



THIEN LONG GROUP CORPORATION

**SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**



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THIEN LONG GROUP CORPORATION

CORPORATE INFORMATION

Enterprise registration certificate

No. 0301464830 dated 14 March 2005 was initially issued by the Department of Planning and Investment of Ho Chi Minh City with the latest 20th amendment dated 7 June 2022.

Board of Directors

Mr. Co Gia Tho	Chairman
Ms. Tran Thai Nhu	Member
Ms. Co Ngan Binh	Member
Ms. Co Cam Nguyet	Member
Mr. Tayfun Uner	Member
Mr. Pham Nguyen Tri	Member
Mr. Nguyen Dinh Tam	Member
Mr. Tran Le Nguyen	Member (until 26 April 2022)
Mr. Huynh Van Thien	Member (until 26 April 2022)

Board of Supervision

Ms. Nguyen Thi Bich Nga	Head
Ms. Ta Hong Diep	Member
Ms. Vu Thi Thanh Nga	Member (from 26 April 2022)
Mr. Dinh Duc Hau	Member (until 26 April 2022)

Chief Executive Officer

Ms. Tran Phuong Nga	Chief Executive Officer
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Legal Representative

Mr. Co Gia Tho	Chairman
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Registered office

10th Floor, Sofic Tower, No. 10 Mai Chi Tho Street,
Thu Thiem Ward, Thu Duc City, Ho Chi Minh City, Vietnam

Auditor

PwC (Vietnam) Limited

THIEN LONG GROUP CORPORATION

STATEMENT OF THE CHIEF EXECUTIVE OFFICER

Statement of responsibility of the Chief Executive Officer of the Company in respect of the separate financial statements

The Chief Executive Officer of Thien Long Group Corporation ("the Company") is responsible for preparing the separate financial statements which give a true and fair view of the separate financial position of the Company as at 31 December 2022, and of the separate results of its operations and its separate cash flows for the year then ended. In preparing these separate financial statements, the Chief Executive Officer is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent; and
- Prepare the separate financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Chief Executive Officer 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 which enable separate financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the separate financial statements. The Chief Executive Officer is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud or error.

The Legal representative has authorized the Chief Executive Officer of the Company to approve and sign the separate financial statements for the year ended 31 December 2022 as per Power of Attorney No. 08.21/UQ-TLG dated 1 June 2021.

Approval of the separate financial statements

I hereby, approve the accompanying separate financial statements as set out on pages 5 to 44 which give a true and fair view of the separate financial position of the Company as at 31 December 2022, and of the separate results of its operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements.

Users of these separate financial statements of the Company should read them together with the consolidated financial statements of the Company and its subsidiaries (together, "the Group") for the year ended 31 December 2022 in order to obtain full information of the consolidated financial position and consolidated results of operations and consolidated cash flows of the Group.



Tran Phuong Nga
Chief Executive Officer
Authorised by Legal Representative

Ho Chi Minh City, Vietnam
28 March 2023



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THIEN LONG GROUP CORPORATION

We have audited the accompanying separate financial statements of Thien Long Group Corporation ("the Company") which were prepared on 31 December 2022 and approved by the Chief Executive Officer of the Company on 28 March 2023. The separate financial statements comprise the separate balance sheet as at 31 December 2022, the separate income statement and the separate cash flow statement for the year then ended, and explanatory notes to the separate financial statements including significant accounting policies, as set out on pages 5 to 44.

The Chief Executive Officer's Responsibility

The Chief Executive Officer of the Company is responsible for the preparation and the true and fair presentation of these separate financial statements of Company in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of separate financial statements, and for such internal control which the Chief Executive Officer 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 standards and requirements and plan and perform the audit in order to obtain reasonable assurance as to whether the separate financial statements of Company are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and true 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 the Chief Executive Officer, 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.



Auditor's Opinion

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of the Company as at 31 December 2022, its separate financial performance and separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of separate financial statements.

Other Matter

The independent auditor's report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

For and on behalf of PwC (Vietnam) Limited



Mai Viet Hung Tran
Audit Practising Licence No.:
0048-2023-006-1
Authorised signatory

Report reference number: HCM13288
Ho Chi Minh City, 28 March 2023

Vo Ngoc Huyen
Audit Practising Licence No.:
2610-2023-006-1

THIEN LONG GROUP CORPORATION

Form B 01 – DN

SEPARATE BALANCE SHEET
AS AT 31 DECEMBER 2022

Code	ASSETS	Note	Closing balance VND	Opening balance VND
100	CURRENT ASSETS		520,141,729,062	745,873,992,655
110	Cash and cash equivalents	3	225,587,736,745	179,114,297,735
111	Cash		225,587,736,745	99,114,297,735
112	Cash equivalents		-	80,000,000,000
120	Short-term investment		100,000,000,000	193,999,139,200
123	Held-to-maturity investments	4	100,000,000,000	193,999,139,200
130	Short-term receivables		116,905,050,862	311,263,642,518
131	Short-term trade receivables	5	110,406,574,018	276,926,619,188
132	Short-term prepayments to suppliers		3,229,281,592	19,484,681,094
135	Short-term lending		-	5,000,000,000
136	Other short-term receivables	6	3,227,231,199	13,318,442,384
137	Provision for doubtful debts – short-term		-	(3,466,100,148)
139	Shortage of assets awaiting resolution		41,964,053	-
140	Inventories	7	29,479,368,919	55,604,251,663
141	Inventories		31,436,157,612	57,600,394,715
149	Provision for decline in value of inventories		(1,956,788,693)	(1,996,143,052)
150	Other current assets		48,169,572,536	5,892,661,539
151	Short-term prepaid expenses	8(a)	3,555,770,612	2,485,843,131
152	Value Added Tax ("VAT") deductibles		41,533,198,156	121,514,640
153	Tax and other receivables from the State	11	3,080,603,768	3,285,303,768
200	LONG-TERM ASSETS		1,169,295,348,514	1,069,432,132,084
210	Long-term receivable		2,091,921,276	758,197,328
216	Other long-term receivables		2,091,921,276	758,197,328
220	Fixed assets		25,181,442,473	13,893,648,154
221	Tangible fixed assets	9(a)	16,694,692,525	10,109,287,038
222	Historical cost		45,819,380,375	37,035,837,006
223	Accumulated depreciation		(29,124,687,850)	(26,926,549,968)
227	Intangible fixed assets	9(b)	8,486,749,948	3,784,361,116
228	Historical cost		54,420,374,315	46,596,552,475
229	Accumulated amortisation		(45,933,624,367)	(42,812,191,359)
250	Long-term investments		1,131,209,254,344	1,049,898,362,324
251	Investments in subsidiaries		1,098,247,215,761	1,048,247,215,761
252	Investments in associate		25,000,000,000	-
253	Investments in other entities		37,685,000,000	37,685,000,000
254	Provision for long-term investments		(29,722,961,417)	(36,033,853,437)
260	Other long-term assets		10,812,730,421	4,881,924,278
261	Long-term prepaid expenses	8(b)	2,383,422,339	1,306,236,375
262	Deferred income tax assets	16	8,429,308,082	3,575,687,903
270	TOTAL ASSETS		1,689,437,077,576	1,815,306,124,739

The notes on pages 9 to 44 are an integral part of these separate financial statements.

