

Century Synthetic Fiber Corporation

Consolidated financial statements

For the year ended 31 December 2024



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Century Synthetic Fiber Corporation

Consolidated financial statements

For the year ended 31 December 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 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 Vo Quang Long | Member |
| Mr Chen Che Jen | Independence member |
| Mr Nguyen Quoc Huong | Independence 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 |
| 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 consolidated financial statements of the Company and its subsidiary ("the Group") for the year ended 31 December 2024.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of the consolidated results of its operations and its consolidated 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 consolidated financial statements.

For and on behalf of the management: 



Dang, Trieu Hoa
General Director

Ho Chi Minh City, Vietnam

7 March 2025

Reference: 11659174/67734722

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of Century Synthetic Fiber Corporation

We have audited the accompanying consolidated financial statements of Century Synthetic Fiber Corporation ("the Company") and its subsidiary (collectively referred to as "the Group") as prepared on 7 March 2025 and set out on pages 5 to 35, which comprise the consolidated balance sheet as at 31 December 2024, and the consolidated income statement and the consolidated 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 consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statement, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Group's preparation and fair presentation of the consolidated financial statement 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 Group'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 consolidated financial statements.

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



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Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 December 2024, and of the consolidated results of its operations and its consolidated 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 consolidated financial statements.

Ernst & Young Vietnam Limited




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



Pham Ninh Tung
Auditor
Audit Practicing Registration Certificate
No. 5631-2025-004-1

Ho Chi Minh City, Vietnam

7 March 2025

CONSOLIDATED BALANCE SHEET
as at 31 December 2024

VND

| Code | ASSETS | Notes | Ending balance | Beginning balance |
|------------|---|----------|------------------------|--------------------------|
| 100 | A. CURRENT ASSETS | | 997,061,057,465 | 1,395,936,217,102 |
| 110 | I. Cash and cash equivalents | 4 | 105,602,398,852 | 109,476,256,782 |
| 111 | 1. Cash | | 5,402,398,852 | 5,989,452,153 |
| 112 | 2. Cash equivalents | | 100,200,000,000 | 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 | | 105,312,984,991 | 450,138,868,654 |
| 131 | 1. Short-term trade receivables | 5 | 92,738,753,955 | 91,305,667,931 |
| 132 | 2. Short-term advances to suppliers | 6 | 7,104,476,750 | 354,529,855,008 |
| 135 | 3. Short-term loan receivable | 7 | 3,471,000,000 | 3,471,000,000 |
| 136 | 4. Other short-term receivables | 8 | 1,998,754,286 | 832,345,715 |
| 140 | IV. Inventories | 9 | 616,099,132,887 | 615,023,248,456 |
| 141 | 1. Inventories | | 622,696,170,006 | 621,333,490,652 |
| 149 | 2. Provision for obsolete inventories | | (6,597,037,119) | (6,310,242,196) |
| 150 | V. Other current assets | | 170,046,540,735 | 167,247,205,837 |
| 151 | 1. Short-term prepaid expenses | 14 | 4,129,693,461 | 2,793,026,285 |
| 152 | 2. Value-added tax deductible | 17 | 165,766,676,433 | 162,695,833,297 |
| 153 | 3. Tax receivable from the State | 17 | 150,170,841 | 1,758,346,255 |

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2024

VND

| Code | ASSETS | Notes | Ending balance | Beginning balance |
|------------|--|-------|--------------------------|--------------------------|
| 200 | B. NON-CURRENT ASSETS | | 2,814,182,774,472 | 1,577,922,927,005 |
| 220 | I. Fixed assets | | 560,684,345,537 | 642,368,814,999 |
| 221 | 1. Tangible fixed assets | 10 | 560,684,345,537 | 642,368,814,999 |
| 222 | Cost | | 2,103,161,115,998 | 2,092,008,447,857 |
| 223 | Accumulated depreciation | | (1,542,476,770,461) | (1,449,639,632,858) |
| 227 | 2. Intangible fixed asset | 11 | - | - |
| 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 | | 2,111,112,394,294 | 783,102,433,377 |
| 242 | 1. Construction in progress | 12 | 2,111,112,394,294 | 783,102,433,377 |
| 250 | III. Long-term investment | | 13,800,000,000 | 13,800,000,000 |
| 253 | 1. Investment in other entity | 13 | 13,800,000,000 | 13,800,000,000 |
| 260 | IV. Other long-term assets | | 128,586,034,641 | 138,651,678,629 |
| 261 | 1. Long-term prepaid expenses | 14 | 125,692,890,034 | 135,708,407,488 |
| 262 | 2. Deferred tax assets | 28.3 | 2,893,144,607 | 2,943,271,141 |
| 270 | TOTAL ASSETS | | 3,811,243,831,937 | 2,973,859,144,107 |

