



TIEN PHONG PLASTIC

THE *Eco-* PIONEER

www.nhuatienphong.vn

**ANNUAL
REPORT
2021**

2021 Highlights

Awards

Vietnam Gold Star 2021



Tien Phong Plastic Joint Stock Company has passed the selection round with strict criteria and overcame 294 businesses to win the TOP 100 Vietnam Gold Star Award. This is also the second year that Tien Phong Plastic JSC has received this prestigious award.



TOP 100 Vietnam Strong Brands 2021



2020 - 2021 is also the 5th year in a row that Tien Phong Plastic Joint Stock Company has reached the TOP 100 Vietnam Strong Brands. This is a precious recognition for the efforts that Tien Phong Plastic JSC has made to overcome the difficulties and fierceness of the pandemic, and supported the disease prevention campaigns as well as economy recovery

CHARITY ACTIVITIES

CAU NOI YEU THUONG Programme

In 2021, Vietnam suffered a strong outbreak of the Covid-19 epidemic, especially in the southern region, causing a heavy impact on the production and business activities. Epidemic prevention is a top priority, so all activities are delayed. But with the spirit of mutual support, Tien Phong Plastic has collaborated with the Tu Tam Volunteer group to build 20 bridges in remote areas, made it 80 in total across the country.



Activities to support epidemic prevention

- Donated 18 large capacity air purifiers up to 10,000m³/h for use at field hospital No. 16 in Ho Chi Minh City
- Donated 02 Bennet 840 ventilators worth 1.3 billion VND for deep intervention for Children's Hospital 2
- Donating 03 billion VND to Hai Phong's Covid-19 vaccine fund, helping the city to afford more than 1 million doses of vaccine, meeting the needs of about 30% of local people.

FINANCIAL INFORMATION

Consolidated net revenue

4,995.4
Billion

Market capitalization

7,067,770,980,000
VND

Consolidated profit after tax

467.76
Billion



Employees (2021)

1,300
People



Selling unit

>300



Distribution Center

9

TABLE OF ABBREVIATIONS

COMPANY	:	Tien Phong Plastics Joint-stock Company
SM	:	Shareholders Meeting
YU	:	Youth Union
BOM	:	Board Of Management
BOD	:	Board Of Directors
O&E	:	Office And Employees
SCIC	:	State Capital And Investment Corporation
BP	:	Business Production
JSC	:	Joint Stock Company
FR	:	Financial Report
PBT	:	Profit Before Tax
PAT	:	Profit After Tax

SB	:	State Budget
LTD	:	Limited
COGS	:	Cost Of Goods Sold
NR	:	Net Revenue
ST	:	Stock Exchange
BOS	:	Board Of Supervisor
EBITDA	:	Earnings Before Interest, Tax, Depreciation And Amortization
EBIT	:	Earnings Before Interest And Tax,
NTP	:	Tien Phong Plastics Joint-stock Company
WHO	:	World Health Organization
GMS	:	General Meeting of Shareholder
GMS	:	Research and Development

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THE CHAIRMAN OF THE BOARD OF DIRECTORS

Dear our valued shareholders,

Year 2021 has brought us unprecedented economic and social challenges due to the adverse impact of COVID-19 pandemic, particularly the devastating 4th wave of outbreak wreaking havoc in Southern Vietnam. Although the proactive and drastic measures taken by the Government meant that GDP growth in 2021 would still be an estimated 2.58%, businesses and enterprises in general suffered severe setbacks.



Under such circumstance, the Board of Directors and staff of Tien Phong Plastic Joint Stock Company, from North to South, took prudent actions with exceptional resilience and flexibility in business operations, which turned "challenges" into "opportunities". As a result, not only did Tien Phong Plastic overcome the hurdles set by the pandemic but also attained outstanding business results and the best-in-class achievements within Vietnam's construction plastic pipes and fittings industry in 2021: 4,823.51 Billion VND net revenue, over 465 Billion VND after-tax profit, which was a 4% increase compared to 2020's. Most importantly, Tien Phong Plastic successfully protected all of its employees from COVID-19 using rigorous preventative measures, continuously updating information to raise awareness and especially administered the 3th dose of vaccination for more than 1300 employees as quickly as humanly possible. Last but not least, Tien phong Plastic participated in numerous communal activities in the fight against the pandemic and to ensure a eco-friendly and socially-responsible business and growth.

In addition to the pandemic, Tien Phong Plastic had to face ever more unpredictable fluctuations in imported material price from the beginning of 2021 till mid-October 2021. This was also the common denominator for all businesses trying to find their equilibrium among price, cost and profit when domestic supply was limited. We are proud that, for the last 10 years, Tien Phong Plastic has had contingencies to withstand the market's instability and to offer the most competitive price relative to its peers, providing maximum utility for consumers, distribution network and shareholders.

In 2021, the overarching motto of Tien Phong Plastic was "Pioneer of Eco-Friendly Growth", which expressed the business' resolution in creating an eco-friendly and safe living space. Hence, R&D and production of new product lines reflected this maxim of ours, exemplified by PE diaphragm- a first-in-class product for intensive shrimp farming on land, ensuring export standards for livestock are met and in part spear-heading a new direction for aquaculture.

Given positive forecasts of the economy's recovery, I have great faith that Tien Phong Plastic will march into 2022 with unrivaled perseverance and continue to set new records in eco-friendly growth, to bring about sustainable development and promote social values.

On behalf of the Board of Directors, I am humble to express my gratitude for your everlasting trust, support and invaluable companionship for Tien Phong Plastic, no matter how hard the time gets. I also sincerely thank the Executive Board and all levels of management and employees for their unyielding efforts in 2021. I wish you great health, happiness and ever more success!

Sincerely thank you!

Haiphong, March 2022

ON BEHALF OF BOARD OF DIRECTORS

Chairman of the Board



Dang Quoc Dung

General Information of Tien Phong Plastic JSC

TIEN PHONG PLASTIC JOINT STOCK COMPANY

Name of Company:

Tien Phong Plastic Joint Stock Company

Stock symbol:

NTP

Certificate of Business Registration:

No. 0200167782

(issued by Hai Phong City Department of Planning and Investment on December 30, 2004 and Amended business registration certificates.)

Authorized capital:

VND 1.177.961.830.000

Representative Office:

No.02 An Da Street, Lach Tray Ward, Ngo Quyen District, Haiphong City, Vietnam.

Headquarter:

No.222 Mac Dang Doanh Street, Hung Dao Ward, Duong Kinh District, Haiphong City, Vietnam.

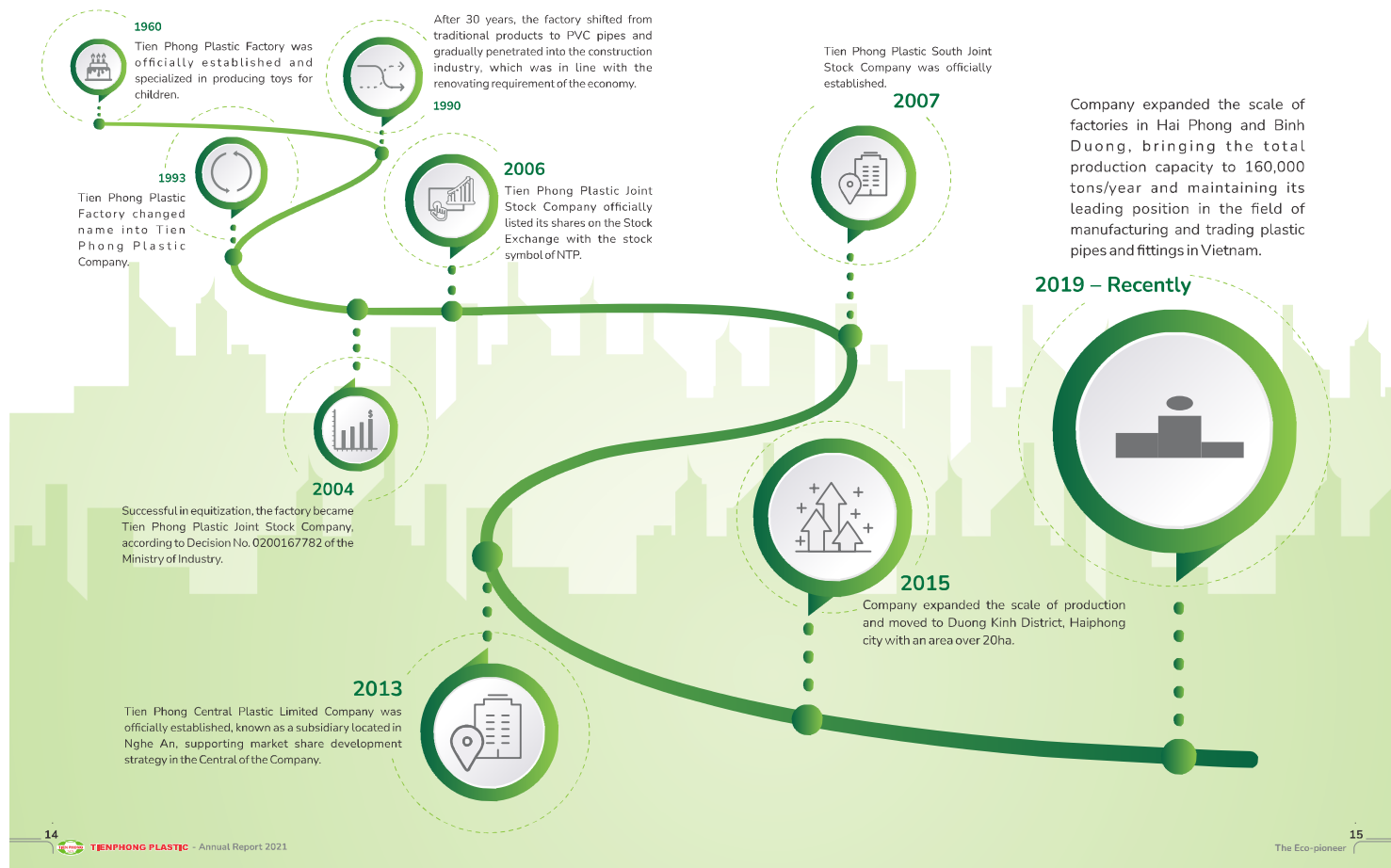
Phone number: + (84-225) 381 3979

Fax: + (84-225) 381 3989

Website: www.nhuatienphong.vn

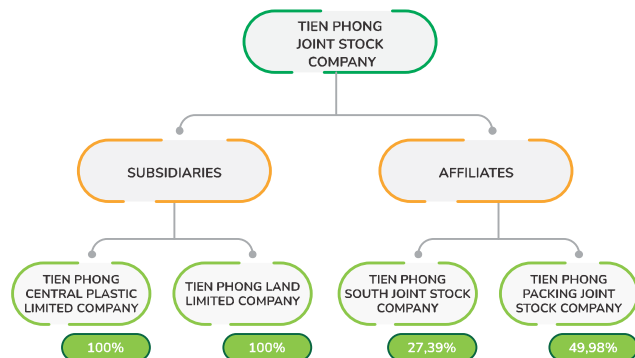


HISTORY AND DEVELOPMENT



COMPANY SCALE

Company scale chart



Subsidiaries and Affiliates

No.	Company name	Address	Charter Capital	NTP ownership rate	Main functions
1	Tien Phong Central Plastic Limited Company	Lot C, Nam Cam Industrial Zone, Nghi Loc District, Nghe An Province, Vietnam	VND 120 billion	100%	Manufacturing and trading civil and industrial plastic products
2	Tien Phong Land Limited Company	No. 2 An Da Street, Lach Tray Ward, Ngo Quyen District, Hai Phong City, Vietnam	VND 20 billion	100%	Doing businesses in terms of real estate, land use rights and transport business, civil and industrial plastic products.
3	Tien Phong Plastic South Joint Stock Company	Dong An 2 Industrial Zone, Hoa Phu Ward, Thu Dau Mot City, Binh Duong Province, Vietnam	VND 279.275 billion	27.39%	Manufacturing and trading civil and industrial plastic products
4	Tien Phong Packing Joint Stock Company	No. 2 An Da, Lach Tray Ward, Ngo Quyen District, Hai Phong City, Vietnam	VND 10 billion	49.98%	Manufacturing PP Plastic packaging, cement packaging, different types of paper, complex assemblies and other plastic products.



Business sectors and location

Plastic construction sector

Producing and trading plastic are known as the main business of Tien Phong Plastic JSC, offering building plastic products for many industrial projects in particular, transportation, petroleum, civils sectors, etc. Currently, some major products of our Company include: PP-R pipes and fittings, HDPE pipes and fittings, uPVC pipes and fittings, conduit pipes and fittings for electrical system installation, etc.



300

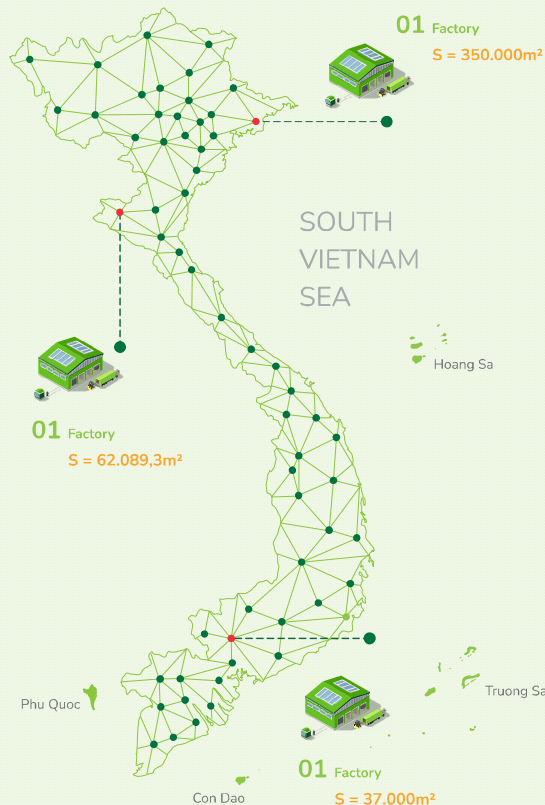
Agents

20.000

Points of sale

Business area

In order to ensure timely supply, Tien Phong Plastic operates 03 factories all day and night in Haiphong city, Binh Duong province and Nghe An province. Nearly 62 years of adhering its brand, the Company has 09 distribution centers, more than 300 agents and nearly 20,000 points of sale nationwide.



Main products

OLD

Pipe and fittings for electrical system installation
Standard: BS 6099.2.2:1982
Nominal diameter: DN16 to DN63
Including: Pipe and fittings

PP-R

PP-R pipe and fittings

Standard: DIN 8077 and DIN 8078
Nominal diameter: From DN20 to DN250
Nominal pressure: From PN10 to PN25
Including: PP-R pipe and fittings and PP-R UV resistance.

