



**Tien Phong Plastic Joint Stock Company**

Consolidated Financial Statements for  
the year ended 31 December 2021



## **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 29 July 2020. 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
Ms. Ngo Thi Thu Thuy	Deputy General Director
Mr. Nguyen Van Thuc	Deputy General Director
Mr. Tran Ngoc Bao	Chief Accountant

#### **Audit Committee** *(from 14/4/2021)*

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 consolidated financial statements of the Company for the year ended 31 December 2021.

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 44 give a true and fair view of the consolidated financial position of the Company as at 31 December 2021, 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,



Hai Phong, **22 MAR 2022**



KPMG Limited  
46<sup>th</sup> Floor, Keangnam Landmark 72  
E6 Pham Hung Road, 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 consolidated financial statements of Tien Phong Plastic Joint Stock Company ("the Company"), which comprise the consolidated balance sheet as at 31 December 2021, 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 **22 MAR 2022** as set out on pages 5 to 44.

### **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 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.

42-  
TY  
HUU H  
G  
T.P





**Tien Phong Plastic Joint Stock Company**  
**Consolidated balance sheet as at 31 December 2021**

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

	Code	Note	31/12/2021 VND	1/1/2021 VND
<b>ASSETS</b>				
<b>Current assets</b> <b>(100 = 110 + 120 + 130 + 140 + 150)</b>	<b>100</b>		<b>2,721,738,069,056</b>	<b>1,678,805,704,398</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>4</b>	<b>142,541,519,801</b>	<b>212,170,457,483</b>
Cash	111		142,541,519,801	212,020,457,483
Cash equivalents	112		-	150,000,000
<b>Short-term financial investments</b>	<b>120</b>		<b>700,000,000,000</b>	<b>-</b>
Held-to-maturity investments	123	5(a)	700,000,000,000	-
<b>Accounts receivable – short-term</b>	<b>130</b>		<b>785,380,028,271</b>	<b>813,391,481,075</b>
Accounts receivable from customers	131	6	790,361,564,540	838,341,865,042
Prepayments to suppliers	132	7	40,938,576,777	32,774,992,392
Loans receivable – short-term	135	8	15,461,572,866	15,461,572,866
Other receivables	136	9	18,812,535,519	7,007,272,206
Allowance for doubtful debts	137	10	(80,194,221,431)	(80,194,221,431)
<b>Inventories</b>	<b>140</b>	<b>11</b>	<b>1,081,529,963,899</b>	<b>644,121,936,470</b>
Inventories	141		1,084,976,323,019	647,595,962,021
Allowance for inventories	149		(3,446,359,120)	(3,474,025,551)
<b>Other current assets</b>	<b>150</b>		<b>12,286,557,085</b>	<b>9,121,829,370</b>
Short-term prepaid expenses	151		5,135,108,112	8,317,680,249
Deductible value added tax	152		6,730,399,749	359,098,702
Taxes and others receivable from State Treasury	153		421,049,224	445,050,419

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

**Tien Phong Plastic Joint Stock Company**  
**Consolidated balance sheet as at 31 December 2021 (continued)**

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

	Code	Note	31/12/2021 VND	1/1/2021 VND
<b>Long-term assets</b> (200 = 220 + 240 + 250 + 260)	<b>200</b>		<b>2,176,459,992,881</b>	<b>2,216,613,156,937</b>
<b>Fixed assets</b>	<b>220</b>		<b>1,463,914,085,124</b>	<b>1,536,749,668,018</b>
Tangible fixed assets	221	12	1,456,309,209,920	1,460,159,356,251
Cost	222		2,966,977,974,550	2,836,340,599,018
Accumulated depreciation	223		(1,510,668,764,630)	(1,376,181,242,767)
Intangible fixed assets	227	13	7,604,875,204	76,590,311,767
Cost	228		16,966,399,107	95,091,239,834
Accumulated amortisation	229		(9,361,523,903)	(18,500,928,067)
<b>Long-term work in progress</b>	<b>240</b>		<b>36,506,524,504</b>	<b>89,105,990,601</b>
Construction in progress	242	14	36,506,524,504	89,105,990,601
<b>Long-term financial investments</b>	<b>250</b>		<b>549,780,086,115</b>	<b>527,206,230,903</b>
Investments in associates	252	5(b)	305,154,897,515	282,581,042,303
Equity investments in other entities	253	5(c)	95,960,188,600	95,960,188,600
Allowance for diminution in the value of long-term financial investments	254	5(c)	(1,335,000,000)	(1,335,000,000)
Held-to-maturity investments	255	5(a)	150,000,000,000	150,000,000,000
<b>Other long-term assets</b>	<b>260</b>		<b>126,259,297,138</b>	<b>63,551,267,415</b>
Long-term prepaid expenses	261	15	124,710,234,388	62,057,197,585
Deferred tax assets	262	16	1,549,062,750	1,494,069,830
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>4,898,198,061,937</b>	<b>3,895,418,861,335</b>

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

**Tien Phong Plastic Joint Stock Company**  
**Consolidated balance sheet as at 31 December 2021 (continued)**

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

	Code	Note	31/12/2021 VND	1/1/2021 VND
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		<b>2,190,220,357,037</b>	<b>1,306,130,324,381</b>
<b>Current liabilities</b>	<b>310</b>		<b>2,173,499,759,514</b>	<b>1,270,673,123,230</b>
Accounts payable to suppliers	311	17	232,932,824,035	125,998,611,125
Advances from customers	312	18	97,609,735,132	3,081,619,337
Taxes and others payable to State Treasury	313	19	62,082,103,645	34,157,963,428
Payables to employees	314		66,258,780,784	57,596,856,241
Accrued expenses	315	20	110,327,253,299	128,622,751,438
Other payables – short-term	319	21	9,013,077,859	10,801,412,809
Short-term borrowings	320	22(a)	1,593,961,329,934	909,719,199,789
Bonus and welfare fund	322	23	1,314,654,826	694,709,063
<b>Long-term liabilities</b>	<b>330</b>		<b>16,720,597,523</b>	<b>35,457,201,151</b>
Long-term borrowings	338	22(b)	16,720,597,523	35,457,201,151
<b>EQUITY (400 = 410)</b>	<b>400</b>		<b>2,707,977,704,900</b>	<b>2,589,288,536,954</b>
<b>Owners' equity</b>	<b>410</b>	<b>24</b>	<b>2,707,977,704,900</b>	<b>2,589,288,536,954</b>
Share capital	411	25	1,177,961,830,000	1,177,961,830,000
- Ordinary shares with voting rights	411a		1,177,961,830,000	1,177,961,830,000
Investment and development fund	418	27	1,034,576,932,192	941,847,178,493
Retained profits	421		495,438,942,708	469,479,528,461
- Retained profits brought forward	421a		234,373,568,296	222,984,780,639
- Profit for the current year	421b		261,065,374,412	246,494,747,822
<b>TOTAL RESOURCES</b> <b>(440 = 300 + 400)</b>	<b>440</b>		<b>4,898,198,061,937</b>	<b>3,895,418,861,335</b>

