



**TNG INVESTMENT AND TRADING JOINT STOCK  
COMPANY**

*(Incorporated in the Socialist Republic of Vietnam)*

**AUDITED CONSOLIDATED  
FINANCIAL STATEMENTS**

**For the year ended 31 December 2020**



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**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**

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

**THE BOARDS OF DIRECTORS AND EXECUTIVE OFFICERS**

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

**Board of Directors**

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

**Board of Executive Officers**

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

**THE BOARD OF EXECUTIVE OFFICERS’ STATEMENT OF RESPONSIBILITY**

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



**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 (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,

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**Luong Thi Thuy Ha**  
**Deputy Chief Executive Officer**

*Thai Nguyen, 26 March 2021*

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

For and on behalf of the Board of Directors,



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**Nguyen Van Thoi**  
**Chairman**

*Thai Nguyen, 26 March 2021*

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No.: 0842/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 26 March 2021 as set out from page 05 to page 40, which comprise the consolidated balance sheet as at 31 December 2020, the consolidated income statement and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *The Board of Executive Officers' Responsibility for the Consolidated Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

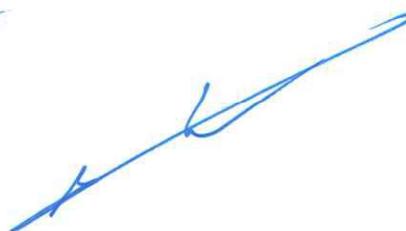
## INDEPENDENT AUDITORS' REPORT (Continued)

### Opinion

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



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



**Nguyen Tien Quoc**  
**Auditor**  
Audit Practising Registration Certificate  
No. 3008-2019-001-1

**DELOITTE VIETNAM COMPANY LIMITED**

26 March 2021  
Hanoi, S.R. Vietnam



## CONSOLIDATED BALANCE SHEET

As at 31 December 2020

Unit: VND

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

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

## CONSOLIDATED BALANCE SHEET (Continued)

As at 31 December 2020

Unit: VND

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



Ta Thi Thu Huong  
Preparer



Tran Thi Thu Ha  
Chief Accountant



Luong Thi Thuy Ha  
Deputy Chief Executive Officer

26 March 2021

## CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2020

Unit: VND

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

Ta Thi Thu Huong  
Preparer

Tran Thi Thu Ha  
Chief AccountantLuong Thi Thuy Ha  
Deputy Chief Executive Officer

26 March 2021

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2020

Unit: VND

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

## CONSOLIDATED CASH FLOW STATEMENT (Continued)

For the year ended 31 December 2020

Unit: VND

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

Ta Thi Thu Huong  
Preparer

Tran Thi Thu Ha  
Chief Accountant



Luong Thi Thuy Ha  
Deputy Chief Executive Officer

26 March 2021

**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 30 September 2020, the authorized charter capital of the Company is VND 739,960,050,000. The Company's shares are listed on Hanoi Stock Exchange (HNX) with the stock code of TNG.

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

**Operating industry and principal activities**

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

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

**Normal production and business cycle**

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

**The Company's structure**

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

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

Name of Company	Place of incorporation and operation	Proportion of ownership interest (%)	Proportion of voting power held (%)	Principal activity
<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 financial statements for the year ended 31 December 2019.

**2. ACCOUNTING CONVENTION AND FINANCIAL YEAR**

**Accounting convention**

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

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

**Financial year**

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

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Estimates**

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

reporting requires the Board of Executive Officers to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the Board of Executive Officers' best knowledge, actual results may differ from those estimates.

#### **Basis of consolidation**

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

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

Intragroup transactions and balances are eliminated in full on consolidation.

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

#### **Business combinations**

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

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

#### **Investments in associates**

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

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

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

#### **Cash and cash equivalents**

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



### **Receivables**

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

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

### **Inventories**

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

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

### **Prepayments**

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

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

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

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

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

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

### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation.

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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 6 years.

##### **Investment properties**

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

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

##### **Construction in progress**

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

### Payable provisions

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

### Straight bond issued

Bonds are issued as long-term borrowings.

