

**NET DETERGENT JOINT STOCK COMPANY**  
**REVIEWED INTERIM FINANCIAL STATEMENTS**  
For the period from 01/01/2016 to 30/06/2016

Dong Nai, August 2016

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**STATEMENT OF THE BOARD OF DIRECTORS**

The Board of Directors of Net Detergent Joint stock Company (“the Company”) presents this report together with the Company’s audited financial statements for period from 01/01/2016 to 30/06/2016.

**THE BOARDS OF MANAGEMENT AND DIRECTORS**

The members of the Board of Management and Directors of the Company who held office during the period and at the date of this report are as follows:

**Board of Management**

Mr. Pham Thanh Tung	Chairman (appointed on 28/06/2016)
Mr. Phan Van Tien	Chairman (appointed on 29/01/2016, resigned on 28/06/2016)
Mr. Pham Quang Hoa	Chairman (resigned on 29/01/2016)
Mr. Nguyen Manh Hung	Member
Ms. Thai Thi Hong Yen	Member
Mr. Pham Quang Hoa	Member (appointed on 28/06/2016)
Mr. Phan Van Tien	Member (appointed on 28/06/2016)
Ms. Luong Thi Anh Dao	Member (resigned on 28/06/2016)
Mr. Le Van Bach	Member (resigned on 28/06/2016)

**Board of Directors**

Ms. Thai Thi Hong Yen	General Director (appointed on 01/05/2016)
Mr. Pham Quang Hoa	General Director (retired on 01/05/2016)
Mr. Nguyen Manh Hung	Human resources Director
Mr. Cao Tran Dang Khoa	Technical Director
Mr. Pham Quoc Cuong	Production Director

**BOARD OF DIRECTOR’S STATEMENT OF RESPONSIBILITY**

The Board of Director of the Company is responsible for preparing the financial statements of each year, which give a true and fair view of the financial position of the Company and of its results and cash flows for this period. In preparing these financial statements, the Board of management is required to:

- Comply with Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and the relevant statutory requirements applicable to financial reporting;
- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the financial statements;
- Design and implementing effectively internal control for preparation and presentation of fairly stated financial statements to reduce risks and frauds; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of management is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the financial statements is in compliance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. The Board of management 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 Board of management confirms that the Company has complied with the above requirements in preparing these financial statements.

For and on behalf of the Company,



**Thái Thi Hong Yen**  
**General Director**

*DongNai, 12<sup>th</sup> August 2016*



No: 160/2016/BCKT-AVI-TC1

**REPORT ON REVIEW  
OF INTERIM FINANCIAL STATEMENTS**

**To: Shareholders  
The Board of Management and Directors  
Net Detergent Joint Stock Company**

We have reviewed the accompanying interim financial statements of Net Detergent Joint stock Company (“the Company”) prepared on 12<sup>th</sup> March 2016 that were presented from page 05 to page 26 which comprise the accompanying balance sheet as at 30 June 2016 and the related statements of income, cash flows for the period from 01/01/2016 to 30/06/2016 then ended, and a summary of significant accounting policies and other explanatory notes (interim financial statements).

**Management’s responsibility**

Management is responsible for the preparation and fair presentation of this interim financial statements in accordance with Vietnam Accounting Standards, Enterprise Accounting Policies and the relevant statutory requirements applicable to financial reporting and for such internal control as management determines is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

**Our responsibility**

Our responsibility is to give our review conclusion on these interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of interim financial statements 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.

**Review Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements does not give a true and fair view of, in all material respects, the financial position of the entity as at 30 June 2016, and of its financial performance and its cash flows for the six month period then ended in accordance with Vietnam Accounting Standards, Enterprise Accounting Policies and and the relevant statutory requirements applicable to interim financial reporting.



Nguyễn Trọng

**Deputy General Director**

Certificate of registration audit practice

No. 0308-2015-055-1

For and on behalf of

**ANVIET AUDITING COMPANY LIMITED**

*Ha Noi, 12<sup>th</sup> August 2016*

**BALANCE SHEET**  
As at 30 June 2016

**FORM B01a - DN**  
Currency: VND

ITEMS	Codes	Notes	30/6/2016	01/01/2016
<b>A - CURRENT ASSETS</b>	<b>100</b>		<b>175,465,413,016</b>	<b>225,283,822,832</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>5</b>	<b>57,913,216,509</b>	<b>27,804,830,224</b>
1. Cash	111		57,913,216,509	19,861,830,224
2. Cash equivalents	112		-	7,943,000,000
<b>II. Short-term financial investments</b>	<b>120</b>	<b>6</b>	<b>28,100,000,000</b>	<b>97,600,000,000</b>
1. Invesments held to maturity	123		28,100,000,000	97,600,000,000
<b>III. Short-term receivables</b>	<b>130</b>		<b>28,762,272,026</b>	<b>41,346,005,686</b>
1. Trade accounts receivable	131	7	18,077,247,879	20,683,700,092
2. Short-term advances to suppliers	132		9,898,307,074	20,153,645,553
3. Other receivables	136	8	885,846,126	607,789,094
4. Provision for doubtful debts	137	11	(99,129,053)	(99,129,053)
<b>IV. Inventories</b>	<b>140</b>	<b>9</b>	<b>54,294,068,553</b>	<b>52,663,699,513</b>
1. Inventories	141		54,294,068,553	52,663,699,513
<b>V. Other current assets</b>	<b>150</b>		<b>6,395,855,928</b>	<b>5,869,287,409</b>
1. Value added tax deductibles	152		6,395,855,928	5,869,287,409
<b>B - NON-CURRENT ASSETS</b>	<b>200</b>		<b>263,729,943,032</b>	<b>146,583,794,821</b>
<b>I. Fixed assets</b>	<b>220</b>		<b>54,127,197,159</b>	<b>57,708,324,293</b>
1. Tangible fixed assets	221	12	54,127,197,159	57,708,324,293
- Cost	222		130,084,463,737	128,431,257,682
- Accumulated depreciation	223		(75,957,266,578)	(70,722,933,389)
<b>II. Long-term assets in progress</b>	<b>240</b>		<b>156,845,420,301</b>	<b>35,298,703,579</b>
1. Construction in progress	242	9	156,845,420,301	35,298,703,579
<b>III. Long-term financial investments</b>	<b>250</b>		-	-
1. Other long-term investments	253	6	716,390,400	716,390,400
2. Provision for impairment of long-term	254	6	(716,390,400)	(716,390,400)
<b>IV. Other long-term assets</b>	<b>260</b>		<b>52,757,325,572</b>	<b>53,576,766,949</b>
1. Long-term prepayments	261	10	52,757,325,572	53,576,766,949
<b>TOTAL ASSETS</b>	<b>270</b>		<b>439,195,356,048</b>	<b>371,867,617,653</b>



