

Century Synthetic Fiber Corporation

Interim consolidated financial statements

For the six-month period ended 30 June 2024



Century Synthetic Fiber Corporation

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Century Synthetic Fiber Corporation

GENERAL INFORMATION

THE COMPANY

Century Synthetic Fiber Corporation ("the Company") is currently a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificates No. 0302018927 issued by the Department of Planning and Investment of Ho Chi Minh City dated 11 April 2005, as amended.

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

The current principal activities of the Company 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	Chairwoman
Mr Dang Trieu Hoa	Vice Chairman
Mr Dang Huong Cuong	Member
Ms Cao Thi Que Anh	Member
Mr Vo Quang Long	Member
Mr Chen Che Jen	Independent member
Mr Nguyen Quoc Huong	Independent 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
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 consolidated financial statements of the Company and its subsidiary (“the Group”) for the six-month period ended 30 June 2024.

MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the interim consolidated financial statements of each financial period which give a true and fair view of the interim consolidated financial position of the Group, and of the interim consolidated results of its operations and its interim consolidated cash flows for the period. In preparing those interim consolidated 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 consolidated financial statements; and
- prepare the interim consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the interim consolidated financial position of the Group and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Group 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 consolidated financial statements.

STATEMENT BY MANAGEMENT

Management, does hereby state that, in its opinion, the accompanying interim consolidated financial statements give a true and fair view of the interim consolidated financial position of the Group as at 30 June 2024, and of the interim consolidated results of its operations and its interim consolidated 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 consolidated financial statements.

For and on behalf of the management:


Dang Trieu Hoa
General Director

Ho Chi Minh City, Vietnam

28 August 2024

Reference: 11659174/67734722/LR-HN

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

We have reviewed the accompanying interim consolidated financial statements of Century Synthetic Fiber Corporation (“the Company”) and its subsidiary (collectively referred to as “the Group”) as prepared on 28 August 2024 and set out on pages 5 to 32, which comprise the interim consolidated balance sheet as at 30 June 2024, and the interim consolidated income statement and the interim consolidated 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 consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of the interim consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the interim consolidated 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 consolidated 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 consolidated financial statements do not give a true and fair view, in all material respects, of the interim consolidated financial position of the Group as at 30 June 2024, and of the interim consolidated results of its operations and its interim consolidated 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 consolidated financial statements.

Ernst & Young Vietnam Limited



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

Ho Chi Minh City, Vietnam

28 August 2024

INTERIM CONSOLIDATED BALANCE SHEET
as at 30 June 2024

VND

Code	ASSETS	Notes	30 June 2024	31 December 2023
100	A. CURRENT ASSETS		1,060,995,127,534	1,395,936,217,102
110	I. Cash and cash equivalents	4	105,991,035,034	109,476,256,782
111	1. Cash		7,440,003,445	5,989,452,153
112	2. Cash equivalents		98,551,031,589	103,486,804,629
120	II. Short-term investment		-	54,050,637,373
123	1. Held-to-maturity investment		-	54,050,637,373
130	III. Current accounts receivable		166,785,833,377	450,138,868,654
131	1. Short-term trade receivables	5.1	72,462,262,853	91,305,667,931
132	2. Short-term advances to suppliers	5.2	90,262,348,014	354,529,855,008
135	3. Short-term loan receivable	6	3,471,000,000	3,471,000,000
136	4. Other short-term receivables	7	590,222,510	832,345,715
140	IV. Inventories	8	507,509,912,603	615,023,248,456
141	1. Inventories		514,505,896,147	621,333,490,652
149	2. Provision for obsolete inventories		(6,995,983,544)	(6,310,242,196)
150	V. Other current assets		280,708,346,520	167,247,205,837
151	1. Short-term prepaid expenses	13	1,808,254,999	2,793,026,285
152	2. Value-added tax deductible	16	277,674,451,973	162,695,833,297
153	3. Tax receivable from the State	16	1,225,639,548	1,758,346,255
200	B. NON-CURRENT ASSETS		2,512,986,885,129	1,577,922,927,005
220	I. Fixed assets		607,017,153,033	642,368,814,999
221	1. Tangible fixed assets	9	607,017,153,033	642,368,814,999
222	Cost		2,102,729,585,813	2,092,008,447,857
223	Accumulated depreciation		(1,495,712,432,780)	(1,449,639,632,858)
227	2. Intangible asset	10	-	-
228	Cost		14,385,298,205	14,385,298,205
229	Accumulated amortization		(14,385,298,205)	(14,385,298,205)
240	II. Long-term asset in progress		1,761,299,719,715	783,102,433,377
242	1. Construction in progress	11	1,761,299,719,715	783,102,433,377
250	III. Long-term investment		13,800,000,000	13,800,000,000
253	1. Investment in another entity	12	13,800,000,000	13,800,000,000
260	IV. Other long-term assets		130,870,012,381	138,651,678,629
261	1. Long-term prepaid expenses	13	128,267,976,422	135,708,407,488
262	2. Deferred tax assets	27.3	2,602,035,959	2,943,271,141
270	TOTAL ASSETS		3,573,982,012,663	2,973,859,144,107

