



**Tien Phong Plastic Joint Stock Company**

Separate Financial Statements  
for the year ended 31 December 2022

## Tien Phong Plastic Joint Stock Company Corporate Information

### Enterprise Registration Certificate No.

0200167782

30 December 2004

The Company's Enterprise Registration Certificate has been amended several times, the most recent of which is dated 17 August 2022. The Enterprise Registration Certificate was issued by Hai Phong Department of Planning and Investment.

### Board of Management

|                        |                    |
|------------------------|--------------------|
| Mr. Dang Quoc Dung     | Chairman           |
| Mr. Noboru Kobayashi   | Vice Chairman      |
| Mr. Chu Van Phuong     | Member             |
| Mr. Tran Ngoc Bao      | Member             |
| Mr. Nguyen Viet Phuong | Member             |
| Mr. Dao Anh Thang      | Independent Member |

### Board of General Directors

|                      |   |
|----------------------|---|
| Mr. Chu Van Phuong   | General Director                                      |
| Mr. Tran Nhat Ninh   | Deputy General Director – Technology                  |
| Ms. Ngo Thi Thu Thuy | Deputy General Director – Production                  |
| Mr. Nguyen Van Thuc  | Deputy General Director –<br>Internal Affairs         |
| Mr. Tran Ngoc Bao    | Deputy General Director - Finance<br>(from 23/9/2022) |

### Audit Committee

|                        |                           |
|------------------------|---------------------------|
| Mr. Dao Anh Thang      | Chairman of the Committee |
| Mr. Nguyen Viet Phuong | Member                    |

### Registered Office

No. 2 An Da Road  
Lach Tray Ward, Ngo Quyen District  
Hai Phong City  
Vietnam

### Auditors

KPMG Limited  
Vietnam

## Tien Phong Plastic Joint Stock Company Statement of the Board of General Directors

The Board of General Directors of Tien Phong Plastic Joint Stock Company (“the Company”) presents this statement and the accompanying separate financial statements of the Company for the year ended 31 December 2022.

The Company’s Board of General Directors is responsible for the preparation and fair presentation of the separate financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises and the relevant statutory requirements applicable to financial reporting. In the opinion of the Company’s Board of General Directors:

- (a) the separate financial statements set out on pages 5 to 42 give a true and fair view of the unconsolidated financial position of the Company as at 31 December 2022, and of its unconsolidated results of operations and unconsolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there is no reason to believe that the Company will not be able to pay its debts as and when they fall due.

The Board of General Directors has, on the date of this statement, authorised the accompanying separate financial statements for issue.

On behalf of the Board of General Directors,



Chu Văn Phương  
General Director

Hai Phong, 23 March 2023



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South Tu Liem District, Hanoi, Vietnam  
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## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders and Board of Management Tien Phong Plastic Joint Stock Company

We have audited the accompanying separate financial statements of Tien Phong Plastic Joint Stock Company ("the Company"), which comprise the separate balance sheet as at 31 December 2022, the separate statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of General Directors on 23 March 2023, as set out on pages 5 to 42.

### Management's Responsibility

The Company's Board of General Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises and the relevant statutory requirements applicable to financial reporting, and for such internal control as the Board of General Directors determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the 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 Company's Board of General Directors, as well as evaluating the overall presentation of the financial statements.

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







## Auditor's Opinion

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the unconsolidated financial position of Tien Phong Plastic Joint Stock Company as at 31 December 2022 and of its unconsolidated results of operations and its unconsolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises and the relevant statutory requirements applicable to financial reporting.

### KPMG Limited

Vietnam

Audit Report No. 22-02-00154-23-1



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Wang Toon Kim  
Practicing Auditor Registration  
Certificate No. 0557-2023-007-1  
*Deputy General Director*

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Truong Tuyet Mai  
Practicing Auditor Registration  
Certificate No. 2594-2019-007-1

Hanoi, **23 MAR 2023**



**Tien Phong Plastic Joint Stock Company**  
**Separate balance sheet as at 31 December 2022**

**Form B 01 – DN**  
*(Issued under Circular No. 200/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

|  | Code       | Note      | 31/12/2022<br>VND        | 1/1/2022<br>VND          |
|--|------------|-----------|--------------------------|--------------------------|
| <b>ASSETS</b>  |            |           |                          |                          |
| <b>Current assets</b><br>(100 = 110 + 120 + 130 + 140 + 150) | <b>100</b> |           | <b>2,946,640,233,205</b> | <b>2,557,691,594,169</b> |
| <b>Cash and cash equivalents</b>                             | <b>110</b> | <b>4</b>  | <b>164,141,010,132</b>   | <b>132,976,715,364</b>   |
| Cash   | 111        |           | 124,088,407,392          | 132,976,715,364          |
| Cash equivalents   | 112        |           | 40,052,602,740           | -                        |
| <b>Short-term financial investments</b>                      | <b>120</b> |           | <b>432,857,808,219</b>   | <b>700,000,000,000</b>   |
| Held-to-maturity investments                                 | 123        | 5(a)      | 432,857,808,219          | 700,000,000,000          |
| <b>Accounts receivable – short-term</b>                      | <b>130</b> |           | <b>938,490,552,873</b>   | <b>772,993,167,178</b>   |
| Accounts receivable from customers                           | 131        | 6         | 866,051,626,939          | 780,774,759,010          |
| Prepayments to suppliers                                     | 132        | 7         | 73,249,950,492           | 38,170,501,214           |
| Loans receivable – short-term                                | 135        |           | -                        | 15,461,572,866           |
| Other receivables  | 136        | 8         | 61,276,754,278           | 18,780,555,519           |
| Allowance for doubtful debts                                 | 137        | 9         | (62,087,778,836)         | (80,194,221,431)         |
| <b>Inventories</b>   | <b>140</b> | <b>10</b> | <b>1,365,841,984,676</b> | <b>946,172,372,471</b>   |
| Inventories  | 141        |           | 1,369,554,120,717        | 949,618,731,591          |
| Allowance for inventories                                    | 149        |           | (3,712,136,041)          | (3,446,359,120)          |
| <b>Other current assets</b>                                  | <b>150</b> |           | <b>45,308,877,305</b>    | <b>5,549,339,156</b>     |
| Short-term prepaid expenses                                  | 151        |           | 12,446,361,138           | 5,128,289,932            |
| Deductible value added tax                                   | 152        |           | 32,448,774,160           | -                        |
| Taxes and others receivable from State Treasury              | 153        |           | 413,742,007              | 421,049,224              |

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

**Tien Phong Plastic Joint Stock Company**  
**Separate balance sheet as at 31 December 2022 (continued)**

**Form B 01 – DN**  
*(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

|  | Code       | Note        | 31/12/2022<br>VND        | 1/1/2022<br>VND          |
|--|------------|-------------|--------------------------|--------------------------|
| <b>Long-term assets</b><br>(200 = 220 + 240 + 250 + 260)                 | <b>200</b> |             | <b>1,780,476,105,395</b> | <b>1,990,408,684,413</b> |
| <b>Fixed assets</b>  | <b>220</b> |             | <b>1,324,966,964,370</b> | <b>1,369,979,099,015</b> |
| Tangible fixed assets  | 221        | 11          | 1,324,966,964,370        | 1,369,979,099,015        |
| <i>Cost</i>  | 222        |             | 2,810,670,809,484        | 2,714,083,194,536        |
| <i>Accumulated depreciation</i>  | 223        |             | (1,485,703,845,114)      | (1,344,104,095,521)      |
| Intangible fixed assets  | 227        |             | -                        | -                        |
| <i>Cost</i>  | 228        |             | 2,501,022,223            | 2,501,022,223            |
| <i>Accumulated amortisation</i>  | 229        |             | (2,501,022,223)          | (2,501,022,223)          |
| <b>Long-term work in progress</b>  | <b>240</b> |             | <b>2,173,973,393</b>     | <b>32,881,860,391</b>    |
| Construction in progress   | 242        | 12          | 2,173,973,393            | 32,881,860,391           |
| <b>Long-term financial investments</b>                                   | <b>250</b> | <b>5(b)</b> | <b>315,272,188,600</b>   | <b>465,272,188,600</b>   |
| Investments in subsidiaries  | 251        |             | 131,100,000,000          | 131,100,000,000          |
| Investments in associates  | 252        |             | 113,345,883,000          | 113,345,883,000          |
| Equity investments in other entities                                     | 253        |             | 95,960,188,600           | 95,960,188,600           |
| Allowance for diminution in the value of long-term financial investments | 254        |             | (25,133,883,000)         | (25,133,883,000)         |
| Held-to-maturity investments   | 255        |             | -                        | 150,000,000,000          |
| <b>Other long-term assets</b>  | <b>260</b> |             | <b>138,062,979,032</b>   | <b>122,275,536,407</b>   |
| Long-term prepaid expenses   | 261        | 13          | 138,062,979,032          | 122,275,536,407          |
| <b>TOTAL ASSETS</b><br>(270 = 100 + 200)                                 | <b>270</b> |             | <b>4,727,116,338,600</b> | <b>4,548,100,278,582</b> |