**BALANCE SHEET (Cont)**  
As at 30 June 2016

FORM B01a - DN  
Currency: VND

ITEMS	Codes	Notes	30/6/2016	01/01/2016
<b>C - LIABILITIES</b>	<b>300</b>		<b>162,059,549,652</b>	<b>89,405,332,525</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>162,059,549,652</b>	<b>89,405,332,525</b>
1. Trade accounts payable	311	13	71,752,410,107	45,634,013,391
2. Short-term advance from customers	312		16,157,437,538	6,643,050,719
3. Taxes and amounts payable to State Budget	313	14	7,553,249,342	5,388,795,792
4. Payables to employees	314		4,930,811,431	9,318,627,890
5. Short-term accrued expenses	315	15	4,457,689,013	5,195,606,719
6. Other current payables	319	16	56,290,263,956	8,406,765,993
7. Bonus and welfare funds	322		917,688,265	8,818,472,021
<b>D - EQUITY</b>	<b>400</b>		<b>277,135,806,396</b>	<b>282,462,285,128</b>
<b>I. Owner's equity</b>	<b>410</b>	<b>17</b>	<b>277,135,806,396</b>	<b>282,462,285,128</b>
1. Owners' contributed capital	411		159,988,920,000	159,988,920,000
- Ordinary shares with voting rights	411a		159,988,920,000	159,988,920,000
- Preference shares	411b		-	-
2. Investment and development fund	418		67,243,573,642	32,533,043,270
3. Retained earnings	421		49,903,312,754	89,940,321,858
- Undistributed earnings accumulated to the prior year end	421a		5,033,115,486	6,663,995,929
- Undistributed earnings of the current year	421b		44,870,197,268	83,276,325,929
<b>TOTAL RESOURCES</b>	<b>440</b>		<b>439,195,356,048</b>	<b>371,867,617,653</b>

Dongnai, 12<sup>th</sup> August 2016

Preparer



Tran Thi Ai Lien

Chief Accountant



Tran Thi Ai Lien

General Director



Thai Thi Hong Yen

## INCOME STATEMENT

For the period from 01/01/2016 to 30/06/2016

FORM B02a - DN  
Currency: VND

ITEMS	Codes	Notes	This period	Last period
1. Revenue from goods sold and services rendered	01	19	377,284,821,996	395,471,933,474
2. Deductions	02		-	-
3. Net revenue from goods sold and services rendered	10		377,284,821,996	395,471,933,474
4. Cost of goods sold and services rendered	11	20	273,237,983,370	301,385,573,919
5. Gross profit from goods sold and services rendered	20		104,046,838,626	94,086,359,555
6. Financial income	21	21	2,510,460,412	3,304,255,113
7. Financial expenses	22	22	110,752,579	273,092,013
8. Selling expenses	25	23	39,736,195,638	40,299,731,889
9. General and administration expenses	26	23	9,351,126,112	8,812,429,635
10. Operating profit	30		57,359,224,709	48,005,361,131
11. Other income	31		192,143,642	157,337,004
12. Other expenses	32		68,675,832	42,600,000
13. Profit from other activities	40		123,467,810	114,737,004
14. Accounting profit before tax	50		57,482,692,519	48,120,098,135
15. Current corporate income tax expense	51	24	11,512,495,251	7,634,021,224
16. Net profit after corporate income tax	60		45,970,197,268	40,486,076,911
17. Earning per share	70	26	2,805	2,531
19. Diluted earnings per share	71		2,805	2,531

