

TNG

FLEXIBLE CHANGE





COMMITMENT TO HONESTY AND REASONABLENESS OF THE REPORT

With the commitment to the honesty and reasonableness of the 2020 Annual Report (January 1st, 2020 - December 31st, 2020), the Internal Audit Department of TNG Investment and Trading Joint Stock Company is responsible for ensuring that the critical risks are managed and controlled, minimizing risks in production and business activities, enhancing risk management, improving administration systems and processes, thereby helping the company to operate more productively and efficiently.

In the role and responsibilities of the Internal Audit Subcommittee, we are committed to:

The contents presented in the 2020 Annual Report (January 1st, 2020 - December 31st, 2020) meet the requirements of specific information disclosure as required by the Circular No. 155/2015/TT-BTC on the stock market. We see that the Company is striving towards good practices in the market as well as higher international standards such as:

- Corporate governance rules of the Organization for Economic Co-operation and Development (OECD)
- International standards for global sustainability reports (GRI)
- ASEAN Corporate Governance Scorecard
- Integrated report according to international standards (International Integrated Reporting Council - IIRC)

The Board of Leaders have established the implementation process and the Internal Audit Subcommittee has conducted control to ensure the rationality and accuracy of the indicators selected and presented in the 2020 Annual Report (January 1st, 2020 - December 31st, 2020)

The Internal Audit Subcommittee finds that the Company's 2020 Annual Report (January 1st, 2020 - December 31st, 2020) was presented honestly and reasonably, reflecting the information on production and business situation in the year with the aim of protecting the interests of Shareholders, Investors and Stakeholders.

DEPUTY CHAIRMAN OF BOD

NGUYEN VAN DUC





2020 has been a turbulent year. Promoting the available success, TNG is consistent with the goal of becoming Vietnam's leading export garment enterprise, step by step bringing the Vietnam's textile and garment brand to the global market. With the efforts of the labour collectives, the acumen in orientation and the implementation of specific strategies in accordance with the actual situation, TNG has gained many great achievements.

TNG's 2020 Annual Report selects the topic of "Flexible change" together with the images of people, factories and business activities to send the message of solidarity, constantly striving to promote the fundamental strength to continue developing, expanding and elevating TNG brand. In 2020, TNG developed a specific and suitable roadmap for each period, in which garment remained the main role, step by step investing in new business sectors which directly serve the laundry, packaging, printing, embroidery, etc.

TNG has concretized the development of export markets, gradually increasing in the percentage of domestic sales and expanding business and production activities by investing to enlarge garment factories in the province. Besides, adapting to the constant changes in the international textile and garment market, TNG has researched and applied new advanced techniques in production. TNG also aims to and is committed to green development for the environment that will be reported in more detailed in our 2020 Sustainable Development Report. We hope to receive sincere comments from Shareholders, Investors, TNG's employees and readers for more complete reporting in the future.

Sincerely!

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ABBREVIATIONS	
TNG	TNG Investment & Trading Joint Stock Company
Company	TNG Investment & Trading Joint Stock Company
BOD	Board of Directors
BOM	Board of Management
OSH	Occupational safety and health



VISION - MISSION - CORE VALUES COMMITMENT OF TNG



VISION

- A Public Company in TOP most transparent, best management and most sustainable businesses.
- A manufacturing and retailing company in both domestic and international markets with the revenue ranked in the TOP billion-dollar businesses.



MISSION

- Take all responsibility for all products supplied to consumers.
- Bring happiness to employees, customers and residential communities.



CORE VALUES

- **Responsibilities:** Comply with the business ethics at work, ensure all regimes and benefits of employees in accordance with the provisions of laws.
- **Working environment:** A good place to devote and work.
- **Green future development:** For a green TNG, we focus on all activities related to the livelihood of the employees and local communities and follow the motto: "Economic development coupled with environmental protection".
- **Sustainable development:** We undertake to ensure the multi-dimensional long-term benefits while working with our customers and stakeholders.



COMMITMENT OF TNG

Customer

- Provide qualified products to customers.
- Have good quality, competitive price and on-time delivery.
- Protect the customers' rights on product and trademark.
- Ensure prestige and respect to customers
- Commit to production time and capacity with customers.
- Commit to delivery time.
- Commit to anti-corruption, anti-bribery in production and business.

Shareholder

- Have public, transparent, fair information related to business activities.
- Maximize values and benefits for shareholders.
- Ensure sustainable development, effective business and prestige in the market.
- Enhance the spirit of joint development cooperation.

Community

- Harmonize business interests with social benefits.
- Participate in community activities, social security.
- Couple production with environmental protection.
- Have responsibility with the community.

Employees

- Not violate the rights as prescribed by law when working at TNG
- Guarantee all rights of employees working at TNG under the Labour Code.



MESSAGE FROM THE CHAIRMAN



BEING IN THE TOP 10 SUSTAINABLE DEVELOPMENT ENTERPRISES FOR 5 YEARS IN A ROW, TNG HAS AFFIRMED THE RIGHT DIRECTION, SUITABLE TO THE TREND OF SUSTAINABLE ECONOMIC GROWTH WHEN THE COMPANY ALWAYS AIMS TO CREATE PRODUCTS AND SERVICES FOR COMMUNITY BENEFITS AND ENVIRONMENTAL FRIENDLINESS.

DEAR SHAREHOLDERS, INVESTORS AND STAKEHOLDERS,

2020 has been a difficult and challenging year due to the severe effects of the global COVID-19 pandemic. However, “Fire proves gold, adversity proves men”, from the difficulties, TNG has increasingly developed and showed its flexible adaptability. Not only steadily going through the pandemic, TNG has also made a mark on the journey of sustainable development with new successes.

While a lot of enterprises have to narrow production and business and cut staff, TNG has flexibly “Turned challenges into opportunities” and once again affirmed its right direction by creating new products and services towards a healthy and happy community. This not only helps TNG ensure income and employment for more than 15,000 employees, contributes to the Government and localities in pandemic prevention, but more importantly, has gained more trust from the customers, partners and community.

A year full of turbulence and challenges has ended to welcome the promising year 2021 with new achievements. Persisting with the core orientation of sustainable development and willing to innovate, TNG continues to pursue “circular economy thinking”, minimizing plastic waste, applying technology in management and production, aiming at a digital enterprise and digital economy, bringing the highest and long-term benefits to shareholders, investors, customers, employees and communities.

On behalf of TNG’s Board of Directors, I would like to express my sincere thanks to your support and companion during the last time. With your support and the right development strategy and high determination of the staff, TNG will steadily go forward on the journey of sustainable economic development, helping the TNG brand and Vietnam’s garment and textile increasingly reach out.

Sincerely yours!

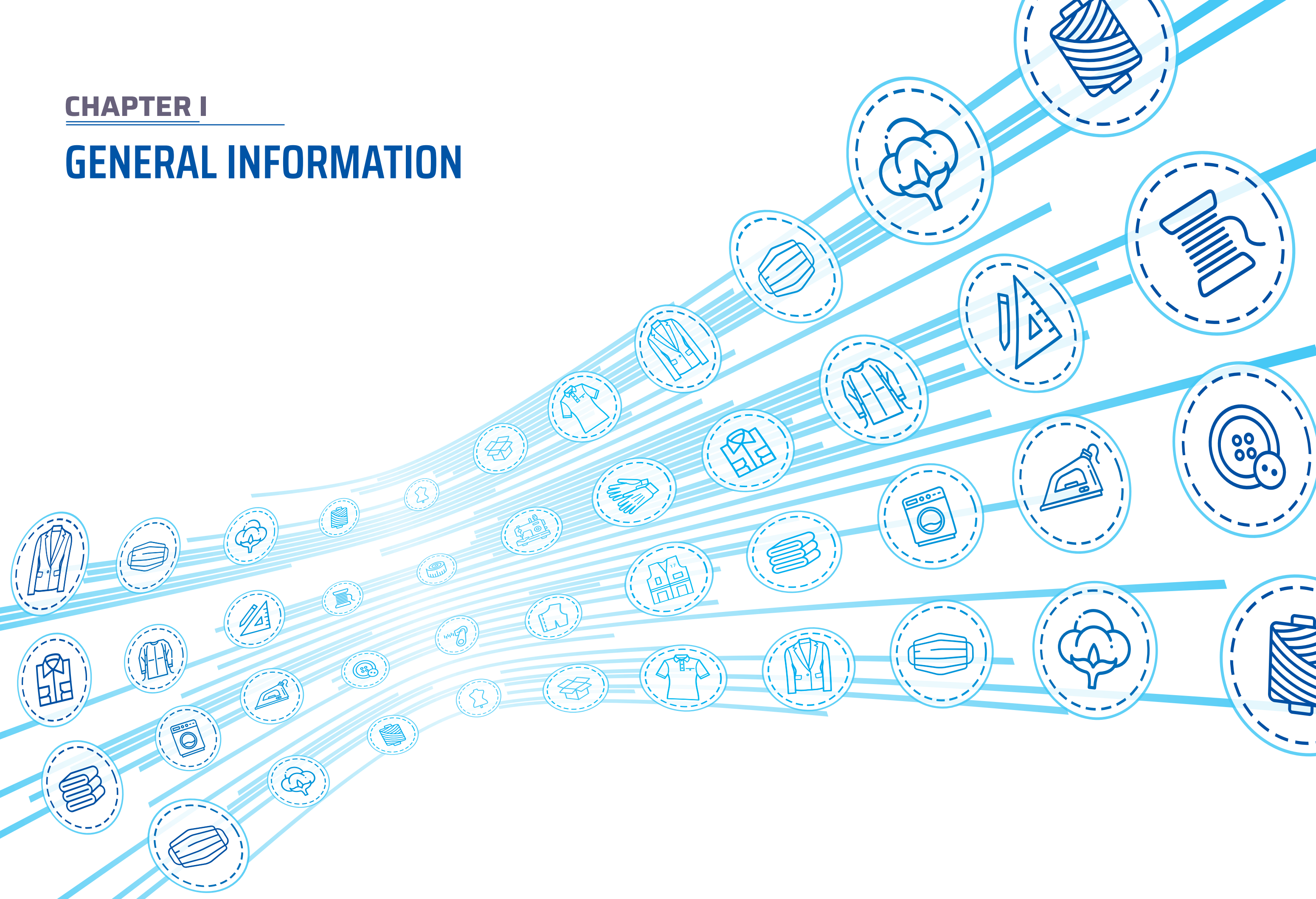
CHAIRMAN OF BOD

NGUYEN VAN THOI



CHAPTER I

GENERAL INFORMATION



TNG INTRODUCTION

Stock code : TNG

Company name : CÔNG TY CỔ PHẦN ĐẦU TƯ VÀ THƯƠNG MẠI TNG

International business name : TNG INVESTMENT AND TRADING JOINT STOCK COMPANY

Charter capital : **739,960,050,000 VND**

Business registration certificate and tax code : 4600305723 issued for the first time on January 2nd, 2003 by Thai Nguyen Authority for Planning and Investment, registered for the 31st amendment on September 30th, 2020.

Headquarters : No 434/1 Bac Kan Street, Hoang Van Thu Ward, Thai Nguyen City, Thai Nguyen Province

Tel : 02083.858.508

Email : info@tng.vn

Website : <http://tng.vn>, <http://tngfashion.vn>, <http://www.tngvillage.vn>





COMPANY HISTORY

1979

From 1979 to 2003: Period of State-owned enterprise.

November 22nd, 1979: Bac Thai Garment Enterprise, established under the Decision No. 488/QD-UB by Bac Thai People's Committee with 02 production lines supported by the German Democratic Republic..

1997

November 04th, 1997: The enterprise was renamed as Thai Nguyen Garment Company under the Decision No. 676/QD-UB by Thai Nguyen People's Committee.

Joint venture with Duc Giang Garment Company of Vietnam National Textile and Garment Corporation to establish Viet Thai Joint Venture Garment Company.

2003

From 2003 to 2007: In the post-equitization stage, the Company was preparing to list on the stock exchange.

The Company changed its name into Thai Nguyen Garment Export Joint Stock Company.

2006

The Company started constructing TNG Song Cong Factory.



2008

From 2008 to 2018: Investing in technology for brand affirmation and development.

This was the period of strong innovation when TNG invested in automation technology to develop and affirm its brand. TNG focused on deploying ERP system in all production and business activities and improved all factories in accordance with green factory model.

2007

The Company changed its name into TNG Investment and Trading Joint Stock Company.

TNG stocks were listed on Hanoi Stock Exchange with stock code TNG.

2016

The Company inaugurated and put into operation TNG Fashion Design Center and head office of the Company.

2013

The Company started constructing TNG Dai Tu factory.



2010

The Company started constructing TNG Phu Binh factory.

2020

2021-2025 period: Improving corporate governance and developing digitally-oriented sustainable business.

Putting TNG Vo Nhai Factory - Phase 1 (including 16 sewing lines) into operation. The project is constructed in a land area of 10 hectares located at Cay Bong Hamlet, La Hien Commune with total investment capital up to VND290 billion, consisting of 2 garment factories with area of 27,000 m² in total, shift-based cafeterias, office area, auxiliary buildings and parking lots. The project is designed with total scale of 32 sewing lines, providing more than 2,000 jobs for local workers.

2018

The Company started constructing TNG Village commercial building.

The Company acquired DG Garment Factory, changed its name into TNG Dong Hy Garment Branch and invested in increasing the factory capacity to 35 production lines.

The Company successfully issued convertible bonds of VND 200 billion to foreign investors.

The project **"Research and application of non-thread sewing technology on shirt products"** was approved by Thai Nguyen People's Committee, and issued Copyright registration certificate No. 2773/2008/QTG dated June 4th, 2018 by the Copyright Office of Vietnam.

2019

TNG officially expanded its business to real estate sector by launching TNG Village apartment building project in October 2019. TNG Village was built for the purpose of "happiness for employees". The project is a part of utility project series that is developed by TNG with the desire to improve the living quality for employees.

PRINCIPAL BUSINESS ACTIVITIES BUSINESS AND MANUFACTURE NETWORK



WITH THE SLOGAN “TNG - MY CHOICE”, TNG AIMS AT BEAUTIFUL GARMENTS AND PRODUCT QUALITY.

- TNG is an export garment enterprise. Its key products include cotton jackets, feather jackets, seamless clothing, all types of shorts, skirts, children’s wearsuit, felt clothing, knitwear; cotton sheets, stitching cotton, industrial embroidery, carton boxes, all types of PE bags, industrial laundry.
- Domestic products under TNG trademark: TNG is in the process of penetrating the domestic market. Every year, TNG launches unique collections with various colour and style that catch up with fashion trends in the world.



Business and manufacturing network

VIET DUC GARMENT FACTORY

- Established in 1979
- Address: No 166 Minh Cau Street, Thai Nguyen City, Thai Nguyen Province

VIET THAI GARMENT FACTORY

- Established in 1979
- Address: No 221 Thong Nhat Street, Thai Nguyen City, Thai Nguyen Province

SONG CONG GARMENT FACTORY 1, 2, 3

- Established in 2006
- Address: Song Cong Industrial Park, Song Cong City, Thai Nguyen Province

PHU BINH GARMENT FACTORY 1, 2, 3, 4

- Established in 2010
- Address: Kha Son Commune, Phu Binh District, Thai Nguyen Province

DAI TU GARMENT FACTORY

- Established in 2015
- Address: Tien Hoi Commune, Dai Tu District, Thai Nguyen Province

DONG HY GARMENT FACTORY

- Established in 2018
- Address: Ngoi Cheo Hamlet, Nam Hoa Commune, Dong Hy District, Thai Nguyen Province

AUXILIARY FACTORIES (Packaging factory, Cotton factory)

- Established in 2006
- Address: Zone B, Song Cong Industrial Park, Song Cong City, Thai Nguyen Province

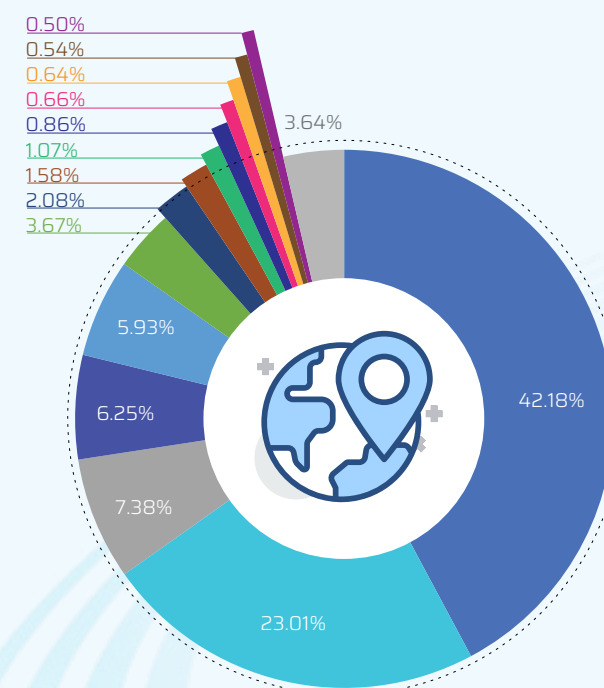
FASHION DESIGN CENTER

- Established in 2016
- Address: No 434/1, Bac Kan Street, Hoang Van Thu Ward, Thai Nguyen City, Thai Nguyen Province
- As the heart of the fashion division, the fashion centre is home to thousands of shops for stylish workwear across cities and provinces of the country.

ASSOCIATED COMPANIES

BAC THAI ELECTRICAL CONSTRUCTION JOINT STOCK COMPANY

Address: Hoang Van Thu Ward, Thai Nguyen City, Thai Nguyen Province



TNG'S MAJOR EXPORT MARKETS

- America
- France
- Canada
- Germany
- Russia
- Netherlands
- China
- Turkey
- Korea
- India
- Japan
- Spain
- Czech
- Malaysia
- Other



JOINT VENTURES AND ASSOCIATES



TNG'S HEADQUARTERS IS AT NO 434/1, BAC KAN STREET, THAI NGUYEN CITY; HAS 11 EXPORT GARMENT FACTORIES IN THAI NGUYEN PROVINCE AREA, 01 DOMESTIC FASHION GARMENT FACTORY, 02 AUXILIARY FACTORIES, 01 REPRESENTATIVE OFFICE IN NEW YORK - THE UNITED STATES AND 32 FASHION STORES ARE OPERATING ACROSS THE COUNTRY.

ACCOUNTING FACTORIES UNDER TNG



VIET DUC GARMENT FACTORY

Established in 1979
Address: No 160 Minh Cau Street, Thai Nguyen City, Thai Nguyen Province
Factory area: 9,847 m²
Production line: 25
Employees: 1,350 persons
Production capacity: 2.2 million jackets/year



VIET THAI GARMENT FACTORY

Established in 1979
Address: No 221 Thong Nhat Street, Thai Nguyen City, Thai Nguyen Province
Factory area: 12,691 m²
Production line: 20
Employees: 1,080 persons
Production capacity: 1.8 million jackets/year



SONG CONG GARMENT FACTORY 1, 2, 3

Established in 2006
Address: Song Cong Industrial Park, Song Cong City, Thai Nguyen Province
Factory area: 14,000 m²
Production line: 88
Employees: 4,288 persons
Production capacity: 7.7 million jackets/year
Main products: Padding jacket, seam sealing jacket, cargo pants, bottom, leather jacket, kid items



PHU BINH GARMENT FACTORY 1, 2, 3, 4

Established in 2010
Address: Kha Son Commune, Phu Binh District, Thai Nguyen Province
Factory area: 93,131 m²
Production line: 52
Employees: 3,780 persons
Production capacity: 4.5 million jackets/year
Main products: Padding jacket, down jacket, bottom, denim pants, wool jacket, jumpsuit, dress



DAI TU GARMENT FACTORY

Established in 2015
Address: Tien Hoi Commune, Dai Tu District, Thai Nguyen Province
Factory area: 13,388 m²
Production line: 35
Employees: 1,890 persons
Production capacity: 03 million jackets/year
Main products: Padding jacket, down jacket, bottom, denim pants, wool jacket, jumpsuit, dress



DONG HY GARMENT FACTORY

Established in 2018
Address: Ngoi Cheo Hamlet, Nam Hoa Commune, Dong Hy District, Thai Nguyen Province
Factory area: 12,760 m²
Production line: 9
Employees: 486 persons
Production capacity: 783 thousand jackets/year
Main products: Padding jacket, down jacket, bottom, denim pants, wool jacket, jumpsuit, dress



VO NHAI GARMENT BRANCH

Established in 2020
Address: Cay Bong Industrial Cluster, La Hien Commune, Vo Nhai District, Thai Nguyen Province, Vietnam
Factory area: 27,000 m²
Production line: 14
Employees: 752 persons
Production capacity: 1.5 million jackets/year
Major products: Padding jacket, down jacket, bottom, denim pants, wool jacket, jumpsuit, dress



JOINT VENTURES AND ASSOCIATES (continued)

ACCOUNTING FACTORIES UNDER TNG (continued)



FASHION DESIGN CENTER TNGF

Established in 2016

Address: No 434/1, Bac Kan Street, Hoang Van Thu Ward, Thai Nguyen City, Thai Nguyen Province



AUXILIARY FACTORIES

Established in 2006

Address: Zone B, Song Cong Industrial Park, Song Cong City, Thai Nguyen Province

Packaging branch

Main manufactured: Production of packaging from paper and plastic, laundry, printing, embroidery

Capacity: 16,000 m² carton/day,

600 kg PE bags/day

Cotton branch

Main manufactured: Cotton production

Capacity: 20,000 yards cotton/day



ASSOCIATED COMPANIES

SUBSIDIARIES



TNG FASHION COMPANY LIMITED

Charter capital: VND 50,000,000,000

Value of capital contributions: VND 50,000,000,000

Ownership ratio: 100%

Main business lines: Fashion business



TNG ECO GREEN COMPANY LIMITED

Charter capital: VND 50,000,000,000

Value of capital contributions: VND 50,000,000,000

Ownership ratio: 100%

Main business lines: Real estate business

ASSOCIATED COMPANIES



TNG YEN BINH GOLF COMPANY LIMITED

Charter capital: 300,000,000,000 VND

Value of capital contributions: VND 147,000,000,000

Ownership ratio: 49%

Main business lines: Golf business



BAC THAI ELECTRICAL CONSTRUCTION JOINT STOCK COMPANY

Address: 434/1 Bac Kan Street, Hoang Van Thu Ward, Thai Nguyen City, Thai Nguyen Province

Value of capital contributions: VND 771,150,000

Ownership ratio: TNG contributes 49% of charter capital

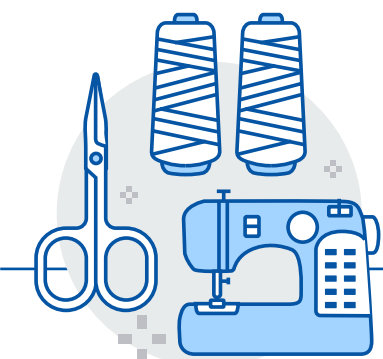
Main business lines: Construction and installation of works about the grid TNG has been currently involved in the process of restructuring and improving the system and business strategy.



TYPICAL PRODUCTS



AFTER MORE THAN 40 YEARS OF DEVELOPMENT, TNG HAS SUPPLIED THE MARKET WITH A WIDE RANGE OF FASHION PRODUCTS WITH GUARANTEED QUALITY, VARIOUS TYPES WHICH HAVE BEEN RECEIVED POSITIVELY BY DOMESTIC AND FOREIGN CONSUMERS. TNG'S PRODUCTS FOR INDUSTRIAL PRODUCTION ALSO CONTRIBUTED A LARGE PART TO THE REVENUE STRUCTURE OF THE ENTERPRISE, AND PROMOTE THE DEVELOPMENT OF INDUSTRY IN THAI NGUYEN PROVINCE IN PARTICULAR AND THE COUNTRY IN GENERAL.



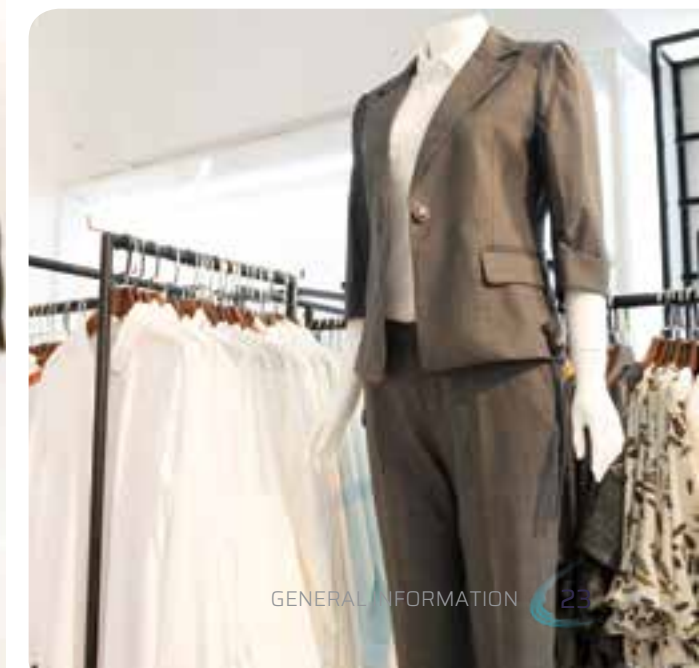
Industrial garment for export: cotton jackets, feather jackets, seamless clothes, shorts, dresses, children's wears, knitwear, etc.

Cotton sheets, stitching cotton, industrial embroidery, industrial printing, etc.



Carton boxes, all types of PE bags, industrial laundry, etc.

Making office fashion products with TNG trademark, etc.





HIGHLIGHT EVENTS



- To meet the increasing demand of the market and join hands with the community in the fight against COVID-19 pandemic, TNG has successfully researched and developed antibacterial cotton, which is used as the raw material for face mask and antibacterial products.
- As pandemic outbreak, TNG has actively produced antibacterial face masks for pandemic prevention. Thanks to that, domestic sales in the first quarter of the year 2020 reached VND 63.3 billion, exceeded 10% over the same period. The antibacterial nano face mask manufactured by TNG for the purpose of infection prevention was accredited as Class A medical device by the Institute of Medical Equipment and Works (The Ministry of Health).
- TNG has successfully researched and produced “Medical protective clothes for pandemic prevention” to join hands with the government in the fight against pandemic. Production capacity of TND reaches 100,000 sets per day. This item also opens export opportunity for the Company.
- Applying the standards according to the ASEAN Capital Markets Forum (ACMF) to assess corporation administration situation in 2020.
- Using GRI standards in the preparation and presentation of sustainable development contents in 2020 Annual Report.
- TNG successfully issued VND 150 billion of convertible bonds without collateral and warrant.
- TNG has invented Downlike cotton product and received copyright certificate from Copyright Office of Vietnam Ministry of Culture, Sports and Tourism.
- Obtained FDA and CE certificate for medical device manufactured by TNG
- Putting TNG Vo Nhai Factory - Phase 1 (including 16 sewing lines) into operation. The project is constructed in a land area of 10 hectares located at Cay Bong Hamlet, La Hien Commune with total investment capital up to VND 290 billion, consisting of 2 garment factories with area of 27,000 m² in total, shift-based cafeterias, office area, auxiliary buildings and parking lots. The project is designed with total scale of 32 sewing lines, providing more than 2,000 jobs for local workers - Green factory is oriented to meet LEED standard for office area and LOTUS standard for production area. All factories which are built up by TNG since 2020 are oriented to reach Green Factory standard, maintaining the position of a significant chain in the global supply chain, not only attracting the big orders from well-known brands such as Nike, Adidas, etc. but also balancing environmental protection and social responsibility, helping the Company develop sustainably in the long term.

TNG VO NHAI is constructed under **LEED** and **LOTUS** creating employment opportunities for more than

2,000 local workers.



Notes

LEED (Leadership in Energy & Environmental Design) is a certificate for green construction projects issued by the US Green Building Council established in 1995 in the United States. This is the initial international standard about the construction of energy-saving works and the protection of human living environment.

LOTUS is a green building certification system developed by Vietnam Green Building Council (VGBC) - an international nonprofit organization and a member of the World Green Building Council (WorldGBC).

- TNG officially expanded its business to real estate sector by launching TNG Village apartment building project in October 2019.

TNG Village was built for the purpose of “happiness for employees” to bring TNG’s employees the best living. The project is a part of utility project series that TNG desires to improve the living quality for employees.



Successfully produced
“MEDICAL PROTECTIVE CLOTHES FOR PANDEMIC PREVENTION”
with capacity of

100,000 sets per day



BEST ANNUAL REPORT

MERIT for contribution in implementing "Tet peak week for the poor" in 2020 according to the Decision no.3087/QD-TU dated 06 January 2020 by Thai Nguyen Provincial Party Committee

MERIT for excellent achievement in "Collection, payment and management of State budget in Thai Nguyen Province" in 2019 according to Decision no.1021/QD-UBND dated 17 April 2020 by the Chairman of Thai Nguyen People's Committee

Award "CO THI DUA CHINH PHU NAM 2019" (Outstanding units of the movement) according to Decision no.1428/QD-TTg dated 19 September 2020 by Prime Minister.

MERIT for excellent achievement in the project "Vocational training for rural workers until 2020" according to Decision no.1956/QD-TTg dated 27 November 2009 of Prime Minister according to Decision no.2942/QD-UBND dated 24 September 2020 of the Chairman of Thai Nguyen People's Committee

MERIT for excellent achievement in the programme "Thai Nguyen joins hands to build new-style rural areas" in 2016-2020 according to Decision no.3108/QD-UBND dated 27 September 2020 of the Chairman of Thai Nguyen People's Committee.

LISTED ENTERPRISE with transparency and disclosure and corporate governance in 2019-2020 according to Decision no. / QD dated 30 October 2020 by Hanoi Stock Exchange.

SUSTAINABLE ENTERPRISE IN 2020 Manufacturing sector according to Decision no.2232/QD-PTM-TDKT dated 27 November 2020 of Vietnam Chamber of Commerce and Industry.

TOP 10 BEST ANNUAL REPORT (Mid-cap companies) according to Decision dated 04 December 2020 by Ho Chi Minh Stock Exchange and Investment Newspaper.

MERIT for achievement in the emulation movement "Thai Nguyen joins hands for the poor - No one left behind" in 2016 - 2020 according to Decision no.12227/QD-UBND dated 18 December 2020 of the Chairman of Thai Nguyen People's Committee.



SWOT ANALYSIS



STRENGTHS

- Being in top 10 comprehensively typical enterprises of Vietnam garment and textile industry.
- Taking huge advantages of the entire industry; owning the international processing contracts by well-known brands such as Adidas, Nike, Zara, etc. towards directly selling to the world's leading retailers to increase profits.
- Utilizing strengths, exploiting and consolidating its position in the domestic fashion market.
- Building up the long-term partnerships with well-known brands, increasing competitiveness, expanding the export markets.
- Taking the initiative in production, building a supply chain to the customers, avoiding making an order from other places.
- Running the system of Modern factories being regularly invested, ready to meet the requirements about quantity and quality of finished products.
- Having large-scale production capacity.
- Having good relationship with the local government and residents.
- Hiring highly skilled and experienced employees.



WEAKNESSES

- Goods shipped at FOB destination are handled according to FOB conversion (Supply of materials and accessories is specified by the customer)
- CMPT orders are subject to the synchronous goods, resulting in the unexpected change in production plan.
- There are some limits in the competitive capacity while the major foreign brands have owned various models, superior quality, advanced production line and the constant update on seasonal trends.
- The role of the domestic market has not been used to expand TNG's market share while the demand on textiles and garments, ready-made clothes in Vietnam's sale market is very high and continuously increasing.



OPPORTUNITIES

- Domestic market has many potentials to expand and develop.
- The Government sets forth the mechanisms and policies to support and accelerate the textile and garment industry.
- The Company's support, information sharing as well as business opportunities from other associations and industries are very essential.
- TNG's factories are installed at the labour-intensive regions.
- The transfer of the order from China and other countries to Vietnam creates many benefits.



THREATS

- Samsung Thai Nguyen Factory project has drawn the human resources in the area.
- Units with the same product line have competed to gain the best labour cost.
- There are the inherent challenges relating to the area and sources of raw materials.
- Movements of global and domestic textile and garment markets has changed frequently.
- Competition in the market is more and more fierce, especially from countries such as China, India, etc.
- Requirements of major markets such as EU, USA, Japan, etc. are higher and more complicated.



GOVERNANCE MODEL AND ORGANIZATIONAL STRUCTURE

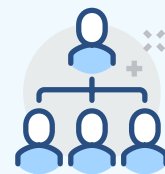


GOVERNANCE MODEL



TNG is currently applying the administration model in line with point b, clause 1, article 134 of the Law on Enterprise No. 68/2014/QH13 dated November 26th, 2014 of the National Assembly of the Socialist Republic of Vietnam, including the General Meeting of Shareholders, Board of Directors and Director or General Director. In this case, at least 20% of total number of BOD members must be independent and have an internal Audit Committee under the BOD. Independent members shall monitor and control the management and administration of the Company.

In addition, the good practices shall be put in use by the Company in line with the principles of corporate governance G20/OECD, in which the BOD's specialized sub-committees include: Audit sub-committee, Development policy sub-committee, Salary and personnel sub-committee. The sub-committee on sustainable development is responsible for orienting and monitoring the operations of the executive board, making sure that the Company not only has developed its finance but also ensure the harmonization of benefits for environmental protection and compliance with social responsibility.



ORGANIZATIONAL STRUCTURE

- TNG's Board of Directors consists of 09 members, 01 Chairman cum General Director; 03 independent members of the BOD.
- BOD's specialized subcommittees are: Audit sub-committee, Development policy sub-committee, Salary and personnel sub-committee and Sustainable development sub-committee.
- The Board of Management consists of 01 General Director and 03 Deputy General Directors in charge of certain fields.
- Chief accountant: 01 person.

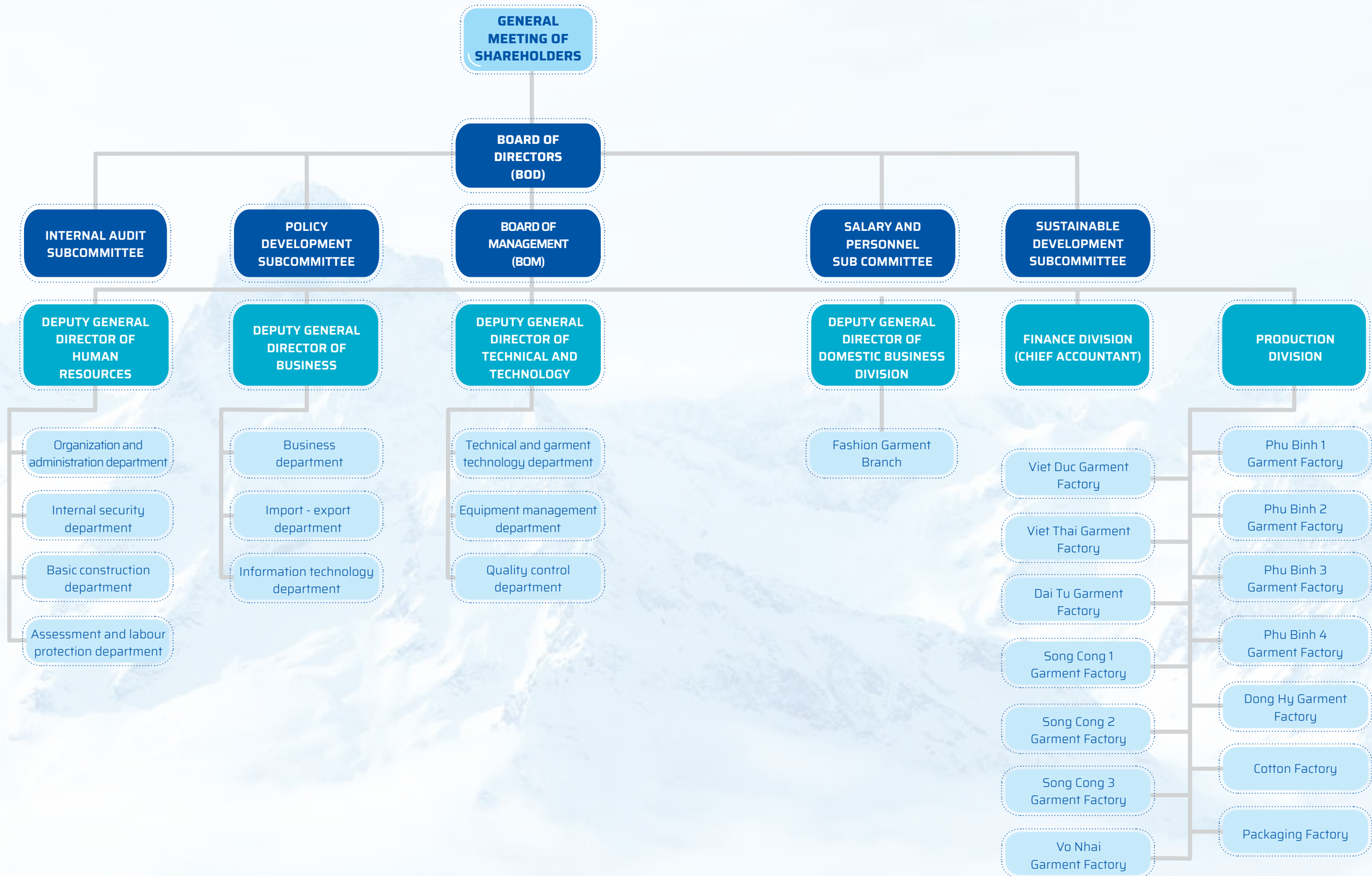
And the production units and branches are as follows:

- Affiliated export garment factories: 13 factories
- Auxiliary factories: 2 factories





ORGANIZATIONAL CHART



INFORMATION OF SHAREHOLDERS AND SHAREHOLDER STRUCTURE



CHARTER CAPITAL

VND **739,960,050,000**

INFORMATION OF SHAREHOLDERS

Market capitalization value on 31/12/2020	: VND 1,132,138,876,500
Charter capital of the Company	: VND 739,960,050,000
Face value per share	: VND 10,000
Number of outstanding shares	: 73,960,005 shares
Total number of shares	: 73,960,005 shares
Number of restricted share	: 1,416,786 shares
Treasury stocks	: 0 shares
Transaction of treasury stocks in 2020	: No
Market value of share	: VND 15,300 (closing price on December 31, 2020)
Overseas trading securities	: No

OTHER SECURITIES

Bond code: TNG_BOND_2019_01

Type of bond	: Non-convertible bonds without collateral and warrant
Form of issue	: Private issuance
Time of issue	: 25/10/2019
Total value of issued bonds	: VND 136,000,000,000 (One hundred and thirty-six billion dong)
Term of bond	: 3 years from the date of issue

Bond code: TNGH2023001

Type of bond	: Non-convertible bonds without collateral and warrant
Form of issue	: Private issuance
Time of issue	: 30/09/2020
Total value of issued bonds	: VND 150,010,000,000 (One hundred and fifty billion ten million dong)
Term of bond	: 3 years from the date of issue



LIST OF INTERNAL SHAREHOLDERS

NO.	NAME OF INDIVIDUALS/ ORGANIZATIONS	POSITION AT TNG	NUMBER OF OWNING SHARES	PERCENTAGE OF OWNING SHARES (%)
BOARD OF DIRECTORS				
1	Nguyen Van Thoi	Chairman of BOD	13,587,167	18.36%
2	Nguyen Duc Manh	Deputy Chairman of BOD cum Deputy General Director	5,402,940	7.30%
3	Nguyen Van Duc	Deputy Chairman of BOD non executive	157,668	0.21%
4	Nguyen Manh Linh	BOD member	3,332,805	4.50%
5	Do Thi Ha	BOD member	1,613,064	2.18%
6	Luong Thi Thuy Ha	BOD member	516,147	0.70%
7	Le Quang Vinh	Independent member of BOD non executive	-	0.00%
8	Tran Canh Thong	Independent member of BOD non executive	5,641,822	7.62%
9	Nguyen Hoang Giang	Independent member of BOD non executive	-	0.02%
BOARD OF MANAGEMENT				
1	Nguyen Van Thoi	General Director	5,402,940	7.30%
2	Doan Thi Thu	Deputy General Director	183,521	0.25%
3	Tran Minh Hieu	Deputy General Director	64,739	0.09%
4	Luong Thi Thuy Ha	Deputy General Director	516,147	0.70%
5	Luu Duc Huy	Deputy General Director	142,689	0.19%
6	Nguyen Manh Linh	Deputy General Director	3,332,805	4.50%
CHIEF ACCOUNTANT				
1	Tran Thi Thu Ha	Chief Accountant	74,839	0.10%

INFORMATION OF SHAREHOLDERS AND SHAREHOLDER STRUCTURE (continued)



LIST OF SHAREHOLDERS HOLDING FROM 5% OF SHARE CAPITAL AND ABOVE

NO.	MAJOR SHAREHOLDERS	OWNERSHIP REGISTRATION NUMBER	ADDRESS	NUMBER OF HOLDING SHARES	PERCENTAGE (%)
1	Nguyen Van Thoi	090117808	Phan Dinh Phung Ward, Thai Nguyen City, Thai Nguyen Province	13,587,167	18.36%
2	Tran Canh Thong	023324942	351/53 Le Van Si Street, Ward 13, District 3, Ho Chi Minh City	5,641,822	7.62%
3	Nguyen Duc Manh	013680931	Phan Dinh Phung Ward, Thai Nguyen City, Thai Nguyen Province	5,402,940	7.30%



LIST OF SHARES OWNED BY RELATED PEOPLE

NO.	RELATED PERSON(S)	OWNERSHIP REGISTRATION NUMBER	RELATIONSHIP	NUMBER OF HOLDING SHARES	PERCENTAGE (%)
1	Nguyen Thi Nhuan	091928825	The sister of the BOD	235,158	0.32%
2	Nguyen Thi Mien	091902622	The sister of the BOD	261,475	0.35%
3	Nguyen Thi Mien	090688967	The sister of the BOD	87,561	0.12%
4	Nguyen Thi Mien	150156591	The sister of the BOD	18,662	0.03%
5	Nguyen Van Thoi	090784558	The brother of the BOD	611	0.00%



SHAREHOLDER STRUCTURE AND OWNERSHIP RATIO

AS AT OCTOBER 27th 2020

NO.	SHAREHOLDERS	QUANTITY (INDIVIDUAL/ ORGANIZATION)	NUMBER OF SHARES			PERCENTAGE (%)
			ALREADY DEPOSITED	NOT YET DEPOSITED	TOTAL	
I	Domestic shareholders	6,331	67,046,587	202,938	67,249,525	90.88%
1	Shareholders which are organizations	31	1,030,702		1,030,702	1.39%
2	Shareholders which are individuals	6,300	66,015,885	202,938	66,218,823	89.49%
2.1	In which major shareholder: Nguyen Van Thoi		13,587,167		13,587,167	18.36%
2.2	In which major shareholder: Tran Canh Thong		5,641,822		5,641,822	7.62%
2.3	In which major shareholder: Nguyen Duc Manh		5,402,940		5,402,940	7.30%
II	Foreign shareholders	68	6,746,480		6,746,480	9.12%
1	Shareholders which are organizations	15	5,685,397		5,685,397	7.68%
2	Shareholders which are individuals	53	1,061,083		1,061,083	1.43%
	Total	6,399	73,793,067	202,938	73,996,005	100.00%

AS AT MARCH 5th 2021

NO.	SHAREHOLDERS	QUANTITY (INDIVIDUAL/ ORGANIZATION)	NUMBER OF SHARES			PERCENTAGE (%)
			ALREADY DEPOSITED	NOT YET DEPOSITED	TOTAL	
I	Domestic shareholders	7,337	71,247,172	113,273	71,360,445	96.44%
1	Shareholders which are organizations	29	441,815		441,815	0.60%
2	Shareholders which are individuals	7,308	70,805,357	113,273	70,918,630	95.84%
2.1	In which major shareholder: Nguyen Van Thoi		13,587,167		13,587,167	18.36%
2.2	In which major shareholder: Tran Canh Thong		5,641,822		5,641,822	7.62%
2.3	In which major shareholder: Nguyen Duc Manh		5,402,940		5,402,940	7.30%
II	Foreign shareholders	77	2,635,560		2,635,560	3.56%
1	Shareholders which are organizations	9	1,821,587		1,821,587	2.46%
2	Shareholders which are individuals	68	813,973		813,973	1.10%
	Total	7,414	73,882,732	113,273	73,996,005	100.00%

INFORMATION OF SHAREHOLDERS AND SHAREHOLDER STRUCTURE (continued)



CHANGE OF OWNERS' INVESTMENT CAPITAL IN 2020

- Treasury stock transaction: The Company had no transaction of treasury stock in 2020.

- Treasury stock: 0 share

TNG had 2 times of capital increase in 2020, to be specific:

- On 21 July 2020, State Securities Commission (SSC) received the report on the result of share issuance for dividend payment no. 2089/CV-TNG dated 20 July 2020 of TNG Investment and Trading Joint Stock Company (Ticker: TNG). Accordingly, TNG has issued 5,215,784 shares (accounting for 99.97% of shares to be issued) and increased capital from VND 652 billion to VND 704 billion.

- State Securities Commission (SSC) received the report on the result of converting bonds into shares (2nd time) no.2444 CV/ TNG dated 21 August 2020 of TNG Investment and Trading Joint Stock Company (Ticker: TNG). Accordingly, TNG has converted 38 bonds into 3,568,745 shares and increased capital from VND 704 billion to VND 739 billion.



OWNERSHIP LIMITATION FOR FOREIGNERS

- The maximum ownership rate for the foreigners is 49%.

- As of October 27, 2020, Foreign investors' ownership rate at TNG is 9.12%.

- Pursuant to Clause 2, Article 1 of the Decree No. 60/2015/ND-CP dated June 26, 2015 by the Government stipulating the foreign ownership rate in Vietnam's stock market, the foreign ownership rate is not limited, unless otherwise stipulated in the company's Charter or under the circumstances stipulated in the Decree 60/2015/ND-CP. Currently, the Company has a number of activities in conditional business lines applied to the foreign investors without specific regulations on foreign ownership. Thus, the maximum foreign ownership rate is still 49%.

- On March 11, 2016, the Board of Directors issued the Resolution No. 03/NQ-HDQT approving the policy of raising the foreign ownership rate to 100% of charter capital and merging TNG Fashion Joint Stock Company into TNG Investment and Trading Joint Stock Company.

- Approving the policy of increasing the maximum ownership rate, the foreign investors' share ownership rate is increased to 100% of charter capital.

- After consulting the consulting units and the Head of the Securities Offering Management Department, TNG has a number of industry codes that coincide with 267 conditional business lines. TNG is waiting for the Ministry of Planning and Investment to revise conditional business lines for completion of increasing the maximum ownership rate.



TNG'S DIVIDEND PAYMENT HISTORY OVER THE YEARS

LAST REGISTRATION DATE	REASONS AND PURPOSES	EXERCISE RATIO
27/10/2020	Paid in advance for dividend of the first time of 2020 in cash	Implementation rate 4% per share (For every share owned, the shareholder will receive 400 dong)
10/07/2020	Paid dividend of 2019 in shares	Implementation rate 100:8 (For every 100 shares owned, the shareholder will receive additional 08 shares)
21/02/2020	Interim dividend in cash in the 1 st phase of 2019	Exercise ratio of 8%/share (01 share equals to VND 800)
14/06/2019	Dividend payment by share in 2018	Exercise ratio: 5:1 (the shareholder holding 05 shares will receive 01 new share)
26/06/2018	Dividend payment by share in 2017	Exercise ratio 5:1 (the shareholder holding 05 shares will receive 01 new share)
30/06/2017	Dividend payment by share in 2016	Exercise ratio 5:1 (the shareholder holding 05 shares will receive 01 new share)
16/08/2016	Dividend payment by share in the 2 nd phase of 2015	Exercise ratio 10:1 (the shareholder holding 10 shares will receive 01 new share)
11/11/2015	Interim dividend in cash in the 1 st phase of 2015	Exercise ratio 10:1 (the shareholder holding 10 shares will receive 01 new share)
12/02/2015	Dividend payment by cash in the 2 nd phase of 2014	Exercise ratio of 6%/share (01 share equals to VND 600)
18/12/2014	Dividend payment by share in the 1 st phase of 2014	Exercise ratio 10:1 (the shareholder holding 10 shares will receive 01 new share)
04/06/2014	Dividend payment by share in 2013	Exercise ratio 10:1 (the shareholder holding 10 shares will receive 01 new share)
05/04/2013	Interim dividend in cash in 2012	Exercise ratio of 10%/share (01 share equals to VND 1,000)
28/12/2011	Interim dividend in cash in the 1 st phase of 2011	Exercise ratio of 10%/share (01 share equals to VND 1,000)
07/01/2011	Interim dividend in cash in the 1 st phase of 2010	Exercise ratio of 10%/share (01 share equals to VND 1,000)
24/11/2010	Shared dividend in cash in the 2 nd phase of 2009	Exercise ratio of 6%/share (01 share equals to VND 600)
27/01/2010	Interim dividend by share in the 1 st phase of 2009	Exercise ratio 10:1 (the shareholder holding 10 shares will receive 01 new share)
06/03/2009	Dividend payment by cash in 2008	Exercise ratio of 16%/share (01 share equals to VND 1,600)
20/03/2008	Dividend payment by cash in 2007	Exercise ratio of 16%/share (01 share equals to VND 1,600)

INFORMATION OF SHAREHOLDERS AND SHAREHOLDER STRUCTURE (continued)



TNG'S HISTORY OF CAPITAL INCREASE OVER THE YEARS

DATE	NO.	CHARTER CAPITAL AFTER INCREASE (VND)	NUMBER OF OUTSTANDING SHARES	NUMBER OF INCREASING SHARES	INCREASING CAPITAL (VND)	CONTENT
18/03/2007	1 st phase	54,300,000,000	5,430,000	3,630,000	36,300,000,000	Public offering
27/01/2010	2 nd phase	86,875,500,000	8,687,550	3,257,550	32,575,500,000	Interim dividend by share in the 1 st phase of 2009 at the exercise ratio: 10% (the shareholder holding 10 shares will receive 1 new share) Issuing more shares to existing shareholders at the exercise ratio of 2:1 (the shareholder holding 02 shares will have the right to purchase 1 new share)
10/12/2010	3 rd phase	134,613,250,000	13,461,325	4,773,775	47,737,750,000	On 10 December 2010, Chairman of State Securities Commission of Vietnam issued the Certificate of public securities offering no. 759/UBCK-GCN to TNG Investment and Trading Joint Stock Company for 4,773,775 shares at face value of VND 10.000/share, including: 4,343,775 shares offered to existing shareholders; 430,000 shares offered to managers of the Company.
12/06/2014	4 th phase	148,074,150,000	14,807,415	1,346,090	13,460,900,000	On 12 June 2014, State Securities Commission of Vietnam (SSC) received the results of share issuance for dividend payment under Share issue report no. 541/TNG-BC dated 11 June 2014 of TNG Investment and Trading Joint Stock Company. Accordingly, TNG Investment and Trading Joint Stock Company successfully issued 1,346,090 stocks, accounting for 99.996% of total authorized stocks.
26/12/2014	5 th phase	162,879,460,000	16,287,946	1,480,531	14,805,310,000	On 26 December 2014, State Securities Commission of Vietnam (SSC) received the results of share issuance for dividend payment (under Share issue report no. 800/TNG-BC dated 23 December 2014) of TNG Investment and Trading Joint Stock Company. Accordingly, TNG Investment and Trading Joint Stock Company successfully issued 1,480,531 stocks (accounting for 99.98% of total authorized stocks).
09/02/2015	6 th phase	219,425,690,000	21,942,569	5,654,623	56,546,230,000	On 09 February 2015: Issue Employee Stock Ownership Plan ("ESOP") shares for employees: 718,813 stocks On 09 February 2015: Issue shares to existing shareholders with the number of: 4,935,819 stocks.
20/11/2015	7 th phase	241,364,850,000	24,136,485	2,193,916	21,939,160,000	On 20 November 2015, State Securities Commission of Vietnam received the Share issue report for interim dividend 2015 (under Share issue report no. 1703/TNG-BC dated 16 November 2015) of TNG Investment and Trading Joint Stock Company. Accordingly, TNG Investment and Trading Joint Stock Company successfully issued 2,193,916 stocks (accounting for 99.98% of total authorized shares).
15/01/2016	8 th phase	296,221,270,000	29,622,127	5,485,642	54,856,420,000	On 15 January 2016, State Securities Commission of Vietnam received the results of public offering (under Share issue report dated 07 January 2016) of TNG Investment and Trading Joint Stock Company. Accordingly, TNG Investment and Trading Joint Stock Company successfully issued 5,485,642 stocks (accounting for 100% of total authorized shares).



