



Tien Phong Plastic Joint Stock Company

Consolidated 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 consolidated financial statements of the Company for the year ended 31 December 2022.

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 48 give a true and fair view of the consolidated financial position of the Company as at 31 December 2022, 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,



Châu Văn Phương
General Director

Hai Phong, 23 March 2023



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46th Floor, Keangnam Landmark 72
E6 Pham Hung Street, Me Tri Ward
South Tu Liem District, Hanoi, Vietnam
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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated financial statements of Tien Phong Plastic Joint Stock Company ("the Company"), which comprise the consolidated balance sheet as at 31 December 2022, 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 23 March 2023, as set out on pages 5 to 48.

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.



Auditor's Opinion

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

KPMG Limited

Vietnam

Audit Report No. 22-02-00154-23-2



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

Hanoi, 23 March 2023

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

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

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

	Code	Note	31/12/2022 VND	1/1/2022 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		3,075,796,747,433	2,721,738,069,056
Cash and cash equivalents	110	4	167,926,602,716	142,541,519,801
Cash	111		127,873,999,976	142,541,519,801
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		890,889,388,815	785,380,028,271
Accounts receivable from customers	131	6	866,425,088,081	790,361,564,540
Prepayments to suppliers	132	7	73,350,864,092	40,938,576,777
Loans receivable – short-term	135		-	15,461,572,866
Other receivables	136	8	13,201,215,478	18,812,535,519
Allowance for doubtful debts	137	9	(62,087,778,836)	(80,194,221,431)
Inventories	140	10	1,535,149,437,534	1,081,529,963,899
Inventories	141		1,538,861,573,575	1,084,976,323,019
Allowance for inventories	149		(3,712,136,041)	(3,446,359,120)
Other current assets	150		48,973,510,149	12,286,557,085
Short-term prepaid expenses	151		12,681,337,593	5,135,108,112
Deductible value added tax	152		35,878,430,549	6,730,399,749
Taxes and others receivable from State Treasury	153		413,742,007	421,049,224

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 2022 (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	31/12/2022 VND	1/1/2022 VND
Long-term assets (200 = 220 + 240 + 250 + 260)	200		1,988,040,342,651	2,176,459,992,881
Fixed assets	220		1,410,746,940,838	1,463,914,085,124
Tangible fixed assets	221	11	1,403,427,508,608	1,456,309,209,920
Cost	222		3,062,315,499,643	2,966,977,974,550
Accumulated depreciation	223		(1,658,887,991,035)	(1,510,668,764,630)
Intangible fixed assets	227	12	7,319,432,230	7,604,875,204
Cost	228		16,966,399,107	16,966,399,107
Accumulated amortisation	229		(9,646,966,877)	(9,361,523,903)
Long-term work in progress	240		8,679,749,912	36,506,524,504
Construction in progress	242	13	8,679,749,912	36,506,524,504
Long-term financial investments	250		424,164,579,920	549,780,086,115
Investments in associates	252	5(b)	329,539,391,320	305,154,897,515
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
Other long-term assets	260		144,449,071,981	126,259,297,138
Long-term prepaid expenses	261	14	143,187,441,487	124,710,234,388
Deferred tax assets	262	15	1,261,630,494	1,549,062,750
TOTAL ASSETS (270 = 100 + 200)	270		5,063,837,090,084	4,898,198,061,937

