

Everpia Joint Stock Company

Consolidated financial statements

31 December 2016



Everpia Joint Stock Company

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Everpia Joint Stock Company

GENERAL INFORMATION

THE COMPANY

Everpia Joint Stock Company ("the Company") is a joint stock company incorporated under the Law on Enterprise of Vietnam following a change in legal form from a 100% foreign-owned company, Everpia Vietnam Co., Ltd., in pursuant to the Investment Certificate No. 011033000055 issued by Hanoi Department of Planning and Investment on 27 April 2007, and the subsequent amended investment certificates, with the latest, being the 17th Amended Investment Certificate, granted on 5 October 2016.

The shares of the Company have been officially listed on the Ho Chi Minh City Stock Exchange from 17 December 2010 under Decision No. 247/2010/QĐ-SGDHCM by the Director of the Ho Chi Minh City Stock Exchange dated 30 November 2010.

The principal activities of the Company are to produce non-knitting cloth, filter cloth, wool, blanket, bedding, padding, pillow, knapsacks, bags, mattresses, underclothes and other garment products; import, distribute (wholesale or retail) and export furniture goods, kitchen and office facilities.

The Company has its head office located at Duong Xa Commune, Gia Lam District, Hanoi and five branch offices located in Hung Yen, Ho Chi Minh City, Hoa Binh, Dong Nai and Da Nang.

BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are:

Mr Lee Jae Eun	Chairman	
Mr Cho Yong Hwan	Member	
Mr Lee Je Won	Member	
Mr Nguyen Van Dao	Member	
Ms Le Thi Thu Hien	Member	
Mr Jean - Charles Belliol	Member	Resigned on 11 March 2016
Mr Ngo Phuong Chi	Member	

BOARD OF SUPERVISION

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

Mr Truong Tuan Nghia	Head of Board of Supervision	
Mr Suh Seung Chul	Member	Resigned on 3 June 2016
Mr Yu Sung Dae	Member	Appointed on 24 June 2016
Mr Hong Sun	Member	

MANAGEMENT

Member of management during the year and at the date of this report are:

Mr Lee Jae Eun	General Director
Mr Cho Yong Hwan	Deputy General Director
Mr Kwon Sung Ha	Finance Director
Mr Nguyen Van Dao	Administration Director
Mr Lee Je Won	Ho Chi Minh City Branch Director
Mr Park Sung Jin	Dong Nai Branch Director

Everpia Joint Stock Company

GENERAL INFORMATION (continued)

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr Lee Jae Eun.

AUDITOR

The auditor of the Company is Ernst & Young Vietnam Limited.

Ernst & Young
M.S.C.

Everpia Joint Stock Company

REPORT OF MANAGEMENT

Management of Everpia Joint Stock Company ("the Company") is pleased to present its report and the consolidated financial statements of the Company and its subsidiary for the year ended 31 December 2016.

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 Company and of the consolidated results of its operations and its consolidated cash flows for the year. In preparing these 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 Company will continue its business.

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

Management confirmed that it has complied with the above requirements in preparing the accompanying 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 Company and its subsidiary as at 31 December 2016, 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 Accounting System and the statutory requirements relevant to the preparation and presentation of consolidated financial statements.

For and on behalf of management:



The stamp is circular and red, containing the text 'CÔNG TY CỔ PHẦN EVERPIA' in the center and 'H. GIA LAM TP. HA NOI' around the perimeter. A blue ink signature is written over the stamp.

Lee Jae Eun
General Director

29 March 2017



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Hoan Kiem District
Hanoi, S.R. of Vietnam

Tel : + 84 4 3831 5100
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Reference: 61110609/18490998-HN

INDEPENDENT AUDITORS' REPORT

To: The shareholders of Everpia Joint Stock Company

We have audited the accompanying consolidated financial statements of Everpia Joint Stock Company ("the Company") as prepared on 29 March 2017 and set out on pages 6 to 43, which comprise the consolidated balance sheet as at 31 December 2016, and the consolidated income statement and 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 consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of 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 statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the 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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Building a better
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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 Company and its subsidiaries as at 31 December 2016, 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 the preparation and presentation of consolidated financial statements.

Ernst & Young Vietnam Limited



Le Duc Trung
Deputy General Director
Audit Practising Registration
Certificate: No. 0816-2013-004-1

Nguyen Manh Hung
Auditor
Audit Practising Registration
Certificate: No. 2401-2013-004-1

Hanoi, Vietnam

29 March 2017

CONSOLIDATED BALANCE SHEET
as at 31 December 2016

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		804,991,252,918	804,659,760,630
110	I. Cash and cash equivalents	4	79,148,811,059	46,536,789,925
111	1. Cash		48,648,811,059	27,813,289,925
112	2. Cash equivalents		30,500,000,000	18,723,500,000
120	II. Short-term investments		73,140,000,000	160,692,000,000
123	1. Held-to-maturity investments	5	73,140,000,000	160,692,000,000
130	III. Current accounts receivable		243,742,976,292	215,756,933,903
131	1. Short-term trade receivables	6.1	180,180,602,822	160,634,671,731
132	2. Short-term advances to suppliers	6.2	6,071,660,749	10,130,609,792
135	3. Short-term loan receivables	7	60,773,000,000	48,373,000,000
136	4. Other short-term receivables	8	6,100,750,847	3,641,977,305
137	5. Provision for doubtful short-term receivables	6.1	(9,383,038,126)	(7,130,852,778)
139	6. Shortage of assets waiting for resolution		-	107,527,853
140	IV. Inventories	9	405,618,484,232	377,144,283,983
141	1. Inventories		412,586,637,519	378,848,150,831
149	2. Provision for obsolete inventories		(6,968,153,287)	(1,703,866,848)
150	V. Other current assets		3,340,981,335	4,529,752,819
151	1. Short-term prepaid expenses	15	3,190,981,335	1,585,691,903
152	2. Value-added tax deductible		-	2,458,321,166
153	3. Tax and other receivables from the State		150,000,000	150,000,000
155	4. Other current assets		-	335,739,750

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2016

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
200	B. NON-CURRENT ASSETS		309,836,108,255	303,360,355,910
210	I. Long-term receivables		1,647,711,335	900,309,734
216	1. Other long-term receivables	8	2,923,038,131	2,175,636,530
219	2. Provision for doubtful long-term receivables	8	(1,275,326,796)	(1,275,326,796)
220	II. Fixed assets		285,736,663,309	256,912,041,993
221	1. Tangible fixed assets	10	274,781,108,969	243,400,682,064
222	Cost		505,473,867,741	455,960,656,054
223	Accumulated depreciation		(230,692,758,772)	(212,559,973,990)
224	2. Finance lease assets	11	83,274,958	94,630,633
225	Cost		113,556,756	113,556,756
226	Accumulated depreciation		(30,281,798)	(18,926,123)
227	3. Intangible fixed assets	12	10,872,279,382	13,416,729,296
228	Cost		39,451,177,876	39,451,177,876
229	Accumulated amortization		(28,578,898,494)	(26,034,448,580)
240	III. Long-term assets in progress		-	20,736,250,000
242	1. Construction in progress		-	20,736,250,000
250	IV. Long-term investments		2,638,200,000	12,378,591,052
252	1. Investments in associate	13	-	9,740,391,052
253	2. Investment in other entity	14	2,638,200,000	2,638,200,000
260	V. Other long-term assets		19,813,533,611	12,433,163,131
261	1. Long-term prepaid expenses	15	15,147,738,448	12,433,163,131
262	2. Deferred tax assets	29.3	4,665,795,163	-
270	TOTAL ASSETS		1,114,827,361,173	1,108,020,116,540