Preparer



Tran Thi Ai Lien

Chief Accountant



Tran Thi Ai Lien

Đồng Nai, 12<sup>th</sup> August 2016

General Director



Thai Thi Hong Yen



**CASH FLOW STATEMENT**  
(Indirect Method)

For the period from 01/01/2016 to 30/06/2016

FORM B03a - DN  
Currency: VND

ITEMS	Codes	FORM B03a - DN	
		This period	Last period
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
1. Profit for the year	01	57,482,692,519	48,120,098,135
2. Adjustment for			
- Depreciation and amortization of fixed assets	02	5,234,333,189	5,296,920,067
- Foreign exchange loss (gain) upon revaluation of monetary items denominated in foreign currency	04	6,097,487	(48,611,368)
- Gain from investing activities	05	(2,304,283,260)	(3,010,366,319)
3. Operating profit before movements in working capital	08	60,418,839,935	50,358,040,515
- Increase in receivables	09	12,264,103,748	14,993,108,196
- Increase in inventory	10	(1,630,369,040)	1,530,708,831
- Increase, decrease in payables (exclude interest expenses, CIT)	11	30,565,717,490	8,169,391,462
- Increase in prepayments and others	12	819,441,377	3,421,348,056
- Corporate income tax paid	15	(9,525,201,607)	(6,318,483,924)
- Other cash outflows	17	(11,200,783,756)	(2,032,350,696)
<b>Net cash from operating activities</b>	<b>20</b>	<b>81,711,748,147</b>	<b>70,121,762,440</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
1. Acquisition of fixed assets and other long-term assets	21	(123,199,922,777)	(7,462,484,692)
3. Cash outflow for lending, buying debt intrusments of other entities	23	(20,000,000,000)	(75,000,000,000)
4. Cash recovered from lending, selling debt intrusments of other entities	24	89,500,000,000	65,000,000,000
4. Interest earned, dividend and profit received	27	2,097,854,649	2,495,623,263
<b>Net cash from investing activities</b>	<b>30</b>	<b>(51,602,068,128)</b>	<b>(14,966,861,429)</b>
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
1. Dividends and profits paid	36	-	(31,997,388,800)
<b>Net cash from financing activities</b>	<b>40</b>	<b>-</b>	<b>(31,997,388,800)</b>
<b>Net decrease in cash during the period</b>	<b>50</b>	<b>30,109,680,019</b>	<b>23,157,512,211</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>60</b>	<b>27,804,830,224</b>	<b>55,896,476,282</b>
Effect of changes in foreign exchange rates	61	(1,293,734)	78,588,084
<b>Cash and cash equivalents at the end of period</b>	<b>70</b>	<b>57,913,216,509</b>	<b>79,132,576,577</b>

Preparer



Tran Thi Ai Lien

Chief Accountant



Tran Thi Ai Lien



Đồng Nai, 12<sup>th</sup> August 2016

General Director



Thai Thi Hong Yen

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

**1. GENERAL INFORMATION**

**Structure of ownership**

Net Detergent Joint Stock Company (the “Company”) was incorporated in Vietnam under the first Business Registration Certificate No. 4703000053 dated 01 July 2007 issued by Department of Planning and Investment of Dong Nai province and the latest amendment of Business Registration Certificate No 3600642822 dated 12 May 2016. Charter capital of the Company is VND 159,988,920,000; par value of each share is VND 10,000.

Shares of the Company are listed on Hanoi Stock Exchange (HNX) with the stock code of NET

The head office of the Company is located on No.8 Street, Bien Hoa 1 Industrial Zone, An Binh Ward, Bien Hoa City, Dong Nai Province.

**Principal activities**

- Manufacture of detergents, cosmetics;
- Wholesale of materials, detergent chemical sectors (except strong toxic chemicals);
- Wholesale of perfumes, cosmetics and toilet preparations;
- Manufacture of bottled drinking water (not produced at the headquarters);
- Rental of warehouses, factories and offices. Real estate business;
- Trading in hotel, motels (operating outside the province);
- Transportation of goods by road.

**Normal production and business cycle**

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

**Company’s structure**

As at 30/6/2016, the Company's organization includes head office in Dong Nai province and 02 branches:

- Hanoi branch at km No.1, Phan Trong Tue road, Tam Hiep commune, Thanh Tri district, Hanoi;
- Branch in Ho Chi Minh City at 617-629 Ben Binh Dong, 13 ward, 8 district, Ho Chi Minh City.

**2. CURRENCY UNIT AND FINANCIAL YEAR**

**Financial year**

The Company’s financial year begins on 1 January and ends on 31 December.

The financial statements for the period from 01/01/2015 to 30/06/2015 were prepared in accordance with Vietnamese Accounting Standard No. 27 - Interim financial reporting and Circular No. 155/2015/TT-BTC dated 06/10/2015 of Ministry of Finance guides information disclosure on the securities market.

**The currency unit used in accounting period:** Vietnam Dong (VND).

**3. ACCOUNTING STANDARDS AND ACCOUNTING SYSTEM APPLIED**

The accompanying financial statements are expressed in Vietnam Dong (VND), are prepared under the accounting principles in conformity with the Vietnamese Corporate Accounting System issued in pursuance of Circular No. 200/2014/TT-BTC dated 22 December 2014 of Ministry of Finance, Vietnamese Accounting Standards, and legal regulations relating to financial reporting



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

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### **Basis of preparation of financial statements**

The financial statements are prepared on the accrual basis of accounting (except some information related to cash flow), under the historical cost concept, based on the going concern assumption.

The combined financial statements of the Company are prepared on the basis of combining the financial statements of the Company's office and Company's branches after eliminating the balances of intercompany liabilities, intercompany revenue and intercompany expenses.

##### **Estimates**

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

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

##### **Financial investments**

###### ***Initial recognition***

*Financial assets:* At the date of initial recognition, financial assets are recognised at cost plus transaction cost that directly attributable to the acquisition of the financial assets.

Financial assets of the Company comprise cash and cash equivalent, trade and other receivables, deposits, investments and other financial assets.

*Financial liabilities:* At the date of initial recognition, financial liabilities are recognised at cost minus transaction cost that directly attributable to the issue of the financial liabilities.

Financial liabilities of the Company comprise trade and other payables, accrued expense, borrowings and obligations under finance leases

###### ***Subsequent measurement after initial recognition***

Currently, there are no requirements for the subsequent measurement of the financial instruments after initial recognition.

##### **Financial investments**

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

Reflecting the investments that the Company has intention and ability to hold to maturity with remaining maturity not exceeding 12 months (short-term) and more than 12 months (long-term) from the reporting date (except trading securities), including term deposits (including treasury bills, promissory notes), bonds, commercial papers, preference stocks which the issuer is obliged to buy at a certain time in the



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

future, held-to-maturity loans for the purpose of collecting periodic interest, other kinds of debt securities and other held-to-maturity investments, not including those already presented in the items such as "cash equivalents", "short-term loan receivables" and "long-term loan receivables".

Held-to-maturity investments are initially recognised at cost, including purchase price and expenses related to the purchase of investments such as brokerage fees, transaction, advisory, tax fees and bank charges ... After initial recognition, these investments are recorded at recoverable value.