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2024

VND

| Code | RESOURCES | Notes | Ending balance | Beginning balance |
|------------|---|-------------|--------------------------|--------------------------|
| 300 | C. LIABILITIES | | 2,103,888,828,129 | 1,344,969,752,937 |
| 310 | I. Current liabilities | | 1,311,165,536,034 | 935,575,186,771 |
| 311 | 1. Short-term trade payables | 15 | 377,654,321,523 | 237,754,934,541 |
| 312 | 2. Short-term advances from customers | 16 | 22,222,333,339 | 39,224,518,554 |
| 313 | 3. Statutory obligations | 17 | 6,894,246,528 | 2,970,767,020 |
| 314 | 4. Payable to employees | | 20,388,912,097 | 25,610,480,880 |
| 315 | 5. Short-term accrued expenses | 18 | 10,426,136,962 | 7,954,740,536 |
| 319 | 6. Other short-term payables | 19 | 7,623,105,278 | 5,203,790,319 |
| 320 | 7. Short-term loans | 20 | 857,624,790,695 | 609,537,812,760 |
| 322 | 8. Bonus and welfare fund | 3.15 | 8,331,689,612 | 7,318,142,161 |
| 330 | II. Non-current liabilities | | 792,723,292,095 | 409,394,566,166 |
| 338 | 1. Long-term loans | 20 | 792,463,828,758 | 409,136,361,334 |
| 342 | 2. Long-term provision | 3.13 | 259,463,337 | 258,204,832 |
| 400 | D. OWNERS' EQUITY | | 1,707,355,003,808 | 1,628,889,391,170 |
| 410 | I. Capital | 21.1 | 1,707,355,003,808 | 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 | | 64,477,297,852 | 40,824,578,872 |
| 413 | 3. Treasury share | | - | (42,410,550,000) |
| 418 | 4. Investment and development fund | | 1,219,011,000 | 1,219,011,000 |
| 421 | 5. Undistributed earnings | | 675,289,454,956 | 662,887,111,298 |
| 421a | - Undistributed earnings at the end of prior year | | 662,887,111,298 | 575,087,778,611 |
| 421b | - Profit of current year | | 12,402,343,658 | 87,799,332,687 |
| 440 | TOTAL LIABILITIES AND OWNERS' EQUITY | | 3,811,243,831,937 | 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

7 March 2025

CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2024

VND

| Code | ITEMS | Notes | Current year | Previous year |
|------|---|--------|---------------------|---------------------|
| 01 | 1. Revenue from sale of goods | 22.1 | 1,210,456,380,134 | 1,425,624,612,200 |
| 02 | 2. Deductions | 22.1 | (203,810,405) | (561,587,822) |
| 10 | 3. Net revenue from sale of goods | 22.1 | 1,210,252,569,729 | 1,425,063,024,378 |
| 11 | 4. Cost of goods sold | 27 | (1,047,025,681,914) | (1,232,981,228,387) |
| 20 | 5. Gross profit from sale of goods | | 163,226,887,815 | 192,081,795,991 |
| 21 | 6. Finance income | 22.2 | 12,875,707,062 | 31,061,416,006 |
| 22 | 7. Finance expenses | 23 | (85,768,489,169) | (54,057,483,005) |
| 23 | In which: Interest expense | | (17,127,583,213) | (17,335,099,901) |
| 25 | 8. Selling expenses | 24, 27 | (12,473,186,828) | (19,663,775,726) |
| 26 | 9. General and administrative expenses | 25, 27 | (52,322,172,851) | (60,439,695,454) |
| 30 | 10. Operating profit | | 25,538,746,029 | 88,982,257,812 |
| 31 | 11. Other income | | 266,173,503 | 2,074,019,048 |
| 32 | 12. Other expenses | 26 | (6,903,874,485) | (54,346,623) |
| 40 | 13. Other (loss) profit | | (6,637,700,982) | 2,019,672,425 |
| 50 | 14. Accounting profit before tax | | 18,901,045,047 | 91,001,930,237 |
| 51 | 15. Current corporate income tax expense | 28.1 | (6,448,574,855) | (2,721,665,639) |
| 52 | 16. Deferred tax expense | 28.3 | (50,126,534) | (480,931,911) |
| 60 | 17. Net profit after tax | | 12,402,343,658 | 87,799,332,687 |
| 61 | 18. Net profit after tax attributable to shareholders of the parent | | 12,402,343,658 | 87,799,332,687 |
| 70 | 19. Basic earnings per share | 30 | 130 | 933 |
| 71 | 20. Diluted earnings per share | 30 | 130 | 933 |

Preparer
Nguyen Thi Hong Tham

Chief Accountant
Phan Nhu Bich

General Director
Dang Trieu Hoa

Ho Chi Minh City, Vietnam

7 March 2025

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2024

VND

| Code | ITEMS | Notes | Current year | Previous year |
|-----------|---|--------|--------------------------|--------------------------|
| | I. CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| 01 | Accounting profit before tax | | 18,901,045,047 | 91,001,930,237 |
| | <i>Adjustments for:</i> | | | |
| 02 | Depreciation and amortization | 10, 11 | 92,837,137,603 | 91,883,225,860 |
| 03 | Provision (reversal provision) | | 286,794,923 | (235,568,532) |
| 04 | Foreign exchange losses arising from revaluation of monetary accounts denominated in foreign currency | | 48,816,257,803 | 805,777,484 |
| 05 | Profits from investing activities | 22.2 | (358,462,148) | (10,689,149,403) |
| 06 | Interest expense | 23 | 17,127,583,213 | 17,335,099,901 |
| 08 | Operating profit before changes in working capital | | 177,610,356,441 | 190,101,315,547 |
| 09 | Increase in receivables | | (45,715,679,544) | (95,441,161,606) |
| 10 | Increase in inventories | | (1,362,679,354) | (148,651,155,668) |
| 11 | Increase in payables | | 178,694,932,888 | 57,158,656,087 |
| 12 | Decrease in prepaid expenses | | 8,678,850,278 | 914,547,932 |
| 14 | Interest paid | | (16,881,918,686) | (17,710,432,108) |
| 15 | Corporate income tax paid | | - | (59,110,914) |
| 20 | Net cash flows from (used in) operating activities | | 287,353,412,010 | (13,687,340,730) |
| | II. CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| 21 | Purchase and construction of fixed assets | | (935,121,066,461) | (949,806,432,497) |
| 23 | Placement of bank term deposits | | 54,050,637,373 | (54,050,637,373) |
| 24 | Proceeds from bank term deposit | | - | 180,000,000,000 |
| 27 | Interest received | | 237,634,370 | 10,948,211,565 |
| 30 | Net cash flows used in investing activities | | (880,832,794,718) | (812,908,858,305) |

