

**VIETNAM PLASTIC CORPORATION**  
**AUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended 31 December 2024**

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**STATEMENT OF THE GENERAL DIRECTOR**

The General Director of Vietnam Plastic Corporation (the "Company") presents this report together with the Company's consolidated financial statements for the year ended 31 December 2024.

**BOARD OF MANAGEMENT, BOARD OF SUPERVISORS, AND GENERAL DIRECTOR**

The members of the Board of Management, the Board of Supervisors, and the General Director of the Company who held office during the year and to the date of this report are as follows:

**Board of Management**

|                       |          |
|-----------------------|----------|
| Mrs. Le Ngoc Diep     | Chairman |
| Mr. Phan Trung Nam    | Member   |
| Mrs. Vu Thi Minh Thuc | Member   |
| Mr. Bui Quoc Thinh    | Member   |
| Mr. Hoang Minh Son    | Member   |

**Board of Supervisors**

|                           |                                |
|---------------------------|--------------------------------|
| Mr. Vo Hoang Anh Tuan     | Head of Board of Supervisors   |
| Mrs. Dang Son Nguyet Thao | Member of Board of Supervisors |
| Mrs. Le Thi Loc Uyen      | Member of Board of Supervisors |

**General Director**

|                    |                  |
|--------------------|------------------|
| Mr. Phan Trung Nam | General Director |
|--------------------|------------------|

**Legal representative**

The legal representative of the Company during the year and to the date of this report is Mr. Phan Trung Nam - General Director.

**GENERAL DIRECTOR'S STATEMENT OF RESPONSIBILITY**

The General Director of the Company is responsible for preparing the consolidated financial statements, which give a true and fair view of the financial position of the Company as at 31 December 2024, its consolidated financial performance, and its consolidated cash flows for the year ended 31 December 2024. In preparing these consolidated financial statements, the General Director is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the consolidated financial statements;
- Prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the consolidated financial statements so as to minimize errors and frauds.

The General Director is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and that the consolidated financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to the preparation and presentation of consolidated financial statements. The General Director is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The General Director confirms that the Company has complied with the above requirements in preparing these consolidated financial statements.

**VIETNAM PLASTIC CORPORATION**  
300B Nguyen Tat Thanh Street, Ward 13, District 4, Ho Chi Minh City

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**STATEMENT OF THE GENERAL DIRECTOR (CONTINUED)**

**GENERAL DIRECTOR'S STATEMENT OF RESPONSIBILITY (CONTINUED)**

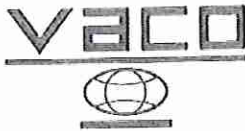
In the General Director's opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, its consolidated financial performance and its consolidated cash flows for the year ended 31 December 2024, in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to the preparation and presentation of consolidated financial statements.



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**Phan Trung Nam**  
**General Director**  
*Ho Chi Minh City, 24 March 2025*





No.: 086 /VACO/BCKIT.NV2

## INDEPENDENT AUDITORS' REPORT

**To:** The shareholders  
The Board of Management, the Board of Supervisors, and the Executive Board  
Vietnam Plastic Corporation

We have audited the accompanying consolidated financial statements of Vietnam Plastic Corporation (the "Company"), prepared on 24 March 2025, as set out from page 05 to page 35, which comprise the consolidated balance sheet as at 31 December 2024, the consolidated income statement and the consolidated cash flow statement for the year ended 31 December 2024, and the notes to the consolidated financial statements (hereinafter collectively referred to as the "consolidated financial statements").

### *General Director's Responsibility*

The General Director is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to the preparation and presentation of consolidated financial statements and for such internal control as the General Director determines as necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated 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 General Director, as well as evaluating the overall presentation of the consolidated financial statements.

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

### *Auditors' Opinion*

In our opinion, the consolidated financial statements, give a true and fair view of, in all material respects, the consolidated financial position of the Company as at 31 December 2024, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to the preparation and presentation of the consolidated financial statements.

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### *Emphasis of Matter*

We would like to draw the readers' attention to Note 01 of the Notes to the consolidated financial statements, which presents information on changes in the operations of the subsidiary - Viet Phuoc Plastic Joint Stock Company in 2024.



**Chu Mạnh Hoàn**  
Deputy General Director  
Audit Practising Registration Certificate  
No.: 1403-2023-156-1  
*For and on behalf of*  
**VACO AUDITING COMPANY LIMITED**  
*Hanoi, 24 March 2025*

**Nguyen Thi Thu Hien**  
Auditor  
Audit Practising Registration Certificate  
No.: 4262-2023-156-1

CONSOLIDATED BALANCE SHEET  
As at 31 December 2024

Unit: VND

| ASSETS  | Codes      | Notes    | Closing balance        | Opening balance        |
|---|------------|----------|------------------------|------------------------|
| <b>A - CURRENT ASSETS</b>                             | <b>100</b> |          | <b>193,144,057,565</b> | <b>223,423,534,695</b> |
| <b>I. Cash and cash equivalents</b>                   | <b>110</b> | <b>4</b> | <b>10,630,222,751</b>  | <b>28,776,956,284</b>  |
| 1. Cash   | 111        |          | 10,630,222,751         | 10,066,380,942         |
| 2. Cash equivalents                                   | 112        |          | -                      | 18,710,575,342         |
| <b>II. Short-term financial investments</b>           | <b>120</b> |          | <b>133,643,197,468</b> | <b>113,978,398,613</b> |
| 1. Held-to-maturity investments                       | 123        | 5        | 133,643,197,468        | 113,978,398,613        |
| <b>III. Short-term receivables</b>                    | <b>130</b> |          | <b>7,295,321,226</b>   | <b>14,352,307,113</b>  |
| 1. Short-term trade receivables                       | 131        | 6        | 66,272,970,833         | 66,876,026,248         |
| 2. Short-term advances to suppliers                   | 132        |          | 985,832,468            | 939,090,627            |
| 3. Short-term loan receivables                        | 135        |          | 251,475,750            | 251,475,750            |
| 4. Other short-term receivables                       | 136        | 7        | 4,485,541,030          | 12,205,603,595         |
| 5. Provision for short-term doubtful debts            | 137        | 8        | (64,700,498,855)       | (66,465,309,363)       |
| 6. Deficits in assets awaiting solution               | 139        |          | -                      | 545,420,256            |
| <b>IV. Inventories</b>                                | <b>140</b> | <b>9</b> | <b>32,363,200,957</b>  | <b>55,419,385,330</b>  |
| 1. Inventories  | 141        |          | 41,326,692,352         | 78,973,026,171         |
| 2. Provision for devaluation of inventories           | 149        |          | (8,963,491,395)        | (23,553,640,841)       |
| <b>V. Other current assets</b>                        | <b>150</b> |          | <b>9,212,115,163</b>   | <b>10,896,487,355</b>  |
| 1. Short-term prepayments                             | 151        | 10       | 6,611,968              | 82,533,667             |
| 2. Value added tax deductibles                        | 152        |          | 8,946,134,132          | 10,196,691,682         |
| 3. Taxes and amounts receivable from the State budget | 153        | 11       | 259,369,063            | 617,262,006            |
| <b>B - NON-CURRENT ASSETS</b>                         | <b>200</b> |          | <b>173,383,408,298</b> | <b>168,413,200,320</b> |
| <b>I. Long-term receivables</b>                       | <b>210</b> |          | <b>21,040,000,000</b>  | <b>21,049,000,000</b>  |
| 1. Other long-term receivables                        | 216        | 7        | 21,040,000,000         | 21,049,000,000         |
| <b>II. Fixed assets</b>                               | <b>220</b> |          | <b>4,709,496,828</b>   | <b>5,883,594,264</b>   |
| 1. Tangible fixed assets                              | 221        | 12       | 4,709,496,828          | 5,883,594,264          |
| - Cost  | 222        |          | 129,538,345,206        | 129,538,345,206        |
| - Accumulated depreciation                            | 223        |          | (124,828,848,378)      | (123,654,750,942)      |
| 2. Intangible fixed assets                            | 227        | 13       | -                      | -                      |
| - Cost  | 228        |          | 3,057,090,120          | 3,057,090,120          |
| - Accumulated amortization                            | 229        |          | (3,057,090,120)        | (3,057,090,120)        |
| <b>III. Long-term financial investments</b>           | <b>250</b> |          | <b>140,529,446,545</b> | <b>134,061,335,810</b> |
| 1. Investments in joint ventures and associates       | 252        | 14       | 140,529,446,545        | 134,061,335,810        |
| <b>IV. Other non-current assets</b>                   | <b>260</b> |          | <b>7,104,464,925</b>   | <b>7,419,270,246</b>   |
| 1. Long-term prepayments                              | 261        | 10       | 7,104,464,925          | 7,419,270,246          |
| <b>TOTAL ASSETS (270 = 100 + 200)</b>                 | <b>270</b> |          | <b>366,527,465,863</b> | <b>391,836,735,015</b> |

