

THIEN LONG GROUP CORPORATION

**INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**



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THIEN LONG GROUP CORPORATION

STATEMENT OF RESPONSIBILITY OF THE CHIEF EXECUTIVE OFFICER OF THE COMPANY IN RESPECT OF THE INTERIM SEPARATE FINANCIAL STATEMENTS

The Legal Representative of Thien Long Group Corporation ("the Company") has authorised the Chief Executive Officer of the Company to be 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 2021, 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 interim separate financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

APPROVAL OF THE INTERIM SEPARATE FINANCIAL STATEMENTS

We 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 2021, 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 2021 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
Tran Phuong Nga
Chief Executive Officer
Authorised by Legal Representative

Ho Chi Minh City, Vietnam
21 August 2021



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 2021 and approved by the Chief Executive Officer on 21 August 2021. The interim separate financial statements comprise the interim separate balance sheet as at 30 June 2021, 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 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 necessary to enable the preparation and fair presentation of the interim separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on these interim separate financial statements based on our review. We conducted our review in accordance with Vietnamese Standard 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 2021, 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



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

Report reference number: HCM11189
Ho Chi Minh City, 21 August 2021

INTERIM SEPARATE BALANCE SHEET
AS AT 30 JUNE 2021

Code	ASSETS	Note	Closing balance VND	Opening balance VND
100	CURRENT ASSETS		1,210,270,243,752	1,103,635,395,472
110	Cash and cash equivalents	3	344,310,036,349	188,887,911,614
111	Cash		61,310,036,349	39,887,911,614
112	Cash equivalents		283,000,000,000	149,000,000,000
120	Short-term investment		282,999,139,200	371,000,000,000
123	Held-to-maturity investments	4(a)	282,999,139,200	371,000,000,000
130	Short-term receivables		331,840,502,616	347,064,708,819
131	Short-term trade accounts receivable	5	321,137,518,533	335,921,716,604
132	Short-term prepayments to suppliers	6	10,210,645,914	2,549,537,276
136	Other short-term receivables	7	3,683,833,110	8,593,454,939
137	Provision for doubtful debts – short-term	8	(3,191,494,941)	-
140	Inventories	9	245,875,555,653	193,550,196,844
141	Inventories		263,905,079,116	210,804,351,343
149	Provision for decline in value of inventories		(18,029,523,463)	(17,254,154,499)
150	Other current assets		5,245,009,934	3,132,578,195
151	Short-term prepaid expenses	10(a)	5,245,009,934	3,082,065,299
152	Value added tax ("VAT") to be reclaimed		-	50,512,896
200	LONG-TERM ASSETS		737,110,683,521	756,191,963,258
210	Long-term receivable		758,197,328	974,197,328
216	Other long-term receivables		758,197,328	974,197,328
220	Fixed assets		259,991,758,446	277,402,468,250
221	Tangible fixed assets	11(a)	245,376,628,990	260,618,108,738
222	Historical cost		632,025,283,399	630,011,343,568
223	Accumulated depreciation		(386,648,654,409)	(369,393,234,830)
227	Intangible fixed assets	11(b)	14,615,129,456	16,784,359,512
228	Historical cost		56,444,177,475	56,444,177,475
229	Accumulated amortisation		(41,829,048,019)	(39,659,817,963)
240	Long-term asset in progress		11,937,976,361	9,683,872,726
242	Construction in progress	12	11,937,976,361	9,683,872,726
250	Long-term investments		452,000,034,382	453,224,125,002
251	Investments in subsidiaries	4(b)	441,061,033,000	441,061,033,000
253	Investments in other entities	4(b)	30,685,000,000	30,685,000,000
254	Provision for long-term investments	4(b)	(19,745,998,618)	(18,521,907,998)
260	Other long-term assets		12,422,717,004	14,907,299,952
261	Long-term prepaid expenses	10(b)	5,690,739,648	6,444,039,156
262	Deferred income tax assets	19	6,731,977,356	8,463,260,796
270	TOTAL ASSETS		1,947,380,927,273	1,859,827,358,730

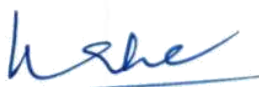
The notes on pages 9 to 43 are an integral part of these interim separate financial statements.

**INTERIM SEPARATE BALANCE SHEET
AS AT 30 JUNE 2021
(continued)**

Code	RESOURCES	Note	Closing balance VND	Opening balance VND
300	LIABILITIES		371,494,571,654	350,444,037,458
310	Short-term liabilities		345,767,938,731	314,539,903,071
311	Short-term trade accounts payable	13	130,641,715,870	61,206,028,095
312	Short-term advances from customers		4,725,584,273	724,001,863
313	Tax and other payables to the State	14	15,127,696,597	11,010,735,080
314	Payables to employees		9,145,826,881	9,012,260,500
315	Short-term accrued expenses	15	23,209,368,274	36,113,689,505
319	Other short-term payables	16	6,997,426,798	82,785,936,892
320	Short-term borrowings	17(a)	141,391,603,498	107,848,581,271
322	Bonus and welfare fund	23	14,528,716,540	5,838,669,865
330	Long-term liabilities		25,726,632,923	35,904,134,387
338	Long-term borrowings	17(b)	10,338,461,526	15,507,692,298
342	Provision for long-term liabilities	18	15,388,171,397	20,396,442,089
400	OWNERS' EQUITY		1,575,886,355,619	1,509,383,321,272
410	Capital and reserves		1,575,886,355,619	1,509,383,321,272
411	Owners' capital	20, 21	777,944,530,000	777,944,530,000
411a	- Ordinary shares with voting rights		777,944,530,000	777,944,530,000
412	Share premium	21	361,633,483,771	361,633,483,771
418	Investment and development fund	21	228,691,572,556	199,910,168,556
421	Undistributed earnings	21	207,616,769,292	169,895,138,945
421a	- Undistributed post-tax profits of previous years		107,206,712,270	101,979,559,931
421b	- Post-tax profits of current period/year		100,410,057,022	67,915,579,014
440	TOTAL RESOURCES		1,947,380,927,273	1,859,827,358,730



