



NHUA TIEN PHONG

RISE TO THE CHALLENGE



www.nhuatienphong.vn

**ANNUAL
REPORT
2020**

TABLE OF CONTENT

INTRODUCTION 005

1. Message from Chairman	006
2. 2020 Milestones	008
3. 2020 Achievement	010

60 YEARS OF STEADFAST PIONEER 013

1. General information of Tien Phong Plastic JSC	014
2. History and Development	016
3. Business sectors and location	018
4. Main products	019
5. Subsidiaries and Affiliates	020
6. Charter capital raising process	021
7. Competitive Advantages	022
8. Medium and long-term development strategy	023
9. Organizational Structure	026
10. Introduction of the Board of Directors and the Board of Management	028

ROBUST THROUGH UNITY 035

1. Board of Directors' report on business	036
2. Board of management's report on business	038

SUCCESS IN HARD TIME 059

1. Overview of 2020 plastic market	060
2. S.W.O.T Analysis	064
3. Growth Strategy during 2020 - 2025	067
4. Sales Plan in 2021	068

REFINING GOAL MANAGEMENT 071

1. Internal Governance	072
2. Shareholder structure and change of owners' equity	073
3. Investor Relation's activities	074
4. Activities of General Meeting of Shareholders	075
5. Activities of the Board of Directors	076
6. Activities of Sub-committees under the BOD	078
7. Remunerations, transactions and benefits for the BOD, BOS, BOM	079
8. Risk Management	080

SUSTAINABLE GROWTH 085

1. Sustainable growth activities of Tien Phong Plastic in 2020	086
Weather the storm - sustain the economy	086
Building an united community	088
Spreading the love and kindness	095
Building eco-planet	098
Water and waste resources	102
2. Sustainable development criteria for 2021	105
Sustainable development criteria for 2021	105
High quality product	105

FINANCIAL REPORT 111

1. Statement of The Board of General Directors	112
2. Independent auditors' report	114
3. Consolidated balance sheet	116
4. Consolidated income statement	118
5. Consolidated cash flow statement	120

TABLE OF ABBREVIATIONS

COMPANY	:	Tien Phong Plastics Joint-stock Company
SM	:	Shareholders Meeting
YU	:	Youth Union
BOM	:	Board Of Management
BOD	:	Board Of Directors
O&E	:	Office And Employees
SCIC	:	State Capital And Investment Corporation
BP	:	Business Production
JSC	:	Joint Stock Company
FR	:	Financial Report
PBT	:	Profit Before Tax
PAT	:	Profit After Tax
SB	:	State Budget
LTD	:	Limited
COGS	:	Cost Of Goods Sold
NR	:	Net Revenue
ST	:	Stock Exchange
BOS	:	Board Of Supervisor
EBITDA	:	Earnings Before Interest, Tax, Depreciation And Amortization
EBIT	:	Earnings Before Interest And Tax,
NTP	:	Tien Phong Plastics Joint-stock Company

1

INTRODUCTION

1. Message from Chairman
2. 2020 Milestones
3. 2020 Achievement

MESSAGE FROM CHAIRMAN

To: Our dear shareholders,

Year 2020 came as a surprise to Vietnam and the world with the introduction of one the most devastating pandemic yet of the century to over 200 nations: COVID 19. As 2020 concluded, there were close to 90 million reported cases globally and the world economy remained stagnant. Despite a world of uncertainties, with unwavering determination and incredible resolution, not only was Tien Phong Plastic (NTP) able to preserve its proud traditions and core values, but also faced and overcame the challenge posed by COVID 19, achieving remarkable business performance and commendable efforts in preventing the spread of the virus.

Year 2020 also marked an unforgettable milestone for NTP – its 60th year of steadfast growth ever since the 1960. Through all ups and downs, through overcoming endless challenges and turmoil of the free market, NTP prides itself on realizing the country's vision for it, while still maintain its integrity as a brand for and owned by Vietnamese people.

Moreover, as time goes by, NTP's leading reputation in construction plastics industry is affirmed when production scale is expanded aggressively, resulting in a 190,000-ton- per-year supply capacity with an accumulated profit of over 510 Billion VND in 2020. NTP's products are also recognized with nation's most prestigious awards such as Vietnam Value Award, National Quality Award.

During NTP's 60-year journey, at any point in time, NTP has always upheld its spirit of solidarity – a beautiful traditional value of our organization which encourages a prosperous community, especially programs for the next generation such as co-founder of Blue Kite Foundation, Operation Healthy Heart, lead organizer of “Cau noi yeu thuong” building 60 bridges in rural and deprived areas from 2017 to 2020, paving a safe path to school for tens of thousands of children.

As green materials are making headlines around the world, NTP has been investing into and developing for years the closed-system production, experimenting with environment-friendly products, using less-harmful alternative materials and apply strict international standards in treating by-product waste, all of which are meant to ensure NTP preserve a green and healthy environment for the collective good.

With support from BOD's visionary strategy for developments, will of steel from everyone and the ever growing desire to promote our name on the world stage, I am firmly convinced NTP will continue to prosper, to successfully overcome any obstacle and achieve great feats in the new decade.

On behalf of BOD, I would like to express my tremendous gratitude to our shareholders for your faith in and support to NTP, as well as my sincere thanks to the dedication from BOD and employees of NTP in 2020.

Best of luck, health and success to you!

Sincerely,

Haiphong, March 2021

ON BEHALF OF BOARD OF DIRECTORS

Chairman of the Board



Dang Quoc Dung



2020 MILESTONES

60th anniversary of establishment

On May 19th 1960, Tien Phong Plastic factory – named by the National Assembly, was established to guarantee the spiritual life of domestic children. In course of development, in spite of coping with obstacles as well as rapidly changing to reach the leading in the field of plastic pipe and fittings, Tien Phong has invariably been grateful for its history by carrying out community development activities on a regular basis for young children in particular. As a result of its contribution to socio-economic growth, NTP has received numerous titles of honor from the Communist Party and Government of Vietnam for instance Labour Hero, Second-Class Labor Medal, etc.

2020 is known as a memorable milestone of the 60th year that Tien Phong Plastic accompanies and adheres to Vietnamese daily life. Notwithstanding the event cancellation to ensure health of guests along with the community to the pandemic, the entertainment program and sports day exemplified various commemorative events have been carried out for internal company and participating customers. This portrays as indelible remembrance for all generations of employees in particular and NTP partners’ subconscious in general.

“Cau noi yeu thuong” program reached 60 bridges

After three years of implementation with a total expense more than VND 15 billion, Tien Phong Plastic’s “Cau noi yeu thuong” program that brings benevolent bridges to children in remote areas throughout the countries has officially reached 60 bridges. Additionally, more than 1,000 awarded scholarships along with executed extracurricular activities such as “Ngay vui cua em”, “Xuan am ap hi vong”, etc. were not only the spiritual encouragement but also enriching life for citizens and children. Each finished bridge has offered an opportunity for people to break the cycle of poverty, given hope and belief in a brighter future as well as providing a safety path for children on the way to school.

Enhanced benefit for consumers

In spite of being impacted significantly by Covid pandemic, Tien Phong Plastic continuously implemented numerous promotions in order to enhance benefit for distributors and customers. “Buy Tien Phong Plastic – Get Gifts Instantly” illustrates this point clearly, which gives more than 3,100 gifts with a total value of approximate VND 6 billion as a tribute of Company to bring great joy for them on New Year occasion.

Co-founded blue kite foundation

Tien Phong Plastic and Deloitte Vietnam officially launched the Blue Kite Foundation on October 27th, 2020 with two main objectives to support program “Improving quality of nursing in patient care at the Vietnam national children’s hospital during 2020-2022” and accompany Vietnam Border Defence Force program “Sweet Road to School and Adopted Child of Border Guard”. This foundation believes in creating brighter future for children, supporting them to achieve professional care, receiving full of love as well as spreading the value of kindness in society.

Overcome the pandemic

In 2020, Vietnam and other countries as well had suffered by COVID19. However, we have achieved significant results in pandemic control due to the careful and drastic direction of Government, as well as the unanimity of the citizens. In response to social appeal, Tien Phong Plastic contributed more than VND 3 billion through local’s funds and directly provided 1,200 gifts for people in Quang Binh, Quang Tri, Ha Tinh to share the pain and struggles for them who suffered from the flood.



2020 ACHIEVEMENT

Vietnam Value

The Vietnam Value is the only and long term trade promotion program of the Government which is organized biennial to assess brands owning credible products, thereby would be funded and supported to develop brands for domestic and foreign consumers.

After selection rounds with strict criteria for brand development, products manufacturing, operational procedures based on international standards, and management system for human resource improvement as well as contributing activities for community growth, Tien Phong Plastic Joint Stock Company has surpassed 1,000 enterprises for the third consecutive time to achieve the 2020 Vietnam Value.

Golden Prize of National Quality Award

The National Quality Award is a national honor and reward for organizations that have satisfied outstanding quality achievements in production, business and services as well as positive contribution to the socio-economic growth of the country. This is a great opportunity along with a guarantee of prestige for the Company to enhance brand and improve competitiveness during the time of international economic integration.

Top 50 best-listed companies in 2019

In the context in which the Covid-19 pandemic has greatly impaired the Vietnamese economy and the world, Tien Phong Plastic has consistently ranked amongst the top listed companies with a solid economic base and reliable market performance, which was evaluated transparently and independently by Forbes Vietnam. This result showed that the Company is proud to be a local brand and promise to deliver the best to consumers, partners and the world on its journey.

Top 10 companies with best annual reports (medium capitalization company)

2020 is the 13th year that Vietnam Capital Market held to promote and support listed firms with the aim of increasing professionalism, openness, and convey information for investors, which leads to effective management and increasingly sustainable growth.

And this year also the 7th that Tien Phong Plastic was honored in category: the company with the best annual reports. It reflects the effort of the Board of Directors with employees towards well-managed and sustainable enterprise.





2

60 YEARS OF STEADFAST PIONEER

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GENERAL INFORMATION OF TIEN PHONG PLASTIC JSC

TIEN PHONG PLASTIC JOINT STOCK COMPANY

Name of Company:

Tien Phong Plastic Joint Stock Company

Stock symbol:

NTP

Certificate of Business Registration:

No. 0200167782

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

Charter capital:

VND 1.177.961.830.000

Representative Office:

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

Headquarter:

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

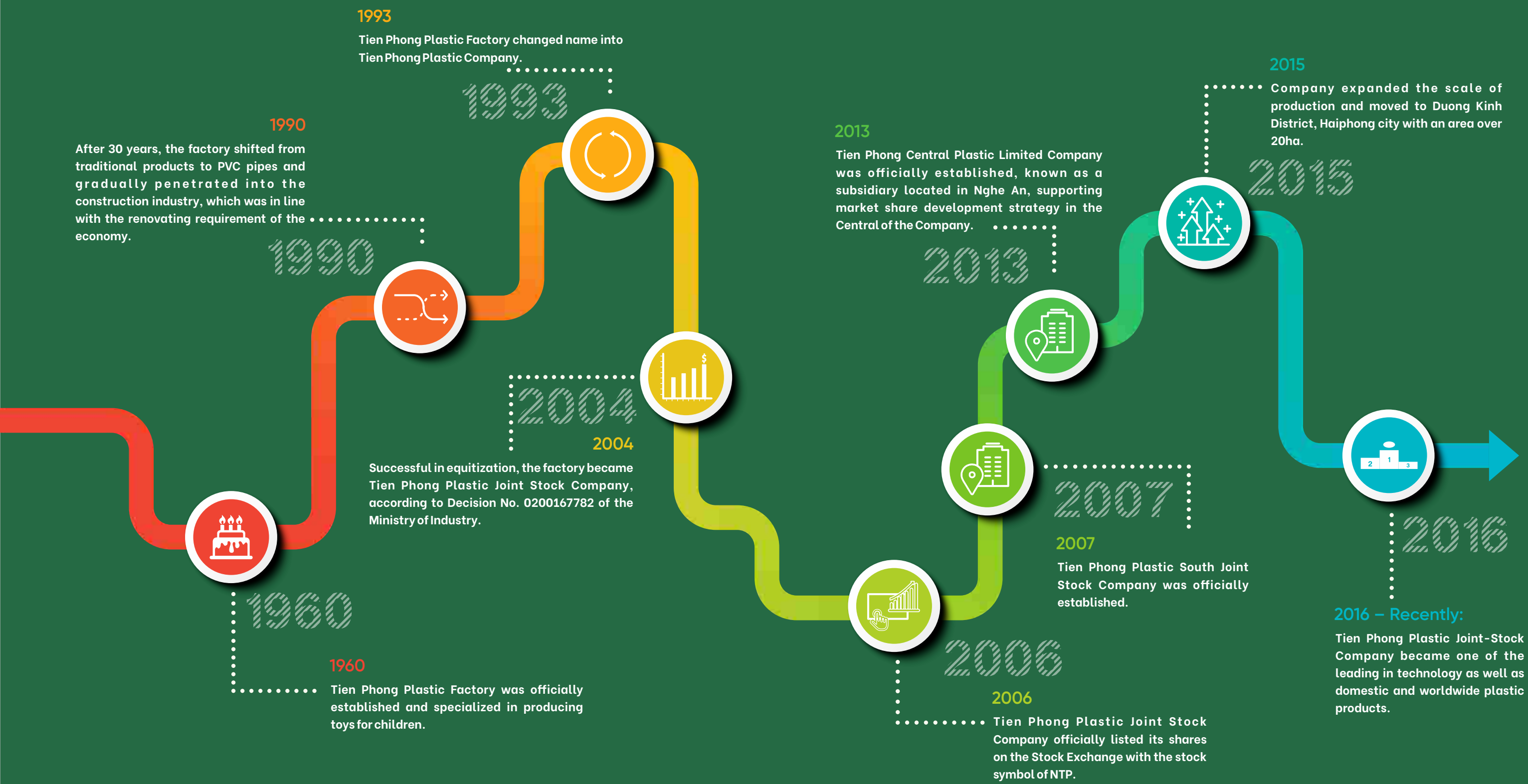
Phone number: + (84-225) 381 3979

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Website: www.nhuatienphong.vn



HISTORY AND DEVELOPMENT



BUSINESS SECTORS AND LOCATION

Plastic construction sector

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

Business area

In order to ensure timely supply, Tien Phong Plastic operates 03 factories all day and night in Haiphong city, Binh Duong province and Nghe An province. Over 60 years of adhering its brand, the Company has 09 distribution centers, more than 300 agents and nearly 16,000 points of sale nationwide.



MAIN PRODUCTS

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

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

HDPE pipe and fittings

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

Pipe and fittings for electrical system installation

Standard: BS 6099.2.2:1982
Nominal diameter: DN16 to DN63
Including: Pipe and fittings

uPVC pipe and fittings for drainage in building

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

PP-R pipe and fittings

Standard: DIN 8077 and DIN 8078
Nominal diameter: From DN20 to DN200
Nominal pressure: From PN10 to PN25
Including: PP-R pipe and fittings and PP-R UV resistance



OTHER PRODUCTS

uPVC Inspection Chamber and fittings based on TCVN 12754:2020 and TCVN 12755:2010

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

MPVC pipe

Standard: AS/NZS 4765
Nominal diameter: From DN110 to DN400
Nominal pressure: From PN6 to PN18

PP/PE double wall corrugated pipe

Standard: ISO 21138 and DIN EN 13476
Nominal diameter: From DN150 to DN1000
Stiffness class: SN4 to SN12

HDPE single wall corrugated pipe and fittings

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

uPVC Cable trunkings

Standard: BS 4678

PVC inner spiral pipe

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

uPVC fence

Tien Phong T50 Tank (Material: HDPE)

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

PE Wall (Material: HDPE)

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

SUBSIDIARIES AND AFFILIATES

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

CHARTER CAPITAL RAISING PROCESS

No.	Issued Object	Increased capital (Billion VND)	New total contributed capital (Billion VND)	Number	Date of Issue
1	Founding shareholder		90.0	No. 0200167782	First granted on 30/12/2004
2	Bonus shares for existing shareholders	54.5	144.5	23/2006/GCNCP-TTLK	07/12/2006
3	Bonus shares for existing shareholders	72.23	216.7	23/2006/GCNCP-TTLK-1	16/07/2007
4	Bonus shares for existing shareholders	216.7	433.4	23/2006/GCNCP-VSD-2	13/04/2011
5	Bonus shares for existing shareholders	130	563.4	23/2006/GCNCP-VSD-3	03/07/2014
6	Bonus shares for existing shareholders	56.3	619.7	23/2006/GCNCP-VSD-4	15/07/2015
7	Bonus shares for existing shareholders	123.9	743.7	23/2006/GCNCP-VSD-5	17/06/2016
8	Bonus shares for existing shareholders	148,7	892.4	23/2006/GCNCP-VSD-6	03/07/2017
9	Bonus shares for existing hareholders	89.2	981.6	23/2006/GCNCP-VSD-7	21/11/2019
10	Bonus shares for existing shareholders	981.6	1.177.9	23/2006/GCNCP-VSD-8	23/07/2020

COMPETITIVE ADVANTAGES

THE LONGEST HISTORY PLASTIC BRAND IN VIETNAM AS WELL AS THE BIGGEST PLASTIC PIPE MANUFACTURING IN NORTH THAT INGRAIN THE SUBCONSCIOUS OF CITIZENS.

Over 60 years along with ups and downs of country, as the result of a “small plan movement”, Tien Phong Plastic is known as the leading brand in terms of plastic pipe sector with credibility, transparent which represents approximate 60% of market share to the North, and nearly 30% of nationwide. Among the transition and integration of international brands, Tien Phong Plastic still remains the local brand name of Vietnamese as well as finished the six-decade journey that has always sought to improve the economy and towards social culture with human values.

LARGE PRODUCTION CAPACITY AND WIDE DISTRIBUTION SYSTEM:

- The company owns 03 production factories, operates all day and night in Haiphong, Nghe An and Binh Duong with a total production capacity of about 190,000 tons / year.
- The company focuses on building a wide distribution network including: 09 distribution centers, 300 agents and nearly 16,000 points of sale nationwide. This elucidates an immense advantage to broaden the customer network of the business on a regular basis.

DIVERSIFIED PRODUCTS AND PIONEER IN QUALITY WITH OUTSTANDING FEATURES:

- In 2004, Tien Phong Plastic produced PP-R heat resistant pipes according to DIN 8077: 2008-09 & DIN 8078: 2008-09.

- In 2016, the Company put into operation the DN2000 HDPE pipe production line and PE/PP double-wall corrugated pipe to DN800 according to European technology with a total investment of VND 150 billion, serving the needs of construction industry and water supply, requiring large water flow. This is one of 8 lines that can produce HDPE pipes with diameters up to 2000 mm in the world. Tien Phong Plastic is the first enterprise in Vietnam and Asia that invest in this line.
- During 2017 – 2018, Tien Phong Plastic continues to spend more than VND 100 billion to invest in machinery and equipment for PVC pipe production lines; HDPE and PP-R pipes; manufacturing PVC and PP-R pipe and fittings; laboratory equipment and product quality control, investment in the production line of MPVC DN110 – DN355; PP-R pipe production line DN20 – DN63; production line of HDPE single-wall corrugated pipe 500kg/h; PE/PP double-wall corrugated pipe production line 1000kg/h; equipped injection molding machines of 250 tons, 350 tons and 650 tons; grain dryer, PP-R packing machine; ultrasonic testing machine for HDPE pipe, etc.
- In 2019, Tien Phong Plastic focused on investing and innovating production technology. With the desire to find a solution for the civil drainage system, Company has developed uPVC drainage pipe and fittings according to international standard ISO 3633. Besides, the products used for water supply systems were also introduced to consumers recently such as PVC true union ball valve; PE/PP double-wall corrugated; HDPE electrofusion (EF) fittings; HDPE single wall corrugated pipe and related fittings such as equal coupling, bellmouth and end caps which are manufactured on Corma line according to Korean standard KSC 8455, etc.
- In 2020, Tien Phong Plastic launched uPVC inner spiral pipe manufactured on the Sekisui Group technology line with numerous outstanding features compared with ubiquitous uPVC products, contributing new solutions for vertical axis drainage of high-level buildings. Furthermore, the Company has successfully produced PE walls to assemble into ponds for freshwater storage in drought and mangrove areas as well as aquaculture purposes (shrimp, fish, etc.)

MEDIUM AND LONG-TERM DEVELOPMENT STRATEGY

MID-TERM STRATEGY

Maintaining Vietnam’s plastic industry leading position:

Tien Phong Plastic keeps on standardizing products, management systems, human resource, sales policies and distribution networks to pave the way for the next period of production. Furthermore, Company continues expanding its market share, expanding the factory size as well as updating systems to reach production scale and performance growth strategies in the future. With the aim of keeping position in the northern consumer market, the operation of new factories in the Central and the South with the signing of cooperation with Sekisui Chemical (Japanese partner) are showing that our Company not only strives for dominating the domestic plastic market in the long term but also has ambition to encroach on other markets in the region.

Proactive in supplying materials:

In the situation of imported raw materials such as PP, PE, HDPE, PVC, PP-R, etc from Arab, Chinese, Turkish, Iranian and Chinese market are quite high compared to the average of last year, Tien Phong Plastic expects to search different raw material sources with the aim of meeting demand for production.

Seeking new investment opportunities:

The signing ceremony with Sekisui Chemical, known as one of the leading companies in Japan in the field of manufacturing and trading of water and environmental products, will be the foundation for Tien Phong Plastic South Factory to serve the production and to market advanced products that have not been produced by any enterprises in Vietnam or imported from abroad. Development prospects of the plastic for water supply and drainage industry in Vietnam in particular and the region in general are potential, which will help NTP’s products have the opportunity to provide Japanese ODA projects in Southeast Asia in the field of infrastructure. Furthermore, the cooperation with Minh Phu Group since 2018 has offered Company an opportunity to approach the aquaculture sector and develop the latest products within.



LONG-TERM STRATEGY

BECOMING THE PIONEER IN TERMS OF CONTRUSTIC PLASTIC IN VIETNAM AND ASIA, WHICH ACCOUNTED FOR AT LEAST 60% OF DOMESTIC MARKET SHARE

The company always strives constantly, from the continuous investment in the production process to ensure the reputation of product quality, as promoting the company's image to people. Tien Phong Plastic has launched new improved products with superior features such as: PP-R 2 layers pipe, mPVC pipes, largest 2000 diameter HDPE pipes in Vietnam, etc. In addition, the company's products are also promoted to domestic and foreign customers through many other exhibitions such as Vietbuild Exhibition, Hai Phong Youth Creative Exhibition, Customer Conference, etc. Although the competition in the market is increasing sharply, Tien Phong Plastic will always strive to continue affirming the No.1 brand in building plastic in the future.

Diversifying business sectors:

It is necessary to develop new potential products such as artificial wood, packaging, construction materials, interior decoration such as laminate flooring, panels, PVC imitation stone, indoor plastic sheet (construction products which have similar factors in business environment). It is, however, Tien Phong Plastic concentrates exclusively on the core market of the company and produces products for the core sector in the context of business environment fluctuates continuously.

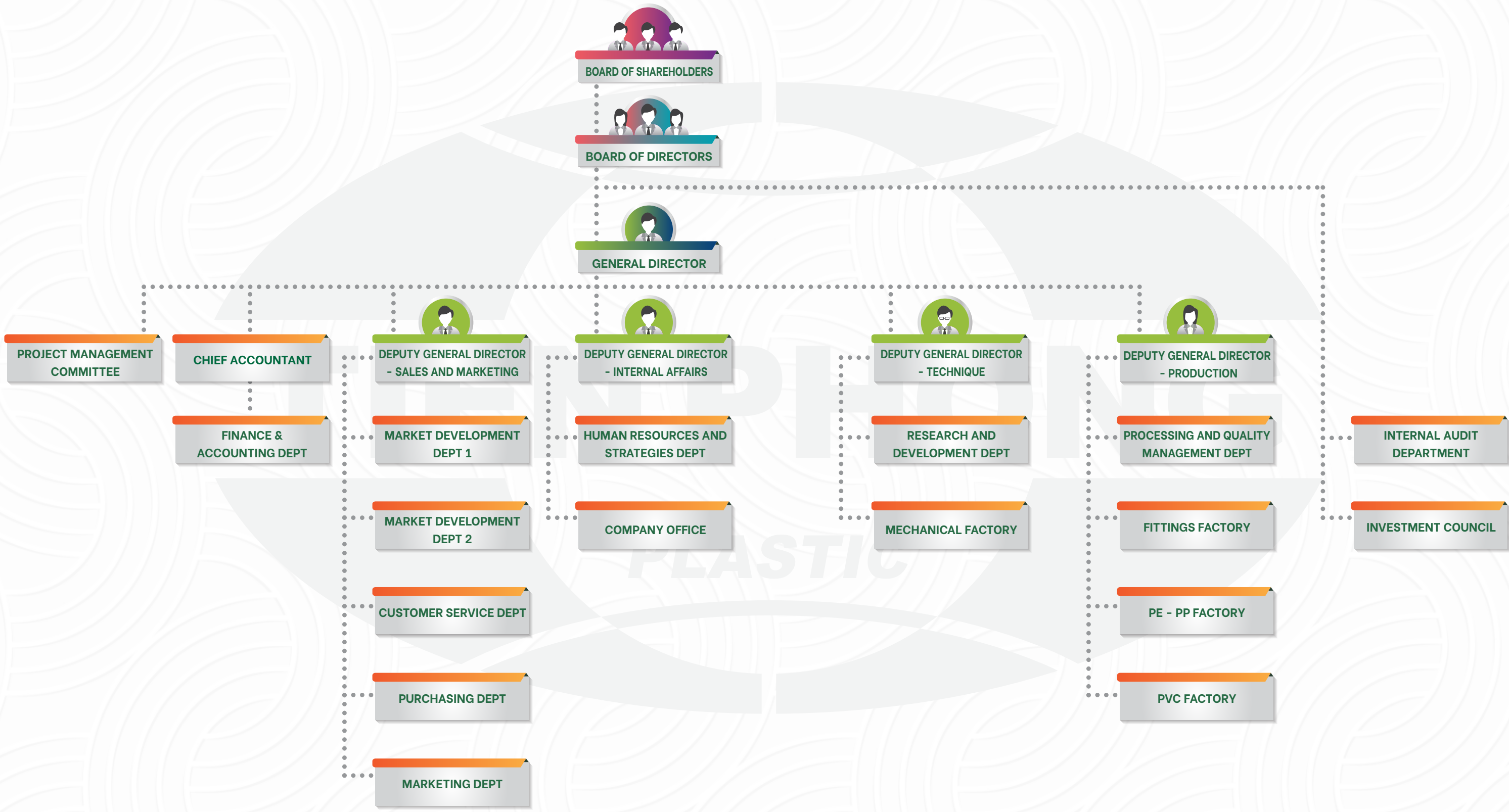
Profit growth:

Improving the financial ratios by at least 10%, and by 2040 become the company achieves USD 1 billion (VND 23,000 billion) of sales.

