

Everpia Joint Stock Company

Interim separate financial statements

For the six-month period ended 30 June 2019



Everpia Joint Stock Company

CONTENTS

	<i>Pages</i>
General information	1 - 2
Report of management	3
Report on review of interim separate financial statements	4 - 5
Interim separate balance sheet	6 - 8
Interim separate income statement	9
Interim separate cash flow statement	10 - 11
Notes to the interim separate financial statements	12 - 48

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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 19th Amended Investment Registration Certificate, granted on 7 November 2018.

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 according to Investment Certificate are to produce, import, distribute (wholesale or retail), consultancy, technology transfer and export non-knitting cloth, filter cloth, wool, blanket, bedding, padding, pillow, mattresses, knapsacks, valise, bags, underclothes and other garment products; import, distribute (wholesale or retail) and export furniture goods, kitchen and office facilities; and trading of real estate under the form of house and infrastructure leasing.

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

BOARD OF DIRECTORS

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

Mr Lee Jae Eun	Chairman
Mr Cho Yong Hwan	Member
Ms Le Thi Thu Hien	Member
Mr Yu Sung Dae	Member
Mr Park Sung Jin	Member
Mr Le Kha Tuyen	Member
Ms Nguyen Le Hoang Yen	Member

BOARD OF SUPERVISION

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

Mr Truong Tuan Nghia	Head of Board of Supervision
Mr Ko Tae Yeon	Member
Mr Nguyen Dac Huong	Member

Everpia Joint Stock Company

GENERAL INFORMATION (continued)

MANAGEMENT

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

Mr Lee Jae Eun	General Director
Mr Cho Yong Hwan	Deputy General Director
Mr Yu Sung Dae	Deputy General Director
Mr Lim Jin Taek	Ho Chi Minh City Branch Director
Mr Park Sung Jin	Dong Nai Branch Director

LEGAL REPRESENTATIVE

The legal representative of the Company during the period and at the date of this report is Mr Lee Jae Eun, Chairman of the Board of Directors cum General Director of the Company.

AUDITOR

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

Everpia Joint Stock Company

REPORT OF MANAGEMENT

Management of Everpia Joint Stock Company ("the Company") is pleased to present this report and the interim separate financial statements of the Company for the six-month period ended 30 June 2019.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE INTERIM SEPARATE FINANCIAL STATEMENTS

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

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

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

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

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim separate financial statements give a true and fair view of the interim separate financial position of the Company as at 30 June 2019, and of the interim separate results of its operations and its interim separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of interim separate financial statements.

The Company has subsidiary as disclosed in the interim separate financial statements. The Company prepared these interim separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular No. 155/2015/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Company has also prepared the interim consolidated financial statements of the Company and its subsidiary for the six-month period ended 30 June 2019 dated 26 August 2019.

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

For and on behalf of management


Lee Jae Eun
General Director

Hanoi, Vietnam

26 August 2019

Reference: 61110609/21043398-LR

REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS

To: The shareholders of Everpia Joint Stock Company

We have reviewed the accompanying interim separate financial statements of Everpia Joint Stock Company ("the Company"), as prepared on 26 August 2019 and set out on pages 6 to 48 which comprise the interim separate balance sheet as at 30 June 2019, the interim separate income statement and the interim separate cash flow statement for the six-month period then ended and the notes thereto.

Management's responsibility

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

Auditor's responsibility

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements do not give a true and fair view, in all material respects, of the interim separate financial position of the Company as at 30 June 2019, and of its interim separate results of operations and its interim separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the interim separate financial statements.

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Emphasis of matter

We draw attention to Note 2.1 to the interim separate financial statements. The Company has prepared its interim consolidated financial statements of the Company and its subsidiary for the six-month period ended 30 June 2019 in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the interim consolidated financial statements. We have reviewed these interim consolidated financial statements and our review report dated 26 August 2019 has expressed an unqualified conclusion.

Our review conclusion on the interim separate financial statements is not modified in respect of this matter.

Ernst & Young Vietnam Limited



Nguyen Thai Thanh
Deputy General Director
Audit Practising Registration Certificate No. 0402-2018-004-1

Hanoi, Vietnam

26 August 2019

01/08/2019



INTERIM SEPARATE BALANCE SHEET
as at 30 June 2019

Currency: VND

Code	ASSETS	Notes	30 June 2019	31 December 2018
100	A. CURRENT ASSETS		1,169,218,864,708	1,170,402,259,798
110	I. Cash and cash equivalents	4	45,973,851,602	56,240,642,185
111	1. Cash		35,181,851,602	38,840,642,185
112	2. Cash equivalents		10,792,000,000	17,400,000,000
120	II. Short-term investments		465,701,000,000	452,548,500,000
123	1. Held-to-maturity investments	5	465,701,000,000	452,548,500,000
130	III. Current accounts receivables		199,542,172,727	239,569,580,845
131	1. Short-term trade receivables	6.1	180,744,827,171	227,611,563,628
132	2. Short-term advances to suppliers	6.2	25,410,371,976	25,442,860,902
136	3. Other short-term receivables	7	28,590,810,522	21,983,210,878
137	4. Provision for doubtful debts	6.1, 6.2,7,8	(35,203,836,942)	(35,468,054,563)
140	IV. Inventories	9	439,059,632,347	403,861,648,525
141	1. Inventories		447,512,158,212	419,949,878,914
149	2. Provision for obsolete inventories		(8,452,525,865)	(16,088,230,389)
150	V. Other current assets		18,942,208,032	18,181,888,243
151	1. Short-term prepaid expenses	14	6,571,750,347	10,461,302,311
152	2. Value-added tax deductible		12,220,457,685	7,570,585,932
153	3. Tax and other receivables from the State		150,000,000	150,000,000



INTERIM SEPARATE BALANCE SHEET (continued)
as at 30 June 2019


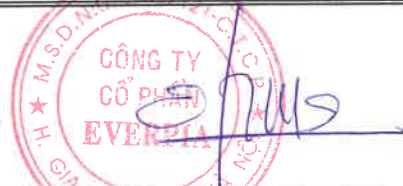
Currency: VND

Code	ASSETS	Notes	30 June 2019	31 December 2018
200	B. NON-CURRENT ASSETS		342,467,607,194	334,921,831,991
210	<i>I. Long-term receivables</i>		2,299,242,275	2,365,523,158
216	1. Other long-term receivables	7	3,624,130,950	3,690,411,833
219	2. Provision for doubtful long-term receivables	7	(1,324,888,675)	(1,324,888,675)
220	<i>II. Fixed assets</i>		258,094,052,918	273,125,440,183
221	1. Tangible fixed assets	10	251,872,842,293	265,794,612,166
222	Cost		579,126,248,118	571,332,073,478
223	Accumulated depreciation		(327,253,405,825)	(305,537,461,312)
227	2. Intangible fixed assets	11	6,221,210,625	7,330,828,017
228	Cost		40,548,062,876	40,548,062,876
229	Accumulated amortisation		(34,326,852,251)	(33,217,234,859)
250	<i>III. Long-term investments</i>		36,923,200,000	25,348,200,000
251	1. Investments in subsidiary	12	34,285,000,000	22,710,000,000
252	2. Investments in associate	12	11,590,390,000	11,590,390,000
253	3. Investment in other entity	13	2,638,200,000	2,638,200,000
254	4. Provision for long-term investments	12	(11,590,390,000)	(11,590,390,000)
260	<i>IV. Other long-term assets</i>		45,151,112,001	34,082,668,650
261	1. Long-term prepaid expenses	14	29,917,914,268	17,003,502,987
262	2. Deferred tax assets	29.3	15,233,197,733	17,079,165,663
270	TOTAL ASSETS		1,511,686,471,902	1,505,324,091,789