HDPE

HDPE pipe and fittings

Standard: ISO 4427 (TCVN 7305)
Nominal diameter: From DN21 to DN2000
Nominal pressure: PN6 to PN25
Including: Pipe, compression fittings and fabricated fittings.

uPVC
ISO 3633

uPVC pipe and fittings for drainage in building

Standard: ISO 3633 (TCVN 12119)
Nominal diameter: From DN34 to DN315
Including: Pipe and fittings for drainage

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

Standard: ISO 1452 (TCVN 8491)
Nominal diameter: From DN21 to DN800
Nominal pressure: From PN4 to PN20
Including: Pipes and fittings for water supply and for buried and above-ground drainage and sewerage under pressure.

uPVC
ISO 1452

MPVC

OTHER PRODUCTS

Manhole fittings and uPVC Engineering control box based on TCVN 12754:2020 and TCVN 12755:2010

uPVC Fabricated fittings (Manual produced, custom specifications are possible)

MPVC pipe

Standard: AS/NZS 4765 (TCVN 11822)
Nominal diameter: From DN110 to DN400
Nominal pressure: From PN6 to PN18

PVC

inner spiral pipe

PVC inner spiral pipe

Nominal diameter: From DN110 to DN60
Range of application: skyscraper drainage
Cooperate product and technology transfer between Tien Phong Plastic and Sekisui (Japan)
Including: Pipe and fittings

uPVC fence

Tien Phong T50 Tank (Material: HDPE)

Range of application: Well-used in frozen storage, specialized for the seafood industry in terms of storing material, finished shrimp, fish, and squid.

PE/PP

PP/PE double wall corrugated pipe

Standard: ISO 21138-3 (TCVN 11821-3) và BSEN 13476-3
Nominal diameter: From DN150 to DN1000
Stiffness class: SN4 to SN12

PE

PE Wall (Material: HDPE)

Range of application: Assembled into ponds for aquaculture (shrimp, fish, etc.) as well as freshwater storage in drought and mangrove area.
Required pond diameter: 17-45 (m)

HDPE
single

HDPE single wall corrugated pipe and fittings

Standard: KS C 8455
Nominal diameter: From DN30 to DN200
Including: Pipe and fittings

MLDD

uPVC Cable trunkings

Standard: BS 4678



COMPANY INTRODUCTION

SHAREHOLDERS INFORMATION

Information of Nhua Tien Phong shares in 2021

Stock symbol: NTP

Number of outstanding shares (As of 31/12/2021): 117,796,183 common shares

Market capitalization (As of 31/12/2021): 7,067,770,980,000 VND

Price of trading shares

Price of trading shares	Date	Price (VND/shares)
Closing	31/12/2021	60.000
Lowest	28/01/2021	32.400
Highest	25/11/2021	65.000
Average		46.900

Trading volume

Trading volume	Date	Volume (Shares)
Closing	31/12/2021	168.700
Lowest	13/7/2021	1.900
Highest	14/4/2021	3.258.807
Average		137.000

2021 share price performance



In the context of positive movement of Vietnam stock market in 2021, ending transaction session as of 31/12/2021, VN-index officially increased by 12 points, hit 1,498.28 points, equivalent to an increase of 395 points (+36%) within 01 year, reaching the historical milestone of 1,500.81 points (Trading session dated November 25th, 2021)

In direct proportion to market boom, Nhua Tien Phong shares also achieved a breakthrough when prices increased by 64.4% in 2021 with share price of ended trading session 2021 at 60,000 VND/shares.

Authorized capital raising process

No.	Issued Object	Increased capital (Billion VND)	New total contributed capital (Billion VND)	Number	Date of Issue
1	Founding shareholder		90,0	No. 0200167782	First issuance on 30/12/2004
2	Bonus shares for existing shareholders	54,5	144,5	23/2006/GCNCP-TTLK	07/12/2006
3	Bonus shares for existing shareholders	72,23	216,7	23/2006/GCNCP-TTLK-1	16/07/2007
4	Bonus shares for existing shareholders	216,7	433,4	23/2006/GCNCP-VSD-2	13/04/2011
5	Bonus shares for existing shareholders	130	563,4	23/2006/GCNCP-VSD-3	03/07/2014
6	Bonus shares for existing shareholders	56,3	619,7	23/2006/GCNCP-VSD-4	15/07/2015
7	Bonus shares for existing shareholders	123,9	743,7	23/2006/GCNCP-VSD-5	17/06/2016
8	Bonus shares for existing shareholders	148,7	892,4	23/2006/GCNCP-VSD-6	03/07/2017
9	Bonus shares for existing shareholders	89,2	981,6	23/2006/GCNCP-VSD-7	21/11/2019
10	Bonus shares for existing shareholders	196,3	1.177,9	23/2006/GCNCP-VSD-8	23/07/2020

Shareholder structure as of 31/12/2021

No.	List	Number of shares	Ratio (%)	Number of shareholders	Structure of shareholders	
					Entity	Individual
1	State shareholders	43,707,754	37.1	01	01	
2	Major shareholders	40,840,172	34.7	04	02	02
3	Trade Union	1,967,400	1.67	01	01	
4	Treasury shares	0	0	0		
5	Other shareholders	31,280,857	26.5	2,446	36	2,110
6	Total	117,796,183	100	2,452	40	2,412
In which:				2,350	19	2,331
- Domestic						
- Foreign				102	21	81

Major shareholder structure as of 31/12/2021:

No.	Name of shareholder	Number of owned shares	Owning proportion (%)
1	State Capital and Investment Corporation	43,707,754	37.1
2	Sekisui Chemical Co., Ltd	17,669,580	15
3	Tien Phong Plastic South Joint Stock Company	6,680,609	5.67
4	Mr. Dang Quoc Dung	8,096,335	6.87
5	Ms. Le Thi Thuy Hai	8,393,648	7.125

Total of shares	117,796,183
Type of outstanding shares: common shares	117,796,183
Number of freely transferred shares	117,796,183
Number of restricted shares	0

Number of shares owned by Members of the Board of Directors as of 31/12/2021:

No.	Name	Position	Number of shares	Ownership (%)
THE BOARD OF DIRECTORS				
1	Dang Quoc Dung	Chairman of the BOD	8,096,335	6.87
2	Noboru Kobayashi	Vice Chairman of the BOD	0	0
3	Chu Van Phuong	BOD Member	0	0
4	Tran Ngoc Bao	BOD Member	264,000	0.224
5	Nguyen Viet Phuong	BOD Member	0	0
6	Dao Anh Thang	BOD Member	161,990	0.138
THE BOARD OF MANAGEMENT				
1	Chu Van Phuong	General Director	0	0
2	Nguyen Van Thuc	Deputy General Director	4,075	0
3	Ngo Thi Thu Thuy	Deputy General Director	452	0
4	Tran Nhat Ninh	Deputy General Director	8,614	0
5	Tran Ngoc Bao	Chief Accountant	264,000	0.224



ORGANIZATION AND MANAGEMENT STRUCTURE

THE BOARD OF DIRECTORS



Mr. Dang Quoc Dung
Chairman of the BOD

Born: 1968

Professional qualification: Bachelor Economics (Vietnam Commerce University)

Working process:

2002 - 2005: Director of Huong Minh Limited Company

2007 - now: Chairman of BOD of Tien Phong Plastic South Joint Stock Company

2007 - 2017: Member of the BOD of Tien Phong Plastic Joint Stock Company.

2018 - April/2019: Vice Chairman of Tien Phong Plastic Joint Stock Company.

April/2019 - now: Chairman of Tien Phong Plastic Joint Stock Company.



Mr. Chu Van Phuong
BOD Member
General Director

Born: 1972

Professional Qualification: Master Business Administration (National Economics University).

Working Process:

2007-2012: Held different positions such as Deputy Manager of Sales Department, Head of Sales Department of Tien Phong Plastic JSC.

2012-2018: Deputy General Director of Sales of Tien Phong Plastic JSC.

4/2018 - now: Member of the Board of Directors of Tien Phong Plastic Joint Stock Company.

2019 - now: General Director of Tien Phong Plastic Joint Stock Company.



Mr. Noboru Kobayashi
Vice Chairman of the BOD

Nationality: Japanese

Born: 1966

Professional qualification: Chemical Engineering.

Working process:

2017 - now: General Director of SEKISUI Vietnam Co., Ltd.

2017 - April/2019: Member of the Board of Director of Tien Phong Plastic Joint Stock Company.

April/2019 - now: Vice Chairman of Tien Phong Plastic Joint Stock Company.

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



Mr. Tran Ngoc Bao
BOD Member
cum Chief Accountant

Born: 1976

Professional Qualification: Bachelor of Economics (Academy of Finance) and Certified CPA Auditor

Working process:

2000 - 2009: Director of Hai Phong Branch - Deloitte Vietnam Co., Ltd.

2010: Chief Accountant of Vung Tau Branch - Petroleum Machinery and Spare Parts Company.

2010 - 2012: Head of Supervisory Board of Tien Phong Plastic JSC.

2012 - now: Chief Accountant of Tien Phong Plastic JSC.

4/2018 - now: Member of the Board of Directors of Tien Phong Plastic Joint Stock Company.

THE BOARD OF DIRECTORS



Mr. Nguyen Viet Phuong
BOD Member
and Audit Committee member

Born: 1979

Professional Qualification: Master of Business Administration (National Economics University).

Working process:

2004 – 2000: Executive of Appraisal Department, Central Development Assistance Fund.

2005 – 2007: Deputy Manager of Administration and Secretariat Department, Central Development Assistance Fund.

2007 – 2008: Head of Foreign Capital Management, No. 1 Trading Department of Vietnam Development Bank.

2009 – 2015: Deputy Manager of Export Credit Department of Head Office of Vietnam Development Bank

2020 – now: Deputy Manager of No. 3 Investment Department of State Capital and Investment Corporation

Vice Chairman of the BOD of Ha Giang mechanics and minerals Joint Stock Company

BOD member of Tien Phong Plastic Joint Stock Company and Audit Committee member.



Mr. Dao Anh Thang
Independent BOD Member
cum Head of Audit Committee

Born: 1991

Professional qualification: Master of Finance Analysis (University of New South Wales, Australia).

Working process:

4/2019 - now: Independent Member of the Board of Directors of Tien Phong Plastic Joint Stock Company and Head of Audit Committee.

EXECUTIVE BOARD



Mr. Chu Van Phuong
BOD Member
General Director

Born: 1972

Professional Qualification: Master Business Administration (National Economics University).

Working Process:

2007-2012: Held different positions such as Deputy Manager of Sales Department, Head of Sales Department of Tien Phong Plastic JSC.

2012-2018: Deputy General Director of Sales of Tien Phong Plastic JSC.

4/2018 – now: Member of the Board of Directors of Tien Phong Plastic Joint Stock Company.

2019 - now: General Director of Tien Phong Plastic Joint Stock Company.



Mr. Nguyen Van Thuc
Deputy General Director
of Internal Affairs

Born: 1969

Professional Qualification: Bachelor of Economics (National Economics University).

Working process:

2005-2015: Held different positions of Tien Phong Plastic JSC such as Deputy Manager of Labor Organization, Manager of Labor Organization Division, and Head of Labor Organization Department.

2015 - now: Deputy General Director of Internal Affairs of Tien Phong Plastic JSC.

EXECUTIVE BOARD



Ms. Ngo Thi Thu Thuy

Deputy General Director of Production

Born: 1970

Professional Qualification: Chemical Engineering Engineer, Business engineering (Hanoi University of Technology).

Working process:

2004-2014: Held different positions of Tien Phong Plastic JSC such as Deputy Manager, Head of Production Techniques and Quality Management.

2014 - now: Deputy General Director of Production of Tien Phong Plastic JSC.



Mr. Tran Nhat Ninh

Deputy General Director of Technique

Born: 1971

Professional Qualification: Mechanical Engineer, Business engineering, (Hanoi University of Technology).

Working process:

2005-2014: Held different positions of Tien Phong Plastic JSC such as Deputy Manager of the factory, Deputy Head of Research and Design and Head of Research and Design.

2014 - now: Deputy General Director of Engineering of Tien Phong Plastic JSC.



Mr. Tran Ngoc Bao

BOD Member cum Chief Accountant

Born: 1976

Professional Qualification: Bachelor of Economics (Academy of Finance) and Certified CPA Auditor

Working process:

2000 - 2009: Director of Hai Phong Branch - Deloitte Vietnam Co., Ltd.

2010: Chief Accountant of Vung Tau Branch - Petroleum Machinery and Spare Parts Company.

2010 - 2012: Head of Supervisory Board of Tien Phong Plastic JSC.

2012 - now: Chief Accountant of Tien Phong Plastic JSC.

4/2018 - now: Member of the Board of Directors of Tien Phong Plastic Joint Stock Company.

AUDIT COMMITTEE



Mr. Dao Anh Thang

Independent BOD Member
cum Head of Audit Committee

Born: 1991

Professional qualification: Master of Finance Analysis
(University of New South Wales, Australia).

Working process:

4/2019 - now: Independent Member of the Board of Directors of
Tien Phong Plastic Joint Stock Company and Head of Audit
Committee.



Mr. Nguyen Viet Phuong
BOD Member

and Audit Committee member.

Born: 1979

Professional Qualification: Master of Business Administration
(National Economics University).

Working process:

2004 – 2000: Executive of Appraisal Department, Central
Development Assistance Fund.

2005 - 2007: Deputy Manager of Administration and
Secretariat Department, Central Development Assistance Fund.

2007 - 2008: Head of Foreign Capital Management, No. 1
Trading Department of Vietnam Development Bank.