Sustainable development:

Sustainable development is an important and inevitable issue that NTP always strives to achieve. Operating with the business philosophy of "Development associated with social responsibility" has created an image of an environmentally business, promoting social development. The company always carries out production and business as well as organizes activities towards comprehensive development, ensuring harmonious interests of shareholders, partners, workers, natural environment and community. In particular, numerous community activities such as "Cau noi yeu thuong", giving bicycles to poor children, supporting flood victims in Central Vietnam, etc. were strongly implemented by the Company in 2020.

ORGANIZATIONAL STRUCTURE



INTRODUCTION OF THE BOARD OF DIRECTORS AND THE BOARD OF MANAGEMENT

THE BOARD OF DIRECTORS



Mr. Dang Quoc Dung

Chairman of the BOD

Born: 1968

Professional qualification: Bachelor Economics (Vietnam Commerce University)

Working process:

2002 – 2005: Director of Huong Minh Limited Company

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

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

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

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



Mr. Noboru Kobayashi

Vice Chairman of the BOD

Nationality: Japanese

Born: 1966

Professional qualification: Chemical Engineering.

Working process:

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

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

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

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



Mr. Chu Van Phuong

Member of the BOD – 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

Member of the BOD – Chief Accountant

Born: 1976

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

Working process:

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

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

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

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

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

THE BOARD OF DIRECTORS



Mr. Nguyen Viet Phuong

BOD Member

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.



Mr. Dao Anh Thang

Independent BOD 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.

BOARD OF MANAGEMENT



Mr. Chu Van Phuong

Member of the BOD – General Director

Born: 1972

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

Working Process:

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

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

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

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



Mr. Nguyen Van Thuc

Deputy General Director of Internal Affairs

Born: 1969

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

Working process:

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

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

BOARD OF MANAGEMENT



Mrs. Ngo Thi Thu Thuy
Deputy General Director of Production

Born: 1970

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

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



Mr. Tran Nhat Ninh
Deputy General Director of Technique

Born: 1971

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

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



Mr. Tran Ngoc Bao
Member of the BOD - Chief Accountant

Born: 1976

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

Working process:
2000 - 2009: Director of Hai Phong Branch - Deloitte Vietnam Co., Ltd.
2010: Chief Accountant of Vung Tau Branch - Petroleum Machinery and Spare Parts Company.
2010 - 2012: Head of Supervisory Board of Tien Phong Plastic JSC.
2012 - now: Chief Accountant of Tien Phong Plastic JSC.
4/2018 - now: Member of the Board of Directors of Tien Phong Plastic Joint Stock Company.

3

ROBUST THROUGH UNITY

1. Board of Directors' report on business
2. Board of management's report on business

BOARD OF DIRECTORS' REPORT ON BUSINESS

2020 Performance Evaluation

IN 2020, TIEN PHONG PLASTIC CELEBRATED THE 60TH ANNIVERSARY



Along with numerous difficulties from natural disasters, typhoons, floods, and also the complicated development of the Covid-19 pandemic, the Company has also encountered many challenges from fierce competition among manufacturers in the industry and the deteriorating materials market. However, with proper situational awareness, the BOD and the BOM have kept a close eye on the operation to achieve best performance in the 2020 Production and Business Plan.

The consolidated revenue result in 2020 was VND 4,393 billion, equal to 92.7% of the 2019 performance, while pre-tax profit of the Parent Company reached VND 505.2 billion, equal to 110% of the 2019 performance.

Indicator	Unit	2020 Performance	2020 Target	2020 % Performance rate	2019 Performance	2020 compared to 2019
Sales volume	Thousand tons	90.9	104	87.4%	95.45	95.2%

Consolidated financial indicators

Sales revenue	VND billion	4,393	5,100	86.1%	4,762	92.7%
Pre- tax profit	VND billion	505.2	470	107.5%	456.5	110.6%
Post- tax profit	VND billion	435.8	-	-	404.2	107.8%

ISSUE SHARES TO EXISTING SHAREHOLDERS

In July 2020, the Company successfully issued 19,632,330 shares to existing shareholders in order to raise charter capital of the company from VND 981,638,530,000 to VND 1,177,961,830,000 under Decision of the Board of Directors No. 62/QĐ-HĐQT dated July 06th, 2020.

SUCCESSFULLY ISSUED
19,632,330 Shares
CHARTER CAPITAL RAISED FROM
VND 981,638,530,000
TO
VND 1,177,961,830,000

ASSESSMENT OF THE BOARD OF MANAGEMENT'S OPERATION

The BOD highly appreciates the role of the BOM in maintaining the brand name and developing the market while fully complying with the guidelines, policies and resolutions of the BOD.

In 2020, the BOD supervised the operation of the BOM in implementing Resolution of the Shareholders Meeting and the BOD as follows:

- Adoption of regular reporting mechanism: During operation, the BOM has complied with monthly, quarterly, semi-annual and annual reporting on the business and financial situation and presented to BOD. In addition, BOD has conducted supervisions through the review of regulations as well as procedures, strengthened business operation and ensured conformity with law provisions. In most of the BOD meetings, the BOD also required the Company to enhance risk management during volatile market developments.
- Adoption of directions and resolutions at the BOD meeting in 2020: Along with agreed objectives in the BOD meetings, the BOM has implemented and monitored progress effectively through flexible solutions, new customer attraction, and appropriate discount policies to respond to fierce competition market and complicated Covid-19 pandemic.
- Regarding operation, the BOM has focused on ensuring adequate supply to the market, even during the dramatic increase in market demand. The production plan closely meets the product consumption demand, and also has a reasonable material reserve plan to ensure production stability which brings high economic efficiency.



Through accomplishments above, in 2020, BOD highly appreciated the BOM's efforts in the process of the Company's operation in terms of fulfilling business tasks assigned by the General Meeting of Shareholders.

Moreover, the BOM also abided by decentralization regulations stated in the Company's Charter and Regulation as well as Resolutions and directions of the BOD.

BOARD OF MANAGEMENT'S REPORT ON BUSINESS

SUPPLY OF RAW MATERIALS

THE COVID-19 PANDEMIC HAS LED TO A STAGNANT TRANSPORT INDUSTRY, CAUSING MORE DIFFICULTIES IN SUPPLYING RAW MATERIALS FOR PRODUCTION.

The plastic industry is under pressure from factories in the United States and Asia being in the maintenance season, which reduces output, causing the scarcity of imported raw materials. With the current characteristics of the plastic industry, since production materials are largely dependent on imported products, the production activities are also significantly affected.

Despite the circumstance, Tien Phong Plastic still guarantees the source of raw materials to supply the production. This stability is thanks to the correct forecast, prompt preventive measures and sufficient reserves of input materials.

In addition to strengthening the partnership with strategic suppliers, the Company is constantly looking for new sources of raw materials with cheaper prices and higher quality not to only improve quality and reduce product prices but also maintain a stable supply for production.

ADVANCED PRODUCTS

As the first and only enterprise in Vietnam to produce HDPE pipes with a diameter of up to 2,000 mm and MPVC pipes using Australia-New Zealand technology, Tien Phong Plastic is also the first enterprise in Vietnam manufacturing PVC drainage pipes and fittings according to ISO 3633 standards; sound-proof PVC inner spiral pipes with diameter 160, HDPE fittings by electrofusion method, PVC valves, etc.

With product quality as the core value, Tien Phong Plastic has affirmed its position as a prestigious brand of the plastic industry in the 60-year journey of construction and development.



In 2020, Tien Phong Plastic also successfully tested and started manufacturing fittings for PE/ PP double-wall corrugated pipe and developed HDPE compression fittings to replace fabricated fittings from DN160 to Dn250.

With extensive experience, modern equipment, advanced technology and quality as the core factor, Tien Phong Plastic guarantees products of highest quality and convenience.

RESEARCH AND DEVELOPMENT ACTIVITIES

With the goal of making Tien Phong Plastic brand in 2020 as the leading brand in the field of manufacturing and trading plastic pipe products in Vietnam and Southeast Asia, Tien Phong Plastic Joint Stock Company has set strategic goals for sustainable development from short, medium to long term in order to increase the associated value chain in production and business activities, etc. Research and development is considered as one of the keys to the Company's success.

In 2020, through the strategic cooperation with Sekisui Group, Tien Phong Plastic continued to research and improve productivity for PVC true union ball valve details. The product has the advantage of easy disassembly compared to other conventional ball valves. PVC true union ball valve also saves costs since it has an outstanding durability with 10,000 times of continuous twisting without causing leakage, and ensures the durability of the whole water system. While traditional ball valves only have a lifespan of about 200-300 turns of twisting, currently, the product is being distributed by Tien Phong Plastic retail sales network and is chosen by construction contractors to use for projects.

In the past year, the cooperation with Minh Phu is a clear affirmation of Tien Phong Plastic's determination to further expand this segment in the South. In the immediate future, Tien Phong Plastic will provide Minh Phu with thousands of meters of HDPE plastic pipes, with a diameter of 1,000 - 1,500 mm for aquaculture projects and floating houses, with the first modern production lines installed in Asia.

Additionally, in 2020, Tien Phong Plastic has actively researched the rainwater gutter product with synchronous accessories (including equipment, production lines), researched and manufactured uPVC inner spiral pipe D110, built test models for ISO 3633 fittings, drainage manholes, etc.



Analysis of financial indicators including:

- (1) Growth indicators;
- (2) Cost structure;
- (3) Assets structure;
- (4) Capital structure;
- (5) Liquidation ratios;
- (6) Profitability ratios;
- (7) Efficiency ratios

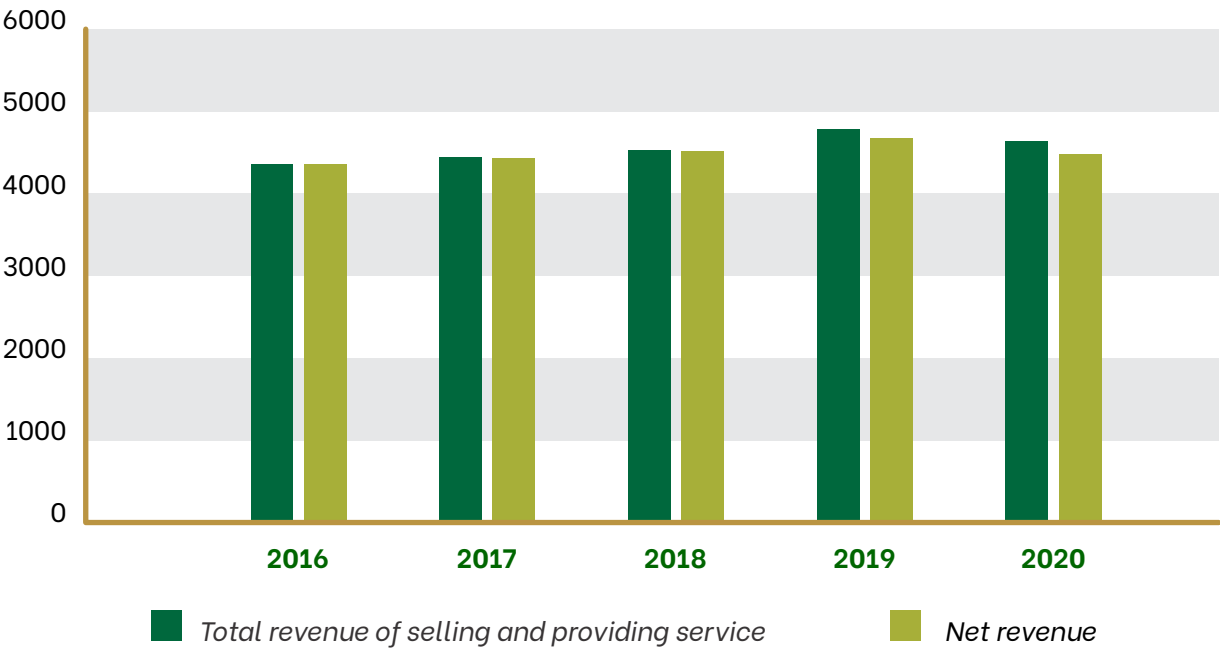
(1) Growth indicators

REVENUE

Table of revenue growth during 2016-2020:

Indicators	Unit	2016	2017	2018	2019	2020
Total revenue of selling and providing service	VND Billion	4,365.5	4,443.7	4,534.6	4,788.7	4,646.2
Net revenue	VND Billion	4,354.2	4,430.1	4,519.6	4,673.8	4,486.1
Financial Revenue	VND Billion	2.4	2.5	15.1	16.8	21.3
Other revenue	VND Billion	1.1	11.4	5.6	9.2	4.1

Chart of revenue growth during 2016-2020 (VND Billion)



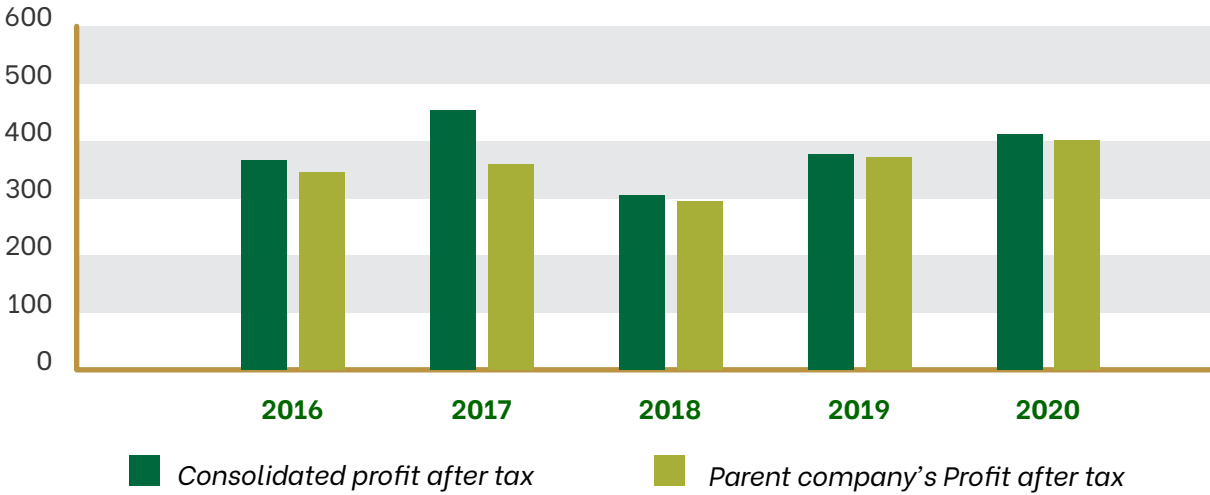
The pipe and fittings for electrical system installation in 2020 grew well while many other product lines decreased. In 2019: VND 78 billion, in 2020: VND 83 billion, increase 5%

PROFIT

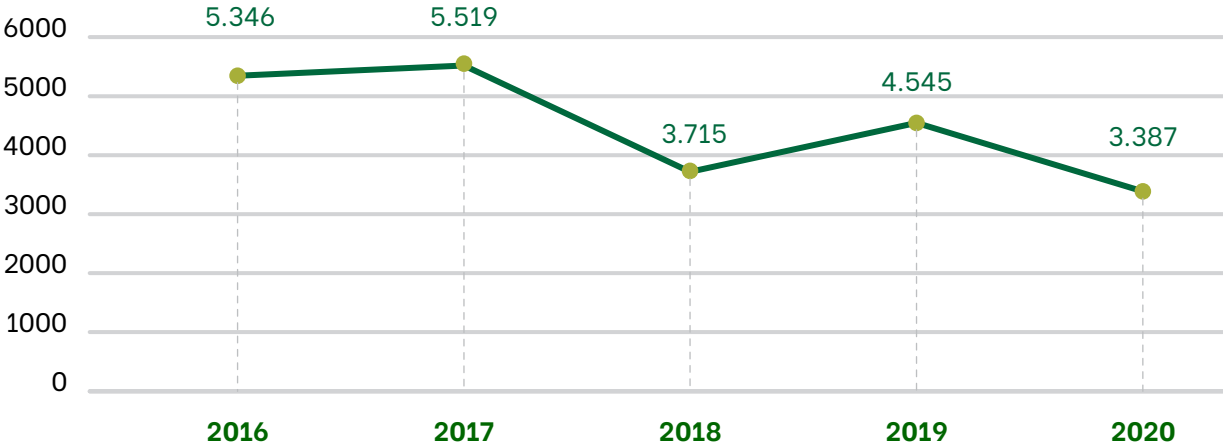
Table of profit growth during 2016-2020 :

Indicators	Unit	2016	2017	2018	2019	2020	Compare 2020 to 2019
Profits from business activities	VND Billion	453.30	546.70	376.40	467.70	520.93	11%
Consolidated profit after tax	VND Billion	397.60	492.50	331.50	409.00	447.19	9%
Parent company's Profit after tax	VND Billion	376.20	391.30	320.60	404.30	435.80	8%
Earning per share (EPS)	VND	5,346	5,519	3,715	3,472	3,387	(2.5%)

Chart of post - tax profit growth during 2016 - 2020 (VND Billion)



Earning per share during 2016 - 2020 (VND)



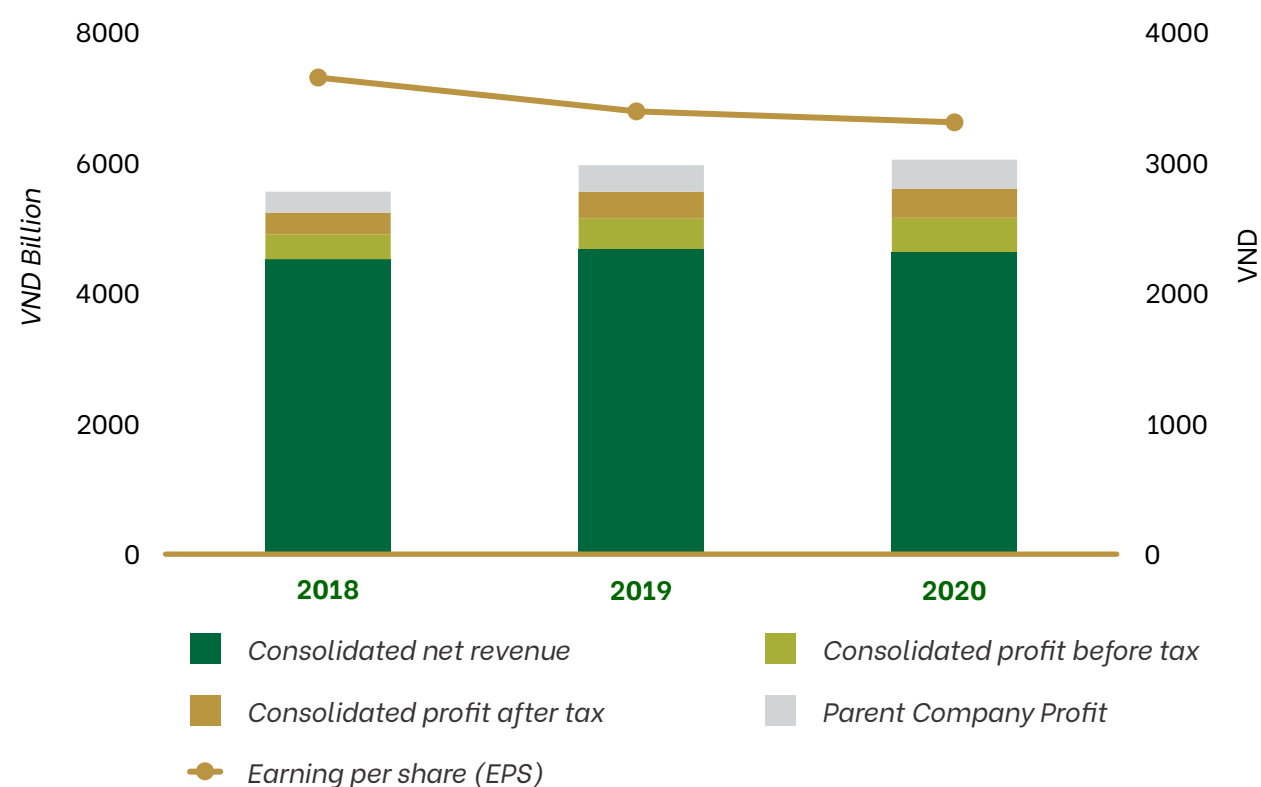
In 2020, to ensure financial safety, Tien Phong Plastic has issued 20% more ordinary shares, hence, although the profit increased, the earnings per share decreased.

EVALUATION OF REVENUE AND PROFIT OVER THE LAST TWO YEARS

Table of reviewing business performance during 2018-2020:

Indicators	Unit	2018	2019	2020	% Increase (Compare 2019 to 2018)	% Increase (Compare 2020 to 2019)
Consolidated net revenue	VND Billion	4,519.60	4,673.8	4,629.70	3.4	0.94
Consolidated profit before tax	VND Billion	379.80	471.19	523.42	24.06	11.09
Consolidated profit after tax	VND Billion	331.50	409.00	447.19	23.38	9.34
Parent Company Profit	VND Billion	320.60	404.30	447.19	26.11	10.61
Earning per share (EPS)	VND	3,715	3,472	3,387	(6.54)	(2.45)

Chart of revenue and profit growth during 2019-2020



Along with the strong business efforts in 2020 through the various measures to raise demand such as promotions, lottery, etc. Tien Phong Plastic has minimized the impact of the Covid-19 epidemic on the total revenue. While many businesses struggle, the revenue of Tien Phong Plastic only decreased slightly (3%) but the profit increased significantly (10.61%), which proves the outstanding success in cost management.