INTERIM SEPARATE BALANCE SHEET (continued)
as at 30 June 2019

Currency: VND

Code	RESOURCES	Notes	30 June 2019	31 December 2018
300	C. LIABILITIES		616,648,439,666	583,621,423,780
310	i. Current liabilities		261,305,365,963	219,741,793,817
311	1. Short-term trade payables	15.1	82,075,664,013	79,741,683,361
312	2. Short-term advances from customers	15.2	10,520,782,679	21,403,410,987
313	3. Statutory obligations	16	4,155,357,957	23,015,809,543
314	4. Payables to employees		16,562,365,498	17,007,943,807
315	5. Short-term accrued expenses	17	4,581,644,132	3,312,520,102
319	6. Other short-term payables	18	6,825,721,710	6,158,581,355
320	7. Short-term borrowings	19	136,583,829,974	69,101,844,662
330	ii. Non-current liabilities		355,343,073,703	363,879,629,963
337	1. Other long-term liabilities	18	16,355,370,944	15,588,964,872
338	2. Long-term borrowings	19	106,105,690,259	113,516,165,091
339	3. Convertible bonds	20	232,882,012,500	234,774,500,000
400	D. OWNERS' EQUITY		895,038,032,236	921,702,668,009
410	i. Capital	21	895,038,032,236	921,702,668,009
411	1. Share capital	21.3	419,797,730,000	419,797,730,000
411a	- Ordinary shares with voting rights		419,797,730,000	419,797,730,000
411b	- Preference shares		-	-
412	2. Share premium	21.2	203,072,724,247	203,072,724,247
415	3. Treasury shares		(76,000,000,000)	(76,000,000,000)
420	4. Other fund belonging to owners' equity	21.5	3,452,111,234	734,156,888
421	5. Undistributed earnings	21.1	344,715,466,755	374,098,056,874
421a	- Undistributed earnings by the end of prior period		332,278,152,892	295,537,175,749
421b	- Undistributed earnings of current period		12,437,313,863	78,560,881,125
440	TOTAL LIABILITIES AND OWNERS' EQUITY		1,511,686,471,902	1,505,324,091,789


Preparer
Nguyen Bao Ngoc

Deputy General Director
In charge of Finance
Yu Sung Dae

General Director
Lee Jae Eun


Hanoi, Vietnam

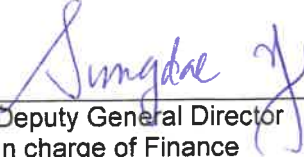
26 August 2019

INTERIM SEPARATE INCOME STATEMENT
for the six-month period ended 30 June 2019

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2019	For the six-month period ended 30 June 2018
01	1. Revenue from sale of goods	23.1	430,095,721,867	502,649,880,456
02	2. Deductions	23.1	(2,281,060,154)	(1,295,435,332)
10	3. Net revenue from sale of goods	23.1	427,814,661,713	501,354,445,124
11	4. Cost of goods sold	24	(300,856,116,458)	(350,471,545,262)
20	5. Gross profit from sale of goods		126,958,545,255	150,882,899,862
21	6. Finance income	23.2	18,217,612,609	11,275,489,155
22	7. Finance expenses	26	(7,817,578,083)	(9,171,582,432)
23	- In which: Interest expenses		(4,670,028,922)	(8,309,469,719)
25	8. Selling expenses	25	(78,022,019,989)	(67,896,275,909)
26	9. General and administrative expenses	25	(41,982,461,501)	(44,121,226,063)
30	10. Operating profit		17,354,098,291	40,969,304,613
31	11. Other income	27	99,169,493	840,403,065
32	12. Other expenses	27	(575,798,319)	(19,189,911)
40	13. Other (loss)/profit	27	(476,628,826)	821,213,154
50	14. Accounting profit before tax		16,877,469,465	41,790,517,767
51	15. Current corporate income tax expense	29.1	(2,594,187,672)	(2,842,617,259)
52	16. Deferred income tax expense	29.3	(1,845,967,930)	(5,782,690,851)
60	17. Net profit after tax		12,437,313,863	33,165,209,657


Preparer
Nguyen Bao Ngoc


Deputy General Director
In charge of Finance
Yu Sung Dae


General Director
Lee Jae Eun

Hanoi, Vietnam

26 August 2019

INTERIM SEPARATE CASH FLOW STATEMENT
for the six-month period ended 30 June 2019

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2019	For the six-month period ended 30 June 2018
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		16,877,469,465	41,790,517,767
	<i>Adjustments for:</i>			
02	Depreciation of tangible fixed assets and amortisation of intangible fixed assets		22,825,561,905	21,304,584,169
03	(Reversal of provisions)/provisions		(7,133,516,073)	1,601,812,372
04	Foreign exchange (gains)/losses arisen from revaluation of monetary accounts denominated in foreign currency		(740,705,973)	968,322,441
05	Profits from investing activities		(16,642,677,604)	(8,831,615,966)
06	Interest expenses	26	4,670,028,922	8,309,469,719
08	Operating profit before changes in working capital		19,856,160,642	65,143,090,502
09	Decrease/(increase) in receivables		40,909,388,248	(26,366,464,363)
10	Increase in inventories		(27,562,279,298)	(39,036,796,268)
11	Decrease in payables		(15,284,462,398)	(3,682,284,426)
12	(Increase)/decrease in prepaid expenses		(9,024,859,317)	2,609,808,041
14	Interest paid		(4,857,574,243)	(8,330,280,003)
15	Corporate income tax paid	16	(17,111,275,411)	(14,803,222,577)
17	Other cash outflows for operating activities		(1,092,665,386)	(11,238,174,273)
20	Net cash flows used in operating activities		(14,167,567,163)	(35,704,323,367)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase, construction of fixed assets		(7,099,850,188)	(18,314,383,310)
22	Proceeds from disposals of fixed assets		-	181,601,099
23	Payments for short-term investments		(385,701,000,000)	(57,820,826,666)
24	Collections from short-term investments		372,548,500,000	-
25	Payments for investments in other entities		(11,575,000,000)	-
27	Interest and dividends received		13,074,495,125	9,562,147,428
30	Net cash flows used in investing activities		(18,752,855,063)	(66,391,461,449)

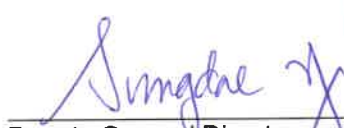
INTERIM SEPARATE CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2019

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2019	For the six-month period ended 30 June 2018
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings		130,603,511,541	131,391,607,916
34	Repayment of borrowings		(70,947,571,669)	(46,804,639,635)
35	Repayment of principal of finance lease liabilities		-	(25,728,214)
36	Dividends paid to equity holders		(38,009,284,250)	(39,778,676,750)
40	Net cash flows from financing activities		21,646,655,622	44,782,563,317
50	Net decrease in cash for the period		(11,273,766,604)	(57,313,221,499)
60	Cash and cash equivalents at beginning of the period		56,240,642,185	126,055,923,872
61	Impact of exchange rate fluctuation		1,006,976,021	533,224,261
70	Cash and cash equivalents at end of the period	4	45,973,851,602	69,275,926,634



Preparer
Nguyen Bao Ngoc



Deputy General Director
In charge of Finance
Yu Sung Dae



General Director
Lee Jae Eun

Hanoi, Vietnam

26 August 2019

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
As at 30 June 2019 and for the six-month period 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 19th Amended Investment Registration Certificate, granted on 7 November 2018.

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 according to Investment Certificate are to produce, import, distribute (wholesale or retail), consultancy, technology transfer and export non-knitting cloth, filter cloth, wool, blanket, bedding, padding, pillow, mattresses, knapsacks, valise, bags, underclothes and other garment products; import, distribute (wholesale or retail) and export furniture goods, kitchen and office facilities; and trading of real estate under the form of house and infrastructure leasing.

