



**TNG INVESTMENT AND TRADING JOINT STOCK  
COMPANY**

*(Incorporated in the Socialist Republic of Vietnam)*

**AUDITED CONSOLIDATED  
FINANCIAL STATEMENTS**

**For the year ended 31 December 2021**



**TNG INVESTMENT AND TRADING JOINT STOCK COMPANY**

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

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**TNG INVESTMENT AND TRADING JOINT STOCK COMPANY**

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

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**STATEMENT OF THE BOARD OF EXECUTIVE OFFICERS**

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 2021.

**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	Deputy Chairman	
Ms. Luong Thi Thuy Ha	Deputy Chairman	(Appointed on 01 June 2021)
	Member	(Resigned on 01 June 2021)
Mr. Nguyen Van Duc	Deputy Chairman	(Resigned on 01 June 2021)
	Member	(Appointed on 01 June 2021)
Mr. Le Quang Vinh	Member	
Ms. Do Thi Ha	Member	
Mr. Nguyen Manh Linh	Member	
Mr. Tran Canh Thong	Member	
Mr. Nguyen Hoang Giang	Member	

**Board of Executive Officers**

Mr. Nguyen Duc Manh	Chief Executive Officer	
Mr. Nguyen Manh Linh	Deputy Chief Executive Officer	
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	
Mr. Pham Thanh Tuan	Deputy Chief Executive Officer	(Appointed on 01 June 2021)
Ms. Nguyen Thi Phuong	Deputy Chief Executive Officer	(Appointed on 01 June 2021)

**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 2021, 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:

**TNG INVESTMENT AND TRADING JOINT STOCK COMPANY**

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

**STATEMENT OF THE BOARD OF EXECUTIVE OFFICERS (Continued)**

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

*(Under Power of POA No. 240322/GUQ-TNG dated 24 March 2022)*

*Thai Nguyen, 24 March 2022*

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 2021, 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, 24 March 2022*

No.: 0874 /VN1A-HN-BC

## INDEPENDENT AUDITORS' REPORT

**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 24 March 2022 as set out from page 05 to page 40, which comprise the consolidated balance sheet as at 31 December 2021, 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 2021, 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.



*[Signature]*  
Vu Duc Nguyen  
Deputy General Director  
Audit Practising Registration Certificate  
No. 0764-2018-001-1

Nguyen Anh Tuan  
Auditor  
Audit Practising Registration Certificate  
No. 1472-2018-001-1

**DELOITTE VIETNAM COMPANY LIMITED**

24 March 2022  
Hanoi, S.R. Vietnam

## CONSOLIDATED BALANCE SHEET

As at 31 December 2021

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>2,025,771,365,606</b>	<b>1,700,797,108,774</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>4</b>	<b>13,512,403,296</b>	<b>132,575,319,775</b>
1. Cash	111		13,512,403,296	32,575,319,775
2. Cash equivalents	112		-	100,000,000,000
<b>II. Short-term receivables</b>	<b>130</b>		<b>718,646,604,849</b>	<b>451,097,742,708</b>
1. Short-term trade receivables	131	5	585,255,931,638	392,545,454,655
2. Short-term advances to suppliers	132	6	48,645,203,680	4,161,812,843
3. Other short-term receivables	136	7	87,059,905,391	56,857,440,608
4. Provision for short-term doubtful debts	137	8	(2,314,435,860)	(2,466,965,398)
<b>III. Inventories</b>	<b>140</b>	<b>9</b>	<b>1,159,323,814,454</b>	<b>1,025,610,355,903</b>
1. Inventories	141		1,180,671,478,594	1,036,296,470,379
2. Provision for devaluation of inventories	149		(21,347,664,140)	(10,686,114,476)
<b>IV. Other short-term assets</b>	<b>150</b>		<b>134,288,543,007</b>	<b>91,513,690,388</b>
1. Short-term prepayments	151	10	19,828,955,575	19,110,841,416
2. Value added tax deductibles	152		106,545,254,117	72,402,848,972
3. Taxes and other receivables from the State budget	153	17	7,914,333,315	-
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>2,341,603,722,959</b>	<b>1,854,157,881,567</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>21,133,119,259</b>	<b>13,184,851,859</b>
1. Other long-term receivables	216	7	21,133,119,259	13,184,851,859
<b>II. Fixed assets</b>	<b>220</b>		<b>1,501,377,492,294</b>	<b>1,250,422,211,883</b>
1. Tangible fixed assets	221	11	1,476,879,696,017	1,223,696,318,856
- Cost	222		2,479,109,305,698	2,067,180,938,827
- Accumulated depreciation	223		(1,002,229,609,681)	(843,484,619,971)
2. Intangible assets	227	12	24,497,796,277	26,725,893,027
- Cost	228		47,422,684,488	46,340,526,753
- Accumulated amortisation	229		(22,924,888,211)	(19,614,633,726)
<b>III. Investment property</b>	<b>230</b>	<b>13</b>	<b>32,749,074,805</b>	<b>49,120,069,783</b>
- Cost	231		32,946,529,783	49,913,624,086
- Accumulated depreciation	232		(197,454,978)	(793,554,303)
<b>IV. Long-term assets in progress</b>	<b>240</b>		<b>671,299,937,275</b>	<b>451,332,194,267</b>
1. Construction in progress	242	14	671,299,937,275	451,332,194,267
<b>V. Long-term financial investments</b>	<b>250</b>	<b>15</b>	<b>-</b>	<b>-</b>
1. Investments in associates	252		-	-
<b>VI. Other long-term assets</b>	<b>260</b>		<b>115,044,099,326</b>	<b>90,098,553,775</b>
1. Long-term prepayments	261	10	115,044,099,326	90,098,553,775
<b>TOTAL ASSETS (270=100+200)</b>	<b>270</b>		<b>4,367,375,088,565</b>	<b>3,554,954,990,341</b>

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

**CONSOLIDATED BALANCE SHEET (Continued)**

As at 31 December 2021

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
<b>C. LIABILITIES</b>	<b>300</b>		<b>2,905,123,800,308</b>	<b>2,406,975,057,430</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>2,446,996,860,366</b>	<b>1,836,291,728,670</b>
1. Short-term trade payables	311	16	684,290,803,577	410,418,072,190
2. Short-term advances from customers	312		4,362,358,117	29,724,503,476
3. Taxes and amounts payable to the State budget	313	17	14,000,599,163	11,360,012,396
4. Payables to employees	314		58,613,285,891	32,722,320,900
5. Short-term accrued expenses	315	18	42,714,852,246	39,128,141,563
6. Short-term unearned revenue	318		4,087,831,321	-
7. Other current payables	319	19	17,072,612,690	17,454,743,093
8. Short-term loans	320	20	1,621,710,354,436	1,282,023,775,970
9. Bonus and welfare funds	322		144,162,925	13,460,159,082
<b>II. Long-term liabilities</b>	<b>330</b>		<b>458,126,939,942</b>	<b>570,683,328,760</b>
1. Long-term unearned revenue	336		1,133,095,507	-
2. Long-term loans	338	21	456,993,844,435	570,683,328,760
<b>D. EQUITY</b>	<b>400</b>		<b>1,462,251,288,257</b>	<b>1,147,979,932,911</b>
<b>I. Owners' equity</b>	<b>410</b>	<b>23</b>	<b>1,462,251,288,257</b>	<b>1,147,979,932,911</b>
1. Owners' contributed capital	411		926,987,790,000	739,960,050,000
2. Share premium	412		40,988,785,123	37,398,245,123
3. Other owners' capital	414		55,419,591	55,419,591
4. Investment and development fund	418		200,704,720,977	193,024,556,843
5. Other reserves	420		61,186,798,009	53,506,633,875
6. Retained earnings	421		232,327,774,557	124,035,027,479
- Retained earnings accumulated to the prior year end	421a		41,426,800	30,146,801
- Retained earnings of the current year	421b		232,286,347,757	124,004,880,678
<b>TOTAL RESOURCES (440=300+400)</b>	<b>440</b>		<b>4,367,375,088,565</b>	<b>3,554,954,990,341</b>