(2) Cost structure

Table of cost structure during 2016-2020:

Indicators	Unit	2016	2017	2018	2019	2020
Cost of goods sold	VND Billion	2,784.2	2,957.5	3,188.7	3,325.4	3,097.9
Sales expenses	VND Billion	877.6	779.3	733.0	659.7	582.0
General administration expenses	VND Billion	193.4	181.7	148.1	135.9	215.7
Financial expense	VND Billion	55.7	76.7	107.6	114.9	108.6
Other expenses	VND Billion	7.0	3,472	3,387	(6.54)	(2.45)
Total cost	VND Billion	3,917.9	3,996.4	4,179.6	4,241.5	4,005.8

Indicators	Unit	2016	2017	2018	2019	2020
Cost of goods sold / Net revenue	%	63.94	66.76	70.55	71.15	66.91
Selling expenses / Net revenue	%	20.16	17.59	16.22	15.96	15.67
General administration expenses / Net revenue	%	4.44	4.1	3.28	2.91	4.66
Accrued interest expenses / Net revenue	%	1.26	1.71	2.37	2.45	1.44

Chart of cost structure during 2016-2020

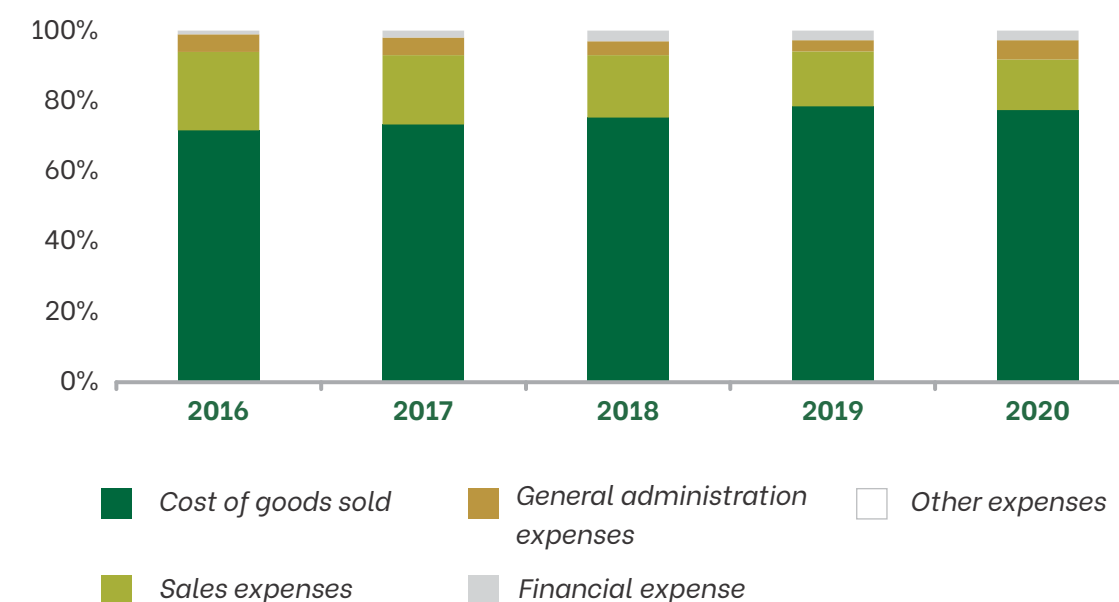
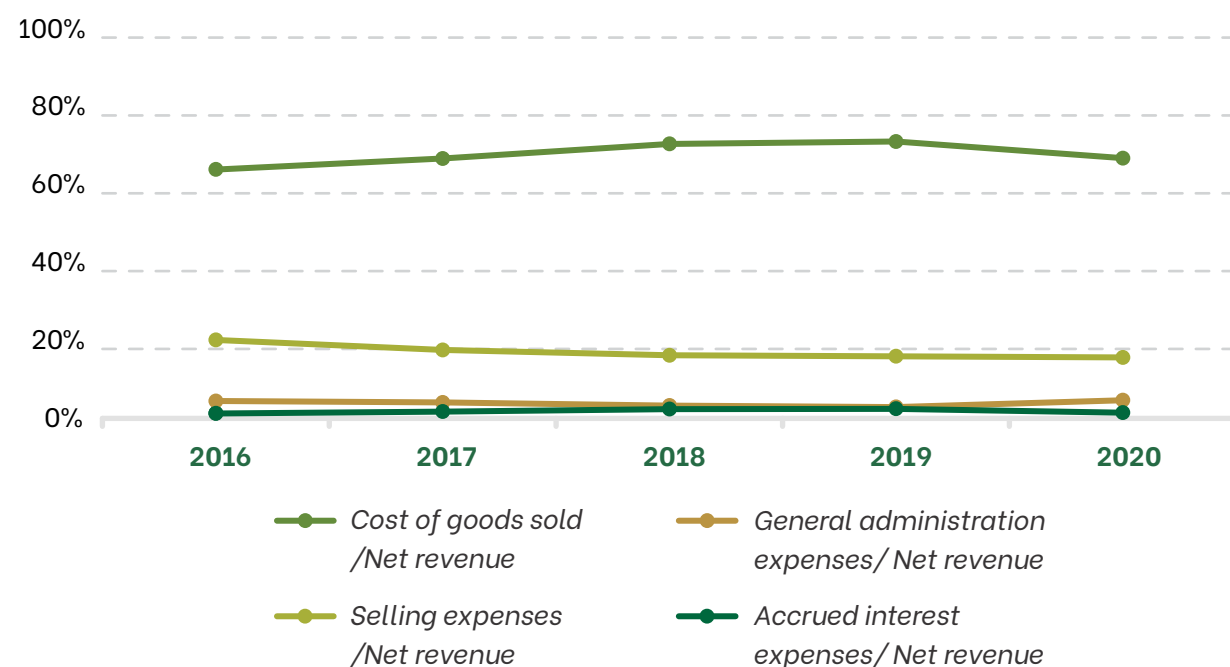


Chart of cost structure/ net revenue during 2016 -2020



COST OF GOODS SOLD:

Year 2020 is the highlight in business efficiency when the ratio of net cost / net revenue decreases. Particularly, the ratio of cost of goods sold / net revenue decreased by 4.24%, the highest decrease since 2016. This proves the efficiency in trying to find new sources of raw materials at low prices and save other production costs.

SALES EXPENSES:

Sales expenses decreased compared to 2016 both in terms of total cost (from VND 877.6 billion to VND 582 billion) and the ratio of expenses / net revenue (from 20.16% to 15.67%). The prestige of Tien Phong Plastic is being improved day by day and the products are gradually earning the trust of customers.

GENERAL ADMINISTRATIVE EXPENSES:

General and administrative expenses in 2020 increased compared to 2019 with VND 79.8 billion and the ratio of general and administrative expenses / net revenue increased from 2.91% to 4.66%. The reason is that in 2020, the Company has made a provision of 79.8 VND billion.

ACCRUED INTEREST EXPENSES:

It was well controlled. Interest expense decreased in 2020 compared to 2019 which is VND 48 Billion. This is the first decrease since 2016 which clearly proves the efficiency in using loans.

(3) Assets structure

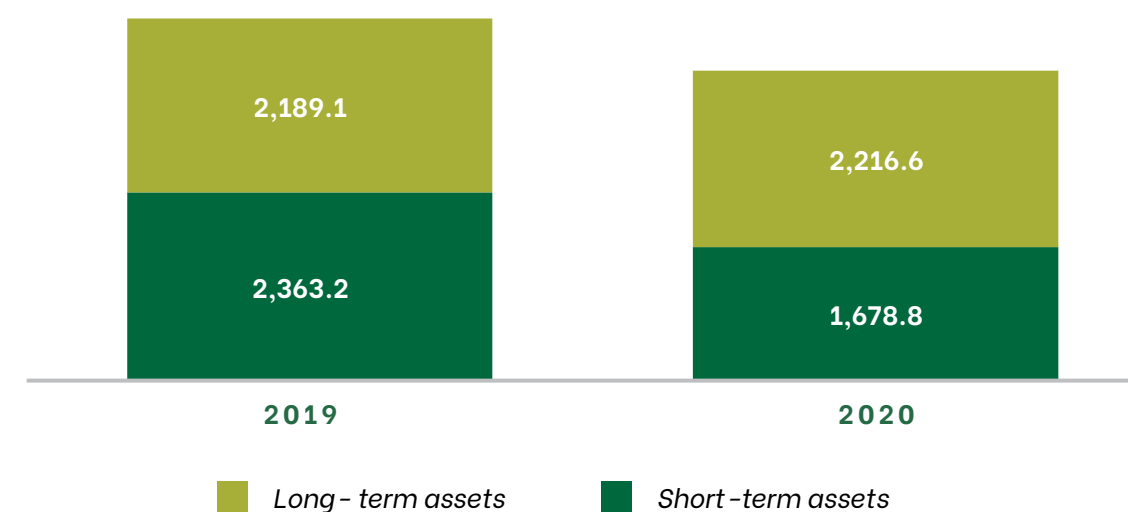
ASSET GROWTH DURING 2016-2020

Indicator	Unit	2016	2017	2018	2019	2020
Total assets	VND Billion	3,419.7	4,261.7	4,876.3	4,552.3	3,895.4

CHANGES OF ASSET SCALE DURING 2019 - 202

Indicator	Unit	2019	2020	Compare 2020 to 2019	% Increase
Short-term assets	VND Billion	2,363.2	1,678.8	(684.4)	(29.0)
Long- term assets	VND Billion	2,189.1	2,216.6	27.5	1.3
Total assets	VND Billion	4,552.3	3,895.4	(656.9)	(14.4)

Chart of asset scale during 2019 - 2020



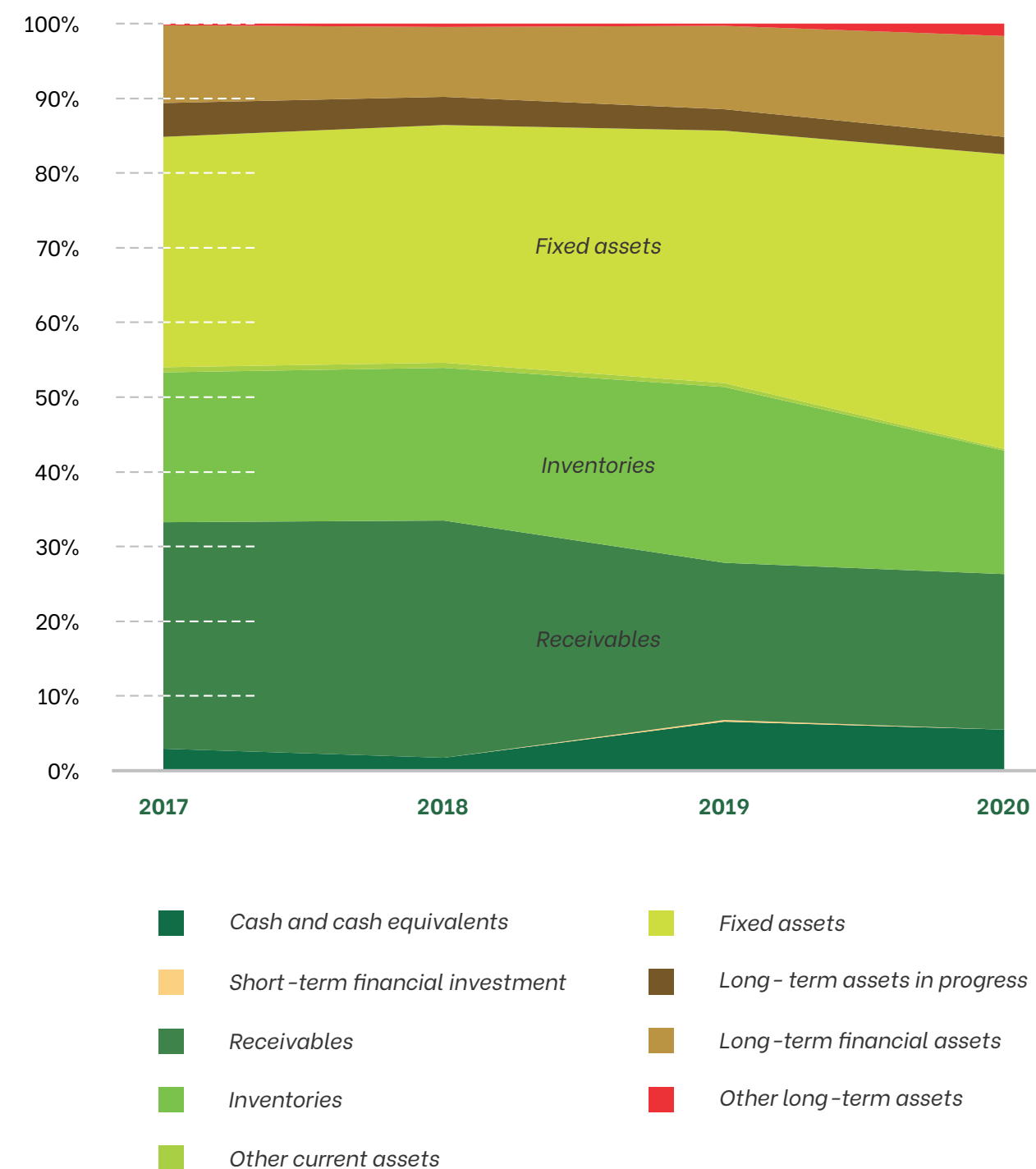
In 2020, the total assets of the enterprise reached VND 3,895.4 billion (decreased VND 656.9 billion compared to 2019, equivalent to 14.43%). Among which, short-term assets decreased VND 684.4 Billion, equivalent to a 29% fall due to the sharp decrease in short-term inventories (decreased VND 429.6 Billion, equivalent to 40%).

Long-term assets increased noticeably with a rise of VND 27.5 Billion (equivalent to 1.3%).

Table of asset structure during 2017-2020

Indicators	Unit	2017	2018	2019	2020	Compare (2020 to 2019)	% Increase /decrease
Cash and cash equivalents	VND Billion	124.5	83.1	297	212.2	(84.8)	(29%)
Short-term financial investment	VND Billion	0	0	10	0	(10)	(100%)
Receivables	VND Billion	1,293.2	1,549.6	958.5	813.4	(145.1)	(15%)
Inventories	VND Billion	853.0	995.5	1,073.7	644.1	(429.6)	(40%)
Other current assets	VND Billion	31.7	35	23.9	9.1	(14.8)	(62%)
Fixed assets	VND Billion	1,315.4	1,552.3	1,536.5	1,536.7	0.2	0%
Long- term assets in progress	VND Billion	191.8	184.5	130.7	89.1	(41.6)	(32%)
Long-term financial assets	VND Billion	444.0	456	509.8	527.2	17.4	3%
Other long-term assets	VND Billion	8,1	20,4	12,1	63,6	51,5	426%
Total assets	VND Billion	4,261.7	4,876.3	4,552.3	3,895.4	(656.9)	(14%)

Chart of assets structure during 2017-2020



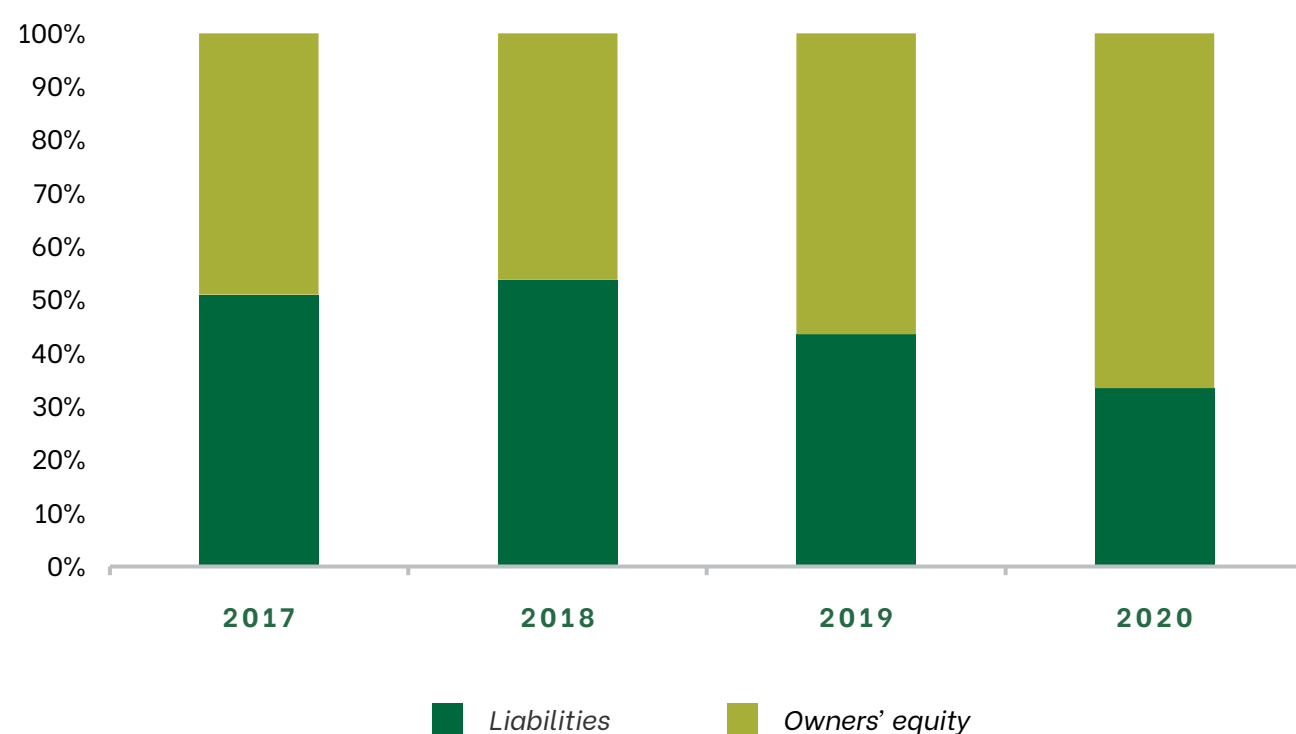
In 2020, a sharp decrease in inventories (up to VND 429.6 Billion, equivalent to 40%) compared to 2019 and a decrease in short-term receivables (VND 145.1 Billion, equivalent to 15%) shows a good sign that the assets had high liquidity and little dead capital.

(4) Capital structure

CAPITAL GROWTH DURING 2017-2019

Indicators	Unit	2017	2018	2019	2020	Compare 2020 to 2019	% Increase /decrease
Liabilities	VND Billion	2,175.7	2,623.8	1,984.9	1,306.1	(678.8)	(34.2)
Equity	VND Billion	2,086	2,252.5	2,567.4	2,589.3	219.9	0.85
Total capital	VND Billion	4,261.7	4,876.3	4,552.3	3,895.4	(656.9)	(14.4)

Chart of capital structure during 2017-2020

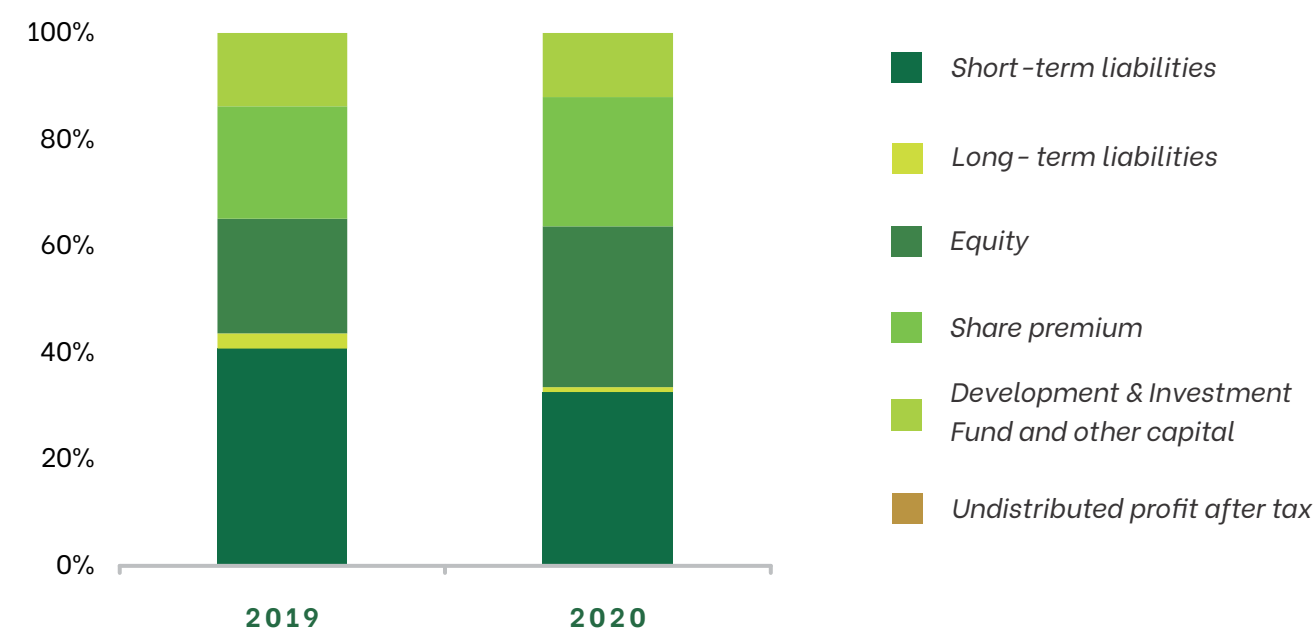


CAPITAL STRUCTURE

Table of capital structure during 2019-2020

Indicators	Unit	2019	2020	Compare (2020 to 2019)	% Increase /decrease (2020 and 2019)
Short-term liabilities	VND Billion	1,854.1	1,270.7	(583.4)	(31.5)
Long-term liabilities	VND Billion	130.8	35.5	(95.3)	(72.9)
Equity	VND Billion	981.6	1,178	196.4	20
Share premium	VND Billion	0	0	0	0
Development & Investment Fund and other capital	VND Billion	962.5	941.8	(20.7)	(2.1)
Undistributed profit after tax	VND Billion	623.2	469.5	(153.7)	(24.7)
Total liabilities and equity	VND Billion	4,552.3	3,895.4	(656.9)	(14.4)

Chart of capital structure during 2019-2020



The capital structure was balanced between liabilities and owners' equity in the period of 2017-2018. However, in 2019-2020, the proportion of owners' equity has increased significantly thanks to the issuance of 10% shares (in 2019) and 20% of bonus shares (in 2020). In 2018, this ratio is 46.2% in 2019 it increased to 56.5% and 66.5% in 2020. Equity ratio in 2020 has doubled compared to liabilities, this reflects financial security as well as capital initiative.

The Company's liquidity is relatively good because both the overall liquidity ratio and the current liquidity are relatively high, more than 2% and more than 1% respectively, in the period of 2019-2020.

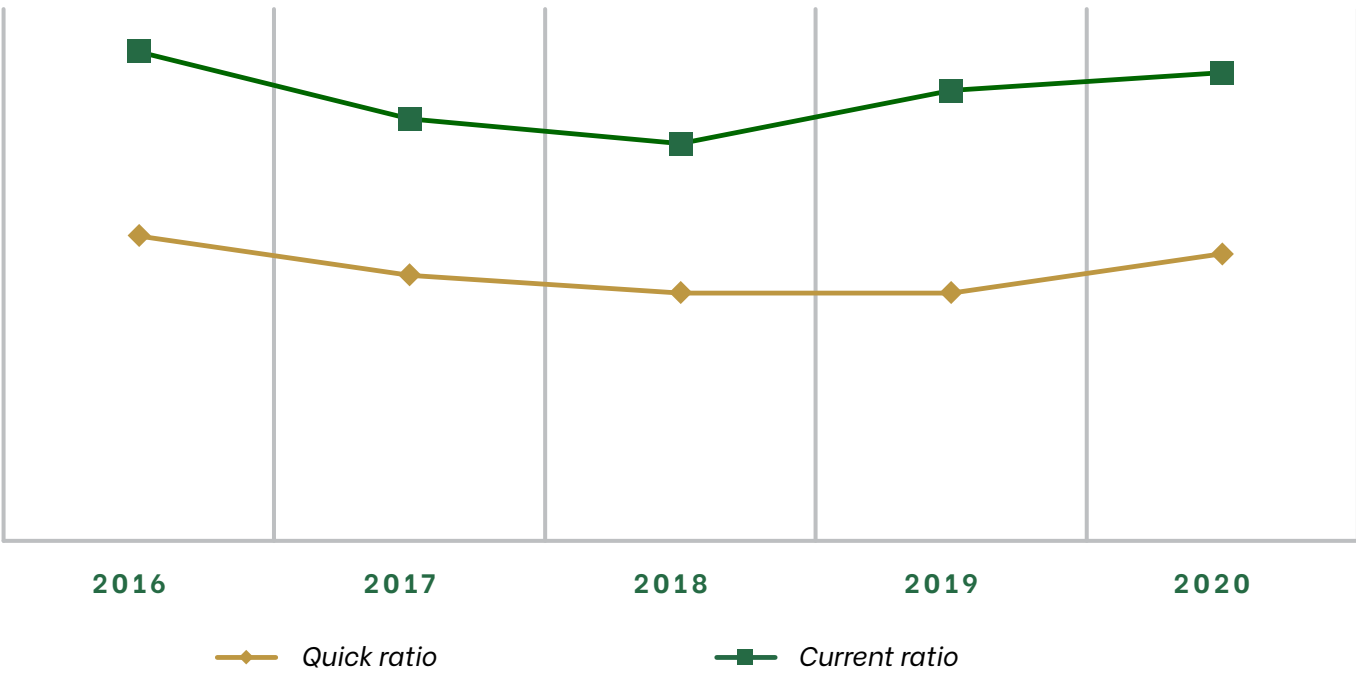
(5) Liquidity ratios

Liquidity indicators

Liquidity assessment during 2016 - 2020

Indicators	Unit	2016	2017	2018	2019	2020
Quick ratio	Times	0.86	0.75	0.70	0.70	0.81
Current ratio	Times	1.38	1.19	1.12	1.27	1.32

Chart of the liquidity ratios



Quick ratio in 2020 increased from 0.7 times (in 2019) to 0.81 times, reflecting the high liquidation of cash and cash equivalents (excepting for inventories) that the Company can settle short-term debts immediately. This ratio is less than 1 and has a slight increase, showing that the Company gradually improves in the immediate liabilities payment than in 2019.

