

Century Synthetic Fiber Corporation

Interim separate financial statements

For the six-month period ended 30 June 2021

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 19th Amended Enterprise Registration Certificate No. 0302018927 issued by the Department of Planning and Investment of Ho Chi Minh City on 20 August 2020.

The Company listed its shares on the Ho Chi Minh Stock Exchange with trading code as STK in accordance with Decision No. 410/QĐ-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:

Ms Dang My Linh	Chairman
Mr Dang Trieu Hoa	Vice Chairman
Mr Dang Huong Cuong	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

MANAGEMENT

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

Mr Dang Trieu Hoa	General Director
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 2021.

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 its 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 2021 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 a 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 96/2020/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 a subsidiary (“the Group”) for the six-month period ended 30 June 2021 dated 20 August 2021.

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

20 August 2021

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 20 August 2021 and set out on pages 5 to 34, which comprise the interim separate balance sheet as at 30 June 2021, 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

The Company's 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 the 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 2021, 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 the preparation and presentation of the interim separate financial statements.

Ernst & Young Vietnam Limited

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

Ho Chi Minh City, Vietnam

20 August 2021

INTERIM SEPARATE BALANCE SHEET
as at 30 June 2021

VND

Code	ASSETS	Notes	30 June 2021	31 December 2020
100	A. CURRENT ASSETS		973,724,870,170	630,089,321,364
110	I. Cash and cash equivalents	4	285,531,589,380	95,080,564,018
111	1. Cash		31,531,589,380	30,080,564,018
112	2. Cash equivalents		254,000,000,000	65,000,000,000
120	II. Short-term investment		-	26,000,000,000
123	1.			
	Held- to-maturity investment	5	-	26,000,000,000
130	III. Current accounts receivable		113,059,513,067	102,308,876,103
131	1. Short-term trade receivables	6.1	102,108,625,507	92,809,238,635
132	2. Short-term advances to suppliers	6.2	4,135,642,411	3,217,507,951
136	3. Other short-term receivables	7	6,815,245,149	6,282,129,517
140	IV. Inventories	9	548,612,863,879	400,542,739,062
141	1. Inventories		581,231,308,259	425,066,824,955
149	2. Provision for obsolete inventories		(32,618,444,380)	(24,524,085,893)
150	V. Other current assets		26,520,903,844	6,157,142,181
151	1. Short-term prepaid expenses	14	7,419,998,113	5,737,949,327
152	2. Value-added tax deductible	17	19,065,220,628	295,389,563
153	3. Tax and other receivables from the State	17	35,685,103	123,803,291
200	B. NON-CURRENT ASSETS		1,017,561,647,334	1,071,656,550,626
210	I. Non-current account receivable		11,279,690,982	11,279,690,982
215	1. Long-term loan receivable	8	11,279,690,982	11,279,690,982
220	II. Fixed assets		858,535,156,611	913,921,743,038
221	1. Tangible fixed assets	10	858,379,215,097	913,710,763,342
222	Cost		2,054,740,200,284	2,054,740,200,284
223	Accumulated depreciation		(1,196,360,985,187)	(1,141,029,436,942)
227	2. Intangible assets	11	155,941,514	210,979,696
228	Cost		14,385,298,205	14,385,298,205
229	Accumulated amortisation		(14,229,356,691)	(14,174,318,509)
240	III. Long-term asset in progress		878,322,840	564,242,372
242	1. Construction in progress	12	878,322,840	564,242,372
250	IV. Long-term investments	13	87,290,534,018	87,290,534,018
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
253	3. Investment in another entity	13.3	6,097,134,018	6,097,134,018
254	4. Provision for diminution in value of long-term investments		(1,193,400,000)	(1,193,400,000)
260	V. Other long-term assets		59,577,942,883	58,600,340,216
261	1. Long-term prepaid expenses	14	57,101,306,397	53,032,897,253
262	2. Deferred tax assets	27.3	2,476,636,486	5,567,442,963

INTERIM SEPARATE BALANCE SHEET
as at 30 June 2021

270	TOTAL ASSETS		1,991,286,517,504	1,701,745,871,990
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INTERIM SEPARATE BALANCE SHEET (continued)
as at 30 June 2021

