



# **IR NEWSLETTER**

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**April/2022**

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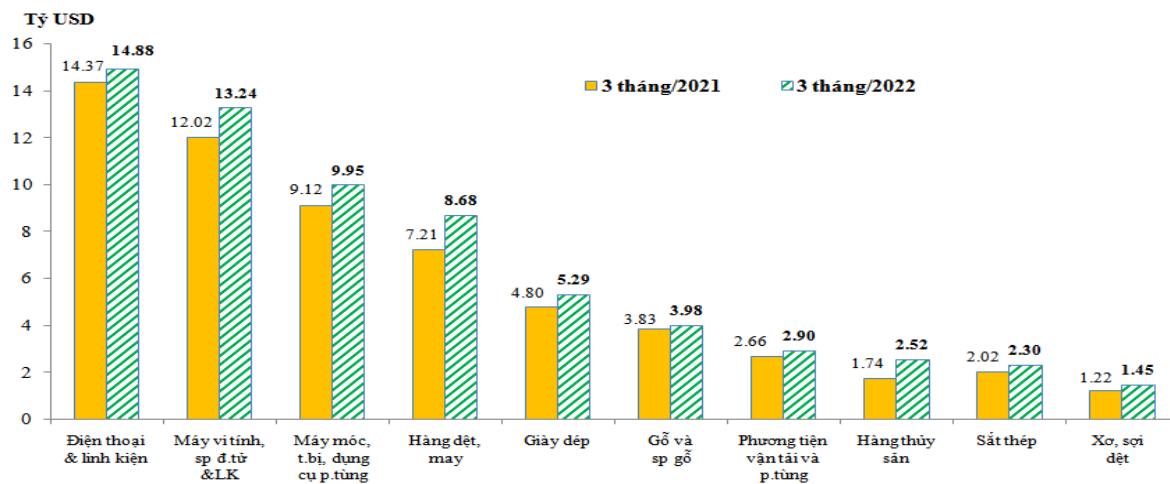
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# 1.T&G INDUSTRIAL INFORMATION

## HIGHLIGHT

- According to the latest data of the Ministry of Industry and Trade, Vietnam's textile and garment exports in March reached 3.05 billion USD, up 48.3%, equivalent to an increase of more than 1 billion USD compared to the previous month. In general, in the first quarter of 2022, the export value of this T&G commodity group reached US\$ 8.68 billion, up 20.3% over the same period last year, corresponding to an increase of US\$ 1.46 billion. This is the highest increase over the same period since 2012.

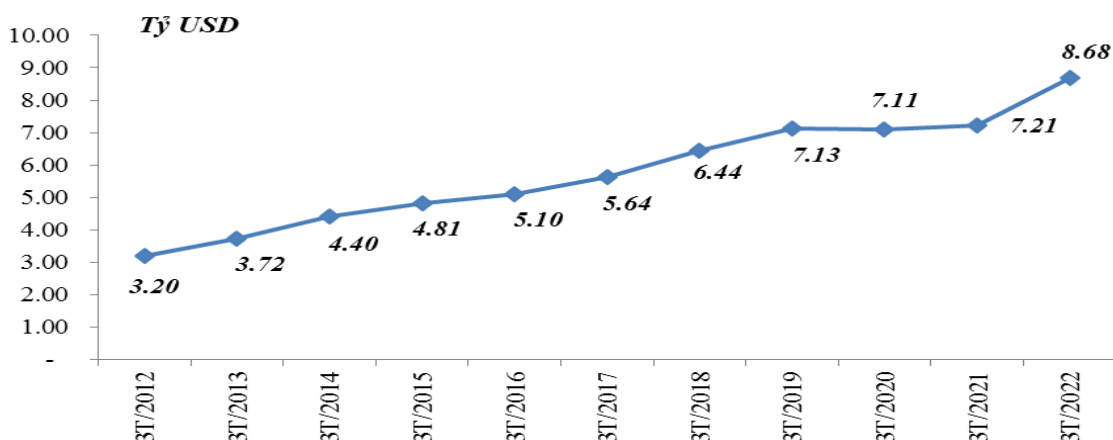
**Chart: Export value of some major commodity groups in Q1/2021 and Q1/2022**



