



THIÊN LONG GROUP CORPORATION

**INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

THIEN LONG GROUP CORPORATION

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FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

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THIEN LONG GROUP CORPORATION

CORPORATE INFORMATION

Enterprise registration certificate

No. 0301464830 dated 14 March 2005 was initially issued by the Department of Planning and Investment of Ho Chi Minh City and the latest 21st amendment dated 15 May 2023.

Board of Directors

Mr. Co Gia Tho	Chairman
Ms. Tran Thai Nhu	Member
Ms. Co Ngan Binh	Member
Ms. Co Cam Nguyet	Member
Mr. Tayfun Uner	Member
Mr. Pham Nguyen Tri	Member
Mr. Nguyen Dinh Tam	Member

Board of Supervision

Ms. Nguyen Thi Bich Nga	Head
Ms. Ta Hong Diep	Member
Ms. Vu Thi Thanh Nga	Member

Chief Executive Officer

Ms. Tran Phuong Nga	Chief Executive Officer
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Legal Representative

Ms. Tran Phuong Nga	Chief Executive Officer (from 8 May 2023)
Mr. Co Gia Tho	Chairman (until 8 May 2023)

Registered office

10th Floor, Sofic Tower, 10 Mai Chi Tho Street,
Thu Thiem Ward, Thu Duc City, Ho Chi Minh City, Vietnam

Auditor

PwC (Vietnam) Limited

THIEN LONG GROUP CORPORATION

STATEMENT OF THE CHIEF EXECUTIVE OFFICER

Statement of responsibility of the Chief Executive Officer of the Company in respect of the interim separate financial statements

The Chief Executive Officer of Thien Long Group Corporation (“the Company”) is responsible for preparing the interim separate financial statements which give a true and fair view of the interim separate financial position of the Company as at 30 June 2023, and of the interim separate results of its operations and its interim separate cash flows for the six-month period then ended. In preparing these interim separate financial statements, the Chief Executive Officer is required to:

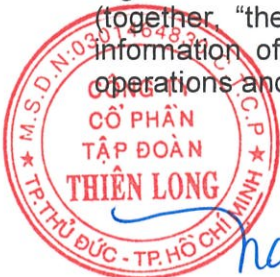
- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent; and
- Prepare the separate financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Approval of the interim separate financial statements

I hereby, approve the accompanying interim separate financial statements as set out on pages 5 to 42 which give a true and fair view of the interim separate financial position of the Company as at 30 June 2023, and of the interim separate results of its operations and its interim separate 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 separate financial statements.

Users of these interim separate financial statements of the Company should read them together with the interim consolidated financial statements of the Company and its subsidiaries (together, “the Group”) for the six-month period ended 30 June 2023 in order to obtain full information of the interim consolidated financial position and interim consolidated results of operations and interim consolidated cash flows of the Group.



Tran Phuong Nga
Chief Executive Officer
Legal Representative

Ho Chi Minh City, Vietnam
22 August 2023



REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL INFORMATION TO THE SHAREHOLDERS OF THIEN LONG GROUP CORPORATION

We have reviewed the accompanying interim separate financial statements of Thien Long Group Corporation (“the Company”) which were prepared on 30 June 2023 and approved by the Chief Executive Officer of the Company on 22 August 2023. The interim separate financial statements comprise the interim separate balance sheet as at 30 June 2023, the interim separate income statement and the interim separate cash flow statement for the six-month period then ended, and explanatory notes to the interim separate financial statements including significant accounting policies, as set out on pages 5 to 42.

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 separate financial statements of Company in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of interim separate financial statements, and for such internal control which the Chief Executive Officer determines as necessary to enable the preparation and fair presentation of the interim separate 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 the interim separate financial statements based on our review. We conducted our review in accordance with Vietnamese Standards on Review Engagements 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of interim separate 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 separate financial statements do not present fairly, in all material respects, the interim separate financial position of the Company as at 30 June 2023, its interim separate financial performance and interim separate 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 separate financial statements.

Other Matters

The report on the review of interim separate financial statements is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

For and on behalf of PwC (Vietnam) Limited



Quach Thanh Chau
Audit Practising Licence No.:
0875-2023-006-1
Authorised signatory

Report reference number: HCM14221
Ho Chi Minh City, 22 August 2023

THIEN LONG GROUP CORPORATION

Form B 01a – DN

INTERIM SEPARATE BALANCE SHEET
AS AT 30 JUNE 2023

Code	ASSETS	Note	Closing balance VND	Opening balance VND
100	CURRENT ASSETS		711,867,116,511	520,141,729,062
110	Cash and cash equivalents	3	282,580,267,514	225,587,736,745
111	Cash		255,580,267,514	225,587,736,745
112	Cash equivalents		27,000,000,000	-
120	Short-term investments		40,200,000,000	100,000,000,000
123	Held-to-maturity investments	4(a)	40,200,000,000	100,000,000,000
130	Short-term receivables		290,539,368,216	116,905,050,862
131	Short-term trade receivables	5	142,222,081,810	110,406,574,018
132	Short-term prepayments to suppliers		5,056,725,107	3,229,281,592
136	Other short-term receivables	6	143,260,561,299	3,227,231,199
139	Shortage of assets awaiting resolution		-	41,964,053
140	Inventories	7	24,552,609,737	29,479,368,919
141	Inventories		26,295,586,517	31,436,157,612
149	Provision for decline in value of inventories		(1,742,976,780)	(1,956,788,693)
150	Other current assets		73,994,871,044	48,169,572,536
151	Short-term prepaid expenses	8(a)	4,121,455,244	3,555,770,612
152	Value Added Tax ("VAT") to be reclaimed	11(a)	66,792,812,032	41,533,198,156
153	Tax and other receivables from the State	11(a)	3,080,603,768	3,080,603,768
200	LONG-TERM ASSETS		1,182,734,561,908	1,169,295,348,514
210	Long-term receivables		2,565,356,367	2,091,921,276
216	Other long-term receivables		2,565,356,367	2,091,921,276
220	Fixed assets		22,310,204,081	25,181,442,473
221	Tangible fixed assets	9(a)	14,585,152,748	16,694,692,525
222	Historical cost		42,393,150,641	45,819,380,375
223	Accumulated depreciation		(27,807,997,893)	(29,124,687,850)
227	Intangible fixed assets	9(b)	7,725,051,333	8,486,749,948
228	Historical cost		54,820,374,315	54,420,374,315
229	Accumulated amortisation		(47,095,322,982)	(45,933,624,367)
250	Long-term investments	4(b)	1,144,100,096,956	1,131,209,254,344
251	Investments in subsidiaries		1,110,045,715,761	1,098,247,215,761
252	Investments in associates		25,000,000,000	25,000,000,000
253	Investments in other entities		37,685,000,000	37,685,000,000
254	Provision for long-term investments		(28,630,618,805)	(29,722,961,417)
260	Other long-term assets		13,758,904,504	10,812,730,421
261	Long-term prepaid expenses	8(b)	2,100,858,732	2,383,422,339
262	Deferred income tax assets	16	11,658,045,772	8,429,308,082
270	TOTAL ASSETS		1,894,601,678,419	1,689,437,077,576

The notes on pages 9 to 42 are an integral part of these interim separate financial statements.