INFORMATION OF SHAREHOLDERS AND SHAREHOLDER STRUCTURE (continued)

DATE	NO.	CHARTER CAPITAL AFTER INCREASE (VND)	NUMBER OF OUTSTANDING SHARES	NUMBER OF INCREASING SHARES	INCREASING CAPITAL (VND)	CONTENT
06/09/2016	9 th phase	342,649,780,000	34,264,978	4,642,851	46,428,510,000	On 06 September 2016, State Securities Commission of Vietnam received Share issue report for dividend payment no. 9051-TNG dated 05 September 2016, Share issue report under Employee Stock Ownership Plan program no. 826A-TNG dated 26 August 2016, Share issue report for exchange with TNG Fashion Joint Stock Company no. 9052-TNG dated 05 September 2016 of TNG Investment and Trading Joint Stock Company. Thereby, the issuance result of the Company is shown as follows: Number of shares for dividend payment to existing shareholders: 2,961,745 shares. Number of shares issued under Employee Stock Ownership Plan program: 1,481,106 shares. Number of shares issued to exchange with TNG Fashion Joint Stock Company: 200,000 shares.
12/07/2017	10 th phase	411,172,910,000	41,117,291	6,852,313	68,523,130,000	On 12 July 2017, State Securities Commission of Vietnam (SSC) received share issue report for dividend payment 2016 No. 1607/TNG-CBTT dated 10 July 2017 of TNG Investment and Trading Joint Stock Company (Stock code: TNG). Accordingly, TNG Investment and Trading Joint Stock Company successfully issued 6,852,313 shares.
03/07/2018	11 st phase	493,401,800,000	49,340,180	8,222,889	82,228,890,000	On 03th July 2017, State Securities Commission of Vietnam (SSC) received share issue report for dividend payment in 2016 no. 1462/CV-TNG dated 2rd July 2018 of TNG Investment and Trading Joint Stock Company (Stock code: TNG). Accordingly, TNG successfully issued 8,222,889 shares.
12/03/2019	12 nd phase	518,071,890,000	51,807,189	2,467,009	24,670,090,000	On 12 March 2019, State Securities Commission of Vietnam received Share issue report 2018 under Employee Stock Ownership Plan program no. 426/CV-TNG dated 07 March 2019 of TNG Investment and Trading Joint Stock Company (Stock code: TNG). Accordingly, TNG successfully issued 2,467,009 shares
24/06/2019	13 rd phase	621,679,980,000	62,167,998	10,360,809	103,608,090,000	On 24 June 2019, State Securities Commission of Vietnam (SSC) received share issue report for dividend payment no. 1346/CV-TNG dated 20 June 2019 of TNG Investment and Trading Joint Stock Company (Stock code: TNG). Accordingly, TNG successfully issued 10,360,809 shares.
13/12/2019	14 th phase	652,114,760,000	65,211,476	3,043,478	30,434,780,000	On 13 December 2019, State Securities Commission of Vietnam received bond conversion report for converting bonds into shares (1st phase) no. 2823CV/TNG dated 12 December 2019 of TNG Investment and Trading Joint Stock Company (TNG). Accordingly, TNG successfully converted 35 bonds into 3,043,478 shares.
21/07/2020	15 th phase	704,272,600,000	70,427,260	5,215,784	52,157,840,000	On 21 July 2020, State Securities Commission (SSC) received the report on the result of share issuance for dividend payment no. 2089/CV-TNG dated 20 July 2020 of TNG Investment and Trading Joint Stock Company (Ticker: TNG). Accordingly, TNG has issued 5,215,784 shares (accounting for 99.97% of shares to be issued) and increased capital from VND 652 billion to VND 704 billion.
03/09/2020	16 th phase	739,960,050,000	73,996,005	3,568,745	35,687,450,000	State Securities Commission (SSC) received the report on the result of converting bonds into shares (2nd time) no.2444 CV/ TNG dated 21 August 2020 of TNG Investment and Trading Joint Stock Company (Ticker: TNG). Accordingly, TNG has converted 38 bonds into 3,568,745 shares and increased capital from VND 704 billion to VND 739 billion.

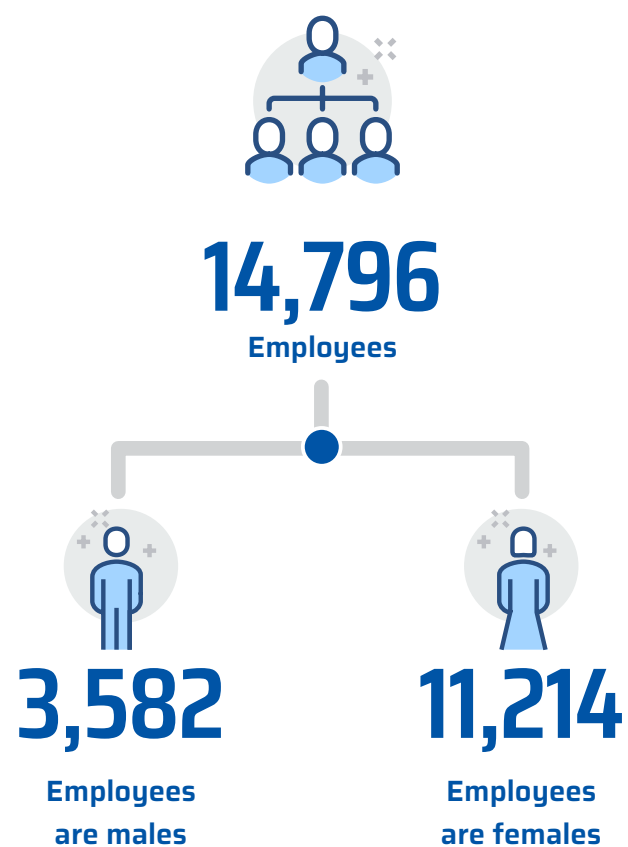


ORGANIZATION AND HUMAN RESOURCES



POLICY FOR HUMAN RESOURCES

AS A TEXTILE COMPANY WITH 14,796 EMPLOYEES, TNG HAS BUILT UP A VERY SPECIFIC PERSONNEL AND SALARY POLICY IN THE “POLICY FOR HUMAN RESOURCES”; ACCORDINGLY: “EMPLOYEES WORKING AT TNG ARE FULLY ENTITLED TO ALL REGIMES/ BENEFITS ACCORDING TO THE PROVISIONS OF THE LABOUR CODE, THE LAW ON HEALTH INSURANCE, UNEMPLOYMENT INSURANCE AND REGULATIONS OF THE STATE RELATED TO THE REGIMES AND BENEFITS OF EMPLOYEES”. THE SALARY, ALLOWANCE AND BONUS POLICIES ARE CLEARLY DEFINED, SPECIFICALLY:



SALARY, BONUSES AND ALLOWANCES

Salary: Subject to job title, salary is calculated according to the coefficient multiplied by the minimum salary. (The minimum salary applied to employees in TNG increases by 13% compared to the regulation of the State). Product-based salaries: Calculated by unit price multiplied by the quantity of product. Wage over time under the regime: Pay for holidays, leaves, study, paid private leave, leave due to labour accidents, periodical health check and labour regime for women.

Allowances: Allowance for raising the under-6-year child, responsibility allowance, attendance, shift meal allowance.

Bonuses: (Based on the Company's regulation on emulation and reward): Monthly rewards, emulation achievements, 13th-month salary, performance bonus for month accumulation, Lunar New Year and division of annual remainder of salary. Besides, the working time as well as the regime for leave, public holidays are complied with the provisions of the law. Working at TNG, employees will have promotion opportunities and be appointed to managerial positions according to personal capacity. The Company also encourages and offer the grants for employees to learn and improve professional skills in the domestic and foreign environment.



PERSONAL BENEFITS

- Having 100% body insurance per year
- Having the domestic and foreign travels.
- Having collective buildings for employees at preferential prices.
- Giving the scholarships to the students who want to work at TNG after graduation, families in difficult circumstances.
- Supporting the construction of gratitude houses for employees with special difficulties.
- Equipping with vehicles (with free parking lots) and kindergartens within the collective buildings for the employees' children.
- Giving VND 300,000/birth to female employees.
- Having the maternity regime for fathers: If employees are male, but both husband and wife are TNG's employees, when the wife gives birth, the husband is given paid leave to take care of his wife and children. The duration is 5 days for spontaneous delivery, 07 days for caesarean birth and is paid 100% of the salary.
- Constructing and developing the green areas within the Company campus to create a green and clean environment.
- Organizing the annual training courses for employees to improve their skills; training on occupational safety and occupational health as well as fire protection and fighting, ensuring absolute safety during production and operation.





ORGANIZATION AND HUMAN RESOURCES (continued)



ORGANIZATION AND HUMAN RESOURCES STRUCTURE

Total of employees: 14,796 (as at December 31st, 2020)

STRUCTURE BY GARMENT FACTORY

■ Viet Duc	1,292	8.73%	■ Phu Binh 2	802	5.42%
■ Viet Thai	874	5.91%	■ Phu Binh 3	816	5.52%
■ Dai Tu	2,220	15.01%	■ Phu Binh 4	766	5.18%
■ Song Cong 1	884	5.97%	■ Dong Hy	785	5.30%
■ Song Cong 2	1,992	13.46%	■ Vo Nhai	652	4.41%
■ Song Cong 3	2,029	13.71%	■ TNG Fashion Center TNGF	467	3.16%
■ Phu Binh 1	1,055	7.13%	■ TNG offices	162	1.10%
Total	14,796	100.00%			



STRUCTURE BY GENDER

■ Male	3,582	24.21%
■ Female	11,214	75.79%
Total	14,796	100.00%



STRUCTURE BY AGE

■ 18 to 20	1,287	8.70%
■ 21 to 25	3,156	21.33%
■ 26 to 35	7,159	48.38%
■ 36 to 45	2,700	18.25%
■ Above 45	493	3.34%
Total	14,796	100.00%



STRUCTURE BY LABOR CONTRACT

■ Short-term contract - less than 1 year	2,011	13.59%
■ Fixed-term contract - from 1 years to 3 years	7,179	48.52%
■ Indefinite contract	5,606	37.89%
Total	14,796	100.00%



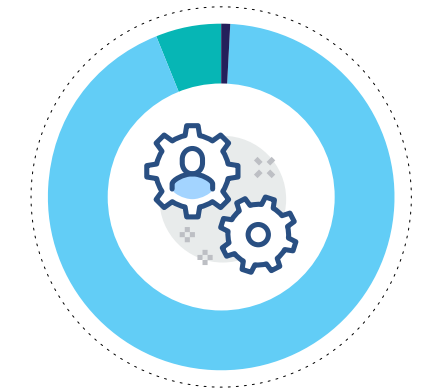
STRUCTURE BY QUALIFICATION

■ Postgraduate	50	0.34%
■ University	2,160	14.60%
■ College	2,007	13.56%
■ Vocational employees	10,578	71.50%
Total	14,796	100.00%



STRUCTURE BY MANAGEMENT LEVEL

■ Senior manager	18	0.12%
■ Intermediate managers	50	0.34%
■ Branch-level management	116	0.78%
■ Specialist	14,612	98.76%
Total	14,796	100.00%



STRUCTURE BY FUNCTION DIVISION

■ Business	132	0.89%
■ Production	13,771	93.07%
■ Production Support	894	6.04%
Total	14,796	100.00%



ORGANIZATION AND HUMAN RESOURCES (continued)



WORK FOR PERSONNEL

- Appointed Mr. Nguyen Duc Manh to hold the position of General Director from 17 May 2020.
- Appointed Mr. Nguyen Manh Linh to hold the position of Deputy General Director from 06 October 2020.
- Dismissed Mr. Nguyen Van Thoi from his position of General Director from 17 May 2020.
- Dismissed Ms. Dinh Le Hang from her position of BOD member from 17 May 2020.
- Dismissed Mr. Hwan Kyoon Kim from his position of BOD member from 17 May 2020.
- Appointed Mr. Tran Canh Thong to hold the position of BOD member from 17 May 2020.
- Appointed Mr. Nguyen Hoang Giang to hold the position of BOD member from 17 May 2020.



TRAINING

It is said that education and training is the most solid path leading to success. A healthy economy consists of strong enterprises. A strong enterprise must have a skilled workforce. And to do that, education and training are the key, orienting the Enterprises to follow.

TNG has imbrued this thought. "Education and training" is considered as the key for human and enterprise development because only education and training can meet the changes and advancement of Technology, especially in the 4.0 industrial revolution, the increasing standards of our partners as well as bring the Company closer to International standards.



TRAINING FORMS

- Orientation training
- Periodic training
- Vocational training
- Development training
- Resource training
- Thematic training
- OSH training

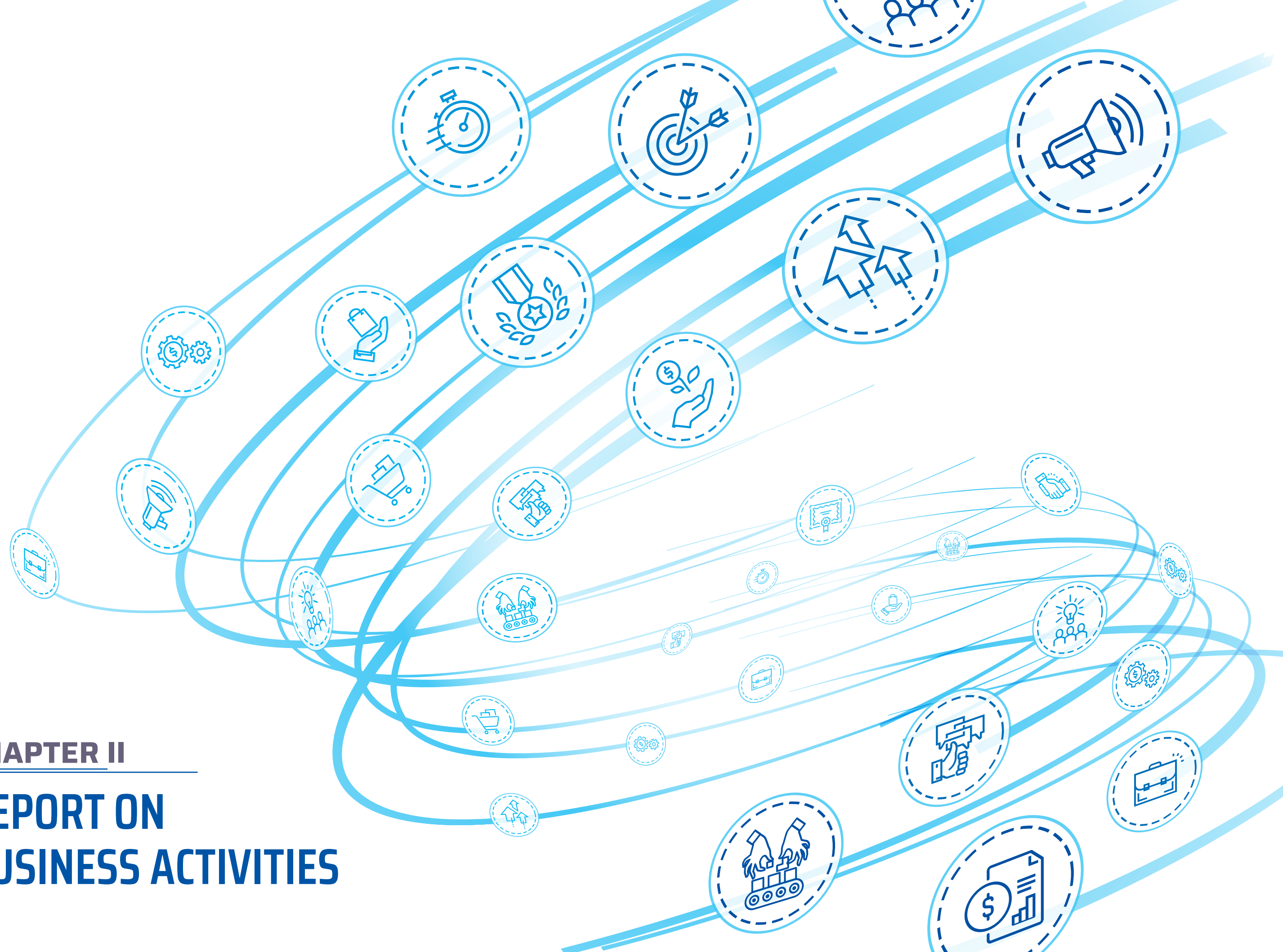
Moreover, there were seminars, talkshows in related fields. The Company shall pay all expenses for training classes. Employees were not only trained for free but also entitled to salary for the training and coaching time. Total expenses for training, coaching, propaganda training: VND 8.5 billion.

Detailed figures are as follows:

ORGANIZATIONS/ INDIVIDUALS	NUMBER OF CLASSES	NUMBER OF PARTICIPANTS
Orientation training	200	10,048
Periodic training	16	17,726
Vocational training	39	1,715
DEVELOPMENT TRAINING		
Line design training	1	26
Leadership training	2	103
QA, QC training	1	14
Lab staff training	1	11
Internal auditor training	2	9
OSH TRAINING		
Training on fire prevention and fighting and rescue	9	860
OSH training group 1	2	174
OSH training group 2	3	33
OSH training group 3	4	116
OSH training group 4	19	14,867
OSH training group 6		359
Training on risk assessment, Occupational safety and fire prevention	1	33
SKILL TRAINING		
Training on prevention of sexual harassment and abuse	2	334
Propaganda about gynaecological diseases and prevention methods	18	13,378
Planning skill training	1	33

Evaluation on effectiveness of the training courses is an important step after each training program. This helps the Enterprises to comprehensively assess the appropriateness of the Training contents, Lecturers, Training programs, and the grasp of knowledge of trainees after being trained and applied in practical production.

In addition, the Company also issued a tuition support policy for the employees' children studying at Textile and Garment schools at the support level of 100% during the study time and job creation after graduation. This was not only an education support policy for career orientation, sharing of financial burdens, but also a policy of early training human resources, helping to create a future workforce in order to meet TNG's development plans and strategies.



CHAPTER II

**REPORT ON
BUSINESS ACTIVITIES**



ORIENTATION DEVELOPMENT



Target revenue

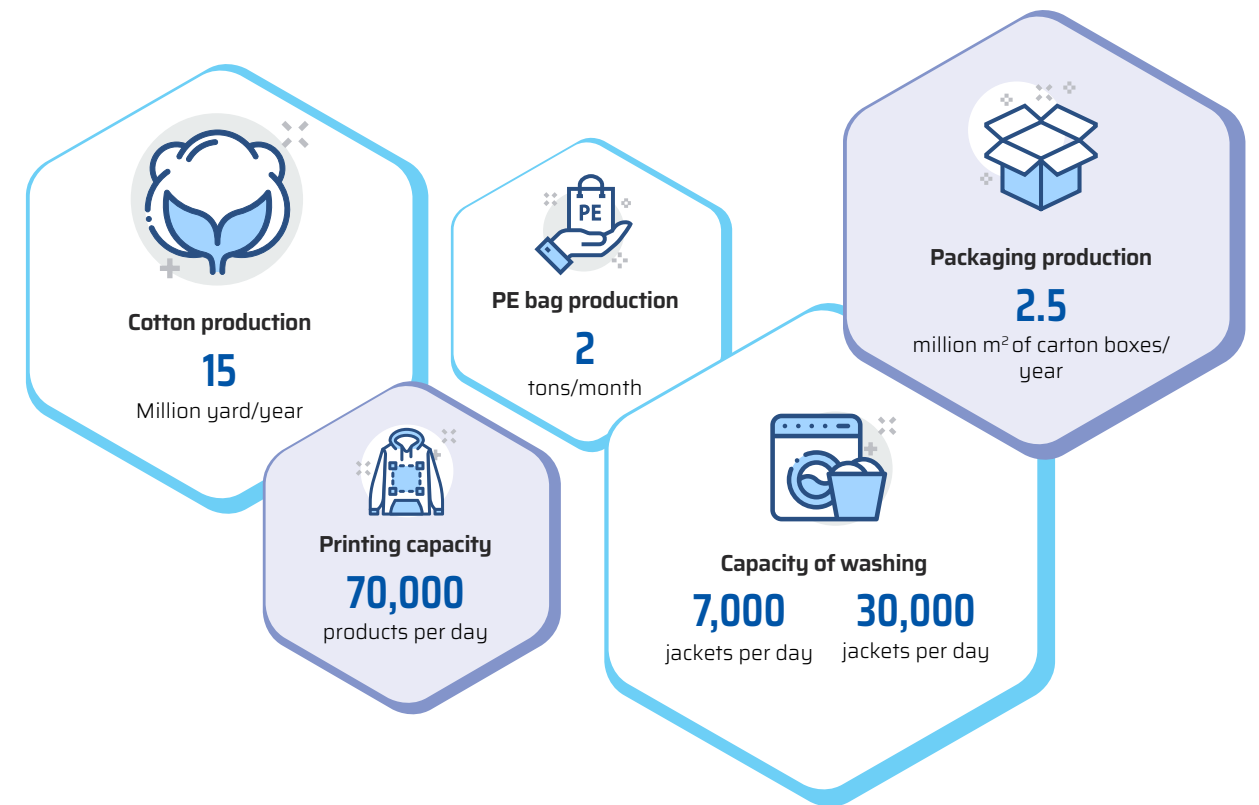
USD **300** million

Profit after tax: Approximately

USD **25** million

The general development strategy in the period of 2020 - 2025

- Develop, seek new production and business sectors; garment still keeps the leading role to directly serve its internal activities including laundry, packaging, printing, embroidery and then real estate, etc.
- Strengthen and promote the relationships with new customers, expand the market and avoid being depended.
- Develop the business activities continuously in both intensive and extensive ways, maximize the design capacity to increase labour productivity.
- Add and innovate new machines and technology regularly to serve production.
- Concentrate on the production capacity of textiles and garments: Grasp the opportunities arising from the comprehensive and progressive agreement for trans-pacific partnership (CP TPP) and the eu-vietnam free trade agreement (VN-EU-FTA).
- Prioritize the sustainable development goals: being public and transparent; improving and investing in the construction of advanced production plants, reducing the emissions into the environment and accelerating the revenue and profit growth; improving the welfare of the employees, accompanying with local and community development; prioritizing the implementation of green factory projects.



The following are the details in each year:

2020 - 2021

- In 2019, invest in the stage 1 of TNG Dong Hy Garment Factory with 16 production lines. In 2020, further invest in the stage 2 with 20 specialized production lines.
- In 2020, invest in the stage 1 of TNG Vo Nhai Garment Factory with 18 production lines. In 2021, further invest in the stage 2 with 18 production lines.
- In 2020, TNG has invested in Auxiliary factory with 02 cotton production lines; its capacity is 15 million yards/year (1 yard = 0.9144 m); Printing: 64 lines with the capacity of 70,000 products/day; Packaging production: 2.5 million m² of carton boxes/year, 2 tons of PE bags/month; Industrial laundry: 7,000 jackets/day or 30,000 pants/day.
- Prepare to invest and move Viet Duc Garment Factory and Viet Thai Garment Factory to Son Cam Industrial Cluster.
- Prepare and invest in 70-ha Son Cam industrial cluster and the 20-ha area of resettlement and commercial houses in Son Cam Commune, Thai Nguyen City.

2021 - 2025

- Further invest and operate 70-ha Son Cam industrial cluster and the 20-ha area of resettlement and commercial houses in Son Cam Commune, Thai Nguyen City.
- Complete TNG Viet Duc Garment Factories and TNG Viet Thai Garment Factories in Son Cam industrial zone.
- Invest and trade in real estate within Viet Duc and Viet Thai land plot.
- Improve the business administration by ERP technology.
- Invest in renovating all of the TNG factories according to the standards for green factory and sustainable business development.
- Invest in the application of new technologies to the business activities in order to improve investment performance.
- Continuously open the stores in which TNG fashion products are sold at all provinces/cities throughout the country and towards the export activities.
- Continuously research and apply new technologies to: Smart warehouse management, ERP software to manage the productivity of production line, performance of all machinery and equipment; utilization of the up-to-date machines in production such as automatic fabric cutting machine, programming machine, cotton stitching, sewing zipper, automatic cutting, etc.
- Specifically aim at reaching the revenue of USD 300 million and profit after tax of about USD 25 million in the next 5 years.



ORIENTATION DEVELOPMENT (continued)



THE FOLLOWING OBJECTIVES AND SOLUTIONS FOR EACH CRITICAL ISSUE GIVEN BY TNG

ISSUES	OBJECTIVES	SOLUTIONS
Growth	<ul style="list-style-type: none"> ◦ Average growth of net revenue > 20% per year ◦ Effectively improve and ensure financial indicators: ROE > 20%; ROA > 10% ◦ Focus on developing the core business lines. 	<ul style="list-style-type: none"> ◦ Focus on developing the core business line: Garments ◦ Develop the internal auditing system of the Company ◦ Strengthen the function of capital and investment management ◦ Build the relationships with customers, maintain good quality
Market	<ul style="list-style-type: none"> ◦ Expand export markets, increase market share in emerging markets ◦ Expand the domestic market, set up sales channels across the country 	<ul style="list-style-type: none"> ◦ Organize market research, directly work with foreign customers. ◦ Evaluate overseas suppliers ◦ Set up 20 more sales channels per year on the domestic market
Governance	<ul style="list-style-type: none"> ◦ Gradually complete administration model to approach the world good practices 	<ul style="list-style-type: none"> ◦ Study, research the administration method of Thailand, USA, etc. ◦ Build an administration model towards good internal control

ISSUES	OBJECTIVES	SOLUTIONS
Environment	<ul style="list-style-type: none"> ◦ Towards a green, environment-friendly TNG ◦ Minimize adverse impacts on the environment and pollution ◦ Build the LEED-certified factories (Leadership in Energy & Environmental Design), a certificate for green buildings issued by the US Green Building Council 	<ul style="list-style-type: none"> ◦ Invest in the construction of the best wastewater treatment projects for the factories ◦ Carry out training and improving the employee awareness ◦ Organize the day for the environment every year
Community and society	<ul style="list-style-type: none"> ◦ Accompany with the development of local economy ◦ Complete the corporate responsibility for the local environment in production ◦ Ensure transparency in information disclosure and business activities 	<ul style="list-style-type: none"> ◦ Bring charity programs to the community ◦ Engage in economic development activities together with local people ◦ Implement anti-corruption and anti-bribery policies in order to clarify information and build trust in the investors
Employee	<ul style="list-style-type: none"> ◦ Maintain health check-ups, living conditions for employees ◦ Implement and improve the policies on occupational safety and health 	<ul style="list-style-type: none"> ◦ Build up the policies on occupational safety and health ◦ Invest in safe and modern machinery and equipment to ensure the health of employees ◦ Carry out a periodic assessment on the working environment, ensure a clean and green workplace



SITUATION OF PROJECT INVESTMENT AND IMPLEMENTATION

PROJECT OF TNG VO NHAI FACTORY CAY BONG INDUSTRIAL CLUSTER, LA HIEN COMMUNE, VO NHAI DISTRICT, THAI NGUYEN PROVINCE

(The factory is built towards green factory standards)



PROJECT OF SON CAM INDUSTRIAL CLUSTER, SON CAM COMMUNE, THAI NGUYEN CITY, THAI NGUYEN PROVINCE



Project name	: Investment and construction of TNG Vo Nhai Garment Factory.
Investor	: TNG Investment and Trading Joint Stock Company.
Investment form	: 100% investment capital of domestic enterprise
Objective	To increase the competitiveness of the Company in the market and in line with the socio-economic development strategy of Thai Nguyen province as well as Vo Nhai district
Project scale	: 32 sewing lines, capacity of 6 million products/year.
Location	: Lot CN1, Cay Bong Industrial Complex, La Hien Commune, Vo Nhai District, Thai Nguyen Province
Used area	: 10 ha.
Total investment capital	: VND 290 billion.
Time and progress of project	<ul style="list-style-type: none"> From Quarter II/2019: Completing the procedures for investment preparation. From Quarter III/2019 to Quarter I/2020: Constructing items and putting the factory into operation. In 2021, build in the stage 2 of Vo Nhai factory.

Project name	: Son Cam Industrial Cluster, Son Cam Commune, Thai Nguyen City, Thai Nguyen province.
Investor	: TNG Investment and Trading Joint Stock Company.
Location	: Son Cam Commune, Thai Nguyen City, Thai Nguyen province, bordering on National Highway 3 bypass.
Used area	: 70.53 ha.
Characteristics of production and business lines in the industrial cluster	: Attracting enterprises to produce supporting industries (mechanical and metal manufacture, casting, electronic components, etc.), packaging production, textile, pharmaceutical production, mineral processing, construction material production, etc.
Total estimated investment capital:	: VND 500 billion.
Project progress	<ul style="list-style-type: none"> From Quarter II/2017 to Quarter II/ 2020: Completing the procedures for investment preparation; From Quarter III/2020 to Quarter II/ 2021: Implementing the first phase with an area of 17.99 ha. From Quarter III/2021 to Quarter I/2025: Investing in the remaining items of the project.



TNG VILLAGE COMMERCIAL HOUSING PROJECT

TNG VILLAGE COMMERCIAL HOUSING AREA

Area : 2,841 m², structure: 1 basement, 17 storeys, 1 roof floor, construction area of about 1,117 m².

LOW-RISE COMMERCIAL HOUSING

Area : 848 m².

Total investment capital : VND 170 billion.

The project is adapted from the TNG Social Housing Project due to changing in investment objectives.

Project progress : Completed and ongoing sales since October 2019.



TNG SONG CONG AUXILIARY FACTORY PROJECT

Project name : TNG Song Cong Auxiliary Factory

Investor : TNG Investment and Trading Joint Stock Company

Investment form : 100% investment capital of domestic enterprise

Target :

- Manufacture of cotton and other related products.
- Manufacture of packaging and other related items.
- Laundry factory and other related activities.
- Printing factory and other related activities.

Scale of project :

- 02 cotton production lines with capacity of 15 million yards per year (1 yard = 0.9144 m)
- Printing: 64 production lines with capacity of 70,000 products per day
- Packaging: Producing carton boxes with capacity of 2.5 million square meters per year, 2 tons of PE sacks per month
- Washing: Capacity of 7,000 jackets per day or 30,000 pants per day

Location : Zone B, Song Cong Industrial Zone, Song Cong City, Thai Nguyen Province

Used area : 26,400 m².

Total investment capital : VND 274 billion.

Time and progress of project implementation : Phase 1: Completing the construction of cotton factory and putting into production in the fourth quarter of 2019.

Phase 2: Completing the construction of packaging workshop, laundry workshop, printing workshop and auxiliaries in the fourth quarter of 2020.

Completing the remaining items in the fourth quarter of 2021.



Mr. NGUYEN VAN THOI
Chairman

Year of birth: 1958
Nationality: Vietnam
Appointment time: 2003

Qualifications

- Mechanical and Electrical Engineering, Bachelor of Economics, Political Science
- Having more than 20 years of experience as CEO and more than 15 years of experience as Chairman of the BOD

Working experience

- **1982 - 1992:** Leader of Materials Team of Bac Thai electric construction Joint Stock Company
- **1993:** Deputy Director of Bac Thai Garment Factory
- **1993 - 2002:** Director of Thai Nguyen Garment Company
- **2003 - current:** Chairman of the Board of Directors cum General Director of TNG

Other

- Chairman of Thai Nguyen Business Association
- Deputy Chairman of Thai Nguyen City Business Association

Typical achievement

- Typical entrepreneur award
- Labor Medal Third Class 2007

Responsibility

- Determine business development plans and annual budgets.
- Identify operational objectives based on strategic objectives approved by the General Meeting of Shareholders.
- Decide the organizational structure and internal administration regulations of the Company.



Mr. NGUYEN DUC MANH
Deputy Chairman of BOD cum General Director

Year of birth: 1983
Nationality: Vietnam
Appointment time: 2017

Qualifications

- Bachelor of IT - USA;
- Bachelor of foreign languages: Shanghai, China
- Business management experience at TNG since 2007

Working experience

- **2010 - 2011:** Head of Business department of TNG Investment and Trading Joint Stock Company
- **2011 - current:** Deputy Chairman of BOD, Deputy General Director of TNG

Other

- General Director of TNG Fashion Branch

Responsibility

- Supervise TNG branded goods in the domestic market.
- On behalf of TNG to work with the well-known corporations, brands of the United States, EU and Japan.



Mr. NGUYEN VAN DUC
Deputy Chairman of BOD

Year of birth: 1977
Nationality: Vietnam
Appointment time: 2017

Qualifications

- Master of Business Administration, Bachelor of Accounting, Bachelor of Foreign Languages
- 20 years of experience in the management of textile and garment sector

Working experience

- **1999 - 2007:** Officer - Thai Nguyen garment Joint Stock Company
- **2008 - 2016:** Chief of BOS of TNG
- **2017 - Nay:** Deputy Chairman of BOD

Responsibility

- Propose to select an independent auditing company, audit fees and all activities related to the withdrawal or dismissal of the independent auditing company.
- Check annual, six-month and quarterly financial statements before submitting to the BOD.
- Review management letter of independent auditors and feedback of the Company's management board.



Ms. LUONG THI THUY HA
BOD member
Deputy General Director of Human Resources
Head of Internal Audit Subcommittee

Year of birth: 1969
Nationality: Vietnam
Appointment time: 2016

Qualifications

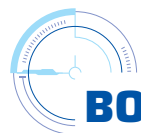
- Bachelor of accountancy

Working experience

- **1992 - 2012:** Officials of TNG Investment and Trading Joint Stock Company
- **2013 - 4/2016:** Chief accountant of TNG
- **04/2016 - 2017:** Member of the Board of Directors, Chief accountant of TNG
- **2018:** Deputy General Director of Human Resources

Responsibility

- Check and supervise emulation, reward and discipline, personnel organization, labour safety, fire protection and fighting, basic construction projects.



BOARD OF DIRECTORS (continued)



Ms. DO THI HA
BOD member

Year of birth: 1960
Nationality: Vietnam
Appointment time: 2017

Qualifications

- Bachelor of education, Bachelor of finance and accounting.

Working experience

- **2017 - current:** Member of the BOD of TNG Investment and Trading Joint Stock Company

Responsibility

- Negotiate, check and supervise the purchases and sales.



Mr. LE QUANG VINH
Independent member of BOD

Year of birth: 1969
Nationality: Vietnam
Appointment time: 2017

Qualifications

- Bachelor of Law, Lawyer
- Law practice certificate

Working experience

- **1995 - 2010:** Director of An Vinh Trading Company Limited
- **2011 - current:** Director of Tich Thien Limited Law Company, Chairman of the BOD of Hai Au Tourism Development Joint Stock Company
- **2017 - current:** BOD member of TNG

Responsibility

- Legally control, follow the Law on Securities, the Law on Investment, the Law on Enterprise
- Monitor the issuance of TNG shares and bonds
- Analyze TNG stocks, orient the time of issuance to get the achievements



Mr. NGUYEN MANH LINH
BOD member

Year of birth: 1987
Nationality: Vietnam
Appointment time: 2019

Qualifications

- Bachelor of Science - Fashion Institute of Technology, New York, NY
- Bachelor of Science, International Business - Pacific University, Forest Grove, Oregon

Working experience

- **2010 - 2011:** Assistant Production Manager - Amerex Group LLC, New York, NY
- **2011 - 2012:** Assistant Production Manager - Kenneth Cole Production, New York, NY
- **2013 - current:** Head of TNG's Representative Office in New York
- **2019 - current:** BOD member of TNG



Mr. NGUYEN HOANG GIANG
Non executive independent member of BOD

Year of birth: 1986
Nationality: Vietnam
Appointment time: 2020

Qualifications: Master of Business Administration

Working experience

- **05/2008 - 10/2008:** Staff of Business Solution Department - VNDIRECT Securities Corporation
- **10/2008 - 06/2010:** Head of Business Solution and Risk Management Department - VNDIRECT Securities Corporation
- **07/2010 - 10/2010:** Director of product development and business solution - VNDIRECT Securities Corporation
- **4/2012 - 6/2020:** BOD member - VNDIRECT Securities Corporation
- **12/2012 - 4/2018:** General Director of VNDIRECT Securities Corporation
- **5/2020 - current:** BOD member - TNG Investment and Trading Joint Stock Company

Current position

- BOD member - TNG Investment and Trading Joint Stock Company

Position in other organizations

- General Director - Encapital Financial Technology Joint Stock Company
- BOD member - Ninh Van Bay Tourist Real Estate Joint Stock Company (NVT)
- General Director - Eagle Partners Financial Advisory Joint Stock Company
- BOD member - Southern Gas Trading Joint Stock Company (PGS)



Mr. TRAN CANH THONG
Non executive independent member of BOD

Year of birth: 1963
Nationality: Vietnam
Appointment time: 2020

Qualifications

- Doctor

Working experience

- **11/2004 - current:** Director of Kaluzhskaia obuv Ltd. - 249271, Russia, Kaluzhskaia oblast, city suhinhichi, Street S, Tiulenin 22
- **04/2004 - 04/2009:** BOD member of Ben Thanh Trading & Service Joint Stock Company - 2-4 Luu Van Lang, Ben Thanh Ward, District 1, Ho Chi Minh City
- **05/2020 - current:** BOD member of TNG Investment and Trading Joint Stock Company

Current position

- BOD member of TNG Investment and Trading Joint Stock Company

Position in other organizations

- Director of Kaluzhskaia obuv Ltd. - 249271, Russia, Kaluzhskaia oblast, city suhinhichi, Street S, Tiulenin 22



Mr. NGUYEN DUC MANH
General Director

Year of birth: 1983
Nationality: Vietnam
Appointment time: 2017

Qualifications

- Bachelor of IT - USA;
- Bachelor of foreign languages: Shanghai, China
- Business management experience at TNG since 2007

Working experience

- **2010 - 2011:** Head of Business department of TNG Investment and Trading Joint Stock Company
- **2011 - current:** Deputy Chairman of BOD, Deputy General Director of TNG

Other

- General Director of TNG Fashion Branch

Responsibility

- Supervise TNG branded goods in the domestic market.
- On behalf of TNG to work with the well-known corporations, brands of the United States, EU and Japan.



Mr. NGUYEN MANH LINH
Deputy General Director

Year of birth: 1987
Nationality: Vietnam
Appointment time: 2019

Qualifications

- Bachelor of Science - Fashion Institute of Technology, New York, NY
- Bachelor of Science, International Business - Pacific University, Forest Grove, Oregon

Working experience

- **2010 - 2011:** Assistant Production Manager - Amerex Group LLC, New York, NY
- **2011 - 2012:** Assistant Production Manager - Kenneth Cole Production, New York, NY
- **2013 - current:** Head of TNG's Representative Office in New York
- **2019 - current:** BOD member of TNG



Mr. LUU DUC HUY
Deputy General Direction of manufacturing

Year of birth: 1970
Nationality: Vietnam
Appointment time: 2019

Qualifications

- Bachelor of Business Administration

Working experience

- **1997 - 1998:** Deputy Manager of M&E Workshop - Thai Nguyen Garment Company
- **1998 - 2003:** Deputy Planning Manager - Thai Nguyen Export Garment JSC
- **2007 - 2010:** Director Of Washing Factory - TNG
- **2010 - 2014:** Director of Viet Duc Garment Factory - TNG
- **2015:** Director of Viet Thai Garment Factory - TNG
- **2016 - 2019:** Director of Dai Tu Garment Factory - TNG
- **2019 - current:** Deputy General Director Of Manufacturing - TNG

Responsibility

- Supervision of production activities, investment in machinery and equipment, labor safety.



Ms. LUONG THI THUY HA
Deputy General Director of Human Resources
BOD member
Head of Internal Audit Subcommittee

Year of birth: 1969
Nationality: Vietnam
Appointment time: 2016

Qualifications

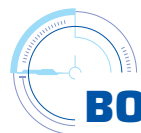
- Bachelor of accountancy

Working experience

- **1992 - 2012:** Officials of TNG Investment and Trading Joint Stock Company
- **2013- 4/2016:** Chief accountant of TNG
- **04/2016 - 2017:** Member of the Board of Directors, Chief accountant of TNG
- **2018:** Deputy General Director of Human Resources
- **4/2019 - current:** Head of Internal Audit Subcommittee

Responsibility

- Check and supervise emulation, reward and discipline, personnel organization, labour safety, fire protection and fighting, basic construction projects.



BOARD OF MANAGEMENT (continued)



Mr. TRAN MINH HIEU

Deputy General Director of Business

Year of birth: 1979

Nationality: Vietnam

Qualifications

- MBA
- Bachelor of Economics
- Nearly 20 years of experience in management of textile and garment trading

Working experience

- **2009 - 2011:** Head of Material Planning Department of Viet Thai Branch under TNG Investment and Trading Joint Stock Company
- **2011 - 2013:** Director of Business of TNG Trading and Investment Joint Stock Company
- **2017 - current:** Deputy General Director of TNG

Responsibility

- Supervise the trading in export and import goods.
- Bring revenue and profit of TNG to higher levels.



Ms. DOAN THI THU

Deputy General Director of Quality, Technique and Technology

Year of birth: 1972

Nationality: Vietnam

Appointment time: 2017

Qualifications

- Master of Business Administration
- Clothing engineer

Working experience

- **1994 - 1997:** Former officer of Bac Thai Garment Enterprise
- **1998 - 2002:** Former officer of Thai Nguyen Garment Company
- **2003 - 2007:** Officer of Thai Nguyen Export Garment Joint Stock Company
- **2007 - 2011:** Director of Viet Duc Garment Factory
- **2011 - 2014:** Deputy General Director of TNG
- **2015 - 2016:** Director of Viet Duc Garment Factory
- **2017 - current:** Deputy General Director of TNG

Responsibility:

- Supervise and operate technical and quality activities.





INTERNAL AUDIT SUBCOMMITTEE



Ms. LUONG THI THUY HA

Head of Internal Audit Subcommittee
BOD member
Deputy General Director of Human Resources

Year of birth: 1969

Nationality: Vietnam

Appointment time: 2019

Qualifications

- Bachelor of accountancy

Working experience

- **1992 - 2012:** Officials of TNG Investment and Trading Joint Stock Company
- **2013- 4/2016:** Chief accountant of TNG
- **04/2016 - 2017:** Member of the Board of Directors, Chief accountant of TNG
- **2018:** Deputy General Director of Human Resources
- **4/2019 - current:** Head of Internal Audit Subcommittee

Responsibility

- Check and supervise emulation, reward and discipline, personnel organization, labour safety, fire protection and fighting, basic construction projects.



Mr. NGUYEN VAN DUC

Deputy Chairman of BOD
Member of Internal Audit Subcommittee

Year of birth: 1977

Nationality: Vietnam

Appointment time: 2017

Qualifications

- Master of Business Administration, Bachelor of Accounting, Bachelor of Foreign Languages
- 20 years of experience in the management of textile and garment sector

Working experience

- **1999 - 2007:** Officer - Thai Nguyen garment joint stock company
- **2008 - 2016:** Chief of BOS of TNG
- **2017 - current:** Deputy Chairman of BOD

Responsibility

- Propose to select an independent auditing company, audit fees and all activities related to the withdrawal or dismissal of the independent auditing company.
- Check annual, six-month and quarterly financial statements before submitting to the BOD.
- Review management letter of independent auditors and feedback of the Company's management board.



Mr. TRAN MINH HIEU

Deputy General Director of Business
Member of Internal Audit Subcommittee

Year of birth: 1979

Nationality: Vietnam

Qualifications

- MBA
- Bachelor of Economics
- Nearly 20 years of experience in management of textile and garment trading

Working experience

- **2009 - 2011:** Head of Material Planning Department of Viet Thai Branch under TNG Investment and Trading Joint Stock Company
- **2011 - 2013:** Director of Business of TNG Trading and Investment Joint Stock Company
- **2017 - current:** Deputy General Director of TNG

Responsibility

- Supervise the trading in export and import goods.
- Bring revenue and profit of TNG to higher levels.





REPORT OF THE BOARD OF MANAGEMENT

PERCENTAGE OF SHARES OWNED BY BOM AS AT 31ST DECEMBER 2020

NO.	NAME	POSITION	NUMBER OF SHARES OWNED	PERCENTAGE	REMARK
1	Nguyen Duc Manh	General Director	5,402,940	7.3%	Cum Deputy Chairman of BOD
2	Nguyen Manh Linh	Deputy General Director	3,332,805	4.5%	Cum Deputy Chairman of BOD
3	Luu Duc Huy	Deputy General Director of Production	142,689	0.19%	
4	Luong Thi Thuy Ha	Deputy General Director of Human Resource	516,147	0.70%	Cum the member of BOD, Head of Internal Audit Subcommittee
5	Tran Minh Hieu	Deputy General Director of Business	64,739	0.09%	
6	Doan Thi Thu	Deputy General Director of Quality, Technical & Technology	183,521	0.25%	

CHANGES IN MEMBER OF BOM IN 2020

October 6th, 2020: Appoint Mr. Nguyen Manh Linh to hold the position of Deputy General Director.

