



THIÊN LONG GROUP CORPORATION

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

THIEN LONG GROUP CORPORATION

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THIEN LONG GROUP CORPORATION

CORPORATE INFORMATION

Enterprise registration certificate

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

Board of Directors

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

Board of Supervision

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

Chief Executive Officer

Ms. Tran Phuong Nga	Chief Executive Officer
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Legal Representative

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

Registered office

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

Auditor

PwC (Vietnam) Limited

THIEN LONG GROUP CORPORATION

STATEMENT OF THE CHIEF EXECUTIVE OFFICER

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

The Chief Executive Officer of Thien Long Group Corporation (“the Company”) is responsible for preparing the interim consolidated financial statements of the Company and its subsidiaries (together, “the Group”) which give a true and fair view of the interim consolidated financial position of the Group as at 30 June 2023, and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended. In preparing these interim consolidated 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 consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Group 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 consolidated financial position of the Group and enable interim consolidated financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the interim consolidated financial statements. The Chief Executive Officer is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud or errors.

Approval of the interim consolidated financial statements

I hereby, approve the accompanying interim consolidated financial statements as set out on pages 5 to 47 which give a true and fair view of the interim consolidated financial position of the Group as at 30 June 2023, and of the interim consolidated results of its operations and its interim consolidated 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 consolidated financial statements.



Tran Phuong Nga
Chief Executive Officer
Legal Representative

Ho Chi Minh City, Vietnam
22 August 2023



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

We have reviewed the accompanying interim consolidated financial statements of Thien Long Group Corporation ("the Company") and its subsidiaries (together, "the Group") which were prepared on 30 June 2023 and approved by the Chief Executive Officer on 22 August 2023. The interim consolidated financial statements comprise the interim consolidated balance sheet as at 30 June 2023, the interim consolidated income statement and the interim consolidated cash flow statement for the six-month period then ended and explanatory notes to the interim consolidated financial statements including significant accounting policies, as set out on pages 5 to 47.

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 consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of interim consolidated financial statements and for such internal control which the Chief Executive Officer determines necessary to enable the preparation and fair presentation of the interim consolidated 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 consolidated 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 consolidated 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 consolidated financial statements do not present fairly, in all material respects, the interim consolidated financial position of the Group as at 30 June 2023, its interim consolidated financial performance and interim consolidated 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 consolidated financial statements.

Other Matters

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

For and on behalf of PwC (Vietnam) Limited



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

Report reference number: HCM14222
Ho Chi Minh City, 22 August 2023

**INTERIM CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2023**

Code	ASSETS	Note	Closing balance VND	Opening balance VND
100	CURRENT ASSETS		2,286,587,996,141	2,133,213,102,262
110	Cash and cash equivalents	3	361,201,736,777	405,368,125,624
111	Cash		334,201,736,777	405,368,125,624
112	Cash equivalents		27,000,000,000	-
120	Short-term investment		261,950,000,000	359,670,000,000
123	Held-to-maturity investments	4(a)	261,950,000,000	359,670,000,000
130	Short-term receivables		727,878,078,909	370,055,589,054
131	Short-term trade receivables	5	688,639,759,968	336,997,466,885
132	Short-term prepayments to suppliers	6	20,969,379,796	29,193,396,046
136	Other short-term receivables	7	23,856,740,683	10,093,073,242
137	Provision for doubtful debts - short-term	8	(5,587,801,538)	(6,270,311,172)
139	Shortage of assets awaiting resolution		-	41,964,053
140	Inventories	9	834,105,627,206	914,140,453,757
141	Inventories		853,933,311,377	930,756,948,615
149	Provision for decline in value of inventories		(19,827,684,171)	(16,616,494,858)
150	Other current assets		101,452,553,249	83,978,933,827
151	Short-term prepaid expenses	10(a)	14,877,293,272	18,870,696,354
152	Value added tax ("VAT") deductibles	15(a)	83,409,798,880	58,087,118,106
153	Tax and other receivables from the State	15(a)	3,165,461,097	7,021,119,367
200	LONG-TERM ASSETS		744,842,207,120	735,822,949,093
210	Long-term receivables		12,428,247,970	12,449,274,241
216	Other long-term receivables		12,428,247,970	12,449,274,241
220	Fixed assets		579,673,633,116	478,349,797,287
221	Tangible fixed assets	11(a)	553,237,559,111	453,705,201,167
222	Historical cost		1,268,335,412,064	1,134,421,550,236
223	Accumulated depreciation		(715,097,852,953)	(680,716,349,069)
227	Intangible fixed assets	11(b)	26,436,074,005	24,644,596,120
228	Historical cost		78,932,509,151	75,490,966,251
229	Accumulated amortisation		(52,496,435,146)	(50,846,370,131)
240	Long-term asset in progress		20,327,746,389	102,815,871,219
242	Construction in progress	12	20,327,746,389	102,815,871,219
250	Long-term investments		58,833,024,000	58,723,584,000
252	Investments in associates, joint ventures	4(b)	25,000,000,000	25,000,000,000
253	Investments in other entities	4(b)	37,685,000,000	37,685,000,000
254	Provision for long-term investments	4(b)	(3,851,976,000)	(3,961,416,000)
260	Other long-term assets		73,579,555,645	83,484,422,346
261	Long-term prepaid expenses	10(b)	48,070,817,787	56,689,092,291
262	Deferred income tax assets	20	25,508,737,858	26,795,330,055
270	TOTAL ASSETS		3,031,430,203,261	2,869,036,051,355

The notes on pages 9 to 47 are an integral part of these interim consolidated financial statements.

**INTERIM CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2023
(continued)**

Code	RESOURCES	Note	Closing balance VND	Opening balance VND
300	LIABILITIES		1,028,798,756,957	911,164,294,533
310	Short-term liabilities		933,088,966,177	831,255,708,627
311	Short-term trade payables	13	209,192,045,689	260,162,035,465
312	Short-term advances from customers	14	3,368,300,402	4,379,600,530
313	Tax and other payables to the State	15(b)	84,740,724,490	25,063,262,634
314	Payables to employees		48,170,198,096	40,288,640,067
315	Short-term accrued expenses	16	74,419,976,548	134,394,283,546
319	Other short-term payables	17	169,821,985,179	171,925,952,658
320	Short-term borrowings	18(a)	295,591,701,946	182,885,122,900
322	Bonus and welfare fund	24	47,784,033,827	12,156,810,827
330	Long-term liabilities		95,709,790,780	79,908,585,906
338	Long-term borrowings	18(b)	78,996,313,306	63,613,468,906
342	Provision for long-term liabilities	19	16,713,477,474	16,295,117,000
400	OWNERS' EQUITY		2,002,631,446,304	1,957,871,756,822
410	Capital and reserves		2,002,631,446,304	1,957,871,756,822
411	Owners' contributed capital	21, 22	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	22	361,633,483,771	361,633,483,771
417	Foreign exchange differences	22	(559,242,490)	526,982,987
418	Investment and development fund	22	261,896,462,556	261,896,462,556
421	Undistributed earnings	22	600,437,966,071	554,720,805,316
421a	- Undistributed post-tax profits of previous years		500,523,369,533	396,733,273,144
421b	- Undistributed post-tax profits of current period/year		99,914,596,538	157,987,532,172
429	Non-controlling interests		1,278,246,396	1,149,492,192
440	TOTAL RESOURCES		3,031,430,203,261	2,869,036,051,355



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant



Tran Phuong Nga
Chief Executive Officer
22 August 2023

The notes on pages 9 to 47 are an integral part of these interim consolidated financial statements.

