



THIÊN LONG GROUP CORPORATION

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**



THIEN LONG GROUP CORPORATION

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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THIEN LONG GROUP CORPORATION

CORPORATE INFORMATION

Investment registration certificate	No. 6307210814 dated 6 December 2018	
	Investment registration certificate and its subsequent amendments were issued by the Ho Chi Minh City Export Processing and Industrial Zones Authority for a period up to 17 June 2047.	
Enterprise registration certificate	No. 0301464830 dated 14 March 2005 was initially issued by the Department of Planning and Investment of Ho Chi Minh City and the 19th amendment dated 8 November 2021.	
Board of Directors	Mr. Co Gia Tho Mr. Tran Le Nguyen Mr. Huynh Van Thien Ms. Tran Thai Nhu Ms. Co Ngan Binh Ms. Co Cam Nguyet Mr. Tayfun Uner Mr. Pham Tri Nguyen Mr. Tran Van Hung Mr. Nguyen Dinh Tam	Chairman Member Member Member Member Member Member Member Member (until 29 June 2021) Member (from 29 June 2021)
Board of Supervision	Ms. Nguyen Thi Bich Nga Mr. Dinh Duc Hau Ms. Ta Hong Diep	Head Member Member
Chief Executive Officer	Ms. Tran Phuong Nga Mr. Nguyen Dinh Tam	Chief Executive Officer (from 1 June 2021) Chief Executive Officer (to 31 May 2021)
Legal Representative	Mr. Co Gia Tho	Chairman
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 CONSOLIDATED FINANCIAL STATEMENTS

The Chief Executive Officer of Thien Long Group Corporation (“the Company”) is responsible for preparing the consolidated financial statements of the Company and its subsidiaries (together, “the Group”) which give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of the consolidated results of its operations and its consolidated cash flows for the year then ended. In preparing these consolidated 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 consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Group 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 consolidated financial position of the Group and which enable consolidated financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the consolidated financial statements. The Chief Executive Officer is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud or errors.

The legal representative has authorized the Chief Executive Officer of the Company to approve and sign the consolidated financial statements for the year ended 31 December 2021 as per Power of Attorney dated 27 February 2017.

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

I hereby, approve the accompanying consolidated financial statements as set out on pages 5 to 46 which give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of the consolidated results of its operations and its consolidated 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 consolidated financial statements.



Tran Phuong Nga
Chief Executive Officer
Authorised by Legal Representative

Ho Chi Minh City, Vietnam
28 March 2022



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

We have audited the accompanying consolidated financial statements of Thien Long Group Corporation ("the Company") and its subsidiaries (together, "the Group") which were prepared on 31 December 2021 and approved by the Chief Executive Officer of the Company on 28 March 2022. The consolidated financial statement comprises the consolidated balance sheet as at 31 December 2021, the consolidated income statement and the consolidated cash flow statement for the year then ended, and explanatory notes to the consolidated financial statements including significant accounting policies, as set out on pages 5 to 46.

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 consolidated financial statements of the Group in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated financial statements and for such internal control which the Chief Executive Officer determines necessary to enable the preparation and fair presentation of the consolidated 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 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 standards and requirements and plan and perform the audit in order to obtain reasonable assurance as to whether the consolidated financial statements of the Group 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 auditor's judgment, including an assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and true 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 Group'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 consolidated 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2021, its consolidated financial performance and consolidated 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 consolidated 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.:
0048-2018-006-1
Authorised signatory

Report reference number: HCM11774
Ho Chi Minh City, 28 March 2022

Vo Ngoc Huyen
Audit Practising Licence No.:
2610-2018-006-1

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021**

Code	ASSETS	Note	Closing balance VND	Opening balance VND
100	CURRENT ASSETS		1,867,453,670,532	1,701,751,836,942
110	Cash and cash equivalents	3	503,425,694,773	371,680,211,939
111	Cash		339,074,817,864	152,680,211,939
112	Cash equivalents		164,350,876,909	219,000,000,000
120	Short-term investment		239,999,139,200	372,000,000,000
123	Held-to-maturity investments	4(a)	239,999,139,200	372,000,000,000
130	Short-term receivables		398,342,077,637	415,009,507,750
131	Short-term trade receivables	5	360,613,054,625	386,750,747,429
132	Short-term prepayments to suppliers	6	30,644,903,658	16,500,972,908
136	Other short-term receivables	7	19,423,980,217	11,926,026,574
137	Provision for doubtful debts – short-term	8	(12,339,860,863)	(168,239,161)
140	Inventories	9	693,114,318,297	530,224,405,469
141	Inventories		704,241,213,936	554,826,392,930
149	Provision for decline in value of inventories		(11,126,895,639)	(24,601,987,461)
150	Other current assets		32,572,440,625	12,837,711,784
151	Short-term prepaid expenses	10(a)	13,186,182,712	12,713,482,192
152	Value added tax ("VAT") deductibles		15,920,601,434	109,174,138
153	Tax and other receivables from the State		3,465,656,479	15,055,454
200	LONG-TERM ASSETS		578,684,880,396	612,847,304,820
210	Long-term receivable		5,799,200,123	4,636,517,123
216	Other long-term receivables		5,799,200,123	4,636,517,123
220	Fixed assets		445,543,913,696	463,588,241,667
221	Tangible fixed assets	11(a)	425,390,545,912	438,944,610,201
222	Historical cost		1,031,042,278,559	990,029,869,959
223	Accumulated depreciation		(605,651,732,647)	(551,085,259,758)
227	Intangible fixed assets	11(b)	20,153,367,784	24,643,631,466
228	Historical cost		68,137,527,411	67,792,297,411
229	Accumulated amortisation		(47,984,159,627)	(43,148,665,945)
240	Long-term asset in progress		19,040,558,603	13,434,075,449
242	Construction in progress	12	19,040,558,603	13,434,075,449
250	Long-term investments		33,621,440,000	21,942,320,000
253	Investments in other entities	4(b)	37,685,000,000	30,685,000,000
254	Provision for long-term investments	4(b)	(4,063,560,000)	(8,742,680,000)
260	Other long-term assets		74,679,767,974	109,246,150,581
261	Long-term prepaid expenses	10(b)	64,581,906,877	80,297,126,389
262	Deferred income tax assets	20	10,097,861,097	28,949,024,192
270	TOTAL ASSETS		2,446,138,550,928	2,314,599,141,762

The notes on pages 9 to 46 are an integral part of these consolidated financial statements.

