

# Century Synthetic Fiber Corporation

Interim separate financial statements

For the six-month period ended 30 June 2023



# Century Synthetic Fiber Corporation

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# Century Synthetic Fiber Corporation

## GENERAL INFORMATION

### THE COMPANY

Century Synthetic Fiber Corporation (“the Company”) is a shareholding company incorporated under the Law on Enterprise of Vietnam and currently operates based on the 21<sup>st</sup> Amended Enterprise Registration Certificate No. 0302018927 issued by the Department of Planning and Investment of Ho Chi Minh City on 14 August 2023.

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 period and at the date of this report are:

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

### BOARD OF SUPERVISION

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

Mr Nguyen Tu Luc	Head	
Ms Ha Kiet Tran	Member	appointed on 30 March 2023
Ms Hoang Nu Mong Tuyen	Member	resigned on 30 March 2023
Ms Dinh Ngoc Hoa	Member	

### MANAGEMENT

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

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

### LEGAL REPRESENTATIVE

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

### 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 interim separate financial statements of the Company for the six-month period ended 30 June 2023.

### MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE INTERIM SEPARATE FINANCIAL STATEMENTS

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

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

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

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

### STATEMENT BY MANAGEMENT

Management, does hereby state that, in its opinion, the accompanying interim separate financial statements give a true and fair view of the interim separate financial position of the Company as at 30 June 2023, and of the interim separate results of its operations and its interim separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of the interim separate financial statements.

The Company has a subsidiary as disclosed in the interim separate financial statements. The Company prepared these interim separate financial statements to meet the prevailing requirements, specifically of Circular 96/2020/TT-BTC on disclosure of information in the securities market. In addition, as required, the Company also prepared the interim consolidated financial statements of the Company and its subsidiary (“the Group”) for the six-month period ended 30 June 2023 dated 28 August 2023.

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

For and on behalf of the management:



Dang Trieu Hoa  
General Director

Ho Chi Minh City, Vietnam

28 August 2023

Reference: 11659174/66901459/LR

## REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS

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

We have reviewed the accompanying interim separate financial statements of Century Synthetic Fiber Corporation (“the Company”), as prepared on 28 August 2023 and set out on pages 5 to 33, which comprise the interim separate balance sheet as at 30 June 2023, and the interim separate income statement and the interim separate cash flow statement for the six-month period then ended and the notes thereto.

### *Management's responsibility*

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

### *Auditors' responsibility*

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

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

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements do not give a true and fair view, in all material respects, of the interim separate financial position of the Company as at 30 June 2023, and of the interim separate results of its operations and its interim separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of the interim separate financial statements.

### **Ernst & Young Vietnam Limited**



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

Ho Chi Minh City, Vietnam

28 August 2023

INTERIM SEPARATE BALANCE SHEET  
as at 30 June 2023

VND

Code	ASSETS	Notes	30 June 2023	31 December 2022
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>982,724,860,630</b>	<b>1,085,310,081,839</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>227,271,661,136</b>	<b>91,973,456,952</b>
111	1. Cash		18,260,904,912	19,973,456,952
112	2. Cash equivalents		209,010,756,224	72,000,000,000
<b>120</b>	<b>II. Short-term investment</b>		<b>-</b>	<b>130,000,000,000</b>
123	1. Held-to-maturity investment		-	130,000,000,000
<b>130</b>	<b>III. Current accounts receivable</b>		<b>144,174,408,140</b>	<b>315,483,808,945</b>
131	1. Short-term trade receivables	5.1	130,336,061,075	69,400,071,855
132	2. Short-term advances to suppliers	5.2	460,039,801	1,991,843,080
135	3. Short-term loan receivables	6	11,222,306,000	243,303,932,837
136	4. Other short-term receivables	7	2,156,001,264	787,961,173
<b>140</b>	<b>IV. Inventories</b>	<b>8</b>	<b>503,596,628,241</b>	<b>466,136,524,256</b>
141	1. Inventories		510,805,049,165	472,682,334,984
149	2. Provision for obsolete inventories		(7,208,420,924)	(6,545,810,728)
<b>150</b>	<b>V. Other current assets</b>		<b>107,682,163,113</b>	<b>81,716,291,686</b>
151	1. Short-term prepaid expenses	13	4,524,672,470	3,067,765,320
152	2. Value-added tax deductible	16	97,881,751,285	73,354,607,182
153	3. Tax receivable from the State	16	5,275,739,358	5,293,919,184
155	4. Other current assets		4,500,000	-
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>1,304,168,556,564</b>	<b>1,039,173,205,375</b>
<b>220</b>	<b>I. Fixed assets</b>		<b>687,680,606,145</b>	<b>730,566,913,801</b>
221	1. Tangible fixed assets	9	687,680,606,145	730,566,913,801
222	Cost		2,091,278,447,857	2,088,323,320,799
223	Accumulated depreciation		(1,403,597,841,712)	(1,357,756,406,998)
227	2. Intangible asset	10	-	-
228	Cost		14,385,298,205	14,385,298,205
229	Accumulated amortisation		(14,385,298,205)	(14,385,298,205)
<b>240</b>	<b>II. Long-term asset in progress</b>		<b>20,473,020,596</b>	<b>10,968,826,672</b>
242	1. Construction in progress	11	20,473,020,596	10,968,826,672
<b>250</b>	<b>III. Long-term investments</b>	<b>12</b>	<b>535,800,000,000</b>	<b>235,900,190,000</b>
251	1. Investment in subsidiary	12.1	522,000,000,000	222,100,190,000
253	2. Investment in other entity	12.2	13,800,000,000	13,800,000,000
<b>260</b>	<b>IV. Other long-term assets</b>		<b>60,214,929,823</b>	<b>61,737,274,902</b>
261	1. Long-term prepaid expenses	13	57,360,368,778	58,313,071,850
262	2. Deferred tax assets	26.3	2,854,561,045	3,424,203,052
<b>270</b>	<b>TOTAL ASSETS</b>		<b>2,286,893,417,194</b>	<b>2,124,483,287,214</b>