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

Code	Note	Current period VND	Previous period VND
01	Revenue from sales of goods	2,014,155,319,260	1,889,213,856,206
02	Less deductions	(26,321,807,596)	(7,667,117,380)
10	Net revenue from sales of goods	28 1,987,833,511,664	1,881,546,738,826
11	Cost of goods sold	29 (1,119,232,801,716)	(1,057,629,111,327)
20	Gross profit from sales of goods	868,600,709,948	823,917,627,499
21	Financial income	30 30,978,347,408	22,976,772,169
22	Financial expenses	31 (17,885,825,411)	(6,144,330,128)
23	- Including: Interest expense	31 (10,051,642,166)	(4,000,627,131)
25	Selling expenses	32 (370,366,465,456)	(315,056,445,993)
26	General and administration expenses	33 (179,279,367,612)	(151,875,050,150)
30	Net operating profit	332,047,398,877	373,818,573,397
31	Other income	5,651,550,102	5,670,987,620
32	Other expenses	(195,567,706)	(1,312,057,546)
40	Net other income	34 5,455,982,396	4,358,930,074
50	Net accounting profit before tax	337,503,381,273	378,177,503,471
51	Corporate income tax ("CIT") - current	35 (67,981,695,910)	(76,920,101,129)
52	CIT - deferred	35 (1,286,592,197)	(1,091,255,438)
60	Net profit after tax	268,235,093,166	300,166,146,904
	Attributable to:		
61	Owners of the Company	269,906,338,962	300,166,146,904
62	Non-controlling interests	(1,671,245,796)	-
70	Basic earnings per share	25(a) 3,123	3,473
71	Diluted earnings per share	25(b) 3,123	3,473



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant



Tran Phuong Nga
Chief Executive Officer
22 August 2023

The notes on pages 9 to 47 are an integral part of these interim consolidated financial statements.

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

Code	Note	Current period VND	Previous period VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01		337,503,381,273	378,177,503,471
		Accounting profit before tax	
		Adjustments for:	
02		46,167,889,444	42,195,928,762
03		2,998,448,639	(17,443,046,902)
04		(3,879,790,042)	(2,891,929,634)
05	30	(17,021,939,229)	(10,593,093,664)
06	31	10,051,642,166	4,000,627,131
08		375,819,632,251	393,445,989,164
09		(383,019,249,215)	(202,894,256,560)
10		76,823,637,238	(19,592,308,588)
11		(108,331,649,483)	84,633,512,865
12		12,492,582,912	5,549,297,297
14		(9,829,347,435)	(3,777,068,590)
15	15	(20,631,594,019)	(28,359,554,134)
17		(32,973,049,207)	(29,165,681,891)
20		(89,649,036,958)	199,839,929,563
CASH FLOWS FROM INVESTING ACTIVITIES			
21		(81,734,323,912)	(54,070,082,277)
22		2,306,218,518	1,521,777,484
23		(238,950,000,000)	(281,462,323,288)
24		336,670,000,000	210,999,139,200
27		13,979,202,407	10,228,955,671
30		32,271,097,013	(112,782,533,210)
CASH FLOWS FROM FINANCING ACTIVITIES			
31		1,800,000,000	-
33		531,898,331,868	305,935,105,011
34		(403,808,908,422)	(257,601,533,035)
36	24	(116,691,679,500)	(155,619,167,000)
40		13,197,743,946	(107,285,595,024)
50		(44,180,195,999)	(20,228,198,671)
60		405,368,125,624	503,425,694,773
61	3	13,807,152	781,408,091
70	3	361,201,736,777	483,978,904,193

Dao Xuan Nam
Preparer

Nguyen Ngoc Nhon
Chief Accountant

Tran Phuong Nga
Chief Executive Officer
22 August 2023

The notes on pages 9 to 47 are an integral part of these interim consolidated financial statements.

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

1 GENERAL INFORMATION

Thien Long Group Corporation (the "Company") is a joint stock company established in Socialist Republic of Vietnam pursuant to the Enterprise registration certificate No. 0301464830 dated 14 March 2005 which was issued by the Department of Planning and Investment of Ho Chi Minh City and the latest 21st amendment dated 15 May 2023.

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

Owners of the Company include Thien Long An Think Investment Corporation, NWL Cayman Holdings Ltd., a company incorporated in the United Kingdom, Mr. Co Gia Tho and other shareholders. Details of the capital contribution are presented in Note 21(b).

Business sectors of the Company and its subsidiaries (together, "the Group") are manufacturing and trading.

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

The normal business cycle of the Group is 12 months.

As at beginning and the end of the period, the Group had 5 direct investment subsidiaries and 2 indirect investment subsidiaries. Details are as follows:

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**1 GENERAL INFORMATION (continued)**

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

As at end of period, the Group had 3,386 employees (as at beginning of period: 3,360 employees).

2.1 Basis of preparation of in interim consolidated financial statements

The interim consolidated 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 consolidated financial statements. The interim consolidated financial statements have been prepared under the historical cost convention except for investments in associates as presented in Note 2.5.

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

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

2.2 Fiscal year

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

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

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

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

On consolidating, if the currencies used on financial statements of subsidiaries are different from that of the Company, the Company is required to translate those financial statements into the currency used in the Company’s consolidated financial statements under the following principles:

- Assets and liabilities of overseas subsidiaries is translated at actual exchange rate at the year end;
- Undistributed earnings or losses are translated based on the translation of income and expenses in the income statement;
- Items of the income statement and the cash flow statement are translated at the average exchange rate of the accounting year; and
- The cumulative amount of exchange differences is presented in a separate component of equity at “Foreign exchange differences” in the consolidated balance sheet.

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 consolidated income statement.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.5 Basis of consolidation****Subsidiaries**

Subsidiaries are all entities over which the Group 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 Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The financial statements of the Group's subsidiaries are prepared for the same accounting period. If there are differences in end dates, the gap must not exceed 3 months. Adjustments are made to reflect impacts of significant transactions and events occurring between the end dates of the subsidiaries' accounting period and that of the Group's. The length of the reporting period and differences in reporting date must be consistent between periods.

Operations and interests of non-controlling shareholders

The Group applies the same policy to transactions with non-controlling shareholders as transactions with parties outside the Group.

Non-controlling interest is measured as a percentage of the non-controlling shareholder's share in the net assets of the acquired entity at the acquisition date.

