

Tan Tien Plastic Packaging Joint Stock Company

Interim financial statements

For the six-month period ended 30 June 2022



Tan Tien Plastic Packaging Joint Stock Company

CONTENTS

	<i>Pages</i>
General information	1
Report of the General Director	2
Report on review of interim financial statements	3 - 4
Interim balance sheet	5 - 6
Interim income statement	7
Interim cash flow statement	8 - 9
Notes to the interim financial statements	10 - 31

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 4 May 2021, 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 Jang Sung Hak	Chairman	appointed on 26 April 2022
Mr Cho Jum Kun	Chairman	resigned on 26 April 2022
Mr Kim Sung Kon	Member	appointed on 26 April 2022
Mr Park Moonsu	Member	resigned on 26 April 2022
Mr Lee Jeongki	Member	appointed on 26 April 2022
Mr Lee Sehoon	Member	resigned on 26 April 2022
Mr Song Jongsun	Member	
Mr Koo Jae Young	Member	

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 Won Jonghun	Member	appointed on 26 April 2022
Mr Choi Sang Woo	Member	resigned on 26 April 2022
Mr Cho Hyonwoo	Member	

GENERAL DIRECTOR

The General Director during the period and at the date of this report is Mr Koo Jae Young.

LEGAL REPRESENTATIVE

The legal representatives of the Company during the period and at the date of this report is Mr Koo Jae Young.

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 2022.

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 2022 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.



Ko Jae-Myoung
General Director

Ho Chi Minh City, Vietnam

13 August 2022

Reference: 61277151/22991233/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 13 August 2022 and set out on pages 5 to 31, which comprise the interim balance sheet as at 30 June 2022 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 the 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 2022, 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.



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

Ho Chi Minh City, Vietnam

13 August 2022

INTERIM BALANCE SHEET
as at 30 June 2022

VND

Code	ASSETS	Notes	30 June 2022	31 December 2021
100	A. CURRENT ASSETS		1,130,048,768,950	1,167,500,485,460
110	I. Cash	4	23,824,142,939	35,022,656,039
111	1. Cash		23,824,142,939	35,022,656,039
120	II. Short-term investment		379,320,000,000	381,400,000,000
123	1. Held-to-maturity investments	5	379,320,000,000	381,400,000,000
130	III. Current accounts receivable		344,083,760,414	369,914,132,370
131	1. Short-term trade receivables	6	316,669,131,600	337,183,461,136
132	2. Short-term advances to suppliers	7	1,960,495,002	1,683,616,149
136	3. Other short-term receivables	8	32,495,365,138	38,179,470,638
137	4. Provision for doubtful short-term receivables	6	(7,041,231,326)	(7,132,415,553)
140	IV. Inventories	9	366,987,712,104	363,586,161,076
141	1. Inventories		371,642,676,246	367,641,550,689
149	2. Provision for obsolete inventories		(4,654,964,142)	(4,055,389,613)
150	V. Other current assets		15,833,153,493	17,577,535,975
151	1. Short-term prepaid expenses	13	1,511,914,430	903,351,805
152	2. Value-added tax deductible	15	11,670,545,230	9,940,942,497
153	3. Tax and other receivables from the State	15	2,650,693,833	6,733,241,673
200	B. NON-CURRENT ASSETS		318,056,786,164	341,795,923,791
210	I. Long-term receivable		10,000,000	10,000,000
216	1. Other long-term receivable		10,000,000	10,000,000
220	II. Fixed assets		207,904,600,680	234,357,739,152
221	1. Tangible fixed assets	10	187,078,779,598	213,000,814,129
222	Cost		959,815,775,859	985,143,814,817
223	Accumulated depreciation		(772,736,996,261)	(772,143,000,688)
227	2. Intangible fixed assets	11	20,825,821,082	21,356,925,023
228	Cost		37,718,967,412	37,650,967,412
229	Accumulated amortization		(16,893,146,330)	(16,294,042,389)
240	III. Long-term asset in progress		95,867,616,168	95,867,616,168
242	1. Construction in progress	12	95,867,616,168	95,867,616,168
260	IV. Other long-term assets		14,274,569,316	11,560,568,471
261	1. Long-term prepaid expenses	13	4,801,075,035	2,958,559,615
262	2. Deferred tax asset	27.3	9,473,494,281	8,602,008,856
270	TOTAL ASSETS		1,448,105,555,114	1,509,296,409,251


