

**TNG INVESTMENT AND TRADING
JOINT STOCK COMPANY**
(Incorporated in the Socialist Republic of Vietnam)

**AUDITED SEPARATE
FINANCIAL STATEMENTS**

For the year ended 31 December 2022

TR. TH. S. Đ. K. V. M. C. V. N.

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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 separate financial statements for the year ended 31 December 2022.

THE BOARDS OF DIRECTORS AND EXECUTIVE OFFICERS

The members of the Boards of Directors and Executive Officers of the Company 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
Mr. Nguyen Van Duc	Member
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. 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	
Ms. Nguyen Thi Phuong	Deputy Chief Executive Officer	
Mr. Le Xuan Vi	Deputy Chief Executive Officer	(Appointed on 20 February 2023)
Mr. Nguyen Manh Linh	Deputy Chief Executive Officer	(Resigned on 30 June 2022)

THE BOARD OF EXECUTIVE OFFICERS’ STATEMENT OF RESPONSIBILITY

The Board of Executive Officers of the Company is responsible for preparing the separate financial statements, which give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these separate financial statements, the Board of Executive Officers is required to:

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 separate financial statements;
- prepare the separate 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 separate 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 financial position of the Company and that the separate financial statements comply with Vietnamese accounting standards, accounting regime for enterprises and legal regulations relating to 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 separate financial statements.

For and on behalf of the Board of Executive Officers,

Luong Thi Thuy Ha

Deputy Chief Executive Officer

(Under the Power of Attorney No. 011122/GUQ/-TNG dated 01 November 2022)

Thai Nguyen, 27 March 2023

The Board of Directors approved the accompanying separate financial statements, which present fairly, in all material respects, the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

For and on behalf of the Board of Directors,



Nguyen Van Thoi

Chairman

Thai Nguyen, 27 March 2023

No.: 0765 /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 separate financial statements of TNG Investment and Trading Joint Stock Company (the "Company"), prepared on 27 March 2023 as set out from page 05 to page 39, which comprise the balance sheet as at 31 December 2022, the income statement and 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 Separate Financial Statements

The Board of Executive Officers is responsible for the preparation and fair presentation of these separate financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting and for such internal control as the Board of Executive Officers determines is necessary to enable the preparation of separate 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 separate financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

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

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

INDEPENDENT AUDITORS' REPORT (Continued)

Opinion

In our opinion, the separate financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.



Phan Ngọc Anh

Deputy General Director

Audit Practising Registration Certificate
No. 1101-2023-001-1

Vu Ngoc Tung

Auditor

Audit Practising Registration Certificate
No. 5295-2020-001-1

DELOITTE VIETNAM AUDIT COMPANY LIMITED

27 March 2023

Hanoi, S.R. Vietnam

BALANCE SHEET

As at 31 December 2022

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		2,444,037,339,760	2,025,771,365,606
I. Cash and cash equivalents	110	4	352,893,095,158	13,512,403,296
1. Cash	111		102,116,032,418	13,512,403,296
2. Cash equivalents	112		250,777,062,740	-
II. Short-term receivables	130		554,737,850,801	718,646,604,849
1. Short-term trade receivables	131	5	470,752,972,903	585,255,931,638
2. Short-term advances to suppliers	132		1,208,754,202	48,645,203,680
3. Other short-term receivables	136	6	85,264,093,775	87,059,905,391
4. Provision for short-term doubtful debts	137	7	(2,487,970,079)	(2,314,435,860)
III. Inventories	140	8	1,279,993,895,072	1,159,323,814,454
1. Inventories	141		1,304,464,135,386	1,180,671,478,594
2. Provision for devaluation of inventories	149		(24,470,240,314)	(21,347,664,140)
IV. Other short-term assets	150		256,412,498,729	134,288,543,007
1. Short-term prepayments	151	9	25,548,020,393	19,828,955,575
2. Value added tax deductibles	152		213,332,662,194	106,545,254,117
3. Taxes and other receivables from the State budget	153	17	17,531,816,142	7,914,333,315
B. NON-CURRENT ASSETS	200		2,824,335,925,674	2,341,603,722,959
I. Long-term receivables	210		10,680,826,157	21,133,119,259
1. Other long-term receivables	216	6	10,680,826,157	21,133,119,259
II. Fixed assets	220		1,812,357,749,031	1,501,377,492,294
1. Tangible fixed assets	221	10	1,790,947,003,309	1,476,879,696,017
- Cost	222		2,962,179,867,853	2,479,109,305,698
- Accumulated depreciation	223		(1,171,232,864,544)	(1,002,229,609,681)
2. Intangible assets	227	11	21,410,745,722	24,497,796,277
- Cost	228		47,422,684,488	47,422,684,488
- Accumulated amortisation	229		(26,011,938,766)	(22,924,888,211)
III. Investment property	230	12	32,066,802,409	32,749,074,805
- Cost	231		32,946,529,783	32,946,529,783
- Accumulated depreciation	232		(879,727,374)	(197,454,978)
IV. Long-term assets in progress	240		684,021,623,687	671,299,937,275
1. Construction in progress	242	13	684,021,623,687	671,299,937,275
V. Long-term financial investments	250	14	140,000,000,000	-
1. Investments in subsidiaries	251		140,000,000,000	-
2. Investments in associates	252		771,150,000	771,150,000
3. Provision for impairment of long-term financial investments	254		(771,150,000)	(771,150,000)
VI. Other long-term assets	260		145,208,924,390	115,044,099,326
1. Long-term prepayments	261	9	145,208,924,390	115,044,099,326
TOTAL ASSETS (270=100+200)	270		5,268,373,265,434	4,367,375,088,565

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

BALANCE SHEET (Continued)

As at 31 December 2022

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES	300		3,640,725,237,262	2,905,123,800,308
I. Current liabilities	310		2,924,215,193,039	2,446,996,860,366
1. Short-term trade payables	311	15	659,750,563,839	684,290,803,577
2. Short-term advances from customers	312	16	32,899,377,296	4,362,358,117
3. Taxes and amounts payable to the State budget	313	17	18,085,476,944	14,000,599,163
4. Payables to employees	314		153,411,843,806	58,613,285,891
5. Short-term accrued expenses	315	18	43,112,892,698	42,714,852,246
6. Short-term unearned revenue	318		4,379,397,073	4,087,831,321
7. Other current payables	319	19	14,251,737,997	17,072,612,690
8. Short-term loans	320	20	1,961,006,518,037	1,621,710,354,436
9. Bonus and welfare funds	322		37,317,385,349	144,162,925
II. Long-term liabilities	330		716,510,044,223	458,126,939,942
1. Long-term unearned revenue	336		1,780,588,437	1,133,095,507
2. Long-term loans	338	21	714,729,455,786	456,993,844,435
D. EQUITY	400		1,627,648,028,172	1,462,251,288,257
I. Owners' equity	410	23	1,627,648,028,172	1,462,251,288,257
1. Owners' contributed capital	411		1,051,177,580,000	926,987,790,000
2. Share premium	412		40,988,785,123	40,988,785,123
3. Other owners' capital	414		55,419,591	55,419,591
4. Investment and development fund	418		212,319,038,365	200,704,720,977
5. Other reserves	420		72,801,115,397	61,186,798,009
6. Retained earnings	421		250,306,089,696	232,327,774,557
- Retained earnings accumulated to the prior year end	421a		66,723,600	41,426,800
- Retained earnings of the current year	421b		250,239,366,096	232,286,347,757
TOTAL RESOURCES (440=300+400)	440		5,268,373,265,434	4,367,375,088,565