Transactions that change the Group's percentage of ownership in a subsidiary without resulting in a loss of control are accounted for in the same manner as equity transactions. The difference between the change in the Group's share of the Group's share in the subsidiary's net assets and the expenditure or receipts from the divestment of the subsidiary is recognised in undistributed post-tax profits under equity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.5 Basis of consolidation (continued)****Operations and interests of non-controlling shareholders (continued)**

Transactions that change the Group's ownership percentage in a subsidiary resulting in the loss of control over the subsidiary, the difference between the value of the change in ownership of the Group in the net assets of the subsidiary and the expenditure or receipts from the divestment of the subsidiary are recognized in the consolidated statement of income. The remaining ownership in this company will be accounted for as a normal financial investment or accounted for using the equity method since the parent company no longer holds control of the subsidiary.

Associate

Associate is investment that the Group has significant influence but not control over and the Group would generally have from 20% to less than 50% of the voting rights of the investee. Investment in associate is accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associate includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of the post-acquisition profits or losses of its associate is recognised in the consolidated income statement. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equal or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Accounting policies of associate have been changed where necessary to ensure consistency with the policies adopted by the Group.

Unrealised gains and losses on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate.

2.6 Cash and cash equivalents

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

2.7 Receivables

Receivables represent trade receivables from customers arising from sales of goods and rendering of services, and non-trade receivables from others 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 as uncollectible.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.8 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 Group 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 is recognised as an increase or decrease of cost of goods sold in the period.

2.9 Financial investments**(a) Investments held to maturity**

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

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

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

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

(b) 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.

Provision for investments in other entities is made when there is a diminution in value of the investments at the year end. It is calculated based on market value if market value can be determined reliably. If market value can not be determined reliably, the provision for investments in other entities is calculated based on the loss of investees.

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)**2.10 Fixed assets***Tangible and intangible fixed assets*

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

Depreciation and amortisation

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

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

Land use rights 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 consolidated 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 Group's accounting policies. Depreciation of these assets, on the same basis as other fixed assets, commences when they are ready for their intended use.

2.11 Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the interim consolidated income statement on a straight-line basis over the term of the lease.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.12 Prepaid expenses**

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

Prepayments for land rental contracts which are effective after the effective date of the land law 2003 (ie. 1 July 2004) or which land use right certificates are not granted are recorded as prepaid expenses and allocated using the straight-line method over the terms of such land use right certificates.

2.13 Payables

Classifications of payables are based on their nature as follows:

- Trade accounts payable are trade payables arising from purchase of goods and services; and
- Other payables are non-trade payables, and payables not relating to purchases of goods and services.

Payables are classified as short-term and long-term payables on the interim consolidated balance sheet based on remaining period from the interim consolidated balance sheet date to the maturity date.

2.14 Borrowings and borrowing costs

Borrowings include borrowings from banks.

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

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

2.15 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.16 Provisions**

Provisions are recognised when the Group 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.

2.17 Provision for severance allowance

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

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 consolidated balance sheet date.

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

2.18 Provision for dismantling and restoration costs

According to Circular 200/2014/TT-BTC dated 22 December 2014, since 1 January 2015, the Group is required to provide for dismantling and restoration costs of the Group's leased premises and land following guidance presented in Note 2.16 and relevant regulations.

This provision is measured at the present value of expenditures estimated to settle the dismantling and restoration obligation at the end of the lease term. The increase in the provision due to passage of time is recognised as a financial expense in the reporting year.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.19 Capital and reserves**

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

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

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

2.20 Appropriation of profit

The Group's dividends are recognised as a liability in the Group's interim consolidated financial statements or upon the dividend declaration of the Board of Directors which is approved by the 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.

The Group's funds are as below:

(a) Investment and development fund

Investment and development fund is appropriated from the Group'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 Group.

(b) Bonus and welfare fund

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

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

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

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group 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 Group; 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.21 Revenue recognition (continued)****(a) Revenue from sales of goods (continued)**

Revenue is recognised in accordance with the “substance over form” principle and allocated to each sales obligation. In cases where the Group gives promotional goods to customers associated with their purchases, the Group 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 consolidated income statement.

(b) Revenue from rendering of services

Revenue from rendering of services is recognised in the consolidated income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Revenue from the rendering of services is only recognised when all four (4) of the following conditions are satisfied:

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

(c) Interest income

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

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

(d) Dividend income

Income from dividends is recognised when the Group has established receiving rights from investees.

2.22 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 interim consolidated balance sheet date but before the issuance of the interim consolidated financial statements are recorded as a deduction from the revenue of the period.

2.23 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.24 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.

2.25 Selling expenses

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

2.26 General and administration expenses

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

2.27 Current and deferred income tax

Income tax include all income tax which are based on taxable profits. Income tax expense comprises current income tax expense and deferred income tax expense.

Current income tax is the amount of income taxes payable or recoverable in respect of the current year taxable profits at the current year tax rates. Current and deferred tax 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 consolidated balance sheet date.

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

2.27 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Group, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group, key management personnel, including the Board of Directors, the Chief Executive Officer and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering the related party relationship, the Group considers the substance of the relationships not merely the legal form.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.28 Segment reporting**

A segment is a component which can be separated by the Group engaged in providing products or services (“business segment”), or providing products or services within a particular economic environment (“geographical segment”). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment is the Group’s business segment or the Group’s geographical segment.

Segment reporting is prepared and presented in accordance with accounting policies applied to the preparation and presentation of the Group’s interim consolidated financial statements in order to help users of interim consolidated financial statements understand and evaluate the Group’s operations in a comprehensive way.

2.29 Critical accounting estimates

The preparation of interim consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim consolidated financial statements requires the Chief Executive Officer to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the interim consolidated financial statements and the reported amounts of revenues and expenses during the period.

The areas involving significant estimates and assumptions are as follows:

- Estimation of provision for decline in value of inventories (Note 2.8),
- Estimation of provision for long-term investments (Note 2.9),
- Estimated useful life of fixed assets (Note 2.10), and
- Estimation of provision for long-term liabilities (Note 2.16, 2.17).

Such estimates and assumptions are continually evaluated. They are based on historical experiences and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

3 CASH AND CASH EQUIVALENTS

	Closing balance VND	Opening balance VND
Cash on hand	880,169,049	700,945,947
Cash at bank	333,321,567,728	404,667,179,677
Cash equivalents (*)	27,000,000,000	-
	<u>361,201,736,777</u>	<u>405,368,125,624</u>

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

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4 FINANCIAL INVESTMENTS

(a) Investments held to maturity

	Closing balance		Opening balance	
	Cost VND	Book value VND	Cost VND	Book value VND
Term deposits (*)	<u>261,950,000,000</u>	<u>261,950,000,000</u>	<u>359,670,000,000</u>	<u>359,670,000,000</u>

(*) Representing term deposits at banks with maturity from over 3 months to 12 months and earning interest at fixed interest rates in Vietnamese Dong.