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021
(continued)**

Code	RESOURCES	Note	Closing balance VND	Opening balance VND
300	LIABILITIES		620,560,103,651	566,339,505,472
310	Short-term liabilities		578,295,639,397	499,556,492,085
311	Short-term trade payables	13	192,966,654,832	113,224,556,606
312	Short-term advances from customers	14	6,770,431,424	6,686,687,740
313	Tax and other payables to the State	15	23,159,487,331	18,846,224,521
314	Payables to employees		27,023,465,313	23,820,358,291
315	Short-term accrued expenses	16	96,976,213,042	93,748,732,179
319	Other short-term payables	17	49,255,503,644	90,142,614,189
320	Short-term borrowings	18(a)	173,272,413,271	147,248,648,694
322	Bonus and welfare fund	25	8,871,470,540	5,838,669,865
330	Long-term liabilities		42,264,464,254	66,783,013,387
338	Long-term borrowings	18(b)	11,689,230,754	31,807,692,298
342	Provision for long-term liabilities	19	30,575,233,500	34,975,321,089
400	OWNERS' EQUITY		1,825,578,447,277	1,748,259,636,290
410	Capital and reserves		1,825,578,447,277	1,748,259,636,290
411	Owners' contributed capital	21, 22	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	22	361,633,483,771	361,633,483,771
417	Foreign exchange differences	22	(300,043,194)	92,630,401
418	Investment and development fund	22	228,691,572,556	199,910,168,556
421	Undistributed earnings	22	457,608,904,144	408,678,823,562
421a	- Undistributed post-tax profits of previous years		345,990,396,887	330,722,692,813
421b	- Undistributed post-tax profits of current year		111,618,507,257	77,956,130,749
440	TOTAL RESOURCES		2,446,138,550,928	2,314,599,141,762



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant



Tran Phuong Nga
Chief Executive Officer
28 March 2022

The notes on pages 9 to 46 are an integral part of these consolidated financial statements.

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Code	Note	Current year VND	Previous year VND
01	Revenue from sales of goods	2,686,850,511,330	2,738,400,566,048
02	Less deductions	(18,575,418,243)	(53,848,615,712)
10	Net revenue from sales of goods	2,668,275,093,087	2,684,551,950,336
11	Cost of goods sold	(1,541,112,345,410)	(1,654,810,794,517)
20	Gross profit from sales of goods	1,127,162,747,677	1,029,741,155,819
21	Financial income	32,025,269,716	26,526,594,813
22	Financial expenses	(6,854,564,215)	(15,968,918,896)
23	- Including: Interest expense	(7,019,978,348)	(11,853,821,706)
25	Selling expenses	(504,674,977,559)	(488,676,448,608)
26	General and administration expenses	(292,392,358,391)	(254,856,941,468)
30	Net operating profit	355,266,117,228	296,765,441,660
31	Other income	5,391,709,425	8,799,926,472
32	Other expenses	(2,092,942,627)	(1,927,894,452)
40	Net other income	3,298,766,798	6,872,032,020
50	Net accounting profit before tax	358,564,884,026	303,637,473,680
51	Corporate income tax ("CIT") - current	(63,006,307,674)	(61,440,847,225)
52	CIT - deferred	(18,851,163,095)	(2,351,589,706)
60	Net profit after tax	276,707,413,257	239,845,036,749
61	Attributable to: Owners of the Company	276,707,413,257	239,845,036,749
70	Basic earnings per share	3,201	2,775
71	Diluted earnings per share	3,201	2,775



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant



Tran Phuong Nga
Chief Executive Officer
28 March 2022

The notes on pages 9 to 46 are an integral part of these consolidated financial statements.

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021
(Indirect method)**

Code	Note	Current year VND	Previous year VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01		358,564,884,026	303,637,473,680
		Net accounting profit before tax	
		Adjustments for:	
02		83,919,429,257	80,427,015,086
		Depreciation and amortisation	
03		(10,060,980,737)	(9,843,622,423)
		Reversal of provisions	
04	32	(318,054,357)	284,619,586
		Unrealised foreign exchange (gains)/losses	
05	31,35	(23,868,121,847)	(22,385,207,920)
		Profits from investing activities	
06	32	7,019,978,348	11,853,821,706
		Interest expense	
08		415,257,134,690	363,974,099,715
		Operating profit before changes in working capital	
09		24,949,485,918	163,476,604,891
		Decrease in receivables	
10		(142,286,693,964)	56,523,700,153
		(Increase)/decrease in inventories	
11		17,702,900,285	(60,624,667,853)
		Increase/(decrease) in payables	
12		14,993,621,322	(33,310,311,486)
		Decrease/(increase) in prepaid expenses	
14		(6,928,466,153)	(12,125,598,196)
		Interest paid	
15	15	(62,699,502,885)	(67,079,096,806)
		CIT paid	
17		(39,800,891,600)	(42,265,374,888)
		Other payments on operating activities	
20		221,187,587,613	368,569,355,530
		Net cash inflows from operating activities	
CASH FLOWS FROM INVESTING ACTIVITIES			
21		(58,046,246,969)	(85,086,927,060)
		Purchases of fixed assets and other long-term assets	
22		2,166,609,649	1,020,459,916
		Proceeds from disposals of fixed assets	
23		(515,999,139,200)	(464,500,000,000)
		Term deposits placed at banks	
24		648,000,000,000	558,500,000,000
		Collection of term deposits placed at banks	
25		(7,000,000,000)	-
		Investments in other entities	
27		30,217,926,187	28,851,374,215
		Dividends and interest received	
30		99,339,149,667	38,784,907,071
		Net cash inflows from investing activities	
CASH FLOWS FROM FINANCING ACTIVITIES			
31		-	15,000,000,000
		Proceeds from issuance of shares	
32		-	(46,311,318,529)
		Payments for share repurchases	
33		583,271,414,505	694,739,377,675
		Proceeds from borrowings	
34		(577,366,111,472)	(736,642,668,196)
		Repayments of borrowings	
36		(194,455,871,500)	(153,373,200,000)
		Dividends paid	
40		(188,550,568,467)	(226,587,809,050)
		Net cash outflows from financing activities	
50		131,976,168,813	180,766,453,551
		Net increase in cash and cash equivalents	
60		371,680,211,939	190,855,576,577
		Cash and cash equivalents at beginning of year	
61	3	(230,685,979)	58,181,811
		Effect of foreign exchange differences	
70	3	503,425,694,773	371,680,211,939
		Cash and cash equivalents at the end of year	

Additional information relating to the cash flow statement is presented in Note 39.



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant



Tran Phuong Nga
Chief Executive Officer
28 March 2022

The notes on pages 9 to 46 are an integral part of these consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1 GENERAL INFORMATION

Thien Long Group Corporation (the "Company") is a joint stock company established in Socialist Republic of Vietnam pursuant to 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 18th amendment dated 29 June 2020.

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 Thinh 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 21(b).

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

The normal business cycle of the Group is 12 months.

At end of year, the Company had 7 subsidiaries (at beginning of year: 6 subsidiaries). Details are as follows:

	Principal activities	Place of incorporation and operation	At beginning of year		At end 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%
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 One Member 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%
Tan Luc North Trading and Service One Member Company Limited	Trading stationery	Ha Noi City	100%	100%	100%	100%
Tan Luc Middle Trading and Service One Member Company Limited	Trading stationery	Da Nang City	100%	100%	100%	100%
Flexoffice Pte. Ltd.	Trading stationery	Singapore	100%	100%	100%	100%

At end of year, the Group had 2,974 employees (as at beginning of year: 2,968 employees).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of consolidated financial statements

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

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

The consolidated financial statements in the Vietnamese language are the official statutory consolidated financial statements of the Group. The consolidated financial statements in the English language have been translated from the Vietnamese version.

2.2 Fiscal year

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

2.3 Currency

The consolidated financial statements are measured and presented in Vietnamese Dong ("VND"), which the Company's accounting currency. The Group determines its accounting currencies based on the currencies which are mainly used in sales of goods, which have a significant impact on selling prices of goods, which are normally used to list selling prices and receive payments; which are mainly used in purchases of goods and services, which have a significant impact on costs of labor, materials and other production or operating costs and which is normally used as payments for those costs.

Additionally, the Group also uses these currencies to raise financial resources and regularly collect these currencies from business operations and savings.

