

# **Tan Tien Plastic Packaging Joint Stock Company**

Interim financial statements

For the six-month period ended 30 June 2021



# Tan Tien Plastic Packaging Joint Stock Company

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# Tan Tien Plastic Packaging Joint Stock Company

## GENERAL INFORMATION

### THE COMPANY

Tan Tien Plastic Packaging Joint Stock Company ("the Company") was formerly a State-owned enterprise established in accordance with the Decision No. 451/CNn/TCLD issued by the Ministry of Industry on 7 May 1993 and the Business Registration Certificate ("BRC") No. 103022 issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City on 18 May 1994.

On 23 October 2002, the Company was equitized as a shareholding company in accordance with the Decision No. 624/QD-TCCB issued by the Ministry of Industry. This equalization was formalized by the DPI of Ho Chi Minh City through the issuance of the BRC No. 4103002999 on 28 December 2004 and the subsequent amended BRCs.

On 12 July 2017, the Company obtained the latest Enterprise Registration Certificate No. 0300391040 issued by the DPI of Ho Chi Minh City.

The Company's shares was trading on the Ha Noi Stock Exchange ("HNX") in accordance with License No. 140/QD-SGDHN issued by the HNX on 15 March 2017.

The Company's current principal activities are to manufacture plastic packaging used for food, consumer products and real estates.

The Company's registered head office is located at Lot II, Group 4, Street 13, Tan Binh Industrial Park, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City, Vietnam.

### BOARD OF DIRECTORS

Members of the Board of Directors during the period and at the date of this report are:

Mr Cho Jum Kun	Chairman	
Mr Park Moonsu	Member	
Mr Song Jongsun	Member	
Mr Lee Sehoon	Member	
Mr Koo Jae Young	Member	appointed on 23 April 2021
Mr Jo Jeong Kook	Member	resigned on 23 April 2021

### BOARD OF SUPERVISION

Members of the Board of Supervision during the period and at the date of this report are:

Mr Le Van Nhan	Head
Mr Choi Sang Woo	Member
Mr Cho Hyonwoo	Member

### GENERAL DIRECTOR

The General Director during the period and at the date of this report are:

Mr Koo Jae Young	General Director	appointed on 23 April 2021
Mr Jo Jeong Kook	General Director	resigned on 23 April 2021

### LEGAL REPRESENTATIVE

The legal representatives of the Company during the period and at the date of this report are:

Mr Koo Jae Young	appointed on 23 April 2021
Mr Jo Jeong Kook	resigned on 23 April 2021

### AUDITORS

The auditor of the Company is Ernst & Young Vietnam Limited.

# Tan Tien Plastic Packaging Joint Stock Company

## REPORT OF THE GENERAL DIRECTOR

The General Director of Tan Tien Plastic Packaging Joint Stock Company ("the Company") is pleased to present this report and the interim financial statements of the Company for the six-month period ended 30 June 2021.

### THE GENERAL DIRECTOR'S RESPONSIBILITY IN RESPECT OF THE INTERIM FINANCIAL STATEMENTS

The General Director is responsible for the interim financial statements of each financial period which give a true and fair view of the interim financial position of the Company and of the interim results of its operations and its interim cash flows. In preparing those interim 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 standards have been followed, subject to any material departures disclosed and explained in the interim financial statements; and
- prepare the interim financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

The General Director is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the interim financial position of the Company and to ensure that the accounting records comply with the applied accounting system. He is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The General Director confirmed that he has complied with the above requirements in preparing the accompanying interim financial statements.

### STATEMENT BY THE GENERAL DIRECTOR

The General Director does hereby state that, in his opinion, the accompanying interim financial statements give a true and fair view of the interim financial position of the Company as at 30 June 2021 and of the interim results of its operations and its interim cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of the interim financial statements.



Kac Jae Young  
General Director

Ho Chi Minh City, Vietnam

14 August 2021

Reference: 61277151/22632398/LR

## **REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

**To: The Shareholders of Tan Tien Plastic Packaging Joint Stock Company**

We have reviewed the accompanying interim financial statements of Tan Tien Plastic Packaging Joint Stock Company ("the Company"), as prepared on 14 August 2021 and set out on pages 5 to 31, which comprise the interim balance sheet as at 30 June 2021 and the interim income statement and the interim cash flow statement for the six-month period then ended and the notes thereto.

### ***General Director's responsibility***

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

### ***Auditors' responsibility***

Our responsibility is to express a conclusion on the interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements No. 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

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

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view, in all material respects, of the interim financial position of the Company as at 30 June 2021, and of the interim results of its operations and its interim cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of the interim financial statements.

**Ernst & Young Vietnam Limited**



Nguyễn Thị Như Quỳnh  
Deputy General Director  
Audit Practicing Registration Certificate  
No: 3040-2019-004-1

