

Century Synthetic Fiber Corporation

Separate financial statements

For the year ended 31 December 2021

Century Synthetic Fiber Corporation

CONTENTS

	<i>Pages</i>
General information	1 - 2
Report of management	3
Independent auditors' report	4 - 5
Separate balance sheet	6 - 8
Separate income statement	9
Separate cash flow statement	10 - 11
Notes to the separate financial statements	12 - 34

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 10 August 2020.

The Company listed its shares on the Ho Chi Minh Stock Exchange with trading code 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 year 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 year and at the date of this report are:

Ms Dang My Linh	Chairwomen
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 year 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 year 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 year 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 separate financial statements of the Company for the year ended 31 December 2021.

MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

Management is responsible for the separate financial statements of each financial year which give a true and fair view of the separate financial position of the Company and of the separate results of its separate operations and its separate cash flows for the year. In preparing those 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 separate financial statements; and
- prepare the 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 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 separate financial statements.

STATEMENT BY MANAGEMENT

Management of the Company, does hereby state that, in its opinion, the accompanying separate financial statements give a true and fair view of the separate financial position of the Company as at 31 December 2021 and of the separate results of its operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the separate financial statements.

The Company has a subsidiary as disclosed in the separate financial statements. The Company prepared these 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 consolidated financial statements of the Company and its subsidiary (“the Group”) for the year ended 31 December 2021 dated 11 March 2022.

Users of the 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.

For and on behalf of management:

Dang Trieu Hoa
General Director

Ho Chi Minh City, Vietnam

11 March 2022

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of Century Synthetic Fiber Corporation

We have audited the accompanying separate financial statements of Century Synthetic Fiber Corporation ("the Company") as prepared on 11 March 2022 and set out on pages 6 to 34, which comprise the separate balance sheet as at 31 December 2021, and the separate income statement and the separate cash flow statement for the year then ended and the notes thereto.

Management's responsibility

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

Auditors' responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the separate financial position of the Company as at 31 December 2021, and of the results of its separate operation and its separate cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprises Accounting System and the statutory requirements relevant to the preparation and presentation of the separate financial statements.

Ernst & Young Vietnam Limited

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

Dang Minh Tai
Auditor
Audit Practicing Registration Certificate
No. 2815-2019-004-1

Ho Chi Minh City, Vietnam

11 March 2022

SEPARATE BALANCE SHEET
as at 31 December 2021

VND

<i>Code</i>	<i>ASSETS</i>	<i>Notes</i>	<i>Ending balance</i>	<i>Beginning balance</i>
100	A. CURRENT ASSETS		983,396,835,105	630,089,321,364
110	I. Cash and cash equivalents	5	366,106,963,933	95,080,564,018
111	1. Cash		24,106,963,933	30,080,564,018
112	2. Cash equivalents		342,000,000,000	65,000,000,000
120	II. Short-term investment		-	26,000,000,000
123	1. Held-to-maturity investments	6	-	26,000,000,000
130	III. Current accounts receivable		92,200,177,566	102,308,876,103
131	1. Short-term trade receivables	7.1	69,083,156,471	92,809,238,635
132	2. Short-term advances to suppliers	7.2	5,258,024,025	3,217,507,951
136	3. Other short-term receivables	8	17,858,997,070	6,282,129,517
140	IV. Inventories	10	471,504,991,659	400,542,739,062
141	1. Inventories		490,920,247,655	425,066,824,955
149	2. Provision for obsolete inventories		(19,415,255,996)	(24,524,085,893)
150	V. Other current assets		53,584,701,947	6,157,142,181
151	1. Short-term prepaid expenses	15	5,930,866,811	5,737,949,327
152	2. Value-added tax deductible	18	34,102,004,823	295,389,563
153	3. Tax and other receivables from the State	18	13,551,830,313	123,803,291