The Company's normal course of business cycle is 12 months.

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

The number of the Company's employees as at 30 June 2019 is 1,491 (31 December 2018: 1,591).

Company structure

Details of the subsidiary and the percentage of the Company's voting right and interests in its subsidiary as at 30 June 2019 are as follows:

Everpia Korea Joint Stock Company

This subsidiary company is a joint stock company established under Investment Certificate No. 201600179 issued by the Ministry of Planning and Investment of Vietnam on 1 August 2016. Everpia Korea Joint Stock Company is located at 18 104 Gil Samsung-ro, Kangnam Gu, Seoul, Korea. The principal activities of Everpia Korea are trading of bedding, pillows, mattresses, consultancy and technology transfer and perform the right to import and export follow the Korean law.

As at 30 June 2019 the Company is registered to hold 100% shares and voting rights in this subsidiary. At the date of this report, the Company contributed USD 1,500,000 (equivalent to VND 34,285,000,000), equivalent to 100% charter capital to this subsidiary.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

2. BASIS OF PREPARATION

2.1. Purpose of preparing the interim separate financial statements

Everpia Joint Stock Company has a subsidiary as presented in Note 1 and Note 12.1. The Company prepared these interim separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular No. 155/2015/TT-BTC on disclosure of information on the securities market. The Company is also required under this circular to prepare the interim consolidated financial statements for the six-month period ended 30 June 2019. The Company has completed these interim consolidated financial statements on 26 August 2019.

Users of these interim separate financial statements should read them together with the interim consolidated financial statements of the Company and its subsidiary for the six-month period ended 30 June 2019 in order to obtain full information on the interim consolidated financial position, the interim consolidated results of operations and the interim consolidated cash flows of the Company and its subsidiary.

2.2. Accounting standards and system

The interim separate financial statements of the Company, which are expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System and 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 interim separate financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.3 Applied accounting documentation system

The Company's applied accounting documentation system is computerised based system.

2.4 Fiscal year

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

2.5 Accounting currency

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Company in preparation of the interim separate financial statements are consistent with those followed in the preparation of the Company's annual separate financial statements for the year ended 31 December 2018 and the interim separate financial statements for the six-month period ended 30 June 2018.

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 not more 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 the 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 and 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 interim separate balance sheet date.

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

3.3 *Receivables*

Receivables are presented in the interim separate financial statements at the carrying amounts due from customers and other debtors, after 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 or decreases to the provision balance are recorded as general and administrative expense in the interim separate income statement.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period 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 of its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

Site restoration costs are recognised as part of the cost of building, structures using discounted cash flow of the future cash flow to settle the site restoration obligation at the end of the factory area rental period.

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

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

3.5 *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.

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

3.6 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortisation.

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

When intangible 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 interim separate 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.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Depreciation and amortisation

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

Buildings, structures	25 - 46 years
Machinery and equipment	5 - 15 years
Office equipment	6 - 8 years
Motor vehicles	9 - 10 years
Others tangible fixed assets	4 - 20 years
Trade mark	6 – 16 years
Distribution channels	15 years
Computer software	4 years
Other intangible fixed assets	4 years
Site restoration cost	10 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 period in which they are incurred, except to the extent that they are capitalised 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 capitalised 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 interim separate balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

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

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

Prepaid land rental

The prepaid land rental represents the unamortised balance of advance payment made in accordance with lease contract signed with Mr. Nguyen Hoai Thanh on 22 February 2019 for a period of 50 years. Such prepaid rental is classified as long-term prepaid expenses for allocation to the interim separate income statement over the remaining lease period.

3.10 Investments

Investment in subsidiary

Investments in subsidiary over which the Company has control are carried at cost in interim separate balance sheet.

Distributions from accumulated net profits of the subsidiary arising subsequent to the date of acquisition are recognised in the interim separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 *Investments* (continued)

Investments in associate

Investments in associate over which the Company has significant influence are carried at cost in interim separate balance sheet.

Distributions from accumulated net profits of the associate arising subsequent to the date of acquisition are recognised in the interim separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

Investments in other entity

Investments in other entity are stated at their acquisition costs.

Provision for diminution in value of 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 28 June 2013 issued by the Ministry of Finance. Increases and decreases in the provision balance are recorded as finance expense in the interim separate 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 finance expense in the interim separate income statement and deducted against the value of such investments.

3.11 *Payables and accruals*

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

3.12 *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 Management 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 interim separate income statement.

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 less than 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 less than 70% or used for improper purposes, as well as the interest arising from such tax amount.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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 accounting period following the average monthly salary of the 6-month period up to the reporting date. Increase or decrease to the accrued amount other than actual payment to employee will be taken to the interim separate income statement.

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

3.14 Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provision for site restoration costs

The Company records a provision for site restoration costs in relation to the land on which the Company's buildings and structures are located. Site restoration costs are provided at the current estimated costs to settle the obligation and are recognised as part of the cost of the buildings and structures, which will be amortised over the lease term of the land on which the buildings and structures are located. The estimated costs of site restoration liability are reviewed periodically and adjusted as appropriate. Changes in the estimated future costs are added to or deducted from the cost of the asset.

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:

- ▶ Transactions 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;
- ▶ 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.

At the end of the period, 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 revaluated at buying exchange rate of the commercial bank where the Company conducts transactions regularly; and
- ▶ Monetary liabilities are revaluated at selling exchange rate of the commercial bank where the Company conducts transactions regularly.

All foreign exchange differences incurred during the period and arisen from the translation of monetary accounts denominated in foreign currency at interim separate balance sheet date are taken to the interim separate income statement.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 *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.

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. According to resolution of shareholders' meeting, the Board of Director and Board of Management are authorised to use this fund for the Company's business activities in order to maximize the Company's operating results.

3.17 *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.

Rendering of services

Revenue is recognised when services are completed.

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 INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Taxation

Current income tax

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

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

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company to 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 interim separate balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

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

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

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

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

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 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 interim separate balance sheet date.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company to 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 Company intends either to settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.19 Segment information

A segment is a component determined separately by the Company which is engaged in providing products or related services (business segment) or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments.

Company's business segment is derived mainly from sales of textile products. Management defines the Company's geographical segments to be based on the location of the Company's assets.

3.20 Related parties

Parties are considered to be related parties of the Company if one party has the ability directly or indirectly 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 the family of any such individual.

4. CASH AND CASH EQUIVALENTS

	<i>Currency: VND</i>	
	<i>30 June 2019</i>	<i>31 December 2018</i>
Cash on hand	260,062,605	1,647,250,291
Cash at banks	34,921,788,997	37,193,391,894
Cash equivalents (*)	10,792,000,000	17,400,000,000
	<u>45,973,851,602</u>	<u>56,240,642,185</u>

(*) As at 30 June 2019, cash equivalents include bank deposits with terms from 1 month to 3 months which earn interest rate from 5% to 5.1% per annum (31 December 2018: interest rate of 5% per annum).

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

5. HELD-TO-MATURITY INVESTMENTS

	Currency: VND			
	30 June 2019		31 December 2018	
	Cost	Carrying value	Cost	Carrying value
Term deposits	465,701,000,000	465,701,000,000	452,548,500,000	452,548,500,000
	465,701,000,000	465,701,000,000	452,548,500,000	452,548,500,000

As at 30 June 2019, held-to-maturity investments include bank deposits with terms from 6 months to 1 year with interest rate from 6.8% to 7.5% per annum (31 December 2018: interest rate from 6.2% to 7.2% per annum).