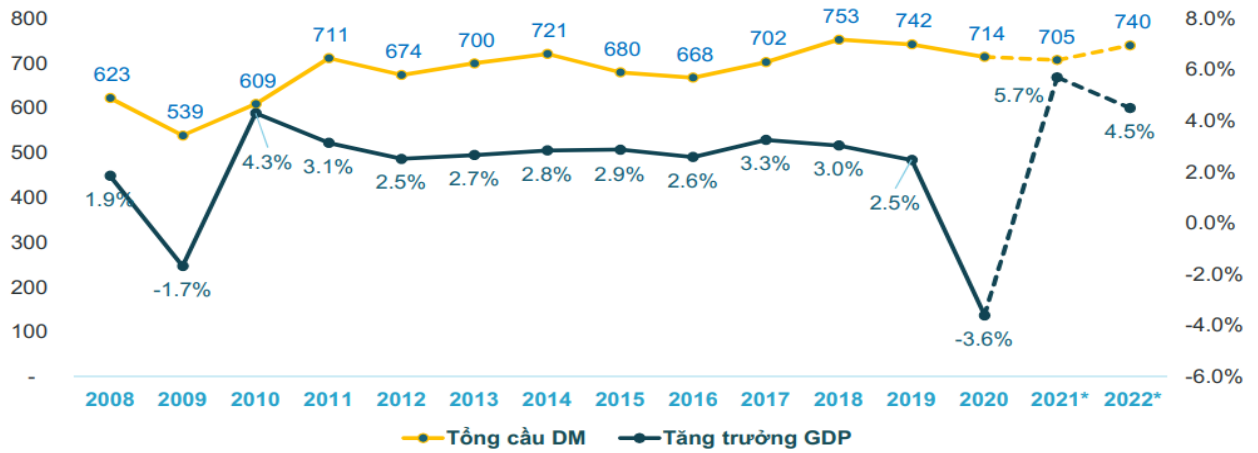
Source: General Department of Customs

- Textile and garment:** is the group of goods that contributed the most to 1.46 billion USD to the country's export growth in the first quarter of 2022 and had the highest increase over the same period since 2012 until now.
- In the first quarter of 2022, US continues to be the largest textile and garment import market from Vietnam with a value of USD 4.36 billion, up 24.2% over the same period last year and accounting for 50.3 % of the total export value of textiles and garments of the country; followed by EU market (27) with USD 896 million, up 31.4%; Japanese market with 771 million USD, down 2.9%; Korea with 754 million USD, up 6.9%...

