



Tien Phong Plastic Joint Stock Company

Separate Financial Statements
for the year ended 31 December 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 the 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
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

Auditor

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 2023.

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 40 give a true and fair view of the unconsolidated financial position of the Company as at 31 December 2023, 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 Van Phuong
General Director

Hai Phong, **22 MAR 2024**



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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 2023, 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 22 MAR 2024, as set out on pages 5 to 40.

Management's Responsibility

The Company's Board of General Directors is responsible for the preparation and fair presentation of these separate 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 2023 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. 23-02-00227-24-1



Phan My Linh
Practicing Auditor Registration
Certificate No.: 3064-2024-007-1
Deputy General Director

Hanoi, **22 MAR 2024**

Pham Thi Thuy Linh
Practicing Auditor Registration
Certificate No.: 3065-2024-007-1

Tien Phong Plastic Joint Stock Company
Separate balance sheet as at 31 December 2023

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

	Code	Note	31/12/2023 VND	1/1/2023 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		3,365,715,428,643	2,946,640,233,205
Cash and cash equivalents	110	5	446,071,490,535	164,141,010,132
Cash	111		435,529,434,759	124,088,407,392
Cash equivalents	112		10,542,055,776	40,052,602,740
Short-term financial investments	120		950,000,000,000	432,857,808,219
Held-to-maturity investments	123	6(a)	950,000,000,000	432,857,808,219
Accounts receivable – short-term	130		878,903,787,837	938,490,552,873
Accounts receivable from customers	131	7	860,337,905,474	866,051,626,939
Prepayments to suppliers	132	8	44,541,723,581	73,249,950,492
Other receivables	136	9	28,993,745,315	61,276,754,278
Allowance for doubtful debts	137	10	(54,969,586,533)	(62,087,778,836)
Inventories	140	11	1,073,875,638,543	1,365,841,984,676
Inventories	141		1,073,875,638,543	1,369,554,120,717
Allowance for inventories	149		-	(3,712,136,041)
Other current assets	150		16,864,511,728	45,308,877,305
Short-term prepaid expenses	151		16,420,744,689	12,446,361,138
Deductible value added tax	152		-	32,448,774,160
Taxes and others receivable from State Treasury	153		443,767,039	413,742,007

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 2023 (continued)

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

	Code	Note	31/12/2023 VND	1/1/2023 VND
Long-term assets (200 = 220 + 240 + 250 + 260)	200		1,729,425,708,773	1,780,476,105,395
Fixed assets	220		1,230,626,000,643	1,324,966,964,370
Tangible fixed assets	221	12	1,230,626,000,643	1,324,966,964,370
<i>Cost</i>	222		2,843,976,034,986	2,810,670,809,484
<i>Accumulated depreciation</i>	223		(1,613,350,034,343)	(1,485,703,845,114)
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)
Long-term work in progress	240		47,357,468,650	2,173,973,393
Construction in progress	242	13	47,357,468,650	2,173,973,393
Long-term financial investments	250		325,272,188,600	315,272,188,600
Investments in subsidiaries	251	6(b)	131,100,000,000	131,100,000,000
Investments in associates	252	6(b)	113,345,883,000	113,345,883,000
Equity investments in other entities	253	6(b)	95,960,188,600	95,960,188,600
Allowance for diminution in the value of long-term financial investments	254	6(b)	(25,133,883,000)	(25,133,883,000)
Held-to-maturity investments	255	6(b)	10,000,000,000	-
Other long-term assets	260		126,170,050,880	138,062,979,032
Long-term prepaid expenses	261	14	126,170,050,880	138,062,979,032
TOTAL ASSETS (270 = 100 + 200)	270		5,095,141,137,416	4,727,116,338,600

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 2023 (continued)

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

	Code	Note	31/12/2023 VND	1/1/2023 VND
RESOURCES				
LIABILITIES (300 = 310)	300		2,220,207,566,510	2,129,542,537,289
Current liabilities	310		2,220,207,566,510	2,129,542,537,289
Accounts payable to suppliers	311	15	302,978,842,673	235,400,714,256
Advances from customers	312	16	7,667,922,805	30,421,439,866
Taxes and others payable to State Treasury	313	17	49,313,871,335	27,502,552,251
Payables to employees	314		59,405,771,039	58,900,186,915
Accrued expenses	315	18	112,842,186,415	60,755,178,177
Other payables – short-term	319	19	23,295,169,375	60,924,718,404
Short-term borrowings	320	20	1,645,227,876,481	1,649,879,077,138
Bonus and welfare fund	322	21	19,475,926,387	5,758,670,282
EQUITY (400 = 410)	400		2,874,933,570,906	2,597,573,801,311
Owners' equity	410	22	2,874,933,570,906	2,597,573,801,311
Share capital	411	23	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	25	1,174,251,384,986	1,023,163,062,043
Retained profits	421		404,928,845,920	278,657,399,268
- Retained profits brought forward	421a		47,199,299,220	47,199,299,220
- Profit for the current year	421b		357,729,546,700	231,458,100,048
TOTAL RESOURCES (440 = 300 + 400)	440		5,095,141,137,416	4,727,116,338,600