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



CONSOLIDATED BALANCE SHEET (CONTINUED)  
As at 31 December 2024

Unit: VND

| RESOURCES  | Codes      | Notes     | Closing balance        | Opening balance        |
|--|------------|-----------|------------------------|------------------------|
| <b>C - LIABILITIES</b>                                   | <b>300</b> |           | <b>70,287,434,100</b>  | <b>110,276,688,621</b> |
| <b>I. Current liabilities</b>                            | <b>310</b> |           | <b>70,287,434,100</b>  | <b>110,161,188,621</b> |
| 1. Short-term trade payables                             | 311        | 15        | 5,655,749,059          | 2,030,665,020          |
| 2. Short-term advances from customers                    | 312        |           | 675,383,924            | 1,105,416,000          |
| 3. Taxes and amounts payable to the State budget         | 313        | 11        | 10,131,616,753         | 10,300,245,975         |
| 4. Payables to employees                                 | 314        |           | 1,058,594,506          | 1,152,093,753          |
| 5. Short-term accrued expenses                           | 315        | 16        | 2,876,576,623          | 2,923,745,540          |
| 6. Other short-term payables                             | 319        | 17        | 2,548,119,700          | 2,774,907,028          |
| 7. Short-term loans and obligations under finance leases | 320        | 18        | 46,672,359,141         | 88,390,222,578         |
| 8. Bonus and welfare funds                               | 322        |           | 669,034,394            | 1,483,892,727          |
| <b>II. Non-current liabilities</b>                       | <b>330</b> |           | <b>-</b>               | <b>115,500,000</b>     |
| 1. Other long-term payables                              | 337        | 17        | -                      | 115,500,000            |
| <b>D - EQUITY</b>  | <b>400</b> |           | <b>296,240,031,763</b> | <b>281,560,046,394</b> |
| <b>I. Owner's equity</b>                                 | <b>410</b> | <b>19</b> | <b>296,240,031,763</b> | <b>281,560,046,394</b> |
| 1. Owner's contributed capital                           | 411        |           | 194,289,130,000        | 194,289,130,000        |
| - Ordinary shares carrying voting rights                 | 411a       |           | 194,289,130,000        | 194,289,130,000        |
| 2. Investment and development fund                       | 418        |           | 199,031,463            | 199,031,463            |
| 3. Retained earnings                                     | 421        |           | 101,768,027,923        | 87,070,456,606         |
| - Retained earnings accumulated to the prior year end    | 421a       |           | 87,070,456,606         | 97,640,327,517         |
| - Retained earnings of the current year                  | 421b       |           | 14,697,571,317         | (10,569,870,911)       |
| 4. Non-controlling interest                              | 429        |           | (16,157,623)           | 1,428,325              |
| <b>TOTAL RESOURCES (440 = 300 + 400)</b>                 | <b>440</b> |           | <b>366,527,465,863</b> | <b>391,836,735,015</b> |



Phan Trung Nam  
General Director  
Ho Chi Minh City, 24 March 2025

Trần Thị Phụng  
Chief Accountant/Preparer



**CONSOLIDATED INCOME STATEMENT**  
*For the year ended 31 December 2024*

Unit: VND

| ITEMS   | Codes | Notes | Current year   | Prior year       |
|---|-------|-------|----------------|------------------|
| 1. Revenue from goods sold and services rendered                        | 01    | 21    | 78,646,587,319 | 82,301,924,820   |
| 2. Deductions   | 2     | 21    | 15,741,688     | -                |
| 3. Net revenue from goods sold and services rendered<br>(10 = 01 - 02)  | 10    | 21    | 78,630,845,631 | 82,301,924,820   |
| 4. Cost of goods sold and services rendered                             | 11    | 22    | 69,964,167,518 | 100,553,337,812  |
| 5. Gross profit from goods sold and services rendered<br>(20 = 10 - 11) | 20    |       | 8,666,678,113  | (18,251,412,992) |
| 6. Financial income   | 21    | 24    | 6,197,737,432  | 10,830,431,188   |
| 7. Financial expenses   | 22    | 25    | 3,433,214,579  | 5,286,882,599    |
| - In which: Interest expense  | 23    |       | 3,358,611,023  | 5,279,028,324    |
| 8. Shares of profit or loss in joint ventures, associates               | 24    |       | 14,040,894,476 | 14,800,264,551   |
| 9. Selling expenses   | 25    | 26    | 2,639,283,009  | 3,872,354,671    |
| 10. General and administration expenses                                 | 26    | 26    | 8,240,211,682  | 9,331,027,828    |
| 101. Operating profit<br>{30 = 20 + (21 - 22) + 24 - (25 + 26)}         | 30    |       | 14,592,600,751 | (11,110,982,351) |
| 12. Other income  | 31    |       | 470,042,007    | 647,901,659      |
| 13. Other expenses  | 32    |       | 382,657,389    | 121,067,615      |
| 14. Profit from other activities (40 = 31 - 32)                         | 40    |       | 87,384,618     | 526,834,044      |
| 15. Accounting profit before tax<br>(50 = 30 + 40)                      | 50    |       | 14,679,985,369 | (10,584,148,307) |
| 16. Current corporate income tax expense                                | 51    | 27    | -              | -                |
| 17. Deferred corporate tax (income)/expense                             | 52    |       | -              | 60,813,073       |
| 18. Net profit after corporate income tax<br>(60 = 50 - 51)             | 60    |       | 14,679,985,369 | (10,644,961,380) |
| 19. Profit after tax of the Parent Company                              | 61    |       | 14,697,571,317 | (10,569,870,911) |
| 20. Profit after tax of non-controlling shareholders                    | 62    |       | (17,585,948)   | (75,090,469)     |
| 21. Basic earnings per share  | 70    | 28    | 756            | (544)            |



Phan Trung Nam  
General Director  
Ho Chi Minh City, 24 March 2025

Tran Thi Phung  
Chief Accountant/Preparer

**CONSOLIDATED CASH FLOW STATEMENT**  
*(Indirect method)*  
*For the year ended 31 December 2024*

Unit: VND

| ITEMS   | Codes | Current year      | Prior year       |
|---|-------|-------------------|------------------|
| <b>I. Cash flows from operating activities</b>  |       |                   |                  |
| 1. Profit before tax  | 01    | 14,679,985,369    | (10,584,148,307) |
| 2. Adjustments for:   |       |                   |                  |
| - Depreciation and amortisation of fixed assets   | 02    | 1,426,761,588     | 1,434,987,329    |
| - Provisions  | 03    | (16,354,959,954)  | 14,088,019,330   |
| - Foreign exchange loss arising from translating foreign currency items                             | 04    | (1,668,000,884)   | (996,627,061)    |
| - Gain, loss from investing activities  | 05    | (19,942,450,508)  | (24,189,638,201) |
| - Interest expense  | 06    | 3,358,611,023     | 5,279,028,324    |
| 3. Operating profit before movements in working capital   | 08    | (18,500,053,366)  | (14,968,378,586) |
| - Increase, decrease in receivables   | 09    | 2,376,150,103     | (2,786,254,780)  |
| - Increase, decrease in inventories   | 10    | 37,646,333,819    | 18,404,275,921   |
| - Increase, decrease in payables (excluding accrued loan interest and corporate income tax payable) | 11    | 1,610,480,516     | 4,379,515,645    |
| - Increase, decrease in prepayments   | 12    | 138,062,868       | 117,849,603      |
| - Interest paid   | 14    | (3,561,035,379)   | (5,459,407,677)  |
| - Other cash outflows   | 17    | (814,858,333)     | (1,473,389,083)  |
| Net cash generated by/(used in) operating activities  | 20    | 18,895,080,228    | (1,785,788,957)  |
| <b>II. Cash flows from investing activities</b>   |       |                   |                  |
| 1. Cash outflow for lending, buying debt instruments of other entities                              | 23    | (132,258,319,666) | (50,754,363,785) |
| 2. Cash recovered from lending, selling debt instruments of other entities                          | 24    | 112,593,520,811   | 41,606,434,076   |
| 3. Interest earned, dividends and profits received  | 27    | 20,983,228,802    | 48,414,471,035   |
| Net cash generated by/(used in) investing activities  | 30    | 1,318,429,947     | 39,266,541,326   |
| <b>III. Cash flows from financing activities</b>  |       |                   |                  |
| 1. Proceeds from borrowings   | 33    | 602,948,998       | 16,020,806,023   |
| 2. Repayment of borrowings  | 34    | (39,178,418,329)  | (32,881,674,977) |
| 3. Dividends and profits paid   | 36    | 8,787,500         | (2,850,000)      |
| Net cash generated by/(used in) financing activities  | 40    | (38,566,681,831)  | (16,863,718,954) |
| Net increase/(decrease) in cash (50 = 20 + 30 + 40)   | 50    | (18,353,171,656)  | 20,617,033,415   |
| Cash and cash equivalents at the beginning of the year  | 60    | 28,776,956,284    | 8,162,597,770    |
| Effects of changes in foreign exchange rates  | 61    | 206,438,123       | (2,674,901)      |
| Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61)                                | 70    | 10,630,222,751    | 28,776,956,284   |



Phan Trung Nam  
General Director  
Ho Chi Minh City, 24 March 2025

Tran Thi Phung  
Chief Accountant/Preparer



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**1. GENERAL INFORMATION**

**Structure of ownership**

Vietnam Plastic Corporation (hereinafter referred to as "the Company") was equitized from the State-owned Company - Vietnam Plastic Company under Decision No. 2575/QĐ-BCN dated 26 July 2007 of the Ministry of Industry (now the Ministry of Industry and Trade) and Decision No. 4824/QĐ-BTC dated 04 September 2008 of the Ministry of Industry and Trade. The Company operates under the first Business Registration Certificate No. 0300381966 dated 23 September 2008. During its operation, the Company has been granted the 6th amended Business Registration Certificate dated 29 September 2022 issued by the Department of Planning and Investment of Ho Chi Minh City.

The number of employees of the Company as at 31 December 2024 was 23 (as at 31 December 2023 was 40).

**Operating industries and principal activities**

The Company's operating industries are:

- Manufacturing of plastic products;
- Agency, brokerage, and auction; Event organization and trade promotion;
- Unclassified financial service support activities;
- Other uncategorized specialized wholesale;
- Printing, advertising ;
- Trading in real estate and land use rights under ownership, use, or lease;
- Production of other products from wood, production of products from bamboo, rattan, straw, thatch and plaiting materials;
- Uncategorized production of paper and cardboard products;
- Retail of goods in specialized stores;
- Recycling of scrap, research and experimental development of natural sciences and engineering;
- Lease of machinery, equipment and other tangible goods;
- Manufacture of other electrical equipment;
- Road freight transport, other road passenger transport, loading and unloading of goods;
- Warehousing and storage of goods;
- Other transport-related support service activities;
- Wholesale of agricultural and forestry raw materials (except wood, bamboo) and live animals;
- Wholesale and retail of food in specialized stores;
- Processing and preservation of seafood and aquatic products (not operating at the headquarter);
- Production of animal feed, poultry and aquatic products (not operating at headquarter).