SEPARATE BALANCE SHEET (continued)
as at 31 December 2021

VND

<i>Code</i>	<i>ASSETS</i>	<i>Notes</i>	<i>Ending balance</i>	<i>Beginning balance</i>
200	B. NON-CURRENT ASSETS		986,539,614,461	1,071,656,550,626
210	I. Long-term receivable		11,279,690,982	11,279,690,982
215	1. Long-term loan receivable	9	11,279,690,982	11,279,690,982
220	II. Fixed assets		806,745,403,454	913,921,743,038
221	1. Tangible fixed assets	11	806,644,500,122	913,710,763,342
222	Cost		2,058,140,940,344	2,054,740,200,284
223	Accumulated depreciation		(1,251,496,440,222)	(1,141,029,436,942)
227	2. Intangible assets	12	100,903,332	210,979,696
228	Cost		14,385,298,205	14,385,298,205
229	Accumulated amortisation		(14,284,394,873)	(14,174,318,509)
240	III. Long-term asset in progress		23,843,586,550	564,242,372
242	1. Construction in progress	13	23,843,586,550	564,242,372
250	IV. Long-term investments	14	86,097,134,018	87,290,534,018
251	1. Investment in a subsidiary	14.1	80,000,000,000	80,000,000,000
252	2. Investment in an associate		-	2,386,800,000
253	3. Investment in other entity	14.2	6,097,134,018	6,097,134,018
254	4. Provision for diminution in value of long-term investments		-	(1,193,400,000)
260	V. Other long-term assets		58,573,799,457	58,600,340,216
261	1. Long-term prepaid expenses	15	55,511,081,281	53,032,897,253
262	2. Deferred tax assets	28.3	3,062,718,176	5,567,442,963
270	TOTAL ASSETS		1,969,936,449,566	1,701,745,871,990

SEPARATE BALANCE SHEET (continued)
as at 31 December 2021

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		710,777,777,980	619,228,945,805
310	I. Current liabilities		710,497,673,607	567,213,946,996
311	1. Short-term trade payables	16	290,027,470,347	260,198,622,160
312	2. Short-term advances from customers	17	41,623,436,088	43,677,430,203
313	3. Statutory obligations	18	11,810,815,168	4,881,465,992
314	4. Payables to employees		26,624,030,474	20,994,484,171
315	5. Short-term accrued expenses	19	8,266,264,038	5,142,883,544
319	6. Other short-term payables	20	6,233,724,905	6,173,815,761
320	7. Short-term loans	21	321,327,876,336	222,563,222,915
322	8. Bonus and welfare funds	3.15	4,584,056,251	3,582,022,250
330	II. Non-current liabilities		280,104,373	52,014,998,809
338	1. Long-term loans	21	-	51,678,081,226
342	2. Long-term provision		280,104,373	336,917,583
400	D. OWNERS' EQUITY		1,259,158,671,586	1,082,516,926,185
410	I. Capital	22.1	1,259,158,671,586	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
413	3. Treasury share		(42,410,550,000)	(42,410,550,000)
418	4. Investment and development fund		1,219,011,000	1,219,011,000
421	5. Undistributed earnings		557,987,571,714	381,345,826,313
421a	- Undistributed earnings by the end of prior years		279,067,885,313	237,311,753,669
421b	- Undistributed earnings of current year		278,919,686,401	144,034,072,644
440	TOTAL LIABILITIES AND OWNERS' EQUITY		1,969,936,449,566	1,701,745,871,990

Preparer
Phan Thanh Phu

Chief Accountant
Phan Nhu Bich

General Director
Dang Trieu Hoa

11 March 2022

SEPARATE INCOME STATEMENT
for the year ended 31 December 2021

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods	23.1	2,043,370,881,890	1,767,404,091,979
02	2. Deductions	23.1	(982,169,267)	(1,737,753,340)
10	3. Net revenue from sale of goods	23.1	2,042,388,712,623	1,765,666,338,639
11	4. Cost of goods sold		(1,667,905,910,801)	(1,510,394,847,210)
20	5. Gross profit from sale of goods		374,482,801,822	255,271,491,429
21	6. Finance income	23.2	18,021,690,993	11,470,303,555
22	7. Finance expenses	24	(8,281,202,087)	(22,142,279,747)
23	<i>In which: Interest expense</i>		(5,319,270,025)	(16,392,410,718)
25	8. Selling expenses	25	(27,129,401,747)	(23,679,420,379)
26	9. General and administrative expenses	26	(71,510,694,737)	(57,210,437,807)
30	10. Operating profit		285,583,194,244	163,709,657,051
31	11. Other income		722,041,900	1,122,471,621
32	12. Other expenses		(126,637,493)	(669,476,686)
40	13. Other profit		595,404,407	452,994,935
50	14. Accounting profit before tax		286,178,598,651	164,162,651,986
51	15. Current corporate income tax expense	28.1	(4,754,187,463)	(20,384,083,120)
52	16. Deferred tax (expense) income	28.3	(2,504,724,787)	255,503,778
60	17. Net profit after tax		278,919,686,401	144,034,072,644

Preparer
Phan Thanh PhuChief Accountant
Phan Nhu BichGeneral Director
Dang Trieu Hoa

