



TIEN PHONG PLASTIC

SPREAD HAPPINESS
CONNECT THE FUTURE



ANNUAL
REPORT
2022



www.nhuatienphong.vn

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NTP	:	Tien Phong Plastics Joint-stock Company
LTD	:	Limited
SM	:	Shareholders Meeting
BOM	:	Board Of Management
AC	:	Audit Committee
SAE	:	Staff and Employees
SCIC	:	State Capital And Investment Corporation
PAB	:	Production and Business
JSC	:	Joint-stock Company
UN	:	United Nations

TABLE OF ABBREVIATIONS

BA	:	Business Activities
FPP	:	Fire protection and prevention
BOL	:	Bridge of Love
VS	:	Vietnam Standards
MONRE	:	Ministry of Natural Resources & Environment
MOC	:	Ministry of Construction
SI	:	Social Insurance
PHI	:	Public Health Insurance
PAT	:	Profit after Tax

Dear our valued shareholders,

On behalf of the Board of Directors, I would like to send my respectful greetings and best wishes for health, happiness and success to all shareholders.

As an enterprise that has persevered through the fierce 2021 with industry-leading business results, Tien Phong Plastic always understands the difficulties and consequences that people will continue to face in the next year, therefore, Tien Phong Plastic has chosen "Spread happiness, connect the future" as the theme for 2022 to express the inherent spirit of mutual love and desire to contribute to a better life for our community and society.

It can be said that 2022 was the time for businesses to consolidate the system, gradually remove bottlenecks, recover and create a premise for a strong development in the new period. Although depending too much on imported raw materials causes plastic enterprises to face fluctuations, with the experience and resilience gained through 62 years of establishment and development, Tien Phong Plastic has always prepared a proactive attitude, flexibly adapted to changes, found a bright way in difficulties and created opportunities in each challenge.

The year 2022 has marked the outstanding efforts and determination of the Board of Directors and employees when achieving the highest growth rate since 2019 with a total revenue of 5,685.1 billion VND, an increase of more than 800 billion compared to the same period in 2021 and pre-tax profit in 2022 reached 532.2 billion, 17% higher than the plan.

PIONEERING TECHNOLOGY, NOTCHING UP SUCCESS

After 4 years of promoting the comprehensive restructuring, standardizing the management system, improving the qualifications of employees, streamlining redundant workers, cooperating with large corporations to research and produce new products leading the market trend, so far, Tien Phong Plastic has created a solid foundation and is ready to conquer new heights in 2023.

Currently in Vietnam, Tien Phong Plastic is a rare pioneer enterprise which invests in international standard production with 10,000 product categories with wide sizes and catching up with international trends, therefore, in the coming period, we still choose "quality" as the main factor to increase competitiveness, bring international quality products at domestic prices to Vietnamese people and develop the brand more insightful, reach out to markets in New Zealand, Australia, Japan and Germany.

Recognizing that the plastic industry will still have a lot of market space thanks to ASEAN and EU free trade agreements, we boldly set a high business target for 2023 with a total revenue of 3 regions reaching 7,300 billion VND and pre-tax profit reaching 550 billion dong.

Message

from the CHAIRMAN

OF THE BOARD OF DIRECTORS

With the business philosophy associated with sustainable development, Tien Phong Plastic always respects and harmonizes the benefits of related parties, protects the environment and has social responsibility. That is reflected in the application of modern production technologies to limit emissions and waste water, maintain a clean green ecosystem around the factory, and at the same time actively implement activities for the community through voluntary organizations, especially maintaining the bridge building program for underprivileged areas across the country called "Cau Noi Yeu Thuong". This Program has been carried out by Tien Phong Plastic for 5 years and Tien Phong has already built 100 bridges in 24 provinces and cities, bringing new life to thousands of households and tens of thousands of children are safe on the way to school. Following those noble values, Tien Phong Plastic has set a goal to build 20 more bridges in 2023 to help more difficult lives, bring better values to life and contribute to building a more civilized society.

On behalf of the Board of Directors, I would like to sincerely thank our Shareholders, customers and partners who have trusted and supported Tien Phong Plastic to overcome the ups and downs, building a Vietnamese brand that represents for the pioneer, bravery and responsibility. We are committed to doing our best to reap more achievements, notch up new success in 2023, bring the highest value to partners, community and society.

Wishing you health, happiness and success!
Yours sincerely,



Haiphong, March 2023

YOURS SINCERELY,

Chairman of the Board



Dang Quoc Dung

CHAPTER

01

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GENERAL INFORMATION

ABOUT TIEN PHONG PLASTIC

GENERAL INFORMATION

TIEN PHONG PLASTIC JOINT STOCK COMPANY

Company name:

Tien Phong Plastic Joint Stock Company

Stock symbol:

NTP

Business Registration Certificate No:

0200167782

issued by Hai Phong Department of Planning and Investment on December 30, 2004 and the amended Business Registration Certificates.

Charter capital:

1,295,753,340,000 VND

Head office:

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

Office:

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

Phone number: + (84-225) 381 3979

Fax number: + (84-225) 381 3989

Website: www.nhuatienphong.vn



OUTSTANDING EVENTS

IN 2022

Volunteer activities

"Cau noi yeu thuong" is a social and community program initiated and implemented by Tien Phong Plastic since October 2017. After 5 years program team members traveling around the country, 100 strong bridges built by Tien Phong Plastic have been donated to underprivileged areas of 24 provinces and cities nationwide with a budget of up to hundreds of billions VND. On November 14th, 2022, the 100th bridge in the program - Binh The bridge in Vinh Quang commune, Chiem Hoa district,



Tuyen Quang was inaugurated, placing a meaningful mark on a journey of spreading happiness, bringing new life to tens of thousands of households, helping children go to school and giving wings to the dreams of our country's future preschoolers to fly high and far away. Tien Phong Plastic determines that this will be the main program, accompanying the development of the company.



DEVELOPMENT AND COOPERATION

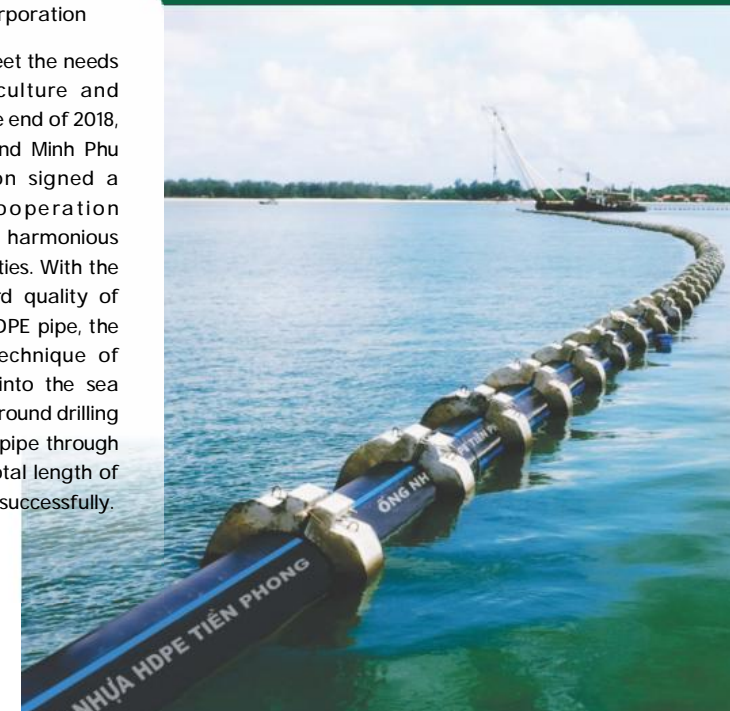
Strategic cooperation with PC1 Corporation

On September 21st, 2022, Tien Phong Plastic and PC1 Group officially signed a strategic cooperation agreement, becoming a supplier of plastic pipes and fittings for projects in which PC1 played a role of the investor. This strategic cooperation activity marked an important milestone in the development of the two units, bringing about strong cooperation and creating many new opportunities, promoting potentials and strengths in business activities, contributing to the prosperity of the construction sector in particular and the country's economy in general.



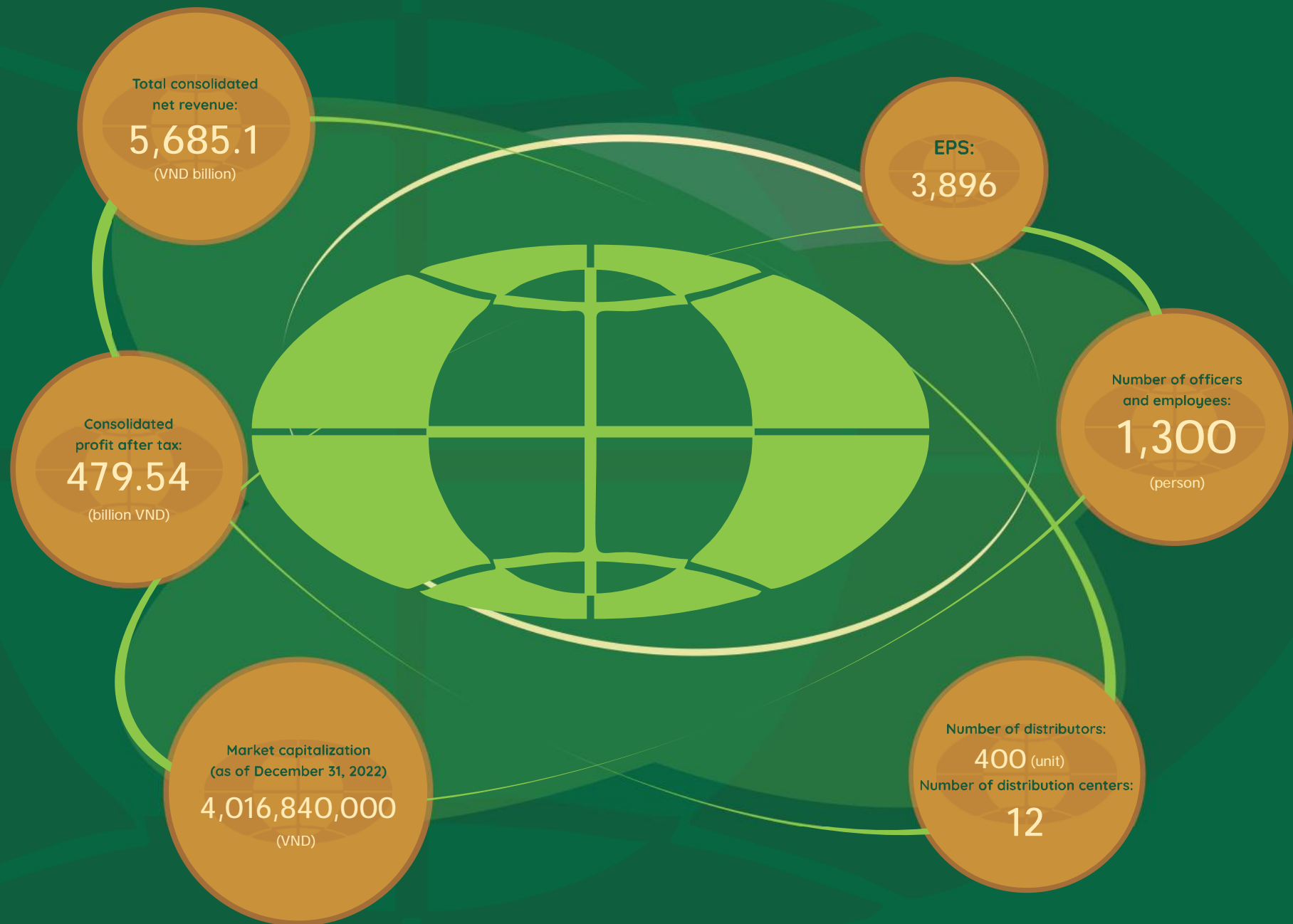
Minh Phu Seafood Corporation

With a strategy to meet the needs of high-tech aquaculture and shrimp farming, at the end of 2018, Tien Phong Plastic and Minh Phu Seafood Corporation signed a comprehensive cooperation agreement, bringing harmonious benefits for both parties. With the international standard quality of Tien Phong Plastic HDPE pipe, the project using the technique of sinking the pipeline into the sea then using the underground drilling technique to pull the pipe through the sand hill with a total length of 4752m has been done successfully.



This is the first project in Southeast Asia to implement the technique of sinking a large 1.4m – 1.6m diameter pipeline with the largest scale under the sea. From the beginning of 2022, nearly 10,000m of large HDPE pipes with diameters of DN1600 and DN1400 have been transported by TPP to Kien Giang to implement the project with a scale of 10,000ha on schedule, contributing to the development goals of Minh Phu Group





AWARDS

IN 2022

TOP 10 COOL PRODUCTS AND SERVICES 2022

Cool Product Awards is a large and prestigious program organized by Vietnam Economic Review to honor typical and competitive Vietnamese brands that are well received and appreciated by Vietnamese consumers. Over the past 16 years (2003 - 2021), this program has been implemented successfully with thousands of brands and products have been honored. After many rounds of review and voting, Tien Phong Plastic Joint Stock Company was honored to be in the TOP 10 cool products and services 2022. This was a timely honor to recognize the efforts of the whole employees of Tien Phong Plastic Joint Stock Company during the past difficult and challenging times.



1960

Tien Phong Plastic Factory was officially established and specialized in producing toys for children.



1990

After 30 years, the factory shifted from traditional products to PVC pipes and gradually penetrated into the construction industry, which was in line with the renovating requirement of the economy.



1993

Tien Phong Plastic Factory changed name into Tien Phong Plastic Company.



2004

Successful in equitization, the factory became Tien Phong Plastic Joint Stock Company, according to Decision No. 0200167782 of the Ministry of Industry.



2013

Tien Phong Central Plastic Limited Company was officially established, known as a subsidiary located in Nghe An, supporting market share development strategy in the Central of the Company.



2007

Tien Phong Plastic South Joint Stock Company was officially established.



2006

Tien Phong Plastic Joint Stock Company officially listed its shares on the Stock Exchange with the stock symbol as NTP.



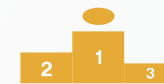
2015

Company expanded the scale of production and relocated to Duong Kinh District, Haiphong city with an area over 20ha.



2019 - RECENTLY

Company expanded the scale of factories in Hai Phong and Binh Duong, bringing the total production capacity to 250,000 tons/year and maintaining its leading position in the field of manufacturing and trading plastic pipes and fittings in Vietnam.

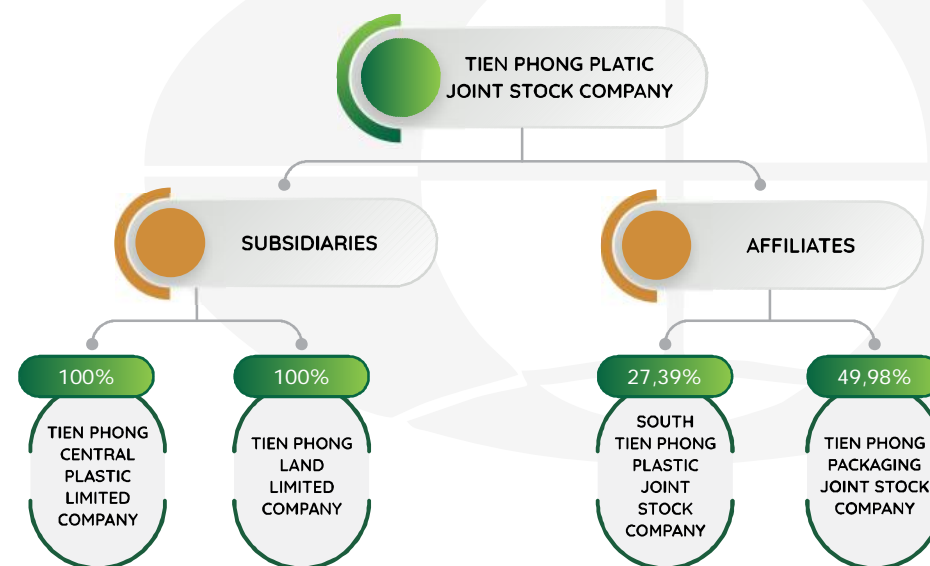


HISTORY

AND DEVELOPMENT ►



COMPANY SCALE



SUBSIDIARIES AND AFFILIATES

	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 446 billion	27.39%	Manufacturing and trading civil and industrial plastic products.
4	Tien Phong Packaging Joint Stock Company	No. 2 An Da Street, 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.



