



HAPPY LEARNING LIFE

COMPLETE AND EFFICIENT SOLUTIONS
FOR **HAPPY LEARNING LIFE**

CHẤT HỌC CHẤT VUI



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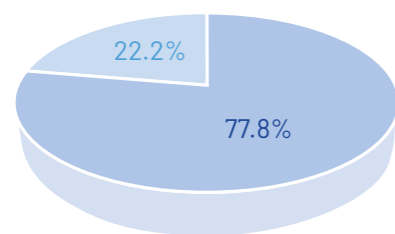
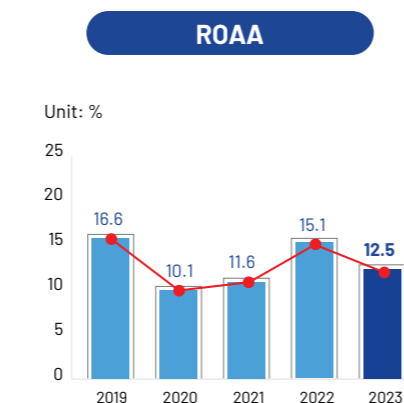
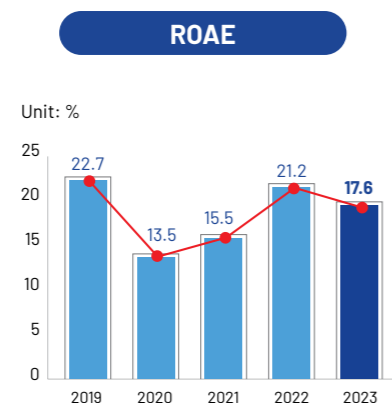
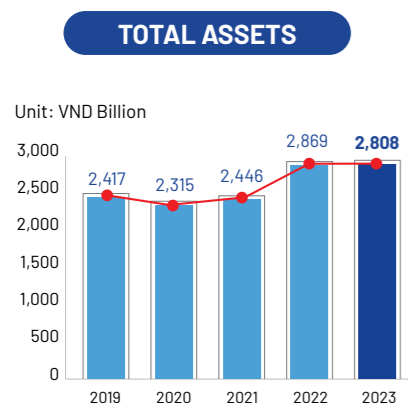
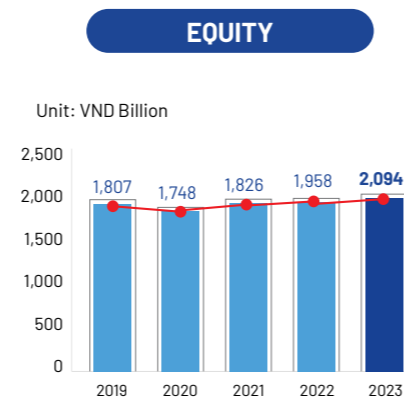
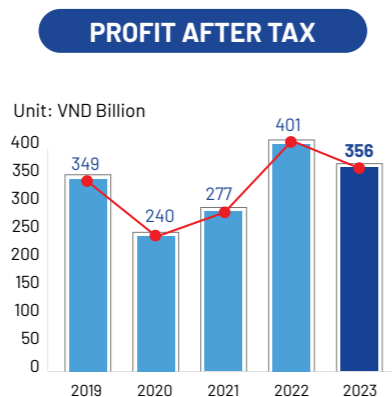
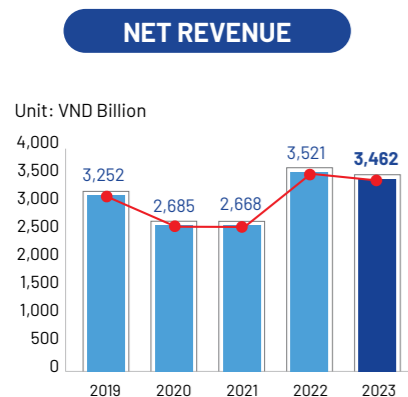
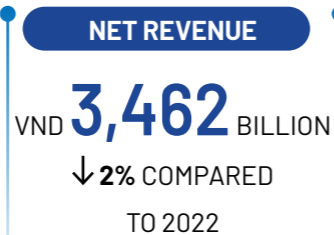
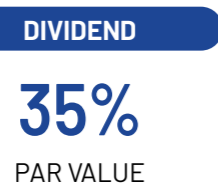
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PART **1**
LIST OF ABBREVIATIONS

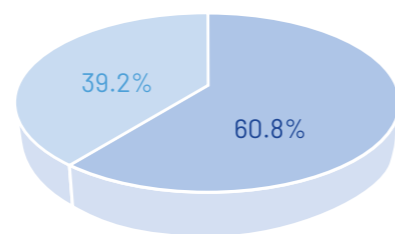


AGM	Annual general meeting of Shareholders
B&P	Business & Production
BOD/BoD	Board of Directors
BOM/BoM	Board of Management
BOS/BoS	Board of Supervisors
CEO	Chief Executive Officer
Company/Group/Thien Long/TLG	Thien Long Group Corporation
DMS	Distributors Management System
E-com	E-commerce
FA	Fixed assets
IP	Industrial Park
JSC	Joint Stock Company
M&E	Machinery & Equipment
MT	Manufacturing - Trade
ODM	Original design manufacturer
OEM	Original equipment manufacturer
PAT	Profit after tax
PBT	Profit before tax
PL	Private label
R&D	Research and Development
RM	Raw material
RO	Representative office
S&OP	Sales & Operation planning
SM	Staff members
SP	Semi-products
TC	Trade center
TSOMCL	Trading and Service One member Co., Ltd.
WMS	Warehouse management system

FINANCIAL HIGHLIGHTS



■ Domestic shareholders
■ Foreign shareholders

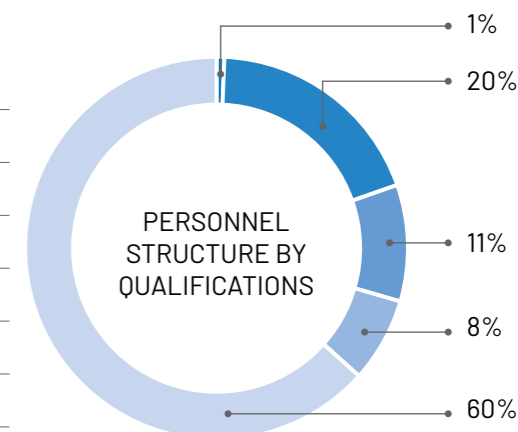


■ Shareholders holding more than 5% of the charter capital
■ Shareholders holding less than 5% of the charter capital



Number of employees

Postgraduate	23
University	608
College	326
Vocational Intermediate	240
High school	1,878
Total	3,075



DOMESTIC MARKET

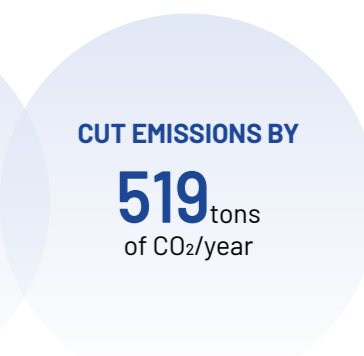
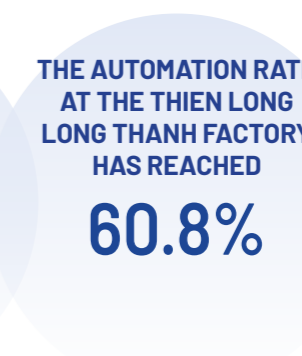
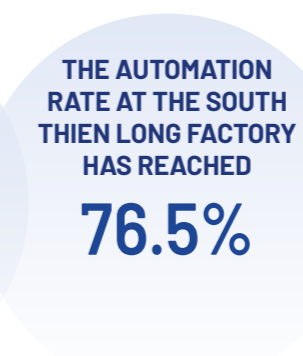
63/63 provinces & cities

02 North-South Central Warehouses



EXPORT MARKETS

Be present in **71** countries and territories around the world



GENERAL INFORMATION



Company name	: THIEN LONG GROUP CORPORATION
Trading name	: Thien Long Group
Abbreviated name	: CÔNG TY CP TẬP ĐOÀN THIÊN LONG
English name	: THIEN LONG GROUP CORPORATION
Stock symbol	: TLG
Charter capital	: VND 785,944,530,000
Equity	: VND 2,093,980,082,652
Headquarters	: 10 th Floor, Sofic Tower, No. 10 Mai Chi Tho Street, Thu Thiem Ward, Thu Duc City, Ho Chi Minh City
Tel	: (84.28) 3750 5555
Fax	: (84.28) 3750 5577
Email	: info@thienlonggroup.com
Website	: www.thienlonggroup.com
Certificate of Business Registration	: 0301464830 was issued by the Ho Chi Minh City Department of Planning and Investment for the first time on March 14, 2005, and amended for the 22 nd time on November 21, 2023.
Business lines	: As specified in the 2023 Financial Statements (Section 1: General Information).



EQUITY

VND **2,093,980,082,652** BILLION



DEDICATION

We always make an effort and dedicate ourselves to every activity to pursue sustainable business growth, providing effective solutions to serve customers for a lifetime.



HONESTY

Thien Long is transparent and honest and keeps its commitment to customers, suppliers, consumers, and each employee of the Group.



DIVERSITY AND INCLUSION

We respect cultural differences and critical thinking, defend and do what is right, constantly learn new knowledge and values, treat everyone fairly, listen to everybody, and give positive and constructive feedback.



CHALLENGE AND INNOVATION

We are not self-satisfied but building an entrepreneurship culture to seek new opportunities, pioneers in technology, creativity, and breakthroughs to create the best products and services that are environmentally friendly and serve the diverse needs of people.

CHAIRMAN OF THE BOARD'S MESSAGE

Dear our Valued Shareholders, Customers, Partners, and Employees of Thien Long Corporation,

Thien Long 2023 – Resilience against challenges

Dear Valued Shareholders, Customers, Partners, and Employees of Thien Long Corporation,

Despite facing global political and socio-economic challenges, high inflation, and spending cuts, Thien Long Corporation, with the invaluable support and dedication of our esteemed shareholders, customers, partners, and employees, has remained resilient and focused on its strengths.

In 2023, Thien Long was not just recognized, but celebrated as one of the top-performing companies with revenue under USD 1 billion in Asia by Forbes Asia and included in the prestigious list of Top 50 Best Listed Companies in Vietnam 2023 by Forbes Vietnam. This resounding success reaffirms our position as the unrivalled office supplies brand in Vietnam, a testament to our collective efforts and unwavering commitment.

Although our consolidated net revenue of VND 3,462 Billion achieved 87% of the plan, and consolidated post-tax profit of VND 356 billion completed 89% of the plan, we were able to record promising results in the export market, e-commerce channels, and product development. The export market, in particular, showed impressive revenue growth of 35% compared to the previous year, with Southeast Asia being the main driving force. The e-commerce channel also exhibited remarkable development, increasing 118%. The art supplies recorded 16% revenue growth compared to 2022.

In 2023, Thien Long gradually realized its new vision: "Inspiring and providing complete and efficient solutions for a happy learning life". We invested in high-quality products at affordable prices that were youthful, fashionable, and highly personalized while also providing social programs closely linked to knowledge and education. These efforts aimed to maximize shareholder value, serve customers to the best of our ability and achieve balanced development between economic interests and social responsibilities.

Thank you for your continued support, and we look forward to another successful year ahead.

Ladies and Gentlemen

Thien Long 2024 – Ready for accelerating

Thien Long is anticipating a challenging year in 2024 for both the domestic and global economies. However, the company has strengthened its "resilience" after facing various difficulties over the past three years, enabling it to withstand the multidimensional impacts.

Thien Long's main target between 2023 and 2027 is long-term revenue growth. To achieve this goal, the company is relying on two levers: leveraging its strong business potential and continuously expanding its product ecosystem.

In 2024, Thien Long will optimize its domestic distribution channels and management systems while leveraging the strength of a business with nearly 45 years of experience. This will ensure robust financial health for the company.

Thien Long will focus on business lines with good growth potential, such as art supplies, school supplies. The company will launch highly creative products suitable for the personality, style, and trends of Vietnamese consumers and the world to enhance product value and create business advantages, leading to sustainable revenue growth within the industry.

For international markets, Thien Long will increase its market share by bringing qualified Vietnamese products to consumers in over 71 countries, expanding its brand beyond the borders of Vietnam.

Thien Long believes that sustainable development is the core quality for the future of the community and the corporation's reputation. Therefore, the company is committed to implementing comprehensive and synchronized solutions for sustainable development, such as applying effective management systems in production, adhering to environmental protection regulations, and developing ECO product lines.

Thien Long is also devoted to contributing to the development of the education sector through meaningful social programs such as "Support for Exam Seasons", "Sharing with Teachers", "For A Green School", etc. These community-oriented programs



Thien Long gradually realized its new vision: "Inspiring and providing complete and efficient solutions for a happy learning life"



have become part of the company's corporate culture, serving as elements that help Thien Long spread goodness and earn the deep affection and trust of consumers.

Based on its solid internal strength, Thien Long is committed to delivering the highest values to shareholders, customers, and consumers. The company has consistently allocated a significant portion of its profits to shareholders.

Thien Long sincerely thanks its valued shareholders, customers, partners, and all employees for their unity and cooperation in overcoming every challenge. Their trust and companionship are precious, enabling Thien Long to step into a new growth cycle confidently. Together, the company will accelerate in 2024, aiming to provide comprehensive and practical solutions for a lifelong journey of learning and happiness.

Wishing everyone good health, success, and happiness!

CO GIA THO
Chairman of the Board of Directors

PART **6**

THIEN LONG GROUP OVERVIEW

CREATIVE DRAWING
FUN EXPLORATION

HAPPY
LEARNING
LIFE



1

HISTORY OF FORMATION AND DEVELOPMENT

1981 - 1996

1981

Thien Long was established, with ballpoint pens as its first product line.

1996

Thien Long Manufacturing and Trading Co., Ltd. was officially established, marking a new development phase with improved product quality, increased productivity, and diverse product categories. The company has since used advanced technologies, machinery, and equipment in its manufacturing processes.

2000 - 2003

2000

A new factory in Tan Tao Industrial Park (Binh Tan District) came into operation.

2001

ISO 9002 Certificate granted by DNV (Norway).

2003

The company increased the size of its factory from 0.5 ha to more than 1.6 ha and was re-issued the ISO certificate with a new version (ISO 9001:2000).

2005 - 2006

2005

Thien Long Manufacturing and Trading Company Ltd. was converted into the Thien Long Manufacturing and Trading Corporation with a charter capital of VND100 billion.

2006

The company increased its charter capital to VND120 billion. Thien Long Long Thanh Joint Stock Corporation was formed with a charter capital of VND40 billion. The Corporation obtained the ISO 14001:2004 Certificate for its environmental management system, the OHSAS 18001 Certificate for its occupational health and safety standards, the SA 8000 Certificate for social responsibility standards, and the C-TPAT Certificate, among others.

2007 - 2010

2007

Thien Long Hoan Cau Trading and Service One Member Company Ltd. was established. It specializes in stationery trading and has a charter capital of VND20 billion.

2008

The company conducted its initial public offering (IPO) and increased its charter capital to VND155 billion.

2010

On March 26, 2010, TLG shares were officially listed on the Ho Chi Minh City Stock Exchange (HOSE).

2012 - 2018

2012 - 2016

The group applied the SAP - ERP system. After issuing shares through paying dividends and bonus shares, the charter capital increased from VND177 billion to VND383 billion.

2018

The group increased its charter capital to VND657 billion, completed its export map in Southeast Asia, and launched the e-commerce website FlexOffice.com.

2019 - 2021

2019 - 2020

The group established FlexOffice Pte. Ltd., a trading company in Singapore, and increased its charter capital to VND778 billion.

2021

The group restructured itself and established South Thien Long Manufacturing Trading Company Limited, whose charter capital is totally owned by Thien Long Group.

2022

The group increased its capital share at South Thien Long Manufacturing Trading Company Limited to VND 650 billion, inaugurated the new factory B2 of Thien Long Long Thanh Manufacturing Trading Service Co., Ltd; Contributed capital (25% of charter capital) to establish Pega Holding Company; FlexOffice Pte. Ltd. contributed capital (60% of charter capital) to establish ICCO Marketing (M) SDN. BHD; Tan Luc South Trading and Service One Member Company Ltd. contributed capital (70% of charter capital) to establish Clever World Joint Stock Company.

2023

Thien Long promotes a presence in

71 countries around the world



Charter capital increased to

VND **786** billion

2

BUSINESS LINES

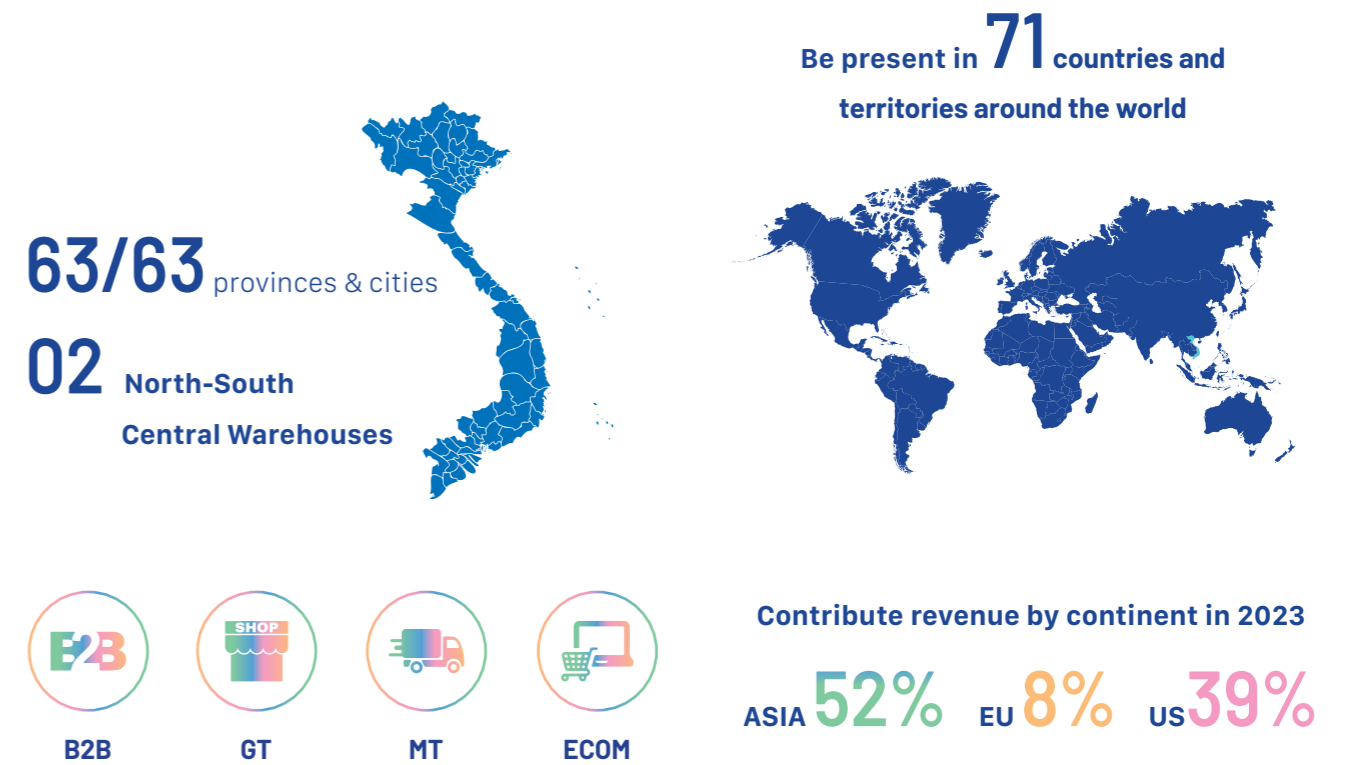
Thien Long Group manufactures and sells four main product categories:



“ With diverse designs, high quality, reputable brands and reasonable prices, Thien Long’s products are ready to meet consumers’ diverse demands. ”

3

DISTRIBUTION NETWORK



Thien Long has built and developed an extensive distribution channel system in the domestic market. The group’s products are in commercial centers, store chains, bookstores, convenience stores, etc. in all 63 provinces/cities across the country. They are also distributed through e-commerce and direct sales channels for schools, businesses (B2B), etc.

Thien Long has continuously invested in developing export markets, bringing FlexOffice and Colokit branded products to consumers in 71 countries and territories. Besides, Thien Long has also exported OEM, ODM, and Private Label products to large customers around the world.

“ Thien Long also expanded the Clever Box store chain with diverse products, improving user experience. ”

4

LIST OF SUBSIDIARIES AND DOMESTIC AND OVERSEAS AFFILIATES

THIEN LONG LONG THANH MANUFACTURING TRADING SERVICE COMPANY LTD.

Thien Long Long Thanh was established in late 2006. It officially began operating in August 2008 at Long Thanh Industrial Park, Long Thanh District, Dong Nai Province, with a charter capital of VND180 billion, of which the parent company owns 100%. The factory was built on a 3-hectare site, specializing in manufacturing all kinds of school supplies, art supplies, and writing pens for domestic consumption and export. In 2022, Thien Long Group inaugurated a new workshop (named B2) belonging to the Thien Long Long Thanh factory. The new workshop has a usable area of nearly 10,000m² with a 5-storey reinforced concrete structure and a floor load of more than 1,000 kg/m², bringing the total factory area in Thien Long Long Thanh to 28,450m².

SOUTH THIEN LONG MANUFACTURING TRADING COMPANY LTD.

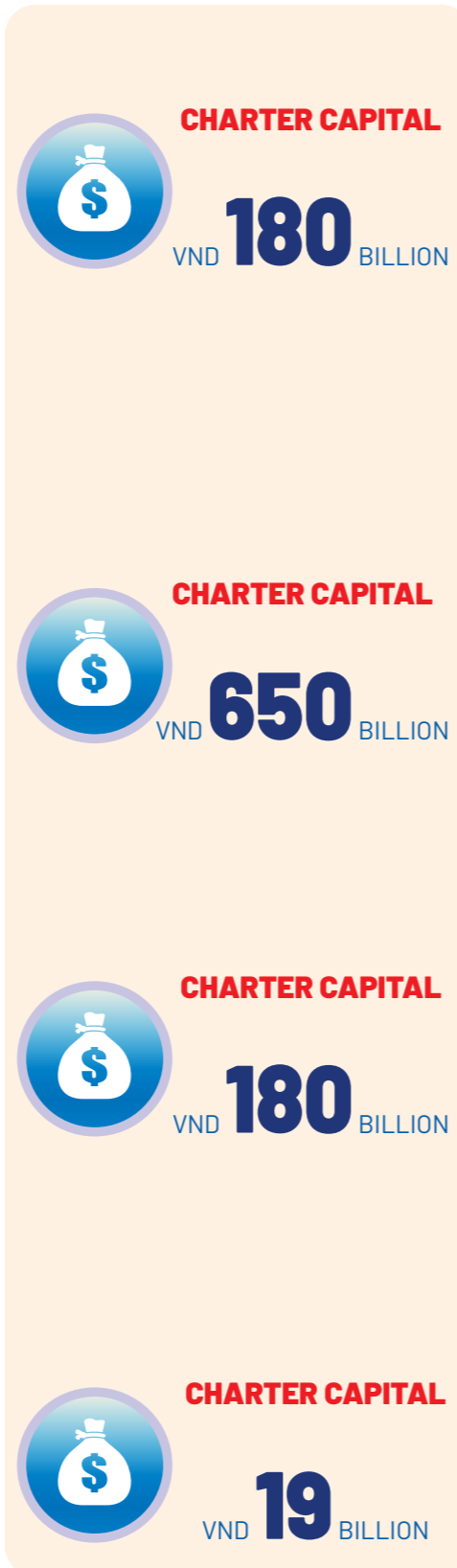
South Thien Long was established and officially implemented in July 2021 in Tan Tao Industrial Park, Binh Tan District, Ho Chi Minh City, with a charter capital of VND600 billion, which the holding company owns 100%. The South Thien Long Factory received from the holding company the transfer of the entire investment projects in Tan Tao Industrial Park to produce all kinds of current stationery products and pens for domestic consumption and export. In 2023, the Company's charter capital was increased to VND650 billion.

THIEN LONG GLOBAL TRADING AND SERVICES ONE MEMBER COMPANY LTD.

Thien Long Global has a charter capital of VND100 billion, 100% owned by the parent company. Specializing in commercial activities and services, Thien Long Global has effectively performed sales and customer care and actively supported the Group's investment strategy for developing new products as an important foundation for the Group's long-term sustainable development. In 2022, Tan Luc North Trading and Service One Member Company Ltd. and Tan Luc Central Trading Service One Member Company Ltd. were merged into Thien Long Global, raising its charter capital to VND180 billion.

FLEXOFFICE PTE. LTD.

FlexOffice was established in 2019 in Singapore with a charter capital of about VND19 billion. The company specializes in trading and service operations in Asian markets.



TAN LUC SOUTH TRADING AND SERVICES ONE MEMBER COMPANY LTD.

Tan Luc South Trading and Services One Member Company Ltd. focuses mainly on trading and distribution activities. Its charter capital is VND80 billion.

PEGA HOLDINGS JOINT STOCK COMPANY

Pega was established in 2022 with a charter capital of VND100 billion, of which 25%, or VND25 billion, is owned by Thien Long Group. Pega Holdings focuses on trading books, newspapers, and magazines. In 2023, Thien Long Group increases its ownership rate in Pega to 40%.

ICCO MARKETING (M) SDN. BHD.

According to the Board of Directors Resolution dated August 31, 2022, Flexoffice Co., Ltd. approved the capital contribution to establish ICCO Marketing (M) SDN. BHD. has a total capital contribution value of 60,000 Malaysian Ringgit, which is equivalent to 60% of the total charter capital of ICCO Marketing (M) SDN. BHD. The main activity of this company is the retail business of books, newspapers, magazines and stationery.

CLEVER WORLD JOINT STOCK COMPANY

According to Decision No. 11.22/QD-CSH dated August 15, 2022, Tan Luc South Trading - Service One Member Company Limited approved the capital contribution to establish Clever World Joint Stock Company with a total capital contribution value of VND3.5 billion, equivalent to 70% of the total charter capital of this company. The main activities of this company are wholesale and other retail in specialized stores, printing, advertising, and printing-related services. In 2023, Tan Luc South Company increased its ownership rate in Clever World to 89%.



