



THIEN LONG GROUP CORPORATION

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



THIEN LONG GROUP CORPORATION

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

TABLE OF CONTENTS	PAGE
Corporate information	1
Statement of the Chief Executive Officer	2
Independent auditor's report	3-4
Separate balance sheet (Form B 01 – DN)	5-6
Separate income statement (Form B 02 – DN)	7
Separate cash flow statement (Form B 03 – DN)	8
Notes to the separate financial statements (Form B 09 – DN)	9-47

THIEN LONG GROUP CORPORATION

CORPORATE INFORMATION

Investment registration certificate	No. 6307210814 dated 6 December 2018 The 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 with the latest 19 th amendment dated 8 November 2021.																				
Board of Directors	<table><tr><td>Mr. Co Gia Tho</td><td>Chairman</td></tr><tr><td>Mr. Tran Le Nguyen</td><td>Member</td></tr><tr><td>Mr. Huynh Van Thien</td><td>Member</td></tr><tr><td>Ms. Tran Thai Nhu</td><td>Member</td></tr><tr><td>Ms. Co Ngan Binh</td><td>Member</td></tr><tr><td>Ms. Co Cam Nguyet</td><td>Member</td></tr><tr><td>Mr. Tayfun Uner</td><td>Member</td></tr><tr><td>Mr. Pham Tri Nguyen</td><td>Member</td></tr><tr><td>Mr. Nguyen Dinh Tam</td><td>Member (from 29 June 2021)</td></tr><tr><td>Mr. Tran Van Hung</td><td>Member (until 29 June 2021)</td></tr></table>	Mr. Co Gia Tho	Chairman	Mr. Tran Le Nguyen	Member	Mr. Huynh Van Thien	Member	Ms. Tran Thai Nhu	Member	Ms. Co Ngan Binh	Member	Ms. Co Cam Nguyet	Member	Mr. Tayfun Uner	Member	Mr. Pham Tri Nguyen	Member	Mr. Nguyen Dinh Tam	Member (from 29 June 2021)	Mr. Tran Van Hung	Member (until 29 June 2021)
Mr. Co Gia Tho	Chairman																				
Mr. Tran Le Nguyen	Member																				
Mr. Huynh Van Thien	Member																				
Ms. Tran Thai Nhu	Member																				
Ms. Co Ngan Binh	Member																				
Ms. Co Cam Nguyet	Member																				
Mr. Tayfun Uner	Member																				
Mr. Pham Tri Nguyen	Member																				
Mr. Nguyen Dinh Tam	Member (from 29 June 2021)																				
Mr. Tran Van Hung	Member (until 29 June 2021)																				
Board of Supervision	<table><tr><td>Ms. Nguyen Thi Bich Nga</td><td>Head</td></tr><tr><td>Mr. Dinh Duc Hau</td><td>Member</td></tr><tr><td>Ms. Ta Hong Diep</td><td>Member</td></tr></table>	Ms. Nguyen Thi Bich Nga	Head	Mr. Dinh Duc Hau	Member	Ms. Ta Hong Diep	Member														
Ms. Nguyen Thi Bich Nga	Head																				
Mr. Dinh Duc Hau	Member																				
Ms. Ta Hong Diep	Member																				
Chief Executive Officer	<table><tr><td>Ms. Tran Phuong Nga</td><td>Chief Executive Officer (from 1 June 2021)</td></tr><tr><td>Mr. Nguyen Dinh Tam</td><td>Chief Executive Officer (to 31 May 2021)</td></tr></table>	Ms. Tran Phuong Nga	Chief Executive Officer (from 1 June 2021)	Mr. Nguyen Dinh Tam	Chief Executive Officer (to 31 May 2021)																
Ms. Tran Phuong Nga	Chief Executive Officer (from 1 June 2021)																				
Mr. Nguyen Dinh Tam	Chief Executive Officer (to 31 May 2021)																				
Legal Representative	<table><tr><td>Mr. Co Gia Tho</td><td>Chairman</td></tr></table>	Mr. Co Gia Tho	Chairman																		
Mr. Co Gia Tho	Chairman																				
Registered office	10th Floor, Sofic Tower, 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 2021, 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 errors.

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 2021 as per Power of Attorney dated 27 February 2017.

APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS

I hereby, approve the accompanying separate financial statements as set out on pages 5 to 47 which give a true and fair view of the separate financial position of the Company as at 31 December 2021, and of the separate results of its operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, 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 2021 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 2022



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 2021 and approved by the Chief Executive Officer of the Company on 28 March 2022. The separate financial statements comprise the separate balance sheet as at 31 December 2021, 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 47.

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 as necessary to enable the preparation and fair 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 2021, 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.:
0048-2018-006-1
Authorised signatory

