



Tien Phong Plastic Joint Stock Company

Consolidated Interim Financial Statements
for the six-month period ended
30 June 2022

Tien Phong Plastic Joint Stock Company

Corporate Information

Enterprise Registration Certificate No.

0200167782

30 December 2004

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

Board of Management

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

Board of General Directors

| | |
|----------------------|-------------------------|
| Mr. Chu Van Phuong | General Director |
| Mr. Tran Nhat Ninh | Deputy General Director |
| Ms. Ngo Thi Thu Thuy | Deputy General Director |
| Mr. Nguyen Van Thuc | Deputy General Director |
| Mr. Tran Ngoc Bao | Chief Accountant |

Audit Committee

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

Registered Office

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

Auditors

KPMG Limited
Vietnam

Tien Phong Plastic Joint Stock Company

Statement of the Board of General Directors

The Board of General Directors of Tien Phong Plastic Joint Stock Company (“the Company”) presents this statement and the accompanying consolidated interim financial statements of the Company for the six-month period ended 30 June 2022.

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

- (a) the consolidated interim financial statements set out on pages 5 to 47 give a true and fair view of the consolidated financial position of the Company as at 30 June 2022, and of its consolidated results of operations and consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises and the relevant statutory requirements applicable to interim 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 interim financial statements for issue.

On behalf of the Board of General Directors,



The stamp is a red circular seal. The outer ring contains the text 'M.S.D.N: 0200167782-C.T.C.P' at the top and 'Q. NGÔ QUYÊN - T. H. PHONG' at the bottom. The inner circle contains the text 'CÔNG TY CỔ PHẦN NHỰA THIẾU NIÊN TIỀN PHONG' in the center. A blue ink signature is written across the stamp.

Chu Van Phuong
General Director

Hai Phong, 12 August 2022



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

INTERIM FINANCIAL STATEMENTS REVIEW REPORT

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

We have reviewed the accompanying consolidated interim financial statements of Tien Phong Plastic Joint Stock Company ("the Company"), which comprise the consolidated balance sheet as at 30 June 2022, the consolidated statements of income and cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of General Directors on 12 August 2022, as set out on pages 5 to 47.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review engagements 2410 - *Review of interim financial information performed by the independent auditor of the entity*.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not give a true and fair view, in all material respects, of the consolidated financial position of Tien Phong Plastic Joint Stock Company as at 30 June 2022 and of its consolidated results of operations and its consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises and the relevant statutory requirements applicable to interim financial reporting.

KPMG Limited

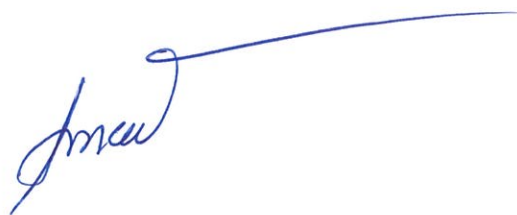
Vietnam

Review Report No. 22-02-00154-22-2



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

Hanoi, **12 AUG 2022**



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

Tien Phong Plastic Joint Stock Company
Consolidated balance sheet as at 30 June 2022

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

| | Code | Note | 30/6/2022 VND | 1/1/2022 VND |
|---|------------|-----------|--------------------------|--------------------------|
| ASSETS | | | | |
| Current assets (100 = 110 + 120 + 130 + 140 + 150) | 100 | | 3,273,265,692,534 | 2,721,738,069,056 |
| Cash and cash equivalents | 110 | 8 | 641,266,662,351 | 142,541,519,801 |
| Cash | 111 | | 634,266,662,351 | 142,541,519,801 |
| Cash equivalents | 112 | | 7,000,000,000 | - |
| Short-term financial investments | 120 | | 735,414,794,520 | 700,000,000,000 |
| Held-to-maturity investments | 123 | 9(a) | 735,414,794,520 | 700,000,000,000 |
| Accounts receivable – short-term | 130 | | 756,748,945,892 | 785,380,028,271 |
| Accounts receivable from customers | 131 | 10 | 761,215,355,041 | 790,361,564,540 |
| Prepayments to suppliers | 132 | 11 | 36,849,254,721 | 40,938,576,777 |
| Loans receivable – short-term | 135 | 12 | 15,461,572,866 | 15,461,572,866 |
| Other receivables | 136 | 13 | 23,416,984,695 | 18,812,535,519 |
| Allowance for doubtful debts | 137 | 14 | (80,194,221,431) | (80,194,221,431) |
| Inventories | 140 | 15 | 1,126,687,428,900 | 1,081,529,963,899 |
| Inventories | 141 | | 1,130,133,788,020 | 1,084,976,323,019 |
| Allowance for inventories | 149 | | (3,446,359,120) | (3,446,359,120) |
| Other current assets | 150 | | 13,147,860,871 | 12,286,557,085 |
| Short-term prepaid expenses | 151 | | 10,978,223,860 | 5,135,108,112 |
| Deductible value added tax | 152 | | 1,725,869,972 | 6,730,399,749 |
| Taxes and others receivable from State Treasury | 153 | | 443,767,039 | 421,049,224 |

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

Tien Phong Plastic Joint Stock Company
Consolidated balance sheet as at 30 June 2022 (continued)

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

| | Code | Note | 30/6/2022 VND | 1/1/2022 VND |
|---|------------|------|--------------------------|--------------------------|
| Long-term assets (200 = 220 + 240 + 250 + 260) | 200 | | 2,142,920,328,239 | 2,176,459,992,881 |
| Fixed assets | 220 | | 1,409,870,574,686 | 1,463,914,085,124 |
| Tangible fixed assets | 221 | 16 | 1,402,408,420,969 | 1,456,309,209,920 |
| Cost | 222 | | 2,988,659,965,954 | 2,966,977,974,550 |
| Accumulated depreciation | 223 | | (1,586,251,544,985) | (1,510,668,764,630) |
| Intangible fixed assets | 227 | 17 | 7,462,153,717 | 7,604,875,204 |
| Cost | 228 | | 16,966,399,107 | 16,966,399,107 |
| Accumulated amortisation | 229 | | (9,504,245,390) | (9,361,523,903) |
| Long-term work in progress | 240 | | 12,607,450,892 | 36,506,524,504 |
| Construction in progress | 242 | 18 | 12,607,450,892 | 36,506,524,504 |
| Long-term financial investments | 250 | | 585,991,262,802 | 549,780,086,115 |
| Investments in associates | 252 | 9(b) | 341,366,074,202 | 305,154,897,515 |
| Equity investments in other entities | 253 | 9(c) | 95,960,188,600 | 95,960,188,600 |
| Allowance for diminution in the value of long-term financial investments | 254 | 9(c) | (1,335,000,000) | (1,335,000,000) |
| Held-to-maturity investments | 255 | 9(a) | 150,000,000,000 | 150,000,000,000 |
| Other long-term assets | 260 | | 134,451,039,859 | 126,259,297,138 |
| Long-term prepaid expenses | 261 | 19 | 133,061,463,861 | 124,710,234,388 |
| Deferred tax assets | 262 | 20 | 1,389,575,998 | 1,549,062,750 |
| TOTAL ASSETS (270 = 100 + 200) | 270 | | 5,416,186,020,773 | 4,898,198,061,937 |

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

Tien Phong Plastic Joint Stock Company
Consolidated balance sheet as at 30 June 2022 (continued)