INTERIM CONSOLIDATED BALANCE SHEET (continued)
as at 30 June 2024

VND

Code	RESOURCES	Notes	30 June 2024	31 December 2023
300	C. LIABILITIES		1,934,061,095,658	1,344,969,752,937
310	I. Current liabilities		964,966,262,991	935,575,186,771
311	1. Short-term trade payables	14	269,099,463,574	237,754,934,541
312	2. Short-term advances from customers	15	22,758,484,151	39,224,518,554
313	3. Statutory obligations	16	1,532,681,426	2,970,767,020
314	4. Payable to employees		18,894,014,568	25,610,480,880
315	5. Short-term accrued expenses	17	6,846,711,623	7,954,740,536
319	6. Other short-term payables	18	5,752,061,469	5,203,790,319
320	7. Short-term loans	19	632,488,148,654	609,537,812,760
322	8. Bonus and welfare funds	3.14	7,594,697,526	7,318,142,161
330	II. Non-current liabilities		969,094,832,667	409,394,566,166
338	1. Long-term loan	19	968,790,429,584	409,136,361,334
342	2. Long-term provision	3.12	304,403,083	258,204,832
400	D. OWNERS' EQUITY		1,639,920,917,005	1,628,889,391,170
410	I. Capital	20.1	1,639,920,917,005	1,628,889,391,170
411	1. Share capital		966,369,240,000	966,369,240,000
411a	- Shares with voting rights		966,369,240,000	966,369,240,000
412	2. Share premium		64,458,443,852	40,824,578,872
415	3. Treasury shares		-	(42,410,550,000)
418	4. Investment and development fund		1,219,011,000	1,219,011,000
421	5. Undistributed earnings		607,874,222,153	662,887,111,298
421a	- Undistributed earnings at the end of prior year		662,887,111,298	575,087,778,611
421b	- (Loss) profit of current period/year		(55,012,889,145)	87,799,332,687
440	TOTAL LIABILITIES AND OWNERS' EQUITY		3,573,982,012,663	2,973,859,144,107

Preparer
Nguyen Thi Hong Tham

Chief Accountant
Phan Nhu Bich

General Director
Dang Trieu Hoa

Ho Chi Minh City, Vietnam

28 August 2024

INTERIM CONSOLIDATED INCOME STATEMENT
for the six-month period ended 30 June 2024

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2024	For the six-month period ended 30 June 2023
01	1. Revenue from sale of goods	21.1	568,991,767,044	695,195,639,493
02	2. Deductions	21.1	(1,800,000)	-
10	3. Net revenue from sale of goods	21.1	568,989,967,044	695,195,639,493
11	4. Cost of goods sold	26	(522,097,321,358)	(617,056,784,503)
20	5. Gross profit from sale of goods		46,892,645,686	78,138,854,990
21	6. Finance income	21.2	14,199,839,258	21,108,929,371
22	7. Finance expenses	22	(75,343,860,545)	(24,115,435,503)
23	<i>In which: Interest expense</i>		(8,582,927,267)	(8,609,376,624)
25	8. Selling expenses	23, 26	(7,619,714,446)	(7,151,298,335)
26	9. General and administrative expenses	24, 26	(27,631,772,926)	(30,708,780,326)
30	10. Operating (loss) profit		(49,502,862,973)	37,272,270,197
31	11. Other income		135,129,318	1,626,402,208
32	12. Other expenses	25	(4,784,726,003)	(48,019,264)
40	13. Other (loss) profit		(4,649,596,685)	1,578,382,944
50	14. Accounting (loss) profit before tax		(54,152,459,658)	38,850,653,141
51	15. Current corporate income tax (expense) income	27.1	(519,194,305)	835,300,594
52	16. Deferred tax expense	27.3	(341,235,182)	(569,642,007)
60	17. Net (loss) profit after tax		(55,012,889,145)	39,116,311,728
61	18. Net (loss) profit after tax attributable to shareholders of the parent		(55,012,889,145)	39,116,311,728
70	19. Basic (loss) earnings per share	29	(579)	416
71	20. Diluted (loss) earnings per share	29	(579)	416

Preparer
Nguyen Thi Hong Tham

Ho Chi Minh City, Vietnam

28 August 2024

Chief Accountant
Phan Nhu Bich

General Director
Dang Trieu Hoa



INTERIM CONSOLIDATED CASH FLOW STATEMENT
for the six-month period ended 30 June 2024

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2024	For the six-month period ended 30 June 2023
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting (loss) profit before tax		(54,152,459,658)	38,850,653,141
	<i>Adjustments for:</i>			
02	Depreciation	9	46,072,799,922	45,841,434,714
03	Provision		685,741,348	662,610,196
04	Foreign exchange losses arising from revaluation of monetary accounts denominated in foreign currency		47,275,271,965	4,032,036,751
05	Profits from investing activities	21.2	(949,302,638)	(7,523,304,748)
06	Interest expense	22	8,582,927,267	8,609,376,624
08	Operating profit before changes in working capital		47,514,978,206	90,472,806,678
09	Decrease (increase) in receivables		257,976,899,718	(86,971,904,130)
10	Decrease (increase) in inventories		106,827,594,505	(38,122,714,181)
11	Increase in payables		11,491,212,641	68,110,492,924
12	Decrease (increase) in prepaid expenses		8,425,202,352	(504,204,078)
14	Interest paid		(8,659,477,822)	(8,314,225,761)
15	Corporate income tax paid		-	(59,110,914)
20	Net cash flows from operating activities		423,576,409,600	24,611,140,538
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(1,078,487,482,435)	(216,161,092,167)
23	Payment for bank term deposit		-	(1,955,342,466)
24	Proceeds from bank term deposit		54,050,637,373	130,000,000,000
27	Interest received		1,449,532,929	7,792,057,124
30	Net cash flows used in investing activities		(1,022,987,312,133)	(80,324,377,509)


