

2019 Q3 PERFORMANCE EXPLANATIONS 第三季財報說明

Oct. 12, 2019

Temporary Challenges 眼前的挑戰

1. We had extremely tight cash flow, as we paid off Techcombank \$8mn in late August with our own funds in order to borrow more (a new credit facility of \$20mn) at more favorable terms from HD Bank. 因為我們 8 月份必須自行清償 TECHCOMBANK 八百萬美金的貸款，以便向 HD BANK 取得 2,000 萬美金的貸款額度，我們第三季的週轉金非常的緊缺。
2. Late decisions for 2020 spring by major new customers from the U.S., such as Corona, Ames, Snow Joe, as price negotiation took longer than expected. 因為價格談判比預期還久，美國新客戶推遲下訂單的時間。
3. Lidl changed the #1904 garden tool lineup with new design and look, so we have no chance to ship these items in Q3. LIDL 主要產品全部改款，需要開新模具及重新測試，以至於我們無法於第三季出貨。
4. A lot new items and their tooling development is delayed due to bottleneck of workflow at R&D dept. 同時要開 200 套以上的模具，嚴重超過我們的產品開發能力，造成我們產品投產時間也跟著推遲。
5. We lost around 300 workers in Q2 and Q3, mostly with seniority of less than 1 year, to the newly opened factories around our factory in Thai Binh city. 最近有幾家新工廠開幕，我們流失了大約 300 名工人，絕大多數都是去年的新進員工。

Current situations: 目前的狀況

1. Cash flow will be much improved as we start drawing funds from new and increased credit lines. Our total credit facility is \$46mn, we borrowed \$20.5mn (mostly asset-based) as of Oct. 10, and the available credit is \$25.5mn (mostly AR and L/C). 新增額度開始撥款，我們的週轉金會逐步解套。目前我們的總額度是 4,600 萬美金，尚有 2,550 萬美金未動撥（主要是應收賬款及信用證的外銷融資）。
2. Our open orders is around \$16mn, incoming POs is around \$13mn and pending POs is around \$18mn, total of \$47mn, for Q4 2019 to Q2 2020 (2020 spring/summer season). 我們手上的訂單約 1,600 萬美金，待收訂單約 1,300 萬美金，未收訂單約 1,800 萬美金，合計 4,700 萬美金（不包含未確定的新產品訂單）。這些是今年 Q4 到明年 Q2 要出貨的訂單。
3. Our R&D teams are working 24/7 to catch up the tooling development. 我們的研發及模具部門正日夜趕工，同時也外發一部分較簡單的模具給協力廠商。
4. Fortunately, we have sufficient production capacity to boost output, and we expect to complete the orders in time. 我們有足夠的產能趕貨，所以我們可以如期的完成手上的訂單。
5. We hire contracted seasonal workers to meet the needs of our workflow. 由於產品季節差異大，我們也增加季節性臨時工（目前約 400 人，預計今年年底我們會超過 3,000 名員工及臨時工。）

Outlook for FY 2019

1. We will push the turnover to \$40mn. 我們在第四季會大量出貨，趕年度營收 4,000 萬美金的目標。
2. We will be listed in HOSE by early December, if no further delay caused by the government process of paperwork. 上市的進度雖然比原先預期推遲，但是已經快完成公文行政流程，我們希望 12 月上旬能順利掛牌上市。
3. Our listing price will be 50,000 VND per share. 我們申請 50,000 越南盾的掛牌價格。
4. We will push 3 to 4 millions existing shares to the market to boost liquidity. 我們已經協調現有股東出售三~四百萬股，以增加股票上市後的流通性。

Outlook for FY 2020 明年展望

1. We expect to pick up more customers on the OEM/ODM side. 我們將增加更多的 OEM/ODM 代工訂單。
2. We will reach \$60mn in sales as we will increase our business in toys and other metal products. 我們維持營收目標 6,000 萬美金。
3. We will commence the construction of our #3 factory in Thai Tho, Thai Thuy in H2, due to the delay of land transfer by the local government. 明年上半年將開始第三廠（太壽工業區）的建廠工程。