

# **Everpia Joint Stock Company**

Consolidated financial statements

For the year ended 31 December 2022



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For the year ended 31 December 2022



# 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 21<sup>th</sup> Amended Investment Registration Certificate, received on 28 April 2022.

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	
Mr Yu Sung Dae	Member	
Mr Park Sung Jin	Member	
Mr Le Kha Tuyen	Member	
Ms Nguyen Le Hoang Yen	Member	Resigned on 28 April 2022

### 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	Resigned on 1 January 2022

## 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 consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2022.

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

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

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

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

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

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Company and its subsidiaries as at 31 December 2022, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprises Accounting System and the statutory requirements relevant to the preparation and presentation of consolidated financial statements.

For and on behalf of management:


Lee Jae Eun  
General Director

Hanoi, Vietnam

29 March 2023

Reference: 61110609/22965193-HN

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of Everpia Joint Stock Company ("the Company") and its subsidiaries as prepared on 29 March 2023 and set out on pages 6 to 46, which comprise the consolidated balance sheet as at 31 December 2022, and the consolidated income statement and consolidated 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 consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' responsibility*

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

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

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





CONSOLIDATED BALANCE SHEET  
as at 31 December 2022

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>1,055,145,769,022</b>	<b>965,611,047,552</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>54,780,353,092</b>	<b>52,162,065,411</b>
111	1. Cash		37,834,469,145	25,859,168,684
112	2. Cash equivalents		16,945,883,947	26,302,896,727
<b>120</b>	<b>II. Short-term investments</b>		<b>396,498,286,055</b>	<b>373,191,406,811</b>
121	1. Held-for-trading securities	5.1	108,759,627,374	113,752,362,169
122	2. Provision for held-for-trading securities	5.1	(18,067,423,469)	(499,955,358)
123	3. Held-to-maturity investments	5.2	305,806,082,150	259,939,000,000
<b>130</b>	<b>III. Current accounts receivables</b>		<b>232,722,338,012</b>	<b>185,632,968,413</b>
131	1. Short-term trade receivables	6.1	183,249,582,128	166,130,601,882
132	2. Short-term advances to suppliers	6.2	42,266,149,339	21,436,698,492
136	3. Other short-term receivables	7	34,686,549,577	24,871,522,628
137	4. Provision for doubtful short-term receivables		(27,479,943,032)	(26,805,854,589)
<b>140</b>	<b>IV. Inventories</b>	<b>9</b>	<b>364,153,052,782</b>	<b>346,527,464,417</b>
141	1. Inventories		393,180,183,846	363,053,089,506
149	2. Provision for obsolete inventories		(29,027,131,064)	(16,525,625,089)
<b>150</b>	<b>V. Other current assets</b>		<b>6,991,739,081</b>	<b>8,097,142,500</b>
151	1. Short-term prepaid expenses	14	3,783,070,296	2,533,917,334
152	2. Value-added tax deductible	16	3,208,668,785	5,563,148,112
153	3. Tax and other receivables from the State		-	77,054

CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2022


Currency: VND

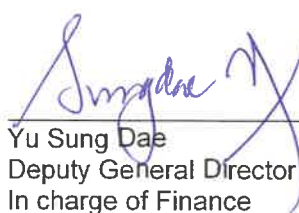
Code	ASSETS	Notes	Ending balance	Beginning balance
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>401,549,607,125</b>	<b>303,132,445,188</b>
<b>210</b>	<b><i>I. Long-term receivables</i></b>		<b>2,550,207,116</b>	<b>2,510,521,266</b>
216	1. Other long-term receivables	7	2,550,207,116	2,510,521,266
<b>220</b>	<b><i>II. Fixed assets</i></b>		<b>165,509,518,378</b>	<b>189,551,832,449</b>
221	1. Tangible fixed assets	10	164,253,763,180	186,722,125,438
222	Cost		609,814,704,124	601,992,223,470
223	Accumulated depreciation		(445,560,940,944)	(415,270,098,032)
227	2. Intangible fixed assets	11	1,255,755,198	2,829,707,011
228	Cost		41,721,106,292	41,738,866,578
229	Accumulated amortization		(40,465,351,094)	(38,909,159,567)
<b>240</b>	<b><i>III. Long-term assets in progress</i></b>		<b>64,280,616,346</b>	<b>55,418,410,869</b>
242	1. Construction in progress	12	64,280,616,346	55,418,410,869
<b>250</b>	<b><i>IV. Long-term investments</i></b>	<b>13</b>	<b>9,804,108,487</b>	<b>9,939,108,487</b>
252	1. Investments in associates		11,590,390,000	11,590,390,000
253	2. Investments in other entities		10,356,200,000	10,491,200,000
254	3. Provision for long-term investments		(12,142,481,513)	(12,142,481,513)
<b>260</b>	<b><i>V. Other long-term assets</i></b>		<b>159,405,156,798</b>	<b>45,712,572,117</b>
261	1. Long-term prepaid expenses	14	136,827,519,145	25,381,848,553
262	2. Deferred tax assets	27.3	22,577,637,653	20,330,723,564
<b>270</b>	<b>TOTAL ASSETS</b>		<b>1,456,695,376,147</b>	<b>1,268,743,492,740</b>

CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2022

Currency: VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>C. LIABILITIES</b>		<b>428,854,173,261</b>	<b>304,707,254,762</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>312,013,032,780</b>	<b>271,923,340,332</b>
311	1. Short-term trade payables	15.1	48,905,071,795	55,596,846,486
312	2. Short-term advances from customers	15.2	18,592,271,299	23,956,101,080
313	3. Statutory obligations	16	17,868,736,240	10,391,040,335
314	4. Payables to employees		30,679,597,943	22,752,325,036
315	5. Short-term accrued expenses	17	1,673,446,511	1,399,458,281
318	6. Short-term unearned revenue		182,895,926	-
319	7. Other short-term payables	18	1,695,365,563	950,311,708
320	8. Short-term borrowings	19	192,415,647,503	156,877,257,406
<b>330</b>	<b>II. Non-current liabilities</b>		<b>116,841,140,481</b>	<b>32,783,914,430</b>
337	1. Other long-term liabilities	18	22,415,007,814	22,703,914,430
338	2. Long-term borrowings	19	94,426,132,667	10,080,000,000
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>1,027,841,202,886</b>	<b>964,036,237,978</b>
<b>410</b>	<b>I. Capital</b>	<b>20</b>	<b>1,027,841,202,886</b>	<b>964,036,237,978</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	20.2	184,195,877,847	203,072,724,247
415	3. Treasury shares	20.2	-	(76,000,000,000)
417	4. Foreign exchange differences reserve		(4,000,628,280)	(3,801,332,966)
420	5. Other funds belonging to owners' equity	20.5	1,169,532,841	3,807,375,305
421	6. Undistributed earnings	20.1	416,424,104,094	417,159,741,392
421a	- Undistributed earnings up to the end of prior year		324,849,269,506	357,439,070,137
421b	- Undistributed earnings of current year		91,574,834,588	59,720,671,255
429	7. Non-controlling interests		10,254,586,384	-
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>1,456,695,376,147</b>	<b>1,268,743,492,740</b>