**Chart: Vietnam's textile and garment exports in the first quarter of the years 2012-2022**

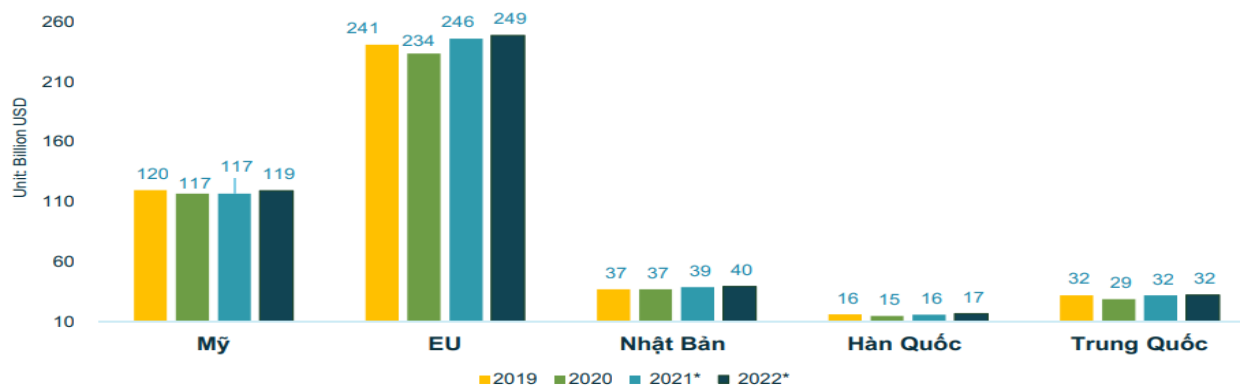


### Total demand of the world textile garment



Source: Group research team, using Trademap data

### Total demand for textile garment in 5 main markets

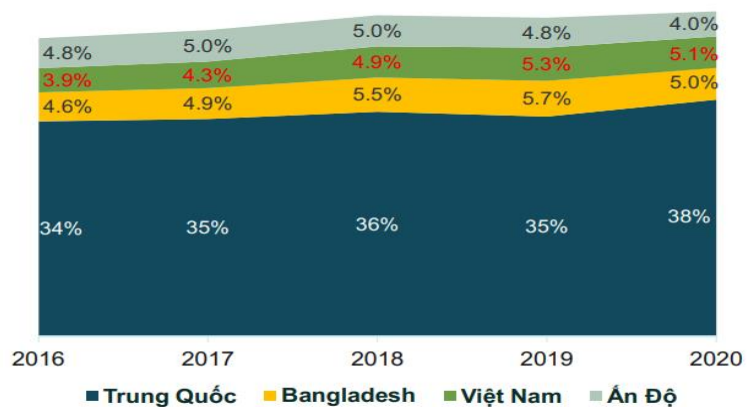


Source: Vitas and Trade map

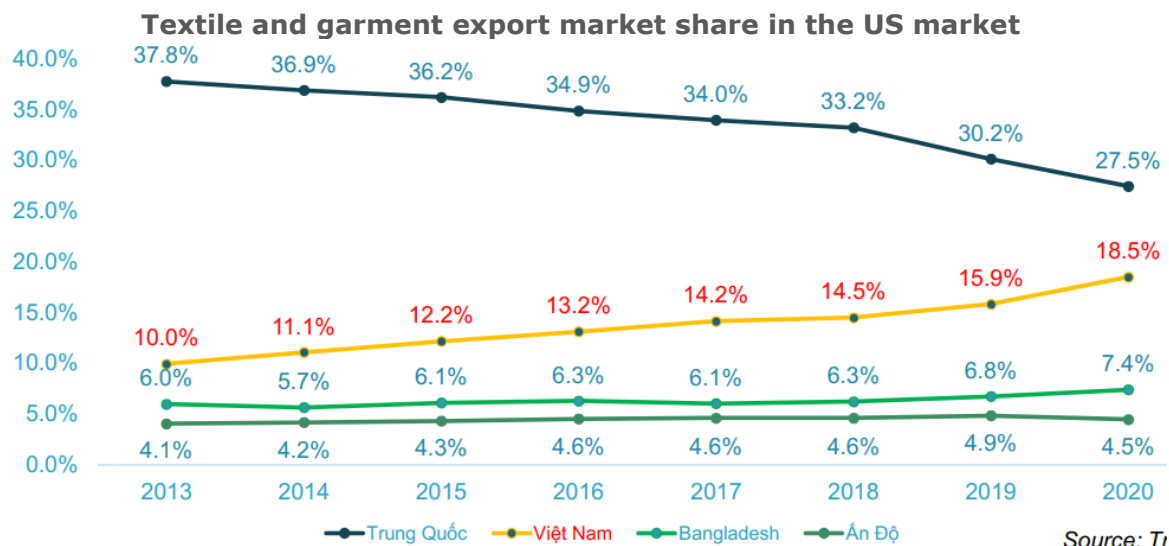
### Market share of major textile garment exporting countries

In 2020:

- 1 China 38%
- 2 Vietnam 5,1%
- 3 Bangladesh 5%
- 4 India 4%



Source: Vitas and Trade map



Source: Vitas and Trade map

## IMPACT OF THE RUSSIA - UKRAINA CONFLICT ON THE WORLD AND VIETNAM'S TEXTILE GARMENT

April 15 marks 50 days since Russia launched a "special military operation" in Ukraine. No one can predict the outcome of the conflict except for a series of negative impacts on the world economy - including the textile garment market. Russia and Ukraine are both traditional and important trade partners of Vietnam in the Eurasian region. In terms of trade turnover, Russia ranks 1st, Ukraine ranks 6th. According to statistics of Vietnam Customs, bilateral trade turnover between Vietnam and Russia in 2021 will reach 5.5 billion USD increased by 13.8% compared to 2020, of which textile and garment exports to Russia reached 339 million USD. As for the Ukrainian market, in 2021, the trade turnover between the two countries will reach 720.5 million USD (up 50.6% compared to 2020), of which the export of textiles and garments to Ukraine will reach 8.7 million USD. Many Vietnamese textile and garment enterprises that have export orders to Russia have slowed down due to transportation. Currently, international carriers are refusing to accept orders delivered to Russia, so shipments due for delivery to Russian customers have not yet found a carrier.