CONSOLIDATED CASH FLOW STATEMENT (continued)
for the year ended 31 December 2024

VND

| Code | ITEMS | Notes | Current year | Previous year |
|-----------|---|----------|------------------------|--------------------------|
| | III. CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| 33 | Drawdown of borrowings | 20 | 2,120,882,205,187 | 1,788,770,227,336 |
| 34 | Repayment of borrowings | 20 | (1,530,306,747,650) | (1,087,984,771,145) |
| 40 | Net cash flows from financing activities | | 590,575,457,537 | 700,785,456,191 |
| 50 | Net decrease in cash and cash equivalents for the year | | (2,903,925,171) | (125,810,742,844) |
| 60 | Cash and cash equivalents at the beginning of the year | | 109,476,256,782 | 235,284,187,347 |
| 61 | Impact of exchange rate fluctuation | | (969,932,759) | 2,812,279 |
| 70 | Cash and cash equivalents at the end of the year | 4 | 105,602,398,852 | 109,476,256,782 |


Preparer
Nguyen Thi Hong Tham


Chief Accountant
Phan Nhu Bich


General Director
Dang Trieu Hoa

Ho Chi Minh City, Vietnam

7 March 2025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at 31 December 2024 and for the year 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 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 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 employees of the Company and its subsidiary ("the Group") as at 31 December 2024 was 998 (31 December 2023: 891).

Corporate structure

As at 31 December 2024, the Company has a subsidiary as follows:

Unitex is a limited company established in Vietnam pursuant to Investment Certificate No. 452033000336 issued by the Management Board of Tay Ninh Economic Zone on 29 June 2015 and Enterprise Registration Certificate ("ERC") No. 3901206611 issued by the Department of Planning and Investment of Tay Ninh Province on 29 June 2015, and as subsequently amended.

The principal activity of Unitex is to manufacture fibers and fabrics. The registered head office of Unitex is located at A17.1, C1 Street, Thanh Thanh Cong Industrial Zone, An Hoa Commune, Trang Bang Commune, Tay Ninh Province, Vietnam. Currently, Unitex is in pre-operation progress.

As at 31 December 2024, the Company holds 100% ownership and voting rights of Unitex.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

2. BASIS OF PREPARATION

2.1 Accounting standards and system

The consolidated financial statements of the Company and its subsidiary ("the Group"), 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/QĐ-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- Decision No. 165/2002/QĐ-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- Decision No. 234/2003/QĐ-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- Decision No. 12/2005/QĐ-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- Decision No. 100/2005/QĐ-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying 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 consolidated financial position and the results of its consolidated operations and 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 consolidated financial statements are prepared in VND which is also the Company's accounting currency.

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary for the year ended 31 December 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 financial statements of subsidiary are prepared for the same reporting year as the Company, using consistent accounting policies.

All intra-company 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

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 measured at their historical costs. The cost of inventories comprise costs of purchase, costs of conversion (including raw materials, direct labor cost, other directly related cost, manufacturing general overheads allocated based on the normal operating capacity) incurred in bringing the inventories to their present location and condition. In case the net realizable value is lower than the original price, it must be calculated according to the 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.

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 finished good 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 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 consolidated income statement.

3.3 *Receivables*

Receivables are presented in the 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 administration expense in the consolidated income statement. Increases or decreases to the provision balance are recorded as general and administrative expense in the income statement. When bad debts are determined as unrecoverable and accountant writes off those bad debts, the differences between the provision for doubtful receivables previously made and historical cost of receivables are included in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 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 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 consolidated income statement.

3.5 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortization.

The cost of an intangible fixed 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 consolidated income statement as incurred.

When intangible 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 consolidated income statement.

3.6 *Depreciation and amortization*

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

| | |
|-------------------------|--------------|
| Buildings, structures | 4 - 25 years |
| Machinery and equipment | 2 - 15 years |
| Motor vehicles | 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.

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 consolidated balance sheet and amortized 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 expenses and are amortized 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 CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 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 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 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 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 consolidated income statement over the remaining lease year 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 Business combinations and goodwill

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.

3.11 Investments

Investment in another entity

Investment in another entity is stated at acquisition cost.

Provision for diminution in value of an 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 consolidated income statement.

3.12 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.

3.13 Accrual for severance pay

The severance pay to employee is accrued at the end of each reporting period for all employees who have been in service for more than 12 months up to the consolidated 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 Labor 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 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 48 of the Labor Code.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 *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 Group'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 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 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 Group 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 consolidated income statement.

