

Century Synthetic Fiber Corporation

Interim separate financial statements

For the six-month period ended 30 June 2019



Century Synthetic Fiber Corporation

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Century Synthetic Fiber Corporation

GENERAL INFORMATION

THE COMPANY

Century Synthetic Fiber Corporation ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam and currently operates based on the 17th Amended Enterprise Registration Certificate No. 0302018927 issued by the Department of Planning and Investment of Ho Chi Minh City on 18 April 2019.

The Company listed its shares on the Ho Chi Minh Stock Exchange with trading code as STK in accordance with Decision No. 410/QD-SGDHCM issued by the Ho Chi Minh Stock Exchange on 10 September 2015.

The current principal activities of the Company during the period are to manufacture synthetic yarn and knitting.

The Company's registered head office is located at Lot B1-1 North West Cu Chi Industrial Zone, Cu Chi District, Ho Chi Minh City, Vietnam. In addition, the Company has Trang Bang Branch, located at Street No.8, Trang Bang Industrial Zone, Trang Bang District, Tay Ninh Province, and one representative office, located at 102-104-106 Bau Cat, Ward 14, Tan Binh District, Ho Chi Minh City, Vietnam.

BOARD OF DIRECTORS

Members of the Board of Directors during the period and at the date of this report are:

Mr Dang Trieu Hoa	Chairman
Mr Dang Huong Cuong	Member
Ms Dang My Linh	Member
Ms Cao Thi Que Anh	Member
Mr Chen Che Jen	Member
Mr Vo Quang Long	Member
Mr Nguyen Quoc Huong	Member

BOARD OF SUPERVISION

Members of the Board of Supervision during the period and at the date of this report are:

Mr Nguyen Tu Luc	Head
Ms Hoang Nu Mong Tuyen	Member
Ms Dinh Ngoc Hoa	Member

Century Synthetic Fiber Corporation

GENERAL INFORMATION (continued)

MANAGEMENT

Members of the Management during the period and at the date of this report are:

Mr Dang Trieu Hoa	General Director
Mr Nguyen Thai Hung	General Manager
Ms Nguyen Phuong Chi	Chief Strategic Officer
Mr Phan Nhu Bich	Chief Financial Officer

LEGAL REPRESENTATIVE

The legal representative of the Company during the period and at the date of this report is Mr Dang Trieu Hoa.

AUDITORS

The auditor of the Company is Ernst & Young Vietnam Limited.

Century Synthetic Fiber Corporation

REPORT OF MANAGEMENT

Management of Century Synthetic Fiber Corporation ("the Company") is pleased to present this report and the interim separate financial statements of the Company for the six-month period ended 30 June 2019.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE INTERIM SEPARATE FINANCIAL STATEMENTS

Management is responsible for the interim separate financial statements of each financial period which give a true and fair view of the interim separate financial position of the Company and of the interim separate results of its operations and its interim separate cash flows for the period. In preparing those interim separate financial statements, management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the interim separate financial statements; and
- prepare the interim separate financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the interim separate financial position of the Company and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying interim separate financial statements.

STATEMENT BY MANAGEMENT

Management of the Company, does hereby state that, in its opinion, the accompanying interim separate financial statements give a true and fair view of the interim separate financial position of the Company as at 30 June 2019 and of the interim separate results of its operations and its interim separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of the interim separate financial statements.

The Company has its subsidiary as disclosed in the interim separate financial statements. The Company prepared these interim separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular 155/2015/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Company has also prepared the interim consolidated financial statements of the Company and its subsidiary ("the Group") for the six-month period ended 30 June 2019 dated 12th 2019.

Users of the interim separate financial statements should read them together with the said interim consolidated financial statements in order to obtain full information on the interim consolidated financial position, interim consolidated results of operations and interim consolidated cash flows of the Group.

For and on behalf of management:



Dang Trieu Hoa
General Director

Ho Chi Minh City, Vietnam

12. August 2019



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Reference: 60867230/21093828/LR

REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS

To: **The Shareholders of Century Synthetic Fiber Corporation**

We have reviewed the accompanying interim separate financial statements of Century Synthetic Fiber Corporation ("the Company") as prepared on 12 August 2019 and set out on pages 6 to 36, which comprise the interim separate balance sheet as at 30 June 2019, the interim separate income statement and the interim separate cash flow statement for the six-month period then ended and the notes thereto.

Management's responsibility

Management of the Company is responsible for the preparation and fair presentation of these interim separate financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of the interim separate financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the interim separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express a conclusion on the interim separate financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements No. 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements do not give a true and fair view, in all material respects, of the interim separate financial position of the Company as at 30 June 2019, and of the interim separate results of its operations and its interim separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of interim separate financial statements.

Emphasis of matter

We draw attention to Note 2.1 of the interim separate financial statements. The Company prepared the interim consolidated financial statements of the Company and its subsidiary for the six-month period ended 30 June 2019 in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the interim consolidated financial statements. We have reviewed these interim consolidated financial statements and our auditors' report dated 12 August 2019 has expressed an unmodified conclusion.

Our review conclusion on the interim separate financial statements is not modified in respect of this matter.

Ernst & Young Vietnam Limited



Duong Le Anthony
Deputy General Director
Audit Practicing Registration Certificate
No. 2223-2018-004-1

Ho Chi Minh City, Vietnam

12 August 2019

Century Synthetic Fiber Corporation

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INTERIM SEPARATE BALANCE SHEET
as at 30 June 2019