**22 MAR 2022**

Prepared by:



Luu Thi Mai  
Deputy Head of Finance and  
Accounting Department

Approved by:



Tran Ngoc Bao  
Chief Accountant




Chu Van Phuong  
General Director

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



**Tien Phong Plastic Joint Stock Company**  
**Consolidated statement of income for the year ended 31 December 2021**

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

	Code	Note	2021 VND	2020 VND
Revenue from sales of goods	01	29	4,995,476,207,069	4,646,209,462,100
Revenue deductions	02	29	171,951,644,851	160,098,462,870
Net revenue (10 = 01 - 02)	10	29	4,823,524,562,218	4,486,110,999,230
Cost of sales	11	30	3,682,609,246,256	3,097,944,643,592
Gross profit (20 = 10 - 11)	20		1,140,915,315,962	1,388,166,355,638
Financial income	21	31	44,815,376,152	21,305,785,541
Financial expenses	22	32	75,814,295,391	108,616,411,187
<i>In which: Interest expense</i>	23		41,404,493,800	66,756,127,721
Share of profit in associates	24	5(b)	22,573,855,212	17,858,606,905
Selling expenses	25	33	437,437,678,262	582,038,492,316
General and administration expenses	26	34	137,179,719,745	215,748,984,722
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		557,872,853,928	520,926,859,859
Other income	31		12,475,055,033	4,131,678,028
Other expenses	32		19,313,074,324	1,639,860,818
Results of other activities (40 = 31 - 32)	40		(6,838,019,291)	2,491,817,210
Accounting profit before tax (50 = 30 + 40)	50		551,034,834,637	523,418,677,069
Income tax expense – current	51	36	83,330,178,645	77,723,724,577
Income tax benefit – deferred	52	36	(54,992,920)	(1,494,069,830)
Net profit after tax (60 = 50 - 51 - 52)	60		467,759,648,912	447,189,022,322

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



**Tien Phong Plastic Joint Stock Company****Consolidated statement of income for the year ended 31 December 2021 (continued)****Form B 02 – DN/HN***(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	2021 VND	2020 VND
<b>Earnings per share</b>				
Basic earnings per share	70	37	3,596	3,387

**22 MAR 2022**

Prepared by:



Luu Thi Mai  
*Deputy Head of Finance and  
Accounting Department*

Approved by:



Tran Ngoc Bao  
*Chief Accountant*



Chu Van Phuong  
*General Director*

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

**Tien Phong Plastic Joint Stock Company**  
**Consolidated statement of cash flows for the year ended 31 December 2021**  
**(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	2021 VND	2020 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit before tax</b>	<b>01</b>	<b>551,034,834,637</b>	<b>523,418,677,069</b>
<b>Adjustments for</b>			
Depreciation and amortisation	02	153,123,376,265	147,795,673,087
Allowances	03	(27,666,431)	77,552,270,807
Exchange losses/(gains) arising from revaluation of monetary items denominated in foreign currencies	04	929,513,027	(123,355,044)
Profits from investing activities	05	(68,098,722,275)	(37,117,384,658)
Interest expense	06	41,404,493,800	66,756,127,721
<b>Operating profit before changes in working capital</b>	<b>08</b>	<b>678,365,829,023</b>	<b>778,282,008,982</b>
Change in receivables	09	29,715,243,845	71,769,544,252
Change in inventories	10	(437,380,360,998)	430,955,342,998
Change in payables and other liabilities	11	205,839,204,254	(150,734,219,419)
Change in prepaid expenses	12	4,231,083,937	533,570,702
		<b>480,771,000,061</b>	<b>1,130,806,247,515</b>
Interest paid	14	(41,344,651,100)	(69,499,119,336)
Income tax paid	15	(70,395,757,998)	(81,117,191,574)
Other payments for operating activities	17	(53,960,077,703)	(55,768,965,698)
<b>Net cash flows from operating activities</b>	<b>20</b>	<b>315,070,513,260</b>	<b>924,420,970,907</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for additions to fixed assets	21	(92,181,677,991)	(118,033,023,743)
Proceeds from disposals of fixed assets	22	4,914,545,455	1,001,232,373
Payments for granting loans and placement of deposits with terms of more than 3 months	23	(1,303,000,000,000)	-
Receipts from collecting loans and withdrawal of deposits with terms of more than 3 months	24	603,000,000,000	10,000,000,000
Receipts of interests and dividends	27	32,588,301,029	18,861,188,959
<b>Net cash flows from investing activities</b>	<b>30</b>	<b>(754,678,831,507)</b>	<b>(88,170,602,411)</b>

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

**Tien Phong Plastic Joint Stock Company**  
**Consolidated statement of cash flows for the year ended 31 December 2021**  
**(Indirect method – continued)**

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

	Code	2021 VND	2020 VND
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings	33	3,563,854,982,297	3,175,614,314,278
Payments to settle loan principals	34	(2,899,385,108,245)	(3,723,839,876,428)
Payments of dividends	36	(294,490,457,500)	(373,021,980,500)
<b>Net cash flows from financing activities</b>	<b>40</b>	<b>369,979,416,552</b>	<b>(921,247,542,650)</b>
<b>Net cash flows during the year</b> <b>(50 = 20 + 30 + 40)</b>	<b>50</b>	<b>(69,628,901,695)</b>	<b>(84,997,174,154)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>	<b>212,170,457,483</b>	<b>297,022,694,727</b>
<b>Effect of exchange rate fluctuations on cash and cash equivalents</b>	<b>61</b>	<b>(35,987)</b>	<b>144,936,910</b>
<b>Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61) (Note 4)</b>	<b>70</b>	<b>142,541,519,801</b>	<b>212,170,457,483</b>

**22 MAR 2022**

Prepared by:

  
**Luu Thi Mai**  
*Deputy Head of Finance and Accounting Department*

Approved by:

  
**Tran Ngoc Bao**  
*Chief Accountant*

  
**Chu Van Phuong**  
*General Director*



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

These notes form an integral part of and should be read in conjunction with the accompanying consolidated 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 29 July 2020.

The consolidated financial statements of the Company for the year ended 31 December 2021 comprise the Company and its subsidiaries and the interest of the Company in its associates.

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

The licensed activities of the Company and its subsidiaries are as follows:

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

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

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

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

**Tien Phong Plastic Joint Stock Company**  
**Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)**

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

**(d) Company structure**

As at 31 December 2021 and 1 January 2021, the Company had 2 subsidiaries as follows:

No.	Name of companies	Principal activities	Addresses	31/12/2021		1/1/2021	
				% of voting rights	% of equity owned	% of voting rights	% of equity owned
Subsidiaries							
1	Tien Phong Central Plastic Company Limited	Manufacturing and trading plastic products for civil and industrial use	Lot C, Nam Cam Industrial Park, Nghi Xa Commune, Nghi Loc District, Nghe An Province	100%	100%	100%	100%
2	Tien Phong Land Company Limited (i)	Trading real estate, land use rights and providing transportation services and plastic products for civil and industrial use	No. 2 An Da Road, Lach Tray Ward, Ngo Quyen District, Hai Phong City	100%	100%	100%	100%

- (i) Tien Phong Land Company Limited (“Tien Phong Land”) was incorporated on 18 May 2015. Under its Enterprise Registration Certificate, the Company shall contribute VND20,000 million to the charter capital of Tien Phong Land. Up to 31 December 2021, the Company has contributed VND11,100 million in Tien Phong Land’s charter capital.