11 March 2022

SEPARATE CASH FLOW STATEMENT
for the year ended 31 December 2021

VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit before tax		286,178,598,651	164,162,651,986
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	11, 12	110,577,079,644	133,576,172,429
03	(Reversal of provisions) provisions		(6,302,229,897)	10,685,049,817
04	Foreign exchange gains arising from revaluation of monetary accounts denominated in foreign currency		(2,444,155,936)	(3,366,341,263)
05	Profits from investing activities		(6,327,104,473)	(3,995,989,805)
06	Interest expense	24	5,319,270,025	16,392,410,718
08	Operating profit before changes in working capital		387,001,458,014	317,453,953,882
09	(Increase) decrease in receivables		(34,888,497,943)	10,714,359,986
10	(Increase) decrease in inventories		(65,820,902,434)	114,234,339,939
11	Increase in payables		24,667,689,719	31,529,028,469
12	(Increase) decrease in prepaid expenses		(2,671,101,512)	6,172,635,992
13	Interest paid		(5,481,366,305)	(17,221,086,787)
14	Corporate income tax paid	18	(16,351,031,025)	(17,552,647,197)
15	Other cash inflows from operating activities		2,784,708,236	2,442,339,682
16	Other cash outflows for operating activities		(7,719,336)	(1,570,100,582)
20	Net cash from operating activities		289,200,705,148	446,202,823,384
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(3,400,740,060)	-
22	Proceeds from disposals of fixed assets and other long-term assets		-	207,272,727
23	Bank term deposit, loan to other entity		-	(11,279,690,982)
24	Collection of bank term deposit		26,000,000,000	54,000,000,000
25	Payments for investments in another entity		-	(6,097,134,018)
26	Collections for investments in another entity		2,386,800,000	-
27	Interest received		6,327,037,806	4,312,029,200
30	Net cash from investing activities		31,313,097,746	41,142,476,927
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
32	Capital redemption		-	(42,410,550,000)
33	Drawdown of borrowings	21	1,070,324,713,667	725,560,629,230
34	Repayment of borrowings	21	(1,018,171,245,277)	(1,123,451,073,930)
36	Dividends paid	22.2	(102,197,517,784)	(102,209,474,025)
40	Net cash used in financing activities		(50,044,049,394)	(542,510,468,725)

SEPARATE CASH FLOW STATEMENT (continued)
for the year ended 31 December 2021

VND

<i>Code</i>	<i>ITEMS</i>	<i>Notes</i>	<i>Current year</i>	<i>Previous year</i>
50	Net increase (decrease) in cash and cash equivalents for the year		270,469,753,500	(55,165,168,414)
60	Cash and cash equivalents at the beginning of the year		95,080,564,018	149,989,599,793
61	Impact of exchange rate fluctuation		556,646,415	256,132,639
70	Cash and cash equivalents at end of the year	5	366,106,963,933	95,080,564,018

Preparer
Phan Thanh Phu

Chief Accountant
Phan Nhu Bich

General Director
Dang Trieu Hoa

11 March 2022

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
as at 31 December 2021 and for the year 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 10 August 2020.

The Company listed its shares on the Ho Chi Minh Stock Exchange with trading code 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 year 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 of the Company’ employees as at 31 December 2021 was 927 (31 December 2020: 1,031).

2. BASIS OF PREPARATION

2.1 *Purpose of preparing the separate financial statements*

The Company has its subsidiary as disclosed in Note 14.1. The Company prepared these 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 consolidated financial statements of the Company and its subsidiary for the year ended 31 December 2021 dated 11 March 2022.

Users of the 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 Company and its subsidiary.

2.2 *Accounting standards and system*

The separate financial statements of the Company expressed in Vietnam dong (“VND”), are prepared in accordance with the Vietnamese Enterprise Accounting System 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).

Accordingly, the accompanying 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 financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

2. BASIS OF PREPARATION (continued)

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 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 separate income statement.

3.3 Receivables

Receivables are presented in the 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 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 administration expense in the separate income statement.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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 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 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 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 year 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.

3.8 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the separate balance sheet and amortised over the year for which the amounts are paid or the year 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 consolidated income statement:

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Prepaid expenses (continued)

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 process

Construction in progress represents costs that are directly attributable to the acquisition, construction to produce an asset in the course of construction at the 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 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 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 of the investment is made when there are reliable evidences of the diminution in value of those investments at the balance sheet date.

Increases or decreases to the provision balance are recorded as finance expense in the 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 separate income statements and deducted against the value of such investments.