4

LIST OF DOMESTIC AND FOREIGN SUBSIDIARIES AND AFFILIATED COMPANIES

List of domestic and foreign subsidiaries and affiliated companies

No	Company name	Main business sectors	Office address	Charter capital (VND)	% owned by Thien Long Group
01	Thien Long Long Thanh Manufacturing - Trading Company Ltd.	Manufacturing and trading stationery	Road No. 7, Long Thanh Industrial Park, Tam An Commune, Long Thanh District, Dong Nai Province, Vietnam	180 billion	100%
02	South Thien Long Manufacturing - Trading Company Ltd.	Manufacturing and trading stationery	Lot 6-8-10-12, Road No. 3, Tan Tao Industrial Park, Binh Tan District, Ho Chi Minh City, Vietnam	650 billion	100%
03	Thien Long Global Trading - Service Company Ltd.	Trading stationery	658P - 658R Pham Van Chi Street, Ward 8, District 6, City. HCM, Vietnam	180 billion	100%
04	Tan Luc South Trading - Service Company Ltd.	Trading stationery	10th Floor, Sofic Tower, No. 10 Mai Chi Tho Street, Thu Thiem Ward, City. Thu Duc, Ho Chi Minh City, Vietnam	80 billion	100%
05	FlexOffice Pte. Ltd.	Trading stationery	10 Ubi Crescent	19 billion	100%
06	Pega Holdings Joint Stock Company	Trading books, newspapers, magazines	222 Dien Bien Phu, Vo Thi Sau Ward, District 3, City. HCM, Vietnam	100 billion	40%
07	ICCO Marketing (M) SDN. BHD.	Trading stationery	33-2 Jalan Setia Utama At U13/At, Setia Alam, Seksyen U13, Shah Alam, Selangor, Malaysia, 40170	501 million	60%
08	Clever World Joint Stock Company	Trading stationery	10th Floor, Sofic Tower, No. 10 Mai Chi Tho Street, Thu Thiem Ward, City. Thu Duc, Ho Chi Minh City, Vietnam	29 billion	89%

Net revenue excludes internal transactions

THIEN LONG GLOBAL
2,555
 ABOUT VND BILLION



5

OUTSTANDING AWARDS



Top Best Enterprises with Revenue Under 1 billion USD in Asia

awarded by Forbes Asia.



Ho Chi Minh City Green Business 2023

is co-organized by the Ho Chi Minh City Business Association (HUBA) in collaboration with Saigon Giai Phong Newspaper (SGGP).



Top 50 best-listed companies in Vietnam 2023

as voted by Forbes Vietnam.



The top 100 best places to work in Vietnam

voted by Anphabe.



Top 50 Most Effective Business Companies in Vietnam 2023

awarded by Nhip Cau Dau Tu Magazine.



Achieved the "High Quality Vietnamese Goods 2023" title

awarded by the High - Quality Vietnamese Goods Business Association.



Top 25 Leading Brands of Personal and Industrial Consumer Goods Companies

voted by Forbes Vietnam.



Event Marketing Awards

for the category Best Brand Experience (B2C Asia Region).



Top 100 Sustainable Enterprises in Vietnam 2023

by the Vietnam Confederation of Commerce and Industry (VCCI) and the Vietnam Business Council for Sustainable Development (VBCSD).



Vietnam Top Industry 4.0 Award

Top Science, Technology, and Innovation Enterprise Category.



Top 50 Outstanding Sustainable Development Enterprises in Vietnam 2023

awarded by Nhip Cau Dau Tu Magazine.



The top 100 most valuable brands in Vietnam in 2023

were announced by Brand Finance and Mibrand Vietnam.



6

PRODUCT BRANDS

WRITING INSTRUMENTS AND STATIONERY PRODUCTS (THIEN LONG BRAND)



Thien Long brand offers traditional writing instruments and office products such as ballpoint pens, gel pens, rollerball pens, fine-liner pens, whiteboard markers, permanent markers, rulers, erasers, and pencil sharpeners. These products are widely used for learning, note-taking, marking, archiving, and printing. Thien Long is known for providing quality and reasonably priced writing pens, which are popular among consumers, especially students. It holds the number one market share in Vietnam in the writing instruments category.

In 2023, the industry faced many difficulties due to the general impact of the economy. However, Thien Long maintained stable product quality and prices to support consumers and launched many new products suitable for the mainstream segment. The highlighted product is the TL-105 pen, an improved version of the “national” pen TL-027 design. It comes with thoughtful details such as a pen holder that retracts the nib automatically when placed in a pocket, a stylish pastel-coloured pen body, and improved ink that helps write smoother and faster. Thien Long also added a new product to its Gel Pen line, the GEL-033 “quick dry” pen, which has super-fast drying ink,

minimizing ink smearing during use. The GEL-E006 erasable gel pen has improved with darker and brighter ink while retaining its easy-to-erase feature.

Besides writing pens, Thien Long has also launched products following the modern pastel colour trend to make them trendier and more appealing to students and office workers. These products include the A5/B5 spring notebook line with paperweight up to 100 gsm for comfortable writing and drawing, student cover line and button cover with convenient design youthful colours, and other stationery products and school supplies in the pastel colour collection.

2023 is a significant year for Thien Long as it marks the company's progress in the stationery industry as a Vietnamese pioneer in designing scientific computer programs to meet study and exam programs in Vietnam. The scientific calculator products Flexio Fx799VN and Flexio Fx680VN Plus are the foundation for Thien Long to continue developing product lines with electronics, energy, and intelligent school supplies, such as the SE-001 automatic pencil sharpener, the EE-001 automatic electric eraser, the MVE-001 mini vacuum cleaner, and the Flexio battery lines.

PREMIUM PRODUCTS (BIZNER BRAND)



BIZNER is a brand that continuously researches techniques and technology to affirm the market position of long standing brands like Thien Long. The philosophy of the BIZNER brand is to create high-quality products that require sophistication in design and manufacturing. BIZNER products are aimed at middle - and senior - level managers, businessmen, or customers who love elegance and sophistication. The brand has been researching and developing products that lead in style and technology over the years.

The **BIZ-GEL23** and **BIZ-GEL24** gel pens have high-quality 2-ballpoint pen tip technology that helps ink flow evenly and continuously. The ink is produced using water-resistant and light-resistant technology, making it suitable for signing and storing important documents.

The **BIZ-16** pen is made from high-quality materials with 22K gold-plated details. Its luxurious design creates class and uniqueness for the user. The BIZ-01 and BIZ-04 pens are designed with modern style and high-quality materials. They are painted using automotive electrostatic painting technology and have many 18K gold-plated details to help enhance the user's style.

In 2023, **BIZNER** also added high-quality TECH & STYLE gift boxes for the pen product groups BIZ-16, BIZ-01, and BIZ-04 in the Teacher gratitude season. These gift boxes included accompanying gifts of high-quality velvet notebooks and an elegant name card holder, creating a stylish and luxurious gift set. This is how BIZNER expresses gratitude and honours Vietnamese teachers, partners, and business-people on behalf of the giver.

6

PRODUCT BRANDS

ART SUPPLIES (COLOKIT BRAND)



Colokit is a brand that specializes in Thien Long's Fine Art Tools. It offers a variety of products, including crayons, oil pastels, coloured pencils, fibre pens, watercolours, acrylics, gouache colours, and multi-functional crayons.

Parents, students, and young people love Colokit's products thanks to its high quality, diverse designs, unique features, and safety compliance with European and US standards.

In 2023, Colokit launched the AKOOLAND application on the iOS and Android platforms. The app included a promotion program with a 3D SMART FLASHCARD in each crayon set. With the message "Painting Enjoyment - Places to Explore," the app encouraged children to be creative with colourful colours and learn interesting things from the animal world in English and Vietnamese. Additionally, a series of 21 AKOOLAND art workshops will be held for the first time, attracting the participation of young art lovers as well as support from large bookstore systems such as Fahasa, Phuong Nam, and Clever Box.

To keep up with the increasingly competitive stationery market, Colokit has launched many attractive products, such as the Retro Fiber Pen with retro tones, to help diversify the colour group for this product line. They also offer Disney copyright products featuring Pooh and Mermaid character images, a diverse DIY product group, and play dough made from natural rice flour that is gluten-free. Additionally, the brand has innovated the entire packaging in the leading yellow tone to emphasize the core creativity of fine art. This transition is a vital preparation for adapting to an increasingly competitive market.



Bút lông màu rửa được

Washable Fiber Pen **SWM-C009**



20 màu retro
thời thượng



Ngòi chóp nón
viết tốt nét thanh nét đậm



Dễ dàng
rửa sạch với nước



Mới

7

MANUFACTURING TECHNOLOGY

Thien Long is a company that focuses on researching, designing, and manufacturing machinery and equipment for production. The company also manufactures molds to replace imported ones to reduce product costs and improve production capacity and competitiveness.

The main goal of mold making is to apply high technology for mold structures, optimize molds according to press capacity, and automate injection molding to make semi-product production more efficient and with higher performance. Additionally, the company is also researching and manufacturing molds to produce other types of semi-products, such as injecting multiple plastic components on the same semi-products, to reduce the number of product components and diversify product models. Thien Long has imported modern machinery and technologies from advanced countries, such as injection machines from Japan, to optimize its manufacturing processes and enhance the quality of its products. The group is also conducting arrangements and reorganizations of factories and production stages towards modernization and automation to boost production efficiency further.



8

ACCELERATION OF AUTOMATION

In 2023, Thien Long group made significant improvements to the structures and parameters of various molds to maximize the capacity of their current machinery.

Both Thien Long factories implemented highly efficient automatic technology lines to increase productivity, used hot runner molds and plastic multi-component molds. The group also mastered precision mechanical technologies to continue manufacturing pen tips with Swiss and German machinery and equipment while investing in and utilizing energy-saving injection machines with high accuracy. As a result of these efforts, the automation rate at the South Thien Long factory has reached 76.5%, and at the Thien Long Long Thanh factory has reached 60.8%.

In 2023, Thien Long group made significant improvements to the structures and parameters of various molds to maximize the capacity of their current machinery.



9

PURSUIT OF GREEN TECHNOLOGY



Since its establishment, Thien Long has prioritized the GREEN factor. They have developed an energy-efficient wastewater treatment system that saves energy and raw materials and, in the meantime, does not cause environmental pollution. At the South Thien Long factory, a solar power system with a total installed capacity of 198.4 kW has been used since February 2018. This system generates about 248,146 kWh per year, and in 2023, it saved 220,648 kWh from the national grid, reduced costs by VND 415 million and cut emissions by 519 tons of CO₂ per year.

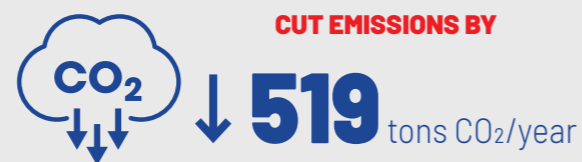
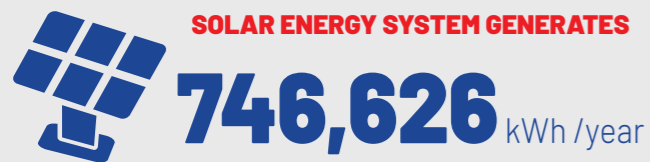
Thien Long Long Thanh Factory installed a solar power system with a total installed capacity of 970.2 kWp in late 2022 and started operating on May 4, 2023. This system generates about 498,480 kWh per year, saves costs of 515 million VND and reduces emissions by 360 tons of CO₂ per year.

In 2022, the two factories reused 75.7% of the total plastic scrap produced. However, in 2023, they increased this amount to 83.8%. To achieve this, the factories implemented several activities, such as mixing scrap plastic into the product-pressing process and utilizing colorful scrap sources to create plastic containers for pens and other items. These efforts have helped to increase the ratio of recycling plastic in production, making the factories more environmentally friendly.

Thien Long's products meet safety standards required by a host country such as US standards (ASTM D-4236, CPSIA, TPCH, AP Seal, FHSA, and legal regulations), California Proposition 65, 5-state law), European standards (CE marking, EN 71/1,2,3, EN 71/9, REACH, RoHS), Vietnamese safety standards such as QCVN

03:2019/BKHCN. Thien Long invested in manufacturing hot runner molds to reduce the amount of plastic scrap in production and developed environmentally friendly materials and products such as reusable cartridges for ballpoint, gel pens, and ink.

The group also used safer and eco-friendly materials for children's products, such as flour-based play dough with food colours that meet strict safety standards in the US and Europe. In 2024, South Thien Long factories will promote plastic recycling by strictly managing input and output quantity, using colourful scrap in the production process, and researching new PET plastic.



“ All children's products meet strict requirements of the United States and Europe. ”

10

STRICT QUALITY CONTROL SYSTEM

“

Thien Long ensures the quality and safety of its products by implementing a strict quality control system across its entire supply chain. This system includes quality control support at factories, inspections of input materials, quality control at each stage of production, quality control of finished products, preservation and storage control, and product display at all distributors' warehouses and outlets and all distribution channels. ”

Thien Long has a laboratory that complies with the ISO/IEC 17025:2017 standard and is equipped with specialized equipment, such as German pen-testers (Hutt), atomic absorption spectrometers, electrical conductivity meters, ageing machines, viscosity meters, pH meters, and humidity meters. This laboratory ensures that all test and inspection results are highly accurate and reliable.

Thien Long has obtained international certifications and operates its integrated management systems accordingly. Integrating these systems helps maintain and ensure management efficiency and quality in each product delivered to consumers. The company pays attention to the health and safety of consumers and workers.

Thien Long uses the SAP quality management module "QM" to ensure quality control throughout the supply chain.



INTEGRATED MANAGEMENT SYSTEM



Quality management system
ISO 9001:2015



Laboratory management system
ISO/IEC 17025:2017



Environmental management system - ISO 14001:2015



Social responsibility management system
SA 8000:2014



Occupational health and safety management system
ISO 45001:2018



The GRS "Global Recycled Standard" Certification



Medical product equipment quality management system
ISO 13485:2016



The SMETA-4 Pillar Standard Certification



ICTI ethical toy program
ICTI certification on social responsibility standards in the children's toy industry

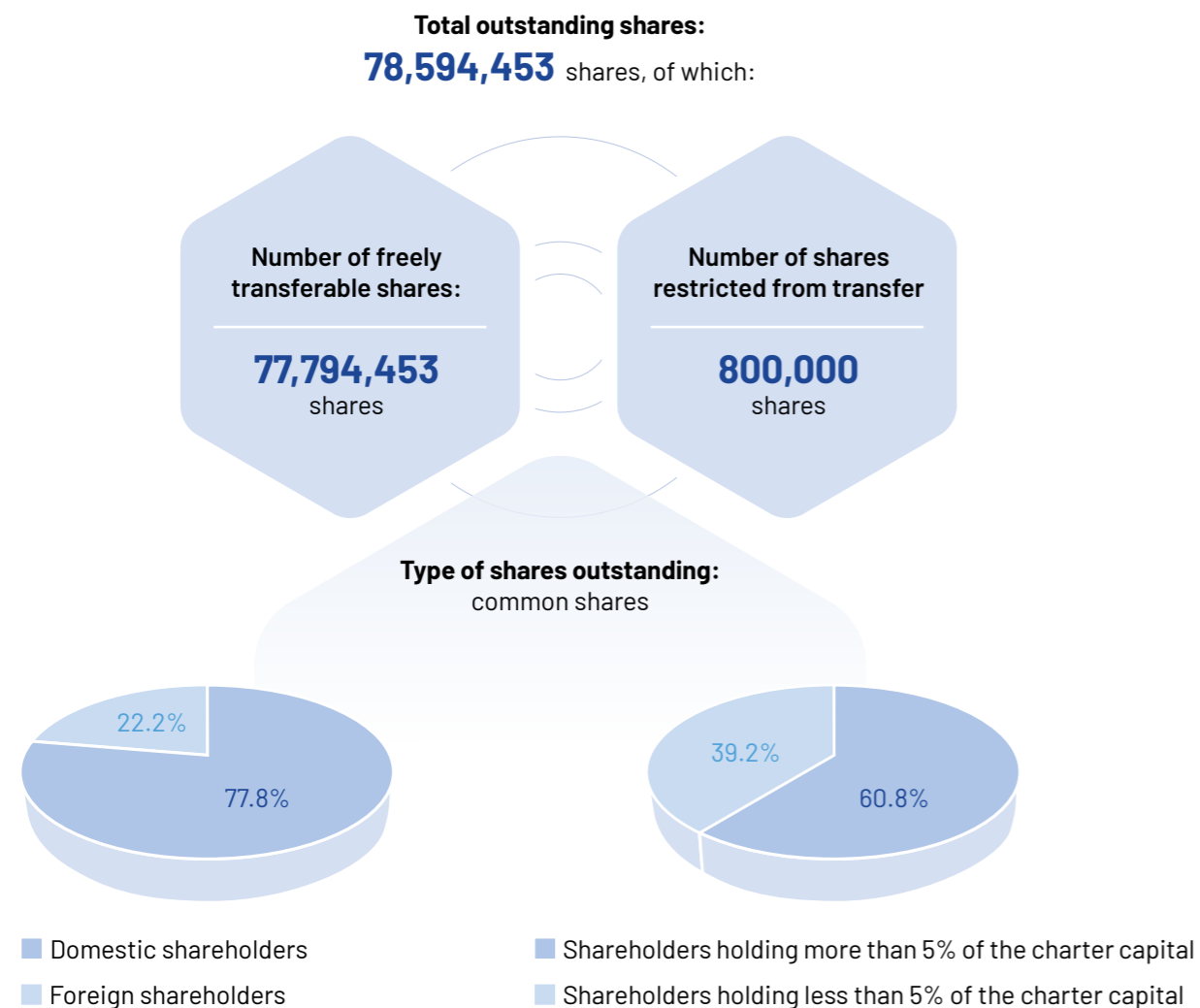
In late 2023, the Thien Long Long Thanh factory achieved the GRS "Global Recycled Standard" certification. The GRS certification is a global recycling standard that applies to the entire supply chain, including processing, production, packaging, labelling, sales, and distribution. All products made by the factory must contain a minimum of 20% recycled materials to meet this standard. The main objective of this certification is to increase the use of recycled materials, reduce the harmful impact of production on people and the environment, ensure sustainable processing of recycled materials, and promote innovation in the use of recycled materials.

In April 2024, the Thien Long Long Thanh factory achieved the SMETA-4 Pillar Standard Certification. The SMETA-4 Pillar Standard Certification is an international ethical business practice and social responsibility standard. Sedex Members Ethical Trade Audit (SMETA) is a comprehensive audit methodology that evaluates businesses' compliance with ethical trading practices and social responsibility in the supply chain. Applying SMETA standards shows the factory's respect for employees, increases business engagement with employees, and improves business ethics and social responsibility in the global response.

11

SHARE INFORMATION AND CHARTER CAPITAL INCREASE PROCESS

SHARE



SHAREHOLDER STRUCTURE

(As of December 31, 2023)

Shareholder	Number of shareholders	Number of shares held	Ratio
Domestic shareholders	1,926	61,135,044	77.8%
Individual	1,887	18,484,826	23.5%
Organization	39	42,650,218	54.3%
Foreign shareholders	114	17,459,409	22.2%
Individual	68	595,546	0.8%
Organization	46	16,863,863	21.4%
Total	2,040	78,594,453	100.0%

LIST OF SHAREHOLDERS HOLDING OVER 5% OF CHARTER CAPITAL

(As of December 31, 2023)

No.	Shareholder	Number of shares	Ratio
1	Thien Long An Think Investment JSC (Ownership representative: Mr. Co Gia Tho)	37,350,952	47.5%
2	NWL Cayman Holdings Ltd.	5,500,000	7.1%
3	Mr. Co Gia Tho	4,924,605	6.3%
Total		47,775,557	60.8%

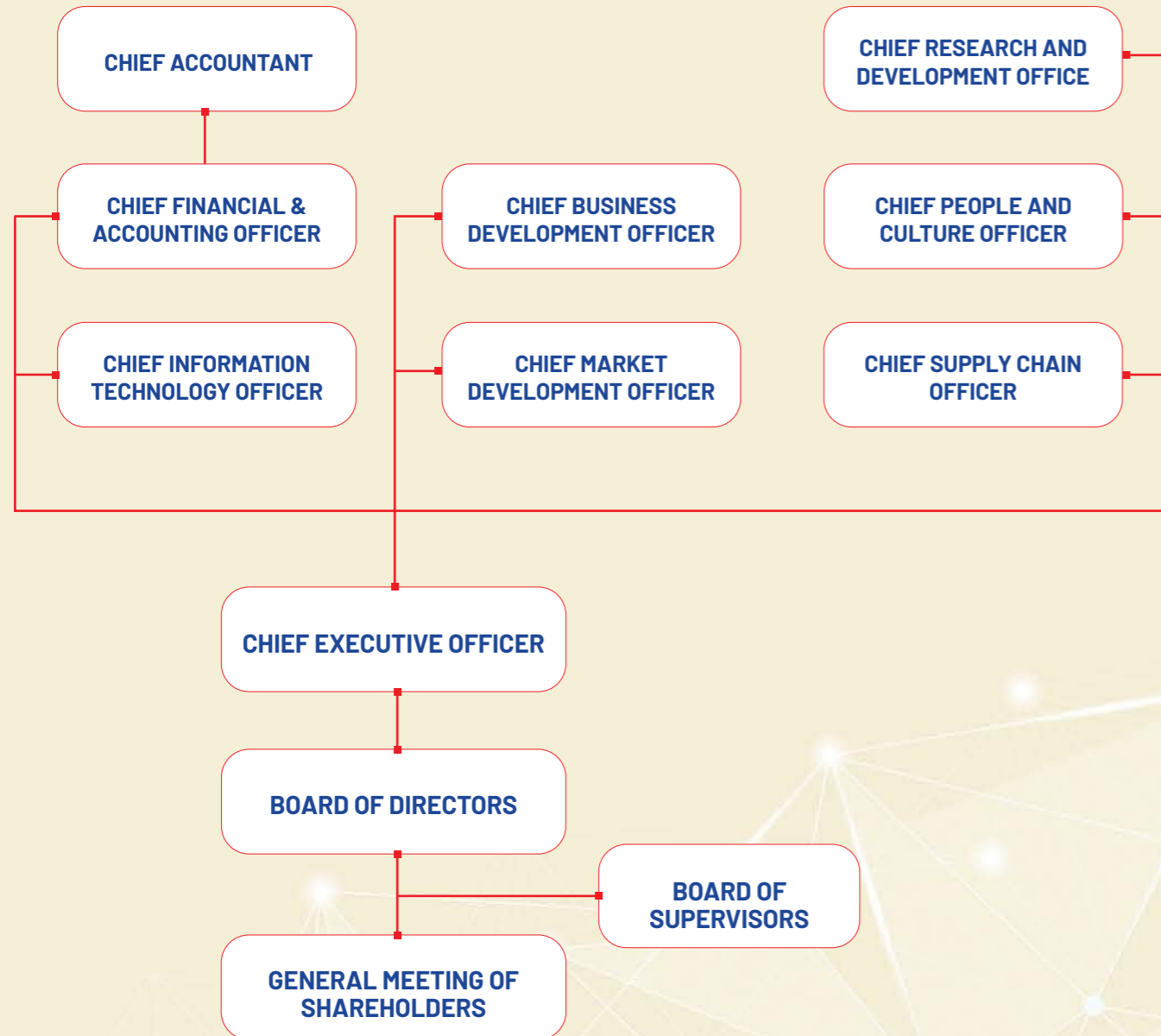
PROCESS OF INCREASING CHARTER CAPITAL

Year	Initial Charter Capital (Billion VND)	Additional Charter Capital (Billion VND)	Accumulated Charter Capital (Billion VND)	Form of Capital Increase
2023	778	8	786	Issuing ESOP shares to employees.
2019	707	71	778	Issuing shares to pay dividends and issuing shares to increase share capital from owner's equity.
2019	657	50	707	Private placement of shares.
2018	506	152	657	Issuing shares to increase share capital from owner's equity.
2017	383	123	506	Issuing shares to increase equity capital from equity and issuing ESOP shares to employees.
2016	295	88	383	Issuing shares to increase share capital from owner's equity.
2015	268	27	295	Issuing shares to increase share capital from owner's equity.
2014	233	35	268	Issuing shares to pay dividends.
2013	212	21	233	Issuing shares to pay dividends.
2012	177	35	212	Issuing shares to pay dividends and issuing shares to increase share capital from owner's equity.
2010	155	22	177	Initial public offering
2008	120	35	155	Initial public offering by auction as a public company
2006	100	20	120	Additional capital contribution by existing shareholders, at a capital contribution rate of 20%

TRANSACTION OF TREASURY STOCKS: None.

12

CORPORATE GOVERNANCE STRUCTURE



13

BOARD OF DIRECTORS (BOD) AND BOARD OF SUPERVISORS (BOS)

Mr. CO GIA THO

Chairman of the BoD

He founded Thien Long in 1981 and has been with Thien Long since its inception. With a focus on trade, he has developed Thien Long from a family-owned manufacturing facility to the leading stationery group in Vietnam and the region.

He is also currently holding the position of Chairman of the BoD cum General Director of Thien Long An Think Investment JSC, which owns 47.5% of the share capital of Thien Long Group.

**Ms. CO CAM NGUYET**

Member of the BoD

She has held the position of Member of Thien Long's BoD since 2008. She joined Thien Long in 1993. She led the Group's investor relations for many years. She is also a member of the BoD of Thien Long An Think Investment JSC.

**Mr. TAYFUN UNER**

Independent member of the BoD

Mr. Uner has joined Thien Long's BoD since 2019. He currently holds senior management positions at Newell Brands Group and its subsidiaries. He previously had many years of experience working at multinational corporations such as Procter & Gamble, McKinsey, and Company, Carlsberg, and others.

**Ms. TRAN THAI NHU**

Member of the BoD

She has been a member of Thien Long's BoD since 2008. She used to hold the position of Assistant to the CEO of Thien Long Group, General Director of Thien Long Long Thanh JSC, and advisor to the Board of Management of Thien Long Group JSC. She is also a member of the BOD of Thien Long An Think Investment JSC.

**Ms. CO NGAN BINH**

Member of the BoD

She has been a member of Thien Long's BoD since 2008. She worked at the Corporation for more than 35 years and has held various positions at Thien Long since its inception. She spent 10 years as the Production Manager of Thien Long Ballpoint Pen Facility before being promoted to Assistant Director, Head of the Quality Assurance Department, Assistant to the CEO, and Head of the Basic Construction Department of Thien Long. Currently, she is also a member of the BoD of Thien Long An Think Investment JSC.

**Mr. PHAM NGUYEN TRI**

Independent member of the BoD

Mr. Pham has joined Thien Long's BoD since 2020. He is currently the Chairman of Vnexus Capital Advisors (VNCA). Before that, he held senior positions at Bitexco Group, Deutsche Bank (DB) AG, Vietnam, and World Bank Group, IFC.

**Mr. NGUYEN DINH TAM**

Member of the BoD

Mr. Nguyen has been a member of the BoD since July 2021. He has been working with the Group since 1994, and during his tenure, he has held various positions at Thien Long, including Deputy Technical Director, R&D Director, Chief Production Officer, and Standing Chief Operating Officer cum Chief Production Officer. He was also the CEO of Thien Long Group from May 2017 to May 2021. He possesses extensive industry experience and has a profound understanding of the Group's key manufacturing engineering areas.



13

BOARD OF DIRECTORS (BOD) AND
BOARD OF SUPERVISORS (BOS)

Ms. NGUYEN THI BICH NGA
Head of BoS

She has worked at Thien Long since 1992, in charge of several positions in the Accounting Department. From 2010 to the present, she has been the Head of the BoS of the Company. Before that, she was a member of the BoS. She currently holds the position of Chief Accountant of Thien Long An Think Investment JSC.



Ms. TA HONG DIEP
Member of BoS

She has joined the BoS since 2017. Before that, she worked at the Investment Banking Department of HSBC Vietnam, and at the Institutional Sales Department of VN-Direct Securities JSC.



Ms. VU THI THANH NGA
Member of BoS

She has joined the BoS since 2022. Before that, she worked at Saigon Commercial Joint Stock Bank, FPT Securities JSC, and the Finance and Accounting Department of Thien Long Group. She is currently Deputy Director of the Corporate Finance department at FPT Securities JSC.



Mr. NGUYEN NGOC TRUNG CHANH
Secretary and Person in charge of Company administration

He joined Thien Long Group in June 2017 and was appointed Secretary and Person in Charge of Company Administration in April 2019. Mr. Nguyen has over 10 years of legal experience and currently holds the position of the Head of the Group's Legal Department.