Ho Chi Minh City, Vietnam

14 August 2021

INTERIM BALANCE SHEET  
as at 30 June 2021

VND

Code	ASSETS	Notes	30 June 2021	31 December 2020
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>1,175,136,751,801</b>	<b>1,139,222,397,326</b>
<b>110</b>	<b>I. Cash</b>	<b>4</b>	<b>37,725,253,130</b>	<b>36,150,448,855</b>
111	1. Cash		37,725,253,130	36,150,448,855
<b>120</b>	<b>II. Short-term investment</b>		<b>411,400,000,000</b>	<b>460,000,000,000</b>
123	1. Held-to-maturity investments	5	411,400,000,000	460,000,000,000
<b>130</b>	<b>III. Current accounts receivable</b>		<b>359,855,203,558</b>	<b>385,078,042,242</b>
131	1. Short-term trade receivables	6	327,240,680,958	342,319,624,516
132	2. Short-term advances to suppliers	7	3,131,134,022	2,473,051,347
136	3. Other short-term receivables	8	34,863,813,019	43,821,388,717
137	4. Provision for doubtful short-term receivables	6	(5,380,424,441)	(3,536,022,338)
<b>140</b>	<b>IV. Inventories</b>	<b>9</b>	<b>347,756,094,683</b>	<b>248,989,892,187</b>
141	1. Inventories		353,643,158,395	250,868,239,272
149	2. Provision for obsolete inventories		(5,887,063,712)	(1,878,347,085)
<b>150</b>	<b>V. Other current assets</b>		<b>18,400,200,430</b>	<b>9,004,014,042</b>
151	1. Short-term prepaid expenses	13	3,670,333,080	1,000,874,460
152	2. Value-added tax deductible	15	11,275,941,470	8,003,139,582
153	3. Tax and other receivables from the State	15	3,453,925,880	-
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>371,622,690,418</b>	<b>377,450,410,886</b>
<b>210</b>	<b>I. Long-term receivable</b>		<b>10,000,000</b>	<b>10,000,000</b>
216	1. Other long-term receivable		10,000,000	10,000,000
<b>220</b>	<b>II. Fixed assets</b>		<b>249,112,958,429</b>	<b>269,987,556,590</b>
221	1. Tangible fixed assets	10	227,162,596,129	247,600,779,458
222	Cost		969,390,374,245	964,065,285,483
223	Accumulated depreciation		(742,227,778,116)	(716,464,506,025)
227	2. Intangible fixed assets	11	21,950,362,300	22,386,777,132
228	Cost		37,650,967,412	37,419,857,412
229	Accumulated amortization		(15,700,605,112)	(15,033,080,280)
<b>240</b>	<b>III. Long-term asset in progress</b>		<b>109,371,792,168</b>	<b>95,867,616,168</b>
242	1. Construction in progress	12	109,371,792,168	95,867,616,168
<b>260</b>	<b>IV. Other long-term assets</b>		<b>13,127,939,821</b>	<b>11,585,238,128</b>
261	1. Long-term prepaid expenses	13	4,150,252,281	4,212,509,739
262	2. Deferred tax asset	28.3	8,977,687,540	7,372,728,389
<b>270</b>	<b>TOTAL ASSETS</b>		<b>1,546,759,442,219</b>	<b>1,516,672,808,212</b>

INTERIM BALANCE SHEET (continued)  
as at 30 June 2021

VND

Code	RESOURCES	Notes	30 June 2021	31 December 2020
<b>300</b>	<b>C. LIABILITIES</b>		<b>552,153,156,129</b>	<b>507,735,332,191</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>545,346,715,379</b>	<b>500,928,891,441</b>
311	1. Short-term trade payables	14	273,287,205,326	239,879,982,854
312	2. Short-term advances from customers	16	967,728,835	1,109,391,442
313	3. Statutory obligations	15	605,686,310	10,027,815,996
314	4. Payables to employees		20,697,000,518	26,170,695,458
315	5. Short-term accrued expenses	17	3,929,772,535	1,749,097,396
319	6. Other short-term payables	18	224,332,432,831	221,991,908,295
320	7. Short-term loan	19	21,526,889,024	-
<b>330</b>	<b>II. Non-current liability</b>		<b>6,806,440,750</b>	<b>6,806,440,750</b>
342	1. Long-term provision	20	6,806,440,750	6,806,440,750
<b>400</b>	<b>D. OWNERS' EQUITY</b>	<b>21.1</b>	<b>994,606,286,090</b>	<b>1,008,937,476,021</b>
<b>410</b>	<b>I. Capital</b>		<b>994,606,286,090</b>	<b>1,008,937,476,021</b>
411	1. Share capital		149,999,980,000	149,999,980,000
411a	- Shares with voting rights		149,999,980,000	149,999,980,000
412	2. Share premium		154,777,960,000	154,777,960,000
415	3. Treasury shares		(45,918,033,800)	(45,918,033,800)
418	4. Investment and development fund		177,152,251,138	177,152,251,138
421	5. Undistributed earnings		558,594,128,752	572,925,318,683
421a	- Undistributed earnings by the end of prior period		552,648,663,683	427,761,120,223
421b	- Undistributed earnings of the current period		5,945,465,069	145,164,198,460
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>1,546,759,442,219</b>	<b>1,516,672,808,212</b>

Tran Thi Thuy Tien  
Chief Accountant

Lee Sehoon  
Chief Financial Officer

Koo Jae Young  
General Director

14 August 2021

INTERIM INCOME STATEMENT  
for the six-month period ended 30 June 2021

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2021	For the six-month period ended 30 June 2020
01	1. Revenue from sale of goods and rendering of services	22.1	943,069,669,451	837,194,289,429
02	2. Deductions	22.1	(3,039,471,410)	(3,098,870,601)
10	3. Net revenue from sale of goods and rendering of services	22.1	940,030,198,041	834,095,418,828
11	4. Cost of goods sold and services rendered	23	(888,303,803,837)	(715,921,701,365)
20	5. Gross profit from sale of goods and rendering of services		51,726,394,204	118,173,717,463
21	6. Finance income	22.2	13,715,015,189	13,713,360,830
22 23	7. Finance expenses In which: Interest expense	25	(2,667,933,697) (204,617,742)	(2,888,407,865) (277,062,069)
25	8. Selling expenses	24	(28,140,088,677)	(22,698,255,077)
26	9. General and administrative expenses	24	(25,388,936,897)	(21,325,501,848)
30	10. Operating profit		9,244,450,122	84,974,913,503
31	11. Other income		168,181,819	260,000,002
32	12. Other expenses	26	(1,645,821,194)	(1,484,964,426)
40	13. Other loss		(1,477,639,375)	(1,224,964,424)
50	14. Accounting profit before tax		7,766,810,747	83,749,949,079
51	15. Current corporate income tax expense	28.1	(3,426,304,829)	(18,416,747,959)
52	16. Deferred tax income	28.3	1,604,959,151	1,316,160,063
60	17. Net profit after tax		5,945,465,069	66,649,361,183
70	18. Basic earnings per share	21.3	440	4,930
71	19. Diluted earnings per share	21.3	440	4,930