  
Nguyen Bao Ngoc  
Preparer  
Accounting manager

  
Yu Sung Dae  
Deputy General Director  
In charge of Finance

  
CÔNG TY  
CỔ PHẦN  
EVERPIA  
Lee Jae Eun  
General Director

29 March 2023

CONSOLIDATED INCOME STATEMENT  
for the year ended 31 December 2022


Currency: VND


Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	22.1	1,021,675,009,233	866,451,098,588
02	2. Deductions	22.1	(426,491,045)	(503,797,371)
10	3. Net revenue from sale of goods and rendering of services	22.1	1,021,248,518,188	865,947,301,217
11	4. Cost of goods sold and services rendered	23	(637,064,757,476)	(570,738,931,867)
20	5. Gross profit from sale of goods and rendering of services		384,183,760,712	295,208,369,350
21	6. Finance income	22.2	31,681,507,476	45,898,206,809
22	7. Finance expenses	24	(39,728,202,018)	(31,184,153,176)
23	- In which: Interest expenses		(6,738,633,160)	(21,213,465,288)
24	8. Shares of loss of associates		-	(548,651,510)
25	9. Selling expenses	25	(173,296,409,898)	(150,461,607,802)
26	10. General and administrative expenses	25	(88,027,974,504)	(85,058,370,307)
30	11. Operating profit		114,812,681,768	73,853,793,364
31	12. Other income		1,302,110,218	1,523,629,989
32	13. Other expenses		(779,887,540)	(740,079,362)
40	14. Other profit		522,222,678	783,550,627
50	15. Accounting profit before tax		115,334,904,446	74,637,343,991
51	16. Current corporate income tax expenses	27.1	(25,752,397,563)	(16,782,319,109)
52	17. Deferred tax income	27.3	2,246,914,089	1,865,646,373

CONSOLIDATED INCOME STATEMENT (continued)  
for the year ended 31 December 2022

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
60	18. Net profit after tax		91,829,420,972	59,720,671,255
61	19. Net profit after tax attributable to shareholders of the parent		91,574,834,588	59,720,671,255
62	20. Net profit after tax attributable to non-controlling interests		254,586,384	-
70	21. Basic earnings per share	29	2,215	1,453
71	22. Diluted earnings per share	29	2,215	1,453

  
Nguyen Bao Ngoc  
Preparer  
Accounting manager

  
Yu Sung Dae  
Deputy General Director  
In charge of Finance

  
Lee Jae Eun  
General Director

29 March 2023

CONSOLIDATED CASH FLOW STATEMENT  
for the year ended 31 December 2022

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Profit before tax</b>		<b>115,334,904,446</b>	<b>74,637,343,991</b>
	<i>Adjustments for:</i>			
02	Depreciation of tangibles fixed assets and amortisation of intangible fixed assets		35,677,478,011	39,515,269,521
03	Provisions		25,995,691,868	3,381,806,116
04	Foreign exchange (gains)/losses arisen from revaluation of monetary accounts denominated in foreign currency		(1,378,890,386)	488,974,567
05	Profit from investing activities		(19,960,993,451)	(28,457,317,030)
06	Interest expenses		6,738,633,160	23,423,538,100
08	<b>Operating profit before changes in working capital</b>		<b>162,406,823,648</b>	<b>112,989,615,265</b>
09	Increase in receivables		(16,938,180,579)	(43,601,493,984)
10	Increase in inventories		(30,127,094,340)	(7,177,263,895)
11	(Decrease)/increase in payables		(2,166,116,277)	20,189,423,831
12	(Increase)/decrease in prepaid expenses		(1,249,152,962)	999,928,091
13	Decrease/(increase) in held-for-trading securities		4,992,734,795	(93,752,362,169)
14	Interest paid		(6,803,641,363)	(22,260,411,538)
15	Corporate income tax paid	16	(19,218,211,960)	(20,001,959,129)
17	Other cash outflows from operating activities		(5,637,302,540)	-
18	Other cash inflows from operating activities		-	44,266,821
20	<b>Net cash flows from/(used in) operating activities</b>		<b>85,259,858,422</b>	<b>(52,570,256,707)</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase, construction of fixed assets and other long-term assets		(153,498,703,878)	(75,789,646,448)
22	Proceeds from disposals of fixed assets and other long-term assets		1,340,691,737	599,431,048
23	Loans to other entities, short-term investment		(398,412,082,150)	(109,273,000,000)
24	Collections from borrowers, short-term investments		353,345,000,000	365,647,000,000
25	Payments for investments in other entities		-	(1,376,000,000)
26	Proceeds from sale of investments in other entities		-	3,360,000,000
27	Interest and dividends received		14,951,514,410	32,180,121,114
30	<b>Net cash flows (used in)/from investing activities</b>		<b>(182,273,579,881)</b>	<b>215,347,905,714</b>

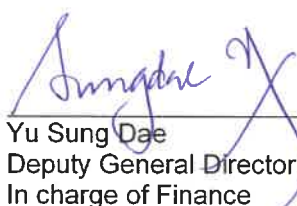
CONSOLIDATED CASH FLOW STATEMENT (continued)  
for the year ended 31 December 2022

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Proceeds from issuing shares		18,881,839,777	-
33	Drawdown of borrowings		363,031,673,666	298,534,256,847
34	Repayment of borrowings		(242,534,092,545)	(423,130,280,750)
36	Dividends paid to shareholders		(41,083,124,500)	(37,991,437,250)
<b>40</b>	<b>Net cash flows from/(used in) financing activities</b>		<b>98,296,296,398</b>	<b>(162,587,461,153)</b>
<b>50</b>	<b>Net increase in cash for the year</b>		<b>1,282,574,939</b>	<b>190,187,854</b>
<b>60</b>	<b>Cash and cash equivalents at the beginning of the year</b>		<b>52,162,065,411</b>	<b>51,427,020,485</b>
61	Impact of exchange rate fluctuation		1,335,712,742	544,857,072
<b>70</b>	<b>Cash and cash equivalents at the end of the year</b>	<b>4</b>	<b>54,780,353,092</b>	<b>52,162,065,411</b>



Nguyen Bao Ngoc  
Preparer  
Accounting manager



Yu Sung Dae  
Deputy General Director  
In charge of Finance



Lee Jae Eun  
General Director

29 March 2023



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
as at 31 December 2022 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 the latest being the 21<sup>th</sup> Amended Investment Registration Certificate, received on 28 April 2022.

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 employees of the Company and its subsidiaries as at 31 December 2022 is 1,217 (31 December 2021: 1,228).