Industry and business area

Construction materials plastic field

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

Business location

In order to promptly meet the needs of customers, the Company has established 03 factories operating day and night in Hai Phong, Binh Duong and Nghe An. After more than 66 years of maintaining its brand name in the market, Tien Phong Plastic's distribution network covers all provinces and cities with 12 product distribution centers, nearly 400 distributors and more than 26,000 sales points spreading from the North to the South.

MARKET COVERAGE



PRODUCTS OF TIEN PHONG PLASTIC

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

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

PP-R and PP-R resistance pipes and fittings

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

MPVC pipes

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

uPVC inner spiral pipe

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

HDPE pipes and fittings

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

uPVC inspection chamber

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

uPVC pipe and fittings for drainage inside buildings

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

HDPE single-layer corrugated pipe and fittings

- Standard: KS 8455
- Nominal diameter: DN30 ÷ DN200
- Application: Installation and protection of electrical and communication cables for projects - works.

uPVC Cable trunkings

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

uPVC Pipe and fittings for electrical system installation

- Standard: BS 6099
- Nominal diameter: DN16 ÷ DN63
- Application: Install electrical wires floating on the ceiling, buried in the wall – concrete or underground.

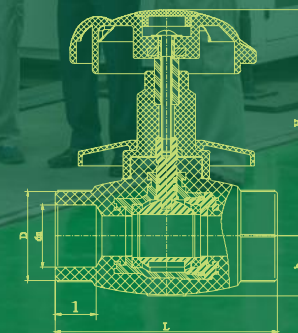
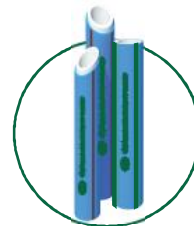
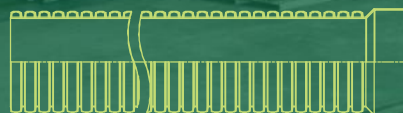
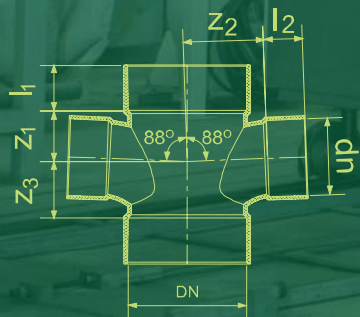
Other products:

1. uPVC fence
2. Tien Phong T50 Tank (Material: HDPE): Well-used in frozen storage, specialized for the seafood industry in terms of storing material, finished shrimp, fish, and squid.
3. PE Wall (Material: HDPE):

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

HDPE/PP double-layer corrugated pipe

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



DEVELOPMENT ORIENTATION

OF TIEN PHONG PLASTIC

Plastic industry market overview

A. The World Plastic Industry

The global plastics market was predicted to grow from USD 457.73 billion in 2022 to USD 643.37 billion in 2029, achieving a CAGR of 5.0% during the forecast period. The COVID-19 pandemic sent shock waves through the world and it became more complex than ever, with demand for plastics lower than anticipated in all regions compared to pre-pandemic period.

Developing opportunities after the Covid-19 pandemic

Covid-19 has had a significant impact on the entire world economy by directly changing market dynamics, disrupting market supply chains due to the quarantine and social distancing. In 2022, the world was starting to step in to overcome the severe consequences caused by the epidemic, and international trade activities were running again.

Effects of the Russian-Ukrainian war

The war between Russia and Ukraine could impact global commodity markets, making the increases in Brent oil prices. World oil prices rose to their highest levels since 2008, after the US and European countries considered banning Russian oil imports. Along with the frantic scramble to buy both polyethylene (PE) and polypropylene (PP) in North America. This have directly affected the production capacity of plastic products in the world. Product prices increased due to limited supply of raw materials, leading to a shortage of raw materials.



Disadvantages to the environment

Plastic pollution is a global environmental problem. In particular, microplastics create a large form of pollution to the environment. However, microplastics are everywhere. In the drinking water, the air and the food that we consume. Researchers predict that by 2040 there will be more than 600 million tons of microplastic waste in our oceans.

Demand for bioplastic products

The results of the European Bioplastics Association's (EUBP) annual market data update at the 15th EUBP Conference confirm the continued development of the global bioplastics industry. "Our industry has successfully weathered the challenges posed by the Covid-19 pandemic. And the outlook for bioplastics is also promising as the global market is predicted to grow by 36% over the next 5 years", said François de Bie, President of the European Bioplastics Association.

B. Vietnam plastic industry

According to VPA's report, in early July 2022, the country had over 3,300 plastic enterprises and more than 250,000 employees working in the plastic industry. Industry output reached 5.9 million tons, increasing 2.1% over the same period. Revenue reached over 13 billion USD, up 14.6% while input prices and costs increased from 10% to 30%.

The plastic industry's market share has consumption and annual growth of 16-18%, behind the textile and telecommunications industry. Along with the fast and strong growth rate, the plastic industry is considered a quite dynamic industry in the economy.

This development is derived from the open market, and has great potential, especially the domestic plastic industry is still in the early stages of development compared to the world.

Turning challenges into opportunities after the pandemic

According to the Ministry of Industry and Trade, in 2022, the prospects for the plastic industry were very favorable due to the recent signing of a series of new generation FTA (such as CPTPP, EVFTA, RCEP) that Vietnam has signed, helping to open up opportunities to attract investment not only in FTA partner countries, but also in other countries to invest in manufacturing goods in Vietnam.

Green production helps plastic enterprises increase their advantages

Along with opportunities, Vietnamese plastic enterprises are also facing many challenges from the market. To enjoy incentives from FTA and stand firmly in the global supply chain, businesses must comply with the rules and regulations of FTA and international markets, such as rules of origin, ISO TC6 certification, commitment to sustainable development, etc. Moreover, in the current trend, consumers are especially interested in sustainable, environmentally friendly products. Many major footwear and fashion brands in the world are increasingly demanding strict requirements on sustainable production, requiring plastic manufacturers to meet. Some experts believe that sustainable development and environmental protection are the main challenges for Vietnamese plastic enterprises.



Meanwhile, the US and EU are large and difficult markets, there are already many competitors. In order to penetrate and dominate these markets, plastic enterprises must improve their competitiveness, focus on investing in machinery and equipment and renewing technology to greenen the production process; invest in branding, product promotion, etc. Even for businesses that are mainly serving the domestic market, greening production and moving towards a circular economy model is also a necessary choice for sustainable development. **Expand product quality and develop construction plastic pipe lines.**

Construction plastic manufacturing enterprises invest in machinery and innovate technology after a period of strong influence from the Covid-19 pandemic in order to continue promoting the development of pipes and a variety of plastic products, then meet the needs of the current market. The change in environment along with the increase in user demand is a decisive factor for enterprises to expand PVC, PP and HDPE product files.

Plastic exports increase strongly

According to the report of the General Department of Vietnam Customs, the export of plastic products in the first 8 months of 2022 reached 3.84 billion USD, up 20.6% over the same period in 2021. In August 2022 alone, export turnover Plastic product exports reached US\$467.4 million, up 5.4% compared to July 2022 and 12.6% higher than August 2021.

It is known that plastic exports increased again after a sharp decrease in July 2022. Analysts said that the export turnover of plastic products is reported to still increase, but the growth rate has slowed down. The reason is considered that the largest market, the US, is gradually decreasing.

Upgrading water supply and drainage infrastructure to benefit plastic pipe suppliers

Spending in water supply and sewerage construction is forecast to grow relatively steadily through 2026, as many communities face replacing their aging water infrastructure. The passage of the federal infrastructure law promotes the development of water supply and sewerage infrastructure, facilitating development for plastic pipe suppliers.



\$1.56 Billion

41.4% of total turnover

▲ 40.7%

compared to the same period in 2021

The US is the largest market for Vietnamese plastic products



514.7 Billion

13.4% of total turnover

▲ 14.8%

compared to the same period in 2021

Japan is the 2nd largest market for Vietnamese plastic products



206.7 Billion

5.4% of total turnover

▲ 9.3% svck 2021

compared to the same period in 2021

Korea is the 3rd largest market for Vietnamese plastic products

C. Prospects for enterprises in the construction plastic industry in Vietnam

Lower input plastic prices are considered favorable to help construction plastic enterprises increase profits. Besides, the consumption of construction plastic products has great growth potential when Vietnam's urbanization rate is still low, while many people expect legal problems in real estate projects will be removed in 2023, creating a launching pad to boost the real estate supply in 2024.

PVC price outlook remains in low level

In the short term, major manufacturers in India, the US and China have invested to expand PVC production as soon as 2022 with a capacity of millions of tons, of which from now to 2026, PVC capacity will increase by 17 % to 70 million tons/year.

The demand for PVC dropped sharply in China due to the lack of the flourishing in the real estate market, especially when the demand for PVC for construction in this country accounted for 62%. By the end of 2023, VCBS believes that demand will continue to be weak when the number of projects starting to deploy in China at this time is very low because plastic pipes are used a lot when the projects are completed and it takes over 10 months to complete and about 1 year from the start of construction.

PVC prices have a strong correlation with coke because most of the production now depends on China. According to market research firm Fitch Solutions, production costs (coke) are forecast to drop sharply to \$280 per tonne in 2023, helping PVC manufacturers in China maintain competitive prices with competitive prices. The European Union (EU) and the US when these countries are experiencing severe energy shortages and high anchored input prices.

While PVC prices are expected to remain low, the consumption of construction plastic products has a lot of growth potential.

S.W.O.T Analysis

A. Strengths - Opportunities

Outstanding production capacity - to meet all market needs:

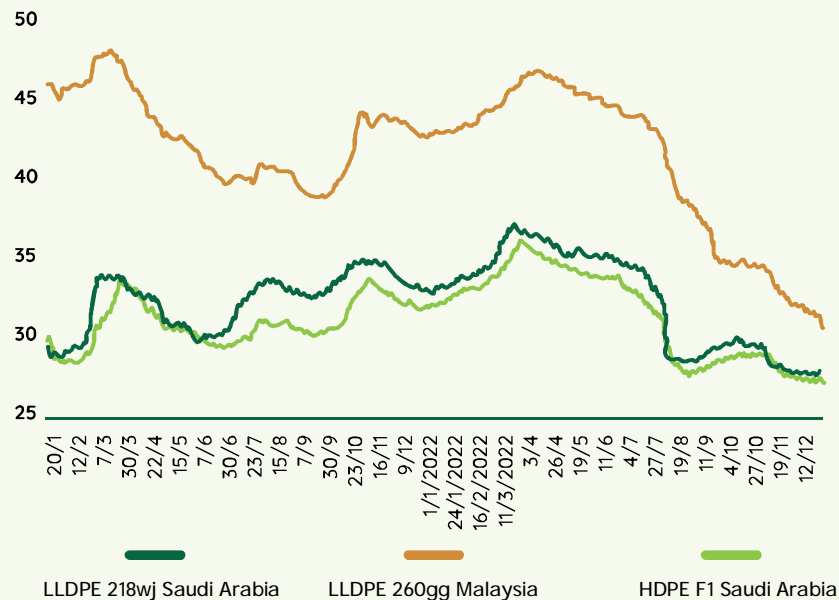
After 2 years suffering from negative consequences of the Covid 19 pandemic, 2022 witnessed a strong revival of the Vietnamese economy as well as the world. A series of frozen works, construction projects and postponed public investment projects were simultaneously restarted with many new projects. This required suppliers to have a strong production capacity to meet the huge demand from the "New Normal" form.

Maintaining the position as one of the leading enterprises in the production of pipes and fittings for the water industry in Vietnam. In 2022, by operating 03 factory clusters in Hai Phong, Nghe An and Binh Duong, the maximum output increased to 250,000 tons of products/year. In addition, the plan to improve capacity - expand production range has always been focused by the company's leadership with the expansion of the factory in Hai Phong in recent years.

This did not only help Tien Phong Plastic improve production capacity, but also increased the ability to expand product range, which has been Tien Phong Plastic's strength compared to other suppliers when Tien Phong Plastic's water pipes and fittings are capable of meeting all needs of the market, from civil to projects.

The ability to be proactive in raw materials in the face of complicated movements of crude oil prices in the world.

The year 2022 marks a tumultuous year for the world crude oil market and the factors affecting the input materials of the plastic industry in general, or the pipe and fittings industry in particular:



Facing these fluctuations, a series of suppliers constantly changed their selling prices when input materials could account for up to 70% of production costs, which caused confusion among customers when making purchasing decisions. In the first quarter of 2022, when the price of raw materials witnessed a sharp increase, the sentiment of expecting price stability appeared quite a lot.

This was also the time when Tien Phong Plastic's ability to proactively supply raw materials confirmed its strength. Continuously stabilizing prices and orienting the market, Tien Phong Plastic's business policies during the period of strong market volatility have further strengthened the confidence with its customers. The value of Tien Phong Plastic's products in the market was not only product quality, but also safety, reliability and stability. Tien Phong Plastic has become the first choice in project implementation of partners from both at home and abroad.

Brand strength - the factor associated with the consumer's subconscious.

Tien Phong Plastic is the first enterprise in the Northern market to produce plastic pipes and fittings for the water industry. Growing along the length of construction and development of the country, TPP has built itself an iconic brand, having a great influence in the pipe and fittings industry in particular and the construction industry in general.

That brand strength is increasingly consolidated when the TPP brand is not only limited to a plastic pipe manufacturing business, TTP is now also a leading enterprise in social security activities with programs such as "Cau Noi Yeu Thuong", or other volunteer programs. In 2022, the NTP brand was also a typical brand, continuously participating in the highly professional activities of the Vietnam Water Supply and Sewerage Association, Hai Phong City Department of Science and Technology and functional units.

Referring to Tien Phong Plastic Pipe, consumers are always proud to be a Vietnamese enterprise, bringing outstanding product quality and positive contribution to the overall development of the whole society.

Pioneering product quality - confirming its position in domestic and foreign markets

Tien Phong Plastic is always at the forefront of manufacturing international standard products with proven quality. The investment factor for technology of Tien Phong Plastic is still considered to be the leader in the construction plastic pipe industry in Vietnam when continuously launching new products to the market, increasing value for the customer. Especially, the import of equipment, production lines and technology from world famous brands in the direction of transferring not only the process and management style but also technology transfer in the direction of joint research, then create the new products suitable for consumption and market characteristics in Vietnam. These are prerequisites to help the Company maintain and promote its position in the market, especially in the context of more new investors joining the product supply.

Tien Phong Plastic's products currently do not only have wide coverage, serving the needs of domestic users, but have been present in many of the world's most demanding markets such as Germany, Japan, New Zealand, etc., affirming their leading position. TPP's product quality is the leader not only in but also outside of Vietnam.

S.W.O.T Analysis

A wide and strong distribution channel system, bringing the best service to end users.

Tien Phong Plastic currently has the largest distribution system and agent in plastic pipe enterprises. Currently, the Company has 12 Product Distribution Centers, nearly 400 Distributors and more than 26,000 Sales Points nationwide.

The distribution network is wide and covers the whole country with a good business strategy: keeping abreast of market needs, promptly responding to customer requirements is a special great advantage of the Company compared to competitors in the industry.

B. Weaknesses - Threats

The risk of fluctuations in input material prices and exchange rates are also two factors affecting the business performance of Tien Phong Plastic. With the particularity of having to import nearly 100% of plastic material (accounting for 70% of the cost of raw materials), and using mainly USD and EUR as payment, Tien Phong Plastic bears a double risk with input material prices and exchange rates. In 2022, Tien Phong Plastic had a good reserve policy on raw materials along with the stability of plastic resin prices, so this risk did not affect the Company's profit too much. However, with the complicated movements of crude oil prices as well as the general volatility of the world, price risks are always present, requiring high initiative and the right policies, helping NTP confidently develop, becoming strong and sustainable development.

