

# **Century Synthetic Fiber Corporation**

Separate financial statements

For the year ended 31 December 2023



**Building a better  
working world**

# 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 21<sup>th</sup> Amended Enterprise Registration Certificate ("ERC") 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 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 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 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 2023.

### 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 2023, 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 2023 dated 8 March 2024.

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

8 March 2024



Reference: 11659174/66901459

## **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 8 March 2024 and set out on pages 5 to 32, which comprise the separate balance sheet as at 31 December 2023, 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 2023, 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**



Ernest Young Chin Kang  
Deputy General Director  
Audit Practicing Registration Certificate  
No. 1891-2023-004-1



Pham Xuan Tuan  
Auditor  
Audit Practicing Registration Certificate  
No. 4639-2023-004-1

Ho Chi Minh City, Vietnam

8 March 2024

SEPARATE BALANCE SHEET  
as at 31 December 2023

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>1,131,949,607,133</b>	<b>1,085,310,081,839</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>108,619,404,123</b>	<b>91,973,456,952</b>
111	1. Cash		5,132,599,494	19,973,456,952
112	2. Cash equivalents		103,486,804,629	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>277,419,566,189</b>	<b>315,483,808,945</b>
131	1. Short-term trade receivables	5.1	91,305,667,931	69,400,071,855
132	2. Short-term advances to suppliers	5.2	977,316,345	1,991,843,080
135	3. Short-term loan receivables	6	182,281,649,607	243,303,932,837
136	4. Other short-term receivables	7	2,854,932,306	787,961,173
<b>140</b>	<b>IV. Inventories</b>	<b>8</b>	<b>614,701,605,204</b>	<b>466,136,524,256</b>
141	1. Inventories		621,011,847,400	472,682,334,984
149	2. Provision for obsolete inventories		(6,310,242,196)	(6,545,810,728)
<b>150</b>	<b>V. Other current assets</b>		<b>131,209,031,617</b>	<b>81,716,291,686</b>
151	1. Short-term prepaid expenses	13	2,793,026,285	3,067,765,320
152	2. Value-added tax deductible	16	126,657,659,077	73,354,607,182
153	3. Tax receivable from the State		1,758,346,255	5,293,919,184
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>1,264,070,175,116</b>	<b>1,039,173,205,375</b>
<b>220</b>	<b>I. Fixed assets</b>		<b>642,368,814,999</b>	<b>730,566,913,801</b>
221	1. Tangible fixed assets	9	642,368,814,999	730,566,913,801
222	Cost		2,092,008,447,857	2,088,323,320,799
223	Accumulated depreciation		(1,449,639,632,858)	(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>25,284,826,023</b>	<b>10,968,826,672</b>
242	1. Construction in progress	11	25,284,826,023	10,968,826,672
<b>250</b>	<b>III. Long-term investments</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>60,616,534,094</b>	<b>61,737,274,902</b>
261	1. Long-term prepaid expenses	13	57,673,262,953	58,313,071,850
262	2. Deferred tax assets	26.3	2,943,271,141	3,424,203,052
<b>270</b>	<b>TOTAL ASSETS</b>		<b>2,396,019,782,249</b>	<b>2,124,483,287,214</b>