Tran Thi Thuy Tien  
Chief Accountant

Lee Sehoon  
Chief Financial Officer

Ko Jae Young  
General Director

14 August 2021

INTERIM CASH FLOW STATEMENT  
for the six-month period ended 30 June 2021

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2021	For the six-month period ended 30 June 2020
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Accounting profit before tax</b>		<b>7,766,810,747</b>	<b>83,749,949,079</b>
	<i>Adjustments for:</i>			
02	Depreciation and amortization	10, 11	29,197,741,925	20,311,207,211
03	Provisions		5,853,118,730	158,612,593
04	Foreign exchange loss arising from revaluation of monetary accounts denominated in foreign currency		36,228,793	50,215,992
05	Profits from investing activities		(12,736,595,134)	(12,826,723,140)
06	Interest expense	25	204,617,742	277,062,069
08	<b>Operating profit before changes in working capital</b>		<b>30,321,922,803</b>	<b>91,720,323,804</b>
09	Decrease in receivables		7,329,000,414	40,416,933,719
10	Increase in inventories		(102,774,919,123)	(39,917,536,601)
11	Increase in payables		41,506,244,245	2,262,226,905
12	(Increase) decrease in prepaid expenses		(2,607,201,162)	361,324,848
14	Interest paid		(193,647,875)	(258,809,988)
15	Corporate income tax paid		(15,539,306,032)	(20,000,518,567)
20	<b>Net cash flows (used in) from operating activities</b>		<b>(41,957,906,730)</b>	<b>74,583,944,120</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets		(28,335,317,392)	(22,543,136,748)
22	Proceeds from disposals of fixed assets		168,181,819	257,272,729
23	Cash out for bank deposit and payments for purchase of debt instruments of other entities		(241,400,000,000)	(290,000,000,000)
24	Collections from bank deposits		290,000,000,000	260,000,000,000
27	Interest received		21,859,038,189	19,513,160,000
30	<b>Net cash flows from (used in) investing activities</b>		<b>42,291,902,616</b>	<b>(32,772,704,019)</b>

INTERIM CASH FLOW STATEMENT (continued)  
for the six-month period ended 30 June 2021

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2021	For the six-month period ended 30 June 2020
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
33	Drawdown of borrowings	19	86,739,801,958	30,321,594,362
34	Repayment of borrowings	19	(65,212,912,934)	(9,922,845,488)
36	Dividends paid	21.4	(20,270,965,500)	(6,756,585,000)
<b>40</b>	<b>Net cash flows from financing activities</b>		<b>1,255,923,524</b>	<b>13,642,163,874</b>
<b>50</b>	<b>Net increase in cash</b>		<b>1,589,919,410</b>	<b>55,453,403,975</b>
<b>60</b>	<b>Cash at beginning of period</b>		<b>36,150,448,855</b>	<b>41,190,945,747</b>
61	Impact of exchange rate fluctuation		(15,115,135)	(68,802,248)
<b>70</b>	<b>Cash at end of period</b>	<b>4</b>	<b>37,725,253,130</b>	<b>96,575,547,474</b>

Tran Thi Thuy Tien  
Chief Accountant

Lee Sehoon  
Chief Financial Officer

Koo Jae Young  
General Director



14 August 2021

NOTES TO THE INTERIM FINANCIAL STATEMENTS  
as at 30 June 2021 and for the six-month period then ended

## 1. CORPORATE INFORMATION

Tan Tien Plastic Packaging Joint Stock Company ("the Company") was formerly a State-owned enterprise established in accordance with the Decision No. 451/CNn/TCLD issued by the Ministry of Industry on 7 May 1993 and the Business Registration Certificate ("BRC") No. 103022 issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City on 18 May 1994.

On 23 October 2002, the Company was equitized as a shareholding company in accordance with the Decision No. 624/QD-TCCB issued by the Ministry of Industry. This equalization was formalized by the DPI of Ho Chi Minh City through the issuance of the BRC No. 4103002999 on 28 December 2004 and the subsequent amended BRCs.

On 12 July 2017, the Company obtained the latest Enterprise Registration Certificate No. 0300391040 issued by the DPI of Ho Chi Minh City.

The Company's shares was trading on the Ha Noi Stock Exchange ("HNX") in accordance with License No. 140/QD-SGDHN issued by the HNX on 15 March 2017.

The Company's current principal activities are to manufacture plastic packaging used for food, consumer products and real estates.

The Company's registered head office is located at Lot II, Group 4, Street 13, Tan Binh Industrial Park, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City, Vietnam.

The number of the Company's employees as at 30 June 2021 was 850 (31 December 2020: 847).

## 2. BASIS OF PREPARATION

### 2.1 *Accounting standards and system*

The interim financial statements of the Company, expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System, Vietnamese Accounting Standard No. 27 – Interim Financial Reporting and other Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying interim financial statements, including their utilization are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the interim financial position and the interim results of its operations and interim cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

### 2.2 *Applied accounting documentation system*

The Company's applied accounting documentation system is the General Journal system.

### 2.3 *Fiscal year*

The Company's fiscal year applicable for the preparation of its financial statements starts on 1 January and ends on 31 December.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

**2. BASIS OF PREPARATION (continued)**

**2.4 Accounting currency**

The interim financial statements are prepared in VND which is also the Company's accounting currency.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Cash**

Cash comprise cash on hand and cash in banks.

**3.2 Inventories**

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realizable value. Net realizable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories, which are valued as follows:

- |                                    |  |
|------------------------------------|--|
| Raw materials                      | - cost of purchase on a weighted average basis.  |
| Finished goods and work-in-process | - cost of direct materials and labor plus attributable manufacturing overheads based on the normal operating capacity on a weighted average basis. |

*Provision for obsolete inventories*

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Company, based on appropriate evidence of impairment available at the balance sheet date.

Increases or decreases to the provision balance are recorded into the cost of goods sold account in the interim income statement.

**3.3 Receivables**

Receivables are presented in the interim financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful receivables.

The provision for doubtful receivables represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expense in the interim income statement.

**3.4 Fixed assets**

Tangible fixed assets and intangible fixed assets are stated at cost less accumulated depreciation and amortization.

The cost of a fixed asset comprises its purchase price and any directly attributable costs of bringing the fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the interim income statement as incurred.

When fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the interim income statement.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

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

**3.4 Fixed assets (continued)**

*Land use rights*

Land use rights are recorded as intangible fixed assets representing the value of the right to use the lands acquired by the Company. The useful lives of land use rights are assessed as either definite or indefinite. Accordingly, the land use rights with definite useful lives representing the land lease is amortized over the lease term while the land use rights with indefinite useful lives is not amortized.

**3.5 Depreciation and amortization**

Depreciation of tangible fixed assets and amortization of intangible fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	5 - 25 years
Machinery and equipment	5 - 8 years
Means of transportation	6- 7 years
Office equipment	3 - 6 years
Computer software	3 years
Land use rights	43 - 46 years
Others	4 years

**3.6 Prepaid expenses**

Prepaid expenses are reported as short-term or long-term prepaid expenses on the interim balance sheet and amortized over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

**3.7 Investment**

*Held-to-maturity investments*

Held-to-maturity investments are stated at their acquisition costs. After initial recognition, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognized as expense in the financial statements and deducted against the value of such investments.

*Provision for diminution in value of investments*

Provision of the investment is made when there are reliable evidences of the diminution in value of those investments at the balance sheet date.

Increases or decreases to the provision balance are recorded as finance expense in the interim income statement.

**3.8 Borrowing costs**

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds and are recorded as expense during the year in which they are incurred.

**3.9 Payables and accruals**

Payables and accruals are recognized for amounts to be paid in the future for goods and services received, whether or not billed to the Company.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

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

**3.10 Accrual for severance pay**

The severance pay to employee is accrued at the end of each reporting period for all employees who have been in service for more than 12 months up to the balance sheet date at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labor Code, the Law on Social Insurance and related implementing guidance. The average monthly salary used in this calculation will be revised at the end of each reporting period following the average monthly salary of the 6-month period up to the reporting date. Increases or decreases to the accrued amount other than actual payment to employees will be taken to the interim income statement.

This provision is used to settle the retrenchment allowance to be paid to employee upon termination of their labor contract following Article 46 of the Labor Code.

**3.11 Foreign currency transactions**

Transactions in currencies other than the Company's reporting currency of VND are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- Transaction resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection; and
- Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment.

At the end of the period, monetary balances denominated in foreign currencies are translated at the actual exchange rates at transaction dates which are determined as follows:

- Monetary assets are translated at buying exchange rate of the commercial bank where the Company conducts transactions regularly; and
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company conducts transactions regularly.

All foreign exchange differences incurred during the period and arising from the revaluation of monetary accounts denominated in foreign currency at period-end are taken to the interim income statement.

**3.12 Treasury shares**

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit (loss) upon purchase, sale, issue or cancellation of the Company's own equity instruments.

**3.13 Earnings per share**

Basic earnings per share amounts are calculated by dividing net profit after tax for the year attributable to ordinary shareholders of the Company (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.14 Appropriation of net profits

Net profit after tax is available for appropriation to shareholders after approval in the annual general meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

The Company maintains the following reserve funds which are appropriated from the Company's net profit as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting.

##### *Investment and development fund*

This fund is set aside for use in the Company's expansion of its operation or in-depth investments.

##### *Dividends*

Final dividends proposed by the Company's Board of Directors are classified as an allocation of undistributed earnings within the equity section of the interim balance sheet, until they have been approved by the Company's shareholders at the Annual General Meeting. When these dividends have been approved by the shareholders and declared, they are recognized as a liability in the interim balance sheet.

#### 3.15 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognized:

##### *Sale of goods*

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

##### *Rendering of services*

Revenue from rendering of services is recognized when the services have been rendered and completed.

##### *Interest income*

Revenue is recognized as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

#### 3.16 Taxation

##### *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted by the balance sheet date.

Current income tax is charged or credited to the interim income statement, except when it relates to items recognized directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company to offset current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

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

**3.16 Taxation (continued)**

*Deferred tax*

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Previously unrecognized deferred tax assets are re-assessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred income tax is charged or credited to the interim income statement, except when it relates to items recognized directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company to offset current tax assets against current tax liabilities and when they relate to income taxes levied on the same taxable entity by the same taxation authority or when the Company intends either to settle current tax liabilities and assets on a net basis or to realize the assets and settle the liabilities simultaneously, in each future year in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**3.17 Related parties**

Parties are considered to be related parties of the Company if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Company and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of their families.

**4. CASH**

	VND	
	30 June 2021	31 December 2020
Cash on hand	52,253,928	193,288,888
Cash at banks	37,672,999,202	35,957,159,967
<b>TOTAL</b>	<b>37,725,253,130</b>	<b>36,150,448,855</b>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

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

	VND	
	30 June 2021	31 December 2020
Term deposits (i)	331,400,000,000	380,000,000,000
Bonds (ii)	80,000,000,000	80,000,000,000
<b>TOTAL</b>	<b>411,400,000,000</b>	<b>460,000,000,000</b>

(i) This balance represents bank deposits at commercial banks with remaining maturities less than 12 months and earn interest at the rates ranging from 4.7% to 5.5% per annum.

(ii) This balance represents 800 bonds at KIS Vietnam Securities Corporation with remaining maturity of 4 months and earn interest at the rate 6.3% per annum.

**6. SHORT-TERM TRADE RECEIVABLES**

	VND	
	30 June 2021	31 December 2020
Due from other parties	319,993,709,613	334,281,846,276
<i>Trung Nguyen Coffee Joint Stock Company</i>	31,600,960,262	43,005,759,621
<i>Unilever Vietnam International Co., Ltd.</i>	28,025,285,186	76,989,336,510
<i>Others</i>	260,367,464,165	214,286,750,145
Due from a related party (Note 29)	7,246,971,345	8,037,778,240
<b>TOTAL</b>	<b>327,240,680,958</b>	<b>342,319,624,516</b>
Provision for doubtful short-term receivables	(5,380,424,441)	(3,536,022,338)
<b>NET</b>	<b>321,860,256,517</b>	<b>338,783,602,178</b>

