



**Tien Phong Plastic Joint Stock Company**

Consolidated Interim Financial Statements  
for the six-month period ended  
30 June 2023



## 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 20 May 2023. 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. Bui Duc Long	Member ( <i>from 28/4/2023</i> )
Mr. Nguyen Viet Phuong	Member ( <i>until 28/4/2023</i> )
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 - Internal Affairs
Mr. Tran Ngoc Bao	Deputy General Director - Finance

### Audit Committee

Mr. Dao Anh Thang	Chairman of the Committee
Mr. Bui Duc Long	Member ( <i>from 28/4/2023</i> )
Mr. Nguyen Viet Phuong	Member ( <i>until 28/4/2023</i> )

### 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 consolidated interim financial statements of the Company for the six-month period ended 30 June 2023.

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

- (a) the consolidated interim financial statements set out on pages 5 to 46 give a true and fair view of the consolidated financial position of the Company as at 30 June 2023, and of its consolidated results of operations and consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises and the relevant statutory requirements applicable to interim financial reporting; and
- (b) at the date of this statement, there is no reason to believe that the Company and its subsidiaries 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 consolidated interim financial statements for issue.

On behalf of the Board of General Directors,



*Tran Ngoc Bao<sup>1</sup>*  
*Deputy General Director – Finance*  
*As authorised by the General Director*

Hai Phong, 14 August 2023

<sup>1</sup> Mr. Tran Ngoc Bao - Deputy General Director – Finance was authorised by Mr. Chu Van Phuong – General Director under the letter of authorization dated 14 August 2023.



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## **INTERIM FINANCIAL STATEMENTS REVIEW REPORT**

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

We have reviewed the accompanying consolidated interim financial statements of Tien Phong Plastic Joint Stock Company (“the Company”), which comprise the consolidated balance sheet as at 30 June 2023, the consolidated statements of income and cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Company’s Board of General Directors on 14 August 2023, as set out on pages 5 to 46.

### **Management’s Responsibility**

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

### **Auditor’s Responsibility**

Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review engagements 2410 - *Review of interim financial information performed by the independent auditor of the entity*.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



**Tien Phong Plastic Joint Stock Company**  
**Consolidated balance sheet as at 30 June 2023**

**Form B 01a – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	30/6/2023 VND	1/1/2023 VND
<b>ASSETS</b>				
<b>Current assets</b> (100 = 110 + 120 + 130 + 140 + 150)	<b>100</b>		<b>2,979,921,034,999</b>	<b>3,075,796,747,433</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>8</b>	<b>455,769,516,127</b>	<b>167,926,602,716</b>
Cash	111		245,421,317,549	127,873,999,976
Cash equivalents	112		210,348,198,578	40,052,602,740
<b>Short-term financial investments</b>	<b>120</b>		<b>580,000,000,000</b>	<b>432,857,808,219</b>
Held-to-maturity investments	123	9(a)	580,000,000,000	432,857,808,219
<b>Accounts receivable – short-term</b>	<b>130</b>		<b>832,663,425,277</b>	<b>890,889,388,815</b>
Accounts receivable from customers	131	10	824,192,531,455	866,425,088,081
Prepayments to suppliers	132	11	51,865,177,282	73,350,864,092
Other receivables	136	12	18,693,495,376	13,201,215,478
Allowance for doubtful debts	137	13	(62,087,778,836)	(62,087,778,836)
<b>Inventories</b>	<b>140</b>	<b>14</b>	<b>1,098,267,442,627</b>	<b>1,535,149,437,534</b>
Inventories	141		1,101,979,578,668	1,538,861,573,575
Allowance for inventories	149		(3,712,136,041)	(3,712,136,041)
<b>Other current assets</b>	<b>150</b>		<b>13,220,650,968</b>	<b>48,973,510,149</b>
Short-term prepaid expenses	151		12,413,643,856	12,681,337,593
Deductible value added tax	152		363,978,613	35,878,430,549
Taxes and others receivable from State Treasury	153		443,028,499	413,742,007

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

**Tien Phong Plastic Joint Stock Company**  
**Consolidated balance sheet as at 30 June 2023 (continued)**

**Form B 01a – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	30/6/2023 VND	1/1/2023 VND
<b>Long-term assets</b> (200 = 220 + 240 + 250 + 260)	<b>200</b>		<b>1,985,776,750,358</b>	<b>1,988,040,342,651</b>
<b>Fixed assets</b>	<b>220</b>		<b>1,375,090,675,632</b>	<b>1,410,746,940,838</b>
Tangible fixed assets	221	15	1,367,913,964,889	1,403,427,508,608
Cost	222		3,090,361,540,975	3,062,315,499,643
Accumulated depreciation	223		(1,722,447,576,086)	(1,658,887,991,035)
Intangible fixed assets	227	16	7,176,710,743	7,319,432,230
Cost	228		16,966,399,107	16,966,399,107
Accumulated amortisation	229		(9,789,688,364)	(9,646,966,877)
<b>Long-term work in progress</b>	<b>240</b>		<b>44,826,537,012</b>	<b>8,679,749,912</b>
Construction in progress	242	17	44,826,537,012	8,679,749,912
<b>Long-term financial investments</b>	<b>250</b>		<b>430,155,632,767</b>	<b>424,164,579,920</b>
Investments in associates	252	9(b)	335,530,444,167	329,539,391,320
Equity investments in other entities	253	9(c)	95,960,188,600	95,960,188,600
Allowance for diminution in the value of long-term financial investments	254	9(c)	(1,335,000,000)	(1,335,000,000)
<b>Other long-term assets</b>	<b>260</b>		<b>135,703,904,947</b>	<b>144,449,071,981</b>
Long-term prepaid expenses	261	18	134,561,137,183	143,187,441,487
Deferred tax assets	262	19	1,142,767,764	1,261,630,494
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>4,965,697,785,357</b>	<b>5,063,837,090,084</b>

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

**Tien Phong Plastic Joint Stock Company**  
**Consolidated balance sheet as at 30 June 2023 (continued)**

**Form B 01a – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	30/6/2023 VND	1/1/2023 VND
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310)</b>	<b>300</b>		<b>1,968,680,342,135</b>	<b>2,233,019,745,258</b>
<b>Current liabilities</b>	<b>310</b>		<b>1,968,680,342,135</b>	<b>2,233,019,745,258</b>
Accounts payable to suppliers	311	20	149,235,055,715	287,076,377,670
Advances from customers	312	21	57,964,388,389	44,233,927,436
Taxes and others payable to State Treasury	313	22	26,006,163,337	30,549,531,968
Payables to employees	314		85,047,890,640	60,722,160,180
Accrued expenses	315	23	91,307,347,582	65,771,331,043
Other payables – short-term	319	24	42,384,653,103	39,597,874,952
Short-term borrowings	320	25(a)	1,496,300,772,982	1,699,309,871,727
Bonus and welfare fund	322	26	20,434,070,387	5,758,670,282
<b>EQUITY (400 = 410)</b>	<b>400</b>		<b>2,997,017,443,222</b>	<b>2,830,817,344,826</b>
<b>Owners' equity</b>	<b>410</b>	<b>27</b>	<b>2,997,017,443,222</b>	<b>2,830,817,344,826</b>
Share capital	411	28	1,295,753,340,000	1,295,753,340,000
- Ordinary shares with voting rights	411a		1,295,753,340,000	1,295,753,340,000
Investment and development fund	418	30	1,174,251,384,986	1,023,163,062,043
Retained profits	421		527,012,718,236	511,900,942,783
- Retained profits brought forward	421a		280,442,842,735	256,724,220,151
- Profit for the current period/year	421b		246,569,875,501	255,176,722,632
<b>TOTAL RESOURCES (440 = 300 + 400)</b>	<b>440</b>		<b>4,965,697,785,357</b>	<b>5,063,837,090,084</b>