14

BOARD OF MANAGEMENT (BOM)

Ms. TRAN PHUONG NGA
Chief Executive Officer (CEO)

She has joined Thien Long since 2012 and has been appointed CEO since June 2021. She has extensive experience in accounting, banking, financial consulting, and investment fund management.

She once held many important positions such as Chief Financial & Accounting Officer; Chief Operating Officer.



Mr. BUI VAN HUONG
Chief Supply Chain Officer

He joined Thien Long in 2007 as Chief Total Quality Management Officer. Since September 2008, he was Chief Compliance and Total Quality Management Officer and, at the same time, Chief Human Resources Officer. From September 2021, he was Chief Compliance and Total Quality Management Officer. In April 2023, he was appointed Chief Supply Chain Officer.

He once held managerial positions in multinational corporations in Vietnam for many years, including Production Manager at Escatec Electronics Co., Ltd. (Vietnam), Quality Director at Nitto Denko Vietnam Co., Ltd., etc.



14

BOARD OF MANAGEMENT (BOM)

Mr. TRAN TRUNG HIEP

Chief Market Development Officer

He joined Thien Long in 1994 and was appointed Director of Thien Long Global Trading and Service Company Limited in 2020. In 2022, he was appointed Deputy General Director of Business Development, and from April 2023, he has been serving as Chief Market Development Officer.

With years of experience in business expansion and development, he has held various positions, such as Deputy General Director of International Business Development, Director of Domestic Sales, and Head of the Thien Long Representative Office in China.

**Ms. DAO THI THANH BINH**

Chief People & Culture Officer

She joined Thien Long in July 2021 and currently holds the position of Chief People & Culture Officer.

She has over 18 years of experience in human resources at multinational companies. She was Human Resources Director at Lavifood; Human Resources Director of Medical Devices at Abbott; Head of the Senior Human Resources Business Partner Department at Saint-Gobain Vietnam and Suntory PepsiCo Vietnam.

**Mr. NGUYEN DUC HANH**

Chief Information Technology Officer

He joined Thien Long in 2011 and was appointed Chief Information Technology Officer in March 2021.

Before joining Thien Long, he used to hold information technology management positions at KPMG Vietnam, Dong Tam Group, and Biti's.

**Ms. VO THI HAI HA**

Chief Financial & Accounting Officer

She joined Thien Long in September 2021 and currently holds the position of Chief Financial & Accounting Officer.

She has over 28 years of experience in finance and accounting at multinational companies. Previously, she held various managerial positions including Finance Director, Director of Business Planning, etc., at Suntory PepsiCo Vietnam, Premier Oil, Friesland Campina Vietnam, and others.

**Ms. LE THI BICH NGOC**

Chief Business Development Officer

She joined Thien Long in December 2021 and was appointed Chief Business Development Officer.

She has over 23 years of experience in business administration at multinational companies. She once held various managerial positions related to business administration at many leading FMCG companies in Vietnam such as Suntory PepsiCo, NutiFood, etc.

**Mr. NGUYEN NGOC NHON**

Chief Accountant

He joined Thien Long Group in April 2017. With over 20 years of experience in finance and accounting, he is currently the Chief Accountant.

15

SHARE OWNERSHIP RATIO

(As of December 31, 2023)

No	First and last name	Position in the Company	Share ownership ratio
1	Co Gia Tho	Chairman of the Board	6.27%
2	Tran Thai Nhu	Member of the BoD	1.40%
3	Co Ngan Binh	Member of the BoD	1.23%
4	Co Cam Nguyet	Member of the BoD	0.86%
5	Tayfun Uner	Member of the BoD	0.00%
6	Pham Nguyen Tri	Member of the BoD	0.03%
7	Nguyen Dinh Tam	Member of the BoD	0.56%
8	Nguyen Thi Bich Nga	Head of the BoS	0.10%
9	Ta Hong Diep	Member of the BoS	0.01%
10	Vu Thi Thanh Nga	Member of the BoS	0.01%
11	Nguyen Ngoc Trung Chanh	Secretary and Person in charge of Company administration	0.00%
12	Tran Phuong Nga	CEO	0.28%
13	Tran Trung Hiep	Chief Market Development Officer	0.15%
14	Bui Van Huong	Chief Supply Chain Officer	0.12%
15	Nguyen Duc Hanh	Chief Information Technology Officer	0.04%
16	Vo Thi Hai Ha	Chief Financial & Accounting Officer	0.04%
17	Dao Thi Thanh Binh	Chief People & Culture Officer	0.04%
18	Le Thi Bich Ngoc	Chief Business Development Officer	0.04%
19	Nguyen Ngoc Nhon	Chief Accountant	0.05%

16

CHANGES IN THE BOARD OF MANAGEMENT

On April 1, 2023, Board of Directors Resolution No. 02/2023 approved the resignation of Mr. Lam Van Hai from the position of Chief Operating Officer of Commerce and Mr. Ly Nguyen Khuong from the position of Chief Marketing Officer.

BÚT VIẾT
XÓA ĐƯỢC



MAZZIC

MỰC ĐẬM SIÊU NÉT
XÓA SẠCH SIÊU NHANH



Mực có thể xóa được trên giấy nên không sử dụng để ký tên, viết trong các giấy tờ quan trọng có tính pháp lý, hoặc dùng để viết trong thi cử hoặc các trường hợp tương tự khác.

PART **7**

CORPORATE GOVERNANCE REPORT

SPREAD KNOWLEDGE

BRIGHTEN TEMPERAMENT

**HAPPY
LEARNING
LIFE**



1

REPORT OF THE BOARD OF DIRECTORS ON THIEN LONG'S OPERATIONS IN 2023

ACTIVITIES OF THE GENERAL MEETING OF SHAREHOLDERS

In 2023, Thien Long held the annual General Meeting of Shareholders for fiscal year 2022 on April 27, 2023.

Current legal regulations on announcements, invitations, participation rights, and voting rights, etc., Thien Long complied with the spirit of ensuring maximum shareholder rights.

ACTIVITIES OF THE BOARD OF DIRECTORS IN 2023

During the year 2023, the BoD convened 10 meetings to implement the resolutions passed during the Annual General Meeting (AGM) and to exercise other rights of the BoD to approve important policies for the group's development.

Resolutions/Decisions have been issued, including:

No.	Resolution/Decision number	Date	Approved Contents
1	01/2023/NQ-HĐQT	March 03, 2023	Convening the Annual General Meeting of Shareholders for the fiscal year 2022
2	02/2023/NQ-HĐQT	April 01, 2023	The rearrangement of managerial titles of Thien Long Group Corporation
3	03/2023/NQ-HĐQT	May 08, 2023	Change of the Legal Representative of Thien Long Group Corporation
4	04/2023/NQ-HĐQT	June 07, 2023	Approval of the record date for the remaining dividends of 2022 and the first advance dividends 2023 in cash.
5	05/2023/NQ-HĐQT	July 17, 2023	Buy shares of Pega; through convertible loans and conventional loans
6	06/2023/NQ-HĐQT	July 17, 2023	Selecting PwC (Vietnam) Co., Ltd. to audit the Company's 2023 financial statements
7	07/2023/NQ-HĐQT	August 01, 2023	Implementing a plan to issue shares under the employee stock option program (ESOP)
8	08/2023/NQ-HĐQT	August 01, 2023	Approval of the Principles Standard for determining the number of shares distributed to each subject and the list of employees eligible for ESOP.
9	09/2023/NQ-HĐQT	October 16, 2023	Results of stock issuance under the employee option program in 2023
10	10/2023/NQ-HĐQT	November 02, 2023	Increase the Company's charter capital to 785,944,530,000 VND

Members of the BoD, members of the BoS, CEO and Company Secretary participated in training courses on corporate governance according to corporate governance regulations.



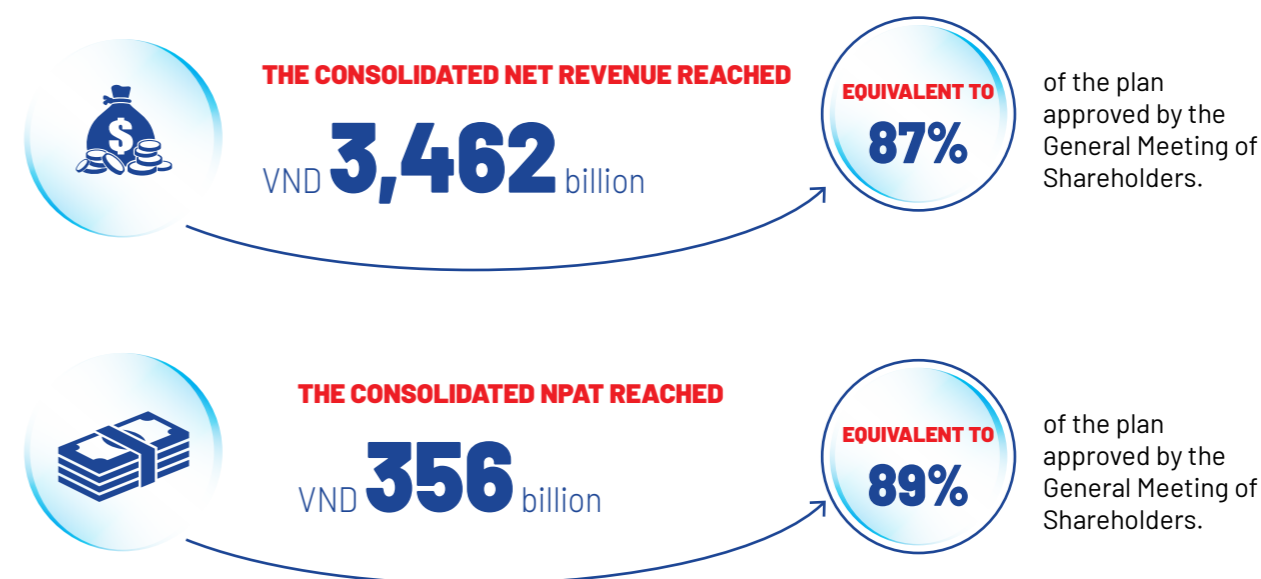
ACTIVITIES OF INDEPENDENT BOARD MEMBERS

Independent members of the BoD fully participated in the meetings and actively discussed issues to seek opinions. Independent board members also play an essential role in ensuring transparency and fairness in governance activities, always being positive and contributing many objective opinions when consulting and criticising directions and the company's business plan.

EVALUATION OF THE GROUP'S PERFORMANCE IN 2023

Most economies worldwide faced difficulties and challenges in 2023, resulting in lower growth rates than expected. However, Vietnam's economy recorded positive results in 2023, with a 5.05% GDP lower than the 8.02% recorded in 2022.

Despite facing a challenging year in 2023, the company managed to achieve impressive business results:



1

REPORT OF THE BOARD OF DIRECTORS ON THIEN LONG'S OPERATIONS IN 2023

SUPERVISING THE ACTIVITIES OF THE BOARD OF MANAGEMENT

The Board of Directors deeply appreciates the Board of Management's pioneering, dedicated role and efforts.

The BoM always ensures strict compliance with the Charter, internal regulations on corporate governance, and relevant laws by strengthening the internal control system.

The BoM always carries out its work in accordance with the resolutions passed at the Annual General Meeting and by the Board of Directors. They closely follow the company's development strategy and goals.

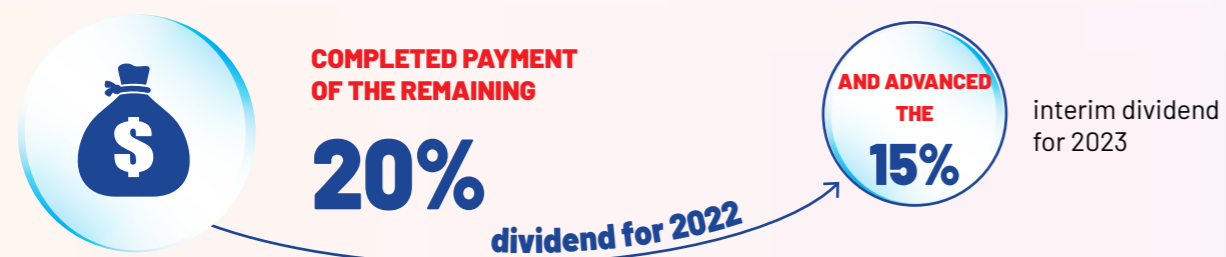
REMUNERATION AND REWARDS OF THE BOARD OF DIRECTORS, BOS AND BOARD OF MANAGEMENT

Policies on remuneration, salaries, and bonuses for the BoD, BoS, and CEO are always guaranteed to comply with the provisions of the law.

Key management personnel received salaries and gross benefits of VND13.83 billion in 2023, as noted in Note No. 38 (a) of the audited 2023 Consolidated Financial Statements.

RELATIONSHIP WITH INVESTORS AND OBLIGATIONS TO SHAREHOLDERS

Thien Long Group is a public company, so it must always be transparent and comply with the obligation to disclose information not only to comply with the law but also to ensure fairness and equality and protect the best interests of the investors and shareholders.



FOCUS OF DEVELOPMENT

To realize the strategic goals for the period 2023-2027, Thien Long will focus on the following key tasks:



1. Boost Brands



2. Optimize Omnichannel



3. World-class Expansion

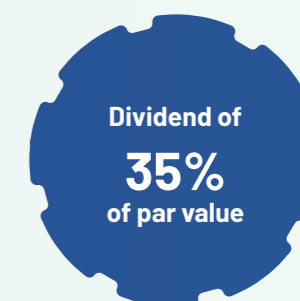


4. Expand the Ecosystem



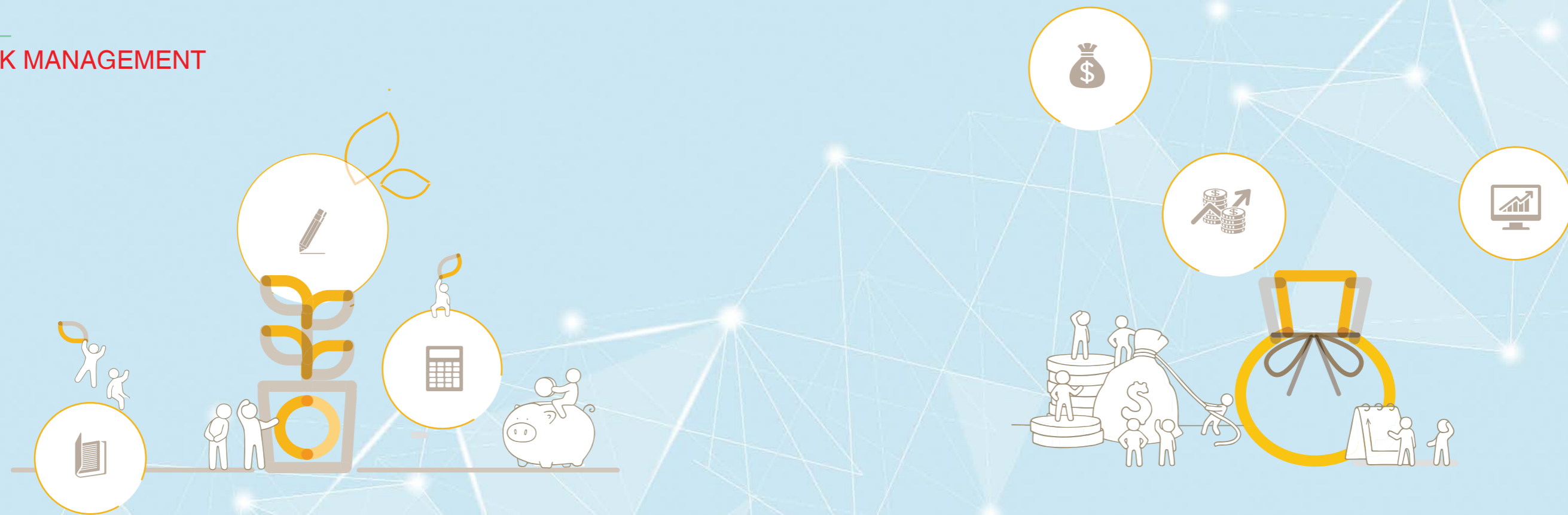
5. Organize for Growth

In 2024, the Board of Directors proposes to submit a comprehensive business plan to the AGM for approval. This plan includes achieving several targets, such as a net revenue of VND 3,800 billion, a profit after tax of VND 380 billion, and a dividend of 35% of par value.



2

RISK MANAGEMENT

**MATERIAL PRICE RISK**

With its main products being writing pens, Thien Long mainly imports materials such as pen tips, plastic beads, ink, inner tubes, springs, chemicals, etc. The total value of raw materials accounts for about 70% of production cost, with plastic resins accounting for nearly 25% of the value of all raw materials.

The company always fully updates information on raw material prices (plastics, chemicals, packaging, etc.), maintains relationships with large traditional suppliers, compares prices offered by different suppliers, and negotiates to buy raw materials in suitable volumes and at reasonable prices.

Risk Mitigation Solutions

The company always fully updates information on raw material prices (plastics, chemicals, packaging, etc.), maintains relationships with large traditional suppliers, compares prices offered by different suppliers, and negotiates to buy raw materials in suitable volumes and at reasonable prices. In addition, the Group makes different scenarios for purchasing, importing, and storing raw materials in accordance with its production and business plans. At the same time, the Group boosts its self-production of raw materials to meet production needs, reducing dependence on the market, especially the world market.

FOREIGN EXCHANGE RISK

As an enterprise that regularly imports key materials, especially plastic beads, machinery, and equipment, Thien Long is significantly affected by exchange rate fluctuations, especially the VND/USD and VND/JPY exchange rates. Faced with unpredictable exchange rate fluctuations in the context of high inflation and global economic recession risk, countries are constantly introducing new monetary policies, making forecasting exchange rate fluctuations more difficult and affecting the Company's business results.

Risk Mitigation Solutions

The Group has closely followed exchange rate fluctuations, made detailed calculations about payment terms for import contracts, and planned short-term and long-term cash flows to maintain the foreign currency balance. At the same time, the Group has promoted the self-manufacturing of machinery, equipment, molds, and raw materials to reduce imports gradually.

The Group has closely followed exchange rate fluctuations, made detailed calculations about payment terms for import contracts, and planned short-term and long-term cash flows to maintain the foreign currency balance.

2

RISK MANAGEMENT



INVESTMENT RISK

Investment always goes along with the Group's business development process. Risks arising from ineffective investments will affect the Group's capital and business results.

The Group has strictly appraised and managed investment activities right from the start to assess their feasibility assessment in order to limit risks that may affect the Company's business results and assets.

Risk Mitigation Solutions

The Group has strictly appraised and managed investment activities right from the start to assess their feasibility assessment in order to limit risks that may affect the Company's business results and assets. In addition, large projects have been comprehensively analyzed based on market demand, competition, business efficiency, etc., to identify the risks involved and the impact level of each affecting factor.

COMPETITION RISK

The speed of globalization, the competitive pressure in many countries around the world, and the tendency to find markets with strong purchasing power and high growth potential have made Vietnam an attractive destination for many large corporations. The Vietnamese stationery market is no exception, which creates competitive risks for Thien Long in both the short and long term.

The Group has improved operational efficiency, consolidated its leadership structure and management system, and continued developing consistent policies to attract, retain and develop talents.

Risk Mitigation Solutions

The Group has improved operational efficiency, consolidated its leadership structure and management system, and continued developing consistent policies to attract, retain and develop talents. At the same time, the Group has increased investment in business and marketing activities to bring the Thien Long brand, Bizner, and Colokit brands/trademarks to new heights. The Group has applied new technologies and digital transformation to improve production capacity and create more products with distinctive, beautiful designs and outstanding quality. In addition, the Group has developed product lines and categories to meet new consumption trends. It has also boosted cooperation in many fields to maintain high and sustainable growth in the long term.

2

RISK MANAGEMENT



PRODUCTION SAFETY & PRODUCT QUALITY RISK

With the continuous development of automation in the manufacturing industry, ensuring safety and efficiency during the operation of machinery and equipment is an indispensable requirement for any business or factory. As Thien Long is a direct manufacturer, safety risks may occur to the Group and affect its workers, product quality, and competitiveness.

The company always checks, maintains, and overhauls its machinery and equipment every year as it is aware of the importance of ensuring product safety and product quality.

Risk Mitigation Solutions

The company always checks, maintains, and overhauls its machinery and equipment every year as it is aware of the importance of ensuring product safety and product quality. Inspections are maintained regularly, combined with the dissemination, propaganda, and practice of safety technical measures. Workers are equipped with personal protective equipment and the fire prevention and fighting team always have proactive plans to deal with bad situations, if any. The group has built a strict product quality control process at all stages from purchasing, production, and packaging to circulation, and has also effectively applied the Integrated Management System (Safety - Quality - Environment), which has continuously improved, according to international standards.

LEGAL RISK

As an enterprise operating in Vietnam, Thien Long Group is directly governed by Vietnamese laws, including those on enterprises, securities, tax, etc. Therefore, when such laws are amended, they will directly affect the Company's operations and compliance with the law.

Risk Mitigation Solutions

To limit legal risks, the Group regularly reviews and makes necessary changes to its regulations in accordance with amendments to applicable laws. When necessary, the Group sends staff to attend courses on law modifications and organizes training for employees about such law amendments.

To limit legal risks, the Group regularly reviews and makes necessary changes to its regulations in accordance with amendments to applicable laws.

Risk Mitigation Solutions

In order to minimize possible impacts from potential risks, Thien Long Group always actively copes with them by buying insurance for employees and the Company's assets.

OTHER RISKS

In addition to the aforementioned risks, a number of other risks also may occur in force majeure events such as epidemics, natural disasters, floods, fires, explosions, etc. These risks are very rare and difficult to predict, but once any of them happens, it will greatly impact the Company in terms of life and property.

3

ACTIVITIES OF THE SUPERVISORY BOARD IN 2023

The Company's Supervisory Board includes 3 members who successfully completed the tasks in 2023 with activities prescribed in the Enterprise Law and the Company's Charter, specifically as follows:

- Monitor the company's financial situation and ensure compliance with legal regulations in business management activities.
- Supervise the implementation of production and business plans in accordance with the resolution of the Annual General Meeting of Shareholders. Inspect and supervise the production and business activities of affiliated units through financial statements and reports of member companies.
- Check the reasonableness, legality, honesty, and level of caution in managing and operating production, business, and investment activities throughout the year.
- Propose and recommend that the General Meeting of Shareholders approve the list of auditing organizations authorized to audit the company's financial statements.
- Carry out other rights and obligations as stipulated in the Enterprise Law, the company's charter, and the resolution of the General Meeting of Shareholders.

Ms. NGUYEN THI BICH NGA
Head of the BoS



- **Start date as a member of the BoS:**
New term start date April 26, 2022
- **Number of BoS meetings attended:** 5/5
- **Meeting attendance rate:** 100%

Ms. TA HONG DIEP
Member of the BoS



- **Start date as a member of the BoS:**
New term start date April 26, 2022
- **Number of BoS meetings attended:** 5/5
- **Meeting attendance rate:** 100%

Ms. VU THI THANH NGA
Member of the BoS



- **Start date as a member of the BoS:**
New term start date April 26, 2022
- **Number of BoS meetings attended:** 5/5
- **Meeting attendance rate:** 100%

In the fiscal year 2023, the BoS held five (05) periodical meetings to exchange information, approve the action plans and summarize the results of work performance. The main contents of these meetings are as follows:

Meeting on February 9, 2023: Regular meeting, summarizing the previous year's operating situation and operating plan for the year, reviewing and evaluating independent auditing companies, and making proposals and recommendations to the General Meeting of Shareholders. Select an independent auditing company to audit the 2023 financial statements.

Meeting on April 12, 2023: Update on the company's operations, results of the appraisal of the parent company's 2022 financial statements and consolidated financial statements audited by PwC Company Limited (Vietnam), reports, and data reported for the annual general meeting of shareholders in fiscal year 2022.

Meeting on July 26, 2023: Update operational information for the first 6 months of 2023, appraisal of the parent company's Quarter 1/2023 financial statements, consolidated financial statements, and other contents.

Meeting on September 28, 2023: Report on the results of the appraisal of the parent company's 2023 semi-annual financial statements and consolidated financial statements, among other contents.

Meeting on December 08, 2023: Report on the appraisal results of the parent company's Quarter 3/2023 financial statements and consolidated financial statements, a preliminary summary of operating results for the year, and expected plans for next year.

RESULTS OF SUPERVISION OF BUSINESS OPERATIONS AND FINANCIAL ACTIVITIES IN 2023

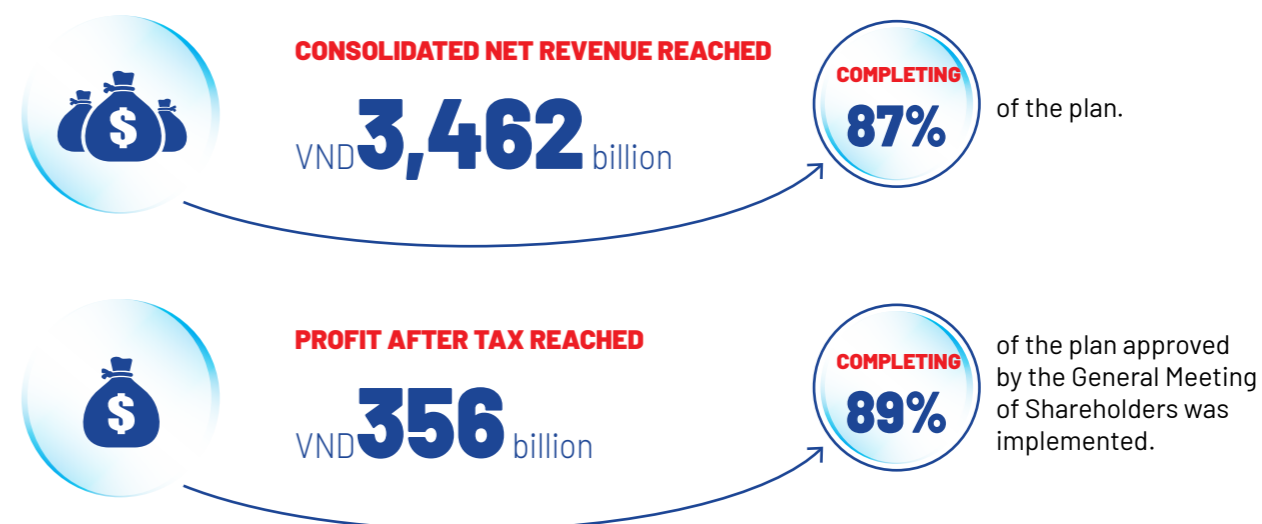
The BoS recognized the data in the 2023 financial statements audited by PwC (Vietnam) Co., Ltd., which gives a true and fair view of the Group's financial position and compliance with current laws and regulations.

Consolidated net revenue reached VND 3.462 billion, completing 87% of the plan.

Profit after tax reached VND 356 billion, completing 89% of the plan approved by the General Meeting of Shareholders was implemented.

Recorded 10% of the Bonus and Welfare Fund, distributed bonuses exceeding the profit plan, and paid remunerations and expenses for the Board of Directors and Supervisory Board in accordance with the resolution approved by the General Meeting of Shareholders.

Completed payment of the remaining 20% dividend for 2022 and advanced the 15% dividend for 2023.



