

THIEN LONG GROUP CORPORATION

SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024



**THIEN LONG GROUP CORPORATION**

**SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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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 with the latest 23rd amendment dated 9 December 2024

### 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	Independent Member
Mr. Pham Nguyen Tri	Independent Member
Mr. Nguyen Dinh Tam	Member

### Board of Supervisors

Ms. Nguyen Thi Bich Nga	Chief Supervisor
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
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### Registered office

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

### Auditor

PwC (Vietnam) Limited

# THIEN LONG GROUP CORPORATION

## STATEMENT OF THE CHIEF EXECUTIVE OFFICER

### Statement of responsibility of the Chief Executive Officer of the Company in respect of the Separate Financial Statements

The Chief Executive Officer of Thien Long Group Corporation (“the Company”) is responsible for preparing the separate financial statements which give a true and fair view of the separate financial position of the Company as at 31 December 2024, and of its separate financial performance and its separate cash flows for the year then ended. In preparing these 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 separate financial position of the Company and enable separate financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the 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 error.

### Approval of the Separate Financial Statements

I hereby, approve the accompanying separate financial statements as set out on pages 5 to 46 which give a true and fair view of the separate financial position of the Company as at 31 December 2024, and of its separate financial performance and its separate 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 separate financial statements.

Users of these separate financial statements of the Company should read them together with the consolidated financial statements of the Company and its subsidiaries (together, “the Group”) for the year ended 31 December 2024 in order to obtain full information of the consolidated financial position and consolidated financial performance and consolidated cash flows of the Group.



Trần Phương Nga  
Chief Executive Officer  
Legal representative

Ho Chi Minh City, SR Vietnam  
26 March 2025



## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THIEN LONG GROUP CORPORATION

We have audited the accompanying separate financial statements of Thien Long Group Corporation ("the Company") which were prepared on 31 December 2024 and approved by the Chief Executive Officer of the Company on 26 March 2025. The separate financial statements comprise the separate balance sheet as at 31 December 2024, the separate income statement, the separate cash flow statement for the year then ended, and explanatory notes to the separate financial statements including significant accounting policies, as set out on pages 5 to 46.

### The Chief Executive Officer's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and true and fair presentation of the separate 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chief Executive Officer, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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### Auditor's Opinion

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of the Company as at 31 December 2024, its separate financial performance and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of separate financial statements.

### Other Matter

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

For and on behalf of PwC (Vietnam) Limited



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

Report reference number: HCM16610  
Ho Chi Minh City, SR Vietnam  
26 March 2025

Nguyen Duy Thinh  
Audit Practising Licence No.:  
4633-2023-006-1



SEPARATE BALANCE SHEET  
AS AT 31 DECEMBER 2024

Code	ASSETS	Note	Closing balance VND	Opening balance VND
<b>100</b>	<b>CURRENT ASSETS</b>		<b>834,518,388,301</b>	<b>599,836,311,202</b>
<b>110</b>	<b>Cash and cash equivalents</b>	<b>3</b>	<b>325,010,756,644</b>	<b>130,268,365,211</b>
111	Cash		197,010,756,644	130,268,365,211
112	Cash equivalents		128,000,000,000	-
<b>120</b>	<b>Short-term investments</b>		<b>98,900,000,000</b>	<b>218,200,000,000</b>
123	Investments held to maturity	4(a)	98,900,000,000	218,200,000,000
<b>130</b>	<b>Short-term receivables</b>		<b>240,367,967,190</b>	<b>135,214,144,996</b>
131	Short-term trade accounts receivable	5	201,471,394,727	113,653,874,171
132	Short-term prepayments to suppliers		1,082,829,727	1,202,884,878
135	Short-term lendings	6	36,000,000,000	16,000,000,000
136	Other short-term receivables	7(a)	2,720,676,145	4,357,385,947
137	Provision for doubtful debts - short-term		(906,933,409)	-
<b>140</b>	<b>Inventories</b>	<b>8</b>	<b>26,670,130,882</b>	<b>25,647,428,976</b>
141	Inventories		27,286,364,158	27,331,716,269
149	Provision for decline in value of inventories		(616,233,276)	(1,684,287,293)
<b>150</b>	<b>Other current assets</b>		<b>143,569,533,585</b>	<b>90,506,372,019</b>
151	Short-term prepaid expenses	9(a)	4,045,124,622	3,700,938,579
152	Value added tax ("VAT") to be reclaimed	12(a)	135,832,971,911	83,724,829,672
153	Tax and other receivables from the State	12(b)	3,691,437,052	3,080,603,768
<b>200</b>	<b>LONG-TERM ASSETS</b>		<b>1,211,395,579,575</b>	<b>1,170,113,275,736</b>
<b>210</b>	<b>Long-term receivables</b>		<b>2,751,456,276</b>	<b>2,644,867,629</b>
216	Other long-term receivables	7(b)	2,751,456,276	2,644,867,629
<b>220</b>	<b>Fixed assets</b>		<b>18,410,770,303</b>	<b>19,063,373,705</b>
221	Tangible fixed assets	10(a)	13,925,782,316	12,418,343,488
222	Historical cost		42,159,261,721	41,944,050,641
223	Accumulated depreciation		(28,233,479,405)	(29,525,707,153)
227	Intangible fixed assets	10(b)	4,484,987,987	6,645,030,217
228	Historical cost		54,820,374,315	54,820,374,315
229	Accumulated amortisation		(50,335,386,328)	(48,175,344,098)
<b>250</b>	<b>Long-term investments</b>		<b>1,188,904,607,065</b>	<b>1,139,085,025,235</b>
251	Investments in subsidiaries	4(b)	1,180,045,715,761	1,110,045,715,761
252	Investments in associate	4(b)	40,000,000,000	40,000,000,000
253	Investments in other entities	4(b)	30,685,000,000	30,685,000,000
254	Provision for long-term investments	4(b)	(61,826,108,696)	(41,645,690,526)
<b>260</b>	<b>Other long-term assets</b>		<b>1,328,745,931</b>	<b>9,320,009,167</b>
261	Long-term prepaid expenses	9(b)	1,328,745,931	2,484,518,452
262	Deferred income tax assets	16	-	6,835,490,715
<b>270</b>	<b>TOTAL ASSETS</b>		<b>2,045,913,967,876</b>	<b>1,769,949,586,938</b>

The notes on pages 9 to 46 are an integral part of these separate financial statements.

**SEPARATE BALANCE SHEET  
AS AT 31 DECEMBER 2024  
(continued)**

Code	RESOURCES	Note	Closing balance VND	Opening balance VND
<b>300</b>	<b>LIABILITIES</b>		<b>301,129,071,409</b>	<b>205,868,192,404</b>
<b>310</b>	<b>Short-term liabilities</b>		<b>298,624,996,213</b>	<b>204,862,896,404</b>
311	Short-term trade accounts payable	11	215,942,737,215	116,935,392,629
312	Short-term advances from customers		6,492,116,844	1,335,056,835
313	Tax and other payables to the State	12(c)	2,081,256,937	1,138,024,071
314	Payable to employees		4,067,592,577	4,261,501,716
315	Short-term accrued expenses	13	15,731,186,742	15,006,271,412
319	Other short-term payables	14	5,063,121,071	4,480,421,906
320	Short-term borrowings	15	-	19,979,101,008
322	Bonus and welfare funds	20	49,246,984,827	41,727,126,827
<b>330</b>	<b>Long-term liabilities</b>		<b>2,504,075,196</b>	<b>1,005,296,000</b>
341	Deferred income tax liabilities	16	1,598,251,196	-
342	Provision for long-term liabilities		905,824,000	1,005,296,000
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>1,744,784,896,467</b>	<b>1,564,081,394,534</b>
<b>410</b>	<b>Capital and reserves</b>		<b>1,744,784,896,467</b>	<b>1,564,081,394,534</b>
411	Owners' capital	17, 18	864,535,750,000	785,944,530,000
411a	- Ordinary shares with voting rights		864,535,750,000	785,944,530,000
412	Share premium	18	361,633,483,771	361,633,483,771
418	Investment and development funds	18	261,896,462,556	261,896,462,556
421	Undistributed earnings	18	256,719,200,140	154,606,918,207
421a	- Undistributed post-tax profits of previous years		-	-
421b	- Post-tax profit of current year		256,719,200,140	154,606,918,207
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>2,045,913,967,876</b>	<b>1,769,949,586,938</b>



Dao Xuan Nam  
Preparer



Nguyen Ngoc Nhon  
Chief Accountant



Tran Phuong Nga  
Chief Executive Officer  
26 March 2025

The notes on pages 9 to 46 are an integral part of these separate financial statements.



