



THIÊN LONG GROUP CORPORATION

**INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022**



THIEN LONG GROUP CORPORATION

INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

TABLE OF CONTENTS	PAGE
Corporate information	1
Statement of the Chief Executive Officer	2
Report on review of interim separate financial information	3-4
Interim separate balance sheet (Form B 01a – DN)	5-6
Interim separate income statement (Form B 02a – DN)	7
Interim separate cash flow statement (Form B 03a – DN)	8
Notes to the interim separate financial statements (Form B 09a – DN)	9-43

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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 20th amendment dated 7 June 2022.

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
Mr. Tran Le Nguyen	Member (until 26 April 2022)
Mr. Huynh Van Thien	Member (until 26 April 2022)

Board of Supervision

Ms. Nguyen Thi Bich Nga	Head
Ms. Ta Hong Diep	Member
Ms. Vu Thi Thanh Nga	Member (from 26 April 2022)
Mr. Dinh Duc Hau	Member (until 26 April 2022)

Chief Executive Officer

Ms. Tran Phuong Nga	Chief Executive Officer
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Legal Representative

Mr. Co Gia Tho	Chairman
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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 2022, 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.

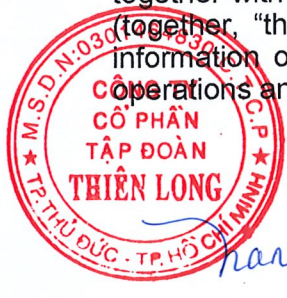
The Chief Executive Officer is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the interim separate financial position of the Company and which enable interim separate financial statements to be prepared which comply with the basis 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.

The legal representative has authorized the Chief Executive Officer of the Company to approve and sign the interim separate financial statements for the period ended 30 June 2022 as per Power of Attorney No. 08.21/UQ-TLG dated 1 June 2021.

Approval of the interim separate financial statements

I hereby, approve the accompanying interim separate financial statements as set out on pages 5 to 43 which give a true and fair view of the interim separate financial position of the Company as at 30 June 2022, 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 2022 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
Authorised by Legal Representative

Ho Chi Minh City, Vietnam
26 August 2022



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 2022 and approved by the Chief Executive Officer of the Company on 26 August 2022. The interim separate financial statements comprise the interim separate balance sheet as at 30 June 2022, 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 43.

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 an opinion 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 2022, 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.

For and on behalf of PwC (Vietnam) Limited



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

Report reference number: HCM12688
Ho Chi Minh City, 26 August 2022

THIEN LONG GROUP CORPORATION

Form B 01a – DN

INTERIM SEPARATE BALANCE SHEET
AS AT 30 JUNE 2022

Code	ASSETS	Note	Closing balance VND	Opening balance VND
100	CURRENT ASSETS		577,184,136,341	745,873,992,655
110	Cash and cash equivalents	3	196,020,244,665	179,114,297,735
111	Cash		140,520,244,665	99,114,297,735
112	Cash equivalents		55,500,000,000	80,000,000,000
120	Short-term investment		231,000,000,000	193,999,139,200
123	Held-to-maturity investments	4(a)	231,000,000,000	193,999,139,200
130	Short-term receivables		98,095,986,358	311,263,642,518
131	Short-term trade receivables	5	87,357,459,813	276,926,619,188
132	Short-term prepayments to suppliers	6	10,026,198,887	19,484,681,094
135	Short-term lending		-	5,000,000,000
136	Other short-term receivables	7	2,999,234,902	13,318,442,384
137	Provision for doubtful debts – short-term	8	(2,286,907,244)	(3,466,100,148)
140	Inventories	9	26,599,024,874	55,604,251,663
141	Inventories		28,639,189,816	57,600,394,715
149	Provision for decline in value of inventories		(2,040,164,942)	(1,996,143,052)
150	Other current assets		25,468,880,444	5,892,661,539
151	Short-term prepaid expenses	10(a)	2,506,163,653	2,485,843,131
152	Value Added Tax ("VAT") deductibles	13(a)	19,677,413,023	121,514,640
153	Tax and other receivables from the State	13(a)	3,285,303,768	3,285,303,768
200	LONG-TERM ASSETS		1,071,871,787,745	1,069,432,132,084
210	Long-term receivable		2,211,467,280	758,197,328
216	Other long-term receivables		2,211,467,280	758,197,328
220	Fixed assets		25,147,072,444	13,893,648,154
221	Tangible fixed assets	11(a)	17,369,821,322	10,109,287,038
222	Historical cost		45,246,594,895	37,035,837,006
223	Accumulated depreciation		(27,876,773,573)	(26,926,549,968)
227	Intangible fixed assets	11(b)	7,777,251,122	3,784,361,116
228	Historical cost		52,748,450,315	46,596,552,475
229	Accumulated amortisation		(44,971,199,193)	(42,812,191,359)
250	Long-term investments	4(b)	1,037,741,575,656	1,049,898,362,324
251	Investments in subsidiaries		1,048,247,215,761	1,048,247,215,761
253	Investments in other entities		37,685,000,000	37,685,000,000
254	Provision for long-term investments		(48,190,640,105)	(36,033,853,437)
260	Other long-term assets		6,771,672,365	4,881,924,278
261	Long-term prepaid expenses	10(b)	4,974,416,337	1,306,236,375
262	Deferred income tax assets	18	1,797,256,028	3,575,687,903
270	TOTAL ASSETS		1,649,055,924,086	1,815,306,124,739

The notes on pages 9 to 43 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 2022
(continued)