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



**Tien Phong Plastic Joint Stock Company**  
**Separate balance sheet as at 31 December 2022 (continued)**

**Form B 01 – DN**  
*(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

|  | Code       | Note      | 31/12/2022<br>VND        | 1/1/2022<br>VND          |
|--|------------|-----------|--------------------------|--------------------------|
| <b>RESOURCES</b>                           |            |           |                          |                          |
| <b>LIABILITIES (300 = 310 + 330)</b>       | <b>300</b> |           | <b>2,129,542,537,289</b> | <b>2,049,647,494,613</b> |
| <b>Current liabilities</b>                 | <b>310</b> |           | <b>2,129,542,537,289</b> | <b>2,032,926,897,090</b> |
| Accounts payable to suppliers              | 311        | 14        | 235,400,714,256          | 232,898,460,035          |
| Advances from customers                    | 312        | 15        | 30,421,439,866           | 75,700,465,109           |
| Taxes and others payable to State Treasury | 313        | 16        | 27,502,552,251           | 61,151,218,653           |
| Payables to employees                      | 314        |           | 58,900,186,915           | 64,105,637,449           |
| Accrued expenses                           | 315        | 17        | 60,755,178,177           | 98,801,972,765           |
| Other payables – short-term                | 319        | 18        | 60,924,718,404           | 109,330,985,919          |
| Short-term borrowings                      | 320        | 19(a)     | 1,649,879,077,138        | 1,389,623,502,334        |
| Bonus and welfare fund                     | 322        | 20        | 5,758,670,282            | 1,314,654,826            |
| <b>Long-term liabilities</b>               | <b>330</b> |           | -                        | <b>16,720,597,523</b>    |
| Long-term borrowings                       | 338        | 19(b)     | -                        | 16,720,597,523           |
| <b>EQUITY (400 = 410)</b>                  | <b>400</b> |           | <b>2,597,573,801,311</b> | <b>2,498,452,783,969</b> |
| <b>Owners' equity</b>                      | <b>410</b> | <b>21</b> | <b>2,597,573,801,311</b> | <b>2,498,452,783,969</b> |
| Share capital                              | 411        | 22        | 1,295,753,340,000        | 1,177,961,830,000        |
| - Ordinary shares with voting rights       | 411a       |           | 1,295,753,340,000        | 1,177,961,830,000        |
| Investment and development fund            | 418        | 24        | 1,023,163,062,043        | 1,034,576,932,192        |
| Retained profits                           | 421        |           | 278,657,399,268          | 285,914,021,777          |
| - Retained profits brought forward         | 421a       |           | 47,199,299,220           | 47,199,299,220           |
| - Profit for the current year              | 421b       |           | 231,458,100,048          | 238,714,722,557          |
| <b>TOTAL RESOURCES (440 = 300 + 400)</b>   | <b>440</b> |           | <b>4,727,116,338,600</b> | <b>4,548,100,278,582</b> |

23 March 2023

Prepared by:



Luu Thi Mai  
Chief Accountant

Approved by:



Tran Ngoc Bao  
Deputy General Director – Finance




Chu Van Phuong  
General Director

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



**Tien Phong Plastic Joint Stock Company**  
**Separate statement of income for the year ended 31 December 2022**

**Form B 02– DN**  
*(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

|  | Code | Note | 2022<br>VND              | 2021<br>VND              |
|--|------|------|--------------------------|--------------------------|
| Revenue from sales of goods                                      | 01   | 26   | 5,256,518,490,276        | 4,478,735,277,381        |
| Revenue deductions   | 02   | 26   | 130,024,611,332          | 171,360,337,823          |
| <b>Net revenue</b><br>(10 = 01 - 02)                             | 10   | 26   | <b>5,126,493,878,944</b> | <b>4,307,374,939,558</b> |
| Cost of sales  | 11   | 27   | 3,996,856,401,088        | 3,400,178,830,499        |
| <b>Gross profit (20 = 10 - 11)</b>                               | 20   |      | <b>1,129,637,477,856</b> | <b>907,196,109,059</b>   |
| Financial income   | 21   | 28   | 219,750,798,893          | 183,416,292,057          |
| Financial expenses   | 22   | 29   | 132,393,083,058          | 71,226,691,511           |
| <i>In which: Interest expense</i>                                | 23   |      | 76,016,547,399           | 37,809,926,367           |
| Selling expenses   | 25   | 30   | 548,243,888,694          | 366,984,642,228          |
| General and administration expenses                              | 26   | 31   | 138,180,258,062          | 124,760,140,619          |
| <b>Net operating profit</b><br>{30 = 20 + (21 - 22) - (25 + 26)} | 30   |      | <b>530,571,046,935</b>   | <b>527,640,926,758</b>   |
| Other income   | 31   |      | 3,632,522,782            | 12,962,095,342           |
| Other expenses   | 32   |      | 1,917,950,530            | 19,186,304,171           |
| <b>Results of other activities</b><br>(40 = 31 - 32)             | 40   |      | <b>1,714,572,252</b>     | <b>(6,224,208,829)</b>   |
| <b>Accounting profit before tax</b><br>(50 = 30 + 40)            | 50   |      | <b>532,285,619,187</b>   | <b>521,416,717,929</b>   |
| Income tax expense – current                                     | 51   | 33   | 76,464,518,139           | 76,007,720,872           |
| <b>Net profit after tax (60 = 50 - 51)</b>                       | 60   |      | <b>455,821,101,048</b>   | <b>445,408,997,057</b>   |

23 March 2023

Prepared by:

  
Luu Thi Mai  
Chief Accountant

Approved by:

  
Tran Ngoc Bao  
Deputy General Director – Finance

  
Chu Van Phuong  
General Director



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

**Tien Phong Plastic Joint Stock Company**  
**Separate statement of cash flows for the year ended 31 December 2022**  
**(Indirect method)**

**Form B 03 – DN**  
*(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

|  | Code      | 2022<br>VND              | 2021<br>VND              |
|--|-----------|--------------------------|--------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |           |                          |                          |
| <b>Profit before tax</b>   | <b>01</b> | <b>532,285,619,187</b>   | <b>521,416,717,929</b>   |
| <b>Adjustments for</b>   |           |                          |                          |
| Depreciation and amortisation  | 02        | 149,072,966,500          | 143,460,768,660          |
| Allowances and provisions  | 03        | (1,340,971,740)          | (27,666,431)             |
| Exchange losses arising from revaluation of monetary items denominated in foreign currencies | 04        | 6,125,133,983            | 929,513,027              |
| Profits from investing activities  | 05        | (209,302,284,619)        | (184,995,537,554)        |
| Interest expense   | 06        | 76,016,547,399           | 37,809,926,367           |
| <b>Operating profit before changes in working capital</b>                                    | <b>08</b> | <b>552,857,010,710</b>   | <b>518,593,721,998</b>   |
| Change in receivables  | 09        | (219,555,616,764)        | 21,522,436,388           |
| Change in inventories  | 10        | (419,935,389,126)        | (381,361,456,927)        |
| Change in payables and other liabilities   | 11        | (116,135,753,406)        | 239,173,107,501          |
| Change in prepaid expenses   | 12        | (18,239,582,928)         | 3,862,782,788            |
|  |           | <b>(221,009,331,514)</b> | <b>401,790,591,748</b>   |
| Interest paid  | 14        | (72,739,805,326)         | (37,273,392,196)         |
| Income tax paid  | 15        | (87,654,476,481)         | (61,820,483,072)         |
| Other payments for operating activities  | 17        | (40,096,884,250)         | (53,960,077,703)         |
| <b>Net cash flows from operating activities</b>  | <b>20</b> | <b>(421,500,497,571)</b> | <b>248,736,638,777</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |           |                          |                          |
| Payments for additions to fixed assets   | 21        | (105,972,573,831)        | (90,556,981,441)         |
| Proceeds from disposals of fixed assets  | 22        | 753,532,524              | 5,813,018,637            |
| Payments for granting loans and placement of deposits with terms of more than 3 months       | 23        | (838,272,602,739)        | (1,303,000,000,000)      |
| Receipts from collecting loans and withdrawal of deposits with terms of more than 3 months   | 24        | 1,255,414,794,520        | 603,000,000,000          |
| Receipts of interests, dividends and distributed profits                                     | 27        | 214,884,590,683          | 171,561,394,441          |
| <b>Net cash flows from investing activities</b>  | <b>30</b> | <b>526,807,741,157</b>   | <b>(613,182,568,363)</b> |

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

**Tien Phong Plastic Joint Stock Company**  
**Separate statement of cash flows for the year ended 31 December 2022**  
**(Indirect method - continued)**

**Form B 03 – DN**  
*(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

|  | Code      | 2022<br>VND             | 2021<br>VND             |
|--|-----------|-------------------------|-------------------------|
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |           |                         |                         |
| Proceeds from borrowings   | 33        | 4,403,659,862,197       | 3,236,002,041,577       |
| Payments to settle loan principals   | 34        | (4,165,510,272,066)     | (2,638,173,307,749)     |
| Payments of dividends  | 36        | (312,159,184,000)       | (294,490,457,500)       |
| <b>Net cash flows from financing activities</b>                                      | <b>40</b> | <b>(74,009,593,869)</b> | <b>303,338,276,328</b>  |
| <b>Net cash flows during the year</b><br>(50 = 20 + 30 + 40)                         | <b>50</b> | <b>31,297,649,717</b>   | <b>(61,107,653,258)</b> |
| <b>Cash and cash equivalents at the beginning of the year</b>                        | <b>60</b> | <b>132,976,715,364</b>  | <b>194,084,404,609</b>  |
| <b>Effect of exchange rate fluctuations on cash and cash equivalents</b>             | <b>61</b> | <b>(133,354,949)</b>    | <b>(35,987)</b>         |
| <b>Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61) (Note 4)</b> | <b>70</b> | <b>164,141,010,132</b>  | <b>132,976,715,364</b>  |

23 March 2023

Prepared by:



Lưu Thị Mai  
Chief Accountant

Approved by:



Trần Ngọc Bảo  
Deputy General Director – Finance




Chu Văn Phương  
General Director



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



**Tien Phong Plastic Joint Stock Company**  
**Notes to the separate financial statements for the year ended 31 December 2022**

**Form B 09 – DN**

*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

These notes form an integral part of and should be read in conjunction with the accompanying separate financial statements.

