



THIÊN LONG GROUP CORPORATION

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

THIEN LONG GROUP CORPORATION

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

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THIEN LONG GROUP CORPORATION

CORPORATE INFORMATION

Investment registration certificate	No. 6307210814 dated 6 December 2018	
	The investment registration certificate and its subsequent amendments were issued by the Ho Chi Minh City Export Processing and Industrial Zones Authority for a period up to 17 June 2047.	
Enterprise registration certificate	No. 0301464830 dated 14 March 2005 was initially issued by the Department of Planning and Investment of Ho Chi Minh City with the latest 18 th amendment dated 29 June 2020.	
Board of Directors	Mr. Co Gia Tho Mr. Tran Kim Thanh Mr. Tran Le Nguyen Mr. Huynh Van Thien Ms. Tran Thai Nhu Ms. Co Ngan Binh Ms. Co Cam Nguyet Mr. Tran Van Hung Mr. Tayfun Uner Mr. Pham Tri Nguyen	Chairman Vice Chairman (until 24 June 2020) Member Member Member Member Member Member Member Member (from 24 June 2020)
Board of Supervision	Ms. Nguyen Thi Bich Nga Mr. Dinh Duc Hau Ms. Ta Hong Diep	Head Member Member
Board of Management	Mr. Nguyen Dinh Tam Mr. Truong Anh Hao Mr. Bui Van Huong Mr. Phan Nhut Phuong Mr. Nguyen Thuong Viet Mr. Teo Hwee Beng Ms. Tran Phuong Nga Mr. Tran Trung Hiep	Chief Executive Officer Deputy General Director Deputy General Director Deputy General Director Deputy General Director Deputy General Director (from 1 October 2020) Deputy General Director Deputy General Director (until 1 October 2020)
Other Management	Mr. Nguyen Ngoc Nhon Mr. Dinh Quang Hung Mr. Pham Huu Chi Mr. Nguyen Duc Hanh Mr. Diep Bao Tinh Mr. Trinh Van Hao Ms. Huynh Ngoc Bao Thi	Chief Accountant Director of Production Director of Product Design and Development Director of Information Technology Director of Technology Director of Marketing Director of Chemical Technology

THIEN LONG GROUP CORPORATION

CORPORATE INFORMATION (continued)

Legal Representative

Mr. Co Gia Tho

Chairman

Registered office

Lot 6-8-10-12, Street No. 3, Tan Tao Industrial Park,
Tan Tao A Ward, Binh Tan District, Ho Chi Minh City, Vietnam

Auditor

PwC (Vietnam) Limited

THIEN LONG GROUP CORPORATION

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

The Legal Representative of Thien Long Group Corporation (“the Company”) has authorised the Board of Management of the Company to be 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 2020, and of the separate results of its operations and its separate cash flows for the year then ended. In preparing these separate financial statements, the Board of Management is required to:

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

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the separate financial position of the Company and which 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 Board of Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud or errors.

APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS

We hereby approve the accompanying separate financial statements as set out on pages 6 to 45 which give a true and fair view of the separate financial position of the Company as at 31 December 2020, and of the separate results of its operations 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 2020 in order to obtain full information of the consolidated financial position and consolidated results of operations and consolidated cash flows of the Group.

On behalf of the Board of Management,



Nguyen Dinh Tam
Authorised signatory
Authorised by Legal Representative

Ho Chi Minh City, Vietnam
30 March 2021



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

We have audited the accompanying separate financial statements of Thien Long Group Corporation ("the Company") which were prepared on 31 December 2020 and approved by the Board of Management of the Company on 30 March 2021. The separate financial statements comprise the separate balance sheet as at 31 December 2020, the separate income statement and 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 6 to 45.

The Board of Management's Responsibility

The Board of Management of the Company is responsible for the preparation and the true and fair presentation of these 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 separate financial statements, and for such internal control which the Board of Management determines as necessary to enable the preparation and fair 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 Board of Management, 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.



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 2020, its separate financial performance and separate cash flows of the Company 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 Matters

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

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

For and on behalf of PwC (Vietnam) Limited



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

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

Report reference number: HCM10510
Ho Chi Minh City, 30 March 2021

THIEN LONG GROUP CORPORATION

Form B 01 – DN

SEPARATE BALANCE SHEET
AS AT 31 DECEMBER 2020

Code	ASSETS	Note	Closing balance VND	Opening balance VND
100	CURRENT ASSETS		1,103,635,395,472	1,181,077,565,545
110	Cash and cash equivalents	3	188,887,911,614	95,182,150,747
111	Cash		39,887,911,614	35,182,150,747
112	Cash equivalents		149,000,000,000	60,000,000,000
120	Short-term investment		371,000,000,000	455,000,000,000
123	Held-to-maturity investments	4(a)	371,000,000,000	455,000,000,000
130	Short-term receivables		347,064,708,819	399,943,282,836
131	Short-term trade receivables	5	335,921,716,604	379,453,325,099
132	Short-term prepayments to suppliers	6	2,549,537,276	4,583,637,847
136	Other short-term receivables	7	8,593,454,939	15,906,319,890
140	Inventories	8	193,550,196,844	224,360,492,399
141	Inventories		210,804,351,343	244,131,127,790
149	Provision for decline in value of inventories		(17,254,154,499)	(19,770,635,391)
150	Other current assets		3,132,578,195	6,591,639,563
151	Short-term prepaid expenses	9(a)	3,082,065,299	5,336,533,074
152	Value Added Tax ("VAT") deductibles		50,512,896	1,255,106,489
200	LONG-TERM ASSETS		756,191,963,258	793,473,537,123
210	Long-term receivable		974,197,328	982,197,328
216	Other long-term receivables		974,197,328	982,197,328
220	Fixed assets		277,402,468,250	300,934,545,660
221	Tangible fixed assets	10(a)	260,618,108,738	279,673,183,462
222	Historical cost		630,011,343,568	609,545,103,709
223	Accumulated depreciation		(369,393,234,830)	(329,871,920,247)
227	Intangible fixed assets	10(b)	16,784,359,512	21,261,362,198
228	Historical cost		56,444,177,475	56,186,334,975
229	Accumulated amortisation		(39,659,817,963)	(34,924,972,777)
240	Long-term asset in progress		9,683,872,726	15,343,777,869
242	Construction in progress	11	9,683,872,726	15,343,777,869
250	Long-term investments		453,224,125,002	457,535,411,000
251	Investments in subsidiaries	4(b)	441,061,033,000	436,443,299,000
253	Investments in other entities	4(b)	30,685,000,000	30,685,000,000
254	Provision for long-term investments	4(b)	(18,521,907,998)	(9,592,888,000)
260	Other long-term assets		14,907,299,952	18,677,605,266
261	Long-term prepaid expenses	9(b)	6,444,039,156	8,591,789,315
262	Deferred income tax assets	18	8,463,260,796	10,085,815,951
270	TOTAL ASSETS		1,859,827,358,730	1,974,551,102,668

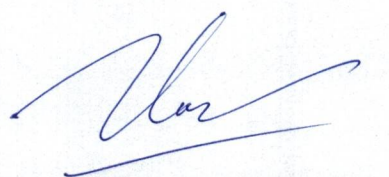
The notes on pages 10 to 45 are an integral part of these separate financial statements.

