

Everpia Joint Stock Company

Separate financial statements

For the year ended 31 December 2020

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 20th Amended Investment Certificate, granted on 2 June 2020.

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/QD-SGDHCM by the Director of the Ho Chi Minh City Stock Exchange dated 30 November 2010.

The principal activities of the Company following the Investment Certificate are to produce, import, distribute (wholesale or retail), and export non-knitting cloth, filter cloth, wool, blanket, mattresses, bedding, padding, pillow, knapsacks, valise, bags, underclothes and other garment products; import, distribute (wholesale or retail) consultancy, technology transfer 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, Ho Chi Minh City, Hoa Binh, Dong Nai, Binh Duong, Da Nang and Khanh Hoa.

BOARD OF DIRECTORS

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

Mr Cho Yong Hwan	Chairman	Appointed on 25 April 2020
Mr Lee Jae Eun	Chairman	Resigned on 25 April 2020
Mr Lee Jae Eun	Member	Appointed on 25 April 2020
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 year 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 year and at the date of this report are:

Mr Lee Jae Eun	General Director
Mr Cho Yong Hwan	Deputy General Director
	Deputy General Director in charge of
Mr Yu Sung Dae	Finance
Mr Park Sung Jin	Dong Nai Branch Director

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr Lee Jae Eun, 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 separate financial statements of the Company for the year ended 31 December 2020.

MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

Management is responsible for the separate financial statements of each financial year which give a true and fair view of the separate financial position of the Company and of its separate results of operations and its separate cash flows for the year. In preparing these 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 separate financial statements; and
- ▶ prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

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

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

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying separate financial statements give a true and fair view of the separate financial position of the Company as at 31 December 2020 and of the separate results of its operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the separate financial statements.

The Company has a subsidiary as disclosed in the separate financial statements. The Company prepared these separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular 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 consolidated financial statements of the Company and its subsidiary for the year ended 31 December 2020 dated 29 March 2021.

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

For and on behalf of management:

Lee Jae Eun
General Director

Hanoi, Vietnam

29 March 2021

INDEPENDENT AUDITORS' REPORT

To: The shareholders of Everpia Joint Stock Company

We have audited the accompanying separate financial statements of Everpia Joint Stock Company ("the Company") as prepared on 29 March 2021 and set out on pages 6 to 44, which comprise the separate balance sheet as at 31 December 2020, and the separate income statement and separate cash flow statement for the year then ended and the notes thereto.

Management's responsibility

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

Auditors' responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

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

Opinion

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the separate financial position of the Company as at 31 December 2020, and of the separate results of its operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of separate financial statements.

Ernst & Young Vietnam Limited

Le Duc Truong
Deputy General Director
Audit Practising Registration
Certificate No. 0816-2018-004-1

Dao Van Thich
Auditor
Audit Practising Registration
Certificate No. 3732-2021-004-1

Hanoi, Vietnam

29 March 2021

SEPARATE BALANCE SHEET
as at 31 December 2020

Currency: VND

<i>Code</i>	<i>ASSETS</i>	<i>Notes</i>	<i>Ending balance</i>	<i>Beginning balance</i>
100	A. CURRENT ASSETS		1,071,977,782,467	1,226,554,261,472
110	I. Cash and cash equivalents	5	41,344,568,854	63,866,279,854
111	1. Cash		23,960,830,679	32,748,769,854
112	2. Cash equivalents		17,383,738,175	31,117,510,000
120	II. Short-term investments		534,270,000,000	550,773,000,000
121	1. Held-for-trading securities	6.1	20,000,000,000	37,000,000,000
123	2. Held-to-maturity investments	6.2	514,270,000,000	513,773,000,000
130	III. Current accounts receivables		146,680,340,442	205,677,673,372
131	1. Short-term trade receivables	7.1	134,129,999,632	198,016,217,470
132	2. Short-term advances to suppliers	7.2	13,634,948,620	20,739,245,864
136	3. Other short-term receivables	8	23,888,133,245	25,728,033,186
137	4. Provision for doubtful short-term receivables		(24,972,741,055)	(38,805,823,148)
140	IV. Inventories	10	344,659,198,714	401,229,061,424
141	1. Inventories		361,038,139,221	416,319,312,174
149	2. Provision for obsolete inventories		(16,378,940,507)	(15,090,250,750)
150	V. Other current assets		5,023,674,457	5,008,246,822
151	1. Short-term prepaid expenses	14	3,365,109,886	3,778,973,934
152	2. Value-added tax deductible		1,658,564,571	1,079,272,888
153	3. Tax and other receivables from the State		-	150,000,000

SEPARATE BALANCE SHEET (continued)
as at 31 December 2020

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
200	B. NON-CURRENT ASSETS		277,342,156,361	330,725,099,351
210	I. Long-term receivables	8	3,068,101,054	2,499,508,575
216	1. Other long-term receivables		3,068,101,054	3,824,397,250
219	2. Provision for doubtful long-term receivables		-	(1,324,888,675)
220	II. Fixed assets		205,365,101,809	243,717,078,327
221	1. Tangible fixed assets	11	201,705,006,975	238,535,047,589
222	Cost		583,509,943,716	584,850,873,428
223	Accumulated depreciation		(381,804,936,741)	(346,315,825,839)
227	2. Intangible fixed assets	12	3,660,094,834	5,182,030,738
228	Cost		41,013,062,876	40,548,062,876
229	Accumulated amortization		(37,352,968,042)	(35,366,032,138)
250	III. Long-term investments	13	25,097,341,034	36,923,200,000
251	1. Investments in subsidiary		34,285,000,000	34,285,000,000
252	2. Investments in associate		15,190,390,000	11,590,390,000
253	3. Investment in other entity		2,638,200,000	2,638,200,000
254	4. Provision for long-term investments		(27,016,248,966)	(11,590,390,000)
260	IV. Other long-term assets		43,811,612,464	47,585,312,449
261	1. Long-term prepaid expenses	14	25,550,584,092	29,538,937,630
262	2. Deferred tax assets	29.3	18,261,028,372	18,046,374,819
270	TOTAL ASSETS		1,349,319,938,828	1,557,279,360,823