(b) Investments in other entities

	Closing balance				Opening balance			
	Cost Book value VND	Fair value VND	Provision VND	Ownership percentage %	Cost Book value VND	Fair value VND	Provision VND	Ownership percentage %
i) Investments in associate								
Pega Holdings Joint Stock Company	<u>25,000,000,000</u>	(*)	<u>-</u>	25	<u>25,000,000,000</u>	(*)	<u>-</u>	25
ii) Investments in other entities								
Kinh Do Land Corporation	25,000,000,000	(*)	-	2.00	25,000,000,000	(*)	-	2.00
Saigon Securities Investment Fund A2	3,565,000,000	(*)	(3,565,000,000)	-	3,565,000,000	(*)	(3,565,000,000)	-
Brilliant Chip Joint Stock Company	1,520,000,000	(*)	(286,976,000)	1.89	1,520,000,000	(*)	(396,416,000)	1.89
Printing No.7 Joint Stock Company	600,000,000	(*)	-	2.50	600,000,000	(*)	-	2.50
Soundio Technology Joint Stock Company	7,000,000,000	(*)	-	-	7,000,000,000	(*)	-	-
	<u>37,685,000,000</u>		<u>(3,851,976,000)</u>		<u>37,685,000,000</u>		<u>(3,961,416,000)</u>	

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

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	Closing balance VND	Opening balance VND
SQI Group Int'l. Corp.	75,776,992,989	37,446,118,215
Others	612,862,766,979	299,551,348,670
	<u>688,639,759,968</u>	<u>336,997,466,885</u>

As at end of period and beginning of period, short-term receivables from customers that were past due are VND39,703,907,308 and VND49,717,753,511, respectively (Note 8).

As at end of period and beginning of period, short-term trade receivables of USD3,900,000 were pledged with banks as collateral or mortgaged assets for short-term borrowings granted to the Group (Note 18).

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	Closing balance VND	Opening balance VND
Zhejiang Dongchuang Imp & Exp Co., Ltd.	2,705,210,813	-
Cuong Thinh Trading Engineering Construction Company Limited	2,630,145,667	1,620,000,000
Catiga Trading Co., Ltd.	2,321,831,003	4,070,524,244
Others	13,312,192,313	23,502,871,802
	<u>20,969,379,796</u>	<u>29,193,396,046</u>

7 OTHER SHORT-TERM RECEIVABLES

	Closing balance		Opening balance	
	Book value VND	Provision VND	Book value VND	Provision VND
Deposits	12,539,203,700	-	495,329,600	-
Interest receivables	7,772,513,347	-	6,292,737,921	-
Advances to employees	1,479,714,759	-	816,805,520	-
Others	2,065,308,877	-	2,488,200,201	-
	<u>23,856,740,683</u>	<u>-</u>	<u>10,093,073,242</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.

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8 DOUBFUL DEBTS

	Closing balance			Opening balance		
	Cost VND	Recoverable amount VND	Provision VND	Cost VND	Recoverable amount VND	Provision VND
Nguyen Hue Bookstore	14,383,641,485	14,038,449,189	(345,192,296)	14,454,408,438	13,888,571,357	(565,837,081)
Xuan Thu Bookstore	11,935,523,399	11,279,550,284	(655,973,115)	11,476,011,167	11,072,503,714	(403,507,453)
MM Mega Market (Vietnam) Company Limited	1,753,989,596	-	(1,753,989,596)	1,753,989,596	-	(1,753,989,596)
Branch of Apax English Joint Stock Company	792,325,065	-	(792,325,065)	792,325,065	-	(792,325,065)
Nhan Van Bookstore	171,146,303	7,437,003	(163,709,300)	242,449,799	49,763,213	(192,686,586)
Others	10,667,281,460	8,790,669,294	(1,876,612,166)	20,998,569,446	18,436,604,055	(2,561,965,391)
	<u>39,703,907,308</u>	<u>34,116,105,770</u>	<u>(5,587,801,538)</u>	<u>49,717,753,511</u>	<u>43,447,442,339</u>	<u>(6,270,311,172)</u>

9 INVENTORIES

	Closing balance		Opening balance	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	31,678,785,952	-	52,264,656,817	-
Raw materials	336,170,140,041	(5,235,186,408)	347,553,933,667	(1,505,680,549)
Tools and supplies	10,353,225,807	(1,744,314,775)	9,470,104,739	(1,558,810,389)
Work in progress	74,855,595,443	(2,537,839,831)	67,529,975,600	(2,231,291,946)
Finished goods	196,554,476,859	(3,279,829,206)	278,584,730,221	(4,351,307,503)
Merchandise	204,321,087,275	(7,030,513,951)	175,353,547,571	(6,969,404,471)
	<u>853,933,311,377</u>	<u>(19,827,684,171)</u>	<u>930,756,948,615</u>	<u>(16,616,494,858)</u>

At end and the beginning of the period, a portion of inventory was pledged as mortgaged assets for short-term borrowings from banks (Note 18).

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

	Current period VND	Previous period VND
Opening balance	(16,616,494,858)	(11,126,895,639)
Addition (Note 29)	(10,118,545,271)	(3,934,091,961)
Reversal (Note 29)	6,907,355,958	4,800,910,965
Closing balance	<u>(19,827,684,171)</u>	<u>(10,260,076,635)</u>

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10 PREPAID EXPENSES

(a) Short-term

	Closing balance VND	Opening balance VND
Advertising and marketing expenses	5,247,121,778	11,650,131,602
Health and asset insurance	2,721,589,147	1,571,471,561
SAP maintenance expense	941,464,596	-
Tools and supplies	897,233,540	1,687,247,790
Others	5,069,884,211	3,961,845,401
	<u>14,877,293,272</u>	<u>18,870,696,354</u>

(b) Long-term

	Closing balance VND	Opening balance VND
Tools and supplies	17,312,795,353	24,029,357,881
Land rental (*)	9,744,994,951	9,909,699,091
Expenses for site clearance, restoration and return (**)	9,490,060,600	9,650,909,086
Others	11,522,966,883	13,099,126,233
	<u>48,070,817,787</u>	<u>56,689,092,291</u>

(*) Representing balance of prepaid land rental which has not been allocated under the land lease contract as presented in Note 2.12.

(**) The Group has offices and factories built on leased land. Under the Land Lease Agreement, the Group has an obligation to restore and return the premises to the original state at the end of the lease term. Accordingly, the Group has estimated its liability (Note 20) and amortised it to expenses over the remaining land lease term.

Movements in prepaid expenses during the period are as follows:

	Current period VND	Previous period VND
Opening balance	75,559,788,645	77,768,089,589
Increase	29,635,948,214	34,629,469,799
Transferred from construction in progress (Note 12)	197,654,557	529,456,067
Transferred from inventories	3,285,590,394	1,591,760,021
Transferred from fixed assets	-	24,700,000
Allocation	(45,566,011,375)	(42,302,757,530)
Disposals	(164,859,376)	(91,609,065)
	<u>62,948,111,059</u>	<u>72,149,108,881</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	Molds and other fixed assets VND	Total VND
Historical cost						
Opening balance	223,622,792,962	630,510,100,960	49,325,404,625	31,475,220,933	199,488,030,756	1,134,421,550,236
New purchases	-	16,857,241,870	1,000,327,273	2,061,572,026	4,541,234,233	24,460,375,402
Transfers from construction in progress (Note 12)	97,621,021,075	21,021,476,880	-	72,280,000	2,097,716,885	120,812,494,840
Disposals	-	(4,725,239,856)	(5,887,537,029)	(239,182,000)	(507,049,529)	(11,359,008,414)
Closing balance	<u>321,243,814,037</u>	<u>663,663,579,854</u>	<u>44,438,194,869</u>	<u>33,369,890,959</u>	<u>205,619,932,345</u>	<u>1,268,335,412,064</u>
Accumulated depreciation						
Opening balance	98,382,146,138	370,163,418,381	40,597,822,781	18,485,253,051	153,087,708,718	680,716,349,069
Charge for the period	7,229,687,536	21,289,146,512	1,753,381,025	1,872,578,014	9,379,720,788	41,524,513,875
Disposals	-	(1,421,371,997)	(5,386,231,362)	(235,015,337)	(100,391,295)	(7,143,009,991)
Closing balance	<u>105,611,833,674</u>	<u>390,031,192,896</u>	<u>36,964,972,444</u>	<u>20,122,815,728</u>	<u>162,367,038,211</u>	<u>715,097,852,953</u>
Net book value						
Opening balance	<u>125,240,646,824</u>	<u>260,346,682,579</u>	<u>8,727,581,844</u>	<u>12,989,967,882</u>	<u>46,400,322,038</u>	<u>453,705,201,167</u>
Closing balance	<u>215,631,980,363</u>	<u>273,632,386,958</u>	<u>7,473,222,425</u>	<u>13,247,075,231</u>	<u>43,252,894,134</u>	<u>553,237,559,111</u>

As at end of period, the historical cost of tangible assets of the Group which were fully depreciated but still in use was VND333,987,768,482 (as at beginning of period: VND328,131,848,001).

As at end of period, tangible fixed assets of the Group with a carrying value of VND119,794,273,842 (as at beginning of period: VND25,971,645,993) were used as mortgaged assets for short-term and long-term borrowings from banks (Note 18).

11 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Land use rights VND	Computer software VND	Copyright, patents VND	Total VND
Historical cost				
Opening balance	16,047,625,000	59,076,341,251	367,000,000	75,490,966,251
New purchases	-	1,841,542,900	-	1,841,542,900
Transfers from construction in progress (Note 12)	-	1,600,000,000	-	1,600,000,000
Closing balance	<u>16,047,625,000</u>	<u>62,517,884,151</u>	<u>367,000,000</u>	<u>78,932,509,151</u>
Accumulated amortisation				
Opening balance	1,175,864,496	49,303,505,635	367,000,000	50,846,370,131
Charge for the period	-	1,650,065,015	-	1,650,065,015
Closing balance	<u>1,175,864,496</u>	<u>50,953,570,650</u>	<u>367,000,000</u>	<u>52,496,435,146</u>
Net book value				
Opening balance	14,871,760,504	9,772,835,616	-	24,644,596,120
Closing balance	<u>14,871,760,504</u>	<u>11,564,313,501</u>	<u>-</u>	<u>26,436,074,005</u>

As at end of period, the historical cost of intangible assets of the Group which were fully amortised but still in use was VND45,782,093,097 (as at beginning of period: VND43,960,215,097).

12 CONSTRUCTION IN PROGRESS

	Closing balance VND	Opening balance VND
Moulds under installation	9,492,385,191	5,633,692,748
Equipment under installation	5,606,686,298	7,750,659,795
Construction in progress	5,228,674,900	89,431,518,676
	<u>20,327,746,389</u>	<u>102,815,871,219</u>

12 CONSTRUCTION IN PROGRESS (continued)

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

	Current period VND	Previous period VND
Opening balance	102,815,871,219	19,040,558,603
Increase in the period	40,350,706,090	38,600,121,678
Transfers to fixed assets (Note 11)	(122,412,494,840)	(16,828,838,680)
Transfers to prepaid expenses (Note 10)	(197,654,557)	(529,456,067)
Disposals	(228,681,523)	-
Closing balance	<u>20,327,746,389</u>	<u>40,282,385,534</u>

13 SHORT-TERM TRADE ACCOUNTS PAYABLE

	Closing balance		Opening balance	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Toyo Machinery & Metal Co., Ltd.	16,455,260,250	16,455,260,250	-	-
Others	192,736,785,439	192,736,785,439	260,162,035,465	260,162,035,465
	<u>209,192,045,689</u>	<u>209,192,045,689</u>	<u>260,162,035,465</u>	<u>260,162,035,465</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 SHORT-TERM ADVANCES FROM CUSTOMERS

	Closing balance VND	Opening balance VND
Idea Plus Co., Ltd.	1,360,875,043	466,347,504
Cybertronics (HK) Ltd.	464,932,635	-
Like Link Co., Ltd.	-	1,007,050,478
Others	1,542,492,724	2,906,202,548
	<u>3,368,300,402</u>	<u>4,379,600,530</u>

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15 TAX AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE

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

	Opening balance VND	Receivable/payable during the period VND	Payment during the period VND	Reclassification VND	Closing balance VND
(a) Tax receivables					
VAT to be reclaimed	58,087,118,106	25,322,680,774	-	-	83,409,798,880
CIT	7,021,119,367	-	-	(3,855,658,270)	3,165,461,097
	<u>65,108,237,473</u>	<u>25,322,680,774</u>	<u>-</u>	<u>(3,855,658,270)</u>	<u>86,575,259,977</u>
(b) Tax payables					
VAT	6,418,585,401	117,242,574,401	(101,107,095,516)	-	22,554,064,286
CIT	15,726,204,267	67,981,695,910	(20,631,594,019)	(3,855,658,270)	59,220,647,888
Personal income tax	2,680,829,554	33,032,115,099	(33,002,535,809)	-	2,710,408,844
Import - export duties	23,813,002	8,434,113,227	(8,457,926,229)	-	-
Others	213,830,410	1,799,248,046	(1,757,474,984)	-	255,603,472
	<u>25,063,262,634</u>	<u>228,489,746,683</u>	<u>(164,956,626,557)</u>	<u>(3,855,658,270)</u>	<u>84,740,724,490</u>

16 SHORT-TERM ACCRUED EXPENSES

	Closing balance VND	Opening balance VND
13th month salary and performance bonus	38,864,876,848	106,606,825,799
Advertising and marketing	20,398,411,653	16,012,023,924
Interest expense	489,481,385	414,037,396
Others	14,667,206,662	11,361,396,427
	<u>74,419,976,548</u>	<u>134,394,283,546</u>

17 OTHER SHORT-TERM PAYABLES

	Closing balance VND	Opening balance VND
Dividend payable	155,600,071,500	116,702,845,000
Union fees	4,466,949,539	2,692,458,575
Remuneration of the Board of Directors and Board of Supervisors	3,764,304,000	3,764,304,000
LC payables	2,077,508,701	47,349,839,598
Others	3,913,151,439	1,416,505,485
	<u>169,821,985,179</u>	<u>171,925,952,658</u>

