



THIÊN TRƯỜNG GROUP CORPORATION

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**



THIEN LONG GROUP CORPORATION

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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THIEN LONG GROUP CORPORATION

CORPORATE INFORMATION

Investment registration certificate	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.																				
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 18th amendment dated 29 June 2020.																				
Board of Directors	<table><tr><td>Mr. Co Gia Tho</td><td>Chairman</td></tr><tr><td>Mr. Tran Kim Thanh</td><td>Vice Chairman (until 24 June 2020)</td></tr><tr><td>Mr. Tran Le Nguyen</td><td>Member</td></tr><tr><td>Mr. Huynh Van Thien</td><td>Member</td></tr><tr><td>Ms. Tran Thai Nhu</td><td>Member</td></tr><tr><td>Ms. Co Ngan Binh</td><td>Member</td></tr><tr><td>Ms. Co Cam Nguyet</td><td>Member</td></tr><tr><td>Mr. Tran Van Hung</td><td>Member</td></tr><tr><td>Mr. Tayfun Uner</td><td>Member</td></tr><tr><td>Mr. Pham Tri Nguyen</td><td>Member (from 24 June 2020)</td></tr></table>	Mr. Co Gia Tho	Chairman	Mr. Tran Kim Thanh	Vice Chairman (until 24 June 2020)	Mr. Tran Le Nguyen	Member	Mr. Huynh Van Thien	Member	Ms. Tran Thai Nhu	Member	Ms. Co Ngan Binh	Member	Ms. Co Cam Nguyet	Member	Mr. Tran Van Hung	Member	Mr. Tayfun Uner	Member	Mr. Pham Tri Nguyen	Member (from 24 June 2020)
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Mr. Tran Van Hung	Member																				
Mr. Tayfun Uner	Member																				
Mr. Pham Tri Nguyen	Member (from 24 June 2020)																				
Board of Supervision	<table><tr><td>Ms. Nguyen Thi Bich Nga</td><td>Head</td></tr><tr><td>Mr. Dinh Duc Hau</td><td>Member</td></tr><tr><td>Ms. Ta Hong Diep</td><td>Member</td></tr></table>	Ms. Nguyen Thi Bich Nga	Head	Mr. Dinh Duc Hau	Member	Ms. Ta Hong Diep	Member														
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Board of Management	<table><tr><td>Mr. Nguyen Dinh Tam</td><td>Chief Executive Officer</td></tr><tr><td>Mr. Truong Anh Hao</td><td>Deputy General Director</td></tr><tr><td>Mr. Bui Van Huong</td><td>Deputy General Director</td></tr><tr><td>Mr. Phan Nhut Phuong</td><td>Deputy General Director</td></tr><tr><td>Mr. Nguyen Thuong Viet</td><td>Deputy General Director</td></tr><tr><td>Mr. Teo Hwee Beng</td><td>Deputy General Director (from 1 October 2020)</td></tr><tr><td>Ms. Tran Phuong Nga</td><td>Deputy General Director</td></tr><tr><td>Mr. Tran Trung Hiep</td><td>Deputy General Director (until 1 October 2020)</td></tr></table>	Mr. Nguyen Dinh Tam	Chief Executive Officer	Mr. Truong Anh Hao	Deputy General Director	Mr. Bui Van Huong	Deputy General Director	Mr. Phan Nhut Phuong	Deputy General Director	Mr. Nguyen Thuong Viet	Deputy General Director	Mr. Teo Hwee Beng	Deputy General Director (from 1 October 2020)	Ms. Tran Phuong Nga	Deputy General Director	Mr. Tran Trung Hiep	Deputy General Director (until 1 October 2020)				
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Other Management	<table><tr><td>Mr. Nguyen Ngoc Nhon</td><td>Chief Accountant</td></tr><tr><td>Mr. Dinh Quang Hung</td><td>Director of Production</td></tr><tr><td>Mr. Pham Huu Chi</td><td>Director of Product Design and Development</td></tr><tr><td>Mr. Nguyen Duc Hanh</td><td>Director of Information Technology</td></tr><tr><td>Mr. Diep Bao Tinh</td><td>Director of Technology</td></tr><tr><td>Mr. Trinh Van Hao</td><td>Director of Marketing</td></tr><tr><td>Ms. Huynh Ngoc Bao Thi</td><td>Director of Chemical Technology</td></tr></table>	Mr. Nguyen Ngoc Nhon	Chief Accountant	Mr. Dinh Quang Hung	Director of Production	Mr. Pham Huu Chi	Director of Product Design and Development	Mr. Nguyen Duc Hanh	Director of Information Technology	Mr. Diep Bao Tinh	Director of Technology	Mr. Trinh Van Hao	Director of Marketing	Ms. Huynh Ngoc Bao Thi	Director of Chemical Technology						
Mr. Nguyen Ngoc Nhon	Chief Accountant																				
Mr. Dinh Quang Hung	Director of Production																				
Mr. Pham Huu Chi	Director of Product Design and Development																				
Mr. Nguyen Duc Hanh	Director of Information Technology																				
Mr. Diep Bao Tinh	Director of Technology																				
Mr. Trinh Van Hao	Director of Marketing																				
Ms. Huynh Ngoc Bao Thi	Director of Chemical Technology																				

THIEN LONG GROUP CORPORATION

CORPORATE INFORMATION (continued)

Legal Representative	Mr. Co Gia Tho	Chairman
Registered office	Lot 6-8-10-12, Street No. 3, Tan Tao Industrial Park, Tan Tao A Ward, Binh Tan District, Ho Chi Minh City, Vietnam	
Auditor	PwC (Vietnam) Limited	

THIEN LONG GROUP CORPORATION

STATEMENT OF RESPONSIBILITY OF THE BOARD OF MANAGEMENT OF THE COMPANY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Legal Representative of Thien Long Group Corporation (“the Company”) has authorised the Board of the Company to be 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 2020, and of the consolidated results of its operations and its consolidated cash flows for the year then ended. In preparing these consolidated financial statements, the Board of Management 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 Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and which enable consolidated financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the consolidated financial statements. The Board of Management 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 CONSOLIDATED FINANCIAL STATEMENTS

We hereby approve the accompanying consolidated financial statements as set out on pages 6 to 46 which give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of the consolidated results of its operations and consolidated 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.



On behalf of the Board of Management,

Nguyen Dinh Tam
Authorised signatory
Authorised by Legal Representative

Ho Chi Minh City, Vietnam
30 March 2021



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 2020 and approved by the Board of Management of the Company on 30 March 2021. The consolidated financial statement comprise the consolidated balance sheet as at 31 December 2020, 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 6 to 46.

The Board of Management’s Responsibility

The Board of Management 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 Board of Management determines necessary to enable the preparation and fair 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 Board of Management, 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 2020, its consolidated financial performance and consolidated cash flows of the Group 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 Matters

The consolidated financial statements for the year ended 31 December 2019 were audited by another auditor whose independent auditor's report dated 30 March 2020, expressed an unmodified opinion on those statements.