## **1. Reporting entity**

### **(a) Ownership structure**

Tien Phong Plastic Joint Stock Company (“the Company”) was formerly a State-owned enterprise which was equitised pursuant to Decree No. 64/2002/ND-CP dated 19 June 2002 issued by the Government on promulgating the restructuring of State-owned enterprises to joint stock companies. The equitisation of the Company was implemented in accordance with Decision No. 80/2004/QĐ-BCN dated 17 August 2004 issued by the Minister of Industry and Trade.

After equitisation, the Company is a joint stock company incorporated under the Law on Enterprise of Vietnam in pursuant to the Enterprise Registration Certificate No. 0200167782 issued by the Hai Phong Department of Planning and Investment on 30 December 2004. The Company’s Enterprise Registration Certificate has been amended several times, the most recent of which is dated 17 August 2022.

### **(b) Principal activities**

The licensed activities of the Company are as follows:

- Manufacturing and trading plastic products for civil consumption, usage in construction, industry, agriculture, fisheries and transportation;
- Construction of apartment buildings, infrastructures, high quality housing, offices for lease, trade centres and market buildings;
- Construction of other civil engineering works;
- Providing warehouse and storage services, road transportation and other supporting services for transportation; and
- Trading of real estate and land use rights.

During the year, the principal activities of the Company are to manufacture and trade plastic products for civil consumption and usage in construction, industrials, agriculture, fisheries and transportation.

### **(c) Normal operating cycle**

The normal operating cycle of the Company is generally within 12 months.

### **(d) Company structure**

As at 31 December 2022 and 1 January 2022, the Company had 2 subsidiaries, 3 associates as listed in Note 5.

As at 31 December 2022, the Company had 1,262 employees (1/1/2022: 1,257 employees).



## **2. Basis of preparation**

### **(a) Statement of compliance**

The separate financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises and the relevant statutory requirements applicable to financial reporting. The Company prepares and issues its consolidated financial statements separately. For a comprehensive understanding of the Company's consolidated financial position, its consolidated results of operations and its consolidated cash flows, these separate financial statements should be read in conjunction with the Company's consolidated financial statements.

### **(b) Basis of measurement**

The separate financial statements, except for the separate statement of cash flows, are prepared on the accrual basis using the historical cost concept. The separate statement of cash flows is prepared using the indirect method.

### **(c) Annual accounting period**

The annual accounting period of the Company is from 1 January to 31 December.

### **(d) Accounting and presentation currency**

The Company's accounting currency is Vietnam Dong ("VND"), which is also the currency used for financial statement presentation purpose.

## **3. Summary of significant accounting policies**

The following significant accounting policies have been adopted by the Company in the preparation of these separate financial statements.

### **(a) Foreign currency transactions**

Transactions in currencies other than VND during the year have been translated into VND at rates approximating actual rates of exchange ruling at the transaction dates.

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the account transfer buying rates and account transfer selling rates, respectively, at the end of the annual accounting period quoted by the commercial bank where the Company most frequently conducts transactions.

All foreign exchange differences are recorded in the separate statement of income.

### **(b) Cash and cash equivalent**

Cash comprises cash balances and call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.



**Tien Phong Plastic Joint Stock Company**  
**Notes to the separate financial statements for the year ended 31 December 2022**  
**(continued)**

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**(c) Investments**

**(i) *Held-to-maturity investments***

Held-to-maturity investments are those that the Company's Board of General Directors has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at bank and bonds. These investments are stated at costs less allowance for doubtful debts.

**(ii) *Investments in subsidiaries and associates***

For the purpose of these separate financial statements, investments in subsidiaries and associates are initially recognised at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investments are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment values if the investee has suffered a loss which may cause the Company to lose its invested capital, unless there is evidence that the value of the investment has not been diminished. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

**(iii) *Equity investments in other entities***

Equity investments in other entities are initially recognised at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investments are stated at cost less allowance for diminution in value.

An allowance is made for diminution in investment values if fair value of this investment is less than its carrying amount. For the investments of which the fair value cannot be determined at the reporting date, allowance is made for diminution in investment values if the investee has suffered a loss which may cause the Company to lose its invested capital, unless there is evidence that the value of the investment has not been diminished. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

**(d) Accounts receivable**

Trade and other receivables are stated at cost less allowance for doubtful debts.

**(e) Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. Cost in the case of finished goods and work in progress includes raw materials, direct labour and attributable manufacturing overheads. Net realisable value is the estimated selling price of inventory items, less the estimated costs of completion and estimated costs to sell.

The Company applies the perpetual method of accounting for inventories.





**Tien Phong Plastic Joint Stock Company**  
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**(f) Tangible fixed assets**

**(i) Cost**

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repair, maintenance and overhaul cost, is charged to the separate statement of income in the year in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

**(ii) Depreciation**

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

|                            |              |
|----------------------------|--------------|
| ▪ buildings and structures | 5 – 25 years |
| ▪ plant and equipment      | 3 – 20 years |
| ▪ motor vehicles           | 3 – 12 years |
| ▪ office equipment         | 3 – 8 years  |

**(g) Intangible fixed assets**

**(i) Land use rights**

Land use rights are stated at cost less accumulated amortisation. The initial cost of a land use rights comprises any directly attributable costs incurred in conjunction with securing the land use rights. Amortisation is computed on a straight-line basis over a period ranging from 27 to 45 years.

**(ii) Technology license**

Technology license comprises the expenses incurred up to the date of putting technology license into use. Technology license is amortised on a straight-line basis over 2 years.

**(h) Construction in progress**

Construction in progress represents the costs of tangible and intangible fixed assets which have not been fully completed or installed. No depreciation is provided for construction in progress during the period of construction and installation.



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**(i) Long-term prepaid expenses**

**(i) *Prepaid land costs***

Prepaid land costs comprise prepaid land lease rentals, including those for which the Company obtained land use rights certificate but are not qualified as intangible fixed assets under the prevailing laws and regulations, and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the separate statement of income on a straight-line basis over the term of the lease from 27 to 44 years.

**(ii) *Tools and instruments***

Tools and instruments include assets held for use by the Company in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulations. Cost of tools and instruments are amortised on a straight-line basis over a period ranging from 2 to 3 years.

**(iii) *Other long-term prepaid expenses***

Other long-term prepaid expenses comprise expenses for periodic renovation, repair, billboards rental which are recognised at cost and amortised on a straight-line basis over a period ranging from 2 to 5 years.

**(j) Trade and other payables**

Trade and other payables are stated at their cost.

**(k) Provision**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

**(l) Share capital**

***Ordinary shares***

Ordinary shares are stated at issue price less any costs directly attributable to the issue of shares, net of tax effects. These costs are recognised as a deduction from share premium.



**Tien Phong Plastic Joint Stock Company**  
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**(m) Taxation**

Income tax on the unconsolidated profit for the year comprises current and deferred tax. Income tax is recognised in the separate statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the annual accounting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the end of the annual accounting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**(n) Revenue and other income**

**(i) Goods sold**

Revenue from the sale of goods is recognised in the separate statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods. Revenue on sales of goods is recognised at the net amount after deducting sales discounts.

**(ii) Interest income**

Interest income is recognised on a time proportion basis with reference to the principal outstanding and the applicable interest rate.

**(iii) Dividend income**

Dividend income is recognised when the right to receive dividend is established.

**(o) Leases**

**(i) Leased assets**

Leases in terms of which the Company, as lessee, assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets held under other leases are classified as operating leases and are not recognised in the Company's separate balance sheet. All of the Company's leases are operating leases.

**Tien Phong Plastic Joint Stock Company**  
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**(ii) Lease payments**

Payments made under operating leases are recognised in the separate statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the separate statement of income as an integral part of the total lease expense, over the term of the lease.

**(p) Borrowing costs**

Borrowing costs are recognised as an expense in the year in which they are incurred.

**(q) Related parties**

Parties are considered to be related to the Company if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Company and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

**(r) Comparative information**

Comparative information in these separate financial statements is presented as corresponding figures. Under this method, comparative information for the prior year is included as an integral part of the current year's financial statements and is intended to be read only in relation to the amounts and other disclosures relating to the current year. Accordingly, the comparative information included in these separate financial statements is not intended to present the Company's unconsolidated financial position, results of operation or cash flows for the prior year.