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 2022 (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	31/12/2022 VND	1/1/2022 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		2,233,019,745,258	2,190,220,357,037
Current liabilities	310		2,233,019,745,258	2,173,499,759,514
Accounts payable to suppliers	311	16	287,076,377,670	232,932,824,035
Advances from customers	312	17	44,233,927,436	97,609,735,132
Taxes and others payable to State Treasury	313	18	30,549,531,968	62,082,103,645
Payables to employees	314		60,722,160,180	66,258,780,784
Accrued expenses	315	19	65,771,331,043	110,327,253,299
Other payables – short-term	319	20	39,597,874,952	9,013,077,859
Short-term borrowings	320	21(a)	1,699,309,871,727	1,593,961,329,934
Bonus and welfare fund	322	22	5,758,670,282	1,314,654,826
Long-term liabilities	330		-	16,720,597,523
Long-term borrowings	338	21(b)	-	16,720,597,523
EQUITY (400 = 410)	400		2,830,817,344,826	2,707,977,704,900
Owners' equity	410	23	2,830,817,344,826	2,707,977,704,900
Share capital	411	24	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	26	1,023,163,062,043	1,034,576,932,192
Retained profits	421		511,900,942,783	495,438,942,708
- Retained profits brought forward	421a		256,724,220,151	234,373,568,296
- Profit for the current year	421b		255,176,722,632	261,065,374,412
TOTAL RESOURCES	440		5,063,837,090,084	4,898,198,061,937
(440 = 300 + 400)				

23 March 2023

Prepared by:



Lau 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 consolidated financial statements

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

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

	Code	Note	2022 VND	2021 VND
Revenue from sales of goods	01	28	5,833,535,613,193	4,995,476,207,069
Revenue deductions	02	28	148,423,196,426	171,951,644,851
Net revenue (10 = 01 - 02)	10	28	5,685,112,416,767	4,823,524,562,218
Cost of sales	11	29	4,294,534,288,942	3,682,609,246,256
Gross profit (20 = 10 - 11)	20		1,390,578,127,825	1,140,915,315,962
Financial income	21	30	64,386,895,488	44,815,376,152
Financial expenses	22	31	141,933,492,971	75,814,295,391
<i>In which: Interest expense</i>	23		78,639,277,456	41,404,493,800
Share of profit in associates	24	5(b)	24,384,493,805	22,573,855,212
Selling expenses	25	32	620,367,663,869	437,437,678,262
General and administration expenses	26	33	154,378,233,969	137,179,719,745
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		562,670,126,309	557,872,853,928
Other income	31		3,907,435,527	12,475,055,033
Other expenses	32		2,097,978,928	19,313,074,324
Results of other activities (40 = 31 - 32)	40		1,809,456,599	(6,838,019,291)
Accounting profit before tax (50 = 30 + 40)	50		564,479,582,908	551,034,834,637
Income tax expense – current	51	35	84,652,427,020	83,330,178,645
Income tax expense/(benefit) – deferred	52	35	287,432,256	(54,992,920)
Net profit after tax (60 = 50 - 51 - 52)	60		479,539,723,632	467,759,648,912

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 2022 (continued)

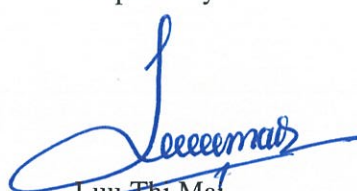
Form B 02 – DN/HN
*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	2022 VND	2021 VND
Earnings per share				Restated
Basic earnings per share	70	36	3,349	3,269

23 March 2023

Prepared by:

Approved by:



Luu Thi Mai
Chief Accountant



Tran Ngoc Bao
Deputy General Director - Finance




Chau 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 2022
(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	2022 VND	2021 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	01	564,479,582,908	551,034,834,637
Adjustments for			
Depreciation and amortisation	02	158,563,557,791	153,123,376,265
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	(78,596,329,564)	(68,098,722,275)
Interest expense	06	78,639,277,456	41,404,493,800
Operating profit before changes in working capital	08	727,870,250,834	678,365,829,023
Change in receivables	09	(154,647,463,307)	29,715,243,845
Change in inventories	10	(453,885,250,556)	(437,380,360,998)
Change in payables and other liabilities	11	(8,470,003,961)	205,839,204,254
Change in prepaid expenses	12	(17,532,841,564)	4,231,083,937
		93,334,691,446	480,771,000,061
Interest paid	14	(75,448,956,761)	(41,344,651,100)
Income tax paid	15	(93,735,496,338)	(70,395,757,998)
Other payments for operating activities	17	(40,096,884,250)	(53,960,077,703)
Net cash flows from operating activities	20	(115,946,645,903)	315,070,513,260
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets	21	(107,308,155,481)	(92,181,677,991)
Proceeds from disposals of fixed assets	22	1,026,987,069	4,914,545,455
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 and dividends	27	59,520,687,278	32,588,301,029
Net cash flows from investing activities	30	370,381,710,647	(754,678,831,507)