Prepared by:



Luu Thi Mai
Chief Accountant

Approved by:



Tran Ngoc Bao
Deputy General Director – Finance



Chu Van Phuong
General Director

22 MAR 2024

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 2023

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

	Code	Note	2023 VND	2022 VND
Revenue from sales of goods	01	27	4,721,261,485,121	5,256,518,490,276
Revenue deductions	02	27	113,239,525,771	130,024,611,332
Net revenue (10 = 01 - 02)	10	27	4,608,021,959,350	5,126,493,878,944
Cost of sales	11	28	3,377,147,519,398	3,996,856,401,088
Gross profit (20 = 10 - 11)	20		1,230,874,439,952	1,129,637,477,856
Financial income	21	29	268,510,609,512	219,750,798,893
Financial expenses	22	30	122,082,875,555	132,393,083,058
<i>In which: Interest expense</i>	23		83,318,618,128	76,016,547,399
Selling expenses	25	31	566,912,774,298	548,243,888,694
General and administration expenses	26	32	172,973,208,791	138,180,258,062
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		637,416,190,820	530,571,046,935
Other income	31		5,355,481,923	3,632,522,782
Other expenses	32		1,384,835,106	1,917,950,530
Results of other activities (40 = 31 - 32)	40		3,970,646,817	1,714,572,252
Accounting profit before tax (50 = 30 + 40)	50		641,386,837,637	532,285,619,187
Income tax expense – current	51	34	89,294,289,937	76,464,518,139
Net profit after tax (60 = 50 - 51)	60		552,092,547,700	455,821,101,048

Prepared by:


Luu Thi Mai
Chief Accountant

Approved by:


Tran Ngoc Bao
Deputy General Director – Finance


Chu Van Phuong
General Director



22 MAR 2024

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 2023
(Indirect method)

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

	Code	2023 VND	2022 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	01	641,386,837,637	532,285,619,187
Adjustments for			
Depreciation and amortisation	02	150,406,360,901	149,072,966,500
Allowances and provisions	03	(10,830,328,344)	(1,340,971,740)
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04	164,314,320	6,125,133,983
Profits from investing activities	05	(266,351,343,225)	(209,302,284,619)
Interest expense	06	83,318,618,128	76,016,547,399
Operating profit before changes in working capital	08	598,094,459,417	552,857,010,710
Change in receivables	09	129,749,622,855	(219,555,616,764)
Change in inventories	10	295,678,482,174	(419,935,389,126)
Change in payables and other liabilities	11	24,888,996,835	(116,135,753,406)
Change in prepaid expenses	12	4,254,982,329	(18,239,582,928)
		1,052,666,543,610	(221,009,331,514)
Interest paid	14	(84,246,782,998)	(72,739,805,326)
Income tax paid	15	(71,549,313,676)	(87,654,476,481)
Other payments for operating activities	17	(1,864,854,000)	(40,096,884,250)
Net cash flows from operating activities	20	895,005,592,936	(421,500,497,571)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets	21	(72,873,510,106)	(105,972,573,831)
Proceeds from disposals of fixed assets	22	447,181,818	753,532,524
Placement of deposits with terms of more than 3 months and investment in bonds	23	(1,410,000,000,000)	(838,272,602,739)
Receipts from collecting deposits with terms of more than 3 months	24	882,857,808,219	1,255,414,794,520
Receipts of interests, dividends and distributed profits	27	252,650,211,650	214,884,590,683
Net cash flows from investing activities	30	(346,918,308,419)	526,807,741,157

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 2023
(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	2023 VND	2022 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	33	3,274,716,870,586	4,403,659,862,197
Payments to settle loan principals	34	(3,281,678,336,581)	(4,165,510,272,066)
Payments of dividends	36	(259,150,668,000)	(312,159,184,000)
Net cash flows from financing activities	40	(266,112,133,995)	(74,009,593,869)
Net cash flows during the year (50 = 20 + 30 + 40)	50	281,975,150,522	31,297,649,717
Cash and cash equivalents at the beginning of the year	60	164,141,010,132	132,976,715,364
Effect of exchange rate fluctuations on cash and cash equivalents	61	(44,670,119)	(133,354,949)
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61) (Note 5)	70	446,071,490,535	164,141,010,132

Prepared by:



Liu Thi Mai
Chief Accountant

Approved by:



Tran Ngoc Bao
Deputy General Director – Finance



Chu Van Phuong
General Director

22 MAR 2024

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 2023

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 20 May 2023.

