

Century Synthetic Fiber Corporation

Separate financial statements

For the year ended 31 December 2022

Century Synthetic Fiber Corporation

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Century Synthetic Fiber Corporation

GENERAL INFORMATION (continued)

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 20th Amended Enterprise Registration Certificate No. 0302018927 issued by the Department of Planning and Investment of Ho Chi Minh City on 12 November 2022.

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 activity of the Company is 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 Commune, 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

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.

AUDITOR

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 2022.

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 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 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 2022, 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 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 specifically of Circular 96/2020/TT-BTC on disclosure of information in the securities market. In addition, as required, the Company also prepared the consolidated financial statements of the Company and its subsidiary (“the Group”) for the year ended 31 December 2022 dated 13 March 2023.

Users of the separate financial statements should read them together with the said consolidated financial statements 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 the management:

Dang Trieu Hoa
General Director

Ho Chi Minh City, Vietnam

13 March 2023

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 13 March 2023 and set out on pages 5 to 33, which comprise the separate balance sheet as at 31 December 2022, and the separate income statement and the separate cash flow statement for the year then ended and the notes thereto.

Management's responsibility

Management 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 auditors consider 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 2022, and of the separate results of its operations 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 preparation and presentation of the separate financial statements.

Ernst & Young Vietnam Limited

Maria Cristina M. Calimbas
Deputy General Director
Audit Practicing Registration Certificate
No. 1073-2023-004-1

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

Ho Chi Minh City, Vietnam

13 March 2023

SEPARATE BALANCE SHEET
as at 31 December 2022

VND

<i>Code</i>	<i>ASSETS</i>	<i>Notes</i>	<i>Ending balance</i>	<i>Beginning balance</i>
100	A. CURRENT ASSETS		1,085,310,081,839	983,396,835,105
110	I. Cash and cash equivalents	4	91,973,456,952	366,106,963,933
111	1. Cash		19,973,456,952	24,106,963,933
112	2. Cash equivalents		72,000,000,000	342,000,000,000
120	II. Short-term investment		130,000,000,000	-
123	1. Held-to-maturity investment	5	130,000,000,000	-
130	III. Current accounts receivable		315,483,808,945	92,200,177,566
131	1. Short-term trade receivables	6.1	69,400,071,855	69,083,156,471
132	2. Short-term advances to suppliers	6.2	1,991,843,080	5,258,024,025
135	3. Short-term loan receivables	7	243,303,932,837	-
136	4. Other short-term receivables	8	787,961,173	17,858,997,070
140	IV. Inventories	9	466,136,524,256	471,504,991,659
141	1. Inventories		472,682,334,984	490,920,247,655
149	2. Provision for obsolete inventories		(6,545,810,728)	(19,415,255,996)
150	V. Other current assets		81,716,291,686	53,584,701,947
151	1. Short-term prepaid expenses	14	3,067,765,320	5,930,866,811
152	2. Value-added tax deductible	17	73,354,607,182	34,102,004,823
153	3. Tax receivable from the State	17	5,293,919,184	13,551,830,313

SEPARATE BALANCE SHEET (continued)
as at 31 December 2022

VND

<i>Code</i>	<i>ASSETS</i>	<i>Notes</i>	<i>Ending balance</i>	<i>Beginning balance</i>
200	B. NON-CURRENT ASSETS		1,039,173,205,375	986,539,614,461
210	I. Long-term receivable		-	11,279,690,982
215	1. Long-term loan receivable	7	-	11,279,690,982
220	II. Fixed assets		730,566,913,801	806,745,403,454
221	1. Tangible fixed assets	10	730,566,913,801	806,644,500,122
222	Cost		2,088,323,320,799	2,058,140,940,344
223	Accumulated depreciation		(1,357,756,406,998)	(1,251,496,440,222)
227	2. Intangible asset	11	-	100,903,332
228	Cost		14,385,298,205	14,385,298,205
229	Accumulated amortisation		(14,385,298,205)	(14,284,394,873)
240	III. Long-term asset in progress		10,968,826,672	23,843,586,550
242	1. Construction in progress	12	10,968,826,672	23,843,586,550
250	IV. Long-term investments		235,900,190,000	86,097,134,018
251	1. Investment in subsidiary	13.1	222,100,190,000	80,000,000,000
253	2. Investment in other entity	13.2	13,800,000,000	6,097,134,018
260	V. Other long-term assets		61,737,274,902	58,573,799,457
261	1. Long-term prepaid expenses	14	58,313,071,850	55,511,081,281
262	2. Deferred tax assets	27.3	3,424,203,052	3,062,718,176
270	TOTAL ASSETS		2,124,483,287,214	1,969,936,449,566