INTERIM BALANCE SHEET (continued)
as at 30 June 2022

VND

Code	RESOURCES	Notes	30 June 2022	31 December 2021
300	C. LIABILITIES		479,482,553,773	531,817,683,099
310	I. Current liabilities		473,050,831,773	525,018,138,599
311	1. Short-term trade payables	14	199,702,077,889	268,649,343,823
312	2. Short-term advances from customers		306,823,573	258,734,819
313	3. Statutory obligations	15	899,043,905	1,061,770,338
314	4. Payables to employees		20,769,654,882	26,258,767,226
315	5. Short-term accrued expenses	16	4,923,609,577	1,665,127,904
319	6. Other short-term payables	17	225,778,012,186	227,124,394,489
320	7. Short-term loan	18	20,671,609,761	-
330	II. Non-current liability		6,431,722,000	6,799,544,500
342	1. Long-term provision	19	6,431,722,000	6,799,544,500
400	D. OWNERS' EQUITY		968,623,001,341	977,478,726,152
410	I. Capital	20.1	968,623,001,341	977,478,726,152
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		532,610,844,003	541,466,568,814
421a	- Undistributed earnings by the end of prior period		521,189,913,814	552,648,663,683
421b	- Undistributed earnings (losses) of the current period/year		11,420,930,189	(11,182,094,869)
440	TOTAL LIABILITIES AND OWNERS' EQUITY		1,448,105,555,114	1,509,296,409,251


Tran Thi Thuy Tien
Chief Accountant


Lee Jeongki
Chief Financial Officer


Koo Jae Young
General Director


13 August 2022

INTERIM INCOME STATEMENT
for the six-month period ended 30 June 2022

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2022	For the six-month period ended 30 June 2021
01	1. Revenue from sale of goods and rendering of services	21.1	924,794,458,248	943,069,669,451
02	2. Deductions	21.1	(3,778,317,484)	(3,039,471,410)
10	3. Net revenue from sale of goods and rendering of services	21.1	921,016,140,764	940,030,198,041
11	4. Cost of goods sold and services rendered	22	(877,332,048,365)	(888,303,803,837)
20	5. Gross profit from sale of goods and rendering of services		43,684,092,399	51,726,394,204
21	6. Finance income	21.2	11,895,847,673	13,715,015,189
22	7. Finance expenses	24	(3,895,554,122)	(2,667,933,697)
23	In which: Interest expense		(374,292,082)	(204,617,742)
25	8. Selling expenses	23	(23,853,471,355)	(28,140,088,677)
26	9. General and administrative expenses	23	(19,728,054,625)	(25,388,936,897)
30	10. Operating profit		8,102,859,970	9,244,450,122
31	11. Other income	25	8,209,090,909	168,181,819
32	12. Other expenses	25	(1,645,821,194)	(1,645,821,194)
40	13. Other profit (loss)	25	6,563,269,715	(1,477,639,375)
50	14. Accounting profit before tax		14,666,129,685	7,766,810,747
51	15. Current corporate income tax expense	27.1	(4,116,684,921)	(3,426,304,829)
52	16. Deferred tax income	27.3	871,485,425	1,604,959,151
60	17. Net profit after tax		11,420,930,189	5,945,465,069
70	18. Basic earnings per share	20.3	845	440
71	19. Diluted earnings per share	20.3	845	440

