

# Everpia Joint Stock Company

Separate financial statements

For the year ended 31 December 2021



# Everpia Joint Stock Company

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# Everpia Joint Stock Company

## GENERAL INFORMATION

### THE COMPANY

Everpia Joint Stock Company (“the Company”) is a joint stock company incorporated under the Law on Enterprise of Vietnam following a change in legal form from a 100% foreign-owned company, Everpia Vietnam Co., Ltd., in pursuant to the Investment Certificate No. 011033000055 issued by Hanoi Department of Planning and Investment on 27 April 2007, and the subsequent amended Investment Certificates, with the latest, being the 20th amended Investment Registration Certificate, granted on 2 June 2020.

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

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

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

### BOARD OF DIRECTORS

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

Mr Cho Yong Hwan	Chairman	
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 year and at the date of this report are:

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

# Everpia Joint Stock Company

## GENERAL INFORMATION (continued)

### MANAGEMENT

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

Mr Lee Jae Eun	General Director
Mr Cho Yong Hwan	Deputy General Director 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 year and at the date of this report is Mr Lee Jae Eun, General Director.

### AUDITOR

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

# Everpia Joint Stock Company

## REPORT OF MANAGEMENT

Management of Everpia Joint Stock Company ("the Company") is pleased to present this report and the separate financial statements of the Company for the year ended 31 December 2021.

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

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

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

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

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

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying separate financial statements give a true and fair view of the separate financial position of the Company as at 31 December 2021 and of the separate results of its operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the separate financial statements.

The Company has a subsidiary as disclosed in the separate financial statements. The Company prepared these separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular 155/2015/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Company has also prepared the consolidated financial statements of the Company and its subsidiary for the year ended 31 December 2021 dated 29 March 2022.

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

For and on behalf of management:



Lee Jae Eun  
General Director

Hanoi, Vietnam

29 March 2022

Reference: 61110609/21584118

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying separate financial statements of Everpia Joint Stock Company ("the Company") as prepared on 29 March 2022 and set out on pages 6 to 45, which comprise the separate balance sheet as at 31 December 2021, and the separate income statement and separate cash flow statement for the year then ended and the notes thereto.

### *Management's responsibility*

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

### *Auditors' responsibility*

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

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

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



### **Opinion**

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the separate financial position of the Company as at 31 December 2021, and of the separate results of its operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of separate financial statements.

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



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



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

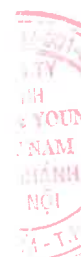
Hanoi, Vietnam

29 March 2022

SEPARATE BALANCE SHEET  
as at 31 December 2021

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>968,737,739,912</b>	<b>1,071,977,782,467</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>49,634,206,005</b>	<b>41,344,568,854</b>
111	1. Cash		23,331,309,278	23,960,830,679
112	2. Cash equivalents		26,302,896,727	17,383,738,175
<b>120</b>	<b>II. Short-term investments</b>		<b>371,352,406,811</b>	<b>534,270,000,000</b>
121	1. Held-for-trading securities	5.1	113,752,362,169	20,000,000,000
122	2. Provision for held-for-trading securities	5.1	(499,955,358)	-
123	3. Held-to-maturity investments	5.2	258,100,000,000	514,270,000,000
<b>130</b>	<b>III. Current accounts receivables</b>		<b>185,734,415,572</b>	<b>146,680,340,442</b>
131	1. Short-term trade receivables	6.1	166,582,061,994	134,129,999,632
132	2. Short-term advances to suppliers	6.2	21,436,698,492	13,634,948,620
136	3. Other short-term receivables	7	24,521,509,675	23,888,133,245
137	4. Provision for doubtful short-term receivables		(26,805,854,589)	(24,972,741,055)
<b>140</b>	<b>IV. Inventories</b>	<b>9</b>	<b>354,022,012,376</b>	<b>344,659,198,714</b>
141	1. Inventories		370,547,637,465	361,038,139,221
149	2. Provision for obsolete inventories		(16,525,625,089)	(16,378,940,507)
<b>150</b>	<b>V. Other current assets</b>		<b>7,994,699,148</b>	<b>5,023,674,457</b>
151	1. Short-term prepaid expenses	14	2,533,917,334	3,365,109,886
152	2. Value-added tax deductible	16	5,460,781,814	1,658,564,571





SEPARATE BALANCE SHEET (continued)  
as at 31 December 2021

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>299,182,767,581</b>	<b>277,342,156,361</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>2,488,692,336</b>	<b>3,068,101,054</b>
216	1. Other long-term receivables	7	2,488,692,336	3,068,101,054
<b>220</b>	<b>II. Fixed assets</b>		<b>173,780,752,330</b>	<b>205,365,101,809</b>
221	1. Tangible fixed assets	10	171,676,849,021	201,705,006,975
222	Cost		586,475,682,118	583,509,943,716
223	Accumulated depreciation		(414,798,833,097)	(381,804,936,741)
227	2. Intangible fixed assets	11	2,103,903,309	3,660,094,834
228	Cost		41,013,062,876	41,013,062,876
229	Accumulated amortization		(38,909,159,567)	(37,352,968,042)
<b>240</b>	<b>III. Construction in progress</b>	<b>12</b>	<b>55,418,410,869</b>	-
	1. Long-term construction in progress		55,418,410,869	-
<b>250</b>	<b>IV. Long-term investments</b>	<b>13</b>	<b>23,281,249,521</b>	<b>25,097,341,034</b>
251	1. Investments in subsidiary		34,285,000,000	34,285,000,000
252	2. Investments in associate		11,590,390,000	15,190,390,000
253	3. Investment in other entity		4,974,200,000	2,638,200,000
254	4. Provision for long-term investments		(27,568,340,479)	(27,016,248,966)
<b>260</b>	<b>V. Other long-term assets</b>		<b>44,213,662,525</b>	<b>43,811,612,464</b>
261	1. Long-term prepaid expenses	14	25,381,848,553	25,550,584,092
262	2. Deferred tax assets	29.3	18,831,813,972	18,261,028,372
<b>270</b>	<b>TOTAL ASSETS</b>		<b>1,267,920,507,493</b>	<b>1,349,319,938,828</b>

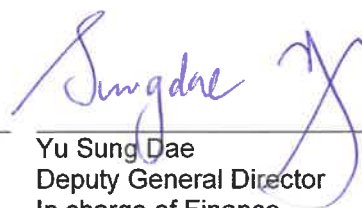
SEPARATE BALANCE SHEET (continued)  
as at 31 December 2021