Interest incurred after the date of purchase of held-to-maturity investments, profit upon disposals or sale of held-to-maturity investments are recorded in financial income. Interest received before the investment date is deducted from the cost at the date of purchase.

When having strong evidence indicating part or all of the investments may not be recoverable and the losses can be measured reliably, these losses are recorded in financial expenses in the year and reduced directly to the value of the investments.

#### **Investments in other entities**

Is the investments in equity instruments but the Company does not have right to control, joint-control or significant influence on the investee.

#### **Receivables and provision for doubtful debts**

Receivables are monitored detailedly under the original terms, remaining terms at the reporting date, the receivable objects, receivable foreign currencies and other factors for the Company's management purpose. The classification of receivables is trade receivables, inter-company receivables, other receivables shall comply with the principles:

- Trade receivables include commercial receivables incurred from purchase-sale transactions, including receivables from sale of exported goods under the trust for other entities;
- Inter-company receivables include receivables between higher entities and lower subordinate entities without legal status and dependent recording.
- Other receivables include non-commercial or non-trading receivables, including: receivables from loan interests, deposit interests, dividends paid and earnings distributed; amount paid on behalf of another party; receivables which the export trustor must collect from the trustee; receivables from penalties, compensation; advances; pledges, collaterals, deposits, assets lending...

The company bases on the remaining term at the reporting date receivables to classify as long-term or short-term.

Receivables are recognised not exceeding the recoverable value. Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in difficulty of solvency due to dissolution, bankruptcy, or similar difficulties in accordance with Circular No. 228/2009/TT-BTC dated 07 December 2009 of Ministry of Finance.

#### **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost comprises purchase price, processing cost and other direct attributable expenses that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution. Inventories are recorded by perpetual method.



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

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

### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation. The cost of tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use. The cost of self-constructed or manufactured assets are the actual construction cost, manufacturing cost plus installation and test running costs.

Costs incurred after initial recognition are recorded as increase in the historical cost of assets if they actually improve the current status in comparison with the initial standard status of the assets, such as:

- Parts of the tangible fixed asset are modified to extend their useful life or to increase their capacity; or
- Parts of the tangible fixed asset are upgraded to substantially increase product quality; or
- New technology process is applied to reduce operation expenses of the assets in comparison with before;

The costs incurred for repairs and maintenance aims to restore or maintain the ability to bring the economic benefits of the assets according to the initial standard status, do not meet one of the above conditions, are recognised in the operation costs during the period.

Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives or net book value over the remaining useful lives in accordance with Circular No. 45/2013/TT-BTC dated 25 April 2013 of the Ministry of Finance. The estimated useful lives are as follows:

	<u>Year</u>
Buildings and structures	05 - 25
Machinery and equipment	05 - 12
Motor vehicles	06 - 10
Office equipment	03 - 10

### **Construction in progress**

The construction in progress is recorded at historical cost, including expenses directly related to (including borrowing costs in accordance with the Company's accounting policy) properties in the course of construction for production, equipment installed for the purpose of manufacturing, rental and management as well as related expenses to repairs of fixed assets. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

### **Prepayments**

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

- Costs of small tools, supplies and spare parts issued for consumption are amortized to the income statement less than 36 month in accordance with the current prevailing accounting regulations.
- Advertising costs including the cost of advertising on buses, advertising costs on television. Advertising costs are amortized on a straight line basis to allocate time in 12 months.



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

- Cost of processing 100,000 tons of OMO washing powder is amortized according to production during the period.
- Infrastructure rentals in industrial zones Loc An - Binh Son for factory removal at Bien Hoa Industrial Zone 1 to Industrial Park Loc An - Binh Son District Long Thanh, Dong Nai province. This cost will be allocated when the factory goes into operation.

### **Revenue recognition**

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

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

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

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

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate

### **Foreign currencies**

The Company applies the method of recording foreign exchange differences in accordance with Vietnamese Accounting Standard No. 10 (VAS 10) "Effects of changes on foreign exchange rate" and current accounting regime for enterprises

### **Taxation**

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

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



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

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

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

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

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

### **Related parties**

The parties are regarded as related parties of the Company if they have the ability to control or exercise significant influence over the Company in making financial and operating decisions or have the same key management personnel or jointly managed by another company (the same Group, Corporation).

Individuals with the direct or indirect voting rights can impact significantly to the Company, including close family members of these individuals (parents, spouses, children, siblings).

Key management personnel have authority and responsibility for planning, managing and controlling the operation of the Company: the directors, the managers of the Company and close family members of these individuals.

The enterprises managed by these individuals mentioned above with direct or indirect voting rights or through these rights they can have a significant impact to the Company, including the enterprises owned by the leaders or major shareholders of the Company and the enterprises have the same key management personnel.

## **5. CASH AND CASH EQUIVALENTS**

	<u>30/6/2016</u>	<u>01/01/2016</u>
	VND	VND
Cash on hand	500,551,794	545,808,832
Cash at bank	57,412,664,715	19,316,021,392
Cash equivalents	-	7,943,000,000
<b>Total</b>	<b><u>57,913,216,509</u></b>	<b><u>27,804,830,224</u></b>

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

## 6. FINANCIAL INVESTMENTS

### Investments held to maturity

	30/6/2016		01/01/2016	
	Cost	Book value	Cost	Book value
	VND	VND	VND	VND
<b>Short-term</b>	<b>28,100,000,000</b>	<b>28,100,000,000</b>	<b>97,600,000,000</b>	<b>97,600,000,000</b>
Term deposits (*)	28,100,000,000	28,100,000,000	97,600,000,000	97,600,000,000
<b>Long-term</b>	-	-	-	-

(\*) Comprising a six-month Saving Account at the Bank for Foreign Trade of Vietnam - Bien Hoa branch; interest rate is 5,4% with a total amount of VND 20 billion; and another six-month Saving Account at Asia Commercial Bank - Dong Nai branch, interest rate is 5,5% with a total amount of VND 8.1 billion.