Tran Thi Thuy Tien
Chief Accountant

Lee Jeongki
Chief Financial Officer

Koo Jae Young
General Director

13 August 2022

INTERIM CASH FLOW STATEMENT
for the six-month period ended 30 June 2022

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2022	For the six-month period ended 30 June 2021
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit before tax		14,666,129,685	7,766,810,747
	<i>Adjustments for:</i>			
02	Depreciation and amortization	10, 11	30,577,112,672	29,197,741,925
03	Provisions		508,390,302	5,853,118,730
04	Foreign exchange (gain) loss arising from revaluation of monetary accounts denominated in foreign currency		(590,640,840)	36,228,793
05	Profits from investing activities		(18,411,349,763)	(12,736,595,134)
06	Interest expense	24	374,292,082	204,617,742
08	Operating profit before changes in working capital		27,123,934,138	30,321,922,803
09	Decrease in receivables		24,615,095,098	7,329,000,414
10	Increase in inventories		(4,001,125,557)	(102,774,919,123)
11	(Decrease) increase in payables		(75,847,106,223)	41,506,244,245
12	Increase in prepaid expenses		(2,451,078,045)	(2,607,201,162)
14	Interest paid		(366,589,784)	(193,647,875)
15	Corporate income tax paid		-	(15,539,306,032)
20	Net cash flows used in operating activities		(30,926,870,373)	(41,957,906,730)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(6,185,073,745)	(28,335,317,392)
22	Proceeds from disposals of fixed assets		8,209,090,909	168,181,819
23	Cash out for bank deposit and payments for purchase of debt instruments of other entities		(239,320,000,000)	(241,400,000,000)
24	Collections from bank deposits		241,400,000,000	290,000,000,000
27	Interest received		15,221,581,047	21,859,038,189
30	Net cash flows from investing activities		19,325,598,211	42,291,902,616

INTERIM CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2022

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2022	For the six-month period ended 30 June 2021
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings	18	136,027,905,290	86,739,801,958
34	Repayment of borrowings	18	(115,356,295,529)	(65,212,912,934)
36	Dividends paid	20.4	(20,270,965,500)	(20,270,965,500)
40	Net cash flows from financing activities		400,644,261	1,255,923,524
50	Net (decrease) increase in cash		(11,200,627,901)	1,589,919,410
60	Cash at beginning of period		35,022,656,039	36,150,448,855
61	Impact of exchange rate fluctuation		2,114,801	(15,115,135)
70	Cash at end of period	4	23,824,142,939	37,725,253,130

Tran Thi Thuy Tien
Chief Accountant

Lee Jeongki
Chief Financial Officer

Koo Jae Young
General Director



13 August 2022

NOTES TO THE INTERIM FINANCIAL STATEMENTS
as at 30 June 2022 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.

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On 4 May 2021, 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 2022 was 792 (31 December 2021: 819).

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 2022 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 2022 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 years
Means of transportation	6- 7 years
Office equipment	3 - 5 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 2022 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 49 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 2022 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 2022 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, directly or indirectly, 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

	<i>VND</i>	
	<i>30 June 2022</i>	<i>31 December 2021</i>
Cash on hand	28,016,203	146,968,246
Cash at banks	23,796,126,736	34,875,687,793
TOTAL	23,824,142,939	35,022,656,039

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2022 and for the six-month period then ended

5. SHORT-TERM HELD-TO-MATURITY INVESTMENTS

	VND	
	30 June 2022	31 December 2021
Term deposits (i)	279,320,000,000	281,400,000,000
Bonds (ii)	100,000,000,000	100,000,000,000
TOTAL	379,320,000,000	381,400,000,000

(i) This balance represents bank deposits at commercial banks with remaining maturities less than 12 months and earn interest at the rates ranging from 4.8% to 5.2% per annum.

(ii) This balance represents 1,000 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 2022	31 December 2021
Due from other parties	306,794,458,516	328,578,442,462
Pepsico Foods Vietnam Company	41,495,353,327	32,050,021,449
Trung Nguyen Coffee Joint Stock Company	39,023,987,932	50,399,029,466
Sunrise Globle Company Limited	37,290,901,870	5,141,579,093
Unilever Vietnam International Company Limited	24,059,148,221	10,706,281,345
Unilever Eac Myanmar Company Limited	390,880,864	35,781,552,365
Others	164,534,186,302	194,499,978,744
Due from a related party (Note 28)	9,874,673,084	8,605,018,674
TOTAL	316,669,131,600	337,183,461,136
Provision for doubtful short-term receivables	(7,041,231,326)	(7,132,415,553)
NET	309,627,900,274	330,051,045,583