INTERIM SEPARATE BALANCE SHEET (continued)  
as at 30 June 2023

VND

Code	RESOURCES	Notes	30 June 2023	31 December 2022
<b>300</b>	<b>C. LIABILITIES</b>		<b>703,942,153,944</b>	<b>579,434,555,877</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>703,639,402,612</b>	<b>579,163,557,710</b>
311	1. Short-term trade payables	14	277,925,646,684	215,279,994,325
312	2. Short-term advances from customers	15	12,965,038,072	8,783,975,931
313	3. Statutory obligations	16	10,487,446,024	3,568,641,115
314	4. Payable to employees		22,648,509,225	24,626,980,550
315	5. Short-term accrued expenses	17	7,481,413,469	6,447,916,477
319	6. Other short-term payables	18	7,341,849,408	6,659,866,578
320	7. Short-term loans	19	357,746,717,198	308,095,357,806
322	8. Bonus and welfare fund	3.14	7,042,782,532	5,700,824,928
<b>330</b>	<b>II. Non-current liability</b>		<b>302,751,332</b>	<b>270,998,167</b>
342	1. Long-term provision		302,751,332	270,998,167
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>1,582,951,263,250</b>	<b>1,545,048,731,337</b>
<b>410</b>	<b>I. Capital</b>	<b>20.1</b>	<b>1,582,951,263,250</b>	<b>1,545,048,731,337</b>
411	1. Share capital		843,638,250,000	843,638,250,000
411a	- Shares with voting rights		843,638,250,000	843,638,250,000
412	2. Share premium		40,824,578,872	40,824,578,872
415	3. Treasury shares		(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		739,679,973,378	701,777,441,465
421a	- Undistributed earnings at the end of prior year		701,777,441,465	455,709,630,714
421b	- Earnings of current period		37,902,531,913	246,067,810,751
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>2,286,893,417,194</b>	<b>2,124,483,287,214</b>

  
Preparer  
Nguyen Thi Hong Tham

  
Chief Accountant  
Phan Nhu Bich

  
General Director  
Dang Trieu Hoa

Ho Chi Minh City, Vietnam

28 August 2023



INTERIM SEPARATE INCOME STATEMENT  
for the six-month period ended 30 June 2023

VND

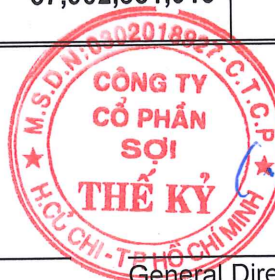
Code	ITEMS	Notes	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
01	1. Revenue from sale of goods	21.1	695,195,639,493	1,171,030,545,410
02	2. Deductions	21.1	-	(1,419,571,506)
10	3. Net revenue from sale of goods	21.1	695,195,639,493	1,169,610,973,904
11	4. Cost of goods sold	25	(617,056,784,503)	(952,578,978,943)
20	5. Gross profit from sale of goods		78,138,854,990	217,031,994,961
21	6. Finance income	21.2	20,505,379,067	10,180,812,678
22	7. Finance expenses	22	(23,949,686,992)	(19,884,648,752)
23	<i>In which: Interest expense</i>		<i>(8,609,376,624)</i>	<i>(2,838,336,489)</i>
25	8. Selling expenses	23, 25	(7,151,298,335)	(11,263,045,264)
26	9. General and administrative expenses	24, 25	(30,116,318,351)	(30,991,585,287)
30	10. Operating profit		37,426,930,379	165,073,528,336
31	11. Other income		257,962,162	258,417,971
32	12. Other expenses		(48,019,215)	(1,197,898)
40	13. Other profit		209,942,947	257,220,073
50	14. Accounting profit before tax		37,636,873,326	165,330,748,409
51	15. Current corporate income tax income (expense)	26.1	835,300,594	(15,687,386,495)
52	16. Deferred tax expense	26.3	(569,642,007)	(2,129,290,512)
60	17. Net profit after tax		37,902,531,913	147,514,071,402



Preparer  
Nguyen Thi Hong Tham



Chief Accountant  
Phan Nhu Bich



General Director  
Dang Trieu Hoa

Ho Chi Minh City, Vietnam

28 August 2023

INTERIM SEPARATE CASH FLOW STATEMENT  
for the six-month period ended 30 June 2023