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Ta Thi Thu Huong  
Preparer

*Handwritten signature of Tran Thi Thu Ha*

Tran Thi Thu Ha  
Chief Accountant



Luong Thi Thuy Ha  
Deputy Chief Executive Officer

24 March 2022

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



CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2021

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold and services rendered	01	26	5,446,378,397,894	4,480,199,673,570
2. Deductions	02	26	2,771,371,407	-
3. Net revenue from goods sold and services rendered (10=01-02)	10	26	5,443,607,026,487	4,480,199,673,570
4. Cost of sales	11	27	4,717,087,846,796	3,804,242,569,266
5. Gross profit from goods sold and services rendered (20=10-11)	20		726,519,179,691	675,957,104,304
6. Financial income	21	29	60,119,298,886	33,671,676,860
7. Financial expenses	22	30	169,901,470,910	144,478,192,211
- In which: Interest expense	23		124,968,574,366	101,227,715,040
8. Selling expenses	25	31	86,014,703,288	145,817,165,522
9. General and administration expenses	26	31	242,448,803,553	218,614,189,136
10. Operating profit (30=20+(21-22)-(25+26))	30		288,273,500,826	200,719,234,295
11. Other income	31	32	3,535,614,669	2,980,869,793
12. Other expenses	32	32	10,958,863,062	18,076,272,899
13. (Losses) from other activities (40=31-32)	40		(7,423,248,393)	(15,095,403,106)
14. Accounting profit before tax (50=30+40)	50		280,850,252,433	185,623,831,189
15. Current corporate income tax expense	51	33	48,563,904,676	32,020,548,511
16. Net profit after corporate income tax (60=50-51)	60		232,286,347,757	153,603,282,678
17. Basic earnings per share	70	35	2,913	1,855

Ta Thi Thu Huong  
Preparer

Tran Thi Thu Ha  
Chief Accountant



Luong Thi Thuy Ha  
Deputy Chief Executive Officer

24 March 2022

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2021

Unit: VND

ITEMS	Codes	Current year	Prior year
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
1. <i>Profit before tax</i>	01	280,850,252,433	185,623,831,189
2. <i>Adjustments for:</i>			
Depreciation and amortisation of fixed assets and investment property	02	163,666,005,230	150,242,926,923
Provisions	03	10,509,020,126	6,023,241,253
Foreign exchange loss/(gain) arising from translating foreign currency items	04	9,715,592,481	(2,035,259,821)
(Gain) from investing activities	05	(2,299,174,575)	-
Interest expense	06	124,968,574,366	101,227,715,040
3. <i>Operating profit before movements in working capital</i>	08	587,410,270,061	441,082,454,584
Changes in receivables	09	(316,811,327,422)	(105,959,901,208)
Changes in inventories	10	(167,410,894,509)	(171,231,693,673)
Changes in payables (excluding accrued loan interest and corporate income tax payable)	11	148,924,237,349	186,031,742,454
Changes in prepaid expenses	12	(25,663,659,710)	16,247,266,269
Interest paid	14	(125,187,622,251)	(121,194,487,296)
Corporate income tax paid	15	(46,282,180,338)	(42,479,749,892)
Other cash outflows	17	(18,932,180,798)	(6,005,659,800)
<i>Net cash generated by operating activities</i>	20	36,046,642,382	196,489,971,438
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
1. Acquisition and construction of fixed assets and other long-term assets	21	(579,557,797,385)	(490,029,448,909)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	205,503,746	-
3. Interest earned, dividends and profits received	27	2,093,670,829	-
<i>Net cash used in investing activities</i>	30	(577,258,622,810)	(490,029,448,909)

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

**CONSOLIDATED CASH FLOW STATEMENT (Continued)**

For the year ended 31 December 2021

Unit: VND

ITEMS	Codes	Current year	Prior year
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
1. Proceeds from borrowings	33	5,200,218,107,665	4,361,187,912,258
2. Repayment of borrowings	34	(4,748,464,757,030)	(4,146,087,653,846)
3. Dividends and profits paid	36	(29,598,402,000)	(81,767,582,800)
<b>Net cash generated by financing activities</b>	<b>40</b>	<b>422,154,948,635</b>	<b>133,332,675,612</b>
<b>Net (decrease) in cash (50=20+30+40)</b>	<b>50</b>	<b>(119,057,031,793)</b>	<b>(160,206,801,859)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>	<b>132,575,319,775</b>	<b>292,672,045,402</b>
Effects of changes in foreign exchange rates	61	(5,884,686)	110,076,232
<b>Cash and cash equivalents at the end of the year (70=50+60+61)</b>	<b>70</b>	<b>13,512,403,296</b>	<b>132,575,319,775</b>

*Handwritten signature of Ta Thi Thu Huong*

Ta Thi Thu Huong  
Preparer

*Handwritten signature of Tran Thi Thu Ha*

Tran Thi Thu Ha  
Chief Accountant



*Handwritten signature of Luong Thi Thuy Ha*  
 Luong Thi Thuy Ha  
Deputy Chief Executive Officer

24 March 2022

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*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 10 December 2021, the authorized charter capital of the Company is VND 926,987,790,000. 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 2021 was 15,794 (as at 31 December 2020: 14,796).

**Operating industry and principal activities**

The Company's operating industry and principal activities are to 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, pressing and 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.

**The Company's structure**

The Company's structure includes 01 headquarters and 19 dependent branches. The Company's headquarters is located at No. 434/1 Bac Kan Street, Hoang Van Thu Ward, Thai Nguyen City.

As at 31 December 2021, 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
<b>Subsidiaries</b>				
1. TNG Fashion Company Limited	Thai Nguyen	100	100	Fashion business
2. TNG Eco Green Company Limited	Thai Nguyen	100	100	Real estate trade
<b>Associates</b>				
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 consolidated financial statements for the year ended 31 December 2020.

**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, 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 land rent, cost of acquiring the land use right and assets on land, costs of repairing fixed assets, property insurance premium and other prepayments.

Land rent represents the amount of land rent that has been paid in advance. Prepaid land rentals are amortized to the consolidated income statement on a straight-line basis over the lease period of 27 years.