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

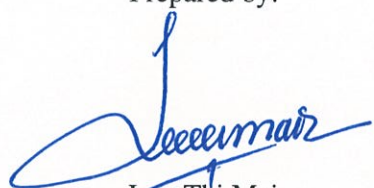
Tien Phong Plastic Joint Stock Company
Consolidated statement of cash flows for the year ended 31 December 2022
(Indirect method – continued)

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

	Code	2022 VND	2021 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	33	4,618,066,332,386	3,563,854,982,297
Payments to settle loan principals	34	(4,534,823,775,266)	(2,899,385,108,245)
Payments of dividends	36	(312,159,184,000)	(294,490,457,500)
Net cash flows from financing activities	40	(228,916,626,880)	369,979,416,552
Net cash flows during the year (50 = 20 + 30 + 40)	50	25,518,437,864	(69,628,901,695)
Cash and cash equivalents at the beginning of the year	60	142,541,519,801	212,170,457,483
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	167,926,602,716	142,541,519,801

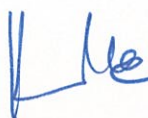
23 March 2023

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 consolidated financial statements

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

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

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

The consolidated financial statements of the Company for the year ended 31 December 2022 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 2022 (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 2022 and 1 January 2022, the Company had 2 subsidiaries as follows:

No.	Name of companies	Principal activities	Addresses	31/12/2022		1/1/2022	
				% 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 2022, the Company has contributed VND11,100 million in Tien Phong Land’s charter capital.

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

As at 31 December 2022, the Company and its subsidiaries had 1,361 employees (1/1/2022: 1,356 employees).

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

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

2. Basis of preparation

(a) Statement of compliance

The consolidated 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.

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

Form B 09 – DN/HN

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

(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.).

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. 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 consolidated financial statements for the year ended 31 December 2022
(continued)

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

(i) *Held-to-maturity investments*

Held-to-maturity investments are those that the Company's or its subsidiaries' Board of General Directors has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at bank and bonds. 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.

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.

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

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

(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

(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.

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

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

(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.

(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.

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

Form B 09 – DN/HN

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

(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.

(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.

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

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

(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 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 2022, the Company had no potential ordinary shares and therefore does not present diluted earnings per share.

(s) Segment reporting

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

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

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

Form B 09 – DN/HN

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

(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 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 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

	31/12/2022 VND	1/1/2022 VND
Cash on hand	866,043,599	436,319,978
Cash in banks	127,007,956,377	142,105,199,823
Cash equivalents	40,052,602,740	-
	<hr/>	<hr/>
	167,926,602,716	142,541,519,801

Tien Phong Plastic Joint Stock Company

Notes to the consolidated financial statements for the year ended 31 December 2022 (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	31/12/2022 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 consolidated financial statements for the year ended 31 December 2022 (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

						31/12/2022	1/1/2022
	Addresses	Quantity	% of equity owned	% of voting rights		Carrying amount VND	Fair value Carrying amount VND
Tien Phong South Plastic Joint Stock Company (i)	Binh Duong	12,218,580	27.39%	27.39%		317,947,454,809	293,744,262,068 (*)
Tien Phong Packaging Joint Stock Company (ii)	Hai Phong	499,775	49.98%	49.98%		11,591,936,511	11,410,635,447 (*)
Tien Phong - SMP Plastic Joint Venture Company Limited (iii)	Lao PDR		51%	51%		-	- (*)
						329,539,391,320	305,154,897,515

(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 2022 (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:

	2022 VND	2021 VND
Opening balance	305,154,897,515	282,581,042,303
Share of profit/(loss) in associates	24,384,493,805	22,573,855,212
▪ Tien Phong South Plastic Joint Stock Company	24,203,192,741	22,635,513,712
▪ Tien Phong Packaging Joint Stock Company	181,301,064	(61,658,500)
Closing balance	329,539,391,320	305,154,897,515