14 August 2023

Prepared by:



Luu Thi Mai  
Chief Accountant

Approved by:



Tran Ngoc Bao  
Deputy General Director – Finance  
As authorised by the General Director

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



**Tien Phong Plastic Joint Stock Company**  
**Consolidated statement of income for the six-month period ended 30 June 2023**

**Form B 02a – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	Six-month period ended	
			30/6/2023 VND	30/6/2022 VND
Revenue from sales of goods	01	32	2,557,600,495,049	2,891,813,274,078
Revenue deductions	02	32	41,251,271,311	89,749,649,366
<b>Net revenue (10 = 01 - 02)</b>	<b>10</b>	<b>32</b>	<b>2,516,349,223,738</b>	<b>2,802,063,624,712</b>
Cost of sales	11	33	1,808,469,432,422	2,022,303,951,430
<b>Gross profit (20 = 10 - 11)</b>	<b>20</b>		<b>707,879,791,316</b>	<b>779,759,673,282</b>
Financial income	21	34	26,728,741,476	28,501,504,032
Financial expenses	22	35	76,095,812,481	67,364,937,773
<i>In which: Interest expense</i>	23		56,427,940,940	30,892,787,127
Share of profit in associates	24	9(b)	5,991,052,847	36,211,176,687
Selling expenses	25	36	286,330,924,289	322,161,861,985
General and administration expenses	26	37	93,846,446,996	71,874,880,286
<b>Net operating profit</b> <b>{30 = 20 + (21 - 22) + 24 - (25 + 26)}</b>	<b>30</b>		<b>284,326,401,873</b>	<b>383,070,673,957</b>
Other income	31		2,917,519,264	1,572,887,878
Other expenses	32		109,749,299	1,342,058,161
<b>Results of other activities</b> <b>(40 = 31 - 32)</b>	<b>40</b>		<b>2,807,769,965</b>	<b>230,829,717</b>
<b>Accounting profit before tax</b> <b>(50 = 30 + 40)</b>	<b>50</b>		<b>287,134,171,838</b>	<b>383,301,503,674</b>
Income tax expense – current	51	39	40,445,433,607	56,672,745,948
Income tax expense – deferred	52	39	118,862,730	159,486,752
<b>Net profit after tax (60 = 50 - 51 - 52)</b>	<b>60</b>		<b>246,569,875,501</b>	<b>326,469,270,974</b>

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

**Tien Phong Plastic Joint Stock Company**  
**Consolidated statement of income for the six-month period ended 30 June 2023 (continued)**

**Form B 02a – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	Six-month period ended	
			30/6/2023 VND	30/6/2022 VND
<b>Earnings per share</b>				
Basic earnings per share	70	40	1,713	2,268

14 August 2023

Prepared by:



Lưu Thị Mai  
 Chief Accountant

Approved by:



Trần Ngọc Bảo  
 Deputy General Director – Finance  
 As authorised by the General Director

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

**Tien Phong Plastic Joint Stock Company**  
**Consolidated statement of cash flows for the six-month period ended 30 June 2023**  
**(Indirect method)**

**Form B 03a – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Code	Six-month period ended	
		30/6/2023 VND	30/6/2022 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit before tax</b>	<b>01</b>	<b>287,134,171,838</b>	<b>383,301,503,674</b>
<b>Adjustments for</b>			
Depreciation and amortisation	02	79,692,721,635	79,500,897,264
Exchange (gains)/losses arising from revaluation of monetary items denominated in foreign currencies	04	(25,631,375)	4,094,999,809
Profits from investing activities	05	(31,428,353,092)	(63,138,796,628)
Interest expense	06	56,427,940,940	30,892,787,127
<b>Operating profit before changes in working capital</b>	<b>08</b>	<b>391,800,849,946</b>	<b>434,651,391,246</b>
Change in receivables	09	97,510,919,928	49,406,647,935
Change in inventories	10	436,881,994,907	(45,157,465,001)
Change in payables and other liabilities	11	(85,052,632,050)	343,741,754,712
Change in prepaid expenses	12	7,062,216,905	(3,871,969,069)
		<b>848,203,349,636</b>	<b>778,770,359,823</b>
Interest paid	14	(57,360,386,334)	(28,595,396,465)
Income tax paid	15	(45,296,573,898)	(42,906,706,894)
Other payments for operating activities	17	(906,710,000)	(15,718,937,000)
<b>Net cash flows from operating activities</b>	<b>20</b>	<b>744,639,679,404</b>	<b>691,549,319,464</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for additions to fixed assets	21	(62,715,974,145)	(24,219,552,865)
Proceeds from disposals of fixed assets	22	521,818,182	-
Payments for granting loans and placement of deposits with terms of more than 3 months	23	(550,000,000,000)	(535,414,794,520)
Receipts from collecting loans and withdrawal of deposits with terms of more than 3 months	24	402,857,808,219	500,000,000,000
Receipts of interests and dividends	27	19,637,685,544	24,419,390,621
<b>Net cash flows from investing activities</b>	<b>30</b>	<b>(189,698,662,200)</b>	<b>(35,214,956,764)</b>

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

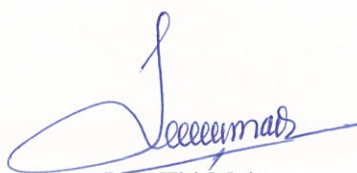
**Tien Phong Plastic Joint Stock Company**  
**Consolidated statement of cash flows for the six-month period ended 30 June 2023**  
**(Indirect method - continued)**

**Form B 03a – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Code	Six-month period ended	
		30/6/2023 VND	30/6/2022 VND
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings	33	1,613,749,385,886	2,043,683,615,384
Payments to settle loan principals	34	(1,816,085,631,131)	(2,083,511,293,535)
Payments of dividends	36	(64,787,667,000)	(117,796,183,000)
<b>Net cash flows from financing activities</b>	<b>40</b>	<b>(267,123,912,245)</b>	<b>(157,623,861,151)</b>
<b>Net cash flows during the period</b> (50 = 20 + 30 + 40)	<b>50</b>	<b>287,817,104,959</b>	<b>498,710,501,549</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>60</b>	<b>167,926,602,716</b>	<b>142,541,519,801</b>
<b>Effect of exchange rate fluctuations on cash and cash equivalents</b>	<b>61</b>	<b>25,808,452</b>	<b>14,641,001</b>
<b>Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61) (Note 8)</b>	<b>70</b>	<b>455,769,516,127</b>	<b>641,266,662,351</b>

14 August 2023

Prepared by:



Luu Thi Mai  
*Chief Accountant*

Approved by:



Tran Ngoc Bao  
*Deputy General Director – Finance*  
*As authorised by the General Director*

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

**Tien Phong Plastic Joint Stock Company**  
**Notes to the consolidated interim financial statements for the six-month period**  
**ended 30 June 2023**

**Form B 09a – DN/HN**  
*(Issued under Circular No. 202/2014/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 consolidated interim 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/QD-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 20 May 2023.