3

ACTIVITIES OF THE SUPERVISORY BOARD IN 2023

RESULTS OF SUPERVISION OF ACTIVITIES OF THE BOD, BOM

The members of the Company's Board of Directors and the Board of Management strictly follow the Law and the Company's Charter and comply with the contents of the AGM Resolution.

In 2023, the Board of Directors issued guidelines, management models, and timely solutions to manage business operations and strategies and ensure the interests of shareholders.

The Board of Management and functional units have always been innovative and adaptable to market changes. They have implemented comprehensive digitalization in management, resulting in sustainable development and fulfilling nearly 90% of the business targets assigned by the AGM.

COORDINATION BETWEEN BOS AND BOD, BOM AND OTHER EXECUTIVES

The BoS attended all meetings with the BoD and the Board of Management and regularly discussed the Group's operations with the BoD and other managers.

The BoD, BoM, and functional departments always cooperate and create favorable conditions for the BoS to perform its duties. All necessary documents and reports are in a timely manner to the BoS.



4

TRANSACTIONS OF SHARES BY INSIDERS AND RELATED PERSONS

No.	Transaction maker	Relationship with the insiders of the Company	Share ownership at the beginning of the period		Share ownership at the end of the period		Reason for increase/decrease (purchase, sale, conversion, reward, etc.)
			Number of shares	Ratio	Number of shares	Ratio	
1	Co Gia Tho	Chairman of the Board	4,744,605	6.10%	4,924,605	6.27%	Buy 180,000 shares under the ESOP program
2	Tran Thai Nhu	Member of the BoD	1,043,950	1.34%	1,103,950	1.40%	Buy 60,000 shares under the ESOP program
3	Co Ngan Binh	Member of the BoD	907,129	1.17%	967,129	1.23%	Buy 60,000 shares under the ESOP program
4	Co Cam Nguyet	Member of the BoD	614,173	0.79%	672,973	0.86%	Buy 60,000 shares under the ESOP program Sell 1,200 shares
5	Nguyen Dinh Tam	Member of the BoD	477,858	0.61%	443,058	0.56%	Buy 30,000 shares under the ESOP program Sell 64,800 shares
6	Ta Hong Diep	Member of the BoS	6,500	0.01%	5,500	0.01%	Sell 1,000 shares
7	Vu Thi Thanh Nga	Member of the BoS	6,000	0.01%	10,000	0.01%	Buy 4,000 shares
8	Tran Phuong Nga	CEO	129,888	0.17%	219,888	0.28%	Buy 90,000 shares under the ESOP program
9	Vo Thi Hai Ha	Chief financial & accounting officer	2,000	0.00%	32,000	0.04%	Buy 30,000 shares under the ESOP program
10	Le Thi Bich Ngoc	Chief business development officer	0	0.00%	30,000	0.04%	Buy 30,000 shares under the ESOP program
11	Tran Trung Hiep	Chief market development officer	87,100	0.11%	118,300	0.15%	Buy 30,000 shares under the ESOP program Buy 1,200 shares
12	Dao Thi Thanh Binh	Chief People and Culture Officer	0	0.00%	30,000	0.04%	Buy 30,000 shares under the ESOP program
13	Bui Van Huong	Chief Supply Chain Officer	65,863	0.08%	95,863	0.12%	Buy 30,000 shares under the ESOP program
14	Nguyen Duc Hanh	Chief Information Technology Officer	15,034	0.02%	30,234	0.04%	Buy 30,000 shares under the ESOP program Sell 14,800 shares
15	Nguyen Ngoc Nhon	Chief Accountant	18,564	0.02%	38,000	0.05%	Buy 20,000 shares under the ESOP program Sell 564 shares
16	Phan Nhut Phuong	Husband of BoD member Co Cam Nguyet	573,813	0.73%	593,813	0.76%	Buy 20,000 shares under the ESOP program
17	Tran Anh Dung	The younger brother of CEO Tran Phuong Nga	2,416	0.00%	2,400	0.00%	Sell 16 shares

(This list is closed on December 31, 2023)

WORK HARD

PLAY HARD

**HAPPY
LEARNING
LIFE**



1

PRODUCTION AND SUPPLY CHAIN

In 2023, the Group implemented various productivity-increasing activities across production, purchasing, logistics, sales, and other stages, resulting in significant outcomes and contributing to a rise in the Group's profits.

Additionally, the Group also promoted investment and research activities to achieve self-reliance and replace supply sources for scarce raw materials. In-house manufacturing activities to produce pen tips, ink production, mold-making, machinery, and equipment continued to be implemented and strongly promoted in 2023. The Group also focused on improving procedure processes, product quality, and reducing cost prices and inventory, as in previous years.

“ In-house manufacturing activities to produce pen tips, ink production, mold-making, machinery, and equipment continued to be implemented and strongly promoted in 2023. ”



Thien Long established a set of operating targets for its factories to monitor operational efficiency and provided prompt improvement solutions to enhance efficiency and reduce waste, wastage, production costs, and product prices, thus supporting the Group's sustainable development.



South Thien Long Factory reduced its reliance on the national grid by installing a solar power system, saving 220,648 kWh in 2023. The system helped save costs of VND 415 million and reduced emissions into the environment by approximately 159 tons of CO₂ per year.



The solar power system at Thien Long Long Thanh Factory officially began operating on May 4, 2023 and generated 498,480 kWh per year. This contributed to cost savings of VND 515 million and reduced emissions into the environment by around 360 tons of CO₂ per year, thus supporting environmental protection and developing a green economy.



Thien Long's factories focused on recycling plastic scrap by increasing the ratio of mixing scrap plastic into the product pressing process, taking advantage of colorful scrap sources to press plastic containers containing pens, etc. In 2022, the two factories reused 75.7% of the total plastic scrap produced. However, in 2023, they increased this amount to 83.8%. These efforts have helped to increase the ratio of recycling plastic in production, making the factories more environmentally friendly.

ORIENTATION FOR 2024

- 1 Thien Long will continue focus on "Increasing efficiency, reducing costs" by building off-satellite outsourcing suppliers to optimize production activities, increase flexibility, and quickly respond to sudden increases in demand.
- 2 The Group also intends to create an elite team, particularly the direct workforce, to improve its ability to meet multi-tasking tasks.
- 3 The Group aims to enhance the digitization of production data, provide real-time updates, and transmit them to the production floor.
- 4 Maximize the use of renewable energy and save energy and materials
- 5 Promoting plastic recycling in production, managing the number of plastic materials used and ensuring that the plastic scraps are adequately filtered and graded according to color is essential. This will help to maximize the effective use of the scraps and ensure the quality of the output. Additionally, researching the use of new PET plastic.

2

DOMESTIC BUSSINESS

Along with economic fluctuations, 2023 was a year full of difficulties and challenges for the domestic business segment. In addition to the trend of cutting consumer spending, the Vietnamese stationery market also witnessed penetration and competition from many foreign competitors. Turning challenges into motivation, Thien Long's Domestic Business Division demonstrated stability and flexibility in the face of market fluctuations, maintaining a growth rate in 2023, although minor, to create a premise for development to grow strongly in the coming years.

In 2023, the Domestic Business Division focused on effectively increasing the strength of the distribution system by optimizing traditional channels (GT), strengthening current channels (MT), and investing heavily in e-commerce channels (Ecom).

Specifically, last year's highlight of the domestic distribution system was the outstanding development of e-commerce.

Turning challenges into motivation, Thien Long's Domestic Business Division demonstrated stability and flexibility in the face of market fluctuations, maintaining a growth rate in 2023, although minor, to create a premise for development to grow strongly in the coming years.

This sales channel achieved many sales milestones, including being a top seller with the best growth on TikTok in the third and fourth quarters and being the top seller with the highest sales at the 11.11 event on Shopee and Lazada. This achievement came from effective investment activities in e-commerce channels, such as enhancing technology, adding new features to the website, organizing livestreams on significant platforms, and investing in product images on commercial sites.



For traditional channels

Thien Long professionalized the shelf system and product display locations with nearly 600 standard stores nationwide. Additionally, Thien Long invested in more than 3,350 signs for 1,640 points of sale, providing more than 10,000 shelves for new product groups such as Batteries, Calculators, Gel Pens, and modern display models for school student groups. The point of sale effectively supported sales activities, creating a good consumer experience. Thanks to that, the Flexio scientific calculator product saw an 80% increase in revenue.

During peak sales seasons, such as back-to-school and examination seasons, large-scale sales campaigns were deployed synchronously and effectively, actively supporting sales increases for points of sale.

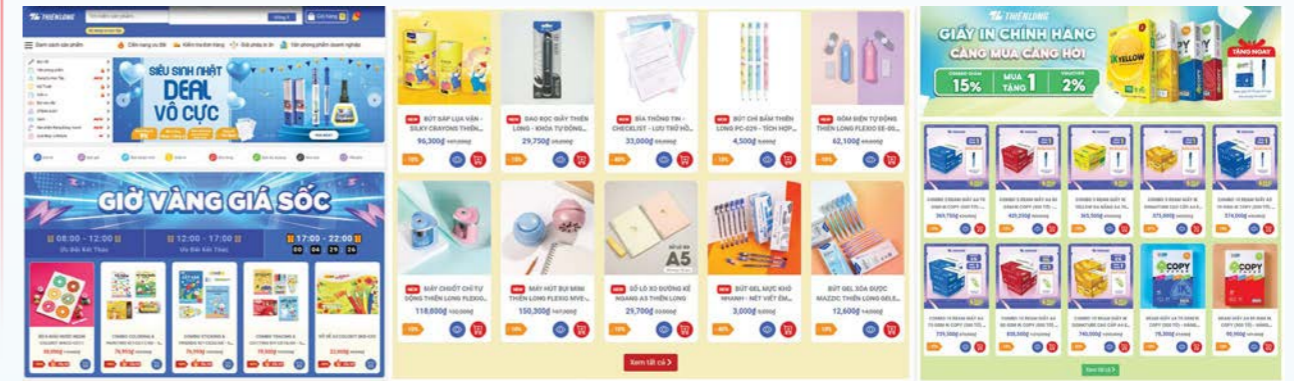
In 2023, the Domestic Sales Division closely connected with distributors to conduct sales conferences and local sales events to promote sales. In particular, for the first time, the online Customer Appreciation program was held with 18,000 views and 13,000 orders from more than 5,000 large customers nationwide.

For modern channels

The Domestic Business Division forged strong connections with supermarkets and bookstores through a Customer Conference held in Ho Chi Minh City, where more than 60 nationwide customers participated. They increased display images and seasonal sales support programs, coordinating the implementation of critical programs of supermarket and bookstore systems. The brands' images at supermarket chains and large bookstores were also constantly upgraded. Mainly, Thien Long carried out many activities for the Colokit brand, contributing to

the fine arts industry on the MT channel, which grew by 39% in revenue compared to 2022. Despite challenging market conditions, the entire MT channel continued to grow 3% in revenue.

Thien Long's Clever Box retail store chain continued to expand to five stores in Ho Chi Minh City, My Tho, Ba Ria, and Vung Tau. In 2023, Clever Box conducted many product experience activities and sales programs to attract students and parents to the store.



ORIENTATION FOR 2024

The Domestic Business Division will strongly restructure for sales growth with fundamental solutions as follows:

- 1 Firstly, Thien Long will maximize the use of technology to effectively support management and sales activities from the central warehouse to distributors, points of sale, and consumers. Technology will help with centralized management and navigation, ensuring the right products reach the proper sales channels and enabling control of product quantity at each point of sale. This will allow the distribution system to deploy and promote distribution and presence for truly potential product groups, creating a multi-product future for Thien Long.
- 2 Secondly, a distribution system will be built according to modern professional standards based on Thien Long's core values of "cohesion and sharing," creating comprehensive strength for the distribution system. GT and MT channels will be optimized to make the most of new technology platforms, increasing the width and depth of brand and product images on the channel. The e-commerce channel will continue to be invested in to increase sales, keep up with consumer habits, and test new products. B2B and school channels will be two potential channels focused on expanding shortly.
- 3 Thirdly, an elite human resources team will be built; business support departments will be upgraded towards centralized management; and distributors will be elevated to a strategic and professional level to connect and operate smoothly and effectively the value chain of Thien Long-distributors-points of sale-consumers.
- 4 Fourthly, general operating and operating costs in each business stage will be optimized, along with marketing and trade marketing costs and inventory.
- 5 Fifthly, sales growth will be elevated by promoting the sales of product groups with high sales and large profit margins. Relevant departments will be coordinated to research and develop new, groundbreaking, and market-leading products.

3

INTERNATIONAL BUSINESS



The main growth driver came from traditional Southeast Asian markets, where Thien Long had a strong presence and reputation.

In 2023, Thien Long continued to affirm its position as a leading stationery corporation in Asia and bring Thien Long's quality products to more countries on the world stationery industry map. Continuing to maintain the impressive growth momentum of 2022, Thien Long succeeded in promoting the export of Thien Long's branded products, FlexOffice and Colokit, to the international market in 2023. Revenue from Products under the Thien Long brand recorded an impressive growth of 35% over the same period.

The main growth driver came from traditional Southeast Asian markets, where Thien Long had a strong presence and reputation. The entire ASEAN market grew in double digits. The highest revenue growth came from Malaysia (+75%), Myanmar (+71%), Thailand (+55%), the Philippines (+38%), Cambodia (+23%), and Laos (+21%).

The Philippine market remained with the most significant export turnover in Southeast Asia. During the past year, in addition to maintaining and promoting marketing activities and developing distribution channels systematically, Thien Long continuously diversified its product portfolio and creatively deployed promotional activities—trade and boosting sales to loyal customers and consumers in this country. The year 2023 marked the starting point of the five-year development strategy in the Philippines. By measuring and continuing to increase the strength of the FlexOffice brand in the Philippines, Thien Long aspired to make the FlexOffice brand the most famous stationery brand in this country, known as the "Island of Love".

After more than one year of operation, the joint venture company ICCO Malaysia, headquartered in Kuala Lumpur, promoted and developed more customers in the market's distribution network. Sales of FlexOffice in the Malaysian market grew threefold before the company was founded.

Not stopping at developing traditional markets, Thien Long continued to expand its distribution network in potential markets in the Middle East, Russia, and South Asia, which had been created in previous years. It was the strong revenue growth in the Middle East (+52%), Russia (+115%), and South Asia (199%) that contributed to the impressive growth in the export of bearing products. Thien Long brand compared to the same

3

INTERNATIONAL BUSINESS

period. These areas and markets promise to continue to be potential growth drivers for Thien Long Group's export promotion in the coming time.

In addition to developing new potential markets outside Southeast Asia, Thien Long continued to explore new lands and successfully marked five more countries (Iran, Iraq, Bahrain, the Maldives, and Jordan) on the world flexOffice distribution map for the Group.

In contrast to the bright colours in the export of products under the Thien Long brand, the export of processed products was heavily affected by the tightening of monetary policy in the American and



“
Export revenue from products under Thien Long brand increased by 35% over the same period.
”

European markets. Major US and European retailers prioritized clearing inventory instead of placing new orders, causing most of Thien Long's large processing customers to reduce orders in 2023, causing export revenue from the processing segment to decrease by 38% over the same period. That was the main reason Thien Long's export revenue in 2023 only reached VND 813 billion, decreasing approximately 2% compared to the same period in 2022.

Although there was no positive record in export revenue from the processing segment in 2023, 2023 was still a year of success in the sales team's efforts

when persistently developing several new products and molds at customers' requests. Thien Long successfully bid for many new customers and reaped many new orders for 2024 onward. These successful bidding projects would be the fulcrum to help Thien Long recover and record strong growth when monetary policies in the Americas and Europe were loosened and consumer purchasing power returned.



ORIENTATION FOR 2024

- 1 Continue to promote the development of new products and new molds to attract more customers and win bids for new projects from current customers.
- 2 Accelerate the development of eco - friendly products to penetrate the European and American markets strongly.
- 3 Expand distribution channels and product list in key Southeast Asian markets (Philippines, Cambodia, and Myanmar) by developing new points of sale. Promote more SKUs at each point of sale and continue to promote marketing and brand-building activities. Implement customer appreciation activities through programs such as Customer Conferences and promotional programs while developing sales on E-commerce platforms.
- 4 Building a professional distribution channel system like that in Southeast Asia can boost revenue in the African, Middle Eastern, and South Asian markets.
- 5 This approach involves investing in brand image in the potential Russian market and continuing to explore markets in countries neighbouring Russia in the CIS region, the Commonwealth of Independent States (former Soviet Union).
- 6 Develop more new products (internal and external) through market research, combining with design teams outside Vietnam to quickly meet customer needs, grasp market tastes, and create new products to align with new consumer trends.

4

CATEGORY

Additionally, the packaging identity of Thien Long and Colokit brands has been updated to adopt a more contemporary look. This new packaging design not only highlights the brand's product range but also ensures consistency in the packaging of products belonging to the same brand. This, in turn, helps consumers make an informed choice while selecting products from Thien Long.

In 2023, the Category department introduced 56 new products. Most of these products catered to the preferences of various target customer segments.

Looking forward to 2024, the product sector will focus on further research and production of products catering to consumers' aesthetic, functional, and personal needs while emphasizing environmental friendliness under the Thien Long brand. The industry will grow in the Vietnamese market and target exports to key Southeast Asian markets and beyond.



WRITING INSTRUMENTS

Thien Long Group launched various new products, such as ballpoint pens and gel pens, with modern, youthful designs and reasonable prices, affirming its number 1 position in writing pens. Highlights in 2023 included new products such as:

- Pen TL-105 (TL 027 Pro) is a modern version of the "national" pen TL-027.
- Four quality erasable gel products catering to students' needs remain the top-of-mind choice for consumers regarding erasable gel pens.
- We are launching the Gel Quick Dry Pen product, which features a modern style and high quality of quick-dry pen technology from Japan.



OFFICE SUPPLIES

- The launch of the Polygon Pastel Stationery Collection brought a youthful and fashionable style to file folders and stationery products, bringing new choices to the next generation of office workers.
- Thien Long launched the Flexio battery product line.



ART SUPPLIES

- Changing the Colokit brand product packaging identity associated with the Thien Long logo with outstanding, youthful colours consistent across Colokit products.
- Launching 13 new products, notably washable coloured markers with well-received Retro tones, continues to affirm Thien Long's position in the washable colour product line.
- Launching art product sets with new IP copyright images, such as Doraemon (the new 2023 movie version), Ariel, and Pooh Bear, to serve children's diverse needs.



SCHOOL SUPPLIES

- The Thien Long anti-hunchback pair product line was successfully launched with a smart design, targeting children's posture correction. It boasted good quality, beautiful design, and reasonable prices, receiving positive consumer feedback.
- Thien Long introduced the new-generation Flexio scientific calculator product line in 2023. It featured a modern, youthful design and high quality, particularly with new functions not yet available on the market, such as solving geometric problems and complex numbers. This product was expected to generate strong sales in the coming years.
- In 2023, the school supplies industry expanded with new products featuring IP copyright images and innovative school products like electric pencil sharpeners, erasers, mini vacuum cleaners, etc.



NEW LOOK

5

WORKFORCE

Thien Long and the team faced continuous challenges and difficulties in the 2023 job market. However, they worked together constantly to develop their recruitment brand and achieved an impressive result of being ranked 53/100 Best Workplaces in Vietnam by Anphabe, as well as being ranked 85/500 Top Employers by Investment Newspaper in collaboration with Viet Research (VBE 500).

TEAM ENGAGEMENT AND DEVELOPMENT

The Company also implemented many Culture and Sports programs to increase team engagement and development. These included coaching, internal engagement programs such as Thank You Letters and Feedback, and sports tournaments like Football, Badminton, and Running/Walking. The Company also focused on environmental protection by implementing initiatives such as Water Saving, Old Battery Collection, and the Flare market.

The Company's commitment to human resource development was evident in its focus on training. In 2023, the team received a total of 42,997 training hours, with an average of 12.73 hours per person. This demonstrated the Group's unwavering commitment to improving their team's knowledge and skills.

ORIENTATION IN 2024

Continuing the activities of 2023, in 2024, Thien Long aims to improve labour efficiency, rejuvenate the team, promote a culture of cohesion, and empower the team through main activities such as organizing internship programs, diversifying training activities, focusing on leadership and management seed development programs, building an internal network of lecturers to share and spread the culture of "Learning for Lifetime Happiness", and applying technology to human resource management to streamline internal processes, improve efficiency, and enhance employee satisfaction in the Company.



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6

DIGITALIZATION

“Thien Long’s eCommerce revenue has grown by an impressive 118% compared to last year, with growth on key sites such as Shopee (198%), Thienlong.vn (68%), and Lazada (38%).”



Thien Long made significant strides in its digital transformation journey, both internally and externally. Internally, the company worked with HSBC to digitize its processes and create two fully automated and seamless cash flow management solutions. Additionally, Thien Long emphasizes the importance of utilizing digital data to create value and promotes data analysis knowledge to departments, so they can capture and exchange information quickly.

In addition to its internal digital transformation efforts, Thien Long was also focused on its customers. Over the past year, the company provided applications to digitize the MT and GT order shipping process for partners without information technology applications. This has allowed dispatchers to track order processing progress easily through the app.

Thien Long was chosen as one of 12 enterprises participating in the smart factory construction program organized by the Ministry of Industry and Trade in conjunction with Samsung Group. The company developed MES (Manufacturing Execution System) software under the guidance of Samsung

Group experts, allowing them to understand real-time production information, manage production schedules, control quality, and prevent errors.

Furthermore, Thien Long’s eCommerce revenue has grown by an impressive 118% compared to last year, with growth on key sites such as Shopee (198%), Thienlong.vn (68%), and Lazada (38%). To continue innovating, the company established a Thien Long Shop channel on the TikTok platform, which has successfully attracted new customers through exciting activities such as positive reviews from content creators, eye-catching promotional video clips, and revenue-exploding livestream sessions. In just a few months, Thien Long Shop on TikTok became one of the TOP 5 sellers with the highest growth rate in the third and fourth quarters of 2023.

The customer experience remained a priority in Thien Long’s development strategy. In 2023, the Group invested in innovating image design and building a complete, neat, and young product that would be more central in consumers’ eyes. Thien Long gradually perfected its multi-channel customer care system, cherishing every touchpoint to give customers a healthy purchasing process and the best service quality.



“2024 will be the year Thien Long strongly applies artificial intelligence and virtual assistants to work and processes to minimize data entry, limit errors, and optimize processes.”

ORIENTATION FOR 2024

- 1 The Group also focuses on researching business models that apply technology, finding new solutions, and improving internal resources using technology to promote and contribute to building a digital culture.
- 2 For production, Thien Long will deploy a large-scale innovative factory project to increase production operating capacity, focus on digitizing production processes, and monitor detailed production progress and product quality. Production to further improve product quality.
- 3 Thien Long advocates brand image and cooperative relationship building with leading e-commerce platforms in Vietnam, such as Shopee, Lazada and Tiktok. In addition, the Board of Directors is concentrating on the development of the Livestream channel, the investment of facilities and infrastructure, and the development of strong teams for prompt adaptation to market changes. The Group also applies innovative technology in order processing and improves customer service with the aim of ensuring quick and complete delivery to customers.

This orientation is expected to create a strong impression, opening up many new opportunities to improve customers’ shopping experience and enhance Thien Long’s brand recognition online.

7

BRANDING AND COMMUNICATION

“EXPAND KNOWLEDGE - ACHIEVE THE EXAMS” - THIEN LONG’S LARGEST-SCALE SALES PROGRAM

Thien Long launched its “Expand Knowledge - Achieve the Exams” program in 2022, further promoted in 2023 to stand out in the face of fierce competition from other brands during the exam and back-to-school season. This program is Thien Long’s largest-scale sales program with in-line PGs, available at nearly 500 points of sale across 62 provinces and cities.

The program aims to encourage sales to young consumers by offering exam tool kits to customers who purchase Thien Long products. The investment in this program was significant and unmatched by any competitor. As a result, it attracted 112,000 customers to participate, making it a huge success.

Thien Long also communicated to promote the “Expand Knowledge - Achieve the Exams” program on major platforms like Facebook and TikTok, reaching over 2.8 million views and more than 4 million people.

This program has opened up the potential for Thien Long to develop a new sales season and expand its annual back-to-school season. It has created a strong impression on the Thien Long brand and added value.



THIEN LONG’S JOURNEY OF LEARNING FOR LIFETIME HAPPINESS TOOK AN IMPORTANT STEP FORWARD WITH THEIR “WORK HARD - PLAY HARD” CAMPAIGN IN 2023

This campaign aimed to provide young people with a fun and high-quality learning experience, making pens not just a tool for writing and drawing but also a companion in their daily activities. These moments of fun and relaxation left a personal mark on the students’ learning journeys, contributing to a lifelong love of learning.

The Work Hard - Play Hard campaign led the back-to-school trend with exciting music tunes and creative lookbook images combining school supplies with fashion. Thien Long’s campaign also included the “Back 2 School, 3 Floors of Cool Gifts” promotion, where customers could receive sticker collections, accumulated points that were convertible to phone scratch cards, and participation in lucky spins to win valuable prizes.

The Company’s most noteworthy campaign was the “Work Hard - Play Hard” Social Challenge, where Gen Z collaborated to create multi-colored Thien Long learning tools, resulting in a unique interactive experience. The program received an impressive response with 1,568 creative videos on the CapCut platform, 36.2 million views for the hashtag #chathocchatvui on the TikTok platform, and thousands of positive responses from students nationwide.

The success of the “Work Hard - Play Hard” campaign earned Thien Long a spot on the list of top outstanding back-to-school campaigns voted by Brand Advertising. Overall, the campaign helped Thien Long promote the idea of “Work Hard - Play Hard” highlighting back-to-school impressions with impressive numbers.



7

BRANDING AND COMMUNICATION

"STYLE MARK, SYMBOL OF GRATEFULNESS" WITH THIEN LONG PREMIUM PENS

During the 2023 gratitude season, Thien Long introduced a high-end Tech & Style gift box with the message "Style mark - Symbol of gratitude," which was presented in a refined and neat form. The elegance and sophistication of the gift box showcased the value of both function and style inherent in Thien Long's high-end writing products.

Thien Long also invested in direct staffing at over 450 sales points nationwide to provide advice on product features and gift structure. This helped customers choose the product that best suited their gift-giving needs. Moreover, Thien Long created "Gratitude Trees" at notable bookstores in Ho Chi Minh City and Hanoi, where thousands of cards were written and hung by students expressing their gratitude to teachers.

The series of communication activities during the gratitude season was successful. Over 5.9 million views were achieved on TikTok, and over 200 videos participated in the CapCut Challenge. These videos expressed gratitude to teachers in newer, more creative forms by students.



THIENLONG

DIRECT STAFFING AT

450
sales points

OVER

5.9 million views
were achieved on TikTok

OVER

200 videos
participated in the
CapCut Challenge

*Dấu ấn phong cách
Biểu tượng tri ân*

COLOKIT FOCUSES ON USER EXPERIENCE: EXCITING - CREATIVE - HAPPY

In 2023, Colokit focused on promoting a positive user experience with a creative and happy message. The brand launched a series of workshops and activities that encouraged in-depth consumer interaction and experiences at the point of sale. Additionally, they introduced new packaging in their primary color of yellow. As a result, Colokit's revenue in 2023 grew by 19.26% compared to 2022, with domestic growth at 16%.