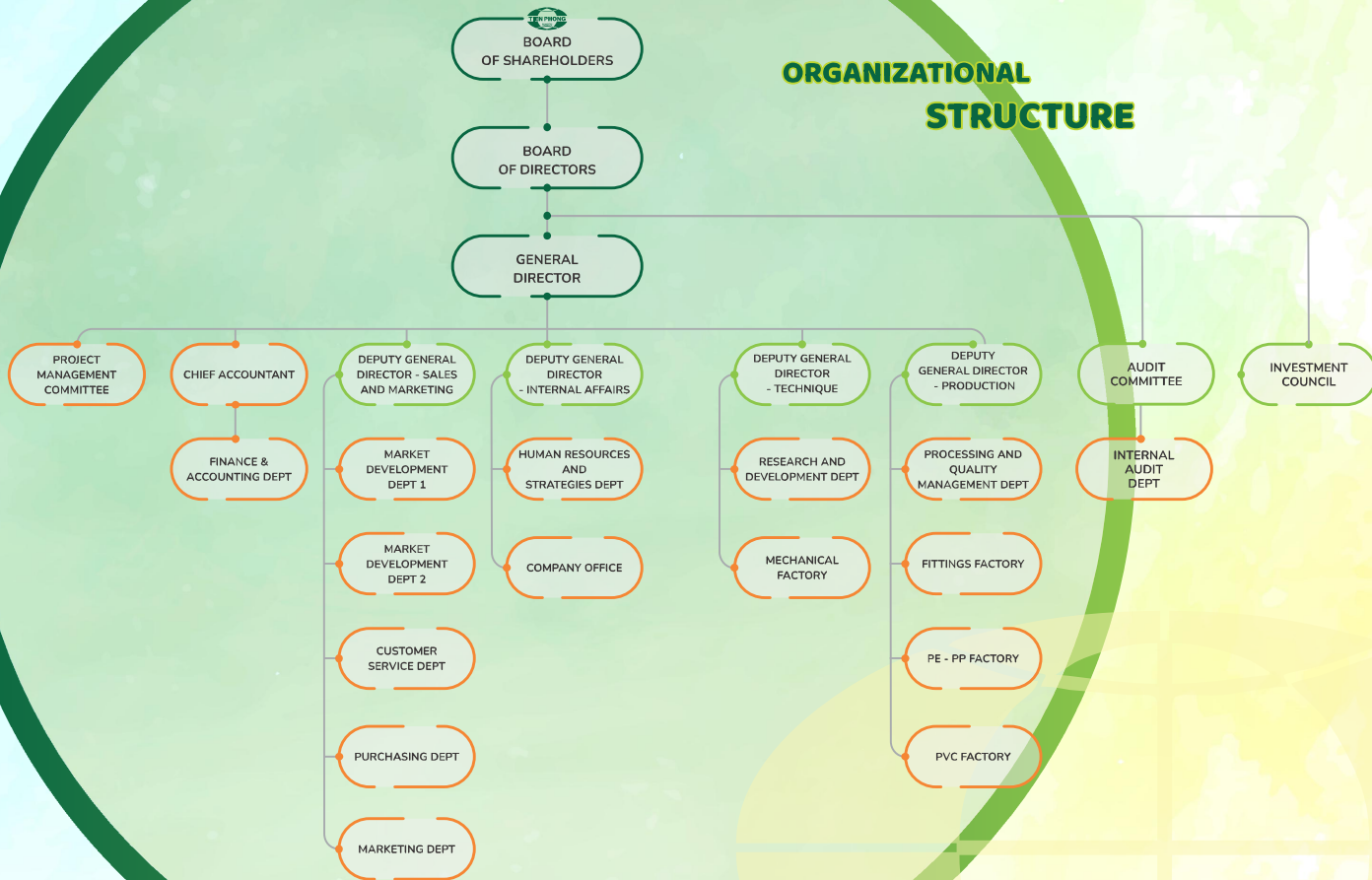
2009 - 2015: Deputy Manager of Export Credit Department of
Head Office of Vietnam Development Bank

2020 - now: Deputy Manager of No. 3 Investment Department
of State Capital and Investment Corporation

Vice Chairman of the BOD of Ha Giang mechanics and minerals
Joint Stock Company

BOD member of Tien Phong Plastic Joint Stock Company and
Audit Committee member.

ORGANIZATIONAL STRUCTURE



3 CORPORATE GOVERNANCE

1. Plastic industry market overview in 2021

1.1. Plastic market in 2021

A Global plastic industry

According to GLOBE NEWSWIRE forecast, the global plastic market size is forecasted to reach \$ 616.82 billion by 2028, at the Compounded Annual Growth rate (CAGR) of 5.0%. The skyrocketing demand for personal protective equipment such as masks and gloves amid COVID-19 will emerge as a key growth driver for this market. Global competitive landscape:

Big companies are focusing on new product development

With the aim of broadening their business horizons, key players in the market are focusing on developing innovative products and solutions. These innovations help to create a niche in the plastics industry and step by step promote sustainability in this industry, which will drive the plastic market further growth.

Impact of the Covid-19 pandemic

Personal protective equipment products are mostly made from plastic because the material is easy to use for mass production. The coronavirus pandemic has led to an unprecedented spike in demand from the healthcare industry as frontline workers are constantly in contact with COVID patients and need adequate protection.

According to the World Health Organization (WHO), every month about 89 million medical masks and 76 million disposable gloves are needed to fight the virus. In March 2020, WHO urged companies to increase their production capacity by 40%. As a result, the pandemic is creating lucrative opportunities for the industry.

Risk to the environment

The widespread and widespread use of plastic products globally has increased the problem of pollution and is expected to increase over the next few decades. According to a model developed by researchers from the University of Leeds, University of Oxford, SYSTEMIQ and The Pew Charity Trusts, more than 1.3 billion tonnes of waste will be dumped into the oceans and on land between 2016 and 2040. Currently, research shows that about 30 million tons of plastic are dumped on land, 50 million tons are burned, and 11 million tons will end up in the ocean. Furthermore, burning it is said to lead to a serious increase in air pollution.

The prospect of bioplastics

Bioplastics are a sustainable alternative to petroleum-based plastics and derived from renewable raw materials. The potential to reduce carbon dioxide emissions is 30-70%. Compared with conventional petroleum plastics, bioplastics require 65% less energy to produce. The use of bioplastics in various applications has increased greatly due to its advanced properties. In recent years, bioplastics have dominated the plastics market thanks in part to regulatory support in many countries.

B Overview of Vietnam's plastic industry

According to Motor Intelligence's assessment, the Vietnamese plastic market is assessed at more than 7 million tons by 2020 and is expected to achieve a compound annual growth rate of over 10% during the forecast period 2021-2026.

Up to now, this industry has more than 4,000 enterprises, of which more than 99% are private enterprises, concentrated mainly in the South region (accounting for over 80% of the country's plastic enterprises) because this is where plastic packaging products are consumed the most in many processing industrial zones.

Extrusion technology remains the core of production.

In Vietnam, extrusion technology is used to manufacture products such as PVC, PE pipes, aluminum and plastic pipes, fibers, PVC doors, frames, roofing and wall coverings. The extrusion molding process has low production costs and fast set-up time, so it is mainly used in construction activities and the production of PVC, HDPE, PPR pipes, profile bars, etc.

According to the plastic industry development plan, the plastic industry will be restructured in the direction of reducing the proportion of packaging plastic and consumer plastic and increasing the proportion of construction and engineering plastic segments. Vietnam's construction plastic segment accounts for about a quarter of the total plastic industry. The development of construction and real estate sectors is driving the demand for construction plastics market. Competition in the field of construction plastics is becoming increasingly fierce. Although domestic plastic enterprises still dominate due to their huge size, market share and strong brand value, their market share is likely to decrease if they do not adapt to the increasing competition.

Raw material prices are getting higher and higher

According to data reported in 2020, the supply of PP plastic materials (used to produce industrial and household plastic products) in Vietnam is 850,000 tons/year (if running at full design capacity) from three factories, including Binh Son Refining and Petrochemical Company Limited (150 thousand tons/year), Nghi Son Refining and Petrochemical Company (400 thousand tons/year) and Hyosung Vietnam Co., Ltd (300,000 tons/year).

A representative of the Vietnam Plastics Association said that the Covid-19 epidemic is a big challenge for plastic enterprises because of its small scale, limited technology level and weak resilience. For many years, the plastic industry has always been in a state of trade deficit, with export turnover much lower than import turnover. Vietnam's plastic industry is only self-sufficient about 15-35% of raw materials depending on the type of product, the rest has to import materials from China, Korea, Japan and the ASEAN region...

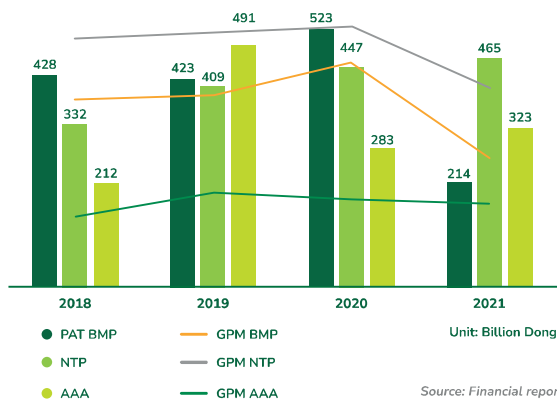
⑨ The price of plastic resin increases sharply with the price of oil

According to data from the global financial portal Investing, the price of PE resin has increased by 10.4% in the past 3 months (from December 9, 2021 to March 8, 2022). Similarly, the price of PP resin on March 8, 2022 increased by more than 10% compared to December 6, 2021.

Plastic beads are made from petroleum products, typically PP and PE. Therefore, fluctuations in oil prices have directly affected the price of plastic resins. Plastic beads account for about 60-70% of the cost structure of plastic manufacturing enterprises, so the current high price of plastic resins sharply increases input costs of enterprises in the industry.

In fact, in 2021, the price of input materials increased sharply, with an increase of 1.6 times a year, at many times reaching the highest increase in history, which greatly affected the business performance.

⑩ Profit margin and plastic group profit chart 2018-2021



Specifically, the gross profit margin of Tien Phong Teenage Plastic Joint Stock Company (code NTP) last year dropped sharply from 31% to 24%. However, the Company maintained a slight increase in net profit of 4% compared to the level in 2020 thanks to the reduction of financial expenses, selling and administrative expenses.

With An Phat Xanh Plastic Joint Stock Company (code AAA), gross profit margin decreased from 10.46% to 9.9%.

⑪ Prospects of Vietnam's plastic industry

According to experts, Vietnam's plastic industry is benefiting from the need to shift investment and business from multinational corporations. Because at present, the plastic industry is one of the main suppliers of technical and supporting products, up to 60%, for industrial production fields.

In the context of the Covid-19 epidemic, Vietnam officially became the 5th largest export market of plastic products to the US market. In the first 6 months of 2021, export turnover grew strongly, reaching 108.2 million USD, increased by 29.5% over the same period in 2020 and opening opportunities for Vietnam's plastic products on the world market; affirming the important position of plastic manufacturing industry in the overall industrial production field in general.

However, in the context of globalization, Vietnam's plastic industry has been facing many challenges which are low production capacity compared to many countries in the region and the world, the high proportion of imported mold materials, as well as the lack of skilled labor force. In addition, Vietnam's plastic industry still deals with many restrictions on input policies. In the 2nd Draft "Plan for development of Vietnam's plastic industry to 2020, vision to 2025", the representative of the Institute for Industry and Trade Policy and Strategy said that the development goal of Vietnam's plastic industry is to become into a strong economic sector with a high and sustainable growth rate.



S.W.O.T Analysis

A Strength and opportunity

Strong production capacity: From 1990 until now, Tien Phong Plastic has established a production and business ecosystem covering whole country, particularly building a remarkable impression in consumer's sub-conscious, which is proud to be a pioneer of plastic pipe in Vietnam.

In 2020 and in 2021, like other businesses, Tien Phong Plastic is reeling in the "Covid-19" storm. The 3rd & 4th outbreaks in 2021, in the South, especially Ho Chi Minh had to implement strict blockades and prolonged social distance. This has caused negative impacts on businesses, especially small and medium-cap companies. According to the General Statistics Office, in 2021, an average of nearly 10,000 businesses withdraw from the market every month; 16.7 thousand enterprises completed dissolution procedures and 48.1 thousand enterprises ceased operation. Particularly for the plastic industry market, due to its complete dependence on imported raw materials, the fluctuation of the world market price of raw materials (PVC powder sometimes reaches 1,800 USD/ton) has brought a problem. It is difficult for businesses to balance between operating costs and selling prices.

In order to maintain the position, brand and growth momentum of Tien Phong Plastic in the face of storms and challenges, Tien Phong Plastic has pondered and chosen solutions aimed at protecting the interests of shareholders, the safety for the distribution system and especially the stability for the lives of more than 1,300 employees from North to South. Thanks to tight control of costs in production and business activities, a decrease in loan interest rates during this period, and timely improvisation when predicting the price increase of raw materials, Tien Phong Plastic continued to maintain its position with pre-tax profit exceeding the plan by 21% and revenue growing by 11% compared to 2020.

In 2021, Tien Phong Plastic had a year of successful operations in the context of increased competition pressure on the market as well as struggled business and productive situation, raging pandemic, which fluctuating the economy, with a total revenues of VND 4.823.5 billion, equivalent to 97.339.4 tons of production and profit exceeding the objectives of VND 507 million, 5.27% higher than 2019.

In particular, the Company strived to achieve all the production objectives with high performance such as saving in material, electricity, water, waste rate, OEE index and numbers of customer complaints, etc. Thus, Tien Phong Plastic always guarantees to provide products as soon as possible along with safety production. The quality control systems including ISO 9001, ISO 14001, ISO 45001, ISO 50001, TPM, 5S and Lean are continuously maintained and strictly implemented within Company.

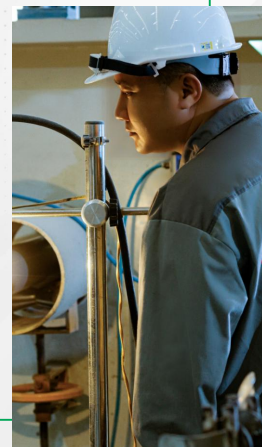
Tien Phong Plastic has also released several latest products leading the trend in terms of plastic pipe industry while handling reasonable capital assets, increased mobilization cost of capital and periodically updated financial status for BOD to consult timely and efficiently orientation beside policies.

The enterprise has operated 03 factories all day and night in Hai Phong city, Nghe An province and Binh Duong province with total production capacity over 190,000 tons per year and just finished the latest factory located next to the first one in Binh Duong by the end of 2019. Particularly, within 2020, the supply potential in the south would be raised to 60,000 tons per year. Regarding new factory in Hai Phong, the Board of Management is also planning to expand production capacity in short-term period with the aim of promptly responding to the new market segment which was successful in 2020. Furthermore, the target of extending the market in all areas within country is able to achieve as well as fulfill the potential development in consumer demand, due to the expectation that capacity could be enlarged by 30% at the moment the expanding factory is completed.

There's no denying that Tien Phong Plastic became the pioneer in terms of plastic pipe manufacturing along with international standards and qualified outcomes. These results are likely related to technology investment which continuously launch numerous products firstly produced in Vietnam, increasing value for customers. In particular, the Company has not only paid attention to procedure, management approach of imported machinery, production lines and technology but also strives to research and offer new products suitable to domestic market.

Furthermore, the corporate governance has remained stable with unchanged business strategy due to the fact the major shares of Tien Phong Plastic are held by local citizens. The Company also guarantees organizational cohesion and stability so as to reserve the Company capital and time to achieve the common goals.

Wide distribution: The company focuses on building a wide distribution network including: 09 distribution centers, 300 agents and nearly 20,000 points of sale nationwide. This elucidates an immense advantage to broaden the customer network of the business on a regular basis. In addition, Tien Phong Plastic has shown its ambition and opportunities to expand through the major market share in the North and developing production in all three regions of the North, Central and South; the cooperation with Sekisui Group as well as large corporations within country.





- **Tien Phong Plastic Market:** It has focused mostly in the North. The ability to export products to the world is widening with several bilateral and multilateral accords among Vietnam, other countries and territories worldwide.
- **Brand recognition in Northern market.** Tien Phong Plastic is known as an influential brand in terms of construction plastic pipe in North. Nevertheless, in the context of fierce pricing rivalry, to remain this price policy, the company has thoroughly concentrated on improving after-sales service, supporting official agents as well as unceasing innovative products. Tien Phong Plastic chooses compete on product quality instead of price. The quality of projects along with products are certified by using the brand, which is evaluated as the right orientation for sustainable development.
- There is no significant gap in the listed price of leading firms in the market including Tien Phong Plastic.