**4. Cash and cash equivalents**

|                  | <b>31/12/2022</b> | <b>1/1/2022</b> |
|------------------|-------------------|-----------------|
|                  | <b>VND</b>        | <b>VND</b>      |
| Cash on hand     | 723,402,875       | 269,134,613     |
| Cash in banks    | 123,365,004,517   | 132,707,580,751 |
| Cash equivalents | 40,052,602,740    | -               |
|                  | 164,141,010,132   | 132,976,715,364 |



**Tien Phong Plastic Joint Stock Company**  
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|  | 31/12/2022 |                   | 1/1/2022        |                     |
|--|------------|-------------------|-----------------|---------------------|
|  | Quantity   | Fair value<br>VND | Cost<br>VND     | Fair value<br>VND   |
| Held-to-maturity investments – short-term                                  |            |                   |                 |                     |
| ▪ Term deposits (i)  |            | 432,857,808,219   | 432,857,808,219 | 700,000,000,000     |
| Held-to-maturity investments – long-term                                   |            |                   |                 |                     |
| ▪ Bonds of Vietnam Joint Stock Commercial Bank for Industry and Trade (ii) | -          | -                 | -               | 150,000,000,000 (*) |

(i) Held-to-maturity investments – short-term represented the deposits with a term of 6 months at local banks, which earned interest at annual rates ranging from 5.7% to 10% (1/1/2022: from 4.9% to 5.4%). The costs of these deposits approximate their fair values due to the short-term nature of the investments.

(ii) These bonds earned interest at the rate of 7% per annum. In which, 10,000 bonds will be due on 14 November 2027 and 5,000 bonds will be due on 14 December 2027. During the year, the Company sold all of these bonds before maturity.



**Tien Phong Plastic Joint Stock Company**  
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**(b) Equity investments in other entities**

|  |            |                   |                    |                 | 31/12/2022                        | 1/1/2022            |
|--|------------|-------------------|--------------------|-----------------|-----------------------------------|---------------------|
|  | Quantity   | % of equity owned | % of voting rights | Cost            | Allowance for diminution in value | Fair value          |
|  |            |                   |                    | Cost            | Allowance for diminution in value | Fair value          |
| <b>Equity investments in:</b>                                  |            |                   |                    |                 |                                   |                     |
| <b>Subsidiaries</b>  |            |                   |                    |                 |                                   |                     |
| ▪ Tien Phong Central Plastic Company Limited (iii)             |            | 100.00%           | 100.00%            | 120,000,000,000 | -                                 | (*) 120,000,000,000 |
| ▪ Tien Phong Land Company Limited (iv)                         |            | 100.00%           | 100.00%            | 11,100,000,000  | -                                 | (*) 11,100,000,000  |
|  |            |                   |                    | 131,100,000,000 | -                                 | -                   |
| <b>Associates</b>  |            |                   |                    |                 |                                   |                     |
| ▪ Tien Phong South Plastic Joint Stock Company (v)             | 12,218,580 | 27.39%            | 27.39%             | 84,150,000,000  | -                                 | (*) 84,150,000,000  |
| ▪ Tien Phong Packaging Joint Stock Company (vi)                | 499,775    | 49.98%            | 49.98%             | 5,397,000,000   | -                                 | (*) 5,397,000,000   |
| ▪ Tien Phong - SMP Plastic Joint Venture Company Limited (vii) |            | 51.00%            | 51.00%             | 23,798,883,000  | (23,798,883,000)                  | (*) 23,798,883,000  |
|  |            |                   |                    | 113,345,883,000 | (23,798,883,000)                  | (23,798,883,000)    |
| <b>Other entities</b>  |            |                   |                    |                 |                                   |                     |
| ▪ Nam Dinh Water Supply Joint Stock Company (viii)             | 4,632,086  | 13.50%            | 13.50%             | 46,784,068,600  | -                                 | (*) 46,784,068,600  |
| ▪ Thu Dau Mot Water Joint Stock Company                        | 1,800,000  | 1.80%             | 1.80%              | 41,400,000,000  | -                                 | (*) 41,400,000,000  |
| ▪ Tien Phong Technology Equipment Joint Stock Company          | 396,000    | 17.39%            | 17.39%             | 5,148,000,000   | -                                 | (*) 5,148,000,000   |
| ▪ Ha Giang Water Supply and Drainage Joint Stock Company       | 56,406     | 4.80%             | 4.80%              | 1,128,120,000   | -                                 | (*) 1,128,120,000   |
| ▪ Golden Bridge Vietnam Securities Joint Stock Company         | 150,000    | 1.11%             | 1.11%              | 1,500,000,000   | (1,335,000,000)                   | (*) 1,500,000,000   |
|  |            |                   |                    | 95,960,188,600  | (1,335,000,000)                   | (1,335,000,000)     |
|  |            |                   |                    | 340,406,071,600 | (25,133,883,000)                  | (25,133,883,000)    |

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**Tien Phong Plastic Joint Stock Company**  
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- (iii) Tien Phong Central Plastic Company Limited was incorporated on 19 March 2012 and is located in Lot C, Nam Cam Industrial Park, Nghi Xa Commune, Nghi Loc District, Nghe An Province. The principal activities of this subsidiary are to produce and trade civil and industrial plastic products.
- (iv) Tien Phong Land Company Limited (“Tien Phong Land”) was incorporated on 18 May 2015 and is located at No. 2 An Da Road, Lach Tray Ward, Ngo Quyen District, Hai Phong City. Under its Enterprise Registration Certificate, the Company shall contribute VND20,000 million to the charter capital of Tien Phong Land. Up to 31 December 2022, the Company has contributed VND11,100 million in Tien Phong Land’s charter capital.
- (v) Tien Phong South Plastic Joint Stock Company was incorporated on 24 September 2007 and is located at Lot C2, Dong An II Industrial Park, Hoa Phu Ward, Thu Dau Mot City, Binh Duong Province. The principal activities of this associate are to produce and trade civil and industrial plastic products.
- (vi) Tien Phong Packaging Joint Stock Company was incorporated on 1 July 2004 and is located at No. 2 An Da Road, Lach Tray Ward, Ngo Quyen District, Hai Phong City. The principal activities of this associate are to produce PP packages, cement packages, papers of different types, multilayer films and other plastic products.
- (vii) Tien Phong - SMP Plastic Joint Venture Company Limited (“Tien Phong - SMP”) was established under Overseas Investment Certificate No. 222/BKH-DTRNN issued by the Ministry of Planning and Investment on 5 March 2009 and Investment Certificate No. 032/IB.VC issued by Vientiane Department of Domestic and Foreign Investment on 17 April 2008 between SMP Commerce Import - Export Company Limited and Tien Phong Plastic Joint Stock Company.
- Tien Phong – SMP has ceased operation for many years, and this has affected the ability to transfer fund from Tien Phong – SMP to the Company. Therefore, though the Company owns 51% of the charter capital of Tien Phong – SMP, the Board of General Directors assessed that the Company does not have control over Tien Phong – SMP and presents this investment as investments in associates. Under the prudence principle, the Company made allowance for diminution in value of long-term investments for the whole cost of this investment in the separate financial statements in previous years.
- (viii) At 31 December 2022 and 1 January 2022, this investment was pledged with banks as security for loans granted to the Company (Note 19).
- (\*) The Company has not determined fair values of these investments for disclosure in the separate financial statements because information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under the Vietnamese Accounting Standards or the Vietnamese Accounting System for Enterprises. Their fair values of these investments may differ from their carrying amounts.





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**6. Accounts receivable from customers**

**Accounts receivable from customers detailed by significant customers and related parties**

|  | 31/12/2022<br>VND | 1/1/2022<br>VND |
|--|-------------------|-----------------|
| <b>Related parties</b>   |                   |                 |
| Tien Phong South Plastic Joint Stock Company –<br>an associate (i)   | 375,340,672,512   | 507,775,042,229 |
| Minh Hai Import - Export Trading Limited Company<br>– a company whose key management member being<br>a related individual of the Company (i) | 63,407,039,363    | 98,249,573,848  |
| Sekisui Vietnam Company Limited –<br>a company with common key management members (ii)   | 1,964,613,471     | 1,264,458,136   |
| Tien Phong Packaging Joint Stock Company –<br>an associate (i)   | 15,228,000        | 12,562,000      |
| <b>Other parties</b>   |                   |                 |
| Hong Phuoc Investment and Trading<br>Joint Stock Company   | 235,916,348,895   | 97,208,674,112  |
| Thai Hoa Trading Company Limited   | 73,246,697,591    | 68,276,461,099  |
| Tin Kim Plastic Joint Stock Company  | 65,474,372,304    | -               |
| IPLEX PIPELINENZ L.T.D   | 18,888,932,956    | 4,068,926,248   |
| Plastic Additives Joint Stock Company  | 16,935,150,960    | -               |
| Nam Phuong Trading Development and<br>Investment Company Limited   | 11,642,880,145    | -               |
| Other customers  | 3,219,690,742     | 3,919,061,338   |
|  | 866,051,626,939   | 780,774,759,010 |

- (i) These receivables were unsecured, interest free and are receivable upon demand.
- (ii) The trade related amounts due from Sekisui Vietnam Company Limited were unsecured, interest free and are due in 30 to 90 days from invoice date.

At 31 December 2022, receivables with a carrying value of VND805,253 million (1/1/2022: VND701,869 million) were pledged with banks as security for loans granted to the Company (Note 19).