3.15 *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 consolidated balance sheet.

3.16 *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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 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 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 income tax assets against current income tax liabilities and when the Group 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 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 *Taxation* (continued)

Deferred tax (continued)

Deferred tax is charged or credited to the 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 off-set 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.

3.18 *Earnings per share*

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

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

3.19 *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.

3.20 *Related parties*

Parties are considered to be related parties of the Group 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 Group 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 CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

4. CASH AND CASH EQUIVALENTS

| | VND | |
|----------------------------|------------------------|------------------------|
| | Ending balance | Beginning balance |
| Cash on hand | 9,693,533 | 4,587,230 |
| Cash in banks | 5,392,705,319 | 5,984,864,923 |
| Time deposits at banks (*) | 100,200,000,000 | 103,486,804,629 |
| TOTAL | 105,602,398,852 | 109,476,256,782 |

(*) 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

| | VND | |
|---|-----------------------|-----------------------|
| | Ending balance | Beginning balance |
| Coats Phong Phu Co., Ltd. | 30,598,767,067 | 30,329,992,959 |
| Unifi Asia Pacific (Hong Kong) | 14,389,550,465 | 1,765,368,864 |
| Van Thinh Trading Service Co., Ltd. | 11,850,307,007 | |
| Chori Osaka Ltd Ptd | 10,479,688,403 | 13,683,713,805 |
| XKTC-Unifi Asia Pacific (Hong Kong) | 2,185,095,310 | 15,353,899,789 |
| Nam Phuong Textile and Dyeing Co., Ltd. | 83,665,034 | 17,000,354,250 |
| Others | 23,151,680,669 | 13,172,338,264 |
| TOTAL | 92,738,753,955 | 91,305,667,931 |

6. SHORT-TERM ADVANCES TO SUPPLIERS

| | VND | |
|---|----------------------|------------------------|
| | Ending balance | Beginning balance |
| Tang Nghi Luc One Member Co., Ltd | 4,509,321,854 | - |
| Vietnam Giza Engineering and Construction JSC | - | 298,016,528,971 |
| Multicom Machinery Taiwan Ltd | - | 50,762,970,184 |
| Others | 2,595,154,896 | 5,750,355,853 |
| TOTAL | 7,104,476,750 | 354,529,855,008 |

7. SHORT-TERM LOAN RECEIVABLE

| | VND | |
|---------------------------------|----------------|-------------------|
| | Ending balance | Beginning balance |
| Dintsun Vietnam Company Limited | 3,471,000,000 | 3,471,000,000 |

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 28 June 2024 to raise capital for the Soc Trang Industrial Zone Project.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

8. OTHER SHORT-TERM RECEIVABLES

| | VND | |
|-------------------|-----------------------|--------------------------|
| | <i>Ending balance</i> | <i>Beginning balance</i> |
| Deposits interest | 147,917,504 | 504,397,615 |
| Others | 1,850,836,782 | 327,948,100 |
| TOTAL | 1,998,754,286 | 832,345,715 |

9. INVENTORIES

| | VND | | | |
|------------------|------------------------|------------------------|--------------------------|------------------------|
| | <i>Ending balance</i> | | <i>Beginning balance</i> | |
| | <i>Cost</i> | <i>Provision</i> | <i>Cost</i> | <i>Provision</i> |
| Finished goods | 412,787,130,094 | (2,032,632,169) | 447,284,438,381 | (2,458,780,034) |
| Raw materials | 186,405,176,481 | (4,564,404,950) | 149,533,927,024 | (3,851,462,162) |
| Goods in transit | 23,503,863,431 | - | 24,515,125,247 | - |
| TOTAL | 622,696,170,006 | (6,597,037,119) | 621,333,490,652 | (6,310,242,196) |

Detail of movements of provision for obsolete inventories:

| | VND | |
|---|---------------------|----------------------|
| | <i>Current year</i> | <i>Previous year</i> |
| Beginning balance | 6,310,242,196 | 6,545,810,728 |
| Add: Provision made during the year | 4,574,326,845 | 174,972,119 |
| Less: Reversal of provision during the year | (4,287,531,922) | (410,540,651) |
| Ending balance | 6,597,037,119 | 6,310,242,196 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

10. TANGIBLE FIXED ASSETS

| | Buildings and structures | Machinery and equipment | Motor vehicles | Office equipment | Total | VND |
|----------------------------------|-----------------------------|----------------------------|-------------------|---------------------|-------------------|-----|
| Cost: | | | | | | |
| Beginning balance | 304,608,626,458 | 1,593,749,105,162 | 188,858,990,157 | 4,791,726,080 | 2,092,008,447,857 | |
| Transfer from CIP | - | 9,024,991,977 | 2,127,676,164 | - | 11,152,668,141 | |
| Ending balance | 304,608,626,458 | 1,602,774,097,139 | 190,986,666,321 | 4,791,726,080 | 2,103,161,115,998 | |
| <i>In which:</i> | | | | | | |
| Fully depreciated | 88,291,213,410 | 594,184,780,150 | 101,587,466,880 | 4,791,726,079 | 788,855,186,519 | |
| Accumulated depreciation: | | | | | | |
| Beginning balance | 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 year | 9,046,843,993 | 73,099,262,266 | 10,691,031,244 | - | 92,837,137,603 | |
| Ending balance | 178,241,101,465 | 1,179,303,380,697 | 180,140,562,219 | 4,791,726,080 | 1,542,476,770,461 | |
| Net carrying amount: | | | | | | |
| Beginning balance | 135,414,368,979 | 487,544,986,831 | 19,409,459,189 | - | 642,368,814,999 | |
| Ending balance | 126,367,524,993 | 423,470,716,442 | 10,846,104,102 | - | 560,684,345,537 | |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