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Accounting profit before tax</b>		<b>37,636,873,326</b>	<b>165,330,748,409</b>
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	9, 10	45,841,434,714	55,121,440,479
03	Provision (reversal of provision)		662,610,196	(7,406,071,183)
04	Foreign exchange losses arising from revaluation of monetary accounts denominated in foreign currency		4,032,238,447	7,761,693,957
05	Profit from investing activities	21.2	(6,919,754,444)	(7,470,498,061)
06	Interest expense	22	8,609,376,624	2,838,336,489
08	<b>Operating profit before changes in working capital</b>		<b>89,862,778,863</b>	<b>216,175,650,090</b>
09	Decrease (increase) in receivables		157,552,370,555	(24,046,982,179)
10	(Increase) decrease in inventories		(38,122,714,181)	2,643,766,688
11	Increase in payables		72,618,822,421	31,255,302,298
12	(Increase) decrease in prepaid expenses		(504,204,078)	5,926,101,320
14	Interest paid		(8,314,225,761)	(2,787,213,149)
15	Corporate income tax paid		(59,110,914)	(6,816,861,344)
17	Other cash outflows for operating activities		-	(1,836,441,341)
20	<b>Net cash flows from operating activities</b>		<b>273,033,716,905</b>	<b>220,513,322,383</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets		(12,459,320,982)	(10,758,844,954)
23	Loan to other entity		(7,751,306,000)	-
24	Proceeds from bank term deposit		130,000,000,000	-
25	Payment for investment in other entity		(299,899,810,000)	-
27	Interest received		3,960,860,247	7,310,262,999
30	<b>Net cash flows used in investing activities</b>		<b>(186,149,576,735)</b>	<b>(3,448,581,955)</b>




INTERIM SEPARATE CASH FLOW STATEMENT (continued)  
for the six-month period ended 30 June 2023

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
33	Drawdown of borrowings	19	475,251,985,946	574,594,646,050
34	Repayment of borrowings	19	(426,010,388,404)	(523,581,547,148)
36	Dividends paid	20.2	-	(102,213,100,650)
40	<b>Net cash flows from (used in) financing activities</b>		<b>49,241,597,542</b>	<b>(51,200,001,748)</b>
50	<b>Net increase in cash and cash equivalents for the period</b>		<b>136,125,737,712</b>	<b>165,864,738,680</b>
60	<b>Cash and cash equivalents at beginning of the period</b>		<b>91,973,456,952</b>	<b>366,106,963,933</b>
61	Impact of exchange rate fluctuation		(827,533,528)	(1,006,412,585)
70	<b>Cash and cash equivalents at end of the period</b>	4	<b>227,271,661,136</b>	<b>530,965,290,028</b>

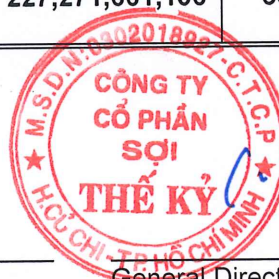
  
Preparer  
Nguyen Thi Hong Tham

  
Chief Accountant  
Phan Nhu Bich

  
General Director  
Dang Trieu Hoa

Ho Chi Minh City, Vietnam

28 August 2023



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS  
as at 30 June 2023 and for the six-month period then ended

## 1. CORPORATE INFORMATION

Century Synthetic Fiber Corporation (“the Company”) is a shareholding company incorporated under the Law on Enterprise of Vietnam and currently operates based on 21<sup>st</sup> Amended Enterprise Registration Certificate No. 0302018927 issued by the Department of Planning and Investment of Ho Chi Minh City on 14 August 2023.

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

The current principal 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 employees of the Company as at 30 June 2023 was 883 (31 December 2022: 882).

## 2. BASIS OF PREPARATION

### 2.1 *Purpose of the interim separate financial statements*

The Company has a subsidiary as disclosed in Note 12.1. The Company prepared these interim separate financial statements to meet prevailing requirements, specifically of Circular No. 96/2020/TT-BTC on disclosure of information in the securities market. In addition, as required, the Company also prepared the interim consolidated financial statements of the Company and its subsidiaries (“the Group”) for the six-month period ended 30 June 2023 dated 28 August 2023.

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

### 2.2 *Accounting standards and system*

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

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

**2. BASIS OF PREPARATION (continued)**

**2.2 Accounting standards and system (continued)**

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

**2.3 Applied accounting documentation system**

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

**2.4 Fiscal year**

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

**2.5 Accounting currency**

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

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash in banks and short-term, highly liquid investments with an original maturity of not more than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of changes in value.

**3.2 Inventories**

Inventories are measured at historical cost. The cost of inventories comprises cost of purchase and conversion (including raw materials, direct labor cost, other directly related costs, and manufacturing general overheads allocated based on the normal operating capacity) incurred in bringing the inventories to their present location and condition.

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

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

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

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

*Provision for obsolete inventories*

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.2 Inventories (continued)**

*Provision for obsolete inventories (continued)*

Increases or decreases to the provision balance are recorded into the cost of goods sold account in the interim separate income statement. When inventories are expired, obsolescence, damage or become useless, the difference between the provision previously made and the historical cost of inventories are included in the interim separate income statement.