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

For and on behalf of PwC (Vietnam) Limited



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

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

Report reference number: HCM10511
Ho Chi Minh City, 30 March 2021

THIEN LONG GROUP CORPORATION

Form B 01 – DN/HN

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2020

Code	ASSETS	Note	Closing balance VND	Opening balance VND
100	CURRENT ASSETS		1,701,751,836,942	1,830,894,396,372
110	Cash and cash equivalents	3	371,680,211,939	190,855,576,577
111	Cash		152,680,211,939	99,855,576,577
112	Cash equivalents		219,000,000,000	91,000,000,000
120	Short-term investment		372,000,000,000	466,000,000,000
123	Held-to-maturity investments	4(a)	372,000,000,000	466,000,000,000
130	Short-term receivables		415,009,507,750	581,476,470,866
131	Short-term trade receivables	5	386,750,747,429	540,254,253,737
132	Short-term prepayments to suppliers	6	16,500,972,908	18,195,133,300
136	Other short-term receivables	7	11,926,026,574	23,941,767,031
137	Provision for doubtful debts – short-term		(168,239,161)	(914,683,202)
140	Inventories	8	530,224,405,469	582,361,530,894
141	Inventories		554,826,392,930	611,220,729,006
149	Provision for decline in value of inventories		(24,601,987,461)	(28,859,198,112)
150	Other current assets		12,837,711,784	10,200,818,035
151	Short-term prepaid expenses	9(a)	12,713,482,192	7,897,754,885
152	Value added tax ("VAT") deductibles		109,174,138	2,288,007,696
153	Tax and other receivables from the State		15,055,454	15,055,454
200	LONG-TERM ASSETS		612,847,304,820	586,009,531,603
210	Long-term receivable		4,636,517,123	3,084,864,613
216	Other long-term receivables		4,636,517,123	3,084,864,613
220	Fixed assets		463,588,241,667	464,236,995,775
221	Tangible fixed assets	10(a)	438,944,610,201	434,775,531,550
222	Historical cost		990,029,869,959	916,525,121,861
223	Accumulated depreciation		(551,085,259,758)	(481,749,590,311)
227	Intangible fixed assets	10(b)	24,643,631,466	29,461,464,225
228	Historical cost		67,792,297,411	67,432,574,911
229	Accumulated amortisation		(43,148,665,945)	(37,971,110,686)
240	Long-term asset in progress		13,434,075,449	26,712,919,979
242	Construction in progress	11	13,434,075,449	26,712,919,979
250	Long-term investments		21,942,320,000	21,092,112,000
253	Investments in other entities	4(b)	30,685,000,000	30,685,000,000
254	Provision for long-term investments	4(b)	(8,742,680,000)	(9,592,888,000)
260	Other long-term assets		109,246,150,581	70,882,639,236
261	Long-term prepaid expenses	9(b)	80,297,126,389	39,582,025,338
262	Deferred income tax assets	19	28,949,024,192	31,300,613,898
270	TOTAL ASSETS		2,314,599,141,762	2,416,903,927,975

The notes on pages 10 to 46 are an integral part of these consolidated financial statements.

THIEN LONG GROUP CORPORATION

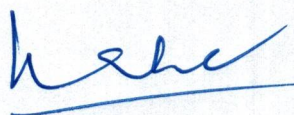
Form B 01 – DN/HN

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2020
(continued)

Code	RESOURCES	Note	Closing balance VND	Opening balance VND
300	LIABILITIES		566,339,505,472	609,917,056,329
310	Short-term liabilities		499,556,492,085	554,653,680,656
311	Short-term trade payables	12	113,224,556,606	181,300,286,706
312	Short-term advances from customers	13	6,686,687,740	2,570,299,065
313	Tax and other payables to the State	14	18,846,224,521	31,734,854,675
314	Payables to employees		23,820,358,291	25,924,624,973
315	Short-term accrued expenses	15	93,748,732,179	96,724,794,495
319	Other short-term payables	16	90,142,614,189	9,028,740,183
320	Short-term borrowings	17(a)	147,248,648,694	195,113,477,671
322	Bonus and welfare fund	24	5,838,669,865	12,256,602,888
330	Long-term liabilities		66,783,013,387	55,263,375,673
338	Long-term borrowings	17(b)	31,807,692,298	25,846,153,842
342	Provision for long-term liabilities	18	34,975,321,089	29,417,221,831
400	OWNERS' EQUITY		1,748,259,636,290	1,806,986,871,646
410	Capital and reserves		1,748,259,636,290	1,806,986,871,646
411	Owners' contributed capital	20, 21	777,944,530,000	777,944,530,000
411a	- Ordinary shares with voting rights		777,944,530,000	777,944,530,000
412	Share premium	21	361,633,483,771	392,944,802,300
417	Foreign exchange differences	21	92,630,401	-
418	Investment and development fund	21	199,910,168,556	158,019,722,556
421	Undistributed earnings	21	408,678,823,562	478,077,816,790
421a	- Undistributed post-tax profits of previous years		330,722,692,813	233,121,320,737
421b	- Undistributed post-tax profits of current year		77,956,130,749	244,956,496,053
440	TOTAL RESOURCES		2,314,599,141,762	2,416,903,927,975



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant



Nguyen Dinh Tam
Chief Executive Officer
30 March 2021

The notes on pages 10 to 46 are an integral part of these consolidated financial statements.

THIEN LONG GROUP CORPORATION

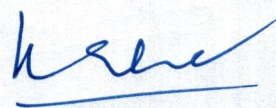
Form B 02 – DN/HN

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

Code		Note	Current year VND	Previous year VND
01	Revenue from sales of goods		2,738,400,566,048	3,298,710,950,005
02	Less deductions		(53,848,615,712)	(46,229,433,953)
10	Net revenue from sales of goods	28	2,684,551,950,336	3,252,481,516,052
11	Cost of goods sold	29	(1,654,810,794,517)	(2,054,990,358,755)
20	Gross profit from sales of goods		1,029,741,155,819	1,197,491,157,297
21	Financial income	30	26,526,594,813	29,972,019,720
22	Financial expenses	31	(15,968,918,896)	(14,334,036,161)
23	- Including: Interest expense	31	(11,853,821,706)	(11,434,553,822)
25	Selling expenses	32	(488,676,448,608)	(500,044,195,759)
26	General and administration expenses	33	(254,856,941,468)	(285,140,218,494)
30	Net operating profit		296,765,441,660	427,944,726,603
31	Other income		8,799,926,472	9,723,383,622
32	Other expenses		(1,927,894,452)	(817,351,647)
40	Net other income	34	6,872,032,020	8,906,031,975
50	Net accounting profit before tax		303,637,473,680	436,850,758,578
51	Corporate income tax ("CIT") - current	35	(61,440,847,225)	(94,012,038,665)
52	CIT - deferred	35	(2,351,589,706)	6,248,329,163
60	Net profit after tax		239,845,036,749	349,087,049,076
	Attributable to:			
61	Owners of the Company		239,845,036,749	349,087,049,076
70	Basic earnings per share	25(a)	2,775	4,084
71	Diluted earnings per share	25(b)	2,775	4,084



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant



Nguyen Dinh Tam
Chief Executive Officer
30 March 2021

The notes on pages 10 to 46 are an integral part of these consolidated financial statements.