SEPARATE INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2024

Code	Note	Current year VND	Previous year VND
01	Revenue from sales of goods and rendering of services	1,043,665,820,301	780,068,921,665
02	Less deductions	(15,427,884)	(476,415,391)
10	Net revenue from sales of goods and rendering of services	1,043,650,392,417	779,592,506,274
11	Cost of goods sold and services rendered	(770,293,536,098)	(570,467,451,305)
20	Gross profit from sales of goods and rendering of services	273,356,856,319	209,125,054,969
21	Financial income	385,971,264,748	351,882,958,408
22	Financial expenses	(24,270,900,471)	(13,480,415,569)
23	- Including: Interest expense	(59,116,244)	(101,914,839)
25	Selling expenses	(127,710,860,098)	(118,765,444,879)
26	General and administration expenses	(109,185,468,355)	(98,511,417,732)
30	Net operating profit	398,160,892,143	330,250,735,197
31	Other income	2,951,299,488	1,787,641,625
32	Other expenses	(696,131,482)	(109,082,031)
40	Net other income	2,255,168,006	1,678,559,594
50	Accounting profit before tax	400,416,060,149	331,929,294,791
51	Corporate income tax ("CIT") - current	(3,195,856,305)	-
52	CIT - deferred	(8,433,741,911)	(1,593,817,367)
60	Profit after tax	388,786,461,933	330,335,477,424



Dao Xuan Nam  
Preparer



Nguyen Ngoc Nhon  
Chief Accountant



Tran Phuong Nga  
Chief Executive Officer  
26 March 2025

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**SEPARATE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2024  
(Indirect method)**

Code	Note	Current year VND	Previous year VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01		<b>400,416,060,149</b>	<b>331,929,294,791</b>
	<b>Accounting profit before tax</b>		
	Adjustments for:		
02	Depreciation and amortisation	7,122,523,988	6,950,424,808
03	Provisions	19,919,825,562	11,661,406,709
04	Unrealised foreign exchange gains	(10,743,153,913)	(4,582,670,582)
05	Profits from investing activities	(366,918,285,573)	(341,295,304,668)
06	Interest expense	59,116,244	101,914,839
08	<b>Operating profit before changes in working capital</b>	<b>49,856,086,457</b>	<b>4,765,065,897</b>
09	Increase in receivables	(138,356,488,602)	(42,809,103,799)
10	Decrease in inventories	45,352,111	4,104,441,343
11	Increase in payables	106,437,326,134	44,239,161,772
12	Decrease/(increase) in prepaid expenses	811,586,478	(246,264,080)
14	Interest paid	(76,358,482)	(97,165,751)
15	CIT paid	(3,657,782,320)	-
17	Other payments on operating activities	(42,776,938,314)	(44,731,834,686)
20	<b>Net cash outflows from operating activities</b>	<b>(27,717,216,538)</b>	<b>(34,775,699,304)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchases of fixed assets	(6,479,331,697)	(928,433,818)
22	Proceeds from disposals of fixed assets	1,803,113,718	875,654,545
23	Term deposits placed at banks	(465,700,000,000)	(274,200,000,000)
24	Collection of term deposits placed at banks	565,000,000,000	140,000,000,000
25	Investments in other entities	(70,000,000,000)	(26,798,500,000)
26	Proceeds from divestment in other entities	-	7,000,000,000
27	Profit distributed, dividends and interest received	366,277,701,045	338,027,307,351
30	<b>Net cash inflows from investing activities</b>	<b>390,901,483,066</b>	<b>183,976,028,078</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Proceeds from issuance of shares	-	8,000,000,000
33	Proceeds from borrowings	-	19,979,101,008
34	Repayments of borrowings	(19,979,101,008)	(5,169,230,757)
36	Dividends paid	(157,200,071,500)	(272,280,585,500)
40	<b>Net cash outflows from financing activities</b>	<b>(177,179,172,508)</b>	<b>(249,470,715,249)</b>
50	<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>186,005,094,020</b>	<b>(100,270,386,475)</b>
60	<b>Cash and cash equivalents at beginning of year</b>	<b>130,268,365,211</b>	<b>225,587,736,745</b>
61	Effect of foreign exchange differences	8,737,297,413	4,951,014,941
70	<b>Cash and cash equivalents at end of year</b>	<b>325,010,756,644</b>	<b>130,268,365,211</b>

Additional information relating to the separate cash flow statement is presented in Note 31



Dao Xuan Nam  
Preparer



Nguyen Ngoc Nhon  
Chief Accountant



Tran Phuong Nga  
Chief Executive Officer  
26 March 2025

The notes on pages 9 to 46 are an integral part of these separate financial statements.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**1 GENERAL INFORMATION**

Thien Long Group Corporation (the "Company") is a joint stock company established in SR 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 23rd amendment dated 9 December 2024.

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

Owners of the Company include Thien Long An Think Investment Corporation, Mr. Co Gia Tho and other shareholders. Details of the capital contribution are presented in Note 17(b).

The principal activities of the Company are to trade stationary products, classroom equipment, plastic teaching instruments, plastic household appliances.

The normal business cycle of the Company is 12 months.

As at end of year, the Company had 108 employees (as at beginning of year: 106 employees).

As at end and beginning of year, the Company had 5 direct investment subsidiaries, 2 indirect investment subsidiaries and 1 associate as disclosed in Note 4(b) - Investments. The details are as follows:

	Principal activities	Places of incorporation and operation	At end of year		At beginning of year	
			% of ownership %	% of voting rights %	% of ownership %	% of voting rights %
<b>Direct subsidiaries</b>						
South Thien Long Manufacturing Trading Company Limited	Manufacturing and trading stationery	Ho Chi Minh City	100	100	100	100
Thien Long Global Trading and Service Company Limited	Trading stationery	Ho Chi Minh City	100	100	100	100
Thien Long Long Thanh Manufacturing and Trading Company Limited	Manufacturing and trading stationery	Dong Nai Province	100	100	100	100
Tan Luc South Trading and Service Company Limited (i)	Trading stationery	Ho Chi Minh City	100	100	100	100
Flexoffice Pte. Ltd.	Trading stationery	Singapore	100	100	100	100
<b>Indirect subsidiaries</b>						
ICCO Marketing (M) SDN. BHD.	Trading stationery	Malaysia	60	60	60	60
Clever World Joint Stock Company (ii)	Trading stationery	Ho Chi Minh City	94.44	94.44	88.62	88.62
<b>Associate</b>						
Pega Holdings Joint Stock Company	Trading stationery	Ho Chi Minh City	40	40	40	40