### Investments in other entities

	30/6/2016			01/01/2016		
	Historical cost	Provision	Fair value	Historical cost	Provision	Fair value
	VND	VND	VND	VND	VND	VND
Can Tho Vegetables JSC	716,390,400	(716,390,400)	-	716,390,400	(716,390,400)	-

The company holds 6,600 shares, par value of 100,000 VND/share, representing 10.1% of the charter capital of Can Tho Vegetables JSC (investee). The Board of Directors are aware of the investee's difficulties of significant accumulated loss that cause to its temporary stop operation. The management of the Company made 100% provision for its loss from the investment in the investee with value of VND 716,390,400.

## 7. TRADE ACCOUNTS RECEIVABLE

	30/6/2016	01/01/2016
	VND	VND
<b>Short-term trade accounts receivable</b>	<b>18,077,247,879</b>	<b>20,683,700,092</b>
Unilever Vietnam Co. Ltd	5,929,568,682	8,329,176,594
NEU-TECH Ltd	2,119,522,184	499,746,429
Saigon Union of Trading Co-operatives	5,310,717,086	7,503,525,961
Others	4,717,439,927	4,351,251,108
<b>Long-term trade accounts receivable</b>	-	-

## 8. INVENTORY

	30/6/2016		01/01/2016	
	Value	Provisions	Value	Provisions
	VND	VND	VND	VND
Materials and supplies	37,464,413,190	-	32,017,443,986	-
Tools and spare parts	454,985,668	-	136,661,599	-
Work-in-process	1,007,465,091	-	679,990,169	-
Finished goods	15,367,204,604	-	19,829,603,759	-
<b>Total</b>	<b>54,294,068,553</b>	-	<b>52,663,699,513</b>	-



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

## 9. CONSTRUCTION IN PROGRESS

	<u>30/6/2016</u>	<u>01/01/2016</u>
	VND	VND
New factory building cost in Long Thanh (*)	156,845,420,301	34,323,819,900
Investment projects on raw mixing tank Washing powd	-	974,883,679
<b>Total</b>	<b><u>156,845,420,301</u></b>	<b><u>35,298,703,579</u></b>

(\*) New manufacturing investment project of the company locating at Loc An Binh Industrial Park according to the Decision on Project Approval with No. 12A/2014/QD-HDQT on 22/11/2014, total investment capital of VND 375,537,051,487, investment duration of 21 months, estimated of Project completion and production commencement in Quarter 2/2017.

## 10. PREPAYMENT

	<u>30/6/2016</u>	<u>01/01/2016</u>
	VND	VND
<b>Short-term</b>	-	-
<b>Long-term</b>	<b>52,757,325,572</b>	<b>53,576,766,949</b>
Infrastructure cost (*)	47,942,700,000	47,942,700,000
Cost of processing 100,000 tons of OMO washing pow	3,481,676,560	3,905,919,517
Tools and supplies	103,061,831	151,319,720
Other long-term prepaid expenses	1,229,887,181	1,576,827,712
<b>Total</b>	<b><u>52,757,325,572</u></b>	<b><u>53,576,766,949</u></b>

(\*) The resolution of the annual shareholders meeting No. 03/NQ/HDCD-2013 dated 25/04/2013 has approved the policy to relocate the current factory in Bien Hoa Industrial Zone 1 to Loc An - Binh Son Industrial Park, Long Thanh district, Dong Nai province. The company signed a land lease contract in the Loc An - Binh Son Industrial Park, which the Company will lease the land area of 60,000 m2 in 47 years. The total amount paid as 47,942,700,000 VND.



**NET DETERGENT JOINT STOCK COMPANY**

**NOTES TO THE FINANCIAL STATEMENTS**

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

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**11. DOUBTFUL DEBTS**

	30/6/2016				01/01/2016			
	Overdue time	Historical cost	Recoverable amount	Provision	Overdue time	Historical cost	Recoverable amount	Provision
	Year	VND	VND	VND	Year	VND	VND	VND
Nguyen Thi Minh Nguyen	Over 3 year	10,893,735	-	10,893,735	Over 3 year	10,893,735	-	10,893,735
Hai Long Services and Trade Private Enterprise	Over 3 year	88,235,318	-	88,235,318	Over 3 year	88,235,318	-	88,235,318
<b>Total</b>		<b>99,129,053</b>	<b>-</b>	<b>99,129,053</b>		<b>99,129,053</b>	<b>-</b>	<b>99,129,053</b>

**12. TANGABLE FIXED ASSET**

COST	Buildings and Structures		Machinery and Equipments		Transportation Vehicles		Office Equipments		Total
	VND	VND	VND	VND	VND	VND	VND	VND	
As at 01/01/2016	40,541,391,380	78,438,818,881	8,673,991,427	8,673,991,427	777,055,994	128,431,257,682	-	1,653,206,055	130,084,463,737
Construction	-	1,653,206,055	-	-	-	-	-	-	-
As at 30/6/2016	<b>40,541,391,380</b>	<b>80,092,024,936</b>	<b>8,673,991,427</b>	<b>8,673,991,427</b>	<b>777,055,994</b>	<b>128,431,257,682</b>	<b>-</b>	<b>1,653,206,055</b>	<b>130,084,463,737</b>
<b>ACCUMULATED DEPRECIATION</b>									
As at 01/01/2016	21,259,959,800	44,770,171,598	4,163,145,262	4,163,145,262	529,656,729	70,722,933,389	-	-	75,957,266,578
Charged for the period	997,730,107	3,768,789,106	435,571,224	435,571,224	32,242,752	5,234,333,189	-	-	5,234,333,189
As at 30/6/2016	<b>22,257,689,907</b>	<b>48,538,960,704</b>	<b>4,598,716,486</b>	<b>4,598,716,486</b>	<b>561,899,481</b>	<b>75,957,266,578</b>	<b>-</b>	<b>-</b>	<b>75,957,266,578</b>
<b>NET BOOK VALUE</b>									
As at 01/01/2016	19,281,431,580	33,668,647,283	4,510,846,165	4,510,846,165	247,399,265	57,708,324,293	-	-	57,708,324,293
As at 30/6/2016	<b>18,283,701,473</b>	<b>31,553,064,232</b>	<b>4,075,274,941</b>	<b>4,075,274,941</b>	<b>215,156,513</b>	<b>54,127,197,159</b>	<b>-</b>	<b>-</b>	<b>54,127,197,159</b>
<i>Cost of fixed assets fully depreciated but still in use</i>	<i>1,616,904,676</i>	<i>11,286,760,393</i>	<i>395,105,476</i>	<i>395,105,476</i>	<i>245,329,227</i>	<i>13,544,099,772</i>	<i>-</i>	<i>-</i>	<i>13,544,099,772</i>