B Weakness and threat

Market and profit pressure: Demand growth for NTP has slowed down recently due to pressure of new competitors. After the rapid growth during 2014-2016 period thanks to real estate and construction boom, it has now stagnated in 2019, 2020. There have been minor improvements in 2021 but it has stagnated in 2020 due to the fluctuating economy and pandemic.

Related to plastic pipe market, competition is concentrated primarily in the civil sector. The new rivals have competed with Tien Phong Plastic through the discount policy.

There are also two factors that affect NTP's business performance: the possibility of input material prices fluctuation and the exchange rate. The company has double risks with it due to the 100% importing of plastic resins (accounted for 70% of raw materials cost) and payments are mostly in USD, EUR. In 2021, in conjunction with stable prices of plastic resin, Tien Phong Plastic has a strong supply policy for raw materials which does not have a huge impact on profit.

1.3. Sales Plan in 2022

66 In 2021, NTP has achieved positive results and overcome all obstacles in the period of fluctuated economic due to Covid19 pandemic. Nevertheless, there are rooms for improvement and problems to be solved in 2022, especially when growth must be sustainable and workforce's standard of living must be raised.

Hence, 2021 Sales plan aims for these following targets: 99

Indicators	Unit	Implemented in 2021	2022 Plan	Growth
Consolidated revenue	VND Billion	4,823.51	5,175	93.2%
Output	Ton	94,120	100,000	92.27%
Pre-tax profit of Parent Company	VND Billion	551	465	85%

To achieve these targets, certain measures have to be employed in 2022:

Business:

- Follow market trend and marketshare to obtain latest intel on product consumption. Increase forecasting and analyzing global and local plastic industry to adjust operation in accordance with market variations.
- Actively conduct market research and survey to identify areas that need attention and to be pushed, which ultimately assist NTP in expanding marketshare.
- Maintain a good after-sale policy, resolve complaints without fail and with extra care to preserve and promote company's prestige.
- Constantly review prices of the product NTP is offering to ensure it follows current market situation, suitable with raw material variation, exchange rates, competition, industry development, economic growth ... so that consumers accept our products and ensure NTP's profit.
- Always apply a variety of advertisements, commercials and public relation events to maintain brand recognition and support sales.
- Expand retail network to nationwide and aim for foreign markets.
- Always evaluate and inspect retail network to push for the highest distribution and sales of company's products.
- Form new partnerships and enter more contracts with potent clients.

Finance:

- Manage finance efficiently, control cash flow and product supply to ensure capital turnover and maximize profit.
- Prioritise working capital for production. Increase internal financial audit, supervision and control
- Consider to purchase shares from water and drainage companies – traditional and long-term clients of NTP.

Technology:

- Appoint teams to control quality of product and tech support at factories to increase work efficiency.
- Follow sales plan closely and apply known solutions to arising problems based on appropriate market and period.
- R&D new solutions that enhances the quality of NTP's products to meet increasing demand.
- Improve quality of existing products; raise productivity by implementing automation and machinery into production line.
- Invest on new machines and equipments, moulds, materials, techniques to produce new products and maintain leadership in Vietnam plastic industry.
- Finalize designs and logos that promote and allow easy brand recognition
- Apply new techniques in manufacturing activity to guard against fakes and imitates.
- Control costs and overheads to maximize investment efficiency.
- R&D new solutions that enhances the quality of NTP's products to meet increasing demand.
- Renovate current line of products to improve quality, design and adjust price to meet demand from consumer.
- Deploy in sync and effectively measures to improve administration, technology and expertise, which help increase productivity.
- Constantly improve and modify systems, processes, organization and production to optimise company's operation efficiency, from planning to actual production. Minimize and limit cross-function and undefined responsibility, professionalize all stages from input to output.

Employees' living standards:

- Continue to maintain discipline and raise the awareness of compliance with internal labor regulations of all employees.
- Continuously improve material and spiritual life of employees to encourage their devotion to work, carry out all labour policies required by law.
- Insist on building a unique company culture since it not only goes along with better productivity but also promote workforce's loyalty and encourage them to stay in long-term.
- Always evaluate and re-evaluate employees' competence to assign work and promote correctly, as well as making sure salary level is appropriate.
- Continue trainings in management, business knowledge and expertise for the next generation of officers
- Review rules and regulation to ensure compliance as a Limited Company.

Environment and work safety:

- Maintain production based on regulation on environmental protection by law.
- Devise plans for work safety and labour protection as well and keeping hygiene. Improve work condition and prevent accidents and occupational hazards/diseases. Ensure strict adherence to fire safety regulation.
- Provide sufficient healthcare for employees

2. Reports of the Board of Directors

2.1

Principal activities of the BOD:

BB The Board of Directors regularly monitors the production and business situation. Directing, orienting and closely monitoring the Executive Board in production, business, investment, financial operations... At the same time, quickly providing timely and flexible oriented solutions to help production activities achieve the highest efficiency in the specific conditions of 2021.

- During 2021, the Board of Directors held 04 period meetings in order to discuss, assess and propose orientations and direct principal activities of the Company, including:

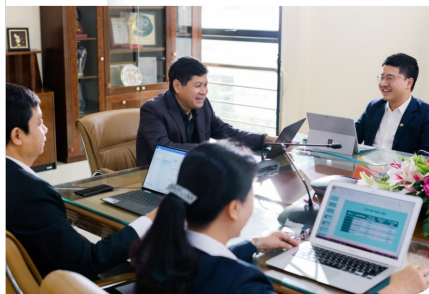
+ Establish Audit Committee under the Board of Directors, ensuring the organization structure of the Company in compliance with Law on Enterprises 2020.

+ In order to implement the Resolution of the Annual General Meeting of Shareholders 2021, the Board of Directors issued Decision on cash dividend payment 2020 phase 2 with ratio at 10% on 28/5/2021; and cash dividend payment 2021 phase 1 in advance with ratio at 15% on November 24th, 2021.

+ Appoint Mr. Chu Van Phuong to be General Director of the Company, term of appointment is 03 years (2022-2024)

- The Board of Directors directs and oversees closely activities of the Board of Management in all aspects of production-business area, investment work, finance work, etc. in order to give timely and flexible adjustments in the context of specific condition in 2021.

- The Board of Directors also oriented, oversaw the organization work, ensuring the implementation and timely supplementation of policies for laborers who have been affected by Covid-19.



Resolutions /Decisions of the BOD of the BOD issued in 2021

No.	Resolution/ Decision	Date of issue	Content	Adoption ratio
1	01/QĐ-HĐQT	13/01/2021	Decision of the Board of Directors on appointment of Deputy Head of Internal Audit Department	100%
2	07/QĐ-HĐQT	26/01/2021	Decision of the Board of Directors on establishment of the 2021 Annual General Meeting of Shareholders' Organization Committee	100%
3	11/QĐ-HĐQT	03/02/2021	Decision of the Board of Directors on establishment of Implementation Division of 2020 Annual Report	100%
4	14/QĐ-HĐQT	14/04/2021	Decision of the Board of Directors on establishment of Audit Committee	100%
5	15/QĐ-HĐQT	14/04/2021	Decision of the Board of Directors on promulgation of operating regulation of Audit Committee.	100%
6	16/QĐ-HĐQT	14/04/2021	Decision of the Board of Directors on task assignment for Audit Committee.	100%
7	21/NQ-HĐQT	20/4/2021	Resolution of the Board of Directors on the second cash dividend payment 2020	100%
8	23/QĐ-HĐQT	24/4/2021	Quyết định của HĐQT về việc cử người đại diện phần vốn của CTCP Nhựa TNTP tại CTCP Công nghệ thiết bị Tiên Phong	100%
9	27/QĐ-HĐQT	13/5/2021	Decision of the Board of Directors on appointment of representative for NTP's capital at Tien Phong technology and equipment Joint Stock Company.	100%

No.	Resolution/ Decision	Date of issue	Content	Adoption ratio
10	28/QĐ-HĐQT	01/6/2021	Decision of the Board of Directors on promulgation of Officer management being applied to members of the Board of Management	100%
11	29/QĐ-HĐQT	21/6/2021	Decision on establishment of Assistance Division for the BOD chairman	100%
12	33/QĐ-HĐQT	05/7/2021	Decision of the Board of Directors on promulgation of Amended Charter of Tien Phong Central Plastic Co., Ltd	100%
13	36/QĐ-HĐQT	08/7/2021	Decision of the Board of Directors on removal of regulation on management apparatus organization of Tien Phong Central Co., Ltd and relationship with Tien Phong Plastic JSC.	100%
14	44/NQ-HĐQT	21/10/2021	Resolution of the Board of Directors on the first cash dividend payment 2021 in advance	100%
15	50/QĐ-HĐQT	10/11/2021	Decision of the Board of Directors on the first cash dividend payment 2021 in advance	100%
16	53/QĐ-HĐQT	22/11/2021	Decision of the Board of Directors on promulgation of Regulation on Finance management of Tien Phong Plastic Joint Stock Company	100%
17	60/QĐ-HĐQT	29/12/2021	Decision of the Board of Directors on appointment of General Director	83,3%



Based on the practical market situation, development trend, as well as factors affecting production-business activities of the Company, with directions of pushing market operations, the Board of Directors has been concentrating on directing and overseeing production-business activities of the market closely, endeavor to maintain market share of Tien Phong Plastic in 2022, in which consolidated sales revenue and pre-tax profit of the Company are 5,175 billion VND and 465 billion VND respectively.

To achieve basic targets above, the Board of Directors of the Company directs as well as instructs some fundamental solutions as follows:

- ③ Follow up competitive situation, speed up the development of new products and broaden the market; formulate flexible market policies, creating motivations of distribution systems as well as customers of Tien Phong Plastic.
- ③ Improve production capacity and automatic level in production, boost improvement activities in order to save cost and minimize resources. Accordingly, helps enhance business efficiency and manage the Company.
- ③ Pay attention to resource quality development, build friendly and safe working environment, rise interests for employees, Strengthen welfare policies, attract talents, build management human resources and highly qualified labors.



- ③ Maintain the sufficient, timely and transparent information supply, deserving as a credible address of investors; committing capital preservation and development, as well as interests guarantee of investors.
- ③ Strengthen the competitive abilities by governance qualification improvement, application of advanced models and tools together with state-of-the-art technologies investment and application. Shape to build an advanced governance structure based on digital platform.
- ③ Continue to carry out charity activities for the society and community.



- The Board of Directors highly appreciated roles of the Company's Board of Management in implementing guidelines, policies and resolutions of the Board of Directors in 2021 as well as maintain market development, uphold a trademark of Tien Phong Plastic
- In the context of severe market, at the same time, facing to impacts of Covid-19 pandemic, it has posed challenges in maintaining, developing and distributing the Company's products. Through practical solutions as well as strengthening sales staff, accelerating training courses to improve capacity, formulating new policies be in line with practical situation; new customer attraction policies, sales policies, strengthening positioning, standardizing the trademark and advertisement activities, the Company already maintained market share with consolidated revenue at 4,823.5 billion VND (equivalent to 107% compared to 2020 actual) and profit before tax of the Parent Company at 551 billion VND (equivalent to 105% compared to 2020 actual)
- Continuously conduct system innovation programs. In 2021, the BOM completed targets about human resources reviews and development planning successfully. Refining organization's policies in line with practical situation, satisfying employees' demands, ensuring the Company's benefits. Continuously direct to implement other activities in order to build corporate culture and raise competitive capacity of the Company.
- As for the organization of production work, the Board of Management already completed targets of production process improvement, optimized formula, mixing orders, be flexible in using machine-equipment, rationalized products on production lines at the highest capacity, meeting business demands. In particular, tested and put chemical mixing orders into production, ensuring quality and saving costs about 30 billion VND per year, such as: replace raw materials by self-mixing resin for conduit pipes and uPVC cable trunkings; replace expensive BA212E resin by mixing resin under L68B:2020 order; use mixing resin under L59-2020 order instead of PE100 in PE butt fusion fittings production, helping shorten lathe process and save cost, etc.
- Along with the implementation of production-business targets, the BOM directed the research and production of new products successfully, towards broadening and diversifying goods, optimizing costs, enhancing competitive capacity. Especially, subjects of new product manufacture, improvement of machinery-equipment, process of optimal product installation brought efficiencies in production, improved capacity and product quality, saved costs. In 2021, the Company already researched and produced spiral fittings ISO 3633 - DN110, fishery serving products: PE walls dimension of 1450x1000x100, plastic boxes T50 HDPE (KT10000) successfully.
- The BOM continuously directed to maintain the efficiencies of quality management system, environment management system, energy management system, deploying management tools such as: TPM, 5S, Lean Six Sigma well.
- Finance work is under strict supervision, which supplied adequate and timely report figures, serving the operations of the Board of Management and Internal Governance. Finance reports and tax reports have been implemented strictly in accordance with laws and State regulations. The Company proactively raised capital from variant sources with affordable interest rate, ensuring to serve production-business operations, investment, dividend payment, avoiding bad-debts, outstanding debts, etc.
- Apart from production-business activities, the Company continuously has paid attention and conducted social charity, presenting the corporate's responsibilities to community.

2.4

Activities of Independent BOD member and Audit Committee

In 2021, the Company established Audit Committee to be compliance with the new management organization model of the Company, and elected Mr. Dao Anh Thang – Independent BOD member to be the Head of Audit Committee.

A The audit committee structure

No.	Members of the Audit Committee	Position	Date of starting/no longer being a member of the Audit Committee	Professional qualification
1	Dao Anh Thang	Chairman	14/04/2021	Master of Financial Analysis
2	Nguyen Viet Phuong	Member	14/04/2021	Master of Business Administration

B Audit Committee meetings

No.	Members of the Audit Committee	Number of meetings attended	Meeting rate	Voting rate	Reasons for not attending the meeting
1	Dao Anh Thang	2 (*)	100%	100%	
2	Nguyen Viet Phuong	2 (*)	100%	100%	

(*) Due to the epidemic situation, in 2021, the Audit Committee meetings were conducted in the form of an online meeting.

C

Activities of the Audit Committee in 2021

- Independent member of the Board of Directors – Mr. Dao Anh Thang participated in the activities of the Board of Directors, supervising, advising and giving independent views on issues in production and business activities. At the same time, directly giving instructions and operating the activities of the Audit Committee.
- Audit committee is in charge of supervising the compliance operations of the BOM and departments through the supervision of Resolutions, Decisions of the BOD, GMS which had been issued in 2021 based on surveillance of department's activities through the BOM's meetings, audit programs and reports by third party, such as Internal Audit, etc.
- Through oversight operations, the Board of Directors already exercised rights and obligations in accordance with Laws, legal regulations, resolutions of the GMS and the Company's Charter. General Director already complied with his functions, duties, actively implemented Resolutions of the GMS, Resolutions of the Board of Directors, conducted management and operation activities in accordance with laws. During 2021, Audit Committee had not received any claims from shareholders.