SEPARATE BALANCE SHEET (continued)  
as at 31 December 2023

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>C. LIABILITIES</b>		<b>763,608,501,775</b>	<b>579,434,555,877</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>763,350,296,943</b>	<b>579,163,557,710</b>
311	1. Short-term trade payables	14	237,317,939,002	215,279,994,325
312	2. Short-term advances from customers	15	39,224,518,554	8,783,975,931
313	3. Statutory obligations	16	2,966,276,273	3,568,641,115
314	4. Payable to employees		24,864,693,178	24,626,980,550
315	5. Short-term accrued expenses	17	7,924,740,536	6,447,916,477
319	6. Other short-term payables	18	5,170,126,270	6,659,866,578
320	7. Short-term loans	19	438,607,652,554	308,095,357,806
322	8. Bonus and welfare fund		7,274,350,576	5,700,824,928
<b>330</b>	<b>II. Non-current liability</b>		<b>258,204,832</b>	<b>270,998,167</b>
342	1. Long-term provision		258,204,832	270,998,167
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>1,632,411,280,474</b>	<b>1,545,048,731,337</b>
<b>410</b>	<b>I. Capital</b>	<b>20.1</b>	<b>1,632,411,280,474</b>	<b>1,545,048,731,337</b>
411	1. Share capital		966,369,240,000	843,638,250,000
411a	- Shares with voting rights		966,369,240,000	843,638,250,000
412	2. Share premium		40,824,578,872	40,824,578,872
415	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		666,409,000,602	701,777,441,465
421a	- Undistributed earnings at the end of prior year		579,046,451,465	455,709,630,714
421b	- Earnings of current year		87,362,549,137	246,067,810,751
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>2,396,019,782,249</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

8 March 2024




SEPARATE INCOME STATEMENT  
for the year ended 31 December 2023

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods	21.1	1,425,624,612,200	2,116,780,568,379
02	2. Deductions	21.1	(561,587,822)	(2,248,877,567)
10	3. Net revenue from sale of goods	21.1	1,425,063,024,378	2,114,531,690,812
11	4. Cost of goods sold	25	(1,232,981,228,387)	(1,741,237,965,679)
20	5. Gross profit from sale of goods		192,081,795,991	373,293,725,133
21	6. Finance income	21.2	28,792,054,999	31,247,666,543
22 23	7. Finance expenses <i>In which: Interest expense</i>	22	(52,998,026,704) (17,335,099,901)	(48,071,002,592) (9,128,352,047)
25	8. Selling expenses	23, 25	(19,663,775,726)	(19,448,338,303)
26	9. General and administrative expenses	24, 25	(58,298,975,207)	(62,523,128,950)
30	10. Operating profit		89,913,073,353	274,498,921,831
31	11. Other income		705,579,002	713,832,657
32	12. Other expenses		(53,505,668)	(1,956,678,674)
40	13. Other profit (loss)		652,073,334	(1,242,846,017)
50	14. Accounting profit before tax		90,565,146,687	273,256,075,814
51	15. Current corporate income tax expense	26.1	(2,721,665,639)	(27,549,749,939)
52	16. Deferred tax (expense) income	26.3	(480,931,911)	361,484,876
60	17. Net profit after tax		87,362,549,137	246,067,810,751

  
Preparer  
Nguyen Thi Hong Tham

  
Chief Accountant  
Phan Nhu Bich

  
General Director  
Dang Trieu Hoa

Ho Chi Minh City, Vietnam

8 March 2024

SEPARATE CASH FLOW STATEMENT  
for the year ended 31 December 2023

VND


Code	ITEMS	Notes	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>01</b>	<b>Accounting profit before tax</b>		<b>90,565,146,687</b>	<b>273,256,075,814</b>
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	9, 10	91,883,225,860	106,360,870,108
03	Reversal of provision		(235,568,532)	(12,869,445,268)
04	Foreign exchange losses arising from revaluation of monetary accounts denominated in foreign currency		1,004,052,016	11,562,896,586
05	Profits from investing activities	21.2	(10,459,102,797)	(19,684,769,957)
06	Interest expense	22	17,335,099,901	9,128,352,047
<b>08</b>	<b>Operating profit before changes in working capital</b>		<b>190,092,853,135</b>	<b>367,753,979,330</b>
09	Increase in receivables		(67,661,579,675)	(248,166,144,000)
10	(Increase) decrease in inventories		(148,329,512,416)	18,237,912,671
11	Increase (decrease) in payables		59,652,645,771	(151,718,088,904)
12	Decrease in prepaid expenses		914,547,932	61,110,922
13	Interest paid		(17,710,432,108)	(8,515,119,480)
14	Corporate income tax paid		(59,110,914)	(24,802,880,291)
<b>20</b>	<b>Net cash flows from (used in) operating activities</b>		<b>16,899,411,725</b>	<b>(47,149,229,752)</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets		(18,001,126,409)	20,564,973,577
23	Placement of bank term deposits		(178,810,649,607)	(130,000,000,000)
24	Proceeds from bank term deposit		130,000,000,000	-
25	Payment for investment in other entity		(60,066,877,163)	(142,100,190,000)
27	Interest received		5,382,106,036	15,892,916,348
<b>30</b>	<b>Net cash flows used in investing activities</b>		<b>(121,496,547,143)</b>	<b>(235,642,300,075)</b>
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Issuance of shares		-	142,100,190,000
33	Drawdown of borrowings	19	1,097,690,768,811	1,057,928,818,066
34	Repayment of borrowings	19	(976,450,568,240)	(1,088,272,662,348)
36	Dividends paid	20.2	-	(102,213,100,650)
<b>40</b>	<b>Net cash flows from financing activities</b>		<b>121,240,200,571</b>	<b>9,543,245,068</b>