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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 *Accrual for severance pay*

The severance pay to employee is accrued at the end of each reporting year for all employees who have been in service for more than 12 months up to the balance sheet date at the rate of one-half of the average monthly salary for each year 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 year 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 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 year, balances of monetary items denominated in foreign currencies are translated at the 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 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 separate balance sheet.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year 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 years 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 balance sheet date.

Current income tax is charged or credited to the 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 consolidated 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 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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 *Taxation* (continued)

Deferred tax (continued)

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 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.

The carrying amount of deferred tax assets is reviewed at each 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 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 balance sheet date.

Deferred tax is charged or credited to the consolidated 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 Group 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 Group 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 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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

4. SIGNIFICANT EVENT DURING THE YEAR

Covid-19 pandemic

The Covid-19 pandemic is resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. The Company's management has continuously monitored ongoing developments and assessed the financial impact in respects of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved, using the best information obtained up to the date of this financial statements.

5. CASH AND CASH EQUIVALENTS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	35,847,322	51,924,445
Cash in banks	24,071,116,611	30,028,639,573
Time deposits at banks (*)	<u>342,000,000,000</u>	<u>65,000,000,000</u>
TOTAL	<u>366,106,963,933</u>	<u>95,080,564,018</u>

(*) Time deposits at banks represent bank deposits at commercial banks with original maturities of less than three (3) months and earn interest at the market rate.

6. HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investments represent bank deposits at commercial banks with original maturities of more than three (3) months but less than one (1) year and earn interest at the market rate.

7. SHORT-TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

7.1 *Short-term trade receivables*

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Trade receivables from customers	69,083,156,471	92,441,137,090
- <i>Phong Phu Coats Company Limited</i>	13,412,446,823	5,625,116,546
- <i>Chori Osaka Ltd Ptd</i>	12,352,370,186	5,526,689,916
- <i>Unifi Asia Pacific (Hong Kong)</i>	10,545,551,846	14,545,148,802
- <i>Y.R.C Textile Co., Ltd</i>	9,116,557,702	10,733,737,699
- <i>Formosa Taffeta Dong Nai Co., Ltd</i>	2,017,671,318	12,564,727,014
- <i>Formosa Taffeta Viet Nam Co., Ltd.</i>	296,656,800	12,362,512,657
- <i>Far Eastern Polytex (Viet Nam) Limited</i>	280,240,972	13,335,741,492
- <i>Gain Lucky Vietnam Limited</i>	-	11,863,660,108
- <i>Others</i>	21,061,660,824	5,883,802,856
Trade receivables from a related party (Note 29)	<u>-</u>	<u>368,101,545</u>
TOTAL	<u>69,083,156,471</u>	<u>92,809,238,635</u>

The detail of beginning balance is disclosed in corresponding with the ending balance.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

7. SHORT-TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS (continued)

7.2 Short-term advances to suppliers

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Truong Hai Investment and Development Company Limited	1,705,000,000	-
VBS Technology Company Limited	1,086,189,280	-
Schill +Seilacher GMBH Boeblingen	1,090,594,122	-
Oerlikon Barmag Zweigniederlassung	-	1,252,864,321
Changzhou Jason Internation Trade	-	610,915,500
Others	1,376,240,623	1,353,728,130
TOTAL	<u>5,258,024,025</u>	<u>3,217,507,951</u>

8. OTHER SHORT-TERM RECEIVABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Payment on behalf	16,207,588,781	4,620,788,781
Social insurance	801,791,320	1,149,777,307
Others	849,616,969	511,563,429
TOTAL	<u>17,858,997,070</u>	<u>6,282,129,517</u>
<i>In which:</i>		
<i>Due from a related party (Note 29)</i>	<i>16,207,588,781</i>	<i>4,620,788,781</i>
<i>Due from other parties</i>	<i>1,651,408,289</i>	<i>1,661,340,736</i>

9. 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.

10. INVENTORIES

	VND			
	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Finished goods	249,440,713,272	(16,104,310,749)	249,567,912,347	(20,926,659,793)
Raw materials	208,061,491,372	(3,310,945,247)	152,646,033,124	(3,597,426,100)
Goods in transit	33,418,043,011	-	22,852,879,484	-
TOTAL	<u>490,920,247,655</u>	<u>(19,415,255,996)</u>	<u>425,066,824,955</u>	<u>(24,524,085,893)</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

10. INVENTORIES (continued)

Detail of movements of provision for obsolete inventories:

		<i>VND</i>
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	(24,524,085,893)	(14,343,482,035)
<i>Add:</i> Provision made during the year	(4,635,353,349)	(10,747,602,552)
<i>Less:</i> Revert provision made during the year	9,744,183,246	566,998,694
Ending balance	<u>(19,415,255,996)</u>	<u>(24,524,085,893)</u>

