

**THIEN LONG GROUP CORPORATION**

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**



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## THIEN LONG GROUP CORPORATION

### CORPORATE INFORMATION

<b>Investment registration certificate</b>	No. 6307210814 dated 6 December 2018	
	Investment registration certificate and its subsequent amendments were issued by the Ho Chi Minh City Export Processing and Industrial Zones Authority for a period up to 17 June 2047.	
<b>Enterprise registration certificate</b>	No. 0301464830 dated 14 March 2005 was initially issued by the Department of Planning and Investment of Ho Chi Minh City and the 18 <sup>th</sup> amendment dated 29 June 2020.	
<b>Board of Directors</b>	Mr. Co Gia Tho Mr. Tran Le Nguyen Mr. Huynh Van Thien Ms. Tran Thai Nhu Ms. Co Ngan Binh Ms. Co Cam Nguyet Mr. Tayfun Uner Mr. Pham Tri Nguyen Mr. Nguyen Dinh Tam Mr. Tran Van Hung	Chairman Member Member Member Member Member Member Member Member (from 29 June 2021) Member (until 29 June 2021)
<b>Board of Supervision</b>	Ms. Nguyen Thi Bich Nga Mr. Dinh Duc Hau Ms. Ta Hong Diep	Head Member Member
<b>Chief Executive Officer</b>	Ms. Tran Phuong Nga Mr. Nguyen Dinh Tam	Chief Executive Officer (from 1 June 2021) Chief Executive Officer (until 31 May 2021)
<b>Legal Representative</b>	Mr. Co Gia Tho	Chairman
<b>Registered office</b>	Lot 6-8-10-12, Street No. 3, Tan Tao Industrial Park, Tan Tao A Ward, Binh Tan District, Ho Chi Minh City, Vietnam	
<b>Auditor</b>	PwC (Vietnam) Limited	

## THIEN LONG GROUP CORPORATION

### STATEMENT OF RESPONSIBILITY OF THE CHIEF EXECUTIVE OFFICER OF THE COMPANY IN RESPECT OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The Legal Representative of Thien Long Group Corporation ("the Company") has authorised the Chief Executive Officer of the Company to be responsible for preparing the interim consolidated financial statements of the Company and its subsidiaries (together, "the Group") which give a true and fair view of the interim consolidated financial position of the Group as at 30 June 2021, and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended. In preparing these interim 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 interim 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 interim consolidated financial position of the Group and which enable interim consolidated financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the interim consolidated financial statements. The Chief Executive Officer is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud or errors.

### APPROVAL OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

We hereby approve the accompanying interim consolidated financial statements as set out on pages 5 to 44 which give a true and fair view of the interim consolidated financial position of the Group as at 30 June 2021, and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim consolidated financial statements.



*Tran*  
Tran Phuong Nga  
Chief Executive Officer  
Authorised by Legal Representative

Ho Chi Minh City, Vietnam  
21 August 2021





## **REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION TO THE SHAREHOLDERS OF THIEN LONG GROUP CORPORATION**

We have reviewed the accompanying interim consolidated financial statements of Thien Long Group Corporation ("the Company") and its subsidiaries (together, "the Group") which were prepared on 30 June 2021 and approved by the Chief Executive Officer on 21 August 2021. The interim consolidated financial statements comprise the interim consolidated balance sheet as at 30 June 2021, the interim consolidated income statement and the interim consolidated cash flow statement for the six-month period then ended and explanatory notes to the interim consolidated financial statements including significant accounting policies, as set out on pages 5 to 44.

### **Responsibility of the Chief Executive Officer**

The Chief Executive Officer of the Company is responsible for the preparation and the true and fair presentation of these interim consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of interim consolidated financial statements and for such internal control which the Board of Management determines necessary to enable the preparation and fair presentation of the interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements 2410 - *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

A review of interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the interim consolidated financial position of the Group as at 30 June 2021, its interim consolidated financial performance and interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim consolidated financial statements.

**For and on behalf of PwC (Vietnam) Limited**



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Mai Viet Hung Tran  
Audit Practising Licence No.:  
0048-2018-006-1  
Authorised signatory

Report reference number: HCM11188  
Ho Chi Minh City, 21 August 2021

**INTERIM CONSOLIDATED BALANCE SHEET  
AS AT 30 JUNE 2021**

Code	ASSETS	Note	Closing balance VND	Opening balance VND
<b>100</b>	<b>CURRENT ASSETS</b>		<b>1,914,167,122,190</b>	<b>1,701,751,836,942</b>
<b>110</b>	<b>Cash and cash equivalents</b>	3	<b>540,363,905,992</b>	<b>371,680,211,939</b>
111	Cash		156,363,905,992	152,680,211,939
112	Cash equivalents		384,000,000,000	219,000,000,000
<b>120</b>	<b>Short-term investment</b>		<b>305,999,139,200</b>	<b>372,000,000,000</b>
123	Held-to-maturity investments	4(a)	305,999,139,200	372,000,000,000
<b>130</b>	<b>Short-term receivables</b>		<b>440,346,595,830</b>	<b>415,009,507,750</b>
131	Short-term trade accounts receivable	5	412,326,440,161	386,750,747,429
132	Short-term prepayments to suppliers	6	28,879,472,088	16,500,972,908
136	Other short-term receivables	7	5,882,334,453	11,926,026,574
137	Provision for doubtful debts – short-term	8	(6,741,650,872)	(168,239,161)
<b>140</b>	<b>Inventories</b>	9	<b>612,313,986,343</b>	<b>530,224,405,469</b>
141	Inventories		637,248,327,278	554,826,392,930
149	Provision for decline in value of inventories		(24,934,340,935)	(24,601,987,461)
<b>150</b>	<b>Other current assets</b>		<b>15,143,494,825</b>	<b>12,837,711,784</b>
151	Short-term prepaid expenses	10(a)	14,955,345,222	12,713,482,192
152	Value added tax ("VAT") to be reclaimed		188,149,603	109,174,138
153	Tax and other receivables from the State		-	15,055,454
<b>200</b>	<b>LONG-TERM ASSETS</b>		<b>590,854,827,447</b>	<b>612,847,304,820</b>
<b>210</b>	<b>Long-term receivable</b>		<b>5,417,098,123</b>	<b>4,636,517,123</b>
216	Other long-term receivables		5,417,098,123	4,636,517,123
<b>220</b>	<b>Fixed assets</b>		<b>438,948,711,523</b>	<b>463,588,241,667</b>
221	Tangible fixed assets	11(a)	416,389,270,944	438,944,610,201
222	Historical cost		1,003,226,428,788	990,029,869,959
223	Accumulated depreciation		(586,837,157,844)	(551,085,259,758)
227	Intangible fixed assets	11(b)	22,559,440,579	24,643,631,466
228	Historical cost		68,137,527,411	67,792,297,411
229	Accumulated amortisation		(45,578,086,832)	(43,148,665,945)
<b>240</b>	<b>Long-term asset in progress</b>		<b>16,716,787,398</b>	<b>13,434,075,449</b>
242	Construction in progress	12	16,716,787,398	13,434,075,449
<b>250</b>	<b>Long-term investments</b>		<b>26,621,440,000</b>	<b>21,942,320,000</b>
253	Investments in other entities	4(b)	30,685,000,000	30,685,000,000
254	Provision for long-term investments	4(b)	(4,063,560,000)	(8,742,680,000)
<b>260</b>	<b>Other long-term assets</b>		<b>103,150,790,403</b>	<b>109,246,150,581</b>
261	Long-term prepaid expenses	10(b)	75,455,532,088	80,297,126,389
262	Deferred income tax assets	20	27,695,258,315	28,949,024,192
<b>270</b>	<b>TOTAL ASSETS</b>		<b>2,505,021,949,637</b>	<b>2,314,599,141,762</b>

The notes on pages 9 to 44 are an integral part of these interim consolidated financial statements.