**3.3 Receivables**

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

The provision for doubtful debts represents the estimated loss due to non-collection of receivables that were outstanding at the interim balance sheet date. Increases or decreases to the provision balance are recorded as general and administrative expense in the interim separate income statement. When bad debts are determined as unrecoverable and accountant writes off those bad debts, the differences between the provision for doubtful receivables previously made and historical cost of receivables are included in the interim separate income statement.

**3.4 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

**3.5 Intangible assets**

Intangible assets are stated at cost less accumulated amortisation.

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

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

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

**3.6 Depreciation and amortisation**

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

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.7 *Borrowing costs*

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds and are recorded as expense during the period in which they are incurred.

#### 3.8 *Prepaid expenses*

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

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

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

##### *Prepaid land rental*

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

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

#### 3.9 *Construction in progress*

Construction in progress comprises costs that are directly attributable to the acquisition and construction to produce an asset at the interim balance sheet date.

#### 3.10 *Investments*

##### *Investment in subsidiary*

Investment in 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 interim 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 other entity*

Investment in other entity is stated at acquisition cost.

##### *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 interim separate income statement and deducted against the value of such investments.

##### *Provision for diminution in value of investments*

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

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.11 *Payables and accruals*

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

#### 3.12 *Accrual for severance pay*

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

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

#### 3.13 *Foreign currency transactions*

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

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

All foreign exchange differences incurred are taken to the separate income statement.

#### 3.14 *Appropriation of net profit*

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

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

##### *Investment and development fund*

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

##### *Bonus and welfare fund*

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



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.15 Revenue recognition

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

##### *Sale of goods*

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

##### *Interest*

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

#### 3.16 Taxation

##### *Current income tax*

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

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

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

##### *Deferred tax*

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

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

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

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

- ▶ 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.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.16 *Taxation* (continued)

##### *Deferred tax* (continued)

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

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

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

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

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

#### 3.17 *Related parties*

Parties are considered to be related parties of the Company if one party has the ability to, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Company and other party are under common control or under common significant influence. Related parties can be enterprises or individuals, including close members of their families.

### 4. CASH AND CASH EQUIVALENTS

	VND	
	30 June 2023	31 December 2022
Cash on hand	14,078,989	16,586,058
Cash in banks	18,246,825,923	19,956,870,894
Time deposits at banks	209,010,756,224	72,000,000,000
<b>TOTAL</b>	<b><u>227,271,661,136</u></b>	<b><u>91,973,456,952</u></b>

Time deposits at banks have original maturities of less than three (3) months and earn market rate interest.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

## 5. SHORT-TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

### 5.1. Short-term trade receivables

	VND	
	30 June 2023	31 December 2022
XKTC_Unifi Asia Pacific (Hong Kong)	30,824,358,587	21,883,037,796
Unifi Asia Pacific (Hong Kong)	21,800,413,781	-
Phong Phu Coats Co., Ltd.	16,984,656,242	9,602,862,329
Far Eastern Polytex (Vietnam) Limited	15,983,949,109	126,715,512
Chori Osaka Ltd Ptd	13,730,093,390	8,798,473,838
HappyTex Joint Stock Comany	11,637,473,928	5,822,455,675
Thai Toray Synthetics Co., Ltd.	7,323,733,538	8,902,945,036
NamTex Co., Ltd.	2,380,435,200	7,331,860,800
Formosa Taffeta Dong Nai Co., Ltd	359,298,522	2,559,436,578
Formosa Taffeta Viet Nam Co., Ltd.	-	569,361,557
Others	9,311,648,778	3,802,922,734
<b>TOTAL</b>	<b><u>130,336,061,075</u></b>	<b><u>69,400,071,855</u></b>

### 5.2. Short-term advances to suppliers

	VND	
	30 June 2023	31 December 2022
Slack & Parr Co., Ltd.	207,587,016	-
VBS Technology Co., Ltd.	-	880,000,000
Truong Hai Investment and Development Co., Ltd.	-	346,500,000
Oerlikon Barmag Zweigniederlassung	-	277,735,068
Zhangjiagang Shuoxiang International	-	222,402,560
Others	252,452,785	265,205,452
<b>TOTAL</b>	<b><u>460,039,801</u></b>	<b><u>1,991,843,080</u></b>

## 6. SHORT-TERM LOAN RECEIVABLES

	VND	
	30 June 2023	31 December 2022
Related party (Note 27) (*)	7,751,306,000	239,832,932,837
Other parties (**)	3,471,000,000	3,471,000,000
<b>TOTAL</b>	<b><u>11,222,306,000</u></b>	<b><u>243,303,932,837</u></b>

(\*) The balance represents loan to Unitex Corporation under Agreement No. 01-2022/HDV/STK-UNITEX dated 17 August 2022 and appendix thereto dated 18 August 2022 to finance its working capital requirements with interest 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 raise capital for the Soc Trang Industrial Zone Project.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