THIEN LONG GROUP CORPORATION

Form B 03 – DN/HN

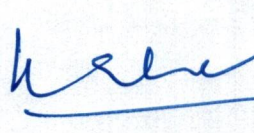
**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020
(Indirect method)**

Code	Note	Current year VND	Previous year VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01		303,637,473,680	436,850,758,578
		Net accounting profit before tax	
		Adjustments for:	
02		80,427,015,086	77,552,153,082
03		(9,843,622,423)	8,626,055,304
04	31	284,619,586	16,650,960
05	30,34	(22,385,207,920)	(57,340,235,185)
06	31	11,853,821,706	11,434,553,822
08		363,974,099,715	477,139,936,561
09		163,476,604,891	(226,056,564,034)
10		56,523,700,153	92,205,148,534
11		(60,624,667,853)	66,510,228,951
12		(33,310,311,486)	(12,229,001,807)
14		(12,125,598,196)	(11,425,842,447)
15		(67,079,096,806)	(87,578,360,119)
17	14	(42,265,374,888)	(40,396,702,157)
20		368,569,355,530	258,168,843,482
CASH FLOWS FROM INVESTING ACTIVITIES			
21		(85,086,927,060)	(84,540,730,238)
22		1,020,459,916	96,605,895,895
23		(464,500,000,000)	(619,000,000,000)
24		558,500,000,000	153,000,000,000
27		28,851,374,215	11,134,804,294
30		38,784,907,071	(442,800,030,049)
CASH FLOWS FROM FINANCING ACTIVITIES			
31	20(c)	15,000,000,000	414,663,619,300
32	20(c)	(46,311,318,529)	-
33		694,739,377,675	631,294,976,475
34		(736,642,668,196)	(632,495,287,408)
36		(153,373,200,000)	(183,880,080,350)
40		(226,587,809,050)	229,583,228,017
50		180,766,453,551	44,952,041,450
60	3	190,855,576,577	145,861,230,396
61		58,181,811	42,304,731
70	3	371,680,211,939	190,855,576,577

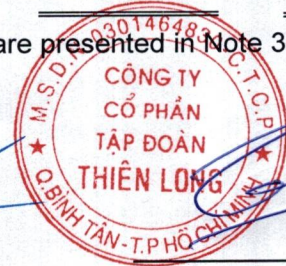
Additional information relating to the cash flow statement are presented in Note 38.



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant



Nguyen Dinh Tam
Chief Executive Officer
30 March 2021

The notes on pages 10 to 46 are an integral part of these consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1 GENERAL INFORMATION

Thien Long Group Corporation (the "Company") is a joint stock company established in Socialist Republic of Vietnam pursuant to Enterprise registration certificate No. 0301464830 dated 14 March 2005 which was issued by the Department of Planning and Investment of Ho Chi Minh City and the 18th 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 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 20(b).

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 stationeries 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 31 December 2020, 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 31 December 2020, the Group had 2,968 employees (as at 31 December 2019: 3,485 employees).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of consolidated financial statements

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

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's.

The consolidated financial statements in the Vietnamese language are the official consolidated statutory 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 Group'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"). 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 and 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 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 where 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)**2.4 Exchange rates (continued)***Foreign operations*

Assets and liabilities of foreign operations are translated into VND at the closing exchange rates at date of the consolidated balance sheet. 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 years.

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, 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.

2.9 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 Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end.

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

Held-to-maturity investments are classified into short-term and long-term held-to-maturity investments 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)**2.9 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 Board of Management 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, 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 fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

2.10 Fixed assets*Tangible and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation and amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets bringing them to suitable conditions for their intended use. Expenditure 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, such expenditure is charged to the 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 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, which are recorded at cost and are comprised of such necessary costs to newly construct, to repair and maintain, to upgrade, to renew or equip the projects with technologies as construction costs; costs of tools and equipment; project management expenditures; construction consulting expenditures; and capitalised borrowing costs for qualifying assets in accordance with the Group's accounting policies. Depreciation of these assets, on the same basis as other fixed assets, commences when they are ready for their intended use.

2.11 Operating leases

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

2.12 Prepaid expenses

Prepaid expenses include short-term and long-term prepayments on the consolidated balance sheet. 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 became 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 the 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 consolidated balance sheet based on remaining period from the consolidated balance sheet date to the maturity date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Borrowings and borrowing costs

Borrowings include borrowings from banks.

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

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

2.15 Accrued expenses

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

2.16 Provisions

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

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

2.17 Provision for severance allowance

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Provision for dismantling and restoration costs

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

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

2.19 Capital and reserves

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

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

Treasury shares 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.

2.20 Appropriation of profit

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

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

(b) Bonus and welfare fund

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Revenue recognition

(a) Revenue from sales of goods

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

2.22 Sales deductions

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

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

2.23 Cost of goods sold

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Financial expenses

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

2.25 Selling expenses

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

2.26 General and administration expenses

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

2.27 Current and deferred income tax

Income 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 year, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different year, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the consolidated balance sheet date.

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

2.28 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Group, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group, key management personnel, including the Board of Management of the Group 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.29 Segment reporting**

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

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

2.30 Accounting estimates

The preparation of consolidated financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements requires the Board of Management 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 8);
- Estimated useful life of fixed assets (Note 10);
- Estimation of provision for long-term liabilities (Note 18); and
- Recognition of deferred tax assets for tax losses carried forward (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

	Closing balance VND	Opening balance VND
Cash on hand	1,228,644,452	3,445,901,892
Cash at bank	151,451,567,487	96,409,674,685
Cash equivalents (*)	219,000,000,000	91,000,000,000
	<u>371,680,211,939</u>	<u>190,855,576,577</u>

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

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4 FINANCIAL INVESTMENTS

(a) Held-to-maturity investments

The balance represents term deposits at banks with maturity from 6 months to 12 months and earn interest at fixed interest rates in Vietnamese Dong.

(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	(*)	(4,586,400,000)	2.00	25,000,000,000	(*)	(5,489,200,000)	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	(*)	(591,280,000)	1.89	1,520,000,000	(*)	(538,688,000)	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>(8,742,680,000)</u>		<u>30,685,000,000</u>		<u>(9,592,888,000)</u>	

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

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5 SHORT-TERM TRADE RECEIVABLES

	Closing balance VND	Opening balance VND
SQI Group Int'l. Corp.	27,754,604,189	31,529,460,459
Like Link Co., Ltd.	12,572,453,507	28,415,466,565
Others	346,423,689,733	480,309,326,713
	<u>386,750,747,429</u>	<u>540,254,253,737</u>

As at end of year and beginning of year, the Group did not have any short-term receivables from customers that were past due or not past due but doubtful.