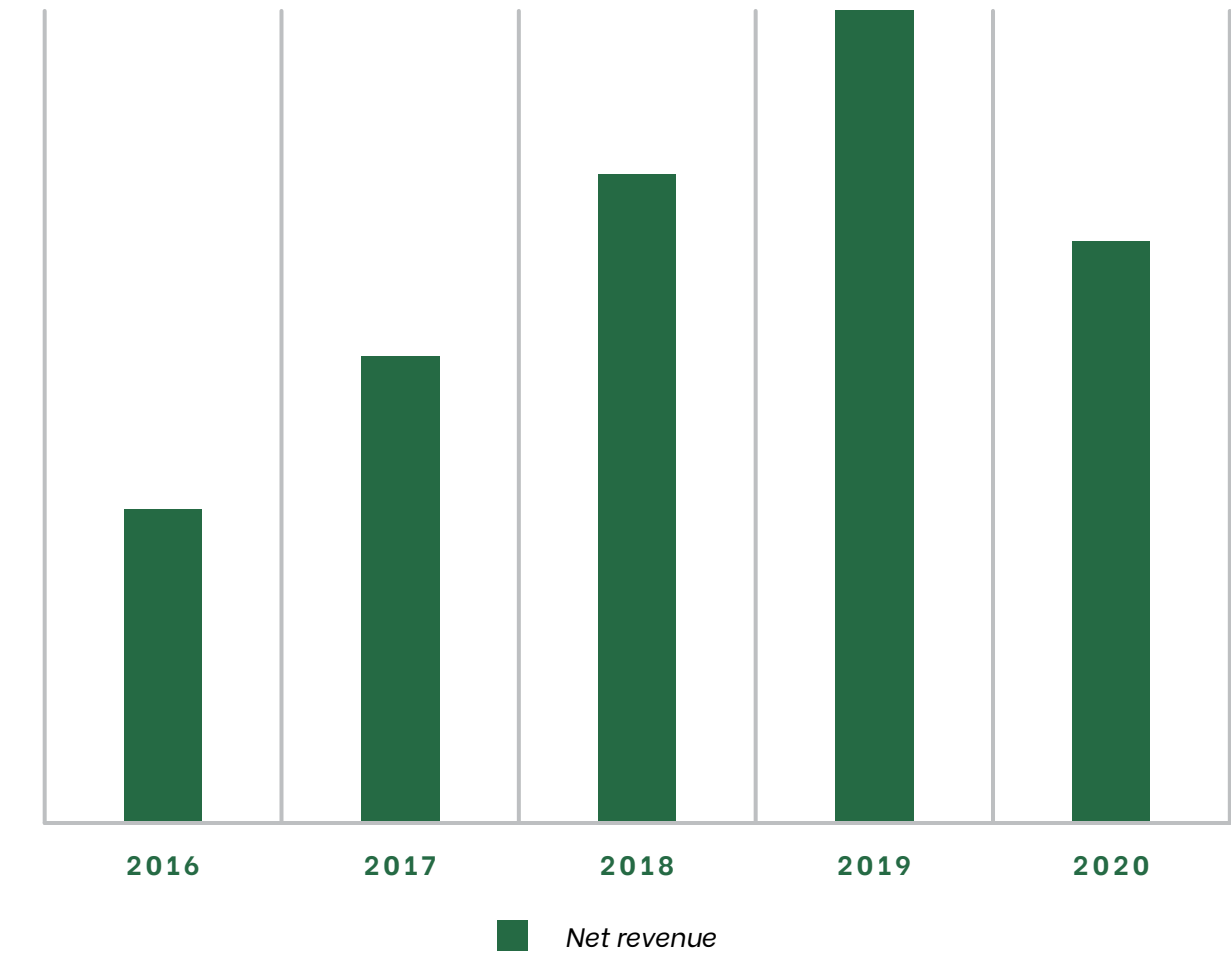
Similarly, the current ratio also increased from 1.27 times in 2019 to 1.32 times in 2020. This index is less than 2, showing that the Company is not fully active in balancing the cash flow and meeting the ability to pay short-term liabilities.

(6) Profitability ratios

Chart of revenue growth during 2016 - 2020

Year	2016	2017	2018	2019	2020
Net revenue (VND Billion)	4,354.2	4,430.1	4,519.6	4,673.9	4,486.1

Net revenue growth during 2019 - 2020

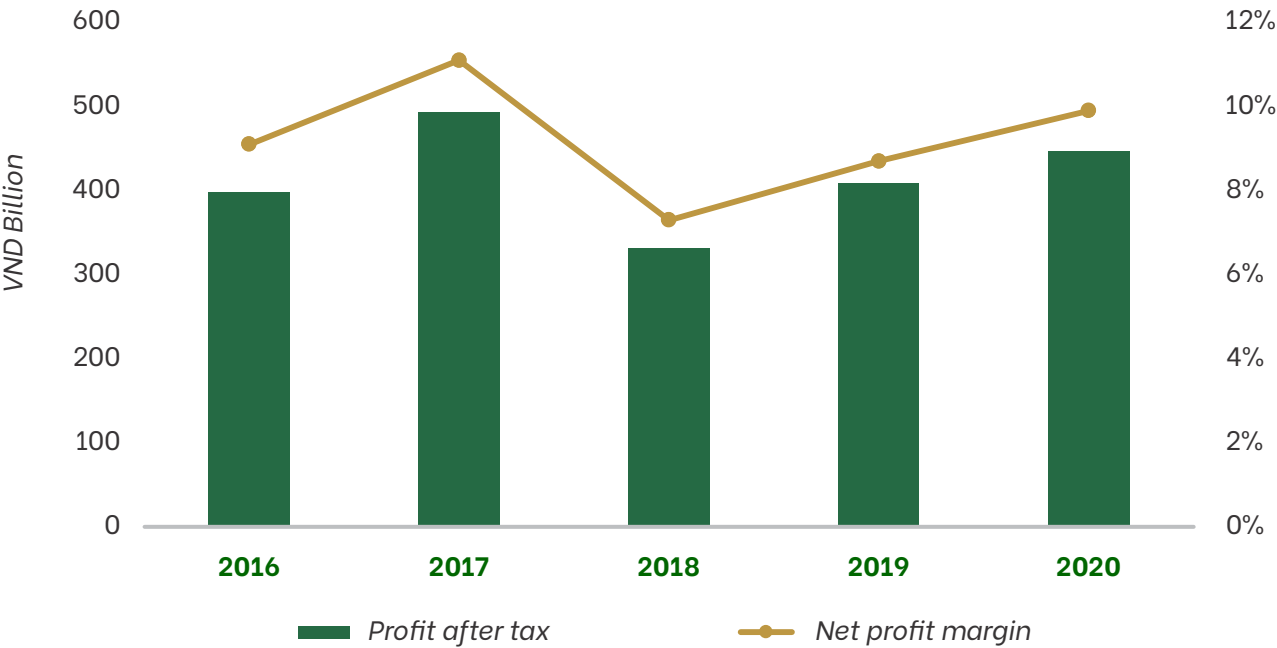


In fiscal year 2020, net revenue decreased VND 130.2 Billion, equivalent to 2.73% over the same period.

Chart of Profit after tax and Net profit margin during 2016 -2020

Year	2016	2017	2018	2019	2020
Profit after tax	397.6	492.5	331.5	409	447.19
Net profit margin (%) (Profit after tax/ Revenue)	9.1	11.1	7.3	8.7	9.9

Profit after tax and Net profit margin



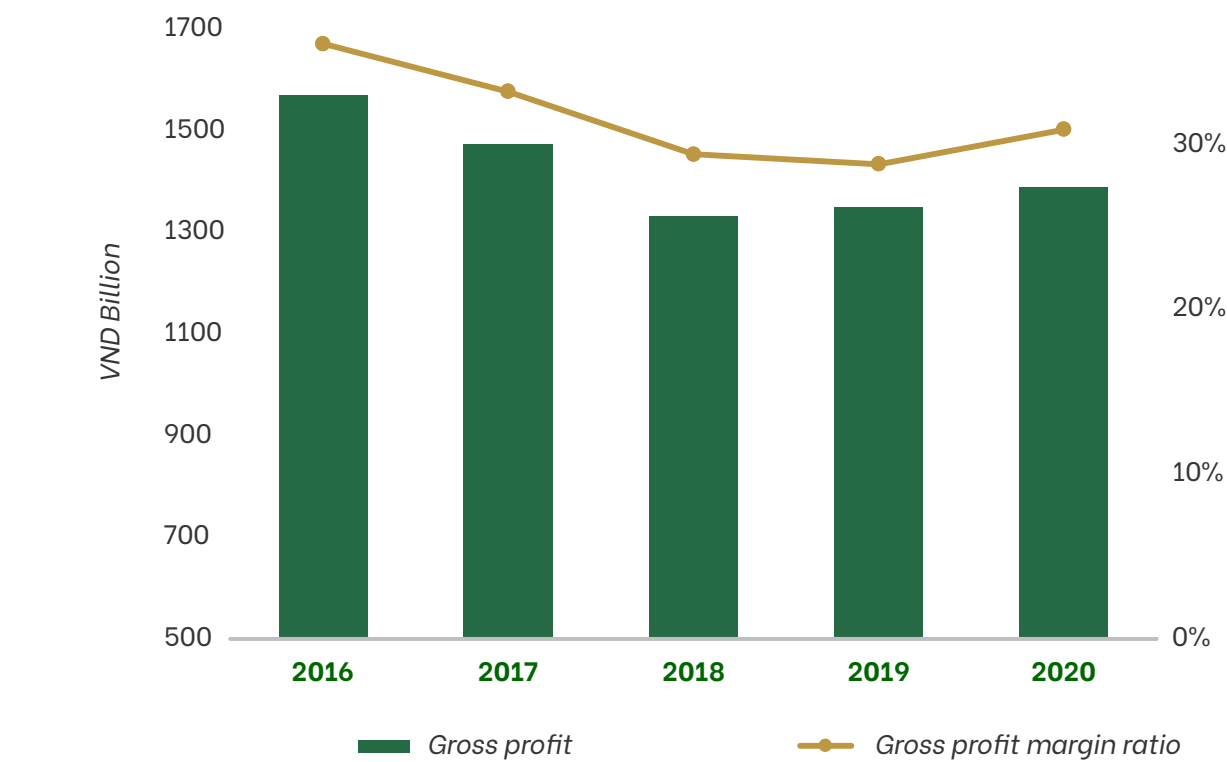
In 2020, Profit after tax increased 9.34% over the same period.

Net profit margin increased from 8.5% to 9.6%. The ratio of profit after tax to revenue is relatively stable over the years, reflecting the profitability of the Company and effectively generating profits from sales revenue.

Chart of gross profit and gross profit margin during 2016 -2020

Year	2016	2017	2018	2019	2020
Gross profit	1,569.9	1,472.6	1,330.9	1,348.5	1,388.2
Cost of goods sold	2,784.2	2,957.5	3,188.7	3,325.4	3,097.9
Gross profit margin ratio (%) (Revenue - Cost of goods sold) / Revenue	36.1	33.2	29.4	28.8	30.9

Gross profit and Gross profit margin

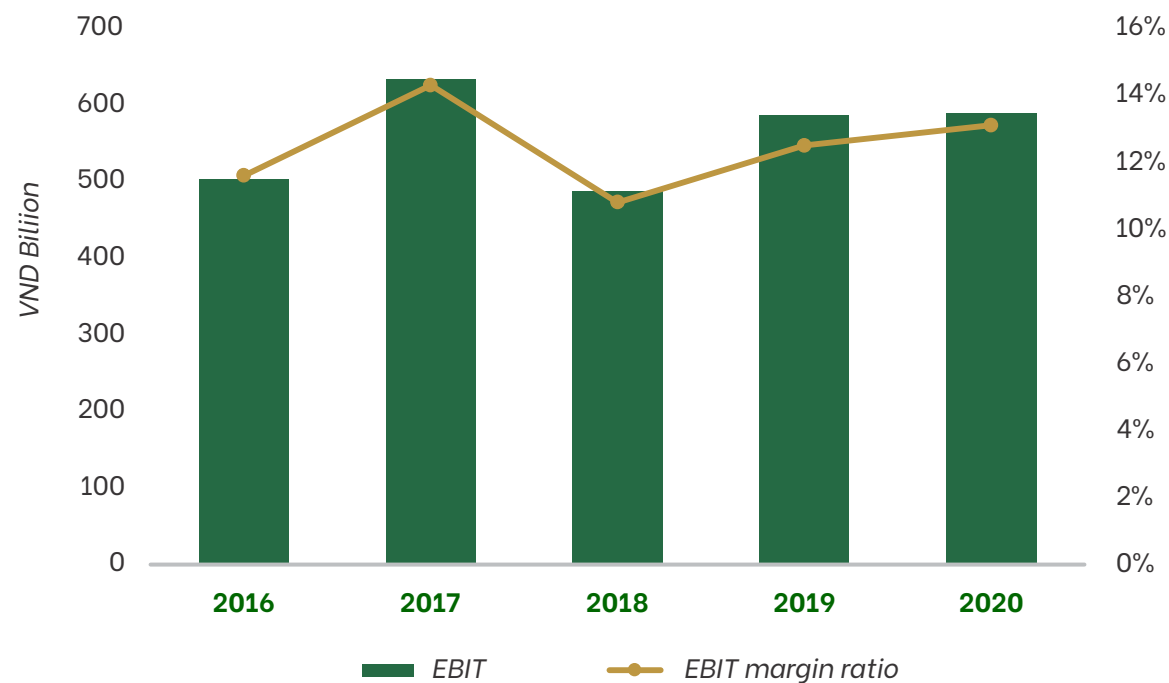


The gross profit from Company’s sales and service supply in 2020 is VND 1,388.2 Billion, equivalent to an increase of 2.95% compared to 2019. Accordingly, gross profit margin increased from 28.8% to 30.9%.

Chart of EBIT and EBIT margin ratio

Year	Unit	2016	2017	2018	2019	2020
Profit before tax	VND Billion	447.3	557.0	379.8	471.2	523.42
Accrued interest expenses	VND Billion	55.7	76.7	107.6	114.9	66.76
EBIT (Profit before tax + Accrued interest expenses)	VND Billion	503.0	633.7	487.4	586.1	590.17
EBIT margin ratio (EBIT/ Net revenue)	%	11.6	14.3	10.8	12.5	13.1

EBIT and EBIT margin ratio



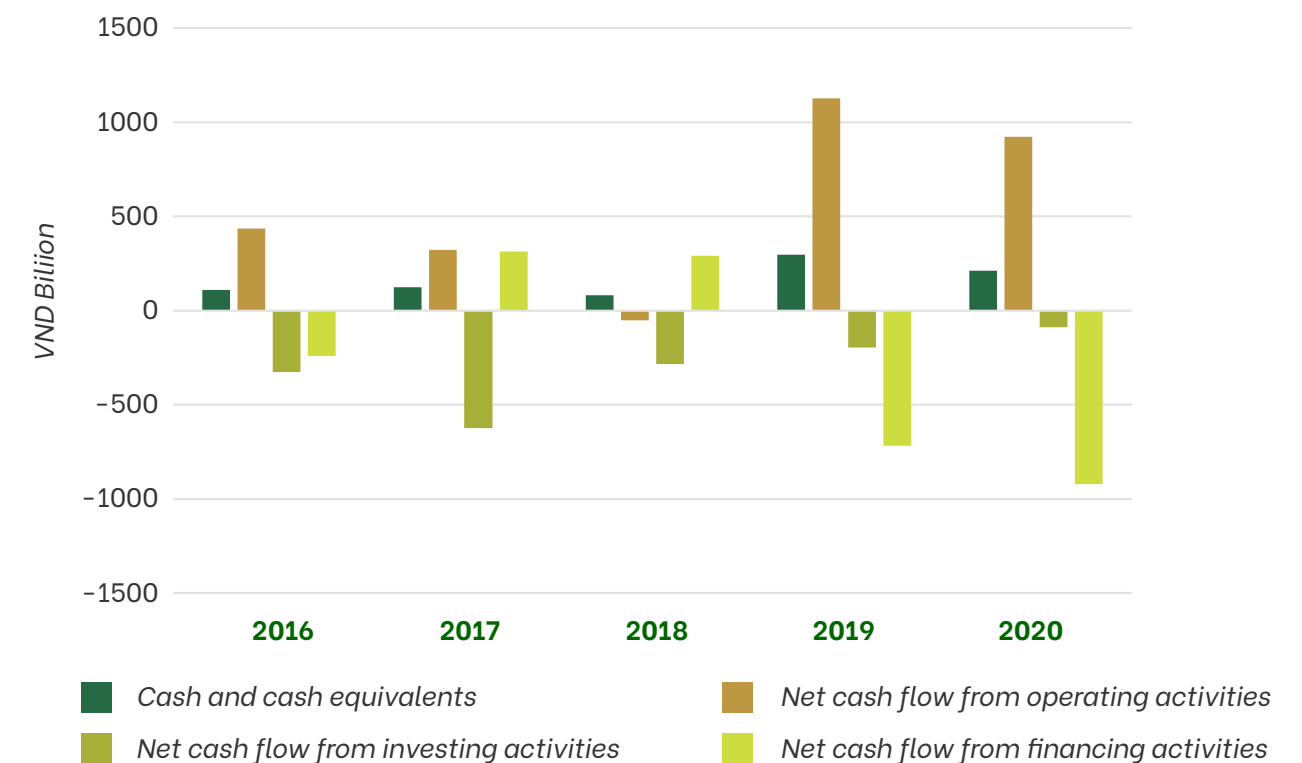
In 2020, profit before tax and EBIT interest reached VND 590.17 Billion, an increase of 0.69% over the same period in 2019.

The EBIT margin ratio increased from 12.5% in 2019 to 13.1% in 2020, which measures the Company's ability to use profits earned from business to pay interest on Company's loans. This coefficient has more accurately reflected the effective operation of the Company because it has avoided the impact of tax policies and other income amounts outside the financial factor affecting the index.

Chart of cash flow during 2016 - 2020

Indicators	Unit	2016	2017	2018	2019	2020
Cash and cash equivalents	VND Billion	109.9	124.5	83.1	297.0	212.2
(I) Net cash flow from operating activities	VND Billion	435.1	323.2	(52.3)	1,126.3	924.4
(II) Net cash flow from investing activities	VND Billion	(325.7)	(623.6)	(282.3)	(195.8)	(88.2)
(III) Net cash flow from financing activities	VND Billion	(239.7)	314.9	293.1	(716.4)	(921.2)

Cash flow during 2016 - 2020



In 2020, the cash flow from investing activities (II) has improved significantly from VND (195.8) Billion to VND (88.2) Billion.

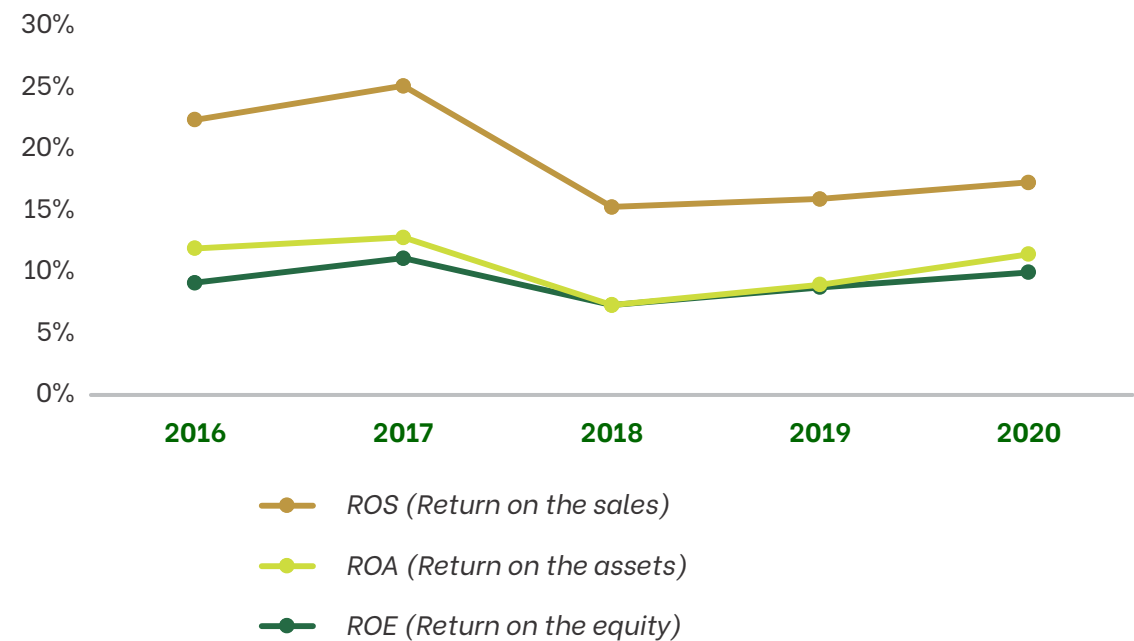
Besides, net cash flow from operating and financing activities both decreased. Regarding items of cash flow from operating activities (I), the interest from investing activities rises leads to an increase in cash flow, other factors such as an increase in receivables, a decrease in payables and an increase in financial fees were the main reasons for the decrease from VND 1,126.3 Billion to VND 924.4 Billion.

Cash flow from financing activities (III) decreased significantly from VND (716.4) Billion to VND (921.2) Billion (equivalent to a decrease of 28.6%)

Chart of profitability ratios

Indicators	ĐVT	2016	2017	2018	2019	2020
ROS (Return on the sales)	%	9.13	11.12	7.33	8.75	9.97
ROA (Return on the assets)	%	11.92	12.82	7.30	8.98	11.45
ROE (Return on the equity)	%	22.38	25.13	15.28	15.93	17.27

Profitability ratios



- ROA shows that each VND 01 of assets used in the production-business process in 2020 produced VND 0.1145 of profit after tax. In particular, there was a significant increase in ROA compared to 2019, which was 8.98% (equivalent to 27.5% of increase).
- ROE reveals the obtained profit for enterprise owners after investing VND 01 of capital into production-business. ROE also increased from 15.93% in 2019 to 17.27% in 2020. The reason is that profit after tax increased by 15.93% in 2019 while the average annual owners' equity increased only 0.86%.
- ROS reflects that for each VND 01 of obtained revenue, the enterprise will obtain VND 0.0997 of profit. The same as ROS and ROE, ROS in 2020 increased due to the increase in profit after tax and decrease in net revenue.

(7) Efficiency ratios

Indicators	Unit	2016	2017	2018	2019	2020
Receivables turnover	Times	4.86	4.13	3.52	4.88	5.52
Inventories turnover	Times	3.82	3.77	3.45	3.10	4.81
Account payable turnover	Times	24.30	14.16	13.35	12.79	24.59
Fixed assets turnover	Times	4.02	3.65	3.15	3.04	2.92

- The receivables turnover, accounts payable turnover and inventories turnover increased compared to 2019, showing that the efficiency of asset turnover increased.
- Receivables turnover reflects the convertible speed of receivables into cash, from 4.88 to 5.52 times, which means that receivables had to move 5.52 times per fiscal year to reach VND 4,486.1 billion.
- Inventory turnover increased from 3.10 to 4.81 times, which still ensured to meet the customers' demand. The accounts payable turnover increased from 12.79 to 24.59 times, which means that the Company was taking advantage of suppliers' capital and reduced payment pressure in the short term. Fixed assets turnover in 2020 reached 2.92 times, reflecting that each VND 01 of fixed assets within the production-business process produced VND 2.92 of revenue, declined 3.04 times in comparison with 2019.



4

SUCCESS IN HARD TIME

1. Overview of 2020 plastic market
2. S.W.O.T Analysis
3. Growth Strategy during 2020 - 2025
4. Sales Plan in 2021

OVERVIEW OF 2020 PLASTIC MARKET

WORLDWIDE

Plastic is the general term to denote a range of synthetic plastic materials or quasi – synthetic that is popular among all industries. Plastic is also classified an organic material like wood, paper or wool. Substances used in producing plastic come from natural sources such as cellulose, coal, natural gas, salt and crude oil.

Thermoplastic, with prominent chemical and physical properties (reusability) as well as lower price than other types, dominates 75% of global plastic. Within the composition of thermoplastic, PE (with its derivatives HDPE, LDPE, LLDPE) and PP are used the most, accounting for over 60% of thermoplastic production, used mainly in making wraps, films or home appliances ... By taking up 15% of market share, PVS is the third most popular thermoplastic, mainly used in producing wraps and construction materials such as pipes and frames. PE and PP are manufactured from crude oil and natural gas, hence the price for these two substances fluctuate with Brent's price. In 2020, Brent price stays in the average range of 63 to 65 USD per barrel, which translate into a similarly stable price range for PE and PP. USA's EIA has forecasted that 2020's average Brent's price will fall further as oil production is being reduced.

Nexant's report concludes that demand for plastic around the globe will have growth of 3.8% on average during the period 2017–2025. This is due to the saturation of plastic industry whose productivity has only grown 4% per year over the past 20 years.

In China, since the beginning of 2020, some manufacturers have decided to lower operating interest rate, but this does little to mitigate output loss. Despite signs of recovery in March, the entire market is overshadowed by fear of economic recession. In Q2, PE production in mainland China rises thanks to recovering economic activities. Domestic demand in China in the beginning of Q2 2020 partially recuperated but that of the rest of South East Asia practically sank to the bottom due to COVID. From the latter half of Q2 onwards, demand began to elevate again.

PE supply in Europe was restricted since the beginning of 2020 due to rising demand for packaging products. Till May 2020, most of the problem has been alleviated and return to normal. PE demand in Q2 2020 surged by 100% compared to 2019. In June 2020, demand waned due to higher stock price.

In the States, PE and PP supply remained higher in Q2 against expectations and adversely affect macroeconomics. Packaging and non-durable goods allowed USA producers to maintain an advantage and boost their export.

The COVID outbreak in Africa influenced demand by the week. Manufacturers had to limit production because of dwindling labor. When quarantine was lifted at the end of Q2, there was excess supply. Once COVID spread across the continent, demand was brutally hit. Quarantine measures are enforced in numerous sizes and shapes. Turkey was also hit hard by COVID, however this country still allowed transportation by train in spite of extremely high cost. As markets around the world closed, Turkey attracted a lot of offers.

The Middle-East market were not spared. Scaled-down oil production means ethane supply suffered and hence ethylene, PE were distributed more to Asia thanks to its recovery at the end of Q2 2020. In Latin-America ethylene production shrunk to 65%, some factories in Mexico continued production at a low level. The pandemic led to a massive interruption in economic activities and countries faced visible threats of recession.

World's demand for plastic may have an average growth of 3% per year from 2018 to 2020, with PET having 3.4%, PE 2.9% and PP 3%. Gross value of plastic industry in 2020 reaches almost 500 billion USD, continuing a growth streak of decades. According to BCCResearch, plastic industry can achieve a growth rate of 9% – 10% per year in the period 2020–2023.

PVC is one of the most consumed and produced material in the world. However, unlike its brethrens, PVC is mainly used in construction, both infrastructure and civil construction. As a result, the demand for PVC will rely heavily upon the demand and construction activities in any given region.