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant



Tran Phuong Nga
Chief Executive Officer
21 August 2021

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 2021**

Code	Note	Current period VND	Previous period VND
01	Revenue from sales of goods	714,462,913,153	426,768,808,482
02	Less deductions	(2,881,313,750)	(1,339,464,444)
10	Net revenue from sales of goods	25 711,581,599,403	425,429,344,038
11	Cost of goods sold	26 (462,533,118,233)	(284,295,769,434)
20	Gross profit from sales of goods	249,048,481,170	141,133,574,604
21	Financial income	27 12,337,358,534	12,664,247,055
22	Financial expenses	28 (4,068,112,933)	(5,345,936,771)
23	- Including: Interest expense	28 (2,461,868,777)	(4,605,124,518)
25	Selling expenses	29 (32,126,144,823)	(37,162,568,881)
26	General and administration expenses	30 (96,122,889,217)	(76,682,439,696)
30	Net operating profit	129,068,692,731	34,606,876,311
31	Other income	2,647,785,785	2,282,755,454
32	Other expenses	(815,306)	(30,041)
40	Net other income	31 2,646,970,479	2,282,725,413
50	Net accounting profit before tax	131,715,663,210	36,889,601,724
51	Corporate income tax ("CIT") - current	32 (24,911,321,152)	(7,749,628,054)
52	CIT - deferred	32 (1,731,283,440)	(187,226,633)
60	Net profit after tax	105,073,058,618	28,952,747,037



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant



Tran Phuong Nga
Chief Executive Officer
21 August 2021

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

**INTERIM SEPARATE CASH FLOW STATEMENT
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021
(Indirect method)**

Code	Note	Current period VND	Previous period VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net accounting profit before tax	131,715,663,210	36,889,601,724
Adjustments for:			
02	Depreciation and amortisation	24,692,887,825	25,274,967,790
03	Provision/(reversal of provisions)	182,683,833	(6,093,336,486)
04	Unrealised foreign exchange (gains)/losses	(80,081,839)	330,192,905
05	Profits from investing activities	(11,217,058,141)	(10,787,197,371)
06	Interest expense	2,461,868,777	4,605,124,518
08	Operating profit before changes in working capital	147,755,963,665	50,219,353,080
09	Decrease/(increase) in receivables	8,518,482,471	(10,642,485,920)
10	Increase in inventories	(53,100,727,773)	(73,142,062,072)
11	Increase/(decrease) in payables	55,757,853,753	(57,991,347,155)
12	(Increase)/decrease in prepaid expenses	(1,181,351,213)	3,101,694,870
14	Interest paid	(2,409,046,272)	(4,672,784,943)
15	CIT paid	(15,831,732,754)	(9,730,439,585)
17	Other payments on operating activities	(27,622,730,551)	(35,442,765,843)
20	Net cash inflows/(outflows) from operating activities	111,886,711,326	(138,300,837,568)
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(12,006,066,766)	(13,587,963,810)
22	Proceeds from disposals of fixed assets	1,852,373,280	318,182
23	Term deposits placed at banks	(314,499,139,200)	(173,500,000,000)
24	Collection of term deposits placed at banks	402,500,000,000	444,000,000,000
27	Dividends and interest received	15,190,742,755	21,925,039,460
30	Net cash inflows from investing activities	93,037,910,069	278,837,393,832
CASH FLOWS FROM FINANCING ACTIVITIES			
32	Payments for share repurchases	-	(46,311,318,529)
33	Proceeds from borrowings	243,837,668,305	215,796,492,032
34	Repayments of borrowings	(215,463,876,850)	(240,259,354,162)
36	Dividends paid	(77,794,453,000)	(38,931,520,500)
40	Net cash outflows from financing activities	(49,420,661,545)	(109,705,701,159)
50	Net increase in cash and cash equivalents	155,503,959,850	30,830,855,105
60	Cash and cash equivalents at beginning of period	188,887,911,614	95,182,150,747
61	Effect of foreign exchange differences	(81,835,115)	(121,946,152)
70	Cash and cash equivalents at end of period	344,310,036,349	125,891,059,700

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



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant



Tran Phuong Nga
Chief Executive Officer
21 August 2021

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 2021**

1 GENERAL INFORMATION

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

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

Owners' of the Company include Thien Long An Think Investment Corporation, NWL Cayman Holdings Ltd., a company incorporated in the United Kingdom, Mr Co Gia Tho and other shareholders. Details of the capital contribution are presented in Note 20.

The Company's business sectors are manufacturing and trading.

