



THIEN LONG GROUP CORPORATION

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

THIEN LONG GROUP CORPORATION

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THIEN LONG GROUP CORPORATION

CORPORATE INFORMATION

Enterprise registration certificate

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

Board of Directors

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

Board of Supervision

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

Chief Executive Officer

Ms. Tran Phuong Nga	Chief Executive Officer
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Legal Representative

Mr. Co Gia Tho	Chairman
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Registered office

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

Auditor

PwC (Vietnam) Limited

THIEN LONG GROUP CORPORATION

STATEMENT OF THE CHIEF EXECUTIVE OFFICER

Statement of responsibility of the Chief Executive Officer of the Company in respect of the 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 2022, and of the consolidated results of its operations and its consolidated cash flows for the year then ended. In preparing these consolidated financial statements, the Chief Executive Officer is required to:

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

The Chief Executive Officer is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and which enable consolidated financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the consolidated financial statements. The Chief Executive Officer is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud or error.

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

Approval of the consolidated financial statements

I hereby, approve the accompanying consolidated financial statements as set out on pages 5 to 50 which give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.



Tran Phuong Nga
Chief Executive Officer
Authorised by Legal Representative

Ho Chi Minh City, Vietnam
28 March 2023



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 2022 and approved by the Chief Executive Officer of the Company on 28 March 2023. The consolidated financial statement comprises the consolidated balance sheet as at 31 December 2022, the consolidated income statement and the consolidated cash flow statement for the year then ended, and explanatory notes to the consolidated financial statements including significant accounting policies, as set out on pages 5 to 50.

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 2022, its consolidated financial performance and consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated financial statements.

Other Matter

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

For and on behalf of PwC (Vietnam) Limited



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

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

Report reference number: HCM13291
Ho Chi Minh City, 28 March 2023

THIEN LONG GROUP CORPORATION

Form B 01 – DN/HN

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022**

Code	ASSETS	Note	Closing balance VND	Opening balance VND
100	CURRENT ASSETS		2,133,213,102,262	1,867,453,670,532
110	Cash and cash equivalents	3	405,368,125,624	503,425,694,773
111	Cash		405,368,125,624	339,074,817,864
112	Cash equivalents		-	164,350,876,909
120	Short-term investment		359,670,000,000	239,999,139,200
123	Held-to-maturity investments	4(a)	359,670,000,000	239,999,139,200
130	Short-term receivables		370,055,589,054	398,342,077,637
131	Short-term trade receivables	5	336,997,466,885	360,613,054,625
132	Short-term prepayments to suppliers	6	29,193,396,046	30,644,903,658
136	Other short-term receivables	7	10,093,073,242	19,423,980,217
137	Provision for doubtful debts - short-term	8	(6,270,311,172)	(12,339,860,863)
139	Shortage of assets awaiting resolution		41,964,053	-
140	Inventories	9	914,140,453,757	693,114,318,297
141	Inventories		930,756,948,615	704,241,213,936
149	Provision for decline in value of inventories		(16,616,494,858)	(11,126,895,639)
150	Other current assets		83,978,933,827	32,572,440,625
151	Short-term prepaid expenses	10(a)	18,870,696,354	13,186,182,712
152	Value added tax ("VAT") deductibles		58,087,118,106	15,920,601,434
153	Tax and other receivables from the State	15	7,021,119,367	3,465,656,479
200	LONG-TERM ASSETS		735,822,949,093	578,684,880,396
210	Long-term receivable		12,449,274,241	5,799,200,123
216	Other long-term receivables		12,449,274,241	5,799,200,123
220	Fixed assets		478,349,797,287	445,543,913,696
221	Tangible fixed assets	11(a)	453,705,201,167	425,390,545,912
222	Historical cost		1,134,421,550,236	1,031,042,278,559
223	Accumulated depreciation		(680,716,349,069)	(605,651,732,647)
227	Intangible fixed assets	11(b)	24,644,596,120	20,153,367,784
228	Historical cost		75,490,966,251	68,137,527,411
229	Accumulated amortisation		(50,846,370,131)	(47,984,159,627)
240	Long-term asset in progress		102,815,871,219	19,040,558,603
242	Construction in progress	12	102,815,871,219	19,040,558,603
250	Long-term investments		58,723,584,000	33,621,440,000
252	Investments in associate	4(b)	25,000,000,000	-
253	Investments in other entities	4(b)	37,685,000,000	37,685,000,000
254	Provision for long-term investments	4(b)	(3,961,416,000)	(4,063,560,000)
260	Other long-term assets		83,484,422,346	74,679,767,974
261	Long-term prepaid expenses	10(b)	56,689,092,291	64,581,906,877
262	Deferred income tax assets	20	26,795,330,055	10,097,861,097
270	TOTAL ASSETS		2,869,036,051,355	2,446,138,550,928

The notes on pages 9 to 50 are an integral part of these consolidated financial statements.

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

Code	RESOURCES	Note	Closing balance VND	Opening balance VND
300	LIABILITIES		911,164,294,533	620,560,103,651
310	Short-term liabilities		831,255,708,627	578,295,639,397
311	Short-term trade payables	13	260,162,035,465	192,966,654,832
312	Short-term advances from customers	14	4,379,600,530	6,770,431,424
313	Tax and other payables to the State	15	25,063,262,634	23,159,487,331
314	Payables to employees		40,288,640,067	27,023,465,313
315	Short-term accrued expenses	16	134,394,283,546	96,976,213,042
319	Other short-term payables	17	171,925,952,658	49,255,503,644
320	Short-term borrowings	18(a)	182,885,122,900	173,272,413,271
322	Bonus and welfare fund	24	12,156,810,827	8,871,470,540
330	Long-term liabilities		79,908,585,906	42,264,464,254
338	Long-term borrowings	18(b)	63,613,468,906	11,689,230,754
342	Provision for long-term liabilities	19	16,295,117,000	30,575,233,500
400	OWNERS' EQUITY		1,957,871,756,822	1,825,578,447,277
410	Capital and reserves		1,957,871,756,822	1,825,578,447,277
411	Owners' contributed capital	21, 22	777,944,530,000	777,944,530,000
411a	- Ordinary shares with voting rights		777,944,530,000	777,944,530,000
412	Share premium	22	361,633,483,771	361,633,483,771
417	Foreign exchange differences	22	526,982,987	(300,043,194)
418	Investment and development fund	22	261,896,462,556	228,691,572,556
421	Undistributed earnings	22	554,720,805,316	457,608,904,144
421a	- Undistributed post-tax profits of previous years		396,733,273,144	345,990,396,887
421b	- Undistributed post-tax profits of current year		157,987,532,172	111,618,507,257
429	Non-controlling interests	22	1,149,492,192	-
440	TOTAL RESOURCES		2,869,036,051,355	2,446,138,550,928