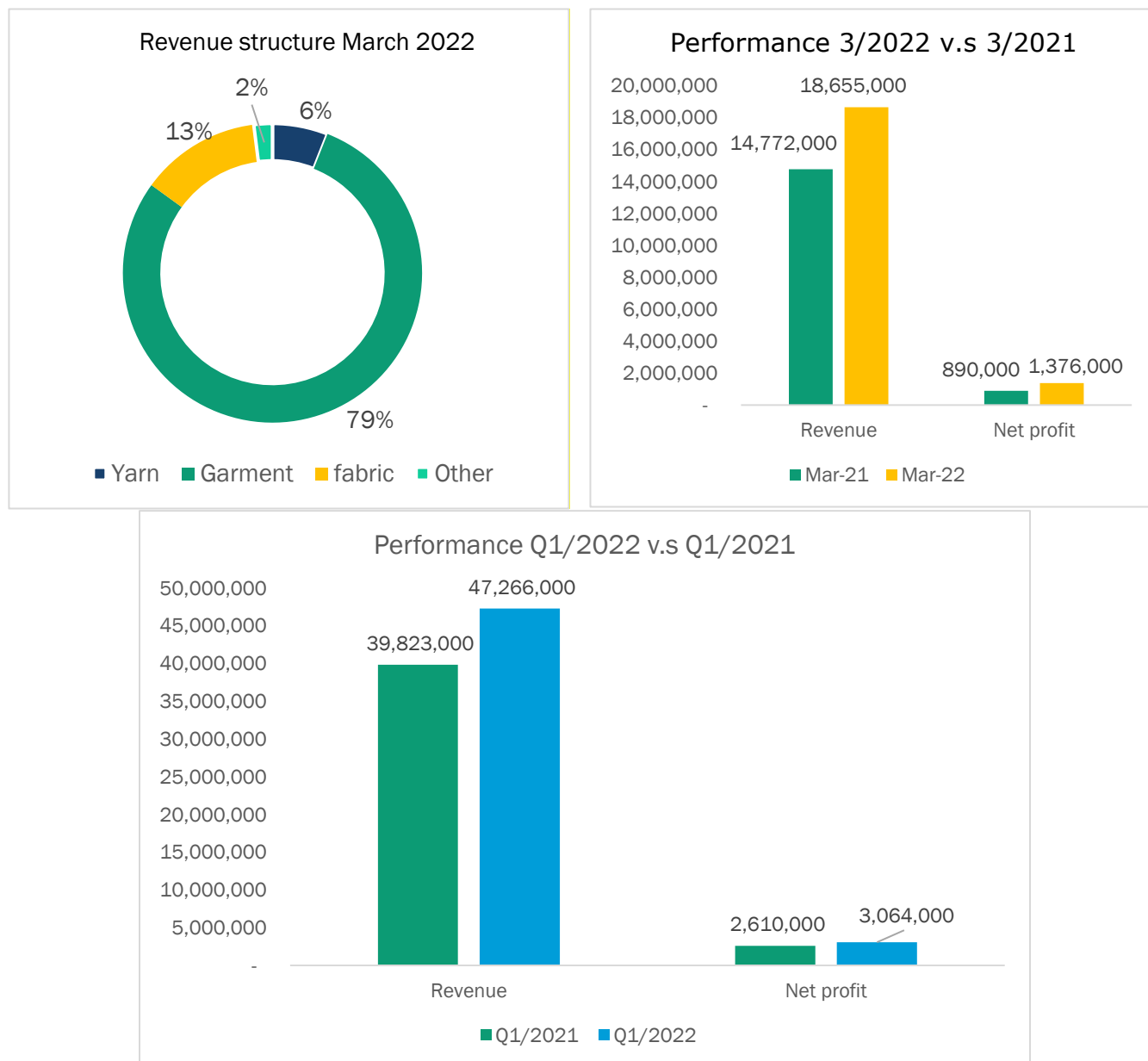
## Employees are allowed to work overtime no more than 60 hours/month