### ***Company structure***

The Company has 2 subsidiaries. Details of the subsidiaries and the percentage of the Company’s voting and interests in these subsidiaries as at 31 December 2022 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 2022, 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.

#### *Mirae Asset Vietnam Opportunity Fund*

This is a securities investment fund established under the certificate No. 36/GCN-UBCK issued by the State Securities Commission on 20 July 2022. Mirae Asset Vietnam Opportunity Fund is headquartered at the 38<sup>th</sup> floor, Keangnam Landmark Hanoi Tower, Area E6, Cau Giay New Urban Area, Me Tri Ward, Nam Tu Liem District, Hanoi. The Mirae Asset Vietnam Opportunity Fund will invest in stocks and bonds of issuers operating under Vietnamese and foreign laws, and capital contributions in limited liability companies in the industries which is not prohibited by law.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

## 1. CORPORATE INFORMATION (continued)

### *Mirae Asset Vietnam Opportunity Fund (continued)*

As at 31 December 2022, the Company is registered to hold 80% shares and voting rights in this subsidiary. At the date of this report, the Company contributed VND 40,000,000,000, equivalent to 80% charter capital to this subsidiary.

As at 31 December 2022, the Company also owns investment in associate as disclosed in Note 13.1.

## 2. BASIS OF PREPARATION

### 2.1 *Accounting standards and system*

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

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

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

### 2.2 *Applied accounting documentation system*

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

## 2. BASIS OF PREPARATION (continued)

### 2.5 *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the year ended 31 December 2022.

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

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

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

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

Impact of changes in the ownership interest of subsidiaries, 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, 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 and its subsidiaries, 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 service rendered account in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

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

**3.3 Receivables**

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

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

**3.4 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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 consolidated income statement as incurred.

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

**3.5 Leased assets**

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

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

*Where the Company is the lessee*

Rentals under operating leases are charged to the 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 amortization.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

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

#### 3.6 *Intangible fixed assets* (continued)

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

##### *Trademark, distribution channels*

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

#### 3.7 *Depreciation and amortization*

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

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

#### 3.8 *Borrowing costs*

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

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

#### 3.9 *Prepaid expenses*

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

##### *Prepaid land rental*

The prepaid land rental represents the unamortised balance of advance payment made in accordance with lease contract signed with Sonadezi Giang Dien Joint Stock Company on 2 June 2021 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

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

#### 3.10 *Business combinations and goodwill*

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

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

#### 3.11 *Investments*

##### *Investments in associates*

The Company's investment in its associate is accounted for using the equity method of accounting. An associate is an entity in which the Company has significant influence that is neither subsidiaries nor joint ventures. The 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 consolidated balance sheet at cost plus post acquisition changes in the Group'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 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 consolidated income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend/profit sharing received or receivable from associates reduces the carrying amount of the investment.

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

##### *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 diminution in value investments*

Provision of the investment is made when there are reliable evidence 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 consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

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

**3.11 Investments (continued)**

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

**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 Accrual for severance pay**

*The Company and the subsidiary in Vietnam*

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 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 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.

*Everpia Korea Joint Stock Company*

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 Company up to balance sheet date in accordance with the law of the country of residence.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

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

#### 3.14 Provisions

##### *General*

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

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

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

#### 3.15 Foreign currency transactions

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

- ▶ Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- ▶ Transactions resulting in liabilities are recorded at the selling exchange rates of the transaction of commercial banks designated for payment;
- ▶ 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.

At the end of the year, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rates at the consolidated 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 subsidiaries conducts transactions regularly; and
- ▶ Monetary liabilities are revaluated at selling exchange rate of the commercial bank where the Company and its subsidiaries conducts transactions regularly.

All foreign exchange differences are taken to the consolidated 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, issue or cancellation of the Group's own equity instruments.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

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

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

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

- ▶ Transactions resulting in assets are converted at the buying exchange rates of the commercial banks;
- ▶ Transactions resulting in liabilities are converted at the selling exchange rates of the commercial banks;
- ▶ Net assets of subsidiaries hold by the parent company are converted at the exchange rate recorded in accounting book at the date of acquisition;
- ▶ Undistributed earnings incurred after acquisition date are converted with reference to respective items of income and expenses of the income statement;
- ▶ Items of income statement and cash flow statement are converted at the actual exchange rates available at the transaction dates. In case the average exchange rate of the reporting period is approximately equal to the actual exchange rate (variance not over+/-2%), the average exchange rate of the reporting period is used.

All foreign exchange differences incurred from the conversion of reporting currency are recorded separately in owner's equity until disposal of investment in foreign independent operation.

#### 3.18 *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 Charter of the Company and its subsidiaries 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.

#### 3.19 *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and its subsidiaries, 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:



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

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

**3.19 Revenue recognition (continued)**

*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.

*Dividends*

Income is recognised when the entitlement of Company and its subsidiaries 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 years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the balance sheet date.

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

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company and its subsidiaries to set off current tax assets against current tax liabilities and when the Company and its subsidiaries 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 in the consolidated financial statements.

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

- ▶ where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss; and
- ▶ in respect of taxable temporarily differences associated with investments in subsidiaries and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled by the Company and its subsidiaries 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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

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

#### 3.20 *Taxation* (continued)

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

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

The carrying amount of deferred tax assets is reviewed at each 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 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 year when the asset realised or the liability is settled based on tax rates and tax laws that have been enacted at the consolidated balance sheet date.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company and its subsidiaries 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 and its subsidiaries intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future year 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 subsidiaries 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 subsidiaries are mainly carried out in the territory of Vietnam. Therefore, the Company and its subsidiaries have only one business segment and one geographic segment. Accordingly, the Company and its subsidiaries do not disclose segment information.

#### 3.22 *Related parties*

Parties are considered to be related parties of the Company and its subsidiaries if one party has the ability, 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 its subsidiaries 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 CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year 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

Currency: VND

	Ending balance	Beginning balance
Cash on hand	147,654,730	187,073,131
Cash at banks	37,686,814,415	25,672,095,555
Cash equivalents (*)	16,945,883,947	26,302,896,725
<b>TOTAL</b>	<b>54,780,353,092</b>	<b>52,162,065,411</b>

(\*) Cash equivalents represent bank deposits with terms from 1 month to 3 months, which earn interest at rates ranging from 3.8% to 6.0% per annum (2021: 3.0 – 4.0% 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)	59,629,354,831	41,694,443,171	(17,934,911,660)	20,392,362,169	19,892,406,812	(499,955,358)
Bond (ii)	49,130,272,543	48,997,760,734	(132,511,809)	93,360,000,000	93,360,000,000	-
<b>TOTAL</b>	<b>108,759,627,374</b>	<b>90,692,203,905</b>	<b>(18,067,423,469)</b>	<b>113,752,362,169</b>	<b>113,252,406,812</b>	<b>(499,955,358)</b>

(i) Details for shares investment are as follows:

	Ending balance			Beginning balance		
	Cost	Fair value (*)	Provision	Cost	Fair Value	Provision
SSI Securities Corporation	39,434,945,100	26,516,043,171	(12,918,901,929)	2,191,666,811	3,108,000,000	-
Ho Chi Minh Securities Joint Stock Company Vietnam	19,695,602,640	14,800,000,000	(4,895,602,640)	6,196,811,500	6,142,500,000	(54,311,500)
National Aviation Insurance Corporation	498,807,091	378,400,000	(120,407,091)	-	-	-
Hoa Phat Group Joint Stock Company	-	-	-	12,003,883,858	11,558,240,000	(445,643,858)
<b>TOTAL</b>	<b>59,629,354,831</b>	<b>41,694,443,171</b>	<b>(17,934,911,660)</b>	<b>20,392,362,169</b>	<b>20,808,740,000</b>	<b>(499,955,358)</b>

(\*) The fair value of shares investment is determined based on the quoted price of shares on the stock market as 30 December 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**5. SHORT-TERM INVESTMENTS (continued)**

**5.1. Held-for-trading securities (continued)**

(ii) Details for bond investment are as follows:

*Currency: VND*

	<i>Ending balance</i>			<i>Beginning balance</i>		
	<i>Cost</i>	<i>Fair value</i>	<i>Provision</i>	<i>Cost</i>	<i>Fair value</i>	<i>Provision</i>
PC1 Group Joint Stock Company (*)	29,120,254,734	29,120,254,734	-	-	-	-
Lien Viet Post Bank CMC	10,010,034,247	9,925,390,000	(84,644,247)	-	-	-
Corporation VPS Securities JSC (*)	9,999,983,562	9,952,116,000	(47,867,562)	-	-	-
Mirae Asset Securities (Vietnam) LLC (*)	-	-	-	53,360,000,000	53,360,000,000	-
	-	-	-	40,000,000,000	40,000,000,000	-
<b>TOTAL</b>	<b>49,130,272,543</b>	<b>48,997,760,734</b>	<b>(132,511,809)</b>	<b>93,360,000,000</b>	<b>93,360,000,000</b>	<b>-</b>

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

**5.2. Held-to-maturity investments**

*Currency: VND*

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Carrying value</i>	<i>Cost</i>	<i>Carrying value</i>
Term deposits	305,806,082,150	305,806,082,150	259,939,000,000	259,939,000,000
<b>TOTAL</b>	<b>305,806,082,150</b>	<b>305,806,082,150</b>	<b>259,939,000,000</b>	<b>259,939,000,000</b>

Held-to-maturity investments represent deposits with terms from 6 months to 1 year, which earn interest at rates ranging from 3.8% to 11.5% per annum (as at 31 December 2021: 5.4% to 5.6% per annum).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**6. SHORT-TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS****6.1 Short-term trade receivables**

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Welcron Global Vietnam JSC	6,436,352,596	5,321,675,890
MM Mega Market Vietnam Co., Ltd.	3,176,920,133	4,165,344,026
Petit Elin Co., Ltd.	2,861,903,951	4,699,692,605
GDB Investment and Trading Company Limited – Hai Phong	2,549,881,971	3,832,664,984
Other trade receivables	168,224,523,477	148,111,224,377
<b>TOTAL</b>	<b><u>183,249,582,128</u></b>	<b><u>166,130,601,882</u></b>
Provision for doubtful debts	(16,026,950,415)	(15,352,861,972)

**6.2 Short-term advances to suppliers**

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Youngjin E&C Joint Stock Company	20,340,368,000	-
Tongxiang Huibo Import & Export Co., Ltd.	4,568,687,508	7,260,252,903
Ha Trang Interior Co., Ltd.	2,430,499,821	920,616,857
Guoxin Infu Limited Company	1,222,535,252	1,610,031,598
NanTong GlobalLink Industry & Trade Co., Ltd.	175,225,203	1,732,906,504
Advance to other suppliers	13,528,833,555	9,912,890,630
<b>TOTAL</b>	<b><u>42,266,149,339</u></b>	<b><u>21,436,698,492</u></b>

**7. OTHER RECEIVABLES**

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term</b>		
Value added tax waiting for refund	11,353,286,408	1,168,241,076
Shortage of assets awaiting resolution	11,349,845,417	11,349,845,417
Interest income from term deposits	8,142,673,839	3,636,611,547
Advance to employees	3,051,958,040	2,265,664,481
Land rental deposit	-	5,038,344,000
Import tax waiting for refund	-	347,397,965
Other short-term receivables	788,785,873	1,065,418,142
<b>TOTAL</b>	<b><u>34,686,549,577</u></b>	<b><u>24,871,522,628</u></b>
Provision for doubtful other short-term receivables	(11,452,992,617)	(11,452,992,617)
<b>Long-term</b>		
Long-term deposit	2,528,912,336	2,510,521,266
Other long-term receivables	21,294,780	-
<b>TOTAL</b>	<b><u>2,550,207,116</u></b>	<b><u>2,510,521,266</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

## 8. OVERDUE DEBTS

Currency: VND

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Recoverable amount</i>	<i>Cost</i>	<i>Recoverable amount</i>
	Trade receivables	27,138,830,869	11,111,880,454	29,113,267,434
Shortage of assets awaiting resolution	11,452,992,617	-	11,452,992,617	-
<b>TOTAL</b>	<b>38,591,823,486</b>	<b>11,111,880,454</b>	<b>40,566,260,051</b>	<b>13,760,405,462</b>

## 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	7,158,568,051	-	5,735,532,397
Raw materials	203,185,708,767	(14,320,172,867)	205,464,933,726	(10,540,999,759)
Finished goods	177,278,317,383	(14,706,958,197)	145,038,788,822	(5,984,625,330)
Merchandise	5,557,589,645	-	6,813,834,561	-
<b>TOTAL</b>	<b>393,180,183,846</b>	<b>(29,027,131,064)</b>	<b>363,053,089,506</b>	<b>(16,525,625,089)</b>

Movements of provision for obsolete inventories:

Currency: VND

	<i>Current year</i>	<i>Previous year</i>
Beginning balance	16,525,625,089	16,378,940,507
Add: Provision made during the year	15,317,423,271	4,255,794,498
Less: Reversal of provision during the year	(2,815,917,296)	(4,109,109,916)
Ending balance	<u>29,027,131,064</u>	<u>16,525,625,089</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**10. TANGIBLE FIXED ASSETS**

