



# Everpia Joint Stock Company

## CONTENTS

	<i>Pages</i>
General information	1 - 2
Report of management	3
Report on review of interim consolidated financial statements	4 - 5
Interim consolidated balance sheet	6 - 8
Interim consolidated income statement	9 - 10
Interim consolidated cash flow statement	11 - 12
Notes to the interim consolidated financial statements	13 - 49

# 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 20<sup>th</sup> Amended Investment Registration Certificate, received 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 under its Investment Registration 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 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 Cho Yong Hwan	Chairman	
Mr Lee Jae Eun	Member	
Ms Le Thi Thu Hien	Member	Resigned on 30 March 2021
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 in charge of Ho Chi Minh City Branch
Mr Yu Sung Dae	Deputy General 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, 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 consolidated financial statements of the Company and its subsidiary for the six-month period ended 30 June 2021.

### MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the interim consolidated financial statements; and
- ▶ prepare the interim consolidated financial statements on the going concern basis unless it is inappropriate to presume that the 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 consolidated financial position of the Company and its subsidiary 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 its subsidiary and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim consolidated financial statements give a true and fair view of the interim consolidated financial position of the Company and its subsidiary as at 30 June 2021, and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of interim consolidated financial statements.

For and on behalf of management:

A red circular stamp of Everpia Joint Stock Company. The text inside the stamp reads "CÔNG TY CỔ PHẦN EVERPIA" and "H. GIA LƯƠNG, P. HÀ NỘI". A blue ink signature is written over the stamp.

Lee Jae Eun  
General Director

Hanoi, Vietnam

27 August 2021

Reference: 61110609/22383583-HN/LR

## REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**To: The shareholders of Everpia Joint Stock Company**

We have reviewed the accompanying interim consolidated financial statements of Everpia Joint Stock Company ("the Company") and its subsidiary, as prepared on 27 August 2021 and set out on pages 6 to 49 which comprise the interim consolidated balance sheet as at 30 June 2021, the interim consolidated income statement and the interim consolidated cash flow statement for the six-month period then ended and the notes thereto.

### ***Management's responsibility***

The Company's management is responsible for the preparation and fair presentation of the interim consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of interim consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of interim consolidated 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 consolidated financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements No. 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

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

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not give a true and fair view, in all material respects, of the interim consolidated financial position of the Company and its subsidiary as at 30 June 2021, and of its interim consolidated results of operations and its interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the interim consolidated financial statements.

### **Ernst & Young Vietnam Limited**



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

Hanoi, Vietnam

27 August 2021

INTERIM CONSOLIDATED BALANCE SHEET  
as at 30 June 2021

Currency: VND

Code	ASSETS	Notes	30 June 2021	31 December 2020
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>1,146,990,668,843</b>	<b>1,087,289,632,776</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>47,103,658,996</b>	<b>51,427,020,485</b>
111	1. Cash		29,307,399,851	34,043,282,310
112	2. Cash equivalents		17,796,259,145	17,383,738,175
<b>120</b>	<b>II. Short-term investments</b>	<b>5</b>	<b>538,349,679,147</b>	<b>536,313,000,000</b>
121	1. Held-for-trading securities		19,710,223,671	20,000,000,000
122	2. Provision for held-for-trading securities		(887,544,524)	-
123	3. Held-to-maturity investments		519,527,000,000	516,313,000,000
<b>130</b>	<b>III. Current accounts receivables</b>		<b>204,944,017,234</b>	<b>154,753,414,030</b>
131	1. Short-term trade receivables	6.1	160,837,980,855	134,129,999,632
132	2. Short-term advances to suppliers	6.2	36,956,363,257	21,564,342,370
136	3. Other short-term receivables	7	31,126,071,081	24,031,813,083
137	4. Provision for doubtful debts		(23,976,397,959)	(24,972,741,055)
<b>140</b>	<b>IV. Inventories</b>	<b>9</b>	<b>350,862,077,781</b>	<b>339,496,885,104</b>
141	1. Inventories		370,691,125,859	355,875,825,611
149	2. Provision for obsolete inventories		(19,829,048,078)	(16,378,940,507)
<b>150</b>	<b>V. Other current assets</b>		<b>5,731,235,685</b>	<b>5,299,313,157</b>
151	1. Short-term prepaid expenses	13	5,097,265,359	3,365,109,886
152	2. Value-added tax deductible		633,888,328	1,889,086,885
153	3. Tax and other receivables from the State		81,998	45,116,386



INTERIM CONSOLIDATED BALANCE SHEET (continued)  
as at 30 June 2021


Currency: VND

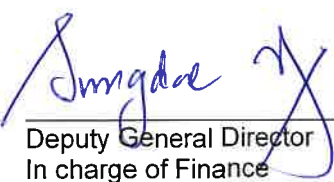
Code	ASSETS	Notes	30 June 2021	31 December 2020
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>261,601,597,808</b>	<b>265,743,449,326</b>
<b>210</b>	<b><i>I. Long-term receivables</i></b>		<b>1,397,033,251</b>	<b>3,189,169,234</b>
216	1. Other long-term receivables	7	1,397,033,251	3,189,169,234
<b>220</b>	<b><i>II. Fixed assets</i></b>		<b>204,355,583,828</b>	<b>206,171,418,809</b>
221	1. Tangible fixed assets	10	200,701,209,636	201,705,006,975
222	Cost		598,811,734,868	583,509,943,716
223	Accumulated depreciation		(398,110,525,232)	(381,804,936,741)
227	2. Intangible fixed assets	11	3,654,374,192	4,466,411,834
228	Cost		41,785,437,996	41,819,379,876
229	Accumulated amortization		(38,131,063,804)	(37,352,968,042)
<b>250</b>	<b><i>III. Long-term investments</i></b>	<b>12</b>	<b>9,570,194,424</b>	<b>12,367,200,000</b>
252	1. Investments in associates		12,651,384,424	15,190,390,000
253	2. Investments in other entities		8,509,200,000	8,767,200,000
254	3. Provision for long-term investments		(11,590,390,000)	(11,590,390,000)
<b>260</b>	<b><i>IV. Other long-term assets</i></b>		<b>46,278,786,305</b>	<b>44,015,661,283</b>
261	1. Long-term prepaid expenses	13	26,098,724,184	25,550,584,092
262	2. Deferred tax assets	28.3	20,180,062,121	18,465,077,191
<b>270</b>	<b>TOTAL ASSETS</b>		<b>1,408,592,266,651</b>	<b>1,353,033,082,102</b>