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 17).

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	Closing balance VND	Opening balance VND
China Jwell Intelligent Machinery Co., Ltd	1,953,244,800	-
Intech Investment and Technology Joint Stock Company - Saigon Branch	1,795,362,250	-
Others	12,752,365,858	18,195,133,300
	<u>16,500,972,908</u>	<u>18,195,133,300</u>

7 OTHER SHORT-TERM RECEIVABLES

	Closing balance		Opening balance	
	Book value VND	Provision VND	Book value VND	Provision VND
Interest receivables	8,044,502,741	-	15,155,193,148	-
Advances to employees	1,063,255,506	-	1,380,851,873	-
Short-term deposits	673,895,000	-	242,401,735	-
Others	2,144,373,327	-	7,163,320,275	-
	<u>11,926,026,574</u>	<u>-</u>	<u>23,941,767,031</u>	<u>-</u>

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

8 INVENTORIES

	Closing balance		Opening balance	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	12,457,622,463	-	38,227,456,818	-
Raw materials	191,344,982,685	(16,062,395,215)	187,544,385,666	(15,159,919,406)
Tools and supplies	6,517,647,894	(764,136,018)	4,474,478,320	(164,153,902)
Work in progress	50,494,687,517	(2,782,913,237)	40,735,267,802	(1,420,162,354)
Finished goods	145,202,173,063	(1,731,412,560)	199,908,650,958	(9,945,763,492)
Merchandise	148,809,279,308	(3,261,130,431)	140,330,489,442	(2,169,198,958)
	<u>554,826,392,930</u>	<u>(24,601,987,461)</u>	<u>611,220,729,006</u>	<u>(28,859,198,112)</u>

As at end of year, inventories of VND140,000,000,000 and USD5,000,000 (as at beginning of year: VND80,000,000,000 and USD5,000,000) were pledged as mortgaged assets for short-term borrowings from banks (Note 17).

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

	Current year VND	Previous year VND
Opening balance	(28,859,198,112)	(18,955,968,077)
Addition (Note 29)	(14,651,803,220)	(12,994,717,565)
Reversal (Note 29)	18,909,013,871	3,091,487,530
Closing balance	<u>(24,601,987,461)</u>	<u>(28,859,198,112)</u>

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9 PREPAID EXPENSES

(a) Short-term

	Closing balance VND	Opening balance VND
Advertising and marketing expenses	7,684,842,966	1,483,238,457
Health and asset insurance	1,496,796,134	1,653,749,180
Tools and supplies	138,442,174	433,618,285
Others	3,393,400,918	4,327,148,963
	<u>12,713,482,192</u>	<u>7,897,754,885</u>

(b) Long-term

	Closing balance VND	Opening balance VND
Land rental (*)	10,568,515,651	10,897,923,931
Expenses for site clearance, restoration and return (**)	10,294,303,030	-
Tools and supplies	50,478,443,012	22,240,685,533
Others	8,955,864,696	6,443,415,874
	<u>80,297,126,389</u>	<u>39,582,025,338</u>

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

(**) The Group has offices and factories built on leased land. Under the Land Lease Agreement, the Group has an obligation to restore and return the premises to the original state at the end of the lease term. Accordingly, the Group has estimated its liability (Note 18) and amortised it to expenses over the remaining land lease term.

Movements in prepaid expenses during the year are as follows:

	Current year VND	Previous year VND
Opening balance	47,479,780,223	35,053,633,802
Increase	63,704,252,157	44,337,605,533
Transferred from construction in progress (Note 11)	2,720,346,382	3,470,975,371
Transferred from inventories	46,762,488,332	11,998,310,451
Transferred from fixed assets	172,948,083	29,605,000
Allocation	(67,829,206,596)	(47,410,349,934)
Closing balance	<u>93,010,608,581</u>	<u>47,479,780,223</u>

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10 FIXED ASSETS

(a) Tangible fixed assets

	Plant, buildings and structures	Machinery and equipment	Motor vehicles	Office equipment	Others	Total
	VND	VND	VND	VND	VND	VND
Historical cost						
Opening balance	227,186,559,717	462,253,779,701	43,729,097,944	17,784,935,514	165,570,748,985	916,525,121,861
New purchases	-	12,959,348,240	1,386,841,010	1,512,625,334	3,236,140,022	19,094,954,606
Transfers from construction in progress (Note 11)	458,150,800	51,219,584,837	-	-	11,681,754,866	63,359,490,503
Reclassification	-	10,710,520	-	-	(307,812,219)	(297,101,699)
Disposals	(628,630,154)	(4,203,489,704)	(1,583,994,971)	(1,232,567,296)	(1,003,913,187)	(8,652,595,312)
Closing balance	227,016,080,363	522,239,933,594	43,531,943,983	18,064,993,552	179,176,918,467	990,029,869,959
Accumulated depreciation						
Opening balance	72,847,039,805	240,391,846,088	27,323,415,349	16,332,252,228	124,855,036,841	481,749,590,311
Charge for the year	10,337,544,274	46,745,897,506	5,543,555,127	1,238,318,175	13,879,435,404	77,744,750,486
Reclassification	-	(129,948,380)	-	-	(134,864,136)	(264,812,516)
Disposals	(359,747,364)	(3,964,045,705)	(1,583,994,971)	(1,232,567,296)	(1,003,913,187)	(8,144,268,523)
Closing balance	82,824,836,715	283,043,749,509	31,282,975,505	16,338,003,107	137,595,694,922	551,085,259,758
Net book value						
Opening balance	154,339,519,912	221,861,933,613	16,405,682,595	1,452,683,286	40,715,712,144	434,775,531,550
Closing balance	144,191,243,648	239,196,184,085	12,248,968,478	1,726,990,445	41,581,223,545	438,944,610,201

As at end of year, the historical cost of tangible assets of the Group which were fully depreciated but still in use was VND275,800,471,670 (as at beginning of year: VND240,498,806,224).

As at end of year, tangible fixed assets of the Group with a carrying value of VND164,167,175,459 (as at beginning of year: VND92,251,390,522) were pledged as mortgaged assets for short-term and long-term borrowings from banks (Note 17).

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10 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Land use rights VND	Software VND	Copyright, patents VND	Total VND
Historical cost				
Opening balance	16,047,625,000	51,017,949,911	367,000,000	67,432,574,911
New purchases	-	180,880,000	-	180,880,000
Transfers from construction in progress (Note 11)	-	257,842,500	-	257,842,500
Disposals	-	(79,000,000)	-	(79,000,000)
Closing balance	16,047,625,000	51,377,672,411	367,000,000	67,792,297,411
Accumulated amortisation				
Opening balance	1,175,864,496	36,428,246,190	367,000,000	37,971,110,686
Charge for the year	-	5,199,499,703	-	5,199,499,703
Disposals	-	(21,944,444)	-	(21,944,444)
Closing balance	1,175,864,496	41,605,801,449	367,000,000	43,148,665,945
Net book value				
Opening balance	14,871,760,504	14,589,703,721	-	29,461,464,225
Closing balance	14,871,760,504	9,771,870,962	-	24,643,631,466

As at end of year, the historical cost of intangible assets of the Group which were fully amortised but still in use was VND13,867,672,432 (as at beginning of year: VND11,494,917,913).