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2016

Currency: VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		155,177,746,983	201,017,383,600
310	I. Current liabilities		108,391,290,137	159,972,185,564
311	1. Short-term trade payables	16	43,809,854,386	33,167,687,676
312	2. Short-term advances from customers		5,647,479,131	6,317,517,056
313	3. Statutory obligations	17	26,760,029,293	33,134,280,889
314	4. Payables to employees		11,454,147,070	11,587,656,424
315	5. Short-term accrued expenses		2,546,128,909	158,008,909
318	6. Short-term unearned revenue		-	463,840,906
319	7. Other short-term payables	18	1,038,688,812	5,488,110,683
320	8. Short-term borrowings and finance lease obligations	19	17,134,962,536	69,655,083,021
330	II. Non-current liabilities		46,786,456,846	41,045,198,036
337	1. Other long-term liabilities	18	3,849,537,782	3,742,142,814
338	2. Long-term borrowings and finance lease obligations	19	41,405,772,228	34,619,933,937
343	3. Scientific and technological development fund	20	1,531,146,836	2,683,121,285
400	D. OWNERS' EQUITY		959,649,614,190	907,002,732,940
410	I. Capital	21	959,649,614,190	907,002,732,940
411	1. Share capital	21.3	419,797,730,000	279,865,180,000
411a	- Shares with voting rights		419,797,730,000	279,865,180,000
412	2. Share premium	21.2	203,072,724,247	191,000,000,000
415	3. Treasury shares	21.2	-	(10,491,434,356)
417	4. Foreign exchange differences reserve		(172,241,448)	(108,571,925)
420	5. Other funds belonging to owners' equity	21.5	12,055,386,440	9,949,623,119
421	6. Undistributed earnings		324,896,014,951	436,787,936,102
421a	- Undistributed earnings up to the end of prior year		235,281,188,675	323,244,869,681
421b	- Undistributed earnings of current year		89,614,826,276	113,543,066,421
440	TOTAL LIABILITIES AND OWNERS' EQUITY		1,114,827,361,173	1,108,020,116,540



Nguyen Bao Ngoc
Preparer



Cho Yong Hwan
Deputy General Director
In charge of Finance




Lee Jae Eun
General Director


29 March 2017

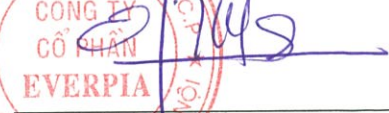
CONSOLIDATED INCOME STATEMENT
for year ended 31 December 2016

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods	23.1	868,969,242,139	883,442,397,668
02	2. Deductions	23.1	(5,054,666,284)	(2,816,494,881)
10	3. Net revenue from sale of goods	23.1	863,914,575,855	880,625,902,787
11	4. Cost of goods sold	24	(572,836,325,077)	(563,538,985,952)
20	5. Gross profit from sale of goods		291,078,250,778	317,086,916,835
21	6. Finance income	23.2	14,457,940,475	15,416,459,994
22	7. Finance expenses	25	(5,913,773,842)	(10,356,676,772)
23	- In which: Interest expenses		(4,338,980,359)	(2,971,884,267)
24	8. Share of loss of associate	13	(9,740,391,052)	(1,849,998,948)
25	9. Selling expenses	26	(82,114,536,494)	(74,570,883,134)
26	10. General and administrative expenses	26	(96,447,072,433)	(93,875,948,025)
30	11. Operating profit		111,320,417,432	151,849,869,950
31	12. Other income	27	4,323,488,385	662,183,029
32	13. Other expenses	27	(2,153,863,240)	(4,232,569,411)
40	14. Other profit/(loss)	27	2,169,625,145	(3,570,386,382)
50	15. Accounting profit before tax		113,490,042,577	148,279,483,568
51	16. Current corporate income tax expenses	29.1	(28,541,011,464)	(34,736,417,147)
52	17. Deferred tax income	29.3	4,665,795,163	-
60	18. Net profit after tax		89,614,826,276	113,543,066,421
61	19. Net profit after tax attributable to shareholders of the parent	21.1	89,614,826,276	113,543,066,421
70	20. Basic earnings per share	31	2,148	2,736
71	21. Diluted earnings per share	31	2,148	2,736


Nguyen Bao Ngoc
Preparer


Cho Yong Hwan
Deputy General Director
In charge of Finance


Lee Jae Eun
General Director



29 March 2017

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2016

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		113,490,042,577	148,279,483,568
	<i>Adjustments for:</i>			
02	Depreciation and amortization of fixed assets		33,317,416,821	32,753,310,531
03	Provisions/(reversal of provisions)		7,613,866,755	(1,737,868,885)
04	Foreign exchange (gains)/losses arisen from revaluation of monetary accounts denominated in foreign currency		(847,133,236)	892,136,524
05	Losses/(profits) from investing activities		852,405,118	(9,438,329,531)
06	Interest expenses	25	4,338,980,359	2,971,884,267
08	Operating profit before changes in working capital		158,765,578,394	173,720,616,474
09	Increase in receivables		(13,832,597,823)	(2,202,276,788)
10	Increase in inventories		(33,738,486,688)	(57,871,373,083)
11	Increase/(decrease) in payables		(297,785,985)	(13,055,908,410)
12	Decrease in prepaid expenses		220,589,796	2,612,629,548
14	Interest paid		(4,445,158,091)	(2,579,368,962)
15	Corporate income tax paid	17	(37,481,419,321)	(27,428,056,122)
17	Other cash outflows from operating activities		(4,615,814,228)	(2,504,059,728)
20	Net cash flows from operating activities		64,574,906,054	70,692,202,929
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase, construction of fixed assets and other long-term assets		(45,231,657,994)	(49,526,594,507)
22	Proceeds from disposals of fixed assets and other long-term assets		501,016,182	822,000,000
23	Loans to other entities		(255,813,000,000)	(57,473,000,000)
24	Collections from borrowers, short-term investments		330,965,000,000	34,037,759,578
25	Payments for investments in other entity		-	(9,740,391,052)
27	Interest and dividends received		9,692,731,378	7,451,203,848
30	Net cash flows from/(used in) investing activities		40,114,089,566	(74,429,022,133)

CONSOLIDATED CASH FLOW STATEMENT (continued)
for the year ended 31 December 2016

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from issuing share		22,564,158,603	-
33	Drawdown of borrowings		133,024,350,793	229,974,549,636
34	Repayment of borrowings		(171,947,736,743)	(188,153,553,566)
35	Repayment of principal of finance lease liabilities		(25,057,953)	(20,666,552)
36	Dividends paid to equity holders of the parent		(55,897,044,106)	(27,210,964,350)
40	Net cash flows (used in)/from financing activities		(72,281,329,406)	14,589,365,168
50	Net increase in cash and cash equivalents for the year		32,407,666,214	10,852,545,964
60	Cash and cash equivalents at the beginning of the year	4	46,536,789,925	35,570,707,087
61	Impact of exchange rate fluctuation		204,354,920	113,536,874
70	Cash and cash equivalents at the end of the year	4	79,148,811,059	46,536,789,925