INTERIM CONSOLIDATED BALANCE SHEET (continued)  
as at 30 June 2021

Currency: VND

Code	RESOURCES	Notes	30 June 2021	31 December 2020
<b>300</b>	<b>C. LIABILITIES</b>		<b>494,806,085,218</b>	<b>408,705,879,197</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>228,723,486,261</b>	<b>153,166,780,955</b>
311	1. Short-term trade payables	14.1	64,438,678,428	42,122,653,838
312	2. Short-term advances from customers	14.2	19,127,158,261	16,245,685,048
313	3. Statutory obligations	15	8,949,049,701	15,692,012,138
314	4. Payables to employees		18,025,570,620	19,482,190,462
315	5. Short-term accrued expenses	16	2,297,513,285	1,805,648,638
319	6. Other short-term payables	17	19,315,918,091	1,470,742,689
320	7. Short-term borrowings	18	96,569,597,875	56,347,848,142
<b>330</b>	<b>II. Non-current liabilities</b>		<b>266,082,598,957</b>	<b>255,539,098,242</b>
337	1. Other long-term liabilities	17	21,662,880,957	22,353,953,301
338	2. Long-term borrowings	18	11,387,165,000	603,556,941
339	3. Convertible bonds	19	233,032,553,000	232,581,588,000
<b>400</b>	<b>D. OWNERS' EQUITY</b>	<b>20</b>	<b>913,786,181,433</b>	<b>944,327,202,905</b>
<b>410</b>	<b>I. Capital</b>		<b>913,786,181,433</b>	<b>944,327,202,905</b>
411	1. Share capital	20.3	419,797,730,000	419,797,730,000
411a	- Shares with voting rights		419,797,730,000	419,797,730,000
412	2. Share premium	20.2	203,072,724,247	203,072,724,247
415	3. Treasury shares	20.2	(76,000,000,000)	(76,000,000,000)
417	4. Foreign exchange differences reserve		(2,619,572,618)	(1,736,867,207)
420	5. Other funds belonging to owners' equity	20.6	3,314,680,460	1,660,261,921
421	6. Undistributed earnings		366,220,619,344	397,533,353,944
421a	- Undistributed earnings of prior years		357,439,070,138	355,476,422,825
421b	- Undistributed earnings of current period		8,781,549,206	42,056,931,119
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>1,408,592,266,651</b>	<b>1,353,033,082,102</b>

  
Preparer  
Accounting manager  
Nguyen Bao Ngoc

  
Deputy General Director  
In charge of Finance  
Yu Sung Dae

  
General Director  
Lee Jae Eun



Hanoi, Vietnam

27 August 2021

INTERIM CONSOLIDATED INCOME STATEMENT  
for the six-month period ended 30 June 2021


Currency: VND

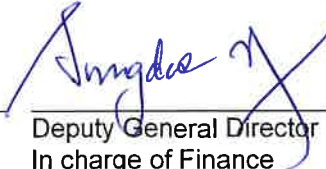
Code	ITEMS	Notes	For the six-month period ended 30 June 2021	For the six-month period ended 30 June 2020
01	1. Revenue from sale of goods and rendering of services	22.1	414,010,159,648	383,887,155,527
02	2. Deductions	22.1	(448,215,754)	(349,953,836)
10	3. Net revenue from sale of goods and rendering of services	22.1	413,561,943,894	383,537,201,691
11	4. Cost of goods sold and services rendered	23	(277,638,188,410)	(281,447,342,723)
20	5. Gross profit from sale of goods and rendering of services		135,923,755,484	102,089,858,968
21	6. Finance income	22.2	21,745,933,542	26,169,391,007
22	7. Finance expenses	25	(23,600,032,018)	(11,338,297,475)
23	<i>In which: Interest expenses</i>		(18,310,292,278)	(8,067,325,700)
24	8. Shares of loss of associates		(139,005,576)	-
25	8. Selling expenses	24	(82,052,052,734)	(69,595,483,812)
26	9. General and administrative expenses	24	(41,628,349,145)	(52,193,014,288)
30	10. Operating profit/(loss)		10,250,249,553	(4,867,545,600)
31	11. Other income	26	782,256,145	376,953,151
32	12. Other expenses	26	(568,175,621)	(975,016,681)
40	13. Other profit/(loss)		214,080,524	(598,063,530)
50	14. Accounting profit/(loss) before tax		10,464,330,077	(5,465,609,130)
51	15. Current corporate income tax expense	28.1	(3,397,765,801)	(2,639,113,065)
52	16. Deferred tax income	28.3	1,714,984,930	1,695,611,548

INTERIM CONSOLIDATED INCOME STATEMENT (continued)  
for the six-month period ended 30 June 2021

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2021	For the six-month period ended 30 June 2020
60	17. Net profit/(loss) after tax		8,781,549,206	(6,409,110,647)
61	18. Net profit/(loss) after tax attributable to shareholders of the parent		8,781,549,206	(6,409,110,647)
62	19. Net profit after tax attributable to non-controlling interests		-	-
70	20. Basic earnings per share	30	231	(168)
71	21. Diluted earnings per share	30	231	(168)

  
Preparer  
Accounting manager  
Nguyen Bao Ngoc

  
Deputy General Director  
In charge of Finance  
Yu Sung Dae

  
General Director  
Lee Jae Eun

Hanoi, Vietnam

27 August 2021

INTERIM CONSOLIDATED CASH FLOW STATEMENT  
for the six-month period ended 30 June 2021

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2021	For the six-month period ended 30 June 2020
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Profit/(loss) before tax</b>		<b>10,464,330,077</b>	<b>(5,465,609,130)</b>
	<i>Adjustments for:</i>			
02	Depreciation of tangible fixed assets and amortisation of intangible fixed assets		18,395,277,513	22,731,912,528
03	Provisions		2,254,903,433	9,929,958,776
04	Foreign exchange gains arisen from retranslation of monetary accounts denominated in foreign currency		(589,298,085)	(2,130,882,083)
05	Profits from investing activities		(15,471,627,006)	(21,141,557,023)
06	Interest expenses and bonds issuance expense	25	19,720,757,278	8,421,684,200
08	<b>Operating profit before changes in working capital</b>		<b>34,774,343,210</b>	<b>12,345,507,268</b>
09	(Increase)/decrease in receivables		(47,692,817,703)	31,893,446,414
10	(Increase)/decrease in inventories		(14,815,300,248)	10,358,999,510
11	Increase/(decrease) in payables		22,978,184,139	(22,454,022,043)
12	(Increase)/decrease in prepaid expenses		(2,280,295,565)	1,577,832,840
13	Decrease in held-for-trading securities		289,776,329	12,000,000,000
14	Interest paid		(1,145,583,235)	(7,985,617,486)
15	Corporate income tax paid	15	(8,871,223,939)	(12,145,954,782)
17	Other cash outflows for operating activities		(448,428,017)	(1,786,276,906)
20	<b>Net cash flows (used in)/from operating activities</b>		<b>(17,211,345,029)</b>	<b>23,803,914,815</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase, construction of fixed assets		(13,861,390,725)	(1,855,029,817)
22	Proceeds from disposals of fixed assets		584,000,000	27,483,636
23	Payments for short-term investments		(238,214,000,000)	(470,784,000,000)
24	Collections from short-term investments		235,000,000,000	436,427,000,000
25	Payments for investments in other entities		2,400,000,000	-
27	Interest and dividend received		13,041,618,548	17,499,366,582
30	<b>Net cash flows used in investing activities</b>		<b>(1,049,772,177)</b>	<b>(18,685,179,599)</b>

INTERIM CONSOLIDATED CASH FLOW STATEMENT (continued)  
for the six-month period ended 30 June 2021

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2021	For the six-month period ended 30 June 2020
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
33	Drawdown of borrowings		117,899,214,765	128,558,360,843
34	Repayment of borrowings		(66,819,420,156)	(128,178,961,464)
36	Dividends paid to shareholders		(36,645,688,650)	(34,022,914,604)
<b>40</b>	<b>Net cash flows from/(used in) financing activities</b>		<b>14,434,105,959</b>	<b>(33,643,515,225)</b>
<b>50</b>	<b>Net decrease in cash for the period</b>		<b>(3,827,011,247)</b>	<b>(28,524,780,009)</b>
<b>60</b>	<b>Cash and cash equivalents at beginning of the period</b>		<b>51,427,020,485</b>	<b>67,058,857,742</b>
61	Impact of exchange rate fluctuation		(496,350,242)	1,816,037,542
<b>70</b>	<b>Cash and cash equivalents at end of the period</b>	<b>4</b>	<b>47,103,658,996</b>	<b>40,350,115,275</b>



Preparer  
Accounting manager  
Nguyen Bao Ngoc



Deputy General Director  
In charge of Finance  
Yu Sung Dae



General Director  
Lee Jae Eun

Hanoi, Vietnam

27 August 2021

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
as at 30 June 2021 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 20<sup>th</sup> Amended Investment Registration Certificate, received 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 under its Investment Registration 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 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 of the Company and its subsidiary as at 30 June 2021 is 1,360 (31 December 2020: 1,358).