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

	VND	
	For the six-month period ended 30 June 2022	For the six-month period ended 30 June 2021
At beginning of period	7,132,415,553	3,536,022,338
Add: Provision made during the period	306,450,667	1,844,402,103
Less: Utilization and reversal of provision during the period	(397,634,894)	-
At end of period	7,041,231,326	5,380,424,441

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2022 and for the six-month period then ended

7. SHORT-TERM ADVANCES TO SUPPLIERS

	VND	
	30 June 2022	31 December 2021
Zhongshan NCA Co., Ltd.	519,300,000	-
Quang Phu Services Co., Ltd.	275,481,648	-
Others	1,165,713,354	1,683,616,149
TOTAL	1,960,495,002	1,683,616,149

8. OTHER SHORT-TERM RECEIVABLES

	VND	
	30 June 2022	31 December 2021
Project deposit (*)	25,224,132,225	25,224,132,225
Banks and bond interest receivables	6,627,820,273	11,647,142,466
Others	643,412,640	1,308,195,947
TOTAL	32,495,365,138	38,179,470,638

(*) 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 2022	31 December 2021
Raw materials	231,435,433,162	186,090,619,366
Finished goods	88,311,908,460	95,985,379,234
Work in process	31,676,072,505	46,934,445,905
Goods in transit	20,175,390,119	38,595,566,649
Tools and supplies	43,872,000	35,539,535
TOTAL	371,642,676,246	367,641,550,689
Provision for obsolete inventories	(4,654,964,142)	(4,055,389,613)
NET	366,987,712,104	363,586,161,076

Movements of provision for obsolete inventories are as follows:

	VND	
	For the six-month period ended 30 June 2022	For the six-month period ended 30 June 2021
At beginning of period	4,055,389,613	1,878,347,085
Add: Provision made during the period	902,833,818	4,058,150,471
Less: Utilization and reversal of provision during the period	(303,259,289)	(49,433,844)
At end of period	4,654,964,142	5,887,063,712

Tan Tien Plastic Packaging Joint Stock Company

B09a-DN

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2022 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
Cost						
As at 31 December 2021	211,809,913,607	690,408,929,162	65,641,406,731	13,742,302,222	3,541,263,095	985,143,814,817
New purchase	-	-	1,869,635,000	368,000,000	1,818,339,200	4,055,974,200
Disposal	-	(28,449,808,104)	(794,234,054)	(139,971,000)	-	(29,384,013,158)
As at 30 June 2022	211,809,913,607	661,959,121,058	66,716,807,677	13,970,331,222	5,359,602,295	959,815,775,859
<i>In which:</i>						
Fully depreciated	27,777,673,524	428,358,146,535	55,059,128,895	10,848,160,520	2,071,681,895	524,114,791,369
Accumulated depreciation						
As at 31 December 2021	126,710,471,139	570,282,809,948	60,131,968,074	12,546,198,277	2,471,553,250	772,143,000,688
Depreciation for the period	5,592,043,259	22,706,899,608	940,452,128	364,396,925	374,216,811	29,978,008,731
Disposal	-	(28,449,808,104)	(794,234,054)	(139,971,000)	-	(29,384,013,158)
As at 30 June 2022	132,302,514,398	564,539,901,452	60,278,186,148	12,770,624,202	2,845,770,061	772,736,996,261
Net carrying amount						
As at 31 December 2021	85,099,442,468	120,126,119,214	5,509,438,657	1,196,103,945	1,069,709,845	213,000,814,129
As at 30 June 2022	79,507,399,209	97,419,219,606	6,438,621,529	1,199,707,020	2,513,832,234	187,078,779,598



NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2022 and for the six-month period then ended