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

Report reference number: HCM11773
Ho Chi Minh City, 28 March 2022

THIEN LONG GROUP CORPORATION

Form B 01 – DN

SEPARATE BALANCE SHEET
AS AT 31 DECEMBER 2021

Code	ASSETS	Note	Closing balance VND	Opening balance VND
100	CURRENT ASSETS		745,873,992,655	1,103,635,395,472
110	Cash and cash equivalents	3	179,114,297,735	188,887,911,614
111	Cash		99,114,297,735	39,887,911,614
112	Cash equivalents		80,000,000,000	149,000,000,000
120	Short-term investment		193,999,139,200	371,000,000,000
123	Held-to-maturity investments	4	193,999,139,200	371,000,000,000
130	Short-term receivables		311,263,642,518	347,064,708,819
131	Short-term trade receivables	5	276,926,619,188	335,921,716,604
132	Short-term prepayments to suppliers	6	19,484,681,094	2,549,537,276
135	Short-term lending		5,000,000,000	-
136	Other short-term receivables	7	13,318,442,384	8,593,454,939
137	Provision for doubtful debts – short-term	8	(3,466,100,148)	-
140	Inventories	9	55,604,251,663	193,550,196,844
141	Inventories		57,600,394,715	210,804,351,343
149	Provision for decline in value of inventories		(1,996,143,052)	(17,254,154,499)
150	Other current assets		5,892,661,539	3,132,578,195
151	Short-term prepaid expenses	10(a)	2,485,843,131	3,082,065,299
152	Value Added Tax ("VAT") deductibles		121,514,640	50,512,896
153	Tax and other receivables from the State		3,285,303,768	-
200	LONG-TERM ASSETS		1,069,432,132,084	756,191,963,258
210	Long-term receivable		758,197,328	974,197,328
216	Other long-term receivables		758,197,328	974,197,328
220	Fixed assets		13,893,648,154	277,402,468,250
221	Tangible fixed assets	11(a)	10,109,287,038	260,618,108,738
222	Historical cost		37,035,837,006	630,011,343,568
223	Accumulated depreciation		(26,926,549,968)	(369,393,234,830)
227	Intangible fixed assets	11(b)	3,784,361,116	16,784,359,512
228	Historical cost		46,596,552,475	56,444,177,475
229	Accumulated amortisation		(42,812,191,359)	(39,659,817,963)
240	Long-term asset in progress		-	9,683,872,726
242	Construction in progress	12	-	9,683,872,726
250	Long-term investments		1,049,898,362,324	453,224,125,002
251	Investments in subsidiaries		1,048,247,215,761	441,061,033,000
253	Investments in other entities		37,685,000,000	30,685,000,000
254	Provision for long-term investments		(36,033,853,437)	(18,521,907,998)
260	Other long-term assets		4,881,924,278	14,907,299,952
261	Long-term prepaid expenses	10(b)	1,306,236,375	6,444,039,156
262	Deferred income tax assets	19	3,575,687,903	8,463,260,796
270	TOTAL ASSETS		1,815,306,124,739	1,859,827,358,730

The notes on pages 9 to 47 are an integral part of these separate financial statements.

SEPARATE BALANCE SHEET
AS AT 31 DECEMBER 2021
(continued)

Code	RESOURCES	Note	Closing balance VND	Opening balance VND
300	LIABILITIES		353,384,070,168	350,444,037,458
310	Short-term liabilities		332,795,605,914	314,539,903,071
311	Short-term trade payables	13	105,710,967,634	61,206,028,095
312	Short-term advances from customers		4,605,739,606	724,001,863
313	Tax and other payables to the State	14	8,934,709,983	11,010,735,080
314	Payables to employees		10,874,983,975	9,012,260,500
315	Short-term accrued expenses	15	37,974,976,559	36,113,689,505
319	Other short-term payables	16	44,430,423,731	82,785,936,892
320	Short-term borrowings	17(a)	111,392,333,886	107,848,581,271
322	Bonus and welfare fund	24	8,871,470,540	5,838,669,865
330	Long-term liabilities		20,588,464,254	35,904,134,387
338	Long-term borrowings	17(b)	5,169,230,754	15,507,692,298
342	Provision for long-term liabilities	18	15,419,233,500	20,396,442,089
400	OWNERS' EQUITY		1,461,922,054,571	1,509,383,321,272
410	Capital and reserves		1,461,922,054,571	1,509,383,321,272
411	Owners' contributed capital	20, 21	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	21	361,633,483,771	361,633,483,771
418	Investment and development fund	21	228,691,572,556	199,910,168,556
421	Undistributed earnings	21	93,652,468,244	169,895,138,945
421a	- Undistributed post-tax profits of previous years		107,206,712,270	101,979,559,931
421b	- (Loss)/post-tax profits of current year		(13,554,244,026)	67,915,579,014
440	TOTAL RESOURCES		1,815,306,124,739	1,859,827,358,730



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant




Tran Phuong Nga
Chief Executive Officer
28 March 2022

The notes on pages 9 to 47 are an integral part of these separate financial statements.

SEPARATE INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

Code		Note	Current year VND	Previous year VND
01	Revenue from sales of goods		1,274,262,941,774	1,218,831,381,120
02	Less deductions		(3,215,800,070)	(29,606,245,522)
10	Net revenue from sales of goods	26	1,271,047,141,704	1,189,225,135,598
11	Cost of goods sold	27	(879,936,405,190)	(751,535,358,828)
20	Gross profit from sales of goods		391,110,736,514	437,689,776,770
21	Financial income	28	75,331,678,708	92,730,007,490
22	Financial expenses	29	(23,954,433,325)	(19,268,754,354)
23	- Including: Interest expense	29	(4,600,391,353)	(8,025,135,335)
25	Selling expenses	30	(84,148,015,029)	(84,945,486,542)
26	General and administration expenses	31	(185,117,390,132)	(160,694,109,888)
30	Net operating profit		173,222,576,736	265,511,433,476
31	Other income		5,545,029,816	5,568,027,523
32	Other expenses		(719,354,301)	(270,238,793)
40	Net other income	32	4,825,675,515	5,297,788,730
50	Net accounting profit before tax		178,048,252,251	270,809,222,206
51	Corporate income tax ("CIT") - current	33	(21,626,017,384)	(39,382,182,037)
52	CIT - deferred	33	(4,887,572,893)	(1,622,555,155)
60	Net profit after tax		151,534,661,974	229,804,485,014



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant





Tran Phuong Nga
Chief Executive Officer
28 March 2022

The notes on pages 9 to 47 are an integral part of these separate financial statements.