SEPARATE BALANCE SHEET (continued)
as at 31 December 2022

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		579,434,555,877	710,777,777,980
310	I. Current liabilities		579,163,557,710	710,497,673,607
311	1. Short-term trade payables	15	215,279,994,325	290,027,470,347
312	2. Short-term advances from customers	16	8,783,975,931	41,623,436,088
313	3. Statutory obligations	17	3,568,641,115	11,810,815,168
314	4. Payable to employees		24,626,980,550	26,624,030,474
315	5. Short-term accrued expenses	18	6,447,916,477	8,266,264,038
319	6. Other short-term payables	19	6,659,866,578	6,233,724,905
320	7. Short-term loans	20	308,095,357,806	321,327,876,336
322	8. Bonus and welfare fund	3.15	5,700,824,928	4,584,056,251
330	II. Non-current liability		270,998,167	280,104,373
342	1. Long-term provision		270,998,167	280,104,373
400	D. OWNERS' EQUITY		1,545,048,731,337	1,259,158,671,586
410	I. Capital	21.1	1,545,048,731,337	1,259,158,671,586
411	1. Share capital		843,638,250,000	707,269,440,000
411a	- Shares with voting rights		843,638,250,000	707,269,440,000
412	2. Share premium		40,824,578,872	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		701,777,441,465	557,987,571,714
421a	- Undistributed earnings at the end of prior year		455,709,630,714	279,067,885,313
421b	- Earnings of current year		246,067,810,751	278,919,686,401
440	TOTAL LIABILITIES AND OWNERS' EQUITY		2,124,483,287,214	1,969,936,449,566

Preparer
Nguyen Thi Hong Tham

Chief Accountant
Phan Nhu Bich

General Director
Dang Trieu Hoa

13 March 2023

SEPARATE INCOME STATEMENT
for the year ended 31 December 2022

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods	22.1	2,116,780,568,379	2,043,370,881,890
02	2. Deductions	22.1	(2,248,877,567)	(982,169,267)
10	3. Net revenue from sale of goods	22.1	2,114,531,690,812	2,042,388,712,623
11	4. Cost of goods sold	26	(1,741,237,965,679)	(1,667,905,910,801)
20	5. Gross profit from sale of goods		373,293,725,133	374,482,801,822
21	6. Finance income	22.2	31,247,666,543	18,021,690,993
22 23	7. Finance expenses <i>In which: Interest expense</i>	23	(48,071,002,592) (9,128,352,047)	(8,281,202,087) (5,319,270,025)
25	8. Selling expenses	24, 26	(19,448,338,303)	(27,129,401,747)
26	9. General and administrative expenses	25, 26	(62,523,128,950)	(71,510,694,737)
30	10. Operating profit		274,498,921,831	285,583,194,244
31	11. Other income		713,832,657	722,041,900
32	12. Other expenses		(1,956,678,674)	(126,637,493)
40	13. Other (loss) profit		(1,242,846,017)	595,404,407
50	14. Accounting profit before tax		273,256,075,814	286,178,598,651
51	15. Current corporate income tax expense	27.1	(27,549,749,939)	(4,754,187,463)
52	16. Deferred tax income (expense)	27.3	361,484,876	(2,504,724,787)
60	17. Net profit after tax		246,067,810,751	278,919,686,401

Preparer
Nguyen Thi Hong ThamChief Accountant
Phan Nhu BichGeneral Director
Dang Trieu Hoa