Nguyen Bao Ngoc
Preparer



Cho Yong Hwan
Deputy General Director
In charge of Finance



Lee Jae Eun
General Director

29 March 2017

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at 31 December 2016 and for the year then ended**1. CORPORATE INFORMATION**

Everpia Joint Stock Company ("the Company") is a joint stock company incorporated under the Law on Enterprise of Vietnam following a change in legal form from a 100% foreign-owned company, Everpia Vietnam Co., Ltd., in pursuant to the Investment Certificate No. 011033000055 issued by Hanoi Department of Planning and Investment on 27 April 2007, and the subsequent Amended Investment Certificates, with the latest, being the 17th Amended Investment Certificate, granted on 5 October 2016.

The shares of the Company have been officially listed on the Ho Chi Minh City Stock Exchange from 17 December 2010 under Decision No. 247/2010/QĐ-SGDHCM by the Director of the Ho Chi Minh City Stock Exchange dated 30 November 2010.

The principal activities of the Company are to produce non-knitting cloth, filter cloth, wool, blanket, bedding, padding, pillow, knapsacks, bags, mattresses, underclothes and other garment products; import, distribute (wholesale or retail) and export furniture goods, kitchen and office facilities.

The Company has its head office located at Duong Xa Commune, Gia Lam District, Hanoi and five branch offices located in Hung Yen, Ho Chi Minh City, Hoa Binh, Dong Nai and Da Nang.

The number of the Company's employees as at 31 December 2016 is 1,341 (31 December 2015: 1,324).

Company structure

Details of the subsidiary and the percentage of the Company's voting and interests in its subsidiary as at 31 December 2016 are as follows:

Everpia Cambodia Co., Ltd

This is a limited liability company established in pursuant with the Investment Certificate No. 554/BKHDT – DTRNN issued by the Ministry of Planning and Investment of Vietnam on 26 September 2012. Everpia Cambodia Co., Ltd is located at No. 360, Monivong, Phnom Penh City, Kingdom of Cambodia. The principal activities of Everpia Cambodia Co., Ltd are trading of quilt bed sheets, pillows, mattresses; consulting and technology transfer in the field of manufacturing and trading; perform the import and export under the laws of the Kingdom of Cambodia.

As at 31 December 2016, the Company held 100% ownership interest in this subsidiary. At the date of this report, the Company decided to sell its share contributed to this subsidiary.

Everpia Intermaru Ltd

This subsidiary company is a limited liability company which is established according to Investment Certificate 201600083 issued by the Ministry of Planning and Investment of Vietnam on 12 January 2016. Everpia Intermaru Ltd is headquartered at No. 30-34 Ludwig-Erhard-Strasse, 65760 Eschborn, Germany. Main activities of Everpia Intermaru Ltd are trading in bed sheets, pillows, mattresses and carry out the right to import or export according to German law.

The Company is registered to hold 100% shares and voting rights in this subsidiary. However, as at the date of this report, the Company has decided not to contribute capital to this subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

1. CORPORATION INFORMATION (continued)

Company structure (continued)

Everpia Korea Joint Stock Company

This subsidiary company is established under Investment Certificate No. 201600179 issued by the Ministry of Planning and Investment of Vietnam on 1 August 2016. Everpia Korea is headquartered at 152-55 Samsung Dong, Gangnam Gu, Seoul, Korea. The main activity of Everpia Korea is trading of bed sheets, pillows, mattresses and perform the right to import and export follow the Korean law.

As at the 31 December 2016, the Company is registered to hold 100% shares and voting rights in this subsidiary. At the date of this report, the Company is in the process of contributing capital to this subsidiary.

2. BASIS OF PREPARATION

2.1 *Accounting standards and system*

The consolidated financial statements of the Company and its subsidiary, which are expressed in Vietnam Dong ("VND"), are prepared in accordance with the Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

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

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

2.2 *Applied accounting documentation system*

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

2.3 *Fiscal year*

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

2.4 *Accounting currency*

The consolidated financial statements are prepared in Vietnam Dong ("VND") which is also the Company's accounting currency.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

2. BASIS OF PREPARATION (continued)

2.5 *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the parent company and its subsidiaries for the year ended 31 December 2016.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continued to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

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

Non-controlling interests represent the portion of profit or loss and net assets not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity.

Impact of changes in the ownership interest of subsidiaries, without a loss of control, is recorded in retained earnings.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash at 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 change in value.

3.2 *Inventories*

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

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

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

Materials, merchandise	-	cost of purchase on a weighted average cost basis.
Finished goods, work in progress	-	cost of direct materials and labour plus attributable manufacturing overheads based on the normal operating capacity on a weighted average basis.

Provision for obsolete inventories

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

Increases and decreases to the provision balance are recorded into the cost of goods sold account in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Receivables

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

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases and decreases to the provision balance are recorded as general and administrative expense in the 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 of 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, any 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 Leased assets

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are capitalised in the consolidated balance sheet at the inception of the lease at the fair value of the leased assets or, if lower, at the net present value of the minimum lease payments. The principal amount included in future lease payments under finance leases are recorded as a liability. The interest amounts included in lease payments are charged to the consolidated income statement over the lease term to achieve a constant rate on interest on the remaining balance of the finance lease liability.

Capitalised financial leased assets are depreciated using straight-line basis over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Rentals under operating leases are charged to the consolidated income statement on a straight-line basis over the term of the lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortization.

The cost of an intangible fixed asset comprises of its purchase price and any directly attributable costs of preparing the intangible fixed 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, any 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.

Trade mark, distribution channels

Trade mark and distribution channels are recognised as intangible fixed assets at purchase price as indicated in the purchase contract.

3.7 Depreciation and amortization

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

Buildings and structures	25 - 46 years
Machinery and equipment	6 - 15 years
Office equipment	6 - 8 years
Motor vehicles	9 - 10 years
Others tangible fixed assets	4 - 10 years
Trade mark	20 years
Distribution channels	15 years
Computer software	4 years
Other intangible fixed assets	4 years

3.8 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs are recorded as expense during the year in which they are incurred, except to the extent that they are capitalized as explained in the following paragraph.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

3.9 Prepaid expenses

Prepaid expenses are reported as short-term or long-term prepaid expenses on the 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortization. Goodwill is amortized over 10-year period on a straight-line basis. The parent company conducts the periodical review for impairment of goodwill of investment in subsidiaries. If there are indicators of impairment loss incurred is higher than the yearly allocated amount of goodwill on the straight-line basis, the higher amount will be recorded in the consolidated income statement.

3.11 *Investments*

Investments in associates

The Company's investment in its associate is accounted for using the equity method of accounting. An associate is an entity in which the Company has significant influence that is neither subsidiaries nor joint ventures.