THIEN LONG GROUP CORPORATION

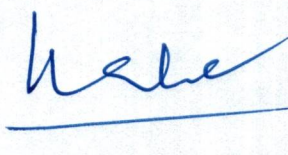
Form B 01 – DN

SEPARATE BALANCE SHEET
AS AT 31 DECEMBER 2020
(continued)

Code	RESOURCES	Note	Closing balance VND	Opening balance VND
300	LIABILITIES		350,444,037,458	396,307,363,904
310	Short-term liabilities		314,539,903,071	347,280,554,231
311	Short-term trade payables	12	61,206,028,095	127,701,152,292
312	Short-term advances from customers		724,001,863	1,717,101,219
313	Tax and other payables to the State	13	11,010,735,080	19,378,215,706
314	Payables to employees		9,012,260,500	10,279,436,227
315	Short-term accrued expenses	14	36,113,689,505	37,934,959,235
319	Other short-term payables	15	82,785,936,892	4,826,713,390
320	Short-term borrowings	16(a)	107,848,581,271	133,192,700,274
322	Bonus and welfare fund	23	5,838,669,865	12,250,275,888
330	Long-term liabilities		35,904,134,387	49,026,809,673
338	Long-term borrowings	16(b)	15,507,692,298	25,846,153,842
342	Provision for long-term liabilities	17	20,396,442,089	23,180,655,831
400	OWNERS' EQUITY		1,509,383,321,272	1,578,243,738,764
410	Capital and reserves		1,509,383,321,272	1,578,243,738,764
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	392,944,802,300
418	Investment and development fund	20	199,910,168,556	158,019,722,556
421	Undistributed earnings	20	169,895,138,945	249,334,683,908
421a	- Undistributed post-tax profits of previous years		101,979,559,931	1,756,596,159
421b	- Undistributed post-tax profit of current year		67,915,579,014	247,578,087,749
440	TOTAL RESOURCES		1,859,827,358,730	1,974,551,102,668



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant



Nguyen Dinh Tam
Chief Executive Officer
30 March 2021


The notes on pages 10 to 45 are an integral part of these separate financial statements.

THIEN LONG GROUP CORPORATION

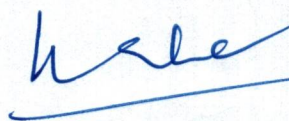
Form B 02 – DN

SEPARATE INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

Code		Note	Current year VND	Previous year VND
01	Revenue from sales of goods		1,218,831,381,120	1,552,890,373,261
02	Less deductions		(29,606,245,522)	(7,881,176,843)
10	Net revenue from sales of goods	25	1,189,225,135,598	1,545,009,196,418
11	Cost of goods sold	26	(751,535,358,828)	(972,166,203,965)
20	Gross profit from sales of goods		437,689,776,770	572,842,992,453
21	Financial income	27	92,730,007,490	147,756,382,062
22	Financial expenses	28	(19,268,754,354)	(7,390,818,227)
23	- Including: Interest expense	28	(8,025,135,335)	(6,810,048,759)
25	Selling expenses	29	(84,945,486,542)	(127,546,648,440)
26	General and administration expenses	30	(160,694,109,888)	(180,149,563,024)
30	Net operating profit		265,511,433,476	405,512,344,824
31	Other income		5,568,027,523	4,936,029,476
32	Other expenses		(270,238,793)	(13,438,927)
40	Net other income	31	5,297,788,730	4,922,590,549
50	Net accounting profit before tax		270,809,222,206	410,434,935,373
51	Corporate income tax ("CIT") - current	32	(39,382,182,037)	(59,752,004,007)
52	CIT - deferred	32	(1,622,555,155)	1,025,709,406
60	Net profit after tax		229,804,485,014	351,708,640,772



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant



Nguyen Dinh Tam
Chief Executive Officer
30 March 2021

The notes on pages 10 to 45 are an integral part of these separate financial statements.

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

Code	Note	Current year VND	Previous year VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01		270,809,222,206	410,434,935,373
		Net accounting profit before tax	
		Adjustments for:	
02		50,099,274,064	48,401,782,932
		Depreciation and amortisation	
03		3,628,325,364	5,068,164,429
		Provisions	
04	28	201,898,528	30,591,878
		Unrealised foreign exchange losses	
05	27,31	(90,549,346,959)	(176,084,758,297)
		Profits from investing activities	
06	28	8,025,135,335	6,810,048,759
		Interest expense	
08		242,214,508,538	294,660,765,074
		Operating profit before changes in working capital	
09		46,278,871,756	(94,015,305,826)
		Decrease/(increase) in receivables	
10		33,456,140,524	90,986,205,242
		Decrease in inventories	
11		(70,996,542,819)	59,221,190,108
		(Decrease)/increase in payables	
12		6,431,187,204	(167,931,811)
		Decrease/(increase) in prepaid expenses	
14		(8,284,411,916)	(6,779,914,506)
		Interest paid	
15	13	(44,166,240,219)	(54,383,165,834)
		CIT paid	
17		(42,265,374,888)	(40,375,256,157)
		Other payments on operating activities	
20		162,668,138,180	249,146,586,290
		Net cash inflows from operating activities	
CASH FLOWS FROM INVESTING ACTIVITIES			
21		(25,386,793,201)	(49,181,674,744)
		Purchases of fixed assets and other long-term assets	
22			
		Proceeds from disposals of fixed assets and long-term assets	
		437,590,909	95,728,545,908
23		(464,500,000,000)	(608,000,000,000)
		Term deposits placed at banks	
24		548,500,000,000	153,000,000,000
		Collection of term deposits placed at banks	
25		(4,617,734,000)	(236,943,299,000)
		Investments in other entities	
27		96,990,117,556	130,890,761,403
		Dividends and interest received	
30		151,423,181,264	(514,505,666,433)
		Net cash inflows/(outflows) from investing activities	
CASH FLOWS FROM FINANCING ACTIVITIES			
31	19(c)	15,000,000,000	414,663,619,300
		Proceeds from issuance of shares	
32	19(c)	(46,311,318,529)	-
		Payments for share repurchases	
33		413,283,526,881	375,723,452,207
		Proceeds from borrowings	
34		(448,966,107,428)	(358,635,447,015)
		Repayments of borrowings	
36	22	(153,373,200,000)	(183,880,080,350)
		Dividends paid	
40		(220,367,099,076)	247,871,544,142
		Net cash (outflows)/inflows from financing activities	
50		93,724,220,368	(17,487,536,001)
		Net increase/(decrease) in cash and cash equivalents	
60	3	95,182,150,747	112,647,434,664
		Cash and cash equivalents at beginning of year	
61		(18,459,501)	22,252,084
		Effect of foreign exchange differences	
70	3	188,887,911,614	95,182,150,747
		Cash and cash equivalents at the end of year	

Additional information relating to the cash flow statement are presented in Note 34.