The consolidated interim financial statements of the Company for the six-month period ended 30 June 2023 comprise the Company and its subsidiaries and the interest of the Company in associates.

**(b) Principal activities**

The licensed activities of the Company and its subsidiaries 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 period, the principal activities of the Company and its subsidiaries 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 and its subsidiaries is generally within 12 months.

**Tien Phong Plastic Joint Stock Company**

**Notes to the consolidated interim financial statements for the six-month period ended 30 June 2023 (continued)**

**Form B 09a – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

**(d) Company structure**

As at 30 June 2023 and 1 January 2023, the Company had 2 subsidiaries as follows:

No.	Name of companies	Principal activities	Addresses	30/6/2023		1/1/2023	
				% of voting rights	% of equity owned	% of voting rights	% of equity owned
<b>Subsidiaries</b>							
1	Tien Phong Central Plastic Company Limited	Manufacturing and trading plastic products for civil and industrial use	Lot C, Nam Cam Industrial Park, Nghi Xa Commune, Nghi Loc District, Nghe An Province	100%	100%	100%	100%
2	Tien Phong Land Company Limited (i)	Trading real estate, land use rights and providing transportation services and plastic products for civil and industrial use	No. 2 An Da Road, Lach Tray Ward, Ngo Quyen District, Hai Phong City	100%	100%	100%	100%

(i) Tien Phong Land Company Limited (“Tien Phong Land”) was incorporated on 18 May 2015. Under its Enterprise Registration Certificate, the Company shall contribute VND20,000 million to the charter capital of Tien Phong Land. Up to 30 June 2023, the Company has contributed VND11,100 million in Tien Phong Land’s charter capital.

As at 30 June 2023 and 1 January 2022, the Company had 3 associates as listed in Note 9(b).

As at 30 June 2023, the Company and its subsidiaries had 1,359 employees (1/1/2023: 1,361 employees).

**Tien Phong Plastic Joint Stock Company**  
**Notes to the consolidated interim financial statements for the six-month period**  
**ended 30 June 2023 (continued)**

**Form B 09a – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**2. Basis of preparation**

**(a) Statement of compliance**

The consolidated interim financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises and the relevant statutory requirements applicable to interim financial reporting.

**(b) Basis of measurement**

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

**(c) Annual accounting period**

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

**(d) Accounting and presentation currency**

The Company's and its subsidiaries' 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 and its subsidiaries in the preparation of these consolidated interim financial statements.

The accounting policies that have been adopted by the Company and its subsidiaries in the preparation of these consolidated interim financial statements are consistent with those adopted in the preparation of the latest annual consolidated financial statements.

**(a) Basis of consolidation**

**(i) Subsidiaries**

Subsidiaries are entities controlled by the Company. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

**Tien Phong Plastic Joint Stock Company**  
**Notes to the consolidated interim financial statements for the six-month period**  
**ended 30 June 2023 (continued)**

**Form B 09a – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
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**(ii) Associates**

Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated interim financial statements include the Company's share of the profit or loss of the associates, after adjustments to align the accounting policies with those of the Company, from the date that significant influence commences until the date that significant influence ceases. The carrying amount of investments in associates is also adjusted for the alterations in the Company's proportionate interest in the associates arising from changes in the associates' equity that have not been included in the income statement (such as revaluation of fixed assets, or foreign exchange translation differences, etc.).

When the Company's share of losses exceeds its interest in an associate, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the associate.

**(iii) Transactions eliminated on consolidation**

Intra-group transactions, balances and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated interim financial statements. Unrealised gains and losses arising from transactions with associates are eliminated against the investment to the extent of the Company's interest in the associates.

**(iv) Business combination**

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

**(b) Foreign currency transactions**

Transactions in currencies other than VND during the period 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 accounting period quoted by the commercial bank where the Company or its subsidiaries most frequently conduct transactions.

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

**(c) Cash and cash equivalents**

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.



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**(d) Investments**

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

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

**(ii) *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.

Allowance is made for diminution in investment values if the investee has suffered a loss which may cause the Company or its subsidiaries to lose their 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.

**(e) Accounts receivable**

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

**(f) 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 and its subsidiaries apply the perpetual method of accounting for inventories.

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**(g) 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 consolidated statement of income in the period 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

**(h) 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. Land use rights with indefinite term are not amortised.

**(ii) Software**

Cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software cost is amortised on a straight-line basis over 38 months.

**(iii) 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.

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

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

Prepaid land costs comprise prepaid land lease rentals, including those for which the Company and its subsidiaries 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 consolidated 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 and its subsidiaries 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.

**(k) Trade and other payables**

Trade and other payables are stated at their cost.

**(l) Provision**

A provision is recognised if, as a result of a past event, the Company and its subsidiaries have 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.

**(m) 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.

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**(n) Taxation**

Income tax on the consolidated profit for the period comprises current and deferred tax. Income tax is recognised in the consolidated 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 period, using tax rates enacted at the end of the accounting period, and any adjustment to tax payable in respect of previous periods.

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 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.

**(o) Revenue and other income**

**(i) Goods sold**

Revenue from the sale of goods is recognised in the consolidated 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.

**(p) Leases**

**(i) Leased assets**

Leases in terms of which the Company and its subsidiaries, as lessees, assume 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 consolidated balance sheet. All of the Company's and its subsidiaries' leases are operating leases.

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**(ii) Lease payments**

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

**(q) Borrowing costs**

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

**(r) Earnings per share**

The Company presents basic earnings per share for its ordinary shares. Basic earnings per share is calculated by dividing the profit attributable to the ordinary shareholders of the Company (after deducting any amounts appropriated to bonus and welfare fund and compensation for the Board of Management and the Audit Committee for the annual accounting period) by the weighted average number of ordinary shares outstanding during the period.

As at and for the six-month period ended 30 June 2023, the Company had no potential diluted ordinary shares and therefore does not present diluted earnings per share.