SEPARATE BALANCE SHEET (continued)
as at 31 December 2020

Currency: VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		397,886,214,791	599,049,070,552
310	I. Current liabilities		145,834,839,716	247,910,826,374
311	1. Short-term trade payables	15.1	44,084,106,701	55,319,656,401
312	2. Short-term advances from customers	15.2	16,245,685,048	22,728,254,237
313	3. Statutory obligations	16	15,637,850,076	15,237,624,381
314	4. Payables to employees		17,746,406,860	20,439,611,981
315	5. Short-term accrued expenses	17	1,805,648,638	3,471,829,165
319	6. Other short-term payables	18	1,352,055,973	6,351,380,058
320	7. Short-term borrowings	19	48,963,086,420	124,362,470,151
330	II. Non-current liabilities		252,051,375,075	351,138,244,178
337	1. Other long-term liabilities	18	18,866,230,134	17,296,157,068
338	2. Long-term borrowings	19	603,556,941	101,817,716,110
339	3. Convertible bonds	20	232,581,588,000	232,024,371,000
400	D. OWNERS' EQUITY	21	951,433,724,037	958,230,290,271
410	I. Capital		951,433,724,037	958,230,290,271
411	1. Share capital	21.2	419,797,730,000	419,797,730,000
411a	- Shares with voting rights		419,797,730,000	419,797,730,000
411b	- Preference share		-	-
412	2. Share premium	21.2	203,072,724,247	203,072,724,247
415	3. Treasury shares	21.2	(76,000,000,000)	(76,000,000,000)
420	4. Other funds belonging to owners' equity	21.5	2,273,497,330	1,912,789,888
421	5. Undistributed earnings	21.1	402,289,772,460	409,447,046,136
421a	- Undistributed earnings up to the end of prior year		371,609,457,043	332,248,655,392
421b	- Undistributed earnings of current year		30,680,315,417	77,198,390,744
440	TOTAL LIABILITIES AND OWNERS' EQUITY		1,349,319,938,828	1,557,279,360,823

Nguyen Bao Ngoc
Preparer
Accounting manager

Yu Sung Dae
Deputy General Director
In charge of Finance

Lee Jae Eun
General Director

Hanoi, Vietnam

29 March 2021

SEPARATE INCOME STATEMENT
for the year ended 31 December 2020

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	23.1	855,517,606,444	1,007,414,635,197
02	2. Deductions	23.1	(416,672,190)	(3,653,585,797)
10	3. Net revenue from sale of goods and rendering of services	23.1	855,100,934,254	1,003,761,049,400
11	4. Cost of goods sold and services rendered	24	(603,623,641,742)	(679,072,405,412)
20	5. Gross profit from sale of goods and rendering of services		251,477,292,512	324,688,643,988
21	6. Finance income	23.2	46,264,977,162	40,275,246,072
22	7. Finance expenses	25	(31,768,592,387)	(18,387,290,081)
23	- In which: Interest expenses		(13,776,224,202)	(13,769,071,371)
25	8. Selling expenses	26	(138,038,874,752)	(160,813,741,379)
26	9. General and administrative expenses	26	(82,895,189,231)	(87,578,845,310)
30	10. Operating profit		45,039,613,304	98,184,013,290
31	11. Other income	27	666,583,558	1,137,709,722
32	12. Other expenses	27	(1,403,277,338)	(441,608,944)
40	13. Other (loss)/profit	27	(736,693,780)	696,100,778
50	14. Accounting profit before tax		44,302,919,524	98,880,114,068
51	15. Current corporate income tax expenses	29.1	(13,837,257,660)	(22,648,932,480)
52	16. Deferred tax income	29.3	214,653,553	967,209,156
60	17. Net profit after tax		30,680,315,417	77,198,390,744

Nguyen Bao Ngoc
Preparer
Accounting manager

Yu Sung Dae
Deputy General Director
In charge of Finance

Lee Jae Eun
General Director

Hanoi, Vietnam

29 March 2021

SEPARATE CASH FLOW STATEMENT
for the year ended 31 December 2020

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		44,302,919,524	98,880,114,068
	<i>Adjustments for:</i>			
02	Depreciation of tangibles fixed assets and amortisation of intangible fixed assets		45,049,079,645	45,051,989,110
03	Provisions		20,542,298,466	4,046,981,142
04	Foreign exchange gain arisen from revaluation of monetary accounts denominated in foreign currency		(3,512,249,519)	(2,459,966,323)
05	Profit from investing activities		(39,345,452,054)	(36,836,884,636)
06	Interest expenses and amortization of bond issuance cost		14,484,941,202	14,477,788,371
08	Operating profit before changes in working capital		81,521,537,264	123,160,021,732
09	Decrease in receivables		54,731,562,566	39,212,186,608
10	Decrease in inventories		55,281,172,953	3,630,566,740
11	Decrease in payables		(18,858,549,539)	(21,973,640,272)
12	Decrease/(increase) in prepaid expenses		4,402,217,586	(5,853,106,266)
13	Decrease/(increase) in held-for-trading securities		17,000,000,000	(37,000,000,000)
14	Interest paid		(16,732,201,174)	(13,851,039,211)
15	Corporate income tax paid	16	(17,699,797,341)	(26,685,699,070)
17	Other cash outflows from operating activities		(3,233,705,950)	(2,631,986,732)
20	Net cash flows from operating activities		156,412,236,365	58,007,303,529
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase, construction of fixed assets and other long-term assets		(6,882,927,331)	(17,452,431,601)
22	Proceeds from disposals of fixed assets and other long-term assets		161,380,358	572,727,273
23	Loans to other entities, short term investment		(514,270,000,000)	(513,773,000,000)
24	Collections from borrowers, short-term investments		513,773,000,000	452,548,500,000
25	Payments for investments in other entities		(3,600,000,000)	(11,575,000,000)
27	Interest and dividends received		41,778,800,666	33,176,110,117
30	Net cash flows from/(used in) investing activities		30,960,253,693	(56,503,094,211)

SEPARATE CASH FLOW STATEMENT (continued)
for the year ended 31 December 2020

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings		176,031,403,912	262,035,812,062
34	Repayment of borrowings		(353,360,880,522)	(219,003,870,244)
36	Dividends paid to shareholders		(34,022,914,605)	(38,038,781,750)
40	Net cash flows (used in)/from financing activities		(211,352,391,215)	4,993,160,068
50	Net (decrease)/increase in cash for the year		(23,979,901,157)	6,497,369,386
60	Cash and cash equivalents at the beginning of the year		63,866,279,854	56,240,642,185
61	Impact of exchange rate fluctuation		1,458,190,157	1,128,268,283
70	Cash and cash equivalents at the end of the year	5	41,344,568,854	63,866,279,854

Nguyen Bao Ngoc
Preparer
Accounting manager

Yu Sung Dae
Deputy General Director
In charge of Finance

Lee Jae Eun
General Director

Hanoi, Vietnam

29 March 2021

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
as at 31 December 2020 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 20th Amended Investment Certificate, granted on 2 June 2020.