VND

Code	ASSETS	Notes	30 June 2019	31 December 2018
100	A. CURRENT ASSETS		989,098,960,086	803,077,736,053
110	I. Cash and cash equivalents	4	274,873,974,043	153,023,136,643
111	1. Cash		14,373,974,043	20,523,136,643
112	2. Cash equivalents		260,500,000,000	132,500,000,000
120	II. Short-term investment		15,000,000,000	45,000,000,000
123	1. Held- to-maturity investment	5	15,000,000,000	45,000,000,000
130	III. Current accounts receivable		128,926,420,136	72,086,923,323
131	1. Short-term trade receivables	6	118,456,049,212	58,695,785,076
132	2. Short-term advances to suppliers	7	1,787,427,034	5,137,275,770
136	3. Other short-term receivables	8	8,682,943,890	8,253,862,477
140	IV. Inventories		554,992,043,365	509,769,177,869
141	1. Inventories	9	579,493,131,936	541,173,285,220
149	2. Provision for obsolete inventories	9	(24,501,088,571)	(31,404,107,351)
150	V. Other current assets		15,306,522,542	23,198,498,218
151	1. Short-term prepaid expenses	14	8,904,956,020	7,246,898,222
152	2. Value-added tax deductible	17	6,155,248,421	15,677,025,900
153	3. Tax and other receivables from the State	17	246,318,101	274,574,096
200	B. NON-CURRENT ASSETS		1,257,615,540,865	1,316,394,122,751
220	I. Fixed assets		1,108,609,397,582	1,178,792,442,927
221	1. Tangible fixed assets	10	1,108,233,303,340	1,178,357,295,893
222	Cost		2,049,298,144,450	2,049,933,670,971
223	Accumulated depreciation		(941,064,841,110)	(871,576,375,078)
227	2. Intangible assets	11	376,094,242	435,147,034
228	Cost		14,385,298,205	14,385,298,205
229	Accumulated amortisation		(14,009,203,963)	(13,950,151,171)
240	II. Long-term asset in progress		5,949,466,478	969,683,372
242	1. Construction in progress	12	5,949,466,478	969,683,372
250	III. Long-term investments	13	81,884,588,394	81,884,588,394
251	1. Investment in a subsidiary	13.1	80,000,000,000	80,000,000,000
252	2. Investment in an associate	13.2	2,386,800,000	2,386,800,000
254	3. Provision for diminution in value of long-term investments		(502,211,606)	(502,211,606)
260	IV. Other long-term assets		61,172,088,411	54,747,408,058
261	1. Long-term prepaid expenses	14	54,191,565,459	47,128,176,114
262	2. Deferred tax assets	27.3	6,980,522,952	7,619,231,944
270	TOTAL ASSETS		2,246,714,500,951	2,119,471,858,804

Century Synthetic Fiber Corporation

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INTERIM SEPARATE BALANCE SHEET (continued)
as at 30 June 2019

VND

Code	RESOURCES	Notes	30 June 2019	31 December 2018
300	C. LIABILITIES		1,268,384,861,917	1,210,381,370,769
310	I. Current liabilities		1,012,326,440,689	862,133,399,464
311	1. Short-term trade payables	15	278,164,762,285	331,972,930,617
312	2. Short-term advances from customers	16	28,642,167,575	29,144,341,774
313	3. Statutory obligations	17	36,650,906,008	34,120,205,203
314	4. Payables to employees		24,561,971,547	25,979,917,686
315	5. Short-term accrued expenses	18	8,699,895,687	7,079,641,862
319	6. Other short-term payables	19	109,442,470,448	5,179,574,379
320	7. Short-term loans	20	524,205,982,245	426,713,696,161
322	8. Bonus and welfare funds		1,958,284,894	1,943,091,782
330	II. Non-current liabilities		256,058,421,228	348,247,971,305
338	1. Long-term loans	20	255,630,712,853	347,818,799,805
342	2. Long-term provision		427,708,375	429,171,500
400	D. OWNERS' EQUITY		978,329,639,034	909,090,488,035
410	I. Capital	21.1	978,329,639,034	909,090,488,035
411	1. Share capital		707,269,440,000	599,377,980,000
411a	- Shares with voting rights		707,269,440,000	599,377,980,000
412	2. Share premium		35,093,198,872	35,297,435,379
418	3. Investment and development fund		1,219,011,000	1,219,011,000
421	4. Undistributed earnings		234,747,989,162	273,196,061,656
421a	- Undistributed earnings by the end of prior period		125,151,985,656	94,825,378,461
421b	- Undistributed earnings of current period		109,596,003,506	178,370,683,195
440	TOTAL LIABILITIES AND OWNERS' EQUITY		2,246,714,500,951	2,119,471,858,804

Preparer
Phan Thanh Phu

Chief Accountant
Phan Nhu Bich

General Director
Dang Trieu Hoa



12 August 2019

INTERIM SEPARATE INCOME STATEMENT
for the six-month period ended 30 June 2019

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2019	For the six-month period ended 30 June 2018
01	1. Revenue from sale of goods	22.1	1,100,167,476,844	1,192,338,415,053
02	2. Deductions	22.1	(958,263,217)	(353,886,264)
10	3. Net revenue from sale of goods	22.1	1,099,209,213,627	1,191,984,528,789
11	4. Cost of goods sold		(920,614,746,759)	(1,029,599,774,372)
20	5. Gross profit from sale of goods		178,594,466,868	162,384,754,417
21	6. Finance income	22.2	3,674,260,292	3,478,762,547
22	7. Finance expenses	23	(19,456,690,862)	(25,036,747,142)
23	<i>In which: Interest expense</i>		(15,811,340,025)	(13,162,005,068)
25	8. Selling expenses	24	(12,160,452,372)	(17,509,958,258)
26	9. General and administrative expenses	25	(26,915,380,407)	(27,023,304,422)
30	10. Operating profit		123,736,203,519	96,293,507,142
31	11. Other income		1,016,910,997	659,437,131
32	12. Other expenses		(692,742,674)	(123,285,786)
40	13. Other profit		324,168,323	536,151,345
50	14. Accounting profit before tax		124,060,371,842	96,829,658,487
51	15. Current corporate income tax expense	27.1	(13,825,659,344)	(11,705,936,482)
52	16. Deferred tax expense	27.3	(638,708,992)	(486,490,301)
60	17. Net profit after tax		109,596,003,506	84,637,231,704