13 March 2023

SEPARATE CASH FLOW STATEMENT
for the year ended 31 December 2022

VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit before tax		273,256,075,814	286,178,598,651
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	10, 11	106,360,870,108	110,577,079,644
03	Reversal of provisions		(12,869,445,268)	(6,302,229,897)
04	Foreign exchange losses (gains) arising from revaluation of monetary accounts denominated in foreign currency		11,562,896,586	(2,444,155,936)
05	Profits from investing activities		(19,684,769,957)	(6,327,104,473)
06	Interest expense	23	9,128,352,047	5,319,270,025
08	Operating profit before changes in working capital		367,753,979,330	387,001,458,014
09	Increase in receivables		(248,166,144,000)	(34,888,509,943)
10	Decrease (increase) in inventories		18,237,912,671	(65,853,422,700)
11	Increase in payables		(151,718,088,904)	24,667,689,719
12	Decrease (increase) in prepaid expenses		61,110,922	(2,671,101,512)
13	Interest paid		(8,515,119,480)	(5,481,366,305)
14	Corporate income tax paid	17	(24,802,880,291)	(16,351,031,025)
15	Other cash inflows from operating activities		-	2,784,708,236
16	Other cash outflows for operating activities		-	(7,719,336)
20	Net cash (used in) from operating activities		(47,149,229,752)	289,200,705,148
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		20,564,973,577	(3,400,740,060)
23	Placement of bank term deposits		(130,000,000,000)	-
24	Proceeds from bank term deposit		-	26,000,000,000
25	Payment for investment in other entity	13.1	(142,100,190,000)	-
26	Collection from investment in other entity		-	2,386,800,000
27	Interest received		15,892,916,348	6,327,037,806
30	Net cash (used in) from investing activities		(235,642,300,075)	31,313,097,746
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Issuance of shares	21.1	142,100,190,000	-
33	Drawdown of borrowings	20	1,057,928,818,066	1,070,324,713,667
34	Repayment of borrowings	20	(1,088,272,662,348)	(1,018,171,245,277)
36	Dividends paid	21.2	(102,213,100,650)	(102,197,517,784)
40	Net cash from (used in) financing activities		9,543,245,068	(50,044,049,394)

SEPARATE CASH FLOW STATEMENT (continued)
for the year ended 31 December 2022

VND

<i>Code</i>	<i>ITEMS</i>	<i>Notes</i>	<i>Current year</i>	<i>Previous year</i>
50	Net (decrease) increase in cash and cash equivalents for the year		(273,248,284,759)	270,469,753,500
60	Cash and cash equivalents at the beginning of the year		366,106,963,933	95,080,564,018
61	Impact of exchange rate fluctuation		(885,222,222)	556,646,415
70	Cash and cash equivalents at end of the year	4	91,973,456,952	366,106,963,933

Preparer
Nguyen Thi Hong Tham

Chief Accountant
Phan Nhu Bich

General Director
Dang Trieu Hoa

13 March 2023

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
as at 31 December 2022 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 20th Amended Enterprise Registration Certificate No. 0302018927 issued by the Department of Planning and Investment of Ho Chi Minh City on 12 November 2022.

The Company listed its shares in 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 activity of the Company is 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 Commune, 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 2022 was 882 (31 December 2021: 927).

2. BASIS OF PREPARATION

2.1 Purpose of the separate financial statements

The Company has a subsidiary as disclosed in Note 13.1. The Company prepared these separate financial statements to meet prevailing requirements specifically of Circular 96/2020/TT-BTC on disclosure of information in the securities market. In addition, as required, the Company also prepared the consolidated financial statements of the Company and its subsidiary for the year ended 31 December 2022 dated 13 March 2023.

Users of the separate financial statements should read them together with the said consolidated financial statements 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 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 separate financial position and the results of its separate operations and separate 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 2022 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, after the provision for doubtful debts.

The provision for doubtful debts represents the estimated loss due to non-collection of receivables that were outstanding at the balance sheet date. 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 2022 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 asset 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 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 either as short-term or long-term prepaid expenses in 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 2022 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

Investment in subsidiary

Investment in a subsidiary over which the Company has control is 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 from the cost of the investment.

Investment in associate

Investment in an associate over which the Company has significant influence is 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 investment

Provision for the investment is made when there are reliable evidences of the diminution in value of the investment 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 investment

Held-to-maturity investment is stated at acquisition cost. After initial recognition, held-to-maturity investment is measured at recoverable amount. Any impairment loss incurred is recognised as finance expenses in the separate income statement 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 2022 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 the 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 on 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 and selling transfer exchange 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 2022 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 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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 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 2022 and for the year then ended

4. CASH AND CASH EQUIVALENTS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	16,586,058	35,847,322
Cash in banks	19,956,870,894	24,071,116,611
Cash equivalents	72,000,000,000	342,000,000,000
TOTAL	91,973,456,952	366,106,963,933

Cash equivalents represent short-term deposits at commercial banks with original maturity of less than three (3) months and interest at rates ranging from 1.0% to 6.0% per annum.

5. HELD-TO-MATURITY INVESTMENT

This comprises term deposits at commercial banks with original maturity of three (3) months but less than one (1) year and interest at 7.1% per annum.