**SEPARATE 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		178,048,252,251	270,809,222,206
		Net accounting profit before tax	
		Adjustments for:	
02		50,404,121,387	50,099,274,064
03		742,825,551	3,628,325,364
04		(291,304,264)	201,898,528
05		(71,085,601,615)	(90,549,346,959)
06	29	4,600,391,353	8,025,135,335
08		162,418,684,663	242,214,508,538
09		77,945,989,497	46,278,871,756
10		(9,401,190,224)	33,456,140,524
11		43,298,384,153	(70,996,542,819)
12		3,355,671,356	6,431,187,204
14		(4,510,799,130)	(8,284,411,916)
15	14	(29,857,702,555)	(44,166,240,219)
17		(39,800,891,600)	(42,265,374,888)
20		203,448,146,160	162,668,138,180
CASH FLOWS FROM INVESTING ACTIVITIES			
21		(35,821,168,721)	(25,386,793,201)
22		1,935,552,573	437,590,909
23		(461,999,139,200)	(464,500,000,000)
24		634,000,000,000	548,500,000,000
25		(226,643,891,469)	(4,617,734,000)
27		76,419,831,688	96,990,117,556
30		(12,108,815,129)	151,423,181,264
CASH FLOWS FROM FINANCING ACTIVITIES			
31		-	15,000,000,000
32		-	(46,311,318,529)
33		382,584,271,784	413,283,526,881
34		(389,378,980,713)	(448,966,107,428)
36	23	(194,455,871,500)	(153,373,200,000)
40		(201,250,580,429)	(220,367,099,076)
50		(9,911,249,398)	93,724,220,368
60	3	188,887,911,614	95,182,150,747
61		137,635,519	(18,459,501)
70	3	179,114,297,735	188,887,911,614

Additional information relating to the separate cash flow statement is presented in Note 33.



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant



Tran Phuong Nga
Chief Executive Officer
28 March 2022

The notes on pages 9 to 47 are an integral part of these separate financial statements.

**NOTES TO THE SEPARATE 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 19th amendment dated 8 November 2021.

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 19(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.

At end of year, the Company had 7 subsidiaries as disclosed in Note 4(b) – Investments (at beginning of year: 6 subsidiaries). Details are as follows:

	Principal activities	Places 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 Company had 1,198 employees (at beginning of year: 1,229 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 2021 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.

2.3 Currency

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

In addition, the Company also uses this currency to raise financial resources and regularly collects this currency from business operations and savings.

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 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 and rendering of services, 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.

2.7 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**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 balance sheet based on the remaining period from the 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.

(c) 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.

(d) Provision for investments in subsidiaries and other entities

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

Provision for investments in subsidiaries 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.

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**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.

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 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. 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.

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 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.18 Appropriation of profit (continued)**

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.

2.19 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

2.22 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.25 Current and deferred income tax**

Income tax includes all income tax 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 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 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 conformity 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 9);
- Estimated useful life of fixed assets (Note 11); and
- Estimation of provision for long-term liabilities (Note 18).

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	396,334,446	335,735,697
Cash at bank	98,717,963,289	39,552,175,917
Cash equivalents (*)	80,000,000,000	149,000,000,000
	<u>179,114,297,735</u>	<u>188,887,911,614</u>

(*) Cash equivalents represent bank deposits with original maturities of 3 months or less and earn interest at fixed interest 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 (*)	174,000,000,000	174,000,000,000	371,000,000,000	371,000,000,000
Bonds	19,999,139,200	19,999,139,200	-	-
	<u>193,999,139,200</u>	<u>193,999,139,200</u>	<u>371,000,000,000</u>	<u>371,000,000,000</u>

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

THIEN LONG GROUP CORPORATION

Form B 09 – DN

4 FINANCIAL INVESTMENTS (continued)

(b) Long-term investments

	Closing balance			Opening balance			Ownership percentage %
	Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND	
i) Investments in subsidiaries							
Thien Long Long Thanh Manufacturing and Trading Company Limited	169,500,000,000	(*)	-	169,500,000,000	(*)	-	100
Thien Long Global Trading and Service One Member Company Limited	100,000,000,000	(*)	-	100,000,000,000	(*)	-	100
Tan Luc South Trading and Service One Member Company Limited	80,000,000,000	(*)	(15,232,403,943)	80,000,000,000	(*)	-	100
Tan Luc North Trading and Service One Member Company Limited	60,000,000,000	(*)	(7,971,005,368)	60,000,000,000	(*)	(2,535,983,872)	100
Tan Luc Middle Trading and Service One Member Company Limited	20,000,000,000	(*)	(8,766,884,126)	20,000,000,000	(*)	(7,243,244,126)	100
FlexOffice Pte Ltd	18,747,215,761	(*)	-	11,561,033,000	(*)	-	100
South Thien Long Manufacturing Trading Company Limited (**)	600,000,000,000	(*)	-	-	-	-	-
	<u>1,048,247,215,761</u>		<u>(31,970,293,437)</u>	<u>441,061,033,000</u>		<u>(9,779,227,998)</u>	
ii) Investments in other entities							
Kinh Do Land Corporation	25,000,000,000	(*)	-	25,000,000,000	(*)	(4,586,400,000)	2.00
Saigon Securities Investment Fund A2	3,565,000,000	(*)	(3,565,000,000)	3,565,000,000	(*)	(3,565,000,000)	-
Brilliant Chip Joint Stock Company	1,520,000,000	(*)	(498,560,000)	1,520,000,000	(*)	(591,280,000)	1.89
Printing No7 Joint Stock Company	600,000,000	(*)	-	600,000,000	(*)	-	2.50
Soudio 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>	