SEPARATE CASH FLOW STATEMENT (continued)  
for the year ended 31 December 2023

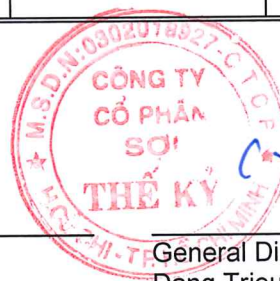
VND

Code	ITEMS	Notes	Current year	Previous year
50	Net increase (decrease) in cash and cash equivalents for the year		16,643,065,153	(273,248,284,759)
60	Cash and cash equivalents at the beginning of the year		91,973,456,952	366,106,963,933
61	Impact of exchange rate fluctuation		2,882,018	(885,222,222)
70	Cash and cash equivalents at the end of the year	4	108,619,404,123	91,973,456,952

  
Preparer  
Nguyen Thi Hong Tham

  
Chief Accountant  
Phan Nhu Bich

  
General Director  
Dang Trieu Hoa



Ho Chi Minh City, Vietnam

8 March 2024



NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
as at 31 December 2023 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 21<sup>th</sup> Amended Enterprise Registration Certificate ("ERC") 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 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's employees as at 31 December 2023 was 797 (31 December 2022: 882).

**2. BASIS OF PREPARATION**

**2.1 Purpose of the separate financial statements**

The Company has a subsidiary as disclosed in Note 12.1. 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 2023 dated 8 March 2024.

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 2023 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 2023 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
Motor vehicles	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 2023 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 another entity*

Investment in another entity is stated at acquisition cost.

*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 2023 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 2023 and for the year then ended

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

**3.15 Revenue recognition**

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

*Sale of goods*

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

*Interest*

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

**3.16 Taxation**

*Current income tax*

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

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

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

*Deferred tax*

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

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

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2023 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 their families.



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2023 and for the year then ended

**4. CASH AND CASH EQUIVALENTS**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	4,587,230	16,586,058
Cash in banks	5,128,012,264	19,956,870,894
Time deposits at banks (*)	103,486,804,629	72,000,000,000
<b>TOTAL</b>	<b>108,619,404,123</b>	<b>91,973,456,952</b>

(\*) These represent short-term deposits at commercial banks with original maturities of less than three (3) months and earn market rate interest.

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

**5.1 Short-term trade receivables**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Coats Phong Phu Co., Ltd.	30,329,992,959	9,602,862,329
Nam Phuong Textile and Dyeing Co., Ltd.	17,000,354,250	7,331,860,800
Unifi Asia Pacific (Hong Kong)	15,353,899,789	21,883,037,796
Chori Osaka Ltd Ptd	13,683,713,805	8,798,473,838
Thai Toray Synthetics Co., Ltd.	-	8,902,945,036
Others	14,937,707,128	12,880,892,056
<b>TOTAL</b>	<b>91,305,667,931</b>	<b>69,400,071,855</b>

**5.2 Short-term advances to suppliers**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Slack & Parr Co., Ltd.	454,651,445	-
Quoc Hung Conveyor Co., Ltd.	203,118,000	30,000,000
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	319,546,900	235,205,452
<b>TOTAL</b>	<b>977,316,345</b>	<b>1,991,843,080</b>