(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 2023 and 1 January 2023, the Company had 2 subsidiaries and 3 associates as listed in Note 6.

As at 31 December 2023, the Company had 1,272 employees (1/1/2023: 1,262 employees).

Tien Phong Plastic Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2023
(continued)

Form B 09 – DN
*(Issued under Circular No. 200/2014/TT-BTC
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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 also prepares and issues its consolidated financial statements. 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 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.

Tien Phong Plastic Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2023
(continued)

Form B 09 – DN
*(Issued under Circular No. 200/2014/TT-BTC
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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 long-term 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.

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
Notes to the separate financial statements for the year ended 31 December 2023
(continued)

Form B 09 – DN
*(Issued under Circular No. 200/2014/TT-BTC
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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
▪ machineries and equipment	3 – 20 years
▪ motor vehicles	3 – 12 years
▪ office equipment	3 – 8 years

(g) Intangible fixed assets

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.

(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.

Tien Phong Plastic Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2023
(continued)

Form B 09 – DN

*(Issued under Circular No. 200/2014/TT-BTC
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(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
Notes to the separate financial statements for the year ended 31 December 2023
(continued)

Form B 09 – DN
*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

(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.

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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, unconsolidated results of operation or unconsolidated cash flows for the prior year.

4. Changes in accounting estimates

In preparing the annual separate financial statements, Board of General Directors has made several accounting estimates. Actual results may differ from these estimates. During the annual accounting period ended 31 December 2023, there were not any significant changes in accounting estimates since the latest annual accounting period ended.

5. Cash and cash equivalents

	31/12/2023	1/1/2023
	VND	VND
Cash on hand	127,243,970	723,402,875
Cash in banks	435,402,190,789	123,365,004,517
Cash equivalents	10,542,055,776	40,052,602,740
	<hr/>	<hr/>
	446,071,490,535	164,141,010,132
	<hr/>	<hr/>

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6. Investments	(a) Held-to-maturity investments	31/12/2023		1/1/2023	
		Quantity	Fair value VND	Cost VND	Fair value VND
	Held-to-maturity investments – short-term				
	▪ Term deposits (i)		950,000,000,000	432,857,808,219	432,857,808,219
	Held-to-maturity investments – long-term				
	▪ Bonds of Vietnam Joint Stock Commercial Bank for Industry and Trade (ii)	100,000	10,000,000,000 (*)	-	-

(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 5.2% to 7.5% (1/1/2023: from 5.7% to 10%). 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 annual rate being the reference interest rate + 1.3% and will be due on 20 July 2033.

(*) The Company has not determined fair values of these investment 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. The fair values of these investments may differ from their carrying amounts.

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(b) Equity investments in other entities

	31/12/2023		1/1/2023					
	Quantity	% of equity owned and voting rights	Cost	Allowance for diminution in value	Fair value	Cost	Allowance for diminution in value	Fair value
Equity investments in:								
Subsidiaries								
▪ Central Tien Phong Plastic Company Limited (i)		100.00%	120,000,000,000	-	(*)	120,000,000,000	-	(*)
▪ Tien Phong Land Company Limited (ii)		100.00%	11,100,000,000	-	(*)	11,100,000,000	-	(*)
			<u>131,100,000,000</u>	<u>-</u>		<u>131,100,000,000</u>	<u>-</u>	
Associates								
▪ Tien Phong Plastic South Joint Stock Company (iii)	12,218,580	27.39%	84,150,000,000	-	(*)	84,150,000,000	-	(*)
▪ Tien Phong Packaging Joint Stock Company (iv)	499,775	49.98%	5,397,000,000	-	(*)	5,397,000,000	-	(*)
▪ Tien Phong - SMP Plastic Joint Venture Company Limited (v)		51.00%	23,798,883,000	(23,798,883,000)	(*)	23,798,883,000	(23,798,883,000)	(*)
			<u>113,345,883,000</u>	<u>(23,798,883,000)</u>		<u>113,345,883,000</u>	<u>(23,798,883,000)</u>	
Other entities								
▪ Nam Dinh Water Supply Joint Stock Company (vi)	4,632,086	13.50%	46,784,068,600	-	(*)	46,784,068,600	-	(*)
▪ Thu Dau Mot Water Joint Stock Company	1,800,000	1.80%	41,400,000,000	-	72,990,000,000	41,400,000,000	-	66,600,000,000
▪ Tien Phong Technology Equipment Joint Stock Company	396,000	17.39%	5,148,000,000	-	(*)	5,148,000,000	-	(*)
▪ Ha Giang Water Supply and Drainage Joint Stock Company	56,406	4.80%	1,128,120,000	-	(*)	1,128,120,000	-	(*)
▪ Golden Bridge Vietnam Securities Joint Stock Company	150,000	1.11%	1,500,000,000	(1,335,000,000)	(*)	1,500,000,000	(1,335,000,000)	(*)
			<u>95,960,188,600</u>	<u>(1,335,000,000)</u>		<u>95,960,188,600</u>	<u>(1,335,000,000)</u>	
			<u>340,406,071,600</u>	<u>(25,133,883,000)</u>		<u>340,406,071,600</u>	<u>(25,133,883,000)</u>	