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

| | Code | Note | 30/6/2022 VND | 1/1/2022 VND |
|--|------------|-----------|--------------------------|--------------------------|
| RESOURCES | | | | |
| LIABILITIES (300 = 310 + 330) | 300 | | 2,514,076,127,605 | 2,190,220,357,037 |
| Current liabilities | 310 | | 2,506,723,831,896 | 2,173,499,759,514 |
| Accounts payable to suppliers | 311 | 21 | 264,608,678,018 | 232,932,824,035 |
| Advances from customers | 312 | 22 | 317,632,003,078 | 97,609,735,132 |
| Taxes and others payable to State Treasury | 313 | 23 | 56,497,069,394 | 62,082,103,645 |
| Payables to employees | 314 | | 52,432,811,406 | 66,258,780,784 |
| Accrued expenses | 315 | 24 | 235,606,829,244 | 110,327,253,299 |
| Other payables – short-term | 319 | 25 | 12,118,325,657 | 9,013,077,859 |
| Short-term borrowings | 320 | 26(a) | 1,567,691,497,567 | 1,593,961,329,934 |
| Bonus and welfare fund | 322 | 27 | 136,617,532 | 1,314,654,826 |
| Long-term liabilities | 330 | | 7,352,295,709 | 16,720,597,523 |
| Long-term borrowings | 338 | 26(b) | 7,352,295,709 | 16,720,597,523 |
| EQUITY (400 = 410) | 400 | | 2,902,109,893,168 | 2,707,977,704,900 |
| Owners' equity | 410 | 28 | 2,902,109,893,168 | 2,707,977,704,900 |
| Share capital | 411 | 29 | 1,177,961,830,000 | 1,177,961,830,000 |
| - Ordinary shares with voting rights | 411a | | 1,177,961,830,000 | 1,177,961,830,000 |
| Investment and development fund | 418 | 31 | 1,140,954,572,043 | 1,034,576,932,192 |
| Retained profits | 421 | | 583,193,491,125 | 495,438,942,708 |
| - Retained profits brought forward | 421a | | 256,724,220,151 | 234,373,568,296 |
| - Profit for the current period/year | 421b | | 326,469,270,974 | 261,065,374,412 |
| TOTAL RESOURCES (440 = 300 + 400) | 440 | | 5,416,186,020,773 | 4,898,198,061,937 |

12 August 2022

Prepared by:



Luu Thi Mai
Deputy Head of Finance and
Accounting Department

Approved by:



Tran Ngoc Bao
Chief Accountant




Chu Van Phuong
General Director

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

Tien Phong Plastic Joint Stock Company

Consolidated statement of income for the six-month period ended 30 June 2022

Form B 02a – DN/HN

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

| | Code | Note | Six-month period ended 30/6/2022 VND | 30/6/2021 VND |
|--|------|------|--|-------------------|
| Revenue from sales of goods | 01 | 33 | 2,891,813,274,078 | 2,394,925,591,093 |
| Revenue deductions | 02 | 33 | 89,749,649,366 | 101,893,190,732 |
| Net revenue (10 = 01 - 02) | 10 | 33 | 2,802,063,624,712 | 2,293,032,400,361 |
| Cost of sales | 11 | 34 | 2,022,303,951,430 | 1,696,986,915,609 |
| Gross profit (20 = 10 - 11) | 20 | | 779,759,673,282 | 596,045,484,752 |
| Financial income | 21 | 35 | 28,501,504,032 | 22,170,448,786 |
| Financial expenses | 22 | 36 | 67,364,937,773 | 28,812,962,812 |
| <i>In which: Interest expense</i> | 23 | | 30,892,787,127 | 16,168,979,950 |
| Share of profit in associates | 24 | 9(b) | 36,211,176,687 | 5,822,215,108 |
| Selling expenses | 25 | 37 | 322,161,861,985 | 213,747,132,121 |
| General and administration expenses | 26 | 38 | 71,874,880,286 | 65,022,758,202 |
| Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)} | 30 | | 383,070,673,957 | 316,455,295,511 |
| Other income | 31 | | 1,572,887,878 | 1,406,896,618 |
| Other expenses | 32 | | 1,342,058,161 | 156,026,520 |
| Results of other activities (40 = 31 - 32) | 40 | | 230,829,717 | 1,250,870,098 |
| Accounting profit before tax (50 = 30 + 40) | 50 | | 383,301,503,674 | 317,706,165,609 |
| Income tax expense – current | 51 | 40 | 56,672,745,948 | 47,626,671,677 |
| Income tax benefit – deferred | 52 | 40 | 159,486,752 | 137,971,028 |
| Net profit after tax (60 = 50 - 51 - 52) | 60 | | 326,469,270,974 | 269,941,522,904 |

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

Tien Phong Plastic Joint Stock Company**Consolidated statement of income for the six-month period ended 30 June 2022 (continued)****Form B 02a – DN/HN***(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

| | Code | Note | Six-month period ended | |
|---------------------------|------|------|------------------------|------------------|
| | | | 30/6/2022 VND | 30/6/2021 VND |
| Earnings per share | | | | Restated |
| Basic earnings per share | 70 | 41 | 2,268 | 1,875 |

12 August 2022

Prepared by:



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

Approved by:



Tran Ngoc Bao
Chief Accountant



Chu Van Phuong
General Director

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

Tien Phong Plastic Joint Stock Company
Consolidated statement of cash flows for the six-month period ended 30 June 2022
(Indirect method)

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

| | | Six-month period ended | |
|--|-------------|-------------------------------|--------------------------|
| | Code | 30/6/2022 | 30/6/2021 |
| | | VND | VND |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before tax | 01 | 383,301,503,674 | 317.706.165.609 |
| Adjustments for | | | |
| Depreciation and amortisation | 02 | 79,500,897,264 | 76.817.087.443 |
| Exchange losses/(gains) arising from revaluation of monetary items denominated in foreign currencies | 04 | 4,094,999,809 | (239.161.336) |
| Profits from investing activities | 05 | (63,138,796,628) | (27.265.713.453) |
| Interest expense | 06 | 30,892,787,127 | 16.168.979.950 |
| Operating profit before changes in working capital | 08 | 434,651,391,246 | 383.187.358.213 |
| Change in receivables | 09 | 49,406,647,935 | 71.355.005.315 |
| Change in inventories | 10 | (45,157,465,001) | (373.238.612.563) |
| Change in payables and other liabilities | 11 | 343,741,754,712 | 126.634.159.550 |
| Change in prepaid expenses | 12 | (3,871,969,069) | 2.772.405.241 |
| | | 778,770,359,823 | 210.710.315.756 |
| Interest paid | 14 | (28,595,396,465) | (15.872.764.718) |
| Income tax paid | 15 | (42,906,706,894) | (28.904.058.688) |
| Other payments for operating activities | 17 | (15,718,937,000) | (20.555.296.703) |
| Net cash flows from operating activities | 20 | 691,549,319,464 | 145.378.195.647 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for additions to fixed assets | 21 | (24,219,552,865) | (13.829.210.816) |
| Payments for granting loans and placement of deposits with terms of more than 3 months | 23 | (535,414,794,520) | (603.000.000.000) |
| Receipts from collecting loans and withdrawal of deposits with terms of more than 3 months | 24 | 500,000,000,000 | 3.000.000.000 |
| Receipts of interests and dividends | 27 | 24,419,390,621 | 6.871.119.014 |
| Net cash flows from investing activities | 30 | (35,214,956,764) | (606.958.091.802) |

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

Tien Phong Plastic Joint Stock Company
Consolidated statement of cash flows for the six-month period ended 30 June 2022
(Indirect method - continued)

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

| | | Six-month period ended | |
|--|-------------|-------------------------------|-------------------------|
| | Code | 30/6/2022 | 30/6/2021 |
| | | VND | VND |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from borrowings | 33 | 2,043,683,615,384 | 1.485.753.043.937 |
| Payments to settle loan principals | 34 | (2,083,511,293,535) | (941.844.611.970) |
| Payments of dividends | 36 | (117,796,183,000) | (117.796.183.000) |
| Net cash flows from financing activities | 40 | (157,623,861,151) | 426.112.248.967 |
| Net cash flows during the period (50 = 20 + 30 + 40) | 50 | 498,710,501,549 | (35.467.647.188) |
| Cash and cash equivalents at the beginning of the period | 60 | 142,541,519,801 | 212.170.457.483 |
| Effect of exchange rate fluctuations on cash and cash equivalents | 61 | 14,641,001 | 2.841.319 |
| Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61) (Note 8) | 70 | 641,266,662,351 | 176.705.651.614 |

12 August 2022

Prepared by:



Luu Thi Mai
Deputy Head of Finance and
Accounting Department

Approved by:



Tran Ngoc Bao
Chief Accountant



Chu Van Phuong
General Director

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

Tien Phong Plastic Joint Stock Company
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2022

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

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

1. Reporting entity

(a) Ownership structure

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

After equitisation, the Company is a joint stock company incorporated under the Law on Enterprise of Vietnam in pursuant to the Enterprise Registration Certificate No. 0200167782 issued by the Hai Phong Department of Planning and Investment on 30 December 2004. The Company’s Enterprise Registration Certificate has been amended several times, the most recent of which is dated 29 July 2020.