**SEPARATE BALANCE SHEET
AS AT 31 DECEMBER 2022
(continued)**

Code	RESOURCES	Note	Closing balance VND	Opening balance VND
300	LIABILITIES		233,765,165,466	353,384,070,168
310	Short-term liabilities		232,771,048,466	332,795,605,914
311	Short-term trade payables	10	67,585,336,356	105,710,967,634
312	Short-term advances from customers		2,545,689,618	4,605,739,606
313	Tax and other payables to the State	11	811,398,000	8,934,709,983
314	Payables to employees		4,932,132,000	10,874,983,975
315	Short-term accrued expenses	12	18,399,534,686	37,974,976,559
319	Other short-term payables	13	121,170,916,222	44,430,423,731
320	Short-term borrowings	14(a)	5,169,230,757	111,392,333,886
322	Bonus and welfare fund	20	12,156,810,827	8,871,470,540
330	Long-term liabilities		994,117,000	20,588,464,254
338	Long-term borrowings	14(b)	-	5,169,230,754
342	Provision for long-term liabilities	15	994,117,000	15,419,233,500
400	OWNERS' EQUITY		1,455,671,912,110	1,461,922,054,571
410	Capital and reserves		1,455,671,912,110	1,461,922,054,571
411	Owners' contributed capital	17, 18	777,944,530,000	777,944,530,000
411a	- Ordinary shares with voting rights		777,944,530,000	777,944,530,000
412	Share premium	18	361,633,483,771	361,633,483,771
418	Investment and development fund	18	261,896,462,556	228,691,572,556
421	Undistributed earnings	18	54,197,435,783	93,652,468,244
421a	- Undistributed post-tax profits of previous years		32,776,837,244	107,206,712,270
421b	- Post-tax profits/(loss) of current year		21,420,598,539	(13,554,244,026)
440	TOTAL RESOURCES		1,689,437,077,576	1,815,306,124,739



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant



Tran Phuong Nga
Chief Executive Officer
28 March 2023

The notes on pages 9 to 44 are an integral part of these separate financial statements.

**SEPARATE INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

Code	Note	Current year VND	Previous year VND
01	Revenue from sales of goods	787,627,831,991	1,274,262,941,774
02	Less deductions	(158,900,165)	(3,215,800,070)
10	Net revenue from sales of goods	787,468,931,826	1,271,047,141,704
11	Cost of goods sold	(611,680,161,013)	(879,936,405,190)
20	Gross profit from sales of goods	175,788,770,813	391,110,736,514
21	Financial income	333,160,746,183	75,331,678,708
22	Financial expenses	(4,288,801,557)	(23,954,433,325)
23	- Including: Interest expense	(2,003,954,740)	(4,600,391,353)
25	Selling expenses	(152,869,005,424)	(84,148,015,029)
26	General and administration expenses	(97,451,825,408)	(185,117,390,132)
30	Net operating profit	254,339,884,607	173,222,576,736
31	Other income	6,185,675,624	5,545,029,816
32	Other expenses	(370,522,871)	(719,354,301)
40	Net other income	5,815,152,753	4,825,675,515
50	Net accounting profit before tax	260,155,037,360	178,048,252,251
51	Corporate income tax ("CIT") - current	(204,700,000)	(21,626,017,384)
52	CIT - deferred	4,853,620,179	(4,887,572,893)
60	Net profit after tax	264,803,957,539	151,534,661,974



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant



Tran Phuong Nga
Chief Executive Officer
28 March 2023

The notes on pages 9 to 44 are an integral part of these separate financial statements.

**SEPARATE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022
(Indirect method)**

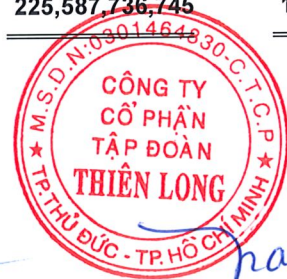
Code	Note	Current year VND	Previous year VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01		260,155,037,360	178,048,252,251
		Adjustments for:	
02		7,901,437,562	50,404,121,387
03		(24,241,463,027)	742,825,551
04		6,241,858,391	(291,304,264)
05		(314,983,421,034)	(71,085,601,615)
06	25	2,003,954,740	4,600,391,353
08		(62,922,596,008)	162,418,684,663
09		147,113,229,220	77,945,989,497
10		26,164,237,103	(9,401,190,224)
11		(71,096,609,767)	43,298,384,153
12		(2,122,413,445)	3,355,671,356
14		(2,283,666,860)	(4,510,799,130)
15	11	-	(29,857,702,555)
17		(35,021,384,068)	(39,800,891,600)
20		(169,203,825)	203,448,146,160
CASH FLOWS FROM INVESTING ACTIVITIES			
21		(22,463,845,151)	(35,821,168,721)
22		769,551,357	1,935,552,573
23		(331,000,000,000)	(461,999,139,200)
24		429,999,139,200	634,000,000,000
25		(75,000,000,000)	(226,643,891,469)
27		315,341,089,729	76,419,831,688
30		317,645,935,135	(12,108,815,129)
CASH FLOWS FROM FINANCING ACTIVITIES			
33		20,163,610,512	382,584,271,784
34		(131,555,944,395)	(389,378,980,713)
36	19	(155,619,167,000)	(194,455,871,500)
40		(267,011,500,883)	(201,250,580,429)
50		50,465,230,427	(9,911,249,398)
60	3	179,114,297,735	188,887,911,614
61		(3,991,791,417)	137,635,519
70	3	225,587,736,745	179,114,297,735



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant



Tran Phuong Nga
Chief Executive Officer
28 March 2023

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1 GENERAL INFORMATION

Thien Long Group Corporation (the "Company") is a joint stock company established in SR of Vietnam pursuant to the Enterprise registration certificate No. 0301464830 dated 14 March 2005 which was issued by the Department of Planning and Investment of Ho Chi Minh City and the 20th amendment dated 7 June 2022.

The Company's shares were listed on the Ho Chi Minh Stock Exchange ("HOSE") on 26 March 2010 with securities code ("TLG") pursuant to Decision No. 20/QD-SGDHCM dated 2 February 2010 of the HOSE.

Owners' of the Company include Thien Long An Think Investment Corporation, NWL Cayman Holdings Ltd., a company incorporated in the United Kingdom, Mr. Co Gia Tho and other shareholders. Details of the capital contribution are presented in Note 17(b).

The principal activities of the Company are to manufacture and trade stationary products, classroom equipment, plastic teaching instruments, plastic household appliances, stamps printing, tampon (pad) printing, flexo printing and performing screen - printing and pressing on products.

The normal business cycle of the Company is 12 months.

As at end of year, the Company had 5 direct investment subsidiaries and 2 indirect investment subsidiaries as disclosed in Note 4(b) – Investments (as at beginning of year: 7 subsidiaries). Details are as follows:

Direct subsidiaries	Principal activities	Places of incorporation and operation	At end of year		At beginning of year	
			% of ownership	% of voting rights	% of ownership	% of voting rights
			%	%	%	%
South Thien Long Manufacturing Trading Company Limited	Manufacturing and trading stationery	Ho Chi Minh City	100	100	100	100
Thien Long Long Thanh Manufacturing and Trading Company Limited	Manufacturing and trading stationery	Dong Nai Province	100	100	100	100
Thien Long Global Trading and Service Company Limited	Trading stationery	Ho Chi Minh City	100	100	100	100
Tan Luc South Trading and Service One Member Company Limited	Trading stationery	Ho Chi Minh City	100	100	100	100
Flexoffice Pte. Ltd.	Trading stationery	Singapore	100	100	100	100
Tan Luc North Trading and Service One Member Company Limited	Trading stationery	Ha Noi City	-	-	100	100
Tan Luc Middle Trading and Service One Member Company Limited	Trading stationery	Da Nang City	-	-	100	100

1 GENERAL INFORMATION (continued)

Indirect subsidiaries	Principal activities	Places of incorporation and operation	At end of year		At beginning of year	
			% of ownership	% of voting rights	% of ownership	% of voting rights
			%	%	%	%
ICCO Marketing (M) SDN. BHD.	Trading stationery	Malaysia	60	60	-	-
Clever World Joint Stock Company	Trading stationery	Ho Chi Minh City	70	70	-	-

As at end of year, the Company had 140 employees (as at beginning of year: 1,198 employees).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of separate financial statements

The separate financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements. The separate financial statements have been prepared under the historical cost convention.

The accompanying separate financial statements are not intended to present the separate financial position and separate results of operations and separate cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

The separate financial statements in the Vietnamese language are the official statutory separated financial statements of the Company. The separate financial statements in the English language have been translated from the Vietnamese version.

Separately, the Company has also prepared consolidated financial statements for the Company and its subsidiaries (together, "the Group") in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements. In the consolidated financial statements, subsidiaries undertakings, which are those companies over which the Group has the power to govern the financial and operating policies, have been fully consolidated.

Users of these separate financial statements of the Company should read them together with the consolidated financial statements of the Group for year ended 31 December 2022 in order to obtain full information of the consolidated financial position and consolidated results of operations and consolidated cash flows of the Group.