Code	RESOURCES	Note	Closing balance VND	Opening balance VND
300	LIABILITIES		190,698,844,075	353,384,070,168
310	Short-term liabilities		189,737,980,075	332,795,605,914
311	Short-term trade payables	12	104,019,650,257	105,710,967,634
312	Short-term advances from customers		4,217,368,384	4,605,739,606
313	Tax and other payables to the State	13(b)	1,106,216,752	8,934,709,983
314	Payables to employees		2,862,736,774	10,874,983,975
315	Short-term accrued expenses	14	16,987,956,450	37,974,976,559
319	Other short-term payables	15	4,902,756,799	44,430,423,731
320	Short-term borrowings	16(a)	42,606,296,839	111,392,333,886
322	Bonus and welfare fund	22	13,034,997,820	8,871,470,540
330	Long-term liabilities		960,864,000	20,588,464,254
338	Long-term borrowings	16(b)	-	5,169,230,754
342	Provision for long-term liabilities	17	960,864,000	15,419,233,500
400	OWNERS' EQUITY		1,458,357,080,011	1,461,922,054,571
410	Capital and reserves		1,458,357,080,011	1,461,922,054,571
411	Owners' contributed capital	19, 20	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	20	361,633,483,771	361,633,483,771
418	Investment and development fund	20	261,896,462,556	228,691,572,556
421	Undistributed earnings	20	56,882,603,684	93,652,468,244
421a	- Undistributed post-tax profits of previous years		32,776,837,244	107,206,712,270
421b	- Post-tax profits/(post-tax loss) of current period/year		24,105,766,440	(13,554,244,026)
440	TOTAL RESOURCES		1,649,055,924,086	1,815,306,124,739



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant




Tran Phuong Nga
Chief Executive Officer
26 August 2022

The notes on pages 9 to 43 are an integral part of these interim separate financial statements.

INTERIM SEPARATE INCOME STATEMENT
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

Code		Note	Current period VND	Previous period VND
01	Revenue from sales of goods		440,218,811,948	714,462,913,153
02	Less deductions		(114,400,000)	(2,881,313,750)
10	Net revenue from sales of goods	24	440,104,411,948	711,581,599,403
11	Cost of goods sold	25	(350,477,645,590)	(462,533,118,233)
20	Gross profit from sales of goods		89,626,766,358	249,048,481,170
21	Financial income	26	163,575,185,466	12,337,358,534
22	Financial expenses	27	(14,072,401,589)	(4,068,112,933)
23	- Including: Interest expense	27	(1,622,093,781)	(2,461,868,777)
25	Selling expenses	28	(46,167,115,975)	(32,126,144,823)
26	General and administration expenses	29	(48,074,109,691)	(96,122,889,217)
30	Net operating profit		144,888,324,569	129,068,692,731
31	Other income		4,141,154,278	2,647,785,785
32	Other expenses		(771,116,216)	(815,306)
40	Net other income	30	3,370,038,062	2,646,970,479
50	Net accounting profit before tax		148,258,362,631	131,715,663,210
51	Corporate income tax ("CIT") - current	31	-	(24,911,321,152)
52	CIT - deferred	31	(1,778,431,875)	(1,731,283,440)
60	Net profit after tax		146,479,930,756	105,073,058,618



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant



Tran Phuong Nga
Chief Executive Officer
26 August 2022

**INTERIM SEPARATE CASH FLOW STATEMENT
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022
(Indirect method)**

Code	Note	Current period VND	Previous period VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01		148,258,362,631	131,715,663,210
		Net accounting profit before tax	
		Adjustments for:	
02		4,562,317,409	24,692,887,825
03		(3,436,753,846)	182,683,833
04	26	(1,052,703,396)	(80,081,839)
05		(157,561,972,360)	(11,217,058,141)
06	27	1,622,093,781	2,461,868,777
08		(7,608,655,781)	147,755,963,665
		Operating (loss)/profit before changes in working capital	
09		189,352,158,547	8,518,482,471
10		28,961,204,899	(53,100,727,773)
11		(36,448,734,351)	55,757,853,753
12		(3,663,800,484)	(1,181,351,213)
14		(1,644,586,101)	(2,409,046,272)
15		-	(15,831,732,754)
17		(29,165,681,891)	(27,622,730,551)
20		139,781,904,838	111,886,711,326
		Net cash inflows from operating activities	
CASH FLOWS FROM INVESTING ACTIVITIES			
21		(20,260,030,530)	(12,006,066,766)
22		655,773,998	1,852,373,280
23		(231,000,000,000)	(314,499,139,200)
24		198,999,139,200	402,500,000,000
27		157,586,393,753	15,190,742,755
30		105,981,276,421	93,037,910,069
		Net cash inflows from investing activities	
CASH FLOWS FROM FINANCING ACTIVITIES			
33		20,163,610,512	243,837,668,305
34		(94,118,878,313)	(215,463,876,850)
36	21	(155,619,167,000)	(77,794,453,000)
40		(229,574,434,801)	(49,420,661,545)
		Net cash outflows from financing activities	
50		16,188,746,458	155,503,959,850
		Net increase in cash and cash equivalents	
60	3	179,114,297,735	188,887,911,614
61		717,200,472	(81,835,115)
		Effect of foreign exchange differences	
70	3	196,020,244,665	344,310,036,349
		Cash and cash equivalents at end of period	



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant



Tran Phuong Nga
Chief Executive Officer
26 August 2022

The notes on pages 9 to 43 are an integral part of these interim separate financial statements.

**NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022**

1 GENERAL INFORMATION

Thien Long Group Corporation (the "Company") is a joint stock company established in Socialist Republic of Vietnam pursuant to Enterprise registration certificate No. 0301464830 dated 14 March 2005 which was issued by the Department of Planning and Investment of Ho Chi Minh City and the 20th amendment dated 7 June 2022.

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 19(b).

The Company's business sector is trading.

The principal activities are to manufacture and trade stationary products, classroom equipment, plastic teaching instruments, plastic household appliances, stamps printing, tampo (pad) printing, flexo printing and performing screen - printing and pressing on products.