6. SHORT-TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

6.1 Short-term trade receivables

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
XKTC_Unifi Asia Pacific (Hong Kong)	21,883,037,796	-
Phong Phu Coats Company Limited	9,602,862,329	13,412,446,823
Thai Toray Synthetics Co., Ltd.	8,902,945,036	-
Chori Osaka Ltd Ptd	8,798,473,838	12,352,370,186
NamTex Co., Ltd	7,331,860,800	-
HappyTex JSC	5,822,455,675	-
Unifi Asia Pacific (Hong Kong)	-	10,545,551,846
Y.R.C Textile Co., Ltd	-	9,116,557,702
Formosa Taffeta Dong Nai Co., Ltd	2,559,436,578	2,017,671,318
Formosa Taffeta Viet Nam Co., Ltd.	569,361,557	296,656,800
Far Eastern Polytex (Viet Nam) Limited	126,715,512	280,240,972
Others	3,802,922,734	21,061,660,824
TOTAL	69,400,071,855	69,083,156,471

The detail of customer's disclosure for their respective beginning balance correspond with those disclosed for their respective ending balance.

6.2 Short-term advances to suppliers

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
VBS Technology Company Limited	880,000,000	1,090,594,122
Truong Hai Investment and Development Company Limited	346,500,000	1,705,000,000
Oerlikon Barmag Zweigniederlassung	277,735,068	-
Zhangjiagang Shuoxiang International	222,402,560	-
Schill +Seilacher GMBH Boeblingen	-	1,086,189,280
Others	265,205,452	1,376,240,623
TOTAL	1,991,843,080	5,258,024,025

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

7. SHORT-TERM LOAN RECEIVABLES

	VND	
	Ending balance	Beginning balance
Short-term	243,303,932,837	-
Related party (Note 28) (*)	239,832,932,837	-
Other parties (**)	3,471,000,000	-
Long-term		
Other party (**)	-	11,279,690,982
TOTAL	243,303,932,837	11,279,690,982

(*) The balance represents interest-free loan to Unitex Corporation ("Unitex") under Agreement No. 216-21/QD-CTTK dated 20 August 2021 to finance its working capital requirements at rates ranging from 4.0% to 6.0% per annum.

(**) The balance represents interest-free loan to Dintsun Vietnam Company Limited ("Dintsun") under Capital Contribution Agreement No. DTVN – 2019001 dated 12 December 2019 to 30 June 2023 to raise capital for the Soc Trang Industrial Zone Project. On 16 June 2022, the Company completed additional investment in Dintsun amounting to VND 7,702,865,982 through the conversion of long-term loan receivable in accordance with Capital Contribution Agreement No. DTVN-2019000.

8. OTHER SHORT-TERM RECEIVABLES

	VND	
	Ending balance	Beginning balance
Social insurance	-	801,791,320
Payment on behalf	-	16,207,588,781
Others	787,961,173	849,616,969
TOTAL	787,961,173	17,858,997,070
<i>In which:</i>		
Due from other parties	787,961,173	1,651,408,289
Due from related party (Note 28)	-	16,207,588,781

9. INVENTORIES

	VND			
	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Finished goods	283,606,536,566	(3,112,425,296)	249,440,713,272	(16,104,310,749)
Raw materials	165,479,464,761	(3,433,385,432)	208,061,491,372	(3,310,945,247)
Goods in transit	23,596,333,657	-	33,418,043,011	-
TOTAL	472,682,334,984	(6,545,810,728)	490,920,247,655	(19,415,255,996)

Detail of movements of provision for obsolete inventories:

	VND	
	Current year	Previous year
Beginning balance	(19,415,255,996)	(24,524,085,893)
Add: Provision made during the year	-	(4,635,353,349)
Less: Reversal of provision	12,869,445,268	9,744,183,246
Ending balance	(6,545,810,728)	(19,415,255,996)

Century Synthetic Fiber Corporation

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

10. TANGIBLE FIXED ASSETS

	<i>VND</i>				
	<i>Buildings and structures</i>	<i>Machinery and equipment</i>	<i>Motor vehicles</i>	<i>Office equipment</i>	<i>Total</i>
Cost:					
Beginning balance	304,608,626,458	1,565,972,049,649	182,768,538,157	4,791,726,080	2,058,140,940,344
New purchases	-	2,903,711,599	4,032,952,000	-	6,936,663,599
Transfer from construction in progress	-	23,245,716,856	-	-	23,245,716,856
Ending balance	<u>304,608,626,458</u>	<u>1,592,121,478,104</u>	<u>186,801,490,157</u>	<u>4,791,726,080</u>	<u>2,088,323,320,799</u>
<i>In which:</i>					
<i>Fully depreciated</i>	<i>88,291,213,410</i>	<i>570,109,047,670</i>	<i>101,158,012,334</i>	<i>3,838,565,694</i>	<i>763,396,839,108</i>
Accumulated depreciation:					
Beginning balance	(150,939,967,561)	(952,160,023,166)	(143,778,284,908)	(4,618,164,587)	(1,251,496,440,222)
Depreciation for the year	<u>(9,207,445,922)</u>	<u>(81,423,931,680)</u>	<u>(15,574,889,219)</u>	<u>(53,699,955)</u>	<u>(106,259,966,776)</u>
Ending balance	<u>(160,147,413,483)</u>	<u>(1,033,583,954,846)</u>	<u>(159,353,174,127)</u>	<u>(4,671,864,542)</u>	<u>(1,357,756,406,998)</u>
Net carrying amount:					
Beginning 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>
Ending balance	<u>144,461,212,975</u>	<u>558,537,523,258</u>	<u>27,448,316,030</u>	<u>119,861,538</u>	<u>730,566,913,801</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