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant



Tran Phuong Nga
Chief Executive Officer
28 March 2023

The notes on pages 9 to 50 are an integral part of these consolidated financial statements.

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

Code	Note	Current year VND	Previous year VND
01	Revenue from sales of goods and rendering of services	3,550,405,692,241	2,686,850,511,330
02	Less deductions	(29,547,743,316)	(18,575,418,243)
10	Net revenue from sales of goods and rendering of services	3,520,857,948,925	2,668,275,093,087
11	Cost of goods sold and services rendered	(1,996,781,932,537)	(1,541,112,345,410)
20	Gross profit from sales of goods and rendering of services	1,524,076,016,388	1,127,162,747,677
21	Financial income	62,117,465,329	32,025,269,716
22	Financial expenses	(29,129,202,927)	(6,854,564,215)
23	- Including: Interest expense	(8,881,716,860)	(7,019,978,348)
25	Selling expenses	(738,522,525,878)	(504,674,977,559)
26	General and administration expenses	(319,389,279,653)	(292,392,358,391)
30	Net operating profit	499,152,473,259	355,266,117,228
31	Other income	10,163,649,081	5,391,709,425
32	Other expenses	(2,649,474,138)	(2,092,942,627)
40	Net other income	7,514,174,943	3,298,766,798
50	Net accounting profit before tax	506,666,648,202	358,564,884,026
51	Corporate income tax ("CIT") - current	(122,426,716,645)	(63,006,307,674)
52	CIT - deferred	16,697,468,958	(18,851,163,095)
60	Net profit after tax	400,937,400,515	276,707,413,257
Attributable to:			
61	Owners of the Company	401,370,891,172	276,707,413,257
62	Non-controlling interests	(433,490,657)	-
70	Basic earnings per share	4,643	3,201
71	Diluted earnings per share	4,643	3,201



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant



Tran Phuong Nga
Chief Executive Officer
28 March 2023

The notes on pages 9 to 50 are an integral part of these consolidated financial statements.

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

Code	Note	Current year VND	Previous year VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01		506,666,648,202	358,564,884,026
		Net accounting profit before tax	
		Adjustments for:	
02		82,485,634,011	83,919,429,257
03		(15,038,842,760)	(10,060,980,737)
04	31	6,966,897,124	(318,054,357)
05	30,34	(24,663,621,794)	(23,868,121,847)
06	31	8,881,716,860	7,019,978,348
08		565,298,431,643	415,257,134,690
09		(26,902,790,739)	24,949,485,918
10		(226,515,734,679)	(142,286,693,964)
11		143,144,163,947	17,702,900,285
12		1,715,302,118	14,993,621,322
14		(8,804,653,480)	(6,928,466,153)
15	15	(123,738,872,889)	(62,699,502,885)
17		(35,021,384,068)	(39,800,891,600)
20		289,174,461,853	221,187,587,613
CASH FLOWS FROM INVESTING ACTIVITIES			
21		(169,603,926,893)	(58,046,246,969)
22		1,736,833,818	2,166,609,649
23		(616,732,323,288)	(515,999,139,200)
24		497,061,462,488	648,000,000,000
25		(25,000,000,000)	(7,000,000,000)
27		21,502,569,973	30,217,926,187
30		(291,035,383,902)	99,339,149,667
CASH FLOWS FROM FINANCING ACTIVITIES			
31		1,656,180,000	-
33		780,517,479,565	583,271,414,505
34		(718,980,531,784)	(577,366,111,472)
36		(155,619,167,000)	(194,455,871,500)
40		(92,426,039,219)	(188,550,568,467)
50		(94,286,961,268)	131,976,168,813
60		503,425,694,773	371,680,211,939
61	3	(3,770,607,881)	(230,685,979)
70	3	405,368,125,624	503,425,694,773



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant



Tran Phuong Nga
Chief Executive Officer
28 March 2023

The notes on pages 9 to 50 are an integral part of these consolidated financial statements.

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

1 GENERAL INFORMATION

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

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

Owners' of the Company include Thien Long An Think Investment Corporation, NWL Cayman Holdings Ltd., a company incorporated in the United Kingdom, Mr. Co Gia Tho and other shareholders. Details of the capital contribution are presented in Note 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 Company had 5 direct investment subsidiaries and 2 indirect investment subsidiaries as disclosed in Note 4(b) – Investments (as at beginning of year: 7 subsidiaries). Details are as follows:

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

1 GENERAL INFORMATION (continued)

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

(i) Merger

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

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

(ii) Establishment of ICCO Marketing (M) SDN. BHD.

According to the Resolution dated 31 August 2022 of the Board of Directors of Flexoffice Co., Ltd., the Board of Directors approved capital contribution to ICCO Marketing (M) SDN. BHD. of MYR60,000, equivalent to 60% of the charter capital of this company. The principal activities of this company are trading books, newspapers, magazines and stationery.

(iii) Establishment of Clever World Joint Stock Company

According to the Resolution No. 11.22/QĐ-CSH dated 15 May 2022 of Tan Luc South Trading and Service One Member Company Limited, Tan Luc South Trading and Service One Member Company Limited approved capital contribution to Clever World Joint Stock Company of VND3,500,000,000, equivalent to 70% of the charter capital of this company. The principal activities of this company are wholesale and retail in specialized stores, printing, provision of advertising and related printing services.