The normal business cycle of the Company is 12 months.

As at end of period and beginning of period, the Company had 7 subsidiaries as disclosed in Note 4(b) – Investments. Details are as follows:

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

As at end of period, the Company had 105 employees (as at beginning of period: 1,098 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.

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.

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 2022 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.

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.

2.3 Currency

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

In addition, the Company also uses this currency to raise financial resources and regularly collects this currency from business operations and savings.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**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, demand deposits 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 are 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) Held-to-maturity investments**

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

Held-to-maturity investments 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 held-to-maturity investments is made when there is evidence that the investment is uncollectible in whole or in part.

Held-to-maturity investments are classified into short-term and long-term held-to-maturity investments on the 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 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.

(d) 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**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 historical cost of the fixed assets over their estimated useful lives. The estimated useful lives of each asset class are as follows:

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

Land use rights 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.

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.

2.10 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.11 Prepaid expenses**

Prepaid expenses include short-term and long-term prepayments on the interim separate balance sheet. 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.

2.14 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**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.

Treasury shares bought before the effective date of the Securities Law (ie. 1 January 2021) are shares issued by the Company and bought back by itself, but these are not cancelled and may be re-issued subsequently in accordance with the Law on Securities.

Treasury shares bought after 1 January 2021 will be cancelled and adjusted to reduce equity.

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

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.

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

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.

(b) Interest income

Interest income is recognised on an earned basis.

(c) Dividend income

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 tax expense and deferred tax expense.

Current income tax is the amount of income taxes payable or recoverable in respect of the current year taxable profits at the current year tax rates. Current and deferred tax 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 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)**2.27 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:

- Provision for decline in value of inventories (Note 9);
- Estimated useful life of fixed assets (Note 11); and
- Estimation of provision for long-term liabilities (Note 17).

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	210,677,704	396,334,446
Cash at bank	140,309,566,961	98,717,963,289
Cash equivalents (*)	55,500,000,000	80,000,000,000
	<u>196,020,244,665</u>	<u>179,114,297,735</u>

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

4 FINANCIAL INVESTMENTS**(a) Held-to-maturity investments**

	Closing balance		Opening balance	
	Cost VND	Book value VND	Cost VND	Book value VND
Term deposits (*)	231,000,000,000	231,000,000,000	174,000,000,000	174,000,000,000
Bonds	-	-	19,999,139,200	19,999,139,200
	<u>231,000,000,000</u>	<u>231,000,000,000</u>	<u>193,999,139,200</u>	<u>193,999,139,200</u>

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

THIEN LONG GROUP CORPORATION

Form B 09a – DN

4 FINANCIAL INVESTMENTS (continued)

(b) Long-term investments

	Closing balance			Opening balance		
	Cost VND	Fair value VND	Ownership percentage %	Cost VND	Fair value VND	Ownership percentage %
i) Investments in subsidiaries						
Thien Long Thanh Manufacturing and Trading Company Limited	169,500,000,000	(*)	100	169,500,000,000	(*)	100
Thien Long Global Trading and Service One Member Company Limited	100,000,000,000	(*)	100	100,000,000,000	(*)	100
Tan Luc South Trading and Service One Member Company Limited	80,000,000,000	(*)	100	80,000,000,000	(*)	100
Tan Luc North Trading and Service One Member Company Limited	60,000,000,000	(*)	100	60,000,000,000	(*)	100
Tan Luc Middle Trading and Service One Member Company Limited	20,000,000,000	(*)	100	20,000,000,000	(*)	100
FlexOffice Pte. Ltd	18,747,215,761	(*)	100	18,747,215,761	(*)	100
South Thien Long Manufacturing Trading Company Limited	600,000,000,000	(*)	100	600,000,000,000	-	100
	<u>1,048,247,215,761</u>			<u>1,048,247,215,761</u>		
		<u>(44,229,224,105)</u>			<u>(31,970,293,437)</u>	
ii) Investments in other entities						
Kinh Do 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	(*)	-
Brilliant Chip Joint Stock Company	1,520,000,000	(*)	1.89	1,520,000,000	(*)	1.89
Printing No7 Joint Stock Company	600,000,000	(*)	2.50	600,000,000	(*)	2.50
Soundio Technology Joint Stock Company	7,000,000,000	(*)	-	7,000,000,000	(*)	-
	<u>37,685,000,000</u>			<u>37,685,000,000</u>		
		<u>(3,961,416,000)</u>			<u>(4,063,560,000)</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.

THIEN LONG GROUP CORPORATION

Form B 09a – DN

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	Closing balance VND	Opening balance VND
Third parties		
Crayola LLC	18,565,124,638	13,473,352,828
SQI Group Int'l. Corp.	16,337,569,514	9,613,749,612
LKHP Trading Services Co., Ltd.	6,498,626,938	6,043,709,012
Like Link Co., Ltd.	9,063,673,488	5,603,629,521
Others	24,939,509,298	28,203,555,039
Related parties (Note 33(b))	11,952,955,937	213,988,623,176
	<u>87,357,459,813</u>	<u>276,926,619,188</u>

As at end of period and beginning of period, balances of short-term trade accounts receivable that were past due, amounting to VND9,362,696,008 and VND7,807,309,496, respectively as presented in Note 8.

As at end of period and beginning of period, short-term trade accounts receivable of VND50,000,000,000 were pledged with banks as collateral or mortgaged assets for short-term borrowings granted to the Company (Note 16).