2.2 Fiscal year

The Company's fiscal year is from 1 January to 31 December.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.3 Currency**

The separate financial statements are measured and presented in Vietnamese Dong (“VND”).

2.4 Exchange rates

Transactions arising in foreign currencies are translated at exchange rates prevailing at the transaction dates. Foreign exchange differences arising from these transactions are recognised in the separate income statement.

Monetary assets and liabilities denominated in foreign currencies at the separate balance sheet date are respectively translated at the buying and selling exchange rates at the separate balance sheet date of the commercial banks with which the Company regularly trades. Foreign currencies deposited in banks at the separate balance sheet date are translated at the buying exchange rate of the commercial banks where the Company opens its foreign currency accounts. Foreign exchange differences arising from these translations are recognised in the separate income statement.

2.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank, demand deposits and other short-term investments with an original maturity of three months or less.

2.6 Receivables

Receivables represent trade receivables from customers arising from sales of goods, non-trade receivables from others and are stated at cost. Provision for doubtful debts is made for each outstanding amount based on overdue days in payment according to the initial payment commitment (exclusive of the payment rescheduling between parties) or based on the estimated loss that may arise. Bad debts are written off when identified.

Receivables are classified into long-term and short-term receivables on the separate balance sheet based on the remaining period from the separate balance sheet date to the maturity date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.7 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method and includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured products, cost includes all direct expenditure and production overheads based on normal levels of operating activity. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses.

The Company applies the perpetual system for inventories.

Provision is made, where necessary, for obsolete, slow-moving and defective inventory items. The difference between the provision of this year and the provision of the previous year are recognised as an increase or decrease of cost of goods sold in the year.

2.8 Financial investments**(a) Investments held to maturity**

Investments held to maturity are investments which the Company has positive intention and ability to hold until maturity.

Investments held to maturity include term deposits and bonds for interest earning. Those investments are initially accounted for at cost. Subsequently, the Chief Executive Officer reviews all outstanding investments to determine the amount of provision to recognise at the year end.

Provision for diminution in value of held-to-maturity investments is made when there is evidence that the investment is uncollectible in whole or in part.

Investments held to maturity are classified into short-term and long-term held-to-maturity investments on the separate balance sheet based on the remaining period from the separate balance sheet date to the maturity date.

(b) Investments in subsidiaries

Subsidiaries are all entities whose financial and operating policies the Company has the power to govern in order to gain future benefits from their activities generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

Investments in subsidiaries are initially recorded at cost of acquisition plus other expenditure directly attributable to the investment. Subsequently, the Chief Executive Officer reviews all outstanding investments to determine the amount of provision to recognise at the year end.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.8 Financial investments (continued)****(c) Investments in associate**

Associate is investment that the Company has significant influence but not control over and the Company would generally have from 20% to less than 50% of the voting rights of the investee.

Investment in associate is initially recorded at cost of acquisition including capital contribution value plus other expenditures directly attributable to the investment. Subsequently, the Chief Executive Officer reviews all outstanding investments to determine the amount of provision to recognise at the year end.

(d) Investments in other entities

Investments in other entities are investments in equity instruments of other entities without controlling rights or co-controlling rights, or without significant influence over the investee. These investments are accounted for initially at cost. Subsequently, the Chief Executive Officer reviews all outstanding investments to determine the amount of provision to recognise at the year end.

(e) Provision for investments in subsidiaries, associate and other entities

Provision for investments in subsidiaries, associate and other entities is made when there is a diminution in value of the investments at the year end.

Provision for investments in subsidiaries and associate is calculated based on the loss of investees.

Provision for investments in other entities is calculated based on market value if market value can be determined reliably. If market value can not be determined reliably, the provision is calculated similarly to provision for investments in subsidiaries and associate.

Changes in the provision balance during the fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

2.9 Fixed assets*Tangible and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation and amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets bringing them to their suitable condition for their intended use. Expenditure which is incurred subsequently and has resulted in an increase in the future economic benefits expected to be obtained from the use of fixed assets, can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the separate income statement when incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.9 Fixed assets (continued)***Depreciation and amortisation*

Fixed assets are depreciated and amortized using the straight-line basis so as to write off the depreciable amount of the fixed assets over their estimated useful lives. Depreciable amount equals to the historical cost of fixed assets recorded in the separate financial statements minus (-) the estimated disposal value of such assets. The estimated useful lives of each asset class are as follows:

Plant, buildings and structures	3 - 25 years
Machinery and equipment	3 - 15 years
Motor vehicles	6 - 8 years
Office equipment	2 - 7 years
Molds and other fixed assets	3 - 5 years
Computer software	3 - 10 years
Copyrights, patents	3 years

Land use rights comprise of land use rights with an indefinite useful life, recorded at historical cost and not amortised.

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount of the fixed assets and are recognised as income or expense in the separate income statement.

Construction in progress

Construction in progress represents the cost of assets in the course of installation or construction for production, rental or administrative purposes, or for purposes not yet determined, which are recorded at cost and are comprised of such necessary costs to construct, repair and maintain, upgrade, renew or equip the projects with technologies as construction costs; costs of tools and equipment; project management expenditures; construction consulting expenditures; and capitalised borrowing costs for qualifying assets in accordance with the Company's accounting policies. Depreciation of these assets, on the same basis as other fixed assets, commences when they are ready for their intended use.

2.10 Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the separate income statement on a straight-line basis over the term of the lease.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.11 Prepaid expenses**

Prepaid expenses include short-term and long-term prepayments on the separate balance sheet. Short-term prepaid expenses represent prepayments for services; or tools that do not meet the recognition criteria for fixed assets for a period not exceeding 12 months or a business cycle from the date of prepayment. Long-term prepaid expenses represent prepayments for services; or tools, which do not meet the recognition criteria for fixed assets for a period exceeding 12 months or more than one business cycle from the date of prepayment. Prepaid expenses are recorded at historical cost and allocated on a straight-line basis over their estimated useful lives.

2.12 Payables

Classifications of payables are based on their nature as follows:

- Trade accounts payable are trade payables arising from purchase of goods and services; and
- Other payables are non-trade payables, and payables not relating to purchases of goods and services.

Payables are classified as long-term and short-term payables on the separate balance sheet based on the remaining period from the separate balance sheet date to the maturity date.

2.13 Borrowings and borrowing costs

Borrowings include borrowings from banks.

Borrowings are classified into long-term and short-term borrowings based on their remaining terms from the separate balance sheet date to the maturity date.

Borrowing costs are recognised in the separate income statement when incurred.

2.14 Accrued expenses

Accrued expenses include liabilities for goods and services received in the year but not yet paid for, due to pending invoices or insufficient records and documents. Accrued expenses are recorded as expenses in the reporting year.

2.15 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provision is not recognised for future operating losses.

Provisions are measured at the level of the expenditures expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a financial expense. Changes in the provision balance during the fiscal year are recorded as an increase or decrease in operating expenses.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.16 Provision for severance allowance**

In accordance with Vietnamese labour laws, employees of the Company who have worked regularly for full 12 months or longer are entitled to a severance allowance. The working period used for the calculation of severance allowance is the period during which the employee actually works for the Company less the period during which the employee participates in the unemployment insurance scheme in accordance with the labour regulations and the working period for which the employee has received severance allowance from the Company.

The severance allowance is accrued at the end of the reporting year on the basis that each employee is entitled to half of an average monthly salary for each working year. The average monthly salary used for calculating the severance allowance is the employee contract's average salary for the six-month period prior to the separate balance sheet date.

This allowance will be paid as a lump sum when the employees terminate their labour contracts in accordance with current regulations.

2.17 Capital and reserves

Owners' capital is recorded according to the actual amounts contributed at the par value of the share.

Share premium is the difference between the par value and the issue price of shares; and the difference between the repurchase price and re-issuing price of treasury shares.

Undistributed earnings record the Company's accumulated results after CIT at the reporting date.

2.18 Appropriation of profit

The Company's dividends are recognised as a liability in the Company's separate financial statements in the year under the announcement of the Board of Directors in which the dividends are approved by the Company's General Meeting of shareholders.

Net profit after CIT could be distributed to shareholders after approval at the General Meeting of shareholders and after appropriation to other funds in accordance with the Company's charter and Vietnamese regulations.