	<i>Buildings and structures</i>	<i>Machinery and equipment</i>	<i>Office equipment</i>	<i>Motor vehicles</i>	<i>Others</i>	<i>Total</i>
	<i>Currency: VND</i>					
<b>Cost:</b>						
Beginning balance	213,886,324,149	309,624,227,624	14,362,286,934	43,599,982,856	20,519,401,907	601,992,223,470
Newly purchased	153,000,000	12,050,900,358	-	521,693,968	124,865,483	12,850,459,809
Disposal	-	(4,030,948,619)	-	(615,531,634)	-	(4,646,480,253)
Foreign exchanges differences arising from conversion of financial statements of subsidiaries						
	(511,223,062)	-	-	-	129,724,160	(381,498,902)
Ending balance	213,528,101,087	317,644,179,363	14,362,286,934	43,506,145,190	20,773,991,550	609,814,704,124
<i>In which:</i>						
<i>Fully depreciated</i>	63,456,764,861	158,813,634,122	14,362,286,934	19,125,752,212	14,729,267,001	270,487,705,130
<b>Accumulated depreciation:</b>						
Beginning balance	109,834,143,458	243,079,793,673	14,121,427,516	30,527,274,035	17,707,459,350	415,270,098,032
Depreciation for the year	9,883,434,064	20,453,784,759	240,859,418	2,921,517,123	621,691,120	34,121,286,484
Disposal	-	(3,193,673,631)	-	(615,531,634)	-	(3,809,205,265)
Foreign exchanges differences arising from conversion of financial statements of subsidiaries						
	(21,238,307)	-	-	-	-	(21,238,307)
Ending balance	119,696,339,215	260,339,904,801	14,362,286,934	32,833,259,524	18,329,150,470	445,560,940,944
<b>Net carrying amount:</b>						
Beginning balance	104,052,180,691	66,544,433,951	240,859,418	13,072,708,821	2,811,942,557	186,722,125,438
Ending balance	93,831,761,872	57,304,274,562	-	10,672,885,666	2,444,841,080	164,253,763,180

Tangible fixed assets with net carrying amount of VND 83 billion have been mortgaged for loans as presented in Note 19.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

#### 11. INTANGIBLE FIXED ASSETS

	Trademark	Distribution channel	Computer software	Others	Total
<b>Cost:</b>					
Beginning balance	24,566,385,000	7,831,500,000	7,928,284,189	1,412,697,389	41,738,866,578
Foreign exchanges differences arising from conversion of financial statements of subsidiaries	-	-	-	(17,760,286)	(17,760,286)
Ending balance	24,566,385,000	7,831,500,000	7,928,284,189	1,394,937,103	41,721,106,292
<i>In which:</i>					
Fully amortized	-	7,831,500,000	6,866,430,149	686,893,687	15,384,823,836
<b>Accumulated amortization:</b>					
Beginning balance	22,980,335,639	7,831,500,000	7,410,430,241	686,893,687	38,909,159,567
Amortization for the year	1,463,191,527	-	93,000,000	-	1,556,191,527
Ending balance	24,443,527,166	7,831,500,000	7,503,430,241	686,893,687	40,465,351,094
<b>Net carrying amount:</b>					
Beginning balance	1,586,049,361	-	517,853,948	725,803,702	2,829,707,011
Ending balance	122,857,834	-	424,853,948	708,043,416	1,255,755,198



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended**12. CONSTRUCTION IN PROGRESS**

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Construction cost of Giang Dien factory (*)	63,442,539,446	-
Consulting cost of EDGE green building certificate - Giang Dien factory	414,500,000	-
Hardware and software of HRIS system	423,576,900	-
Prepaid land rentals	-	55,418,410,869
<b>TOTAL</b>	<b>64,280,616,346</b>	<b>55,418,410,869</b>

(\*) Construction cost of Giang Dien factory was used as collateral for long-term loan as presented in Note 19.2.

**13. LONG-TERM INVESTMENTS**

	<i>Currency: VND</i>			
	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Investment in associate (Note 13.1)	11,590,390,000	(11,590,390,000)	11,590,390,000	(11,590,390,000)
Investment in other entities (Note 13.2)	10,356,200,000	(552,091,513)	10,491,200,000	(552,091,513)
<b>TOTAL</b>	<b>21,946,590,000</b>	<b>(12,142,481,513)</b>	<b>22,081,590,000</b>	<b>(12,142,481,513)</b>

Management could not assess the fair value of these investments as these entities are not listed on the stock market.

**13.1 Investments in associate**

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Ownership (%)</i>	<i>Voting right (%)</i>	<i>Ownership (%)</i>	<i>Voting right (%)</i>
Texpia Joint Stock Company	44%	44%	44%	44%

As at 31 December 2022, Texpia Joint Stock Company has no assets or liabilities. It is working with governing agencies to officially close the business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

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

**13.2 Investment in other entities**

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Bac Ninh Pharmaceutical JSC (*)	4,014,200,000	4,014,200,000
Hyojung Soft Tech JSC (**)	960,000,000	960,000,000
Kalon Investment Asset Co., Ltd. (***)	5,382,000,000	5,517,000,000
<b>TOTAL</b>	<b><u>10,356,200,000</u></b>	<b><u>10,491,200,000</u></b>

(\*) The original amount of the investment in shares of Bac Ninh Pharmaceutical JSC with the number of shares is 309,600 shares.

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

(\*\*\*) Investment in the shares of Kalon Investment Asset Co., Ltd. with 30,000 shares at the cost of KRW 300,000,000 (equivalent to VND 5,382,000,000).

**14. PREPAID EXPENSES**

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term</b>		
Prepaid rentals	2,417,931,422	1,844,791,682
Advertisement	515,770,795	252,275,454
Fire insurance	467,235,377	64,456,150
Others	382,132,702	372,394,048
<b>TOTAL</b>	<b><u>3,783,070,296</u></b>	<b><u>2,533,917,334</u></b>
<b>Long-term</b>		
Prepaid land rentals (*)	117,802,409,903	9,858,910,356
Prepaid rentals	10,404,457,765	7,181,270,926
Showroom furniture	4,262,881,265	3,426,539,580
Tools and spare parts	3,030,217,512	3,867,728,255
Others	1,327,552,700	1,047,399,436
<b>TOTAL</b>	<b><u>136,827,519,145</u></b>	<b><u>25,381,848,553</u></b>

(\*) This includes land rental prepaid for the purpose of building a factory in Giang Dien Industrial Park, Dong Nai province with a total value of VND 110,749,580,575 and has been used as collateral for long-term loan as presented in Note 19.2.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 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
Tongxiang Huibo Import & Export	4,787,327,426	4,787,327,426	8,525,055,744	8,525,055,744
Osun Co., Ltd.	2,047,865,415	2,047,865,415	1,755,719,493	1,755,719,493
Payables to other suppliers	42,069,878,954	42,069,878,954	45,316,071,249	45,316,071,249
<b>TOTAL</b>	<b>48,905,071,795</b>	<b>48,905,071,795</b>	<b>55,596,846,486</b>	<b>55,596,846,486</b>