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**7. Prepayments to suppliers**

|   | 31/12/2022<br>VND | 1/1/2022<br>VND |
|---|-------------------|-----------------|
| <b>Related parties</b>  |                   |                 |
| Tien Phong Technology Equipment Joint Stock Company<br>– a company with common key management members<br>with the Company | 2,432,858,181     | 5,940,080,065   |
| <b>Other parties</b>  |                   |                 |
| Minh Hoa Investment Joint Stock Company   | 17,325,655,600    | -               |
| Eplas Company Limited   | 10,282,845,424    | -               |
| CT - Wearnes Vietnam Company Limited  | 12,000,000,000    | -               |
| Lotus Chemical Technology Company Limited   | 4,333,829,379     | 9,375,659,443   |
| Anh Quan Electric Water and Trading Service<br>Company Limited  | -                 | 4,181,100,000   |
| Van Vina Joint Stock Company  | 1,832,624,420     | 3,256,193,160   |
| PNT Technology and Equipment Company Limited  | 3,841,482,876     | 2,964,483,848   |
| Minh Khang Advertising Media Company Limited  | 3,195,238,962     | 2,356,640,000   |
| Other suppliers   | 18,005,415,650    | 10,096,344,698  |
|   | 73,249,950,492    | 38,170,501,214  |

**8. Other receivables**

|   | 31/12/2022<br>VND | 1/1/2022<br>VND |
|---|-------------------|-----------------|
| <b>Related party</b>  |                   |                 |
| Receivable from Tien Phong Central Plastic Company<br>Limited – a subsidiary, related to materials loaned | 48,177,538,800    | -               |
| <b>Other parties</b>  |                   |                 |
| Interest receivables  | 6,698,108,881     | 10,833,561,647  |
| Advances  | 4,319,845,817     | 5,300,636,207   |
| Security deposits   | 1,489,000,000     | 2,378,000,000   |
| Other receivables   | 592,260,780       | 268,357,665     |
|   | 61,276,754,278    | 18,780,555,519  |

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|   | 31/12/2022                   |                       |                         | 1/1/2022               |                               |                        |                         |                        |
|---|------------------------------|-----------------------|-------------------------|------------------------|-------------------------------|------------------------|-------------------------|------------------------|
|   | Overdue period               | Cost VND              | Allowance VND           | Recoverable amount VND | Overdue period                | Cost VND               | Allowance VND           | Recoverable amount VND |
| <i>Overdue debts</i>  |                              |                       |                         |                        |                               |                        |                         |                        |
| Dai Phat Construction and Trading Services Company Limited  | Over 3 years                 | 583,902,600           | (583,902,600)           | -                      | Over 3 years                  | 583,902,600            | (583,902,600)           | -                      |
| Vi Nam Company Limited  | Over 3 years                 | 501,480,953           | (501,480,953)           | -                      | Over 3 years                  | 501,480,953            | (501,480,953)           | -                      |
| Sekisui Vietnam Company Limited – a company with common key management members  | Over 2 years to over 3 years | 1,060,039,175         | (1,060,039,175)         | -                      | Over 1 years to over 3 years  | 1,264,458,136          | (1,060,039,175)         | 204,418,961            |
| Minh Hai Import - Export Trading Limited Company – a company with key management member being a related individual of the Company | Over 3 years                 | 63,407,039,363        | (59,738,819,632)        | 3,668,219,731          | Over 2 years to below 3 years | 98,249,573,848         | (77,845,262,227)        | 20,404,311,621         |
| Others  | Over 3 years                 | 203,536,476           | (203,536,476)           | -                      | Over 3 years                  | 203,536,476            | (203,536,476)           | -                      |
|   |                              | <u>65,755,998,567</u> | <u>(62,087,778,836)</u> | <u>3,668,219,731</u>   |                               | <u>100,802,952,013</u> | <u>(80,194,221,431)</u> | <u>20,608,730,582</u>  |
| <i>Of which:</i>  |                              |                       |                         |                        |                               |                        |                         |                        |
| Allowance for doubtful debts – short-term   |                              |                       | <u>(62,087,778,836)</u> |                        |                               |                        | <u>(80,194,221,431)</u> |                        |

**Tien Phong Plastic Joint Stock Company**  
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**10. Inventories**

|                    | 31/12/2022        |                  | 1/1/2022        |                  |
|--------------------|-------------------|------------------|-----------------|------------------|
|                    | Cost<br>VND       | Allowance<br>VND | Cost<br>VND     | Allowance<br>VND |
| Goods in transit   | 76,011,196,033    | -                | 70,112,842,476  | -                |
| Raw materials      | 928,752,980,255   | (3,712,136,041)  | 560,882,839,863 | (3,446,359,120)  |
| Tools and supplies | 10,096,957,539    | -                | 9,038,098,070   | -                |
| Work in progress   | 58,304,521,409    | -                | 59,868,617,771  | -                |
| Finished goods     | 296,388,465,481   | -                | 249,716,333,411 | -                |
|                    | <hr/>             |                  | <hr/>           |                  |
|                    | 1,369,554,120,717 | (3,712,136,041)  | 949,618,731,591 | (3,446,359,120)  |
|                    | <hr/>             |                  | <hr/>           |                  |



**Tien Phong Plastic Joint Stock Company**  
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|  | <b>Buildings and structures VND</b> | <b>Plant and equipment VND</b> | <b>Motor vehicles VND</b> | <b>Office equipment VND</b> | <b>Total VND</b>  |
|--|-------------------------------------|--------------------------------|---------------------------|-----------------------------|-------------------|
| <b>Cost</b>                            |                                     |                                |                           |                             |                   |
| Opening balance                        | 1,493,140,993,920                   | 1,049,879,213,794              | 153,667,879,630           | 17,395,107,192              | 2,714,083,194,536 |
| Additions                              | -                                   | 40,332,697,502                 | 3,695,687,727             | 280,600,000                 | 44,308,985,229    |
| Transfer from construction in progress | 43,910,328,350                      | 10,883,655,526                 | 1,732,967,166             | -                           | 56,526,951,042    |
| Reclassifications                      | (2,553,010,825)                     | -                              | 2,553,010,825             | -                           | -                 |
| Disposals                              | -                                   | (4,153,115,323)                | -                         | (95,206,000)                | (4,248,321,323)   |
| Closing balance                        | 1,534,498,311,445                   | 1,096,942,451,499              | 161,649,545,348           | 17,580,501,192              | 2,810,670,809,484 |
| <b>Accumulated depreciation</b>        |                                     |                                |                           |                             |                   |
| Opening balance                        | 525,008,031,495                     | 700,193,868,803                | 102,206,188,032           | 16,696,007,191              | 1,344,104,095,521 |
| Charge for the year                    | 74,619,959,582                      | 58,806,208,917                 | 11,701,766,693            | 281,469,036                 | 145,409,404,228   |
| Reclassifications                      | (74,124,326)                        | -                              | 74,124,326                | -                           | -                 |
| Disposals                              | -                                   | (3,714,448,635)                | -                         | (95,206,000)                | (3,809,654,635)   |
| Closing balance                        | 599,553,866,751                     | 755,285,629,085                | 113,982,079,051           | 16,882,270,227              | 1,485,703,845,114 |
| <b>Net book value</b>                  |                                     |                                |                           |                             |                   |
| Opening balance                        | 968,132,962,425                     | 349,685,344,991                | 51,461,691,598            | 699,100,001                 | 1,369,979,099,015 |
| Closing balance                        | 934,944,444,694                     | 341,656,822,414                | 47,667,466,297            | 698,230,965                 | 1,324,966,964,370 |

Included in tangible fixed assets were assets costing VND601,003 million which were fully depreciated as of 31 December 2022 (1/1/2022: VND563,185 million), but which are still in active use.

As at 31 December 2022, tangible fixed assets with a net book value of VND363,546 million (1/1/2022: VND748,165 million) were pledged with banks as security for loans granted to the Company (Note 19).



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**12. Construction in progress**

|  | <b>2022</b>      | <b>2021</b>       |
|--|------------------|-------------------|
|  | <b>VND</b>       | <b>VND</b>        |
| Opening balance                        | 32,881,860,391   | 85,526,863,328    |
| Additions                              | 36,110,276,353   | 80,804,745,419    |
| Transfer to tangible fixed assets      | (56,526,951,042) | (133,380,209,879) |
| Transfer to long-term prepaid expenses | (8,529,493,175)  | -                 |
| Others                                 | (1,761,719,134)  | (69,538,477)      |
|  | 2,173,973,393    | 32,881,860,391    |
|  | 2,173,973,393    | 32,881,860,391    |

Major constructions in progress were as follows:

|                           | <b>31/12/2022</b> | <b>1/1/2022</b> |
|---------------------------|-------------------|-----------------|
|                           | <b>VND</b>        | <b>VND</b>      |
| New factory in Duong Kinh | 2,173,973,393     | 23,850,632,324  |
| Project No. 2 An Da       | -                 | 9,031,228,067   |
|                           | 2,173,973,393     | 32,881,860,391  |
|                           | 2,173,973,393     | 32,881,860,391  |

**13. Long-term prepaid expenses**

|  | <b>Prepaid land costs</b> | <b>Tools and instruments</b> | <b>Others</b>   | <b>Total</b>     |
|--|---------------------------|------------------------------|-----------------|------------------|
|  | <b>VND</b>                | <b>VND</b>                   | <b>VND</b>      | <b>VND</b>       |
| Opening balance                        | 111,239,214,569           | 2,561,327,854                | 8,474,993,984   | 122,275,536,407  |
| Additions                              | -                         | 1,219,126,013                | 20,980,213,670  | 22,199,339,683   |
| Transfer from construction in progress | -                         | -                            | 8,529,493,175   | 8,529,493,175    |
| Amortisation for the year              | (3,663,562,272)           | (2,530,935,640)              | (8,746,892,321) | (14,941,390,233) |
|  | 107,575,652,297           | 1,249,518,227                | 29,237,808,508  | 138,062,979,032  |
|  | 107,575,652,297           | 1,249,518,227                | 29,237,808,508  | 138,062,979,032  |