The Company's principal activity is trading in plastic products.

**Normal production and business cycle**

The Company's normal production and business cycle is carried out for a period of 12 months or less.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**1. GENERAL INFORMATION (CONTINUED)**

**Company's structure**

| Company name   | Place of registration and operation  | Proportion of ownership (%) | Proportion of voting rights held (%) | Principal activities  |
|--|--|-----------------------------|--------------------------------------|---|
| <b>Consolidated subsidiaries</b>   |  |                             |                                      |   |
| Viet Phuoc Plastic Joint Stock Company (i)   | Lot K-3-CN, My Phuoc 2 Industrial Zone, My Phuoc Ward, Ben Cat Town, Binh Duong Province | 99,52                       | 99,52                                | Manufacturing of plastic products   |
| Truong An Plastic Trading And Service One Member Company Limited   | No. 18C Pham Dinh Ho, Pham Dinh Ho Ward, Hai Ba Trung District, Hanoi                    | 100                         | 100                                  | Commercial business   |
| Viet Nam Plastic Trading and Service Company Limited   | 300B Nguyen Tat Thanh Street, Ward 13, District 4, Ho Chi Minh City                      | 100                         | 100                                  | Commercial business   |
| Number One Plastic Trading and Service One Member Company Limited  | 300B Nguyen Tat Thanh Street, Ward 13, District 4, Ho Chi Minh City                      | 100                         | 100                                  | Commercial business   |
| <b>Joint ventures, associates presented in the consolidated financial statements under equity method</b> |  |                             |                                      |   |
| Van Don Plastics Joint Stock Company   | 320 Ben Van Don, Ward 2, District 4, Ho Chi Minh City                                    | 20,69                       | 20,69                                | Manufacturing of plastic products   |
| Viet-Thai Plastchem Co., Ltd   | Quarter 1B, An Phu Ward, Thuan An City, Binh Duong Province                              | 27,51                       | 27,51                                | Production of PVC granules  |
| TPC VINA Plastic and Chemical Corporation Limited  | Go Dau Industrial Zone, Phuoc Thai Commune, Long Thanh District, Dong Nai Province       | 15                          | 15                                   | Production of plastic and synthetic rubber in primary form. Details: PVC plastic. |

**Note:**

- (i) Viet Phuoc Plastic Joint Stock Company has temporarily suspended production activities from 01 February 2024 until further instructions from its Board of Management. The Company has reduced its staff, narrowed its operations, and focused on the sales of goods, inventories, machinery and equipment to create cash flows to pay for due debts, and for the Company to review and evaluate market demand and seek new effective business solutions.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**1. GENERAL INFORMATION (CONTINUED)**

**Company's structure (Continued)**

*Affiliated units which have no legal person status and dependent accounting are as follows:*

| Name   | Address   |
|--|---|
| Branch of Vietnam Plastic Corporation - Number One Plastic Trading and Service Enterprise Representative office of Vietnam Plastics Joint Stock Company in Hanoi | 403 Nguyen Thai Binh Street, Ward 12, Tan Binh District, Ho Chi Minh City<br>4 Vu Ngoc Phan, Lang Ha Ward, Dong Da District, Hanoi City |

**Disclosure of information comparability in the consolidated financial statements**

The corresponding figures of the prior year are comparable to those of the current year.

**2. FINANCIAL YEAR, APPLIED ACCOUNTING STANDARDS AND REGIME**

**Financial year**

The Company's financial year begins on 01 January and ends on 31 December.

**Applied accounting regime**

The Company applied Vietnamese Accounting Standards, accounting regime for enterprises in accordance with Circular No. 200/2014/TT-BTC dated 22 December 2014, Circular No. 53/2016/TT-BTC dated 21 March 2016, Circular No. 202/2014/TT-BTC dated 22 December 2014, and circulars guiding the implementation of accounting standards of the Ministry of Finance in the preparation and presentation of consolidated financial statements.

**Declaration of compliance with accounting standard and accounting regime**

The General Director ensures to comply with the requirements of Vietnamese Accounting Standards, accounting regime for enterprises in accordance with Circular No. 200/2014/TT-BTC dated 22 December 2014, Circular No. 53/2016/TT-BTC dated 21 March 2016, Circular No. 202/2014/TT-BTC dated 22 December 2014, and circulars guiding the implementation of accounting standards of the Ministry of Finance in preparation of consolidated financial statements.

The accompanying consolidated financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Accounting convention**

The accompanying consolidated financial statements, expressed in Vietnamese Dong (VND), are prepared on an accrual basis, under the historical cost convention (except for information relating to cash flows), and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to the preparation and presentation of consolidated financial statements.

**Estimates**

The preparation of consolidated financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to the preparation and presentation of the consolidated financial statements requires the General Director to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the consolidated balance sheet date and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the General Director's best knowledge, actual results may differ from those estimates.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Evaluation and recognition at fair value**

The Law on Accounting came into effect from 01 January 2017, which included regulations on evaluation and recognition at fair value. However, there is no specific instruction for this matter; therefore, the General Director has considered and applied as follows:

- a) *Regarding the financial investments without the quoted market prices, the Company has not determined the fair value of the investments to disclose in the consolidated financial statements because Circular No. 210/2009/TT-BTC, Vietnamese Accounting Standards, accounting regime for enterprises do not have specific guidance on determining the fair value of financial investments due to the absence of the quoted market prices;*
- b) *Monetary items denominated in foreign currencies shall be evaluated based on the actual exchange rates;*
- c) *For assets and liabilities (except items a and b as mentioned above), the Company does not have any basis to determine the reliable value; therefore, the Company records at historical cost.*

**Basis of consolidation**

The consolidated financial statements incorporate the separate financial statements of the Company and those of enterprises controlled by the Company up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Company.

Intragroup transactions and balances are eliminated in full on consolidation.

Non-controlling interests in the consolidated subsidiaries' net assets is identified as a separate item from the parent company's equity. Non-controlling interests consist of the amount of those non-controlling interests at the date of the original business combination (see below) and the non-controlling interests' share of changes in equity since the date of the combination. Losses in subsidiaries are respectively attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

**Business combinations**

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is credited to profit and loss in the period of acquisition.

The non-controlling interests are initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Investments in associates**

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Interests in associates are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Company's share of the net assets of the associate. Losses of an associate in excess of the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate) are not recognised.

Where a group entity transacts with an associate of the Company, unrealised profits and losses are eliminated to the extent of the Company's interest in the relevant associate.

**Interests in joint ventures**

A joint venture is a contractual arrangement whereby the Company and other parties undertake an economic activity that is subject to joint control, i.e., the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

Where a group entity undertakes its activities under joint venture arrangements directly, the Company's share of jointly controlled assets and any liabilities incurred jointly with other ventures are recognised in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Company's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Company and their amount can be measured reliably.

**Financial instruments**

***Initial recognition***

***Financial assets:*** At the date of initial recognition, financial assets are recognised at cost plus transaction costs that are directly attributable to the acquisition of the financial assets. Financial assets of the Company comprise cash, cash equivalents, trade and other receivables, deposits, and financial investments.

***Financial liabilities:*** At the date of initial recognition financial liabilities are recognised at cost plus transaction costs that are directly attributable to the issue of the financial liabilities. Financial liabilities of the Company comprise trade and other payables, accrued expenses, and borrowings.

***Subsequent measurement after initial recognition***

Currently, there is no regulation on revaluation of financial instruments after initial recognition.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits and deposits with terms not exceeding 3 months, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial investments**

***Held-to-maturity investments***

Held-to-maturity investments comprise investments that the Company has the positive intent or ability to hold to maturity, including term deposits, loans held to maturity to earn periodic interest and other held-to-maturity investments.

Held-to-maturity investments are measured at cost less provision for doubtful debts.

Provision for doubtful debts relating to held-to-maturity investments is made in accordance with prevailing accounting regulations.

***Loan receivables***

Loan receivables are measured at cost less provision for doubtful debts. Provision for doubtful debts relating to loan receivables is made in accordance with prevailing accounting regulations.

**Receivables**

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts.

Provision for doubtful debts is made for receivables that are overdue for six months or more or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

***Inventories***

Inventories are stated at the lower of cost and net realisable value.

Cost of inventories comprises:

- Raw materials and merchandise: Cost of purchases and other directly attributable expenses
- Finished products: Direct materials, direct labour costs, and those overheads, if any, that have been incurred in bringing the inventories to their present location and condition.

Cost is calculated using the weighted average method and recognised under the perpetual method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

The evaluation of necessary provision for inventory obsolescence follows current prevailing regulations which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those which have costs higher than net realisable values as at the balance sheet date.

**Prepayments**

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods, including:

Tools and supplies: Tools and supplies which have been used are allocated into expenses using the straight-line method no more than 36 months.

Land rent includes:

- Land rent represents the prepaid land rental amount under the land sublease contract dated 27 June 2006 with Investment and Industrial Development Joint Stock Corporation of the Parent Company, and are allocated into the consolidated income statement using the straight-line method over the rental period.
- Prepaid land rent for Lot K-3-CN, My Phuoc 2 Industrial Zone, My Phuoc Ward, Binh Duong Province of the Subsidiary - Viet Phuoc Plastic Joint Stock Company. The land rent is allocated using the straight-line method over the rental period of 540 months.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working conditions and locations for their intended use. The costs of self-constructed or manufactured assets are the actual construction or manufacturing cost plus installation and test running costs.

Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives as follows:

|                                | <u>Estimated useful lives</u><br>(Years) |
|--------------------------------|--|
| Buildings and structures       | 08 - 38                                  |
| Machinery and equipment        | 03 - 12                                  |
| Motor vehicles and conveyances | 06                                       |
| Management equipment           | 03 - 06                                  |
| Others                         | 02 - 05                                  |

Loss or gain resulting from sales and disposals of tangible fixed assets is the difference between profit from sales or disposals of assets and their residual values and is recognised in the consolidated income statement.

**Intangible fixed assets and amortisation**

***Land use rights***

Intangible fixed assets represent the term land use rights that are amortised using the straight-line method within 25 years.

***Computer software***

Cost of computer software is all expenses that the Company has spent up to the time of putting the software into use. Computer software is amortised using the straight-line method over the estimated useful lives.

**Payables and accrued expenses**

Payables are amounts that may be paid to suppliers or other entities and are stated at carrying amount.

Payables and accrued expenses are recognized for future amounts payable related to goods and services received. Accrued expenses are recognized based on reasonable estimates of the amount payable.

The classification of payables into trade payables, accrued expenses, and other payables are made on the following principles:

- Trade payables reflect payables arising from purchases of goods, services, assets and sellers are independent units to the company/enterprise, including accounts payable upon importation through consignee.
- Accrued expenses reflect amounts payable for goods or services received from the seller or provided to the buyer but not be paid due to lack of invoices or incomplete accounting records and documents, payments to employees for leave and prepaid production and business expenses.
- Other payables reflect non-trade payables and does not relate to the purchase, sale or supply of goods or services.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity**

Owner's contributed capital: Owner's contributed capital is recognized based on the actual contributed capital of the shareholders.

**Profit distribution**

Profit after tax is distributed to shareholders in accordance with the Charter of Company and regulations of the law which has been approved by the General Meeting of Shareholders. Profit distribution to shareholders is referenced to the non-monetary items included in retained earnings that may affect cash flows and the ability to pay dividends such as gains from revaluation of assets contributed capital, interest from revaluation of monetary items, financial instruments and other non-monetary items.

Dividends are recognized as liabilities when having the approval of the General Meeting of Shareholders.

**Revenue recognition**

Revenue is recognised when it is probable that the economic benefits will flow to the Company which can be reliably measured. Revenue is measured at the fair value of amounts received or to be received after deducting trade discounts, sales rebates and sales returns. The following specific recognition conditions must also be met when revenue is recognized:

Revenue from the sale of goods is recognised when all five (5) following conditions are satisfied:

- (a) The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) The Company retains neither continuing managerial involvement to the degree usually associated with; ownership nor effective control over the goods sold;
- (c) The amount of revenue can be measured reliably;
- (d) It is probable that the economic benefits associated with the transaction will flow to the Company; and
- (e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue of a transaction involving the rendering of services is recognised when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several periods, revenue is recognised in each period by reference to the percentage of completion of the transaction at the balance sheet date of that period. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

- (a) The amount of revenue can be measured reliably;
- (b) It is probable that the economic benefits associated with the transaction will flow to the Company;
- (c) The percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- (d) The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest income is accrued on an accrual basis, by reference to the principal outstanding and at the applicable interest rate.

Dividend income from investments is recognised when the Company's right to receive payment has been established.

**Foreign currencies**

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates on the same date. Exchange differences arising from the translation of these accounts are recognised in the consolidated income statement.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Borrowing costs**

Borrowing costs are recognised in the consolidated income statement in the year when incurred.

**Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and Company intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

**Related parties**

Parties are considered to be related when one party has ability to control another or has significant influence in making decisions related to financial and operational policies. Parties are also considered as related parties when they bear the same control and significant influence.

When considering the relationship of related parties, it is more focused on the nature of the relationship than the legal form.

The Company's list of related parties includes:

| <u>Related parties</u>  | <u>Relationship</u>                                |
|---|--|
| State Capital Investment Corporation  | Major shareholder                                  |
| Van Don Plastics Joint Stock Company  | Associate  |
| Viet-Thai Plastchem Co., Ltd  | Joint venture                                      |
| TPC Vina Plastic and Chemical Corporation Limited   | Joint venture                                      |
| Members of Board of Management, Board of Supervisors, General Director, and those who have close relationships with these members | Key personnel and members with close relationships |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Segment reporting**

A business segment is a distinguishable component of the Company that is engaged in the production or provision of relevant products or services. This segment is subject to risks and rewards that are different from those of other segments.

A geographical segment is a distinguishable component of the Company that is engaged in the production or provision of relevant products or services in a particular economic environment. This segment is subject to risks and rewards that are different from those of other business segments in other economic environments.

Segment information is prepared and presented in accordance with the accounting policies applicable to the preparation and presentation of the Company's consolidated financial statements.

**4. CASH AND CASH EQUIVALENTS**

|                  | Closing balance       | Opening balance       |
|------------------|-----------------------|-----------------------|
|                  | VND                   | VND                   |
| Cash on hand     | 3,032,939,473         | 3,220,496,667         |
| Demand deposits  | 7,597,283,278         | 6,845,884,275         |
| Cash equivalents | -                     | 18,710,575,342        |
| <b>Total</b>     | <b>10,630,222,751</b> | <b>28,776,956,284</b> |

**5. SHORT-TERM HELD-TO-MATURITY INVESTMENTS**

These represent the savings deposits at the banks, with the original term of 6 months and the interest rate from 4.6%/year to 5%/year. Of which, the term savings deposits at Ho Chi Minh City Development Joint Stock Commercial Bank - Binh Duong Branch, with the value of VND 16,883,459,633 (as at 31 December 2023: VND 31,421,374,444) is used as collateral for opening L/Cs.

**6. SHORT-TERM TRADE RECEIVABLES**

|  | Closing balance       | Opening balance       |
|--|-----------------------|-----------------------|
|  | VND                   | VND                   |
| Van Don Plastics Joint Stock Company - Related party     | 47,357,199,069        | 47,357,199,069        |
| Duc My Packaging Printing and Production Company Limited | 4,383,600,000         | 1,326,600,000         |
| Hop Phat Industry Co., Ltd                               | 2,669,970,418         | 2,669,970,418         |
| Thang Long Plastic Joint Stock Company                   | 1,497,975,520         | 2,995,951,028         |
| Others   | 10,364,225,826        | 12,526,305,733        |
| <b>Total</b>   | <b>66,272,970,833</b> | <b>66,876,026,248</b> |



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**7. OTHER RECEIVABLES**

|   | Closing balance | Opening balance |
|---|-----------------|-----------------|
|   | VND             | VND             |
| a) Other short-term receivables                                     | 4,485,541,030   | 12,205,603,595  |
| a1) Other short-term receivables from related parties               | 2,183,682,000   | 8,586,561,531   |
| TPC Vina Plastic and Chemical Corporation Limited - Profit received | 1,683,750,000   | 6,433,350,000   |
| Viet-Thai Plastchem Co., Ltd  | -               | 1,653,279,531   |
| Van Don Plastics Joint Stock Company - Dividends received           | 499,932,000     | 499,932,000     |
| a2) Other short-term receivables from others                        | 2,301,859,030   | 3,619,042,064   |
| Deposits and collateral   | 141,700,000     | 271,400,000     |
| Accrued interest  | 482,168,104     | 1,588,177,602   |
| Others  | 1,677,990,926   | 1,759,464,462   |
| b) Other long-term receivables                                      | 21,040,000,000  | 21,049,000,000  |
| Thang Long Plastic Joint Stock Company (i)                          | 21,000,000,000  | 21,000,000,000  |
| Deposits and collateral   | 40,000,000      | 49,000,000      |

Note:

- (i) This balance represents the investment capital contribution of VND 21 billion (through debt offsetting) to the "Headquarters, office, product showroom, garage and housing for sale to officers and employees" project of Thang Long Plastic Joint Stock Company, located at No. 360 Giai Phong Street, Hai Ba Trung District, Hanoi. The project has been approved for investment and construction; however, due to financial difficulties, Thang Long Plastic Joint Stock Company signed a principal contract to transfer all of the project's capital contribution to Dong Thinh Phat Joint Stock Company to continue implementing the project. However, due to changes in some project procedures, by the time of preparing the consolidated financial statements, the project has not yet completed the transfer.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

## 8. BAD DEBTS

|  | Closing balance       |                    |                         | Opening balance       |                    |                         |
|--|-----------------------|--------------------|-------------------------|-----------------------|--------------------|-------------------------|
|  | Cost                  | Recoverable amount | Provision               | Cost                  | Recoverable amount | Provision               |
|  | VND                   | VND                | VND                     | VND                   | VND                | VND                     |
| <i>a) Trade receivables</i>                          |                       |                    |                         |                       |                    |                         |
| Van Don Plastics Joint Stock Company - Related party | 61,627,166,010        | -                  | (61,627,166,010)        | 63,391,976,518        | -                  | (63,391,976,518)        |
| Thang Long Plastic Joint Stock Company               | 47,357,199,069        | -                  | (47,357,199,069)        | 47,357,199,069        | -                  | (47,357,199,069)        |
| Others   | 1,497,975,520         | -                  | (1,497,975,520)         | 2,995,951,028         | -                  | (2,995,951,028)         |
|  | 12,771,991,421        | -                  | (12,771,991,421)        | 13,038,826,421        | -                  | (13,038,826,421)        |
| <i>b) Other receivables</i>                          |                       |                    |                         |                       |                    |                         |
| Van Don Plastics Joint Stock Company - Related party | 1,956,533,750         | -                  | (1,956,533,750)         | 1,956,533,750         | -                  | (1,956,533,750)         |
| Others   | 499,932,000           | -                  | (499,932,000)           | 499,932,000           | -                  | (499,932,000)           |
|  | 1,456,601,750         | -                  | (1,456,601,750)         | 1,456,601,750         | -                  | (1,456,601,750)         |
| <i>c) Short-term loan receivables</i>                |                       |                    |                         |                       |                    |                         |
| Others   | 251,475,750           | -                  | (251,475,750)           | 251,475,750           | -                  | (251,475,750)           |
|  | 251,475,750           | -                  | (251,475,750)           | 251,475,750           | -                  | (251,475,750)           |
| <i>d) Advances to suppliers</i>                      |                       |                    |                         |                       |                    |                         |
| Others   | 865,323,345           | -                  | (865,323,345)           | 865,323,345           | -                  | (865,323,345)           |
|  | 865,323,345           | -                  | (865,323,345)           | 865,323,345           | -                  | (865,323,345)           |
| <b>Total</b>   | <b>64,700,498,855</b> | <b>-</b>           | <b>(64,700,498,855)</b> | <b>66,465,309,363</b> | <b>-</b>           | <b>(66,465,309,363)</b> |