7

BRANDING AND COMMUNICATION

One of the initiatives Colokit launched was the Akooland Art Workshop series, which featured 21 topics and prestigious partners such as leading art KOCs and excellent students. The workshops were designed to promote happiness and creativity through free professional experiences for children, teenagers, and young people who love drawing and decorative arts. The workshop introduction videos garnered over 3.7 million views and 2.3 million approaches on social networking platforms, with over 600 customers registering to participate.

Colokit also introduced PG, a program that allowed customers to experience Colokit products directly with attractive promotions at over 120 stores across the country. The program featured activities such as Happy Painting - Many Places to Explore, Cool New Shirts - Extremely Artistic Colors, DIY - Be creative in all kinds of Ways - Receive Lovely gifts, and Sparkling Pine - Win Beautiful Gifts. The programs attracted over 15,000 customers at the point of sale.

**CREATIVE DRAWING
HAPPY COLORING**

21
topics

OVER

3.7 million views

OVER

2.3 million approaches on social networking platforms



The brand also launched an innovative 3D virtual reality application called Akooland, developed with 26 animal coloring cards that made learning and coloring fun for children. The program allowed parents and children to explore and play in a space combining 2D painting and 3D virtual reality technology, under the theme "Creating its own ColoZoo3D zoo". The program achieved positive results, with over 1,300,000 products sold on the market, nearly 3,000,000 user approaches on Facebook, and almost 1,000,000 views on social networking platforms.

Finally, Colokit changed its packaging to be modern, uniform, and eye-catching, with a central yellow tone that brought happy, optimistic emotions and stimulated the user's creativity. The "smart colours" message was no longer associated with the logo to suit the older, more professional group of art lovers. The Thien Long logo was added above to guarantee the sub-brand Colokit firmly. The Top 15 leading art KOCs used the new packaging product set to participate in the "Cool new shirt - Turmeric color combination" challenge, with over 3,000,000 views and most teenage consumers giving good feedback on the design.



BRANDING AND COMMUNICATION

STRATEGY TO PROMOTE THIEN LONG FLEXIO SCIENTIFIC CALCULATOR

Thien Long started promoting the Smart products in 2023, which marked the beginning of a new era. They introduced products that incorporated electronic, energy, computing, and intelligent elements such as scientific calculators, office computers, batteries, multi-colour drawing boards, and more. Thien Long heavily invested in marketing activities and sales, especially for the Flexio scientific calculator, which they improved in quality and continuously invested in since 2023. The goal was to capture market share from competitors and provide students with a lifetime of happy learning and an intelligent learning experience.

Flexio, a scientific calculator introduced later than its competitors, has been improved through years of research with outstanding features and trendy colours. The calculator became the first on the market to quickly solve spatial geometry and second-order complex equations, helping students save much time.

Thien Long targeted middle and high school teachers and students and aimed to compete with competitors to gain market share through vigorous activities since 2023:

- Created a helpful playground called the “Explore the Flexio Math Planet” contest, which expanded thinking and practised Math knowledge and skills in using scientific calculators.
- Developed a series of videos using the Thien Long Flexio Fx799VN scientific calculator to solve high school mathematics problems using a multiple-choice format. Thien Long Group produced these videos in collaboration with Master Nguyen Thanh Dat.
- Additionally, Thien Long Flexio Fx799VN was used to accompany students in discovering the magical “Mathematics planet” through video reviews from KOCs with expertise in Mathematics and scientific computing. Through KOCs, millions of middle and high school students learned about the outstanding features of Flexio Fx799VN.
- Thien Long’s strategy on the channel they are promoting from 2023 is **“Full cover” - wherever there is an industry competitor, there is Flexio.**

The orientation for 2024 includes many stronger activities, such as going deeper into schools to reach teachers and students more closely to increase cohesion and competitiveness with competitors. Thien Long aims to increase sales opportunities through math festivals, preferential sales programs, and training programs on machine use.

THIENLONG Galaxy Education **SAC** **FLEXIO**

Cuộc thi KHÁM PHÁ HÀNH TINH TOÁN

123

DĂNG KÝ TRƯỚC 04/01/2024

www.hanhtinh toán.vn

Thi Online: 06/01/2024

Thi Chung Kết: 27/01/2024

Đối tượng: Học sinh lớp 10, 11, 12 ở TPHCM, Bình Dương, Long An, Đồng Nai

Nhận ngay quà 900.000đ khi đăng ký thành công

Tổng giá trị giải thưởng 150.000.000đ

MÁY TÍNH KHOA HỌC

FLEXIO®

MÁY TÍNH ĐẠT CHUẨN MANG VÀO PHÒNG THI

* Theo Thông tư 06/2023/TT-BGDĐT ngày 24.03.2023

Fx799VN

529 +17

TÍNH NĂNG

x2 Gấp đôi dung lượng pin

Gọi nhanh tính năng

TÍNH NĂNG ĐỘT PHÁ

HÌNH HỌC KHÔNG GIAN
 Tìm vị trí tương đối
 Tìm phương trình đường thẳng
 Tìm khoảng cách đường thẳng, mặt phẳng

GIẢI PHƯƠNG TRÌNH SỐ PHỨC
 Phương trình số phức bậc 2
 Số phức liên hợp
GÁN - GỌI NHANH TÍNH NĂNG

ONLINE WARRANTY

BẢO HÀNH ĐIỆN TỬ CHÍNH HÃNG

7 năm BẢO HÀNH 1 ĐỔI 1 NĂM ĐẦU TIÊN

Tính năng THÔNG BÁO PIN YẾU
 Độ bền phím bấm **LÊN ĐẾN 500.000 LẦN**

* Không truyền tin hiệu.
 * Không có chức năng soạn thảo văn bản.
 * Không có thẻ nhớ.

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ACCOUNTING AND FINANCE

Unit: VND Billion

	2019	2020	2021	2022	2023	2023 vs 2022
Net revenue	3,252	2,685	2,668	3,521	3,462	-1.7%
Gross profit	1,197	1,030	1,127	1,524	1,513	-0.8%
Net operating profit	428	297	355	499	444	-11.1%
Other profits	9	7	3	8	8	6.4%
Profit before tax	437	304	359	507	452	-10.8%
Profit after tax	349	240	277	401	356	-11.2%
SHORT-TERM ASSETS	1,831	1,702	1,868	2,133	2,074	-2.8%
Cash and cash equivalents	191	372	503	405	243	-40.0%
Short-term receivables	582	415	398	370	439	18.6%
Inventories	582	530	693	914	832	-9.0%
Other current assets	10	13	33	84	113	34.5%
LONG-TERM ASSETS	586	613	579	736	734	-0.3%
TOTAL ASSETS	2,417	2,315	2,446	2,869	2,808	-2.1%
LIABILITIES	610	566	621	911	714	-21.6%
Short-term liabilities	555	500	578	831	660	-20.6%
Long-term liabilities	55	67	42	80	55	-31.3%
OWNERS' EQUITY	1,807	1,748	1,826	1,958	2,094	6.9%

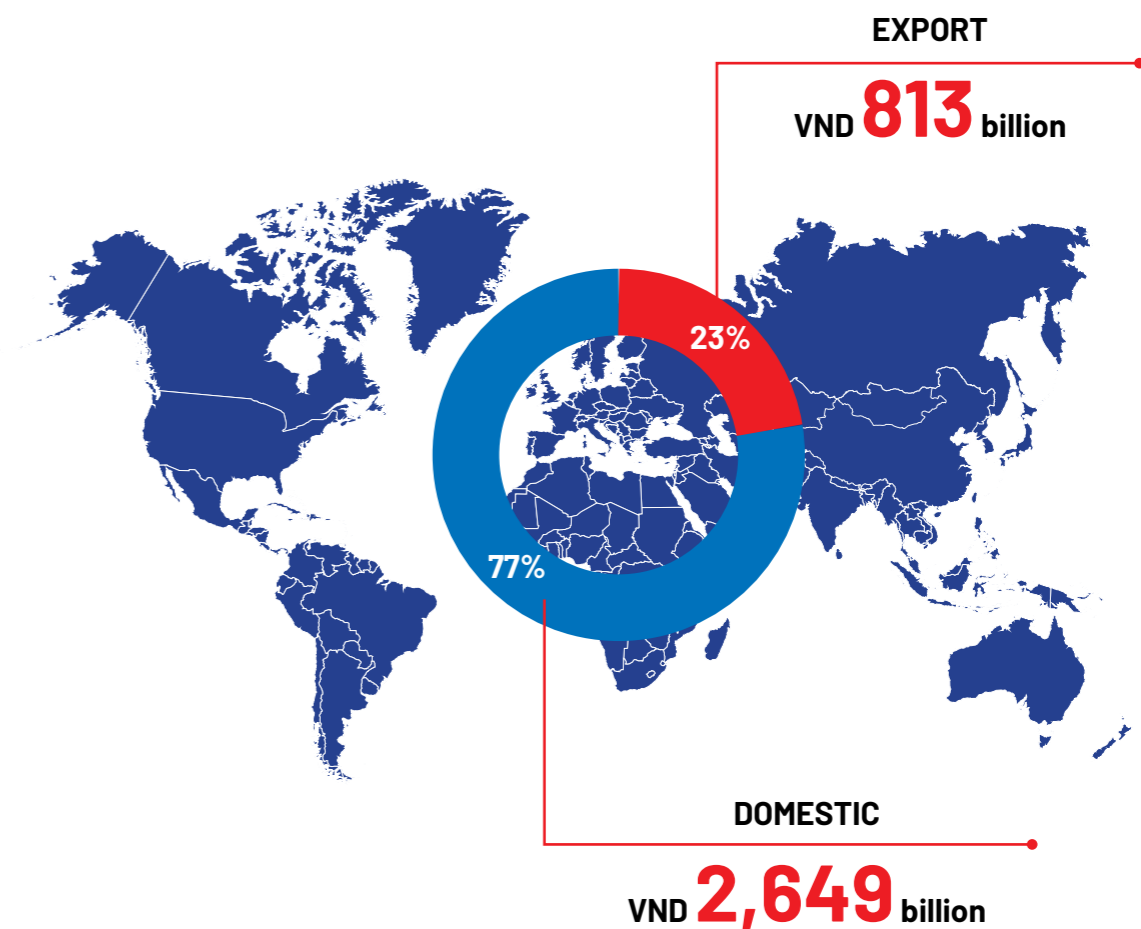
(Source: Audited consolidated financial statements for the years 2019 - 2023)

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NET REVENUE BY MARKETS

MARKET	2022		2023	
	Value (VND billion)	Contribution (%)	Value (VND billion)	Contribution (%)
Export	832	24%	813	23%
Domestic	2,689	76%	2,649	77%
Total	3,521	100%	3,462	100%

(Source: Audited consolidated financial statements for 2022-2023)



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FINANCIAL INDICATORS

Targets	Unit	2019	2020	2021	2022	2023
Current ratio	time	3.3	3.4	3.2	2.6	3.1
Quick ratio	time	2.3	2.3	2.0	1.5	1.9
Cash ratio	time	0.3	0.7	0.9	0.5	0.4
Average days in inventory	day	113	123	145	147	163
Asset turnover ratio	time	1.5	1.1	1.1	1.3	1.2
Net revenue/Total assets	time	1.3	1.2	1.1	1.2	1.2
Gross profit/Net revenue	%	36.8%	38.4%	42.2%	43.3%	43.7%
Operating profit/Net revenue	%	13.2%	11.1%	13.3%	14.2%	12.8%
Profit after tax/Net revenue	%	10.7%	8.9%	10.4%	11.4%	10.4%
Return on average equity (ROAE)	%	22.7%	13.5%	15.5%	21.2%	17.6%
Return on average asset (ROAA)	%	16.6%	10.1%	11.6%	15.1%	12.5%
Debt/Total assets ratio	%	25.2%	24.5%	25.4%	31.8%	25.4%
Debt/Equity ratio	%	33.8%	32.4%	34.0%	46.5%	34.1%

(Source: Audited consolidated financial statements for the years 2019 - 2023)

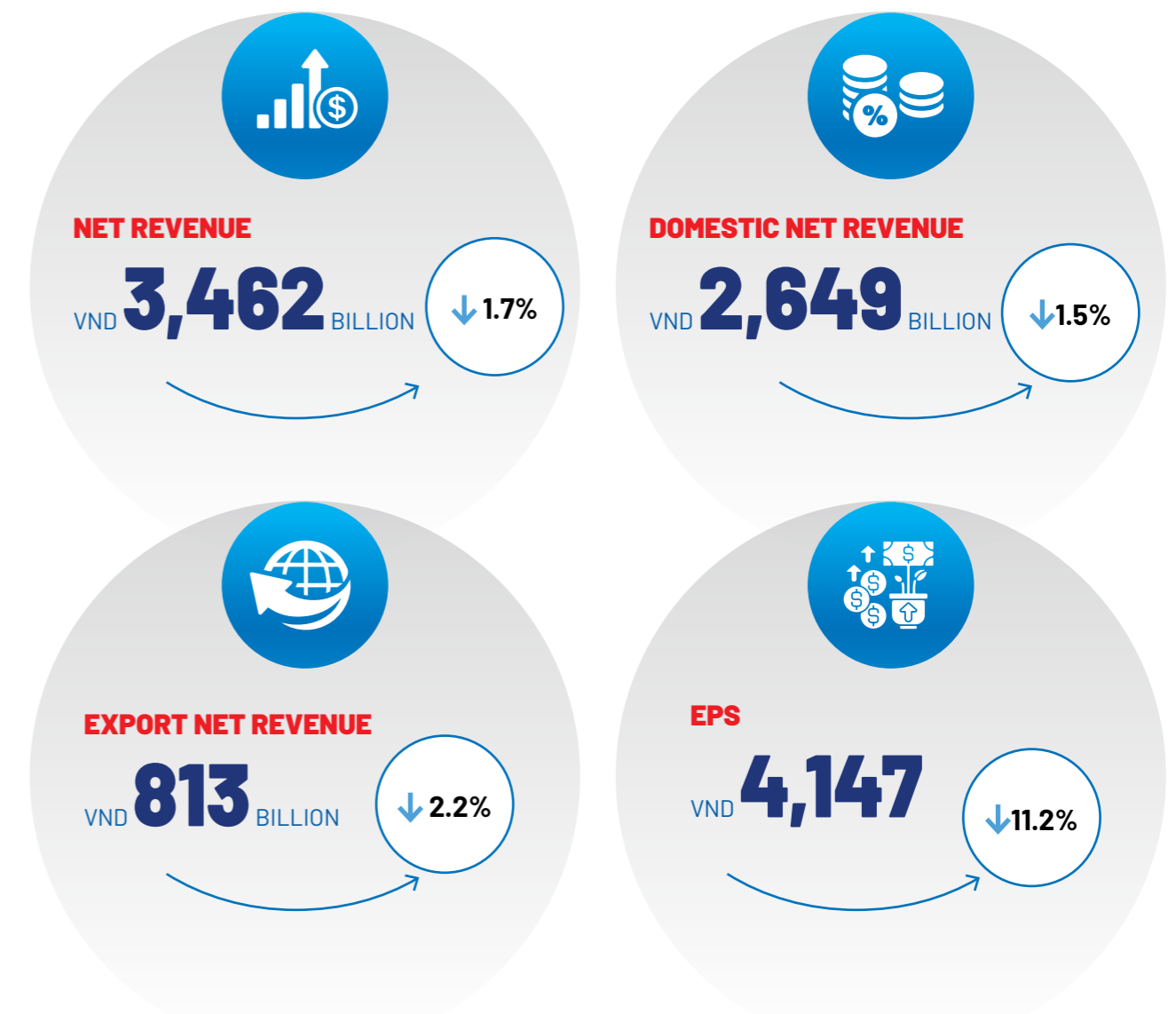
11

BUSINESS PERFORMANCE

In 2023, Thien Long Group faced many difficulties in its business activities due to the general decline in the macroeconomy. The gloomy international market also affected export business, particularly with OEM. The group's net revenue in 2023 reached VND3,462 billion, which was 1.7% lower than the same period of the previous year and completed 89% of the year plan. The domestic net revenue was VND2,649 billion, down 1.5% from the same period, and the net export revenue was 813 billion VND, down 2.2% from the same period.

In 2023, the group's consolidated gross profit margin increased by 40 basis points compared to the same period, reaching 43.7%. However, consolidated profit after tax in 2023 fell by 11.2% compared to the same period, reaching VND 356 billion, equivalent to EPS of VND 4,147. The net profit margin was 10.3%, down 110 basis points compared to the same period.

Despite these challenges, the group remained committed to its long-term growth strategy, investing in sales personnel and training human resources for future sustainable development. Increased costs partly came from the expansion of the Clever Box retail store chain. Hence, the SG&A expenses accounted for 32.2% of net revenue in 2023.



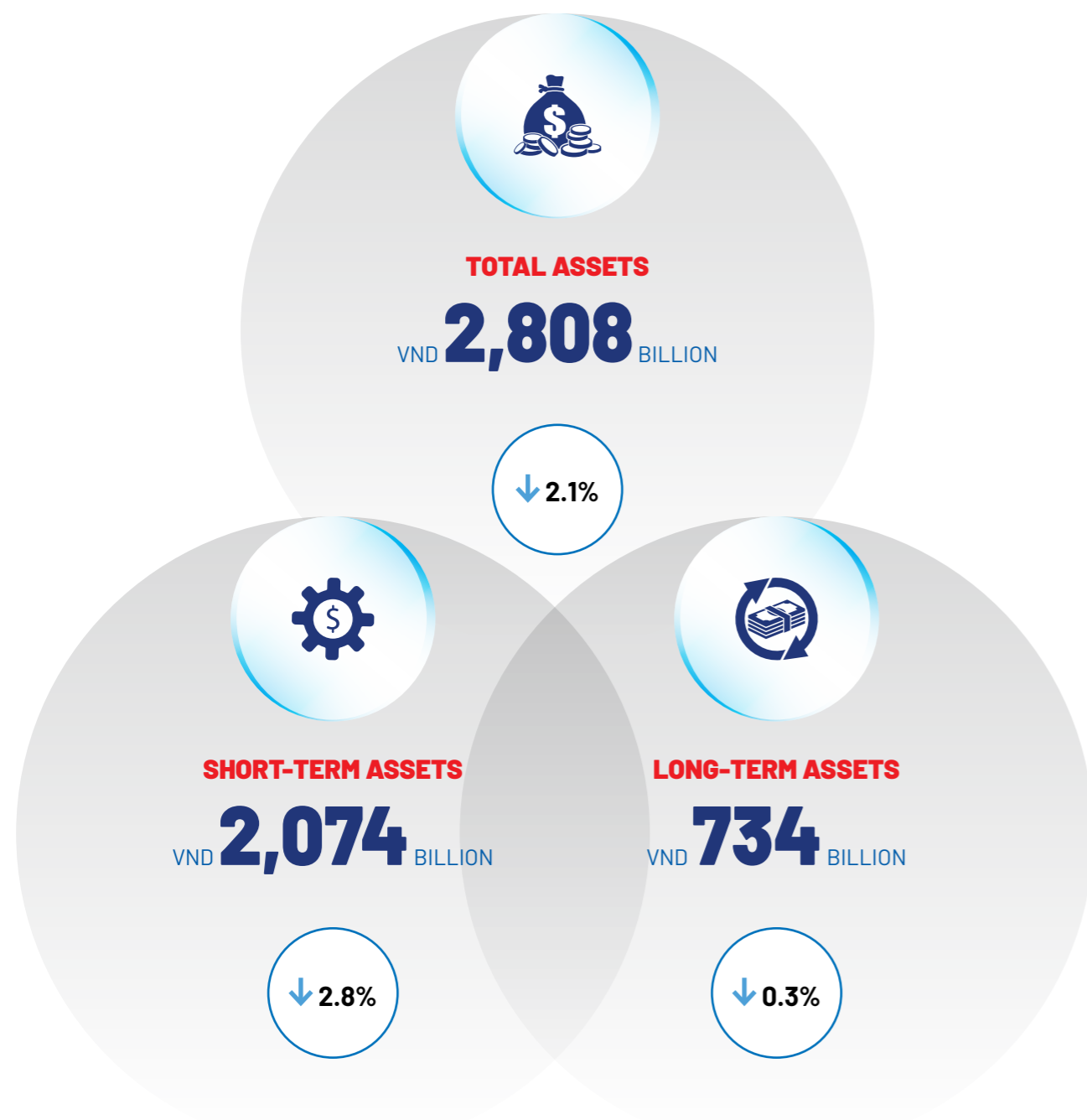
12

ASSET POSITION

In 2023, Thien Long Group's total assets were VND 2,808 billion, a figure that was 2.1% lower than in 2022. Short-term assets decreased by VND 59 billion (2.8%), and long-term assets decreased by VND 2 billion billion (0.3%). The structure of short-term assets and long-term assets in 2023 remained unchanged at 74% and 26%, respectively, compared to 2022.

In short-term assets, cash and deposits to maturity decreased by 9.7% to VND 691 billion. Most of the cash was used to pay the remaining dividends in 2022 and the first interim dividend in 2023 at 20% and 15% of par value, respectively. Inventories decreased by 8.1% to VND 855 billion, mainly from reducing raw material inventory compared to 2022.

In long-term assets, a significant part of the construction cost in progress was transferred to fixed assets, which were the realized costs to expand the Thien Long Long Thanh factor in 2022.



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LIABILITY POSITION

In 2023, the group's liabilities decreased by 21.6% to VND 714 billion compared to 2022. Short-term debt decreased by 20.7% to VND 659 billion, and long-term debt decreased by 31.3% to VND 55 billion compared to the same period. The decrease in short-term debt was mainly due to salary expenses, bonuses, and dividends payable in 2023. The company partially paid off long-term loans in 2023. The structure of short-term and long-term debt in 2023 was 92% and 8%, respectively, compared to 91% and 9% in 2022, respectively.

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MAJOR PROJECTS IN 2023

In 2023, Thien Long Group Joint Stock Company acquired additional shares in Pega, increasing its ownership ratio from 25% to 40%.



PART 9

STRATEGIC GOALS FOR THE PERIOD 2023-2027

Thien Long is a brand that has been dedicated to the development and provision of pens and stationery products for over 42 years. Over the years, we have observed significant changes in the demand for our products, especially in the wake of the pandemic. The way people shop has transformed from simple purchasing to a more sustainable consumption experience.

At Thien Long, we embrace change and see it as an opportunity to refresh and innovate our products comprehensively. This journey requires our unwavering effort and tenacity, as we strive not only to enhance our competitive advantage but also to align with the evolving expectations of our customers, especially the younger generation.

With the vision to **inspire and provide a complete and effective solution for a happy learning life**, Thien Long confidently enters the strategic period 2023 - 2027 with key duties:



BOOST BRAND

Boosting Thien Long brand that gives inspiration of Vietnamese values and provides its clients with solutions for lifelong learning and happiness. Thien Long will also be a favorite recruitment brand and a brand that reflects the values and reputation of its investors on the Vietnamese stock market.

Promoting FlexOffice brand to be a leading recognized brand of pens and stationery in Southeast Asia.



OPTIMIZE OMNICHANNEL

Optimizing the advantages of traditional channels (GT), promoting the key stores program, transforming the model from customers to sales partners to increase the connection between the Group and points of sale.

Increase the image of displaying and experiencing Thien Long products at points of sale in modern models (MT) and retail. At the same time, promoting brand promotion activities in the media, focusing on emerging channels with direct contact with consumers to bring a full and fast experience to customers about Thien Long's new products.

The Group will improve the quality of its sales teams and increase operational productivity based on the prioritized application of technologies in daily sales activities to improve business efficiency.



WORLD-CLASS EXPANSION

The Group will strive to localize the Southeast Asian markets, increase its revenue, and gradually optimize its profits. International business development serves as a bridge for Thien Long to further move forward as it creates more opportunities for OEM and ODM segments facilitating the Group in learning more from its domestic and foreign partners about sustainable product development.

The Group will promote communication and marketing activities in the international market to make it the number one supplier of pens and stationery in Southeast Asia.

The Group will further cooperate with and distribute stationery products to large corporations worldwide, aiming to be the sole distributor of stationery products bearing the world's famous brands in Vietnam and Southeast Asia.



EXPANSION OF THE ECOSYSTEM

The Group will rely on its strength of distribution channels and brands to develop new products/categories to expand its ecosystem.



ORGANIZE FOR GROWTH

The Group will strongly invest in human resources development and flexibly accept the calculated risks related to its potential projects to promote rapid but sustainable development and achieve its business ambitions.

The Group will encourage the startup model within the Corporation and promote the entrepreneurial spirit of Thien Long's people. This will stimulate creativity and create a foundation for long-term development for both the group and its employees.

The Group will develop a talent retention policy with many appropriate remuneration policies, including issuing shares under the Employee Share Options Program to establish long-term attachment between the Corporation and its staff.

The Group will promote digital transformation in its business operations to improve the work performance of each staff member.

The Group will further strengthen sustainable development practices to achieve measurable results and boost the emotional connection between the Group and its consumers.

PART **10**

SUSTAINABLE DEVELOPMENT REPORT

CREATIVE DRAWING
HAPPY COLORING

**HAPPY
LEARNING
LIFE**



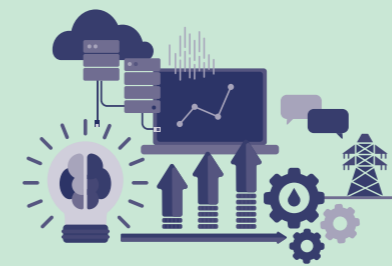
1

MESSAGE OF SUSTAINABLE DEVELOPMENT

“ **The Company believes that implementing a sustainable development strategy brings various benefits, including financial gains, increased sales, enhanced reputation, and improved consumer sentiment.** ”

As a corporation specializing in the production and sales of pens and office, school, and art supplies, Thien Long is always ready to meet the needs of domestic and foreign customers through its large domestic distribution network in 63 provinces and more than 71 countries around the world.

In addition to achieving high economic efficiency and contributing to the country's socio-economic development, the Group has been highly appreciated for its sustainable development in terms of economics, environment, and society. The Group's development policies are as follows:



Pioneering in technology and creativity, and constantly boosting R&D to create advanced, high-quality, environmentally friendly, and competitively priced products; thereby contributing to saving materials and energy while increasing productivity and economic efficiency.



Treating people humanely; considering people as the key factor in every operation; wholeheartedly joining the building of a strong society; contributing to social progress through humanity and benevolent activities.



Treating people fairly, behaving honestly and transparently in all activities and transactions, and harmonizing benefits for all stakeholders.



Complying with law regulations and cooperating with all parties to raise awareness of green and clean environment protection for future generations.

2

OVERVIEW OF SUSTAINABLE DEVELOPMENT REPORT

CONTENT OF THE REPORT

Thien Long Group prepared its Sustainable development report 2022 using a method that combines long-term economic growth goals with social development and environmental protection goals.

SCOPE OF THE REPORT

The report was prepared in Vietnam, reflecting the operations of Thien Long Group and its member companies in the field of production and trading of stationery.

PERIOD OF THE REPORT

All information and data in this report were prepared for the financial year 2023 of Thien Long Group from January 1, 2023, to the end of December 31, 2023.

The financial figures in the report are referenced from the audited consolidated financial statements for 2023. They were recorded by the Editorial Board of the Annual Report under the Shareholder Relations Department of Thien Long Group.