Currency: VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>C. LIABILITIES</b>		<b>293,970,069,072</b>	<b>397,886,214,791</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>275,420,208,260</b>	<b>145,834,839,716</b>
311	1. Short-term trade payables	15.1	61,345,493,738	44,084,106,701
312	2. Short-term advances from customers	15.2	23,956,101,080	16,245,685,048
313	3. Statutory obligations	16	10,181,092,281	15,637,850,076
314	4. Payables to employees		20,858,066,440	17,746,406,860
315	5. Short-term accrued expenses	17	1,366,141,805	1,805,648,638
319	6. Other short-term payables	18	836,055,510	1,352,055,973
320	7. Short-term borrowings	19	156,877,257,406	48,963,086,420
<b>330</b>	<b>II. Non-current liabilities</b>		<b>18,549,860,812</b>	<b>252,051,375,075</b>
337	1. Other long-term liabilities	18	18,549,860,812	18,866,230,134
338	2. Long-term borrowings	19	-	603,556,941
339	3. Convertible bonds	20	-	232,581,588,000
<b>400</b>	<b>D. OWNERS' EQUITY</b>	<b>21</b>	<b>973,950,438,421</b>	<b>951,433,724,037</b>
<b>410</b>	<b>I. Capital</b>		<b>973,950,438,421</b>	<b>951,433,724,037</b>
411	1. Share capital		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	21.2	203,072,724,247	203,072,724,247
415	3. Treasury shares	21.2	(76,000,000,000)	(76,000,000,000)
420	4. Other funds belonging to owners' equity	21.5	4,359,780,385	2,273,497,330
421	5. Undistributed earnings	21.1	422,720,203,789	402,289,772,460
421a	- Undistributed earnings up to the end of prior year		362,195,488,658	371,609,457,043
421b	- Undistributed earnings of current year		60,524,715,131	30,680,315,417
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>1,267,920,507,493</b>	<b>1,349,319,938,828</b>



Nguyen Bao Ngoc  
Preparer  
Accounting manager



Yu Sung Dae  
Deputy General Director  
In charge of Finance



Lee Jae Eun  
General Director

Hanoi, Vietnam

29 March 2022

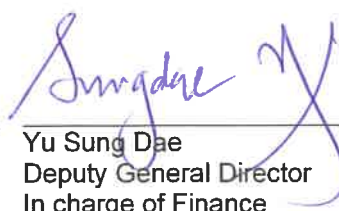
SEPARATE INCOME STATEMENT  
for the year ended 31 December 2021

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	23.1	861,706,886,503	855,517,606,444
02	2. Deductions	23.1	(503,797,371)	(416,672,190)
10	3. Net revenue from sale of goods and rendering of services	23.1	861,203,089,132	855,100,934,254
11	4. Cost of goods sold and services rendered	24	(578,275,767,426)	(603,623,641,742)
20	5. Gross profit from sale of goods and rendering of services		282,927,321,706	251,477,292,512
21	6. Finance income	23.2	44,319,638,229	46,264,977,162
22	7. Finance expenses	25	(30,061,639,988)	(31,768,592,387)
23	- In which: Interest expenses		(23,103,377,288)	(13,776,224,202)
25	8. Selling expenses	26	(146,786,318,696)	(138,038,874,752)
26	9. General and administrative expenses	26	(74,446,303,238)	(82,895,189,231)
30	10. Operating profit		75,952,698,013	45,039,613,304
31	11. Other income	27	1,523,629,989	666,583,558
32	12. Other expenses	27	(740,079,362)	(1,403,277,338)
40	13. Other profit/(loss)	27	783,550,627	(736,693,780)
50	14. Accounting profit before tax		76,736,248,640	44,302,919,524
51	15. Current corporate income tax expenses	29.1	(16,782,319,109)	(13,837,257,660)
52	16. Deferred tax income	29.3	570,785,600	214,653,553
60	17. Net profit after tax		60,524,715,131	30,680,315,417



Nguyen Bao Ngoc  
Preparer  
Accounting manager



Yu Sung Dae  
Deputy General Director  
In charge of Finance



Lee Jae Eun  
General Director

Hanoi, Vietnam

29 March 2022

SEPARATE CASH FLOW STATEMENT  
for the year ended 31 December 2021

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Profit before tax</b>		<b>76,736,248,640</b>	<b>44,302,919,524</b>
	<i>Adjustments for:</i>			
02	Depreciation of tangibles fixed assets and amortisation of intangible fixed assets		39,044,004,586	45,049,079,645
03	Provisions		2,715,475,665	20,542,298,466
04	Foreign exchange loss/(gain) arisen from revaluation of monetary accounts denominated in foreign currency		488,974,567	(3,512,249,519)
05	Profit from investing activities		(28,214,789,468)	(39,345,452,054)
06	Interest expenses and amortization of bond issuance cost		23,103,377,288	14,484,941,202
08	<b>Operating profit before changes in working capital</b>		<b>113,873,291,278</b>	<b>81,521,537,264</b>
09	(Increase)/decrease in receivables		(44,119,055,581)	54,731,562,566
10	(Increase)/decrease in inventories		(9,509,498,244)	55,281,172,953
11	Increase/(decrease) in payables		25,615,126,823	(18,858,549,539)
12	Decrease in prepaid expenses		999,928,091	4,402,217,586
13	(Increase)/decrease in held-for-trading securities		(93,752,362,169)	17,000,000,000
14	Interest paid		(21,940,250,726)	(16,732,201,174)
15	Corporate income tax paid	16	(20,001,959,129)	(17,699,797,341)
17	Other cash outflows from operating activities		(16,563,501)	(3,233,705,950)
20	<b>Net cash flows (used in)/from operating activities</b>		<b>(48,851,343,158)</b>	<b>156,412,236,365</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase, construction of fixed assets and other long-term assets		(68,202,498,846)	(6,882,927,331)
22	Proceeds from disposals of fixed assets and other long-term assets		599,431,048	161,380,358
23	Loans to other entities, short term investment		(107,230,000,000)	(514,270,000,000)
24	Collections from borrowers, short-term investments		363,400,000,000	513,773,000,000
25	Payments for investments in other entities		(1,376,000,000)	(3,600,000,000)
26	Proceeds from sale of investments in other entities		3,360,000,000	-
27	Interest and dividends received		31,937,593,552	41,778,800,666
30	<b>Net cash flows from investing activities</b>		<b>222,488,525,754</b>	<b>30,960,253,693</b>

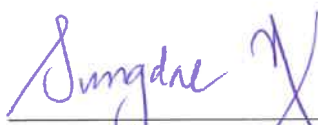
SEPARATE CASH FLOW STATEMENT (continued)  
for the year ended 31 December 2021

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
33	Drawdown of borrowings		295,229,315,483	176,031,403,912
34	Repayment of borrowings		(423,130,280,750)	(353,360,880,522)
36	Dividends paid to shareholders		(37,991,437,250)	(34,022,914,605)
<b>40</b>	<b>Net cash flows used in financing activities</b>		<b>(165,892,402,517)</b>	<b>(211,352,391,215)</b>
<b>50</b>	<b>Net increase/(decrease) in cash for the year</b>		<b>7,744,780,079</b>	<b>(23,979,901,157)</b>
<b>60</b>	<b>Cash and cash equivalents at the beginning of the year</b>		<b>41,344,568,854</b>	<b>63,866,279,854</b>
61	Impact of exchange rate fluctuation		544,857,072	1,458,190,157
<b>70</b>	<b>Cash and cash equivalents at the end of the year</b>	<b>4</b>	<b>49,634,206,005</b>	<b>41,344,568,854</b>



Nguyen Bao Ngoc  
Preparer  
Accounting manager



Yu Sung Dae  
Deputy General Director  
In charge of Finance



Lee Jae Eun  
General Director

Hanoi, Vietnam

29 March 2022

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
as at 31 December 2021 and for the year then ended

## 1. CORPORATE INFORMATION

Everpia Joint Stock Company (“the Company”) is a joint stock company incorporated under the Law on Enterprise of Vietnam following a change in legal form from a 100% foreign-owned company, Everpia Vietnam Co., Ltd., in pursuant to the Investment Certificate No. 011033000055 issued by Hanoi Department of Planning and Investment on 27 April 2007, and the subsequent amended Investment Certificates, with the latest, being the 20<sup>th</sup> amended Investment Registration Certificate, granted on 2 June 2020.