VND

Code	RESOURCES	Notes	30 June 2021	31 December 2020
300	C. LIABILITIES		870,041,435,026	619,228,945,805
310	I. Current liabilities		868,707,320,691	567,213,946,996
311	1. Short-term trade payables	15	342,499,362,092	260,198,622,160
312	2. Short-term advances from customers	16	45,242,221,955	43,677,430,203
313	3. Statutory obligations	17	25,451,306,562	4,881,465,992
314	4. Payables to employees		20,688,387,648	20,994,484,171
315	5. Short-term accrued expenses	18	6,795,652,655	5,142,883,544
319	6. Other short-term payables	19	108,872,469,827	6,173,815,761
320	7. Short-term loans	20	315,541,478,079	222,563,222,915
322	8. Bonus and welfare funds		3,616,441,873	3,582,022,250
330	II. Non-current liabilities		1,334,114,335	52,014,998,809
337	1. Other long-term liabilities		963,177,253	-
338	2. Long-term loans	20	-	51,678,081,226
342	3. Long-term provision		370,937,082	336,917,583
400	D. OWNERS' EQUITY		1,121,245,082,478	1,082,516,926,185
410	I. Capital	21.1	1,121,245,082,478	1,082,516,926,185
411	1. Share capital		707,269,440,000	707,269,440,000
411a	- Shares with voting rights		707,269,440,000	707,269,440,000
412	2. Share premium		35,093,198,872	35,093,198,872
415	3. Treasury shares		(42,410,550,000)	(42,410,550,000)
418	3. Investment and development fund		1,219,011,000	1,219,011,000
421	4. Undistributed earnings		420,073,982,606	381,345,826,313
421a	- Undistributed earnings by the end of prior period		279,067,885,313	237,311,753,669
421b	- Undistributed earnings of current period		141,006,097,293	144,034,072,644
440	TOTAL LIABILITIES AND OWNERS' EQUITY		1,991,286,517,504	1,701,745,871,990

Preparer
Nguyen Tan An

Chief Accountant
Phan Nhu Bich

General Director
Dang Trieu Hoa

20 August 2021

INTERIM SEPARATE INCOME STATEMENT
for the six-month period ended 30 June 2021

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2021	For the six-month period ended 30 June 2020
01	1. Revenue from sale of goods	22.1	1,077,766,296,318	869,744,119,666
02	2. Deductions	22.1	(753,617,747)	(823,506,138)
10	3. Net revenue from sale of goods	22.1	1,077,012,678,571	868,920,613,528
11	4. Cost of goods sold	26	(865,965,236,801)	(753,632,110,276)
20	5. Gross profit from sale of goods		211,047,441,770	115,288,503,252
21	6. Finance income	22.2	3,387,719,730	5,230,332,384
22 23	7. Finance expenses <i>In which: Interest expense</i>	23	(3,376,094,863) (2,634,249,896)	(12,950,937,234) (9,827,577,424)
25	8. Selling expenses	24,26	(14,185,033,737)	(13,614,871,854)
26	9. General and administrative expenses	25,26	(36,209,105,738)	(28,112,190,122)
30	10. Operating profit		160,664,927,162	65,840,836,426
31	11. Other income		426,688,633	419,091,981
32	12. Other expenses		(11,297,220)	(437,379,102)
40	13. Other profit (loss)		415,391,413	(18,287,121)
50	14. Accounting profit before tax		161,080,318,575	65,822,549,305
51	15. Current corporate income tax expense	27.1	(16,983,414,805)	(9,554,244,457)
52	16. Deferred tax expense	27.3	(3,090,806,477)	(1,346,457,376)
60	17. Net profit after tax		141,006,097,293	54,921,847,472

Preparer
Nguyen Tan An

Chief Accountant
Phan Nhu Bich

General Director
Dang Trieu Hoa

20 August 2021

INTERIM SEPARATE CASH FLOW STATEMENT
for the six-month period ended 30 June 2021

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2021	For the six-month period ended 30 June 2020
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit before tax		161,080,318,575	65,822,549,305
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	10, 11	55,386,586,427	67,009,417,521
03	Provision (reversal of provisions)		8,094,358,487	(5,540,964,987)
04	Foreign exchange gains arising from revaluation of monetary accounts denominated in foreign currency		(519,820,959)	(3,106,809,100)
05	Profits from investing activities		(2,176,384,958)	(2,150,276,391)
06	Interest expenses	23	2,634,249,896	9,827,577,424
08	Operating profit before changes in working capital		224,499,307,468	131,861,493,772
09	(Increase) decrease in receivables		(26,242,587,627)	56,342,251,641
10	(Increase) decrease in inventories		(156,164,483,304)	51,739,625,560
11	Increase (decrease) in payables		92,706,226,600	(142,171,548,913)
12	Increase in prepaid expenses		(5,750,457,930)	(2,311,580,539)
13	Interest paid		(2,739,279,096)	(10,268,625,121)
14	Corporate income tax paid	17	(6,334,418,393)	(5,552,647,197)
15	Other cash inflows from operating activities		554,706,947	721,136,936
16	Other cash outflows for operating activities		(520,287,324)	(760,118,501)
20	Net cash flow from operating activities		120,008,727,341	79,599,987,638
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
24	Collection of bank term deposit		26,000,000,000	35,000,000,000
25	Payments for investments in another entity		-	(5,214,825,000)
27	Interest received		2,176,318,291	2,687,976,015
30	Net cash flow from investing activities		28,176,318,291	32,473,151,015