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2023 and for the year then ended

6. SHORT-TERM LOAN RECEIVABLES

	VND	
	Ending balance	Beginning balance
Related party (Note 27) (*)	178,810,649,607	239,832,932,837
Other parties (**)	3,471,000,000	3,471,000,000
<b>TOTAL</b>	<b>182,281,649,607</b>	<b>243,303,932,837</b>

(\*) The balance represents interest-free loan to Unitex Corporation ("Unitex") under Agreement No. 01-2022/HDV/STK-UNITEX dated 17 August 2022 and Appendix dated 18 August 2022 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 and the latest Appendix dated 29 December 2023 to raise capital for the Soc Trang Industrial Zone Project.

7. OTHER SHORT-TERM RECEIVABLES

	VND	
	Ending balance	Beginning balance
Lending interest (Note 27)	2,504,297,506	-
Deposits interest	26,950,000	380,555,555
Others	323,684,800	407,405,618
<b>TOTAL</b>	<b>2,854,932,306</b>	<b>787,961,173</b>

8. INVENTORIES

	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Finished goods	447,284,438,381	(2,458,780,034)	283,606,536,566	(3,112,425,296)
Raw materials	149,212,283,772	(3,851,462,162)	165,479,464,761	(3,433,385,432)
Goods in transit	24,515,125,247	-	23,596,333,657	-
<b>TOTAL</b>	<b>621,011,847,400</b>	<b>(6,310,242,196)</b>	<b>472,682,334,984</b>	<b>(6,545,810,728)</b>

Detail of movements of provision for obsolete inventories:

	VND	
	Current year	Previous year
Beginning balance	(6,545,810,728)	(19,415,255,996)
Add: Provision made during the year	(174,972,119)	-
Less: Reversal of provision	410,540,651	12,869,445,268
Ending balance	<u>(6,310,242,196)</u>	<u>(6,545,810,728)</u>

# Century Synthetic Fiber Corporation

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2023 and for the year then ended

## 9. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Motor vehicles	Office equipment	VND Total
<b>Cost:</b>					
Beginning balance	304,608,626,458	1,592,121,478,104	186,801,490,157	4,791,726,080	2,088,323,320,799
New purchases	-	1,627,627,058	2,057,500,000	-	3,685,127,058
Ending balance	304,608,626,458	1,593,749,105,162	188,858,990,157	4,791,726,080	2,092,008,447,857
<i>In which:</i>					
Fully depreciated	88,291,213,408	592,516,250,722	105,416,508,786	3,838,565,694	790,062,538,610
<b>Accumulated depreciation:</b>					
Beginning balance	(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 year	(9,046,843,996)	(72,620,163,485)	(10,096,356,841)	(119,861,538)	(91,883,225,860)
Ending balance	(169,194,257,479)	(1,106,204,118,331)	(169,449,530,968)	(4,791,726,080)	(1,449,639,632,858)
<b>Net carrying amount:</b>					
Beginning balance	144,461,212,975	558,537,523,258	27,448,316,030	119,861,538	730,566,913,801
Ending balance	135,414,368,979	487,544,986,831	19,409,459,189	-	642,368,814,999

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2023 and for the year then ended

## 10. INTANGIBLE ASSET

VND

Computer software

**Cost:**

Beginning and ending balances

14,385,298,205

*In which:**Fully amortised*

14,385,298,205

**Accumulated amortisation:**

Beginning and ending balances

(14,385,298,205)

**Net carrying amount:**

Beginning and ending balances

-

## 11. CONSTRUCTION IN PROGRESS

VND

*Ending balance**Beginning balance*

Machinery and equipment under installation

25,223,157,379

10,928,370,930

Others

61,668,644

40,455,742

**TOTAL****25,284,826,023****10,968,826,672**

## 12. LONG-TERM INVESTMENTS

VND

*Ending balance**Beginning balance**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)

13,800,000,000

-

13,800,000,000

-

**TOTAL****535,800,000,000**

-

**235,900,190,000**

-



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2023 and for the year then ended

**12. LONG-TERM INVESTMENTS (continued)**

**12.1 Investment in subsidiary**

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<i>% of</i>		<i>% of</i>	
	<i>interest</i>	<i>Cost</i>	<i>interest</i>	<i>Cost</i>
		<i>VND</i>		<i>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 Shareholders' Resolution No. 06-2023/NQHDQT dated 21 March 2023.