The consolidated interim financial statements of the Company for the six-month period ended 30 June 2022 comprise the Company and its subsidiaries and the interest of the Company and its subsidiaries in associates.

(b) Principal activities

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

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

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

(c) Normal operating cycle

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

Tien Phong Plastic Joint Stock Company

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2022 (continued)

Form B 09a – DN/HN

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

(d) Company structure

As at 30 June 2022 and 1 January 2022, the Company had 2 subsidiaries as follows:

| No. | Name of companies | Principal activities | Addresses | 30/6/2022 | | 1/1/2022 | |
|--------------|--|--|--|--------------------------|-------------------------|--------------------------|-------------------------|
| | | | | % of voting rights | % of equity owned | % of voting rights | % of equity owned |
| Subsidiaries | | | | | | | |
| 1 | Tien Phong Central Plastic Company Limited | Manufacturing and trading plastic products for civil and industrial use | Lot C, Nam Cam Industrial Park, Nghi Xa Commune, Nghi Loc District, Nghe An Province | 100% | 100% | 100% | 100% |
| 2 | Tien Phong Land Company Limited (i) | Trading real estate, land use rights and providing transportation services and plastic products for civil and industrial use | No. 2 An Da Road, Lach Tray Ward, Ngo Quyen District, Hai Phong City | 100% | 100% | 100% | 100% |

(i) Tien Phong Land Company Limited (“Tien Phong Land”) was incorporated on 18 May 2015. Under its Enterprise Registration Certificate, the Company shall contribute VND20,000 million to the charter capital of Tien Phong Land. Up to 30 June 2022, the Company has contributed VND11,100 million in Tien Phong Land’s charter capital.

As at 30 June 2022 and 1 January 2022, the Company had 3 associates as listed in Note 9(b).

As at 30 June 2022, the Company and its subsidiaries had 1,358 employees (1/1/2022: 1,356 employees).

Tien Phong Plastic Joint Stock Company
Notes to the consolidated interim financial statements for the six-month
period ended 30 June 2022 (continued)

Form B 09a – DN/HN

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

2. Basis of preparation

(a) Statement of compliance

The consolidated interim financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises and the relevant statutory requirements applicable to interim financial reporting.

(b) Basis of measurement

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

(c) Annual accounting period

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

(d) Accounting and presentation currency

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

3. Summary of significant accounting policies

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

The accounting policies that have been adopted by the Company and its subsidiaries in the preparation of these consolidated interim financial statements are consistent with those adopted in the preparation of the latest annual consolidated financial statements.

(a) Basis of consolidation

(i) Subsidiaries

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

Tien Phong Plastic Joint Stock Company
Notes to the consolidated interim financial statements for the six-month
period ended 30 June 2022 (continued)

Form B 09a – DN/HN

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

(ii) Associates

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

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

(iii) Transactions eliminated on consolidation

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

(iv) Business combination

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

(b) Foreign currency transactions

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

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

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

Tien Phong Plastic Joint Stock Company
Notes to the consolidated interim financial statements for the six-month
period ended 30 June 2022 (continued)

Form B 09a – DN/HN

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

(c) Cash and cash equivalents

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

(d) Investments

(i) *Held-to-maturity investments*

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

(ii) *Equity investments in other entities*

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

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

(e) Accounts receivable

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

(f) Inventories

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

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

Tien Phong Plastic Joint Stock Company
Notes to the consolidated interim financial statements for the six-month
period ended 30 June 2022 (continued)

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

(g) Tangible fixed assets

(i) Cost

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

(ii) Depreciation

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

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

(h) Intangible fixed assets

(i) Land use rights

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

(ii) Software

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

(iii) Technology license

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

(i) Construction in progress

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

Tien Phong Plastic Joint Stock Company
Notes to the consolidated interim financial statements for the six-month
period ended 30 June 2022 (continued)

Form B 09a – DN/HN

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

(j) Long-term prepaid expenses

(i) *Prepaid land costs*

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

(ii) *Tools and instruments*

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

(iii) *Other long-term prepaid expenses*

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

(k) Trade and other payables

Trade and other payables are stated at their cost.

(l) Provision

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

(m) Share capital

Ordinary shares

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

Tien Phong Plastic Joint Stock Company
Notes to the consolidated interim financial statements for the six-month
period ended 30 June 2022 (continued)

Form B 09a – DN/HN

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

(n) Taxation

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

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

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

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

(o) Revenue and other income

(i) Goods sold

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

(ii) Interest income

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

(iii) Dividend income

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

(p) Leases

(i) Leased assets

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

Tien Phong Plastic Joint Stock Company
Notes to the consolidated interim financial statements for the six-month
period ended 30 June 2022 (continued)

Form B 09a – DN/HN

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

(ii) Lease payments

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

(q) Borrowing costs

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

(r) Earnings per share

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

For the six-month period ended 30 June 2022, the Company had no potential ordinary shares and therefore does not present diluted earnings per share.

(s) Segment reporting

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

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

(t) Related parties

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

Tien Phong Plastic Joint Stock Company
Notes to the consolidated interim financial statements for the six-month
period ended 30 June 2022 (continued)

Form B 09a – DN/HN

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

(u) Comparative information

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

4. Seasonality of operations

The Company and its subsidiaries do not have any seasonal business segments that may affect the Company's and its subsidiaries' consolidated operating results for the six-month period ended 30 June 2022.

5. Changes in accounting estimates

In preparing the consolidated annual and interim financial statements, the Board of General Directors has made several accounting estimates. Actual results may differ from these estimates. During the six-month period ended 30 June 2022, there were not any significant changes in accounting estimates since the latest annual accounting period ended.

6. Unusual items

The Company does not have any unusual items which may affect its consolidated interim financial statements for the six-month period ended 30 June 2022.

7. Changes in the composition of the Company and its subsidiaries

There were not any significant changes in the composition of the Company and its subsidiaries for the six-month period ended 30 June 2022.

8. Cash and cash equivalents

| | 30/6/2022 | 1/1/2022 |
|------------------|------------------|-----------------|
| | VND | VND |
| Cash on hand | 407,928,628 | 436,319,978 |
| Cash in banks | 623,858,733,723 | 142,105,199,823 |
| Cash in transit | 10,000,000,000 | - |
| Cash equivalents | 7,000,000,000 | - |
| | <hr/> | <hr/> |
| | 641,266,662,351 | 142,541,519,801 |
| | <hr/> | <hr/> |

Tien Phong Plastic Joint Stock Company

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2022 (continued)

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

9. Investments

(a) Held-to-maturity investments

| | Quantity | 30/6/2022 Cost VND | Fair value VND | Quantity | 1/1/2022 Cost VND | Fair value VND |
|--|----------|--------------------------|-------------------|----------|-------------------------|-------------------|
| Held-to-maturity investments – short-term | | | | | | |
| ▪ Term deposits (i) | - | 735,414,794,520 | 735,414,794,520 | - | 700,000,000,000 | 700,000,000,000 |
| Held-to-maturity investments – long-term | | | | | | |
| ▪ Bonds of Vietnam Joint Stock Commercial Bank for Industry and Trade (ii) | 15,000 | 150,000,000,000 | (*) | 15,000 | 150,000,000,000 | (*) |

(i) Held-to-maturity investments – short-term represented the deposits with a term of 6 months at local banks, which earned interest at annual rates ranging from 4.9% to 6.5%. The costs of these deposits approximate their fair values due to the short-term nature of the investments.

(ii) These bonds earned interest at the rate of 7% per annum. In which, 10,000 bonds will be due on 14 November 2027 and 5,000 bonds will be due on 14 December 2027.

Tien Phong Plastic Joint Stock Company

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2022 (continued)

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

(b) Investments in associates

| | | | | | 30/6/2022 | 1/1/2022 |
|--|------------|-----------|-------------------|--------------------|------------------------|-------------------|
| | Addresses | Quantity | % of equity owned | % of voting rights | Carrying amount VND | Fair value VND |
| Tien Phong South Plastic Joint Stock Company (i) | Binh Duong | 8,415,000 | 27,39% | 27,39% | 329,922,105,952 | (*) |
| Tien Phong Packaging Joint Stock Company (ii) | Hai Phong | 499,775 | 49,98% | 49,98% | 11,443,968,250 | (*) |
| Tien Phong - SMP Plastic Joint Venture Company Limited (iii) | Lao PDR | | 51% | 51% | - | (*) |
| | | | | | 341,366,074,202 | 305,154,897,515 |

(i) Tien Phong South Plastic Joint Stock Company was incorporated on 24 September 2007 and is located at Lot C2, Dong An II Industrial Park, Hoa Phu Ward, Thu Dau Mot City, Binh Duong Province. The principal activities of this associate are to produce and trade civil and industrial plastic products.