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

### Convertible bonds

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

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

### Revenue recognition

#### Sales of goods

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

- (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;

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- (d) the economic benefits associated with the transaction flowed or will flow to the Company; and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

Revenue from rendering of services

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

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

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

**Foreign currencies**

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

**Borrowing costs**

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

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



**Taxation**

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

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

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

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

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

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

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

**4. CASH AND CASH EQUIVALENTS**

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

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

5. SHORT-TERM TRADE RECEIVABLES

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

6. OTHER RECEIVABLES

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

7. BAD DEBTS

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

8. INVENTORIES

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

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

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

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

9. PREPAYMENTS

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



11. INCREASES, DECREASES IN INTANGIBLE ASSETS

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

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

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

12. INCREASES, DECREASES IN INVESTMENT PROPERTY

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

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

13. CONSTRUCTION IN PROGRESS

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

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

14. FINANCIAL INVESTMENTS

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

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

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

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

15. SHORT-TERM TRADE PAYABLES

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

16. SHORT-TERM ADVANCES FROM CUSTOMERS

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

17. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

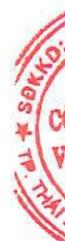
	Opening balance VND	Payable during the year VND	Paid during the year VND	Closing balance VND
Corporate income tax	21,096,415,766	32,020,548,511	42,479,749,892	10,637,214,385
Personal income tax	1,235,743,404	16,942,413,434	17,617,971,499	560,185,339
Others	<u>241,620,874</u>	<u>5,122,669,399</u>	<u>5,201,677,601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

18. SHORT-TERM ACCRUED EXPENSES

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

19. OTHER CURRENT PAYABLES

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





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

from loans, equity capital and other mobilized capital under the project of investment and construction of TNG Song Cong auxiliary plant under collateral contract No. 184/20/HDTC/TN dated 25 August 2020.

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

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

## 21. LONG-TERM LOANS

	Opening balance		In the year		Closing balance	
	Amount	Amount able to be paid off	Increases	Decreases	Amount	Amount able to be paid off
		VND				VND
Long-term loans	392,571,535,329	392,571,535,329	171,860,755,175	210,641,654,156	353,790,636,348	353,790,636,348
Bonds issued	136,000,000,000	136,000,000,000	148,635,000,001	-	284,635,000,001	284,635,000,001
(Details stated in Note 22)	<b>528,571,535,329</b>	<b>528,571,535,329</b>	<b>320,495,755,176</b>	<b>210,641,654,156</b>	<b>638,425,636,349</b>	<b>638,425,636,349</b>

### In which:

- Amount due for settlement within 12 months	147,496,408,761	67,742,307,589
- Amount due for settlement after 12 months	381,075,126,568	570,683,328,760

Details of long-term loans are as follows:

	Closing balance	Opening balance
	VND	VND
Joint Stock Commercial Bank for Investment and Development of Vietnam - Thai Nguyen Branch (i)	198,748,541,413	137,997,280,123
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thai Nguyen Branch (ii)	115,939,014,873	111,713,965,473
Vietnam Joint Stock Commercial Bank for Industry and Trade - Thai Nguyen Branch (iii)	23,320,318,509	93,487,215,280
Military Commercial Joint Stock Bank - Thai Nguyen Branch (iv)	15,782,761,553	49,373,074,453
	<b>353,790,636,348</b>	<b>392,571,535,329</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 Center. The loan term is 84 months from the day after the first disbursement date. The loans in VND bear interest rates of 11% per annum and of 6.8% per annum for the loans in USD (floating interest rate adjusted on a semi-annual basis). The Company has pledged its machinery, equipment, motor vehicles, buildings and structures, and assets formed from the project to secure the loans.
- Loans under the Credit Contract No. 01/2017/469075/HDTD dated 03 April 2017 with the total credit limit of VND 32,681,000,000 for investment in Cotton Factory Project of the Company. The loan term is 84 months from the day after the first disbursement date. The floating interest rate is adjusted every 6 months with current interest rates for loans in VND of 11.5% per annum and for loans in USD of 6.8% per annum. The loan is secured by all assets formed from the Cotton Factory Project of the Company and all security interests as agreed between the Company and the Bank, including this credit contract.
- Loans under credit contract No. 02/2018/469075/HDTD dated 10 September 2018 with the total credit limit of USD 1,327,591 and VND 3.92 billion used to finance Machinery and equipment investment Project in the last 6 months of 2018 of the Company. The loan term is 60 months from the day after the first disbursement date. The loans bear interest rates of 11.5% per annum for loans in VND and of 7.2% per annum for loans in USD. The loans are secured by all assets formed from the Company's Machinery and equipment investment Project in the last 6 months of 2018.
- Loans under credit contract No. 02/2019/469075/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 in VND bear interest rates of 11.5% per annum and of 7.0% per annum for loans in USD which are adjusted every 6 months. The loans are secured by all assets formed from Dong Hy Garment Factory Project of the Company.
- Loans under credit contract No. 02/2020/469075/HDTD dated 08 June 2020 with the total credit limit of VND 70,213,000,000 but no more than 70% of total actual investment capital (including VND and foreign currencies equivalent) for investment in machinery and equipment in 2020. The loan term is 60 months from the first disbursement date. The floating interest rate is adjusted every 6 months and equals to interest rate of BIDV 12-month interest-postpaid individual savings plus