The principal activities are to manufacture and trade stationary products, class room 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 30 June 2021, 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 period and beginning of period	
			% of ownership	% of voting rights
Thien Long Long Thanh Manufacturing and Trading Company Limited	Manufacturing and trading stationery	Dong Nai Province	100%	100%
Thien Long Global Trading and Service One Member Company Limited	Trading stationery	Ho Chi Minh City	100%	100%
Tan Luc South Trading and Service One Member Company Limited	Trading stationery	Ho Chi Minh City	100%	100%
Tan Luc North Trading and Service One Member Company Limited	Trading stationery	Ha Noi City	100%	100%
Tan Luc Middle Trading and Service One Member Company Limited	Trading stationery	Da Nang City	100%	100%
Flexoffice Pte. Ltd.	Trading stationery	Singapore	100%	100%

As at end of period, the Company had 1,204 employees (as at beginning of period: 1,229 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 the six-month period ended 30 June 2021 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"). 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 list selling prices and receive payments; which is mainly used in purchases of raw materials or 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 or regularly collects this currency from business operation 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 where 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 or non-trade receivables from others and are stated at cost. Provision for doubtful debts is made for each outstanding amount based on overdue days in payment according to the initial payment commitment (exclusive of the payment rescheduling between parties) or based on the expected 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 method 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 part or the whole of 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 Chief Executive Officer reviews all outstanding investments to determine the amount of provision to recognise at 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 period 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 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 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, they are 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 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 interim 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, including 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 remaining period from the interim 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 interim 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 invoice 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 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 and is recorded according to 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 interim separate financial statements in the period upon the dividend declaration of the Board of Directors which 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 the Company's profit after CIT 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) 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 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 allowances. 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 balance sheet date but before the issuance of the 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 prudence 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, borrowing cost, 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 period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, 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 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 interim 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 relationship 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 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 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 8);
- Estimated useful life of fixed assets (Note 11); and
- Estimation of provision for long-term liabilities (Note 18)

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	293,104,556	335,735,697
Cash at bank	61,016,931,793	39,552,175,917
Cash equivalents (*)	283,000,000,000	149,000,000,000
	<u>344,310,036,349</u>	<u>188,887,911,614</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	263,000,000,000	263,000,000,000	371,000,000,000	371,000,000,000
Bonds	19,999,139,200	19,999,139,200	-	-
	<u>282,999,139,200</u>	<u>282,999,139,200</u>	<u>371,000,000,000</u>	<u>371,000,000,000</u>

4 INVESTMENTS (continued)

(b) Long-term investments

	Closing balance				Opening balance			
	Cost VND	Fair value VND	Provision VND	Ownership rate %	Cost VND	Fair value VND	Provision VND	Ownership rate %
i) Investments in subsidiaries								
Thien Long 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	(*)	(2,613,913,405)	100	80,000,000,000	-	-	100
Tan Luc North Trading and Service One Member Company Limited	60,000,000,000	(*)	(4,549,441,114)	100	60,000,000,000	(2,535,983,872)	-	100
Tan Luc Middle Trading and Service One Member Company Limited	20,000,000,000	(*)	(8,519,084,099)	100	20,000,000,000	(7,243,244,126)	-	100
FlexOffice Pte. Ltd.	11,561,033,000	(*)	-	100	11,561,033,000	-	-	100
	<u>441,061,033,000</u>		<u>(15,682,438,618)</u>		<u>441,061,033,000</u>	<u>(9,779,227,998)</u>		
ii) Investments in other entities								
Kinh Do Land Corporation	25,000,000,000	(*)	-	2.00	25,000,000,000	(4,586,400,000)	-	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	(*)	(498,560,000)	1.89	1,520,000,000	(*) (591,280,000)	-	1.89
Printing No.7 Joint Stock Company	600,000,000	(*)	-	2.50	600,000,000	(*)	-	2.50
	<u>30,685,000,000</u>		<u>(4,063,560,000)</u>		<u>30,685,000,000</u>	<u>(8,742,680,000)</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.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	Closing balance VND	Opening balance VND
Third parties		
SQI Group Int'l. Corp.	9,941,973,910	7,105,877,507
Crayola LLC	9,555,621,005	9,974,395,509
Like Link Co., Ltd.	8,725,173,226	8,757,772,741
Others	43,992,105,638	27,534,052,261
Related parties (Note 35(b))	248,922,644,754	282,549,618,586
	<u>321,137,518,533</u>	<u>335,921,716,604</u>

As at end of period and beginning of period, the balances of short-term trade accounts receivable which were past due, amounting to VND11,909,346,082 and VNDNil, respectively, and are presented in Note 8.

As at end of period and beginning of period, short-term trade accounts receivable of VND50,000,000,000 were used as mortgaged assets for short-term borrowings from banks (Note 17).

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	Closing balance VND	Opening balance VND
24h Interior Design and Decoration Consulting Co., Ltd	2,974,132,156	-
Dai Quang Minh Real Estate Investment JSC	2,273,749,380	-
Others	4,962,764,378	2,549,537,276
	<u>10,210,645,914</u>	<u>2,549,537,276</u>

7 OTHER RECEIVABLES

	Closing balance		Opening balance	
	Book value VND	Provision VND	Book value VND	Provision VND
Interest receivables from lending	3,299,372,608	-	7,847,283,563	-
Advances to employees	363,800,000	-	734,009,536	-
Others	20,660,502	-	12,161,840	-
	<u>3,683,833,110</u>	<u>-</u>	<u>8,593,454,939</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.