(ii) Tien Phong Packaging Joint Stock Company was incorporated on 1 July 2004 and is located at No. 2 An Da Road, Lach Tray Ward, Ngo Quyen District, Hai Phong City. The principal activities of this associate are to produce PP packages, cement packages, papers of different types, multilayer films and other plastic products.

(iii) Tien Phong - SMP Plastic Joint Venture Company Limited ("Tien Phong - SMP") was established under Overseas Investment Certificate No. 222/BKH-DTRNN issued by the Ministry of Planning and Investment on 5 March 2009 and Investment Certificate No. 032/IB.VC issued by Vientiane Department of Domestic and Foreign Investment on 17 April 2008 between SMP Commerce Import - Export Company Limited and Tien Phong Plastic Joint Stock Company.

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

Tien Phong Plastic Joint Stock Company

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2022 (continued)

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

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

| | 30/6/2022 VND | 30/6/2021 VND |
|---|------------------|------------------|
| Opening balance | 305,154,897,515 | 282,581,042,303 |
| Share of profit/(loss) in associates | 36,211,176,687 | 5,822,215,108 |
| ▪ <i>Tien Phong South Plastic Joint Stock Company</i> | 36,177,843,884 | 6,670,341,088 |
| ▪ <i>Tien Phong Packaging Joint Stock Company</i> | 33,332,803 | (848,125,980) |
| Closing balance | 341,366,074,202 | 288,403,257,411 |

(c) Equity investments in other entities

| | Quantity | % of equity owned | % of voting rights | 30/6/2022 Cost VND | 30/6/2022 Allowance for diminution in value VND | Fair value VND | 1/1/2022 Allowance for diminution in value VND | Fair value VND |
|---|-----------|-------------------------|--------------------------|--------------------------|---|----------------------|--|----------------------|
| Nam Dinh Water Supply Joint Stock Company (i) | 4,632,086 | 13.50% | 13.50% | 46,784,068,600 | - | (*) | 46,784,068,600 | - (*) |
| Thu Dau Mot Water Joint Stock Company | 1,800,000 | 1.80% | 1.80% | 41,400,000,000 | - | (*) | 41,400,000,000 | - (*) |
| Tien Phong Technology Equipment Joint Stock Company | 396,000 | 17.39% | 17.39% | 5,148,000,000 | - | (*) | 5,148,000,000 | - (*) |
| Ha Giang Water Supply and Drainage Joint Stock Company | 56,406 | 4.80% | 4.80% | 1,128,120,000 | - | (*) | 1,128,120,000 | - (*) |
| Golden Bridge Vietnam Securities Joint Stock Company | 150,000 | 1.11% | 1.11% | 1,500,000,000 | (1,335,000,000) | (*) | 1,500,000,000 | (1,335,000,000) (*) |
| | | | | 95,960,188,600 | (1,335,000,000) | | 95,960,188,600 | (1,335,000,000) |

Tien Phong Plastic Joint Stock Company
Notes to the consolidated interim financial statements for the six-month
period ended 30 June 2022 (continued)

Form B 09a – DN/HN

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

- (i) At 30 June 2022 and 1 January 2022, this investment was pledged with banks as security for loans granted to the Company and its subsidiaries (Note 26).
- (*) The Company and its subsidiaries have not determined fair values of these investments for disclosure in the consolidated interim financial statements because information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under the Vietnamese Accounting Standards or the Vietnamese Accounting System for Enterprises. The fair values of these investments may differ from their carrying amounts.

10. Accounts receivable from customers

Accounts receivable from customers detailed by significant customers and related parties

| | 30/6/2022 | 1/1/2022 |
|--|------------------------|------------------------|
| | VND | VND |
| Related parties | | |
| Tien Phong South Plastic Joint Stock Company – an associate (i) | 477,707,409,615 | 507,775,042,229 |
| Minh Hai Import - Export Trading Limited Company – a company whose key management member being a related individual of the Company (i) | 98,218,883,848 | 98,249,573,848 |
| Sekisui Vietnam Company Limited – a company with common key management members (ii) | 1,497,529,760 | 1,264,458,136 |
| Tien Phong Packaging Joint Stock Company – an associate (i) | 16,243,200 | 12,562,000 |
| Other parties | | |
| Hong Phuoc Investment and Trading Joint Stock Company | 139,615,973,144 | 97,208,674,112 |
| Thai Hoa Trading Company Limited | 16,492,953,898 | 68,276,461,099 |
| Nam Phuong Trading Company Limited | 11,618,772,372 | 9,586,805,530 |
| Other customers | 16,047,589,204 | 7,987,987,586 |
| | 761,215,355,041 | 790,361,564,540 |

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

At 30 June 2022, receivables with a carrying value of VND668,970 million (1/1/2022: VND701,869 million) were pledged with banks as security for loans granted to the Company and its subsidiaries (Note 26).

Tien Phong Plastic Joint Stock Company
Notes to the consolidated interim financial statements for the six-month
period ended 30 June 2022 (continued)

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

11. Prepayments to suppliers

| | 30/6/2022 VND | 1/1/2022 VND |
|---|--------------------------------|-------------------------------|
| Related parties | | |
| Tien Phong Technology Equipment Joint Stock Company – a company with common key management members | 5,062,781,726 | 5,940,080,065 |
| Other parties | | |
| CT - WEARNES Vietnam Company Limited | 6,000,000,000 | - |
| Lotus Chemical Technology Company Limited | 3,746,693,379 | 9,375,659,443 |
| PNT Technology and Equipment Company Limited | 4,536,863,155 | 3,879,453,011 |
| Truong An Heating Refrigeration and Air Ventilation Joint Stock Company | 2,240,000,000 | - |
| Minh Khang Advertising Media Company Limited | 1,941,264,000 | 2,356,640,000 |
| Anh Quan Electric Water and Trading Service Company Limited | - | 4,181,100,000 |
| Vina Valves Joint Stock Company | - | 3,256,193,160 |
| Other suppliers | 13,321,652,461 | 11,949,451,098 |
| | <hr/> 36,849,254,721 | <hr/> 40,938,576,777 |

12. Loans receivable – short-term

As at 30 June 2022 and 1 January 2022, loans receivable – short-term represented the loans granted to Tien Phong Packaging Joint Stock Company – an associate. These loans were unsecured, interest free and are payable upon demand.

13. Other receivables

| | 30/6/2022 VND | 1/1/2022 VND |
|--|--------------------------------|-------------------------------|
| Accrued interest from deposits and bonds | 13,803,525,859 | 10,833,561,647 |
| Advances | 4,981,713,778 | 5,300,636,207 |
| Security deposits | 2,646,000,000 | 2,378,000,000 |
| Other receivables | 1,985,745,058 | 300,337,665 |
| | <hr/> 23,416,984,695 | <hr/> 18,812,535,519 |

Tien Phong Plastic Joint Stock Company

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2022 (continued)

Form B 09a – DN/HN

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

14. Bad and doubtful debts

| | | 30/6/2022 | | | 1/1/2022 | | | |
|---|--------------------------|-----------------|------------------|------------------------|--------------------------|-----------------|------------------|------------------------|
| | Overdue period | Cost VND | Allowance VND | Recoverable amount VND | Overdue period | Cost VND | Allowance VND | Recoverable amount VND |
| <i>Overdue debts</i> | | | | | | | | |
| Dai Phat Construction and Trading Services Company Limited | Over 3 years | 583,902,600 | (583,902,600) | - | Over 3 years | 583,902,600 | (583,902,600) | - |
| Vi Nam Company Limited | Over 3 years | 501,480,953 | (501,480,953) | - | Over 3 years | 501,480,953 | (501,480,953) | - |
| Sekisui Vietnam Company Limited – a company with common key management members | 2 years to over 3 years | 1,060,039,175 | (1,060,039,175) | - | 1 year to over 3 years | 1,264,458,136 | (1,060,039,175) | 204,418,961 |
| Minh Hai Import - Export Trading Limited Company – a company with key management member being a related individual of the Company | 2 years to below 3 years | 98,218,883,848 | (77,845,262,227) | 20,373,621,621 | 2 years to below 3 years | 98,249,573,848 | (77,845,262,227) | 20,404,311,621 |
| Others | Over 3 years | 203,536,476 | (203,536,476) | - | Over 3 years | 203,536,476 | (203,536,476) | - |
| | | 100,567,843,052 | (80,194,221,431) | 20,373,621,621 | | 100,802,952,013 | (80,194,221,431) | 20,608,730,582 |
| <i>Of which:</i> | | | | | | | | |
| Allowance for doubtful debts – short-term | | | (80,194,221,431) | | | | (80,194,221,431) | |