11. INTANGIBLE FIXED ASSETS

			VND
	Land use rights	Computer software	Total
Cost			
As at 31 December 2021	31,394,484,385	6,256,483,027	37,650,967,412
New purchase	-	68,000,000	68,000,000
As at 30 June 2022	31,394,484,385	6,324,483,027	37,718,967,412
<i>In which:</i>			
Fully depreciated	4,427,367,250	4,356,025,551	8,783,392,801
Accumulated amortization			
As at 31 December 2021	10,913,749,021	5,380,293,368	16,294,042,389
Amortization for the period	307,554,108	291,549,833	599,103,941
As at 30 June 2022	11,221,303,129	5,671,843,201	16,893,146,330
Net carrying amount			
As at 31 December 2021	20,480,735,364	876,189,659	21,356,925,023
As at 30 June 2022	20,173,181,256	652,639,826	20,825,821,082

12. CONSTRUCTION IN PROCESS

	VND	
	30 June 2022	31 December 2021
Construction cost of Luy Ban Bich Project (*)	95,867,616,168	95,867,616,168

(*) 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 17).

13. PREPAID EXPENSES

	VND	
	30 June 2022	31 December 2021
Short-term	1,511,914,430	903,351,805
Rental fee	696,923,831	-
Repairing fee	449,077,200	61,050,000
Insurance	251,427,015	754,281,005
Others	114,486,384	88,020,800
Long-term	4,801,075,035	2,958,559,615
Repairing fee	3,418,897,675	1,134,679,687
Tools and equipment	-	415,122,238
Others	1,382,177,360	1,408,757,690
TOTAL	6,312,989,465	3,861,911,420

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2022 and for the six-month period then ended

14. SHORT-TERM TRADE PAYABLES

	VND	
	30 June 2022	31 December 2021
Kien Duc Trading and Services Plastic Packaging Joint Stock Company	26,829,519,869	28,030,611,097
Sakata Inx Vietnam Company Limited	19,162,303,160	29,112,692,620
Others	153,710,254,860	211,506,040,106
TOTAL	199,702,077,889	268,649,343,823

15. TAX

	VND			
	31 December 2021	Payable for the period	Payment made in the period	30 June 2022
Payables				
Personal income tax	1,061,770,338	3,469,657,092	(3,632,383,525)	899,043,905
Others	-	1,693,813,337	(1,693,813,337)	-
TOTAL	1,061,770,338	5,163,470,429	(5,326,196,862)	899,043,905

	VND			
	31 December 2021	Receivable for the period	Utilized/received in the period	30 June 2022
Receivables				
Value-added tax deductibles	9,940,942,497	43,768,624,893	(42,039,022,160)	11,670,545,230
Corporate income tax	6,724,830,536	-	(4,116,684,921)	2,608,145,615
Import tax	8,411,137	1,318,636,931	(1,284,499,850)	42,548,218
TOTAL	16,674,184,170	45,087,261,824	(47,440,206,931)	14,321,239,063

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2022 and for the six-month period then ended

16. SHORT-TERM ACCRUED EXPENSES

	VND	
	30 June 2021	31 December 2021
Expenses for external services	1,869,376,700	394,860,800
Expenses for employee benefit	1,707,832,837	-
Commission fee	411,747,936	530,847,150
Others	934,652,104	739,419,954
TOTAL	4,923,609,577	1,665,127,904

17. OTHER SHORT-TERM PAYABLES

	VND	
	30 June 2022	31 December 2021
Payment on behalf for implementing Luy Ban Bich Project (***)	102,750,928,037	102,750,928,037
Deposit received from Ngoi Nha Xanh Co., Ltd. (*)	96,652,597,842	96,652,597,842
Deposit received from Phuc Khang Development Co., Ltd. (**)	25,272,320,114	25,272,320,114
Dividend payables	81,832,400	76,142,900
Others	1,020,333,793	2,372,405,596
TOTAL	225,778,012,186	227,124,394,489
<i>In which:</i>		
Payables to others	225,614,262,886	225,642,988,389
Payables to a related party (Note 28)	163,749,300	1,481,406,100

(*) 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 2022 and for the six-month period then ended

18. SHORT-TERM LOANS

				VND
	31 December 2021	Increase	Decrease	30 June 2022
Loans from a bank	-	136,027,905,290	(115,356,295,529)	<u>20,671,609,761</u>

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

	30 June 2022	Maturity date	Interest rate
	VND		% p.a.
Shinhan Bank Vietnam Limited	<u>20,671,609,761</u>	13 July 2022	3.4