Preparer
Phan Thanh Phu

Chief Accountant
Phan Nhu Bich

General Director
Dang Trieu Hoa



12. August 2019

INTERIM SEPARATE CASH FLOW STATEMENT
for the six-month period ended 30 June 2019

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2019	For the six-month period ended 30 June 2018
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit before tax		124,060,371,842	96,829,658,487
	<i>Adjustments for:</i>			
02	Depreciation and amortisation		69,879,795,879	72,638,293,533
03	Reversal of provisions		(6,903,018,780)	(1,814,366,852)
04	Foreign exchange loss arising from revaluation of monetary accounts denominated in foreign currency		1,118,860,629	7,714,892,355
05	Profits from investing activities		(3,203,454,228)	(2,305,720,416)
06	Interest expense	23	15,811,340,025	13,162,005,068
08	Operating profit before changes in working capital		200,763,895,367	186,224,762,175
09	Increase in receivables		(46,696,714,458)	(17,849,396,271)
10	Increase in inventories		(38,319,846,716)	(52,798,355,715)
11	(Decrease) increase in payables		(53,650,791,632)	105,179,488,421
12	(Increase) decrease in prepaid expenses		(8,721,447,143)	288,928,360
13	Interest paid		(15,781,942,493)	(13,842,825,188)
14	Corporate income tax paid	17	(13,417,386,131)	(3,006,349,138)
15	Other cash inflows from operating activities		958,614,804	353,240,255
16	Other cash outflows for operating activities		(943,421,692)	(755,824,765)
20	Net cash from operating activities		24,190,959,906	203,793,668,134
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(5,316,671,546)	(48,763,520,012)
22	Collection from disposal and sale of fixed assets		260,000,000	-
23	Loans, purchase debt instruments		30,000,000,000	-
24	Collection from investment in another entity		-	24,663,600,000
27	Interest received		3,565,903,452	1,823,884,817
30	Net cash from (used in) investing activities		28,509,231,906	(22,276,035,195)

Century Synthetic Fiber Corporation


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INTERIM SEPARATE CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2019

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2019	For the six-month period ended 30 June 2018
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Drawdown of issued share and capital	21.1	65,733,563,493	-
33	Drawdown of borrowings		573,081,222,200	674,395,322,489
34	Repayment of borrowings		(570,149,811,580)	(711,067,797,793)
40	Net cash from (used in) financing activities		68,664,974,113	(36,672,475,304)
50	Net increase in cash and cash equivalents for the period		121,365,165,925	144,845,157,635
60	Cash and cash equivalents at the beginning of the period		153,023,136,643	116,546,806,032
61	Impact of exchange rate fluctuation		485,671,475	15,997,205
70	Cash and cash equivalents at end of the period	4	274,873,974,043	261,407,960,872


Preparer
Phan Thanh Phu


Chief Accountant
Phan Nhu Bich


General Director
Dang Trieu Hoa



12 August 2019

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
as at 30 June 2019 and for the six-month period then ended

1. CORPORATE INFORMATION

Century Synthetic Fiber Corporation ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam and currently operates based on the 17th Amended Enterprise Registration Certificate No. 0302018927 issued by the Department of Planning and Investment of Ho Chi Minh City on 18 April 2019.

The Company listed its shares on the Ho Chi Minh Stock Exchange with trading code as STK in accordance with Decision No. 410/QD-SGDHCM issued by the Ho Chi Minh Stock Exchange on 10 September 2015.

The current principal activities of the Company during the period are to manufacture synthetic yarn and knitting.

The Company's registered head office is located at Lot B1-1 North West Cu Chi Industrial Zone, Cu Chi District, Ho Chi Minh City, Vietnam. In addition, the Company has Trang Bang Branch, located at Street No.8, Trang Bang Industrial Zone, Trang Bang District, Tay Ninh Province, and one representative office, located at 102-104-106 Bau Cat, Ward 14, Tan Binh District, Ho Chi Minh City, Vietnam.

The number of the Company' employees as at 30 June 2019 was 931 (31 December 2018: 1,027).

2. BASIS OF PREPARATION

2.1 *Purpose of preparing the interim separate financial statements*

The Company has its subsidiary as disclosed in Note 12.1. The Company prepared these interim separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular 155/2015/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Company has also prepared the consolidated financial statements of the Company and its subsidiaries ("the Group") for the period ended 30 June 2018 dated 12 August 2019.

Users of the interim separate financial statements should read them together with the said consolidated financial statements in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Group.

2.2 *Accounting standards and system*

The interim separate financial statements of the Company expressed in Vietnam dong ("VND"), are prepared in accordance with the Vietnamese Enterprise Accounting System and Vietnamese Accounting Standard No. 27 - Interim Financial Reporting and other Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

2. BASIS OF PREPARATION (continued)

2.2 Accounting standards and system (continued)

Accordingly, the accompanying interim separate financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the separate financial position and results of separate operations and separate cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.3 Applied accounting documentation system

The Company's applied accounting documentation system is the General Journal system.

2.4 Fiscal year

The Company's fiscal year applicable for the preparation of its interim separate financial statements starts on 1 January and ends on 31 December.

2.5 Accounting currency

The interim separate financial statements are prepared in VND which is also the Company's accounting currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and short-term, highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of changes in value.

3.2 Inventories

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories, which are valued as follows:

- | | |
|----------------|---|
| Raw materials | - cost of purchase on a weighted average basis. |
| Finished goods | - cost of direct materials and labour plus attributable manufacturing overheads based on the normal operating capacity on a weighted average basis. |

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods owned by the Company, based on appropriate evidence of impairment available at the balance sheet date.

Increases or decreases to the provision balance are recorded into the cost of goods sold account in the interim separate income statement.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 *Receivables*

Receivables are presented in the interim separate financial statements at the carrying amounts due from customers and other debtors, along with the provision for doubtful debts.

The provision for doubtful debts represents amounts for outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administration expense in the interim separate income statement.

3.4 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the interim separate income statement as incurred.

When tangible fixed assets are sold or retired, gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the interim separate income statement.

3.5 *Intangible assets*

Intangible assets are stated at cost less accumulated amortisation.

The cost of an intangible asset comprises its purchase price and any directly attributable costs of preparing the intangible asset for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the interim separate income statement as incurred.

When intangible assets are sold or retired, gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the interim separate income statement.

3.6 *Depreciation and amortisation*

Depreciation of tangible fixed assets and amortisation of intangible assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings, structures	5 - 25 years
Machinery and equipment	5 - 15 years
Means of transportation	2 - 10 years
Office equipment	3 - 6 years
Computer software	4 - 5 years

3.7 *Borrowing cost*

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the period in which they are incurred, except to the extent that they are capitalized as explained in the following paragraph.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the interim separate balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

The following types of expenses are recorded as long-term prepaid expense and are amortised to the interim separate income statement:

- ▶ Prepaid rental; and
- ▶ Tools and consumables with large value issued into production and can be used for more than one year.

Prepaid land rental

The prepaid land rental represents the unamortised balance of advance payment made in accordance with the lease contract signed with Cidico Corporation on 3 July 2000 for a period of 50 years and Tay Ninh Industrial Park Infrastructure Development Joint Stock Company on 21 July 2009 for a period of 45 years, and on 31 October 2017 to 14 July 2053.