### ***Company structure***

The Company has a subsidiary, of which general information, voting rights and equity interest of the Company in the subsidiary are presented below:

#### *Everpia Korea Joint Stock Company*

This subsidiary 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 A408-Hyeondae Knowledge Industry Centre, No.3 Godeung Ro, Sujeong Gu, Seongnam Si, Gyeonggi Do, 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 following the Korean law.

As at 30 June 2021, the Company is registered to hold 100% shares and voting rights in this subsidiary. At the date of this report, the Company has contributed USD 1,500,000 (equivalent to VND 34,285,000,000), equivalent to 100% charter capital of this subsidiary.

As at 30 June 2021, the Company also has associates as presented in Note 12.2.



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

## **2. BASIS OF PREPARATION**

### **2.1 *Accounting standards and system***

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

- ▶ Decision No. 149/2001/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 interim consolidated financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

### **2.2 *Applied accounting documentation system***

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

### **2.3 *Fiscal year***

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

### **2.4 *Accounting currency***

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

### **2.5 *Basis of consolidation***

The interim consolidated financial statements comprise the interim financial statements of the Company and its subsidiary for the six-month period ended 30 June 2021.

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

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

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



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

## 2. BASIS OF PREPARATION (continued)

### 2.5 *Basis of consolidation* (continued)

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

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

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 3.1 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash 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 and subsidiary, based on appropriate evidence of impairment available at the interim consolidated balance sheet date.

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

### 3.3 *Receivables*

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 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 consolidated income statement as incurred.

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

#### 3.5 *Leased assets*

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

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

*Where the Group is the lessee*

Rentals under operating leases are charged to the interim consolidated 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 consolidated income statement as incurred.

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

*Trademark, distribution channels*

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 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 - 50 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 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 consolidated 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.

##### *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. The aforementioned prepaid land rental is recognized as a long-term prepaid expense and amortized to the shorter of the period between the remaining term of the lease and the Company's remaining operating life under the Investment certificate.

#### 3.10 Business combinations and goodwill

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.10 *Business combinations and goodwill* (continued)

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

#### 3.11 *Investments*

##### *Investments in associates*

The Group's investment in its associates is accounted for using the equity method of accounting. An associate is an entity in which the Company has significant influence that is neither subsidiary nor joint ventures. The Company generally deems they have significant influence if they have over 20% of the voting rights.

Under the equity method, the investment is carried in the interim consolidated balance sheet at cost plus post acquisition changes in the Company's share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment. Goodwill is not amortised and subject to annual review for impairment. The interim consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

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

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

##### *Held-for-trading securities and investments in other entities*

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

##### *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 consolidated income statement and deducted against the value of such investments.

##### *Provision for diminution in value of investments*

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.12 *Payables and accruals*

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

#### 3.13 *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.

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.

#### 3.14 *Treasury share*

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 Group's own equity instruments.

#### 3.15 *Accrual for severance pay*

##### *The Company*

The severance pay to employee by the Company 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 consolidated income statement.

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

##### *The Subsidiary*

The severance allowance payable to all employees employed by the subsidiary is calculated at the rate of one month's salary for each year of service in the Subsidiary up to balance sheet date in accordance with the law of the country of residence.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.16 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.

#### 3.17 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; 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.

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 and its subsidiary conducts transactions regularly; and
- ▶ Monetary liabilities are revaluated at selling exchange rate of the commercial bank where the Company and its subsidiary conducts transactions regularly.

All foreign exchange differences incurred are taken to the interim consolidated income statement.



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.17 *Foreign currency transactions* (continued)

##### *Conversion of the financial statements of a foreign operation*

Conversion of the financial statements of a subsidiary of the Company which maintains its accounting records in other currency rather than the Company's accounting currency of VND, for consolidation purpose, is as follows:

- ▶ Assets and liabilities are converted into VND by using the buying and selling exchange rates, respectively, as announced by the commercial banks where the Company frequently conducts its transactions at the balance sheet date;
- ▶ Revenues, other income and expenses are converted into VND by using the actual transactional exchange rates; or the average exchange rates if the average exchange rates do not exceed +/- 2% the transactional exchange rates; and
- ▶ All foreign exchange differences resulting from conversion of financial statements of the subsidiary for the consolidation purpose are taken to the "foreign exchange differences reserve" on the interim consolidated balance sheet and charged to the interim consolidated income statement upon the disposal of the investment.

#### 3.18 *Appropriation of net profits*

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

The Company and its subsidiary maintain the following reserve funds which are appropriated from the Company and its subsidiary'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.

#### 3.19 *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and its subsidiary 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 the services is rendered.

##### *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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.19 Revenue recognition (continued)

##### *Dividends*

Income is recognised when the entitlement of Company and its subsidiary as an investor to receive the dividend is established.

#### 3.20 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 consolidated balance sheet date.

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

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company and its subsidiary to set off current tax assets against current tax liabilities and when the Company and its subsidiary 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 consolidated 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, associate, 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 utilised.



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.20 *Taxation* (continued)

##### *Deferred tax* (continued)

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

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 consolidated balance sheet date.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company and its subsidiary 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.

#### 3.21 *Segment information*

The principal activities of the Company and its subsidiary are 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 period and total assets as at reporting date. Besides, the production and business activities of the Company and its subsidiary are mainly carried out in the territory of Vietnam. Therefore, the Company and its subsidiary have only one business segment and one geographic segment. Accordingly, the Company and its subsidiary do not disclose segment information.

#### 3.22 *Related parties*

Parties are considered to be related parties of the Company and its subsidiary 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 Company and its subsidiary 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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.23 Earnings per share**

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

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

**4. CASH AND CASH EQUIVALENTS**

	<i>Currency: VND</i>	
	<i>30 June 2021</i>	<i>31 December 2020</i>
Cash on hand	154,395,850	258,508,757
Cash at banks	29,153,004,001	33,784,773,553
Cash equivalents (*)	17,796,259,145	17,383,738,175
	<b><u>47,103,658,996</u></b>	<b><u>51,427,020,485</u></b>

(\*) As at 30 June 2021, cash equivalents represent bank deposits with terms from 1 month to 3 months which earn interest at rates ranging from 3.7% to 4.35% per annum (31 December 2020: interest rates from 3.0 % to 3.5% per annum).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