Pressure on market share and profits: The increase in consumption volume of Tien Phong Plastic has slowed down recently due to competitive pressure from new competitors entering the industry. After a period of rapid growth from 2014 to 2016 benefiting from the recovery of the real estate and construction market, it slowed down a few years later. The year 2022 improved, but it was not really clear due to the difficult development of the economy and after the pandemic. Competition in the plastic pipe industry mainly focuses on the residential plastic pipe segment when the market demand is growing and quality standards are increasingly accessible. New competitors entering the plastic pipe industry compete with Tien Phong Plastic through a discount policy for the distribution system. The listed prices of leading companies in the industry do not have a big difference and mainly plastic pipe companies compete with a percentage discount for the distribution system.



Medium and long-term development strategy

A. Medium term

Maintaining the leading position in Vietnam plastic industry:

Maintaining the leading motto: "Tien Phong Plastic - Always Pioneering", Tien Phong Plastic always focuses on standardizing products, improving management system, personnel, sales policy and distribution system to create the premise for the next development cycle.

Continue to expand market share, upgrade modern equipment system in order to successfully research and produce new pioneering, market-demand-oriented products.

In addition to continuing to affirm its position in the northern consumer market, the expansion of the operation scale of factories in the Central and South regions and the cooperation with large domestic and foreign corporations have demonstrated Tien Phong Plastic's focus in dominating the domestic plastic market and encroaching on the international market. Tien Phong Plastic's products have been available in the most demanding markets such as Germany, Japan, New Zealand, etc. has contributed to speeding up the process of international accession of Tien Phong Plastic.

Be more proactive in importing materials:

In the context of raw materials imported from abroad: PP compounds, PE compounds, HDPE film compounds, PVC resins, PP-R plastic compounds, etc. from the Arab, Chinese, Turkish, Iranian and Middle Eastern markets is quite high, and import tax increases, Tien Phong Plastic plans to look for a variety of suppliers to meet the requirements for production and business. Tien Phong Plastic is always ready to accompany domestic and foreign suppliers to meet the demand for quality and quantity of high-quality input materials, expand business scope, and accompany development.

Exploiting new investment opportunities:

The signing of a cooperation agreement with a partner Sekisui Chemical - one of the leading companies in Japan in the field of manufacturing and trading water and environmental products, is considered the foundation for Tien Phong Plastic to apply technology to serve the production and market of advanced products that cannot be produced in Vietnam. Great prospects in the development of the plastic industry for water supply and drainage in Vietnam in particular and the region in general will give Tien Phong Plastics the opportunity to supply Japanese ODA projects in Southeast Asia in the field of infrastructure. In addition, the cooperation with Minh Phu Seafood Corporation has helped Tien Phong Plastic have the opportunity to approach the aquaculture industry and develop new product lines serving this field.

2022 also marked an important milestone in expanding cooperation with the signing of a Strategic Cooperation between Tien Phong Plastic and PC1 Corporation. This cooperation did not only open new markets for Tien Phong Plastic's products, but also contributed to the development of the company.

B. Long-term

Towards sustainable development, Tien Phong Plastic continuously invests to improve product quality, improve more preeminent features such as: uPVC inner spiral pipe, ISO 3633 pipe and fittings, HDPE 2000 pipe which has the largest diameter in Vietnam etc. At the same time, environmental protection issues are also focused by Tien Phong Plastic to be able to provide green materials to the works and contribute to the improvement of living space.

Revenue growth:

Improve financial ratios by at least 10% compared to current indicators, becoming a business with revenue of VND 10,000 billion by 2025, and USD 1 billion (VND 23 trillion) by 2040.

Sustainable development:

With the business orientation of "Development associated with social responsibility", Tien Phong Plastic has gradually created the image of an environmentally friendly enterprise and strives for the development of society and the community. The company always carries out production and business activities and organizes activities towards comprehensive development, ensuring the harmonious interests of shareholders, partners, employees at the same time, carrying out many welfare activities contributing to a better life for people in disadvantaged localities as well as raising the wings for the dreams of studious children - the future generation of the country.



Business plan in 2023

In 2022, Tien Phong Plastic achieved quite good results, overcoming difficulties in the post-pandemic period. However, there are still many issues to continue to be solved in 2023, especially the sustainable development of enterprises must be associated with the community and the environment; the work of employees is maintained and the life of employees is stable and improved day by day.

From that orientation, the Board of Management proposed a business plan in 2023 with the following basic criteria:

Target	Unit	Implementation in 2022	Expected plan in 2023	Growth (%)
Revenue	Billion Dong	5,685.1	5,875	3%
Sales volume	Tons	101,058	106,000	5%
Profit before tax	Billion Dong	532.2	535	0%

The company has given the measures to be taken to achieve the target in 2023 most effectively:

A. Business:

- Well organize the monitoring and capture of market information and sales situation. Strengthen forecasting, research and analysis of the world and domestic plastic market to manage production and business closely following market fluctuations;
- Actively survey and evaluate the market capacity to determine which market areas need to be promoted and supported to continuously expand and increase market share for the Company;
- Implement well after-sales policy, solve customer complaints quickly and thoughtfully to ensure the reputation of the Company;
- Regularly review the prices of the Company's products being supplied to ensure that they are consistent with the reality of the market, in accordance with the fluctuation of raw materials, exchange rates, competition, and market fluctuations to ensure consumer acceptance and ensure profits for businesses;
- Use a wide range of communication tools to promote Tien Phong Plastic's brand to consumers to best support sales;
- Expand the distribution system to all provinces and cities across the country and towards the export market;
- Evaluate and review the distribution system in order to promote the distribution system to consume the most of the Company's products;
- Strengthen comprehensive cooperation with major partners and customers.



B. Finance:

- Strict financial management, cash flow control increases capital turnover to bring optimal economic efficiency;
- Prioritize capital for production and business. Well perform the function of financial supervision, strengthen internal control;
- Invest in water supply and drainage companies via buying stocks because these are long-term, traditional customers of TPP.

C. Technique, technology:

- Research, arrange technical and quality management staff at factories in order to improve working efficiency and use human resources effectively;
- Stick to the targets of production and business plans, the proposed solutions and appropriate directions for each period and each market;
- Actively research and apply advanced management models to operate the Company to develop in a sustainable way, widely and thoroughly apply the lean production model;
- Improve the quality of current products, increase labor productivity by applying improvement measures, gradually introducing modern, synchronous equipment into the production process;
- Invest in machinery and equipment, molds, raw materials and new technology to produce pioneering products in the market with reasonable prices in line with the tastes of today's consumers.
- Complete designs and packaging products according to the brand identity of Tien Phong Plastic to fight against counterfeit goods in the market;
- Control costs in production, business and investment to bring the highest efficiency;
- Actively research solutions to further improve the quality of the Company's products, meeting the increasing demands of the market;
- Improve the production organization system, limit overlapping management, unclear responsibilities, professionalize the process to optimize the operating capacity of the administration apparatus, from the planning stage to the production stages.

Business plan in 2023



D. Regarding organization, taking care of employees' lives:

- Continue to maintain discipline and order and raise the awareness of compliance with labor regulations of all employees;
- Constantly improve the material and spiritual life of the Company's employees, in order to encourage employees to work hard, well implement the State's policies and regimes for employees; In addition to salary and income, working environment culture is the most important criterion for employees and managers to want to work and make long-term dedication to the Company;
- Evaluate the qualifications and capacity of the Company's employees periodically to arrange suitable jobs, adjust the salary to match the actual qualifications, capacity and position of the employees;
- Perfect the training of adjacent officers, continuously open training sessions to improve skills, techniques, management, and business for the Company's employees;
- Review regulations and rules to suit the joint stock company model.

E. Regarding the environment, occupational health and safety:

- Maintain stable production and business on the principle of complying with regulations on environmental protection prescribed by law;
- Develop labor protection plans and measures for occupational safety and health, conduct annual fire drills to improve working conditions, actively prevent occupational accidents and diseases.
- Periodically check health and organize Covid-19 vaccination sessions to improve and protect the health of the Company's employees.



RISK MANAGEMENT

1. Risk of Macroeconomics

In 2022, the socio-economic situation of Vietnam arose in the context of the world economy with many fluctuations. The global economy recovered and grew after a year of recession because of the Covid-19 pandemic. However, since mid-2022, the combination of the intense Russia-Ukraine conflict and the China's "Zero Covid" policy have slowed down the global economic recovery, increased global supply chain disruptions and made the world commodity prices increased sharply. The rise in world commodity prices (including oil, commodities and food) along with disruptions to global supply chains increases production costs, leading to a rapid rise in global inflation. High inflation combined with prolonged supply disruptions, causing import costs to increase, thereby affecting domestic production.

These macro risks all affected the production and business results of Tien Phong Plastic. Specialized departments have tracked the macroeconomic environment and advise the Board of Directors of the Company on forecasts of future macroeconomic trends and impacts on key business areas, thereby making recommendations for appropriate decisions and strategies.

2. Competition risks

The trend of plastic pipe consumption and the development prospects of the Vietnamese and international plastic pipe industry lead to increasingly fierce competition in the plastic pipe manufacturing industry. In order to minimize competition risks, besides constantly improving production, developing new products, optimizing costs to improve product quality, Tien Phong Plastic also aims to perfect infrastructure, applying information technology solutions to promote efficiency in business management, improve the quality of competition for enterprises in the same industry.

3. Risks of finance

Risks of credit:

This is the risk that occurs when the Company's counterparty fails to fulfill its payment or payment obligations or performs these obligations late compared to the committed time.

At Tien Phong Plastic, the Company always adheres to the deposit limit/credit risk limit approved by the Board of Directors annually. In addition, we also select partner banks with good credit ratings. Besides, we actively regularly evaluate and analyze banks, market conditions, and goals to balance risk and efficiency as well as ensure capital safety.

Risks of liquidity:

Liquidity risk happens when Tien Phong Plastic is unable to pay its financial obligations as they come due or cannot convert financial instruments into cash at a reasonable price in the short term due to a lack of liquidity in the market.

As a precaution, the Company has managed to separate investors' money and assets from the Company's money and assets to ensure the fulfillment of obligations to customers. For cash flow for production and business activities, liquidity risk management is carried out on a daily basis through balancing cash flow from receipts and payments, maintaining a channel of interaction and close coordination in construction work. Develop a plan to use money as well as send market warnings to balance cash flow in the best way, minimizing the risk of liquidity loss.



RISK MANAGEMENT

4. Risks of law and compliance:

About the law:

Identifying legal risks in business is an issue that businesses in general and Tien Phong in particular are very interested in. Tien Phong's business activities are governed by the Enterprise Law and legal documents on securities, commerce, tax, insurance... The legal system and guiding documents are often changed, not synchronized, or there is a risk of legal disputes arising from partners/employees/third parties.

Determining that legal compliance is an important part of Tien Phong Plastic's governance culture, the Company's Legal Department regularly updates on changes in law and legal impacts on business operations to promptly advise the Board of Directors and the Board of Management; review Tien Phong's contract documents to limit related legal risks; perfect the system of processes, regulations and internal documents in an appropriate and effective manner.

About compliance:

The Company faces this risk if the Company and its employees do not comply with the provisions of law, the Company's Charter, and violate the issued internal processes and regulations.

In 2021, the Audit Committee was established with the function of being an independent department responsible for risk management and supervision in order to ensure that the Company complies with the provisions of the law, the requirements of the regulatory authorities and other internal regulations. The results are reported directly to the Board of Directors and the Board of Management, thereby helping departments to review and amend business processes accordingly.



5. Risks of human resources:

Human resource risks are risks related to people management, competition to attract personnel, quantity and quality of human resources not keeping up with growth needs as well as international standards. This is a risk that is relatively well controlled by the Company because it has had a long operation and built a synchronous process from recruitment - training - evaluating to control and assessment of work quality.

To manage risks, Tien Phong Plastic has built a dynamic working environment to improve competitiveness in attracting human resources. In addition, the Company organizes internal learning and training, develops a highly qualified workforce, develops a management personnel planning program with a long-term orientation.

CHAPTER

02

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TIEN PHONG PLASTIC'S ACTIVITIES IN 2022

I. PRODUCTION AND BUSINESS ACTIVITIES IN 2022

Sales volume in 2022 reached 101,058 tons, up 7% over the same period in 2021 (equivalent to 6,612 tons).

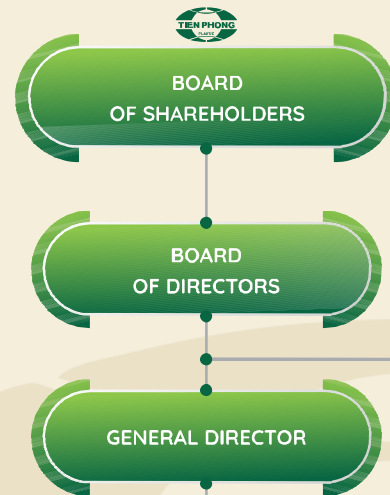
Revenue in 2022 reached VND 5,685.1 billion, up 17% over the same period in 2021 (equivalent to an increase of VND 861.6 billion).

Pre-tax profit in 2022 reached VND 532.2 billion, up 2% over the same period in 2021 (equivalent to an increase of VND 10.8 billion).

The increase in revenue over the same period last year was due to:

- Increase in selling prices of products:
 - + The average selling price of uPVC products in the first 9 months of 2022 is about 9% higher than the same period last year.
 - + The average selling price of PP-R products in the first 9 months of 2022 is about 6% higher than the same period last year.
 - Sales promotion policy and the reservation of PP-R products in May + October 2022; Promotion of uPVC pipes in June + November 2022 has also motivated distributors to boost sales and pay money in advance in the promotional month to sell in the following months.
 - + Increased revenue from some new product lines such as: uPVC Pipe and fittings for electrical system installation, processed for IPLEX;
 - + DN1400-DN1600 HDPE pipes for Minh Phu to bring seawater into aquaculture.
- The higher profit in the same period in 2021 is due to:
- Increased revenue led to profits increase
 - The selling price of products will be higher than in 2021, while the main raw materials such as PVC resin gradually decreased in 2022.
 - Choosing the right time to buy low-priced raw materials, contributing to increasing the profit of the Enterprise.





ORGANIZATION AND MANAGEMENT STRUCTURE



THE BOARD OF DIRECTORS



Mr. Dang Quoc Dung
Chairman of the BOD



Mr. Noboru Kobayashi
Vice Chairman of the BOD



Mr. Chu Van Phuong
BOD Member
General Director



Mr. Tran Ngoc Bao
Deputy General
Director of Finance

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.

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.

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.

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.
 9/2022 - now: Deputy General Director of Finance.

THE BOARD OF DIRECTORS



Mr. Nguyen Viet Phuong

BOD Member
and Audit Committee member



Mr. Dao Anh Thang

Independent BOD Member
cum Head of Audit Committee

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.

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. Chu Van Phuong

BOD Member
General Director

Born: 1972

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

Working Process:

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

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

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

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



Mr. Tran Ngoc Bao

Deputy General
Director of Finance

Born: 1976

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

Working process:

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

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

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

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

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

9/2022 - now: Deputy General Director of Finance.

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. 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.

Organization and management structure

AUDIT COMMITTEE



Mr. Dao Anh Thang

Independent BOD Member
cum Head of Audit Committee



Mr. Nguyen Viet Phuong

BOD Member
and Audit Committee member

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.