As at 31 December 2021 and 1 January 2021, the Company had 3 associates as listed in Note 5(b).

As at 31 December 2021, the Company and its subsidiaries had 1,356 employees (1/1/2021: 1,348 employees).



## **2. Basis of preparation**

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

The consolidated 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.

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

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

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

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

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

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

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

The following significant accounting policies have been adopted by the Company and its subsidiaries in the preparation of these consolidated financial statements.

### **(a) Basis of consolidation**

#### **(i) Subsidiaries**

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

#### **(ii) Associates**

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

**Tien Phong Plastic Joint Stock Company**  
**Notes to the consolidated financial statements for the year ended 31 December 2021**  
**(continued)**

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

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

**(iii) *Transactions eliminated on consolidation***

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

**(iv) *Business combination***

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

**(b) *Foreign currency transactions***

Transactions in currencies other than VND during the 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 or its subsidiaries most frequently conduct transactions.

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

**(c) *Cash***

Cash comprises cash balances and call deposits.

**(d) *Investments***

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

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

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

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



**Tien Phong Plastic Joint Stock Company**  
**Notes to the consolidated financial statements for the year ended 31 December 2021**  
**(continued)**

**Form B 09 – DN/HN**

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

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 or its subsidiaries 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.

**(e) Accounts receivable**

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

**(f) Inventories**

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

The Company and its subsidiaries apply the perpetual method of accounting for inventories.

**(g) Tangible fixed assets**

**(i) Cost**

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repair, maintenance and overhaul cost, is charged to the consolidated statement of income in the 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  |

**Tien Phong Plastic Joint Stock Company**  
**Notes to the consolidated financial statements for the year ended 31 December 2021**  
**(continued)**

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

**(h) Intangible fixed assets**

**(i) Land use rights**

Land use rights are stated at cost less accumulated amortisation. The initial cost of a land use rights comprises any directly attributable costs incurred in conjunction with securing the land use rights. Amortisation is computed on a straight-line basis over a period ranging from 27 to 45 years. Land use rights with indefinite term are not amortised.

**(ii) Software**

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

**(iii) Technology license**

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

**(i) Construction in progress**

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

**(j) 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 consolidated statement of income on a straight-line basis over the term of the lease from 27 to 44 years.

**(ii) Tools and instruments**

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

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

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

**Tien Phong Plastic Joint Stock Company**  
**Notes to the consolidated financial statements for the year ended 31 December 2021**  
**(continued)**

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

**(k) Trade and other payables**

Trade and other payables are stated at their cost.

**(l) Provision**

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

**(m) Share capital**

***Ordinary shares***

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

**(n) Taxation**

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

Current tax is the expected tax payable on the taxable income for the 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.



**Tien Phong Plastic Joint Stock Company**  
**Notes to the consolidated financial statements for the year ended 31 December 2021**  
**(continued)**

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

**(o) Revenue and other income**

**(i) Goods sold**

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

**(ii) Interest income**

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

**(iii) Dividend income**

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

**(p) Leases**

**(i) Leased assets**

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

**(ii) Lease payments**

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

**(q) Borrowing costs**

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

**(r) Earnings per share**

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

For the year ended 31 December 2021, the Company had no potential ordinary shares and therefore does not present diluted earnings per share.

**Tien Phong Plastic Joint Stock Company**  
**Notes to the consolidated financial statements for the year ended 31 December 2021**  
**(continued)**

**Form B 09 – DN/HN**

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

**(s) Segment reporting**

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

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

**(t) Related parties**

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

**(u) Comparative information**

Comparative information in these consolidated financial statements is presented as corresponding figures. Under this method, comparative information for the prior year are included as an integral part of the current year's financial statements and are 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 consolidated financial statements is not intended to present the Company's consolidated financial position, results of operation or cash flows for the prior year.

**4. Cash and cash equivalents**

	<b>31/12/2021</b> <b>VND</b>	<b>1/1/2021</b> <b>VND</b>
Cash on hand	436,319,978	359,175,127
Cash in banks	142,105,199,823	211,661,282,356
Cash equivalents	-	150,000,000
	<hr/>	<hr/>
	142,541,519,801	212,170,457,483

**Tien Phong Plastic Joint Stock Company**

**Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)**

**Form B 09 – DN/HN**

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

**5. Investments**

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

	Quantity	31/12/2021 Cost VND	Fair value VND	Quantity	1/1/2021 Cost VND	Fair value VND
Held-to-maturity investments – short-term						
▪ Term deposits (i)	-	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	(*)	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 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.

**Tien Phong Plastic Joint Stock Company**

**Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)**

**Form B 09 – DN/HN**

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

**(b) Investments in associates**

	Addresses	Quantity	% of equity owned	% of voting rights	31/12/2021		1/1/2021	
					Carrying amount VND	Fair value	Carrying amount VND	Fair value
Tien Phong South Plastic Joint Stock Company (i)	Binh Duong	8,415,000	27.39%	27.39%	293,744,262,068	(*)	271,108,748,356	(*)
Tien Phong Packaging Joint Stock Company (ii)	Hai Phong	499,775	49.98%	49.98%	11,410,635,447	(*)	11,472,293,947	(*)
Tien Phong - SMP Plastic Joint Venture Company Limited (iii)	Lao PDR		51%	51%	-	(*)	-	(*)
					<u>305,154,897,515</u>		<u>282,581,042,303</u>	

- (i) Tien Phong South Plastic Joint Stock Company was incorporated on 24 September 2007 and is located at Lot C2, Dong An II Industrial Park, Hoa Phu Ward, Thu Dau Mot City, Binh Duong Province. The principal activities of this associate are to produce and trade civil and industrial plastic products.
- (ii) Tien Phong Packaging Joint Stock Company was incorporated on 1 July 2004 and is located at No. 2 An Da Road, Lach Tray Ward, Ngo Quyen District, Hai Phong City. The principal activities of this associate are to produce PP packages, cement packages, papers of different types, multilayer films and other plastic products.
- (iii) Tien Phong - SMP Plastic Joint Venture Company Limited (“Tien Phong - SMP”) was established under Overseas Investment Certificate No. 222/BKH-DTRNN issued by the Ministry of Planning and Investment on 5 March 2009 and Investment Certificate No. 032/IB.VC issued by Vientiane Department of Domestic and Foreign Investment on 17 April 2008 between SMP Commerce Import - Export Company Limited and Tien Phong Plastic Joint Stock Company.