Pham Thi Hieu
Preparer

Tran Thi Thu Ha
Chief Accountant



Luong Thi Thuy Ha
Deputy Chief Executive Officer

27 March 2023

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

INCOME STATEMENT

For the year ended 31 December 2022

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold and services rendered	01	26	6,772,361,836,332	5,446,378,397,894
2. Deductions	02	26	-	2,771,371,407
3. Net revenue from goods sold and services rendered (10=01-02)	10	26	6,772,361,836,332	5,443,607,026,487
4. Cost of sales	11	27	5,772,863,113,037	4,717,087,846,796
5. Gross profit from goods sold and services rendered (20=10-11)	20		999,498,723,295	726,519,179,691
6. Financial income	21	29	121,027,985,872	60,119,298,886
7. Financial expenses	22	30	301,660,397,354	169,901,470,910
- In which: Interest expense	23		159,534,027,451	124,968,574,366
8. Selling expenses	25	31	78,285,365,057	86,014,703,288
9. General and administration expenses	26	31	368,903,181,507	242,448,803,553
10. Operating profit (30=20+(21-22)-(25+26))	30		371,677,765,249	288,273,500,826
11. Other income	31	32	4,043,722,893	3,535,614,669
12. Other expenses	32	32	17,863,981,453	10,958,863,062
13. (Losses) from other activities (40=31-32)	40		(13,820,258,560)	(7,423,248,393)
14. Accounting profit before tax (50=30+40)	50		357,857,506,689	280,850,252,433
15. Current corporate income tax expense	51	33	65,571,037,393	48,563,904,676
16. Net profit after corporate income tax (60=50-51)	60		292,286,469,296	232,286,347,757

Pham Thi Hieu
Preparer

Tran Thi Thu Ha
Chief Accountant



Luong Thi Thuy Ha
Deputy Chief Executive Officer

27 March 2023

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

CASH FLOW STATEMENT

For the year ended 31 December 2022

Unit: VND

ITEMS	Codes	Current year	Prior year
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. <i>Profit before tax</i>	01	357,857,506,689	280,850,252,433
2. <i>Adjustments for:</i>			
Depreciation and amortisation of fixed assets and investment property	02	194,875,750,649	163,666,005,230
Provisions	03	3,296,110,393	10,509,020,126
Foreign exchange (gain)/loss arising from translating foreign currency items	04	(23,452,766,430)	9,715,592,481
(Gain) from investing activities	05	(3,783,488,933)	(2,299,174,575)
Interest expense	06	159,534,027,451	124,968,574,366
3. <i>Operating profit before movements in working capital</i>	08	688,327,139,819	587,410,270,061
Increase, decrease in receivables	09	49,912,355,852	(316,811,327,422)
Increase, decrease in inventories	10	(123,792,656,792)	(167,410,894,509)
Increase, decrease in payables (excluding accrued loan interest and corporate income tax payable)	11	39,373,835,166	148,924,237,349
Increase, decrease in prepaid expenses	12	(35,883,889,882)	(25,663,659,710)
Interest paid	14	(157,248,682,611)	(125,187,622,251)
Corporate income tax paid	15	(62,825,717,118)	(46,282,180,338)
Other cash outflows	17	(13,445,447,400)	(18,932,180,798)
<i>Net cash generated by operating activities</i>	20	384,416,937,034	36,046,642,382
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(471,027,901,561)	(579,557,797,385)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	1,130,181,818	205,503,746
3. Equity investments in other entities	25	(140,000,000,000)	-
4. Interest earned, dividends and profits received	27	2,653,307,115	2,093,670,829
<i>Net cash used in investing activities</i>	30	(607,244,412,628)	(577,258,622,810)

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

CASH FLOW STATEMENT (Continued)

For the year ended 31 December 2022

Unit: VND

ITEMS	Codes	Current year	Prior year
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from share issue and owners' contributed capital	31	50,056,070,000	-
2. Proceeds from borrowings	33	5,624,423,619,581	5,200,218,107,665
3. Repayment of borrowings	34	(4,995,946,220,872)	(4,748,464,757,030)
4. Dividends and profits paid	36	(116,206,126,400)	(29,598,402,000)
Net cash generated by financing activities	40	562,327,342,309	422,154,948,635
Net increase/(decrease) in cash (50=20+30+40)	50	339,499,866,715	(119,057,031,793)
Cash and cash equivalents at the beginning of the year	60	13,512,403,296	132,575,319,775
Effects of changes in foreign exchange rates	61	(119,174,853)	(5,884,686)
Cash and cash equivalents at the end of the year (70=50+60+61)	70	352,893,095,158	13,512,403,296

Pham Thi Hieu
Preparer

Tran Thi Thu Ha
Chief Accountant



Luong Thi Thuy Ha
Deputy Chief Executive Officer

27 March 2023

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the separate 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/QĐ-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/QĐ-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 22 September 2022, the authorized charter capital of the Company is VND 1,051,177,580,000. 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 2022 was 18,085 (as at 31 December 2021: 15,794).

Operating industry and principal activities

The Company's operating industry is to manufacture and trade in garments.

The Company's principal activities include:

- 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; and
- 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 17 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 2022, the Company has 03 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 votings 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
3. TNG Land Joint Stock Company (*)	Thai Nguyen	86	86	Real estate trade
Associates				
1. Bac Thai Electric Construction Joint Stock Company	Thai Nguyen	49	49	Electric construction and installation
2. TNG Yen Binh Golf Company Limited	Thai Nguyen	49	49	Golf course business

(*) According to the Resolution of the Board of Directors No. 1724/2022/NQ-HDQT dated 23 June 2022, the Company contributed capital of VND 140 billion to establish TNG Land Joint Stock Company, accordingly, the Company held control of TNG Land Joint Stock Company with the proportion of voting power of 86% and TNG Land Joint Stock Company became the subsidiary of the Company.

The actual contributed capital and capital commitments to Company's subsidiaries and associates as at 31 December 2022 are presented in Note 14.