INTERIM CONSOLIDATED CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2024

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2024	For the six-month period ended 30 June 2023
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Capital contribution and issuance of shares	20	66,044,414,980	-
33	Drawdown of borrowings	19	1,575,771,587,062	475,251,985,946
34	Repayment of borrowings	19	(1,045,918,253,018)	(426,010,388,404)
40	Net cash flows from financing activities		595,897,749,024	49,241,597,542
50	Net decrease in cash and cash equivalents for the period		(3,513,153,509)	(6,471,639,429)
60	Cash and cash equivalents at beginning of the period		109,476,256,782	235,284,187,347
61	Impact of exchange rate fluctuation		27,931,761	(827,331,832)
70	Cash and cash equivalents at end of the period	4	105,991,035,034	227,985,216,086


Preparer
Nguyen Thi Hong Tham


Chief Accountant
Phan Nhu Bich


General Director
Dang Trieu Hoa



Ho Chi Minh City, Vietnam

28 August 2024

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
as at 30 June 2024 and for the six-month period then ended

1. CORPORATE INFORMATION

Century Synthetic Fiber Corporation ("the Company") is currently a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificates ("ERC") No. 0302018927 issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City dated 11 April 2005, as amended.

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

The current principal activities of the Company 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 and its subsidiary ("the Group") as at 30 June 2024 was 810 (31 December 2023: 891).

Corporate structure

As at 30 June 2024, the Company has a subsidiary as follows:

Unitex Corporation ("Unitex") is a one-member limited liability company established in Vietnam pursuant to Investment Certificate No. 2191415344 issued by the Management Board of Tay Ninh Economic Zone on 29 June 2015 and ERC No. 3901206611 issued by DPI of Tay Ninh Province on 29 June 2015, as amended.

The principal activities per Investment Certificate 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 Commune, Trang Bang Commune, Tay Ninh Province, Vietnam.

As at 30 June 2024, the Company holds 100% ownership and voting rights of Unitex.

2. BASIS OF PREPARATION

2.1 *Accounting standards and system*

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

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



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended**2. BASIS OF PREPARATION** (continued)**2.1 Accounting standards and system** (continued)

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

2.2 Applied accounting documentation system

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

2.3 Fiscal year

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

2.4 Accounting currency

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

2.5 Basis of consolidation

The interim consolidated financial statements comprise the interim financial statements of the Company and its subsidiary for the six-month period ended 30 June 2024.

Subsidiary is fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continued to be consolidated until the date that such control ceases.

The interim financial statements of subsidiary are prepared for the same reporting period as the Company, using consistent accounting policies.

All intra-company interim balances, income and expenses and unrealized gains or losses resulting from intra-company transactions are eliminated in full.

Impact of change in the ownership interest of a subsidiary, without a loss of control, is recorded in undistributed earnings.

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 realizable value.

Net realizable 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.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**3.2 Inventories** (continued)

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 labor 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 Group, 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 interim consolidated 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 consolidated income statement.

3.3 Receivables

Receivables are presented in the interim consolidated 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 administrative expense in the interim consolidated income statement. When bad debts are determined as unrecoverable and accountant written off those bad debts, the differences between the provision for doubtful receivables previously made and historical cost of receivables are included in the interim consolidated 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 consolidated 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 consolidated income statement.

3.5 Intangible assets

Intangible assets are stated at cost less accumulated amortization.

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 consolidated 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 consolidated income statement.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Depreciation and amortization

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

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

3.7 Borrowing costs

Borrowing costs consist of interest and other costs that the Group 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 consolidated balance sheet and amortized 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 amortized to the interim consolidated 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 unamortized 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, Tay Ninh Industrial Park Infrastructure Development Joint Stock Company on 21 July 2009 for a period of 45 years, and on 31 October 2017 for a period of 36 years and Thanh Thanh Cong Industrial Zone Joint Stock Company on 30 June 2015 for 43 years.

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

3.9 Construction in progress

Construction in progress represents costs that are directly attributable to the acquisition, construction to produce an asset in the course of construction at the balance sheet date.

3.10 Investments

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 recognized as finance expense in the interim consolidated 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 investments at the balance sheet date.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at 30 June 2024 and for the six-month period then ended

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**3.11 Payables and accruals**

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

3.12 Accrual for severance pay

The severance pay to employee is accrued at the end of each reporting period for employees who have been worked for more than 12 months at the Group. The accrued amount is calculated at the rate of one-half of the average monthly salary for each period of service qualified for severance pay in accordance with the Labor Code and related implementing guidance. The average monthly salary used in this calculation is adjusted at the end of each reporting period following the average monthly salary of the 6-month period up to the reporting date. Increases or decreases to the accrued amount other than actual payment to employee will be taken to the interim consolidated income statement.

This accrued severance pay is used to settle the termination allowance to be paid to employee upon termination of their labor contract following Article 46 of the Labor Code.