CONTACT INFORMATION

Editorial Board of Annual Report - Thien Long Group Corporation

Email: ir@thienlongvn.com

Phone: (84.28) 3750.5555 (Ext: 203)

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



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SUSTAINABLE DEVELOPMENT INDICATORS 2023

Category	Content	Data
Sustainable economic growth	Net revenue	VND3,462 billion
	Profit after tax	VND356 billion
	Payment to State budget	VND336 billion
	Value-added tax	VND176 billion
	Import and export tax	VND15 billion
	Corporate income tax - current	VND94 billion
	Personal income tax	VND48 billion
	Other	VND3 billion
Labor safety, environmental protection	Dividends in cash, paid during the year	VND272 billion
	Fire prevention and fighting training	3,075 participants
	Occupational safety and health, first aid	Periodic rehearsals as regulated
Human resource development	Total cost of environmental treatment	Nearly VND1.5 billion
	Number of training courses realized	Over 42,997 hours of training
Contribution to communities	Contribution Amount	Over VND10 billion
	Creation of jobs	3,075 employees



PAYMENT TO STATE BUDGET
VND **336** BILLION



TOTAL COST OF ENVIRONMENTAL TREATMENT
VND **1.5** BILLION



CONTRIBUTION TO COMMUNITIES
> VND **10** BILLION



CREATION OF JOBS
3,075 EMPLOYEES

4

INTEGRATED MANAGEMENT SYSTEM



INTEGRATED MANAGEMENT SYSTEM

Thien Long is effectively operating integrated management systems according to international standards, including:

- Quality management system - ISO 9001:2015
- Environmental management system - ISO 14001:2015
- Occupational health and safety management system - ISO 45001:2018
- Medical product equipment quality management system - ISO 13485:2016
- Laboratory management system - ISO/IEC 17025:2017
- Social responsibility management system - SA 8000:2014
- ICTI certification on social responsibility standards in the children's toy industry.
- In late 2023, the Thien Long Long Thanh factory achieved the GRS "Global Recycled Standard" certification. The GRS certification is a global recycling standard that applies to the entire supply chain, including processing, production, packaging, labelling, sales, and distribution. All products made by the factory must contain a minimum of 20% recycled materials to meet this standard. The main objective of this certification is to increase the use of recycled materials, reduce the harmful impact of production on people and the environment, ensure sustainable processing of recycled materials, and promote innovation in the use of recycled materials.
- In April 2024, the Thien Long Long Thanh factory achieved the SMETA-4 Pillar Standard Certification. The SMETA-4 Pillar Standard Certification is an international ethical business practice and social responsibility standard. Sedex Members Ethical Trade Audit (SMETA) is a comprehensive audit methodology that evaluates businesses' compliance with ethical trading practices and social responsibility in the supply chain. Applying SMETA standards shows the factory's respect for employees, increases business engagement with employees, and improves business ethics and social responsibility in the global response.
- Effectively using the integration of the above systems helps Thien Long's Board of Directors realize its strong commitment to maintaining and ensuring effective management and quality on every product delivered to consumers, and to protecting the health and safety of consumers as well as its employees.

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ECONOMIC ISSUES

DIVIDEND PAYMENT POLICY

Thien Long implements a policy of paying stable annual dividends over time. (For detailed content, please see the Investor Relations and Obligations to Shareholders section on page 54 and Financial Statement Notes No. 23).

SUSTAINABLE ECONOMIC GROWTH

Thien Long's production and business activities were significantly affected by macroeconomic fluctuations and geopolitical conflicts around the world, but its business results in 2023 continued to affirm its continuous efforts in Vietnam. (For details, please see the "Financial Indicators" section in the Annual Report (page 92).



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PRODUCT SAFETY AND RESPONSIBILITY

Thien Long applies a strict control process at all stages, from supplier selection, input material inspection, examination of quality in each production stage and control of finished product quality in order to ensure the quality and safety of all products before they are put on the market.

To inspect and test products, Thien Long uses a laboratory according to ISO/IEC 17025:2017, equipped with specialized equipment such as a German Hutt pen tester, absorption spectrometer, electrical conductivity meter, aging meter, viscosity, pH, humidity, etc. Therefore, all test results are highly accurate and reliable.

Thien Long's products fully meet the safety standards and certifications by the U.S. and EU, as well as those by Vietnam, ensuring safety for consumers, especially children, according to the product grouping table as follows:

Market	Main Standard	Product Applied				
		Stationery	Art	Toys	Electronic product	Medical product
United State	CPSIA	✓	✓	✓		
	FHSA	✓	✓	✓		
	ASTM F963			✓		
	LHAMA		✓			
	TPCH (Only for packaging)			✓		
	ISO 10993 (Skin Sensitization)					✓
Europe	REACH Regulation	✓	✓	✓	✓	
	CE Marking			✓	✓	
	Directive 94/62/EC on packaging and packaging waste			✓	✓	
Viet Nam	QCVN 03:2019/BKHCN			✓		

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PRODUCT RESEARCH AND DEVELOPMENT

Thien Long is a company committed to creating products that not only provide comfort to its users but also have a minimal impact on the environment. In order to achieve this goal, the company has implemented various practices such as:

- Increasing the shelf life of products while simultaneously reducing packaging to minimize waste.
- Continuously researching and improving product lines to enhance quality, extend product usage time, and minimize raw material consumption.
- Developing products that are cost-effective and reusable, such as ballpoint pen refills, gel ball pen refills, gel pen refills, ink for all types of whiteboard markers, oil markers, replacement ink cartridges for blackboard markers, and ballpoint pens.
- Minimizing the use of plastic raw materials by utilizing fewer production materials and reusing scrap plastic to contribute to environmental protection. The company also invests in manufacturing hot-runner molds to reduce the amount of plastic scrap during production.
- Using environmentally friendly materials that are safe for consumers, especially children. For instance, play dough made from wheat flour and utilizing food colors, all of Thien Long's products used for children meet extremely strict safety standards in the US and Europe.
- Maintaining close and continuous interaction between its distribution system, research, product development, production team, and supply partners to stay informed about market trends, competition, and market conditions. This enables the company to keep up with trends and create new products that are highly competitive and suitable for new consumer trends.



8

ENVIRONMENTAL ISSUES

“
Monitoring and managing energy costs in production and business are summarized in the annual plan report on the economic and efficient use of energy submitted to the Ho Chi Minh City Department of Industry and Trade every year.
 ”

ENERGY

In 2023, the figures on energy consumed to serve the production and business process at Thien Long Group (South Thien Long Factory and Thien Long Long Thanh Factory) are as follows:



ELECTRICITY

18,462,436
(kwh)



WATER

78,527
(m³)



OIL

610
(liters)

Monitoring and managing energy costs in production and business are summarized in the annual plan report on the economic and efficient use of energy submitted to the Ho Chi Minh City Department of Industry and Trade every year.

SOLUTIONS AND INITIATIVES TO SAVE ENERGY AND MATERIALS

- Invest in a solar battery system to save electricity costs and reduce about 519 tons of CO₂ emissions into the environment.
- Replacing the hydraulic drive type plastic injection machine using an oil pump without an inverter with the hydraulic transmission using an oil pump with an inverter can save 40% power consumption compared to the old machine.
- Invest in 24 plastic injection molding machines of 100% electric type using servo motors, saving over 60% of electricity.
- Installing a cooling ventilation system for the factory instead of an industrial fan system to save electricity and improve the working environment. The lighting system has been replaced with an energy-saving LED system. In particular, light switches are installed in the factories, which are turned on only in places where there is work to reduce electricity waste. The factory has a scientific structure to take advantage of natural light and limit the use of electricity during the day.
- Building an E-office internal information system, and online signing programs to save time in signing, issuing, and archiving soft copies of documents, limiting the use of paper/ink, and reusing paper on one side, etc.
- Monitor/contract electricity and water usage norms per product unit for each workshop and production line. Deploying the movement to save electricity and water for all employees such as: Turning off all machinery and equipment, lights when not in use, installing automatic hand washing faucets, using circulating water in production, etc.
- Reusing plastic materials: Recycled plastic scrap accounted for nearly 84% of plastic scrap produced in 2023, compared to 76% in 2022.
- Using materials that are environmentally friendly and safe for consumers, especially for children, such as flour-based play dough and food coloring. All the group's products used for children meet the very strict safety standards of the US and Europe.



8

ENVIRONMENTAL ISSUES

ENVIRONMENTAL PROTECTION LAW COMPLIANCE

During its operation, Thien Long commits to complying with all regulations and rules of State management agencies on environmental protection and sustainable development. There were no cases of violations of environmental laws in Thien Long in 2023, which means the Group did not have to pay any fines for environmental infringements.

ENVIRONMENTAL PROTECTION & CONTROL OF WASTE AND WASTEWATER

During its operation, Thien Long has been fulfilling its responsibility for environmental protection and strictly adheres to environmental protection standards.

The Group applies solutions to reduce solid waste, and collects, classifies, and treats ordinary solid waste and solid waste in daily life and production and business activities.

Thien Long has built and applied an environmental management system according to international standards ISO 14001 to control and reduce environmental pollution.

The Group has built production wastewater treatment systems:

- At the South Thien Long factory: Capacity of 40 m³/day (built-in 2005); capable of treating wastewater from Tan Tao Industrial Park.
- At the Thien Long Long Thanh factory: Capacity of 80m³/day (built-in 2008), capable of treating wastewater from.
- Separately rainwater and wastewater drainage systems are built and connected to the industrial parks' drainage systems.
- Collection and transportation of industrial solid waste and hazardous solid waste are carried out in accordance with regulations and required procedures.

- During its production and business process, Thien Long has obtained all the following necessary materials from authorities:
 - Environmental impact assessment report;
 - Register of hazardous waste source owner;
 - Certificate of completion of environmental protection works; and
 - Permits to discharge waste into the centralized wastewater treatment stations of industrial parks; and
 - Paying environmental protection taxes/charges/ fees as prescribed by law.
- The Group has adequate equipment and tools to prevent and respond to environmental incidents.
- The Group organizes propaganda activities to raise awareness among officials, employees, and employees about environmental protection.
- The Group adequately and promptly submits to competent agencies accurate reports on environmental protection.



SPECIFIC ACTIVITIES

Thien Long Group remains committed to sustainable development as the core focus of its operations. The company believes that implementing a sustainable development strategy brings various benefits, including financial gains, increased sales, enhanced reputation, and improved consumer sentiment.

In 2023, Thien Long Group continued to affirm its comprehensive sustainable development strategy in various areas such as management, production, business, and product development. Here are some of the highlights:

- Thien Long continues to operate an integrated management system that complies with international standards such as SA 8000:2014 social responsibility management system. The company also implemented the ICTI children's play system.

- Two Thien Long factories have installed solar energy systems that contribute to saving energy and reducing CO₂ emissions into the environment.
- The Company introduced a new product line called Eco-Friendly, which focuses on protecting the environment by consuming fewer production materials, reusing scrap sources, and developing environmentally friendly products.
- Thien Long Group also prioritizes social and community activities as part of its Corporate Social Responsibility (CSR) initiatives. The company implements significant social programs annually such as Supporting Examination Season, Sharing with Teachers, Young Knowledge for Education, For Green School, and Color Festival. These programs have a national scope and directly support the education sector to create significant value for the social community.



In 2023, Thien Long Group promoted its sustainable development strategy in leading media channels, forums, and major conferences in Vietnam such as the Sustainability Conference - The Green Road organized by Forbes and the ESG Investor Conference organized by Raise Partner. Through these events, Thien Long Group communicated its sustainable development strategy to the public and contributed its voice to the Vietnamese business community while sharing experiences and learning good solutions, creating more motivation for sustainable development throughout the group.

9

SOCIAL ISSUES

CONTRIBUTING TO STAKEHOLDER PARTIES



10

PROGRAMS THAT CONTRIBUTE TO SOCIETY AND THE COMMUNITY

CORPORATE SOCIAL RESPONSIBILITY (CSR) & COMMUNITY ACTIVITIES

“ In 2023, the Group affirmed its sustainable development strategy and elevated the Thien Long brand through large-scale social programs such as the “Examination Support” program to support candidates taking exams, “Share with teachers” teacher commendation for outstanding teachers, and “Color Festival” - a national drawing competition for children. Thien Long’s social programs also strongly promoted the message of “A happy learning life”, contributing to the cause of education and society. ”

HỌC HỎI HẠNH PHÚC TRỌN ĐỜI

CHIA SẺ CÙNG THẦY CÔ: Vinh danh các giáo viên toàn quốc vượt khó có nhiều đóng góp cho ngành giáo dục và cộng hưởng cùng chiến dịch bán hàng mùa tri ân

TIẾP SỨC MÙA THI: Hỗ trợ thí sinh trước - trong - sau kỳ thi THPT Quốc gia dưới hình thức: hướng dẫn ôn thi, tư vấn tâm lý, trao học bổng cho học sinh khó khăn, tiếp sức online...

VÌ MÁI TRƯỜNG XANH: Khuyến khích học sinh cả nước thu gom sản phẩm Thiên Long đã qua sử dụng để gây quỹ học bổng cho học sinh nghèo hiếu học

NGÀY HỘI SẮC MÀU: Cuộc thi vẽ tranh và trải nghiệm sản phẩm Colokit trên toàn quốc, thu hút hàng triệu thiếu nhi tham gia



SUPPORT THE 2023 EXAMINATION SEASON REJUVENATE AND SPREAD

After more than two decades, the pervasiveness and influence of this brand in the learning and exam journey of the young generation of Vietnam have left a deep impression in the hearts of the public. Each examination season with the brand “Supporting Examination Season” is organized by Thien Long Group in coordination with the Vietnamese Student Association, the Ministry of Education and Training and Thanh Nien Newspaper.

Supporting the 2023 examination season is a long-term, comprehensive support campaign before, during, and after the tough competency assessment exam, with many social resources joining hands to help millions of students “pass the martial arts” success.

According to a report by Younet - a social listening measurement unit- in September 2023, Examination

Support became a hot topic on forums, attracting special attention from the online community. Thien Long holds a market share of brand discussions in the stationery industry of up to 75.5%, of which the Examination Support program has more than 215,000 discussions out of a total of 417,000 discussions in the entire industry.

The program spread firmly thanks to the participation of famous ambassadors such as beauty queen Luong Thuy Linh and MC Khanh Vy and the super intellectual Ha Viet Hoang, as well as helpful advice from educational experts such as Associate Professor Dr. Tran Thanh Nam, Master Che Da Thao and hundreds of teachers and valedictorians nationwide. Besides, changing the way of organizing and applying AI technology in the context of digital transformation is also a particularly notable mark of this year’s relay program.



10

PROGRAMS THAT CONTRIBUTE TO SOCIETY AND THE COMMUNITY



SHARING WITH TEACHERS 2023 THE MOST INFLUENTIAL GRATITUDE SEASON CAMPAIGN IN VIETNAM

The 2023 Sharing with Teachers program was a comprehensive online and in-person campaign with far-reaching influence and the companionship of many ambassadors who were artists, educational experts, reputable teachers, and typical students. For the 9th time, the Sharing with Teachers 2023 program, organized by Thien Long Group in coordination with the Vietnam Youth Union and the Ministry of Education and Training, commended teachers with high achievements and determination to overcome difficulties and bring knowledge to the country's future generations.

With more than 160 million views on multi-platform TikTok, Facebook, and YouTube, and more than 700 news articles in the media, the Share with Teachers 2023 campaign, after nearly a decade of organization,

achieved comprehensive and profound influence, the best in terms of gratitude to teachers.

This year's sharing with teachers has also spread thanks to the companionship of many ambassadors who were favourite celebrities and had significant interactions on social networks, such as Miss H'Hen Nie, Miss Luong Thuy Linh, singer Artist Ha Myo, runner-up MC Ngo Mai Phuong, etc.

With the companionship of TikTok Vietnam, the hashtag challenge #TriAnThayCo spread firmly in November, the month of teacher appreciation, with more than 7,700 videos participating in the contest and about 150 million views, making it one of the most famous campaigns. TikTok's biggest hit in Vietnam in 2023.



COLOR FESTIVAL 2023 A HAPPY DRAWING EXPERIENCE FOR CHILDREN NATIONWIDE

Color Festival 2023, a national painting competition organized by Thien Long's Colokit brand in collaboration with the Central Team Council, was launched in March with the theme "Vietnamese children do thousands of good deeds." After six years of organization, the Festival of Colors became a familiar event that many parents and children from all over the country eagerly anticipated every year.

This year, the contest received more than 187,000 paintings sent to participate in the Color Festival. In addition to painting activities, "Color Festival 2023" brought unforgettable colour events this summer. From Bac Ninh province, Colokit's colourful events were present in Kien Giang, Ha Giang, Thua Thien Hue, Da Nang, Hanoi, Lam Dong, and Ho Chi Minh City.

At these colourful festivals, over 35,000 children excitedly used Colokit art products and tools to test their painting and creativity skills, create valuable personal items, and respond to the festival-movement

game with colours. The Color Festival strongly encouraged creative activities with colours, helping to develop comprehensive thinking in children and bringing a richer and more interesting spiritual life to adults.

Throughout 2023, Thien Long regularly carried out volunteer activities for education, vigorously promoting the message "learning for lifelong happiness." Typically, accompanying the business community to care for children orphaned by COVID-19 at Hy Vong School, sponsoring volunteer programs for poor children in remote areas, contributing to the scholarship fund to honour the valedictorian, supporting children in difficult circumstances in remote areas through the Wish for Children program... In addition, Thien Long participated in major activities for children, such as KidFest Ho Chi Minh City, a playground for children on international children's occasions, and the drawing competition called "Young Painter."



10

PROGRAMS THAT CONTRIBUTE TO SOCIETY AND THE COMMUNITY

NO DISCRIMINATION

In compliance with the laws of Vietnam, Thien Long Group commits and ensures that it prohibits any discrimination for any reason related to skin color, ethnicity, religion, belief, family background, etc. In 2023, there was no discrimination case detected within the Group.

CHILD LABOR AND FORCED LABOR

Thien Long says no to child labour and says no to forced labour. In 2023, no forced labor case or child labor abuse was recorded within the Group.



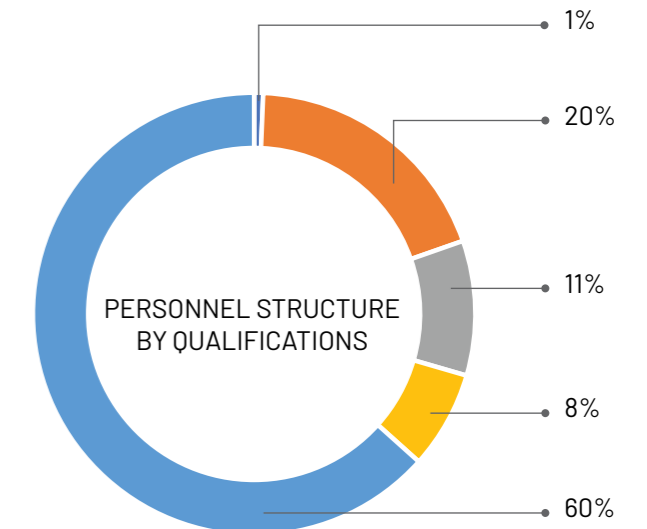
11

RESPONSIBILITY TOWARDS EMPLOYEES

TOTAL NUMBER OF EMPLOYEES IN 2023

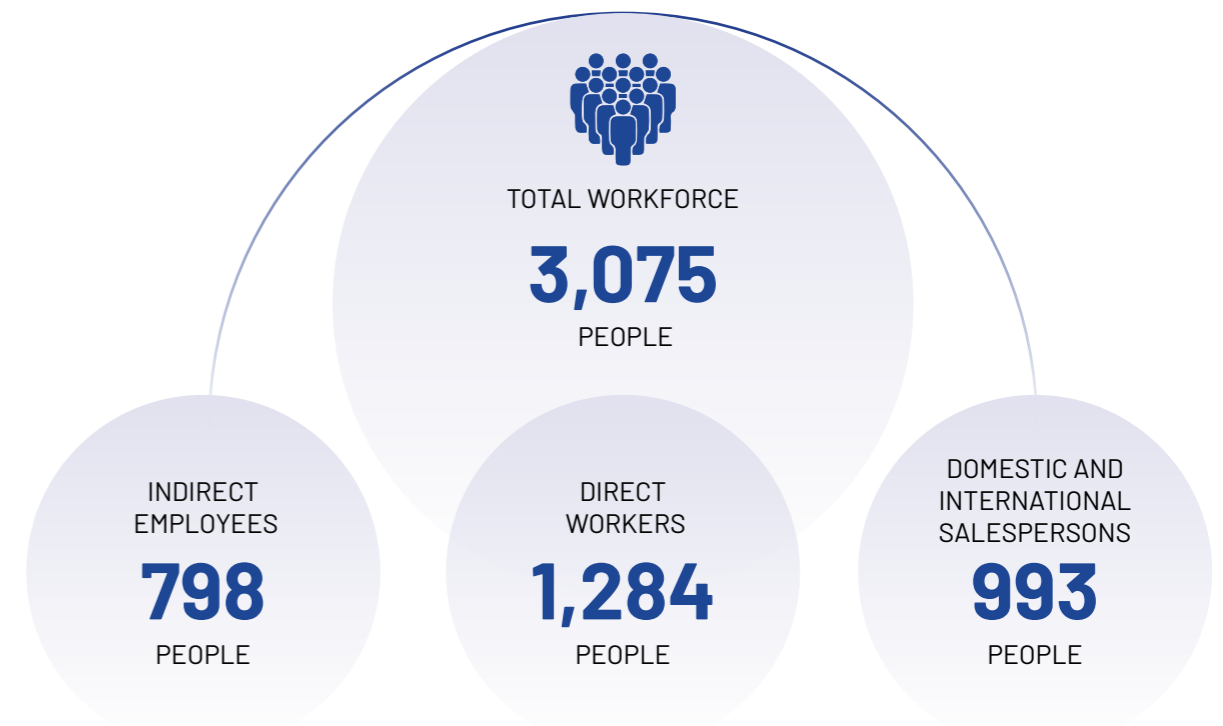
By the end of December 31, 2023, the total number of employees of the entire Group was 3,075 people, with increasing labor qualifications and engagement.

	Number of employees
Postgraduate	23
Graduate	608
College	326
Intermediate level	240
Highschool graduate	1,878
Total	3,075



The total workforce as of December 31, 2023 was 3,075 people

(Indirect employees: 798 people; Direct workers: 1,284 people; Domestic and international salespersons: 993 people)



11

RESPONSIBILITY TOWARDS EMPLOYEES

WAGE AND WELFARE POLICIES FOR EMPLOYEES

The Company's salary system is designed based on the value of the job position, along with the required qualifications and skills to perform that job. This ensures that the income level is proportional to the employee's capacity and work results, and is competitive with external markets. Additionally, some job positions, such as direct production workers and salespeople, receive effective salaries based on monthly or quarterly performance results.

Furthermore, the company prioritizes the well-being and spiritual lives of its employees, offering various benefits such as increased holidays, additional health screening packages to prevent cancer, mid-shift meals, uniforms, and labor protection equipment. The company also provides gifts on special occasions such as Mid-Autumn Festival, Lunar New Year and International Women's Day, and honors successful workers with programs such as the "Golden Hands" program for outstanding performance, the "No. 1 Salesperson" program for exceptional sales, and rewards employees for ideas that improve production. These programs create motivation and enhance internal solidarity and exchange, thereby fostering a positive work culture.



OCCUPATIONAL SAFETY AND HEALTH

The Company currently operates and controls safety measures through ISO 45001:2018 standards. Detailed occupational health and safety rules are determined for each job position and disseminated through hazard identification tables, work instructions, machinery and equipment operating procedures, and internal regulations for workers. Employees are trained to integrate safety regulations on the first day of employment and annually, according to each job group, in accordance with the law. During the working process, employees are provided with labor protection appropriate to the nature and characteristics of each job position. The company also conducts periodic health and occupational disease examinations for employees to ensure their well-being.

To improve the working conditions of employees, the company hires a functional unit every year to monitor the working environment and take corrective measures if there are any indicators that do not meet standards and regulations. The company also established teams and groups such as the Occupational Safety and Hygiene Council, Hygiene Safety Team, First Aid Team, and Fire Prevention and Protection Team. These teams are professionally trained and rehearsed periodically every 6 months/year to be able to promptly respond to emergency situations that may occur.

In 2023, the company carried out periodic health and occupational disease examinations, and no cases of diseases causing reduced working capacity were detected.



11

RESPONSIBILITY TOWARDS EMPLOYEES

JOINING COLLECTIVE ORGANIZATIONS

Thien Long's employees are free to join associations and unions such as the Trade Union, Ho Chi Minh Communist Youth Union, and Communist Party of Vietnam. Currently, more than 90% of the Group's employees are Trade Union members. The Group also has a unit of the Ho Chi Minh Communist Youth Union and a cell of the Communist Party of Vietnam.



COMPLIANCE WITH ECONOMIC AND SOCIAL LAWS

Thien Long Group commits and strictly enforces all the applicable regulations and laws governing its operations. In 2022, the Group recorded no significant violations of economic and social laws.

12

PRESTIGIOUS AWARD FOR SUSTAINABLE DEVELOPMENT

In 2023, Thien Long Group achieved three major titles for sustainable development including Top 100 Sustainable Enterprises in Vietnam 2023 by the Vietnam Confederation of Commerce and Industry (VCCI), the Business Council for Vietnam Sustainable Development (VBCSD), Top 50 Typical Sustainable Development Enterprises in Vietnam 2023 awarded by Nhip Cau Dau Tu Magazine, and Ho Chi Minh City Green Enterprise 2023 by Ho Chi Minh City Business Association (HUBA) coordinated with Saigon Giai Phong Newspaper (SGGP) to co-organize.

Top 100 Sustainable Enterprises in Vietnam 2023

by the Vietnam Confederation of Commerce and Industry (VCCI).



Top 50 Typical Sustainable Development Enterprises in Vietnam 2023 awarded

by Nhip Cau Dau Tu Magazine.



Ho Chi Minh City Green Enterprise 2023

by Ho Chi Minh City Business Association (HUBA) coordinated with Saigon Giai Phong Newspaper (SGGP) to co-organize.



“With these awards, Thien Long demonstrates its sustainable development strategy and complies with international criteria or standards, such as stable growth, sustainable corporate culture, corporate governance, awareness of social responsibility and environmental protection.”

PART **11**

CONSOLIDATED FINANCIAL STATEMENTS

OPEN THE KNOWLEDGE
WELCOME THE FUTURE



CORPORATE INFORMATION

Enterprise registration certificate	No. 0301464830 dated 14 March 2005 was initially issued by the Department of Planning and Investment of Ho Chi Minh City and the latest 22 nd amendment dated 21 November 2023	
Board of Directors	Mr. Co Gia Tho	Chairman
	Ms. Tran Thai Nhu	Member
	Ms. Co Ngan Binh	Member
	Ms. Co Cam Nguyet	Member
	Mr. Tayfun Uner	Member
	Mr. Pham Nguyen Tri	Member
	Mr. Nguyen Dinh Tam	Member
Board of Supervision	Ms. Nguyen Thi Bich Nga	Head
	Ms. Ta Hong Diep	Member
	Ms. Vu Thi Thanh Nga	Member
Chief Executive Officer	Ms. Tran Phuong Nga	Chief Executive Officer
Legal Representative	Ms. Tran Phuong Nga	Chief Executive Officer (from 8 May 2023)
	Mr. Co Gia Tho	Chairman (until 8 May 2023)
Registered office	10 th Floor, Sofic Tower, No. 10, Mai Chi Tho Street, Thu Thiem Ward, Thu Duc City, Ho Chi Minh City, Vietnam	
Auditor	PwC (Vietnam) Limited	

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 2023, and the 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 financial position of the Group and 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 error.