The Labor Law 2019, effective from January 1, 2021, stipulates that the number of overtime hours per month must not exceed 40 hours/month and not exceed 200 hours a year. For specific industries such as textile garment, footwear, seafood, electronics... the overtime hours should not exceed 300 hours a year. However, based on actual needs, at the 9th session, on the afternoon of March 23, 100% of the members of the Standing Committee of the National Assembly who were present unanimously approved the Regulation that employers have needs and are approved by them. With the consent of the employees, employees may be employed to work overtime for more than 200 hours, not exceeding 300 hours a year for all occupations. The newly approved Resolution takes effect from April 1, 2022, and the regulation on overtime hours in a year takes effect from January 1, 2022. Thus, for the textile and garment industry, only overtime hours are allowed on a monthly basis, while overtime hours per year remain the same as the provisions of the Labor Law 2019, although specific industry associations have proposed to of branches of law that require no more than 200 hours/year, it will be increased to no more than 300 hours/year, while specific branches of law that require no more than 300 hours/year will be increased by no more than 400 hours/year but have not been approved. .

Source: Vitas



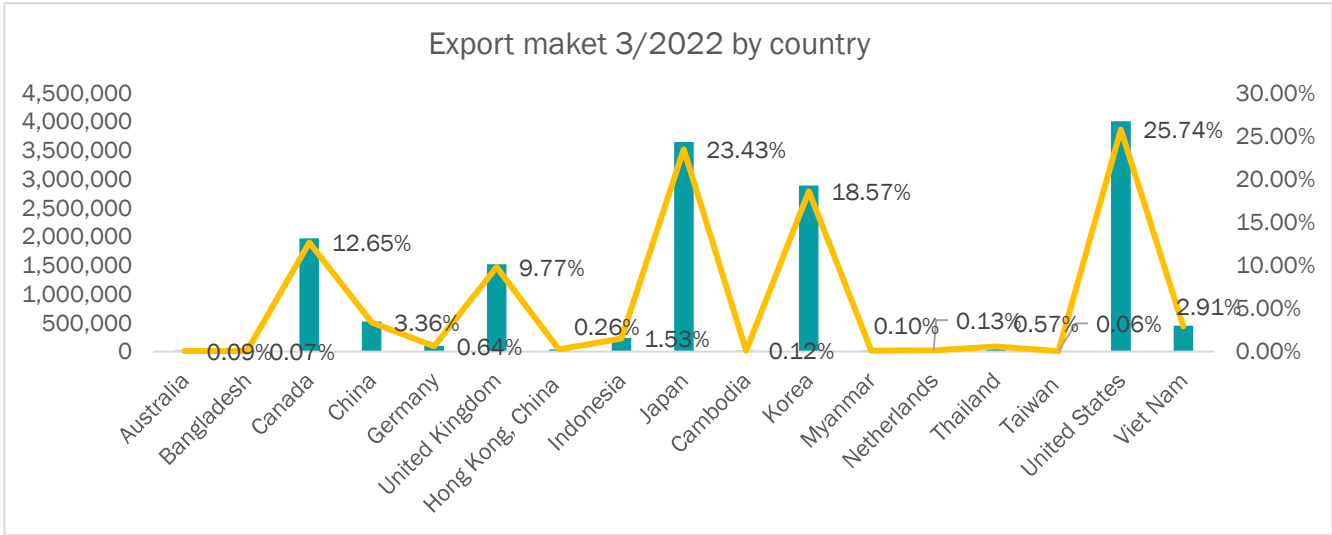
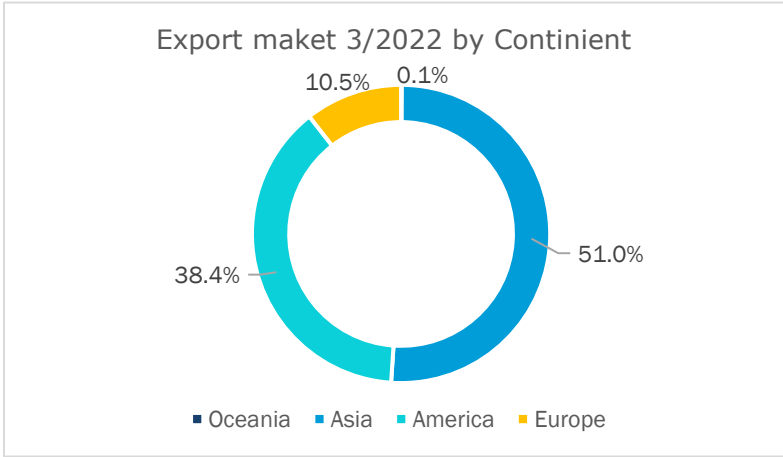
## 2. THE COMPANY'S PERFORMANCE



The Company's business results in March 2022, revenue reached 18,655.00 USD, an increase of 26% compared to the same period in March 2021. Profit after tax in March 2022 reached \$1,376,000, up 55% over the same period in March 2021. Revenue in March 2022 came from 3 main segments, of which garment products accounted for 79%, fabric accounted for 13% and yarn accounted for 6% of total revenue.