**1 GENERAL INFORMATION (continued)**

Information on investment transactions in subsidiaries in the fiscal year ended 31 December 2024 was as follows:

- (i) Pursuant to Board of Directors Resolution No. 14/2024/NQ-HĐQT dated 13 December 2024, the Board of Directors of the Company decided to contribute an additional VND270,000,000,000 in cash to Tan Luc South Trading and Service Company Limited, a subsidiary, to ensure capital for business expansion. The total value of the Company's capital contribution after the change is VND350,000,000,000, representing 100% of the charter capital of Tan Luc South Trading and Service Company Limited. At the end of the year, the Company contributed an additional VND70,000,000,000 in cash. The remaining value of the capital contribution will be contributed in the following year. Details are presented in Note 4(b).
- (ii) Pursuant to Decision No. 03.2024/QĐ-CSH dated 11 March 2024, Decision No. 07/2024/QĐ-CSH dated 24 September 2024 and Decision No. 08.2024/QĐ-CSH dated 25 December 2024, the Board of Directors of the Company approved the decision to increase the number of shares of Tan Luc South Trading and Service Company Limited held at Clever World Joint Stock Company. At the end of the year, Tan Luc South Trading and Service Company Limited owned 5,100,000 shares, equivalent to 94.44% of the charter capital of Clever World Joint Stock Company (at the beginning of the year: 2,570,000 shares, equivalent to 88.62%).

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

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

The accompanying separate financial statements are not intended to present the separate financial position and separate results of operations and 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 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 consolidated financial statements. In the 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 separate financial statements of the Company should read them together with the consolidated financial statements of the Group for year ended 31 December 2023 in order to obtain full information of the consolidated financial position and consolidated financial performance and consolidated cash flows of the Group.

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.2 Fiscal year**

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

**2.3 Currency**

The separate financial statements are measured and presented in Vietnamese Dong ("VND").

**2.4 Exchange rates**

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

Monetary assets and liabilities denominated in foreign currencies at the separate balance sheet date are respectively translated at the buying and selling exchange rates at the separate balance sheet date of the commercial banks with which the Company regularly trades. Foreign currencies deposited in banks at the 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 separate income statement.

**2.5 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash at banks 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 or non-trade receivables from others and are stated at cost. Provision for doubtful debts is made for each outstanding amount based on overdue days in payment according to the initial payment commitment (exclusive of the payment rescheduling between parties) or based on the estimated loss that may arise. The difference between the provision of this year and the provision of the previous year is recognised as an increase or decrease of general and administration expenses in the year. Bad debts are written off when identified as uncollectible.

Receivables are classified into long-term and short-term receivables on the separate balance sheet based on the remaining period from the separate balance sheet date to the maturity date.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****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 directly-related 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 year and the provision of the previous year are recognised as an increase or decrease of cost of goods sold in the year.

**2.8 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 for interest earning. Those investments are initially accounted for at cost. Subsequently, the Chief Executive Officer reviews all outstanding investments to determine the amount of provision to recognise at the year end.

Provision for diminution in value of investments held to maturity is made when there is evidence that the investment is uncollectible in whole or in part. Changes in the provision balance during the fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.8 Investments (continued)****(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.

Investments in associate are 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 year 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 year end.

**(e) Provision for investments in subsidiaries, associate and other entities**

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

Provision for investments in subsidiaries and associate 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 and associate.

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.

**2.9 Lendings**

Lendings are lendings granted for the earning interest under agreements among parties but not for being traded as securities.

Lendings are initially recognised at cost. Subsequently, the Chief Executive Officer reviews all outstanding amounts to determine the amount of provision to recognise at the year end. Provision for doubtful lendings is made for each lending based on overdue days in payment of principals according to the initial payment commitment (exclusive of the payment rescheduling between parties) or based on the estimated loss that may arise. Changes in the provision balance during the fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

Lendings are classified into short-term and long-term lendings on the separate balance sheet based on the remaining term of the lendings as at the separate balance sheet date.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.10 Fixed assets***Tangible and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation and amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets bringing them to their suitable condition for their intended use. Expenditure 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 separate income statement when incurred.

*Depreciation and amortisation*

Fixed assets are depreciated and amortized using the straight-line basis so as to write off the depreciable amount of the fixed assets over their estimated useful lives. Depreciable amount equals to the historical cost of fixed assets recorded in the 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	25 years
Machinery and equipment	3 - 4 years
Motor vehicles	6 - 7 years
Office equipment	2 - 5 years
Others	3 - 5 years
Software	1 - 10 years
Copyrights, patents	2 - 3 years

*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 separate income statement.

*Construction in progress*

Construction in progress represents the cost of assets in the course of installation or construction for production, rental or administrative purposes, or for purposes not yet determined, which are recorded at cost and are comprised of such necessary costs to construct, repair and maintain, upgrade, renew or equip the projects with technologies as construction costs; costs of tools and equipment; project management expenditures; construction consulting expenditures; and capitalised borrowing costs for qualifying assets in accordance with the Company'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 separate income statement on a straight-line basis over the term of the lease.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.12 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.

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

**2.14 Borrowings**

Borrowings include borrowings from banks.

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

Borrowing costs are recognised in the separate 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.16 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 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 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 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 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.

**2.18 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)****2.19 Appropriation of profit**

The Company's dividends are recognised as a liability in the Company's separate financial statements in the year 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 separate balance sheet and used for rewards, material incentives, bringing common benefits and raising employees' welfare.

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

Revenue from sale of goods is recognised in the 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 separate income statement.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.20 Revenue recognition (continued)****(b) Revenue from rendering of services**

Revenue from rendering of services is recognised in the separate income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue from the rendering of services is only recognised when all four (4) of the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The percentage of completion of the transaction at the separate balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

**(c) Interest income**

Interest income is recognised in the separate income statement on the basis of the actual time and interest rates for each period when two (2) conditions below are simultaneously satisfied:

- It is probable that economic benefits associated with the transaction will flow to the Company; and
- Income can be measured reliably.

**(d) Dividends and distributable profits income**

Income from dividends and distributable profits is recognised in the separate income statement when both (2) of the following conditions are satisfied:

- It is probable that economic benefits associated with the transaction will flow to the Company; and
- Income can be measured reliably.

Income from dividends and distributable profits is recognised when the Company has established receiving rights from investees.

**2.21 Sales deductions**

Sales deductions include sales returns and sales allowances. 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 separate balance sheet date but before the issuance of the separate financial statements are recorded as a deduction from the revenue of the year.

**2.22 Cost of goods sold and services rendered**

Cost of goods sold and services rendered are the cost of merchandise, materials sold or services rendered during the year and recorded on the basis of matching with revenue and on a prudent basis.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.23 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.

**2.24 Selling expenses**

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

**2.25 General and administration expenses**

General and administration expenses represent expenses for administrative purposes.

**2.26 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 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.

**2.27 Related parties**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.28 Critical accounting estimates**

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

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 decline in value of investments (Note 2.8);
- Estimated useful life of fixed assets (Note 2.10);
- Estimation of provision for long-term liabilities (Note 2.16 and Note 2.17); and
- Recognition of deferred tax assets for tax losses carried forward (Note 2.26).

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	897,148,449	1,006,517,272
Cash at banks	196,113,608,195	129,261,847,939
Cash equivalents (*)	128,000,000,000	-
	<u>325,010,756,644</u>	<u>130,268,365,211</u>

(\*) Cash equivalents included term deposits with the original maturity of 3 months or less and earn interest at fixed rates in Vietnamese Dong.