*Movements of provision for doubtful short-term receivables are as follows:*

	VND	
	For the six-month period ended 30 June 2021	For the six-month period ended 30 June 2020
At beginning of period	3,536,022,338	3,543,655,232
Add: Provision made during the period	1,844,402,103	158,612,593
At end of period	5,380,424,441	3,702,267,825

**7. SHORT-TERM ADVANCES TO SUPPLIERS**

	VND	
	30 June 2021	31 December 2020
Green Pearl Technology Co., Ltd.	473,357,412	-
New Age Industrial Equipment Co., Ltd.	361,507,300	-
Others	2,296,269,310	2,473,051,347
<b>TOTAL</b>	<b>3,131,134,022</b>	<b>2,473,051,347</b>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

**8. OTHER SHORT-TERM RECEIVABLES**

	VND	
	30 June 2021	31 December 2020
Project deposit (*)	25,224,132,225	25,224,132,225
Banks and bond interest receivables	8,262,861,917	17,559,753,424
Others	1,376,818,877	1,037,503,068
<b>TOTAL</b>	<b>34,863,813,019</b>	<b>43,821,388,717</b>

(\*) This amount represents the deposit at Department of Planning and Investment of Ho Chi Minh City to execute the Exim Plaza Shopping Center.

**9. INVENTORIES**

	VND	
	30 June 2021	31 December 2020
Raw materials	201,214,173,137	153,300,257,614
Finished goods	69,405,710,156	48,283,072,261
Work in process	44,449,221,773	23,084,035,347
Goods in transit	38,563,505,204	26,177,614,050
Tools and supplies	10,548,125	23,260,000
<b>TOTAL</b>	<b>353,643,158,395</b>	<b>250,868,239,272</b>
Provision for obsolete inventories	(5,887,063,712)	(1,878,347,085)
<b>NET</b>	<b>347,756,094,683</b>	<b>248,989,892,187</b>

*Movements of provision for obsolete inventories are as follows:*

	VND	
	For the six-month period ended 30 June 2021	For the six-month period ended 30 June 2020
At beginning of period	1,878,347,085	2,502,978,936
Add: Provision made during the period	4,058,150,471	-
Less: Utilization and reversal of provision during the period	(49,433,844)	-
At end of period	<u>5,887,063,712</u>	<u>2,502,978,936</u>

# Tan Tien Plastic Packaging Joint Stock Company

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

## 10. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Other assets	VND Total
<b>Cost</b>						
As at 31 December 2020	211,166,742,747	672,403,726,838	63,968,328,731	13,702,432,272	2,824,054,895	964,065,285,483
Transfer from construction in progress	65,000,000	-	-	-	-	65,000,000
New purchase	-	6,875,655,764	952,878,000	198,500,000	-	8,027,033,764
Disposal	-	(2,608,314,952)	-	(158,630,050)	-	(2,766,945,002)
As at 30 June 2021	211,231,742,747	676,671,067,650	64,921,206,731	13,742,302,222	2,824,054,895	969,390,374,245
<i>In which:</i>						
Fully depreciated	27,657,808,524	458,126,786,671	51,784,582,367	10,093,692,214	1,647,904,990	549,310,774,766
<b>Accumulated depreciation</b>						
As at 31 December 2020	115,608,057,123	528,665,709,836	58,111,528,068	11,991,346,249	2,087,864,749	716,464,506,025
Depreciation for the period	5,547,191,931	21,408,842,610	1,069,931,664	357,232,150	147,018,738	28,530,217,093
Disposal	-	(2,608,314,952)	-	(158,630,050)	-	(2,766,945,002)
As at 30 June 2021	121,155,249,054	547,466,237,494	59,181,459,732	12,189,948,349	2,234,883,487	742,227,778,116
<b>Net carrying amount</b>						
As at 31 December 2020	95,558,685,624	143,738,017,002	5,856,800,663	1,711,086,023	736,190,146	247,600,779,458
As at 30 June 2021	90,076,493,693	129,204,830,156	5,739,746,999	1,552,353,873	589,171,408	227,162,596,129

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

**11. INTANGIBLE FIXED ASSETS**

			VND
	Land use rights	Computer software	Total
<b>Cost</b>			
As at 31 December 2020	31,394,484,385	6,025,373,027	37,419,857,412
New purchase	-	231,110,000	231,110,000
As at 30 June 2021	31,394,484,385	6,256,483,027	37,650,967,412
<i>In which:</i>			
Fully amortized	4,427,367,250	4,356,025,551	8,783,392,801
<b>Accumulated amortization</b>			
As at 31 December 2020	10,298,640,805	4,734,439,475	15,033,080,280
Amortization for the period	307,554,108	359,970,724	667,524,832
As at 30 June 2021	10,606,194,913	5,094,410,199	15,700,605,112
<b>Net carrying amount</b>			
As at 31 December 2020	21,095,843,580	1,290,933,552	22,386,777,132
As at 30 June 2021	20,788,289,472	1,162,072,828	21,950,362,300

**12. CONSTRUCTION IN PROCESS**

			VND
	30 June 2021	31 December 2020	
Construction cost of Luy Ban Bich Project (*)	95,867,616,168	95,867,616,168	
Machinery and equipment under installation	13,504,176,000	-	
<b>TOTAL</b>	<b>109,371,792,168</b>	<b>95,867,616,168</b>	

(\*) This comprises construction cost on existing leasehold land, located at 96 Luy Ban Bich Street, Tan Thoi Hoa Ward, Tan Phu District, Ho Chi Minh City, Vietnam. Ngoi Nha Xanh Co., Ltd. is implementing the project construction on behalf of the Company. The project comprising leasehold land and construction cost which will be transferred to Ngoi Nha Xanh Co., Ltd. when the project's legal documentation of the transfer is completed (Note 18).