INTERIM SEPARATE CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2021

VND

<i>Code</i>	<i>ITEMS</i>	<i>Notes</i>	<i>For the six-month period ended 30 June 2021</i>	<i>For the six-month period ended 30 June 2020</i>
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
32	Capital redemption		-	(42,410,550,000)
33	Drawdown of borrowings	20	571,135,087,736	393,551,149,120
34	Repayment of borrowings	20	(528,869,108,006)	(480,043,879,827)
40	Net cash flow from (used in) financing activities		42,265,979,730	(128,903,280,707)
50	Net increase (decrease) in cash and cash equivalents for the period		190,451,025,362	(16,830,142,054)
60	Cash and cash equivalents at beginning of the period		95,080,564,018	149,989,599,793
61	Impact of exchange rate fluctuation		-	60,560,825
70	Cash and cash equivalents at end of the period	4	285,531,589,380	133,220,018,564

Preparer
Nguyen Tan An

Chief Accountant
Phan Nhu Bich

General Director
Dang Trieu Hoa

20 August 2021

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
as at 30 June 2021 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 19th Amended Enterprise Registration Certificate No. 0302018927 issued by the Department of Planning and Investment of Ho Chi Minh City on 20 August 2020.

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 normal course of business cycle is 12 months.

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 employees of the Company as at 30 June 2021 was 998 (31 December 2020: 963).

2. BASIS OF PREPARATION

2.1 *Purpose of preparing the interim separate financial statements*

The Company has a subsidiary as disclosed in Note 13.1. The Company prepared these interim separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular No. 96/2020/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 subsidiaries (“the Group”) for the six-month period ended 30 June 2021 dated 20 August 2021.

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.

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 2021 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 interim separate financial position and interim separate results of operations and interim 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 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 not more 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 interim separate 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 2021 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, after the provision for doubtful debts.

The provision for doubtful debts represents amounts of 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 administrative 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 costs*

Borrowing costs consist of interest and other costs that the Company 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 2021 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 and 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 interim 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.

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 expense in the interim separate income statement and deducted against the value of such investments.

Provision for diminution in value of investments

Provision of the investment is made when there are reliable evidences of the diminution in value of those investments at the balance sheet date.

Increases and decreases to the provision balance are recorded as finance expense in the interim separate income statement.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2021 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, the Law on Social Insurance 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 employee 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 reporting 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.

All foreign exchange differences incurred are taken to the 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 2021 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 separate 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 tax assets against current tax liabilities and when the Company intends 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:

- ▶ where 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; and
- ▶ in respect of taxable temporary 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:

- ▶ where 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; and
- ▶ in respect of deductible temporary 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 2021 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 separate 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 separate 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 separate 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 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, directly or indirectly, 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 enterprises or individuals, including close members of their families.

4. CASH AND CASH EQUIVALENTS

	<i>VND</i>	
	<i>30 June 2021</i>	<i>31 December 2020</i>
Cash on hand	144,653,369	51,924,445
Cash in banks	31,386,936,011	30,028,639,573
Cash equivalents (*)	254,000,000,000	65,000,000,000
TOTAL	<u>285,531,589,380</u>	<u>95,080,564,018</u>

(*) These represented bank deposits at commercial banks with original maturity of not more than three (3) months and earn interest at the applicable rate.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2021 and for the six-month period then ended

5. HELD-TO-MATURITY INVESTMENT

These represented bank deposits at commercial banks with original maturity of more than three (3) months but less than one (1) year and earn interest at the applicable rate.

6. SHORT-TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

6.1. Short-term trade receivables

	VND	
	30 June 2021	31 December 2020
Trade receivables from other parties	102,108,624,130	92,441,137,090
- <i>Phong Phu Coats Co., Ltd</i>	13,069,995,202	5,625,116,546
- <i>Formosa Taffeta Dong Nai Co., Ltd</i>	8,734,875,102	12,564,727,014
- <i>Formosa Taffeta Viet Nam Co., Ltd.</i>	1,985,632,778	12,362,512,657
- <i>Unifi Asia Pacific (Hong Kong) Co., Ltd</i>	17,508,869,202	14,545,148,802
- <i>Y.R.C Textile Co., Ltd</i>	28,161,146,952	10,733,737,699
- <i>Chori (Osaka office) Co., Ltd</i>	15,581,275,754	5,526,689,916
- <i>Other</i>	17,066,829,140	31,083,204,456
Trade receivables from related parties (Note 28)	1,377	368,101,545
TOTAL	<u>102,108,625,507</u>	<u>92,809,238,635</u>