Details of changes in provision for short-term doubtful debts are as follows:

|                                   | Closing balance       | Opening balance       |
|-----------------------------------|-----------------------|-----------------------|
|                                   | VND                   | VND                   |
| Opening balance                   | 66,465,309,363        | 67,963,284,871        |
| Reversal of provision in the year | (1,764,810,508)       | (1,497,975,508)       |
| <b>Closing balance</b>            | <b>64,700,498,855</b> | <b>66,465,309,363</b> |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**9. INVENTORIES**

|                    | Closing balance       |                        | Opening balance       |                         |
|--------------------|-----------------------|------------------------|-----------------------|-------------------------|
|                    | Cost                  | Provision              | Cost                  | Provision               |
|                    | VND                   | VND                    | VND                   | VND                     |
| Goods in transit   | 6,318,070,830         | -                      | -                     | -                       |
| Raw materials      | 1,414,518,758         | (366,933,673)          | 10,568,449,407        | (5,095,688,895)         |
| Tools and supplies | 90,000                | -                      | 90,000                | -                       |
| Finished products  | 9,629,479,033         | (4,776,219,340)        | 13,302,336,537        | (5,532,321,487)         |
| Merchandise        | 23,964,533,731        | (3,820,338,382)        | 55,102,150,227        | (12,925,630,459)        |
| <b>Total</b>       | <b>41,326,692,352</b> | <b>(8,963,491,395)</b> | <b>78,973,026,171</b> | <b>(23,553,640,841)</b> |

Note:

During the year, the Company reversed provision for devaluation of inventories, with the amount of VND 14,590,149,446, corresponding to the value of the merchandise and finished products sold in the year.

As stated in Note 18, all moving inventories during the production and business activities at the subsidiaries are used as collateral for loans at Joint Stock Commercial Bank for Foreign Trade of Vietnam - Bac Binh Duong Branch. As at 31 December 2024, the cost of inventories the Company's subsidiaries is VND 11,044,087,791.

Movement in provision for inventories during the year is as follows:

|                                   | Closing balance      | Opening balance       |
|-----------------------------------|----------------------|-----------------------|
|                                   | VND                  | VND                   |
| Opening balance                   | 23,553,640,841       | 7,967,646,003         |
| Provision in the year             | 370,383,555          | 15,585,994,838        |
| Reversal of provision in the year | (14,960,533,001)     | -                     |
| <b>Closing balance</b>            | <b>8,963,491,395</b> | <b>23,553,640,841</b> |

**10. PREPAYMENTS**

|                       | Closing balance      | Opening balance      |
|-----------------------|----------------------|----------------------|
|                       | VND                  | VND                  |
| <b>a) Short-term</b>  | <b>6,611,968</b>     | <b>82,533,667</b>    |
| Tools and supplies    | -                    | 27,469,732           |
| Others                | 6,611,968            | 55,063,935           |
| <b>b) Long-term</b>   | <b>7,104,464,925</b> | <b>7,419,270,246</b> |
| Prepaid land rent (i) | 7,096,214,934        | 7,348,879,086        |
| Others                | 8,249,991            | 70,391,160           |

Note:

- (i) Including the prepaid land rent for Lot K-3-CN, My Phuoc 2 Industrial Zone, My Phuoc Ward, Binh Duong Province with the value as at 31 December 2024 of VND 1,764,263,047 (as at 31 December 2023: VND 1,826,451,631) of the Subsidiary - Viet Phuoc Plastic Joint Stock Company, which is used as collateral for the loans at Joint Stock Commercial Bank for Foreign Trade of Vietnam - Bac Binh Duong Branch (see Note 18).



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**11. TAXES AND AMOUNTS RECEIVABLE FROM/PAYABLE TO THE STATE BUDGET**

|                       | Opening balance       | Payable/ Receivable<br>during the year | Paid/ Received<br>during the year | Closing balance       |
|-----------------------|-----------------------|--|-----------------------------------|-----------------------|
|                       | VND                   | VND                                    | VND                               | VND                   |
| <b>a) Receivables</b> | <b>617,262,006</b>    | <b>357,895,943</b>                     | <b>(3,000)</b>                    | <b>259,369,063</b>    |
| Corporate income tax  | 259,015,980           | -                                      | -                                 | 259,015,980           |
| Personal income tax   | 5,488,745             | 5,488,745                              | (3,000)                           | 3,000                 |
| Other taxes           | 350,083               | -                                      | -                                 | 350,083               |
| Land rent             | 352,407,198           | 352,407,198                            | -                                 | -                     |
| <b>b) Payables</b>    | <b>10,300,245,975</b> | <b>3,018,071,444</b>                   | <b>(3,186,700,666)</b>            | <b>10,131,616,753</b> |
| Value-added tax       | 304,693,078           | 547,636,646                            | (715,699,744)                     | 136,629,980           |
| VAT on imported goods | -                     | 2,131,383,606                          | (2,131,383,606)                   | -                     |
| Personal income tax   | 8,636,688             | 236,599,081                            | (236,365,205)                     | 8,870,564             |
| Other taxes (i)       | 9,986,916,209         | 102,452,111                            | (103,252,111)                     | 9,986,116,209         |

**Note:**

- (i) Fees, charges, and other payables represent the amount payable for capital use from 1996 to 2001. The Company considers handling this payable amount under the Official Letter No. 6258/BCT-CNN dated 24 June 2015 of the Ministry of Industry and Trade and the Official Letter No. 3464/TC/TCT dated 13 July 1999 of the Ministry of Finance. Accordingly, the Company does not have to pay this amount but must sign a debt transfer contract and pay land rent to the State budget in accordance with current regulations.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

12. INCREASE, DECREASE IN TANGIBLE FIXED ASSETS

|                                 | Buildings and<br>structures | Machinery and<br>equipment | Motor vehicles and<br>conveyances | Management<br>equipment | Others      | Total           |
|---------------------------------|-----------------------------|----------------------------|-----------------------------------|-------------------------|-------------|-----------------|
|                                 | VND                         | VND                        | VND                               | VND                     | VND         | VND             |
| <b>COST</b>                     |                             |                            |                                   |                         |             |                 |
| Opening balance                 | 12,514,922,603              | 112,761,590,933            | 2,896,535,884                     | 1,148,678,059           | 216,617,727 | 129,538,345,206 |
| Closing balance                 | 12,514,922,603              | 112,761,590,933            | 2,896,535,884                     | 1,148,678,059           | 216,617,727 | 129,538,345,206 |
| <b>ACCUMULATED DEPRECIATION</b> |                             |                            |                                   |                         |             |                 |
| Opening balance                 | 9,703,095,599               | 109,795,763,741            | 2,790,595,816                     | 1,148,678,059           | 216,617,727 | 123,654,750,942 |
| - Charges for the year          | 524,772,132                 | 575,840,856                | 73,484,448                        | -                       | -           | 1,174,097,436   |
| Closing balance                 | 10,227,867,731              | 110,371,604,597            | 2,864,080,264                     | 1,148,678,059           | 216,617,727 | 124,828,848,378 |
| <b>NET BOOK VALUE</b>           |                             |                            |                                   |                         |             |                 |
| Opening balance                 | 2,811,827,004               | 2,965,827,192              | 105,940,068                       | -                       | -           | 5,883,594,264   |
| Closing balance                 | 2,287,054,872               | 2,389,986,336              | 32,455,620                        | -                       | -           | 4,709,496,828   |

Note:

The cost of tangible fixed assets as at 31 December 2024 includes VND 112,340,695,392 of assets which have been fully depreciated but are still in use (as at 31 December 2023: VND 112,340,695,392).