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	Closing balance VND	Opening balance VND
24h Interior Decoration and Design Consultant Company Limited	1,131,375,561	8,065,344,411
Sai Gon VRG Investment Corporation	3,822,000,000	3,822,000,000
Red Carpet Company Limited	1,328,702,222	1,155,892,222
Others	3,744,121,104	6,441,444,461
	<u>10,026,198,887</u>	<u>19,484,681,094</u>

7 OTHER SHORT-TERM RECEIVABLES

	Closing balance		Opening balance	
	Book value VND	Provision VND	Book value VND	Provision VND
Interest receivables	1,547,608,220	-	1,621,332,602	-
Advances to employees	1,351,068,095	-	1,375,695,700	-
Short-term deposits	26,400,000	-	10,274,643,238	-
Others	74,158,587	-	46,770,844	-
	<u>2,999,234,902</u>	<u>-</u>	<u>13,318,442,384</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.

THIEN LONG GROUP CORPORATION

Form B 09a – DN

8 PROVISION FOR DOUBTFUL DEBTS

	Closing balance		Opening balance	
	Cost VND	Recoverable amount VND	Cost VND	Recoverable amount VND
Like Link Co., Ltd.	9,063,673,488	6,928,764,923	5,603,629,520	2,738,923,264
PT Sina Laut Ateka	299,022,520	147,023,841	600,174,007	420,121,805
Tan Luc Middle Trading and Service One Member Company Limited	-	-	1,603,505,969	1,182,164,279
	<u>9,362,696,008</u>	<u>7,075,788,764</u>	<u>7,807,309,496</u>	<u>4,341,209,348</u>
				<u>(3,466,100,148)</u>
				<u>(2,864,706,256)</u>
				<u>(180,052,202)</u>

9 INVENTORIES

	Closing balance		Opening balance	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	3,228,437,695	-	30,801,264,858	-
Raw materials	901,244,810	(206,357,269)	501,650,305	-
Work in progress	3,546,346,366	(1,773,621,050)	3,736,687,763	(1,868,908,269)
Finished goods	-	-	19,826,753,659	(103,075,708)
Merchandises	20,963,160,945	(60,186,623)	2,734,038,130	(24,159,075)
	<u>28,639,189,816</u>	<u>(2,040,164,942)</u>	<u>57,600,394,715</u>	<u>(1,996,143,052)</u>

9 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	(1,996,143,052)	(17,254,154,499)
Addition (Note 25)	(253,612,233)	(4,377,033,005)
Reversal (Note 25)	209,590,343	3,601,664,041
	<u>(2,040,164,942)</u>	<u>(18,029,523,463)</u>
Closing balance	<u>(2,040,164,942)</u>	<u>(18,029,523,463)</u>

10 PREPAID EXPENSES

(a) Short-term

	Closing balance VND	Opening balance VND
SAP system maintenance fees	926,076,972	-
Health and asset insurance	487,905,729	301,522,932
Others	1,092,180,952	2,184,320,199
	<u>2,506,163,653</u>	<u>2,485,843,131</u>

(b) Long-term

	Closing balance VND	Opening balance VND
Royalty fee	2,876,654,293	-
Tools and supplies	1,945,067,602	1,103,375,267
Others	152,694,442	202,861,108
	<u>4,974,416,337</u>	<u>1,306,236,375</u>

Movements in prepaid expenses during the period are as follows:

	Current period VND	Previous period VND
Opening balance	3,792,079,506	9,526,104,455
Increase	12,633,009,008	8,674,623,756
Transferred from construction in progress	-	228,293,914
Transferred from fixed assets	24,700,000	-
Allocation	(8,969,208,524)	(7,284,091,820)
Disposals	-	(209,180,723)
	<u>7,480,579,990</u>	<u>10,935,749,582</u>
Closing balance	<u>7,480,579,990</u>	<u>10,935,749,582</u>

THIEN LONG GROUP CORPORATION

Form B 09a – DN

11 FIXED ASSETS

(a) Tangible fixed assets

	Plant, buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
Historical cost						
Opening balance	2,665,600,000	3,448,401,568	28,269,599,482	1,380,813,364	1,271,422,592	37,035,837,006
New purchases	-	651,221,589	-	1,027,500,000	2,234,069,000	3,912,790,589
Transfers from construction in progress	-	-	-	-	6,382,224,279	6,382,224,279
Reclassification	-	-	-	(24,700,000)	-	(24,700,000)
Disposals	-	(1,414,308,575)	-	-	(645,248,404)	(2,059,556,979)
Closing balance	2,665,600,000	2,685,314,582	28,269,599,482	2,383,613,364	9,242,467,467	45,246,594,895
Accumulated depreciation						
Opening balance	1,532,594,086	2,858,187,560	20,772,439,366	651,577,499	1,111,751,457	26,926,549,968
Charge for the period	53,527,839	164,987,324	1,289,261,480	201,130,290	694,402,642	2,403,309,575
Disposals	-	(951,253,701)	-	-	(501,832,269)	(1,453,085,970)
Closing balance	1,586,121,925	2,071,921,183	22,061,700,846	852,707,789	1,304,321,830	27,876,773,573
Net book value						
Opening balance	1,133,005,914	590,214,008	7,497,160,116	729,235,865	159,671,135	10,109,287,038
Closing balance	1,079,478,075	613,393,399	6,207,898,636	1,530,905,575	7,938,145,637	17,369,821,322

As at end of period, the historical cost of tangible assets which were fully depreciated but still in use was VND21,394,100,799 (at beginning of period: VND11,826,907,608).

As at end of period, tangible fixed assets with a carrying value of VND1,079,478,075 (at beginning of period: VND107,055,677) were pledged with banks as collateral assets for short-term and long-term borrowings granted to the Company (Note 16).