**NET DETERGENT JOINT STOCK COMPANY  
NOTES TO THE FINANCIAL STATEMENTS**

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**13. TRADE ACCOUNTS PAYABLE**

	30/6/2016		01/01/2016	
	Cost	Amount able to be paid off	Cost	Amount able to be paid off
	VND	VND	VND	VND
<b>Short-term</b>				
Branch TICO Joint Stock Company	71,752,410,107	71,752,410,107	45,634,013,391	45,634,013,391
Quang Thang Trade Company Limited	5,258,533,500	5,258,533,500	5,858,424,858	5,858,424,858
UJC Vietnam Company Limited	7,056,311,211	7,056,311,211	725,175,000	725,175,000
Other trade payables	23,574,551,857	23,574,551,857	13,869,838,483	13,869,838,483
<b>Long - term</b>				
	-	-	25,180,575,050	25,180,575,050
<b>Total</b>	<b>71,752,410,107</b>	<b>71,752,410,107</b>	<b>45,634,013,391</b>	<b>45,634,013,391</b>
<b>Overdue trade accounts payable</b>				
<b>Trade payables for related party</b>				
BienHoa Chemical Factory - South Basic Chemicals JSC	4,529,357,910	4,529,357,910	1,950,000,800	1,950,000,800

**14. TAXES AND AMOUNTS PAYABLE TO THE STATE**

	01/01/2016		30/6/2016	
	Payable amount	Paid amount	Payable amount	Paid amount
	VND	VND	VND	VND
Value added tax	141,102,334	1,085,975,237	1,077,589,186	149,488,385
Value added tax of imported goods	-	1,252,153,929	1,252,153,929	-
Import tax	349,689,798	443,927,011	430,837,872	362,778,937
Corporate income tax	4,795,492,664	11,512,495,251	9,525,201,607	6,782,786,308
Personal income tax	97,787,429	597,614,977	441,930,261	253,472,145
Others	4,723,567	14,815,100	14,815,100	4,723,567
<b>Total</b>	<b>5,388,795,792</b>	<b>14,906,981,505</b>	<b>12,742,527,955</b>	<b>7,553,249,342</b>



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

#### 15. ACCRUED EXPENSES

	<u>30/6/2016</u>	<u>01/01/2016</u>
	VND	VND
<b>Short-term</b>	<b>4,457,689,013</b>	<b>5,195,606,719</b>
Commissions, promotion, distributor support costs	3,005,280,220	4,021,954,589
Transportation costs	810,465,157	740,283,040
midle meal	181,329,000	186,830,000
Other expense	460,614,636	246,539,090
<b>Long-term</b>	-	-

#### 16. OTHER PAYABLES

	<u>30/6/2016</u>	<u>01/01/2016</u>
	VND	VND
<b>Short-term</b>	<b>56,290,263,956</b>	<b>8,406,765,993</b>
- Trade union fees	365,212,445	289,520,634
- Social insurance	204,180,489	148,262,584
- Dividends and profits payables	47,998,821,380	2,145,380
- Others	7,722,049,642	7,966,837,395
<b>Long-term</b>	-	-

**NET DETERGENT JOINT STOCK COMPANY**

**NOTES TO THE FINANCIAL STATEMENTS**

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

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**17. OWNER'S EQUITY**

**Movements in owner's equity**

	Owner' equity	Investment and development funds	Undistributed earnings	Total
	VND	VND	VND	VND
<b>As at 01/01/2015</b>	<b>159,988,920,000</b>	<b>16,329,365,043</b>	<b>55,588,458,156</b>	<b>231,906,743,199</b>
Profit during the year	-	-	86,776,325,929	86,776,325,929
Profit distribution	-	16,203,678,227	(52,424,462,227)	(36,220,784,000)
<b>As at 01/01/2016</b>	<b>159,988,920,000</b>	<b>32,533,043,270</b>	<b>89,940,321,858</b>	<b>282,462,285,128</b>
Profit during the period	-	-	45,970,197,268	45,970,197,268
Profit distribution (*)	-	34,710,530,372	(86,007,206,372)	(51,296,676,000)
<b>As at 30/6/2016</b>	<b>159,988,920,000</b>	<b>67,243,573,642</b>	<b>49,903,312,754</b>	<b>277,135,806,396</b>

(\*) According to the Resolution of the Annual General Meeting of Shareholders meeting No. 01/NQ-HDQT-NET/2016 dated 28/06/2016, the shareholders approved the distribution of the profit after tax in 2015 of the company as follows: declared dividend of VND 47,996,676,000 VND equivalent to 30% of the charter capital, Bonus and welfare fund of VND 5.2 billion (declared VND 3.5 billion in 2015), Executive bonus fund: VND 500 million, Investment and Development fund: VND 34,710,530,372. As at 30/06/2016, the company has not paid dividends declared from earnings in 2015 to shareholders.

At 30/06/2016, the Company has temporarily appropriated for Bonus and welfare fund from 6 month profit after-tax by with amount of VND 1.1 billion.