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

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

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

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

The number of the Company’s employees as at 31 December 2021 is 1,228 (31 December 2020: 1,358).

### ***Company structure***

The Company has 1 subsidiary. Details of the subsidiary and the percentage of the Company’s voting and interests in this subsidiary as at 31 December 2021 are as follows:

#### *Everpia Korea Joint Stock Company*

This is a joint stock company established under Investment Certificate No. 201600179 issued by the Ministry of Planning and Investment of Vietnam on 1 August 2016. Everpia Korea Joint Stock Company is located at A408-Hyeondae Knowledge Industry Centre, No.3 Godeung Ro, Sujeong Gu, Seongnam Si, Gyeonggi Do, Seoul, Korea. The principal activities of Everpia Korea Joint Stock Company are trading of bed sheets, pillows, mattresses; consulting and transferring technologies in the field of production and business and perform the right to import and export follow the Korean law.

As at 31 December 2021, the Company is registered to hold 100% shares and voting rights in this subsidiary. At the date of this report, the Company contributed USD 1,500,000 (VND 34,285,000,000), equivalent to 100% charter capital to this subsidiary.

As at 31 December 2021, the Company also owns some investments in associates as disclosed in Note 13.2.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

## 2. BASIS OF PREPARATION

### 2.1 *Purpose of preparing the separate financial statements*

Everpia Joint Stock Company has subsidiary as presented in Note 1 and Note 13.1. The Company prepared these separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular 96/2020/TT-BTC on disclosure of information on the securities market. The Company is also required under this Circular to prepare the consolidated financial statements of the Company and its subsidiary for the year ended 31 December 2021. The Company had completed the consolidated financial statements on 29 March 2022.

Users of these separate financial statements should read them together with the said consolidated financial statements of the Company and its subsidiary for the year ended 31 December 2021 in order to obtain full information on the consolidated financial position, the consolidated results of operations and the consolidated cash flows of the Company and its subsidiary.

### 2.2. *Accounting standards and system*

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

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

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

### 2.3 *Applied accounting documentation system*

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

### 2.4 *Fiscal year*

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

### 2.5 *Accounting currency*

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash at banks and short-term, highly liquid investments with an original maturity of not more than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

#### 3.2 *Inventories*

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

Net realisable value ("NRV") represents the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and less the estimated costs to complete and the estimated costs necessary to make the sale.

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

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

##### *Provision for obsolete inventories*

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

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

#### 3.3 *Receivables*

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

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expense in the separate income statement.



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

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

**3.4 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises of its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

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

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

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

**3.5 Leased assets**

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

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

*Where the Company is the lessee*

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

**3.6 Intangible fixed assets**

Intangible fixed assets are stated at cost less accumulated amortisation.

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

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

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

*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 SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

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

**3.7 Depreciation and amortization**

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

Buildings, structures	25 - 46 years
Machinery and equipment	5 - 15 years
Office equipment	6 - 8 years
Motor vehicles	9 - 10 years
Others tangible fixed assets	4 - 20 years
Trademark	6 - 16 years
Distribution channels	15 years
Computer software	4 years
Other intangible fixed assets	4 -10 years

**3.8 Borrowing costs**

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

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

**3.9 Prepaid expenses**

Prepaid expenses are reported as short-term or long-term prepaid expenses on the separate balance sheet and amortized over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

*Prepaid land rental*

The prepaid land rental represents the unamortised balance of advance payment made in accordance with lease contract signed with an individual on 22 February 2019 for a lease period of 50 years. Such prepaid rental is classified as long-term prepaid expenses for allocation to the separate income statement over the shorter of the remaining lease period and remaining operational period of the Company its under Investment Certificate.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

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

#### 3.10 *Investments*

##### *Investment in subsidiary*

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

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

##### *Investments in associates*

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

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

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

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

##### *Provision for investments in other entity*

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

##### *Held-to-maturity investments*

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

#### 3.11 *Payables and accruals*

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

#### 3.12 *Convertible bond*

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

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

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

#### 3.12 *Convertible bond* (continued)

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

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

#### 3.13 *Accrual for severance pay*

The severance pay to employee is accrued at the end of each reporting year for all employees who have been in service for more than 12 months in service up to the end of the accounting period at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code, the Law on Social Insurance and related implementing guidance. The average monthly salary used in this calculation will be revised at the end of each accounting period following the average monthly salary of the 6-month period up to the reporting date. Increase or decrease to the accrued amount other than actual payment to employee will be taken to the separate income statement.

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

#### 3.14 *Provisions*

##### *General*

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

##### *Provision for site restoration costs*

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

#### 3.15 *Foreign currency transactions*

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

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

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

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

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

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

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

#### 3.16 *Treasury shares*

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

#### 3.17 *Appropriation of net profits*

Net profit after tax (excluding negative good will arising from bargain purchase) is available for appropriation to shareholders after approval in the annual shareholders' meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

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

##### *Other fund belonging to owners' equity*

This fund is set aside for other purposes of the Company's operation following the resolution of the annual shareholders' meeting. According to resolution of shareholders' meeting, the Board of Directors and Management are authorised to use this fund for the Company's business activities in order to maximize the Company's operating results.

#### 3.18 *Revenue recognition*

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

##### *Sale of goods*

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

##### *Rendering of services*

Revenue is recognized when services are completed.

##### *Interest*

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



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

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

**3.18 Revenue recognition (continued)**

*Dividends*

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

**3.19 Taxation**

*Current income tax*

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

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

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company to set off current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

*Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

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

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

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

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

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

#### 3.19 *Taxation* (continued)

##### *Current income tax* (continued)

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

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

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

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

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

#### 3.20 *Segment information*

The principal activities of the Company 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 are mainly carried out in the territory of Vietnam. Therefore, the Company have only one business segment and one geographic segment. Accordingly, the Company do not disclose segment information.

#### 3.21 *Related parties*

Parties are considered to be related parties of the Company if one party has the ability to directly or indirectly control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Company and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of the family of any such individual.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

#### 4. CASH AND CASH EQUIVALENTS

	Currency: VND	
	Ending balance	Beginning balance
Cash on hand	180,847,013	251,740,298
Cash at banks	23,150,462,265	23,709,090,381
Cash equivalents (*)	26,302,896,727	17,383,738,175
	<b>49,634,206,005</b>	<b>41,344,568,854</b>

(\*) Cash equivalents represent bank deposits with terms from 1 month to 3 months, which earn interest at rates of 3.0 – 4.0% per annum (2020: bank deposits with terms of 1 month, which earn interest rate from 3.0% – 3.5% per annum).

