



THIEN LONG GROUP CORPORATION

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**



THIEN LONG GROUP CORPORATION

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

TABLE OF CONTENTS	PAGE
Corporate information	1
Statement of the Chief Executive Officer	2
Independent auditor's report	3 - 4
Consolidated balance sheet (Form B 01 – DN/HN)	5 - 6
Consolidated income statement (Form B 02 – DN/HN)	7
Consolidated cash flow statement (Form B 03 – DN/HN)	8
Notes to the consolidated financial statements (Form B 09 – DN/HN)	9 - 51

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 latest 22nd 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

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 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 5 to 51 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 5 to 51.

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 Practising Licence No.:
0875-2023-006-1
Authorised signatory

Nguyen Duy Thinh
Audit Practising Licence 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**

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 9 to 51 are an integral part of these consolidated financial statements.

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2023
(continued)**

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 9 to 51 are an integral part of these consolidated financial statements.

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

Code	Note	Current year VND	Previous year VND
01	Revenue from sales of goods and rendering of services	3,496,671,800,535	3,550,405,692,241
02	Less deductions	(34,798,584,339)	(29,547,743,316)
10	Net revenue from sales of goods and rendering of services	3,461,873,216,196	3,520,857,948,925
11	Cost of goods sold and services rendered	(1,949,334,544,727)	(1,996,781,932,537)
20	Gross profit from sales of goods and rendering of services	1,512,538,671,469	1,524,076,016,388
21	Financial income	48,462,393,200	62,117,465,329
22	Financial expenses	(25,638,774,592)	(29,129,202,927)
23	- Including: Interest expense	(17,849,957,542)	(8,881,716,860)
24	Loss sharing from associate	(4,000,000,000)	-
25	Selling expenses	(740,549,101,955)	(738,522,525,878)
26	General and administration expenses	(346,843,180,321)	(319,389,279,653)
30	Net operating profit	443,970,007,801	499,152,473,259
31	Other income	9,198,976,721	10,163,649,081
32	Other expenses	(1,206,328,608)	(2,649,474,138)
40	Net other income	7,992,648,113	7,514,174,943
50	Accounting profit before tax	451,962,655,914	506,666,648,202
51	Corporate income tax ("CIT") - current	(93,999,785,980)	(122,426,716,645)
52	CIT - deferred	(1,788,597,353)	16,697,468,958
60	Profit after tax	356,174,272,581	400,937,400,515
	Attributable to:		
61	Owners of the Company	358,940,537,151	401,370,891,172
62	Non-controlling interests	(2,766,264,570)	(433,490,657)
70	Basic earnings per share	26(a)	4,147
71	Diluted earnings per share	26(b)	4,147



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant



Tran Phuong Nga
Chief Executive Officer
29 March 2024

The notes on pages 9 to 51 are an integral part of these consolidated financial statements.

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023
(Indirect method)**

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		(5,265,986,425)	6,966,897,124
		Unrealised foreign exchange (gains)/losses	
05	31	(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	3	5,031,615,560	(3,770,607,881)
		Effect of foreign exchange differences	
70	3	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 9 to 51 are an integral part of these consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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/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 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 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

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.

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.

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 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.

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 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.

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.

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.

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.

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.

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.

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.

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.

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.

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	Opening balance
	VND	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	447,342,000,000	447,342,000,000	359,670,000,000	359,670,000,000
	<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.

THIEN LONG GROUP CORPORATION

Form B 09 – DN/HN

4 INVESTMENTS (continued)

(b) Long-term investments

	Closing balance			Opening balance		
	Cost value VND	Fair value VND	Ownership percentage %	Cost value VND	Fair value VND	Ownership percentage %
(i) Investments in 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	(*)	-
Brilliant Chip Joint Stock Company	1,520,000,000	(*)	1.89	1,520,000,000	(*)	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	(*)	-
	<u>30,685,000,000</u>	<u>(3,851,976,000)</u>		<u>37,685,000,000</u>	<u>(3,961,416,000)</u>	

(i) According to Anounce 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.

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	<u>36,000,000,000</u>	<u>25,000,000,000</u>

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	-
	<u>390,722,017,248</u>	<u>336,997,466,885</u>

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).