**4 INVESTMENTS****(a) Investments held to maturity**

	Closing balance		Opening balance	
	Cost VND	Book value VND	Cost VND	Book value VND
Term deposits	<u>98,900,000,000</u>	<u>98,900,000,000</u>	<u>218,200,000,000</u>	<u>218,200,000,000</u>

Short-term investments held to maturity included term deposits at banks with maturity from 6 months to 12 months and earning interest at fixed rates in Vietnamese Dong

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4 INVESTMENTS (continued)

(b) Long-term investments

	Closing balance				Opening balance			
	Cost VND	Fair value VND	Provision VND	Ownership percentage %	Cost VND	Fair value VND	Provision VND	Ownership percentage %
<b>i. Investments in subsidiaries</b>								
South Thien Long Manufacturing Trading Company Limited	650,000,000,000	(*)	-	100	650,000,000,000	(*)	-	100
Thien Long Global Trading and Service Company Limited	180,000,000,000	(*)	-	100	180,000,000,000	(*)	-	100
Thien Long Long Thanh Manufacturing and Trading Company Limited	169,500,000,000	(*)	-	100	169,500,000,000	(*)	-	100
Tan Luc South Trading and Service Company Limited	150,000,000,000	(*)	(38,950,499,119)	100	80,000,000,000	(*)	(19,788,236,873)	100
FlexOffice Pte. Ltd.	30,545,715,761	(*)	(16,404,817,577)	100	30,545,715,761	(*)	(14,005,477,653)	100
	<u>1,180,045,715,761</u>		<u>(55,355,316,696)</u>		<u>1,110,045,715,761</u>		<u>(33,793,714,526)</u>	
<b>ii. Investments in associate</b>								
Pega Holdings Joint Stock Company	40,000,000,000	(*)	(2,800,000,000)	40	40,000,000,000	(*)	(4,000,000,000)	40
<b>iii. Investments in other entities</b>								
Kido Land Corporation	25,000,000,000	(*)	-	2.00	25,000,000,000	(*)	-	2.00
Saigon Securities Investment Fund A2	3,565,000,000	(*)	(3,565,000,000)	-	3,565,000,000	(*)	(3,565,000,000)	-
Brilliant Chip Joint Stock Company	1,520,000,000	(*)	(105,792,000)	2.20	1,520,000,000	(*)	(286,976,000)	1.89
Printing No7 Joint Stock Company	600,000,000	(*)	-	2.50	600,000,000	(*)	-	2.50
	<u>30,685,000,000</u>		<u>(3,670,792,000)</u>		<u>30,685,000,000</u>		<u>(3,851,976,000)</u>	

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

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**5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE**

	Closing balance		Opening balance	
	Value VND	Provision VND	Value VND	Provision VND
Third parties				
SQI Group Int'l. Corp.	58,822,727,198	-	38,921,874,368	-
Others	89,375,229,167	(906,933,409)	45,956,136,900	-
Related parties (Note 32(b))	53,273,438,362	-	28,775,862,903	-
	<u>201,471,394,727</u>	<u>(906,933,409)</u>	<u>113,653,874,171</u>	<u>-</u>

As at end of year, balances of short-term trade accounts receivable which were past due, amounting to VND29,038,877,940 (as at beginning of year: VND10,126,656,887).

As at end of year, short-term trade receivables with minimum value of USD5,000,000 were pledged with Citibank, N.A., Ho Chi Minh City Branch as collateral assets for short-term borrowings granted to Thien Long Long Thanh Manufacturing and Trading Company Limited and South Thien Long Manufacturing Trading Company Limited, subsidiaries of the Company (as at beginning of year: nil).

**6 SHORT-TERM LENDINGS**

	Closing balance		Opening balance	
	Book value VND	Provision VND	Book value VND	Provision VND
Related parties (Note 32(b))	<u>36,000,000,000</u>	<u>-</u>	<u>16,000,000,000</u>	<u>-</u>





## 7 OTHER RECEIVABLES

## (a) Short-term

	Closing balance		Opening balance	
	Book value VND	Provision VND	Book value VND	Provision VND
Interest receivables from deposits	2,397,586,030	-	3,550,704,109	-
Advances to employees	293,090,115	-	421,188,669	-
Deposits	30,000,000	-	30,000,000	-
Others	-	-	355,493,169	-
	<u>2,720,676,145</u>	<u>-</u>	<u>4,357,385,947</u>	<u>-</u>

## (b) Long-term

As at end of year and beginning of year, the balances mainly consisted of long-term deposits.

## 8 INVENTORIES

	Closing balance		Opening balance	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	1,201,652,903	-	4,058,363,452	-
Raw materials	2,255,721,201	-	1,145,763,102	(2,535,874)
Merchandise	23,828,990,054	(616,233,276)	22,127,589,715	(1,681,751,419)
	<u>27,286,364,158</u>	<u>(616,233,276)</u>	<u>27,331,716,269</u>	<u>(1,684,287,293)</u>

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

	Current year VND	Previous year VND
Opening balance	(1,684,287,293)	(1,956,788,693)
Addition (Note 23)	(69,627,515)	(71,922,782)
Reversal (Note 23)	1,137,681,532	344,424,182
Closing balance	<u>(616,233,276)</u>	<u>(1,684,287,293)</u>

9 PREPAID EXPENSES

(a) Short-term

	Closing balance VND	Opening balance VND
Advertising and marketing expenses	326,680,077	1,289,482,062
Health and asset insurance	250,659,683	316,328,079
Others	3,467,784,862	2,095,128,438
	<u>4,045,124,622</u>	<u>3,700,938,579</u>

(b) Long-term

	Closing balance VND	Opening balance VND
Tools and supplies	619,264,097	1,494,475,390
Others	709,481,834	990,043,062
	<u>1,328,745,931</u>	<u>2,484,518,452</u>

Movements in prepaid expenses during the year were as follows:

	Current year VND	Previous year VND
Opening balance	6,185,457,031	5,939,192,951
Increase	24,756,672,936	28,585,681,845
Allocation in the year	(25,568,259,414)	(28,339,417,765)
	<u>5,373,870,553</u>	<u>6,185,457,031</u>

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10 FIXED ASSETS  
(a) Tangible fixed assets

	Plant, buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
<b>Historical cost</b>						
Opening balance	2,665,600,000	149,408,182	24,116,512,930	4,622,650,087	10,389,879,442	41,944,050,641
New purchases	-	-	6,270,331,697	135,000,000	74,000,000	6,479,331,697
Disposals	-	-	(5,902,493,364)	(80,600,000)	(281,027,253)	(6,264,120,617)
Closing balance	2,665,600,000	149,408,182	24,484,351,263	4,677,050,087	10,182,852,189	42,159,261,721
<b>Accumulated depreciation</b>						
Opening balance	1,746,705,440	149,408,182	19,987,496,238	2,918,755,664	4,723,341,629	29,525,707,153
Charge for the year	107,055,677	-	1,601,411,055	663,629,636	2,590,385,390	4,962,481,758
Disposals	-	-	(5,902,493,364)	(71,188,889)	(281,027,253)	(6,254,709,506)
Closing balance	1,853,761,117	149,408,182	15,686,413,929	3,511,196,411	7,032,699,766	28,233,479,405
<b>Net book value</b>						
Opening balance	918,894,560	-	4,129,016,692	1,703,894,423	5,666,537,813	12,418,343,488
Closing balance	811,838,883	-	8,797,937,334	1,165,853,676	3,150,152,423	13,925,782,316

The historical cost of tangible fixed assets that were fully depreciated but still in use as at end of year was VND14,397,972,200 (as at beginning of year: VND16,599,626,111).