Disclosure of information comparability in the separate financial statements

Comparative figures are the figures of the Company's audited separate financial statements for the year ended 31 December 2021.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The accompanying separate 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 financial reporting.

The accompanying separate financial statements are not intended to present the financial position, results of operations and 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 separate financial statements, are as follows:

Estimates

The preparation of separate financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to 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 separate 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.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments (not exceeding 3 months) that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Investments in subsidiaries, associates

A subsidiary is an entity over which the Company has control. 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.

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.

Interests in associates are initially recognised at cost. The Company's share of the net profit of the investee after acquisition is recognised in the income statement. Other distributions received other than such profit share are deducted from the cost of the investments as recoverable amounts.

Investments in subsidiaries and associates are carried in the balance sheet at cost less provision for impairment of such investments (if any). Provisions for impairment of investments in subsidiaries and associates are made when there is reliable evidence for declining in value of these investments at the balance sheet date.

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 income statement on a straight-line basis over the lease period of 48 years.

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

Property insurance premium represents property insurance expenses incurred annually and amortised to the 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 amortised 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 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 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 income statement on a straight-line basis over the term of the relevant lease. Benefits received and

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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:

	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 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 amortised using the straight line method over their estimated useful life.

Inventory, payroll, production management and accounting software are 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 includes costs that are necessary to form the assets 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 using the straight-line method by increasing the principal and recorded in the financial expenses or capitalised in line with recognition of straight bonds' interest expense.

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.

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.

Sales deductions

Sales deductions include trade discounts, sales allowances and sales returns.

Sales deductions incurred in the same year of the related revenue from sales of products, goods and rendering of services are recorded as a deduction from the revenue of that year. In case that sales deductions for sales of products, goods or rendering of services sold in the year incurred after the balance sheet date but before the issuance of the financial statements, the Company recorded as revenue deductions for the year.

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 of commercial bank where the Company usually transacts on the same date. Exchange differences arising from the translation of these accounts are recognised in the income statement.

Borrowing costs

Borrowing costs are recognised in the 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 recognised in the 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 separate 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 2022, the Company did not have any material temporary difference between carrying amounts of assets or liabilities on the 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	604,444,811	1,542,504,234
Bank demand deposits	101,511,587,607	11,969,899,062
Cash equivalents (*)	250,777,062,740	-
	<u>352,893,095,158</u>	<u>13,512,403,296</u>

(*) Cash equivalents represent term deposits at commercial banks with original term from 01 to 03 months at the interest rate of 5.5% p.a.

As presented in Note 20, the Company used some deposits as collaterals for the loans obtained from commercial banks.

5. SHORT-TERM TRADE RECEIVABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
The Children's Place., Ltd	83,136,097,010	84,925,052,478
The Haddad Apparel Group., Ltd.	67,965,136,567	27,210,703,541
Desipro Pte. Ltd.	63,956,929,790	80,527,037,481
Others	255,694,809,536	392,593,138,138
	<u>470,752,972,903</u>	<u>585,255,931,638</u>
In which:		
Short-term trade receivables to related party (Details stated in Note 35)	2,760,000	-

As presented in Note 20, the Company used some trade receivables as collaterals for the loans obtained from commercial banks.

6. OTHER RECEIVABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
a. Current		
- Advances to employees	63,980,231,867	62,598,963,138
- Advances for site clearance compensation	16,816,083,422	16,816,083,422
- Other receivables	4,467,778,486	7,644,858,831
	<u>85,264,093,775</u>	<u>87,059,905,391</u>
b. Non-current		
- Deductible land rentals	10,680,826,157	21,133,119,259
	<u>10,680,826,157</u>	<u>21,133,119,259</u>

7. BAD DEBTS

	<u>Closing balance</u>			<u>Opening balance</u>		
	Cost	Recoverable amount	Overdue days	Cost	Recoverable amount	Overdue days
Institute of Environmental Technology and Climate Change	2,182,208,600	-	< 3 years	2,182,208,600	-	< 2 years
Pearl Global Vietnam Limited	132,227,260	-	< 3 years	132,227,260	-	< 2 years
Truc Minh Garment Joint Stock Company	159,534,219	-	< 1 year	-	-	
Vincom Viet Tri Store - TNG Fashion Branch	14,000,000	-	< 1 year	-	-	
	<u>2,487,970,079</u>	<u>-</u>		<u>2,314,435,860</u>	<u>-</u>	

Recoverable amount is stated at book value less provision for doubtful debts.

8. INVENTORIES

	Closing balance		Opening balance	
	Cost	Provision	Cost	Provision
		VND		VND
Goods in transit	102,804,780,365	-	90,559,307,771	-
Raw materials	436,925,485,022	(14,745,847,530)	483,312,145,584	(11,004,864,984)
Tools and supplies	4,580,143,662	-	4,272,920,396	-
Work in progress	347,561,433,687	(197,104,186)	222,194,065,956	-
Finished goods	412,592,292,650	(9,527,288,598)	380,327,588,659	(10,342,799,156)
Merchandise	-	-	5,450,228	-
	<u>1,304,464,135,386</u>	<u>(24,470,240,314)</u>	<u>1,180,671,478,594</u>	<u>(21,347,664,140)</u>

During the year, the Company made provision for devaluation of Raw materials with an amount of VND 3,740,982,546 (2021: VND 9,685,457,954) and Work in progress with an amount of VND 197,104,186 (2021: reversed VND 985,529,969) because these inventories have net realizable values at the end of the financial year lower than costs.

During the year, the Company reversed provision for devaluation of Finished goods with an amount of VND 815,510,558 (2021: provision of VND 1,961,621,679) because the net realizable value at the end of the financial year is higher than the net realizable value at the beginning of the financial year.

As at 31 December 2022, as presented in Note 20, the Company used some circulating goods as collaterals for the loans obtained from commercial banks.