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	-	-	-
	<u>16,000,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

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>

THIEN LONG GROUP CORPORATION

Form B 09 – DN/HN

9 DOUBTFUL DEBTS

	Closing balance			Opening balance		
	Cost VND	Recoverable amount VND	Provision VND	Cost VND	Recoverable amount VND	Provision VND
Thanh Nghia Printing Co., Ltd.	14,101,451,538	9,512,757,261	(4,588,694,277)	11,426,070,708	10,463,540,542	(962,530,166)
Nguyen Hue Bookstore	12,508,812,909	11,899,429,898	(609,383,011)	14,454,408,438	13,888,571,357	(565,837,081)
Xuan Thu Bookstore	10,276,304,236	9,344,301,694	(932,002,542)	11,476,011,167	11,072,503,714	(403,507,453)
MM Mega Market	1,753,989,596	-	(1,753,989,596)	1,753,989,596	-	(1,753,989,596)
Branch of Apex English	792,325,065	-	(792,325,065)	792,325,065	-	(792,325,065)
Joint Stock Company	275,347,873	181,210,839	(94,137,034)	242,449,799	49,763,213	(192,686,586)
Nhan Van Bookstore	14,157,234,332	12,152,259,776	(2,004,974,556)	9,572,498,738	7,973,063,513	(1,599,435,225)
Others	53,865,465,549	43,089,959,468	(10,775,506,081)	49,717,753,511	43,447,442,339	(6,270,311,172)

10 INVENTORIES

	Closing balance		Opening balance	
	Cost VND	Provision VND	Cost 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)
	<u>855,426,140,198</u>	<u>(23,726,257,155)</u>	<u>930,756,948,615</u>	<u>(16,616,494,858)</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 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	<u>(23,726,257,155)</u>	<u>(16,616,494,858)</u>

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
	<u>15,759,867,109</u>	<u>18,870,696,354</u>

10 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
	<u>49,846,542,512</u>	<u>56,689,092,291</u>

(*) 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)
	<u>65,606,409,621</u>	<u>75,559,788,645</u>

THIEN LONG GROUP CORPORATION

Form B 09 – DN/HN

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	680,716,349,069
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).

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	<u>16,047,625,000</u>	<u>63,379,796,651</u>	<u>367,000,000</u>	<u>79,794,421,651</u>
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	<u>1,175,864,496</u>	<u>52,644,191,040</u>	<u>367,000,000</u>	<u>54,187,055,536</u>
Net book value				
Opening balance	<u>14,871,760,504</u>	<u>9,772,835,616</u>	<u>-</u>	<u>24,644,596,120</u>
Closing balance	<u><u>14,871,760,504</u></u>	<u><u>10,735,605,611</u></u>	<u><u>-</u></u>	<u><u>25,607,366,115</u></u>

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
	<u>7,742,307,132</u>	<u>102,815,871,219</u>

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)
	<u>7,742,307,132</u>	<u>102,815,871,219</u>

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	-	-
	<u>193,822,557,387</u>	<u>193,822,557,387</u>	<u>260,162,035,465</u>	<u>260,162,035,465</u>

THIEN LONG GROUP CORPORATION

Form B 09 – DN/HN

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	294,569,479,015	(260,616,335,168)	-	93,018,891,136
CIT	7,021,119,367	-	-	(2,428,715,988)	4,592,403,379
	<u>65,108,237,473</u>	<u>294,569,479,015</u>	<u>(260,616,335,168)</u>	<u>(2,428,715,988)</u>	<u>97,611,294,515</u>
(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
	<u>25,063,262,634</u>	<u>335,665,350,433</u>	<u>(326,896,138,132)</u>	<u>(2,428,715,988)</u>	<u>31,403,758,947</u>

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
	<u>91,872,424,289</u>	<u>134,394,283,546</u>

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
	<u>6,419,625,092</u>	<u>171,925,952,658</u>

THIEN LONG GROUP CORPORATION

Form B 09 – DN/HN

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
Short-term						
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	(130,247,669,706)	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
	170,819,502,409	170,819,502,409	929,521,864,310	(885,138,731,389)	215,202,635,330	215,202,635,330
Current portion						
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

Bank for Investment and Development of Vietnam - Tay Sai Gon Branch (vii)

	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
	-	-	19,979,101,008	-	19,979,101,008	19,979,101,008
	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

18 **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)
	<u>33,498,604,659</u>	<u>63,613,468,906</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 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).
- (iv) 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)).

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
	<u>21,432,214,500</u>	<u>16,295,117,000</u>

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:

	Current year VND	Previous year VND
Deferred tax assets to be recovered	<u>25,006,732,702</u>	<u>26,795,330,055</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	26,795,330,055	10,097,861,097
Consolidated income statement charge/(credit) (Note 35)	<u>(1,788,597,353)</u>	<u>16,697,468,958</u>
End of year	<u>25,006,732,702</u>	<u>26,795,330,055</u>

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	<u>(958,283,399)</u>	<u>1,464,357,678</u>
	<u>25,006,732,702</u>	<u>26,795,330,055</u>

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
		<u>93,203,153,775</u>	<u>(9,675,010,563)</u>	<u>83,528,143,212</u>

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.