## 10 FIXED ASSETS (continued)

## (b) Intangible fixed assets

	Software VND	Copyright, patents VND	Total VND
<b>Historical cost</b>			
Opening balance and closing balance	54,453,374,315	367,000,000	54,820,374,315
<b>Accumulated amortisation</b>			
Opening balance	47,808,344,098	367,000,000	48,175,344,098
Charge for the year	2,160,042,230	-	2,160,042,230
Closing balance	49,968,386,328	367,000,000	50,335,386,328
<b>Net book value</b>			
Opening balance	6,645,030,217	-	6,645,030,217
Closing balance	4,484,987,987	-	4,484,987,987

The historical cost of intangible fixed assets that were fully amortised but still in use as at end of year was VND46,596,552,475 (as at beginning of year: VND44,020,163,161).

## 11 SHORT-TERM TRADE ACCOUNTS PAYABLE

	Closing balance		Opening balance	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties				
Teibow Co., Ltd.	6,362,932,492	6,362,932,492	3,140,741,040	3,140,741,040
Aubex Corporation	4,702,894,000	4,702,894,000	4,518,610,000	4,518,610,000
Others	12,448,487,953	12,448,487,953	8,864,702,120	8,864,702,120
Related parties (Note 32(b))	192,428,422,770	192,428,422,770	100,411,339,469	100,411,339,469
	<u>215,942,737,215</u>	<u>215,942,737,215</u>	<u>116,935,392,629</u>	<u>116,935,392,629</u>

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12 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	Receivables/payables during the year VND	Payment during the year VND	Reclassification VND	Closing balance VND
<b>(a) VAT to be reclaimed</b>					
VAT to be reclaimed	83,724,829,672	52,108,142,239	-	-	135,832,971,911
<b>(b) Tax receivables</b>					
CIT	3,080,603,768	-	-	461,926,015	3,542,529,783
VAT	-	-	-	148,907,269	148,907,269
	3,080,603,768	-	-	610,833,284	3,691,437,052
<b>(c) Tax payables</b>					
Personal income tax	758,866,556	19,247,904,686	(18,182,090,532)	-	1,824,680,710
VAT	202,376,568	4,744,500,363	(5,095,784,200)	148,907,269	-
CIT	-	3,195,856,305	(3,657,782,320)	461,926,015	-
Import - export duties	-	332,577,887	(332,577,887)	-	-
Other taxes	176,780,947	1,890,170,457	(1,810,375,177)	-	256,576,227
	1,138,024,071	29,411,009,698	(29,078,610,116)	610,833,284	2,081,256,937



## 13 SHORT-TERM ACCRUED EXPENSES

	Closing balance VND	Opening balance VND
13th month salary and performance bonus	14,088,700,000	14,645,547,000
Advertising and marketing expenses	646,438,299	53,074,286
Interest expense	-	17,242,238
Others	996,048,443	290,407,888
	<u>15,731,186,742</u>	<u>15,006,271,412</u>

## 14 OTHER SHORT-TERM PAYABLES

	Closing balance VND	Opening balance VND
Remuneration for the Board of Directors and Board of Supervisors	4,396,500,000	3,799,242,314
Union fees	62,063,320	170,789,600
Dividend payables	-	11,165,500
Others	604,557,751	499,224,492
	<u>5,063,121,071</u>	<u>4,480,421,906</u>

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15 SHORT-TERM BORROWINGS

	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
Bank overdraft						
Joint Stock Commercial						
Bank for Investment and						
Development of Vietnam						
- West Saigon Branch	19,979,101,008	19,979,101,008	-	(19,979,101,008)	-	-

Overdraft loans from Joint Stock Commercial Bank for Investment and Development of Vietnam - Western Saigon Branch for the purpose of supplementing working capital.

**16 DEFERRED INCOME TAX ASSETS AND DEFERRED INCOME TAX LIABILITIES**

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	-	6,835,490,715
	<u>-</u>	<u>6,835,490,715</u>
	Closing balance VND	Opening balance VND
Deferred tax liabilities to be settled	1,598,251,196	-
	<u>1,598,251,196</u>	<u>-</u>

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

	Current year VND	Previous year VND
Opening balance	6,835,490,715	8,429,308,082
Separate income statement charge (Note 29)	(8,433,741,911)	(1,593,817,367)
	<u>(8,433,741,911)</u>	<u>(1,593,817,367)</u>
Closing balance	(1,598,251,196)	6,835,490,715
	<u>(1,598,251,196)</u>	<u>6,835,490,715</u>

**Details of deferred income tax liabilities and deferred income tax assets**

	Closing balance VND	Opening balance VND
Tax losses not yet utilised	-	7,246,666,575
Unrealised exchange rate differences of cash and receivables denominated in foreign currency	(2,084,049,333)	(949,092,519)
Temporary difference of provisions	485,798,137	537,916,659
	<u>(1,598,251,196)</u>	<u>6,835,490,715</u>

The Company used a tax rate of 20% in the year 2024 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.



## 16 DEFERRED INCOME TAX ASSETS AND DEFERRED INCOME TAX LIABILITIES (continued)

The Company's tax losses can be carried forward to offset against future taxable profits 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 in the separate financial statements. The estimated amount of tax losses available for offset against the Company's future taxable profit is:

Year of tax loss	Status of tax authorities' review	Loss incurred VND	Loss utilised VND	Loss carried forward VND
2022	Outstanding	32,730,657,136	(32,730,657,136)	-
2023	Outstanding	3,502,675,738	(3,502,675,738)	-

## 17 OWNERS' CAPITAL

### (a) Number of shares

	Closing balance		Opening balance	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered, issued and in circulation	86,453,575	-	78,594,453	-

### (b) Details of owners' shareholding

	Closing balance		Opening balance	
	Ordinary shares	%	Ordinary shares	%
Thien Long An Think Investment Corporation	41,086,047	47.52	37,350,952	47.52
Mr. Co Gia Tho	5,417,065	6.27	4,924,605	6.27
NWL Cayman Holdings Ltd.	-	-	5,500,000	7.00
Other shareholders	39,950,463	46.21	30,818,896	39.21
Number of shares issued	86,453,575	100.00	78,594,453	100.00

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**17 OWNERS' CAPITAL (continued)**

**(c) Movement of share capital**

	Number of shares	Ordinary shares VND	Total VND
<b>For the year ended 31 December 2023</b>			
Opening balance	77,794,453	777,944,530,000	777,944,530,000
Shares under ESOP issued during the year	800,000	8,000,000,000	8,000,000,000
Closing balance	78,594,453	785,944,530,000	785,944,530,000
<b>For the year ended 31 December 2024</b>			
Opening balance	78,594,453	785,944,530,000	785,944,530,000
Shares dividend (*) (Note 18)	7,859,122	78,591,220,000	78,591,220,000
Closing balance	86,453,575	864,535,750,000	864,535,750,000

Par value per share: VND10,000.

(\*) Pursuant to the Resolution No. 02/2024/NQ-HĐQT dated 10 May 2024 of the Board of Directors, the Board of Directors of the Company approved the implementation of a plan to issue shares to pay dividends in 2023 at a rate of 10% of par value, which was approved by the General Meeting of Shareholders pursuant to the Resolution No. 01/2024/NQ-DHĐCĐ of the 2023 Annual General Meeting of Shareholders dated 23 April 2024.

Pursuant to the Resolution No. 13/2024/NQ-HĐQT dated 3 December 2024 of the Board of Directors, the Board of Directors of the Company approved the implementation of increasing the charter capital from VND785,944,530,000 to VND864,535,750,000, equivalent to 86,453,575 shares.