The Company's funds are as below:

(a) Investment and development fund

Investment and development fund is appropriated from profit after CIT of the Company and approved by shareholders at the General Meeting of Shareholders. This fund is used for expanding operation or for deepening investment of the Company.

(b) Bonus and welfare fund

Bonus and welfare fund is appropriated from the Company's profit after CIT and subject to shareholders' approval at the General Meeting of Shareholders. This fund is presented as a liability on the separate balance sheet and used for rewards, material incentives, bringing common benefits and raising employees' welfare.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.19 Revenue recognition****(a) Revenue from sales of goods**

Revenue from sale of goods is recognised in the separate income statement when all five (5) of the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

Revenue is recognised in accordance with the “substance over form” principle and allocated to each sales obligation. If the Company gives promotional goods to customers associated with their purchases, the Company allocates the total considerations received between goods sold and promotional goods. The cost of promotional goods is recognised as cost of goods sold in the separate income statement.

(b) Interest income

Interest income is recognised on an earned basis.

(c) Dividend income

Income from dividends is recognised when the Company has established the receiving right from investees.

2.20 Sales deductions

Sales deductions include trade discounts, sales returns and sales rebates. Sales deductions incurred in the same year of the related revenue from sales of products, goods are recorded as a deduction from the revenue of that year.

Sales deductions for sales of products, goods which are sold in the year but are incurred after the separate balance sheet date but before the issuance of the separate financial statements are recorded as a deduction from the revenue of the year.

2.21 Cost of goods sold

Cost of goods sold are cost of finished goods, merchandises and materials sold during the year, and recorded on the basis of matching with revenue and on a prudent basis.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.22 Financial expenses**

Financial expenses are expenses incurred in the year for financial activities including expenses or losses relating to financial investment activities, provision for diminution in value of investments in other entities, expenses of borrowing, losses from foreign exchange differences and payment discounts.

2.23 Selling expenses

Selling expenses represent expenses that are incurred in the process of selling products and goods.

2.24 General and administration expenses

General and administration expenses represent expenses for administrative purposes.

2.25 Current and deferred income tax

Income tax includes all income tax which is based on taxable profits. Income tax expense comprises current income tax expense and deferred income tax expense.

Current income tax is the amount of income taxes payable or recoverable in respect of the current year taxable profits at the current year tax rates. Current and deferred tax recognised as an income or an expense and included in the profit or loss of the year, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different year, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the separate balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.26 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, key management personnel, including the Board of Directors, the Chief Executive Officer of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering its relationships with each related party, the Company considers the substance of the relationship, not merely the legal form.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.27 Critical accounting estimates**

The preparation of separate financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements requires the Chief Executive Officer to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the separate financial statements and the reported amounts of revenues and expenses during the financial year.

The areas involving significant estimates and assumptions are as follows:

- Provision for decline in value of inventories (Note 7);
- Estimated useful life of fixed assets (Note 9); and
- Estimation of provision for long-term liabilities (Note 15).

Such estimates and assumptions are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are assessed by the Chief Executive Officer to be reasonable under the circumstances.

3 CASH AND CASH EQUIVALENTS

	Closing balance VND	Opening balance VND
Cash on hand	410,074,239	396,334,446
Cash at bank	225,177,662,506	98,717,963,289
Cash equivalents (*)	-	80,000,000,000
	<u>225,587,736,745</u>	<u>179,114,297,735</u>

(*) Cash equivalents represent bank deposits with original maturities of 3 months or less and earn interest at fixed rates in Vietnamese Dong.

4 FINANCIAL INVESTMENTS**(a) Investments held to maturity**

	Closing balance		Opening balance	
	Cost VND	Book value VND	Cost VND	Book value VND
Term deposits (*)	100,000,000,000	100,000,000,000	174,000,000,000	174,000,000,000
Bonds	-	-	19,999,139,200	19,999,139,200
	<u>100,000,000,000</u>	<u>100,000,000,000</u>	<u>193,999,139,200</u>	<u>193,999,139,200</u>

(*) Representing term deposits at banks with maturity from 6 months to 12 months and earning interest at fixed rates in Vietnamese Dong.

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4 FINANCIAL INVESTMENTS (continued)

(b) Long-term investments

	Closing balance			Opening balance		
	Cost value VND	Fair value VND	Ownership percentage %	Cost value VND	Fair value VND	Ownership percentage %
i) Investments in subsidiaries						
South Thien Long Manufacturing Trading Company Limited (ii)	650,000,000,000	(*)	100	600,000,000,000	(*)	100
Thien Long Long Thanh Manufacturing and Trading Company Limited	169,500,000,000	(*)	100	169,500,000,000	(*)	100
Thien Long Global Trading and Service Company Limited (i)	180,000,000,000	(*)	100	100,000,000,000	(*)	100
Tan Luc South Trading and Service One Member Company Limited FlexOffice Pte. Ltd.	80,000,000,000 18,747,215,761	(*) (*)	100 100	80,000,000,000 18,747,215,761	(*) (*)	100 100
Tan Luc North Trading and Service One Member Company Limited (i)	-	(*)	-	60,000,000,000	(*)	100
Tan Luc Middle Trading and Service One Member Company Limited (i)	-	(*)	-	20,000,000,000	(*)	100
	<u>1,098,247,215,761</u>	<u>(25,761,545,417)</u>		<u>1,048,247,215,761</u>	<u>(31,970,293,437)</u>	
ii) Investments in associate						
Pega Holdings Joint Stock Company (iii)	25,000,000,000	(*)	25	-	-	-
iii) Investments in other entities						
Kinh Do Land Corporation	25,000,000,000	(*)	2.00	25,000,000,000	(*)	2.00
Saigon Securities Investment Fund A2	3,565,000,000	(*)	-	3,565,000,000	(*)	-
Brilliant Chip Joint Stock Company	1,520,000,000	(*)	1.89	1,520,000,000	(*)	1.89
Printing No7 Joint Stock Company	600,000,000	(*)	2.50	600,000,000	(*)	2.50
Soundio Technology Joint Stock Company	7,000,000,000	(*)	-	7,000,000,000.00	(*)	-
	<u>37,685,000,000</u>	<u>(3,961,416,000)</u>		<u>37,685,000,000</u>	<u>(4,063,560,000)</u>	

4 FINANCIAL INVESTMENTS (continued)**(b) Long-term investments (continued)****(i) Merger**

According to the Resolution No. 4/2022/NQ-HĐQT dated 30 May 2022 of the Board of Directors, the Board of Directors of the Company approved the policy of merging subsidiaries in which the Company owns 100% of the charter capital. Specifically, merging the Tan Luc North Trading and Service One Member Company Limited and the Tan Luc Middle Trading and Service One Member Company Limited into Thien Long Global Trading and Service Company Limited.

On 5 July 2022, the merger process was completed and the Department of Planning and Investment of Ho Chi Minh City issued the 11th amended Enterprise registration certificate for Thien Long Global Trading and Service Company Limited with charter capital of VND180,000,000,000.

(ii) Capital increase

According to the Resolution No. 5/2022/NQ-HĐQT dated 19 August 2022 of the Board of Directors, the Board of Directors of the Company approved the additional capital contribution of VND50,000,000,000 to South Thien Long Manufacturing Trading Company Limited for the purpose of securing capital to expand production projects and create new products. Accordingly, on 6 January 2023, the Department of Planning and Investment of Ho Chi Minh City issued the 5th amended Enterprise registration certificate to South Thien Long Manufacturing Trading Co., Ltd with charter capital of VND650,000,000,000

(iii) Capital contribution to an associate

According to the Resolution No. 6/2022/NQ-HĐQT dated 6 October 2022 of the Board of Directors, the Board of Directors of the Company approved the capital contribution to establish Pega Holdings Joint Stock Company of VND25,000,000,000, equivalent to 25% of the charter capital of this company. The principle activities of Pega Holdings Joint Stock Company are trading books, newspapers and magazines.

- (*) As at end of year and beginning of year, the Company has not determined the fair value of these investments to disclose in the separate financial statements because these investments have not been listed prices. The fair value of such investments may be different from their book value.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	Closing balance VND	Opening balance VND
Third parties		
Crayola LLC	5,818,901,750	13,473,352,828
SQI Group Int'l Corp	26,494,070,108	9,613,749,612
Like Link Co, Ltd	5,757,431,021	5,603,629,521
Others	27,965,757,405	34,247,264,051
Related parties (Note 31(b))	44,370,413,734	213,988,623,176
	<u>110,406,574,018</u>	<u>276,926,619,188</u>

As at end of year and beginning of year, balances of short-term trade accounts receivable that were past due, amounting to VNDnil and VND7,807,309,496.