6.2. Short-term advances to suppliers

	VND	
	30 June 2021	31 December 2020
Oerlikon Barmag Zweigniederlassung	656,217,800	1,252,864,321
New Taiwan Filters Corporation	-	610,915,500
Others	3,479,424,611	1,353,728,131
TOTAL	<u>4,135,642,411</u>	<u>3,217,507,951</u>

7. OTHER SHORT-TERM RECEIVABLES

	VND	
	30 June 2021	31 December 2020
Payment on behalf	4,794,368,781	4,541,479,327
Social insurance	1,197,526,272	1,229,086,761
Others	823,350,096	511,563,429
TOTAL	<u>6,815,245,149</u>	<u>6,282,129,517</u>
<i>In which:</i>		
<i>Due from a related party (Note 28)</i>	4,794,368,781	4,541,479,327
<i>Due from other parties</i>	2,020,876,368	1,740,650,190

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2021 and for the six-month period then ended

8. LONG-TERM LOAN RECEIVABLES

Long-term loan receivables represent loan to Dintsun Vietnam Company Limited (“Dintsun”) under the Capital Contribution Agreement No DTVN – 2019001 dated 12 December 2019 to raise the capital for Soc Trang Industrial Zone Project and earn no interest.

9. INVENTORIES

	VND			
	<u>30 June 2021</u>		<u>31 December 2020</u>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Finished goods	301,717,278,340	(28,343,960,247)	249,567,912,347	(20,926,659,793)
Raw materials	188,870,457,953	(4,274,484,133)	152,646,033,124	(3,597,426,100)
Goods in transit	90,643,571,966	-	22,852,879,484	-
TOTAL	<u>581,231,308,259</u>	<u>(32,618,444,380)</u>	<u>425,066,824,955</u>	<u>(24,524,085,893)</u>

Detail of movements of provision for obsolete inventories:

	VND	
	<i>For the six-month period ended 30 June 2021</i>	<i>For the six-month period ended 30 June 2020</i>
Beginning balance	(24,524,085,893)	(14,343,482,035)
Add: Provision made during the period	(8,094,358,487)	-
Less: Utilisation and reversal of provision made during the period	-	5,540,964,987
Ending balance	<u>(32,618,444,380)</u>	<u>(8,802,517,048)</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2021 and for the six-month period then ended

10. TANGIBLE FIXED ASSETS

	<i>Buildings, structures</i>	<i>Machinery and equipment</i>	<i>Motor vehicles</i>	<i>Office equipment</i>	<i>VND Total</i>
Cost:					
As at 31 December 2020 and 30 June 2021	304,608,626,458	1,563,560,029,589	181,779,818,157	4,791,726,080	2,054,740,200,284
<i>In which:</i>					
<i>Fully depreciated</i>	86,363,990,119	328,388,794,968	39,475,494,506	1,528,677,166	455,756,956,759
Accumulated depreciation:					
As at 31 December 2020	(141,400,205,862)	(868,240,955,813)	(126,878,550,679)	(4,509,724,588)	(1,141,029,436,942)
Depreciation for the period	(4,624,937,415)	(42,200,454,006)	(8,451,936,825)	(54,219,999)	(55,331,548,245)
As at 30 June 2021	(146,025,143,277)	(910,441,409,819)	(135,330,487,504)	(4,563,944,587)	(1,196,360,985,187)
Net carrying amount:					
As at 31 December 2020	163,208,420,596	695,319,073,776	54,901,267,478	282,001,492	913,710,763,342
As at 30 June 2021	158,583,483,181	653,118,619,770	46,449,330,653	227,781,493	858,379,215,097
<i>In which:</i>					
<i>Pledged as loan security (Note 20)</i>	115,470,232,805	603,890,715,697	121,424,361,767	4,505,371,271	845,290,681,540

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2021 and for the six-month period then ended

11. INTANGIBLE ASSETS

	VND
	<i>Computer software</i>
Cost:	
As at 31 December 2020 and 30 June 2021	<u>14,385,298,205</u>
<i>In which:</i>	
<i>Fully amortised</i>	13,834,916,387
Accumulated amortisation:	
As at 31 December 2020	(14,174,318,509)
Amortisation for the period	<u>(55,038,182)</u>
As at 30 June 2021	<u>(14,229,356,691)</u>
Net carrying amount:	
As at 31 December 2020	<u>210,979,696</u>
As at 30 June 2021	<u><u>155,941,514</u></u>