(c) Equity investments in other entities

	Quantity	% of equity owned	% of voting rights	31/12/2022 Allowance for diminution in value VND	Cost VND	1/1/2022 Allowance for diminution in value VND	Fair value VND	Fair value VND
Nam Dinh Water Supply Joint Stock Company (i)	4,632,086	13.50%	13.50%	-	46,784,068,600	-	(*)	(*)
Thu Dau Mot Water Joint Stock Company	1,800,000	1.80%	1.80%	-	41,400,000,000	-	(*)	(*)
Tien Phong Technology Equipment Joint Stock Company	396,000	17.39%	17.39%	-	5,148,000,000	-	(*)	(*)
Ha Giang Water Supply and Drainage	56,406	4.80%	4.80%	-	1,128,120,000	-	(*)	(*)
	150,000	1.11%	1.11%	(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 2022
(continued)

Form B 09 – DN/HN

(Issued under Circular No. 202/2014/TT-BTC

dated 22 December 2014 of the Ministry of Finance **Mẫu B 09 – DN/HN**

(Ban hành theo Thông tư số 202/2014/TT-BTC

ngày 22/12/2014 của Bộ Tài chính)

- (i) At 31 December 2022 and 1 January 2022, this investment was pledged with banks as security for loans granted to the Company and its subsidiaries (Note 21).
- (*) 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

	31/12/2022 VND	1/1/2022 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	73,620,158,733	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	-
Nam Phuong Trading Company Limited	-	9,586,805,530
Other customers	3,219,690,742	3,919,061,338
	866,425,088,081	790,361,564,540

- (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 and its subsidiaries (Note 21).

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

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance **Mẫu B 09 – DN/HN**
(Ban hành theo Thông tư số 202/2014/TT-BTC
ngày 22/12/2014 của Bộ Tài chính)

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	2,432,858,181	5,940,080,065
Other parties		
Minh Hoa Investment Joint Stock Company	17,325,655,600	-
CT - Wearnes Vietnam Company Limited	12,000,000,000	-
Eplas Company Limited	10,282,845,424	-
Lotus Chemical Technology Company Limited	4,333,829,379	9,375,659,443
PNT Technology and Equipment Company Limited	3,841,482,876	3,879,453,011
Minh Khang Advertising Media Company Limited	3,195,238,962	2,356,640,000
Van Vina Joint Stock Company	1,832,624,420	3,256,193,160
Anh Quan Electric Water and Trading Service Company Limited	-	4,181,100,000
Other suppliers	18,106,329,250	11,949,451,098
	<hr/> 73,350,864,092	<hr/> 40,938,576,777 <hr/>

8. Other receivables

	31/12/2022 VND	1/1/2022 VND
Interest receivables	6,698,108,881	10,833,561,647
Advances	4,322,845,817	5,300,636,207
Security deposits	1,588,000,000	2,378,000,000
Other receivables	592,260,780	300,337,665
	<hr/> 13,201,215,478	<hr/> 18,812,535,519 <hr/>

Tien Phong Plastic Joint Stock Company

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

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

9. Bad and doubtful debts

	31/12/2022				1/1/2022			
	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 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	(1,060,039,175)	204,418,961
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	Over 2 years to below 3 years	98,249,573,848	(77,845,262,227)	20,404,311,621
Others	Over 3 years	203,536,476	(203,536,476)	-	Over 3 years	203,536,476	(203,536,476)	-
		65,755,998,567	(62,087,778,836)	3,668,219,731		100,802,952,013	(80,194,221,431)	20,608,730,582
<i>Of which:</i>								
Allowance for doubtful debts – short-term			(62,087,778,836)				(80,194,221,431)	