**INTERIM CONSOLIDATED BALANCE SHEET  
AS AT 30 JUNE 2021  
(continued)**

Code	RESOURCES	Note	Closing balance VND	Opening balance VND
<b>300</b>	<b>LIABILITIES</b>		<b>619,468,954,418</b>	<b>566,339,505,472</b>
<b>310</b>	<b>Short-term liabilities</b>		<b>568,436,321,495</b>	<b>499,556,492,085</b>
311	Short-term trade accounts payable	13	198,893,426,132	113,224,556,606
312	Short-term advances from customers	14	6,465,619,222	6,686,687,740
313	Tax and other payables to the State	15	39,339,681,774	18,846,224,521
314	Payables to employees		25,151,759,543	23,820,358,291
315	Short-term accrued expenses	16	68,787,790,455	93,748,732,179
319	Other short-term payables	17	10,482,232,584	90,142,614,189
320	Short-term borrowings	18(a)	204,787,095,245	147,248,648,694
322	Bonus and welfare fund	23	14,528,716,540	5,838,669,865
<b>330</b>	<b>Long-term liabilities</b>		<b>51,032,632,923</b>	<b>66,783,013,387</b>
338	Long-term borrowings	18(b)	20,118,461,526	31,807,692,298
342	Provision for long-term liabilities	19	30,914,171,397	34,975,321,089
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>1,885,552,995,219</b>	<b>1,748,259,636,290</b>
<b>410</b>	<b>Capital and reserves</b>		<b>1,885,552,995,219</b>	<b>1,748,259,636,290</b>
411	Owners' 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	(55,562,896)	92,630,401
418	Investment and development fund	22	228,691,572,556	199,910,168,556
421	Undistributed earnings	22	517,338,971,788	408,678,823,562
421a	- Undistributed post-tax profits of previous years		345,990,396,887	330,722,692,813
421b	- Post-tax profits of current period/year		171,348,574,901	77,956,130,749
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>2,505,021,949,637</b>	<b>2,314,599,141,762</b>



Dao Xuan Nam  
Preparer



Nguyen Ngoc Nhon  
Chief Accountant



Tran Phuong Nga  
Chief Executive Officer  
21 August 2021

The notes on pages 9 to 44 are an integral part of these interim consolidated financial statements.



**INTERIM CONSOLIDATED INCOME STATEMENT  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

Code		Note	Current period VND	Previous period VND
01	Revenue from sales of goods		1,441,622,902,279	1,132,769,758,608
02	Less deductions		(13,306,662,927)	(19,502,238,126)
10	<b>Net revenue from sales of goods</b>	27	<b>1,428,316,239,352</b>	<b>1,113,267,520,482</b>
11	<b>Cost of goods sold</b>	28	<b>(817,551,300,798)</b>	<b>(761,930,422,783)</b>
20	<b>Gross profit from sales of goods</b>		<b>610,764,938,554</b>	<b>351,337,097,699</b>
21	Financial income	29	15,228,786,858	14,578,481,585
22	Financial expenses	30	(915,755,904)	(9,248,920,153)
23	- Including: Interest expense	30	(3,603,506,160)	(7,076,203,674)
25	Selling expenses	31	(256,409,501,031)	(211,725,920,271)
26	General and administration expenses	32	(149,195,051,599)	(125,781,240,670)
30	<b>Net operating profit</b>		<b>219,473,416,878</b>	<b>19,159,498,190</b>
31	Other income		3,076,868,006	5,569,284,568
32	Other expenses		(389,474,621)	(1,248,900,364)
40	<b>Net other income</b>	33	<b>2,687,393,385</b>	<b>4,320,384,204</b>
50	<b>Net accounting profit before tax</b>		<b>222,160,810,263</b>	<b>23,479,882,394</b>
51	<b>Corporate income tax ("CIT") - current</b>	34	<b>(44,895,467,889)</b>	<b>(15,906,858,515)</b>
52	<b>CIT - deferred</b>	34	<b>(1,253,765,877)</b>	<b>9,523,961,176</b>
60	<b>Net profit after tax</b>		<b>176,011,576,497</b>	<b>17,096,985,055</b>
61	<b>Attributable to: Owners of the parent company</b>		<b>176,011,576,497</b>	<b>17,096,985,055</b>
70	<b>Basic earnings per share</b>	25(a)	<b>2,050</b>	<b>199</b>
71	<b>Diluted earnings per share</b>	25(b)	<b>2,050</b>	<b>199</b>



Dao Xuan Nam  
Preparer



Nguyen Ngoc Nhon  
Chief Accountant



Tran Phuong Nga  
Chief Executive Officer  
21 August 2021

The notes on pages 9 to 44 are an integral part of these interim consolidated financial statements.

**INTERIM CONSOLIDATED CASH FLOW STATEMENT  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021  
(Indirect method)**

Code	Note	Current period VND	Previous period VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>01</b>		<b>222,160,810,263</b>	<b>23,479,882,394</b>
		Adjustments for:	
02	11, 37	41,468,147,058	40,246,422,254
03		(1,673,656,021)	(8,332,419,358)
04	29	(24,779,157)	592,298,468
05	29, 33	(13,065,473,142)	(11,938,880,083)
06		3,603,506,160	7,076,203,674
<b>08</b>		<b>252,468,555,161</b>	<b>51,123,507,349</b>
09		(33,535,724,339)	33,191,750,422
10		(82,421,934,348)	(94,836,028,977)
11		54,598,089,234	(29,014,074,508)
12		3,205,512,896	(25,261,609,110)
14		(3,543,067,334)	(7,159,059,754)
15	15	(20,627,844,399)	(15,142,180,967)
17		(27,622,730,551)	(35,442,765,843)
<b>20</b>		<b>142,520,856,320</b>	<b>(122,540,461,388)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21		(26,389,982,900)	(36,932,855,316)
22		1,913,736,916	235,227,272
23		(337,499,139,200)	(173,500,000,000)
24		403,500,000,000	454,000,000,000
27		16,803,552,368	22,995,788,713
<b>30</b>		<b>58,328,167,184</b>	<b>266,798,160,669</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
32		-	(46,311,318,529)
33	18	342,222,377,113	361,657,864,261
34	18	(296,373,161,334)	(378,629,149,970)
36	23	(77,794,453,000)	(38,931,520,500)
<b>40</b>		<b>(31,945,237,221)</b>	<b>(102,214,124,738)</b>
<b>50</b>		<b>168,903,786,283</b>	<b>42,043,574,543</b>
<b>60</b>		<b>371,680,211,939</b>	<b>190,855,576,577</b>
61	3	(220,092,230)	(280,114,186)
<b>70</b>		<b>540,363,905,992</b>	<b>232,619,036,934</b>

Additional information relating to the cash flow statement are presented in Note 37



Dao Xuan Nam  
Preparer



Nguyen Ngoc Nhon  
Chief Accountant



Tran Phuong Nga  
Chief Executive Officer  
21 August 2021

The notes on pages 9 to 44 are an integral part of these interim consolidated financial statements.