As at end of year and beginning of year, intangible fixed assets of the Group with a carrying value of VND8,671,760,504 were pledged as mortgaged assets for short-term borrowings from banks (Note 17(a)).

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11 CONSTRUCTION IN PROGRESS

	Closing balance VND	Opening balance VND
Moulds under installation	7,831,128,260	9,571,080,676
Equipment under installation	4,797,947,189	16,883,996,803
Others	805,000,000	257,842,500
	<u>13,434,075,449</u>	<u>26,712,919,979</u>

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

	Current year VND	Previous year VND
Opening balance	26,712,919,979	64,703,776,055
Increase in the year	53,280,116,624	58,993,201,799
Transfers to fixed assets (Note 10(a)), 10(b))	(63,617,333,003)	(89,633,620,775)
Transfers to prepaid expenses (Note 9)	(2,720,346,382)	(3,470,975,371)
Transfers to inventories	(221,281,769)	(3,879,461,729)
	<u>13,434,075,449</u>	<u>26,712,919,979</u>

12 SHORT-TERM TRADE PAYABLES

	Closing balance		Opening balance	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties	<u>113,224,556,606</u>	<u>113,224,556,606</u>	<u>181,300,286,706</u>	<u>181,300,286,706</u>

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

13 SHORT-TERM ADVANCES FROM CUSTOMERS

	Closing balance VND	Opening balance VND
Newell Brands Inc.	4,561,645,894	-
Crayola LLC	-	1,546,424,220
Others	2,125,041,846	1,023,874,845
	<u>6,686,687,740</u>	<u>2,570,299,065</u>

14 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 year VND	Payment during the year VND	Closing balance VND
Value added tax	14,080,122,471	104,644,950,936	(110,876,876,578)	7,848,196,829
CIT - current	15,363,741,390	61,440,847,225	(67,079,096,806)	9,725,491,809
Personal income tax	2,109,921,017	29,138,120,059	(29,988,316,415)	1,259,724,661
Import – export duties	181,069,797	11,138,731,587	(11,319,801,384)	-
Others	-	3,014,971,462	(3,002,160,240)	12,811,222
	<u>31,734,854,675</u>	<u>209,377,621,269</u>	<u>(222,266,251,423)</u>	<u>18,846,224,521</u>

15 SHORT-TERM ACCRUED EXPENSES

	Closing balance VND	Opening balance VND
13th & 14th month salary and incentive	67,721,074,833	70,098,473,027
Advertising and marketing	1,803,384,998	2,749,627,684
Interest expense	245,461,821	517,238,311
Others	23,978,810,527	23,359,455,473
	<u>93,748,732,179</u>	<u>96,724,794,495</u>

16 OTHER SHORT-TERM PAYABLES

	Closing balance VND	Opening balance VND
Dividend payable	77,805,618,500	45,459,500
Allowance for the Board of Directors and Board of Supervision	3,791,956,955	3,425,500,843
Union fees	1,379,475,611	2,504,830,496
Others	7,165,563,123	3,052,949,344
	<u>90,142,614,189</u>	<u>9,028,740,183</u>

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

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17 BORROWINGS

(a) Short-term

	Opening balance		During the year		Closing balance	
	Value VND	Able-to-pay amount VND	Increase VND	Decrease VND	Value VND	Able-to-pay amount VND
Joint Stock Commercial Bank for Investment and Development of Vietnam - Western Saigon Branch (i)	68,101,512,180	68,101,512,180	168,752,493,913	(206,478,542,993)	30,375,463,100	30,375,463,100
Vietnam Joint Stock Commercial Bank for Industry and Trade - Western Saigon Branch (ii)	20,313,696,258	20,313,696,258	144,673,605,186	(161,511,860,549)	3,475,440,895	3,475,440,895
HSBC Bank (Vietnam) Limited (iii)	82,089,697,040	82,089,697,040	227,356,606,840	(227,679,361,662)	81,766,942,218	81,766,942,218
United Overseas Bank (Vietnam) Limited (iv)	4,026,436,195	4,026,436,195	112,412,674,087	(96,923,965,274)	19,515,145,008	19,515,145,008
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Bien Hoa Branch (v)	12,828,289,840	12,828,289,840	23,466,801,720	(36,295,091,560)	-	-
Shinhan Bank Vietnam Limited (vi)	-	-	1,777,195,929	-	1,777,195,929	1,777,195,929
	187,359,631,513	187,359,631,513	678,439,377,675	(728,888,822,038)	136,910,187,150	136,910,187,150
Current portion of long-term borrowings						
HSBC Bank (Vietnam) Limited (*)	7,753,846,158	7,753,846,158	10,338,461,544	(7,753,846,158)	10,338,461,544	10,338,461,544
	195,113,477,671	195,113,477,671	688,777,839,219	(736,642,668,196)	147,248,648,694	147,248,648,694

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17 BORROWINGS (continued)

(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 (vii) (*)	25,846,153,842	25,846,153,842	16,300,000,000	(10,338,461,544)	31,807,692,298	31,807,692,298

17 **BORROWINGS (continued)**

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

	Closing balance	Opening balance
Original debt balance	42,146,153,842	33,600,000,000
Current portion	(10,338,461,544)	(7,753,846,158)
	<u>31,807,692,298</u>	<u>25,846,153,842</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 10).
- (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 and inventories, buildings and structures as collateral assets for these loans (Note 8 and 10).
- (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, 8 and 10).
- (iv) Representing short-term loans at United Oversea 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 8).
- (v) Representing short-term unsecured loans at Joint Stock Commercial Bank for Foreign Trade of Vietnam - Bien Hoa Branch for the purpose of supplementing working capital. The loans have terms and interest rates specified in each disbursement.
- (vi) Representing short-term unsecured loans at Shinhan Bank Vietnam Limited for the purpose of supplementing working capital. The loans have terms and interest rates specified in each disbursement.
- (vii) 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 in each disbursement. The Group used machinery and equipment as collateral assets for these loans (Note 10).

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18 PROVISION FOR LONG-TERM LIABILITIES

	Closing balance VND	Opening balance VND
Provision for severance allowance	24,359,321,089	29,417,221,831
Provisions for site clearance, restoration and return (Note 9 (b))	10,616,000,000	-
	<u>34,975,321,089</u>	<u>29,417,221,831</u>

19 DEFERRED INCOME TAX

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

	Closing balance VND	Opening balance VND
Deferred tax assets to be recovered	<u>28,949,024,192</u>	<u>31,300,613,898</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	31,300,613,898	25,052,284,735
Consolidated income statement (charge)/credit (Note 35)	(2,351,589,706)	6,248,329,163
End of year	<u>28,949,024,192</u>	<u>31,300,613,898</u>

Details of deferred tax assets

	Closing balance VND	Opening balance VND
Temporary difference of provisions	10,619,511,553	12,087,591,201
Unrealised profit of internal transactions	9,758,404,456	14,572,081,710
Tax losses not yet utilised (*)	8,261,350,649	-
Temporary difference of accrued expenses	260,284,717	4,636,295,145
Unrealised exchange rate differences of cash and receivables denominated in foreign currency	49,472,817	4,645,842
	<u>28,949,024,192</u>	<u>31,300,613,898</u>

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

The Group used a tax rate of 20% in year 2020 (2019: 20%) to determine deferred income tax assets and deferred income tax liabilities.