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 AND PERSONNEL SITUATION

1. Recruitment

In order to ensure a stable and high-quality human resource in the need to develop new products, break through to expand production scale, the Company constantly updates 4.0 technologies, catching up with new trends, diversifying in recruitment channels with tools through job postings from internet sites, social networks, online recruitment platforms from all over the countries. Thanks to the agility, catching up with market trends, the transparent and clear recruitment process, attracting many potential candidates, the personnel performing the recruitment are professionalized, maximizing the recruitment cost use. In 2022, the Company recruited 87 additional employees to meet the job demands at the Company, the results achieved:

No.	Position to be recruited	Number of personnel to meet demand
1	Auditor	1
2	Regional Business Management	3
3	IT technician	1
4	HR specialist	1
5	Technicians	7
6	Marketing staff	21
7	Other staff positions (Information technology, service, Marketing, tester, supporter)	13
8	Worker	40

2. Learning and Development

With the motto "Determining highly qualified human resources is the most important factor", the Company always focuses on the extensive implementation of key training, advanced training, knowledge supplementation, production technology programs for employees every year. Training results are clearly shown through the numbers in 2022, specifically as follows:

No.	Methods of training	Number of participants
1	Integration training	61
2	Outsourced training	2731
3	Online training	37
4	Company internal training	1052
5	In-house training	774
6	Take part in external training	1
7	Vocational exam	221

In the year 2022, the Company has selected qualified and skillful individuals to directly teach internally at the Company and attract many employees to participate. In addition, every year the company also conducts a personnel assessment program, always m that employees are arranged jobs in accordance with their personal capacity and qualifications, meeting for sustainable development, ensuring ensure long-term inheritance for the company.

3. Salary and benefits policy

The company always cares about workers' lives via compensation policies which are always strictly complied with the provisions of law such as social insurance, health insurance, salary, bonus, and welfare payment periods. Benefits are paid on time, 100% committed to no complaints, and no questions about the implementation of the Company's policies.

In addition, the Company always promptly adds benefit policy to encourage, boost mood and create a bond between employees and the Company, in addition to the benefits specified in accordance with the Government's policies. Specifically, in 2022, the Company has added a number of benefits for employees, such as: additional allowances for skilled employees, foreign language allowances, annual travel benefits, benefits participating in life insurance. Specially, for employees who have worked for Tien Phong Plastic for a long time will be awarded, honored and receive very meaningful medals and cash.



The salary, bonus and welfare policies for employees are a very special connection between employees and businesses, therefore, activities to take care of the mental health of employees are always appreciated by the Board of Directors of the Company and paid special attention and serious implementation at Tien Phong Plastic. Happy and healthy employees will create a solid stepping stone for the development of the business.



INVESTMENT SITUATION AND PROJECT IMPLEMENTATION

In 2022, Tien Phong Plastic has promoted project sales activities, the total number of projects that the company has approached, worked with, bid for, and negotiated with customers to sell products is 848, of which 500 project sold accounting for 55.8%.

GREAT VALUE PROJECTS:

No.	Project	Area
1	Hoang Huy Commerce Project	Hai Phong
2	Project of pipeline to transmit clean water from Bac Ninh surface water plant to Bac Ninh city	Bac Ninh
3	The Holiday Ha Long hotel project	Ha Long
4	DLC Complex Project Nguyen Tuan	Ha Noi
5	Dream City Project	Hung Yen
6	Townhouse and Shophouse Horizon Bay project	Quang Ninh
7	Tan Luong water plant project	Quang Tri
8	WHA Industrial Park Hemaraj	Nghe An
9	Quang Yen hot mineral resort urban area	Quang Yen
10	Urban resort and amusement park Nam Song Ma	
11	Upgrading the water supply pipeline for iron ore mines in Thanh Lam commune, Nhu Xuan district, Thanh Hoa province	Thanh Hoa
12	Integrated development of Dong Luc urban areas - Tinh Gia urban sub-project	
13	TH True Milk Farm	
14	Dragon Castle Ha Long project	Ha Long
15	Nam Sach Industrial Park Project, Hai Duong	Hai Duong

FINANCIAL SITUATION

In 2022, the Company planned to generate revenue of VND 5,175 billion, equivalent to an increase of 7% compared to the implementation level in 2021. Target profit before tax was VND 465 billion, decreased about 10% compared to 2021. At the end of the year, Tien Phong Plastic completed revenue plan and exceeded 14% of the target of pre-tax profit.

DATA OF PRODUCTION AND BUSINESS RESULTS IN 2022

Criteria	Unit	Plan of 2022	Implementation of 2022	% Implementation of the plan in 2022	Implementation in 2021	Implementation in 2022 compared to 2021
Business output	Thousand tons	100	101,058	101%	94,446	107%
Product sales revenue	Billion VND	5,175	5,685.1	109%	4,823.5	117%
Pre-tax profit of parent company	Billion VND	465	532.2	114%	521.4	102%
After-tax profit of parent company	Billion VND	-	455.82	-	445.41	102.34%



FINANCIAL SITUATION

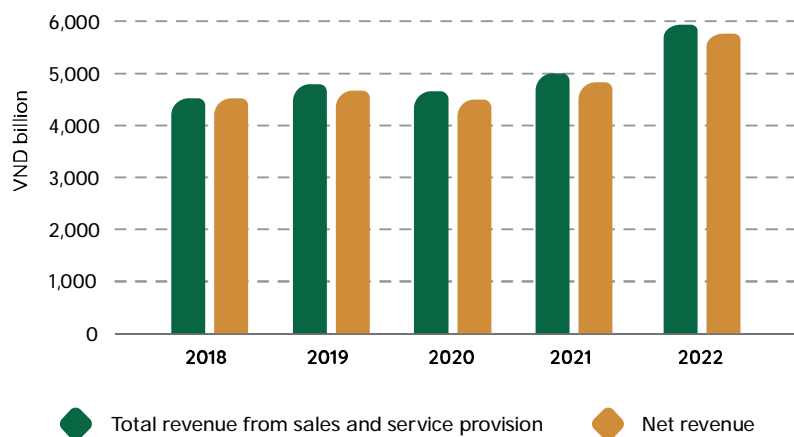
KEY FINANCIAL INDICATORS

A. Revenue

In 2022, the Company recorded VND 5,685.11 billion in net revenue and VND 455.82 billion in profit after tax, up 18% and 2.34% respectively compared to 2021.

Criteria	Unit	2018	2019	2020	2021	2022
Total revenue from sales and service provision	Billion dong	4,534.6	4,788.7	4,646.2	4,995.48	5,833.54
Net revenue	Billion dong	4,519.6	4,673.8	4,486.1	4,823.52	5,685.1
Financial revenue	Billion dong	15.1	16.8	21.3	44.82	64.39
Other income	Billion dong	5.6	9.2	4.1	12.48	3.91

Revenue growth table for the period 2018 - 2022

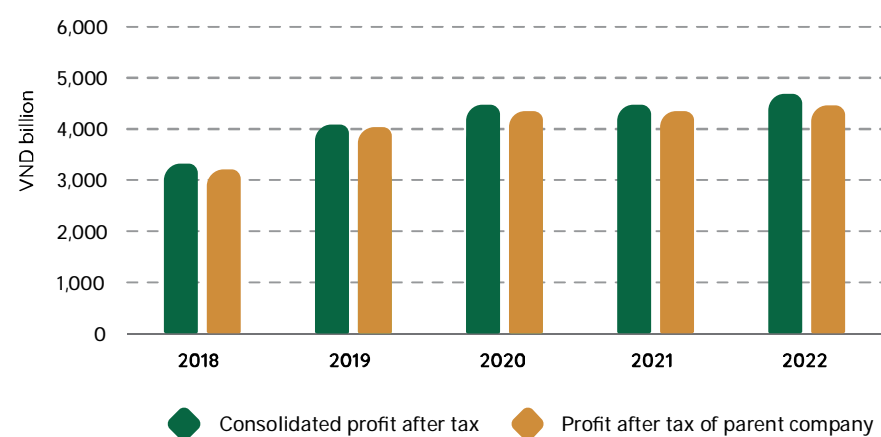


Revenue growth chart for the period 2018 - 2022

B. Profits

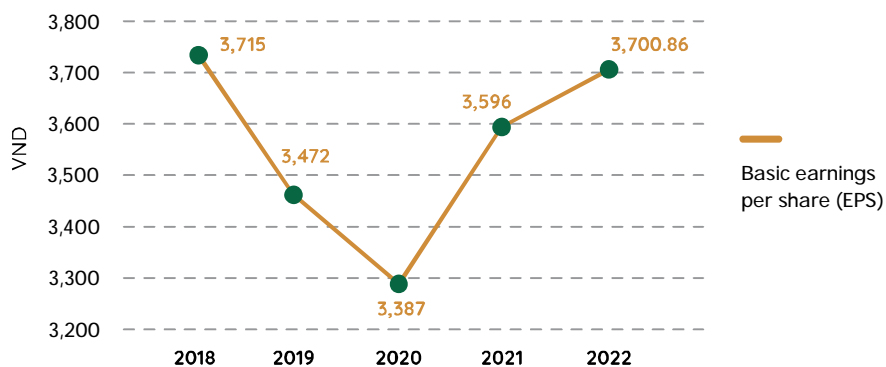
Criteria	Unit	2018	2019	2020	2021	2022	Difference between 2022 and 2021
Profit from business activities	Billion dong	376.4	467.7	520.93	557.87	562.67	0.86%
Consolidated profit after tax	Billion dong	331.5	409.0	447.19	467.76	479.54	2.52%
Profit after tax of parent company	Billion dong	320.6	404.3	435.8	445.41	455.82	2.34%
Earnings per share (EPS)	Billion dong	3,715	3,472	3,387	3,596	3,700.86	2.92%

Profit growth table for the period 2018-2022



Profit growth chart for the period 2018-2022 (Billion VND)

FINANCIAL SITUATION



Basic earnings per share for the period 2018 - 2022 (VND)

C. Asset structure

Till December 31st, 2022, the total assets of Tien Phong Plastic increased by nearly 4% compared to 2021, equivalent to VND 165.64 billion.

Criteria	Unit	2021	2022	Difference (2022-2021)	% Increase/Decrease
Short-term assets	Billion dong	2,721.74	3,075.80	354.06	13.01
Long-term assets	Billion dong	2,176.46	1,988.04	(188.42)	(8.66)
Total assets	Billion dong	4,898.2	5,063.84	165.64	3.38

Table of changes in asset size in 2021 - 2022 (Billion VND)

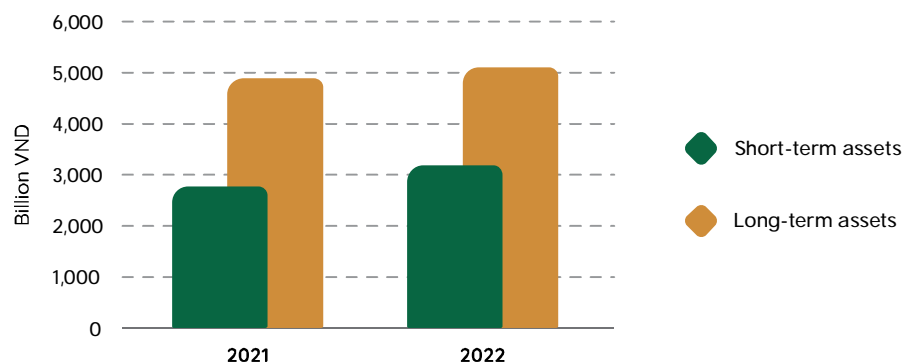


Chart of changes in asset size from 2022 - 2021 (Billion VND)



D. Basic Financial Indicators

Criteria	Unit	Year of 2022	Year of 2021
Indicators of ability to pay			
- Quick ratio	(Time)	1.09	0.76
- Current ratio	(Time)	1.38	1.25
Capital structure indicators			
- Debt Ratio/ Total assets	(%)	44	44
- Debt ratio/ Owner's equity	(%)	79	80
Performance criteria			
- Inventory turnover	(Turn)	3.28	4.27
- Accounts receivable turnover	(Turn)	6.78	6.03
- Accounts Payable Turnover	(Turn)	16.52	20.52
Profitability metrics			
- Profit after tax/ Net revenue	(%)	8.44	9.7
- Profit after tax/ Owner's Equity	(%)	16.94	17.27
- Profit after tax/ Total assets	(%)	9.47	9.55

Tien Phong Plastic is currently the leading manufacturer of plastic pipes and fittings in Vietnam with a market share of about 37% of the national market, owning 12 distribution centers, nearly 400 distributors and more than 26,000 nationwide stores, points of sales.

As of December 31st, 2022, the company's total assets reached more than VND 4,727 billion, an increase of nearly 4% compared to the beginning of the year. On the capital side, the size of the Company's liabilities and equity both increased slightly in 2022. Equity continued to account for about 55% of the company's total capital.

SITUATION OF SHAREHOLDERS AND SHARES

1. Shares

	At the date of 31/12/2021	At the date of 31/12/2022
Total number of shares and types of shares outstanding	117,796,183	129,575,334
Number of freely transferable shares	117,796,183	129,575,334
The number of shares restricted to transfer	0	0

2. Shareholder structure

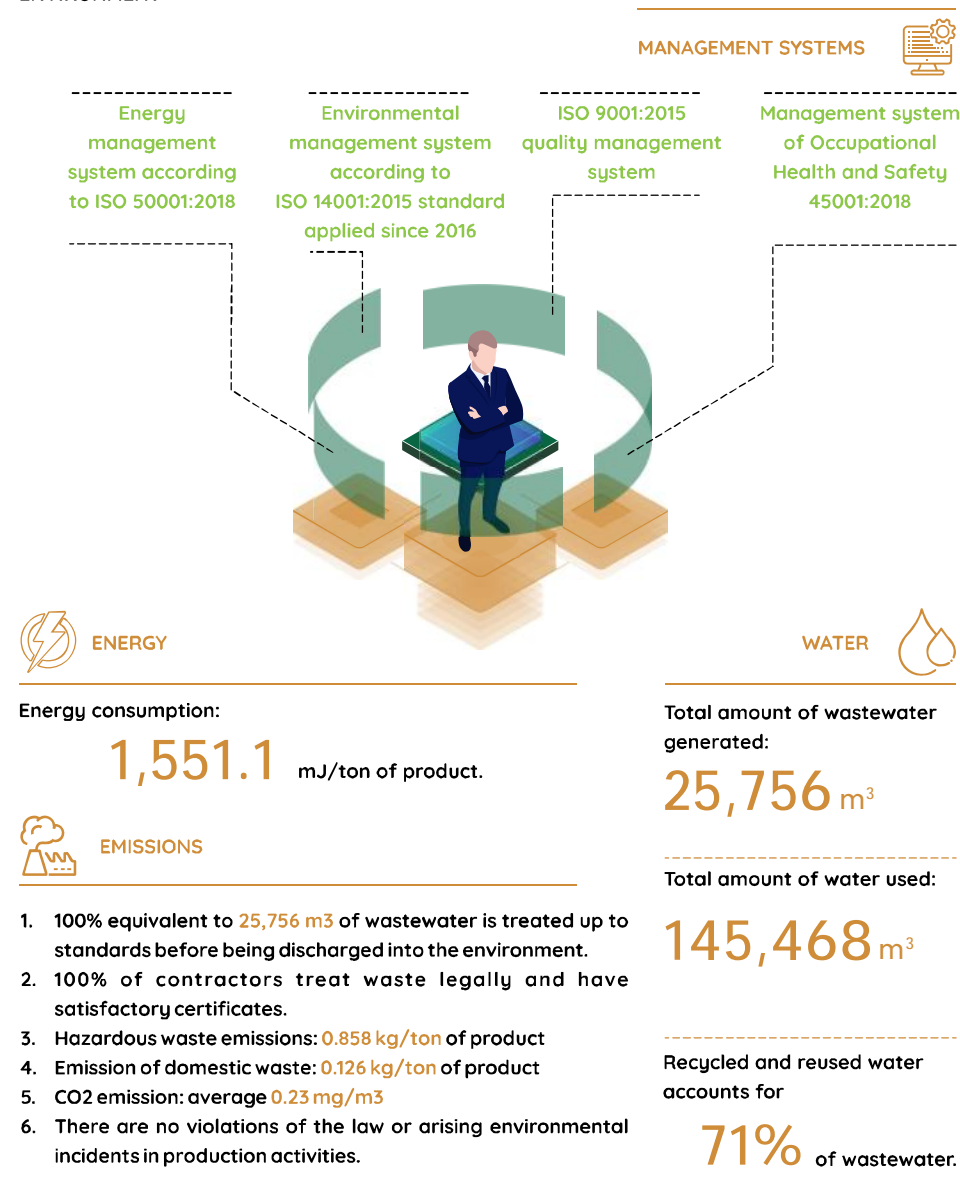
Shareholder structure	At the date of 31/12/2021		At the date of 31/12/2022	
	Number of shares held	Rate %	Number of shares held	Rate %
Government shareholders	43,707,754	37.1%	48,078,529	37.1%
Domestic individuals	42,846,836	36.4%	45,577,481	35.1%
Domestic organizations	53,620,344	45.5%	60,982,476	47%
Foreign individuals	345,750	0.3%	322,751	0.3%
Foreign organizations	20,983,253	17.8%	22,692,626	17.6%
Total	117,796,183	100%	129,575,334	100%

3. Information about major shareholders owning 5% or more as of December 31st, 2022:

No.	Name of person/organization (representative)	Type of shareholder	Number of shares held	Percentage of shares held (%)
1	Dang Quoc Dung	Individual Domestic	8,905,968	6.87
2	Le Thi Thuy Hai	Individual Domestic	9,233,012	7.13
3	Tien Phong Plastic Joint Stock Company of the South	Organization Domestic	8,658,989	6.68
4	SEKISUI CHEMICAL CO.,LTD	Organization Foreign	19,436,538	15.00
5	State Capital Investment Corporation SCIC	Organization Domestic	48,078,529	37.104

ASSESSMENT REPORT RELATED TO ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

ENVIRONMENT



ASSESSMENT REPORT RELATED TO ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

In 2022, the economy gradually recovered and stabilized compared to the years of the Covid 19 pandemic. Key economic sectors, heavy industry and other activities also took the opportunity to transform after the pandemic. Not out of that, Tien Phong Plastic also took advantage of opportunities to increase production and business activities. With large production capacity, raw materials are not easily reallocated and have many direct impacts on the environment through wastewater, emissions, and sewage. As a leading enterprise in the construction industry, Tien Phong Plastic has always determined that production must be associated with environmental protection to contribute to creating a healthy working environment for employees and green and clean for the ecosystem.

