



No. 23-2023/CV-MWG

HCMC, April 28th, 2023

“Re. the explanation of the difference in financial statements for Q1/2023.”

- To:**
- **State Securities Commission of Viet Nam**
 - **Viet Nam Stock Exchange**
 - **Hochiminh Stock Exchange**

According to clause 4 article 14 of Circular No. 96/2020/TT-BTC dated November 16th, 2020, of the Ministry of Finance, providing guidelines on the disclosure of information on the securities market, the company shall be required to explain the occurrence of any of the following events:

1. After-tax profit is shown in the income statement of the reporting period changes by at least 10% compared to that of the same reporting period in the previous year;
2. After-tax profit of the reporting period is negative; YoY profits change from a positive number to a negative number or vice versa;
3. After audit or review, the after-tax profit of the reporting period varies by at least 5% and changes from a positive number to a negative number or vice versa.

Mobile World Investment Corporation would like to explain the change of over 10% in Financial Statements (FS) in Q1/2023 compared to the same period of 2022 as follows:

The explanation for differences in consolidated FS in Q1/2023 compared to the same period of 2022

Profit after tax of the holding company in the Q1/2023 reached VND 21 billion, reduced by 99% compared to Q1/2022, which is VND 1,445 billion.

The company has a positive net cash balance (total cash, cash equivalents, and short-term financial investments - total borrowings) of over 2,500 billion VND. This strong foundation of positive net cash balance at the end of Q1/2023 after many years of operation, enables the company to invest in new products, popular goods and attractive sales promotion programs to serve consumers better. In addition, the company also has room to control financial costs effectively.

Reason:

- The purchasing power for phones and electronics has been weakening since Q4/2022 and continued to decline sharply than expected in Q1/2023. Affluent customers, despite less impact on their incomes, are more cautious and tend to delay spending decisions for durable and high-value products due to declining consumer confidence. Mass customers with demands but limited budgets face more difficulties accessing consumer finance through installment purchases.
- The down trading trend also impacts food, FMCG, and pharmaceutical products, which lowered the basket YoY.

Translated version

- Attracting and retaining customers is crucial for the company to continue increasing market share and growth as consumer demand recovers. Therefore, the company proactively implements a competitive pricing strategy, offering flexible shopping options and enhancing discount promotions to attract customers. Gross profit margin decreased from 22% in Q1/2022 to 19% in Q1/2023; while less reduction of operating is given some are fixed costs by nature, resulting in a strong impact on net profit. Furthermore, revenue and profit in this quarter declined significantly compared to the very high base in Q1/2022 when shopping demand surged due to pent-up demand after Covid.
- One-off costs were incurred from closing stores in Cambodia in Q1/2023.

The explanation for differences in separate FS in Q1/2023 compared to the same period of 2022

Profit after tax of the Holding company in Q1/2023 reached VND 20.8 billion compared to VND 655 billion in Q1/2022.

Reason: The Holding company did not receive dividend income in Q1/2023.

Best regards!

MOBILE WORLD INVESTMENT CORPORATION
Authorized representative for information disclosure

(Signed and sealed)

Le Thi Thu Trang