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 following Investment Certificates are to produce, import, distribute (wholesale or retail) consultancy, technology transfer and export non-knitting cloth, filter cloth, wool, blanket, mattresses, bedding, padding, pillow, 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, Ho Chi Minh City, Hoa Binh, Dong Nai, Binh Duong, Da Nang and Khanh Hoa.

The number of the Company’s employees as at 31 December 2020 is 1,358 (31 December 2019: 1,466).

Company structure

The Company has 1 subsidiary, details of the subsidiary and the percentage of the Company’s voting and interests in this subsidiary as at 31 December 2020 are as follows:

Everpia Korea Joint Stock Company

This 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 Samsung-ro, 104-Gil, Gangnam-gu, Seoul, Korea. The principal activities of Everpia Korea Joint Stock Company are trading of bed sheets, pillows, mattresses; consulting and transferring technologies in the field of production and business and perform the right to import and export follow the Korean law.

As at 31 December 2020, 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 (VND 34,285,000,000), equivalent to 100% charter capital to this subsidiary.

As at 31 December 2020, the Company also owns some investments in associates as disclosed in Note 13.2.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

2. BASIS OF PREPARATION

2.1 Purpose of preparing the separate financial statements

Everpia Joint Stock Company has subsidiary as presented in Note 1 and Note 13.1. The Company prepared these separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular 155/2012/TT-BTC on disclosure of information on the securities market. The Company is also required under this Circular to prepare the consolidated financial statements of the Company and its subsidiary for the year ended 31 December 2020. The Company had completed the consolidated financial statements on 29 March 2021.

Users of these separate financial statements should read them together with the said consolidated financial statements of the Company and its subsidiary for the year ended 31 December 2020 in order to obtain full information on the consolidated financial position, the consolidated results of operations and the consolidated cash flows of the Company and its subsidiary.

2.2 Accounting standards and system

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

Accordingly, the accompanying separate financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the 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.

2.4 Fiscal year

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

2.5 Accounting currency

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash 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 ("NRV") represents the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and 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 and services rendered account in the separate income statement.

3.3 Receivables

Receivables are presented in the separate financial statements at the carrying amounts due from customers and other debtors, after 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 separate income statement.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises 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 recognized 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 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 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.

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.

Where the Company is the lessee

Rentals under operating leases are charged to the 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, improvements are added to the carrying amount of the assets and other expenditures are charged to the 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 separate income statement.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 *Intangible fixed assets* (continued)

Trademark, distribution channels

Trademark 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, finance lease and amortization 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
Trademark	6 - 16 years
Distribution channels	15 years
Computer software	4 years
Other intangible fixed assets	4 - 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 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 separate balance sheet and amortized over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

The following types of expenses are recorded as long-term prepaid expense and are amortised to the 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 separate income statement over the shorter of the remaining lease period and remaining operational period of the Company its under Investment Certificate.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 *Investments*

Investment in subsidiary

Investments in subsidiary over which the Company has control are carried at cost in separate financial statements.

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

Investments in associates

Investments in associates over which the Company has significant influence are carried at cost in separate financial statements.

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

Held-for-trading securities and investments in other entities

Held-for-trading securities and investments in other entities are stated at their acquisition costs.

Provision for investments in other entity

Provision of the investment is made when there are reliable evidences of the diminution in value of those investments at the balance sheet date. Increases and decreases in the provision balance are recorded as finance expense in the 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 separated 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 *Convertible bond*

Bonds that are convertible by the holder into a fixed number of ordinary shares of the entity are separated into financial liability (a contractual arrangement to deliver cash or other financial assets) and equity instrument (a call option granting the holder the right, for a specified period of time) based on the terms of the contract.

On issuance of the convertible bond, the fair value of the liability component is determined by discounting the future payment (including principal and interest) to present value at the market rate for an equivalent non-convertible bond less issuance cost.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 *Convertible bond* (continued)

The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity. The carrying amount of the conversion option is not re-measured in subsequent years.

Transaction costs are amortised during the lifetime of the bond. At initial recognition, issuance costs are deducted from the liability component of the bond.

3.13 *Accrual for severance pay*

The severance pay to employee is accrued at the end of each reporting year for all employees who have been in service for more than 12 months in service up to the end of the accounting period 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 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 recognized as part of the cost of the buildings and structures, which will be amortized 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;
- ▶ Capital contributions are recorded at the buying exchange rates of the commercial banks designated for capital contribution; and
- ▶ 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 SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 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 separate 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; and
- ▶ Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company conducts transactions regularly.

All foreign exchange differences are taken to the separate income statement.

3.16 *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, re-issue or cancellation of the Company's own equity instruments.

3.17 *Appropriation of net profits*

Net profit after tax (excluding negative good will arising from bargain purchase) 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 resolution of the annual shareholders' meeting. According to resolution of shareholders' meeting, the Board of Directors and Management are authorised to use this fund for the Company's business activities in order to maximize the Company's operating results.

3.18 *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 recognized 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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 *Revenue recognition* (continued)

Dividends

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

3.19 *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 separate balance sheet date.

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

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company to 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; and
- ▶ 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; and
- ▶ 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 utilized.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 *Taxation* (continued)

Current income tax (continued)

The carrying amount of deferred tax assets is reviewed at each 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 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.

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

Deferred tax is charged or credited to the 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 year in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.20 *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.

3.21 *Related parties*

Parties are considered to be related parties of the Company if one party has the ability to directly or indirectly control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Company 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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR

Acquisition of shares in Hyojung Soft Tech JSC

As at 31 December 2020, the Company has completed the acquisition of 120,000 newly issued shares of Hyojung Soft Tech JSC equivalent to 24% equity interest at total consideration of VND 3.6 billion. Accordingly, Hyojung Soft Tech JSC becomes an associate of the Company from this date.

Hyojung Soft Tech JSC is a joint stock company established under the Business Registration Certificate No. 0108559121 issued by Hanoi Authority for Planning and Investment on 24 December 2019 and the second amended certificate is issued on 7 October 2020. Hyojung Soft Tech JSC is located in Lot 47, HDI Project Area, Mac Thai Tong Street, Yen Hoa Ward, Cau Giay District, Hanoi City. The principal activities of Hyojung Soft Tech JSC are to develop POS software and POS management system, provide credit card payment agency service and POS hardware maintenance service.

5. CASH AND CASH EQUIVALENTS

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	251,740,298	230,549,272
Cash at banks	23,709,090,381	32,518,220,582
Cash equivalents (*)	17,383,738,175	31,117,510,000
	<u>41,344,568,854</u>	<u>63,866,279,854</u>

(*) Cash equivalents represent bank deposits with terms from 1 month to 3 months, which earn interest at rates of 3.0 - 3.5% per annum (2019: bank deposits with terms of 1 month to 3 months, which earn interest rate from 4.8% – 5.3% per annum).