3.13 Foreign currency transactions

The Group applies guidance of Circular 53/2016/TT-BTC dated 21 March 2016 amending and supplementing some articles of Circular 200/2014/TT-BTC dated 22 December 2014 on foreign currency transactions.

Transactions in currencies other than the Group'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 Group 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 Group most frequently conducts its transactions.

All foreign exchange differences incurred are taken to the interim consolidated 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 Group maintains the following reserve funds which are appropriated from the Group'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 Group'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 consolidated balance sheet.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group 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 recognized:

Sale of goods

Revenue is recognized 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 recognized 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 balance sheet date.

Current income tax is charged or credited to the interim consolidated income statement, except when it relates to items recognized 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 Group to offset current tax assets against current tax liabilities and when the Group 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 balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognized 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 recognized 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 utilized, 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 recognized 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 utilized.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2024 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 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 utilized. Previously unrecognized deferred tax assets are re-assessed at each balance sheet date and are recognized 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 realized 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 interim consolidated income statement, except when it relates to items recognized 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 realize 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 Earnings (losses) per share

Basic earnings (losses) per share amounts are calculated by dividing net profit (loss) after tax for the period attributable to ordinary shareholders of the Group (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings (losses) per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

3.18 Segment information

The Group's principal activities are to manufacture synthetic yarn and knitting. In addition, these activities are mainly taking place within Vietnam. Therefore, the Group's risks and returns are not impacted by the Group's products that the Group is manufacturing or the locations where the Group is trading. As a result, the Group's management is of the view that there is only one segment for business and geography and therefore presentation of segmental information is not required.

3.19 Related parties

Parties are considered to be related parties of the Group 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 Group 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.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

4. CASH AND CASH EQUIVALENTS

	VND	
	30 June 2024	31 December 2023
Cash on hand	14,168,150	4,587,230
Cash in banks	7,425,835,295	5,984,864,923
Time deposits at banks (*)	<u>98,551,031,589</u>	<u>103,486,804,629</u>
TOTAL	<u>105,991,035,034</u>	<u>109,476,256,782</u>

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

5. SHORT-TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

5.1. Short-term trade receivables

	VND	
	30 June 2024	31 December 2023
Phong Phu Coats Co., Ltd.	30,737,489,393	30,329,992,959
Chori Osaka Ltd Ptd	8,605,786,281	13,683,713,805
Nam Phuong Textile and Dyeing Co., Ltd.	8,413,669,000	17,000,354,250
Others	<u>24,705,318,179</u>	<u>30,291,606,917</u>
TOTAL	<u>72,462,262,853</u>	<u>91,305,667,931</u>

5.2. Short-term advances to suppliers

	VND	
	30 June 2024	31 December 2023
Tang Nghi Luc One-member Company Limited	24,048,361,500	-
Billion Success International Company Limited	15,911,251,381	-
Uni Industrial and Investment Corporation	14,672,244,979	-
Vietnam Giza Engineering and Construction JSC	-	298,016,528,971
Others	<u>35,630,490,154</u>	<u>56,513,326,037</u>
TOTAL	<u>90,262,348,014</u>	<u>354,529,855,008</u>

6. SHORT-TERM LOAN RECEIVABLE

	VND	
	30 June 2024	31 December 2023
Dintsun Vietnam Company Limited	<u>3,471,000,000</u>	<u>3,471,000,000</u>

The balance represents interest-free loan to Dintsun Vietnam Company Limited under Capital Contribution Agreement No DTVN – 2019001 dated 12 December 2019 and the latest appendix signed on 28 June 2024 to raise capital for Soc Trang Industrial Zone Project.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

7. OTHER SHORT-TERM RECEIVABLES

	VND	
	30 June 2024	31 December 2023
Social insurance	252,171,385	4,263,300
Deposits interest	4,166,324	504,397,615
Others	333,884,801	323,684,800
TOTAL	<u>590,222,510</u>	<u>832,345,715</u>

8. INVENTORIES

	VND			
	30 June 2024		31 December 2023	
	Cost	Provision	Cost	Provision
Finished goods	350,251,558,948	(2,286,810,996)	447,284,438,381	(2,458,780,034)
Raw materials	159,635,777,261	(4,709,172,548)	149,533,927,024	(3,851,462,162)
Goods in transit	4,618,559,938	-	24,515,125,247	-
TOTAL	<u>514,505,896,147</u>	<u>(6,995,983,544)</u>	<u>621,333,490,652</u>	<u>(6,310,242,196)</u>

Movements of provision for obsolete inventories are as follows:

	VND	
	For the six-month period ended 30 June 2024	For the six-month period ended 30 June 2023
As at 1 January	6,310,242,196	6,545,810,728
Add: Provision during the period	867,632,281	4,569,664,212
Less: Reversal of provision	(181,890,933)	(3,907,054,016)
As at 30 June	<u>6,995,983,544</u>	<u>7,208,420,924</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

9. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery, equipment	Means of transportations	Office equipment	VND Total
Cost:					
As at 31 December 2023	304,608,626,458	1,593,749,105,162	188,858,990,157	4,791,726,080	2,092,008,447,857
Transfer from construction in progress	-	8,718,461,792	2,002,676,164	-	10,721,137,956
As at 30 June 2024	304,608,626,458	1,602,467,566,954	190,861,666,321	4,791,726,080	2,102,729,585,813
<i>In which:</i>					
Fully depreciated	88,291,213,410	592,516,250,722	105,416,508,786	4,791,726,080	791,015,698,998
Accumulated depreciation:					
As at 31 December 2023	169,194,257,479	1,106,204,118,331	169,449,530,968	4,791,726,080	1,449,639,632,858
Depreciation for the period	7,779,178,130	27,956,701,132	10,336,920,660	-	46,072,799,922
As at 30 June 2024	176,973,435,609	1,134,160,819,463	179,786,451,628	4,791,726,080	1,495,712,432,780
Net carrying amount:					
As at 31 December 2023	135,414,368,979	487,544,986,831	19,409,459,189	-	642,368,814,999
As at 30 June 2024	127,635,190,849	468,306,747,491	11,075,214,693	-	607,017,153,033

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended**10. INTANGIBLE ASSET**

	VND
	<i>Computer software</i>
Cost:	
As at 31 December 2023 and 30 June 2024	<u>14,385,298,205</u>
<i>In which:</i>	
Fully amortized	14,385,298,205
Accumulated amortization:	
As at 31 December 2023 and 30 June 2024	<u>14,385,298,205</u>
Net carrying amount:	
As at 31 December 2023 and 30 June 2024	<u>-</u>

11. CONSTRUCTION IN PROGRESS

		VND
	<i>30 June 2024</i>	<i>31 December 2023</i>
Unitex factory project (*)	1,746,508,531,648	757,817,607,354
Machinery and equipment under installation	14,729,519,423	25,223,157,379
Others	61,668,644	61,668,644
TOTAL	<u>1,761,299,719,715</u>	<u>783,102,433,377</u>

(*) As at 30 June 2024, Unitex factory project owned by Unitex Corporation is being used as mortgage for bank loans (Note 19).

12. INVESTMENT IN OTHER ENTITY

	<u>30 June 2024</u>	<u>31 December 2023</u>
	<i>% of</i>	<i>% of</i>
	<i>interest</i>	<i>interest</i>
	<i>Cost</i>	<i>Cost</i>
	VND	VND
Dintsun Vietnam Company Limited ("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 No. 2200764052 issued by the Department of Planning and Investment of Soc Trang Province 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 CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended**13. PREPAID EXPENSES**

	VND	
	30 June 2024	31 December 2023
Short-term	1,808,254,999	2,793,026,285
Tools and supplies in use	1,377,716,800	489,317,732
Prepaid car rental	80,000,000	320,000,000
Insurance premium	51,124,991	1,904,838,455
Others	299,413,208	78,870,098
Long-term	128,267,976,422	135,708,407,488
Prepaid land rental (*)	111,086,554,521	111,709,374,794
Tools and supplies in use	14,648,322,752	20,748,154,809
Others	2,533,099,149	3,250,877,885
TOTAL	<u>130,076,231,421</u>	<u>138,501,433,773</u>

(*) As at 30 June 2024, a part of prepaid land rental with the carrying amount of VND 78,035,144,535 of land plot No. 30, map sheet No. 69, Thanh Thanh Cong Industrial Park, Hoa An Commune, Trang Bang District, Tay Ninh Province with an area of 100,183.13 m2 owned by Unitex Corporation is being used as mortgage for bank loans (Note 19).

14. SHORT-TERM TRADE PAYABLES

	VND	
	30 June 2024	31 December 2023
Unifi Textile (Suzhou) Co., Ltd.	124,714,710,754	117,400,338,000
Chori Co., Ltd.	49,697,904,000	62,895,417,000
Vietnam Giza Engineering and Construction JSC	30,769,980,012	-
Others	63,916,868,808	57,459,179,541
TOTAL	<u>269,099,463,574</u>	<u>237,754,934,541</u>

15. SHORT-TERM ADVANCES FROM CUSTOMERS

	VND	
	30 June 2024	31 December 2023
Lear Corporation - Kenansville	17,004,169,319	29,140,194,914
Chori Vietnam Co., Ltd.	1,336,464,162	2,089,870,242
Others	4,417,850,670	7,994,453,398
TOTAL	<u>22,758,484,151</u>	<u>39,224,518,554</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

16. TAX

				VND
	31 December 2023	Increase during period	Decrease during period	30 June 2024
Payables				
Personal income tax	297,680,446	947,017,443	(1,035,839,389)	208,858,500
Value-added tax	2,501,784,369	84,273,458,135	(85,485,617,314)	1,289,625,190
Export import tax	171,302,205	990,740,216	(1,127,844,685)	34,197,736
TOTAL	<u>2,970,767,020</u>	<u>86,211,215,794</u>	<u>(87,649,301,388)</u>	<u>1,532,681,426</u>
Receivables				
Corporate income tax	1,642,819,105	-	(519,194,225)	1,123,624,880
Export import tax	114,423,926	52,000,481	(64,409,739)	102,014,668
Value-added tax deductible	162,695,833,297	163,963,716,535	(48,985,097,859)	277,674,451,973
Others	1,103,224	380,254,624	(381,357,848)	-
TOTAL	<u>164,454,179,552</u>	<u>164,395,971,640</u>	<u>(49,950,059,671)</u>	<u>278,900,091,521</u>