GENERAL ASSESSMENT



OBJECTIVE FACTORS

- Good sale market (the US)
- CP TPP approved by the National Assembly of Vietnam
- US - China trade war
- Controlling the mobile limit of factories
- Applying the international automatic electronic payment for customers such as Decathlon, TCP, Adidas, A&F, Comtextile
- New customers: Nike, Adidas, Puma in 2019
- Strengthening a set of corporate governance indicators



SUBJECTIVE FACTORS

- Organizing training courses for TNG's garment factory directors
- Establishing a council to negotiate export prices
- Recruiting a great number of employees
- Investing in automatic machine systems: automatic fabric spreading machines, automatic cutting machines, etc. towards gradually using artificial intelligence in operating machines during production

BUSINESS REPORT AND PERFORMANCE ASSESSMENT IN 2020

IMPLEMENTATION RESULTS OF BUSINESS TARGETS

NO.	ITEM	UNIT	IMPLEMENTED IN 2019	2020		COMPARISON (%)	
				PLAN	IMPLEMENTED	4=3/2	5=3/1
A	B	C	1	2	3	4=3/2	5=3/1
1	Total export turnover	Million USD	251	251	237	94%	94%
2	Total import turnover	Million USD	119	119	107	90%	90%
3	Total revenue	Billion VND	4,617	4,617	4,480	97%	97%
4	Profit before tax	Billion VND	288	288	185	64%	64%
5	Profit after tax	Billion VND	230	230	153	67%	67%
6	Profit after tax / Total revenue	%	4.98%	4.98%	3.42%	69%	69%
7	Contribution to the State Budget	Million VND	70,963	70,963	52,614	74%	74%
8	Value of investment and procurement of machinery and equipment	Billion VND	260	260	276	106%	106%
9	Average number employee	Person	14,863	14,863	15,420	104%	104%
10	Number of product lines	Production line	253	253	263	104%	104%
11	Number of products consumed	Product	37,055,730	37,055,730	69,379,660	187%	187%

2020 has been a difficult year for the textile and garment industry in general and TNG in particular, to be specific:

- Revenue in 2020 reached VND 4,480 billion, equal to 97% of the same period in 2019
- Profit after tax in 2020 reached VND 153 billion, equal to 64% of the same period in 2019





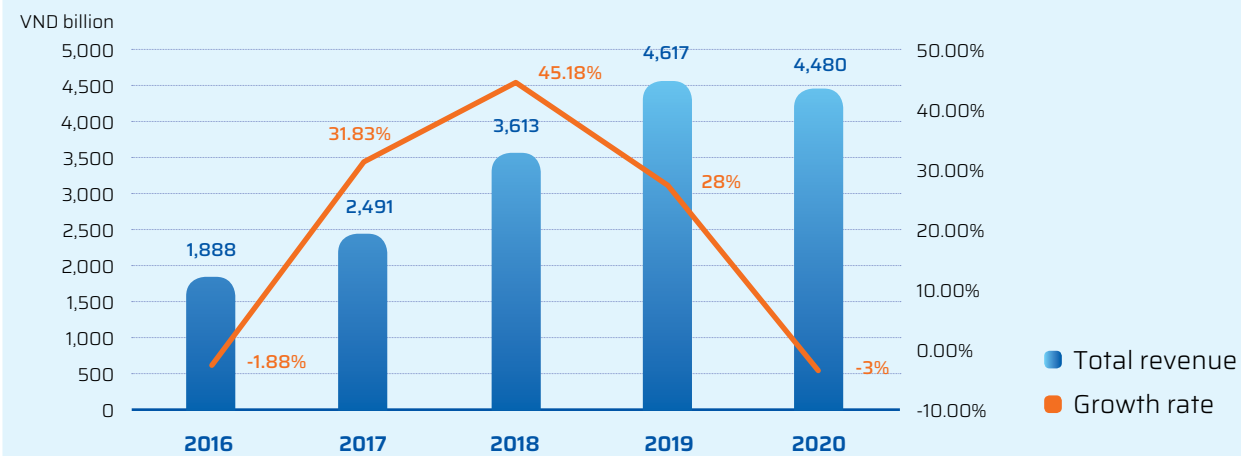
REPORT OF THE BOARD OF MANAGEMENT (continued)

IMPLEMENTATION RESULTS OF BUSINESS TARGETS (continued)



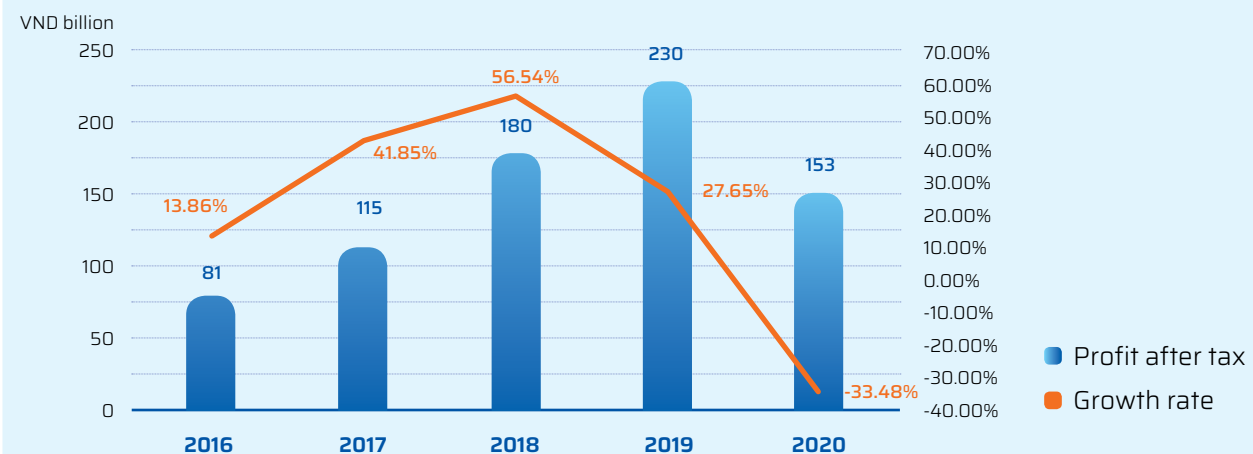
Total revenue

	2016	2017	2018	2019	2020
Total revenue (VND billion)	1,888	2,491	3,613	4,617	4,480
Growth rate	-1.88%	31.83%	45.18%	28%	-3.0%



Profit after tax

	2016	2017	2018	2019	2020
Profit after tax (VND billion)	81	115	180	230	153
Growth rate	13.86%	41.85%	56.54%	27.65%	-33.48%



PRODUCTION OPERATIONS

- TNG factories operated more than 290 days in 2020, making an important contribution to the revenue of VND 4,480 billion in 2020, equal to 97% of the same period in 2019.
- The number of products sold reached 69,379,660 products, reaching 187% over the same period in 2019.
- Average consumption of input materials for production decreased from 1.69% to 1.59%.
- Consumption of electricity, water and coal per unit of products is reduced, contributing to saving general production costs and increasing profits.
- Automatic machines, as well as manual transport machines, are regularly maintained, inspected and monitored. Damaged or erroneous tools are fixed and replaced in time to ensure production activities..



EQUITY INVESTMENT ACTIVITIES

In 2019, TNG took several actions to establish new company and complete the equity investment:

- On 25 January 2019, TNG established the Branch of Vo Nhai Garment Factory, specializing in manufacture and trading in garment products.
- On 14 February 2019, TNG established TNG Eco Green One Member Limited Liability Company, with estimated charter capital of VND 30 billion, specializing in real estate. TNG committed to invest 100% charter capital.
- TNG established TNG Fashion One Member Limited Liability Company, with estimated charter capital of VND 30 billion, specializing in: Making cloth, retailing of garments, footwear, leather goods and imitation leather in specialized stores, etc. TNG committed to invest 100% charter capital.
- TNG invested to establish TNG Golf Yen Binh Company Limited, with estimated charter capital of VND 30 billion, specializing in golf. TNG committed to invest 47% charter capital, or equivalent to VND 147 billion.



BUSINESS - MARKETING COMMUNICATION

- Continuing to affirm the brand of TNG factories through cooperation with major customers such as Wakiki, Zhiwa trading, Led Vina, etc.
- Maintaining business cooperation with traditional customer brands such as Nike, Mango, Zara, Decathlon, Jordan, Tom Tailor, C&A, TCP, Adidas, Columbia, Carhatt.
- Communication on domestic fashion products through channels such as Facebook, Google +, Youtube, the company's website or through newspaper channels such as Cafef, Securities Investment Newspaper, etc.



BASIC INVESTMENT AND CONSTRUCTION ACTIVITIES

- Starting to construct TNG Vo Nhai Factory according to green factory standards (LEED and LOTUS) with 32 production lines, its capacity is expected to reach 6 million products/ year.
- TNG Vo Nhai factory put into operation phase 1 from March 2020 with 10 production lines.
- TNG completed and put Cotton Factory into operation, consisting of 02 cotton production lines with highest capacity in Northern Vietnam (15 million yards/1 year, 1 yard = 0.9144 m).
- TNG completed and started to put nearly 190 luxury apartments of TNG Village project in use since October 2019.



REPORT OF THE BOARD OF MANAGEMENT (continued)

IMPROVEMENTS IN ORGANIZATIONAL STRUCTURE AND MANAGEMENT



MANAGEMENT

- Integrating warning systems as well as risk assessment and management systems with the built-in ERP management system.
- Improving, upgrading, and connecting all modules on ERP management software, Bravo accounting software, sales tracking software, debt monitoring software between TNG and customers. This is to ensure that the data will be cross-compared at any given time, helping to discover errors quickly and reducing risks for the company.
- Documenting the processes, assessing the construction of risk-minimizing workflows of each controlled process at an acceptable level according to the Coso ERM risk management framework.
- Promoting inspection activities according to 5S method and streamline production at the factories.

ORGANIZATION AND MANAGEMENT, CORPORATE CULTURE

Corporate culture is always maintained and behaved in accordance with the company's code of conduct, including:

- **Culture of human resources:** Enthusiastic, happy; caring, helpful, guiding and implementing integration for new employees; creating a friendly and sociable environment.
- **Culture about receiving guests:** Punctual, polite, attentive and enthusiastic, hospitable, proactive in greetings.
- **Culture of common space use:** Walking gently; not making noise; not affecting the general working environment.
- **Working culture:** Specific tasks, right people, right jobs, no overlapping work.
- **Labor recruitment culture:** Dedicated to guide applicants on recruitment documents, recruitment processes; advise and clearly explain policies, regimes and benefits to employees; openness and transparency in recruiting personnel.
- **Culture of income distribution:** Stable, transparent, democratic; making timely and full payment; notifying employees one month before implementation.
- **Culture on implementing labor regulations:** Labor regulations are disseminated to each employee. Labor regulations are performed strictly, proactively and self-consciously.
- **Business culture:** Compliance with law, openness and transparency.
- **Culture of phone use:** Brief, clear and specific content exchange; speaking on the phone slowly with a moderate volume. At the end of the talks by the phone, say thanks and send greetings.
- **Culture of using the common property of the Company:** All of the staff must be responsible for preserving, protecting, saving and using the common property of the Company for the right purpose. Do not bring property, vehicles out of the workplace without permission of the senior managers.
- **Culture of safety of labor protection:** Checking and using personal protective equipment allocated at work; checking the status of machines before use; implementing the processes and doing the work correctly and safely; disconnecting the power devices before leaving the office. Do not allow goods to cover, encroach fire-fighting equipment, medicine cabinets, and exits. Do not bring banned or dangerous substances into the Company.
- **Anti-corruption culture:** Publicizing the bidding information through websites, newspapers; identifying corrupt behaviors.

RESEARCH AND DEVELOPMENT

- Obtained FDA and CE certificate for medical device manufactured by TNG.
- Received copyright certificate for Downlike cotton product.
- Successfully produced antibacterial cotton for sewing face masks.
- Successfully produced medical protective clothes for pandemic prevention.
- Establishing a Sample Research Department to research and develop new products for the highest profit margin, convenience for users, expansion of potential consumption markets, and use of environment-friendly materials.
- In 2019, the sample sewing team of TNG has researched and successfully developed the "Tourist Tent" sample helping diversify TNG's products, contributing to increasing competitiveness as well as revenue.
- The new product development team has created a Cotton Dowlike. The Certificate of Copyright by the Ministry of Culture, Sports and Tourism to this product.

COST MANAGEMENT, SAVINGS

- In 2020, TNG saved VND 9,054,959,596 (the money saved from raw materials and energy was VND 5,375,986,929; the money saved from management and good sale was VND 3,678,972,667).
- By the beginning of the fiscal year, the departments in TNG Company agreed to develop a detailed delivery plan of the cost rate as well as the accompanying KPIs. Accordingly, during the production process in 2020, each department was responsible for completing its own plan on self-administration of costs incurred.

TRAINING AND DEVELOPMENT OF HUMAN RESOURCES

- The company identifies human resources as one of the most important assets, contributing to creating a competitive advantage for the company. Therefore, the development of human resources is really focused on through training in skills, knowledge, and especially attitudes to ensure that available human resources are sufficient in quantity and meet qualification requirements to achieve the objectives of the Company.
- 13,475 people were trained, reaching 109% of the plan in 2020.
- Employees at TNG are always trained and provided with new knowledge directly related to the work that they are in charge. At TNG, employees, at all positions, are tested both knowledge and work experience every year, whereby the supervisor will have specific assessments to develop training plans, improve qualifications and create the most favorable conditions for production and business activities.



In 2020,
TNG saved

VND 9,054,959,596



13,475
people were trained

▲ 109% of the plan in 2020





REPORT OF THE BOARD OF MANAGEMENT (continued)

FINANCIAL SITUATION

ASSET AND DEBT STRUCTURE

	01/01/2020 (VND)	PRO- POR- TION	31/12/2020 (VND)	PRO- POR- TION	INCREASE/ DECREASE (VND)	PRO- POR- TION
I - CURRENT ASSET	1,594,121,719,742	53%	1,700,797,108,774	48%	106,675,389,032	7%
1. Cash and cash equivalents	292,672,045,402	10%	132,575,319,775	4%	-160,096,725,627	-55%
2. Short-term investments		0%		0%	0	
3. Short-term receivables	364,142,583,991	12%	451,097,742,708	13%	86,955,158,717	24%
4. Inventories	860,401,903,483	28%	1,025,610,355,903	29%	165,208,452,420	19%
5. Other short-term assets	76,905,186,866	3%	91,513,690,388	3%	14,608,503,522	19%
II - NON-CURRENT ASSETS	1,433,288,606,205	47%	1,854,157,881,567	52%	420,869,275,362	29%
1. Long-term receivables	15,605,193,707	1%	13,184,851,859	0%	-2,420,341,848	-16%
2. Fixed assets	1,115,764,762,310	37%	1,250,422,211,883	35%	134,657,449,573	12%
3. Real estate investment	34,573,863,793	1%	49,120,069,783	1%	14,546,205,990	42%
4. Long-term assets in progress	169,197,150,221	6%	451,332,194,267	13%	282,135,044,046	167%
5. Long-term financial investments		0%		0%	0	
6. Other long-term assets	98,147,636,174	3%	90,098,553,775	3%	-8,049,082,399	-8%
Total asset	3,027,410,325,947	100%	3,554,954,990,341	100%	527,544,664,394	17%
I - LIABILITIES	1,960,689,468,846	65%	2,406,975,057,430	68%	446,285,588,584	23%
1. Current liabilities	1,414,614,342,278	47%	1,836,291,728,670	52%	421,677,386,392	30%
1.1. Short-term loans and debts	1,050,792,460,988	35%	1,282,023,775,970	36%	231,231,314,982	22%
2. Long-term liabilities	546,075,126,568	18%	570,683,328,760	16%	24,608,202,192	5%
2.4. Loan and long-term liabilities	381,075,126,568	13%	570,683,328,760	16%	189,608,202,192	50%
II - EQUITY	1,066,720,857,101	35%	1,147,979,932,911	32%	81,259,075,810	8%
1. Owner's equity	1,066,720,857,101	35%	1,147,979,932,911	32%	81,259,075,810	8%
1. Contributed capital	1,066,720,857,101	35%	1,147,979,932,911	32%	81,259,075,810	8%
2. Owner's contributed capital	230,129,918,270	8%	124,035,027,479	3%	-106,094,890,791	-46%
3. Other expenditure and funds		0%		0%	0	
III - BENEFITS OF MINORITY SHAREHOLDERS	0	0%	0	0%	0	0%
Total resources	3,027,410,325,947	100%	3,554,954,990,341	100%	527,544,664,394	17%



- As of 31st December 2020, total assets reached VND 3,554 billion, increasing by VND 527 billion compared to the beginning period, or 17%; in which short-term assets account for 48%, long-term assets account for 52%.
- As of 31st December 2020, inventories account for 29% of total assets, equivalent to VND 1,025 billion, increasing by 19% compared to the beginning period.
- Short-term receivables account for 13% of total assets, equivalent to VND 415 billion, increasing 86% by VND 113 billion or 24% compared to the beginning period.
- Cash and cash equivalents worth VND 132 billion, equivalent to 4% of total assets, decreasing 55% than stats at the beginning period.
- Most of long-term assets was fixed assets with the total value of VND 1,250 billion, accounting for 35% of total value of assets, increasing by VND 134 billion compared to the beginning period.
- Investment property under TNG Village project's total asset used for lease, reached VND 49 billion.
- Total assets are numbered at VND 3,554 billion, in which liabilities account for 68% and owner's equity 32%. Current liabilities are numbered at VND 1,836 billion, equivalent to 52% of capital source. Ending balance of current liabilities increased by 30% from the beginning of the year, in which the proportion of financing current liabilities for assets increased from 47% up to 52%. Long-term borrowings and liabilities reached VND 570 billion, accounting for 16% of total assets. During the year the Company successfully issued private non-convertible bonds without collateral and warrant for Aviva Vietnam at VND 150 billion of total value, making the long-term loans increase by VND 150 billion. In addition, during the year the Company



Total resources
As of 31st December 2020

VND 3,554 billion

▲ 17% compared to the beginning period



Non-current assets

VND 1,854 billion

▲ VND 421 billion compared to the beginning period



Fixed assets

VND 1,250 billion

▲ VND 134 billion compared to the beginning period

successfully converted bonds of the year 2018 into common shares, reducing the total value of convertible bonds by VND 38 billion, thereby reducing long-term loans by VND 38 billion.

- Current liabilities are valued at VND 418 billion, nearly double the beginning balance.
- Equity is numbered at VND 1,147 billion, including VND 739 billion of owner's equity; more than VND 193 billion of investment and development fund, VND 124 billion of retained earnings and other items such as share premium of VND 37 billion and other funds under equity of VND 53 billion. Ending balance of owner's equity increased by VND 81 billion from the beginning balance.



REPORT OF THE BOARD OF MANAGEMENT (continued)

FINANCIAL RESULTS OF PRODUCTION AND BUSINESS ACTIVITIES

ITEM	2019 (VND)	%	2020 (VND)	%	INCREASE/ DECREASE	%
1. Gross revenue from goods sold and services rendered	4,617,541,777,109		4,480,199,673,570		-137,342,103,539	-2.97%
2. Deductions	5,318,041,517				-5,318,041,517	
3. Net revenue from goods sold and services rendered	4,612,223,735,592		4,480,199,673,570		-132,024,062,022	-2.86%
4. Cost of sales	3,825,317,518,490	82.84%	3,804,242,569,266	84.91%	-21,074,949,224	-0.55%
5. Gross profit from goods sold and services rendered	786,906,217,102		675,957,104,304		-110,949,112,798	-14.10%
6. Financial income	21,074,741,162		33,671,676,860		12,596,935,698	59.77%
7. Financial expenses	136,400,434,805	2.95%	144,478,192,211	3.22%	8,077,757,406	5.92%
- In which: Interest expense	101,227,715,040	2.19%	101,227,715,040	2.26%	0	
8. Selling expenses	130,112,095,994	2.82%	145,817,165,522	3.25%	15,705,069,528	12.07%
9. General and administration expenses	249,327,669,254	5.40%	218,614,189,136	4.88%	-30,713,480,118	-12.32%
10. Operating profit	292,140,758,211		200,719,234,295		-91,421,523,916	-31.29%
11. Other income	3,648,015,656		2,980,869,793		-667,145,863	-18.29%
12. Other expenses	7,180,662,833		18,076,272,899		10,895,610,066	151.74%
13. Other earnings	-3,532,647,177		-15,095,403,106		-11,562,755,929	327.31%
14. Other expenses	288,608,111,034		185,623,831,189		-102,984,279,845	-35.68%
15. Accounting profit before tax	58,496,998,765		32,020,548,511		-26,476,450,254	-45.26%
16. Net profit after corporate income tax	230,111,112,269	4.98%	153,603,282,678	3.43%	-76,507,829,591	-33.25%
17. Basic earnings per share	3,717		2,254		-1,463	-39.36%

- The ratio of cost of goods sold to total sales in 2020 increased up to 94.91% compared to that of 82.84% in 2019.
- Ratio of financial expenses to total revenue in 2020 accounted for 3.22%, lower than that of 2019 (2.95%).
- Ratio of selling and administration expenses to total revenue in 2020 is well managed with 3.25% and 4.88% respectively and lower than that of 2019.

- In 2020, the Company has spent VND 101 billion for interest expense, equal to 66% of profit after tax. If the Company had no interest expense, profit after tax would increase remarkably.
- In 2020, interest expense accounts for 2.26% of total revenue. 2.19% is the rate in 2019. Although 2020 is a difficult year for many enterprises in general, TNG is effectively managing the cost of borrowing to ensure continuous business operations.
- Basic earnings per share reached VND 2,254 per share, decreasing 39% from that of VND 3,717 per share as of 31 December 2019.
- After-tax return on sales decreased down to 3.43%.

CASH FLOW RESULTS STATEMENT

ITEMS	2020 (VND)	2019 (VND)
Net cash generated in operating activities	196,489,971,438	410,377,636,411
Net cash used in investing activities	-490,029,448,909	-336,886,049,547
Net cash generated by financing activities	133,332,675,612	206,400,142,908
Net cash generated in 2020	-160,206,801,859	279,891,729,772

Net cash flow from operating activities in 2020 is valued at VND 196 billion. This is the result of the efforts of the Company's leaders in strictly controlling payment progress from customers through ERP technology and B2B software between TNG and customers. In addition, this outcome also comes from the fact that TNG has completely changed from normal payment method into fast payment means which is applied to most of customers such as Decathlon, TCP, Comtextile, and Asmara together with the support from multinational banks such as Standard Chartered and HSBC.

Summary table of financial indicators of TNG over the years (data from the Audited financial statements over the years):

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
COST MANAGEMENT COEFFICIENT										
Cost of goods sold/ Net revenue	83.71%	80.49%	81.52%	80.97%	81.86%	82.35%	82.44%	82.26%	82.94%	84.91%
Interest expense/ Net revenue	4.49%	6.37%	6.31%	4.54%	2.95%	3.56%	2.97%	2.53%	2.19%	2.26%
Selling expenses/ Net revenue	1.73%	2.16%	2.26%	2.00%	1.91%	1.53%	2.70%	2.82%	2.82%	3.25%
Enterprise management costs/ Net revenue	6.96%	9.18%	8.70%	7.79%	7.62%	7.42%	6.02%	5.85%	5.41%	4.88%



REPORT OF THE BOARD OF MANAGEMENT (continued)

FINANCIAL RESULTS OF PRODUCTION AND BUSINESS ACTIVITIES (continued)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
PROFITABILITY										
Revenue increase	84.09%	5.47%	-2.39%	16.67%	39.71%	-1.88%	31.83%	45.18%	27.66%	-2.86%
Gross profit rate	16.29%	19.51%	18.48%	19.03%	18.14%	17.65%	17.56%	17.74%	17.06%	15.09%
ROS	2.14%	1.81%	1.19%	3.86%	3.71%	4.30%	4.63%	4.99%	4.99%	3.43%
ROE	13.52%	10.23%	6.62%	22.45%	20.66%	17.10%	20.02%	25.33%	24.73%	13.87%
ROA	3.69%	2.47%	1.47%	4.92%	5.07%	4.69%	5.66%	7.48%	8.18%	4.67%
DEBT STRUCTURE RATIO										
Bank loan/Equity	1.80	2.39	3.08	3.08	2.53	2.20	2.17	1.83	1.45	1.48
Total liabilities/ Total asset	72.74%	75.88%	77.80%	78.06%	75.45%	72.57%	71.75%	70.48%	66.91%	66.35%
Total liabilities/ Total asset	2.67	3.15	3.50	3.56	3.07	2.65	2.54	2.39	2.02	1.97
INVESTMENT EFFECTS										
Revenue/ Total asset	1.72	1.36	1.23	1.28	1.37	1.09	1.22	1.50	1.64	1.36
Production capacity of fixed asset	7.31%	5.38%	4.29%	2.39%	7.72%	8.72%	8.97%	12.20%	17.21%	19.45%
SOLVENCY										
Loan interest solvency	2.01	1.35	1.25	2.11	3.27	2.73	3.07	3.83	4.20	3.26
General solvency	1.37	1.32	1.29	1.28	1.33	1.38	1.39	1.42	1.49	1.51
Short - term solvency	0.79	0.78	0.75	0.72	0.75	0.77	0.81	0.92	1.07	1.01
Fast solvency	0.40	0.37	0.30	0.27	0.34	0.35	0.35	0.39	0.46	0.43

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
OPERATIONAL CAPACITY										
Inventory turnover	5.98	4.44	3.72	3.78	4.68	3.92	3.88	4.15	4.55	4.03
Receivable turnover	14.80	10.31	9.01	9.99	9.19	7.47	7.57	8.39	12.16	12.89
Payable turnover	17.44	16.35	15.03	16.59	11.69	10.50	15.14	16.13	17.23	12.42
ABILITY TO GENERATE MONEY										
Inventory transfer period	60.16	81.14	96.87	95.34	76.93	91.91	92.70	86.83	79.19	89.24
Receivable transfer period	24.33	34.92	39.96	36.03	39.17	48.22	47.57	42.93	29.60	27.94
Payable transfer period	20.65	22.02	23.95	21.69	30.79	34.29	23.77	22.32	20.89	28.99
Cash transfer period	63.84	94.04	112.88	109.68	85.30	105.84	116.50	107.43	87.89	88.18

- Profit after tax on total revenue in 2020 decreased from 4.98% down to 3.43%.
- Return on equity (Profit after tax/Owner's equity) in 2020 decreased down to 14% compared to that of 25% in 2019.
- Return on assets (Profit after tax/Total assets) in 2020 rated at 4.7%. This rate nearly halved from that of 8.2% in 2019.
- Inventory turnover ratio decreased from 4.55 times/year (in 2019) down to 4.03 times/year (in 2020).
- Receivable turnover ratio increased from 12.16 cycles/year (in 2019) up to 12.89 cycles/year (in 2020).
- The average duration from importing raw materials until receiving payment from customers is 88 days, no change compared to the same period. This is also consistent with the cash flow from main operating activities of VND 196 billion in 2020 - one of the good numbers in the last 10 years.
- Solvency ratio in 2020 was maintained stably and showed no remarkable changes compared to that in 2019. Interest coverage ratio in 2020 was 3.26 compared to that of 4.2 in 2019; liquidity ratio was 1.01 compared to that of 1.07 of 2019; quick ratio was maintained at 0.4 times. These ratios showed that TNG's financial health is being maintained stably.



REPORT OF THE BOARD OF MANAGEMENT (continued)

FINANCIAL RESULTS OF PRODUCTION AND BUSINESS ACTIVITIES (continued)

Comparison table of financial indicators of TNG compared with other companies in the garment industry in 2020 (Data of other companies are pre-audit data; data of the remaining companies are post-audit data):

SHARE CODE	TNG	TCM	MSH	GMC	VGT
COST MANAGEMENT COEFFICIENT					
Cost of goods sold/Net revenue	84.91%	82.13%	80.31%	86.28%	90.90%
Interest expense/Net revenue	2.26%	0.80%	0.40%	0.55%	2.31%
Selling expenses/Net revenue	3.25%	4.15%	3.59%	0.85%	3.14%
Enterprise management costs/Net revenue	4.88%	4.09%	9.86%	7.95%	4.60%
PROFITABILITY					
Revenue/ Total asset	-2.86%	-4.79%	# DIV/O!	# DIV/O!	# DIV/O!
Production capacity of fixed asset	15.09%	17.87%	19.69%	13.72%	9.10%
ROS	3.43%	7.96%	6.08%	3.09%	4.08%
ROE	13.87%	18.03%	17.31%	7.99%	7.32%
ROA	4.67%	9.36%	8.99%	4.05%	3.05%
DEBT STRUCTURE RATIO					
Bank loan/Equity	1.48	0.57	0.37	0.54	0.99
Total liabilities/Total asset	66.35%	48.06%	48.10%	49.37%	58.30%
Total liabilities/ Total asset	1.97	0.93	0.93	0.98	1.40
INVESTMENT EFFECTS					
Revenue/ Total asset	1.36	1.18	1.48	1.31	0.75
Production capacity of fixed asset	19.4%	20.9%	0.0%	0.0%	0.0%
SOLVENCY					
Loan interest solvency	3.26	13.88	19.85	10.67	1.39
General solvency	1.51	2.08	2.08	2.03	1.72
Short - term solvency	1.01	1.32	1.58	1.69	1.30
Fast solvency	0.43	0.58	1.07	1.17	0.84
OPERATIONAL CAPACITY					
Inventory turnover	4.03	3.00	4.94	4.47	4.27
Receivable turnover	12.89	11.13	# DIV/O!	7.72	7.14
Payable turnover	12.42	13.27	21.97	9.98	9.31
ABILITY TO GENERATE MONEY					
Inventory transfer period	89.24	120.00	72.86	80.59	84.35
Receivable transfer period	27.94	32.35	# DIV/O!	46.65	50.42
Payable transfer period	28.99	27.14	16.39	36.07	38.65
Cash transfer period	88.18	125.21	# DIV/O!	91.17	96.12

HUMAN RESOURCE, WAGES AND POLICIES

- ◉ **Average number of working employees** reaches 15,420 people, accounting for 104% of the 2020 plan, 104% compared to the same period in 2019.
- ◉ **Average Income:** VND 8,222,203/employee/month, decreasing by 14% compared to 2019 (VND 9,521,345/ employee).
- ◉ **Wages:** The Company continues to review and improve policies for employees. The company always creates a dynamic and equal working environment, and well implements policies on labor safety, salary, bonuses, insurance and other policies in consistence with the provisions of law and the company regulations.

LABOR SAFETY AND FIRE PREVENTION

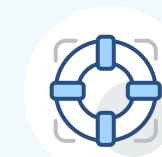
- ◉ Identifying and assessing risks for 321 production stages to find out hazards and propose preventive and management measures.
- ◉ Providing specialized trainings for workers in Groups 1, 2, 3, 5 (512 peoples); providing regular trainings for more than 15,000 workers in Group 4 working at the Company.
- ◉ Preparing records, books to monitor and verify 200 machines and equipment under strict requirements on labor safety and health.
- ◉ Monitoring 1,981 samples in the working environment of workers to assess the working environment. The monitoring indicators are within the permitted limits of the law.
- ◉ Providing the personal protective equipment and work clothes for all workers with a budget of more than VND 3.3 billion.
- ◉ Implementing the periodic health check twice a year for workers with a budget of more than VND 1.3 billion.
- ◉ In 2020, the Company implemented two fire fighting and rescue rehearsals, with a total of 2,507 turns of participants. In which, the Company implemented an internal rehearsal and a rehearsal with the local fire prevention fighting police. Besides, the Company implemented a rehearsal on seven basic fire fighting plans.



Average number of working employees

15,420 peoples

reaches 104% compared to the same period in 2019



The Company implemented two fire fighting and rescue rehearsals

2,507 turns of participants



The number of products sold

69,379,660 products

reaches 187% of the plan for 2020

ANALYSIS OF BUSINESS PERFORMANCE

- ◉ **The number of products sold** reached 69,379,660 products, reaching 187% of the plan for 2020 and 187% over the same period in 2019.
- ◉ **Total revenue** reached VND 4,480 billion, reaching 97% of the plan for 2020 and 97% over the same period in 2019.
- ◉ **Export turnover** reached USD 237 million, reaching 94% of the plan for 2020 and 94% over the same period in 2019.
- ◉ **Contribution to the State budget** VND 52,614 million, reaching 74% of the plan for 2020 and 74% over the same period in 2019.
- ◉ **Profit before tax** reached VND 185 billion, reaching 64% of the plan for 2020 and 64% over the same period in 2019
- ◉ **Profit after tax** reached VND 153 billion, reaching 67% of the plan for 2020 and 67% over the same period in 2019
- ◉ **Investment in procurement of equipment and other long-term assets** is valued at VND 276 billion, reaching 106% of the plan for 2020 and 106% over the same period in 2019.



REPORT OF THE BOARD OF MANAGEMENT (continued)

ASSESSMENT REPORT ABOUT THE COMPANY'S ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

Leaders of the Company always uphold the sense of responsibility. The Company requires employees to strictly abide by regulations on the environment and social responsibilities as well as all environmental legal requirements in order to avoid penalties or compensation for environmental issues.

The standards of social responsibilities that TNG garment factories achieve are as follows:

- TNG Viet Duc, TNG Viet Thai, TNG Dai Tu and TNG Song Cong 1 factories: Meeting WRAP and Better Work standards.
- TNG Song Cong 2 Factory, TNG Song Cong 3 Factory, and TNG Dong Hy Factory: Meeting Wrap standards.
- TNG Phu Binh 1 Factory: Wrap, BSCI.
- TNG Phu Binh 4 Factory: Wrap, BSCI.
- TNG Phu Binh 2 Factory and TNG Phu Binh 3 Factory: Wrap, Better Work and BSCI standards.



2021 BUSINESS AND PRODUCTION PLAN

To continue to develop and overcome difficulties, challenges in the coming time, TNG has set out the following goals, tasks and solutions in 2021:

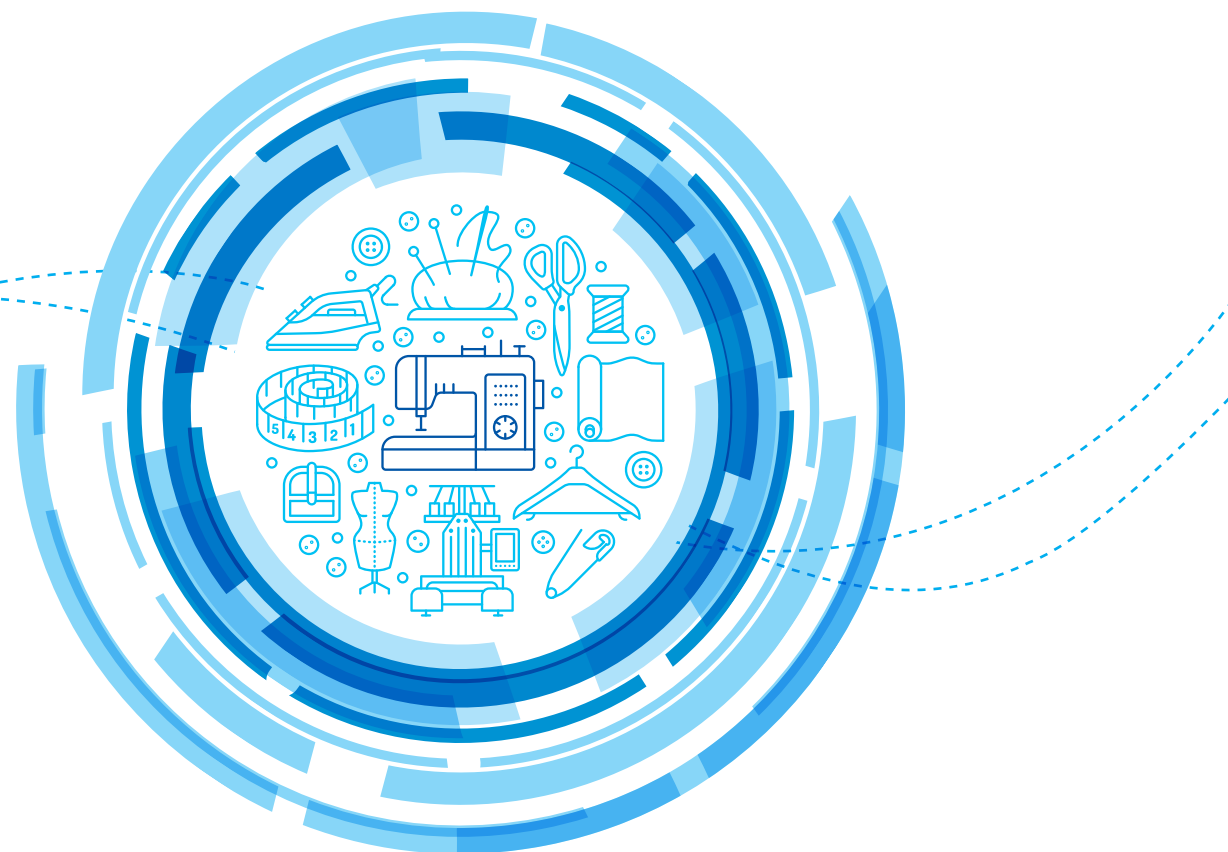
- Continuing to build the Company's culture and create a working environment and motivation for sustainable development.
- Reviewing, amending, supplementing and perfecting the system of internal regulations in accordance with the Laws, Decrees and new legal documents.
- Applying the technology to reduce software input operations.
- Applying the Internet of Things technology (Iot) to connect smart storages, synchronize mobile devices, and connect the data of production equipment.
- Constantly improving the application of streamlined VSM value chain into the production system.
- TNG Vo Nhai Garment Factory stage 2 (with 15 sewing lines).
- Promoting research on new products to bring high added value and meet the market demands in accordance with the competitive advantage of the Company.
- Promoting customer development in other markets, balancing the proportion of customers in different markets appropriately.
- Continuing to monitor and upgrade control processes, evaluate product quality.
- Improving, upgrading and developing the ERP management software system.



REPORT OF THE BOARD OF MANAGEMENT (continued)

OUTPUT TARGETS

NO.	ITEM	UNIT	2020 PLAN
1	Total export turnover	Million USD	254
2	Total import turnover	Million USD	562
3	Total revenue	Billion VND	4,798
4	Profit before tax	Billion VND	219
5	Profit after tax	Billion VND	175
6	Profit after tax/revenue	%	3.65%
7	Contribution to the State Budget	Million VND	60,179
8	Investment value for machinery and equipment	Billion VND	200
9	Average number of workers	Person	15,585
10	Number of sewing lines	Line	273
11	Number of products consumed	Product	89,379,660



LONG-TERM INVESTMENT AND DEVELOPMENT PLAN

In addition to major projects in 2019 such as 02 cotton production lines with a capacity of 15 million yards/year (1 yard = 0.9144 m), TNG also promotes long-term research and development:

- Printing: 64 lines with the capacity of 70,000 products/day
- Packaging production: 2.5 million m² of carton boxes/year, 2 tons of PE bags/month
- Laundry: 7,000 jackets/day or 30,000 pants/day
- New TNG Vo Nhai factory actioning in phase 2 with 15 sewing lines (Production capacity: 06 million products/01 year),
- Developing quality control and monitoring systems until products are delivered to consumers.
- Putting TNG Village housing area into use at No. 3, Phan Dinh Phung Ward, Thai Nguyen City.
- Continuing to invest and put Son Cam industrial cluster and commercial housing resettlement area into operation in Son Cam commune, Thai Nguyen City.
- Completing the investment and relocating Viet Duc and Viet Thai garment factories to Son Cam Industrial Park.
- Investing in real estates in two areas of Viet Duc and Viet Thai.
- Continuing to improve corporate management.
- Continuing to invest in renovating all TNG factories according to green factory standards and sustainable development.
- Continuing to expand TNG fashion stores to all provinces and cities nationwide and proceed to overseas.



REPORT OF THE BOARD OF MANAGEMENT (continued)

MAIN SOLUTIONS

Corporate management

- Developing a non-executive independent HR structure in Board of Directors; ensuring to make independent, objective and effective decisions.
- Strengthening the internal audit system according to the standards stipulated in the Decree 05/2019/ND - CP dated January 1, 2019 on internal audit activities.
- Compliance :
 - Law on Enterprise no.59/2020/QH14 dated 17 June 2020
 - Law on Securities no.54/2019/QH14 dated 26 November 2019
 - Circular no.96/2020/TT-BTC dated 16 November 2020 guiding information disclosure on the stock market;
 - Decree no.155/2020/ND-CP dated 31 December 2020 detailing implementation of a number of articles of the Law on Securities;
 - Circular no.116/2020/TT-BTC dated 31 December 2020 guiding a number of articles on corporate administration in public companies as per the Decree no.155/2020/ ND-CP dated 31 December 2020 detailing implementation of a number of articles of the Law on Securities;
 - Decree no.153/2020/ND-CP dated 31 December 2020 giving stipulations on private offering and trading corporate bonds in the domestic market and offering corporate bonds to the international market;
 - Circular no.122/2020/TT-BTC dated 31 December 2020 guiding information disclosure and reporting regime under the provisions of the Decree No.153/2020/ND-CP dated 31 December 2020 of the government giving stipulations on private offering and trading corporate bonds in the domestic market and offering corporate bonds to the international market;
 - And relevant legal documents..
- Operating the risk control and management system under Coso standard, continuing to upgrade ERP system.

Production operation

- Increasing investment in machines and automated systems to help improve labor productivity, towards applying Technology 4.0.
- Deploying the project of “Smart Warehouse”.
- Continuing to improve and apply Value Stream Mapping in the production system of the factory.

Business and market development

- Promoting the strength of TNG’s Representative Office in New York; seeking new and potential customers.
- Taking advantage of trade agreements CT TPP, EVFTA to find more customers in potential markets.
- Building a system of factories in accordance with green standards (LEED, LOTUS), ensuring to meet the requirements of customers for factory standards in the green supply chain, thereby contributing to increase the volume of orders.

Human resources and trainings

- Completing the dictionary to assess human capacity; assigning Kpis indicators to each of the smallest links in the chain of production and business activities; ensuring benefits of income, labor progress and productivity.
- Developing long-term training plans for senior and key personnel positions.
- Conducting the annual supervision and assessment of the human resources; implementing the annual training courses to ensure that personnel have sufficient capacity to meet the necessary positions.

Scientific and technological researches

- Continuing to promote researches on a variety of new product lines, efficient and environment-friendly profit margins in line with the strategic orientation.
- Developing a reward mechanism in accordance with inventions that have an effective or indirect effect on the Company.

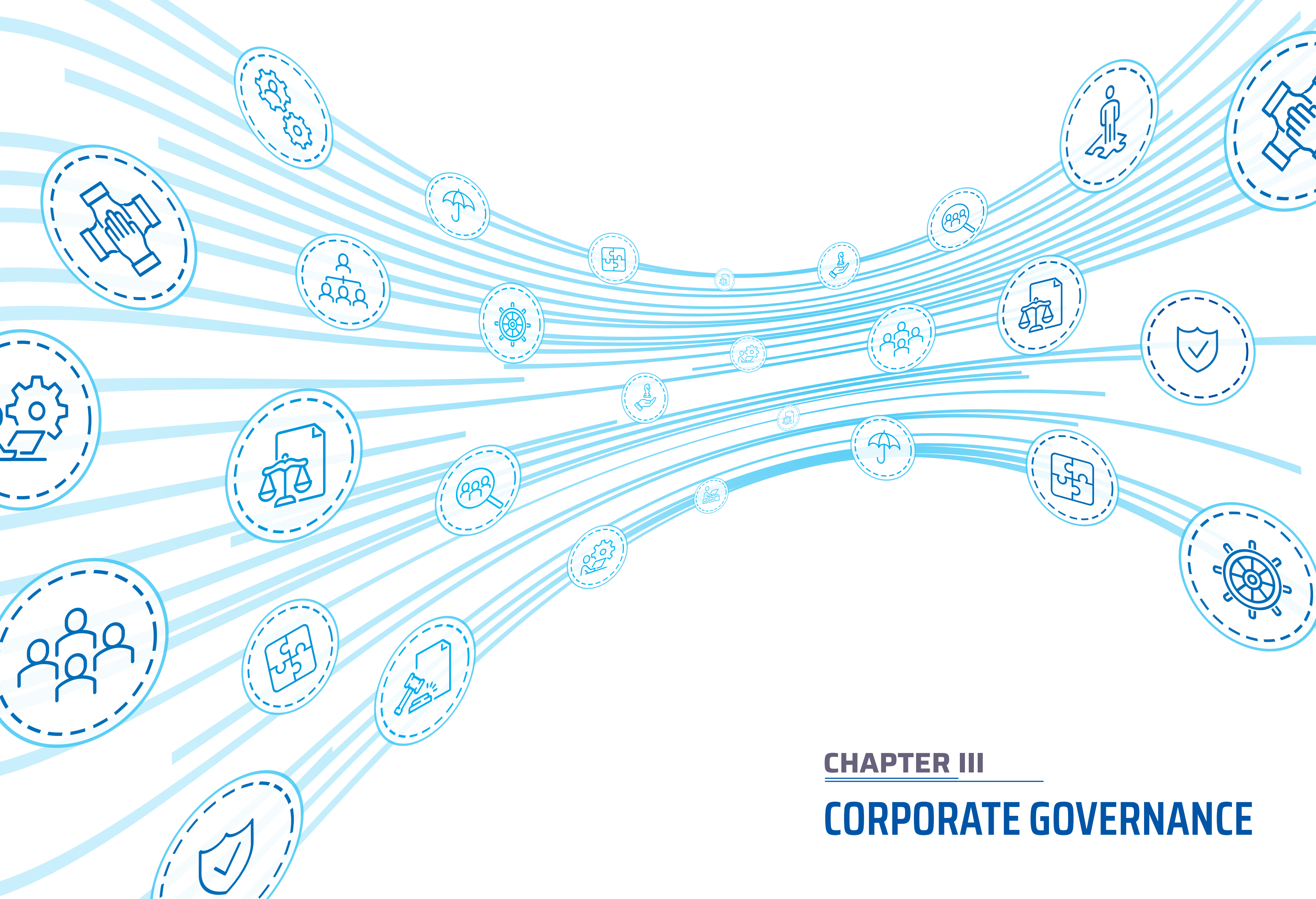
Capital, asset and investment management

- Developing a cash flow plan from the beginning of the fiscal year; keeping track of production and business activities; updating and changing the cash flow plan when business and production activities change.
- Developing and closely following the plan to mobilize capital sources to ensure production and business activities.
- Controlling the progress of the project and complying with the law

Environment, safety and health

- Strictly complying with the provisions of the law related to environment, labor safety and health.
- Complying with the requirements of customer evaluation standards.





CHAPTER III

CORPORATE GOVERNANCE



REPORT OF THE BOARD OF DIRECTORS

SUPERVISIONS OF THE BOARD OF DIRECTORS WITH THE BOARD OF MANAGEMENT

RESPONSIBILITIES OF THE BOARD OF DIRECTORS

Supervision and control strategy

- Making decisions on strategy and medium-term development plan, annual business plan.
- Making decisions on plans and investment projects in competence.
- Making decisions on solutions to expand markets, marketing, and technology.
- Implementing the appointment, dismissal, signing and termination of contracts with the General Director and key managers of the Company.
- Supervising and directing the General Director and other managers.
- Making decisions on organizational structure of the Company.
- Establishing committees under the Board of Directors.
- Appointing or dismissing the Company Secretary.
- Through internal management documents and corporate governance Rules.

Information publishing control and transparency

- Submitting annual financial statements to the General Meeting of Shareholders.
- Making and submitting proposals through financial statements, management reports, audit reports (and corporate governance reports) to the General Meeting of Shareholders.
- Developing internal control and risk management mechanisms.



Interests of shareholders

- Advising the General Meeting of Shareholders on dividend payment, time limit and dividend payment procedures.
- Resolving conflicts in the Company.
- Organizing the meetings of the General Meeting of Shareholders.
- Consulting shareholders so that the General Meeting of Shareholders can approve decisions.

Charter capital and assets

- Making proposals on types of shares and the total number of shares for each class to be offered.
- Making decisions on release of new shares in the limit of total shares for each type that can be offered.
- Making decisions on additional capital mobilization in other forms.
- Making decisions on offering prices of shares and bonds of the Company.

SUPERVISION METHOD

- Monitoring the process of production and business planning in 2020 and the implementation process to achieve the plan assigned by the General Meeting of Shareholders in 2020.
- Closely coordinating with the activities of the Internal Audit Subcommittee - an extended arm of the Board of Directors in helping to bring value to the Company by providing advice and assurance services by evaluating effectiveness of risk management, control and management systems.
- Participating in regular meetings (weekly, monthly) of the General Management, thereby grasping issues arising immediately upon the occurrence and having timely supervision instructions to help the General Management operate most effectively and complete the plans assigned by the General Meeting of Shareholders in line with the development strategies of the Company.

DEVELOPMENT PLANS AND STRATEGIES OF THE BOARD OF DIRECTORS

Plans and strategies

- The Chairman of the Board of Directors does not hold the position of General Director. The minimum proportion of independent members of the Board of Directors must be at least 1/3. The heads of the subcommittees under the Board of Directors are independent members of the Board of Directors. The ratio of male and female members in the Board of Directors is 50:50.
- Supervising the implementation of production and business plans in 2020 and develop business and production plans in 2021; ensuring effective production and business activities with the most economical costs.
- Supervising the implementation of construction of factories of TNG to ensure green factory standards (LEED, LOTUS).
- Encouraging and creating conditions for independent directors to promote their advantages as an independent member of the Board of Directors.
- Sustainable development is associated with 17 sustainable development criteria of the UN.
- Promoting R&D activities and developing new products to bring high profit margins.
- Continuing to improve the corporate culture; creating an open, dynamic and creative cultural environment; ensuring to meet the requirements of the 4th industrial revolution.
- Supervising the deployment and expansion of customers in other markets other than traditional markets such as Japan, Korea, Russia and South America.
- Supervising and evaluating production line improvement to help reduce production time, improve productivity, thereby reducing unnecessary steps.

Management

- Continuing to improve and improve the operational capacity of the internal audit department; helping the internal audit department to promote capacity enhancement as an internal part of the enterprise; making independent, objective recommendations to create added value for the company.
- Continuing to improve and re-evaluate the Kpis indicators in accordance with the work of each production and business unit, considering this as a key to control many operating links of the risk management system.
- Upgrading and perfecting the ERP system to meet the changes of the business environment, associated with the development of the 4.0 industrial revolution; connecting all production and business activities in the enterprise to create a unified reporting channel.
- Managing all activities associated with assessing the benefits to be achieved as well as costs and risks as well as measures to control risks in an acceptable region.





REPORT OF THE BOARD OF DIRECTORS (continued)

MEMBERSHIP AND STRUCTURE

As of 31 December 2020, TNG's Board of Directors consists of 09 members, including Chairman cum General Director; 06 full-time members and 03 independent non-executive members.

NO.	BOD	POSITION	NUMBER OF SHARES OWNED	%	REMARK
1	Mr. Nguyen Van Thoi	Chairman of BOD	12,580,711	19.29%	
2	Mr. Nguyen Duc Manh	Member of BOD	5,002,723	7.67%	General Director
3	Mr. Nguyen Manh Linh	Member of BOD	2,622,968	4.02%	Deputy General Director
4	Mr. Nguyen Van Duc	Member of BOD	146,011	0.22%	Deputy Chairman of BOD
5	Ms. Luong Thi Thuy Ha	Member of BOD	477,914	0.73%	Deputy General Director, Head of Internal Audit Subcommittee
6	Mr. Nguyen Hoang Giang	Member of BOD		0.00%	Independent member of BOD, non - executive
7	Ms. Do Thi Ha	Member of BOD	1,493,578	2.29%	Member of BOD, non - executive
8	Mr. Tran Canh Thong	Member of BOD	14,400	0.02%	Independent member of BOD, non - executive
9	Mr. Le Quang Vinh	Member of BOD		0.00%	Independent member of BOD, non - executive

The Board of Directors successfully organized the 2020 Annual General Meeting of Shareholders on 17 May 2020 with the participation of all members of the Board of Directors, the Board of Management and Sub-committees under the Board of Directors. At the meeting, the Board of Directors has given satisfactory answers to the questions from Shareholders. Voting results of each issue are recorded in Minutes and Resolutions of the Meeting and disclosed sufficiently and timely.

