



**TIEN PHONG PLASTIC**

**TECHNOLOGY PIONEER  
STEADY STEPS TO SUCCESS**



**ANNUAL  
REPORT  
| 2023**

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## LIST OF ABBREVIATIONS

NTP	Tien Phong Plastics Joint Stock Company	BA	Business Activities
LTD	Limited	BOL	Bridge of Love
SM	Shareholders Meeting	VS	Vietnam Standards
BOM	Board Of Management	MONRE	Ministry of Natural Resources & Environment
AC	Audit Committee	MOC	Ministry of Construction
SAE	Staff and Employees	SI	Social Insurance
SCIC	State Capital And Investment Corporation	PHI	Public Health Insurance
PAB	Production and Business	PAT	Profit after Tax
JSC	Joint Stock Company	FPP	Fire protection and prevention
UN	United Nations		

# Message from the Chairman

## OF THE BOARD OF DIRECTORS

### DEAR SHAREHOLDERS,

On behalf of Tien Phong Plastic Joint Stock Company's Board of Directors, I would like to send respectful greetings to shareholders and wishes for health, happiness and success!

*Ladies and gentlemen,*

The year 2023 has been a year of many unexpected developments and impacts on the world economy, although inflation has cooled down, it is still anchored at a high level. In Vietnam, many main growth drivers have slowed down, the economic structure and growth model have not changed significantly, the real estate market has not been able to become vibrant again due to many potential risks, therefore in the first half of the year, businesses still must overcome remaining difficulties and gradually overcome them. Although in 2022, Tien Phong Plastic achieved the highest results in the entire industry, the first half of 2023 continued to face new challenges from domestic and foreign economy. However, in the last 6 months of the year, with the efforts of all departments in the company and the flexible and close direction of the Board of Directors, Tien Phong Plastic accelerated to reach the finish line, so even though it did not achieve the targets set by the Board of Directors, but production and business results also reached a high level compared to the whole industry with total revenue of 5,084 billion VND and profit exceeding 23% reaching over 641 billion VND with total consumption nearly 100,000 tons.

It can be said that technology is also an important factor for Tien Phong Plastic to improve its competitiveness



and receive the trust of partners. For many years now, Tien Phong Plastic has determined to focus on developing technology, becoming a pioneer in the market to introduce many new products that no domestic enterprise has produced such as uPVC Inner Wall Spiral Pipe - used for high-rise building drainage systems, or PP corrugated pipes and HDPE pipes with a diameter of 2000mm. The factory scale is also constantly expanding not only in the North but also in the 3 regions to improve services, provide the fastest supply to customers, ensure progress for projects as well as save investment costs. This is also a good foundation for our ambitions in the future.

The Tien Phong Plastic brand has been preserved for the past 63 years as a prestigious and leading Vietnamese brand in the construction plastic industry; we still have been making efforts to elevate the brand to international level with ambition that the business will be on par with large corporations in the world, strives to achieve billion USD revenue by 2040.



### “PIONEER PRODUCTS GREAT ASPIRATION”

Entering 2024, the United Nations has made a not very positive forecast for the global economy this year. In Vietnam, the growth rate of the plastic industry is also slowing down since the end of 2022. However, in the context of the current global economic integration as well as the Government's drastic activities to remove difficulties for real estate market, at the same time promoting the construction and development of a synchronous and modern strategic infrastructure system, especially the highway system, upgrading airports, ports, and urban infrastructure, a number of important regional transport infrastructure projects, etc. have brought new hope and development potential to businesses in the industry. On the other hand, foreign direct investment (FDI) in the energy transition sector tends to increase strongly and is the investment sector with the highest growth rate in the period 2015 - 2023. This shows that investors consider energy transition (renewable energy, energy infrastructure, clean and low-emission technologies) as a long-term strategy, a mandatory transition trend to adapt to climate change and to meet new emission reduction standards.

To take advantage of opportunities, for many years, Tien Phong Plastic has improved and seriously invested

in technology and equipment to produce green, clean products with diverse designs, categories and international quality; meeting standards for export in foreign markets with high requirements, thereby increasing competitiveness and expanding international cooperation. Tien Phong Plastic's new products also aim at the safety of the ecosystem and consumers' health and are used in many large projects to improve the living environment across the country. But we don't stop there, we will continue to make efforts to upgrade our products and services, thereby enhancing our brand so that one day in the near future, Vietnamese brands will reach international level, standing shoulder to shoulder with international corporations.

With the theme for 2024 - **“PIONEER PRODUCTS - GREAT ASPIRATION”**, I hope that all of us will achieve new successes, to elevate the aspirations we always pursue and to elevate the Tien Phong Plastic brand domestically and internationally.

Looking back at what Tien Phong Plastic has achieved, I would like to express my gratitude to the trust, support, and companionship of our shareholders, customers, partners, and thank you to the entire workforce for efforts and dedication to a development goal in 2023.

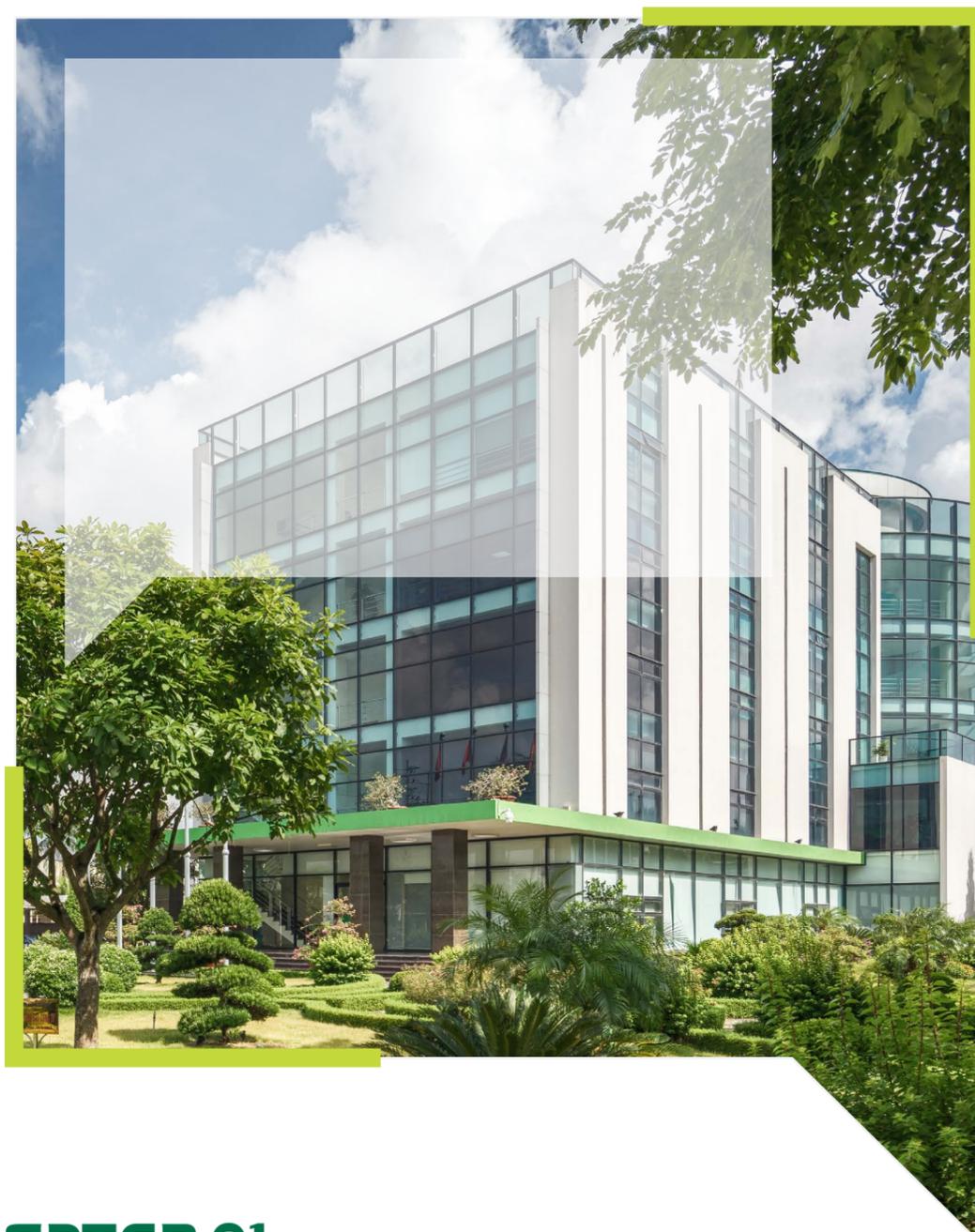
Wishing you good health, happiness, and success!

Best regards.

### CHAIRMAN OF THE BOARD



DANG QUOC DUNG



**CHAPTER 01**

*General information about*  
**TIEN PHONG PLASTIC**



**GENERAL INFORMATION**



- Company name:  
**TIEN PHONG PLASTIC JOINT STOCK COMPANY**
- Stock symbol: **NTP**
- Business Registration Certificate No:  
**0200167782 issued by Hai Phong Department of Planning and Investment on December 30, 2004 and the amended Business Registration Certificates.**
- Charter capital: **1,295,753,340,000 VND**
- Head office:  
**No. 2 An Da, Lach Tray Ward, Ngo Quyen District, Hai Phong City, Vietnam.**
- Office:  
**No. 222 Mac Dang Doanh, Hung Dao ward, Duong Kinh district, Hai Phong city, Vietnam.**
- Phone number: : **+ (84 225) 3813979**
- Fax number: **+ (84 225) 3813989**
- Website: **www.nhuatienphong.vn**



# II

## OUTSTANDING EVENTS IN 2023

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- 11 CHARITY ACTIVITIES
- 12 SUMMARY FINANCIAL INFORMATION



### 1. DEVELOPMENT COOPERATION

#### STRATEGIC COOPERATION WITH CA WATER COMPANY LIMITED

From the standpoint of cooperation, mutual development, and the same goal of bringing green buildings and ensuring quality to the community, Tien Phong Plastic Joint Stock Company, CA Water Company Limited signed a strategic cooperation between the parties.

With this cooperation, CA Water will use Tien Phong Plastic's pipes and fittings in their projects and Tien Phong Plastic also commits to creating the best conditions to meet CA Water needs as well as quickly implement administrative procedures, prioritize price policies, supply time and support after-sales services. This connection not only affirms prestige but also promotes the sustainable development and position of the parties in the future.

### 2. CHARITY ACTIVITIES



Tien Phong Plastic has spent nearly 5 billion VND for community activities in 2023, especially the "Cau noi yeu thuong" program initiated and implemented by the company since October 2017. Last year, Tien Phong Plastic not only built 15 more bridges in the North and South but also returned to repair bridges in Hoa Binh and Lai Chau, and organized programs and gifts for the people and children during Tet. In 6 years, Tien Phong Plastic has brought 115 solid bridges with the green color of hope to people in difficult areas of 25 provinces and cities nationwide, from the remote Northern mountains to the Western region with funding up to hundreds of billions of dong.



### 3. SUMMARY FINANCIAL INFORMATION



**5,084** billion VND  
Total consolidated net revenue



**559** billion VND  
Consolidated profit after tax



**4,016,840,000**  
VND  
Market capitalization  
(as of December 31, 2023)



**EPS: 3.58**  
(updated as of the fourth  
quarter of 2023)



**1,284** employees  
Number of officers and employees



nearly **400** units  
Number of distributors



**12**  
Number of distribution centers



Export **64.9** billion VND  
in Australia, Germany, Japan,  
New Zealand

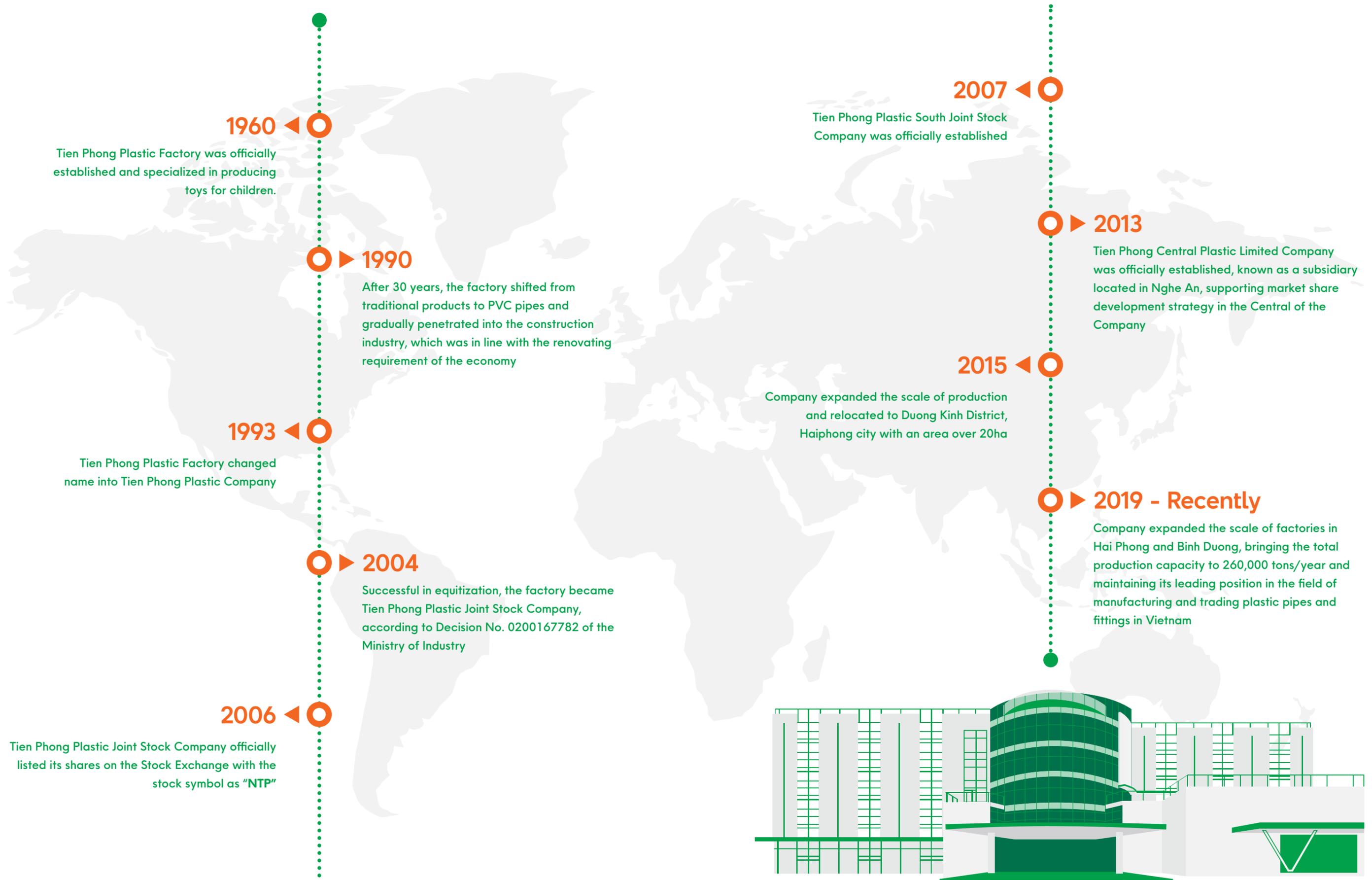


**13** ideas  
Number of ideas and  
improvements

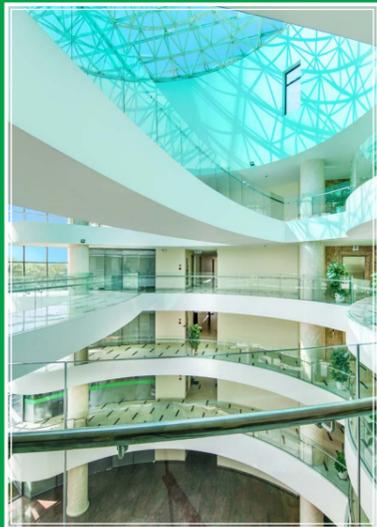


## HISTORY AND DEVELOPMENT





# IV



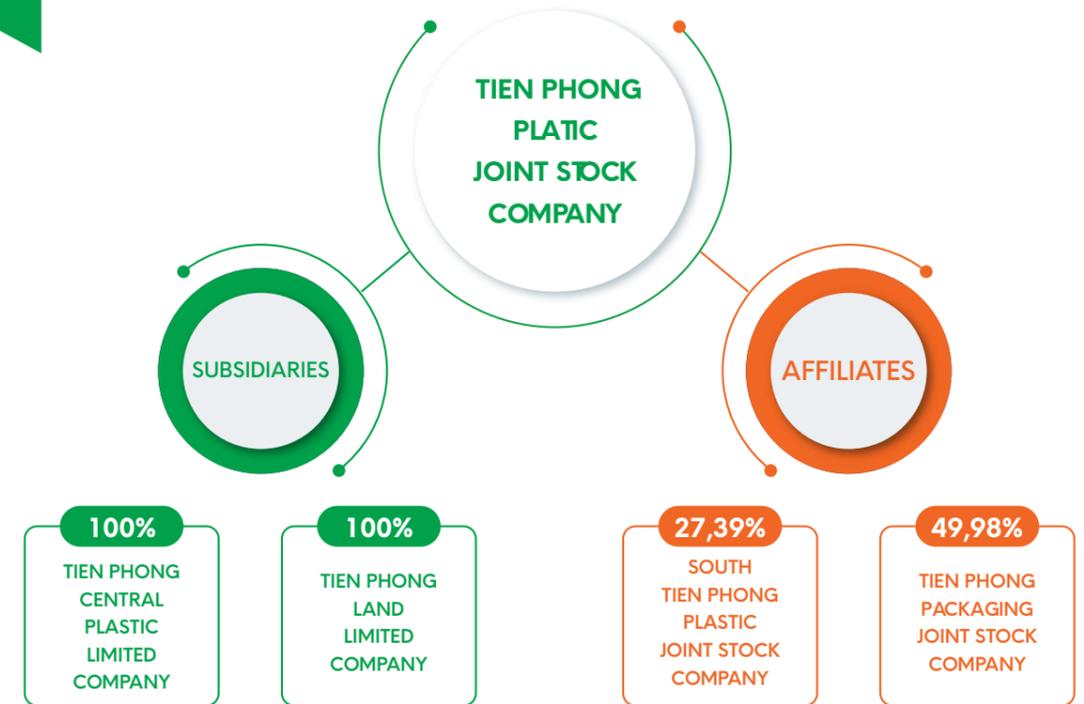
For more than 63 years of operation, by quickly grasping market trends and possessing a foundation of 33 years of experience in researching and manufacturing plastic pipes - from 1990 to present, Tien Phong Plastic has affirmed its position as one of the leading plastic enterprises in Vietnam specializing in manufacturing plastic pipes and fittings. Currently, Tien Phong plastic's products account for 55% - 60% of the Northern market share and 30% of the national market share. Products are continuously produced every day at 03 factories in Hai Phong, Nghe An and Binh Duong with Tien Phong Plastic's distribution network of 12 distribution centers, nearly 400 distributors and more than 26,000 Points of Sale, covering all provinces and cities stretching from North to South, has brought Tien Phong Plastic products to all parts of the country.

## COMPANY SIZE

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With the spirit of "TECHNOLOGY PIONEER", continuously improving, innovating, and being environmentally friendly to become increasingly "STEADY STEPS TO SUCCESS". Tien Phong Plastic continuously invests in production according to international standards with lines and technology from famous brands from Germany, Austria, Canada, Korea, Taiwan, etc. with nearly 100 equipment and applies ISO 9001, 14001, 45001, 50001 management systems as well as improvement tools TPM, 5S, Lean 6 sigma to improve productivity, quality and continue to pioneer new products, leading market trends. Tien Phong Plastic's technological pioneering is affirmed through new products that have been introduced to the market recently, including MPVC plastic pipes with good impact resistance, uPVC zacco valves manufactured using Japanese technology. In particular, there are products that are only produced at Tien Phong Plastic such as 2-layer PP corrugated plastic pipes, uPVC inspection chamber, large diameter HDPE pipes up to 2000mm, uPVC Inner Wall Spiral Pipe, ISO 3633 uPVC drainage pipes and fittings etc. In addition, Tien Phong Plastic also carries out production cooperation with prestigious international corporations such as Sekisui, Iplex, etc. to produce products for export to Australia and New Zealand; cooperates with Japanese Sekisui Group in researching and producing CPVC pipes and fittings used for fire protection systems aiming at new potential market areas in the future.