**Detail of shareholders as at the balance sheet date as follows:**

	As at 30/6/2016		As at 01/01/2016	
	Value VND	Rate %	Value VND	Rate %
Vietnam National Chemical Group	81,596,420,000	51%	81,596,420,000	51%
Others	78,392,500,000	49%	78,392,500,000	49%
<b>Total</b>	<b>159,988,920,000</b>	<b>100%</b>	<b>159,988,920,000</b>	<b>100%</b>



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

### Capital transactions with owner and dividend paid, earnings distributed

	<u>This period</u>	<u>Last period</u>
	VND	VND
<b>Owner's equity</b>		
- Opening balance	159,988,920,000	159,988,920,000
- Increase during the period	-	-
- Decrease during the period	-	-
- Closing balance	159,988,920,000	159,988,920,000
Dividend paid	-	31,997,388,800

### Shares

	<u>30/6/2016</u>	<u>01/01/2016</u>
<b>Authorised shares</b>	<b>15,998,892</b>	<b>15,998,892</b>
<b>Issued shares</b>	<b>15,998,892</b>	<b>15,998,892</b>
- Common shares	15,998,892	15,998,892
<b>Repurchased shares</b>	-	-
- Common shares	-	-
<b>Outstanding shares in circulation</b>	<b>15,998,892</b>	<b>15,998,892</b>
- Common shares	15,998,892	15,998,892
* Par value of an outstanding share (VND per share)	10,000	10,000

### 18. OFF-BALANCE SHEET ITEMS

	<u>30/6/2016</u>	<u>01/01/2016</u>
	VND	VND
Goods kept	1,136,523,932	1,237,071,847
Foreign currencies (USD)	260,922	224,681
Bad debt written off	529,829,019	529,829,019

### 19. REVENUE FROM GOODS SOLD AND SERVICES

	<u>This period</u>	<u>Last period</u>
	VND	VND
Sales of domestic goods	242,838,780,833	275,124,096,800
Sales of exported goods	100,752,442,183	92,036,154,873
Sales of outsourcing services	19,086,619,625	14,024,274,739
Others	14,606,979,355	14,287,407,062
<b>Total</b>	<b>377,284,821,996</b>	<b>395,471,933,474</b>

### 20. COST OF GOOD SOLD AND SERVICES RENDERED

	<u>This period</u>	<u>Last period</u>
	VND	VND
Cost of merchandises sold	256,654,460,201	291,544,140,713
Cost of services rendered	16,583,523,169	9,841,433,206
<b>Total</b>	<b>273,237,983,370</b>	<b>301,385,573,919</b>

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

## 21. FINANCIAL INCOME

	<u>This period</u>	<u>Last period</u>
	VND	VND
Bank and loan interest	2,304,283,260	3,010,366,319
Foreign exchange gain	206,177,152	245,277,426
Unrealized foreign exchange gain	-	48,611,368
<b>Total</b>	<b><u>2,510,460,412</u></b>	<b><u>3,304,255,113</u></b>

## 22. FINANCIAL EXPENSES

	<u>This period</u>	<u>Last period</u>
	VND	VND
Unrealized foreign exchange loss	6,097,487	-
Foreign exchange loss	104,655,092	273,092,013
<b>Total</b>	<b><u>110,752,579</u></b>	<b><u>273,092,013</u></b>

## 23. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSE

	<u>This period</u>	<u>Last period</u>
	VND	VND
<b>Administrative expenses</b>	<b>9,351,126,112</b>	<b>8,812,429,635</b>
- Salary and relates	4,198,591,205	4,197,572,320
- Office equipment	475,461,267	506,159,761
- Depreciation and amortisation	303,383,334	279,100,278
- Tax, fee and charges	101,400,000	99,000,000
- Outsourcing expenses	127,514,805	92,970,748
- Other expenses in cash	4,144,775,501	3,637,626,528
<b>Selling expenses</b>	<b>39,736,195,638</b>	<b>40,299,731,889</b>
- Salary and relates	8,784,463,623	8,862,286,513
- Materials, packaging expenses	909,911,375	1,189,911,945
- Depreciation and amortisation	550,542,082	584,671,080
- Transport expenses	4,100,645,919	2,734,951,566
- Promotional expenses in cash	5,948,403,500	6,651,620,039
- Distributor, supermarket support costs	15,933,106,062	10,948,270,161
- Other expenses in cash	3,509,123,077	7,135,254,724
- Promotional cost by goods	-	2,192,765,861

## 24. EXPENSES BY CATEGORY

	<u>This period</u>	<u>Last period</u>
	VND	VND
Materials expenses	242,057,255,128	275,193,182,855
Labor costs	24,723,520,231	24,049,333,845
Depreciation and amortisation	5,234,333,189	5,296,920,067
Other expenses in cash	47,981,451,490	46,417,421,501
<b>Total</b>	<b><u>319,996,560,038</u></b>	<b><u>350,956,858,268</u></b>



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

## 25. CURRENT CORPORATION INCOME TAX

	<u>This period</u>	<u>Last period</u>
	VND	VND
Net profit before tax	57,482,692,519	48,120,098,135
Adjustment for taxable income	79,783,738	(16,194,538)
Less: Non-assessable income	-	79,194,538
Add: Non-deductible expenses	79,783,738	63,000,000
<b>Taxable profit</b>	<b>57,562,476,257</b>	<b>48,103,903,597</b>
Taxable income according to preferential tax rates (15%)(*)	-	42,126,250,966
Taxable profit under ordinary tax rate (22%)	-	5,977,652,631
Taxable profit under ordinary tax rate (20%)	57,562,476,257	-
<b>Current corporate income tax expenses</b>	<b>11,512,495,251</b>	<b>7,634,021,224</b>

(\*)The company preferential enterprise income tax in accordance with Circular 88/2004 / TT-BTC dated 09/01/2004 from the year 2004 with the 12-year period, the preferential enterprise income tax is 15%. Up to 2016, the company ran out of time the preferential enterprise income tax should be taxed under the general tax rate is 20%.