Century Synthetic Fiber Corporation

B09-DN

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

11. 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:					
Beginning balance	304,608,626,458	1,563,560,029,589	181,779,818,157	4,791,726,080	2,054,740,200,284
New purchase	-	2,412,020,060	988,720,000	-	3,400,740,060
Ending balance	<u>304,608,626,458</u>	<u>1,565,972,049,649</u>	<u>182,768,538,157</u>	<u>4,791,726,080</u>	<u>2,058,140,940,344</u>
<i>In which:</i>					
<i>Fully depreciated</i>	86,363,990,119	359,463,264,404	37,633,962,202	1,846,156,366	485,307,373,091
Accumulated depreciation:					
Beginning balance	(141,507,678,908)	(868,133,482,767)	(126,878,550,680)	(4,509,724,587)	(1,141,029,436,942)
Depreciation for the year	(9,432,288,653)	(84,026,540,399)	(16,899,734,229)	(108,439,999)	(110,467,003,280)
Ending balance	<u>(150,939,967,561)</u>	<u>(952,160,023,166)</u>	<u>(143,778,284,908)</u>	<u>(4,618,164,587)</u>	<u>(1,251,496,440,222)</u>
Net carrying amount:					
Beginning balance	<u>163,100,947,550</u>	<u>695,426,546,822</u>	<u>54,901,267,477</u>	<u>282,001,493</u>	<u>913,710,763,342</u>
Ending balance	<u>153,668,658,897</u>	<u>613,812,026,483</u>	<u>38,990,253,249</u>	<u>173,561,493</u>	<u>806,644,500,122</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

12. INTANGIBLE ASSETS

	<i>VND</i>
	<i>Computer software</i>
Cost:	
Beginning and ending balances	<u>14,385,298,205</u>
<i>In which:</i>	
<i>Fully amortised</i>	13,834,916,387
Accumulated amortisation:	
Beginning balance	(14,174,318,509)
Amortisation for the year	<u>(110,076,364)</u>
Ending balance	<u>(14,284,394,873)</u>
Net carrying amount:	
Beginning balance	<u>210,979,696</u>
Ending balance	<u>100,903,332</u>

13. CONSTRUCTION IN PROGRESS

	<i>VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Machinery and equipment	23,843,586,550	255,522,372
Others	<u>-</u>	<u>308,720,000</u>
TOTAL	<u>23,843,586,550</u>	<u>564,242,372</u>

14. LONG-TERM INVESTMENTS

	<i>VND</i>			
	<u><i>Ending balance</i></u>		<u><i>Beginning balance</i></u>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Investment in a subsidiary (<i>Note 14.1</i>)	80,000,000,000	-	80,000,000,000	-
Investment in an associate	-	-	2,386,800,000	(1,193,400,000)
Investment in another entity (<i>Note 14.2</i>)	<u>6,097,134,018</u>	<u>-</u>	<u>6,097,134,018</u>	<u>-</u>
TOTAL	<u>86,097,134,018</u>	<u>-</u>	<u>88,483,934,018</u>	<u>(1,193,400,000)</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

14. LONG-TERM INVESTMENTS (continued)

14.1 Investment in a subsidiary

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<i>% of interest</i>	<i>Cost VND</i>	<i>% of interest</i>	<i>Cost VND</i>
Unitex Corporation	100	<u>80,000,000,000</u>	100	<u>80,000,000,000</u>

Unitex Corporation (“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 Cong Industrial Zone, An Hoa Commune, Trang Bang District, Tay Ninh Province, Vietnam.

As at balance sheet date, the Company holds 100% ownership and voting rights at Unitex.

14.2 Investment in another entity

	<u>Ending balance</u>		<u>Beginning balance</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.

15. PREPAID EXPENSES

	<i>VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term	5,930,866,811	5,737,949,327
Tools and supplies in used	4,237,790,753	3,529,685,356
Car rental	1,658,228,059	1,740,029,437
Others	34,848,000	468,234,534
Long-term	55,511,081,281	53,032,897,253
Land rental (land use rights)	35,776,544,714	37,352,833,085
Tools and supplies in used	18,710,893,905	15,648,479,102
Others	<u>1,023,642,662</u>	<u>31,585,066</u>
TOTAL	<u>61,441,948,092</u>	<u>58,770,846,580</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