**13. PREPAID EXPENSES**

			VND
	30 June 2021	31 December 2020	
<b>Short-term</b>	<b>3,670,333,080</b>	<b>1,000,874,460</b>	
Tools and equipment	2,393,218,170	123,939,375	
Repairing fee	440,737,200	-	
Insurance	252,611,904	757,835,685	
Others	583,765,806	119,099,400	
<b>Long-term</b>	<b>4,150,252,281</b>	<b>4,212,509,739</b>	
Repairing fee	1,687,421,596	956,429,171	
Tools and equipment	1,027,492,665	1,794,162,218	
Others	1,435,338,020	1,461,918,350	
<b>TOTAL</b>	<b>7,820,585,361</b>	<b>5,213,384,199</b>	

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

14. SHORT-TERM TRADE PAYABLES

	VND	
	30 June 2021	31 December 2020
Due to third parties	270,831,037,601	239,879,982,854
<i>Kien Duc Trading and Services Plastic Packaging Joint Stock Company</i>	27,400,437,827	26,919,367,807
<i>Sakata Inx Vietnam Co., Ltd.</i>	24,346,636,600	23,325,951,550
Others	219,083,963,174	189,634,663,497
Due to a related party (Note 29)	2,456,167,725	-
<b>TOTAL</b>	<b>273,287,205,326</b>	<b>239,879,982,854</b>

15. TAX

	VND			
	31 December 2020	Payable for the period	Payment made in the period	30 June 2021
<b>Payables</b>				
Personal income tax	1,197,312,024	2,451,513,358	(3,043,139,072)	605,686,310
Corporate income tax	8,830,503,972	3,426,304,829	(12,256,808,801)	-
Others	-	2,233,824,536	(2,233,824,536)	-
<b>TOTAL</b>	<b>10,027,815,996</b>	<b>8,111,642,723</b>	<b>(17,533,772,409)</b>	<b>605,686,310</b>

	VND			
	31 December 2020	Receivable for the year	Payment received in the year	30 June 2021
<b>Receivables</b>				
Value-added tax deductibles	8,003,139,582	91,668,322,172	(88,395,520,284)	11,275,941,470
Corporate income tax	-	3,282,497,231	-	3,282,497,231
Import tax	-	4,085,936,389	(3,914,507,740)	171,428,649
<b>TOTAL</b>	<b>8,003,139,582</b>	<b>99,036,755,792</b>	<b>(92,310,028,024)</b>	<b>14,729,867,350</b>

16. SHORT-TERM ADVANCES FROM CUSTOMERS

	VND	
	30 June 2021	31 December 2020
United Fisheries Ltd.	467,995,221	475,446,357
Hy Lam Mon Cakes Manufacturing Trading Services Co., Ltd.	250,000,000	-
Others	249,733,614	633,945,085
<b>TOTAL</b>	<b>967,728,835</b>	<b>1,109,391,442</b>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

**17. SHORT-TERM ACCRUED EXPENSES**

	VND	
	30 June 2021	31 December 2020
Expenses for employee benefit	1,467,099,068	-
Expenses for external services	384,975,016	383,360,000
Commission fee	335,985,895	422,026,573
Others	1,741,712,556	943,710,823
<b>TOTAL</b>	<b>3,929,772,535</b>	<b>1,749,097,396</b>

**18. OTHER SHORT-TERM PAYABLES**

	VND	
	30 June 2021	31 December 2020
Payment on behalf for implementing Luy Ban Bich Project (***)	102,633,978,306	102,633,978,306
Deposit received from Ngoi Nha Xanh Co., Ltd. (*)	95,431,470,527	94,178,164,936
Deposit received from Phuc Khang Development Co., Ltd. (**)	24,890,599,845	24,498,084,242
Dividend payables	76,142,900	70,453,400
Others	1,300,241,253	611,227,411
<b>TOTAL</b>	<b>224,332,432,831</b>	<b>221,991,908,295</b>
<i>In which:</i>		
Payables to others	223,849,222,856	221,674,992,449
Payables to a related party (Note 29)	483,209,975	316,915,846

(\*) This amount related to the event on 20 August 2015, the Company and Ngoi Nha Xanh Co., Ltd. entered into a contract amounting to VND 115,165,164,000 plus costs of payments for project implementation contracts plus land use fees to transfer the project in cumulative years located at 96 Luy Ban Bich Street, Tan Thoi Hoa Ward, Tan Phu District, Ho Chi Minh City, Vietnam. As the date of this report, the Company received in advance the such amount and is still in the process of finalizing the legal documentation of the project transfer.

(\*\*) This amount related to the event on 30 July 2016, the Company and Phuc Khang Development Co., Ltd. entered into a contract amounting to VND 26,796,000,000 plus land use fee with Phuc Khang Development Joint Stock Company to transfer of the project located at 38/24 Phan Anh Street, Tan Thoi Hoa Ward, Tan Phu District, Ho Chi Minh City, Vietnam. As the date of this report, the Company received in advance the such amount and is still in the process of finalizing the legal documentation of the project transfer.

(\*\*\*) This amount represented the cost of construction was paid on behalf by Ngoi Nha Xanh Co., Ltd. of project located at located at 96 Luy Ban Bich Street, Tan Thoi Hoa Ward, Tan Phu District, Ho Chi Minh City, Vietnam. This amount will be net-off with proceed from transfer this project as mentioned above.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

**19. SHORT-TERM LOANS**

				VND
	31 December 2020	Increase	Decrease	30 June 2021
Loans from banks	-	86,739,801,958	(65,212,912,934)	<u>21,526,889,024</u>

The Company obtained the unsecured short-term loans from a bank for finance its working capital requirement. Details are as follows:

	30 June 2021	Maturity date	Interest rate
	VND		% p.a.
Shinhan Bank Vietnam Limited – Bac Sai Gon Branch	<u>21,526,889,024</u>	From 14 July 2021 to 17 July 2021	3.1

**20. LONG-TERM PROVISION**

Long-term provision represents the accrual for severance allowance to employees.