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**14. Accounts payable to suppliers**

**Accounts payable to suppliers detailed by significant suppliers and related parties**

|   | <b>Cost and amount within<br/>payment capacity</b> |                 |
|---|--|-----------------|
|   | <b>31/12/2022</b>                                  | <b>1/1/2022</b> |
|   | <b>VND</b>   | <b>VND</b>      |
| <b>Related parties</b>  |  |                 |
| Sekisui Vietnam Company Limited – a company with common key management members    | 46,962,939,960                                     | 90,829,495,680  |
| Tien Phong South Plastic Joint Stock Company – an associate                       | 50,223,323,676                                     | 43,722,349,648  |
| Tien Phong Packaging Joint Stock Company – an associate                           | 4,927,811,613                                      | 1,997,604,554   |
| Tien Phong Technology Equipment JSC– a company with common key management members | 338,576,590  | 205,906,250     |
| <b>Other parties</b>  |  |                 |
| Tin Kim Plastic Joint Stock Company   | 68,523,416,669                                     | 3,192,395,448   |
| Hyosung Chemical Corporation  | 25,016,785,200                                     | 12,870,054,000  |
| Borouge Pte Ltd.  | 11,878,812,000                                     | 8,274,494,250   |
| PT Asahimas Chemical  | 8,382,528,000                                      | -               |
| Huyen Trang Investment Company Limited  | -  | 8,021,597,200   |
| Marubeni Corporation  | -  | 24,600,591,540  |
| SCG Chemicals Co., Ltd.   | -  | 17,729,250,000  |
| Other suppliers   | 19,146,520,548                                     | 21,454,721,465  |
|   | 235,400,714,256                                    | 232,898,460,035 |

The amounts due to the related parties were unsecured, interest free and are payable within 30 - 180 days from invoice date.

As at 31 December 2022, the Company had no overdue debts (1/1/2022: Nil).

**15. Advances from customers**

|                                    | <b>31/12/2022</b> | <b>1/1/2022</b> |
|------------------------------------|-------------------|-----------------|
|                                    | <b>VND</b>        | <b>VND</b>      |
| Nam Phuong Trading Company Limited | 1,707,234,129     | 16,555,985,810  |
| Tam Phuoc Company Limited          | 27,526,297,429    | 58,203,602,728  |
| Ha Dung Trading Company Limited    | 1,187,908,308     | 938,132,491     |
| Other customers                    | -                 | 2,744,080       |
|                                    | 30,421,439,866    | 75,700,465,109  |



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**16. Taxes and others payable to State Treasury**

|                                   | 1/1/2022<br>VND | Incurred<br>VND | Paid/net-off<br>VND | 31/12/2022<br>VND |
|-----------------------------------|-----------------|-----------------|---------------------|-------------------|
| Value added tax                   | 29,971,130,003  | 429,784,495,774 | (459,755,625,777)   | -                 |
| Value added tax of imported goods | -               | 185,034,644,462 | (185,034,644,462)   | -                 |
| Corporate income tax              | 19,762,785,058  | 76,464,518,139  | (87,654,476,481)    | 8,572,826,716     |
| Personal income tax               | 11,061,867,416  | 25,675,338,247  | (18,162,916,304)    | 18,574,289,359    |
| Land rental                       | -               | 6,017,472,100   | (6,017,472,100)     | -                 |
| Import tax                        | 355,436,176     | 17,832,034,374  | (17,832,034,374)    | 355,436,176       |
| Other taxes                       | -               | 5,000,000       | (5,000,000)         | -                 |
|                                   | 61,151,218,653  | 740,813,503,096 | (774,462,169,498)   | 27,502,552,251    |

**17. Accrued expenses**

|   | 31/12/2022<br>VND | 1/1/2022<br>VND |
|---|-------------------|-----------------|
| Interests payable                               | 4,899,889,821     | 1,623,147,748   |
| Discounts payable to distributors and retailers | 22,647,974,110    | 68,135,046,662  |
| Transportation expenses                         | 7,114,559,430     | 7,611,859,008   |
| Land rental                                     | 12,612,990,373    | 9,443,036,249   |
| Advertising and marketing expenses              | 9,417,320,861     | 2,678,000,000   |
| Others  | 4,062,443,582     | 9,310,883,098   |
|   | 60,755,178,177    | 98,801,972,765  |



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**18. Other short-term payables**

|   | <b>31/12/2022</b>     | <b>1/1/2022</b>        |
|---|-----------------------|------------------------|
|   | <b>VND</b>            | <b>VND</b>             |
| <b>Related parties</b>  |                       |                        |
| Payments made on behalf from Tien Phong Central Plastic Company Limited – a subsidiary                        | 21,831,187,490        | 100,756,235,584        |
| <b>Other parties</b>  |                       |                        |
| Payables to General Import - Export Trade and Production Joint Stock Company related to raw materials on loan | 31,402,000,000        | -                      |
| Short-term deposits received  | 5,954,600,177         | 6,298,984,177          |
| Trade union fees  | 369,767,440           | 1,293,995,672          |
| Others  | 1,367,163,297         | 981,770,486            |
|   | <b>60,924,718,404</b> | <b>109,330,985,919</b> |

The non-trade amounts due to the related party were unsecured, bore interest at 6% per annum (1/1/2022: 3.7% per annum) and are payable upon demand.

  
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Tien Phong Plastic Joint Stock Company  
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| 19. Borrowings  | Movements in the year   |                   |                     |   | 31/12/2022<br>Carrying amount and<br>payment capacity<br>VND |
|---|---|-------------------|---------------------|---|--|
|   | 1/1/2022<br>Carrying amount<br>and amount within<br>payment capacity<br>VND | Addition<br>VND   | Decrease<br>VND     | Foreign<br>exchange<br>differences<br>VND |  |
| (a) Short-term borrowings                               |   |                   |                     |   |  |
| Short-term borrowings                                   | 1,370,886,898,706   | 4,403,659,862,197 | (4,141,437,378,864) | 5,385,387,150                             | 1,638,494,769,189  |
| Current portion of long-term borrowings<br>(Note 19(b)) | 18,736,603,628  | 14,052,452,743    | (21,404,748,422)    | -   | 11,384,307,949   |
|   | 1,389,623,502,334   | 4,417,712,314,940 | (4,162,842,127,286) | 5,385,387,150                             | 1,649,879,077,138  |

Short-term borrowings include:

- bank loans in Vietnamese Dong, which bore interest at annual rates ranging from 7.0% to 9.5% (2021: from 2.9% to 4.1%); and
- bank loans in United States Dollar, which bore interest at the annual rate of 4.9% (2021: from 2.0% to 2.3%).

At the reporting date, the short-term borrowings with a carrying amount of VND948,205 million (1/1/2022: VND959,856 million) were secured over assets as described in Note 19(b). The remaining short-term loans were unsecured.





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**(b) Long-term borrowings**

|   | <b>31/12/2022</b> | <b>1/1/2022</b>  |
|---|-------------------|------------------|
|   | <b>VND</b>        | <b>VND</b>       |
| Long-term borrowings                        | 11,384,307,949    | 35,457,201,151   |
| Repayable within twelve months (Note 19(a)) | (11,384,307,949)  | (18,736,603,628) |
|   |                   |                  |
| Repayable after twelve months               | -                 | 16,720,597,523   |
|   |                   |                  |

Long-term borrowings include bank loans in Vietnamese Dong which bore interest at annual rates ranging from 5.9% to 8.6% (2021: from 4.0% to 5.45%) and with maturities in the years from 2022 to 2023.

Outstanding short-term and long-term borrowings were secured over the following assets:

- investment in Nam Dinh Water Supply Joint Stock Company with a carrying amount of VND46,784 million as at 31 December 2022 and 1 January 2022 (Note 5);
- receivables with carrying amount of VND805,253 million (1/1/2022: VND701,869 million) (Note 6); and
- tangible fixed assets of the Company with a net book value of VND363,546 million as at 31 December 2022 (1/1/2022: VND748,165 million) (Note 11).

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**20. Bonus and welfare fund**

This fund is established by appropriating from retained profits as approved by shareholders at shareholders' meeting. This fund is used to pay bonus and welfare to the Company's employees in accordance with its bonus and welfare policies. Movements of bonus and welfare fund during the year were as follows:

|   | <b>2022</b>      | <b>2021</b>      |
|---|------------------|------------------|
|   | <b>VND</b>       | <b>VND</b>       |
| Opening balance                           | 1,314,654,826    | 694,709,063      |
| Appropriation                             | 14,540,899,706   | 23,580,023,466   |
| Advances from retained profit of 2022 (*) | 30,000,000,000   | 30,000,000,000   |
| Utilisation                               | (40,096,884,250) | (52,960,077,703) |
|   | <hr/>            | <hr/>            |
| Closing balance                           | 5,758,670,282    | 1,314,654,826    |
|   | <hr/>            | <hr/>            |

(\*) The Board of Management of the Company on 30 September 2022 resolved to appropriate an advance to the bonus and welfare fund amounting to VND30,000 million to be used for the Company's Trade union activities.