Such prepaid rental is recognised as a long-term prepaid expense for allocation to the separate income statement over the remaining lease period according to Circular 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013.

3.9 *Construction in progress*

Construction in progress represents costs that are directly attributable to the acquisition, construction to produce an asset in the course of construction at the interim balance sheet date.

3.10 *Investments*

Investments in a subsidiary

Investments in a subsidiary over which the Company has control are carried at cost.

Distributions from accumulated net profits of the subsidiary arising subsequent to the date of acquisition are recognised in the interim separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

Investment in an associate

Investment in an associate over which the Company has significant influence are carried at cost.

Distributions from accumulated net profits of an associate arising subsequent to the date of acquisition are recognised in the interim separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

Provision for diminution in value of an investment

Provision is made for any diminution in value of investments other entity at the interim balance sheet date in accordance with the guidance under Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 28 June 2013 issued by the Ministry of Finance. Increases or decreases to the provision balance are recorded as finance expense in the interim separate income statement.

Held-to-maturity investments

Held-to-maturity investments are stated at their acquisition costs. After initial recognition, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognised as finance expenses in the interim separate income statements and deducted against the value of such investments.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 *Payables and accruals*

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company.

3.12 *Accrual for severance pay*

The severance pay to employee is accrued at the end of each reporting period for all employees who have been in service for more than 12 months up to the interim balance sheet date at the rate of one-half of the average monthly salary for each period of service up to 31 December 2008 in accordance with the Labour Code and related implementing guidance. The average monthly salary used in this calculation will be revised at the end of each reporting period following the average monthly salary of the 6-month period up to the reporting date. Increase or decrease to the accrued amount other than actual payment to employees will be taken to the interim separate income statement.

This accrued severance pay is used to settle the termination allowance to be paid to employee upon termination of their labour contract following Article 48 of the Labour Code.

3.13 *Foreign currency transactions*

The Company applies guidance of Circular 53/2016/TT-BTC dated 21 March 2016 amending and supplementing some articles of Circular 200/2014/TT-BTC dated 22 December 2014 to record foreign currency transactions.

Transactions in currencies other than the Company's accounting currency are recorded at the exchange rate that approximates the average of buying and selling transfer exchange rates announced by the commercial bank where the Company most frequently conducts its transactions ("the average transfer exchange rate"). This approximate exchange rate does not exceed +/- 1% of the average transfer exchange rate. The average transfer exchange rate is determined daily based on the average of daily buying transfer rates and selling transfer rates of the commercial bank.

At the end of the period, balances of monetary items denominated in foreign currencies are translated at the buying transfer exchange rate announced by the commercial bank where the Company most frequently conducts its transactions. This transfer exchange rate is the buying transfer exchange rate of the commercial bank.

All exchange differences incurred during the period and arising from the revaluation of monetary accounts denominated in foreign currency at period-end are taken to the interim separate income statement.

3.14 *Appropriation of net profit*

Net profit after tax is available for appropriation to shareholders after approval in the shareholders' meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

The Company maintains the following reserve funds which are appropriated from the Company's net profit as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting.

Investment and development fund

This fund is set aside for use in the Company's expansion of its operation or of in-depth investment.

Bonus and welfare fund

This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits and presented as a liability on the interim separate balance sheet.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

Interest

Revenue is recognised as the interest accrues unless collectability is in doubt.

3.16 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the interim balance sheet date.

Current income tax is charged or credited to the interim separate income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company to offset current income tax assets against current income tax liabilities and when the Company intend to settle its current income tax assets and liabilities on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the interim balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- ▶ The deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss;
- ▶ in respect of taxable temporarily differences associated with investments in subsidiaries and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except:

- ▶ The deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss;
- ▶ in respect of deductible temporarily differences associated with investments in subsidiaries, associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Taxation (continued)

Deferred tax (continued)

The carrying amount of deferred tax assets is reviewed at each interim balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at each interim balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the interim balance sheet date.

Deferred tax is charged or credited to the interim separate income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on:

- ▶ either the same taxable entity; or
- ▶ when the Company intends either settle current income tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.17 Related parties

Parties are considered to be related parties of the Company if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Company and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of the family of any such individual.

4. CASH AND CASH EQUIVALENTS

	VND	
	30 June 2019	31 December 2018
Cash on hand	69,813,695	286,520,068
Cash in banks	14,304,160,348	20,236,616,575
Cash equivalents (*)	<u>260,500,000,000</u>	<u>132,500,000,000</u>
TOTAL	<u>274,873,974,043</u>	<u>153,023,136,643</u>

(*) Cash equivalents represent short-term deposits at commercial banks with original maturity of less than three (3) months and earn interest at the applicable rate.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

5. HELD-TO-MATURITY INVESTMENT

Held-to-maturity investment represent long-term deposits at commercial banks with original maturity of three (3) months or more and earn interest at the applicable rate.

6. SHORT-TERM TRADE RECEIVABLES

	VND	
	30 June 2019	31 December 2018
Trade receivables from other parties	116,411,770,042	57,067,512,272
- Formosa Taffeta Dong Nai Company Limited	31,139,258,815	25,524,664,217
- Gain Lucky Vietnam Co., Ltd.	7,088,145,520	8,888,941,108
- Formosa Taffeta Viet Nam Co., Ltd.	12,816,296,858	11,775,055,458
- Far Eastern Polytex (Vietnam) Limited	-	6,537,251,261
- Y.R.C Textile Co., Ltd	15,378,158,072	-
- Jatec Co., Ltd	925,637,714	-
- Phong Phu Coats Co., Ltd	12,316,461,333	707,256,000
- New Wide (Vietnam) Enterprise Co., Ltd	8,172,364,862	653,723,652
- Others	28,575,446,868	2,980,620,576
Trade receivables from related parties (Note 28)	2,044,279,170	1,628,272,804
TOTAL	118,456,049,212	58,695,785,076

7. SHORT-TERM ADVANCES TO SUPPLIERS

	VND	
	30 June 2019	31 December 2018
Oerlikon Barmag Zweigniederlassung	259,743,420	1,076,772,110
New Taiwan Filters Corp	-	2,388,597,150
Changzhou Jason Internation Trade Company	275,749,500	460,127,100
Other suppliers	1,251,934,114	1,211,779,410
TOTAL	1,787,427,034	5,137,275,770