As at end of year, the Group had 3,360 employees (as at beginning of year: 2,974 employees).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of consolidated financial statements

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

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.

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 Group's share in 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.5 Basis of consolidation (continued)****Operations and interests of non-controlling shareholders (continued)**

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.

2.6 Cash and cash equivalents

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

2.7 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.8 Inventories**

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

The Group applies the perpetual method for inventories.

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

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

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

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

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

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

(b) Investments in other entities

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.9 Financial investments (continued)****(b) Investments in other entities (continued)**

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

2.10 Fixed assets*Tangible and intangible fixed assets*

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

Depreciation and amortisation

Fixed assets are depreciated and amortized using the straight-line 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.10 Fixed assets (continued)***Construction in progress*

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

2.11 Operating leases

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

2.12 Prepaid expenses

Prepaid expenses include short-term and long-term prepayments on the consolidated balance sheet. 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.

2.13 Payables

Classifications of payables are based on their nature as follows:

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.14 Borrowings and borrowing costs**

Borrowings include borrowings from banks.

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

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

2.15 Accrued expenses

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

2.16 Provisions

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

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

2.17 Provision for severance allowance

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

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

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

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

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

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

2.19 Capital and reserves

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

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

Treasury shares bought before the effective date of the Securities Law (ie. 1 January 2022) are shares issued by the Company and bought back by itself, but these are not cancelled and may be re-issued subsequently in accordance with the Law on Securities.

Treasury shares bought after 1 January 2022 will be cancelled and adjusted to reduce equity.

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

2.20 Appropriation of profit

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

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

The Group's funds are as below:

(a) Investment and development fund

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

(b) Bonus and welfare fund

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

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

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

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

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

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

(b) 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 an earned basis.

(d) Dividend income

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.22 Sales deductions**

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

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

2.23 Cost of goods sold 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.

2.24 Financial expenses

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

2.25 Selling expenses

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

2.26 General and administration expenses

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

2.27 Current and deferred income tax

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

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.28 Related parties**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Group, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group, key management personnel, including the 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.

2.29 Segment reporting

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

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.

2.30 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 9);
- Estimated useful life of fixed assets (Note 11);
- Estimation of provision for long-term liabilities (Note 19); and
- Recognition of deferred tax assets for tax losses carried forward (Note 20).

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

3 CASH AND CASH EQUIVALENTS

	Closing balance VND	Opening balance VND
Cash on hand	700,945,947	1,123,648,210
Cash at bank	404,667,179,677	337,951,169,654
Cash equivalents (*)	-	164,350,876,909
	<u>405,368,125,624</u>	<u>503,425,694,773</u>

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

4 FINANCIAL INVESTMENTS

(a) Held-to-maturity investments

	Closing balance		Opening balance	
	Cost VND	Book value VND	Cost VND	Book value VND
Term deposits (*)	359,670,000,000	359,670,000,000	220,000,000,000	220,000,000,000
Bonds	-	-	19,999,139,200	19,999,139,200
	<u>359,670,000,000</u>	<u>359,670,000,000</u>	<u>239,999,139,200</u>	<u>239,999,139,200</u>

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

(b) Long-term financial investments

	Closing balance			Opening balance		
	Cost value VND	Provision VND	Ownership percentage %	Cost value VND	Provision VND	Ownership percentage %
i) Investments in associate						
Pega Holdings Joint Stock Company (i)	25,000,000,000	-	25	-	-	-
ii) Investments in other entities						
Kinh Do Land Corporation	25,000,000,000	-	2.00	(*)	-	2.00
Saigon Securities Investment Fund A2	3,565,000,000	(3,565,000,000)	-	(*)	(3,565,000,000)	-
Brilliant Chip Joint Stock Company	1,520,000,000	(396,416,000)	1.89	(*)	(498,560,000)	1.89
Printing No.7 Joint Stock Company	600,000,000	-	2.50	(*)	-	2.50
Soundio Technology Joint Stock Company	7,000,000,000	-	-	(*)	-	-
	<u>37,685,000,000</u>	<u>(3,961,416,000)</u>		<u>37,685,000,000</u>	<u>(4,063,560,000)</u>	

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

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

	Current year VND	Previous year VND
Opening balance	-	-
Increased investment during the year	25,000,000,000	
Closing balance	<u>25,000,000,000</u>	<u>-</u>

(i) Establishment of Pega Holdings Joint Stock Company

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

(*) 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.

5 SHORT-TERM TRADE RECEIVABLES

	Closing balance VND	Opening balance VND
SQI Group Int'l. Corp.	37,446,118,215	34,137,856,436
Others	299,551,348,670	326,475,198,189
	<u>336,997,466,885</u>	<u>360,613,054,625</u>

As at end of year and beginning of year, balances of short-term trade accounts receivable that were past due amounting to VND49,717,753,511 and VND34,173,847,285, respectively as presented in Note 8.

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 18).

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	Closing balance VND	Opening balance VND
SQC Construction Trading Co., Ltd.	6,210,000,000	-
Catiga Trading Co., Ltd.	4,070,524,244	-
Sai Gon VRG Investment Corporation	-	3,822,000,000
Others	18,912,871,802	26,822,903,658
	<u>29,193,396,046</u>	<u>30,644,903,658</u>

7 OTHER SHORT-TERM RECEIVABLES

	Closing balance		Opening balance	
	Book value VND	Provision VND	Book value VND	Provision VND
Interest receivables	6,292,737,921	-	2,481,407,557	-
Advances to employees	816,805,520	-	1,413,195,700	-
Deposits	495,329,600	-	10,455,618,882	-
Others	2,488,200,201	-	5,073,758,078	-
	<u>10,093,073,242</u>	<u>-</u>	<u>19,423,980,217</u>	<u>-</u>