## 1. SCALE CHART OF THE COMPANY



## 2. OPERATING MODEL OF THE COMPANY

### a. SUBSIDIARIES AND AFFILIATES

#### TIEN PHONG CENTRAL PLASTIC LIMITED COMPANY

- Company name: **Tien Phong Central Plastic Joint Stock Company**
- Headquarter: **Lot C, Nam Cam Industrial Zone, Nghi Loc District, Nghe An Province, Vietnam**
- Authorized Capital: **120 billion VND**
- NTP ownership rate: **100%**
- Main functions: **Manufacturing and trading civil and industrial plastic products**

#### TIEN PHONG LAND LIMITED COMPANY

- Company name: **Tien Phong Land Limited Company**
- Head Office: **No. 2 An Da Street, Lach Tray Ward, Ngo Quyen District, Hai Phong City, Vietnam**
- Authorized Capital: **20 billion VND**
- NTP ownership rate: **100%**
- Main functions: **Doing businesses in terms of real estate, land use rights and transport business, civil and industrial plastic products**

#### TIEN PHONG PLASTIC SOUTH JOINT STOCK COMPANY

- Company name: **Tien Phong Plastic South Joint Stock Company**
- Head Office: **Dong An 2 Industrial Zone, Hoa Phu Ward, Thu Dau Mot City, Binh Duong Province, Vietnam**
- Authorized Capital: **446,057,450,000 VND**
- NTP ownership rate: **27.39%**
- Main functions: **Manufacturing and trading civil and industrial plastic products**

#### TIEN PHONG PACKAGING JOINT STOCK COMPANY

- Company name: **Tien Phong Packaging Joint Stock Company**
- Head Office: **No. 2 An Da, Lach Tray Ward, Ngo Quyen District, Hai Phong City, Vietnam**
- Authorized Capital: **10 billion VND**
- NTP ownership rate: **49.98%**
- Main functions: **Manufacturing PP Plastic packaging, cement packaging, different types of paper, complex assemblies and other plastic products.**

### b. SHARES - SHAREHOLDERS INFORMATION

#### SHARE

Types of shares	As of December 31, 2022	As of December 31, 2023
Total number of shares and types of shares outstanding	129,575,334	129,575,334
Number of freely transferable shares	129,575,334	129,575,334
The number of shares is restricted from transfer	0	0

#### SHAREHOLDER STRUCTURE

SHAREHOLDER STRUCTURE	As at December 31, 2022		As at December 31, 2023	
	Number of shares held	%	Number of shares held	%
State shareholders	48,078,529	37.1%	48,078,529	37.1%
Domestic individuals	45,577,481	35.1%	35,486,820	27.4%
Domestic organizations	60,982,476	47%	70,976,312	51.8%
Foreign individuals	322,751	0.3%	425,231	0.3%
Foreign organizations	22,692,626	17.6%	22,686,971	17.5%
<b>Total</b>	<b>129,575,334</b>	<b>100%</b>	<b>129,575,334</b>	<b>100%</b>

*\*\*Shareholder structure "Domestic organizations" including "State shareholders"*  
- Maximum foreign ownership ratio at NTP is: 50%

#### INFORMATION ABOUT MAJOR SHAREHOLDERS OWNING 5% OR MORE AS OF DECEMBER 31, 2023

No.	Name of individual/organization (representative)	Type of shareholder		Number of shares held	Percentage of shares held (%)
1	Đặng Quốc Dũng	Individual	Domestic	8,905,968	6.87
2	TIEN PHONG PLASTIC SOUTH JOINT STOCK COMPANY	Organization	Domestic	18,488,762	14.27
3	SEKISUI CHEMICAL CO.,LTD	Organization	Foreigni	19,436,538	15.00
4	SCIC State Capital Investment and Trading Corporation	Organization	Domestic	48,078,529	37.104

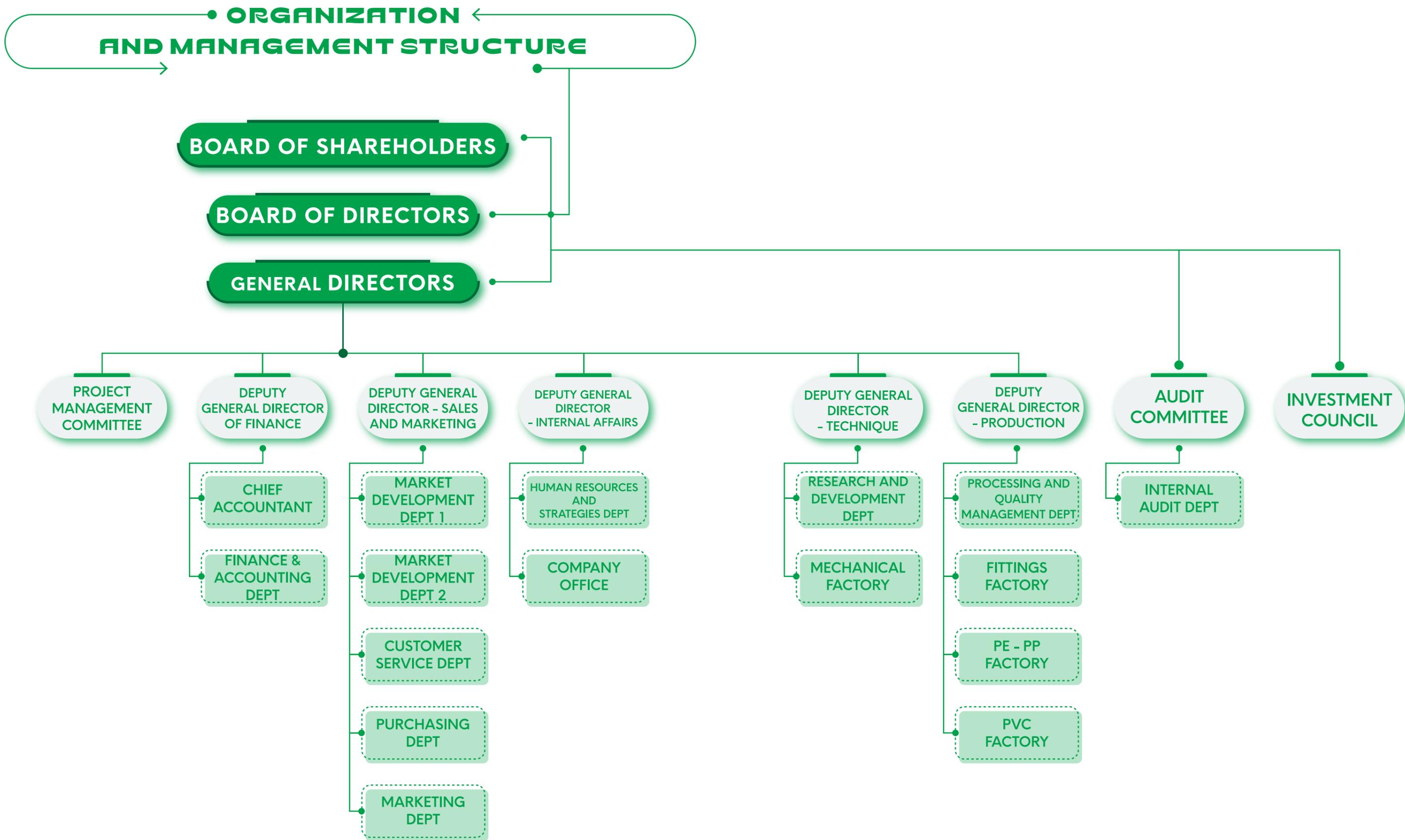


# V

## COMPANY SCALE

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1. SCALE CHART OF THE COMPANY



## A. INTRODUCTION TO THE BOARD OF DIRECTORS



MR. DANG QUOC DUNG

Chairman of the Board of Directors

- Born: **1968**
- Professional qualification: **Bachelor of Economics (Vietnam Commerce University)**
- Working process:

**2002 - 2005**

Director of Huong Minh Limited Company

**2007 - now**

Chairman of BOD of Tien Phong Plastic South Joint Stock Company

**2007 - 2017**

Member of the BOD of Tien Phong Plastic Joint Stock Company

**2018 - 4/2019**

Vice Chairman of Tien Phong Plastic Joint Stock Company

**4/2019 - now**

Chairman of Tien Phong Plastic Joint Stock Company



MR. NOBORU KOBAYASHI

Chairman Vice of the BOD

- Nationality: **JAPANESE**
- Born: **1966**
- Professional qualification: **Chemical Engineering**
- Working process:

**2017 - now**

General Director of SEKISUI Vietnam Co., Ltd

**2017 - 4/2019**

Member of the Board of Director of Tien Phong Plastic Joint Stock Company

**4/2019 - now**

Vice Chairman of Tien Phong Plastic Joint Stock Company

Member of the Board of Directors of Tien Phong South Plastic JSC



MR. CHU VAN PHUONG

BOD Member - General Director

- Born: **1972**
- Professional Qualification: **Master Business Administration (National Economics University)**
- Working Process:

**2007 - 2012**

Held different positions such as **Deputy Manager of Sales Department, Head of Sales Department** of Tien Phong Plastic JSC

**2012 - 2018**

**Deputy General Director of Sales** of Tien Phong Plastic JSC

**4/2018 - now**

**Member of the Board of Directors** of Tien Phong Plastic Joint Stock Company

**2019 - now**

**General Director** of Tien Phong Plastic Joint Stock Company



MR. TRAN NGOC BAO

BOD Member - Deputy General Director of Finance

- Born: **1976**
- Professional Qualification: **Bachelor of Economics (Academy of Finance)** and **Certified CPA Auditor**
- Working process:

**2000 - 2009**

Director of Hai Phong Branch - Deloitte Vietnam Co., Ltd

**2010**

Chief Accountant of Vung Tau Branch - Petroleum Machinery and Spare Parts Company

**2010 - 2012**

Head of Supervisory Board of Tien Phong Plastic JSC.

**2012 - 2022**

Chief Accountant of Tien Phong Plastic JSC.

**4/2018 - now**

Member of the Board of Directors of Tien Phong Plastic Joint Stock Company

**9/2022 - now**

Deputy General Director of Finance Tien Phong Plastic Joint Stock Company



**MR. BUI DUC LONG**

*Member of the Board of Directors  
Member of the Audit Committee*

- Born: **1976**
- Professional qualifications: **Master of Economics, Bachelor of Economic Law**
- Working process:

**1998 - 2006**

Specialist of the General Department of State Capital and Asset Management at Enterprises (now the Department of Enterprise Finance) - Ministry of Finance

**2006 - 2009**

Deputy Head of General Secretary Department - Office of the Ministry of Finance

**2009 - 2014**

Head of General Secretary Department - Office of the Ministry of Finance

**2014 - 2020**

Full-time controller - State Capital Investment and Trading Corporation

**2020 - now**

Head of Personnel Organization Department - State Capital Investment and Trading Corporation



**MR. DAO ANH THANG**

*Independent BOD Member cum  
Head of Audit Committee*

- Born: **1991**
- Professional qualification: **Master of Finance Analysis (University of New South Wales, Australia)**
- Working process:

**4/2019 - now**

Independent Member of the Board of Directors of Tien Phong Plastic Joint Stock Company

**B. INTRODUCTION TO THE EXECUTIVE BOARD**



**MR. CHU VAN PHUONG**

*BOD Member - General Director*



**MR. TRAN NGOC BAO**

*BOD Member - Deputy General Director of Finance*



**MR. NGUYEN VAN THUC**

*Deputy General Director of Internal Affairs*

- Born: **1969**
- Professional Qualification: **Bachelor of Economics (National Economics University)**
- Working process:

**2005 - 2015**

Held different positions of Tien Phong Plastic JSC such as Deputy Manager of Labor Organization, Manager of Labor Organization Division, Head of Labor Organization Department.

**2015 - now**

Deputy General Director of Internal Affairs of Tien Phong Plastic JSC



**MRS. NGO THI THU THUY**

*Deputy General Director of Production*

- Born: **1970**
- Professional Qualification: **Chemical Engineering Engineer, Business Administration Engineer (Hanoi University of Technology)**
- Working process:

**2004 - 2014**

Held different positions of Tien Phong Plastic JSC such as Deputy Manager, Head of Production Techniques and Quality Management

**2014 - now**

**Deputy General Director of Production** of Tien Phong Plastic JSC



**MR. TRAN NHAT NINH**

*Deputy General Director of Technique*

- Born: **1971**
- Professional Qualification: **Mechanical Engineer, Business Management Engineer (Hanoi University of Technology)**
- Working process:

**2005 - 2014**

Held different positions of Tien Phong Plastic JSC such as Deputy Manager of the workshop, Deputy Head of Research and Design and Head of Research and Design

**2014 - now**

**Deputy General Director of Engineering** of Tien Phong Plastic JSC

C. INTRODUCTION TO THE AUDIT COMMITTEE



**MR. DAO ANH THANG**

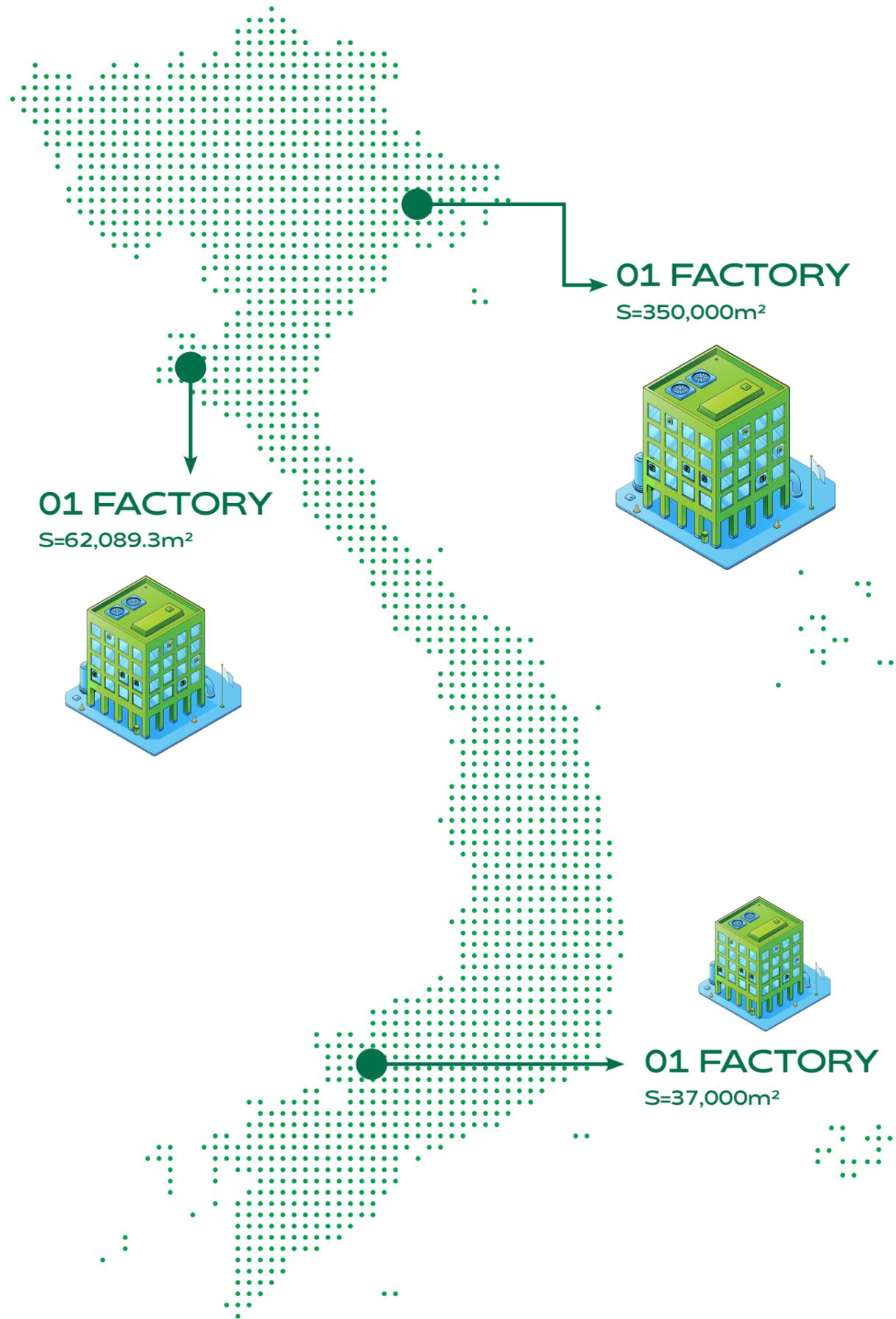
*Independent BOD Member cum Head of Audit Committee*



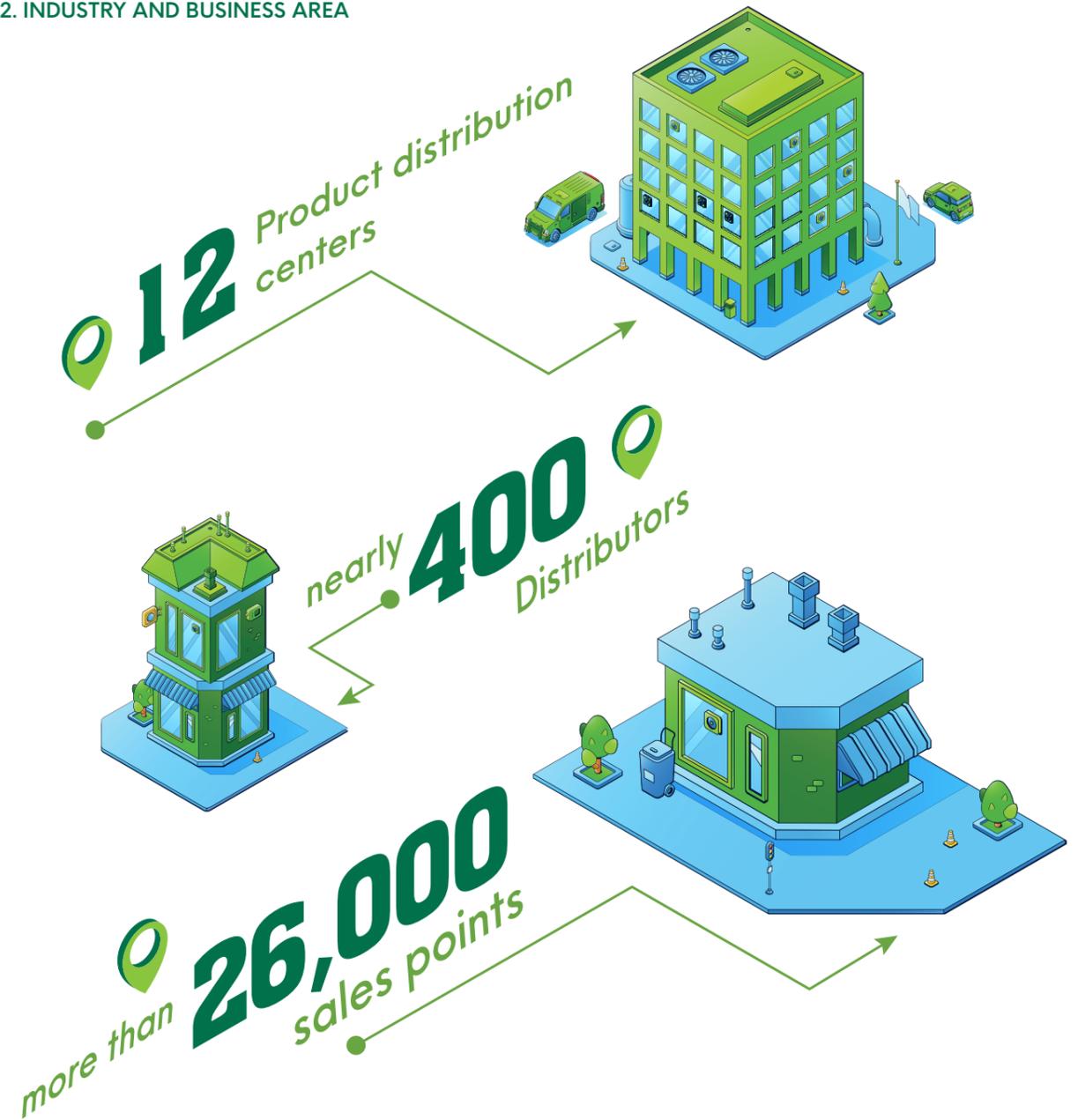
**MR. BUI DUC LONG**

*Member of the Board of Directors  
Member of the Audit Committee*





2. INDUSTRY AND BUSINESS AREA



**a. Construction materials plastic field**

After over 3 decades of sticking with consumer goods, Tien Phong Youth Plastic Joint Stock Company laid the first bricks for the transformation of production and business into the construction materials plastic field. Currently, the main product lines provided by the company include more than 10,000 types of HDPE, PP, PP-R, PE pipes and fittings.

**b. Business location**

In order to promptly meet the needs of customers, the company has established 03 factories in Hai Phong, Binh Duong and Nghe An. After more than 63 years of maintaining its brand name in the market, Tien Phong Plastic's distribution network covers all provinces and cities with 12 product distribution centers, nearly 400 distributors and more than 26,000 sales points spreading from the north to the south.

3. PRODUCTS OF TIEN PHONG PLASTIC

uPVC pipes and fittings for water supply and for buried and above-ground drainage and sewerage under pressure

- **Standard:** ISO 1452 (TCVN8491)
- **Nominal diameter:** DN21 ÷ DN800
- **Nominal pressure:** PN4 ÷ PN20
- **Application:** Use for water supply and for buried and above-ground drainage and sewerage under pressure.

HDPE PIPES AND FITTINGS

- **Standard:** ISO 4427 (TCVN7305)
- **Nominal diameter:** DN16 ÷ DN2000
- **Nominal pressure:** PN6 ÷ PN25
- **Application:** Use for water supply and for buried and above-ground drainage and sewerage under pressure.

PP-R and PP-R resistance pipes and fittings

- **Standard:** DIN 8077 & DIN 8078
- **Nominal diameter:** DN20 ÷ DN250
- **Nominal pressure:** PN10 ÷ PN25
- **Application:** Used for hot and cold water supply systems.

MPVC PIPES

- **Standard:** AZ/NZS 4765 (TCVN11822)
- **Nominal diameter:** DN110 ÷ DN400
- **Nominal pressure:** PN6 ÷ PN18
- **Application:** Use for water supply and for buried and above-ground drainage and sewerage under pressure.

uPVC pipe and fittings for drainage inside buildings

- **Standard:** ISO 3633 (TCVN12119)
- **Nominal diameter:** DN34 ÷ DN315
- **Application:** Use for soil and waste discharge (low and high temperature) inside buildings.

uPVC inner spiral pipe

- Cooperate product and technology transfer between Tien Phong Plastic and Sekisui (Japan)
- **Nominal diameter:** DN110 ÷ DN160
- **Application:** Used for vertical shaft drainage of high-rise buildings.



uPVC inspection chamber

- **Standard:** TCVN 12755
- **Nominal diameter:** Input/output - DN110/DN160  
Inspection - DN160/DN200/DN225
- **Application:** Used for underground drainage system to check, unblock... for the system.

HDPE/PP double-layer corrugated pipe

- **Standard:** ISO 21138-3 (TCVN11821-3)
- **Nominal diameter:** DN200 ÷ DN1000
- **Stiffness class:** SN4 ÷ SN12
- **Application:** Used for sewage drainage, underground and non-pressurized waste drainage.

uPVC Pipe and fittings for electrical system installation

- **Standard:** BS 6099
- **Nominal diameter:** DN16 ÷ DN63
- **Application:** Lắp đặt dây điện đi nổi trên trần nhà, chôn ngầm trong tường - bê tông hoặc dưới mặt đất.

uPVC Cable trunkings

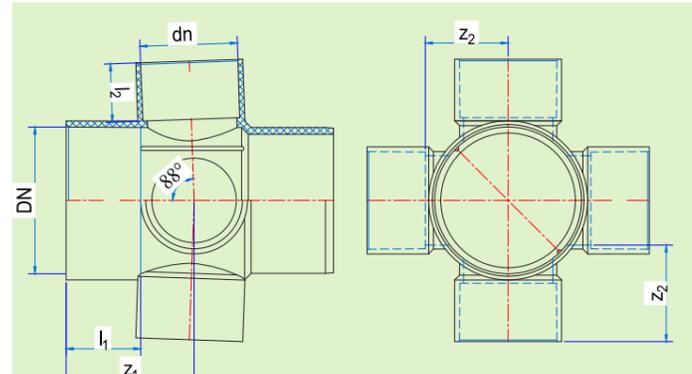
- **Standard:** BS 4678
- **Application:** Install floating wires in visible places in buildings

HDPE single-layer corrugated pipe and fittings

- **Standard:** KS C8455
- **Nominal diameter:** DN30 ÷ DN200
- **Application:** Installation and protection of electrical and communication cables for projects - works.