ENERGY - WASTE - GAS EMISSION

In 2022, the management methods, closed production, investment in green technology continued to be maintained by Tien Phong Plastic to have the least impact on the environment and kept the indicators at a level lower than the standards set by the Ministry of Health, the Ministry of Natural Resources and Environment.

About energy

Although there were savings in electricity and gas, the increase in production output higher than 4000 tons has caused NTP's energy consumption in 2021 to increase slightly compared to the previous year from 150,752,957 MJ to 152,209,687 MJ, which was mainly increased from DO oil.

To achieve highly effective control methods, NTP has maintained and improved continuously, always striving to find solutions to prevent pollution, use resources economically and improve the efficiency of ISO 50001 Environmental Management System. Not only did TPP measure such as arranging the production system according to science to use the equipment for the right purposes, building the consumption level from the beginning of the period and determining the responsibility for each individual through management tools KPI personnel to raise awareness of energy saving for each location, TPP also promoted the improvement of equipment such as:

- Regularly checked and maintain power consuming equipment to avoid power loss.
- Continued to replicate the solution of installing a compressed air pressure sensor at the total compressed air tank to change the operation of the air compressor from on/off mode with a pressure of 6-7bar to a mode to maintain constant pressure compressed air at 6 bar.

- Invested in and put into use 02 new water chillers with helical compressor type using inverter control system - motors with high COP efficiency index, which were standard replacement for 02 axial compressor type air conditioners old screw that had a low COP efficiency index.

- Used a water-cooling tower with a capacity of only 7.5 kW to replace the water chiller with a capacity of 40kW to supply cooling water to the granulators.

- Invested and put into operation 07 new injection molding machines to produce PVC and PE-PPR fittings using inverter control system - servo motor, with high productivity, efficiency in electricity use and improved manufacturing efficiency.



- Continued to gradually replace some ordinary high-pressure lamps 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.

In addition, Tien Phong Plastic also optimized the operating time of machinery and equipment, reduced the use of electricity during peak hours such as taking advantage of daylight to illuminate factories, and worked closely with the power company in the area to update the power supply schedule and ensure a stable power source for production and business. In addition, the Company also assigned personnel to monitor and managed electrical and energy equipment and record consumption data to avoid energy consumption.

No.	Criteria	Unit	2021	2022
1	Electrical power	kWh	43,226,753	40,904,807
2	Gas	Kg	11,735	11,449
3	Oil DO	Liter	101,930	112,383
4	Total energy consumption	MJ	150,752,957	152,209,687
5	Total production	Ton	97,339	98,132
6	Average energy consumption/ton of product	MJ/Ton	1,548,742	1,551,078

(Table of power consumption and total energy consumption)

Chart of Electricity consumption (kWh)

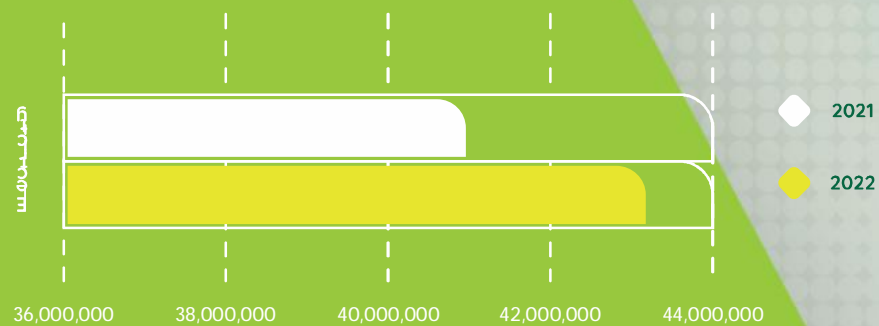


Chart of Gas consumption (kg)

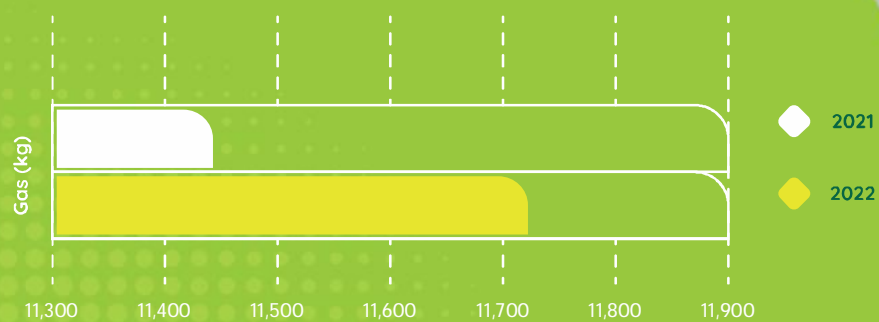
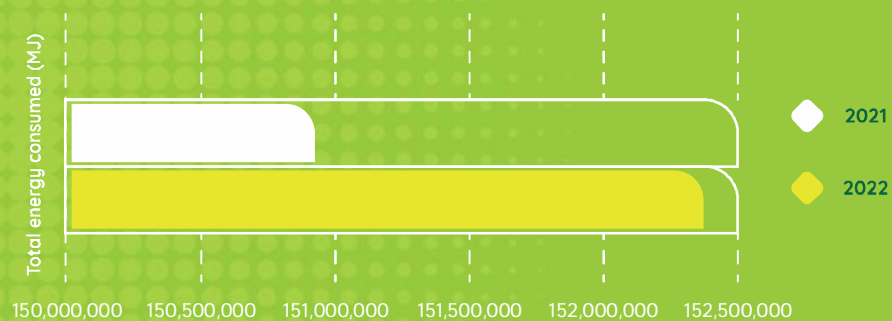


Chart of Total energy consumption (MJ)



ASSESSMENT REPORT RELATED TO ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

About Emissions

The company planted many trees and grass with an area of 43,243 m² meeting current standards, not only creating a beautiful green landscape, but also contributing to the emission of gas in the area. In addition, the company has regulated and implemented the following measures to control emissions such as:

- Dust from the production process, the company applies a filter system to recover dust that is not released into the environment, this system is placed in a closed room. All factories are built with high roofs and installed with ventilation fans to keep the working environment ventilated. The chemical fumes generated from the weld loading stage is sucked by the exhaust fan system to prevent chemicals from spreading around and is diluted with air before being discharged into the environment.

- To implement the Law on Environmental Protection, every year the Company invites the Environmental Monitoring Center - Hai Phong Department of Natural Resources and Environment to visit the Company. The company conducts periodic environmental monitoring 4 times/year. The results of monitoring and analysis of most parameters and indicators are within the allowable limits according to Vietnam's current environmental standards.

- Strengthen inspection through cooperation with the Center for Health and Labor Environment Ministry of Industry and Trade to measure the working environment of workers periodically according to the law. All test samples are within the permissible limits of the current Vietnamese working environment.

Air Index Table

Observation period	Noise	Dust	CO	SO ₂	NO ₂
1	57.7	178.7	4,711.1	55.6	54.7
2	56.6	179.6	5,077.8	71.9	64
3	61.6	155.8	4,686.8	73	63.6
4	59.1	183.1	5,011.1	74.5	68.4
QCVN 26:2010/Minister of Natural Resources and Environment	70	-	-	-	-
QCVN 05:2013/Minister of Natural Resources and Environment	-	300	30,000	350	200

Analysis of waste volume in 2021 - 2022 table

No.	Content	Unit	2021	2022
1	Domestic waste	m ³	1,378	767.5
2	Industrial waste	m ³	279	473
3	Hazardous waste	Kg	101,287	84,210
4	Medical waste	m ³	12	12

About Waste

The periodic maintenance of equipment and machinery and the application of monitoring, collection, classification and treatment solutions have helped the company reduce hazardous waste by 20% and reduce biological waste by 45%.

Chart of domestic waste, industrial waste and medical waste

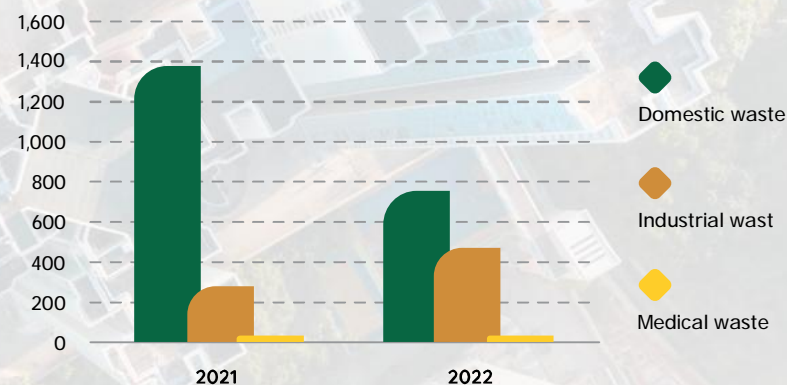
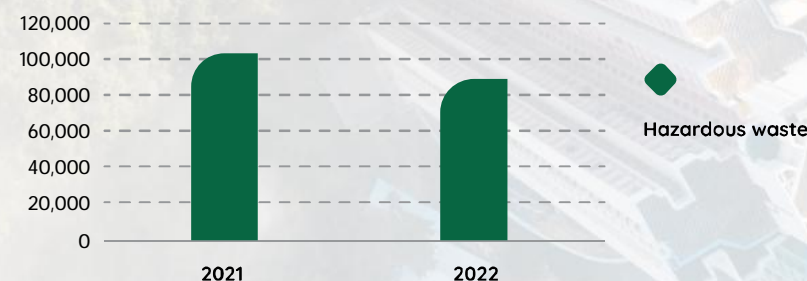


Chart of hazardous waste



ASSESSMENT REPORT RELATED TO ENVIRONMENTAL
AND SOCIAL RESPONSIBILITY

WATER PROTECTION

Water can be seen like the blood of the Earth. If the Earth is like a body, then the water flow is the lifeline, transporting, circulating, linking the parts of the earth together. Water for natural ecosystems in general and humans in particular is an intimate relationship, especially fresh water because most activities from life to agriculture and industry use it. However, water is not eternal and is threatened by the warming of climate change and the rising demands of industries.

There fore, Tien Phong Plastic always focuses on saving water sources and controlling the quality and safety of wastewater before it is discharged into the environment.

SOLUTIONS TO IMPROVE WATER RESOURCES

In 2022, although production increased by nearly 4% of the volume in 2021, the amount of wastewater only increased slightly by 600m3 because the amount of circulating water was fully utilized (over 70%), avoiding waste of resources, did not pollute the environment while saving production costs.

A professional wastewater treatment system that meets international standards ISO 14001:2015 has been invested by the company since 2012 with a capacity of up to 130m3/day, ensuring 100% of wastewater meets the Vietnamese standards 40:2011/BTNMT and take advantage of the recirculation of wastewater to cool the equipment.

Domestic wastewater: Average 70-100 m3/day (the remaining 30% is watering plants and surface evaporation during production and daily life). The company has built systems to collect surface overflow water (with sedimentation manhole), domestic wastewater (with septic tank). All wastewater is collected to the Wastewater Treatment Station, using biochemical technology, with a capacity of 130 m3/day and night, meeting the prescribed standards before being discharged into the environment.



Wastewater treatment stations are upgraded and maintained periodically, with regular operators assigned, and specific operating procedures; station operation log is fully recorded.

-> Periodic monitoring of wastewater meets the permitted regulations before being discharged into the Da Do irrigation ditch system.

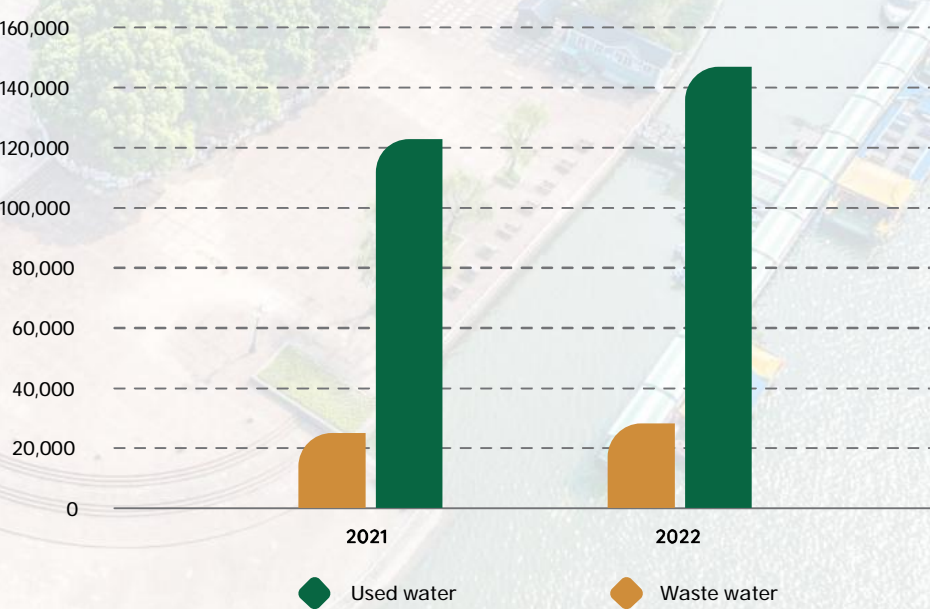
Domestic wastewater quality comparison table 2021 - 2022

Wastewater	Unit	2021	2022
Total	m ³	25,123	25,756

Wastewater quality comparison table 2021 - 2022

Water	Unit	2021	2022
Total	m ³	122,965	145,468

The chart of comparision between used water and waste water amount



ASSESSMENT REPORT RELATED TO ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

RECYCLE PRODUCTS

Circular economy is an inevitable trend when natural resources are no longer as abundant as before and is currently being concerned by countries around the world, which is an indispensable factor for sustainable development. Although Tien Phong Plastic's products belong to the plasticizer industry and are not affected by the natural environment, the company still has minimized the amount of waste to save raw materials, energy, prolong the life cycle, reducing waste and disposal costs. Therefore, the manufacturing plants are trying to limit the amount of waste to a minimum, maintaining an average of more than 6% of the total production output.