REPORT ON IMPLEMENTATION OF SOME MAIN CONTENTS OF THE RESOLUTION NO. 1461/2020/NQ-DHDCD DATED 17 MAY 2020:

NO.	MAIN CONTENTS OF THE RESOLUTION NO. 1461/2020/NQ-DHDCD DATED 17 MAY 2020	RESULT
2020 Profit distribution		
1	Deduction for development investment fund: VND 85,690,570,988	Already implemented, refer to Note 23. Equity Audited consolidated financial statements for the year ended 31 December 2020
2	Appropriation for reserve fund to supplement working capital: VND 11,505,555,613	Already implemented, refer to Note 23. Equity Audited consolidated financial statements for the year ended 31 December 2020

NO.	MAIN CONTENTS OF THE RESOLUTION NO. 1461/2020/NQ-DHDCD DATED 17 MAY 2020	RESULT
3	Appropriation for bonus and welfare fund: VND 23,011,111,227	Already implemented, refer to Note 23. Equity Audited consolidated financial statements for the year ended 31 December 2020
Pay remuneration of 2020 to the Board of Directors		
4	2.4% of profit after tax in 2019 in cash which is valued at VND 5,565,512,841	Already implemented, refer to Note 23. Equity Audited consolidated financial statements for the year ended 31 December 2020
Pay dividends of 2020 to shareholders		
5	Paying dividends by share at the rate of 8%: VND 52,169,180,800	Already implemented, refer to Note 23. Equity Audited consolidated financial statements for the year ended 31 December 2020
6	Paying dividends by share at the rate of 8%: VND 52,169,180,800	Already implemented, refer to Note 23. Equity Audited consolidated financial statements for the year ended 31 December 2020
Approve business plan in 2020		
7	Revenue: VND 4,600 billion	Realized revenue in 2020 reaches VND 4,480 billion, achieving 97.39% of the plan.
8	Profit after tax: VND 230 billion	Profit after tax in 2020 is VND 153 billion, reaching 66.5% of the plan.
Other issues		
9	Select Deloitte Vietnam Company Limited as the auditor for Financial Statements for the year 2020.	Refer to the audited consolidated financial statements for the year ended 31 December 2020
10	Change members of the Board of Directors: <ul style="list-style-type: none"> ◦ Dismiss BOD members i.e., Ms. Ha Thi Tuyet and Mr. Rusdy Pranata ◦ Appoint BOD members i.e., Ms. Luong Thi Thuy Ha, Mr. Nguyen Manh Linh, Ms. Dinh Le Hang, and Mr. Hwan Kyoong Kim in 2019 - 2024 term 	Elect additional BOD members, to be specific: <ul style="list-style-type: none"> ◦ Mr. Tran Canh Thong is elected BOD member in 2020 - 2025 term. ◦ Mr. Nguyen Hoang Giang is elected BOD member in 2020 - 2025 term
Issuance plan		
12	Issue shares to pay dividends in 2029 at the rate of 8%	In 2020, the Company paid dividends of 2019 by shares at the rate of 100:8, increasing the Company's charter capital by VND 52,147,840,000.
13	Issue shares to employees of TNG at the rate of 5%	Not yet implemented
14	Offer to existing shareholders at the rate of 10%	Not yet implemented
15	Convert bonds into shares as required by bondholders	Already implemented as required by bondholders, converting VND 38 billion of convertible bonds, increasing the Company's charter capital by VND 35,687,450,000



REPORT OF THE BOARD OF DIRECTORS (continued)

THE SITUATION OF ATTENDING THE OFFICIAL MEETINGS OF THE BOARD OF DIRECTORS IN 2020

In 2020, the Board of Directors held 13 official meetings with the full participation of members of the Board of Directors for important issues in monitoring the implementation of production and business plans in 2020. The Board of Directors complies with the provisions of law and the Charter of the Company. At the same time, according to the assigned areas, the members carry out the direction, supervision and urge the Executive Board to implement the resolutions and decisions of the Board of Directors, ensuring efficiency in the management.

BOARD OF DIRECTORS INFORMATION

NO.	BOD	POSITION	DATE	
			DATE OF APPOINTMENT	DATE OF REMOVAL
1	Mr. Nguyen Van Thoi	Chairman of BOD		
2	Mr. Nguyen Duc Manh	Deputy Chairman of BOD		
3	Ms. Do Thi Ha		24/04/17	
4	Mr. Le Quang Vinh	Independent member of BOD	24/04/17	
5	Mr. Nguyen Van Duc	Member of BOD, non-executive	24/04/17	
6	Ms. Luong Thi Thuy Ha		21/04/19	
7	Mr. Nguyen Manh Linh		21/04/19	
8	Mr. Tran Canh Thong	Independent member of BOD	17/05/20	
9	Mr. Nguyen Hoang Giang	Independent member of BOD	17/05/20	
10	Mr. Hwan Kyoon Kim	Independent member of BOD		17/05/20
11	Ms. Dinh Le Hang	Independent member of BOD		17/05/20

MEETINGS OF THE BOARD OF DIRECTORS

NO.	BOD	NUMBER OF MEETING ATTENDED	PERCENTAGE	REASON FOR ABSENCE
1	Mr. Nguyen Van Thoi	13	100%	
2	Mr. Nguyen Duc Manh	13	100%	
3	Ms. Do Thi Ha	13	100%	
4	Mr. Le Quang Vinh	13	100%	
5	Mr. Nguyen Van Duc	13	100%	
6	Ms. Luong Thi Thuy Ha	13	100%	
7	Mr. Nguyen Manh Linh	13	100%	
8	Mr. Tran Canh Thong	10	77%	New appointment
9	Mr. Nguyen Hoang Giang	2	15%	New appointment
10	Mr. Hwan Kyoon Kim	3	23%	Resignation
11	Ms. Dinh Le Hang	0	0%	Resignation

SUMMARY OF SOME MAIN CONTENTS OF MEETINGS OF THE BOARD OF DIRECTORS IN 2020

NO.	RESOLUTION	DATE	MAIN CONTENT	PERCENTAGE
1	55/NQ-HDQT	08/01/20	Approved the first dividend advance of 2019 by money	8/8
2	782NQ/HDQT-TNG2020	16/03/20	Approve the extension of the Organizing Grand period Annual meeting of shareholders in 2020	8/8
3	986/NQHDQT-TNG	06/04/20	Accept hold time and program Annual General Meeting of Shareholders 2020	8/8
4	1463/NQ-HDQT	17/05/20	Resolution on the election of General Director and assigning duties to members of the Board of Directors	8/8
5	1528/NQHDQT-TNG	27/05/20	Implementation of the release plan shares to pay dividends	8/8
6	2213/NQ-HDQT	30/07/20	26th Amendment of the Company	8/8
7	2287/2020/NQ-HDQT	06/08/20	Approved the conversion of bonds Switch released on 12/12/2018 become ordinary shares 2 times	8/8
8	2705/NQ-HDQT	16/09/20	27th Amendment of the Company	8/8
9	2756/NQHDQT-TNG	21/09/20	Approved the mobilization plan adopted issue of bonds, and collateral for bond issuance	8/8
10	2921/NQ-HDQT	05/10/20	Approved the first dividend advance of 2020 by money	8/8
11	2931/NQ-HDQT	06/10/20	Appointment of Mr. Nguyen Manh Linh position of Deputy General Director from the date of October 6, 2020	8/8
12	3408/NQ-HDQT	01/12/20	Resolution on listing bonds No convertible, no collateral (without warrant) has a total destiny price VND 136,000,000,000 (one hundred three six billion) companion, released in 2019	9/9
13	3410/NQ-HDQT	01/12/20	TNG Eco Green branch was established	9/9

EVALUATION OF THE INDEPENDENT MEMBER OF THE BOARD OF DIRECTORS FOR THE MEMBERS OF THE BOARD OF DIRECTORS

- Members understand and operate the work proactively.
- Planning specific, clear and transparent strategies.
- The Board of Directors coordinates with the internal audit department and executive agencies in the risk management and control process.
- Complying with the provisions of law, the Company's charter, and the Board of Directors' charter.



REPORT OF THE BOARD OF DIRECTORS (continued)

ACTIVITIES OF SUBCOMMITTEES UNDER THE BOARD OF DIRECTORS

INTERNAL AUDIT SUBCOMMITTEE

Member

NO.	INTERNAL AUDIT SUBCOMMITTEE	POSITION	NUMBER OF SHARES OWNED	PERCENTAGE	REMARK
1	Ms. Luong Thi Thuy Ha	Head of Internal Audit Subcommittee	516,147	0.7%	
2	Mr. Nguyen Van Duc	Member	157,668	0.21%	
3	Mr. Tran Minh Hieu	Member	64,739	0.09%	

All members have sufficient capacity and experience to perform the tasks assigned by the Board of Directors and specified in the operation regulations of the Internal Audit Subcommittee.

Responsibilities of Internal Audit Subcommittee

- Proposing or drafting a proposal submitted to the Board of Directors regarding the appointment, reappointment or dismissal of internal audit members.
- Giving comments on candidates for the position of independent auditors.
- Giving comments on the draft contract that will be signed with the Independent Auditor.
- Monitoring the application of accounting standards in the preparation of financial statements.
- Evaluating the accuracy and completeness of financial information before publication.
- Evaluating the independence of the Independent Auditor.
- Monitoring internal audit functions and independent auditing.
- Reviewing conditions that may lead to the dismissal of the Independent Auditor, and suggesting ideas in such cases.
- Implementing other tasks related to audit functions in the Company entrusted by the Board of Directors.



Operations in 2020

In the fiscal year ended on December 31, 2020, the Internal Audit Subcommittee held 04 meetings with the direct participation of all 03 members (in March, June, September and December 2020). There were also many other meetings on separate topics with the participation of relevant members. After each meeting as well as at the end of the fiscal year 2020, the Internal Audit Subcommittee has compiled and reported the performance results to the Board of Directors. The results of the Internal Audit Subcommittee can be summarized as follows:

Supervising activities of the Internal audit subcommittee

The Internal Audit is subject to the independent supervision of the Internal Audit Subcommittee through the approval of the annual audit plan, review of the operation charter and the Internal Audit method. The Internal Audit Subcommittee evaluates the Internal Audit function through its effective performance and ability to bring significant values to the Company. The specific information is as follows:

- The internal audit apparatus is quite compact but operates based on best practices, ensuring the independence and quality of the audit.
- The Internal Audit Charter, the Internal Audit Handbook as well as the actual internal audit activities show that the Internal Audit of TNG has met the basic requirements of the Internal Audit when compared with the Internal Audit Handbook issued by the Ministry of Finance and the World Bank ("WB").
- The coordination between the Board of Directors and the Internal Audit Subcommittee in the management of Internal Audit functions helps the Internal Audit promote its role not only in the requirements of compliance, but also supporting the units in risk management and internal control both before, during and after each operation arises.
- Although there are still difficulties in personnel, the 2020 Internal Audit plan was completed ahead of time. The results of the internal audit show that the compliance with the process in the audited units is very well done. The transition from compliance audit to supporting units in risk management and internal control has achieved good results and will be a priority in the coming years.
- The role of Internal Audit in the Company is increasingly recognized and enhanced through positive feedback from audited units.

Compliance monitoring and anti-fraud

The Internal Audit Subcommittee supervises the effectiveness of fraud prevention activities and measures, detects internal rule violations and law violations, and control professional ethics. Currently, the Company has set up a mechanism to direct and implement fraud prevention measures.



REPORT OF THE BOARD OF DIRECTORS (continued)

ACTIVITIES OF SUBCOMMITTEES UNDER THE BOARD OF DIRECTORS (continued)

Supervision of risk management and internal control systems

Quarterly, the Internal Audit Subcommittee supervises the internal control system and risk management system through reports of Internal Audit, Independent Auditor, Internal Audit and Risk Management Department. The monitoring results show that TNG Investment and Trading Joint Stock Company has an effective management and risk control framework:

- Integrating the management and risk control system directly on ERP software system to help detect risks and timely control, ensuring that risks are always at an acceptable level.
- There is a specialized apparatus for risk management and internal control.
- There are processes and methods of risk management
- Risks are always monitored and updated to take appropriate measures.
- Employees of the Company are aware of and responsible for risk management. Self-assessment system of internal control contributes positively to raise awareness of staff for risk management and internal control.
- Business processes are issued, updated and managed by the specialized department. The results of the Internal Audit show that compliance with the current processes is well done.



Supervising financial statements

The Internal Audit Subcommittee supervises the financial statements on the monthly, quarterly and annual basis or every six months before the financial statements are submitted by the Board of Directors to the Board of Directors, the General Meeting of Shareholders or announced to the public in accordance with the law. The Internal Audit Subcommittee gives comments on the truthfulness, completeness, timeliness and appropriateness of the financial statements with the regime, accounting standards and current legal regulations. Monitoring results show that:

- Quarterly and annual financial statements are prepared and published in accordance with accounting standards and current laws.
- In the year, there was no change in accounting regime, accounting standards, tax policy significantly impacting the financial situation and the published financial statements.
- No unusual record for related party transactions is done.

Supervising independent audit services

The monitoring results show that the proposed plan and the implementation of the auditing plan in 2020 by the Independent Auditor are in line with the Company's requirements on scope, object, method, time and quality assurance requirements, independence, no conflict of interests of independent auditors. For selecting an Independent Auditor in the fiscal year 2020, the Board of Directors will propose to submit to the General Meeting of Shareholders for voting and selecting.



ORIENTATION OF THE INTERNAL AUDIT SUBCOMMITTEE IN 2021

- Maintaining and promoting the activities available to ensure effective operations, as well as giving objective, independent opinions. The personnel structure of the Internal Audit Subcommittee will change towards selecting the Head of Internal Audit Subcommittee among independent members of the Board of Directors to ensure adequate professional and ethical capacity and successfully fulfill the duties of the Board of Directors.
- Communicating the importance and effectiveness to apply risk management framework to the smallest functional units in the process of operating the business, helping functional units have a different perspective on how to operate the system through risk management and control.
- Building integrated tools on ERP management software to help the Internal Audit Subcommittee in activities: Supervising the internal audit activities, compliance and fraud prevention, risk management and internal audit, financial statements associated with strategic development goals and objectives.
- Strategic monitoring in the development and training of internal audit resources.





REPORT OF THE BOARD OF DIRECTORS (continued)

ACTIVITIES OF SUBCOMMITTEES UNDER THE BOARD OF DIRECTORS (continued)



DEVELOPMENT POLICY SUBCOMMITTEE

In 2020, the subcommittee conducted 12 meetings with full participation of members.

Members

NO.	DEVELOPMENT POLICY SUBCOMMITTEE	POSITION	NUMBER OF SHARES OWNED	%	REMARK
1	Mr. Nguyen Van Thoi	Head of Development Policy subcommittee	13,587,167	18.36%	Chairman of BOD
2	Mr. Nguyen Duc Manh	Member	5,402,940	7.3%	Deputy Chairman of BOD
3	Mr. Tran Minh Hieu	Member	64,739	0.09%	Deputy General Director

Responsibilities of the subcommittee

- Identifying development strategies, goals and plans, as well as basic performance indicators of the Company.
- Identifying operational priorities.
- Developing organizational policies.
- Evaluating the long-term productivity in the Company's activities

Operations in 2020

- Supervising the operation of the Board of Directors to ensure the business plan of the General Meeting of Shareholders 2020 assigned and in accordance with the development strategy of the Company.
- Updating information on changes and fluctuations in the market to ensure the development strategy of the Company catches up with the changing pace of the environment, especially the industrial revolution 4.0.

PERSONNEL AND REMUNERATION SUBCOMMITTEE

In 2020, the Subcommittee conducted 06 meetings related to the contents of the subcommittee's responsibilities with full participation of members of the subcommittee.

Members

NO.	PERSONNEL AND REMUNERATION SUBCOMMITTEE	POSITION	NUMBER OF SHARES OWNED	%	REMARK
1	Ms. Luong Thi Thuy Ha	Head of Personnel & Remuneration subcommittee	516,147	0.7%	Deputy General Director
2	Mr. Le Quang Vinh	Member	0	0%	Independent member of BOD, non-executive
3	Ms. Do Thi Ha	Member	1,613,064	2.18%	Member of BOD, non-executive

Responsibilities

- Preparing the draft proposal on remuneration policy to submit to the Board of Directors or comment on the proposal of remuneration policy offered by the Board of Directors.
- Preparing a proposal for remuneration for members of the Board of Directors, General Management and the Independent Auditor; suggesting the content of the proposal of the Board. The proposal will propose remuneration and compensation structure.
- Periodically (at least twice a year), the subcommittee will assess the size and remuneration structure of each member of the Board of Directors and the Executive Board, as well as the Independent Auditor and make recommendations related to the necessary changes and then submit to the General Meeting of Shareholders in the next meeting.
- Implementing other tasks related to remuneration policy of the Company entrusted by the Board.

Operations in 2020

- Providing a strategy to attract employees to work by changing the contents of the income distribution regulations.
- Consulting and developing human resources with high technical skills.
- Supervising how to evaluate each employee's capacity; implementing the automatic evaluation system of each individual's software for work.
- Orienting mechanisms and policies to motivate employees through rewarding mechanism, rewarding initiatives, etc.



REPORT OF THE BOARD OF DIRECTORS (continued)

ACTIVITIES OF SUBCOMMITTEES UNDER THE BOARD OF DIRECTORS (continued)

SUSTAINABLE DEVELOPMENT SUBCOMMITTEE

In the year, the subcommittee conducted 04 meetings with full participation of members. The subcommittee exchanged issues within the scope of the subcommittee's rights.

Members

SUSTAINABLE NO.	DEVELOPMENT SUBCOMMITTEE	POSITION	NUMBER OF SHARES OWNED	%	REMARK
1	Mr. Nguyen Van Duc	Head of Sustainable Development Subcommittee	157,668	0.21%	Deputy chairman of BOD
2	Mr. Nguyen Manh Linh	Member	3,332,805	4.5%	Member of BOD cum Deputy General Director
3	Mr. Nguyen Hoang Giang	Member	0	0%	Independent member of BOD, non-executive

Responsibilities

- Developing a long-term sustainable development plan.
- Inspecting and supervising all production, business, finance, human resources and environment, etc. in order to control the Company's sustainable production, business and financial activities, staff sustainability, and improved working environment.
- Monitoring and evaluating activities of making annual Sustainable Enterprise Report according to GRI standards.
- Supervising and evaluating the implementation of Enterprise assessment according to the CSI Sustainable Enterprise Index of VCCI.

Operations in 2020

- Planning strategies for the company's sustainable development program according to regulations.
- Supervising the implementation of policies for employees, reducing energy waste, contributing positively to environmental protection.

ACTIVITIES OF INDEPENDENT MEMBERS OF BOD

In addition to the responsibilities assigned in the subcommittees, the independent members of the Board of Directors also have the following responsibilities:

Mr. Nguyen Hoang Giang

Responsibility: Participate in the negotiation of share price, support corporate governance according to the international practices, analyze garment and textile situation in Vietnam and in the world to have suitable policy.

Result: Together with BOD, negotiating with domestic and overseas investors. Promoting the meetings with customers in Japan and Korea. Giving advice on bond issuance. Evaluating the business market expansion.

Mr. Le Quang Vinh

Responsibility: Supervise IR activities.

Result: Resolving all questions and complaints about policies related to TNG's activities or Shareholders' rights arising from the Charter or any rights and obligations prescribed by law by proactive information delivery and provision of information upon request.

Mr. Nguyen Canh Thong

Responsibility: Supervise the information presented on the financial statements, monitoring internal audit system and risk management system.

Result: Ensuring the integration of risk management and internal control systems on ERP software which helps to detect risks and control in time, ensuring that the risks are always acceptable. The risks are always monitored and updated to take appropriate measures.

CHANGES IN MEMBERS OF THE BOARD OF DIRECTORS IN 2020

- Dismissed Ms. Dinh Le Hang from her position of BOD member from 17 May 2020.
- Dismissed Mr. Hwan Kyoon Kim from his position of BOD member from 17 May 2020.
- Appointed Mr. Nguyen Hoang Giang to hold the position of BOD member from 17 May 2020.
- Appointed Mr. Tran Canh Thong to hold the position of BOD member from 17 May 2020.



OPERATING EXPENSES OF THE BOARD OF DIRECTORS

The members of the Board of Directors regularly work at the Company, use the office, utilities, transportation facilities, working tools; implement the working and training regimes, comply with the regulations of the Company on administrative cost norms and equipment, working trips, employee policies. The incurred costs are accounted into the general management costs of the company.

CORPORATE GOVERNANCE TRAINING

All members of the Board of Directors meet the criteria prescribed by law.

Attending Director Certification Program DCP1 - Certifying members of the Board of Directors in Ho Chi Minh City on 10-12 January 2019

Participants:

- Mr. Nguyen Van Thoi: Chairman of BOD
- Mr. Nguyen Manh Linh: Member of BOD

Attending Director Certification Program DCP2 - Certifying members of the Board of Directors in Hanoi on 09-11 May 2019

Participants:

- Mr. Nguyen Manh Linh: Member of BOD

Attending the training under "Decree No. 05/2019/ND-CP on Internal audit - Auditing skills and building internal audit procedures" on 11-12 April 2019 at the Vietnam Chamber of Commerce and Industry (VCCI).

Participants:

- Mr. Nguyen Van Duc: Deputy Chairman of BOD



TRANSACTIONS, REMUNERATION, BENEFITS OF THE BOARD OF DIRECTORS, BOARD OF MANAGEMENT AND INTERNAL AUDIT SUBCOMMITTEE

NO.	NAME	POSITION	SALARY (VND)	PROPORTION	REMUNERATION (VND)	PROPORTION	TOTAL OF SALARY AND REMUNERATION (VND)	PROPORTION
BOARD OF DIRECTORS								
1	Mr. Nguyen Van Thoi	Chairman of BOD	1,336,677,860	55%	1,085,038,146	45%	2,421,716,006	100%
2	Mr. Nguyen Duc Manh	Deputy Chairman of BOD cum General Director	1,281,755,210	72%	505,000,000	28%	1,786,755,210	100%
3	Mr. Nguyen Manh Linh	Member of BOD cum Deputy General Director	1,184,077,048	88%	160,000,000	12%	1,344,077,048	100%
4	Ms. Luong Thi Thuy Ha	Member of BOD cum Deputy General Director of Human Resources	1,046,641,202	81%	245,000,000	19%	1,291,641,202	100%
5	Mr. Nguyen Van Duc	Responsibility member of BOD, non - executive		0%	984,541,120	100%	984,541,120	100%
6	Mr. Nguyen Hoang Giang	Independent member of BOD, non - executive		0%	109,999,994	100%	109,999,994	100%
7	Ms. Do Thi Ha	Member of BOD, non - executive		0%	173,957,291	100%	173,957,291	100%
8	Mr. Tran Canh Thong	Independent member of BOD, non - executive		0%	109,999,994	100%	109,999,994	100%
9	Mr. Le Quang Vinh	Independent member of BOD, non - executive		0%	167,226,522	100%	167,226,522	100%
BOARD OF MANAGEMENT								
1	Mr. Nguyen Van Thoi	Chairman of BOD	1,336,677,860	55%	1,085,038,146	45%	2,421,716,006	100%
2	Mr. Nguyen Duc Manh	Deputy Chairman of BOD cum Deputy General Director	1,281,755,210	72%	505,000,000	28%	1,786,755,210	100%
3	Ms. Luong Thi Thuy Ha	Member of BOD cum Deputy General Director of Human Resources	1,046,641,202	81%	245,000,000	19%	1,291,641,202	100%
4	Mr. Luu Duc Huy	Deputy General Director of Production	1,047,989,919	100%		0%	1,047,989,919	100%
5	Ms. Doan Thi Thu	Deputy General Director of Technology & Quality	1,090,892,580	100%		0%	1,090,892,580	100%
6	Mr. Tran Minh Hieu	Deputy General Director of Business	1,315,605,126	100%		0%	1,315,605,126	100%
7	Mr. Nguyen Manh Linh	Deputy General Director of Real Estate	1,184,077,048	88%	160,000,000	12%	1,344,077,048	100%
CHIEF ACCOUNTANT								
1	Ms. Tran Thu Ha	Chief accountant	695,616,090	100%		0%	695,616,090	100%

TRANSACTIONS, REMUNERATION, BENEFITS OF THE BOARD OF DIRECTORS, BOARD OF MANAGEMENT AND INTERNAL AUDIT SUBCOMMITTEE (continued)

TRANSACTION OF SHARES OF INTERNAL SHAREHOLDERS, MAJOR SHAREHOLDERS AND RELATED PERSONS

NO.	THE PERSON PERFORMING THE TRANSACTION	INTERNAL SHAREHOLDERS/RELATIONS WITH INTERNAL SHAREHOLDERS	OPENING BALANCE		CLOSING BALANCE		REASON
			NUMBER OF SHARES	PERCENTAGE	NUMBER OF SHARES	PERCENTAGE	
1	Ms. Nguyen Thi Nhuan	The sister of Mr. Nguyen Van Thoi - Chairman of BOD	237,739	0.38%	235,158	0.32%	Sale
2	Mr. Nguyen Manh Linh	Member of BOD cum Deputy General Director	2,622,968	4.22%	3,332,805	4.50%	Buy

CONTRACTS OR TRANSACTIONS WITH INTERNAL SHAREHOLDERS

In 2020, there was no transaction between the Company and the members of the Board of Directors, the Internal Audit Subcommittee, the Board of Directors and managers.



IMPLEMENTATION OF REGULATIONS ON CORPORATE GOVERNANCE

The Company fully complies with the provisions of the law on specific listed companies:

- The Enterprise Law No. 68/2014/QH13 passed by the XIII National Assembly of the Socialist Republic of Vietnam dated November 26, 2014.
- The Decree No. 71/2017/ND - CP dated June 06, 2017 on guidelines on corporate governance of public companies.
- The Circular No. 95/2017/TT - BTC dated September 22, 2017 guiding to implement a number of articles of the Decree No. 71/2017/ND - CP dated June 06, 2017 guiding corporate management for public companies.
- The Securities Law No. 70/2006/QH11 passed on June 29, 2006 by the XIth National Assembly of the Socialist Republic of Vietnam, the 9th session.
- The Circular 155/2015/TT - BTC dated October 6, 2015 guiding information disclosure on the stock market.

At the same time, the Company applies corporate management standards based on good international practices:

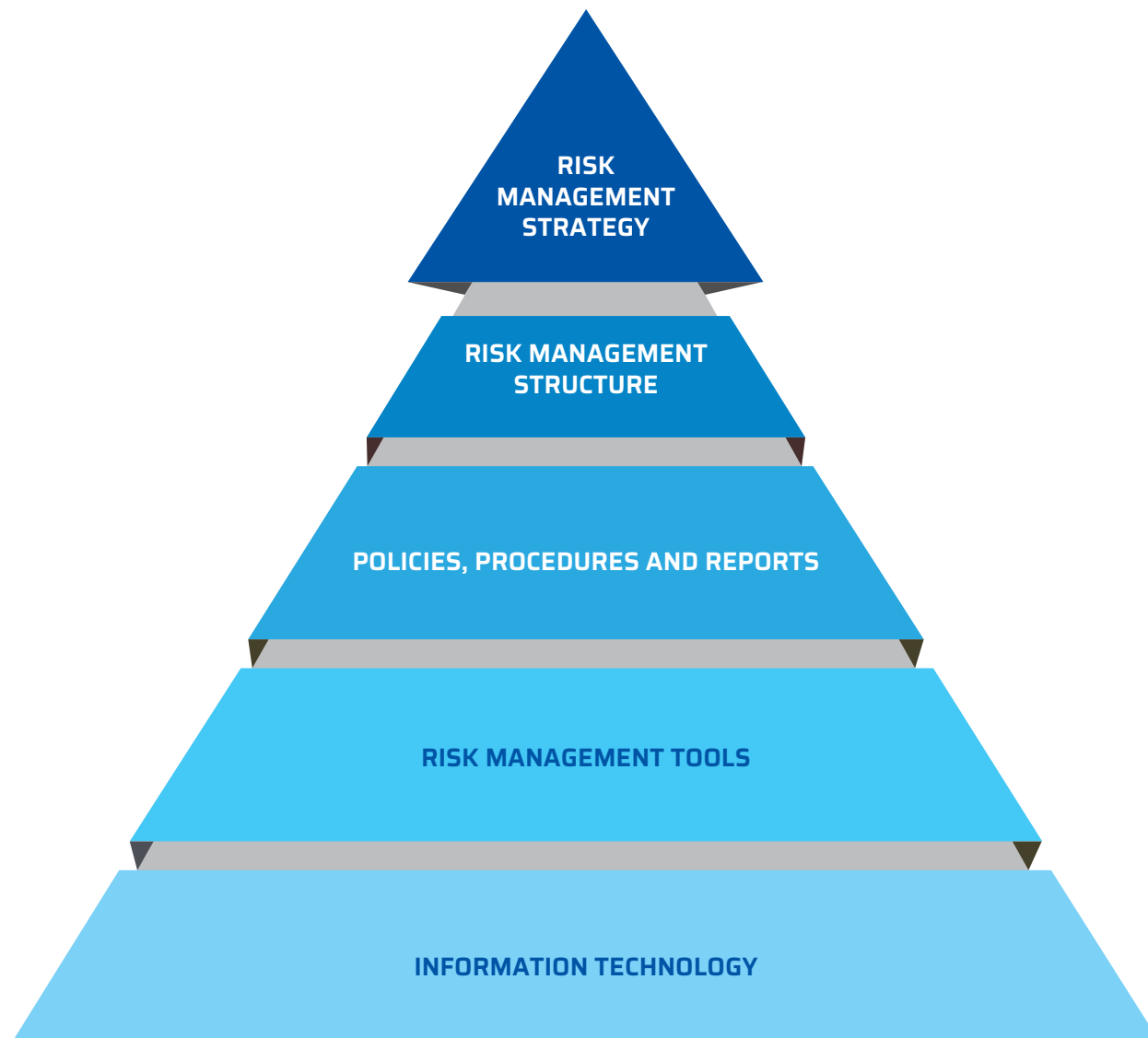
- ASEAN regional corporate management score card.
- G20/OECD management principles.



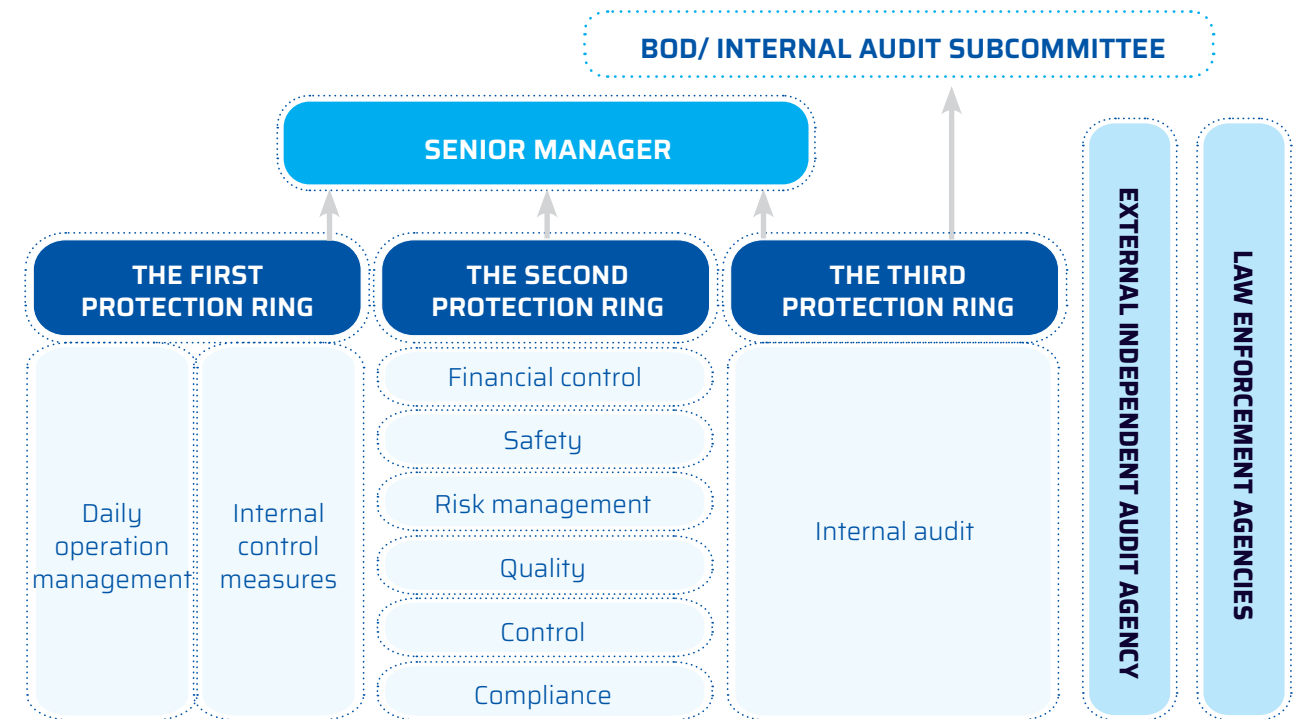
MODEL OF RISK MANAGEMENT FRAMEWORK AT TNG

The risk management framework at TNG consists of 5 main components:

- Risk management strategy is built in accordance with the objectives of the business, oriented to build other components of the risk management framework.
- Risk management structure is the foundation of risk management activities in enterprises.
- Policies, procedures and reports include policies, procedures and documents and reporting channels in the enterprise.
- Risk management tools are used to detect, aggregate, assess and mitigate risks.
- Information technology system is used to support and automate risk management activities.



The roles and responsibilities in risk management are reflected in the principle of “three protection rings” for TNG, clearly separating the role of 3 target groups related to effective risk management. This is to ensure success continuity of risk management initiatives and adapt to corporate unit sizes, helping to enhance the effectiveness of risk management systems.



The principle of “**three protection rings**” was built to support the Board of Directors and the General Management in risk management and control activities.

THE FIRST PROTECTION RING - Detects and manages risks

The first protection ring includes business functions and support functions (human resources, information technology, financial accounting...).

The first protection ring is responsible for maintaining and implementing risk management and risk management procedures. Depending on the decentralization within the enterprise, the heads of the first protection ring division are responsible for developing and implementing detailed processes, controlling and monitoring the implementation of the employee's processes.

THE SECOND PROTECTION RING - Responsible for monitoring risks

The second protection ring is responsible for general risk management for the whole enterprise and compliance. This protection ring is set up to consolidate, build and monitor the first protection ring and ensure that the first protection ring has been appropriately designed in terms of process and control measures and works properly as directed. The second protection ring can participate in the revision and construction of risk management system, internal control and participation in supporting the operation of the first protection ring.

THE THIRD PROTECTION RING - Responsible for ensuring independent inspection and auditing the first and second protection rings

The third protection ring includes the units that perform internal audit activities and is responsible for making reports to the Board of Directors on the effectiveness of risk management and control activities.



RISK MANAGEMENT (continued)

RISK MANAGEMENT STRUCTURE

- **BOARD OF DIRECTORS:** Supervising overall risk management activities; giving direction on risk “taste”.
- **EXECUTIVE BOARD:** Responsible for implementing risk management; managing and monitoring risk records; playing a pioneering role in promoting risk culture, increasing awareness and sharing; carrying out the risk analysis before making important decisions.
- **BUSINESS UNIT:** Complying with risk management policies; ensuring that the risks in the unit are identified and minimized; responsible for controlling risks in the activities of the unit.
- **STAFF UNITS:** Responsible for managing risks in professional activities.
- **INTERNAL AUDIT SUBCOMMITTEE:** Monitoring the construction and implementation of the model and risk management policies; monitor the Company’s risk records; carrying out the independent monitoring of selected risks and risk management systems and processes
- **RISK MANAGEMENT DEPARTMENT:** Giving support on risk management approach; maintaining the model and risk management policy; providing risk management tools, training, guidance and support units.
- **FOCAL RISK MANAGEMENT UNIT:** Coordinating risk management activities and risk management culture at the unit.



RISK MANAGEMENT PROCESS

STEP 1: Setting up the context

Building the context of the business environment in realizing the goals and strategies of the business so as to determine the limits of handling risks, the level of risk management and association activities with the main job steps in risk management.

STEP 2: Risk identification

Detecting events that may affect the implementation of strategic objectives of businesses, production and business, projects, etc.; sorting and classifying risks for management, including enterprise-level risks and unit level risks.

STEP 3: Risk assessment

Evaluating the likelihood and extent of the risks, considering risk control measures; ranking risks to determine management priority based on the set of quantified criteria associated with specific values for the likelihood of risk and the extent of the risk, thereby determining the level of corporate risk tolerance for each type of risk.

STEP 4: Risk response

Identifying measures, developing specific actions and monitoring plans to reduce risks to acceptable levels; making risk response plans corresponding to the level of risk and cost of each response plan:

- Avoiding risks is the decision on not continuing the investment or on choosing an investment plan with an acceptable risk to achieve the objectives of the business strategy (for example, the enterprise decides not to develop business in the business sector without advantages);
- Reducing the likelihood of risks and/or reducing the level of risk impact (for example, using safety equipment and training on fire safety in operating environments at high risk of fire and explosion);
- Transferring part or all of the risks through contracts (for example, insurance contracts are the most commonly used form of risk transfer; joint venture contracts; etc).

Selection of flexible risk response options, in some cases, can be used in combination with multiple risk response options to achieve the highest efficiency.

STEP 5: Risk control

Implementing processes and measures to control and respond to risks:

- Prevention control: Handling measures to prevent unwanted errors, incidents or actions/transactions;
- Detection control: Monitoring activities/processes to identify preventive control measures that are inadequate and error, incident or action/transaction, from which appropriate response measures are taken;
- Remedial control: Remedies to restore to the original state or reduce the consequences and damages of errors, incidents or actions/transactions.

STEP 6: Monitoring and reporting of risk management activities and changes that may affect the enterprise risk management system.

The monitoring and reporting process is conducted to assess the effectiveness and relevance of the corporate risk management framework. By regularly monitoring risks and assessing the effectiveness of risk management, the enterprise can adjust risk management programs for specific situations. The enterprise monitors current and new risks appear through the Key Risk Indicator (KRI), a predictor of current or future risks that can be observed or measured). The enterprise reporting to stakeholders about risk management process, including:

- Evaluating the effectiveness of control activities (whether done correctly);
- Evaluating the effectiveness of corporate risk management framework;
- Evaluating the remaining risks after applying solutions.



RISK MANAGEMENT (continued)

CONTROL OF RISKS AT A HIGH - LEVEL AT TNG

NO.	NAME OF RISK	DESCRIPTION OF RISK	CONTROL MEASURES
1	Risks of strategic plans	Lack of appropriate strategic plans to meet the long-term strategic objectives.	The strategic plan has been set up, communicated to stakeholders and assigned to the Development Policy Subcommittee for monitoring and implementation. The list of strategic projects is also approved, implemented and monitored
2	Risks of competitive advantages	The risk of losing competitive advantage, when the industry's growth rate declines and many competitors increasingly improve their differences	TNG conducts product diversification, reduces costs to give the most competitive price in the market. In addition, TNG has constantly invested in machinery and equipment to improve production and product quality
3	Risks of global economic environment	Failure to quickly adapt to global economic and social changes leads to unexpected impacts on the Company in the implementation of business plans.	TNG regularly updates changes in the economic environment, evaluates and analyzes the impacts on the Company. Since then, TNG makes timely action plans.
4	Risks of unfavorable changes in the political environment	Risks of unfavorable changes in the political environment in countries - where the operations of the main customers interfere with business and business decisions.	TNG conducts an assessment before signing contracts with customers and monitors the contract implementation. TNG regularly updates information and has appropriate reviews.
5	Communication risks	Loss of reputation or financial loss due to failure to timely and appropriately handle adverse information disseminated on the mass media.	TNG monitors and promptly reflects negative communication information through automated tools and appropriate crisis management teams..
6	Inheritance personnel risks	Important position is blank because it is not possible to find the right person for a required period of time.	TNG continues to deploy the inheritance personnel to the lower levels, ensuring staffing for all levels. TNG makes appropriate training plans for personnel replacement and ensures stress test.
7	Risks of loss of important customers	Losing relationships with major customers, leading to loss of sales.	Following up the relationships with customers, regularly evaluating sales and having relevant policies for major customers. Constantly expanding and developing business with new customers.
8	Risks of exchange rate fluctuations	The fluctuations in exchange rates significantly affect the operation and profitability of enterprises.	Set up foreign currency demand, prepare foreign currency reserves, forecast, monitor and analyze exchange rate fluctuation to balance demand and adjust plans accordingly.

NO.	NAME OF RISK	DESCRIPTION OF RISK	CONTROL MEASURES
9	Environmental risks	Solid waste has not been classified as required. Impact of climate change causes many natural disasters and storms to affect production. Employees are not aware of economical use of electricity and water resources	TNG has a waste water treatment system at all branches. The Company performs environmental tests periodically and complies with laws on environmental resources protection. In addition, The Company takes measures to plant forest trees, limit greenhouse waste to minimize pressure on the environment.
10	Human resource risks	Lack of labor due to competition with enterprises with manufacturing plants in the same area The Company improves income for employees, improves welfare policies to attract workers about.	TNG. The Company supports travel expenses from the houses of employees to factories. The Company arranges vehicles to pick up employees from the workplaces.
11	Risks of materials	The price of raw materials increases or does not guarantee quality to serve production.	The Company is proactive in the process of purchasing materials and having appropriate sales policies for customers.
12	Risks of failure to import input materials in time	Risk of interruption or insufficient raw materials for production process.	The Company controls inventory security, evaluates and manages suppliers, and makes plans to purchase goods reasonably. The Company implements a smart warehouse management project.
13	Risks of substandard products	The hazards from unusable or damaged products that are required to be recalled to avoid causing harm to consumers.	The Company establishes and regularly checks the controls required by the standards. The Company establishes separate evaluation criteria for the control system to ensure that it is always effective and optimal. The warning system is established to timely identify events and to handle them.
14	Information security risks	Risk of system disruption, information security and attack from information technology crimes.	The Company initially builds the Information Security system according to ISO 27000, computer and user protection systems. The Company regularly assesses the information security risks from inside and outside.

RISK MANAGEMENT 2020

The Company implements effectively and continues to apply the Coso - ERM risk management framework integrated with the ERP business management system under ISO 9001: 2015 quality management system. Assessments, measures, and action plans of risks are always considered by the owners on many factors, especially from stakeholders to control risks. Risk management activities at factories will also be further promoted and more intensive. The risk reporting system from factories will be unified, with identifying methods for integrating risks of the whole company in a reasonable manner. Monitoring

of risk warning indicators is carried out continuously and more closely to promptly detect any changes or unusual factors.

In order to sign a contract for each customer, TNG must ensure to meet special standards related to environmental assessment as well as social responsibility. Therefore, the risks related to the environment and social responsibility are always controlled during the implementation of the development strategies of the company throughout the process of formation and development.



ASEAN CORPORATE GOVERNANCE SCORECARD

SCORECARD	WELL COMPLETED	SHORT - TERM IMPROVABLE (< 1 YEAR)	LONG - TERM IMPROVABLE (> 5 YEARS)	BASES FOR ASSESSMENT
A RIGHTS OF STAKEHOLDERS				
A.1.1 Does the company pay (interim and final/annual) dividends in an equitable and timely manner; that is, all shareholders are treated equally and paid within 30 days after being (i) declared for interim dividends and (ii) approved by shareholders at general meetings for final dividends? In case the company has offered scrip dividend, did the company paid the dividend within 60 days?	100%			Pursuant to the Resolution No. 1461/2020/NQ - DHDCD dated May 17, 2020 by the General Meeting of Shareholders, the General Meeting of Shareholders approved the dividend payment in 2019; 8% of dividends shall be paid by shares. The Company carried out the dividend payment procedures right after the date of the 2020 General Meeting of Shareholders. Information disclosure documents related to the dividend payment by shares are uploaded on the Website: tng.vn (http://tng.vn/ Shareholder Relations/Information Disclosure/Share offering) or those documents can be found in Website: hnx.vn (search for TNG code).
A.2.1 Amendments to the company's constitution?	100%			TNG consulted shareholders about the amendment of the Company's regulation at the AGM. This right is also defined in: - Article 14.2 Charter of organization and operation of TNG Company
A.2.2 The authorisation of additional shares?	100%			TNG has consulted shareholders about issuing additional shares at the Annual General Meeting of Shareholders. This right is also defined in: - Article 14.2 of TNG Company 's Organization and Operation Charter. - Article 4 of the Resolution No. 1461/2020 NQ - DHDCD dated May 21, 2020 by the General Meeting of Shareholders.
A.2.3 The transfer of all or substantially all assets, which in effect results in the sale of the company?	100%			At TNG, this case has not happened yet. However, this right has been stipulated in Article 14.2 of TNG Company's Organization and Operation Charter.
A.3.1 Do shareholders have the opportunity, evidenced by an agenda item, to approve remuneration (fees, allowances, benefit - in - kind and other emoluments) or any increases in remuneration for the non-executive directors/ commissioners?	100%			This right is stipulated in Article 14.2 of TNG Company 's Organization and Operation Charter. According to Article 1.3 of the Resolution No. 1461/2020/NQ - DHDCD dated May 17, 2020 by the General Meeting of Shareholders, the General Meeting of Shareholders agreed that the remuneration for the Board of Directors in 2019 was 2,4% of the 2019 profit after tax in cash.
A.3.2 Does the company provide non - controlling shareholders a right to nominate candidates for Board of Directors/ commissioners?	100%			Provisions in Article 24.3 of the Company's Organization and Operation Charter.
A.3.3 Does the company allow shareholders to elect directors/ commissioners individually?	100%			The 2020 General Meeting of Shareholders: TNG's shareholders have rights to select member of the Board of Directors stipulated at Provisions in Article 20.2 of the Company's Organization and Operation Charter.
A.3.4 Does the company disclose the voting procedures used before the start of meeting?	100%			Regulations of the Annual General Meeting of Shareholders are attached to the Documents of the Annual General Meeting of Shareholders that can be found in the Website: tng.vn (http://tng.vn/ Shareholder Relations/ Corner of Shareholders/General Meeting of Shareholders).
A.3.5 Do the minutes of the most recent AGM record that the shareholders were given the opportunity to ask questions and the questions raised by shareholders and answers given recorded?	70%			The minutes of the General Meeting of Shareholders shall be posted on the website: tng.vn (http://tng.vn/ shareholder relations/Resolution/Resolution of the General Meeting of Shareholders).
A.3.6 Does the company disclose the voting results including approving, dissenting, and abstaining votes for all resolutions/each agenda item for the most recent AGM?	100%			The 2020 General Meeting of Shareholders: - Vote Counting Report No. 1460/TNG - DHDCD 2020 dated May 17, 2020 shows the total votes with voting rights and the approval rate for each agenda. - The Vote Counting Report is posted on website: http://tng.vn (http://tng.vn/Shareholder Relations/Resolution/ Resolution of the General Meeting of Shareholders .)
A.3.7 Does the company disclose the list of board members who attended the most recent AGM?	100%			The 2020 Minutes of the General Meeting of Shareholders No. 1460/TNG - DHDCD 2020 dated May 17, 2020.



ASEAN CORPORATE GOVERNANCE SCORECARD (continued)

SCORECARD	WELL COMPLETED	SHORT - TERM IMPROVABLE (< 1 YEAR)	LONG - TERM IMPROVABLE (> 5 YEARS)	BASES FOR ASSESSMENT
A.3.8 Does the company disclose that all board members and the CEO (if he is not a board member) attended the most recent AGM?	90%			The 2020 Minutes of the General Meeting of Shareholders No. 1460/TNG - DHDCD 2020 dated May 17, 2020.
A.3.9 Does the company allow voting in absentia?	100%			Provisions in Article 19 Charter of organization and operation of TNG Company.
A.3.10 Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM?	100%			Provisions in Section II: Voting through issues at the meeting in the Working Regulations of the General Meeting of Shareholders, published together with the documents of the General Meeting of Shareholders, accessed to the Website: tgn.vn according to the path of Shareholder Relations/Corner of shareholders/General Meeting of Shareholders.
A.3.11 Does the company disclose that it has appointed an independent party (scrutineers/inspectors) to count and/or validate the votes at the AGM?		✓		Provisions at the 2021 Annual General Meeting of Shareholders
A.3.12 Does the company make publicly available by the next working day the result of the votes taken during the most recent AGM/EGM for all resolutions?	100%			The Resolution No. 1461/2020/NQ - DHDCD dated May 17, 2020 by the Annual General Meeting of Shareholders was published on May 18, 2020.
A.3.13 Does the company provide at least 21 days notice for all AGMs and EGMs?	100%			According to the provisions of Circular No. 155: The annual extraordinary general meeting of shareholders must be announced 10 days before the opening date of the General Meeting of Shareholders. The 2019 General Meeting of Shareholders: TNG announced the disclosure of information of the 2020 General Meeting of Shareholders April 15, 2020 on the home page: http://tng.vn (tng.vn Shareholder relations/Shareholders' corner/General meeting of shareholders) 51 days before the opening date (Minutes of the General Meeting of Shareholders No. 1460/TNG - DHDCD 2020 dated May 17, 2020).
A.3.14 Does the company provide the rationale and explanation for each agenda item which require shareholders' approval in the notice of AGM/circulars and/or the accompanying statement?	100%			The 2020 General Meeting of Shareholders: - Provide specific information in each report. - Issues under the approval authority of the General Meeting of Shareholders are detailed in the plan statements. Reports and statements are included in the documents sent to Shareholders before the meeting and published on the website http://tng.vn (http://tng.vn/Shareholder relations/Shareholders' corner/General Meeting of Shareholders)
A.3.15 Does the company give the opportunity for shareholder to place item/s on the agenda of AGM?	100%			Provisions in Article 17.4 of the Company's Organization and Operation Charter: Proposals must be made in writing and sent to the Company at least 3 working days before the opening date of the General Meeting of Shareholders.
A.4.1 In cases of mergers, acquisitions and/or takeovers requiring shareholders' approval, does the Board of Directors/ commissioners of the company appoint an independent party to evaluate the fairness of the transaction price?	100%			Not happening at TNG.
A.5.1 Does the company disclose its practices to encourage shareholders to engage with the company beyond AGM?		✓		The Company will implement a program to encourage the participation of shareholders outside the framework of the General Meeting of Shareholders in the coming years.
B EQUITABLE TREATMENT OF SHAREHOLDERS				
B.1.1 Does the company's ordinary or common shares have one vote for one share?	100%			Article 11.1 of the Company's Organization and Operation Charter: Shareholders have rights and obligations corresponding to the number of shares and types of shares they own. - The 2020 General Meeting of Shareholders: Each voting card clearly states the total number of voting shares of the Shareholders. - In Section II.3 "Working Regulations of the Annual General Meeting of Shareholders", the content is sent to shareholders, HNX, State Securities Commission (SSC), Web page: tng.vn (http://tng.vn/Shareholder Relations/Shareholders/General Meeting shareholders).