6. SHORT-TERM INVESTMENTS

6.1. *Held-for-trading securities*

	<i>Currency: VND</i>					
	<i>Ending balance</i>			<i>Beginning balance</i>		
	<i>Cost</i>	<i>Fair value</i>	<i>Provision</i>	<i>Cost</i>	<i>Fair value</i>	<i>Provision</i>
Bond (i)	<u>20,000,000,000</u>	<u>20,000,000,000</u>	<u>-</u>	<u>37,000,000,000</u>	<u>37,000,000,000</u>	<u>-</u>
	<u>20,000,000,000</u>	<u>20,000,000,000</u>	<u>-</u>	<u>37,000,000,000</u>	<u>37,000,000,000</u>	<u>-</u>

(i) Details for bond investment are as follows:

<i>Issuer</i>	<i>31 December 2020 (VND)</i>	<i>Principal and interest repayment term</i>	<i>Interest rate (% p.a)</i>	<i>Description of collateral</i>
Mirae Asset Securities (Vietnam) LLC	20,000,000,000	1 year, interest receivable on annual basis. Principal is due on 12 May 2021.	7.8%	Unsecured
	<u>20,000,000,000</u>			

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

6. SHORT-TERM INVESTMENTS (continued)

6.2. Held-to-maturity investments

Currency: VND

	Ending balance		Beginning balance	
	Cost	Carrying value	Cost	Carrying value
Term deposits	514,270,000,000	514,270,000,000	513,773,000,000	513,773,000,000
	514,270,000,000	514,270,000,000	513,773,000,000	513,773,000,000

Held-to-maturity investments represent deposits with terms from 6 months to 1 year, which earn interest at rates ranging from 4.4% to 7.1% per annum (2019: deposits with terms from 6 months to 1 year, which earn interest at rates ranging from 6.9% to 7.8% per annum).

7. SHORT-TERM TRADE RECEIVABLES AND ADVANCE TO SUPPLIERS

7.1 Short-term trade receivables

Currency: VND

	Ending balance	Beginning balance
Tak Textiles Korea Inc.,	8,467,258,427	5,217,958,034
Minh Hieu Limited Company	8,066,464,633	2,473,469,077
Welcron Global Vietnam JSC	5,489,364,193	7,920,504,029
Philko Vina Co., Ltd.	3,176,986,794	758,185,870
LG ELECTRONICS Viet Nam Hai Phong Limited Company	3,175,898,000	-
Phu Truong Trading Investment Co., Ltd.	3,230,802,607	5,142,981,048
Eady Tax Trading Co., Ltd.	3,317,841,495	3,317,841,495
Petit Elin Co., Ltd.	1,464,526,541	2,004,916,324
Lan Phat Dat Private Enterprise	798,446,728	5,103,144,400
Everpia Cambodia Co., Ltd.	-	10,233,915,821
Dong Bac Corporation	-	2,716,000,000
Other trade receivables	96,942,410,214	153,127,301,372
	134,129,999,632	198,016,217,470
Provision for doubtful debts	(13,519,748,438)	(26,656,750,531)

7.2. Short-term advances to suppliers

Currency: VND

	Ending balance	Beginning balance
Guoxin Infu Limited Company	2,410,315,457	3,669,311,846
Ha Trang Interior Co., Ltd	1,038,699,932	559,697,905
Vu Gia International LLC - Ha Nam Branch	1,004,300,000	-
V.F.B., Trading JSC	-	2,046,200,000
Tongxiang Huibo Import & Export Co., Ltd.	237,223,353	1,994,810,051
Advance to other suppliers	8,944,409,878	12,469,226,062
	13,634,948,620	20,739,245,864
Provision for doubtful advances to suppliers	-	(696,080,000)

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

8. OTHER RECEIVABLES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Shortage of assets awaiting resolution	11,349,845,417	11,349,845,417
Interest income from term deposits	8,392,757,809	11,101,662,575
Advance to employees	2,006,049,137	1,500,713,577
Refundable value added tax	1,168,241,076	1,168,241,076
Refundable import tax	347,397,965	347,397,965
Other short-term receivables	623,841,841	260,172,576
	<u>23,888,133,245</u>	<u>25,728,033,186</u>
Provision for doubtful other short-term receivables	(11,452,992,617)	(11,452,992,617)
Long-term		
Long-term deposit	2,987,355,101	2,499,508,575
Rental of machinery	-	893,491,200
Fabric loan	-	252,051,882
Receivables from employees	-	98,599,640
Other long-term receivables	80,745,953	80,745,953
	<u>3,068,101,054</u>	<u>3,824,397,250</u>
Provision for doubtful other long-term receivables	-	(1,324,888,675)

9. OVERDUE DEBTS

	<i>Currency: VND</i>			
	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Recoverable amount</i>	<i>Cost</i>	<i>Recoverable amount</i>
Everpia Cambodia Co., Ltd	-	-	10,233,915,821	-
Trade receivables	62,228,288,748	48,708,540,310	58,149,891,085	43,014,383,661
Other receivables	-	-	3,308,295,961	-
Shortage of assets awaiting resolution	11,452,992,617	-	11,452,992,617	-
	<u>73,681,281,365</u>	<u>48,708,540,310</u>	<u>83,145,095,484</u>	<u>43,014,383,661</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

10. 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	3,505,661,597	-	4,669,132,759	-
Materials	196,393,207,223	(6,022,901,941)	218,634,160,109	(6,298,321,177)
Finished goods	151,718,369,491	(10,356,038,566)	188,398,142,438	(8,791,929,573)
Merchandise	9,420,900,910	-	4,617,876,868	-
	361,038,139,221	(16,378,940,507)	416,319,312,174	(15,090,250,750)

Movements of provision for obsolete inventories:

Currency: VND

	<i>Current year</i>	<i>Previous year</i>
Beginning balance	15,090,250,750	16,088,230,389
Add: Provision made during the year	13,708,869,824	8,123,202,626
Less: Reversal of provision during the year	(12,420,180,067)	(9,121,182,265)
Ending balance	16,378,940,507	15,090,250,750