Asia's demand for PVC in 2020 is estimated to be 25 million tons. Not only is Asia's the biggest consumer of PVC but also the region with highest demand growth in the period 2018 – 2022 (18.5% estimated) when compared to USA's 16.7% and Europe's 14.3%.

Total value of construction globally is expected to grow at an average rate of 3.33% over 5 years from 2018 to 2022. Asia has a large population, a relatively high economic growth and a worse infrastructure condition compared to USA or Europe, which gives Asia a huge potential for construction and demand growth. It is also the region with the highest growth in construction value in the world with an expected average growth of 5.3% per year from 2017 to 2022. This is the main driver of the demand for construction plastic.

VIETNAM

Vietnam's plastic market, despite having a young age, possesses a relatively favorable growth compared to the general growth of the economy. Unlike global market whose growth was only 3.9%, plastic market in Vietnam experienced strong growth, in which 2012–2017 period saw 11.62% per year. This result is even higher than the period's average GDP growth of 6.2%.

Products from Vietnam's plastic industry are used widely, from general consumption, commercial, construction and assembly. There are four main segments within the industry itself which are plastic packaging, civil plastic, construction plastic and engineering plastic. Similar to global market, the plastic industry in Vietnam has experienced a strong growth in recent years. In 2018, estimated production growth was 8.3 million tons; in 2019, that figure was 9 million tons, the most significant contributors to which are plastic packaging and construction plastic; in 2020 planned production was 7 million tons, lower than that of 2019 due to economic slump and the pandemic.

Vietnam plastic industry consists of over 3,000 producers operating in all regions of Vietnam. The concentration of producers is on HCM City with 84% of all plastic companies, most of which private companies.

According Vietnam Plastics Association, Vietnam has a lot of potential, but 80% of raw material is imported and hence the government must encourage investors and domestic manufacturers to produce raw materials in Vietnam. The reason is that Vietnam producers focus solely on output, leading to dependence on overseas supply.

In addition to meeting domestic demand, Vietnam’s plastic products are also present in over 160 countries around the world whose gross export value is estimated at 3 billion USD. According to Mordor Intelligence Research, Vietnam’s plastic market might achieve a yearly CAGR of 6.63% during 2018–2023, in which 2020’s growth could be below 8%.

Currently, plastic market in Vietnam splits in to 2 major groups:

- **Plastic packaging:** divided in to 4 groups (thin film, high-barrier film, PET bottles and non-PET bottles). Most products from this group serve the food and beverage industry and pharmaceuticals; as a result its growth depends heavily on these industries.
- **Construction plastic:** main products are pipes, doors, ceiling plates, flooring which means growth is dependent on construction and real estate developments.

Construction market in Vietnam is heavily affected by economic growth and macroeconomic policies. Its potential development will depend on the following factors:

- Real estate is on a limited growth, leading to less demand for more infrastructure.
- Urbanization in Vietnam is the fastest in SEA, requiring a high level of infrastructure and real estate demand. The pandemic, however, has drastically shrunk this demand.
- Significant FDI will reach Vietnam in 2020. Vietnam is an attractive target for foreign investment thanks to low construction cost and an advantageous population composition.
- Government support regarding policies such as Housing Law (2014) allowing individuals and foreign companies to own houses in Vietnam, policies supporting credit loan for real estate, etc.

Due to recession and pandemic, growth in construction plastics in 2020 has fallen significantly; public investment disbursement is slowed down.

Raw material supply: plastic beads account for 70% of material cost, which makes this the major price determiner. Currently, there are 5 suppliers in Vietnam which satisfy 20–25% domestic demand, the rest has to be imported. Delays in import, exchange rate, increased tax, ... are factors that greatly influence the industry’s operation. Since material cost has an especially high weight in production cost within plastic industry, whenever crude oil or natural gas price surges, they would lead to higher production cost causing negative impact to suppliers and retailers of plastic industry.

Competition: according to data from General Statistics Office of Vietnam, there are around 3,000 enterprises in plastic industry, the majority of which specialise in plastic packaging (41%) – which are approximately 1,300 enterprises. Suppliers of construction plastic and civil plastic account for 24% and 22% respectively. As for construction plastic, major suppliers include: TPP, Binh Minh Plastic, De Nhat Plastic, Hoa Sen with TPP being the market leader and focuses in Northern Vietnam market. Recently, new suppliers have emerged with high discount and higher material price have adversely affected revenue and marginal profit of plastic producers.

Demand for plastic materials will grow at a rate of 6.6% annually in the period 2017–2022. S&P Global Platts has suggested that demand for primary plastic in Vietnam is approximately 8.1 million tons in 2022. However, Vietnam is still largely dependent on imports as its own production capacity of plastic has not been improved much.



VN'S PLASTIC INDUSTRY POTENTIAL

On one hand, Vietnam has certain advantages such as relatively low labour cost (22% lower than South East Asia’s average cost). On the other hand, overall plastic production capability does not meet demand, leading to additional foreign exchange risk for producers, as well as unable to set up production lines and assemble necessary machinery for the production of plastic products. Vietnam has maintained a stable economic growth coupled with improved income/spending per capita, which in turn motivate the expansion of plastic packaging and civil plastic. A wave of producers moving their production lines from China to Vietnam has created opportunities for advance in civil construction and infrastructure.

Furthermore, Vietnam plastic industry will face challenges such as a considerable surplus growth, competition from foreign producers and FDI enterprises, especially when the price of plastic materials is at relatively low level currently. The rising popularity of green plastic products also poses an issue since the majority of plastic products are traditional and not environmentally-friendly.



S . W . O . T ANALYSIS

STRENGTH AND OPPORTUNITY

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

In 2020, Tien Phong Plastic had a year of successful operations in the context of increased competition pressure on the market as well as struggled business and productive situation, raging pandemic, which fluctuating the economy, with a total revenues of VND 4,379 billion, equivalent to 90,982 tons of production and profit exceeding the objectives of VND 511.5 million, 11.2% higher than 2019.

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

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

The enterprise has operated 03 factories all day and night in Hai Phong city, Nghe An province and Binh Duong province with total production capacity over 150,000 tons per year and just finished the latest factory located next to the first one in Binh Duong by the end of 2019. Particularly, within 2020, the supply potential in the south would be raised to 60,000 tons per year. Regarding new factory in Hai Phong, the Board of Management is also planning to expand production capacity in short-term period with the aim of promptly responding to the new market segment which was successful in 2019. Furthermore, the target of extending the market in all areas within country is able to achieve as well as fulfill the potential development in consumer demand, due to the expectation that capacity could be enlarged by 30% at the moment the expanding factory is completed.

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

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

Wide distribution: The company focuses on building a wide distribution network including: 09 distribution centers, 300 agents and nearly 16,000 points of sale nationwide. This elucidates an immense advantage to broaden the customer network of the business on a regular basis. In addition, Tien Phong Plastic has shown its ambition and opportunities to expand through the major market share in the North and developing production in all three regions of the North, Central and South; the cooperation with Sekisui Group as well as large corporations within country.

Tien Phong Plastic Market: It has focused mostly in the North which accounted for 60% and about 30% of the domestic share. The ability to export products to the world is widening with several bilateral and multilateral accords among Vietnam, other countries and territories worldwide.

Brand recognition in Northern market. Tien Phong Plastic is known as an influential brand in terms of construction plastic pipe in North, which elucidated by its price policy that approximately 10% higher than the overall (14% for uPVC pipe) compared with other companies while maintaining an overwhelming market share in the North (60%). Nevertheless, in the context of fierce pricing rivalry, to remain this price policy, the company has thoroughly concentrated on improving after-sales service, supporting official agents as well as unceasing innovative products. Tien Phong Plastic chooses compete on product quality instead of price. The quality of projects along with products are certified by using the brand, which is evaluated as the right orientation for sustainable development.

There is no significant gap in the listed price of leading firms in the market including Tien Phong Plastic, Binh Minh Plastic and Hoa Sen which approximate 10% of civil pipe and 15% of construction pipe on average.

Tax benefit: Nghe An factory entitled to a preference in corporate income tax policy (in which 0% from 2014 to 2017, 10% from 2018 to 2028, 10% for following years). It is assessed as an advantage to substantially save expenses.



WEAKNESS AND THREAT

MARKET AND PROFIT PRESSURE: DEMAND GROWTH FOR NTP HAS SLOWED DOWN RECENTLY DUE TO PRESSURE OF NEW COMPETITORS. AFTER THE RAPID GROWTH DURING 2014-2016 PERIOD THANKS TO REAL ESTATE AND CONSTRUCTION BOOM, IT HAS NOW STAGNATED IN 2017, 2018. THERE HAVE BEEN MINOR IMPROVEMENTS IN 2019 BUT IT HAS STAGNATED IN 2020 DUE TO THE FLUCTUATING ECONOMY AND PANDEMIC.



Binh Minh Plastic (BMP) which is the largest competitor of Tien Phong Plastic, dominating over 50% of the southerner market and representing over 30% of national market share besides other suppliers such as Hoa Sen, Tan A Dai Thanh, etc. Although leading in the North, the Company just ranked third after Binh Minh and Hoa Sen Plastic in the South because the brand recognition in this region is inferior.

Related to plastic pipe market, competition is concentrated primarily in the civil sector. The new rivals for the including Hoa Sen or Tan A Dai Thanh are focused on uPVC and PPR pipe and have competed with other big companies as Tien Phong or Binh Minh Plastic through the discount policy for agents. The construction sector namely HDPE is less affordable than the civil segment, which is primarily consumed by direct sales for projects and high investment cost for production lines.

One of the major reasons for a serious decline in the Company's revenue was the growth in competition during the past and also 2020 in particular. The maintain of market share in a fierce rivalry has been a highlight, but it also makes it harder for the company to achieve its objective of expanding market share.

There are also two factors that affect NTP's business performance: the possibility of input material prices fluctuation and the exchange rate. The company has double risks with it due to the 100% importing of plastic resins (accounted for 70% of raw materials cost) and payments are mostly in USD, EUR. In 2020, in conjunction with stable prices of plastic resin, Tien Phong Plastics has a strong supply policy for raw materials which does not have a huge impact on profit.

GROWTH STRATEGY DURING 2020 - 2025

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

- Develop a highly-skilled workforce with experience in business administration; Create a business culture and expand core values: Credibility through action – quality products – prosperous partnership – Communal responsibility.
- Ensure the sustainable growth of Tien Phong Plastic in the future through existing products and new construction materials;

- Research and develop solutions to better use raw materials in production.
- Develop an efficient retail network that packages most areas in Vietnam. Apply information technology in administering and controlling retail networks in order to maximise business efficiency and delivery.
- Improve capital expenditure efficiency of investors;
- Improve on supervising and applying IT in controlling financial risks and ensure all financial parameters stay within safe zone.
- Provide jobs and improve living standards for employees;

Apply better benefits to attract high-skilled employees and encourage loyalty.

- Look for new investment opportunities and enter new foreign partnerships to expand the international market.
- Build a brand that is friendly to community and serves people's everyday life;

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

Diversify product range with high utility, applying scientific methods to control pollution;



SALES PLAN IN 2021

In 2020, NTP has achieved positive results and overcome all obstacles in the period of fluctuated economic due to Covid19 pandemic. Nevertheless, there are rooms for improvement and problems to be solved in 2021, especially when growth must be sustainable and workforce’s standard of living must be raised.

Hence, 2021 Sales plan aims for these following targets:

No.	Indicators	Unit	Implemented in 2020	2021 Plan	Growth (%)
1	Consolidated revenue	VND Billion	4,393	5,100	116%
2	Output	Ton	91,014	100,000	110%
3	Pre-tax profit of Parent Company	VND Billion	505	432	86%

To achieve these targets, certain measures have to be employed in 2021:

Business:

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

Finance:

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

Technology:

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

Employees’ living standards:

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

Environment and work safety:

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

Provide sufficient healthcare for employees

5

REFINING GOAL MANAGEMENT

1. Internal Governance
2. Shareholder structure and change of owners' equity
3. Investor Relation's activities
4. Activities of General Meeting of Shareholders
5. Activities of the Board of Directors
6. Activities of Sub-committees under the BOD
7. Remunerations, transactions and benefits for the BOD, BOS, BOM
8. Risk Management

INTERNAL GOVERNANCE

INTERNAL GOVERNANCE ACTIVITIES

DURING 2020, TIEN PHONG PLASTIC CONCENTRATED ON CONSOLIDATING ITS INTERNAL STRENGTH, MAINTAINING AND DEVELOPING THE CORPORATE GOVERNANCE MECHANISM. THE COMPANY HAS MADE A LOT OF ADJUSTMENTS IN ORGANIZATIONAL AND MANAGEMENT MODELS TO ENHANCE ITS EFFICIENCY.

Management of corporate organization

In administration work, 2020 was a year of marking the determination of innovation in personnel work, creating favourable conditions for qualified personnel through self-nomination, assessment and appointment of officers. The Company has continuously conducted the assessment of employees' capacity based on adjustment working position as well as income level to be commensurate with capacity, performed labor norm task, applied new labor regulation and policies to encourage and stimulate employees, maintained the effectiveness of systems in terms of quality management, environment, energy and deployed management tools well such as: TPM, 5S, Lean Six Sigma,...

Abide by Vietnamese laws on corporate governance

Being aware of the importance of the management system in managing an effective legal operation, Tien Phong Plastic has focused on improving the governance mechanism. The Company concentrated on consolidating the organizational structure and internal governance regulations such as the Company's Charter, Corporate Governance Regulations, Information Disclosure Regulations, Coordination Regulations between the BOD and BOM, etc. As one of the leading listed companies in Vietnam plastic industry, Tien Phong Plastic strictly adheres to corporate governance frameworks in accordance with the Enterprises Law and follows new regulations in Decree 155/2020/ND-CP and Circular 116/2020/TT-BTC.

In addition to build a framework on the basis of complying with the Vietnamese laws, which is a combination of international and regional practices in corporate governance, Tien Phong Plastic is also under process of building and promulgating internal regulations to create a unified and consistent management model to control and supervise the company's operations.

Compliance with laws, ensuring the interests of shareholders and employees

Tien Phong Plastic fulfills its obligations to pay taxes to the state budget, fully pay social insurance, health insurance and unemployment insurance for employees in accordance with the laws. The Company has also promoted the personnel development through the training campaigns for staff development as well as wages reform. The Company regularly evaluates and classifies staff through the process of assigned tasks, then creating a training program domestically and abroad to meet the assigned tasks. Our reasonable compensation policies to be commensurate with employees' dedication are researched and implemented to attract talented personnel to the Company.

In 2020, the Company preserved the benefits of shareholders in the dividend payment, disclosed and provided appropriate information promptly, especially on the major transactions that affect the Company.

SHAREHOLDER STRUCTURE AND CHANGE OF OWNERS' EQUITY

BOOK VALUE

Indicator	Unit	2015	2016	2017	2018	2019	2020
Book value of share (VND)	VND	27.741	24.653	23.375	25.241	26.154	25.346

SHAREHOLDER STRUCTURE AS AT DECEMBER 31st, 2020

No.	Indicator	Number of shares	Proportion %	Number of shareholders	Structure of Shareholders	
					Institution	Individual
1	State shareholders	43,707,754	37.1	01	01	
2	Major shareholders	40,831,072	34.7	04	02	02
3	Trade Union	1,006,000	0.85	01	01	
4	Treasury Shares	0	0			
5	Other Shares	32,251,357	27.35	2,000	38	1,962
6	Total	117,796,183	100	2,006	42	1,964
In which: - Domestic				1,908	22	1,886
- Foreign				98	20	78

MAJOR SHAREHOLDERS STRUCTURE AS OF 31/12/2020:

No.	Name of shareholders	Number of shares	Proportion (%)
1	State Capital and Investment Corporation (SCIC)	43,707,754	37.1
2	Sekisui Chemical Co., Ltd	17,669,580	15.0
3	Tien Phong Plastic South Joint Stock Company	6,671,509	5.66
4	Mr. Dang Quoc Dung	8,096,335	6.87
5	Ms. Le Thi Thuy Hai	8,393,648	7.125

Total of Shares	117,796,183
Types of shares in circulation: Common shares	117,796,183
Number of freely transferred shares	117,796,183
Number of restrictedly transferred shares	0

SHARES OWNED BY MEMBERS OF THE BOARD OF DIRECTORS AS OF 31/12/2020

No	Name	Title	Number of shares by the end of fiscal period	Shares holding proportion by the end of the fiscal period (%)
BOARD OF DIRECTORS				
1	Dang Quoc Dung	Chairman	8,096,335	6.87
2	Noboru Kobayashi	Vice Chairman	0	0
3	Chu Van Phuong	Member	960,623	0.815
4	Tran Ngoc Bao	Member	264,000	0.224
5	Nguyen Viet Phuong	Member	0	0
6	Dao Anh Thang	Member	161,990	0.138
BOARD OF MANAGEMENT				
1	Chu Van Phuong	General Director	960,623	0.815
2	Nguyen Van Thuc	Deputy General Director	4,075	0
3	Ngo Thi Thu Thuy	Deputy General Director	452	0
4	Tran Nhat Ninh	Deputy General Director	6,814	0
5	Tran Ngoc Bao	Deputy General Director	264,000	0.224

INVESTOR RELATION'S ACTIVITIES

• By doing an active investor relations towards the international standards, Tien Phong Plastic has been building an image of transparency in business, openness in disclosing information. Investor relations (IR) is a new field and associated with public enterprises, especially listed companies. Tien Phong Plastic officially listed and traded shares with the code of NTP on HNX while its IR department at NTP officially was also established at the same time. NTP's IR has been praised by many securities presses and investors. IR department ensures that information is publicly available, accurate and in compliance with current laws.

• Transparency in disclosing information is also reflected in NTP's openness in sharing information with investors who are interested in the Company and want to explore investment opportunities. In particular, the IR department of the Company has many measures to manage and catch up information about Tien Phong especially the information related to NTP shares and the evolution of NTP shares to prevent promptly from the risk of crises. So far, NTP shares are considered a good investment opportunity in the eyes of investors.

• Through the efforts and proactively active IR activities, Tien Phong Plastic has been building an image of "a transparent listed company in disclosing information". With the desire to integrate into the world market, Tien Phong Plastic continues to adjust drastically and build up IR activities in accordance with international standards.

ACTIVITIES OF GENERAL MEETING OF SHAREHOLDERS

IN 2020, THE COMPANY HELD THE ANNUAL GENERAL MEETING OF SHAREHOLDERS TO ASK OPINIONS WITHIN COMPETENCE OF THE AGM. THE ORDER AND PROCEDURE ARE FULLY IMPLEMENTED IN ACCORDANCE WITH THE REGULATIONS TO ENSURE THE MAXIMUM BENEFITS FOR SHAREHOLDERS. THE MEETING APPROVED THE FOLLOWING DETAILS:



Resolution	Date	Content
29/NQ-DHĐCĐTN - 2020	May 18, 2020	<p>The Annual General Meetings of Shareholders approved the following details:</p> <ul style="list-style-type: none"> - Report of the Board of Directors on the Company's operation for 2019 and 2015-2020 term, and direction of operation for 2020 and 2015-2020 term; Report on Operation for 2019 and 2015-2020 term of Board of Supervisors; Report on production - business result in 2019; audited financial statements for 2019. - Profit distribution plan in 2019 and expected dividend in 2020; - 2020 production - business plan; - Regular Investment Plan for 2020; - Remuneration for BOD, BOS in 2020; - Authorizing BOD to select auditing firm for 2020; - Change the organizational structure of the Company; - Approve the number of BOD in the term of 2020-2025, namely 07 members; - Elect the BOD member in the term 2020-2025; - Approve Charter of the Company after amendment and supplement; - Approve the Internal regulation on Governance of after amendment and supplement. - Approve the plan on issuance of shares in order to increase capital by owners' equity;

ACTIVITIES OF THE BOARD OF DIRECTORS

BOD Members' information and attendance proportion as at December 31st, 2020:

Member	Title	Starting Date / No longer as a BOD member	Number of BOD meetings attended	Proportion of Attendance	Reason for absent
Dang Quoc Dung	Chairman		5	100%	
Noboru Kobayashi	Vice Chairman		5	100%	
Chu Van Phuong	Member		5	100%	
Tran Ba Phuc	Member	No longer be BOD member since May 18th, 2020	2	40%	No longer be BOD member
Nguyen Quoc Truong	Member	No longer be BOD member since May 18th, 2020	2	40%	No longer be BOD member
Tran Ngoc Bao	Member		5	100%	
Nguyen Anh Tuan	Member	No longer be BOD member since May 18th, 2020	2	40%	No longer be BOD member
Dao Anh Thang	Independent Member		5	100%	
Nguyen Viet Phuong	Member	Starting a BOD member from May 18th, 2020	3	60%	Starting a BOD member from May 18th, 2020



During 2020, the BOD held 05 Board meetings. Minutes and Resolutions of meetings have been delivered to all members of BOD. Board of Management was invited to the Meeting in order to discuss and agree on strategies, business orientations and directions of BOD to BOM.

No.	Date	Participant	Contents
1	January 10th, 2020	Members of Board of Directors, Members of Board of Management and Head of Board of Supervisors.	<ol style="list-style-type: none"> 1.Report on 2019 Production & Business Result, 2020 Plan of Tien Phong Plastic Joint Stock Company (Parent company), Central of Tien Phong Plastic Co., Ltd (Subsidiary). 2.Report on 2019 Financial Status and 2019 Investment Implementation of Parent company. 3.Report on 2020 Investment Plan of Parent company. 4.Report on the 60th Anniversary of the Company. 5.Preparatory work for 2020 Annual General Meeting of Shareholders.
2	March 26th, 2020	Members of Board of Directors, Board of Management and Head of Board of Supervisors.	<ol style="list-style-type: none"> 1.Discuss and approve the proposal letters to be proposed at the AGM 2020. 2.Agree to suspend the organization of the AGM 2020 due to pandemic.
3	May 18th, 2020	Members of Board of Directors, Members of Board of Management.	<ol style="list-style-type: none"> 1.Elect Chairman of the Board of Directors for new 2020-2025 term. 2.Elect Vice Chairman of the Board of Directors for new 2020-2025 term. 3.Establish Internal Audit Department under the Board of Directors (after getting an approval from the Board of Directors related to change organizational structure.
4	July 15, 2020	Members of Board of Directors, Members of Board of Management.	<ol style="list-style-type: none"> 1.Report on operating performance in the first 06 months of 2020; 2020 Plan of Tien Phong Plastic Joint Stock Company (Parent Company); Tien Phong Central Plastic Company Limited (subsidiary). 2.Report on financial status in the first 06 months of 2020 of Tien Phong Plastic Joint Stock Company (Parent Company). 3.Report on the 60th anniversary of establishment of Tien Phong Plastic Joint Stock Company (Parent Company).
5	October 16th, 2020	Members of Board of Directors, Members of Board of Management.	<ol style="list-style-type: none"> 1.Report on operating performance in the first 09 months of 2020; 2020 Plan of Tien Phong Plastic Joint Stock Company (Parent Company); Tien Phong Central Plastic Company Limited (subsidiary) and expected result for Q4, 2020. 2.Report on financial status in the first 09 months of 2020 of Tien Phong Plastic Joint Stock Company (Parent Company). 3.Report on the 60th anniversary of establishment of Tien Phong Plastic Joint Stock Company. Accordingly, a decision on suspending organization of event has been made due to pandemic.

ACTIVITIES OF SUB-COMMITTEES UNDER THE BOD

ACTIVITIES OF HUMAN RESOURCES SUB-COMMITTEE

During 2020, Human Resources Sub-committee conducted some tasks relating to management apparatus consolidation in the whole Company:

- Appointment of Person-in-charge of Corporate Governance;
- Dissolution of Sales Department, Establishment of Sales Department No.1 and Sales Department No.2;
- Dissolution of Internal Control Division and Risk Management Committee;
- Establishment of Internal Audit Department under the Board of Directors;
- Strength Project Management Committee under directions of General Director.
- Establishment of Customer Supporting Team under Technology and Quality Department.
- Implementation of Key Officer Assessment in 2020.

ACTIVITIES OF INTERNAL AUDIT DEPARTMENT:

During 2020, Internal Audit Department discharged the following tasks:

- Audit the investment projects and basic construction investment process: evaluate the compliance with laws in the investment in projects as well as efficiency of projects.
- Post-audit to overcome some shortcomings as recorded in 2019 Report for Department's operation in the Company.
- Review risks arising in the whole Company, select risks to analyse affects and its possibility in order to report to the Board of Directors and Board of Management.
- Examine the finance and its operation at Tien Phong Plastic South Joint Stock Company and Tien Phong Central Plastic Company Limited.
- Through the examination, the Internal Audit Department also expressed recommendations, consulted and was ready to coordinate with functional departments to enhance efficiency of internal control at audited units.
- Besides, Internal Audit Department continuously accompanied to deploy internal activities in the Company as well as carries out internal training courses to enhance specialities for auditors in 2020.