Tien Phong Plastic Joint Stock Company
Notes to the consolidated interim financial statements for the six-month
period ended 30 June 2022 (continued)

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

15. Inventories

| | 30/6/2022 | | 1/1/2022 | |
|----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | Cost VND | Allowance VND | Cost VND | Allowance VND |
| Goods in transit | 196,980,087,218 | - | 70,112,842,476 | - |
| Raw materials | 586,422,353,498 | (3,446,359,120) | 652,728,064,812 | (3,446,359,120) |
| Tools and supplies | 9,373,876,864 | - | 9,121,939,149 | - |
| Work in progress | 81,431,824,370 | - | 64,834,699,771 | - |
| Finished goods | 255,925,646,070 | - | 288,077,800,868 | - |
| Merchandise inventories | - | - | 100,975,943 | - |
| | 1,130,133,788,020 | (3,446,359,120) | 1,084,976,323,019 | (3,446,359,120) |

Tien Phong Plastic Joint Stock Company

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2022 (continued)

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

16. Tangible fixed assets

| Cost | Buildings and structures VND | Plant and equipment VND | Motor vehicles VND | Office equipment VND | Total VND |
|--|---|--|-------------------------------|-------------------------------------|----------------------|
| Opening balance | 1,645,920,120,215 | 1,133,071,573,022 | 170,246,660,554 | 17,739,620,759 | 2,966,977,974,550 |
| Additions | 1,481,722,043 | 9,405,164,999 | 1,861,435,650 | - | 12,748,322,692 |
| Transfer from construction in progress | 8,780,045,405 | 395,124,427 | 1,702,113,166 | - | 10,877,282,998 |
| Reclassifications | (2,553,010,825) | - | 2,553,010,825 | - | - |
| Disposals | - | (252,000,000) | (1,691,614,286) | - | (1,943,614,286) |
| Closing balance | 1,653,628,876,838 | 1,142,619,862,448 | 174,671,605,909 | 17,739,620,759 | 2,988,659,965,954 |
| Accumulated depreciation | | | | | |
| Opening balance | 610,585,656,963 | 766,641,891,447 | 116,407,194,735 | 17,034,021,485 | 1,510,668,764,630 |
| Charge for the period | 40,667,312,627 | 30,391,315,617 | 6,336,121,494 | 131,644,903 | 77,526,394,641 |
| Reclassifications | (74,124,326) | - | 74,124,326 | - | - |
| Disposals | - | (252,000,000) | (1,691,614,286) | - | (1,943,614,286) |
| Closing balance | 651,178,845,264 | 796,781,207,064 | 121,125,826,269 | 17,165,666,388 | 1,586,251,544,985 |
| Net book value | | | | | |
| Opening balance | 1,035,334,463,252 | 366,429,681,575 | 53,839,465,819 | 705,599,274 | 1,456,309,209,920 |
| Closing balance | 1,002,450,031,574 | 345,838,655,384 | 53,545,779,640 | 573,954,371 | 1,402,408,420,969 |

Included in tangible fixed assets were assets costing VND604,503 million which were fully depreciated as of 30 June 2022 (1/1/2022: VND593,243 million), but which are still in active use.

As at 30 June 2022, tangible fixed assets with a net book value of VND703,596 million (1/1/2022: VND748,165 million) were pledged with banks as security for loans granted to the Company (Note 26).

17. Intangible fixed assets

| | Land use rights VND | Software VND | Technology licences VND | Others VND | Total VND |
|---------------------------------|------------------------|-----------------|-------------------------------|---------------|----------------|
| Cost | | | | | |
| Opening and closing balance | 7,105,350,000 | 153,400,000 | 2,501,022,223 | 7,206,626,884 | 16,966,399,107 |
| Accumulated amortisation | | | | | |
| Opening balance | - | 153,400,000 | 2,501,022,223 | 6,707,101,680 | 9,361,523,903 |
| Charge for the period | - | - | - | 142,721,487 | 142,721,487 |
| Closing balance | - | 153,400,000 | 2,501,022,223 | 6,849,823,167 | 9,504,245,390 |
| Net book value | | | | | |
| Opening balance | 7,105,350,000 | - | - | 499,525,204 | 7,604,875,204 |
| Closing balance | 7,105,350,000 | - | - | 356,803,717 | 7,462,153,717 |

Included in intangible fixed assets were assets costing VND2,654 million which were fully amortised as of 30 June 2022 and 1 January 2022, but which are still in use.

Tien Phong Plastic Joint Stock Company
Notes to the consolidated interim financial statements for the six-month
period ended 30 June 2022 (continued)

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

18. Construction in progress

| | Six-month period ended | |
|--|-------------------------------|------------------|
| | 30/6/2022 | 30/6/2021 |
| | VND | VND |
| Opening balance | 36,506,524,504 | 89,105,990,601 |
| Additions | 894,085,808 | 27,900,533,541 |
| Transfer to tangible fixed assets | (10,877,282,998) | (6,053,122,748) |
| Transfer to long-term prepaid expenses | (12,154,157,288) | - |
| Others | (1,761,719,134) | (69,538,477) |
| Closing balance | 12,607,450,892 | 110,883,862,917 |

Major constructions in progress were as follows:

| | 30/6/2022 | 1/1/2022 |
|---------------------------|------------------|-----------------|
| | VND | VND |
| New factory in Duong Kinh | 12,607,450,892 | 23,850,632,324 |
| Project No. 2 An Da | - | 12,655,892,180 |
| | 12,607,450,892 | 36,506,524,504 |

19. Long-term prepaid expenses

| | Prepaid land costs | Tools and instruments | Others | Total |
|--|---------------------------|------------------------------|-----------------|-----------------|
| | VND | VND | VND | VND |
| Opening balance | 111,239,214,569 | 4,996,025,835 | 8,474,993,984 | 124,710,234,388 |
| Additions | - | 2,709,781,568 | 2,975,912,048 | 5,685,693,616 |
| Transfer from construction in progress | - | - | 12,154,157,288 | 12,154,157,288 |
| Amortisation for the period | (1,831,781,136) | (2,478,134,676) | (5,178,705,619) | (9,488,621,431) |
| Closing balance | 109,407,433,433 | 5,227,672,727 | 18,426,357,701 | 133,061,463,861 |

Tien Phong Plastic Joint Stock Company
Notes to the consolidated interim financial statements for the six-month
period ended 30 June 2022 (continued)

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

20. Deferred tax assets

| | Tax rate | 30/6/2022 VND | 1/1/2022 VND |
|--|---------------------|--------------------------|-------------------------|
| Deferred tax assets: | | | |
| Unrealised profit in tangible fixed assets | 20% | 1,389,575,998 | 1,549,062,750 |

21. Accounts payable to suppliers

Accounts payable to suppliers detailed by significant suppliers and related parties

| | Cost and amount within payment capacity | |
|--|--|-------------------------|
| | 30/6/2022 VND | 1/1/2022 VND |
| Related parties | | |
| Sekisui Vietnam Company Limited – a company with common key management members | 70,928,841,528 | 90,829,495,680 |
| Tien Phong Packaging Joint Stock Company – an associate | 4,744,133,655 | 1,997,604,554 |
| Tien Phong South Plastic Joint Stock Company – an associate | - | 43,722,349,648 |
| Tien Phong Technology Equipment Joint Stock Company – a company with common key management members | - | 205,906,250 |
| Other parties | | |
| PT Asahimas Chemical | 54,414,115,200 | - |
| Tin Kim Plastic Joint Stock Company | 40,797,065,687 | 3,192,395,448 |
| Solmer Future Ltd | 31,149,619,200 | - |
| Eastern Trading Petroleum and Gas Joint Stock Company | 20,492,685,400 | - |
| Marubeni Corporation | 9,200,563,200 | 24,600,591,540 |
| Huyen Trang Investment Company Limited | 638,383,000 | 8,021,597,200 |
| Borouge Pte Ltd. | - | 8,274,494,250 |
| SCG Chemicals Co., Ltd. | - | 17,729,250,000 |
| Other suppliers | 32,243,271,148 | 34,359,139,465 |
| | 264,608,678,018 | 232,932,824,035 |

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

As at 30 June 2022, the Company and its subsidiaries had no overdue debts (1/1/2022: Nil).