On consolidating, if the currencies used on financial statements of subsidiaries are different from that of the Company, the Company is required to translate those financial statements into the currency used in the Company's consolidated financial statements under the following principles:

- Assets and liabilities of overseas subsidiaries is translated at actual exchange rate at the year end;
- Undistributed earnings or losses are translated based on the translation of income and expenses in the income statement;
- Items of the income statement and the cash flow statement are translated at the average exchange rate of the accounting year; and
- The cumulative amount of exchange differences is presented in a separate component of equity at "Foreign exchange differences" in the consolidated balance sheet.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**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 consolidated income statement.

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

2.5 Basis of consolidation***Subsidiaries***

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies 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 Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The financial statements of the subsidiaries are prepared for the same accounting period of the Group for the consolidation purpose. If there are differences in end dates, the gap must not exceed 3 months. Adjustments are made to reflect impacts of significant transactions and events occurring between the end dates of the subsidiaries' accounting period and that of the Group's. The length of the reporting period and differences in reporting date must be consistent between years.

2.6 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.7 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 short-term and long-term receivables on the consolidated balance sheet based on the remaining period from the consolidated balance sheet date to the maturity date.

2.8 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 Group applies the perpetual method for inventories.

Provision is made, when 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.

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

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

Investments held to maturity include term deposits and bonds for interest earning and other held-to-maturity investments. 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 Investments held to maturity 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 Investments held to maturity on the consolidated balance sheet based on remaining period from the consolidated balance sheet date to the maturity date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.9 Financial investments (continued)****(b) 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.

Provision for investments in other entities is made when there is a diminution in value of the investments at the year end. It is calculated based on market value if market value can be determined reliably. If market value can not be determined reliably, the provision for investments in other entities is calculated based on the loss of investees.

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.

2.10 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 suitable conditions 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 consolidated income statement when incurred.

Depreciation and amortisation

Fixed assets are depreciated and amortized using the straight-line method so as to write off the historical cost of the fixed assets over their estimated useful lives. 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 are comprised of land use rights with an indefinite useful life, recorded at historical cost and are 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 consolidated income statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.10 Fixed assets (continued)***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 Group's accounting policies. Depreciation of these assets, on the same basis as other fixed assets, commences when they are ready for their intended use.

2.11 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 consolidated income statement on a straight-line basis over the term of the lease.

2.12 Prepaid expenses

Prepaid expenses include short-term and long-term prepayments on the consolidated balance sheet. Prepaid expenses are recorded at historical cost and allocated on a straight-line basis over their estimated useful lives.

Additionally, prepayments for land rental contracts, which became effective after 2003, are also recorded as prepaid expenses in accordance with the guidance of Circular No. 45/2013/TT-BTC dated 25 April 2013 issued by the Ministry of Finance and, allocated using the straight-line method in accordance with such land use right certificates.

2.13 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 short-term and long-term payables on the consolidated balance sheet based on remaining period from the consolidated balance sheet date to the maturity date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Borrowings and borrowing costs

Borrowings include borrowings from banks.

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

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

2.15 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.

2.16 Provisions

Provisions are recognised when the Group 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.

2.17 Provision for severance allowance

In accordance with Vietnamese labour laws, employees of the Group 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 Group 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 Group.

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 consolidated 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.18 Provision for dismantling and restoration costs**

According to Circular 200, since 1 January 2015, the Group is required to provide for dismantling and restoration costs of the Group's leased premises and land following guidance presented in Note 2.16 and relevant regulations.

This provision is measured at the present value of expenditures estimated to settle the dismantling and restoration obligation at the end of the lease term. The increase in the provision due to passage of time is recognised as a financial expense in the reporting year.

2.19 Capital and reserves

Owners' capital is recorded according to the actual amounts contributed at 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.

Treasury shares bought before the effective date of the Securities Law (ie. 1 January 2021) are shares issued by the Company and bought back by itself, but these are not cancelled and may be re-issued subsequently in accordance with the Law on Securities.

Treasury shares bought after 1 January 2021 will be cancelled and adjusted to reduce equity.

Undistributed earnings record the Group's results profit after CIT at the reporting date.

2.20 Appropriation of profit

The Group's dividends are recognised as a liability in the consolidated financial statements in the year under the announcement of the Board of Directors in which the dividends are approved by the 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 Group's funds are as below:

(a) Investment and development fund

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

(b) Bonus and welfare fund

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.21 Revenue recognition****(a) Revenue from sales of goods**

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

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group 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 Group; 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 Group gives promotional goods to customers associated with their purchases, the Group 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 consolidated income statement.

(b) Interest income

Interest income is recognised on an earned basis.

(c) Dividend income

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

2.22 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 consolidated balance sheet date but before the issuance of the consolidated financial statements are recorded as a deduction from the revenue of the year.

2.23 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)**2.24 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.

2.25 Selling expenses

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

2.26 General and administration expenses

General and administration expenses represent expenses for Group's administrative purposes.

2.27 Current and deferred income tax

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

2.28 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 Group, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group, key management personnel, including the Chief Executive Officer of the Group 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 Group considers the substance of the relationship not merely the legal form.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.29 Segment reporting**

A segment is a component which can be separated by the Group engaged in sales of goods or rendering of services (“business segment”), or sales of goods or rendering of services within a particular economic environment (“geographical segment”). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment is the Group’s business segment or the Group’s geographical segment.

2.30 Critical accounting estimates

The preparation of consolidated financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated 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 consolidated 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 8);
- Estimated useful life of fixed assets (Note 10);
- Estimation of provision for long-term liabilities (Note 18); and
- Recognition of deferred tax assets for tax losses carried forward (Note 19).

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 Group 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	1,123,648,210	1,228,644,452
Cash at bank	337,951,169,654	151,451,567,487
Cash equivalents (*)	164,350,876,909	219,000,000,000
	<u>503,425,694,773</u>	<u>371,680,211,939</u>

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

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4 FINANCIAL INVESTMENTS

(a) Held-to-maturity investments

	Closing balance		Opening balance	
	Cost VND	Book value VND	Cost VND	Book value VND
Term deposits (*)	220,000,000,000	220,000,000,000	372,000,000,000	372,000,000,000
Bonds	19,999,139,200	19,999,139,200	-	-
	<u>239,999,139,200</u>	<u>239,999,139,200</u>	<u>372,000,000,000</u>	<u>372,000,000,000</u>

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

(b) Investments in other entities

	Closing balance			Opening balance		
	Cost value VND	Fair value VND	Ownership percentage %	Cost value VND	Fair value VND	Ownership percentage %
Kinh Do Land Corporation	25,000,000,000	(*)	2.0	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	(*)	1.9	1,520,000,000	(*)	1.89
Printing No.7 Joint Stock Company	600,000,000	(*)	2.5	600,000,000	(*)	2.50
Soundio Technology Joint Stock Company	7,000,000,000	(*)	-	-	-	-
	<u>37,685,000,000</u>	<u>(4,063,560,000)</u>		<u>30,685,000,000</u>	<u>(8,742,680,000)</u>	

(*) At end of year and beginning of year, the Group has not determined fair value of these investments to disclose on the consolidated financial statements because they do not have listed prices.