Tien Phong – SMP has ceased operation for many years, and this has affected the ability to transfer fund from Tien Phong – SMP to the Company. Therefore, though the Company owns 51% of the charter capital of Tien Phong – SMP, the Board of General Directors assessed that the Company does not have control over Tien Phong – SMP and presents this investment as investments in associates and present it in the consolidated financial statements using the cost basis. Under the prudence principle, the Company wrote down the carrying amount of the investment in Tien Phong – SMP to nil in the consolidated financial statements in previous years.



**Tien Phong Plastic Joint Stock Company**

**Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)**

**Form B 09 – DN/HN**

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

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

	<b>2021 VND</b>	<b>2020 VND</b>
Opening balance	282,581,042,303	265,222,210,398
Share of profit/(loss) in associates	22,573,855,212	17,858,606,905
▪ <i>Tien Phong South Plastic Joint Stock Company</i>	22,635,513,712	16,996,837,280
▪ <i>Tien Phong Packaging Joint Stock Company</i>	(61,658,500)	861,769,625
Dividends received	-	(499,775,000)
▪ <i>Tien Phong Packaging Joint Stock Company</i>	-	(499,775,000)
Closing balance	305,154,897,515	282,581,042,303

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

				<b>31/12/2021</b>			<b>1/1/2021</b>		
	<b>Quantity</b>	<b>% of equity owned</b>	<b>% of voting rights</b>	<b>Cost VND</b>	<b>Allowance for diminution in value VND</b>	<b>Fair value VND</b>	<b>Cost VND</b>	<b>Allowance for diminution in value VND</b>	<b>Fair value VND</b>
Nam Dinh Water Supply Joint Stock Company (i)	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)	



**Tien Phong Plastic Joint Stock Company****Notes to the consolidated financial statements for the year ended 31 December 2021****(continued)****Form B 09 – DN/HN***(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

- (i) At 31 December 2021 and 1 January 2021, this investment was pledged with banks as security for loans granted to the Company and its subsidiaries (Note 22).
- (\*) The Company and its subsidiaries have not determined fair values of these investments for disclosure in the consolidated 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.

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

	31/12/2021 VND	1/1/2021 VND
<b>Related parties</b>		
Tien Phong South Plastic Joint Stock Company – an associate (i)	507,775,042,229	337,778,296,999
Minh Hai Import - Export Trading Limited Company – a company whose key management member being a related individual of the Company (i)	98,249,573,848	243,936,102,107
Sekisui Vietnam Company Limited – a company with common key management members (ii)	1,264,458,136	1,650,366,250
Tien Phong Packaging Joint Stock Company – an associate (i)	12,562,000	-
Tien Phong Technology Equipment Joint Stock Company – a company with common key management members (i)	-	3,885,581,879
<b>Other parties</b>		
Hong Phuoc Investment and Trading Joint Stock Company	97,208,674,112	34,253,477,403
Thai Hoa Trading Company Limited	68,276,461,099	137,351,758,261
Nam Phuong Trading Company Limited	9,586,805,530	48,590,726,344
Tam Phuoc Company Limited	-	26,996,915,429
Other customers	7,987,987,586	3,898,640,370
	<hr/> 790,361,564,540	<hr/> 838,341,865,042

- (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 2021, receivables with a carrying value of VND701,869 million (1/1/2021: VND732,065 million) were pledged with banks as security for loans granted to the Company and its subsidiaries (Note 22).

**Tien Phong Plastic Joint Stock Company**  
**Notes to the consolidated financial statements for the year ended 31 December 2021**  
**(continued)**

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

**7. Prepayments to suppliers**

	<b>31/12/2021</b> <b>VND</b>	<b>1/1/2021</b> <b>VND</b>
<b>Related parties</b>		
Tien Phong Technology Equipment Joint Stock Company – a company with common key management members with the Company	5,940,080,065	2,105,295,193
<b>Other parties</b>		
Lotus Chemical Technology Company Limited	9,375,659,443	7,080,206,247
Anh Quan Electric Water and Trading Service Company Limited	4,181,100,000	-
PNT Technology and Equipment Company Limited	3,879,453,011	4,577,075,187
Vina Valves Joint Stock Company	3,256,193,160	1,443,435,940
Minh Khang Advertising Media Company Limited	2,356,640,000	1,412,516,288
Other suppliers	11,949,451,098	16,156,463,537
	<b>40,938,576,777</b>	<b>32,774,992,392</b>

**8. Loans receivable – short-term**

As at 31 December 2021 and 1 January 2021, loans receivable – short-term represented the loans granted to Tien Phong Packaging Joint Stock Company – an associate of the Company. These loans were unsecured, interest free and are payable upon demand.

**9. Other receivables**

	<b>31/12/2021</b> <b>VND</b>	<b>1/1/2021</b> <b>VND</b>
Accrued interest from deposits and bonds	10,833,561,647	1,262,465,753
Advances	5,300,636,207	2,860,247,595
Security deposits	2,378,000,000	2,308,000,000
Other receivables	300,337,665	576,558,858
	<b>18,812,535,519</b>	<b>7,007,272,206</b>

**Tien Phong Plastic Joint Stock Company**

**Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)**

**Form B 09 – DN/HN**

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

**10. Bad and doubtful debts**

		31/12/2021				1/1/2021		
	Overdue period	Cost VND	Allowance VND	Recoverable amount VND	Overdue period	Cost VND	Allowance VND	Recoverable amount VND
<i>Overdue debts</i>								
Dai Phat Construction and Trading Services Company Limited	Over 3 years	583,902,600	583,902,600	-	Over 3 years	583,902,600	583,902,600	-
Vi Nam Company Limited	Over 3 years	501,480,953	501,480,953	-	Over 3 years	501,480,953	501,480,953	-
Sekisui Vietnam Company Limited – a company with common key management members	Over 1 year to over 3 years	1,264,458,136	1,060,039,175	204,418,961	Below 6 months to over 3 years	1,650,366,250	1,060,039,175	590,327,075
Minh Hai Import - Export Trading Limited Company – a company with key management member being a related individual of the Company	2 years to below 3 years	98,249,573,848	77,845,262,227	20,404,311,621	1 year to below 2 years	243,936,102,107	77,845,262,227	166,090,839,880
Others	Over 3 years	203,536,476	203,536,476	-	Over 3 years	203,536,476	203,536,476	-
		100,802,952,013	80,194,221,431	20,608,730,582		246,875,388,386	80,194,221,431	166,681,166,955
<i>Of which:</i>								
Allowance for doubtful debts – short-term			80,194,221,431				80,194,221,431	

**Tien Phong Plastic Joint Stock Company**  
**Notes to the consolidated financial statements for the year ended 31 December 2021**  
**(continued)**