As stated in Note 18, the Company has mortgaged certain assets with the cost and the net book value as at 31 December 2024 of VND 102,863,379,526 and VND 0, respectively (as at 31 December 2023: VND 102,863,379,526 and VND 0, respectively) to secure loans at Vietnam Development Bank - Transaction Office II, and certain tangible fixed assets with the cost and the net book value as at 31 December 2024 of VND 13,454,745,368 and VND 3,501,472,407, respectively (as at 31 December 2023: VND 13,454,745,368 and VND 4,398,034,508, respectively) to secure loans at Joint Stock Commercial Bank for Foreign Trade of Vietnam - Bac Binh Duong Branch.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**13. INCREASE, DECREASE IN INTANGIBLE FIXED ASSETS**

|                                 | Land use right | Computer software | Total         |
|---------------------------------|----------------|-------------------|---------------|
|                                 | VND            | VND               | VND           |
| <b>COST</b>                     |                |                   |               |
| Opening balance                 | 2,646,960,000  | 410,130,120       | 3,057,090,120 |
| Closing balance                 | 2,646,960,000  | 410,130,120       | 3,057,090,120 |
| <b>ACCUMULATED AMORTISATION</b> |                |                   |               |
| Opening balance                 | 2,646,960,000  | 410,130,120       | 3,057,090,120 |
| Closing balance                 | 2,646,960,000  | 410,130,120       | 3,057,090,120 |
| <b>NET BOOK VALUE</b>           |                |                   |               |
| Opening balance                 | -              | -                 | -             |
| Closing balance                 | -              | -                 | -             |

Note:

The cost of intangible fixed assets as at 31 December 2024 includes VND 3,057,090,120 of assets which have been fully amortised but are still in use (as at 31 December 2023: VND 3,057,090,120).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

14. LONG-TERM FINANCIAL INVESTMENTS

|   | Closing balance |                        | Proportion of ownership and voting right held | Opening balance |                        | Fair value | Value of investment under equity method | Proportion of ownership and voting right held | Value of investment under equity method |                        | Fair value |
|---|-----------------|------------------------|---|-----------------|------------------------|------------|---|---|---|------------------------|------------|
|   | VND             | VND                    |   | VND             | VND                    |            |   |   | VND                                     | VND                    |            |
| Investments in joint ventures and associates            |                 |                        |   |                 |                        |            |   |   |   |                        |            |
| Van Don Plastics Joint Stock Company (i)                | 20.69%          | 16,961,554,628         |   | 20.69%          | 16,961,554,628         | (*)        | -                                       | 20.69%  | 16,961,554,628                          | -                      | (*)        |
| Viet-Thai Plastchem Co., Ltd (ii)                       | 27.51%          | 15,279,075,966         |   | 27.51%          | 15,279,075,966         | (*)        | 23,222,761,381                          | 27.51%  | 15,279,075,966                          | 14,758,114,671         | (*)        |
| TPC VINA Plastic and Chemical Corporation Limited (iii) | 15.00%          | 89,705,850,000         |   | 15.00%          | 89,705,850,000         | (*)        | 117,306,685,164                         | 15.00%  | 89,705,850,000                          | 119,303,221,139        | (*)        |
| Total   |                 | <u>121,946,480,594</u> |   |                 | <u>121,946,480,594</u> |            | <u>140,529,446,545</u>                  |   | <u>121,946,480,594</u>                  | <u>134,061,335,810</u> |            |

Note:

(\*) At the balance sheet date, the Company has not determined the fair value of the investments in the joint ventures and associates to disclose in the consolidated financial statements due to the absence of quoted market prices and Vietnamese Accounting Standards, accounting regime for enterprises do not have specific guidance on determining the fair value of financial investments. The fair value of the investments in the joint ventures and associates may differ from the carrying amount.

Additional information:

- (i) Investment in Van Don Plastics Joint Stock Company with a value of VND 16,760,800,000, accounting for 20.69% of total charter capital. The value of the investment was revalued to VND 16,961,554,628 when the Company equitized. The latest financial statements of Van Don Plastics Joint Stock Company as at 31 December 2020 show that the accumulated loss greatly exceeds the equity. Accordingly, the Company adjusts the value of investment under the equity method with the adjusted value not exceeding the capital contribution to Van Don Plastics Joint Stock Company. On 26 January 2021, the People's Committee of Ho Chi Minh City issued a decision to open bankruptcy proceedings against Van Don Plastics Joint Stock Company.
- (ii) Investment in Viet-Thai Plastchem Co., Ltd with a value of USD 789,061, accounting for 27.51% of total charter capital. The financial statements for the financial year ended 31 December 2024 of Viet-Thai Plastchem Co., Ltd recorded accumulated profits.
- (iii) Investment in TPC VINA Plastic and Chemical Corporation Limited with a value of USD 5,250,000, accounting for 15% of total charter capital. The financial statements for the financial year ended 31 December 2024 of TPC VINA Plastic and Chemical Corporation Limited recorded accumulated profits.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**14. LONG-TERM FINANCIAL INVESTMENTS (CONTINUED)**

During the year, the movement of the equity investments in the joint ventures and associates is as follows:

|  | Closing balance        | Opening balance        |
|--|------------------------|------------------------|
|  | VND                    | VND                    |
| Opening balance  | 134,061,335,810        | 145,924,760,708        |
| Profit received during the year                            | (7,572,783,741)        | (26,663,689,449)       |
| Profits from joint ventures and associates during the year | 14,040,894,476         | 14,800,264,551         |
| Closing balance  | <u>140,529,446,545</u> | <u>134,061,335,810</u> |

**15. SHORT-TERM TRADE PAYABLES**

|                             | Closing balance      |                            | Opening balance      |                            |
|-----------------------------|----------------------|----------------------------|----------------------|----------------------------|
|                             | Amount               | Amount able to be paid off | Amount               | Amount able to be paid off |
|                             | VND                  | VND                        | VND                  | VND                        |
| Sabic Asia Pacific Pte. Ltd | 2,554,844,490        | 2,554,844,490              | -                    | -                          |
| Ivict (Singapore) Pte. Ltd. | 1,264,007,970        | 1,264,007,970              | -                    | -                          |
| Others                      | 1,836,896,599        | 1,836,896,599              | 2,030,665,020        | 2,030,665,020              |
| Total                       | <u>5,655,749,059</u> | <u>5,655,749,059</u>       | <u>2,030,665,020</u> | <u>2,030,665,020</u>       |

**16. SHORT-TERM ACCRUED EXPENSES**

|                   | Closing balance      | Opening balance      |
|-------------------|----------------------|----------------------|
|                   | VND                  | VND                  |
| Interest expenses | 1,061,338,757        | 1,209,653,238        |
| Others            | 1,815,237,866        | 1,714,092,302.00     |
| Total             | <u>2,876,576,623</u> | <u>2,923,745,540</u> |

**17. OTHER PAYABLES**

|   | Closing balance      | Opening balance      |
|---|----------------------|----------------------|
|   | VND                  | VND                  |
| <i>a) Other short-term payables</i>                 | <u>2,548,119,700</u> | <u>2,774,907,028</u> |
| Trade union fee, insurances                         | 94,649,032           | 80,525,422           |
| Deposits and collateral                             | 481,128,800          | 444,828,800          |
| Vietnam P-Care Trading and Services Company Limited | 1,105,416,000        | -                    |
| Deficits in assets awaiting solution                | 151,233,784          | 990,618,759          |
| Others  | 715,692,084          | 1,258,934,047        |
| <i>b) Other long-term payables</i>                  | <u>-</u>             | <u>115,500,000</u>   |
| Deposits and collateral                             | -                    | 115,500,000          |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**18. SHORT-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES**

|   | Opening balance       |                            | During the year      |                         | Closing balance       |                            |
|---|-----------------------|----------------------------|----------------------|-------------------------|-----------------------|----------------------------|
|   | Amount                | Amount able to be paid off | Increase             | Decrease                | Amount                | Amount able to be paid off |
|   | VND                   | VND                        | VND                  | VND                     | VND                   | VND                        |
| Vietnam Development Bank - Transaction Office II (i)                                  | 74,385,955,710        | 74,385,955,710             | 1,704,732,397        | (37,809,661,612)        | 38,281,026,495        | 38,281,026,495             |
| Joint Stock Commercial Bank for Foreign Trade of Vietnam - Bac Binh Duong Branch (ii) | 13,604,266,868        | 13,604,266,868             | 602,948,998          | (6,215,883,220)         | 7,991,332,646         | 7,991,332,646              |
| Mr. Nguyen Hoang Huy (iii)  | 400,000,000           | 400,000,000                | -                    | -                       | 400,000,000           | 400,000,000                |
| <b>Total</b>  | <b>88,390,222,578</b> | <b>88,390,222,578</b>      | <b>2,307,681,395</b> | <b>(44,025,544,832)</b> | <b>46,672,359,141</b> | <b>46,672,359,141</b>      |

**Note:**

(i) This represents the loan under the Long-term Loan Contract No. 01/2006/HDTD-ODA-TDTW1 signed with the Vietnam Development Support Fund - Ho Chi Minh City Branch (now Vietnam Development Bank - Transaction Office II) with an amount of CNY 49,010,105, to invest in the mold and printing cylinder production line for the project, with a loan term of 15 years, including a 5-year grace period from the effective date of the agreement as announced by the Ministry of Finance. The interest rate is 3.2%/year calculated on the outstanding loan balance. However, for the overdue loan, the Company recorded interest expense at an interest rate of 4.8%/year, corresponding to a late payment penalty interest rate of 150% of the loan interest rate calculated on the debt amount. The loan was repaid in installments from 10 September 2011 to 10 March 2021. The loan is secured by machinery, equipment, motor vehicles and conveyances (as presented in Note 12).

The loan is overdue. According to the Official Letter No. 6238/BTC-CNN dated 24 June 2016 of the Ministry of Industry and Trade and the Official Letter No. 1737/NHPT-VNN dated 17 April 2015 of Vietnam Development Bank - Transaction Office II sent to the Ministry of Finance, the Bank proposes to remove difficulties for the Company, requesting the Company to be allowed to defer debt for 3 years without interest for the ODA loan (from 2014 to 2016); allowing the Company to deduct basic depreciation under the ODA loan contract for equipment purchased from 12 years to 15 years; Exchange rate differences arising from the ODA loan are gradually allocated to expenses in accordance with the loan repayment period. However, this proposal was not considered by the Ministry of Finance, so the project continued to repay the debt under the Credit Contract. On 31 March 2022, there was a meeting between the Ministry of Finance, the Bank (Authorized Lending Agency), Vietnam Development Bank - Transaction Office II, and the Company to consider resolving this overdue debt. However, until now, there has been no conclusion in the meeting. The outstanding overdue principal balance as at 31 December 2024 is CNY 11,488,731.13, equivalent to VND 38,281,026,495.