16. SHORT-TERM TRADE PAYABLES

	<i>VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Tainan Spinning Co., Ltd	91,222,587,200	100,793,520,100
Unifi Textile (Suzhou) Co., Ltd	62,093,306,000	63,377,632,350
Chori Co., Ltd	46,151,762,440	39,194,833,440
Pt. Indo-Rama Synthetics TBK	60,490,976,000	19,117,870,000
Others	30,068,838,707	37,714,766,270
TOTAL	<u>290,027,470,347</u>	<u>260,198,622,160</u>

17. SHORT-TERM ADVANCES FROM CUSTOMERS

	<i>VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Lear Corporation - Kenansville	9,398,398,464	13,053,879,216
Treasure Star International Limited	5,794,349,760	3,344,845,959
Nam Phuong Textile and Dyeing Co., Ltd	5,373,566,979	3,781,339,848
Global Dyeing Co., Ltd	-	11,209,107,360
Others	21,057,120,885	12,288,257,820
TOTAL	<u>41,623,436,088</u>	<u>43,677,430,203</u>

18. STATUTORY OBLIGATIONS

	<i>VND</i>			
	<i>Beginning balance</i>	<i>Increase in the year</i>	<i>Decrease in the year</i>	<i>Ending balance</i>
Payables				
Corporate income tax	4,544,600,004	4,754,187,463	(2,799,200,712)	6,499,586,755
Personal income tax	251,125,870	5,581,706,008	(5,719,400,523)	113,431,355
Value-added tax	85,740,118	231,316,080,813	(226,204,023,873)	5,197,797,058
TOTAL	<u>4,881,465,992</u>	<u>241,651,974,284</u>	<u>(234,722,625,108)</u>	<u>11,810,815,168</u>
Receivables				
Corporate income tax	-	13,551,830,313	-	13,551,830,313
Value-added tax deductible	295,389,563	48,579,387,285	(14,772,772,025)	34,102,004,823
Others	123,803,291	-	(123,803,291)	-
TOTAL	<u>419,192,854</u>	<u>62,131,217,598</u>	<u>(14,896,575,316)</u>	<u>47,653,835,136</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

19. SHORT-TERM ACCRUED EXPENSES

	<i>VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Utility expenses	7,191,132,150	3,064,460,161
Sales commission	868,165,745	1,759,156,676
Interest expense	76,631,638	238,727,919
Others	130,334,505	80,538,788
TOTAL	<u>8,266,264,038</u>	<u>5,142,883,544</u>

20. OTHER SHORT-TERM PAYABLES

	<i>VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Social insurance	3,245,911,456	3,092,177,775
Dividends	262,660,180	195,256,065
Others	2,725,153,269	2,886,381,921
TOTAL	<u>6,233,724,905</u>	<u>6,173,815,761</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

21. LOANS

	<i>Beginning balance</i>	<i>Movement during the year</i>		<i>Reclassification</i>	<i>Foreign exchange difference</i>	<i>VND</i>
		<i>Increase</i>	<i>Decrease</i>			<i>Ending balance</i>
Short-term						
Loans from banks	167,544,208,650	1,070,324,713,667	(911,474,149,786)	-	(5,066,896,195)	321,327,876,336
Current portion of long-term loans	55,019,014,265	-	(106,697,095,491)	51,678,081,226	-	-
	<u>222,563,222,915</u>	<u>1,070,324,713,667</u>	<u>(1,018,171,245,277)</u>	<u>51,678,081,226</u>	<u>(5,066,896,195)</u>	<u>321,327,876,336</u>
Long-term						
Loans from banks	51,678,081,226	-	-	(51,678,081,226)	-	-
TOTAL	<u>274,241,304,141</u>	<u>1,070,324,713,667</u>	<u>(1,018,171,245,277)</u>	<u>-</u>	<u>(5,066,896,195)</u>	<u>321,327,876,336</u>

The Company obtained the short-term unsecured loans from banks for the purpose of financing its working capital requirements which bear interest rates from 1.5% to 2% per annum (foreign currency). Details are as follows:

<i>Banks</i>	<i>Ending balance</i>	<i>Original amount</i>	<i>Term and maturity date</i>
	<i>VND</i>	<i>USD</i>	
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh Branch	187,762,576,000	8,293,400	From 5 January 2022 to 30 May 2022
Orient Commercial Joint Stock Bank	92,826,264,000	4,100,100	From 28 February 2022 to 31 May 2022
CTBC Bank Co., Ltd	<u>40,739,036,336</u>	<u>1,799,427</u>	From 9 February 2022 to 3 June 2022
TOTAL	<u>321,327,876,336</u>	<u>14,192,927</u>	