17. SHORT-TERM ACCRUED EXPENSES

	VND	
	30 June 2024	31 December 2023
Utilities	4,631,561,207	6,733,250,971
Sales commission	1,935,867,945	865,656,539
Interest expense	279,282,471	355,833,026
TOTAL	<u>6,846,711,623</u>	<u>7,954,740,536</u>

18. SHORT-TERM OTHER PAYABLES

	VND	
	30 June 2024	31 December 2023
Union fees	3,039,913,649	2,326,315,136
Social insurance	340,390,657	458,994,129
Dividends	327,500,530	327,500,530
Others	2,044,256,633	2,090,980,524
TOTAL	<u>5,752,061,469</u>	<u>5,203,790,319</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

19. LOANS

	31 December 2023	Movements during the period		Revaluation due to foreign exchange difference	Reclassification	30 June 2024
		Increase	Decrease			
Short-term	609,537,812,760	874,105,913,060	(1,045,918,253,018)	19,006,007,295	175,756,668,557	632,488,148,654
Loans from bank (Note 19.1)	440,977,812,760	874,105,913,060	(1,045,918,253,018)	10,795,007,295	-	279,960,480,097
Current portion (Note 19.2)	168,560,000,000	-	-	8,211,000,000	175,756,668,557	352,527,668,557
Long-term	409,136,361,334	701,665,674,002	-	33,745,062,805	(175,756,668,557)	968,790,429,584
Loan from bank (Note 19.2)	409,136,361,334	701,665,674,002	-	33,745,062,805	(175,756,668,557)	968,790,429,584
TOTAL	1,018,674,174,094	1,575,771,587,062	(1,045,918,253,018)	52,751,070,100	-	1,601,278,578,238

VND

19.1. Short-term loans

The Company obtained loans from banks to finance its working capital requirements and factory construction for Unitex Corporation at interest rates ranging from 4% to 6% per annum (for foreign currencies) and from 3.5% to 6% per annum (for VND). Further details are as follows:

Bank	30 June 2024		Original amount	Term and maturity date	Purposes	Descriptions of collateral
	VND	USD				
CTBC Bank Co., Ltd	352,527,668,557	13,959,833	From 30 September 2024 to 30 June 2025	Factory construction for Unitex Corporation	Factory and lease rights	
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh Branch	186,082,040,346	-	From 4 September 2024 to 24 December 2024	Working capital requirements	Unsecured	
CTBC Bank Co., Ltd – Ho Chi Minh Branch	13,131,369,004	-	From 18 July 2024 to 29 August 2024	Working capital requirements	Unsecured	
Vietnam Export Import Bank – Ho Chi Minh Branch	73,502,244,695	2,910,634	From 2 July 2024 to 28 December 2024	Working capital requirements	Unsecured	

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

19. LOANS (continued)

19.1 Short-term loans (continued)

The Company obtained loans from banks to finance its working capital requirements and factory construction for Unitex Corporation at interest rates ranging Libor + 4% per annum (for foreign currencies) and from 3.5% to 6% per annum (for VND). Further details are as follows: (continued)

Bank	30 June 2024		Original amount	Term and maturity date	Purposes	Descriptions of collateral
	VND	USD				
Vietnam Export Import Bank – Ho Chi Minh Branch	7,244,826,052	-	-	From 17 November 2024 to 28 December 2024	Working capital requirements	Unsecured
TOTAL	632,488,148,654	16,870,467				

19.2 Long-term loan

Bank	30 June 2024		Original amount	Term and maturity date	Purposes	Descriptions of collateral
	VND	USD				
CTBC Bank Co., Ltd (*)	1,321,318,098,141	52,323,213	52,323,213	From 30 September 2025 to 17 January 2028	Factory construction for Unitex Corporation	Factory and lease rights

In which:

Current portion	352,527,668,557	13,959,833
Non-current portion	968,790,429,584	38,363,380

(*) CTBC Bank Co., Ltd is the agent bank for the syndicated loans of the 4 following banks: Kasikornbank Public Company Limited, The Shanghai Commercial & Savings Bank, Ltd. Offshore Banking Branch, Entie Commercial Bank and E.Sun Commercial Bank, Ltd.

Century Synthetic Fiber Corporation

B09a-DN/HN

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2024 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	VND Total
For the six-month period ended 30 June 2023:						
As at 31 December 2022	843,638,250,000	40,824,578,872	(42,410,550,000)	1,219,011,000	697,818,768,611	1,541,090,058,483
Net profit for the period	-	-	-	-	39,116,311,728	39,116,311,728
As at 30 June 2023	843,638,250,000	40,824,578,872	(42,410,550,000)	1,219,011,000	736,935,080,339	1,580,206,370,211
For the six-month period ended 30 June 2024:						
As at 31 December 2023	966,369,240,000	40,824,578,872	(42,410,550,000)	1,219,011,000	662,887,111,298	1,628,889,391,170
Re-sell treasury shares	-	23,633,864,980	42,410,550,000	-	-	66,044,414,980
Net profit for the period	-	-	-	-	(55,012,889,145)	(55,012,889,145)
As at 30 June 2024	966,369,240,000	64,458,443,852	-	1,219,011,000	607,874,222,153	1,639,920,917,005