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

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18 BORROWINGS

(a) Short-term

	Opening balance		During the period		Closing balance	
	Amount VND	Able-to-pay amount VND	Increase VND	Decrease VND	Amount VND	Able-to-pay amount VND
Short-term						
Joint Stock Commercial Bank for Investment and Development of Vietnam - Western Saigon Branch (i)	31,837,984,823	31,837,984,823	106,017,649,560	(130,533,101,823)	7,322,532,560	7,322,532,560
Vietnam Joint Stock Commercial Bank for Industry and Trade - Western Saigon Branch (ii)	21,414,202,964	21,414,202,964	98,420,157,449	(94,978,307,424)	24,856,052,989	24,856,052,989
HSBC Bank (Vietnam) Limited (iii)	105,277,022,832	105,277,022,832	224,368,041,359	(160,837,976,628)	168,807,087,563	168,807,087,563
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh City Branch (iv)	-	-	22,930,109,934	-	22,930,109,934	22,930,109,934
The Siam Commercial Bank Public Company Limited - Ho Chi Minh Branch (v)	12,290,291,790	12,290,291,790	46,712,265,052	(12,290,291,790)	46,712,265,052	46,712,265,052
	<u>170,819,502,409</u>	<u>170,819,502,409</u>	<u>498,448,223,354</u>	<u>(398,639,677,665)</u>	<u>270,628,048,098</u>	<u>270,628,048,098</u>
Current portion of long-term borrowings						
HSBC Bank (Vietnam) Limited (*)	12,065,620,491	12,065,620,491	18,067,264,114	(5,169,230,757)	24,963,653,848	24,963,653,848
	<u>182,885,122,900</u>	<u>182,885,122,900</u>	<u>516,515,487,468</u>	<u>(403,808,908,422)</u>	<u>295,591,701,946</u>	<u>295,591,701,946</u>

(b) Long-term

	Opening balance		During the period		Closing balance	
	Amount VND	Able-to-pay amount VND	Increase VND	Decrease VND	Amount VND	Able-to-pay amount VND
HSBC Bank (Vietnam) Limited (*) (vi)	58,212,468,906	58,212,468,906	32,929,308,514	(18,067,264,114)	73,074,513,306	73,074,513,306
Others	5,401,000,000	5,401,000,000	520,800,000	-	5,921,800,000	5,921,800,000
	<u>63,613,468,906</u>	<u>63,613,468,906</u>	<u>33,450,108,514</u>	<u>(18,067,264,114)</u>	<u>78,996,313,306</u>	<u>78,996,313,306</u>

18 BORROWINGS (continued)

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

	Closing balance VND	Opening balance VND
Original debt balance	103,959,967,154	75,679,089,397
Current portion	(24,963,653,848)	(12,065,620,491)
	<u>78,996,313,306</u>	<u>63,613,468,906</u>

- (i) Representing short-term loans from 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 Group used machineries and equipment as collateral assets for these loans (Note 11(a)).
- (ii) Representing short-term loans from 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 Group used inventories as collateral assets for these loans (Note 9).
- (iii) Representing short-term loans from HSBC Bank (Vietnam) Limited for the purpose of supplementing working capital. The loans have terms and interest rates specified in each disbursement. The Group used inventories, buildings and structures as collateral assets for these loans (Note 9 and 11 (a)).
- (iv) Representing short-term loans from Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh City Branch for the purpose of supplementing working capital. The loans have terms and interest rates specified in each disbursement. The Group used inventories as collateral assets for these loans (Note 9).
- (v) Representing short-term loans from The Siam Commercial Bank Public Company Limited - Ho Chi Minh Branch for the purpose of supplementing working capital. The loans have terms and interest rates specified in each disbursement. The Group used short-term receivables to customers as collateral assets for these loans (Note 5).
- (vi) Representing long-term loans from HSBC Bank (Vietnam) Limited for the purpose of purchasing and installing fixed assets. The loans have terms and interest rates specified in each disbursement. The Group used machineries and equipment as collateral assets for these loans (Note 11(a)).

19 PROVISION FOR LONG-TERM LIABILITIES

	Closing balance VND	Opening balance VND
Provision for severance allowance	6,027,457,000	5,679,117,000
Provisions for site clearance, restoration and return (Note 10(b))	10,686,020,474	10,616,000,000
	<u>16,713,477,474</u>	<u>16,295,117,000</u>

20 DEFERRED INCOME TAX

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

	Closing balance VND	Opening balance VND
Deferred tax assets to be recovered	<u>25,508,737,858</u>	<u>26,795,330,055</u>

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
Beginning of period	26,795,330,055	10,097,861,097
Interim consolidated income statement charge (Note 35)	<u>(1,286,592,197)</u>	<u>(1,091,255,438)</u>
End of period	<u>25,508,737,858</u>	<u>9,006,605,659</u>

Details of deferred tax assets

	Closing balance VND	Opening balance VND
Unrealised profit of internal transactions	8,287,091,941	13,628,255,070
Temporary difference of provisions	5,709,981,299	5,111,292,414
Tax losses not yet utilised (*)	11,399,881,032	6,591,424,893
Temporary difference of accrued expenses	440,602,335	-
Unrealised exchange rate differences of cash and receivables denominated in foreign currency	<u>(328,818,749)</u>	<u>1,464,357,678</u>
	<u>25,508,737,858</u>	<u>26,795,330,055</u>

20 DEFERRED INCOME TAX (continued)**Details of deferred tax assets (continued)**

The Group used a tax rate of 20% in year 2023 (2022: 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.

- (*) The Group's tax losses can be carried forward to offset against future taxable profit for a maximum period of no more than five consecutive years from the year right after the year in which the loss was incurred. The actual amount of tax losses that can be carried forward is subject to review and approval of the tax authorities and may be different from the figures presented. The estimated amount of tax losses available for offset against the Group's future taxable profit are:

Year of tax loss	Status of tax authorities' review	Loss incurred VND	Loss utilised VND	Loss carried forward VND
2018	Outstanding	461,063,061	-	461,063,061
2019	Outstanding	2,695,902,850	-	2,695,902,850
2020	Finalised	10,895,749,855	(2,077,568,454)	8,818,181,401
2020	Outstanding	7,670,800,156	-	7,670,800,156
2021	Outstanding	18,103,581,266	-	18,103,581,266
2022	Outstanding	40,210,730,803	-	40,210,730,803
2023	Outstanding	29,906,601,042	-	29,906,601,042

The Group has recognised deferred income tax assets relating to tax losses of VND56,999,405,160. The remaining losses of VND50,867,455,419 have not been recognised deferred income tax assets as the possibility that the subsidiaries with these losses have future taxable profit which cannot be presently assessed as probable.

21 OWNERS' CAPITAL**(a) Number of shares**

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

(b) Details of owners' shareholding

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

(c) Movement of share capital

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

Par value per share: VND10,000.