2.5

Activities of Internal Audit

- Build the annual operating plan, ensuring assessment of regulation compliance and give recommendations for operating activities rationally and efficiently. At the same time, reports of Internal Audit also strengthened the transparent information as a basis of consulting the BOD for making decisions.
- During 2021, the audit has already been conducted at following entities: Tien Phong Central Plastic Co., Ltd, Research and Development Department, Sales Department, Customer Service Department, Finance and Accounting Department, Project Management Department, PVC factory. Through audit programs, Internal Audit summarized the assessment results and gave some recommendations about: finance issues, overdue debts, the State regulations on price transferring at Tien Phong Central, fixed-asset accounting, refunded goods, etc. at Finance and Accounting Department, recommendations related to molding – equipment management, compliances with processes and guidance, supervision of raw materials, etc. at Research and Development Department, PVC factory; recommendations related to supervision of discount and welding machines, etc. at Customer Service Department and Sales Department. As for investment work, it also gave recommendations on Investment Regulation, process of implementation of investment – construction work and legal risks of work-in-progress, etc.
- Summarize risks of the Company since 2022 from departments/divisions/factories, rank arising risks, accordingly, build risk mitigation methods.

In 2021, Tien Phong Plastic continuously analyzed, assessed, monitored and managed risks affecting strategies and business operations, including:

A Risks of macroeconomics

The important factors of the economy, such as: growth rate, inflation, credit growth, exchange rate, CPI, saving rate, investment rate or unemployment rate all have an impact on operation and business results of Tien Phong Plastic. Specialized departments monitored macroeconomics and consulted Top Executives about prediction of macroeconomics trends in the future and crucial impacts on business area, which helped making appropriate decisions and strategies

B Risk of competition

Plastic pipe consumption trend together with development prospects domestically and abroad resulted in increasingly intense competition in the same industry. Aiming to prevent risks of competitive capacity reduction due to not meet requirements and market trend, Tien Phong Plastic proactively have improved products, developed its business and minimized costs based on the scientific and modern management system. The Company relentlessly have researched and launched more and more standard products, serving many customers.

C Risk of finance

Finance risks of Tien Phong Plastic including risks of liquidation, credit, interests, price and foreign exchange.

⌕ Risks of liquidation:

In order to prevent and minimize the liquidity risk, NTP has developed and applied measures and methods to prevent and respond to liquidity risk through strict cash flow management and maintenance of liquidity; arranged short-term and long-term credit agreements from the banks as well as other financial sources to ensure that the loan will be repaid after NTP completes the financial plan, maintaining the solvency index at a healthy level and reasonable ratio, balance between assets and liabilities. Monthly reports on cash flow and liquidity of NTP have been prepared and reported to the Board of Management by relevant departments.

⌕ Risk of credits

During 2021, Tien Phong Plastic formulated debt policies for each group of customers based on their financial status, security assets and transactional credit of each group and recommendations of sales units in order to determine appropriate credit limits. Monthly, the Board of Management reviews the debt limits. The sales units are responsible for collecting repayments on time. The Finance and Accounting Department prepares and reports weekly on cash flow plans to the Board of Management for flexible business measures, ensuring no overdue payments incurred.



⌕ Risk of market

◆ Risks of interest rate:

In 2021, the Company will continue to maintain a reasonable leverage or seek to reduce its debt to profitability ratio in order to reduce pressure from interest expenses. Perform financial restructure through deleveraging (find banks, credit institutions or investment fund with low and stable interest rate to replace) or redirecting capital from other channels such as: raising capital, withdrawing capital from some investment portfolio, calling for investment cooperation from large organization domestically and overseas.

◆ Risk of prices:

Price fluctuations in the world market may affect the purchase price of raw materials and semi-finished products of the Company. Good risk management not only ensures the profit but also contributes to cost reduction. However, thanks to the policy of diversifying suppliers and customer lists as well as the contracts of material purchase with semi-finished products, NTP can maintain the profit margin between the selling price and finished products of plastic resin. Tien Phong Plastic always closely monitors developments of the market and has timely solutions to purchase and stock up raw materials with reasonable prices to ensure the stability of plastic production. At the same time, the Company also takes measures to save on raw materials, energy, etc. to reduce production costs, to keep price at a stable level, and to maintain competitive advantages for the Company in the situation in which raw materials market has many complicated developments.

D Risk of laws and compliance

Compliance with law is an integral part of governance culture of Tien Phong Plastic and prescribed in each regulation, being in consistent with in the whole Company. System of laws and documents guiding tax and social insurance has continuously changed but not necessarily synchronised. This has an impact on operating performance and the Company's orientation. Risks of lawsuit, disputes, compensations may take happen if the Company does not update new regulations frequently. NTP has established a mechanism for following, updating and adjusting in order to be adaptable to these changes.

E Risk of human resources

In order to attract senior personnel and create motivation for employees, Tien Phong Plastic formulated competitive and transparent welfare policies, which is commensurate with working performance. Tien Phong Plastic already created a featured environment through series of culture activities successfully, Tien Phong Plastic likes Home for staff, creating the long-time cohesion with the Company. In order to ensure qualified and stable human resources while relentlessly burst operation model, Tien Phong Plastic actively conducted lots of training courses and talk shows for junior management, specifically young leaders to be core personnel in the future.

2.6 Remunerations, transactions and benefits for the BOD, BOS, BOM

No.	Member	Title	2020	2021
BOARD OF DIRECTORS				
1	Dang Quoc Dung	Chairman	2,600,016,572	3,352,341,875
2	Noboru Kobayashi	Vice Chairman	588,980,000	884,500,000
3	Chu Van Phuong	Member	2,632,900,304	3,387,176,659
4	Tran Ngoc Bao	Member	2,030,000,412	2,698,561,261
5	Nguyen Viet Phuong	Member		177,000,000
8	Dao Anh Thang	Independent Member	864,000,000	918,630,000

BOARD OF MANAGEMENT

1	Chu Van Phuong	General Director	2,632,900,304	3,387,176,659
2	Nguyen Van Thuc	Deputy General Director	1,573,336,408	1,874,913,765
3	Ngo Thi Thu Thuy	Deputy General Director	1,412,542,588	1,754,314,923
4	Tran Nhat Ninh	Deputy General Director	1,310,322,584	1,563,380,427
5	Tran Ngoc Bao	Chief Accountant	2,030,000,412	2,698,561,261

3. Report of the Executive Board

3.1. Business Division

MAINTAIN THE BEST PRICE IN THE MARKET

For the construction plastic industry, the cost of input materials is one of the factors that greatly affects the profit of the business because it accounts for a high proportion and is subject to constant fluctuations by oil prices and the exchange rate. Currently, the supporting industry for the plastic industry has not yet developed, so the domestic supply can only meet about 1 million tons of raw materials, resulting in 75%-80% of input materials. That brings quite a risk for businesses in the industry when in 2021, the price of plastic resins in the world market in general and Asia in particular has increased continuously since the beginning of the year with a peak in March then slight decreased in June and went up again; estimated to be 30-45% higher than the same period last year, especially PVC.

With a wealth of experience in facing challenges in 62 years of business development, Tien Phong Plastic has gradually built itself solid foundations such as expanding the scale of factories in all 3 regions of the North, Central and South, established a wide distribution system with nearly 400 distributors and nearly 20,000 stores, and cooperated with the world's leading partners in the construction plastic pipe industry, namely Sekisui Group - Japan, Iplex Group - New Zealand to upgrade production lines and modern equipment with the goal of creating new products towards convenience and maximum use value for customers, thereby having the initiative and flexibility adapt market volatility.

With forward-looking vision, in 2020, facing the first outbreaks of epidemics, instead of raising prices despite the business goals set forth by the Board of Directors, the company's leadership decided to maintain the selling price to encourage loyalty of the system of distributors and above all to customers when choosing to go with Tien Phong Plastic. Understanding the limitations of the plastic industry in general and the field of building materials in particular, Tien Phong Plastic has cooperated with a variety of suppliers (more than 30 suppliers with different types of products) so as not to depend too much on one supplier. Besides, the accurate prediction of plastic resin price fluctuations resulted in a large amount of raw materials in storage. Although inventory costs increased, it was insignificant compared to market fluctuations.



The strong outbreak of the pandemic in 2021 has caused the world economy to wobble with the skyrocket in crude oil prices in the past 7 years, causing the price of plastic materials to increase to a record level and show no signs of cooling down. Tien Phong Plastic was forced to make slight adjustments in selling prices in order to maintain the production apparatus and a stable distribution system. In 2022, based on the current world situation, the price of plastic resins is expected to continue to increase and there will be no relief in the near future, so the company's management has made efforts to negotiate with suppliers to stockpile enough raw materials for production till the end of the first quarter of 2022, with the desire to be able to maintain price stability, help proactively finance the system, customers and the continuity of construction projects.



BUSINESS RESULTS

Revenue and profit

Faced with the challenges brought by the market, especially the southern market, which was almost frozen for 6 months, Tien Phong Plastic turned the tide when the year-end business results exceeded the set plan with net sales and pre-tax profit reached 4,823 billion and 551 billion, respectively, an increase of more than 5% compared to 2020.

Targets	Unit	Implemented in 2021	2021 Plan	% Implemented in 2021	Implemented in 2020	Implemented in 2021 vs 2020
Business output	Ton	97.339,4	96.728	100,63	89.586,4	108,65
Net Revenue	Billions dong	4.823,5	4.900	98,4	4.486,1	107,52
Profit before Tax	Billions dong	551	470	117,23	523,42	105,27

Profit rate and dividend payment:

Although the market in 2021 has many disadvantages for businesses when it comes to the combination of stabilizing production and implementing epidemic prevention activities, the profit after tax rate in 2021 reached 9.7%, still maintaining equivalent rate in 2020 is 9.96%. Basic earnings per share (EPS) reached 3,596 dong, an increase of 6.2% compared to 2020. The value of Tien Phong Plastic stock (code NTP) skyrocketed from 32,800 dong to 69,300 dong (the highest); showing company's attractiveness to investors and is one of the stocks with outstanding growth in 2021. At the same time, Tien Phong Plastic has paid the accumulated dividend in 2020 equivalent to 117,796 million VND (10% of charter capital) and an advance of 176,694 million VND equal to 15% of authorized capital for the first dividend payment in 2021.

Profit growth table for the period 2020-2021

Targets	Unit	2020	2021
Operating Profit	Billions dong	520,93	557,87
Consolidated profit after tax	Tỷ đồng	447,19	467,76
Basic earnings per share	Tỷ đồng	3.387	3.596

It can be affirmed that these results are not only the culmination of a process of building a solid foundation, but also come from the flexibility and acumen to seize new opportunities in business and proactively apply the new development in production.

- Flexibility in handling cash flows, building and operating effective strategies for raising capital, creating competition among financial providers, be proactive in the use of foreign and local currencies, exchange rate to reduce the cost of capital ratio and negotiate to get the optimal interest rate, significantly lower than the market level.

- Customer care is maintained effectively, arising problems or incidents are handled in a timely manner, and continues to expand the distribution network with 04 units in Hanoi, Lai Chau, and Thai Binh, Nam Dinh and retire underperforming business sections and teams. In addition, the survey of customers' consumption habits about the quality of product lines, widely deployed in the provinces of Nghe An, Hai Phong, and Hanoi, has been a source of authentic information for the Board of Directors to plan for market expansion as well as to improve products and services.
- Promote the company's image through online and offline communication channels, coverage on media such as television, outdoor billboards, online newspapers, newspapers.... help remind and reach thousands of potential customers across the country.

In addition, the export market also increased nearly 3 times compared to 2020 (from 13,824 billion VND to 33,736 billion) VND, mainly from sales of u.PVC pipes and fittings.

3.2. Human resources and Strategies Department

Be persistent with a strategy "Human resources development is core value for the enterprise". Thus, the Company activities in 2021 always put human resources first. Stabilization of human resources, training and development of personnel capacity, companion in every activity and sharing legal benefits are solutions which helps Tien Phong Plastic overcome a year of full challenges with outstanding achievements. No-interruption, non-salary delay, non-bonus decreasing, non-claims, non-unemployment and non-accident are achievements in personnel work 2021.

Guarantee of safety and non-interrupted production



⊗ Prior to Covid-19 pandemic, the Company put "safety first" in organization of deployment of production-business activities. In the context of pandemic, this matter is prioritized more and more. The BOD, BOM and managers of departments are always proactive to monitor the pandemic situation, update pandemic prevention solutions and create specialized work in order to meet production-business targets, mitigating pandemic risks.

⊗ Always abide by the State regulations, relevant units and local authorities as for pandemic prevention. Strengthen, disseminate and supervise employees in terms of compliance with safety work and pandemic prevention. Safety broadcasts are usually conducted, every information about employees' health is updated and supported in time, pandemic prevention tools and instruments are fully equipped.

⊗ Coordinate 100% health resources in the Company with external specialized units in order to take care of employees' health. 100% of the Company's employee are fully vaccinated with the basic shot, over 99% of the Company's employees are inoculated with booster shot. 100% of Covid-19 infection cases had been given timely supports, there is no serious report in terms of health. Stable and safety production, which meets production-service demands in the market are outstanding results in 2021.



Recruitment and training work



⊗ Input human resources quality is a crucial factor as for working productivity of the employees. Recruitment work are performed strictly, publicly, transparently and fairly. Each candidate is like a customer; each recruitment decision is like a responsible commitment. As such, all activities are performed rigorously and precisely. Process of recruitment are finalized, recruitment staff are professionalized, candidates are cared and supported, solutions about recruitment are performed flexibly and efficiently.

⊗ Apart from recruitment work, the training work is an integral part of human resources development. In 2021, training work faced many difficulties because of pandemic prevention regulations: limits on crowds and gathering, causing the infeasibility in training work at many time. In such situation, the Company proactively created training work in order to achieve the targets of relentless study and development. By strengthening the application of new tools and instruments in training work, such as: online training, training through simulation application, updating information for employees through different publication methods like panels, posters, email, etc. In order to facilitate employees to approach tools easily, training courses of information technology work have actively been performed under the flexible model.

⊗ Training results in 2021 are also premises for training courses in following years. Each employee is ready to study and improve in order to develop their value, contribute to rise labor productivity to the Company. In 2021, labor productivity increased significantly compared to 2020 year, which demonstrates for training results of the Company



*** Employee fostering work**

Meeting minimal demands of employees, be harmonious with the Company's benefits, formulation of corporate culture, compliance with law regulations are targets which the Company has pursued in building employees' benefit policies.

The document system which regulates policies, rights of employees is made professionally and transparently, gathers opinions widely and disseminate to each employees, which ensures targets as set out.

During 2021, along with policies, the Company timely added some policies to support employees: work from home policy, allowances for employees affected by Covid-19 pandemic, etc. update law regulations into the Company's document system.

Comply with law regulations, such as social insurance, health insurance, etc. 100% of salary, bonus and welfare payment periods are conducted like commitments. There is no adverse claims on implementation of the Company's policy.

Industry catering innovation contributes strength of labors' health and production stabilization. The menu is diversified; the labors are prioritized to select. The process of catering supply is improved, which ensures the fresh and nutrient foods. The Company usually collects and reviews opinions about industry caterings in order to improve servings for employees.

Due to Covid-19 pandemic, summer holidays were not held as usual, the Company paid vacation allowance in cash for employees

Besides fostering employees who have been working at Tien Phong Plastic, retirement persons are also paid attention, such give presents on the occasion of Tet holidays.