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- (i) Central Tien Phong 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.
- (ii) 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 2023, the Company has contributed VND11,100 million in Tien Phong Land’s charter capital.
- (iii) Tien Phong Plastic South 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.
- (iv) 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.
- (v) 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.

- (vi) At 31 December 2023 and 1 January 2023, this investment was pledged with banks as security for borrowings granted to the Company (Note 20).
- (*) 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. The fair values of these investments may differ from their carrying amounts.

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7. Accounts receivable from customers

Accounts receivable from customers detailed by significant customers and related parties

	31/12/2023 VND	1/1/2023 VND
Related parties		
Tien Phong Plastic South Joint Stock Company – an associate (i)	378,726,082,679	375,340,672,512
Minh Hai Import - Export Trading Limited Company – a company whose key management member being a related individual of the Company (iii)	51,471,124,885	63,407,039,363
Sekisui Vietnam Company Limited – a company with common key management members (ii)	7,637,597,893	1,964,613,471
Tien Phong Packaging Joint Stock Company – an associate (iii)	11,286,000	15,228,000
Tien Phong Technology Equipment Joint Stock Company – a company with common key management members (iii)	24,192,000	-
Other parties		
Hong Phuoc Investment and Trading Joint Stock Company	280,617,419,558	235,916,348,895
Nam Phuong Trading Development and Investment Company Limited	57,686,733,342	11,642,880,145
Thai Hoa Trading Company Limited	53,669,409,252	73,246,697,591
Plastic Additives Joint Stock Company	13,851,981,980	16,935,150,960
Iplex Pipelines NZ Ltd	8,403,595,985	18,888,932,956
Tam Phuoc Company Limited	3,144,294,845	-
Tin Kim Plastic Joint Stock Company	-	65,474,372,304
Other customers	5,094,187,055	3,219,690,742
	860,337,905,474	866,051,626,939

- (i) These receivables were interest free and secured over 9,453,971 shares of Tien Phong Plastic Joint Stock Company (stock code: NTP), owned by Tien Phong Plastic South Joint Stock Company.
- (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.
- (iii) These receivables were unsecured, interest free and are receivable on demand.

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8. Prepayments to suppliers

	31/12/2023 VND	1/1/2023 VND
Related parties		
Tien Phong Technology Equipment Joint Stock Company – a company with common key management members	1,777,618,002	2,432,858,181
Other parties		
Eplas Company Limited	24,856,842,099	10,282,845,424
Minh Hoa Investment Joint Stock Company	1,618,499,179	17,325,655,600
PNT Technology and Equipment Company Limited	2,800,219,372	3,841,482,876
Minh Khang Advertising Media Company Limited	120,980,258	3,195,238,962
Lotus Chemical Technology Company Limited	305,376,045	4,333,829,379
CT - Wearnes Vietnam Company Limited	-	12,000,000,000
Van Vina Joint Stock Company	-	1,832,624,420
Other suppliers	13,062,188,626	18,005,415,650
	44,541,723,581	73,249,950,492

9. Other receivables

	31/12/2023 VND	1/1/2023 VND
Related party		
Receivable from Central Tien Phong Plastic Company Limited – a subsidiary, related to payments on behalf and materials loaned	1,844,917,697	48,177,538,800
Other parties		
Interest receivables	19,952,058,638	6,698,108,881
Advances	3,638,775,582	4,319,845,817
Security deposits	2,137,000,000	1,489,000,000
Other receivables	1,420,993,398	592,260,780
	28,993,745,315	61,276,754,278

The non-trade related amounts due from the related parties were unsecured, interest free (1/1/2023: interest rate of 6% per annum) and are receivable on demand.