ASEAN CORPORATE GOVERNANCE SCORECARD (continued)

SCORECARD	WELL COMPLETED	SHORT - TERM IMPROVABLE (< 1 YEAR)	LONG - TERM IMPROVABLE (> 5 YEARS)	BASES FOR ASSESSMENT
B.1.2 Where the company has more than one class of shares, does the company publicise the voting rights attached to each class of shares (e.g. through the company website / reports/ the stock exchange/ the regulator's website)?	100%			TNG has only one type of share.
B.2.1 Does each resolution in the most recent AGM deal with only one item, i.e., there is no bundling of several items into the same resolution?		✓		The 2020 Resolution of the General Meeting of Shareholders: Each issue shall be detailed in its statement that must be approved in the Resolution. The 2021 Resolution of the General Meeting of Shareholders: Each issue shall be detailed in a separate Resolution.
B.2.2 Are the company's notice of the most recent AGM/ circulars fully translated into English and published on the same date as the local - language version?	100%			The 2020 Resolution of the General Meeting of Shareholders: TNG published information on the homepage http://tng.vn (http://tng.vn/Shareholder Relations/Shareholder's Corner/General Meeting of Shareholders) in both Vietnamese and English on May 11, 2020 (7 days) before the opening date of the Annual General Meeting of 2019 (April 21, 2019).
B.2.3 Are the profiles of directors/commissioners (at least age, academic qualification, date of appointment, experience, and directorships in other listed companies) in seeking election/re - election included?	100%			2020: TNG additional voted 02 members of the Board of Directors. The related information of the election/ re- election meeting, the curriculum vitae of each member of the Board of Directors will be attached to the Statement and published on the website http://tng.vn (http://tng.vn/Shareholder Relations/ Corner of shareholders/General Meeting of Shareholders).
B.2.4 Are the auditors seeking appointment/re - appointment clearly identified?	100%			The 2020 Resolution of the General Meeting of Shareholders: Clause 1, Article 3 of Resolution No. 1461/2020/ NQ - DHDCD dated May 17, 2020. The Statement of approval of the audit unit is included in the meeting documents. the Statement was sent by the General Meeting of Shareholders to Shareholders and posted on Website: tng.vn (http://tng.vn/Shareholder Relations/Shareholders' Corner/General Meeting of Shareholders).
B.2.5 Were the proxy documents made easily available?	100%			The 2020 General Meeting of Shareholders: The invitation letter to attend the meeting and the form of authorization letter issued by TNG Company: - The invitation letter was sent via express mail to the address of each Shareholder. - The invitation letter was sent via email based on the registered information of each shareholder. - The invitation letter was sent via SMS according to the shareholders' phone number. - The invitation letter was provided on website http://tng.vn (http://tng.vn/Shareholder Relations/ Corner of shareholders/General meeting of shareholders).
B.3.1 Does the company have policies and/or rules prohibiting directors/commissioners and employees to benefit from knowledge which is not generally available to the market?	100%			Information is published at the website "tng.vn" under the link "Home/Introduction/Code of conduct for TNG staff". The Code was issued together with Decision No. 600A/QD - TNG dated 25/04/2017 .
B.3.2 Are the directors / commissioners required to report their dealings in company shares within 3 business days?	100%			Follow the provisions in Circular 155: at least 03 working days before the transaction date.
B.4.1 Does the company have a policy requiring directors / commissioners to disclose their interest in transactions and any other conflicts of interest?	100%			Article 22, Article 30 of the Corporate Governance Regulation: Members of the Board of Directors must publicize related benefits.
B.4.2 Does the company have a policy requiring a committee of independent directors/commissioners to review material RPTs to determine whether they are in the best interests of the company and shareholders?		✓		2020 Annual Report: - TNG established an Internal Audit Subcommittee.
B.4.3 Does the company have a policy requiring board members (directors/commissioners) to abstain from participating in the board discussion on a particular agenda when they are conflicted?	100%			Article 22.4 of the Corporate Governance Regulation: Members of the Board of Directors must not vote on transactions that bring benefits to such members or their related persons according to the provisions of the Enterprise Law and the Company Charter.



ASEAN CORPORATE GOVERNANCE SCORECARD (continued)

SCORECARD	WELL COMPLETED	SHORT - TERM IMPROVABLE (< 1 YEAR)	LONG - TERM IMPROVABLE (> 5 YEARS)	BASES FOR ASSESSMENT
B.4.4 Does the company have policies on loans to directors and commissioners either forbidding this practice or ensuring that they are being conducted at arm's length basis and at market rates?	100%			Article 24.4 Corporate Governance Regulation.
B.5.1 Does the company disclose that RPTs are conducted in such a way to ensure that they are fair and at arms' length?	100%			TNG makes full disclosure of transactions of related parties in the Governance Report, publicly available on website http://tng.vn (http://tng.vn/Shareholder Relations/Information Disclosure/ Stock Transactions).
B.5.2 In case of related party transactions requiring shareholders' approval, is the decision made by disinterested shareholders?	100%			Provisions in Article 35.4 of the Company's Organization and Operation Charter.
C ROLE OF STAKEHOLDERS				
C.1.1 The existence and scope of the company's efforts to address customers' welfare?	100%			2020 annual report.
C.1.2 Supplier/contractor selection procedures?	100%			Published on the website tng.vn under the link: Home/News/Other information/Announcement of bidding for specific bidding packages.
C.1.3 The company's efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?	100%			Strategic orientation of the Company is reflected in the Annual Report, Sustainable Development Report, ensuring 17 UN sustainable development goals.
C.1.4 The company's efforts to interact with the communities in which they operate?	100%			Strategic orientation of the Company is reflected in the Annual Report, Sustainable Development Report, ensuring development towards 17 criteria of the sustainable development of the United Nations.
C.1.5 The company's anti - corruption programmes and procedures?	100%			Sent to the stakeholders and published on the website: tng.vn under the link Home/Introduction/ Code of Conduct for suppliers.
C.1.6 How creditors' rights are safeguarded?	100%			Clearly expressed in terms of loan contracts, capital financing contracts.
C.1.7 Does the company have a separate report/section that discusses its efforts on environment/economy and social issues?	100%			Presented separately in the 2020 Sustainable Development Report, ensuring development towards 17 UN goals.
C.2.1 Does the company provide contact details via the company's website or Annual Report which stakeholders (e.g. customers, suppliers, general public etc.) can use to voice their concerns and/or complaints for possible violation of their rights?	100%			On the website: http://tng.vn - Section: Shareholder Relations/Shareholders' Corner/Shareholder Relations Board - Section: Home/Contact. - In addition, the Company provides email, phone number for direct contact with the responsible person on the relevant issues in annual reports and sustainable development reports.
C.3.1 Does the company explicitly disclose the policies and practices on health, safety and welfare for its employees?	100%			Published in sustainable development reports in sections such as Occupational Health and Safety, Education and Training.
C.3.2 Does the company explicitly disclose the policies and practices on training and development programmes for its employees?	100%			Section of Personnel organization in 2020 Annual Report.
C.3.3 Does the company have a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures?	100%			Clearly be stipulated in Income distribution regulation No. 190 QD-HDQT/2019 newly issued on 28 January 2019.



ASEAN CORPORATE GOVERNANCE SCORECARD (continued)

SCORECARD	WELL COMPLETED	SHORT - TERM IMPROVABLE (< 1 YEAR)	LONG - TERM IMPROVABLE (> 5 YEARS)	BASES FOR ASSESSMENT
C.4.1 Does the company have a whistle blowing policy which includes procedures for complaints by employees and other stakeholders concerning alleged illegal and unethical behaviour and provide contact details via the company's website or annual report?	100%			TNG has Regulation No. 2411/QD-BOD dated October 5, 2018 on violation warning system which appoints the department/person responsible for receiving violation warning reports from employees, business partners and resolving all reported cases. Published on the website tng.vn at home page/ about us/ System of violation warning.
C.4.2 Does the company have a policy or procedures to protect an employee/person who reveals alleged illegal/unethical behaviour from retaliation?	100%			TNG has Regulation No. 2411/QD - BOD dated October 5, 2018 on violation warning system, in which it is committed not to fire, threaten, bother or have any discriminatory behavior against employees and business partners who have sent violation warning reports to the Company.
D DISCLOSURE AND TRANSPARENCY				
D.1.1 Does the information on shareholdings reveal the identity of beneficial owners, holding 5% shareholding or more?	100%			Information of major shareholders with 5% shareholding or more is presented at section of Share information in 2020 Annual Report
D.1.2 Does the company disclose the direct and indirect (deemed) shareholdings of major and/or substantial shareholders?	100%			TNG's major shareholders only hold direct shares but not indirect shares
D.1.3 Does the company disclose the direct and indirect (deemed) shareholdings of directors (commissioners)?	100%			TNG's BOD members only hold direct shares but not indirect shares
D.1.4 Does the company disclose the direct and indirect (deemed) shareholdings of senior management?	100%			TNG's BOM only hold direct shares but not indirect shares
D.1.5 Does the company disclose details of the parent/holding company, subsidiaries, associates, joint ventures and special purpose enterprises/ vehicles (SPEs)/ (SPVs)?	100%			2020 Annual Report: Section of General Information. Notes to the annual financial statements
D.2.1 Corporate objectives.	100%			Vision - Mission - Core values, Messages of the Chairman of the Board of Directors, Strategic orientation of the Board of Directors.
D.2.2 Financial performance indicators.	100%			Financial situation Report of the Board of Directors Highlights of the year
D.2.3 Non - financial performance indicators.	100%			Highlights of the year, awards and titles achieved in the year, Report of the Board of Directors.
D.2.4 Dividend policy.	100%			Report of the Board of Directors
D.2.5 Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of all directors/ commissioners.	100%			Selection: Introduction of the Board of Directors
D.2.6 Attendance details of each director/commissioner in all directors/commissioners meetings held during the year.	100%			Selection: Report of the Board of Directors
D.2.7 Total remuneration of each member of the Board of Directors/commissioners.	100%			Section: Transactions, remuneration and benefits of the Board of Directors, the General Management and Internal Audit Subcommittee.
D.2.8 Does the Annual Report contain a statement confirming the company's full compliance with the code of corporate governance and where there is non - compliance, identify and explain reasons for each such issue?	100%			Section: Report of the Board of Directors. Section: Commitment to the truthfulness and reasonableness of information presented in 2020 Annual Report.
D.3.1 Does the company disclose its policy covering the review and approval of material RPTs?	100%			Article 35 of the Company's Charter of Operation and Organization.



ASEAN CORPORATE GOVERNANCE SCORECARD (continued)

SCORECARD	WELL COMPLETED	SHORT - TERM IMPROVABLE (< 1 YEAR)	LONG - TERM IMPROVABLE (> 5 YEARS)	BASES FOR ASSESSMENT
D.3.2 Does the company disclose the name, relationship, nature and value for each material RPTs?	100%			There was no arise at TNG in 2020
D.4.1 Does the company disclose trading in the company's shares by insiders?	100%			Published at the website http://tng.vn under the link: Shareholder Relations/Information Disclosure/ Stock Transactions. Report on corporate governance situation every 6 months according to TT155. Annual reports at the section of transactions, remuneration and benefits of the Board of Directors, the General Management and Internal Audit Subcommittee.
D.5.1 Are the audit and non - audit fees disclosed?			✓	2020 Annual Report: Report of the Board of Directors.
D.5.2 Does the non - audit fee exceed the audit fees?	100%			At TNG, non - audit service fees are much lower than auditing services from the same independent auditing company.
D.6.1 Quarterly reporting.	100%			Published at website http://tng.vn (http://tng.vn/Shareholder Relations). Analyses from securities companies: FPTs, BSC, MBS, etc. Articles about the Company on financial media: Investment Newspaper, Cafef, Financial Investment.
D.6.2 Company website.	100%			http://tng.vn http://tngfashion.vn http://www.tngvillage.vn
D.6.3 Analyst's briefing.	100%			Analysis reports from securities companies: FPTs, MBS, BSC,...
D.6.4 Media briefings /press conferences.	100%			Press release when there are events related to the Garment Industry and the Company. Press conference to announce major events.
D.7.1 Are the audited annual financial report / statement released within 120 days from the financial year end?	100%			The 2019 audited financial report is published at the electronic website of the company no later than March 30, 2020, within 90 days from the end of the fiscal year under the information disclosure guidelines at TT155.
D.7.2 Is the annual report released within 120 days from the financial year end?	100%			2019 Annual Report is published at the company's electronic website no later than April 11, 2020 within 101 days from the end of the fiscal year under the information disclosure guidelines at TT155.
D.7.3 Is the true and fairness/fair representation of the annual financial statement/reports affirmed by the Board of Directors/commissioners and/or the relevant officers of the company?	100%			The 2020 financial report: Affirmed by the Chairman of the Board of Directors.
D.8.1 Financial statements/reports (latest quarterly).	100%			Website http://tng.vn (http://tng.vn/Shareholder Relations/Reports/Financial Statements). Published on CIMS, IDS, HNX's website.
D.8.2 Materials provided in briefings to analysts and media.	100%			Website tng.vn (http://tng.vn/Home/News of production and business activities).
D.8.3 Downloadable annual report.	100%			Website tng.vn (http://tng.vn/Home/News of production and business activities).
D.8.4 Notice of AGM and/or EGM.	100%			Website http://tng.vn (http://tng.vn/Shareholder Relations/Annual Report/Reports).
D.8.5 Minutes of AGM and/or EGM.	100%			Website http://tng.vn (http://tng.vn/Shareholder Relations/Corner of shareholders/General Meeting of Shareholders/Documents related to the meetings of shareholders).
D.8.6 Company's constitution (company's by - laws, memorandum and articles of association).	100%			Website http://tng.vn (http://tng.vn/Shareholder Relations/Resolution/Resolution of the General Meeting of Shareholders).
D.9.1 Does the company disclose the contact details (e.g. telephone, fax, and email) of the officer / office responsible for investor relations?	100%			Website http://tng.vn (http://tng.vn/Shareholder Relationship/Company Information/Company Charter).
E RESPONSIBILITIES OF THE BOARD				
E.1.1 Does the company disclose its corporate governance policy / board charter?	100%			Website http://tng.vn (http://tng.vn/Shareholder Relations/Report/Corporate governance report/ Corporate governance regulations).



ASEAN CORPORATE GOVERNANCE SCORECARD (continued)

SCORECARD	WELL COMPLETED	SHORT - TERM IMPROVABLE (< 1 YEAR)	LONG - TERM IMPROVABLE (> 5 YEARS)	BASES FOR ASSESSMENT
E.1.2 Are the types of decisions requiring Board of Directors/ commissioners' approval disclosed ?	100%			Website http://tng.vn (http://tng.vn/Shareholder Relations/Resolution/Resolution of the Board of Directors).
E.1.3 Are the roles and responsibilities of the Board of Directors/ commissioners clearly stated?	100%			Provisions in Article 25 and 26 of the Company's Charter of Operation and Organization.
E.1.4 Does the company have an updated vision and mission statement?	100%			Annual report: Vision - Mission - Core Values.
E.1.5 Does the Board of Directors play a leading role in the process of developing and reviewing the company's strategy at least annually?	100%			Annual report: Report of the Board of Directors. The corporate governance report is made every 6 months as stipulated in TT155.
E.1.6 Does the Board of Directors have a process to review, monitor and oversee the implementation of the corporate strategy?	100%			Provisions in Article 25 and 26 of the Company's Charter of Operation and Organization.
E.2.1 Are the details of the code of ethics or conduct disclosed?	100%			Published at the website tng.vn under the link Home/Introduction/Code of conduct for TNG staff.
E.2.2 Are all directors/commissioners, senior management and employees required to comply with the code/s?	100%			Published at the website tng.vn under the link Home/Introduction/Code of conduct for TNG staff.
E.2.3 Does the company have a process to implement and monitor compliance with the code/s of ethics or conduct?			✓	This will be implemented from 2019.
E.2.4 Do independent directors/commissioners make up at least 50% of the Board of Directors/commissioners?	70%			Independent members of the Board of Directors: 3/9 people, accounting for 33%.
E.2.5 Does the company have a term limit of nine years or less or 2 terms of five years ¹ each for its independent directors/ commissioners? ¹ The five years term must be required by legislation which pre - existed the introduction of the ASEAN Corporate Governance Scorecard in 2011.	100%			Provisions in Article 24 of the Company's Charter of Operation and Organization: Each member of the Board of Directors has a maximum office term of 05 years.
E.2.6 Has the company set a limit of five board seats that an individual independent/non - executive director/ commissioner may hold simultaneously?	100%			Article 10: Corporate governance regulation.
E.2.7 Does the company have any executive directors who serve on more than two boards of listed companies outside of the group?	100%			Not happening at TNG
E.2.9 Is the Nominating Committee comprised of a majority of independent directors/commissioners?	70%			1/3 of the members of the Board of Directors are non - executive independent members.
E.2.10 Is the chairman of the Nominating Committee an independent director/commissioner?	100%			The Chairman of the Subcommittee is an independent member of the Board of Directors.
E.2.11 Does the company disclose the terms of reference/ governance structure/charter of the Nominating Committee?	70%			2020 Annual Report: Report of subcommittees under the Board of Directors.
E.2.12 Is the meeting attendance of the Nominating Committee disclosed and if so, did the Nominating Committee meet at least twice during the year?	100%			2020 Annual Report: Report of subcommittees under the Board of Directors.
E.2.13 Does the company have a Remuneration Committee?	100%			2020 Annual Report: Report of subcommittees under the Board of Directors.



ASEAN CORPORATE GOVERNANCE SCORECARD (continued)

SCORECARD	WELL COMPLETED	SHORT - TERM IMPROVABLE (< 1 YEAR)	LONG - TERM IMPROVABLE (> 5 YEARS)	BASES FOR ASSESSMENT
E.2.14 Is the Remuneration Committee comprised of a majority of independent directors/commissioners?	70%			1/3 of the members of the Board of Directors are non - executive independent members.
E.2.15 Is the chairman of the Remuneration Committee an independent director/commissioner?	100%			The Chairman of the Remuneration Committee is an independent member of the Board of Directors.
E.2.16 Does the company disclose the terms of reference/ governance structure/ charter of the Remuneration Committee?	70%			2020 Annual Report: Report of subcommittees under the Board of Directors.
E.2.17 Is the meeting attendance of the Remuneration Committee disclosed and, if so, did the Remuneration Committee meet at least twice during the year?	100%			2020 Annual Report: Report of subcommittees under the Board of Directors.
E.2.18 Does the company have an Audit Committee?	100%			2020 Annual Report: Report of subcommittees under the Board of Directors.
E.2.19 Is the Audit Committee comprised entirely of non - executive directors/commissioners with a majority of independent directors/commissioners?	70%			The internal audit subcommittee includes 2/3 non - executive members of the Board of Directors.
E.2.20 Is the chairman of the Audit Committee an independent director/commissioner?		✓		This will be implemented from 2020
E.2.21 Does the company disclose the terms of reference/ governance structure/charter of the Audit Committee?	70%			2020 Annual Report: Report of subcommittees under the Board of Directors.
E.2.22 Does at least one of the independent directors/ commissioners of the committee have accounting expertise (accounting qualification or experience)?	70%			TNG has 3 independent BOD members on total of 9 BOD members, in which 2 members have over 20 years of professional qualification and experiences in the accounting and financial sector
E.2.23 Is the meeting attendance of the Audit Committee disclosed and, if so, did the Audit Committee meet at least four times during the year?	100%			2020 Annual Report: Report of subcommittees under the Board of Directors.
E.2.24 Does the Audit Committee have primary responsibility for recommendation on the appointment, and removal of the external auditor?	100%			2020 Annual Report: Report of subcommittees under the Board of Directors.
E.3.1 Are the Board of Directors meeting scheduled before the start of financial year?	100%			The Board of Directors has a quarterly meeting schedule for the next year before the fiscal year begins.
E.3.2 Does the Board of Directors/commissioners meet at least six times during the year?	100%			In 2020, the Board of Directors met 18 times. The data is shown in the Corporate Governance Report which is prepared every 6 months according to Circular No. 155.
E.3.3 Has each of the directors/commissioners attended at least 75% of all the board meetings held during the year?	100%			In 2020, the Board of Directors met seven times. 88% of the Board members participated in all meetings. The data is shown in the Corporate Governance Report which is prepared every 6 months according to Circular No. 155.
E.3.4 Does the company require a minimum quorum of at least 2/3 for board decisions?	100%			Provisions in Article 28.8 of the Company's Charter of Organization and Operation: Meetings of the Board of Directors shall be conducted and approved only when there are at least three - quarters of the members of the Board of Directors present in person or through their representatives.
E.3.5 Did the non - executive directors/commissioners of the company meet separately at least once during the year without any executives present?		✓		This will be implemented from 2021.
E.3.6 Are board papers for Board of Directors/commissioners meetings provided to the board at least five business days in advance of the board meeting?	100%			Regulations of Article 28.2 of the Regulations on organization and operation of the Company: the agenda is provided at least seven days before the scheduled meeting date.



ASEAN CORPORATE GOVERNANCE SCORECARD (continued)

SCORECARD	WELL COMPLETED	SHORT - TERM IMPROVABLE (< 1 YEAR)	LONG - TERM IMPROVABLE (> 5 YEARS)	BASES FOR ASSESSMENT
E.3.7 Does the company secretary play a significant role in supporting the board in discharging its responsibilities?	100%			Article 16 of the Corporate Governance Regulation.
E.3.8 Is the company secretary trained in legal, accountancy or company secretarial practices and has kept abreast on relevant developments?	100%			Article 32 of the Company's Charter of Organization and Operation.
E.3.9 Does the company disclose the criteria used in selecting new directors/commissioners?	100%			The criteria are published together with the meeting documents sent directly to shareholders, posted on the website tng.vn according to the link of Shareholder Relations/Corner of shareholders/General Meeting of Shareholders/Meeting documents for the General Meeting of Shareholders in ... [year].
E.3.10 Did the company describe the process followed in appointing new directors/commissioners?	100%			Provisions in Article 24.2 of the Company's Charter of Organization and Operation: Members of the Board of Directors are nominated by shareholders and groups of shareholders or self - nominated through voting.
E.3.11 Are all directors/commissioners subject to re - election every 3 years; or 5 years for listed companies in countries whose legislation prescribes a term of 5 years ² each? ² The five years term must be required by legislation which pre - existed the introduction of the ASEAN Corporate Governance Scorecard in 2011.	100%			Provisions in Article 24.1 of the Company's Charter of Organization and Operation: Members of the Board of Directors have a maximum office term of 5 years.
E.3.12 Does the company disclose its remuneration (fees, allowances, benefit - in - kind and other emoluments) policy/practices (i.e. the use of short term and long term incentives and performance measures) for its executive directors and CEO?	100%			2020 Annual Report: Report to the Board of Directors Resolution No. 1461/2020/NQ - DHDCD of the General Meeting of Shareholders in 2020: Under Article 2, remuneration that is equal to equal to 2.4% of the undistributed profit after tax is expected to be paid to the Board of Directors in 2020.
E.3.13 Is there disclosure of the fee structure for non - executive directors/commissioners?	100%			2020 Annual Report: Section of transactions, remuneration and benefits of the Board of Directors, the General Management and the Internal Audit Subcommittee.
E.3.14 Do the shareholders or the Board of Directors approve the remuneration of the executive directors and/or the senior executives?	100%			The 2020 General Meeting of Shareholders approved the plan to pay remuneration to the Board of Directors. (Article 1, Resolution No. 1461/2020/NQ - DHDCD dated May 17, 2020).
E.3.15 Does the company have measurable standards to align the performance - based remuneration of the executive directors and senior executives with long - term interests of the company, such as claw back provision and deferred bonuses?			✓	2020 Annual Report: Report of the Board of Directors.
E.3.16 Does the company have a separate internal audit function?	100%			Internal Audit Subcommittee is under the Internal Audit Subcommittee
E.3.17 Is the head of internal audit identified or, if outsourced, is the name of the external firm disclosed?	100%			The head of Internal Audit Subcommittee is a full - time employee at the Company.
E.3.18 Does the appointment and removal of the internal auditor require the approval of the Audit Committee?	100%			The appointment and dismissal of internal audit is approved by the Internal Audit Subcommittee.
E.3.19 Does the company establish a sound internal control procedures/risk management framework and periodically review the effectiveness of that framework?	100%			2020 Annual Report: Risk Management.
E.3.20 Does the Annual Report/Annual CG Report disclose that the Board of Directors/commissioners has conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems?	100%			2020 Annual Report: Report of the Board of Directors.



ASEAN CORPORATE GOVERNANCE SCORECARD (continued)

SCORECARD	WELL COMPLETED	SHORT - TERM IMPROVABLE (< 1 YEAR)	LONG - TERM IMPROVABLE (> 5 YEARS)	BASES FOR ASSESSMENT
E.3.21 Does the company disclose the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic)?	100%			2020 Annual Report: Risk Management.
E.3.22 Does the Annual Report/Annual CG Report contain a statement from the Board of Directors/commissioners or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems?	100%			2020 Annual Report: Report of the Audit Subcommittee under the Board of Directors.
E.4.1 Do different persons assume the roles of chairman and CEO?	100%			From May 17, 2020: Chairman of the Board of Directors is not allowed to cum General Director of the Company.
E.4.2 Is the chairman an independent director/commissioner?		✓		Chairman of the Board of Directors is not an independent member of the Board of Directors.
E.4.3 Is any of the directors a former CEO of the company in the past 2 years?	100%			This case does not happen in TNG Company.
E.4.4 Are the roles and responsibilities of the chairman disclosed?	100%			Provisions in Article 26 of the Regulation on organization and operation of TNG Company regarding the responsibilities of the Chairman of the Board of Directors.
E.4.5 If the Chairman is not independent, has the Board appointed a Lead/Senior Independent Director and has his/her role been defined?	100%			TNG has 03 independent members of the Board of Directors.
E.4.6 Does at least one non - executive director/commissioner have prior working experience in the major sector that the company is operating in?	100%			5 members of the Board of Directors are non - executive members (including two independent members of the Board of Directors) An independent member of the Board of Directors with experience in the garment industry, an independent member of the Board of Directors with experience in law, investment and stock market
E.5.1 Does the company have orientation programmes for new directors/commissioners?		✓		Only exchanged at the meetings of the Board of Directors.
E.5.2 Does the company have a policy that encourages directors/commissioners to attend on - going or continuous professional education programmes?	100%			Annual Report, Corporate Governance Report, Corporate Governance: Human Resources and Training.
E.5.3 Does the company disclose the process on how the Board of Directors/commissioners plans for the succession of the CEO/Managing Director/President and key management?	100%			Annual Report, Corporate Governance Report, Corporate Governance: Human Resources and Training.
E.5.4 Does the Board of Directors/commissioners conduct an annual performance assessment of the CEO/Managing Director/President?	100%			Annual report, evaluation report of the Board of Directors for the General Director.
E.5.5 Did the company conduct an annual performance assessment of the Board of Directors/commissioners and disclose the criteria and process followed for the assessment?	100%			Annual report: Report of the Board of Directors.
E.5.6 Did the company conduct an annual performance assessment of the individual directors/commissioners and disclose the criteria and process followed for the assessment?	100%			Annual report: Report of the Board of Directors.
E.5.7 Did the company conduct an annual performance assessment of the board committees and disclose the criteria and process followed for the assessment?	100%			Annual report: Evaluation report of subcommittees directly under the Board of Directors.



ASEAN CORPORATE GOVERNANCE SCORECARD (continued)

SCORECARD	WELL COMPLETED	SHORT - TERM IMPROVABLE (< 1 YEAR)	LONG - TERM IMPROVABLE (> 5 YEARS)	BASES FOR ASSESSMENT
BONUS QUESTIONS				
(B)A.1.1		✓		TNG plans to apply this form of voting at the General Meeting of Shareholders in 2021
(B)B.1	100%			The Hanoi Stock Exchange (HNX) posted the Invitation letter for the 2020 Annual General Meeting of Shareholders on April 16, 2021 before 31 days compared to the date of the 2019 General Meeting of Shareholders on May 17, 2020.
(B)C.1.1	100%			2020 Annual report: Sustainable Development is reporting by GRI Standard.
(B)D.1.1		✓		This will be carried out from the 2021 Financial Statements.
(B)D.1.2	100%			Annual report: Transactions, remuneration and benefits of the Board of Directors, the General Management, and the Internal Audit Subcommittee.
(B)E.1.1		✓		03 independent member of BOD are male and one independent member of BOD is female.
(B)E.1.2		✓		This will be carried out from the 2021.
(B)E.2.2	100%			2020 Annual Report: Report of subcommittees under the Board of Directors.
(B)E.3.1	100%			TNG is looking for members of the Board of Directors from the Vietnam Institute of Directors (VIOD), the Vietnam Business Council for Sustainable Development (VBCSD), Vietnam Textile and Apparel Association (VITAS).
(B)E.4.1	70%			5/9 (56%) members of BOD are non executive members, 03 members of BOD are independent members.
(B)E.5.1	100%			Annual Report: Risk Management.
(B)E.6.1	100%			Internal Audit Subcommittee is in charge of risk management.
PENALTY QUESTIONS				
(P)A.1.1	100%			This case does not happen in TNG
(P)A.2.1	100%			This case does not happen in TNG
(P)A.3.1	100%			This case does not happen in TNG



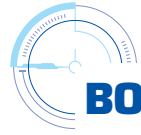
ASEAN CORPORATE GOVERNANCE SCORECARD (continued)

SCORECARD		WELL COMPLETED	SHORT - TERM IMPROVABLE (< 1 YEAR)	LONG - TERM IMPROVABLE (> 5 YEARS)	BASES FOR ASSESSMENT
(P) A.3.2	Did the Chairman of the Board, Audit Committee Chairman and CEO attend the most recent AGM?	100%			The minutes of the General Meeting of Shareholders recognized the full participation of the Chairman of the Board of Directors, General Director. (Minutes No. 858/TNG - DHDCD 2019 dated April 21, 2019).
(P) A.4.1	Shareholders agreement?	100%			This case does not happen in TNG
(P) A.4.2	Voting cap?	100%			The 2020 General Meeting of Shareholders: Voting cards of shareholders clearly state the number of votes of shareholders corresponding to the total number of voting shares (including ownership and authorization), specified in the Working Regulation with the General Meeting together with the expected documents to hold the General Meeting of Shareholders to be sent to shareholders and posted on the electronic the website tng.vn under the link of Shareholder Relations/Corner of shareholders/General Meeting of Shareholders/Documents for the General Meeting of Shareholders.
(P) A.4.3	Multiple voting rights?	100%			This case does not happen in TNG
(P) A.5.1	Is a pyramid ownership structure and/ or cross holding structure apparent?	100%			This case does not happen in TNG
(P) B.1.1	Has there been any conviction of insider trading involving directors/commissioners, management and employees in the past three years?	100%			All insider trading is strictly prohibited at the Company.
(P) B.2.1	Has there been any cases of non compliance with the laws, rules and regulations pertaining to material related party transactions in the past three years?	100%			This case does not happen in TNG.
(P) B.2.2	Were there any RPTs that can be classified as financial assistance (i.e not conducted at arms length) to entities other than wholly - owned subsidiary companies?	100%			This case does not happen in TNG.
(P) C.1.1	Have there been any violations of any laws pertaining to labour/employment/ consumer/insolvency/ commercial/ competition or environmental issues?	100%			This case does not happen in TNG.
(P) C.2.1	Has the company faced any sanctions by regulators for failure to make announcements within the requisite time period for material events?	100%			This case does not happen in TNG.
(P) D.1.1	Did the company receive a "qualified opinion" in its external audit report?	100%			Audit opinions are totally accepted.
(P) D.1.2	Did the company receive an "adverse opinion" in its external audit report?	100%			Audit opinions are totally accepted.
(P) D.1.3	Did the company receive a "disclaimer opinion" in its external audit report?	100%			Audit opinions are totally accepted.
(P) D.1.4	Has the company in the past year revised its financial statements for reasons other than changes in accounting policies?	100%			Audit opinions are totally accepted.
(P) E.1.1	Is there any evidence that the company has not complied with any listing rules and regulations over the past year apart from disclosure rules?	100%			This case does not happen in TNG
(P) E.1.2	Have there been any instances where non - executive directors/commissioner have resigned and raised any issues of governance - related concerns?	100%			This case does not happen in TNG



ASEAN CORPORATE GOVERNANCE SCORECARD (continued)

SCORECARD	WELL COMPLETED	SHORT - TERM IMPROVABLE (< 1 YEAR)	LONG - TERM IMPROVABLE (> 5 YEARS)	BASES FOR ASSESSMENT
<p>(P) E.2.1</p> <p>Does the Company have any independent directors/ commissioners who have served for more than nine years or two terms of five years each (which ever is higher) in the same capacity? ¹ The five years term must be required by legislation which pre - existed before the introduction of the ASEAN Corporate Governance Scorecard in 2011</p>	100%			This case does not happen in TNG
<p>(P) E.2.2</p> <p>Did the company fail to identify who are the independent director(s) / commissioner(s)?</p>	100%			Three independent members of the Board of Directors are clearly defined in accordance with the laws of Vietnam.
<p>(P) E.2.3</p> <p>Does the company have any independent directors/non - executive/commissioners who serve on a total of more than five boards of publicly - listed companies?</p>	100%			This case does not happen in TNG
<p>(P) E.3.1</p> <p>Is any of the directors or senior management a former employee or partner of the current external auditor (in the past 2 years)?</p>	100%			This case does not happen in TNG
<p>(P) E.4.1</p> <p>Has the chairman been the company CEO in the last three years?</p>	100%			From 2017 to the day before August 1, 2020: Chairman of the Board of Directors may be also the General Director of the Company but this must be voted annually at the Annual General Meeting of Shareholders with the approval from at least 51% of the total votes of all shareholders attending the meeting. From August 1, 2020: Chairman of the Board of Directors is not allowed to be the General Director of the Company.
<p>(P) E.4.2</p> <p>Do independent non - executive directors/commissioners receive options, performance shares or bonuses?</p>	100%			Independent non - executive members may not receive call options or bonus shares. Based on the list of names in information disclosure of share issuance times, the choices for employees in the company will not have the names of independent non - executive members.



BOARD OF MANAGEMENT'S EVALUATION ON RESPONSIBILITY OF THE ENTERPRISE TO THE SOCIETY AND LOCAL COMMUNITY



WITH THE MISSION OF “BRING THE HAPPINESS TO EMPLOYEES, CUSTOMERS AND RESIDENTIAL COMMUNITIES”, TNG ALWAYS CONSIDERS THE RESPONSIBILITY TO THE SOCIETY AND LOCAL COMMUNITY AS ONE OF THE LEADING BUSINESS STRATEGIC FACTORS OF ENTERPRISE.



Of which the factor helping an enterprise develop sustainably is the responsibility to the society and local community. This could be understood that an enterprise is supposed to take responsibility for its activities, and that the business ethics should be converted into practical actions to the society and nature.

During 42 years of building TNG brand, we always define our business strategy as ensuring the harmonization of economic-social-environmental benefits. As those 3 factors interrelate closely, well-performing the responsibility to the community and society will boost business. In contrast, business can only develop in a civilized society and good environment. This was obviously reflected through the following activities:

ENVIRONMENTAL PROTECTION

Understanding that a good living environment is the first and foremost demand of human. In respect of responsibility and voluntary, we have built the green factories using green materials and manufactured the eco-friendly products for benefits of the community.

TNG CONTRIBUTIONS TO COMMUNITY AND SOCIETY

Each of us cannot live but separate from the commune festival. So we are always involved in efforts to improve the social life in which we operate activities, by doing investment activities, community development, giving people best things.



ENSURING CONSUMERS' SAFETY AND BENEFITS

So to speak, in the modern context, enterprise's social responsibility is the commitment on product quality and consumer safety. TNG commits to take all responsibility for products supplied to consumers. TNG will take responsibility for consumers using TNG's products as many as possible.

POLICIES FOR EMPLOYEES

Chairman of the Board of Directors committed in Labor Conference that “all of employees of TNG will be ensured full benefits in accordance with the provisions of laws”. This is demonstrated by TNG's policies and regimes for employees which are fulfilled without any related complaint or suit.

With the efforts for a sustainably developing economy, civilized society, and happy community,

TNG was awarded many great prizes by Vietnamese Government, as well as many honorable certificates by domestic and international organizations. TNG is always proud of being the top choice of large organizations, and groups in the world, and the companion of customers and partners as well.

Being consistent with the chosen mission, facing new opportunities of technology era, getting ready to innovate and improve for a green future, we believe that TNG will always be the reliable brand to big corporates in region and the whole world.

Sincerely!

INFORMATION DISCLOSURE OF SUSTAINABLE DEVELOPMENT REPORT

SUSTAINABLE DEVELOPMENT REPORT WAS PREPARED UNDER INTERNATIONAL ORGANIZATIONS' STANDARDS



SUSTAINABLE DEVELOPMENT REPORT WAS GROUNDED ON STANDARDS ON INFORMATION DISCLOSURE, AND BUSINESS ACTIVITIES RELATED TO SUSTAINABLE DEVELOPMENT. FROM INTERNAL VALUES OF ENTERPRISE, TO REALIZE LONG-TERM AND SUSTAINABLE GOALS, TNG ACKNOWLEDGES THAT THE COMPANY'S SUCCESS WILL BE OBTAINED AND MAINTAINED ONLY WHEN ECONOMIC GROWTH IS ATTACHED WITH HUMAN RIGHTS PRESERVATION AND ENVIRONMENTAL PROTECTION FOR NEXT GENERATIONS.

The report will present the Company's activities related to sustainable development, and benefits of parties involved in order to identify issues that concern us all. At the same time, it also outlines a sustainable picture of the Company with long-term goals and orientations on environment, community and society in coming years.



SCOPE OF THE REPORT

The report was made in Vietnam, and shared the activities of TNG Investment and Trading Joint Stock Company in the garment sector.



REPORTING CYCLE

The report is prepared for annual.



CONTACT INFORMATION

To send inquiries and recommendations on sustainable development activities of TNG as shown in the report, feel free to contact us as follows

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Department of Investor Relations

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Address: No 434/1, Bac Kan Street, Hoang Van Thu Ward, Thai Nguyen City, Thai Nguyen Province

APPLICABLE STANDARDS

- Global Standards for Sustainability Reporting (GRI).
- Guidelines on sustainable development report G4 - Global reporting Initiative - The principles of reporting and publishing information as standards.
- Guidelines on sustainability reporting - by State Securities Commission of Vietnam and IFC.
- Corporate Sustainability Index (CSI) - Vietnam Business Council for Sustainable Development (VBCSD).
- Guidelines on publishing information on Environmental, Social, and Governance (ESG).

METHOD FOR DETERMINATION OF REPORTING CONTENT

Grounded on above standards and references, applying properly to current activities of TNG, and verifying the reporting contents, and key sectors in correlation with related parties and business context of the Company.

Link to Sustainable development report on TNG Website

- Year 2017: <http://www.tng.vn/page/tin-bai/bao-cao-phat-trien-ben-vung-2017-1468>
- Year 2018: <http://www.tng.vn/page/tin-bai/bao-cao-phat-trien-ben-vung-nam-2018-161893>
- Year 2019: <http://www.tng.vn/page/tin-bai/bao-cao-doanh-nghiep-ben-vung-2019-162042>

Link to Annual report on TNG Website

- Year 2017: <http://www.tng.vn/page/tin-bai/bao-cao-thuong-nien-2017-1467>
- Year 2018: <http://www.tng.vn/page/tin-bai/bao-cao-thuong-nien-nam-2018-121823>
- Year 2019: <http://www.tng.vn/page/tin-bai/bao-cao-thuong-nien-2019-172215>

CORPORATE GOVERNANCE INITIATIVES

TNG Office application runs on mobile platform: Is an application that every employee of TNG can easily use by downloading directly from Google Play or Appstore. This application allows TNG's internal employees to search for information on code of conducts, culture manual, new notices of TNG, salary and rewards during work, information related to labors' benefits, summary of production and business results, and registration of technical initiatives. It is a channel to bring comments of employees directly to enterprise leaders.

TNG administration software runs on computer platform: Administration software with the modules which are designed by TNG software engineers for the requirements of governing internal documents inside and outside the Company, facilitates the smooth data transfer among divisions, helps employees get information as quickly as possible, and indirectly saves paper and storage space at the same time.

TNG ERP business management software

Creates an automatic workflow of the company, allowing to set up complicated system with a wide range of functional offices as corporate governance, business, production, technique, technology, personnel, equipment, basic construction, assigned tasks management. All of above functions are connected in one single synchronously comprehensive database for enterprise.

All of employees in need and with the full permission can approach to necessary information, and more importantly, regardless not present at the company, the Board of Leaders could be quickly updated on the enterprise's situation without reports from many divisions for a long time. TNG's sustainable development in relation with common sustainable development.



STAKEHOLDERS ENGAGEMENT



IN 2020, TNG CONTINUES BUILDING AND DEVELOPING SUSTAINABLE RELATIONSHIPS WITH STAKEHOLDERS. TNG UNDERSTANDS THAT THE PARTICIPATION OF STAKEHOLDERS IS A KEY FACTOR HELPING THE COMPANY CLARIFY CORRECT AND FULL EXPECTATIONS OF STAKEHOLDERS. THUS, TNG CAN IDENTIFY AND MAKE APPROPRIATE POLICIES AND ACTIONS TO MEET THOSE EXPECTATIONS AS BEST AS POSSIBLE.

STAKE-HOLDERS	APPROACHES	CONCERNS	REACTIVITY OF TNG	VALUES
Customers	Weekly/monthly meeting	<ul style="list-style-type: none"> Creating a safe working environment, ensuring employees' full benefits. Bringing high quality product - service, price, technique, technology. 	<ul style="list-style-type: none"> Maintaining safe working environment Improving constantly technology, product and service quality Supporting customers to resolve arising problems. 	<ul style="list-style-type: none"> Providing millions of clothing items to markets all over the world. Product quality always meets the standards of the most demanding markets. Ensuring service quality, delivery time and the most competitive price. Cooperation for development Net revenue reached VND 4,480 billion
Suppliers	Making the face-to-face meeting at supplier's site.	Prestige, on-time payment, long-term cooperation	Making in-situ visits and meetings at suppliers' sites to discuss, and approve contract performance process.	<ul style="list-style-type: none"> Building a long-term, prestigious and goodwill partnership with over 400 suppliers. Settlement value in 2020 to suppliers: 3,144 billion.
Shareholders and investors	<ul style="list-style-type: none"> Annual shareholders meeting Information disclosure via website Email receiving information Meeting investors 	<ul style="list-style-type: none"> Information transparency Performance of production and business activities, financial index Corporate governance system Controlling conflicts of interest 	<ul style="list-style-type: none"> Organizing General Meeting in 2020 Publishing transparently and promptly all information in Vietnamese and English Organizing, meeting investors, searching for markets and partners 	<ul style="list-style-type: none"> Successfully implementing revenue and interest plans set forth in General Meeting in 2020 Publishing transparently and promptly Bringing appealing dividend rate to investors Up-to-date administrative system Competitive bidding, making all information public Paying dividend to shareholders by shares at the rate of 8%, by cash at the rate of 8%.

STAKE-HOLDERS	APPROACHES	CONCERNS	REACTIVITY OF TNG	VALUES
Employee	<ul style="list-style-type: none"> Internal notifications Workers conference Union 	<ul style="list-style-type: none"> Wages and benefits Safe, friendly working environment Education 	<ul style="list-style-type: none"> Issuing policies on income, welfare, security and social support Complying with provisions of law, ensuring employees' full benefits Improving constantly working environment, creating promotion and engagement opportunities for employees. 	<ul style="list-style-type: none"> Creating stable jobs for over 15 thousand employees Complying with laws on human rights Maintaining safe working environment, controlling and minimizing rates of occupational disease and accident Building an appropriate income distribution mechanism Enhancing the quality of social welfare and policies Average income is VND 8,222,203/employee/moth (compared to the minimum wage by region I is VND 4,258,600/month) Having 13,475 employees trained with total duration of over 530,000 hours Having no complaints about unfair treatment at work
Authorities	<ul style="list-style-type: none"> Making the periodic report Carrying out the periodic inspections Holding the meetings and assemblies 	<ul style="list-style-type: none"> Complying with legal policies and documents Supporting and coordinating to promote the development Contributing to State budget 	<ul style="list-style-type: none"> Complying with legal documents and provisions Contributing ideas, taking the lead in the legal execution process 	<ul style="list-style-type: none"> Not violating any provision of law Being a typical local enterprise who leads in contribution to State budget Total contribution to State budget: VND 52 billion.
Textile and garment industries association	Holding the meetings, assemblies, workshops	Actively contributing to the Association, updating and supporting its members	Actively participating in Associations, departments	<ul style="list-style-type: none"> Being an active member of Thai Nguyen Business Association, Vietnam Textile & Apparel Association and others
Communities	Holding meetings and assemblies via local companies and bodies	Sharing and joining hands to contribute the healthy community	Actively participating in community activities	<ul style="list-style-type: none"> Being a typical local enterprise who leads in contribution to State budget Organizing community activities, joining hands to assist families in difficult circumstances Creation jobs for more than 15,000 employees.

PRINCIPLES TO DETERMINE KEY AREAS

On the basis of current situation of the world textile and garment market and Vietnam's textile and garment industry, feedback and concerns of stakeholders, TNG has determined key areas in the correlation between economy, society and environment in all production and business operations of the Company.

PROCESS TO DETERMINE KEY AREAS

The process to determine key areas of TNG includes the following steps:



Step 1: Survey areas that have a great influence on production and business activities of the company and stakeholders

- Survey and study market information of the areas that may affect the production and business situation of the textile and garment industry.
- Read and analyze assessment reports, survey customer opinions.
- Consult with stakeholders and rely on feedback, especially comments from the Government, Shareholders, investors, customers and local communities.



Step 2: Analyze and evaluate key areas concerned by stakeholders

- Select key areas.
- Evaluation of officers and employees, Board of Management on the selected key areas.
- Redetermine the key areas based on the principle of harmonizing the stakeholders' interests with the sustainable environmental development.



Step 3: Evaluate key areas in a sustainable relationship with stakeholders

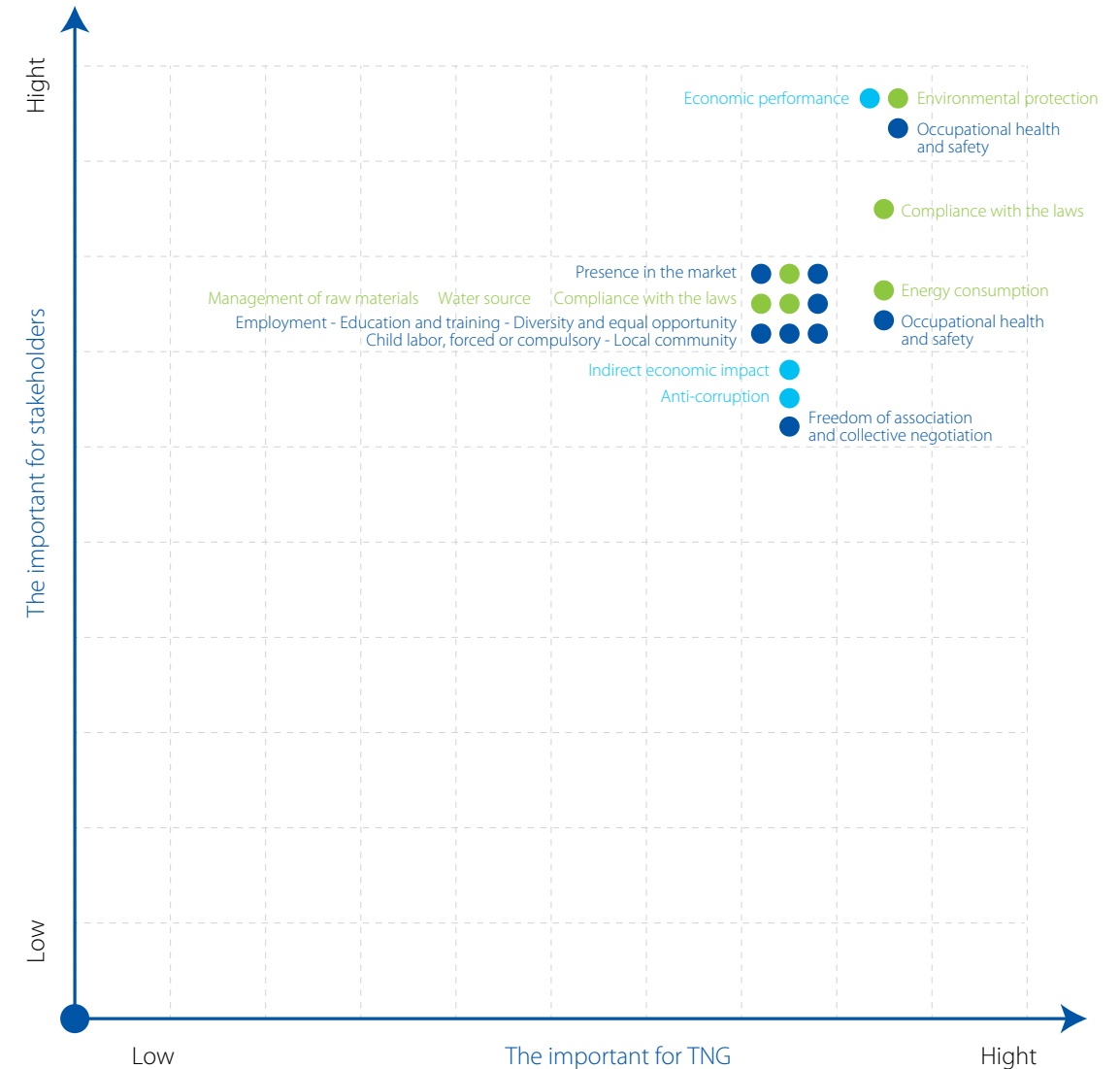
- Develop matrix of key areas.



Step 4: Review, evaluate and learn experience

- Review key areas after issuing the report; collecting comments and suggestions from stakeholders to further improve next reports.

MATRIX OF KEY AREAS



KEY AREAS

ECONOMIC CATEGORY

- Economic performance
- Presence in the market
- Indirect economic impact
- Anti-corruption

ENVIRONMENTAL CATEGORY

- Environmental protection
- Management of raw materials
- Energy consumption
- Water source
- Waste, emissions and wastewater
- Compliance with the laws

SOCIAL CATEGORY

- Employment
- Occupational health and safety
- Education and training
- Diversity and equal opportunity
- Freedom of association and collective negotiation
- Child labor, forced or compulsory
- Local community
- Safety and health of customers



TNG'S SUSTAINABLE DEVELOPMENT IN RELATION TO SUSTAINABLE DEVELOPMENT OF THE TEXTILE AND GARMENT INDUSTRY IN VIETNAM AND IN THE WORLD

TNG AND 17 UN SUSTAINABLE DEVELOPMENT GOALS

Aiming at sustainable development on all of the economic, social and environmental aspects, TNG has developed and obtained some achievements in 2019, associated with the specific objectives of TNG as well as 17 UN sustainable development goals for the period of 2015 - 2030:





NO.	17 UN SUSTAINABLE DEVELOPMENT GOALS	TNG'S GOALS	ACHIEVEMENTS IN 2020
1	Poverty eradication	Creating stable jobs; Improve income for employees. Develop the local economy.	<ul style="list-style-type: none"> The average income per capita at TNG is 1.93 times higher than the regional minimum wage
2	Hunger eradication	Increasing investment in rural infrastructure.	<ul style="list-style-type: none"> Open a new factory (Dong Hy TNG) that contributes to creating jobs for 600 employees as well as to changing infrastructure in the factory locations Open a new factory (Vo Nhai TNG) with 32 sewing lines, actioning in stage 1 with 16 sewing lines, creating jobs for 1,000 employees.
3	Good Health and Well-being	Constantly improving the physical and spiritual life for employees.	<ul style="list-style-type: none"> Buying health insurance for 100% of employees working at TNG Carrying out the periodic health examination for 100% of employees working at TNG Organizing sports tournaments among units in the Company Organizing cultural, singing, dance and cooking activities, etc Deploying the project "Happiness for employees"
4	Quality Education	Improving skills and capacity of the employees so that they can meet cultural principles.	<ul style="list-style-type: none"> Training 13,475 people with a budget of VND 8.5 billion The company has a full-funding policy for children of employees working at TNG to study textile specialities.