REMUNERATIONS, TRANSACTIONS AND BENEFITS FOR THE BOD, BOS, BOM

No.	Member	Title	2019	2020
BOARD OF DIRECTORS				
1	Dang Quoc Dung	Chairman	1,965,433,454	2,600,016,572
2	Noboru Kobayashi	Vice Chairman	470,000,000	588,980,000
3	Chu Van Phuong	Member	1,917,660,027	2,632,900,304
4	Tran Ngoc Bao	Member	1,619,115,180	2,030,000,412
5	Tran Ba Phuc	Member	1,217,457,496	254,500,000
6	Nguyen Quoc Truong	Member	787,529,000	249,000,000
7	Nguyen Anh Tuan	Member	144,000,000	50,000,000
8	Dao Anh Thang	Independent Member	525,780,000	864,000,000
BOARD OF MANAGEMENT				
1	Chu Van Phuong	General Director	1,917,660,027	2,632,900,304
2	Nguyen Van Thuc	Deputy General Director	1,240,239,924	1,573,336,408
3	Ngo Thi Thu Thuy	Deputy General Director	1,077,205,348	1,412,542,588
4	Tran Nhat Ninh	Deputy General Director	1,070,299,629	1,310,322,584
5	Tran Ngoc Bao	Chief Accountant	1,619,115,180	2,030,000,412
BOARD OF SUPERVISORS (from 01/01/2018 to 18/05/2020)				
1	Vu Thi Minh Nhat	Head of BOS	839,393,719	697,486,453
2	Nguyen Thi Quynh Huong	Member	72,000,000	25,000,000



RISK MANAGEMENT

RISK OF LAWS AND COMPLIANCE

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

RISK OF ECONOMIC CRISIS

Economic risk is a type of systematic risk that impacts businesses in the market. The global economic crisis can affect the demands for plastic products and thus affect the ability of the business to sell. At present, Vietnam is one of the countries which broads its economy with a strong interaction with the world.

RISK OF COMPETITION

Trends in plastic pipe consumption and prospects for the development of the plastic industry in Vietnam lead to fiercer competition in the plastic pipe industry. The risks come from competition largely due to business’s inability to grasp the market’s trends and demands. In order to reduce competitive risks, Tien Phong Plastic has actively improved its production, business development, cost optimization based on modern and scientific management systems. The Company also constantly researches for new better quality products, and serves more customer bases.

OPERATIONAL RISK

Risk of Production Safety

The plastic pipe production is closely related to the operation of machinery, fire prevention and fighting. Therefore, any problems related to machinery, equipment and safety during production can cause serious damages to the Company. Operational risks also affect the ability to fulfill the production targets and most importantly affect the safety of the collective staff, employees as well as the environment.

In addition to annual inspection, maintenance and repair, the Company is aware of the importance of production safety and business operation, specifically: build and strictly comply with regulations on work safety – labor protection – fire prevention and fighting and environment protection. Safety inspection is scheduled regularly, in combination with the dissemination, practising of safe technical measures. The Company’ fire prevention and fighting is well equipped and always has proactive prevention plans for bad situations.

Risk of new product development

Facing the competitive pressure from other manufacturers in the same industry, Tien Phong Plastic always strives to innovate and develop new products, in order to meet diverse needs of the market. For any products introduced to the market, Tien Phong Plastic always takes serious measures, starting from market research, product research, raw materials, cost to distribution strategy and product output. Not only focusing on the distribution channel, Tien Phong Plastic also commits to create a breakthrough by focusing on the production of important and specialized items to meet the needs of customers. The launching of products are introduced in seminars with the participation of scientists, business owners, domestic and foreign customers.

The risk of senior personnel and skilled labor

To take the initiative in risk of human resources management, the Company continues to focus on training and coaching staff, especially the successive generation. High quality human resource recruitment and training focus not only on specialty skills but also on risk management for key staff, such as training courses on risk management, the CEO, Production Director, Strategic Director,... .In addition, the Company staff are also regularly sent to participate in training programs on corporate governance.

More importantly, the Board of Directors and Board of Management always take the initiative to create a dynamic environment for the young leader generation to learn, develop and promote creativity, new ideas. This not only improves the dedication of each employee, but also builds a friendly and open-minded corporate image and culture that aligns with the common goals.

FINANCIAL RISK

Risk of liquidation

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

Credit Risk

During 2020, Tien Phong Plastic formulated debt policies for each group of customers based on their financial status, security assets and transaction prestige of each group and recommendations of sales units in order to determine appropriate credit limits. Monthly, the Board of Management reviews the debt limits. The sales units are responsible for recovering the debt on time. The Finance and Accounting Department prepares and reports weekly on cash flow plans to the Board of Management for flexible business measures, ensuring no overdue payments incurred.



RISK MANAGEMENT

Risk of market

• Risk of exchange rate:

With the demand of business capital, the Company incurred loans in foreign currencies, thus causing many risks related to solvency, exchange rate, etc. In addition, the unrest of world economy – politic and monetary policies of the US will put constraint on the VND/USD exchange rate, requiring Tien Phong plastic managers to continue to focus on the following controls:

- Regularly update, forecast the exchange rate fluctuations through the relationship with banks, conduct L/C contracts so that the bank can ensure payment for risk prevention in foreign currency shortage;
- Actively negotiate with customers to sign contracts for providing services and payment in foreign currencies to create foreign currency sources in business;



• Risk of price

Price fluctuations in the world market may affect the purchase price of raw materials and semi-finished products of the Company. Good risk management not only ensures the profit but also contributes to cost reduction.

However, thanks to the policy of diverse suppliers and customer lists as well as the contracts of material purchase with semi-finished products, NTP can maintain the profit margin between the selling price and finished products of plastic resin.

Tien Phong Plastic always closely monitors developments of the market and has timely solutions to purchase and stock up raw materials with reasonable prices to ensure the stability of plastic production. At the same time, the Company also takes measures to save on raw materials, energy, etc. to reduce production costs, to keep price at a stable level, and to maintain competitive advantages for the Company in the situation in which the raw materials market has many complicated developments.

Risks related to environment and sustainable development

Environmental protection is an integral part of sustainable development of enterprises. As a reputable leader on the market, NTP always takes the initiative in recognizing its responsibility for protecting the environment clearly. Prior to putting a project into operation, the Company always scrutinizes environmental impacts and considers it as the key factors when making investment decisions.

In order to minimize environmental impacts, the Company has undertaken the research to improve the production process, invested in equipment, machinery lines and wastewater treatment systems. In addition, the Company has signed environmental commitments, issued the environmental book, applied management guidelines, using the most advanced standards on product design and use of less polluted raw materials in the production process to minimize the negative impact on the surrounding environment.



6

SUSTAINABLE GROWTH

1. Tien Phong Plastic sustainable growth activities in 2020
2. Sustainable development criteria for 2021

Tien Phong Plastic Sustainable Growth Activities in 2020

Weather the Storm – Sustain the Economy

Consolidated profit growth, maintain development goals

In the context of Covid-19 pandemic, Tien Phong Plastic has greatly impacted by Vietnamese economy and the world as well as dealt with an increasing rivalry in the same market which seems impossible to reach any business targets in 2020.

Nonetheless, with dedication and strong effort, the Company achieved sales volume of over 90,000 tons, combined profits of VND 4,646 billion, and in particular, gross profit before taxes of over VND 523 billion that increased approximately 11% to 2019. Due to the ability to cope with cash flows, improve cost efficiency of mobilization, daily updates in financial administration with precise numbers and forecast reasonable price for new products as well, the financial expenditures of the enterprise decreased marginally this year to VND 108,6 billion. Furthermore, NTP has saved at least 50% of transaction costs through the use of Internet Banking in all trades, and efficient trade of free money transfers with certain banks. The capital source has remained well managed with short-term interest rates 3,5%-4% and medium-term interest rates 4%-5,5%, thus, helping the firm to save its raw material costs at the right time along with reasonable prices. In addition, the cost of the manufacturing reduced slightly leading to business benefit through optimizing in the administration and improving technologies under the Lean 6sigma tool.

2020 is the starting of the new business period, despite numerous drawbacks currently, Tien Phong Plastic pursues to retain its market share of more than 60% in the North and 30% in the South.

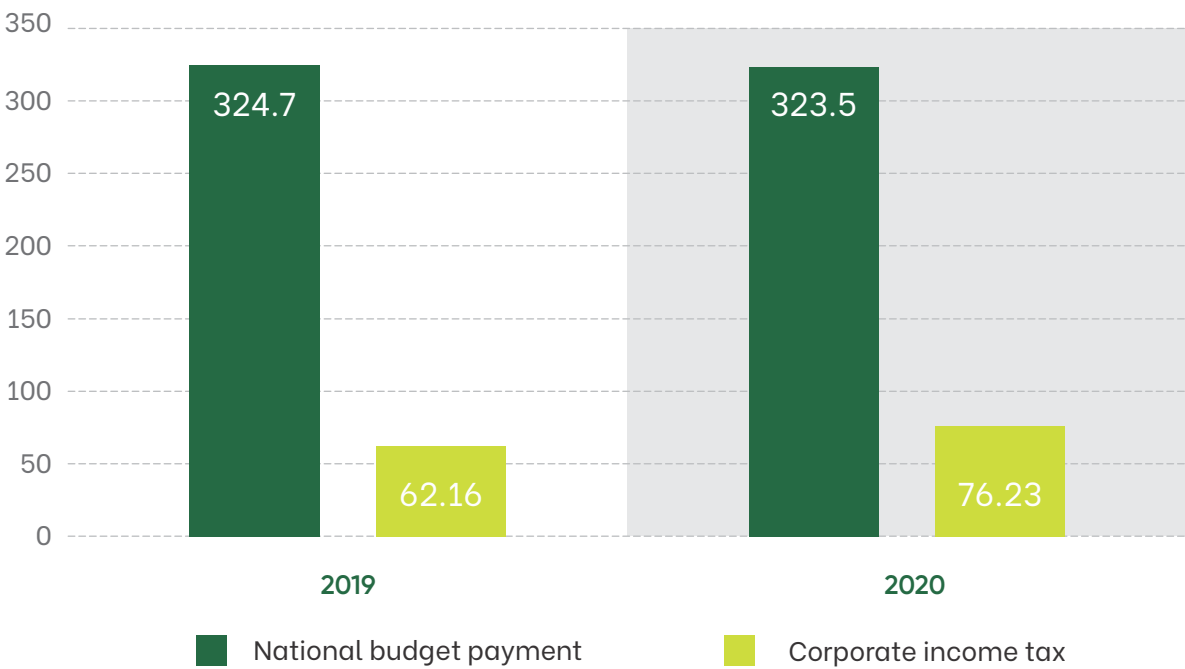
Contribution to the state budget

Under the consequence of a pandemic, the Government has a tax priority, according to Decree 41/2020 ND-CP, to extend payment of VAT, CIT and land rent for 6 months. However, not only Tien Phong Plastic fulfilled tax responsibilities but also its subsidiaries, such as Tien Phong Land Limited Company and Tien Phong Central Plastic Limited Company which always on time and still belonged to the top local paying enterprise.

Table of tax and national budget payment in 2019-2020

Indicators	Year	2019 (VND Billion)	2020 (VND Billion)
National budget payment		324.7	323.5
Corporate income tax		62.16	76.23

Tax and national budget payment in 2019-2020 (VND Billion)



Investment project

The investment activity of Tien Phong Plastic focuses on three core groups: machinery and equipment, infrastructure and investment in affiliates capital. In order to mitigate risk and maximize the benefit of shareholders and partners, Tien Phong Plastic always takes conscientiously and complies with the values of safety and investment criteria quality.

On Dec 31th, 2020, the total capital investment of the company was VND 527,206 billion, a rise of 3.4% over the same period last year. As the result of profit increasing from two affiliates Tien Phong Plastic South Joint Stock Company and Tien Phong Packaging Joint Stock Company, the investment accounted for 53.6% and increased slightly by 6.5%.

Tien Phong Plastic has also contributed capital for enterprises working in the water sector, shares sector, etc. to establish strong relationships as well as parallel benefits with partners in the same industry. Nam Dinh Water Supply JSC and Thu Dau Mot Water JSC illustrate this point clearly.

With the aim of developing sustainability and reaching out to the international market, Tien Phong Plastic has constantly expanded its scale and increased production capacity, thus, the Company invests in equipment quality, upgrades to latest manufacturing systems such as the HDPE single-wall corrugated pipe manufactured using Corma production line or HDPE electrofusion (EF) fittings of the Sekisui Group. The factory in Hai Phong which is located at 222 Mac Dang Doanh street also extended to the north with an area of 4 hectares.

Tien Phong Plastic believes that corporate governance mechanism, environmental and social impact are essential considerations for evaluating the medium and long term benefit and effectiveness of investment. Consequently, the Company still concentrates on these factors within the appraisal process in order to select a prudent investment strategy for future projects.

Maintain friendly supply chain

As a leader in terms of producing plastic pipes and fittings, Tien Phong Plastic has developed a professional and sustainable consumption network to guarantee input material efficiency, maintain the continuity of its chain as well as benefits between partners and company.

Along with chosen leading suppliers of modern equipment such as Battenfield Cincinatty, Corma, etc, Tien Phong Plastic has also applied Bravo software for order management and manufacturing for the purpose of establishing suitable plan to rationalize transportation means, preventing wasting raw materials, energy and minimizing emissions to the environment. Furthermore, Tien Phong Plastic is still committed to supporting and collaborating with multi-organization namely Iplex, Sekisui, etc. in terms of developing technologies to offer eco-material, project efficiency, consumer health and friendly environment as well.

Before being consumed, all products are examined and must satisfy strict requirements based on ISO, QUACERT, etc. and tested thoroughly to diminish issues causing costly and affecting the environment by plastic waste while using.

BUILDING AN UNITED COMMUNITY

FOR PARTNERS

Increasing values together

NTP has always been coped with competitive pressure from its rivals since the Company decided to manufacture plastic pipes and fittings instead of traditional plastic products in 1990. However, the price must be unchanged otherwise it would not guarantee product quality. Tien Phong Plastic takes charge of distributors' benefit so that they can be satisfied to accompany and be completed through infrastructure investments, production lines and collaboration with Sekisui - Japan, Iplex Group - New Zealand, which are leaders in terms of construction pipe worldwide, with the aim of improving, launching new products towards convenience and maximum value for consumers. Further works including uPVC inner spiral pipe, uPVC inspection chamber, electrofusion (EF) fittings, etc. and many more have become trendy recently. This is the basis for enterprise to supply high demand within the domestic market as well as providing major competitive export products to the international markets.

In addition, the strategic partnership with Minh Phu Group since 2018 has given shrimp farmers a new path and has encouraged Tien Phong Plastic to launch a new specialized product namely PE wall, which is used for terrestrial farming ponds to improve their competitiveness on the international market.

Increasing intangible value

For the citizens of Vietnam in particular and the world in general, 2020 was a year of fluctuation and obstacles. Therefore, Tien Phong Plastic has organized promotional campaign "Buy Tien Phong Plastic - Get Gifts Instantly", which is not only express deep gratitude to agents, points of sales and customers that trusted and supported Company but also enhance intangible values by giving joy to them within Northern and Central regions at the end of the year.

In particular, the program offered 3,000 prizes approximately VND 6,000 billion, including 3,000 coupons of VND 300,000, 100 Samsung Galaxy A71, 30 new iPhones, 10 82-inch Samsung Qled 4K TVs, 05 Piaggio Medley S150 ABS motorcycles and 01 Mercedes C200 Exclusive car.

After two months of implementation, the program has drawn thousands of customers with over 300,000 released coupons and over 2,000 consumers directly receiving VND 300,000. Tien Phong Plastic organized the lucky draw for the 4th or above award which was broadcast live on media means to ensure the publicity, transparency and objectivity of the program. The automated system announced 146 winning customers and the special award - The Mercedes C200 Exclusive Car belonged to a customer who lives in Haiphong city.

The Company has also focused on frequent communication with distributors and agents through management software systems, regularly doing surveys of quality every 3 months as well as direct methods to update immediate responses for prompt handling and improving service quality.

Protecting business benefit

Counterfeit goods has always been a problem that not only impacts the credibility of the brands, but also that the Government needs to avoid for several years. Major brands with high-quality products are the most falsified including Tien Phong Plastic. Therefore, since 2017, the Company has drastically carried out counterfeiting protection in provinces/cities as well as in partnership with authorities in Phu Tho, Ha Giang, Hanoi, Bac Ninh, and Ha Nam provinces to prevent this issue.

Meanwhile, the company also raises awareness and encourages customers to purchase products from NTP official distributors/agents to ensure the quality of the products, particularly guarantee healthy competition and partners' benefit as well.

Paying dividends for Shareholders

In order to increase value to shareholders and contribute to economic benefits, Tien Phong Plastic has constantly paid dividends at a higher level than the general in terms of plastic field with the dividend rate maintained at 15-20% of charter capital. In 2020, by issuing shares from the VND 981,638,530,000 to VND 1,177,961,830,000, NTP has completed the owners' equity increasing.

FOR HUMAN RESOURCES

In the context of integration and professionalization, enterprises need to establish their own competitive advantages, optimize internal capabilities, create business models of positive value for the economy and the workforce. As a result, NTP has particular concern about human resources management. After 60 years, several generations of employees have dedicated themselves to enhance business development and Tien Phong Plastic has become a big family that everyone considers each other as a member.

Occupational safety and health

Creating a pandemic safety circle

The pandemic of Covid-19 led to an upside down of people's lives and had a huge effect on many sectors in which many companies were forced to suspend operations or just manufacture moderately, causing thousands of employees to leave their jobs. However, Tien Phong Plastic has not only offered a stable life for employees in compliance with laws, but it also increased wages and bonus for almost 1,500 workers from North to South areas as well as continued recruiting and reduced the rate of local unemployment.

From the first working days after Tet holiday, in February 2020, Tien Phong Plastic sprayed and disinfected whole company, provided 7,000 medical masks to 100% of staff, purchased all medical equipment including body temperature measurement, face masks, goggles, splashproof caps and hand wash gel in all areas such as entering doors of the company, departments, transaction offices which are routinely checked and supplemented. Rules and penalties were simultaneously provided that require all workers to strictly comply with disease prevention regulations. Customers, drivers who arrive at the company have to declare health and receive 100% medical control to prevent infection risk.

Additionally, in order to forbid the penetration of disease, the company minimized all the visiting and adhered to the disinfection process, in particular with transport drivers in factory areas. While 2020 was the milestone of the 60th establishment, the event was postponed despite careful preparation to maximize health protection of employees and community as well.

Safety working environment

NTP has 872 workers (which accounted for 69.15% of the overall employees) working at manufacturing areas, which means that the organization has fully implemented its environmental protection system based on international standard ISO 14001:2015, 5S, etc. for instance, with the aim of avoiding noise, reducing health effects reduce and maintaining eco-workplace for them. Within company, all protective equipment is provided routinely, the equipment is tested regularly, industrial hygiene and fire prevention is monitored thoroughly at all departments as well. At the same time, Tien Phong Plastic constantly held instruction programs in industrial safety and health for workers, especially who work at specialized positions such as pressure equipment, lifting equipment, electrical equipment, etc.

Along with policy of supporting medical fees outside, the company also organizes periodic health checks for employees once a year and health department is always available with medical equipment along with minimum pharmaceuticals, in addition to support when they get in trouble.

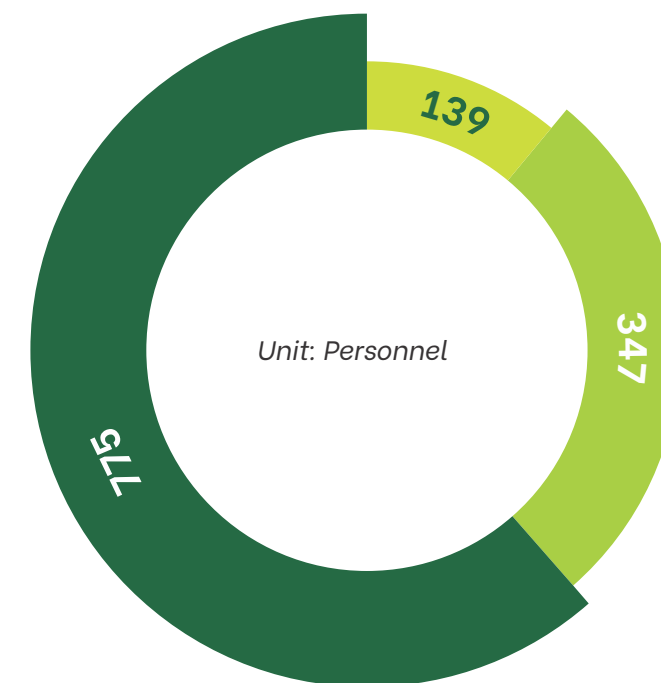
Regarding food safety and hygiene, NTP has its own processing areas and updated menus daily to provide workers with adequate nutrition meals and company is doing well related to reducing food poisoning, increasing the electrolytes with salt porridge during hot days as well as improving the 3rd shift meals.

Diversity and equality

Equal treatment for employees

In 2020, the company has almost 1,300 staff in North and Central, most of them within age 30-50 (accounted for 76.37%) as well as a knowledgeable group, has practical experience, healthy, less career change and long-term willingness to stay with the business.

Chart of Human resource rate by seniority

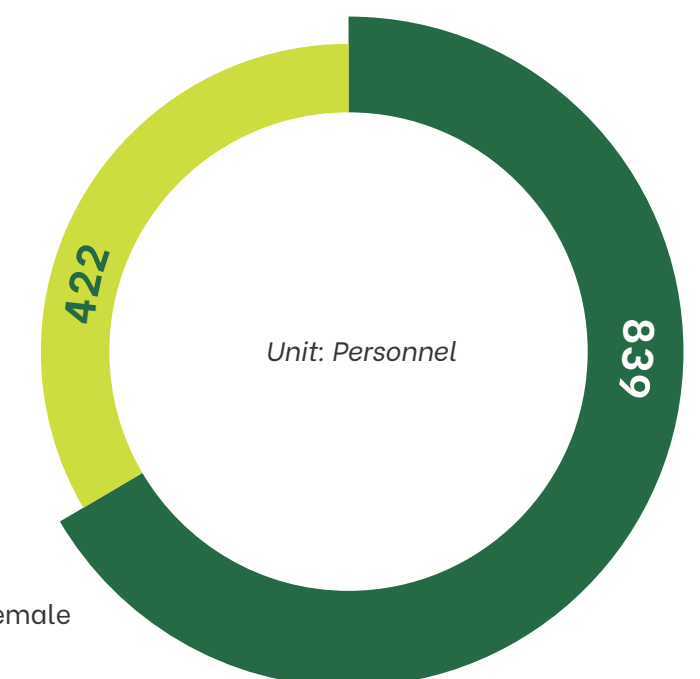


As a specialized manufacturing company, most of the employees in the factory are male as the result of having hazardous positions that are frequently exposed (accounted for 66.53%) and 33.47% left are women who work in the office sector. Thus, NTP has never complained of gender inequality or discrimination during its operating.

0-3 years 3-5 years Over 5 years

Chart of Labor force participation rates by gender

The quality of human resources is portrayed on average-good level with the proportion of employees with college level more than 37%.



Male Female

Chart of Education standard rate of personnel

In recruitment, Tien Phong Plastic has focused on recruiting candidates with particular training in accordance with the job position as well as enthusiastic young people, regardless of genders. The Company has also facilitated students from leading universities in Vietnam such as University of Science and Technology, National University of Civil Engineering, etc. having practical experience at Company to attract them and access diverse sources of eligible candidates.

According to the report, the new employee is 27 people with a resignation rate of 4.04%, which shows stable maintenance of industrial businesses as Tien Phong Plastic.

Last but not least, NTP commits not to use children’s labour, forced labor and manage internal company based on laws to create a professional, polite and equal environment.

Fair remuneration

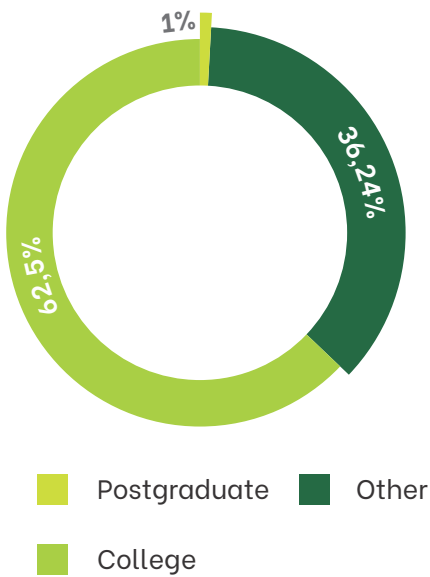
The welfare policy on employees is often well-structured in the interests of competitiveness, attracting talent and ensuring close cohesion of them.

NTP has remained the Company Union and divided it into syndicates under departments to monitor and guarantee highest social benefits for employees. Each personnel is entitled to their interest according to the state regulations such as social and health insurance; traveling at least 1-2 times/year; attending internal events such as the entertainment program and sports day to increase health and team spirit. Furthermore, the maternity policy (for both men and women) is strictly complied with the provisions of law, the company still remains their salary/bonuses and priority when back to work. Thus, the percentage of maternity female returning accounted for 98%.

In terms of retired personnel, besides visiting and giving gifts on special occasions including the establishment day or the Lunar New Year, NTP also supports organizing retirement association.

Table of 2020 labor benefits cost (VND)

Total salary payment in 2020	300,989,009,813
Total payment of insurance (Social insurance, Health insurance, Unemployment insurance)	27,765,378,936
Total other benefits	30,291,615,556
Total bonus	12,114,390,164



Objective competency evaluation

Since 2019, NTP has used a KPI tool to assess and analyze work performance with the aim of ensuring equity, transparency in wages and bonus as well as enhancing the development of employees’ capacity, which demonstrate how NTP is determined by innovating and professionalizing management methods.