### 15.2 Short-term advances from customers

Currency: VND

	Ending balance	Beginning balance
	Hung Thang Construction Joint Stock Company	1,883,282,750
Petit Elin Company Limited	948,000,240	1,602,145,924
ODK Mikazuki Vietnam Company Limited	-	3,308,186,254
Hai An Trading Investment Joint Stock Company	-	3,238,914,234
Others	15,760,988,309	14,619,598,705
<b>TOTAL</b>	<b>18,592,271,299</b>	<b>23,956,101,080</b>

## 16. STATUTORY OBLIGATIONS

Currency: VND

	Beginning balance	Receivable in the year	Net off made in the year	Ending balance
<b>Receivables</b>				
Value added tax	5,563,148,112	41,770,049,542	(44,124,528,870)	3,208,668,785
<b>TOTAL</b>	<b>5,563,148,112</b>	<b>41,770,049,542</b>	<b>(44,124,528,870)</b>	<b>3,208,668,785</b>

Currency: VND

	Beginning balance	Payable in the year	Payment in the year	Ending balance
<b>Payables</b>				
Value added tax	2,126,909,518	21,735,552,817	(19,573,504,311)	4,288,958,024
Import duties	99,811,732	3,432,780,068	(3,532,591,800)	-
Corporate income tax	5,651,583,919	25,752,397,563	(19,218,211,960)	12,185,769,522
Personal income tax	2,474,875,064	7,978,331,059	(9,059,197,429)	1,394,008,694
Other taxes	37,860,102	751,313,035	(789,173,137)	-
<b>TOTAL</b>	<b>10,391,040,335</b>	<b>59,650,374,542</b>	<b>(52,172,678,637)</b>	<b>17,868,736,240</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**17. SHORT-TERM ACCRUED EXPENSE**

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Import and export fee	893,724,575	905,454,545
Others	779,721,936	494,003,736
<b>TOTAL</b>	<b><u>1,673,446,511</u></b>	<b><u>1,399,458,281</u></b>

**18. OTHER PAYABLES**

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term</b>		
Trade union fee	352,227,174	178,082,884
Accrued interest	341,628,547	406,636,750
Social insurance	213,069,025	52,143,567
Other short-term payables	788,440,817	313,448,507
<b>TOTAL</b>	<b><u>1,695,365,563</u></b>	<b><u>950,311,708</u></b>
<b>Long-term</b>		
Provision for severance allowances	19,535,193,500	19,824,100,116
Provision for site restoration	2,762,996,314	2,762,996,314
Other long-term payables	116,818,000	116,818,000
<b>TOTAL</b>	<b><u>22,415,007,814</u></b>	<b><u>22,703,914,430</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

## 19. LOANS

	Beginning balance		Movement during the year		Foreign exchange difference	Ending balance	
	Balance	Payable amount	Increase	Decrease		Balance	Payable amount
<b>Short-term</b>							
Loans from banks (Note 19.1)	156,272,917,941	156,272,917,941	274,762,665,666	(241,929,753,080)	(368,058,357)	188,737,772,170	188,737,772,170
Current portion of long-term loans (Note 19.2)	604,339,465	604,339,465	3,677,875,333	(604,339,465)	-	3,677,875,333	3,677,875,333
	<b>156,877,257,406</b>	<b>156,877,257,406</b>	<b>278,440,540,999</b>	<b>(242,534,092,545)</b>	<b>(368,058,357)</b>	<b>192,415,647,503</b>	<b>192,415,647,503</b>
<b>Long-term</b>							
Loans from banks (Note 19.2)	10,080,000,000	10,080,000,000	88,269,008,000	(3,677,875,333)	(245,000,000)	94,426,132,667	94,426,132,667
	<b>10,080,000,000</b>	<b>10,080,000,000</b>	<b>88,269,008,000</b>	<b>(3,677,875,333)</b>	<b>(245,000,000)</b>	<b>94,426,132,667</b>	<b>94,426,132,667</b>
<b>TOTAL</b>	<b>166,957,257,406</b>	<b>166,957,257,406</b>	<b>366,709,548,999</b>	<b>(246,211,967,878)</b>	<b>(613,058,357)</b>	<b>286,841,780,170</b>	<b>286,841,780,170</b>

Currency: VND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**19. LOANS** (continued)

**19.1 Short-term loans from banks**

Bank	31 December 2022		Interest rate per annum	Description of collateral
	VND	Original currency		
Joint Stock Commercial Bank for Foreign Trade of Vietnam	101,057,565,831	VND 101,057,565,831	5 – 7.3%	Plants, machineries and equipment of Hung Yen factory and receivables
Joint Stock Commercial Bank for Foreign Trade of Vietnam	60,646,457,492	USD 2,555,687.21	2.5 – 4%	Plants, machineries and equipment of Hung Yen factory and receivables
Woori Bank Vietnam Limited	27,033,748,847	VND 27,033,748,847	4.8%	Unsecured

**TOTAL** 188,737,772,170

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**19. LOANS** (continued)

**19.2 Long-term loans from banks**

Banks	31 December 2022		Principal and interest payment term	Interest rate per annum	Description of collateral
	VND equivalent	Original currency			
Joint Stock Commercial Bank for Foreign Trade of Vietnam	88,269,008,000	VND 88,269,008,000	Loan with 7-years term. Interest is payable on 26 <sup>th</sup> each month and the latest indenture payable on 9 November 2029	9.50%	Land use rights and fixed assets formed from the loan at Giang Dien factory, Dong Nai
KEB Hana Bank	9,835,000,000	KRW 500,000,000	Principal is payable at maturity on 3 March 2024. Interest payment is payable 3 <sup>rd</sup> each month	3.64%	Everpia Korea's office located at A408-Hyeondae Knowledge Industry Center, No. 3 Godeung Ro, Sujeong Gu, Seongdnam Si, Gyeonggi Do, Seoul, Korea