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

Property insurance premium represents property insurance expenses incurred annually and amortized to the consolidated income statement on a straight-line basis over a period of not more than 12 months.

Repair cost of fixed assets represents fixed assets overhaul expenses incurred once and of great value and amortized to the consolidated 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, and other prepayments 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 consolidated income statement using the straight-line method in accordance with the current prevailing accounting regulations.

**Leasing**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to financial years so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Company as lessee

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals payable under operating leases are charged to the consolidated income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

**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:

	<u>Years</u>
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 5-7 years.

### **Investment properties**

Investment properties are composed of a part of commercial area and leased apartments 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**

Straight bonds are issued as long-term borrowings.

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

Costs relating to the issue of straight bonds are initially recorded as a decrease in the principal of the straight bonds. Periodically, such costs are allocated by increasing the principal and recorded in the financial expenses or capitalised in line with recognition of convertible bonds' interest expense.

### **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. Periodically, costs relating to the issue of convertible bonds are recorded in the financial expenses in line with recognition of convertible bonds' interest expense.

At the maturity date of the convertible bond or the date on which bondholder exercises the right to convert the bond into shares:

- In case the bondholder does not exercise the conversion option, the principal of the convertible bonds is deducted by the amount corresponding to the payment amount of the principal of the convertible bonds;
- In case the bondholder exercises the conversion option, the principal of the convertible bonds is deducted and equity is credited by the same amount corresponding to the value of additional stocks. The excess of the principal of the convertible bonds over the value of additional stocks measured by par value is recorded as share premium.

### Revenue recognition

#### Sales of goods

Revenue from the sale of goods is recognised when all five (5) following conditions are satisfied:

- (a) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the Company;  
and
- (e) 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 consolidated 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. As at 31 December 2021, the Company did not have any material temporary difference between carrying amounts of assets or liabilities on the consolidated balance sheet and the corresponding tax bases used in the computation of taxable profit.

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.

**4. CASH AND CASH EQUIVALENTS**

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Cash on hand	1,542,504,234	903,160,677
Bank demand deposits	11,969,899,062	31,672,159,098
Cash equivalents	-	100,000,000,000
	<u><b>13,512,403,296</b></u>	<u><b>132,575,319,775</b></u>

**5. SHORT-TERM TRADE RECEIVABLES**

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Comtextile (H.K.) Ltd.	91,657,452,992	10,848,632,617
The Children's Place., Ltd	84,925,052,478	59,046,638,009
Desipro Pte. Ltd.	80,527,037,481	71,443,758,172
Others	328,146,388,687	251,206,425,857
	<u><b>585,255,931,638</b></u>	<u><b>392,545,454,655</b></u>

6. SHORT-TERM ADVANCES TO SUPPLIERS

	Closing balance	Opening balance
	VND	VND
Hoang Hai Construction and Trading Company Limited	48,326,750,000	-
Others	318,453,680	4,161,812,843
	<u>48,645,203,680</u>	<u>4,161,812,843</u>

7. OTHER RECEIVABLES

	Closing balance	Opening balance
	VND	VND
<b>a. Current</b>		
- Advances to employees	62,598,963,138	25,539,141,873
- Advance for site clearance compensation	16,816,083,422	16,816,083,422
- Deposits	411,489,600	3,620,699,730
- Other receivables	7,233,369,231	10,881,515,583
	<u>87,059,905,391</u>	<u>56,857,440,608</u>
<b>b. Non-current</b>		
- Land rentals deductible	21,133,119,259	10,680,826,157
- Deposits	-	2,504,025,702
	<u>21,133,119,259</u>	<u>13,184,851,859</u>

8. 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 Pearl Global Vietnam Limited	2,182,208,600	-	< 2 years	2,182,208,600	-	< 1 years
Mango, Punto FA S.L.Unipersonal	132,227,260	-	< 2 years	-	-	-
	-	-	-	284,756,798	-	< 2 years
	<u>2,314,435,860</u>	<u>-</u>	<u>-</u>	<u>2,466,965,398</u>	<u>-</u>	<u>-</u>

The Company makes provision for receivables that are overdue, 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. Recoverable amount is stated at book value less provision for doubtful debts.

9. INVENTORIES

	Closing balance		Opening balance	
	Cost	Provision	Cost	Provision
	VND		VND	
Goods in transit	90,559,307,771	-	29,986,738,502	-
Raw materials	483,312,145,584	(11,004,864,984)	300,430,706,408	(1,319,407,030)
Tools and supplies	4,272,920,396	-	4,902,700,977	-
Work in progress	222,194,065,956	-	215,525,625,423	(985,529,969)
Finished goods	380,327,588,659	(10,342,799,156)	485,450,699,069	(8,381,177,477)
Merchandise	5,450,228	-	-	-
	<b>1,180,671,478,594</b>	<b>(21,347,664,140)</b>	<b>1,036,296,470,379</b>	<b>(10,686,114,476)</b>

During the year, the Company made provision for devaluation of Raw materials with an amount of VND 9,685,457,954 (2020: VND 1,319,407,030) and Finished goods with an amount of VND 1,961,621,679 (2020: VND 3,718,304,254) because these inventories have net realizable values lower than costs.

During the year, the Company reversed provision for devaluation of Work in progress with an amount of VND 985,529,969 (2020: VND 0) because the net realizable value at the end of the year is higher than the net realizable value at the beginning of the year.

As at 31 December 2021, as presented in Note 20, the Company used some circulating goods as collaterals for the loans obtained from commercial banks.

10. PREPAYMENTS

	Closing balance	Opening balance
	VND	VND
<b>a. Current</b>		
- Tools and dies issued for consumption	7,131,732,946	6,750,080,451
- Property insurance premium	5,307,625,826	4,078,195,585
- Others	7,389,596,803	8,282,565,380
	<b>19,828,955,575</b>	<b>19,110,841,416</b>
<b>b. Non-current</b>		
- Tools and dies issued for consumption	46,536,136,672	33,681,907,721
- Land rental	22,574,357,219	-
- Cost of acquiring land use right and assets on land (i)	18,428,217,119	18,851,854,295
- The cost of repairs for fixed assets	12,039,913,299	21,697,765,433
- Others	15,465,475,017	15,867,026,326
	<b>115,044,099,326</b>	<b>90,098,553,775</b>

- (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.