After the first year of implementation, the system has been completed and periodically evaluated on a regular basis in order to better monitor and assess positions, objectives achieved in accordance with company rules. This is also why year-end promotions are taken into consideration and key staff are appointed. Furthermore, frequent meetings between sectors, BOD and staff have created a professional environment to provide information quickly along with overcoming shortcomings of individuals and improving working capacity.

Initiative development and skills improvement

Encouraging creativity

If any business is satisfied with its achievements, it leads to lagging behind within an integrated and competitive economy. Understanding development rules, NTP has had policies to encourage creation and technology innovation, offering opportunities for all individuals to develop their abilities and express their ideas since establishment. Annually, the Company organizes a contest to help personnel engage and propose new solutions for LEAN system, waste management and innovative equipment. Many valued projects have been continuously facilitated by the Board of Directors to participate in contests organized by institutions and achieved high prizes such as improving productivity and quality of PVC factory project, Manufacturing fabricated fittings project of Research and development Dept, etc. and in 2020, there were 04 projects participating in the city’s Labor Competition and 11 technical improvement projects, which were highly appreciated as follows:

- Project “Solutions for manufacturing and developing uPVC inner spiral pipe and fittings within skyscrapers vertical axis drainage”.
- Project “Flexible connection for the buried drainage system using PE/PP double-wall corrugated pipe”.
- Project “Design and manufacture uPVC, PPR resistance testing equipment”.
- Project “Design plastic extrusion line system”.
- Manufacturing head-pipe cutting machine to process the outer diameter of HDPE pipes assembly with the DN50-DN160 electrofusion fittings (suitable for construction site conditions).
- Manufacturing head cutting machine of HDPE injection molding fittings: To process the outer diameter of the assembly of HDPE injection molding fittings with DN63-DN250 pipes (Suitable for factory conditions).
- Improving the Ø110 septic tank cap mold, which is a PVC product made by China for automatic production and enhancing working conditions for technology employees.

Training human resource

In 2020, Tien Phong Plastic trained all workers for 3,156 workshops of total 3,344 hours which is twice as much as in 2019 to develop their professional expertise in production/business and soft skills. Furthermore, internal training courses have been deployed strongly to continuously update awareness within departments to optimize costs and time along with creating favorable conditions and proactiveness for personnel to participate.

Regarding business sector, the Company keeps hiring new, ambitious applicants and maintains training skills through courses taught by knowledgeable lecturers. Additionally, the firm has usually rotated employees in different market areas to satisfy dynamic market needs as well as optimize the potential of sales. Tien Phong Plastic is also recognized as one of the few companies to set up a library within which contains a variety of books, journals, documents that meet the requirements for learning, knowledge-enhancing research, technical skills and entertainment needs. Also the Company’s union in coordination with the City Library biennial in order to ensure the updating of publications.

SPREADING THE LOVE AND KINDNESS

PREVENTING PANDEMIC TOGETHER

In response to the Government's appeal, Tien Phong Plastic has donated VND 300 million for Sars-Covid pandemic prevention campaign along with funding 02 tons of rice to local employees who have lost their jobs during this time. Even when the second pandemic broke out, the Company continued to support VND 02 billion through the Vietnam Fatherland Front to acquire medical supplies for doctors at the hospital in Quang Nam province, Da Nang has patients infected with Covid-19.

Furthermore, the company frequently focuses and promotes internal communication. Heads of 16 sectors including 04 factories and 12 departments have created the Zalo group to update instruction documents on a regular basis from the Ministry of health, Hai Phong City People's Committee, Duong Kinh District as well as the BOD of the Company, with the aim of having penalties to those who are not wearing mask, not reporting health conditions, etc.

Tien Phong Plastic figured out that if individuals are together with the community, the pandemic will soon repelled and be able to develop civilized society. Company promises to maintain this spirit by 2021 and willing to support the Government in the prevention activities.

FOR YOUNG GENERATION

TO REMIND THE ORIGIN OF THE "SMALL PLAN MOVEMENT" CAMPAIGN, TIEN PHONG PLASTIC HAS ALWAYS PAID ATTENTION TO ORGANIZE PROGRAMS FOR THE YOUNG GENERATION WITH THE PURPOSE OF DEVELOPING DURING THE 60 YEARS SINCE IT WAS ESTABLISHED EVEN IN THE MOST CHALLENGING TIMES.

• Blue Kite Foundation

Deloitte Vietnam and Tien Phong Plastic officially launched the Blue Kite Foundation on October 27th, 2020 with two main objectives to support program "Improving quality of nursing in patient care at the Vietnam national children's hospital during 2020-2022" and accompany Vietnam Border Defence Force program "Sweet Road to School and Adopted Child of Border Guard" to support poverty children lives in northern mountainous provinces.

This foundation instills faith for children to believe in a bright future and receive care as well as spreading the values of society kindness. The Fund also develops educational services to enhance the ability to professionally communicate with patients for Chief Nurses at the Vietnam national children's hospital. As a result, knowledge values are extended to all nurses within hospitals so that they can expand their loving care to future generation.



• "Heart for children" Program

Accompanying the program since 2018, Tien Phong Plastic has sponsored 50 heart surgeries with a total budget of VND 2.5 billion, in which Company funded 30 heart operations for poverty children in Haiphong city. Thus, along with the desire of offering the best conditions for them to have physical examination as well as early detection of potential diseases and timely treatment, NTP has sponsored and coordinated with the Vietnam Foundation of Vietnam Television, Viettel Haiphong, National Children's Hospital and Navy Medical Institute to organize a free heart-checking program for children under 16 years old in local. The program took place on November 7-8th, 2020 with the participation of leading doctors in terms of the Vietnam National Children's Hospital directly examined for approximate 1,800 children, including 41 cases requiring urgent surgery and 72 cases need to follow, which the rate of cases detected promptly was 10%.



• “Cau noi yeu thuong” program

Since October 2017, Tien Phong Plastic has been carrying out it as a main social project to provide numerous bridges in difficult areas along with inconvenient traffic in order to offer a better life and protection to children on their way to school. 60 bridges were constructed in 19 provinces around the country by the end of 2020 from Northern mountainous provinces to Westen provinces with the aim of marking the company’s 60th anniversary (1960–2020). In 2021, Tien Phong Plastic is supposed to spread love with 30 new bridges, which its investment funds are drawn from production sources of the organization also from donations of Tu Tam Volunteer Group members.



• Other social welfare programs

Over the years, the company has always promoted the positive values of the previous generation through collaboration with mass organisations, labour unions and youth unions to organize and participate in meaningful charitable programmes. Tien Phong Plastic strives to offer charity activities for people as well as long-term results.

No.	Timeline	Program
1	January	Collaborated with Hai Phong Red Cross Association offering 200 Tet gifts to people with local difficult circumstances.
2	May	Organized "Happy Day" giving gifts to almost 300 children in the Phu Trach 1 ,Cam Son, Mo Cay Nam district, Ben Tre province, and providing 30 scholarships for poverty students.
3	September	Donated 500m of Dn114 plastic pipes to supply drinking water to prevent flooding for people in Vo Doi hamlet, Tran Hoi commune, Tran Van Thoi district, Ca Mau province.
4	September	Associated with the Haiphong Disabled and Orphans Association to donate 60 bicycles to disadvantaged students living in Duong Kinh, Ngo Quyen, Hong Bang districts.
5	November	Presented 30 gifts to poverty families in Dong Xuan village, Xuan Vien commune, Yen Lap district, Phu Tho province.
6	November	Associated with Hai Phong Red Cross Association to donate 1,200 gifts for people impacted by flood in Quang Binh, Quang Tri and Ha Tinh provinces.
7	December	Organized the "Warm Spring" giving 83 gifts to people in Xop Kha village, Yen Hoa commune, Tuong Duong district, Nghe An province.

BUILDING ECO-PLANET

Tien Phong Plastic materials have been made of pure plastic which are removed from lead additives instead of non-toxic calcium-zinc (Ca-Zn) for several years,

even large-diameter products such as HDPE DN2000 pipe, underground HDPE single-wall corrugated pipe. Although it has enhanced production expenses, it contributed to the safety of consumer health and environment due to its benefits such as being undamaged by chemicals, seawater, or debris damaging terrestrial or aquatic organisms and ecology.

Furthermore, the Company has been researching for years and manufacturing stabilizers for uPVC pipes and fittings to ensure the health of customers.

In terms of sustainable and eco-production, Tien Phong Plastic has applied many management systems as follow:

- Quality management system ISO 9001: 2015
- Environmental management system 14001: 2015
- Energy management system ISO 50001: 2018
- Occupational health and safety management system 45001:2018.
- Laboratory management system for product testing ISO / IEC 17025: 2017 with 21 accredited tests.

ECO-MATERIAL

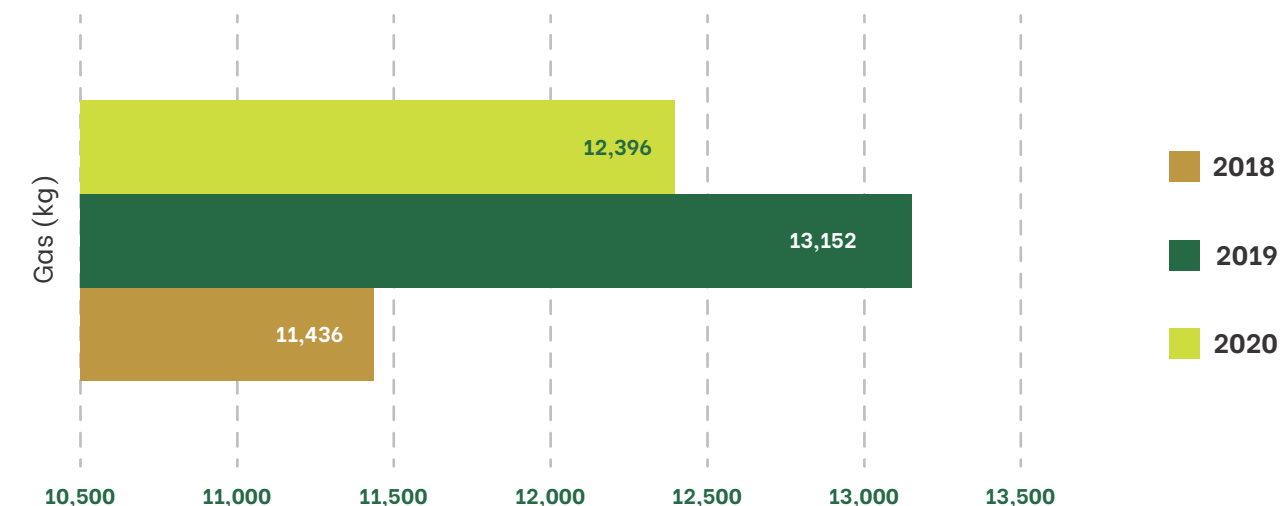
ENERGY

Due to its specialized sector with large production capacity, the equipment must operate all day and night, thus, the Company has applied management systems such as 5S and Lean 6 Sigma to reduce material losses and maximizing energy savings.

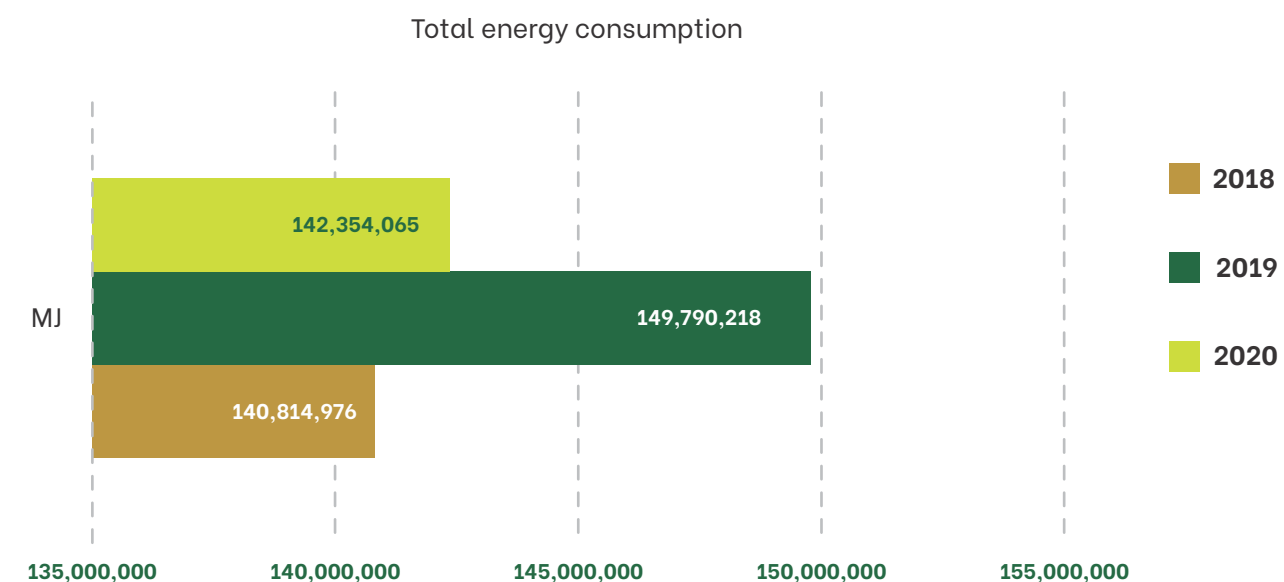
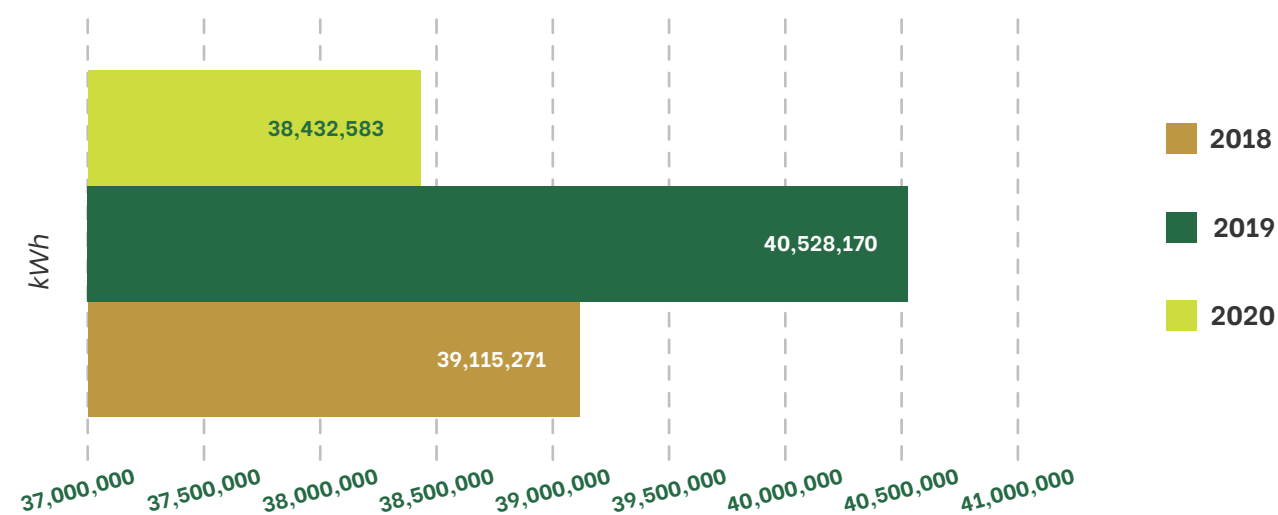
Moreover, Tien Phong plastic has also encouraged savings activities, effectively equipment using as followed solutions:

- Regularly inspect, maintain electricity-using equipment in the power line system within departments and power stations to guarantee no power leakage.
- In coordination with the local power company in terms of the factory power supply system to ensure stable providing of power source
- Using high efficiency and modern equipment systems such as LED sensor, solar power system, water pump motor, fan to save electric energy for ventilation and water supply.
- Building consumption nearly to the practical usage situation at the beginning of the period. For involved individuals, the company will identify the obligations and implement sanctions by KPI tools for the management of human resources to increase awareness of the most cost-effective and optimal use of energy.

No.	Criteria	Unit	2018	2019	2020
1	Electricity	kWh	39,115,271	40,528,170	38,432,583
2	Gas	Kg	11,436	13,152	12,396
3	DO oil	Liters	55,419	82,866	87,046
4	Total energy consumed	MJ	140,814,976	149,790,218	142,354,065
5	Production	Tons	88,611	95,450	90,982
6	Average energy consumed per ton	MJ/Tons	1,589.136	1,569.303	1,564.639



Charts of Electricity consumption



WATER AND WASTE RESOURCES

As a plastic pipe and fittings manufacturer within the water industry, Tien Phong Plastic acknowledges the responsibility for using water supplies economically and maintaining a careful management of water waste before being emitted into the atmosphere pollution and exhaust gases.

By 2020, the total amount of water used by NTP was 121,565 m3, which was slightly reduced compared to the same period in 2019 due to maximum output process reductions and innovations in factories as well as reusing energy in wastewater systems for other purposes in manufacturing. Meanwhile, the company has also raised awareness to its employees of the urgency to save water adequately to avoid waste.

Relating to wastewater, Tien Phong Plastic invested thousands VND to build and operate the latest modern processing system with capacities of up to 130 m3/day, in accordance with international standards ISO 14001:2015 and strict compliance regulations on environmental protection of law. Moreover, environmental monitoring reports are fully implemented every 3 months and submitted to the Hai Phong City Department of Natural Resources and Environment for approval. Tien Phong Plastic has also invested in substituting glycerin additives for petroleum as avoiding pollution, harming drainage circuits and minimizing urban impacts.

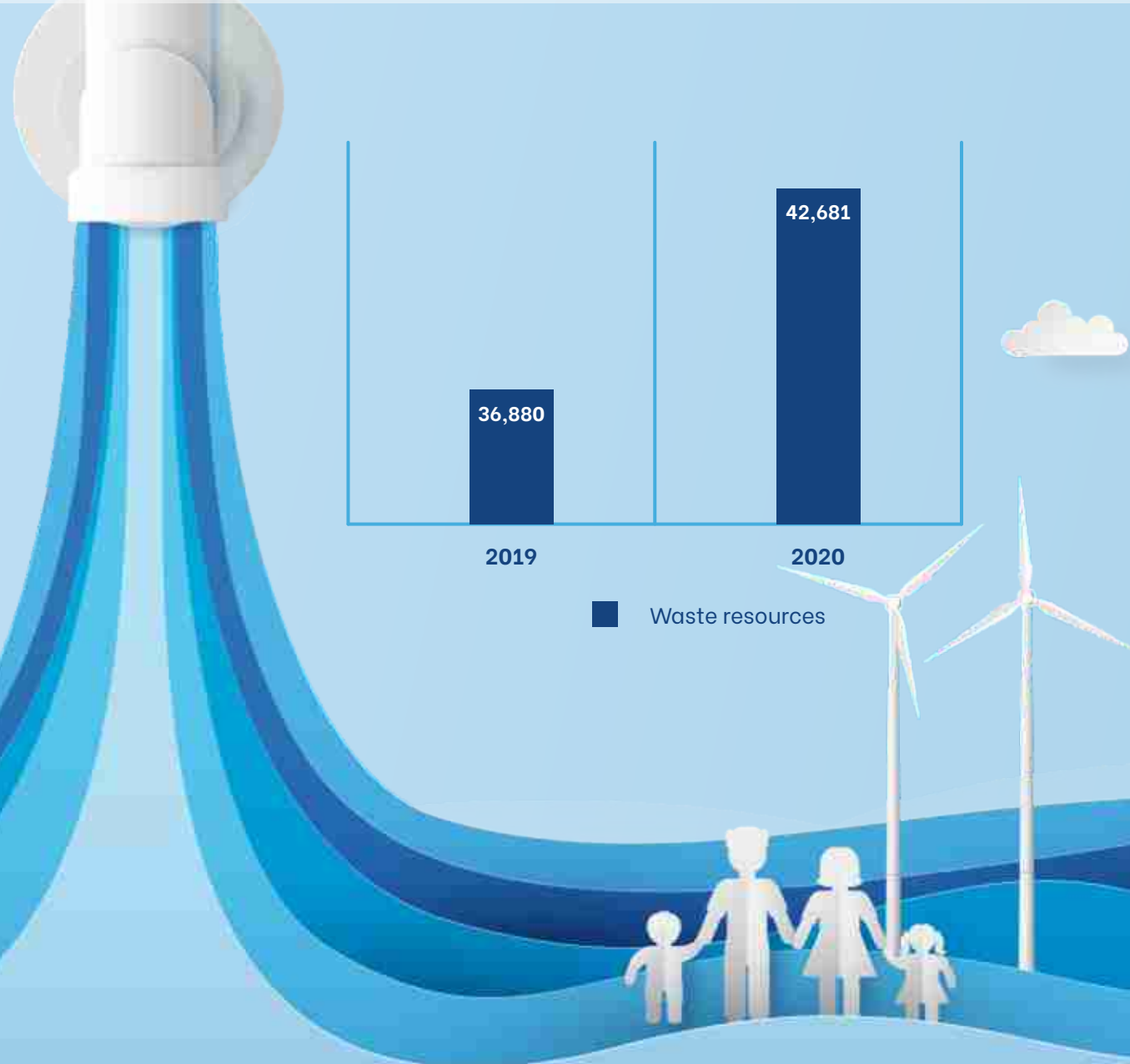
Report on analysis of wastewater quality in 2019 – 2020.

The eco areas are still particularly impressive for anyone who comes to Tien Phong Plastic because 15% of the Company is reserved for planting green trees. The air circulation system operates well together with the closed manufacturing process, ensuring the ventilation atmosphere which does not pollute the exhausted gas into the factory’s surroundings.

The company also connects employees in actively maintaining a green and clean working environment applying 5S tool to enhance work efficiency, which is:

- Sort: Sort through materials, keeping only the essential items needed to complete tasks.
- Set in order: Ensure that all items are organized and each item has a designated place.
- Shine: Proactive efforts to keep workplace areas clean and orderly to ensure purpose-driven work.
- Standardize: Create a set of standards for both organization and processes.
- Sustain: Sustain new practices and conduct audits to maintain discipline.

Along with the implementation of this tool, Tien Phong Plastic also applies treatment solutions for solid waste sources which can inflict environmental damage to the following.



Type	Cause	Solution
Hazardous solid waste	Mainly from office blocks such as paper, stationery, packaging, etc.	-Using large/small garbage cans at a convenient area to collect -Cleaning inside/outside the building by employees -Reusing stationery including pens and plastic utensils. -Raising awareness in saving plastic bags, printing paper, keeping the common area clean, etc.
Conventional solid waste	Mainly from manufacturing such as printed film rolls, defective products, light bulbs, oil-stained cloth, etc.	-Classifying and storing in boxes at separate areas labeled hazardous waste within a year in accordance with the Government's Circular 36/2015/TT-BTNMT -Signing a contract with a specialized hazardous waste treatment agency to collect and recycle it.

Chart of domestic and industrial waste (2019 – 2020)

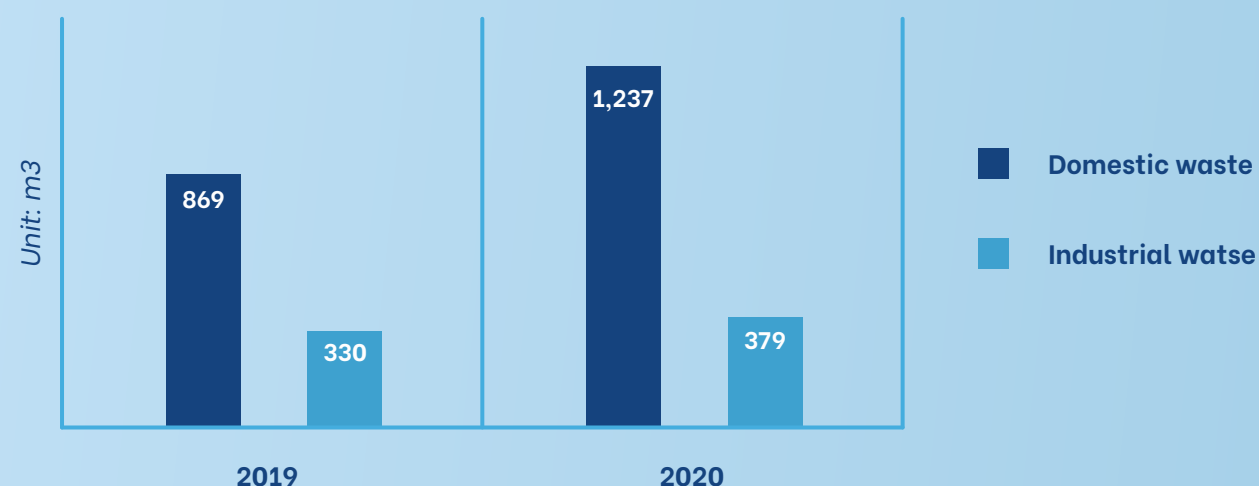
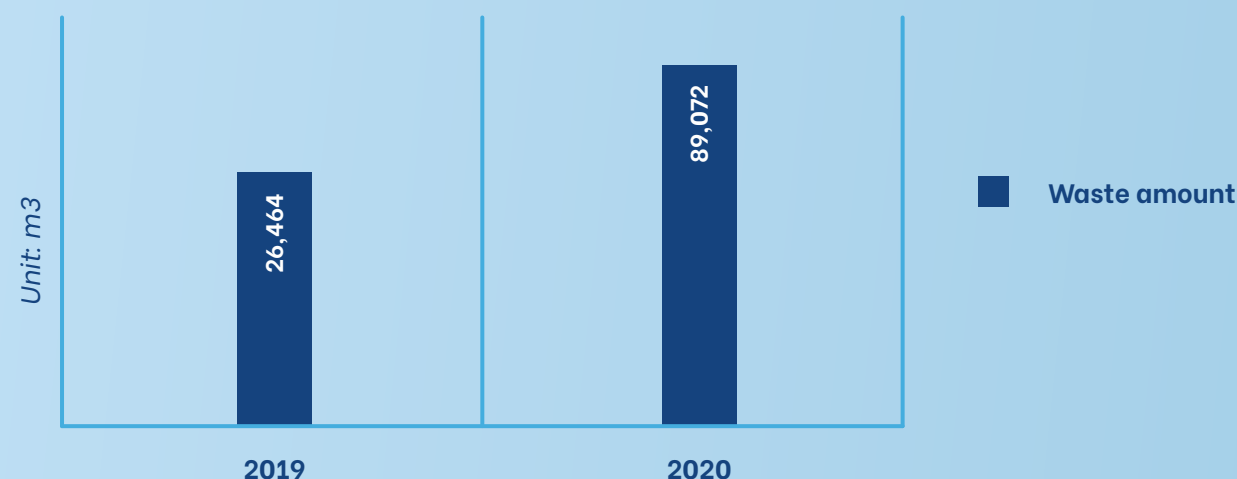


Chart of hazardous waste amount in 2019 – 2020



SUSTAINABLE DEVELOPMENT CRITERIA FOR 2021

SUSTAINABLE DEVELOPMENT OBJECTIVES FOR 2021

TIEN PHONG PLASTIC RECOGNIZES

that the growth orientation of businesses has to be connected with the government's sustainability goals with the purpose of making a long-term commitment to society and the country's economy.

