

No.: 001 /CAD-2025

*Ca Mau, January 19, 2025*

**EXPLANATION LETTER**

*(Re.: Explanation of the Financial Statements for the Quarter IV/ 2024)*

**To:     The State Securities Commission**  
**The Hanoi Stock Exchange**

On October 19, 2024, Seafood Import-Export and Processing Joint Stock Company (Cadovimex) announced the Financial Statement for the quarter IV/ 2024. Cadovimex would like to explain some issues on the Financial Statement for the quarter IV/ 2024 as follows:

*1. Regarding the non-positive equity value and non-positive profit after tax.*

- In 2008, the global crisis affected many businesses, including Cadovimex. On the other hand, Cadovimex have had non current trade receivables for many years and these debts could not be recovered, with an amount of up to VND 175 billion, causing the company to become unbalanced.

- In addition, Cadovimex did not have the capital to purchase and produce but only managed with limited revenue from leasing export services, receiving outsourcing for entitites in the same industry to maintain the lives of employees while waiting for investors to restructure the Company. This revenue was not enough to cover the expenses at the Company, leading to Cadovimex's continuous loss since 2008 and the loss continues until now.

- During 2009 to 2015, due to the Company's losses, all loan interest and penalty interest were suspended and not included in the expenses. In 2015, the auditor adjusted this section into the expenses with an amount of more than VND 68 billion. The auditor also made the provision for contingent liabilities that could not be paid until June 30, 2024, with amount of up to VND 198 billion, and inventories up to 40 billion.

- In the fourth IV/ 2024, the Company had a late payment interest for social insurance of more than VND 200 million.

- In the fourth IV/ 2024, the revenue was only VND 3.5 billion, but the cost of goods sold was up to VND 3.98 billion; in addition, other operating expenses was VND 0.8 billion.

- In the fourth IV/ 2024, the Company had the loan interest and penalty interest of VND 10.3 billion.

- Due to the above reasons, Cadovimex suffered the loss in the fourth IV/2024 and the losses which have been continuously over many years, leading to a negative equity.

*2. Regarding the after-tax profit difference of 10%*

	<b>Item</b>	<b>Code</b>	<b>Note</b>	<b>Quarter IV/2024</b>	<b>Quarter IV/2023</b>	<b>Difference from Quarter IV of previous year</b>
1.	Revenue from sale of goods and supply of services	01		3,504,056,017	4,599,714,886	(1,095,658,869)
2.	Revenue deductions	02		-	-	-
3.	Net revenue from sale	10		3,504,056,017	4,599,714,886	(1,095,658,869)

	of goods and supply of services (10 = 01 - 02)					
4.	Costs of goods sold	11		3,987,750,402	4,022,248,798	(34,498,396)
5.	<b>Gross profit from sale of goods and supply of services (20 = 10 - 11)</b>	<b>20</b>		<b>(483,694,385)</b>	<b>577,466,088</b>	<b>(1,095,658,869)</b>
6.	Financing income	21		32,450	2,040,155,150	(2,040,122,700)
7.	Financing expenses	22		14,844,037,521	28,340,626,382	(13,496,588,861)
-	Where: Loan interest	23		10,389,252,407	28,241,361,510	(17,852,109,103)
8.	Selling expenses	25		0	72,338,520	(72,338,520)
9.	Administrative expenses	26		836,755,489	884,754,646	(47,999,157)
10.	<b>Net profit from operating activities {{30 = 20 + (21-22) - (25 + 26)}</b>	<b>30</b>		<b>(16,164,454,945)</b>	<b>(26,680,098,310)</b>	<b>10,515,643,365</b>
11.	Other income	31			284,506,981	(284,506,981)
12.	Other expenses	32		211,747,823		211,747,823
13.	<b>Other profit (40 = 31 - 32)</b>	<b>40</b>		<b>(211,747,823)</b>	<b>284,506,981</b>	<b>(496,254,804)</b>
14.	<b>Total profit before tax (50 = 30 + 40)</b>	<b>50</b>		<b>(16,376,202,768)</b>	<b>(26,395,591,329)</b>	<b>10,019,388,561</b>
15.	Current corporate income tax expense	51		-	-	-
16.	Deferred corporate income tax expense	52		-	-	-
17.	<b>Profit after corporate income tax (60 = 50 - 51 - 52)</b>	<b>60</b>		<b>(16,376,202,768)</b>	<b>(26,395,591,329)</b>	<b>10,019,388,561</b>
18.	<b>Basic earnings per share (*)</b>	<b>70</b>		<b>(787)</b>	<b>(1,269)</b>	<b>482</b>

⇒ *Based on the above income statement, it can be found that main reasons why the profit after tax in the quarter IV/2024 is 38% higher than that in the quarter IV/2023 are as below:*

- *Financing income of the the quarter IV/2024 was over 100% higher than that in the the quarter IV/2023.*
- *Cost of goods sold of the quarter IV/2024 decreased by 0.85% compared to the quarter IV/2023.*
- *Interest expense of the quarter IV/ 2024 decreased by 63% compared to the quarter IV/2023.*

Sincerely thank!

*Recipients:*

- As mentioned on the top;
- Recorded: Archive

**CHIEF EXECUTIVE OFFICER**

(Signed & sealed)



**Nguyễn Văn Chinh**