6 OTHER SHORT-TERM RECEIVABLES

	Closing balance		Opening balance	
	Book value VND	Provision VND	Book value VND	Provision VND
Interest receivables from deposits	1,100,583,559	-	1,621,332,602	-
Advances to employees	673,188,020	-	1,375,695,700	-
Short-term deposits	30,000,000	-	10,274,643,238	-
Others	1,423,459,620	-	46,770,844	-
	<u>3,227,231,199</u>	<u>-</u>	<u>13,318,442,384</u>	<u>-</u>

As at end of year and beginning of year, there was no balance of other short-term receivables that was past due or not past due but doubtful.

7 INVENTORIES

	Closing balance		Opening balance	
	Cost VND	Provision VND	Cost VND	Provision VND
Merchandises	31,393,978,938	(1,942,497,960)	2,734,038,130	(24,159,075)
Raw materials	42,178,674	(14,290,733)	501,650,305	-
Goods in transit	-	-	30,801,264,858	-
Work in progress	-	-	3,736,687,763	(1,868,908,269)
Finished goods	-	-	19,826,753,659	(103,075,708)
	<u>31,436,157,612</u>	<u>(1,956,788,693)</u>	<u>57,600,394,715</u>	<u>(1,996,143,052)</u>

7 INVENTORIES (continued)

Movements in the provision for decline in value of inventories during the year are as follows:

	Current year VND	Previous year VND
Opening balance	(1,996,143,052)	(17,254,154,499)
Addition (Note 23)	(183,167,643)	(347,819,152)
Reversal (Note 23)	222,522,002	15,605,830,599
	<u>(1,956,788,693)</u>	<u>(1,996,143,052)</u>

8 PREPAID EXPENSES

(a) Short-term

	Closing balance VND	Opening balance VND
Advertising and marketing expenses	1,451,420,859	-
Health and asset insurance	251,380,083	301,522,932
Others	1,852,969,670	2,184,320,199
	<u>3,555,770,612</u>	<u>2,485,843,131</u>

(b) Long-term

	Closing balance VND	Opening balance VND
Tools and supplies	2,280,894,563	1,103,375,267
Others	102,527,776	202,861,108
	<u>2,383,422,339</u>	<u>1,306,236,375</u>

Movements in prepaid expenses during the year are as follows:

	Current year VND	Previous year VND
Opening balance	3,792,079,506	9,526,104,455
Increase	22,085,223,639	14,304,284,385
Transferred from fixed assets	24,700,000	-
Transferred from construction in progress (Note 12)	-	110,998,839
Transferred from inventories	-	558,863,636
Allocation	(19,962,810,194)	(16,933,725,149)
Transferred to fixed assets	-	(1,143,984,949)
Disposals	-	(2,630,461,711)
	<u>5,939,192,951</u>	<u>3,792,079,506</u>

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9 FIXED ASSETS

(a) Tangible fixed assets

	Plant, buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
Historical cost						
Opening balance	2,665,600,000	3,448,401,568	28,269,599,482	1,380,813,364	1,271,422,592	37,035,837,006
New purchases	-	381,612,863	-	1,506,115,998	3,726,627,910	5,614,356,771
Transfers from construction in progress	-	-	-	-	6,382,224,279	6,382,224,279
Reclassification	-	(1,384,468,907)	-	1,359,768,907	-	(24,700,000)
Disposals	-	(2,197,942,342)	-	-	(990,395,339)	(3,188,337,681)
Closing balance	2,665,600,000	247,603,182	28,269,599,482	4,246,698,269	10,389,879,442	45,819,380,375
Accumulated depreciation						
Opening balance	1,532,594,086	2,858,187,560	20,772,439,366	651,577,499	1,111,751,457	26,926,549,968
Charge for the year	107,055,677	225,330,956	2,023,350,181	546,217,087	1,878,050,653	4,780,004,554
Reclassification	-	(1,112,967,260)	-	1,112,967,260	-	-
Disposals	-	(1,734,887,468)	-	-	(846,979,204)	(2,581,866,672)
Closing balance	1,639,649,763	235,663,788	22,795,789,547	2,310,761,846	2,142,822,906	29,124,687,850
Net book value						
Opening balance	1,133,005,914	590,214,008	7,497,160,116	729,235,865	159,671,135	10,109,287,038
Closing balance	1,025,950,237	11,939,394	5,473,809,935	1,935,936,423	8,247,056,536	16,694,692,525

As at end of year, the historical cost of tangible assets which were fully depreciated but still in use was VND20,395,715,097 (as at beginning of year: VND11,826,907,608).

As at end of year, the Company has no assets used as collateral for short-term and long-term loans from banks (Note 14) (as at beginning of year: VND107,055,677).

9 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Software VND	Copyright, patents VND	Total VND
Historical cost			
Opening balance	46,229,552,475	367,000,000	46,596,552,475
New purchase	7,823,821,840	-	7,823,821,840
	<u>54,053,374,315</u>	<u>367,000,000</u>	<u>54,420,374,315</u>
Closing balance	54,053,374,315	367,000,000	54,420,374,315
Accumulated amortisation			
Opening balance	42,445,191,359	367,000,000	42,812,191,359
Charge for the year	3,121,433,008	-	3,121,433,008
	<u>45,566,624,367</u>	<u>367,000,000</u>	<u>45,933,624,367</u>
Closing balance	45,566,624,367	367,000,000	45,933,624,367
Net book value			
Opening balance	3,784,361,116	-	3,784,361,116
	<u>3,784,361,116</u>	<u>-</u>	<u>3,784,361,116</u>
Closing balance	8,486,749,948	-	8,486,749,948
	<u>8,486,749,948</u>	<u>-</u>	<u>8,486,749,948</u>

As at end of year, the historical cost of intangible assets that were fully amortised but still in use was VND42,773,463,161 (as at beginning of year: VND11,550,040,432).

10 SHORT-TERM TRADE PAYABLES

	Closing balance		Opening balance	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties				
Khai Loc Da Nang Co, Ltd	1,605,873,600	1,605,873,600	448,268,865	448,268,865
True Digital Vietnam Joint Stock Company	1,427,896,934	1,427,896,934	-	-
GC Marketing Solutions Company Limited	-	-	8,837,754,453	8,837,754,453
Others	11,109,435,730	11,109,435,730	90,209,260,985	90,209,260,985
Related parties (Note 31(b))	53,442,130,092	53,442,130,092	6,215,683,331	6,215,683,331
	<u>67,585,336,356</u>	<u>67,585,336,356</u>	<u>105,710,967,634</u>	<u>105,710,967,634</u>

At end of year and beginning of year, there was no balance of short-term trade accounts payable that was past due.

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11 TAX AND OTHER RECEIVABLES/PAYABLES TO THE STATE

Movements in tax and other receivables/payables to the State are as follows:

	Opening balance VND	Receivable/payable during the year VND	Payment/Net-off during the year VND	Closing balance VND
a) Tax receivables				
CIT - current	3,285,303,768	-	(204,700,000)	3,080,603,768
b) Tax payables				
Value added tax	7,897,147,426	5,064,587,432	(12,961,734,858)	-
Personal income tax	1,037,084,000	21,842,788,948	(22,068,474,948)	811,398,000
Import - export duties	-	557,597,090	(557,597,090)	-
Other taxes	478,557	1,547,484,578	(1,547,963,135)	-
	8,934,709,983	29,012,458,048	(37,135,770,031)	811,398,000

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12 SHORT-TERM ACCRUED EXPENSES

	Closing balance VND	Opening balance VND
13th & 14th month salary and performance bonus	16,596,096,000	31,378,897,000
Advertising and marketing expenses	1,124,274,612	2,461,529,952
Interest expense	12,493,150	292,205,270
Others	666,670,924	3,842,344,337
	<u>18,399,534,686</u>	<u>37,974,976,559</u>

13 OTHER SHORT-TERM PAYABLES

	Closing balance VND	Opening balance VND
Dividend payable	116,702,845,000	38,938,653,000
Remuneration for the Board of Directors and Board of Supervision	3,764,304,000	4,400,287,355
Union fees	169,573,400	429,541,432
Others	533,083,837	636,458,276
Related parties (Note 31(b))	1,109,985	25,483,668
	<u>121,170,916,222</u>	<u>44,430,423,731</u>

As at end of year and beginning of year, there was no balance of other short-term payables was past due.