## 5. SHORT-TERM INVESTMENTS

### 5.1. Held-for-trading securities

Currency: VND

	30 June 2021			31 December 2020		
	Cost	Fair value	Provision	Cost	Fair value	Provision
Shares (i)	19,710,223,671	19,466,160,000	(887,544,524)	-	-	-
Bond	-	-	-	20,000,000,000	20,000,000,000	-
<b>TOTAL</b>	<b>19,710,223,671</b>	<b>19,466,160,000</b>	<b>(887,544,524)</b>	<b>20,000,000,000</b>	<b>20,000,000,000</b>	<b>-</b>

(i) Details for shares investment are as follows:

Currency: VND

	30 June 2021			31 December 2020		
	Cost	Fair value	Provision	Cost	Fair value	Provision
Vietnam Aviation Corporation	5,177,475,292	4,887,960,000	(289,515,292)	-	-	-
Ho Chi Minh City Securities Corporation	1,911,519,147	2,555,000,000	-	-	-	-
Vietnam Dairy Products Joint Stock Company	12,621,229,232	12,023,200,000	(598,029,232)	-	-	-
<b>TOTAL</b>	<b>19,710,223,671</b>	<b>19,466,160,000</b>	<b>(887,544,524)</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 5.2. Held-to-maturity investments

Currency: VND

	30 June 2021		31 December 2020	
	Cost	Carrying value	Cost	Carrying value
Term deposits	519,527,000,000	519,527,000,000	516,313,000,000	516,313,000,000
<b>TOTAL</b>	<b>519,527,000,000</b>	<b>519,527,000,000</b>	<b>516,313,000,000</b>	<b>516,313,000,000</b>

Held-to-maturity investments represent bank deposits with terms from 6 months to 1 year, which earn interest at rates ranging from 6.9% to 7.5% per annum (31 December 2020: 4.4% to 7.1% per annum).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

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

### 6.1 Short-term trade receivables

Currency: VND

	30 June 2021	31 December 2020
Apparel Tech Co., Ltd	10,212,686,934	258,763,780
Xuan Khieu Services And Trade JSC	8,128,283,867	977,910,448
Welcron Global Vietnam JSC	7,013,170,859	5,489,364,193
Ha Hae Vietnam Co., Ltd	6,692,649,384	564,707,395
Medline Industries, Inc	5,377,503,448	3,166,877,456
Pan-Pacific Co., Ltd	4,673,586,163	533,370,144
Eady Tax Trading Co., Ltd	3,317,841,495	3,317,841,495
Phu Truong Contradinco	3,230,802,607	3,230,802,607
TCK Textiles Korea Inc	876,669,336	8,467,258,427
Other trade receivables	111,314,786,762	108,123,103,687
<b>TOTAL</b>	<b>160,837,980,855</b>	<b>134,129,999,632</b>
Provision for doubtful debts	(12,523,405,342)	(13,519,748,438)

Some receivables have been used as collateral for short-term loans of the Company and its subsidiary as presented in Note 18.1.

### 6.2 Short-term advances to suppliers

Currency: VND

	30 June 2021	31 December 2020
Tongxiang Huibo Import & Export Co., Ltd	6,787,901,168	237,223,353
Branch of Vu Gia International Company Limited in Ha Nam	5,261,741,416	1,004,300,000
Guoxin Infu Co., Ltd	1,658,773,408	2,410,315,457
Hatrang Interior Co., Ltd	1,063,251,591	1,038,699,932
Advance to other suppliers	22,184,695,674	16,873,803,628
<b>TOTAL</b>	<b>36,956,363,257</b>	<b>21,564,342,370</b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

## 7. OTHER RECEIVABLES

	<i>Currency: VND</i>	
	<i>30 June 2021</i>	<i>31 December 2020</i>
<b>Short-term</b>		
Shortage of assets awaiting resolution	11,349,845,417	11,349,845,417
Interest income from term deposits	10,516,827,907	8,392,757,809
Land rental deposit (*)	5,038,344,000	-
Advance to employees	1,990,295,072	2,006,049,137
Value added tax waiting for refund	347,397,965	347,397,965
Import tax waiting for refund	1,168,241,076	1,168,241,076
Other short-term receivables	715,119,644	767,521,679
<b>TOTAL</b>	<b><u>31,126,071,081</u></b>	<b><u>24,031,813,083</u></b>
Provision for doubtful other short-term receivables	(11,452,992,617)	(11,452,992,617)
<b>Long-term</b>		
Long-term deposit	1,397,033,251	3,108,423,281
Other long-term receivables	-	80,745,953
<b>TOTAL</b>	<b><u>1,397,033,251</u></b>	<b><u>3,189,169,234</u></b>

(\*) This is a deposit according to the agreement with Sonadezi Giang Dien Company for the purpose of renting land to build a factory in Giang Dien Industrial Park, Dong Nai province.

## 8. OVERDUE DEBTS

	<i>Currency: VND</i>			
	<i>30 June 2021</i>		<i>31 December 2020</i>	
	<i>Cost</i>	<i>Recoverable amount</i>	<i>Cost</i>	<i>Recoverable amount</i>
Trade receivables	60,132,551,559	47,609,146,217	62,228,288,748	48,708,540,310
Shortage of assets awaiting resolution	11,452,992,617	-	11,452,992,617	-
<b>TOTAL</b>	<b><u>71,585,544,176</u></b>	<b><u>47,609,146,217</u></b>	<b><u>73,681,281,365</u></b>	<b><u>48,708,540,310</u></b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended**9. INVENTORIES**

Currency: VND

	30 June 2021		31 December 2020	
	Cost	Provision	Cost	Provision
Goods in transit	10,048,798,341	-	3,505,661,597	-
Raw materials	205,631,777,821	(10,710,033,444)	191,723,036,997	(6,022,901,941)
Finished goods	146,257,021,963	(9,119,014,634)	151,718,369,491	(10,356,038,566)
Merchandise	8,753,527,734	-	8,928,757,526	-
<b>TOTAL</b>	<b>370,691,125,859</b>	<b>(19,829,048,078)</b>	<b>355,875,825,611</b>	<b>(16,378,940,507)</b>

**Movements of provision for obsolete inventories:**

Currency: VND

	For the six-month period ended 30 June 2021	For the six-month period ended 30 June 2020
Beginning balance	16,378,940,507	15,090,250,750
Add: Provision made during the period	5,809,169,721	13,708,869,824
Less: Utilisation and reversal of provision during the period	(2,359,062,150)	(12,420,180,067)
Ending balance	19,829,048,078	16,378,940,507

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

**10. TANGIBLE FIXED ASSETS**

Currency: VND

Cost:	Buildings and structures	Machinery and equipment	Office equipment	Motor vehicle	Others	Total
As at 31 December 2020	197,286,321,894	307,002,767,411	14,371,903,738	45,059,065,180	19,789,885,493	583,509,943,716
- New purchase	16,512,164,995	-	81,859,140	33,899,927	124,516,414	16,752,440,476
- Disposal	-	(524,837,016)	(91,475,944)	(834,336,364)	-	(1,450,649,324)
As at 30 June 2021	213,798,486,889	306,477,930,395	14,362,286,934	44,258,628,743	19,914,401,907	598,811,734,868
<i>In which:</i>						
Fully depreciated	21,104,538,726	122,245,043,197	11,766,203,979	10,349,657,357	13,791,055,408	179,256,498,667
<b>Accumulated depreciation:</b>						
As at 31 December 2020	97,084,546,369	226,146,557,873	13,503,187,299	28,037,307,059	17,033,338,141	381,804,936,741
- Depreciation for the period	6,673,241,887	8,223,389,476	266,818,453	2,072,732,343	380,999,592	17,617,181,751
- Disposal	-	(524,837,016)	(91,475,944)	(695,280,300)	-	(1,311,593,260)
As at 30 June 2021	103,757,788,256	233,845,110,333	13,678,529,808	29,414,759,102	17,414,337,733	398,110,525,232
<b>Net carrying amount:</b>						
As at 31 December 2020	100,201,775,525	80,856,209,538	868,716,439	17,021,758,121	2,756,547,352	201,705,006,975
As at 30 June 2021	110,040,698,633	72,632,820,062	683,757,126	14,843,869,641	2,500,064,174	200,701,209,636