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	31/12/2023			1/1/2023				
	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								
Joint Stock Company	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 3 years	1,060,039,175	(1,060,039,175)	-	Over 2 years to over 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	51,471,124,885	(51,471,124,885)	-	Over 3 years	63,407,039,363	(59,738,819,632)	3,668,219,731
Viet Bac Trading International Joint Stock Company	Over 6 months to less than 1 year	3,831,674,814	(1,149,502,444)	2,682,172,370				
Others	Over 3 years	203,536,476	(203,536,476)	-	Over 3 years	203,536,476	(203,536,476)	-
		<u>57,651,758,903</u>	<u>(54,969,586,533)</u>	<u>2,682,172,370</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

(54,969,586,533)

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11. Inventories

	31/12/2023		1/1/2023	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	155,195,747,793	-	76,011,196,033	-
Raw materials	627,097,354,446	-	928,752,980,255	(3,712,136,041)
Tools and supplies	14,091,900,373	-	10,096,957,539	-
Work in progress	35,548,584,505	-	58,304,521,409	-
Finished goods	241,942,051,426	-	296,388,465,481	-
	1,073,875,638,543	-	1,369,554,120,717	(3,712,136,041)

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12. Tangible fixed assets	Buildings and structures VND	Machineries and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Cost					
Opening balance	1,534,498,311,445	1,096,942,451,499	161,649,545,348	17,580,501,192	2,810,670,809,484
Transfer from construction in progress	8,420,882,368	14,929,523,158	29,051,429,376	-	52,401,834,902
Disposals	-	(16,731,833,646)	(2,119,096,754)	(245,679,000)	(19,096,609,400)
Closing balance	1,542,919,193,813	1,095,140,141,011	188,581,877,970	17,334,822,192	2,843,976,034,986
Accumulated depreciation					
Opening balance	599,553,866,751	755,285,629,085	113,982,079,051	16,882,270,227	1,485,703,845,114
Charge for the year	74,085,874,232	60,235,332,564	12,077,767,245	343,824,588	146,742,798,629
Disposals	-	(16,731,833,646)	(2,119,096,754)	(245,679,000)	(19,096,609,400)
Closing balance	673,639,740,983	798,789,128,003	123,940,749,542	16,980,415,815	1,613,350,034,343
Net book value					
Opening balance	934,944,444,694	341,656,822,414	47,667,466,297	698,230,965	1,324,966,964,370
Closing balance	869,279,452,830	296,351,013,008	64,641,128,428	354,406,377	1,230,626,000,643

Included in tangible fixed assets were assets costing VND685,341 million which were fully depreciated as of 31 December 2023 (1/1/2023: VND601,003 million), but are still in active use.

As at 31 December 2023, tangible fixed assets with a net book value of VND323,949 million (1/1/2023: VND363,546 million) were pledged with banks as security for borrowings granted to the Company (Note 20).

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13. Construction in progress

	2023 VND	2022 VND
Opening balance	2,173,973,393	32,881,860,391
Additions	97,585,330,159	36,110,276,353
Transfer to tangible fixed assets	(52,401,834,902)	(56,526,951,042)
Transfer to long-term prepaid expenses	-	(8,529,493,175)
Others	-	(1,761,719,134)
	47,357,468,650	2,173,973,393

Major constructions in progress were as follows:

	31/12/2023 VND	1/1/2023 VND
New factory in Duong Kinh	20,786,441,366	2,173,973,393
Machinery and equipment	26,571,027,284	-
	47,357,468,650	2,173,973,393

14. Long-term prepaid expenses

	Prepaid land costs VND	Tools and instruments VND	Others VND	Total VND
Opening balance	107,575,652,297	1,249,518,227	29,237,808,508	138,062,979,032
Additions	-	1,909,375,913	1,789,715,751	3,699,091,664
Amortisation for the year	(3,663,562,272)	(1,337,170,097)	(10,591,287,447)	(15,592,019,816)
	103,912,090,025	1,821,724,043	20,436,236,812	126,170,050,880

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15. Accounts payable to suppliers

Accounts payable to suppliers detailed by significant suppliers and related parties

	Cost and amount within payment capacity	
	31/12/2023 VND	1/1/2023 VND
Related parties		
Sekisui Vietnam Company Limited – a company with common key management members	40,850,728,922	46,962,939,960
Tien Phong Plastic South Joint Stock Company – an associate	129,496,232,050	50,223,323,676
Tien Phong Packaging Joint Stock Company – an associate	2,459,194,813	4,927,811,613
Tien Phong Technology Equipment JSC– a company with common key management members	-	338,576,590
Other parties		
Tin Kim Plastic Joint Stock Company	13,394,965,034	68,523,416,669
Solmer Future Ltd	25,336,052,500	-
Tricon Energy Ltd	9,294,201,000	-
Hyosung Chemical Corporation	7,324,569,000	25,016,785,200
Borouge Pte Ltd.	43,282,809,750	11,878,812,000
PT Asahimas Chemical	-	8,382,528,000
Other suppliers	31,540,089,604	19,146,520,548
	302,978,842,673	235,400,714,256

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 2023 and 1 January 2023, the Company had no overdue payables.