**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

**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 18<sup>th</sup> amendment dated 29 June 2020.

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

Owners of the Company include Thien Long An Thinh Investment Corporation, NWL Cayman Holdings Ltd., a company incorporated in the United Kingdom, Mr Co Gia Tho and other shareholders. Details of the capital contribution are presented in Note 21.

Business sectors of the Company and its subsidiaries (together, "the Group") are manufacturing and trading.

The Group's principal activities are to manufacture and trade stationary products, class room 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 30 June 2021, the Group had 6 subsidiaries. Details are as follows:

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

As at end of period, the Group had 3,036 employees (as at beginning of period: 2,968 employees).



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****2.1 Basis of preparation of in interim consolidated financial statements**

The interim 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 interim consolidated financial statements. The interim consolidated financial statements have been prepared under the historical cost convention.

The accompanying interim consolidated financial statements are not intended to present the interim consolidated financial position and interim consolidated results of operations and interim 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's.

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

**2.2 Fiscal year**

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

The interim consolidated financial statements are prepared for the six-month period from 1 January to 30 June.

**2.3 Currency**

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

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

**2.4 Exchange rates**

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Foreign exchange differences arising from these transactions are recognised in the interim consolidated income statement.

Monetary assets and liabilities denominated in foreign currencies at the interim consolidated balance sheet date are respectively translated at the buying and selling exchange rates at the interim consolidated balance sheet date of the commercial banks where the Group regularly trades. Foreign currencies deposited in banks at the interim 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 interim consolidated income statement.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.4 Exchange rates (continued)***Foreign operations*

Assets and liabilities of foreign operations are translated into VND at the closing exchange rates at the consolidated balance sheet date. Income and expenses of the foreign operations are translated into VND at the average exchange rate of the accounting period.

The resulting foreign exchange differences arising from the translation of foreign operations are recorded under the item "Foreign exchange differences" of the owners' equity on the consolidated balance sheet.

**2.5 Basis of consolidation***Subsidiaries*

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies in order to gain future benefits from their activities generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

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

The financial statements of the Group's subsidiaries are prepared for the same accounting period. 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 periods.

**2.6 Cash and cash equivalents**

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



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.7 Receivables**

Receivables represent trade receivables from customers arising from sales of goods and rendering of services or 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 expected loss that may arise. Bad debts are written off when identified.

Receivables are classified into short-term and long-term receivables on the interim consolidated balance sheet based on the remaining period from the interim 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, where necessary, for obsolete, slow-moving and defective inventory items. The difference between the provision of this period and the provision of the previous period are recognised as an increase or decrease of cost of goods sold in the period.

**2.9 Financial investments****(a) Held-to-maturity investments**

Held-to-maturity investments are investments which the Group has positive intention and ability to hold until maturity.

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

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

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



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

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

Provision for investments in other entities is made when there is a diminution in value of the investments at period end, when the investees make losses, except when the loss is anticipated by the Board of Management before the date of investment.

Changes in the provision balance during the accounting period 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 their suitable condition for their intended use. Expenditure incurred subsequently which 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, they are charged to the interim consolidated income statement when incurred.

*Depreciation and amortisation*

Fixed assets are depreciated and amortized using the straight-line method so as to write off the historical cost of the fixed assets over their estimated useful lives. The estimated useful lives of each asset class are as follows:

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

Land use rights are comprised of land use rights with an indefinite useful life, recorded at historical cost and are not amortised.

*Disposals*

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount of the fixed assets and are recognised as income or expense in the interim 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 construction for production, rental or administrative purposes, or for purposes not yet determined, including 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 interim 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 interim consolidated balance sheet. Prepaid expenses are recorded at historical cost and allocated on a straight-line basis over their estimated useful lives.

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

**2.13 Payables**

Classifications of payables are based on their nature as follows:

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

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



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

Borrowings include borrowings from banks.

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

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

**2.15 Accrued expenses**

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

**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 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 accounting period 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 period 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 interim 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.

**2.18 Capital and reserves**

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



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.18 Capital and reserves (continued)**

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 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.

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

**2.19 Appropriation of profit**

The Group's dividends are recognised as a liability in the Group's interim consolidated financial statements or upon the dividend declaration of the Board of Directors which is approved by the General Meeting of Shareholders.

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 Group's charter and Vietnamese regulations.

The Group's funds are as below:

**(a) Investment and development fund**

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

**(b) Bonus and welfare fund**

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 interim consolidated balance sheet and used for rewards, material incentives, bringing common benefits and raising employees' welfare.

**2.20 Revenue recognition****(a) Revenue from sales of goods**

Revenue from sale of goods is recognised in the interim consolidated income statement when all five (5) 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.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.20 Revenue recognition (continued)****(a) Revenue from sales of goods (continued)**

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. In cases where 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 interim consolidated income statement.

**(b) Interest income**

Interest income is recognised on an earned basis.

**(c) Dividend income**

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

**2.21 Sales deductions**

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

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

**2.22 Cost of goods sold**

Cost of goods sold are cost of finished goods, merchandises and materials sold during the period, and recorded on the basis of matching with revenue and on a prudence basis.

**2.23 Financial expenses**

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

**2.24 Selling expenses**

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



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.25 General and administration expenses**

General and administration expenses represent expenses for administrative purposes.

**2.26 Current and deferred income tax**

Income taxes include all income taxes which are based on taxable profits including profits generated from production and trading activities in other countries with which the Socialist Republic of Vietnam has not signed any double taxation agreement. Income tax expense comprises current tax expense and deferred tax expense.

Current income tax is the amount of income taxes payable or recoverable in respect of the current year taxable profits at the current year tax rates. Current and deferred tax should be recognised as an income or an expense and included in the profit or loss of the period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, 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 interim 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 interim 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.

**2.27 Related parties**

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

In considering the related parties relationship, the Group considers the substance of the relationship not merely the legal form.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.28 Segment reporting**

A segment is a component which can be separated by the Group engaged in providing products or services ("business segment"), or providing products or 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 interim consolidated financial statements in order to help users of consolidated financial statements understand and evaluate the Group's operations in a comprehensive way.

**2.29 Accounting estimates**

The preparation of interim consolidated financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim 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 financial statements and the reported amounts of revenues and expenses during the period.