**(s) Segment reporting**

A segment is a distinguishable component of the Company and its subsidiaries that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Board of General Directors is of the opinion that the Company and its subsidiaries operate in one single business segment, which is to manufacture and trade plastic products for civil consumption and usage in construction, industrials, agriculture, fisheries and transportation. The geographical segment of the Company and its subsidiaries is determined based on the country from which revenue is generated. The Board of General Directors is of the opinion that the Company and its subsidiaries primarily operate in one single geographical segment, which is Vietnam.

**(t) Related parties**

Parties are considered to be related to the Company and its subsidiaries 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 its subsidiaries 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.

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**(u) Comparative information**

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

**4. Seasonality of operations**

The Company and its subsidiaries do not have any seasonal business segments that may affect the Company's and its subsidiaries' consolidated operating results for the six-month period ended 30 June 2023

**5. Changes in accounting estimates**

In preparing the consolidated annual and interim financial statements, the Board of General Directors has made several accounting estimates. Actual results may differ from these estimates. During the six-month period ended 30 June 2023, there were not any significant changes in accounting estimates since the latest annual accounting period ended.

**6. Unusual items**

The Company does not have any unusual items which may affect its consolidated interim financial statements for the six-month period ended 30 June 2023.

**7. Changes in the composition of the Company and its subsidiaries**

There were not any significant changes in the composition of the Company and its subsidiaries for the six-month period ended 30 June 2023.

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**8. Cash and cash equivalents**

	<b>30/6/2023</b>	<b>1/1/2023</b>
	<b>VND</b>	<b>VND</b>
Cash on hand	632,300,087	866,043,599
Cash in banks	244,789,017,462	127,007,956,377
Cash equivalents	210,348,198,578	40,052,602,740
	455,769,516,127	167,926,602,716
	455,769,516,127	167,926,602,716

**9. Investments**

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

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 5.5% to 9.3% (1/1/2023: from 5.7% to 10%) per annum. The costs of these deposits approximate their fair values due to the short-term nature of the investments.

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	Addresses	Quantity	% of equity owned	% of voting rights	30/6/2023		1/1/2023	
					Carrying amount VND	Fair value	Carrying amount VND	Fair value
Tien Phong South Plastic Joint Stock Company (i)	Binh Duong	12,218,580	27.39%	27.39%	323,699,344,696	(*)	317,947,454,809	(*)
Tien Phong Packaging Joint Stock Company (ii)	Hai Phong	499,775	49.98%	49.98%	11,831,099,471	(*)	11,591,936,511	(*)
Tien Phong - SMP Plastic Joint Venture Company Limited (iii)	Lao PDR		51%	51%	-	(*)	-	(*)
					335,530,444,167		329,539,391,320	

(i) 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.

(ii) 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, paper of different types, multilayer films and other plastic products.

(iii) 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 and present it in the consolidated financial statements using the cost basis. Under the prudence principle, the Company wrote down the carrying amount of the investment in Tien Phong – SMP to nil in the consolidated financial statements in previous years.



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Movement of investments in associates during the period were as follows:

	Six-month period ended	
	30/6/2023	30/6/2022
	VND	VND
Opening balance	329,539,391,320	305,154,897,515
Share of profit in associates	5,991,052,847	36,211,176,687
▪ <i>Tien Phong South Plastic Joint Stock Company</i>	5,751,889,887	36,177,843,884
▪ <i>Tien Phong Packaging Joint Stock Company</i>	239,162,960	33,332,803
Closing balance	335,530,444,167	341,366,074,202

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

	Quantity	% of equity owned	% of voting rights	30/6/2023		1/1/2023	
				Cost VND	Allowance for diminution in value VND	Fair value VND	Allowance for diminution in value VND
Nam Dinh Water Supply Joint Stock Company							
(i)							
Thu Dau Mot Water Joint Stock Company	4,632,086	13.50%	13.50%	46,784,068,600	- (*)	46,784,068,600	- (*)
Tien Phong Technology Equipment Joint Stock Company	1,800,000	1.80%	1.80%	41,400,000,000	- (*)	41,400,000,000	- (*)
Ha Giang Water Supply and Drainage Joint Stock Company	396,000	17.39%	17.39%	5,148,000,000	- (*)	5,148,000,000	- (*)
Golden Bridge Vietnam Securities Joint Stock Company	56,406	4.80%	4.80%	1,128,120,000	- (*)	1,128,120,000	- (*)
	150,000	1.11%	1.11%	1,500,000,000	(1,335,000,000) (*)	1,500,000,000	(1,335,000,000) (*)
				95,960,188,600	(1,335,000,000)	95,960,188,600	(1,335,000,000)

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- (i) At 30 June 2023 and 1 January 2023, this investment was pledged with banks as security for borrowings granted to the Company and its subsidiaries (Note 25).
- (\*) The Company has not determined fair values of these investments for disclosure in the consolidated interim 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. The fair values of these investments may differ from their carrying amounts.

## 10. Accounts receivable from customers

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

	30/6/2023 VND	1/1/2023 VND
<b>Related parties</b>		
Tien Phong South Plastic Joint Stock Company – an associate (i)	374,832,341,530	375,340,672,512
Minh Hai Import - Export Trading Limited Company – a company whose key management member being a related individual of the Company (i)	62,436,872,579	63,407,039,363
Sekisui Vietnam Company Limited – a company with common key management members (ii)	7,690,804,847	1,964,613,471
Tien Phong Packaging Joint Stock Company – an associate (i)	15,010,000	15,228,000
<b>Other parties</b>		
Hong Phuoc Investment and Trading Joint Stock Company	234,602,803,813	235,916,348,895
Thai Hoa Trading Company Limited	74,271,681,472	73,620,158,733
Tin Kim Plastic Joint Stock Company	23,280,586,560	65,474,372,304
Iplex Pipelines NZ Ltd	6,437,966,365	18,888,932,956
Plastic Additives Joint Stock Company	18,157,154,760	16,935,150,960
Nam Phuong Trading Development and Investment Company Limited	15,452,366,751	11,642,880,145
Other customers	7,014,942,778	3,219,690,742
	824,192,531,455	866,425,088,081

- (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 30 June 2023, receivables with a carrying value of VND756,441 million (1/1/2023: VND805,253 million) were pledged with banks as security for borrowings granted to the Company and its subsidiaries (Note 25).