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minimum bank charge of 4% in accordance with regulations of BIDV from time to time. The currently applied interest rate is 8.5% per annum. Loans are secured by all assets formed from the Machinery and equipment investment project of the Company.

- Loans under credit contract No. 03/2020/469075/HDTD dated 26 June 2020 with the total credit limit of VND 188,740,000,000 but no more than 65% of total actual investment (including VND and foreign currency equivalent) for investment in construction of TNG Vo Nhai Factory. The loan term is 84 months from the first disbursement date. The prevailing interest rate is 9.0% per annum applicable to 30 June 2021. The loans are secured by all assets formed from the investment of the project (financed either by loans or equity capital), land use rights (in the case of land lease with one-off rental payment), all project-related rights (property right arising from land lease contract, rights to insurance benefits, ...).

- Loans under Credit Contract No. 04/2020/469075/HDTD dated 02 December 2020 with total credit limit of VND 37,519,000,000 but not exceeding 70% of total actual investment of project (including VND and foreign currencies equivalents) to implement the project of investment in cotton production line No. 3. The floating interest rate, adjusted every 6 months, equals to the interest rate of BIDV Thai Nguyen 12-month interest-postpaid individual savings plus a minimum bank fee of 4% in accordance with BIDV's regulations from time to time. The currently applied interest rate is 8.5%/year. The loan is secured by all assets formed from the Company's cotton production line No.3 investment project.

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

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

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

- Loans under valid credit contracts with total credit limit of VND 223 billion for payment of machines and equipment imported for cotton production lines of the Cotton branch of the garment factories located in Zone B, Song Cong Industrial Zone, for investment in the Project for production capacity improvement of TNG Dai Tu Factory, and for investment in the Company's project on equipment system renovation and capital construction upgrade and investment. The current interest



rate is 10.5% to 11.5% per annum for loans in VND and 4.5% to 7.5% per annum for loans in USD (floating rate adjusted on a monthly basis). Loans are secured by the cotton production line installed at Cotton Branch located in Zone B, Song Cong Industrial Zone and assets formed therefrom.

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

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

**Long-term loans are repayable as follows:**

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



22. BONDS ISSUED

Straight bonds

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

Details of bond contracts are as follows:

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

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

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

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



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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						
Prior year's opening balance	493,401,800,000	30,520,475,123	55,419,591	56,825,661,884	32,988,054,755	180,272,988,142	794,064,399,495	
Profit for the year	-	-	-	-	-	230,111,112,269	230,111,112,269	
Fund distributed from 2018 profit	-	-	-	50,508,323,971	9,013,023,507	(68,534,370,985)	(9,013,023,507)	
Remuneration of the Board of Directors	-	-	-	-	-	(8,111,721,156)	(8,111,721,156)	
Share dividend of 2018 declared	103,608,090,000	-	-	-	-	(103,608,090,000)	-	
ESOP share issuance in 2018	24,670,090,000	-	-	-	-	-	24,670,090,000	
Share issuance for conversion of convertible bonds	30,434,780,000	4,565,220,000	-	-	-	-	35,000,000,000	
<b>Current year's opening balance</b>	<b>652,114,760,000</b>	<b>35,085,695,123</b>	<b>55,419,591</b>	<b>107,333,985,855</b>	<b>42,001,078,262</b>	<b>230,129,918,270</b>	<b>1,066,720,857,101</b>	
Profit for the year	-	-	-	-	-	153,603,282,678	153,603,282,678	
Fund distributed from 2019 profit (i)	-	-	-	85,690,570,988	11,505,555,613	(120,207,237,828)	(23,011,111,227)	
Share dividend of 2019 declared (ii)	52,157,840,000	-	-	-	-	(52,157,840,000)	-	
Cash dividend of 2019 declared (ii)	-	-	-	-	-	(52,169,180,800)	(52,169,180,800)	
Dividend advanced (iii)	-	-	-	-	-	(29,598,402,000)	(29,598,402,000)	
Share issuance for conversion of convertible bonds (iv)	35,687,450,000	2,312,550,000	-	-	-	-	38,000,000,000	
Remuneration of the Board of Directors (i)	-	-	-	-	-	(5,565,512,841)	(5,565,512,841)	
<b>Current year's closing 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>	