THIEN LONG GROUP CORPORATION

Form B 09a – DN

11 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Software VND	Copyright, patents VND	Total VND
Historical cost			
Opening balance	46,229,552,475	367,000,000	46,596,552,475
New purchases	6,151,897,840	-	6,151,897,840
Closing balance	<u>52,381,450,315</u>	<u>367,000,000</u>	<u>52,748,450,315</u>
Accumulated amortisation			
Opening balance	42,445,191,359	367,000,000	42,812,191,359
Charge for the period	2,159,007,834	-	2,159,007,834
Closing balance	<u>44,604,199,193</u>	<u>367,000,000</u>	<u>44,971,199,193</u>
Net book value			
Opening balance	<u>3,784,361,116</u>	-	<u>3,784,361,116</u>
Closing balance	<u>7,777,251,122</u>	-	<u>7,777,251,122</u>

As at end of period, the historical cost of intangible assets that were fully amortised but still in use was VND41,879,208,161 (as at beginning of period: VND11,550,040,432).

12 SHORT-TERM TRADE PAYABLES

	Closing balance		Opening balance	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties				
FPT Information System Co. Ltd - Ho Chi Minh City Branch	1,816,575,000	1,816,575,000	-	-
Khai Loc Da Nang Co., Ltd.	1,716,377,040	1,716,377,040	448,268,865	448,268,865
Others	6,210,371,563	6,210,371,563	99,047,015,438	99,047,015,438
Related parties (Note 33(b))	94,276,326,654	94,276,326,654	6,215,683,331	6,215,683,331
	<u>104,019,650,257</u>	<u>104,019,650,257</u>	<u>105,710,967,634</u>	<u>105,710,967,634</u>

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

THIEN LONG GROUP CORPORATION

Form B 09a – DN

13 TAX AND OTHER PAYABLES/RECEIVABLES TO THE STATE

Movements in tax and other payables/receivables 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 deductibles	121,514,640	19,555,898,383	-	19,677,413,023
CIT - current	3,285,303,768	-	-	3,285,303,768
	<u>3,406,818,408</u>	<u>19,555,898,383</u>	<u>-</u>	<u>22,962,716,791</u>
b) Tax payables				
VAT	7,897,147,426	4,039,530,715	(11,936,678,141)	-
Personal income tax	1,037,084,000	15,537,774,646	(15,489,640,980)	1,085,217,666
Import – export duties	-	515,289,902	(494,290,816)	20,999,086
Other taxes	478,557	1,136,460,720	(1,136,939,277)	-
	<u>8,934,709,983</u>	<u>21,229,055,983</u>	<u>(29,057,549,214)</u>	<u>1,106,216,752</u>

THIEN LONG GROUP CORPORATION

Form B 09a – DN

14 SHORT-TERM ACCRUED EXPENSES

	Closing balance VND	Opening balance VND
Advertising and marketing	5,350,160,508	2,461,529,952
13th & 14th month salary and performance salary	7,959,467,000	31,378,897,000
Royalty fee	2,614,296,030	-
Interest expense	269,712,950	292,205,270
Others	794,319,962	3,842,344,337
	<u>16,987,956,450</u>	<u>37,974,976,559</u>

15 OTHER SHORT-TERM PAYABLES

	Closing balance VND	Opening balance VND
Remuneration of the Board of Directors and Board of Supervisors	4,424,304,000	4,400,287,355
Dividend payable	11,165,500	38,938,653,000
Union fees	407,256,345	429,541,432
Others	31,848,095	636,458,276
Related parties (Note 33(b))	28,182,859	25,483,668
	<u>4,902,756,799</u>	<u>44,430,423,731</u>

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

THIEN LONG GROUP CORPORATION

Form B 09a – DN

16 BORROWINGS

(a) Short-term

	Opening balance		During the period		Closing balance	
	Amount VND	Able-to-pay amount VND	Increase VND	Decrease VND	Amount VND	Able-to-pay amount VND
Short-term borrowings						
HSBC Bank (Vietnam) Limited (i)	46,871,412,464	46,871,412,464	-	(46,871,412,464)	-	-
United Overseas Bank (Vietnam) Limited (ii)	12,104,224,800	12,104,224,800	-	-	12,104,224,800	12,104,224,800
The Siam Commercial Bank Public Company Limited – Ho Chi Minh Branch (iii)	42,078,235,078	42,078,235,078	20,163,610,512	(42,078,235,078)	20,163,610,512	20,163,610,512
	101,053,872,342	101,053,872,342	20,163,610,512	(88,949,647,542)	32,267,835,312	32,267,835,312
Current portion of long-term borrowings						
HSBC Bank (Vietnam) Limited (iv)	10,338,461,544	10,338,461,544	5,169,230,754	(5,169,230,771)	10,338,461,527	10,338,461,527
	111,392,333,886	111,392,333,886	25,332,841,266	(94,118,878,313)	42,606,296,839	42,606,296,839

(b) Long-term

	Opening balance		During the period		Closing balance	
	Amount VND	Able-to-pay amount VND	Increase VND	Decrease VND	Amount VND	Able-to-pay amount VND
HSBC Bank (Vietnam) Limited (v) (*)	5,169,230,754	5,169,230,754	-	(5,169,230,754)	-	-

16 BORROWINGS (continued)

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

	Closing balance VND	Opening balance VND
Original debt balance	5,169,230,754	15,507,692,298
Current portion	(5,169,230,754)	(10,338,461,544)
	<u>-</u>	<u>5,169,230,754</u>

- (i) Representing short-term loans from HSBC Bank (Vietnam) Limited for the purpose of supplementing working capital. The loans have terms and interest rates specified in each disbursement. The Company used receivables, buildings and structures as collateral assets for these loans (Notes 5 and 11).
- (ii) Representing short-term loans from United Overseas Bank (Vietnam) Limited for the purpose of supplementing working capital. The loans have terms and interest rates specified in each disbursement.
- (iii) Representing short-term loans from The Siam Commercial Bank Public Company Limited for the purpose of supplementing working capital. The loans have terms and interest rates specified in each disbursement. The Company used receivables as collateral assets for these loans (Note 5).
- (iv) 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.

17 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.