# Tan Tien Plastic Packaging Joint Stock Company

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

## 21. OWNERS' EQUITY

### 21.1 Increase and decrease in owners' equity

	Share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	VND Total
<b>For the six-month period ended 30 June 2020</b>						
As at 31 December 2019	149,999,980,000	154,777,960,000	(45,918,033,800)	177,152,251,138	434,520,005,223	870,532,162,561
Net profit for the period	-	-	-	-	66,649,361,183	66,649,361,183
Dividend declared	-	-	-	-	(6,758,885,000)	(6,758,885,000)
As at 30 June 2020	149,999,980,000	154,777,960,000	(45,918,033,800)	177,152,251,138	494,410,481,406	930,422,638,744
<b>For the six-month period ended 30 June 2021</b>						
As at 31 December 2020	149,999,980,000	154,777,960,000	(45,918,033,800)	177,152,251,138	572,925,318,683	1,008,937,476,021
Net profit for the period	-	-	-	-	5,945,465,069	5,945,465,069
Dividend declared and paid	-	-	-	-	(20,276,655,000)	(20,276,655,000)
As at 30 June 2021	149,999,980,000	154,777,960,000	(45,918,033,800)	177,152,251,138	558,594,128,752	994,606,286,090

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

**21. OWNERS' EQUITY (continued)**

**21.2 Shares**

	30 June 2021	31 December 2020
	Quantity	Quantity
<b>Authorized shares</b>	<b>15,000,000</b>	<b>15,000,000</b>
<b>Issued shares</b>		
Issued and paid-up shares	14,999,998	14,999,998
Ordinary shares	14,999,998	14,999,998
<b>Treasury shares</b>		
Ordinary shares	1,482,228	1,482,228
<b>Shares in circulation</b>		
Ordinary shares	13,517,770	13,517,770

Par value of outstanding share: 10,000VND/share (31 December 2020:10,000 VND/share)

**21.3 Earnings per share**

	For the six-month period ended 30 June 2021	For the six-month period ended 30 June 2020
Net profit attributable to ordinary shareholders of the Company (VND)	5,945,465,069	66,649,361,183
Weighted average number of ordinary shares (shares)	13,517,770	13,517,770
<b>Basic earnings per share (VND)</b> (par value: VND 10,000 per share)	<b>440</b>	<b>4,930</b>
<b>Diluted earnings per share (VND)</b>	<b>440</b>	<b>4,930</b>

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

**21.4 Dividend**

		VND
	For the six-month period ended 30 June 2021	For the six-month period ended 30 June 2020
Dividend declared	20,276,655,000	6,758,885,000
Dividend paid	20,270,965,500	6,756,585,000

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended**22. REVENUES****22.1 Revenue from sale of goods and rendering of services**

	VND	
	For the six-month period ended 30 June 2021	For the six-month period ended 30 June 2020
<b>Gross revenues</b>	<b>943,069,669,451</b>	<b>837,194,289,429</b>
<i>In which:</i>		
Sale of finished goods	922,192,352,482	822,145,362,789
Sale of merchandise goods	11,646,595,943	6,162,310,377
Processing service	744,608,260	891,680,050
Others	8,486,112,766	7,994,936,213
<b>Less:</b>	<b>(3,039,471,410)</b>	<b>(3,098,870,601)</b>
Sales returns	(2,859,517,513)	(2,082,092,777)
Sale discounts	(179,953,897)	(1,011,881,572)
Sale allowances	-	(4,896,252)
<b>NET REVENUES</b>	<b>940,030,198,041</b>	<b>834,095,418,828</b>
<i>In which:</i>		
Sale of finished goods	919,152,881,072	819,046,492,188
Sale of merchandise goods	11,646,595,943	6,162,310,377
Processing services	744,608,260	891,680,050
Others	8,486,112,766	7,994,936,213

**22.2 Finance income**

	VND	
	For the six-month period ended 30 June 2021	For the six-month period ended 30 June 2020
Interest income	12,568,413,315	12,569,450,411
Foreign exchange gain	1,146,601,874	1,143,910,419
<b>TOTAL</b>	<b>13,715,015,189</b>	<b>13,713,360,830</b>

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

	VND	
	For the six-month period ended 30 June 2021	For the six-month period ended 30 June 2020
Cost of finished goods	875,221,135,207	704,739,558,261
Cost of merchandise goods	10,917,409,619	7,590,263,063
Cost of processing services	849,229,203	914,500,895
Cost of others	1,316,029,808	2,677,379,146
<b>TOTAL</b>	<b>888,303,803,837</b>	<b>715,921,701,365</b>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

## 24. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2021</i>	<i>For the six-month period ended 30 June 2020</i>
<b>Selling expenses</b>	<b>28,140,088,677</b>	<b>22,698,255,077</b>
Expenses for external services	16,911,654,521	10,714,111,308
Labor costs	8,965,535,282	9,138,502,523
Depreciation and amortization	221,725,330	111,015,541
Others	2,041,173,544	2,734,625,705
<b>General and administrative expenses</b>	<b>25,388,936,897</b>	<b>21,325,501,848</b>
Labor costs	16,744,898,796	14,322,680,292
Expenses for external services	3,251,442,795	2,928,097,682
Provisions	1,844,402,103	158,612,593
Depreciation and amortization	1,496,679,301	1,583,526,864
Others	2,051,513,902	2,332,584,417
<b>TOTAL</b>	<b><u>53,529,025,574</u></b>	<b><u>44,023,756,925</u></b>

## 25. FINANCE EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2021</i>	<i>For the six-month period ended 30 June 2020</i>
Settlement discount	2,305,160,823	2,070,514,273
Interest expenses	204,617,742	277,062,069
Foreign exchange loss	158,155,132	540,831,523
<b>TOTAL</b>	<b><u>2,667,933,697</u></b>	<b><u>2,888,407,865</u></b>

## 26. OTHER EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2021</i>	<i>For the six-month period ended 30 June 2020</i>
Land rental expense	<u>1,645,821,194</u>	<u>1,484,964,426</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

**27. PRODUCTION AND OPERATING COSTS**

	VND	
	<i>For the six-month period ended 30 June 2021</i>	<i>For the six-month period ended 30 June 2020</i>
Cost of materials	786,017,586,939	599,449,737,293
Labor costs	99,770,518,700	96,824,629,841
Expenses for external services	55,055,138,195	43,834,170,068
Depreciation and amortization (Notes 10 and 11)	29,197,741,925	20,311,207,211
Others	14,279,667,973	9,198,040,034
<b>TOTAL</b>	<b><u>984,320,653,732</u></b>	<b><u>769,617,784,447</u></b>

**28. CORPORATE INCOME TAX**

The Company has the obligation to pay corporate income tax ("CIT") at the rate of 20% of taxable profits.