The table of scrap data in 2021

No.	Unit	Waste indicator	Action
1	PVC Factory	≤ 3.6	3.27
	Fittings Factory (uPVC)	≤ 10.8	9.27
2	Fittings Factory (PP-R)	≤ 9.7	9.49
	Fittings Factory (PP)	≤ 8.8	8.24
3	PE (HDPE) Factory	≤ 7.0	6.29
	PE Factory (PP-R)	≤ 2.5	2



CHAPTER

03

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86	Human Resource Department
88	Technical Research and Production Division
97	Finance Department
98	Responsibility to society and community

REPORT OF THE EXECUTIVE BOARD

A. BUSINESS DEPARTMENT

With a strategic vision, in the face of difficulties, Tien Phong Plastic has been proactive in choosing good suppliers, negotiating prices and payment terms, choosing a reasonable buying time to bring efficiency in signing the contracts. Thanks to that, raw materials, equipment, supplies, goods and services were provided in a timely manner to the units in the company.

In order to quickly supply the needs of customers nationwide, in addition to actively building an elite sales team, Tien Phong Plastic has expanded its distribution system with 12 distribution centers, nearly 400 distributors and more than 26,000 points of sale across the country. Bringing the close cooperation between Tien Phong Plastic and major partners such as Minh Phu Group, PC1 Group has helped Tien Phong Plastic access new markets in the fields of aquaculture and electricity. It is the unremitting, steady efforts on the pioneering path that new products successfully researched, manufactured and put into business by the company are the space to expand market share, increase revenue and profit for the company in 2022 and the following years.





For the existing product lines, Tien Phong Plastic has cooperated with foreign corporations, improved more preeminent features and produced for foreign markets. In 2022, the company successfully exported more than 400 types of uPVC fittings for Iplex to Australia, New Zealand, 10,000 ball valves to Sekisui Germany and PVC flanges to Sekisui Japan.

Tien Phong Plastic has undergone nearly 63 years of establishment and development, with a wealth of experience of leaders and executives. In 2022, policies were introduced and implemented effectively to maintain the production apparatus and maintain stable distribution system in the face of economic and political fluctuations.

REPORT OF THE EXECUTIVE BOARD

BUSINESS RESULTS

By implementing price adjustment policies, strictly controlling costs in production activities, promoting project sales and actively cooperating in development with major partners, by 2022, with experience and unremitting efforts, Tien Phong Plastic has exceeded the plan in both revenue and profit.

Criteria	Unit	2022 plan	2022 Performed	% Completion of 2022 plan	Implementation of 2021	Implementation of 2022 compared to implementation of 2021
Product sales revenue	Billion VND	5,175	5,685.1	109%	4,823.5	117%
Profit before tax of Parent company	Billion VND	465	532.2	114%	521.4	102%
Profit after tax of Parent company	Billion VND	-	455.82	-	445.41	102.34%

- Customer care support was promoted. The frequency of system care was increased, product seminars with customers are held in most provinces and cities, enhancing the company's cohesion with the sales system. Any arising problems or incidents were handled in a timely manner, while continuing to expand the distribution network in Hanoi, Lao Cai and Quang Ninh.
- The work of capturing market information was implemented synchronously in all market areas. Through the survey, information of nearly 26,000 Selling Points was obtained as a database for the support of sales development of units in the system.
- The survey of new products was also focused on implementation. New products of the company were introduced and offered to the entire system of civil and project customers. Always updated information about new product lines on the market, actively listen to market reactions about the limitations of new products to report to the company's leadership for improvement. Some new products surveyed in 2022 such as lever ball valve, PP-R swing arm, Rain gutter, cPVC pipe.

- Survey of competitor policies was carried out regularly to promptly update in order to have suitable countermeasures.
- Flexibility in handling cash flows, building and operating effective capital mobilization strategies, creating competition among financial providers, proactively grasping in the use of foreign and local currencies, exchange rate to reduce the cost of capital ratio and negotiate the optimal interest rate, significantly lower than the market rate.
- Promoted the company's image through online and offline communication channels, covering media such as television, outdoor billboards, online newspapers, newspapers, etc. to remind and reach thousands of potential customers across the country.

- Tien Phong Plastic's revenue in 2022 reached VND 5,685.1 billion, increased 117% over the same period in 2021 (equivalent to an increase of VND 861.6 billion); completed 9% of the 2022 plan, the pre-tax profit in 2022 increased 2% to 532.2 billion VND.

- In 2022, Tien Phong Plastic had impressive business results, this was the crystallization of a process of building a solid foundation, coming from flexibility, acumen to grasp new opportunities in business, then applying and implementing measures in operation, flexibly adapting to each stage. In particular, the results are a testament to the tireless efforts of the Board of Directors and all employees on the path of building a strong Tien Phong Plastic.



REPORT OF THE EXECUTIVE BOARD

B. HUMAN RESOURCE DEPARTMENT

With a workforce of nearly 1,500 people, Tien Phong Plastic always implements effective human resource policies, advanced and employee-oriented management models.

Internal training and next generation creating:

2022 was a year marking a strong transformation of Tien Phong Plastic in internal training and soft skills development for staff. In 2022, with the pandemic situation being significantly reversed, the Company continued to strengthen face-to-face teaching and online learning flexibly to improve quality efficiency. Lecturers are mobilized from a group of highly experienced staff in the Company, this activity is both a form of staff capacity assessment and also an opportunity and condition for the staff to develop, utilize their inherent abilities and capabilities. The training content is extremely diverse, including: office skills (basic and advanced office computing), foreign language skills (basic and advanced English communication skill), technical expertise, sales and operation of machinery and equipment, etc.

In addition, besides training efforts, in order to stabilize the human resources system and realize "dual goals", Tien Phong Plastic has been simultaneously implementing plans to build a team of young generation for future strategies. Being oriented in the coming period, the Company will continue to apply advanced training models, deploy courses for the next team of senior managers, focus on improving professional skills and developing capacity, manage and standardize the contingent of mid-level staff to meet the goals of sustainable human resource development.

In 2022, on the basis of optimizing the organizational structure, Company appointed Mr. Tran Ngoc Bao to hold the position of Deputy General Director of Finance and Ms. Luu Thi Mai for the position of Chief Accountant of the Company to promote effective and streamlined human resource management activities.

Renovate and complete regulations and policies to enhance working transparency, compliance and standards of the management system.



In addition to building a strong administrative structure on the basis of compliance with the provisions of Vietnamese law combined with the application of international practices on corporate administration, Tien Phong Plastic has built and issued and continuously update the system of internal documents in order to create a unified and transparent governance mechanism to control and supervise the Company's operations in a transparent, professional and effective manner, contributing to ensure the benefits of shareholders and the harmony of related groups. In 2022, Tien Phong Plastic has completed, amended and supplemented internal documents such as the Company's Charter, Regulation on information disclosure, Regulation on supplementing benefits for employees, Regulation on salary payment, Regulation capital representative of Tien Phong Plastic at the enterprise, etc.

REPORT OF THE EXECUTIVE BOARD

C. TECHNICAL RESEARCH AND PRODUCTION DIVISION

1. Technical Research Department

Overcoming the difficulties, in 2022 the Technical Division has completed a number of key works:

a. Mold work - equipment:

- Received and developed solutions to put the IPLEX AU/NZ molds into production. Currently, we are continuing to perfect the remaining mold sets out of a total of 236 mold sets with more than 400 product codes.
- Designed CPVC testing equipment, auxiliary equipment for the project ball valve Sekisui
- New design and manufacture, acceptance of 70 sets of molds in 2022.
- Deployed projects to produce Sekisui's products
- Newly fabricated and put into use 19 machines and equipment with advanced operational features for production.
- Implemented solutions to replace imported equipment and components on the pipe production line, promptly responded to production and save investment costs, in accordance with the company's production conditions.
- Implemented 687 measures to repair and manufacture equipment and details to serve the work of manufacturing and repairing equipment.
- Formulated and organized the implementation of energy saving solutions in production plants
- Collected technical data of all machinery, equipment and molds to serve the management of the system.



b. Technical consulting and work coordination:

- Supported consulting on products and construction for large projects such as Minh Phu - Kien Giang, Project to replace concrete drainage pipe with PE/PP 2-layer corrugated pipe.
- Coordinated with units in the Sales department to organize seminars to introduce and train the company's products.
- Set up the norm tool and apply some tasks.
- Supported production units to assess mechanical - electrical labor skills.

C. TECHNICAL RESEARCH AND PRODUCTION DIVISION

2. Production Department

In recent years, Vietnam's construction plastic industry is developing strongly 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 pioneered investing in research and production of new products to catch up with market trends.



Criteria	2022 Plan	2022 Implementation	2023 Plan	Comparison of 2023 implementation and 2022 implementation
Production output (tons)	77,928	80,730	82,198	102%



Besides, Tien Phong Plastic continues carrying out researches to introduce new products, contributing to diversifying the product portfolio not only serving construction industry but also expanding into new fields such as the electricity industry, aquaculture, etc., bringing convenience to customers, contractors and reducing costs and construction time.

In 2022, the units in the production department have successfully completed their tasks to meet the needs of customers, especially in the peak months.

a. Production Management

- Maintained well the company's management systems such as ISO 9001, ISO 14001, ISO 50001, ISO 45001 and management tools such as 5S, TPM, the company's testing laboratory is up to ISO/IEC 17025, which expanded test. Ensured that IPLEX's management system and products meet compliance requirements according to AS/NZS1260 and AS/NZS1477 standards recognized by Water Mark and SAI Global.
- Certified uPVC fittings products in accordance with ISO1452-3:2009 standards and maintaining all the company's products certified by Quacert of standard and regulation conformity.
- Implemented many training courses for the company as well as internal training in the unit to improve the skills of technology workers and electromechanical workers, thereby continuously assessing the personnel capacity of the positions of the factories.
- Maintained stable production of Iplex fittings. rticipated in technology acquisition and testing of Sekisui's new product projects such as PVC valves; PVC flanges; resistance welding fittings; CPVC pipes and fittings. Exported 2 shipments of ball valves to Sekisui Germany and an order of PVC flanges to Sekisui Japan.
- Maintenance of machinery and equipment was carried out on a regular basis, in accordance with the correct technique to ensure that it is ready to serve production.
- Developed a plan for stable running of large-sized HDPE pipes and corrugated pipes of Unicor line to reduce the time and waste of pipes, currently continuing to master the technology on the Corma line.
- Deployed the design and installation of 13 automatic uPVC pipe lifters into the product transport vehicle, reducing labor force and labor.
- Continued to improve glue stirrer into homogenizer to reduce glue stirring time from 4h to 1h, reduce glue viscosity tolerance.
- Improved and perfected the technology and equipment for bending large uPVC fittings, produced the DN630 90 degree angle joint product.
- Besides, more than 10,000 product codes based on 3 main plastic types HDPE, PP-R, PVC were always strictly quality checked according to international standards before being circulated on the market.



Certificate

(ISO/IEC 17025:2017 product testing room management system with many 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	Pipes Made of Unplasticized Polyvinyl-chlorua (uPVC) for Water Supply	DIN 16962-5:2000-04

Certificate

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

No.	Product	Quality standards
11	PVC-U fittings for water supply and for buried and above-ground drainage and sewerage under pressure	TCVN 12755:2020
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) PP-R Plastic Pipes and Fittings used to conduct hot and cold water under pressure, type: 1/10 bar, nominal diameter from DN20 - DN250;	QCVN 16:2019/ BXD;

Certificate

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

No.	Product	Quality standards
	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	
	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





C. TECHNICAL RESEARCH AND PRODUCTION DIVISION

b. Innovative work, technical improvement

In 2022, the work of innovation initiatives in the manufacturing sector was accelerated. Some typical improvement initiatives during the year were applied:

- Researched on solutions to overcome the excessively high longitudinal shrinkage of uPVC pipes. This solution has been applied to all sizes of uPVC pipes in the North, Central and South regions and all meet the requirements of the standard.
- Tested and put some new dispensing orders into production to help improve product quality, reduce production costs and be environmentally friendly.
- Designed of cylindrical shape with vacuum core to run 250 and 300 corrugated pipes to overcome the problem of min surface.
- Manufacture a cooling tank for quick testing of the hardness of the Unicolor 2-layer corrugated pipe sample, shortening the test time from 24 hours to 1 hour.
- Researched the technology of self-generating UV granules instead of the previous outsourcing, helping the company to be proactive in production and save costs.
- Took advantage and improve a number of products, machinery and equipment to help the Company save costs.

D. FINANCE DEPARTMENT

In 2022, the Company recorded the highest profit in the second quarter of 2022 in its history with pre-tax profit of nearly 212 billion dong, so that, accumulated in 2022, Tien Phong Plastic reached 5,685.11 billion dong in net revenue – an increase of nearly 18% over the same period, profit after tax reached 455.82 billion VND, a slight increase of 2.34% compared to 2021, equivalent to EPS of 3,701 VND.

1. Property situation

As of December 31, 2022, the total assets of Tien Phong Plastic reached VND 5,063.84 billion, an increase of nearly 4% compared to the beginning of the year. In difficult economic conditions globally in general and in Vietnam in particular, this was a very remarkable rate.

2. Debt situation

As of December 31, 2022, Tien Phong Plastic had VND 2,233.02 billion of liabilities, a slight increase compared to the beginning of the year in which no long-term loans were recorded.



RESPONSIBILITY TO SOCIETY AND COMMUNITY

1. Program “Cau noi yeu thuong”

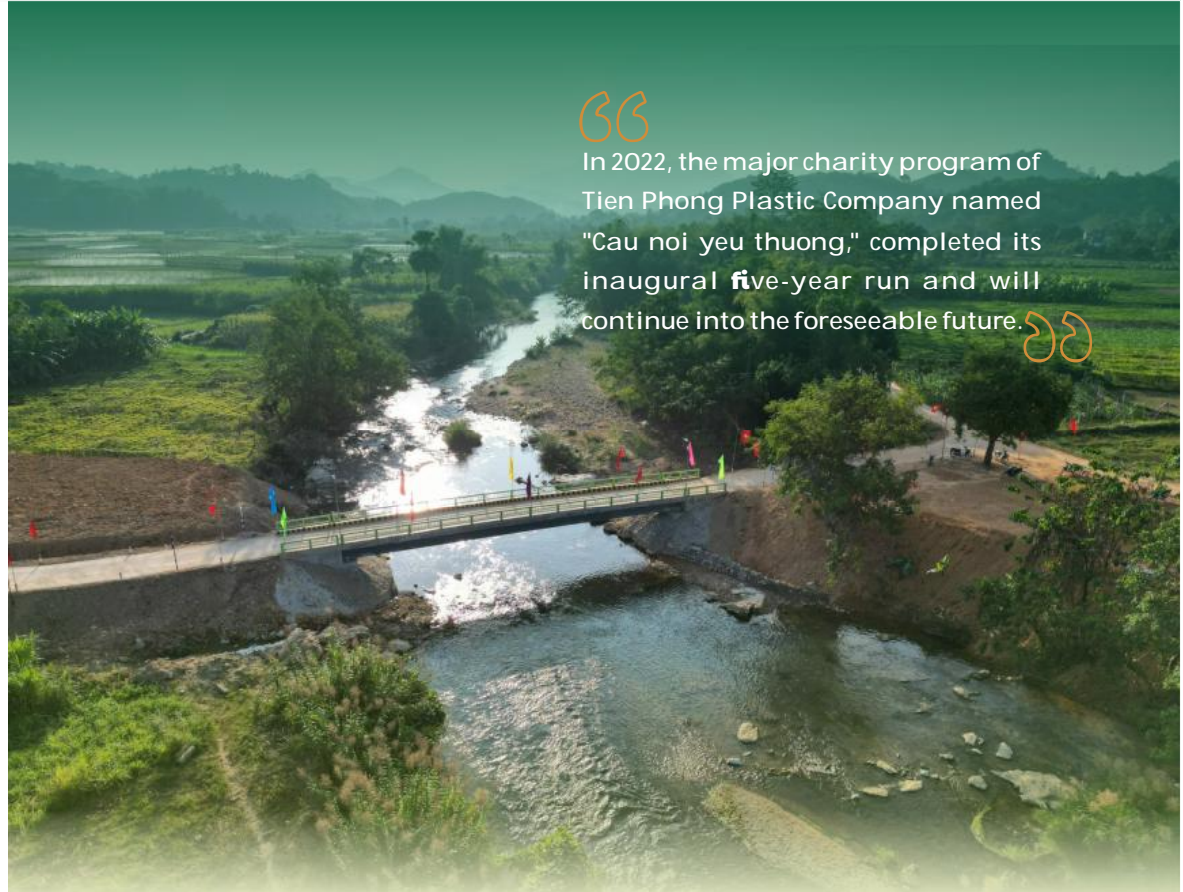
With the goal of bringing a better life to the people, raising children's steps to go to school in difficult areas across the country. The “Cau noi yeu thuong” Program, initiated by Tien Phong Plastic in October 2017, is one of the social activities for the community, implementing the purpose of building bridges for people's lives in difficult and remote areas. remote areas, without convenient transportation. After 5 years of implementation, with the whole heart of giving love along with the determination of the Board of Directors, the connection of charities, especially the companion of Tu Tam Charity Group, TPP has connected banks with 100 bridges were built in 24 provinces and cities with a cost of about two hundred billion VND.