The share of post-acquisition profit/(loss) of the associates is presented on face of the consolidated income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend/profit sharing received or receivable from associates reduces the carrying amount of the investment.

The financial statements of the associates are prepared for the same reporting period and use the same accounting policies as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company

Investment in other entity

Investments in other entity are stated at their acquisition costs.

Provision for investments

Provision is made for any diminution in value of the investments at the balance sheet date in accordance with the guidance under Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 26 June 2013 issued by the Ministry of Finance. Increases and decreases in the provision balance are recorded as finance expense in the consolidated income statement.

Held-to-maturity investments

Held-to-maturity investments are stated at their acquisition costs. After initial recognition, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognised as expense in the consolidated financial statements and deducted against the value of such investments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 *Payables and accruals*

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

3.13 *Scientific and technological development fund*

Scientific and technological development fund is appropriated for scientific and technological activities of the Company in accordance with Circular No. 15/2011/TT-BTC dated 09 February 2011 issued by the Ministry of Finance. The annually appropriated amount is approved by the Board of Directors based on the annual budget proposed for scientific and technological activities and will not exceed 10% of taxable income. The appropriated amount is charged to the consolidated income statement for the year.

The amount appropriated to scientific and technological development fund is eligible for corporate income tax deduction. For the subsequent 5 years from the year the fund is appropriated, if scientific and technological development fund is unused or used up to 70% or used for improper purposes, the Company will have to pay the corporate income tax on the balance of the fund which is unused, or un-used up to 70%, or used for improper purposes, as well as the interest arising from such tax amount.

3.14 *Accrual for severance pay*

The severance pay to employee is accrued at the end of each reporting period for all employees who have been more than 12 months in service up to balance sheet date at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code, the Law on Social Insurance and related implementing guidance. The average monthly salary used in this calculation will be revised at the end of each reporting year following the average monthly salary of the 6-month period up to the reporting date. Any increase or decrease to the accrued amount 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 labour contract following Article 48 of the Labour Code.

3.15 *Foreign currency transactions*

Transactions in currencies other than the Company's reporting currency (VND) are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- transaction resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- transactions resulting in liabilities are recorded at the selling exchange rates of the transaction of commercial banks designated for payment;
- Capital contributions are recorded at the buying exchange rates of the banks designated for capital contribution;
- Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 *Foreign currency transactions* (continued)

At the end of the year, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rates at the balance sheet dates which are determined as follows:

- Monetary assets are translated at buying exchange rate of the commercial bank where the Company conducts transactions regularly;
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company conducts transactions regularly.

All foreign exchange differences incurred during the year and arisen from the translation of monetary accounts denominated in foreign currency at year-end are taken to the consolidated income statement.

3.16 *Foreign exchange differences arising from the conversion of reporting currency of a foreign entity*

The conversion of reporting currency for accounting purpose is according to the following principles:

- ▶ Transactions resulting in assets are recorded at the buying exchange rates of the commercial banks;
- ▶ Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks;
- ▶ The net asset of the subsidiaries which were hold by the parents company were recorded at the accounting exchange rate of the time buying; and
- ▶ Undistributed profit after tax and funds appropriated from the undistributed profit after tax are converted into VND by calculating according to the items of the income statement;
- ▶ Items on income statement and cash flow are converted into VND according to the average exchange rate of the year. The average exchange is applied if the average exchange rate in the year used for conversion appropriates the exchange rate at the time of transactions (not exceed +/- 1%).

If the variances between the exchange rate at the opening and ending of the accounting period is over 20%, the exchange rate at ending of the accounting period is applied.

All foreign exchange differences incurred from the conversion are recorded as a separate component in equity until the liquidation of the investments in foreign entity.

3.17 *Treasury shares*

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss upon purchase, sale, issue or cancellation of the Company's own equity instruments.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Appropriation of net profits

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

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

Investment and development fund

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

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.

Other fund belonging to owners' equity

This fund is set aside for other purposes of the Company's operation following the decision at the annual shareholders' meeting.

3.19 Revenue recognition

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

Sale of goods

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

Interest

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

Dividends

Income is recognised when the Company's entitlement as an investor to receive the dividend is established.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 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 recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company to set off current tax assets against current tax liabilities and when the Company intends to settle its current 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 recognised for all taxable temporary differences, except:

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

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

- ▶ where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss;
- ▶ in respect of deductible temporarily differences associated with investments in subsidiary, associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Taxation (continued)

Deferred tax (continued)

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

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

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

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

4. CASH AND CASH EQUIVALENTS

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	670,761,319	399,517,086
Cash at banks	47,978,049,740	27,413,772,839
Cash equivalents (*)	30,500,000,000	18,723,500,000
	79,148,811,059	46,536,789,925

(*) Cash equivalents comprise deposits with terms of less than 3 months, which earn interest at rates ranging from 4.3% to 5% per annum.

Additional information regarding the cash flow statement:

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Actual cash received from loans		
- Cash received from normal loan agreements	133,024,350,793	229,974,549,636
Actual cash payment of borrowings		
- Cash payment for normal borrowing agreements	(171,947,736,743)	(188,153,553,566)
- Cash payment for finance leases	(25,057,953)	(20,666,552)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

5. HELD-TO-MATURITY INVESTMENTS

Currency: VND

	Ending balance		Beginning balance	
	Cost	Carrying value	Cost	Carrying value
Term deposits	73,140,000,000	73,140,000,000	160,692,000,000	160,692,000,000
	73,140,000,000	73,140,000,000	160,692,000,000	160,692,000,000

Held to maturity investments include deposits with terms of 6 months, which earn interest from 5.3% to 5.5% per annum.

6. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

6.1 Trade receivables

Currency: VND

	Ending balance	Beginning balance
Trade receivables from customers	178,974,195,038	160,364,988,846
<i>Phu Truong Giang Investment Trading Co., Ltd</i>	8,660,898,816	5,754,471,416
<i>Welcron Global Vietnam Co., Ltd</i>	7,921,768,085	5,482,899,052
<i>RSCO Co., Ltd</i>	5,186,214,570	177,472,414
<i>AT- PHO HUE -278</i>	4,904,525,592	4,956,904,636
<i>Global Garment Sourcing Co., Ltd</i>	4,896,229,069	1,514,152,598
<i>Other trade receivables</i>	147,404,558,906	142,479,088,730
Trade receivables from related parties (Note 30)	1,206,407,784	269,682,885
	180,180,602,822	160,634,671,731
Provision for doubtful debts	(9,383,038,126)	(7,130,852,778)
<i>In which:</i>		
<i>Receivables used as collateral for borrowings</i>	-	53,645,000,000

6.2 Advances to suppliers

Currency: VND

	Ending balance	Beginning balance
Dongha Co., Ltd	464,455,050	298,650,369
Jiangsu Goldsun Textile Trade Co., Ltd	387,814,807	159,830,106
Daekwang Textile Co., Ltd	378,086,387	176,219,548
JM E&C Vina Co., Ltd	696,080,000	696,080,000
Advance to other suppliers	4,145,224,505	8,799,829,769
	6,071,660,749	10,130,609,792