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

11. TANGIBLE FIXED ASSETS

Currency: VND

	<i>Buildings and structures</i>	<i>Machinery and equipment</i>	<i>Office equipment</i>	<i>Motor vehicle</i>	<i>Others</i>	<i>Total</i>
Cost:						
Beginning balance	197,286,321,894	308,891,750,474	15,409,759,696	43,958,155,871	19,304,885,493	584,850,873,428
- Newly purchased	-	4,832,018,022	-	1,100,909,309	485,000,000	6,417,927,331
- Disposal	-	(6,721,001,085)	(1,037,855,958)	-	-	(7,758,857,043)
Ending balance	197,286,321,894	307,002,767,411	14,371,903,738	45,059,065,180	19,789,885,493	583,509,943,716
<i>In which:</i>						
<i>Fully depreciated</i>	20,703,762,726	118,170,222,526	6,692,190,945	9,852,762,812	13,755,995,858	169,174,934,867
<i>Fixed assets used as loan and bond collateral (Note 19)</i>	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:						
Beginning balance	83,822,731,751	209,675,923,905	13,568,803,547	23,784,078,652	15,464,287,984	346,315,825,839
- Depreciation for the year	13,261,814,618	23,005,810,849	972,239,710	4,253,228,407	1,569,050,157	43,062,143,741
- Disposal	-	(6,535,176,881)	(1,037,855,958)	-	-	(7,573,032,839)
Ending balance	97,084,546,369	226,146,557,873	13,503,187,299	28,037,307,059	17,033,338,141	381,804,936,741
Net carrying amount:						
Beginning balance	113,463,590,143	99,215,826,569	1,840,956,149	20,174,077,219	3,840,597,509	238,535,047,589
Ending balance	100,201,775,525	80,856,209,538	868,716,439	17,021,758,121	2,756,547,352	201,705,006,975

NOTES TO SEPARATE THE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

12. INTANGIBLE FIXED ASSETS

	<i>Currency: VND</i>				
	<i>Trademark</i>	<i>Distribution channel</i>	<i>Computer software</i>	<i>Others</i>	<i>Total</i>
Cost:					
Beginning balance	24,566,385,000	7,831,500,000	7,463,284,189	686,893,687	40,548,062,876
Newly purchased	-	-	465,000,000	-	465,000,000
Ending balance	24,566,385,000	7,831,500,000	7,928,284,189	686,893,687	41,013,062,876
<i>In which:</i>					
<i>Fully amortized</i>	-	7,831,500,000	943,173,710	686,893,687	9,461,567,397
Accumulated amortization:					
Beginning balance	20,053,952,589	7,831,500,000	6,793,685,862	686,893,687	35,366,032,138
Amortization for the year	1,463,191,525	-	523,744,379	-	1,986,935,904
Ending balance	21,517,144,114	7,831,500,000	7,317,430,241	686,893,687	37,352,968,042
Net carrying amount:					
Beginning balance	4,512,432,411	-	669,598,327	-	5,182,030,738
Ending balance	3,049,240,886	-	610,853,948	-	3,660,094,834

NOTES TO SEPARATE THE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

13. LONG-TERM INVESTMENTS

Currency: VND

	Ending balance			Beginning balance		
	Cost	Provision	Fair value	Cost	Provision	Fair value
			(*)			(*)
Investment in subsidiary (Note 13.1)	34,285,000,000	(15,425,858,966)		34,285,000,000	-	
- Everpia Korea JSC	34,285,000,000	(15,425,858,966)		34,285,000,000	-	
Investment in associates (Note 13.2)	15,190,390,000	(11,590,390,000)		11,590,390,000	(11,590,390,000)	
- Texpia Joint Stock Company	11,590,390,000	(11,590,390,000)		11,590,390,000	(11,590,390,000)	
- Hyojung Soft Tech JSC	3,600,000,000	-		-	-	
Investment in other (Note 13.3)	2,638,200,000	-		2,638,200,000	-	
	52,113,590,000	(27,016,248,966)		48,513,590,000	(11,590,390,000)	

(*) Shares of these companies are not listed on the stock market, consequently, the management is unable to assess the fair value of these investments.

13.1 Investments in subsidiary

Detailed information on subsidiary as at 31 December 2020 is disclosed in Note 1.

NOTES TO SEPARATE THE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

13. LONG-TERM INVESTMENTS (continued)

13.2 Investments in associates

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Ownership (%)</i>	<i>Voting right (%)</i>	<i>Ownership (%)</i>	<i>Voting right (%)</i>
Texpia Joint Stock Company (*)	44%	44%	44%	44%
Hyojung Soft Tech JSC (**)	24%	24%	0%	0%

(*) 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, Texpia Joint Stock Company completed tax finalization as well as procedures with Management Board of Dong Nai Industrial Zone and this associate is working with other governing agencies regarding procedure to dissolve its business.

(**) Hyojung Soft Tech JSC is a joint stock company established under the Business Registration Certificate No. 0108559121 issued by Hanoi Authority for Planning and Investment on 24 December 2019 and the second amended certificate is issued on 7 October 2020. Hyojung Soft Tech JSC is located in Lot 47, HDI Project Area, Mac Thai Tong Street, Yen Hoa Ward, Cau Giay District, Hanoi City. The principal activities of Hyojung Soft Tech JSC are to develop POS software and POS management system, provide credit card payment agency service and POS hardware maintenance service.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

13. LONG-TERM INVESTMENTS (continued)

13.3 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. In the year, the Company had received dividend with amount of VND 300,000,000 (2019: VND 206,400,000).

14. PREPAID EXPENSES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Prepaid rentals	2,269,799,999	2,032,931,066
Fire insurance	472,218,749	524,178,034
Advertisement	505,124,168	413,333,337
Tools and spare parts	-	79,961,670
Others	117,966,970	728,569,827
	<u>3,365,109,886</u>	<u>3,778,973,934</u>
Long-term		
Showroom furniture	4,969,395,969	8,307,721,984
Land rental prepaid	7,507,692,322	7,834,113,718
Prepaid rentals	9,450,267,599	7,457,229,502
Tools and spare parts	2,689,711,915	4,684,793,086
Others	933,516,287	1,255,079,340
	<u>25,550,584,092</u>	<u>29,538,937,630</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

15. SHORT-TERM TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

15.1 Short-term 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>
Short-term trade payables	40,549,932,125	40,549,932,125	46,109,863,768	46,109,863,768
- BCH Corporation	1,805,704,130	1,805,704,130	1,805,704,130	1,805,704,130
- Ngan Ha Import Export and Investment JSC	1,700,016,514	1,700,016,514	-	-
- Tongxiang Huibo Import & Export Co., Ltd.	3,824,488,423	3,824,488,423	3,595,598,581	3,595,598,581
- Payables to other suppliers	33,219,723,058	33,219,723,058	40,708,561,057	40,708,561,057
Short term trade payable to related party (Note 30)	3,534,174,576	3,534,174,576	9,209,792,633	9,209,792,633
	44,084,106,701	44,084,106,701	55,319,656,401	55,319,656,401