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

22. OWNERS' EQUITY

22.1 Increases and decreases in owners' equity

	<i>VND</i>					
	<i>Share capital</i>	<i>Share premium</i>	<i>Treasury shares</i>	<i>Investment and development fund</i>	<i>Undistributed earnings</i>	<i>Total</i>
Previous year:						
Beginning balance	707,269,440,000	35,093,198,872	-	1,219,011,000	339,589,694,669	1,083,171,344,541
Purchase of treasury shares	-	-	(42,410,550,000)	-	-	(42,410,550,000)
Net profit for the year	-	-	-	-	144,034,072,644	144,034,072,644
Dividend declared	-	-	-	-	(102,277,941,000)	(102,277,941,000)
Ending balance	<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>381,345,826,313</u>	<u>1,082,516,926,185</u>
Current year:						
Beginning balance	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 year	-	-	-	-	278,919,686,401	278,919,686,401
Dividend declared (*)	-	-	-	-	(102,277,941,000)	(102,277,941,000)
Ending balance	<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>557,987,571,714</u>	<u>1,259,158,671,586</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 SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

22. OWNERS' EQUITY (continued)

22.2 Capital transactions with owners and distribution of dividends, profits

	VND	
	Current year	Previous year
Issued share capital		
Beginning and ending balances	<u>707,269,440,000</u>	<u>707,269,440,000</u>
Dividends declared	(102,277,941,000)	(102,277,941,000)
Dividend paid in cash	(102,197,517,784)	(102,209,474,025)

22.3 Shares

	<u>Ending balance</u>		<u>Beginning balance</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				
Issued and paid-up shares	70,726,944	707,269,440,000	70,726,944	707,269,440,000
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.

23. REVENUES

23.1 Revenue from sale of goods

	VND	
	Current year	Previous year
Gross revenue	2,043,370,881,890	1,767,404,091,979
Less:		
Sales returns	(805,683,048)	(1,353,692,169)
Trade discount	(176,486,219)	(384,061,171)
Net revenue	<u>2,042,388,712,623</u>	<u>1,765,666,338,639</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

23. REVENUES (continued)

23.2 Finance income

	VND	
	<i>Current year</i>	<i>Previous year</i>
Foreign exchange gains	8,334,743,216	5,890,347,831
Interest income	6,327,104,473	4,312,095,867
Unrealised foreign exchange gains	3,359,843,304	1,267,859,857
TOTAL	<u>18,021,690,993</u>	<u>11,470,303,555</u>

24. FINANCE EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Interest expense	5,319,270,025	16,392,410,718
Foreign exchange losses	4,155,332,062	5,245,423,070
(Reversal of provision) provision for diminution in value of long-term investments	(1,193,400,000)	504,445,959
TOTAL	<u>8,281,202,087</u>	<u>22,142,279,747</u>

25. SELLING EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Transportation expense	12,887,594,470	7,941,574,982
Letter of credit (L/C) and documentary fee	8,357,779,614	7,663,485,108
Commission fee	2,517,539,901	3,175,722,341
Other expenses	3,366,487,762	4,898,637,948
TOTAL	<u>27,129,401,747</u>	<u>23,679,420,379</u>

26. GENERAL AND ADMINISTRATION EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Labour costs	31,887,770,364	27,690,996,727
Expenses for external services	21,814,899,153	10,014,117,469
Stationery and other tools costs	10,280,604,921	9,252,765,927
Depreciation and amortisation expenses	1,469,700,501	1,814,399,292
Other expenses	6,057,719,798	8,438,158,392
TOTAL	<u>71,510,694,737</u>	<u>57,210,437,807</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

27. PRODUCTION AND OPERATING COSTS

	VND	
	<i>Current year</i>	<i>Previous year</i>
Raw materials	1,187,454,840,331	1,051,554,154,248
Expenses for external services	272,537,233,024	233,558,115,107
Depreciation and amortisation (Notes 11 and 12)	110,577,079,644	133,576,172,429
Labour costs	144,522,919,401	124,868,261,515
Other expenses	51,453,934,885	47,728,002,097
TOTAL	<u>1,766,546,007,285</u>	<u>1,591,284,705,396</u>

28. 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 onwards is exempted for four years (2011 - 2014), and is subject to 50% deduction in the nine following years (2015 - 2023). The applicable rate is 10% for 15 years from 2011.
 - Income from FDY and DTY products of expansion projects onwards is exempted for four years (2016 - 2019), and is subject to 50% deduction in the nine following years (2020 - 2028). The applicable rate is 10% for 15 years from 2016.
 - 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 10% for 15 years from 2016.

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.