5 SHORT-TERM TRADE RECEIVABLES

	Closing balance VND	Opening balance VND
SQI Group Int'l. Corp.	34,137,856,436	27,754,604,189
Others	326,475,198,189	358,996,143,240
	<u>360,613,054,625</u>	<u>386,750,747,429</u>

At end of year and beginning of year, balances of short-term trade accounts receivable that were past due, amounting to VND34,173,847,285 and VND7,922,894,427, respectively as presented in Note 8.

At end of year and beginning of year, short-term trade receivables of VND50,000,000,000 were pledged with banks as collateral or mortgaged assets for short-term borrowings granted to the Company (Note 18).

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	Closing balance VND	Opening balance VND
24h Interior Decoration and Design Consultant Company Limited	8,065,344,411	-
Sai Gon VRG Investment Corporation	3,822,000,000	-
Others	18,757,559,247	16,500,972,908
	<u>30,644,903,658</u>	<u>16,500,972,908</u>

7 OTHER SHORT-TERM RECEIVABLES

	Closing balance		Opening balance	
	Book value VND	Provision VND	Book value VND	Provision VND
Interest receivables	2,481,407,557	-	8,044,502,741	-
Advances to employees	1,413,195,700	-	1,063,255,506	-
Deposits	10,455,618,882	-	673,895,000	-
Others	5,073,758,078	-	2,144,373,327	-
	<u>19,423,980,217</u>	<u>-</u>	<u>11,926,026,574</u>	<u>-</u>

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.

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8 DOUBTFUL DEBTS

	Closing balance			Opening balance		
	Cost VND	Recoverable amount VND	Provision VND	Cost VND	Recoverable amount VND	Provision VND
Like Link Co., Ltd.	9,359,076,827	4,574,451,528	(4,784,625,299)	-	-	-
MM Mega Market (Vietnam) Company Limited	1,753,989,596	-	(1,753,989,596)	-	-	-
Nguyen Hue Bookstore	9,473,824,639	8,008,006,145	(1,465,818,494)	-	-	-
Xuan Thu Bookstore	7,238,819,941	5,985,377,400	(1,253,442,541)	-	-	-
Branch of Apax English Joint Stock Company	816,925,065	-	(816,925,065)	-	-	-
Nhan Van Bookstore	413,815,724	133,130,857	(280,684,867)	-	-	-
Others	5,117,395,493	3,133,020,492	(1,984,375,001)	7,922,894,427	7,754,655,266	(168,239,161)
	<u>34,173,847,285</u>	<u>21,833,986,422</u>	<u>(12,339,860,863)</u>	<u>7,922,894,427</u>	<u>7,754,655,266</u>	<u>(168,239,161)</u>

9 INVENTORIES

	Closing balance		Opening balance	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	62,834,069,879	-	12,457,622,463	-
Raw materials	262,457,334,508	(2,068,850,143)	191,344,982,685	(16,062,395,215)
Tools and supplies	5,879,797,881	(1,012,501,567)	6,517,647,894	(764,136,018)
Work in progress	60,399,405,581	(2,122,979,626)	50,494,687,517	(2,782,913,237)
Finished goods	139,536,304,257	(2,065,870,323)	145,202,173,063	(1,731,412,560)
Merchandise	173,134,301,830	(3,856,693,980)	148,809,279,308	(3,261,130,431)
	<u>704,241,213,936</u>	<u>(11,126,895,639)</u>	<u>554,826,392,930</u>	<u>(24,601,987,461)</u>

At end of year and beginning of year, a part of inventory were pledged as mortgaged assets for short-term borrowings from banks (Note 18).

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

	Current year VND	Previous year VND
Opening balance	(24,601,987,461)	(28,859,198,112)
Addition (Note 30)	(11,126,895,639)	(14,651,803,220)
Reversal (Note 30)	24,601,987,461	18,909,013,871
Closing balance	<u>(11,126,895,639)</u>	<u>(24,601,987,461)</u>

10 PREPAID EXPENSES**(a) Short-term**

	Closing balance VND	Opening balance VND
Advertising and marketing expenses	8,820,633,333	7,684,842,966
Health and asset insurance	1,348,016,385	1,496,796,134
Tools and supplies	55,239,933	138,442,174
Others	2,962,293,061	3,393,400,918
	<u>13,186,182,712</u>	<u>12,713,482,192</u>

10 PREPAID EXPENSES (continued)**(b) Long-term**

	Closing balance VND	Opening balance VND
Land rental (*)	10,239,107,371	10,568,515,651
Expenses for site clearance, restoration and return (**)	9,972,606,058	10,294,303,030
Tools and supplies	33,992,276,017	50,478,443,012
Others	10,377,917,431	8,955,864,696
	<u>64,581,906,877</u>	<u>80,297,126,389</u>

(*) Representing balance of prepaid land rental which has not been fully allocated under the land lease contract as presented in Note 2.12.

(**) The Group has offices and factories built on leased land. Under the Land Lease Agreement, the Group has an obligation to restore and return the premises to the original state at the end of the lease term. Accordingly, the Group has estimated its liability (Note 19) and amortised it to expenses over the remaining land lease term.

Movements in prepaid expenses during the year are as follows:

	Current year VND	Previous year VND
Opening balance	93,010,608,581	47,479,780,223
Increase	55,135,982,198	63,704,252,157
Transferred from construction in progress (Note 12)	875,871,740	2,720,346,382
Transferred from inventories	6,551,969,172	46,762,488,332
Transferred from fixed assets	-	172,948,083
Allocation	(77,806,342,102)	(67,829,206,596)
Closing balance	<u>77,768,089,589</u>	<u>93,010,608,581</u>

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11 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	227,016,080,363	522,239,933,594	43,531,943,983	18,064,993,552	179,176,918,467	990,029,869,959
New purchases	-	31,128,875,132	5,735,334,000	605,611,364	1,428,783,023	38,898,603,519
Transfers from construction in progress (Note 12)	-	16,334,066,606	-	-	10,130,137,238	26,464,203,844
Reclassification	-	582,131,045	-	-	1,685,223,709	2,267,354,754
Disposals	(4,826,352,764)	(4,555,856,436)	(742,778,788)	(602,486,807)	(15,890,278,722)	(26,617,753,517)
Closing balance	222,189,727,599	565,729,149,941	48,524,499,195	18,068,118,109	176,530,783,715	1,031,042,278,559
Accumulated depreciation						
Opening balance	82,824,836,715	283,043,749,509	31,282,975,505	16,338,003,107	137,595,694,922	551,085,259,758
Charge for the year	10,340,193,439	49,043,995,568	5,527,458,447	909,377,650	15,128,876,923	80,949,902,027
Disposals	(4,708,457,678)	(4,480,677,143)	(742,778,788)	(602,486,807)	(15,849,028,722)	(26,383,429,138)
Closing balance	88,456,572,476	327,607,067,934	36,067,655,164	16,644,893,950	136,875,543,123	605,651,732,647
Net book value						
Opening balance	144,191,243,648	239,196,184,085	12,248,968,478	1,726,990,445	41,581,223,545	438,944,610,201
Closing balance	133,733,155,123	238,122,082,007	12,456,844,031	1,423,224,159	39,655,240,592	425,390,545,912

At end of year, the historical cost of tangible assets of the Group that were fully depreciated but still in use was VND299,176,450,140 (at beginning of year: VND275,800,471,670).

At end of year, tangible fixed assets of the Group with a carrying value of VND19,982,859,915 (at beginning of year: VND164,167,175,459) were pledged as mortgaged assets for short-term and long-term borrowings from banks (Note 18).