#### 5. SHORT-TERM INVESTMENTS

##### 5.1. Held-for-trading securities

	Currency: VND					
	Ending balance			Beginning balance		
	Cost	Fair value	Provision	Cost	Fair value	Provision
Shares (i)	20,392,362,169	19,892,406,812	(499,955,358)	-	-	-
Bond (ii)	93,360,000,000	93,360,000,000	-	20,000,000,000	20,000,000,000	-
	<b>113,752,362,169</b>	<b>113,252,406,812</b>	<b>(499,955,358)</b>	<b>20,000,000,000</b>	<b>20,000,000,000</b>	<b>-</b>

(i) Details for shares investment are as follows:

	Ending balance			Beginning balance		
	Cost	Fair value	Provision	Cost	Fair value	Provision
Hoa Phat Group Joint Stock Company	12,003,883,858	11,558,240,000	(445,643,858)	-	-	-
Ho Chi Minh City Securities Corporation	6,196,811,500	6,142,500,000	(54,311,500)	-	-	-
SSI Securities Joint Stock Company	2,191,666,811	3,108,000,000	-	-	-	-
	<b>20,392,362,169</b>	<b>20,808,740,000</b>	<b>(499,955,358)</b>	<b>-</b>	<b>-</b>	<b>-</b>

(ii) Details for bond investment are as follows:

Issuer	31 December 2021 (VND)	Principal and interest repayment term	Interest rate (% p.a)	Description of collateral
VPS Securities Joint Stock Company	53,360,000,000	Term 1 year, interest is received annually, the final principal of the bond matures on June 7, 2022	5.0% - 7.8%	Unsecured
Mirae Asset Securities (Vietnam) LLC	40,000,000,000	No fixed term, interest is received with principal, which is repaid at the request of the bondholder	8.65%	Unsecured
	<b>93,360,000,000</b>			



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

5. SHORT-TERM INVESTMENTS (continued)

5.2. Held-to-maturity investments

Currency: VND

	Ending balance		Beginning balance	
	Cost	Carrying value	Cost	Carrying value
Term deposits	258,100,000,000	258,100,000,000	514,270,000,000	514,270,000,000
	<b>258,100,000,000</b>	<b>258,100,000,000</b>	<b>514,270,000,000</b>	<b>514,270,000,000</b>

Held-to-maturity investments represent deposits with terms from 6 months to 1 year, which earn interest at rates ranging from 5.4% to 5.6% per annum (2020: deposits with terms from 6 months to 1 year, which earn interest at rates ranging from 4.4% to 7.1% per annum).

6. SHORT-TERM TRADE RECEIVABLES AND ADVANCE TO SUPPLIERS

6.1 Short-term trade receivables

Currency: VND

	Ending balance	Beginning balance
Everon Authorised Dealer (289B Hue Str.)	6,500,910,538	1,989,555,997
Welcron Global Vietnam JSC	5,321,675,890	5,489,364,193
Petit Elin Co., Ltd.	4,699,692,605	1,464,526,541
MM Mega Market Vietnam Co., Ltd.	4,165,344,026	2,390,813,655
GDB Investment and Trading Company Limited – Hai Phong	3,832,664,984	3,243,215,716
Minh Hieu Limited Company	1,935,049,362	8,066,464,633
Tak Textiles Korea Inc.,	153,626,212	8,467,258,427
Philko Vina Co., Ltd.	-	3,176,986,794
LG Electronics Viet Nam Hai Phong Limited Company	-	3,175,898,000
Other trade receivables	139,973,098,377	96,665,915,676
	<b>166,582,061,994</b>	<b>134,129,999,632</b>
Provision for doubtful debts	(15,352,861,972)	(13,519,748,438)

6.2 Short-term advances to suppliers

Currency: VND

	Ending balance	Beginning balance
Tongxiang Huibo Import & Export Co., Ltd.	7,260,252,903	237,223,353
NanTong GlobalLink Industry & Trade Co., Ltd.	1,732,906,504	-
Guoxin Infu Limited Company	1,610,031,598	2,410,315,457
Ha Trang Interior Co., Ltd.	920,616,857	1,038,699,932
Vu Gia International LLC - Ha Nam Branch	-	1,004,300,000
Advance to other suppliers	9,912,890,630	8,944,409,878
	<b>21,436,698,492</b>	<b>13,634,948,620</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

## 7. OTHER RECEIVABLES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term</b>		
Shortage of assets awaiting resolution	11,349,845,417	11,349,845,417
Land rental deposit	5,038,344,000	-
Interest income from term deposits	3,636,611,547	8,392,757,809
Advance to employees	2,265,664,481	2,006,049,137
Refundable value added tax	1,168,241,076	1,168,241,076
Refundable import tax	347,397,965	347,397,965
Other short-term receivables	715,405,189	623,841,841
	<b><u>24,521,509,675</u></b>	<b><u>23,888,133,245</u></b>
Provision for doubtful other short-term receivables	(11,452,992,617)	(11,452,992,617)
<b>Long-term</b>		
Long-term deposit	2,488,692,336	2,987,355,101
Other long-term receivables	-	80,745,953
	<b><u>2,488,692,336</u></b>	<b><u>3,068,101,054</u></b>
Provision for doubtful other long-term receivables	-	-

## 8. OVERDUE DEBTS

	<i>Currency: VND</i>			
	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Recoverable amount</i>	<i>Cost</i>	<i>Recoverable amount</i>
Trade receivables	29,113,267,434	13,760,405,462	62,228,288,748	48,708,540,310
Shortage of assets awaiting resolution	11,452,992,617	-	11,452,992,617	-
	<b><u>40,566,260,051</u></b>	<b><u>13,760,405,462</u></b>	<b><u>73,681,281,365</u></b>	<b><u>48,708,540,310</u></b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

## 9. INVENTORIES

Currency: VND

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Goods in transit	5,735,532,397	-	3,505,661,597	-
Materials	212,132,427,401	(10,540,999,759)	196,393,207,223	(6,022,901,941)
Finished goods	145,865,843,107	(5,984,625,330)	151,718,369,491	(10,356,038,566)
Merchandise	6,813,834,560	-	9,420,900,910	-
	<b>370,547,637,465</b>	<b>(16,525,625,089)</b>	<b>361,038,139,221</b>	<b>(16,378,940,507)</b>

Movements of provision for obsolete inventories:

Currency: VND

	<i>Current year</i>	<i>Previous year</i>
Beginning balance	16,378,940,507	15,090,250,750
Add: Provision made during the year	4,255,794,498	13,708,869,824
Less: Reversal of provision during the year	(4,109,109,916)	(12,420,180,067)
Ending balance	<b>16,525,625,089</b>	<b>16,378,940,507</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

## 10. TANGIBLE FIXED ASSETS

Currency: VND

	Buildings and structures	Machinery and equipment	Office equipment	Motor vehicle	Others	Total
<b>Cost:</b>						
Beginning balance	197,286,321,894	307,002,767,411	14,371,903,738	45,059,065,180	19,789,885,493	583,509,943,716
Newly purchased	1,083,460,903	5,148,062,138	81,859,140	702,845,382	729,516,414	7,745,743,977
Disposal	-	(2,526,601,925)	(91,475,944)	(2,161,927,706)	-	(4,780,005,575)
Ending balance	198,369,782,797	309,624,227,624	14,362,286,934	43,599,982,856	20,519,401,907	586,475,682,118
<i>In which:</i>						
Fully depreciated	22,041,959,205	149,559,020,585	19,384,805,140	11,947,724,868	14,338,210,908	217,271,720,706
<b>Accumulated depreciation:</b>						
Beginning balance	97,084,546,369	226,146,557,873	13,503,187,299	28,037,307,059	17,033,338,141	381,804,936,741
Depreciation for the year	12,278,332,154	19,442,617,575	709,716,161	4,383,025,962	674,121,209	37,487,813,061
Disposal	-	(2,509,381,775)	(91,475,944)	(1,893,058,986)	-	(4,493,916,705)
Ending balance	109,362,878,523	243,079,793,673	14,121,427,516	30,527,274,035	17,707,459,350	414,798,833,097
<b>Net carrying amount:</b>						
Beginning balance	100,201,775,525	80,856,209,538	868,716,439	17,021,758,121	2,756,547,352	201,705,006,975
Ending balance	89,006,904,274	66,544,433,951	240,859,418	13,072,708,821	2,811,942,557	171,676,849,021

Some tangible fixed assets with net carrying amount of VND 106 billion have been mortgaged for loans and bonds of the Company as presented in Note 19.