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11. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Motor vehicles	Others	Total
	VND	VND	VND	VND	VND
<b>COST</b>					
Opening balance	970,838,474,383	1,079,860,018,241	9,496,172,515	2,480,307,637	2,067,180,938,827
Purchases	10,327,228,225	77,622,308,890	-	-	87,949,537,115
Transfer from construction in progress	159,514,131,195	126,535,777,609	-	-	286,049,908,804
Reclassification from investment property	39,971,157,683	-	-	-	39,971,157,683
Other reclassification	4,381,731,411	(4,972,584,292)	412,277,776	(55,107,649)	-
Disposals	-	(1,024,650,367)	(1,017,586,364)	-	(2,042,236,731)
Closing balance	1,185,032,722,897	1,278,020,870,081	8,890,863,927	2,425,199,988	2,479,109,305,698
<b>ACCUMULATED DEPRECIATION</b>					
Opening balance	249,565,087,824	582,092,775,370	5,982,998,791	1,501,883,983	843,484,619,971
Charge for the year	47,050,753,658	110,205,910,309	1,019,772,048	320,669,928	158,797,965,981
Reclassification from investment property	1,989,260,460	-	-	-	1,989,260,460
Other reclassification	1,229,953,719	(1,532,062,039)	301,772,821	335,499	-
Disposals	-	(1,024,650,367)	(1,017,586,364)	-	(2,042,236,731)
Closing balance	299,835,055,661	689,741,973,273	6,286,957,296	1,822,889,410	1,002,229,609,681
<b>NET BOOK VALUE</b>					
Opening balance	721,273,386,559	497,767,242,871	3,513,173,724	978,423,654	1,223,696,318,856
Closing balance	885,197,667,236	588,278,896,808	2,603,906,631	602,310,578	1,476,879,696,017

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 2021, the cost of the Company's tangible fixed assets includes VND 317,962,895,217 (as at 31 December 2020: VND 204,269,374,093) of assets which have been fully depreciated but are still in use.

12. INCREASES, DECREASES IN INTANGIBLE ASSETS

	Land use rights VND	Computer software VND	Total VND
<b>COST</b>			
Opening balance	19,783,250,377	26,557,276,376	46,340,526,753
Additions	-	1,082,157,735	1,082,157,735
Closing balance	<u>19,783,250,377</u>	<u>27,639,434,111</u>	<u>47,422,684,488</u>
<b>ACCUMULATED AMORTISATION</b>			
Opening balance	2,160,411,763	17,454,221,963	19,614,633,726
Charge for the year	463,693,884	2,846,560,601	3,310,254,485
Closing balance	<u>2,624,105,647</u>	<u>20,300,782,564</u>	<u>22,924,888,211</u>
<b>NET BOOK VALUE</b>			
Opening balance	<u>17,622,838,614</u>	<u>9,103,054,413</u>	<u>26,725,893,027</u>
Closing balance	<u>17,159,144,730</u>	<u>7,338,651,547</u>	<u>24,497,796,277</u>

As at 31 December 2021, the cost of the Company's intangible assets includes VND 11,958,660,292 (as at 31 December 2020: VND 10,063,965,292) 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.

13. INCREASES, DECREASES IN INVESTMENT PROPERTY

	Buildings and structures VND
<b>COST</b>	
Opening balance	49,913,624,086
Other increases	24,286,371,331
Reclassification to tangible fixed assets	(39,971,157,683)
Other decreases	(1,282,307,951)
Closing balance	<u>32,946,529,783</u>
<b>ACCUMULATED DEPRECIATION</b>	
Opening balance	793,554,303
Charge for the year	1,592,930,736
Reclassification to tangible fixed assets	(1,989,260,460)
Other decreases	(199,769,601)
Closing balance	<u>197,454,978</u>
<b>NET BOOK VALUE</b>	
Opening balance	<u>49,120,069,783</u>
Closing balance	<u>32,749,074,805</u>

According to VAS No. 05 - *Investment Properties*, fair value of investment property as at 31 December 2021 is required to be disclosed. However, the Company could not determine the fair value as at 31 December 2021, 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.



14. CONSTRUCTION IN PROGRESS

	Closing balance	Opening balance
	VND	VND
<b>Construction in progress</b>		
- Acquisition	-	4,575,423,829
- Construction	671,299,937,275	446,756,770,438
<b>In which:</b>		
- Son Cam industrial zone project	514,544,649,004	292,408,921,029
- TNG Phu Luong Factory	40,599,696,823	49,556,154,041
- Song Cong Auxiliary Home	31,903,496,870	23,310,992,572
- Phu Binh Project	28,023,182,061	22,864,474,332
- TNG Vo Nhai Factory	13,784,612,104	16,712,803,605
- Others	42,444,300,413	46,478,848,688
	<b>671,299,937,275</b>	<b>451,332,194,267</b>

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.

During the year, total interest expense capitalized into construction in progress was VND 8,713,073,353 (2020: VND 0).

15. FINANCIAL INVESTMENTS

	Opening balance		Closing balance	
	Value under equity		Value under equity	
	Cost	method	Cost	method
	VND	VND	VND	VND
<b>Investments in associates</b>				
Bac Thai Electric	771,150,000	-	771,150,000	-
Construction Joint Stock Company				
TNG Yen Binh Golf Company Limited (i)	-	-	-	-
	<b>771,150,000</b>	<b>-</b>	<b>771,150,000</b>	<b>-</b>

(i) Details of the Company's capital commitments to associates as at 31 December 2021 are as follows:

Name of associates	Charter capital under enterprise registration certificate (VND)	Proportion of ownership interest under enterprise registration certificate (%)	Capital contribution as at 31 December 2021 (VND)	Remaining capital commitment (VND)
TNG Yen Binh Golf Company Limited	300,000,000,000	49	-	147,000,000,000

TNG Yen Binh Golf Company Limited has not come into operation yet. Bac Thai Electric Construction Joint Stock Company has halted its production and business activities and is in dissolution process.

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.

16. SHORT-TERM TRADE PAYABLES

	Closing balance		Opening balance	
	Amount	Amount able to be paid off	Amount	Amount able to be paid off
		VND		VND
YKK Vietnam Company Limited	57,939,780,497	57,939,780,497	18,051,806,242	18,051,806,242
Others	626,351,023,080	626,351,023,080	392,366,265,948	392,366,265,948
	<b>684,290,803,577</b>	<b>684,290,803,577</b>	<b>410,418,072,190</b>	<b>410,418,072,190</b>

17. TAXES AND AMOUNTS RECEIVABLE/PAYABLE TO THE STATE BUDGET

a. Receivables

	Opening balance	Receivable during the year	Received during the year	Closing balance
	VND	VND	VND	VND
Export - import tax	-	7,914,333,315	-	7,914,333,315
	-	<b>7,914,333,315</b>	-	<b>7,914,333,315</b>

b. Payables

	Opening balance	Payable during the year	Paid during the year	Closing balance
	VND	VND	VND	VND
Corporate income tax	10,637,214,385	48,563,904,676	46,282,180,338	12,918,938,723
Personal income tax	560,185,339	9,509,082,998	9,147,547,408	921,720,929
Others	162,612,672	10,899,434,969	10,902,108,130	159,939,511
	<b>11,360,012,396</b>	<b>68,972,422,643</b>	<b>66,331,835,876</b>	<b>14,000,599,163</b>

18. SHORT-TERM ACCRUED EXPENSES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Accruals for salary and leave	23,585,146,500	19,187,620,789
Accruals for interest expenses	3,940,948,330	4,159,996,215
Transportation expense	2,629,930,067	2,565,054,380
Other accruals	12,558,827,349	13,215,470,179
	<u><b>42,714,852,246</b></u>	<u><b>39,128,141,563</b></u>

19. OTHER CURRENT PAYABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Trade union fee	1,152,838,591	5,959,763,058
Others	15,919,774,099	11,494,980,035
	<u><b>17,072,612,690</b></u>	<u><b>17,454,743,093</b></u>