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

7. SHORT-TERM LOAN RECEIVABLES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term loans to related parties (Note 30)	60,773,000,000	48,373,000,000
	<u>60,773,000,000</u>	<u>48,373,000,000</u>

8. OTHER RECEIVABLES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Interest income from term deposit	2,671,645,130	1,706,081,460
Advance to employees	636,650,166	1,374,681,264
Refundable import tax	97,179,805	123,897,766
Deposit	593,560,000	-
Other short-term receivables	2,101,715,746	437,316,815
	<u>6,100,750,847</u>	<u>3,641,977,305</u>
<i>In which:</i>		
Other receivables from related parties (Note 30)	2,279,711,500	-
Other receivables	3,821,039,347	3,641,977,305
Long-term		
Rental of machinery	893,491,200	893,491,200
Fabric loan	252,051,882	252,051,882
Receivable from employees	98,599,640	98,599,640
Long-term deposit	1,678,895,409	931,493,808
	<u>2,923,038,131</u>	<u>2,175,636,530</u>
	<u>9,023,788,978</u>	<u>5,817,613,835</u>
Provision for other long-term receivables	(1,275,326,796)	(1,275,326,796)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

9. INVENTORIES

Currency: VND

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Goods in transit	13,907,889,386	-	3,932,412,189	-
Materials	207,115,603,974	(688,261,204)	193,981,555,479	(1,648,758,887)
Tools and supplies	-	-	190,501,831	-
Work in process	22,295,952	-	668,882,146	-
Finished goods	182,552,792,701	(6,279,892,083)	170,358,935,633	(55,107,961)
Merchandise	8,988,055,506	-	9,714,011,642	-
Goods on consignment	-	-	1,851,911	-
	412,586,637,519	(6,968,153,287)	378,848,150,831	(1,703,866,848)

Movements of provision for obsolete inventories:

	<i>Current year</i>	<i>Previous year</i>
Beginning balance	1,703,866,848	4,610,151,256
Add: Provision made during the year	5,471,789,138	-
Less: Utilisation of provision during the year	(207,502,699)	(2,906,284,408)
Ending balance	6,968,153,287	1,703,866,848

Everpia Joint Stock Company

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

10. TANGIBLE FIXED ASSETS

Currency: VND

	Buildings and structures	Machinery and equipment	Office equipment	Motor vehicles	Others	Total
Cost:						
Beginning balance	156,919,779,878	244,740,520,181	19,599,457,115	15,676,041,856	19,024,857,024	455,960,656,054
- New purchase	11,006,917,842	25,177,088,785	388,892,423	11,595,018,916	51,405,483	48,219,323,449
- Transfer from construction in progress	16,195,795,455	-	-	-	-	16,195,795,455
- Other increases/(decreases) (*)	(14,418,518)	111,981,860	-	(126,791,500)	58,574,942	29,346,784
Disposal	(2,013,127,632)	(11,949,067,280)	(342,392,423)	(626,666,666)	-	(14,931,254,001)
Ending balance	182,094,947,025	258,080,523,546	19,645,957,115	26,517,602,606	19,134,837,449	505,473,867,741
<i>In which:</i>						
Fully depreciated	444,434,009	88,336,360,415	6,892,654,690	883,644,973	3,727,011,981	100,284,106,068
Fixed assets used as loan collateral (Note 19.2)	15,174,006,236	47,108,852,028	-	5,670,290,909	-	67,953,149,173
Accumulated depreciation:						
Beginning balance	38,804,583,650	144,051,836,123	9,970,665,846	10,941,553,998	8,791,334,373	212,559,973,990
- Depreciation for the year	6,525,215,013	18,028,979,177	1,109,214,852	2,975,131,400	2,123,070,790	30,761,611,232
- Other increases/(decreases) (*)	2,366,027	(8,751,821)	-	(16,983,531)	36,509,808	13,140,483
- Disposal	(301,972,500)	(11,566,706,145)	(261,549,750)	(511,738,538)	-	(12,641,966,933)
Ending balance	45,030,192,190	150,505,357,334	10,818,330,948	13,387,963,329	10,950,914,971	230,692,758,772
Net carrying amount:						
Beginning balance	118,115,196,228	100,688,684,058	9,628,791,269	4,734,487,858	10,233,522,651	243,400,682,064
Ending balance	137,064,754,835	107,575,166,212	8,827,626,167	13,129,639,277	8,183,922,478	274,781,108,969

(*) Other increases/(decreases) represent the exchange difference upon conversion of the USD denominated financial statements of Everpia Cambodia Co., Ltd., a subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

11. FINANCE LEASES

Currency: VND

Office equipment

Cost:

Beginning balance	113,556,756
Addition	-
Ending balance	<u>113,556,756</u>

Accumulated depreciation:

Beginning balance	18,926,123
Depreciation for the year	<u>11,355,675</u>
Ending balance	<u>30,281,798</u>

Net carrying amount:

Beginning balance	<u>94,630,633</u>
Ending balance	<u>83,274,958</u>

This is the photocopier leased from Chailease International Finance Lease Company Limited according to Contract No. B140301607 dated 24 March 2014 with a term of 48 months, which bears interest rate at 1.83% per month.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

12. INTANGIBLE FIXED ASSETS

	Trade mark	Distribution channel	Computer software	Others	Total
Currency: VND					
Cost:					
Beginning balance	23,494,500,000	7,831,500,000	7,438,284,189	686,893,687	39,451,177,876
Ending balance	23,494,500,000	7,831,500,000	7,438,284,189	686,893,687	39,451,177,876
<i>In which:</i>					
Depreciated	-	-	266,973,710	686,893,747	953,867,457
Accumulated amortization:					
Beginning balance	14,910,763,823	6,798,774,485	3,638,016,585	686,893,687	26,034,448,580
Amortization for the year	1,226,248,025	516,362,635	801,839,254	-	2,544,449,914
Ending balance	16,137,011,848	7,315,137,120	4,439,855,839	686,893,687	28,578,898,494
Net carrying amount:					
Beginning balance	8,583,736,177	1,032,725,515	3,800,267,604	-	13,416,729,296
Ending balance	7,357,488,152	516,362,880	2,998,428,350	-	10,872,279,382

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended**13. INVESTMENT IN ASSOCIATE**

	<i>Currency: VND</i>
	<i>Texpia Joint Stock Company</i>
Investment value	
Beginning balance	11,590,390,000
Ending balance	<u>11,590,390,000</u>
Accumulated losses after buying associate:	
Beginning balance	(1,849,998,948)
Accumulated losses after acquisition of associate	<u>(9,740,391,052)</u>
Ending balance	<u>(11,590,390,000)</u>
Remaining value:	
Beginning balance	<u>9,740,391,052</u>
Ending balance	<u>-</u>

14. INVESTMENT IN OTHER ENTITY

Investment in other entity represents the investment in the shares of Bac Ninh Pharmaceutical Joint Stock Company, with 172,000 shares at the cost of VND 2,638,200,000. The Company was unable to assess the fair value of this investment as these shares are not listed in a stock exchange.