12. CONSTRUCTION IN PROGRESS

	VND	
	30 June 2021	31 December 2020
Machinery and equipment	569,602,840	255,522,372
Others	<u>308,720,000</u>	<u>308,720,000</u>
TOTAL	<u>878,322,840</u>	<u>564,242,372</u>

13. LONG-TERM INVESTMENTS

	VND			
	<u>30 June 2021</u>		<u>31 December 2020</u>	
	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)	2,386,800,000	(1,193,400,000)	2,386,800,000	(1,193,400,000)
Investment in another entity (Note 13.3)	<u>6,097,134,018</u>	<u>-</u>	<u>6,097,134,018</u>	<u>-</u>
TOTAL	<u>88,483,934,018</u>	<u>(1,193,400,000)</u>	<u>88,483,934,018</u>	<u>(1,193,400,000)</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2021 and for the six-month period then ended

13. LONG-TERM INVESTMENTS (continued)

13.1 Investment in a subsidiary

	<u>30 June 2021</u>		<u>31 December 2020</u>	
	<i>% of interest</i>	<i>Cost VND</i>	<i>% of interest</i>	<i>Cost VND</i>
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 2021, the Company holds 100% ownership and voting rights at Unitex.

13.2 Investment in an associate

	<u>30 June 2021</u>		<u>31 December 2020</u>	
	<i>% of interest</i>	<i>Cost VND</i>	<i>% of interest</i>	<i>Cost VND</i>
E.DYE Vietnam Joint Stock Company	36	<u>2,386,800,000</u>	36	<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 2021, the Company is in the process of recovering the investment in E.DYE in accordance with BOD’s Resolution No. 15-2020/NQHDQT/TK and 16-2020/NQHDQT/TK dated 19 June 2020.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2021 and for the six-month period then ended

13. LONG-TERM FINANCIAL INVESTMENTS (continued)

13.3 Investment in another entity

	<u>30 June 2021</u>		<u>31 December 2020</u>	
	<i>% of interest</i>	<i>Cost VND</i>	<i>% of interest</i>	<i>Cost VND</i>
Dintsun Vietnam Company Limited	5	<u>6,097,134,018</u>	5	<u>6,097,134,018</u>

Dintsun Vietnam Company Limited (“Dintsun”) is a limited company established pursuant to the Enterprise Registration Certificate (“ERC”) No. 2200764052 issued by the Department of Planning and Investment of Ho Chi Minh City on 29 May 2019. The principal activities per Investment Registration Certificate of Dintsun is to invest in business infrastructure. The registered head office of Dintsun is located at Xay Da B Hamlet, Ho Dac Kien Commune, Chau Thanh District, Soc Trang Province, Vietnam.

14. PREPAID EXPENSES

	<i>VND</i>	
	<i>30 June 2021</i>	<i>31 December 2020</i>
Short-term	7,419,998,113	5,737,949,327
Tools and supplies	3,453,773,159	3,529,685,356
Car rental	3,169,006,562	1,740,029,437
Others	797,218,392	468,234,534
Long-term	57,101,306,397	53,032,897,253
Land rental (land use rights) (*)	36,788,331,624	37,352,833,085
Tools and supplies	20,295,929,319	15,648,479,102
Others	17,045,454	31,585,066
TOTAL	<u>64,521,304,510</u>	<u>58,770,846,580</u>

(*) As disclosed in Note 20, the Company has pledged the land use rights to secure the bank loan facilities.

15. SHORT-TERM TRADE PAYABLES

	<i>VND</i>	
	<i>30 June 2021</i>	<i>31 December 2020</i>
Tainan Spinning Co., Ltd	135,798,992,600	100,793,520,100
Chori Co., Ltd	89,913,243,840	39,194,833,440
Unifi Textile (Suzhou) Co., Ltd	88,443,651,850	63,377,632,350
Others	28,343,473,802	56,832,636,270
TOTAL	<u>342,499,362,092</u>	<u>260,198,622,160</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2021 and for the six-month period then ended

16. SHORT-TERM ADVANCES FROM CUSTOMERS

	VND	
	30 June 2021	31 December 2020
Hung Yen Textile and Dyeing Company Limited	11,752,676,863	-
Treasure Star International Limited	5,182,589,889	3,344,845,959
Lear Corporation	5,022,057,600	13,053,879,216
Others	23,284,897,603	27,278,705,028
TOTAL	<u>45,242,221,955</u>	<u>43,677,430,203</u>