11. INTANGIBLE ASSET

	<i>VND</i>
	<i>Computer software</i>
Cost:	
Beginning and ending balance	<u>14,385,298,205</u>
<i>In which:</i>	
<i>Fully amortised</i>	<u>14,385,298,205</u>
Accumulated amortisation:	
Beginning balance	(14,284,394,873)
Amortisation for the year	<u>(100,903,332)</u>
Ending balance	<u>(14,385,298,205)</u>
Net carrying amount:	
Beginning balance	<u>100,903,332</u>
Ending balance	<u><u>-</u></u>

12. CONSTRUCTION IN PROGRESS

		<i>VND</i>
	<i>Ending balance</i>	<i>Beginning balance</i>
Machinery and equipment	10,928,370,930	23,843,586,550
Others	<u>40,455,742</u>	<u>-</u>
TOTAL	<u>10,968,826,672</u>	<u>23,843,586,550</u>

13. LONG-TERM INVESTMENTS

				<i>VND</i>
	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Investment in subsidiary (<i>Note 13.1</i>)	222,100,190,000	-	80,000,000,000	-
Investment in other entity (<i>Note 13.2</i>)	<u>13,800,000,000</u>	<u>-</u>	<u>6,097,134,018</u>	<u>-</u>
TOTAL	<u>235,900,190,000</u>	<u>-</u>	<u>86,097,134,018</u>	<u>-</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

13. LONG-TERM INVESTMENTS (continued)

13.1 Investment in 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>222,100,190,000</u>	100	<u>80,000,000,000</u>

On 21 October 2022, the Company increased its contributed capital in Unitex Corporation ("Unitex") with the amount of VND 142,100,190,000 according to Shareholders' Resolution No. 273-22/CV-CTTK dated 21 March 2022.

Unitex formerly is a shareholding company established in Vietnam pursuant to 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 as subsequently amended.

The principal activity of Unitex is 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 Ward, Trang Bang Commune, Tay Ninh Province, Vietnam.

13.2 Investment in other 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>13,800,000,000</u>	5	<u>6,097,134,018</u>

Dintsun Vietnam Company Limited ("Dintsun") is a limited company established pursuant to Enterprise Registration Certificate No. 2200764052 issued by the Department of Planning and Investment of Ho Chi Minh City on 29 May 2019. Its principal activity per Investment Registration Certificate 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.

On 16 June 2022, the Company completed additional investment in Dintsun amounting to VND 7,702,865,982 through conversion of long-term loan receivable in accordance with Capital Contribution Agreement No. DTVN-2019000.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

14. PREPAID EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term	3,067,765,320	5,930,866,811
Insurance expense	1,250,123,438	-
Tools and supplies in use	944,488,607	4,237,790,753
Car rental	320,000,000	1,658,228,059
Others	553,153,275	34,848,000
Long-term	58,313,071,850	55,511,081,281
Land rental	34,798,726,705	35,776,544,714
Tools and supplies in use	19,921,580,213	18,710,893,905
Others	3,592,764,932	1,023,642,662
TOTAL	<u>61,380,837,170</u>	<u>61,441,948,092</u>

15. SHORT-TERM TRADE PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Tainan Spinning Co., Ltd	105,308,480,400	91,222,587,200
Unifi Textile (Suzhou) Co., Ltd	53,768,088,000	62,093,306,000
Chori Co., Ltd	28,955,360,800	46,151,762,440
Pt. Indo-Rama Synthetics TBK	-	60,490,976,000
Others	27,248,065,125	30,068,838,707
TOTAL	<u>215,279,994,325</u>	<u>290,027,470,347</u>

16. SHORT-TERM ADVANCES FROM CUSTOMERS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Lear Corporation - Kenansville	3,681,251,674	9,398,398,464
Treasure Star International Limited	417,331,620	5,794,349,760
Nam Phuong Textile and Dyeing Co., Ltd	-	5,373,566,979
Others	4,685,392,637	21,057,120,885
TOTAL	<u>8,783,975,931</u>	<u>41,623,436,088</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