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

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/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	108,029,668,546	-	70,112,842,476	-
Raw materials	1,036,383,754,047	(3,712,136,041)	652,728,064,812	(3,446,359,120)
Tools and supplies	10,180,798,618	-	9,121,939,149	-
Work in progress	61,805,061,409	-	64,834,699,771	-
Finished goods	322,361,315,012	-	288,077,800,868	-
Merchandise inventories	100,975,943	-	100,975,943	-
	1,538,861,573,575	(3,712,136,041)	1,084,976,323,019	(3,446,359,120)

Tien Phong Plastic Joint Stock Company

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

Form B 09 – DN/HN

(Issued under Circular No. 202/2014/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	1,645,920,120,215	1,133,071,573,022	170,246,660,554	17,739,620,759	2,966,977,974,550
Additions	-	40,377,697,502	4,986,269,377	280,600,000	45,644,566,879
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	(894,057,219)	(4,153,115,323)	(1,691,614,286)	(95,206,000)	(6,833,992,828)
Closing balance	1,686,383,380,521	1,180,179,810,727	177,827,293,636	17,925,014,759	3,062,315,499,643
Accumulated depreciation					
Opening balance	610,585,656,963	766,641,891,447	116,407,194,735	17,034,021,485	1,510,668,764,630
Charge for the year	80,435,216,333	60,967,475,330	12,923,892,573	287,968,309	154,614,552,545
Reclassifications	(74,124,326)	-	74,124,326	-	-
Disposals	(894,057,219)	(3,714,448,635)	(1,691,614,286)	(95,206,000)	(6,395,326,140)
Closing balance	690,052,691,751	823,894,918,142	127,713,597,348	17,226,783,794	1,658,887,991,035
Net book value					
Opening balance	1,035,334,463,252	366,429,681,575	53,839,465,819	705,599,274	1,456,309,209,920
Closing balance	996,330,688,770	356,284,892,585	50,113,696,288	698,230,965	1,403,427,508,608

Included in tangible fixed assets were assets costing VND634,293 million which were fully depreciated as of 31 December 2022 (1/1/2022: VND593,243 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 and its subsidiaries (Note 21).

12. Intangible fixed assets

	Land use rights VND	Software VND	Technology licences VND	Others VND	Total VND
Cost					
Opening and closing balance	7,105,350,000	153,400,000	2,501,022,223	7,206,626,884	16,966,399,107
Accumulated amortisation					
Opening balance	-	153,400,000	2,501,022,223	6,707,101,680	9,361,523,903
Charge for the year	-	-	-	285,442,974	285,442,974
Closing balance	-	153,400,000	2,501,022,223	6,992,544,654	9,646,966,877
Net book value					
Opening balance	7,105,350,000	-	-	499,525,204	7,604,875,204
Closing balance	7,105,350,000	-	-	214,082,230	7,319,432,230

Included in intangible fixed assets were assets costing VND2,654 million which were fully amortised as of 31 December 2022 and 1 January 2022, but which are still in use.

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

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

13. Construction in progress

	2022 VND	2021 VND
Opening balance	36,506,524,504	89,105,990,601
Additions	42,616,052,872	80,850,282,259
Transfer to tangible fixed assets	(56,526,951,042)	(133,380,209,879)
Transfer to long-term prepaid expenses	(12,154,157,288)	-
Others	(1,761,719,134)	(69,538,477)
Closing balance	8,679,749,912	36,506,524,504

Major constructions in progress were as follows:

	31/12/2022 VND	1/1/2022 VND
Plastic products factory project	6,505,776,519	-
New factory in Duong Kinh	2,173,973,393	23,850,632,324
Project No. 2 An Da	-	12,655,892,180
	8,679,749,912	36,506,524,504

14. Long-term prepaid expenses

	Prepaid land costs VND	Tools and instruments VND	Others VND	Total VND
Opening balance	111,239,214,569	4,996,025,835	8,474,993,984	124,710,234,388
Additions	-	5,021,200,967	20,980,213,670	26,001,414,637
Transfer from construction in progress	-	-	12,154,157,288	12,154,157,288
Amortisation for the year	(3,663,562,272)	(5,455,578,181)	(10,559,224,373)	(19,678,364,826)
Closing balance	107,575,652,297	4,561,648,621	31,050,140,569	143,187,441,487