Dao Xuan Nam
Preparer

Nguyen Ngoc Nhon
Chief Accountant

Nguyen Dinh Tam
Chief Executive Officer
30 March 2021

The notes on pages 10 to 45 are an integral part of these separate financial statements.

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

1 GENERAL INFORMATION

Thien Long Group Corporation (the "Company") is a joint stock company established in Socialist Republic of Vietnam pursuant to Enterprise registration certificate No. 0301464830 dated 14 March 2005 which was issued by the Department of Planning and Investment of Ho Chi Minh City and the 18th amendment dated 29 June 2020.

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

Owners' of the Company include Thien Long An Think Investment Corporation, NWL Cayman Holdings Ltd., a company incorporated in the United Kingdom, Mr. Co Gia Tho and other shareholders. Details of the capital contribution are presented in Note 19(b).

The Company's business sectors are manufacturing and trading.

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

The normal business cycle of the Company is 12 months.

As at 31 December 2020, the Company had 6 subsidiaries as disclosed in Note 4(b) – Investments. Details are as follows:

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

As at end of year, the Company had 1,229 employees (as at beginning of year: 1,441 employees).

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.

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.

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 2020 in order to obtain full information of the consolidated financial position and consolidated results of operations and consolidated cash flows of the Group.

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"). The Company determines its accounting currency based on the currency which is mainly used in sales of goods and rendering of services, which has a significant impact on selling prices of goods and services, which is normally used for listing selling prices and receive payments; which is mainly used in purchases of goods and services, which has a significant impact on cost of labor, materials and other production or operating costs and normally used as payments of those costs.

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 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 where 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 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 separate balance sheet based on the remaining period from the 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 year and the provision of the previous year are recognised as an increase or decrease of cost of goods sold in the year.

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 for interest earning. Those investments are initially accounted for at cost. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end.

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

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

(b) Investments in subsidiaries

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies in order to gain future benefits from their activities, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

Investments in subsidiaries are initially recorded at cost of acquisition including capital contribution value plus other expenditure directly attributable to the investment. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year 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 Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year 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 year end. Regarding investments in those whose fair value can be determined reliably, the provision for diminution in value is made when cost is higher than market value. For other investments, provision for diminution in value is made when the investees make losses.

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 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 incurred subsequently which has resulted in an increase in the future economic benefits expected to be obtained from the use of fixed assets, can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the 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 are comprised of land use rights with an indefinite useful life, recorded at historical cost and are not amortised.

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount of the fixed assets and are recognised as income or expense in the separate income statement.

Construction in progress

Construction in progress represents the cost of assets in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, which are recorded at cost and are comprised of such necessary costs to newly construct, to repair and maintain, to upgrade, to renew or equip the projects with technologies as construction costs; costs of tools and equipment; project management expenditures; construction consulting expenditures; and capitalised borrowing costs for qualifying assets in accordance with the 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 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 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 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 separate income statement when incurred.

2.14 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.

2.15 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 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 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 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.

2.17 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 are shares issued by the Company and bought back by itself, but these are not cancelled and may be re-issued subsequently in accordance with the Law on Securities.

Undistributed earnings record the 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 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.

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 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 separate income statement when all five (5) 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. In cases where 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.

(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 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.

2.21 Cost of goods sold

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

2.22 Financial expenses

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

2.23 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 for administrative purposes.

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

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

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

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

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

2.26 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, key management personnel, including the Board of Management 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 Accounting estimates**

The preparation of separate financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the 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:

- Provision for decline in value of inventories (Note 8);
- Estimated useful life of fixed assets (Note 10); 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 believed to be reasonable under the circumstances.

3 CASH AND CASH EQUIVALENTS

	Closing balance VND	Opening balance VND
Cash on hand	335,735,697	457,487,638
Cash at bank	39,552,175,917	34,724,663,109
Cash equivalents (*)	149,000,000,000	60,000,000,000
	<u>188,887,911,614</u>	<u>95,182,150,747</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**

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

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4 FINANCIAL INVESTMENTS (continued)

(b) Long-term investments

	Closing balance			Opening balance			Ownership rate %
	Cost value VND	Fair value VND	Provision VND	Cost value VND	Fair value VND	Provision VND	
i) Investments in subsidiaries							
Thien Long Long Thanh Manufacturing and Trading Company Limited	169,500,000,000	(*)	-	169,500,000,000	(*)	-	100
Thien Long Global Trading and Service One Member Company Limited	100,000,000,000	(*)	-	100,000,000,000	(*)	-	100
Tan Luc South Trading and Service One Member Company Limited	80,000,000,000	(*)	-	80,000,000,000	(*)	-	100
Tan Luc North Trading and Service One Member Company Limited	60,000,000,000	(*)	(2,535,983,872)	60,000,000,000	(*)	-	100
Tan Luc Middle Trading and Service One Member Company Limited	20,000,000,000	(*)	(7,243,244,126)	20,000,000,000	(*)	-	100
Flexoffice Pte. Ltd.	11,561,033,000	(*)	-	6,943,299,000	(*)	-	100
	<u>441,061,033,000</u>		<u>(9,779,227,998)</u>	<u>436,443,299,000</u>			
ii) Investments in other entities							
Kinh Do Land Corporation	25,000,000,000	(*)	(4,586,400,000)	25,000,000,000	(*)	(5,489,200,000)	2.00
Saigon Securities Investment Fund A2	3,565,000,000	(*)	(3,565,000,000)	3,565,000,000	(*)	(3,565,000,000)	-
Brilliant Chip Joint Stock Company	1,520,000,000	(*)	(591,280,000)	1,520,000,000	(*)	(538,688,000)	1.89
Printing No.7 Joint Stock Company	600,000,000	(*)	-	600,000,000	(*)	-	2.50
	<u>30,685,000,000</u>		<u>(8,742,680,000)</u>	<u>30,685,000,000</u>		<u>(9,592,888,000)</u>	