6. SHORT-TERM TRADE RECEIVABLES AND SHORT-TERM ADVANCES TO SUPPLIERS

6.1 Short-term trade receivables

	Currency: VND	
	30 June 2019	31 December 2018
Everpia Cambodia Co., Ltd.	10,679,225,063	10,077,275,617
Welcron Global Vietnam JSC	6,160,997,936	5,714,641,335
Global Garment Sourcing Co., Ltd.	3,643,002,007	1,077,839,640
Hoa Binh Co., Ltd.	2,554,735,851	4,554,735,851
Xuan Khieu Service and Trading JSC	1,695,561,124	5,542,156,405
Lan Phat Dat Private Enterprise	334,862,422	3,947,203,796
Petit Elin Co., Ltd.	321,577,536	17,167,570,420
Mr. Hoang Thanh Van	23,942,188	3,728,085,206
TCK Textiles Korea Inc	-	9,554,393,020
The Garden Co., Ltd	-	4,526,516,768
Other trade receivables	155,330,923,044	161,721,145,570
	180,744,827,171	227,611,563,628
Provision for doubtful debts	(23,054,764,325)	(22,763,610,516)

6.2 Short-term advances to suppliers

	Currency: VND	
	30 June 2019	31 December 2018
Jiangsu Goldsun Textile Trade Co., Ltd.	6,003,143,438	253,240,320
Zhejiang Yuehe Industry Corporation Ltd.	3,424,448,736	-
V.F.B., Trading JSC	2,976,000,000	-
Nguyen Hoai Thanh	-	4,000,000,000
ZIOVI Design Co.	-	3,837,900,000
Tongxiang Huibo Import & Export Co., Ltd.	-	2,576,974,638
Advance to other suppliers	13,006,779,802	14,774,745,944
	25,410,371,976	25,442,860,902
Provision for doubtful advances to suppliers	(696,080,000)	(696,080,000)

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

7. OTHER RECEIVABLES

	<i>Currency: VND</i>	
	<i>30 June 2019</i>	<i>31 December 2018</i>
Short-term		
Shortage of assets awaiting resolution	11,630,179,185	11,336,798,621
Interest income from term deposits	11,581,797,808	8,013,615,329
Advance to employees	1,634,057,531	933,530,414
Refundable import tax	408,564,138	408,564,138
Refundable Value Added Tax	1,168,241,076	1,168,513,803
Other short-term receivables	2,167,970,784	122,188,573
	<u>28,590,810,522</u>	<u>21,983,210,878</u>
Provision for doubtful other short-term receivables	(11,452,992,617)	(12,008,364,047)
Long-term		
Rental of machinery	893,491,200	893,491,200
Fabric loan	252,051,882	252,051,882
Receivables from employees	98,599,640	98,599,640
Long-term deposit	2,299,242,275	2,365,523,158
Other long-term receivables	80,745,953	80,745,953
	<u>3,624,130,950</u>	<u>3,690,411,833</u>
Provision for doubtful other long-term receivables	(1,324,888,675)	(1,324,888,675)

8. OVERDUE DEBTS

	<i>Currency: VND</i>			
	<i>30 June 2019</i>		<i>31 December 2018</i>	
	<i>Cost</i>	<i>Recoverable amount</i>	<i>Cost</i>	<i>Recoverable amount</i>
Everpia Cambodia Co., Ltd	10,679,225,063	755,134,237	10,233,915,802	309,824,975
Others	68,854,138,117	42,249,503,326	57,333,230,244	30,464,377,833
	<u>79,533,363,180</u>	<u>43,004,637,563</u>	<u>67,567,146,046</u>	<u>30,774,202,808</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

9. INVENTORIES

Currency: VND

	<i>30 June 2019</i>		<i>31 December 2018</i>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Goods in transit	6,970,848,967	-	6,121,493,812	-
Raw materials	233,791,907,799	(4,432,673,110)	231,446,359,852	(9,252,711,215)
Finished goods	202,712,467,993	(4,019,852,755)	179,605,691,714	(6,835,519,174)
Merchandise	4,036,933,453	-	2,776,333,536	-
	447,512,158,212	(8,452,525,865)	419,949,878,914	(16,088,230,389)

Movements of provision for obsolete inventories:

Currency: VND

	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Beginning balance	16,088,230,389	10,758,674,761
Add: Provision made during the period	1,748,416,404	942,636,343
Less: Utilisation and reversal of provision during the period	(9,384,120,928)	-
Ending balance	8,452,525,865	11,701,311,104

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

10. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Office equipment	Motor vehicle	Others	Total
<i>Currency: VND</i>						
Cost:						
As at 31 December 2018	196,826,549,412	296,508,402,684	13,909,759,696	44,524,168,028	19,563,193,658	571,332,073,478
New purchase	-	5,239,846,094	1,500,000,000	833,730,364	220,598,182	7,794,174,640
Reclassification	-	885,227,456	-	-	(885,227,456)	-
As at 30 June 2019	196,826,549,412	302,633,476,234	15,409,759,696	45,357,898,392	18,898,564,384	579,126,248,118
<i>In which:</i>						
Fully depreciated	20,703,762,726	83,904,635,725	7,561,915,994	5,803,083,677	3,926,370,526	121,899,768,648
Fixed assets used as loan and bond collateral (Note 19.1, 19.2, 19.3, 20)	195,220,167,614	165,373,614,672	71,331,818	5,670,290,909	7,422,892,658	373,758,297,671
Accumulated depreciation:						
As at 31 December 2018	70,561,962,596	186,065,585,908	12,855,992,795	21,636,637,543	14,417,282,470	305,537,461,312
Depreciation for the period	7,080,356,863	11,587,836,058	217,469,888	1,970,959,815	859,321,889	21,715,944,513
Reclassification	-	706,427,021	-	-	(706,427,021)	-
As at 30 June 2019	77,642,319,459	198,359,848,987	13,073,462,683	23,607,597,358	14,570,177,338	327,253,405,825
Net carrying amount:						
As at 31 December 2018	126,264,586,816	110,442,816,776	1,053,766,901	22,887,530,485	5,145,911,188	265,794,612,166
As at 30 June 2019	119,184,229,953	104,273,627,247	2,336,297,013	21,750,301,034	4,328,387,046	251,872,842,293

NOTES TO THE INTERIM SEPARATE THE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

11. INTANGIBLE FIXED ASSETS

Currency: VND

	Trade mark	Distribution channels	Computer software	Others	Total
Cost:					
As at 31 December 2018	24,566,385,000	7,831,500,000	7,463,284,189	686,893,687	40,548,062,876
As at 30 June 2019	24,566,385,000	7,831,500,000	7,463,284,189	686,893,687	40,548,062,876
<i>In which:</i>					
Fully amortised	-	7,831,500,000	266,973,710	686,893,687	8,785,367,397
Accumulated amortisation:					
As at 31 December 2018	18,649,057,064	7,831,500,000	6,049,784,108	686,893,687	33,217,234,859
Amortisation for the period	702,447,762	-	407,169,630	-	1,109,617,392
As at 30 June 2019	19,351,504,826	7,831,500,000	6,456,953,738	686,893,687	34,326,852,251
Net carrying amount:					
As at 31 December 2018	5,917,327,936	-	1,413,500,081	-	7,330,828,017
As at 30 June 2019	5,214,880,174	-	1,006,330,451	-	6,221,210,625

NOTES TO THE INTERIM SEPARATE THE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

12. LONG-TERM INVESTMENTS

Currency: VND

	30 June 2019			31 December 2018		
	Cost	Provision	Fair value	Cost	Provision	Fair value
Investment in subsidiary (Note 12.1)	34,285,000,000	-		22,710,000,000	-	
- Everpia Korea JSC	34,285,000,000	-	(*)	22,710,000,000	-	(*)
Investment in associate (Note 12.2)	11,590,390,000	(11,590,390,000)		11,590,390,000	(11,590,390,000)	
	45,875,390,000	(11,590,390,000)		34,300,390,000	(11,590,390,000)	

(*) Shares of this subsidiary are not listed on the stock market. Management assesses the fair value of this investment equivalent to its book value.