OTHER PRODUCTS:

- **uPVC fence**
- **Tien Phong T50 Tank (HDPE):** Well-used in frozen storage, specialized for the seafood industry in terms of storing material, finished shrimp, fish, and squid.
- **PE Wall (Material: HDPE):**
  - Assembled into ponds for aquaculture (shrimp, fish, etc.) as well as freshwater storage in drought and mangrove area.
  - Required pond diameter: 17 - 45 (m)



# VII

## MEDIUM AND LONG-TERM DEVELOPMENT ORIENTATION OF TIEN PHONG PLASTIC

35 PERIOD 2023 - 2028

35 LONG TERM PERIOD



### 1. PERIOD 2023 - 2028

#### Maintaining the leading position in Vietnam's plastic industry

Increase the number of stores through reasonable business policies; expand factory scale; upgrade modern equipment systems to successfully produce new pioneering, demand-oriented products, thereby increasing competitiveness and capturing over 40% of the domestic market share, especially in the South.

#### Create a foundation for development in new fields

Not only producing specialized

products for the construction plastic industry, Tien Phong Plastic also approaches new markets in many fields such as seafood, electricity industry, etc. through providing a variety of products and services; strengthening strategic cooperation with large corporations and companies with great development potential in the industry.

#### Expand strategic cooperation opportunities

Maintain strong cooperation with Sekisui Chemical Group and

Iplex Group to learn advanced technologies and research techniques to produce new market-oriented products. At the same time, sign strategic cooperation or contribute shares in domestic enterprises with the same development orientation (such as water supply companies in the provinces, CA Water, PC1 etc.) to be able to support each other and take advantage of better opportunities in business development.



### 2. LONG TERM PERIOD

#### Become the leading manufacturer of plastic construction products in Vietnam and in Southeast Asia

Become the leading manufacturer of plastic construction materials products in Vietnam and in Southeast Asia.

The goal of the entire board of directors and staff of the company is to bring the Tien Phong Plastic brand into the subconscious of Vietnamese consumers when thinking about construction materials, and at the same time reach out to the

international market, turning Tien Phong Plastic into a multinational corporation with billion-dollar revenue in the future.

#### Diversify business lines

Besides the main activity of producing plastic pipes and fittings. The company is proactive in diversifying its business lines to maximize opportunities in the context of a constantly changing business environment.

#### Sustainable Development

In parallel with production and business activities, Tien Phong Plastic wants to bring comprehensive development associated with the benefits of shareholders, partners, employees, and the community. Therefore, social work will always be maintained by Tien Phong Plastic to spread good things, support unfortunate lives, and give opportunities to children with hopes for a bright future.



CHAPTER 02

E.

*Report of the*  
**EXECUTIVE BOARD**

# I

## MARKET OVERVIEW

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# 1 OVERVIEW OF THE PLASTIC INDUSTRY IN 2023

## a. World plastic industry

### GLOBAL PLASTIC MARKET SIZE

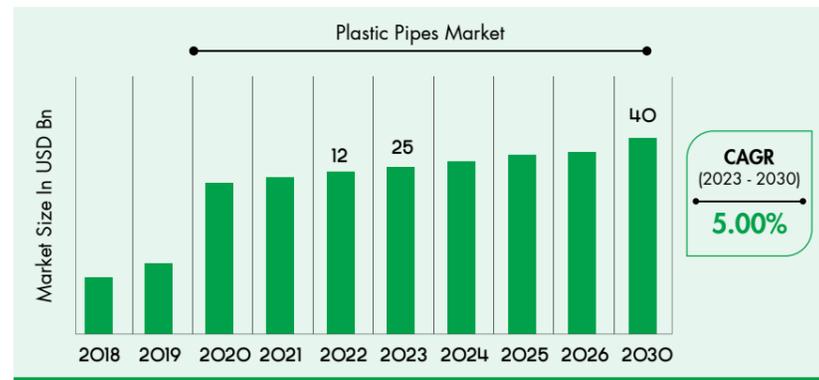
The global plastics market size is estimated to reach USD 624.8 billion by 2023 and is expected to grow at a compound annual growth rate (CAGR) of 4.2% from 2024 to 2030. The increasing replacement of glass, metal, wood, natural rubber, and other materials with plastic will drive the global plastic market in the coming years.

### OPPORTUNITIES FOR STRONG DEVELOPMENT OF THE RECYCLED PLASTIC MARKET

The global recycled plastic market

alone is worth USD 69.4 billion by 2023 and is expected to reach USD 120.0 billion by 2030, growing at a rate of 8.1% per year during the forecast period. Growing awareness among the population about energy conservation and initiatives by governments are expected to drive the market in the coming years.

Asia Pacific is expected to hold the largest market share in the global recycled plastic industry thanks to driving factors such as: population growth, economic growth, and industrial development in emerging economies.



Source: Plastic Pipes Market Research Report

### DYNAMICS OF THE WORLD PLASTIC PIPE MARKET

Growth in demand for the oil and gas segment in industrial and home applications coupled with increase in demand for pipeline

projects requiring plastic pipes are key market drivers driving market growth.

## b. Vietnam plastic industry MARKET SIZE

According to data from Future Market Insight, Vietnam's plastic market size is estimated to reach 10.92 million tons in 2024 and is expected to reach 16.36 million tons in 2029, growing at a CAGR of 8.44% in the period 2024 - 2029 (Mordor Intelligence, 2023). Although the effects of the global economic situation on the plastic industry are undeniable, stimulus policies and business support activities have contributed to maintaining the growth of Vietnam's plastic industry. Soon, the construction plastic segment is forecast to drive the industry's growth, accounting for about 1/4 of the total plastic industry.

Vietnam's plastic industry revenue in 2023 has reached 25 billion USD, down about 0.7% compared to the same period in 2022. Plastic pollution issues, policies to reduce the use of virgin plastic and increase the use of recycled plastic globally in the coming time will create many business opportunities as well as challenges for businesses in Vietnam plastic industry.

### CURRENT STATUS OF IMPORT AND EXPORT OF PLASTIC INDUSTRY

According to information from the Vietnam Plastics Association at the Plastics & Rubber Vietnam 2024 Exhibition, the total export value of plastic products in 2023 is 5.2 billion USD; down 5.7% compared to 2022. Currently, export markets are more stringent on environmental factors, requiring carbon credits and recycling technology, forcing Vietnamese plastic businesses to adapt and improve, so as not to lose orders in a context of increasing

competition.

Imported plastic materials in 2023 will reach 6.8 million tons, down 4.2% compared to 2022.

### SCALE AND PROPORTION OF PLASTIC INDUSTRY ENTERPRISES

Vietnam currently has nearly 4,000 plastic businesses nationwide, of which 90% are small and medium-sized enterprises, concentrated mainly in the southern region. Manufacturing enterprises in the packaging plastic industry account for the largest proportion with 38%, followed by household plastic and construction plastic enterprises accounting for 30% and 23% respectively in the structure of Vietnam's plastic industry.

### OPPORTUNITIES AND CHALLENGES FOR VIETNAM'S PLASTIC INDUSTRY

Continuous fluctuations in prices of plastic resins: Vietnam can produce raw materials such as PVC, PP, PE, with a total capacity of nearly 1 million tons/year. However, domestic raw materials can only meet 10% of domestic market demand, the remaining 90% is imported from countries around the world such as Saudi Arabia, Korea, Thailand, Japan, and the US, China, Taiwan (China), Malaysia, Singapore, etc. Therefore, fluctuations in world raw material prices will have a significant impact on the production and business situation of domestic enterprises, requiring the ability to adapt and forecast the market, from which they can reduce the damage caused by negative fluctuations.

The year 2023 was recorded as a difficult year for the world economy, with a decline



in GDP growth, global trade and investment; while non-performing loan increases and inflation remains high, associated with the tensions of geopolitical conflicts (Military conflict between Israel and the Hamas movement, the Russia-Ukraine War, etc.). The global macroeconomic picture is generally gloomy and there are many signs of difficulties in the coming years, which will greatly affect the domestic economy in general, and the plastic industry in particular.

The transition to environmentally friendly products such as recycled plastics, bioplastics, reused plastics and increased research and development of new technologies today are expected to help the world and Vietnam plastics industry meet market needs, create high quality products, save raw materials and energy and at the same time minimize negative impacts on the environment.

Trade agreements, especially the EU - Vietnam Free Trade Agreement (EVFTA) come into effect; tariffs on most plastic products exported to the EU market are removed. This is a great advantage to increase the output of export plastic products to an important market - the EU. In addition, in 2023, Vietnam and Israel signed a Free Trade Agreement (FTA); Vietnam is starting negotiations on the Comprehensive Economic Partnership Agreement between Vietnam and the United Arab Emirates (CEPA); Vietnam and 13 partners in the Indo-Pacific Economic Framework for Prosperity (IPEF) also announced the conclusion of negotiations on the first international IPEF Supply Chain Agreement among members. New trade agreements are promising to open good business opportunities for Vietnamese businesses in general, and the plastic industry in particular.

The growing demand for plastic in many fields such as packaging, automobiles, electronics, healthcare, and agriculture is becoming the main driving force for growth in plastic production and consumption in the future.

**c. Prospects for Vietnamese plastics industry businesses**

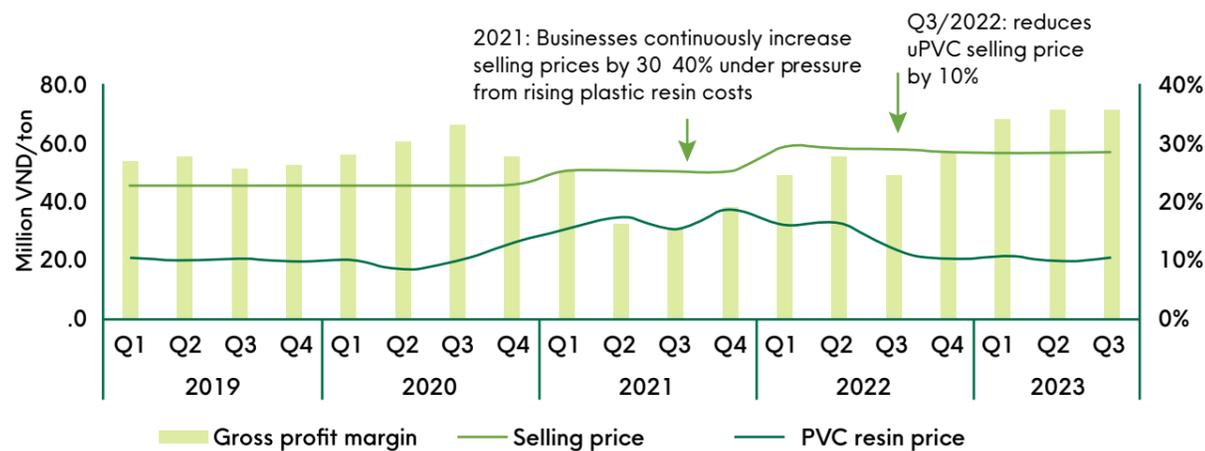
**PROFITS OF BUSINESSES IN THE CONSTRUCTION PLASTIC INDUSTRY ARE POSITIVE DESPITE MANY DIFFICULTIES**

According to FPT Securities Company, in 2023, the profits of businesses in the construction plastic industry have witnessed outstanding growth with after-tax profits. The main reason was the sharp decline

in plastic raw material prices. or the whole year 2023, FPT forecasted that plastic pipe consumption would decrease by 10.3% over the same period. The main reason is due to the negative impact from the

construction industry, especially the housing construction segment (the segment that greatly impacts the demand for plastic pipes) has slowed down from the fourth quarter of 2022 until now because of difficulties from real estate customers such as the stagnation of construction permits for new projects.

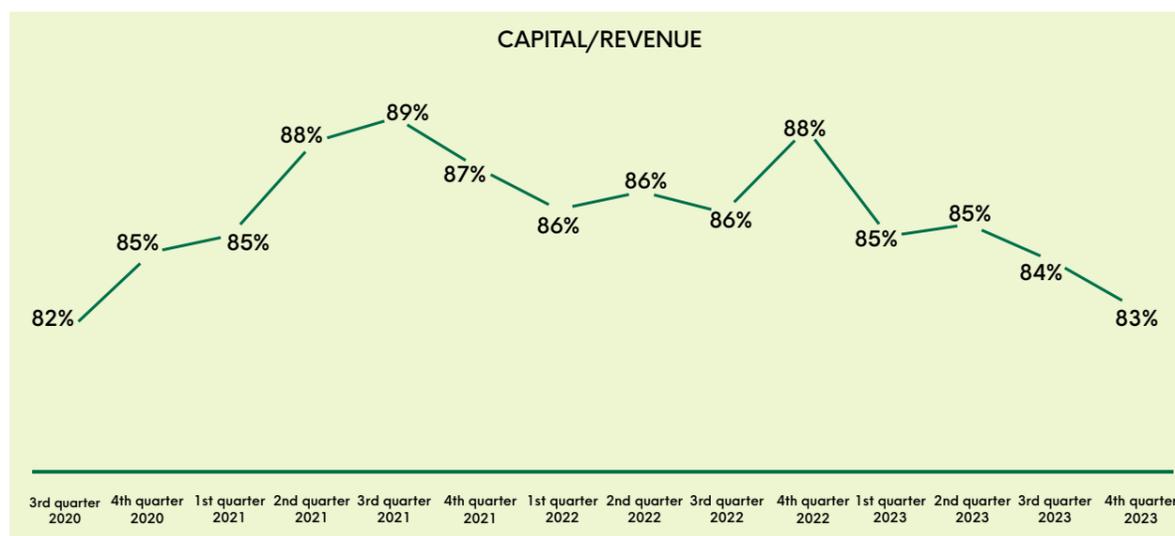
**Construction plastic gross profit margin changes according to selling price and PVC resin price**



Source: Blooming, BMP, NTP, FPTs estimate

According to Vietstock, the cost of raw materials remained low, creating a high gross profit margin, helping the entire plastic industry earn a net profit double the same period last year, even though revenue decreased.

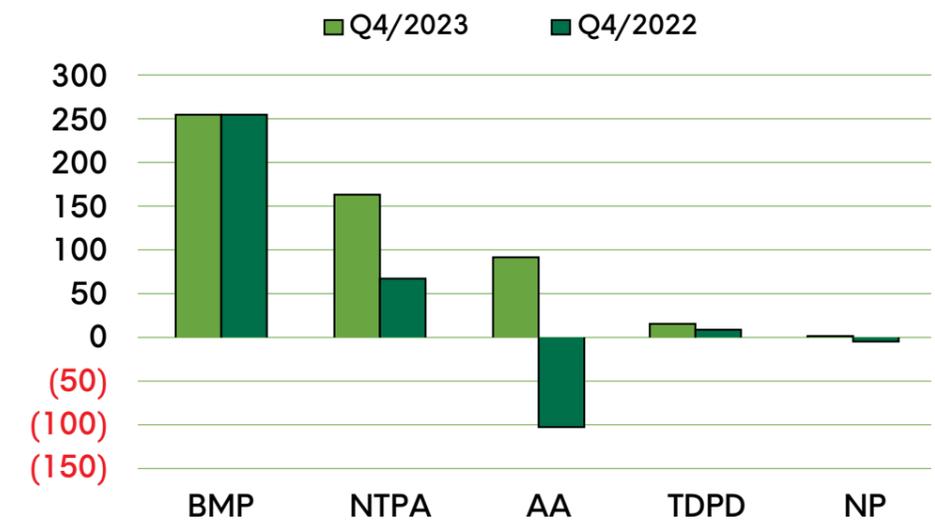
**Ratio of capital to revenue of the plastic industry from the third quarter of 2020**



Source: VietstockFinance

The group of 5 giants in the plastic industry achieved revenue of nearly 9 trillion VND, down 12% and accounting for 64% of the entire industry. Net profit of this group accounts for 80%, reaching 533 billion VND, more than double the fourth quarter of 2022

**Net profit of 5 plastic businesses with revenue over trillions (Unit: Billion VND)**



Source: VietstockFinance

Tien Phong Plastic's gross profit margin is no exception, increasing gradually each quarter, from 19% in the third quarter of 2022 to 33.2% in the fourth quarter of 2023. Net profit also increased sharply by 138%, to 164 billion VND, and continuously recorded the following quarter being higher than the previous quarter. This result is thanks to a sharp decrease in raw material prices and a reduction in interest costs.

**Quarterly gross profit margin developments of NTP from 2020 to present**



Source: VietstockFinance



**PVC RESIN PRICES IN 2024 ARE EXPECTED TO GRADUALLY RECOVER**

Plastic resin prices are at a very low level and are expected to recover in 2024 when world demand gradually improves. FPTs expects PVC resin prices in 2024 to gradually recover to approximately 900 USD/ton, up 6.2% over the same period, corresponding to the average price range for the 2018-2020 period, but significantly lower compared to the period 2021 - 2022 due to improved global demand for plastic resins and the expectation that Brent oil price will reach 85 USD/barrel, up 3.0% over the same period in 2024F.

**REAL ESTATE RECOVERY PROSPECT**

Plastic pipe consumption output will be more positive, expected to grow by 8.5% compared to the low base of 2023 (FPTS forecast), due to expectations of growth in the housing construction segment when real estate gradually recovers in 2024 thanks to reduced interest pressure.

Demand for plastic pipes is expected to improve from the second quarter of 2024 after the Tet holiday and grow more clearly in the second half of 2024. However, consumption levels may not fully recover to the high level of the period 2019 - 2020 because the real estate industry outlook is still facing many difficulties.



Managers, experts, and investors predict that the real estate market will improve from the second half of 2024 thanks to factors such as: 03 major Real Estate Laws being passed; interest rates have decreased and expected to remain low; liquidity gradually improved, focusing on the apartment segment; infrastructure development supports real estate market recovery.

**2. S.W.O.T ANALYSIS**

**a. Strengths - Opportunities**

**AFFIRMING SUPERIORITY WITH ADVANCED PRODUCTION TECHNOLOGY**

In recent years, the construction plastics industry in Vietnam has undergone a period of strong development. The significant increase in the need to use new construction materials to meet the strict requirements of construction projects has promoted the development of the industry. Faced with this situation, the company's Board of Directors decided to take strong action by eliminating old products and improving and



diversifying product designs, in order to best respond to modern construction trends.

Standing firmly in the face of challenges such as the economic recession and the covid-19 pandemic, Tien Phong Plastic always affirms its position as one of the leading enterprises in the field of research and production of pipes and fittings for water industry in Vietnam. Meeting increasing requirements for quality and sustainable development, the company constantly improves and innovates, applying modern and environmentally friendly technology to create new products. For existing product lines, Tien Phong Plastic continuously cooperates and receives technology from domestic and foreign partners; tests and develops new product projects to bring consumers the best products.

**SUSTAINABLE PRODUCTION CAPACITY, CONSTANTLY DEVELOPING, WELCOMING THE WAVE OF REAL ESTATE RECOVERY**

Over the past year, Tien Phong Plastic not only maintained but also enhanced its production capacity to a new level. With modern production equipment along with the operation of 03 factory clusters in Hai Phong, Nghe An, Binh Duong has increased production capacity up to 26,000 tons of products /year.

With strong production capacity, technology mastery, commitment to continuous improvement, along with the ability to expand the product range, Tien Phong Plastic is confident that it will continue to be a reliable partner for all projects.

**PIONEERING TECHNOLOGY - PIONEERING QUALITY**

Tien Phong Plastic is constantly developing in producing products that meet international standards with proven quality by consumers. Strong investment in technology not only keeps Tien Phong Plastic always in the top position in the field of construction plastic pipes in Vietnam but also brings new products to the market, bringing high value to customers. Importing equipment, production lines and technology from the world's leading brands not only brings advanced production and management processes but also technology transfer and research to create suitable products suitable for market characteristics. These

are important factors that help Tien Phong Plastic maintain and develop its leading position in the market, especially in the context of new emerging competitors.

Tien Phong Plastic's products not only cover the domestic market but also reach many of the most demanding markets in the world such as Germany, Japan, New Zealand, Hong Kong etc. This affirms Tien Phong Plastic's leading position in product quality not only domestically but also outside Vietnam's borders.



**TIEN PHONG PLASTIC - AFFIRMING THE POSITION OF A VIETNAMESE BRAND OVER THE YEARS**

As the first enterprise to produce plastic pipes and fittings for the water industry in the Northern market, Tien Phong Plastic has been associated with the development and expansion of the country's infrastructure. It is not just a symbol in the field of water pipes and fittings but also has a profound impact on the entire construction industry. The strength of the Tien Phong brand comes not only from producing quality products but also from actively participating in social activities. From programs like "Cau noi yeu thuong" to other volunteer activities, Tien Phong Plastic has contributed to building a strong community. When it comes to Tien Phong Plastic pipes, people not only remember quality products but are also proud of a Vietnamese business that has significantly contributed to the development of the community.

**b. Weaknesses - Challenges RISK OF FLUCTUATIONS IN INPUT MATERIAL PRICES AND EXCHANGE RATES**

Geopolitical instability in the world in 2023 has affected commodity prices, increasing inflationary pressure as well as a new inflation-interest rate spiral. Tien Phong Plastic has faced risks from fluctuations in input material prices and exchange rates, both of which affect the company's business performance. Due to having to import nearly 100% of plastic materials (accounting for 70% of raw material costs) and using payment currencies mainly USD and EUR, Tien Phong Plastic is subject to double risks from input material prices and exchange rates. However, anticipating these risks, the company's Board of Directors has applied a good reserve policy for raw materials along with stability in plastic resin prices, minimizing the impact of this risk on profits. However, the economic situation is still not stable, price risks are always present, requiring initiative and the right policies to help Tien

Phong Plastic continue to develop strongly and sustainably.