THIEN LONG GROUP CORPORATION

Form B 01a – DN

INTERIM SEPARATE BALANCE SHEET
AS AT 30 JUNE 2023
(continued)

Code	RESOURCES	Note	Closing balance VND	Opening balance VND
300	LIABILITIES		348,395,293,777	233,765,165,466
310	Short-term liabilities		347,357,486,777	232,771,048,466
311	Short-term trade payables	10	118,172,386,555	67,585,336,356
312	Short-term advances from customers		2,523,294,073	2,545,689,618
313	Tax and other payables to the State	11(b)	903,389,009	811,398,000
314	Payables to employees		5,315,516,938	4,932,132,000
315	Short-term accrued expenses	12	12,717,888,790	18,399,534,686
319	Other short-term payables	13	159,940,977,585	121,170,916,222
320	Short-term borrowings	14	-	5,169,230,757
322	Bonus and welfare fund	20	47,784,033,827	12,156,810,827
330	Long-term liabilities		1,037,807,000	994,117,000
342	Provision for long-term liabilities	15	1,037,807,000	994,117,000
400	OWNERS' EQUITY		1,546,206,384,642	1,455,671,912,110
410	Capital and reserves		1,546,206,384,642	1,455,671,912,110
411	Owners' contributed capital	17, 18	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	18	361,633,483,771	361,633,483,771
418	Investment and development fund	18	261,896,462,556	261,896,462,556
421	Undistributed earnings	18	144,731,908,315	54,197,435,783
421a	- Undistributed post-tax profits of previous years		-	32,776,837,244
421b	- Undistributed post-tax profit of current period/year		144,731,908,315	21,420,598,539
440	TOTAL RESOURCES		1,894,601,678,419	1,689,437,077,576



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant




Tran Phuong Nga
Chief Executive Officer
22 August 2023

The notes on pages 9 to 42 are an integral part of these interim separate financial statements.

THIEN LONG GROUP CORPORATION

Form B 02a – DN

INTERIM SEPARATE INCOME STATEMENT
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

Code	Note	Current period VND	Previous period VND
01	Revenue from sales of goods	365,983,523,761	440,218,811,948
02	Less deductions	-	(114,400,000)
10	Net revenue from sales of goods	365,983,523,761	440,104,411,948
11	Cost of goods sold	(281,752,291,633)	(350,477,645,590)
20	Gross profit from sales of goods	84,231,232,128	89,626,766,358
21	Financial income	338,873,293,918	163,575,185,466
22	Financial expenses	(141,152,983)	(14,072,401,589)
23	- Including: Interest expense	(84,672,601)	(1,622,093,781)
25	Selling expenses	(58,428,406,238)	(46,167,115,975)
26	General and administration expenses	(56,360,720,821)	(48,074,109,691)
30	Net operating profit	308,174,246,004	144,888,324,569
31	Other income	3,367,796,056	4,141,154,278
32	Other expenses	(47,129,011)	(771,116,216)
40	Net other income	3,320,667,045	3,370,038,062
50	Accounting profit before tax	311,494,913,049	148,258,362,631
51	Corporate income tax ("CIT") - current	-	-
52	CIT - deferred	3,228,737,690	(1,778,431,875)
60	Profit after tax	314,723,650,739	146,479,930,756



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant



Tran Phuong Nga
Chief Executive Officer
22 August 2023

The notes on pages 9 to 42 are an integral part of these interim separate financial statements.

**INTERIM SEPARATE CASH FLOW STATEMENT
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023
(Indirect method)**

Code	Note	Current period VND	Previous period VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01		311,494,913,049	148,258,362,631
		Accounting profit before tax	
		Adjustments for:	
02		3,597,694,432	4,562,317,409
		Depreciation and amortisation	
03		(1,262,464,525)	(3,436,753,846)
		Reversal of provisions	
04	24	(1,488,820,051)	(1,052,703,396)
		Unrealised foreign exchange gains	
05		(336,540,873,814)	(157,561,972,360)
		Profits from investing activities	
06	25	84,672,601	1,622,093,781
		Interest expense	
08		(24,114,878,308)	(7,608,655,781)
		Operating loss before changes in working capital	
09		(58,946,572,022)	189,352,158,547
		(Increase)/decrease in receivables	
10		5,140,571,095	28,961,204,899
		Decrease in inventories	
11		44,803,820,689	(36,448,734,351)
		Increase/(decrease) in payables	
12		(283,121,025)	(3,663,800,484)
		Increase in prepaid expenses	
14		(97,165,751)	(1,644,586,101)
		Interest paid	
17		(32,973,049,207)	(29,165,681,891)
		Other payments on operating activities	
20		(66,470,394,529)	139,781,904,838
		Net cash (outflows)/inflows from operating activities	
CASH FLOWS FROM INVESTING ACTIVITIES			
21		(345,481,818)	(20,260,030,530)
		Purchases of fixed assets and other long-term assets	
22		803,654,545	655,773,998
		Proceeds from disposals of fixed assets	
23		(40,200,000,000)	(231,000,000,000)
		Term deposits placed at banks	
24		100,000,000,000	198,999,139,200
		Collection of term deposits placed at banks	
25		(11,798,500,000)	-
		Investments in other entities	
27		195,772,062,797	157,586,393,753
		Dividends and interest received	
30		244,231,735,524	105,981,276,421
		Net cash inflows from investing activities	
CASH FLOWS FROM FINANCING ACTIVITIES			
33		-	20,163,610,512
		Proceeds from borrowings	
34		(5,169,230,757)	(94,118,878,313)
		Repayments of borrowings	
36	19	(116,691,679,500)	(155,619,167,000)
		Dividends paid	
40		(121,860,910,257)	(229,574,434,801)
		Net cash outflows from financing activities	
50		55,900,430,738	16,188,746,458
		Net increase in cash and cash equivalents	
60	3	225,587,736,745	179,114,297,735
		Cash and cash equivalents at beginning of period	
61		1,092,100,031	717,200,472
		Effect of foreign exchange differences	
70	3	282,580,267,514	196,020,244,665
		Cash and cash equivalents at end of period	