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**11. Prepayments to suppliers**

	<b>30/6/2023</b>	<b>1/1/2023</b>
	<b>VND</b>	<b>VND</b>
<b>Related parties</b>		
Tien Phong Technology Equipment Joint Stock Company – a company with common key management members	-	2,432,858,181
<b>Other parties</b>		
Eplas Company Limited	13,309,612,444	10,282,845,424
Minh Hoa Investment Joint Stock Company	8,837,050,090	17,325,655,600
Vietnam Travel and Marketing Transports Joint Stock Company – Vietravel – Hanoi Branch	8,260,800,000	-
PNT Technology and Equipment Company Limited	4,429,324,253	3,841,482,876
Minh Khang Advertising Media Company Limited	2,395,922,224	3,195,238,962
Lotus Chemical Technology Company Limited	643,603,846	4,333,829,379
CT - Wearnes Vietnam Company Limited	-	12,000,000,000
Van Vina Joint Stock Company	-	1,832,624,420
Other suppliers	13,988,864,425	18,106,329,250
	<hr/>	<hr/>
	51,865,177,282	73,350,864,092
	<hr/>	<hr/>

**12. Other receivables**

	<b>30/6/2023</b>	<b>1/1/2023</b>
	<b>VND</b>	<b>VND</b>
Interest receivables	11,990,752,600	6,698,108,881
Advances	4,629,578,457	4,322,845,817
Security deposits	1,751,000,000	1,588,000,000
Other receivables	322,164,319	592,260,780
	<hr/>	<hr/>
	18,693,495,376	13,201,215,478
	<hr/>	<hr/>

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**13. Bad and doubtful debts**

	Overdue period	30/6/2023			1/1/2023		
		Cost VND	Allowance VND	Recoverable amount VND	Overdue period	Cost VND	Allowance VND
<i>Overdue debts</i>							
Dai Phat Construction and Trading Services	Over 3 years	583,902,600	(583,902,600)	-	Over 3 years	583,902,600	(583,902,600)
Joint Stock Company 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 3 years	1,060,039,175	(1,060,039,175)	-	Over 2 years to 3 years	1,060,039,175	(1,060,039,175)
Minh Hai Import - Export Trading Limited Company – a company with key management member being a related individual of the Company	Over 3 years	62,436,872,579	(59,738,819,632)	2,698,052,947	Over 3 years	63,407,039,363	(59,738,819,632)
Others	Over 3 years	203,536,476	(203,536,476)	-	Over 3 years	203,536,476	(203,536,476)
		<u>64,785,831,783</u>	<u>(62,087,778,836)</u>	<u>2,698,052,947</u>		<u>65,755,998,567</u>	<u>(62,087,778,836)</u>
							<u>3,668,219,731</u>

*Of which:*

Allowance for doubtful debts – short-term

(62,087,778,836)

(62,087,778,836)

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

	30/6/2023		1/1/2023	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	29,965,238,880	-	108,029,668,546	-
Raw materials	662,355,834,406	(3,712,136,041)	1,036,383,754,047	(3,712,136,041)
Tools and supplies	11,196,891,631	-	10,180,798,618	-
Work in progress	64,970,874,352	-	61,805,061,409	-
Finished goods	333,440,072,499	-	322,361,315,012	-
Merchandise inventories	50,666,900	-	100,975,943	-
	<hr/>		<hr/>	
	1,101,979,578,668	(3,712,136,041)	1,538,861,573,575	(3,712,136,041)
	<hr/>		<hr/>	

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**15. Tangible fixed assets**

	<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	1,686,383,380,521	1,180,179,810,727	177,827,293,636	17,925,014,759	3,062,315,499,643
Additions	-	501,500,000	543,480,000	-	1,044,980,000
Transfer from construction in progress	1,531,689,637	10,821,423,480	28,821,429,376	-	41,174,542,493
Disposals	-	(12,757,038,780)	(1,416,442,381)	-	(14,173,481,161)
Closing balance	1,687,915,070,158	1,178,745,695,427	205,775,760,631	17,925,014,759	3,090,361,540,975
<b>Accumulated depreciation</b>					
Opening balance	690,052,691,751	823,894,918,142	127,713,597,348	17,226,783,794	1,658,887,991,035
Charge for the period	39,783,651,711	31,175,775,904	6,586,879,103	171,912,294	77,718,219,012
Disposals	-	(12,742,191,580)	(1,416,442,381)	-	(14,158,633,961)
Closing balance	729,836,343,462	842,328,502,466	132,884,034,070	17,398,696,088	1,722,447,576,086
<b>Net book value</b>					
Opening balance	996,330,688,770	356,284,892,585	50,113,696,288	698,230,965	1,403,427,508,608
Closing balance	958,078,726,696	336,417,192,961	72,891,726,561	526,318,671	1,367,913,964,889

Included in tangible fixed assets were assets costing VND669,689 million which were fully depreciated as of 30 June 2023 (1/1/2023: VND634,293 million), but are still in active use.

As at 30 June 2023, tangible fixed assets with a net book value of VND342,001 million (1/1/2023: VND363,546 million) were pledged with banks as security for borrowings granted to the Company and its subsidiaries (Note 25).

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**16. Intangible fixed assets**

	Land use rights VND	Software VND	Technology licences VND	Others VND	Total VND
<b>Cost</b>					
Opening and closing balance	7,105,350,000	153,400,000	2,501,022,223	7,206,626,884	16,966,399,107
<b>Accumulated amortisation</b>					
Opening balance	-	153,400,000	2,501,022,223	6,992,544,654	9,646,966,877
Charge for the period	-	-	-	142,721,487	142,721,487
Closing balance	-	153,400,000	2,501,022,223	7,135,266,141	9,789,688,364
<b>Net book value</b>					
Opening balance	7,105,350,000	-	-	214,082,230	7,319,432,230
Closing balance	7,105,350,000	-	-	71,360,743	7,176,710,743

Included in intangible fixed assets were assets costing VND2,654 million which were fully amortised as of 30 June 2023 and 1 January 2023, but are still in use.

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**17. Construction in progress**

	Six-month period ended	
	30/6/2023 VND	30/6/2022 VND
Opening balance	8,679,749,912	36,506,524,504
Additions	77,321,329,593	894,085,808
Transfer to tangible fixed assets	(41,174,542,493)	(10,877,282,998)
Transfer to long-term prepaid expenses	-	(12,154,157,288)
Others	-	(1,761,719,134)
<b>Closing balance</b>	<b>44,826,537,012</b>	<b>12,607,450,892</b>

Major constructions in progress were as follows:

	30/6/2023 VND	1/1/2023 VND
Machinery and equipment	26,571,027,284	-
Plastic product factory project	15,923,535,246	6,505,776,519
New factory in Duong Kinh	2,331,974,482	2,173,973,393
<b>Total</b>	<b>44,826,537,012</b>	<b>8,679,749,912</b>

**18. Long-term prepaid expenses**

	Prepaid land costs VND	Tools and instruments VND	Others VND	Total VND
Opening balance	107,575,652,297	4,561,648,621	31,050,140,569	143,187,441,487
Additions	-	960,697,728	312,841,000	1,273,538,728
Amortisation for the period	(1,831,781,136)	(1,919,762,207)	(6,148,299,689)	(9,899,843,032)
<b>Closing balance</b>	<b>105,743,871,161</b>	<b>3,602,584,142</b>	<b>25,214,681,880</b>	<b>134,561,137,183</b>