4 FINANCIAL INVESTMENTS (continued)**(b) Long-term investments (continued)**

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

5 SHORT-TERM TRADE RECEIVABLES

	Closing balance VND	Opening balance VND
Third parties		
Crayola LLC	9,974,395,509	12,415,034,306
Like Link Co., Ltd.	8,757,772,741	14,125,544,406
SQI Group Int'l. Corp.	7,105,877,507	11,857,630,624
Others	27,534,052,261	35,768,582,636
Related parties (Note 35(b))	282,549,618,586	305,286,533,127
	<u>335,921,716,604</u>	<u>379,453,325,099</u>

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

As at end of year and beginning of year, 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
Vietnam Children Support and Development Centre	509,300,000	318,846,000
Shanghai U-Trust Import-Export Co., Ltd	-	1,723,609,825
LC Printing Machine Factory Limited	-	1,123,744,234
Others	2,040,237,276	1,417,437,788
	<u>2,549,537,276</u>	<u>4,583,637,847</u>

7 OTHER SHORT-TERM RECEIVABLES

	Closing balance		Opening balance	
	Book value VND	Provision VND	Book value VND	Provision VND
Interest receivables from lending	7,847,283,563	-	14,962,412,327	-
Advances to employees	734,009,536	-	943,530,570	-
Others	12,161,840	-	376,993	-
	<u>8,593,454,939</u>	<u>-</u>	<u>15,906,319,890</u>	<u>-</u>

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

8 INVENTORIES

	Closing balance		Opening balance	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	7,663,944,443	-	28,338,646,995	-
Raw materials	119,852,806,978	(14,334,987,907)	122,958,044,961	(15,088,348,735)
Tools and supplies	2,467,020,482	(195,083,618)	1,422,257,037	(164,153,902)
Work in progress	42,170,414,933	(2,473,750,150)	32,328,362,913	(1,399,614,442)
Finished goods	35,581,923,136	(241,589,159)	57,297,888,257	(3,104,925,908)
Merchandises	3,068,241,371	(8,743,665)	1,785,927,627	(13,592,404)
	<u>210,804,351,343</u>	<u>(17,254,154,499)</u>	<u>244,131,127,790</u>	<u>(19,770,635,391)</u>

As at end of year and beginning of year, inventories of VND80,000,000,000 and USD5,000,000 were pledged with banks as collateral or mortgaged assets for short-term borrowings granted to the Company (Note 16).

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

	Current year VND	Previous year VND
Opening balance	(19,770,635,391)	(13,801,974,212)
Addition (Note 26)	(6,890,786,659)	(11,625,578,596)
Reversal (Note 26)	9,407,267,551	5,656,917,417
Closing balance	<u>(17,254,154,499)</u>	<u>(19,770,635,391)</u>

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9 PREPAID EXPENSES

(a) Short-term

	Closing balance VND	Opening balance VND
Health and asset insurance	1,116,268,468	1,154,990,060
Advertising and marketing expenses	-	1,483,238,457
Others	1,965,796,831	2,698,304,557
	<u>3,082,065,299</u>	<u>5,336,533,074</u>

(b) Long-term

	Closing balance VND	Opening balance VND
Tools and supplies	5,694,772,542	7,702,164,954
Others	749,266,614	889,624,361
	<u>6,444,039,156</u>	<u>8,591,789,315</u>

Movements in prepaid expenses during the year are as follows:

	Current year VND	Previous year VND
Opening balance	13,928,322,389	13,546,900,872
Increase	10,160,548,285	22,671,340,298
Transferred from construction in progress (Note 11)	2,028,969,270	3,249,171,076
Transferred from fixed assets	172,948,083	29,605,000
Transferred from inventories	418,690,000	-
Allocation	(17,117,822,625)	(25,568,694,857)
Disposals	(65,550,947)	-
Closing balance	<u>9,526,104,455</u>	<u>13,928,322,389</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
Historical cost						
Opening balance	137,927,652,290	312,263,444,835	24,940,366,010	13,810,550,524	120,603,090,050	609,545,103,709
New purchases	-	11,943,566,915	496,385,455	386,000,000	-	12,825,952,370
Transfers from construction in progress (Note 11)	-	10,062,510,028	-	-	8,080,752,619	18,143,262,647
Others	-	-	-	-	(307,812,219)	(307,812,219)
Disposals	(140,352,000)	(6,466,695,693)	(710,057,195)	(678,893,296)	(2,199,164,755)	(10,195,162,939)
Closing balance	137,787,300,290	327,802,826,085	24,726,694,270	13,517,657,228	126,176,865,695	630,011,343,568
Accumulated depreciation						
Opening balance	43,335,317,325	164,611,226,737	17,652,729,160	13,154,781,027	91,117,865,998	329,871,920,247
Charge for the year	6,786,974,273	28,373,204,844	2,732,601,607	517,871,136	9,332,547,666	47,743,199,526
Others	-	-	-	-	(134,864,136)	(134,864,136)
Disposals	(127,001,444)	(4,578,803,517)	(710,057,195)	(678,893,296)	(1,992,265,355)	(8,087,020,807)
Closing balance	49,995,290,154	188,405,628,064	19,675,273,572	12,993,758,867	98,323,284,173	369,393,234,830
Net book value						
Opening balance	94,592,334,965	147,652,218,098	7,287,636,850	655,769,497	29,485,224,052	279,673,183,462
Closing balance	87,792,010,136	139,397,198,021	5,051,420,698	523,898,361	27,853,581,522	260,618,108,738

As at end of year, the historical cost of tangible assets which were fully depreciated but still in use was VND224,980,551,083 (as at beginning of year: VND202,881,212,013).

As at end of year, tangible fixed assets with a carrying value of VND141,488,972,626 (as at beginning of year: VND58,410,232,148) were pledged with banks as collateral assets for short-term and long-term borrowings granted to the Company (Note 16).

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10 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Land use rights VND	Software VND	Copyright, patents VND	Total VND
Historical cost				
Opening balance	9,847,625,000	45,971,709,975	367,000,000	56,186,334,975
Transfers from construction in progress (Note 11)	-	257,842,500	-	257,842,500
Closing balance	9,847,625,000	46,229,552,475	367,000,000	56,444,177,475
Accumulated amortisation				
Opening balance	1,175,864,496	33,382,108,281	367,000,000	34,924,972,777
Charge for the year	-	4,734,845,186	-	4,734,845,186
Closing balance	1,175,864,496	38,116,953,467	367,000,000	39,659,817,963
Net book value				
Opening balance	8,671,760,504	12,589,601,694	-	21,261,362,198
Closing balance	8,671,760,504	8,112,599,008	-	16,784,359,512

As at end of year, the historical cost of intangible assets which were fully amortised but still in use was VND11,458,404,432 (as at beginning of year: VND9,971,562,913).