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

**11. Inventories**

	<b>31/12/2021</b>		<b>1/1/2021</b>	
	<b>Cost VND</b>	<b>Allowance VND</b>	<b>Cost VND</b>	<b>Allowance VND</b>
Goods in transit	70,112,842,476	-	55,283,899,516	-
Raw materials	652,728,064,812	(3,446,359,120)	405,472,310,021	(3,474,025,551)
Tools and supplies	9,121,939,149	-	8,145,177,236	-
Work in progress	64,834,699,771	-	38,591,502,720	-
Finished goods	288,077,800,868	-	140,004,927,040	-
Merchandise inventories	100,975,943	-	98,145,488	-
	<b>1,084,976,323,019</b>	<b>(3,446,359,120)</b>	<b>647,595,962,021</b>	<b>(3,474,025,551)</b>



## 12. Tangible fixed assets

	Buildings and structures VND	Plant and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
<b>Cost</b>					
Opening balance	1,510,688,569,023	1,140,244,116,801	167,601,676,736	17,806,236,458	2,836,340,599,018
Additions	5,302,621,539	4,141,063,576	2,644,983,818	-	12,088,668,933
Transfer from construction in progress	130,735,946,745	2,644,263,134	-	-	133,380,209,879
Disposals	(807,017,092)	(281,935,200)	-	-	(1,088,952,292)
Transfer to long-term prepaid expenses	-	(13,675,935,289)	-	(66,615,699)	(13,742,550,988)
Closing balance	1,645,920,120,215	1,133,071,573,022	170,246,660,554	17,739,620,759	2,966,977,974,550
<b>Accumulated depreciation</b>					
Opening balance	536,067,882,978	719,447,631,039	103,974,389,577	16,691,339,173	1,376,181,242,767
Charge for the year	75,120,994,001	61,152,130,897	12,432,805,158	409,298,011	149,115,228,067
Disposals	(603,220,016)	(281,935,200)	-	-	(885,155,216)
Transfer to long-term prepaid expenses	-	(13,675,935,289)	-	(66,615,699)	(13,742,550,988)
Closing balance	610,585,656,963	766,641,891,447	116,407,194,735	17,034,021,485	1,510,668,764,630
<b>Net book value</b>					
Opening balance	974,620,686,045	420,796,485,762	63,627,287,159	1,114,897,285	1,460,159,356,251
Closing balance	1,035,334,463,252	366,429,681,575	53,839,465,819	705,599,274	1,456,309,209,920

Included in tangible fixed assets were assets costing VND593,243 million which were fully depreciated as of 31 December 2021 (1/1/2021: VND549,145 million), but which are still in active use.

As at 31 December 2021, tangible fixed assets with a net book value of VND748,165 million (1/1/2021: VND839,689 million) were pledged with banks as security for loans granted to the Company and its subsidiaries (Note 22).

### 13. Intangible fixed assets

	Land use rights VND	Software VND	Technology licences VND	Others VND	Total VND
<b>Cost</b>					
Opening balance	85,230,190,727	153,400,000	2,501,022,223	7,206,626,884	95,091,239,834
Transfer to long-term prepaid expenses	(76,393,133,097)	-	-	-	(76,393,133,097)
Disposals	(1,731,707,630)	-	-	-	(1,731,707,630)
Closing balance	7,105,350,000	153,400,000	2,501,022,223	7,206,626,884	16,966,399,107
<b>Accumulated amortisation</b>					
Opening balance	9,424,847,134	153,400,000	2,501,022,223	6,421,658,710	18,500,928,067
Charge for the year	451,172,686	-	-	285,442,970	736,615,656
Transfer to long-term prepaid expenses	(9,420,051,952)	-	-	-	(9,420,051,952)
Disposals	(455,967,868)	-	-	-	(455,967,868)
Closing balance	-	153,400,000	2,501,022,223	6,707,101,680	9,361,523,903
<b>Net book value</b>					
Opening balance	75,805,343,593	-	-	784,968,174	76,590,311,767
Closing balance	7,105,350,000	-	-	499,525,204	7,604,875,204

Included in intangible fixed assets were assets costing VND2,654 million which were fully amortised as of 31 December 2021 and 1 January 2021, but which are still in use.

**Tien Phong Plastic Joint Stock Company****Notes to the consolidated financial statements for the year ended 31 December 2021****(continued)****Form B 09 – DN/HN***(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***14. Construction in progress**

	<b>2021 VND</b>	<b>2020 VND</b>
Opening balance	89,105,990,601	130,714,751,756
Additions	80,850,282,259	71,243,810,497
Transfer to tangible fixed assets	(133,380,209,879)	(110,852,571,652)
Transfer to long-term prepaid expenses	-	(2,000,000,000)
Others	(69,538,477)	-
Closing balance	36,506,524,504	89,105,990,601

Major constructions in progress were as follows:

	<b>31/12/2021 VND</b>	<b>1/1/2021 VND</b>
New factory in Duong Kinh	23,850,632,324	76,495,635,261
Project No. 2 An Da	12,655,892,180	12,610,355,340
	36,506,524,504	89,105,990,601

**15. Long-term prepaid expenses**

	<b>Prepaid land costs VND</b>	<b>Tools and instruments VND</b>	<b>Others VND</b>	<b>Total VND</b>
Opening balance	47,537,665,966	5,600,195,428	8,919,336,191	62,057,197,585
Additions	-	3,548,421,960	5,777,408,846	9,325,830,806
Transfer from intangible fixed assets	66,973,081,145	-	-	66,973,081,145
Amortisation for the year	(3,271,532,542)	(4,152,591,553)	(6,221,751,053)	(13,645,875,148)
Closing balance	111,239,214,569	4,996,025,835	8,474,993,984	124,710,234,388

**16. Deferred tax assets**

	<b>Tax rate</b>	<b>31/12/2021 VND</b>	<b>1/1/2021 VND</b>
Deferred tax assets:			
Unrealised profit in tangible fixed assets	20%	1,549,062,750	1,494,069,830

**Tien Phong Plastic Joint Stock Company****Notes to the consolidated financial statements for the year ended 31 December 2021****(continued)****Form B 09 – DN/HN***(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***17. Accounts payable to suppliers****Accounts payable to suppliers detailed by significant suppliers and related parties**

	Cost and amount within payment capacity	
	31/12/2021 VND	1/1/2021 VND
<b>Related parties</b>		
Sekisui Vietnam Company Limited – a company with common key management members	90,829,495,680	58,041,296,500
Tien Phong South Plastic Joint Stock Company – an associate	43,722,349,648	1,123,173,758
Tien Phong Packaging Joint Stock Company – an associate	1,997,604,554	2,023,997,019
Tien Phong Technology Equipment Joint Stock Company – a company with common key management members	205,906,250	-
<b>Other parties</b>		
Marubeni Corporation	24,600,591,540	-
SCG Chemicals Co., Ltd.	17,729,250,000	-
Borouge Pte Ltd.	8,274,494,250	16,717,100,400
Huyen Trang Investment Company Limited	8,021,597,200	-
Tin Kim Plastic Joint Stock Company	3,192,395,448	15,011,101,227
Other suppliers	34,359,139,465	33,081,942,221
	<hr/> 232,932,824,035	<hr/> 125,998,611,125

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 2021, the Company and its subsidiaries had no overdue debts (1/1/2021: Nil).