11. INTANGIBLE FIXED ASSET

| | |
|----------------------------------|--------------------------|
| | VND |
| | <i>Computer software</i> |
| Cost: | |
| Beginning and ending balances | <u>14,385,298,205</u> |
| <i>In which:</i> | |
| Fully amortized | 14,385,298,205 |
| Accumulated amortization: | |
| Beginning and ending balances | <u>14,385,298,205</u> |
| Net carrying amount: | |
| Beginning and ending balances | <u><u>-</u></u> |

12. CONSTRUCTION IN PROGRESS

| | | |
|--|---------------------------------|-------------------------------|
| | | VND |
| | <i>Ending balance</i> | <i>Beginning balance</i> |
| Unitex factory project (*) | 2,096,119,941,412 | 757,817,607,354 |
| Machinery and equipment under installation | 14,930,784,238 | 25,223,157,379 |
| Others | <u>61,668,644</u> | <u>61,668,644</u> |
| TOTAL | <u>2,111,112,394,294</u> | <u>783,102,433,377</u> |

(*) As at 31 December 2024, Unitex factory project owned by Unitex Corporation is being used as mortgage for bank loans (Note 20).

13. INVESTMENT IN OTHER ENTITY

| | <u>Ending balance</u> | | <u>Beginning balance</u> | |
|---------------------------------|-----------------------|-----------------------|--------------------------|-----------------------|
| | % of interest | Cost | % of interest | Cost |
| | (%) | VND | (%) | VND |
| 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 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 CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

14. PREPAID EXPENSES

| | VND | |
|---------------------------|------------------------|------------------------|
| | Ending balance | Beginning balance |
| Short-term | 4,129,693,461 | 2,793,026,285 |
| Insurance premium | 1,907,513,717 | 1,904,838,455 |
| Tools and supplies in use | 1,827,326,100 | 489,317,732 |
| Prepaid car rental | 320,000,000 | 320,000,000 |
| Others | 74,853,644 | 78,870,098 |
| Long-term | 125,692,890,034 | 135,708,407,488 |
| Prepaid land rental (*) | 110,463,566,238 | 111,709,374,794 |
| Tools and supplies in use | 13,041,658,974 | 20,748,154,809 |
| Others | 2,187,664,822 | 3,250,877,885 |
| TOTAL | 129,822,583,495 | 138,501,433,773 |

(*) As at 31 December 2024, a part of prepaid land rental with the remaining 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 20).

15. SHORT-TERM TRADE PAYABLES

| | VND | |
|---|------------------------|------------------------|
| | Ending balance | Beginning balance |
| PT Indorama Polychem Indonesia | 113,245,684,800 | - |
| Unifi Textile (Suzhou) Co., Ltd. | 109,740,846,000 | 117,400,338,000 |
| Vietnam Giza Engineering and Construction Joint Stock Company | 60,132,019,964 | - |
| Chori Co., Ltd. | 29,846,682,000 | 62,895,417,000 |
| Tainan Spinning Co., Ltd. | 6,049,887,090 | 32,910,848,100 |
| Others | 58,639,201,669 | 24,548,331,441 |
| TOTAL | 377,654,321,523 | 237,754,934,541 |

16. SHORT-TERM ADVANCES FROM CUSTOMERS

| | VND | |
|--|-----------------------|-----------------------|
| | Ending balance | Beginning balance |
| De Licacy Viet Nam Industrial Co., Ltd | 12,048,401,928 | - |
| Lear Corporation - Kenansville | 3,661,809,868 | 29,140,194,914 |
| Others | 6,512,121,543 | 10,084,323,640 |
| TOTAL | 22,222,333,339 | 39,224,518,554 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

17. STATUTORY OBLIGATIONS

| | <i>Beginning balance</i> | <i>Increase during the year</i> | <i>Decrease during the year</i> | <i>VND Ending balance</i> |
|----------------------------|------------------------------|-------------------------------------|-------------------------------------|-----------------------------------|
| Payables | | | | |
| Corporate income tax | - | 6,448,574,775 | (1,638,337,850) | 4,810,236,925 |
| Value-added tax | 2,501,784,369 | 22,886,933,495 | (23,649,734,836) | 1,738,983,028 |
| Personal income tax | 297,680,446 | 1,753,084,854 | (1,705,738,725) | 345,026,575 |
| Export import tax | 171,302,205 | - | (171,302,205) | - |
| Others | - | 65,292,397 | (65,292,397) | - |
| TOTAL | 2,970,767,020 | 31,153,885,521 | (27,230,406,013) | 6,894,246,528 |
| Receivables | | | | |
| Value-added tax deductible | 162,695,833,297 | 449,159,506,134 | (446,088,662,998) | 165,766,676,433 |
| Export import tax | 114,423,926 | 3,143,794,698 | (3,108,047,783) | 150,170,841 |
| Corporate income tax | 1,642,819,105 | - | (1,642,819,105) | - |
| Others | 1,103,224 | 68,753,986 | (69,857,210) | - |
| TOTAL | 164,454,179,552 | 452,372,054,818 | (450,909,387,096) | 165,916,847,274 |