As at end of year, intangible fixed assets with a carrying value of VND8,671,760,504 (as at beginning of year: VND8,671,760,504) were pledged with banks as collateral assets for short-term borrowings granted to the Company (Note 16(a)).

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11 CONSTRUCTION IN PROGRESS

	Closing balance VND	Opening balance VND
Moulds under installation	7,831,128,260	9,571,080,676
Equipment under installation	1,852,744,466	5,514,854,693
Others	-	257,842,500
	<u>9,683,872,726</u>	<u>15,343,777,869</u>

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

	Current year VND	Previous year VND
Opening balance	15,343,777,869	64,369,336,133
Increase in the year	14,991,451,043	31,265,962,642
Transfers to fixed assets (Note 10(a); 10(b))	(18,401,105,147)	(73,162,888,101)
Transfers to prepaid expenses (Note 9)	(2,028,969,270)	(3,249,171,076)
Transfers to inventories	(221,281,769)	(3,879,461,729)
Closing balance	<u>9,683,872,726</u>	<u>15,343,777,869</u>

12 SHORT-TERM TRADE PAYABLES

	Closing balance		Opening balance	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties				
Printing No.7 Joint Stock Company	4,445,450,737	4,445,450,737	1,334,047,038	1,334,047,038
Aubex Corporation	1,281,985,000	1,281,985,000	9,796,866,000	9,796,866,000
Others	43,044,308,643	43,044,308,643	81,426,044,537	81,426,044,537
Related parties (Note 35(b))	12,434,283,715	12,434,283,715	35,144,194,717	35,144,194,717
	<u>61,206,028,095</u>	<u>61,206,028,095</u>	<u>127,701,152,292</u>	<u>127,701,152,292</u>

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

13 TAX AND OTHER PAYABLES TO THE STATE

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

	Opening balance VND	Payable during the year VND	Payment during the year VND	Closing balance VND
Value added tax	7,878,027,791	53,239,905,336	(55,905,086,590)	5,212,846,537
CIT - current	9,730,439,585	39,382,182,037	(44,166,240,219)	4,946,381,403
Personal income tax	1,588,678,533	20,104,257,210	(20,841,428,603)	851,507,140
Import – export duties	181,069,797	4,277,102,856	(4,458,172,653)	-
	<u>19,378,215,706</u>	<u>117,003,447,439</u>	<u>(125,370,928,065)</u>	<u>11,010,735,080</u>

14 SHORT-TERM ACCRUED EXPENSES

	Closing balance VND	Opening balance VND
13th & 14th month salary and incentive	33,546,149,833	34,075,428,503
Advertising and marketing	1,803,384,998	1,997,494,623
Interest expense	202,613,047	461,889,628
Others	561,541,627	1,400,146,481
	<u>36,113,689,505</u>	<u>37,934,959,235</u>

15 OTHER SHORT-TERM PAYABLES

	Closing balance VND	Opening balance VND
Dividend payable	77,805,618,500	45,459,500
Allowance for the Board of Directors and Board of Supervision	3,791,956,955	3,425,500,843
Union fees	842,268,740	935,680,040
Others	320,892,736	410,492,162
Related parties (Note 35(b))	25,199,961	9,580,845
	<u>82,785,936,892</u>	<u>4,826,713,390</u>

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

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16 BORROWINGS

(a) Short-term

	Opening balance		During the year		Closing balance	
	Value VND	Able-to-pay amount VND	Increase VND	Decrease VND	Value VND	Able-to-pay amount VND
Joint Stock Commercial Bank for Investment and Development of Vietnam - Western Saigon Branch (i)	68,101,512,180	68,101,512,180	168,752,493,913	(206,478,542,993)	30,375,463,100	30,375,463,100
Vietnam Joint Stock Commercial Bank for Industry and Trade - Western Saigon Branch (ii)	4,887,684,861	4,887,684,861	8,433,405,797	(13,321,090,658)	-	-
HSBC Bank (Vietnam) Limited (iii)	48,423,220,880	48,423,220,880	121,907,757,155	(124,488,662,345)	45,842,315,690	45,842,315,690
United Overseas Bank (Vietnam) Limited (iv)	4,026,436,195	4,026,436,195	112,412,674,087	(96,923,965,274)	19,515,145,008	19,515,145,008
Shinhan Bank Vietnam Limited (v)	-	-	1,777,195,929	-	1,777,195,929	1,777,195,929
	125,438,854,116	125,438,854,116	413,283,526,881	(441,212,261,270)	97,510,119,727	97,510,119,727
Current portion of long-term borrowings						
HSBC Bank (Vietnam) Limited (*)	7,753,846,158	7,753,846,158	10,338,461,544	(7,753,846,158)	10,338,461,544	10,338,461,544
	133,192,700,274	133,192,700,274	423,621,988,425	(448,966,107,428)	107,848,581,271	107,848,581,271

(b) Long-term

	Opening balance		During the year		Closing balance	
	Value VND	Able-to-pay amount VND	Increase VND	Decrease VND	Value VND	Able-to-pay amount VND
HSBC Bank (Vietnam) Limited (vi) (*)	25,846,153,842	25,846,153,842	-	(10,338,461,544)	15,507,692,298	15,507,692,298

16 BORROWINGS (continued)

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

	Closing balance VND	Opening balance VND
Original debt balance	25,846,153,842	33,600,000,000
Current portion	(10,338,461,544)	(7,753,846,158)
	<u>15,507,692,298</u>	<u>25,846,153,842</u>

- (i) Representing short-term loans at Joint Stock Commercial Bank for Investment and Development of Vietnam - Western Saigon Branch for the purpose of supplementing working capital. The loans have terms and interest rates specified in each disbursement. The Company used land use right, buildings and structures as collateral assets for these loans (Note 10).
- (ii) Representing short-term loans at Vietnam Joint Stock Commercial Bank for Industry and Trade - Western Saigon Branch for the purpose of supplementing working capital. The loans have terms and interest rates specified in each disbursement. The Company used machinery and equipment as collateral assets for these loans (Note 10).
- (iii) Representing short-term loans at HSBC Bank (Vietnam) Limited for the purpose of supplementing working capital. The loans have terms and interest rates specified in each disbursement. The Company used receivables, inventories, buildings and structures as collateral assets for these loans (Note 5, 8 and 10).
- (iv) Representing short-term loans at United Overseas Bank (Vietnam) Limited for the purpose of supplementing working capital. The loans have terms and interest rates specified in each disbursement. The Company used inventories as collateral assets for these loans (Note 8).
- (v) Representing short-term unsecured loans at Shinhan Bank Vietnam Limited for the purpose of supplementing working capital. The loans have terms and interest rates specified in each disbursement.
- (vi) Representing long-term loans at HSBC Bank (Vietnam) Limited for the purpose of purchasing and installing fixed assets. The loans have terms and interest rates specified in each disbursement. The Company used machinery and equipment as collateral assets for these loans (Note 10).