**18. Advances from customers**

	31/12/2021 VND	1/1/2021 VND
Nam Phuong Trading Company Limited	16,555,985,810	-
Tam Phuoc Company Limited	78,474,963,435	-
Ha Dung Trading Company Limited	938,132,491	3,081,619,337
Other customers	1,640,653,396	-
	<hr/> 97,609,735,132	<hr/> 3,081,619,337



**Tien Phong Plastic Joint Stock Company**

**Notes to the consolidated financial statements for the year ended 31 December 2021**

(continued)

**Form B 09 – DN/HN**

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

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

	<b>1/1/2021 VND</b>	<b>Incurred VND</b>	<b>Paid/net-off VND</b>	<b>31/12/2021 VND</b>
Value added tax	17,682,032,461	479,267,845,137	(466,976,863,931)	29,973,013,667
Value added tax of imported goods	-	165,153,872,662	(165,153,872,662)	-
Corporate income tax	7,755,635,622	83,330,178,645	(70,395,757,998)	20,690,056,269
Personal income tax	8,364,859,169	20,839,689,329	(18,140,950,965)	11,063,597,533
Land rental	-	7,803,520,000	(7,803,520,000)	-
Import tax	355,436,176	21,844,514,469	(21,844,514,469)	355,436,176
Other taxes	-	39,250,153	(39,250,153)	-
	<b>34,157,963,428</b>	<b>778,278,870,395</b>	<b>(750,354,730,178)</b>	<b>62,082,103,645</b>

**20. Accrued expenses**

	<b>31/12/2021 VND</b>	<b>1/1/2021 VND</b>
Interests payable	1,852,250,600	1,792,407,900
Discounts payable to distributors and retailers	77,572,460,579	96,033,381,021
Transportation expenses	8,485,979,645	6,737,554,207
Land rental	9,443,036,249	6,273,082,125
Advertising and marketing expenses	2,678,000,000	13,391,033,600
Others	10,295,526,226	4,395,292,585
	<b>110,327,253,299</b>	<b>128,622,751,438</b>

**21. Other short-term payables**

	<b>31/12/2021 VND</b>	<b>1/1/2021 VND</b>
Short-term deposits received	6,298,984,177	7,414,000,177
Trade union fees	1,682,763,196	2,110,211,895
Others	1,031,330,486	1,277,200,737
	<b>9,013,077,859</b>	<b>10,801,412,809</b>

**22. Borrowings****(a) Short-term borrowings**

	<b>1/1/2021</b> <b>Carrying amount</b> <b>and amount within</b> <b>payment capacity</b> <b>VND</b>	<b>Movements in the year</b>		<b>Foreign</b> <b>exchange</b> <b>differences</b> <b>VND</b>	<b>31/12/2021</b> <b>Carrying amount</b> <b>and amount within</b> <b>payment capacity</b> <b>VND</b>
		<b>Addition</b> <b>VND</b>	<b>Decrease</b> <b>VND</b>		
Short-term borrowings	890,982,596,206	3,563,854,982,297	(2,880,648,504,662)	1,035,652,465	1,575,224,726,306
Current portion of long-term borrowings (Note 22(b))	18,736,603,583	18,736,603,628	(18,736,603,583)	-	18,736,603,628
	909,719,199,789	3,582,591,585,925	(2,899,385,108,245)	1,035,652,465	1,593,961,329,934

Short-term borrowings include:

- bank loans in Vietnamese Dong, which bore interest at annual rates ranging from 2.9% to 4.1% (2020: from 3.1% to 5.0%); and
- bank loans in United States Dollar, which bore interest at the annual rates ranging from 2.0% to 2.3% (2020: from 2.5% to 2.6%).

At the reporting date, the short-term borrowings with a carrying amount of VND959,856 million were secured over assets as described in Note 22(b). The remaining short-term loans were unsecured.

**Tien Phong Plastic Joint Stock Company**  
**Notes to the consolidated financial statements for the year ended 31 December 2021**  
**(continued)**

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

**(b) Long-term borrowings**

	<b>31/12/2021</b> <b>VND</b>	<b>1/1/2021</b> <b>VND</b>
Long-term borrowings	35,457,201,151	54,193,804,734
Repayable within twelve months (Note 22(a))	(18,736,603,628)	(18,736,603,583)
	<hr/>	<hr/>
Repayable after twelve months	16,720,597,523	35,457,201,151
	<hr/>	<hr/>

Long-term borrowings include bank loans in Vietnamese Dong which bore interest at annual rates ranging from 4.0% to 5.45% (2020: from 5.43% to 9.14%) and with maturities in the years from 2022 to 2024.

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 2021 and 1 January 2021 (Note 5(c));
- receivables with carrying amount of VND701,869 million (1/1/2021: VND732,065 million) (Note 6); and
- tangible fixed assets of the Company with a net book value of VND748,165 million as at 31 December 2021 (1/1/2021: VND839,689 million) (Note 12).

**23. Bonus and welfare fund**

This fund is established by appropriating from retained profits as approved by shareholders at shareholders' meeting. This fund is used to pay bonus and welfare to the Company's and its subsidiaries' employees in accordance with their bonus and welfare policies.

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

	<b>2021</b> <b>VND</b>	<b>2020</b> <b>VND</b>
Opening balance	694,709,063	4,165,916,324
Appropriation	23,580,023,466	28,297,758,437
Advances from retained profit of 2021 (*)	30,000,000,000	20,000,000,000
Utilisation	(52,960,077,703)	(51,768,965,698)
	<hr/>	<hr/>
Closing balance	1,314,654,826	694,709,063
	<hr/>	<hr/>

- (\*) The Board of Management of the Company on 20 October 2021 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 consolidated financial statements for the year ended 31 December 2021 (continued)**