Revenue in the first quarter of 2022 reached 47,266,000 USD, up 19% compared to the same period in the first quarter of 2021, the profit after tax in the first quarter reached 3,064,000 USD, up 17% compared to the same period in the first quarter of 2021.

# EXPORT MARKET



TCM textile garment export to many major countries in the world. In March 2022, the Company's exports to Asia accounted for 51% of which, the Japanese market accounted for the highest proportion of 23.43% of the total export volume, followed by the Korean market accounting for 18.57%, China 3.36%, Vietnam 2.91%. Exports to the America market accounted for 38.4%, of which the US accounted for 25.74% and exports to the European market accounted for 10.5%, of which the UK accounted for 9.77%.

## ORDER SITUATION

Currently, the Company has received orders until the third quarter of 2022 and is preparing to receive orders for the fourth quarter of 2022. The company has completed the construction of Thanh Cong Vinh Long 2 garment factory with a total investment of about 12 million USD (Not including land) with a capacity of about 9 million products/year and put the first 5 lines into operation on March 2022, contributing to boosting order production for 2022, bringing revenue and profit to the Company in the coming time.

The company has also been installing a rooftop solar power system at Vinh Long 2 factory and is expected to be completed and put into use in May 2022 to meet environmental standards and save expenses for the Company. Estimated saving cost for each factory in Vinh Long is about 650 million VND/year.

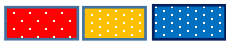


### 3. THE COMPANY'S PERFORMANCE

#### TCM STOCK INFORMATION

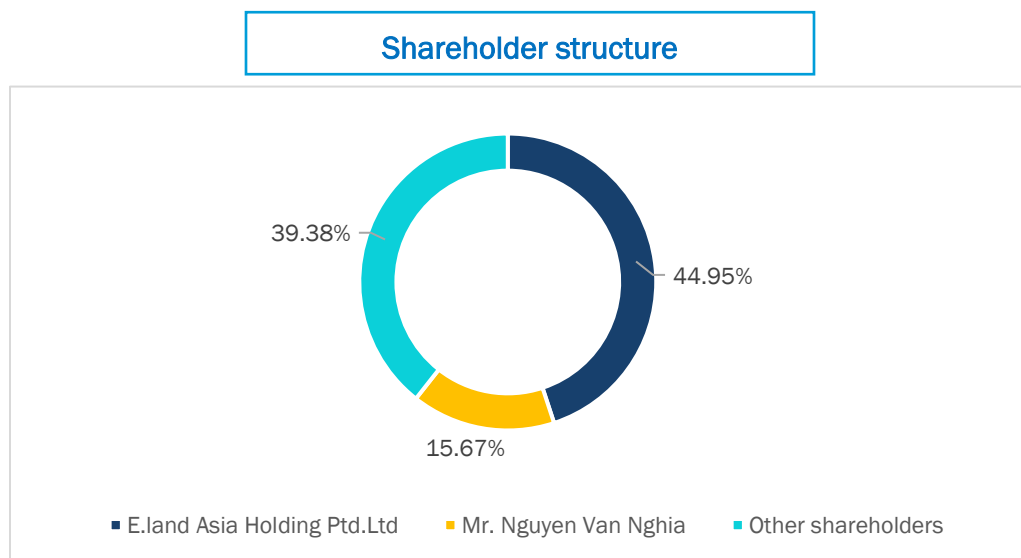
<u>~ 5,380</u>	<u>69,000~ 77,000</u>	<u>23</u>	<u>1,157,015</u>	26,230,600
Market capitalization 31/03/2022  (Bil VND)	Price volatility  (1 month)  (11.52%)	Session/March	Trading volume/day  (3/2022)	Total matched volume  (3/2022)
<u>71,260,358</u>	<u>104,353</u>	<u>61,300</u>	<u>2,108</u>	<u>30.93</u>
Shares outstanding	Highest within 52 weeks  (31/03/2021)	Lowest within 52 weeks  (25/01/2021)	EPS 2021	P/E 2021