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.

As at 31 December 2023, the Company holds 100% ownership and voting rights in Unitex.

**12.2 Investment in other entity**

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<i>% of</i>		<i>% of</i>	
	<i>interest</i>	<i>Cost</i>	<i>interest</i>	<i>Cost</i>
		<i>VND</i>		<i>VND</i>
Dintsun Vietnam Company Limited	5	<u>13,800,000,000</u>	5	<u>13,800,000,000</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 Duc Kien Commune, Chau Thanh District, Soc Trang Province, Vietnam.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2023 and for the year then ended

## 13. PREPAID EXPENSES

	VND	
	Ending balance	Beginning balance
<b>Short-term</b>	<b>2,793,026,285</b>	<b>3,067,765,320</b>
Insurance premium	1,904,838,455	1,250,123,438
Tools and supplies in use	489,317,732	944,488,607
Prepaid car rental	320,000,000	320,000,000
Others	78,870,098	553,153,275
<b>Long-term</b>	<b>57,673,262,953</b>	<b>58,313,071,850</b>
Prepaid land rental	33,674,230,259	34,798,726,705
Tools and supplies in use	20,748,154,809	19,921,580,213
Others	3,250,877,885	3,592,764,932
<b>TOTAL</b>	<b>60,466,289,238</b>	<b>61,380,837,170</b>

## 14. SHORT-TERM TRADE PAYABLES

	VND	
	Ending balance	Beginning balance
Unifi Textile (Suzhou) Co., Ltd.	117,400,338,000	53,768,088,000
Chori Co., Ltd.	62,895,417,000	28,955,360,800
Tainan Spinning Co., Ltd.	32,910,848,100	105,308,480,400
Billion Industrial Vietnam Co., Ltd.	11,900,000,000	-
Others	12,211,335,902	27,248,065,125
<b>TOTAL</b>	<b>237,317,939,002</b>	<b>215,279,994,325</b>

## 15. SHORT-TERM ADVANCES FROM CUSTOMERS

	VND	
	Ending balance	Beginning balance
Lear Corporation - Kenansville	29,140,194,914	3,681,251,674
Chori Vietnam Co., Ltd.	2,089,870,242	1,037,528,377
Hung Yen Knitting & Dyeing Co., Ltd.	1,073,521,449	-
Treasure Star International Limited	417,331,620	417,331,620
Others	6,503,600,329	3,647,864,260
<b>TOTAL</b>	<b>39,224,518,554</b>	<b>8,783,975,931</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2023 and for the year then ended

## 16. STATUTORY OBLIGATIONS

	<i>Beginning balance</i>	<i>Increase during the year</i>	<i>Decrease during the year</i>	<i>VND Ending balance</i>
<b>Payables</b>				
Corporate income tax	775,172,210	4,027,335,333	(4,802,507,543)	-
Import/export duties	-	15,161,983,635	(14,990,681,430)	171,302,205
Personal income tax	488,764,403	2,606,361,580	(2,801,936,284)	293,189,699
Value-added tax	2,304,704,502	252,804,818,704	(252,607,738,837)	2,501,784,369
Others	-	93,136,290	(93,136,290)	-
<b>TOTAL</b>	<b><u>3,568,641,115</u></b>	<b><u>274,693,635,542</u></b>	<b><u>(275,296,000,384)</u></b>	<b><u>2,966,276,273</u></b>
<b>Receivables</b>				
Corporate income tax	5,080,546,040	589,608,398	(4,027,335,333)	1,642,819,105
Import/export duties	205,628,626	14,350,140,882	(14,441,345,582)	114,423,926
Value-added tax deductible	73,354,607,182	334,513,304,163	(281,210,252,268)	126,657,659,077
Others	7,744,518	977,045,734	(983,687,028)	1,103,224
<b>TOTAL</b>	<b><u>78,648,526,366</u></b>	<b><u>350,430,099,177</u></b>	<b><u>(300,662,620,211)</u></b>	<b><u>128,416,005,332</u></b>