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant



Tran Phuong Nga
Chief Executive Officer
22 August 2023

**NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

1 GENERAL INFORMATION

Thien Long Group Corporation (the "Company") is a joint stock company established in Socialist Republic of Vietnam pursuant to the 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 latest 21st amendment dated 15 May 2023.

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

Owners of the Company include Thien Long An Think Investment Corporation, NWL Cayman Holdings Ltd., a company incorporated in the United Kingdom, Mr. Co Gia Tho and other shareholders. Details of the capital contribution are presented in Note 17(b).

The Company's business sector is trading.

The principal activity is to trade stationary products, classroom equipment, plastic teaching instruments, plastic household appliances.

The normal business cycle of the Company is 12 months.

As at beginning and end of the period, the Company had 5 direct investment subsidiaries and 2 indirect investment subsidiaries as disclosed in Note 4(b) – Investments. Details are as follows:

Direct subsidiaries	Principal activities	Places of incorporation and operation	At end of period		At beginning of period	
			% of ownership	% of voting rights	% of ownership	% of voting rights
			%	%	%	%
Thien Long Long Thanh Manufacturing and Trading Company Limited	Manufacturing and trading stationery	Dong Nai Province	100	100	100	100
Thien Long Global Trading and Service Company Limited	Trading stationery	Ho Chi Minh City	100	100	100	100
South Thien Long Manufacturing Trading Company Limited	Manufacturing and trading stationery	Ho Chi Minh City	100	100	100	100
Tan Luc South Trading and Service One Member Company Limited	Trading stationery	Ho Chi Minh City	100	100	100	100
Flexoffice Pte. Ltd.	Trading stationery	Singapore	100	100	100	100

1 GENERAL INFORMATION (continued)

Indirect subsidiaries	Principal activities	Places of incorporation and operation	At end of period		At beginning of period	
			% of ownership	% of voting rights	% of ownership	% of voting rights
			%	%	%	%
ICCO Marketing (M) SDN. BHD.	Trading stationery	Malaysia	60	60	60	60
Clever World Joint Stock Company	Trading stationery	Ho Chi Minh City	79	79	70	70

As at end of period, the Company had 150 employees (as at beginning of period: 140 employees).

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

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

The accompanying interim separate financial statements are not intended to present the interim separate financial position and interim separate results of operations and interim separate cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

Separately, the Company has also prepared interim consolidated financial statements for the Company and its subsidiaries (together, "the Group") in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim consolidated financial statements. In the interim consolidated financial statements, subsidiaries undertakings, which are those companies over which the Group has the power to govern the financial and operating policies, have been fully consolidated.

Users of these interim separate financial statements of the Company should read them together with the interim consolidated financial statements of the Group for year ended 30 June 2023 in order to obtain full information of the interim consolidated financial position and interim consolidated results of operations and interim consolidated cash flows of the Group.

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

2.2 Fiscal year

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.3 Currency**

The interim separate financial statements are measured and presented in Vietnamese Dong (“VND”), which is the Company’s accounting currency.

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 separate income statement.

Monetary assets and liabilities denominated in foreign currencies at the interim separate balance sheet date are respectively translated at the buying and selling exchange rates at the interim separate balance sheet date of the commercial banks with which the Company regularly trades. Foreign currencies deposited in banks at the interim separate balance sheet date are translated at the buying exchange rate of the commercial banks where the Company opens its foreign currency accounts. Foreign exchange differences arising from these translations are recognised in the interim separate income statement.

2.5 Cash and cash equivalents

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

2.6 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 long-term and short-term receivables on the interim separate balance sheet based on the remaining period from the interim separate balance sheet date to the maturity date.

2.7 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 Company applies the perpetual system 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 is recognised as an increase or decrease of cost of goods sold in the period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.8 Financial investments****(a) Investments held to maturity**

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

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

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

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

(b) Investments in subsidiaries

Subsidiaries are all entities whose financial and operating policies the Company has the power to govern 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 Company controls another entity.

Investments in subsidiaries are initially recorded at cost of acquisition plus other expenditure directly attributable to the investment. Subsequently, the Chief Executive Officer reviews all outstanding investments to determine the amount of provision to recognise at the period end.

(c) Investments in associate

Associate is investment that the Company has significant influence but not control over and the Company would generally have from 20% to less than 50% of the voting rights of the investee.

Investment in associate is initially recorded at cost of acquisition including capital contribution value plus other expenditures directly attributable to the investment. Subsequently, the Chief Executive Officer reviews all outstanding investments to determine the amount of provision to recognise at the period end.

(d) 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(e) Provision for investments in subsidiaries and other entities**

Provision for investments in subsidiaries and other entities is made when there is a diminution in value of the investments at the period end.

Provision for investments in subsidiaries is calculated based on the loss of investees.

Provision for investments in other entities is calculated based on market value if market value can be determined reliably. If market value can not be determined reliably, the provision is calculated similarly to provision for investments in subsidiaries.

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.

2.9 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 which is incurred subsequently and has resulted in an increase in the future economic benefits expected to be obtained from the use of fixed assets, can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the interim separate income statement when incurred.

Depreciation and amortisation

Fixed assets are depreciated and amortized using the straight-line method so as to write off the the depreciable amount of the fixed assets over their estimated useful lives. Depreciable amount equals to the historical cost of fixed assets recorded in the separate financial statements minus (-) the estimated disposal value of such assets. The estimated useful lives of each asset class are as follows:

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

Land use rights comprise of land use rights with an indefinite useful life, recorded at historical cost and 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 separate income statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.10 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 separate income statement on a straight-line basis over the term of the lease.