(ii) Loans from Joint Stock Commercial Bank for Foreign Trade of Vietnam - Bac Binh Duong Branch under the Credit Contract No. 056A23/HM dated 24 November 2023 to finance legal and valid short-term credit needs for production and business activities. The interest rate is 8%/year, adjusted to 6.8% for loans arising from November 2023. This loan is secured by mortgaging fixed assets, land use rights, housing ownership rights and assets attached to land under Amended and supplemented Contract No. 01/003TT23 dated 24 November 2023, machinery and equipment under Contract No. 517TC23 dated 24 November 2023 and circulating goods under Amended and supplemented Contract No. 01/708TC22 dated 24 November 2023 (see Notes 9, 10 and 12). This loan is overdue, with a principal amount of VND 7,991,332,646 and an overdue penalty of VND 82,694,185. According to the meeting minutes with the Bank dated 10 December 2024, the Bank has agreed to extend the repayment period by 9 months. This extension allows the Company to conduct the sales of goods, inventories, machinery, and equipment, as well as to implement other plans to pay off the outstanding loan.

(iii) Loans from Mr. Nguyen Hoang Huy under the Borrowing Contract No. 2023/2023/HDVT-NVP dated 20 March 2023. The Contract does not specify the interest rate and loan term.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**19. OWNER'S EQUITY**

*Movement in owner's equity*

|   | Owner's contributed<br>capital | Investment and<br>development fund | Retained earnings | Non-controlling<br>interest | Total            |
|---|--------------------------------|------------------------------------|-------------------|-----------------------------|------------------|
|   | VND                            | VND                                | VND               | VND                         | VND              |
| Opening balance of prior year           | 194,289,130,000                | 199,031,463                        | 98,885,327,517    | 76,518,794                  | 293,450,007,774  |
| Profit for the year                     | -                              | -                                  | (10,569,870,911)  | (75,090,469)                | (10,644,961,380) |
| Appropriation of bonus and welfare fund | -                              | -                                  | (1,245,000,000)   | -                           | (1,245,000,000)  |
| Closing balance of prior year           | 194,289,130,000                | 199,031,463                        | 87,070,456,606    | 1,428,325                   | 281,560,046,394  |
| Profit/(Loss) for the year              | -                              | -                                  | 14,697,571,317    | (17,385,948)                | 14,679,985,369   |
| Closing balance of current year         | 194,289,130,000                | 199,031,463                        | 101,768,027,923   | (16,157,623)                | 296,240,031,763  |

*Charter capital*

As at 31 December 2024, the charter capital has been contributed as follows:

|                                      | Closing balance |                 | Opening balance |                 |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                      | Shares          | VND             | Shares          | VND             |
| State Capital Investment Corporation | 12,794,342      | 127,943,420,000 | 12,794,342      | 127,943,420,000 |
| Other shareholders                   | 6,634,571       | 66,345,710,000  | 6,634,571       | 66,345,710,000  |
| Total                                | 19,428,913      | 194,289,130,000 | 19,428,913      | 194,289,130,000 |
|                                      |                 |                 |                 | 100%            |



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**19. OWNER'S EQUITY (CONTINUED)**

*Shares*

|                                      | <u>Closing balance</u> | <u>Opening balance</u> |
|--------------------------------------|------------------------|------------------------|
|                                      | VND                    | VND                    |
| Number of shares registered to issue | 19,428,913             | 19,428,913             |
| - Ordinary shares                    | 19,428,913             | 19,428,913             |
| Number of issued shares              | 19,428,913             | 19,428,913             |
| - Ordinary shares                    | 19,428,913             | 19,428,913             |
| Number of outstanding shares         | 19,428,913             | 19,428,913             |
| - Ordinary shares                    | 19,428,913             | 19,428,913             |

Ordinary shares have a par value of VND 10,000/share.

**20. OFF-CONSOLIDATED BALANCE SHEET ITEMS**

*Foreign currencies*

|  | <u>Closing balance</u> | <u>Opening balance</u> |
|--|------------------------|------------------------|
|  | USD                    | USD                    |
|  | 120,259.02             | 75,793.08              |

**21. REVENUE FROM GOODS SOLD AND SERVICES RENDERED**

|  | <u>Current year</u>   | <u>Prior year</u>     |
|--|-----------------------|-----------------------|
|  | VND                   | VND                   |
| Revenue from goods sold                                  | 70,902,847,666        | 66,979,167,141        |
| Revenue from finished products sold                      | 5,252,153,484         | 12,331,532,026        |
| Revenue from services rendered                           | 2,491,586,169         | 2,991,225,653         |
| <b>Total</b>   | <b>78,646,587,319</b> | <b>82,301,924,820</b> |
| <i>Deductions</i>  |                       |                       |
| Sales returns  | 15,741,688            | -                     |
|  | 15,741,688            | -                     |
| <b>Net revenue from goods sold and services rendered</b> | <b>78,630,845,631</b> | <b>82,301,924,820</b> |

**22. COST OF GOODS SOLD AND SERVICES RENDERED**

|  | <u>Current year</u>   | <u>Prior year</u>      |
|--|-----------------------|------------------------|
|  | VND                   | VND                    |
| Cost of goods sold   | 75,135,910,545        | 71,869,637,539         |
| Cost of finished products sold                                   | 9,369,932,691         | 13,044,563,652         |
| Cost of services rendered  | 48,473,728            | 53,141,783             |
| Provision/(Reversal of provision) for devaluation of inventories | (14,590,149,446)      | 15,585,994,838         |
| <b>Total</b>   | <b>69,964,167,518</b> | <b>100,553,337,812</b> |

Note:

- (i) Specific information on the provision/(reversal of provision) for devaluation of inventories is presented in Note 9 - Inventories.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**23. PRODUCTION COST BY NATURE**

|                               | Current year          | Prior year            |
|-------------------------------|-----------------------|-----------------------|
|                               | VND                   | VND                   |
| Raw materials                 | 4,284,327,438         | 6,803,831,366         |
| Labors                        | 6,637,966,876         | 8,893,845,035         |
| Depreciation and amortisation | 1,426,761,588         | 1,434,987,329         |
| Out-sourced services          | 4,059,015,151         | 5,785,860,093         |
| Others                        | 224,784,553           | 9,708,604,246         |
| <b>Total</b>                  | <b>16,632,855,606</b> | <b>32,627,128,069</b> |

**24. FINANCIAL INCOME**

|                       | Current year         | Prior year            |
|-----------------------|----------------------|-----------------------|
|                       | VND                  | VND                   |
| Deposit interest      | 5,901,556,032        | 9,389,373,650         |
| Foreign exchange gain | 296,181,400          | 1,441,057,538         |
| <b>Total</b>          | <b>6,197,737,432</b> | <b>10,830,431,188</b> |

**25. FINANCIAL EXPENSES**

|                       | Current year         | Prior year           |
|-----------------------|----------------------|----------------------|
|                       | VND                  | VND                  |
| Interest expense      | 3,358,611,023        | 5,279,028,324        |
| Foreign exchange loss | 74,603,556           | 7,854,275            |
| <b>Total</b>          | <b>3,433,214,579</b> | <b>5,286,882,599</b> |

**26. SELLING EXPENSES, GENERAL AND ADMINISTRATION EXPENSES**

|  | Current year         | Prior year           |
|--|----------------------|----------------------|
|  | VND                  | VND                  |
| <i>a) Selling expenses incurred in the year</i>                    |                      |                      |
| Employees  | 974,982,312          | 1,251,654,366        |
| Depreciation and amortisation                                      | 73,484,448           | 73,484,448           |
| Out-sourced services   | 1,533,803,654        | 2,361,529,507        |
| Others   | 57,012,595           | 185,686,350          |
| <b>Total</b>   | <b>2,639,283,009</b> | <b>3,872,354,671</b> |
| <i>b) General and administration expenses incurred in the year</i> |                      |                      |
| Employees  | 5,475,400,505        | 5,966,860,432        |
| Depreciation and amortisation                                      | 188,423,200          | 188,423,200          |
| Provision/ (Reversal of provision)                                 | (1,764,810,508)      | (1,497,975,508)      |
| Out-sourced services   | 2,379,170,150        | 2,725,952,804        |
| Others   | 1,962,028,335        | 1,947,766,900        |
| <b>Total</b>   | <b>8,240,211,682</b> | <b>9,331,027,828</b> |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**27. CURRENT CORPORATE INCOME TAX EXPENSE**

The Company is obliged to pay corporate income tax at the rate of 20% on taxable income.

The Company determines corporate income tax on the basis of assessment of accounting profit that is not significantly different from profit for corporate income tax purposes. The ultimate determination depends on the results of the tax authorities' examinations.

**28. BASIC EARNINGS PER SHARE**

|  | Current year   | Prior year       |
|--|----------------|------------------|
|  | VND            | VND              |
| Profit after corporate income tax of the Parent Company's shareholders | 14,697,571,317 | (10,569,870,911) |
| Appropriation of bonus and welfare fund                                | -              | -                |
| Profit for calculation of basic earnings per share                     | 14,697,571,317 | (10,569,870,911) |
| Weighted average number of outstanding ordinary shares during the year | 19,428,913     | 19,428,913       |
| Basic earnings/(losses) per share                                      | 756            | (544)            |

**29. FINANCIAL INSTRUMENTS**

**Capital risk management**

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and owners' equity (comprising capital and retained earnings).