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14 BORROWINGS

(a) Short-term

	Opening balance		During the year		Closing balance	
	Value VND	Able-to-pay amount VND	Increase VND	Decrease VND	Value VND	Able-to-pay amount VND
Short-term						
HSBC Bank (Vietnam) Limited	46,871,412,464	46,871,412,464	-	(46,871,412,464)	-	-
United Overseas Bank (Vietnam) Limited	12,104,224,800	12,104,224,800	-	(12,104,224,800)	-	-
The Siam Commercial Bank Public Company Limited	42,078,235,078	42,078,235,078	20,163,610,512	(62,241,845,590)	-	-
	101,053,872,342	101,053,872,342	20,163,610,512	(121,217,482,854)	-	-
Current portion						
HSBC Bank (Vietnam) Limited (i)	10,338,461,544	10,338,461,544	5,169,230,754	(10,338,461,541)	5,169,230,757	5,169,230,757
	111,392,333,886	111,392,333,886	25,332,841,266	(131,555,944,395)	5,169,230,757	5,169,230,757

(b) Long-term

	Opening balance		During the year		Closing balance	
	Value VND	Able-to-pay amount VND	Increase VND	Decrease VND	Value VND	Able-to-pay amount VND
HSBC Bank (Vietnam) Limited (i) (*)	5,169,230,754	5,169,230,754	-	(5,169,230,754)	-	-

14 BORROWINGS (continued)

(*) Details of the long-term bank loan are as follows:

	Closing balance VND	Opening balance VND
Original debt balance	5,169,230,754	15,507,692,298
Current portion	(5,169,230,754)	(10,338,461,544)
	<u>-</u>	<u>5,169,230,754</u>

(i) Representing unsecured long-term loans from HSBC Bank (Vietnam) Limited for the purpose of purchasing and installing fixed assets. The loans have terms and interest rates specified in each disbursement.

15 PROVISION FOR LONG-TERM LIABILITIES

Provision for long-term liabilities represents the provision for severance allowance in accordance with accounting policy presented in Note 2.16.

16 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority. Details are as follows:

	Closing balance VND	Opening balance VND
Deferred tax assets to be recovered	<u>8,429,308,082</u>	<u>3,575,687,903</u>

Movements in the deferred income tax, taking into consideration the offsetting of balances within the same tax jurisdiction, during the year were as follows:

	Current year VND	Previous year VND
Opening balance	3,575,687,903	8,463,260,796
Separate income statement charge (Note 29)	<u>4,853,620,179</u>	<u>(4,887,572,893)</u>
Closing balance	<u>8,429,308,082</u>	<u>3,575,687,903</u>

16 DEFERRED INCOME TAX (continued)

Details of deferred tax assets

	Closing balance VND	Opening balance VND
Tax losses not yet utilised	6,591,424,893	-
Unrealised exchange rate differences of cash and receivables denominated in foreign currency	1,247,702,050	22,212,593
Temporary difference of provisions	590,181,139	3,483,075,310
Temporary difference of accrued expenses	-	70,400,000
	<u>8,429,308,082</u>	<u>3,575,687,903</u>

The Company used a tax rate of 20% in the year 2022 (2021: 20%) to determine deferred income tax assets and deferred income tax liabilities.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

17 OWNERS' CAPITAL

(a) Number of shares

	Closing balance		Opening balance	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered, issued and in circulation	77,794,453	-	77,794,453	-

(b) Details of owners' shareholding

	Closing balance		Opening balance	
	Ordinary shares	%	Ordinary shares	%
Thien Long An Think Investment Corporation	37,350,952	48.01	37,350,952	48.01
NWL Cayman Holdings Ltd.	5,500,000	7.07	5,500,000	7.07
Mr. Co Gia Tho	4,744,605	6.10	4,744,605	6.10
Other shareholders	30,198,896	38.82	30,198,896	38.82
Number of shares issued	<u>77,794,453</u>	<u>100</u>	<u>77,794,453</u>	<u>100</u>

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17 OWNERS' CAPITAL (continued)

(c) Movement of share capital

	Number of shares in circulation	Ordinary shares VND	Treasury shares VND
As at 1 January 2021	77,794,453	777,944,530,000	-
As at 31 December 2021	<u>77,794,453</u>	<u>777,944,530,000</u>	<u>-</u>
As at 31 December 2022	<u><u>77,794,453</u></u>	<u><u>777,944,530,000</u></u>	<u><u>-</u></u>

Par value per share: VND10,000.

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18 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Investment and development fund VND	Undistributed earnings VND	Total VND
For the year ended 31 December 2021					
Opening balance	777,944,530,000	361,633,483,771	199,910,168,556	169,895,138,945	1,509,383,321,272
Net profit for the year	-	-	-	151,534,661,974	151,534,661,974
Dividends declared from undistributed profit of 2021	-	-	-	(155,588,906,000)	(155,588,906,000)
Appropriation to investment and development fund	-	-	28,781,404,000	(28,781,404,000)	-
Appropriation to bonus and welfare fund	-	-	-	(23,984,503,675)	(23,984,503,675)
Bonus for exceeding the budgeted profit for the Board of Management and employees	-	-	-	(7,938,015,000)	(7,938,015,000)
Bonus for exceeding the budgeted profit for the Board of Directors	-	-	-	(1,984,504,000)	(1,984,504,000)
Remuneration of the Board of Directors and Board of Supervision	-	-	-	(9,500,000,000)	(9,500,000,000)
Closing balance	777,944,530,000	361,633,483,771	228,691,572,556	93,652,468,244	1,461,922,054,571
For the year ended 31 December 2022					
Opening balance	777,944,530,000	361,633,483,771	228,691,572,556	93,652,468,244	1,461,922,054,571
Net profit for the year	-	-	-	264,803,957,539	264,803,957,539
Dividends declared from undistributed profit of 2022 (i) (Note 19)	-	-	-	(233,383,359,000)	(233,383,359,000)
Appropriation to investment and development fund (ii)	-	-	33,204,890,000	(33,204,890,000)	-
Appropriation to bonus and welfare fund (iii) (Note 20)	-	-	-	(27,670,741,000)	(27,670,741,000)
Remuneration of the Board of Directors and Board of Supervision (iv)	-	-	-	(10,000,000,000)	(10,000,000,000)
Closing balance	777,944,530,000	361,633,483,771	261,896,462,556	54,197,435,783	1,455,671,912,110

18 MOVEMENTS IN OWNERS' EQUITY (continued)

Pursuant to the Resolution No. 01/2022/NQ-DHDCD dated 26 April 2022 of the 2022 Annual General Meeting of Shareholders, the General Meeting of Shareholders of the Company approved the distribution plan of net consolidated profits after tax for the years 2021 and 2022 as follows:

- (i) Cash dividend from the 2022 post-tax profits at the rate of 30% par value; During the year, the first dividend was advanced at the rate of 15%/par value, the remainder will be divided in January 2023;
- (ii) Appropriation to investment and development fund of VND33,204,890,000 (equivalent to 12% of post-tax profits);
- (iii) Appropriation to bonus and welfare fund of VND27,670,741,000 (equivalent to 10% of post-tax profits);
- (iv) Remuneration for the Board of Directors and Board of Supervision in 2022 of VND10,000,000,000, which was fully appropriated in the year.