## 17. SHORT-TERM ACCRUED EXPENSES

	<i>VND Ending balance</i>	<i>Beginning balance</i>
Utilities	6,703,250,971	4,913,918,642
Sales commission	865,656,539	753,799,125
Interest expense	355,833,026	780,198,710
<b>TOTAL</b>	<b><u>7,924,740,536</u></b>	<b><u>6,447,916,477</u></b>

## 18. OTHER SHORT-TERM PAYABLES

	<i>VND Ending balance</i>	<i>Beginning balance</i>
Union fees	2,326,315,136	3,068,865,705
Social insurance	425,330,080	843,221,735
Dividends	327,500,530	327,500,530
Others	2,090,980,524	2,420,278,608
<b>TOTAL</b>	<b><u>5,170,126,270</u></b>	<b><u>6,659,866,578</u></b>



# Century Synthetic Fiber Corporation

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2023 and for the year then ended

## 19. SHORT-TERM LOANS

Bank	Beginning balance	Movements during the year		Revaluation due to foreign exchange difference	Ending balance	Descriptions of collateral
		Increase	Decrease			
Loans from banks	308,095,357,806	1,097,690,768,811	(976,450,568,240)	9,272,094,177	438,607,652,554	
The Company obtained unsecured short-term loans from banks to finance its working capital requirements at interest rates ranging from 3.5% to 5.3% per annum (for foreign currencies) and from 2.9% to 4% per annum (for VND). Further details are as follows:						
Bank	Ending balance	Original amount	Term and maturity date			
	VND	USD				
Kasikornbank Public Company Limited	157,779,468,653	-	From 4 January 2024 to 27 March 2024			Unsecured
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh Branch	124,710,412,708	5,179,004	From 19 February 2024 to 27 April 2024			Unsecured
Vietnam Export Import Bank – Ho Chi Minh Branch	118,138,781,566	4,906,095	From 28 March 2024 to 28 June 2024			Unsecured
CTBC Bank Co., Ltd – Ho Chi Minh Branch	37,463,743,688	-	From 8 April 2024 to 13 May 2024			Unsecured
Vietnam Export Import Bank – Ho Chi Minh Branch	515,245,939	-	13 March 2024			Unsecured
TOTAL	438,607,652,554	10,085,099				

# Century Synthetic Fiber Corporation

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2023 and for the year 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>Previous year:</b>						
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	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
<b>Current year:</b>						
Beginning balance	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 year	-	-	-	-	87,362,549,137	87,362,549,137
Dividends by shares (*)	122,730,990,000	-	-	-	(122,730,990,000)	-
Ending balance	966,369,240,000	40,824,578,872	(42,410,550,000)	1,219,011,000	666,409,000,602	1,632,411,280,474

(\*) 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 25 July 2023. 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 21st amended Enterprise Registration Certificate No. 0302018927 on 14 August 2023.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2023 and for the year then ended

20. OWNERS' EQUITY (continued)

20.2 Capital transactions with owners and distribution of dividends, profits

	VND	
	Current year	Previous year
<b>Issued share capital</b>		
Beginning balance	843,638,250,000	707,269,440,000
Increase in the year	122,730,990,000	136,368,810,000
Ending balance	966,369,240,000	843,638,250,000
<b>Dividends declared</b>	<b>(122,730,990,000)</b>	<b>(102,277,941,000)</b>
Dividends paid in shares	(122,730,990,000)	-
Dividends paid in cash	-	(102,213,100,650)

20.3 Shares

	Ending balance		Beginning balance	
	Quantity	Amount	Quantity	Amount
		(VND)		(VND)
<b>Authorized shares</b>	<b>96,636,924</b>	<b>966,369,240,000</b>	<b>84,363,825</b>	<b>843,638,250,000</b>
<b>Issued shares</b>				
Issued and paid-up shares	96,636,924	966,369,240,000	84,363,825	843,638,250,000
Ordinary shares	96,636,924	966,369,240,000	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	94,095,274	923,958,690,000	81,822,175	801,227,700,000

Par value of outstanding share: VND 10,000 per share. The holders of the Company's ordinary shares are entitled to receive dividends as and when declared by the Company. Each ordinary share carries one vote per share without restriction.