9. PREPAYMENTS

	Closing balance	Opening balance
	VND	VND
a. Current		
- Tools and dies issued for consumption	8,892,834,312	7,131,732,946
- Property insurance premium	5,972,229,579	5,307,625,826
- Others	10,682,956,502	7,389,596,803
	<u>25,548,020,393</u>	<u>19,828,955,575</u>
b. Non-current		
- Tools and dies issued for consumption	40,796,158,071	46,536,136,672
- Land rentals	39,387,088,426	22,574,357,219
- Cost of acquiring land use rights and assets on land (i)	18,004,579,943	18,428,217,119
- The cost of repairs for fixed assets	30,532,305,805	12,039,913,299
- Others	16,488,792,145	15,465,475,017
	<u>145,208,924,390</u>	<u>115,044,099,326</u>

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

10. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Office equipment	Motor vehicles	Others	Total
	VND	VND	VND	VND	VND	VND
COST						
Opening balance	1,185,032,722,897	1,278,020,870,081	4,739,648,805	8,890,863,927	2,425,199,988	2,479,109,305,698
Purchases	29,394,088,228	221,030,497,287	-	-	70,143,000	250,494,728,515
Transfer from construction in progress	241,252,083,981	13,462,068,466	-	-	-	254,714,152,447
Disposals	(592,132,322)	(21,196,837,949)	(349,348,536)	-	-	(22,138,318,807)
Closing balance	<u>1,455,086,762,784</u>	<u>1,491,316,597,885</u>	<u>4,390,300,269</u>	<u>8,890,863,927</u>	<u>2,495,342,988</u>	<u>2,962,179,867,853</u>
ACCUMULATED DEPRECIATION						
Opening balance	299,835,055,661	689,741,973,273	4,542,734,041	6,286,957,296	1,822,889,410	1,002,229,609,681
Charge for the year	60,284,088,413	129,463,256,671	159,539,824	1,011,828,929	222,859,833	191,141,573,670
Disposals	(592,132,322)	(21,196,837,949)	(349,348,536)	-	-	(22,138,318,807)
Closing balance	<u>359,527,650,258</u>	<u>798,007,753,489</u>	<u>4,352,925,329</u>	<u>7,298,786,225</u>	<u>2,045,749,243</u>	<u>1,171,232,864,544</u>
NET BOOK VALUE						
Opening balance	<u>885,197,667,236</u>	<u>588,278,896,808</u>	<u>196,914,764</u>	<u>2,603,906,631</u>	<u>602,310,578</u>	<u>1,476,879,696,017</u>
Closing balance	<u>1,095,559,112,526</u>	<u>693,308,844,396</u>	<u>37,374,940</u>	<u>1,592,077,702</u>	<u>449,593,745</u>	<u>1,790,947,003,309</u>

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.

As at 31 December 2022, the cost of the Company's tangible fixed assets includes VND 384,460,350,241 (as at 31 December 2021: VND 317,962,895,217) of assets which have been fully depreciated but are still in use.

11. INCREASES, DECREASES IN INTANGIBLE ASSETS

	Land use rights VND	Computer software VND	Total VND
COST			
Opening balance	19,783,250,377	27,639,434,111	47,422,684,488
Closing balance	<u>19,783,250,377</u>	<u>27,639,434,111</u>	<u>47,422,684,488</u>
ACCUMULATED AMORTISATION			
Opening balance	2,624,105,647	20,300,782,564	22,924,888,211
Charge for the year	463,693,884	2,623,356,671	3,087,050,555
Closing balance	<u>3,087,799,531</u>	<u>22,924,139,235</u>	<u>26,011,938,766</u>
NET BOOK VALUE			
Opening balance	<u>17,159,144,730</u>	<u>7,338,651,547</u>	<u>24,497,796,277</u>
Closing balance	<u>16,695,450,846</u>	<u>4,715,294,876</u>	<u>21,410,745,722</u>

As at 31 December 2022, the cost of the Company's intangible assets includes VND 13,795,010,292 (as at 31 December 2021: VND 11,958,660,292) 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.

12. INCREASES, DECREASES IN INVESTMENT PROPERTY

	Buildings and structures VND
COST	
Opening balance	32,946,529,783
Closing balance	<u>32,946,529,783</u>
ACCUMULATED DEPRECIATION	
Opening balance	197,454,978
Charge for the year	682,272,396
Closing balance	<u>879,727,374</u>
NET BOOK VALUE	
Opening balance	<u>32,749,074,805</u>
Closing balance	<u>32,066,802,409</u>

According to VAS No. 05 - *Investment Properties*, fair value of investment property as at 31 December 2022 is required to be disclosed. However, the Company could not determine the fair value as at 31 December 2022, therefore, no information about the fair value is disclosed in the Notes to the separate 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.

13. CONSTRUCTION IN PROGRESS

	Closing balance	Opening balance
	VND	VND
Construction in progress		
- Acquisition	127,054,838	-
- Construction	683,894,568,849	671,299,937,275
In which:		
- Son Cam Industrial Zone Project	565,055,128,521	514,544,649,004
- TNG Phu Luong Factory Project	46,256,353,577	40,599,696,823
- Phu Binh Project	13,585,429,406	28,023,182,061
- TNG Vo Nhai Factory Project	12,013,125,252	13,784,612,104
- Song Cong Auxiliary Home Project	9,316,400,620	31,903,496,870
- Others	37,795,186,311	42,444,300,413
	684,021,623,687	671,299,937,275

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

During the year, total interest expense capitalized into construction in progress was VND 5,694,725,554 (2021: VND 8,713,073,353).

14. FINANCIAL INVESTMENTS

	Closing balance		Opening balance	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Investments in subsidiaries				
TNG Land Joint Stock Company	140,000,000,000			
TNG Fashion Company Limited (i)	-	-	-	-
TNG Eco Green Company Limited (i)	-	-	-	-
	140,000,000,000	-	-	-
Investments in associates				
Bac Thai Electric Construction Joint Stock Company (ii)	771,150,000	(771,150,000)	771,150,000	(771,150,000)
TNG Yen Binh Golf Company Limited (i)	-	-	-	-
	771,150,000	(771,150,000)	771,150,000	(771,150,000)

(i) Details of the Company's capital commitments to subsidiaries and associates as at 31 December 2022 are as follows:

Name of subsidiaries, associates	Charter capital under enterprise registration certificate (VND)	Proportion of ownership interest under enterprise registration certificate (%)	Capital	
			contribution as at 31 December 2022 (VND)	Remaining capital commitment (VND)
TNG Fashion Company Limited	50,000,000,000	100	-	50,000,000,000
TNG Eco Green Company Limited	50,000,000,000	100	-	50,000,000,000
TNG Yen Binh Golf Company Limited	300,000,000,000	49	-	147,000,000,000

- (ii) As at 31 December 2022, Bac Thai Electric Construction Joint Stock Company has halted its production and business activities and is in dissolution process. The Board of Executive Officers assesses that the Company's share of losses of this associate equals to the Company's interest in the associate. Therefore, the Board of Executive Officers decided to make full provision for the investment in this investee.

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.