16. Advances from customers

	31/12/2023 VND	1/1/2023 VND
Nam Phuong Trading Company Limited	472,129,551	1,707,234,129
Tam Phuoc Company Limited	-	27,526,297,429
Ha Dung Trading Company Limited	7,195,793,254	1,187,908,308
	7,667,922,805	30,421,439,866

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17. Taxes and others payable to State Treasury

	1/1/2023 VND	Incurred VND	Paid/net-off VND	31/12/2023 VND
Value added tax	-	439,854,041,198	(436,407,326,603)	3,446,714,595
Value added tax of imported goods	-	106,281,667,122	(106,281,667,122)	-
Corporate income tax	8,572,826,716	89,294,289,937	(71,549,313,676)	26,317,802,977
Personal income tax	18,574,289,359	25,044,645,297	(24,425,017,069)	19,193,917,587
Land rental	-	4,942,766,617	(4,942,766,617)	-
Import tax	355,436,176	12,045,240,640	(12,045,240,640)	355,436,176
	27,502,552,251	677,462,650,811	(655,651,331,727)	49,313,871,335

18. Accrued expenses

	31/12/2023 VND	1/1/2023 VND
Interests payable	3,971,724,951	4,899,889,821
Discounts payable to distributors and retailers	79,377,144,823	22,647,974,110
Transportation expenses	10,206,568,942	7,114,559,430
Land rental	15,782,944,497	12,612,990,373
Advertising and marketing expenses	1,784,260,395	9,417,320,861
Others	1,719,542,807	4,062,443,582
	112,842,186,415	60,755,178,177

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19. Other short-term payables

	31/12/2023	1/1/2023
	VND	VND
Related parties		
Payments made on behalf from Central Tien Phong Plastic Company Limited – a subsidiary	-	21,831,187,490
Other parties		
Payables to General Import – Export Trade and Production Joint Stock Company related to raw materials on loan	5,002,000,000	31,402,000,000
Short-term deposits received	8,335,068,642	5,954,600,177
Payables to Trade Union	8,777,153,103	369,767,440
Others	1,180,947,630	1,367,163,297
	23,295,169,375	60,924,718,404
	23,295,169,375	60,924,718,404

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	Movements in the year			31/12/2023
	1/1/2023	Addition	Decrease	Carrying amount and
	Carrying amount and amount within payment capacity VND	VND	VND	amount within payment capacity VND
Short-term borrowings	1,638,494,769,189	3,274,716,870,586	(3,270,294,028,632)	2,310,265,338
Current portion of long-term borrowings	11,384,307,949	-	(11,384,307,949)	-
	1,649,879,077,138	3,274,716,870,586	(3,281,678,336,581)	2,310,265,338
				1,645,227,876,481

Short-term borrowings include bank loans in Vietnamese Dong, which bore interest at annual rates ranging from 2.9% to 5.7% (2022: from 7.0% to 9.5%).

At the reporting date, the short-term borrowings with a carrying amount of VND771,499 million (1/1/2023: VND948,205 million) 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 2023 and 1 January 2023 (Note 6);
- tangible fixed assets of the Company with a net book value of VND323,949 million as at 31 December 2023 (1/1/2023: VND363,546 million) (Note 12).

The remaining short-term loans were unsecured.

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21. 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:

	2023	2022
	VND	VND
Opening balance	5,758,670,282	1,314,654,826
Appropriation (Note 22)	15,582,110,105	14,540,899,706
Advances from retained profit of prior year (Note 22)	-	30,000,000,000
Utilisation	(1,864,854,000)	(40,096,884,250)
Closing balance	19,475,926,387	5,758,670,282

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22. Changes in owners' equity

	Share capital VND	Investment and development fund VND	Retained profits VND	Total VND
Balance at 1/1/2022	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	(106,377,639,851)	-
Dividends from retained profit of 2021 (Note 24)	-	-	(117,796,183,000)	(117,796,183,000)
Advance of dividends from retained profit of 2022 (Note 24)	-	-	(194,363,001,000)	(194,363,001,000)
Appropriation to bonus and welfare fund from retained profit of 2021 (Note 21)	-	-	(14,540,899,706)	(14,540,899,706)
Advance to bonus and welfare fund from retained profit of 2022 (Note 21)	-	-	(30,000,000,000)	(30,000,000,000)
Balance at 1/1/2023	1,295,753,340,000	1,023,163,062,043	278,657,399,268	2,597,573,801,311
Net profit for the year	-	-	552,092,547,700	552,092,547,700
Appropriation to investment and development fund	-	151,088,322,943	(151,088,322,943)	-
Dividends from retained profit of 2022 (Note 24)	-	-	(64,787,667,000)	(64,787,667,000)
Advance of dividends from retained profit of 2023 (Note 24)	-	-	(194,363,001,000)	(194,363,001,000)
Appropriation to bonus and welfare fund from retained profit of 2022 (Note 21)	-	-	(15,582,110,105)	(15,582,110,105)
Balance at 31/12/2023	1,295,753,340,000	1,174,251,384,986	404,928,845,920	2,874,933,570,906

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23. Share capital

The Company's authorised and issued share capital are:

	31/12/2023 and 1/1/2023	
	Number of shares	VND
Authorised share capital	129,575,334	1,295,753,340,000
Issued share capital		
Ordinary shares	129,575,334	1,295,753,340,000
Shares in circulation		
Ordinary shares	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.