12.1 Investments in subsidiary

Detailed information on subsidiary as at 30 June 2019 is disclosed in Note 1.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

12. LONG-TERM INVESTMENTS (continued)

12.2 Investments in associate

	30 June 2019		31 December 2018	
	Ownership (%)	Voting right (%)	Ownership (%)	Voting right (%)
Texpia Joint Stock Company	44%	44%	44%	44%

Texpia Joint Stock Company is a joint stock company established under the Investment Certificate No. 472033001056 issued by the Management Board of Dong Nai Industrial Zone on 16 October 2013 and the Amended Investment Certificates, with the latest being the latest being the 6th No. 472033001056 issued on 2 June 2017. Texpia Joint Stock Company is located in Nhon Trach Textile Industrial Zone, Nhon Trach district, Bien Hoa city, Dong Nai province. The principal activities of Texpia Joint Stock Company are to produce and process all kinds of cleaners and garment fabrics. As at 2 April 2018, the Company has completely purchased assets and liabilities of this associate. As at the date of this report, this associate has sent a notice to the governing agencies regarding its dissolution. Therefore, the Company did not assess the fair value of the investment in this associate as at 30 June 2019.

13. INVESTMENT IN OTHER ENTITY

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

14. PREPAID EXPENSES

	Currency: VND	
	30 June 2019	31 December 2018
Short-term		
Prepaid rentals	2,751,689,079	330,000,000
Advertisement	1,277,367,457	6,985,919,358
Fire insurance	537,365,991	572,741,238
Tools and spare parts	79,789,486	533,150,507
Others	1,925,538,334	2,039,491,208
	6,571,750,347	10,461,302,311
Long-term		
Showroom furniture	9,786,548,188	3,317,136,477
Land rental prepaid (*)	7,997,324,416	-
Prepaid rentals (**)	6,665,356,250	6,802,315,625
Tools and spare parts	4,813,414,573	5,772,213,179
Office supplies	133,425,255	41,837,706
Others	521,845,586	1,070,000,000
	29,917,914,268	17,003,502,987

(*) Land rental prepaid in Nha Trang in 50 years from 2019 to use as premises and office.

(**) Prepaid rentals at Keangnam Landmark, Pham Hung street, Hanoi in 45 years from 2012. It was allocated to interim separate income statement under straight – line basis over 32 years from 2012, in consistent with remaining operational period of the Company its under Investment Certificate.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

15. SHORT-TERM TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

15.1 Short-term trade payables

Currency: VND

	30 June 2019		31 December 2018	
	Balance	Payable amount	Balance	Payable amount
Short-term trade payables	58,644,134,036	58,644,134,036	66,654,551,783	66,654,551,783
- SL Company Ltd.	8,017,364,879	8,017,364,879	5,697,835,909	5,697,835,909
- BCH Corporation	1,805,704,130	1,805,704,130	1,805,704,130	1,805,704,130
- EP International Company Limited	-	-	186,752,809	186,752,809
- Payables to other suppliers	48,821,065,027	48,821,065,027	58,964,258,935	58,964,258,935
Payables to related parties (Note 30)	23,431,529,977	23,431,529,977	13,087,131,578	13,087,131,578
	82,075,664,013	82,075,664,013	79,741,683,361	79,741,683,361

15.2 Short-term advances from customers

Currency: VND

	30 June 2019	31 December 2018
Petit Elin Co., Ltd.	2,486,363,884	5,505,524,850
Ms. Sung Hee Nam	2,200,000,000	-
Mr. Bui Minh Khuong	-	2,000,000,000
Vietnam Construction and Manpower JSC	-	1,491,800,139
Others	5,834,418,795	12,406,085,998
	10,520,782,679	21,403,410,987

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

16. STATUTORY OBLIGATIONS

	<i>Currency: VND</i>			
	<i>31 December 2018</i>	<i>Payable during the period</i>	<i>Payment during the period</i>	<i>30 June 2019</i>
Payables				
Value added tax	4,653,776,498	6,600,217,476	11,010,048,173	243,945,801
Import and export duties	99,811,732	305,098,106	305,098,106	99,811,732
Corporate income tax (<i>Note 29</i>)	16,770,530,210	2,594,187,672	17,111,275,411	2,253,442,471
Personal income tax	1,109,588,264	7,118,789,081	6,706,822,693	1,521,554,652
Other taxes	382,102,839	191,233,916	536,733,454	36,603,301
	<u>23,015,809,543</u>	<u>16,809,526,251</u>	<u>35,669,977,837</u>	<u>4,155,357,957</u>

17. SHORT-TERM ACCRUED EXPENSES

	<i>Currency: VND</i>	
	<i>30 June 2019</i>	<i>31 December 2018</i>
Advertising costs	1,259,520,191	425,933,240
Import and export fee	817,214,624	510,000,000
Commission fee	706,907,394	647,917,582
Rental fee	665,000,000	607,340,194
Professional fee	408,181,812	366,181,812
Others	724,820,111	755,147,274
	<u>4,581,644,132</u>	<u>3,312,520,102</u>

18. OTHER PAYABLES

	<i>Currency: VND</i>	
	<i>30 June 2019</i>	<i>31 December 2018</i>
Short-term		
Accrued interest	3,629,328,496	3,816,873,817
Coupon payables	258,068,181	17,272,727
Trade union fee	532,887,576	220,617,848
Social insurance	200,428,886	122,556,446
Other short-term payables	2,205,008,571	1,981,260,517
	<u>6,825,721,710</u>	<u>6,158,581,355</u>
Long-term		
Provision for severance allowances	13,475,556,630	12,709,150,558
Provision for site restoration	2,762,996,314	2,762,996,314
Other long-term payables	116,818,000	116,818,000
	<u>16,355,370,944</u>	<u>15,588,964,872</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

19. BORROWINGS AND BONDS

Currency: VND

	31 December 2018		Movement during the period			30 June 2019	
	Balance	Payable amount	Increase	Decrease	Foreign exchange difference	Balance	Payable amount
Short-term							
Borrowings from banks (Note 19.1)	52,299,287,693	52,299,287,693	130,603,511,541	(59,598,948,012)	357,673,698	123,661,524,920	123,661,524,920
Current portion of long-term borrowings (Note 19.2)	16,802,556,969	16,802,556,969	7,431,582,497	(11,348,623,657)	36,789,245	12,922,305,054	12,922,305,054
	69,101,844,662	69,101,844,662	138,035,094,038	(70,947,571,669)	394,462,943	136,583,829,974	136,583,829,974
Long-term							
Bond (Note 19.3)	100,000,000,000	100,000,000,000	-	-	-	100,000,000,000	100,000,000,000
Borrowings from banks (Note 19.2)	13,516,165,091	13,516,165,091	-	(7,431,582,497)	21,107,665	6,105,690,259	6,105,690,259
	113,516,165,091	113,516,165,091	-	(7,431,582,497)	21,107,665	106,105,690,259	106,105,690,259
	182,618,009,753	182,618,009,753	138,035,094,038	(78,379,154,166)	415,570,608	242,689,520,233	242,689,520,233

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

19. BORROWINGS AND BONDS (continued)

19.1 Short-term borrowings from banks

Details of short-term borrowings from banks are as follows:

Bank	30 June 2019		Principal and interest repayment term	Interest rate per annum	Description of collateral	Currency: VND
	VND	Original currency				
Joint Stock Commercial Bank for Foreign Trade of Vietnam	734,124,000	USD 31,440	Interest payment shall be paid on 26th each month and principal paid in full on 25 Jul 2019	3.6%	Machineries and equipment of the Company Hung Yen factory	
Joint Stock Commercial Bank for Foreign Trade of Vietnam	1,426,124,600	USD 61,076	Interest payment shall be paid on 26th each month and principal paid in full on 18 August 2019	3.4%	Machineries and equipment of the Company Hung Yen factory	
Joint Stock Commercial Bank for Foreign Trade of Vietnam	1,320,509,048	USD 56,552.85	Interest payment shall be paid on 26th each month and principal paid in full on 5 October 2019	3.4%	Machineries and equipment of the Company Hung Yen factory	
Joint Stock Commercial Bank for Foreign Trade of Vietnam	784,093,000	USD 33,580	Interest payment shall be paid on 26th each month and principal paid in full on 22 October 2019	3.4%	Machineries and equipment of the Company Hung Yen factory	
Shinhan One Member Limited Liability Bank of Vietnam	7,530,680,955	VND 7,530,680,955	Interest payment shall be paid on 28th each month and principal paid in full on 3 September 2019	6.5%	Machinery and equipment was funded including funded crane systems and power supply systems; factory, office and related buildings; fixed assets on the ground in Bien Hoa 1 Industrial Zone, Dong Nai and Guarantee letter of Mr. Lee Jae Eun – the General Director of the Company	

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

19. BORROWINGS AND BONDS (continued)

19.1 Short-term borrowings from banks (continued)

Details of short-term borrowings from banks are as follows: (continued)

Bank	30 June 2019		Principal and interest repayment term	Interest rate per annum	Description of collateral
	VND	Original currency			
Joint Stock Commercial Bank for Foreign Trade of Vietnam	1,353,580,587	USD 57,969.19	Interest payment shall be paid on 26th each month and principal paid in full on 20 August 2019	3.4%	Machineries and equipment of the Company Hung Yen factory
Joint Stock Commercial Bank for Foreign Trade of Vietnam	2,772,922,712	USD 118,754.72	Interest payment shall be paid on 26th each month and principal paid in full on 12 September 2019	3.4%	Machineries and equipment of the Company Hung Yen factory
Joint Stock Commercial Bank for Foreign Trade of Vietnam	1,235,261,700	USD 52,902	Interest payment shall be paid on 26th each month and principal paid in full on 18 September 2019	3.4%	Machineries and equipment of the Company Hung Yen factory
Joint Stock Commercial Bank for Foreign Trade of Vietnam	2,503,329,450	USD 107,208.97	Interest payment shall be paid on 26th each month and principal paid in full on 23 September 2019	3.4%	Machineries and equipment of the Company Hung Yen factory
Joint Stock Commercial Bank for Foreign Trade of Vietnam	3,124,155,047	USD 133,796.79	Interest payment shall be paid on 26th each month and principal paid in full on 30 September 2019	3.6%	Machineries and equipment of the Company Hung Yen factory
Joint Stock Commercial Bank for Foreign Trade of Vietnam	1,882,546,116	USD 80,622.96	Interest payment shall be paid on 26th each month and principal paid in full on 30 September 2019	3.4%	Machineries and equipment of the Company Hung Yen factory

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

19. BORROWINGS AND BONDS (continued)

19.1 Short-term borrowings from banks (continued)

Details of short-term borrowings from banks are as follows: (continued)

Bank	30 June 2019		Principal and interest repayment term	Interest rate per annum	Description of collateral
	VND	Original currency			
Joint Stock Commercial Bank for Foreign Trade of Vietnam	4,738,280,775	USD 202,924.23	Interest payment shall be paid on 26th each month and principal paid in full on 6 October 2019	3.4%	Machineries and equipment of the Company Hung Yen factory
Joint Stock Commercial Bank for Foreign Trade of Vietnam	1,004,058,873	USD 43,000.38	Interest payment shall be paid on 26th each month and principal paid in full on 20 October 2019	3.4%	Machineries and equipment of the Company Hung Yen factory
Joint Stock Commercial Bank for Foreign Trade of Vietnam	9,146,551,088	USD 391,715.25	Interest payment shall be paid on 26th each month and principal paid in full on 23 October 2019	3.4%	Machineries and equipment of the Company Hung Yen factory
Joint Stock Commercial Bank for Foreign Trade of Vietnam	819,515,884	USD 35,097.04	Interest payment shall be paid on 26th each month and principal paid in full on 31 October 2019	3.4%	Machineries and equipment of the Company Hung Yen factory
Joint Stock Commercial Bank for Foreign Trade of Vietnam	3,440,110,668	USD 147,328.08	Interest payment shall be paid on 26th each month and principal paid in full on 12 November 2019	3.4%	Machineries and equipment of the Company Hung Yen factory
Joint Stock Commercial Bank for Foreign Trade of Vietnam	18,855,764,557	USD 807,527.39	Interest payment shall be paid on 26th each month and principal paid in full on 25 November 2019	3.4%	Machineries and equipment of the Company Hung Yen factory
Joint Stock Commercial Bank for Foreign Trade of Vietnam	5,266,632,195	USD 225,551.7	Interest payment shall be paid on 26th each month and principal paid in full on 3 December 2019	3.4%	Machineries and equipment of the Company Hung Yen factory

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

19. BORROWINGS AND BONDS (continued)

19.1 Short-term borrowings from banks (continued)

Details of short-term borrowings from banks are as follows: (continued)

Bank	30 June 2019		Principal and interest repayment term	Interest rate per annum	Description of collateral
	VND	Original currency			
Joint Stock Commercial Bank for Foreign Trade of Vietnam	11,877,180,175	USD 508,658.68	Interest payment shall be paid on 26th each month and principal paid in full on 22 December 2019	3.4%	Machineries and equipment of the Company Hung Yen factory
	<u>123,661,524,920</u>				

19.2 Long-term borrowings from banks

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

Bank	30 June 2019		Principal and interest repayment term	Interest rate per annum	Description of collateral
	VND	Original currency			
Shinhan One Member Limited Bank of Vietnam	12,084,715,873	USD 517,546.75	4-5 years since loan drawdown date. Principal is paid quarterly. Final principal repayment is on 28 July 2022. Interest payment shall be paid on 28th each month.	4.81-5.05%	Machinery and equipment was funded by the loans including crane systems and power supply systems; factory, office and related buildings; fixed assets on the ground in Bien Hoa 1 Industrial Zone, Dong Nai.
Shinhan One Member Limited Bank of Vietnam	6,943,279,440	VND 6,943,279,440	4-5 years since loan drawdown date. Principal is paid quarterly. Final principal repayment is on 30 November 2021. Interest payment shall be paid on 28th each month.	7-7.05%	Machinery and equipment was funded by the loans including crane systems and power supply systems; factory, office and related buildings; fixed assets on the ground in Bien Hoa 1 Industrial Zone, Dong Nai.
<i>In which:</i>	<u>19,027,995,313</u>				
<i>Current portion</i>	12,922,305,054				
<i>Non-current portion</i>	6,105,690,259				

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

19. BORROWINGS AND BONDS (continued)

19.3 Bond

	30 June 2019			31 December 2018		
	Value (VND)	Interest (% p.a)	Term and maturity	Value (VND)	Interest (% p.a)	Term and maturity
Issued at par value	100,000,000,000	8.1%	Final settlement is on 30 August 2022	100,000,000,000	8.1%	Final settlement is on 30 August 2022
	<u>100,000,000,000</u>			<u>100,000,000,000</u>		

Under the bond trading contract No. 01/2017/EVE-BVB between the Company and Joint Stock Commercial Bank for Foreign Trade of Viet Nam – Hung Yen Branch dated 25 August 2017, the Company has issued 150 non-convertible bond with total par value of VND 150 billion, interest payment period is 6 months from the issue date.