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

20. OWNERS' EQUITY (continued)

20.2 Capital transactions with owners and distribution of dividends, profits

	VND	
	For the six-month period ended 30 June 2024	For the six-month period ended 30 June 2023
Issued share capital		
As at 1 January and 30 June	<u>966,369,240,000</u>	<u>843,638,250,000</u>
Dividends declared and paid in cash	-	-

20.3 Shares

	30 June 2024		31 December 2023	
	Quantity	Amount (VND)	Quantity	Amount (VND)
Authorized shares	96,636,924	966,369,240,000	96,636,924	966,369,240,000
Issued shares				
<i>Issued and paid-up shares</i>	96,636,924	966,369,240,000	96,636,924	966,369,240,000
Ordinary shares	96,636,924	966,369,240,000	96,636,924	966,369,240,000
Treasury shares				
Ordinary shares	-	-	(2,541,650)	(42,410,550,000)
Shares in circulation				
Ordinary shares	96,636,924	966,369,240,000	94,095,274	923,958,690,000

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	
	For the six-month period ended 30 June 2024	For the six-month period ended 30 June 2023
Gross revenue	568,991,767,044	695,195,639,493
Less:		
Sales returns	(1,800,000)	-
Net revenue	<u>568,989,967,044</u>	<u>695,195,639,493</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended**21. REVENUES (continued)****21.2 Finance income**

	VND	
	<i>For the six-month period ended 30 June 2024</i>	<i>For the six-month period ended 30 June 2023</i>
Foreign exchange gains	13,250,536,620	13,585,624,623
Interest income	949,302,638	7,523,304,748
TOTAL	<u>14,199,839,258</u>	<u>21,108,929,371</u>

22. FINANCE EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2024</i>	<i>For the six-month period ended 30 June 2023</i>
Foreign exchange losses	66,760,933,278	15,506,058,879
Interest expense	8,582,927,267	8,609,376,624
TOTAL	<u>75,343,860,545</u>	<u>24,115,435,503</u>

23. SELLING EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2024</i>	<i>For the six-month period ended 30 June 2023</i>
Transportation	4,175,298,796	2,232,699,774
Letter of credit and documentary fees	1,690,577,400	2,351,099,948
Commission fee	1,105,997,851	315,309,481
Others	647,840,399	2,252,189,132
TOTAL	<u>7,619,714,446</u>	<u>7,151,298,335</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

24. GENERAL AND ADMINISTRATION EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2024</i>	<i>For the six-month period ended 30 June 2023</i>
Labor costs	14,527,536,583	16,242,349,955
External services	5,017,787,521	5,922,001,649
Stationery and other tools costs	4,687,725,135	4,677,287,924
Depreciation	751,699,065	745,971,675
Others	2,647,024,622	3,121,169,123
TOTAL	<u>27,631,772,926</u>	<u>30,708,780,326</u>

25. OTHER EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2024</i>	<i>For the six-month period ended 30 June 2023</i>
Depreciation for temporary un-used assets at Cu Chi factory	4,780,490,508	-
Others	4,235,495	48,019,264
TOTAL	<u>4,784,726,003</u>	<u>48,019,264</u>

26. PRODUCTION AND OPERATING COSTS

	VND	
	<i>For the six-month period ended 30 June 2024</i>	<i>For the six-month period ended 30 June 2023</i>
Raw materials	375,972,765,355	440,596,218,975
External services	73,695,897,657	95,174,940,923
Depreciation (Note 9)	46,072,799,922	45,841,434,714
Labor costs	45,650,370,930	55,315,682,917
Others	15,956,974,866	17,988,585,635
TOTAL	<u>557,348,808,730</u>	<u>654,916,863,164</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

27. CORPORATE INCOME TAX

The applicable corporate income tax ("CIT") rates to the Group 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 Fully Drawn Yarn (FDY) and Drawn Textured Yarn (DTY) products onwards 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 of 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 Partially Oriented Yarn (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 Group 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 interim consolidated financial statements could change at a later date upon final determination by the tax authorities.

27.1 CIT expense

	VND	
	<i>For the six-month period ended 30 June 2024</i>	<i>For the six-month period ended 30 June 2023</i>
Current tax expense	136,396,750	2,379,972,663
Under-(over) accrual of CIT from prior years	382,797,555	(3,215,273,257)
Total current tax expenses (income)	519,194,305	(835,300,594)
Deferred tax expense	341,235,182	569,642,007
TOTAL	860,429,487	(265,658,587)

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

	VND	
	<i>For the six-month period ended 30 June 2024</i>	<i>For the six-month period ended 30 June 2023</i>
Accounting (loss) profit before tax	(54,152,459,658)	38,850,653,135
At the applicable CIT rate for the Group	(10,830,491,930)	7,770,130,627
<i>Adjustments:</i>		
Non-deductible expenses	1,821,046,010	119,861,031
Tax incentive for the Trang Bang branch	(920,403,388)	(8,848,844,014)
Under-(over) accrual of tax from prior years	382,797,555	(3,215,273,257)
Unrealized (loss) profit	(1,136,659,011)	3,113,877,856
Unrecognized deferred tax assets on tax loss carried forward	11,544,140,251	794,589,170
CIT expense	860,429,487	(265,658,587)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

27. CORPORATE INCOME TAX (continued)

27.2 Current tax

The current tax payable is based on (tax loss) taxable income for the current period. The (tax loss) taxable income of the parent company and its subsidiaries for the period differs from the (loss) profit as reported in the interim consolidated 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 parent company and its subsidiaries' liability for current tax is calculated using tax rates that have been enacted at the interim consolidated balance sheet date.