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

- (*) The Group's tax losses can be carried forward to offset against future taxable profit for a maximum period of no more than five consecutive years from the year right after the year in which the loss was incurred. The actual amount of tax losses that can be carried forward is subject to review and approval of the tax authorities and may be different from the figures presented. The estimated amount of tax losses available for offset against the Group's future taxable profit are:

Year of tax loss	Status of tax authorities' review	Loss incurred VND	Loss utilised VND	Loss carried forward VND
2016	Outstanding	452,778,353	-	452,778,353
2017	Outstanding	150,127,467	-	150,127,467
2018	Outstanding	461,063,061	-	461,063,061
2019	Outstanding	2,695,902,850	-	2,695,902,850
2020	Outstanding	48,977,553,403	-	48,977,553,403
		<u>52,737,425,134</u>	<u>-</u>	<u>52,737,425,134</u>

The Group recognised deferred income tax assets relating to a tax loss carried forward amounting to VND41,306,753,247. For the remaining tax losses of VND11,430,671,887, the Group has not 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.

20 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>

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20 OWNERS' CAPITAL (continued)

(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	6.01	4,594,605	5.91
Other shareholders	30,198,896	38.82	30,348,896	39.01
Number of shares issued	<u>77,794,453</u>	<u>100</u>	<u>77,794,453</u>	<u>100</u>

(c) Movement of share capital

	Number of shares in circulation	Owners' capital VND	Treasury shares VND
As at 1 January 2019	65,722,853	657,228,530,000	-
New shares issued	12,071,600	120,716,000,000	-
As at 31 December 2019	<u>77,794,453</u>	<u>777,944,530,000</u>	<u>-</u>
As at 1 January 2020	77,794,453	777,944,530,000	-
Treasury shares repurchased (*)	(1,500,000)	-	(46,311,318,529)
Treasury shares reissued (**)	1,500,000	-	46,311,318,529
As at 31 December 2020	<u>77,794,453</u>	<u>777,944,530,000</u>	<u>-</u>

Par value per share: VND10,000.

(*) Pursuant to the Resolution No. 02/2020/NQ-HDQT dated 18 March 2020 of the Board of Directors, the Board of Directors approved the repurchase of 1,500,000 ordinary shares of the Company, equivalent to 1.93% of the number of shares issued, as treasury shares. Accordingly, from 15 April to 14 May 2020, the Company purchased 1,500,000 shares with total value of VND46,311,318,529.

(**) Pursuant to the Resolution No. 01/2020/NQ-DHDCD dated 24 June 2020 of the annual General Meeting of Shareholders, the General Meeting of Shareholders of the Company approved the reissuance of 1,500,000 treasury shares to employees at par value of VND10,000/share. In addition, pursuant to the Resolution No. 12/2020/NQ-HDQT dated 30 October 2020 of the Board of Directors, the Board of Directors approved the difference between the repurchased and reissued prices using share premium (Note21).

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21 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital	Share premium	Investment and development fund	Treasury shares	Foreign exchange difference	Undistributed earnings	Total
	VND	VND	VND	VND	VND	VND	VND
For the year ended 31 December 2019							
Opening balance	657,228,530,000	28,281,183,000	158,051,613,498	-	-	425,107,070,172	1,268,668,396,670
Capital increase during the year	120,716,000,000	364,663,619,300	(35,358,000,000)	-	-	(35,358,000,000)	414,663,619,300
Net profit for the year	-	-	-	-	-	349,087,049,076	349,087,049,076
Dividends declared from undistributed profit of 2018	-	-	-	-	-	(106,084,279,500)	(106,084,279,500)
Dividends declared from undistributed profit of 2019 (i)	-	-	-	-	-	(77,794,453,000)	(77,794,453,000)
Appropriation to investment and development fund	-	-	35,326,109,058	-	-	(35,326,109,058)	-
Appropriation to bonus and welfare fund	-	-	-	-	-	(31,556,660,900)	(31,556,660,900)
Bonus for exceeding the budgeted earnings	-	-	-	-	-	(2,192,000,000)	(2,192,000,000)
Remuneration for the Board of Directors and Board of Supervision (v)	-	-	-	-	-	(7,804,800,000)	(7,804,800,000)
Closing balance	777,944,530,000	392,944,802,300	158,019,722,556	-	-	478,077,816,790	1,806,986,871,646
For the year ended 31 December 2020							
Opening balance	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 year	-	-	-	-	-	239,845,036,749	239,845,036,749
Repurchase of treasury shares (Note 20(c))	-	-	-	(46,311,318,529)	-	-	(46,311,318,529)
Re-issuance of treasury shares (Note 20(c))	-	(31,311,318,529)	-	46,311,318,529	-	-	15,000,000,000
Foreign exchange difference	-	-	-	-	92,630,401	-	92,630,401
Dividends declared from undistributed profit of 2019 (i)	-	-	-	-	-	(77,044,453,000)	(77,044,453,000)
Dividends declared from undistributed profit of 2020 (i)	-	-	-	-	-	(154,088,906,000)	(154,088,906,000)
Appropriation to investment and development fund (ii)	-	-	41,890,446,000	-	-	(41,890,446,000)	-
Appropriation to bonus and welfare fund (iii) (Note 24)	-	-	-	-	-	(16,377,404,977)	(16,377,404,977)
Bonus for exceeding the budgeted profit for the Board of management and employees (iv) (Note 24)	-	-	-	-	-	(9,634,820,000)	(9,634,820,000)
Bonus for exceeding the budgeted profit for the Board of Directors (iv)	-	-	-	-	-	(2,408,000,000)	(2,408,000,000)
Remuneration for the Board of Directors and Board of Supervision (v)	-	-	-	-	-	(7,800,000,000)	(7,800,000,000)
Closing balance	777,944,530,000	361,633,483,771	199,910,168,556	-	92,630,401	408,678,823,562	1,748,259,636,290

21 MOVEMENTS IN OWNERS' EQUITY (continued)

Pursuant to the Resolution No. 01/2020/NQ-DHDCCD dated 24 June 2020 of the 2020 Annual General Meeting of Shareholders, the General Meeting of Shareholders of the Company approved the distribution plan of profit after CIT for the year 2019 as follows:

- (i) Cash dividends at the rate of 20%/par value. For which: 10% was advanced in 2019, 10% was paid in 2020;
Advanced dividends from the 2020 consolidated net profit after tax at the rate of 20%/par value for shares in circulation at the time of advance.
- (ii) Appropriation to investment and development fund of VND41,890,446,000 (equivalent to 12% of profit after tax);
- (iii) Appropriation to bonus and welfare fund of VND34,908,705,000 (equivalent to 10% of net profit after tax); in which, the amounts appropriated in 2019 and 2020 are VND18,531,300,023 and VND16,377,404,977, respectively.
- (iv) Bonus for exceeding budgeted profit of the year 2019 for the Board of Directors was VND2,408,000,000 and for the Board of Management and employees was VND9,634,820,000; and
- (v) Remuneration for the Board of Directors and Board of Supervision of VND7,804,800,000 was appropriated in 2019.
Remuneration for the Board of Directors and the Board of Supervision of VND7,800,000,000 was accrued in 2020.