Summary of the performance of subsidiaries and associates during the year:

	<u>Current year</u>	<u>Prior year</u>
Subsidiaries		
TNG Land Joint Stock Company	Operating at a profit	Not yet established
TNG Fashion Company Limited	Not yet come into operation	Not yet come into operation
TNG Eco Green Company Limited	Not yet come into operation	Not yet come into operation
Associates		
Bac Thai Electric Construction Joint Stock Company	Ceased operation	Ceased operation
TNG Yen Binh Golf Company Limited	Not yet come into operation	Not yet come into operation

15. SHORT-TERM TRADE PAYABLES

	<u>Closing balance</u>		<u>Opening balance</u>	
	<u>Amount</u>	<u>Amount able to be paid off</u>	<u>Amount</u>	<u>Amount able to be paid off</u>
		VND		VND
VINA CIC., Joint Stock Company	44,208,196,086	44,208,196,086	22,804,716,265	22,804,716,265
Others	615,542,367,753	615,542,367,753	661,486,087,312	661,486,087,312
	<u>659,750,563,839</u>	<u>659,750,563,839</u>	<u>684,290,803,577</u>	<u>684,290,803,577</u>
In which:				
Short-term trade payables to related party (Details stated in Note 35)	1,393,157,380	1,393,157,380	-	-

16. SHORT-TERM ADVANCES FROM CUSTOMERS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Sportmaster., Ltd	21,265,403,647	-
Diastar General Trading LLC	8,458,337,792	-
Others	3,175,635,857	4,362,358,117
	<u>32,899,377,296</u>	<u>4,362,358,117</u>

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

a. Receivables

	Opening balance	Paid during the year	Reimbursed during the year	Closing balance
	VND	VND	VND	VND
Export - import tax	7,914,333,315	15,219,164,173	5,601,681,346	17,531,816,142
	<u>7,914,333,315</u>	<u>15,219,164,173</u>	<u>5,601,681,346</u>	<u>17,531,816,142</u>

b. Payables

	Opening balance	Payable during the year	Paid during the year	Closing balance
	VND	VND	VND	VND
Corporate income tax	12,918,938,723	65,571,037,393	62,825,717,118	15,664,258,998
Personal income tax	921,720,929	18,575,475,298	17,266,110,509	2,231,085,718
Others	159,939,511	22,620,132,322	22,589,939,605	190,132,228
	<u>14,000,599,163</u>	<u>106,766,645,013</u>	<u>102,681,767,232</u>	<u>18,085,476,944</u>

18. SHORT-TERM ACCRUED EXPENSES

	Closing balance	Opening balance
	VND	VND
Accruals for salary and leave	28,368,480,459	23,585,146,500
Accruals for interest expenses	6,226,293,170	3,940,948,330
Transportation expense	2,602,283,913	2,629,930,067
Other accruals	5,915,835,156	12,558,827,349
	<u>43,112,892,698</u>	<u>42,714,852,246</u>

19. OTHER CURRENT PAYABLES

	Closing balance	Opening balance
	VND	VND
Trade union fee	1,948,235,828	1,152,838,591
Others	12,303,502,169	15,919,774,099
	<u>14,251,737,997</u>	<u>17,072,612,690</u>

20. SHORT-TERM LOANS

	Closing balance		In the year			Opening balance	
	Amount	Amount able to be paid off	Increases	Decreases	Foreign exchange effect	Amount	Amount able to be paid off
		VND			VND		VND
Short-term loans	1,329,396,387,322	1,329,396,387,322	5,017,958,698,416	4,688,317,434,489	(26,801,459,268)	1,632,236,191,981	1,632,236,191,981
Current portion of long-term loans (Details stated in Note 21)	156,313,967,114	156,313,967,114	175,151,446,757	152,862,931,674	157,843,859	178,760,326,056	178,760,326,056
Current portion of straight bonds (Details stated in Note 22)	136,000,000,000	136,000,000,000	150,010,000,000	136,000,000,000	-	150,010,000,000	150,010,000,000
	1,621,710,354,436	1,621,710,354,436	5,343,120,145,173	4,977,180,366,163	(26,643,615,409)	1,961,006,518,037	1,961,006,518,037

Details of short-term loans are as follows:

	Closing balance	Opening balance
	VND	VND
Short-term loans	1,632,236,191,981	1,329,396,387,322
Joint Stock Commercial Bank for Investment and Development of Vietnam - Thai Nguyen Branch (i)	915,434,547,440	751,856,315,721
Vietnam Joint Stock Commercial Bank for Industry and Trade - Thai Nguyen Branch (ii)	502,414,456,204	461,793,602,597
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thai Nguyen Branch (iii)	98,804,681,445	-
Military Commercial Joint Stock Bank - Thai Nguyen Branch (iv)	69,644,865,498	69,715,650,438
Shinhan Vietnam Bank Limited - Thai Nguyen Branch (v)	45,628,591,394	45,721,768,566
Others (vi)	309,050,000	309,050,000
Current portion of long-term loans (Detail stated in Note 21)	178,760,326,056	156,313,967,114
Joint Stock Commercial Bank for Investment and Development of Vietnam - Thai Nguyen Branch	114,777,272,733	93,424,748,694
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thai Nguyen Branch	41,629,014,427	46,748,691,192
Vietnam Joint Stock Commercial Bank for Industry and Trade - Thai Nguyen Branch	22,354,038,896	10,301,764,272
Military Commercial Joint Stock Bank - Thai Nguyen Branch	-	5,838,762,956
Current portion of straight bonds (Detail stated in Note 22)	150,010,000,000	136,000,000,000
	1,961,006,518,037	1,621,710,354,436