Healthy labors help healthy enterprises, happy labors bring happiness for enterprises, successful labors contributed to successful enterprises. As such, employee fostering work is always paid attention and conducted in time.

3.3. Research - Production Division

Vietnam's construction plastic industry is developing strongly in recent years and the demand for new materials to meet the strict requirements of high-rise buildings is increasing. With the motto "Quality first", Tien Phong Plastic has boldly removed old products, improved many types of product designs to better suit modern construction trends, as well as pioneer invest in research and production of new products to catch up with market trends.

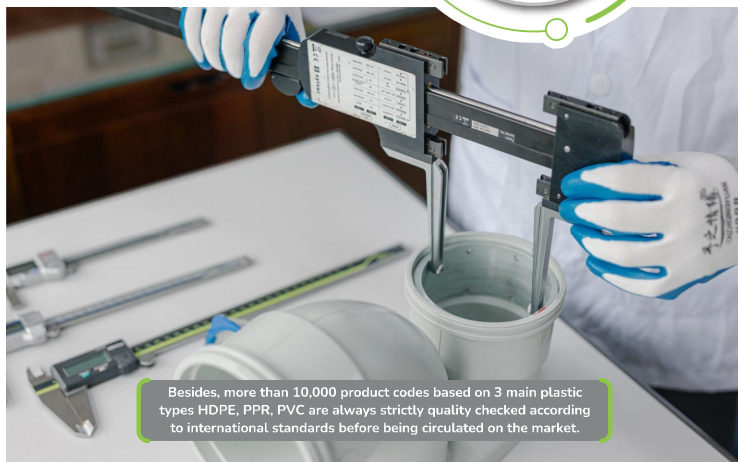
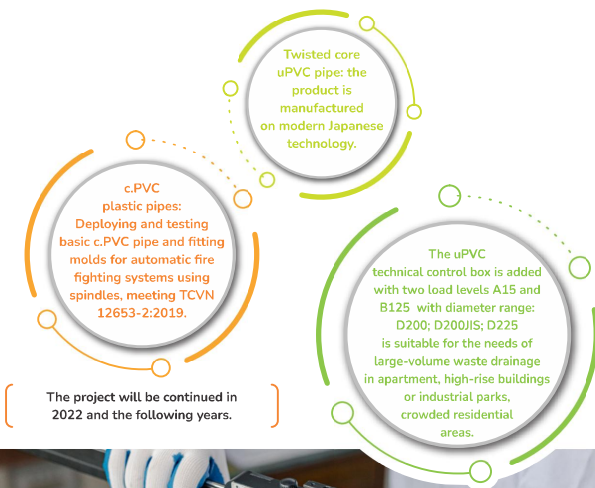
In 2021, despite entering the production and business plan in the midst of difficulties due to the effects of increasing raw material prices, the outbreak of the covid 19 epidemic, etc., R&D activities continued contributing to the product portfolio diversification not only in the construction industry but also expanding into new fields such as electricity industry, aquaculture industry, ..., bringing customers and contractors convenience and reducing construction costs and time.



The strategic cooperation between Tien Phong Plastics and Minh Phu Group since the end of 2018 has brought a new direction for both businesses and has brought opportunities for Tien Phong Plastic to access new markets, creating a stepping stone for the southern market development.

The strategic cooperation between Tien Phong Plastics and Minh Phu Group since the end of 2018 has brought a new direction for both businesses and has brought opportunities for Tien Phong Plastic to access new markets, creating a stepping stone for businesses. Tien Phong Plastic puts much more focus on the southern market. Therefore, after many times of carefully studying the inland shrimp farming model - a new shrimp farming model developed by Minh Phu Group, Tien Phong Plastic has successfully produced PE diaphragm used to construct shrimp ponds/lakes with outstanding features compared to conventional materials such as: no rust, no corrosion in natural conditions, no pollution to the water environment, high durability over 10 years. In particular, with Tien Phong Plastic diaphragm, the size of the pond/aquarium can be expanded to a large diameter, up to 45m, which is also a feature that other materials cannot meet. This model of inland shrimp farming also helps farmers increase the shrimp farming season to 3 crops per year and improve the quality of shrimp, meeting the export conditions of the international market.

In addition, other outstanding new products and innovative products that are highly appreciated by construction engineers such as zacco valves, resistance welding and HDPE fittings, uPVC engineering control box.



Certificate

(Product testing room management system ISO/IEC 17025:2017 with 83 recognized tests).

No.	Product	Quality standards
1	PE/PP double-wall corrugated pipe	TCVN 11821-3:2017/ ISO 21138-3:2007
2	Modified Polyvinyl Chloride (MPVC) pipes for pressure application	TCVN 11822:2017/ AS/NZS 4765:2007
3	Unplasticized polyvinyl Chloride (uPVC), conduit Pipes for Electrical System Installation, Type of Plain Rigid Conduit	BS 6099:2.2:1982
4	Thermoplastic Propylene Random Copolymers Pipe PP-R	DIN 8077:2008-09 & DIN 8078:2008-09
5	Fabricated Fittings made of Polyethylene for Water Supply, Pe100	ISO 4427-3:2019
6	Polyethylene Pressure Pipes for Water Supply, Type PE 80 and PE100, series 1	AS/NZS 4130:2018
7	Polyethylene Pressure Pipes for Water Supply, Type PE4710 and Pe4608	ASTM F714-13
8	Polyethylene (PE) Pipes for Water Supply, type PE80 and Pe100	DIN 8074:2011-12 & DIN 8075:2011-12; ISO 4427-2:2019
9	Pipes Made of Unplasticized Polyvinyl-chlorua (uPVC) for Water Supply	ISO 1452-2:2009
10	Fittings for pressure pipes made from polypropylene of type PP-R80	DIN 16962-5:2000-04

Certificate (continue)

(Product testing room management system ISO/IEC 17025:2017 with 83 recognized tests).

No.	Product	Quality standards
11	Unplasticized Polyvinyl chloride (uPVC) Inspection Chamber for Domestic Wastewater System	TCVN 12755:2020
12	Plastics Piping Systems for Waste Discharge Inside Buildings – Unplasticized Poly Vinyl Chloride (uPVC)	ISO 3633:2002
13	Plastics Piping Systems for Waste Discharge Inside Buildings – Unplasticized Poly Vinyl Chloride (uPVC)	QCVN 16:2019/ BXD;
	PP-R Plastic Pipes and Fittings used to conduct hot and cold water under pressure, type: 1/10 bar, nominal diameter from DN20 - DN250;	
	Polyethylene pipes and fittings for water supply purposes under pressure, type: PE80; PE100 (PN6, PN8, PN10, PN12.5, PN16), nominal diameter from DN20 to DN2000	

Certificate (continue)

No.	Product	Quality standards
	PE pipe type B, SN4, SN8 used for underground drainage with non-pressure condition (DN200 - DN1000)	QCVN 16:2019/ BXD;
	PP pipe type B, SN8 used for underground drainage with non-pressure condition (DN200 - Dn1000)	
14	Plastic packaging and tools in direct contact with food: Polyethylene (PE) pipes of type PE80, PE100; Unplasticized Polyvinyl Chloride (uPVC) pipes; Polypropylene Random (PP-R) heat-resistant plastic pipe used in domestic water supply.	QCVN 12-1:2011/BYT

PRODUCTION SECTOR

66 *Owning many large production lines and modern equipment imported from advanced countries such as Germany, Canada, Korea, etc., maintaining continuous production activities on machines is always company's focus in order to ensure labor productivity as well as minimize the waste of energy and fuel.*

Scientific and technological progress always allows enterprises to improve product quality, create many new products, increase output... Therefore, the company has boldly taken the lead when investing in 6 production lines for large pipes of DN 500 - 2000mm such as: HDPE/PP plastic pipes with 2 layers of corrugated steel with DN 1200mm from Unicolor Group GmbH Hassfurt (Canada), HDPE pipe with large diameter up to 2000 mm from Battenfield Cincinnati Group (Austria). This is one of eight production lines in the world and the only one in Southeast Asia that is owned by Tien Phong Plastic. In addition, more than 54 equipment lines imported from European countries, Canada... and 98 machinery and equipment from Korea, Taiwan, China (including 18 large 550T - 2200T) with a total production capacity of up to 130,000 tons/year. In 2021, the company also made additional investments in modern equipment with a total cost of 20.46 billion VND.



- The continuous operation of the machines is very important to ensure stable production, optimize costs and minimize waste. Production plans are always set out for each quarter and adjusted monthly to ensure operations as well as meet orders in the shortest time. At the same time, the reasonable reserve of raw materials from the abundant policy of suppliers has helped Tien Phong Plastic not to be interrupted in production even when the source of raw materials becomes limited.
- In addition, Tien Phong Plastic is also an enterprise highly appreciated by the city in applying management systems and tools according to international standards such as TQM, ISO, 5S, Lean6sigma, PDCA cycle, etc. factory, creating a professional and safe working environment for employees. In the face of the complicated developments of the Covid 19 epidemic, the production sector strictly complied with 5K regulations, responded flexibly in epidemic prevention and control, thereby preventing widespread infection in factories and at the same time meet 100% of the set plan, ensure product quality and maximize the device's capabilities.



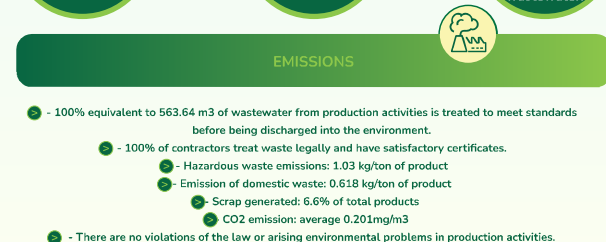
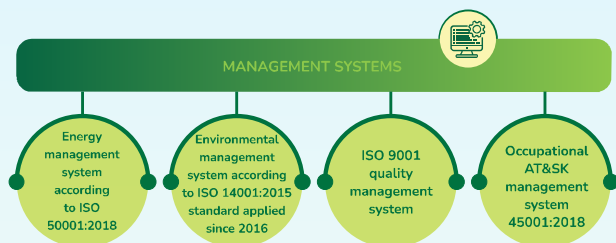
The OEE
(Overall Equipment
Efficiency) index
of factories
increased by
2%
on average
compared
to 2020.

Product quality
index of manufacturing
plants increased by
1.4% on average, from
98.5%
in 2020
to
99.85%
in 2021.

Completing
101.4%
of output compared
to the set plan,
increasing
113.1%
of output compared
to 2020.

It can be affirmed that the quality assurance between products - environment - health - energy is focused on at a relatively good level by Tien Phong Plastic. In 2022, Tien Phong Plastic will continue to consolidate and standardize the technology standards of each product and machine line at each factory to match the company's sustainable development orientation.

ENVIRONMENT



In recent years, humanity has witnessed many extreme weather phenomena, natural disasters occurring all over the world and not stopping there, the Covid 19 pandemic has brought bad impacts to the environment when Co2 emissions from cremation in countries such as India, Indonesia, etc. have increased sharply, causing habitat degradation, leading to the threat of instability in nature, especially ecological imbalance. Future.

As an enterprise operating in a specific industry, with large production capacity, raw materials are not easily reallocated and have many direct impacts on the environment through wastewater, emissions, waste, Tien Phong Plastic has always determined to associate environmental protection with the development of business to contribute to a "Green", healthy and fresh life.



ENERGY - EMISSIONS - WASTE

In 2021, Tien Phong Plastic will continue to maintain closed management and production methods, invest in green technology and maintain environmental impact indicators at a level lower than the standards set by the Ministry of Health and the Ministry of Health.

About energy

- ⊖ The increase in production output higher by 7,339 tons, and the expansion of the PE factory to increase production capacity compared to 2021 have caused NTP's energy consumption in 2021 to increase slightly compared to the previous year from 142,354.065 MJ to 150,752,957 MJ, which mainly comes from electricity and DO oil.
- ⊖ For effective control, in addition to the measures that NTP regularly implements such as building sales from the beginning of the period and determining responsibility for each individual, even applying sanctions through human resource management tools to raise awareness of energy saving; arranging the production system using the equipment for the right purposes and applying the management system according to international standards, NTP also promotes the improvement of equipment such as:
 - Gradually replace some 250W Hadile high-pressure lamps and switch to 120W high-pressure LEDs with high luminescence efficiency in production areas. In addition, using 100% energy-saving 100W LED lighting with high efficiency in the new factory area and the new area's internal road.
 - Invest in replacing 75kW, 55kW and 22kW air compressors using inverter control system - servo motor.
 - At the power station supplying power to the production area, the company is equipped with a compensating capacitor system to ensure that the cos coefficient is always high (above 0.95).
 - Using a system of modern and automatic equipment in office and factory areas to save electrical energy for ventilation and water supply such as: installing inverters for water pump motors to change rotational speed of the engine; Install transparent light panels on the side and above the roof of the factory to take advantage of natural light during the day.
- ⊖ In addition, the company also assigns part-time staff to monitor and manage electrical and energy equipment, record data on electricity, oil, gas and water consumption for monthly monitoring and closely coordinates with the power company in the area to update the power supply schedule for the plants, ensures the power supply run stably, without causing interruption to the company's production, and at the same time, in conjunction with the control plants to regularly inspect and do maintenance of equipment to avoid unnecessary energy consumption.

Table of power consumption and total energy consumption

No.	Targets	Unit	2020	2021
1	Electrical Power	kWh	38,432.583	43,226.753
2	Gas	Kg	12.396	11.735
3	DO oil	Liter	87.046	101.930
4	Total Energy Consumption	MJ	142.354.065	150.752.957
5	Total production	Ton	90.982	97.339
6	Average energy consumption/ ton of product	MJ/Ton	1.564,639	1.548,742

Chart of Electricity consumption (kWh)

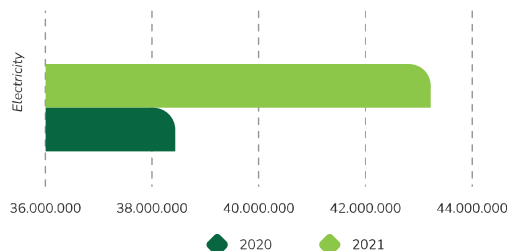


Chart of Gas consumption (kg)

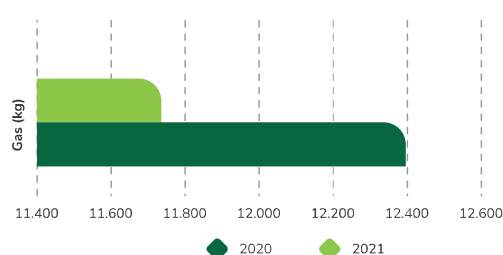
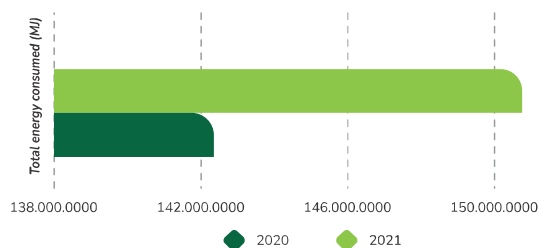


Chart of Total energy consumption (MJ)





About Emissions

Since building the factory, Tien Phong Plastic has carried out environmental monitoring to control emissions at factories. Since 2015, the monitoring frequency has been increased to every 3 months and the emission concentration has been measured at 3 different areas in the company. Based on the standards of QCVN 02:2019/BYT and QCVN 03:2019/BYT, in 2021 the average concentration of exhaust gases (CO, SO₂, NO₂...) is much lower than the prescribed standards regulated by the Ministry of Health. This result also shows the efforts of Tien Phong Plastic when gradually changing the entire production system to a self-contained automatic machine, which helps to reduce dust and smoke into the environment as well as the harmful effects on workers.