The areas involving significant estimates and assumptions are as follows:

- Provision for decline in value of inventories (Note 9);
- Estimated useful life of fixed assets (Note 11); and
- Estimation of provision for long-term liabilities (Note 19)

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

**3 CASH AND CASH EQUIVALENTS**

	<b>Closing balance VND</b>	<b>Opening balance VND</b>
Cash on hand	1,222,803,180	1,228,644,452
Cash at bank	155,141,102,812	151,451,567,487
Cash equivalents (*)	384,000,000,000	219,000,000,000
	<u>540,363,905,992</u>	<u>371,680,211,939</u>

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

**4 FINANCIAL INVESTMENTS**

**(a) Held- to-maturity investments**

	Closing balance		Opening balance	
	Cost VND	Book value VND	Cost VND	Book value VND
Term deposits	286,000,000,000	286,000,000,000	372,000,000,000	372,000,000,000
Bonds	19,999,139,200	19,999,139,200	-	-
	<u>305,999,139,200</u>	<u>305,999,139,200</u>	<u>372,000,000,000</u>	<u>372,000,000,000</u>

**(b) Investments in other entities**

	Closing balance				Opening balance			
	Cost VND	Fair value VND	Provision VND	Ownership rate %	Cost VND	Fair value VND	Provision VND	Ownership rate %
Kinh Do Land Corporation	25,000,000,000	(*)	-	2.00	25,000,000,000	(*) (4,586,400,000)		2.00
Saigon Securities Investment Fund A2	3,565,000,000	(*) (3,565,000,000)		-	3,565,000,000	(*) (3,565,000,000)		-
Brilliant Chip Joint Stock Company	1,520,000,000	(*) (498,560,000)		1.89	1,520,000,000	(*) (591,280,000)		1.89
Printing No.7 Joint Stock Company	600,000,000	(*)	-	2.50	600,000,000	(*)	-	2.50
	<u>30,685,000,000</u>	<u>(4,063,560,000)</u>			<u>30,685,000,000</u>	<u>(8,742,680,000)</u>		

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

**5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE**

	Closing balance VND	Opening balance VND
SQI Group Int'l. Corp.	24,180,559,387	27,754,604,189
Like Link Co., Ltd.	12,525,654,405	12,572,453,507
Others	375,620,226,369	346,423,689,733
	<u>412,326,440,161</u>	<u>386,750,747,429</u>

As at end of year and beginning of year, short-term receivables from customers that were past due are VND20,393,891,060 and VND1,356,481,068 respectively (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 or mortgaged assets for short-term borrowings granted to the Company (Note 18).

**6 SHORT-TERM PREPAYMENTS TO SUPPLIERS**

	Closing balance VND	Opening balance VND
China Jwell Intelligent Machinery Co., Ltd	6,658,399,469	1,953,244,800
24h Interior Design and Decoration Consulting Co., Ltd	2,974,132,156	-
Others	19,246,940,463	14,547,728,108
	<u>28,879,472,088</u>	<u>16,500,972,908</u>

**7 OTHER RECEIVABLES**

	Closing balance		Opening balance	
	Book value VND	Provision VND	Book value VND	Provision VND
Interest receivables from lending	3,909,793,158	-	8,044,502,741	-
Advances to employees	922,547,700	-	1,063,255,506	-
Short-term deposits	43,062,644	-	673,895,000	-
Others	1,006,930,951	-	2,144,373,327	-
	<u>5,882,334,453</u>	<u>-</u>	<u>11,926,026,574</u>	<u>-</u>

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



8 PROVISION FOR DOUBTFUL DEBTS

	Closing balance			Opening balance		
	Cost	Number of overdue days	Provision	Provision	Number of overdue days	Provision
	VND		VND	VND		VND
Like Link Co., Ltd.	12,525,654,405	Under 1 year	(3,264,810,042)	12,572,453,505	-	-
Mega Cash & Carry	1,840,873,489	Over 1 year	(920,436,745)	1,862,982,035	-	-
		Over and				
Quaco Pacific	1,155,333,594	under 1 year	(544,497,678)	1,159,650,220	-	-
PT Sinar Laut Ateka	1,315,802,859	Over 1 year	(306,887,419)	1,478,353,501	-	-
Branch of Apax English Joint Stock Company	762,829,285	Over 1 year	(370,903,373)	762,829,285	-	-
C.J.D Marketing Co., Ltd	713,036,403	Under 1 year	(215,444,156)	715,700,492	-	-
Nhan Van Bookstore	413,815,724	Over 1 year	(223,233,951)	446,215,724	-	-
BIBOOK Company Limited	335,468,950	Over 1 year	(200,089,861)	339,468,950	-	-
Others	1,331,076,351	Over 1 year	(695,347,647)	1,356,481,068	Over 1 year	(168,239,161)
	<u>20,393,891,060</u>		<u>(6,741,650,872)</u>	<u>20,694,134,780</u>		<u>(168,239,161)</u>

## 9 INVENTORIES

	Closing balance		Opening balance	
	Cost VND	Provision VND	Cost VND	Provision VND
Raw materials	231,526,914,923	(16,472,217,068)	191,344,982,685	(16,062,395,215)
Finished goods	166,196,394,105	(2,456,906,618)	145,202,173,063	(1,731,412,560)
Merchandises	134,002,412,642	(1,879,544,049)	148,809,279,308	(3,261,130,431)
Work in progress	58,727,188,267	(3,177,613,866)	50,494,687,517	(2,782,913,237)
Goods in transit	39,507,242,747	-	12,457,622,463	-
Tools and supplies	7,288,174,594	(948,059,334)	6,517,647,894	(764,136,018)
	<u>637,248,327,278</u>	<u>(24,934,340,935)</u>	<u>554,826,392,930</u>	<u>(24,601,987,461)</u>

As at end of period, inventories of VND140,000,000,000 and USD5,000,000 (as at beginning of period: VND140,000,000,000 and USD5,000,000) were used as mortgaged assets for short-term borrowings from banks (Note 18).

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

	Current period VND	Previous period VND
Opening balance	(24,601,987,461)	(28,859,198,112)
Increase	(8,115,976,365)	(3,029,504,043)
Reversal	7,783,622,891	6,285,451,986
Closing balance	<u>(24,934,340,935)</u>	<u>(25,603,250,169)</u>

## 10 PREPAID EXPENSES

## (a) Short-term

	Closing balance VND	Opening balance VND
Advertising and marketing expenses	7,680,925,416	7,684,842,966
Health and properties insurance	1,658,774,079	1,496,796,134
Software maintenance and usage fees	900,797,436	-
Tools and supplies	189,803,927	138,442,174
Others	4,525,044,364	3,393,400,918
	<u>14,955,345,222</u>	<u>12,713,482,192</u>

## (b) Long-term

	Closing balance VND	Opening balance VND
Land rental (*)	10,403,811,511	10,568,515,651
Expenses for site clearance, restoration and return (**)	10,133,454,544	10,294,303,030
Tools and supplies	44,597,155,682	50,478,443,012
Others	10,321,110,351	8,955,864,696
	<u>75,455,532,088</u>	<u>80,297,126,389</u>

(\*) Representing balance of prepaid land rental which has not been 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 20) and amortised it to expenses over the remaining land lease term.