17. STATUTORY OBLIGATIONS

	VND			
	31 December 2020	Increase in the period	Decrease in the period	30 June 2021
Payables				
Corporate income tax	4,544,600,004	16,983,414,805	(6,334,418,393)	15,193,596,416
Value-added tax	85,740,118	137,858,664,002	(127,990,676,383)	9,953,727,737
Personal income tax	251,125,870	967,499,062	(926,727,242)	291,897,690
Others	-	123,045,179	(110,960,460)	12,084,719
TOTAL	<u>4,881,465,992</u>	<u>155,932,623,048</u>	<u>(135,362,782,478)</u>	<u>25,451,306,562</u>
Receivables				
Value-added tax deductible	295,389,563	151,810,093,437	(133,040,262,372)	19,065,220,628
Import and export duties	53,449,291	3,896,888,949	(3,914,653,137)	35,685,103
Others	70,354,000	1,126,747,400	(1,197,101,400)	-
TOTAL	<u>419,192,854</u>	<u>156,833,729,786</u>	<u>(138,152,016,909)</u>	<u>19,100,905,731</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2021 and for the six-month period then ended

18. SHORT-TERM ACCRUED EXPENSES

	<i>VND</i>	
	<i>30 June 2021</i>	<i>31 December 2020</i>
Utility expenses	3,011,926,344	1,728,806,121
Insurance expenses	2,662,507,098	1,364,279,040
Sales commission	838,264,386	1,759,156,676
Interest expense	133,698,719	238,727,919
Others	149,256,108	51,913,788
TOTAL	<u>6,795,652,655</u>	<u>5,142,883,544</u>

19. SHORT-TERM OTHER PAYABLES

	<i>VND</i>	
	<i>30 June 2021</i>	<i>31 December 2020</i>
Dividends	102,470,060,830	195,256,065
Social insurance	3,467,448,850	3,092,177,775
Others	2,934,960,147	2,886,381,921
TOTAL	<u>108,872,469,827</u>	<u>6,173,815,761</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2021 and for the six-month period then ended

20. LOANS

	31 December 2020	Movement during the period		Reclassify	Foreign exchange difference	VND
		Increase	Decrease			30 June 2021
Short-term	222,563,222,915	571,135,087,736	(528,869,108,006)	51,678,081,226	(965,805,792)	315,541,478,079
Loans from banks (*)	167,544,208,650	571,135,087,736	(422,172,012,515)	-	(965,805,792)	315,541,478,079
Current portion of long-term loans	55,019,014,265	-	(106,697,095,491)	51,678,081,226	-	-
Long-term	51,678,081,226	-	-	(51,678,081,226)	-	-
Loans from banks	51,678,081,226	-	-	(51,678,081,226)	-	-
TOTAL	274,241,304,141	571,135,087,736	(528,869,108,006)	-	(965,805,792)	315,541,478,079

(*) The Company obtained the unsecured short-term loans from banks for the purpose of financing its working capital requirements which bear interest rates from 1.5% to 1.8% per annum (foreign currency). Details are as follows:

Banks	30 June 2021	Original amount	Term and maturity date
	VND	USD	
Joint Stock Commercial Bank for Foreign Trade of Vietnam	100,542,808,400	4,382,860	From 12 September 2021 to 28 November 2021
Orient Commercial Joint Stock Bank	88,890,848,320	3,874,928	From 15 October 2021 to 27 December 2021
CTBC Bank Co., Ltd	84,544,211,759	3,685,450	From 27 September 2021 to 29 November 2021
Woori Bank	41,563,609,600	1,811,840	From 25 December 2021 to 30 December 2021
TOTAL	315,541,478,079	13,755,078	

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2021 and for the six-month period then ended

21. OWNERS' EQUITY

21.1 Increases and decreases in owners' equity

	VND					
	Share capital	Share premium	Treasury share	Investment and development fund	Undistributed earnings	Total
For the six-month period ended 30 June 2020:						
As at 31 December 2019	707,269,440,000	35,093,198,872	-	1,219,011,000	339,589,694,669	1,083,171,344,541
Purchase treasury share	-	-	(42,410,550,000)	-	-	(42,410,550,000)
Net profit for the period	-	-	-	-	54,921,847,472	54,921,847,472
Dividend declared	-	-	-	-	(102,277,941,000)	(102,277,941,000)
As at 30 June 2020	<u>707,269,440,000</u>	<u>35,093,198,872</u>	<u>(42,410,550,000)</u>	<u>1,219,011,000</u>	<u>292,233,601,141</u>	<u>993,404,701,013</u>
For the six-month period ended 30 June 2021:						
As at 31 December 2020	707,269,440,000	35,093,198,872	(42,410,550,000)	1,219,011,000	381,345,826,313	1,082,516,926,185
Net profit for the period	-	-	-	-	141,006,097,293	141,006,097,293
Dividend declared (*)	-	-	-	-	(102,277,941,000)	(102,277,941,000)
As at 30 June 2021	<u>707,269,440,000</u>	<u>35,093,198,872</u>	<u>(42,410,550,000)</u>	<u>1,219,011,000</u>	<u>420,073,982,606</u>	<u>1,121,245,082,478</u>