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**19. Deferred tax assets**

	<b>Tax rate</b>	<b>30/6/2023 VND</b>	<b>1/1/2023 VND</b>
Deferred tax assets:			
Unrealised profit in tangible fixed assets	20%	1,142,767,764	1,261,630,494

**20. Accounts payable to suppliers**

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

	<b>Cost and amount within payment capacity</b>	
	<b>30/6/2023 VND</b>	<b>1/1/2023 VND</b>
<b>Related parties</b>		
Sekisui Vietnam Company Limited – a company with common key management members	409,988,370	46,962,939,960
Tien Phong South Plastic Joint Stock Company – an associate	69,028,030,664	50,223,323,676
Tien Phong Packaging Joint Stock Company – an associate	3,086,162,123	4,927,811,613
Tien Phong Technology Equipment Joint Stock Company – a company with common key management members	860,936,678	338,576,590
<b>Other parties</b>		
Tin Kim Plastic Joint Stock Company	41,202,395,272	68,523,416,669
Tricon Energy Ltd	-	37,395,864,000
Hyosung Chemical Corporation	-	25,016,785,200
PT Asahimas Chemical	-	18,361,728,000
Borouge Pte Ltd.	-	14,951,425,500
Other suppliers	34,647,542,608	20,374,506,462
	<b>149,235,055,715</b>	<b>287,076,377,670</b>

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

As at 30 June 2023, the Company and its subsidiaries had no overdue debts (1/1/2023: Nil).

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**21. Advances from customers**

	<b>30/6/2023</b> <b>VND</b>	<b>1/1/2023</b> <b>VND</b>
Tam Phuoc Company Limited	52,782,786,684	39,813,326,780
Ha Dung Trading Company Limited	4,700,513,904	1,187,908,308
Nam Phuong Trading Company Limited	2,993,695	1,707,234,129
Nam Phuong Trading Development and Investment Company Limited	-	1,031,649,114
Other customers	478,094,106	493,809,105
	<hr/>	<hr/>
	57,964,388,389	44,233,927,436
	<hr/>	<hr/>

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

	<b>1/1/2023</b> <b>VND</b>	<b>Incurred</b> <b>VND</b>	<b>Paid/net-off</b> <b>VND</b>	<b>30/6/2023</b> <b>VND</b>
Value added tax	8,546,316	255,916,576,061	(238,356,299,419)	17,568,822,958
Value added tax of imported goods	-	57,016,322,308	(57,016,322,308)	-
Corporate income tax	11,606,986,951	40,445,433,607	(45,296,573,898)	6,755,846,660
Personal income tax	18,578,562,525	3,457,707,159	(20,710,212,141)	1,326,057,543
Land rental	-	1,619,357,200	(1,619,357,200)	-
Import tax	355,436,176	3,604,659,176	(3,604,659,176)	355,436,176
Other taxes	-	8,000,000	(8,000,000)	-
	<hr/>	<hr/>	<hr/>	<hr/>
	30,549,531,968	362,068,055,511	(366,611,424,142)	26,006,163,337
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**23. Accrued expenses**

	<b>30/6/2023</b>	<b>1/1/2023</b>
	<b>VND</b>	<b>VND</b>
Interests payable	4,110,125,901	5,042,571,295
Discounts payable to distributors and retailers	58,896,391,251	25,733,193,044
Transportation expenses	5,860,892,919	8,162,685,858
Land rental	15,973,325,935	12,612,990,373
Advertising and marketing expenses	3,377,870,757	9,417,320,861
Others	3,088,740,819	4,802,569,612
	<hr/>	<hr/>
	91,307,347,582	65,771,331,043
	<hr/>	<hr/>

**24. Other short-term payables**

	<b>30/6/2023</b>	<b>1/1/2023</b>
	<b>VND</b>	<b>VND</b>
Payables to General Import - Export Trade and Production Joint Stock Company related to borrowings of raw materials	21,402,000,000	31,402,000,000
Short-term deposits received	8,360,990,345	5,954,600,177
Payables to Trade Union	7,027,112,950	801,881,138
Others	5,594,549,808	1,439,393,637
	<hr/>	<hr/>
	42,384,653,103	39,597,874,952
	<hr/>	<hr/>

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**25. Borrowings**

**(a) Short-term borrowings**

	Movements in the period			30/6/2023 Carrying amount and amount within payment capacity VND	
	1/1/2023 Carrying amount and amount within payment capacity VND	Addition VND	Decrease VND		Foreign exchange differences VND
Short-term borrowings	1,687,925,563,778	1,613,749,385,886	(1,808,496,092,485)	(672,853,500)	1,492,506,003,679
Current portion of long-term borrowings (Note 25(b))	11,384,307,949	-	(7,589,538,646)	-	3,794,769,303
	1,699,309,871,727	1,613,749,385,886	(1,816,085,631,131)	(672,853,500)	1,496,300,772,982

Short-term borrowings include:

- bank borrowings in Vietnamese Dong, which bore interest at annual rates ranging from 4.6% to 9.1% (1/1/2023: from 7.0% to 9.5%); and
- bank borrowings in United States Dollar, which bore interest at the annual rates ranging from 4.4% to 6.8% ((1/1/2023: 4.9%).

At the reporting date, the short-term borrowings with a carrying amount of VND752,384 million (1/1/2023: VND948,205 million) were secured over assets as described in Note 25(b). The remaining short-term borrowings were unsecured.

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**(b) Long-term borrowings**

	<b>30/6/2023</b>	<b>1/1/2023</b>
	<b>VND</b>	<b>VND</b>
Long-term borrowings	3,794,769,303	11,384,307,949
Repayable within twelve months (Note 25(a))	(3,794,769,303)	(11,384,307,949)
Repayable after twelve months	-	-

Long-term borrowings include bank borrowings in Vietnamese Dong which bore interest at annual rates ranging from 5.9% to 8.6% (1/1/2023: from 5.9% to 8.6%) and with maturities in 2023.

The short-term borrowings with a carrying amount of VND752,384 million (1/1/2023: VND948,205 million) 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 30 June 2023 and 1 January 2023 (Note 9(c));
- receivables with carrying amount of VND756,441 million (1/1/2023: VND805,253 million) (Note 10); and
- tangible fixed assets of the Company with a net book value of VND342,001 million as at 30 June 2023 (1/1/2023: VND363,546 million) (Note 15).

**26. 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 and its subsidiaries' employees in accordance with their bonus and welfare policies.