19. LONG-TERM PROVISION

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

Tan Tien Plastic Packaging Joint Stock Company

B09a-DN

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2022 and for the six-month period then ended

20. OWNERS' EQUITY

20.1 Increase and decrease in owners' equity

	Share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	VND Total
For the six-month period ended 30 June 2021						
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	-	-	-	-	(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
For the six-month period ended 30 June 2022						
As at 31 December 2021	149,999,980,000	154,777,960,000	(45,918,033,800)	177,152,251,138	541,466,568,814	977,478,726,152
Net profit for the period	-	-	-	-	11,420,930,189	11,420,930,189
Dividend declared	-	-	-	-	(20,276,655,000)	(20,276,655,000)
As at 30 June 2022	149,999,980,000	154,777,960,000	(45,918,033,800)	177,152,251,138	532,610,844,003	968,623,001,341

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2022 and for the six-month period then ended

20. OWNERS' EQUITY (continued)

20.2 Shares

	30 June 2022	31 December 2021
	Quantity	Quantity
Authorized shares	15,000,000	15,000,000
Issued shares		
Issued and paid-up shares	14,999,998	14,999,998
<i>Ordinary shares</i>	14,999,998	14,999,998
Treasury shares		
<i>Ordinary shares</i>	1,482,228	1,482,228
Shares in circulation		
<i>Ordinary shares</i>	13,517,770	13,517,770

Par value of outstanding share: 10,000VND/share (31 December 2021:10,000 VND/share)

20.3 Earnings per share

	For the six-month period ended 30 June 2022	For the six-month period ended 30 June 2021
Net profit attributable to ordinary shareholders of the Company (VND)	11,420,930,189	5,945,465,069
Weighted average number of ordinary shares (shares)	13,517,770	13,517,770
Basic earnings per share (VND) (par value: VND 10,000 per share)	845	440
Diluted earnings per share (VND)	845	440

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.

20.4 Dividend

		VND
	For the six-month period ended 30 June 2022	For the six-month period ended 30 June 2021
Dividend declared	20,276,655,000	20,276,655,000
Dividend paid	20,270,965,500	20,270,965,500

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2022 and for the six-month period then ended

21. REVENUES

21.1 Revenue from sale of goods and rendering of services

	VND	
	For the six-month period ended 30 June 2022	For the six-month period ended 30 June 2021
Gross revenues	924,794,458,248	943,069,669,451
<i>In which:</i>		
Sale of finished goods	908,386,226,857	922,192,352,482
Sale of merchandise goods	9,914,854,449	11,646,595,943
Processing services	601,010,950	744,608,260
Others	5,892,365,992	8,486,112,766
Less:	(3,778,317,484)	(3,039,471,410)
Sales returns	(2,842,405,398)	(2,859,517,513)
Sale discounts	(935,912,086)	(179,953,897)
NET REVENUES	921,016,140,764	940,030,198,041
<i>In which:</i>		
Sale of finished goods	904,607,909,373	919,152,881,072
Sale of merchandise goods	9,914,854,449	11,646,595,943
Processing services	601,010,950	744,608,260
Others	5,892,365,992	8,486,112,766

21.2 Finance income

	VND	
	For the six-month period ended 30 June 2022	For the six-month period ended 30 June 2021
Interest income	10,202,258,854	12,568,413,315
Foreign exchange gain	1,693,588,819	1,146,601,874
TOTAL	11,895,847,673	13,715,015,189

22. COST OF GOODS SOLD AND SERVICES RENDERED

	VND	
	For the six-month period ended 30 June 2022	For the six-month period ended 30 June 2021
Cost of finished goods	867,057,054,379	875,221,135,207
Cost of merchandise goods	9,597,543,573	10,917,409,619
Cost of processing services	561,762,903	849,229,203
Cost of others	115,687,510	1,316,029,808
TOTAL	877,332,048,365	888,303,803,837

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2022 and for the six-month period then ended

23. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2022</i>	<i>For the six-month period ended 30 June 2021</i>
Selling expenses	23,853,471,355	28,140,088,677
Expenses for external services	12,882,908,711	16,911,654,521
Labor costs	8,015,360,423	8,965,535,282
Depreciation and amortization	221,725,331	221,725,330
Others	2,733,476,890	2,041,173,544
General and administrative expenses	19,728,054,625	25,388,936,897
Labor costs	13,798,478,951	16,744,898,796
Expenses for external services	2,820,227,972	3,251,442,795
Depreciation and amortization	1,061,849,596	1,496,679,301
(Reversal of provision) provisions	(459,006,727)	1,844,402,103
Others	2,506,504,833	2,051,513,902
TOTAL	<u>43,581,525,980</u>	<u>53,529,025,574</u>

24. FINANCE EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2022</i>	<i>For the six-month period ended 30 June 2021</i>
Settlement discount	3,031,408,354	2,305,160,823
Interest expenses	374,292,082	204,617,742
Foreign exchange loss	489,853,686	158,155,132
TOTAL	<u>3,895,554,122</u>	<u>2,667,933,697</u>

25. OTHER INCOME AND EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2022</i>	<i>For the six-month period ended 30 June 2021</i>
Other income	8,209,090,909	168,181,819
Gain from disposal of fixed assets	8,209,090,909	168,181,819
Other expenses	(1,645,821,194)	(1,645,821,194)
Land rental expense	(1,645,821,194)	(1,645,821,194)
OTHER PROFIT (LOSS)	<u>6,563,269,715</u>	<u>(1,477,639,375)</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2022 and for the six-month period then ended

26. PRODUCTION AND OPERATING COSTS

	VND	
	<i>For the six-month period ended 30 June 2022</i>	<i>For the six-month period ended 30 June 2021</i>
Cost of materials	714,806,394,181	786,017,586,939
Labor costs	98,743,648,935	99,770,518,700
Expenses for external services	36,472,677,299	55,055,138,195
Depreciation and amortization (Notes 10 and 11)	30,577,112,672	29,197,741,925
Others	17,381,897,084	14,279,667,973
TOTAL	<u>897,981,730,171</u>	<u>984,320,653,732</u>

27. 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.

27.1 CIT expenses

	VND	
	<i>For the six-month period ended 30 June 2022</i>	<i>For the six-month period ended 30 June 2021</i>
Current CIT expense	4,116,684,921	3,426,304,829
Deferred tax income	(871,485,425)	(1,604,959,151)
TOTAL	<u>3,245,199,496</u>	<u>1,821,345,678</u>

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 2022</i>	<i>For the six-month period ended 30 June 2021</i>
Accounting profit before tax	<u>14,666,129,685</u>	<u>7,766,810,747</u>
At CIT rate of 20%	2,933,225,937	1,553,362,149
<i>Adjustments:</i>		
Non-deductible expenses	311,973,559	267,983,529
CIT expenses	<u>3,245,199,496</u>	<u>1,821,345,678</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2022 and for the six-month period then ended

27. CORPORATE INCOME TAX (continued)

27.2 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.

27.3 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 2022</i>	<i>31 December 2021</i>	<i>For the six-month period ended 30 June 2022</i>	<i>For the six-month period ended 30 June 2021</i>
Expenses of transfer real estates	6,455,453,287	6,126,289,048	329,164,239	329,164,239
Severance allowance	1,286,344,400	1,359,908,900	(73,564,500)	-
Provision for obsolete inventories	930,992,828	811,077,922	119,914,906	801,743,324
Accrued expenses	562,827,598	78,972,164	483,855,434	356,963,293
Provision for doubtful receivables	122,881,053	122,881,053	-	-
Sale rebate	77,143,963	65,028,617	12,115,346	114,065,268
Foreign exchange gain arising from revaluation of foreign currencies accounts	37,851,152	37,851,152	-	3,023,027
Deferred tax assets	<u>9,473,494,281</u>	<u>8,602,008,856</u>		
Deferred tax credit to income statement			<u>871,485,425</u>	<u>1,604,959,151</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2022 and for the six-month period then ended

27. CORPORATE INCOME TAX (continued)

27.4 Tax loss carried forward

The Company is entitled to carry each individual tax loss forward to offset against taxable profits arising within five years subsequent to the year in which the loss was incurred. Details of estimated tax losses carried forward are as follows:

VND

<i>Originating year</i>	<i>Can be utilized up to</i>	<i>Tax loss amount</i>	<i>Utilized up to 30 June 2022</i>	<i>Forfeited</i>	<i>Unutilized as at 30 June 2022</i>
2021	2026	3,541,057,441	-	-	3,541,057,441

The Company has not recognized deferred tax assets in respect of the said losses carried forward due to uncertainty of future taxable profits.

