y because ADS actively reduced loans to optimize costs. Earnings Before Tax reached VND55.4 billion, an increase of 717% over the same period and completing 77% of the 2021 business plan. Earnings Before Tax (EAT) reached VND49.4 billion, up 542% over the same period and nearly double the EAT of the whole year of 2020; Net Profit Margin and EBIT Margin were 7% and 11%, respectively, higher than the industry average.



Source: ADS

As of June 30<sup>th</sup> , 2021, the Company's total consolidated assets reached at VND1,838 billion, roughly 1% higher compared to the beginning of the period, Cash and cash equivalents were recorded at VND37.4 billion, a slight increase of 2% to meet short-term payment needs. Short-term receivables decreased by 6%, of which prepayment for suppliers was only VND190 billion, reduced by 23% yoy. Inventories recorded at VND485 billion, increased by 2% including necessary production materials to meet the rapidly increasing number of export orders for the recent months. Fixed assets were recorded at VND 249 billion slightly decreased by 9%. Investment to associates recorded VND96 billion, an increase of 192% yoy, as of Textile and Towel Factory Project in An Ninh Industrial Park which is expected to put into operation at the end of 2021. Total liabilities in the first 6 months of 2021 was only VND674 billion, 12% deduction thanks to the Company proactively prepaid loans to optimize costs as well as ensure financial safety. The ratios of Debt/Total Assets and Debt/Equity are 0.37 times and 1.4 times respectively. Current ratio and Quick ratio are 1.17 times and 0.8 times respectively to enhance the liquidity of short-term payment for ADS.

**New share issuance plan to raise Charter Capital to 406 billion dong Vietnam, contributing to a construction investment project to build the road from Thai Binh to Cau Nghin.**

On 25<sup>th</sup> June 2021, the Board of Directors of the Company by a Resolution approving the application for registration of new 10 million share issuance to existing Shareholders to increase Charter Capital to VND 406 billion. The proceeds from the issuance will be contributed to Thai Binh Cau Ngan Joint Stock Company to carry out the Investment Project to build the road from Thai Binh city to Cau Ngan under the Build - Operate - Transfer Contract (BOT). Plan to 2025, ADS' Revenue and Profit before Tax will reach VND4,030 billion dong and approximately VND200 respectively.

In last months of the year, the Textile and Towel Factory at An Ninh Industrial Zone will put into operation, which will significantly increase the production output for ADS to meet the growth in export orders. Textile and Towel products from the Company have successfully entered into the markets with high and strict standards including Japan, Korea, and countries in Europe. Addition to the production, Revenue and Profit of the Company will materially being improved from the handover of two residential Real Estate projects, namely 10ha Phu Xuan Damsan Urban Residences and Bo Xuyen Ward Residences and from the leasing of An Ninh Industrial Zone.

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