



Tien Phong Plastic Joint Stock Company

Separate Financial Statements
for the year ended 31 December 2022

Tien Phong Plastic Joint Stock Company

Corporate Information

Enterprise Registration Certificate No.

0200167782

30 December 2004

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

Board of Management

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

Board of General Directors

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

Audit Committee

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

Registered Office

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

Auditors

KPMG Limited
Vietnam

Tien Phong Plastic Joint Stock Company

Statement of the Board of General Directors

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

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

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

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

On behalf of the Board of General Directors,



Chu Văn Phương
General Director

Hai Phong, 23 March 2023



KPMG Limited
46th Floor, Keangnam Landmark 72
E6 Pham Hung Street, Me Tri Ward
South Tu Liem District, Hanoi, Vietnam
+84 (24) 3946 1600 | kpmg.com.vn

INDEPENDENT AUDITOR'S REPORT

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

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company's Board of General Directors, as well as evaluating the overall presentation of the financial statements.

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





Auditor's Opinion

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

KPMG Limited

Vietnam

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



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

Hanoi, **23 MAR 2023**

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



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

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

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

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

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

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

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

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

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

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

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

23 March 2023

Prepared by:



Luu Thi Mai
Chief Accountant

Approved by:



Tran Ngoc Bao
Deputy General Director – Finance



Chu Van Phuong
General Director

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

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

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

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

23 March 2023

Prepared by:

Approved by:


Luu Thi Mai
Chief Accountant


Tran Ngoc Bao
Deputy General Director – Finance


Chu Van Phuong
General Director

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

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

Form B 03 – DN

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

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

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

Form B 03 – DN

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

Prepared by:

Approved by:

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Luu Thi Mai
Chief Accountant

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Tran Ngoc Bao
Deputy General Director – Finance



Chu Van Phuong
General Director

ĐẠI HỌC QUỐC GIA VIỆT NAM

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

Form B 09 – DN

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

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

1. Reporting entity

(a) Ownership structure

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

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

(b) Principal activities

The licensed activities of the Company are as follows:

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

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

(c) Normal operating cycle

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

(d) Company structure

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

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

2. Basis of preparation

(a) Statement of compliance

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

(b) Basis of measurement

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

(c) Annual accounting period

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

(d) Accounting and presentation currency

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

3. Summary of significant accounting policies

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

(a) Foreign currency transactions

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

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

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

(b) Cash and cash equivalent

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

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

Form B 09 – DN

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

(c) Investments

(i) *Held-to-maturity investments*

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

(ii) *Investments in subsidiaries and associates*

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

(iii) *Equity investments in other entities*

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

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

(d) Accounts receivable

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

(e) Inventories

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

The Company applies the perpetual method of accounting for inventories.



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

Form B 09 – DN

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

(f) Tangible fixed assets

(i) Cost

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

(ii) Depreciation

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

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

(g) Intangible fixed assets

(i) Land use rights

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

(ii) Technology license

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

(h) Construction in progress

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



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

Form B 09 – DN

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

(i) Long-term prepaid expenses

(i) *Prepaid land costs*

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

(ii) *Tools and instruments*

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

(iii) *Other long-term prepaid expenses*

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

(j) Trade and other payables

Trade and other payables are stated at their cost.

(k) Provision

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

(l) Share capital

Ordinary shares

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

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

Form B 09 – DN

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

(m) Taxation

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

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

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

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

(n) Revenue and other income

(i) Goods sold

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

(ii) Interest income

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

(iii) Dividend income

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

(o) Leases

(i) Leased assets

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

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

Form B 09 – DN

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

(ii) Lease payments

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

(p) Borrowing costs

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

(q) Related parties

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

(r) Comparative information

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

4. Cash and cash equivalents

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

Tien Phong Plastic Joint Stock Company

Notes to the separate financial statements for the year ended 31 December 2022 (continued)

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

5. Investments

(a) Held-to-maturity investments

	Quantity	31/12/2022 Cost VND	Fair value VND	Quantity	1/1/2022 Cost VND	Fair value VND
Held-to-maturity investments – short-term						
▪ Term deposits (i)		432,857,808,219	432,857,808,219		700,000,000,000	700,000,000,000
Held-to-maturity investments – long-term						
▪ Bonds of Vietnam Joint Stock Commercial Bank for Industry and Trade (ii)	-	-	-	15,000	150,000,000,000	(*)

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

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

Tien Phong Plastic Joint Stock Company

Notes to the separate financial statements for the year ended 31 December 2022 (continued)