22 THE USE OF WORKING CAPITAL

(a) Utilisation of working capital raised from the private offering

Based on the capital usage plan, the purpose of capital utilisation has been approved at the Resolution of the General Meeting of Shareholders No. 02/2018/NQ-DHDCCD dated 8 November 2018 and the amended plan to the Resolution of the Board of Directors No. 09/2019/NQ-HDQT dated 12 August 2019, the proceeds from the share reissuance after deducting from issuance fees of VND414,663,619,300 shall be used to supplement working capital and purchase machinery and equipment.

Based on actual situation, proceeds from the share issuance from 5 March 2019 have been used up to 31 December 2020 as follows:

	Total spending amount VND
Investing in machinery and equipment	97,290,103,987
Working capital supplement	314,663,619,300
	411,953,723,287

(b) Utilisation of capital raised from the reissuance of treasury shares to employees

Based on the capital usage plan approved by the Board of Directors under the Resolution No. 11/2020/NQ-HDQT 15 October 2020, the proceeds from the reissuance of treasury shares to employees of VND15,000,000,000 shall be used to purchase raw materials.

Up to 31 December 2020, the proceeds from the reissuance of treasury shares to employees from 26 November 2020 has not been used.

23 DIVIDENDS

Movements of dividend payables during the year are as follows:

	Current year VND	Previous year VND
Opening balance	45,459,500	46,807,350
Dividends payable during the year	231,133,359,000	106,084,279,500
Dividends paid in cash	(153,373,200,000)	(106,085,627,350)
	<u>77,805,618,500</u>	<u>45,459,500</u>
Closing balance	<u>77,805,618,500</u>	<u>45,459,500</u>

24 BONUS AND WELFARE FUND

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

	Current year VND	Previous year VND
Opening balance	12,256,602,888	11,669,684,988
Appropriated (Note 21)	26,012,224,977	33,748,660,900
Utilised	(32,430,158,000)	(33,161,743,000)
	<u>5,838,669,865</u>	<u>12,256,602,888</u>
Closing balance	<u>5,838,669,865</u>	<u>12,256,602,888</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 year, excluding ordinary shares repurchased by the Company and held as treasury shares. Details are as follows:

	Current year	Previous year
Net profit attributable to shareholders (VND)	239,845,036,749	349,087,049,076
Less amount appropriated to bonus and welfare fund (VND) (*)	(23,984,503,675)	(34,908,704,908)
	<u>215,860,533,074</u>	<u>314,178,344,168</u>
Weighted average number of ordinary shares in issue (shares)	77,794,453	76,931,439
Basic earnings per share (VND)	<u>2,775</u>	<u>4,084</u>

(*) Bonus and welfare fund had been appropriated at the rate of 10% of consolidated profit after CIT in accordance with the Resolution No. 01/2020/NQ-DHDCD on 24 June 2020 of the General Meeting of Shareholders.

25 EARNINGS PER SHARE (continued)**(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 year and up to the date of this consolidated financial statements.

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

As at 31 December 2020, included in cash and cash equivalents were balances held in foreign currencies as follows:

	Closing balance	Opening balance
United States Dollar ("USD")	2,379,703	1,874,311
Euro ("EUR")	33,548	45,574
Chinese Renminbi ("RMB")	14,971	7,675
British Pound ("GBP")	1,920	1,920
Singapore Dollar ("SGD")	101,255	139,058
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

(b) Operating lease assets

The future minimum lease payments under non-cancellable operating leases were presented in Note 40.

27 WRITE-OFF DOUBTFUL DEBTS

	<u>Closing balance</u>		<u>Opening balance</u>	
	Amount VND	Reason for writing-off	Amount VND	Reason for writing-off
Thien Loc Trading Company Limited	219,103,729	Unrecoverable debts	-	
Bach Ma Service - Trading Joint Stock Company	107,886,623	Unrecoverable debts	-	
Company Limited Tran Hieu Nghia	3,999,428	Unrecoverable debts	-	
Go May Bookstore Business Household	24,094,403	Unrecoverable debts	-	
Nhan Van Vinh Truong Joint Stock Company	9,384,969	Unrecoverable debts	-	
Phuc Nhan Bookstore Business Household	52,063,917	Unrecoverable debts	-	
Branch of Thien Hop Cultural Service and Trading Company	54,842,961	Unrecoverable debts	-	
Tan Mai bookstore Business Household Vo	194,567,441	Unrecoverable debts	-	
Thanh Dao Book Private Enterprise Nhan Tri	29,748,099	Unrecoverable debts	-	
	30,966,727	Unrecoverable debts	-	
Hoa Mai Stationery Trading Company Limited	19,785,744	Unrecoverable debts	-	
	<u>746,444,041</u>		<u>-</u>	

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28 NET REVENUE FROM SALES OF GOODS

	Current year VND	Previous year VND
Revenue		
Revenue from sales of finished goods	1,993,567,372,693	2,296,157,028,107
Revenue from sales of merchandises	744,502,564,662	906,924,706,266
Revenue from rendering of services	330,628,693	142,590,177
Revenue from transfer of real estate	-	95,486,625,455
	<u>2,738,400,566,048</u>	<u>3,298,710,950,005</u>
Sales deductions		
Finished good returns	(35,403,611,280)	(26,196,750,896)
Merchandise returns	(10,333,997,941)	(5,933,701,473)
Trade discounts	(8,109,736,491)	(14,098,981,584)
Sales deductions	(1,270,000)	-
	<u>(53,848,615,712)</u>	<u>(46,229,433,953)</u>
Net revenue from sales of goods		
Net revenue from sales of finished goods	1,950,054,024,922	2,255,861,295,627
Net revenue from sales of merchandises	734,167,296,721	900,991,004,793
Net revenue from rendering of services	330,628,693	142,590,177
Net revenue from transfer of real estate	-	95,486,625,455
	<u>2,684,551,950,336</u>	<u>3,252,481,516,052</u>

29 COST OF GOODS SOLD

	Current year VND	Previous year VND
Cost of finished goods and merchandises sold	1,659,068,005,168	1,980,075,739,982
Cost of real estate	-	65,011,388,738
(Reversal of provision)/provision for decline in value of inventories (Note 8)	(4,257,210,651)	9,903,230,035
	<u>1,654,810,794,517</u>	<u>2,054,990,358,755</u>