Air Index Table

No.	Noise	Dust	CO	SO ₂	NO ₂
1	57,9	151	5.444,3	68,9	62,5
2	55,2	151,3	5.466,7	73,9	51,5
3	57,2	139	5.366,6	72,2	63,4
4	56,1	135,3	5.266,7	71,3	57,6
QCVN 26:2010/BTNMT	70	-	-	-	-
QCVN 05:2013/BTNMT	-	300	30.000	350	200



About Wastes

Regular maintenance of equipment and machinery has helped the company to maintain the level of hazardous waste and industrial waste at a low level and without a sudden increase over the years. However, domestic waste has a slight increase compared to 2020 due to the increase in hygiene and Covid-19 prevention measures.

Synthetic table of waste volume 2020 - 2021

No.	Contents	Unit	2020	2021
1	Domestic waste	m ³	1.237	1.378
2	Industrial waste	m ³	379	279
3	Hazardous waste	Kg	89.072	101.287
4	Medical waste	m ³	12	12

Chart of domestic waste, industrial waste and medical waste

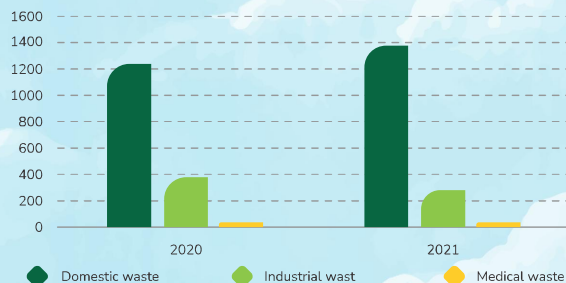


Chart of hazardous waste



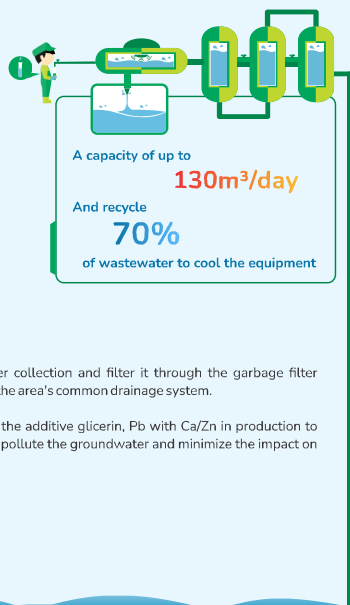
WATER PROTECTION

- Water is a natural resource closely associated with ecological systems and most activities from life to agriculture and industry require fresh water. However, the increasing demand for water, under the effects of climate change, the rapid growth of industries, are threatening the abundance of water. Being aware of that, Tien Phong Plastic always focuses on saving water sources and controlling the quality and safety of waste water before it is released into the environment. In 2021, the total amount of water used will increase to 1,400m³ due to the increase in production output, but in return, the amount of wastewater has been well utilized, so it has decreased by more than 3% compared to the same period in 2020.

- Investing tens of billions VND to install a professional wastewater treatment system that meets international standards ISO 14001:2015 since 2012 with a capacity of up to 130m³/day, ensuring 100% of wastewater meets QCVN standards 40:2011/BTNMT and recycle 70% of wastewater to cool the equipment.
- Domestic wastewater is collected and treated in a 3-compartment septic tank, then discharged into the general wastewater collection system of the area.

- Take advantage of rainwater collection and filter it through the garbage filter system before discharging it into the area's common drainage system.

- Completely replace oil with the additive glycerin, Pb with Ca/Zn in production to clean the wastewater source not pollute the groundwater and minimize the impact on the drainage system.



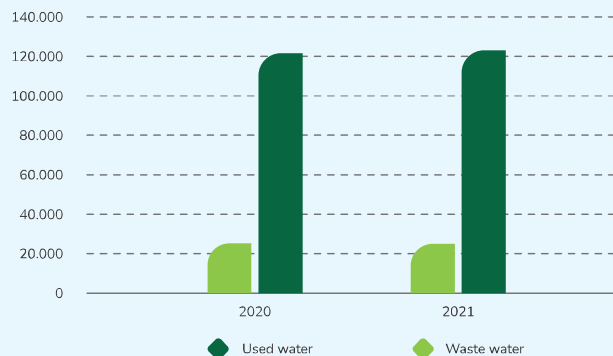
Domestic wastewater quality comparison table 2020 - 2021

Wastewater	Unit	2020	2021
Total	m ³	25.905	25.123

Wastewater quality comparison table 2020 - 2021

Water	Unit	2020	2021
Total	m ³	121.565	122.965

The chart of comparison between used water and waste water amount



RECYCLE PRODUCTS

Tien Phong Plastic's products are mostly thermoplastics, so 100% of waste products can be recycled to produce new products. However, it will take time and cost for waste treatment and increase inventory costs for slow-moving products in the market. Therefore, manufacturing plants are making every effort to limit the amount of waste to a low level at the shortest. Currently, the rate of waste is being controlled by factories relatively well and is maintained at an average of more than 6% of total production output.

The table of scrap data in 2021

No.	Division	Scrap index	Performed
1	PVC Factory	≤ 3.6	2.33
	Fittings Factory (uPVC)	≤ 10.8	10.95
2	Fittings Factory (PP-R)	≤ 9.7	9.49
	Fittings Factory (PP)	≤ 8.8	7.81
3	PE Factory (HDPE)	≤ 7.0	6.92
	PE Factory (PP-R)	≤ 2.5	2.1

3.4. Finance Sector

Overall assessment of results in 2021

Consolidated product sales increased by 11%, Output increased by 3%, profit before tax of Parent company increased by 5% compared to 2020 - these figures show that Tien Phong Plastic's business results are quite good in the context of 2021 - a turbulent year for the world economy in general and Vietnam in particular due to the impact of the Covid-19 pandemic.



Production and business results in 2021

Targets	Unit	Plan for 2021	Implemented in 2021	% Implemented in 2021	Implemented in 2020	% Implemented in 2021 vs. 2020
Output	Thousand tons	100	94,12	94.12%	91.01	103.41%
Revenue	Billions dong	5.10	4,877.69	95.64%	4,393.09	111.03 %
Parent company's profit before tax	Billions dong	432	551	127%	523	105%
Parent company's profit after tax	Billions dong	-	467,7	-	447,1	104,6 %



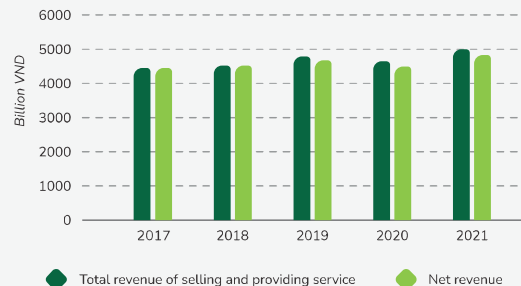
KEY FINANCIAL INDICATORS

A. Revenue

Revenue growth chart for the period 2017-2021

Targets	Unit	2017	2018	2019	2020	2021
Operating Revenue	Billions dong	4,443,7	4,534,6	4,788,7	4,646,2	4,995,48
Net Revenue	Billions dong	4,430,1	4,519,6	4,673,8	4,486,1	4,823,52
Financial revenue	Billions dong	2,5	15,1	16,8	21,3	44,82
Other income	Billions dong	11,4	5,6	9,2	4,1	12,48

Revenue growth chart for the period 2017-2021 (Billion VND)



Total revenue of selling and providing service



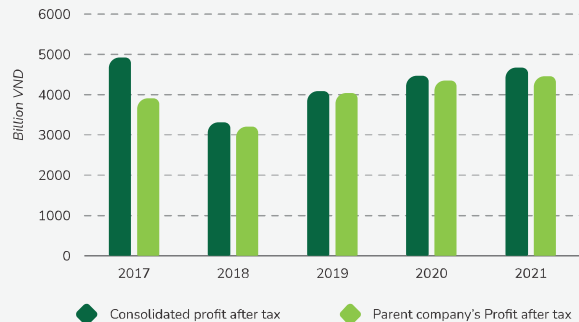
Net revenue

B. Profit

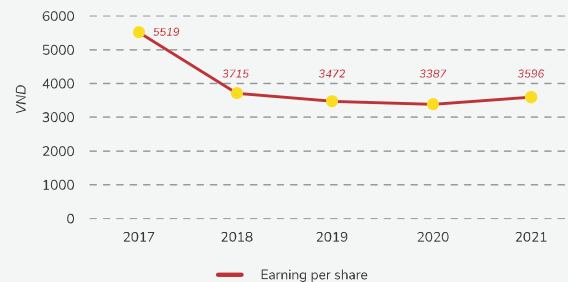
Profit growth table for the period 2017-2021

Targets	Unit	2017	2018	2019	2020	2021	Difference between 2021 and 2020
Operating Profit	Billions dong	546,70	376,40	467,70	520,93	557,87	7,09%
Consolidated profit after tax	Billions dong	492,50	331,50	409,00	447,19	467,76	4,60%
Parent company's profit after tax	Billions dong	391,30	320,60	404,30	435,80	445,41	2,20%
Earnings per share (EPS)	Billions dong	5,519	3,715	3,472	3,387	3,596	6,17%

Profit growth chart for the period 2017-2021 (Billion VND)



Basic earnings per share for the period 2017-2021 (VND)



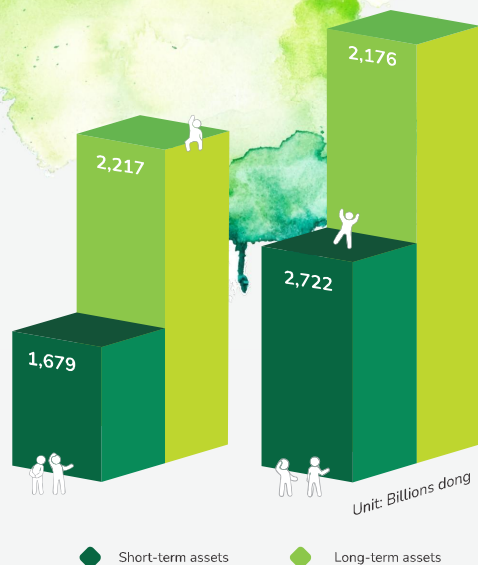
C. Capital structure

Total assets of Tien Phong Plastic increased by nearly 26% compared to 2020 in which a sharp increase in short-term assets was recorded to 1,043 billion VND, equivalent to an increase of 62% over the same period in 2020.

Table of changes in asset size in 2020-2021

Targets	Unit	2020	2021	Difference (2021-2020)	% Increase / Decrease
Short-term assets	Billions dong	1.678,8	2.721,74	1.042,94	62,12
Long-term assets	Billions dong	2.216,6	2.176,46	(40,14)	(1,81)
Total assets	Billions dong	3.895,4	4.898,20	1.002,80	25,74

Chart of changes in asset size 2020-2021 (Billion VND)



D. Basic financial indicators

	Targets	Unit	2021	2020
Indicators of solvency				
- Quick ratio		(Time)	0.76	0.81
- Current ratio		(Time)	1.25	1.32
Capital structure indicators				
- Debt/Total Assets Ratio		(%)	44	33
- Debt/Equity Ratio		(%)	80	50
Performance criteria				
- Inventory turnover		(Time)	4.81	4.27
- Accounts receivable turnover		(Time)	6.03	5.52
- Accounts Payable Turnover		(Time)	20.52	24.59
Profitability indicators				
- Profit after tax/Net revenue		(%)	9.7	9.97
- Profit after tax/Equity		(%)	17.27	17.27
- Profit after tax/Total assets		(%)	9.55	11.45

◆ **Solvency:** The liquidity ratios of the Company are still guaranteed to be stable with the current ratio always remaining above 1, showing that the Company still has enough resources to fulfill its obligations for future payments of due debts.

◆ **Capital structure:** In the context of a favorable interest rate environment in 2021, the Company has exploited long-term economic relationships to take advantage of financial leverage. The ratio of liabilities to total assets and equity both increased compared to 2020.

◆ **Operational capacity:** Working capital turnover ratios will be improved in 2021. The company has promoted effective inventory management policies despite the disruption of domestic and foreign supply chains.

◆ **Profitability:** The year 2021 witnessed a negative impact from the Covid-19 pandemic, but with efforts to control costs, the Company's profit margin remained stable.

3.5

Responsibility to society and community

A. "Cau noi yeu thuong" Programme

In 2021, the program "Cau noi yeu thuong" continued to be the main charity program and will be extended throughout the coming years.

"Cau noi yeu thuong" is a program to build bridges for people in disadvantaged areas across the country, implemented by Tien Phong Plastic since October 2017 because we understand that strong bridges will be the opportunity for local people to escape poverty and give wings to the dreams of the future preschoolers. In nearly 5 years of implementation, the Board of Directors' determination and the connection of charities in the provinces and cities, especially the companion of Tu Tam Charity Group, the number of bridges built has surpassed the initial target, 80 bridges have been completed in all regions of the country such as Dien Bien, Cao Bang, Hoa Binh, Lai Chau, Ha Giang, Son La, Yen Bai, Thanh Hoa, and other provinces. The Southwest region in particular and the Mekong Delta in general with a total construction cost of nearly 36 billion VND, improving the quality of life for thousands of households and creating a safe path for tens of thousands of children.

Along with "Cau noi yeu thuong" programs, Tien Phong Plastic also organized programs for students in villages such as Xuan Am Ap Hy Vong, Mid-Autumn Festival, and awarded nearly 5,000 scholarships and warm clothes for poor students to overcome difficulties and gifts for households with extremely difficult circumstances. The company always hopes that these thoughtfully and carefully prepared small gifts will contribute somewhat to create more motivation for children to continue on the path of eliminating the illiteracy pursuing dreams and changing their lives.



B. Activities to support and prevent the Covid-19 epidemic

In 2021, like other countries in the world, Vietnam was severely affected by the epidemic. When almost everything came to a standstill, doctors and nurses had to work day and night to save people's lives. In that war, in response to the Government's call, Tien Phong Plastic always stood by the doctors and nurses through activities such as:

- Donated to Bach Mai hospital 18 air purifiers with high-tech HEPA filter structure imported from Japan, capable of filtering bacteria, viruses, fine dust particles, chemical odors, capacity grow up to 10,000m3/h for use at field hospital No. 16 and 02 Bennet 840 ventilators for Children's Hospital 2.

- Donating an amount of 100 million VND to Viet Tiep Friendship Hospital to foster and equip necessary items for the doctors and nurses at the hospital.