11 FIXED ASSETS (continued)**(b) Intangible fixed assets**

	Land use rights VND	Software VND	Copyright, patents VND	Total VND
Historical cost				
Opening balance	16,047,625,000	51,377,672,411	367,000,000	67,792,297,411
New purchases	-	345,230,000	-	345,230,000
Closing balance	<u>16,047,625,000</u>	<u>51,722,902,411</u>	<u>367,000,000</u>	<u>68,137,527,411</u>
Accumulated amortisation				
Opening balance	1,175,864,496	41,605,801,449	367,000,000	43,148,665,945
Charge for the year	-	4,835,493,682	-	4,835,493,682
Closing balance	<u>1,175,864,496</u>	<u>46,441,295,131</u>	<u>367,000,000</u>	<u>47,984,159,627</u>
Net book value				
Opening balance	<u>14,871,760,504</u>	<u>9,771,870,962</u>	-	<u>24,643,631,466</u>
Closing balance	<u>14,871,760,504</u>	<u>5,281,607,280</u>	-	<u>20,153,367,784</u>

At end of year, the historical cost of intangible assets of the Group that were fully amortised but still in use was VND14,397,384,677 (as at beginning of year: VND13,867,672,432).

12 CONSTRUCTION IN PROGRESS

	Closing balance VND	Opening balance VND
Equipment under installation	12,089,666,057	4,797,947,189
Moulds under installation	5,370,720,046	7,831,128,260
Others	1,580,172,500	805,000,000
	<u>19,040,558,603</u>	<u>13,434,075,449</u>

Movements in construction in progress during the year are as follows:

	Current year VND	Previous year VND
Opening balance	13,434,075,449	26,712,919,979
Increase in the year	32,946,558,738	53,280,116,624
Transfers to fixed assets (Note 11)	(26,464,203,844)	(63,617,333,003)
Transfers to prepaid expenses (Note 10)	(875,871,740)	(2,720,346,382)
Transfers to inventories	-	(221,281,769)
Closing balance	<u>19,040,558,603</u>	<u>13,434,075,449</u>

13 SHORT-TERM TRADE PAYABLES

	Closing balance		Opening balance	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
GC Marketing Solutions Company Limited	14,959,370,844	14,959,370,844	-	-
Mcaide Enterprise Co., Ltd	10,549,216,864	10,549,216,864	5,585,084,141	5,585,084,141
Others	167,458,067,124	167,458,067,124	107,639,472,465	107,639,472,465
	<u>192,966,654,832</u>	<u>192,966,654,832</u>	<u>113,224,556,606</u>	<u>113,224,556,606</u>

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

14 SHORT-TERM ADVANCES FROM CUSTOMERS

	Closing balance VND	Opening balance VND
Crayola LLC	3,134,818,182	-
Northern Treasure Pte. Ltd	1,131,795,582	-
Others	2,503,817,660	6,686,687,740
	<u>6,770,431,424</u>	<u>6,686,687,740</u>

15 TAX AND OTHER PAYABLES/RECEIVABLES TO THE STATE

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

	Opening balance VND	Payable during the year VND	Payment during the year VND	Reclassification VND	Closing balance VND
a) Tax payables					
Value added tax	7,848,196,829	123,977,273,127	(123,731,983,547)	-	8,093,486,409
CIT - current	9,725,491,809	63,006,307,674	(62,699,502,885)	3,450,601,025	13,482,897,623
Personal income tax	1,259,724,661	27,206,287,022	(27,063,253,385)	-	1,402,758,298
Import – export duties	-	15,101,813,293	(15,101,813,293)	-	-
Others	12,811,222	2,375,311,401	(2,207,777,622)	-	180,345,001
	<u>18,846,224,521</u>	<u>231,666,992,517</u>	<u>(230,804,330,732)</u>	<u>3,450,601,025</u>	<u>23,159,487,331</u>
b) Tax receivables					
CIT - current	15,055,454	-	-	3,450,601,025	3,465,656,479
	<u>15,055,454</u>	<u>-</u>	<u>-</u>	<u>3,450,601,025</u>	<u>3,465,656,479</u>

16 SHORT-TERM ACCRUED EXPENSES

	Closing balance VND	Opening balance VND
13th & 14th month salary and performance salary	69,520,694,385	67,721,074,833
Advertising and marketing	16,322,991,207	1,803,384,998
Interest expense	336,974,016	245,461,821
Others	10,795,553,434	23,978,810,527
	<u>96,976,213,042</u>	<u>93,748,732,179</u>

17 OTHER SHORT-TERM PAYABLES

	Closing balance VND	Opening balance VND
Dividend payable	38,938,653,000	77,805,618,500
Remuneration for the Board of Directors and Board of Supervision	4,400,287,355	3,791,956,955
Union fees	1,109,882,486	1,379,475,611
Others	4,806,680,803	7,165,563,123
	<u>49,255,503,644</u>	<u>90,142,614,189</u>

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

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18 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						
Joint Stock Commercial Bank for Investment and Development of Vietnam - Western Saigon Branch	30,375,463,100	30,375,463,100	120,276,945,900	(150,652,409,000)	-	-
Vietnam Joint Stock Commercial Bank for Industry and Trade - Western Saigon Branch	3,475,440,895	3,475,440,895	815,770,450	(4,291,211,345)	-	-
HSBC Bank (Vietnam) Limited (i)	81,766,942,218	81,766,942,218	327,964,973,580	(307,500,423,947)	102,231,491,851	102,231,491,851
United Overseas Bank (Vietnam) Limited (ii)	19,515,145,008	19,515,145,008	81,503,954,566	(88,914,874,774)	12,104,224,800	12,104,224,800
Shinhan Bank Vietnam Limited	1,777,195,929	1,777,195,929	-	(1,777,195,929)	-	-
The Siam Commercial Bank Public Company Limited (iii)	-	-	52,709,770,009	(10,631,534,931)	42,078,235,078	42,078,235,078
	<u>136,910,187,150</u>	<u>136,910,187,150</u>	<u>583,271,414,505</u>	<u>(563,767,649,926)</u>	<u>156,413,951,729</u>	<u>156,413,951,729</u>
Current portion of long-term borrowings						
HSBC Bank (Vietnam) Limited (*) (iv)	10,338,461,544	10,338,461,544	20,118,461,544	(13,598,461,546)	16,858,461,542	16,858,461,542
	<u>147,248,648,694</u>	<u>147,248,648,694</u>	<u>603,389,876,049</u>	<u>(577,366,111,472)</u>	<u>173,272,413,271</u>	<u>173,272,413,271</u>

(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 (*) (iv)	31,807,692,298	31,807,692,298	-	(20,118,461,544)	11,689,230,754	11,689,230,754

18 BORROWINGS (continued)

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

	Closing balance VND	Opening balance VND
Original debt balance	28,547,692,296	42,146,153,842
Current portion	(16,858,461,542)	(10,338,461,544)
	<u>11,689,230,754</u>	<u>31,807,692,298</u>

- (i) Representing short-term loans from HSBC Bank (Vietnam) Limited for the purpose of supplementing working capital. The loans have terms and interest rates specified in each disbursement. The Group used receivables, buildings and structures as collateral assets for these loans (Note 5 and 11).
- (ii) Representing short-term loans from United Oversea Bank (Vietnam) Limited for the purpose of supplementing working capital. The loans have terms and interest rates specified in each disbursement. The Group used inventories as collateral assets for these loans (Note 9).
- (iii) Representing short-term loans from The Siam Commercial Bank Public Company Limited – Ho Chi Minh Branch for the purpose of supplementing working capital. The loans have terms and interest rates specified in each disbursement. The Group used receivables as collateral assets for these loans (Note 5).
- (iv) 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.