During that journey, each bridge has a story, a feeling of its own, and has very special bridges. Like the first bridge built in Pa Khoang commune, Dien Bien in 2017 was a unique road for students of Pa Khoang kindergarten and primary school. On the day the bridge was inaugurated, both she and the students were very excited because every school day was a happy day, no longer worrying about slipping or missing their feet when going to school. It was said that it would have been a long time before returning to that distant land, but in April 2022, once again, Tien Phong Plastic gave the people and children of Dien Bien province another bridge in Co En village,

Ang Cang commune, Muong Ang district. The bridge had been a dream of the people for a long time because it was not only the way to school but also the livelihood, the opportunity to change the lives of the Thai people. And there were many such bridges expected, such as Na Ui suspension bridge - “Cau noi yeu thuong” number 3, (Nam So commune, Tan Uyen district, Lai Chau) with a length of 54m is the longest bridge built due to the topography. The tree number 57 (Cam Son commune, Mo Cay Nam district, Ben Tre) with a length of 108m is the longest bridge in the program and was built during difficult times due to the Covid pandemic or the Sop Kha bridge - Health worker No. 38 (Yen Hoa commune, Tuong Duong district, Nghe An) is a lifelong dream of 83 Kho Mu households because there was no clean water, no electricity and no phone signal.

The last bridge to close that journey is the 100th bridge - Binh The - Tong Trang bridge in Vinh Quang commune, Chiem Hoa district, Tuyen Quang province which was inaugurated on November 14, 2022. It was a great joy not only for the people but also for those who implemented the program because this is a meaningful mark for the journey of spreading human values, contributing to changing the face of poor villages and rural areas and improving the lives of people and children. Therefore, throughout the chain of activities of the “Cau noi yeu thuong” program, with each locality being given a bridge, TPP also gave many gifts and scholarships to students, people in difficult circumstances, etc. At the same time, cultural programs were held on holidays and Tet with meaningful content such as “My happy day, New Year for me, Dream lantern, Warm spring of hope, Dream wings, etc. provided a useful playground for the children, thereby fostering more knowledge and nurturing the child's soul.

With its humanistic meaning and good values for the community, the Love Bridge program has attracted a lot of attention and support from many volunteer groups. Not only the companionship of the construction unit - Thai Duc Minh Construction One Member Company Limited, Green Kite Fund, Tin Kim Company, Dai Dung, Golden Peak, Dinh Tan, Chau Thoi Concrete 620, etc. many other benefactors have stood shoulder to shoulder with NTP. Especially, the Tu Tam Volunteer Group is an indispensable part because it has been attached since the early days, supporting in the organization, survey, construction and working with the locality.



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In 2022, the major charity program of Tien Phong Plastic Company named “Cau noi yeu thuong,” completed its inaugural five-year run and will continue into the foreseeable future.

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Mr. Dang Quoc Dung - Chairman of the Board of Directors of Tien Phong Plastic believes: “We have never been alone in the journey of building and developing the Tien Phong Plastic pipe brand. In business, Tien Phong Plastic has reputable customers and partners, has a loyal agent system and is always trusted by customers. On the volunteering journey, we always receive the sharing and cooperation of all employees of the company, partners and benefactors. All together have created the invisible strength of Tien Phong Plastic, helping us to gain more motivation, overcome the market's events and uncertainties, maintain the growth rate, and continue towards a brighter future.”

It can be said that the “Cau noi yeu thuong” program is the heart and enthusiasm of Tien Phong Plastic for children in difficult areas. Grateful for the history of forming Tien Phong Plastic, we always aim to provide the best support activities for young people with the goal that they will be developed equally, creating a foundation for great ambitions and contributing to the future. of home country. The 100 bridges formed are the lives of hundreds of thousands of prosperous households and that is just the beginning of the program. In the next 5 years, “Cau noi yeu thuong” will remain a dedicated volunteer program of Tien Phong Plastic, continuing to bridge the bridges of love, spreading kindness to underprivileged areas, contributing to contribute to the socio-economic development of the region and bring confidence about an open future for children.

2. Promoting the tradition of Mutual Love

For many years, Hai Phong City Sponsoring Association for the Disabled and Orphans has been the unit with which Tien Phong Plastic has accompanied in implementing many activities to help disabled people and people with disabilities and orphans to rise up in their life, integrate into the community. Every year, NTP donates 30 bicycles to orphans and disadvantaged students in districts in Hai Phong city, builds gratitude houses for lonely elderly people, and charity houses for the elderly and disabled people in difficult circumstances. In the atmosphere of welcoming the Lunar New Year 2023, Tien Phong Plastic has presented 230 gifts to 230 orphans with extremely difficult and helpless circumstances at 3 locations in the city: Conservation Center social support under Thanh Xuan School of Social Labor; Hoa Phuong Orphanage Village and Hai Phong SOS Children's Village, with a total sponsorship value of 115,000,000 VND.



Not stopping there, responding to the movement "Tet of mercy" Spring Quy Mao - 2023 initiated by the Red Cross Society, Tien Phong Plastic has cooperated with the association to implement a program of giving Tet gifts to 200 objects of different ethnic groups and disadvantaged families, Agent Orange victims, people affected by the Covid-19 pandemic, former TNX, etc. in the districts in the city, contributing to support cash, food and essential necessities for the



people with a total budget of 100,000,000 VND. During nearly 10 years of companionship, Tien Phong Plastic and the Red Cross Society of Hai Phong city have carried out many activities for the community, upholding the tradition of "Love people as if you love yourself".

3. Other volunteer activities

- Tien Phong Plastic sponsored and awarded 10 excellent graduation projects in water supply and drainage, infrastructure engineering planning and environmental technology at "Vietnam Water Week - Vietnam Water Week 2022" with the theme "Water Sector Policy - Sustainable Development" organized by the Vietnam Water Supply and Sewerage Association.
- Awarded sponsorship and encouragement awards for 12 winning topics for the City-level Science and Technology contest for high school students in 2022 - 2023. This is the program that the Company has accompanied. the same many years.



- Youth Union:
 - Visited and gave gifts to the families of war invalids, martyrs and people with meritorious services to the revolution in Dien Bien province on the occasion of the 68th anniversary of the Dien Bien Phu victory.
 - Took part in caring for, offering incense and flowers at the Martyrs' Cemetery in Ngo Quyen District and the "Candreating Ceremony of gratitude to heroes and martyrs" on the occasion of July 27, supporting 2,200 cups of candles for the virtual program in Ngo Quyen district. organized with a total value of 10 million VND.

- Organized the campaign to participate in the volunteer blood donation campaigns "Pink Volunteer Day - Summer 2022" and "Red drops of blood" deployed by the district union.
- Deployed, propagated and mobilized union members, young people, and benefactors to participate in supporting the program "Warm winter" and "Spring volunteering" to give gifts: blankets, warm clothes, scholarships to the children.

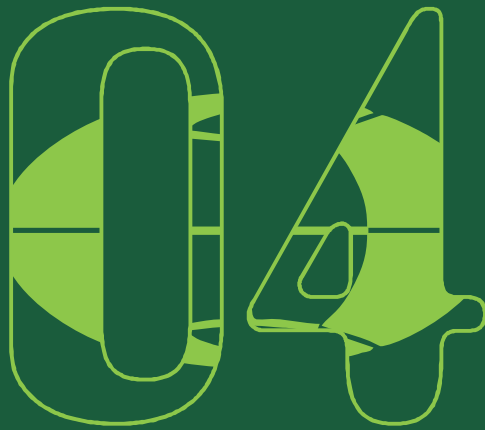


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"Tien Phong Plastic believes that when love is shared, the future will be expanded, creating good foundations for the solid development of future generations, bringing stability and prosperity to the country. We hope that the compassionate journey with the message "Spread happiness, connect the future" will continue to continue, cultivating bright green seeds for the community society.

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CHAPTER



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110	Activities of the internal audit committee
111	Operation plan of the Board of Directors in 2023

REPORT OF THE BOARD OF DIRECTORS

A. MAIN ACTIVITIES OF THE BOARD OF DIRECTORS

In 2022, the Board of Directors held 04 regular meetings to discuss, evaluate and give orientations and direction for the main activities of the Company, including:

- + Appointed Mr. Tran Ngoc Bao to hold the position of Deputy General Director of Finance, for a term of 3 years, 2022 – 2025.
- + Appointed Ms. Luu Thi Mai to hold the position of Chief Accountant, for a term of 3 years, 2022 – 2025.
- + Implemented the Resolution of the 2022 Annual General Meeting of Shareholders, the Board of Directors has implemented a plan to issue shares to increase share capital from equity at the rate of 10%.
- + Implemented the Resolution of the 2022 Annual General Meeting of Shareholders, the Board of Directors has made a decision on the payment of cash dividend for the second period of 2021 at the rate of 10% on May 31st, 2022; and advance the first cash dividend in 2022 at the rate of 15% on December 15th, 2022.
- Besides, the Board of Directors also regularly participates in the meetings of the Board of Directors to grasp the situation and direct quickly and effectively.



* Resolutions/Decisions of the Board of Directors issued in 2022

No.	Number of Resolution/Decisions	Date	Content	Pass rate
1	16/NQ-HĐQT	25/4/2022	Resolution of the Board of Directors on the payment of cash dividends for the second period in 2021	100%
2	18/QĐ-HĐQT	28/4/2022	Resolution of the Board of Directors on the payment of cash dividend for the second period in 2021 (replacing Decree No. 16/NQ-HĐQT)	100%
3	21/QĐ-HĐQT	05/5/2022	Decision of the Board of Directors on the implementation of the plan to issue shares to increase share capital from equity sources	100%
4	25/QĐ-HĐQT	23/5/2022	Decision of the Board of Directors on the implementation of the plan to issue shares to increase share capital from equity (replacing Decision No. 21/QĐ-HĐQT)	100%
5	29/QĐ-HĐQT	23/5/2022	Decision of the Board of Directors on the payment of cash dividend for the second period in 2021	100%

No.	Number of Resolution/Decisions	Date	Content	Pass rate
6	41/NQ-HĐQT	22/7/2022	Decision of the Board of Directors on the approval of the result of issuing shares to increase share capital from equity	100%
7	44/NQ-HĐQT	01/8/2022	Decision of the Board of Directors on the promulgation of the Regulation on Information Disclosure	100%
8	58/NQ-HĐQT	23/9/2022	Decision of the Board of Directors on the appointment of Deputy General Director of Finance	100%
9	59/NQ-HĐQT	23/9/2022	Decision of the Board of Directors on the appointment of Chief Accountant	100%
10	70/NQ-HĐQT	03/11/2022	Resolution of the Board of Directors on the first installment of cash dividend in 2022	100%
11	75/NQ-HĐQT	06/12/2022	Decision of the Board of Directors on the first installment of cash dividend in 2022	100%



B. ASSESSMENT OF THE PERFORMANCE OF THE EXECUTIVE BOARD

Pursuant to the Company's Charter and the Company's internal governance regulations, the Board of Directors supervised the activities of the General Director and members of the Board of Management in operating production and business and implementing resolutions from the General Meeting of Shareholders and the Board of Directors in 2022.

* Monitoring method:

At the meetings of the Board of Directors, the Board of Directors reviewed the implementation of the resolutions, the situation of production and business of the quarter and accumulated, discussed and decided to approve the resolutions for the General Director and the Board of Management to act as the basis of implementation. The General Director and members of the Board of Management will send a monthly report monthly on activities and make explanations with the contents requested by the Board of Directors. In addition, according to the assignment of tasks, the members of the Board of Directors will regularly discuss with the members of the Board of Management about the contents and issues of concern for supervision.

* Assess the activities of the Board of Directors towards the General Director and the Board of Management:

With the results achieved in 2022, the Board of Directors has summarized, discussed and evaluated:

- The General Director and the Board of Management have made great efforts in performing the assigned tasks of 2022 with remarkable and encouraging results, strictly complying with current legal regulations and operating regulations of the Company.
- The Board of Management has done a good job of managing production and business activities, ensuring jobs, ensuring the health and safety of all employees of the Company, and at the same time ensuring high responsibility to stakeholders.
- The Board of Management has also enhanced the improvement of internal administrative activities and has really achieved good results in order to improve administration capacity as a premise for long-term development.

REPORT OF THE BOARD OF DIRECTORS

C. ACTIVITIES OF INDEPENDENT MEMBERS OF THE BOARD OF DIRECTORS AND THE AUDIT COMMITTEE

1. Information about members of the Audit Committee:

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	14/4/2021	Master of Financial Analysis
2	Nguyen Viet Phuong	Member	14/4/2021	Master of Business Administration

2. Meetings of Audit Committee

No.	Members of the Audit Committee	Number of meetings attended	Meeting attendance rate	Voting rate	Reasons for not attending the meeting
1	Dao Anh Thang	4	100%	100%	
2	Nguyen Viet Phuong	4	100%	100%	

3. Supervision activities of the Audit Committee for the Board of Directors, Board of Management and shareholders:

The Audit Committee of Tien Phong Plastic Joint Stock Company has complied with the tasks specified in the Operation Regulation of the Audit Committee:

- Directly monitor the activities of the Board of Directors through meetings and the issuance of Resolutions/Decisions of the Board of Directors.
- Supervise the implementation of the resolutions of the Annual General Meeting of Shareholders in 2022; the implementation of the Resolutions/Decisions of the Board of Directors issued in 2022.
- Supervise the implementation of business activities, management and administration of the company by the Board of Management through meetings of the Board of Directors, meetings of the Business Division.
- Supervise the independent audit activities of the appointed independent audit unit.
- Direct and supervise the activities of the Internal Audit Committee.

Through supervisory activities, the Board of Directors has properly performed the rights and obligations prescribed by the Law, actively implemented the resolutions of the General Meeting of Shareholders, the resolutions of the Board of Directors, and performed management and administration work in accordance with the law.

4. Coordination of activities between the Audit Committee for the activities of the Board of Directors, the Board of Management and other managers:

The Audit Committee always cooperates well with members of the Board of Directors, members of the Board of Management and managers in the Company to perform its supervisory function.

The Board of Directors/Board of Management always creates favorable conditions and responds to requests for information provision for supervision purposes.

The Audit Committee periodically reports the results of supervision to the Board of Directors.