Movements in prepaid expenses during the period are as follows:

	Current period VND	Previous period VND
Opening balance	93,010,608,581	47,479,780,223
Increase	27,642,635,023	18,971,993,429
Transferred from construction in progress (Note 12)	775,096,090	1,184,054,058
Transferred from inventories	4,424,493,940	29,111,793,577
Allocation	(35,441,956,324)	(23,051,032,397)
	<u>90,410,877,310</u>	<u>73,696,588,890</u>



THIEN LONG GROUP CORPORATION

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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
<b>Historical cost</b>						
Opening balance	227,016,080,363	522,239,933,594	43,531,943,983	18,064,993,552	179,176,918,467	<b>990,029,869,959</b>
New purchases	-	2,433,957,150	1,169,445,455	103,325,000	456,398,715	<b>4,163,126,320</b>
Transfers from construction in progress (Note 12)	-	4,639,262,192	-	-	9,056,094,685	<b>13,695,356,877</b>
Disposals	(141,956,014)	(3,124,702,759)	(742,778,788)	(602,486,807)	(50,000,000)	<b>(4,661,924,368)</b>
Closing balance	<u>226,874,124,349</u>	<u>526,188,450,177</u>	<u>43,958,610,650</u>	<u>17,565,831,745</u>	<u>188,639,411,867</u>	<b><u>1,003,226,428,788</u></b>
<b>Accumulated depreciation</b>						
Opening balance	82,824,836,715	283,043,749,509	31,282,975,505	16,338,003,107	137,595,694,922	<b>551,085,259,758</b>
Charge for the period	5,172,462,654	24,976,092,252	2,752,618,650	472,503,990	6,945,966,033	<b>40,319,643,579</b>
Reclassification	-	(44,279,152)	-	-	-	<b>(44,279,152)</b>
Disposals	(78,677,280)	(3,049,523,466)	(742,778,788)	(602,486,807)	(50,000,000)	<b>(4,523,466,341)</b>
Closing balance	<u>87,918,622,089</u>	<u>304,926,039,143</u>	<u>33,292,815,367</u>	<u>16,208,020,290</u>	<u>144,491,660,955</u>	<b><u>586,837,157,844</u></b>
<b>Net book value</b>						
Opening balance	<u>144,191,243,648</u>	<u>239,196,184,085</u>	<u>12,248,968,478</u>	<u>1,726,990,445</u>	<u>41,581,223,545</u>	<b><u>438,944,610,201</u></b>
Closing balance	<u>138,955,502,260</u>	<u>221,262,411,034</u>	<u>10,665,795,283</u>	<u>1,357,811,455</u>	<u>44,147,750,912</u>	<b><u>416,389,270,944</u></b>

As at end of period, the historical cost of tangible assets of the Group which were fully depreciated but still in use was VND300,467,978,410 (as at beginning of period: VND275,800,471,670).

As at end of year, tangible fixed assets of the Group with a carrying value of VND140,932,692,530 (as at beginning of period: VND164,167,175,459) were used as mortgaged assets for short-term and long-term borrowings from banks (Note 18).

## 11 FIXED ASSETS (continued)

## (b) Intangible fixed assets

	Land use rights VND	Software VND	Copyright, patents VND	Total VND
<b>Historical cost</b>				
Opening balance	16,047,625,000	51,377,672,411	367,000,000	67,792,297,411
New purchases	-	345,230,000	-	345,230,000
Closing balance	<u>16,047,625,000</u>	<u>51,722,902,411</u>	<u>367,000,000</u>	<u>68,137,527,411</u>
<b>Accumulated amortisation</b>				
Opening balance	1,175,864,496	41,605,801,449	367,000,000	43,148,665,945
Charge for the period	-	2,429,420,887	-	2,429,420,887
Closing balance	<u>1,175,864,496</u>	<u>44,035,222,336</u>	<u>367,000,000</u>	<u>45,578,086,832</u>
<b>Net book value</b>				
Opening balance	<u>14,871,760,504</u>	<u>9,771,870,962</u>	<u>-</u>	<u>24,643,631,466</u>
Closing balance	<u>14,871,760,504</u>	<u>7,687,680,075</u>	<u>-</u>	<u>22,559,440,579</u>

As at end of period, the historical cost of intangible assets of the Group which were fully amortised but still in use was VND14,275,384,677 (as at beginning of period: VND13,867,672,432).

As at end of period and beginning of period, intangible fixed assets of the Group with a carrying value of VND8,671,760,504 were used as mortgaged assets for short-term borrowings from banks (Note 18).

## 12 CONSTRUCTION IN PROGRESS

	Closing balance VND	Opening balance VND
Moulds under installation	6,965,814,333	7,831,128,260
Equipment under installation	8,945,973,065	4,797,947,189
Others	805,000,000	805,000,000
	<u>16,716,787,398</u>	<u>13,434,075,449</u>

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

	Current period VND	Previous period VND
Opening balance	13,434,075,449	26,712,919,979
Increase in the period	17,753,164,916	9,388,868,152
Transfers to fixed assets (Note 11(a))	(13,695,356,877)	(18,243,086,684)
Transfers to prepaid expenses (Note 10)	(775,096,090)	(1,184,054,058)
Transfers to inventories	-	(13,057,846)
	<u>16,716,787,398</u>	<u>16,661,589,543</u>

## 13 SHORT-TERM TRADE ACCOUNTS PAYBLE

	Closing balance		Opening balance	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties	<u>198,893,426,132</u>	<u>198,893,426,132</u>	<u>113,224,556,606</u>	<u>113,224,556,606</u>

As at end of period and beginning of period, there was no balance of short-term trade accounts payable that was past due.

## 14 SHORT-TERM ADVANCES FROM CUSTOMERS

	Closing balance VND	Opening balance VND
Crayola LLC.	2,278,045,664	-
Northern Treasure Pte. Ltd	1,397,159,416	-
Gey Cart S.R.L	774,421,323	-
Others	2,015,992,819	6,686,687,740
	<u>6,465,619,222</u>	<u>6,686,687,740</u>



15 TAX AND OTHER PAYABLES TO THE STATE

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

	Opening balance VND	Payable during the period VND	Payment during the period VND	Closing balance VND
CIT - current	9,725,491,809	44,880,412,435	(20,627,844,399)	33,978,059,845
Value added tax	7,848,196,829	55,824,130,928	(59,592,405,573)	4,079,922,184
Personal income tax	1,259,724,661	16,394,746,771	(16,482,746,816)	1,171,724,616
Import – export duties	-	7,048,657,840	(7,048,657,840)	-
Others	12,811,222	1,446,680,583	(1,349,516,676)	109,975,129
	<u>18,846,224,521</u>	<u>125,594,628,557</u>	<u>(105,101,171,304)</u>	<u>39,339,681,774</u>

## 16 SHORT-TERM ACCRUED EXPENSES

	Closing balance VND	Opening balance VND
13th & 14th month salary and performance	40,357,079,342	67,721,074,833
Advertising and marketing	4,639,321,248	1,803,384,998
Interest expense	305,900,647	245,461,821
Others	23,485,489,218	23,978,810,527
	<u>68,787,790,455</u>	<u>93,748,732,179</u>

## 17 OTHER SHORT-TERM PAYABLES

	Closing balance VND	Opening balance VND
Allowance for the Board of Directors and Board of Supervision	6,049,204,000	3,791,956,955
Union fees	1,708,280,091	1,379,475,611
Dividend payable	11,165,500	77,805,618,500
Others	2,713,582,993	7,165,563,123
	<u>10,482,232,584</u>	<u>90,142,614,189</u>