19 PROVISION FOR LONG-TERM LIABILITIES

	Closing balance VND	Opening balance VND
Provision for severance allowance	19,959,233,500	24,359,321,089
Provisions for site clearance, restoration and return (Note 10 (b))	10,616,000,000	10,616,000,000
	<u>30,575,233,500</u>	<u>34,975,321,089</u>

20 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:

	Current year VND	Previous year VND
Deferred tax assets to be recovered	10,097,861,097	28,949,024,192

The gross movements in deferred income tax, without taking into consideration the offsetting of balances within the same tax jurisdiction, were as follows:

	Current year VND	Previous year VND
Beginning of year	28,949,024,192	31,300,613,898
Consolidated income statement charge (Note 36)	(18,851,163,095)	(2,351,589,706)
End of year	10,097,861,097	28,949,024,192

Details of deferred tax assets

	Closing balance VND	Opening balance VND
Temporary difference of provisions	7,205,645,277	10,619,511,553
Unrealised profit of internal transactions	2,613,099,824	9,758,404,456
Tax losses not yet utilised (*)	-	8,261,350,649
Temporary difference of accrued expenses	216,496,958	260,284,717
Unrealised exchange rate differences of cash and receivables denominated in foreign currency	62,619,038	49,472,817
	10,097,861,097	28,949,024,192

The Group used a tax rate of 20% in year 2021 (2020: 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.

- (*) The Group's tax losses can be carried forward to offset against future taxable profit for a maximum period of no more than five consecutive years from the year right after the year in which the loss was incurred. The actual amount of tax losses that can be carried forward is subject to review and approval of the tax authorities and may be different from the figures presented. The estimated amount of tax losses available for offset against the Group's future taxable profit are:

20 DEFERRED INCOME TAX (continued)

Details of deferred tax assets (continued)

Year of tax loss	Status of tax authorities' review	Loss incurred VND	Loss utilised VND	Loss carried forward VND
2018	Outstanding	461,063,061	-	461,063,061
2019	Outstanding	2,695,902,850	-	2,695,902,850
2020	Outstanding	46,405,940,258	(18,731,332,452)	27,674,607,806
2021	Outstanding	21,997,117,688	-	21,997,117,688
		<u>71,560,023,857</u>	<u>(18,731,332,452)</u>	<u>52,828,691,405</u>

The Group has not recognised deferred income tax assets as the possibility that the subsidiaries with these losses have future taxable profit which cannot be presently assessed as probable.

21 OWNERS' CAPITAL

(a) Number of shares

	Closing balance		Opening balance	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered	77,794,453	-	77,794,453	-
Number of shares issued	77,794,453	-	77,794,453	-
Number of existing shares in circulation	<u>77,794,453</u>	<u>-</u>	<u>77,794,453</u>	<u>-</u>

(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	4,594,605	6.10
Other shareholders	<u>30,198,896</u>	<u>38.82</u>	<u>30,348,896</u>	<u>38.82</u>
Number of shares issued	<u>77,794,453</u>	<u>100</u>	<u>77,794,453</u>	<u>100</u>

21 OWNERS' CAPITAL (continued)

(c) Movement of share capital

	Number of shares in circulation	Owners' capital VND	Treasury shares VND
As at 1 January 2020	77,794,453	777,944,530,000	-
Treasury shares repurchased	(1,500,000)	-	(46,311,318,529)
Treasury shares reissued	1,500,000	-	46,311,318,529
As at 31 December 2020	<u>77,794,453</u>	<u>777,944,530,000</u>	<u>-</u>
As at 1 January 2021	<u>77,794,453</u>	<u>777,944,530,000</u>	<u>-</u>
As at 31 December 2021	<u>77,794,453</u>	<u>777,944,530,000</u>	<u>-</u>

Par value per share: VND10,000.

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22 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Investment and development fund VND	Treasury shares VND	Foreign exchange difference VND	Undistributed earnings VND	Total VND
For the year ended 31 December 2020							
Opening balance	777,944,530,000	392,944,802,300	158,019,722,556	-	-	478,077,816,790	1,806,986,871,646
Net profit for the year	-	-	-	-	-	239,845,036,749	239,845,036,749
Repurchase of treasury shares	-	-	-	(46,311,318,529)	-	-	(46,311,318,529)
Re-issuance of treasury shares	-	(31,311,318,529)	-	46,311,318,529	-	-	15,000,000,000
Foreign exchange difference	-	-	-	-	92,630,401	-	92,630,401
Dividends declared from undistributed profit of 2019	-	-	-	-	-	(77,044,453,000)	(77,044,453,000)
Dividends declared from undistributed profit of 2020	-	-	-	-	-	(154,088,906,000)	(154,088,906,000)
Appropriation to investment and development fund	-	-	41,890,446,000	-	-	(41,890,446,000)	-
Appropriation to bonus and welfare fund	-	-	-	-	-	(16,377,404,977)	(16,377,404,977)
Bonus for exceeding the budgeted profit for the Board of Management and employees	-	-	-	-	-	(9,634,820,000)	(9,634,820,000)
Bonus for exceeding the budgeted profit for the Board of Directors	-	-	-	-	-	(2,408,000,000)	(2,408,000,000)
Remuneration for the Board of Directors and Board of Supervision	-	-	-	-	-	(7,800,000,000)	(7,800,000,000)
Closing balance	777,944,530,000	361,633,483,771	199,910,168,556	-	92,630,401	408,678,823,562	1,748,259,636,290
For the year ended 31 December 2021							
Opening balance	777,944,530,000	361,633,483,771	199,910,168,556	-	92,630,401	408,678,823,562	1,748,259,636,290
Net profit for the year	-	-	-	-	-	276,707,413,257	276,707,413,257
Foreign exchange difference	-	-	-	-	(392,673,595)	-	(392,673,595)
Dividends declared from undistributed profit of 2021 (i)	-	-	-	-	-	(155,588,906,000)	(155,588,906,000)
Appropriation to investment and development fund (ii)	-	-	-	-	-	(28,781,404,000)	-
Appropriation to bonus and welfare fund (iii) (Note 25)	-	-	28,781,404,000	-	-	(23,984,503,675)	(23,984,503,675)
Bonus for exceeding the budgeted profit for the Board of Management and employees (iv) (Note 25)	-	-	-	-	-	(7,938,015,000)	(7,938,015,000)
Bonus for exceeding the budgeted profit for the Board of Directors (iv)	-	-	-	-	-	(1,984,504,000)	(1,984,504,000)
Remuneration for the Board of Directors and Board of Supervision (v)	-	-	-	-	-	(9,500,000,000)	(9,500,000,000)
Closing balance	777,944,530,000	361,633,483,771	228,691,572,556	-	(300,043,194)	457,608,904,144	1,825,578,447,277

22 MOVEMENTS IN OWNERS' EQUITY (continued)

Pursuant to the Resolution No. 01/2021/NQ-DHDCD dated 29 June 2021 of the 2021 Annual General Meeting of Shareholders, the General Meeting of Shareholders of the Company approved the distribution plan of profit after CIT for the year 2020 as follows:

- (i) Cash dividends at the rate of 20% par value.
- (ii) Appropriation to investment and development fund of VND28,781,404,000 (equivalent to 12% of post-tax profits);
- (iii) Appropriation to bonus and welfare fund of VND23,984,503,675 (equivalent to 10% of post-tax profits);
- (iv) Bonus for exceeding budgeted profit of the year 2020 for the Board of Directors of VND1,984,504,000 and for the Board of Management and employees of VND7,938,015,000; and
- (v) Remuneration for the Board of Directors and the Board of Supervision of VND9,500,000,000 was appropriated in 2021.