Securities for this bond comprise of:

- ▶ Assets attached to land of Hung Yen factory in Tan Quang commune, Van Lam district, Hung Yen province;
- ▶ Assets attached to land of factory in Duong Xa commune, Gia Lam district, Hanoi;
- ▶ Machineries and equipment of the Company in Hanoi and Hung Yen factories; and
- ▶ Other fixed assets financed by bond issuance plan in 2017.

20. CONVERTIBLE BONDS

Convertible bonds amounting to USD 10,100,000 were issued on 6 September 2018 ("Issuance date") with a term of 5 years. The bonds are unsecured and bear interest rate of 1%/annum.

Management assesses that there is no equity component in these convertible bonds (since there is not known fixed number of shares to be converted) and as a result, has recognised the entire convertible bonds as long-term debts.

Following the term of these convertible bonds, the bondholders have the right to convert the bonds to ordinary shares of the Company at adjustable reducing prices no less than 70% of the first conversion price, starting at 1 year from Issuance date to 1 month before the maturity date. Balance of these bonds as at 30 June 2019 is following:

Currency: USD

	31 December 2018	Movement during the period			30 June 2019
		New issuance	Converted to shares	Due but not yet converted	
Value	10,100,000	-	-	-	10,100,000

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

20. CONVERTIBLE BONDS (continued)

	<i>Currency: VND</i>	
	<i>For the six month period ended 30 June 2019</i>	<i>For the six month period ended 30 June 2018</i>
Value of convertible bond	234,774,500,000	-
Equity component	-	-
Liability component at initial recognition	<u>234,774,500,000</u>	-
Add: Accumulated amortisation of discount	-	-
Beginning balance	-	-
Amortisation for the period	<u>354,358,500</u>	-
Ending balance	<u>354,358,500</u>	-
Add: Loss from foreign exchange difference	706,141,500	-
Other adjustment	<u>(2,952,987,500)</u>	-
Liability component at end of the period	<u><u>232,882,012,500</u></u>	-

Everpia Joint Stock Company

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

21. OWNERS' EQUITY

21.1 Increase and decrease in owners' equity

	Share capital	Share premium	Treasury shares	Other fund belonging to owners' equity	Undistributed earnings	Total
<i>Currency: VND</i>						
For the six-month period ended 30 June 2018						
As at 31 December 2017	419,797,730,000	203,072,724,247	(49,000,000,000)	13,373,212,886	337,888,640,304	925,132,307,437
- Profit for the period	-	-	-	-	33,165,209,657	33,165,209,657
- Appropriation to reserve	-	-	-	2,509,555,052	(2,509,555,052)	-
- Dividends declared	-	-	-	-	(39,778,676,750)	(39,778,676,750)
- Other decreases	-	-	-	(11,151,265,757)	-	(11,151,265,757)
As at 30 June 2018	419,797,730,000	203,072,724,247	(49,000,000,000)	4,731,502,181	328,765,618,159	907,367,574,587
For the six-month period ended 30 June 2019						
As at 31 December 2018	419,797,730,000	203,072,724,247	(76,000,000,000)	734,156,888	374,098,056,874	921,702,668,009
- Profit for the period	-	-	-	-	12,437,313,863	12,437,313,863
- Appropriation to reserve	-	-	-	3,810,619,732	(3,810,619,732)	-
- Dividends declared (*)	-	-	-	-	(38,009,284,250)	(38,009,284,250)
- Other decreases	-	-	-	(1,092,665,386)	-	(1,092,665,386)
As at 30 June 2019	419,797,730,000	203,072,724,247	(76,000,000,000)	3,452,111,234	344,715,466,755	895,038,032,236

(*) According to the resolution of the Annual Meeting of Shareholders No. 01/DHDCD2019/INQ dated 19 April 2019, the Company declared dividends by cash for 2018: 10% of par value (VND 1,000 per share).

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

21. OWNERS' EQUITY (continued)

21.2 *Share capital*

	Currency: VND			
	30 June 2019		31 December 2018	
	Total	Ordinary shares	Total	Ordinary shares
Contributed capital	419,797,730,000	419,797,730,000	419,797,730,000	419,797,730,000
Share premium	203,072,724,247	203,072,724,247	203,072,724,247	203,072,724,247
Treasury shares	(76,000,000,000)	(76,000,000,000)	(76,000,000,000)	(76,000,000,000)
	<u>546,870,454,247</u>	<u>546,870,454,247</u>	<u>546,870,454,247</u>	<u>546,870,454,247</u>

21.3 *Capital transactions with owners and distribution of dividends, profits*

	Currency: VND	
	For the six-month period ended 30 June 2019	For the six-month period ended 30 June 2018
Contributed capital		
Beginning balance	<u>419,797,730,000</u>	<u>419,797,730,000</u>
Ending balance	<u>419,797,730,000</u>	<u>419,797,730,000</u>

21.4 *Dividends*

	Currency: VND	
	For the six-month period ended 30 June 2019	For the six-month period ended 30 June 2018
Dividends declared and paid during the period		
<i>Dividends on ordinary shares</i>		
Dividends for 2018: VND 1,000 per share (2017: VND 1,000 per share)	38,009,284,250	39,778,676,750
Dividends declared after the date of reporting period and not yet recognised as liability as at 30 June 2019	-	-

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

21. OWNERS' EQUITY (continued)

21.5 Shares

	<i>Quantity</i>	
	<i>30 June 2019</i>	<i>31 December 2018</i>
Registered shares	41,979,773	41,979,773
Issued shares	41,979,773	41,979,773
Ordinary shares	41,979,773	41,979,773
Preference shares	-	-
Treasury shares	(3,931,800)	(3,931,800)
Ordinary shares	(3,931,800)	(3,931,800)
Preference shares	-	-
Shares in circulation	38,047,973	38,047,973
Ordinary shares	38,047,973	38,047,973
Preference shares	-	-

The par value of share in circulation during the period is VND10,000/share (2018: VND 10,000/share).

21.6 Other funds belonging to owners' equity

Other fund belonging to owners' equity is set up according to the Resolution of the General Shareholders No. 01/DHDCD2019/NQ dated 19 April 2019 with the amount of 5% of profit after tax presented in the consolidated financial statements for the year ended 31 December 2018. According to this Resolution, the Board of Director and Board of 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>30 June 2019</i>	<i>31 December 2018</i>
Other receivables from Texpia JSC	30,160,675,690	30,160,675,690
Provision for other receivables from Texpia JSC	(30,160,675,690)	(30,160,675,690)
Foreign currency		
- United State dollar ("USD")	429,128.08	314,053.77
- Euro (EUR)	910.02	146,406.10

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended**23. REVENUE****23.1 Revenue from sale of goods**

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Gross revenue	430,095,721,867	502,649,880,456
<i>In which:</i>		
Sales of bedding, mattress products	212,714,692,664	256,178,887,479
Sales of padding products	143,579,689,668	148,608,567,507
Sales of cleaners	34,255,304,238	39,973,426,516
Sales of quilting products	24,382,114,843	31,383,263,743
Sales of other goods	14,661,954,941	25,687,029,123
Sales of scraps	501,965,513	818,706,088
Less		
Trade discount	-	(1,295,435,332)
Goods returned	(2,281,060,154)	-
Net revenue	427,814,661,713	501,354,445,124
<i>In which:</i>		
Sales of bedding, mattress products	210,433,632,510	254,883,452,147
Sales of padding products	143,579,689,668	148,608,567,507
Sales of cleaners	34,255,304,238	39,973,426,516
Sales of quilting products	24,382,114,843	31,383,263,743
Sales of other goods	14,661,954,941	25,687,029,123
Sales of scraps	501,965,513	818,706,088
<i>In which:</i>		
Sales to related parties	-	-
Sales to others	427,814,661,713	501,354,445,124

23.2 Finance income

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Interest income	16,436,277,604	8,457,075,868
Foreign exchange gains	1,574,935,005	2,612,013,287
Dividend income	206,400,000	206,400,000
	18,217,612,609	11,275,489,155