## 7. OTHER SHORT-TERM RECEIVABLES

	VND	
	30 June 2023	31 December 2022
Payment on behalf	500,000,000	-
Social insurance	406,365,781	-
Others	1,249,635,483	787,961,173
<b>TOTAL</b>	<b><u>2,156,001,264</u></b>	<b><u>787,961,173</u></b>

## 8. INVENTORIES

	30 June 2023		31 December 2022	
	Cost	Provision	Cost	Provision
Finished goods	338,020,104,769	(2,667,768,732)	283,606,536,566	(3,112,425,296)
Raw materials	155,894,826,532	(4,540,652,192)	165,479,464,761	(3,433,385,432)
Goods in transit	16,890,117,864	-	23,596,333,657	-
<b>TOTAL</b>	<b><u>510,805,049,165</u></b>	<b><u>(7,208,420,924)</u></b>	<b><u>472,682,334,984</u></b>	<b><u>(6,545,810,728)</u></b>

Movements of provision for obsolete inventories are as follows:

	VND	
	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
As at 1 January	(6,545,810,728)	(19,415,255,996)
Add: Provision during the period	(4,569,664,212)	(1,786,035,196)
Less: Reversal of provision	3,907,054,016	9,192,106,379
As at 30 June	<b><u>(7,208,420,924)</u></b>	<b><u>(12,009,184,813)</u></b>

## Century Synthetic Fiber Corporation

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

### 9. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportations	Office equipment	Total
<b>Cost:</b>					
As at 31 December 2022	304,608,626,458	1,592,121,478,104	186,801,490,157	4,791,726,080	2,088,323,320,799
New purchases	-	897,627,058	2,057,500,000	-	2,955,127,058
As at 30 June 2023	<u>304,608,626,458</u>	<u>1,593,019,105,162</u>	<u>188,858,990,157</u>	<u>4,791,726,080</u>	<u>2,091,278,447,857</u>
<i>In which:</i>					
Fully depreciated	88,291,213,410	570,109,047,670	101,158,012,334	3,838,565,694	763,396,839,108
<b>Accumulated depreciation:</b>					
As at 31 December 2022	(160,147,413,483)	(1,033,583,954,846)	(159,353,174,127)	(4,671,864,542)	(1,357,756,406,998)
Depreciation for the period	(6,693,926,088)	(30,358,197,386)	(8,729,380,470)	(59,930,770)	(45,841,434,714)
As at 30 June 2023	<u>(166,841,339,571)</u>	<u>(1,063,942,152,232)</u>	<u>(168,082,554,597)</u>	<u>(4,731,795,312)</u>	<u>(1,403,597,841,712)</u>
<b>Net carrying amount:</b>					
As at 31 December 2022	<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>
As at 30 June 2023	<u>137,767,286,887</u>	<u>529,076,952,930</u>	<u>20,776,435,560</u>	<u>59,930,768</u>	<u>687,680,606,145</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

## 10. INTANGIBLE ASSET

	VND
	<i>Computer software</i>
<b>Cost:</b>	
As at 31 December 2022 and 30 June 2023	<u>14,385,298,205</u>
<i>In which:</i>	
<i>Fully amortised</i>	14,385,298,205
<b>Accumulated amortisation:</b>	
As at 31 December 2022	(14,385,298,205)
Amortisation for the period	<u>-</u>
As at 30 June 2023	<u>(14,385,298,205)</u>
<b>Net carrying amount:</b>	
As at 31 December 2022	<u>-</u>
As at 30 June 2023	<u>-</u>

## 11. CONSTRUCTION IN PROGRESS

	VND	
	30 June 2023	31 December 2022
Machinery and equipment	20,432,564,854	10,928,370,930
Others	<u>40,455,742</u>	<u>40,455,742</u>
<b>TOTAL</b>	<b><u>20,473,020,596</u></b>	<b><u>10,968,826,672</u></b>

## 12. LONG-TERM INVESTMENTS

	VND			
	<u>30 June 2023</u>		<u>31 December 2022</u>	
	Cost	Provision	Cost	Provision
Investment in subsidiary (Note 12.1)	522,000,000,000	-	222,100,190,000	-
Investment in other entity (Note 12.2)	<u>13,800,000,000</u>	-	<u>13,800,000,000</u>	-
<b>TOTAL</b>	<b><u>535,800,000,000</u></b>	<b>-</b>	<b><u>235,900,190,000</u></b>	<b>-</b>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

## 12. LONG-TERM INVESTMENTS (continued)

### 12.1 Investment in subsidiary

	<u>30 June 2023</u>		<u>31 December 2022</u>	
	<i>% of interest</i>	<i>Cost VND</i>	<i>% of interest</i>	<i>Cost VND</i>
Unitex Corporation	100	<u>522,000,000,000</u>	100	<u>222,100,190,000</u>

On 21 March 2023, the Company increased its contributed capital in Unitex Corporation ("Unitex") with the amount of VND 299,899,810,000 according to Board of director Resolution No. 06-2023/NQHĐQT dated 21 March 2023.

Unitex 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 ("ERC") No. 3901206611 issued by the 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.

As at 30 June 2023, the Company holds 100% ownership and voting rights in Unitex.