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	8,463,260,796	10,085,815,951

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	10,085,815,951	9,060,106,545
Separate income statement (charge)/credit (Note 32)	(1,622,555,155)	1,025,709,406
Closing balance	8,463,260,796	10,085,815,951

Details of deferred tax assets

	Closing balance VND	Opening balance VND
Temporary difference of provisions	8,351,839,461	9,402,872,092
Temporary difference of accrued expenses	81,000,000	679,528,221
Unrealised exchange rate differences of cash and receivables denominated in foreign currency	30,421,335	3,415,638
	8,463,260,796	10,085,815,951

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

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

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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	77,794,453	-	77,794,453	-

(b) Details of owners' shareholding

	Closing balance		Opening balance	
	Ordinary shares	%	Ordinary shares	%
Thien Long An Think Investment Corporation	37,350,952	48.01	37,350,952	48.01
NWL Cayman Holdings Ltd.	5,500,000	7.07	5,500,000	7.07
Mr. Co Gia Tho	4,744,605	6.10	4,594,605	5.91
Other shareholders	30,198,896	38.82	30,348,896	39.01
Number of shares issued	77,794,453	100	77,794,453	100

(c) Movement of share capital

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

Par value per share: VND10,000.

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

(**) Pursuant to the Resolution No. 01/2020/NQ-DHDCD dated 24 June 2020 of the annual General Meeting of Shareholders, the General Meeting of Shareholders of the Company approved the reissuance of 1,500,000 treasury shares to employees at par value of VND10,000/share. In addition, pursuant to the Resolution No. 12/2020/NQ-HDQT dated 30 October 2020 of the Board of Directors, the Board of Directors approved the difference between the repurchased and reissued prices using share premium (Note 20).

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20 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Investment and development fund VND	Treasury shares VND	Undistributed earnings VND	Total VND
For the year ended 31 December 2019						
As at 1 January 2019	657,228,530,000	28,281,183,000	158,051,613,498	-	193,742,345,594	1,037,303,672,092
Capital increased during the year	120,716,000,000	364,663,619,300	(35,358,000,000)	-	(35,358,000,000)	414,663,619,300
Net profit for the year	-	-	-	-	351,708,640,772	351,708,640,772
Dividends declared from undistributed profit of 2018	-	-	-	-	(106,084,279,500)	(106,084,279,500)
Dividends declared from undistributed profit of 2019 (i)	-	-	-	-	(77,794,453,000)	(77,794,453,000)
Appropriation to investment and development fund	-	-	35,326,109,058	-	(35,326,109,058)	-
Appropriation to bonus and welfare fund	-	-	-	-	(31,556,660,900)	(31,556,660,900)
Bonus for exceeding the budgeted profit	-	-	-	-	(2,192,000,000)	(2,192,000,000)
Remuneration for the Board of Directors and Board of Supervision (v)	-	-	-	-	(7,804,800,000)	(7,804,800,000)
As at 31 December 2019	777,944,530,000	392,944,802,300	158,019,722,556	-	249,334,683,908	1,578,243,738,764
For the year ended 31 December 2020						
As at 1 January 2020	777,944,530,000	392,944,802,300	158,019,722,556	-	249,334,683,908	1,578,243,738,764
Repurchase of treasury shares (Note 19(c))	-	-	-	(46,311,318,529)	-	(46,311,318,529)
Reissuance of treasury shares (Note 19(c))	-	(31,311,318,529)	-	46,311,318,529	-	15,000,000,000
Net profit for the year	-	-	-	-	229,804,485,014	229,804,485,014
Dividends declared from undistributed profit of 2019 (i)	-	-	-	-	(77,044,453,000)	(77,044,453,000)
Dividends declared from undistributed profit of 2020 (i)	-	-	-	-	(154,088,906,000)	(154,088,906,000)
Appropriation to investment and development fund (ii)	-	-	41,890,446,000	-	(41,890,446,000)	-
Appropriation to bonus and welfare fund (iii) (Note 23)	-	-	-	-	(16,377,404,977)	(16,377,404,977)
Bonus for exceeding the budgeted profit for the Board of Management and employees (iv) (Note 23)	-	-	-	-	(9,634,820,000)	(9,634,820,000)
Bonus for exceeding the budgeted profit for the Board of Directors (iv)	-	-	-	-	(2,408,000,000)	(2,408,000,000)
Remuneration for the Board of Directors and Board of Supervision (v)	-	-	-	-	(7,800,000,000)	(7,800,000,000)
As at 31 December 2020	777,944,530,000	361,633,483,771	199,910,168,556	-	169,895,138,945	1,509,383,321,272



20 MOVEMENTS IN OWNERS' EQUITY (continued)

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

- (i) Cash dividend at the rate of 20%/par value. For which: 10% was advanced in 2019, 10% was paid in 2020;
Advanced dividends from the 2020 consolidated net profit after tax at the rate of 20%/par value for shares in circulation at the time of advance.
- (ii) Appropriation to investment and development fund of VND41,890,446,000 (equivalent to 12% of net profit after tax);
- (iii) Appropriation to bonus and welfare fund of VND34,908,705,000 (equivalent to 10% of net profit after tax); in which, the amounts appropriated in 2019 and 2020 are VN18,531,300,023 and VND16,377,404,977, respectively.
- (iv) Bonus for exceeding budgeted profit of the year 2019 for the Board of Directors was VND2,408,000,000 and for the Board of Management and employees was VND9,634,820,000; and
- (v) Remuneration for the Board of Directors and Board of Supervision of VND7,804,800,000 was appropriated in 2019.
Remuneration for the Board of Directors and Board of Supervision of 2020 of VND7,800,000,000 was accrued in 2020.