Tien Phong Plastic Joint Stock Company
Notes to the consolidated interim financial statements for the six-month
period ended 30 June 2022 (continued)

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

22. Advances from customers

| | 30/6/2022 VND | 1/1/2022 VND |
|------------------------------------|--------------------------------|-------------------------------|
| Tam Phuoc Company Limited | 165,546,520,500 | 78,474,963,435 |
| Nam Phuong Trading Company Limited | 128,943,859,563 | 16,555,985,810 |
| Ha Dung Trading Company Limited | 22,462,680,000 | 938,132,491 |
| Other customers | 678,943,015 | 1,640,653,396 |
| | <hr/> | <hr/> |
| | 317,632,003,078 | 97,609,735,132 |

23. Taxes and others payable to State Treasury

| | 1/1/2022 VND | Incurred VND | Paid/net-off VND | 30/6/2022 VND |
|-----------------------------------|-------------------------------|-------------------------------|-----------------------------------|--------------------------------|
| Value added tax | 29,973,013,667 | 238,371,429,408 | (246,754,786,082) | 21,589,656,993 |
| Value added tax of imported goods | - | 63,262,092,262 | (63,262,092,262) | - |
| Corporate income tax | 20,690,056,269 | 56,672,745,948 | (42,906,706,894) | 34,456,095,323 |
| Personal income tax | 11,063,597,533 | 4,423,692,495 | (15,391,409,126) | 95,880,902 |
| Land rental | - | 3,102,154,100 | (3,102,154,100) | - |
| Import tax | 355,436,176 | 8,418,435,788 | (8,418,435,788) | 355,436,176 |
| Other taxes | - | 11,393,278 | (11,393,278) | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 62,082,103,645 | 374,261,943,279 | (379,846,977,530) | 56,497,069,394 |

Tien Phong Plastic Joint Stock Company
Notes to the consolidated interim financial statements for the six-month
period ended 30 June 2022 (continued)

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

24. Accrued expenses

| | 30/6/2022 VND | 1/1/2022 VND |
|---|--------------------------------|-------------------------------|
| Interests payable | 4,149,641,262 | 1,852,250,600 |
| Discounts payable to distributors and retailers | 202,565,742,655 | 77,572,460,579 |
| Transportation expenses | 8,775,734,339 | 8,485,979,645 |
| Land rental | 11,067,562,311 | 9,443,036,249 |
| Advertising and marketing expenses | 1,585,999,998 | 2,678,000,000 |
| Others | 7,462,148,679 | 10,295,526,226 |
| | <hr/> | <hr/> |
| | 235,606,829,244 | 110,327,253,299 |
| | <hr/> | <hr/> |

25. Other short-term payables

| | 30/6/2022 VND | 1/1/2022 VND |
|------------------------------|--------------------------------|-------------------------------|
| Short-term deposits received | 6,346,100,177 | 6,298,984,177 |
| Trade union fees | 1,523,787,041 | 1,682,763,196 |
| Others | 4,248,438,439 | 1,031,330,486 |
| | <hr/> | <hr/> |
| | 12,118,325,657 | 9,013,077,859 |
| | <hr/> | <hr/> |

Tien Phong Plastic Joint Stock Company

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2022 (continued)

Form B 09a – DN/HN

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

26. Borrowings

(a) Short-term borrowings

| | 1/1/2022 | Movements in the period | | | 30/6/2022 |
|---|---|-------------------------|---------------------|---|---|
| | Carrying amount and amount within payment capacity VND | Addition VND | Decrease VND | Foreign exchange differences VND | Carrying amount and amount within payment capacity VND |
| Short-term borrowings | 1,575,224,726,306 | 2,043,683,615,384 | (2,074,142,991,640) | 4,189,543,970 | 1,548,954,894,020 |
| Current portion of long-term borrowings (Note 26(b)) | 18,736,603,628 | 9,368,301,814 | (9,368,301,895) | - | 18,736,603,547 |
| | 1,593,961,329,934 | 2,053,051,917,198 | (2,083,511,293,535) | 4,189,543,970 | 1,567,691,497,567 |

Short-term borrowings include:

- bank loans in Vietnamese Dong, which bore interest at annual rates ranging from 3.0% to 5.2% (six-month period ended 30/6/2021: from 2.9% to 4.1%); and
- bank loans in United States Dollar, which bore interest at the annual rates ranging from 2.0% to 4.2% (six-month period ended 30/6/2021: from 2.0% to 2.1%).

At the reporting date, the short-term borrowings with a carrying amount of VND928,569 million (1/1/2022: VND959,856 million) were secured over assets as described in Note 26(b). The remaining short-term loans were unsecured.

Tien Phong Plastic Joint Stock Company
Notes to the consolidated interim financial statements for the six-month
period ended 30 June 2022 (continued)

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

(b) Long-term borrowings

| | 30/6/2022 VND | 1/1/2022 VND |
|---|--------------------------------|-------------------------------|
| Long-term borrowings | 26,088,899,256 | 35,457,201,151 |
| Repayable within twelve months (Note 26(a)) | (18,736,603,547) | (18,736,603,628) |
| Repayable after twelve months | 7,352,295,709 | 16,720,597,523 |

Long-term borrowings include bank loans in Vietnamese Dong which bore interest at annual rates ranging from 4.7% to 5.45% (six-month period ended 30/6/2021: from 4.0% to 5.45%) and with maturities in the years from 2023 to 2024.

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

- investment in Nam Dinh Water Supply Joint Stock Company with a carrying amount of VND46,784 million as at 30 June 2022 and 1 January 2022 (Note 9(c));
- receivables with carrying amount of VND668,970 million (1/1/2022: VND701,869 million) (Note 10); and
- tangible fixed assets of the Company with a net book value of VND703,596 million as at 30 June 2022 (1/1/2022: VND748,165 million) (Note 16).

27. Bonus and welfare fund

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

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

| | Six-month period ended 30/6/2022 VND | 30/6/2021 VND |
|-----------------|---|--------------------------------|
| Opening balance | 1,314,654,826 | 694,709,063 |
| Appropriation | 14,540,899,706 | 23,580,023,466 |
| Utilisation | (15,718,937,000) | (19,555,296,703) |
| Closing balance | 136,617,532 | 4,719,435,826 |

Tien Phong Plastic Joint Stock Company

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2022 (continued)

Form B 09a – DN/HN

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

28. Changes in owners' equity

| | Share capital VND | Investment and development fund VND | Retained profits VND | Total VND |
|---|-------------------------|---|----------------------------|-------------------|
| Balance at 1/1/2021 | 1,177,961,830,000 | 941,847,178,493 | 469,479,528,461 | 2,589,288,536,954 |
| Net profit for the period | - | - | 269,941,522,904 | 269,941,522,904 |
| Appropriation to investment and development fund | - | 92,729,753,699 | (92,729,753,699) | - |
| Dividends (Note 30) | - | - | (117,796,183,000) | (117,796,183,000) |
| Appropriation to bonus and welfare fund (Note 27) | - | - | (23,580,023,466) | (23,580,023,466) |
| Compensation to Board of Management | - | - | (1,000,000,000) | (1,000,000,000) |
| Balance at 30/6/2021 | 1,177,961,830,000 | 1,034,576,932,192 | 504,315,091,200 | 2,716,853,853,392 |
| Balance at 1/1/2022 | 1,177,961,830,000 | 1,034,576,932,192 | 495,438,942,708 | 2,707,977,704,900 |
| Net profit for the period | - | - | 326,469,270,974 | 326,469,270,974 |
| Appropriation to investment and development fund | - | 106,377,639,851 | (106,377,639,851) | - |
| Dividends (Note 30) | - | - | (117,796,183,000) | (117,796,183,000) |
| Appropriation to bonus and welfare fund (Note 27) | - | - | (14,540,899,706) | (14,540,899,706) |
| Balance at 30/6/2022 | 1,177,961,830,000 | 1,140,954,572,043 | 583,193,491,125 | 2,902,109,893,168 |