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22 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Investment and development fund VND	Foreign exchange difference VND	Undistributed earnings VND	Non-controlling interests VND	Total VND
For the six-month period ended 30 June 2022							
Opening balance	777,944,530,000	361,633,483,771	228,691,572,556	(300,043,194)	457,608,904,144	-	1,825,578,447,277
Net profit for the period	-	-	-	-	300,166,146,904	-	300,166,146,904
Foreign exchange difference	-	-	-	1,392,346	-	-	1,392,346
Dividends declared from undistributed profit of 2021	-	-	-	-	(116,691,679,500)	-	(116,691,679,500)
Appropriation to investment and development fund	-	-	33,204,890,000	-	(33,204,890,000)	-	-
Appropriation to bonus and welfare fund	-	-	-	-	(27,670,741,000)	-	(27,670,741,000)
Remuneration for the Board of Directors and Board of Supervision	-	-	-	-	(5,682,484,816)	-	(5,682,484,816)
Closing balance	777,944,530,000	361,633,483,771	261,896,462,556	(298,650,848)	574,525,255,732	-	1,975,701,081,211
For the six-month period ended 30 June 2023							
Opening balance	777,944,530,000	361,633,483,771	261,896,462,556	526,982,987	554,720,805,316	1,149,492,192	1,957,871,756,822
Capital increase during the period	-	-	-	-	-	1,800,000,000	1,800,000,000
Net profit for the period	-	-	-	-	269,906,338,962	(1,671,245,796)	268,235,093,166
Foreign exchange difference	-	-	-	(1,086,225,477)	-	-	(1,086,225,477)
Dividends declared from undistributed profit of 2022 (i)	-	-	-	-	(38,897,226,500)	-	(38,897,226,500)
Dividends declared from undistributed profit of 2023 (i)	-	-	-	-	(116,691,679,500)	-	(116,691,679,500)
Appropriation to bonus and welfare fund (ii) (Note 25)	-	-	-	-	(40,137,089,000)	-	(40,137,089,000)
Bonus for exceeding the budgeted profit for the Board of Management and employees (iii) (Note 25)	-	-	-	-	(22,200,000,000)	-	(22,200,000,000)
Bonus for exceeding the budgeted profit for the Board of Directors (iii)	-	-	-	-	(2,000,000,000)	-	(2,000,000,000)
Remuneration for the Board of Directors and Board of Supervision (iv)	-	-	-	-	(4,263,183,207)	-	(4,263,183,207)
Closing balance	777,944,530,000	361,633,483,771	261,896,462,556	(559,242,490)	600,437,966,071	1,278,246,396	2,002,631,446,304

22 MOVEMENTS IN OWNERS' EQUITY (continued)

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

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

23 DIVIDENDS

Movements of dividend payables during the period are as follows:

	Current period VND	Previous period VND
Opening balance	116,702,845,000	38,938,653,000
Dividends payable during the period (Note 22)	155,588,906,000	116,691,679,500
Dividends paid in cash	(116,691,679,500)	(155,619,167,000)
Closing balance	<u>155,600,071,500</u>	<u>11,165,500</u>

24 BONUS AND WELFARE FUND

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

	Current period VND	Previous period VND
Opening balance	12,156,810,827	8,871,470,540
Appropriated (Note 22)	62,337,089,000	27,670,741,000
Utilised	(26,709,866,000)	(23,507,213,720)
Closing balance	<u>47,784,033,827</u>	<u>13,034,997,820</u>

25 EARNINGS PER SHARE**(a) Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit attributable to shareholders after deducting the bonus and welfare fund by the weighted average number of ordinary shares outstanding during the period, excluding ordinary shares repurchased by the Company and held as treasury shares. Details are as follows:

	Current period	Previous period
Net profit attributable to shareholders (VND)	269,906,338,962	300,166,146,904
Less amount appropriated to bonus and welfare fund (VND) (*)	(26,990,633,896)	(30,016,614,690)
	<u>242,915,705,066</u>	<u>270,149,532,214</u>
Weighted average number of ordinary shares in issue (shares)	77,794,453	77,794,453
Basic earnings per share (VND)	<u>3,123</u>	<u>3,473</u>

(*) Bonus and welfare fund had been appropriated at the estimated rate of 10 of consolidated profit after CIT in accordance with the Resolution No. 01/2023/NQ-DHDCD dated 27 April 2023 of the General Meeting of Shareholders.

(b) Diluted earnings per share

Diluted earnings per share is calculated by dividing the net profit attributable to shareholders, which already subtracted the bonus and welfare fund, by the weighted average number of ordinary shares outstanding during the period and the ordinary shares expected to be issued.

The Company did not have any ordinary shares potentially diluted during the period and up to the date of these interim consolidated financial statements.

26 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")	3,297,952	4,506,125
Euro ("EUR")	145,496	113,790
Chinese Renminbi ("RMB")	2,019	14,971
British Pound ("GBP")	1,898	1,906
Singapore Dollar ("SGD")	19,450	11,813
Thai Baht ("THB")	2,270	7,680
Japanese Yen ("JPY")	16,788,996	52,701,622
Australian Dollar ("AUD")	110	110
Korean Won ("KRW")	336,000	336,000
Taiwanese Dollar ("TWD")	12,570	12,570
Ringgit Malaysia ("MYR")	<u>1,602,747</u>	<u>1,790,717</u>

26 OFF BALANCE SHEET ITEMS (continued)**(b) Operating lease assets**

The future minimum lease payments under non-cancellable operating leases were presented in Note 39.

27 WRITE-OFF OF DOUBTFUL DEBTS

As at end of period and beginning of year, the Group has written off some doubtful debts. Detail are as follows:

	Balance VND
Thien Loc Trading Company Limited	219,103,729
Bach Ma Service - Trading Joint Stock Company	107,886,623
Tran Hieu Nghia One Member Company Limited	3,999,428
Go May Bookstore Business Household	24,094,403
Nhan Van Vinh Truong Joint Stock Company	9,384,969
Phuc Nhan Bookstore Business Household	52,063,917
Branch of Thien Hop Cultural Service and Trading Company	54,842,961
Tan Mai Bookstore	194,567,441
Vo Thanh Dao Business Household	29,748,099
Nhan Tri Book Private Enterprise	30,966,727
Hoa Mai Stationery Trading Company Limited	19,785,744
Thien An Printing Production Trading Service Company Limited	34,991,387
Pham Nguyen Co, Ltd.	50,462,208
Son Trang Technical and Trading Service Company Limited	40,425,000
Hoang Gia Project Group Joint Stock Company	25,161,101
Branch of Hoang Gia Project Group Joint Stock Company in Ca Mau	1,889,725
City Center for Disease Control of Hanoi	118,328,760
Vietnam Automobile Technology Joint Stock Company	14,922,450
Thanh Do Investment Development and Construction Joint Stock Company - Boutique Branch	12,091,540
Quy Hang Bookstore	31,484,618
Mabel Company Limited	31,198,726
FDI Korea Vietnam Venture Joint Stock Company	212,811,152
	<u>1,320,210,708</u>



28 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	Current period VND	Previous period VND
Revenue		
Revenue from sales of finished goods	1,616,959,130,229	1,446,391,208,703
Revenue from sales of merchandises	397,151,540,259	442,769,965,957
Revenue from rendering of services	44,648,772	52,681,546
	<u>2,014,155,319,260</u>	<u>1,889,213,856,206</u>
Sales deductions		
Finished good returns	(16,738,000,803)	(1,402,916,680)
Merchandise returns	(6,884,945,966)	(2,183,745,361)
Trade discounts	(2,673,273,268)	(4,080,455,339)
Sales deductions	(25,587,559)	-
	<u>(26,321,807,596)</u>	<u>(7,667,117,380)</u>
Net revenue from sales of goods		
Net revenue from sales of finished goods	1,597,547,856,158	1,440,907,836,684
Net revenue from sales of merchandises	390,241,006,734	440,586,220,596
Net revenue from rendering of services	44,648,772	52,681,546
	<u>1,987,833,511,664</u>	<u>1,881,546,738,826</u>