Some tangible fixed assets with net carrying amount of VND 38 billion have been mortgaged for loans and bonds of the Company and its subsidiary as presented in Note 18.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period ended

11. INTANGIBLE FIXED ASSETS

Currency: VND

	Trade mark	Distribution channels	Computer software	Others	Total
<b>Cost:</b>					
As at 31 December 2020	24,566,385,000	7,831,500,000	7,928,284,189	1,493,210,687	41,819,379,876
Foreign exchanges differences arising from conversion of financial statements of subsidiary	-	-	-	(33,941,880)	(33,941,880)
As at 30 June 2021	24,566,385,000	7,831,500,000	7,928,284,189	1,459,268,807	41,785,437,996
<i>In which:</i>					
Fully amortised	-	7,831,500,000	6,866,430,149	686,893,687	15,384,823,836
<b>Accumulated amortisation:</b>					
As at 31 December 2020	21,517,144,114	7,831,500,000	7,317,430,241	686,893,687	37,352,968,042
Amortisation for the period	702,447,762	-	46,500,000	29,148,000	778,095,762
As at 30 June 2021	22,219,591,876	7,831,500,000	7,363,930,241	716,041,687	38,131,063,804
<b>Net carrying amount:</b>					
As at 31 December 2020	3,049,240,886	-	610,853,948	806,317,000	4,466,411,834
As at 30 June 2021	2,346,793,124	-	564,353,948	743,227,120	3,654,374,192



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period ended

## 12. LONG-TERM INVESTMENTS

Currency: VND

	30 June 2021			31 December 2020		
	Cost	Provision	Fair value (*)	Cost	Provision	Fair value (*)
Investment in associates (Note 12.1)	12,651,384,424	(11,590,390,000)		15,190,390,000	(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	1,060,994,424	-		3,600,000,000	-	
Investment in other entity (Note 12.2)	8,509,200,000	-		8,767,200,000	-	
<b>TOTAL</b>	<b>21,160,584,424</b>	<b>(11,590,390,000)</b>		<b>23,957,590,000</b>	<b>(11,590,390,000)</b>	

(\*) Shares of these companies are not listed on the stock market so the management could not assess the fair value of these investments.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period ended

**12. LONG-TERM INVESTMENTS** (continued)

**12.1 Investments in associate**

	30 June 2021		31 December 2020	
	Ownership (%)	Voting right (%)	Ownership (%)	Voting right (%)
Texpia Joint Stock Company (*)	44%	44%	44%	44%
Hyojung Soft Tech JSC (**)	24%	24%	24%	24%

(\*) 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 6<sup>th</sup> 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.

Details of the investment value in these associates are as follows:

	31 December 2020	Addition	Shares of loss of associates	Dividend received	30 June 2021
Texpia Joint Stock Company	11,590,390,000	-	-	-	11,590,390,000
Hyojung Soft Tech JSC	3,600,000,000	-	(139,005,576)	(2,400,000,000)	1,060,994,424
<b>TOTAL</b>	<b>15,190,390,000</b>	<b>-</b>	<b>(139,005,576)</b>	<b>(2,400,000,000)</b>	<b>12,651,384,424</b>

Currency: VND

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

**12. LONG-TERM INVESTMENTS (continued)**

**12.2. Investment in other entities**

	<i>Currency: VND</i>	
	<i>30 June 2021</i>	<i>31 December 2020</i>
Bac Ninh Pharmaceutical JSC (*)	2,638,200,000	2,638,200,000
Kalon Investment Asset Co., Ltd. (**)	5,871,000,000	6,129,000,000
<b>TOTAL</b>	<b>8,509,200,000</b>	<b>8,767,200,000</b>

(\*) The investment in shares of Bac Ninh Pharmaceutical Joint Stock Company, with 172,000 shares at the cost of VND 2,638,200,000. During the year the Company received the dividend amount: 92,000,000 VND (2020: 300,000,000 VND)

(\*\*) Investment in other entity represents the investment in the shares of Kalon Investment Asset Co., Ltd. with 30,000 shares at the cost of KRW 300,000,000.

**13. PREPAID EXPENSES**

	<i>Currency: VND</i>	
	<i>30 June 2021</i>	<i>31 December 2020</i>
<b>Short-term</b>		
Prepaid rentals	2,713,807,396	2,269,799,999
Fire insurance	424,970,928	472,218,749
Advertising fee	219,473,708	505,124,168
King Koil franchise fee	495,237,375	-
ERP	247,352,500	-
Others	996,423,452	117,966,970
<b>TOTAL</b>	<b>5,097,265,359</b>	<b>3,365,109,886</b>
<b>Long-term</b>		
Showroom furniture	5,052,809,395	4,969,395,969
Land rental prepaid	7,344,481,624	7,507,692,322
Prepaid rentals	9,243,834,540	9,450,267,599
Tools and spare parts	3,191,566,914	2,689,711,915
Others	1,266,031,711	933,516,287
<b>TOTAL</b>	<b>26,098,724,184</b>	<b>25,550,584,092</b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

#### 14. SHORT-TERM TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

##### 14.1 Short-term trade payables

Currency: VND

	30 June 2021		31 December 2020	
	Amount	Amount payable	Amount	Amount payable
Tongxiang Huibo Import & Export Co., Ltd	8,016,845,039	8,016,845,039	3,824,488,423	3,824,488,423
Viet Nam Ngan Ha Joint Stock Investment Trade Import - Export Company	3,641,498,953	3,641,498,953	1,700,016,514	1,700,016,514
Payables to other suppliers	52,780,334,436	52,780,334,436	36,598,148,901	36,598,148,901
<b>TOTAL</b>	<b>64,438,678,428</b>	<b>64,438,678,428</b>	<b>42,122,653,838</b>	<b>42,122,653,838</b>

##### 14.2 Short-term advances from customers

Currency: VND

	30 June 2021	31 December 2020
	Hai An Import Export and Trading Investment JSC	3,238,914,234
ODK Mikazuki Vietnam Co., Ltd	2,896,959,120	1,202,288,965
Petit Elin Co., Ltd.	647,481,308	2,335,167,208
Others	12,343,803,599	10,141,991,138
<b>TOTAL</b>	<b>19,127,158,261</b>	<b>16,245,685,048</b>

#### 15. STATUTORY OBLIGATIONS

Currency: VND

	31 December 2020	Payable during the period	Payment during the period	30 June 2021
<b>Payables</b>				
Value added tax	5,193,720,680	15,438,248,723	(16,573,815,792)	4,058,153,611
Import and export duties	99,811,731	2,353,840,060	(2,353,840,060)	99,811,731
Corporate income tax (Note 28)	8,871,223,939	3,397,765,801	(8,871,223,939)	3,397,765,801
Personal income tax	1,490,652,485	4,757,749,619	(4,856,083,546)	1,392,318,558
Other taxes	36,603,303	351,159,690	(386,762,993)	1,000,000
<b>TOTAL</b>	<b>15,692,012,138</b>	<b>26,298,763,893</b>	<b>(33,041,726,330)</b>	<b>8,949,049,701</b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