23 THE USE OF WORKING CAPITAL**(a) Utilisation of working capital raised from the private offering**

Based on the capital usage plan, the purpose of capital utilisation has been approved at the Resolution No. 02/2018/NQ-DHDCD dated 8 November 2018 of the General Meeting of Shareholders and the amended plan to the Resolution No. 09/2019/NQ-HDQT dated 12 August 2019 of the Board of Directors, the proceeds from the share reissuance after deducting from issuance fees of VND414,663,619,300 shall be used to supplement working capital and purchase machinery and equipment.

Based on actual situation, proceeds from the share issuance from 5 March 2019 have been used up to 31 December 2021 as follows:

	Total spending amount VND
Investing in machinery and equipment	100,000,000,000
Working capital supplement	314,663,619,300
	<u>414,663,619,300</u>

(b) Utilisation of capital raised from the reissuance of treasury shares to employees

Based on the capital usage plan approved by the Board of Directors under the Resolution No. 11/2020/NQ-HDQT 15 October 2020, the proceeds from the reissuance of treasury shares to employees of VND15,000,000,000 shall be used to purchase raw materials.

Up to 31 December 2021, the proceeds from the reissuance of treasury shares to employees from 26 November 2020 has been used for purchases of raw materials.

24 DIVIDENDS

Movements of dividend payables during the year are as follows:

	Current year VND	Previous year VND
Opening balance	77,805,618,500	45,459,500
Dividends payable during the year	155,588,906,000	231,133,359,000
Dividends paid in cash	(194,455,871,500)	(153,373,200,000)
	<u>38,938,653,000</u>	<u>77,805,618,500</u>
Closing balance	<u>38,938,653,000</u>	<u>77,805,618,500</u>

25 BONUS AND WELFARE FUND

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

	Current year VND	Previous year VND
Opening balance	5,838,669,865	12,256,602,888
Appropriated (Note 22)	31,922,518,675	26,012,224,977
Utilised	(28,889,718,000)	(32,430,158,000)
	<u>8,871,470,540</u>	<u>5,838,669,865</u>
Closing balance	<u>8,871,470,540</u>	<u>5,838,669,865</u>

26 EARNINGS PER SHARE**(a) Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit attributable to shareholders after deducting the bonus and welfare fund by the weighted average number of ordinary shares outstanding during the year, excluding ordinary shares repurchased by the Company and held as treasury shares. Details are as follows:

	Current year	Previous year
Net profit attributable to shareholders (VND)	276,707,413,257	239,845,036,749
Less amount appropriated to bonus and welfare fund (VND) (*)	(27,670,741,326)	(23,984,503,675)
	<u>249,036,671,931</u>	<u>215,860,533,074</u>
Weighted average number of ordinary shares in issue (shares)	77,794,453	77,794,453
Basic earnings per share (VND)	<u>3,201</u>	<u>2,775</u>

26 EARNINGS PER SHARE (continued)**(a) Basic earnings per share**

(*) Bonus and welfare fund had been appropriated at the estimated rate of 10% of consolidated profit after CIT in accordance with the Resolution No. 01/2021/NQ-DHDCD dated 29 June 2021 of the General Meeting of Shareholders.

(b) Diluted earnings per share

Diluted earnings per share is calculated by dividing the net profit attributable to shareholders, which already subtracted the bonus and welfare fund, by the weighted average number of ordinary shares outstanding during the year and the ordinary shares expected to be issued.

The Group did not have any ordinary shares potentially diluted during the year and up to the date of this consolidated financial statements.

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

As at 31 December 2021, included in cash and cash equivalents were balances held in foreign currencies as follows:

	Closing balance	Opening balance
United States Dollar ("USD")	2,515,919	2,379,703
Euro ("EUR")	45,197	33,548
Chinese Renminbi ("RMB")	14,971	14,971
British Pound ("GBP")	1,915	1,920
Singapore Dollar ("SGD")	118,885	101,255
Thai Baht ("THB")	7,680	7,680
Japanese Yen ("JPY")	2,497	2,497
Australian Dollar ("AUD")	110	110
Korean Won ("KRW")	336,000	336,000
Taiwanese Dollar ("TWD")	12,570	12,570
	<u> </u>	<u> </u>

(b) Operating lease assets

The future minimum lease payments under non-cancellable operating leases were presented in Note 41.

28 WRITE-OFF DOUBTFUL DEBTS

	Closing balance		Opening balance	
	Amount VND	Reason for writing-off	Amount VND	Reason for writing-off
Thien Loc Trading Company Limited	219,103,729	Unrecoverable debts	219,103,729	Unrecoverable debts
Bach Ma Service - Trading Joint Stock Company	107,886,623	Unrecoverable debts	107,886,623	Unrecoverable debts
Company Limited Tran Hieu Nghia	3,999,428	Unrecoverable debts	3,999,428	Unrecoverable debts
Go May Bookstore Business Household	24,094,403	Unrecoverable debts	24,094,403	Unrecoverable debts
Nhan Van Vinh Truong Joint Stock Company	9,384,969	Unrecoverable debts	9,384,969	Unrecoverable debts
Phuc Nhan Bookstore Business Household	52,063,917	Unrecoverable debts	52,063,917	Unrecoverable debts
Branch of Thien Hop Cultural Service and Trading Company	54,842,961	Unrecoverable debts	54,842,961	Unrecoverable debts
Tan Mai bookstore Business Household Vo Thanh Dao	194,567,441	Unrecoverable debts	194,567,441	Unrecoverable debts
Book Private Enterprise Nhan Tri	29,748,099	Unrecoverable debts	29,748,099	Unrecoverable debts
Hoa Mai Stationery Trading Company Limited	30,966,727	Unrecoverable debts	30,966,727	Unrecoverable debts
Thien An Printing Production Trading Service Company Limited	19,785,744	Unrecoverable debts	19,785,744	Unrecoverable debts
Pham Nguyen Co, Ltd.	34,991,387	Unrecoverable debts	-	
	50,462,208	Unrecoverable debts	-	
	<u>831,897,636</u>		<u>746,444,041</u>	

29 NET REVENUE FROM SALES OF GOODS

	Current year VND	Previous year VND
Revenue		
Revenue from sales of finished goods	2,094,930,347,275	1,993,567,372,693
Revenue from sales of merchandises	591,693,822,265	744,502,564,662
Revenue from rendering of services	226,341,790	330,628,693
	<u>2,686,850,511,330</u>	<u>2,738,400,566,048</u>
Sales deductions		
Finished good returns	(8,092,499,728)	(35,403,611,280)
Merchandise returns	(5,225,052,478)	(10,333,997,941)
Trade discounts	(5,257,866,037)	(8,109,736,491)
Sales deductions	-	(1,270,000)
	<u>(18,575,418,243)</u>	<u>(53,848,615,712)</u>
Net revenue from sales of goods		
Net revenue from sales of finished goods	2,081,579,981,510	1,950,054,024,922
Net revenue from sales of merchandises	586,468,769,787	734,167,296,721
Net revenue from rendering of services	226,341,790	330,628,693
	<u>2,668,275,093,087</u>	<u>2,684,551,950,336</u>