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

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8 DOUBTFUL DEBTS

	Closing balance			Opening balance		
	Cost VND	Recoverable amount VND	Provision VND	Cost VND	Recoverable amount VND	Provision VND
Like Link Co., Ltd.	6,001,864,080	6,001,864,080	-	9,359,076,827	4,574,451,528	(4,784,625,299)
MM Mega Market	1,753,989,596	-	(1,753,989,596)	1,753,989,596	-	(1,753,989,596)
Thanh Nghia Printing Co., Ltd.	11,426,070,708	10,463,540,542	(962,530,166)	15,469,757,955	15,469,757,955	-
Nguyen Hue Bookstore	14,454,408,438	13,888,571,357	(565,837,081)	9,473,824,639	8,008,006,145	(1,465,818,494)
Xuan Thu Bookstore	11,476,011,167	11,072,503,714	(403,507,453)	7,238,819,941	5,985,377,400	(1,253,442,541)
Branch of Apax						
English Joint Stock	792,325,065	-	(792,325,065)	816,925,065	-	(816,925,065)
Company	242,449,799	49,763,213	(192,686,586)	413,815,724	133,130,857	(280,684,867)
Nhan Van Bookstore	3,570,634,658	1,971,199,433	(1,599,435,225)	5,117,395,493	3,133,020,492	(1,984,375,001)
Others						
	<u>49,717,753,511</u>	<u>43,447,442,339</u>	<u>(6,270,311,172)</u>	<u>49,643,605,240</u>	<u>37,303,744,377</u>	<u>(12,339,860,863)</u>

9 INVENTORIES

	Closing balance		Opening balance	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	52,264,656,817	-	62,834,069,879	-
Raw materials	347,553,933,667	(1,505,680,549)	262,457,334,508	(2,068,850,143)
Tools and supplies	9,470,104,739	(1,558,810,389)	5,879,797,881	(1,012,501,567)
Work in progress	67,529,975,600	(2,231,291,946)	60,399,405,581	(2,122,979,626)
Finished goods	278,584,730,221	(4,351,307,503)	139,536,304,257	(2,065,870,323)
Merchandise	175,353,547,571	(6,969,404,471)	173,134,301,830	(3,856,693,980)
	<u>930,756,948,615</u>	<u>(16,616,494,858)</u>	<u>704,241,213,936</u>	<u>(11,126,895,639)</u>

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

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

	Current year VND	Previous year VND
Opening balance	(11,126,895,639)	(24,601,987,461)
Addition (Note 29)	(13,582,311,163)	(11,126,895,639)
Reversal (Note 29)	8,092,711,944	24,601,987,461
Closing balance	<u>(16,616,494,858)</u>	<u>(11,126,895,639)</u>

10 PREPAID EXPENSES

(a) Short-term

	Closing balance VND	Opening balance VND
Advertising and marketing expenses	11,650,131,602	8,820,633,333
Tools and supplies	1,687,247,790	55,239,933
Health and asset insurance	1,571,471,561	1,348,016,385
Others	3,961,845,401	2,962,293,061
	<u>18,870,696,354</u>	<u>13,186,182,712</u>

10 PREPAID EXPENSES (continued)

(b) Long-term

	Closing balance VND	Opening balance VND
Land rental (*)	9,909,699,091	10,239,107,371
Tools and supplies	24,029,357,881	33,992,276,017
Expenses for site clearance, restoration and return (**)	9,650,909,086	9,972,606,058
Others	13,099,126,233	10,377,917,431
	<u>56,689,092,291</u>	<u>64,581,906,877</u>

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

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

Movements in prepaid expenses during the year are as follows:

	Current year VND	Previous year VND
Opening balance	77,768,089,589	93,010,608,581
Increase	81,115,327,524	55,135,982,198
Transferred from construction in progress (Note 12)	1,753,856,628	875,871,740
Transferred from inventories	2,620,098,263	6,551,969,172
Transferred from fixed assets	24,700,000	-
Disposals	(243,857,346)	-
Allocation	(87,478,426,013)	(77,806,342,102)
	<u>75,559,788,645</u>	<u>77,768,089,589</u>

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11 FIXED ASSETS

(a) Tangible fixed assets

	Plant, buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
Historical cost						
Opening balance	222,189,727,599	565,729,149,941	48,524,499,195	18,068,118,109	176,530,783,715	1,031,042,278,559
New purchases	-	43,840,500,880	864,090,909	12,470,191,957	9,655,632,987	66,830,416,733
Transfers from construction in progress (Note 12)	1,463,627,585	26,798,052,119	-	-	14,752,933,840	43,014,613,544
Reclassification	-	(1,384,468,907)	-	1,359,768,907	-	(24,700,000)
Disposals	(30,562,222)	(4,473,133,073)	(63,185,479)	(422,858,040)	(1,451,319,786)	(6,441,058,600)
Closing 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
Accumulated depreciation						
Opening balance	88,456,572,476	327,607,067,934	36,067,655,164	16,644,893,950	136,875,543,123	605,651,732,647
Charge for the year	9,940,854,773	46,975,701,368	4,593,353,096	1,150,249,881	17,669,443,829	80,329,602,947
Reclassification	-	(1,112,967,260)	-	1,112,967,260	(31,349,608)	(31,349,608)
Disposals	(15,281,111)	(3,306,383,661)	(63,185,479)	(422,858,040)	(1,425,928,626)	(5,233,636,917)
Closing balance	98,382,146,138	370,163,418,381	40,597,822,781	18,485,253,051	153,087,708,718	680,716,349,069
Net book value						
Opening balance	133,733,155,123	238,122,082,007	12,456,844,031	1,423,224,159	39,655,240,592	425,390,545,912
Closing 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

As at end of year, the historical cost of tangible assets that were fully depreciated but still in use was VND328,131,848,001 (as at beginning of year: VND299,176,450,140).

As at end of year, tangible fixed assets of the Group with a carrying value of VND25,971,645,993 (as at beginning of year: VND19,982,859,915) were pledged as collateral assets for short-term and long-term borrowings from banks (Note 18).