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



THIEN LONG GROUP CORPORATION

Form B 09a – DN/HN

18 BORROWINGS

(a) Short-term

	Opening balance		During the period		Closing balance	
	Amount VND	Able-to-pay amount VND	Increase VND	Decrease VND	Amount VND	Able-to-pay amount VND
Joint Stock Commercial Bank for Investment and Development of Vietnam - Western Saigon Branch (i)	30,375,463,100	30,375,463,100	105,603,825,900	(94,318,788,100)	41,660,500,900	41,660,500,900
Vietnam Joint Stock Commercial Bank for Industry and Trade - Western Saigon Branch (ii)	3,475,440,895	3,475,440,895	815,770,450	(3,475,440,895)	815,770,450	815,770,450
HSBC Bank (Vietnam) Limited (iii)	81,766,942,218	81,766,942,218	158,380,594,632	(144,744,041,906)	95,403,494,944	95,403,494,944
United Overseas Bank (Vietnam) Limited (iv)	19,515,145,008	19,515,145,008	69,399,729,766	(46,888,463,732)	42,026,411,042	42,026,411,042
The Siam Commercial Bank Public Company Limited - Ho Chi Minh City Branch (v)	-	-	8,022,456,365	-	8,022,456,365	8,022,456,365
Shinhan Bank Vietnam Limited	1,777,195,929	1,777,195,929	-	(1,777,195,929)	-	-
	<u>136,910,187,150</u>	<u>136,910,187,150</u>	<u>342,222,377,113</u>	<u>(291,203,930,562)</u>	<u>187,928,633,701</u>	<u>187,928,633,701</u>
<b>Current portion of long-term borrowings</b>						
HSBC Bank (Vietnam) Limited (*)	10,338,461,544	10,338,461,544	11,689,230,772	(5,169,230,772)	16,858,461,544	16,858,461,544
	<u>147,248,648,694</u>	<u>147,248,648,694</u>	<u>353,911,607,885</u>	<u>(296,373,161,334)</u>	<u>204,787,095,245</u>	<u>204,787,095,245</u>

(b) Long-term

	Opening balance		During the period		Closing balance	
	Amount VND	Able-to-pay amount VND	Increase VND	Decrease VND	Amount VND	Able-to-pay amount VND
HSBC Bank (Vietnam) Limited (vi) (*)	31,807,692,298	31,807,692,298	-	(11,689,230,772)	20,118,461,526	20,118,461,526

**18 BORROWINGS (continued)**

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

	<b>Closing balance</b>	<b>Opening balance</b>
Original debt balance	36,976,923,070	42,146,153,842
Current portion	(16,858,461,544)	(10,338,461,544)
	<u>20,118,461,526</u>	<u>31,807,692,298</u>

- (i) Representing short-term loans at 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 used land use right, buildings and structures as collateral assets for these loans (Note 11).
- (ii) Representing short-term loans at 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 used machinery and equipment, inventories as collateral assets for these loans (Note 9 and 11).
- (iii) Representing short-term loans at HSBC Bank (Vietnam) Limited for the purpose of supplementing working capital. The loans have terms and interest rates specified in each disbursement. The Group used receivables, inventories, buildings and structures as collateral assets for these loans (Note 5, 9 and 11(a)).
- (iv) Representing short-term loans at United Overseas Bank (Vietnam) Limited for the purpose of supplementing working capital. The loans have terms and interest rates specified in each disbursement. The Group used inventories as collateral assets for these loans (Note 9).
- (v) Representing short-term loans at The Siam Commercial Bank Public Company Limited - Ho Chi Minh City Branch for the purpose of supplementing working capital. The loans have terms and interest rates specified in each disbursement. The Group used receivables as collateral assets for these loans (Note 5).
- (vi) Representing long-term loans at HSBC Bank (Vietnam) Limited for the purpose of purchasing and installing fixed assets. The loans have terms and interest rates specified at each disbursement. The Group used machinery and equipment as collateral assets for these loans (Note 11(a)).

**19 PROVISION FOR LONG-TERM LIABILITIES**

	<b>Closing balance VND</b>	<b>Opening balance VND</b>
Provision for severance allowance	20,298,171,397	24,359,321,089
Provisions for site clearance, restoration and return (Note 10(b))	10,616,000,000	10,616,000,000
	<u>30,914,171,397</u>	<u>34,975,321,089</u>

**20 DEFERRED INCOME TAX**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority. Details are as follows:

	<b>Closing balance VND</b>	<b>Opening balance VND</b>
Deferred tax assets to be recovered	<u>27,695,258,315</u>	<u>28,949,024,192</u>

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

	<b>Current period VND</b>	<b>Previous period VND</b>
Opening balance	28,949,024,192	31,300,613,898
Interim consolidated income statement (charge)/credit (Note 34)	<u>(1,253,765,877)</u>	<u>9,523,961,176</u>
Closing balance	<u>27,695,258,315</u>	<u>40,824,575,074</u>

**Details of deferred tax assets**

	<b>Closing balance VND</b>	<b>Opening balance VND</b>
Unrealised profit of internal transactions	12,884,202,377	9,758,404,456
Temporary difference of provisions	9,427,390,315	10,619,511,553
Tax losses not yet utilised (*)	5,093,246,857	8,261,350,649
Temporary difference of accrued expenses	229,803,462	260,284,717
Unrealised exchange rate differences of cash and receivables denominated in foreign currency	<u>60,615,304</u>	<u>49,472,817</u>
	<u>27,695,258,315</u>	<u>28,949,024,192</u>

The Group used a tax rate of 20% in year 2021 (2020: 20%) to determine deferred income tax assets and deferred income tax liabilities.

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



## 20 DEFERRED INCOME TAX (continued)

## Details of deferred tax assets (continued)

(\*) 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	Outstanding	46,405,940,258	(18,731,332,452)	27,674,607,806
2021	Outstanding	11,108,238,633	-	11,108,238,633
		<u>60,671,144,802</u>	<u>(18,731,332,452)</u>	<u>41,939,812,350</u>

The Group has recognised deferred income tax assets relating to a tax loss carried forward amounting to VND25,466,234,291. For the remaining tax losses of VND16,473,578,059, the Group has not recognized deferred income tax assets as the possibility that its subsidiaries with these losses have future taxable profit cannot be presently assessed as probable.

21 OWNERS' CAPITAL

(a) Number of shares

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

(b) Details of owners' shareholding

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

(c) Movement of share capital

	Number of shares in circulation	Owners' capital VND	Treasury shares VND
As at 1 January 2020	77,794,453	777,944,530,000	-
Treasury shares repurchased (*)	(1,500,000)	-	(46,311,318,529)
As at 30 June 2020	<u>76,294,453</u>	<u>777,944,530,000</u>	<u>(46,311,318,529)</u>
As at 1 January 2021	77,794,453	777,944,530,00	-
As at 30 June 2021	<u>77,794,453</u>	<u>777,944,530,000</u>	<u>-</u>

Par value per share: VND10,000.