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

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

(**) Pursuant to the Resolution No. 11/2021/NQ-HDQT dated 9 July 2021 of the Board of Directors, the Board of Directors of the Company approved the establishment of South Thien Long Manufacturing Trading Company Limited, with the charter capital of VND600 billion, in which the Company owns 100% in this company.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	Closing balance VND	Opening balance VND
Third parties		
Crayola LLC	13,473,352,828	9,974,395,509
SQI Group Int'l. Corp.	9,613,749,612	7,105,877,507
LKHP Trading Services Co., Ltd.	6,043,709,012	5,462,124,264
Like Link Co., Ltd.	5,603,629,521	8,757,772,741
Others	28,203,555,039	22,071,927,997
Related parties (Note 36(b))	213,988,623,176	282,549,618,586
	<u>276,926,619,188</u>	<u>335,921,716,604</u>

At end of year and beginning of year, balances of short-term trade accounts receivable that were past due, amounting to VND7,807,309,496 and VNDNil, respectively as presented in Note 8.

At end of year and beginning of year, short-term trade accounts receivable of VND50,000,000,000 were pledged with banks as collateral or mortgaged assets for short-term borrowings granted to the Company (Note 17).

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	7,597,336,683	2,549,537,276
	<u>19,484,681,094</u>	<u>2,549,537,276</u>

7 OTHER SHORT-TERM RECEIVABLES

	Closing balance		Opening balance	
	Book value VND	Provision VND	Book value VND	Provision VND
Interest receivables from deposits	1,621,332,602	-	7,847,283,563	-
Advances to employees	1,375,695,700	-	734,009,536	-
Short-term deposits	10,274,643,238	-	-	-
Others	46,770,844	-	12,161,840	-
	<u>13,318,442,384</u>	<u>-</u>	<u>8,593,454,939</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.

9 INVENTORIES

	Closing balance		Opening balance	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	30,801,264,858	-	7,663,944,443	-
Raw materials	501,650,305	-	119,852,806,978	(14,334,987,907)
Tools and supplies	-	-	2,467,020,482	(195,083,618)
Work in progress	3,736,687,763	(1,868,908,269)	42,170,414,933	(2,473,750,150)
Finished goods	19,826,753,659	(103,075,708)	35,581,923,136	(241,589,159)
Merchandises	2,734,038,130	(24,159,075)	3,068,241,371	(8,743,665)
	<u>57,600,394,715</u>	<u>(1,996,143,052)</u>	<u>210,804,351,343</u>	<u>(17,254,154,499)</u>

At end of year and beginning of year, the Company pledged with banks a portion of inventories as collateral assets for its short-term borrowings (Note 17).

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

	Current year VND	Previous year VND
Opening balance	(17,254,154,499)	(19,770,635,391)
Addition (Note 27)	(4,377,033,005)	(6,890,786,659)
Reversal (Note 27)	19,635,044,452	9,407,267,551
Closing balance	<u>(1,996,143,052)</u>	<u>(17,254,154,499)</u>

THIEN LONG GROUP CORPORATION

Form B 09 – DN

10 PREPAID EXPENSES

(a) Short-term

	Closing balance VND	Opening balance VND
Health and asset insurance	301,522,932	1,116,268,468
Others	2,184,320,199	1,965,796,831
	<u>2,485,843,131</u>	<u>3,082,065,299</u>

(b) Long-term

	Closing balance VND	Opening balance VND
Tools and supplies	1,103,375,267	5,694,772,542
Others	202,861,108	749,266,614
	<u>1,306,236,375</u>	<u>6,444,039,156</u>

Movements in prepaid expenses during the year are as follows:

	Current year VND	Previous year VND
Opening balance	9,526,104,455	13,928,322,389
Increase	14,304,284,385	10,160,548,285
Transferred from construction in progress (Note 12)	110,998,839	2,028,969,270
Transferred from fixed assets	-	172,948,083
Transferred from inventories	558,863,636	418,690,000
Allocation	(16,933,725,149)	(17,117,822,625)
Transferred to fixed assets	(1,143,984,949)	-
Disposals	(2,630,461,711)	(65,550,947)
Closing balance	<u>3,792,079,506</u>	<u>9,526,104,455</u>