2.11 Prepaid expenses

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

2.12 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 long-term and short-term payables on the interim separate balance sheet based on the remaining period from the separate balance sheet date to the maturity date.

2.13 Borrowings and borrowing costs

Borrowings include borrowings from banks.

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.14 Accrued expenses**

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

2.15 Provisions

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

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

2.16 Provision for severance allowance

In accordance with Vietnamese labour laws, employees of the Company 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 Company 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 Company.

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 separate balance sheet date.

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

2.17 Capital and reserves

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.18 Appropriation of profit**

The Company's dividends are recognised as a liability in the Company's interim separate financial statements in the period under the announcement of the Board of Directors in which the dividends are approved by the Company's General Meeting of shareholders.

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

The Company's funds are as below:

(a) Investment and development fund

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

(b) Bonus and welfare fund

Bonus and welfare fund is appropriated from the Company'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 separate balance sheet and used for rewards, material incentives, bringing common benefits and raising employees' welfare.

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

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

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company 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 Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

Revenue is recognised in accordance with the "substance over form" principle and allocated to each sales obligation. If the Company gives promotional goods to customers associated with their purchases, the Company 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 separate income statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.19 Revenue recognition (continued)****(b) Interest income**

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

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

(c) Dividend income

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

2.20 Sales deductions

Sales deductions include trade discounts, sales returns and sales rebates. 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 interim separate balance sheet date but before the issuance of the interim separate financial statements are recorded as a deduction from the revenue of the period.

2.21 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 prudent basis.

2.22 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, expenses of borrowing, losses from foreign exchange differences and payment discounts.

2.23 Selling expenses

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

2.24 General and administration expenses

General and administration expenses represent expenses that are incurred for administrative purposes.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.25 Current and deferred income tax**

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

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

2.26 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 Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, key management personnel, including the Board of Directors, the Chief Executive Officer of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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

2.27 Segment reporting

A segment is a component which can be separated by the Company 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 Company's business segment or the Company's geographical segment.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.28 Critical accounting estimates**

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

The areas involving significant estimates and assumptions are as follows:

- Estimation of provision for decline in value of inventories (Note 2.7),
- Estimation of provision for long-term investments (Note 2.8),
- Estimated useful life of fixed assets (Note 2.9), and
- Estimation of provision for long-term liabilities (Note 2.15).

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 Company and that are assessed by the Chief Executive Officer to be reasonable under the circumstances.

3 CASH AND CASH EQUIVALENTS

	Closing balance VND	Opening balance VND
Cash on hand	771,844,302	410,074,239
Cash at bank	254,808,423,212	225,177,662,506
Cash equivalents (*)	27,000,000,000	-
	<u>282,580,267,514</u>	<u>225,587,736,745</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) Investments held to maturity**

	Closing balance		Opening balance	
	Cost VND	Book value VND	Cost VND	Book value VND
Term deposits (*)	<u>40,200,000,000</u>	<u>40,200,000,000</u>	<u>100,000,000,000</u>	<u>100,000,000,000</u>

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

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4 FINANCIAL INVESTMENTS (continued)

(b) Long-term investments

	Closing balance			Opening balance		
	Cost value VND	Fair value VND	Provision VND	Cost value VND	Fair value VND	Provision VND
i) Investments in subsidiaries						
South Thien Long Manufacturing Trading Company Limited	650,000,000,000	(*)	-	650,000,000,000	(*)	-
Thien Long Global Trading and Service Company Limited	180,000,000,000	(*)	-	180,000,000,000	(*)	-
Thien Long Long Thanh Manufacturing and Trading Company Limited	169,500,000,000	(*)	-	169,500,000,000	(*)	-
Tan Luc South Trading and Service One Member Company Limited	80,000,000,000	(*)	(12,147,232,436)	80,000,000,000	(*)	(14,224,800,890)
FlexOffice Pte. Ltd.	30,545,715,761	(*)	(12,631,410,369)	18,747,215,761	(*)	(11,536,744,527)
	<u>1,110,045,715,761</u>		<u>(24,778,642,805)</u>	<u>1,098,247,215,761</u>		<u>(25,761,545,417)</u>
ii) Investments in associate						
Pega Holdings Joint Stock Company	25,000,000,000	(*)	-	25,000,000,000	(*)	-
iii) Investments in other entities						
Kinh Do Land Corporation	25,000,000,000	(*)	-	25,000,000,000	(*)	-
Soundio Technology Joint Stock Company	7,000,000,000	(*)	-	7,000,000,000	(*)	-
Saigon Securities Investment Fund A2	3,565,000,000	(*)	(3,565,000,000)	3,565,000,000	(*)	(3,565,000,000)
Brilliant Chip Joint Stock Company	1,520,000,000	(*)	(286,976,000)	1,520,000,000	(*)	(396,416,000)
Printing No7 Joint Stock Company	600,000,000	(*)	-	600,000,000	(*)	-
	<u>37,685,000,000</u>		<u>(3,851,976,000)</u>	<u>37,685,000,000</u>		<u>(3,961,416,000)</u>

(*) As at end of period and beginning of period, the Company has not determined fair value of these investments to disclose on the interim separate financial statements because they do not have listed prices. The fair value of such investments may be different from their book value.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	Closing balance VND	Opening balance VND
Third parties		
SQI Group Int'l. Corp.	50,077,442,944	26,494,070,108
Crayola LLC	23,096,164,465	5,818,901,750
Others	48,760,744,636	33,723,188,426
Related parties (Note 31(b))	20,287,729,765	44,370,413,734
	<u>142,222,081,810</u>	<u>110,406,574,018</u>

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

6 OTHER SHORT-TERM RECEIVABLES

	Closing balance		Opening balance	
	Book value VND	Provision VND	Book value VND	Provision VND
Dividends receivable	140,000,000,000	-	-	-
Interest receivables	1,123,517,809	-	1,100,583,559	-
Advances to employees	682,708,047	-	673,188,020	-
Short-term deposits	30,000,000	-	30,000,000	-
Others	1,424,335,443	-	1,423,459,620	-
	<u>143,260,561,299</u>	<u>-</u>	<u>3,227,231,199</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.