- (i) The loan from Joint Stock Commercial Bank for Investment and Development of Vietnam - Thai Nguyen Branch under the Limit Credit Contract No. 01/2022/469075/HDTD from 15 August 2022 to 31 July 2023 with credit limit of VND 1,000 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 under Credit Line Contract No. 01/2022-HDCVHM/NHCT220-TNG from 15 June 2022 to 15 June 2023 with credit limit of VND 500 billion (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 term of each debt does not exceed 6 months, used to supplement the working capital for the Company's production and business activities. 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.
- (iii) The loan from Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thai Nguyen Branch under Credit Line Contract No. 418.CV/22/HDTD/TN with credit limit of VND 300 billion (including Contract No. 48/22/HDTD/TN dated 17 November 2022 with total long-term and short-term credit limit of VND 435,033,860,000). The effective term of the credit limit is 12 months, no later than 17 November 2023. The lending interest rate is determined at the time of loan disbursement according to the interest rate announcement of the bank from time to time. The loan is secured by machinery and equipment under the additional investment in machinery and equipment project for TNG Phu Binh and TNG Song Cong factories, and the additional investment in machinery and equipment project in 2014 under the Mortgage contract No. 210/18/HDTC/TN dated 18 June 2018, machinery and equipment under the additional investment in machinery and equipment project in 2019 under the Mortgage contract No. 86/19/HDTC/TN dated 9 April 2019; receivables under the Mortgage contract No. 87/19/HDTC/TN dated 9 April 2019; all machinery and equipment formed from loan capital and own capital under the construction investment project of TNG Song Cong auxiliary factory under the Mortgage contract No. 312/19/HDTC/TN dated 9 December 2019; the pre-engineered steel frame formed from loans, own capital and other mobilized capital under the construction investment project of TNG Song Cong auxiliary factory under the mortgage contract No. 184/20/HDTC/TN dated 25 August 2020; machinery and equipment formed from own capital and loan capital under the plan for additional investment in machinery, equipment and power system in 2021 under the mortgage contract No. 100/21/HDTC/TN dated 12 April 2021; land use right and assets attached to land under mortgage contract No. 418/22/HDTC/TN in 2022.
- (iv) The loan from Military Commercial Joint Stock Bank ("MB") - Thai Nguyen Branch under the Contract No. 108458.22.090.2089348.TD dated 20 December 2022 with credit limit of VND 200 billion, with two thresholds: threshold 1 of maximum 50% credit limit and threshold 2 of the remaining credit limit when threshold 1 is used up. The Credit limit term is from date of contract to 30 November 2023. 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 2022-2023. 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) 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 2023 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.
- (vi) 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	Increases	Decreases	Foreign exchange effect	Amount	Amount able to be paid off
	VND				VND		VND
Long-term loans	464,172,811,544	464,172,811,544	305,166,547,161	171,628,786,383	146,079,511	597,856,651,833	597,856,651,833
Straight bonds (Details stated in Note 22)	285,135,000,005	285,135,000,005	301,298,374,004	140,790,244,000	-	445,643,130,009	445,643,130,009
	749,307,811,549	749,307,811,549	606,464,921,165	312,419,030,383	146,079,511	1,043,499,781,842	1,043,499,781,842
In which:							
<i>Amount due for settlement within 12 months (Presented in Note 20)</i>	292,313,967,114					328,770,326,056	
- Loan	156,313,967,114					178,760,326,056	
- Straight bonds	136,000,000,000					150,010,000,000	
<i>Amount due for settlement after 12 months (Code 338 - Balance sheet)</i>	456,993,844,435					714,729,455,786	
- Loan	307,858,844,430					419,096,325,777	
- Straight bonds	149,135,000,005					295,633,130,009	

Details of long-term loans are as follows:

	Closing balance	Opening balance
	VND	VND
Joint Stock Commercial Bank for Investment and Development of Vietnam - Thai Nguyen Branch (i)	355,468,333,025	277,628,622,551
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thai Nguyen Branch (ii)	123,067,454,584	169,529,526,850
Vietnam Joint Stock Commercial Bank for Industry and Trade - Thai Nguyen Branch (iii)	119,320,864,224	11,175,899,187
Military Commercial Joint Stock Bank - Thai Nguyen Branch	-	5,838,762,956
	597,856,651,833	464,172,811,544

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

- Loans under credit contract No. 02/2018/469075/HDTD dated 10 September 2018 with the total credit limit of USD 1,327,591 and VND 3,920,000,000 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 9.6% per annum for loans in VND. 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. 02/2020/469075/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 9.6% 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 2022 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 9.6% per annum. The loan is secured by all assets formed from the Company's cotton production line No.3 investment project.
- Loans under Credit Contract No. 02/2022/469075/HDTD dated 21 March 2022 with total credit limit of VND 57,500,000,000 but not exceeding 70% of total actual investment of project (including VND and foreign currencies converted loans) to implement the TNG Song Cong Factory extension 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 9.6% per annum. The loan is secured by all assets formed from the Company's TNG Song Cong Factory extension project.
- Loans under Credit Contract No. 02/2022/469075/SDBS dated 11 July 2022 (amendment to Credit Contract No. 02/2019/469075/HDTD dated 10 June 2019) with the total credit limit of VND 183,931,491,700 and USD 158,957.8 but not exceeding 70% of total actual investment of project (including VND and foreign currencies converted loans) 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 9.6% per annum for loans in VND. 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.

(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/HDTC/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 Mortgage contract No. 86/19/HDTC/TN dated 09 April 2019, and receivables under Mortgage contract No. 87/19/HDTC/TN 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. 296/19/HDTD/TN dated 9 December 2019 with credit limit of VND 57,532,000,000 but not exceeding 61% of total actual investment of project for investment in construction investment project of TNG Song Cong auxiliary factory (not including the investment in cotton production line). The loan term is 84 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% per year but not lower than the Bank's interest rate floor, adjusted every 3 months. The loans are secured by all construction works on land, machinery and equipment formed from the loans and equity capital of the construction investment project of TNG Song Cong auxiliary factory according to Mortgage contract No. 296/19/HDTC/TN in 2019; and land use right of Land B, Song Cong I Industrial Zone, Bach Quang Ward, Song Cong City, Thai Nguyen Province with the total area of 53,100m².

- 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 loan term is 60 months from the day following the disbursement date of each loan. The current interest rate is 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 following the disbursement date of each loan. The current interest rate is 7.5% per annum for loans in USD. The loans are secured by assets formed from projects' loans.
- Loans under Loan contract for investment project No. 01/2022-HDCVDADT/NHCT220-TNG dated 15 February 2022 with the total credit limit of VND 123,100,000,000, used to cover the legal investment expenditure of TNG Phu Binh Factory extension project. The loan term is 7 years from the day after the first disbursement date. The current interest rate is 9% per annum for loans in VND. The loans are secured by assets formed from projects' loans.
- Loans under Loan contract for investment project No. 07/2022-HDCVDADT/NHCT220-TNG dated 29 July 2022 with the total credit limit of VND 14,500,000,000, used to cover the legal investment expenditure of machinery and equipment investment project for the whole Company. The loan term is 5 years from the day after the first disbursement date. The interest rate equals to basic interest rate plus the margin of 3.5% per annum for loans in VND. The current interest rate is 12.5% per annum for loans in VND. The loans are secured by assets formed from projects' loans.
- Loans under Loan contract for investment project No. 11/2022-HDCVDADT/NHCT220-TNG dated 23 November 2022 with the total credit limit of VND 12,113,000,000, used to cover the legal investment expenditure of machinery and equipment investment project for the whole Company in 2022 (the third time). The loan term is 5 years from the day after the first disbursement date. The interest rate equals to basic interest rate plus the margin of 3.5% per annum for loans in VND. The current interest rate is 12.5% per annum for loans in VND. The loans are secured by assets formed from projects' loans.