Movements of bonus and welfare fund during the period were as follows:

	<b>Six-month period ended</b>	
	<b>30/6/2023</b>	<b>30/6/2022</b>
	<b>VND</b>	<b>VND</b>
Opening balance	5,758,670,282	1,314,654,826
Appropriation	15,582,110,105	14,540,899,706
Utilisation	(906,710,000)	(15,718,937,000)
Closing balance	20,434,070,387	136,617,532

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**27. Changes in owners' equity**

	Share capital VND	Investment and development fund VND	Retained profits VND	Total VND
<b>Balance at 1/1/2022</b>	1,177,961,830,000	1,034,576,932,192	495,438,942,708	2,707,977,704,900
Net profit for the period	-	-	326,469,270,974	326,469,270,974
Appropriation to investment and development fund	-	106,377,639,851	(106,377,639,851)	-
Dividends (Note 29)	-	-	(117,796,183,000)	(117,796,183,000)
Appropriation to bonus and welfare fund (Note 26)	-	-	(14,540,899,706)	(14,540,899,706)
<b>Balance at 30/6/2022</b>	1,177,961,830,000	1,140,954,572,043	583,193,491,125	2,902,109,893,168
<b>Balance at 1/1/2023</b>	1,295,753,340,000	1,023,163,062,043	511,900,942,783	2,830,817,344,826
Net profit for the period	-	-	246,569,875,501	246,569,875,501
Appropriation to investment and development fund	-	151,088,322,943	(151,088,322,943)	-
Dividends (Note 29)	-	-	(64,787,667,000)	(64,787,667,000)
Appropriation to bonus and welfare fund (Note 26)	-	-	(15,582,110,105)	(15,582,110,105)
<b>Balance at 30/6/2023</b>	1,295,753,340,000	1,174,251,384,986	527,012,718,236	2,997,017,443,222

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## 28. Share capital

The Company's authorised and issued share capital are:

	30/6/2023		1/1/2023	
	Number of shares	VND	Number of shares	VND
<b>Authorised share capital</b>	129,575,334	1,295,753,340,000	129,575,334	1,295,753,340,000
<b>Issued share capital</b>				
Ordinary shares	129,575,334	1,295,753,340,000	129,575,334	1,295,753,340,000
<b>Shares in circulation</b>				
Ordinary shares	129,575,334	1,295,753,340,000	129,575,334	1,295,753,340,000

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.

## 29. Dividends

The General Meeting of Shareholders of the Company on 28 April 2023 resolved to distribute dividends in cash for 2022 amounting to VND64,788 million (VND500 per share, equivalent to 5% of charter capital) (six-month period ended 30/6/2022: VND117,796 million (VND1,000 per share, equivalent to 10% of charter capital)).

## 30. 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.

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**31. Off balance sheet items**

**(a) Land lease commitments**

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

	<b>30/6/2023</b>	<b>1/1/2023</b>
	<b>VND</b>	<b>VND</b>
Within one year	10,861,998,125	10,861,998,125
Within two to five years	44,201,976,835	44,201,976,835
More than five years	237,921,643,528	243,352,642,591
	292,985,618,488	298,416,617,551
	292,985,618,488	298,416,617,551

**(b) Foreign currency**

	<b>30/6/2023</b>		<b>1/1/2023</b>	
	<b>Original currency</b>	<b>VND equivalent</b>	<b>Original currency</b>	<b>VND equivalent</b>
USD	623,610	14,579,994,786	42,694	997,322,029

**(c) Bad debts written off**

	<b>Reason for writing off</b>	<b>Written off in year</b>	<b>30/6/2023 VND</b>	<b>1/1/2023 VND</b>
Receivable from Minh Hai Import - Export Trading Co., Ltd – a company whose key management member being a related individual of the Company	Unrecoverable debt	2022	16,499,693,934	16,499,693,934
			16,499,693,934	16,499,693,934
			16,499,693,934	16,499,693,934

**(d) Capital expenditure commitments**

As at 30 June 2023 and 1 January 2023, the Company and its subsidiaries had the following outstanding capital commitments approved but not provided for in the consolidated balance sheet:

	<b>30/6/2023</b>	<b>1/1/2023</b>
	<b>VND</b>	<b>VND</b>
Approved and not contracted	133,518,866,683	56,610,270,109
	133,518,866,683	56,610,270,109
	133,518,866,683	56,610,270,109



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### 32. Revenue from sales of goods

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

Net revenue comprised:

	<b>Six-month period ended</b>	
	<b>30/6/2023</b>	<b>30/6/2022</b>
	<b>VND</b>	<b>VND</b>
Total revenue		
▪ Sales of goods	2,397,988,218,726	2,886,580,683,442
▪ Others	159,612,276,323	5,232,590,636
	<hr/>	<hr/>
	2,557,600,495,049	2,891,813,274,078
Less revenue deductions		
▪ Sales discounts	(36,940,328,331)	(87,144,052,031)
▪ Sales returns	(4,310,942,980)	(2,605,597,335)
	<hr/>	<hr/>
	(41,251,271,311)	(89,749,649,366)
Net revenue	<hr/>	<hr/>
	2,516,349,223,738	2,802,063,624,712

### 33. Cost of sales

	<b>Six-month period ended</b>	
	<b>30/6/2023</b>	<b>30/6/2022</b>
	<b>VND</b>	<b>VND</b>
Total cost of sales:		
▪ Goods sold	1,644,812,109,903	2,021,114,010,703
▪ Others	163,657,322,519	1,189,940,727
	<hr/>	<hr/>
	1,808,469,432,422	2,022,303,951,430

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**34. Financial income**

	<b>Six-month period ended</b>	
	<b>30/6/2023</b>	<b>30/6/2022</b>
	<b>VND</b>	<b>VND</b>
Interest income from deposits	19,776,990,191	21,010,486,405
Foreign exchange gains	1,798,412,213	1,112,149,199
Dividends	5,153,339,072	6,378,868,428
	<hr/>	<hr/>
	26,728,741,476	28,501,504,032
	<hr/>	<hr/>

**35. Financial expenses**

	<b>Six-month period ended</b>	
	<b>30/6/2023</b>	<b>30/6/2022</b>
	<b>VND</b>	<b>VND</b>
Interest expense	56,427,940,940	30,892,787,127
Payment discounts	19,393,150,809	32,260,029,008
Foreign exchange losses	274,720,732	4,212,121,638
	<hr/>	<hr/>
	76,095,812,481	67,364,937,773
	<hr/>	<hr/>

**36. Selling expenses**

	<b>Six-month period ended</b>	
	<b>30/6/2023</b>	<b>30/6/2022</b>
	<b>VND</b>	<b>VND</b>
Staff costs	24,089,964,162	18,226,389,598
Discounts paid to retailers	165,013,475,621	206,608,984,380
Depreciation	11,159,227,693	10,149,116,153
Transportation expenses	54,069,747,271	53,691,259,504
Advertising and marketing expenses	4,929,151,094	7,107,027,082
Other selling expenses	27,069,358,448	26,379,085,268
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	286,330,924,289	322,161,861,985
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**37. General and administration expenses**

	Six-month period ended	
	30/6/2023 VND	30/6/2022 VND
Staff costs	45,786,076,054	33,993,616,184
Depreciation and amortisation	14,502,766,004	14,465,869,646
Other expenses in cash	11,972,415,406	10,952,483,735
Other general and administration expenses	21,585,189,532	12,462,910,721
	93,846,446,996	71,874,880,286