15.2 Short-term advances from customers

Currency: VND

	<i>Ending balance</i>	<i>Beginning balance</i>
Petit Elin Co., Ltd	2,335,167,208	3,082,449,753
Hoang Thien Duc Trading LLC	1,361,616,918	2,226,645,432
Hai An Trading Investment JSC	2,566,237,737	-
Syrena JSC	1,202,288,965	80,394,270
Others	8,780,374,220	17,338,764,782
	16,245,685,048	22,728,254,237

16. STATUTORY OBLIGATIONS

Currency: VND

	<i>Beginning balance</i>	<i>Payable in the year</i>	<i>Payment in the year</i>	<i>Ending balance</i>
Value added tax	1,054,461,972	8,337,056,559	(4,197,797,851)	5,193,720,680
Import duties	100,387,092	805,421,241	(805,996,602)	99,811,731
Corporate income tax	12,733,763,620	13,837,257,660	(17,699,797,341)	8,871,223,939
Personal income tax	1,309,481,904	6,771,642,744	(6,644,634,225)	1,436,490,423
Other taxes	39,529,793	279,701,029	(282,627,519)	36,603,303
	15,237,624,381	30,031,079,233	(29,630,853,538)	15,637,850,076

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

17. SHORT-TERM ACCRUED EXPENSE

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Import and export fee	840,149,095	554,000,000
Advertising costs	-	2,087,303,764
Rental fee	440,661,843	432,467,114
Professional fee	168,000,000	168,000,000
Others	356,837,700	230,058,287
	<u>1,805,648,638</u>	<u>3,471,829,165</u>

18. OTHER PAYABLES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Accrued interest	778,929,005	3,734,905,977
Trade union fee	186,784,384	195,284,061
Social insurance	22,631,460	137,715,936
Other short-term payables	363,711,124	2,283,474,084
	<u>1,352,055,973</u>	<u>6,351,380,058</u>
Long-term		
Provision for severance allowances	15,986,415,820	14,416,342,754
Provision for site restoration	2,762,996,314	2,762,996,314
Other long-term payables	116,818,000	116,818,000
	<u>18,866,230,134</u>	<u>17,296,157,068</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

19. LOANS AND BORROWINGS

Currency: VND

	<i>Beginning balance</i>		<i>Movement during the year</i>		<i>Foreign exchange difference</i>	<i>Ending balance</i>	
	<i>Balance</i>	<i>Payable amount</i>	<i>Increase</i>	<i>Decrease</i>		<i>Balance</i>	<i>Payable amount</i>
Short-term							
Borrowings from banks (Note 19.1)	114,482,203,065	114,482,203,065	176,740,120,912	(243,480,613,436)	7,608,297	47,749,318,838	47,749,318,838
Current portion of long-term borrowings (Note 19.2)	9,880,267,086	9,880,267,086	1,197,190,992	(9,880,267,086)	16,576,590	1,213,767,582	1,213,767,582
	124,362,470,151	124,362,470,151	177,937,311,904	(253,360,880,522)	24,184,887	48,963,086,420	48,963,086,420
Long-term							
Bond	100,000,000,000	100,000,000,000	-	(100,000,000,000)	-	-	-
Borrowings from banks (Note 19.2)	1,817,716,110	1,817,716,110	-	(1,197,190,992)	(16,968,177)	603,556,941	603,556,941
	101,817,716,110	101,817,716,110	-	(101,197,190,992)	(16,968,177)	603,556,941	603,556,941
	226,180,186,261	226,180,186,261	177,937,311,904	(354,558,071,514)	7,216,710	49,566,643,361	49,566,643,361

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

19. LOANS AND BORROWINGS (continued)

19.1 Short-term borrowings from banks

Bank	31 December 2020		Principal and interest repayment term	Interest rate per annum	Description of collateral
	VND	Original currency			
Joint Stock Commercial Bank for Foreign Trade of Vietnam	25,590,577,204	USD 1,102,616.02	Interest is payable on 26 th each month and principal is due on 24 May 2021.	1.33% - 1.40%	Machineries and equipment of the Hung Yen factory and receivables.
Joint Stock Commercial Bank for Foreign Trade of Vietnam	22,158,741,634	VND 22,158,741,634	Interest is payable on 26 th each month and principal is due on 8 June 2021.	3.50% - 4.00%	Machineries and equipment of the Hung Yen factory and receivables.
	47,749,318,838				

19.2 Long-term borrowings from banks

Bank	31 December 2020		Principal and interest repayment term	Interest rate per annum	Description of collateral
	VND	Original currency			
Shinhan One Member Limited Bank of Vietnam	1,817,324,523	USD 78,282.34	4-5 years since loan drawdown date. Principal is payable quarterly. Last installment is due on 28 July 2022. Interest payment is payable on 28th each month.	3.95%	Machinery and equipment funded by the loan; 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.
	1,817,324,523				
<i>In which:</i>					
<i>Current portion</i>	1,213,767,582				
<i>Non-current portion</i>	603,556,941				

20. CONVERTIBLE BONDS

Convertible bonds amounting to USD 10,100,000 (equivalent to VND 230,431,500,000) were issued on 6 September 2018 ("Issuance date") with a term of 5 years. The bonds are unsecured and bear interest rate of 1% per 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 (12,772 VND), starting to be convertible 1 year from Issuance date to 1 month before the maturity date. Balance of these bonds as at 31 December 2020 is following:

	<i>Movement during the year</i>				<i>Currency: USD</i>
	<i>Beginning balance</i>	<i>New issuance</i>	<i>Converted to shares</i>	<i>Due but not yet converted</i>	<i>Ending balance</i>
Value	10,100,000	-	-	-	10,100,000

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Value of convertible bond	231,467,154,000	231,763,336,500
Equity component	-	-
Liability component at initial recognition	<u>231,467,154,000</u>	<u>231,763,336,500</u>
Add: Accumulated amortisation of discount		
Beginning balance	708,717,000	-
Amortisation for the year	<u>708,717,000</u>	<u>708,717,000</u>
Ending balance	1,417,434,000	708,717,000
Foreign exchange difference	<u>(303,000,000)</u>	<u>(447,682,500)</u>
Liability component at end of the year	<u>232,581,588,000</u>	<u>232,024,371,000</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

