

**REPORT OF RESULTS OF 2022  
& PRODUCTION AND BUSINESS PLAN OF 2023**

**I. PRODUCTION AND BUSINESS PLAN OF 2022**

Socio-economic of our country in 2022 took place in the context that the world economy was facing great challenges and high instability; inflation rose to its highest level in decades forcing countries to tighten monetary policy. Military conflict between Russia and Ukraine; natural disasters, pandemics, climate change, storms, droughts... increased risks to financial markets, currency, energy security and global food security.

Domestically, after the Covid-19 pandemic was brought under control in the first months of 2022, our country's economy recovered strongly, the macro-economy was stable, and inflation was under control. The improved business investment environment made a positive contribution to socio-economic recovery and development. GDP in 2022 increased by 8.02% over the previous year, reaching the highest increase in the period 2011-2022.

In the last months of 2022, due to the impact of tightening lending of the real estate industry, high bank interest rates, the USD/VND exchange rate also increased, so it affected the real estate industry in general and the plastic pipe industry in particular. Revenue in the fourth quarter of 2022 decreased by nearly 5% compared to the fourth quarter of 2021. However, with the efforts of all employees, the Company achieved the targets according to the resolution of the General Meeting of Shareholders in 2022 as follows:

Criteria	Unit	Year of 2021	Year of 2022				
		Completion	Plan	Completion	Completion rate of the plan	Growth compared to 2021	
Revenue	Billion dong	4.877	5.175	5.615	109%	115%	738
Quantity	Ton	94.446	100.000	101.058	101%	107%	6.612
Pre-tax profit	Billion dong	521,4	465	532,2	114%	102%	10,8

The increase in revenue compared to the previous year was due to:

- Due to the increase in the selling price of products:

- + The average selling price of UPVC products in 2022 was about 9% higher than the previous year.

- + The average selling price of PPR products in 2022 was about 6% higher than the previous year.

- Promotional policies to encourage sales and reservations in sales promotions also motivated distributors to boost sales and pay in advance in the promotional month to sell in the following months.

- Increased revenue from some new product lines such as: Pipes and conduit fittings, processed for IPLEX;

- Sold nearly 100 billion DN1400-DN1600 HDPE pipes to Minh Phu to bring seawater into aquaculture.

The higher profit in 2021 is due to:

- Increased revenue led to profits increased

- Selling prices of products was higher than in 2021, while main raw materials such as PVC resins, HDPE compounds, PPR compounds gradually decreased in 2022.

- Choosing the right time to buy a lot of raw materials at a reasonable price brought high efficiency in production and business.

## **II. MARKET SITUATION IN THE NORTH OF PLASTIC PIPE INDUSTRY IN 2022**

### **1. Price of plastic materials**

2022 was a year of great fluctuations in the price of plastic materials, after the price increased in the last months of 2021, it gradually decreased in 2022. In addition, the interest rate on bank loans increased, the USD exchange rate raised in 2022 as well, which led to a factor affecting the production and business efficiency of the plastic industry in general and Tien Phong Plastic in particular.

### **2. Market competition**

In 2022, there was no new manufacturers participating in the Northern plastic pipe industry. Only a few manufacturers switched from producing cheap HDPE pipes to producing higher quality pipes to compete with Tien Phong Plastic.

### **3. Tien Phong Plastic's position in the market**

With a revenue of nearly 6,650 billion VND in all 3 regions of North - Central - South in 2022, NTP still maintained its position as the largest plastic pipe manufacturer in Vietnam.

### **III. NEW PRODUCTS**

In 2022, NTP tried to launch and sell new product lines to the market such as:

- PP/PE double-layer corrugated pipes up to DN1000 used for drainage system instead of concrete pipe;

- PE single-layer twisted ribbed conduit for electrical cables to serve underground power lines in some provinces/cities;

- u.PVC ball valves are manufactured under Sekisui's technology copyright, and some of these products have been exported to Europe.

- Products for the aquaculture industry such as PE plastic shrimp pond walls, DN1400-1600 HDPE pipes leading water from the sea to the shore;

Total revenue of these new product lines in 2022 reached nearly VND 150 billion.

In 2022 TPP continued to cooperate with Iplex to produce products for export to Australia and New Zealand, this cooperation has contributed revenue to NTP, achieving nearly 59 billion in revenue for this cooperation.

In 2022, NTP continued to cooperate with Sekisui to research the production technology of CPVC pipes and fittings used for fire protection systems to replace current iron and steel pipes. If successfully bringing this product to market, this is also a new product line that will bring in revenue in the coming years. TPP will continue to complete the test of this products in 2023.

In 2022, NTP continued to cooperate with Sekisui to produce a number of products for export to foreign markets such as UPVC flanges, UPVC ball valves, resistance welded HDPE fittings.... These products will continue to implementation in 2023.

### **IV. PRODUCTION AND BUSINESS PLAN OF 2023**

- Based on the expected GDP growth of Vietnam in 2023 is about 6.5%;

- Based on the control of bond issuance by real estate enterprises and credit to the real estate industry, loan interest rates in 2023. According to experts' predictions, if in 2023, bonds of real estate enterprises are still under controlled, tightening the issuance, credit for the real estate industry is also limited, the loan interest rate is as high as the last months of 2022, the real estate industry in Vietnam will decrease much, the demand for construction will decrease and the demand for plastic pipes will also grow difficultly.

- Based on the situation that the price of main materials such as PVC resin, HDPE compounds, PPR compounds are at the current low level and the trend is unlikely to increase as high as the last months of 2021, the increase in revenue is due to the impact of increase in selling price in 2023 will no longer exist. If the price of main raw materials stays at the current level, it may be necessary to calculate a plan to reduce the price of some product lines to suit the competitive situation in the market;

- Based on the growth of TPP over the years;

Tien Phong Plastic proposes targets for 2023 as follows:

Criteria	Unit	Revenue of 2022	Plan of 2023	Growth (%)
Revenue	Billion dong	5.615	5.875	5%
Quantity	Tons	101.058	106.000	5%
Pre-tax profit	Billion dong	532,2	530	0%

## V. PRODUCTION AND BUSINESS RESULT OF THE FIRST QUARTER OF 2023

Criteria	Unit	First quarter of 2022	Expected first quarter of 2023				
			Plan of 2023	Completion	Completion rate of the plan	Growth compared to 2022	
Revenue	Billion dong	1.119	5.875	1.120	19%	100%	1
Pre-tax profit	Billion dong	137,5	530	120	23%	87%	-17,50

*Hai Phong, March 29<sup>th</sup>, 2023*



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