18. SHORT-TERM ACCRUED EXPENSES

| | <i>VND Ending balance</i> | <i>Beginning balance</i> |
|------------------|-------------------------------|--------------------------|
| Utilities | 8,006,818,215 | 6,733,250,971 |
| Sales commission | 1,852,441,266 | 865,656,539 |
| Interest expense | 566,877,481 | 355,833,026 |
| TOTAL | 10,426,136,962 | 7,954,740,536 |

19. SHORT-TERM OTHER PAYABLES

| | <i>VND Ending balance</i> | <i>Beginning balance</i> |
|------------------|-------------------------------|--------------------------|
| Union fees | 3,327,930,639 | 2,326,315,136 |
| Social insurance | 1,815,031,595 | 458,994,129 |
| Dividends | 327,500,530 | 327,500,530 |
| Others | 2,152,642,514 | 2,090,980,524 |
| TOTAL | 7,623,105,278 | 5,203,790,319 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

20. LOANS

| | Beginning balance | Increase | Decrease | Revaluation due to foreign exchange difference | Reclassification | Ending balance |
|--------------------------------|--------------------------|--------------------------|----------------------------|--|-------------------|--------------------------|
| | | | | | | VND |
| Short-term | | | | | | |
| Loans from bank (Note 20.1) | 440,977,812,760 | 1,419,216,531,185 | (1,362,253,873,583) | 7,184,571,442 | - | 505,125,041,804 |
| Current portion (Note 20.2) | 168,560,000,000 | - | (168,052,874,067) | 2,956,034,839 | 349,036,588,119 | 352,499,748,891 |
| Long-term | | | | | | |
| Loan from bank (Note 20.2) | 409,136,361,334 | 701,665,674,002 | - | 30,698,381,541 | (349,036,588,119) | 792,463,828,758 |
| TOTAL | 1,018,674,174,094 | 2,120,882,205,187 | (1,530,306,747,650) | 40,838,987,822 | - | 1,650,088,619,453 |

20.1 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 3.5% to 7.54% per annum (for foreign currencies) and from 2.9% to 6% per annum (for VND). Further details are as follows:

| Bank | Ending balance | Original amount | Term and maturity date | Purposes | Descriptions of collateral |
|--|-----------------|-----------------|---|---------------------------------|-------------------------------|
| | VND | USD | | | |
| Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh Branch | 239,377,772,863 | - | From 6 January 2025 to 27 June 2025 | Working capital requirements | Unsecured |
| Vietnam Export Import Commercial Joint Stock Bank – Ho Chi Minh Branch | 118,812,504,857 | 4,705,259 | From 8 February 2025 to 27 June 2025 | Working capital requirements | Unsecured |
| Orient Commercial Joint Stock Bank – Tan Binh Branch | 73,695,801,030 | 2,918,530 | From 26 April 2025 to 23 May 2025 | Working capital requirements | Unsecured |
| Woori Bank Vietnam Limited – Ho Chi Minh Branch | 49,466,694,102 | 1,958,999 | From 16 April 2025 to 26 June 2025 | Working capital requirements | Unsecured |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

20. LOANS (continued)

20.1 Short-term loans (continued)

| Bank | Ending balance VND | Original amount USD | Term and maturity date | Purposes | Descriptions of collateral |
|---|------------------------|------------------------|--------------------------------------|---|-------------------------------|
| CTBC Bank Co., Ltd | 15,305,897,545 | - | From 28 April 2025 to 25 May 2025 | Factory construction for Unitex Corporation | Land use right |
| Vietnam Export Import Commercial Joint Stock Bank – Ho Chi Minh Branch | 8,466,371,407 | - | From 4 April 2025 to 5 June 2025 | Working capital requirements | Unsecured |
| TOTAL | 505,125,041,804 | 9,582,788 | | | |

20.2 Long-term loan

| Bank | Ending balance VND | Original amount USD | Term and maturity date | Purposes | Descriptions of collateral |
|------------------------|-----------------------|------------------------|--|---|-------------------------------|
| CTBC Bank Co., Ltd (*) | 1,144,963,577,649 | 45,343,296 | From 30 March 2025 to 17 January 2028 | Factory construction for Unitex Corporation | Factory and lease rights |
| <i>In which:</i> | | | | | |
| Current portion | 352,499,748,891 | 13,959,833 | | | |
| Non-current portion | 792,463,828,758 | 31,383,463 | | | |

(*) 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.