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20. SHORT-TERM LOANS

	Closing balance		In the year		Opening balance	
	Amount	Amount able to be paid off	Increases	Decreases	Amount	Amount able to be paid off
	VND		VND		VND	
Short-term loans	1,087,281,468,381	1,087,281,468,381	4,689,829,418,121	4,447,714,499,180	1,329,396,387,322	1,329,396,387,322
Current portion of long-term loans (Details stated in Note 21)	67,742,307,589	67,742,307,589	159,108,741,874	70,537,082,349	156,313,967,114	156,313,967,114
Current portion of straight bonds (Details stated in Note 22)	-	-	136,000,000,000	-	136,000,000,000	136,000,000,000
Current portion of convertible bond liabilities	127,000,000,000	127,000,000,000	-	127,000,000,000	-	-
	<b>1,282,023,775,970</b>	<b>1,282,023,775,970</b>	<b>4,984,938,159,995</b>	<b>4,645,251,581,529</b>	<b>1,621,710,354,436</b>	<b>1,621,710,354,436</b>

Details of short-term loans are as follows:

	Closing balance	Opening balance
	VND	VND
<b>Short-term loans</b>	<b>1,329,396,387,322</b>	<b>1,087,281,468,381</b>
Joint Stock Commercial Bank for Investment and Development of Vietnam - Thai Nguyen Branch (i)	751,856,315,721	698,319,420,417
Vietnam Joint Stock Commercial Bank for Industry and Trade - Thai Nguyen Branch (ii)	461,793,602,597	362,214,774,655
Military Commercial Joint Stock Bank - Thai Nguyen Branch (iii)	69,715,650,438	-
Shinhan Vietnam Bank Limited - Thai Nguyen Branch (iv)	45,721,768,566	-
Others (v)	309,050,000	26,747,273,309
	<b>156,313,967,114</b>	<b>67,742,307,589</b>
<b>Current portion of long-term loans (Detail stated in Note 21)</b>	<b>156,313,967,114</b>	<b>12,089,961,000</b>
Joint Stock Commercial Bank for Investment and Development of Vietnam - Thai Nguyen Branch	93,424,748,694	8,745,193,658
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thai Nguyen Branch	46,748,691,192	30,439,858,533
Vietnam Joint Stock Commercial Bank for Industry and Trade - Thai Nguyen Branch	10,301,764,272	16,467,294,398
Military Commercial Joint Stock Bank - Thai Nguyen Branch	5,838,762,956	-
<b>Current portion of straight bonds (Detail stated in Note 22)</b>	<b>136,000,000,000</b>	<b>127,000,000,000</b>
<b>Current portion of convertible bonds</b>	<b>-</b>	<b>1,282,023,775,970</b>
	<b>1,621,710,354,436</b>	<b>1,621,710,354,436</b>

**TNG INVESTMENT AND TRADING JOINT STOCK COMPANY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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- (i) The loan from Joint Stock Commercial Bank for Investment and Development of Vietnam - Thai Nguyen Branch under the Limit Credit Contract No. 01/2021/469075/HDTD from 30 July 2021 to 30 July 2022 with credit limit of VND 1,200 billion (including VND and foreign currency converted loans, L/C balance less deposit, guarantee balance) with loan interest rate determined for each disbursement. The loan is used to supplement the working capital for the Company's production and business activities. The loan is secured by the assets of the Company, the entire balance of the Company's production and business deposits in VND and foreign currencies at banks and other credit institutions.
- (ii) Short-term loans from Vietnam Joint Stock Commercial Bank for Industry and Trade - Thai Nguyen Branch includes:
- The loan from Vietnam Joint Stock Commercial Bank for Industry and Trade - Thai Nguyen Branch under Credit Line Contract No. 01/2019-HDCVHM/NHCT220-TNG from 10 September 2019 with credit limit of 500 billion VND (including VND and USD loans). The interest rate at the time of signing the contract for loans in VND is 7%/year, for loans in USD is 4.3%/year and is determined according to each disbursement after the time of contract signing. The loans are secured by the Company's assets including industrial sewing machines and office equipment; buildings on 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 Company's economic contract financed by Vietnam Joint Stock Commercial Bank for Industry and Trade.
  - The loan from Vietnam Joint Stock Commercial Bank for Industry and Trade - Thai Nguyen Branch under Credit Contract No. 01/2021-HDCVHM/NHCT220-TNG dated 09 April 2021, valid until 09 April 2022 with credit limit of 500 billion VND (including VND and USD loans). The interest rate at the time of signing the contract for loans in VND is 6.2%/year, for loans in USD is 3.8%/year and is determined according to each disbursement after the time of contract signing. The loan has a term of not more than 6 months, the purpose of the loan is to supplement working capital for the Company's production and business activities. The loan is secured by the Company's assets including industrial sewing machinery and equipment and office equipment; buildings on land; buildings and structures attached to land in Zone B of Song Cong Industrial Park, circulating goods and receivables arising from the Company's economic contract financed by Vietnam Joint Stock Commercial Bank for Industry and Trade.
- (iii) The loan from Military Commercial Joint Stock Bank ("MB") - Thai Nguyen Branch under the Contract No. 56686.21.090.2089348.TT dated 29 November 2021 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 28 November 2022. 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 2021-2022. 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) L/C issued by MB, (iii) obligations guaranteed by MB.
- (iv) The loan from Shinhan Bank (Vietnam) Ltd., - Thai Nguyen Branch under Contract No. SHBVN/TN/HDTD-0016 dated 17 February 2020 and the Appendix for extension of credit limit validity period to 17 February 2022 with total Credit limit of USD 2 million to supplement working capital. The interest rate is determined at each time of interest calculation/adjustment under formula: 6-month Libor rate plus (+) 1.7%/year. The loan term of 5 months is applied for each disbursement.
- (v) Other short-term loans from the Company's employees with terms not exceeding 12 months.

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TNG INVESTMENT AND TRADING JOINT STOCK COMPANY  
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21. LONG-TERM LOANS

	Opening balance		In the year		Closing balance	
	Amount	Amount able to be paid off	Increases	Decreases	Amount	Amount able to be paid off
		VND		VND		VND
Long-term loans	353,790,636,348	353,790,636,348	340,595,350,697	230,213,175,501	464,172,811,544	464,172,811,544
Straight bonds	284,635,000,001	284,635,000,001	500,000,004	-	285,135,000,005	285,135,000,005
(Details stated in Note 22)	<b>638,425,636,349</b>	<b>638,425,636,349</b>	<b>341,095,350,701</b>	<b>230,213,175,501</b>	<b>749,307,811,549</b>	<b>749,307,811,549</b>

In which:

- Amount due for settlement within 12 months	67,742,307,589	292,313,967,114
- Amount due for settlement after 12 months	570,683,328,760	456,993,844,435

Details of long-term loans are as follows:

	Closing balance	Opening balance
Joint Stock Commercial Bank for Investment and Development of Vietnam - Thai Nguyen Branch (i)	VND 277,628,622,551	VND 198,748,541,413
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thai Nguyen Branch (ii)	169,529,526,850	115,939,014,873
Vietnam Joint Stock Commercial Bank for Industry and Trade - Thai Nguyen Branch (iii)	11,175,899,187	23,320,318,509
Military Commercial Joint Stock Bank - Thai Nguyen Branch (iv)	5,838,762,956	15,782,761,553
	<b>464,172,811,544</b>	<b>353,790,636,348</b>

(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/HDTD 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 Design Center. The loan term is 84 months from the day after the first disbursement date. The loans bear interest rates of 11% per annum for loans in VND and 6.8% per annum for loans in USD (floating interest rate adjusted every 6 months). The Company has pledged its machinery, equipment, motor vehicles, buildings and structures, and assets formed from the project to secure the loans.