NO.	17 UN SUSTAINABLE DEVELOPMENT GOALS	TNG'S GOALS	ACHIEVEMENTS IN 2020
5	Gender Equality	Equality and non-discrimination	<ul style="list-style-type: none"> At TNG, the proportion of women accounts for 75.79%. Female members of the Board of Directors account for 22.22% Female core leaders account for 54.33%
6	Clean water and Sanitation	Managing waste effectively in compliance with the law. Complying with legal requirements; Using water resources efficiently and responsibly; Treating 100% of hazardous wastewater; enhancing safe water reuse.	<ul style="list-style-type: none"> 100% of hazardous wastewater is treated 100% of units exploit water according to the permitted capacity A rate of water use/unit price compared to 2019: 2.3%.
7	Affordable and clean energy	Prioritizing the use of renewable energy, natural light; saving electricity, water, coal.	<ul style="list-style-type: none"> Smart plant design makes the most of natural light, using transparent rain covers A rate of electricity use/unit price compared to 2019: 3.2% A rate of coal use/unit price compared to 2019: 1.89%.
8	Sustainable Employment and Economic Growth	Improving labour productivity, product quality; developing the local economy; implement waste reduction, recycling and reuse; improving the process of management, application and transfer of clean technologies; increasing the use of renewable materials and energy, environmentally friendly products; protecting labour rights; ensure a safe working environment.	<ul style="list-style-type: none"> The average income per capita at TNG is still as stability as the regional minimum wage. The company does not use forced labor and child labor 0 labor accident Contributing more than VND 52 billion to the State Budget
9	Building synchronous infrastructure, encouraging comprehensive and sustainable industrialization process, and promoting innovation	Taking the initiative in the application of modern technology to create a breakthrough in technology in production; Applying the information technology in management and operational practice.	<ul style="list-style-type: none"> The design of the factory meets the maximum use of natural light. The wind and sun directions are designed in accordance with the specific location of each factory Investing in the systems of noise warning and CO2 concentration measurement Investing in specialized waste treatment system Using automatic image sensor systems.



TNG'S SUSTAINABLE DEVELOPMENT IN RELATION TO SUSTAINABLE DEVELOPMENT OF THE TEXTILE AND GARMENT INDUSTRY IN VIETNAM AND IN THE WORLD (continued)

TNG AND 17 UN SUSTAINABLE DEVELOPMENT GOALS (continued)

NO.	17 UN SUSTAINABLE DEVELOPMENT GOALS	TNG'S GOALS	ACHIEVEMENTS IN 2020
10	 Inequality reduction	Equality, no discrimination in all areas.	<ul style="list-style-type: none"> Equality, no discrimination in all areas.
11	 Building sustainable, synchronous, safe and effective urbans and residential communities	Managing waste effectively in compliance with the law.	<ul style="list-style-type: none"> 100% of output wastewater is treated under the standards Building green factories to meet green standards, directly contributing to changing the local landscape where factories are located and contributing indirectly to changing environmental and social factors
12	 Ensuring Sustainable Consumption and Production Models	Promoting the development, use of new energy, renewable energy, new materials and fuels to replace traditional resources, especially fossil fuels; control the waste effectively; complying with legal requirements; putting sustainable development into strategy; releasing the sustainable development report every year.	<ul style="list-style-type: none"> 100% of TNG's factories meet social responsibility standards of BSCI (Business Social Compliance Initiative), Wrap (Worldwide Responsible Accredited Production), and Betterwork Exporting products to 56 countries (2020) - 53 countries in 2019 and continuing to expand the market Being one of the Top 10 Sustainable Enterprises for four years (2016, 2017, 2018, 2019, 2020) in the manufacturing sector organized by VCCI
13	 Taking urgent actions to combat climate change and its impacts	Proactively making plans for resilience and adaptability to climate change and natural disasters.	<ul style="list-style-type: none"> Buying construction and cargo insurance for force majeure events Training the employees on how to handle in the case of rain and storm

NO.	17 UN SUSTAINABLE DEVELOPMENT GOALS	TNG'S GOALS	ACHIEVEMENTS IN 2020
14	 Conserving and sustainably using the oceans, seas and marine resources for sustainable development		
15	 Protecting, restoring and promoting sustainable use of terrestrial ecosystems, sustainably managing forests, combating desertification, and halting and reversing land degradation and biodiversity loss	Suitably using the inland freshwater ecosystem.	<ul style="list-style-type: none"> Exploiting water sources in plant areas with the permitted volume A rate of water use/unit price compared to 2019: 2.3%.
16	 Promoting peaceful and effective societies for sustainable development, providing access to justice for all and building effective, accountable and inclusive institutions at all levels	<ul style="list-style-type: none"> There is no violence within the office and factories Strictly prohibiting corruption and bribery Building an effective, transparent, accountable organization at all levels 	<ul style="list-style-type: none"> There is no violence within the office and factories Enhancing communication about the company's code of conduct; assessing the anti-corruption and bribery processes in the Company
17	 Improving the ability to implement and renew the global partnership for sustainable development	<ul style="list-style-type: none"> Encouraging receiving financial investment capital from foreign enterprises Increasing exports to developed markets 	<ul style="list-style-type: none"> Issuing inconvertible bonds with collaterals and warrants to Total value over VND 150 billion In 2020, the main export markets of TNG include: France, America, Germany, Canada, China, Spain, and Russia Complying with laws on product standards of importing countries

TNG'S BUSINESS RESULTS	2016	2017	2018	2019	2020
Registered capital, VND million	342,649	411,172	493,401	652,114	739,960
Total investment capital on production and business performed, VND million	1,846,222	2,225,689	2,595,435	3,027,410	3,554,954
Total revenue, VND billion	1,887	2,491	3,612	4,617	4,480
Profit before tax, VND billion	94,799	136,660	214,307	288,608	185,623
Profitability per VND of assets of enterprise (ROE)	17.10%	20.02%	25.37%	24.73%	13.87%
Profitability per VND of assets of enterprise (ROA)	4.70%	5.70%	7.50%	8.20%	4.70%
Obligation to the State budget (taxes, fee) VND million	15,487	16,398	47,342	70,963	52,614
Contributing to society (community and society programs if any)	712	1,587	6,646	2,989	4,336
Employee's average income/year	79,008,445	100,547,697	124,091,887	128,538,158	106,888,639
Export turnover, USD	86,410,325	163,873,347	207,501,019	251,177,389	237,846,333
Import turnover, USD	40,324,997	83,927,444	107,402,330	119,951,434	107,131,953
Total employees (Person)	9,544	11,110	14,056	15,670	14,796
Male/female employees	2,234/7,310	3,110/8,000	3,716/10,340	3,883/11,787	3,582/11,214
Number of juvenile labors (if any) - refers to workers between the age of 15 and 18	145	247	252	262	211
Total number of middle managers and higher (person)	139	150	162	182	184





GREEN FACTORY - VO NHAI TNG



ORIENTING TO A COMPREHENSIVELY SUSTAINABLE DEVELOPMENT IN THE FIELDS OF ECONOMY, SOCIETY AND ENVIRONMENT, TNG HAS CONTINUOUSLY MADE INVESTMENTS, IMPROVEMENTS AND INNOVATIONS TO BECOME MORE AND MORE APPROACHABLE TO SUSTAINABLE DEVELOPMENT STANDARDS OF THE UNITED NATIONS AND VIETNAM.

SCIENTIFIC

RESEARCH AND DEVELOPMENT

To successfully build a green factory, TNG has focused deeply on research and development to make the most optimal plan, meeting green standards after it is completed and put into operation.

Using the modern simulation and calculation software

- Simulating the energy consumption of the project
- Simulating the natural light
- Simulating wind and sun

Analysis and evaluations

- Analyzing regional ecological and climate charts.
- Analyzing the current status of the site to know factors affecting the site and the user of the project.
- Analyzing natural energy flows in the area to have cubic solutions from the beginning, make the most of the energy source, and avoid adverse conditions.

Researching and selecting suitable, efficient and environmentally - friendly equipment and materials

- Covering materials (walls, glass, roofs, heat insulation materials) have good heat and sound insulation and are durable.
- Using cost - effective air conditioning and ventilation equipment with high efficiency.
- Selecting and using sanitary equipment with low water consumption.
- Selecting and using reusable or highly recycled materials.

- Selecting and using local materials
- Selecting and using products with low formaldehyde and VOC content to minimize the negative effects of volatile organic substances on human health.
- Selecting paving materials with good surface permeability, and materials and roofs with high radiation reflectance index to reduce the heat inversion effect.



TNG INVESTS IN BUILDING PROJECTS ACCORDING TO GREEN FACTORY MODEL. TNG VO NHAI IS ONE OF THE COMPANY'S SPECIAL PROJECTS.

Implementing integrated designs

The parties in the project team (Investor, Designer, Constructor, Consultant) need to work with together continuously from design and construction phases until completion and operation.

The research and development process has many very different characteristics that conventional factories do not have.

- Applying modern simulation and calculation software.
- Analyzing and evaluating project designs.
- Researching and selecting suitable, efficient and environmentally - friendly equipment and materials.

- Implementing integrated designs.
- Analyzing climate charts, natural energy flows and factors affecting the construction give a better overview of the land. Since then, architectural design solutions will be made to make the most of natural energy and increase passivity in design.
- Applying the energy simulation will help estimate the annual operating cost, evaluate the efficiency of the energy consumption system (lighting, HVAC, etc.) of the project. Then, there will be an optimal choice of systems and cover materials suitable to the climate conditions at the site.
- Evaluating ventilation helps to ensure that the adequate amount of fresh air is supplied to the working space, harmful emissions will be removed from the space and the cross - contamination will be prevented between areas.
- Simulating natural light helps to provide optimal natural light solutions for the project, ensuring an adequate supply of natural light without causing the dazzle to users, cutting down a considerable amount of energy for artificial lighting.



GREEN FACTORY - VO NHAI TNG (continued)



APPLIED NEW TECHNOLOGIES

Vo Nhai Garment Factory applies modern and advanced systems and machines of green buildings as follows:

- Installing CO₂ sensors to monitor and ensure air quality for closed and crowded working spaces
- Using high - quality, high - efficiency sun optics skylight plates to bring the UV - resistant, comfortable and soft natural light
- Integrating the lighting system with light sensors to be able to adjust the light brightness according to external weather conditions.
- Installing solar panels to reduce grid use.
- Installing the fresh air supply system for the working places to help improve health for employees and increase labour productivity.
- Lighting system using LED: Energy saving, environmental friendliness, high durability, low heat emission, no noise, good light quality.
- Heat sensors in meeting rooms, conference rooms, corridors, toilets: Automatically turn on lights when people are available; automatically turn off lights when there is none. This is to help increase comfort for users and save electricity.
- Installing sun optics skylight plates: Provide adequate natural light for employees; not cause glare and hot feeling; give a wide illumination area; significantly reduces energy used for artificial lighting.
- Installing sanitary equipment with low flow to reduce water consumption.
- Installing CO sensors: Ensure air quality for closed and crowded working spaces.
- Installing solar batteries: Reduce electricity costs monthly and ensure environmental friendliness.
- Energy consumption monitoring system: Control and manage all energy consumption systems of the project.

OTHER FACILITIES OF THE FACTORY

- Design of utilities for working people: Sports ground, medical house, milking house, etc.
- Construction process:
 - Managing waste during construction (at least 70% of waste is recycled/reused).
 - Taking measures to minimize environmental impacts: Anti - erosion, sedimentation, etc.
 - Managing indoor air quality during construction: Issuing regulations on smoking areas and dust limitations, etc.
- Planning and implementing the green management in the factory: Raising the awareness of employees about saving electricity/water, and sorting garbage.
- Planning and implementing the acceptance of ventilation, cooling, electricity and water systems: These systems are built and installed in accordance with the design requirements.



APPLIED INTO REALITY

Fresh air supply system

The process of production and living in the air-conditioning space often produces toxic substances, excessive heat, and excessive moisture making the climate parameters change. On the other hand, the necessary concentration of O₂ for people is declined, producing fatigue and adverse health effects for a long time.

Therefore, it is necessary to discharge the polluted air (by toxic substances and heat) to the outside, and at the same time, replace with the treated air without harmful substances but with guaranteed O₂ amount at suitable temperatures.

Benefits of using products with low VOC and formaldehyde content

Volatile organic compounds (VOCs) are organic - based gases released from certain solid or liquid materials. VOCs are found in many chemicals, including some substances with negative impacts on human health for a short or long term. The concentration of some VOCs in the building is always significantly higher (up to about 10 times) compared to the outside and can cause serious health problems for regular building users. VOCs released from products include paints and lacquers, paint cleaners, detergents, building materials and construction furniture, office equipment such as copiers and printers, cleaners and carbon - free photocopying paper, graphic and fine art materials such as glue and adhesives, non - fading inks and film coating substances.

BENEFITS OF NATURAL LIGHT

Natural light has been proved to improve mood, help the body produce vitamin D, strengthen the immune system and reduce inflammation. Natural light also helps balance the biological rhythm - a factor that plays an important role in regulating each person's eating habits, sleep time, and energy levels. In addition, natural light makes space look wider and airier than the spaces using only artificial light and bactericidal effect. Natural light also has the effect of killing bacteria and making the air purer.

CUSTOMER'S SATISFACTION
PROVISION OF INFORMATION TO CUSTOMERS AND CONSUMERS

TNG is always committed to provide customers with qualified and good quality products. TNG is also committed to protect the customers' rights on product and trademark: Each item has its own bar code and serial number. Customers and consumers are provided with TNG-branded packages for purchased clothes in easy and convenient manner. User manual: Printed and labeled by the Company to provide customers and consumers with the best product use. In addition, customers and consumers can also contact the Hotline: +84 964 920 222 for direct consultation on Company products.

Besides, the online information is also available to customers regarding selection of clothes size and color on the Website: tngfashion.vn.

TNG's clothes are always satisfied to quality assurance requirements, any found defects can be exchanged for free for 7 days to customers and consumers.

TNG applies free ship policy for all orders and only supports to ship for orders over VND 200,000. The exchange regulation is applied for: Products with manufacturing defects and mistakes by staffs in charge of order, free exchange charge 100%; Customers shall bear shipping charge in demand of exchanging to other products. TNG shall not refund if the exchanged products have lower value than the bought products, and on the contrary, customers shall offset for overcharge of higher value products.

GATHER FEEDBACK FROM CUSTOMERS

For the sector of export textile, TNG always organizes meetings and exchanges with customers. The weekly, monthly, seasonally and yearly meetings provide TNG and customers with the most detailed and comprehensive picture on cooperation relationship.

For the sector of domestic fashion, in order to approach the modern sales methods, in addition to direct feedback and information processing channel from customers, or at retail stores across the country, TNG has developed the online address to receive information from customers on the Website: www.tngfashion.vn instead of regular customer conferences.

Up to now, TNG has operated nearly 50 fashion dealers across the country. TNG has applied the direct marketing method, in which its salespeople are trained in business ethics and deep knowledge of TNG's products. TNG's salespeople always have responsibilities for product consultancy. In parallel with this consultancy, the salesperson also explains the Company's warranty and discount policies in the most enthusiastic and honest manner to customers and consumers.

The channel receiving customers' feedback on Website: <http://tngfashion.vn/feedback>.

Besides, the Company also advertises and introduces clear product information via facebook. TNG's fanpage has more than 700,000 followers. Any updated information of new products is posted on its fanpage.

For best satisfaction to customers, TNG has implemented the quality control procedures in order to bring the most qualified products to customers. The raw materials are always inspected from warehousing to finished goods. For avoidance of garment products from contaminating foreign metal, broken needle fragments or other sharp objects, TNG always use automatic metal detectors to inspect the finished products before delivery to consumers.

POLICY ON COMPLAINTS HANDLING

When any complaints occur from customers, Quality Control Department takes responsibility for considering and proposing an unexpected assessment or review to archive records for the next supervision and assessment. Quality Control Department receives all complaints regarding the products quality, updates to complaint tracking log, submits to Deputy General Director in charge of quality to review and assign staffs for complaint handling.



The assigned staffs shall respond to the complainants on complaint confirmation, time for complaint handling and related handling procedures within 5 days since the date of receipt, request customers to supplement necessary information and evidence.

The assigned staffs are in charge for handling complaints and consult the Management of the Company to give the effective solutions.

In addition, these assigned staffs need to propose corrective actions to prevent occurred complaints and inform the leaders for consideration and overcome. Report the leaders on implementation results.

Submit the result of complaint handling to General Director for consideration and approval.

The Complaint handling department shall give a written notice to customers on the result of complaint handling.

The Complaint handling department takes responsibility for updating and tracking customer's complaint handling records. Synthesize and report the leaders in periodic meetings or upon request.

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SOCIAL ISSUES (continued)

ANTI-CORRUPTION, ANTI-COMPETITIVE AND PROCUREMENT PRACTICES

TNG developed the cultural handbook with contents:

Anti-corruption principles: Publicizing the bidding information at meetings through documents, website, newspapers, etc. Prevent before processing: Identify the corrupt behaviors and objects to educate thought and prevention.

Anti-corruption handling principles: Handling all people with corrupt behaviors at any titles or positions under the laws and the Company's internal regulations. Revoking the corrupted assets; forcing all people with corrupt behaviors causing damages to the Company to compensate and refund according to the Company's regulations.

Propagating and conveying TNG's anti-corruption policy to partners, suppliers and customers by each employee.

Information channel between TNG and employees is established in many forms, available on the website: tng.vn, at <http://www.tng.vn/lien-he>.



ANTI-CORRUPTION AND ANTITRUST POLICIES

All the Company's material purchase and basic construction investment activities are conducted in public and transparent form of bidding. Information of bid packages are directly send to list of suppliers that TNG follows-up and posted on TNG Website.



For business partners

- Partners are committed not to lending money or assets to the TNG's staffs for any reasons.
- Partners are also committed to cooperate with TNG Investment and Trading Joint Stock Company only offering and transferring money to accounts under the control of TNG.
- Partners do not to make discount of commission percentage to individuals in collaboration with TNG. Otherwise, such details become public and directly reported to TNG leaders.



For TNG's employees

- Taking approved commission or discount from suppliers by TNG, offering to customers' and suppliers' price are banned.
- Disclosure of the Company's business information is strictly prohibited.
- Any bribery and corruption behaviors are unacceptable in any cases such as: Searching suppliers, developing, marketing, buying and selling goods.

EQUITY FOR SUPPLIERS

Code of conduct for TNG's suppliers

Introduce

Code of conduct for Suppliers (referred to as CoC) stipulates the minimum standards required by TNG to its suppliers (see Definition of Supplier below) to comply during transactions with TNG in addition to the laws and regulations applied for suppliers' operations. Explanations and instructions for CoC are provided in Implementation Guide for TNG's suppliers. CoC is an integral part of all contracts between TNG and its Suppliers.

Business ethics

Suppliers shall do business in an ethical manner with their integrity.

Integrity in business

Any bribery, corruption, extortion and embezzlement behaviors are strictly prohibited. Suppliers shall not create benefits, propose and make payment, or accept to bribe or involve in other illegal inciting actions in business relationships or Government. Suppliers must take actions against bribery and corruption in any form.

Suppliers must strongly conduct programs of reporting and anti-fraud. Suppliers must report to TNG any frauds (actual or in process of investigation) related to TNG's business operations, regardless of severity.



Gifts, reception and entertainment

Though gifts, reception and entertainment are considered as common business etiquettes, TNG still has strict regulations for these activities. It's important to recognize what to be right and wrong when exchanging these etiquettes.

Suppliers shall not give gifts, tips, hotel services, reception or entertainment to TNG's employees, Government officials/authorities or any other business partners, in any circumstance, which can affect, or likely to affect, on decisions of such employee or authority with business partners. In other circumstances, gifts, reception or entertainment with small value can be provided to TNG's employees if they are not in cash or cash equivalent items, suitable with business practices, irregularly or inexpensive, and in accordance with the laws.

One of the most common ways causing conflict of interest comes from receiving gifts or reception (i.e, all valuable things, including but not limited to offers, tickets and other tips) from suppliers who are under business cooperation or desire to make business cooperation with TNG. Due to these risks, the following restrictions are established:

- TNG's employees are strictly prohibited to solicit or require, directly or indirectly, any valuable things from any supplier who are under business cooperation or desire to make business cooperation with TNG.
- Similarly, suppliers shall not give any valuable things to any TNG's employee if other people have proper reasons to consider these gifts, reception or entertainment affecting on employee's objectivity. In short, giving gifts, reception and entertainment shall not cause any doubts on obligation or conflict of interest.



SOCIAL ISSUES (continued)

EQUITY FOR SUPPLIERS (continued)

FAIR COMPETITION

Suppliers must do business in accordance with fair competition as well as comply with the applicable antitrust law. Suppliers must conduct fair business activities, including accurate and honest advertising.

IDENTIFICATION OF CONCERNS

Suppliers must encourage all employees and sub-contractors to report all concerns or illegal actions without fear of retaliation, intimidation or harassment, at the same time, investigate and take corrective actions if necessary.

CONFLICT OF INTEREST

Suppliers need to avoid interaction with any employee of TNG possibly causing conflicts, or likely to cause conflicts, at such employee's position when acting for TNG's best interest. For example: Partners should not recruit or otherwise make payment to any TNG's employee in any interaction between suppliers and TNG, except for the contract with TNG. If supplier's employee has family relationship with any TNG's employee or if supplier has any other relationships with TNG's employee causing conflict of interest, this supplier must reveal this information to TNG.

PRIVACY

Suppliers must make confidentiality agreement with TNG before exchanging confidential information with TNG. Unless permitted by TNG, suppliers shall not share TNG's confidential information or other obtained information concerning TNG's business operations. Suppliers must ensure and prepare carefully to prove their suitable measures to protect personal information and other confidential information. The unauthorized usage, disclosure or loss of TNG's confidential information must be reported immediately to TNG's Legal Affairs Department.



ACCURACY OF BUSINESS RECORDS

All financial books and records must comply with generally accepted accounting principles. The records must be accurate in all important aspects. The records must be clear and transparent, reflecting actual transaction and payments.

INTELLECTUAL PROPERTY

Intellectual property rights must be respected; transfer of technology and know-how must be conducted in form of protecting intellectual property rights.

COMMERCIAL COMPLIANCE

Suppliers must comply with all applicable import-export control laws, regulations and sanctions of the country where suppliers reside, and any other countries, including but not limited to transactions of import, export, re-export, transfer or disclosure. This regulation covers all forms of commodity transaction, software, technology or technical assistance that can be subject to trade restrictions, regardless of transfer form. Suppliers shall cooperate with TNG to identify the current export control restrictions. Moreover, suppliers shall fully comply with other applicable customs and trade laws.

INTEGRITY IN SUPPLY CHAIN AND PRODUCT QUALITY

Suppliers taking part in supply, production, packaging, re-packaging, inspection, storage and distribution of raw materials/products on behalf of TNG must comply with current regulations on quality and requirements of good production, distribution and experiment practices where products are manufactured, registered and distributed.

PROCESS

TNG'S employees comply with the Guide for purchasing goods or services. Purchasing Department shall coordinate all business and/or negotiation matters regarding purchase, and TNG's employees provide primary information and technical assistance when necessary. The works start as soon as suppliers have received orders or signed contracts. Suppliers shall take own risks without orders or signed contracts. Once orders are made, all attached invoices must include order number on invoices. Moreover, some cases need to make official appraisal before using raw materials and services.



TNG'S NAME, BRAND OR LOGO

TNG's name, brand or other similar information are strictly prohibited in advertising and communication publications or supplier's confirmation of product without TNG's prior written approval.

COMMUNICATIONS AND PUBLIC RELATIONS

TNG has established external communications policies and processes. Only TNG's authorized employees can release statements to the media or publication on TNG or TNG's products

MANAGEMENT SYSTEM

Suppliers must use their management systems to facilitate continuous innovation and meet expectations in these principles.

COMMITMENTS AND RESPONSIBILITIES

Suppliers must prove their commitments to the concepts described in this document by appropriate resource allocation.

LEGAL REQUIREMENTS AND CUSTOMERS

Suppliers must identify and comply with the applicable laws, regulations, instructions and standards as well as requirements of related customers, handle and make document for the identified gaps in a responsible and timely manner.

RISK ASSESSMENT AND MANAGEMENT

The supplier shall have mechanisms to assess and manage risks in all areas described in this document.

DOCUMENTATION PREPARATION

The supplier shall maintain the preparation of necessary documents to prove the conformity with these expectations as well as the compliance with the applicable regulations and guidelines.



SOCIAL ISSUES (continued)

EQUITY FOR SUPPLIERS (continued)

TRAINING AND CAPACITY

Suppliers must hold up training programs with appropriate levels on knowledge, skills and capacities for Board of Management and employees to solve these expectations.

BUSINESS CONTINUITY

Suppliers shall take their responsibilities for development and implementation of appropriate business continuity plans for TNG's business support activities.

CONTINUITY IN INNOVATION

Suppliers are expected to constantly innovate by setting performance goals, implementing plans and take required corrective actions and precautions of shortage through internal and/or external reviews, inspections and management assessments.



LABOR RIGHTS AND HUMAN RIGHTS

Suppliers must support and respect the protection of globally-recognized human rights publicized and ensure that they are not complicit in human rights violations.

Freedom of career choice

Suppliers must not use forced labor, bonded labor or contract labor or prison labor or other forms of forced labor. Employees are not required to submit their passports or other legal documents or pay employers before starting their works.

Fair treatment

Suppliers must create a working environment without harsh and inhumane treatment, or without threat of such working environment, including sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, or verbal abuse with employees.

Child labor

Suppliers are strictly prohibited to use child labor. Suppliers are only permitted to use employees under 18 years for non-dangerous works (prescribed by ILO Convention No. 138 + 182) and when child labor is above legal working age in any country or the age stipulated to complete compulsory education..

Salary, welfare and working time

The suppliers to employees according to the applicable laws on salary, including minimum salary, overtime and compulsory welfare

No discrimination

Suppliers must create a working environment without harassment and discrimination. Any discrimination behaviors due to race, color, age, gender, sexual orientation, ethnicity, disablement, genetic information, religion, veteran status, political opinion, trade union membership or marital status shall be not forgiven.

Freedom of association

Suppliers are encouraged to openly communicate and directly engage with employees (and/or assigned trade union officers, if any) to solve all matters regarding salary and working environment. Suppliers shall respect employee's rights for freedom of association, attendance to trade union or not, looking for representative and involving in employee's council as prescribed in the local laws. Employees could openly communicate with Management board concerning working conditions without fear of retaliation, intimidation or harassment.





SOCIAL ISSUES (continued)

EQUITY FOR SUPPLIERS (continued)



HEALTH, SAFETY, ENVIRONMENT

Suppliers must build a safe and healthy working environment, including all living areas provided by the Company.

Employee protection

Suppliers must protect employees (special care for pregnant women), from excessive exposure to chemicals, biological and physical hazards as well as physically demanding tasks at workplace and living areas provided by the Company. Suppliers must have an ongoing improvement program to identify, measure and take actions for prevention of accidents/incidents.

Process safety

Suppliers must develop programs in place to prevent or minimize accidental chemical release regarding activities and processes. The programs must appropriate with on- site risks.

PRECAUTION AND EMERGENCY RESPONSE

Suppliers must identify and assess the emergency situations at workplace and all living areas provided by the Company, minimize their impacts through prevention and implementation of emergency plans and response processes.

Warning information

Suppliers must have available safety information related to hazardous materials, including intermediate compounds and materials for employee education, training and protection from hazards. Suppliers must operate in an efficient and environmentally responsible manner to minimize adverse impacts on the environment. Suppliers are encouraged to conserve the natural resources, avoid the use of hazardous materials when possible and engage the reuse and recycling operations.

ENVIRONMENTAL LICENSE

Suppliers must comply with all applicable environmental regulations. They also have to obtain all necessary licenses, qualifications, information registrations and restrictions on the environment, and comply with operational and reporting requirements.

Garbage and waste

Suppliers need to equip the systems in place to manage safe treatment, transportation, storage, recycle, reuse of garbage, emission and wastewater. Garbage, wastewater or emissions likely to adversely affect human health or the environment must be appropriately managed, controlled and treated prior to discharge into the environment.

Spill and leak

Suppliers must have systems in place to prevent and minimize spills and leaks to the environment.

QUESTIONS OR CONCERNS

Suppliers' employees should contact Legal Affairs Department to address the internal ethical and compliance concerns. In the event that this concern may also affect TNG as contractual partner of supplier, TNG's Legal Affairs Department must be notified immediately.

If suppliers' employees believe that one of TNG's employees or anyone acting on TNG has engaged illegal behavior or otherwise inappropriate conduct, such employee should promptly report to TNG.

Where finding out any its employee with corrupt behavior, TNG shall take disciplinary action and stop its cooperation with supplier. If you doubt something about any employee, business partner, supplier or contractor, please send your information via email address: thoiha@tng.vn. Mobile phone: 0913.286.014. Your information shall be kept strictly confidential.





SOCIAL ISSUES (continued)

OCCUPATIONAL SAFETY AND HEALTH



FOR SAFETY PROTECTION, PREVENTION FROM ADVERSE EFFECTS AND CREATION OF FAVORABLE WORKING CONDITIONS FOR EMPLOYEE'S HEALTH, IMPROVING PERFORMANCE, QUALITY AND EFFICIENCY, PROMOTING GENERAL DEVELOPMENT OF THE COUNTRY, THE OCCUPATIONAL SAFETY AND HYGIENE ASSURANCE IS A GREAT SOCIO-ECONOMIC POLICY OF THE PARTY AND GOVERNMENT, AN IMPORTANT AND INTEGRAL PART OF SOCIO-ECONOMIC DEVELOPMENT STRATEGY OF OUR COUNTRY.

Well implementing occupational safety and hygiene is to ensure employee's health and life, importantly contribute to development of production and social life. This activity has a broad and humanity meaning associated with period of industrialization, modernization, associating labor protection with environmental protection and culture in production. TNG's Department of Labor Protection is in key charge of occupational safety and hygiene, fire prevention, management of fire alarm system, food safety and hygiene, working environment, health care and first aid, 5S maintenance, fire fighting, training and managing network of safety and hygiene personnel. During 2019, the Department strictly implemented its functions and duties, guaranteed occupational safety and health for TNG's employees.



TRAINING ON OCCUPATIONAL SAFETY AND HYGIENE

Holding up specialized trainings for employees of Groups 1, 2, 3, 5, 6: 512 people providing regular trainings for 14,867 employees of Group 4 working at the Company. Total training expense was up to VND 200 million.



FULL PROTECTIVE EQUIPMENT UNDER REGULATIONS

TNG has 18 various job titles and positions, clearly specified on type of personal protective equipment.



CONTROL OF HAZARDOUS AND DANGEROUS FACTORS AT WORKPLACE

Preparing records, books to monitor and verify 200 machines and equipment under strict requirements on occupational safety and hygiene.

Monitoring 1,981 samples for assessment of the working environment. The monitoring indicators were within the permitted limits of the law.



SOCIAL ISSUES (continued)

OCCUPATIONAL SAFETY AND HEALTH



FIRE AND RESCUE, PERIODIC TRAINING AT TNG

Establish and implement occupational safety and hygiene plans, including deployment of duties on fire and rescue, safety inspection for branches.

Deploy the plan to launch the movement of the entire population on fire prevention and fighting in 2019; the plan to implement the fire and rescue at TNG in 2019.

Basic fire fighting plans were established at head offices and approved by Thai Nguyen Province Fire and Rescue Police Department..

- Head office 1: TNG Fashion Design Center: Approved in August 2017
- Head office 2: Viet Duc Garment Factory: Approved in March 2016
- Head office 3: Viet Thai Garment Factory: Approved on 09 March 2016
- Head office 4: TNG Song Cong Factory: Approved on 23 March 2016
- Head office 5: TNG Phu Binh Factory: Approved on 22 March 2016
- Head office 6: Dai Tu Garment Factory: Approved on 22 March 2016
- Head office 7: TNG Dong Hy Garment Factory: Approved on 18 July 2019

Regularly propagandize and disseminate knowledge, guide to implement fire and rescue for all employees such as: Law on fire fighting and prevention, Law on amendment and supplements to Law on fire fighting and prevention; Decree No. 79/2014/ND-CP dated 31 July 2014 of the Government; Circular No. 66/2014/ TT-BCA dated 16 December 2014 of the Ministry of Public Security; Decree No. 83/2017ND-CP dated 18 July 2017 of the Government; Circular No. 08/2018/TT-BCA dated 05 March 2018 of the Ministry of Public Security, etc.

Issued the Plan to launch the movement of the entire population on fire prevention and fighting in 2019 (Plan No. 687B/2019/KH-PCCC dated 05 April 2019); the plan to implement the fire and rescue at TNG in 2019 (Plan No. 687A/2019/KH-PCCC dated 05 April 2019).

Establish and consolidate Steering committee for fire and rescue, assign specific tasks to the Committee.

Make decisions on appointing safety officers in charge of occupational safety and hygiene, fire and rescue at all branches. Safety officers inspect factories and production areas everyday, etc., to detect and eliminate potential risks for safety assurance in production.

In the first 6 months of 2020 and to the present time, the Company in general and head offices in particular have not had any incidents of fire and explosion insecurity.

Cooperate with Thai Nguyen Province Fire and Rescue Police Department to provide professional training to 05 basic fire and rescue teams including 559 employees at 5 head offices, newly issue 251 certificates of professional training on fire and rescue; implement basic fire fighting plans at 5 head offices with total of 12,852 participants.



MEDICAL, HEALTH CARE AND PROTECTION

- Make training the officers in charge of procedures No. QT.DTTNLD dated 23 November 2018 on emergency, investigation, report and inspection of labor accidents. Guarantee investigation policy and procedure, implement investigation under jurisdiction.
- Provide TNG's employees with standard labor protective knowledge and equipment; health insurance as prescribed by the laws.
- Implement periodic health examination for all employees by year. During 2019, 14,022 employees were examined for occupational diseases and taken periodic health examination. 2019 recognized no case of disease due to effects from working at the Company.
- Measure harmful factors, periodically monitor working environment at factories every 12 months.
- TNG's factories were equipped with 07 primary emergency and medical rooms for employees in case of emergency.
- Stipulate and strictly control the unauthorized use of production machineries and equipment to prevent potential unexpected incidents.
- Provide appropriate lighting and ventilation systems for employees



Implement periodic health examination for all employees by year

> 14,000 employees

were examined for occupational diseases

> 13,000 employees

taken periodic health examination





SOCIAL ISSUES (continued)

DIVERSITY AND EQUAL OPPORTUNITIES



TNG IS THE FIRST GARMENT COMPANY IN VIETNAM ISSUED EDGE ASSESS CERTIFICATE.



With an effort to create an equal working environment and human resources policy of fair development for both male and female. TNG was issued EDGE Assess Certificate, ASSESS level by EDGE Certified Foundation (Switzerland).

EDGE Assess Certificate with validity of 2 years, from 18 December 2019 to 17 December 2021 will give TNG opportunity to cooperate and attract investments from large enterprises in the world, and bring many competition advantages. At the same time, the Certificate shows TNG's commitment to establish more equal working environment for both male and female employees at TNG, maintain the work-life balance.

ACCOMPANYING WITH LOCAL DEVELOPMENT

TNG's investment activities for community development

NO.	CONTENT	AMOUNT OF MONEY (VND)			
		QUANTITY	CONVERTED TO MONEY	TOTAL	
1	TOTAL		547,950,000	3,788,869,000	4,336,819,000
2	Donate to Vietnam Fatherland Front Committee of Thai Nguyen Province for Covid pandemic prevention			1,000,000,000	1,000,000,000
3	Present face masks to Thai Nguyen Provincial Party Committee for Covid pandemic prevention	10,000	190,000,000		190,000,000
4	Donate protective clothing to the People's Committee of Thai Nguyen Province	100			-
5	Support the peak week of Tet holiday for the poor			1,000,000,000	1,000,000,000
6	Give 3 deposit books on the occasion of the peak week of Tet holiday for the poor			150,000,000	150,000,000
7	Give gifts to poor families in Sang Moc Commune and Binh Long Commune of Vo Nhai District	300 gifts			-

NO.	CONTENT	AMOUNT OF MONEY (VND)			
		QUANTITY	CONVERTED TO MONEY	TOTAL	
8	Support to build solidarity house for Mr. Pham Danh Phuoc, Phu Lac Commune, Dai Tu District			50,000,000	50,000,000
9	Support the Steering Committee for Covid-19 pandemic prevention of Dai Tu District			50,000,000	50,000,000
10	Donate face masks to the Steering Committee for Covid-19 pandemic prevention of Thai Nguyen Province	300 gifts			-
11	Present shirts to the Party Congress of Thai Nguyen City	550 gifts			-
12	Give gifts to poor children overcoming difficulties in Phu Binh	30 gifts	3,000,000		3,000,000
13	Donate Thai Nguyen City Party Committee	1 barrel	4,950,000		4,950,000
14	Donate face masks to the Department of Health of Thai Nguyen Province	3,700 gifts			-
15	Finance to the family of Mr. Nguyen Van Duy (SC2) who was unfortunately died of traffic accident.			50,000,000	50,000,000
16	Donate VND50 million to build solidarity house for the family of Mr. Hoang Van Hanh - Lang Lai Village, La Hien Commune, Vo Nhai District, a family with extremely difficult circumstances.			50,000,000	50,000,000
17	Donate to the Fund for the Poor 2020			1,000,000,000	1,000,000,000
18	Support the flooded Central region			338,869,000	338,869,000
19	Donate clothes (worker uniforms, two-layer life jackets) to the people in Central Vietnam who are affected by floods	600 gifts	300,000,000		300,000,000
20	Support to build solidarity house for Mr. Lam Van Chien, Cay Bong Village, La Hien Commune, Vo Nhai District		50,000,000		50,000,000
21	Fund for building solidarity houses for 2 families with extremely difficult circumstances in Sang Moc Commune, Vo Nhai District i.e., Mr. Trieu Nguyen Chuong and Ms. Trinh Thi Tuyen.			100,000,000	100,000,000



SOCIAL ISSUES (continued)

THE RIGHT TO JOIN TRADE UNION AND COLLECTIVE NEGOTIATION



TRADE UNION OF TNG INVESTMENT AND TRADING JOINT STOCK COMPANY WAS ESTABLISHED IN 1979. OVER 40 YEARS OF ESTABLISHMENT AND DEVELOPMENT, THE EXECUTIVE COMMITTEE OF THE TRADE UNION HAS NOW 18 COMRADES INCLUDING 1 CHAIRMAN, 02 VICE CHAIRMEN AND 15 COMRADES AS MEMBERS OF THE EXECUTIVE COMMITTEE.

The comrades in the executive committee are assigned the following responsibilities:

- Propagate, disseminate and mobilize employees to implement the Party's guidelines and policies, the State's policies and laws, the tasks of the Trade Union and the Company's rules and regulations.
- Check and supervise the execution of laws related to the rights of employees and Trade Union. Participate in supervising the development of salary scale, labor norms, salary payment regulations, bonus regulations, internal rules and labor agreements.
- Coordinate with employers to implement democratic regulations, organize conferences for employees, dialogues at the workplace.
- Coordinate with employers to organize emulation movements, encourage production and business development, take care of mental and material life of the employees.
- Coordinate with employers to organize activities to promote the movement of ensuring occupational safety and health, direct the network of occupational safety and health to operate in line with the provisions of the law.
- Canvass the employees to participate in social activities, help each other in careers, and help each other to prevent social evils in life.

TNG POLICY ON FREEDOM OF ASSOCIATION



ALL EMPLOYEES WORKING AT TNG ARE FREE TO: SELECT, JOIN, REFUSE TO JOIN, LEAVE ASSOCIATIONS/ ORGANIZATIONS/COLLECTIVES OF TRADE UNION AND EMPLOYEES IN THE COMPANY AND ENTITLED TO FREELY ESTABLISH ASSOCIATIONS/ ORGANIZATIONS OR OTHER COLLECTIVES THAT DO NOT VIOLATE THE PROVISIONS OF THE LAW, THE RULES AND POLICIES OF THE COMPANY, NOT AFFECTING THE PRODUCTION AND BUSINESS SITUATION AND BEHAVIORAL CULTURE OF THE COMPANY.



Board of Management of TNG Investment and Trading Joint Stock Company undertakes that:

- TNG Investment and Trading Joint Stock Company prohibits all organizations and individuals within the scope of the Company to hinder the freedom of traveling, meetings or participation in State recognized organizations.
- It is strictly forbidden for individuals to induce, incite or threaten others to join organizations established by themselves or others.
- The factories allow their employees to freely travel around the factories to address individual needs or leave the factories for reasons of force majeure. Managers at all levels must respect the freedom of living and collective negotiation of the employees.
- In order to have a good working environment, the factories must not use the power or presence of police or the military to frighten the employees during working hours, in the factories premises.
- The factories have no right to dismiss, punish or apply forms of threatening or compelling the employees to participate in or refuse to participate in activities of the Trade Union.
- Trade Union members have the right to freely vote for their representatives at the factories and to take part in activities of the Trade Union. The factories have no right to interfere with these freedoms of Trade Union members.
- Trade Union members have the right to take part in collective dialogues, freely to raise their voice and make petitions according to the contents of the dialogues and be guaranteed not to bear any act of reprisal, intimidation or retaliation.
- All the employees are provided with training to know their rights related to this policy. The factories always consider this an important part in their yearly training programs for the employees.



SOCIAL ISSUES (continued)

THE RIGHT TO JOIN TRADE UNION AND COLLECTIVE NEGOTIATION (continued)

TNG has developed a detail, clear and easy-to-understand complaint mechanism. This mechanism is widely disseminated to all employees to ensure that they know what they need to do when there is a problem to complain about.

Hotline numbers are posted at all workshop doors, areas regularly passed by the employees; Suggestions boxes are hung in the areas regularly passed by the employees and without cameras such as toilets, canteen, etc.



Put suggestion letters into the suggestion boxes



Directly complain to representatives of the trade union



Make phone calls to the HOTLINE numbers

METHODS OF MAKING COMPLAINTS

The suggestion boxes will be opened periodically twice a week to promptly obtain information from the employees and take actions.

All complaints of the employees will be kept confidential and specifically recorded.

The Company's policy in resolving complaints: Transparency and non-retaliation. We have developed a for resolving complaints and will determinedly implement to give the employees an equal and safe working environment.

CHILD LABOR AND FORCED LABOR

POLICY ON CHILD LABOR AND FORCED LABOR

TNG is committed: Not using employees under 15 years of age at all stages and departments at all TNG branches. Not using juvenile employees to do heavy and hazardous works, not working more than 40 hours per week.

The Company has developed a process to detect and prevent children from entering the production area to ensure the goal that no children under 15 years of age will appear in the production area and avoid occupational safety and legal risks. All candidates applying for positions are carefully checked by recruitment staff, compared with original documents or reconciled, surveyed through local authorities to accurately determine the age of workers before recruiting.

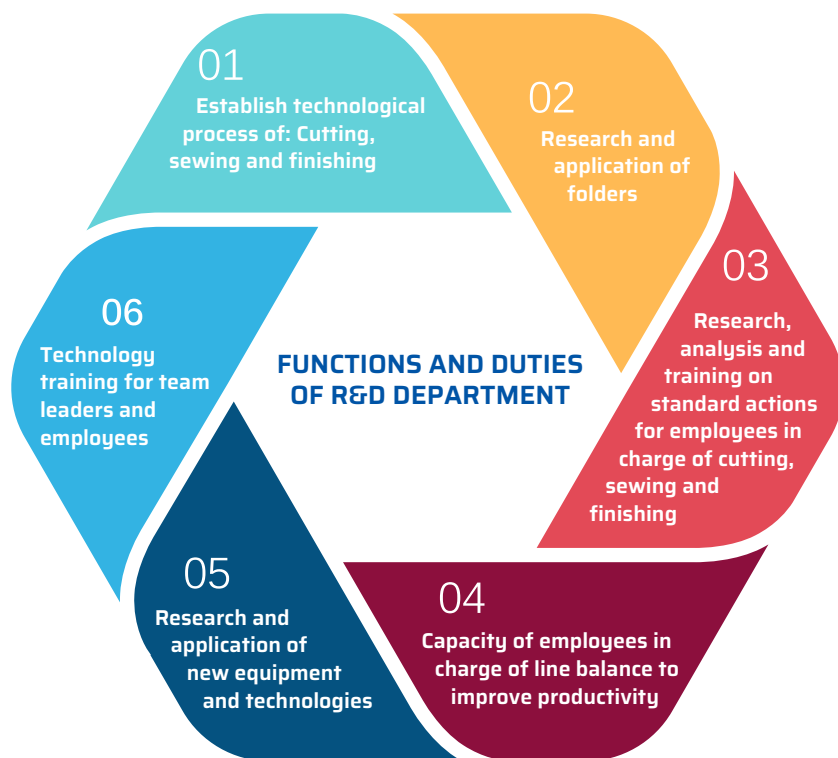
For juvenile employees, the Company has a strict management and monitoring process.





RESEARCH AND DEVELOPMENT OF NEW PRODUCTS

- Obtained FDA and CE certificate for medical device manufactured by TNG.
- To meet the increasing demand of the market and join hands with the community in the fight against COVID-19 pandemic, TNG has successfully researched and developed antibacterial cotton, which is used as the raw material for face mask and antibacterial products.
- As pandemic outbreak, TNG has actively produced antibacterial face masks for pandemic prevention. Thanks to that, domestic sales in the first quarter of the year 2020 reached VND 63.3 billion, exceeded 10% over the same period. The antibacterial nano face mask manufactured by TNG for the purpose of infection prevention was accredited as Class A medical device by the Institute of Medical Equipment and Works (The Ministry of Health).
- TNG has successfully researched and produced “Medical protective clothes for pandemic prevention” to join hands with the government in the fight against pandemic. Production capacity of TND reaches 100,000 sets per day. This item also opens export opportunity for the Company.



Outstanding achievements in 2019: Down-like fiber was issued Copyright registration certificate No. 3880/2019/QTG dated 28 June 2019 by the Copyright Office of Vietnam.

Outstanding achievements in 2018: Seamless products with fashionable design, made of environmentally friendly materials, were issued Copyright registration certificate No. 2773/2018/QTG dated 04 June 2018 by the Ministry of Culture, Sports and Tourism (Copyright Office of Vietnam) for “The article about the production of seamless shirts with seam pressing technology”.

SOCIO-ECONOMIC EFFICIENCY OF R&D IMPLEMENTATION

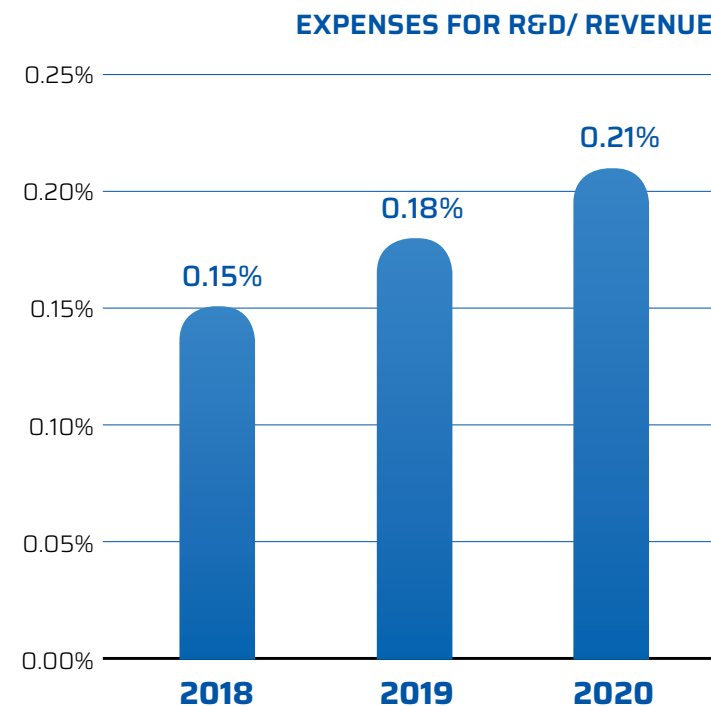
EFFICIENCY SOCIO-ECONOMIC

- Create new product lines and new options for customers;
- Satisfy domestic needs and tastes to keep up with foreign countries;
- Enhance product quality: Increase value of each seam and seamless product from 20% to 50%.

EFFICIENCY ON SCIENCE AND TECHNOLOGY

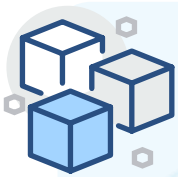
- Facilitate employees to approach and use new technologies.
- Create valuable products by high technologies.
- Develop TNG-branded products.
- Create environmentally friendly products

INVESTMENT RATIO FOR R&D/ REVENUE DURING LAST 3 YEARS (%)





ENVIRONMENTAL ISSUES



MATERIALS

TNG PURCHASES MATERIALS FROM DOMESTIC AND FOREIGN SUPPLIERS. THESE MATERIALS ARE MANUFACTURED USING THE WORLD'S LEADING TECHNOLOGIES, ENSURING SAFETY FOR THE ENVIRONMENT AND USERS. TNG SELECTS SUPPLIERS BASED ON THE FOLLOWING FACTORS: COMPETITIVE PRICE, SUPPLIERS' SOCIAL RESPONSIBILITY COMPLIANCE, ABILITY TO MEET ENVIRONMENTAL PROTECTION CRITERIA AS RECOMMENDED, TNG'S EVALUATION.

THE SUPPLIER EVALUATION PROCESS



After consideration and evaluation of production capacity, financial capacity and competitive prices, a list of suppliers will be made to implement a social/ environmental responsibility compliance evaluation.



Inform the evaluation date, time and contents to the suppliers and ask for a confirmation of compliance approval to perform the evaluation.



- The supplier evaluation.
- Visit workshops, facilities, environmental protection works.
- Check legal documents in the field of environment and water resources.
- Interview employees on environmental protection activities of the unit.
- Summarize the evaluation, record compliance actions, classify compliance levels (A, B, C, D) and inform the suppliers of the evaluation results.