8. OTHER SHORT-TERM RECEIVABLES

	VND	
	Ending balance	Beginning balance
Payment on behalf	6,690,165,781	6,690,065,781
Social insurance	1,102,117,403	1,066,067,138
Other receivables	890,660,706	497,729,558
TOTAL	8,682,943,890	8,253,862,477
<i>In which:</i>		
Due from a related party (Note 28)	6,690,165,781	6,690,065,781
Due from other parties	1,992,778,109	1,563,796,696

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

9. INVENTORIES

	VND			
	30 June 2019		31 December 2018	
	Cost	Provision	Cost	Provision
Finished goods	352,249,045,017	(20,551,321,641)	337,108,080,072	(26,667,659,161)
Raw materials	179,909,535,565	(3,949,766,930)	161,164,425,068	(4,736,448,190)
Goods in transit	47,334,551,354	-	42,900,780,080	-
TOTAL	579,493,131,936	(24,501,088,571)	541,173,285,220	(31,404,107,351)

Detail of movements of provision for obsolete inventories:

	VND	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Beginning balance	(31,404,107,351)	(2,405,561,930)
Add: Provision made during the period	-	-
Less: Revert provision made during the period	6,903,018,780	1,814,366,852
Ending balance	<u>(24,501,088,571)</u>	<u>(591,195,078)</u>

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

10. TANGIBLE FIXED ASSETS

	Buildings, structures	Machinery and equipment	Motor vehicles	Office equipment	Total
Cost:					
As at 31 December 2018	302,962,145,912	1,558,717,636,119	183,462,162,860	4,791,726,080	2,049,933,670,971
Newly purchase	-	-	336,888,440	-	336,888,440
Disposal	-	-	(972,414,961)	-	(972,414,961)
As at 30 June 2019	302,962,145,912	1,558,717,636,119	182,826,636,339	4,791,726,080	2,049,298,144,450
<i>In which:</i>					
Fully depreciated	298,401,800,405	1,534,059,154,585	191,060,955,384	5,058,219,949	2,028,580,130,323
Accumulated depreciation:					
As at 31 December 2018	(121,003,991,503)	(657,588,120,982)	(89,300,556,658)	(3,683,705,935)	(871,576,375,078)
Depreciation for the period	(5,632,632,311)	(54,038,076,967)	(9,789,242,077)	(360,791,732)	(69,820,743,087)
Disposal	-	-	332,277,055	-	332,277,055
As at 30 June 2019	(126,636,623,814)	(711,626,197,949)	(98,757,521,680)	(4,044,497,667)	(941,064,841,110)
Net carrying amount:					
As at 31 December 2018	181,958,154,409	901,129,515,137	94,161,606,202	1,108,020,145	1,178,357,295,893
As at 30 June 2019	176,325,522,098	847,091,438,170	84,069,114,659	747,228,413	1,108,233,303,340
<i>In which:</i>					
Pledged as loan security (Note 20.2)	147,850,945,515	206,813,925,857	88,519,714,914	4,505,371,271	447,689,957,557

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

11. INTANGIBLE ASSETS

	VND
	<i>Computer software</i>
Cost:	
As at 31 December 2018 and 30 June 2019	<u>14,385,298,205</u>
<i>In which:</i>	
<i>Fully amortised</i>	<u>13,834,916,387</u>
Accumulated amortisation:	
As at 31 December 2018	(13,950,151,171)
Amortisation for the period	<u>(59,052,792)</u>
As at 30 June 2019	<u>(14,009,203,963)</u>
Net carrying amount:	
As at 31 December 2018	<u>435,147,034</u>
As at 30 June 2019	<u>376,094,242</u>

12. CONSTRUCTION IN PROGRESS

	VND	
	30 June 2019	31 December 2018
Color yarn production machine	4,842,393,470	-
Machinery and equipment	392,912,008	255,522,372
Others	<u>714,161,000</u>	<u>714,161,000</u>
TOTAL	<u>5,949,466,478</u>	<u>969,683,372</u>

13. LONG-TERM FINANCIAL INVESTMENTS

	VND			
	30 June 2019		31 December 2018	
	Cost	Provision	Cost	Provision
Investment in a subsidiary (Note 13.1)	80,000,000,000	-	80,000,000,000	-
Investment in an associate (Note 13.2)	<u>2,386,800,000</u>	<u>(502,211,606)</u>	<u>2,386,800,000</u>	<u>(502,211,606)</u>
TOTAL	<u>82,386,800,000</u>	<u>(502,211,606)</u>	<u>82,386,800,000</u>	<u>(502,211,606)</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

13. LONG-TERM FINANCIAL INVESTMENTS (continued)

13.1 Investment in a subsidiary

	30 June 2019		31 December 2018	
	% of interest	Cost VND	% of interest	Cost VND
Unitex Limited Liability Company	100	<u>80,000,000,000</u>	100	<u>80,000,000,000</u>

Unitex Limited Liability Company ("Unitex") formerly is a shareholding company established in Vietnam pursuant to the Investment Certificate No. 452033000336 issued by the Management Board of Tay Ninh Economic Zone on 29 June 2015 and Enterprise Registration Certificate No. 3901206611 issued by Department of Planning and Investment of Tay Ninh Province on 29 June 2015, and the amended ERCs.

The principal activities per Investment Certificate of Unitex are to manufacture fibers and fabrics. The registered head office of Unitex is located at A17.1, C1 Street, Thanh Thanh Cong Industrial Zone, An Hoa Commune, Trang Bang District, Tay Ninh Province, Vietnam.

As at 30 June 2019, the Company holds 100% ownership and voting rights at Unitex.

13.2 Investment in an associate

	Ending balance		Beginning balance	
	% of interest	Cost VND	% of interest	Cost VND
E.DYE Vietnam Joint Stock Company	35.44	<u>2,386,800,000</u>	35.44	<u>2,386,800,000</u>

E.DYE Vietnam Joint Stock Company ("E.DYE") is a shareholding company established in Vietnam pursuant to the Enterprise Registration Certificate ("ERC") No. 0314352362 issued by the Department of Planning and Investment of Ho Chi Minh City on 17 April 2017. The principal activities per Investment Registration Certificate of E.DYE are import, export, and distribution of goods. The registered head office of E.DYE is located at No. 102-104-106, Bau Cat Street, Ward 14, Tan Binh District, Ho Chi Minh City, Vietnam.