21 THE USE OF WORKING CAPITAL**(a) Utilisation of working capital raised from the private offering**

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

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

	Total spending amount
	VND
Investment in machinery & equipment	97,290,103,987
Working capital supplement	314,663,619,300
	<hr/>
	411,953,723,287
	<hr/> <hr/>

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

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

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

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22 DIVIDENDS

Movements of dividend payables during the year are as follows:

	Current year VND	Previous year VND
Opening balance	45,459,500	46,807,350
Dividends payable during the year	231,133,359,000	183,878,732,500
Dividends paid in cash	(153,373,200,000)	(183,880,080,350)
Closing balance	<u>77,805,618,500</u>	<u>45,459,500</u>

23 BONUS AND WELFARE FUND

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

	Current year VND	Previous year VND
Opening balance	12,250,275,888	11,641,911,988
Appropriated (Note 20)	26,012,224,977	33,748,660,900
Utilised	(32,423,831,000)	(33,140,297,000)
Closing balance	<u>5,838,669,865</u>	<u>12,250,275,888</u>

24 OFF BALANCE SHEET ITEMS

(a) Foreign currencies

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

	Closing balance	Opening balance
United States Dollar ("USD")	1,291,138	1,329,345
Euro ("EUR")	32,890	44,916
British Pound ("GBP")	1,920	1,920
Chinese Renminbi ("RMB")	10,395	3,099
Singapore Dollar ("SGD")	1,139	1,139
Korean Won ("KRW")	240,000	240,000
Thai Baht ("THB")	5,410	5,410
Australian Dollar ("AUD")	<u>110</u>	<u>110</u>

(b) Operating lease assets

The future minimum lease payments under non-cancellable operating leases were presented in Note 36.

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25 NET REVENUE FROM SALES OF GOODS

	Current year VND	Previous year VND
Revenue		
Revenue from sales of finished goods	1,152,596,294,719	1,362,353,562,408
Revenue from sales of merchandises	66,235,086,401	95,050,185,398
Revenue from transfer of real estate	-	95,486,625,455
	<u>1,218,831,381,120</u>	<u>1,552,890,373,261</u>
Sales deductions		
Trade discounts	(28,253,175,065)	-
Finished goods returns	(1,178,658,307)	(7,842,481,543)
Merchandise returns	(174,412,150)	(38,695,300)
	<u>(29,606,245,522)</u>	<u>(7,881,176,843)</u>
Net revenue from sales of goods and rendering of services		
Net revenue from sales of finished goods	1,123,164,461,347	1,354,511,080,865
Net revenue from sales of merchandises	66,060,674,251	95,011,490,098
Net revenue from transfer of real estate	-	95,486,625,455
	<u>1,189,225,135,598</u>	<u>1,545,009,196,418</u>

26 COST OF GOODS SOLD

	Current year VND	Previous year VND
Cost of finished goods and merchandises sold	754,051,839,720	901,186,154,048
Cost of real estate	-	65,011,388,738
(Reversal)/provision for decline in value of inventories (Note 8)	(2,516,480,892)	5,968,661,179
	<u>751,535,358,828</u>	<u>972,166,203,965</u>

27 FINANCIAL INCOME

	Current year VND	Previous year VND
Dividend income	70,195,003,800	120,180,003,200
Interest income from deposits	19,679,984,992	25,187,597,927
Realised foreign exchange gains	2,855,018,698	2,388,780,935
	<u>92,730,007,490</u>	<u>147,756,382,062</u>

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28 FINANCIAL EXPENSES

	Current year VND	Previous year VND
Interest expense	8,025,135,335	6,810,048,759
Realised foreign exchange losses	2,112,700,493	1,205,527,167
Net loss from foreign currency translation at year-end	201,898,528	30,591,878
Provision for diminution in value of investments	9,831,819,998	-
Reversal of provision for diminution in value of investments	(902,800,000)	(655,349,577)
	<u>19,268,754,354</u>	<u>7,390,818,227</u>

29 SELLING EXPENSES

	Current year VND	Previous year VND
Marketing and trade fair expenses	41,211,753,000	72,973,153,194
Staff costs	24,551,671,548	27,401,930,283
Depreciation and amortisation	499,650,546	579,400,366
Others	18,682,411,448	26,592,164,597
	<u>84,945,486,542</u>	<u>127,546,648,440</u>

30 GENERAL AND ADMINISTRATION EXPENSES

	Current year VND	Previous year VND
Staff costs	112,803,500,466	122,846,743,933
Outside services expenses	20,180,572,649	26,653,329,829
Depreciation and amortisation	14,750,627,136	15,292,006,646
Others	12,959,409,637	15,357,482,616
	<u>160,694,109,888</u>	<u>180,149,563,024</u>

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31 NET OTHER INCOME

	Current year VND	Previous year VND
Other income		
Fee charged for using SAP system	2,672,383,848	2,672,383,848
Rental income	259,073,982	173,500,000
Indemnity for damaged goods	709,652,229	479,556,806
Net gains on disposal of fixed assets	674,358,167	241,920,453
Others	1,252,559,297	1,368,668,369
	<u>5,568,027,523</u>	<u>4,936,029,476</u>
Other expenses		
Others	270,238,793	13,438,927
	<u>5,297,788,730</u>	<u>4,922,590,549</u>

32 CORPORATE INCOME TAX

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
Net accounting profit before tax	270,809,222,206	410,434,935,373
Adjustment:		
Non-taxable income	(70,195,003,800)	(120,180,003,200)
Non-deductible expenses	3,014,635,428	3,337,906,820
Temporary differences for which no deferred income tax has been recognised	1,620,093,718	-
Estimated taxable income	<u>205,248,947,552</u>	<u>293,592,838,993</u>
Tax calculated at a rate of 20%	41,049,789,510	58,718,568,198
Adjustment for (over)/under-accrued CIT in previous years	(45,052,318)	7,726,403
CIT charge (*)	<u>41,004,737,192</u>	<u>58,726,294,601</u>
Charged to income statement:		
CIT – current	39,382,182,037	59,752,004,007
CIT – deferred (Note 18)	1,622,555,155	(1,025,709,406)
	<u>41,004,737,192</u>	<u>58,726,294,601</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.

33 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 merchandises for trading activities. Details are as follows:

	Current year VND	Previous year VND
Raw materials	482,856,773,340	553,583,645,729
Staff costs	264,723,674,119	288,963,956,686
Depreciation and amortisation	50,099,274,064	48,401,782,932
Outside service expenses	61,392,325,649	99,626,483,023
Others	74,746,214,167	95,801,072,763
	<u>933,818,261,339</u>	<u>1,086,376,941,133</u>

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

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

35 RELATED PARTY DISCLOSURES

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

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

Related party	Relationship
Thien Long An Think Investment Corporation	Major shareholder
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 year, the following transactions were carried out with related parties