21. OWNERS' EQUITY

21.1 Increase and decrease in owners' equity

Currency: VND

	Share capital	Share premium	Treasury shares	Other fund belonging to owners' equity	Undistributed earnings	Total
Previous year						
Beginning balance	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 year	-	-	-	-	77,198,390,744	77,198,390,744
- Appropriation to reserve	-	-	-	3,810,619,732	(3,810,619,732)	-
- Dividends declared/paid	-	-	-	-	(38,038,781,750)	(38,038,781,750)
- Utilisation of fund	-	-	-	(2,631,986,732)	-	(2,631,986,732)
Ending balance	419,797,730,000	203,072,724,247	(76,000,000,000)	1,912,789,888	409,447,046,136	958,230,290,271
Current year						
Beginning balance	419,797,730,000	203,072,724,247	(76,000,000,000)	1,912,789,888	409,447,046,136	958,230,290,271
- Profit for the year	-	-	-	-	30,680,315,417	30,680,315,417
- Appropriation to reserve (*)	-	-	-	3,594,413,393	(3,594,413,393)	-
- Dividends declared/paid (*)	-	-	-	-	(34,243,175,700)	(34,243,175,700)
- Utilisation of fund	-	-	-	(3,233,705,951)	-	(3,233,705,951)
Ending balance	419,797,730,000	203,072,724,247	(76,000,000,000)	2,273,497,330	402,289,772,460	951,433,724,037

(*) Under Resolution of the Annual Meeting of Shareholders No. 01/DHDCD2020/NQ dated 24 April 2020, the Company declared dividends in cash for 2019: 9% of par value (VND 900 per share) and appropriated to other fund belonging to owners' equity from undistributed earnings.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 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	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)
	546,870,454,247	546,870,454,247	546,870,454,247	546,870,454,247

21.3 Dividends

Currency: VND

	Current year	Previous year
Dividends declared during the year	34,243,175,700	38,038,781,750
<i>Dividends on ordinary shares</i>		
Dividends for 2019: VND 900 per share (2018: VND 1,000 per share)	34,243,175,700	38,038,781,750
Dividends declared after the date of reporting period and not yet recognized as liability as at 31 December 2020	-	-

21.4 Shares

	Ending balance Shares	Beginning balance Shares
Issued shares	41,979,773	41,979,773
Issued and paid-up shares	41,979,773	41,979,773
<i>Ordinary shares</i>	41,979,773	41,979,773
<i>Preferred shares</i>	-	-
Treasury shares	(3,931,800)	(3,931,800)
<i>Ordinary shares</i>	(3,931,800)	(3,931,800)
<i>Preferred shares</i>	-	-
Shares in circulation	38,047,973	38,047,973
<i>Ordinary shares</i>	38,047,973	38,047,973
<i>Preference shares</i>	-	-

The par value of share in circulation during the year is VND10,000/share (2019: VND10,000/share).

21.5 Other fund belonging to owners' equity

Other fund belonging to owners' equity is set up under the Resolution of the General Shareholders No. 01/DHDCD2020/NQ dated 24 April 2020 at the amount of 5% of profit after tax presented in the consolidated financial statements for the year ended 31 December 2019. Under 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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

22. OFF BALANCE SHEET ITEMS

	<i>Ending balance</i>	<i>Beginning balance</i>
Other receivable from Texpia JSC	30,160,675,690	30,160,675,690
Provision for other receivable from Texpia JSC (written-off from 2018)	(30,160,675,690)	(30,160,675,690)
Other receivables	2,389,798,881	-
Provision for other receivables	(2,389,798,881)	-
Foreign currency		
- United State dollar ("USD")	276,667.28	761,736.51
- Euro (EUR)	6,409.73	3,917.25

23. REVENUE**23.1 Revenue from sale of goods and rendering of services**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Gross revenue	855,517,606,444	1,007,414,635,197
<i>In which:</i>		
<i>Sales of bedding, mattress products</i>	534,284,875,223	616,442,715,788
<i>Sales of padding products</i>	165,136,272,514	238,540,606,093
<i>Sales of cleaner</i>	96,412,266,906	80,518,434,741
<i>Sales of quilting products</i>	38,696,666,779	45,867,525,915
<i>Sales of other goods and services</i>	20,912,486,700	25,431,278,634
<i>Scrap sales</i>	75,038,322	614,074,026
Revenue deductions	(416,672,190)	(3,653,585,797)
<i>Sales return</i>	(416,672,190)	(3,653,585,797)
Net revenue	855,100,934,254	1,003,761,049,400
<i>In which:</i>		
<i>Sales of bedding, mattress products</i>	533,868,203,033	613,495,619,335
<i>Sales of padding products</i>	165,136,272,514	238,540,606,093
<i>Sales of cleaner</i>	96,412,266,906	79,811,945,397
<i>Sales of quilting products</i>	38,696,666,779	45,867,525,915
<i>Sales of other goods and services</i>	20,912,486,700	25,431,278,634
<i>Scrap sales</i>	75,038,322	614,074,026

23.2 Finance income

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Interest income	39,069,895,900	36,057,757,363
Gain from trading securities	3,036,559,928	-
Foreign exchange gain	3,858,521,334	4,011,088,709
Dividend income	300,000,000	206,400,000
	46,264,977,162	40,275,246,072

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

24. COST OF GOODS SOLD AND SERVICES RENDERED

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Cost of bedding, mattress products	382,281,121,910	423,859,963,266
Cost of padding products	93,968,060,945	127,218,516,435
Cost of cleaner products	83,356,269,457	74,292,055,119
Cost of quilting products	29,770,477,553	35,537,981,022
Cost of other goods and other services rendered	14,247,711,877	18,163,889,570
	<u>603,623,641,742</u>	<u>679,072,405,412</u>

25. FINANCE EXPENSES

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Investment provision	15,425,858,966	-
Interest expenses	13,776,224,202	13,769,071,371
Foreign exchange losses	1,609,248,879	3,909,501,710
Other finance expenses	957,260,340	708,717,000
	<u>31,768,592,387</u>	<u>18,387,290,081</u>

26. SELLING AND GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Selling expenses		
- Labour costs	68,445,903,449	67,869,233,614
- Raw materials	7,132,906,945	10,708,085,861
- Depreciation and amortization	2,326,811,016	2,326,811,016
- External services	51,071,924,097	64,422,395,988
- Others	9,061,329,245	15,487,214,900
	<u>138,038,874,752</u>	<u>160,813,741,379</u>
General and administrative expenses		
- Labour costs	53,829,656,158	51,274,913,029
- Depreciation and amortization	7,893,319,425	8,484,765,820
- External services	11,565,647,807	12,942,642,943
- Others	9,606,565,841	14,876,523,518
	<u>82,895,189,231</u>	<u>87,578,845,310</u>

27. OTHER INCOME AND EXPENSES

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Other income	666,583,558	1,137,709,722
Gain on disposal of fixed assets	46,476,363	572,727,273
Others	620,107,195	564,982,449
Other expenses	(1,403,277,338)	(441,608,944)
Penalty	(877,918,897)	-
Others	(525,358,441)	(441,608,944)
OTHER (LOSS)/PROFIT	<u>(736,693,780)</u>	<u>696,100,778</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

28. PRODUCTION AND OPERATING COSTS

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Materials	453,870,069,453	571,750,052,669
Labour costs	193,960,859,127	218,895,791,919
Depreciation and amortization	45,049,079,645	45,051,989,110
Expenses for external services	46,759,262,445	69,611,439,478
Other expenses	48,238,662,108	30,948,169,649
	<u>787,877,932,778</u>	<u>936,257,442,825</u>

29. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") applicable to the Company is 20% of taxable profits for the year ended 31 December 2020.