24. Dividends

The General Meeting of Shareholders of the Company on 28 April 2023 resolved to distribute the remaining dividends in cash for 2022 amounting to VND64,788 million (VND500 per share, equivalent to 5% of charter capital) (2022: distribute the remaining dividends in cash for 2021 amounting to VND117,796 million (VND1,000 per share, equivalent to 10% of charter capital)).

On 15 November 2023, the Company's Board of Management passed a resolution on first advance of dividends in cash for 2023 amounting to VND194,363 million (VND1,500 per share, equivalent to 15% of charter capital) (2022: advance of dividends in cash amounting to VND194,363 million (VND1,500 per share, equivalent to 15% of charter capital)).

25. 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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26. Off balance sheet items

(a) Land lease commitments

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

	31/12/2023	1/1/2023
	VND	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	217,159,824,438	228,021,822,563
	271,469,815,063	282,331,813,188

(b) Foreign currency

	31/12/2023		1/1/2023	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	604,413	14,508,927,104	42,694	997,322,029

(c) Bad debts written off

	Reason for writing off	Written off in year	31/12/2023 VND	1/1/2023 VND
Receivable from Minh Hai Import - Export Trading Co., Ltd – a company whose key management member being a related individual of the Company	Irrecoverable debt	2022	16,499,693,934	16,499,693,934

(d) Capital expenditure commitments

As at 31 December 2023, the Company had the following outstanding capital commitments approved but not provided for in the separate balance sheet:

	31/12/2023	1/1/2023
	VND	VND
Approved and not contracted	74,876,264,537	56,610,270,109

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27. Revenue from sales of goods

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

Net revenue comprised:

	2023	2022
	VND	VND
Total revenue		
▪ Sales of goods	4,422,870,161,260	4,920,260,454,918
▪ Others	298,391,323,861	336,258,035,358
	4,721,261,485,121	5,256,518,490,276
Less revenue deductions		
▪ Sales discounts	(103,510,655,901)	(112,081,824,064)
▪ Sales returns	(8,789,278,748)	(10,837,203,697)
▪ Sales allowances	(939,591,122)	(7,105,583,571)
	(113,239,525,771)	(130,024,611,332)
Net revenue	4,608,021,959,350	5,126,493,878,944

28. Cost of sales

	2023	2022
	VND	VND
Total cost of sales:		
▪ Goods sold	3,080,728,890,146	3,650,794,971,066
▪ Others	300,130,765,293	345,795,653,101
Allowance for inventories	(3,712,136,041)	265,776,921
	3,377,147,519,398	3,996,856,401,088

29. Financial income

	2023	2022
	VND	VND
Interest income from deposits and bonds	55,800,117,524	46,663,977,898
Foreign exchange gains	2,606,448,105	9,001,660,976
Dividends and distributed profits	210,104,043,883	164,085,160,019
	268,510,609,512	219,750,798,893

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30. Financial expenses

	2023	2022
	VND	VND
Interest expense	83,318,618,128	76,016,547,399
Payment discounts	35,259,873,966	43,924,246,588
Foreign exchange losses	3,504,383,461	12,452,289,071
	<hr/>	<hr/>
	122,082,875,555	132,393,083,058
	<hr/> <hr/>	<hr/> <hr/>

31. Selling expenses

	2023	2022
	VND	VND
Staff costs	49,603,173,988	34,278,690,403
Discounts paid to retailers	273,460,174,738	241,387,490,209
Depreciation	20,727,157,039	18,932,002,231
Transportation expenses	105,469,285,386	118,510,119,354
Advertising and marketing expenses	37,151,183,830	74,355,656,867
Other selling expenses	80,501,799,317	60,779,929,630
	<hr/>	<hr/>
	566,912,774,298	548,243,888,694
	<hr/> <hr/>	<hr/> <hr/>

32. General and administration expenses

	2023	2022
	VND	VND
Staff costs	88,387,179,991	63,362,590,857
Depreciation and amortisation	26,479,022,312	30,531,472,396
Reversal of allowance for doubtful debts	(7,118,192,303)	(1,606,748,661)
Other general and administration expenses	65,225,198,791	45,892,943,470
	<hr/>	<hr/>
	172,973,208,791	138,180,258,062
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33. Production and business costs by element