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

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

15. Deferred tax assets

	Tax rate	31/12/2022 VND	1/1/2022 VND
Deferred tax assets:			
Unrealised profit in tangible fixed assets	20%	1,261,630,494	1,549,062,750

16. Accounts payable to suppliers

Accounts payable to suppliers detailed by significant suppliers and related parties

	Cost and amount within payment capacity	
	31/12/2022 VND	1/1/2022 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
Tricon Energy Ltd	37,395,864,000	-
Hyosung Chemical Corporation	25,016,785,200	12,870,054,000
PT Asahimas Chemical	18,361,728,000	-
Borouge Pte Ltd.	14,951,425,500	8,274,494,250
Marubeni Corporation	-	24,600,591,540
SCG Chemicals Co., Ltd.	-	17,729,250,000
Huyen Trang Investment Company Limited	-	8,021,597,200
Other suppliers	20,374,506,462	21,489,085,465
	287,076,377,670	232,932,824,035

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 and its subsidiaries had no overdue debts (1/1/2022: Nil).

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

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

17. Advances from customers

	31/12/2022 VND	1/1/2022 VND
Nam Phuong Trading Company Limited	1,707,234,129	16,555,985,810
Tam Phuoc Company Limited	39,813,326,780	78,474,963,435
Ha Dung Trading Company Limited	1,187,908,308	938,132,491
Other customers	1,525,458,219	1,640,653,396
	<hr/>	<hr/>
	44,233,927,436	97,609,735,132
	<hr/>	<hr/>

18. Taxes and others payable to State Treasury

	1/1/2022 VND	Incurred VND	Paid/net-off VND	31/12/2022 VND
Value added tax	29,973,013,667	445,581,277,854	(475,545,745,205)	8,546,316
Value added tax of imported goods	-	193,716,727,198	(193,716,727,198)	-
Corporate income tax	20,690,056,269	84,652,427,020	(93,735,496,338)	11,606,986,951
Personal income tax	11,063,597,533	26,672,309,895	(19,157,344,903)	18,578,562,525
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	-	25,501,748	(25,501,748)	-
	<hr/>	<hr/>	<hr/>	<hr/>
	62,082,103,645	774,497,750,189	(806,030,321,866)	30,549,531,968
	<hr/>	<hr/>	<hr/>	<hr/>

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

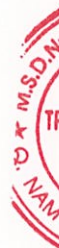
Form B 09 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

19. Accrued expenses

	31/12/2022 VND	1/1/2022 VND
Interests payable	5,042,571,295	1,852,250,600
Discounts payable to distributors and retailers	25,733,193,044	77,572,460,579
Transportation expenses	8,162,685,858	8,485,979,645
Land rental	12,612,990,373	9,443,036,249
Advertising and marketing expenses	9,417,320,861	2,678,000,000
Others	4,802,569,612	10,295,526,226
	<hr/>	<hr/>
	65,771,331,043	110,327,253,299
	<hr/>	<hr/>

20. Other short-term payables

	31/12/2022 VND	1/1/2022 VND
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	801,881,138	1,682,763,196
Others	1,439,393,637	1,031,330,486
	<hr/>	<hr/>
	39,597,874,952	9,013,077,859
	<hr/>	<hr/>



Tien Phong Plastic Joint Stock Company

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

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

21. 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	1,575,224,726,306	4,618,066,332,386	(4,510,750,882,064)	1,687,925,563,778
Current portion of long-term borrowings (Note 21(b))	18,736,603,628	14,052,452,743	(21,404,748,422)	-
	1,593,961,329,934	4,632,118,785,129	(4,532,155,630,486)	1,699,309,871,727

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 21(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 2022
(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

	31/12/2022 VND	1/1/2022 VND
Long-term borrowings	11,384,307,949	35,457,201,151
Repayable within twelve months (Note 21(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(c));
- 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).