30 COST OF GOODS SOLD

	Current year VND	Previous year VND
Cost of finished goods and merchandises sold	1,554,587,437,232	1,659,068,005,168
Reversal of provision for decline in value of inventories (Note 9)	(13,475,091,822)	(4,257,210,651)
	<u>1,541,112,345,410</u>	<u>1,654,810,794,517</u>

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31 FINANCIAL INCOME

	Current year VND	Previous year VND
Interest income from deposits	24,429,910,394	21,545,680,008
Realised foreign exchange gains	7,134,801,165	4,785,611,005
Dividend income	142,503,800	195,003,800
Net gain from foreign currency translation at year-end	318,054,357	-
Others	-	300,000
	<u>32,025,269,716</u>	<u>26,526,594,813</u>

32 FINANCIAL EXPENSES

	Current year VND	Previous year VND
Interest expenses	7,019,978,348	11,853,821,706
Realised foreign exchange losses	3,424,627,194	3,260,616,680
Net loss from foreign currency translation at year-end	-	284,619,586
Provision for diminution in value of investments	(4,679,120,000)	52,592,000
Reversal of provision for diminution in value of investments	-	-902,800,000
Others	1,089,078,673	1,420,068,924
	<u>6,854,564,215</u>	<u>15,968,918,896</u>

33 SELLING EXPENSES

	Current year VND	Previous year VND
Staff costs	253,842,986,687	234,560,445,100
Marketing and trade fair expenses	100,512,326,459	104,539,550,515
Depreciation	4,602,360,848	5,866,280,520
Others	145,717,303,565	143,710,172,473
	<u>504,674,977,559</u>	<u>488,676,448,608</u>

34 GENERAL AND ADMINISTRATION EXPENSES

	Current year VND	Previous year VND
Staff costs	188,461,394,751	184,195,419,956
Outside services expenses	52,845,476,967	32,306,901,250
Depreciation and ammortisation	16,878,440,716	18,796,057,127
Others	34,207,045,957	19,558,563,135
	<u>292,392,358,391</u>	<u>254,856,941,468</u>

35 NET OTHER INCOME

	Current year VND	Previous year VND
Other income		
Indemnity for damaged goods	233,521,150	859,561,372
Net gains on disposal of fixed assets	-	644,524,112
Others	5,158,188,275	7,295,840,988
	<u>5,391,709,425</u>	<u>8,799,926,472</u>
Other expenses		
Losses on disposal of fixed assets	704,292,347	-
Others	1,388,650,280	1,927,894,452
	<u>2,092,942,627</u>	<u>1,927,894,452</u>
Net other income	<u>3,298,766,798</u>	<u>6,872,032,020</u>

36 CORPORATE INCOME TAX

The CIT on the Group'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	358,564,884,026	303,637,473,680
Adjustment:		
Non-taxable income	(142,503,800)	(195,003,800)
Non-deductible expenses	5,033,764,247	6,438,418,457
Temporary differences for which no deferred income tax asset has been recognised	2,069,665,744	1,888,168,448
Tax losses for which no deferred income tax asset was recognised	42,000,925,338	7,670,800,156
	<u>407,526,735,555</u>	<u>319,439,856,941</u>
Tax calculated at a rate of 20%	81,505,347,111	63,887,971,386
Adjustment for under/(over) accrued CIT in previous years	352,123,658	(95,534,455)
CIT charge (*)	<u>81,857,470,769</u>	<u>63,792,436,931</u>
Charged to consolidated income statement:		
CIT – current	63,006,307,674	61,440,847,225
CIT – deferred (Note 20)	18,851,163,095	2,351,589,706
	<u>81,857,470,769</u>	<u>63,792,436,931</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.

37 COSTS OF OPERATION BY FACTORS

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

	Current year VND	Previous year VND
Raw materials	816,612,694,806	720,762,529,061
Staff costs	634,053,508,457	616,772,088,074
Depreciation and amortisation	83,919,429,257	80,427,015,086
Outside service expenses	183,340,488,444	174,035,286,445
Others	216,189,303,162	188,998,715,883
	<u>1,934,115,424,126</u>	<u>1,780,995,634,549</u>

38 SEGMENT REPORTING

The Chief Executive Officer of the Group determines that the decisions of the Group are based primarily on the geographic areas in which the Group supplies products. As a result, the primary segment reporting of the Group is presented in respect of the Group's geographical segments.

	Current year VND	Previous year VND
Net revenue from sales of goods		
Net revenue from domestic sales	2,099,052,825,376	2,193,628,199,783
Net revenue from export sales	569,222,267,711	490,923,750,553
	<u>2,668,275,093,087</u>	<u>2,684,551,950,336</u>
Cost of goods sold		
Cost of goods sold - domestic	1,124,160,031,784	1,299,506,853,004
Cost of goods sold - export	416,952,313,626	355,303,941,513
	<u>1,541,112,345,410</u>	<u>1,654,810,794,517</u>
Gross profit from sales of goods		
Gross profit from sales of goods - domestic	974,892,793,592	894,121,346,779
Gross profit from sales of goods - export	152,269,954,085	135,619,809,040
	<u>1,127,162,747,677</u>	<u>1,029,741,155,819</u>

39 ADDITIONAL INFORMATION ON CERTAIN ITEMS OF THE CONSOLIDATED CASH FLOW STATEMENT**Non-cash transactions affecting the cash flow statement**

	Current year VND	Previous year VND
Depreciation capitalised in construction in progress	<u>1.865.966.452</u>	<u>2.243.906.512</u>

40 RELATED PARTY DISCLOSURES

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

During the year, the Group has balances and transactions with a related party as follows:

Related party	Relationship
Thien Long An Think Investment Corporation	Major shareholder

Related party transactions

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

	Current year VND	Previous year VND
<i>i) Dividends declared</i>		
Thien Long An Think Investment Corporation	<u>74,701,904,000</u>	<u>112,052,856,000</u>
<i>ii) Compensation of key management</i>		
Gross salaries and other benefits	<u>16,588,450,000</u>	<u>15,601,937,866</u>

(*) The Group's regulations has been changed in 2021 with specified definition of key management, accordingly, the compensation of key management of previous year has been adjusted to VND15,601,937,866 instead of VND43,399,239,714.

41 COMMITMENTS UNDER OPERATING LEASES

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

	Closing balance VND	Opening balance VND
Within one year	27,617,936,529	16,751,895,828
Between one and five years	67,567,725,984	42,327,146,228
Total	<u>95,185,662,513</u>	<u>59,079,042,056</u>

42 IMPACTS OF COVID-19

In 2021, the new Corona virus ("Covid-19") developed into global pandemic, causing some damage to the world economy. The Group's business operations have been also affected due to the instability of the Covid-19 pandemic's situation in Vietnam. With the current development of the Covid-19 epidemic in the world, the Chief Executive Officer has been prudently assessing the potential impacts of Covid-19 on the Company's business operations and management plan in 2022, as well as potential development in next years.

The consolidated financial statements were approved by the Chief Executive Officer on 28 March 2022.



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant



Tran Phuong Nga
Chief Executive Officer