## 26. EARNINGS PER SHARE

	<u>This period</u>	<u>Last period</u>
	VND	VND
Net profit after corporate income tax	45,970,197,268	40,486,076,911
Welfare and bonus fund (*)	1,100,000,000	-
Profit allocated to common shareholders	44,870,197,268	40,486,076,911
Weighted average number of common shares during the period	15,998,892	15,998,892
<b>Earnings per share</b>	<b>2,805</b>	<b>2,531</b>

At 30/06/2016, the Company has temporarily appropriated for Bonus and welfare fund from 6 month profit after-tax by amount of VND 1.1 billion.

## 27. RELATED PARTIES TRANSACTION AND BALANCES

### Related parties

<u>Related parties</u>	<u>Relationship</u>
Vietnam National Chemical Group	Shareholders representing 51% of charter capital
BienHoa Chemical Factory - South Basic Chemicals Joint Stock Company	Subsidiary

During the period, the Company entered into the following transactions and related party balances with its related parties:

Related party balances at the balance sheet date were as follows:

	<u>30/06/2016</u>	<u>01/01/2016</u>
	VND	VND
Dividends paid to Vietnam National Chemical Group	24,478,926,000	-

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

Related party transactions were as follows:

	<u>This period</u>	<u>Last period</u>
	VND	VND
<b>Purchases</b>		
BienHoa Chemical Factory - South Basic Chemicals Joint Stock Company	10,186,968,700	13,585,256,850
<b>Dividends paid</b>		
Vietnam National Chemical Group	-	16,319,284,000
<b>Salaries and benefit of Board of Management and Board of Director</b>	<b>1,050,457,000</b>	<b>1,181,112,000</b>

## 28. FINANCIAL INSTRUMENTS

### Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balances

The capital structure of the Company consists of net debt (borrowings disclosed off set by cash and cash equivalents) and owner's equity (comprising capital, share premium, other owner' capital, reserves and retained earnings).

### Significant accounting policies

Detail of significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in Note 4.

### Categories of financial instruments

	<u>Book value</u>	<u>Book value</u>
	30/6/2016	01/01/2016
	VND	VND
<b>Financial assets</b>		
Cash and cash equivalents	57,913,216,509	27,804,830,224
Trade receivables and other receivables	18,779,144,952	21,162,900,133
<b>Total</b>	<b><u>76,692,361,461</u></b>	<b><u>48,967,730,357</u></b>
<b>Financial liabilities</b>		
Trades payables and other payables	127,473,281,129	53,602,996,166
Accrued expenses	4,457,689,013	5,195,606,719
<b>Total</b>	<b><u>131,930,970,142</u></b>	<b><u>58,798,602,885</u></b>

The Company presents and discloses the financial instruments in accordance with the provisions of Circular No. 210/2009/TT-BTC dated 06 November 2009 of Ministry of Finance. This Circular guidelines on applying international accounting standards for presentation of financial statements and disclosures for financial instruments without specific guidance for the assessment and recognition of financial instruments under fair value. The Company has presented the fair value of financial instruments under the guidance of the notes to the financial statements of the Circular No. 200/2014/TT-BTC dated 22 December 2014 of Ministry of Finance at some notes mentioned above.



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

### Financial risk management objectives

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

#### Market risk

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

### Foreign currency risk management

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

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the period are as follows:

	Liabilities		Assets	
	01/01/2016	30/6/2016	01/01/2016	30/6/2016
	VND	VND	VND	VND
USD	5,914,992,105	3,338,176,840	5,543,844,309	7,927,645,681

### Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has a credit policy in place and the exposure to credit is monitored on an ongoing basis. The maximum exposure to credit risk is represented by the balance of provision for bad debt as at 31/12/2015.

The Company applied Circular No.228/TT-BTC dated 7/12/2009 and the Circular No. 200/TT-BTC dated 22/12/2014 issued by Ministry of Finance to made provision for doubtful debts with the amount of VND 99,129,053 as at 30/6/2016 (as at 31/12/2015 is VND 99,129,053)

### Liquidity risk management

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

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial assets undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

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

	Less than 1 year	From 1 - 5 year	Total
	VND	VND	VND
<b>As at 30/6/2016</b>			
Trades payables and other payables	127.473.281.129	-	127.473.281.129
Accrued expenses	4.457.689.013	-	4.457.689.013
<b>As at 01/01/2016</b>			
Trades payables and other payables	53.602.996.166	-	53.602.996.166
Accrued expenses	5.195.606.719	-	5.195.606.719

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets, if any, The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as liquidity is managed on a net asset and liability basis.

	Less than 1 year	From 1 - 5 year	Total
	VND	VND	VND
<b>As at 30/6/2016</b>			
Cash and cash equivalents	57,913,216,509	-	57,913,216,509
Trade receivables and other receivables	18,779,144,952	-	18,779,144,952
<b>As at 01/01/2016</b>			
Cash and cash equivalents	27,804,830,224	-	27,804,830,224
Trade receivables and other receivables	21,162,900,133	-	21,162,900,133

## 29. EVENTS OCCURRING AFTER BALANCE SHEET DATE

No significant events occurring after Balance Sheet date that requires adjustments or disclosures on the financial statements for this period.

## 30. COMPARATIVE FIGURES

The comparative figures are the figures on the audited Balance sheet for the year ended 31/12/2015 that were audited.

The comparative figures on the income statement and cash flow statement and respective notes are figures for the period from 01/01/2015 to 30/6/2015 that were reviewed.

Preparer



Tran Thi Ai Lien

Chief Accountant



Tran Thi Ai Lien

Dong Nai, 12<sup>th</sup> August 2016

General Director



Thai Thi Hong Yen