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

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

(b) Details of owners' shareholding

	<u>Closing balance</u>		<u>Opening balance</u>	
	<u>Ordinary shares</u>	<u>%</u>	<u>Ordinary shares</u>	<u>%</u>
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

	<u>Number of shares</u>	<u>Owners' capital VND</u>	<u>Total VND</u>
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.

THIEN LONG GROUP CORPORATION

Form B 09 – DN/HN

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)	-	(27,670,741,000)
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)	-	-	-	-	-	-	-
Appropriation to bonus and welfare fund (ii) (Note 25)	-	-	-	-	(116,691,679,500)	-	(116,691,679,500)
Bonus for exceeding the budgeted profit of 2022 for the Board of Management and employees (ii) (Note 25)	-	-	-	-	(40,137,089,000)	-	(40,137,089,000)
Bonus for exceeding the budgeted profit of 2022 for the Board of Directors (iii)	-	-	-	-	(22,200,000,000)	-	(22,200,000,000)
Remuneration of the Board of Directors and Board of Supervision (iv)	-	-	-	-	(2,000,000,000)	-	(2,000,000,000)
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

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	<u>11,165,500</u>	<u>116,702,845,000</u>

25 BONUS AND WELFARE FUND

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

	Current year VND	Previous year VND
Opening balance	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	<u>41,727,126,827</u>	<u>12,156,810,827</u>

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

Basic earnings per share is calculated by dividing the net profit attributable to shareholders after deducting the bonus and welfare 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)
	<u>323,046,483,436</u>	<u>361,233,802,055</u>
Weighted average number of ordinary shares in issue (shares)	77,895,275	77,794,453
Basic earnings per share (VND)	<u>4,147</u>	<u>4,643</u>

(*) 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
	<u> </u>	<u> </u>

(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
	<u> </u>
	<u>1,320,210,708</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	2,768,594,247,782	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
	<u>3,496,671,800,535</u>	<u>3,550,405,692,241</u>
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)	-
	<u>(34,798,584,339)</u>	<u>(29,547,743,316)</u>
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
	<u>3,461,873,216,196</u>	<u>3,520,857,948,925</u>

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)
	<u>1,949,334,544,727</u>	<u>1,996,781,932,537</u>

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
	<u>48,462,393,200</u>	<u>62,117,465,329</u>

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 ammortisation	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	0
Others	6,677,868,970	9,125,831,552
	<u>9,198,976,721</u>	<u>10,163,649,081</u>
Other expenses		
Nat 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.

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>

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

38 RELATED PARTY DISCLOSURES (continued)

(b) Related party transactions (continued)

		Current year VND	Previous year VND
(vi) Investments			
	Pega Holdings Joint Stock Company	<u>15,000,000,000</u>	<u>25,000,000,000</u>
(vii) Dividends declared			
	Thien Long An Think Investment Corporation	<u>74,701,904,000</u>	<u>112,052,856,000</u>
(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	840,000,000
	Ms. Co Ngan Binh	Member	840,000,000
	Ms. Co Cam Nguyet	Member	960,000,000
	Mr. Pham Nguyen Tri	Member	1,120,000,000
	Mr. Nguyen Dinh Tam	Member	1,320,000,000
	Mr. Tran Le Nguyen	Member	
		(until 26 April 2022)	- 320,000,000
	Mr. Huynh Van Thien	Member	
		(until 26 April 2022)	- 340,000,000
	Ms. Tran Phuong Nga	Chief Executive Officer	4,550,150,000
			<u>4,863,511,500</u>
			<u>13,830,150,000</u>
			<u>12,903,511,500</u>

38 RELATED PARTY DISCLOSURES (continued)

(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	-
	<u>18,154,680,115</u>	<u>-</u>
(ii) Short-term lending (Note 7)		
Pega Holdings Joint Stock Company	16,000,000,000	-
	<u>16,000,000,000</u>	<u>-</u>
(iii) Short-term trade accounts payable (Note 14)		
Pega Holdings Joint Stock Company	2,448,738,841	-
	<u>2,448,738,841</u>	<u>-</u>
(iv) Other short-term payables		
Thien Long An Think Investment Joint Stock Company	-	56.026.428.000
	<u>-</u>	<u>56.026.428.000</u>

THIEN LONG GROUP CORPORATION

Form B 09 – DN/HN

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	-	-	-	-	-	-
	<u>51,576,657,514</u>	<u>49,094,364,839</u>	<u>73,969,867,410</u>	<u>96,636,575,740</u>	<u>125,546,524,924</u>	<u>145,730,940,579</u>

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