THIEN LONG GROUP CORPORATION

Form B 09 – DN

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	137,787,300,290	327,802,826,085	24,726,694,270	13,517,657,228	126,176,865,695	630,011,343,568
New purchases	-	31,406,683,187	5,735,334,000	502,286,364	-	37,644,303,551
Transfers from construction in progress (Note 12)	-	1,710,892,890	-	-	5,969,592,272	7,680,485,162
Contribution to subsidiary (Note 35)	(130,223,583,048)	(182,742,308,350)	-	(154,350,000)	(45,889,857,023)	(359,010,098,421)
Transfers to subsidiary (Note 35)	(71,764,478)	(132,464,972,792)	(260,000,000)	(11,804,593,421)	(67,212,586,255)	(211,813,916,946)
Reclassification	-	582,131,045	-	-	1,685,223,709	2,267,354,754
Disposals	(4,826,352,764)	(42,846,850,497)	(1,932,428,788)	(680,186,807)	(19,457,815,806)	(69,743,634,662)
Closing 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
Accumulated depreciation						
Opening balance	49,995,290,154	188,405,628,064	19,675,273,572	12,993,758,867	98,323,284,173	369,393,234,830
Charge for the year	6,739,012,133	27,577,815,834	2,779,083,239	265,338,444	10,580,600,297	47,941,849,947
Contribution to subsidiary (Note 35)	(50,421,486,045)	(69,301,042,161)	-	(122,739,584)	(22,899,446,695)	(142,744,714,485)
Transfers to subsidiary (Note 35)	(71,764,478)	(132,464,972,792)	(260,000,000)	(11,804,593,421)	(67,212,586,255)	(211,813,916,946)
Disposals	(4,708,457,678)	(11,359,241,385)	(1,421,917,445)	(680,186,807)	(17,680,100,063)	(35,849,903,378)
Closing balance	1,532,594,086	2,858,187,560	20,772,439,366	651,577,499	1,111,751,457	26,926,549,968
Net book value						
Opening balance	87,792,010,136	139,397,198,021	5,051,420,698	523,898,361	27,853,581,522	260,618,108,738
Closing balance	1,133,005,914	590,214,008	7,497,160,116	729,235,865	159,671,135	10,109,287,038

At end of year, the historical cost of tangible assets which were fully depreciated but still in use was VND 11,826,907,608 (at beginning of year: VND224,980,551,083).

At end of year, tangible fixed assets with a carrying value of VND107,055,677 (at beginning of year: VND141,488,972,626) were pledged with banks as collateral assets for short-term and long-term borrowings granted to the Company (Note 17).

11 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Land use rights VND	Software VND	Copyright, patents VND	Total VND
Historical cost				
Opening balance	9,847,625,000	46,229,552,475	367,000,000	56,444,177,475
Contribution to subsidiary (Note 35)	(9,847,625,000)	-	-	(9,847,625,000)
Closing balance	-	46,229,552,475	367,000,000	46,596,552,475
Accumulated amortisation				
Opening balance	1,175,864,496	38,116,953,467	367,000,000	39,659,817,963
Charge for the year	-	4,328,237,892	-	4,328,237,892
Contribution to subsidiary (Note 35)	(1,175,864,496)	-	-	(1,175,864,496)
Closing balance	-	42,445,191,359	367,000,000	42,812,191,359
Net book value				
Opening balance	8,671,760,504	8,112,599,008	-	16,784,359,512
Closing balance	-	3,784,361,116	-	3,784,361,116

At end of year, the historical cost of intangible assets that were fully amortised but still in use was VND 11,550,040,432 (at beginning of year: VND11,458,040,432).

12 CONSTRUCTION IN PROGRESS

	Closing balance VND	Opening balance VND
Moulds under installation	-	7,831,128,260
Equipment under installation	-	1,852,744,466
	<u>-</u>	<u>9,683,872,726</u>

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

	Current year VND	Previous year VND
Opening balance	9,683,872,726	15,343,777,869
Increase in the year	15,080,402,736	14,991,451,043
Transfers to fixed assets (Note 11(a))	(7,680,485,162)	(18,401,105,147)
Transfers to prepaid expenses (Note 10)	(110,998,839)	(2,028,969,270)
Transfers to inventories	(16,972,791,461)	(221,281,769)
Closing balance	<u>-</u>	<u>9,683,872,726</u>

13 SHORT-TERM TRADE PAYABLES

	Closing balance		Opening balance	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties				
GC Marketing Solutions Company Limited	8,837,754,453	8,837,754,453	-	-
Others	90,657,529,850	90,657,529,850	48,771,744,380	48,771,744,380
Related parties (Note 36(b))	6,215,683,331	6,215,683,331	12,434,283,715	12,434,283,715
	<u>105,710,967,634</u>	<u>105,710,967,634</u>	<u>61,206,028,095</u>	<u>61,206,028,095</u>

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

THIEN LONG GROUP CORPORATION

Form B 09 – DN

14 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	5,212,846,537	53,298,815,972	(50,614,515,083)	-	7,897,147,426
Personal income tax	851,507,140	20,145,787,199	(19,960,210,339)	-	1,037,084,000
CIT - current	4,946,381,403	21,626,017,384	(29,857,702,555)	3,285,303,768	-
Import – export duties	-	6,077,965,806	(6,077,965,806)	-	-
Other taxes	-	1,010,475,056	(1,009,996,499)	-	478,557
	<u>11,010,735,080</u>	<u>102,159,061,417</u>	<u>(107,520,390,282)</u>	<u>3,285,303,768</u>	<u>8,934,709,983</u>
b) Tax receivables					
CIT - current	-	-	-	3,285,303,768	3,285,303,768

15 SHORT-TERM ACCRUED EXPENSES

	Closing balance VND	Opening balance VND
13th & 14th month salary and performance salary	31,378,897,000	33,546,149,833
Advertising and marketing	2,461,529,952	1,803,384,998
Interest expense	292,205,270	202,613,047
Others	3,842,344,337	561,541,627
	<u>37,974,976,559</u>	<u>36,113,689,505</u>

16 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	429,541,432	842,268,740
Others	636,458,276	320,892,736
Related parties (Note 36(b))	25,483,668	25,199,961
	<u>44,430,423,731</u>	<u>82,785,936,892</u>