**TOTAL** **98,104,008,000**

*In which:*

Current portion 3,677,875,333  
Non-current portion 94,426,132,667

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**20. OWNERS' EQUITY**

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

	Share capital	Share premium	Treasury shares	Foreign exchange reserve	Other fund belonging to owners' equity	Undistributed earnings	Non-controlling interest	Total
<b>Previous year</b>								
Beginning balance	419,797,730,000	203,072,724,247	(76,000,000,000)	(1,736,867,207)	1,660,261,921	397,533,353,944	-	944,327,202,905
- Profit for the year	-	-	-	-	-	59,720,671,255	-	59,720,671,255
- Appropriation to reserve	-	-	-	-	2,102,846,556	(2,102,846,556)	-	-
- Dividends declared	-	-	-	-	-	(37,991,437,251)	-	(37,991,437,251)
- Foreign exchanges differences arising from conversion of financial statements of subsidiaries	-	-	-	(2,064,465,759)	-	-	-	(2,064,465,759)
- Utilisation of fund	-	-	-	-	44,266,828	-	-	44,266,828
Ending balance	419,797,730,000	203,072,724,247	(76,000,000,000)	(3,801,332,966)	3,807,375,305	417,159,741,392	-	964,036,237,978
<b>Current year</b>								
Beginning balance	419,797,730,000	203,072,724,247	(76,000,000,000)	(3,801,332,966)	3,807,375,305	417,159,741,392	-	964,036,237,978
- Increase in capital contribution	-	-	-	-	-	-	10,000,000,000	10,000,000,000
- Profit for the year	-	-	-	-	-	91,574,834,588	254,586,384	91,829,420,972
- Appropriation to reserve	-	-	-	-	2,986,033,563	(2,986,033,563)	-	-
- Reissuance of treasury shares (i)	-	(18,876,846,400)	76,000,000,000	-	-	(48,241,313,823)	-	8,881,839,777
- Dividends declared (ii)	-	-	-	-	-	(41,083,124,500)	-	(41,083,124,500)
- Foreign exchanges differences arising from conversion of financial statements of subsidiaries	-	-	-	(199,295,314)	13,426,513	-	-	(185,868,801)
- Utilisation of fund	-	-	-	-	(5,637,302,540)	-	-	(5,637,302,540)
Ending balance	419,797,730,000	184,195,877,847	-	(4,000,628,280)	1,169,532,841	416,424,104,094	10,254,586,384	1,027,841,202,886



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

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

**20.1 Increase and decrease in owners' equity** (continued)

- (i) Under the Resolution of Board of Directors No. 001/2022/HDQT/NQ dated 4 January 2022, the Company's Board of Directors has approved the plan to reissue treasury shares to existing shareholders at the rate of 8% (shareholders owning 100 shares will receive 8 shares divided from treasury shares).

Under the Resolution of Board of Directors No. 005/2022/HDQT/NQ dated 12 April 2022, the Company's Board of Directors has approved the detailed plan to use treasury shares to sell to employees with the amount of 888,184 shares.

- (ii) Under the Resolution of the Annual Meeting of Shareholders No. 01/DHDCD2022/NQ dated 28 April 2022, the Company declared dividends in cash from profit after tax presented in the consolidated financial statements for the year ended 31 December 2021 equal 10% of par value (VND 1,000 per share).

**20.2 Contributed charter capital**

*Currency: VND*

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Total</i>	<i>Ordinary shares</i>	<i>Total</i>	<i>Ordinary shares</i>
Share capital	419,797,730,000	419,797,730,000	419,797,730,000	419,797,730,000
Share premium	184,195,877,847	184,195,877,847	203,072,724,247	203,072,724,247
Treasury shares	-	-	(76,000,000,000)	(76,000,000,000)
<b>TOTAL</b>	<b>603,993,607,847</b>	<b>603,993,607,847</b>	<b>546,870,454,247</b>	<b>546,870,454,247</b>

**20.3 Dividends**

*Currency: VND*

	<i>Current year</i>	<i>Previous year</i>
<b>Dividends declared during the year</b>	<b>41,083,124,500</b>	<b>37,991,437,250</b>
<i>Dividends on ordinary shares</i>		
Dividends for 2021: VND 1,000 per share (2020: VND 1,000 per share)	41,083,124,500	37,991,437,250
<b>Dividends declared after the date of reporting period and not yet recognized as liability as at 31 December 2022</b>	<b>-</b>	<b>-</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

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

**20.4 Shares**

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

The par value of share in circulation during the year is VND 10,000/share (2021: VND 10,000/share).

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

Other fund belonging to owners' equity is set up under the Resolution of the General Shareholders No. 01/DHDCD2022/NQ dated 28 April 2021 at the amount of 5% of profit after tax presented in the consolidated financial statements for year ended 31 December 2021. 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>Ending balance</i>	<i>Beginning balance</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")	548,756.84	439,132.50
- Euro ("EUR")	86,856.31	84,435.03
- Korean Won ("KRW")	27,557,929	137,458,369

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

## 22. REVENUE

### 22.1 Revenue from sale of goods and rendering of services

	Currency: VND	
	Current year	Previous year
<b>Gross revenue</b>	<b>1,021,675,009,233</b>	<b>866,451,098,588</b>
<i>In which:</i>		
<i>Sales of bedding, mattress products</i>	707,168,494,166	562,367,558,592
<i>Sales of padding products</i>	233,761,839,270	208,776,035,097
<i>Sales of cleaner products</i>	79,901,469,910	76,047,320,175
<i>Sales of other goods and services</i>	843,205,887	19,260,184,724
<b>Revenue deductions</b>	<b>(426,491,045)</b>	<b>(503,797,371)</b>
<i>Sales return</i>	(426,491,045)	(503,797,371)
<b>Net revenue</b>	<b>1,021,248,518,188</b>	<b>865,947,301,217</b>
<i>In which:</i>		
<i>Sales of bedding, mattress products</i>	706,742,003,121	561,863,761,221
<i>Sales of padding products</i>	233,761,839,270	208,776,035,097
<i>Sales of cleaner products</i>	79,901,469,910	76,047,320,175
<i>Sales of other goods and services</i>	843,205,887	19,260,184,724

### 22.2 Finance income

	Currency: VND	
	Current year	Previous year
Interest income	18,712,576,702	26,965,974,852
Foreign exchange gain	8,084,033,397	8,614,053,615
Gain from investments in trading securities	3,980,809,470	9,860,178,342
Dividends earned	745,000,000	458,000,000
Other	159,087,907	-
<b>TOTAL</b>	<b>31,681,507,476</b>	<b>45,898,206,809</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

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

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Cost of bedding, mattress products	425,794,715,215	371,514,253,047
Cost of padding products	136,916,633,677	123,396,103,353
Cost of cleaner products	73,570,525,979	60,313,774,678
Cost of other goods and other services rendered	782,882,605	15,514,800,789
<b>TOTAL</b>	<b><u>637,064,757,476</u></b>	<b><u>570,738,931,867</u></b>

### 24. FINANCE EXPENSES

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Interest expenses	6,738,633,160	23,423,538,100
Provision for diminution in value of held-for-trading securities	17,434,956,302	1,052,046,871
Foreign exchange losses	11,861,565,702	5,427,162,234
Other finance expenses	3,693,046,854	1,281,405,971
<b>TOTAL</b>	<b><u>39,728,202,018</u></b>	<b><u>31,184,153,176</u></b>

### 25. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
<b>Selling expenses</b>		
- Labour costs	78,362,705,820	76,073,765,468
- Raw materials	5,693,988,035	6,140,748,763
- Depreciation and amortisation	2,399,929,082	2,310,880,446
- External services	68,168,588,160	56,721,567,875
- Others	18,671,198,801	9,214,645,250
<b>TOTAL</b>	<b><u>173,296,409,898</u></b>	<b><u>150,461,607,802</u></b>
<b>General and administrative expenses</b>		
- Labour costs	54,311,448,983	54,377,516,849
- Provisions	4,073,282,218	4,036,344,915
- Depreciation and amortisation	5,716,915,256	6,753,639,423
- External services	14,146,045,855	12,408,433,351
- Others	9,780,282,192	7,482,435,769
<b>TOTAL</b>	<b><u>88,027,974,504</u></b>	<b><u>85,058,370,307</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**26. PRODUCTION AND OPERATING COSTS**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Materials	562,031,924,801	450,467,326,222
Labour costs	215,564,922,558	211,822,341,022
Expenses for external services	89,883,133,370	55,275,776,407
Depreciation and amortization	35,677,478,011	39,560,168,675
Other expenses	27,471,211,698	42,453,716,981
<b>TOTAL</b>	<b><u>930,628,670,438</u></b>	<b><u>799,579,329,307</u></b>

**27. CORPORATE INCOME TAX**

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

Everpia Korea JSC has obligation to pay corporate income tax in accordance with the regulation of the host country, equivalent to 10% of profit for the financial year ended 31 December 2022.