8 PROVISION FOR DOUBFUL DEBTS

	Closing balance			Opening balance		
	Cost VND	Number of overdue days	Provision VND	Provision VND	Number of overdue days	Provision VND
Like Link Co., Ltd.	8,725,173,226	Under 1 year	(2,124,665,688)	8,757,772,741	-	-
PT Sinar Laut Ateka	1,315,802,859	Over 1 year	(306,887,419)	1,478,353,501	-	-
C.J.D Marketing Co., Ltd	713,036,403	Under 1 year	(215,444,156)	715,700,492	-	-
Quaco Pacific	1,155,333,594	Over and under 1 year	(544,497,678)	1,159,650,220	-	-
	<u>11,909,346,082</u>	-	<u>(3,191,494,941)</u>	<u>12,111,476,954</u>	-	-

9 INVENTORIES

	Closing balance		Opening balance	
	Cost VND	Provision VND	Cost VND	Provision VND
Raw materials	161,335,130,126	(14,686,014,841)	119,852,806,978	(14,334,987,907)
Work in progress	47,705,605,041	(2,845,343,676)	42,170,414,933	(2,473,750,150)
Goods in transit	28,755,013,720	-	7,663,944,443	-
Finished goods	18,293,437,836	(90,792,353)	35,581,923,136	(241,589,159)
Merchandises	4,542,804,701	(210,131,876)	3,068,241,371	(8,743,665)
Tools and supplies	3,273,087,692	(197,240,717)	2,467,020,482	(195,083,618)
	<u>263,905,079,116</u>	<u>(18,029,523,463)</u>	<u>210,804,351,343</u>	<u>(17,254,154,499)</u>

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

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	(17,254,154,499)	(19,770,635,391)
Increase	(4,377,033,005)	(2,037,489,761)
Reversal	3,601,664,041	5,269,472,832
Closing balance	<u>(18,029,523,463)</u>	<u>(16,538,652,320)</u>

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

	Closing balance VND	Opening balance VND
Health and properties insurance	655,467,521	1,116,268,468
SAP system maintenance fees	900,797,436	-
Others	3,688,744,977	1,965,796,831
	<u>5,245,009,934</u>	<u>3,082,065,299</u>

(b) Long-term

	Closing balance VND	Opening balance VND
Tools and supplies	4,840,046,681	5,694,772,542
Others	850,692,967	749,266,614
	<u>5,690,739,648</u>	<u>6,444,039,156</u>

Movements in prepaid expenses during the period are as follows:

	Current period VND	Previous period VND
Opening balance	9,526,104,455	13,928,322,389
Increase	8,674,623,756	6,747,451,924
Transferred from construction in progress (Note 12)	228,293,914	965,020,953
Transferred from inventories	-	418,690,000
Allocation	(7,284,091,820)	(10,449,174,496)
Disposals	(209,180,723)	-
Closing balance	<u>10,935,749,582</u>	<u>11,610,310,770</u>

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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	137,787,300,290	327,802,826,085	24,726,694,270	13,517,657,228	126,176,865,695	630,011,343,568
New purchases	-	2,055,397,780	1,169,445,455	-	-	3,224,843,235
Transfers from construction in progress (Note 12)	-	1,543,149,927	-	-	5,104,149,347	6,647,299,274
Disposals	(141,956,014)	(6,403,281,069)	(582,778,788)	(680,186,807)	(50,000,000)	(7,858,202,678)
Closing balance	<u>137,645,344,276</u>	<u>324,998,092,723</u>	<u>25,313,360,937</u>	<u>12,837,470,421</u>	<u>131,231,015,042</u>	<u>632,025,283,399</u>
Accumulated depreciation						
Opening 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
Charge for the period	3,371,872,001	14,192,465,071	1,363,505,290	134,738,112	4,697,715,551	23,760,296,025
Disposals	(78,677,280)	(5,113,233,571)	(582,778,788)	(680,186,807)	(50,000,000)	(6,504,876,446)
Closing balance	<u>53,288,484,875</u>	<u>197,484,859,564</u>	<u>20,456,000,074</u>	<u>12,448,310,172</u>	<u>102,970,999,724</u>	<u>386,648,654,409</u>
Net book value						
Opening balance	<u>87,792,010,136</u>	<u>139,397,198,021</u>	<u>5,051,420,698</u>	<u>523,898,361</u>	<u>27,853,581,522</u>	<u>260,618,108,738</u>
Closing balance	<u>84,356,859,401</u>	<u>127,513,233,159</u>	<u>4,857,360,863</u>	<u>389,160,249</u>	<u>28,260,015,318</u>	<u>245,376,628,990</u>

As at end of period, the historical cost of tangible assets which were fully depreciated but still in use was VND238,133,183,049 (as at beginning of period: VND224,980,551,083).

As at end of period, tangible fixed assets with a carrying value of VND119,309,442,032 (as at beginning of period: VND141,488,972,626) were used as mortgaged assets for short-term and long-term borrowings from banks (Note 17).

11 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	46,229,552,475	367,000,000	56,444,177,475
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	38,116,953,467	367,000,000	39,659,817,963
Charge for the period	-	2,169,230,056	-	2,169,230,056
Closing balance	1,175,864,496	40,286,183,523	367,000,000	41,829,048,019
Net book value				
Opening balance	8,671,760,504	8,112,599,008	-	16,784,359,512
Closing balance	8,671,760,504	5,943,368,952	-	14,615,129,456

As at end of period, the historical cost of intangible assets which were fully amortised but still in use was VND11,550,040,432 (as at beginning of period: VND11,458,040,432).