NOTES TO SEPARATE THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

## 11. INTANGIBLE FIXED ASSETS

Cost:	Currency: VND				Total
	Trademark	Distribution channel	Computer software	Others	
Beginning balance	24,566,385,000	7,831,500,000	7,928,284,189	686,893,687	41,013,062,876
Newly purchased	-	-	-	-	-
Ending balance	24,566,385,000	7,831,500,000	7,928,284,189	686,893,687	41,013,062,876
<i>In which:</i>					
<i>Fully amortized</i>	-	7,831,500,000	6,866,430,149	686,893,687	15,384,823,836
<b>Accumulated amortization:</b>					
Beginning balance	21,517,144,114	7,831,500,000	7,317,430,241	686,893,687	37,352,968,042
Amortization for the year	1,463,191,525	-	93,000,000	-	1,556,191,525
Ending balance	22,980,335,639	7,831,500,000	7,410,430,241	686,893,687	38,909,159,567
<b>Net carrying amount:</b>					
Beginning balance	3,049,240,886	-	610,853,948	-	3,660,094,834
Ending balance	1,586,049,361	-	517,853,948	-	2,103,903,309

## 12. CONSTRUCTION IN PROGRESS

Construction in progress includes the payment for 50% of the value of the land use right for the purpose of building a factory in Giang Dien Industrial Park, Dong Nai province.

NOTES TO SEPARATE THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

**13. LONG-TERM INVESTMENTS**

Currency: VND

	Ending balance		Beginning balance		Provision
	Cost	Provision	Cost	Provision	
Investment in subsidiary (Note 13.1)					
- Everpia Korea JSC	34,285,000,000	(15,425,858,966)	34,285,000,000	(15,425,858,966)	(15,425,858,966)
Investment in associates (Note 13.2)	34,285,000,000	(15,425,858,966)	34,285,000,000	(15,425,858,966)	(15,425,858,966)
- Texpia Joint Stock Company	11,590,390,000	(11,590,390,000)	15,190,390,000	(11,590,390,000)	(11,590,390,000)
- Hyojung Soft Tech JSC	11,590,390,000	(11,590,390,000)	11,590,390,000	(11,590,390,000)	(11,590,390,000)
Investment in other (Note 13.3)	-	-	3,600,000,000	-	-
	4,974,200,000	(552,091,513)	2,638,200,000	-	-
	<b>50,849,590,000</b>	<b>(27,568,340,479)</b>	<b>52,113,590,000</b>	<b>(27,016,248,966)</b>	

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

**13.1 Investments in subsidiary**

Detailed information on subsidiary as at 31 December 2021 is disclosed in Note 1.

NOTES TO SEPARATE THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

### 13. LONG-TERM INVESTMENTS (continued)

#### 13.2 Investments in associates

	Ending balance		Beginning balance	
	Ownership (%)	Voting right (%)	Ownership (%)	Voting right (%)
Texpia Joint Stock Company (*)	44%	44%	44%	44%
Hyojung Soft Tech JSC (**)	-	-	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 6th No. 472033001056 issued on 2 June 2017. Texpia Joint Stock Company is located in Nhon Trach Textile Industrial Zone, Nhon Trach District, Bien Hoa City, Dong Nai Province. The principal activities of Texpia Joint Stock Company are to produce and process all kinds of cleaners and garment fabrics. As at 2 April 2018, the Company has completely purchased assets and liabilities of this associate. As at the date of this report, Texpia Joint Stock Company completed tax finalization as well as procedures with Management Board of Dong Nai Industrial Zone and this associate is working with other governing agencies regarding procedure to dissolve its business.

(\*\*) Hyojung Soft Tech JSC is a joint stock company established under the Business Registration Certificate No. 0108559121 issued by Hanoi Authority for Planning and Investment on 24 December 2019 and the second amended certificate is issued on 7 October 2020. Hyojung Soft Tech JSC is located in Lot 47, HDI Project Area, Mac Thai Tong Street, Yen Hoa Ward, Cau Giay District, Hanoi City. The principal activities of Hyojung Soft Tech JSC are to develop POS software and POS management system, provide credit card payment agency service and POS hardware maintenance service. In 2021, the Company has completed the transfer of 4.8% shares in this company and reduced ownership rate to 19.2%, then, Hyojung Soft Tech JSC is no longer an associate of the Company as at 31 December 2021.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

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

**13.3 Investment in other entity**

	Currency: VND	
	Ending balance	Beginning balance
Bac Ninh Pharmaceutical JSC (*)	4,014,200,000	2,638,200,000
Hyojung Soft Tech JSC (**)	960,000,000	-
	<b><u>4,974,200,000</u></b>	<b><u>2,638,200,000</u></b>

(\*) The original amount of the investment in shares of Bac Ninh Pharmaceutical JSC with the number of shares is 309,600 shares, of which 137,600 shares were newly acquired by the Company during the year at a total consideration of VND 1,376,000,000.

(\*\*) The original amount of the investment in shares of Hyojung Soft Tech JSC with the number of shares is 96,000 shares.

**14. PREPAID EXPENSES**

	Currency: VND	
	Ending balance	Beginning balance
<b>Short-term</b>		
Prepaid rentals	1,844,791,682	2,269,799,999
Fire insurance	64,456,150	472,218,749
Advertisement	252,275,454	505,124,168
Others	372,394,048	117,966,970
	<b><u>2,533,917,334</u></b>	<b><u>3,365,109,886</u></b>
<b>Long-term</b>		
Showroom furniture	3,426,539,580	4,969,395,969
Land rental prepaid	7,181,270,926	7,507,692,322
Prepaid rentals	9,858,910,356	9,450,267,599
Tools and spare parts	3,867,728,255	2,689,711,915
Others	1,047,399,436	933,516,287
	<b><u>25,381,848,553</u></b>	<b><u>25,550,584,092</u></b>