19 DIVIDENDS

Movements of dividend payables during the year are as follows:

	Current year VND	Previous year VND
Opening balance	38,938,653,000	77,805,618,500
Dividends payable during the year (Note 18)	233,383,359,000	155,588,906,000
Dividends paid in cash	(155,619,167,000)	(194,455,871,500)
Closing balance	<u>116,702,845,000</u>	<u>38,938,653,000</u>

20 BONUS AND WELFARE FUND

Movements of bonus and welfare fund during the year are as follows:

	Current year VND	Previous year VND
Opening balance	8,871,470,540	5,838,669,865
Appropriated (Note 18)	27,670,741,000	31,922,518,675
Utilised	(24,385,400,713)	(28,889,718,000)
Closing balance	<u>12,156,810,827</u>	<u>8,871,470,540</u>

21 OFF BALANCE SHEET ITEMS**(a) Foreign currencies**

As at 31 December 2022, included in cash and cash equivalents were balances held in foreign currencies as follows:

	Closing balance	Opening balance
United States Dollar ("USD")	4,202,300	1,298,040
Euro ("EUR")	110,258	44,539
British Pound ("GBP")	1,906	1,915
Chinese Renminbi ("RMB")	10,395	10,395
Singapore Dollar ("SGD")	1,139	1,139
Korean Won ("KRW")	240,000	240,000
Thai Baht ("THB")	5,410	5,410
Australian Dollar ("AUD")	110	110
	<u> </u>	<u> </u>

(b) Operating lease assets

The future minimum lease payments under non-cancellable operating leases were presented in Note 32.

22 NET REVENUE FROM SALES OF GOODS

	Current year VND	Previous year VND
Revenue		
Revenue from sales of merchandises	787,627,831,991	162,073,292,993
Revenue from sales of finished goods	-	1,112,189,648,781
	<u>787,627,831,991</u>	<u>1,274,262,941,774</u>
Sales deductions		
Merchandise returns	(118,856,000)	(395,051,050)
Trade discounts	(40,044,165)	-
Finished goods returns	-	(2,820,749,020)
	<u>(158,900,165)</u>	<u>(3,215,800,070)</u>
Net revenue from sales of goods		
Net revenue from sales of merchandises	787,468,931,826	161,678,241,943
Net revenue from sales of finished goods	-	1,109,368,899,761
	<u>787,468,931,826</u>	<u>1,271,047,141,704</u>

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23 COST OF GOODS SOLD

	Current year VND	Previous year VND
Cost of finished goods and merchandises sold	611,719,515,372	895,194,416,637
Reversal of provision for decline in value of inventories (Note 7)	(39,354,359)	(15,258,011,447)
	<u>611,680,161,013</u>	<u>879,936,405,190</u>

24 FINANCIAL INCOME

	Current year VND	Previous year VND
Dividend income	300,322,503,800	50,142,503,800
Interest income from deposits	14,497,836,886	20,051,376,927
Realised foreign exchange gains	18,340,405,497	4,846,493,717
Net gain from foreign currency translation at year-end	-	291,304,264
	<u>333,160,746,183</u>	<u>75,331,678,708</u>

25 FINANCIAL EXPENSES

	Current year VND	Previous year VND
Interest expense	2,003,954,740	4,600,391,353
Realised foreign exchange losses	2,353,880,446	1,842,096,533
Net loss from foreign currency translation at year-end	6,241,858,391	-
Provision for diminution in value of investments	11,536,744,527	22,191,065,439
Reversal of provision for diminution in value of investments	(17,847,636,547)	(4,679,120,000)
	<u>4,288,801,557</u>	<u>23,954,433,325</u>

26 SELLING EXPENSES

	Current year VND	Previous year VND
Marketing and trade fair expenses	87,569,213,102	39,298,901,999
Staff costs	37,656,357,103	27,453,486,021
Depreciation	695,720,287	476,428,762
Others	26,947,714,932	16,919,198,247
	<u>152,869,005,424</u>	<u>84,148,015,029</u>

27 GENERAL AND ADMINISTRATION EXPENSES

	Current year VND	Previous year VND
Staff costs	58,221,175,155	117,041,639,044
Outsourced services expenses	24,016,167,277	37,790,223,305
Depreciation and amortisation	8,050,485,197	12,656,190,735
Others	7,163,997,779	17,629,337,048
	<u>97,451,825,408</u>	<u>185,117,390,132</u>

28 NET OTHER INCOME

	Current year VND	Previous year VND
Other income		
Fee charged for using SAP system	4,070,008,000	2,801,640,000
Rental income	978,622,500	72,000,000
Indemnity for damaged goods	464,581,480	233,521,150
Net gains on disposal of fixed assets	163,080,348	891,720,888
Others	509,383,296	1,546,147,778
	<u>6,185,675,624</u>	<u>5,545,029,816</u>
Other expenses		
Others	370,522,871	719,354,301
	<u>370,522,871</u>	<u>719,354,301</u>
Net other income	<u>5,815,152,753</u>	<u>4,825,675,515</u>

29 CORPORATE INCOME TAX (“CIT”)

The CIT on the Company’s accounting profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% as follows:

	Current year VND	Previous year VND
Net accounting profit before tax	260,155,037,360	178,048,252,251
Adjustment:		
Non-taxable income	(300,322,503,800)	(50,142,503,800)
Non-deductible expenses	16,366,865,550	3,563,815,506
Temporary differences for which no deferred income tax has been recognised	(467,500,000)	(501,947,401)
Estimated taxable income	<u>(24,268,100,890)</u>	<u>130,967,616,556</u>
Tax calculated at a rate of 20%	(4,853,620,179)	26,193,523,311
Adjustment for under accrued CIT in previous years	204,700,000	320,066,966
CIT charge (*)	<u>(4,648,920,179)</u>	<u>26,513,590,277</u>
Charged to the separate income statement:		
CIT – current	204,700,000	21,626,017,384
CIT – deferred (Note 16)	(4,853,620,179)	4,887,572,893
	<u>(4,648,920,179)</u>	<u>26,513,590,277</u>

(*) The current CIT charge for the year is based on estimated taxable income and is subject to review and possible adjustments by the tax authorities.

30 COSTS OF OPERATION BY FACTORS

Costs of operation by factor represents all costs incurred during the year from the Company’s operating activities, excluding cost of merchandises for trading activities. Details are as follows:

	Current year VND	Previous year VND
Raw materials	-	501,804,994,480
Staff costs	95,877,532,258	257,512,787,615
Depreciation and amortisation	7,901,437,562	50,404,121,387
Outsourced service expenses	116,978,868,487	77,376,225,304
Others	28,716,863,450	75,177,681,804
	<u>249,474,701,757</u>	<u>962,275,810,590</u>

31 RELATED PARTY DISCLOSURES

The Company is controlled by Thien Long An Think Investment Corporation which owns 48.01% of the Company's charter capital.

During the year, the Company has balances and transactions with related parties as follows:

Related party	Relationship
Thien Long An Think Investment Corporation	Major shareholder
South Thien Long Manufacturing Trading Company Limited	Subsidiary
Thien Long Long Thanh Manufacturing and Trading Company Limited	Subsidiary
Thien Long Global Trading and Service Company Limited	Subsidiary
Tan Luc South Trading and Service One Member Company Limited	Subsidiary
Tan Luc North Trading and Service One Member Company Limited	Subsidiary
Tan Luc Middle Trading and Service One Member Company Limited	Subsidiary
Flexoffice Pte. Ltd.	Subsidiary
ICCO Marketing (M) SDN. BHD.	Indirect subsidiary
Clever World Joint Stock Company	Indirect subsidiary
Pega Holdings Joint Stock Company	Associate

(a) Related party transactions

During the year, the following transactions were carried out with related parties

	Current year VND	Previous year VND
<i>i) Sales of goods</i>		
Thien Long Long Thanh Manufacturing and Trading Company Limited	2,473,315,400	45,366,188,546
Thien Long Global Trading and Service Company Limited	121,462,956,530	736,545,464,805
Tan Luc South Trading and Service One Member Company Limited	55,009,100	9,229,333,410
Tan Luc North Trading and Service One Member Company Limited	-	4,735,442,680
Tan Luc Middle Trading and Service One Member Company Limited	-	435,248,339
South Thien Long Manufacturing Trading Company Limited	61,212,611,259	72,917,683,628
ICCO Marketing (M) SDN. BHD.	6,668,784,491	-
Clever World Joint Stock Company	2,180,880	-
	191,874,857,660	869,229,361,408