**PRESSURE ON MARKET SHARE AND PROFITS**

Although Tien Phong Plastic has achieved success in increasing consumption, the pressure on market share is also a big challenge. With a series of new manufacturers entering the industry along with the appearance of fake and counterfeit goods on the market, Tien Phong Plastic's consumption volume has slowed down. In 2023, although there are signs of improvement, it is still not clear due to economic and post-epidemic difficulties. The competition mainly focuses on the project segment, and to compete with new other manufacturers, Tien Phong Plastic has applied flexible business policy for distribution system and consumers.



**3. BUSINESS PLAN FOR 2024**

In 2023, Global economy started off relatively difficult due to the impact of geopolitical instability in some countries around the world. This had a strong impact on industries and especially industries related to oil prices, typically transportation, construction, real

estate, construction plastic, etc. and Tien Phong Plastic was directly affected by rising raw material prices. However, in the last 6 months of the year, with the efforts of all departments in the company and the flexible and close direction of the Board of Directors, we accelerated

to the finish line. Although we did not achieve the goals set by the Board of Directors, business results also reached a high level compared to the whole industry, especially profits exceeding the plan by over 20%, reaching over 600 billion VND. Facing the growth momentum and development potential of the economy, the Board of Management has set the following production and business targets for 2024:

Targets	Unit	Implementation 2023	Plan 2024	Growth 2024/2023
Revenue	Billions VND	5,084	5,400	106%
Sales output	Ton	98,582	104,500	106%
Profit before tax	Billions VND	641	555	87%

This continues to be a relatively high goal set by the Board of Directors to motivate employees to demonstrate their abilities in the best way, and at the same time, create breakthroughs and innovations to create opportunities for development, ensuring businesses not only maintain but also progress further in a competitive environment. Therefore, it is necessary to focus on developing a number of activities such as:

**PRODUCTION, ENGINEERING AND TECHNOLOGY:**

Actively apply automation to production and effectively deploy production improvement measures including management, engineering and technology to improve labor productivity and protect the environment.

Accelerate research and production of new products and improve old products.

Apply and strictly control the implementation of consumption norms for raw materials, auxiliary materials, chemicals; and practice maximum savings in production.

Perform equipment maintenance well, minimize downtime due to sudden breakdowns, and increase OEE index.

**BUSINESS:**

Maintain regular monitoring and survey of market capacity to capture information and product consumption demand to predict fluctuations and deploy appropriate business plans for each market area.

Invest in product promotion regularly and extensively, creating highlights as well as the attention of many consumers about the company's products.

Consider flexible sales policies and improving after-sales service, offering quick and thoughtful solutions to resolve incidents and complaints to satisfy and retain sales units as well as attract more potential customers.

**FINANCE:**

Strengthen internal control and financial supervision to strictly manage capital sources, giving priority to production, business and investment in developing Tien Phong's education project.

Assess risks, improve capital mobilization cost efficiency, effectively manage cash flow, meet the ability to pay debts and investment capital must be disbursed on time.



**HUMAN RESOURCE DEVELOPMENT:**

- Search and apply advanced management models to operate the company for sustainable development, minimizing risks of asynchrony in management and corporate governance.
- Optimize the operating capacity of the apparatus by simplifying and limiting overlapping management and unclear responsibilities.
- Further improve material and spiritual life, and well implement the State's policies for employees.
- Complete the planning of key staff at positions, ensure inheritance, discover talented people, and thoroughly nurture them to bring the company to stable long-term development.
- Strengthen the implementation of training courses, promote internal training.
- Trade Unions and Youth Unions coordinate with company leaders to develop programs to improve the lives of workers. At the same time, strictly implement occupational safety and hygiene measures, prevent labor accidents, occupational diseases and prevent fire and explosion.

**OTHER ACTIVITIES:**

- Carry out well the work of building the Party, building the government and mass organizations.
- Organize movements and competitions towards the company's 65th anniversary in 2025 to encourage and motivate employees to complete their tasks well.
- Maintain social and volunteer activities to create corporate culture as well as help the Tien Phong Plastic brand always stand firm and win the trust and love of customers and communities across the country.



**II**



**PRODUCTION DEPARTMENT**

- 48 ACTIVELY INNOVATE AND CREATE TECHNOLOGY
- 48 DEVELOP NEW PRODUCTS
- 48 EFFICIENT PRODUCTION



**I**n recent years, the water supply and sewerage industry is witnessing a significant change in the use of plastic pipes. New technologies and imported products have created many opportunities and challenges for this industry. Customers increasingly demand products with high durability and good corrosion resistance, allowing pipes to be used for a long time without being damaged.

**B**esides, another trend is to use larger sized pipes to minimize the number of connections during installation. The smaller number of connections means limiting installation time, costs, and water leakage rate after a period of use. Currently, Tien Phong Plastic is also the pioneer and only unit in the Vietnamese market that produces products such as double-wall corrugated PP/PE pipes, uPVC inspection chamber, uPVC inner spiral pipe, ISO 3633 drainage systems, etc. These products have been trusted in many large projects and created consumer trends in the market.

# 1. ACTIVELY INNOVATE AND CREATE TECHNOLOGY

Innovation, creativity, and application of technological advances in production activities are prerequisites to help businesses not only adapt to the pace of change in the world but also strengthen their “always pioneering” position. Tien Phong Plastic, with its stature as a leading enterprise in the industry, always explores, creates and applies new technology to improve product quality as well as optimize resources in production. The year 2023 has recorded many new ideas and initiatives that are highly practical and applied in practice, such as researching HDPE materials for corrugated and twisted ribbed pipes; designing jigs for bending and breaking strength criteria for uPVC pipe for electrical system installation; finding methods and design equipment to evaluate the abrasion of HDPE, PP-R, MPVC plastic pipes and many new solutions to help reduce investment costs, improve efficiency in product testing, etc. Therefore, the performance indicators in the three main goals have met and exceeded the set goals: reducing scrap rate, increasing OEE index and saving raw materials in the face of current price fluctuations.

In addition, promoting innovative thinking as well as boldly testing and applying new technology has contributed to helping Tien Phong Plastic lead the trend in researching and creating products of international quality, strengthening trust with many foreign partners such as Sekisui Group - Japan, Iplex - Australia and New Zealand. Although the export rate accounts for a small portion of total revenue, the increase in international orders is a clear demonstration of being on the right track in development orientation, as well as further strengthening the position of Tien Phong Plastic in the country and promoting its entry into the international market.

# DEVELOP NEW PRODUCTS 2.

With more than 10,000 products providing total solutions for water supply and drainage, Tien Phong Plastic is always exploring, researching and developing new products to meet and better serve the increasingly diverse needs. The year 2023 also marks a step forward in research into the production of CPVC pipes, used in fire prevention and fighting because CPVC pipes have outstanding chemical resistance, heat and fire resistance, high durability and are easy to install and maintain.

In addition, Tien Phong Plastic is also considering a number of new products such as Crosswave wall - a solution to prevent urban flooding and store clean water, suitable for use in flood-prone terrain or drought areas with lack of fresh water. In addition, old products are improved, adding superior features such as PP-R lever ball valves to bring convenience to users. In addition, old products are improved, adding superior features such as PP-R ball valves to bring convenience to users.

# EFFICIENT PRODUCTION 3.

To cope with fluctuations in raw material prices, Tien Phong Plastic always accumulates and limits the maximum amount of scrap to save raw materials, energy, extend product life cycles and reduce costs. In addition, applying Lean 6 sigma, TPM, 5S, Kazen tools - smart management methods using technology, to streamline production, minimize waste in the business and has brought extremely good results. Manufacturing plants strive to limit the amount of waste to a minimum, maintaining an average of more than 6% of total production output and achieving operating efficiency of over 60.

(OEE data table in 2023)

MONTH	PVC Factory	Fitting No.1 Factory	Fitting No.2 Factory	PE Factory
Average in 2023	63.85	54.28	66.12	71.22



## BUSINESS BLOCK

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# 1. BUSINESS RESULTS IN 2023

2023 - a year with a lot of economic and political instability around the world along with a decline in the construction and real estate industries, especially in the first months of the year. This has a major impact on Tien Phong Plastic's business targets, but with the spirit of solidarity and determination, along with the wise and flexible leadership of the Board of Directors, the company has overcome the many uncertainties and achieved the highest profit ever.

Targets	Unit	Plan for 2023	Implementation in 2023	% implementation	Plan for 2022	2023 compared to 2022
Revenue	Billions VND	5,875	5,084	87%	5,615	91%
Pre-tax profit of Parent company	Billions VND	535	641	120%	532	120%
Profit after tax of Parent company	Billions VND	-	559	-	479	116.7%

Tien Phong Plastic has always proactively adapted and responded quickly to new situations, proactively sought business solutions, saved production costs, combined with flexibility in operations, proactively prevented and handled situations that arise from time to time to reduce risks. Therefore, in 2023, Tien Phong Plastic recorded 5,084 billion VND in revenue, down 9% compared to 2022, but net profit increased by 17%, reaching 559.4 billion VND. This is also the highest profit level of the business since it was listed in 2006. Compared to the full year business plan, Tien Phong Plastic has only achieved 87% of its revenue target but reached 120% pre-tax profit target.

In addition, with a new approach, Tien Phong Plastic accompanies and coordinates with distribution centers, sales units, etc. to actively grasp the market and prevent counterfeit goods to continue maintaining the most effective business operations.

### MAINTAIN AND DEVELOP THE SYSTEM:

By the end of 2023, the company has 12 distribution centers, nearly 400 sales units with about 26,000 points of sale spread across 64 provinces and cities nationwide. In the Northern market alone, during the year, 08 new sales units were opened, mainly in Hanoi, Hai Phong, Quang Ninh, etc.

### PROJECT SALES WORK:

The total number of projects that the market development departments have approached, offered prices, and negotiated with customers to sell products is: 1,238 projects, 1,238 projects, of which the company has sold products to 611 projects. Compared to 2022, the data on projects all grow strongly. The number of projects approached and offered products for sale is 46% more, and the number of successful sales projects also increased by 29% compared to 2022.

Among the successful sales projects are some projects of great value such as: Hai Phong City Political - Administrative Center, Golden Crown - Hai Phong, Nam Dinh Vu Industrial Park Expansion - Hai Phong, Sailing Club Residences HaLong Bay - Quang Ninh, Bac Tien Phong Industrial Park - Quang Yen, Industrial Park No. 5 - An Thi - Hung Yen, Gia Loc Industrial Park, Thanh Dong Social Housing - Hai Duong, Bao Minh Industrial Park - Nam Dinh, Vspip Industrial Park - Nghe An, Song Da Water Supply Project, Hanoi Water Supply, Vinhomes Ocean Park 2,3 - Hung Yen, etc.

No.	Product Type	Revenue (Unit: VND)	
		Export	
		2022	2023
1	HDPE	4,680,390	83,946,500
2	PP-R	162,917,993	1,868,952,792
3	PVC	66,374,217,710	67,459,867,121

# 2. INCREASE PRODUCTION AND BUSINESS ACTIVITIES

Tien Phong Plastic was the first unit to lay the foundation to produce plastic pipes and fittings in the North. Tien Phong Plastic has become the largest plastic pipe enterprise in the North and one of the two leading enterprises in the construction plastic industry with nearly 60% of the market share in the North and about 32% of the market share nationwide. Tien Phong Plastic is always a pioneer in production, demonstrating the role of a pioneering enterprise when continuously improving, innovating, applying modern and environmentally friendly technology, thereby creating products with high quality, superior features, and market demand orientation.

In addition, Tien Phong Plastic proactively selects reputable suppliers, negotiates prices, payment terms and reasonable purchase times. Thanks to that, the source of raw materials, equipment, supplies and goods is always sufficient to provide timely supply, maintain stable operations as well as ensure that new products are brought to market as quickly as possible such as uPVC inner spiral, ISO 3633 drainage product set, etc.

These products have been actively introduced to nearly 6,000 customers through 11 seminars held in the provinces. This is also an activity that Tien Phong Plastic has implemented regularly for the past 2 years to enhance business activities for units in the system and reach potential customers such as investors, contractors, and engineers.

An important highlight in business activities is expanding bilateral cooperation with potential domestic businesses through signing strategic cooperation such as with CA, Shinec Co., Ltd. This is the opportunity to access green buildings, create quality water sources for the community and promote the company's position in the field of water supply and drainage.

Through long-term cooperation with IPLEX (a leading plastic pipe manufacturer in Australia and New Zealand) and Japanese Sekisui Chemical Group, the "Tien Phong Plastic" brand has gradually approached the international market when exporting to foreign countries with strict standards such as Australia, Germany, Japan, and New Zealand. To best prepare, for many years, Tien Phong Plastic has registered trademark protection in 5 countries, including: China, Laos, Thailand, Cambodia, and Myanmar.

Not only expanding cooperation, Tien Phong Plastic still maintains good relationships with close partners, especially with strategic partners such as Japan's Sekisui Chemical Group and received positive reviews about professional and serious way of working. Thereby, the partners affirm that they will continue to work hand in hand with Tien Phong Plastic to produce superior products, improve competitiveness and increase market share in the international market.

# 3. MARKETING ACTIVITIES

**A**ctively capture market information that is developed synchronously across regions. Information from more than 26,000 stores has been collected via survey activities for customer care service. Periodic surveys regularly update data information and monitor the market. New product lines are widely introduced. Information about new products is updated by paying attention to market reactions in order to improve and perfect products.

**I**ncrease after-sales services: accompany sales units through provincial seminars, media publications, and giving gifts associated with brand images in promotional programs.

## COMMUNICATION ACTIVITIES

Tien Phong Plastic uses many marketing communication channels to promote products and increase brand awareness such as:

### Television and radio advertising:

Tien Phong Plastic often advertises on popular television channels such as VTV, HTV, VOV, etc. with advertising clips, TVC or special promotional campaigns ("Cau noi yeu thuong" program).

**OOH advertising:** placing signs, light boxes, large panels in prime, crowded locations such as city intersections, highways, avenues, etc.

**Digital marketing:** using popular social networking platforms such as Facebook, Youtube, etc. to interact, promote products and build brands through communicating messages, events, news under many different forms such as articles, videos, clips, etc.

**Press:** combine with reputable press units to deliver quick and accurate messages and handle crises timely.

It can be said that Tien Phong Plastic has synchronously used many diverse communication channels to increase the image of Tien Phong Plastic brand, widely reaching consumers across the country.



## CUSTOMER GRATITUDE

**T**o create a close connection between Tien Phong Plastics and distribution centers and sales units to develop together and reach new milestones of success, Tien Phong Plastics organized a ceremony to honor the distributors that had high achievements during the year at the Annual Customer Conference in Nghe An province. This is also an annual activity that the company implements every year with the desire to bring high-class trips and increase cohesion between units.

**N**ot only that, but Tien Phong Plastic also sponsored a trip to 04 European countries including Denmark, Norway, Sweden, and the UK with the best services lasting 14 days and 13 nights in September 2023 for more than 150 high-turnover distributors, at the same time organized a China tour for close partners. This is also Tien Phong Plastic's gratitude for the companionship of your units, thereby bringing about effective and fair business operations, creating bilateral benefits and good values.

## AWARDS 2023



### TOP 50 Most Effective Business Companies in Vietnam

The ranking of "50 Most Effective Business Companies in Vietnam" (TOP50) is a valuable and prestigious ranking conducted annually by Nhip Cau Dau Tu Magazine in collaboration with Thien Viet Securities Company; and consulted by leading economic and business experts from Harvard Business School, to find and honor effective companies on the Vietnamese stock market. TOP 50 is implemented on the basis of measuring business results of companies for 3 consecutive years, based on 3 growth indicators: revenue, return on equity (ROE) and return on shares. Tien Phong Plastic is honored to be on the list of Top 50 best listed companies in 2023 and is proud to maintain the Top 50 position continuously for 11 consecutive years.



### TOP 25 company brands in the field of personal and industrial consumer goods

TOP 25 company brands in the field of personal and industrial consumer goods is a prestigious list organized annually by Forbes Vietnam Magazine since 2016. In 2023, Tien Phong Plastic Joint Stock Company was proud to put its name on the list due to its efforts to bring pioneering products that keep up with world trends for consumers in Vietnam.



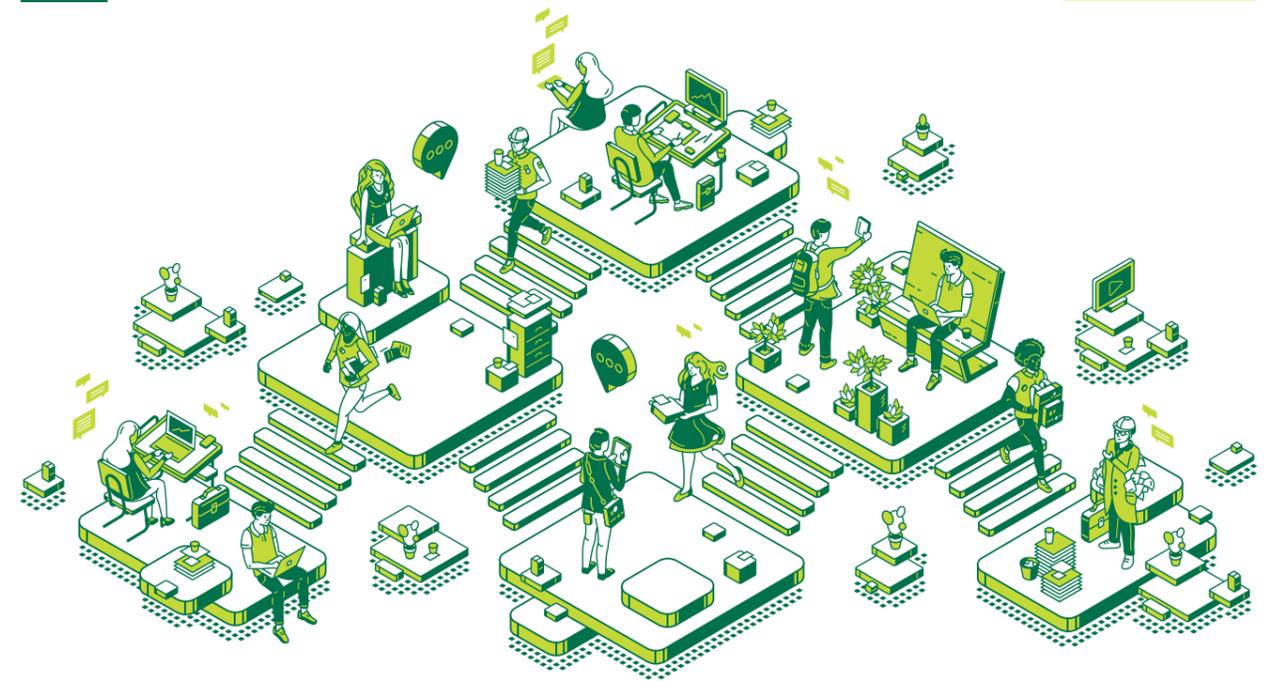


# IV

## ORGANIZATIONAL AND HUMAN RESOURCES SITUATION

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### 1. IDEAL PLACE TO WORK



**C**ommitment to improving workers' lives, protecting the environment, contributing to society, and ensuring consumer benefits has always been the guiding principle for Tien Phong Plastic's development over the years. To achieve the core goal of improving product quality, at Tien Phong Plastic, the role of employees is always given top priority, each employee is a link in the company's operations. Ensuring the responsibility of each employee not only helps the company maintain its structure but also develop more and more sustainably and strongly.

**B**esides, Tien Phong Plastic always aims for a working environment that employees in the company can consider as their second home - where they can find inspiration in their work and develop their full potential. With the desire to constantly build and maintain a clean and beautiful green working environment from the general campus landscape to the office and factory area, Tien Phong Plastic always complies with 5S and maintains hygiene. Every quarter, the company conducts environmental monitoring checks to assess impacts so that timely adjustments and controls can be made. Along with that, Tien Phong Plastic always invests in upgrading equipment and continuously improving working conditions to have the best working environment for employees.

**I**n addition to ensuring a safe, comfortable, green, and clean working environment, Tien Phong Plastic always takes care of the health and life of employees, from improving the quality of daily meals to organizing health check-ups every year.

**M**aintaining and promoting good traditional values combined with new trends in building an ideal and friendly working environment is one of the important factors that Tien Phong Plastic has proposed so that Every employee is always proud to be a member of the Tien Phong Plastic family, working together to elevate the Tien Phong Plastic brand to greater success.

## 2. IMPROVEMENTS IN MANAGEMENT OPERATIONS WITH TECHNOLOGY (IT)

Vietnam has been integrating more and more deeply into the global economy, businesses are having to confront large competitors with financial potential, technology, and modern management skills. In addition to investing in modern equipment and machinery, with priority given to high automation, Tien Phong Plastic has identified digital transformation as an important solution to create competitive advantage. In recent years the company has always focused on selecting and applying appropriate digital technologies to business operations, modern management systems with innovative tools to improve efficiency.

To keep up with the trend, in 2023, the Website Landing Page was built by Tien Phong Plastic's information technology team and officially applied exclusively at the company to promote products and to manage all distributors and sales units nationwide. When a customer has a need for a product, just click to search and there will be a full version of information about the product as well as information about the nearest distributors and sales agents - this is how Tien Phong's products reach consumers quickly and most effectively.

In addition, technological solutions are also gradually being built and put into application in 2023 such as: Initiative management software has also been deployed so that employees can quickly declare their ideas and initiatives to the company's leadership board then promptly apply it to innovate and benefit the company. 100% of effective ideas and initiatives are promptly and quickly rewarded by the company's Board of Directors to enhance and encourage creativity in the work. In the current era of digital transformation, the use of recruitment software has become a necessity in recruitment activities at Tien Phong Plastic - creating many times more efficiency and the ability to self-adjust and optimize recruitment activities, including posting job ads, filtering candidate CVs, contacting for interviews, storing candidate profiles, tracking recruitment information, reporting, etc. This recruitment software is also one of the human resource management software modules that Tien Phong Plastic is building towards the goal of automation, which is a steppingstone to help businesses develop strongly.