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 separate 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	13,837,257,660	22,648,932,480
Deferred tax income	(214,653,553)	(967,209,156)
	<u>13,622,604,107</u>	<u>21,681,723,324</u>

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

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Profit before tax	44,302,919,524	98,880,114,068
At CIT rate of 20%	8,860,583,905	19,776,022,814
<i>Adjustments to increase:</i>		
Expenses not eligible for CIT deduction	1,163,321,816	1,386,471,527
Provision for foreign investment	3,085,171,793	-
Other adjustments	573,526,593	560,508,983
<i>Adjustments to decrease:</i>		
Dividend received	(60,000,000)	(41,280,000)
CIT expense	<u>13,622,604,107</u>	<u>21,681,723,324</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 separate income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 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.

Currency: VND

Separate inc

	<i>Separate balance sheet</i>		<i>ome statement</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>
<i>Deferred tax assets</i>				
Unearned revenue	-	7,000,000	(7,000,000)	3,545,455
Provision for obsolete inventories	3,275,788,101	3,018,050,150	257,737,951	(199,595,928)
Provision for doubtful debts	11,450,424,595	11,900,817,209	(450,392,614)	667,553,717
Accrual for severance pay	3,197,283,165	2,883,268,551	314,014,614	341,438,439
Expense for excess of depreciation period	113,638,773	46,352,892	67,285,881	46,352,892
Education support expense	463,000,000	463,000,000	-	463,000,000
Other adjustments	-	-	-	(560,508,983)
Allocation expense of site restoration provision	331,559,556	221,039,704	110,519,852	55,259,926
	<u>18,831,694,190</u>	<u>18,539,528,506</u>	<u>292,165,684</u>	<u>817,045,518</u>
<i>Deferred tax liabilities</i>				
Unrealised foreign exchange gain of cash and trade receivables	(570,665,818)	(493,153,687)	(77,512,131)	150,163,638
	<u>(570,665,818)</u>	<u>(493,153,687)</u>	<u>(77,512,131)</u>	<u>150,163,638</u>
<i>Net deferred tax assets</i>	<u>18,261,028,372</u>	<u>18,046,374,819</u>		
<i>Net deferred tax presented in separate income statement</i>			<u>214,653,553</u>	<u>967,209,156</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

30. TRANSACTIONS WITH RELATED PARTIES

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

Currency: VND

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Current year</i>	<i>Previous year</i>
Everpia Korea JSC	Subsidiary	Purchase of raw material	87,412,917,421	147,656,828,619
		Purchase of tools	-	4,835,829,904
		Purchase of services	7,152,367,500	-
		Capital contribution	-	11,575,000,000
Hyojung Soft Tech JSC	Associate	Capital contribution	3,600,000,000	-
Mr. Cho Yong Hwan	Chairman of BOD	Rent house	3,300,000,000	-

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.

Outstanding balances at 31 December 2020 is unsecured, interest-free and will be settled in cash. For the year ended on 31 December 2020, the Company has no provision for doubtful loan receivable and interest receivable relating to amounts owed by related parties (31 December 2019: 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:

Currency: VND

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term trade payables (Note 15.1)				
Everpia Korea JSC	Subsidiary	Purchase of raw material	3,534,174,576	9,209,792,633
			3,534,174,576	9,209,792,633

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

Transactions with other related parties

Remuneration to members of the Board of Directors, Audit Committee and Management

Board of Directors

		<i>Currency: VND</i>	
		<i>Current year</i>	<i>Previous year</i>
Mr Cho Yong Hwan	Chairman of BOD	-	-
Mr Lee Jae Eun	Member	-	-
Mr Yu Sung Dae	Member	-	-
Mr Park Sung Jin	Member		
Mrs Le Thi Thu Hien	Independent member	86,400,000	86,400,000
Mr Le Kha Tuyen	Independent member	86,400,000	86,400,000
Mrs Nguyen Le Hoang Yen	Independent member	86,400,000	86,400,000
		<u>259,200,000</u>	<u>259,200,000</u>

Management

		<i>Current year</i>	<i>Previous year</i>
Mr Lee Jae Eun	General Director	6,781,741,102	6,362,204,829
Mr Cho Yong Hwan	Deputy General Director	3,663,193,367	3,422,238,990
Mr Yu Sung Dae	Deputy General Director	2,942,139,856	2,747,349,258
	Dong Nai Branch		
Mr Park Sung Jin	Director	3,034,793,835	3,156,796,713
		<u>16,421,868,160</u>	<u>15,678,589,790</u>

Audit Committee

		<i>Current year</i>	<i>Previous year</i>
Mr Trương Tuấn Nghĩa	Head of AC	86,400,000	86,400,000
Mr Ko Tae Yeon	Member	86,400,000	86,400,000
Mr Nguyễn Đức Hướng	Member	86,400,000	86,400,000
		<u>259,200,000</u>	<u>259,200,000</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

31. CONTINGENT LIABILITIES AND COMMITMENTS

Operating lease commitment

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

	<i>Ending balance</i>	<i>Beginning balance</i>
		<i>Currency: VND</i>
Up to 1 year	12,010,832,537	11,356,850,420
From 1-5 years	22,948,192,340	23,422,529,932
TOTAL	34,959,024,877	34,779,380,352

32. SEGMENT INFORMATION

The principal activities of the Company is manufacturing and trading of products of blankets, sheets, pillows, mattress and padding. Revenue and assets regarding to blankets, sheets, pillows, mattresses and cotton accounted for more than 90% of total revenue in the year and total assets as at reporting date. 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 separate balance sheet date that requires adjustment or disclosure in the separate financial statements of the Company.

Nguyen Bao Ngoc
Preparer
Accounting manager

Yu Sung Dae
Deputy General Director
In charge of Finance

Lee Jae Eun
General Director

Hanoi, Vietnam

29 March 2021