The company thus commits to contribute to urban growth by charity activities in 2021, focusing on sustainable, long-term programs including "Cau noi yeu thuong", which aims to provide 30 bridges in difficult areas.

Moreover, in 2021 Tien Phong Plastic selected the "Green Pioneer" theme in order to convey determination in environmental conservation and to promote the atmosphere enhancement through criteria :

- Researching and producing "Eco Products – Clean Materials"
- Saving power, reducing waste and pollution
- Raising awareness within company

Human resource development is another significant factor. It can be argued that any employee is a representative of the company, as the result, NTP always appreciates and considers it as a valuable asset. The enterprise will then continuously develop training policies, enhance benefits and establish a professional working environment to strengthen awareness, skills and create a group of virtuous and talented personnel.

Overall, NTP promises to harmonize partners' and stakeholders' benefits in order to create transparency and ethical standards. The company will also actively strive to claim the leading position, create new trends for the market, and guarantee productivity outcomes growth while contributing sustainably to the economy, innovation in management and quality improvement.

HIGH QUALITY PRODUCT

Tien Phong Plastic has always prioritized quality of products to ensure customers' benefits when they use the company's products. Therefore, Tien Phong Plastic always invests in advanced production lines and machinery from leading European and Japanese firms. The equipment system always ensures high accuracy, ensures uniformity of materials and high productivity, product quality at the best level.

The Board of Director has strictly guided building and maintaining a quality management system. All products of Tien Phong Plastic have met the international standards, mechanical, physical, chemical and industrial characteristics and exceeded the permitted norms. Over nearly 60 years of development and growth, the company has always been one of the leading producers within the plastic industry of Vietnam. Currently, the company has been applying the Total Quality Management and met the quality management standards under the Quality Management System ISO 9001: 2015

List of certified products:

No.	Products	Quality standard
1	PE/PP double-wall corrugated pipe	TCVN 11821-3:2017/ISO 21138-3:2007
2	MPVC pipe	TCVN 11822:2017/AS/NZS 4765:2007
3	Pipe for electrical system installation	BS 6099:2.2:1982
4	PP-R heat resistant pipe	DIN 8077:2008-09 & DIN 8078:2008-09
5	PE fittings used for supplying water	TCVN 7305-3:2008/ISO 4427-3:2007
6	Group 1: PE pipe used for supplying PE80 and PE100	AS/NZS 4130:2018
7	PE pipe used for supplying PE4710 and PE4608	ASTM F714-13
8	PE pipe used for supplying PE80 and PE100	DIN 8074:2011-12 & DIN 8075:2011-12; ISO 4427-2:2007
9	PVC-U pipe	ISO 1452-2:2009
10	PP-R fittings 80	DIN 16962-5:2000-04
11	Inspection chamber	TCVN 12755:2020
12	<ul style="list-style-type: none"> PVC-U pipe used for supplying (DN21-DN800) PP-R pipe used for hot and cold water system (DN20-DN200) PE80, PE100 pipe used for supplying water (DN20-DN2000) 	QCVN 16:2017/ BXD; QCVN 12-1:2011/BYT
13	<ul style="list-style-type: none"> PE pipe type B, SN4, SN8 used for underground drainage with non-pressure condition (DN200 - Dn1000) PP pipe type B, SN8 used for underground drainage with non-pressure condition (DN200 - Dn1000) PE100 fittings used for drainage under pressure conditions of PN6, PN10, PN16, PN20 (DN20 - Dn2000) uPVC fittings used for supplying and drainage under pressure conditions of PN6, PN8, PN10, PN12,5, PN16 (DN21 - DN800) 	QCVN 16:2019/BXD

Products of the company have always met the quality standards, which are safe for users, have been carefully researched from design, production, inspection until launching. The carefulness in each stage of the production process together with the desire of employees to contribute to the results has not only been demonstrated by quality products that are trusted, but also clearly proven by the reliable partners who have engaged for many years. Due to the seriousness of production and strict requirements in each product, Tien Phong Plastic has maintained a market share of over 60% in the North, 30% nationwide and increasingly expanded.

Process of product quality inspection

With the aim of creating the most perfect products, NTP proactively established a standard framework with a clear hierarchy, clear responsibilities with specific quantitative requirements, all production processes are strictly controlled to minimize the risks related to product quality.

Table of regulatory system of product quality

No.	Division	Testing requirements
1	Worker	<ul style="list-style-type: none"> Follow the job instructions - HD 08 Check products during production according to job instructions Responsible for controlling the quality of products produced. Collecting products in shifts at the factory's inspection location. Testing the impact strength of PVC and PPR pipes at the impact testing machine of the factory: 1 sample/machine per shift. Test the silver pasted uPVC fittings: 5% of the products produced in the day and at least 1 product / size according to the daily plan of division.
2	Testing at the shift	<ul style="list-style-type: none"> Test quality of product at the factory and inspection area of the factory. Responsible for quality control of products produced in shifts at the factory.
3	Administrative checking	<ul style="list-style-type: none"> Check product quality after shift checking and label "Waiting for inspection". Responsible for quality control of products manufactured at the factory
4	Processing and Quality Management department	<ul style="list-style-type: none"> Check quality of product after the administrative check and label "Inspected by factory" Responsible for quality control of products sent to the warehouse in the company.

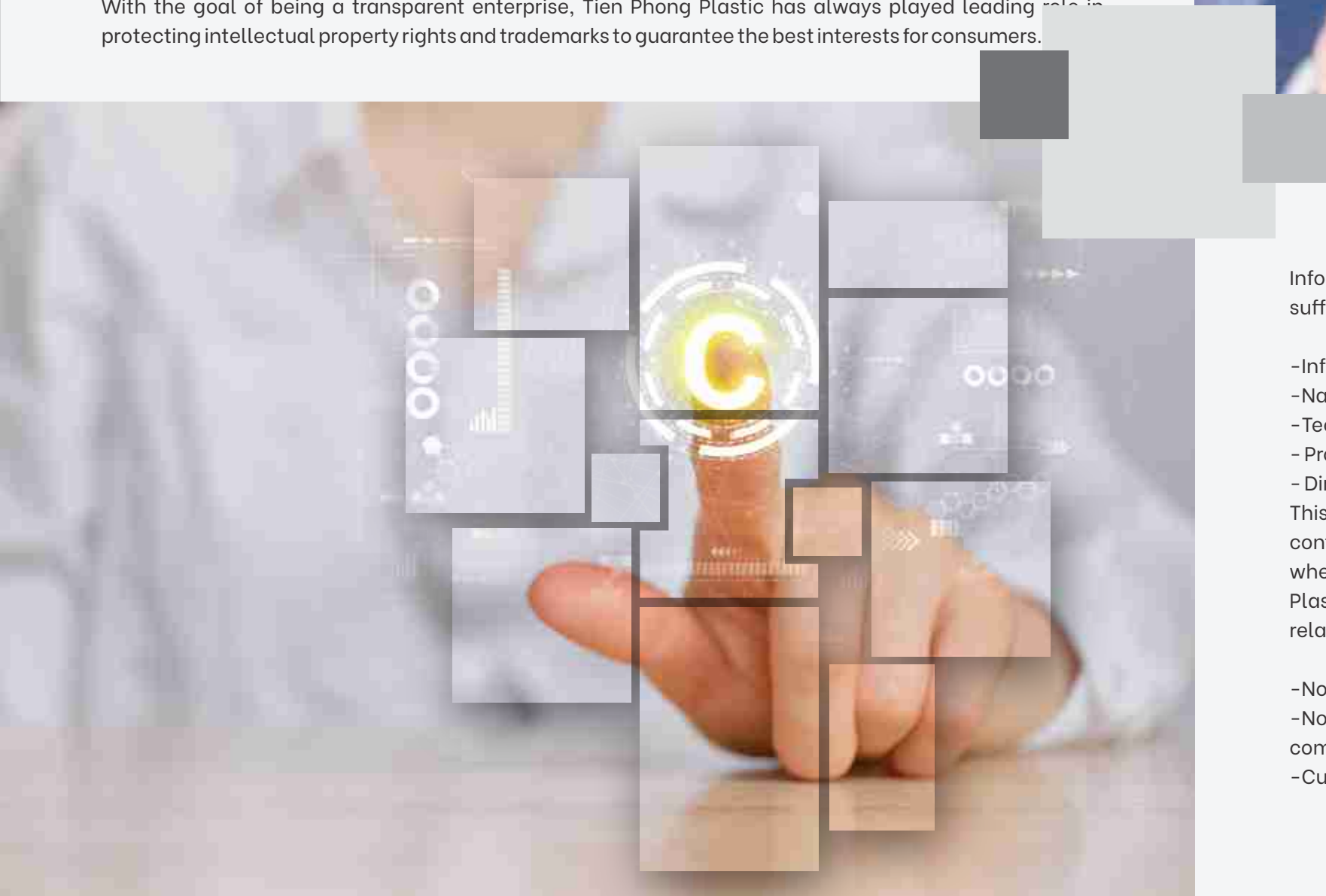
After completing the product, the Company measures and takes criteria which the Processing and Quality Management department tested sample at laboratory, according to the form of the inspection unit, the test file was stored at the technology department, including: the influence of materials on water quality, industrial frequency voltage durability, insulation, heat resistance, fire resistance through detailed indicators. After the inspection process, the best products branded Tien Phong Plastic have been launched to users, constantly expanding, reaching out to remote and difficult areas to bring value and share benefits with the community.

Intellectual property and trade mark protection

Tien Phong Plastic has been considered as the leading plastic brand in Vietnam. For many years, the brand “Tien Phong Plastic” has entered the subconscious of consumers as good quality products, a variety of design styles as well as after-sales services and reliable maintenance. Recognizing the importance of maintaining and developing the brand, the Board of Directors and all employees of Tien Phong Plastic have always made all efforts and strive to bring Tien Phong Plastic as the pioneer in Vietnam plastic industry and gradually affirmed its brand position in the international market.

Tien Phong Plastic has always developed its brand name, therefore, the Company takes it seriously in detecting counterfeit goods. In 2019, in Bac Ninh and Nghe An provinces, Tien Phong Plastic has discovered a store selling counterfeit goods, thereby coordinating with the Market Management team to inspect, evaluate, seize and investigate openly to increase the prevention of wrongdoing and bring the violators to the law.

With the goal of being a transparent enterprise, Tien Phong Plastic has always played leading role in protecting intellectual property rights and trademarks to guarantee the best interests for consumers.



Transparent information

Information on labels, packaging and product of NTP is guaranteed by compliance with the law and sufficient information for customers. Information includes:

- Information about the Company (logo, brand, address, v.v)
- Name of product
- Technical specification
- Product specifications
- Directions and recommendations

This information is not only aimed to provide information to customers but also helps the company to control quality through traceability of products when there are complaints from customers. In addition, when there is a change in information about products or when new products are available, Tien Phong Plastic provides information directly to consumers in order to maintain safety and transparency in relationships to consumers as procedure, to ensure:

- Notices are promptly sent to customers and related parties;
- Notices are sent to all customers and related parties in a consistent and synchronous way through all communication channels;
- Customers and related parties are properly and fully aware of changes in products of the company.

7

FINANCIAL REPORT

- 1.Statement of The Board of General Directors
- 2.Independent auditors' report
- 3.Consolidated balance sheet
- 4.Consolidated income statement
- 5.Consolidated cash flow statement

STATEMENT OF THE BOARD OF GENERAL DIRECTORS

Enterprise Registration Certificate No. 0200167782 30 December 2004

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

Board of Management	Mr. Dang Quoc Dung Mr. Noboru Kobayashi Mr. Chu Van Phuong Mr. Tran Ngoc Bao Mr. Nguyen Viet Phuong Mr. Tran Ba Phuc Mr. Nguyen Quoc Truong Mr. Nguyen Anh Tuan Mr. Dao Anh Thang	Chairman Vice Chairman Member Member Member (from 18/5/2020) Member (from 18/5/2020) Member (from 18/5/2020) Member (from 18/5/2020) Independent Member
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Board of General Directors	Mr. Chu Van Phuong Mr. Tran Nhat Ninh Ms. Ngo Thi Thu Thuy Mr. Nguyen Van Thuc Mr. Tran Ngoc Bao	General Director Deputy General Director Deputy General Director Deputy General Director Chief Accountant
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Supervisory Board (until 18/5/2020)	Ms. Vu Thi Min Nhat Ms. Nguyen Quynh Huong	Head of Supervisory Board Member
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Registered Office No. 2 An Da Road
Lach Tray Ward, Ngo Quyen District
Hai Phong City
Vietnam

Auditors KPMG Limited
Vietnam

The Board of General Directors of Tien Phong Plastic Joint Stock Company presents this statement and the accompanying consolidated financial statements of the Company for the year ended 31 December 2020.

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

(a) the consolidated financial statements set out on pages 5 to 46 give a true and fair view of the consolidated financial position of the Company as at 31 December 2020, 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 Văn Phương
General Director

Hai Phong, 11 March 2021

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated financial statements of Tien Phong Plastic Joint Stock Company, which comprise the consolidated balance sheet as at 31 December 2020, 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 XX March 2021, as set out on pages 5 to 46.

Management’s Responsibility

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

Auditor’s Responsibility

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

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

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

Auditor’s Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Tien Phong Plastic Joint Stock Company as at 31 December 2020 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.

Emphasis of Matter

We draw attention to Note 38 to the consolidated financial statements which describes that the comparative information as at 1 January 2020 and for the year ended 31 December 2019 have been restated. Our audit opinion is not changed due to the impact of this matter.

Other Matter

The consolidated financial statements of the Company for the year ended 31 December 2019, excluding the adjustments as presented in Note 38 to these consolidated financial statements, were audited by another firm of auditors whose report dated 20 March 2020 expressed an unqualified opinion on those statements.

As part of our audit of the consolidated financial statements for the year ended 31 December 2020, we audited the adjustments as presented in Note 38 that were applied to restate the comparative information presented as at 1 January 2020 and for the year ended 31 December 2019. We were not engaged to audit, review or apply any procedures to the consolidated financial statements for the year ended 31 December 2019, other than with respect to the adjustments presented in Note 38 to these consolidated financial statements. Accordingly, we do not express an audit opinion or any other form of assurance on those financial statements. In our opinion, such adjustments being noted in Note 38 are appropriate and have been properly applied.

KPMG Limited

Vietnam

Audit Report No: 20-02-00228-21-2



Wang Toon Kim

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

Truong Tuyet Mai

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

Hanoi, 22 March 2021

CONSOLIDATED BALANCE SHEET

At 31 December 2020

Form B 01 – DN/HN

ASSETS	Code	Note	31/12/2020 VND	1/1/2020 VND Restated
CURRENT ASSETS (100 = 110 + 120 + 130 + 140 + 150)	100		1,678,805,704,398	2,363,188,726,746
Cash and cash equivalents	110	4	212,170,457,483	297,022,694,727
Cash	111		212,020,457,483	196,872,694,727
Cash equivalents	112		150,000,000	100,150,000,000
Short-term financial investments	120		-	10,000,000,000
Held-to-maturity investments	123	5(a)	-	10,000,000,000
Accounts receivable – short-term	130		813,391,481,075	958,486,969,352
Accounts receivable from customers	131	6	838,341,865,042	893,042,996,267
Prepayments to suppliers	132	7	32,774,992,392	38,459,304,803
Loans receivable – short-term	135	8	15,461,572,866	15,461,572,866
Other receivables	136	9	7,007,272,206	12,834,015,445
Allowance for doubtful debts	137	10	(80,194,221,431)	(1,310,920,029)
Inventories	140	11	644,121,936,470	1,073,746,248,873
Inventories	141		647,595,962,021	1,078,551,305,019
Allowance for inventories	149		(3,474,025,551)	(4,805,056,146)
Other current assets	150		9,121,829,370	23,932,813,794
Short-term prepaid expenses	151		8,317,680,249	9,288,457,034
Deductible value added tax	152		359,098,702	14,191,206,027
Taxes and others receivable from State Treasury	153		445,050,419	453,150,733
LONG-TERM ASSETS (200 = 220 + 240 + 250 + 260)	200		2,216,613,156,937	2,189,130,945,492
Fixed assets	220		1,536,749,668,018	1,536,486,469,202
Fixed assets	221	12	1,460,159,356,251	1,457,165,617,339
Cost	222		2,836,340,599,018	2,695,676,486,086
Accumulated depreciation	223		(1,376,181,242,767)	(1,238,510,868,747)
Intangible fixed assets	227	13	76,590,311,767	79,320,851,863
Cost	228		95,091,239,834	95,091,239,834
Accumulated amortisation	229		(18,500,928,067)	(15,770,387,971)
Long-term work in progress	240		89,105,990,601	130,714,751,756
Construction in progress	242	14	89,105,990,601	130,714,751,756
Long-term financial investments	250		527,206,230,903	509,847,398,998
Investments in associates	252	5(b)	282,581,042,303	265,222,210,398
Equity investments in other entities	253	5(c)	95,960,188,600	95,960,188,600
Allowance for diminution in the value of long-term financial investments	254	5(c)	(1,335,000,000)	(1,335,000,000)
Held-to-maturity investments	255	5(a)	150,000,000,000	150,000,000,000
Other long-term assets	260		63,551,267,415	12,082,325,536
Long-term prepaid expenses	261	15	62,057,197,585	12,082,325,536
Deferred tax assets	262	16	1,494,069,830	-
TOTAL ASSETS (270 = 100 + 200)	270		3,895,418,861,335	4,552,319,672,238

RESOURCES	Code	Note	31/12/2020 VND	1/1/2020 VND Restated
LIABILITIES (300 = 310 + 330)	300		1,306,130,324,381	1,984,900,418,669
Current liabilities	310		1,270,673,123,230	1,854,109,589,636
Accounts payable to suppliers	311	17	125,998,611,125	260,013,816,111
Advances from customers	312		3,081,619,337	1,782,268,775
Taxes and others payable to State Treasury	313	18	34,157,963,428	17,276,017,652
Payables to employees	314		57,596,856,241	72,779,367,525
Accrued expenses	315	19	128,622,751,438	122,598,158,473
Other payables – short-term	319	20	10,801,412,809	12,882,910,719
Short-term borrowings	320	21(a)	909,719,199,789	1,362,611,134,057
Bonus and welfare fund	322	22	694,709,063	4,165,916,324
Long-term liabilities	330		35,457,201,151	130,790,829,033
Long-term borrowings	338	21(b)	35,457,201,151	130,790,829,033
EQUITY (400 = 410)	400		2,589,288,536,954	2,567,419,253,569
Owners' equity	410	23	2,589,288,536,954	2,567,419,253,569
Share capital	411	24	1,177,961,830,000	981,638,530,000
- Ordinary shares with voting rights	411a		1,177,961,830,000	981,638,530,000
Investment and development fund	418	26	941,847,178,493	962,542,250,971
Retained profits	421		469,479,528,461	623,238,472,598
- Retained profits brought forward	421a		222,984,780,639	217,977,480,256
- Retained profit for the current year	421b		246,494,747,822	405,260,992,342
TOTAL RESOURCES (440 = 300 + 400)	440		3,895,418,861,335	4,552,319,672,238

22 March 2021

Prepared by:



Luu Thi Mai
Deputy Head of Finance and
Accounting Department

Approved by:




Tran Ngoc Bao
Chief Accountant

Chu Van Phuong
General Director

CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2020

Form B 02 – DN/HN

	Code	Note	2020 VND	2019 VND <i>Restated</i>
Revenue from sales of goods	01	28	4,646,209,462,100	4,788,713,095,640
Revenue deductions	02	28	160,098,462,870	114,839,705,583
Net revenue (10=1-2)	10	28	4,486,110,999,230	4,673,873,390,057
Cost of sales	11	29	3,097,944,643,592	3,325,381,674,138
Gross profit (20=10-11)	20		1,388,166,355,638	1,348,491,715,919
Financial income	21	30	21,305,785,541	16,779,717,442
Financial expenses	22	31	108,616,411,187	114,918,082,009
<i>In which: Interest expense</i>	23		66,756,127,721	114,690,167,705
Share of profit in associates	24	5(b)	17,858,606,905	12,922,708,803
Selling expenses	25	32	582,038,492,316	659,673,012,781
General and administration expenses	26	33	215,748,984,722	135,939,110,503
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		520,926,859,859	467,663,936,871
Other income	31		4,131,678,028	9,151,476,054
Other expenses	32		1,639,860,818	5,628,977,999

Form B 02 – DN/HN

	Code	Note	2020 VND	2019 VND <i>Restated</i>
Results of other activities (40 = 31 - 32)	40		2,491,817,210	3,522,498,055
Accounting profit before tax (50 = 30 + 40)	50		523,418,677,069	471,186,434,926
Income tax expense – current	51	35	77,723,724,577	62,160,442,584
Income tax benefit – deferred	52	35	(1,494,069,830)	
Net profit after tax (60 = 50 - 51 - 52)	60		447,189,022,322	409,025,992,342
Earnings per share				
Basic earnings per share	70	36	3,387	3,472

22 March 2021

Prepared by:



Luu Thi Mai
Deputy Head of Finance and
Accounting Department

Approved by:



Tran Ngoc Bao
Chief Accountant



Chu Van Phuong
General Director

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

Form B 03 – DN/HN

	Code	2020 VND	2019 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	01	523,418,677,069	471,186,434,926
Adjustments for			
Depreciation	02	147,795,673,087	149,825,693,007
Allowances	03	77,552,270,807	(8,188,137,228)
Exchange (gains)/losses arising from revaluation of monetary items denominated in foreign currencies	04	(123,355,044)	58,951,944
Profits from investing activities	05	(37,117,384,658)	(29,957,455,448)
Interest expense	06	66,756,127,721	114,690,167,705
Operating profit before changes in working capital	08	778,282,008,982	697,615,654,906
Change in receivables	09	71,769,544,252	602,508,747,511
Change in inventories	10	430,955,342,998	(70,101,037,634)
Change in payables and other liabilities	11	(150,734,219,419)	51,049,069,293
Change in prepaid expenses	12	533,570,702	7,996,307,976
		1,130,806,247,515	1,289,068,742,052
Interest paid	14	(69,499,119,336)	(114,571,266,552)
Income tax paid	15	(81,117,191,574)	(28,203,387,482)
Other payments for operating activities	17	(55,768,965,698)	(19,994,932,931)
Net cash flows from operating activities	20	924,420,970,907	1,126,299,155,087
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets	21	(118,033,023,743)	(169,760,204,641)
Proceeds from disposals of fixed assets and other long-term assets	22	1,001,232,373	323,832,727
Placement of deposits with terms of more than 3 months	23	-	(10,000,000,000)
Withdrawal of deposits with terms of more than 3 months	24	(10,000,000,000)	-
Payments for investments in other entities	25	-	(33,120,000,000)
Receipts of interests and dividends	27	18,861,188,959	16,711,816,988
Net cash flows from investing activities	30	(88,170,602,411)	(195,844,554,926)

Form B 03 – DN/HN


	Code	2020 VND	2019 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	33	3,175,614,314,278	3,788,555,884,880
Payments to settle loan principals	34	(3,723,839,876,428)	(4,415,747,204,799)
Payments of dividends	36	(373,021,980,500)	(89,240,302,000)
Net cash flows from financing activities	40	(921,247,542,650)	(716,431,621,919)
Net cash flows during the year (50 = 20 + 30 + 40)	50	(84,997,174,154)	214,022,978,242
Cash and cash equivalents at the beginning of the year	60	297,022,694,727	83,065,719,694
Effect of exchange rate fluctuations on cash and cash equivalents	61	144,936,910	(66,003,209)
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61) (Note 4)	70	212,170,457,483	297,022,694,727


22 March 2021

Prepared by:


Luu Thi Mai
 Deputy Head of Finance and
 Accounting Department

Approved by:


Tran Ngoc Bao
 Chief Accountant


Chu Van Phuong
 General Director