- Being one of 30 businesses that supported the highest amount of funding equivalent to 3 billion VND to support the city to buy more than 1 million doses of Covid-19 vaccine, meeting the needs of about 30% of Hai Phong's population.

Since the beginning of the epidemic until now, Tien Phong Plastic Joint Stock Company has supported localities and hospitals with the amount of medical equipment, supplies and cash worth more than 7 billion VND.

Not only supporting hospitals and localities in epidemic prevention. Tien Phong Plastic also actively applies epidemic prevention measures at the company such as distributing medical masks to 100% of employees, and disinfectant is arranged at all crowded places such as entrance and exit areas or transaction offices, sending staff to regularly check and supplement when the disinfectant solution runs out, developing epidemic prevention response scenarios with specific levels and instructions for isolation for each infected level. Company has also actively ordered tens of thousands of doses of vaccines to serve the immunization work of Tien Phong Plastic's employees throughout the system, along with employees' relatives, partners, and distributors across the country. This is the sense of responsibility and also the gratitude of Tien Phong Plastic Joint Stock Company for individuals and groups that have been standing side by side with the development of the company.



C. Other volunteer activities

In its 62 years of history, the image of Tien Phong Plastic has always been attached to the lives of Vietnamese people. The company not only strives to contribute to the promotion of local economic benefits, but also always upholds the good tradition of "mutual love and affection" through community development activities, especially projects for young generation with the desire to bring the most practical and effective values, contributing to sustainable and long-term social development.

The "Trai tim nhan hau" program

The program built by the Hai Phong City Sponsoring Association for the Disabled and Orphans is held every two years with the desire to act as a "bridge" between benefactors and disadvantaged people in society to share and reduce difficulties, help disabled people and orphans have a better life. Because of that good meaning, Tien Phong Plastic Joint Stock Company accompanies the Hai Phong City Sponsoring Association for the Disabled and Orphans to donate 30 bicycles to disadvantaged children.

Support fund for the poor in Ngo Quyen and Duong Kinh districts

Actively responding to the peak month of For the Poor 2021 launched by the Government, Tien Phong Plastic has supported funds through the Vietnam Fatherland Front in Duong Kinh district and the Vietnam Fatherland Front in Ngo Quyen district with a total amount of 60,000,000 VND to support more poor and near-poor households and people in extremely difficult circumstances, people damaged by epidemics and natural disasters. Previously, with the spirit of solidarity, Tien Phong Plastic also donated 50,000,000 VND to the Vietnam Fatherland Front fund in Hai Phong city, contributing more resources to the work of caring for the poor in the city's area.

Youth Union activities

- Promoting the spirit of volunteering for social security, working together for the community, the Executive Board of the Company's Union directed the implementation, propaganda and mobilization of youth union members and benefactors to support the "Warm winter" program's funding to give gifts to the children of the Northern mountainous provinces and the "Spring volunteer" program gives scholarships and blankets, winter coats and cash to the children in Hai Phong with a total value of about 47 million VND.

- Join the journey "Youth for the homeland sea and islands", coordinate with the Hai Phong City Youth Union's volunteer group to participate in the implementation of the "Youth Green Wall" project worth 15,000,000 VND at Bach Long Vy Island.

- Campaigning for voluntary blood donation to participate in "Red Spring Festival" and "Pink Volunteer Day" deployed by the District Youth Union has propagated and mobilized 25 youth union members to participate.

- Participating in the "Week of gratitude" and offering incense in the program "Gratitude Candlelighting Ceremony" at the Martyrs Cemetery in Ngo Quyen District and supported the cost of buying thousands of candle cups worth 10 million VND.





3.6. Awards

Vietnam Gold Star 2021

Vietnam Gold Star Award is an award for typical brands and products of Vietnam international integration, co-ordinated by the Central Vietnam Youth Union and the Central Vietnam Young Entrepreneurs Association.

2021 was a tumultuous year due to the impact of the Covid-19 epidemic, the plastic industry was lacking input materials for production because it mainly had to be imported from abroad, while the consumer market for plastic products was suffered a serious decline, but with the right development orientation and the collective efforts of employees, Tien Phong Plastic not only overcame the pandemic but also maintained a good growth rate in the past few months. Tien Phong Plastic Joint Stock Company has passed a selection round with strict criteria and surpassed 294 enterprises to win the TOP 100 Vietnam Gold Star Award. This is also the second year that Tien Phong Plastic is honored to receive this prestigious award.

TOP 100 Strong Brands in Vietnam 2021

The Vietnam Strong Brand Award was built to promptly honor Vietnamese brands with highly appreciated criteria such as effective business, brand protection, product quality, service, leadership ability, human resources, corporate community responsibility, commitment to environmental protection... In which, the criteria of special interest this year are the innovation index, digital transformation, corporate restructuring, adjusting and changing the model and mode of production and business activities to be suitable and effective with the new situation.

The year 2020 - 2021 is also the 5th year in a row that Tien Phong Plastic Joint Stock Company has reached the TOP 100 Vietnamese Strong Brands. This is a very valuable recognition for the efforts that Tien Phong Plastic has made to overcome the difficulties and fierceness of the pandemic, and at the same time contribute to support the disease prevention and economy recovery.



Growth Strategy during 2022

4



With the aim of maintaining and developing NTP as the largest plastic pipe manufacturer in Vietnam as well as the top of producing and supplying plastic pipes in Vietnam and SEA, NTP Board of Directors has proposed a strategy for sustainable development in order to increase efficiency in operation and sales with certain targets:

- ➊ Develop a highly-skilled workforce with experience in business administration; Create a business culture and expand core values: Credibility through action – quality products – prosperous partnership - Communal responsibility.
- ➋ Ensure the sustainable growth of Tien Phong Plastic in the future through existing products and new construction materials;
- ➌ Diversify product range with high utility, applying scientific methods to control pollution;
- ➍ Research and develop solutions to better use raw materials in production.

- ➎ Develop an efficient retail network that packages most areas in Vietnam. Apply information technology in administering and controlling retail networks in order to maximise business efficiency and delivery.
- ➏ Improve capital expenditure efficiency of investors;
- ➐ Improve on supervising and applying IT in controlling financial risks and ensure all financial parameters stay within safe zone.
- ➑ Provide jobs and improve living standards for employees;
- ➒ Apply better benefits to attract high-skilled employees and encourage loyalty.
- ➓ Look for new investment opportunities and enter new foreign partnerships to expand the international market.
- ➔ Build a brand that is friendly to community and serves people's everyday life;



Ensure and maintain social security and welfare, sharing the profits from sales with the local community; being one of the top pioneers in environmental protection and community development.

5

SUSTAINABILITY REPORT

In recent years, Tien Phong Plastic has always set a brand development orientation associated with environmental and social responsibility because that is the guarantee for the solid growth of the business. "Sustainable development" is no longer the task of a department, a unit, or an individual leader, but it is the business strategy.

Therefore, despite the advantages or disadvantages, Tien Phong Plastic enthusiastically participates in charity activities and deduces about 10% of the company's profits to contribute to the state budget and social community.

Development associated with the 17 UN development goals

Poverty eradication

- Create jobs for more than 1,300 workers in the North and Central region
- TOP 15 enterprises paying the highest tax in the locality

Alleviate hunger

- Giving more than 5,000 gifts and scholarships to poor students and households with difficult circumstances.

Good health and happy life

- Installing automatic production equipment, minimizing harmful impacts on workers' health
- Create a professional, fresh and environmentally friendly working environment
- Organize periodical examination for employees (1 time/year)
- Organizing trips combined with medical examination and treatment abroad for sales units and distribution centers.

Quality Education

- Organize 50 training course with 2420 students at the company

Gender equality

- No discrimination and 30% are female leaders (including managers of units).
- Giving more benefits to female workers such as gifts on the occasion of 8/3, 20/10, maternity leave, travel,....

Clean water and sanitary conditions

- 100% of wastewater from production activities is treated up to standards.
- Use sparingly and allocate water resources appropriately

Clean and affordable energy

- Installing clear plastic pieces on the roofs of factories to take advantage of light for production.
- It is expected to install solar arrays in factories in the period of 2022 - 2027.

Decent work and economic development

- Always in the TOP 20 enterprises paying the highest tax and local budget.
- Creating a stable source of income and economic development for 9 distribution centers, nearly 300 sales units and about 20,000 stores across the country.
- Occupational health and safety management system according to ISO 45001:2018.
- TOP 100 Strong Brands in Vietnam
- TOP 100 "Vietnamese gold star"

Industry, Innovation and Infrastructure

- Invest tens of billions of dong to renew modern equipment every year and expand the production area.
- 100% of factories meet the standards of occupational safety and fire prevention.
- 80% of the production process is automatic equipment system.

Reduce inequality

- Do not use child labor
- No complaints about inequality, discrimination

Sustainable Cities and Communities

- 100% licensed waste treatment service providers.
- Using materials that are safe for the environment and consumers' health.

Responsible consumption and production

- Factory system is certified ISO 14001, ISO 50001, ISO/IEC17025:2017.
- Products are always strictly tested to meet the standards of ISO, Quacert, QCVN before being circulated on the market.
- Transparency of information to stakeholders and shareholders.
- Efforts in price stabilization and notification of price adjustments to the distribution system before application.

Development associated with the 17 un development goals (continue)

13

Responding to climate change

- Implement energy-saving initiatives and conduct periodic environmental monitoring to help detect abnormalities in time and have reasonable adjustment plans.
- Do not discharge into the environment.

14

Life under water

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

15

Life on land

- Emission concentration is always low compared to regulations of the Ministry of Health and Ministry of Natural Resources and Environment.
- Building 80 compassionate bridges for areas facing many difficulties across the country.

16

Peace, justice and effective institutions

- Continuously update legal documents and propagate to employees and partners in the distribution system.
- Strictly complying with the regulations of the State in operating and doing business

17

Cooperation to achieve goals.

- Accompanying sales units in business activities and market expansion.
- Close cooperation with large domestic and foreign corporations to bring development opportunities for both sides.

6

FINANCIAL REPORT

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STATEMENT OF THE BOARD OF GENERAL DIRECTORS

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 Mr. Noboru Kobayashi Mr. Chu Van Phuong Mr. Tran Ngoc Bao Mr. Nguyen Viet Phuong Mr. Dao Anh Thang	Chairman Vice Chairman Member Member Member Independent Member
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Board of General Directors	Mr. Chu Van Phuong Mr. Tran Nhat Ninh Ms. Ngo Thi Thu Thuy Mr. Nguyen Van Thuc Mr. Tran Ngoc Bao	General Director Deputy General Director Deputy General Director Deputy General Director Chief Accountant
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Audit Committee (from 14/4/2021)	Mr. Dao Anh Thang Mr. Nguyen Viet Phuong	Chairman of the Committee Member
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Registered Office No. 2 An Da Road
Lach Tray Ward, Ngo Quyen District
Hai Phong City
Vietnam

Auditors KPMG Limited
Vietnam

The Board of General Directors of Tien Phong Plastic Joint Stock Company presents this statement and the accompanying consolidated financial statements of the Company for the year ended 31 December 2021.

The 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,



Chu Van Phuong
General Director

Hai Phong, 11 March 2022

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, 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 March 2022, as set out on pages 5 to 46.

Management's Responsibility

The Company's Board of General Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises and the relevant statutory requirements applicable to financial reporting, and for such internal control as the Board of General Directors determines is necessary to enable the preparation of 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 2021 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: 20-02-00228-21-2



Wang Toon Kim

Practicing Auditor Registration
Certificate No. 0557-2018-007-1
Deputy General Director

Hanoi, 22 March 2022

Truong Tuyet Mai

Practicing Auditor Registration
Certificate No. 2594-2019-007-1

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)

ASSETS	Code	Note	31/12/2021 VND	1/1/2021 VND
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		2,721,738,069,056	1,678,805,704,398
Cash and cash equivalents	110	4	142,541,519,801	212,170,457,483
Cash	111		142,541,519,801	
Cash equivalents	112		-	150,000,000
Short-term financial investments	120		700,000,000,000	-
Held-to-maturity investments	123	5(a)	700,000,000,000	
Accounts receivable – short-term	130		785,380,028,271	813,391,481,075
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	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)
Inventories	140	11	1,081,529,963,899	644,121,936,470
Inventories	141		1,084,976,323,019	647,595,962,021
Allowance for inventories	149		(3,446,359,120)	(3,474,025,551)
Other current assets	150		12,286,557,085	9,121,829,370
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
Long term assets (200 = 220 + 240 + 250 + 260)	200		2,176,459,992,881	2,216,613,156,937
Fixed assets	220		1,463,914,085,124	1,536,749,668,018
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)
Long-term work in progress	240		36,506,524,504	89,105,990,601
Construction in progress	242	14	36,506,524,504	89,105,990,601
Long-term financial investments	250		549,780,086,115	527,206,230,903
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
Other long-term assets	260		126,259,297,138	63,551,267,415
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
TOTAL ASSETS (270 = 100 + 200)	270		4,898,198,061,937	3,895,418,861,335

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

RESOURCES	Code	Note	31/12/2021 VND	1/1/2021 VND
LIABILITIES (300 = 310 + 330)	300		2,190,220,357,037	1,306,130,324,381
Current liabilities	310		2,173,499,759,514	1,270,673,123,230
Accounts payable to suppliers	311	17	232,937,824,035	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
Long-term liabilities	330		16,720,597,523	35,457,201,151
Long-term borrowings	338	22(b)	16,720,597,523	35,457,201,151
EQUITY (400 = 410)	400		2,707,977,704,900	2,589,288,536,954
Owners' equity	410	24	2,707,977,704,900	2,589,288,536,954
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
TOTAL RESOURCES (440 = 300 + 400)	440		4,898,198,061,937	3,895,418,861,335

22 March 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

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
In which: Interest expense	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

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

	Mã số	Thuyết minh	2021 VND	2020 VND
Earnings per share				
Basic earnings per share	70	37	3,596	3,387

22 March 2022

Prepared by:



Luu Thi Mai
Deputy Head of Finance and
Accounting Department

Approved by:



Tran Ngoc Bao
Chief Accountant

Tran Van Phuong
General Director



CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2021

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
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	01	551,034,834,637	523,418,677,069
Adjustments for			
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
Operating profit before changes in working capital	08	678,365,829,023	778,282,008,982
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
		480,771,000,061	1,130,806,247,515
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)
Net cash flows from operating activities	20	315,070,513,260	924,420,970,907
CASH FLOWS FROM INVESTING ACTIVITIES			
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
Net cash flows from investing activities	30	(754,678,831,507)	(88,170,602,411)

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	Code	2021 VND	2020 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
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)
Net cash flows from financing activities	40	369,979,416,552	(921,247,542,650)
Net cash flows during the year (50 = 20 + 30 + 40)	50	(69,628,901,695)	(84,997,174,154)
Cash and cash equivalents at the beginning of the year	60	212,170,457,483	297,022,694,727
Effect of exchange rate fluctuations on cash and cash equivalents	61	(35,987)	144,936,910
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61)(Note 4)	70	142,541,519,801	212,170,457,483

22 March 2022

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