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

(b) Equity investments in other entities

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

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

Form B 09 – DN

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

- (iii) Tien Phong Central Plastic Company Limited was incorporated on 19 March 2012 and is located in Lot C, Nam Cam Industrial Park, Nghi Xa Commune, Nghi Loc District, Nghe An Province. The principal activities of this subsidiary are to produce and trade civil and industrial plastic products.
- (iv) Tien Phong Land Company Limited (“Tien Phong Land”) was incorporated on 18 May 2015 and is located at No. 2 An Da Road, Lach Tray Ward, Ngo Quyen District, Hai Phong City. Under its Enterprise Registration Certificate, the Company shall contribute VND20,000 million to the charter capital of Tien Phong Land. Up to 31 December 2022, the Company has contributed VND11,100 million in Tien Phong Land’s charter capital.
- (v) Tien Phong South Plastic Joint Stock Company was incorporated on 24 September 2007 and is located at Lot C2, Dong An II Industrial Park, Hoa Phu Ward, Thu Dau Mot City, Binh Duong Province. The principal activities of this associate are to produce and trade civil and industrial plastic products.
- (vi) Tien Phong Packaging Joint Stock Company was incorporated on 1 July 2004 and is located at No. 2 An Da Road, Lach Tray Ward, Ngo Quyen District, Hai Phong City. The principal activities of this associate are to produce PP packages, cement packages, papers of different types, multilayer films and other plastic products.
- (vii) Tien Phong - SMP Plastic Joint Venture Company Limited (“Tien Phong - SMP”) was established under Overseas Investment Certificate No. 222/BKH-DTRNN issued by the Ministry of Planning and Investment on 5 March 2009 and Investment Certificate No. 032/IB.VC issued by Vientiane Department of Domestic and Foreign Investment on 17 April 2008 between SMP Commerce Import - Export Company Limited and Tien Phong Plastic Joint Stock Company.

Tien Phong – SMP has ceased operation for many years, and this has affected the ability to transfer fund from Tien Phong – SMP to the Company. Therefore, though the Company owns 51% of the charter capital of Tien Phong – SMP, the Board of General Directors assessed that the Company does not have control over Tien Phong – SMP and presents this investment as investments in associates. Under the prudence principle, the Company made allowance for diminution in value of long-term investments for the whole cost of this investment in the separate financial statements in previous years.

- (viii) At 31 December 2022 and 1 January 2022, this investment was pledged with banks as security for loans granted to the Company (Note 19).
- (*) The Company has not determined fair values of these investments for disclosure in the separate financial statements because information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under the Vietnamese Accounting Standards or the Vietnamese Accounting System for Enterprises. Their fair values of these investments may differ from their carrying amounts.



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

Form B 09 – DN

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

6. Accounts receivable from customers

Accounts receivable from customers detailed by significant customers and related parties

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

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

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

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

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

7. Prepayments to suppliers

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

8. Other receivables

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

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

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

Allowance for doubtful debts – short-term

(62,087,778,836)

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

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

10. Inventories

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

Tien Phong Plastic Joint Stock Company

Notes to the separate financial statements for the year ended 31 December 2022 (continued)

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

11. Tangible fixed assets

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

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

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



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

Form B 09 – DN

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

12. Construction in progress

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

Major constructions in progress were as follows:

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

13. Long-term prepaid expenses

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

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

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

14. Accounts payable to suppliers

Accounts payable to suppliers detailed by significant suppliers and related parties

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

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

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

15. Advances from customers

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

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

Form B 09 – DN

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

16. Taxes and others payable to State Treasury

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

17. Accrued expenses

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

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

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

18. Other short-term payables

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

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

Tien Phong Plastic Joint Stock Company

Notes to the separate financial statements for the year ended 31 December 2022 (continued)

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

19. Borrowings

(a) Short-term borrowings

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

Short-term borrowings include:

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

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

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

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

(b) Long-term borrowings

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

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

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

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

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

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

20. Bonus and welfare fund

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

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

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

Tien Phong Plastic Joint Stock Company

Notes to the separate financial statements for the year ended 31 December 2022 (continued)

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

21. Changes in owners' equity

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

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

Form B 09 – DN

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

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

22. Share capital

The Company's authorised and issued share capital are:

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

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

Movements in share capital during the year were as follows:

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

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

Form B 09 – DN

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

23. Dividends

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

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

24. Investment and development fund

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

25. Off balance sheet items

(a) Land lease commitments

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

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

(b) Foreign currency

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

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

Form B 09 – DN

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

(c) Bad debts written off

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

(d) Capital expenditure commitments

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

	31/12/2022 VND	1/1/2022 VND
Approved and not contracted	56,610,270,109	21,607,267,431

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

Form B 09 – DN

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

26. Revenue from sales of goods

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

Net revenue comprised:

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

27. Cost of sales

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

28. Financial income

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

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

Form B 09 – DN

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

29. Financial expenses

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

30. Selling expenses

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

31. General and administration expenses

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

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

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

32. Production and business costs by element

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

33. Income tax

(a) Recognised in the separate statement of income

	2022 VND	2021 VND
Current tax expense		
Current year	76,464,518,139	76,007,720,872

(b) Reconciliation of effective tax rate

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

(c) Applicable tax rates

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

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

Form B 09 – DN

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

34. Significant transactions with related parties

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

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

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

Form B 09 – DN

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

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

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

Key management personnel compensation

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

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

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

35. Non-cash investing and financing activities

	2022 VND	2021 VND
Offsetting loans receivable against payables	15,461,572,866	-

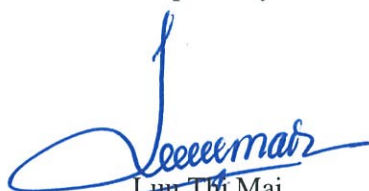
36. Comparative information

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

23 March 2023

Prepared by:

Approved by:



Luu Thi Mai
Chief Accountant



Tran Ngoc Bao
Deputy General Director – Finance




Chu Van Phuong
General Director