18 DEFERRED INCOME TAX

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

	Closing balance VND	Opening balance VND
Deferred tax assets to be recovered	<u>1,797,256,028</u>	<u>3,575,687,903</u>

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	3,575,687,903	8,463,260,796
Separate income statement charge (Note 31)	<u>(1,778,431,875)</u>	<u>(1,731,283,440)</u>
Closing balance	<u>1,797,256,028</u>	<u>6,731,977,356</u>

Details of deferred tax assets

	Closing balance VND	Opening balance VND
Temporary difference of provisions	600,205,788	3,483,075,310
Temporary difference of accrued expenses	20,000,000	70,400,000
Tax losses not yet utilised	1,392,513,111	-
Unrealised exchange rate differences of cash and receivables denominated in foreign currency	<u>(215,462,871)</u>	<u>22,212,593</u>
	<u>1,797,256,028</u>	<u>3,575,687,903</u>

The Company used a tax rate of 20% in the year 2022 (2021: 20%) to determine deferred income tax assets and deferred income tax liabilities.

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

THIEN LONG GROUP CORPORATION

Form B 09a – DN

19 OWNERS' CAPITAL

(a) Number of shares

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

(b) Details of owners' shareholding

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

(c) Movement of share capital

	Number of shares in circulation VND	Ordinary shares VND	Treasury shares VND
As at 1 January 2021	<u>77,794,453</u>	<u>777,944,530,000</u>	-
As at 31 December 2021	<u>77,794,453</u>	<u>777,944,530,000</u>	-
As at 30 June 2022	<u>77,794,453</u>	<u>777,944,530,000</u>	-

Par value per share: VND10,000.

THIEN LONG GROUP CORPORATION

Form B 09a – DN

20 MOVEMENTS IN OWNERS' EQUITY

For the six-month period ended 30 June 2021

	Owners' capital VND	Share premium VND	Investment and development fund VND	Undistributed earnings VND	Total VND
Opening balance	777,944,530,000	361,633,483,771	199,910,168,556	169,895,138,945	1,509,383,321,272
Net profit for the period	-	-	-	105,073,058,618	105,073,058,618
Appropriation to investment and development fund	-	-	28,781,404,000	(28,781,404,000)	-
Appropriation to bonus and welfare fund	-	-	-	(23,984,503,675)	(23,984,503,675)
Bonus for exceeding the budgeted profit for the Board of Management and employees	-	-	-	(7,938,015,000)	(7,938,015,000)
Bonus for exceeding the budgeted profit for the Board of Directors	-	-	-	(1,984,504,000)	(1,984,504,000)
Remuneration for the Board of Directors and Board of Supervision	-	-	-	(4,663,001,596)	(4,663,001,596)
Closing balance	777,944,530,000	361,633,483,771	228,691,572,556	207,616,769,292	1,575,886,355,619

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 profit of 2021 (i)	-	-	-	(116,691,679,500)	(116,691,679,500)
Appropriation to investment and development fund (ii)	-	-	33,204,890,000	(33,204,890,000)	-
Appropriation to bonus and welfare fund (iii) (Note 22)	-	-	-	(27,670,741,000)	(27,670,741,000)
Remuneration for the Board of Directors and Board of Supervision (iv)	-	-	-	(5,682,484,816)	(5,682,484,816)
Closing balance	777,944,530,000	361,633,483,771	261,896,462,556	56,882,603,684	1,458,357,080,011

20 MOVEMENTS IN OWNERS' EQUITY (continued)

Pursuant to the Resolution No. 01/2022/NQ-DHDCD dated 26 April 2022 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 2021 and 2022 as follows:

- (i) Cash dividend from the 2021 post-tax profits at the rate of 30% par value; For the first 6-month period, dividend was advanced at the rate of 15% par value.
- (ii) Appropriation to investment and development fund of VND33,204,890,000 (equivalent to 12% of post-tax profits);
- (iii) Appropriation to bonus and welfare fund of VND27,670,741,000 (equivalent to 10% of post-tax profits); and
- (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 VND5,682,484,816.

21 DIVIDENDS

Movements of dividend payables during the period are as follows:

	Current period VND	Previous period VND
Opening balance	38,938,653,000	77,805,618,500
Dividends payable during the period	116,691,679,500	-
Dividends paid in cash	(155,619,167,000)	(77,794,453,000)
	<u>11,165,500</u>	<u>11,165,500</u>
Closing balance	<u>11,165,500</u>	<u>11,165,500</u>

22 BONUS AND WELFARE FUND

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

	Current period VND	Previous period VND
Opening balance	8,871,470,540	5,838,669,865
Appropriated (Note 20)	27,670,741,000	31,922,518,675
Utilised	(23,507,213,720)	(23,232,472,000)
	<u>13,034,997,820</u>	<u>14,528,716,540</u>
Closing balance	<u>13,034,997,820</u>	<u>14,528,716,540</u>

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

As at 30 June 2022, included in cash and cash equivalents were balances held in foreign currencies as follows:

	Closing balance	Opening balance
United States Dollar ("USD")	5,021,222	1,298,040
Euro ("EUR")	60,961	44,539
British Pound ("GBP")	1,913	1,915
Chinese Renminbi ("RMB")	10,395	10,395
Singapore Dollar ("SGD")	1,139	1,139
Korean Won ("KRW")	240,000	240,000
Thai Baht ("THB")	5,410	5,410
Australian Dollar ("AUD")	110	110
	<u> </u>	<u> </u>

(b) Operating lease assets

The future minimum lease payments under non-cancellable operating leases were presented in Note 34.