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18 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Investment and development fund VND	Post-tax undistributed earnings VND	Total VND
<b>For the year ended 31 December 2023</b>					
Opening balance	777,944,530,000	361,633,483,771	261,896,462,556	54,197,435,783	1,455,671,912,110
Shares under ESOP issued during the year	8,000,000,000	-	-	-	8,000,000,000
Net profit for the year	-	-	-	330,335,477,424	330,335,477,424
Dividends declared from undistributed profit of 2022	-	-	-	(38,897,226,500)	(38,897,226,500)
Dividends declared from undistributed profit of 2023 (i)	-	-	-	(116,691,679,500)	(116,691,679,500)
Appropriation to bonus and welfare fund (Note 20)	-	-	-	(40,137,089,000)	(40,137,089,000)
Bonus for exceeding the budgeted profit for the Board of Management and employees	-	-	-	(22,200,000,000)	(22,200,000,000)
Bonus for exceeding the budgeted profit for the Board of Directors	-	-	-	(2,000,000,000)	(2,000,000,000)
Remuneration of the Board of Directors and Board of Supervisors	-	-	-	(8,364,000,000)	(8,364,000,000)
Operating expenses of Board of Directors	-	-	-	(1,636,000,000)	(1,636,000,000)
Closing balance	785,944,530,000	361,633,483,771	261,896,462,556	154,606,918,207	1,564,081,394,534
<b>For the year ended 31 December 2024</b>					
Opening balance	785,944,530,000	361,633,483,771	261,896,462,556	154,606,918,207	1,564,081,394,534
Net profit for the year	-	-	-	388,786,461,933	388,786,461,933
Shares dividends from undistributed profit of 2023 (i) (Note 17(c) and Note 19)	78,591,220,000	-	-	(78,591,220,000)	-
Dividends declared from undistributed profit of 2023 (i) (Note 19)	-	-	-	(78,594,453,000)	(78,594,453,000)
Dividends declared from undistributed profit of 2024 (ii) (Note 19)	-	-	-	(78,594,453,000)	(78,594,453,000)
Appropriation to bonus and welfare fund (iii) (Note 20)	-	-	-	(35,894,054,000)	(35,894,054,000)
Remuneration of the Board of Directors and Board of Supervisors (iv)	-	-	-	(9,160,000,000)	(9,160,000,000)
Operating expenses of Board of Directors (iv)	-	-	-	(5,840,000,000)	(5,840,000,000)
Closing balance	864,535,750,000	361,633,483,771	261,896,462,556	256,719,200,140	1,744,784,896,467

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

Pursuant to the Resolution No. 01/2024/NQ-ĐHĐCĐ dated 23 April 2024 of the 2023 Annual General Meeting of Shareholders, the General Meeting of Shareholders of the Company approved the distribution plan of net consolidated profits after tax for the years 2023 and 2024 as follows:

- (i) Dividend from the 2023 post-tax profits at the rate of 35% par value, equivalent VND273,880,586,000, in which dividend by cash at the rate of 25% par value and dividend by shares at the rate of 10% par value. In 2023, the Company divided VND116,691,679,500 in cash. In 2024, the Company divided VND78,594,453,000 in cash and issued 7,859,122 shares, equivalent to VND78,591,220,000;
- (ii) Advance dividend from the 2024 post-tax profits at the rate of 10% par value, equivalent to VND78,594,453,000 pursuant to the Resolution No. 12/2024/NQ/HĐQT of the Board of Directors dated 1 November 2024;
- (iii) Appropriation to bonus and welfare fund of VND35,894,054,000 (equivalent to 10% of 2023 post-tax profits); and
- (iv) Remuneration and operating expense for the Board of Directors and Board of Supervisors in 2024 of VND15,000,000,000, which was fully appropriated in the year.

**19 DIVIDENDS**

Movements of dividends payable during the year were as follows:

	Current year VND	Previous year VND
Opening balance	11,165,500	116,702,845,000
Dividends payable during the year (Note 18)	235,780,126,000	155,588,906,000
Dividends paid in cash	(157,200,071,500)	(272,280,585,500)
Dividends paid by shares	(78,591,220,000)	-
Closing balance	<u>-</u>	<u>11,165,500</u>

**20 BONUS AND WELFARE FUND**

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

	Current year VND	Previous year VND
Opening balance	41,727,126,827	12,156,810,827
Appropriated (Note 18)	35,894,054,000	40,137,089,000
Bonus for exceeding the budgeted profit for the Board of Management and employees (Note 18)	-	22,200,000,000
Utilised	(28,374,196,000)	(32,766,773,000)
Closing balance	<u>49,246,984,827</u>	<u>41,727,126,827</u>

**21 OFF SEPARATE BALANCE SHEET ITEMS****Foreign currencies**

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

	<b>Current year</b>	<b>Previous year</b>
Japanese Yen ("JPY")	11,463,367	24,762,004
United States Dollar ("USD")	4,891,352	4,673,187
Euro ("EUR")	255,616	161,044
Korean Won ("KRW")	240,000	240,000
British Pound ("GBP")	1,565	1,583
Singapore Dollar ("SGD")	1,139	1,139
Australian Dollar ("AUD")	110	110
	<u>                    </u>	<u>                    </u>

**22 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES**

	<b>Current year VND</b>	<b>Previous year VND</b>
<b>Revenue from sales of goods and rendering of services</b>		
Revenue from sales of merchandise	990,743,026,149	727,819,166,795
Revenue from rendering of services	52,922,794,152	52,249,754,870
	<u>1,043,665,820,301</u>	<u>780,068,921,665</u>
<b>Sales deductions</b>		
Sales returns	(15,427,884)	(10,656,000)
Sales allowances	-	(465,759,391)
	<u>(15,427,884)</u>	<u>(476,415,391)</u>
<b>Net revenue from sales of goods and rendering of services</b>		
Net revenue from sales of merchandise	990,727,598,265	727,342,751,404
Net revenue from rendering of services	52,922,794,152	52,249,754,870
	<u>1,043,650,392,417</u>	<u>779,592,506,274</u>

**23 COST OF GOODS SOLD AND SERVICES RENDERED**

	Current year VND	Previous year VND
Cost of merchandise sold	767,117,370,115	566,495,732,705
Reversal of provisions for decline in value of inventories (Note 8)	(1,068,054,017)	(272,501,400)
Cost of services rendered	4,244,220,000	4,244,220,000
	<u>770,293,536,098</u>	<u>570,467,451,305</u>

**24 FINANCIAL INCOME**

	Current year VND	Previous year VND
Dividend income	350,375,803,800	330,300,003,800
Interest income from deposits and loans	14,748,779,166	10,177,424,101
Net gain from foreign currency translation at year-end	10,743,153,913	4,582,670,582
Realised foreign exchange gains	10,103,527,869	6,822,859,925
	<u>385,971,264,748</u>	<u>351,882,958,408</u>

**25 FINANCIAL EXPENSES**

	Current year VND	Previous year VND
Provision for diminution in value of investments	21,561,602,170	15,839,294,268
Reversal of provision for diminution in value of investments	(1,381,184,000)	(3,916,565,159)
Realised foreign exchange losses	4,031,366,057	1,455,771,621
Interest expense	59,116,244	101,914,839
	<u>24,270,900,471</u>	<u>13,480,415,569</u>

**26 SELLING EXPENSES**

	Current year VND	Previous year VND
Marketing and trade fair expenses	63,744,310,719	47,579,527,398
Staff costs	35,160,379,254	44,428,506,060
Depreciation	515,376,812	725,711,747
Others	28,290,793,313	26,031,699,674
	<u>127,710,860,098</u>	<u>118,765,444,879</u>