## 3. BUILD ORGANIZATIONAL CULTURE

Corporate culture is always considered a part of the "soul" of a whole group, a beauty that is built and preserved throughout the development process, that is why Tien Phong Plastic Culture has been built based on the Inheriting the good values of previous generations in the 63-year journey of construction and development, combined with the flow of the times, the vision of leading the Vietnamese Plastics market around the world with the mission of bringing high quality products to consumers.

To preserve the culture and identity of Tien Phong Plastic, the company not only builds a lasting brand expressed through the ideal working environment at Tien Phong Plastic, but also the unique item that each employee all carries on their bodies, that is the company's logo. In addition, each individual employee of Tien Phong Plastic always understands the handbook "Code of Conduct" that the company has proposed - the content is aimed at perfecting the rules of conduct at work and internal culture, dealing with customers, leaders, colleagues, and responsibility to the social community, demonstrating Tien Phong Plastic's commitment to honesty, fairness and civilized and polite behavior.

It can be seen that Corporate Culture is not only the corporate image but also the image of countries, with specific behaviors including dealing with customers, the community, how to communicate with domestic and foreign cooperation and social responsibility-recognizing the role of corporate culture, that's why at Tien Phong Plastic, corporate culture building programs are always focused on implementing, increasing the bonding between employees, creating a solid and safe foundation for the rapid growth of the Tien Phong Plastic brand to become stronger and stronger. In 2023, the company carried out cultural activities such as: Voluntary blood donation "Pink Spring Festival", awards for excellent students and Mid-Autumn Festival 2023 for employees' children.

As an organization with a tradition of always being community-oriented and implementing many programs that bring value to society, Tien Phong Plastics culture is also spread through community activities such as: "Cau noi yeu thuong" program - this is a volunteer program developed and implemented by Tien Phong Plastic since October 2017. The main activity is to build bridges for people and especially children in poor areas, to improve people's lives and help children be safer on the way to school. Next is participating in the Heart for Children project, building charity houses, sponsoring poor children, nurturing Vietnamese Heroic Mothers, and other local and social charity programs. Through that, we spread good messages to each employee, creating cohesion in creating values for the community and society.

## 4. RECRUITMENT

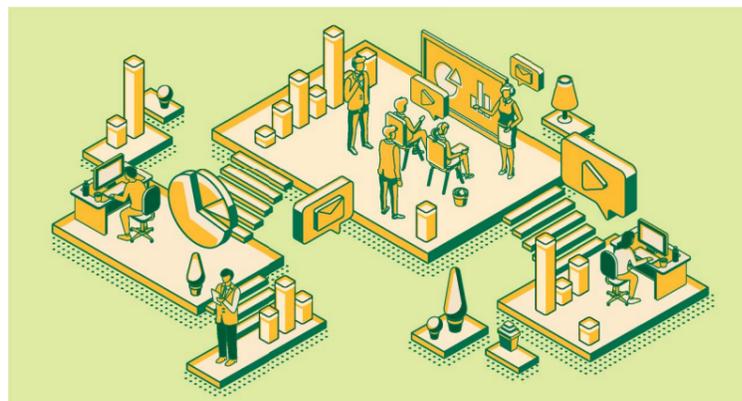
Faced with post-COVID-19 challenges combined with competition in the 4.0 era, businesses are under a lot of pressure from the problem of scarcity of qualified candidates - this is a big challenge for employers. Meanwhile, the trend of digitizing work processes and human resource management is growing, forcing businesses to transform to improve competitiveness. To attract and retain talented personnel, ensuring stable and high-quality human resources, Tien Phong Plastic continuously diversify recruitment channels, proactively search for qualified candidates suitable for current or future positions. Above all, the combination of expanding the channel network and the recruitment management software built by the company to improve the quality of human resource search activities. The results for 2023 show that the company has recruited 57 additional employees to meet the job needs at the company:

No.	Position needed	The number of personnel
1	Deputy Head	01
2	Regional sales manager	02
3	Technicians	07
4	Sales staff	13
5	Staff positions (security, information technology, goods supervision, support, car driver, Marketing)	13
6	Workers	21

After new employees are successfully recruited, integration training processes at Tien Phong Plastic are implemented flexibly with introduction and training programs suitable for everyone to create comfort, respect and openness.

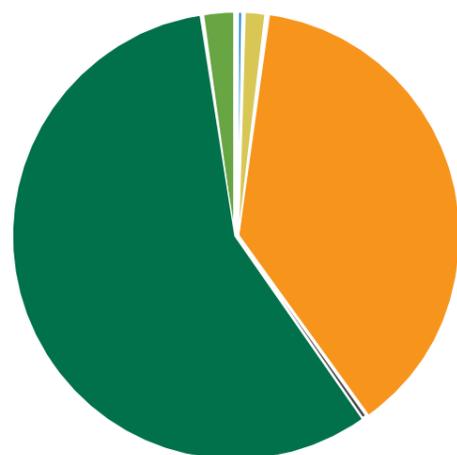
# 5. TRAINING AND DEVELOPING

Employee engagement is a key driver of performance goals. Therefore, investing in personnel and people is an activity that the Company's Board of Directors always focuses on and promotes by making training, fostering, and developing human resources.



The focus of training programs at Tien Phong Plastic is to improve, supplement knowledge and skills for workers, create quality human resources, and promptly respond to market changes. In 2023, the company organized 140 training sessions with 3,432 participants. Duration according to training content reaches 2,628 hours. Many training courses have been innovated, applying flexible teaching methods, visual interaction, group work, creating an exciting and vibrant environment for students to discuss, give personal opinions, share information, and combine opening clubs such as English clubs, technical clubs, etc. so that employees could interact and learn from each other.

The trainees participating in the training range from staff positions to departmental management levels. After the training course, many students have made positive changes, confidently expressed themselves and developed their abilities. In addition, the company also regularly coordinates with outside functional units to organize training classes on occupational safety fire and explosion prevention, etc. for all employees to improve efficiency and safety during work performance. Training results are clearly shown through numbers in 2023, specifically as follows:



- Integration training
- Outsourced training
- Online training
- Company internal training
- Participate in external training
- Professional exam

No.	Forms of training	Number of students participating
1	Integration training	60
2	Outsourced training	1331
3	Online training	2
4	Company internal training	2016
5	Participate in external training	85
6	Professional exam	27

In particular, the personnel evaluation program is still held annually to help the company's employees promote the capabilities and roles of everyone at each job position to increasingly develop their career to meet the company's needs.

# 6. PROMOTION

Promotion opportunities are one of the important criteria when employees choose a workplace to stay. Promotion opportunities also contribute to promoting an innovative and creative working environment, increasing performance, and positively contributing to the comprehensive development of the organization.

Understanding that, Tien Phong Plastic always focuses on building training and orientation policies for employees, while creating opportunities for employees to develop, thereby selecting outstanding individuals to undertake management positions. The company has issued the 2021 Regulations

on Personnel Management, which stipulates standards for selecting managers, appointment procedures for management levels. Every year, the company deploys 02 rounds of staff appointment evaluation through which units/individuals wishing to introduce personnel or employees wishing to apply send it to the human

resources department for synthesis and submission to the Appraisal Council to determine and review individuals who meet the position's qualifications. In addition, Tien Phong Plastic also aims to build a team of future staff who are capable, qualified and ready to cope with all difficulties and challenges.

# 7. REMUNERATION POLICY AND WELFARE REGIME



Tien Phong Plastic manages and evaluates employees according to position, productivity and work efficiency, providing fair opportunities for all employees during the working process and creating conditions for everyone to develop their potential.

Employees working at Tien Phong Plastic are always guaranteed benefits through remuneration policies that comply with legal regulations such as social insurance, health insurance, unemployment insurance, etc. Salary, bonus, and welfare payment periods are paid on time as prescribed, and there are no complaints or questions about the implementation of the company's policies.

Beside, the company continues to deploy additional benefits to motivate, encourage, and create bonds between employees and the company, in addition to the benefits prescribed according to State policies. Specifically, in 2023, the company has deployed the benefit of participating in life insurance for 44 more employees who are eligible (in total, more than 240 employees have participated), organized a skills test and supplemented skills allowances for 76

well-skilled employees; implemented foreign language allowances for 03 employees; organized annual travel benefits for employees and individuals and units with excellent achievements; supplemented hazardous allowances in kind for specific job positions but not in the list of occupations with dangerous elements; harmful factors etc. Tien Phong Plastic also continues to organize gratitude and honor ceremonies, award medals and cash to employees who have devoted time and have been with the company for a long time.

Tien Phong Plastic always values employees and considers them valuable assets of the company. In addition to salary, bonus, and welfare policies, which are the link between employees and the business, taking care of the spiritual life and health of each employee is always given special attention by the company's Board of Directors. The company will continue to research, develop, and implement other comprehensive remuneration policies to provide employees with the best benefits and rights. Happy, healthy workers and a safe, modern, and friendly working environment will create a solid foundation for the sustainable development of Tien Phong Plastic.

# V

## FINANCE DEPARTMENT



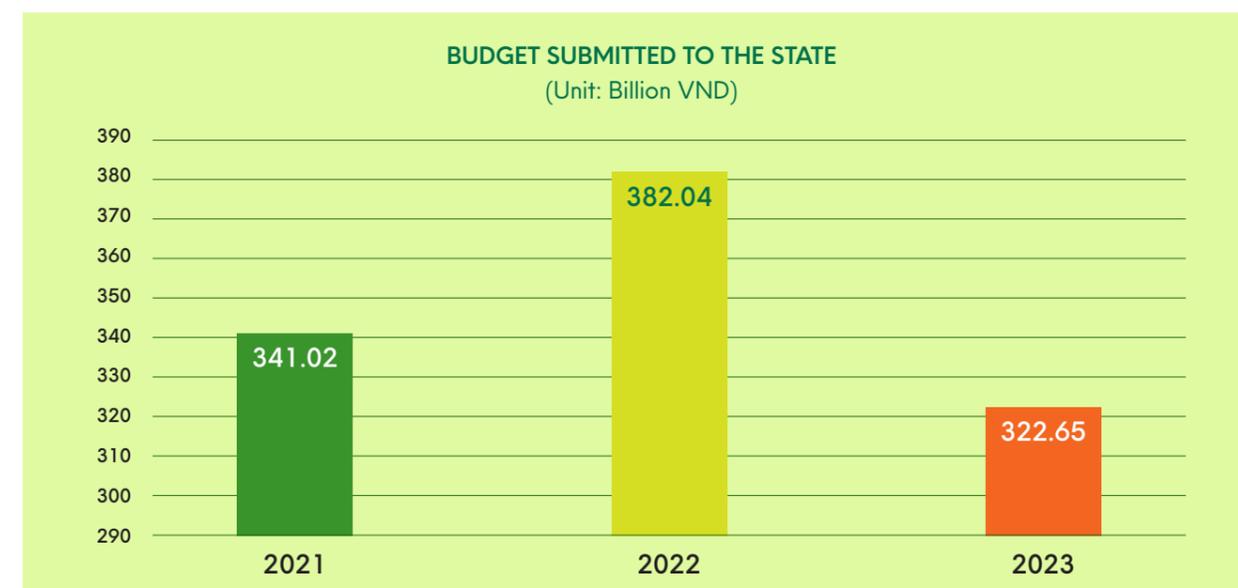
A year with many uncertainties around the world along with a decline in the construction and real estate industries, especially at the end of 2023. This has a big impact on NTP's revenue. In 2023, Tien Phong Plastic will reach **5,175.86** billion VND in net revenue - down nearly 8.95% over the same period, reaching 80.36% of the 2023 plan. However, profit after tax reached more than 559,4 billion VND - An increase of 17% compared to 2022, the 2023 plan reached 103.18% equivalent to EPS reaching 3,891 VND, an increase of 16.18% over the same period in 2022.

The Finance Department maintains efficiency in forecasting and preparing Financial Statements. The financial information provided promptly and fully reflects the company's operating situation, thereby closely following the budget implementation situation of the units to ensure production and business plans. The Finance Department also focuses on in-depth analysis

and provides suggestions and recommendations for the General Director and other departments to use as a basis for making operating decisions and taking advantage of business opportunities.

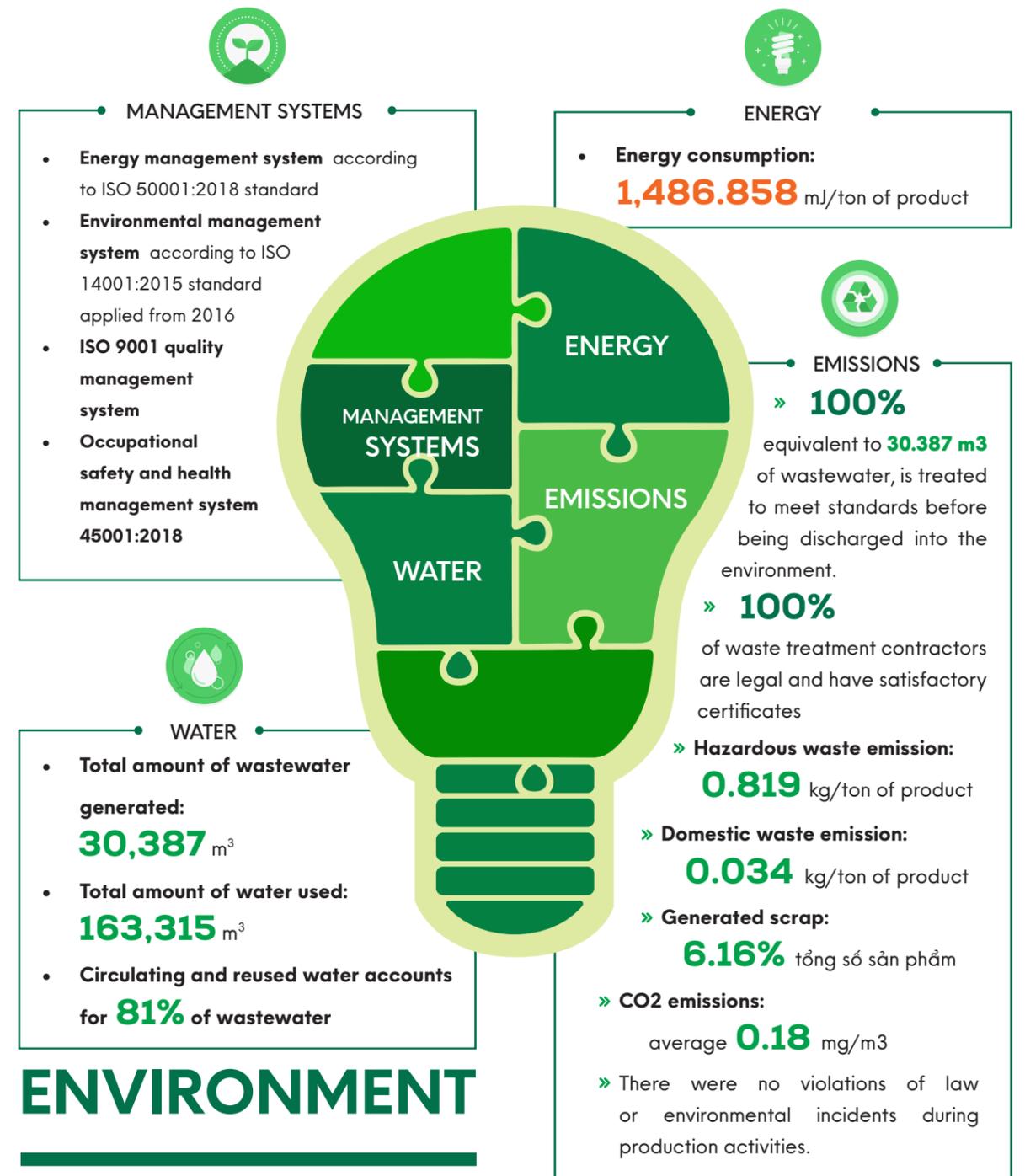
Aiming to achieve the company's overall goals of revenue and profit, the Finance Department proactively coordinates and supports other departments to implement projects and improve products through determining selling prices, controlling raw materials, budget and performance of trade and export promotion programs.

Regarding taxes and customs, the Finance Department has promptly deployed and applied regulations and instructions from competent departments by strengthening training, professional guidance, closely monitoring declarations and completing tax reports. In 2023, the company paid 322 billion VND in taxes to the State budget.



As of December 31, 2023, Tien Phong Plastic's total assets were recorded at VND 5,453.70 billion, an increase of nearly 7.7% compared to the beginning of the year. Liabilities are 2,338.20 billion VND, a slight increase compared to the beginning of the year but no long-term debt is recorded.





## ENVIRONMENT

"Vietnam is joining many countries around the world in strongly transitioning to a "green" economy with a focus on circular transformation, energy, low carbon emissions, ensuring green growth and aiming to achieve Net - zero by 2050. This can be considered an inevitable trend in the development process of the world in general and Vietnam in particular. Although it belongs to the light industry and continuously produces specific plastic products,

Tien Phong Plastic has grasped that trend and has transformed its operating procedures for many years to ensure environmental factors such as emissions, wastewater, etc.; to meet the requirements set by ministries and to best limit harmful impacts on the environment. That has shown the determination and desire to develop along with a prosperous and sustainable country."

# ENERGY - EMISSION - WASTE



Although economic targets are very important, Tien Phong Plastic is always steadfast in its production orientation associated with environmental protection, therefore, in addition to complying well with legal regulations on waste and emissions management, the company also invest in modern technology, innovate environmentally friendly production lines and optimize energy sources, and introduce sanctions to raise employees' awareness.

## REDUCE ENERGY SOURCES

Production output in 2023 is approximately that of 2022, but the company saved nearly 2 million kWh of electricity. Besides, DO oil consumption is also 36,000 liters less than last year. Total energy consumption in 2023 is 145,231.85 MJ and in 2022 is 152,209,687MJ. This is truly an impressive achievement in fuel economy. This not only brings many benefits to businesses but also contributes to helping the electricity industry prevent overload and relieve pressure on the national electricity system.

To achieve such results, the company has constantly propagated to employees about electricity saving measures in the working environment as well as scientifically arranged production systems, taking advantage of natural light sources through clear panels on the dome, shorten the induction time of LED lights, use equipment for the right purpose and apply international standard management systems such as ISO 14001:2015 environmental management system, ISO 50001:2019 energy

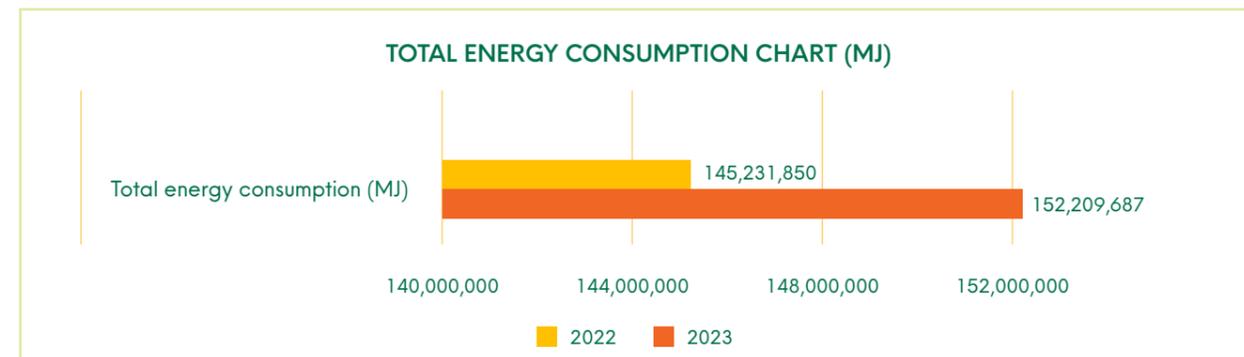
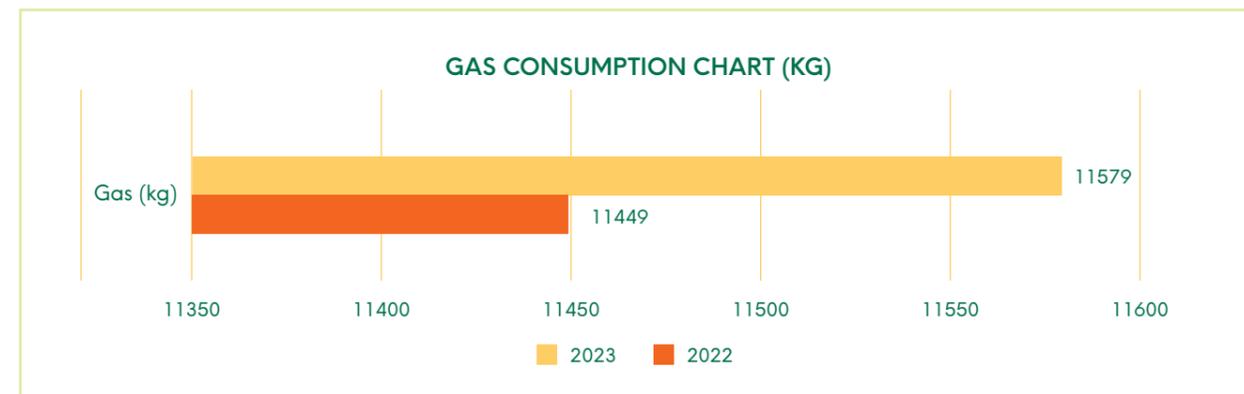
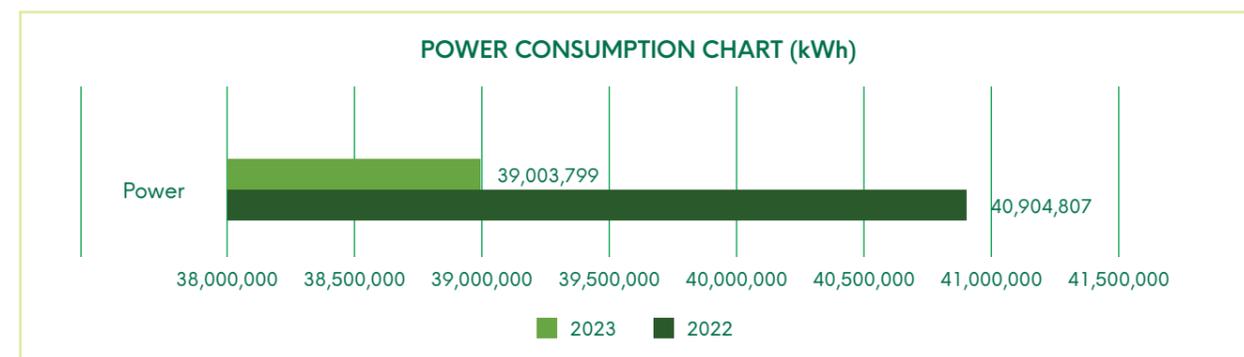
management system into operational processes. Besides, the company still regularly monitors and inspects electrical and energy equipment to ensure safety as well as avoid energy loss and waste.