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

THIEN LONG GROUP CORPORATION

Form B 09 – DN

17 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 borrowings						
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)	-	-
HSBC Bank (Vietnam) Limited (i)	45,842,315,690	45,842,315,690	128,093,601,309	(127,064,504,535)	46,871,412,464	46,871,412,464
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>97,510,119,727</u>	<u>97,510,119,727</u>	<u>382,584,271,784</u>	<u>(379,040,519,169)</u>	<u>101,053,872,342</u>	<u>101,053,872,342</u>
Current portion of long-term borrowings						
HSBC Bank (Vietnam) Limited (iv)	10,338,461,544	10,338,461,544	10,338,461,544	(10,338,461,544)	10,338,461,544	10,338,461,544
	<u>107,848,581,271</u>	<u>107,848,581,271</u>	<u>392,922,733,328</u>	<u>(389,378,980,713)</u>	<u>111,392,333,886</u>	<u>111,392,333,886</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 (vi) (*)	15,507,692,298	15,507,692,298	-	(10,338,461,544)	5,169,230,754	5,169,230,754
	<u>15,507,692,298</u>	<u>15,507,692,298</u>	<u>-</u>	<u>(10,338,461,544)</u>	<u>5,169,230,754</u>	<u>5,169,230,754</u>

17 BORROWINGS (continued)

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

	Closing balance VND	Opening balance VND
Original debt balance	15,507,692,298	25,846,153,842
Current portion	(10,338,461,544)	(10,338,461,544)
	<u>5,169,230,754</u>	<u>15,507,692,298</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 Company used receivables, inventories, buildings and structures as collateral assets for these loans (Notes 5, 9 and 11).
- (ii) Representing short-term loans from United Overseas Bank (Vietnam) Limited for the purpose of supplementing working capital. The loans have terms and interest rates specified in each disbursement. The Company used inventories as collateral assets for these loans (Note 9).
- (iii) Representing short-term loans from The Siam Commercial Bank Public Company Limited for the purpose of supplementing working capital. The loans have terms and interest rates specified in each disbursement. The Company 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.

18 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.

19 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	3,575,687,903	8,463,260,796

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	8,463,260,796	10,085,815,951
Separate income statement charge (Note 33)	(4,887,572,893)	(1,622,555,155)
Closing balance	3,575,687,903	8,463,260,796

Details of deferred tax assets

	Closing balance VND	Opening balance VND
Temporary difference of provisions	3,483,075,310	8,351,839,461
Temporary difference of accrued expenses	70,400,000	81,000,000
Unrealised exchange rate differences of cash and receivables denominated in foreign currency	22,212,593	30,421,335
	3,575,687,903	8,463,260,796

The Company used a tax rate of 20% in the 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.

20 OWNERS' CAPITAL**(a) Number of shares**

	<u>Closing balance</u>		<u>Opening balance</u>	
	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

	<u>Closing balance</u>		<u>Opening balance</u>	
	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	<u>30,198,896</u>	<u>38.82</u>	<u>30,198,896</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>

(c) Movement of share capital

	Number of shares in circulation VND	Ordinary shares 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.

THIEN LONG GROUP CORPORATION

Form B 09 – DN

21 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Investment and development fund VND	Treasury shares 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	(46,311,318,529)	249,334,683,908	1,578,243,738,764
Repurchase of treasury shares	-	-	-	46,311,318,529	-	(46,311,318,529)
Reissuance of treasury shares	-	(31,311,318,529)	-	-	-	15,000,000,000
Net profit for the year	-	-	-	-	229,804,485,014	229,804,485,014
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	<u>777,944,530,000</u>	<u>361,633,483,771</u>	<u>199,910,168,556</u>	<u>-</u>	<u>169,895,138,945</u>	<u>1,509,383,321,272</u>
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 (i)	-	-	-	-	(155,588,906,000)	(155,588,906,000)
Appropriation to investment and development fund (ii)	-	-	28,781,404,000	-	(28,781,404,000)	-
Appropriation to bonus and welfare fund (iii) (Note 24)	-	-	-	-	(23,984,503,675)	(23,984,503,675)
Bonus for exceeding the budgeted profit for the Board of Management and employees (iv) (Note 24)	-	-	-	-	(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	<u>777,944,530,000</u>	<u>361,633,483,771</u>	<u>228,691,572,556</u>	<u>-</u>	<u>93,652,468,244</u>	<u>1,461,922,054,571</u>

21 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 dividend from the 2021 post-tax profits 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 Board of Supervision of VND9,500,000,000.

22 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 utilization has been approved under 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 utilisation, proceeds from the share issuance from 5 March 2019 have been utilised up to 31 December 2021 as follows:

	Total spending amount VND
Investment 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.

23 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)
Closing balance	<u>38,938,653,000</u>	<u>77,805,618,500</u>

24 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	12,250,275,888
Appropriated (Note 21)	31,922,518,675	26,012,224,977
Utilised	(28,889,718,000)	(32,423,831,000)
Closing balance	<u>8,871,470,540</u>	<u>5,838,669,865</u>

25 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")	1,298,040	1,291,138
Euro ("EUR")	44,539	32,890
British Pound ("GBP")	1,915	1,920
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 37.