Tien Phong Plastic Joint Stock Company
Notes to the consolidated interim financial statements for the six-month
period ended 30 June 2022 (continued)

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

29. Share capital

The Company's authorised and issued share capital are:

| | 30/6/2022 | | 1/1/2022 | |
|---------------------------------|---------------------|-------------------|---------------------|-------------------|
| | Number of shares | VND | Number of shares | VND |
| Authorised share capital | 117,796,183 | 1,177,961,830,000 | 117,796,183 | 1,177,961,830,000 |
| Issued share capital | | | | |
| Ordinary shares | 117,796,183 | 1,177,961,830,000 | 117,796,183 | 1,177,961,830,000 |
| Shares in circulation | | | | |
| Ordinary shares | 117,796,183 | 1,177,961,830,000 | 117,796,183 | 1,177,961,830,000 |

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

30. Dividends

The General Meeting of Shareholders of the Company on 19 April 2022 resolved to distribute dividends in cash for 2021 amounting to VND117,796 million (VND1,000 per share, equivalent to 10% of charter capital) (six-month period ended 30/6/2021: VND117,796 million (VND1,000 per share, equivalent to 10% of charter capital)).

31. Investment and development fund

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

Tien Phong Plastic Joint Stock Company
Notes to the consolidated interim financial statements for the six-month
period ended 30 June 2022 (continued)

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

32. Off balance sheet items

(a) Land lease commitments

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

| | 30/6/2022 | 1/1/2022 |
|--------------------------|------------------------|------------------------|
| | VND | VND |
| Within one year | 10,861,998,125 | 10,861,998,125 |
| Within two to five years | 44,201,976,835 | 44,201,976,835 |
| More than five years | 248,783,641,653 | 254,214,640,716 |
| | 303,847,616,613 | 309,278,615,676 |

(b) Foreign currency

| | 30/6/2022 | | 1/1/2022 | |
|-----|------------------|-----------------------|-----------------|-----------------------|
| | Original | VND equivalent | Original | VND equivalent |
| | currency | | currency | |
| USD | 53,765 | <u>1,231,638,770</u> | 96,398 | <u>2,177,137,763</u> |

(c) Capital expenditure commitments

As at 30 June 2022, the Company and its subsidiaries had the following outstanding capital commitments approved but not provided for in the consolidated balance sheet:

| | 30/6/2022 | 1/1/2022 |
|-----------------------------|------------------|-----------------|
| | VND | VND |
| Approved and not contracted | 139,653,872,725 | 21,607,267,431 |

Tien Phong Plastic Joint Stock Company
Notes to the consolidated interim financial statements for the six-month
period ended 30 June 2022 (continued)

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

33. Revenue from sales of goods

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

Net revenue comprised:

| | Six-month period ended | |
|-------------------------|-------------------------------|-------------------|
| | 30/6/2022 | 30/6/2021 |
| | VND | VND |
| Total revenue | | |
| ▪ Sales of goods | 2,886,580,683,442 | 2,388,169,329,418 |
| ▪ Others | 5,232,590,636 | 6,756,261,675 |
| | <hr/> | <hr/> |
| | 2,891,813,274,078 | 2,394,925,591,093 |
| Less revenue deductions | | |
| ▪ Discounts | (87,144,052,031) | (94,140,823,445) |
| ▪ Sales returns | (2,605,597,335) | (7,752,367,287) |
| | <hr/> | <hr/> |
| | (89,749,649,366) | (101,893,190,732) |
| | <hr/> | <hr/> |
| Net revenue | 2,802,063,624,712 | 2,293,032,400,361 |
| | <hr/> | <hr/> |

34. Cost of sales

| | Six-month period ended | |
|----------------------|-------------------------------|-------------------|
| | 30/6/2022 | 30/6/2021 |
| | VND | VND |
| Total cost of sales: | | |
| ▪ Goods sold | 2,021,114,010,703 | 1,692,525,094,551 |
| ▪ Others | 1,189,940,727 | 4,461,821,058 |
| | <hr/> | <hr/> |
| | 2,022,303,951,430 | 1,696,986,915,609 |
| | <hr/> | <hr/> |

Tien Phong Plastic Joint Stock Company
Notes to the consolidated interim financial statements for the six-month
period ended 30 June 2022 (continued)

Form B 09a – DN/HN

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

35. Financial income

| | Six-month period ended | |
|---|-------------------------------|------------------|
| | 30/6/2022 | 30/6/2021 |
| | VND | VND |
| Interest income from deposits and bonds | 21,010,486,405 | 15,742,450,922 |
| Foreign exchange gains | 1,112,149,199 | 657,411,964 |
| Dividends | 6,378,868,428 | 5,770,585,900 |
| | <hr/> | <hr/> |
| | 28,501,504,032 | 22,170,448,786 |
| | <hr/> | <hr/> |

36. Financial expenses

| | Six-month period ended | |
|-------------------------|-------------------------------|------------------|
| | 30/6/2022 | 30/6/2021 |
| | VND | VND |
| Interest expense | 30,892,787,127 | 16,168,979,950 |
| Payment discounts | 32,260,029,008 | 12,537,783,699 |
| Foreign exchange losses | 4,212,121,638 | 106,199,163 |
| | <hr/> | <hr/> |
| | 67,364,937,773 | 28,812,962,812 |
| | <hr/> | <hr/> |

37. Selling expenses

| | Six-month period ended | |
|--|-------------------------------|------------------|
| | 30/6/2022 | 30/6/2021 |
| | VND | VND |
| Staff costs | 18,226,389,598 | 16,878,520,181 |
| Discounts paid to distributors and retailers | 206,608,984,380 | 103,869,537,833 |
| Depreciation | 10,149,116,153 | 9,147,340,621 |
| Transportation expenses | 53,691,259,504 | 42,779,592,778 |
| Advertising and marketing expenses | 7,107,027,082 | 9,094,585,860 |
| Other selling expenses | 26,379,085,268 | 31,977,554,848 |
| | <hr/> | <hr/> |
| | 322,161,861,985 | 213,747,132,121 |
| | <hr/> | <hr/> |

Tien Phong Plastic Joint Stock Company
Notes to the consolidated interim financial statements for the six-month
period ended 30 June 2022 (continued)

Form B 09a – DN/HN

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

38. General and administration expenses

| | Six-month period ended | |
|---|-------------------------------|------------------|
| | 30/6/2022 | 30/6/2021 |
| | VND | VND |
| Staff costs | 33,993,616,184 | 31,087,219,744 |
| Depreciation and amortisation | 14,465,869,646 | 11,673,644,399 |
| Other expenses in cash | 10,952,483,735 | 12,150,319,155 |
| Other general and administration expenses | 12,462,910,721 | 10,111,574,904 |
| | <hr/> | <hr/> |
| | 71,874,880,286 | 65,022,758,202 |
| | <hr/> | <hr/> |

39. Production and business costs by element

| | Six-month period ended | |
|---|-------------------------------|-------------------|
| | 30/6/2022 | 30/6/2021 |
| | VND | VND |
| Raw material costs included in production costs | 1,809,515,722,912 | 1,618,795,815,243 |
| Discounts paid to distributors and retailers | 206,608,984,380 | 103,869,537,833 |
| Labour costs and staff costs | 150,082,244,891 | 165,310,987,820 |
| Depreciation and amortisation | 79,500,897,264 | 76,817,087,443 |
| Outside services and other expenses in cash | 117,431,199,390 | 138,315,592,382 |
| Other expenses | 37,545,638,722 | 19,050,266,029 |
| | <hr/> | <hr/> |

40. Income tax

(a) Recognised in the consolidated statement of income

| | Six-month period ended | |
|--|-------------------------------|------------------|
| | 30/6/2022 | 30/6/2021 |
| | VND | VND |
| Current tax expense | | |
| Current period | 56,672,745,948 | 47,626,671,677 |
| Deferred tax expense | | |
| Effect of unrealised profit in tangible fixed assets | 159,486,752 | 137,971,028 |
| | <hr/> | <hr/> |
| Income tax expense | 56,832,232,700 | 47,764,642,705 |
| | <hr/> | <hr/> |