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

24. COST OF GOODS SOLD

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Cost of bedding, mattress products	158,160,739,620	191,438,237,724
Cost of padding products	82,484,530,278	90,091,306,846
Cost of cleaner	30,640,921,627	31,741,545,587
Cost of quilting products	20,196,917,900	22,214,037,468
Other cost of sales	9,373,007,033	14,986,417,637
	<u>300,856,116,458</u>	<u>350,471,545,262</u>

25. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Selling expenses		
- Labour costs	33,615,641,813	24,866,820,229
- Expenses for external services	19,685,136,794	17,097,469,376
- Advertising expense	12,694,442,171	12,375,269,054
- Depreciation and amortisation	1,182,366,034	1,022,471,781
- Others	10,844,433,177	12,534,245,469
	<u>78,022,019,989</u>	<u>67,896,275,909</u>
General and administrative expenses		
- Labour costs	27,235,710,783	28,344,552,257
- Expenses for external services	6,934,344,286	7,110,947,547
- Depreciation and amortisation	4,545,490,116	5,053,031,214
- Others	3,266,916,316	3,612,695,045
	<u>41,982,461,501</u>	<u>44,121,226,063</u>

26. FINANCE EXPENSES

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Interest expenses	4,670,028,922	8,309,469,719
Foreign exchange losses	3,147,549,161	862,112,713
	<u>7,817,578,083</u>	<u>9,171,582,432</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

27. OTHER INCOME AND EXPENSES

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Other income		
Gain from golf-card selling	-	595,525,000
Others	99,169,493	244,878,065
	99,169,493	840,403,065
Other expenses		
Compensation for NG finished goods	508,135,447	-
Others	67,662,872	19,189,911
	575,798,319	19,189,911
NET OTHER (LOSS)/PROFIT	(476,628,826)	821,213,154

28. PRODUCTION AND OPERATING COSTS

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Materials	260,625,010,596	318,427,626,390
Labour costs	110,275,683,223	110,114,993,607
Expenses for external services	35,373,903,570	30,918,650,824
Depreciation and amortisation	22,825,561,905	21,304,584,169
Other expenses	16,127,814,850	23,500,188,833
	445,227,974,144	504,266,043,823

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

29. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") applicable to the Company is 20% of taxable income for the six-month period ended 30 June 2019.

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 interim separate financial statements could change at a later date upon final determination by the tax authorities.

29.1 Current CIT expenses

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Current CIT expenses	2,594,187,672	2,842,617,259
Deferred tax expenses	1,845,967,930	5,782,690,851
	<u>4,440,155,602</u>	<u>8,625,308,110</u>

The reconciliation between CIT expenses and the accounting profit multiplied by CIT rate is presented below:

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Profit before tax	16,877,469,465	41,790,517,767
At CIT rate of 20%	3,375,493,893	8,358,103,553
<i>Adjustments to increase:</i>		
Expenses not eligible for CIT deduction	545,432,726	308,484,557
Other adjustments	560,508,983	-
<i>Adjustments to decrease:</i>		
Dividend received	(41,280,000)	(41,280,000)
Estimated current CIT expenses	<u>4,440,155,602</u>	<u>8,625,308,110</u>

29.2 Current CIT

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period 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 period:

Currency: VND

	<i>Interim separate balance sheet</i>		<i>Interim separate income statement</i>	
	<i>30 June 2019</i>	<i>31 December 2018</i>	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Deferred tax assets				
Unearned revenue	1,780,909	3,454,545	(1,673,636)	(104,814,091)
Provision for obsolete inventories	1,690,505,173	3,217,646,078	(1,527,140,905)	188,527,269
Provision for doubtful debts	11,180,419,968	11,233,263,492	(52,843,524)	(5,975,724,852)
Accrual for severance pay	2,695,111,326	2,541,830,112	153,281,214	(236,647)
Other adjustments	-	560,508,983	(560,508,983)	123,364,137
Allocation expense of site restoration provision	193,409,741	165,779,778	27,629,963	55,259,926
	15,761,227,117	17,722,482,988	(1,961,255,871)	(5,713,624,258)
Deferred tax liabilities				
Unrealised foreign exchange gain of cash and trade receivables	(528,029,384)	(643,317,325)	115,287,941	(69,066,593)
	(528,029,384)	(643,317,325)	115,287,941	(69,066,593)
Net deferred tax assets	15,233,197,733	17,079,165,663		
Net deferred tax charge to interim separate income statement			(1,845,967,930)	(5,782,690,851)

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

30. TRANSACTIONS WITH RELATED PARTIES

Significant transactions of the Company with related parties during the six-month period were as follows.

			<i>Currency: VND</i>	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Everpia Korea Joint Stock Company	Subsidiary	Purchase of goods	90,822,609,960	123,351,576,089
		Payment for purchase of goods	80,478,211,561	127,619,275,055

The terms and conditions of transactions with related parties

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

Outstanding balances at 30 June 2019 are unsecured, interest free and will be settled in cash. For the six-month period ended 30 June 2019, the Company has not made any provision for doubtful debts relating to amounts owed by related parties (31 December 2018: nil). This assessment is undertaken each financial year through the examination of the financial position of the related party and the market in which the related party operates.

Amounts due from related parties at the interim balance sheet date were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
<i>Trade payables (Note 15.1)</i>				
Everpia Korea Joint Stock Company	Subsidiary	Purchase of raw material	23,431,529,977	13,087,131,578
			<u>23,431,529,977</u>	<u>13,087,131,578</u>

Transactions with other related parties

Remuneration to members of the Board of Directors and management:

			<i>Currency: VND</i>	
			<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Salaries and bonus			9,743,715,338	9,379,941,846

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

31. CONTINGENT LIABILITIES AND COMMITMENTS

Operating lease commitment

At the interim separate balance sheet date, future lease payments under product showroom lease contracts are presented as follows:

	Currency: VND	
	30 June 2019	31 December 2018
Up to 1 year	12,308,738,420	5,897,179,200
From 1-5 years	30,059,964,324	15,881,372,727
TOTAL	42,368,702,744	21,778,551,927

In 2018, the Company received Official Letter No. 2180/TCT-CS dated 4 June 2018 of General Department of Taxation sent to Hanoi City Tax Department to provide guidance to the Company regarding provision for overseas investment. Accordingly, the provision made in previous years with total amount of VND 10,444,000,000 in relation to the Company's investment in Everpia Cambodia Co., Ltd. (a subsidiary of the Company in Cambodia until 31 March 2017) is not treated as deductible expenses for CIT calculation. After that, the Company sent letters to Hanoi Tax Department and the Ministry of Finance asking for clarification on how the above provision can be utilised in the context that the overseas investment was liquidated in 2017. At the date of this report, the Company has not yet received guidance from the authorities regarding this issue.

32. SEGMENT INFORMATION

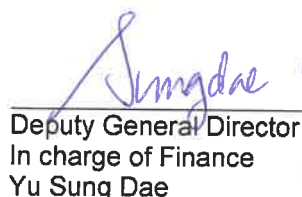
The principal activities of the Company is manufacturing and trading of products of blankets, sheets, pillows, mattress and duvet. Revenue from sale of blankets, sheets, pillows, mattresses and cotton accounted for 96.5% of total revenue in the period. Besides, the production and business activities of the Company are mainly carried out in the territory of Vietnam. Therefore, the Company has only one business segment and one geographic segment. Accordingly, the Company does not disclose business segment and geographic segment.

33. EVENTS AFTER THE BALANCE SHEET DATE

There is no matter or circumstance that has arisen since the interim separate balance sheet date that requires adjustment or disclosure in the interim separate financial statements of the Company.



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Hanoi, Vietnam

26 August 2019