In addition, the company continues to apply innovative and creative fuel-saving measures such as

-  Installing a system to control the time the bathroom water heater is turned on helps eliminate unnecessary use of wasted energy.
-  Installing motion sensors for lights on the shelves at the fitting warehouse helps workers save working time and electricity. When there is no need to use them, the lights will automatically turn off.
-  Replacing the motor assembly - servo hydraulic oil pump for the old 3-phase asynchronous motor that wastes electricity for 2 injection molding machines at the fitting factory.
-  Check and fix compressed air leaks at the PVC factory.
-  Closely follow market demand to plan appropriate production, reduce production, excess inventory, and minimize gasoline and oil through transportation of goods in factories and warehouses.
-  Closely monitor all of the company's energy-using equipment to detect and promptly repair and maintain, avoiding energy loss. In addition, the company always coordinates closely with Duong Kinh Electricity to update and monitor the electricity supply situation, thereby maintaining a stable power source for production and business.

No.	Targets	Unit	2022	2023
1	Electricity	kWh	40,904,807	39,003,799
2	Gas	Kg	11,449	11,579
3	DO oil	Liter	112,383	108,768
4	Total energy consumption	MJ	152,209,687	145,231,845
5	Total production	Ton	98,132	97,677
6	Average energy consumption/ton of product	MJ/Ton	1,551.078	1,486.858

(Power consumption table and total energy consumption)



## LIMIT EMISSIONS

Creating a green, environmentally friendly working space is always a top priority for the company's Board of Directors. A green environment and fresh air will contribute to building a positive image in the eyes of customers and partners as well as promoting creativity and limiting health problems for employees. To reduce emissions that cause the greenhouse effect, Tien Phong Plastic has actively planted trees with an area of nearly 45,000 m<sup>2</sup> and at the same time decorated more trees in the office as well as the hallway. This not only provides a clean green landscape, but also purifies the air, greatly reducing the amount of carbon in the area. It is expected that by 2024, Tien Phong Plastic will deploy greenhouse gas emissions measurement for better control, aiming to neutralize greenhouse gas emissions and commit to Net Zero.



In addition, any manufacturing industry generates dust during operations, so to collect dust from the production process, the company has installed a filtration system in a closed room to collect unwanted dust. All factories are built with high roofs and ventilation fan systems. Chemical vapors generated from loading glue into the tube will be sucked up by a fan system to ensure that the chemicals do not spread around and are diluted with air before being released into the environment.

Every year, under the supervision of the Environmental Monitoring Center - Hai Phong Department of Natural Resources and Environment, the company conducts periodic sampling 4 times/year. All air indicators such as dust, noise, CO, SO<sub>2</sub>, NO<sub>2</sub>, etc. are within the allowable limits according to Vietnam's current environmental standards.

Monitoring period	Noise	Dust	CO	SO <sub>2</sub>	NO <sub>2</sub>
1	62.6	219.63	5,503	77.4	64.3
2	60.6	198.9	5,450	75.1	55.3
3	59.7	198.1	5,748	77.3	51.7
4	57.5	205.2	4,929	66.5	50.9
QCVN 26:2010/BTNMT	70	-	-	-	-
QCVN 05:2013/BTNMT	-	300	30,000	350	200

(Air index measurement table)

## WASTE MANAGEMENT

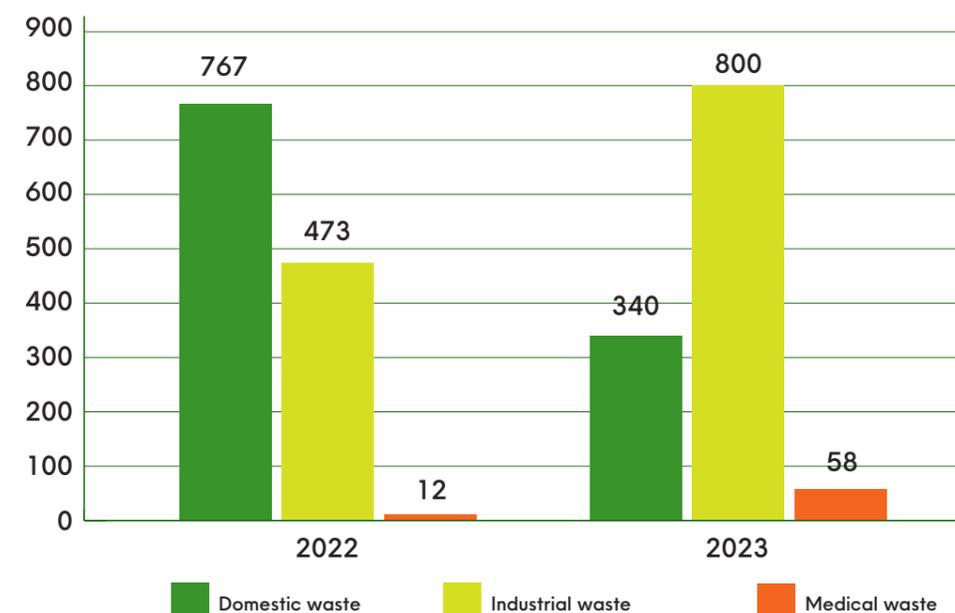
In 2023, household waste has been reduced by more than 55% compared to 2022 thanks to reducing waste (nylon, plastic, etc.) and encouraging employees to use recyclable personal items such as cups, water pitcher, etc. In addition, the company also requires classification of waste such as inorganic waste and organic waste to recycle and hires a third party to treat waste in accordance with regulations.

For waste products that can be recycled for remanufacturing, it only accounts for a small portion because most of the input material requirements of the product categories are virgin plastic granules. However recycling helps Tien Phong Plastic not use recycled materials purchased from outside and not generate scrap that needs to be processed during the production process.

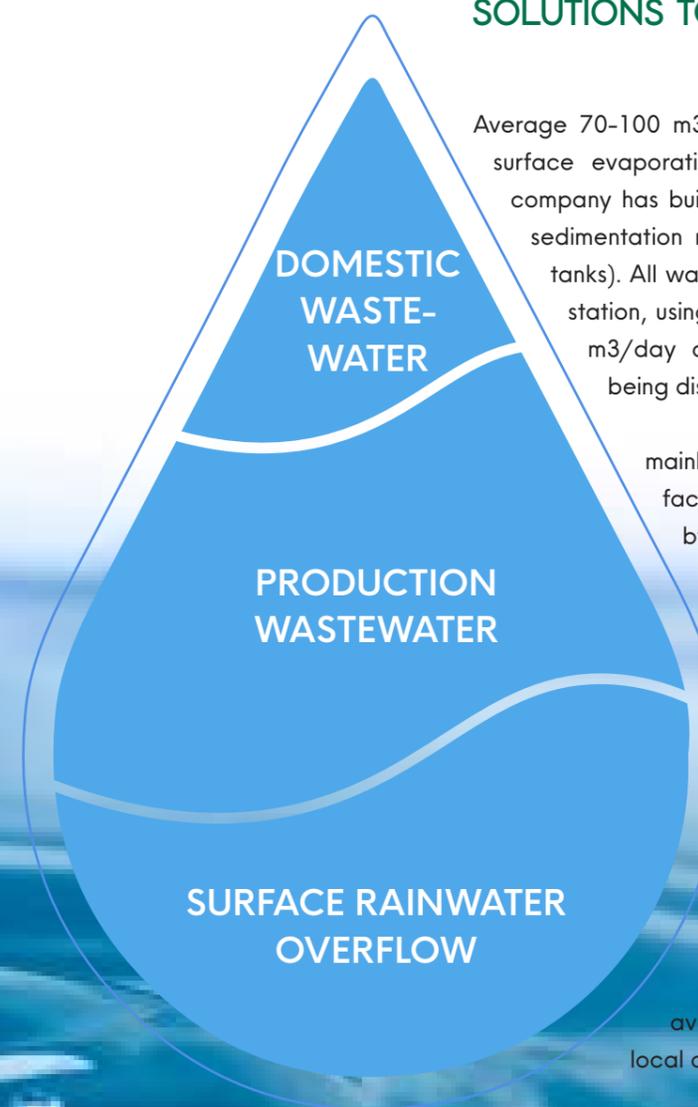
(Summary table of waste volume in 2022 - 2023)

No.	Content	Unit	2022	2023
1	Domestic waste	m <sup>3</sup>	767	340
2	Industrial waste	m <sup>3</sup>	473	800
3	Hazardous waste	Kg	84,210	93,751
4	Medical waste	m <sup>3</sup>	12	58

CHART OF HOUSEHOLD WASTE, INDUSTRIAL WASTE, AND MEDICAL WASTE



## SOLUTIONS TO IMPROVE WATER RESOURCES



Average 70-100 m<sup>3</sup>/day (the remaining 30% is watering plants and surface evaporation during production and daily activities). The company has built systems to collect surface water overflow (with sedimentation manholes) and domestic wastewater (with septic tanks). All wastewater is collected at the wastewater treatment station, using biochemical technology, with a capacity of 130 m<sup>3</sup>/day and night, meeting prescribed standards before being discharged into the environment.

mainly cooling water at extrusion and injection molding factory equipment. Equipment cooling water is collected by the company into a separate system for circulation and is not discharged into the environment.

is collected entirely into a sewer system with trash screens and a system with settling manholes to filter out soil, sand and impurities mixed in rainwater before draining into the city general wastewater system. In addition, to ensure a fast drainage system and avoid causing local congestion, the company has applied additional measures such as: regularly dredging and clearing the drainage system, cleaning premises and industrial yards, and avoiding waste being swept away by water causing local congestion.

In addition, the wastewater treatment station is upgraded and maintained periodically, with regular assigned operators and specific operating procedures; the station operating log is fully recorded. Periodic wastewater monitoring all met allowed regulations.

Comparison table of wastewater quality 2022 - 2023

WASTEWATER	UNIT	2022	2023
TOTAL	m <sup>3</sup>	25,756	30,387

Comparison table of water used 2022 - 2023

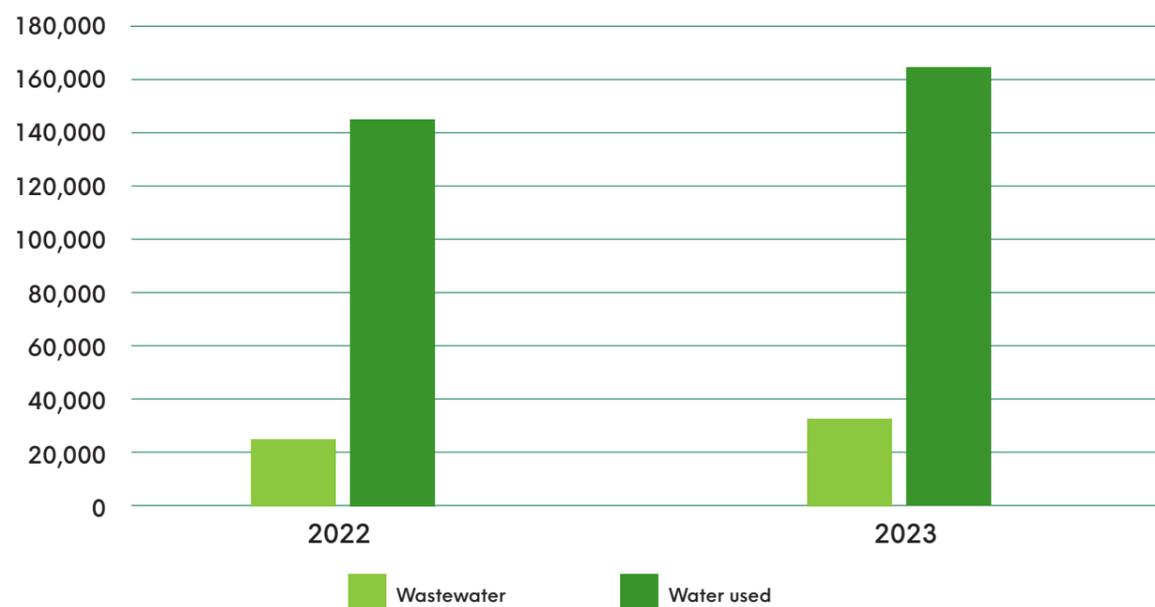
WATER	UNIT	2022	2023
TỔNG	m <sup>3</sup>	145,468	163,315

## PROTECT WATER SOURCES AND WATER QUALITY

Water is an indispensable part for the life of all species on Earth. However, only 3% of the current water source is usable fresh water and is currently in short supply, possibly leading to depletion due to salinity - a serious consequence of climate change that there is no complete solution yet. Aware of that, Tien Phong Plastic always focuses on economical use of water resources and controls the quality and safety of wastewater before discharging into the environment. Currently, all water sources used by Tien Phong Plastic are provided from water supply companies, not using underground water sources.

At the same time, the company does not chase profits but always puts quality first, so it is willing to use ingredients that are safe for consumers' health and the ecosystem, even though costs may increase; investing tens of billions of VND in a professional wastewater treatment system meeting international standards ISO 14001:2015 since 2016 with a capacity of up to 130m<sup>3</sup>/day. This guaranteed 100% of wastewater meets standards according to QCVN 40:2011/BTNMT and recirculated 80% of wastewater sources to cool equipment.

THE CHART COMPARES THE AMOUNT OF WATER USED AND THE AMOUNT OF WASTEWATER



## PRODUCT RECYCLING

To ensure smooth production and business, reduce product costs, and increase profit costs for businesses, in 2023 the company continued to reduce the waste target of the entire product line. Because Tien Phong Plastic’s products are mostly thermoplastic, 100% of waste products can be recycled to produce other consumer goods such as trash cans, plastic tables and chairs, pots, etc. and collected by a third party licensed to operate according to regulations. Currently, scrap rates are being controlled relatively well by factories and maintained on average at 6% of total production output.

No.	UNIT	SCRAP TARGET IN 2022	SCRAP TARGET IN 2023	IMPLEMENTATION
1	PVC factory	≤ 3.6	≤ 3.25	3.16
2	Fitting Factory (uPVC)	≤ 10.8	≤ 10.0	10.58
	Fitting Factory (PP-R)	≤ 9.7	≤ 9.3	9.29
3	PE factory (HDPE)	≤ 7.0	≤ 6.3	5.54
	PE factory (PP-R)	≤ 2.5	≤ 2.15	2.26

(Table of scrap data in 2023)

“It can be affirmed that Tien Phong Plastic always focuses on environmental protection activities, environmental improvement and is always proactive for emergencies, natural disasters, and fires to minimize environmental impacts and increase the ability to restore optimal production and business activities”.

# VII

## SOCIAL CHARITY ACTIVITIES

- 72 “CAU NOI YEU THUONG” PROGRAM
- 74 TOGETHER FOR SOCIETY
- 76 COMMUNITY ACTIVITIES OF THE YOUTH UNION

During more than 63 years of development, volunteer programs have always been maintained by Tien Phong Plastic in parallel with production and business activities and have become a good tradition in corporate culture that company’s generations always preserve and promote for “sustainable development”.



# 01

## “CAU NOI YEU THUONG” PROGRAM



2023 is the first year in the second 5-year period of the “Cau noi yeu thuong” program, 15 new bridges have been built, bringing the total number to 115 nationwide. This is also the “year of return” for Tien Phong Plastics when it returned to repair and maintain bridges, this is also the “year of return” for Tien Phong Plastics when it returned to repair and maintain prayers for people, and at the same time organized meaningful events for people and children on special occasions such as Vietnamese teachers’ Day, Lunar New Year, etc. With each return, the “Cau noi yeu thuong” program received a warm welcome from local people.

### “RETURN WITH JOY”

The program has returned to Hoa Binh province after Dong Cai bridge (Lac Son, Hoa Binh) - The 4th bridge was completed in 2019 with the 115th love bridge named Ban Moc Bridge in Nanh Nghe commune, Da Bac district. The long-standing wish of the people of Nuoc Moc neighborhood and Nanh Nghe commune in general is to have a new solid bridge to help people live and work more conveniently, and students to be safe to go to school every flood season. After 2 months of construction, those worries have turned into joy of Nuoc Moc hamlet. On September 18, 2023, a spacious new bridge named Ban Moc bridge was officially put into use.



Continuing the return journey, on January 11, 2024 (December 1, 2023, lunar calendar), in the spreading spring atmosphere, Tien Phong Plastic organized the Tet program “Spring returns to Na Ui village” with many meaningful gifts to bring people here a prosperous and happy Tet. After 6 years of building the 3rd bridge named Na Ui bridge in Nam So commune, Tan Uyen district, Lai Chau province, Tien Phong Plastics visited and repaired the bridge, especially meeting the children and their relatives in the village with many fun activities imbued with traditional Tet culture. On this occasion, 150 gifts were given to all the people of Na Ui village and 20 gifts were given by Tien Phong Plastic to people in difficult circumstances in the village so that people can celebrate the traditional Tet in peace and warmth. On the solid green bridge, the sounds of children happily laughing and playing, the chatter of people going to the morning market signaled a new year full of new joys and new successes.



In addition, another “hope” bridge was given by Tien Phong Plastic to the people of Kien Giang province in Thuan Hoa commune, An Minh district after more than 5 months of construction called Kenh Ven Nong bridge - The 104th bridge. This is one of 8 bridges supported by Tien Phong Plastic for people in Kien Giang province in 5 districts of An Bien, Go Quao, Hon Dat, An Minh, Giong Rieng when the “Cau noi yeu thuong” program started coming to the province in 2019. Bridges of hope, turning worries into joy, the joy of thousands of people in poor hamlets and the bursting happiness of students on the way to school, giving wings to nurture dreams of the next generations.

It can be said that 6 years of traveling back and forth, climbing passes and wading streams, 115 bridges of love and thousands of gifts and scholarships worth about 200 billion VND have helped hundreds of thousands of households to rise up.

# 02 TOGETHER FOR SOCIETY

Appreciating the history of formation and maintaining the spirit of "Youth", Tien Phong Plastic always focuses on activities for teenagers with the goal that they are developed equally, creating a foundation for their aspirations, and contributing to building a strong and prosperous country.

## "HEART FOR CHILDREN"

As a unit that has accompanied the "Heart for Children" program for many years, Tien Phong Plastic has sponsored 70 heart surgeries for children across the country. In 2023, Tien Phong Plastic continued to sponsor 1 billion VND for heart surgery for pediatric patients in Hai Phong, bringing life opportunities to thousands of children who cannot afford medical treatment.



## "ACCOMPANYING CHARITABLE ASSOCIATIONS"

During 11 years of companionship, Tien Phong Plastic and the Red Cross carried out many humanitarian programs such as building charity houses, giving Tet gifts to the poor, etc. to share some of the difficulties and bring a better life for society.

Responding to the 2023 "Tet of Kindness" - the movement initiated by the Red Cross, Tien Phong Plastic gave Tet gifts to 200 people from disadvantaged families, Agent Orange victims, etc. in districts, contributing to supporting people with cash, food, and essential necessities with a total cost of up to 100,000,000 VND.



In addition, on December 12, 2023, in the joy of Mr. Nguyen Van Quan's family and people in the village, the Red Cross House with an area of 60m2 was jointly sponsored by Tien Phong Plastic Joint Stock Company was officially inaugurated. The new, spacious house is a valuable asset and a great source of encouragement so that Mr. Quan's family can celebrate the New Year with full joy and better focus on their children's future.



Besides, Tien Phong Plastic continues to support 6 lonely and helpless elderly people connected by the Hai Phong City Charity Association for many years to share their difficulties and disadvantages and be a source of encouragement for them to enjoy spring, celebrate Tet, integrate with the community and society.

Tien Phong Plastic always hopes that meaningful practical activities will continue to spread and connect with benefactors not only in Hai Phong but also expand to other provinces and cities to help many disadvantaged people, creating more motivation so that they can strive and improve their lives.



# 03

## COMMUNITY ACTIVITIES OF THE YOUTH UNION

Participate in supporting the "Warm Winter 2022" and "Spring Volunteer 2023" program, giving gifts: blankets, warm clothes; scholarships for children and young people with a total amount of more than 47 million VND.

Participate in the "Pink Spring Festival" Program - February 2023 and "Pink Blood Drops in 2023" Program - June 2023 with a total of 46 blood units.



Coordinated with Cau Tre Ward Youth Union, District Police, and Thai Phien High School Youth Union to organize a traffic safety propaganda program - safe use of the internet and social networks in residential areas, giving away 50 helmets and 50 raincoats for students at Thai Phien High School



Launching and calling for support for the "Sea and Island Journey" Program in 2023 with a total amount of 33 million VND.



Awarding gifts and 50 scholarships to poor students overcoming difficulties at primary and secondary schools in Hung Dao ward, Duong Kinh district worth 30 million VND at the 2023 - 2024 opening ceremony.



Supporting the Ethnic Semi-Boarding High School and Dong Nghe Primary and Secondary School, Nanh Nghe Commune, Da Bac District, Hoa Binh Province, including 257 warm blankets for students, along with many gifts for the local people worth 20 million VND in total.



Participate in supporting the "Warm Winter 2023" and "Spring Volunteer 2024" Programs, giving gifts: blankets, warm clothes; Scholarships for children in Lang Son province with a total amount of more than 30 million VND.



## CHAPTER 03

# Evaluation report of the BOARD OF DIRECTORS

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# 1

## EVALUATE THE COMPANY'S OPERATIONS



Corporate management plays an important role in operating and controlling production and business activities, balancing the interests of stakeholders, thereby improving operational efficiency, and increasing corporate value.

At Tien Phong Plastic, businesses always comply with management principles to help the Company enhance transparency, reputation and trust which is the foundation for the company to ensure sustainable development.