7 INVENTORIES

	Closing balance		Opening balance	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	165,586,900	-	-	-
Raw materials	77,982,604	(14,290,733)	42,178,674	(14,290,733)
Merchandises	26,052,017,013	(1,728,686,047)	31,393,978,938	(1,942,497,960)
	<u>26,295,586,517</u>	<u>(1,742,976,780)</u>	<u>31,436,157,612</u>	<u>(1,956,788,693)</u>

7 INVENTORIES (continued)

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

	Current period VND	Previous period VND
Opening balance	(1,956,788,693)	(1,996,143,052)
Addition (Note 23)	(38,198,836)	(253,612,233)
Reversal (Note 23)	252,010,749	209,590,343
Closing balance	<u>(1,742,976,780)</u>	<u>(2,040,164,942)</u>

8 PREPAID EXPENSES**(a) Short-term**

	Closing balance VND	Opening balance VND
SAP system maintenance fees	941,464,596	-
Advertising and marketing expenses	153,460,357	1,451,420,859
Health and asset insurance	752,284,027	251,380,083
Others	2,274,246,264	1,852,969,670
	<u>4,121,455,244</u>	<u>3,555,770,612</u>

(b) Long-term

	Closing balance VND	Opening balance VND
Tools and supplies	2,032,208,312	2,280,894,563
Others	68,650,420	102,527,776
	<u>2,100,858,732</u>	<u>2,383,422,339</u>

Movements in prepaid expenses during the period are as follows:

	Current period VND	Previous period VND
Opening balance	5,939,192,951	3,792,079,506
Increase	12,908,900,561	12,633,009,008
Transferred from fixed assets	-	24,700,000
Allocation	(12,625,779,536)	(8,969,208,524)
Closing balance	<u>6,222,313,976</u>	<u>7,480,579,990</u>

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9 FIXED ASSETS

(a) Tangible fixed assets

	Plant, buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
Historical cost						
Opening balance	2,665,600,000	247,603,182	28,269,599,482	4,246,698,269	10,389,879,442	45,819,380,375
New purchases	-	-	-	384,233,818	-	384,233,818
Disposals	-	(98,195,000)	(3,598,086,552)	(114,182,000)	-	(3,810,463,552)
Closing balance	<u>2,665,600,000</u>	<u>149,408,182</u>	<u>24,671,512,930</u>	<u>4,516,750,087</u>	<u>10,389,879,442</u>	<u>42,393,150,641</u>
Accumulated depreciation						
Opening balance	1,639,649,763	235,663,788	22,795,789,547	2,310,761,846	2,142,822,906	29,124,687,850
Charge for the period	53,527,839	5,969,697	713,182,497	373,056,423	1,290,259,361	2,435,995,817
Disposals	-	(98,195,000)	(3,540,308,774)	(114,182,000)	-	(3,752,685,774)
Closing balance	<u>1,693,177,602</u>	<u>143,438,485</u>	<u>19,968,663,270</u>	<u>2,569,636,269</u>	<u>3,433,082,267</u>	<u>27,807,997,893</u>
Net book value						
Opening balance	<u>1,025,950,237</u>	<u>11,939,394</u>	<u>5,473,809,935</u>	<u>1,935,936,423</u>	<u>8,247,056,536</u>	<u>16,694,692,525</u>
Closing balance	<u>972,422,398</u>	<u>5,969,697</u>	<u>4,702,849,660</u>	<u>1,947,113,818</u>	<u>6,956,797,175</u>	<u>14,585,152,748</u>

As at end of period, the historical cost of tangible assets which were fully depreciated but still in use was VND19,204,320,364 (at beginning of period: VND20,395,715,097).

9 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Software VND	Copyright, patents VND	Total VND
Historical cost			
Opening balance	54,053,374,315	367,000,000	54,420,374,315
New purchases	400,000,000	-	400,000,000
Closing balance	<u>54,453,374,315</u>	<u>367,000,000</u>	<u>54,820,374,315</u>
Accumulated amortisation			
Opening balance	45,566,624,367	367,000,000	45,933,624,367
Charge for the period	1,161,698,615	-	1,161,698,615
Closing balance	<u>46,728,322,982</u>	<u>367,000,000</u>	<u>47,095,322,982</u>
Net book value			
Opening balance	<u>8,486,749,948</u>	-	<u>8,486,749,948</u>
Closing balance	<u>7,725,051,333</u>	-	<u>7,725,051,333</u>

As at end of period, the historical cost of intangible assets that were fully amortised but still in use was VND44,020,163,161 (as at beginning of period: VND42,773,463,161).

10 SHORT-TERM TRADE PAYABLES

	Closing balance		Opening balance	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties				
Khai Loc Da Nang Co, Ltd.	826,964,820	826,964,820	1,605,873,600	1,605,873,600
Others	3,770,189,304	3,770,189,304	12,537,332,664	12,537,332,664
Related parties (Note 31(b))	113,575,232,431	113,575,232,431	53,442,130,092	53,442,130,092
	<u>118,172,386,555</u>	<u>118,172,386,555</u>	<u>67,585,336,356</u>	<u>67,585,336,356</u>

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

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11 TAX AND OTHER RECEIVABLES FROM/ PAYABLES TO THE STATE

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

	Opening balance VND	Receivable/ Payable during the period VND	Payment during the period VND	Closing balance VND
(a) Tax receivables				
VAT to be reclaimed	41,533,198,156	25,259,613,876	-	66,792,812,032
CIT	3,080,603,768	-	-	3,080,603,768
	<u>44,613,801,924</u>	<u>25,259,613,876</u>	<u>-</u>	<u>69,873,415,800</u>
(b) Tax payables				
VAT	-	807,503,837	(807,503,837)	-
Personal income tax	811,398,000	14,826,492,692	(14,801,042,793)	836,847,899
Import – export duties	-	110,138,624	(110,138,624)	-
Other taxes	-	1,187,786,419	(1,121,245,309)	66,541,110
	<u>811,398,000</u>	<u>16,931,921,572</u>	<u>(16,839,930,563)</u>	<u>903,389,009</u>

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12 SHORT-TERM ACCRUED EXPENSES

	Closing balance VND	Opening balance VND
13th month salary and performance bonus	8,685,914,500	16,596,096,000
Advertising and marketing	3,528,924,772	1,124,274,612
Interest expense	-	12,493,150
Others	503,049,518	666,670,924
	<u>12,717,888,790</u>	<u>18,399,534,686</u>