24 NET REVENUE FROM SALES OF GOODS

	Current period VND	Previous period VND
Revenue		
Revenue from sales of finished goods	-	646,962,059,376
Revenue from sales of merchandises	440,218,811,948	67,500,853,777
	<u>440,218,811,948</u>	<u>714,462,913,153</u>
Sales deductions		
Finished goods returns	-	(2,486,262,700)
Merchandise returns	(114,400,000)	(395,051,050)
	<u>(114,400,000)</u>	<u>(2,881,313,750)</u>
Net revenue from sales of goods		
Net revenue from sales of finished goods	-	644,475,796,676
Net revenue from sales of merchandises	440,104,411,948	67,105,802,727
	<u>440,104,411,948</u>	<u>711,581,599,403</u>

THIEN LONG GROUP CORPORATION

Form B 09a – DN

25 COST OF GOODS SOLD

	Current period VND	Previous period VND
Cost of finished goods and merchandises sold	350,433,623,700	461,757,749,269
Provision for decline in value of inventories (Note 9)	44,021,890	775,368,964
	<u>350,477,645,590</u>	<u>462,533,118,233</u>

26 FINANCIAL INCOME

	Current period VND	Previous period VND
Dividend income	150,217,500,000	10,500,331,800
Interest income from deposits	7,295,169,371	1,614,444,895
Realised foreign exchange gains	5,009,812,699	142,500,000
Net gain from foreign currency translation at period-end	1,052,703,396	80,081,839
	<u>163,575,185,466</u>	<u>12,337,358,534</u>

27 FINANCIAL EXPENSES

	Current period VND	Previous period VND
Interest expense	1,622,093,781	2,461,868,777
Realised foreign exchange losses	293,521,140	382,153,536
Provision for diminution in value of investments	12,258,930,668	5,903,210,620
Reversal of provision for diminution in value of investments	(102,144,000)	(4,679,120,000)
	<u>14,072,401,589</u>	<u>4,068,112,933</u>

28 SELLING EXPENSES

	Current period VND	Previous period VND
Staff costs	15,661,994,607	12,788,908,102
Marketing expenses	19,273,066,381	10,418,009,430
Depreciation	306,226,540	240,675,053
Others	10,925,828,447	8,678,552,238
	<u>46,167,115,975</u>	<u>32,126,144,823</u>

THIEN LONG GROUP CORPORATION

Form B 09a – DN

29 GENERAL AND ADMINISTRATION EXPENSES

	Current period VND	Previous period VND
Staff costs	30,203,469,587	59,267,746,392
Outsourced services expenses	11,303,424,120	20,158,773,101
Depreciation and amortisation	4,599,005,843	6,464,128,416
Others	1,968,210,141	10,232,241,308
	<u>48,074,109,691</u>	<u>96,122,889,217</u>

30 NET OTHER INCOME

	Current period VND	Previous period VND
Other income		
Fee charged for using SAP system	2,150,146,000	1,400,820,000
Net gains on disposal of fixed assets	49,302,989	574,226,341
Rental income	611,622,500	36,000,000
Income from indemnity goods	464,581,480	-
Others	865,501,309	636,739,444
	<u>4,141,154,278</u>	<u>2,647,785,785</u>
Other expenses		
Others	<u>771,116,216</u>	<u>815,306</u>
Net other income	<u>3,370,038,062</u>	<u>2,646,970,479</u>

31 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	148,258,362,631	131,715,663,210
Adjustment:		
Non-taxable income	(150,217,500,000)	(142,500,000)
Non-deductible expenses	10,851,296,743	541,472,321
Temporary differences for which no deferred income tax has been recognised	-	(501,947,401)
Estimated taxable income	<u>8,892,159,374</u>	<u>131,612,688,130</u>
Tax calculated at a rate of 20%	1,778,431,875	26,322,537,627
Adjustment for under accrued CIT in previous period	-	320,066,965
CIT charge (*)	<u>1,778,431,875</u>	<u>26,642,604,592</u>
Charged to the interim separate interim income statement:		
CIT – current	-	24,911,321,152
CIT - deferred (Note 18)	1,778,431,875	1,731,283,440
	<u>1,778,431,875</u>	<u>26,642,604,592</u>

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

32 COSTS OF OPERATION BY FACTORS

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
Raw materials	-	281,968,493,951
Staff costs	45,865,464,194	136,798,937,562
Depreciation and amortisation	4,562,317,409	24,692,887,825
Outsourced service expenses	32,881,688,561	30,863,882,531
Others	10,592,667,109	35,279,618,888
	<u>93,902,137,273</u>	<u>509,603,820,757</u>

33 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 One Member 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
Tan Luc Middle Trading and Service One Member Company Limited	Subsidiary
Flexoffice Pte. Ltd	Subsidiary

(a) Related party transactions

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

	Current period VND	Previous period VND
<i>i) Sales of goods</i>		
Thien Long Long Thanh Manufacturing and Trading Company Limited	2,153,695,560	27,089,437,086
Thien Long Global Trading and Service One Member Company Limited	54,772,406,330	429,180,019,250
Tan Luc South Trading and Service One Member Company Limited	55,009,100	6,034,292,930
Tan Luc North Trading and Service One Member Company Limited	-	2,230,446,320
Tan Luc Middle Trading and Service One Member Company Limited	-	249,828,960
South Thien Long Manufacturing Trading Company Limited	57,931,400,346	-
	<u>114,912,511,336</u>	<u>464,784,024,546</u>

THIEN LONG GROUP CORPORATION

Form B 09a – DN

33 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	44,736,940,590	39,970,284,712
Thien Long Global Trading and Service One Member Company Limited	1,275,732,148	964,756,810
Tan Luc South Trading and Service One Member Company Limited	214,527,806	1,814,296,524
Tan Luc North Trading and Service One Member Company Limited	13,992,275	42,452,574
Tan Luc Middle Trading and Service One Member Company Limited	-	3,927,720
South Thien Long Manufacturing Trading Company Limited	230,585,193,538	-
	<u>276,826,386,357</u>	<u>42,795,718,340</u>
iii) Rental income		
Thien Long Global Trading and Service One Member Company Limited	12,000,000	-
Tan Luc North Trading and Service One Member Company Limited	16,000,000	24,000,000
Tan Luc Middle Trading and Service One Member Company Limited	8,000,000	12,000,000
South Thien Long Manufacturing Trading Company Limited	480,000,000	-
	<u>516,000,000</u>	<u>36,000,000</u>