21. REVENUES

21.1 Revenue from sale of goods

	VND	
	Current year	Previous year
<b>Gross revenue</b>	<b>1,425,624,612,200</b>	<b>2,116,780,568,379</b>
Less:		
Sales returns	(561,587,822)	(2,230,118,022)
Trade discount	-	(18,759,545)
<b>Net revenue</b>	<b>1,425,063,024,378</b>	<b>2,114,531,690,812</b>



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2023 and for the year then ended

**21. REVENUES (continued)**

**21.2 Finance income**

	VND	
	Current year	Previous year
Foreign exchange gains	18,332,952,202	11,562,896,586
Interest income	10,459,102,797	19,684,769,957
<b>TOTAL</b>	<b>28,792,054,999</b>	<b>31,247,666,543</b>

**22. FINANCE EXPENSES**

	VND	
	Current year	Previous year
Foreign exchange losses	35,662,926,803	38,942,650,545
Interest expense	17,335,099,901	9,128,352,047
<b>TOTAL</b>	<b>52,998,026,704</b>	<b>48,071,002,592</b>

**23. SELLING EXPENSES**

	VND	
	Current year	Previous year
Transportation	7,986,552,183	9,109,582,228
Letter of credit and documentary fees	7,574,931,856	5,393,435,037
Commission fee	554,678,691	2,344,551,101
Others	3,547,612,996	2,600,769,937
<b>TOTAL</b>	<b>19,663,775,726</b>	<b>19,448,338,303</b>

**24. GENERAL AND ADMINISTRATION EXPENSES**

	VND	
	Current year	Previous year
Labour costs	30,667,207,028	32,601,644,783
External services	10,787,742,574	12,257,994,175
Stationery and other tools costs	9,579,378,915	9,527,080,924
Depreciation and amortisation	1,499,423,578	1,577,509,247
Others	5,765,223,112	6,558,899,821
<b>TOTAL</b>	<b>58,298,975,207</b>	<b>62,523,128,950</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2023 and for the year then ended

**25. PRODUCTION AND OPERATING COSTS**

		VND
	<i>Current year</i>	<i>Previous year</i>
Raw materials	855,629,530,014	1,277,763,972,568
External services	213,550,444,420	247,909,931,827
Labour costs	113,035,316,525	139,698,790,039
Depreciation and amortisation (Notes 9 and 10)	91,883,225,861	106,360,870,108
Others	36,845,462,501	51,475,868,390
<b>TOTAL</b>	<b><u>1,310,943,979,320</u></b>	<b><u>1,823,209,432,932</u></b>

**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 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.

**26.1 CIT expense**

		VND
	<i>Current year</i>	<i>Previous year</i>
Current tax expense	5,936,938,896	28,516,255,103
Adjustment for over-accrual of CIT from prior years	(3,215,273,257)	(966,505,164)
	2,721,665,639	27,549,749,939
Deferred tax expense (income)	480,931,911	(361,484,876)
<b>TOTAL</b>	<b><u>3,202,597,550</u></b>	<b><u>27,188,265,063</u></b>

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 2023 and for the year then ended

**26. CORPORATE INCOME TAX (continued)**

**26.2 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>
<b>Accounting profit before tax</b>	<b>90,565,146,687</b>	<b>273,256,075,814</b>
At the applicable CIT rate for the Company	18,113,029,337	54,651,215,163
<i>Adjustments:</i>		
Non-deductible expenses	1,542,260,623	890,040,642
Tax loss carrying forward	657,934,669	-
Tax incentive for the Trang Bang branch	(19,253,612,424)	(28,330,081,489)
Adjustment for over-accrual of tax from prior years	(3,215,273,257)	(966,505,164)
Unrealised profit	5,358,258,602	943,595,911
<b>CIT expense</b>	<b>3,202,597,550</b>	<b>27,188,265,063</b>