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**21. Changes in owners' equity**

|  | Share capital<br>VND | Investment and development fund<br>VND | Retained profits<br>VND | Total<br>VND      |
|--|----------------------|--|-------------------------|-------------------|
| <b>Balance at 1/1/2021</b>   | 1,177,961,830,000    | 941,847,178,493                        | 282,305,259,385         | 2,402,114,267,878 |
| Net profit for the year  | -                    | -                                      | 445,408,997,057         | 445,408,997,057   |
| Appropriation to investment and development fund                               | -                    | -                                      | (92,729,753,699)        | -                 |
| Dividends from retained profit of 2020 (Note 23)                               | -                    | 92,729,753,699                         | (117,796,183,000)       | (117,796,183,000) |
| Advance of dividends from retained profit of 2021 (Note 23)                    | -                    | -                                      | (176,694,274,500)       | (176,694,274,500) |
| Appropriation to bonus and welfare fund from retained profit of 2020 (Note 20) | -                    | -                                      | (23,580,023,466)        | (23,580,023,466)  |
| Advance to bonus and welfare fund from retained profit of 2021 (Note 20)       | -                    | -                                      | (30,000,000,000)        | (30,000,000,000)  |
| Compensation to Board of Management  | -                    | -                                      | (1,000,000,000)         | (1,000,000,000)   |
| <b>Balance at 1/1/2022</b>   | 1,177,961,830,000    | 1,034,576,932,192                      | 285,914,021,777         | 2,498,452,783,969 |
| Increase in capital from investment and development fund (*)                   | 117,791,510,000      | (117,791,510,000)                      | -                       | -                 |
| Net profit for the year  | -                    | -                                      | 455,821,101,048         | 455,821,101,048   |
| Appropriation to investment and development fund                               | -                    | -                                      | (106,377,639,851)       | -                 |
| Dividends from retained profit of 2021 (Note 23)                               | -                    | 106,377,639,851                        | (117,796,183,000)       | (117,796,183,000) |
| Advance of dividends from retained profit of 2022 (Note 23)                    | -                    | -                                      | (194,363,001,000)       | (194,363,001,000) |
| Appropriation to bonus and welfare fund from retained profit of 2021 (Note 20) | -                    | -                                      | (14,540,899,706)        | (14,540,899,706)  |
| Advance to bonus and welfare fund from retained profit of 2022 (Note 20)       | -                    | -                                      | (30,000,000,000)        | (30,000,000,000)  |
| <b>Balance at 31/12/2022</b>   | 1,295,753,340,000    | 1,023,163,062,043                      | 278,657,399,268         | 2,597,573,801,311 |



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- (\*) On 22 July 2022, the Company’s Board of Management issued Decision No. 41/QD-HDQT on approving the results of issuance of 11,779,151 shares, equivalent to VND117,792 million (par value of VND10,000 per share) to the existing shareholders to increase share capital from investment and development fund in accordance with the General Meeting of Shareholders’ Resolution No. 14/NQ-DHDCDTN-2022 dated 19 April 2022. On 26 July 2022, the State Securities Commission issued Official Letter No. 4831/UBCK-QLCB confirming the Company’s report on the results of issuance of shares to increase share capital from owners’ equity.

## 22. Share capital

The Company’s authorised and issued share capital are:

|                                 | 31/12/2022       |                   | 1/1/2022         |                   |
|---------------------------------|------------------|-------------------|------------------|-------------------|
|                                 | Number of shares | VND               | Number of shares | VND               |
| <b>Authorised share capital</b> | 129,575,334      | 1,295,753,340,000 | 117,796,183      | 1,177,961,830,000 |
| <b>Issued share capital</b>     |                  |                   |                  |                   |
| Ordinary shares                 | 129,575,334      | 1,295,753,340,000 | 117,796,183      | 1,177,961,830,000 |
| <b>Shares in circulation</b>    |                  |                   |                  |                   |
| Ordinary shares                 | 129,575,334      | 1,295,753,340,000 | 117,796,183      | 1,177,961,830,000 |

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive dividend as declared from time to time. All ordinary shares are ranked equally with regard to the Company’s residual assets.

Movements in share capital during the year were as follows:

|   | 2022             |                   | 2021             |                   |
|---|------------------|-------------------|------------------|-------------------|
|   | Number of shares | VND               | Number of shares | VND               |
| Balance at the beginning of the year                    | 117,796,183      | 1,177,961,830,000 | 117,796,183      | 1,177,961,830,000 |
| Issuance of shares from investment and development fund | 11,779,151       | 117,791,510,000   | -                | -                 |
| Balance at the end of the year                          | 129,575,334      | 1,295,753,340,000 | 117,796,183      | 1,177,961,830,000 |

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**23. Dividends**

The General Meeting of Shareholders of the Company on 19 April 2021 resolved to distribute dividends in cash for 2021 amounting to VND117,796 million (VND1,000 per share, equivalent to 10% of charter capital) (2021: VND117,796 million (VND1,000 per share, equivalent to 10% of charter capital)).

On 3 November 2022, the Company's Board of Management passed a resolution on first advance of dividends in cash for 2022 amounting to VND194,363 million (VND1,500 per share, equivalent to 15% of charter capital) (2021: VND176,694 million (VND1,500 per share, equivalent to 15% of charter capital)).

**24. Investment and development fund**

Investment and development fund was appropriated from retained profits in accordance with the resolution of General Meeting of Shareholders. This fund was established for the purpose of future business expansion.

**25. Off balance sheet items**

**(a) Land lease commitments**

The future minimum lease payments under non-cancellable land leases were:

|                          | 31/12/2022<br>VND | 1/1/2022<br>VND |
|--------------------------|-------------------|-----------------|
| Within one year          | 10,861,998,125    | 10,861,998,125  |
| Within two to five years | 43,447,992,500    | 43,447,992,500  |
| More than five years     | 228,021,822,563   | 238,883,820,688 |
|                          | 282,331,813,188   | 293,193,811,313 |

**(b) Foreign currency**

|     | 31/12/2022           |                   | 1/1/2022             |                   |
|-----|----------------------|-------------------|----------------------|-------------------|
|     | Original<br>currency | VND<br>equivalent | Original<br>currency | VND<br>equivalent |
| USD | 42,694               | 997,322,029       | 96,398               | 2,177,137,763     |



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**(c) Bad debts written off**

|  | <b>Reason for<br/>writing off</b> | <b>Written<br/>off in year</b> | <b>31/12/2022<br/>VND</b> | <b>1/1/2022<br/>VND</b> |
|--|-----------------------------------|--------------------------------|---------------------------|-------------------------|
| Receivable from Minh Hai<br>Import - Export Trading Co., Ltd<br>– a company whose key<br>management member being a<br>related individual of the<br>Company | Unrecoverable<br>debt             | 2022                           | 16,499,693,934            | -                       |
|  |                                   |                                |                           |                         |

**(d) Capital expenditure commitments**

As at 31 December 2022, the Company had the following outstanding capital commitments approved but not provided for in the separate balance sheet:

|                             | <b>31/12/2022<br/>VND</b> | <b>1/1/2022<br/>VND</b> |
|-----------------------------|---------------------------|-------------------------|
| Approved and not contracted | 56,610,270,109            | 21,607,267,431          |
|                             |                           |                         |





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**26. Revenue from sales of goods**

Total revenue represents the gross value of goods sold exclusive of value added tax.

Net revenue comprised:

|                         | <b>2022</b>       | <b>2021</b>       |
|-------------------------|-------------------|-------------------|
|                         | <b>VND</b>        | <b>VND</b>        |
| Total revenue           |                   |                   |
| ▪ Sales of goods        | 4,920,260,454,918 | 4,260,761,768,234 |
| ▪ Others                | 336,258,035,358   | 217,973,509,147   |
|                         | <hr/>             | <hr/>             |
|                         | 5,256,518,490,276 | 4,478,735,277,381 |
| Less revenue deductions |                   |                   |
| ▪ Sales discounts       | (112,081,824,064) | (157,045,561,595) |
| ▪ Sales returns         | (10,837,203,697)  | (11,637,016,296)  |
| ▪ Sales allowances      | (7,105,583,571)   | (2,677,759,932)   |
|                         | <hr/>             | <hr/>             |
|                         | (130,024,611,332) | (171,360,337,823) |
|                         | <hr/>             | <hr/>             |
| Net revenue             | 5,126,493,878,944 | 4,307,374,939,558 |
|                         | <hr/>             | <hr/>             |

**27. Cost of sales**

|                           | <b>2022</b>       | <b>2021</b>       |
|---------------------------|-------------------|-------------------|
|                           | <b>VND</b>        | <b>VND</b>        |
| Total cost of sales:      |                   |                   |
| ▪ Goods sold              | 3,650,794,971,066 | 3,190,091,540,813 |
| ▪ Others                  | 345,795,653,101   | 210,114,956,117   |
| Allowance for inventories | 265,776,921       | (27,666,431)      |
|                           | <hr/>             | <hr/>             |
|                           | 3,996,856,401,088 | 3,400,178,830,499 |
|                           | <hr/>             | <hr/>             |

**28. Financial income**

|   | <b>2022</b>     | <b>2021</b>     |
|---|-----------------|-----------------|
|   | <b>VND</b>      | <b>VND</b>      |
| Interest income from deposits and bonds | 46,663,977,898  | 36,327,858,792  |
| Foreign exchange gains                  | 9,001,660,976   | 2,283,801,722   |
| Dividends and distributed profits       | 164,085,160,019 | 144,804,631,543 |
|   | <hr/>           | <hr/>           |
|   | 219,750,798,893 | 183,416,292,057 |
|   | <hr/>           | <hr/>           |