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

12 CONSTRUCTION IN PROGRESS

	Closing balance VND	Opening balance VND
Manufacturing molds	6,965,814,333	7,831,128,260
Machinery under installation	4,972,162,028	1,852,744,466
	<u>11,937,976,361</u>	<u>9,683,872,726</u>

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

	Current period VND	Previous period VND
Opening balance	9,683,872,726	15,343,777,869
Increase in the period	9,129,696,823	6,743,324,876
Transfers to fixed assets (Note 11(a))	(6,647,299,274)	(5,449,897,621)
Transfers to prepaid expenses (Note 10)	(228,293,914)	(965,020,953)
Transfers to inventories	-	(13,057,846)
Closing balance	<u>11,937,976,361</u>	<u>15,659,126,325</u>

13 SHORT-TERM TRADE ACCOUNTS PAYBLE

	Closing balance		Opening balance	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties				
Teibow Co., Ltd	16,084,741,420	16,084,741,420	3,694,158,900	3,694,158,900
Others	101,247,189,613	101,247,189,613	45,077,585,480	45,077,585,480
Related parties (Note 35(b))	13,309,784,837	13,309,784,837	12,434,283,715	12,434,283,715
	<u>130,641,715,870</u>	<u>130,641,715,870</u>	<u>61,206,028,095</u>	<u>61,206,028,095</u>

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

14 TAX AND OTHER PAYABLES TO THE STATE

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

	Opening balance VND	Payable during the period VND	Payment during the period VND	Closing balance VND
CIT - current	4,946,381,403	24,911,321,152	(15,831,732,754)	14,025,969,801
Personal income tax	851,507,140	11,946,660,574	(11,986,810,714)	811,357,000
Value added tax	5,212,846,537	25,248,847,075	(30,171,323,816)	290,369,796
Import – export duties	-	2,767,439,916	(2,767,439,916)	-
	<u>11,010,735,080</u>	<u>64,874,268,717</u>	<u>(60,757,307,200)</u>	<u>15,127,696,597</u>

15 SHORT-TERM ACCRUED EXPENSES

	Closing balance VND	Opening balance VND
13th & 14th month salary and performance	15,469,202,164	33,546,149,833
Advertising and marketing	4,639,321,248	1,803,384,998
Interest expense	255,435,552	202,613,047
Others	2,845,409,310	561,541,627
	<u>23,209,368,274</u>	<u>36,113,689,505</u>

16 OTHER SHORT-TERM PAYABLES

	Closing balance VND	Opening balance VND
Allowance for the Board of Directors and Board of Supervision	6,049,204,000	3,791,956,955
Union fees	820,245,940	842,268,740
Dividend payable	11,165,500	77,805,618,500
Others	90,960,725	320,892,736
Related parties (Note 35(b))	25,850,633	25,199,961
	<u>6,997,426,798</u>	<u>82,785,936,892</u>

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

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17 BORROWINGS

(a) Short-term

	Opening balance		During the period		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)	30,375,463,100	30,375,463,100	105,603,825,900	(94,318,788,100)	41,660,500,900	41,660,500,900
HSBC Bank (Vietnam) Limited (ii)	45,842,315,690	45,842,315,690	60,811,656,274	(67,310,198,317)	39,343,773,647	39,343,773,647
United Overseas Bank (Vietnam) Limited (iii)	19,515,145,008	19,515,145,008	69,399,729,766	(46,888,463,732)	42,026,411,042	42,026,411,042
The Siam Commercial Bank Public Company Limited - Ho Chi Minh City Branch (iv)	-	-	8,022,456,365	-	8,022,456,365	8,022,456,365
Shinhan Bank Vietnam Limited (v)	1,777,195,929	1,777,195,929	-	(1,777,195,929)	-	-
	<u>97,510,119,727</u>	<u>97,510,119,727</u>	<u>243,837,668,305</u>	<u>(210,294,646,078)</u>	<u>131,053,141,954</u>	<u>131,053,141,954</u>
HSBC Bank (Vietnam) Limited (*)	10,338,461,544	10,338,461,544	5,169,230,772	(5,169,230,772)	10,338,461,544	10,338,461,544
	<u>107,848,581,271</u>	<u>107,848,581,271</u>	<u>249,006,899,077</u>	<u>(215,463,876,850)</u>	<u>141,391,603,498</u>	<u>141,391,603,498</u>

(b) Long-term

	Opening balance		During the period		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) (*)	15,507,692,298	15,507,692,298	-	(5,169,230,772)	10,338,461,526	10,338,461,526
	<u>15,507,692,298</u>	<u>15,507,692,298</u>	<u>-</u>	<u>(5,169,230,772)</u>	<u>10,338,461,526</u>	<u>10,338,461,526</u>

17 BORROWINGS (continued)

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

	Closing balance VND	Opening balance VND
Original debt balance	20,676,923,070	25,846,153,842
Current portion	(10,338,461,544)	(10,338,461,544)
	<u>10,338,461,526</u>	<u>15,507,692,298</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 11).
- (ii) 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, 9 and 11(a)).
- (iii) 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 9).
- (iv) Representing short-term loans at The Siam Commercial Bank Public Company Limited - Ho Chi Minh City Branch 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).
- (v) Representing short-term unsecured loans at Shinhan Vietnam Bank 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 at each disbursement. The Company used machinery and equipment as collateral assets for these loans (Note 11(a))

18 PROVISION FOR LONG-TERM LIABILITIES

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

19 DEFERRED INCOME TAX

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

	Closing balance VND	Opening balance VND
Deferred tax assets to be recovered	6,731,977,356	8,463,260,796

The gross movements in deferred income tax, without taking into consideration the offsetting of balances within the same tax jurisdiction, were as follows:

	Current period VND	Previous period VND
Opening balance	8,463,260,796	10,085,815,951
Interim separate income statement (charge)/credit (Note 32)	(1,731,283,440)	(187,226,633)
Closing balance	6,731,977,356	9,898,589,318

Details of deferred tax assets

	Closing balance VND	Opening balance VND
Temporary difference of provisions	6,683,538,972	8,351,839,461
Unrealised exchange rate differences of cash and receivables denominated in foreign currency	48,438,384	30,421,335
Temporary difference of accrued expenses	-	81,000,000
	6,731,977,356	8,463,260,796

The Company used a tax rate of 20% in year 2021 (2020: 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.