15. PREPAID EXPENSES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Prepaid rentals	150,000,000	150,000,000
Tools and spare parts	645,283,827	183,655,804
Fire insurance	447,941,340	355,525,696
Advertisement	914,994,045	-
Others	1,032,762,123	896,510,403
	<u>3,190,981,335</u>	<u>1,585,691,903</u>
Long-term		
Prepaid rentals (*)	7,380,175,025	7,624,071,875
Land lease in Hoa Binh province	5,429,545,455	-
Tools and spare parts	1,242,478,256	2,348,157,875
Office equipment	453,097,232	1,259,045,812
Others	642,442,480	1,201,887,569
	<u>15,147,738,448</u>	<u>12,433,163,131</u>

(*) Prepaid rentals represent the payment for the long-term lease of commercial area at Keangnam Building, Pham Hung street, Hanoi for a period of 45 years commencing from 2012. Prepaid rentals are allocated to the income statement on a straight-line basis over 32 years from 2012, which corresponds to the remaining period of the Company's Investment Certificate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

16. TRADE PAYABLES

Currency: VND

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Amount</i>	<i>Amount payable</i>	<i>Amount</i>	<i>Amount payable</i>
EP International Company Limited Payables to other suppliers	10,648,692,462	10,648,692,462	3,506,414,577	3,506,414,577
	33,161,161,924	33,161,161,924	29,661,273,099	29,661,273,099
	43,809,854,386	43,809,854,386	33,167,687,676	33,167,687,676
<i>In which:</i>				
<i>Trade payable to related parties (Note 30)</i>	221,100,000	221,100,000	-	-
<i>Trade payable to other parties</i>	43,588,754,386	43,588,754,386	33,167,687,676	33,167,687,676

17. STATUTORY OBLIGATIONS

Currency: VND

	<i>Beginning balance</i>	<i>Increase in the year</i>	<i>Payment/net off in the year</i>	<i>Ending balance</i>
Value added tax	385,526,184	61,568,126,898	58,999,194,086	2,954,458,996
Import and export duties	550,254,566	1,142,002,474	1,119,017,197	573,239,843
Corporate income tax (Note 29)	31,377,106,680	28,541,011,464	37,481,419,321	22,436,698,823
Personal income tax	758,058,770	9,004,752,746	9,044,929,564	717,881,952
Other taxes	63,334,689	788,060,670	773,645,680	77,749,679
	33,134,280,889	101,043,954,252	107,418,205,848	26,760,029,293

18. OTHER PAYABLES

Currency: VND

	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Coupon payables	588,840,909	-
Trade union fee	4,908,000	86,123,580
Social insurance	84,545,734	98,253,322
Other short-term payables	360,394,169	5,303,733,781
	1,038,688,812	5,488,110,683
Long-term		
Provision for severance allowances	3,522,669,782	3,425,274,814
Other long-term payables	326,868,000	316,868,000
	3,849,537,782	3,742,142,814
	4,888,226,594	9,230,253,497

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

19. BORROWINGS AND FINANCE LEASES

Currency: VND

	Beginning balance		Movement during the year		Ending balance	
	Balance	Payable amount	Increase	Decrease	Balance	Payable amount
Short-term						
Borrowings from banks	68,528,083,021	68,528,083,021	99,268,682,256	167,796,765,277	-	-
Current portion of finance lease	-	-	25,057,953	-	25,057,953	25,057,953
Current portion of long-term borrowings (Note 19.2)	-	-	18,028,593,476	3,653,488,893	14,375,104,583	14,375,104,583
Borrowings from others (Note 19.1)	1,127,000,000	1,127,000,000	2,055,166,667	447,366,667	2,734,800,000	2,734,800,000
	69,655,083,021	69,655,083,021	119,377,500,352	171,897,620,837	17,134,962,536	17,134,962,536
Long-term						
Borrowings from banks (Note 19.2)	34,535,069,200	34,535,069,200	24,889,605,626	18,053,651,429	41,371,023,397	41,371,023,397
Finance lease (Note 19.3)	84,864,737	84,864,737	-	50,115,906	34,748,831	34,748,831
	34,619,933,937	34,619,933,937	24,889,605,626	18,103,767,335	41,405,772,228	41,405,772,228
	104,275,016,958	104,275,016,958	144,267,105,978	190,001,388,172	58,540,734,764	58,540,734,764

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

19. BORROWINGS AND FINANCE LEASES (continued)

19.1 Borrowings from others

	31 December 2016		Principal and interest payment term	Interest rate per annum	Description of collateral
	VND	Original currency			
Mr. Meach Mort	2,734,800,000	USD 120,000	1 year	0%	None
	2,734,800,000				

19.2 Long-term borrowings from banks

Details of the long-term borrowings from banks are as follows:

Bank	31 December 2016		Principal and interest payment term	Interest rate per annum	Description of collateral
	VND	Original currency (USD)			
Shinhan One Member Limited Liability Bank of Vietnam	33,230,716,140	1,457,488	4-5 years since loan drawdown date. Final principal repayment on 11 June 2020	From 3.5% to 3.62%	Machinery, equipment and other fixed assets in Bien Hoa 1 Industrial Zone, An Binh District, Bien Hoa City
Shinhan One Member Limited Liability Bank of Vietnam	18,515,411,840	VND 18,515,411,840	5 years since loan drawdown date. Final principal repayment on 24 November 2020	7%	Machinery, equipment and other fixed assets in Bien Hoa 1 Industrial Zone, An Binh District, Bien Hoa City
Shinhan One Member Limited Liability Bank of Vietnam	4,000,000,000	VND 4,000,000,000	5 years since loan drawdown date. Final principal repayment on 30 November 2021	6.83%	Car is bought by this loan
	55,746,127,980				
<i>In which:</i>					
<i>Current portion</i>	14,375,104,583				
<i>Long-term portion</i>	41,371,023,397				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

19. BORROWINGS AND FINANCE LEASES (continued)

19.3 Finance leases

This is the photocopier leased from Chailease International Finance Lease Co., Ltd according to Contract No. B140301607, dated 24 March 2014 with a term of 48 months and bears interest at 1.83% per month.

20. SCIENTIFIC AND TECHNOLOGICAL DEVELOPMENT FUND

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	2,683,121,285	7,736,603,050
<i>Addition:</i>		
Allocated from retained earnings	-	-
<i>Deduction:</i>		
Utilisation during the year	<u>(1,151,974,449)</u>	<u>(5,053,481,765)</u>
Ending balance	<u>1,531,146,836</u>	<u>2,683,121,285</u>