29 COST OF GOODS SOLD AND SERVICES RENDERED

	Current period VND	Previous period VND
Cost of finished goods and merchandises sold	1,116,021,612,403	1,058,495,930,331
Provision/(reversal of provision) for decline in value of inventories (Note 9)	3,211,189,313	(866,819,004)
	<u>1,119,232,801,716</u>	<u>1,057,629,111,327</u>

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30 FINANCIAL INCOME

	Current period VND	Previous period VND
Interest income from deposits	15,279,733,833	10,369,179,884
Realised foreign exchange gains	11,638,823,533	9,498,162,651
Dividend income	180,000,000	217,500,000
Net gain from foreign currency translation at period-end	3,879,790,042	2,891,929,634
	<u>30,978,347,408</u>	<u>22,976,772,169</u>

31 FINANCIAL EXPENSES

	Current period VND	Previous period VND
Interest expense	10,051,642,166	4,000,627,131
Realised foreign exchange losses	5,865,349,759	1,546,977,584
Reversal of provision for diminution in value of investments	(109,440,000)	(102,144,000)
Others	2,078,273,486	698,869,413
	<u>17,885,825,411</u>	<u>6,144,330,128</u>

32 SELLING EXPENSES

	Current period VND	Previous period VND
Staff costs	194,597,922,552	161,964,308,578
Marketing and trade fair expenses	96,155,438,561	84,581,662,259
Depreciation	4,907,572,453	2,403,502,019
Others	74,705,531,890	66,106,973,137
	<u>370,366,465,456</u>	<u>315,056,445,993</u>

33 GENERAL AND ADMINISTRATION EXPENSES

	Current period VND	Previous period VND
Staff costs	116,672,778,677	109,125,886,936
Outside services expenses	36,971,515,384	26,905,573,555
Depreciation and amortisation	9,087,851,881	8,774,335,116
Others	16,547,221,670	7,069,254,543
	<u>179,279,367,612</u>	<u>151,875,050,150</u>

34 NET OTHER INCOME

	Current period VND	Previous period VND
Other income		
Net gains on disposal of fixed assets	1,562,205,396	6,413,780
Rental income	165,858,000	-
Indemnity for damaged goods	128,672,470	646,164,107
Others	3,794,814,236	5,018,409,733
	<u>5,651,550,102</u>	<u>5,670,987,620</u>
Other expenses		
Others	(195,567,706)	-1,312,057,546
	<u>(195,567,706)</u>	<u>(1,312,057,546)</u>
Net other income	<u>5,455,982,396</u>	<u>4,358,930,074</u>

35 CORPORATE INCOME TAX (“CIT”)

The CIT on the Group'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	337,503,381,273	378,177,503,471
Adjustment:		
Non-taxable income	(180,000,000)	(217,500,000)
Non-deductible expenses	3,810,156,326	3,649,456,492
Temporary differences for which no deferred income tax asset has been recognised	(982,902,612)	(103,390,201)
Tax losses for which no deferred income tax asset was recognised	5,864,320,345	7,615,918,681
	<u>346,014,955,332</u>	<u>389,121,988,443</u>
Tax calculated at a rate of 20%	69,202,991,067	77,824,397,689
Adjustment for under/(over) accrued CIT in previous years	65,297,040	186,958,878
CIT charge (*)	<u>69,268,288,107</u>	<u>78,011,356,567</u>
Charged to interim consolidated income statement:		
CIT – current	67,981,695,910	76,920,101,129
CIT – deferred (Note 20)	1,286,592,197	1,091,255,438
	<u>69,268,288,107</u>	<u>78,011,356,567</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.

36 COSTS OF OPERATION BY FACTORS

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

	Current period VND	Previous period VND
Raw materials	584,442,738,494	608,329,516,914
Staff costs	451,043,377,632	392,328,956,839
Depreciation and amortisation	46,167,889,444	42,195,928,762
Outside service expenses	132,889,729,935	108,535,246,140
Others	133,684,361,667	110,120,712,111
	<u>1,348,228,097,172</u>	<u>1,261,510,360,766</u>

37 SEGMENT REPORTING

The Chief Executive Officer of the Group determines that the Chief Executive Officer's decisions of the Group are based primarily on the geographic areas in which the Group supplies products. As a result, the primary segment reporting of the Group is presented in respect of the Group's geographical segments.

	Current period VND	Previous period VND
Net revenue		
Net revenue from domestic sales	1,513,186,252,947	1,420,731,602,130
Net revenue from export sales	474,647,258,717	460,815,136,696
	<u>1,987,833,511,664</u>	<u>1,881,546,738,826</u>
Cost of goods sold		
Cost of goods sold - domestic	775,595,332,325	734,181,796,730
Cost of goods sold - export	343,637,469,391	323,447,314,597
	<u>1,119,232,801,716</u>	<u>1,057,629,111,327</u>
Gross profit from sales of goods		
Gross profit from sales of goods - domestic	737,590,920,622	686,549,805,400
Gross profit from sales of goods - export	131,009,789,326	137,367,822,099
	<u>868,600,709,948</u>	<u>823,917,627,499</u>

38 RELATED PARTY DISCLOSURES

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

During the period, the Group has balances and transactions with a related party as follows:

Related party	Relationship
Thien Long An Think Investment Corporation	Major shareholder

(a) Related party transactions

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

	Current period VND	Previous period VND
i) Dividends declared		
Thien Long An Think Investment Corporation	<u>74,701,904,000</u>	<u>56,026,428,000</u>
ii) Compensation of key management		
Gross salaries and other benefits	<u>6,148,850,000</u>	<u>8,065,426,000</u>

(b) Related party balance

	Closing balance VND	Opening balance VND
Other short-term payables (Note 17)		
Thien Long An Think Investment Corporation	<u>74,701,904,000</u>	<u>56,026,428,000</u>

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39 COMMITMENTS UNDER OPERATING LEASES

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

	Office		Warehouse		Total	
	Closing balance VND	Opening balance VND	Closing balance VND	Opening balance VND	Closing balance VND	Opening balance VND
Within one year	12,599,144,582	13,240,622,587	29,468,205,258	25,200,816,334	42,067,349,840	38,441,438,921
Between one and five years	27,702,759,101	35,853,742,252	75,223,033,069	71,435,759,406	102,925,792,170	107,289,501,658
Over five years	-	-	570,800,000	-	570,800,000	-
Total	40,301,903,683	49,094,364,839	105,262,038,327	96,636,575,740	145,563,942,010	145,730,940,579

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



Dao Xuan Nam
Preparer



Nguyen Ngoc Nhon
Chief Accountant



Tran Phuong Nga
Chief Executive Officer