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

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

### 15.1 Short-term trade payables

Currency: VND

	Ending balance		Beginning balance	
	Amount	Amount payable	Amount	Amount payable
Short-term trade payables	52,644,626,730	52,644,626,730	40,549,932,125	40,549,932,125
- Ngan Ha Import Export and Investment JSC	-	-	1,700,016,514	1,700,016,514
- Osun Co., Ltd.	1,755,719,493	1,755,719,493	188,721,885	188,721,885
- Tongxiang Huibo Import & Export Co., Ltd.	8,525,055,744	8,525,055,744	3,824,488,423	3,824,488,423
- Payables to other suppliers	42,363,851,493	42,363,851,493	34,836,705,303	34,836,705,303
Short term trade payable to related party (Note 30)	8,700,867,008	8,700,867,008	3,534,174,576	3,534,174,576
	<b>61,345,493,738</b>	<b>61,345,493,738</b>	<b>44,084,106,701</b>	<b>44,084,106,701</b>

### 15.2 Short-term advances from customers

Currency: VND

	Ending balance	Beginning balance
Hai An Trading Investment JSC	3,238,914,234	2,566,237,737
ODK Mikazuki Vietnam LLC	3,308,186,254	-
Petit Elin Co., Ltd.	1,602,145,924	2,335,167,208
Hoang Thien Duc Trading LLC	-	1,361,616,918
Others	15,806,854,668	9,982,663,185
	<b>23,956,101,080</b>	<b>16,245,685,048</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

## 16. STATUTORY OBLIGATIONS

<i>Currency: VND</i>				
	<i>Beginning balance</i>	<i>Payable in the year</i>	<i>Net off made in the year</i>	<i>Ending balance</i>
<b>Receivables</b>				
Value added tax	1,658,564,571	15,411,950,774	(11,609,733,531)	5,460,781,814
	<b>1,658,564,571</b>	<b>15,411,950,774</b>	<b>(11,609,733,531)</b>	<b>5,460,781,814</b>
	<i>Beginning balance</i>	<i>Payable in the year</i>	<i>Payment in the year</i>	<i>Ending balance</i>
<b>Payables</b>				
Value added tax	5,193,720,680	12,345,139,612	(15,411,950,774)	2,126,909,518
Import duties	99,811,731	2,353,840,060	(2,353,840,059)	99,811,732
Corporate income tax	8,871,223,939	16,782,319,109	(20,001,959,129)	5,651,583,919
Personal income tax	1,436,490,423	5,684,520,133	(4,856,083,546)	2,264,927,010
Other taxes	36,603,303	388,019,792	(386,762,993)	37,860,102
	<b>15,637,850,076</b>	<b>37,553,838,706</b>	<b>(43,010,596,501)</b>	<b>10,181,092,281</b>

## 17. SHORT-TERM ACCRUED EXPENSE

<i>Currency: VND</i>		
	<i>Ending balance</i>	<i>Beginning balance</i>
Import and export fee	905,454,545	840,149,095
Rental fee	-	440,661,843
Others	460,687,260	524,837,700
	<b>1,366,141,805</b>	<b>1,805,648,638</b>

## 18. OTHER PAYABLES

<i>Currency: VND</i>		
	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term</b>		
Accrued interest	52,143,567	778,929,005
Trade union fee	406,636,750	186,784,384
Social insurance	63,826,689	22,631,460
Other short-term payables	313,448,504	363,711,124
	<b>836,055,510</b>	<b>1,352,055,973</b>
<b>Long-term</b>		
Provision for severance allowances	15,670,046,498	15,986,415,820
Provision for site restoration	2,762,996,314	2,762,996,314
Other long-term payables	116,818,000	116,818,000
	<b>18,549,860,812</b>	<b>18,866,230,134</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

## 19. LOANS AND BORROWINGS

Currency: VND

	Beginning balance		Movement during the year		Ending balance	
	Balance	Payable amount	Increase	Decrease	Balance	Payable amount
<b>Short-term</b>						
Borrowings from banks (Note 19.1)	47,749,318,838	47,749,318,838	295,229,315,483	(187,439,649,547)	156,272,917,941	156,272,917,941
Current portion of long-term borrowings (Note 19.2)	1,213,767,582	1,213,767,582	604,339,465	(1,213,767,582)	604,339,465	604,339,465
	<b>48,963,086,420</b>	<b>48,963,086,420</b>	<b>295,833,654,948</b>	<b>(188,653,417,129)</b>	<b>156,877,257,406</b>	<b>156,877,257,406</b>
<b>Long-term</b>						
Borrowings from banks (Note 19.2)	603,556,941	603,556,941	-	(609,703,086)	-	-
	<b>603,556,941</b>	<b>603,556,941</b>	<b>-</b>	<b>(609,703,086)</b>	<b>-</b>	<b>-</b>
	<b>49,566,643,361</b>	<b>49,566,643,361</b>	<b>295,833,654,948</b>	<b>(189,263,120,215)</b>	<b>156,877,257,406</b>	<b>156,877,257,406</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

**19. LOANS AND BORROWINGS (continued)**

**19.1 Short-term borrowings from banks**

Bank	31 December 2021		Principal and interest repayment term	Interest rate per annum	Description of collateral
	VND	Original currency			
Joint Stock Commercial Bank for Foreign Trade of Vietnam	86,405,004,243	VND 86,405,004,243	Interest is payable on 26 <sup>th</sup> each month and latest indenture payable on 6 June 2022	4.50%	Plants, machineries and equipment of the Ha Noi and Hung Yen factory and receivables
Joint Stock Commercial Bank for Foreign Trade of Vietnam	63,033,843,913	USD 2,750,167.7	Interest is payable on 26 <sup>th</sup> each month and principal is due on 25 June 2022	1.24 – 1.34%	Plants, machineries and equipment of the Ha Noi and Hung Yen factory and receivables
Shinhan One Member Limited Bank of Vietnam	5,092,575,846	USD 222,334.7	Interest is payable on 28 <sup>th</sup> each month and latest indenture payable on 26 June 2022	1.20%	Machineries and equipment of the Dong Nai factory
Woori One Member Limited Bank	1,741,493,939	VND 1,741,493,939	Interest is payable on 28 <sup>th</sup> each month and latest indenture payable on 18 June 2022	4.75%	Unsecured
	<b>156,272,917,941</b>				

**19.2 Long-term borrowings from banks**

Bank	31 December 2021		Principal and interest repayment term	Interest rate per annum	Description of collateral
	VND	Original currency			
Shinhan One Member Limited Bank of Vietnam	604,339,465	USD 26,094.12	4-5 years since loan drawdown date. Principal is payable quarterly. Last installment is due on 28 July 2022. Interest payment is payable on 28 <sup>th</sup> each month	3.95%	Cotton production line and part of the factory at Dong Nai factory
	<b>604,339,465</b>				
<i>In which:</i>					
Current portion	604,339,465				
Non-current portion	-				

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

## 20. CONVERTIBLE BONDS

Convertible bonds amounting to USD 10,100,000 (equivalent to VND 230,431,500,000) were issued on 6 September 2018 ("Issuance date") with a term of 5 years. The bonds are unsecured and bear interest rate of 1% per annum.

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

Following the term of these convertible bonds, the bondholders have the right to convert the bonds to ordinary shares of the Company at adjustable reducing prices no less than 70% of the first conversion price (12,772 VND), starting to be convertible 1 year from Issuance date to 1 month before the maturity date. Bondholders also have a put option that may require the Company to redeem all or part of the bonds every 3 months after three years from the date of issue 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, excluding the 1% paid interest.