As at 30 June 2019, the Company is in the process of recovering the investment in E.DYE in accordance with BOD's Resolution No. 15-2019/NQHDQT/TK and 16-2019/NQHDQT/TK dated 19 June 2019.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended**14. PREPAID EXPENSES**

	VND	
	30 June 2019	31 December 2018
Short-term	8,904,956,020	7,246,898,222
Tools and supplies	4,977,782,582	5,935,758,152
Car rental	85,000,000	340,000,000
Others	3,842,173,438	971,140,070
Long-term	54,191,565,459	47,128,176,114
Land rental (land use rights) (*)	38,705,620,702	39,044,124,772
Tools and supplies	14,754,095,857	6,298,401,384
Others	731,848,900	1,785,649,958
TOTAL	<u>63,096,521,479</u>	<u>54,375,074,336</u>

(*) As disclosed in Note 20.2, the Company has pledged the land use rights to secure the bank loan facilities.

15. SHORT-TERM TRADE PAYABLES

	VND	
	30 June 2019	31 December 2018
Tainan Spinning Co., Ltd	191,711,862,840	227,122,876,440
Unifi Textile(Suzhou) Co., Ltd	36,754,123,000	46,734,000,000
Chori Co., Ltd	17,219,036,000	12,983,416,000
Others	32,479,740,445	45,132,638,177
TOTAL	<u>278,164,762,285</u>	<u>331,972,930,617</u>

16. SHORT-TERM ADVANCE FROM CUSTOMERS

	VND	
	30 June 2019	31 December 2018
Advances from other parties	28,642,167,575	29,025,011,686
<i>Treasure Star International Limited</i>	2,662,725,263	9,090,907,079
<i>Nam Phuong Textile and Dyeing Co., Ltd</i>	4,627,952,550	4,433,232,651
<i>Jatec Co., Ltd,</i>	-	5,092,796,500
<i>Universal Star Corporation</i>	1,809,270,360	757,659,000
<i>Others</i>	19,542,219,402	9,650,416,456
Advances from a related party (Note 28)	-	119,330,088
TOTAL	<u>28,642,167,575</u>	<u>29,144,341,774</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

17. STATUTORY OBLIGATIONS

	VND			
	31 December 2018	Payable for the period	Payment/net-off in the period	30 June 2019
Payables				
Corporate income tax	13,836,351,224	13,724,384,612	(13,417,386,131)	14,143,349,705
Import and export duties	13,527,642,243	10,910,683,480	(10,896,844,493)	13,541,481,230
Personal income tax	308,992,910	4,468,483,675	(1,016,055,916)	3,761,420,669
Value-added tax	6,427,739,989	54,563,893,897	(55,810,326,248)	5,181,307,638
Others	19,478,837	1,135,017,064	(1,131,149,135)	23,346,766
TOTAL	34,120,205,203	84,802,462,728	(82,271,761,923)	36,650,906,008
	31 December 2018	Receivable for the year	Net-off in the year	30 June 2019
Receivables				
Value-added tax deductible	15,677,025,900	27,995,260,742	(37,517,038,221)	6,155,248,421
Corporate income tax	248,555,620	147,280,888	(248,555,620)	147,280,888
Personal income tax	-	28,571,048	-	28,571,048
Others	26,018,476	4,811,816,041	(4,767,368,352)	70,466,165
TOTAL	15,951,599,996	32,982,928,719	(42,532,962,193)	6,401,566,522

18. SHORT-TERM ACCRUED EXPENSES

	VND	
	30 June 2019	31 December 2018
Utility expenses	4,472,651,471	3,078,386,834
Sales commission	2,080,303,021	1,853,557,723
Interest expense	2,031,941,195	2,032,697,305
Others	115,000,000	115,000,000
TOTAL	8,699,895,687	7,079,641,862

19. SHORT-TERM OTHER PAYABLES

	VND	
	30 June 2019	31 December 2018
Dividends	102,412,696,815	58,535,865
Social insurance	2,974,364,047	3,027,530,711
Others	4,055,409,586	2,093,507,803
TOTAL	109,442,470,448	5,179,574,379

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

20. LOANS

	31 December 2018	Movement during the period		Foreign exchange difference	VND 30 June 2019
		Increase	Decrease		
Short-term					
Loans from banks (Note 20.1)	280,515,587,992	573,081,222,200	(473,352,410,146)	797,989,954	381,042,390,000
Current portion of long-term loans (Note 20.2)	146,198,108,169	93,246,348,383	(96,797,401,434)	516,537,127	143,163,592,245
	426,713,696,161	666,327,570,583	(570,149,811,580)	1,314,527,081	524,205,982,245
Long-term					
Loans from banks (Note 20.2)	347,818,799,805	-	(93,246,348,383)	1,058,261,431	255,630,712,853
TOTAL	774,532,495,966	666,327,570,583	(663,396,159,963)	2,372,788,512	779,836,695,098

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

20. LOANS (continued)

20.1 Short-term loans from banks

The Company obtained the unsecured loans from banks for the purpose of financing its working capital requirements which bear interest rates from 3.1% to 4.2% per annum (foreign currency). Details are as follows:

Banks	30 June 2019		Original amount	Term and maturity date
	VND	USD		
Orient Commercial Joint Stock Bank	182,404,620,000		7,845,360	From 18 July 2019 to 21 December 2019
Vietnam Export Import Commercial Joint Stock Bank	86,573,700,000		3,723,600	From 21 July 2019 to 3 September 2019
Vietnam Technology and Commercial Joint Stock Bank	57,053,640,000		2,453,920	From 6 November 2019 to 30 November 2019
Joint Stock Commercial Bank for Foreign Trade of Vietnam	55,010,430,000		2,366,040	From 4 April 2019 to 4 October 2019
TOTAL	381,042,390,000		16,388,920	



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

20. LOANS (continued)

20.2 Long-term loans from banks

Long-term loans from banks bear interest rates from 2.29% to 5.20% per annum (on foreign currency). Details of the long-term loans from banks are as follows:

Banks	30 June 2019		Original amount	Term and maturity date	Description of collateral
	VND	USD			
CTBC Bank Co., Ltd	94,937,497,598	4,083,333		From 5 June 2019 to 5 December 2022	Assets funded by loans including all imported machinery and equipment (Note 10) (Trang Bang project - 4 th stage)
	49,174,215,000	2,115,020		From 1 July 2019 to 1 March 2021	Assets funded by loans including all imported machineries and equipment (Trang Bang project - 5 th stage)
Vietnam Commercial Joint Stock Export Import Bank	254,682,592,500	10,954,090		From 20 July 2019 to 20 December 2022	Assets funded by loans including prepaid land rental (Note 14) and imported machinery and equipment (Note 10) at Trang Bang project, Tay Ninh
TOTAL	398,794,305,098	17,152,443			
<i>In which:</i>					
Current portion	143,163,592,245				
Non-current portion	255,630,712,853				

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

21. OWNERS' EQUITY

21.1 Increases and decreases in owners' equity

	Share capital	Share premium	Investment and development fund	Undistributed earnings	Total
					VND
For the six-month period ended 30 June 2018:					
As at 31 December 2017	599,377,980,000	35,297,435,379	1,219,011,000	142,775,616,861	778,670,043,240
Net profit for the period	-	-	-	84,637,231,704	84,637,231,704
Dividend declared	-	-	-	(47,950,238,400)	(47,950,238,400)
As at 30 June 2018	599,377,980,000	35,297,435,379	1,219,011,000	179,462,610,165	815,357,036,544
For the six-month period ended 30 June 2019:					
As at 31 December 2018	599,377,980,000	35,297,435,379	1,219,011,000	273,196,061,656	909,090,488,035
Capital increase (*)	107,891,460,000	(204,236,507)	-	(41,953,660,000)	65,733,563,493
Net profit for the period	-	-	-	109,596,003,506	109,596,003,506
Dividend declared (**)	-	-	-	(106,090,416,000)	(106,090,416,000)
As at 30 June 2019	707,269,440,000	35,093,198,872	1,219,011,000	234,747,989,162	978,329,639,034

(*) As at 10 April 2019, the Company successfully issued 4,195,366 shares to pay dividends for 2017 according to General Shareholder Meeting No. 01-2018/NQ-DHDCD/TK dated 17 April 2018, and Resolution of Board of Directors No. 08-2019/NQHDQT/TK dated 7 January 2019.

As at 10 April 2019, the Company successfully issued 5,993,780 shares to existing shareholders according to General Shareholder Meeting No. 03-2018/NQ-DHDCD/TK dated 17 April 2018, and Resolution of Board of Directors No. 04-2018/NQHDQT/TK, 13-2018/NQHDQT/TK và 14-2018/NQHDQT/TK dated 22 August 2018.

As at 10 April 2019, the Company successfully issued 600,000 shares to employees under ESOP according to General Shareholder Meeting No. 01-2018/NQ-DHDCD/TK dated 17 April 2018, and Resolution of Board of Directors No. 04-2019/NQHDQT/TK dated 7 January 2019.

As at 18 April 2019, the Company obtained the 17th Amended Enterprise Registration Certificate issued by the Department of Planning and Investment of Ho Chi Minh City, approving on the share capital increase to VND 707,269,440,000.

(**) The Resolutions of Annual Shareholder Meeting dated 2 April 2019, and of Board of Directors No. 13-2019/NQHDQT dated 29 May 2019 approved the dividend by cash of 15% par value of share (VND 1,500/share).

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

21. OWNERS' EQUITY (continued)

21.2 Capital transactions with owners and distribution of dividends, profits

	<i>For the six-month period ended 30 June 2019</i>	<i>VND For the six-month period ended 30 June 2018</i>
Issued share capital		
As at 31 December 2019	599,377,980,000	599,377,980,000
Increase during the period	107,891,460,000	-
As at 30 June 2019	<u>707,269,440,000</u>	<u>599,377,980,000</u>
Dividends declared	(106,090,416,000)	(47,950,238,400)
Dividend paid in cash	-	-
Stock dividend	(41,953,660,000)	-

21.3 Shares

	<u>30 June 2019</u>		<u>31 December 2018</u>	
	Quantity	Amount (VND)	Quantity	Amount (VND)
Authorized shares	70,726,944	707,269,440,000	59,937,798	599,377,980,000
Issued shares				
Issued and paid-up shares	70,726,944	707,269,440,000	59,937,798	599,377,980,000
Ordinary shares	70,726,944	707,269,440,000	59,937,798	599,377,980,000
Shares in circulation				
Ordinary shares	70,726,944	707,269,440,000	59,937,798	599,377,980,000

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

22. REVENUES

22.1 Revenue from sale of goods

	VND	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Gross revenue	1,100,167,476,844	1,192,338,415,053
<i>Less:</i>		
Sales returns	(679,561,921)	(348,271,704)
Trade discount	(278,701,296)	(5,614,560)
Net revenue	<u>1,099,209,213,627</u>	<u>1,191,984,528,789</u>

22.2 Finance income

	VND	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Interest income	3,583,592,134	2,469,714,783
Foreign exchange gains	90,668,158	1,009,047,764
TOTAL	<u>3,674,260,292</u>	<u>3,478,762,547</u>

23. FINANCE EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Interest expense	15,811,340,025	13,162,005,068
Foreign exchange losses	3,645,350,837	11,874,742,074
TOTAL	<u>19,456,690,862</u>	<u>25,036,747,142</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

24. SELLING EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Transportation expense	6,586,196,476	8,482,862,509
Letter of credit (L/C) and documentary fee	3,097,870,020	4,879,553,646
Commission fee	1,776,248,417	2,982,402,841
Others	700,137,459	1,165,139,262
TOTAL	<u>12,160,452,372</u>	<u>17,509,958,258</u>

25. GENERAL AND ADMINISTRATION EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Labour costs	12,856,253,153	13,028,765,039
Expenses for external services	5,773,453,833	5,861,108,853
Stationery and other tools costs	3,550,446,746	2,505,457,995
Depreciation and amortisation expenses	1,161,698,287	1,930,403,615
Others	3,573,528,388	3,697,568,920
TOTAL	<u>26,915,380,407</u>	<u>27,023,304,422</u>

26. PRODUCTION AND OPERATING COSTS

	VND	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Raw materials	663,398,951,349	753,727,925,903
Expenses for external services	133,063,172,313	144,800,084,517
Depreciation and amortisation (Notes 10 and 11)	69,879,795,879	72,638,293,533
Labour costs	67,394,561,000	73,380,208,273
Others	25,954,098,997	29,586,524,826
TOTAL	<u>959,690,579,538</u>	<u>1,074,133,037,052</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