(*) The Resolutions of Annual Shareholder Meeting dated 22 April 2021, and of Board of Directors No. 10-2021/NQHDQT/TK dated 28 June 2021 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 2021 and for the six-month period then ended

21. OWNERS' EQUITY (continued)

21.2 Capital transactions with owners and distribution of dividends, profits

	VND	
	<i>For the six-month period ended 30 June 2021</i>	<i>For the six-month period ended 30 June 2020</i>
Issued share capital		
Beginning balance and ending balance	<u>707,269,440,000</u>	<u>707,269,440,000</u>
Dividends declared	(102,277,941,000)	(102,277,941,000)

21.3 Shares

	<u>30 June 2021</u>		<u>31 December 2020</u>	
	Quantity	Amount (VND)	Quantity	Amount (VND)
Authorized shares	70,726,944	707,269,440,000	70,726,944	707,269,440,000
Issued shares				
<i>Issued and paid-up shares</i>	<i>70,726,944</i>	<i>707,269,440,000</i>	<i>70,726,944</i>	<i>707,269,440,000</i>
Ordinary shares	70,726,944	707,269,440,000	70,726,944	707,269,440,000
Treasury shares				
Ordinary shares	(2,541,650)	(42,410,550,000)	(2,541,650)	(42,410,550,000)
Shares in circulation				
Ordinary shares	68,185,294	664,858,890,000	68,185,294	664,858,890,000

Par value of outstanding shares: 10,000 VND per share.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2021 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 2021</i>	<i>For the six-month period ended 30 June 2020</i>
Gross revenue	1,077,766,296,318	869,744,119,666
Less:	(753,617,747)	(823,506,138)
Sales returns	(668,683,667)	(823,506,138)
Trade discount	(84,934,080)	-
Net revenue	<u>1,077,012,678,571</u>	<u>868,920,613,528</u>
<i>In which:</i>		
Sales to others	1,054,529,931,962	836,779,682,471
Sales to related parties (Note 28)	22,482,746,609	32,140,931,057

22.2 Finance income

	VND	
	<i>For the six-month period ended 30 June 2021</i>	<i>For the six-month period ended 30 June 2020</i>
Interest income	2,176,384,958	2,673,655,180
Foreign exchange gains	1,211,334,772	2,556,677,204
TOTAL	<u>3,387,719,730</u>	<u>5,230,332,384</u>

23. FINANCE EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2021</i>	<i>For the six-month period ended 30 June 2020</i>
Interest expense	2,634,249,896	9,827,577,424
Foreign exchange losses	741,844,967	3,123,359,810
TOTAL	<u>3,376,094,863</u>	<u>12,950,937,234</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2021 and for the six-month period then ended

24. SELLING EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2021</i>	<i>For the six-month period ended 30 June 2020</i>
Transportation expense	6,506,608,706	4,373,154,096
Letter of credit (L/C) and documentary fee	4,576,558,256	4,255,306,150
Commission fee	1,407,519,802	2,501,739,346
Others	1,694,346,973	2,484,672,262
TOTAL	<u>14,185,033,737</u>	<u>13,614,871,854</u>

25. GENERAL AND ADMINISTRATION EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2021</i>	<i>For the six-month period ended 30 June 2020</i>
Labour costs	16,819,574,709	14,042,540,876
Expenses for external services	10,583,704,338	5,105,617,590
Stationery and other tools costs	4,989,608,191	4,489,324,443
Depreciation and amortisation expenses	693,132,622	957,025,130
Others	3,123,085,878	3,517,682,083
TOTAL	<u>36,209,105,738</u>	<u>28,112,190,122</u>

26. PRODUCTION AND OPERATING COSTS

	VND	
	<i>For the six-month period ended 30 June 2021</i>	<i>For the six-month period ended 30 June 2020</i>
Raw materials	619,535,567,779	522,738,222,461
Expenses for external services	145,253,449,877	119,108,627,751
Depreciation and amortisation (Notes 10 and 11)	55,386,586,427	67,009,417,521
Labour costs	72,733,398,953	64,571,646,197
Others	23,450,373,240	21,931,258,322
TOTAL	<u>916,359,376,276</u>	<u>795,359,172,252</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2021 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, the applicable statutory corporate income tax ("CIT") rate is 10% of taxable profit over 11 years from the year 2016; exempted for two years from that year, and is subject to 50% deduction in the eight following years (2018 - 2025).