22. Bonus and welfare fund

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

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

	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 consolidated financial statements for the year ended 31 December 2022 (continued)

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

23. 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	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 25)	-	-	(117,796,183,000)	(117,796,183,000)
Advance of dividends from retained profit of 2021 (Note 25)	-	-	(176,694,274,500)	(176,694,274,500)
Appropriation to bonus and welfare fund from retained profit of 2020 (Note 22)	-	-	(23,580,023,466)	(23,580,023,466)
Advance to bonus and welfare fund from retained profit of 2021 (Note 22)	-	-	(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	495,438,942,708	2,707,977,704,900
Increases in capital from investment and development fund (*)	117,791,510,000	(117,791,510,000)	-	-
Net profit for the year	-	-	479,539,723,632	479,539,723,632
Appropriation to investment and development fund	-	106,377,639,851	(106,377,639,851)	-
Dividends from retained profit of 2021 (Note 25)	-	-	(117,796,183,000)	(117,796,183,000)
Advance of dividends from retained profit of 2022 (Note 25)	-	-	(194,363,001,000)	(194,363,001,000)
Appropriation to bonus and welfare fund from retained profit of 2021 (Note 22)	-	-	(14,540,899,706)	(14,540,899,706)
Advance to bonus and welfare fund from retained profit of 2022 (Note 22)	-	-	(30,000,000,000)	(30,000,000,000)
Balance at 31/12/2022	1,295,753,340,000	1,023,163,062,043	511,900,942,783	2,830,817,344,826

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

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/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.

24. 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 consolidated financial statements for the year ended 31 December 2022
(continued)

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

25. 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)).

26. 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.

27. 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	44,201,976,835	44,201,976,835
More than five years	243,352,642,591	254,214,640,716
	298,416,617,551	309,278,615,676

(b) Foreign currency

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

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

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/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 and its subsidiaries had the following outstanding capital commitments approved but not provided for in the consolidated balance sheet:

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

28. 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	5,634,104,110,169	4,892,004,646,237
▪ Others	199,431,503,024	103,471,560,832
	5,833,535,613,193	4,995,476,207,069
Less revenue deductions		
▪ Sales discounts	(129,148,773,018)	(157,045,561,595)
▪ Sales returns	(10,973,940,315)	(11,639,846,751)
▪ Sales allowances	(8,300,483,093)	(3,266,236,505)
	(148,423,196,426)	(171,951,644,851)
Net revenue	5,685,112,416,767	4,823,524,562,218

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

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

29. Cost of sales

	2022 VND	2021 VND
Total cost of sales:		
▪ Goods sold	4,090,476,292,147	3,589,573,728,830
▪ Others	203,792,219,874	93,063,183,857
Allowance for inventories	265,776,921	(27,666,431)
	<hr/> 4,294,534,288,942	<hr/> 3,682,609,246,256

30. Financial income

	2022 VND	2021 VND
Interest income from deposits and bonds	46,690,323,084	36,354,967,423
Foreign exchange gains	9,001,660,976	2,655,979,229
Dividends	8,694,911,428	5,804,429,500
	<hr/> 64,386,895,488	<hr/> 44,815,376,152

31. Financial expenses

	2022 VND	2021 VND
Interest expense	78,639,277,456	41,404,493,800
Payment discounts	50,841,926,444	33,037,932,074
Foreign exchange losses	12,452,289,071	1,371,869,517
	<hr/> 141,933,492,971	<hr/> 75,814,295,391

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

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

32. Selling expenses

	2022 VND	2021 VND
Staff costs	37,654,182,211	34,418,832,021
Discounts paid to distributors and retailers	295,082,738,763	220,612,974,894
Depreciation	20,834,047,537	17,880,784,054
Transportation expenses	129,747,200,477	88,226,539,974
Advertising and marketing expenses	74,355,656,867	38,251,833,220
Other selling expenses	62,693,838,014	38,046,714,099
	<hr/> 620,367,663,869	<hr/> 437,437,678,262 <hr/>

33. General and administration expenses

	2022 VND	2021 VND
Staff costs	71,681,611,998	65,910,184,357
Depreciation and amortisation	33,553,780,588	24,465,849,261
Reversal of allowance for doubtful debts	(1,606,748,661)	-
Other general and administration expenses	50,749,590,044	46,803,686,127
	<hr/> 154,378,233,969	<hr/> 137,179,719,745 <hr/>