**38. Production and business costs by element**

	Six-month period ended	
	30/6/2023 VND	30/6/2022 VND
Raw material costs included in production costs	1,603,734,995,184	1,809,515,722,912
Discounts paid to retailers	165,013,475,621	206,608,984,380
Labour costs and staff costs	188,180,200,798	150,082,244,891
Depreciation and amortisation	79,692,721,635	79,500,897,264
Outside services and other expenses in cash	114,685,361,277	117,431,199,390
Other expenses	51,534,310,579	37,545,638,722

**39. Income tax**

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

	Six-month period ended	
	30/6/2023 VND	30/6/2022 VND
<b>Current tax expense</b>		
Current period	39,782,865,373	56,672,745,948
Under provision in prior years	662,568,234	-
	40,445,433,607	56,672,745,948
<b>Deferred tax expense</b>		
Effect of unrealised profit in tangible fixed assets	118,862,730	159,486,752
	40,564,296,337	56,832,232,700



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

	<b>Six-month period ended</b>	
	<b>30/6/2023</b>	<b>30/6/2022</b>
	<b>VND</b>	<b>VND</b>
Accounting profit before tax	287,134,171,838	383,301,503,674
Tax at the Company's tax rate	57,426,834,368	76,660,300,735
Effect of different tax rates in a subsidiary	(10,317,834,834)	(7,663,361,587)
Tax exempt income	(2,228,878,383)	(8,518,009,023)
Tax incentives of a subsidiary	(5,158,917,417)	(3,831,680,793)
Non-deductible expenses	1,149,498	3,128,807
Under provision in prior years	662,568,234	-
Others	179,374,871	181,854,561
	40,564,296,337	56,832,232,700

**(c) Applicable tax rates**

According to the current Law on Corporate Income Tax:

- the Company and Tien Phong Land Company Limited – a subsidiary of the Company, have obligations to pay the Government income tax at 20% of taxable profits.
- Tien Phong Central Plastic Company Limited – a subsidiary of the Company has an obligation to pay the Government income tax at 10% of taxable profits for the first 15 years starting from the first year of operation (from 2013 to 2027) and the standard income tax rate for the succeeding years. The provisions in the Investment Certificate allow this subsidiary to be exempt from income tax for 4 years starting from the first year it generates a taxable profit (from 2014 to 2017) and entitled to a 50% reduction in income tax for the 9 succeeding years (from 2018 to 2026).

All the above tax exemption and reduction are not applicable to other income which is taxed at a rate of 20%.

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**40. Basic earnings per share**

The calculation of basic earnings per share for the six-month period ended 30 June 2023 was based on the profit attributable to ordinary shareholders after deducting the amounts appropriated to bonus and welfare fund, and the weighted average number of ordinary shares for the period. Details are as follows:

**(a) Basic earnings per share**

	<b>Six-month period ended</b>	
	<b>30/6/2023</b>	<b>30/6/2022</b>
Net profit for the period (VND)	246,569,875,501	326,469,270,974
Appropriation to bonus and welfare fund (VND) (*)	(24,656,987,550)	(32,646,927,097)
Net profit attributable to ordinary shareholders (VND)	221,912,887,951	293,822,343,877
Weighted average number of ordinary shares in circulation during the period (number of shares)	129,575,334	129,575,334
Basic earnings per share (VND/share)	1,713	2,268

(\*) At the reporting date, the Company estimated the profit for the six-month period ended 30 June 2023 to be appropriated to the bonus and welfare fund amounting to VND24,657 million.

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**41. Significant transactions with related parties**

In addition to related party balances disclosed in other notes to the consolidated interim financial statements, the Company and its subsidiaries had the following significant transactions with related parties during the period:

	<b>Transaction value</b>	
	<b>Six-month period ended</b>	<b>Six-month period ended</b>
	<b>30/6/2023</b>	<b>30/6/2022</b>
	<b>VND</b>	<b>VND</b>
<b>Associates</b>		
<i><b>Tien Phong South Plastic Joint Stock Company</b></i>		
Sales of goods	98,417,950,846	69,749,014,091
Purchase of goods and services	141,489,405,868	57,307,816,545
Royalty fee (*)	-	3,400,000,000
Sales returns	34,020,495	1,585,484
<i><b>Tien Phong Packaging Joint Stock Company</b></i>		
Sales of goods	13,700,000	-
Purchase of goods and services	16,004,158,011	18,113,688,984
Dividends received	599,730,000	499,775,000
<b>Other related companies</b>		
<i><b>Minh Hai Import - Export Trading Limited Company –</b></i> <i><b>a company whose key management member being</b></i> <i><b>a related individual of the Company</b></i>		
Sales returns	929,854,626	-
<i><b>Tien Phong Technology Equipment Joint Stock Company</b></i> <i><b>– a company with common key management members</b></i>		
Sales of goods	18,980,000	17,240,000
Purchase of goods	27,495,502,741	36,813,378,000
<i><b>Sekisui Vietnam Company Limited – a company with</b></i> <i><b>common key management members</b></i>		
Sales of goods	14,473,985,122	2,359,896,968
Purchase of goods	79,041,177,225	306,131,311,000
Sales returns	8,377,849	669,454

(\*) 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. Within 5 years before 30 June 2022, the Company pays a royalty fee of VND3,400 million per year to Tien Phong South Plastic Joint Stock Company.

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**Key management personnel compensation**

	<b>Six-month period ended</b>	
	<b>30/6/2023</b>	<b>30/6/2022</b>
	<b>VND</b>	<b>VND</b>
<b>Board of Management members</b>		
Fees, bonus and other benefits		
Mr. Dang Quoc Dung – Chairman	2,101,837,090	1,379,566,710
Mr. Noboru Kobayashi – Vice Chairman	761,100,000	452,000,000
Mr. Tran Ngoc Bao – Member	1,549,006,284	1,130,078,868
Mr. Nguyen Viet Phuong – Member	362,750,000	221,000,000
Mr. Dao Anh Thang – Member	460,080,000	460,080,000
<b>General Director cum Member of Board of Management</b>		
Salaries, bonus and other benefits	1,986,610,266	1,381,649,727
<b>Other management personnel</b>		
Salary, bonus and other benefits (excluding all the items disclosed above)	2,633,265,988	2,154,039,160

**42. Comparative information**

The comparative information was derived from the balances and amounts as at 31 December 2022 reported in the Company's consolidated financial statements for the year ended 31 December 2022 for the balances and amounts presented in the consolidated balance sheet and the relevant notes; and the balances and amounts reported in the Company's consolidated interim financial statements for the six-month period ended 30 June 2022 for the balances and amounts presented in the consolidated statements of income and cash flows and the relevant notes.

14 August 2023

Prepared by:



Luu Thi Mai  
 Chief Accountant

Approved by:



Tran Ngoc Bao  
 Deputy General Director – Finance  
 As authorised by the General Director