33 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	608,880,000	608,880,000
Thien Long Global Trading and Service One Member Company Limited	446,514,000	446,514,000
Tan Luc South Trading and Service One Member Company Limited	112,464,000	168,696,000
Tan Luc North Trading and Service One Member Company Limited	48,200,000	72,300,000
Tan Luc Middle Trading and Service One Member Company Limited	69,620,000	104,430,000
South Thien Long Manufacturing Trading Company Limited	864,468,000	-
	<u>2,150,146,000</u>	<u>1,400,820,000</u>
v) Disposal of fixed assets		
Thien Long Long Thanh Manufacturing and Trading Company Limited	-	1,497,827,825
South Thien Long Manufacturing Trading Company Limited	655,773,998	-
	<u>655,773,998</u>	<u>1,497,827,825</u>
vi) Short-term lending		
Tan Luc Middle Trading and Service One Member Company Limited		
- Repayment	5,000,000,000	-
- Interest income	100,067,397	50,033,697
	<u>5,100,067,397</u>	<u>50,033,697</u>
vii) Proceeds from distributed profit		
Thien Long Long Thanh Manufacturing and Trading Company Limited	50,000,000,000	-
Thien Long Global Trading and Service One Member Company Limited	100,000,000,000	-
	<u>150,000,000,000</u>	<u>-</u>

THIEN LONG GROUP CORPORATION

Form B 09a – DN

33 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	Current period VND	Previous period VND
<i>viii) Dividends declared</i>		
Thien Long An Think Investment Corporation	56,026,428,000	-
<i>ix) Compensation of key management</i>		
Gross salaries and other benefits	8,065,426,000	14,988,450,000

(b) Balances with related parties

	Closing balance VND	Opening balance VND
<i>i) Short-term trade accounts receivable (Note 5)</i>		
Thien Long Global Trading and Service One Member Company Limited	6,435,111,752	136,914,314,304
South Thien Long Manufacturing Trading Company Limited	2,105,085,515	63,503,310,229
Thien Long Long Thanh Manufacturing and Trading Company Limited	3,412,758,670	9,996,062,389
Tan Luc South Trading and Service One Member Company Limited	-	1,654,576,385
Tan Luc Middle Trading and Service One Member Company Limited	-	1,603,505,969
Tan Luc North Trading and Service One Member Company Limited	-	316,853,900
	<u>11,952,955,937</u>	<u>213,988,623,176</u>

33 RELATED PARTY DISCLOSURES (continued)

(b) Balances with related parties (continued)

	Closing balance VND	Opening balance VND
ii) Short-term trade accounts payable (Note 12)		
Thien Long Long Thanh Manufacturing and Trading Company Limited	19,695,338,380	5,374,663,279
Thien Long Global Trading and Service One Member Company Limited	1,694,633,278	515,878,440
South Thien Long Manufacturing Trading Company Limited	72,886,354,996	-
Tan Luc South Trading and Service One Member Company Limited	-	303,744,612
Tan Luc North Trading and Service One Member Company Limited	-	21,397,000
	<u>94,276,326,654</u>	<u>6,215,683,331</u>
iii) Other short-term payables (Note 15)		
Thien Long Global Trading and Service One Member Company Limited	28,182,859	-
Tan Luc South Trading and Service One Member Company Limited	-	21,991,368
Tan Luc North Trading and Service One Member Company Limited	-	3,492,300
	<u>28,182,859</u>	<u>25,483,668</u>
iv) Dividend payables		
Thien Long An Think Investment Corporation	-	18,675,476,000

34 COMMITMENT UNDER OPERATING LEASES

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

	Closing balance VND	Opening balance VND
Within one year	8,847,932,007	9,594,576,164
Between one and five years	28,114,799,964	32,538,765,968
Total	<u>36,962,731,971</u>	<u>42,133,342,132</u>

35 EVENTS AFTER THE INTERIM SEPARATE BALANCE SHEET DATE**(a) Merger plan of subsidiaries**

Pursuant to the Resolution No. 4/2022/NQ-HDQT dated 30 May 2022 of the Board of Directors, the Board of Directors approved the plan to merge its subsidiaries which are 100% charter capital owned by the Company, specifically, merging Tan Luc North Trading and Service One Member Company Limited and Tan Luc Middle Trading and Service One Member Company Limited into Thien Long Global Trading and Service One Member Company Limited.

Accordingly, from 1 July 2022 these subsidiaries have carried out the necessary procedures for the merger. On 5 July 2022, the Department of Planning and Investment of Ho Chi Minh City issued the 11th amended of Enterprise Registration Certificate to Thien Long Global Trading and Service One Member Company Limited with the charter capital of VND180,000,000,000.

(b) Capital contribution commitment to South Thien Long Manufacturing Trading Company Limited

Pursuant to the Resolution No. 5/2022/NQ-HDQT dated 19 August 2022 of the Board of Directors, the Board of Directors approved to contribute additional amount of VND50,000,000,000 to South Thien Long Manufacturing Trading Company Limited for the purpose of financing capital requirements to expand manufacturing projects and develop new products. Accordingly, the total value of capital contribution is VND650,000,000,000.

In addition, there are no other significant events occurs after the interim separate balance sheet date that require to be adjusted or disclosed in the interim separate financial statements for the six-month period ended 30 June 2022.

The interim separate financial statements were approved by the Chief Executive Officer on 26 August 2022.



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant



Tran Phuong Nga
Chief Executive Officer