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

	Land use rights VND	Software VND	Copyright, patents VND	Total VND
Historical cost				
Opening balance	16,047,625,000	51,722,902,411	367,000,000	68,137,527,411
New purchases	-	8,078,221,840	-	8,078,221,840
Write-off	-	(724,783,000)	-	(724,783,000)
Closing balance	<u>16,047,625,000</u>	<u>59,076,341,251</u>	<u>367,000,000</u>	<u>75,490,966,251</u>
Accumulated amortisation				
Opening balance	1,175,864,496	46,441,295,131	367,000,000	47,984,159,627
Charge for the year	-	3,586,993,504	-	3,586,993,504
Write-off	-	(724,783,000)	-	(724,783,000)
Closing balance	<u>1,175,864,496</u>	<u>49,303,505,635</u>	<u>367,000,000</u>	<u>50,846,370,131</u>
Net book value				
Opening balance	<u>14,871,760,504</u>	<u>5,281,607,280</u>	-	<u>20,153,367,784</u>
Closing balance	<u><u>14,871,760,504</u></u>	<u><u>9,772,835,616</u></u>	-	<u><u>24,644,596,120</u></u>

As at end of year, the historical cost of intangible assets which were fully amortised but still in use was VND43,960,215,097 (as at beginning of year: VND14,397,384,677).

12 CONSTRUCTION IN PROGRESS

	Closing balance VND	Opening balance VND
Equipment under installation	7,750,659,795	12,089,666,057
Moulds under installation	5,633,692,748	5,370,720,046
Construction in progress	89,431,518,676	1,533,200,000
Others	-	46,972,500
	<u>102,815,871,219</u>	<u>19,040,558,603</u>

12 CONSTRUCTION IN PROGRESS (continued)

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

	Current year VND	Previous year VND
Opening balance	19,040,558,603	13,434,075,449
Increase in the year	128,783,175,351	32,946,558,738
Transfers to fixed assets (Note 11)	(43,014,613,544)	(26,464,203,844)
Transfers to prepaid expenses (Note 10)	(1,753,856,628)	(875,871,740)
Disposals	(239,392,563)	-
Closing balance	<u>102,815,871,219</u>	<u>19,040,558,603</u>

13 SHORT-TERM TRADE PAYABLES

	Closing balance		Opening balance	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Pagani Pens SA	16,493,433,340	16,493,433,340	4,751,867,508	4,751,867,508
Yuasa Trading, Co., Ltd.	29,685,759,600	29,685,759,600	374,839,850	374,839,850
Other	213,982,842,525	213,982,842,525	187,839,947,474	187,839,947,474
	<u>260,162,035,465</u>	<u>260,162,035,465</u>	<u>192,966,654,832</u>	<u>192,966,654,832</u>

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

14 SHORT-TERM ADVANCES FROM CUSTOMERS

	Closing balance VND	Opening balance VND
Like Link Co., Ltd.	1,007,050,478	675,097,605
Others	3,372,550,052	6,095,333,819
	<u>4,379,600,530</u>	<u>6,770,431,424</u>

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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					
CIT - current	3,465,656,479	3,855,658,270	(300,195,382)	-	7,021,119,367
b) Tax payables					
Value added tax	8,093,486,409	148,349,298,405	(150,024,199,413)	-	6,418,585,401
CIT - current	13,482,897,623	122,426,716,645	(123,738,872,889)	3,555,462,888	15,726,204,267
Personal income tax	1,402,758,298	36,404,711,912	(35,126,640,656)	-	2,680,829,554
Import – export duties	-	15,150,577,519	(15,126,764,517)	-	23,813,002
Others	180,345,001	2,845,549,920	(2,812,064,511)	-	213,830,410
	23,159,487,331	325,176,854,401	(326,828,541,986)	3,555,462,888	25,063,262,634

16 SHORT-TERM ACCRUED EXPENSES

	Closing balance VND	Opening balance VND
13th & 14th month salary and performance bonus	106,606,825,799	69,520,694,385
Advertising and marketing expenses	16,012,023,924	16,322,991,207
Interest expense	414,037,396	336,974,016
Others	11,361,396,427	10,795,553,434
	<u>134,394,283,546</u>	<u>96,976,213,042</u>

17 OTHER SHORT-TERM PAYABLES

	Closing balance VND	Opening balance VND
Dividend payable	116,702,845,000	38,938,653,000
Remuneration for the Board of Directors and Board of Supervision	3,764,304,000	4,400,287,355
Union fees	2,692,458,575	1,109,882,486
LC payables	47,349,839,598	-
Others	1,416,505,485	4,806,680,803
	<u>171,925,952,658</u>	<u>49,255,503,644</u>

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

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18 BORROWINGS

(a) Short-term

	Opening balance		During the year		Closing balance	
	Value VND	Able-to-pay amount VND	Increase VND	Decrease VND	Value VND	Able-to-pay amount VND
Short-term						
Joint Stock Commercial Bank for Investment and Development of Vietnam - Western Saigon Branch (i)	-	-	273,770,645,544	(241,932,660,721)	31,837,984,823	31,837,984,823
Vietnam Joint Stock Commercial Bank for Industry and Trade - Western Saigon Branch (ii)	-	-	51,055,176,596	(29,640,973,632)	21,414,202,964	21,414,202,964
HSBC Bank (Vietnam) Limited (iii)	102,231,491,851	102,231,491,851	331,006,448,154	(327,960,917,173)	105,277,022,832	105,277,022,832
United Overseas Bank (Vietnam) Limited The Siam Commercial Bank Public Company Limited - Ho Chi Minh City Branch (iv)	12,104,224,800	12,104,224,800	-	(12,104,224,800)	-	-
	42,078,235,078	42,078,235,078	54,175,350,631	(83,963,293,919)	12,290,291,790	12,290,291,790
	156,413,951,729	156,413,951,729	710,007,620,925	(695,602,070,245)	170,819,502,409	170,819,502,409
Current portion						
HSBC Bank (Vietnam) Limited (*)	16,858,461,542	16,858,461,542	18,585,620,488	(23,378,461,539)	12,065,620,491	12,065,620,491
	173,272,413,271	173,272,413,271	728,593,241,413	(718,980,531,784)	182,885,122,900	182,885,122,900