In 2023, with the theme “PIONEERING TECHNOLOGY, STEADY STEPS TO SUCCESS”, Tien Phong Plastic continues to affirm innovation, creativity, and application of technological advances in production activities. The company has cooperated, received and completed Seikisui's new product projects including technology for producing resistance-welded HDPE fittings, uPVC single flanges, PVC zacco valves, CPVC pipes and fittings. Currently in Vietnam, Tien Phong Plastic is a pioneer plastic unit investing in production according to international standards with large modern equipment lines, with large and unique products that only Tien Phong Plastic has and product categories with 10,000 types.

With proactive, flexible, safe, and effective management direction, Tien Phong Plastic has implemented business activities in accordance with the correct orientation and strategic goals. The results have completed the goals set for the year in terms of profit, human resource development, production process improvement, optimization of formulas and mixing orders, expansion and development of distribution systems, ensuring income, health safety for workers.

# 2

## THE EXECUTIVE BOARD'S EVALUATION

In 2023, the Board of Directors highly appreciates the efforts of the General Director and the Executive Board

The General Director and the Executive Board have fully performed their functions and duties according to the provisions of law and the company's charter; seriously implemented the resolutions of the General Meeting of Shareholders and the Board of Directors, maintained monthly meetings of the Executive Board to provide timely instructions and effective solutions.

The Executive Board strictly implements legal regulations, reporting and information disclosure regimes.

The Executive Board has done a good job of managing production and business activities to achieve the targets according to the assigned annual plan, ensuring jobs for employees and high responsibility to related partners.

The Executive Board has also improved internal management activities, perfected the leadership apparatus of the units, and well implemented employee remuneration regulations, creating peace of mind for employees, contributing to the development of Tien Phong Plastic.



## EVALUATION BY INDEPENDENT MEMBERS THE BOD AND AUDIT COMMITTEE

In 2023, independent members of the Board of Directors and the Audit Committee operated in accordance with their duties and powers according to the provisions of law, the company's charter, and the operating regulations of the Audit Committee.

Comply with regulations on regular meetings 4 times/year.

Supervise the management work of the Board of Directors, the executive work of the Executive Board, the implementation of resolutions of the General Meeting of Shareholders, decisions of the Board of Directors and company's business activities. Supervision activities are carried out objectively and independently, checking the reasonableness, legality, honesty, and level of caution in management and administration.

Through monitoring activities, independent members of the Board of Directors and the Audit Committee have given opinions and proposed to the Board of Directors and Executive Board on measures to strengthen control and minimize risks, ensuring compliance with the provisions of law, the charter, and internal regulations, improving the quality of operations and completing the Company's inspection and supervision tasks.

# 3

# 4

## OPERATIONAL PLAN OF THE BOARD OF DIRECTORS IN 2024

Affirming the Company's capacity and leading position in the Vietnamese market. Be consistent with business strategies to maximize competitive advantage, flexibly apply policies to maintain market share, sales growth and maximize satisfaction of customers and partners.

Improve corporate management, update, and comply with legal regulations on businesses and securities to ensure objectivity, transparency; respect for the legitimate rights and interests of shareholders; and aim to apply good management practices contributing to upgrading the ranking of Vietnam's stock market.

Complete the work of building Tien Phong Plastic's strategy with a vision for 2050.

Deploy the digitalization of the management system and apply technology and digital transformation in production and business activities to improve overall efficiency.

Enhance competitiveness through improving and optimizing products while expanding product diversity and perfecting new product production technologies that have been received. Continue to apply advanced management models and tools combined with investing in modern production technology, mastering new technologies, and applying automation to production.

Focus on training and developing human resources, building a labor force for the company, improving the sales staff's capacity and the working environment for employees.

Continue to pay attention to and maintain social charity activities, demonstrating the business's responsibility to the community.

## CHAPTER 04

# CORPORATE GOVERNANCE *Report*

In the context of the economy facing many difficulties and challenges, the company not only focuses on production and business activities, looking for solutions to maintain the most effective production and business activities, but also always pay attention to management to ensure the company operates continuously and sustainably. The goal is to improve corporate governance, ensure objectivity, transparency, respect the legitimate rights and interests of shareholders, and aim to apply good governance practices, thereby contributing to upgrading the rank of the Vietnam stock market.

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# 1

## RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors, as the company's management agency, has full authority on behalf of the company to make decisions and exercise the rights and obligations of the company, except for the rights and obligations under the authority of the General Meeting of shareholders. Accordingly, the company's Board of Directors complies with the law, the company's charter, and implements the resolutions of the General Meeting of shareholders; supervise the activities of the Executive Board and provide strategic direction for the company's development.

### INFORMATION ABOUT MEMBERS OF THE BOARD OF DIRECTORS IN 2023:

At the 2023 Annual General Meeting of Shareholders held on April 28, 2023, Mr. Bui Duc Long was elected 01 additional member of the Board of Directors for the 2020-2025 term, and at the same time dismissed another member of the Board of Directors for Mr. Nguyen Viet Phuong. Specifically, members of the Board of Directors include:

No.	Member of the Board of Directors	Position	Date of appointment/dismissal	
			Date of appointment	Date of dismissal
1	Dang Quoc Dung	Chairman		
2	Noboru Kobayashi	Vice chairman		
3	Chu Van Phuong	Member		
4	Tran Ngoc Bao	Member		
5	Dao Anh Thang	Independent member		
6	Nguyen Viet Phuong	Member	18/5/2020	28/4/2023
7	Bui Duc Long	Member	28/4/2023	

RESOLUTIONS/DECISIONS OF THE BOARD OF DIRECTORS ISSUED IN 2023



According to the company's assessment, the Board of Directors is a group of individuals with sufficient expertise, skills, and management experience in accordance with the company's requirements. Members of the Board of Directors are always aware of their responsibility to be careful, honest, and diligent in all activities to ensure legitimate benefits of the Company, aiming to maximize value for shareholders.



MAIN ACTIVITIES OF THE BOARD OF DIRECTORS IN 2023:

In 2023, the Board of Directors conducted 04 regular meetings to discuss, evaluate and provide directions for implementing the Resolution of the 2023 Annual General Meeting of Shareholders and other The Company's main activities include:

- » Review and evaluate production and business results reports, financial reports, investment plans for each quarter and accumulated during the year.
- » Strengthen the Audit Committee
- » Appoint Mr. Dang Quoc Minh to continue to hold the position of Person in charge of Company Governance for a 5-year term (2023 - 2028)
- » Implement the Resolution of the 2023 Annual General Meeting of Shareholders to pay the second-round of 2022 cash dividends at 5% on June 9, 2023; and advance the first cash dividend in 2023 at 15% on December 20, 2023

The Board of Directors closely follows and monitors production and business situations, directs direction and closely supervises the Executive Board in production and business operations, investment, finance, etc. At the same time, quickly provide timely and flexible solutions to help production and business activities be most effective in the context of the socio-economic situation in 2023.

In addition, the Board of Directors also regularly participates in meetings of the Executive Board to grasp the situation and provide quick and effective direction.

No.	Resolution/Decision	Date	Content	Approval rate
1	06/QĐ-HDQT	10/01/2023	Decision on promulgating the Regulations on capital representatives of Tien Phong Plastic Joint Stock Company	100%
2	07/QĐ-HDQT	10/01/2023	Decision on the appointment of Deputy General Director of Production	100%
3	08/QĐ-HDQT	10/01/2023	Decision on the appointment of Deputy General Director of Internal Affairs	100%
4	09/QĐ-HDQT	10/01/2023	Decision on the appointment of Deputy General Director of Engineering	100%
5	30/QĐ-HDQT	28/04/2023	Decision on the appointment of the person in charge of company governance	100%
6	33/NQ-HDQT	05/05/2023	Resolution on payment of cash dividends for the second round in 2022	100%
7	35/NQ-HDQT	05/05/2023	Decision on strengthening the Audit Committee	100%
8	45/NQ-HDQT	01/06/2023	Decision to assign concurrent duties to Ms. Ngo Thi Thu Thuy as Assistant to the Chairman of the Board of Directors for Engineering - Production	100%
9	46/NQ-HDQT	01/06/2023	Decision on strengthening the Assistant Team to the Chairman of the Board of Directors	100%
10	48/NQ-HDQT	06/06/2023	Decision on payment of cash dividends for the second round of 2022	100%
11	77/NQ-HDQT	15/11/2023	Resolution on advance payment of cash dividends for the first round of 2023	100%
12	82/QĐ-HDQT	08/12/2023	Decision on advance payment of cash dividends for the first round of 2023	100%

## 2

## CONTROL ACTIVITIES

The Board of Directors establishes a control mechanism through monitoring the activities of the Executive Board; establishment of the Audit Committee and Internal Audit Committee to perform internal control functions; and controlled through an independent audit unit. Control activities are carried out based on compliance with laws and internal regulations, ensuring objectivity and serving the Company's goals. Specifically:

Pursuant to the Company's Charter and internal regulations on corporate governance, the Board of Directors has supervised the activities of the General Director and members of the Executive Board in operating production and business and implementing resolutions of the General Meeting of Shareholders and the Board of Directors in 2023. At the Board of Directors meetings, the Board of Directors reviewed the implementation of the resolutions, the quarterly and accumulated production and business situation, discussed and decided to pass the resolutions that the General Director and the Executive Board use as a basis for implementation. Every month, the General Director and members of the Executive Board submit monthly activity reports and make explanations with the contents requested by the Board of Directors. In addition, according to the assignment of tasks, members of the Board of Directors will regularly discuss with members of the Executive Board about monitoring contents and issues of concern.

The Audit Committee complies with the tasks prescribed in the Audit Committee's Operating Regulations to supervise the activities of the Board of Directors such as financial and business activities, management, and operations, etc.

The Audit Committee, Board of Directors, members of the Executive Board and management staff in the Company always maintain a close coordination relationship. The Audit Committee attends and gives opinions in regular/unscheduled meetings of the Board of Directors and Executive Board, participates in opinions related to governance, management and operation of production and business activities. The Audit Committee periodically reports monitoring results to the Board of Directors. The Board of Directors/Executive Board met supervision requirements by providing the information requested.

The 2023 Annual General Meeting of Shareholders approved the authorization for the Board of Directors to select 01 out of 04 auditing companies to perform the audit for the 2023 fiscal year. Accordingly, the Board of Directors reviewed the criteria and selected KPMG Company Limited (KPMG) as the independent auditor for fiscal year 2023, reviewing and auditing the Company's interim financial statements, annual financial statements, and other audit work in accordance with the audit contract. Total audit service costs incurred in 2023 are VND 445,000,000 (including fees for reviewing audit records of the subsidiary - Tien Phong Central Plastic Co., Ltd.

## 3

## TRANSPARENT INFORMATION DISCLOSURE

One of the important principles in public company governance is the principle of timely, complete, accurate and transparent information disclosure of company operations; ensure shareholders have fair access to information. Accordingly, the Company has issued Regulations on information disclosure posted on the Company's website, and at the same time, the Company commits to always complying with transparency and fairness in disclosing information to all shareholders and partners.

The Company's information disclosure is carried out by the legal representative who is the Chairman of the Board of Directors, or a person authorized.

Tien Phong Plastic publishes information through means such as the Company's website <https://nhuatienphong.vn>; information disclosure system of the State Securities Commission, information disclosure system of Hanoi Stock Exchange; digital portal with Vietnam Securities Depository and Clearing Corporation.

Currently, according to current legal regulations on information disclosure, the Company mainly discloses information in Vietnamese, some information disclosure documents are bilingual in English and Vietnamese to ensure that shareholders and foreign investors can update information as quickly and conveniently as possible and in accordance with information disclosure requirements of state management agencies for large-scale public companies.

In 2023, the Company has no violations of the law on information disclosure. Information disclosure contents, when sent externally, are also sent simultaneously to members of the Board of Directors and relevant functional departments to monitor the disclosure of this information.

# 4

## ENSURE THE RIGHTS OF SHAREHOLDERS AND RELATED PARTIES

### ABOUT SHAREHOLDERS' RIGHTS:

Shareholders are the owners of the Company. Shareholders' rights have been codified in Vietnamese legal documents and are also specifically stipulated in the company's charter.

The Company ensures fair treatment through full, accurate, transparent, and timely disclosure of information to help shareholders make appropriate decisions.

Every year, the Board of Directors holds the Annual General Meeting of Shareholders in compliance with legal regulations on procedures and ensuring effectiveness. During the General

Meeting of Shareholders, shareholders are allowed to ask questions, express opinions, and make recommendations openly and equally. The minutes of the General Meeting of Shareholders were recorded accurately and completely according to the provisions of law and published together with the Resolution of the General Meeting of Shareholders to the State Securities Commission and uploaded on the Company's website within 24 hours.

Every year the Company pays dividends to shareholders

» Implementing the Resolution of the 2023 Annual General Meeting of Shareholders, the Board of Directors has advanced the first cash dividend of 2023 at 15% on December 20, 2023. Actual dividend amount distributed: 194,363,001,000 VND. The remaining dividends for 2023 will be paid after the 2024 Annual General Meeting of Shareholders.

» Related party transactions need to be approved and conducted in a manner that ensures conflicts of interest are properly managed and protects the interests of the company and its shareholders.

Specifically:

Stock transactions of internal persons and persons related:

No.	The person performing the transaction	Relations with internal people	Number of shares owned at the beginning of the period		Number of shares owned at the end of the period		Reasons for increase or decrease (buy, sell, convert, bonus...)
			Number of shares	Percentage (%)	Number of shares	Percentage (%)	
1	Tien Phong Plastic South Joint Stock Company	Related person of internal person	8,658,989	6.68	9,875,762	7.62	Buy to increase ownership rate
2	Chu Van Phuong	Internal person	172,513	0.13	472,513	0.36	Buy to increase ownership rate
3	Le Thị Thủy Hai	Related person of internal person	8,658,989	6.68	9,875,762	7.62	Sell to reduce holding quantity
4	Tien Phong Plastic South Joint Stock Company	Related person of internal person	9,875,762	7.62	18,488,762	14.27	Buy to increase ownership rate

As of December 31, 2023, the Company had transactions with related parties as follows:

Related parties	Transaction type	Value (million VND)
Tien Phong Plastic South Joint Stock Company	NTP purchased	247,815
	NTP sold	152,920
	Other	6,109
Sekisui Company Limited in Vietnam	NTP purchased	210,107
	NTP sold	33,145
Tien Phong Packaging Joint Stock Company	NTP purchased	30,472

### REGARDING ENSURING THE RIGHTS OF RELATED PARTIES:

In addition to complying with regulations on shareholder rights, the company also ensures the interests of parties related to the company's operations. During the year, the Company did not detect any transactions conflicting with the company's interest.

# 5

## REPORT OF THE AUDIT COMMITTEE

### INFORMATION ABOUT MEMBERS OF THE AUDIT COMMITTEE:

No.	Members of the Audit Committee	Position	Start date as an Audit Committee member	Qualification
1	Dao Anh Thang	Chairperson	April 14, 2021	Master in Financial Analysis
2	Nguyen Viet Phuong	Member	April 14, 2021 (resigned from May 5, 2023)	Master of Business Administration
3	Bui Duc Long	Member	May 5, 2023	Masters in Economics

## AUDIT COMMITTEE MEETING:

No.	Members of the Audit Committee	Number of meetings attended	Meeting attendance rate	Voting rate	Reason for not attending the meeting
1	Dao Anh Thang	4	100%	100%	
2	Nguyen Viet Phuong	1	100%	100%	Due to dismissal from May 5, 2023
3	Bui Duc Long	3	75%	100%	Due to new appointment from May 5, 2023

## SUPERVISION ACTIVITIES OF THE AUDIT COMMITTEE FOR THE BOARD OF DIRECTORS AND SHAREHOLDERS:

The Audit Committee has complied with the tasks specified in the Audit Committee's operating regulations:

- Supervise the activities of the Board of Directors through meetings and issuance of Resolutions/Decisions of the Board of Directors.
- Supervise the implementation of resolutions of the 2023 Annual General Meeting of Shareholders and resolutions/decisions of the Board of Directors issued during the year.
- Supervise the implementation of business activities operations.
- Monitor financial activities through audited 2022 financial statements, quarterly financial reports, and 2023 semi-annual financial reports.
- Supervise independent audit activities of the designated independent audit unit.
- Direct and supervise the implementation of audit plans and performance results of the Internal Audit Committee.
- Monitor compliance with the Company's internal regulations and rules, and supervise risk management to ensure improved governance efficiency in the Company.
- Direct the review of transactions with related persons under the approval authority of the Board of Directors/General Meeting of Shareholders.

Through supervision activities, the Board of Directors has properly implemented the rights and obligations under the Law, in accordance with the provisions of law, resolutions of the General Meeting of Shareholders and the company's charter.

The Board of Management has complied with its functions and tasks, actively implemented the resolutions of the General Meeting of Shareholders and the resolutions of the Board of Directors, and performed management and operations according to the provisions of law.

## ACTIVITIES OF THE INTERNAL AUDIT COMMITTEE

In 2023, under the direction and supervision of the Audit Committee, the Internal Audit Committee performed the following tasks:

- Review regulations on internal audit activities.
- Audit of the Company's 2022 financial statements
- Auditing the 2022 financial statements and operating situation of Tien Phong Plastic Central Co., Ltd.
- Audit of the Company's 2023 semi-annual financial statements.
- Auditing the activities of the Market Development Department, Customer Service Department and Marketing Department
- Auditing PVC factory operations.
- Auditing the activities of the Internal Affairs Division (Company Office and Strategic Human Resources Department).

## 6

## TRANSACTIONS, REMUNERATIONS, BENEFITS OF THE BOARD OF DIRECTORS, EXECUTIVE BOARD, AND AUDIT COMMITTEE

No.	Name	Position	2022	2023
<b>BOARD OF DIRECTORS</b>				
1	Dang Quoc Dung	Chairman	4,322,710,128	5,024,738,124
2	Noboru Kobayashi	Vice Chairman	904,000,000	1,203,600,000
3	Chu Van Phuong (*)	Member	4,218,706,499	4,763,745,916
4	Tran Ngoc Bao (**)	Member	3,329,506,168	3,736,305,864
5	Nguyen Viet Phuong	Member	271,000,000	362,750,000
6	Bui Duc Long	Member		50,000,000
7	Dao Anh Thang	Independent member of the BOD	919,080,000	995,580,000
<b>EXECUTIVE BOARD</b>				
1	Nguyen Van Thuc	Vice General Director	2,647,362,676	2,785,605,104
2	Ngo Thi Thu Thuy	Vice General Director	2,245,211,934	2,354,352,224
3	Tran Nhat Ninh	Vice General Director	2,231,969,930	2,350,953,368

(\*): Member of Board of Directors cum General Director

(\*\*): Member of the Board of Directors cum Deputy General Director of Finance

CHAPTER 05

Report

RISK MANAGEMENT



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- 94 FINANCIAL RISKS
- 95 LEGAL RISKS
- 95 HUMAN RESOURCE RISK

1

RISK MANAGEMENT SYSTEM

Risk management is considered an important tool to ensure effective governance and sustainable development of businesses. At Tien Phong Plastic, the risk management process is carried out through the following steps:

- Identify risks
- Risk analysis
- Evaluate risk priorities
- Risk handling
- Risk monitoring
- Risk communication

The goals of risk management are to:

- Develop future plans, strategic directions, and business decisions based on a thorough and close understanding of business activities, business environment, opportunities and challenges of the enterprise.
- Timely receive information about risks and put in place control measures to minimize errors in the production and business activities.
- Contribute to the effective allocation and use of enterprise resources.
- Protect and develop the image of the business.

In 2023, NTP continues to evaluate risks in corporate activities from human resource management, finance, business, production, etc. In addition to periodic risk assessment activities at the beginning of the year, the Internal Audit Committee deploys quarterly control activities to promptly detect risks and report to the Board of Directors and warn units.

2

MACROECONOMIC RISKS

In 2023, beside the risks that were affected in the previous year, the world economy continued to face new risks such as geopolitical tensions that threaten the global economy, such as the intense technology war between US - China, US regional banking crisis with the collapse of the first bank Silicon Valley Bank, the world faced the risk of a debt crisis, the Japanese yen devalues, the strong emergence of artificial intelligence with the ability to threaten human jobs, gold prices have been set at a new historic peak.

Vietnam's economy entering the implementation of the 2023 plan could not avoid impacts from the world economy. In the plastic industry, the prices of raw plastic resins had a large difference compared to the same period in 2022. ABS, PS, PP were the plastic lines that record the most price differences. In the construction industry, raw material prices also increased dramatically, global construction continued to fall into a state of stagnation due to restrictions related to the Covid-19 pandemic and the effects of the global economy in 2023. Every other industry also had a certain influence. As a result, Vietnam's export and import turnover decreased in 2023 by 4.4% and 8.9% respectively compared to 2022. The total number of businesses withdrawing from the market increased by 20.5% over the same period in 2022.

Facing the effects of the global and Vietnamese economies, Tien Phong Plastic could not avoid difficulties in its production and business activities. With forecasts of future macroeconomic trends and impacts on key business areas, the Company's Board of Directors made flexible strategies and decisions, diversified raw material sources, controlled tightly costs, promoted sales, and actively cooperated and developed with major partners.

# 3

## COMPETITIVE RISK

With the current rate of development, the plastic industry is considered a dynamic sector in the economy. That growth comes from a large market with great potential and plastic products are used in all areas of life including plastic packaging products, plastic products for construction materials, household plastic products and high-tech plastic products.

Seizing the opportunity to develop the plastic industry, many plastic businesses have invested in using high technology such as plastic production lines from Korea and Japan for technical plastic products, or German technology for construction plastic products. The trend of switching to environmentally friendly products that do not affect consumer health is also of interest and conversion to businesses.

To maximally control competitive risks, beside constantly improving production, increasing productivity, improving product quality, reducing power consumption, reducing production costs, innovating equipment, and technology, completing infrastructure planning, developing new product development, Tien Phong Plastic aims to have green certification for product lines, expanding production of technical plastic products.

At Tien Phong Plastic, financial risks include Credit Risk and Liquidity Risk. To prevent financial risks that may appear, the Company has proposed the following solutions:

### Credit risk

Comply with deposit limits/credit risk limits approved annually by the Board of Directors. Besides, we also choose partner banks with good credit ratings, at the same time, proactively regularly evaluate and analyze banking and market situations, aiming to balance risk and efficiency, ensuring capital safety.