31 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	Current year VND	Previous year VND
ii) Purchases of goods		
Thien Long Long Thanh Manufacturing and Trading Company Limited	101,275,859,670	63,862,369,754
Thien Long Global Trading and Service Company Limited	3,157,945,162	1,766,985,030
Tan Luc South Trading and Service One Member Company Limited	214,527,806	3,299,961,445
Tan Luc North Trading and Service One Member Company Limited	13,992,275	370,918,382
Tan Luc Middle Trading and Service One Member Company Limited	-	3,927,720
South Thien Long Manufacturing Trading Company Limited	419,289,064,931	-
ICCO Marketing (M) SDN. BHD.	782,683,427	-
	<u>524,734,073,271</u>	<u>69,304,162,331</u>
iii) Rental income		
Thien Long Global Trading and Service Company Limited	48,000,000	-
Tan Luc North Trading and Service One Member Company Limited	16,000,000	48,000,000
Tan Luc Middle Trading and Service One Member Company Limited	8,000,000	24,000,000
South Thien Long Manufacturing Trading Company Limited	795,000,000	-
Clever World Joint Stock Company	16,000,000	-
	<u>883,000,000</u>	<u>72,000,000</u>
iv) Rental expense		
Thien Long Global Trading and Service Company Limited	-	90,000,000
Tan Luc South Trading and Service One Member Company Limited	-	204,000,000
	<u>-</u>	<u>294,000,000</u>

31 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	Current year VND	Previous year VND
v) Fee charged for using SAP system		
Thien Long Long Thanh Manufacturing and Trading Company Limited	1,217,760,000	1,217,760,000
Thien Long Global Trading and Service Company Limited	893,028,000	893,028,000
Tan Luc South Trading and Service One Member Company Limited	112,464,000	337,392,000
Tan Luc North Trading and Service One Member Company Limited	48,200,000	144,600,000
Tan Luc Middle Trading and Service One Member Company Limited	69,620,000	208,860,000
South Thien Long Manufacturing Trading Company Limited	1,728,936,000	-
	<u>4,070,008,000</u>	<u>2,801,640,000</u>
vi) Disposal of fixed assets		
Thien Long Long Thanh Manufacturing and Trading Company Limited	-	3,154,485,116
South Thien Long Manufacturing Trading Company Limited	711,384,906	31,183,324,674
	<u>711,384,906</u>	<u>34,337,809,790</u>
vii) Proceeds from distributed profit		
Thien Long Long Thanh Manufacturing and Trading Company Limited	50,000,000,000	50,000,000,000
Thien Long Global Trading and Service Company Limited	100,000,000,000	-
South Thien Long Manufacturing Trading Company Limited	150,000,000,000	-
	<u>300,000,000,000</u>	<u>50,000,000,000</u>

31 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	Current year VND	Previous year VND
<i>viii) Investments in subsidiaries</i>		
South Thien Long Manufacturing Trading Company Limited		
- In form of cash	50,000,000,000	212,457,708,708
- In form of inventories	-	162,605,146,852
- In form of tangible and intangible fixed assets	-	224,937,144,440
Pega Holdings Joint Stock Company	25,000,000,000	-
FlexOffice Pte. Ltd.	-	7,186,182,761
	<u>75,000,000,000</u>	<u>607,186,182,761</u>
<i>ix) Payment on behalf</i>		
South Thien Long Manufacturing Trading Company Limited	<u>732,676,548</u>	-
<i>x) Dividends declared</i>		
Thien Long An Think Investment Corporation	<u>112,052,856,000</u>	<u>74,701,904,000</u>

31 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

		Current year VND	Previous year VND
<i>xi) Remuneration of the Board of Directors, salary and bonus of the Chief Executive Officer</i>			
Name	Position		
Mr. Co Gia Tho	Chairman	2,400,000,000	1,818,000,000
Ms. Tran Thai Nhu	Member	840,000,000	618,000,000
Ms. Co Ngan Binh	Member	840,000,000	618,000,000
Ms. Co Cam Nguyet	Member	960,000,000	840,000,000
Mr. Pham Nguyen Tri	Member	1,020,000,000	882,000,000
Mr. Nguyen Dinh Tam	Member	1,320,000,000	-
Mr. Tran Van Hung	Member	-	618,000,000
Mr. Tran Le Nguyen	Member (until 26 April 2022)	320,000,000	912,000,000
Mr. Huynh Van Thien	Member (until 26 April 2022)	340,000,000	978,000,000
Mr. Nguyen Dinh Tam	Chief Executive Officer (until 31 May 2021)	-	6,413,670,000
Ms. Tran Phuong Nga	Chief Executive Officer (from 1 June 2021)	4,863,511,500	2,890,780,000
		<u>12,903,511,500</u>	<u>16,588,450,000</u>

(b) Year end balances with related parties

	Closing balance VND	Opening balance VND
<i>i) Short-term trade accounts receivable (Note 5)</i>		
Thien Long Global Trading and Service Company Limited	31,495,764,824	136,914,314,304
South Thien Long Manufacturing Trading Company Limited	5,724,307,049	63,503,310,229
Thien Long Long Thanh Manufacturing and Trading Company Limited	470,358,400	9,996,062,389
Tan Luc South Trading and Service One Member Company Limited	-	1,654,576,385
Tan Luc Middle Trading and Service One Member Company Limited	-	1,603,505,969
Tan Luc North Trading and Service One Member Company Limited	-	316,853,900
ICCO Marketing (M) SDN. BHD.	6,668,784,493	-
Clever World Joint Stock Company	11,198,968	-
		<u>44,370,413,734</u>
		<u>213,988,623,176</u>

31 RELATED PARTY DISCLOSURES (continued)

(b) Year end balances with related parties (continued)

	Closing balance VND	Opening balance VND
<i>ii) Short-term trade accounts payable (Note 10)</i>		
Thien Long Long Thanh Manufacturing and Trading Company Limited	28,921,263,852	5,374,663,279
South Thien Long Manufacturing Trading Company Limited	23,400,756,296	-
Thien Long Global Trading and Service Company Limited	337,426,517	515,878,440
Tan Luc South Trading and Service One Member Company Limited	-	303,744,612
Tan Luc North Trading and Service One Member Company Limited	-	21,397,000
ICCO Marketing (M) SDN BHD	782,683,427	-
	<u>53,442,130,092</u>	<u>6,215,683,331</u>
<i>iii) Other short-term payables (Note 13)</i>		
Tan Luc South Trading and Service One Member Company Limited	-	21,991,368
Tan Luc North Trading and Service One Member Company Limited	-	3,492,300
Thien Long Global Trading and Service Company Limited	1,109,985	-
	<u>1,109,985</u>	<u>25,483,668</u>
<i>iv) Dividend payables</i>		
Thien Long An Think Investment Corporation	56,026,428,000	18,675,476,000

32 COMMITMENTS

(a) Operating leases

The future minimum lease payments under non-cancellable operating leases were as follows:

	Closing balance VND	Opening balance VND
Within one year	10,039,647,993	9,594,576,164
Between one and five years	26,907,047,694	32,538,765,968
	<u>36,946,695,687</u>	<u>42,133,342,132</u>

32 COMMITMENTS (continued)

(b) Guarantee commitments

As at end of year and beginning of year, the Company has irrevocable guarantee commitments with commercial banks (referred to as “Creditors”) for borrowings of its subsidiaries (referred to as “Debtors”). Accordingly, the Company is responsible for repaying the loan principal, interest, guarantee costs and other costs to the Creditors in the circumstances that the Debtors are unable to pay or pay late by the due date. Details of guarantees are as follows:

	Currency	Guarantee limits	
		Closing balance VND	Opening balance VND
Thien Long Long Thanh Manufacturing and Trading Company Limited	VND	241,000,000,000	100,000,000,000
South Thien Long Manufacturing Trading Company Limited	VND	365,000,000,000	200,000,000,000
	USD	3,900,000,000	-
Thien Long Global Trading and Service Company Limited	VND	100,000,000,000	-

(c) Capital contribution commitment

Pursuant to the Resolution No. 08/2022/NQ-HDQT dated 28 December 2022 of the Board of Directors, the Board of Directors of the Company has approved to contribute additional capital contribution of USD500,000 to Flexoffice Pte. Ltd. for the purpose of increasing offshore investment activities. As at the date of these separate financial statements, this amount has been fully contributed.

The separate financial statements were approved by the Chief Executive Officer on 28 March 2023.



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant




Tran Phuong Nga
Chief Executive Officer