**27 GENERAL AND ADMINISTRATION EXPENSES**

	Current year VND	Previous year VND
Staff costs	56,810,735,159	54,720,016,493
Outside services expenses	42,346,687,685	34,435,401,595
Depreciation and amortisation	6,577,804,711	6,216,511,089
Others	3,450,240,800	3,139,488,555
	<u>109,185,468,355</u>	<u>98,511,417,732</u>

**28 NET OTHER INCOME**

	Current year VND	Previous year VND
<b>Other income</b>		
Net gains on disposal of fixed assets	1,793,702,607	817,876,767
Rental income	471,000,000	582,000,000
Indemnity for damaged goods	-	117,992,470
Others	686,596,881	269,772,388
	<u>2,951,299,488</u>	<u>1,787,641,625</u>
<b>Other expenses</b>		
Others	696,131,482	109,082,031
	<u>696,131,482</u>	<u>109,082,031</u>
<b>Net other income</b>	<u>2,255,168,006</u>	<u>1,678,559,594</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 year VND	Previous year VND
Accounting profit before tax	400,416,060,149	331,929,294,791
Adjustment:		
Non-taxable income	(350,375,803,800)	(330,300,003,800)
Expenses not deductible for tax purposes	8,107,734,727	6,113,328,518
Temporary differences for which no deferred income tax has been recognised	-	226,467,327
Estimated taxable income	<u>58,147,991,076</u>	<u>7,969,086,836</u>
Tax calculated at a rate of 20%	<u>11,629,598,216</u>	<u>1,593,817,367</u>
CIT charge (*)	<u>11,629,598,216</u>	<u>1,593,817,367</u>
Charged to the separate income statement:		
CIT - current	3,195,856,305	-
CIT - deferred (Note 16)	8,433,741,911	1,593,817,367
	<u>11,629,598,216</u>	<u>1,593,817,367</u>

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

**30 COSTS OF OPERATION BY FACTORS**

Costs of operation by factor represents all costs incurred during the year from the Company's operating activities, excluding cost of merchandise for trading activities. The details are as follows:

	Current year VND	Previous year VND
Outside service expenses	138,177,758,340	107,716,623,671
Staff costs	91,971,114,413	99,148,522,553
Depreciation and amortisation	7,122,523,988	6,950,424,808
Others	3,869,151,712	3,461,291,579
	<u>241,140,548,453</u>	<u>217,276,862,611</u>



31 ADDITIONAL INFORMATION ON CERTAIN ITEMS OF THE SEPARATE CASH FLOW STATEMENT

Non-cash transactions affect the Separate cash flow statement

	Current year VND	Previous year VND
Share dividends	78,591,220,000	-

32 RELATED PARTY DISCLOSURES

The Company is a joint stock company. Details of subsidiaries and associates are presented in Note 1. Details of the key related parties and relationship are given as below:

Related party	Relationship
Thien Long An Think Investment Corporation	Major shareholder
South Thien Long Manufacturing Trading Company Limited	Subsidiary
Thien Long Long Thanh Manufacturing Trading Company Limited	Subsidiary
Thien Long Global Trading and Service Company Limited	Subsidiary
Tan Luc South Trading and Service Company Limited	Subsidiary
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

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

	Current year VND	Previous year VND
(i) Net revenue from sales of goods		
Thien Long Global Trading and Service Company Limited	74,256,143,120	91,071,787,590
South Thien Long Manufacturing Trading Company Limited	53,114,217,879	13,941,963,195
ICCO Marketing (M) SDN. BHD.	10,779,847,322	7,489,848,647
Thien Long Long Thanh Manufacturing Trading Company Limited	829,654,242	757,889,830
Tan Luc South Trading and Service Company Limited	115,834,560	-
FlexOffice Pte. Ltd.	-	1,417,151,941
	<u>139,095,697,123</u>	<u>114,678,641,203</u>

32 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	Current year VND	Previous year VND
<b>(ii) Net revenue from rendering of services</b>		
Thien Long Global Trading and Service Company Limited	49,767,181,540	47,090,602,543
Thien Long Long Thanh Manufacturing Trading Company Limited	1,657,652,612	3,661,192,327
South Thien Long Manufacturing Trading Company Limited	1,497,960,000	1,497,960,000
	<u>52,922,794,152</u>	<u>52,249,754,870</u>
<b>(iii) Purchases of goods</b>		
South Thien Long Manufacturing Trading Company Limited	360,184,521,956	268,420,462,824
Thien Long Long Thanh Manufacturing Trading Company Limited	326,169,039,910	240,946,453,720
Thien Long Global Trading and Service Company Limited	9,017,693,760	6,125,634,065
Tan Luc South Trading and Service Company Limited	935,690,056	-
Pega Holdings Joint Stock Company	80,338,575	23,320,100
Clever World Joint Stock Company	2,415,558	20,126,948
	<u>696,389,699,815</u>	<u>515,535,997,657</u>
<b>(iv) Rental income</b>		
South Thien Long Manufacturing Trading Company Limited	375,000,000	480,000,000
Clever World Joint Stock Company	96,000,000	96,000,000
Thien Long Global Trading and Service Company Limited	-	6,000,000
	<u>471,000,000</u>	<u>582,000,000</u>
<b>(v) Rental expense</b>		
Thien Long Global Trading and Service Company Limited	<u>1,920,000,000</u>	<u>1,920,000,000</u>



## 32 RELATED PARTY DISCLOSURES (continued)

## (a) Related party transactions (continued)

	Current year VND	Previous year VND
<b>(vi) Profit distributed</b>		
Thien Long Long Thanh Manufacturing Trading Company Limited	150,000,000,000	150,000,000,000
Thien Long Global Trading and Service Company Limited	100,000,000,000	100,000,000,000
South Thien Long Manufacturing Trading Company Limited	100,000,000,000	80,000,000,000
	<u>350,000,000,000</u>	<u>330,000,000,000</u>
<b>(vii) Dividends declared</b>		
Thien Long An Think Investment Corporation	<u>112,052,856,000</u>	<u>74,701,904,000</u>
<b>(viii) Invesments</b>		
<b>Subsidiaries</b>		
Tan Luc South Trading and Service Company Limited	70,000,000,000	-
FlexOffice Pte. Ltd.	-	11,798,500,000
<b>Associate</b>		
Pega Holdings Joint Stock Company	-	15,000,000,000
	<u>70,000,000,000</u>	<u>26,798,500,000</u>
<b>(ix) Short-term lendings</b>		
Clever World Joint Stock Company	20,000,000,000	-
Pega Holdings Joint Stock Company	-	16,000,000,000
	<u>20,000,000,000</u>	<u>16,000,000,000</u>
<b>(x) Interest income from loans</b>		
Clever World Joint Stock Company	<u>433,972,602</u>	-

## 32 RELATED PARTY DISCLOSURES (continued)

## (a) Related party transactions (continued)

		Current year VND	Previous year VND
<b>(xi) Compensation of key management</b>			
<b>Board of Directors</b>			
Mr. Co Gia Tho	Chairman	2,400,000,000	3,300,000,000
Ms. Tran Thai Nhu	Member	840,000,000	1,090,000,000
Ms. Co Ngan Binh	Member	840,000,000	1,090,000,000
Ms. Co Cam Nguyet	Member	960,000,000	1,260,000,000
Mr. Tayfun Uner	Independent member	-	-
Mr. Pham Nguyen Tri	Independent member	1,080,000,000	1,120,000,000
Mr. Nguyen Dinh Tam	Member	2,020,000,000	1,420,000,000
<b>Chief Executive Officer</b>			
Ms. Tran Phuong Nga	Chief Excecutive Officer	5,362,925,000	4,550,150,000
		<u>13,502,925,000</u>	<u>13,830,150,000</u>