20 OWNERS' CAPITAL

(a) Number of shares

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

(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	<u>77,794,453</u>	<u>100</u>	<u>77,794,453</u>	<u>100</u>

(c) Movement of share capital

	Number of shares in circulation	Owners' capital VND	Treasury shares VND
As at 1 January 2020	77,794,453	777,944,530,000	-
Treasury shares repurchased (*)	(1,500,000)	-	(46,311,318,529)
As at 30 June 2020	<u>76,294,453</u>	<u>777,944,530,000</u>	<u>(46,311,318,529)</u>
As at 1 January 2021	77,794,453	777,944,530,000	-
As at 30 June 2021	<u>77,794,453</u>	<u>777,944,530,000</u>	<u>-</u>

Par value per share: VND10,000.

21 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital	Share premium	Investment and development fund	Treasury shares	Undistributed earnings	Total
	VND	VND	VND	VND	VND	VND
For six-month period ended 30 June 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
Net profit for the period	-	-	-	-	28,952,747,037	28,952,747,037
Repurchase of treasury shares	-	-	-	(46,311,318,529)	-	(46,311,318,529)
Dividends declared from undistributed profit of 2019	-	-	-	-	(38,897,226,500)	(38,897,226,500)
Appropriation to investment and development fund	-	-	41,890,446,000	-	(41,890,446,000)	-
Appropriation to bonus and welfare fund	-	-	-	-	(16,377,404,977)	(16,377,404,977)
Bonus for exceeding the budgeted profit for management and employees	-	-	-	-	(9,634,820,000)	(9,634,820,000)
Bonus for exceeding the budgeted profit for the Board of Directors	-	-	-	-	(2,408,000,000)	(2,408,000,000)
Allowance for the Board of Directors and Board of Supervision	-	-	-	-	(3,476,400,000)	(3,476,400,000)
As at 30 June 2020	<u>777,944,530,000</u>	<u>392,944,802,300</u>	<u>199,910,168,556</u>	<u>(46,311,318,529)</u>	<u>165,603,133,468</u>	<u>1,490,091,315,795</u>
For six-month period ended 30 June 2021						
As at 1 January 2021	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 (i)	-	-	28,781,404,000	-	(28,781,404,000)	-
Appropriation to bonus and welfare fund (ii) (Note 23)	-	-	-	-	(23,984,503,675)	(23,984,503,675)
Bonus for exceeding the budgeted profit for management and employees (iii) (Note 23)	-	-	-	-	(7,938,015,000)	(7,938,015,000)
Bonus for exceeding the budgeted profit for the Board of Directors (iii)	-	-	-	-	(1,984,504,000)	(1,984,504,000)
Allowance for the Board of Directors and Board of Supervision (iv)	-	-	-	-	(4,663,001,596)	(4,663,001,596)
As at 30 June 2021	<u>777,944,530,000</u>	<u>361,633,483,771</u>	<u>228,691,572,556</u>	<u>-</u>	<u>207,616,769,292</u>	<u>1,575,886,355,619</u>

21 MOVEMENTS IN OWNERS' EQUITY (continued)

Pursuant to the Resolution No. 01/2021/NQ-DHDCD dated 29 June 2021 of the 2020 Annual General Meeting of Shareholders, the General Meeting of Shareholders of the Company approved the distribution of profit after CIT for the year 2020 and the distribution plan of profit after CIT for the year 2021 as follows:

- (i) Appropriation to investment and development fund of VND28,781,404,000 (equivalent to 12% of net profit after tax);
- (ii) Appropriation to bonus and welfare fund of VND23,984,504,000 (equivalent to 10% of net profit after tax);
- (iii) Bonuses for exceeding budgeted profit of the year 2020 for the Board of Directors of VND1,984,504,000 and for management and employees of VND7,938,015,000; and
- (iv) Allowance for the Board of Directors and Board of Supervision of VND4,663,001,596 was appropriated in 2021.

22 DIVIDENDS

Movements of dividend payables during the period are as follows:

	Current period VND	Previous period VND
Opening balance	77,805,618,500	45,459,500
Dividends payable during the period	-	38,897,226,500
Dividends paid in cash	(77,794,453,000)	(38,931,520,500)
Closing balance	<u>11,165,500</u>	<u>11,165,500</u>

23 BONUS AND WELFARE FUND

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

	Current period VND	Previous period VND
Opening balance	5,838,669,865	12,250,275,888
Appropriated (Note 21)	31,922,518,675	26,012,224,977
Utilised	(23,232,472,000)	(29,292,265,000)
Closing balance	<u>14,528,716,540</u>	<u>8,970,235,865</u>

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

As at end of period, included in cash and cash equivalents were balances held in foreign currencies as follows:

	Closing balance	Opening balance
United States Dollar ("USD")	2,201,301	1,291,138
Korean Won ("KRW")	240,000	240,000
Euro ("EUR")	31,732	32,890
Chinese Renminbi ("RMB")	10,395	10,395
Thai Baht ("THB")	5,410	5,410
British Pound ("GBP")	1,920	1,920
Singapore Dollar ("SGD")	1,139	1,139
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 36.