Make a list of qualified suppliers, submit to the Board of Management for approval.



Archive the evaluation records and conduct periodic evaluations based on the following criteria:

- Suppliers rated A: 2 years.
- Suppliers rated B: 2 years.
- Suppliers rated C: Produce all uncompleted orders.
- Suppliers rated D: Not cooperating (stop immediately even uncompleted orders).

Saving material is also saving resources and costs. Therefore, TNG has directed to use imported materials at the maximum level, at the same time materials that cannot be reused will be collected as materials for other products (cotton waste, unfinished fabric products are used as input materials for stuffed animals; waste paper, carton boxes are collected and recycled to create other paper products; plastic bags, plastic thread rolls are collected to recycle plastic types, etc.), creating new product life.

DETAILS OF SCRAP AND WASTE PRODUCTS COLLECTED AND RECYCLED TO BE USED AS MATERIALS FOR OTHER PRODUCTS

NO.	MATERIAL NAME	UNIT	2020	2019	2018	2017	2016
1	Waste paper	Kg	298,356	242,596	92,465	75,653	56,619
2	Cotton waste	Kg	80,387	67,861	19,451	15,914	6,641
3	Excess fabric	Kg	34,006	21,701	20,467	16,746	5,214
4	Nylon	Kg	4,091	2,203	2,203	1,803	406
5	Excess thread	Kg	5,082	2,983	2,333	1,909	859
6	Unfinished fabric product	Kg	5,029	4,635	1,617	1,323	2,589

THE TABLE OF MATERIAL VOLUME USED IN 2018, 2019, 2020

NO.	MATERIAL NAME	UNIT	AMOUNT					
			2020	%/ PRODUCT	2019	%/ PRODUCT	2018	%/ PRODUCT
1	Assorted fabrics	Yard	48,565,762	70.0%	25,939,011	70%	21,323,656	71%
2	Cotton	Yard	9,513,152	13.7%	5,187,802	14%	5,524,426	18%
3	Thread	Roll	2,675,186	3.9%	1,482,229	4%	1,370,881	5%
4	Button	PCS	77,011,423	111.0%	41,131,860	111%	34,574,493	115%
5	Zipper	PCS	50,034,745	72.1%	27,791,798	75%	26,048,506	87%
6	Nylon bags	PCS	19,813,898	28.6%	11,116,719	30%	9,710,062	32%
7	Carton boxes	PCS	2,081,390	3.0%	1,111,672	3%	1,021,190	3%
8	Assorted printing inks	Kg	34,095	0.0%	29,645	0%	24,583	0.08%
9	Number of product	PCS	69,379,660		37,055,730		30,044,797	



ENVIRONMENTAL ISSUES (continued)



ENERGY

ENVIRONMENTAL PROTECTION IS FIRST ENERGY SAVING, THEN RENEWABLE ACTIVITIES AND SUSTAINABLE ENERGY USE. THANKS TO ENERGY SAVING, THE COMPANY CAN REDUCE THE COST OF CONSUMPTION, LEADING TO THE REDUCTION OF PRODUCTION COSTS AND THE IMPROVEMENT OF PRODUCTION AND BUSINESS EFFICIENCY FOR TNG.

Measures to minimize energy consumption

Promoting propaganda on using electricity economically to officers and employees via the radio system of the Company, panels and posters for propagation.

Using air conditioners on hot days with limit on temperature and specified on-off time (60 minutes before leaving the Company).

Using energy-saving light bulbs (Led in place of old fluorescent lamps).



SOLUTIONS TO LIMIT USAGE OF FOSSIL FUELS, REDUCE GREENHOUSE GAS EMISSIONS, SAVE ELECTRICITY, USE RENEWABLE ENERGY

Save electricity during lighting



TURNING OFF WHEN LEAVING WORKPLACE OR NOT IN USE.

Make use of natural light

Pay special attention to natural lighting systems, forced lighting reduction (using electricity) at the time of development of factory design plan. TNG installed plastic plates on the roof and around factories to take advantage of natural light and enhance light sources for garment factories. Thus, electricity for lighting the production factories was decreased.



Save electricity for lighting at workplace

At TNG, the message of "Turning off when leaving workplace or not in use" is widely communicated to employees and officers of the Company. Electrical equipment, especially lighting system and sewing machines used at factories are the most energy-consuming equipment. Employees must turn off all power switches and electrical appliances right at their own seats or surrounding areas when taking break, finishing their works or having meal. Only small action of every employee show their contribution, solidarity and cohesion to TNG.





ENVIRONMENTAL ISSUES (continued)

ENERGY (continued)

Energy-saving lighting system at sewing factories

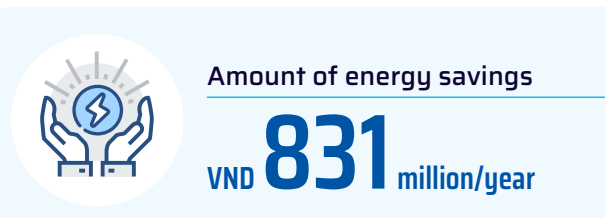
TNG use T5 bulbs (28W) instead of normal fluorescent tubes (T10 - 40W tube), with similar brightness and an reduction of 30% of electricity/hour/tube At offices and factories. For 164 lines, TNG may save:

$164 * 100 * (40 - 28) * 8 = 1,574,400 \text{ W (1,574kW/day)}$ with amount of VND 931,000,000/year.

Required cost: VND 100,000,000.

Amount of energy savings: VND 831,000,000/year.

Use software to monitor monthly electricity consumption level. Point out the highest or lowest consumption months, accordingly, determine the energy consumption by month and the most power consumption operation. Therefore, there will be the most specific solutions.



Energy-savings in cooling and ventilation

The Northern climate has two clearly distinct seasons: Hot and cold. In summer, outdoor temperatures are often high (at 35 - 38 degrees C), the Company has focused on designing factories under natural ventilation by roof light and dormer system. The usage of these roof lights has cooled factories, thus, saved electricity for cooling in summer.

Use frequency converter or speed controller for suitable speed adjustment to reduce power loss of ventilation fan, domestic water pump, and water pump of cooling system.



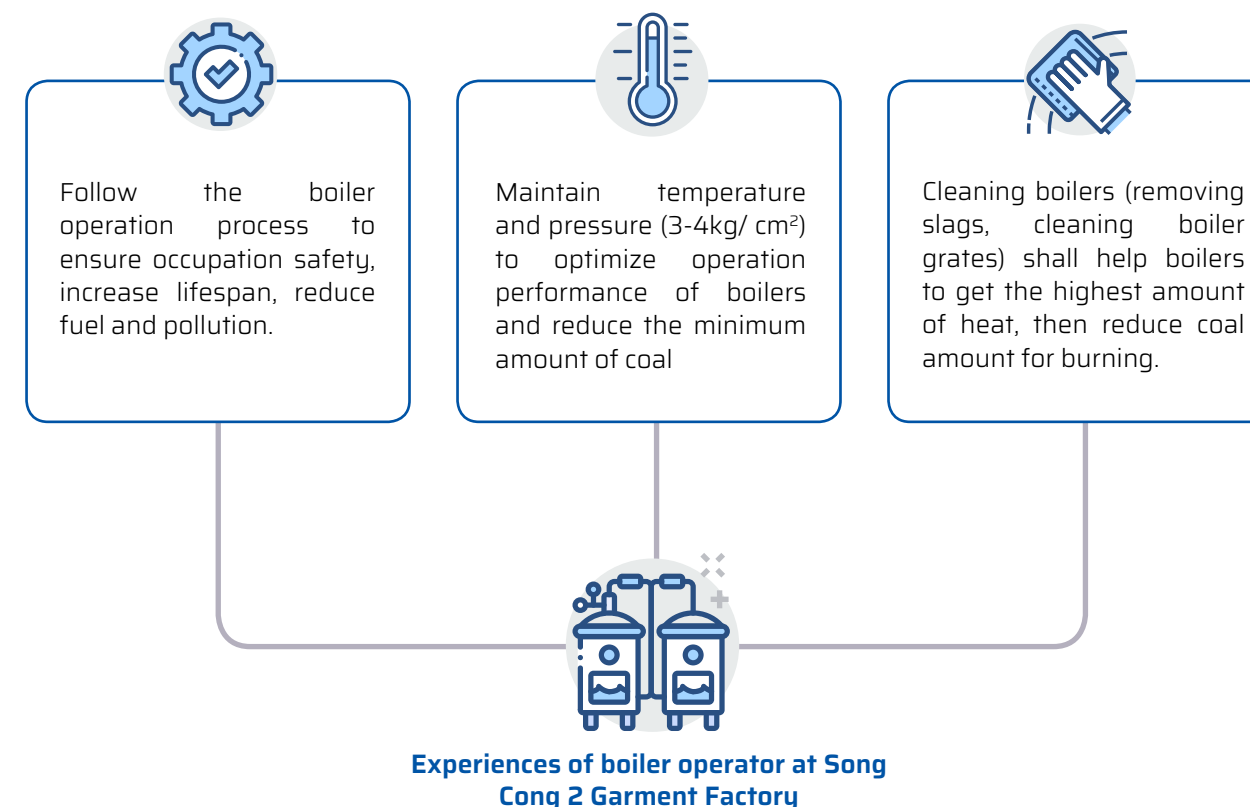
Solutions to save fossil fuels: Charcoal

Now, the majority of boilers in use are fossil-fueled, coal-fired boilers with low energy efficiency, which increases environmental pollution and economic inefficiencies. Facing up with this situation, TNG must have solutions to improve efficiency, save energy in using and operating boilers.

There are many measures to increase energy efficiency in boiler system regarding process of combustion, heat transfer, energy loss, reduction of power consumption of auxiliary equipment. Inspection of following factors can help TNG to assess whether the boilers are operated with the maximum efficiency or not:

Propose solutions to save energy on boilers

- Control temperature of exhaust gas smoke
- Preheat feed water used in heat exchanger
- Preheat air used for boilers
- The combustion process is not complete
- Control residual gas
- Reduce heat losses due to radiation and convection
- Control automatic blowdown
- Reduce losses due to sediment and soot
- Reduce pressure of boilers
- Stepless speed control device for fans, radiator fans and pumps
- Control loads of boilers





ENVIRONMENTAL ISSUES (continued)



BIODIVERSITY

BIODIVERSITY IS THE PRODUCT OF THE INTERACTION BETWEEN NATURAL SYSTEMS AND SOCIAL SYSTEMS. WITH A DEEP AWARENESS THAT TNG'S INTERESTS ARE ASSOCIATED WITH THE INTERESTS OF COMMUNITIES, ESPECIALLY THE COMMUNITIES AROUND THE COMPANY'S FACILITIES.

Therefore, the Company always conducts geological, geographical and environmental surveys to assess the impact of production activities on surrounding communities. All factories of the Company ensure distance to adjacent residential areas according to the law; before construction, the projects were approved reports on environmental impact assessment. In addition, after coming into operation, these factories have been monitored periodically (4 times/year) for micro climate factors, concentration of dust, exhaust gas and wastewater, thereby taking measures to maintain and control pollution indicators within the allowable limits of the law.



THE MONITORING RESULTS OF THE COMPANY IN 2020 WERE AS FOLLOWS :

Air quality results in production areas

LOCATION	RESULTS			
	NOISE (dBA)	TOTAL DUST (mg/m ³)	NO ₂ (mg/m ³)	SO ₂ (mg/m ³)
KK-11.19-16	64	0.18	<0.08	<0.026
KK-11.19-17	61.8	0.1	<0.08	<0.026
KK-11.19-18	59.7	0.36	<0.08	<0.026
KK-11.19-19	62.6	0.1	<0.08	<0.026
KK-11.19-20	64.3	0.16	<0.08	<0.026
KK-11.19-21	63.2	0.29	<0.08	<0.026
Allowable limit according to: 3733/2002/QĐ-BYT QCVN 24:2016/BYT	85	4	10	10

We can see that the exhaust quality of TNG is within the allowable limits of Vietnam's standards.

Analysis result of flue gas sample

LOCATION	AVERAGE RESULTS						
	TEMPERATURE (°C)	FLOW (m ³ /p)	TOTAL DUST (mg/Nm ³)	SPEED (m/s)	NO _x (MG/NM ³)	SO ₂ (mg/m ³)	CO (mg/Nm ³)
KTOK-11.19-1.1 KTOK-11.19-1.2	112	56	36.83	4.7	62.19	36.23	134.50
KTOK-11.19-2.1 KTOK-11.19-2.2	108.10	20.00	39.67	4.8	70.13	51.27	366.33
KTOK-11.19-3.1 KTOK-11.19-3.2	111.1	142	44.23	4.7	95.30	35.47	205.73
Allowable limit according to: QCVN 19:2009/ BTNMT(column B)	-	-	200	-	850	500	1000

We can see that the exhaust quality of TNG is within the allowable limits of Vietnam's standards.



ENVIRONMENTAL ISSUES (continued)

BIODIVERSITY (continued)



Results of measurement and analysis of domestic wastewater quality

NO.	INDICATORS	UNIT	RESULTS	QCVN 14:2008/BTNMT	
				A	B
1	pH	-	6.3	5.0-9.0	5.0-9.0
2	BOD5	mg/l	16.3	30	50
3	COD	mg/l	40.5	-	-
4	TSS	mg/l	30.8	50	100
5	TDS	mg/l	305.5	500	1000
6	S ²⁻	mg/l	<0.1	1	4
7	As	mg/l	0.0014	-	-
8	Cd	mg/l	<0.0005	-	-
9	Pb	mg/l	0.0017	-	-
10	Hg	mg/l	0.0007	-	-
11	NO ₃ -N	mg/l	25.08	30	50
12	NH ₄ ⁺ -N	mg/l	4.1	5	10
13	PO ₄ ³⁻ -P	mg/l	1.15	6	10
14	Mineral oil	mg/l	<0.3	10	20
15	Coliform	MNP/100ml	2600	3000	5000

The criteria pollution of domestic wastewater is within the permissible limits of the Vietnamese standards on domestic wastewater quality.

Results of measurement and analysis of production wastewater quality

NO.	INDICATOR	UNIT	RESULTS	CONSUMPTION LEVEL/YEAR	
				A	B
1	pH	-	7	5.0-9.0	5.0-9.0
2	Flow	M ³ /day and night	-	-	-
3	Smell	-	Smell less	-	-
4	Color temperature	Pt/Co	30	50	150
5	Temperature	°C	26.5	40	40
6	BOD5	mg/l	13.3	30	50
7	COD	mg/l	22.17	-	-
8	TSS	mg/l	28	50	100
9	As	mg/l	0.0027	-	-
10	Cd	mg/l	<0.0005	-	-
11	Pb	mg/l	0.0036	-	-
12	Total Cr	mg/l	0.0012	-	-
13	Co	mg/l	<0.0005	-	-
14	Cu	mg/l	0.0037	2	2
15	Hg	mg/l	0.0008	0.005	0.01
16	Ni	mg/l	0.0035	0.2	0.5
17	Sb	mg/l	0.0019	-	-
18	Zn	mg/l	<0.01	3	3
19	Fe	mg/l	0.584	1	5
20	Cl-	mg/l	63.6	500	1000
21	S ²⁻	mg/l	<0.1	0.2	0.5
22	CN-	mg/l	<0.1	0.07	0.1
23	NH ₄ ⁺ -N	mg/l	<1.5	5	10
24	Total P	mg/l	<0.3	4	6
25	Mineral oil	mg/l	<0.3	5	10

The pollution indicators in production wastewater of the Company are always within the allowable limits of current Vietnam's regulation.

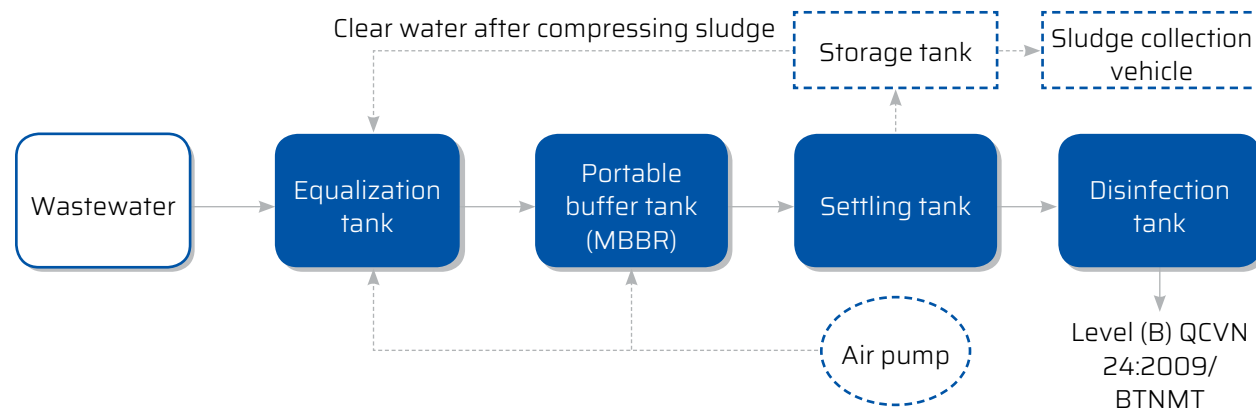


ENVIRONMENTAL ISSUES (continued)



WASTEWATER AND WASTE

TNG'S WASTEWATER IS GENERATED FROM LIVING ACTIVITIES AT THE FACTORIES (FOR SHIFT MEALS AND PERSONAL HYGIENE OF OFFICERS AND EMPLOYEES) AND THE PROCESS OF WASHING PRODUCTS, PRINTING SEMI-FINISHED PRODUCTS. FOR EACH TYPE OF WASTEWATER MENTIONED ABOVE, THE COMPANY HAS BUILT CENTRALIZED TREATMENT SYSTEMS BEFORE DISCHARGING INTO THE ENVIRONMENT, WHICH ENSURES THAT THE POLLUTION INDICATORS WHEN RUNNING INTO RECEIVING SOURCES ARE ALWAYS WITHIN THE ALLOWABLE LIMITS PRESCRIBED BY LAW.



For each treatment system, TNG will arrange operating personnel in accordance with the technology transfer of the contractor to achieve the quality of output water in compliance with the current law.



Results of monitoring wastewater quality after treatment system:

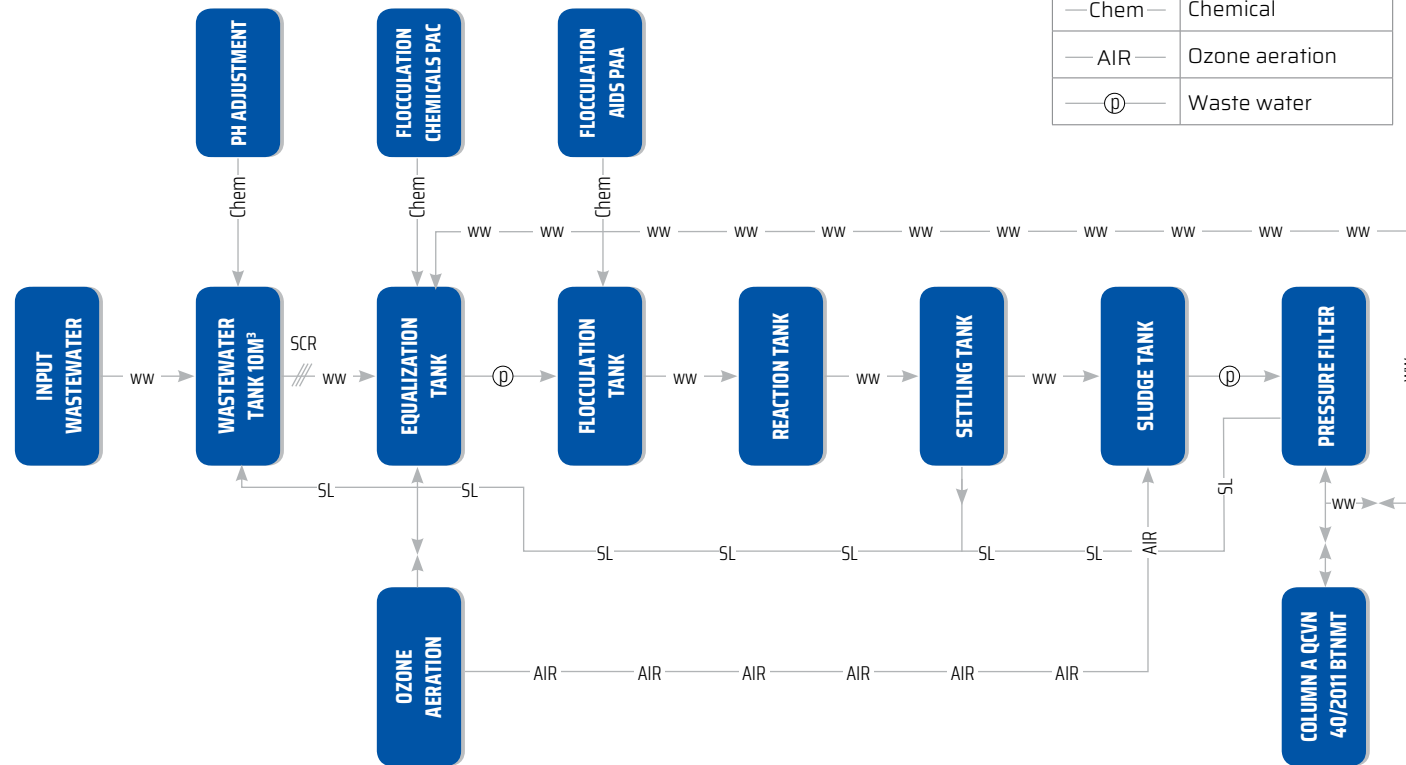
INDICATORS	UNIT	QCVN 14:2008/ BTNMT(B)	MONITORING RESULTS		
			2018	2019	2020
pH	-	5.0-9.0	6.9	6.8	7.2
DO	mg/l	-	4.5	3	4.0
BOD5	mg/l	50	40	26.4	23.4
COD	mg/l	-	81	79	68.9
TSS	mg/l	100	48	36.1	42.9
TDS	mg/l	1000	321	262.5	309
As	mg/l	-	0.0019	0.0019	0.0017
Cd	mg/l	-	Kph	Kph	<0.0005
Pb	mg/l	-	0.007	0.0007	0.0006
Hg	mg/l	-	Kph	Kph	<0.0005
* S ²⁻	mg/l	4	< 0.1	<0.1	<0.1
NO ₃ ⁺ -N	mg/l	50	0.72	0.71	1.29
* NH ₄ ⁺ -N	mg/l	10	7.1	4.6	<1.5
PO ₄ ³⁻ -P	mg/l	10	2.9	1.12	0.1
* Mineral oil	mg/l	20	< 0.3	<0.3	<0.3
* Coliform	MPN/100ml	5000	4000	2500	



ENVIRONMENTAL ISSUES (continued)

WASTEWATER AND WASTE (continued)

Diagram of domestic wastewater treatment system



The above results show that the wastewater treatment systems and the system operation methods always meeting requirements, ensuring that the pollution indicators are within the allowable limits.

Waste generated in TNG includes domestic waste (generated from shift meals). For this type of waste, the Company has signed a contract on waste collection and treatment with a qualified unit for daily collection and treatment - Environmental sanitation branch - Thai Nguyen Urban Construction and Environmental Joint Stock Company.

For production waste (fabric waste, cotton waste, waste paper, etc.), the Company has signed contracts with units specializing in treatment and units with needs to reuse these waste for making stuffed animals and other items such as Hong Ngoc Green Environment Company.

For hazardous waste, the Company has been issued waste source owner book by the Department of Natural Resources and Environment with book no. QLCTNH 19.000024.T, issued for the fourth time on 01 December 2016. TNG is responsible for temporarily collecting and storing these waste as prescribed and then they are transported and processed periodically by functional units - Anh Dang Environmental Services Company Limited.

Results of wastewater quality monitoring after the treatment system for years

INDICATOR	UNIT	QCVN 14:2008/ BTNMT(B)	MONITORING RESULTS FOR YEARS		
			2018	2019	2020
pH	-	5.5-9.0	6.8	6.6	6.4
*Flow	m ³ /day and night	-	-	-	-
DO	mg/l	-	3.2	3.1	3.1
*Color	Pt/Co	150	80	40	20.5
*Temperature	oC	40	28	25	24.4
BOD5	mg/l	50	45	35	26.1
COD	mg/l	150	101	82	65.5
TSS	mg/l	100	89	56	41.6
As	mg/l	0.1	0.002	0.0019	0.0018
Cd	mg/l	0.1	Kph	Kph	Kph
Pb	mg/l	0.5	0.0007	0.0006	0.0006
Total Cr	mg/l	-	0.00112	0.00111	0.0111
*Co	mg/l	-	0.0016	0.0015	0.0015
Cu	mg/l	2	0.013	0.00129	0.0127
Hg	mg/l	0.01	Kph	Kph	Kph
Ni	mg/l	0.5	0.002	0.0018	0.0016
*Sb	mg/l	-	0.003	0.0026	0.0025
Zn	mg/l	3	0.2	0.15	0.109
Fe	mg/l	5	<0.3	<0.3	<0.3
*S ₂ ⁻	mg/l	0.5	<0.1	<0.1	<0.1
*CN ⁻	mg/l	0.1	<0.01	<0.01	<0.01
*NH ₄ ⁺ -N	mg/l	10	3.5	3.1	2.1
Total P	mg/l	6	1.4	1.2	1.1
*Chlorine residual	mg/l	2	<0.2	<0.15	<0.15
*Mineral oil	mg/l	10	<0.3	<0.3	<0.3

- The value after the mark "<" indicates the detection limit of the measurement
- The mark (-) is not specified
- The mark * are indicators not recognized in accordance with ISO 17025:2005
- KPH: Not detected



ENVIRONMENTAL ISSUES (continued)

WASTEWATER AND WASTE (continued)

Table of total industrial waste of TNG in 2019 as follows

CONTENT	UNIT	VOLUME/2019	VOLUME/2020
Waste water	m ³	723,990	788,822

Total fee for secondary wastewater treatment of TNG in 2020: VND 3,115,381,665.

Total industrial waste of TNG in 2020 as follows

NO.	WASTE NAME	STATES EXIST	QUALITY	HAZARDOUS WASTE CODE
1	Discarded bulbs	Solid	19,783	18 02 01
2	Absorbents, clouts	Solid	1,405	16 01 06
3	Ink cartridges	Solid	2,251	08 02 04
4	Waste oil	Liquid	320	17 02 03
5	Sludge	Solid	27,890	06 05 02

- Every 6 months, TNG's functional departments report the hazardous waste management under the Circular No. 36/2015/ TT-BTNMT
- By complying with the above regulations of the law on environment, TNG is always a unit fully complying with the provisions of Vietnamese law as well as requirements from partners in the field of environment. In recent year, TNG has not been punished for environmental violations, the number of environmental violations: 0 and the amount of environmental fines: 0 VND.

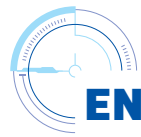
This waste is transported and disposed by Anh Dang Environmental Service Company Limited in accordance the Vietnamese laws.



THE COMPANY HAS ESTABLISHED A PROCESS FOR RESPONDING TO ENVIRONMENTAL INCIDENTS AND A PROCESS FOR INFORMING LOCAL AUTHORITIES OF ENVIRONMENTAL INCIDENTS. SPECIFICALLY AS FOLLOWS:

Process for responding to environmental incidents:

WORKING STEPS	FLOWCHART	IMPLEMENTATION/ RESPONSIBILITY	NOTES FORM
Step 1	ENVIRONMENTAL INCIDENTS	Employees	
Step 2	NOTICE OF INCIDENTS	Detector	Report to management Call to labor protection department
Step 3	RESPONDING TO INCIDENTS	Response director/ team leader	
Step 4	CAUSE INVESTIGATION	Director/officer in charge of environment at branches	
Step 5	ARCHIVING RECORDS	Environmental officer	Facilities Company



ENVIRONMENTAL ISSUES (continued)

WASTEWATER AND WASTE (continued)

Process for notice of environmental incidents to local agencies

WORKING STEPS	FLOWCHART	IMPLEMENTATION/ RESPONSIBILITY	NOTES FORM
Step 1	ENVIRONMENTAL INCIDENTS	Employees	
Step 2	NOTICE INCIDENTS	Management at levels	
Step 3	RESPONDING TO INCIDENTS	Branch Manager/Head of Labor Protection Department	
Step 4	CAUSE INVESTIGATION	Response team Branch, district	
Step 5	NOTICE OF LOCAL AGENCIES	Branch leaders Head of labor protection department	
Step 6	CAUSE INVESTIGATION	Branch leaders Head of labor protection department	
Step 7	ARCHIVING RECORDS	Labor protection department	

It hereby aims to identify environmental aspects and evaluate meaningful environmental aspects to take measures to control and manage, thereby training employees on how to minimize adverse impacts on the environment and respond when incidents occur. TNG has not had any environmental incidents.

The discharge gates of the Company flow into the sewers of the city and industrial zones (with secondary treatment system); therefore, wastewater from TNG causes insignificant impacts on the surrounding environment.

TNG has measures to prevent and respond to environmental incidents, specifically as follows:



For TNG's factories, fire incidents are the most likely to occur and will cause environmental incidents due to fire, oil spill, incidents to boilers and wastewater treatment stations

The most serious risk of oil spill is when the incident occurs with the substation. Thus, factories shall make plan to prevent and respond to the oil spill at substations. When an incident occurs, employees shall quickly use tools such as pails, basins, cans, etc. to recover the spilled oil. Use other materials to prevent oil from spreading (bricks, clouts, etc.). Recover the maximum amount of spilled oil, timely coordinate with competent authorities to handle incidents. Waste oil collected and treated is hazardous waste.



For incidents of fire and flood

Specific fire fighting equipment at Song Cong Branch as follows:

- Water sources at factory for fire fighting: Use water sources from water tanks at factory with capacity of 400 m³ and 12 fire hydrants.
- Water sources outside factory: 06 fire hydrants of Song Cong Industrial Zone (1471/s/ hydrant).
- 53 wall-hydrants, 250 portable fire extinguisher, ladders, ceiling hooks, regulations and rules of fire fighting.

At Phu Binh Branch:

- Separate fire alarm system, automatic fire alarm system (Fire detector), about 270 MFZ4 sprayers, fire pumps: 02 MB of electricity (P=11 kw/pump), D51 fire hoses (57 hoses, 57 nozzles), 51 sets of regulations and rules of fire fighting; Arrange wall-hydrants and ensure the maximum distance between hydrants and walls, factories to be 5m.
- Water tanks to blow out fire within 3 hours: 15 liters/s x 3h x 3,600 s = 162 m³.



For incident of flood

- Build large scale drainage system at each branch, prevent from flooding and spilling water into factories.
- Conduct training to evacuate employees in cases of storm and flood.
- Always provide storm and flood prevention and fighting facilities such as: Pillars, ladders, fasteners, soil bags, raincoats, flashlights, boots, etc. when incidents occur.

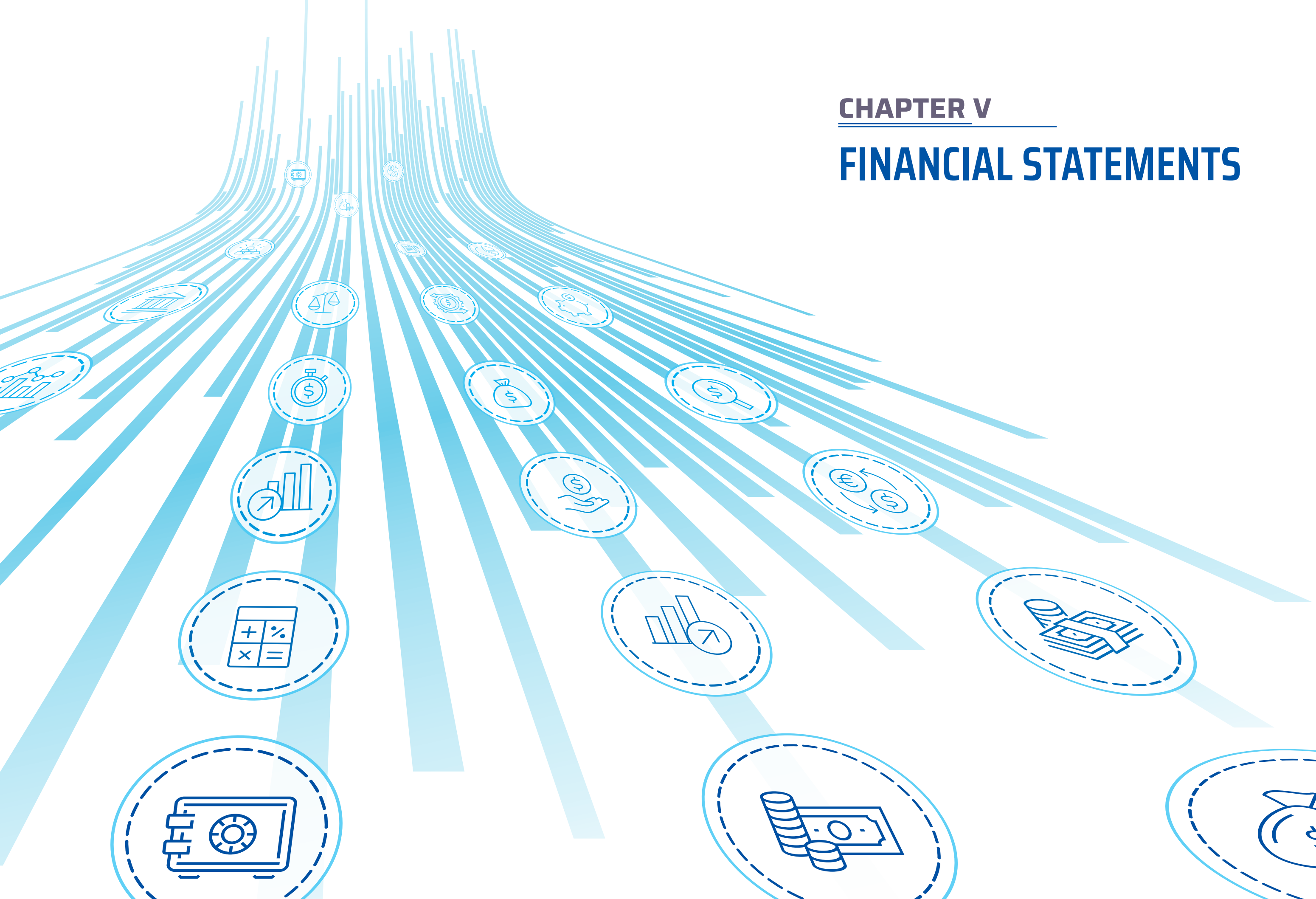


For incident of lightning protection

- Invest in lightning conductor system, inspect and repair lightning conductor and earthing systems at areas which are likely to be struck by lightning before rainy season (in June every year).

CHAPTER V

FINANCIAL STATEMENTS





STATEMENT OF THE BOARD OF EXECUTIVE OFFICERS

TNG INVESTMENT AND TRADING JOINT STOCK COMPANY

(Incorporated in the Socialist Republic of Vietnam)

AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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The Board of Executive Officers of TNG Investment and Trading Joint Stock Company (the "Company") presents this report together with the Company's consolidated financial statements for the year ended 31 December 2020.

THE BOARDS OF DIRECTORS AND EXECUTIVE OFFICERS

The members of the Boards of Directors and Executive Officers of the Company who held office during the year and to the date of this report are as follows:

Board of Directors

Mr. Nguyen Van Thoi	Chairman	
Mr. Nguyen Duc Manh	Member	
Mr. Le Quang Vinh	Member	
Mr. Nguyen Van Duc	Member	
Ms. Do Thi Ha	Member	
Ms. Luong Thi Thuy Ha	Member	
Mr. Nguyen Manh Linh	Member	
Mr. Tran Canh Thong	Member	(Appointed on 17 May 2020)
Mr. Nguyen Hoang Giang	Member	(Appointed on 17 May 2020)
Ms. Dinh Le Hang	Member	(Resigned on 17 May 2020)
Mr. Kim Hwan Kyoon	Member	(Resigned on 17 May 2020)

Board of Executive Officers

Mr. Nguyen Van Thoi	Chief Executive Officer	(Resigned on 17 May 2020)
Mr. Nguyen Duc Manh	Chief Executive Officer	(Appointed on 17 May 2020)
Mr. Nguyen Manh Linh	Deputy Chief Executive Officer	(Appointed on 06 October 2020)
Mr. Tran Minh Hieu	Deputy Chief Executive Officer	
Ms. Luong Thi Thuy Ha	Deputy Chief Executive Officer	
Ms. Doan Thi Thu	Deputy Chief Executive Officer	
Mr. Luu Duc Huy	Deputy Chief Executive Officer	

THE BOARD OF EXECUTIVE OFFICERS' STATEMENT OF RESPONSIBILITY

The Board of Executive Officers of the Company is responsible for preparing the consolidated financial statements, which give a true and fair view of the consolidated financial position of the Company as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting. In preparing these consolidated financial statements, the Board of Executive Officers is required to:

- » select suitable accounting policies and then apply them consistently;
- » make judgments and estimates that are reasonable and prudent;



STATEMENT OF THE BOARD OF EXECUTIVE OFFICERS (Continued)

- » state whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the consolidated financial statements;
- » prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- » design and implement an effective internal control system for the purpose of properly preparing and presenting the consolidated financial statements so as to minimize errors and frauds.

The Board of Executive Officers is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the consolidated financial position of the Company and that the consolidated financial statements comply with Vietnamese accounting standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting. The Board of Executive Officers is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of Executive Officers confirms that the Company has complied with the above requirements in preparing these consolidated financial statements.

For and on behalf of the Board of Executive Officers,

Luong Thi Thuy Ha
Deputy Chief Executive Officer

Thai Nguyen, 26 March 2021

The Board of Directors approved the accompanying consolidated financial statements, which present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting.

For and on behalf of the Board of Directors,

Nguyen Van Thoi
Chairman

Thai Nguyen, 26 March 2021

**TO: THE SHAREHOLDERS
THE BOARD OF DIRECTORS AND BOARD OF EXECUTIVE OFFICERS
TNG INVESTMENT AND TRADING JOINT STOCK COMPANY**

We have audited the accompanying consolidated financial statements of TNG Investment and Trading Joint Stock Company (the "Company"), prepared on 26 March 2021 as set out from page 209 to page 246, which comprise the consolidated balance sheet as at 31 December 2020, the consolidated income statement and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

THE BOARD OF EXECUTIVE OFFICERS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Executive Officers is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting and for such internal control as the Board of Executive Officers determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Executive Officers, as well as evaluating the overall presentation of the consolidated financial statements.

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



INDEPENDENT AUDITORS' REPORT (Continued)

OPINION

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting.



Vu Duc Nguyen
Deputy General Director

Audit Practising Registration Certificate
No. 0764-2018-001-1

DELOITTE VIETNAM COMPANY LIMITED

26 March 2021
Hanoi, S.R. Vietnam

Nguyen Tien Quoc
Auditor

Audit Practising Registration Certificate
No. 3008-2019-001-1

FORM B 01-DN/HN

Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance

CONSOLIDATED BALANCE SHEET

As at 31 December 2020

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		1,700,797,108,774	1,594,121,719,742
I. Cash and cash equivalents	110	4	132,575,319,775	292,672,045,402
1. Cash	111		32,575,319,775	172,672,045,402
2. Cash equivalents	112		100,000,000,000	120,000,000,000
II. Short-term receivables	130		451,097,742,708	364,142,583,991
1. Short-term trade receivables	131	5	392,545,454,655	302,824,175,457
2. Short-term advances to suppliers	132		4,161,812,843	7,473,372,031
3. Other short-term receivables	136	6	56,857,440,608	53,845,036,503
4. Provision for short-term doubtful debts	137	7	(2,466,965,398)	-
III. Inventories	140	8	1,025,610,355,903	860,401,903,483
1. Inventories	141		1,036,296,470,379	865,064,776,706
2. Provision for devaluation of inventories	149		(10,686,114,476)	(4,662,873,223)
IV. Other short-term assets	150		91,513,690,388	76,905,186,866
1. Short-term prepayments	151	9	19,110,841,416	28,684,025,285
2. Value added tax deductibles	152		72,402,848,972	48,221,161,581
B. NON-CURRENT ASSETS	200		1,854,157,881,567	1,433,288,606,205
I. Long-term receivables	210		13,184,851,859	15,605,193,707
1. Other long-term receivables	216	6	13,184,851,859	15,605,193,707
II. Fixed assets	220		1,250,422,211,883	1,115,764,762,310
1. Tangible fixed assets	221	10	1,223,696,318,856	1,091,872,805,621
- Cost	222		2,067,180,938,827	1,788,883,340,065
- Accumulated depreciation	223		(843,484,619,971)	(697,010,534,444)
2. Intangible assets	227	11	26,725,893,027	23,891,956,689
- Cost	228		46,340,526,753	40,529,444,412
- Accumulated amortisation	229		(19,614,633,726)	(16,637,487,723)
III. Investment property	230	12	49,120,069,783	34,573,863,793
- Cost	231		49,913,624,086	34,575,722,703
- Accumulated depreciation	232		(793,554,303)	(1,858,910)
IV. Long-term assets in progress	240		451,332,194,267	169,197,150,221
1. Construction in progress	242	13	451,332,194,267	169,197,150,221
V. Long-term financial investments	250	14	-	-
1. Investments in associates	252		-	-
VI. Other long-term assets	260		90,098,553,775	98,147,636,174
1. Long-term prepayments	261	9	90,098,553,775	98,147,636,174
TOTAL ASSETS (270=100+200)	270		3,554,954,990,341	3,027,410,325,947

The accompanying notes are an integral part of these consolidated financial statements



CONSOLIDATED BALANCE SHEET

As at 31 December 2020 (Continued)

FORM B 01-DN/HN
Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES	300		2,406,975,057,430	1,960,689,468,846
I. Current liabilities	310		1,836,291,728,670	1,414,614,342,278
1. Short-term trade payables	311	15	410,418,072,190	228,968,414,715
2. Short-term advances from customers	312	16	29,724,503,476	1,541,917,761
3. Taxes and amounts payable to the State budget	313	17	11,360,012,396	22,573,780,044
4. Payables to employees	314		32,722,320,900	59,043,353,646
5. Short-term accrued expenses	315	18	39,128,141,563	34,572,497,229
6. Other current payables	319	19	17,454,743,093	13,820,990,085
7. Short-term loans	320	20	1,282,023,775,970	1,050,792,460,988
8. Bonus and welfare funds	322		13,460,159,082	3,300,927,810
II. Long-term liabilities	330		570,683,328,760	546,075,126,568
1. Long-term loans	338	21	570,683,328,760	381,075,126,568
2. Convertible bonds	339	22	-	165,000,000,000
D. EQUITY	400		1,147,979,932,911	1,066,720,857,101
I. Owner's equity	410	23	1,147,979,932,911	1,066,720,857,101
1. Owner's contributed capital	411		739,960,050,000	652,114,760,000
2. Share premium	412		37,398,245,123	35,085,695,123
3. Other owner's capital	414		55,419,591	55,419,591
4. Investment and development fund	418		193,024,556,843	107,333,985,855
5. Other reserves	420		53,506,633,875	42,001,078,262
6. Retained earnings	421		124,035,027,479	230,129,918,270
- Retained earnings accumulated to the prior year end	421a		30,146,801	18,806,001
- Retained earnings of the current year	421b		124,004,880,678	230,111,112,269
TOTAL RESOURCES (440=300+400)	440		3,554,954,990,341	3,027,410,325,947

Ta Thi Thu Huong
Preparer

Tran Thi Thu Ha
Chief Accountant



Luong Thi Thuy Ha
Deputy Chief Executive Officer

26 March 2021

The accompanying notes are an integral part of these consolidated financial statements

FORM B 02-DN/HN
Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2020

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold and services rendered	01	26	4,480,199,673,570	4,617,541,777,109
2. Deductions	02	26	-	5,318,041,517
3. Net revenue from goods sold and services rendered (10=01-02)	10	26	4,480,199,673,570	4,612,223,735,592
4. Cost of sales	11	27	3,804,242,569,266	3,825,317,518,490
5. Gross profit from goods sold and services rendered (20=10-11)	20		675,957,104,304	786,906,217,102
6. Financial income	21	29	33,671,676,860	21,074,741,162
7. Financial expenses	22	30	144,478,192,211	136,400,434,805
- In which: Interest expense	23		101,227,715,040	91,500,188,015
8. Selling expenses	25	31	145,817,165,522	130,112,095,994
9. General and administration expenses	26	31	218,614,189,136	249,327,669,254
10. Operating profit (30=20+(21-22)-(25+26))	30		200,719,234,295	292,140,758,211
11. Other income	31		2,980,869,793	3,648,015,656
12. Other expenses	32		18,076,272,899	7,180,662,833
13. Losses from other activities (40=31-32)	40		(15,095,403,106)	(3,532,647,177)
14. Accounting profit before tax (50=30+40)	50		185,623,831,189	288,608,111,034
15. Current corporate income tax expense	51	33	32,020,548,511	58,496,998,765
16. Net profit after corporate income tax (60=50-51)	60		153,603,282,678	230,111,112,269
17. Basic earnings per share	70	34	2,254	3,174
18. Diluted earnings per share	71	34	2,049	2,774

Ta Thi Thu Huong
Preparer

Tran Thi Thu Ha
Chief Accountant



Luong Thi Thuy Ha
Deputy Chief Executive Officer

26 March 2021

The accompanying notes are an integral part of these consolidated financial statements



CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2020

FORM B 03-DN/HN
Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance

Unit: VND

ITEMS	Codes	Current year	Prior year
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	185,623,831,189	288,608,111,034
2. Adjustments for:			
Depreciation and amortisation of fixed assets and investment property	02	150,242,926,923	129,423,455,724
Provisions	03	6,023,241,253	(980,179,181)
Foreign exchange gain arising from translating foreign currency items	04	(2,035,259,821)	(2,961,046,972)
Gain from investing activities	05	-	(88,777,277)
Interest expense	06	120,834,183,855	101,227,715,040
3. Operating profit before movements in working capital	08	460,688,923,399	515,229,278,368
Increase, decrease in receivables	09	(105,959,901,208)	109,739,532,754
Increase, decrease in inventories	10	(171,231,693,673)	(36,990,717,879)
Increase, decrease in payables (excluding accrued loan interest and corporate income tax payable)	11	166,425,273,639	(8,288,651,382)
Increase, decrease in prepaid expenses	12	16,247,266,269	(13,342,581,550)
Interest paid	14	(121,194,487,296)	(98,257,914,352)
Corporate income tax paid	15	(42,479,749,892)	(52,357,132,177)
Other cash outflows	17	(6,005,659,800)	(5,354,177,371)
Net cash generated by operating activities	20	196,489,971,438	410,377,636,411
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(490,029,448,909)	(337,083,106,274)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	-	197,056,727
Net cash used in investing activities	30	(490,029,448,909)	(336,886,049,547)

The accompanying notes are an integral part of these consolidated financial statements



CONSOLIDATED CASH FLOW STATEMENT

(Continued)

For the year ended 31 December 2020

Unit: VND

ITEMS	Codes	Current year	Prior year
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from share issue and owners' contributed capital	31	-	24,670,090,000
2. Proceeds from borrowings	33	4,361,187,912,258	4,219,505,472,027
3. Repayment of borrowings	34	(4,146,087,653,846)	(4,037,775,419,119)
4. Dividends and profits paid	36	(81,767,582,800)	-
Net cash generated by financing activities	40	133,332,675,612	206,400,142,908
Net (decrease)/increase in cash (50=20+30+40)	50	(160,206,801,859)	279,891,729,772
Cash and cash equivalents at the beginning of the year	60	292,672,045,402	12,701,137,291
Effects of changes in foreign exchange rates	61	110,076,232	79,178,339
Cash and cash equivalents at the end of the year (70=50+60+61)	70	132,575,319,775	292,672,045,402

Ta Thi Thu Huong
Preparer

Tran Thi Thu Ha
Chief Accountant



Luong Thi Thuy Ha
Deputy Chief Executive Officer

26 March 2021

The accompanying notes are an integral part of these consolidated financial statements



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FORM B 09-DN/HN
Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance

These notes are an integral part of and should be read in conjunction with the consolidated financial statements

1. GENERAL INFORMATION

Structure of ownership

TNG Investment and Trading Joint Stock Company (the "Company") was originally a State-owned enterprise established under Decision No. 448/QD-UB of the People's Committee of Bac Thai Province (currently known as Thai Nguyen Province) dated 12 November 1979. The Company was equitized and transformed into a joint stock company under Decision No. 3744/QD-UB dated 16 December 2002 of the People's Committee of Thai Nguyen Province. Since 01 January 2003, the Company has officially been transformed into a joint stock company under Business License No. 1703000036 issued by the Authority for Planning and Investment of Thai Nguyen Province on 02 January 2003. According to the amended Enterprise Registration Certificates No. 4600305723 issued by the Authority for Planning and Investment of Thai Nguyen Province on 30 September 2020, the authorized charter capital of the Company is VND 739,960,050,000. The Company's shares are listed on Hanoi Stock Exchange (HNX) with the stock code of TNG.

The Company's total number of employees of as at 31 December 2020 was 14,796 (as at 31 December 2019: 15,670).

Operating industry and principal activities

The Company's operating industry and principal activities are manufacture and trade of garments, including:

- » Manufacture of corrugated paper and paperboard, and of containers of paper and paperboard (manufacture of containers of paper);
- » Manufacture of plastic products (production of plastic for plastic bags, plastic raincoats and garment materials and accessories);
- » Wholesale of textiles, made-up clothing, footwear;
- » Retail sale of clothing, footwear, leather articles and imitation leather in specialized stores;
- » Printing (directly onto textiles, plastic, cardboard, PE bags)
- » Finishing of textiles (silk screen-printing, including thermal printing on wearing apparel)
- » Trading of own or rented property or land use rights;
- » Manufacture of wearing apparel (except being made of animal's skin and fur) – Principal activity;
- » Manufacture of knitted and crocheted apparel;
- » Vocational education (industrial sewing training);
- » Manufacture of made-up articles (except apparel);
- » Washing and (dry-) cleaning of textiles and fur products. Details: Industrial washing and pressing of garment products.
- » Manufacture, wholesale and retail of medical equipment.

Normal production and business cycle

The Company's normal production and business cycle is carried out for a time period of 12 months or less.



FORM B 09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

The Company's structure

The Company's structure includes 01 headquarters and 15 dependent branches, of which, the Company's headquarters is located at No. 434/1 Bac Kan Street, Hoang Van Thu Ward, Thai Nguyen City.