22 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Investment and development fund VND	Treasury shares VND	Foreign exchange difference VND	Undistributed earnings VND	Total VND
<b>For six-month period ended 30 June 2020</b>							
As at 1 January 2020	777,944,530,000	392,944,802,300	158,019,722,556	-	-	478,077,816,790	1,806,986,871,646
Net profit for the period	-	-	-	-	-	17,096,985,055	17,096,985,055
Repurchase of treasury shares	-	-	-	(46,311,318,529)	-	-	(46,311,318,529)
Foreign exchange difference	-	-	-	-	(137,226,344)	-	(137,226,344)
Dividends payable	-	-	-	-	-	(38,897,226,500)	(38,897,226,500)
Appropriation to investment and development fund	-	-	41,890,446,000	-	-	(41,890,446,000)	-
Appropriation to bonus and welfare fund	-	-	-	-	-	(16,377,404,977)	(16,377,404,977)
Bonus for exceeding the budgeted profit for management and employees	-	-	-	-	-	(9,634,820,000)	(9,634,820,000)
Bonus for exceeding the budgeted profit for the Board of Directors	-	-	-	-	-	(2,408,000,000)	(2,408,000,000)
Allowance for the Board of Directors and Board of Supervision	-	-	-	-	-	(3,476,400,000)	(3,476,400,000)
As at 30 June 2020	777,944,530,000	392,944,802,300	199,910,168,556	(46,311,318,529)	(137,226,344)	382,490,504,368	1,706,841,460,351
<b>For six-month period ended 30 June 2021</b>							
As at 1 January 2021	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 period	-	-	-	-	-	176,011,576,497	176,011,576,497
Foreign exchange difference	-	-	-	-	(148,193,297)	-	(148,193,297)
Appropriation to investment and development fund (i)	-	-	28,781,404,000	-	-	(28,781,404,000)	-
Appropriation to bonus and welfare fund (ii) (Note 24)	-	-	-	-	-	(23,984,503,675)	(23,984,503,675)
Bonus for exceeding the budgeted profit for management and employees (iii) (Note 24)	-	-	-	-	-	(7,938,015,000)	(7,938,015,000)
Bonus for exceeding the budgeted profit for the Board of Directors (iii)	-	-	-	-	-	(1,984,504,000)	(1,984,504,000)
Allowance for the Board of Directors and Board of Supervision (iv)	-	-	-	-	-	(4,663,001,596)	(4,663,001,596)
As at 30 June 2021	777,944,530,000	361,633,483,771	228,691,572,556	-	(55,562,896)	517,338,971,788	1,885,552,995,219



**22 MOVEMENTS IN OWNERS' EQUITY (continued)**

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

- (i) Appropriation to investment and development fund of VND28,781,404,000 (equivalent to 12% of profit after CIT);
- (ii) Appropriation to bonus and welfare fund of VND23,984,504,000 (equivalent to 10% of profit after CIT);
- (iii) Bonuses for exceeding budgeted profit of the year 2020 for the Board of Directors of VND1,984,504,000 and for management and employees of VND7,938,015,000; and
- (iv) Allowance for the Board of Directors and Board of Supervision of VND4,663,001,596 was appropriated in 2021.

**23 DIVIDENDS**

Movements of dividend payables during the period are as follows:

	<b>Current period VND</b>	<b>Previous period VND</b>
Opening balance	77,805,618,500	45,459,500
Dividends payable during the period	-	38,897,226,500
Dividends paid in cash	(77,794,453,000)	(38,931,520,500)
Closing balance	<u>11,165,500</u>	<u>11,165,500</u>

**24 BONUS AND WELFARE FUND**

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

	<b>Current period VND</b>	<b>Previous period VND</b>
Opening balance	5,838,669,865	12,256,602,888
Appropriated	31,922,518,675	26,012,224,977
Utilised	(23,232,472,000)	(29,298,592,000)
Closing balance	<u>14,528,716,540</u>	<u>8,970,235,865</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 fund by the weighted average number of ordinary shares outstanding during the period, excluding ordinary shares repurchased by the Company and held as treasury shares. Details are as follows:

	<b>Current period</b>	<b>Previous period</b>
Net profit attributable to shareholders (VND)	176,011,576,497	17,096,985,055
Less amount allocated to bonus and welfare fund (VND) (*)	(17,601,157,650)	(1,709,698,506)
	<u>158,410,418,847</u>	<u>15,387,286,549</u>
Weighted average number of ordinary shares in issue (shares)	77,794,453	77,265,616
Basic earnings per share (VND)	<u>2,036</u>	<u>199</u>

(\*) Bonus and welfare fund has been set up at the rate of 10% of consolidated profit after tax in accordance with the Resolution No. 01/2021/NQ-DHĐCĐ on 29 June 2021 of the General Meeting of Shareholders.

**(b) Diluted earnings per share**

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

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

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

As at end of period, included in cash and cash equivalents were balances held in foreign currencies as follows:

	<b>Closing balance</b>	<b>Opening balance</b>
United States Dollar ("USD")	3,455,917	2,379,703
Euro ("EUR")	32,390	33,548
Chinese Renminbi ("RMB")	14,971	14,971
British Pound ("GBP")	1,920	1,920
Singapore Dollar ("SGD")	52,132	101,255
Thai Baht ("THB")	7,680	7,680
Japanese Yen ("JPY")	2,497	2,497
Australian Dollar ("AUD")	110	110
Korean Won ("KRW")	336,000	336,000
Taiwanese Dollar ("TWD")	12,570	12,570
	<u>                    </u>	<u>                    </u>

**(b) Operating lease assets**

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

**27 NET REVENUE FROM SALES OF GOODS**

	<b>Current period VND</b>	<b>Previous period VND</b>
<b>Revenue</b>		
Revenue from sales of finished goods	1,115,695,200,401	740,554,418,713
Revenue from sales of merchandises	325,767,224,629	392,078,642,848
Revenue from others	160,477,249	136,697,047
	<u>1,441,622,902,279</u>	<u>1,132,769,758,608</u>
<b>Sales deductions</b>		
Finished good returns	(6,308,111,038)	(13,015,068,311)
Merchandise returns	(3,649,584,755)	(3,332,245,613)
Trade discounts	(3,348,967,134)	(3,154,924,202)
	<u>(13,306,662,927)</u>	<u>(19,502,238,126)</u>
<b>Net revenue from sales of goods</b>		
Net revenue from sales of finished goods	1,106,038,122,229	724,384,426,200
Net revenue from sales of merchandises	322,117,639,874	388,746,397,235
Net revenue from others	160,477,249	136,697,047
	<u>1,428,316,239,352</u>	<u>1,113,267,520,482</u>



## 28 COST OF GOODS SOLD

	Current period VND	Previous period VND
Cost of finished goods and merchandises sold	817,218,947,324	765,186,370,726
Provision/(reversal of provision) for decline in value of inventories	332,353,474	(3,255,947,943)
	<u>817,551,300,798</u>	<u>761,930,422,783</u>

## 29 FINANCIAL INCOME

	Current period VND	Previous period VND
Interest income from deposits	12,520,342,785	11,642,655,841
Realised foreign exchange gains	2,541,164,916	2,815,825,744
Dividend income	142,500,000	120,000,000
Net gain from foreign currency translation at year-end (*)	24,779,157	-
	<u>15,228,786,858</u>	<u>14,578,481,585</u>