### 12.2 Investment in other entity

	<u>30 June 2023</u>		<u>31 December 2022</u>	
	<i>% of interest</i>	<i>Cost VND</i>	<i>% of interest</i>	<i>Cost VND</i>
Dintsun	5	<u>13,800,000,000</u>	5	<u>13,800,000,000</u>

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

### 13. PREPAID EXPENSES

	VND	
	30 June 2023	31 December 2022
<b>Short-term</b>	<b>4,524,672,470</b>	<b>3,067,765,320</b>
Insurance expense	3,651,358,884	1,250,123,438
Tools and supplies in use	458,732,756	944,488,607
Car rental	80,000,000	320,000,000
Others	334,580,830	553,153,275
<b>Long-term</b>	<b>57,360,368,778</b>	<b>58,313,071,850</b>
Land rental	34,021,688,013	34,798,726,705
Tools and supplies in use	17,003,020,669	19,921,580,213
Others	6,335,660,096	3,592,764,932
<b>TOTAL</b>	<b><u>61,885,041,248</u></b>	<b><u>61,380,837,170</u></b>

### 14. SHORT-TERM TRADE PAYABLES

	VND	
	30 June 2023	31 December 2022
Tainan Spinning Co., Ltd.	112,075,429,200	105,308,480,400
Unifi Textile (Suzhou) Co., Ltd.	87,398,829,000	53,768,088,000
Chori Co., Ltd	45,738,392,700	28,955,360,800
Others	32,712,995,784	27,248,065,125
<b>TOTAL</b>	<b><u>277,925,646,684</u></b>	<b><u>215,279,994,325</u></b>

### 15. SHORT-TERM ADVANCES FROM CUSTOMERS

	VND	
	30 June 2023	31 December 2022
Hung Yen Knitting & Dyeing Co., Ltd.	5,522,366,850	-
Chori Vietnam Co., Ltd.	2,611,752,479	993,910,234
Treasure Star International Limited	397,228,451	417,331,620
Lear Corporation – Kenansville	-	3,681,251,674
Others	4,433,690,292	3,691,482,403
<b>TOTAL</b>	<b><u>12,965,038,072</u></b>	<b><u>8,783,975,931</u></b>



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

## 16. STATUTORY OBLIGATIONS

	<i>31 December 2022</i>	<i>Increase during period</i>	<i>Decrease during period</i>	<i>VND 30 June 2023</i>
<b>Payables</b>				
Corporate income tax	775,172,210	483,278,580	(1,258,450,790)	-
Value-added tax	2,304,704,502	133,003,029,832	(125,277,258,743)	10,030,475,591
Personal income tax	488,764,403	1,642,163,207	(1,698,400,563)	432,527,047
Others	-	313,462,606	(289,019,220)	24,443,386
<b>TOTAL</b>	<b><u>3,568,641,115</u></b>	<b><u>135,441,934,225</u></b>	<b><u>(128,523,129,316)</u></b>	<b><u>10,487,446,024</u></b>
<b>Receivables</b>				
Corporate income tax	5,080,546,040	602,517,878	(483,278,580)	5,199,785,338
Value-added tax deductible	73,354,607,182	245,308,332,626	(220,781,188,523)	97,881,751,285
Others	213,373,144	8,254,926,571	(8,392,345,695)	75,954,020
<b>TOTAL</b>	<b><u>78,648,526,366</u></b>	<b><u>254,165,777,075</u></b>	<b><u>(229,656,812,798)</u></b>	<b><u>103,157,490,643</u></b>

## 17. SHORT-TERM ACCRUED EXPENSES

	<i>30 June 2023</i>	<i>31 December 2022</i>
Utilities	6,199,532,503	4,913,918,642
Sales commission	747,783,518	753,799,125
Interest expense	534,097,448	780,198,710
<b>TOTAL</b>	<b><u>7,481,413,469</u></b>	<b><u>6,447,916,477</u></b>

## 18. SHORT-TERM OTHER PAYABLES

	<i>30 June 2023</i>	<i>31 December 2022</i>
Social insurance	1,956,921,919	843,221,735
Dividends	327,500,530	327,500,530
Others	5,057,426,959	5,489,144,313
<b>TOTAL</b>	<b><u>7,341,849,408</u></b>	<b><u>6,659,866,578</u></b>



# Century Synthetic Fiber Corporation

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

## 20. OWNERS' EQUITY

### 20.1 *Movements in owners' equity*

	Share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Total	VND
<b>For the six-month period ended 30 June 2022:</b>							
As at 31 December 2021	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	
Net profit for the period	-	-	-	-	147,514,071,402	147,514,071,402	
Dividends declared	-	-	-	-	(102,277,941,000)	(102,277,941,000)	
As at 30 June 2022	<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>603,223,702,116</u>	<u>1,304,394,801,988</u>	
<b>For the six-month period ended 30 June 2023:</b>							
As at 31 December 2022	843,638,250,000	40,824,578,872	(42,410,550,000)	1,219,011,000	701,777,441,465	1,545,048,731,337	
Net profit for the period	-	-	-	-	37,902,531,913	37,902,531,913	
As at 30 June 2023	<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>739,679,973,378</u>	<u>1,582,951,263,250</u>	