(*) Unitex's credit from CTBC Bank is secured by Century Fiber Company.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

21. OWNERS' EQUITY

21.1 *Movements in owners' equity*

| | Share capital | Share premium | Treasury shares | Investment and development fund | Undistributed earnings | VND Total |
|-------------------------|-----------------|----------------|------------------|---------------------------------|------------------------|-------------------|
| Previous year: | | | | | | |
| Beginning balance | 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 year | - | - | - | - | 87,799,332,687 | 87,799,332,687 |
| Dividends declared | 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 | 662,887,111,298 | 1,628,889,391,170 |
| Current year: | | | | | | |
| Beginning balance | 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 | - | 23,652,718,980 | 42,410,550,000 | - | - | 66,063,268,980 |
| Net profit for the year | - | - | - | - | 12,402,343,658 | 12,402,343,658 |
| Ending balance | 966,369,240,000 | 64,477,297,852 | - | 1,219,011,000 | 675,289,454,956 | 1,707,355,003,808 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

21. OWNERS' EQUITY (continued)

21.2 Capital transactions with owners and distribution of dividends/profits

| | | VND |
|-----------------------------|------------------------|--------------------------|
| | Current year | Previous year |
| Issued share capital | | |
| Beginning balance | 966,369,240,000 | 843,638,250,000 |
| Issuance of shares | - | 122,730,990,000 |
| Ending balance | <u>966,369,240,000</u> | <u>966,369,240,000</u> |
| Dividends declared | - | (122,730,990,000) |
| Dividends paid in shares | - | (122,730,990,000) |

21.3 Shares

| | <u>Ending balance</u> | | <u>Beginning balance</u> | |
|------------------------------|-----------------------|------------------------|--------------------------|------------------------|
| | Quantity | Amount (VND) | Quantity | Amount (VND) |
| Authorized shares | 96,636,924 | 966,369,240,000 | 96,636,924 | 966,369,240,000 |
| Issued shares | | | | |
| 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

22. REVENUES

22.1 Revenue from sale of goods

| | VND | |
|----------------------|--------------------------|--------------------------|
| | Current year | Previous year |
| Gross revenue | 1,210,456,380,134 | 1,425,624,612,200 |
| Less: | | |
| Sales returns | (203,810,405) | (561,587,822) |
| Net revenue | 1,210,252,569,729 | 1,425,063,024,378 |

22.2 Finance income

| | VND | |
|------------------------|-----------------------|-----------------------|
| | Current year | Previous year |
| Foreign exchange gains | 12,517,244,914 | 20,372,266,603 |
| Interest income | 358,462,148 | 10,689,149,403 |
| TOTAL | 12,875,707,062 | 31,061,416,006 |

23. FINANCE EXPENSES

| | VND | |
|-------------------------|-----------------------|-----------------------|
| | Current year | Previous year |
| Foreign exchange losses | 68,640,905,956 | 36,722,383,104 |
| Interest expense | 17,127,583,213 | 17,335,099,901 |
| TOTAL | 85,768,489,169 | 54,057,483,005 |

24. SELLING EXPENSES

| | VND | |
|---------------------------------------|-----------------------|-----------------------|
| | Current year | Previous year |
| Transportation | 6,400,763,719 | 7,986,552,183 |
| Letter of credit and documentary fees | 3,195,497,469 | 7,574,931,856 |
| Commission fee | 1,115,428,363 | 554,678,691 |
| Others | 1,761,497,277 | 3,547,612,996 |
| TOTAL | 12,473,186,828 | 19,663,775,726 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

25. GENERAL AND ADMINISTRATION EXPENSES

| | VND | |
|----------------------------------|-----------------------|-----------------------|
| | <i>Current year</i> | <i>Previous year</i> |
| Labor costs | 26,668,773,327 | 31,195,816,130 |
| External services | 9,504,211,323 | 12,079,570,434 |
| Stationery and other tools costs | 9,008,201,335 | 9,579,378,915 |
| Depreciation and amortization | 1,480,304,462 | 1,499,423,578 |
| Others | 5,660,682,404 | 6,085,506,397 |
| TOTAL | 52,322,172,851 | 60,439,695,454 |

26. OTHERS EXPENSES

| | VND | |
|-----------------------------|----------------------|----------------------|
| | <i>Current year</i> | <i>Previous year</i> |
| Depreciation and allocation | 6,790,462,424 | - |
| Others | 113,412,061 | 54,346,623 |
| TOTAL | 6,903,874,485 | 54,346,623 |

27. PRODUCTION AND OPERATING COSTS

| | VND | |
|--|--------------------------|--------------------------|
| | <i>Current year</i> | <i>Previous year</i> |
| Raw materials | 733,217,021,641 | 855,629,530,014 |
| External services | 164,236,319,565 | 214,842,272,280 |
| Depreciation and amortization (Notes 10 and 11) | 92,837,137,603 | 91,883,225,860 |
| Labor costs | 92,451,098,481 | 113,563,925,627 |
| Others | 29,079,464,303 | 37,165,745,786 |
| TOTAL | 1,111,821,041,593 | 1,313,084,699,567 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

28. 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 Fully Drawn Yarn (FDY) and Drawn Textured Yarn (DTY) products onwards was exempted 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 exempted 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 exempted 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 the consolidated financial statements could change at a later date upon final determination by the tax authorities.