**Form B 09 – DN/HN**

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

**24. Changes in owners' equity**

	<b>Share capital VND</b>	<b>Investment and development fund VND</b>	<b>Retained profits VND</b>	<b>Total VND</b>
<b>Balance at 1/1/2020</b>	981,638,530,000	962,542,250,971	623,238,472,598	2,567,419,253,569
Net profit for the year	-	-	447,189,022,322	447,189,022,322
Appropriation to investment and development fund	-	175,628,227,522	(175,628,227,522)	-
Issuance of shares	196,323,300,000	(196,323,300,000)	-	-
Dividends from retained profit of 2019 (Note 26)	-	-	(196,327,706,000)	(196,327,706,000)
Advance of dividends from retained profit of 2020 (Note 26)	-	-	(176,694,274,500)	(176,694,274,500)
Appropriation to bonus and welfare fund from retained profit of 2019 (Note 23)	-	-	(28,297,758,437)	(28,297,758,437)
Advance to bonus and welfare fund from retained profit of 2020 (Note 23)	-	-	(20,000,000,000)	(20,000,000,000)
Compensation to Board of Management and Supervisory Board	-	-	(4,000,000,000)	(4,000,000,000)
<b>Balance at 1/1/2021</b>	1,177,961,830,000	941,847,178,493	469,479,528,461	2,589,288,536,954
Net profit for the year	-	-	467,759,648,912	467,759,648,912
Appropriation to investment and development fund	-	92,729,753,699	(92,729,753,699)	-
Dividends from retained profit of 2020 (Note 26)	-	-	(117,796,183,000)	(117,796,183,000)
Advance of dividends from retained profit of 2021 (Note 26)	-	-	(176,694,274,500)	(176,694,274,500)
Appropriation to bonus and welfare fund from retained profit of 2020 (Note 23)	-	-	(23,580,023,466)	(23,580,023,466)
Advance to bonus and welfare fund from retained profit of 2021 (Note 23)	-	-	(30,000,000,000)	(30,000,000,000)
Compensation to Board of Management	-	-	(1,000,000,000)	(1,000,000,000)
<b>Balance at 31/12/2021</b>	1,177,961,830,000	1,034,576,932,192	495,438,942,708	2,707,977,704,900



**25. Share capital**

The Company's authorised and issued share capital are:

	31/12/2021		1/1/2021	
	Number of shares	VND	Number of shares	VND
<b>Authorised share capital</b>	117,796,183	1,177,961,830,000	117,796,183	1,177,961,830,000
<b>Issued share capital</b>				
Ordinary shares	117,796,183	1,177,961,830,000	117,796,183	1,177,961,830,000
<b>Shares in circulation</b>				
Ordinary shares	117,796,183	1,177,961,830,000	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.

**26. Dividends**

The General Meeting of Shareholders of the Company on 19 April 2021 resolved to distribute dividends in cash for 2020 amounting to VND117,796 million (VND1,000 per share, equivalent to 10% of charter capital) (2020: VND196,328 million (VND2,000 per share, equivalent to 20% of charter capital)).

On 21 October 2021, the Company's Board of Management passed a resolution on first advance of dividends in cash for 2021 amounting to VND176,694 million (VND1,500 per share, equivalent to 15% of charter capital) (2020: VND176,694 million (VND1,500 per share, equivalent to 15% of charter capital)).

**27. 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.

## **28. Off balance sheet items**

### **(a) Land lease commitments**

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

	<b>31/12/2021</b>	<b>1/1/2021</b>
	<b>VND</b>	<b>VND</b>
Within one year	10,861,998,125	10,638,903,125
Within two to five years	44,201,976,835	42,898,332,652
More than five years	254,214,640,716	257,050,664,667
	<hr/>	<hr/>
	309,278,615,676	310,587,900,444
	<hr/>	<hr/>

### **(b) Foreign currency**

	<b>31/12/2021</b>		<b>1/1/2021</b>	
	<b>Original currency</b>	<b>VND equivalent</b>	<b>Original currency</b>	<b>VND equivalent</b>
USD	96,398	2,177,137,763	105,146	2,417,827,441
		<hr/>		<hr/>

### **(c) Capital expenditure commitments**

As at 31 December 2021, the Company and its subsidiaries had the following outstanding capital commitments approved but not provided for in the consolidated balance sheet:

	<b>31/12/2021</b>	<b>1/1/2021</b>
	<b>VND</b>	<b>VND</b>
Approved and not contracted	21,607,267,431	12,087,583,773
	<hr/>	<hr/>

**Tien Phong Plastic Joint Stock Company**  
**Notes to the consolidated financial statements for the year ended 31 December 2021**  
**(continued)**

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

## **29. Revenue from sales of goods**

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

Net revenue comprised:

	<b>2021 VND</b>	<b>2020 VND</b>
Total revenue		
▪ Sales of goods	4,892,004,646,237	4,409,601,983,728
▪ Others	103,471,560,832	236,607,478,372
	<hr/>	<hr/>
	4,995,476,207,069	4,646,209,462,100
Less revenue deductions		
▪ Sales discounts	(157,045,561,595)	(143,584,555,652)
▪ Sales returns	(11,639,846,751)	(16,513,907,218)
▪ Sales allowances	(3,266,236,505)	-
	<hr/>	<hr/>
	(171,951,644,851)	(160,098,462,870)
	<hr/>	<hr/>
Net revenue	4,823,524,562,218	4,486,110,999,230
	<hr/>	<hr/>

## **30. Cost of sales**

	<b>2021 VND</b>	<b>2020 VND</b>
Total cost of sales:		
▪ Goods sold	3,589,573,728,830	2,901,843,486,887
▪ Others	93,063,183,857	197,432,187,300
Allowance for inventories	(27,666,431)	(1,331,030,595)
	<hr/>	<hr/>
	3,682,609,246,256	3,097,944,643,592
	<hr/>	<hr/>

**Tien Phong Plastic Joint Stock Company****Notes to the consolidated financial statements for the year ended 31 December 2021****(continued)****Form B 09 – DN/HN***(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)***31. Financial income**

	<b>2021 VND</b>	<b>2020 VND</b>
Interest income from deposits and bonds	36,354,967,423	13,759,732,953
Foreign exchange gains	2,655,979,229	2,927,316,788
Dividends	5,804,429,500	4,618,735,800
	<hr/>	<hr/>
	44,815,376,152	21,305,785,541

**32. Financial expenses**

	<b>2021 VND</b>	<b>2020 VND</b>
Interest expense	41,404,493,800	66,756,127,721
Payment discounts	33,037,932,074	41,588,017,531
Foreign exchange losses	1,371,869,517	272,265,935
	<hr/>	<hr/>
	75,814,295,391	108,616,411,187

**33. Selling expenses**

	<b>2021 VND</b>	<b>2020 VND</b>
Staff costs	34,418,832,021	35,528,898,062
Discounts paid to distributors and retailers	220,612,974,894	321,467,671,649
Depreciation	17,880,784,054	14,426,933,365
Transportation expenses	88,226,539,974	88,541,553,667
Advertising and marketing expenses	38,251,833,220	69,242,463,833
Other selling expenses	38,046,714,099	52,830,971,740
	<hr/>	<hr/>
	437,437,678,262	582,038,492,316



**Tien Phong Plastic Joint Stock Company****Notes to the consolidated financial statements for the year ended 31 December 2021****(continued)****Form B 09 – DN/HN***(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***34. General and administration expenses**

	<b>2021 VND</b>	<b>2020 VND</b>
Staff costs	65,910,184,357	58,146,506,458
Depreciation and amortisation	24,465,849,261	22,241,433,295
Allowance for doubtful debts	-	78,883,301,402
Other general and administration expenses	46,803,686,127	56,477,743,567
	<b>137,179,719,745</b>	<b>215,748,984,722</b>