As at 31 December 2020, the Company has 02 subsidiaries and 02 associates. General information about subsidiaries and associates is as follows:

	Name of Company	Place of incorporation and operation	Proportion of ownership interest (%)	Proportion of voting power held (%)	Principal activity
Subsidiaries					
1.	TNG Fashion Company Limited	Thai Nguyen	100	100	Fashion business
2.	TNG Eco Green Company Limited	Thai Nguyen	100	100	Real estate trade
Associates					
1.	Bac Thai Electric Construction Joint Stock Company	Thai Nguyen	49	49	Electric Construction
2.	TNG Yen Binh Golf Company Limited	Thai Nguyen	49	49	Golf course business

Disclosure of information comparability in the consolidated financial statements

Comparative figures are the figures of the audited financial statements for the year ended 31 December 2019.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The accompanying consolidated financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting.

The accompanying consolidated financial statements are not intended to present the consolidated financial position, results of operations and consolidated cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

Financial year

The Company's financial year begins on 01 January and ends on 31 December.



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted by the Company in the preparation of these consolidated financial statements, are as follows:

Estimates

The preparation of consolidated financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting requires the Board of Executive Officers 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 consolidated financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the Board of Executive Officers' best knowledge, actual results may differ from those estimates.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and enterprises controlled by the Company (its subsidiaries) up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Company.

Intragroup transactions and balances are eliminated in full on consolidation.

Non-controlling interests consist of the amount of those non-controlling interests at the date of the original business combination (see below) and the non-controlling interests' share of changes in equity since the date of the combination. Losses in subsidiaries are respectively attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Business combinations

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is credited to profit and loss in the period of acquisition.

The non-controlling interests are initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Investments in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Interests in associates are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Company's share of the net assets of the associate. Losses of an associate in excess of the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate) are not recognised.



Where a group entity transacts with an associate of the Company, unrealised profits and losses are eliminated to the extent of the Company's interest in the relevant associate.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Receivables

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts.

Provision for doubtful debts is made for receivables that are overdue for six months, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt according to the Board of Executive Officers' assessment.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution. Inventories are recorded under perpetual method.

The evaluation of necessary provision for inventory obsolescence follows current prevailing accounting regulations which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those which have costs higher than net realisable values as at the balance sheet date.

Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods, including cost of acquiring the land use right and assets on land, costs of repairing fixed assets, costs to purchase property insurance, good will and other prepayments.

Prepaid expenses for acquiring the land use right and assets on land are amortized to income statement on the straight-line basis over the lease term.

Goodwill arising from acquisition represents the excess of the cost of acquisition over the Company's ownership interest in the net fair value of the identifiable assets, liabilities and recognised contingent liabilities. The goodwill is allocated to interim income statement using straight-line method over a period of 3 years since the date of acquisition.

Property insurance expenses represent property insurance expenses incurred once and amortized to the income statement on a straight-line basis over a period of not more than 3 years.



Repair cost of fixed assets represents fixed assets overhaul expenses incurred once and of great value and amortized to the income statement on a straight-line basis over a period of not more than 3 years.

Other types of prepayments comprise costs of small tools, supplies and spare parts issued for consumption, advertising expenditures incurred in the production and business activities of the Company which are expected to provide future economic benefits to the Company. These expenditures have been capitalised as prepayments, and are allocated to the income statement using the straight-line method in accordance with the current prevailing accounting regulations.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use. The costs of self-constructed or manufactured assets are the actual construction or manufacturing cost plus installation and test running costs.

Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives as follows:

	Years
Buildings and structures	4 - 40
Machinery and equipment	3 - 20
Office equipment	3 - 9
Motor vehicles	6 - 10
Others	5 - 7

Loss or gain resulting from sales and disposals of tangible fixed assets is the difference between profit from sales or disposals of assets and their residual values and is recognised in the consolidated income statement.

Intangible assets and amortisation

Land use rights

Intangible assets representing land use rights are stated at cost less accumulated amortisation. Land use rights are allocated over the duration of the right to use the land.

Computer software

Intangible assets representing computer software are measured initially at purchase price and amortized using the straight line method over their estimated useful life.

Inventory, payroll, production management and accounting software is amortised using the straight-line method over the duration of 6 years.

Investment properties

Investment properties are composed of a part of commercial area of TNG Village Building at Minh Cau street, Thai Nguyen city held by the Company to earn rentals, stated at cost less accumulated depreciation. The costs of self-constructed investment properties are the finally accounted construction or directly attributable costs of the properties.



Investment properties held to earn rentals are depreciated using the straight-line method over their estimated useful lives of 50 years.

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for other purposes, are carried at cost. Cost includes professional fees, and related borrowing costs dealt with in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

Payable provisions

Payable provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation as at the balance sheet date.

Straight bond issued

Bonds are issued as long-term borrowings.

Carrying value of straight bonds is recorded on net basis, equal to bonds' nominal amount

Convertible bonds

A convertible bond is a bond that can be converted into common stock of the same issuer under conditions specified in the issuance plan.

Costs relating to the issue of convertible bonds are amortised over the lives of the convertible bonds using the straight-line method and are recorded in the financial expenses. Periodically, costs relating to the issue of convertible bonds are recorded in the financial expenses in line with recognition of convertible bonds' interest expense.

Revenue recognition

Sales of goods

Revenue from the sale of goods is recognised 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.



Sales of real estate

Revenue from the sale of real estate which the Company is the investor is recognised when all five (5) following conditions are satisfied:

- (a) the real estate has been completed and transferred to the buyer, the Company has transferred to the buyer the significant risks and rewards of ownership of the real estate;
- (b) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the real estate sold;
- (c) the amount of revenue can be measured reliably;
- (d) the economic benefits associated with the transaction flowed or will flow to the Company; and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

For the real estate that the Company is an investor; customers have the right to complete the interior of the property and the Company shall complete the interior of the property in accordance with design, and requirements of customers, the Company recognises revenue when the main construction work is completed, handed over to customers if all five (5) similar conditions as above are satisfied.

Revenue from rendering of services

Revenue of a transaction involving the rendering of services is recognised when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several years, revenue is recognised in the year by reference to the percentage of completion of the transaction at the balance sheet date of that year. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

- (a) the amount of revenue can be measured reliably;
- (b) it is probable that the economic benefits associated with the transaction will flow to the Company;
- (c) the percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

Foreign currencies

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates on the same date. Exchange differences arising from the translation of these accounts are recognised in the consolidated income statement.



Borrowing costs

Borrowing costs are recognised in the consolidated income statement in the year when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard No.16 "Borrowing costs". Accordingly, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets.

For specific borrowings for the purpose of construction of fixed assets, borrowing costs are capitalised even when the construction period is under 12 months. Other borrowing costs are recognized in the consolidated income statement when incurred.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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4. CASH AND CASH EQUIVALENTS

	Closing balance VND	Opening balance VND
Cash on hand	903,160,677	1,198,591,671
Bank demand deposits	31,672,159,098	171,473,453,731
Cash equivalents (i)	100,000,000,000	120,000,000,000
	132,575,319,775	292,672,045,402

(i) Cash equivalents represent term deposits at Joint Stock Commercial Bank for Investment and Development of Vietnam – Thai Nguyen Branch which have the original term of one month and interest rate of 3% per annum.

5. SHORT-TERM TRADE RECEIVABLES

	Closing balance VND	Opening balance VND
Desipro Pte. Ltd.	71,443,758,172	78,881,366,939
The Children's Place., Ltd	59,046,638,009	75,688,998,218
Sportmaster., Ltd	50,496,098,022	12,756,605,837
Asmara International Limited	37,816,779,822	38,564,568,231
Canda International GMBH & Co OHG	30,355,278,892	32,784,566,107
The Haddad Apparel Group., Ltd.	8,535,360,235	4,672,556,362
Others	134,851,541,503	59,475,513,763
	392,545,454,655	302,824,175,457

6. OTHER RECEIVABLES

	Closing balance VND	Opening balance VND
a. Current		
- Advances to employees	25,539,141,873	22,539,141,873
- Advance for site clearance compensation	16,816,083,422	16,816,083,422
- Receivables from insurance agency	-	5,403,502,523
- Deposits	3,620,699,730	3,620,699,730
- Other receivables	10,881,515,583	5,465,608,955
	56,857,440,608	53,845,036,503
b. Non-current		
- Land rentals deductible	10,680,826,157	10,680,826,157
- Deposits	2,504,025,702	4,924,367,550
	13,184,851,859	15,605,193,707

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. BAD DEBTS

	Closing balance			Opening balance		
	Cost	Recoverable amount	Overdue days	Cost	Recoverable amount	Overdue days
			VND			VND
Institute of Environmental Technology and Climate Change	2,182,208,600	-	< 1 years	-	-	-
Mango, Punto FA S.L.Unipersonal	284,756,798	-	< 2 years	-	-	-
	2,466,965,398	-		-	-	

8. INVENTORIES

	Closing balance		Số Dấu năm	
	Cost	Provision	Cost	Provision
		VND		VND
Goods in transit	29,986,738,502	-	25,080,516,673	-
Raw materials	300,430,706,408	(1,319,407,030)	246,815,721,827	-
Tools and supplies	4,902,700,977	-	2,233,008,517	-
Work in progress	215,525,625,423	(985,529,969)	181,702,774,059	-
Finished goods	485,450,699,069	(8,381,177,477)	409,232,755,630	(4,662,873,223)
	1,036,296,470,379	(10,686,114,476)	865,064,776,706	(4,662,873,223)

During the year, VND 6,023,241,253 (2019: VND 0) was provided for devaluation of inventories.

During the year, VND 0 (2019: VND 980,179,181) was reversed as a provision for devaluation of inventories.

As at 31 December 2020, as presented in Note 20, the Company used circulating goods with the minimum value of VND 390 billion as collaterals for the loans obtained from commercial banks (as at 31 December 2019: VND 390 billion).



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9. PREPAYMENTS

	Closing balance VND	Opening balance VND
a. Current		
- Tools and dies issued for consumption	6,750,080,451	14,760,035,302
- Assets insurance purchase expenses	4,078,195,585	3,044,239,270
- Others	8,282,565,380	10,879,750,713
	19,110,841,416	28,684,025,285
b. Non-current		
- Tools and dies issued for consumption;	33,681,907,721	35,681,422,831
- Cost of acquiring land use right and assets on land (i)	18,851,854,295	19,275,491,471
- The cost of repairs for fixed assets	21,697,765,433	6,070,844,859
- Goodwill	-	32,282,914
- Others	15,867,026,326	37,087,594,099
	90,098,553,775	98,147,636,174

(i) The cost of acquiring land use right and assets on land pertains to the land plots for which the Company has been granted certificates of land use right with land rental being paid on an annual basis.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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10. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings and structures VND	Machinery and equipment VND	Office equipment VND	Motor vehicles Other VND	Others VND	Total VND
COST						
Opening balance	780,453,658,909	992,497,393,957	4,505,966,051	9,496,172,515	1,930,148,633	1,788,883,340,065
Additions	24,581,954,880	46,985,960,697	-	-	415,558,500	71,983,474,077
Transfer from construction in progress	165,802,860,594	37,779,061,287	-	-	-	203,581,921,881
Others	-	2,597,602,300	-	-	134,600,504	2,732,202,804
Closing balance	970,838,474,383	1,079,860,018,241	4,505,966,051	9,496,172,515	2,480,307,637	2,067,180,938,827
ACCUMULATED DEPRECIATION						
Opening balance	208,438,463,340	478,372,760,373	4,024,157,936	4,954,330,992	1,220,821,803	697,010,534,444
Charge for the year	41,126,624,484	103,720,014,997	317,716,067	1,028,667,799	281,062,180	146,474,085,527
Closing balance	249,565,087,824	582,092,775,370	4,341,874,003	5,982,998,791	1,501,883,983	843,484,619,971
NET BOOK VALUE						
Opening balance	572,015,195,569	514,124,633,584	481,808,115	4,541,841,523	709,326,830	1,091,872,805,621
Closing balance	721,273,386,559	497,767,242,871	164,092,048	3,513,173,724	978,423,654	1,223,696,318,856

As presented in Notes 20 and 21, the Company has mortgaged its machinery, equipment, motor vehicles, buildings and structures to secure its loans obtained from commercial banks and credit institutions.

As at 31 December 2020, the cost of the Company's tangible fixed assets includes VND 204,269,374,093 (as at 31 December 2019: VND 188,759,438,470) of assets which have been fully depreciated but are still in use.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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11. INCREASES, DECREASES IN INTANGIBLE ASSETS

	Land use rights VND	Computer software VND	Total VND
COST			
Opening balance	16,784,250,377	23,745,194,035	40,529,444,412
Additions	2,999,000,000	2,812,082,341	5,811,082,341
Closing balance	19,783,250,377	26,557,276,376	46,340,526,753
ACCUMULATED AMORTISATION			
Opening balance	1,696,717,879	14,940,769,844	16,637,487,723
Charge for the year	463,693,884	2,513,452,119	2,977,146,003
Closing balance	2,160,411,763	17,454,221,963	19,614,633,726
NET BOOK VALUE			
Opening balance	15,087,532,498	8,804,424,191	23,891,956,689
Closing balance	17,622,838,614	9,103,054,413	26,725,893,027

As at 31 December 2020, the cost of the Company's intangible fixed assets includes VND 10,063,965,292 (as at 31 December 2019: VND 9,038,390,692) of assets which have been fully amortised but are still in use.

The Company used the land use rights to secure the loans from banks as presented in the Note 21.

12. INCREASES, DECREASES IN INVESTMENT PROPERTY

	Buildings and structures VND
COST	
Opening balance	34,575,722,703
Transfer from construction in progress	15,337,901,383
Closing balance	49,913,624,086
ACCUMULATED DEPRECIATION	
Opening balance	1,858,910
Charge for the year	791,695,393
Closing balance	793,554,303
NET BOOK VALUE	
Opening balance	34,573,863,793
Closing balance	49,120,069,783

According to VAS No. 05 - Investment Properties, fair value of investment property as at 31 December 2020 is required to be disclosed. However, the Company could not determine the fair value as at 31 December 2020, therefore, no information about the fair value is disclosed in the Notes to the consolidated financial statements. In order to determine the fair value, the Company would require an independent consultancy company to perform the valuation. At present, the Company has not found a suitable consultancy company yet.



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13. CONSTRUCTION IN PROGRESS

	Closing balance VND	Opening balance VND
Construction in progress		
- Acquisition	4,575,423,829	95,366,000
- Construction	446,756,770,438	169,101,784,221
In which:		
- Son Cam industrial zone project	292,408,921,029	3,056,735,140
- TNG Phu Luong Factory	49,556,154,041	42,173,989,714
- Song Cong Auxiliary Home	23,310,992,572	32,115,670,232
- Phu Binh Project	22,864,474,332	20,141,747,060
- TNG Vo Nhai Factory	16,712,803,605	11,649,530,988
- Others	46,478,848,688	63,116,212,227
	451,332,194,267	169,197,150,221

The Company used assets formed from loans of the projects to secure the loans from commercial banks and financial institutions as presented in the Note 21.

14. FINANCIAL INVESTMENTS

	Opening balance		Closing balance	
	Cost VND	Value under equity method VND	Cost VND	Value under equity method VND
Investments in associates				
Bac Thai Elec-tric Construc-tion Joint Stock Company	771,150,000	-	771,150,000	-
TNG Yen Binh Golf Company Limited (i)	-	-	-	-
	771,150,000	-	771,150,000	-

(i) Details of the Company's capital commitments to associates as at 31 December 2020 are as follows:

Name of associates	Charter capital under enterprise registration certifi-cate (VND)	Proportion of ownership interest under enterprise registration certificate (%)	Capital contri- bution as at 31 December 2020 (VND)	Remaining capital commitment (VND)
TNG Yen Binh Golf Company Limited	300,000,000,000	49	-	147,000,000,000

The Company has not assessed fair value of its financial investments as at the balance sheet date since there is no comprehensive guidance of relevant prevailing regulations on determination of fair value of these financial investments.



15. SHORT-TERM TRADE PAYABLES

	Closing balance		Opening balance	
	Amount	Amount able to be paid off	Amount	Amount able to be paid off
	VND		VND	
Hoang Hai Construction and Trading Co., Ltd	48,588,553,650	48,588,553,650	-	-
YKK Vietnam Company Limited	18,051,806,242	18,051,806,242	21,103,503,988	21,103,503,988
Others	343,777,712,298	343,777,712,298	207,864,910,727	207,864,910,727
	410,418,072,190	410,418,072,190	228,968,414,715	228,968,414,715

16. SHORT-TERM ADVANCES FROM CUSTOMERS

	Closing balance VND	Opening balance VND
Uni-estern Sportswear MFG. Ltd	20,475,782,435	-
Moose International Inc.	3,251,204,122	-
Others	5,997,516,919	1,541,917,761
	29,724,503,476	1,541,917,761

17. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

	Opening balance VND	Payable during the year VND	Paid during the year VND	Closing balance VND
Corporate income tax	21,096,415,766	32,020,548,511	42,479,749,892	10,637,214,385
Personal income tax	1,235,743,404	16,942,413,434	17,617,971,499	560,185,339
Others	241,620,874	5,122,669,399	5,201,677,601	162,612,672
	22,573,780,044	54,085,631,344	65,299,398,992	11,360,012,396



18. SHORT-TERM ACCRUED EXPENSES

	Closing balance VND	Opening balance VND
Accruals for salary and leave	19,187,620,789	23,478,321,233
Accruals for interest expenses	4,159,996,215	4,520,299,656
Transportation expense	2,565,054,380	1,738,489,333
Other accruals	13,215,470,179	4,835,387,007
	39,128,141,563	34,572,497,229

19. OTHER CURRENT PAYABLES

	Closing balance VND	Opening balance VND
Investment received for TNG Village Project	3,418,192,964	3,169,349,789
Trade union fee	5,959,763,058	1,735,850,668
Others	8,076,787,071	8,915,789,628
	17,454,743,093	13,820,990,085



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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20. SHORT-TERM LOANS

	Opening balance		In the year		Closing balance	
	Amount	Amount able to be paid off VND	Increases	Decrease	Amount	Amount able to be paid off VND
Short-term loans	903,296,052,227	903,296,052,227	3,921,953,629,286	3,737,968,213,132	1,087,281,468,381	1,087,281,468,381
Current portion of long-term loans (Details stated in Note 21)	147,496,408,761	147,496,408,761	117,723,685,386	197,477,786,558	67,742,307,589	67,742,307,589
Current portion of convertible bond liabilities (Details stated in Note 22)	-	-	127,000,000,000	-	127,000,000,000	127,000,000,000
	1,050,792,460,988	1,050,792,460,988	4,166,677,314,672	3,935,445,999,690	1,282,023,775,970	1,282,023,775,970

Details of short-term loans are as follows:

	Closing balance VND	Opening balance VND
Short-term loans	1,087,281,468,381	903,296,052,227
Joint Stock Commercial Bank for Investment and Development of Vietnam - Thai Nguyen Branch (i)	698,319,420,417	445,711,551,257
Vietnam Joint Stock Commercial Bank for Industry and Trade - Thai Nguyen Branch (ii)	362,214,774,655	426,028,658,421
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thai Nguyen Branch (iii)	1,051,145,540	19,160,820,562
Military Commercial Joint Stock Bank - Thai Nguyen Branch (iv)	-	12,045,971,987
Others (v)	25,696,127,769	349,050,000
Current portion of long-term loans (Detail stated in Note 21)	67,742,307,589	147,496,408,761
Vietnam Joint Stock Commercial Bank for Industry and Trade - Thai Nguyen Branch	30,439,858,533	70,147,692,193
Joint Stock Commercial Bank for Investment and Development of Vietnam - Thai Nguyen Branch	12,089,961,000	27,799,272,040
Military Commercial Joint Stock Bank - Thai Nguyen Branch	16,467,294,398	25,012,124,528
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thai Nguyen Branch	8,745,193,658	24,537,320,000
Current portion of convertible bonds (Detail stated in Note 22)	127,000,000,000	-
	1,282,023,775,970	1,050,792,460,988

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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- (i) Loans from Joint Stock Commercial Bank for Investment and Development of Vietnam - Thai Nguyen Branch includes:
 - » Loan under Credit Line Contract dated 07 October 2019 with the credit limit of VND 1,000 billion (including loans in VND and foreign currencies equivalent, L/C balance less deposits and guarantee balances), interest rates are determined in respect of each disbursement.
 - » Loan from Joint Stock Commercial Bank for Investment and Development of Vietnam - Thai Nguyen Branch under the credit line contract dated 16 November 2020 with a credit limit of VND 1,000 billion (including loans in VND and foreign currencies equivalent, L/C balance less deposits and guarantee balances) with the loan interest rate determined upon each disbursement. The loan is secured by pledged or mortgaged assets of the Company; all balances of the Company's deposit accounts for production and business in VND and foreign currencies at the bank and other credit institutions.
- (ii) Loans from Vietnam Joint Stock Commercial Bank for Industry and Trade - Thai Nguyen Branch under Credit Line Contract dated 10 September 2020 with the credit limit of VND 500 billion (including loans in VND and USD). The loan interest at contract signing date is 7% per annum for loans in VND and 4.3% per annum for loans in USD and to be determined in respect of each disbursement after contract signing date. The loans are secured by assets including industrial sewing machines and office equipment; buildings and structures attached to the Company's land; 04 automatic embroidery machines; buildings and structures attached to the land in Zone B - Song Cong Industrial Zone, circulating goods and receivables arising from the economic contract of the Company financed by Vietnam Joint Stock Commercial Bank for Industry and Trade.
- (iii) Short-term loans from Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thai Nguyen Branch includes:
 - Loan obtain from Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thai Nguyen Branch under Contract dated 09 April 2019 with the credit limit of VND 100 billion. Interest rates are determined by notice from the lender for each disbursement. The loans are secured by the machinery and equipment from the Project for additional machinery and equipment investment for TNG Phu Binh Factory and TNG Song Cong Factory, the Project of additional machinery and equipment investment in 2014 under Collateral Contract No.210/18/HDTN/TN dated 18 June 2018, assets formed from the loans and equity capital of the Project for additional machinery and equipment investment in 2019 under Collateral Contract No. 86/19/HDTN/TN dated 09 April 2019, and receivables under Collateral Contract No. 87/19/HDTN/TN dated 09 April 2019.
 - Loan from Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thai Nguyen branch under Contract dated 25 August 2020 with a credit limit of VND 100 billion. Interest rate is specified according to the lender's interest rate announcement at each time of disbursement. The loan is secured by machinery and equipment under the Project of additional investment in machinery and equipment for TNG Phu Binh and TNG Song Cong factories, and the project of additional investment in machinery and equipment in 2014 under Collateral Contract No. 210/18/HDTN/TN dated 18 June 2018, machinery and equipment under the Project of additional investment in machinery and equipment in 2019 under mortgage contract No. 86/19/HDTN/TN dated 09 April 2019, receivables under Collateral contract No. 87/19/HDTN/TN dated 09 April 2019, all machinery and equipment formed from loan and equity capital under the project of investment and construction of TNG Song Cong auxiliary plant under the collateral contract No. 312/19/HDTN/TN dated 09 December 2019, pre-engineered steel frame formed from loans, equity capital and other mobilized capital under the project of investment and construction of TNG Song Cong auxiliary plant under collateral contract No. 184/20/HDTN/TN dated 25 August 2020.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(iv) The loan from Military Commercial Joint Stock Bank ("MB") - Thai Nguyen Branch under the Contract dated 09 April 2020 with 2 credit limits as follows: Credit limit 1 of VND 100 billion and Credit limit 2 of VND 200 billion. The Credit limit 2 is only effective in the event that the Company's demand is in excess of Credit limit 1, with proposal being submitted and approved by the Bank. The Credit limit term is from date of contract to 03 March 2021. The Company has signed an amendment on 09 Mar 2021 to extend the credit term to 30 April 2021. Applicable interest rate is specified in the lender's notice for each disbursement. The loans are to supplement working capital for textile, garment production and processing of the Company for period 2020-2021. The loans are secured by cash - savings account/deposit agreements - valuable papers and property, property right arose/to be arisen from MB credit funding method, including: (i) loan, (ii) LC issued by MB, (iii) obligations guaranteed by MB.

(v) Other short-term loans from the Company's employees with terms not exceeding 12 months.

21. LONG-TERM LOANS

	Opening balance		In the year		Closing balance	
	Amount	Amount able to be paid off VND	Increases	Decreases	Amount	Amount able to be paid off VND
Long-term loans	392,571,535,329	392,571,535,329	171,860,755,175	210,641,654,156	353,790,636,348	353,790,636,348
Bonds issued (Details stated in Note 22)	136,000,000,000	136,000,000,000	148,635,000,001	-	284,635,000,001	284,635,000,001
	528,571,535,329	528,571,535,329	320,495,755,176	210,641,654,156	638,425,636,349	638,425,636,349
In which:						
- Amount due for settlement within 12 months	147,496,408,761				67,742,307,589	
- Amount due for settlement after 12 months	381,075,126,568				570,683,328,760	

Details of long-term loans are as follows:

	Closing balance VND	Opening balance VND
Joint Stock Commercial Bank for Investment and Development of Vietnam - Thai Nguyen Branch (i)	198,748,541,413	137,997,280,123
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thai Nguyen Branch (ii)	115,939,014,873	111,713,965,473
Vietnam Joint Stock Commercial Bank for Industry and Trade - Thai Nguyen Branch (iii)	23,320,318,509	93,487,215,280
Military Commercial Joint Stock Bank - Thai Nguyen Branch (iv)	15,782,761,553	49,373,074,453
	353,790,636,348	392,571,535,329

(i) Long-term loans from Joint Stock Commercial Bank for Investment and Development of Vietnam - Thai Nguyen Branch include:

- » Loans under Credit Contract No. 02/2015/469075/HDTĐ dated 04 December 2015 and its amendments, with total credit limit of VND 112.75 billion to finance construction of the Company's TNG Fashion Center. The loan term is 84 months from the day after the first disbursement date. The loans in VND bear interest rates of 11% per annum and of 6.8% per annum for the loans in USD (floating interest rate adjusted on a semi-annual basis). The Company has pledged its machinery, equipment, motor vehicles, buildings and structures, and assets formed from the project to secure the loans.
- » Loans under the Credit Contract No. 01/2017/469075/HDTĐ dated 03 April 2017 with the total credit limit of VND 32,681,000,000 for investment in Cotton Factory Project of the Company. The loan term is 84 months from the day after the first disbursement date. The floating interest rate is adjusted every 6 months with current interest rates for loans in VND of 11.5% per annum and for loans in USD of 6.8% per annum. The loan is secured by all assets formed from the Cotton Factory Project of the Company and all security interests as agreed between the Company and the Bank, including this credit contract.
- » Loans under credit contract No. 02/2018/469075/HDTĐ dated 10 September 2018 with the total credit limit of USD 1,327,591 and VND 3.92 billion used to finance Machinery and equipment investment Project in the last 6 months of 2018 of the Company. The loan term is 60 months from the day after the first disbursement date. The loans bear interest rates of 11.5% per annum for loans in VND and of 7.2% per annum for loans in USD. The loans are secured by all assets formed from the Company's Machinery and equipment investment Project in the last 6 months of 2018.
- » Loans under credit contract No. 02/2019/469075/HDTĐ dated 10 June 2019 with the total credit limit of VND 187,667,000,000 for investment in TNG Dong Hy Garment Factory. The loan term is 84 months from the day after the first disbursement date. The loans in VND bear interest rates of 11.5% per annum and of 7.0% per annum for loans in USD which are adjusted every 6 months. The loans are secured by all assets formed from Dong Hy Garment Factory Project of the Company.
- » Loans under credit contract No. 02/2020/469075/HDTĐ dated 08 June 2020 with the total credit limit of VND 70,213,000,000 but no more than 70% of total actual investment capital (including VND and foreign currencies equivalent) for investment in machinery and equipment in 2020. The loan term is 60 months from the first disbursement date. The floating interest rate is adjusted every 6 months and equals to interest rate of BIDV 12-month interest-postpaid individual savings plus minimum bank charge of 4% in accordance with regulations of BIDV from time to time. The currently applied interest rate is 8.5% per annum. Loans are secured by all assets formed from the Machinery and equipment investment project of the Company.

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- » Loans under credit contract No. 03/2020/469075/HDTD dated 26 June 2020 with the total credit limit of VND 188,740,000,000 but no more than 65% of total actual investment (including VND and foreign currency equivalent) for investment in construction of TNG Vo Nhai Factory. The loan term is 84 months from the first disbursement date. The prevailing interest rate is 9.0% per annum applicable to 30 June 2021. The loans are secured by all assets formed from the investment of the project (financed either by loans or equity capital), land use rights (in the case of land lease with one-off rental payment), all project-related rights (property right arising from land lease contract, rights to insurance benefits,...).
- » Loans under Credit Contract No. 04/2020/469075/HDTD dated 02 December 2020 with total credit limit of VND 37,519,000,000 but not exceeding 70% of total actual investment of project (including VND and foreign currencies equivalents) to implement the project of investment in cotton production line No. 3. The floating interest rate, adjusted every 6 months, equals to the interest rate of BIDV Thai Nguyen 12-month interest-post-paid individual savings plus a minimum bank fee of 4% in accordance with BIDV's regulations from time to time. The currently applied interest rate is 8.5%/year. The loan is secured by all assets formed from the Company's cotton production line No.3 investment project.

(ii) - Medium and long-term loans from Joint Stock Commercial Bank for Foreign Trade of Vietnam under Credit Contract No. 94/19/HDTD/TN dated 09 April 2019 with the total credit limit of VND 130 billion for investment in fixed assets. The loan term is 48 months from the first disbursement. Interest rates are determined in respect of each disbursement. The loans are secured by the machinery and equipment of the Project for additional investment in machinery and equipment for TNG Phu Binh Factory and TNG Song Cong Factory, and the Project for additional machinery and equipment investment in 2014 under Collateral Contract No. 210/18/HDTCTN dated 18 June 2018, assets formed from the loans and equity capital of the Project for additional machinery and equipment investment in 2019 under Collateral Contract No. 86/19/HDTCTN dated 09 April 2019, and receivables under Collateral Contract No. 87/19/HDTCTN dated 09 April 2019.

» Loan from Joint Stock Commercial Bank for Foreign Trade of Vietnam under loan contract under investment project No. 185/20/HDTD/TN dated 25 August 2020 with credit limit of VND 55,682,000,000. The loan is used to finance legal, reasonable and valid credit needs related to the investment and implementation of TNG Song Cong auxiliary plant project. The loan term is 72 months from the day following the first disbursement date. Floating interest rate equals to the interest rate of 12-month interest-postpaid individual savings as announced by the Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thai Nguyen Branch from time to time plus a margin of 3.3% but not lower than the Bank's interest rate floor, adjusted every 3 months.

(iii) Long-term loans from Commercial Joint Stock Vietnam Bank for Industry and Trade - Thai Nguyen Branch include:

» Loans under valid credit contracts with total credit limit of VND 223 billion for payment of machines and equipment imported for cotton production lines of the Cotton branch of the garment factories located in Zone B, Song Cong Industrial Zone, for investment in the Project for production capacity improvement of TNG Dai Tu Factory, and for investment in the Company's project on equipment system renovation and capital construction upgrade and investment. The current interest rate is 10.5% to 11.5% per annum for loans in VND and 4.5% to 7.5% per annum for loans in USD (floating rate adjusted on a monthly basis). Loans are secured by the cotton production line installed at Cotton Branch located in Zone B, Song Cong Industrial Zone and assets formed therefrom.

» Loans under Credit contract No.300065363/2017-HDCVNT/NHCT220-TNG dated 27 July 2017 with the total credit limit of VND 33 billion, used to cover the financing costs of the Machinery and equipment Investment Project Phase II of 2017. The loan term is 60 months from the day after the first disbursement date. The current interest rate is 9.5% per annum for loans in VND and 6.5% per annum for loans in USD. The loans are secured by assets formed therefrom.

(iv) Loans from Military Commercial Joint Stock Bank ("MB") - Thai Nguyen Branch under valid credit contracts with the total credit limit of USD 3,324,900 and VND 19,612,742,199. The loans are used to open L/C for payment under the contract for import of garment machinery, equipment and payment for domestic purchases. The loan bears floating interest rate, the interest rate adjustment date and the interest rate adjustment period are determined in each indebtedness certificate. These loans are secured by all assets formed from the L/C including garment machinery and equipment specified in each purchasing contract.

Long-term loans are repayable as follows:

	Closing balance VND	Opening balance VND
On demand or within one year	67,742,307,589	147,496,408,761
In the second year	192,959,543,122	81,562,921,990
In the third to fifth year inclusive	377,723,785,638	299,512,204,578
	638,425,636,349	528,571,535,329
Less: Amount due for settlement within 12 months (shown under short-term loans)	67,742,307,589	147,496,408,761
Amount due for settlement after 12 months	570,683,328,760	381,075,126,568

22.

BONDS ISSUED

Straight bonds

	Closing balance		Opening balance	
	Amount VND	Interest rate %/Year	Amount VND	Interest rate %/Year
Privately issued bonds	284,635,000,001	11.50	136,000,000,000	11.50
	284,635,000,001		136,000,000,000	
		Term Year		Term Year
		3		3



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Details of bond contracts are as follows:

	Closing balance VND	Opening balance VND
Bond subscription contract No.01 -21 October 2019 (i)	136,000,000,000	136,000,000,000
Bond subscription contract No.02 - 30 October 2020 (ii)	150,000,000,000	-
Bond subscription contract No.03 - 30 October 2020 (iii)	10,000,000	-
Unallocated issue fee	(1,374,999,999)	-
	284,635,000,001	136,000,000,000

Bond contracts typically have the remaining maturity of more than 12 months and are presented under the Long-term Loans item on the Balance Sheet.

(i) Bonds issued under Resolution No.2181/2019/TNG-NQHDQT dated 3 October 2019 and bond subscription contract dated 21 October 2019, the Company privately issued 136 non-convertible bonds, without collateral and warrants with par value of VND 1,000,000,000/bond, term of 36 months from the date of issue of 25 October 2020, interest rate of 11.5%/year for the entire term of the bond. The purpose of bond issuance is to increase the working capital and implement investment programs and projects of the Company. After 12 months from the date of issue, the Company has the right to redeem all or a part of outstanding bonds in circulation.

(ii) Bonds issued under the Board of Directors' Resolution No. 2756/NQHDQT-TNG dated 21 September 2020 and bond subscription contracts dated 30 September 2020, the Company privately issued 15,000 non-convertible bonds, without collateral and warrants, with par value of VND 10,000,000/bond, term of 03 years from the date of issue of 30 September 2020, fixed interest rate of 10 %/year. The purpose of bond issuance is to increase the working capital and supplement the investment capital of Son Cam 1 Industrial Cluster project.

(iii) Bond issued under the Board of Directors' Resolution No. 2756/NQHDQT-TNG dated 21 September 2020 and bond subscription contracts dated 30 September 2020, the company privately issued 1 non-convertible bond, without collateral and warrants, with par value of VND 10,000,000/bond, term of 03 years from the date of issue of 30 September 2020, fixed interest rate of 10 %/year. The purpose of bond issuance is to increase the working capital and supplement the investment capital of Son Cam 1 Industrial Cluster project.

Convertible bonds

	Closing balance		Opening balance	
	Amount VND	Interest rate %/Year	Amount VND	Interest rate %/Year
Convertible bonds	127,000,000,000	4.80	165,000,000,000	4.80
	127,000,000,000		165,000,000,000	

The convertible bonds were issued on 12 December 2018 with the total number of 200 bonds and par value of VND 1 billion each. The bonds have a term of 3 years with interest rate of 4.8% per annum at the issuance date which can be adjusted based on the exchange rate of each interest calculation period, interest is paid every 3 months and principal is repaid at the maturity date.

Convertible bond contracts have the remaining maturity of less than 12 months and are presented under the Short-term Loan item on the Balance Sheet.

From one year after the issuance date to 2 months before the maturity date, Bondholders have the option to convert the entire or part of the issued bonds into the Company's shares with conversion price at the convertible bond issuance date of VND 13,800 per share, which can be adjusted under contractual scheme. The shares issued for conversion is the Company's ordinary shares and will be additionally listed after conversion. Bondholders have the option to request the Company to early redeem part of or the entire issued bonds and the largest shareholder of the Company has the right to re-purchase 10% of bonds under the contractual terms.

On 23 March 2020 and 10 June 2020, 20 convertible bonds with a total par value of VND 20 billion were transferred to Mr. Nguyen Van Thoi, the Chairman of the Board of Directors of the Company, from Asam Vietnam Mazzanine Focus Hedge Fund 1, an organization related to a member of the Board of Directors, Mr. Kim Hwan Kyoou.





23. OWNERS' EQUITY

Movement in owners' equity

	Owners' contributed capital VND	Share premium VND	Other owners' capital VND	Investment and development fund VND	Other reserves VND	Retained earnings VND	Total VND
Prior year's opening bal-ance	493,401,800,000	30,520,475,123	55,419,591	56,825,661,884	32,988,054,755	180,272,988,142	794,064,399,495
Profit for the year	-	-	-	-	-	230,111,112,269	230,111,112,269
Fund distributed from 2018 profit	-	-	-	50,508,323,971	9,013,023,507	(68,534,370,985)	(9,013,023,507)
Remuneration of the Board of Directors	-	-	-	-	-	(8,111,721,156)	(8,111,721,156)
Share dividend of 2018 declared	103,608,090,000	-	-	-	-	(103,608,090,000)	-
ESOP share issuance in 2018	24,670,090,000	-	-	-	-	-	24,670,090,000
Share issuance for con-version of convertible bonds	30,434,780,000	4,565,220,000	-	-	-	-	35,000,000,000
Current year's opening balance	652,114,760,000	35,085,695,123	55,419,591	107,333,985,855	42,001,078,262	230,129,918,270	1,066,720,857,101
Profit for the year	-	-	-	-	-	153,603,282,678	153,603,282,678
Fund distributed from 2019 profit (i)	-	-	-	85,690,570,988	11,505,555,613	(120,207,237,828)	(23,011,111,227)
Share dividend of 2019 declared (ii)	52,157,840,000	-	-	-	-	(52,157,840,000)	-
Cash dividend of 2019 declared (ii)	-	-	-	-	-	(52,169,180,800)	(52,169,180,800)
Dividend advanced (iii)	-	-	-	-	-	(29,598,402,000)	(29,598,402,000)
Share issuance for con-version of convertible bonds (iv)	35,687,450,000	2,312,550,000	-	-	-	-	38,000,000,000
Remuneration of the Board of Directors (i)	-	-	-	-	-	(5,565,512,841)	(5,565,512,841)
Current year's closing balance	739,960,050,000	37,398,245,123	55,419,591	193,024,556,843	53,506,633,875	124,035,027,479	1,147,979,932,911



- (i) According to Resolution No. 1461/2020/NQ-DHDCD dated 17 May 2020 passed by 2020 Annual General Meeting of Shareholders and Announcement No.1621/2020TNG-TB dated 03 June 2020 regarding amendments to published contents, the Company made profit distribution to investment and development fund, reserves for working capital, bonus and welfare funds and remuneration for the Board of Directors with the amounts of VND 85,690,570,988, VND 11,505,555,613, VND 23,011,111,227 and VND 5,565,512,841 respectively.
- (ii) According to Resolution No. 1461/2020/NQ-DHDCD dated 17 May 2020 passed by 2020 Annual General Meeting of Shareholders, the Company made cash dividend payment of 2019 with an amount of VND 52,169,180,800.
- (iii) The Board of Directors' Resolution No. 2921/NQ-HDQT dated 05 October 2020 approved the first advance of cash dividend of 2020 with total amount of VND 29,598,402,000.
- (iv) The Board of Directors' Resolution No. 2287/2020/NQ-HDQT dated 06 August 2020 approved the conversion of convertible bonds issued on 12 December 2018 into common shares. On 21 August 2020, the Company issued 3,568,745 ordinary shares with par value of VND 10,000/share to bondholders in the form of issuing shares to convert convertible bonds into shares at the issue price of 11,500 VND/share. Accordingly, the total number of convertible bonds issued under the Resolution of the General Meeting of Shareholders No. 781/2018/NQ-DHDCD dated 22 April 2018 decreased by 38 bonds (corresponding to the par value of VND 38 billion) to 127 bonds (corresponding to par value of VND 127 billion).

Shares

	Closing balance	Opening balance
Number of shares issued to the public	73,996,005	65,211,476
Ordinary shares	73,996,005	65,211,476
Number of outstanding shares in circulation (*)	73,996,005	65,211,476
Ordinary shares	73,996,005	65,211,476

(*) Included 1,416,786 ordinary shares subject to restricted transfer as at 31 December 2020.

An ordinary share has par value of VND 10,000.

24. OFF BALANCE SHEET ITEMS

Foreign currencies

	Closing balance	Opening balance
United States Dollar (USD)	916,312	7,144,784
Euro (EUR)	24,604	-

25. BUSINESS AND GEOGRAPHICAL SEGMENTS

Geographical segments

The Company does not have any operations outside the territory of Vietnam; manufacturing and business activities of the Company are mainly carried out at No. 434/1, Bac Kan Street, Hoang Van Thu Ward, Thai Nguyen City, Thai Nguyen Province.



Business segments

During the year, the principal activities of the Company are manufacturing and trading of garment products (for export and domestic sales). Therefore, no reports by business segment need to be presented. Revenue and cost of sales have been detailed by revenue and cost of goods sold and services rendered provided in Note 26 and Note 27.

26. REVENUE OF GOODS SOLD AND SERVICES RENDERED

	Current year VND	Prior year VND
Total revenue from goods sold and services rendered		
Sales of goods	3,583,017,133,354	2,727,514,538,176
Sales of processing services	813,119,801,076	1,688,255,787,888
Sales of fashion products	68,648,706,685	159,745,373,564
Sales of real estate	15,414,032,455	42,026,077,481
	4,480,199,673,570	4,617,541,777,109
Deductions		
Sales rebates	-	5,318,041,517
Net revenue from goods sold and services rendered	4,480,199,673,570	4,612,223,735,592

27. COST OF SALES

	Current year VND	Prior year VND
Cost of goods sold	3,041,142,674,684	2,561,139,119,825
Cost of processing services	694,940,693,847	1,104,001,862,119
Cost of fashion products sold	58,331,042,629	118,154,213,970
Cost of real estate sold	9,828,158,106	42,022,322,576
	3,804,242,569,266	3,825,317,518,490

28. PRODUCTION COST BY NATURE

	Current year VND	Prior year VND
Raw materials and consumables	1,994,362,901,815	2,163,903,057,207
Labour	1,521,436,516,788	1,479,423,163,797
Depreciation and amortisation of fixed assets and investment property	150,242,926,923	129,423,455,724
Out-sourced services	300,943,758,412	205,388,323,295
Other monetary expenses	311,728,614,789	272,442,758,858
	4,278,714,718,727	4,250,580,758,881



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29. FINANCIAL INCOME

	Current year VND	Prior year VND
Bank deposit interest	4,294,033,164	517,419,195
Foreign exchange gain	29,377,643,696	20,557,321,967
	33,671,676,860	21,074,741,162

30. FINANCIAL EXPENSES

	Current year VND	Prior year VND
Interest expense	120,834,183,855	101,227,715,040
Foreign exchange loss	13,881,724,686	14,360,047,816
Other financial expenses	9,762,283,670	20,812,671,949
	144,478,192,211	136,400,434,805

31. SELLING AND GENERAL AND ADMINISTRATION EXPENSES

	Current year VND	Prior year VND
General and administration expenses arising in the year		
Management labour cost	145,974,834,509	165,259,171,882
Raw materials and consumables	8,252,151,370	4,860,580,895
Depreciation and amortisation	9,333,311,616	7,256,271,356
Provision expense	2,182,208,600	-
Out-sourced expense	2,258,277,686	1,454,771,233
Other monetary expenses	50,613,405,355	70,496,873,888
	218,614,189,136	249,327,669,254
Selling expenses arising in the year		
Labour	13,499,660,836	19,442,079,850
Raw materials and consumables	5,190,129,498	12,570,714,711
Transportation	12,923,183,079	14,953,589,741
Ex-import expense	27,758,393,084	19,088,429,972
Other selling expenses	86,445,799,025	64,057,281,720
	145,817,165,522	130,112,095,994

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32. OTHER INCOME AND OTHER EXPENSES

	Current year VND	Prior year VND
Other income		
Income from disposal of fixed assets	-	470,434,909
Other income	2,980,869,793	3,177,580,747
	2,980,869,793	3,648,015,656
Others expenses		
Expense to close fashion boutiques	13,009,272,804	108,279,450
Contractual penalties and compensations	1,291,367,861	5,862,886,829
Others expenses	3,775,632,234	1,209,496,554
	18,076,272,899	7,180,662,833

33. CURRENT CORPORATE INCOME TAX EXPENSES

	Current year VND	Prior year VND
Current corporate income tax expense		
Corporate income tax expense based on taxable profit in the current year	32,020,548,511	52,634,111,936
Adjustments for corporate income tax expense in previous years to the current year	-	5,862,886,829
Total current corporate income tax expense	32,020,548,511	58,496,998,765

The current corporate income tax expense for the year was computed as follows:

	Current year VND	Prior year VND
Profit before tax	185,623,831,189	288,608,111,034
Adjustments for taxable profit	5,018,521,829	7,322,925,217
Add back: Non-deductible expenses	5,018,521,829	7,322,925,217
Taxable profit	190,642,353,018	295,931,036,251
Tax rate	0%, 5% và 20%	0%, 15% và 20%
Corporate income tax	32,361,048,511	52,937,411,936
Less: Expense for female employees	(340,500,000)	(303,300,000)
Current corporate income tax	32,020,548,511	52,634,111,936

34. BASIC EARNINGS PER SHARE

The calculation of the basic earnings per share as at 31 December 2020 is based on profit attributable to ordinary equity holders and weighted average number of ordinary shares in circulation in the year. Details are as below:



	Current year VND	Prior year (Restated) (ii) VND
Accounting profit after corporate income tax	153,603,282,678	230,111,112,269
Appropriation to bonus and welfare funds, remuneration of the Board of Directors (i)	-	(17,071,068,454)
Profit or loss attributable to ordinary shareholders	153,603,282,678	213,040,043,815
Average ordinary shares in circulation for the year (share)	68,136,534	67,117,976
Basic earnings per share	2,254	3,174

(i) As at 31 December 2020, the Company had not estimated reliably the amount of 2020 profit appropriated to bonus and welfare funds. If the Company makes appropriation to bonus and welfare funds out of 2020 profit, profits to calculate the basic earnings per share would be reduced, accordingly.

(ii) The basic earnings per share ratio of 2019 was restated due to the effects from profits distributed to bonus and welfare funds, remuneration for Board of Directors in compliance with Circular No. 200/2014/TT-BTC issued on 22 December 2014 by Ministry of Finance, and from the payment of 2019 share dividends made in 2020, as follows:

	Reported amount VND	Adjustment from reported amount VND	Restated amount VND
Net profit after corporate income tax	230,111,112,269	-	230,111,112,269
Appropriation to bonus and welfare funds, remuneration of the Board of Directors (i)	-	(17,071,068,454)	(17,071,068,454)
Profit attributable to ordinary shareholders	230,111,112,269	(17,071,068,454)	213,040,043,815
Weighted average number of ordinary shares (share)	61,902,192	5,215,784	67,117,976
Basic earning per share	3,717		3,174

Diluted earnings per share

The calculation of the diluted earnings per share attributable to ordinary shareholders of the Company is based on the following data:

	Current year VND	Prior year VND
Profit for the year attributable to equity holders of the Company	153,603,282,678	213,040,043,815
Effect of dilutive potential ordinary shares (Convertible bonds) (share)	4,876,800,000	6,336,000,000
Earnings for the purposes of calculating diluted earnings per share	158,480,082,678	219,376,043,815
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share (share)	68,136,534	67,117,976
Effect of dilutive potential ordinary shares (share)	9,202,899	11,956,522
Weighted average number of ordinary shares for the purposes of calculating diluted earnings per share (share)	77,339,433	79,074,498
Diluted earning per share	2,049	2,774



35. RELATED PARTY TRANSACTIONS AND BALANCES

During the year, the Company entered into the following significant transactions with its related parties:

	Current year VND	Prior year VND
Remuneration of the Board of Executive Officers and Board of Directors	11,946,563,013	18,508,150,608
	11,946,563,013	18,508,150,608

36. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Supplemental non-cash disclosures

Cash outflows for purchases of fixed assets and construction in progress during the year exclude an amount of VND 106,792,273,610 (in 2019: VND 17,972,298,791), representing an addition in fixed assets and construction in progress during the year that has not yet been paid. Consequently, increase, decrease in accounts payable have been adjusted by the same amount.

37. SUBSEQUENT EVENTS

Suspension of subsidiaries

According to the Board of Directors' Resolution No. 262/2021/NQHDQT dated 02 February 2021 on the suspension of TNG Eco Green Company Limited and TNG Fashion Company Limited, the Board of Directors approved the suspension of the two above-mentioned subsidiaries until 20 January 2022 due to changes in business plan.

Conversion of bonds into shares

On 23 February 2021, the Board of Directors approved Resolution No. 367/2021/NQHDQT on approving the third conversion of convertible bonds issued on 12 December 2018 into common shares. The bondholder is Asam Vietnam Mezzanine Focus Hedge Fund 1 with 59 convertible bonds to be converted, the total par value of convertible bonds proposed to be converted is VND 59 billion. The number of additional shares issued due to conversion of bonds into shares is 5,540,946 shares.

On 10 March 2021, Mr. Nguyen Van Thoi - Chairman of the Board of Directors of the Company converted convertible bonds into shares with 20 convertible bonds to be converted, total par value of the convertible bond proposed to be converted is VND 20 billion. Number of additional shares issued due to conversion of bonds into shares is 1,878,287 shares.



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38. OTHER EVENT

The new virus strain (Covid-19) has been causing upheavals to Vietnam's economy. Effective and proactive measures have been adopted by the Government of Vietnam, consistent with requirements of World Health Organization (WHO) to prevent this disease, including but not limited to travel restrictions and social distancing. Therefore, this may indirectly affect the main operation of the Company. The Board of Directors is assessing the potential impacts of Covid-19 on the Company's business, financial and governance activities in 2021, and developing appropriate response plans in short and long term.

Ta Thi Thu Huong
Preparer

Tran Thi Thu Ha
Chief Accountant



Luong Thi Thuy Ha
Deputy Chief Executive Officer

26 March 2021



TNG

**TNG INVESTMENT AND TRADING
JOINT STOCK COMPANY**

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