## (b) Year end balances with related parties

	Closing balance VND	Opening balance VND
<b>(i) Short-term trade accounts receivable (Note 5)</b>		
Thien Long Global Trading and Service Company Limited	33,381,017,822	19,426,302,120
South Thien Long Manufacturing Trading Company Limited	11,065,415,029	2,668,511,080
ICCO Marketing (M) SDN. BHD.	8,206,239,312	6,240,337,914
Thien Long Long Thanh Manufacturing Trading Company Limited	620,766,199	431,911,789
Clever World Joint Stock Company	-	8,800,000
	<u>53,273,438,362</u>	<u>28,775,862,903</u>

## 32 RELATED PARTY DISCLOSURES (continued)

## (b) Year end balances with related parties (continued)

	Closing balance VND	Opening balance VND
<b>(ii) Short-term lendings (Note 6)</b>		
Clever World Joint Stock Company (*)	20,000,000,000	-
Pega Holdings Joint Stock Company (**)	16,000,000,000	16,000,000,000
	<u>36,000,000,000</u>	<u>16,000,000,000</u>
<p>(*) Including interest-free convertible loan to Pega Holdings Joint Stock Company. According to Appendix 01 of the Conversion Loan Contract dated 27 May 2024, the loan was extended until 30 June 2025.</p> <p>(**) Including loans to Clever World Joint Stock Company under Loan Contract No. 2024-01/VAT/TLG-CLW dated 21 August 2024 with a term of 8 months from the date of disbursement.</p>		
<b>(iii) Short-term trade accounts payable (Note 11)</b>		
South Thien Long Manufacturing Trading Company Limited	101,278,379,593	49,376,204,052
Thien Long Long Thanh Manufacturing Trading Company Limited	88,587,835,641	49,675,757,646
Thien Long Global Trading and Service Company Limited	2,316,512,995	1,358,878,271
Tan Luc South Trading and Service Company Limited	243,790,501	-
Pega Holdings Joint Stock Company	1,904,040	499,500
	<u>192,428,422,770</u>	<u>100,411,339,469</u>

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33 COMMITMENTS

(a) Operating leases

(i) The Company as a lessee

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	10,892,856,218	10,455,847,811	1,920,000,000	1,920,000,000	12,812,856,218	12,375,847,811
Between one and five years	5,558,343,665	16,451,199,884	1,920,000,000	3,840,000,000	7,478,343,665	20,291,199,884
	<u>16,451,199,883</u>	<u>26,907,047,695</u>	<u>3,840,000,000</u>	<u>5,760,000,000</u>	<u>20,291,199,883</u>	<u>32,667,047,695</u>

(ii) The Company as a lessor

The Company has signed office lease contracts. Accordingly, the future minimum lease receivables under non-cancellable operating leases were as follows:

	Closing balance VND	Opening balance VND
Within one year	96,000,000	96,000,000
Between one and five years	48,000,000	144,000,000
	<u>144,000,000</u>	<u>240,000,000</u>

HỘI ĐỒNG QUẢN TRỊ  
CÔNG TY TNHH THƯƠNG MẠI VÀ DỊCH VỤ THIỆN LONG

## 33 COMMITMENTS (continued)

## (b) Guarantee commitments

As at end and beginning of year, the Company had 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 were as follows:

	Currency	Guarantee limits	
		Closing balance	Opening balance
South Thien Long Manufacturing Trading Company Limited	VND	460,000,000,000	430,000,000,000
Thien Long Long Thanh Manufacturing Trading Company Limited	VND	391,000,000,000	391,000,000,000
Thien Long Global Trading and Service Company Limited	VND	200,000,000,000	100,000,000,000
Thien Long Long Thanh Manufacturing Trading Company Limited and South Thien Long Manufacturing Trading Company Limited	USD	10,000,000	-
Thien Long Global Trading and Service Company Limited	USD	5,000,000	-
South Thien Long Manufacturing Trading Company Limited	USD	3,900,000	3,900,000

34 SUBSEQUENT EVENTS

Information on investment transactions in subsidiaries after the separate balance sheet date was as follows:

- (i) Pursuant to Board of Directors Resolution No. 14/2024/NQ-HĐQT dated 13 December 2024, the Company has contributed an additional VND30,000,000,000 in cash to Tan Luc South Trading and Service Company Limited on 5 March 2025. At the date of these separate financial statements, the capital contributed amount of the Company was VND180,000,000,000, representing 100% of the charter capital of Tan Luc South Trading and Service Company Limited.
- (ii) Pursuant to Decision No. 02.2025/QĐ-CSH dated 12 February 2025, the Board of Directors of the Company approved the decision to increase the number of shares that Tan Luc South Trading and Service Company Limited held at Clever World Joint Stock Company. On 14 February 2025, the Tan Luc South Trading and Service Company Limited has contributed VND10,000,000,000 in cash to Clever World Joint Stock Company. At the date of these separate financial statements, Tan Luc South Trading and Service Company Limited owned 6,100,000 shares, equivalent to 95.31% of the charter capital of Clever World Joint Stock Company.

The separate financial statements were approved by the Chief Executive Officer on 26 March 2025.



Dao Xuan Nam  
Preparer



Nguyen Ngoc Nhon  
Chief Accountant



Tran Phuong Nga  
Chief Executive Officer





No.: 17.2025 /CV-TLG

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Re.: Explanation of the consolidated business results and the parent company's business performance for the fiscal year ended December 31, 2024.

Ho Chi Minh City, 26 March 2025

**To:** - STATE SECURITIES COMMISSION OF VIETNAM  
- HO CHI MINH CITY STOCK EXCHANGE

**Thien Long Group Corporation (Ticker: TLG)** would like to provide the following explanation regarding the changes in business performance as presented in the Consolidated Financial Statements and the Separate Financial Statements of the Parent Company for the fiscal year ended December 31, 2024, compared to the previous year:

### 1. Consolidated Business Results:

- Total consolidated net revenue for the year reached VND 3,759 billion, an increase of VND 297 billion or 8.6% YOY.
- Consolidated profit after tax (after minority interest) for the year reached VND 462 billion, an increase of VND 103 billion or 28.6% compared to the previous year.

This growth was driven by a general improvement in market demand and a notable increase of over 24% in export revenue compared to the same period last year. Both factors contributed to the increase in net revenue compared to 2023.

The Company has continuously improved its production processes, resulting in lower production costs and a significantly improved gross profit margin compared to the prior year. Additionally, operating expenses were reduced thanks to effective cost management. These key factors collectively contributed to the YOY increase in consolidated profit after tax.

### 2. Parent Company Business Results:

- Total net revenue of the Parent Company for the year reached VND 1,044 billion, an increase of VND 264 billion or 34% YOY.
- Profit after tax of the Parent Company for the year reached VND 389 billion, an increase of VND 58 billion or 18% compared to the previous year.

The increase in the Parent Company's net revenue compared to the same period last year was mainly due to a rise in export sales, including a shift of export revenue from subsidiaries to the Parent Company. The revenue growth led to an increase in gross profit. Additionally, profit transferred from subsidiaries during the year totaled VND 350 billion, compared to VND 330 billion in the previous year, which contributed to the increase in the Parent Company's profit after tax.

The above summarizes the key changes in the consolidated and parent company business results for the fiscal year ended December 31, 2024, compared to the same period of the previous year.

Sincerely,

ON BEHALF OF THIEN LONG GROUP CORPORATION

CHIEF EXECUTIVE OFFICER



### Receive:

- As above;
- Company archives.

TRAN PHUONG NGA