	Current year VND	Previous year VND
<i>i) Sales of goods</i>		
Thien Long Long Thanh Manufacturing and Trading Company Limited	37,570,573,512	53,954,646,676
Thien Long Global Trading and Service One Member Company Limited	793,047,699,982	1,027,836,935,736
Tan Luc South Trading and Service One Member Company Limited	16,072,104,080	33,749,017,534
Tan Luc North Trading and Service One Member Company Limited	7,561,293,760	22,204,403,270
Tan Luc Middle Trading and Service One Member Company Limited	1,525,504,260	6,367,919,020
Flexoffice Pte. Ltd.	237,941,309	-
	<u>856,015,116,903</u>	<u>1,144,112,922,236</u>
<i>ii) Purchases of goods</i>		
Thien Long Long Thanh Manufacturing and Trading Company Limited	49,522,980,479	59,410,113,731
Thien Long Global Trading and Service One Member Company Limited	1,771,557,430	3,326,324,458
Tan Luc South Trading and Service One Member Company Limited	2,009,233,887	3,934,594,333
Tan Luc North Trading and Service One Member Company Limited	27,693,766	196,626,818
Tan Luc Middle Trading and Service One Member Company Limited	-	8,300,377
	<u>53,331,465,562</u>	<u>66,875,959,717</u>

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35 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	Current year VND	Previous year VND
iii) Rental income		
Thien Long Global Trading and Service One Member Company Limited	45,000,000	60,000,000
Tan Luc South Trading and Service One Member Company Limited	12,000,000	28,000,000
Tan Luc North Trading and Service One Member Company Limited	48,000,000	48,000,000
Tan Luc Middle Trading and Service One Member Company Limited	24,000,000	24,000,000
	<u>129,000,000</u>	<u>160,000,000</u>
iv) Rental expense		
Thien Long Global Trading and Service One Member Company Limited	90,000,000	90,000,000
Tan Luc South Trading and Service One Member Company Limited	41,000,000	-
	<u>131,000,000</u>	<u>90,000,000</u>
v) Fee charged for using SAP system		
Thien Long Long Thanh Manufacturing and Trading Company Limited	1,161,814,560	1,161,814,560
Thien Long Global Trading and Service One Member Company Limited	810,568,296	810,568,296
Tan Luc South Trading and Service One Member Company Limited	429,546,060	429,546,060
Tan Luc North Trading and Service One Member Company Limited	270,454,932	270,454,932
	<u>2,672,383,848</u>	<u>2,672,383,848</u>

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35 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	Current year VND	Previous year VND
vi) Disposal of fixed assets		
Thien Long Long Thanh Manufacturing and Trading Company Limited	2,344,909,390	-
vii) Fixed assets purchased from		
Thien Long Long Thanh Manufacturing and Trading Company Limited	-	2,637,815,386
viii) Disposal of tools and equipment		
Thien Long Long Thanh Manufacturing and Trading Company Limited	67,407,500	-
ix) Purchase of tools and supplies		
Thien Long Long Thanh Manufacturing and Trading Company Limited	15,000,000	64,772,000
Thien Long Global Trading and Service One Member Company Limited	22,720,000	-
Tan Luc South Trading and Service One Member Company Limited	3,083,333	-
	<u>40,803,333</u>	<u>64,772,000</u>
x) Proceeds from distributed profit		
Thien Long Long Thanh Manufacturing and Trading Company Limited	50,000,000,000	120,000,000,000
Tan Luc South Trading and Service One Member Company Limited	20,000,000,000	-
	<u>70,000,000,000</u>	<u>120,000,000,000</u>

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35 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	Current year VND	Previous year VND
<i>xii) Investments in subsidiaries</i>		
Thien Long Long Thanh Manufacturing and Trading Company Limited	-	100,000,000,000
Thien Long Global Trading and Service One Member Company Limited	-	60,000,000,000
Tan Luc South Trading and Service One Member Company Limited	-	40,000,000,000
Tan Luc North Trading and Service One Member Company Limited	-	20,000,000,000
Tan Luc Middle Trading and Service One Member Company Limited	-	10,000,000,000
Flexoffice Pte. Ltd.	4,617,734,000	6,943,299,000
	<u>4,617,734,000</u>	<u>236,943,299,000</u>
<i>xiii) Dividend declared</i>		
Thien Long An Think Investment Corporation	<u>112,052,856,000</u>	<u>88,284,070,000</u>
<i>xiv) Compensation of key management</i>		
Gross salaries and other benefits	<u>43,399,239,724</u>	<u>42,259,461,100</u>

THIEN LONG GROUP CORPORATION

Form B 09 – DN

35 RELATED PARTY DISCLOSURES (continued)

(b) Year end balances with related parties

	Closing balance VND	Opening balance VND
<i>i) Short-term trade accounts receivable (Note 5)</i>		
Thien Long Long Thanh Manufacturing and Trading Company Limited	12,794,864,482	12,735,906,667
Thien Long Global Trading and Service One Member Company Limited	264,235,200,403	263,363,763,171
Tan Luc South Trading and Service One Member Company Limited	3,510,632,313	18,565,862,641
Tan Luc North Trading and Service One Member Company Limited	609,878,732	8,803,029,438
Tan Luc Middle Trading and Service One Member Company Limited	1,399,042,656	1,817,971,210
	<u>282,549,618,586</u>	<u>305,286,533,127</u>
<i>ii) Short-term trade accounts payable (Note 12)</i>		
Thien Long Long Thanh Manufacturing and Trading Company Limited	12,013,990,577	30,252,835,100
Thien Long Global Trading and Service One Member Company Limited	208,275,311	1,223,057,844
Tan Luc South Trading and Service One Member Company Limited	191,257,827	3,489,316,272
Tan Luc North Trading and Service One Member Company Limited	20,760,000	178,985,501
	<u>12,434,283,715</u>	<u>35,144,194,717</u>
<i>iii) Other short-term payables (Note 15)</i>		
Tan Luc South Trading and Service One Member Company Limited	23,166,379	9,580,845
Tan Luc North Trading and Service One Member Company Limited	1,700,980	-
Tan Luc Middle Trading and Service One Member Company Limited	332,602	-
	<u>25,199,961</u>	<u>9,580,845</u>
<i>iv) Dividend payables</i>		
Thien Long An Think Investment Joint Stock Company	<u>37,350,952,000</u>	<u>-</u>

36 COMMITMENT UNDER OPERATING LEASES

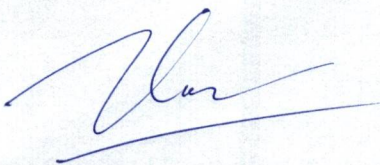
The future minimum lease payments under non-cancellable operating leases were as follows:

	Closing balance VND	Opening balance VND
Within one year	5,328,032,180	5,312,194,455
Between one and five years	8,995,125,600	10,598,039,040
Total	14,323,157,780	15,910,233,495

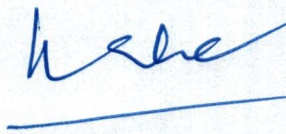
37 IMPACTS OF COVID-19

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

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



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant



Nguyen Dinh Tam
Chief Executive Officer