**16. SHORT-TERM ACCRUED EXPENSES**

	<i>Currency: VND</i>	
	<i>30 June 2021</i>	<i>31 December 2020</i>
Rental fee	440,661,843	440,661,843
Import and export fee	905,454,545	840,149,095
Professional fee	210,000,000	168,000,000
Others	741,396,897	356,837,700
<b>TOTAL</b>	<b><u>2,297,513,285</u></b>	<b><u>1,805,648,638</u></b>

**17. OTHER PAYABLES**

	<i>Currency: VND</i>	
	<i>30 June 2021</i>	<i>31 December 2020</i>
<b>Short-term</b>		
Accrued interest (Note 19)	17,943,638,048	778,929,005
Trade union fee	165,808,948	186,784,384
Social insurance	11,196,116	22,631,460
Other short-term payables	1,195,274,979	482,397,840
<b>TOTAL</b>	<b><u>19,315,918,091</u></b>	<b><u>1,470,742,689</u></b>
<b>Long-term</b>		
Provision for severance allowances	18,783,066,647	19,474,138,987
Provision for site restoration	2,762,996,310	2,762,996,314
Other long-term payables	116,818,000	116,818,000
<b>TOTAL</b>	<b><u>21,662,880,957</u></b>	<b><u>22,353,953,301</u></b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

## 18. LOANS

Currency: VND

	31 December 2020		Movement during the period			30 June 2021
	Balance	Payable amount	Increase	Decrease	Foreign exchange difference	Balance Payable amount
<b>Short-term</b>						
Borrowings from banks (Note 18.1)	47,749,318,838	47,749,318,838	114,563,976,487	(66,143,513,927)	(138,044,876)	96,031,736,522
Current portion of long-term borrowings (Note 18.2)	8,598,529,304	8,598,529,304	-	(8,060,667,951)	-	537,861,353
	<b>56,347,848,142</b>	<b>56,347,848,142</b>	<b>114,563,976,487</b>	<b>(74,204,181,878)</b>	<b>(138,044,876)</b>	<b>96,569,597,875</b>
<b>Long-term</b>						
Borrowings from banks (Note 18.2)	603,556,941	603,556,941	10,720,000,000	-	63,608,059	11,387,165,000
	<b>603,556,941</b>	<b>603,556,941</b>	<b>10,720,000,000</b>	<b>-</b>	<b>63,608,059</b>	<b>11,387,165,000</b>
	<b>56,951,405,083</b>	<b>56,951,405,083</b>	<b>125,283,976,487</b>	<b>(74,204,181,878)</b>	<b>(74,436,817)</b>	<b>107,956,762,875</b>



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

18. LOANS (continued)	30 June 2021		Interest rate	Description of collateral
18.2 Long-term borrowings from banks	VND	Original currency	per annum	
Bank				
Shinhan One Member Limited Bank of Vietnam	1,205,026,353	USD 52,188.22	1.9% - 1.92%	Machinery and equipment funded by the loan; fixed assets on the ground in Bien Hoa 1 Industrial Zone, Dong Nai
KEB Hana Bank	10,720,000,000	KRW 500,000,000	3.64%	Everpia Korea's office located at A408-Hyeondae Knowledge Industry Center, No. 3 Godeung Ro, Sujeong Gu, Seongnam Si, Gyeonggi Do, Seoul, Korea
	<b>11,925,026,353</b>			
<i>In which:</i>				
Current portion	537,861,353			
Non-current portion	11,387,165,000			



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

### 19. 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.

Under the convertible bond's terms, the bondholder has the right to convert the bond into common shares of the Company at a price that can be adjusted downward to no more than 70% of the original conversion price after the issuance date (VND 12,772), starting one year from the issuance date until 1 month before the maturity date. The bondholder also has a put option that may require the Company to redeem all or part of the bond every 3 months after three years from the issuance date to the maturity date (from 6 September 2021 to 6 September 2023). The redemption price is equal to the bond's par value plus a compound interest of 3.5%/year deducting the 1% interest paid.

During the period, the Company received a notification from the bondholder regarding the request to exercise the put option. Accordingly, the Company has estimated the additional interest payable as at 30 June 2021 of VND 16,347,519,543, which has been recognized in the income statement for the current period.

The balance at 30 June 2021 of the convertible bonds is as follows:

						<i>Currency: USD</i>
		<u>Movement during the year</u>				
	<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>For the six-month period ended 30 June 2021</i>	<i>For the six-month period ended 30 June 2020</i>	
Value of convertible bond				232,581,588,000	232,024,371,000	
Equity component				-	-	
Liability component at initial recognition				232,581,588,000	232,024,371,000	
Add: Accumulated amortisation of discount						
Balance as at 31 December 2020				1,417,434,000	944,956,000	
Amortisation for the year				1,410,465,000	354,358,500	
Balance as at 30 June 2021				2,827,899,000	1,299,314,500	
Add: Foreign exchange difference				(959,500,000)	707,000,000	
Liability component at end of the year				233,032,553,000	233,085,729,500	

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

**20. OWNERS' EQUITY**

**20.1 Increase and decrease in owners' equity**

	Share capital	Share premium	Treasury shares	Other funds belonging to owners' equity	Foreign exchange differences reserve	Undistributed earnings	Total
<i>For the six-month period ended 30 June 2020</i>							
As at 31 December 2019	419,797,730,000	203,072,724,247	(76,000,000,000)	1,328,325,577	(2,985,195,157)	393,314,011,917	938,527,596,584
- Loss for the period	-	-	-	-	-	(6,409,110,647)	(6,409,110,647)
- Appropriation to reserve	-	-	-	3,594,413,393	-	(3,594,413,393)	-
- Dividends declared	-	-	-	-	-	(34,243,175,701)	(34,243,175,701)
- Foreign exchanges differences arising from conversion of financial statements of subsidiary	-	-	-	(1,786,276,906)	(174,585,939)	-	(174,585,939)
- Other decreases	-	-	-	-	-	-	(1,786,276,906)
As at 30 June 2020	419,797,730,000	203,072,724,247	(76,000,000,000)	3,136,462,064	(3,159,781,096)	349,067,312,176	895,914,447,391
<i>For the six-month period ended 30 June 2021</i>							
As at 31 December 2020	419,797,730,000	203,072,724,247	(76,000,000,000)	1,660,261,921	(1,736,867,207)	397,533,353,944	944,327,202,905
- Profit for the period	-	-	-	-	-	8,781,549,206	8,781,549,206
- Appropriation to reserve	-	-	-	2,102,846,556	-	(2,102,846,556)	-
- Dividends declared (*)	-	-	-	-	-	(37,991,437,250)	(37,991,437,250)
- Foreign exchanges differences arising from conversion of financial statements of subsidiary	-	-	-	(448,428,017)	(882,705,411)	-	(882,705,411)
- Other decreases	-	-	-	-	-	-	(448,428,017)
As at 30 June 2021	419,797,730,000	203,072,724,247	(76,000,000,000)	3,314,680,460	(2,619,572,618)	366,220,619,344	913,786,181,433