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

20. OWNERS' EQUITY (continued)

20.2 Capital transactions with owners and distribution of dividends, profits

	VND	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
<b>Issued share capital</b>		
As at 1 January to 30 June	<u>843,638,250,000</u>	<u>707,269,440,000</u>
<b>Dividends declared and paid in cash</b>	-	(102,277,941,000)

20.3 Shares

	<u>30 June 2023</u>		<u>31 December 2022</u>	
	Quantity	Amount (VND)	Quantity	Amount (VND)
<b>Authorized shares</b>	<b>84,363,825</b>	<b>843,638,250,000</b>	<b>84,363,825</b>	<b>843,638,250,000</b>
<b>Issued shares</b>				
Issued and paid-up ordinary shares	84,363,825	843,638,250,000	84,363,825	843,638,250,000
<b>Treasury shares</b>				
Ordinary shares	(2,541,650)	(42,410,550,000)	(2,541,650)	(42,410,550,000)
<b>Shares in circulation</b>				
Ordinary shares	81,822,175	801,227,700,000	81,822,175	801,227,700,000

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

## 21. REVENUES

### 21.1 Revenue from sale of goods

	VND	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
<b>Gross revenue</b>	<b>695,195,639,493</b>	<b>1,171,030,545,410</b>
<b>Less</b>	-	<b>(1,419,571,506)</b>
Sales returns	-	(1,400,811,961)
Trade discounts	-	(18,759,545)
<b>Net revenue</b>	<b><u>695,195,639,493</u></b>	<b><u>1,169,610,973,904</u></b>

### 21.2 Finance income

	VND	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Foreign exchange gains	13,585,624,623	2,710,314,617
Interest income	6,919,754,444	7,470,498,061
<b>TOTAL</b>	<b><u>20,505,379,067</u></b>	<b><u>10,180,812,678</u></b>

## 22. FINANCE EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Foreign exchange losses	15,340,310,368	17,046,312,263
Interest expense	8,609,376,624	2,838,336,489
<b>TOTAL</b>	<b><u>23,949,686,992</u></b>	<b><u>19,884,648,752</u></b>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

### 23. SELLING EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Transportation	2,232,699,774	5,667,164,046
Letter of credit and documentary fees	2,351,099,948	2,865,716,981
Commission fee	315,309,481	1,482,349,147
Others	2,252,189,132	1,247,815,090
<b>TOTAL</b>	<b><u>7,151,298,335</u></b>	<b><u>11,263,045,264</u></b>

### 24. GENERAL AND ADMINISTRATION EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Labour costs	16,242,349,955	15,303,167,729
External services	5,767,830,533	6,783,001,076
Stationery and other tools costs	4,677,287,924	4,940,871,868
Depreciation and amortisation	745,971,675	792,004,622
Others	2,682,878,264	3,172,539,992
<b>TOTAL</b>	<b><u>30,116,318,351</u></b>	<b><u>30,991,585,287</u></b>

### 25. PRODUCTION AND OPERATING COSTS

	VND	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Raw materials	440,596,218,975	702,393,814,191
External services	95,174,940,923	134,953,814,575
Labour costs	55,315,682,917	76,943,014,493
Depreciation and amortisation (Notes 9 and 10)	45,841,434,714	55,121,440,479
Others	17,396,123,660	25,421,525,756
<b>TOTAL</b>	<b><u>654,324,401,189</u></b>	<b><u>994,833,609,494</u></b>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

## 26. 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 product type, as follows:

Income from FDY and DTY products was CIT exempt for four years (2011 - 2014), and is subject to 50% deduction in the following nine years (2015 - 2023). The applicable rate is 10% for 15 years from 2011.

Income from FDY and DTY products from the expansion projects was CIT-exempt for four years (2016 - 2019), and is subject to 50% deduction in the following nine years (2020 - 2028). The applicable rate is 10% for 15 years from 2016.

Income from POY products at stage 3 was CIT-exempt for two years (2016 - 2017), and is subject to 50% deduction in the following four 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 interim separate financial statements could change at a later date upon final determination by the tax authorities.

### 26.1 CIT expense

	VND	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Current tax expense	2,379,972,663	15,482,367,080
(Over) under-accrual of CIT from prior years	(3,215,273,257)	205,019,415
Deferred tax (income) expense	569,642,007	2,129,290,512
<b>TOTAL</b>	<b><u>(265,658,587)</u></b>	<b><u>17,816,677,007</u></b>

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

	VND	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
<b>Accounting profit before tax</b>	<b><u>37,636,873,326</u></b>	<b><u>165,330,748,409</u></b>
At the applicable CIT rate for the Company	7,527,374,665	33,066,149,682
<i>Adjustments:</i>		
Non-deductible expenses	362,616,994	143,158,976
Tax incentive for the Trang Bang branch	(8,848,844,014)	(14,719,736,136)
(Over) under-accrual of tax from prior years	(3,215,273,257)	205,019,415
Unrealised profit	3,113,877,855	(877,914,930)
Unrecognised deferred tax assets on tax loss carried forward	794,589,170	-
<b>CIT expense</b>	<b><u>(265,658,587)</u></b>	<b><u>17,816,677,007</u></b>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