**26.3 Deferred tax**

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

	<i>Separate balance sheet</i>		<i>Separate income statement</i>		VND
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>	
<b><i>Deferred tax assets</i></b>					
Accrued salaries and bonus	1,810,582,582	2,001,210,430	(190,627,848)	(361,749,787)	
Accrued expenses	209,244,395	360,407,947	(151,163,552)	98,302,679	
Foreign exchange arising from revaluation of monetary accounts denominated in foreign currency	2,421,631	66,600,232	(64,178,601)	11,984,379	
Accrual for severance pay	43,898,866	45,501,252	(1,602,386)	(384,673)	
Provision for obsolete inventories	877,123,667	950,483,191	(73,359,524)	613,332,278	
	<u><b>2,943,271,141</b></u>	<u><b>3,424,203,052</b></u>			
<b><i>Net deferred tax (charge) credit to separate income statement</i></b>			<u><b>(480,931,911)</b></u>	<u><b>361,484,876</b></u>	



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2023 and for the year then ended

**27. TRANSACTIONS WITH RELATED PARTIES**

The related parties that have a controlling relationship with the Company as at 31 December 2023 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	Collection lending	239,832,932,837	-
		Lending	238,877,526,770	239,832,932,837
		Interest lending	5,430,602,316	-
		Capital contribution by cash	299,899,810,000	142,100,190,000

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>
<b>Short-term loan receivable</b>				
Unitex Corporation	Subsidiary	Lending	<u>178,810,649,607</u>	<u>239,832,932,837</u>
<b>Other short-term receivable</b>				
Unitex Corporation	Subsidiary	Lending interest	<u>2,504,297,506</u>	<u>-</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2023 and for the year 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>	
		<i>Current year</i>	<i>Previous year</i>
Ms Dang My Linh	Chairwoman	150,000,000	150,000,000
Mr Dang Trieu Hoa	Deputy of Chairman cum General Director	1,517,600,000	1,460,900,000
Mr Dang Huong Cuong	Member of BOD	150,000,000	150,000,000
Mr Chen Che Jen	Member of BOD	225,000,000	225,000,000
Ms Cao Thi Nguyet Anh	Member of BOD	150,000,000	225,000,000
Mr Vo Quang Long	Member of BOD	150,000,000	150,000,000
Mr Nguyen Quoc Huong	Member of BOD	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 BOS up to 30 March 2023	-	60,000,000
Ms Ha Kiet Tran	Member of BOS from 30 March 2023	60,000,000	-
Ms Dinh Ngoc Hoa	Member of BOS	167,748,325	352,272,489
Ms Nguyen Phuong Chi	Director	1,419,857,942	1,451,556,387
Mr Phan Nhu Bich	Financial Director cum Chief Accountant	836,885,835	864,751,531
<b>TOTAL</b>		<b>5,112,092,102</b>	<b>5,374,480,407</b>

**28. COMMITMENTS**

***Operating lease commitment***

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	1,961,680,720	769,388,400
From 1 to 5 years	2,364,405,800	2,420,769,251
More than 5 years	8,884,960,020	12,350,772,653
<b>TOTAL</b>	<b>13,211,046,540</b>	<b>15,540,930,304</b>

***Letter of guarantee issued***

The Company has issued a letter of guarantee to CTBC Bank Co., Ltd – Ho Chi Minh Branch to guarantee for the loan that Unitex Corporation, a subsidiary of the Company, obtained from the bank maximum amounting to USD 1,000,000.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2023 and for the year then ended**29. OFF BALANCE SHEET ITEM**

	<i>Ending balance</i>	<i>Beginning balance</i>
Major foreign currency:		
United States dollar (USD)	<u>72,414</u>	<u>110,895</u>

**30. 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



Ho Chi Minh City, Vietnam

8 March 2024