**TNG INVESTMENT AND TRADING JOINT STOCK COMPANY  
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- Loans under the Credit Contract No. 01/2017/469075/HDTD dated 03 April 2017 with the total credit limit of VND 32,681,000,000 for investment in Cotton Production Factory Project of the Company. The loan term is 84 months from the day after the first disbursement date. The interest rate is floating and adjusted every 6 months. The loans bear interest rates of 11.5% per annum for loans in VND and 6.8% per annum for the loans in USD. The loan is secured by all assets formed from the Cotton Production 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/HDTD dated 10 September 2018 with the total credit limit of USD 1,327,591 and VND 3.92 billion used to finance the 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/HDTD 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 bear interest rates of 11.5% per annum for loans in VND and of 7.0% per annum for loans in USD. The interest rate is 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/HDTD dated 08 June 2020 with the total credit limit of VND 70,213,000,000 but not more than 70% of total actual investment capital (including VND and foreign currency converted loans) for investment in machinery and equipment in 2020. The loan term is 60 months from the first disbursement date. The interest rate is floating, adjusted every 6 months and equals to interest rate of BIDV 12-month interest-postpaid individual savings plus minimum bank charge of 4% as regulated by BIDV from time to time. The current applicable interest rate is 10.5% per annum. The loans are secured by all assets formed from the machinery and equipment investment project in 2020 of the Company.
- 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 not more than 65% of total actual investment (including VND and foreign currency converted loans) for investment in construction of TNG Vo Nhai Factory. The loan term is 84 months from the first disbursement date. The interest rate applied until end of 31 December 2021 is 9.6% per annum. 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 converted loans) to implement the cotton production line No. 3 investment project. The loan term is 84 months from the day after the first disbursement date. The floating interest rate, adjusted every 6 months, equals to the interest rate of BIDV Thai Nguyen 12-month interest-postpaid individual savings plus a minimum bank fee of 4% as regulated by BIDV from time to time. The current applicable interest rate is 8.5% per annum. The loan is secured by all assets formed from the Company's cotton production line No.3 investment project.

(ii) Long-term loans from Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thai Nguyen Branch include:

- Medium and long-term loans obtained from Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thai Nguyen Branch 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 date. 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 Mortgage 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 Mortgage contract No. 86/19/HDTCTN dated 09 April 2019, and receivables under Mortgage contract No. 87/19/HDTCTN dated 09 April 2019.

- Loans from Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thai Nguyen Branch 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.

- Loan from Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thai Nguyen Branch under the loan contract under the investment project No. 100/21/HDTD/TN dated 12 April 2021 with a credit limit of VND 128,000,000,000. The loan is used to finance legal, reasonable and valid credit needs related to the additional investment in machinery, equipment, and power system in 2021 that has been approved by the competent authority in accordance with legal regulations. The loan term is 60 months from the day following the first disbursement date. The floating interest rate equals to the 6-month Libor interest rate plus the margin of 5.5% per annum plus the risk premium announced by the bank.

(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 for imported machinery, equipment, cotton production lines of the Cotton branch of the garment factories located in Zone B, Song Cong Industrial Zone, for investment in the production capacity improvement project of TNG Dai Tu Factory, and for the Company's project for equipment system renovation, construction works upgrade and construction investment. The current interest rate is from 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 once a month). Loans are secured by the cotton production line installed at Cotton Branch located in Zone B, Song Cong Industrial Zone and assets formed from projects' loans.

- 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 equipment investment project phase ii in 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 from projects' loans.





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(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 acknowledgement 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	Opening balance
	VND	VND
On demand or within one year	292,313,967,114	67,742,307,589
In the second year	212,375,931,875	192,959,543,122
In the third to fifth year inclusive	244,617,912,560	377,723,785,638
	<b>749,307,811,549</b>	<b>638,425,636,349</b>
Less: Amount due for settlement within 12 months (shown under short-term loans)	292,313,967,114	67,742,307,589
<b>Amount due for settlement after 12 months</b>	<b>456,993,844,435</b>	<b>570,683,328,760</b>

**22. BONDS ISSUED**

**Straight bonds**

	Closing balance		Opening balance	
	Amount	Interest rate	Amount	Interest rate
	VND	%/Year	VND	%/Year
Privately issued bonds	285,135,000,005	11.50	284,635,000,001	11.50
	<b>285,135,000,005</b>		<b>284,635,000,001</b>	
		Term		Term
		Year		Year
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Details of straight bond contracts are as follows:

	Closing balance	Opening balance
	VND	VND
Bond subscription contract No.01 - 21 October 2019 (i)	136,000,000,000	136,000,000,000
Bond subscription contract No.02 - 30 September 2020 (ii)	150,000,000,000	150,000,000,000
Bond subscription contract No.03 - 30 September 2020 (iii)	10,000,000	10,000,000
Unallocated issue fee	(874,999,995)	(1,374,999,999)
	<b>285,135,000,005</b>	<b>284,635,000,001</b>

(i) Bonds issued under Resolution No. 2181/2019/TNG-NQHDQT dated 03 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 secured bonds, without 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 secured bond, without 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.

TNG INVESTMENT AND TRADING JOINT STOCK COMPANY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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23. OWNERS' EQUITY

Movement in owners' equity

	Owners' contributed capital	Share premium	Other owners' capital	Investment and development fund	Other reserves	Retained earnings	Total
	VND	VND	VND	VND	VND	VND	VND
Prior 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	-	-	-	85,690,570,988	11,505,555,613	(120,207,237,828)	(23,011,111,227)
Share dividend of 2019 declared	52,157,840,000	-	-	-	-	(52,157,840,000)	-
Cash dividend of 2019 declared	-	-	-	-	-	(52,169,180,800)	(52,169,180,800)
Dividend advanced	-	-	-	-	-	(29,598,402,000)	(29,598,402,000)
Share issuance for conversion of convertible bonds	35,687,450,000	2,312,550,000	-	-	-	-	38,000,000,000
Remuneration of the Board of Directors	-	-	-	-	-	(5,565,512,841)	(5,565,512,841)
<b>Current year's opening balance</b>	<b>739,960,050,000</b>	<b>37,398,245,123</b>	<b>55,419,591</b>	<b>193,024,556,843</b>	<b>53,506,633,875</b>	<b>124,035,027,479</b>	<b>1,147,979,932,911</b>
Profit for the year	-	-	-	-	-	232,286,347,757	232,286,347,757
Fund distributed from 2020 profit (i)	-	-	-	7,680,164,134	7,680,164,134	(27,133,994,611)	(11,773,666,343)
Share dividend of 2020 declared (ii)	63,618,280,000	-	-	-	-	(63,618,280,000)	-
Dividend advanced (iii)	-	-	-	-	-	(29,598,402,000)	(29,598,402,000)
Share issuance for conversion of convertible bonds (iv)	123,409,460,000	3,590,540,000	-	-	-	-	127,000,000,000
Remuneration of the Board of Directors (i)	-	-	-	-	-	(3,642,924,068)	(3,642,924,068)
<b>Current year's closing balance</b>	<b>926,987,790,000</b>	<b>40,988,785,123</b>	<b>55,419,591</b>	<b>200,704,720,977</b>	<b>61,186,798,009</b>	<b>232,327,774,557</b>	<b>1,462,251,288,257</b>