(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 (*) (v)	11,689,230,754	11,689,230,754	65,108,858,640	(18,585,620,488)	58,212,468,906	58,212,468,906
Others	-	-	5,401,000,000	-	5,401,000,000	5,401,000,000
	11,689,230,754	11,689,230,754	70,509,858,640	(18,585,620,488)	63,613,468,906	63,613,468,906

18 BORROWINGS (continued)

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

	Closing balance VND	Opening balance VND
Original debt balance	75,679,089,397	28,547,692,296
Current portion	(12,065,620,491)	(16,858,461,542)
	<u>63,613,468,906</u>	<u>11,689,230,754</u>

- (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 11(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 as collateral assets for these loans (Note 9).
- (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, building and structures as collateral assets for these loans (Note 5, 9 and 11(a)).
- (iv) 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).
- (v) 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 11(a)).

19 PROVISION FOR LONG-TERM LIABILITIES

	Closing balance VND	Opening balance VND
Provision for severance allowance	5,679,117,000	19,959,233,500
Provisions for site clearance, restoration and return (Note 10 (b))	10,616,000,000	10,616,000,000
	<u>16,295,117,000</u>	<u>30,575,233,500</u>

20 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:

	Current year VND	Previous year VND
Deferred tax assets to be recovered	<u>26,795,330,055</u>	<u>10,097,861,097</u>

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	10,097,861,097	28,949,024,192
Consolidated income statement charge/(credit) (Note 35)	<u>16,697,468,958</u>	<u>(18,851,163,095)</u>
End of year	<u>26,795,330,055</u>	<u>10,097,861,097</u>

Details of deferred tax assets

	Closing balance VND	Opening balance VND
Temporary difference of provisions	5,111,292,414	7,205,645,277
Unrealised profit of internal transactions	13,628,255,070	2,613,099,824
Tax losses not yet utilised (*)	6,591,424,893	-
Temporary difference of accrued expenses	-	216,496,958
Unrealised exchange rate differences of cash and receivables denominated in foreign currency	<u>1,464,357,678</u>	<u>62,619,038</u>
	<u>26,795,330,055</u>	<u>10,097,861,097</u>

20 DEFERRED INCOME TAX (continued)**Details of deferred tax assets (continued)**

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

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

(*) 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
2018	Outstanding	461,063,061	-	461,063,061
2019	Outstanding	2,695,902,850	-	2,695,902,850
2020	Finalized	18,394,719,458	(7,498,969,603)	10,895,749,855
2020	Outstanding	26,402,132,608	(18,731,332,452)	7,670,800,156
2021	Finalized	3,876,528,706	(3,876,528,706)	-
2021	Outstanding	18,110,468,073	(6,886,807)	18,103,581,266
2022	Outstanding	40,210,730,803	-	40,210,730,803
		<u>110,151,545,559</u>	<u>(30,113,717,568)</u>	<u>80,037,827,991</u>

The Group has recognised deferred income tax assets relating to tax losses of VND32,957,124,463. The remaining losses of VND47,080,703,528 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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21 OWNERS' CAPITAL

(a) Number of shares

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

(b) Details of owners' shareholding

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

(c) Movement of share capital

	Number of shares in circulation	Owners' capital VND	Treasury shares VND
As at 1 January 2021	77,794,453	777,944,530,000	-
As at 31 December 2021	77,794,453	777,944,530,000	-
As at 31 December 2022	77,794,453	777,944,530,000	-

Par value per share: VND10,000.

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22 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Investment and development fund VND	Foreign exchange difference VND	Undistributed earnings VND	Non controlling interests VND	Total VND
For the year ended 31 December 2021							
Opening balance	777,944,530,000	361,633,483,771	199,910,168,556	92,630,401	408,678,823,562	-	1,748,259,636,290
Net profit for the year	-	-	-	-	276,707,413,257	-	276,707,413,257
Foreign exchange difference	-	-	-	(392,673,595)	-	-	(392,673,595)
Dividends declared from undistributed profit of 2021	-	-	-	-	(155,588,906,000)	-	(155,588,906,000)
Appropriation to investment and development fund	-	-	28,781,404,000	-	(28,781,404,000)	-	-
Appropriation to bonus and welfare fund	-	-	-	-	(23,984,503,675)	-	(23,984,503,675)
Bonus for exceeding the budgeted profit for the Board of Management and employees	-	-	-	-	(7,938,015,000)	-	(7,938,015,000)
Bonus for exceeding the budgeted profit for the Board of Directors	-	-	-	-	(1,984,504,000)	-	(1,984,504,000)
Remuneration for the Board of Directors and Board of Supervision	-	-	-	-	(9,500,000,000)	-	(9,500,000,000)
Closing balance	777,944,530,000	361,633,483,771	228,691,572,556	(300,043,194)	457,608,904,144	-	1,825,578,447,277
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 (i) (Note 23)	-	-	-	-	(233,383,359,000)	-	(233,383,359,000)
Appropriation to investment and development fund (ii)	-	-	33,204,890,000	-	(33,204,890,000)	-	-
Appropriation to bonus and welfare fund (iii) (Note 24)	-	-	-	-	(27,670,741,000)	-	(27,670,741,000)
Remuneration for the Board of Directors and Board of Supervision (iv)	-	-	-	-	(10,000,000,000)	-	(10,000,000,000)
Closing balance	777,944,530,000	361,633,483,771	261,896,462,556	526,982,987	554,720,805,316	1,149,492,192	1,957,871,756,822

22 MOVEMENTS IN OWNERS' EQUITY (continued)

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

- (i) Cash dividend from the 2022 consolidated post-tax profit at the rate of 30% par value. During the year, the first dividend was advanced at the rate of 15%/par value, the remainder will be divided in January 2023;
- (ii) Appropriation to investment and development fund of VND33,204,890,000 (equivalent to 12% of 2021 consolidated post-tax profit);
- (iii) Appropriation to bonus and welfare fund of VND27,670,741,000 (equivalent to 10% of 2021 consolidated post-tax profit);
- (iv) Remuneration for the Board of Directors and Board of Supervision in 2022 of VND10,000,000,000, which was fully appropriated in for the year.