17. STATUTORY OBLIGATIONS

	<i>Beginning balance</i>	<i>Increase during the year</i>	<i>Decrease during the year</i>	<i>VND Ending balance</i>
Payables				
Corporate income tax	6,499,586,755	19,078,465,746	(24,802,880,291)	775,172,210
Import/export duties	-	11,463,951,062	(11,463,951,062)	-
Personal income tax	113,431,355	10,036,100,094	(9,660,767,046)	488,764,403
Value-added tax	5,197,797,058	228,690,349,163	(231,583,441,719)	2,304,704,502
TOTAL	11,810,815,168	269,268,866,065	(277,511,040,118)	3,568,641,115
Receivables				
Corporate income tax	13,551,830,313	-	(8,471,284,273)	5,080,546,040
Import/export duties	-	205,628,626	-	205,628,626
Value-added tax deductible	34,102,004,823	265,741,815,266	(226,489,212,907)	73,354,607,182
Others	-	983,342,198	(975,597,680)	7,744,518
TOTAL	47,653,835,136	266,930,786,090	(235,936,094,860)	78,648,526,366

18. SHORT-TERM ACCRUED EXPENSES

	<i>Ending balance</i>	<i>VND Beginning balance</i>
Utilities	4,913,918,642	7,191,132,150
Sales commission	753,799,125	868,165,745
Interest expense	780,198,710	76,631,638
Others	-	130,334,505
TOTAL	6,447,916,477	8,266,264,038

19. OTHER SHORT-TERM PAYABLES

	<i>Ending balance</i>	<i>VND Beginning balance</i>
Social insurance	843,221,735	3,245,911,456
Dividends	327,500,530	262,660,180
Others	5,489,144,313	2,725,153,269
TOTAL	6,659,866,578	6,233,724,905

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

20. SHORT-TERM LOANS

		<i>Movements during the year</i>		<i>Revaluation due to foreign exchange difference</i>	<i>VND Ending balance</i>
	<i>Beginning balance</i>	<i>Increase</i>	<i>Decrease</i>		
Loans from banks	<u>321,327,876,336</u>	<u>1,057,928,818,066</u>	<u>(1,088,272,662,348)</u>	<u>17,111,325,752</u>	<u>308,095,357,806</u>

The Company obtained unsecured loans from banks to finance its working capital requirements at interest rates ranging from 2.2% to 4.5% per annum. Further details are as follows:

<i>Bank</i>	<i>Ending balance VND</i>	<i>Original amount USD</i>	<i>Term and maturity date</i>
Vietnam Export Import Bank – Ho Chi Minh Branch	118,455,076,628	5,060,020	From 12 January 2023 to 26 March 2023
CTBC Bank Co., Ltd – Ho Chi Minh Branch	109,018,438,675	4,656,918	From 2 February 2023 to 29 May 2023
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh Branch	68,203,305,703	2,913,426	From 11 January 2023 to 29 June 2023
Orient Commercial Joint Stock Bank – Tan Binh Branch	<u>12,418,536,800</u>	<u>530,480</u>	From 5 March 2023 to 30 May 2023
TOTAL	<u>308,095,357,806</u>	<u>13,160,844</u>	

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

21. OWNERS' EQUITY

21.1 Movements in owners' equity

						VND
	Share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Total
Previous 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
Dividends 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>
Current year:						
Beginning balance	707,269,440,000	35,093,198,872	(42,410,550,000)	1,219,011,000	557,987,571,714	1,259,158,671,586
Increase in capital (*)	136,368,810,000	5,731,380,000	-	-	-	142,100,190,000
Net profit for the year	-	-	-	-	246,067,810,751	246,067,810,751
Dividends declared (**)	-	-	-	-	(102,277,941,000)	(102,277,941,000)
Ending balance	<u>843,638,250,000</u>	<u>40,824,578,872</u>	<u>(42,410,550,000)</u>	<u>1,219,011,000</u>	<u>701,777,441,465</u>	<u>1,545,048,731,337</u>

(*) On 26 September 2022, the Company completed the issuance of 13,636,881 new shares to its existing shareholders at a par value of 10,000VND/share in accordance with Minute of General Shareholders No. 03-2021/NQ-DHDCD/TK dated 22 April 2021 and Board of Directors No. 11-2022/NQHDQT dated 7 July 2022. On 12 November 2022, the Company received the 20th amended Enterprise Registration Certificate issued by the DPI of Ho Chi Minh City, approving the increase in charter capital from VND 707,269,440,000 to VND 843,638,250,000.