13 OTHER SHORT-TERM PAYABLES

	Closing balance VND	Opening balance VND
Dividend payable	155,600,071,500	116,702,845,000
Remuneration of the Board of Directors and Board of Supervisors	3,764,304,000	3,764,304,000
Union fees	575,557,600	169,573,400
Others	1,044,485	533,083,837
Related parties (Note 31(b))	-	1,109,985
	<u>159,940,977,585</u>	<u>121,170,916,222</u>

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

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14 SHORT-TERM BORROWINGS

	<u>Opening balance</u>		<u>During the period</u>		<u>Closing balance</u>	
	Amount VND	Able-to-pay amount VND	Increase VND	Decrease VND	Amount VND	Able-to-pay amount VND
HSBC Bank (Vietnam) Limited (*)	5,169,230,757	5,169,230,757	-	(5,169,230,757)	-	-

(*) Representing long-term loans from HSBC Bank (Vietnam) Limited for the purpose of purchasing and installing fixed assets. The loans have terms and interest rates specified in each disbursement.

15 PROVISION FOR LONG-TERM LIABILITIES

Provision for long-term liabilities represents the provision for severance allowance in accordance with accounting policy presented in Note 2.16.

16 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	11,658,045,772	8,429,308,082

Movements in the deferred income tax, taking into consideration the offsetting of balances within the same tax jurisdiction, during the period were as follows:

	Current period VND	Previous period VND
Opening balance	8,429,308,082	3,575,687,903
Separate income statement charge (Note 29)	3,228,737,690	(1,778,431,875)
Closing balance	11,658,045,772	1,797,256,028

Details of deferred tax assets

	Closing balance VND	Opening balance VND
Tax losses not yet utilised	11,399,881,032	6,591,424,893
Unrealised exchange rate differences of cash and receivables denominated in foreign currency	(297,992,016)	1,247,702,050
Temporary difference of provisions	556,156,756	590,181,139
	11,658,045,772	8,429,308,082

The Company used a tax rate of 20% in the year 2022 and 2023 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.

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17 OWNERS' CAPITAL

(a) Number of shares

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

(b) Details of owners' shareholding

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

(c) Movement of share capital

	Number of shares in circulation VND	Ordinary shares VND	Treasury shares VND
As at 1 January 2022	77,794,453	777,944,530,000	-
As at 31 December 2022	77,794,453	777,944,530,000	-
As at 30 June 2023	77,794,453	777,944,530,000	-

Par value per share: VND10,000.

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18 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Investment and development fund VND	Undistributed earnings VND	Total VND
For the six-month period ended 30 June 2022					
Opening balance	777,944,530,000	361,633,483,771	228,691,572,556	93,652,468,244	1,461,922,054,571
Net profit for the period	-	-	-	146,479,930,756	146,479,930,756
Dividends declared from undistributed earnings of 2021	-	-	-	(116,691,679,500)	(116,691,679,500)
Appropriation to investment and development fund	-	-	33,204,890,000	(33,204,890,000)	-
Appropriation to bonus and welfare fund	-	-	-	(27,670,741,000)	(27,670,741,000)
Remuneration for the Board of Directors and Board of Supervision	-	-	-	(5,682,484,816)	(5,682,484,816)
Closing balance	<u>777,944,530,000</u>	<u>361,633,483,771</u>	<u>261,896,462,556</u>	<u>56,882,603,684</u>	<u>1,458,357,080,011</u>
For the six-month period ended 30 June 2023					
Opening balance	777,944,530,000	361,633,483,771	261,896,462,556	54,197,435,783	1,455,671,912,110
Net profit for the period	-	-	-	314,723,650,739	314,723,650,739
Dividends declared from undistributed earnings of 2022 (i)	-	-	-	(38,897,226,500)	(38,897,226,500)
Dividends declared from undistributed earnings of 2023 (i)	-	-	-	(116,691,679,500)	(116,691,679,500)
Appropriation to bonus and welfare fund (ii) (Note 20)	-	-	-	(40,137,089,000)	(40,137,089,000)
Bonus for exceeding the budgeted profit for the Board of Management and employees (iii) (Note 20)	-	-	-	(22,200,000,000)	(22,200,000,000)
Bonus for exceeding the budgeted profit for the Board of Directors (iii) (Note 20)	-	-	-	(2,000,000,000)	(2,000,000,000)
Remuneration for the Board of Directors and Board of Supervision (iv)	-	-	-	(4,263,183,207)	(4,263,183,207)
Closing balance	<u>777,944,530,000</u>	<u>361,633,483,771</u>	<u>261,896,462,556</u>	<u>144,731,908,315</u>	<u>1,546,206,384,642</u>

18 MOVEMENTS IN OWNERS' EQUITY (continued)

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

- (i) Cash dividend from the 2022 post-tax profits at the rate of 35% par value; For the first 6-month period, dividend was paid for the 3rd time of 2022 at the rate of 5% par value and advanced for the 1st time of 2023 at the rate of 15% par value.
- (ii) Appropriation to bonus and welfare fund of VND40,137,089,000 (equivalent to 10% of post-tax profits); and
- (iii) Bonus for exceeding the budgeted profit of 2022 for the Board of Directors was VND2,000,000,000 and for the Board of Management and employees was VND22,200,000,000.
- (iv) Remuneration for the Board of Directors and Board of Supervision of VND10,000,000,000 in 2022. For the first 6-month period, remuneration was appropriated of VND4,263,183,207.

19 DIVIDENDS

Movements of dividend payables during the period are as follows:

	Current period VND	Previous period VND
Opening balance	116,702,845,000	38,938,653,000
Dividends payable during the period	155,588,906,000	116,691,679,500
Dividends paid in cash	(116,691,679,500)	(155,619,167,000)
Closing balance	<u>155,600,071,500</u>	<u>11,165,500</u>

20 BONUS AND WELFARE FUND

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

	Current period VND	Previous period VND
Opening balance	12,156,810,827	8,871,470,540
Appropriated (Note 20)	62,337,089,000	27,670,741,000
Utilised	(26,709,866,000)	(23,507,213,720)
Closing balance	<u>47,784,033,827</u>	<u>13,034,997,820</u>

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

As at 30 June 2023, included in cash and cash equivalents were balances held in foreign currencies as follows:

	Closing balance VND	Opening balance VND
United States Dollar ("USD")	2,685,377	4,202,300
Euro ("EUR")	141,964	110,258
British Pound ("GBP")	1,898	1,906
Chinese Renminbi ("RMB")	-	10,395
Singapore Dollar ("SGD")	1,139	1,139
Korean Won ("KRW")	240,000	240,000
Thai Baht ("THB")	-	5,410
Australian Dollar ("AUD")	110	110
Japanese Yen ("JPY")	8,113,077	-
	<u> </u>	<u> </u>

(b) Operating lease assets

The future minimum lease payments under non-cancellable operating leases were presented in Note 32.