23 DIVIDENDS

Movements of dividend payables during the year are as follows:

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

24 BONUS AND WELFARE FUND

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

	Current year VND	Previous year VND
Opening balance	8,871,470,540	5,838,669,865
Appropriated (Note 22)	27,670,741,000	31,922,518,675
Utilised	(24,385,400,713)	(28,889,718,000)
Closing balance	<u>12,156,810,827</u>	<u>8,871,470,540</u>

25 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. Details are as follows:

	Current year	Previous year
Net profit attributable to shareholders (VND)	401,370,891,172	276,707,413,257
Less amount appropriated to bonus and welfare fund (VND) (*)	<u>(40,137,089,117)</u>	<u>(27,670,741,326)</u>
	<u><u>361,233,802,055</u></u>	<u><u>249,036,671,931</u></u>
Weighted average number of ordinary shares in issue (shares)	77,794,453	77,794,453
Basic earnings per share (VND)	<u><u>4,643</u></u>	<u><u>3,201</u></u>

(*) Bonus and welfare fund had been appropriated at the estimated rate of 10% of consolidated post-tax profit in accordance with the Resolution No. 01/2022/NQ-DHDCD dated 26 April 2022 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.

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

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

	Closing balance	Opening balance
United States Dollar ("USD")	4,506,125	2,515,919
Euro ("EUR")	113,790	45,197
Chinese Renminbi ("RMB")	14,971	14,971
British Pound ("GBP")	1,906	1,915
Singapore Dollar ("SGD")	11,813	118,885
Thai Baht ("THB")	7,680	7,680
Japanese Yen ("JPY")	52,701,622	2,497
Australian Dollar ("AUD")	110	110
Korean Won ("KRW")	336,000	336,000
Taiwanese Dollar ("TWD")	12,570	12,570
Ringgit Malaysia ("MYR")	1,790,717	-
	<u> </u>	<u> </u>

(b) Operating lease assets

The future minimum lease payments under non-cancellable operating leases were presented in Note 39.

27 WRITE-OFF DOUBTFUL DEBTS

As at end of year and beginning of year, the Group has written off some doubtful debts. Details are as follows:

	Closing balance VND	Opening balance VND
Thien Loc Trading Company Limited	219,103,729	219,103,729
Bach Ma Service - Trading Joint Stock Company	107,886,623	107,886,623
Tran Hieu Nghia One Member Company Limited	3,999,428	3,999,428
Go May Bookstore Business Household	24,094,403	24,094,403
Nhan Van Vinh Truong Joint Stock Company	9,384,969	9,384,969
Phuc Nhan Bookstore Business Household	52,063,917	52,063,917
Branch of Thien Hop Cultural Service and Trading Company	54,842,961	54,842,961
Tan Mai Bookstore	194,567,441	194,567,441
Vo Thanh Dao Business Household	29,748,099	29,748,099
Nhan Tri Book Private Enterprise	30,966,727	30,966,727
Hoa Mai Stationery Trading Company Limited	19,785,744	19,785,744
Thien An Printing Production Trading Service Company Limited	34,991,387	34,991,387
Pham Nguyen Co, Ltd.	50,462,208	50,462,208
Son Trang Technical and Trading Service Company Limited	40,425,000	-
Hoang Gia Project Group Joint Stock Company	25,161,101	-
Branch of Hoang Gia Project Group Joint Stock Company in Ca Mau	1,889,725	-
City Center for Disease Control of Hanoi	118,328,760	-
Vietnam Automobile Technology Joint Stock Company	14,922,450	-
Thanh Do Investment Development and Construction Joint Stock Company - Boutique Branch	12,091,540	-
Quy Hang Bookstore	31,484,618	-
Mabel Company Limited	31,198,726	-
FDI Korea Vietnam Venture Joint Stock Company	212,811,152	-
	<u>1,320,210,708</u>	<u>831,897,636</u>

28 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	Current year VND	Previous year VND
Revenue		
Revenue from sales of finished goods	2,728,621,529,854	2,094,930,347,275
Revenue from sales of merchandises	821,667,212,049	591,693,822,265
Revenue from rendering of services	116,950,338	226,341,790
	<u>3,550,405,692,241</u>	<u>2,686,850,511,330</u>
Sales deductions		
Finished good returns	(13,388,445,190)	(8,092,499,728)
Merchandise returns	(7,671,516,292)	(5,225,052,478)
Trade discounts	(8,487,781,834)	(5,257,866,037)
	<u>(29,547,743,316)</u>	<u>(18,575,418,243)</u>
Net revenue		
Net revenue from sales of finished goods	2,706,745,302,830	2,081,579,981,510
Net revenue from sales of merchandises	813,995,695,757	586,468,769,787
Net revenue from rendering of services	116,950,338	226,341,790
	<u>3,520,857,948,925</u>	<u>2,668,275,093,087</u>

29 COST OF GOODS SOLD AND SERVICES RENDERED

	Current year VND	Previous year VND
Cost of finished goods and merchandises sold	1,991,292,333,318	1,554,587,437,232
Provision/(reversal of provision) for decline in value of inventories (Note 9)	5,489,599,219	(13,475,091,822)
	<u>1,996,781,932,537</u>	<u>1,541,112,345,410</u>

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30 FINANCIAL INCOME

	Current year VND	Previous year VND
Interest income from deposits	25,025,625,194	24,429,910,394
Realised foreign exchange gains	36,761,425,470	7,134,801,165
Dividend income	322,503,800	142,503,800
Net gain from foreign currency translation at year-end	-	318,054,357
Others	7,910,865	-
	<u>62,117,465,329</u>	<u>32,025,269,716</u>