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

**27.1 CIT expenses**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Current CIT expenses	25,752,397,563	16,782,319,109
Deferred tax income	(2,246,914,089)	(1,865,646,373)
<b>TOTAL</b>	<b><u>23,505,483,474</u></b>	<b><u>14,916,672,736</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>115,334,904,446</b>	<b>74,637,343,991</b>
At CIT rate of 20%	23,066,980,889	14,927,468,798
<i>Adjustments:</i>		
Expenses not eligible for CIT deduction	1,165,337,753	955,883,781
Loss of subsidiaries	-	40,584
Difference in CIT tax rate of subsidiaries	(309,831,116)	40,584
Dividend received	(149,000,000)	(91,600,000)
Other adjustments	(268,004,052)	(875,161,011)
<b>CIT expense</b>	<b><u>23,505,483,474</u></b>	<b><u>14,916,672,736</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**27. CORPORATE INCOME TAX** (continued)

**27.2 Current tax**

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

**27.3 Deferred tax**

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

Currency: VND

	Consolidated balance sheet		Consolidated income statement	
	Ending balance	Beginning balance	Current year	Previous year
<b>Deferred tax assets</b>				
Provision for doubtful debts	11,951,864,991	11,817,047,302	134,817,689	366,622,707
Provision for obsolete inventories	5,805,426,213	3,305,125,017	2,500,301,196	29,336,916
Accrual for severance pay	2,951,084,721	3,134,009,300	(182,924,579)	(63,273,865)
Unrealised profit in inventories	1,272,080,092	1,498,909,592	(226,829,500)	1,294,860,773
Allocation expense of site restoration provision	552,599,260	442,079,407	110,519,853	110,519,851
Expense for excess of allocation period	255,046,121	184,273,133	70,772,988	70,634,360
Education support expense	-	-	-	(463,000,000)
	<b>22,788,101,398</b>	<b>20,381,443,751</b>	<b>2,406,657,647</b>	<b>1,345,700,742</b>
<b>Deferred tax liabilities</b>				
Unrealised foreign exchange gain of cash and trade receivables	(210,463,745)	(50,720,187)	(159,743,558)	519,945,631
	<b>(210,463,745)</b>	<b>(50,720,187)</b>	<b>(159,743,558)</b>	<b>519,945,631</b>
<b>Net deferred tax assets</b>	<b>22,577,637,653</b>	<b>20,330,723,564</b>		
<b>Net deferred tax credit to consolidated income statement</b>			<b>2,246,914,089</b>	<b>1,865,646,373</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**28. TRANSACTIONS WITH RELATED PARTIES**

List of related parties as at 31 December 2022 is as follows:

<i>Related parties</i>	<i>Relationship</i>
Texpia Joint Stock Company	Associate
Mr Cho Yong Hwan	Chairman
	Ho Chi Minh City Branch Deputy General Director
Mr Lee Jae Eun	General Director
	Member of Board of Directors
Mr Yu Sung Dae	Deputy General Director
	Member of Board of Directors
Mr Park Sung Jin	Dong Nai Branch Director (Until 1 January 2022)
	Member of Board of Directors
Mr Le Kha Tuyen	Member of Board of Directors
Ms Nguyen Le Hoang Yen	Member of Board of Directors (Until 28 April 2022)
Mr Truong Tuan Nghia	Head of Board of Supervision
Mr Ko Tae Yeon	Member of Board of Supervision
Mr Nguyen Dac Huong	Member of Board of Supervision

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

***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	General Director	5,921,754,630	5,769,159,583
	Member of Board of Directors		
Mr Cho Yong Hwan	Chairman	2,826,339,203	2,775,195,304
	Ho Chi Minh City Branch		
	Deputy General Director		
Mr Yu Sung Dae	Deputy General Director	2,963,542,823	2,536,251,687
	Member of Board of Directors		
Mr Park Sung Jin	Dong Nai Branch Director	-	2,404,513,268
	Member of Board of Directors		
Mrs Le Thi Thu Hien	Member of Board of Directors	-	21,600,000
Mr Le Kha Tuyen	Member of Board of Directors	86,400,000	86,400,000
Mrs Nguyen Le Hoang Yen	Member of Board of Directors	28,800,000	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 of Board of Supervisor	86,400,000	86,400,000
Mr. Nguyen Dac Huong	Member of Board of Supervisor	86,400,000	86,400,000
		<b><u>12,086,036,656</u></b>	<b><u>13,938,719,842</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

## 29. EARNINGS PER SHARE

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

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

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

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year (Restate)</i>
Net profit after tax attributable to ordinary equity holders for basic earnings	91,574,834,588	59,720,671,255
Net profit attributable to ordinary equity holders adjusted for the effect of dilution	<u>91,574,834,588</u>	<u>59,720,671,255</u>
Weighted average number of ordinary shares for basic earnings per share (*)	41,342,227	41,091,589
Weighted average number of ordinary shares adjusted for the effect of dilution	<u>41,342,227</u>	<u>41,091,589</u>
Basic earnings per share	2,215	1,453
Diluted earnings per share	2,215	1,453

(\*) Weighted average number of ordinary shares for basic earnings for the period ended 31 December 2021 was restated to reflect the issuance of treasury shares appropriated from undistributed earnings according to Resolution of General Meeting of Shareholders No.01/2022/NQ-DHDCD dated 4 January 2022, which is disclosed in Note 20.1.

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

## 30. COMMITMENTS

### *Operating lease commitment*

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


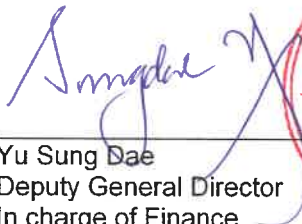

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Less than 1 year	10,781,651,384	8,107,061,636
From 1-5 years	<u>14,447,138,741</u>	<u>4,814,572,376</u>
<b>TOTAL</b>	<b><u>25,228,790,125</u></b>	<b><u>12,921,634,012</u></b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

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

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

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

29 March 2023