22 NET REVENUE FROM SALES OF GOODS

	Current period VND	Previous period VND
Revenue		
Revenue from sales of merchandises	365,983,523,761	440,218,811,948
	<u> </u>	<u> </u>
Sales deductions		
Merchandise returns	-	(114,400,000)
	<u> </u>	<u> </u>
Net revenue from sales of goods		
Net revenue from sales of merchandises	365,983,523,761	440,104,411,948
	<u> </u>	<u> </u>

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23 COST OF GOODS SOLD

	Current period VND	Previous period VND
Cost of finished goods and merchandises sold	281,966,103,546	350,433,623,700
(Reversal of provision)/provision for decline in value of inventories (Note 7)	(213,811,913)	44,021,890
	<u>281,752,291,633</u>	<u>350,477,645,590</u>

24 FINANCIAL INCOME

	Current period VND	Previous period VND
Dividend income	330,180,000,000	150,217,500,000
Interest income from deposits	5,614,997,047	7,295,169,371
Realised foreign exchange gains	1,589,476,820	5,009,812,699
Net gain from foreign currency translation at period-end	1,488,820,051	1,052,703,396
	<u>338,873,293,918</u>	<u>163,575,185,466</u>

25 FINANCIAL EXPENSES

	Current period VND	Previous period VND
Interest expense	84,672,601	1,622,093,781
Realised foreign exchange losses	1,148,822,994	293,521,140
Provision for diminution in value of investments	1,094,665,842	12,258,930,668
Reversal of provision for diminution in value of investments	(2,187,008,454)	(102,144,000)
	<u>141,152,983</u>	<u>14,072,401,589</u>

26 SELLING EXPENSES

	Current period VND	Previous period VND
Staff costs	24,018,161,938	15,661,994,607
Marketing expenses	21,219,912,282	19,273,066,381
Depreciation	406,682,044	306,226,540
Others	12,783,649,974	10,925,828,447
	<u>58,428,406,238</u>	<u>46,167,115,975</u>

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27 GENERAL AND ADMINISTRATION EXPENSES

	Current period VND	Previous period VND
Staff costs	31,004,031,659	30,203,469,587
Outsourced services expenses	14,631,608,733	11,303,424,120
Depreciation and amortisation	3,760,928,639	4,599,005,843
Others	6,964,151,790	1,968,210,141
	<u>56,360,720,821</u>	<u>48,074,109,691</u>

28 NET OTHER INCOME

	Current period VND	Previous period VND
Other income		
Fee charged for using SAP system	2,122,110,000	2,150,146,000
Net gains on disposal of fixed assets	745,876,767	49,302,989
Rental income	309,000,000	611,622,500
Income from indemnity goods	117,992,470	464,581,480
Others	72,816,819	865,501,309
	<u>3,367,796,056</u>	<u>4,141,154,278</u>
Other expenses		
Others	(47,129,011)	(771,116,216)
	<u>(47,129,011)</u>	<u>(771,116,216)</u>
Net other income	<u>3,320,667,045</u>	<u>3,370,038,062</u>

29 CORPORATE INCOME TAX (“CIT”)

The CIT on the Company’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	311,494,913,049	148,258,362,631
Adjustment:		
Non-taxable income	(330,180,000,000)	(150,217,500,000)
Non-deductible expenses	2,541,398,499	10,851,296,743
Estimated taxable (loss)/income	<u>(16,143,688,452)</u>	<u>8,892,159,374</u>
Tax calculated at a rate of 20%	<u>(3,228,737,690)</u>	<u>1,778,431,875</u>
CIT charge (*)	<u>(3,228,737,690)</u>	<u>1,778,431,875</u>
Charged to the interim separate interim income statement:		
CIT – current	-	-
CIT - deferred (Note 16)	<u>(3,228,737,690)</u>	<u>1,778,431,875</u>
CIT charge	<u>(3,228,737,690)</u>	<u>1,778,431,875</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.

30 COSTS OF OPERATION BY FACTOR

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

	Current period VND	Previous period VND
Staff costs	55,022,193,597	45,865,464,194
Depreciation and amortisation	3,597,694,432	4,562,317,409
Outsourced service expenses	39,054,400,130	32,881,688,561
Others	17,114,838,900	10,592,667,109
	<u>114,789,127,059</u>	<u>93,902,137,273</u>

31 RELATED PARTY DISCLOSURES

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

During the period, the Company has balances and transactions with related parties as follows:

Related party	Relationship
Thien Long An Think Investment Corporation	Major shareholder
South Thien Long Manufacturing Trading Company Limited	Subsidiary
Thien Long Long Thanh Manufacturing and Trading Company Limited	Subsidiary
Thien Long Global Trading and Service Company Limited	Subsidiary
Tan Luc South Trading and Service One Member Company Limited	Subsidiary
Tan Luc North Trading and Service One Member Company Limited	Subsidiary (until 1 July 2022)
Tan Luc Middle Trading and Service One Member Company Limited	Subsidiary (until 1 July 2022)
Flexoffice Pte. Ltd.	Subsidiary
ICCO Marketing (M) SDN. BHD.	Indirect subsidiary
Clever World Joint Stock Company	Indirect subsidiary
Pega Holdings Joint Stock Company	Associate

(a) Related party transactions

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

	Current period VND	Previous period VND
i) Sales of goods		
Thien Long Global Trading and Service Company Limited	49,328,626,360	54,772,406,330
Thien Long Long Thanh Manufacturing and Trading Company Limited	561,301,830	2,153,695,560
South Thien Long Manufacturing Trading Company Limited	1,987,532,506	57,931,400,346
Tan Luc South Trading and Service One Member Company Limited	-	55,009,100
FlexOffice Pte. Ltd.	1,417,151,941	-
ICCO Marketing (M) SDN. BHD.	2,390,029,740	-
	<u>55,684,642,377</u>	<u>114,912,511,336</u>