THIEN LONG GROUP CORPORATION

Form B 09 – DN

26 NET REVENUE FROM SALES OF GOODS

	Current year VND	Previous year VND
Revenue		
Revenue from sales of finished goods	1,112,189,648,781	1,152,596,294,719
Revenue from sales of merchandises	162,073,292,993	66,235,086,401
	<u>1,274,262,941,774</u>	<u>1,218,831,381,120</u>
Sales deductions		
Finished goods returns	(2,820,749,020)	(1,178,658,307)
Merchandise returns	(395,051,050)	(174,412,150)
Trade discounts	-	(28,253,175,065)
	<u>(3,215,800,070)</u>	<u>(29,606,245,522)</u>
Net revenue from sales of goods		
Net revenue from sales of finished goods	1,108,973,848,711	1,151,243,224,262
Net revenue from sales of merchandises	162,073,292,993	37,981,911,336
	<u>1,271,047,141,704</u>	<u>1,189,225,135,598</u>

27 COST OF GOODS SOLD

	Current year VND	Previous year VND
Cost of finished goods and merchandises sold	895,194,416,637	754,051,839,720
Reversal of provision for decline in value of inventories (Note 9)	(15,258,011,447)	(2,516,480,892)
	<u>879,936,405,190</u>	<u>751,535,358,828</u>

28 FINANCIAL INCOME

	Current year VND	Previous year VND
Dividend income	50,142,503,800	70,195,003,800
Interest income from deposits	20,051,376,927	19,679,984,992
Realised foreign exchange gains	4,846,493,717	2,855,018,698
Net gain from foreign currency translation at year-end	291,304,264	-
	<u>75,331,678,708</u>	<u>92,730,007,490</u>

29 FINANCIAL EXPENSES

	Current year VND	Previous year VND
Interest expense	4,600,391,353	8,025,135,335
Realised foreign exchange losses	1,842,096,533	2,112,700,493
Provision for diminution in value of investments	22,191,065,439	9,831,819,998
Reversal of provision for diminution in value of investments	(4,679,120,000)	(902,800,000)
Net loss from foreign currency translation at year-end	-	201,898,528
	<u>23,954,433,325</u>	<u>19,268,754,354</u>

30 SELLING EXPENSES

	Current year VND	Previous year VND
Marketing and trade fair expenses	39,298,901,999	41,211,753,000
Staff costs	27,453,486,021	24,551,671,548
Depreciation	476,428,762	499,650,546
Others	16,919,198,247	18,682,411,448
	<u>84,148,015,029</u>	<u>84,945,486,542</u>

31 GENERAL AND ADMINISTRATION EXPENSES

	Current year VND	Previous year VND
Staff costs	117,041,639,044	112,803,500,466
Outsourced services expenses	37,790,223,305	20,180,572,649
Depreciation and amortisation	12,656,190,735	14,750,627,136
Others	17,629,337,048	12,959,409,637
	<u>185,117,390,132</u>	<u>160,694,109,888</u>

32 NET OTHER INCOME

	Current year VND	Previous year VND
Other income		
Net gains on disposal of fixed assets	891,720,888	674,358,167
Indemnity for damaged goods	233,521,150	709,652,229
Fee charged for using SAP system	2,801,640,000	2,672,383,848
Rental income	72,000,000	259,073,982
Others	1,546,147,778	1,252,559,297
	<u>5,545,029,816</u>	<u>5,568,027,523</u>
Other expenses		
Others	<u>719,354,301</u>	<u>270,238,793</u>
Net other income	<u>4,825,675,515</u>	<u>5,297,788,730</u>

33 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	178,048,252,251	270,809,222,206
Adjustment:		
Non-taxable income	(50,142,503,800)	(70,195,003,800)
Non-deductible expenses	3,563,815,506	3,014,635,428
Temporary differences for which no deferred income tax has been recognised	(501,947,401)	1,620,093,718
Estimated taxable income	<u>130,967,616,556</u>	<u>205,248,947,552</u>
Tax calculated at a rate of 20%	26,193,523,311	41,049,789,510
Adjustment for under/(over) accrued CIT in previous years	320,066,966	(45,052,318)
CIT charge (*)	<u>26,513,590,277</u>	<u>41,004,737,192</u>
Charged to the separate income statement:		
CIT – current	21,626,017,384	39,382,182,037
CIT – deferred (Note 19)	4,887,572,893	1,622,555,155
	<u>26,513,590,277</u>	<u>41,004,737,192</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.

34 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	482,856,773,340
Staff costs	257,512,787,615	264,723,674,119
Depreciation and amortisation	50,404,121,387	50,099,274,064
Outsourced service expenses	77,376,225,304	61,392,325,649
Others	75,177,681,804	74,746,214,167
	<u>962,275,810,590</u>	<u>933,818,261,339</u>

35 ADDITIONAL INFORMATION ON CERTAIN ITEMS OF THE SEPARATE CASH FLOW STATEMENT

Non-cash transactions affecting the separate cash flow statement

	Current year VND	Previous year VND
Capital contribution to subsidiary in form of fixed assets	224,937,144,440	-
Capital contribution to subsidiary in form of inventories	162,605,146,852	-
Depreciation capitalised in construction in progress	<u>1,865,966,452</u>	<u>2,243,906,512</u>

36 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 One Member 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

(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	45,366,188,546	37,570,573,512
Thien Long Global Trading and Service One Member Company Limited	736,545,464,805	793,047,699,982
Tan Luc South Trading and Service One Member Company Limited	9,229,333,410	16,072,104,080
Tan Luc North Trading and Service One Member Company Limited	4,735,442,680	7,561,293,760
Tan Luc Middle Trading and Service One Member Company Limited	435,248,339	1,525,504,260
FlexOffice Pte Ltd	-	237,941,309
South Thien Long Manufacturing Trading Company Limited	72,917,683,628	-
	<u>869,229,361,408</u>	<u>856,015,116,903</u>