(\*) Under the Resolution of the Annual Meeting of Shareholders No. 01/ĐHĐCĐ2021/NQ dated 23 April 2021, the Company declared dividends in cash for 2020: 10% of par value (VND 1,000 per share).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

**20. OWNERS' EQUITY (continued)**

**20.2 Share capital**

Currency: VND

	30 June 2021		31 December 2020	
	Total	Ordinary shares	Total	Ordinary shares
Contributed 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)
<b>TOTAL</b>	<b>546,870,454,247</b>	<b>546,870,454,247</b>	<b>546,870,454,247</b>	<b>546,870,454,247</b>

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

Currency: VND

	For the six-month period ended 30 June 2021	For the six-month period ended 30 June 2020
<b>Contributed share capital</b>		
Beginning balance	419,797,730,000	419,797,730,000
Ending balance	419,797,730,000	419,797,730,000

**20.4 Dividends and paid**

Currency: VND

	For the six-month period ended 30 June 2021	For the six-month period ended 30 June 2020
<b>Dividends declared and paid during the period</b>		
<i>Dividends on ordinary shares</i>		
Dividends for 2020: VND 1,000 per share (: VND 900 per share)	37,991,437,250	34,243,175,701
<b>Dividends declared after the date of reporting period and not yet recognised as liability as at 30 June 2021</b>	-	-

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

**20. OWNERS' EQUITY (continued)**

**20.5 Shares**

	<i>Quantity</i>	
	<i>30 June 2021</i>	<i>31 December 2020</i>
<b>Registered shares</b>	<b>41,979,773</b>	<b>41,979,773</b>
<b>Issued shares</b>	<b>41,979,773</b>	<b>41,979,773</b>
Ordinary shares	41,979,773	41,979,773
Preference shares	-	-
<b>Treasury shares</b>	<b>(3,931,800)</b>	<b>(3,931,800)</b>
Ordinary shares	(3,931,800)	(3,931,800)
Preference shares	-	-
<b>Shares in circulation</b>	<b>38,047,973</b>	<b>38,047,973</b>
Ordinary shares	38,047,973	38,047,973
Preference shares	-	-

The par value of share in circulation during the period is VND 10,000/share (2020: VND 10,000/share).

**20.6 Other funds belonging to owners' equity**

Other fund belonging to owners' equity is set up under the Resolution of the General Shareholders No. 01/ĐHĐCĐ2021/NQ dated 23 April 2021 with the amount of 5% of profit after tax presented in the consolidated financial statements for the year ended 31 December 2020. 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.

**21. OFF BALANCE SHEET ITEMS**

	<i>30 June 2021</i>	<i>31 December 2020</i>
Other receivables from Texpia JSC	30,160,675,690	30,160,675,690
Provision for other receivables from Texpia JSC (written-off from 2018)	(30,160,675,690)	(30,160,675,690)
Other receivables	2,389,798,881	2,389,798,881
Provision for other receivables	(2,389,798,881)	(2,389,798,881)
Foreign currency		
- United State dollar (USD)	439,132.50	276,667.28
- Euro (EUR)	84,435.03	6,409.73
- Korean Won (KRW)	332,660	7,402,992

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

**22. REVENUE****22.1 Revenue from sale of goods and rendering services**

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2021</i>	<i>For the six-month period ended 30 June 2020</i>
<b>Gross revenue</b>	<b>414,010,159,648</b>	<b>383,887,155,527</b>
<i>In which:</i>		
Sales of bedding, mattress products	237,217,336,436	212,900,238,415
Sales of padding products	103,617,046,623	95,317,616,277
Sales of cleaner products	40,890,574,502	45,685,380,518
Sales of quilting products	14,556,949,172	17,352,737,937
Sales of other goods and services	17,728,252,915	12,631,182,380
<b>Less</b>		
Sales deduction	(448,215,754)	(349,953,836)
<b>Net revenue</b>	<b>413,561,943,894</b>	<b>383,537,201,691</b>
<i>In which:</i>		
Sales of bedding, mattress products	236,769,120,682	212,550,284,579
Sales of padding products	103,617,046,623	95,317,616,277
Sales of cleaner products	40,890,574,502	45,685,380,518
Sales of quilting products	14,556,949,172	17,352,737,937
Sales of other goods and services	17,728,252,915	12,631,182,380

**22.2 Finance income**

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2021</i>	<i>For the six-month period ended 30 June 2020</i>
Interest income	14,947,688,646	21,184,993,596
Foreign exchange gains	2,812,097,815	2,641,229,211
Gain from trading securities	3,764,372,303	2,338,393,727
Dividend earned	218,000,000	-
Others	3,774,778	4,774,473
<b>TOTAL</b>	<b>21,745,933,542</b>	<b>26,169,391,007</b>

**23. COST OF GOODS SOLD AND SERVICES RENDERED**

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2021</i>	<i>For the six-month period ended 30 June 2020</i>
Cost of bedding, mattress products	162,110,354,231	161,644,921,526
Cost of padding products	55,169,685,780	54,708,502,543
Cost of cleaner products	35,359,503,352	42,338,926,925
Cost of quilting products	12,516,190,912	14,705,554,827
Cost of other goods and other services rendered	12,482,454,135	8,049,436,902
<b>TOTAL</b>	<b>277,638,188,410</b>	<b>281,447,342,723</b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

## 24. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2021</i>	<i>For the six-month period ended 30 June 2020</i>
<b>Selling expenses</b>		
- Labour costs	41,062,165,420	36,163,164,113
- Expenses for external services	31,570,111,132	24,607,790,407
- Raw material	3,765,042,824	1,783,221,766
- Depreciation and amortisation	1,171,119,086	1,112,629,344
- Others	4,483,614,272	5,928,678,182
<b>TOTAL</b>	<b><u>82,052,052,734</u></b>	<b><u>69,595,483,812</u></b>
<b>General and administrative expenses</b>		
- Labour costs	26,455,399,527	28,203,485,987
- Provision	1,300,088,741	7,792,146,016
- Expenses for external services	5,621,851,573	6,928,907,315
- Depreciation and amortisation	3,603,724,800	4,108,807,991
- Others	4,647,284,504	5,159,666,979
<b>TOTAL</b>	<b><u>41,628,349,145</u></b>	<b><u>52,193,014,288</u></b>

## 25. FINANCE EXPENSES

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2021</i>	<i>For the six-month period ended 30 June 2020</i>
Interest expenses	18,310,292,278	8,067,325,700
Foreign exchange losses	2,907,656,388	2,753,919,688
Provision for trading securities	887,544,524	-
Others	1,494,538,828	517,052,087
<b>TOTAL</b>	<b><u>23,600,032,018</u></b>	<b><u>11,338,297,475</u></b>

## 26. OTHER INCOME AND EXPENSES

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2021</i>	<i>For the six-month period ended 30 June 2020</i>
<b>Other income</b>		
Fix assets disposal	584,000,000	27,483,636
Others	198,256,145	349,469,515
	<b><u>782,256,145</u></b>	<b><u>376,953,151</u></b>
<b>Other expenses</b>		
Penalties	-	705,803,875
Fix assets disposal	139,056,064	70,920,209
Others	429,119,557	198,292,597
	<b><u>568,175,621</u></b>	<b><u>975,016,681</u></b>
<b>NET OTHER PROFIT/ (LOSS)</b>	<b><u>214,080,524</u></b>	<b><u>(598,063,530)</u></b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

## 27. PRODUCTION AND OPERATING COSTS

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2021</i>	<i>For the six-month period ended 30 June 2020</i>
Materials	240,984,334,439	230,743,048,252
Labour costs	96,593,843,204	100,064,648,756
Expenses for external services	33,979,471,340	27,796,573,815
Depreciation and amortisation	18,395,277,513	22,731,912,528
Other expenses	5,729,086,473	14,450,240,506
<b>TOTAL</b>	<b><u>395,682,012,965</u></b>	<b><u>395,786,423,857</u></b>

## 28. 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 2021. Everpia Korea Co., Ltd. has obligation of CIT payment in accordance with local regulation at 10% of taxable income for the six-month period ended 30 June 2021.