REPORT OF THE BOARD OF DIRECTORS

D. ACTIVITIES OF THE INTERNAL AUDIT COMMITTEE

In 2022, under the direction and supervision of the Audit Committee, the Internal Audit Committee performed the following tasks:

- Auditing the Company's 2021 financial statements;
- Auditing the financial statements for 2021 and the operation of Tien Phong Central Plastics Co., Ltd;
- Auditing the operation of the Materials Department;
- Auditing the operation of PE-PP factory; Manufacturing factory; Fittings factory;
- Auditing the Company's 2022 semi-annual financial statements;
- Post-checking the situation of overcoming recommendations in 2021.

E. REMUNERATION TRANSACTIONS, BENEFITS OF THE BOARD OF DIRECTORS & BOARD OF MANAGEMENT

No.	Full name	Title Position	Year of 2021	Year of 2022
BOARD OF DIRECTORS				
1	Dang Quoc Dung	Chairman	3,352,341,875	4,322,710,128
2	Noboru Kobayashi	Vice Chairman	884,500,000	904,000,000
3	Chu Van Phuong	Member	3,387,176,659	4,218,706,499
4	Tran Ngoc Bao	Member	2,698,561,261	3,329,506,168
5	Nguyen Viet Phuong	Member	177,000,000	271,000,000
6	Dao Anh Thang	Independent member	918,630,000	919,080,000
BOARD OF MANAGEMENT				
1	Chu Van Phuong	General Director	3,387,176,659	4,218,706,499
2	Nguyen Van Thuc	Deputy General Director	1,874,913,765	2,647,362,676
3	Ngo Thi Thu Thuy	Deputy General Director	1,754,314,923	2,245,211,934
4	Tran Nhat Ninh	Deputy General Director	1,563,380,427	2,231,969,930
5	Tran Ngoc Bao	Deputy General Director	2,698,561,261	3,329,506,168

F. OPERATION PLAN OF THE BOARD OF DIRECTORS IN 2023

- Affirm the Company's capacity and leading position in the Vietnamese market. Be consistent with the orientation of prioritizing market share development and flexibly applying policies to improve business results.

- Enhance competitiveness through product diversification, customer expansion, application of advanced management models and tools combined with investment in modern production technology.

- Strictly comply with the provisions of the Enterprise Law, current laws as well as the Charter and internal regulations of Tien Phong Plastic, ensuring objectivity and transparency on the basis of preventing conflicts of benefits between the Company with the members of the Board of Directors, the Board of Management and related people, respecting the legitimate rights and interests of shareholders. Continue to improve the risk management system in order to minimize any negative effects on the Company's business performance and sustainable development.

- Orient to build an advanced administrative structure based on a digitalization platform, and at the same time optimize the Company's resources. Gradually deploy the digitization of the management system and apply technology and digital transformation in production and business activities in order to improve overall efficiency.

- Focus on developing the quality of human resources and staff. Build a friendly, safe internal working environment and improve benefits for employees by preferential policies, retain talented people, build high-quality management and labor resources.



CHAPTER

05

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SUSTAINABILITY REPORT

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Development connected with the
17 un development goals

In the context of socio-economic disruptions caused by the Covid-19 pandemic and international politics, "Sustainable Development" remains an important factor to help businesses overcome difficulties, bring prosperity for business and society. In 62 years of development, the business still takes "quality" as its operating principle, is consistent with the sustainable values it has built to bring good values to the community, respect and transparency for shareholders, cooperate for mutual development with partners and jointly shoulder the social responsibility with the Government.

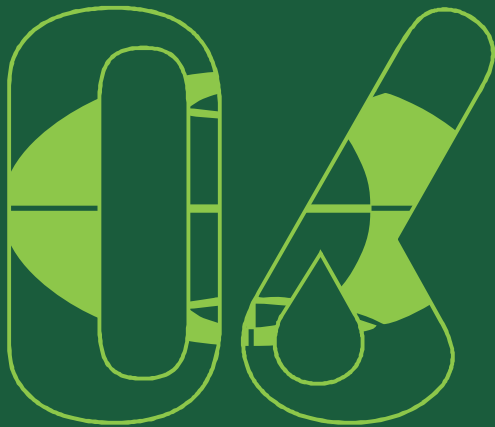
DEVELOPMENT CONNECTED WITH THE 17 UN DEVELOPMENT GOALS.

- 1 **Poverty eradication**
 - Create jobs for more than 1,700 workers in the North and Central region
 - TOP 15 enterprises paying the highest tax in the locality
- 2 **Alleviate hunger**
 - Giving more than 1,500 gifts to poor students overcoming difficulties and households with difficult circumstances.
- 3 **Good health and happy life**
 - Installing automatic production equipment, minimizing harmful impacts on workers' health
 - Create a professional, fresh, environment-friendly working environment
 - Organize periodical examination for employees (1 time/year)
 - Coordinate with the ward health center to organize 4 injections of Covid vaccine for employees and their relatives.
- 4 **Quality Education**
 - Organize 140 training courses with 4,926 students at the company
- 5 **Gender Equality**
 - Non-discriminatory and 30% female leaders (including managers of units).
 - Give more benefits to female workers such as gifts on 8/3, 20/10, maternity leave, travel, etc.
- 6 **Clean water and sanitary conditions**
 - 100% of wastewater from production activities is treated up to standards.
 - Exploit water at the allowed capacity.
 - Use sparingly and allocate water resources appropriately
- 7 **Clean and affordable energy**
 - Install clear plastic pieces on the roofs of factories to take advantage of bright images for production.
 - It is expected to install solar arrays in factories in the period of 2023 - 2027.
- 8 **Decent work and economic development**
 - Always in the TOP 20 enterprises paying the highest tax and budget in the locality.
 - Create a stable source of income and economic development for 4 distribution centers, more than 300 sales units and about 20,000 stores across the country.
 - Occupational health and safety management system according to ISO 45001:2018.
 - Top 10 trusted products and services in Vietnam

SUSTAINABILITY REPORT

- 9 **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 labor safety and fire prevention.
 - 80% of the production process is automatic equipment system.
- 10 **Reduce inequality**
 - No forced labor, no use of child labor
 - No complaints about inequality, discrimination
- 11 **Sustainable Cities and Communities**
 - 100% licensed waste treatment service providers.
 - Use materials that are safe for the environment and consumers' health.
- 12 **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 adjustment to the distribution system before application.
- 13 **Responding to climate change**
 - Implement initiatives on energy saving and carry out periodic environmental monitoring to promptly detect abnormalities 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 MONRE.
 - Building 20 bridges of compassion for disadvantaged areas across the country.
- 16 **Peace, justice and effective institutions**
 - Continuously update legal documents and propagate to employees and partners in the distribution system.
 - Strictly comply with the State's regulations in operating and doing business
- 17 **Cooperation to achieve goals**
 - Accompany sales units in business activities and market expansion.
 - Close cooperation with large domestic and foreign corporations to bring development opportunities for both sides.

CHAPTER



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Enterprise Registration Certificate No. 0200167782 30 December 2004

The Company's Enterprise Registration Certificate has been amended several times, the most recent of which is dated 29 July 2020. The Enterprise Registration Certificate was issued by Hai Phong Department of Planning and Investment.

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

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

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

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

Auditors KPMG Limited
Vietnam

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

Tien Phong Plastic Joint Stock Company's Board of General Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises and the relevant statutory requirements applicable to financial reporting. In the opinion of the Company's Board of General Directors:

(a) the consolidated financial statements set out on pages 5 to 48 give a true and fair view of the consolidated financial position of the Company as at 31 December 2022, and of its consolidated results of operations and consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises and the relevant statutory requirements applicable to financial reporting; and

(b) at the date of this statement, there is no reason to believe that the Company and its subsidiaries will not be able to pay its debts as and when they fall due.

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

On behalf of the Board of General Directors,



Chu Van Phuong
General Director

Hai Phong, 23 March 2023

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated financial statements of Tien Phong Plastic Joint Stock Company ("the Company"), which comprise the consolidated balance sheet as at 31 December 2022, the consolidated statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of General Directors on 23 March 2023, as set out on pages 5 to 48.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Auditor's Opinion

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

KPMG Limited
Vietnam
Audit Report No. 22-02-00154-23-2



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

Hanoi, 22 March 2023



Trương Tuyết Mai
Practicing Auditor Registration
Certificate No. 2594-2019-007-1

CONSOLIDATED BALANCE SHEET

(as at 31 December 2022)

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

ASSETS	Code	Note	31/12/2022 VND	1/1/2022 VND
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		3,075,796,747,433	2,721,738,069,056
Cash and cash equivalents	110	4	167,926,602,716	142,541,519,801
Cash	111		127,873,999,976	142,541,519,801
Cash equivalents	112		40,052,602,740	-
Short-term financial investments	120		432,857,808,219	700,000,000,000
Held-to-maturity investments	123	5(a)	432,857,808,219	700,000,000,000
Accounts receivable – short-term	130		890,889,388,815	785,380,028,271
Accounts receivable from customers	131	6	866,425,088,081	790,361,564,540
Prepayments to suppliers	132	7	73,350,864,092	40,938,576,777
Loans receivable – short-term	135		-	15,461,572,866
Other receivables	136	8	13,201,215,478	18,812,535,519
Allowance for doubtful debts	137	9	(62,087,778,836)	(80,194,221,431)
Inventories	140	10	1,535,149,437,534	1,081,529,963,899
Inventories	141		1,538,861,573,575	1,084,976,323,019
Allowance for inventories	149		(3,712,136,041)	(3,446,359,120)
Other current assets	150		48,973,510,149	12,286,557,085
Short-term prepaid expenses	151		12,681,337,593	5,135,108,112
Deductible value added tax	152		35,878,430,549	6,730,399,749
Taxes and others receivable from State Treasury	153		413,742,007	421,049,224
Long-term assets (200 = 220 + 240 + 250 + 260)	200		1,988,040,342,651	2,176,459,992,881
Fixed assets	220		1,410,746,940,838	1,463,914,085,124
Tangible fixed assets	221	11	1,403,427,508,608	1,456,309,209,920
Cost	222		3,062,315,499,643	2,966,977,974,550
Accumulated depreciation	223		(1,658,887,991,035)	(1,510,668,764,630)
Intangible fixed assets	227	12	7,319,432,230	7,604,875,204
Cost	228		16,966,399,107	16,966,399,107
Accumulated amortisation	229		(9,646,966,877)	(9,361,523,903)
Long-term work in progress	240		8,679,749,912	36,506,524,504
Construction in progress	242	13	8,679,749,912	36,506,524,504
Long-term financial investments	250		424,164,579,920	549,780,086,115
Investments in associates	252	5(b)	329,539,391,320	305,154,897,515
Equity investments in other entities	253	5(c)	95,960,188,600	95,960,188,600
Allowance for diminution in the value of long-term financial investments	254	5(c)	(1,335,000,000)	(1,335,000,000)
Held-to-maturity investments	255	5(a)	-	150,000,000,000
Other long-term assets	260		144,449,071,981	126,259,297,138
Long-term prepaid expenses	261	14	143,187,441,487	124,710,234,388
Deferred tax assets	262	15	1,261,630,494	1,549,062,750
TOTAL ASSETS (270 = 100 + 200)	270		5,063,837,090,084	4,898,198,061,937

CONSOLIDATED BALANCE SHEET

(as at 31 December 2022)

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

RESOURCES	Code	Note	31/12/2022 VND	1/1/2022 VND
LIABILITIES (300 = 310 + 330)	300		2,233,019,745,258	2,190,220,357,037
Current liabilities	310		2,233,019,745,258	2,173,499,759,514
Accounts payable to suppliers	311	16	287,076,377,670	232,932,824,035
Advances from customers	312	17	44,233,927,436	97,609,735,132
Taxes and others payable to State Treasury	313	18	30,549,531,968	62,082,103,645
Payables to employees	314		60,722,160,180	66,258,780,784
Accrued expenses	315	19	65,771,331,043	110,327,253,299
Other payables – short-term	319	20	39,597,874,952	9,013,077,859
Short-term borrowings	320	21(a)	1,699,309,871,727	1,593,961,329,934
Bonus and welfare fund	322	22	5,758,670,282	1,314,654,826
Long-term liabilities	330		-	16,720,597,523
Long-term borrowings	338	21(b)	-	16,720,597,523
EQUITY (400 = 410)	400		2,830,817,344,826	2,707,977,704,900
Owners' equity	410	23	2,830,817,344,826	2,707,977,704,900
Share capital	411	24	1,295,753,340,000	1,177,961,830,000
- Ordinary shares with voting rights	411a		1,295,753,340,000	1,177,961,830,000
Investment and development fund	418	26	1,023,163,062,043	1,034,576,932,192
Retained profits	421		511,900,942,783	495,438,942,708
- Retained profits brought forward	421a		256,724,220,151	234,373,568,296
- Profit for the current year	421b		255,176,722,632	261,065,374,412
TOTAL RESOURCES (440 = 300 + 400)	440		5,063,837,090,084	4,898,198,061,937

23 March 2023

Prepared by:

Luu Thi Mai
Chief Accountant

Approved by:

Tran Ngoc Bao
Deputy General Director - Finance



Chu Van Phuong
General Director

CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR

(ended 31 December 2022)

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

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

CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR

(ended 31 December 2022)

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

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

23 March 2023

Prepared by:


Luu Thi Mai
Chief Accountant

Approved by:


Tran Ngoc Bao
Deputy General Director - Finance


Chu Van Phuong
General Director



CONSOLIDATED STATEMENT OF CASH FLOWS

(for the year ended 31 December 2022)

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

	Code	2022 VND	2021 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	01	564,479,582,908	551,034,834,637
Adjustments for			
Depreciation and amortisation	02	158,563,557,791	153,123,376,265
Allowances and provisions	03	(1,340,971,740)	(27,666,431)
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04	6,125,133,983	929,513,027
Profits from investing activities	05	(78,596,329,564)	(68,098,722,275)
Interest expense	06	78,639,277,456	41,404,493,800
Operating profit before changes in working capital	08	727,870,250,834	678,365,829,023
Change in receivables	09	(154,647,463,307)	29,715,243,845
Change in inventories	10	(453,885,250,556)	(437,380,360,998)
Change in payables and other liabilities	11	(8,470,003,961)	205,839,204,254
Change in prepaid expenses	12	(17,532,841,564)	4,231,083,937
		93,334,691,446	480,771,000,061
Interest paid	14	(75,448,956,761)	(41,344,651,100)
Income tax paid	15	(93,735,496,338)	(70,395,757,998)
Other payments for operating activities	17	(40,096,884,250)	(53,960,077,703)
Net cash flows from operating activities	20	(115,946,645,903)	315,070,513,260
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets	21	(107,308,155,481)	(92,181,677,991)
Proceeds from disposals of fixed assets	22	1,026,987,069	4,914,545,455
Payments for granting loans and placement of deposits with terms of more than 3 months	23	(838,272,602,739)	(1,303,000,000,000)
Receipts from collecting loans and withdrawal of deposits with terms of more than 3 months	24	1,255,414,794,520	603,000,000,000
Receipts of interests and dividends	27	59,520,687,278	32,588,301,029
Net cash flows from investing activities	30	370,381,710,647	(754,678,831,507)

CONSOLIDATED STATEMENT OF CASH FLOWS

(for the year ended 31 December 2022)

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

	Code	2022 VND	2021 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	33	4,618,066,332,386	3,563,854,982,297
Payments to settle loan principals	34	(4,534,823,775,266)	(2,899,385,108,245)
Payments of dividends	36	(312,159,184,000)	(294,490,457,500)
Net cash flows from financing activities	40	(228,916,626,880)	369,979,416,552
Net cash flows during the year (50 = 20 + 30 + 40)	50	25,518,437,864	(69,628,901,695)
Cash and cash equivalents at the beginning of the year	60	142,541,519,801	212,170,457,483
Effect of exchange rate fluctuations on cash and cash equivalents	61	(133,354,949)	(35,987)
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61) (Note 4)	70	167,926,602,716	142,541,519,801

23 March 2023

Prepared by:



Luu Thi Mai
Chief Accountant

Approved by:



Tran Ngoc Bao
Deputy General Director - Finance



Chu Van Phuong
General Director