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

	<b>2021 VND</b>	<b>2020 VND</b>
Raw material costs included in production costs	3,389,098,728,266	2,601,833,690,136
Discounts paid to distributors and retailers	220,612,974,894	321,467,671,649
Labour costs and staff costs	356,010,996,342	327,732,837,164
Depreciation and amortisation	153,123,376,265	147,795,673,087
Allowance for doubtful debts	-	78,883,301,402
Outside services	247,875,714,069	245,409,632,191
Other expenses	64,793,258,875	102,723,542,895

**36. Income tax****(a) Recognised in the consolidated statement of income**

	<b>2021 VND</b>	<b>2020 VND</b>
<b>Current tax expense</b>		
Current year	83,330,178,645	77,669,807,169
Under provision in prior years	-	53,917,408
	<b>83,330,178,645</b>	<b>77,723,724,577</b>
<b>Deferred tax benefit</b>		
Effect of unrealised profit in tangible fixed assets	(54,992,920)	(1,494,069,830)
	<b>83,275,185,725</b>	<b>76,229,654,747</b>

**Tien Phong Plastic Joint Stock Company****Notes to the consolidated financial statements for the year ended 31 December 2021****(continued)****Form B 09 – DN/HN***(Issued under Circular No. 202/2014/TT-BTC**dated 22 December 2014 of the Ministry of Finance)***(b) Reconciliation of effective tax rate**

	<b>2021 VND</b>	<b>2020 VND</b>
Accounting profit before tax	551,034,834,637	523,418,677,069
Tax at the Company's tax rate	110,206,966,927	104,683,735,414
Effect of different tax rates in subsidiaries	(14,632,265,982)	(16,561,507,885)
Tax exempt income	(5,675,656,942)	(4,495,468,541)
Tax incentives of a subsidiary	(7,316,132,991)	(8,280,753,943)
Non-deductible expenses	691,628,378	830,979,308
Under provision in prior years	-	53,917,408
Others	646,335	(1,247,014)
	<b>83,275,185,725</b>	<b>76,229,654,747</b>

**(c) Applicable tax rates**

According to the current Law on Corporate Income Tax:

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

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

**Tien Phong Plastic Joint Stock Company**  
**Notes to the consolidated financial statements for the year ended 31 December 2021**  
**(continued)**

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

**37. Basic earnings per share**

The calculation of basic earnings per share for the year ended 31 December 2021 was based on the profit attributable to ordinary shareholders after deducting the amounts appropriated to bonus and welfare fund, compensation paid to the Board of Management and the Audit Committee and the weighted average number of ordinary shares for the year. Details are as follows:

**(a) Basic earnings per share**

	<b>2021</b> <b>VND</b>	<b>2020</b> <b>VND</b>
Net profit for the year (VND)	467,759,648,912	447,189,022,322
Appropriation to bonus and welfare fund (VND) (*)	(44,173,568,625)	(44,173,568,625)
Compensation paid to the Board of Management and Audit Committee (VND)	-	(4,000,000,000)
Net profit attributable to ordinary shareholders (VND)	423,586,080,287	399,015,453,697
Weighted average number of ordinary shares in circulation during the year (number of shares) (Note (37(b)))	117,796,183	117,796,183
Basic earnings per share (VND/share)	3,596	3,387

(\*) At the reporting date, the Company estimated the profit for the year ended 31 December 2021 to be appropriated to the bonus and welfare fund amounting to VND44,174 million.

**(b) Weighted average number of ordinary shares in circulation during the year**

	<b>2021</b>	<b>2020</b>
Issued ordinary shares at the beginning of the year	117,796,183	98,163,853
Effect of bonus shares issued for payment of dividends	-	19,632,330
Weighted average number of ordinary shares in circulation during the year	117,796,183	117,796,183

**Tien Phong Plastic Joint Stock Company****Notes to the consolidated financial statements for the year ended 31 December 2021****(continued)****Form B 09 – DN/HN***(Issued under Circular No. 202/2014/TT-BTC**dated 22 December 2014 of the Ministry of Finance)***38. Significant transactions with related parties**

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

	<b>Transaction value</b>	
	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
<b>Associates</b>		
<i><b>Tien Phong South Plastic Joint Stock Company</b></i>		
Sales of goods	224,483,847,013	266,557,067,351
Purchase of goods and services	104,701,830,415	177,391,756,829
Sales returns	1,259,471,661	2,662,184,272
Royalty fee (*)	3,400,000,000	3,400,000,000
<i><b>Tien Phong Packaging Joint Stock Company</b></i>		
Purchase of goods and services	25,795,561,626	19,110,958,344
Dividends received	599,730,000	499,775,000
Revenue from sales of goods	16,630,000	-
<b>Other related companies</b>		
<i><b>Minh Hai Import - Export Trading Limited Company</b></i>		
Discounts	12,082,471,544	-
Sales returns	240,987,550	4,126,339,239
<i><b>Sekisui Vietnam Company Limited</b></i>		
Sales of goods	3,577,727,273	3,333,073,129
Purchase of goods	597,020,525,164	165,322,032,105
Sales returns	12,518,950	-
<i><b>Tien Phong Technology Equipment Joint Stock Company</b></i>		
Sales of goods	30,150,000	32,920,000
Purchase of goods and services	66,408,240,080	50,645,564,270
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	-

- (\*) 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.



**Tien Phong Plastic Joint Stock Company****Notes to the consolidated financial statements for the year ended 31 December 2021****(continued)****Form B 09 – DN/HN***(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)***Key management personnel compensation**

	<b>2021 VND</b>	<b>2020 VND</b>
<b>Board of Management members</b>		
Fees, bonus and other benefits		
Mr. Dang Quoc Dung – Chairman	3,352,341,875	2,600,016,572
Mr. Noboru Kobayashi – Vice Chairman	884,500,000	588,980,000
Mr. Tran Ngoc Bao – Member	2,698,561,261	2,030,000,412
Mr. Nguyen Viet Phuong – Member	177,000,000	66,590,000
Mr. Dao Anh Thang – Member	918,630,000	864,000,000
Mr. Nguyen Quoc Truong – Member <i>(until 18/5/2020)</i>	-	249,000,000
Mr. Tran Ba Phuc – Member <i>(until 18/5/2020)</i>	-	254,500,000
Mr. Nguyen Anh Tuan – Member <i>(until 18/5/2020)</i>	-	50,000,000
<b>General Director cum Member of Board of Management</b>		
Salaries, bonus and other benefits	3,387,176,659	2,632,900,304
<b>Other management personnel</b>		
Salary, bonus and other benefits (excluding all the items disclosed above)	5,192,609,115	5,018,688,033

**39. Comparative information**

Comparative information as at 1 January 2021 was derived from the balances and amounts reported in the Company's consolidated financial statements as at and for the year ended 31 December 2020.

**22 MAR 2022**

Prepared by:

  
Luu Thi Mai  
Deputy Head of Finance and  
Accounting Department

Approved by:

  
Tran Ngoc Bao  
Chief Accountant

  
Chu Van Phuong  
General Director