- (i) According to 2021 Annual General Meeting of Shareholders' Resolution No. 1046/2021/NQ-DHDCD dated 25 April 2021, the Company made distribution from 2020 profit 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 7,680,164,134, VND 7,680,164,134, VND 11,773,666,343 and VND 3,642,924,068 respectively.
- (ii) According to the 2021 Annual General Meeting of Shareholders' Resolution No. 1046/2021/NQ-DHDCD dated 25 April 2021 and the Resolution of the Board of Directors No. 3062/2021/NQHDQT dated 18 August 2021, the Board of Directors has paid dividend in the form of shares at payout ratio of 100:8 with 6,361,828 shares with par value of VND 10,000/share being issued.
- (iii) According to the Resolution of the Board of Directors No. 03/NQ-HĐQT dated 04 January 2021, the Company approved the second dividend advance of 2020 in cash with the payout ratio of 4%/par value, equivalent to VND 29,598,402,000. The Company has paid this dividend advance during the year.
- (iv) According to the Resolution of the Board of Directors No. 367/2021/NQHDQT dated 23 February 2021 and No. 021121/NQ-HĐQT dated 02 November 2021, the Board of Directors has approved the plan to convert convertible bonds issued into shares at the request of bondholders and approved the conversion of convertible bonds issued on 12 December 2018 into common shares, accordingly, the Company plans to issue ordinary shares to convert 127 convertible bonds with par value of VND 1,000,000,000/convertible bond for bondholders who are ASAM Vietnam Mezzanine Focus Hedge Fund 1 and Mr. Nguyen Van Thoi. During the year, the Company has completed the issuance of 5,540,946 and 6,800,000 shares with par value of VND 10,000/share to bondholders in the form of issuing shares to convert 59 and 68 convertible bonds respectively into shares with issuance price of VND 10,648/share and VND 10,000/share respectively.

**Shares**

	<u>Closing balance</u>	<u>Opening balance</u>
Number of shares issued to the public	92,698,779	73,996,005
<i>Ordinary shares</i>	<i>92,698,779</i>	<i>73,996,005</i>
Number of outstanding shares in circulation (*)	92,698,779	73,996,005
<i>Ordinary shares</i>	<i>92,698,779</i>	<i>73,996,005</i>

(\*) Included 890,983 ordinary shares subject to restricted transfer as at 31 December 2021.

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

**24. OFF BALANCE SHEET ITEMS**

**Foreign currencies**

	<u>Closing balance</u>	<u>Opening balance</u>
United States Dollar (USD)	298,311	916,312
Euro (EUR)	89	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. Therefore, no report by geographical segment needs to be presented.

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 report by business segment needs 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

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
<b>Total revenue from goods sold and services rendered</b>		
Sales of goods	4,403,371,703,748	3,583,017,133,354
Sales of processing services	977,319,564,743	813,119,801,076
Sales of fashion products	33,460,333,371	68,648,706,685
Sales of real estate	32,226,796,032	15,414,032,455
	<u><b>5,446,378,397,894</b></u>	<u><b>4,480,199,673,570</b></u>
<b>Deductions</b>		
Sales rebates	2,771,371,407	-
<b>Net revenue from goods sold and services rendered</b>	<u><b>5,443,607,026,487</b></u>	<u><b>4,480,199,673,570</b></u>

27. COST OF SALES

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Cost of goods sold	3,814,832,814,297	3,041,142,674,684
Cost of processing services	846,800,897,849	694,940,693,847
Cost of fashion products sold	28,991,786,681	58,331,042,629
Cost of real estate sold	26,462,347,969	9,828,158,106
	<u><b>4,717,087,846,796</b></u>	<u><b>3,804,242,569,266</b></u>

28. PRODUCTION COST BY NATURE

	Current year VND	Prior year VND
Raw materials and consumables	2,706,640,793,964	1,994,362,901,815
Labour	1,605,780,016,434	1,521,436,516,788
Depreciation and amortisation of fixed assets and investment property	163,666,005,230	150,242,926,923
Out-sourced services	307,733,817,876	300,943,758,412
Provision	10,509,020,126	8,490,206,651
Other monetary expenses	152,767,030,130	303,238,408,138
	<b>4,947,096,683,760</b>	<b>4,278,714,718,727</b>

29. FINANCIAL INCOME

	Current year VND	Prior year VND
Bank deposit interest	2,093,670,829	4,294,033,164
Foreign exchange gain	58,025,628,057	29,377,643,696
	<b>60,119,298,886</b>	<b>33,671,676,860</b>

30. FINANCIAL EXPENSES

	Current year VND	Prior year VND
Interest expense	124,968,574,366	120,834,183,855
Foreign exchange loss	34,655,432,861	13,881,724,686
Other financial expenses	10,277,463,683	9,762,283,670
	<b>169,901,470,910</b>	<b>144,478,192,211</b>

31. SELLING AND GENERAL AND ADMINISTRATION EXPENSES

	Current year VND	Prior year VND
<b>General and administration expenses arising in the year</b>		
Management labour cost	172,233,979,387	145,974,834,509
Raw materials and consumables	8,645,170,465	8,252,151,370
Depreciation and amortisation	12,301,940,087	9,333,311,616
Provision expense	132,227,260	2,182,208,600
Out-sourced expense	3,613,000,416	2,258,277,686
Other monetary expenses	45,522,485,938	50,613,405,355
	<b>242,448,803,553</b>	<b>218,614,189,136</b>
<b>Selling expenses arising in the year</b>		
Labour	4,340,492,875	13,499,660,836
Raw materials and consumables	753,414,184	5,190,129,498
Transportation	25,629,568,779	12,923,183,079
Ex-import expense	29,110,223,864	27,758,393,084
Other selling expenses	26,181,003,586	86,445,799,025
	<b>86,014,703,288</b>	<b>145,817,165,522</b>

32. OTHER INCOME AND OTHER EXPENSES

	Current year	Prior year
	VND	VND
<b>Other income</b>		
Income from disposal of fixed assets	205,503,746	-
Other income	3,330,110,923	2,980,869,793
	<b>3,535,614,669</b>	<b>2,980,869,793</b>
<b>Other expenses</b>		
Expense to close fashion boutiques	1,370,247,868	13,009,272,804
Contractual penalties and compensations	565,693,976	1,291,367,861
Other expenses	9,022,921,218	3,775,632,234
	<b>10,958,863,062</b>	<b>18,076,272,899</b>