(**) The Resolutions of Annual Shareholder Meeting dated 22 April 2022, and of Board of Directors No. 06-2022/NQHDQT/TK dated 5 April 2022 approved cash dividends of 15% par value of share with total amount of VND 102,277,941,000.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

21. OWNERS' EQUITY (continued)

21.2 Capital transactions with owners and distribution of dividends, profits

	VND	
	Current year	Previous year
Issued share capital		
Beginning balance	707,269,440,000	707,269,440,000
Increase in the year	136,368,810,000	-
Ending balance	843,638,250,000	707,269,440,000
Dividends declared	(102,277,941,000)	(102,277,941,000)
Dividends paid in cash	(102,213,100,650)	(102,197,517,784)

21.3 Shares

	Ending balance		Beginning balance	
	Quantity	Amount (VND)	Quantity	Amount (VND)
Authorized shares	84,363,825	843,638,250,000	70,726,944	707,269,440,000
Issued shares				
Issued and paid-up shares	84,363,825	843,638,250,000	70,726,944	707,269,440,000
Ordinary shares	84,363,825	843,638,250,000	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	81,822,175	801,227,700,000	68,185,294	664,858,890,000

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

22. REVENUES

22.1 Revenue from sale of goods

	VND	
	Current year	Previous year
Gross revenue	2,116,780,568,379	2,043,370,881,890
Less:		
Sales returns	(2,230,118,022)	(805,683,048)
Trade discount	(18,759,545)	(176,486,219)
Net revenue	2,114,531,690,812	2,042,388,712,623
Of which		
Other parties	2,114,531,690,812	2,020,530,783,258
Related party	-	21,857,929,365

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

22. REVENUES (continued)

22.2 Finance income

	VND	
	<i>Current year</i>	<i>Previous year</i>
Interest income	19,684,769,957	6,327,104,473
Unrealised foreign exchange gains	11,562,896,586	3,359,843,304
Foreign exchange gains	-	8,334,743,216
TOTAL	31,247,666,543	18,021,690,993

23. FINANCE EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Foreign exchange losses	38,942,650,545	4,155,332,062
Interest expense	9,128,352,047	5,319,270,025
Reversal of provision for diminution in value of long-term investments	-	(1,193,400,000)
TOTAL	48,071,002,592	8,281,202,087

24. SELLING EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Transportation	9,109,582,228	12,887,594,470
Letter of credit and documentary fees	5,393,435,037	8,357,779,614
Commission fee	2,344,551,101	2,517,539,901
Other expenses	2,600,769,937	3,366,487,762
TOTAL	19,448,338,303	27,129,401,747

25. GENERAL AND ADMINISTRATION EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Labour costs	32,601,644,783	31,887,770,364
External services	12,257,994,175	21,814,899,153
Stationery and other tools costs	9,527,080,924	10,280,604,921
Depreciation and amortisation	1,577,509,247	1,469,700,501
Other expenses	6,558,899,821	6,057,719,798
TOTAL	62,523,128,950	71,510,694,737

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

26. PRODUCTION AND OPERATING COSTS

	<i>VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Raw materials	1,277,763,972,568	1,187,454,840,331
External services	247,909,931,827	272,537,233,024
Depreciation and amortisation (Notes 10 and 11)	106,360,870,108	110,577,079,644
Labour costs	139,698,790,039	144,522,919,401
Other expenses	51,475,868,390	51,453,934,885
TOTAL	<u>1,823,209,432,932</u>	<u>1,766,546,007,285</u>

27. CORPORATE INCOME TAX

The applicable corporate income tax ("CIT") rates to the Company are as follows:

- For the Cu Chi Operation, the CIT rate is 20% of taxable profit.
- For the Trang Bang Branch, the 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 for nine years from 2015 to 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 for nine years from 2020 to 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), is subject to 50% deduction for four years from 2018 to 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 separate financial statements could change at a later date upon final determination by the tax authorities.