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 interim separate 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 2021</i>	<i>VND For the six-month period ended 30 June 2020</i>
CIT expense of current period	13,648,996,412	5,963,316,961
Adjustment for under accrual of CIT from prior periods	3,334,418,393	3,590,927,496
Deferred tax expense	3,090,806,477	1,346,457,376
TOTAL	<u>20,074,221,282</u>	<u>10,900,701,833</u>

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

	<i>For the six-month period ended 30 June 2021</i>	<i>VND For the six-month period ended 30 June 2020</i>
Accounting profit before tax	<u>161,080,318,575</u>	<u>65,822,549,305</u>
At the applicable CIT rate for the Company	32,216,063,715	13,164,509,861
<i>Adjustments:</i>		
Non-deductible expenses	120,613,890	113,006,436
Tax incentive at Trang Bang branch	(18,151,400,823)	(5,980,897,596)
Adjustment for under accrual of tax from prior periods	3,334,418,393	3,590,927,496
Unrealised profit	2,554,526,107	776,342,408
Loss carried forward	-	(763,186,772)
CIT expense	<u>20,074,221,282</u>	<u>10,900,701,833</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2021 and for the six-month period then ended

27. CORPORATE INCOME TAX (continued)

27.2 Current tax

The current CIT payable is based on taxable income for the current period. The taxable income 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.

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:

	<i>Interim separate balance sheet</i>		<i>Interim separate income statement</i>	
	<i>30 June 2021</i>	<i>31 December 2020</i>	<i>For the six-month period ended 30 June 2021</i>	<i>For the six-month period ended 30 June 2020</i>
				VND
Deferred tax assets				
Accrued expenses	1,549,280,173	2,368,139,814	(818,859,641)	(80,515,991)
Accrued salaries and bonus	213,875,406	415,431,336	(201,555,930)	(1,343,793,252)
Accrual for severance pay	56,612,217	67,383,517	(10,771,300)	(2,753,450)
Provision for obsolete inventory	415,588,584	719,485,220	(303,896,636)	72,518,815
Provision for diminution in value of long-term investments	238,680,000	238,680,000	-	-
Tax loss carry forward	-	1,736,575,132	(1,736,575,132)	-
Foreign exchange arising from revaluation of monetary accounts denominated in foreign currency	2,600,106	21,747,944	(19,147,838)	8,086,502
	<u>2,476,636,486</u>	<u>5,567,442,963</u>		
Net deferred tax charged to interim separate income statement			<u>(3,090,806,477)</u>	<u>(1,346,457,376)</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2021 and for the six-month period then ended

28. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties in current and prior periods 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 2021</i>	<i>For the six-month period ended 30 June 2020</i>
Hung Loi Service Trading Investment Company Limited	Related party due to family member of a BOD member of the Company	Sale of goods	19,958,992,444	23,318,139,388
P.A.N Asia Co., Ltd	Related party due to a BOD member of the Company	Sale of goods	2,523,754,165	8,822,791,669
Dintsun Vietnam Company Limited	Related party	Capital contribution	-	5,214,825,000

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 2021</i>	<i>31 December 2020</i>
Short-term trade receivable (Note 6)				
Hung Loi Service Trading Investment Company Limited	Related party due to family member of a BOD member of the Company	Sale of goods	<u>1,377</u>	<u>368,101,545</u>
Other short-term receivable (Note 7)				
Unitex Limited Liability Company	Subsidiary	Payment on behalf	<u>4,794,368,781</u>	<u>4,620,788,781</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2021 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 2021</i>	<i>For the six-month period ended 30 June 2020</i>
Management	1,985,746,901	1,942,503,820
Board of Directors	591,026,791	378,000,000
Board of Supervision	<u>72,000,000</u>	<u>72,000,000</u>
TOTAL	<u>2,648,773,692</u>	<u>2,392,503,820</u>

29. OPERATING LEASE COMMITMENT

The Company leases assets under operating lease arrangements. The lease commitment as at 30 June 2021 under the operating lease agreements is as follows:

	VND	
	<i>30 June 2021</i>	<i>31 December 2020</i>
Less than 1 year	340,500,000	340,500,000
From 1 to 5 years	1,362,000,000	1,362,000,000
More than 5 years	<u>9,118,965,412</u>	<u>9,335,345,000</u>
TOTAL	<u>10,821,465,412</u>	<u>11,037,845,000</u>

30. OFF INTERIM SEPARATE BALANCE SHEET ITEM

	<i>30 June 2021 31 December 2020</i>	
Foreign currency:		
United States Dollar (USD)	<u>72,223</u>	<u>317,258</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2021 and for the six-month period then ended

31. EVENT AFTER THE INTERIM SEPARATE BALANCE SHEET DATE

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

Preparer
Nguyen Tan An

Chief Accountant
Phan Nhu Bich

General Director
Dang Trieu Hoa

20 August 2021