

**REPORT  
ON 2021 PRODUCTION – BUSINESS RESULTS AND 2022 PLAN**

**I. Production – Business results 2021**

2021 was still a changed year in both economy, politics and society and the Company. The outbreak of Covid-19 pandemic globally and most of provinces/cities nationwide caused enterprises facing to challenges when many provinces/cities was isolated, production and supply were interrupted, the market was continuously instable and cargo transportation faced difficulties

Plastic Industry almost depends on imported raw materials. As a result, the fluctuation in prices of plastic materials, interrupted global supply chain and an increase in oversea freights resulted in Vietnam in general and NTP in particular encountering challenges of movement in the international material market. In 2021, the prices of raw materials has reached the peak for the last decade (*Prices of PVC resin had ever reached 1,800 USD/ton in year*)

In 2021, the Company continued to concentrate on system innovation, policy adjustment, business strategy finalization, human resources and labor productivity improvement. With the great efforts of the entire staff, the Company achieved targets under Resolutions of the GMS 2021 as follows:

Target	Unit	2020 Actual	2021 year				
			Plan	Actual	Completion ratio	Growth compared to 2020	
Revenue	Bln VND	4,393	5,100	4,877	96%	111%	484
Profit before tax	Bln VND	505.1	432	521.4	121%	103%	16

Despite 2021 revenue higher than 2020, revenue did not fulfill the plan 2021 due to some issues of Covid-19 pandemic. The highly increasing prices of

construction materials caused the slowdown in construction industry. Accordingly, demands for plastic pipes of construction also decreased.

Targets of profit before tax exceeding plan is due to some following reasons:

- + Control production-business costs closely
- + Decrease in loans and interest rates resulted in decreasing interest expenses.
- + The Company increased selling prices of some product lines, such as uPVC, PPR. This increase already offset the increase in prices of raw materials, which helps to maintain profits.
- + Select appropriate time in order to purchase raw materials with reasonable prices, bringing the high efficiencies in production-business work

## **II. NEW MANUFACTURERS AND NTP POSITION IN THE MARKET**

Apart from existing manufacturers in the Northern market, in 2021, there are some manufactures investing in machinery and equipment, building factories in Nghe An, Bac Giang in order to manufacture plastic pipes competing with NTP. In the coming time, the competition among manufacturers in the market will be more and more severe. In order to keep the revenue growth, NTP is mandatory to decrease selling prices in order to shorten differences among other manufacturers. Therefore, it is difficult to maintain high profit margin like over past years.

2021 revenue of total 03 areas in North – Central – South area reached nearly 5,800 billion VND, NTP is still Vietnam largest plastic pipe manufacturer.

## **III. NEW PRODUCTS**

In 2021, NTP relentlessly made great efforts to buy new product lines to the market, such as:

- PE/PP double-wall corrugated pipes DN1000, being used for water drainage system instead of concrete pipes
- PE single-wall conduit pipes.
- uPVC adapters valves being produced in accordance with technology copyrights of Sekisui.

- Plastic products serving fishery industry such as PE walls for shrimp fostering, PE boxes for seafood.

Total revenue of new product lines in 2021 reached nearly 40 billion VND.

In 2021, NTP also co-operated with Iplex to manufacture products exporting to Australia and New Zealand. This cooperation not only improves NTP's production capacity, meeting strict requirements abroad but also contributes NTP revenue, which reached at 24 billion VND, marking the cooperation in 2021. This revenue may grow in coming years.

In 2021, NTP also signed contracts with Minh Phu Seafood Corporation regarding HDPE DN1400-1600 pipe supply, leading water from ocean for fostering seafood, its value is estimated nearly 100 billion VND. This is also a potential market for plastic pipe industry in coming years.

In 2022, NTP has been coordinating with Sekisui in order to research technologies for production of C.PVC pipes and fittings, which would be used for fire prevention system, replacing existing iron-steel pipes. In case of success, it may be a potential product line which brings revenue in coming years.

In 2022, NTP shall continue to coordinate with Sekisui to manufacture some products being exported abroad.

#### **IV. 2022 production-business plan**

Based on:

- The pandemic control situation of the Government;
- Expected Vietnam GDP growth in 2022 about 6-6.5%;
- Expected real estate growth in 2022;
- NTP's growth over many years,

NTP would like to propose 2022 targets as follows:

Target	Unit	2021 revenue	2022 plan	Growth (%)
Revenue	Bln VND	4,877	5,175	106%
Sales volume	Tons	94,120	102,000	106%
Profit before tax	Bln VND	521.4	465	91%



Expected profit before tax is set at 465 billion VND, equivalent to 9% of revenue. This ratio is reasonable because prices of PVC raw materials is relatively expensive. As such, 2022 year is difficult to buy raw materials at cheap prices like 2021.

#### V. Production-business results in Q1/2022

Target	Unit	Q1/2021	2022 plan	Q1/2022 expected			
				Actual	Completion ratio	Growth compared to 2021	
Revenue	Bln VND	1,064	5,175	1,131	21.8%	106%	67
Profit before tax	Bln VND	150.6	465	135.9	29%	90%	-14.7

Hai Phong, March 22<sup>nd</sup> 2022

GENERAL DIRECTOR  
  
 CHU VAN PHUONG

Target	Unit	2021 revenue	2022 plan	Growth (%)
Revenue	Bln VND	4,877	5,175	106%
Sales volume	Tons	64,120	165,000	106%
Profit before tax	Bln VND	521.4	465	91%