27. CORPORATE INCOME TAX

Corporation income tax ("CIT") applied for the Company are as below:

- For Cu Chi Operation, the applicable statutory corporate income tax ("CIT") rate is 20% of taxable profit.
- For Trang Bang Branch, CIT is applied according to each product type. In particular:
 - Income from FDY and DTY products is exempted for four years (2016 - 2019), and is subject to 50% deduction in the nine following years (2020 - 2028). The applicable rate is 20%.
 - Income from POY products at stages 1, 2 is exempted for two years (2013 - 2014), and is subject to 50% deduction in the two following years (2015 - 2016). The applicable rate is 17% from 2016 to 2020.
 - Income from POY products at stage 3 is exempted for two years (2016 - 2017), and is subject to 50% deduction in the four following years (2018 - 2021). The applicable rate is 20%.

The tax returns filed by the Company are subject to examination by the tax authorities. Therefore, the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the financial statements could change at a later date upon final determination by the tax authorities.

27.1 CIT expense

	<i>For the six-month period ended 30 June 2019</i>	<i>VND For the six-month period ended 30 June 2018</i>
CIT expense of current period	13,825,659,344	11,342,254,472
Adjustment for under accrual of CIT from prior periods	-	363,682,010
Current CIT expense	13,825,659,344	11,705,936,482
Deferred tax expense	638,708,992	486,490,301
TOTAL	14,464,368,336	12,192,426,783

The current CIT payable is based on taxable profit for the current period. The taxable profit of the Company for the period differs from the accounting profit before tax as reported in the interim separate income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the interim separate balance sheet date.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

27. CORPORATE INCOME TAX (continued)

27.2 Current CIT

Reconciliation between CIT expense and the accounting profit before tax multiplied by CIT rate is presented below:

	VND	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Accounting profit before tax	124,060,371,842	96,829,658,487
At the applicable CIT rate for the Company	24,812,074,368	15,903,546,863
<i>Adjustments:</i>		
Non-deductible expenses	438,897,770	245,218,881
Tax incentive at Trang Bang branch	(10,351,398,148)	(4,320,020,971)
Adjustment for over accrual of tax from prior periods	-	363,682,010
Unrealised profit	(435,205,654)	-
CIT expense	14,464,368,336	12,192,426,783

27.3 Deferred tax

The followings are the deferred tax assets recognised by the Company, and the movements thereon, during the current and previous periods:

	VND			
	<i>Interim separate balance sheet</i>		<i>Interim separate income statement</i>	
	<i>30 June 2018</i>	<i>31 December 2018</i>	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Deferred tax assets				
Accrued expenses	399,113,586	362,412,806	36,700,780	(18,983,546)
Accrued salaries and bonus	3,286,899,409	3,443,358,935	(156,459,526)	(55,625,273)
Accrual for severance pay	68,857,575	69,150,200	(292,625)	661,450
Provision for obsolete inventory	481,112,386	1,009,306,806	(528,194,420)	(362,873,370)
Provision for import duties	2,733,745,103	2,733,745,103	-	-
Foreign exchange arising from revaluation of monetary accounts denominated in foreign currency	10,794,893	1,258,094	9,536,799	(49,669,562)
	6,980,522,952	7,619,231,944		
Net deferred tax charged to interim separate income statement			(638,708,992)	(486,490,301)

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

28. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties during the period were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND</i>	
			<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
E.DYE Vietnam Joint Stock Company	Associate	Capital withdrawal	-	24,663,600,000
Liantex Co., Ltd,	Related party due to a BOD member of the Company	Sale of goods	14,232,762,039	-
P.A.N Asia Co., Ltd	Related party due to a BOD member of the Company	Sale of goods	9,891,801,910	18,090,201,335
Hung Loi Service Trading Investment Company Limited	Related party due to family member of a BOD member of the Company	Sale of goods	-	17,102,822,296

Amounts due from and due to related parties at the interim balance sheet date were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transaction</i>	<i>VND</i>	
			<i>30 June 2019</i>	<i>31 December 2018</i>
<i>Short-term trade receivable (Note 6)</i>				
P.A.N Asia Co., Ltd	Related party due to a BOD member of the Company	Sales of goods	2,007,571,028	1,628,272,804
Liantex Co., Ltd	Related party due to a BOD member of the Company	Sales of goods	36,708,142	-
TOTAL			<u>2,044,279,170</u>	<u>1,628,272,804</u>
<i>Other short-term receivable (Note 8)</i>				
Unitex Limited Liability Company	Subsidiary	Payment on behalf	<u>6,690,165,781</u>	<u>6,690,065,781</u>
<i>Short-term advance from customer (Note 16)</i>				
Liantex	Related party due to a BOD member of the Company	Advance	<u>-</u>	<u>119,330,088</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

28. TRANSACTIONS WITH RELATED PARTIES (continued)

Details of remuneration of the Board of Directors, Board of Supervision and management during the period are as below:

	VND	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Management	1,953,686,498	1,905,303,217
Board of Directors	270,000,000	318,000,000
Board of Supervision	72,000,000	305,021,545
TOTAL	<u>2,295,686,498</u>	<u>2,528,324,762</u>

29. OPERATING LEASE COMMITMENT

The Company leases assets under operating lease arrangements. The lease commitment as at 30 June 2019 under the operating lease agreements is as follows:

	VND	
	<i>30 June 2019</i>	<i>31 December 2018</i>
Less than 1 year	1,346,367,573	231,960,000
From 1 to 5 years	1,362,000,000	1,362,000,000
More than 5 years	9,874,500,000	10,243,375,000
TOTAL	<u>12,582,867,573</u>	<u>11,837,335,000</u>

30. OFF BALANCE SHEET ITEM

	<i>30 June 2019 31 December 2018</i>	
Foreign currency:		
United States Dollar (USD)	<u>176,593</u>	<u>568,969</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

31. EVENT AFTER THE INTERIM BALANCE SHEET DATE

There has been no significant matter or circumstance after the interim balance sheet date which would require adjustments or disclosures to be made in the interim separate financial statements of the Company.



Preparer
Phan Thanh Phu



Chief Accountant
Phan Nhu Bich



General Director
Dang Trieu Hoa

12. August 2019