27.3 Deferred tax

The deferred tax asset items recognized by the Group, and the movements thereon, are as follows:

	VND			
	<i>Interim consolidated balance sheet</i>		<i>Interim consolidated income statement</i>	
	<i>30 June 2024</i>	<i>31 December 2023</i>	<i>For the six-month period ended 30 June 2024</i>	<i>For the six-month period ended 30 June 2023</i>
Accrued expenses	1,608,005,911	2,019,826,977	(411,821,066)	(591,677,619)
Foreign exchange arising from revaluation of monetary accounts denominated in foreign currency	(459,362)	2,421,631	(2,880,993)	(43,207,096)
Accrual for severance pay	48,647,904	43,898,866	4,749,038	4,923,039
Provision for obsolete inventories	945,841,506	877,123,667	68,717,839	60,319,669
Deferred tax assets	<u>2,602,035,959</u>	<u>2,943,271,141</u>		
Net deferred tax charged to interim consolidated income statement			<u>(341,235,182)</u>	<u>(569,642,007)</u>

28. RELATED PARTY DISCLOSURES

The related parties that have relationships with the Company as at 30 June 2024 are as follows:

<i>Related party</i>	<i>Relationship</i>
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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

28. RELATED PARTY DISCLOSURES (continued)

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

<i>Individual</i>	<i>Position</i>	<i>VND</i>	
		<i>For the six-month period ended 30 June 2024</i>	<i>For the six-month period ended 30 June 2023</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	758,800,000
Mr Dang Huong Cuong	BOD Member	75,000,000	75,000,000
Mr Chen Che Jen	BOD Independent member	112,500,000	112,500,000
Ms Cao Thi Que Anh	BOD Member	75,000,000	75,000,000
Mr Vo Quang Long	BOD Member	75,000,000	75,000,000
Mr Nguyen Quoc Huong	BOD Independent 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	30,000,000
Ms Dinh Ngoc Hoa	BOS Member	124,783,910	137,748,325
Ms Nguyen Phuong Chi	Chief Strategic Officer	785,339,441	700,603,506
Mr Phan Nhu Bich	Chief Financial Officer cum Chief Accountant	458,626,223	403,572,451
TOTAL		<u>2,712,549,574</u>	<u>2,585,724,282</u>

29. (LOSS) EARNINGS PER SHARE

The income and share data used in the basic and diluted earnings per share computation are as follows:

	<i>VND</i>	
	<i>For the six-month period ended 30 June 2024</i>	<i>For the six-month period ended 30 June 2023</i>
Net (loss) profit after tax attributable to ordinary equity holders adjusted for the effect of dilution	(55,012,889,145)	39,116,311,728
Weighted average number of ordinary shares for basic earnings per share (i)	94,968,551	94,095,274
Basic and diluted (loss) earnings per share (par value of VND 10,000/share)	(579)	416

(i) The weighted average number of shares in circulation for the six-month periods ended 30 June 2024 were adjusted to reflect the selling of 1,041,650 treasury shares to employees on 30 March 2024 and 1,500,000 treasury shares to public on 5 June 2024.

There have been no dilutive ordinary shares during the period and at the date of completion of these interim consolidated financial statements.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

30. OPERATING LEASE COMMITMENT

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

	VND	
	30 June 2024	30 June 2023
Less than 1 year	2,438,293,080	1,961,680,720
From 1 to 5 years	2,152,938,700	2,364,405,800
More than 5 years	8,700,978,249	8,884,960,020
TOTAL	<u>13,292,210,029</u>	<u>13,211,046,540</u>

31. OFF INTERIM CONSOLIDATED BALANCE SHEET ITEM

	30 June 2024	31 December 2023
Foreign currency:		
United States Dollar (USD)	<u>81,481</u>	<u>74,162</u>


32. EVENT AFTER THE BALANCE SHEET DATE


On 12 August 2024, the Board of Directors ("BOD") of the Company approved Resolution No. 18-2024/NQHĐQT to increase the capital contribution into Unitex Corporation ("Unitex") of 122,000,000,000 VND. As of the date of this report, the Company is in the process of completing the necessary procedures to finalize this transaction.

In addition, on 13 August 2024, BOD of the Company approved Resolution No. 19-2024/NQHĐQT to implement a private placement plan with an estimated 13,500,000 shares to be offered at a minimum issuance price of 27,500 VND per share agreeing with the 2022 AGSM Resolution No. 03-2022/NQ-DHDCD/TK dated 31 March 2022. The funds raised from the private placement will be used to invest in Unitex and to enhance the Company's working capital. As of the date of this report, the Company is in the process of completing the necessary procedures to finalize this transaction.

Except for the above events, there is no other matter or circumstance that has arisen since the balance sheet date that requires adjustment or disclosure in the interim consolidated financial statements of the Group.


Preparer
Nguyen Thi Hong Tham


Chief Accountant
Phan Nhu Bich


General Director
Dang Trieu Hoa



Ho Chi Minh City, Vietnam

28 August 2024