25 NET REVENUE FROM SALES OF GOODS

	Current period VND	Previous period VND
Revenue		
Revenue from sales of finished goods	646,962,059,376	398,706,140,282
Revenue from sales of merchandises	67,500,853,777	28,062,668,200
	<u>714,462,913,153</u>	<u>426,768,808,482</u>
Sales deductions		
Finished good returns	(2,486,262,700)	(941,496,372)
Merchandise returns	(395,051,050)	(204,550)
Trade discounts	-	(397,763,522)
	<u>(2,881,313,750)</u>	<u>(1,339,464,444)</u>
Net revenue from sales of goods		
Net revenue from sales of finished goods	644,475,796,676	397,366,880,388
Net revenue from sales of merchandises	67,105,802,727	28,062,463,650
	<u>711,581,599,403</u>	<u>425,429,344,038</u>

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26 COST OF GOODS SOLD

	Current period VND	Previous period VND
Cost of finished goods and merchandises sold	461,757,749,269	287,527,752,505
Provision/(reversal of provision) for decline in value of inventories	775,368,964	(3,231,983,071)
	<u>462,533,118,233</u>	<u>284,295,769,434</u>

27 FINANCIAL INCOME

	Current period VND	Previous period VND
Interest income from deposits	10,500,331,800	10,666,879,189
Realised foreign exchange gains	1,614,444,895	1,877,367,866
Dividend income	142,500,000	120,000,000
Net gain from foreign currency translation at year-end (*)	80,081,839	-
	<u>12,337,358,534</u>	<u>12,664,247,055</u>

28 FINANCIAL EXPENSES

	Current period VND	Previous period VND
Interest expense	2,461,868,777	4,605,124,518
Realised foreign exchange losses	382,153,536	1,260,827,348
Net loss from foreign currency translation at year-end	-	330,192,905
Provision for diminution in value of investments	5,903,210,620	52,592,000
Reversal of provision for diminution in value of investments	(4,679,120,000)	(902,800,000)
	<u>4,068,112,933</u>	<u>5,345,936,771</u>

29 SELLING EXPENSES

	Current period VND	Previous period VND
Staff costs	12,788,908,102	12,913,387,006
Marketing expenses	10,418,009,430	15,043,460,298
Depreciation	240,675,053	267,211,386
Others	8,678,552,238	8,938,510,191
	<u>32,126,144,823</u>	<u>37,162,568,881</u>

30 GENERAL AND ADMINISTRATION EXPENSES

	Current period VND	Previous period VND
Staff costs	59,267,746,392	54,135,649,625
Outside services expenses	20,158,773,101	8,465,105,614
Depreciation and amortisation	6,464,128,416	7,562,083,550
Others	10,232,241,308	6,519,600,907
	<u>96,122,889,217</u>	<u>76,682,439,696</u>

31 NET OTHER INCOME

	Current period VND	Previous period VND
Other income		
Fee charged for using SAP system	1,400,820,000	1,336,191,924
Net gains on disposal of fixed assets	574,226,341	318,182
Rental income	36,000,000	203,805,936
Indemnity for damaged goods	-	107,300,668
Others	636,739,444	635,138,744
	<u>2,647,785,785</u>	<u>2,282,755,454</u>
Other expenses		
Others	815,306	30,041
	<u>815,306</u>	<u>30,041</u>
Net other income	<u>2,646,970,479</u>	<u>2,282,725,413</u>

32 CIT

The CIT tax 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	131,715,663,210	36,889,601,724
Effect of:		
Income not subject to tax	(142,500,000)	(120,000,000)
Expenses not deductible for tax purposes	541,472,321	1,519,839,579
Temporary differences for which no deferred income tax was recognised	(501,947,401)	1,620,093,718
	<u>131,612,688,130</u>	<u>39,909,535,021</u>
Tax calculated at a rate of 20%	26,322,537,627	7,981,907,005
Adjustment for under/(over)-accrued CIT in previous periods	320,066,965	(45,052,318)
CIT charge (*)	<u>26,642,604,592</u>	<u>7,936,854,687</u>
Charged/(credited) to interim separate income statement:		
CIT – current	24,911,321,152	7,749,628,054
CIT – deferred (Note 19)	1,731,283,440	187,226,633
	<u>26,642,604,592</u>	<u>7,936,854,687</u>

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

33 COSTS OF OPERATION BY FACTORS

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

	Current period VND	Previous period VND
Raw materials	281,968,493,951	196,846,409,142
Staff costs	136,798,937,562	128,649,237,227
Outside service expenses	30,863,882,531	23,508,565,912
Depreciation and amortisation	24,692,887,825	25,274,967,790
Others	35,279,618,888	32,979,053,734
	<u>509,603,820,757</u>	<u>407,258,233,805</u>

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

	Current period VND	Previous period VND
Capitalised depreciation to construction in progress	<u>1,236,638,256</u>	<u>1,278,481,774</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 period, 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

35 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions

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

	Current period VND	Previous period VND
i) Sales of goods		
Thien Long Global Trading and Service One Member Company Limited	429,180,019,250	239,711,665,380
Thien Long Long Thanh Manufacturing and Trading Company Limited	27,089,437,086	16,811,568,388
Tan Luc South Trading and Service One Member Company Limited	6,034,292,930	8,181,026,100
Tan Luc North Trading and Service One Member Company Limited	2,230,446,320	5,476,355,200
Tan Luc Middle Trading and Service One Member Company Limited	249,828,960	1,147,832,540
FlexOffice Pte. Ltd.	-	88,893,517
	<u>464,784,024,546</u>	<u>271,417,341,125</u>
ii) Purchases of goods		
Thien Long Long Thanh Manufacturing and Trading Company Limited	39,970,284,712	23,428,117,682
Tan Luc South Trading and Service One Member Company Limited	1,814,296,524	906,405,593
Thien Long Global Trading and Service One Member Company Limited	964,756,810	745,796,305
Tan Luc North Trading and Service One Member Company Limited	42,452,574	-
Tan Luc Middle Trading and Service One Member Company Limited	3,927,720	-
	<u>42,795,718,340</u>	<u>25,080,319,580</u>