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30 FINANCIAL INCOME

	Current year VND	Previous year VND
Interest income from deposits	21,545,680,008	25,624,421,639
Realised foreign exchange gains	4,785,611,005	4,167,594,881
Dividend income	195,003,800	180,003,200
Others	300,000	-
	<u>26,526,594,813</u>	<u>29,972,019,720</u>

31 FINANCIAL EXPENSES

	Current year VND	Previous year VND
Interest expenses	11,853,821,706	11,434,553,822
Realised foreign exchange losses	3,260,616,680	2,545,264,858
Net loss from foreign currency translation at year-end	284,619,586	16,650,960
Provision for diminution in value of investments	52,592,000	-
Reversal of provision for diminution in value of investments	(902,800,000)	(655,349,577)
Others	1,420,068,924	992,916,098
	<u>15,968,918,896</u>	<u>14,334,036,161</u>

32 SELLING EXPENSES

	Current year VND	Previous year VND
Marketing and trade fair expenses	234,560,445,100	235,946,850,599
Staff costs	104,539,550,515	132,766,877,524
Depreciation and ammortisation	5,866,280,520	4,723,224,723
Others	143,710,172,473	126,607,242,913
	<u>488,676,448,608</u>	<u>500,044,195,759</u>

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33 GENERAL AND ADMINISTRATION EXPENSES

	Current year VND	Previous year VND
Staff costs	184,195,419,956	201,454,971,636
Outside services expenses	32,306,901,250	38,502,410,655
Depreciation and ammortisation	18,796,057,127	20,085,024,615
Others	19,558,563,135	25,097,811,588
	<u>254,856,941,468</u>	<u>285,140,218,494</u>

34 NET OTHER INCOME

	Current year VND	Previous year VND
Other income		
Indemnity for damaged goods	859,561,372	1,076,369,741
Net gains on disposal of fixed assets	644,524,112	1,060,573,629
Others	7,295,840,988	7,586,440,252
	<u>8,799,926,472</u>	<u>9,723,383,622</u>
Other expenses		
Others	1,927,894,452	817,351,647
	<u>1,927,894,452</u>	<u>817,351,647</u>
Net other income	<u>6,872,032,020</u>	<u>8,906,031,975</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	303,637,473,680	436,850,758,578
Adjustment:	-	-
Non-taxable income	(195,003,800)	(180,003,200)
Non-deductible expenses	6,438,418,457	6,414,702,763
Temporary differences for which no deferred income tax asset has been recognised	1,888,168,448	(214,295,526)
Tax losses for which no deferred income tax asset was recognised	7,670,800,156	2,695,902,850
	<u>319,439,856,941</u>	<u>445,567,065,465</u>
Tax calculated at a rate of 20%	63,887,971,386	89,113,413,093
Tax reduction	-	(1,897,265,813)
Adjustment for (over)/under-accrued CIT in previous years	(95,534,455)	547,562,222
CIT charge (*)	<u>63,792,436,931</u>	<u>87,763,709,502</u>
Charged to consolidated income statement:		
CIT – current	61,440,847,225	94,012,038,665
CIT – deferred (Note 19)	2,351,589,706	(6,248,329,163)
	<u>63,792,436,931</u>	<u>87,763,709,502</u>

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

36 COSTS OF OPERATION BY FACTORS

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

	Current year VND	Previous year VND
Raw materials	720,762,529,061	892,785,980,460
Staff costs	616,772,088,074	664,528,667,343
Depreciation and amortisation	80,427,015,086	77,552,153,082
Outside service expenses	174,035,286,445	196,647,708,048
Others	188,998,715,883	211,105,564,868
	<u>1,780,995,634,549</u>	<u>2,042,620,073,801</u>

37 SEGMENT REPORTING

The Board of Management of the Group determines that the Board of Management 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 year VND	Previous year VND
Net revenue from sales of goods		
Net revenue from domestic sales	2,193,628,199,783	2,742,181,752,511
Net revenue from export sales	490,923,750,553	510,299,763,541
	<u>2,684,551,950,336</u>	<u>3,252,481,516,052</u>
Cost of goods sold		
Cost of goods sold - domestic	1,299,506,853,004	1,668,306,444,789
Cost of goods sold - export	355,303,941,513	386,683,913,966
	<u>1,654,810,794,517</u>	<u>2,054,990,358,755</u>
Gross profit from sales of goods		
Gross profit from sales of goods - domestic	894,121,346,779	1,073,875,307,722
Gross profit from sales of goods - export	135,619,809,040	123,615,849,575
	<u>1,029,741,155,819</u>	<u>1,197,491,157,297</u>

38 ADDITIONAL INFORMATION ON CERTAIN ITEMS OF THE CONSOLIDATED CASH FLOW STATEMENT

Non-cash transactions affecting the cash flow statement

	Current year VND	Previous year VND
Capitalised depreciation to construction in progress	<u>2,243,906,512</u>	<u>2,472,461,988</u>

39 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 year, the Group has balances and transactions with a related party as follows:

Related party	Relationship
Thien Long An Think Investment Corporation	Major shareholder

Related party transactions

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

	Current year VND	Previous year VND
<i>i) Dividend declared</i>		
Thien Long An Think Investment Corporation	<u>112,052,856,000</u>	<u>88,284,070,000</u>
<i>ii) Compensation of key management</i>		
Gross salaries and other benefits	<u>43,399,239,724</u>	<u>42,259,461,100</u>

39 RELATED PARTY DISCLOSURES (continued)

Related parties balance

i) Other payables

	Closing balance VND	Opening balance VND
Thien Long An Think Investment Joint Stock Company	37,350,952,000	-

40 COMMITMENTS UNDER OPERATING LEASES

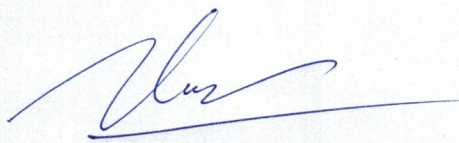
The future minimum lease payments under non-cancellable operating leases were as follows:

	Closing balance VND	Opening balance VND
Within one year	16,751,895,828	17,052,412,875
Between one and five years	42,327,146,228	28,994,534,936
Total	59,079,042,056	46,046,947,811

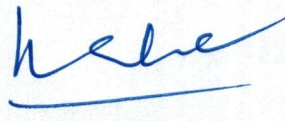
41 IMPACTS OF COVID-19

In 2020, the new Corona virus ("Covid-19") developed into global pandemic, causing some damage to the world economy. The Group's business operations have been also affected due to the instability of the Covid-19 pandemic's situation in Vietnam. With the current development of the Covid-19 epidemic in the world, the Board of Management has been prudently assessing the potential impacts of Covid-19 on the Company's business operations and management plan in 2021, as well as potential development in next years.

The consolidated financial statements were approved by the Board of Management on 30 March 2021.



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant



Nguyen Dinh Tam
Chief Executive Officer