	2023 VND	2022 VND
Raw material costs included in production costs	2,875,908,212,885	3,601,657,287,303
Discounts paid to retailers	273,460,174,738	241,387,490,209
Labour costs and staff costs	372,499,704,317	356,821,044,994
Depreciation and amortisation	150,406,360,901	149,072,966,500
Reversal of allowance for doubtful debts	(7,118,192,303)	(1,606,748,661)
Outside services	283,086,038,751	312,013,945,400
Other expenses	95,300,988,280	68,776,820,886

34. Income tax

(a) Recognised in the separate statement of income

	2023 VND	2022 VND
Current tax expense		
Current year	88,631,721,703	76,464,518,139
Under provision in prior years	662,568,234	-
	<u>89,294,289,937</u>	<u>76,464,518,139</u>

(b) Reconciliation of effective tax rate

	2023 VND	2022 VND
Accounting profit before tax	641,386,837,637	532,285,619,187
Tax at the Company's tax rate	128,277,367,527	106,457,123,837
Non-deductible expenses	2,375,162,953	2,824,426,306
Tax exempt income	(42,020,808,777)	(32,817,032,004)
Under provision in prior years	662,568,234	-
	<u>89,294,289,937</u>	<u>76,464,518,139</u>

(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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35. 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	
	2023 VND	2022 VND
Subsidiary		
<i>Central Tien Phong Plastic Company Limited</i>		
Sales of goods	79,429,406,887	138,219,123,109
Purchase of goods	466,123,703	6,736,379,584
Profit distribution	196,327,371,811	155,390,248,591
Purchase of services	1,250,511,855	1,104,863,188
Late payment interest expenses	-	2,443,317,541
Materials loaned	15,185,016,000	138,121,666,800
Collection of materials loaned	63,362,554,800	89,944,128,000
Disposal of tangible fixed assets	-	40,000,000
Associates		
<i>Tien Phong Plastic South Joint Stock Company</i>		
Sales of goods	152,920,310,840	134,739,453,360
Purchase of goods and services	247,815,031,631	248,685,558,501
Sales returns	144,835,822	840,071,168
Dividends received	6,109,290,000	-
Royalty fee	-	3,400,000,000
<i>Tien Phong Packaging Joint Stock Company</i>		
Purchase of goods and services	30,472,910,567	36,261,827,079
Dividends received	599,730,000	499,775,000
Revenue from sales of goods	24,150,000	29,140,000
Collection of loans granted	-	15,461,572,866
Other related companies		
<i>Minh Hai Import - Export Trading Limited Company – a company whose key management member being a related individual of the Company</i>		
Sales returns	1,095,826,375	142,162,700
<i>Tien Phong Technology Equipment Joint Stock Company – a company with common key management members</i>		
Sales of goods	80,050,690	36,460,000
Purchase of goods and services	55,504,459,300	73,531,010,180

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	Transaction value	
	2023	2022
	VND	VND
<i>Sekisui Vietnam Company Limited – a company with common key management members</i>		
Sales of goods	33,145,113,839	5,723,192,571
Purchase of goods	210,107,914,380	556,657,409,286
Sales returns	40,290,430	15,827,454

Key management personnel compensation

	2023	2022
	VND	VND
Board of Management members		
Remuneration, bonus and other benefits		
Mr. Dang Quoc Dung – Chairman	5,024,738,124	4,322,710,128
Mr. Noboru Kobayashi – Vice Chairman	1,203,600,000	904,000,000
Mr. Bui Duc Long – Member <i>(from 28/4/2023)</i>	50,000,000	-
Mr. Nguyen Viet Phuong – Member <i>(until 28/4/2023)</i>	362,750,000	271,000,000
Mr. Dao Anh Thang – Member	995,580,000	919,080,000
General Director cum Member of Board of Management		
Salaries, remuneration, bonus and other benefits	4,763,745,916	4,218,706,499
Deputy General Director - Finance cum Member of Board of Management		
Salaries, remuneration, bonus and other benefits	3,736,305,864	3,329,506,168
Other management personnel		
Salaries, remuneration, bonus and other benefits (excluding all the items disclosed above)	7,490,910,696	7,124,544,540

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36. Comparative information

Comparative information as at 1 January 2023 was derived from the balances and amounts reported in the Company's separate financial statements as at and for the year ended 31 December 2022.

Prepared by:



Luu Thi Mai
Chief Accountant

Approved by:



Tran Ngoc Bao
Deputy General Director - Finance



Chu Van Phuong
General Director

22 MAR 2024