34. Production and business costs by element

	2022 VND	2021 VND
Raw material costs included in production costs	3,859,052,761,623	3,389,098,728,266
Discounts paid to distributors and retailers	295,082,738,763	220,612,974,894
Labour costs and staff costs	380,811,765,574	356,010,996,342
Depreciation and amortisation	158,563,557,791	153,123,376,265
Reversal of allowance for doubtful debts	(1,606,748,661)	-
Outside services	339,607,928,567	247,875,714,069
Other expenses	68,655,306,041	64,793,258,875
	<hr/>	<hr/>

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

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

35. Income tax

(a) Recognised in the consolidated statement of income

	2022 VND	2021 VND
Current tax expense		
Current year	84,652,427,020	83,330,178,645
Deferred tax expense/(benefit)		
Effect of unrealised profit in tangible fixed assets	287,432,256	(54,992,920)
Income tax expense	84,939,859,276	83,275,185,725

(b) Reconciliation of effective tax rate

	2022 VND	2021 VND
Accounting profit before tax	564,479,582,908	551,034,834,637
Tax at the Company's tax rate	112,895,916,582	110,206,966,927
Effect of different tax rates in subsidiaries	(16,357,815,747)	(14,632,265,982)
Tax exempt income	(6,615,881,047)	(5,675,656,942)
Tax incentives of a subsidiary	(8,178,907,874)	(7,316,132,991)
Non-deductible expenses	3,196,547,362	691,628,378
Others	-	646,335
	84,939,859,276	83,275,185,725

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

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

(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%.

36. Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2022 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

	2022 VND	2021 VND Restated
Net profit for the year (VND)	479,539,723,632	467,759,648,912
Appropriation to bonus and welfare fund (VND) (*)	(45,582,110,105)	(44,173,568,625)
Net profit attributable to ordinary shareholders (VND)	433,957,613,527	423,586,080,287
Weighted average number of ordinary shares in circulation during the year (number of shares) (Note 36(b))	129,575,334	129,575,334
Basic earnings per share (VND/share)	3,349	3,269

- (*) At the reporting date, the Company estimated the profit for the year ended 31 December 2022 to be appropriated to the bonus and welfare fund amounting to VND45,582 million.

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

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

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

	2022	2021 Restated
Issued ordinary shares at the beginning of the year	117,796,183	117,796,183
Effect of shares issued to existing shareholders to increase share capital from investment and development fund after the end of the accounting period	11,779,151	11,779,151
Weighted average number of ordinary shares in circulation during the year	129,575,334	129,575,334

(c) Restatement for basic earnings per share for the year ended 30 June 2021

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 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. As a result, the weighted average number of ordinary shares used in calculation of basis earning per share for the year ended 31 December 2021 was changed.

Basic earnings per share for the year ended 30 June 2021 were restated as follows:

	2021 Weighted average number of ordinary shares Share	Basic earnings per share VND
As previously reported	117,796,183	3,596
Effect of shares issued to existing shareholders to increase share capital from investment and development fund	11,779,151	(327)
As restated	129,575,334	3,269



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

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

37. 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:

	Transaction value	
	2022	2021
	VND	VND
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	25,795,561,626
Dividends received	499,775,000	599,730,000
Revenue from sales of goods	29,140,000	16,630,000
Receipts from collecting loans	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>Sekisui Vietnam Company Limited</i>		
Sales of goods	5,723,192,571	3,577,727,273
Purchase of goods	556,657,409,286	597,020,525,164
Sales returns	15,827,454	12,518,950
<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

(*) 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 2022
(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

	2022 VND	2021 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

38. Non-cash investing and financing activities

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

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

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

39. Comparative information

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

23 March 2023

Prepared by:



Lau Thi Mai
Chief Accountant

Approved by:



Tran Ngoc Bao
Deputy General Director - Finance



Chu Van Phuong
General Director