Within 52 weeks, the highest price of TCM stock was 104,353 VND/share on March 31, 2021, the lowest price was 61,300 VND/share on January 25, 2021. In March 2022, the trading price of TCM shares fluctuated by 11.52%. The market capitalization of TCM shares as of March 31, 2022 is about VND 5,380 billion, ranking 2nd among listed textile garment enterprises after Vinatex. In March, TCM stock was interested by investors and traded with an average volume of 1,157,015 shares/day. The total matched volume in March was 26,230,600 shares., TCM was one of the Top 3 textile stocks with the best liquidity in the market within the past 1 year.

## TCM SHAREHOLDER INFORMATION





On April 15, 2022, Thanh Cong Textile Garment Investment Trading JSC successfully held the General Meeting of Shareholders with the attendance of 33 shareholders, accounting for 83.44% of the Company's shares. The conference approved all the contents with a high consensus vote of nearly 100%. Main content includes:

### **The company's 2021 performance**

In the past year, the company's business results were affected because of the covid 19 epidemic, especially in the last 6 months of the year. The rate of completion compared with the set target in 2021 is respectively: Revenue reached 83.81%, equivalent to 150 million USD. Profit after tax reached 49.53%, equivalent to 10.8 million USD.

### **The company's 2022 business plan**

Revenue of 4,182,924,941,000 VND (\$177,996,806) increased 20% compared to 2021. Profit after tax of 253,829,680,461 VND (\$10,801,263) increased 88% compared to 2021.

### **Five main strategies to realize the goal of 2022**

**First**, build a multi-tasking line with off-season considerations: the line can switch from knitting to woven fabric during the low season for knitwear orders.

**Second**, BPR: Business Process Re-engineering, carrying out business process re-engineering across the company's entire value chain with the goal of improving Thanh Cong's per capita productivity, simplify the process of internal information exchange and reduce company-wide costs through sourcing raw materials and accessories at competitive prices, well control raw material consumption at factories, reduce re-production rates and compensated goods, forecast the cotton market to have a reasonable cotton purchasing strategy, integrate or refresh the ERP system...

**Third**, product research and development and marketing activities (R&BD): Promote cooperation between R&BD department and Korea Textile Research Institute KOTITI to develop new products such as special feature yarns and fabrics products, environmentally friendly products, products from recycled materials following market trends and researching products that bring high value.

**Fourth**, ESG - a sustainable development strategy through Environmental - Social - Governance goals: improving internal processes to meet chemical requirements from European customers, installing solar energy systems at garment factory 2 in Vinh Long and other internal process improvements in the direction of reducing environmental emissions. Coordinate with VITAS, AGTEX Associations and international organizations WWF, IFC, IDS on sustainable development and be an active and responsible member in sustainable development, compliance, transparency and fairness in all transactions with related parties and at the same time develop appropriate policies to retain old employees and recruit new ones for factory VL factory #2 to soon come into operation at full capacity by the end of 2022.