33. CURRENT CORPORATE INCOME TAX EXPENSES

	Current year	Prior year
	VND	VND
<b>Current corporate income tax expense</b>		
Corporate income tax expense based on taxable profit in the current year	48,563,904,676	32,020,548,511
<b>Total current corporate income tax expense</b>	<b>48,563,904,676</b>	<b>32,020,548,511</b>

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

	Current year	Prior year
	VND	VND
<b>Profit before tax</b>	<b>280,850,252,433</b>	<b>185,623,831,189</b>
<b>Adjustments for taxable profit</b>	<b>9,885,619,107</b>	<b>5,018,521,829</b>
Add back: Non-deductible expenses	9,885,619,107	5,018,521,829
<b>Taxable profit</b>	<b>290,735,871,540</b>	<b>190,642,353,018</b>
Tax rate	0%, 5% and 20%	0%, 5% and 20%
<b>Corporate income tax</b>	<b>48,801,504,676</b>	<b>32,361,048,511</b>
Less: Expense for female employees	(237,600,000)	(340,500,000)
<b>Corporate income tax expense based on taxable profit in the current year</b>	<b>48,563,904,676</b>	<b>32,020,548,511</b>

34. CONTINGENT LIABILITIES

The Company is obliged to return the leased land in Thai Nguyen province in the same condition as when it was handed over and must bear all the costs of returning this land to its original state upon termination of the contract. According to the Company's Board of Executive Officers, the costs related to the return of the land plots to their original condition at the time of handover cannot be reliably estimated because there is not enough information and lack of appropriate calculation methods. Therefore, the Company did not recognize a provision for payables related to the restoration cost for these leased land plots in the consolidated financial statements.

35. BASIC EARNINGS PER SHARE

The calculation of the basic earnings per share as at 31 December 2021 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:

	<u>Current year</u>	<u>Prior year (Restated) (ii)</u>
<b>Accounting profit after corporate income tax (VND)</b>	<b>232,286,347,757</b>	<b>153,603,282,678</b>
Appropriation to bonus and welfare funds, remuneration of the Board of Directors (VND) (i)	-	(15,416,590,411)
<b>Profit attributable to ordinary shareholders (VND)</b>	<b>232,286,347,757</b>	<b>138,186,692,267</b>
Average ordinary shares in circulation for the year (share)	79,733,598	74,498,362
<b>Basic earnings per share (VND/share)</b>	<b><u>2,913</u></b>	<b><u>1,855</u></b>

(i) As at 31 December 2021, the Company had not estimated reliably the amount of 2021 profit to be distributed to bonus and welfare funds and remuneration of the Board of Directors. If the Company makes appropriation to bonus and welfare funds and remuneration of the Board of Directors out of 2021 profit, profits to calculate the basic earnings per share for 2021 would be reduced, accordingly.

(ii) The basic earnings per share ratio of 2020 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 2020 share dividends made in 2021, as follows:

	<u>Reported amount</u>	<u>Adjustment from reported amount</u>	<u>Restated amount</u>
<b>Accounting profit after corporate income tax (VND)</b>	<b>153,603,282,678</b>	-	<b>153,603,282,678</b>
Appropriation to bonus and welfare funds, remuneration of the Board of Directors (VND) (i)	-	(15,416,590,411)	(15,416,590,411)
<b>Profit attributable to ordinary shareholders (VND)</b>	<b>153,603,282,678</b>	<b>(15,416,590,411)</b>	<b>138,186,692,267</b>
Weighted average number of ordinary shares in circulation for the year (share)	68,136,534	6,361,828	74,498,362
<b>Basic earning per share (VND/share)</b>	<b><u>2,254</u></b>		<b><u>1,855</u></b>



36. RELATED PARTY TRANSACTIONS AND BALANCES

*During the year, the Company entered into the following significant transactions with its related parties:*

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
<b>Remuneration of the Board of Executive Officers and Board of Directors</b>		
Nguyen Van Thoi	3,073,859,782	2,421,716,006
Nguyen Duc Manh	2,714,015,515	1,786,755,210
Nguyen Van Duc	839,983,987	984,541,120
Luong Thi Thuy Ha	1,401,530,353	1,291,641,202
Tran Minh Hieu	1,440,077,171	1,315,605,126
Doan Thi Thu	1,290,088,782	1,090,892,580
Luu Duc Huy	1,696,376,039	1,047,989,919
Nguyen Manh Linh	1,325,805,810	1,344,077,048
Nguyen Thi Phuong	1,350,363,928	-
Pham Thanh Tuan	866,310,667	-
Do Thi Ha	180,000,000	173,957,291
Le Quang Vinh	180,000,000	167,226,522
Tran Canh Thong	180,000,000	109,999,994
Nguyen Hoang Giang	180,000,000	109,999,994
Dinh Le Hang	-	51,153,690
Hwan Kyoon Kim	-	51,007,311
	<u><b>16,718,412,034</b></u>	<u><b>11,946,563,013</b></u>

37. 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 158,016,325,024 (in 2020: VND 106,792,273,610), representing an addition in fixed assets and construction in progress during the year that has not yet been paid. Consequently, changes in accounts payable have been adjusted by the same amount.

38. SUBSEQUENT EVENTS

***Capital raising plan via bond issuance***

The Board of Directors has approved the application documents to register for bond public offering according to the Resolution No. 230202/NQ-HDQT dated 23 February 2022. Specifically, the Company is expected to offer 3 million bonds with par value of VND 100,000/bond totalling VND 300 billion.

These bonds are non-convertible, unsecured, without warrant and establish direct repayment obligation of the Company. The bond has the term of 4 years and fixed interest of 10% p.a.

The proceeds from the bond issuance will be used to pay for salary of employees (VND 100 billion) and pay for raw materials (VND 200 billion). The disbursement period is expected to be in quarter 1 and 2 of 2022.

As at the date of these financial statements, the Company was carrying out procedures for public offering.

**Establishment of new branch**

On 25 January 2022, the Board of Directors issued Decision No. 250122/QĐ-HĐQT on the establishment of TRE Technology solution branch with registered business lines including: computer programming; computer consulting and computer system administration; IT services and other computer-related services; data processing, rent and other relating activities; information portal (excluding journalism) and software publishing.

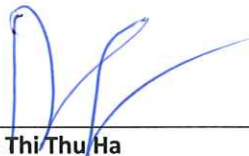
**39. OTHER EVENT**

**Impact of COVID-19 pandemic**

The new strain of virus (Covid-19) has been causing upheavals in Vietnam's economy. Effective and proactive measures have been taken by the Government of Vietnam, in line with the requirements of the World Health Organization (WHO) to prevent this pandemic, including but not limited to travel restrictions and social distancing. Therefore, this may indirectly affect the main operations of the Company. The Board of Executive Officers is assessing the potential impacts of Covid-19 on the Company's business, finance and governance in 2022, and developing appropriate response plans in the short and longer term.



Ta Thi Thu Huong  
Preparer



Tran Thi Thu Ha  
Chief Accountant



Luong Thi Thuy Ha  
Deputy Chief Executive Officer

24 March 2022