36 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	63,862,369,754	49,522,980,479
Thien Long Global Trading and Service One Member Company Limited	1,766,985,030	1,771,557,430
Tan Luc South Trading and Service One Member Company Limited	3,299,961,445	2,009,233,887
Tan Luc North Trading and Service One Member Company Limited	370,918,382	27,693,766
Tan Luc Middle Trading and Service One Member Company Limited	3,927,720	-
	<u>69,304,162,331</u>	<u>53,331,465,562</u>
iii) Rental income		
Thien Long Global Trading and Service One Member Company Limited	-	45,000,000
Tan Luc South Trading and Service One Member Company Limited	-	12,000,000
Tan Luc North Trading and Service One Member Company Limited	48,000,000	48,000,000
Tan Luc Middle Trading and Service One Member Company Limited	24,000,000	24,000,000
	<u>72,000,000</u>	<u>129,000,000</u>
iv) Rental expense		
Thien Long Global Trading and Service One Member Company Limited	90,000,000	90,000,000
Tan Luc South Trading and Service One Member Company Limited	204,000,000	41,000,000
	<u>294,000,000</u>	<u>131,000,000</u>

36 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	1,161,814,560
Thien Long Global Trading and Service One Member Company Limited	893,028,000	810,568,296
Tan Luc South Trading and Service One Member Company Limited	337,392,000	429,546,060
Tan Luc North Trading and Service One Member Company Limited	144,600,000	270,454,932
Tan Luc Middle Trading and Service One Member Company Limited	208,860,000	-
	<u>2,801,640,000</u>	<u>2,672,383,848</u>
vi) Disposal of fixed assets		
Thien Long Long Thanh Manufacturing and Trading Company Limited	3,154,485,116	2,344,909,390
South Thien Long Manufacturing Trading Company Limited	31,183,324,674	-
	<u>34,337,809,790</u>	<u>2,344,909,390</u>
vii) Disposal of tools and equipment		
Thien Long Long Thanh Manufacturing and Trading Company Limited	292,700,614	67,407,500
South Thien Long Manufacturing Trading Company Limited	2,895,019,452	-
	<u>3,187,720,066</u>	<u>67,407,500</u>
viii) Purchase of tools and supplies		
Thien Long Long Thanh Manufacturing and Trading Company Limited	-	15,000,000
Thien Long Global Trading and Service One Member Company Limited	-	22,720,000
Tan Luc South Trading and Service One Member Company Limited	-	3,083,333
	<u>-</u>	<u>40,803,333</u>

34 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	Current year VND	Previous year VND
ix) Proceeds from distributed profit		
Thien Long Long Thanh Manufacturing and Trading Company Limited	50,000,000,000	50,000,000,000
Tan Luc South Trading and Service One Member Company Limited	-	20,000,000,000
	<u>50,000,000,000</u>	<u>70,000,000,000</u>
x) Investments in subsidiaries		
FlexOffice Pte Ltd	7,186,182,761	4,617,734,000
South Thien Long Manufacturing Trading Company Limited		-
- In form of cash	212,457,708,708	-
- In form of inventories	162,605,146,852	-
- In form of tangible and intangible fixed assets	224,937,144,440	-
	<u>607,186,182,761</u>	<u>4,617,734,000</u>
xi) Dividends declared		
Thien Long An Think Investment Corporation	74,701,904,000	112,052,856,000
	<u>74,701,904,000</u>	<u>112,052,856,000</u>
xii) Compensation of key management		
Gross salaries and other benefits	16,588,450,000	15,601,937,866
	<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.		
xiii) Transfer of fixed assets to subsidiary (Note 11)		
South Thien Long Manufacturing Trading Company Limited		
- Historical cost	211,813,916,946	-
- Accumulated depreciation	(211,813,916,946)	-
	<u>211,813,916,946</u>	<u>0</u>

36 RELATED PARTY DISCLOSURES (continued)

(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 One Member Company Limited	136,914,314,304	264,235,200,403
South Thien Long Manufacturing Trading Company Limited	63,503,310,229	-
Thien Long Long Thanh Manufacturing and Trading Company Limited	9,996,062,389	12,794,864,482
Tan Luc South Trading and Service One Member Company Limited	1,654,576,385	3,510,632,313
Tan Luc Middle Trading and Service One Member Company Limited	1,603,505,969	1,399,042,656
Tan Luc North Trading and Service One Member Company Limited	316,853,900	609,878,732
	<u>213,988,623,176</u>	<u>282,549,618,586</u>
<i>ii) Short-term trade accounts payable (Note 13)</i>		
Thien Long Long Thanh Manufacturing and Trading Company Limited	5,374,663,279	12,013,990,577
Thien Long Global Trading and Service One Member Company Limited	515,878,440	208,275,311
Tan Luc South Trading and Service One Member Company Limited	303,744,612	191,257,827
Tan Luc North Trading and Service One Member Company Limited	21,397,000	20,760,000
	<u>6,215,683,331</u>	<u>12,434,283,715</u>
<i>iii) Other short-term payables (Note 16)</i>		
Tan Luc South Trading and Service One Member Company Limited	21,991,368	23,166,379
Tan Luc North Trading and Service One Member Company Limited	3,492,300	1,700,980
Tan Luc Middle Trading and Service One Member Company Limited	-	332,602
	<u>25,483,668</u>	<u>25,199,961</u>
<i>iv) Dividend payables</i>		
Thien Long An Think Investment Corporation	<u>18,675,476,000</u>	<u>37,350,952,000</u>

37 COMMITMENT 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	9,594,576,164	5,328,032,180
Between one and five years	32,538,765,968	8,995,125,600
Total	<u>42,133,342,132</u>	<u>14,323,157,780</u>

38 IMPACTS OF COVID-19

In 2021, the new Corona virus ("Covid-19") developed into global pandemic, causing some damages to the world economy. The Company'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 separate 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