Everpia Joint Stock Company

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

21. OWNERS' EQUITY

21.1 Increase and decrease in owners' equity

	Contributed charter capital	Share premium	Treasury shares	Other funds belonging to owners' equity	Foreign exchange reserve	Undistributed earnings	Total
Previous year							
Beginning balance	279,865,180,000	191,000,000,000	(10,491,434,356)	8,227,907,722	(72,374,361)	355,917,976,369	824,447,255,374
- Profit for the year	-	-	-	-	-	113,543,066,421	113,543,066,421
- Appropriation to reserve	-	-	-	4,225,775,125	-	(4,225,775,125)	-
- Dividends declared	-	-	-	-	-	(27,210,964,350)	(27,210,964,350)
- Foreign exchanges differences arising from conversion of financial statements of subsidiary	-	-	-	(2,504,059,728)	(36,197,564)	-	(36,197,564)
- Other decreases	-	-	-	-	-	(1,236,367,213)	(3,740,426,941)
Ending balance	279,865,180,000	191,000,000,000	(10,491,434,356)	9,949,623,119	(108,571,925)	436,787,936,102	907,002,732,940
Current year							
Beginning balance	279,865,180,000	191,000,000,000	(10,491,434,356)	9,949,623,119	(108,571,925)	436,787,936,102	907,002,732,940
- Profit for the year	-	-	-	-	-	89,614,826,276	89,614,826,276
- Transfer of treasury shares	-	12,072,724,247	10,491,434,356	-	-	-	22,564,158,603
- Appropriation to reserve	-	-	-	5,677,153,321	-	(5,677,153,321)	-
- Dividends declared	-	-	-	-	-	(195,829,594,106)	(55,897,044,106)
- Foreign exchanges differences arising from conversion of financial statements of subsidiary	-	-	-	(3,571,390,000)	(63,669,523)	-	(63,669,523)
- Other decreases	-	-	-	-	-	-	(3,571,390,000)
Ending balance	419,797,730,000	203,072,724,247	-	12,055,386,440	(172,241,448)	324,896,014,951	959,649,614,190

Currency: VND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended**21. OWNERS' EQUITY (continued)****21.2 Contributed charter capital**

Currency: VND

	Ending balance		Beginning balance	
	Total	Ordinary shares	Total	Ordinary shares
Share capital	419,797,730,000	419,797,730,000	279,865,180,000	279,865,180,000
Share premium	203,072,724,247	203,072,724,247	191,000,000,000	191,000,000,000
Treasury shares (*)	-	-	(10,491,434,356)	(10,491,434,356)
	622,870,454,247	622,870,454,247	460,373,745,644	460,373,745,644

(*) In May 2016, the Company sold 479,300 treasury shares at average price of VND 47,200 per share.

21.3 Capital transactions with owners and distribution of dividends, profits

Currency: VND

	Current year	Previous year
Contributed capital		
Beginning balance	279,865,180,000	279,865,180,000
Increase in the year	139,932,550,000	-
Decrease in the year	-	-
Ending balance	419,797,730,000	279,865,180,000
Dividends paid	(195,829,594,106)	(27,210,964,350)

According to the resolution of the Extraordinary Meeting of Shareholders No. 02/DHDCD2016/NQ dated 24 June 2016, on 27 July 2016, the Company issued shares to pay dividends for 2015 at the rate of 50%. The number of shares issued to pay dividends is 13,993,255 shares, equivalent to the increase of share capital of 139,932,550,000 VND.

21.4 Shares

	Ending balance Quantity	Beginning balance Quantity
Issued shares	41,979,773	27,986,518
Issued and paid-up shares	41,979,773	27,986,518
Ordinary shares	41,979,773	27,986,518
Preferred shares	-	-
Treasury shares	-	(479,300)
Ordinary shares	-	(479,300)
Preferred shares	-	-
Shares in circulation	41,979,773	27,507,218
Ordinary shares	41,979,773	27,507,218
Preference shares	-	-

The Company's shares are listed on the Ho Chi Minh City Stock Exchange (HOSE) under the ticker symbol of EVE. The par value of share in circulation during the year is VND10,000/share (2015: VND10,000/share).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

21. OWNERS' EQUITY (continued)

21.5 Other funds belonging to owners' equity

Other funds belonging to owners' equity is set up according to the Resolution of the General shareholders on 15 April 2016 with the amount of 5% of Profit after tax presented in the consolidated financial statements for the year 2015. According to this Resolution, the Board of Director and Management are authorised to use this fund for the Company's business activities in order to maximize the Company's operating results.

22. OFF BALANCE SHEET ITEMS

	<i>Ending balance</i>	<i>Beginning balance</i>
Foreign currency		
- USD	678,776	677,231
- EUR	162	173

23. REVENUE

23.1 Revenue from sale of goods

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Gross revenue	868,969,242,139	883,442,397,668
<i>In which:</i>		
<i>Sales of bedding products</i>	508,516,212,616	526,127,621,311
<i>Sales of padding products</i>	262,368,040,097	253,215,597,204
<i>Sales of quilting products</i>	78,501,474,216	69,280,103,228
<i>Other sales</i>	19,076,994,595	34,529,755,025
<i>Scrap sales</i>	506,520,615	289,320,900
Less	(5,054,666,284)	(2,816,494,881)
<i>Sales return</i>	(821,166,454)	(2,816,494,881)
<i>Trade discount</i>	(4,233,499,830)	-
Net revenue	863,914,575,855	880,625,902,787

23.2 Finance income

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Interest income	10,452,656,820	8,933,685,308
Foreign exchange gain	3,781,683,655	6,213,962,750
Dividend income	223,600,000	223,600,000
Others	-	45,211,936
	14,457,940,475	15,416,459,994

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended**24. COST OF GOODS SOLD**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Cost of bedding products sold	378,028,139,940	372,730,937,096
Cost of padding products sold	136,563,985,175	141,536,538,977
Cost of quilting products sold	49,478,253,855	37,767,902,768
Other cost of sales	8,765,946,107	11,503,607,111
	<u>572,836,325,077</u>	<u>563,538,985,952</u>

25. FINANCE EXPENSES

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Interest expense	4,338,980,359	2,971,884,267
Foreign exchange losses	1,559,424,497	7,369,530,419
Other finance expense	15,368,986	15,262,086
	<u>5,913,773,842</u>	<u>10,356,676,772</u>

26. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Selling expenses		
- Raw materials	2,504,655,564	1,302,557,467
- Labour costs	29,577,137,363	25,876,522,271
- Depreciation	2,632,355,455	4,800,696,850
- External services	38,706,700,582	28,896,292,104
- Others	8,693,687,530	13,694,814,442
	<u>82,114,536,494</u>	<u>74,570,883,134</u>
General and administrative expenses		
- Raw materials	200,308,425	288,105,358
- Labour costs	58,802,551,694	42,370,787,887
- Depreciation	7,360,652,744	26,186,739,033
- External services	19,655,395,932	14,220,458,318
- Others	10,428,163,638	10,809,857,429
	<u>96,447,072,433</u>	<u>93,875,948,025</u>
	<u>178,561,608,927</u>	<u>168,446,831,159</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended**27. OTHER INCOME AND EXPENSES**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Other income	4,323,488,385	662,183,029
Reimbursement of excise tax expense in previous years	4,087,927,679	-
Gain from disposal of assets	-	281,043,851
Gain from penalty for breach of contracts	37,641,912	20,000,000
Other income	197,918,794	361,139,178
Other expenses	(2,153,863,240)	(4,232,569,411)
Loss on disposal of assets	(1,788,270,886)	-
Employees support expenses	-	(601,492,750)
Commissions	-	(862,736,553)
Other expenses	(365,592,354)	(2,768,340,108)
Other profit/(loss)	2,169,625,145	(3,570,386,382)

28. PRODUCTION AND OPERATING COSTS

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Materials	479,652,272,869	511,044,458,696
Labour costs	169,057,422,824	130,161,215,769
Depreciation and amortization	33,317,416,821	50,450,097,035
Expenses for external services	61,586,419,352	48,886,531,941
Other expenses	19,331,673,012	24,954,421,357
	762,945,204,878	765,496,724,798

29. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") applicable to the Company is 20% of taxable profits.