35 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	Current period VND	Previous period VND
iii) Rental income		
Tan Luc North Trading and Service One Member Company Limited	24,000,000	24,000,000
Tan Luc Middle Trading and Service One Member Company Limited	12,000,000	12,000,000
Thien Long Global Trading and Service One Member Company Limited	-	30,000,000
Tan Luc South Trading and Service One Member Company Limited	-	12,000,000
	<u>36,000,000</u>	<u>78,000,000</u>
iv) Fee charged for using SAP system		
Thien Long Long Thanh Manufacturing and Trading Company Limited	608,880,000	580,907,280
Thien Long Global Trading and Service One Member Company Limited	446,514,000	405,284,148
Tan Luc South Trading and Service One Member Company Limited	168,696,000	214,773,030
Tan Luc Middle Trading and Service One Member Company Limited	104,430,000	-
Tan Luc North Trading and Service One Member Company Limited	72,300,000	135,227,466
	<u>1,400,820,000</u>	<u>1,336,191,924</u>
v) Rental expense		
Tan Luc South Trading and Service One Member Company Limited	102,000,000	-
Thien Long Global Trading and Service One Member Company Limited	45,000,000	45,000,000
	<u>147,000,000</u>	<u>45,000,000</u>



35 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	Current period VND	Previous period VND
vi) Sales of fixed assets		
Thien Long Long Thanh Manufacturing and Trading Company Limited	1,497,827,825	-
vii) Sales of tools and equipment		
Thien Long Long Thanh Manufacturing and Trading Company Limited	251,013,889	-
viii) Dividend declared		
Thien Long An Think Investment Corporation	-	18,675,476,000
ix) Compensation of key management		
Gross salaries and other benefits	14,988,450,000	26,502,447,416

35 RELATED PARTY DISCLOSURES (continued)

(b) Period end balances with related parties

	Closing balance VND	Opening balance VND
Short-term trade accounts receivable (Note 5)		
Thien Long Global Trading and Service One Member Company Limited	237,592,851,061	264,235,200,403
Thien Long Long Thanh Manufacturing and Trading Company Limited	8,260,912,801	12,794,864,482
Tan Luc Middle Trading and Service One Member Company Limited	1,705,968,132	1,399,042,656
Tan Luc North Trading and Service One Member Company Limited	956,241,165	609,878,732
Tan Luc South Trading and Service One Member Company Limited	406,671,595	3,510,632,313
	<u>248,922,644,754</u>	<u>282,549,618,586</u>
Short-term trade accounts payable (Note 13)		
Thien Long Long Thanh Manufacturing and Trading Company Limited	11,985,850,565	12,013,990,577
Tan Luc South Trading and Service One Member Company Limited	872,011,252	191,257,827
Thien Long Global Trading and Service One Member Company Limited	414,447,528	208,275,311
Tan Luc North Trading and Service One Member Company Limited	33,155,000	20,760,000
Tan Luc Middle Trading and Service One Member Company Limited	4,320,492	-
	<u>13,309,784,837</u>	<u>12,434,283,715</u>
Other short-term payables (Note 16)		
Tan Luc South Trading and Service One Member Company Limited	22,507,932	23,166,379
Tan Luc North Trading and Service One Member Company Limited	2,599,700	1,700,980
Tan Luc Middle Trading and Service One Member Company Limited	743,001	332,602
	<u>25,850,633</u>	<u>25,199,961</u>
Dividend payables		
Thien Long An Think Investment Joint Stock Company	-	37,350,952,000

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	10,665,415,800	5,328,032,180
Between one and five years	36,962,731,971	8,995,125,600
Total minimum payments	<u>47,628,147,771</u>	<u>14,323,157,780</u>

37 EVENTS AFTER THE INTERIM SEPARATE BALANCE SHEET DATE

Pursuant to the Resolution No. 01/2021/NQ-DHDCD dated 29 June 2021 of the Annual General Meeting of Shareholders and the Resolution No. 10/2021/NQ-HDQT dated 9 July 2021 of the Board of Directors, the Board of Directors approved the first dividend advance from undistributed profit after tax of 2021 at the rate of 15%/par value. The record date for the first dividend advance of 2021 was on 28 July 2021.

Pursuant to the Resolution No. 11/2021/NQ-HDQT dated 9 July 2021 of the Board of Directors, the Board of Directors approved the establishment of South Thien Long Manufacturing Trading Company Limited in the form of One Member Company Limited with a charter capital of VND600 billion.

Accordingly, South Thien Long Manufacturing Trading Company Limited was established in accordance with the Business Registration Certificate No. 0316944371 issued by the Department of Planning and Investment of Ho Chi Minh City on 22 July 2021.

38 OTHER MATTER

Due to the current situation, the new Corona virus ("Covid-19") is causing some volatility for the world economy, therefore, at the issue date of the interim separate financial statements, the Company's business operations may be affected by the instability of the Covid-19 pandemic's situation in Vietnam. The Board of Management prudently assessed the potential impacts of Covid-19 on the Company's business operations and management plan, as well as timely reviewed the Company's business strategy and worked with suppliers and customers to solve the current situation. The Board of Management still continues to evaluate the effects on the Company's operation in the accounting period ended 31 December 2021.

The interim separate financial statements were approved by the Chief Executive Officer on 21 August 2021.



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant



Tran Phuong Nga
Chief Executive Officer