28.1 CIT expense

| | VND | |
|---|-----------------------------|-----------------------------|
| | <i>Current year</i> | <i>Previous year</i> |
| Current tax expense | 5,481,093,224 | 5,936,938,896 |
| Adjustment for under (over) accrual of CIT from prior years | <u>967,481,631</u> | <u>(3,215,273,257)</u> |
| Total current income tax expense | 6,448,574,855 | 2,721,665,639 |
| Deferred tax expense | <u>50,126,534</u> | <u>480,931,911</u> |
| TOTAL | <u>6,498,701,389</u> | <u>3,202,597,550</u> |

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

| | VND | |
|---|------------------------------|------------------------------|
| | <i>Current year</i> | <i>Previous year</i> |
| Accounting profit before tax | <u>18,901,045,047</u> | <u>91,001,930,237</u> |
| At the applicable CIT rate for the Group | 3,780,209,011 | 18,200,386,047 |
| <i>Adjustments:</i> | | |
| Non-deductible expenses | 7,252,956,634 | 1,547,561,822 |
| Tax incentive for the Trang Bang branch | (3,649,716,451) | (19,346,270,333) |
| Adjustment for under (over) accrual of tax from prior years | 967,481,631 | (3,215,273,257) |
| Unrealized (loss) profit | (273,240,773) | 5,358,258,602 |
| (Utilize tax loss) tax loss carrying forward | <u>(1,578,988,662)</u> | <u>657,934,669</u> |
| CIT expense | <u>6,498,701,389</u> | <u>3,202,597,550</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

28. CORPORATE INCOME TAX (continued)

28.2 Current CIT

The current CIT payable is based on taxable profit for the current year. The taxable profit of the Group for the year differs from the accounting profit before tax as reported in the consolidated 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 Group's liability for current tax is calculated using tax rates that have been enacted at the consolidated balance sheet date.

28.3 Deferred tax

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

| | <i>Consolidated balance sheet</i> | | <i>Consolidated income statement</i> | |
|---|---------------------------------------|------------------------------|--|-----------------------------|
| | <i>Ending balance</i> | <i>Beginning balance</i> | <i>Current year</i> | <i>Previous year</i> |
| Accrued expenses | 1,587,585,218 | 2,019,826,977 | (432,241,759) | (341,791,400) |
| Provision for obsolete inventories | 965,286,634 | 877,123,667 | 88,162,967 | (73,359,524) |
| Foreign exchange arising from revaluation of monetary accounts denominated in foreign currency (gains)/losses | 295,622,864 | 2,421,631 | 293,201,233 | (64,178,601) |
| Accrual for severance pay | 44,649,891 | 43,898,866 | 751,025 | (1,602,386) |
| TOTAL | <u>2,893,144,607</u> | <u>2,943,271,141</u> | | |
| Net deferred tax charge to consolidated income statement | | | <u>(50,126,534)</u> | <u>(480,931,911)</u> |

VND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

29. TRANSACTIONS WITH RELATED PARTIES

The related parties with the Company as at 31 December 2024 are as follows:

| <i>Related party</i> | <i>Relationship</i> |
|---|--|
| 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 |

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

| <i>Individuals</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 | 1,492,450,300 | 1,517,600,000 |
| 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 | 150,000,000 |
| 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 Ha Kiet Tran | Member of BOS from 30 March 2023 | 60,000,000 | 60,000,000 |
| Ms Dinh Ngoc Hoa | Member of BOS | 198,714,294 | 167,748,325 |
| Ms Nguyen Phuong Chi | Director | 1,472,785,551 | 1,419,857,942 |
| Mr Phan Nhu Bich | Financial Director cum Chief Accountant | 936,636,843 | 836,885,835 |
| TOTAL | | 5,270,586,988 | 5,112,092,102 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

30. EARNINGS PER SHARE

The following reflects the income and share data used in the basic and diluted earnings per share computations:

| | | VND |
|--|---------------------|----------------------|
| | <i>Current year</i> | <i>Previous year</i> |
| Net profit after tax attributable to ordinary equity holders adjusted for the effect of dilution | 12,402,343,654 | 87,799,332,687 |
| Weighted average number of ordinary shares for basic earnings per share (i) | 95,741,837 | 94,095,274 |
| Earnings per share (par value of VND 10,000/share) | | |
| - Basic | 130 | 933 |
| - Diluted | 130 | 933 |

(i) The weighted average number of shares in circulation for the year ended 31 December 2024 and 31 December 2023 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 year and the date of completion of these consolidated financial statements.

31. OPERATING LEASE COMMITMENTS

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

| | | VND |
|-------------------|------------------------------|------------------------------|
| | <i>Ending balance</i> | <i>Beginning balance</i> |
| Less than 1 year | 1,227,965,559 | 1,961,680,720 |
| From 1 to 5 years | 2,103,976,448 | 2,364,405,800 |
| More than 5 years | 8,896,236,498 | 8,884,960,020 |
| TOTAL | <u>12,228,178,505</u> | <u>13,211,046,540</u> |

32. OFF CONSOLIDATED BALANCE SHEET ITEM

| | <i>Ending balance</i> | <i>Beginning balance</i> |
|----------------------------|-----------------------|--------------------------|
| Major foreign currency: | | |
| United States dollar (USD) | 38,844 | 74,162 |
| EURO | 25 | - |
| JPY | 418,231 | - |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended


33. PROFESSIONAL SERVICE FEES

Professional service fees with the global network of EY firms ("EY Firms") incurred in current year and prior year were as follows:

| | | VND |
|--|--------------------|--------------------|
| | Current year | Previous year |
| Audit and review fees of separate and consolidated financial statements of the Group | 310,000,000 | 310,000,000 |
| Audit fee of financial statements of the subsidiary | 50,000,000 | 50,000,000 |
| Review fees special purpose financial statements of the Group | 100,000,000 | 100,000,000 |
| TOTAL | 460,000,000 | 460,000,000 |

34. EVENT AFTER THE BALANCE SHEET DATE

There is no matter or circumstance that has arisen since the consolidated balance date that requires adjustment or disclosure in the 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

7 March 2025