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31 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	Current period VND	Previous period VND
ii) Purchases of goods		
Thien Long Long Thanh Manufacturing and Trading Company Limited	98,045,533,680	44,736,940,590
Thien Long Global Trading and Service Company Limited	4,353,023,852	1,275,732,148
Tan Luc South Trading and Service One Member Company Limited	-	214,527,806
Tan Luc North Trading and Service One Member Company Limited	-	13,992,275
South Thien Long Manufacturing Trading Company Limited	156,019,787,932	230,585,193,538
Clever World Joint Stock Company	15,445,420	-
	<u>258,433,790,884</u>	<u>276,826,386,357</u>
iii) Rental income		
South Thien Long Manufacturing Trading Company Limited	255,000,000	480,000,000
Clever World Joint Stock Company	48,000,000	-
Thien Long Global Trading and Service Company Limited	6,000,000	12,000,000
Tan Luc North Trading and Service One Member Company Limited	-	16,000,000
Tan Luc Middle Trading and Service One Member Company Limited	-	8,000,000
	<u>309,000,000</u>	<u>516,000,000</u>

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31 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	Current period VND	Previous period VND
iv) Fee charged for using SAP system		
Thien Long Long Thanh Manufacturing and Trading Company Limited	599,184,000	608,880,000
Thien Long Global Trading and Service Company Limited	773,946,000	446,514,000
South Thien Long Manufacturing Trading Company Limited	748,980,000	864,468,000
Tan Luc South Trading and Service One Member Company Limited	-	112,464,000
Tan Luc North Trading and Service One Member Company Limited	-	48,200,000
Tan Luc Middle Trading and Service One Member Company Limited	-	69,620,000
	<u>2,122,110,000</u>	<u>2,150,146,000</u>
v) Disposal of fixed assets		
South Thien Long Manufacturing Trading Company Limited	-	655,773,998
vi) Short-term lending		
Tan Luc Middle Trading and Service One Member Company Limited		
- Repayment	-	5,000,000,000
- Interest income	-	100,067,397
vii) Investments in subsidiaries		
FlexOffice Pte. Ltd.	<u>11,798,500,000</u>	<u>-</u>

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31 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	Current period VND	Previous period VND
viii) Proceeds from distributed profit		
Thien Long Long Thanh Manufacturing and Trading Company Limited	150,000,000,000	50,000,000,000
Thien Long Global Trading and Service Company Limited	100,000,000,000	100,000,000,000
South Thien Long Manufacturing Trading Company Limited	80,000,000,000	-
	<u>330,000,000,000</u>	<u>150,000,000,000</u>
ix) Dividends declared		
Thien Long An Think Investment Corporation	<u>74,701,904,000</u>	<u>56,026,428,000</u>
x) Compensation of key management		
Gross salaries and other benefits	<u>6,148,850,000</u>	<u>8,065,426,000</u>

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31 RELATED PARTY DISCLOSURES (continued)

(b) Balances with related parties

	Closing balance VND	Opening balance VND
i) Short-term trade accounts receivable (Note 5)		
Thien Long Global Trading and Service Company Limited	10,174,178,260	31,495,764,824
South Thien Long Manufacturing Trading Company Limited	3,051,413,757	5,724,307,049
Thien Long Long Thanh Manufacturing and Trading Company Limited	1,276,534,413	470,358,400
Flexoffice Pte. Ltd.	1,417,151,941	-
ICCO Marketing (M) SDN. BHD.	4,359,651,394	6,668,784,493
Clever World Joint Stock Company	8,800,000	11,198,968
	<u>20,287,729,765</u>	<u>44,370,413,734</u>
ii) Other short-term receivables (Note 6)		
Thien Long Long Thanh Manufacturing and Trading Company Limited	80,000,000,000	-
Thien Long Global Trading and Service Company Limited	60,000,000,000	-
	<u>140,000,000,000</u>	<u>-</u>
iii) Short-term trade accounts payable (Note 10)		
Thien Long Long Thanh Manufacturing and Trading Company Limited	24,451,744,345	28,921,263,852
South Thien Long Manufacturing Trading Company Limited	87,071,321,064	23,400,756,296
Thien Long Global Trading and Service Company Limited	2,051,369,016	337,426,517
Clever World Joint Stock Company	798,006	-
ICCO Marketing (M) SDN. BHD.	-	782,683,427
	<u>113,575,232,431</u>	<u>53,442,130,092</u>
iv) Dividend payables		
Thien Long An Think Investment Corporation	<u>74,701,904,000</u>	<u>56,026,428,000</u>

32 COMMITMENTS

(a) Operating leases

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

	Office		Warehouse		Total	
	Closing balance VND	Opening balance VND	Closing balance VND	Opening balance VND	Closing balance VND	Opening balance VND
Within one year	10,242,670,516	10,039,647,993	1,920,000,000	-	12,162,670,516	10,039,647,993
Between one and five years	21,785,712,436	26,907,047,694	4,800,000,000	-	26,585,712,436	26,907,047,694
Total	<u>32,028,382,952</u>	<u>36,946,695,687</u>	<u>6,720,000,000</u>	<u>-</u>	<u>38,748,382,952</u>	<u>36,946,695,687</u>

(b) Guarantee commitments

As at end of period and beginning of period, the Company has irrevocable guarantee commitments with commercial banks (referred to as “Creditors”) for borrowings of its subsidiaries (referred to as “Debtors”). Accordingly, the Company is responsible for repaying the loan principal, interest, guarantee costs and other costs to the Creditors in the circumstances that the Debtors are unable to pay or pay late by the due date. Details of guarantees are as follows:

	Currency	Guarantee limits	
		Closing balance VND	Opening balance VND
Thien Long Long Thanh Manufacturing and Trading Company Limited	VND	241,000,000,000	241,000,000,000
South Thien Long Manufacturing Trading Company Limited	VND	415,000,000,000	365,000,000,000
South Thien Long Manufacturing Trading Company Limited	USD	3,900,000	3,900,000
Thien Long Global Trading and Service Company Limited	VND	<u>100,000,000,000</u>	<u>100,000,000,000</u>

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The interim separate financial statements were approved by the Chief Executive Officer on 22 August 2023.



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant



Tran Phuong Nga
Chief Executive Officer