Long-term loans are repayable as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
On demand or within one year	178,760,326,056	156,313,967,114
In the second year	169,829,680,000	63,240,931,870
In the third to fifth year inclusive	225,463,682,953	244,617,912,560
After five years	23,802,962,824	-
	597,856,651,833	464,172,811,544
Less: Amount due for settlement within 12 months (shown under short-term loans)	178,760,326,056	156,313,967,114
Amount due for settlement after 12 months	419,096,325,777	307,858,844,430

22. BONDS ISSUED

Straight bonds

	Closing balance			Opening balance		
	Amount	Interest rate	Term	Amount	Interest rate	Term
	VND	%/Year	Year	VND	%/Year	Year
Straight bonds	445,643,130,009	10	3 - 4	285,135,000,005	11.5 and 10	3
	<u>445,643,130,009</u>			<u>285,135,000,005</u>		

Details of straight bond contracts are as follows:

	Closing balance	Opening balance
	VND	VND
Bond issued to public code TNG122017 (i)	300,000,000,000	-
Single bond code TNGH2023001 - Bond subscription contract No.02 (ii)	150,000,000,000	150,000,000,000
Single bond code TNGH2023001 - Bond subscription contract No.03 (iii)	10,000,000	10,000,000
Single bond code TNG119007	-	136,000,000,000
Unallocated issue fee	(4,366,869,991)	(874,999,995)
	<u>445,643,130,009</u>	<u>285,135,000,005</u>

(i) According to the Board of Directors' Resolution No. 171121/NQ-HDQT dated 17 November 2021, the Company publicly issued 3,000,000 non-convertible unsecured bond, without warrants, with par value of VND 100,000, term of 04 years from the date of issue of 16 May 2022, fixed interest rate of 10%/year. The purpose of bond issuance is to settle the salary for employees and material expenses.

(ii) According to 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, 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) According to 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, 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.

Bonds are repayable as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
On demand or within one year	150,010,000,000	136,000,000,000
In the second year	-	149,135,000,005
In the third to fifth year inclusive	295,633,130,009	-
	<u>445,643,130,009</u>	<u>285,135,000,005</u>
Less: Amount due for settlement within 12 months (shown under short-term loans)	<u>150,010,000,000</u>	<u>136,000,000,000</u>
Amount due for settlement after 12 months	<u><u>295,633,130,009</u></u>	<u><u>149,135,000,005</u></u>

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 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
Profit for the year	-	-	-	-	-	232,286,347,757	232,286,347,757
Fund distributed from 2020 profit	-	-	-	7,680,164,134	7,680,164,134	(27,133,994,611)	(11,773,666,343)
Share dividend of 2020 declared	63,618,280,000	-	-	-	-	(63,618,280,000)	-
Dividend advanced of 2021	-	-	-	-	-	(29,598,402,000)	(29,598,402,000)
Share issuance for conversion of convertible bonds	123,409,460,000	3,590,540,000	-	-	-	-	127,000,000,000
Remuneration of the Board of Directors	-	-	-	-	-	(3,642,924,068)	(3,642,924,068)
Current year's opening balance	926,987,790,000	40,988,785,123	55,419,591	200,704,720,977	61,186,798,009	232,327,774,557	1,462,251,288,257
Profit for the year	-	-	-	-	-	292,286,469,296	292,286,469,296
Fund distributed from 2021 profit (i)	-	-	-	11,614,317,388	11,614,317,388	(78,393,435,411)	(55,164,800,635)
ESOP shares issuance 2022 (ii)	50,056,070,000	-	-	-	-	-	50,056,070,000
Share dividend of 2021 declared (iii)	74,133,720,000	-	-	-	-	(74,133,720,000)	-
Cash dividend of 2021 declared (iii)	-	-	-	-	-	(74,159,023,200)	(74,159,023,200)
Dividend advanced of 2022 (iv)	-	-	-	-	-	(42,047,103,200)	(42,047,103,200)
Remuneration of the Board of Directors (i)	-	-	-	-	-	(5,574,872,346)	(5,574,872,346)
Current year's closing balance	1,051,177,580,000	40,988,785,123	55,419,591	212,319,038,365	72,801,115,397	250,306,089,696	1,627,648,028,172

- (i) According to 2022 Annual General Meeting of Shareholders No. 1022/2022/NQ-DHDCD dated 24 April 2022, the Company made distribution from 2021 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 11,614,317,388, VND 11,614,317,388, VND 55,164,800,635 and VND 5,574,872,346 respectively.
- (ii) According to 2022 Annual General Meeting of Shareholders No. 1022/2022/NQ-DHDCD dated 24 April 2022, Resolution of the Board of Directors No. 1855/NQ-HDQT dated 11 July 2022 regarding the approval and execution of ESOP share issuance plan in 2022, Resolution of the Board of Directors No. 2323/NQ-HDQT dated 05 September 2022 and Resolution of the Board of Directors No. 2374/NQ-HDQT dated 13 September 2022 announcing the ESOP share issuance, the Company issued 5,005,607 shares according to the ESOP share issuance scheme in 2022 with the par value of VND 10,000/share.
- (iii) According to 2022 Annual General Meeting of Shareholders No. 1022/2022/NQ-DHDCD dated 24 April 2022, Resolution of the Board of Directors No. 1067/NQ-HDQT dated 27 April 2022 and Resolution of the Board of Directors No. 1069/NQ-HDQT dated 28 April 2022, in the year, the Company had paid dividend of 2021 for existing shareholders in shares with the ratio 100:8, the additional shares issued is 7,413,372 shares with par value of VND 10,000 and in cash with the payout ratio of 8%/par value, equivalent to VND 74,159,023,200.
- (iv) According to the Resolution of the Board of Directors No. 2475/NQ-HDQT dated 23 September 2022, the Company approved the first dividend advance of 2022 in cash with the payout ratio of 4%/par value, equivalent to VND 42,047,103,200. The Company has paid this dividend advance during the year.

Shares

	<u>Closing balance</u>	<u>Opening balance</u>
Number of shares issued to the public	105,117,758	92,698,779
<i>Ordinary shares</i>	105,117,758	92,698,779
Number of outstanding shares in circulation (*)	105,117,758	92,698,779
<i>Ordinary shares</i>	105,117,758	92,698,779

(*) Included 5,847,990 ordinary shares subject to restricted transfer as at 31 December 2022 (as at 31 December 2021: 890,983 shares).