*Financial leverage ratio*

The Company's financial leverage ratio at the balance sheet date is as follows:

|                                 | Closing balance  | Opening balance  |
|---------------------------------|------------------|------------------|
|                                 | VND              | VND              |
| Borrowings                      | 46,672,359,141   | 88,390,222,578   |
| Less: Cash and cash equivalents | (10,630,222,751) | (28,776,956,284) |
| Net debt                        | 36,042,136,390   | 59,613,266,294   |
| Equity                          | 296,240,031,763  | 281,560,046,394  |
| Net debt to equity ratio        | 12.17%           | 21.17%           |

**Significant accounting policies**

Details of the significant accounting policies and methods adopted by the Company (including recognition criteria, the basis of measurement, and the basis of recognition of income and expenses) for each type of financial assets and financial liabilities are presented in Note 3.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**29. FINANCIAL INSTRUMENTS (CONTINUED)**

**Categories of financial instruments**

|                              | Closing balance        |                        | Opening balance        |                        |
|------------------------------|------------------------|------------------------|------------------------|------------------------|
|                              | Carrying amount        | Fair value             | Carrying amount        | Fair value             |
|                              | VND                    | VND                    | VND                    | VND                    |
| <b>Financial assets</b>      |                        |                        |                        |                        |
| Cash and cash equivalents    | 10,630,222,751         | 10,630,222,751         | 28,776,956,284         | 28,776,956,284         |
| Held-to-maturity investments | 133,643,197,468        | 133,643,197,468        | 113,978,398,613        | 113,978,398,613        |
| Trade and other receivables  | 28,214,812,103         | 28,214,812,103         | 34,782,119,575         | 34,782,119,575         |
| <b>Total</b>                 | <b>172,488,232,322</b> | <b>172,488,232,322</b> | <b>177,537,474,472</b> | <b>177,537,474,472</b> |
| <b>Financial liabilities</b> |                        |                        |                        |                        |
| Borrowings                   | 46,672,359,141         | 46,672,359,141         | 88,390,222,578         | 88,390,222,578         |
| Trade and other payables     | 8,109,219,727          | 8,109,219,727          | 4,840,546,626          | 4,840,546,626          |
| Accrued expenses             | 2,876,576,623          | 2,876,576,623          | 2,923,745,540          | 2,923,745,540          |
| <b>Total</b>                 | <b>57,658,155,491</b>  | <b>57,658,155,491</b>  | <b>96,154,514,744</b>  | <b>96,154,514,744</b>  |

The Company has assessed fair value of its financial assets and liabilities at the balance sheet date as stated in Note 3 since there is no comprehensive guidance under Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on 06 November 2009 ("Circular 210") and other relevant prevailing regulations to determine fair value of these financial assets and liabilities. While Circular 210 refers to the application of International Financial Reporting Standards ("IFRS") on presentation and disclosures of financial instruments, it did not adopt the equivalent guidance for the recognition and measurement of financial instruments, including application of fair value, in accordance with IFRS.

**Financial risk management objectives**

The Company has set up risk management system to identify and assess the risks exposed by the Company and designed control policies and procedures to manage those risks at an acceptable level. Risk management system is reviewed on a regular basis to reflect changes in market conditions and the Company's operations.

Financial risks include market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk.

**Market risk**

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and prices. The Company does not hedge these risk exposures due to the lack of active market for the trading activities of financial instruments.

**Foreign currency risk management**

The Company undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

**Interest rate risk management**

The Company has significant interest rate risks arising from interest bearing loans which are arranged. The risk is managed by the Company by maintaining an appropriate level of borrowings and analysing market competition to enjoy favourable interest rates from appropriate lenders.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**29. FINANCIAL INSTRUMENTS (CONTINUED)**

*Market risk (Continued)*

*Commodity price risk management*

The Company purchases materials, commodities from local and foreign suppliers for business purpose. Therefore, the Company is exposed to the risk of changes in selling prices of materials, commodities.

*Credit risk*

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. The Company does not have any significant credit risk exposure to any counterparty because receivables consist of a large number of customers, spread across diverse industries and geographical areas.

*Liquidity risk management*

The purpose of liquidity risk management is to ensure the availability of funds to meet present and future financial obligations. Liquidity is also managed by ensuring that the excess of maturing liabilities over maturing assets in any period is kept to manageable levels relative to the amount of funds that the Company believes can generate within that period. The Company policy is to regularly monitor current and expected liquidity requirements to ensure that the Company maintains sufficient reserves of cash, borrowings and adequate committed funding from its owners [shareholders] to meet its liquidity requirements in the short and longer term.

The following table details the Company's remaining contractual maturity for its non-derivative financial assets and financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial assets and undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

|                              | Less than 1 year<br>VND | From 2 - 5 years<br>VND | Total<br>VND           |
|------------------------------|-------------------------|-------------------------|------------------------|
| Closing balance              |                         |                         |                        |
| Cash and cash equivalents    | 10,630,222,751          | -                       | 10,630,222,751         |
| Held-to-maturity investments | 133,643,197,468         | -                       | 133,643,197,468        |
| Trade and other receivables  | 7,174,812,103           | 21,040,000,000          | 28,214,812,103         |
| <b>Total</b>                 | <b>151,448,232,322</b>  | <b>21,040,000,000</b>   | <b>172,488,232,322</b> |
| Closing balance              |                         |                         |                        |
| Borrowings                   | 46,672,359,141          | -                       | 46,672,359,141         |
| Trade and other payables     | 8,109,219,727           | -                       | 8,109,219,727          |
| Accrued expenses             | 2,876,576,623           | -                       | 2,876,576,623          |
| <b>Total</b>                 | <b>57,658,155,491</b>   | <b>-</b>                | <b>57,658,155,491</b>  |
| <b>Net liquidity gap</b>     | <b>93,790,076,831</b>   | <b>21,040,000,000</b>   | <b>114,830,076,831</b> |



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**29. FINANCIAL INSTRUMENTS (CONTINUED)**

*Liquidity risk management (Continued)*

|                              | Less than 1 year<br>VND | From 2 - 5 years<br>VND | Total<br>VND           |
|------------------------------|-------------------------|-------------------------|------------------------|
| Opening balance              |                         |                         |                        |
| Cash and cash equivalents    | 28,776,956,284          | -                       | 28,776,956,284         |
| Held-to-maturity investments | 113,978,398,613         | -                       | 113,978,398,613        |
| Held-to-maturity investments | 13,733,119,575          | 21,049,000,000          | 34,782,119,575         |
| Total                        | <u>156,488,474,472</u>  | <u>21,049,000,000</u>   | <u>177,537,474,472</u> |
| Opening balance              |                         |                         |                        |
| Borrowings                   | 88,390,222,578          | -                       | 88,390,222,578         |
| Trade and other payables     | 4,725,046,626           | 115,500,000             | 4,840,546,626          |
| Accrued expenses             | 2,923,745,540           | -                       | 2,923,745,540          |
| Total                        | <u>96,039,014,744</u>   | <u>115,500,000</u>      | <u>96,154,514,744</u>  |
| Net liquidity gap            | <u>60,449,459,728</u>   | <u>20,933,500,000</u>   | <u>81,382,959,728</u>  |

The General Director assessed the liquidity risk at low level. The General Director believes that the Company will be able to generate sufficient funds to meet its financial obligations as and when they fall due.

**30. TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

During the year, in addition to the balance with the related parties as stated in Notes 6, 7, 8, 14, and 19, the Company also entered into the significant transactions with its related parties, as follows:

|   | Current year<br>VND | Prior year<br>VND |
|---|---------------------|-------------------|
| Viet-Thai Plastchem Co., Ltd                      |                     |                   |
| Profit distribution                               | 2,484,033,741       | 6,681,589,449     |
| Profit received                                   | 4,137,313,272       | 5,028,309,918     |
| Commission revenue                                | 684,846,850         | 830,823,457       |
| Proceeds from commission revenue                  | 753,331,535         | 830,823,457       |
| TPC VINA Plastic and Chemical Corporation Limited |                     |                   |
| Profit distribution                               | 5,088,750,000       | 19,982,100,000    |
| Profit received                                   | 9,838,350,000       | 33,798,750,000    |



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**30. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (CONTINUED)**

*Remuneration paid to Board of Management, Board of Supervisors, and Executive Board*

Remuneration paid to the Board of Management, the Board of Supervisors, and the Executive Board is as follows:

| Full name                       | Position        | Current year<br>VND  | Prior year<br>VND    |
|---------------------------------|-----------------|----------------------|----------------------|
| <b>I/ Board of Management</b>   |                 | <b>253,200,000</b>   | <b>292,800,000</b>   |
| Mrs. Le Ngoc Diep               | Chairman of BOM | 61,200,000           | 84,000,000           |
| Mr. Phan Trung Nam              | Member          | 60,000,000           | 60,000,000           |
| Mrs. Vu Thi Minh Thuc           | Member          | 60,000,000           | 60,000,000           |
| Mr. Vu Han                      | Member          | -                    | 16,800,000           |
| Mr. Bui Quoc Thinh              | Member          | 36,000,000           | 36,000,000           |
| Mr. Hoang Minh Son              | Member          | 36,000,000           | 36,000,000           |
| <b>II/ Board of Supervisors</b> |                 | <b>581,838,203</b>   | <b>580,272,076</b>   |
| <b>III/ Executive Board</b>     |                 | <b>1,677,509,090</b> | <b>2,583,075,000</b> |
| <b>Total</b>                    |                 | <b>2,512,547,293</b> | <b>3,456,147,076</b> |

**31. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION**

**Supplemental non-cash disclosures**

"Interest earned, dividends and profits received" exclude VND 2,165,918,104, representing the interest, dividends and profits arising in the current year that have not yet received, but include VND 9,674,807,133, representing the interest, dividends and profits arising in the prior year that have received in the current year. Therefore, a corresponding amount has been adjusted on the "Increase, decrease in receivables".

"Interest paid" in the year excludes VND 1,061,338,757, representing the interest arising in the current year that has not yet paid, but includes VND 1,209,653,238, representing the interest arising in the prior year and paid in the current year. Therefore, a corresponding amount has been adjusted on the "Increase, decrease in payables (excluding accrued loan interest and corporate income tax payable)".



Phan Trung Nam  
General Director  
Ho Chi Minh City, 24 March 2025

Fran Thi Phung  
Chief Accountant/Preparer