During the year, the Company has redeemed these bonds and paid the additional interest as of the redemption date of VND 17,575,301,174.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

## 21. OWNERS' EQUITY

### 21.1 Increase and decrease in owners' equity

Currency: VND

	Share capital	Share premium	Treasury shares	Other fund belonging to owners' equity	Undistributed earnings	Total
<b>Previous year</b>						
Beginning balance	419,797,730,000	203,072,724,247	(76,000,000,000)	1,912,789,888	409,447,046,136	958,230,290,271
- Profit for the year	-	-	-	-	30,680,315,417	30,680,315,417
- Appropriation to reserve	-	-	-	3,594,413,393	(3,594,413,393)	-
- Dividends declared/paid	-	-	-	-	(34,243,175,700)	(34,243,175,700)
- Utilisation of fund	-	-	-	(3,233,705,951)	-	(3,233,705,951)
Ending balance	419,797,730,000	203,072,724,247	(76,000,000,000)	2,273,497,330	402,289,772,460	951,433,724,037
<b>Current year</b>						
Beginning balance	419,797,730,000	203,072,724,247	(76,000,000,000)	2,273,497,330	402,289,772,460	951,433,724,037
- Profit for the year	-	-	-	-	60,524,715,131	60,524,715,131
- Appropriation to reserve (*)	-	-	-	2,102,846,552	(2,102,846,552)	-
- Dividends declared/paid (*)	-	-	-	-	(37,991,437,250)	(37,991,437,250)
- Utilisation of fund	-	-	-	(16,563,497)	-	(16,563,497)
Ending balance	419,797,730,000	203,072,724,247	(76,000,000,000)	4,359,780,385	422,720,203,789	973,950,438,421

(\*) Under Resolution of the Annual Meeting of Shareholders No. 01/DHDCD2021/INQ dated 23 April 2021, the Company declared dividends in cash for 2020: 10% (VND 1,000 per share).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

## 21. OWNERS' EQUITY (continued)

### 21.2 Contributed charter capital

Currency: VND

	Ending balance		Beginning balance	
	Total	Ordinary shares	Total	Ordinary shares
Share capital	419,797,730,000	419,797,730,000	419,797,730,000	419,797,730,000
Share premium	203,072,724,247	203,072,724,247	203,072,724,247	203,072,724,247
Treasury shares	(76,000,000,000)	(76,000,000,000)	(76,000,000,000)	(76,000,000,000)
	<b>546,870,454,247</b>	<b>546,870,454,247</b>	<b>546,870,454,247</b>	<b>546,870,454,247</b>

### 21.3 Dividends

Currency: VND

	Current year	Previous year
<b>Dividends declared during the year</b>	<b>37,991,437,250</b>	<b>34,243,175,700</b>
<i>Dividends on ordinary shares</i>		
Dividends for 2020: VND 1,000 per share (2019: VND 900 per share)	37,991,437,250	34,243,175,700
<b>Dividends declared after the date of reporting period and not yet recognized as liability as at 31 December 2021</b>		-

### 21.4 Shares

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

The par value of share in circulation during the year is VND10,000/share (2020: VND10,000/share).

### 21.5 Other fund belonging to owners' equity

Other fund belonging to owners' equity is set up under the Resolution of the General Shareholders No. 01/DHDCD2021/NQ dated 23 April 2021 at 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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

**22. OFF BALANCE SHEET ITEMS**

	<i>Ending balance</i>	<i>Beginning balance</i>
Other receivables from Texpia JSC	30,160,675,690	30,160,675,690
Provision for other receivable from Texpia JSC (written-off from 2018)	(30,160,675,690)	(30,160,675,690)
Other receivables	2,389,798,881	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

**23. REVENUE**

**23.1 Revenue from sale of goods and rendering of services**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
<b>Gross revenue</b>	<b>861,706,886,503</b>	<b>855,517,606,444</b>
<i>In which:</i>		
<i>Sales of bedding, mattress products</i>	562,367,558,592	534,284,875,223
<i>Sales of padding products</i>	172,029,701,284	165,136,272,514
<i>Sales of cleaner</i>	76,047,320,175	96,412,266,906
<i>Sales of quilting products</i>	32,002,121,728	38,696,666,779
<i>Sales of other goods and services</i>	19,260,184,724	20,987,525,022
<b>Revenue deductions</b>	<b>(503,797,371)</b>	<b>(416,672,190)</b>
<i>Sales return</i>	(503,797,371)	(416,672,190)
<b>Net revenue</b>	<b>861,203,089,132</b>	<b>855,100,934,254</b>
<i>In which:</i>		
<i>Sales of bedding, mattress products</i>	561,863,761,221	533,868,203,033
<i>Sales of padding products</i>	172,029,701,284	165,136,272,514
<i>Sales of cleaner</i>	76,047,320,175	96,412,266,906
<i>Sales of quilting products</i>	32,002,121,728	38,696,666,779
<i>Sales of other goods and services</i>	19,260,184,724	20,987,525,022

**23.2 Finance income**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Interest income	26,723,447,290	39,069,895,900
Gain from trading securities	9,307,286,238	3,036,559,928
Foreign exchange gain	7,830,904,701	3,858,521,334
Dividend income	458,000,000	300,000,000
	<b>44,319,638,229</b>	<b>46,264,977,162</b>



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

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

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Cost of bedding, mattress products	371,514,253,047	382,281,121,910
Cost of padding products	105,409,085,347	93,968,060,945
Cost of cleaner products	60,313,774,678	83,356,269,457
Cost of quilting products	25,523,853,565	29,770,477,553
Cost of other goods and other services rendered	15,514,800,789	14,247,711,877
	<b><u>578,275,767,426</u></b>	<b><u>603,623,641,742</u></b>

**25. FINANCE EXPENSES**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Investment provision	1,052,046,871	15,425,858,966
Interest expenses	23,103,377,288	13,776,224,202
Foreign exchange losses	4,624,809,858	1,609,248,879
Loss from selling trading securities	884,682,563	-
Other finance expenses	396,723,408	957,260,340
	<b><u>30,061,639,988</u></b>	<b><u>31,768,592,387</u></b>

**26. SELLING AND GENERAL AND ADMINISTRATIVE EXPENSES**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
<b>Selling expenses</b>		
- Labour costs	67,244,533,292	68,445,903,449
- Raw materials	6,140,748,763	7,132,906,945
- Depreciation and amortization	2,310,880,446	2,326,811,016
- External services	62,142,472,909	51,071,924,097
- Others	8,947,683,286	9,061,329,245
	<b><u>146,786,318,696</u></b>	<b><u>138,038,874,752</u></b>
<b>General and administrative expenses</b>		
- Labour costs	46,689,619,752	53,829,656,158
- Depreciation and amortization	6,237,475,334	7,893,319,425
- External services	12,244,593,738	11,565,647,807
- Others	9,274,614,414	9,606,565,841
	<b><u>74,446,303,238</u></b>	<b><u>82,895,189,231</u></b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

## 27. OTHER INCOME AND EXPENSES

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
<b>Other income</b>	<b>1,523,629,989</b>	<b>666,583,558</b>
Gain on disposal of fixed assets	584,818,182	46,476,363
Others	938,811,807	620,107,195
<b>Other expenses</b>	<b>(740,079,362)</b>	<b>(1,403,277,338)</b>
Penalty	(353,127,922)	(877,918,897)
Others	(386,951,440)	(525,358,441)
<b>OTHER (LOSS)/PROFIT</b>	<b><u>783,550,627</u></b>	<b><u>(736,693,780)</u></b>

## 28. PRODUCTION AND OPERATING COSTS

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Materials	456,224,149,716	453,870,069,453
Labour costs	195,305,211,749	193,960,859,127
Depreciation and amortization	39,044,004,586	45,049,079,645
Expenses for external services	60,532,841,828	46,759,262,445
Other expenses	39,942,588,747	48,238,662,108
	<b><u>791,048,796,626</u></b>	<b><u>787,877,932,778</u></b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

## 29. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") applicable to the Company is 20% of taxable profits for the year ended 31 December 2021.