Approval of the consolidated financial statements

I hereby, approve the accompanying consolidated financial statements as set out on pages 130 to 175 which give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and the results of its operations and its 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
Legal representative

Ho Chi Minh City, SR Vietnam
29 March 2024

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 2023 and approved by the Chief Executive Officer of the Company on 29 March 2024. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2023, 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 130 to 175.

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 is necessary to enable the preparation and 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 2023, its consolidated financial performance 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 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



Quach Thanh Chau
Audit Practicing License No.:
0875-2023-006-1
Authorised signatory

Nguyen Duy Thinh
Audit Practicing License No.:
4633-2023-006-1

Report reference number: HCM15106
Ho Chi Minh City, SR Vietnam
29 March 2024

CONSOLIDATED BALANCE SHEET

As at 31 December 2023

Form B 01 - DN/HN

Code	ASSETS	Note	Closing balance VND	Opening balance VND
100	CURRENT ASSETS		2,074,455,057,354	2,133,213,102,262
110	Cash		243,232,641,902	405,368,125,624
111	Cash	3	243,232,641,902	405,368,125,624
120	Short-term investments		447,342,000,000	359,670,000,000
123	Investments held to maturity	4(a)	447,342,000,000	359,670,000,000
130	Short-term receivables		438,809,370,785	370,055,589,054
131	Short-term trade receivables	5	390,722,017,248	336,997,466,885
132	Short-term prepayments to suppliers	6	12,800,019,323	29,193,396,046
135	Short-term lending	7	16,000,000,000	-
136	Other short-term receivables	8	30,011,672,235	10,093,073,242
137	Provision for doubtful debts - short-term	9	(10,775,506,081)	(6,270,311,172)
139	Shortage of assets awaiting resolution		51,168,060	41,964,053
140	Inventories	10	831,699,883,043	914,140,453,757
141	Inventories		855,426,140,198	930,756,948,615
149	Provision for decline in value of inventories		(23,726,257,155)	(16,616,494,858)
150	Other current assets		113,371,161,624	83,978,933,827
151	Short-term prepaid expenses	11(a)	15,759,867,109	18,870,696,354
152	Value added tax ("VAT") deductibles	15(a)	93,018,891,136	58,087,118,106
153	Tax and other receivables from the State	15(a)	4,592,403,379	7,021,119,367
200	LONG-TERM ASSETS		733,993,121,467	735,822,949,093
210	Long-term receivables		12,978,175,740	12,449,274,241
216	Other long-term receivables		12,978,175,740	12,449,274,241
220	Fixed assets		575,586,339,381	478,349,797,287
221	Tangible fixed assets	12(a)	549,978,973,266	453,705,201,167
222	Historical cost		1,309,168,718,614	1,134,421,550,236
223	Accumulated depreciation		(759,189,745,348)	(680,716,349,069)
227	Intangible fixed assets	12(b)	25,607,366,115	24,644,596,120
228	Historical cost		79,794,421,651	75,490,966,251
229	Accumulated amortisation		(54,187,055,536)	(50,846,370,131)
240	Long-term asset in progress		7,742,307,132	102,815,871,219
242	Construction in progress	13	7,742,307,132	102,815,871,219
250	Long-term investments		62,833,024,000	58,723,584,000
252	Investments in associate	4(b)	36,000,000,000	25,000,000,000
253	Investments in other entities	4(b)	30,685,000,000	37,685,000,000
254	Provision for long-term investments	4(b)	(3,851,976,000)	(3,961,416,000)
260	Other long-term assets		74,853,275,214	83,484,422,346
261	Long-term prepaid expenses	11(b)	49,846,542,512	56,689,092,291
262	Deferred income tax assets	21	25,006,732,702	26,795,330,055
270	TOTAL ASSETS		2,808,448,178,821	2,869,036,051,355

The notes on pages 134 to 175 are an integral part of these consolidated financial statements.

Form B 01 - DN/HN

Code	RESOURCES	Note	Closing balance VND	Opening balance VND
300	LIABILITIES		714,468,096,169	911,164,294,533
310	Short-term liabilities		659,537,277,010	831,255,708,627
311	Short-term trade payables	14	193,822,557,387	260,162,035,465
312	Short-term advances from customers		3,760,419,107	4,379,600,530
313	Tax and other payables to the State	15(b)	31,403,758,947	25,063,262,634
314	Payables to employees	16	40,388,971,499	40,288,640,067
315	Short-term accrued expenses	17	91,872,424,289	134,394,283,546
319	Other short-term payables	18	6,419,625,092	171,925,952,658
320	Short-term borrowings	19(a)	250,142,393,862	182,885,122,900
322	Bonus and welfare fund	25	41,727,126,827	12,156,810,827
330	Long-term liabilities		54,930,819,159	79,908,585,906
338	Long-term borrowings	19(b)	33,498,604,659	63,613,468,906
342	Provision for long-term liabilities	20	21,432,214,500	16,295,117,000
400	OWNERS' EQUITY		2,093,980,082,652	1,957,871,756,822
410	Capital and reserves		2,093,980,082,652	1,957,871,756,822
411	Owners' contributed capital	22, 23	785,944,530,000	777,944,530,000
411a	- Ordinary shares with voting rights		785,944,530,000	777,944,530,000
412	Share premium	23	361,633,483,771	361,633,483,771
417	Foreign exchange differences	23	587,031,236	526,982,987
418	Investment and development fund	23	261,896,462,556	261,896,462,556
421	Undistributed earnings	23	683,572,010,385	554,720,805,316
421a	- Undistributed post-tax profits of previous years		451,323,152,734	396,733,273,144
421b	- Undistributed post-tax profits of current year		232,248,857,651	157,987,532,172
429	Non-controlling interests	23	346,564,704	1,149,492,192
440	TOTAL RESOURCES		2,808,448,178,821	2,869,036,051,355



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant



Tran Phuong Nga
Chief Executive Officer
29 March 2024

The notes on pages 134 to 175 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2023

Form B 02 - DN/HN

Code	Note	Current year VND	Previous year VND
01		3,496,671,800,535	3,550,405,692,241
02		(34,798,584,339)	(29,547,743,316)
10		3,461,873,216,196	3,520,857,948,925
11		(1,949,334,544,727)	(1,996,781,932,537)
20		1,512,538,671,469	1,524,076,016,388
21		48,462,393,200	62,117,465,329
22		(25,638,774,592)	(29,129,202,927)
23		(17,849,957,542)	(8,881,716,860)
24		(4,000,000,000)	-
25		(740,549,101,955)	(738,522,525,878)
26		(346,843,180,321)	(319,389,279,653)
30		443,970,007,801	499,152,473,259
31		9,198,976,721	10,163,649,081
32		(1,206,328,608)	(2,649,474,138)
40		7,992,648,113	7,514,174,943
50		451,962,655,914	506,666,648,202
51		(93,999,785,980)	(122,426,716,645)
52		(1,788,597,353)	16,697,468,958
60		356,174,272,581	400,937,400,515
Attributable to:			
61		358,940,537,151	401,370,891,172
62		(2,766,264,570)	(433,490,657)
70	26(a)	4,147	4,643
71	26(b)	4,147	4,643

Dao Xuan Nam
Preparer

Nguyen Ngoc Nhon
Chief Accountant



Tran Phuong Nga
Chief Executive Officer
29 March 2024

The notes on pages 134 to 175 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2023 (Indirect method)

Form B 03 - DN/HN

Code	Note	Current year VND	Previous year VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01		451.962.655.914	506.666.648.202
Accounting profit before tax			
Adjustments for:			
02		89.902.946.465	82.485.634.011
Depreciation and amortisation			
03		16.801.974.821	(15.038.842.760)
Provisions/(reversal of provisions)			
04	31	(5.265.986.425)	6.966.897.124
Unrealised foreign exchange (gains)/losses			
05	30, 34	(27.263.348.343)	(24.663.621.794)
Profits from investing activities			
06	31	17.849.957.542	8.881.716.860
Interest expense			
08		543.988.199.974	565.298.431.643
Operating profit before changes in working capital			
09		(96.587.096.744)	(26.902.790.739)
Increase in receivables			
10		75.330.808.417	(226.515.734.679)
Decrease/(increase) in inventories			
11		(139.128.793.349)	143.144.163.947
(Decrease)/increase in payables			
12		9.348.264.238	1.715.302.118
Decrease in prepaid expenses			
14		(17.890.835.432)	(8.804.653.480)
Interest paid			
15	15	(81.224.931.924)	(123.738.872.889)
CIT paid			
17		(44.731.834.686)	(35.021.384.068)
Other payments on operating activities			
20		249.103.780.494	289.174.461.853
Net cash inflows from operating activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
21		(106.967.786.946)	(169.603.926.893)
Purchases of fixed assets and other long-term assets			
22		2.619.831.578	1.736.833.818
Proceeds from disposals of fixed assets			
23		(699.882.000.000)	(616.732.323.288)
Term deposits placed at banks			
24		596.210.000.000	497.061.462.488
Collection of term deposits placed at banks			
25		(15.000.000.000)	(25.000.000.000)
Investments in other entities			
26		7.000.000.000	-
Proceeds from divestment in other entities			
27		25.087.254.377	21.502.569.973
Dividends and interest received			
30		(190.932.700.991)	(291.035.383.902)
Net cash outflows from investing activities			
CASH FLOWS FROM FINANCING ACTIVITIES			
31		9.800.000.000	1.656.180.000
Proceeds from issuance of shares to non-controlling shareholders			
33		983.224.833.832	780.517.479.565
Proceeds from borrowings			
34		(946.082.427.117)	(718.980.531.784)
Repayments of borrowings			
36		(272.280.585.500)	(155.619.167.000)
Dividends paid			
40		(225.338.178.785)	(92.426.039.219)
Net cash outflows from financing activities			
50		(167.167.099.282)	(94.286.961.268)
Net decrease in cash and cash equivalents			
60		405.368.125.624	503.425.694.773
Cash at beginning of year			
61		5.031.615.560	(3.770.607.881)
Effect of foreign exchange differences			
70		243.232.641.902	405.368.125.624
Cash at end of year			

Dao Xuan Nam
Preparer

Nguyen Ngoc Nhon
Chief Accountant



Tran Phuong Nga
Chief Executive Officer
29 March 2024

The notes on pages 134 to 175 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

Form B 09 - DN/HN

1 GENERAL INFORMATION

Thien Long Group Corporation (the "Company") is a joint stock company established in SR 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 22nd amendment dated 21 November 2023.

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/QĐ-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 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.

As at end of year, the Group had 3,075 employees (as at beginning of year: 3,360 employees).

As at end of year and beginning of year, the Company had 5 direct investment subsidiaries, 2 indirect investment subsidiaries and 1 associate as disclosed in Note 4(b) - Investments. The details are as follows:

Principal activities	Places of incorporation and operation	At end of year		At beginning of year		
		% of ownership %	% of voting rights %	% of ownership %	% of voting rights %	
Direct subsidiaries						
South Thien Long Manufacturing and Trading Company Limited	Manufacturing and trading stationery	Ho Chi Minh City	100	100	100	100
Thien Long Global Trading and Service Company Limited	Trading stationery	Ho Chi Minh City	100	100	100	100
Thien Long Long Thanh Manufacturing and Trading Company Limited	Manufacturing and trading stationery	Dong Nai Province	100	100	100	100
Tan Luc South Trading and Service One Member Company Limited	Trading stationery	Ho Chi Minh City	100	100	100	100
Flexoffice Pte. Ltd.	Trading stationery	Singapore	100	100	100	100
Indirect subsidiaries						
ICCO Marketing (M) SDN. BHD.	Trading stationery	Malaysia	60	60	60	60
Clever World Joint Stock Company	Trading stationery	Ho Chi Minh City	89	89	70	70
Associate						
Pega Holdings Joint Stock Company	Trading stationery	Ho Chi Minh City	40	40	25	25

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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 except for investments in associate and business combination as presented in Note 2.5.

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.

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 consolidated 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.

2.4 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement.

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.

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Basis of consolidation (continued)

Operations and interests of non-controlling shareholders

The Group applies the same policy to transactions with non-controlling shareholders as transactions with parties outside the Group.

Non-controlling interest is measured as a percentage of the non-controlling shareholder's share in the net assets of the acquired entity at the acquisition date.

Transactions that change the Group's percentage of ownership in a subsidiary without resulting in a loss of control are accounted for in the same manner as equity transactions. The difference between the change in the Group's share of the subsidiary's net assets and the expenditure or receipts from the divestment of the subsidiary is recognized in undistributed post-tax profits under equity.

Transactions that change the Group's ownership percentage in a subsidiary resulting in the loss of control over the subsidiary, the difference between the value of the change in ownership of the Group in the net assets of the subsidiary and the expenditure or receipts from the divestment of the subsidiary are recognized in the consolidated statement of income. The remaining ownership in this company will be accounted for as a normal financial investment or accounted for using the equity method since the parent company no longer holds control of the subsidiary.

Associate

Associate is investment that the Group has significant influence but not control over and the Group would generally have from 20% to less than 50% of the voting rights of the investee. Investment in associate is accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associate includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of the post-acquisition profits or losses of its associate is recognised in the consolidated income statement. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Accounting policies of associate have been changed where necessary to ensure consistency with the policies adopted by the Group.

Unrealised gains and losses on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Cash

Cash comprise cash on hand, cash at banks.

2.7 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 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.

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 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 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 Investments held to maturity is made when there is evidence that the investment is uncollectible in whole or in part. 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.

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.

(b) Investments in associate

Investments in associates are accounted for using the equity method when preparing the consolidated financial statements (Note 2.5).

(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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Lendings

Lendings are lendings granted for the earning interest under agreements among parties but not for being traded as securities.

Lendings are initially recognised at cost. Subsequently, the Chief Executive Officer reviews all outstanding amounts to determine the amount of provision to recognise at the year end. Provision for doubtful lendings is made for each lending based on overdue days in payment of principals according to the initial payment commitment (exclusive of the payment rescheduling between parties) or based on the estimated loss that may arise. 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.

Lendings are classified into short-term and long-term lendings on the balance sheet based on the remaining term of the lendings as at the balance sheet date.

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

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

Land use rights 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.

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 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.

2.12 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.

2.13 Prepaid expenses

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

Prepayments for land rental contracts which are effective after the effective date of the land law 2003 (ie. 1 July 2004) or which land use right certificates are not granted are recorded as prepaid expenses and allocated using the straight-line method over the terms of such land use right certificates.

2.14 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Borrowings

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.

2.16 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.

2.17 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.

2.18 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.

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 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 2.17 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.

2.20 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.

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

2.21 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 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) Revenue from rendering of services

Revenue from rendering of services is recognised in the consolidated income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue from the rendering of services is only recognised when all four (4) of the following conditions are satisfied:

- » The amount of revenue can be measured reliably;
- » It is probable that the economic benefits associated with the transaction will flow to the Group;
- » The percentage of completion of the transaction at the consolidated balance sheet date can be measured reliably; and
- » The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

(c) Interest income

Interest income is recognised on the basis of the actual time and interest rates for each period when two (2) conditions below are simultaneously satisfied:

- » It is probable that economic benefits will be generated; and
- » Income can be measured reliably.

(d) Dividend income

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

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 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.

2.24 Cost of goods sold and services rendered

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

2.25 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.

2.26 Selling expenses

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

2.27 General and administration expenses

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

2.28 Current and deferred income tax

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

Current income tax is the amount of income taxes payable or recoverable in respect of the current year taxable profits at the current year tax rates. Current and deferred tax 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.28 Current and deferred income tax (continued)

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.

2.29 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 Board of Directors, the Chief Executive Officer of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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

2.30 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.

Segment reporting is prepared and presented in accordance with accounting policies applied to the preparation and presentation of the Group's consolidated financial statements in order to help users of consolidated financial statements understand and evaluate the Group's operations in a comprehensive way.

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.31 Critical accounting estimates

The preparation of consolidated financial statements in accordance 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 10);
- » Estimated useful life of fixed assets (Note 12);
- » Estimation of provision for long-term liabilities (Note 20); and
- » Recognition of deferred tax assets for tax losses carried forward (Note 21).

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

	Closing balance VND	Opening balance VND
Cash on hand	1,098,226,261	700,945,947
Cash at banks	242,134,415,641	404,667,179,677
	<u>243,232,641,902</u>	<u>405,368,125,624</u>

4 INVESTMENTS

(a) Investments held to maturity

	Closing balance		Opening balance	
	Cost VND	Book value VND	Cost VND	Book value VND
Term deposits	<u>447,342,000,000</u>	<u>447,342,000,000</u>	<u>359,670,000,000</u>	<u>359,670,000,000</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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4 INVESTMENTS (CONTINUED)

(b) Long-term investments

	Closing balance				Opening balance			
	Cost Book value VND	Fair value VND	Provision VND	Ownership percentage %	Cost Book value VND	Fair value VND	Provision VND	Ownership percentage %
(i) Investments in associate								
Pega Holdings Joint Stock Company	36,000,000,000	(*)	-	40	25,000,000,000	-	-	25
(ii) Investments in other entities								
Kido Land Corporation (i)	25,000,000,000	(*)	-	2.00	25,000,000,000	(*)	-	2.00
Saigon Securities Investment Fund A2	3,565,000,000	(*)	(3,565,000,000)	-	3,565,000,000	(*)	(3,565,000,000)	-
Brilliant Chip Joint Stock Company	1,520,000,000	(*)	(286,976,000)	1.89	1,520,000,000	(*)	(396,416,000)	1.89
Printing No.7 Joint Stock Company	600,000,000	(*)	-	2.50	600,000,000	(*)	-	2.50
Soundio Technology Joint Stock Company	-	(*)	-	-	7,000,000,000	(*)	-	-
	30,685,000,000		(3,851,976,000)		37,685,000,000		(3,961,416,000)	

(i) According to Announce No. 02/2024/TB-KDL dated 31 January 2024, Kido Land Corporation announced change the name from Kinh Do Land Corporation to Kido Land Corporation.

(*) As at end of year and beginning of year, the Group had not determined the fair value of these investments for disclosure in the consolidated financial statements because they do not have listed prices. The fair value of such investments may be different from their book value.

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4 INVESTMENTS (CONTINUED)

(b) Long-term investments (continued)

Movements of investment in associate during the year are as follows:

	Closing balance VND	Opening balance VND
Opening balance	25,000,000,000	-
Increased investment in associate during the year	15,000,000,000	25,000,000,000
The Group's share of loss in the business results of associate	(4,000,000,000)	-
Closing balance	36,000,000,000	25,000,000,000

5 SHORT-TERM TRADE RECEIVABLES

	Closing balance VND	Opening balance VND
Third parties		
SQI Group Int'l. Corp.	38,921,874,368	37,446,118,215
Others	333,645,462,765	299,551,348,670
Related parties (Note 38(b))	18,154,680,115	-
	390,722,017,248	336,997,466,885

As at end of year and beginning of year, balances of short-term trade accounts receivable that were past due amounting to VND53,865,465,549 and VND49,717,753,511, respectively as presented in Note 9.

As at end of year and beginning of year, short-term trade receivables of VND50,000,000,000 were pledged with banks as collateral assets for short-term borrowings granted to the Company (Note 19).

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6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	Closing balance VND	Opening balance VND
Third parties		
Sakos Corporation	1,724,541,840	-
Cuong Thinh Trading Engineering Construction Company Limited	1,620,000,000	1,620,000,000
Others	9,455,477,483	27,573,396,046
	<u>12,800,019,323</u>	<u>29,193,396,046</u>

7 SHORT-TERM LENDINGS

	Closing balance		Opening balance	
	Book value VND	Provision VND	Book value VND	Provision VND
Related party (Note 38(b))	16,000,000,000	-	-	-

Representing a interest-free convertible loan to Pega Holdings Joint Stock Company which will be matured on 30 June 2024.

8 OTHER SHORT-TERM RECEIVABLES

	Closing balance		Opening balance	
	Book value VND	Provision VND	Book value VND	Provision VND
Deposits	16,077,419,948	-	495,329,600	-
Interest receivables	6,904,935,982	-	6,292,737,921	-
Advances to employees	1,884,274,869	-	816,805,520	-
Others	5,145,041,436	-	2,488,200,201	-
	<u>30,011,672,235</u>	<u>-</u>	<u>10,093,073,242</u>	<u>-</u>

9 DOUBTFUL DEBTS

	Closing balance		Opening balance	
	Cost VND	Recoverable amount VND	Cost VND	Recoverable amount VND
Thanh Nghia Printing Co., Ltd.	14,101,451,538	9,512,757,261	11,426,070,708	10,463,540,542
Nguyen Hue Bookstore	12,508,812,909	11,899,429,898	14,454,408,438	13,888,571,357
Xuan Thu Bookstore	10,276,304,236	9,344,301,694	11,476,011,167	11,072,503,714
MM Mega Market	1,753,989,596	-	1,753,989,596	-
Branch of Apax English Joint Stock Company	792,325,065	-	792,325,065	-
Nhan Van Bookstore	275,347,873	181,210,839	242,449,799	49,763,213
Others	14,157,234,332	12,152,259,776	9,572,498,738	7,973,063,513
	<u>53,865,465,549</u>	<u>43,089,959,468</u>	<u>49,717,753,511</u>	<u>43,447,442,339</u>
		<u>(10,775,506,081)</u>		<u>(6,270,311,172)</u>

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10 INVENTORIES

	Closing balance		Opening balance	
	Book value VND	Provision VND	Book value VND	Provision VND
Raw materials	287,890,458,156	(6,486,534,570)	347,553,933,667	(1,505,680,549)
Finished goods	263,882,151,187	(4,135,475,954)	278,584,730,221	(4,351,307,503)
Merchandise	190,404,385,185	(8,383,153,722)	175,353,547,571	(6,969,404,471)
Work in progress	70,386,644,948	(3,048,337,886)	67,529,975,600	(2,231,291,946)
Goods in transit	33,542,373,422	-	52,264,656,817	-
Tools and supplies	9,320,127,300	(1,672,755,023)	9,470,104,739	(1,558,810,389)
	855,426,140,198	(23,726,257,155)	930,756,948,615	(16,616,494,858)

At end of year and beginning of year, a portion of inventory were pledged as collateral assets for short-term borrowings from banks (Note 19).

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

	Current year VND	Previous year VND
Opening balance	(16,616,494,858)	(11,126,895,639)
Addition (Note 29)	(19,416,882,090)	(13,582,311,163)
Reversal of provisions (Note 29)	12,307,119,793	8,092,711,944
Closing balance	(23,726,257,155)	(16,616,494,858)

11 PREPAID EXPENSES

(a) Short-term

	Closing balance VND	Opening balance VND
Advertising and marketing expenses	9,152,674,155	11,650,131,602
Health and asset insurance	1,623,720,469	1,571,471,561
Tools and supplies	819,395,883	1,687,247,790
Others	4,164,076,602	3,961,845,401
	15,759,867,109	18,870,696,354

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11 PREPAID EXPENSES (CONTINUED)

(b) Long-term

	Closing balance VND	Opening balance VND
Expenses for site clearance, restoration and return (*)	13,390,399,666	9,650,909,086
Tools and supplies	12,268,130,715	24,029,357,881
Land rental (**)	9,580,290,811	9,909,699,091
Others	14,607,721,320	13,099,126,233
	49,846,542,512	56,689,092,291

(*) 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.

(**) Representing balance of prepaid land rental which has not been fully allocated under the land lease contract as presented in Note 2.13.

Movements in prepaid expenses during the year are as follows:

	Current year VND	Previous year VND
Opening balance	75,559,788,645	77,768,089,589
Increase	77,962,518,355	81,115,327,524
Transferred from construction in progress (Note 13)	917,550,395	1,753,856,628
Transferred from inventories	3,776,055,032	2,620,098,263
Transferred from fixed assets	-	24,700,000
Transferred to fixed assets	(114,734,200)	-
Disposals	(477,900,833)	(243,857,346)
Allocation	(92,016,867,773)	(87,478,426,013)
Closing balance	65,606,409,621	75,559,788,645

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12 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	223,622,792,962	630,510,100,960	49,325,404,625	31,475,220,933	199,488,030,756	1,134,421,550,236
New purchases	-	27,105,851,843	1,000,327,273	2,530,206,226	6,773,316,804	37,409,702,146
Transfers from construction in progress (Note 13)	107,177,346,352	33,903,113,814	-	111,075,385	10,792,283,672	151,983,819,223
Disposals	-	(5,622,029,512)	(6,816,422,484)	(697,855,545)	(1,510,045,450)	(14,646,352,991)
Closing balance	330,800,139,314	685,897,037,105	43,509,309,414	33,418,646,999	215,543,585,782	1,309,168,718,614
Accumulated depreciation						
Opening balance	98,382,146,138	370,163,418,381	40,597,822,781	18,485,253,051	153,087,708,718	680,716,349,089
Charge for the year	14,613,743,936	47,552,389,025	3,091,648,520	3,820,195,188	19,067,505,317	88,145,481,986
Disposals	-	(2,163,161,653)	(6,360,295,757)	(673,188,797)	(475,439,500)	(9,672,085,707)
Closing balance	112,995,890,074	415,552,645,753	37,329,175,544	21,632,259,442	171,679,774,535	759,189,745,348
Net book value						
Opening balance	125,240,646,824	260,346,682,579	8,727,581,844	12,989,967,882	46,400,322,038	453,705,201,167
Closing balance	217,804,249,240	270,344,391,352	6,180,133,870	11,786,387,557	43,863,811,247	549,978,973,266

As at end of year, the historical cost of tangible assets that were fully depreciated but still in use was VND351,564,841,822 (as at beginning of year: VND328,131,848,001).

As at end of year, tangible fixed assets of the Group with a carrying value of VND125,383,593,104 (as at beginning of year: VND25,971,645,993) were pledged as collateral assets for short-term and long-term borrowings from banks (Note 19).

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12 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	59,076,341,251	367,000,000	75,490,966,251
New purchases	-	2,703,455,400	-	2,703,455,400
Transfers from construction in progress (Note 13)	-	1,600,000,000	-	1,600,000,000
Closing balance	16,047,625,000	63,379,796,651	367,000,000	79,794,421,651
Accumulated amortisation				
Opening balance	1,175,864,496	49,303,505,635	367,000,000	50,846,370,131
Charge for the year	-	3,340,685,405	-	3,340,685,405
Closing balance	1,175,864,496	52,644,191,040	367,000,000	54,187,055,536
Net book value				
Opening balance	14,871,760,504	9,772,835,616	-	24,644,596,120
Closing balance	14,871,760,504	10,735,605,611	-	25,607,366,115

As at end of year, the historical cost of intangible assets which were fully amortised but still in use was VND45,782,093,097 (as at beginning of year: VND43,960,215,097).