### Liquidity risk

Implement separate management of investors' money and assets from the Company's money and assets to ensure the fulfillment of obligations to customers. For cash flow serving production and business activities, liquidity risk management is carried out daily through balancing income and expenditure cash flows, maintaining interaction channels and closely coordinating in developing plans to use cash resources as well as sending market warnings to balance cash flow for the best efficiency and minimize the risk of loss of liquidity.

# 4

## FINANCIAL RISKS

# 5

## LEGAL RISKS

The constantly changing legal framework and business environment have created requirements for businesses to have ways to control, understand and evaluate the obligation to comply with relevant legal regulations for sustainable business operations.

In Tien Phong Plastic, business operations are governed by the Enterprise Law and legal documents on securities, commerce, taxes, insurance... The system of legal documents and guiding documents often changes, is not synchronized, or there is a risk of legal disputes arising from partners/employees/third parties, so businesses must also set out ways to control risks. The Company's Legal Department regularly updates legal documents and industry and local regulations, prepares a table to assess compliance risks and legal risks, thereby providing control measures, warning, and advising the Board of Directors and Board of Management. At the same time, periodically review documents and contracts to limit related legal risks while perfecting an appropriate and effective system of regulations, processes, and internal documents. In addition, to raise awareness of the law and compliance, ensure that all employees clearly understand legal regulations and policies and are fully aware of the importance of compliance, Tien Phong Plastic also implemented legal risk assessment for each department.

# 6

## HUMAN RESOURCE RISK

Human resource management is one of the necessary activities to limit unwanted risks in business operations.

To ensure a stable and quality human resources, Tien Phong Plastic has developed a specific recruitment plan for each stage and built a reserve team for important positions and developed a manager's planning program with long-term orientation. In training, Tien Phong Plastic has launched a learning movement throughout the Company, regularly organizing large-scale training programs, encouraging internal training and knowledge sharing to improve capacity, skills for labor.

CHAPTER 06

Report

SUSTAINABLE DEVELOPMENT



ESG REPORT 2023.



“Sustainable development” is an important content in the development orientation that Tien Phong Plastic has always pursued and maintained for many years, therefore, the integration of Environmental - Social - Governance factors is important. (ESG) in production and business activities is always a top priority for the company’s Board of Directors. That is shown through factors associated with the 17 United Nations development goals that we deploy every year because Tien Phong Plastic understands that if businesses want to grow, they must be able to create sustainable values ensuring strong development in the future.

17 UNITED NATIONS CSI TARGETS

<p><b>1 NO POVERTY</b></p>	<p>Create jobs for more than <b>1300</b> workers in the North and Central regions</p> <p><b>TOP 15</b> businesses paying the highest taxes in the locality.</p>	<p>Organized <b>140</b> training courses with <b>3380</b> students at the company</p>	<p><b>4 QUALITY EDUCATION</b></p>
<p>Giving more than <b>300</b> gifts to poor students overcoming difficulties and households in difficult circumstances.</p> <p>Build <b>15</b> bridges for remote areas to help people develop economically and stabilize their lives.</p>	<p><b>2 ZERO HUNGER</b></p>	<p><b>5 GENDER EQUALITY</b></p>	<p>No discrimination and <b>30%</b> are female leaders (including management levels of units).</p> <p>Giving more benefits to female employees such as gifts on March 8, October 20, maternity leave, travel, etc.</p>
<p><b>3 GOOD HEALTH AND WELL-BEING</b></p>	<ul style="list-style-type: none"> <li>Install automatic production equipment to minimize harmful impacts on workers’ health</li> <li>Create a professional, fresh, and environmentally friendly working environment</li> <li>Organize periodic medical examinations for employees (once a year)</li> <li>Support gifts and create working conditions for workers in difficult circumstances</li> <li>Increase employee benefits in terms of medical care, salaries, bonuses, gifts on holidays, etc.</li> </ul>	<p><b>100%</b> of wastewater from production activities is treated to meet standards</p> <p><b>100%</b> water exploitation at the allowed capacity</p> <p>Use water economically and allocate water resources appropriately</p> <p><b>70%</b> of water in production is recycled and reuse</p>	<p><b>6 CLEAN WATER AND SANITATION</b></p>
<p><b>7 AFFORDABLE AND CLEAN ENERGY</b></p>	<ul style="list-style-type: none"> <li>Install clear plastic panels on the roofs of <b>100%</b> of factories to take advantage of light for production</li> <li>Expected installation of solar energy systems at factories in the period 2023 - 2027</li> </ul>		

**8 DECENT WORK AND ECONOMIC GROWTH**



- Always in the **TOP 20** businesses paying the highest amount of taxes and budget in the locality
- Create a stable source of income and economic development for **12 distribution centers**, more than **400 sales units** and about **26,000 stores** nationwide
- Occupational health and safety management system according to **ISO 45001:2018**

**9 INDUSTRY, INNOVATION AND INFRASTRUCTURE**



Invest tens of billions of VND to renew modern equipment every year and expand production areas.

- 100%** of factories meet standards for labor safety and fire prevention
- 80%** of the production process is automated equipment

**10 REDUCED INEQUALITIES**



- No forced labor, no use of child labor
- There are no complaints about inequality or discrimination

**11 SUSTAINABLE CITIES AND COMMUNITIES**



- 100%** of waste treatment service providers have practice licenses
- Use materials that are safe for the environment and consumer health
- There are no environmental complaints from the community surrounding the factory

**12 RESPONSIBLE CONSUMPTION AND PRODUCTION**



- Factory system certified ISO 14001, ISO 50001, ISO/IEC17025:2017
- Products are always strictly tested to meet ISO, Quacert, and QCVN standards before being circulated on the market
- Transparent information to stakeholders and shareholders
- Make efforts to stabilize prices and notify price adjustments to the distribution system before applying, register goods at low prices before adjusting

**13 CLIMATE ACTION**



- Implement energy saving initiatives and carry out periodic environmental monitoring to help promptly detect abnormalities and have reasonable adjustment plans
- Do not discharge waste into the environment

**14 LIFE BELOW WATER**



- 100%** of wastewater from production activities is treated before being discharged into the environment
- 70%** of wastewater is reused in production and is not discharged into the environment

**15 LIFE ON LAND**



- Emission concentrations are always low compared to regulations of the Ministry of Health and Ministry of Natural Resources and Environment
- Built **15** charity bridges for disadvantaged areas across the country, stabilizing the lives of more than **1,000** households
- Giving gifts to poor households and excellent students overcoming difficulties in remote areas
- Combine propaganda about traffic safety and give helmets to students at some local schools

**16 PEACE, JUSTICE AND STRONG INSTITUTIONS**



- Continuously update legal documents and propagate to employees and partners in the distribution system
- Strictly comply with State regulations in operations and business

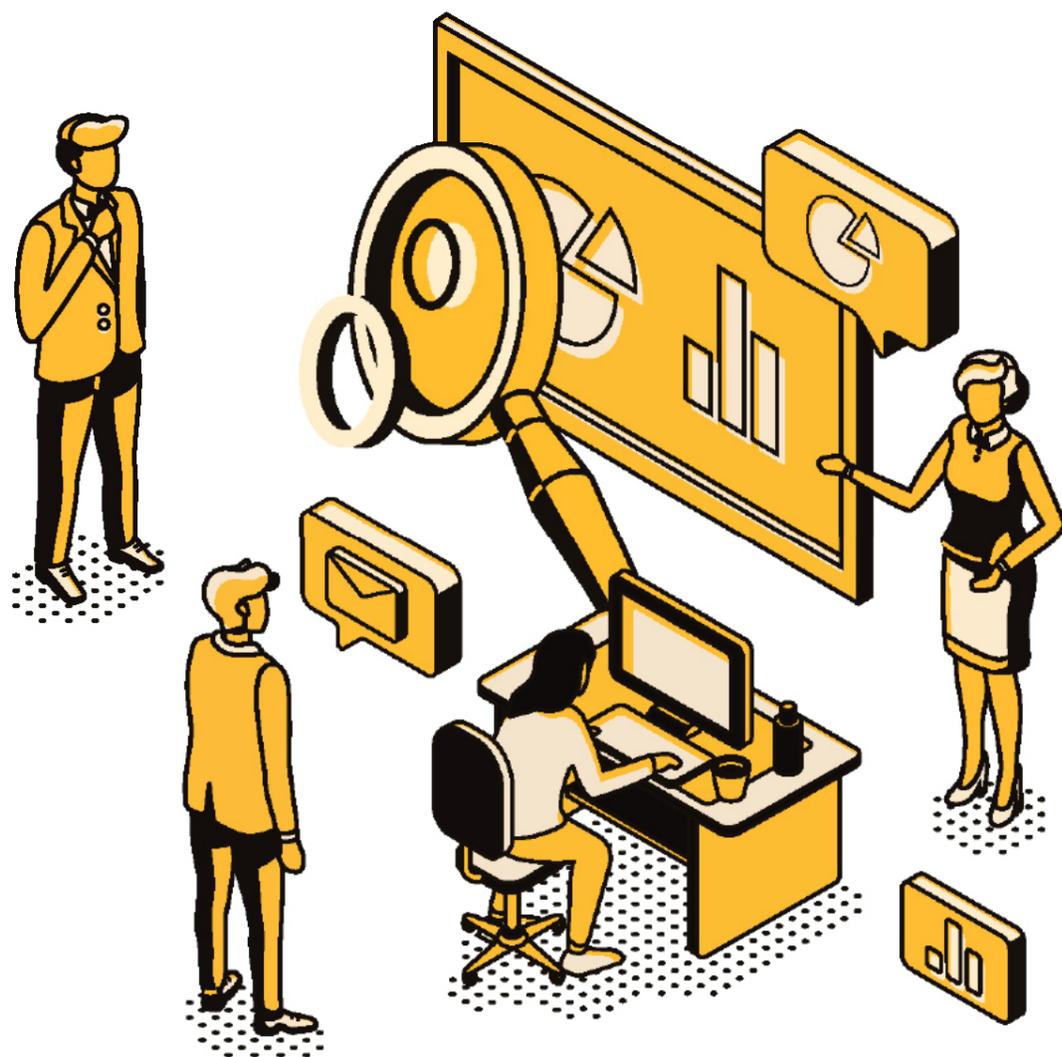
**17 PARTNERSHIPS FOR THE GOALS**



- Accompany sales units in business activities and market expansion
- Close cooperation with large domestic and foreign corporations to bring development opportunities to both parties
- Participate as a key member at Vietnam Water Supply and Sewerage Associations and Vietnam Plastics Association



# 17 UNITED NATIONS CSI TARGETS



## CHAPTER 07

### *Financial report*

- 103 STATEMENT OF THE BOARD OF GENERAL DIRECTORS
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- 109 CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR

## COMPANY INFORMATION

<b>ENTERPRISE REGISTRATION CERTIFICATE NO.</b>	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.	
<b>BOARD OF MANAGEMENT</b>	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 (from 28/4/2023)
	Mr. Nguyen Viet Phuong	Member (until 28/4/2023)
	Mr. Dao Anh Thang	Independent Member
<b>BOARD OF GENERAL DIRECTORS</b>	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
<b>AUDIT COMMITTEE</b>	Mr. Dao Anh Thang	Chairman
	Mr. Bui Duc Long	Member (from 28/4/2023)
	Mr. Nguyen Viet Phuong	Member (until 28/4/2023)
<b>REGISTERED OFFICE</b>	No. 2 An Da Road Lach Tray Ward, Ngo Quyen District Hai Phong City Viet Nam	
<b>AUDITOR</b>	KPMG Limited Viet Nam	

## I. 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 financial statements of the Company for the year ended 31 December 2023.

Tien Phong Plastic Joint Stock Company's Board of General Directors is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements set out on pages 5 to 47 give a true and fair view of the consolidated financial position of the Company as at 31 December 2023, and of its consolidated results of operations and consolidated 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 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 financial statements for issue.

On behalf of the Board of General Directors,

The stamp is circular with a red border. Inside the border, the text reads: 'M.S.D.N: 0200167782-C.T.C.P.' at the top, 'CÔNG TY CỔ PHẦN NHỰA THIẾU NIÊN TIỀN PHONG' in the center, and 'D. NGO QUYÊN, TP. HẢI PHÒNG' at the bottom. A blue ink signature is written across the center of the stamp.

Chu Van Phuong  
General Director

Hai Phong

## II. INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated financial statements of Tien Phong Plastic Joint Stock Company ("the Company") and its subsidiaries, which comprise the consolidated balance sheet as at 31 December 2023, the consolidated 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 22nd March, 2024 as set out on pages 5 to 47.

### Management's Responsibility

The Company's Board of General Directors is responsible for the preparation and fair presentation of these consolidated 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 the consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free 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 consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Tien Phong Plastic Joint Stock Company and its subsidiaries as at 31 December 2023 and of their consolidated results of operations and their consolidated 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

Viet Nam

Audit Report No. 23-02-00227-24-2



Phan My Linh

Practicing Auditor Registration

Certificate No. 3064-2024-007-1

*Deputy General Director*

Hanoi,

Phan Thi Thuy Linh

Practicing Auditor Registration

Certificate No. 3065-2024-007-1

## III. CONSOLIDATED BALANCE SHEET

## CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2023

Form B 01 – DN/HN

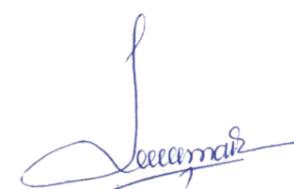
(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	12/31/2023 VND	1/1/2023 VND
<b>ASSETS</b>				
<b>Current assets</b> (100 = 110 + 120 + 130 + 140 + 150)	100		3,501,190,530,399	3,075,796,747,433
Cash and cash equivalents	110	4	485,324,285,487	167,926,602,716
Cash	111		474,782,229,711	127,873,999,976
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		889,524,952,669	890,889,388,815
Accounts receivable from customers	131	7	869,315,928,192	866,425,088,081
Prepayments to suppliers	132	8	48,015,836,819	73,350,864,092
Other receivables	136	9	27,162,774,191	13,201,215,478
Allowance for doubtful debts	137	10	(54,969,586,533)	(62,087,778,836)
Inventories	140	11	1,158,634,823,678	1,535,149,437,534
Inventories	141		1,158,634,823,678	1,538,861,573,575
Allowance for inventories	149		-	(3,712,136,041)
Other current assets	150		17,706,468,565	48,973,510,149
Short-term prepaid expenses	151		16,898,722,913	12,681,337,593
Deductible value added tax	152		363,978,613	35,878,430,549
Taxes and others receivable from State Treasury	153		443,767,039	413,742,007
<b>Long-term assets</b> (200 = 220 + 240 + 250 + 260)	200		1,952,508,608,465	1,988,040,342,651
<b>Fixed assets</b>	220		1,328,548,642,812	1,410,746,940,838
Tangible fixed assets	221	12	1,321,443,292,812	1,403,427,508,608
Cost	222		3,116,054,800,291	3,062,315,499,643
Accumulated depreciation	223		(1,794,611,507,479)	(1,658,887,991,035)
Intangible fixed assets	227	13	7,105,350,000	7,319,432,230
Cost	228		16,966,399,107	16,966,399,107
Accumulated amortisation	229		(9,861,049,107)	(9,646,966,877)
Long-term work in progress	240		47,357,468,650	8,679,749,912
Construction in progress	242	14	47,357,468,650	8,679,749,912
Long-term financial investments	250		442,338,913,287	424,164,579,920
Investments in associates	252	6(b)	337,713,724,687	329,539,391,320

Equity investments in other entities	253	6(c)	95,960,188,600	95,960,188,600
Allowance for diminution in the value of long-term financial investments	254	6(c)	(1,335,000,000)	(1,335,000,000)
Held-to-maturity investments	255	6(a)	10,000,000,000	-
Other long-term assets	260		134,263,583,716	144,449,071,981
Long-term prepaid expenses	261	15	133,239,678,683	143,187,441,487
Deferred tax assets	262	16	1,023,905,033	1,261,630,494
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>5,453,699,138,864</b>	<b>5,063,837,090,084</b>

	Code	Note	12/31/2023 VND	1/1/2023 VND
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310)</b>	<b>300</b>		<b>2,338,199,851,626</b>	<b>2,233,019,745,258</b>
<b>Current liabilities</b>	<b>310</b>		<b>2,338,199,851,626</b>	<b>2,233,019,745,258</b>
Accounts payable to suppliers	311	17	313,255,093,379	287,076,377,670
Advances from customers	312	18	10,500,805,769	44,233,927,436
Taxes and others payable to State Treasury	313	19	59,998,511,380	30,549,531,968
Payables to employees	314		60,930,665,983	60,722,160,180
Accrued expenses	315	20	147,447,718,074	65,771,331,043
Other payables – short-term	319	21	23,850,827,773	39,597,874,952
Short-term borrowings	320	22	1,702,740,302,881	1,699,309,871,727
Bonus and welfare fund	322	23	19,475,926,387	5,758,670,282
<b>equity (400 = 410)</b>	<b>400</b>		<b>3,115,499,287,238</b>	<b>2,830,817,344,826</b>
<b>Owners' equity</b>	<b>410</b>	<b>24</b>	<b>3,115,499,287,238</b>	<b>2,830,817,344,826</b>
Share capital	411	25	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		1,174,251,384,986	1,023,163,062,043
Retained profits	421		645,494,562,252	511,900,942,783
- Retained profits brought forward	421a		280,442,842,735	256,724,220,151
- Profit for the current year	421b		365,051,719,517	255,176,722,632
<b>TOTAL RESOURCES</b> (440 = 300 + 400)	<b>440</b>		<b>5,453,699,138,864</b>	<b>5,063,837,090,084</b>

Prepared by:


Luu Thi Mai  
Chief Accountant

Approved by:




Tran Ngoc Bao  
Deputy General Director - FinanceChu Van Phuong  
General Director

## IV. CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR

CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR ENDED 31 DECEMBER 2023				
Form B 02 – DN/HN (Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)				
	Code	Note	2023	2022
Revenue from sales of goods	1	29	5,304,817,250,684	5,833,535,613,193
Revenue deductions	2	29	128,954,581,097	148,423,196,426
Net revenue (10 = 01 - 02)	10	29	5,175,862,669,587	5,685,112,416,767
Cost of sales	11	30	3,619,645,131,711	4,294,534,288,942
Gross profit (20 = 10 - 11)	20		1,556,217,537,876	1,390,578,127,825
Financial income	21	31	65,716,937,083	64,386,895,488
Financial expenses	22	32	159,186,702,558	141,933,492,971
In which: Interest expense	23		90,107,847,382	78,639,277,456
Share of profit in associates	24	6(b)	14,883,353,367	24,384,493,805
Selling expenses	25	33	632,394,350,574	620,367,663,869
General and administration expenses	26	34	190,068,009,046	154,378,233,969
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		655,168,766,148	562,670,126,309
Other income	31		5,564,988,483	3,907,435,527
Other expenses	32		1,451,283,306	2,097,978,928
Results of other activities (40 = 31 - 32)	40		4,113,705,177	1,809,456,599
Accounting profit before tax (50 = 30 + 40)	50		659,282,471,325	564,479,582,908
Income tax expense – current	51	36	99,630,025,347	84,652,427,020
Income tax expense – deferred	52	36	237,725,461	287,432,256
Net profit after tax (60 = 50 - 51 - 52)	60		559,414,720,517	479,539,723,632
Earnings per share				
Basic earnings per share	70	37	3,891	3,349

Prepared by:


Luu Thi Mai  
Chief Accountant

Approved by:



Tran Ngoc Bao  
Deputy General Director - FinanceChu Van Phuong  
General Director

## V. CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023 (INDIRECT METHOD)			
Form B 03 – DN/HN (Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)			
	Code	2023 VND	2022 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax	1	659,282,471,325	564,479,582,908
Adjustments for			
Depreciation and amortisation	2	158,967,923,146	158,563,557,791
Allowances and provisions	3	10,830,328,344	1,340,971,740
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	4	164,314,320	6,125,133,983
Profits from investing activities	5	78,305,252,963	(78,596,329,564)
Interest expense	6	90,107,847,382	78,639,277,456
Operating profit before changes in working capital	8	819,386,974,866	727,870,250,834
Change in receivables	9	74,536,577,741	154,647,463,307
Change in inventories	10	380,226,749,897	453,885,250,556
Change in payables and other liabilities	11	31,184,726,561	8,470,003,961
Change in prepaid expenses	12	2,066,815,212	17,532,841,564
Change in prepaid expenses		1,307,401,844,277	93,334,691,446
Interest paid	14	91,096,728,796	75,448,956,761
Income tax paid	15	81,623,702,942	93,735,496,338
Other payments for operating activities	17	1,864,854,000	40,096,884,250
Net cash flows from operating activities	20	1,132,816,558,539	115,946,645,903
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for additions to fixed assets	21	87,093,328,723	107,308,155,481
Proceeds from disposals of fixed assets	22	537,181,818	1,026,987,069
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 of deposits with terms of more than 3 months	24	882,857,808,219	1,255,414,794,520
Receipts of interests and dividends	27	56,354,635,221	59,520,687,278
Net cash flows from investing activities	30	557,343,703,465	370,381,710,647

CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	33	3,495,320,036,145	4,618,066,332,386
Payments to settle loan principals	34	3,494,199,870,329	(4,534,823,775,266)
Payments of dividends	36	259,150,668,000	(312,159,184,000)
Net cash flows from financing activities	40	(258,030,502,184)	(228,916,626,880)
Net cash flows during the year (50 = 20 + 30 + 40)	50	317,442,352,890	25,518,437,864
Cash and cash equivalents at the beginning of the year	60	167,926,602,716	142,541,519,801
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	485,324,285,487	167,926,602,716

Prepared by:


Luu Thi Mai  
Chief Accountant

Approved by:


Tran Ngoc Bao  
Deputy General Director - FinanceChu Van Phuong  
General Director



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## **TIEN PHONG PLASTIC JOINT STOCK COMPANY**

No. 2 An Đa, Lach Tray Ward, Ngo Quyen District, Hai Phong City

No. 222 Mac Dang Doanh, Hung Dao ward, Duong Kinh district, Hai Phong city

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