27.1 CIT expense

	<i>VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Current tax expense	28,516,255,103	28,130,207,047
Adjustment for over-accrual of CIT from prior years	(966,505,164)	(23,376,019,584)
Deferred tax (income) expense	(361,484,876)	2,504,724,787
TOTAL	<u>27,188,265,063</u>	<u>7,258,912,250</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 at the balance sheet date.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

27. CORPORATE INCOME TAX (continued)

27.2 Current CIT

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

	VND	
	<i>Current year</i>	<i>Previous year</i>
Accounting profit before tax	273,256,075,814	286,178,598,651
At the applicable CIT rate for the Company	54,651,215,163	57,235,719,730
<i>Adjustments:</i>		
Non-deductible expenses	890,040,642	2,145,823,035
Tax incentive for the Trang Bang branch	(28,330,081,489)	(31,842,022,978)
Adjustment for over-accrual of tax from prior years	(966,505,164)	(23,376,019,584)
Unrealised profit	943,595,911	3,095,412,046
CIT expense	27,188,265,063	7,258,912,250

27.3 Deferred tax

The deferred tax asset items recognised by the Company, and the movements thereon, are as follows:

	VND			
	<i>Separate balance sheet</i>		<i>Separate income statement</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>
Accrued salaries and bonus	2,001,210,430	2,362,960,217	(361,749,787)	(5,179,597)
Accrued expenses	360,407,947	262,105,268	98,302,679	(153,326,068)
Foreign exchange arising from revaluation of monetary accounts denominated in foreign currency	66,600,232	54,615,853	11,984,379	32,867,909
Accrual for severance pay	45,501,252	45,885,925	(384,673)	(21,497,592)
Provision for obsolete inventories	950,483,191	337,150,913	613,332,278	(382,334,307)
Tax loss carry forward	-	-	-	(1,736,575,132)
Provision for diminution in value of long-term investments	-	-	-	(238,680,000)
	3,424,203,052	3,062,718,176		
Net deferred tax credit (charge) to separate income statement			361,484,876	(2,504,724,787)

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

28. RELATED PARTY DISCLOSURES

The related parties that have a controlling relationship with the Company as at 31 December 2022 are as follows:

<i>Related party</i>	<i>Relationship</i>
Unitex Corporation	Subsidiary
Hung Loi Service Trading Investment Company Limited	Related party due to a BOD member of the Group investing therein
P.A.N Asia Co., Ltd	Related party due to a BOD member of the Company investing therein

Significant transactions with related parties were as follows:

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>VND</i>	
			<i>Current year</i>	<i>Previous year</i>
Unitex Corporation	Subsidiary	Lending Capital contribution by cash	239,832,932,837 142,100,190,000	- -
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

Amounts due from a related party were as follows:

			VND	
<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term loan receivable				
Unitex Corporation	Subsidiary	Interest-free lending	239,832,932,837	-
Other short-term receivable				
Unitex Limited Liability Company	Subsidiary	Payment on behalf	-	16,207,588,781

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

28. RELATED PARTY DISCLOSURES (continued)

Details of remuneration of the Board of Directors, Board of Supervision and management are as follows:

<i>Individual</i>	<i>Position</i>	<i>VND</i>	
		<i>Remuneration</i>	
		<i>Current year</i>	<i>Previous year</i>
Ms Dang My Linh	Chairman	150,000,000	150,000,000
Mr Dang Trieu Hoa	Deputy of Chairman cum General Director	1,460,900,000	1,517,400,001
Mr Dang Huong Cuong	BOD member	150,000,000	150,000,000
Mr Chen Che Jen	BOD member	225,000,000	225,000,000
Ms Cao Thi Nguyet Anh	BOD member	225,000,000	225,000,000
Mr Vo Quang Long	BOD member	150,000,000	150,000,000
Mr Nguyen Quoc Huong	BOD member	225,000,000	225,000,000
Mr Nguyen Tu Luc	Head of Audit function	60,000,000	60,000,000
Ms Hoang Nu Mong Tuyen	Member of Audit function	60,000,000	60,000,000
Ms Dinh Ngoc Hoa	Member of Audit function	352,272,489	351,987,385
Ms Nguyen Phuong Chi	Director	1,451,556,387	1,271,233,115
Mr Phan Nhu Bich	Financial Director cum Chief Accountant	864,751,531	832,379,070
TOTAL		<u>5,374,480,407</u>	<u>5,217,999,571</u>

29. OPERATING LEASE COMMITMENTS

The Company leases assets under an operating lease arrangement, with future minimum lease commitments due as follows:

	<i>VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Less than 1 year	769,388,400	340,500,000
From 1 to 5 years	2,420,769,251	1,362,000,000
More than 5 years	12,350,772,653	9,902,875,000
TOTAL	<u>15,540,930,304</u>	<u>11,605,375,000</u>

30. OFF BALANCE SHEET ITEM

	<i>Ending balance</i>	<i>Beginning balance</i>
Major foreign currency: United States dollar (USD)	110,895	101,190

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

31. EVENT 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 separate financial statements of the Company.

Preparer
Nguyen Thi Hong Tham

Chief Accountant
Phan Nhu Bich

General Director
Dang Trieu Hoa

13 March 2023