28.1 CIT expense

	VND	
	<i>Current year</i>	<i>Previous year</i>
Current tax expense	28,130,207,047	16,793,155,624
Adjustment for (over) under accrual of CIT from prior years	(23,376,019,584)	3,590,927,496
Deferred tax expense (income)	2,504,724,787	(255,503,778)
TOTAL	<u>7,258,912,250</u>	<u>20,128,579,342</u>

The current CIT payable is based on taxable profit for the current year. The taxable profit of the Company for the year differs from the accounting profit before tax as reported in the separate income statement because it excludes items of income or expense that are taxable or deductible in other years 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 balance sheet date.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

28. CORPORATE INCOME TAX (continued)

28.2 Current CIT

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

	VND	
	Current year	Previous year
Accounting profit before tax	286,178,598,651	164,162,651,986
At the applicable CIT rate for the Company	57,235,719,730	32,832,530,397
<i>Adjustments:</i>		
Non-deductible expenses	2,145,823,035	1,353,113,586
Tax incentive at Trang Bang branch	(31,842,022,978)	(16,842,664,035)
Adjustment for (over) under accrual of tax from prior years	(23,376,019,584)	3,590,927,496
Unrealised profit (loss)	3,095,412,046	(805,328,102)
CIT expense	7,258,912,250	20,128,579,342

28.3 Deferred tax

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

	VND			
	<u>Separate balance sheet</u>		<u>Separate income statement</u>	
	Ending balance	Beginning balance	Current year	Previous year
Deferred tax assets				
Accrued salaries and bonus	2,362,960,217	2,368,139,814	(5,179,597)	(1,460,193,252)
Provision for obsolete inventory	337,150,913	719,485,220	(382,334,307)	(113,399,739)
Accrued expenses	262,105,268	415,431,336	(153,326,068)	(140,146,379)
Foreign exchange arising from revaluation of monetary accounts denominated in foreign currency	54,615,853	21,747,944	32,867,909	1,058,641
Accrual for severance pay	45,885,925	67,383,517	(21,497,592)	(7,070,625)
Tax loss carry forward	-	1,736,575,132	(1,736,575,132)	1,736,575,132
Provision for diminution in value of long-term investments	-	238,680,000	(238,680,000)	238,680,000
	3,062,718,176	5,567,442,963		
Net deferred tax (charge) credit to separate income statement			(2,504,724,787)	255,503,778

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

29. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties during current and previous years were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND</i>	
			<i>Current year</i>	<i>Previous year</i>
Hung Loi Service Trading Investment Company Limited	Related party due to family member of a BOD member of the Company investing therein	Sale of goods	21,857,929,365	59,814,773,065
P.A.N Asia Co., Ltd	Related party due to a BOD member of the Company investing therein	Sale of goods	-	8,822,791,669

Amount due from related parties at the balance sheet date were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transaction</i>	<i>VND</i>	
			<i>Ending balance</i>	<i>Beginning balance</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 Group investing therein	Sale of goods	<u>-</u>	<u>368,101,545</u>
Other short-term receivable (Note 8)				
Unitex Limited Liability Company	Subsidiary	Payment on behalf	<u>16,207,588,781</u>	<u>4,620,788,781</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

29. TRANSACTIONS WITH RELATED PARTIES (continued)

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

<i>Individuals</i>	<i>Position</i>	<i>VND</i>	
		<i>Current year</i>	<i>Previous year</i>
Mr Dang Trieu Hoa	General Director	1,616,193,147	1,595,994,815
Ms Nguyen Phuong Chi	Deputy General Director	1,549,976,961	1,473,151,787
Mr Phan Nhu Bich	Chief Finance Officer	1,003,643,010	924,533,465
TOTAL		<u>4,169,813,118</u>	<u>3,993,680,067</u>

30. OPERATING LEASE COMMITMENT

The Company leases assets under operating lease arrangements. The lease commitment as at the balance sheet date under the operating lease agreements is as follows:

	<i>VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</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	9,902,875,000	9,335,345,000
TOTAL	<u>11,332,215,412</u>	<u>11,037,845,000</u>

31. OFF BALANCE SHEET ITEM

	<i>Ending balance</i>	<i>Beginning balance</i>
Major foreign currency:		
United States Dollar (USD)	101,190	317,258

32. EVENTS AFTER THE BALANCE SHEET DATE

There is no other matter or circumstance that has arisen since the balance sheet date that requires adjustment or disclosure in the financial statements of the Company.

Preparer
Phan Thanh Phu

Chief Accountant
Phan Nhu Bich

General Director
Dang Trieu Hoa

11 March 2022