## 30 FINANCIAL EXPENSES

	Current period VND	Previous period VND
Interest expense	3,603,506,160	7,076,203,674
Realised foreign exchange losses	816,068,132	1,762,553,580
Net loss from foreign currency translation at period-end	-	592,298,468
Provision for diminution in value of investments	-	52,592,000
Reversal of provision for diminution in value of investments	(4,679,120,000)	(902,800,000)
Others	1,175,301,612	668,072,431
	<u>915,755,904</u>	<u>9,248,920,153</u>

## 31 SELLING EXPENSES

	Current period VND	Previous period VND
Staff costs	133,418,652,506	119,953,435,448
Marketing expenses	44,794,632,201	33,417,576,312
Depreciation	2,335,505,300	2,789,815,304
Others	75,860,711,024	55,565,093,207
	<u>256,409,501,031</u>	<u>211,725,920,271</u>

**32 GENERAL AND ADMINISTRATION EXPENSES**

	<b>Current period VND</b>	<b>Previous period VND</b>
Staff costs	96,141,430,498	92,578,544,904
Outside services expenses	27,765,110,613	13,792,155,772
Depreciation and ammortisation	8,451,812,460	9,634,744,084
Others	16,836,698,028	9,775,795,910
	<u>149,195,051,599</u>	<u>125,781,240,670</u>

**33 NET OTHER INCOME**

	<b>Current period VND</b>	<b>Previous period VND</b>
<b>Other income</b>		
Net gains on disposal of fixed assets	402,630,357	176,224,242
Indemnity for damaged goods	-	191,391,867
Others	2,674,237,649	5,201,668,459
	<u>3,076,868,006</u>	<u>5,569,284,568</u>
<b>Other expenses</b>		
Others	389,474,621	1,248,900,364
	<u>389,474,621</u>	<u>1,248,900,364</u>
<b>Net other income</b>	<u>2,687,393,385</u>	<u>4,320,384,204</u>

34 CIT

The CIT tax 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 period VND	Previous period VND
Net accounting profit before tax	222,160,810,263	23,479,882,394
Effect of:		
Income not subject to tax	(142,500,000)	(120,000,000)
Expenses not deductible for tax purposes	2,797,175,357	3,250,885,924
Temporary differences for which no deferred income tax asset was recognised	2,069,665,744	1,614,536,275
Tax losses for which no deferred income tax asset was recognised	2,100,399,178	5,022,245,805
	<u>228,985,550,542</u>	<u>33,247,550,398</u>
Tax calculated at a rate of 20%	45,797,110,108	6,649,510,080
Adjustment for under/(over)-provided CIT in previous periods	352,123,658	(266,612,741)
CIT charge (*)	<u>46,149,233,766</u>	<u>6,382,897,339</u>
Charged/(credited) to interim consolidated income statement:		
CIT – current	44,895,467,889	15,906,858,515
CIT – deferred (Note 20)	1,253,765,877	(9,523,961,176)
	<u>46,149,233,766</u>	<u>6,382,897,339</u>

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



**35 COSTS OF OPERATION BY FACTORS**

Costs of operation by factor represents all costs incurred during the period, excluding cost of merchandises for trading activities. Details are as follows:

	Current period VND	Previous period VND
Raw materials	447,611,198,318	315,643,368,235
Staff costs	338,809,731,720	310,403,647,003
Outside service expenses	90,315,094,869	61,282,298,501
Depreciation and amortisation	41,468,147,058	40,246,422,254
Others	105,222,761,099	78,366,228,183
	<u>1,023,426,933,064</u>	<u>805,941,964,176</u>

**36 SEGMENT REPORTING**

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

	Current period VND	Previous period VND
<b>Net revenue from sales of goods</b>		
Net revenue from domestic sales	1,115,002,236,094	858,359,155,256
Net revenue from export sales	313,314,003,258	254,908,365,226
	<u>1,428,316,239,352</u>	<u>1,113,267,520,482</u>
<b>Cost of goods sold</b>		
Cost of goods sold - domestic	600,646,728,571	569,441,130,431
Cost of goods sold - export	216,904,572,227	192,489,292,352
	<u>817,551,300,798</u>	<u>761,930,422,783</u>
<b>Gross profit from sales of goods</b>		
Gross profit from sales of goods - domestic	514,355,507,523	288,918,024,825
Gross profit from sales of goods - export	96,409,431,031	62,419,072,874
	<u>610,764,938,554</u>	<u>351,337,097,699</u>

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

	Current period VND	Previous period VND
Capitalised depreciation to construction in progress	<u>1,280,917,408</u>	<u>1,348,811,224</u>

**38 RELATED PARTY DISCLOSURES**

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

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

<b>Related party</b>	<b>Relationship</b>
Thien Long An Think Investment Corporation	Major shareholder

**Related party transactions**

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

	<b>Current period VND</b>	<b>Previous period VND</b>
<b>i) Dividend declared</b>		
Thien Long An Think Investment Corporation	-	18,675,476,000
<b>ii) Compensation of key management</b>		
Gross salaries and other benefits	14,988,450,000	26,502,447,416
<b>Phải trả khác cho các bên liên quan</b>		
Công ty Cổ phần Đầu tư Thiên Long An Thịnh	-	37,350,952,000

**39 COMMITMENTS UNDER OPERATING LEASES**

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

	<b>Closing balance VND</b>	<b>Opening balance VND</b>
Within one year	27,172,229,661	16,751,895,828
Between one and five years	78,218,686,881	42,327,146,228
<b>Total minimum payments</b>	<b>105,390,916,542</b>	<b>59,079,042,056</b>

**40 EVENTS AFTER THE INTERIM CONSOLIDATED BALANCE SHEET DATE**

Pursuant to the Resolution No. 01/2021/NQ-DHDCD dated 29 June 2021 of the Annual General Meeting of Shareholders and the Resolution No. 10/2021/NQ-HDQT dated 9 July 2021 of the Board of Directors, the Board of Directors approved the first dividend advance from undistributed profit after tax of 2021 at the rate of 15%/par value. The shareholder debt finalisation date for the first dividend advance 2021 was on 28 July 2021.

Pursuant to the Resolution No. 11/2021/NQ-HĐQT dated 9 July 2021 of the Board of Directors, the Board of Directors approved the establishment of South Thien Long Manufacturing Trading Company Limited in the form of One Member Company Limited with a charter capital of VND600 billion.

Accordingly, South Thien Long Manufacturing Trading Company Limited was established in accordance with the Business Registration Certificate No. 0316944371 issued by the Department of Planning and Investment of Ho Chi Minh City on 22 July 2021.

**41 OTHER MATTER**

Due to the current situation, the new Corona virus ("Covid-19") is causing some volatility for the world economy, therefore, at the issue date of the interim consolidated financial statements, the Group's business operations may be affected by the instability of the Covid-19 pandemic's situation in Vietnam. The Board of Management prudently assessed the potential impacts of Covid-19 on the Group's business operations and management plan, as well as timely reviewed the Group's business strategy and worked with suppliers and customers to solve the current situation. The Board of Management still continues to evaluate the effects on the Group's operation in the period ended 31 December 2021.

The interim consolidated financial statements were approved by the Chief Executive Officer on 21 August 2021.



Dao Xuan Nam  
Preparer



Nguyen Ngoc Nhon  
Chief Accountant



  
Tran Phuong Nga  
Chief Executive Officer