26. CORPORATE INCOME TAX (continued)

26.2 Current tax

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

26.3 Deferred tax

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

	<i>Interim separate balance sheet</i>		<i>Interim separate income statement</i>		VND
	<i>30 June 2023</i>	<i>31 December 2022</i>	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>	
<b>Deferred tax assets</b>					
Accrued expenses	1,769,940,758	2,361,618,377	(591,677,619)	(674,784,818)	
Accrual for severance pay	50,424,291	45,501,252	4,923,039	979,667	
Provision for obsolete inventories	1,010,802,860	950,483,191	60,319,669	(1,411,074,513)	
Foreign exchange arising from revaluation of monetary accounts denominated in foreign currency	23,393,136	66,600,232	(43,207,096)	(44,410,848)	
	<b>2,854,561,045</b>	<b>3,424,203,052</b>			
<b>Net deferred tax charged to interim separate income statement</b>			<b>(569,642,007)</b>	<b>(2,129,290,512)</b>	



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

**27. RELATED PARTY DISCLOSURES**

The related parties that have a controlling relationship with the Company as at 30 June 2023 are as follows:

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

Significant transactions with related parties were as follows:

<i>Related party</i>	<i>Transaction</i>	<i>VND</i>	
		<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Unitex Corporation	Lending	7,751,306,000	31,150,150,000
	Collection of lending	-	5,500,000,000
	Capital contribution	299,899,810,000	-

Amount due from related party was as follows:

<i>Related party</i>	<i>Transaction</i>	<i>VND</i>	
		<i>30 June 2023</i>	<i>31 December 2022</i>
<b>Short-term loan receivable</b>			
Unitex Corporation	Lending	<u>7,751,306,000</u>	<u>239,832,932,837</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

**27. RELATED PARTY DISCLOSURES (continued)**

Details of remuneration of the Board of Directors ("BOD"), Board of Supervision ("BOS") and management are as follows:

<i>Individual</i>	<i>Position</i>	<i>VND</i>	
		<u>Remuneration</u>	
		<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Ms Dang My Linh	Chairwoman of BOD	75,000,000	75,000,000
Mr Dang Trieu Hoa	Vice Chairman of BOD cum General Director	758,800,000	702,100,000
Mr Dang Huong Cuong	BOD Member	75,000,000	75,000,000
Mr Chen Che Jen	BOD Member	112,500,000	112,500,000
Ms Cao Thi Que Anh	BOD Member	75,000,000	112,500,000
Mr Vo Quang Long	BOD Member	75,000,000	75,000,000
Mr Nguyen Quoc Huong	BOD Member	112,500,000	112,500,000
Mr Nguyen Tu Luc	Head of BOS	30,000,000	30,000,000
Ms Ha Kiet Tran	BOS Member from 30 March 2023	30,000,000	-
Ms Hoang Nu Mong Tuyen	BOS Member up to 30 March 2023	-	30,000,000
Ms Dinh Ngoc Hoa	BOS Member	137,748,325	182,977,212
Ms Nguyen Phuong Chi	Chief Strategic Officer	700,603,506	752,658,623
Mr Phan Nhu Bich	Chief Financial Officer cum Chief Accountant	403,572,451	431,347,852
<b>TOTAL</b>		<b><u>2,585,724,282</u></b>	<b><u>2,691,583,687</u></b>

**28. OPERATING LEASE COMMITMENTS**

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

	<i>VND</i>	
	<i>30 June 2023</i>	<i>31 December 2022</i>
Less than 1 year	2,248,830,235	2,623,630,235
From 1 to 5 years	2,291,796,338	3,162,596,338
More than 5 years	8,836,857,879	9,029,789,752
<b>TOTAL</b>	<b><u>13,377,484,452</u></b>	<b><u>14,816,016,325</u></b>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

**29. OFF INTERIM SEPARATE BALANCE SHEET ITEM**

30 June 2023 31 December 2022

Foreign currency:


United States dollar (USD)	96,314	110,895
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**30. EVENT AFTER THE INTERIM BALANCE SHEET DATE**

In accordance with the Resolution of Shareholders 02-2023/NQ-DHDCD dated 30 March 2023 and the Resolution of the Board of Directors 20-2023/NQ-HDQT dated 19 June 2023, approving the issuance plan of bonus shares to existing shareholders at the ratio of 100:15 from undistributed earnings to pay dividends for 2022, the Company additionally completed issuance of 12,273,099 shares on 14 January 2020. The Company's registered charter capital has been increased from VND 843,638,250,000 to VND 966,369,240,000. The increase in charter capital was approved by the Department of Planning and Investment of Ho Chi Minh City via the issuance of the 21<sup>st</sup> amended Enterprise Registration Certificate No. 0302018927 on 14 August 2023.

Except for the above event, there is no material matter or circumstance that has arisen since the balance sheet date that requires adjustment or disclosure in the accompanying separate interim financial statements of the Company.

  
Preparer  
Nguyen Thi Hong Tham

  
Chief Accountant  
Phan Nhu Bich

  
General Director  
Dang Trieu Hoa



Ho Chi Minh City, Vietnam

28 August 2023