31 FINANCIAL EXPENSES

	Current year VND	Previous year VND
Interest expenses	8,881,716,860	7,019,978,348
Realised foreign exchange losses	11,244,577,017	3,424,627,194
Net loss from foreign currency translation at year-end	6,966,897,124	-
Reversal of provision for diminution in value of investments	(102,144,000)	(4,679,120,000)
Others	2,138,155,926	1,089,078,673
	<u>29,129,202,927</u>	<u>6,854,564,215</u>

32 SELLING EXPENSES

	Current year VND	Previous year VND
Staff costs	352,241,525,145	253,842,986,687
Marketing and trade fair expenses	238,667,511,938	100,512,326,459
Depreciation	5,068,685,303	4,602,360,848
Others	142,544,803,492	145,717,303,565
	<u>738,522,525,878</u>	<u>504,674,977,559</u>

33 GENERAL AND ADMINISTRATION EXPENSES

	Current year VND	Previous year VND
Staff costs	222,867,487,080	188,461,394,751
Outside services expenses	55,827,537,041	52,845,476,967
Depreciation and ammortisation	16,172,750,758	16,878,440,716
Others	24,521,504,774	34,207,045,957
	<u>319,389,279,653</u>	<u>292,392,358,391</u>

34 NET OTHER INCOME

	Current year VND	Previous year VND
Other income		
Rental income	110,622,500	-
Compensation for damaged goods	927,195,029	233,521,150
Others	9,125,831,552	5,158,188,275
	<u>10,163,649,081</u>	<u>5,391,709,425</u>
Other expenses		
Losses on disposal of fixed assets	684,507,200	704,292,347
Others	1,964,966,938	1,388,650,280
	<u>2,649,474,138</u>	<u>2,092,942,627</u>
Net other income	<u>7,514,174,943</u>	<u>3,298,766,798</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	506,666,648,202	358,564,884,026
Adjustment:		
Non-taxable income	(322,503,800)	(142,503,800)
Non-deductible expenses	13,090,193,300	5,033,764,247
Temporary differences for which no deferred income tax asset has been recognised	-	2,069,665,744
Tax losses for which no deferred income tax asset was recognised	7,253,606,340	42,000,925,338
	<u>526,687,944,042</u>	<u>407,526,735,555</u>
Tax calculated at a rate of 20%	105,337,588,809	81,505,347,111
Adjustment for under accrued CIT in previous years	391,658,878	352,123,658
CIT charge (*)	<u>105,729,247,687</u>	<u>81,857,470,769</u>
Charged/(credited) to the consolidated income statement:		
CIT – current	122,426,716,645	63,006,307,674
CIT – deferred (Note 20)	(16,697,468,958)	18,851,163,095
	<u>105,729,247,687</u>	<u>81,857,470,769</u>

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

36 COSTS OF OPERATION BY FACTORS

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

	Current year VND	Previous year VND
Raw materials	1,260,272,245,943	816,612,694,806
Staff costs	836,966,226,979	634,053,508,457
Depreciation and amortisation	82,485,634,011	83,919,429,257
Outside service expenses	296,420,648,444	183,340,488,444
Others	239,683,260,188	216,189,303,162
	<u>2,715,828,015,565</u>	<u>1,934,115,424,126</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	2,688,812,778,765	2,099,052,825,376
Net revenue from export sales	832,045,170,160	569,222,267,711
	<u>3,520,857,948,925</u>	<u>2,668,275,093,087</u>
Cost of goods sold and services rendered		
Cost of goods sold - domestic	1,414,047,156,601	1,124,160,031,784
Cost of goods sold - export	582,734,775,936	416,952,313,626
	<u>1,996,781,932,537</u>	<u>1,541,112,345,410</u>
Gross profit from sales of goods and rendering services		
Gross profit from sales of goods - domestic	1,274,765,622,164	974,892,793,592
Gross profit from sales of goods - export	249,310,394,224	152,269,954,085
	<u>1,524,076,016,388</u>	<u>1,127,162,747,677</u>

38 RELATED PARTY DISCLOSURES

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

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

Related party	Relationship
Thien Long An Think Investment Corporation	Major shareholder

a) Related party transactions

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

	Current year VND	Previous year VND
i) Dividends declared		
Thien Long An Think Investment Corporation	112,052,856,000	74,701,904,000
ii) Remuneration of the Board of Directors, salary and bonus of the Chief Executive Officer		
Name	Position	
Mr. Co Gia Tho	Chairman	2,400,000,000
Ms. Tran Thai Nhu	Member	840,000,000
Ms. Co Ngan Binh	Member	840,000,000
Ms. Co Cam Nguyet	Member	960,000,000
Mr. Tayfun Uner	Member	-
Mr. Pham Nguyen Tri	Member	1,020,000,000
Mr. Nguyen Dinh Tam	Member	1,320,000,000
Mr. Tran Van Hung	Member	-
Mr. Tran Le Nguyen	Member	320,000,000
	(until 26 April 2022)	
Mr. Huynh Van Thien	Member	340,000,000
	(until 26 April 2022)	
Mr. Nguyen Dinh Tam	Chief Executive Officer	-
	(until 31 May 2021)	6,413,670,000
Ms. Tran Phuong Nga	Chief Executive Officer	4,863,511,500
	(from 1 June 2021)	2,890,780,000
		12,903,511,500
		16,588,450,000

38 RELATED PARTY DISCLOSURES (continued)

b) Year end balances with related parties

	Closing balance VND	Opening balance VND
Other short-term payables		
Thien Long An Thinh Investment Joint Stock Company	<u>56,026,428,000</u>	<u>18,675,476,000</u>

39 OPERATING LEASES COMMITMENTS

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

	Closing balance VND	Opening balance VND
Within one year	38,441,438,921	27,617,936,529
Between one and five years	107,289,501,658	67,567,725,984
	<u>145,730,940,579</u>	<u>95,185,662,513</u>

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



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant



Tran Phuong Nga
Chief Executive Officer