13 CONSTRUCTION IN PROGRESS

Details of construction in progress are as follows:

	Closing balance VND	Opening balance VND
Equipment under installation	6,374,958,275	5,633,692,748
Moulds under installation	1,367,348,857	7,750,659,795
Construction in progress	-	89,431,518,676
	7,742,307,132	102,815,871,219

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13 CONSTRUCTION IN PROGRESS (CONTINUED)

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

	Current year VND	Previous year VND
Opening balance	102,815,871,219	19,040,558,603
Increase in the year	59,662,735,525	128,783,175,351
Transfers to fixed assets (Note 12)	(153,583,819,223)	(43,014,613,544)
Transfers to prepaid expenses (Note 11)	(917,550,395)	(1,753,856,628)
Disposals	(234,929,994)	(239,392,563)
Closing balance	7,742,307,132	102,815,871,219

14 SHORT-TERM TRADE ACCOUNTS PAYABLE

	Closing balance		Opening balance	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties	191,373,818,546	191,373,818,546	260,162,035,465	260,162,035,465
Related parties (Note 38(b))	2,448,738,841	2,448,738,841	-	-
	193,822,557,387	193,822,557,387	260,162,035,465	260,162,035,465

15 TAX AND OTHER RECEIVABLES/PAYABLES TO THE STATE

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

	Opening balance VND	Receivable/payable during the year VND	Payment/net-off during the year VND	Reclassification VND	Closing balance VND
(a) Tax receivables					
VAT to be reclaimed	58,087,118,106	34,931,773,030	-	-	93,018,891,136
CIT	7,021,119,367	-	-	(2,428,715,988)	4,592,403,379
	65,108,237,473	34,931,773,030	-	(2,428,715,988)	97,611,294,515
(b) Tax payables					
VAT	6,418,585,401	175,579,852,149	(179,050,222,871)	-	2,948,214,679
CIT	15,726,204,267	93,999,785,980	(81,224,931,924)	(2,428,715,988)	26,072,342,335
Personal income tax	2,680,829,554	47,807,043,930	(48,700,205,985)	-	1,787,667,499
Import - export duties	23,813,002	15,215,371,039	(15,049,875,489)	-	189,308,552
Other taxes	213,830,410	3,063,297,335	(2,870,901,863)	-	406,225,882
	25,063,262,634	335,665,350,433	(326,896,138,132)	(2,428,715,988)	31,403,758,947

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16 PAYABLE TO EMPLOYEES

As at end of year and beginning of year, the payables represent the December salary payable to employees.

17 SHORT-TERM ACCRUED EXPENSES

	Closing balance VND	Opening balance VND
13th, 14th month salary and performance bonus	64,616,937,272	106,606,825,799
Advertising and marketing expenses	17,111,954,514	16,012,023,924
Interest expense	373,159,506	414,037,396
Others	9,770,372,997	11,361,396,427
	91,872,424,289	134,394,283,546

18 OTHER SHORT-TERM PAYABLES

	Closing balance VND	Opening balance VND
Remuneration for the Board of Directors and Board of Supervision	3,799,242,314	3,764,304,000
Union fees	1,515,530,781	2,692,458,575
Dividend payable	11,165,500	116,702,845,000
LC payables	-	47,349,839,598
Others	1,093,686,497	1,416,505,485
	6,419,625,092	171,925,952,658

19 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
Joint Stock Commercial Bank for Investment and Development of Vietnam – Western Saigon Branch (i)	31,837,984,823	31,837,984,823	293,622,392,411	(244,754,044,172)	80,706,333,062	80,706,333,062
Vietnam Joint Stock Commercial Bank for Industry and Trade – Western Saigon Branch (ii)	21,414,202,964	21,414,202,964	125,720,722,495	(130,247,689,706)	16,887,255,753	16,887,255,753
HSBC Bank (Vietnam) Limited (iii)	105,277,022,832	105,277,022,832	379,451,112,284	(384,156,338,313)	100,571,796,803	100,571,796,803
Vietnam Joint Stock Commercial Bank for Industry and Trade – Ho Chi Minh Branch (iv)	-	-	29,294,993,665	(25,352,727,760)	3,942,265,905	3,942,265,905
Vietnam Joint Stock Commercial Bank for Industry and Trade – Bien Hoa Branch (v)	-	-	4,496,671,855	-	4,496,671,855	4,496,671,855
The Siam Commercial Bank Public Company Limited – Ho Chi Minh City Branch (vi)	12,290,291,790	12,290,291,790	96,935,971,600	(100,627,951,438)	8,598,311,952	8,598,311,952
Current portion	170,819,502,409	170,819,502,409	929,521,864,310	(885,138,731,389)	215,202,635,330	215,202,635,330
HSBC Bank (Vietnam) Limited (*)	12,065,620,491	12,065,620,491	22,589,308,028	(19,694,270,995)	14,960,657,524	14,960,657,524
Bank overdraft	-	-	19,979,101,008	-	19,979,101,008	19,979,101,008
Bank for Investment and Development of Vietnam – Tay Sai Gon Branch (vii)	182,885,122,900	182,885,122,900	972,090,273,346	(904,833,002,384)	250,142,393,862	250,142,393,862

(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 (*) (viii)	58,212,468,906	58,212,468,906	32,929,308,514	(63,838,732,761)	27,303,044,659	27,303,044,659
Others (*)	5,401,000,000	5,401,000,000	794,560,000	-	6,195,560,000	6,195,560,000
	63,613,468,906	63,613,468,906	33,723,868,514	(63,838,732,761)	33,498,604,659	33,498,604,659

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19 BORROWINGS (CONTINUED)

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

	Closing balance VND	Opening balance VND
Original debt balance	48,459,262,183	75,679,089,397
Current portion	(14,960,657,524)	(12,065,620,491)
	33,498,604,659	63,613,468,906

- (i) Representing short-term loans from Joint Stock Commercial Bank for Investment and Development of Vietnam - Western Saigon Branch for the purpose of supplementing working capital. The loans have terms and interest rates specified in each disbursement. The Group has pledged machinery and equipment as collateral assets for these loans (Note 12(a)).
- (ii) Representing short-term loans from Vietnam Joint Stock Commercial Bank for Industry and Trade - Western Saigon Branch for the purpose of supplementing working capital. The loans have terms and interest rates specified in each disbursement. The Group has pledged inventories, machinery and equipment as collateral assets for these loans (Note 10, and 12(a)).
- (iii) 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 has pledged receivables, inventories as collateral assets for these loans (Note 5, and 10).
- (iv) Representing short-term loans from Vietnam Joint Stock Commercial Bank for Industry and Trade - Ho Chi Minh Branch for the purpose of supplementing working capital. The loans have terms and interest rates specified in each disbursement. The Group has pledged receivables as collateral assets for these loans (Note 5).
- (v) Representing short-term loans from Vietnam Joint Stock Commercial Bank for Industry and Trade - Bien Hoa Branch for the purpose of supplementing working capital. The loans have terms and interest rates specified in each disbursement. The Group has pledged receivables as collateral assets for these loans (Note 5).
- (vi) 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 has pledged receivables as collateral assets for these loans (Note 5).
- (vii) Overdraft loans from Bank for Investment and Development of Vietnam - Western Saigon Branch for the purpose of supplementing working capital.
- (viii) Representing 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. The Group has pledged machinery and equipment as collateral assets for these loans (Note 12(a)).

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20 PROVISION FOR LONG-TERM LIABILITIES

	Closing balance VND	Opening balance VND
Provisions for site clearance, restoration and return	14,817,228,500	10,616,000,000
Provision for severance allowance	6,614,986,000	5,679,117,000
	21,432,214,500	16,295,117,000

21 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income 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	25,006,732,702	26,795,330,055

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	26,795,330,055	10,097,861,097
Consolidated income statement charge/(credit) (Note 35)	(1,788,597,353)	16,697,468,958
End of year	25,006,732,702	26,795,330,055

Details of deferred tax assets

	Closing balance VND	Opening balance VND
Unrealised profit of internal transactions	12,020,376,306	13,628,255,070
Temporary difference of provisions	7,702,720,260	5,111,292,414
Tax losses not yet utilised (*)	5,372,554,346	6,591,424,893
Temporary difference of accrued expenses	869,365,189	-
Unrealised exchange rate differences of cash and receivables denominated in foreign currency	(958,283,399)	1,464,357,678
	25,006,732,702	26,795,330,055

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21 DEFERRED INCOME TAX (CONTINUED)

Details of deferred tax assets (continued)

The Group used a tax rate of 20% in year 2023 and 2022 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:

Year of tax loss	Status of tax authorities' review	Loss incurred VND	Loss utilised VND	Loss carried forward VND
2020	Finalized	10,895,749,855	(3,807,125,159)	7,088,624,696
2020	Outstanding	7,670,800,156	-	7,670,800,156
2021	Outstanding	18,103,581,266	-	18,103,581,266
2022	Outstanding	40,210,730,803	(5,867,885,404)	34,342,845,399
2023	Outstanding	16,322,291,695	-	16,322,291,695
		93,203,153,775	(9,675,010,563)	83,528,143,212

The Group has recognised deferred income tax assets relating to tax losses of VND26,862,771,732. The remaining losses of VND59,361,274,330 have not been 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.

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22 OWNERS' CAPITAL

(a) Number of shares

	Closing balance		Opening balance	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of share registered, issued and in circulation	78,594,453	-	77,794,453	-

b) Details of owners' shareholding

	Closing balance		Opening balance	
	Ordinary shares	%	Ordinary shares	%
Thien Long An Think Investment Corporation	37,350,952	47.52	37,350,952	48.01
NWL Cayman Holdings Ltd.	5,500,000	7.00	5,500,000	7.07
Mr. Co Gia Tho	4,924,605	6.27	4,744,605	6.10
Other shareholders	30,818,896	39.21	30,198,896	38.82
Number of shares issued	78,594,453	100.00	77,794,453	100.00

(c) Movement of share capital

	Number of shares	Owners' capital VND	Total VND
As at 1 January 2022	77,794,453	777,944,530,000	777,944,530,000
As at 31 December 2022	77,794,453	777,944,530,000	777,944,530,000
Shares under ESOP issued during the year (*)	800,000	8,000,000,000	8,000,000,000
As at 31 December 2023	78,594,453	785,944,530,000	785,944,530,000

Par value per share: VND10,000.

(*) Pursuant to the Resolution No. 07/2023/NQ-HĐQT dated 1 August 2023 of the Board of Directors, the Board of Directors of the Group implemented the Employment Stock Ownership Plan ("ESOP") approved by Annual General Meeting of Shareholders dated 27 April 2023.

Pursuant to the Resolution No. 08/2023/NQ-HĐQT dated 1 August 2023 of the Board of Directors, the Board of Directors of the Group determined the Standards and principles for determining the number of shares distributed to each subject and the List of employees eligible to participate in the employee shares issuance program.

Pursuant to the Resolution No. 09/2023/NQ-HĐQT dated 16 October 2023 of the Board of Directors, the Board of Directors of the Group approved the issuance of shares under the Employment Stock Ownership Plan ("ESOP"). The number of shares issued is 800,000 shares. The number of distributed employees are 21 people. As at end of year, the number of ESOP shares has been issued in full.

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23 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Investment and development fund VND	Foreign exchange difference VND	Undistributed earnings VND	Non controlling interests VND	Total VND
For the year ended 31 December 2022							
Opening 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
Capital contribution	-	-	-	-	-	1,656,180,000	1,656,180,000
Arising from business combination	-	-	-	-	-	(73,197,151)	(73,197,151)
Net profit for the year	-	-	-	-	401,370,891,172	(433,490,657)	400,937,400,515
Foreign exchange difference	-	-	-	827,026,181	-	-	827,026,181
Dividends declared from undistributed profit of 2022	-	-	-	-	(233,383,359,000)	-	(233,383,359,000)
Appropriation to investment and development fund	-	-	33,204,890,000	-	(33,204,890,000)	-	-
Appropriation to bonus and welfare fund	-	-	-	-	(27,670,741,000)	-	(27,670,741,000)
Remuneration for the Board of Directors and Board of Supervision	-	-	-	-	(10,000,000,000)	-	(10,000,000,000)
Closing balance	777,944,530,000	361,633,483,771	261,896,462,556	526,982,987	554,720,805,316	1,149,492,192	1,957,871,756,822
For the year ended 31 December 2023							
Opening balance	777,944,530,000	361,633,483,771	261,896,462,556	526,982,987	554,720,805,316	1,149,492,192	1,957,871,756,822
Capital contribution	-	-	-	-	-	1,800,000,000	1,800,000,000
Shares under ESOP issued during the year	8,000,000,000	-	-	-	-	-	8,000,000,000
Arising from change in capital contribution proportion	-	-	-	-	(163,337,082)	163,337,082	-
Net profit for the year	-	-	-	-	358,940,537,151	(2,766,264,570)	356,174,272,581
Foreign exchange difference	-	-	-	60,048,249	-	-	60,048,249
Dividends declared from undistributed profit of 2022 (i)	-	-	-	-	(38,897,226,500)	-	(38,897,226,500)
Dividends declared from undistributed profit of 2023 (i)(Note 24)	-	-	-	-	(116,691,679,500)	-	(116,691,679,500)
Appropriation to bonus and welfare fund (ii)(Note 25)	-	-	-	-	(40,137,089,000)	-	(40,137,089,000)
Bonus for exceeding the budgeted profit of 2022 for the Board of Management and employees (ii)(Note 25)	-	-	-	-	(22,200,000,000)	-	(22,200,000,000)
Bonus for exceeding the budgeted profit of 2022 for the Board of Directors (iii)	-	-	-	-	(2,000,000,000)	-	(2,000,000,000)
Remuneration of the Board of Directors and Board of Supervision (iv)	-	-	-	-	(10,000,000,000)	-	(10,000,000,000)
Closing balance	785,944,530,000	361,633,483,771	261,896,462,556	587,031,236	683,572,010,385	346,564,704	2,093,980,082,652

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23 MOVEMENTS IN OWNERS' EQUITY (CONTINUED)

Pursuant to the Resolution No. 01/2023/NQ-DHDCD dated 27 April 2023 of the 2022 Annual General Meeting of Shareholders, the General Meeting of Shareholders of the Group approved the distribution plan of net consolidated profits after tax for the years 2022 and 2023 as follows:

- (i) Cash dividend from the 2022 post-tax profits at the rate of 35% par value, equivalent VND272,280,585,500. In 2022, the Company divided VND233,383,359,000, the remainder divided in January 2023;
- (ii) Appropriation to bonus and welfare fund of VND40,137,089,000 (equivalent to 10% of post-tax profits);
- (iii) Bonus for Bonus for exceeding the budgeted profit for the Administrative Council VND2,000,000,000 and for the Board of Directors and employees VND 22,200,000,000; and
- (iv) Remuneration for the Board of Directors and Board of Supervision in 2023 of VND10,000,000,000, which was fully appropriated in the year.

24 DIVIDENDS

Movements of dividends payable during the year are as follows:

	Current year VND	Previous year VND
Opening balance	116,702,845,000	38,938,653,000
Dividends payable during the year	155,588,906,000	233,383,359,000
Dividends paid in cash	(272,280,585,500)	(155,619,167,000)
Closing balance	11,165,500	116,702,845,000

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	12,156,810,827	8,871,470,540
Appropriated (Note 23)	40,137,089,000	27,670,741,000
Bonus for exceeding the budgeted profit of 2022 for the Board of Management and employees (Note 23)	22,200,000,000	-
Utilised	(32,766,773,000)	(24,385,400,713)
Closing balance	41,727,126,827	12,156,810,827

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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 funds and preferred share dividend by the weighted average number of ordinary shares outstanding during the year, excluding ordinary shares repurchased by the Company and held as treasury shares. The details are as follows:

	Current year	Previous year
Net profit attributable to shareholders (VND)	358,940,537,151	401,370,891,172
Less amount appropriated to bonus and welfare fund (VND)(*)	(35,894,053,715)	(40,137,089,117)
	323,046,483,436	361,233,802,055
Weighted average number of ordinary shares in issue (shares)	77,895,275	77,794,453
Basic earnings per share (VND)	4,147	4,643

(*) Bonus and welfare fund had been appropriated at the estimated rate of 10 of consolidated profit after CIT in accordance with the Resolution No. 01/2023/NQ-DHDCD dated 27 April 2023 of the General Meeting of Shareholders.

(b) Diluted earnings per share

The Group did not have any ordinary shares potentially diluted during the year and up to the date of this consolidated financial statements. Therefore, the diluted earnings per share is equal to the basic earnings per share.

27 OFF BALANCE SHEET ITEMS

(a) Foreign currencies

Included in cash were balances held in foreign currencies as follows:

	Closing balance	Opening balance
Japanese Yen ("JPY")	31,904,902	52,701,622
United States Dollar ("USD")	5,578,467	4,506,125
Ringgit Malaysia ("MYR")	611,949	1,790,717
Korean Won ("KRW")	240,000	336,000
Euro ("EUR")	161,050	113,790
Taiwanese Dollar ("TWD")	12,570	12,570
Singapore Dollar ("SGD")	11,803	11,813
British Pound ("GBP")	1,583	1,906
Australian Dollar ("AUD")	110	110
Chinese Renminbi ("RMB")	-	14,971
Thai Baht ("THB")	-	7,680

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27 OFF BALANCE SHEET ITEMS (CONTINUED)

(b) Write-off doubtful debts

As at beginning of year and end of year, the Group writted-off some doubtful debts. The details are as follow:

	Closing balance VND
Thien Loc Trading Company Limited	219,103,729
FDI Korea Vietnam Venture Joint Stock Company	212,811,152
Tan Mai Bookstore	194,567,441
City Center for Disease Control of Hanoi	118,328,760
Bach Ma Service – Trading Joint Stock Company	107,886,623
Branch of Thien Hop Cultural Service and Trading Company	54,842,961
Phuc Nhan Bookstore Business Household	52,063,917
Pham Nguyen Co, Ltd.	50,462,208
Son Trang Technical and Trading Service Company Limited	40,425,000
Thien An Printing Production Trading Service Company Limited	34,991,387
Quy Hang Bookstore	31,484,618
Mabel Company Limited	31,198,726
Nhan Tri Book Private Enterprise	30,966,727
Vo Thanh Dao Business Household	29,748,099
Hoang Gia Project Group Joint Stock Company	25,161,101
Go May Bookstore Business Household	24,094,403
Hoa Mai Stationery Trading Company Limited	19,785,744
Vietnam Automobile Technology Joint Stock Company	14,922,450
Thanh Do Investment Development and Construction Joint Stock Company – Boutique Branch	12,091,540
Nhan Van Vinh Truong Joint Stock Company	9,384,969
Tran Hieu Nghia One Member Company Limited	3,999,428
Branch of Hoang Gia Project Group Joint Stock Company in Ca Mau	1,889,725
	1,320,210,708

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28 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	Current year VND	Previous year VND
Revenue		
Revenue from sales of finished goods	2,768,594,247,782	2,728,621,529,854
Revenue from sales of merchandises	727,949,054,854	821,667,212,049
Revenue from rendering of services	128,497,899	116,950,338
	3,496,671,800,535	3,550,405,692,241
Sales deductions		
Finished good returns	(19,500,069,270)	(13,388,445,190)
Merchandise returns	(8,884,540,578)	(7,671,516,292)
Trade discounts	(5,922,627,541)	(8,487,781,834)
Sales deductions	(491,346,950)	-
	(34,798,584,339)	(29,547,743,316)
Net revenue		
Net revenue from sales of finished goods	2,743,171,550,971	2,706,745,302,830
Net revenue from sales of merchandises	718,573,167,326	813,995,695,757
Net revenue from rendering of services	128,497,899	116,950,338
	3,461,873,216,196	3,520,857,948,925

29 COST OF GOODS SOLD AND SERVICES RENDERED

	Current year VND	Previous year VND
Cost of finished goods and merchandises sold	1,942,224,782,430	1,991,292,333,318
Provision for decline in value of inventories (Note 10)	19,416,882,090	13,582,311,163
Reversal of provision for decline in value of inventories (Note 10)	(12,307,119,793)	(8,092,711,944)
	1,949,334,544,727	1,996,781,932,537

30 FINANCIAL INCOME

	Current year VND	Previous year VND
Interest income from deposits	25,399,448,638	25,025,625,194
Realised foreign exchange gains	17,496,954,337	36,761,425,470
Net gain from foreign currency translation at year-end	5,265,986,425	-
Dividend income	300,003,800	322,503,800
Others	-	7,910,865
	48,462,393,200	62,117,465,329

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31 FINANCIAL EXPENSES

	Current year VND	Previous year VND
Interest expenses	17,849,957,542	8,881,716,860
Realised foreign exchange losses	4,687,922,090	11,244,577,017
Net loss from foreign currency translation at year-end	-	6,966,897,124
Others	3,100,894,960	2,036,011,926
	<u>25,638,774,592</u>	<u>29,129,202,927</u>

32 SELLING EXPENSES

	Current year VND	Previous year VND
Staff costs	379,698,609,331	352,241,525,145
Marketing and trade fair expenses	206,405,660,509	238,667,511,938
Depreciation	10,048,824,138	5,068,685,303
Others	144,396,007,977	142,544,803,492
	<u>740,549,101,955</u>	<u>738,522,525,878</u>

33 GENERAL AND ADMINISTRATION EXPENSES

	Current year VND	Previous year VND
Staff costs	217,915,618,383	222,867,487,080
Outside services expenses	95,864,249,116	55,827,537,041
Depreciation and amortisation	17,075,615,516	16,172,750,758
Others	15,987,697,306	24,521,504,774
	<u>346,843,180,321</u>	<u>319,389,279,653</u>

34 NET OTHER INCOME

	Current year VND	Previous year VND
Other income		
Rental income	824,909,376	110,622,500
Compensation for damaged goods	132,302,470	927,195,029
Net gains on disposal of fixed assets	1,563,895,905	-
Others	6,677,868,970	9,125,831,552
	<u>9,198,976,721</u>	<u>10,163,649,081</u>

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34 NET OTHER INCOME (CONTINUED)

	Current year VND	Previous year VND
Other expenses		
Net losses on disposal of fixed assets	-	684,507,200
Others	1,206,328,608	1,964,966,938
	<u>1,206,328,608</u>	<u>2,649,474,138</u>
Net other income	<u>7,992,648,113</u>	<u>7,514,174,943</u>

35 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	451,962,655,914	506,666,648,202
Adjustment:		
Non-taxable income	(300,003,800)	(322,503,800)
Non-deductible expenses	11,724,076,125	13,090,193,300
Temporary differences for which no deferred income tax asset has been recognised	(5,639,757,867)	-
Tax losses for which no deferred corporate income tax asset was recognised	16,322,291,695	7,253,606,340
Estimated taxable income	<u>474,069,262,067</u>	<u>526,687,944,042</u>
Tax calculated at a rate of 20%	94,813,852,413	105,337,588,809
Adjustment for under accrued CIT in previous years	974,530,920	391,658,878
CIT charge (*)	<u>95,788,383,333</u>	<u>105,729,247,687</u>
Charged/(credited) to the consolidated income statement:		
CIT - current	93,999,785,980	122,426,716,645
CIT - deferred (Note 21)	1,788,597,353	(16,697,468,958)
	<u>95,788,383,333</u>	<u>105,729,247,687</u>

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

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36 COSTS OF OPERATION BY FACTOR

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	1,077,118,635,212	1,260,272,245,943
Staff costs	860,215,062,719	836,966,226,979
Depreciation and amortisation	89,902,946,465	82,485,634,011
Outside service expenses	343,221,110,694	296,420,648,444
Others	207,744,738,875	239,683,260,188
	<u>2,578,202,493,965</u>	<u>2,715,828,015,565</u>

37 SEGMENT REPORTING

The Chief Executive Officer of the Company determines that the decisions of the Group are based primarily on the geographic areas in which the Group sells goods and provides services. 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 and rendering services		
Net revenue from domestic sales	2,648,470,425,576	2,688,812,778,765
Net revenue from export sales	813,402,790,620	832,045,170,160
	<u>3,461,873,216,196</u>	<u>3,520,857,948,925</u>
Cost of goods sold and services rendered		
Cost of goods sold - domestic	1,372,760,158,414	1,414,047,156,601
Cost of goods sold - export	576,574,386,313	582,734,775,936
	<u>1,949,334,544,727</u>	<u>1,996,781,932,537</u>
Gross profit from sales of goods and rendering services		
Gross profit from sales of goods - domestic	1,275,710,267,162	1,274,765,622,164
Gross profit from sales of goods - export	236,828,404,307	249,310,394,224
	<u>1,512,538,671,469</u>	<u>1,524,076,016,388</u>

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38 RELATED PARTY DISCLOSURES

The Company is a joint stock company. Details of subsidiaries and associates are given in Note 4(b). Details of the key related parties and relationship are given as below:

Related party	Relationship
Thien Long An Think Investment Corporation	Major shareholder
Pega Holdings Joint Stock Company	Associate

(a) Related party transactions

The primary transactions with related parties incurred in the year are:

	Current year VND	Previous year VND
(i) Sales of goods and rendering of services		
Pega Holdings Joint Stock Company	29,302,989,013	-
(ii) Purchases of goods and services		
Pega Holdings Joint Stock Company	3,133,915,720	-
(iii) Rental income		
Pega Holdings Joint Stock Company	574,000,000	-
(iv) Sales of tools and supplies		
Pega Holdings Joint Stock Company	395,613,011	-
(v) Short-term lending		
Pega Holdings Joint Stock Company	16,000,000,000	-

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38 RELATED PARTY DISCLOSURES (CONTINUED)

(a) Related party transactions (continued)

	Current year VND	Previous year VND
(vi) Investments		
Pega Holdings Joint Stock Company	15,000,000,000	25,000,000,000
(vii) Dividends declared		
Thien Long An Think Investment Corporation	74,701,904,000	112,052,856,000
(viii) Remuneration of the Board of Directors, salary and bonus of the Chief Executive Officer		
Name	Position	
Mr. Co Gia Tho	Chairman	3,300,000,000
Ms. Tran Thai Nhu	Member	1,090,000,000
Ms. Co Ngan Binh	Member	1,090,000,000
Ms. Co Cam Nguyet	Member	1,260,000,000
Mr. Pham Nguyen Tri	Member	1,120,000,000
Mr. Nguyen Dinh Tam	Member	1,420,000,000
Mr. Tran Le Nguyen	Member (until 26 April 2022)	-
Mr. Huynh Van Thien	Member (until 26 April 2022)	-
Ms. Tran Phuong Nga	Chief Executive Officer	4,550,150,000
		13,830,150,000
		12,903,511,500

(b) Year end balances with related parties

	Current year VND	Previous year VND
(i) Short-term trade accounts receivable (Note 5)		
Pega Holdings Joint Stock Company	18,154,680,115	-
(ii) Short-term lending (Note 7)		
Pega Holdings Joint Stock Company	16,000,000,000	-
(iii) Short-term trade accounts payable (Note 14)		
Pega Holdings Joint Stock Company	2,448,738,841	-
(iv) Other short-term payables		
Thien Long An Think Investment Joint Stock Company	-	56,026,428,000

39 OPERATING LEASES COMMITMENTS

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

	Office		Warehouse		Total	
	Closing balance VND	Opening balance VND	Closing balance VND	Opening balance VND	Closing balance VND	Opening balance VND
Within one year	18,990,863,984	13,240,622,587	23,974,532,040	25,200,816,334	42,965,396,024	38,441,438,921
Between one and five years	32,585,793,530	35,853,742,252	49,995,335,370	71,435,759,406	82,581,128,900	107,289,501,658
Over five years	-	-	-	-	-	-
	51,576,657,514	49,094,364,839	73,969,867,410	96,636,575,740	125,546,524,924	145,730,940,579

The consolidated financial statements were approved by the Chief Executive Officer on 29 March 2024.



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant



Tran Phuong Nga
Chief Executive Officer



THIEN LONG GROUP CORPORATION

Head office: Sofic Tower, 10 Mai Chi Tho Street,
Thu Thiem Ward, Thu Duc City, Ho Chi Minh City

Tel: (84.28) 3750 5555
Fax: (84.28) 3750 5577
Email: info@thienlonggroup.com

www.thienlonggroup.com