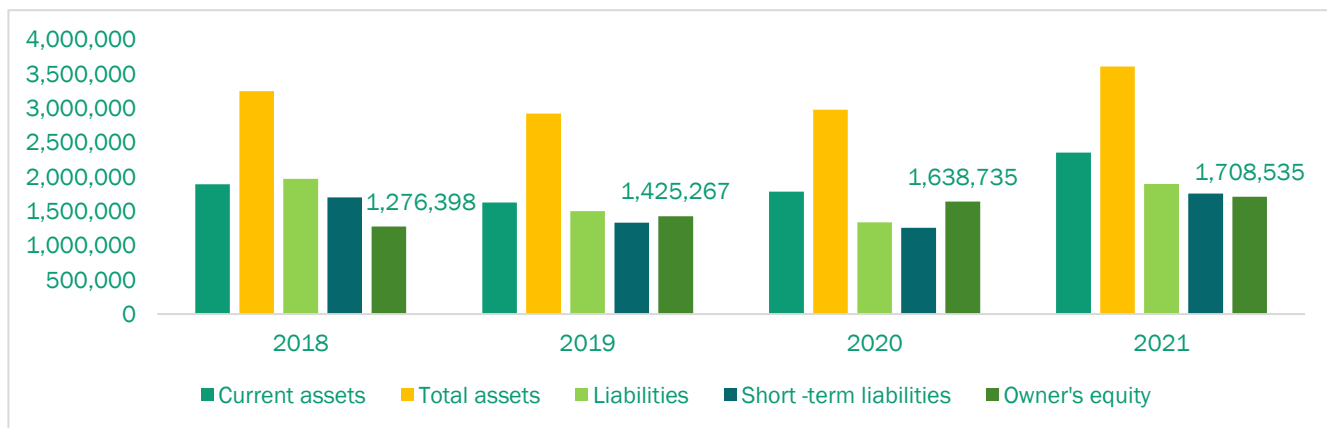
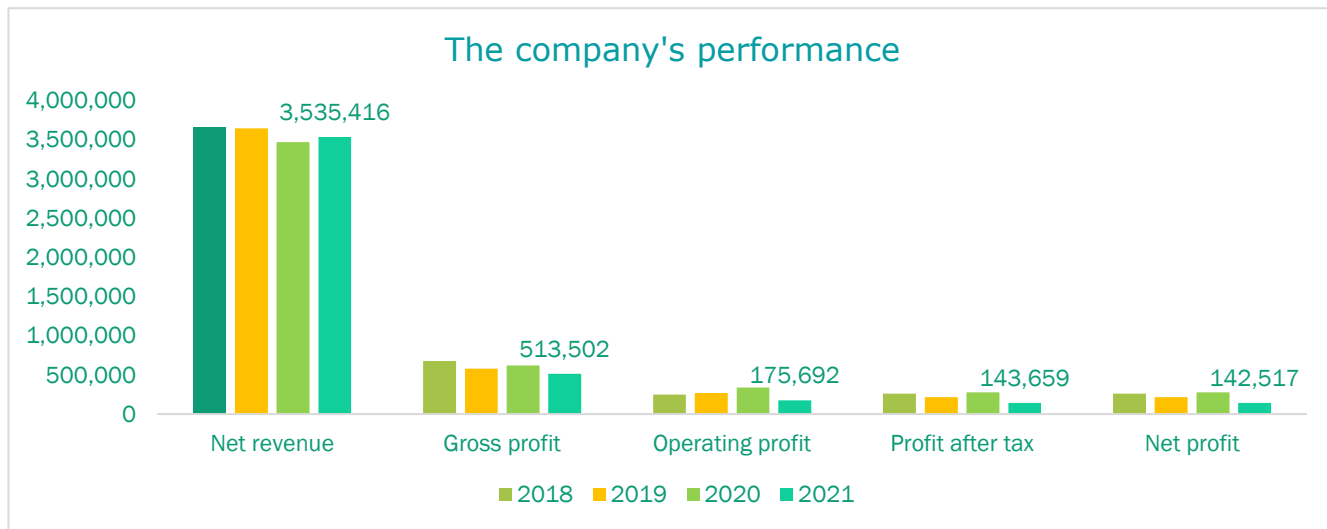
**Fifth**, about TC1 project, the company is working with experienced real estate partners in Vietnam and authorities to apply for construction permits. In favorable conditions, the project is expected to start construction by the end of this year or at the latest in the first quarter of next year and will start to sell apartments next year.

**Dividend payment plan for 2021, 2022:** In 2021, the Board of Directors submitted to the General Meeting of Shareholders to pay a dividend of 2021 at the rate of 25%, however, because the business results reaching 50% of the plan due to the impact of the Covid-19 epidemic, so the payout ratio is adjusted to 15% in shares. In 2022, it is expected to pay a dividend of 20%.



## FINANCIAL INFORMATION

Unit: Mil VND



Financial Ratio	2018	2019	2020	2021
EPS	4,877	3,827	4,614	2,108
BVPS	23,580	24,609	26,445	23,976
P/E	4.72	5.02	11.27	30.93
ROS	7.11	5.95	7.96	4.06
ROEA	22.07	15.97	17.97	8.52
ROAA	8.25	6.99	9.33	4.33

Source: TCM, Vietstock



For more information, kindly visit the Website of Thanh Cong Textile Garment Investment Trading JSC (TCM) at the link below:

Website: [www.thanhcong.com.vn](http://www.thanhcong.com.vn)

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