28. TRANSACTIONS WITH RELATED PARTIES

List of related parties as at 30 June 2022 is as follows:

<i>Related parties</i>	<i>Relationship</i>
Dongwons System Corporation	Major shareholder
Minh Viet Packaging Co., Ltd.	Affiliate
Dongwons Enterprise Co., Ltd.	Affiliate
Mr Jang Sung Hak	Chairman (appointed on 26 April 2022)
Mr Cho Jum Kun	Chairman (resigned on 26 April 2022)
Mr Kim Sung Kon	Member of BOD (appointed on 26 April 2022)
Mr Park Moon-su	Member of BOD (resigned on 26 April 2022)
Mr Lee Jeongki	Member of BOD (appointed on 26 April 2022)
Mr Lee Sehoon	Member of BOD (resigned on 26 April 2022)
Mr Song Jongsun	Member of BOD
Mr Koo Jae Young	Member of BOD and the General Director
Mr Le Van Nhan	Head of Board of Supervision
Mr Won Jonghun	Member of Board of Supervision (appointed on 26 April 2022)
Mr Choi Sang Woo	Member of Board of Supervision (resigned on 26 April 2022)
Mr Cho Hyonwoo	Member of Board of Supervision

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2022 and for the six-month period then ended

28. TRANSACTIONS WITH RELATED PARTIES (continued)

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 2022	For the six-month period ended 30 June 2021
Minh Viet Packaging Co., Ltd.	Affiliate	Sale of raw materials	5,338,735,399	5,536,185,062
		Processing services	251,468,750	256,512,000
		Purchase of raw materials	-	4,942,778,750
		Borrowing of raw materials	-	465,525,000
		Sale of fixed asset	-	100,000,000
Dongwons System Corporation	Major shareholder	Dividend declared and paid	19,836,777,000	19,836,777,000

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

			VND	
Related party	Relationship	Transaction	30 June 2022	31 December 2021
Short-term trade receivable				
Minh Viet Packaging Co., Ltd.	Affiliate	Sale of raw material, finished goods	9,874,673,084	8,605,018,674

Other short-term payable

Minh Viet Packaging Co., Ltd.	Affiliate	Borrowing of raw materials	<u>163,749,300</u>	<u>1,481,406,100</u>
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Remuneration of members of the Board of Directors ("BOD") and the General Director during the period was as follows:

Individuals	Position	VND	
		For the six-month period ended 30 June 2022	For the six-month period ended 30 June 2021
Mr Koo Jae Young	Member of BOD and the General Director	3,446,395,165	1,445,107,392
Mr Lee Sehoon	Member of BOD (resigned on 26 April 2022)	1,746,961,263	2,245,056,947
Mr Lee Jeongki	Member of BOD (appointed on 26 April 2022)	698,942,890	-
Mr Jo Jeong Kook	Member of BOD and the General Director (resigned on 23 April 2021)	-	3,618,175,607
TOTAL		<u>5,892,299,318</u>	<u>7,308,339,946</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2022 and for the six-month period then ended

29. 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	
	30 June 2022	31 December 2021
Less than 1 year	1,471,382,200	1,023,377,800
From 1-5 years	-	88,020,800
TOTAL	1,471,382,200	1,111,398,600

30. 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.

31. COVID-19 PANDEMIC

The Covid-19 pandemic is resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. The Company's General Director has continuously monitored ongoing developments and assessed the financial impact in respects of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved, using the best information obtained up to the date of this interim financial statements.

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


 Lee Jeongki
 Chief Financial Officer


 Koo Jae Young
 General Director

13 August 2022