The Company's tax returns are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the interim financial statements could change at a later date upon final determination by the tax authorities.

**28.1 CIT expenses**

	VND	
	<i>For the six-month period ended 30 June 2021</i>	<i>For the six-month period ended 30 June 2020</i>
Current CIT expense	3,426,304,829	18,416,747,959
Deferred tax income	(1,604,959,151)	(1,316,160,063)
<b>TOTAL</b>	<b><u>1,821,345,678</u></b>	<b><u>17,100,587,896</u></b>

Reconciliation between CIT expenses and the accounting profit multiplied by CIT rate is presented below:

	VND	
	<i>For the six-month period ended 30 June 2021</i>	<i>For the six-month period ended 30 June 2020</i>
<b>Accounting profit before tax</b>	<b><u>7,766,810,747</u></b>	<b><u>83,749,949,079</u></b>
At CIT rate of 20%	1,553,362,149	16,749,989,816
<i>Adjustments:</i>		
Non-deductible expenses	267,983,529	350,598,080
<b>CIT expenses</b>	<b><u>1,821,345,678</u></b>	<b><u>17,100,587,896</u></b>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

**28. CORPORATE INCOME TAX (continued)**

**28.2 Current CIT**

The current tax payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the interim income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted at the balance sheet date.

**28.3 Deferred CIT**

The following is deferred tax assets recognized by the Company, and the movements thereon, during the current and previous periods:

	<i>Interim balance sheet</i>		<i>Interim income statement</i>	
	<i>30 June 2021</i>	<i>31 December 2020</i>	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
				VND
Expenses of transfer real estates	5,805,719,531	5,476,555,292	329,164,239	296,992,885
Severance allowance	1,361,288,150	1,361,288,150	-	-
Provision for obsolete inventories	1,177,412,742	375,669,418	801,743,324	-
Accrued expenses	433,635,295	76,672,002	356,963,293	801,914,898
Sale rebate	187,095,157	73,029,889	114,065,268	217,252,280
Foreign exchange gain arising from revaluation of foreign currencies accounts	12,536,665	9,513,638	3,023,027	-
<b>Deferred tax assets</b>	<b>8,977,687,540</b>	<b>7,372,728,389</b>		
<b>Deferred tax credit to income statement</b>			<b>1,604,959,151</b>	<b>1,316,160,063</b>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

## 29. TRANSACTIONS WITH RELATED PARTIES

Significant transactions of the Company with related parties in current period and prior period were as follows:

Related parties	Relationship	Transactions	VND	
			For the six-month period ended 30 June 2021	For the six-month period ended 30 June 2020
Minh Viet Packaging Co., Ltd.	Affiliate	Sale of raw materials	5,536,185,062	4,339,619,148
		Purchase of raw materials	4,942,778,750	1,265,011,872
		Borrowing of raw materials	465,525,000	-
		Sale of finished goods	-	16,407,977,222
		Sale of fixed asset	100,000,000	-
		Processing services	256,512,000	333,227,250
Dongwons System Corporation	Major shareholder	Dividend declared and paid	19,836,777,000	6,612,259,000
		Purchase of raw materials	-	105,654,713

Amounts due to related parties at the balance sheet dates was as follows:

			VND	
Related party	Relationship	Transaction	30 June 2021	31 December 2020
<b>Short-term trade receivable</b>				
Minh Viet Packaging Co., Ltd.	Affiliate	Sale of raw material, finished goods	<u>7,246,971,345</u>	<u>8,037,778,240</u>
<b>Short-term trade payable</b>				
Minh Viet Packaging Co., Ltd.	Affiliate	Purchase of raw materials	<u>2,456,167,725</u>	<u>-</u>
<b>Other short-term payable</b>				
Minh Viet Packaging Co., Ltd.	Affiliate	Others	<u>483,209,975</u>	<u>316,915,846</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

**29. TRANSACTIONS WITH RELATED PARTIES (continued)**

Remuneration of members of the Board of Directors ("BOD") and the General Director during the period was as follows:

		VND	
<i>Individuals</i>	<i>Position</i>	<i>For the six-month period ended 30 June 2021</i>	<i>For the six-month period ended 30 June 2020</i>
Mr Jo Jeong Kook	Member of BOD and the General Director ( <i>resigned on 23 April 2021</i> )	3,618,175,607	3,886,638,095
Mr Lee Sehoon	Member of BOD	2,245,056,947	1,688,619,015
Mr Koo Jae Young	Member of BOD and the General Director ( <i>assigned on 23 April 2021</i> )	1,445,107,392	-
<b>TOTAL</b>		<b><u>7,308,339,946</u></b>	<b><u>5,575,257,110</u></b>

**30. OPERATING LEASE COMMITMENTS**

The Company leases houses under operating lease arrangements. The minimum lease commitment as at the balance sheet date is as follows:

	VND	
	<i>30 June 2021</i>	<i>31 December 2020</i>
Less than 1 year	2,229,284,633	888,370,433
From 1-5 years	350,616,187	-
<b>TOTAL</b>	<b><u>2,579,900,820</u></b>	<b><u>888,370,433</u></b>

**31. SEGMENT REPORTING**

A segment is a component determined separately by the Company which is engaged in providing products or related services (business segment), or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments. As the Company's revenue and profit are derived mainly from manufacturing and trading plastic packaging in Vietnam while other sources of revenue are not material as a whole, management accordingly believes that the Company operates in a sole business segment of manufacturing plastic packaging used for food and consumer products within a single geographical segment. Therefore, no further segmental information is required to be presented.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

**32. EVENTS AFTER THE BALANCE SHEET DATE**

There has been no significant event occurring after the balance sheet date which would require adjustments or disclosures to be made in the interim financial statements of the company.

\_\_\_\_\_  
Tran Thi Thuy Tien  
Chief Accountant

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Lee Sehoon  
Chief Financial Officer

\_\_\_\_\_  
Koo Jae Young  
General Director

14 August 2021