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

**Shares**

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

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

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

**24. OFF BALANCE SHEET ITEMS**

**Foreign currencies**

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

**25. BUSINESS AND GEOGRAPHICAL SEGMENTS**

**Geographical segments**

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

**Business segments**

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

**26. REVENUE OF GOODS SOLD AND SERVICES RENDERED**

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

**27. COST OF SALES**

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

**28. PRODUCTION COST BY NATURE**

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

29. FINANCIAL INCOME

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

30. FINANCIAL EXPENSES

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

31. SELLING AND GENERAL AND ADMINISTRATION EXPENSES

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



32. OTHER INCOME AND OTHER EXPENSES

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

33. CURRENT CORPORATE INCOME TAX EXPENSES

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

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

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

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**Diluted earnings per share**

The calculation of the diluted earnings per share attributable to ordinary shareholders of the Company is based on the following data:

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Profit for the year attributable to equity holders of the Company	153,603,282,678	213,040,043,815
Effect of dilutive potential ordinary shares (Convertible bonds) (share)	4,876,800,000	6,336,000,000
<b>Earnings for the purposes of calculating diluted earnings per share</b>	<b>158,480,082,678</b>	<b>219,376,043,815</b>
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share (share)	68,136,534	67,117,976
Effect of dilutive potential ordinary shares (share)	9,202,899	11,956,522
<b>Weighted average number of ordinary shares for the purposes of calculating diluted earnings per share (share)</b>	<b>77,339,433</b>	<b>79,074,498</b>
<b>Diluted earning per share</b>	<b>2,049</b>	<b>2,774</b>

**35. 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
Remuneration of the Board of Executive Officers and Board of Directors	11,946,563,013	18,508,150,608
	<b>11,946,563,013</b>	<b>18,508,150,608</b>

**36. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION**

**Supplemental non-cash disclosures**

Cash outflows for purchases of fixed assets and construction in progress during the year exclude an amount of VND 106,792,273,610 (in 2019: VND 17,972,298,791), representing an addition in fixed assets and construction in progress during the year that has not yet been paid. Consequently, increase, decrease in accounts payable have been adjusted by the same amount.

37. SUBSEQUENT EVENTS

*Suspension of subsidiaries*

According to the Board of Directors' Resolution No. 262/2021/NQHDQT dated 02 February 2021 on the suspension of TNG Eco Green Company Limited and TNG Fashion Company Limited, the Board of Directors approved the suspension of the two above-mentioned subsidiaries until 20 January 2022 due to changes in business plan.

*Conversion of bonds into shares*

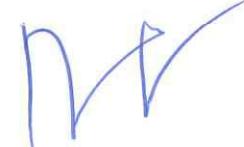
On 23 February 2021, the Board of Directors approved Resolution No. 367/2021/NQHDQT on approving the third conversion of convertible bonds issued on 12 December 2018 into common shares. The bondholder is Asam Vietnam Mezzanine Focus Hedge Fund 1 with 59 convertible bonds to be converted, the total par value of convertible bonds proposed to be converted is VND 59 billion. The number of additional shares issued due to conversion of bonds into shares is 5,540,946 shares.

On 10 March 2021, Mr. Nguyen Van Thoi - Chairman of the Board of Directors of the Company converted convertible bonds into shares with 20 convertible bonds to be converted, total par value of the convertible bond proposed to be converted is VND 20 billion. Number of additional shares issued due to conversion of bonds into shares is 1,878,287 shares.

38. OTHER EVENT

The new virus strain (Covid-19) has been causing upheavals to Vietnam's economy. Effective and proactive measures have been adopted by the Government of Vietnam, consistent with requirements of World Health Organization (WHO) to prevent this disease, including but not limited to travel restrictions and social distancing. Therefore, this may indirectly affect the main operation of the Company. The Board of Directors is assessing the potential impacts of Covid-19 on the Company's business, financial and governance activities in 2021, and developing appropriate response plans in short and long term.

  
Ta Thi Thu Huong  
Preparer

  
Tran Thi Thu Ha  
Chief Accountant

  
Luong Thi Thuy Ha  
Deputy Chief Executive Officer

26 March 2021