The tax returns filed by the Company are subject to examination by the tax authorities. As 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.

29.1 CIT expenses

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Current CIT expenses	28,541,011,464	34,736,417,147
Deferred tax income	(4,665,795,163)	-
	23,875,216,301	34,736,417,147

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended**29. CORPORATE INCOME TAX (continued)****29.1 CIT expense (continued)**

The reconciliation between the profit before tax and taxable profit is presented below:

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Profit before tax	113,490,042,577	148,279,483,568
At CIT rate of 20% (previous year: 22%)	22,698,008,515	32,621,491,209
<i>Adjustments to increase:</i>	<i>4,062,308,351</i>	<i>2,397,576,258</i>
Expenses not eligible for CIT deduction	1,026,284,618	1,341,917,545
Additional provision for unemployment	-	27,164,129
Loss of subsidiary	655,113,512	621,494,816
Loss of associate	1,948,078,210	406,999,768
Other increases	432,832,011	-
<i>Adjustments to decrease:</i>	<i>(2,885,100,565)</i>	<i>(282,650,320)</i>
Temporary differences	(2,022,795,029)	-
Income not subject to CIT	(817,585,536)	-
Unrealised foreign exchange loss of cash and trade receivables of previous year	-	(6,190,925)
Unearned revenue	-	(10,400,000)
Unrealised foreign exchange gain of cash and trade receivables	-	(199,318,538)
Dividend received	(44,720,000)	(49,192,000)
Other decreases	-	(17,548,857)
CIT expense	<u>23,875,216,301</u>	<u>34,736,417,147</u>

29.2 Current tax

The current tax payable is based on taxable profit for the current year. The taxable profit of the Company for the year differs from the profit 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 Company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended**29. CORPORATE INCOME TAX (continued)****29.3 Deferred tax**

The following are the deferred tax assets and deferred tax liabilities recognised by the Company, and the movements thereon, during the current and previous years.

	<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>
Deferred tax assets				
Unearned revenue	117,768,182	-	117,768,182	-
Sale deduction not yet issued invoices	846,699,966	-	846,699,966	-
Provision for obsolete inventories	1,393,630,658	-	1,393,630,658	-
Provision for doubtful debts	1,876,607,625	-	1,876,607,625	-
Accrual for severance pay	704,533,956	-	704,533,956	-
	4,939,240,387	-	4,939,240,387	-
Deferred tax liabilities				
Unrealised foreign exchange gain of cash and trade receivables	(273,445,224)	-	(273,445,224)	-
	(273,445,224)	-	(273,445,224)	-
Net deferred tax assets	4,665,795,163	-		
Net deferred tax credit to consolidated income statement			4,665,795,163	-

30. TRANSACTIONS WITH RELATED PARTIES

Significant transactions of the Company with related parties during the year were as follows:

<i>Related party</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Current year</i>	<i>Previous year</i>	
Texpia JSC	Associate	Loans	16,040,000,000	57,473,000,000	
		Collection of loans	3,640,000,000	9,100,000,000	
		Processing revenue	2,851,649,941	1,272,293,966	
		Loan interest	4,157,661,832	689,460,500	
		Liquidation of assets	400,000,000	-	
		Services revenue	880,000,000	-	
		Wiping and screen wiping cloth purchasing	809,950,000	-	
		Revenue from cap selling for staffs	2,706,060	-	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

30. TRANSACTIONS WITH RELATED PARTIES (continued)

The terms and conditions of transactions with related parties

The sales and purchases transactions with related parties shall comply with the prices and the terms prevailing in the market.

The balance of accounts receivable and payable on 31 December 2016 is unsecured, interest-free and will be paid in cash. For the year ended on 31 December 2016, the Company has not made any provision for doubtful debts relating to amounts owed by related parties (at 31 December 2015: Nil). This assessment is done for each year through examining the financial position of the related party and the relevant markets in which it operates.

Amounts due to and due from related parties at the balance sheet dates were as follows:

			<i>Currency: VND</i>	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Current year</i>	<i>Previous year</i>
Receivable (Note 6.1)				
Texpia Joint Stock Company	Associate	Processing	1,206,407,784	269,682,885
			1,206,407,784	269,682,885
Receivable for short-term lending (Note 7)				
Texpia Joint Stock Company (*)	Associate	Loan	60,773,000,000	48,373,000,000
			60,773,000,000	48,373,000,000
Other receivable (Note 8)				
Texpia Joint Stock Company	Associate	Loan interest	1,549,711,500	-
		Disposal of assets	330,000,000	-
		Providing services	400,000,000	-
			2,279,711,500	-
Trade payables (Note 16)				
Texpia Joint Stock Company	Associate	Purchase of wiper	221,100,000	-
			221,100,000	-

(*) This is the loan to Texpia Joint Stock Company (Previously known as Interamaru Vina Joint Stock Company) according to the contract in 2015 and 2016. These loans have maturity from 1 to 8 months with the interest of 6% per year, unsecured.

Transactions with other related parties

Remuneration to members of the Board of Directors and Management:

		<i>Currency: VND</i>	
		<i>Current year</i>	<i>Previous year</i>
Salaries and bonus		17,009,454,229	16,663,930,436
		17,009,454,229	16,663,930,436

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

31. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit after tax for the year attributable to ordinary shareholders of the Company 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 for 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.

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

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Net profit after tax attributable to ordinary equity holders for basic earnings	89,614,826,276	113,543,066,421
Effect of dilution	-	-
Net profit attributable to ordinary equity holders adjusted for the effect of dilution	<u>89,614,826,276</u>	<u>113,543,066,421</u>
Weighted average number of ordinary shares for basic earnings per share (*)	41,718,323	41,500,473
Effect of dilution	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution (*)	<u>41,718,323</u>	<u>41,500,473</u>

(*) The restatement of opening balance is due to the issuance of 13,993,255 shares to pay dividend during the current year.

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these consolidated financial statements.

32. SEGMENT INFORMATION

The principal activities of the Company is manufacturing and trading of products of blankets, sheets, pillows, mattress and duvet. Revenue from sale of blankets, sheets, pillows, mattresses and cotton accounted for 97.78% of total revenue in the year. Besides, the production and business activities of the Company are mainly carried out in the territory of Vietnam. Therefore, the Company does not report on business segment and geographic segment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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33. EVENTS AFTER THE BALANCE SHEET DATE

Under Decision of Board of Directors No. 002/2017/HĐQT/NQ dated 16 March 2017, the Company decided to sell its capital in Everpia Cambodia Co., Ltd and stop contributing capital to Everpia Internaru Ltd.

There is no other matter or circumstance that has arisen since the balance sheet date that requires adjustment or disclosure in the consolidated financial statements of the Company and its subsidiary.



Nguyen Bao Ngoc
Preparer



Cho Yong Hwan
Deputy General Director
In charge of Finance



Lee Jae Eun
General Director

29 March 2017