**Tien Phong Plastic Joint Stock Company**  
**Notes to the separate financial statements for the year ended 31 December 2022**  
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**29. Financial expenses**

|                          | <b>2022</b><br><b>VND</b> | <b>2021</b><br><b>VND</b> |
|--------------------------|---------------------------|---------------------------|
| Interest expense         | 76,016,547,399            | 37,809,926,367            |
| Payment discounts        | 43,924,246,588            | 28,805,484,055            |
| Foreign exchange losses  | 12,452,289,071            | 1,371,869,517             |
| Other financial expenses | -                         | 3,239,411,572             |
|                          | <hr/>                     | <hr/>                     |
|                          | 132,393,083,058           | 71,226,691,511            |
|                          | <hr/> <hr/>               | <hr/> <hr/>               |

**30. Selling expenses**

|  | <b>2022</b><br><b>VND</b> | <b>2022</b><br><b>VND</b> |
|--|---------------------------|---------------------------|
| Staff costs                                  | 34,278,690,403            | 31,735,385,439            |
| Discounts paid to distributors and retailers | 241,387,490,209           | 166,741,718,646           |
| Depreciation                                 | 18,932,002,231            | 15,978,738,748            |
| Transportation expenses                      | 118,510,119,354           | 77,348,592,718            |
| Advertising and marketing expenses           | 74,355,656,867            | 38,251,833,220            |
| Other selling expenses                       | 60,779,929,630            | 36,928,373,457            |
|  | <hr/>                     | <hr/>                     |
|  | 548,243,888,694           | 366,984,642,228           |
|  | <hr/> <hr/>               | <hr/> <hr/>               |

**31. General and administration expenses**

|   | <b>2022</b><br><b>VND</b> | <b>2021</b><br><b>VND</b> |
|---|---------------------------|---------------------------|
| Staff costs                               | 63,362,590,857            | 59,118,615,109            |
| Depreciation and amortisation             | 30,531,472,396            | 21,521,602,429            |
| Reversal of allowance for doubtful debts  | (1,606,748,661)           | -                         |
| Other general and administration expenses | 45,892,943,470            | 44,119,923,081            |
|   | <hr/>                     | <hr/>                     |
|   | 138,180,258,062           | 124,760,140,619           |
|   | <hr/> <hr/>               | <hr/> <hr/>               |



**Tien Phong Plastic Joint Stock Company**  
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**32. Production and business costs by element**

|   | <b>2022</b><br><b>VND</b> | <b>2021</b><br><b>VND</b> |
|---|---------------------------|---------------------------|
| Raw material costs included in production costs | 3,601,657,287,303         | 3,101,737,554,461         |
| Discounts paid to distributors and retailers    | 241,387,490,209           | 166,741,718,646           |
| Labour costs and staff costs                    | 356,821,044,994           | 337,223,285,170           |
| Depreciation and amortisation                   | 149,072,966,500           | 143,460,768,660           |
| Reversal of allowance for doubtful debts        | (1,606,748,661)           | -                         |
| Outside services                                | 312,013,945,400           | 238,319,030,206           |
| Other expenses                                  | 68,776,820,886            | 48,975,846,441            |

**33. Income tax**

**(a) Recognised in the separate statement of income**

|                            | <b>2022</b><br><b>VND</b> | <b>2021</b><br><b>VND</b> |
|----------------------------|---------------------------|---------------------------|
| <b>Current tax expense</b> |                           |                           |
| Current year               | 76,464,518,139            | 76,007,720,872            |

**(b) Reconciliation of effective tax rate**

|                               | <b>2022</b><br><b>VND</b> | <b>2021</b><br><b>VND</b> |
|-------------------------------|---------------------------|---------------------------|
| Accounting profit before tax  | 532,285,619,187           | 521,416,717,929           |
| Tax at the Company's tax rate | 106,457,123,837           | 104,283,343,586           |
| Non-deductible expenses       | 2,824,426,306             | 685,303,595               |
| Tax exempt income             | (32,817,032,004)          | (28,960,926,309)          |
|                               | 76,464,518,139            | 76,007,720,872            |

**(c) Applicable tax rates**

According to the current Law on Corporate Income Tax, the Company has obligations to pay the Government income tax at 20% of taxable profits.





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**34. Significant transactions with related parties**

In addition to related party balances disclosed in other notes to the separate financial statements, the Company had the following significant transactions with related parties during the year:

|   | Transaction value |                 |
|---|-------------------|-----------------|
|   | 2022<br>VND       | 2021<br>VND     |
| <b>Subsidiary</b>   |                   |                 |
| <i><b>Tien Phong Central Plastic Company Limited</b></i>          |                   |                 |
| Sales of goods  | 138,219,123,109   | 118,765,506,927 |
| Purchase of goods   | 6,736,379,584     | -               |
| Profit distribution   | 155,390,248,591   | 139,000,202,043 |
| Purchase of tangible fixed assets                                 | -                 | 418,295,740     |
| Disposal of tangible fixed assets                                 | -                 | 928,473,182     |
| Purchase of services  | 1,104,863,188     | 853,312,998     |
| Late payment interest expenses                                    | 2,443,317,541     | 3,239,411,572   |
| Materials loaned  | 138,121,666,800   | 98,546,079,000  |
| Collection of materials loaned                                    | 89,944,128,000    | 98,546,079,000  |
| <b>Associates</b>   |                   |                 |
| <i><b>Tien Phong South Plastic Joint Stock Company</b></i>        |                   |                 |
| Sales of goods  | 134,739,453,360   | 224,483,847,013 |
| Purchase of goods and services                                    | 248,685,558,501   | 104,701,830,415 |
| Sales returns   | 840,071,168       | 1,259,471,661   |
| Royalty fee (*)   | 3,400,000,000     | 3,400,000,000   |
| <i><b>Tien Phong Packaging Joint Stock Company</b></i>            |                   |                 |
| Purchase of goods and services                                    | 36,261,827,079    | 25,430,381,626  |
| Dividends received  | 499,775,000       | 599,730,000     |
| Revenue from sales of goods                                       | 29,140,000        | 16,630,000      |
| Collection of loans granted                                       | 15,461,572,866    | -               |
| <b>Other related companies</b>                                    |                   |                 |
| <i><b>Minh Hai Import - Export Trading Limited Company</b></i>    |                   |                 |
| Discounts   | -                 | 12,082,471,544  |
| Sales returns   | 142,162,700       | 240,987,550     |
| <i><b>Tien Phong Technology Equipment Joint Stock Company</b></i> |                   |                 |
| Sales of goods  | 36,460,000        | 30,150,000      |
| Purchase of goods and services                                    | 73,531,010,180    | 66,408,240,080  |
| Purchase of tangible fixed assets                                 | -                 | 933,335,000     |
| Loans granted   | -                 | 3,000,000,000   |
| Collection of loans   | -                 | 3,000,000,000   |
| Interest income from loans  | -                 | 63,013,066      |



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|   | <b>Transaction value</b> |                 |
|---|--------------------------|-----------------|
|   | <b>2022</b>              | <b>2021</b>     |
|   | <b>VND</b>               | <b>VND</b>      |
| <b><i>Sekisui Vietnam Company Limited</i></b> |                          |                 |
| Sales of goods                                | 5,723,192,571            | 3,577,727,273   |
| Purchase of goods                             | 556,657,409,286          | 515,035,349,164 |
| Sales returns                                 | 15,827,454               | 12,518,950      |

(\*) According to the sub-license agreement dated 1 August 2018 between the Company and Tien Phong South Plastic Joint Stock Company (an associate), Tien Phong South Plastic Joint Stock Company has the right and transferred sub-licenses, received from Sekisui Chemical Co., Ltd., to the Company for the Company to manufacture, use and sale of a number of products based on this technological know-how. The Company pays a royalty fee of VND3,400 million per year to Tien Phong South Plastic Joint Stock Company.

**Key management personnel compensation**

|  | <b>2022</b>   | <b>2021</b>   |
|--|---------------|---------------|
|  | <b>VND</b>    | <b>VND</b>    |
| <b>Board of Management members</b>   |               |               |
| Fees, bonus and other benefits   |               |               |
| Mr. Dang Quoc Dung – Chairman  | 4,322,710,128 | 3,352,341,875 |
| Mr. Noboru Kobayashi – Vice Chairman                                       | 904,000,000   | 884,500,000   |
| Mr. Nguyen Viet Phuong – Member  | 271,000,000   | 177,000,000   |
| Mr. Dao Anh Thang – Member   | 919,080,000   | 918,630,000   |
| <b>General Director cum Member of Board of Management</b>                  |               |               |
| Salaries, bonus and other benefits   | 4,218,706,499 | 3,387,176,659 |
| <b>Deputy General Director - Finance cum Member of Board of Management</b> |               |               |
| Fees, bonus and other benefits   | 3,329,506,168 | 2,698,561,261 |
| <b>Other management personnel</b>  |               |               |
| Salary, bonus and other benefits (excluding all the items disclosed above) | 7,124,544,540 | 5,192,609,115 |

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**35. Non-cash investing and financing activities**

|  | <b>2022</b>    | <b>2021</b> |
|--|----------------|-------------|
|  | <b>VND</b>     | <b>VND</b>  |
| Offsetting loans receivable against payables | 15,461,572,866 | -           |

**36. Comparative information**

Comparative information as at 1 January 2022 was derived from the balances and amounts reported in the Company's separate financial statements as at and for the year ended 31 December 2021.

23 March 2023

Prepared by:

  
 Luu Thi Mai  
 Chief Accountant

Approved by:

  
 Tran Ngoc Bao  
 Deputy General Director – Finance

  
 Chu Van Phuong  
 General Director