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)	4,008,175	298,311
Euro (EUR)	79	89

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
Total revenue from goods sold and services rendered		
Sales of goods	5,633,477,127,605	4,403,371,703,748
Sales of processing services	1,069,990,423,889	977,319,564,743
Sales of fashion products	49,099,899,750	33,460,333,371
Sales of real estate	19,794,385,088	32,226,796,032
	<u>6,772,361,836,332</u>	<u>5,446,378,397,894</u>
Deductions		
Sales rebates	-	2,771,371,407
Net revenue from goods sold and services rendered	<u>6,772,361,836,332</u>	<u>5,443,607,026,487</u>
In which:		
Revenue to related party (Details stated in Note 35)	16,629,630	-

27. COST OF SALES

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Cost of goods sold	4,806,921,236,051	3,814,832,814,297
Cost of processing services	912,999,125,489	846,800,897,849
Cost of fashion products sold	41,895,856,760	28,991,786,681
Cost of real estate trade	11,046,894,737	26,462,347,969
	<u>5,772,863,113,037</u>	<u>4,717,087,846,796</u>

28. PRODUCTION COST BY NATURE

	<u>Current year</u> VND	<u>Prior year</u> VND
Raw materials and consumables	3,550,268,499,959	2,706,640,793,964
Labour	2,129,854,492,372	1,605,780,016,434
Depreciation and amortisation of fixed assets and investment property	194,875,750,649	163,666,005,230
Out-sourced services	397,999,159,857	307,733,817,876
Provision	3,296,110,393	10,509,020,126
Other monetary expenses	101,389,718,093	152,767,030,130
	<u>6,377,683,731,323</u>	<u>4,947,096,683,760</u>

29. FINANCIAL INCOME

	<u>Current year</u> VND	<u>Prior year</u> VND
Bank deposit interest	2,653,307,115	2,093,670,829
Foreign exchange gain	118,374,678,757	58,025,628,057
	<u>121,027,985,872</u>	<u>60,119,298,886</u>

30. FINANCIAL EXPENSES

	<u>Current year</u> VND	<u>Prior year</u> VND
Interest expense and bond issuance expense	159,534,027,451	124,968,574,366
Foreign exchange loss	113,716,775,360	34,655,432,861
Other financial expenses	28,409,594,543	10,277,463,683
	<u>301,660,397,354</u>	<u>169,901,470,910</u>

31. SELLING AND GENERAL AND ADMINISTRATION EXPENSES

	<u>Current year</u> VND	<u>Prior year</u> VND
General and administration expenses arising in the year		
Management labour cost	283,687,155,082	172,233,979,387
Raw materials and consumables	10,767,828,219	8,645,170,465
Depreciation and amortisation	11,325,507,702	12,301,940,087
Provision expenses	173,534,219	132,227,260
Out-sourced expenses	4,995,669,139	3,613,000,416
Other monetary expenses	57,953,487,146	45,522,485,938
	<u>368,903,181,507</u>	<u>242,448,803,553</u>
Selling expenses arising in the year		
Labour	559,013,007	4,340,492,875
Raw materials and consumables	151,246,007	753,414,184
Transportation expenses	32,688,756,603	25,629,568,779
Ex-import expenses	28,850,747,971	29,110,223,864
Other selling expenses	16,035,601,469	26,181,003,586
	<u>78,285,365,057</u>	<u>86,014,703,288</u>

32. OTHER INCOME AND OTHER EXPENSES

	Current year	Prior year
	VND	VND
Other income		
Income from disposal of fixed assets	1,130,181,818	205,503,746
Other income	2,913,541,075	3,330,110,923
	<u>4,043,722,893</u>	<u>3,535,614,669</u>
Other expenses		
Expense to close fashion boutiques	-	1,370,247,868
Contractual penalties and compensations	10,424,639,290	565,693,976
Other expenses	7,439,342,163	9,022,921,218
	<u>17,863,981,453</u>	<u>10,958,863,062</u>

33. CORPORATE INCOME TAX EXPENSES

	Current year	Prior year
	VND	VND
Current corporate income tax expense		
Corporate income tax expense based on taxable profit in the current year	63,753,036,114	48,563,904,676
Adjustments for corporate income tax expense in previous years to the current year (*)	1,818,001,279	-
Total current corporate income tax expense	<u>65,571,037,393</u>	<u>48,563,904,676</u>

(*) Adjustments for additional corporate income tax for the period 2019 – 2021 according to Decision No. 768/QĐ-CTTNG dated 15 July 2022 of Thai Nguyen Provincial Tax Department.

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

	Current year	Prior year
	VND	VND
Profit before tax	357,857,506,689	280,850,252,433
Adjustments for taxable profit	12,460,467,863	9,885,619,107
Add back: Non-deductible expenses	12,460,467,863	9,885,619,107
Taxable profit	370,317,974,552	290,735,871,540
Tax rate	0%, 5% and 20%	0%, 5% and 20%
Corporate income tax	63,753,036,114	48,801,504,676
Less: Expense for female employees	-	(237,600,000)
Corporate income tax expense based on taxable profit in the current year	<u>63,753,036,114</u>	<u>48,563,904,676</u>

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 separate financial statements.

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35. RELATED PARTY TRANSACTIONS AND BALANCES

List of related party with significant transactions and balances for the year:

Related party	Relationship
TNG Land Joint Stock Company	Subsidiary

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

	Current year	Prior year
	VND	VND
Sales		
TNG Land Joint Stock Company	16,629,630	-
Purchases		
TNG Land Joint Stock Company	5,771,424,795	-
Capital contribution		
TNG Land Joint Stock Company	140,000,000,000	-
	Current year	Prior year
	VND	VND
Remuneration of the Board of Executive Officers and Board of Directors		
Mr. Nguyen Van Thoi	3,307,040,500	3,073,859,782
Mr. Nguyen Duc Manh	3,160,275,120	2,714,015,515
Ms. Nguyen Thi Phuong	2,990,066,700	1,350,363,928
Mr. Luu Duc Huy	2,138,182,700	1,696,376,039
Mr. Tran Minh Hieu	1,838,218,680	1,440,077,171
Ms. Doan Thi Thu	1,607,515,240	1,290,088,782
Ms. Luong Thi Thuy Ha	1,574,666,980	1,401,530,353
Mr. Pham Thanh Tuan	1,248,901,300	866,310,667
Mr. Nguyen Manh Linh	520,911,600	1,325,805,810
Mr. Nguyen Van Duc	242,777,300	839,983,987
Ms. Do Thi Ha	180,000,000	180,000,000
Mr. Le Quang Vinh	180,000,000	180,000,000
Mr. Tran Canh Thong	180,000,000	180,000,000
Mr. Nguyen Hoang Giang	180,000,000	180,000,000
	<u>19,348,556,120</u>	<u>16,718,412,034</u>

Significant related party balances as at the balance sheet date were as follows:

	Closing balance	Opening balance
	VND	VND
Short-term trade receivables		
TNG Land Joint Stock Company	2,760,000	-
Short-term trade payables		
TNG Land Joint Stock Company	1,393,157,380	-



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 169,793,548,331 (in 2021: VND 158,016,325,024), 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

Approval of additional listing of shares

According to Decision No. 24/QĐ-SGDHN dated 30 January 2023 of Hanoi Stock Exchange, 5,005,607 additional shares of the Company issued via ESOP share issuance with the par value of VND 10,000 was approved for listing, the additional listing value is VND 50,056,070,000.



Pham Thi Hieu
Preparer



Tran Thi Thu Ha
Chief Accountant



Luong Thi Thuy Ha
Deputy Chief Executive Officer

27 March 2023