Tien Phong Plastic Joint Stock Company
Notes to the consolidated interim financial statements for the six-month
period ended 30 June 2022 (continued)

Form B 09a – DN/HN

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

(b) Reconciliation of effective tax rate

| | Six-month period ended | |
|---|-------------------------------|-----------------------|
| | 30/6/2022 | 30/6/2021 |
| | VND | VND |
| Accounting profit before tax | 383,301,503,674 | 317,706,165,609 |
| Tax at the Company's tax rate | 76,660,300,735 | 63,541,233,122 |
| Effect of different tax rates in a subsidiary | (7,663,361,587) | (8,975,845,496) |
| Tax exempt income | (8,518,009,023) | (2,318,560,202) |
| Tax incentives of a subsidiary | (3,831,680,793) | (4,487,922,749) |
| Non-deductible expenses | 3,128,807 | 4,946,483 |
| Others | 181,854,561 | 791,547 |
| | 56,832,232,700 | 47,764,642,705 |

(c) Applicable tax rates

According to the current Law on Corporate Income Tax:

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

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

Tien Phong Plastic Joint Stock Company
Notes to the consolidated interim financial statements for the six-month
period ended 30 June 2022 (continued)

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

41. Basic earnings per share

The calculation of basic earnings per share for the six-month period ended 30 June 2022 was based on the profit attributable to ordinary shareholders after deducting the amounts appropriated to bonus and welfare fund, and the weighted average number of ordinary shares for the period. Details are as follows:

(a) Basic earnings per share

| | Six-month period ended | |
|---|-------------------------------|------------------|
| | 30/6/2022 | 30/6/2021 |
| | | Restated |
| Net profit for the period (VND) | 326,469,270,974 | 269,941,522,904 |
| Appropriation to bonus and welfare fund (VND) (*) | (32,646,927,097) | (26,994,152,290) |
| Net profit attributable to ordinary shareholders (VND) | 293,822,343,877 | 242,947,370,614 |
| Weighted average number of ordinary shares in circulation during the period (number of shares) (Note (41(b))) | 129,575,334 | 129,575,334 |
| Basic earnings per share (VND/share) | 2,268 | 1,875 |

(*) At the reporting date, the Company estimated the profit for the six-month period ended 30 June 2022 to be appropriated to the bonus and welfare fund amounting to VND32,646 million.

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

| | Six-month period ended | |
|--|-------------------------------|------------------|
| | 30/6/2022 | 30/6/2021 |
| | | Restated |
| Issued ordinary shares at the beginning of the period | 117,796,183 | 117,796,183 |
| Effect of shares issued to existing shareholders to increase share capital from investment and development fund after the end of the accounting period (Note 43) | 11,779,151 | 11,779,151 |
| Weighted average number of ordinary shares in circulation during the period | 129,575,334 | 129,575,334 |

Tien Phong Plastic Joint Stock Company
Notes to the consolidated interim financial statements for the six-month
period ended 30 June 2022 (continued)

Form B 09a – DN/HN

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

(c) Restatement for basic earnings per share for the six-month period ended 30 June 2021

On 22 July 2022, the Company's Board of Management issued Decision No. 41/QD-HDQT on approving the results of issuance of 11,779,151 shares to the existing shareholders to increase share capital from investment and development fund in accordance with the General Meeting of Shareholders' Resolution No. 14/NQ-DHDCDTN-2022 dated 19 April 2022 (Note 43). As a result, the weighted average number of ordinary shares used in calculation of basis earning per share for the six-month period ended ended 30 June 2021 was changed.

Basic earnings per share for the six-month period ended 30 June 2021 were restated as follows:

| | Six-month period ended 30/6/2021 | |
|--|---|---|
| | Weighted average number of ordinary shares Share | Basic earnings per share VND |
| As previously reported | 117,796,183 | 2,062 |
| Effect of shares issued to existing shareholders to increase share capital from investment and development fund after the end of the accounting period (Note 43) | 11,779,151 | (187) |
| As restated | 129,575,334 | 1,875 |

42. Significant transactions with related parties

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

| | Transaction value | |
|---|---|--------------------------|
| | Six-month period ended 30/6/2022 VND | 30/6/2021 VND |
| Associates | | |
| <i>Tien Phong South Plastic Joint Stock Company</i> | | |
| Sales of goods | 69,749,014,091 | 84,096,624,908 |
| Purchase of goods and services | 57,307,816,545 | 64,954,239,845 |
| Royalty fee (*) | 3,400,000,000 | 3,400,000,000 |
| Sales returns | 1,585,484 | 718,915,961 |
| <i>Tien Phong Packaging Joint Stock Company</i> | | |
| Purchase of goods and services | 18,113,688,984 | 12,051,072,289 |
| Dividends received | 499,775,000 | 599,730,000 |

Tien Phong Plastic Joint Stock Company
Notes to the consolidated interim financial statements for the six-month
period ended 30 June 2022 (continued)

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

| | Transaction value | |
|--|-------------------------------|------------------|
| | Six-month period ended | |
| | 30/6/2022 | 30/6/2021 |
| | VND | VND |
| Other related companies | | |
| <i>Minh Hai Import - Export Trading Limited Company</i> | | |
| Discounts | - | 8,513,017,824 |
| Sales returns | - | 173,813,645 |
| <i>Sekisui Vietnam Company Limited</i> | | |
| Sales of goods | 2,359,896,968 | 2,084,153,142 |
| Purchase of goods | 306,131,311,000 | 194,651,202,000 |
| Sales returns | 669,454 | 12,518,950 |
| <i>Tien Phong Technology Equipment Joint Stock Company</i> | | |
| Sales of goods | 17,240,000 | 15,720,000 |
| Purchase of goods | 36,813,378,000 | 34,931,907,980 |
| Purchase of tangible fixed assets | - | 580,600,000 |
| Loans granted | - | 3,000,000,000 |
| Collection of loans | - | 3,000,000,000 |
| Interest income from loans | - | 62,191,148 |
| Sales of goods | - | 15,720,000 |

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

Key management personnel compensation

| | Six-month period ended | |
|---|-------------------------------|------------------|
| | 30/6/2022 | 30/6/2021 |
| | VND | VND |
| Board of Management members | | |
| Fees, bonus and other benefits | | |
| Mr. Dang Quoc Dung – Chairman | 1,379,566,710 | 1,580,420,177 |
| Mr. Noboru Kobayashi – Vice Chairman | 452,000,000 | 619,000,000 |
| Mr. Tran Ngoc Bao – Member | 1,130,078,868 | 1,269,636,949 |
| Mr. Nguyen Viet Phuong – Member | 221,000,000 | 50,000,000 |
| Mr. Dao Anh Thang – Member | 460,080,000 | 459,630,000 |
| General Director cum Member of Board of Management | | |
| Salaries, bonus and other benefits | 1,381,649,727 | 1,599,730,020 |
| Other management personnel | | |
| Salary, bonus and other benefits | | |
| (excluding all the items disclosed above) | 2,154,039,160 | 2,247,047,397 |

Tien Phong Plastic Joint Stock Company
Notes to the consolidated interim financial statements for the six-month
period ended 30 June 2022 (continued)

Form B 09a – DN/HN

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

43. Post balance sheet event

On 22 July 2022, the Company's Board of Management issued Decision No. 41/QD-HDQT on approving the results of issuance of 11,779,151 shares to the existing shareholders to increase share capital from investment and development fund in accordance with the General Meeting of Shareholders' Resolution No. 14/NQ-DHDCDTN-2022 dated 19 April 2022. Accordingly, the Company will register an amendment in its charter capital with the capital change date of 12 July 2022. On 26 July 2022, the State Securities Commission of Vietnam confirmed the receipt of the Company's report on results of shares issuance to increase share capital from owners' equity.

44. Comparative information

Comparative information as at 1 January 2022 and for the six-month period ended 30 June 2021 were derived from the balances and amounts reported in the Company's consolidated financial statements for the year ended 31 December 2021 and the Company's consolidated interim financial statements for the six-month period ended 30 June 2021.

12 August 2022

Prepared by:



Luu Thi Mai
Deputy Head of Finance and
Accounting Department

Approved by:



Tran Ngoc Bao
Chief Accountant



Chu Van Phuong
General Director