The tax returns filed by the Company and its subsidiary 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 consolidated financial statements could change at a later date upon final determination by the tax authorities.

### 28.1 CIT expenses

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2021</i>	<i>For the six-month period ended 30 June 2020</i>
Current CIT expenses	3,397,765,801	2,639,113,065
Deferred tax income	(1,714,984,930)	(1,695,611,548)
<b>TOTAL</b>	<b><u>1,682,780,871</u></b>	<b><u>943,501,517</u></b>

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 2021</i>	<i>For the six-month period ended 30 June 2020</i>
Profit/(loss) before tax	<u>10,464,330,077</u>	<u>(5,465,609,130)</u>
At CIT rate of 20%	2,092,866,015	(1,093,121,826)
<i>Adjustments to increase:</i>		
Expenses not eligible for CIT deduction	454,474,752	326,375,409
Share of loss of associates	27,801,115	-
Loss of subsidiary	-	1,160,968,908
Other adjustments	-	549,279,026
<i>Adjustments to decrease:</i>		
Other consolidation adjustment	(875,161,011)	-
Dividend received	(17,200,000)	-
<b>Estimated current CIT expenses</b>	<b><u>1,682,780,871</u></b>	<b><u>943,501,517</u></b>



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended**28. CORPORATE INCOME TAX (continued)****28.2 Current CIT**

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

**28.3 Deferred tax**

The following are the deferred tax assets and deferred tax liabilities recognised by the Company and its subsidiary, and the movements thereon, during the current and previous periods:

Currency: VND

	<i>Consolidated balance sheet</i>		<i>Consolidated income statement</i>	
	<i>30 June 2021</i>	<i>31 December 2020</i>	<i>For the six- month period ended 30 June 2021</i>	<i>For the six- month period ended 30 June 2020</i>
<b><i>Deferred tax assets</i></b>				
Provision for obsolete inventories	3,965,809,615	3,275,788,101	690,021,514	498,982,172
Provision for doubtful debts	11,251,155,976	11,450,424,595	(199,268,619)	1,286,987,638
Accrual for severance pay	2,980,002,050	3,197,283,165	(217,281,115)	108,838,454
Unrealised profit arising in inventories	1,381,428,450	204,048,819	1,177,379,631	(549,279,024)
Education support expense	463,000,000	463,000,000	-	-
Allocation of site restoration provision	386,819,482	331,559,556	55,259,926	55,259,926
Other adjustments	243,767,202	113,638,773	130,128,429	227,845,112
	<b><u>20,671,982,775</u></b>	<b><u>19,035,743,009</u></b>	<b><u>1,636,239,766</u></b>	<b><u>1,628,634,278</u></b>
<b><i>Deferred tax liabilities</i></b>				
Unrealised foreign exchange gain of cash and trade receivables	(491,920,654)	(570,665,818)	78,745,164	66,977,270
	<b><u>(491,920,654)</u></b>	<b><u>(570,665,818)</u></b>	<b><u>78,745,164</u></b>	<b><u>66,977,270</u></b>
<b><i>Net deferred tax assets</i></b>	<b><u>20,180,062,121</u></b>	<b><u>18,465,077,191</u></b>		
<b><i>Net deferred tax credit to consolidated income statement</i></b>			<b><u>1,714,984,930</u></b>	<b><u>1,695,611,548</u></b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

## 29. TRANSACTIONS WITH RELATED PARTIES

### *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 2021</i>	<i>For the six-month period ended 30 June 2020</i>
<b>Management</b>			
Mr Lee Jae Eun	General Director	3,013,809,206	3,399,412,085
Mr Cho Yong Hwan	Deputy General Director	1,460,825,602	1,722,684,737
Mr Yu Sung Dae	Deputy General Director	1,274,946,804	1,474,775,507
Mr Park Sung Jin	Dong Nai Branch Director	1,223,081,702	1,749,216,708
Ms Le Thi Thu Hien	Member	21,600,000	43,200,000
Mr Le Kha Tuyen	Member	43,200,000	43,200,000
Ms Nguyen Le Hoang Yen	Member	43,200,000	43,200,000
<b>Board of supervision</b>			
	Head of Board of		
Mr Truong Tuan Nghia	Supervision	43,200,000	43,200,000
Mr Ko Tae Yeon	Member	43,200,000	43,200,000
Mr Nguyen Dac Huong	Member	43,200,000	43,200,000
		<b><u>7,210,263,314</u></b>	<b><u>8,605,289,037</u></b>

## 30. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit after tax for the period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

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

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

		<i>Currency: VND</i>	
		<i>For the six-month period ended 30 June 2021</i>	<i>For the six-month period ended 30 June 2020</i>
Net profit/(loss) after tax attributable to ordinary equity holders for basic earnings		8,781,549,206	(6,409,110,648)
Weighted average number of ordinary shares for basic earnings per share		<u>38,047,973</u>	<u>38,047,973</u>
Basic earnings per share		231	(168)
Diluted earnings per share		231	(168)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

**30. EARNINGS PER SHARE (continued)**

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

The Company's convertible bond (Note 19) no longer has a dilutive effect on basic earnings per share as the put option of the instrument will be exercised instead of conversion right this year as announced by the bondholder.

**31. COMMITMENTS**

***Operating lease commitment***

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

	<i>Currency: VND</i>	
	<i>30 June 2021</i>	<i>31 December 2020</i>
Up to 1 year	14,743,809,858	12,010,832,537
From 1-5 years	15,127,503,465	22,948,192,340
<b>TOTAL</b>	<b><u>29,871,313,323</u></b>	<b><u>34,959,024,877</u></b>

**32. IMPORTANT EVENT IN THE YEAR**

The Covid-19 pandemic is resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company and its subsidiary operate. The Company's management has continuously monitored ongoing developments and assessed the financial impact in respects of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved, using the best information obtained up to the date of this interim consolidated financial statements.




NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
 as at 30 June 2021 and for the six-month period then ended

**33. EVENTS AFTER THE BALANCE SHEET DATE**

On 18 August 2021, the Company has received the Investment Registration Certificate No. 7658827507 issued by Management Board of Dong Nai Industrial Parks for the investment project of Everpia Factory in Giang Dien Industrial Park, Dong Nai Province. This investment project is to replace the Everpia Factory project in Bien Hoa I Industrial Park, Dong Nai province which is due to expire in 2022.

On 6 August 2021, the Company has received an official notification from the bondholders of the convertible bonds regarding the request for the Company to early redeem the bonds under the put option before the maturity date in September 2021.

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

 <hr/> Preparer Accounting manager Nguyen Bao Ngoc	 <hr/> Deputy General Director In charge of Finance Yu Sung Dae	 <hr/> General Director Lee Jae Eun
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Hanoi, Vietnam  
 27 August 2021