The tax returns filed by the Company are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the separate financial statements could change at a later date upon final determination by the tax authorities.

### 29.1 CIT expenses

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Current CIT expenses	16,782,319,109	13,837,257,660
Deferred tax income	<u>(570,785,600)</u>	<u>(214,653,553)</u>
	<b><u>16,211,533,509</u></b>	<b><u>13,622,604,107</u></b>

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

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
<b>Profit before tax</b>	<b>76,736,248,640</b>	<b>44,302,919,524</b>
At CIT rate of 20%	15,347,249,728	8,860,583,905
<i>Adjustments to increase:</i>		
Expenses not eligible for CIT deduction	955,883,781	1,163,321,816
Provision for foreign investment	-	3,085,171,793
Other adjustments	-	573,526,593
<i>Adjustments to decrease:</i>		
Dividend received	<u>(91,600,000)</u>	<u>(60,000,000)</u>
<b>CIT expense</b>	<b><u>16,211,533,509</u></b>	<b><u>13,622,604,107</u></b>

### 29.2 Current tax

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

29. CORPORATE INCOME TAX (continued)

29.3 *Deferred tax*

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

Currency: VND

	<i>Separate balance sheet</i>		<i>Separate income statement</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>
<b><i>Deferred tax assets</i></b>				
Unearned revenue	-	-	-	(7,000,000)
Provision for obsolete inventories	3,305,125,017	3,275,788,101	29,336,916	257,737,951
Provision for doubtful debts	11,817,047,302	11,450,424,595	366,622,707	(450,392,614)
Accrual for severance pay	3,134,009,300	3,197,283,165	(63,273,865)	314,014,614
Expense for excess of allocation period	184,273,133	113,638,773	70,634,360	67,285,881
Education support expense	-	463,000,000	(463,000,000)	-
Allocation expense of site restoration provision	442,079,407	331,559,556	110,519,851	110,519,852
	<b>18,882,534,159</b>	<b>18,831,694,190</b>	<b>50,839,969</b>	<b>292,165,684</b>
<b><i>Deferred tax liabilities</i></b>				
Unrealised foreign exchange gain of cash and trade receivables	(50,720,187)	(570,665,818)	519,945,631	(77,512,131)
	<b>(50,720,187)</b>	<b>(570,665,818)</b>	<b>519,945,631</b>	<b>(77,512,131)</b>
<b><i>Net deferred tax assets</i></b>	<b>18,831,813,972</b>	<b>18,261,028,372</b>		
<b><i>Net deferred tax presented in separate income statement</i></b>			<b>570,785,600</b>	<b>214,653,553</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

### 30. TRANSACTIONS WITH RELATED PARTIES

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

*Currency: VND*

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Current year</i>	<i>Previous year</i>
Everpia Korea JSC	Subsidiary	Purchase of raw material	84,535,366,748	80,260,549,921
		Purchase of tools	-	-
		Purchase of services	9,569,747,511	7,152,367,500
		Capital contribution	-	-
Hyojung Soft Tech JSC	Associate	Capital contribution	-	3,600,000,000
		Dividend received	2,858,000,000	-
Mr Cho Yong Hwan	Chairman	Office rental	-	3,300,000,000

*The terms and conditions of transactions with related parties*

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

Outstanding balances at 31 December 2021 is unsecured, interest-free and will be settled in cash. For the year ended on 31 December 2021, the Company has no provision for doubtful loan receivable and interest receivable relating to amounts owed by related parties (31 December 2020: nil). This assessment is done for each year through examining the financial position of the related party and the relevant markets in which it operates.

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

*Currency: VND*

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term trade payables (Note 15.1)</b>				
Everpia Korea JSC	Subsidiary	Purchase of raw material	8,700,867,008	3,534,174,576
			<b>8,700,867,008</b>	<b>3,534,174,576</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

### 30. TRANSACTIONS WITH RELATED PARTIES (continued)

#### *Transactions with other related parties*

Remuneration to members of the Board of Directors, Board of Management and Board of supervision:

		<i>Currency: VND</i>	
		<i>Current year</i>	<i>Previous year</i>
<b>Board of Directors and Management</b>			
Mr Lee Jae Eun	Member, General Director	5,769,159,583	6,781,741,102
Mr Cho Yong Hwan	Member, Deputy General Director	2,775,195,304	3,663,193,367
Mr Yu Sung Dae	Member, Deputy General Director	2,536,251,687	2,942,139,856
Mr Park Sung Jin	Member, Dong Nai Branch Director	2,404,513,268	3,034,793,835
Mrs Le Thi Thu Hien	Member – Resigned on 30 March 2021	21,600,000	86,400,000
Mr Le Kha Tuyen	Member	86,400,000	86,400,000
Mrs Nguyen Le Hoang Yen	Member	86,400,000	86,400,000
<b>Board of supervision</b>			
Mr. Truong Tuan Nghia	Head of Board of Supervision	86,400,000	86,400,000
Mr. Ko Tae Yeon	Member	86,400,000	86,400,000
Mr. Nguyen Dac Huong	Member	86,400,000	86,400,000
		<b><u>13,938,719,842</u></b>	<b><u>16,940,268,160</u></b>

### 31. COMMITMENTS

#### *Operating lease commitment*

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

		<i>Currency: VND</i>	
		<i>Ending balance</i>	<i>Beginning balance</i>
Up to 1 year		8,107,061,636	6,229,280,170
From 1-5 years		4,814,572,376	11,538,084,984
<b>TOTAL</b>		<b><u>12,921,634,012</u></b>	<b><u>17,767,365,154</u></b>

#### *Commitment under the land lease contract*

During the year, the Company has signed a land lease contract with Sonadezi JSC with total contract value of VND 121,719,366,551 for the purpose of leasing land plot No. 12 in Giang Dien Industrial Park, Dong Nai Province for a period of 39 years for the new Everpia Dong Nai factory project. As at 31 December 2021, the remaining amount that the Company has to pay to Sonadezi JSC under this contract is VND 55,720,770,595.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

### 32. IMPORTANT EVENT IN THE YEAR

The Covid-19 Pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. 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 separate financial statements.

### 33. EVENTS AFTER THE BALANCE SHEET DATE

In January 2022, the Company has issued bonus shares to existing shareholders at the distribution rate of 8% from treasury shares with a total number of distributed shares was 3,043,837.

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



Nguyen Bao Ngoc  
Preparer  
Accounting manager



Yu Sung Dae  
Deputy General Director  
In charge of Finance



Lee Jae Eun  
General Director

Hanoi, Vietnam

29 March 2022