

NET DETERGENT JOINT STOCK COMPANY

AUDITED FINANCIAL STATEMENTS

For the year ended 31st December 2018

Dong Nai, February 2019

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BOARD OF DIRECTORS' REPORT

Board of Directors of Net Detergent Joint stock Company ("the Company") presents this report together with the Company's audited financial statements for the year ended 31st December 2018

BOARDS OF MANAGEMENT AND DIRECTORS

Members of the Board of Management and Directors of the Company who held office during the year and at the date of this report are as follows:

Board of Management

Mr. Tran Quoc Cuong	Chairman
Ms. Thai Thi Hong Yen	Member
Mr. Pham Quang Hoa	Member
Mr. Nguyen Manh Hung	Member
Ms. Nguyen Thi Phuong Thuy	Member (Appointed on 27/04/2018)
Mr. Phan Van Tien	Member (Resigned on 27/04/2018)

Board of Directors

Ms. Thai Thi Hong Yen	General Director
Mr. Pham Quoc Cuong	Vice General Director/Production Director
Mr. Cao Tran Dang Khoa	Quality Director

MANAGERMENT'S RESPONSIBILITY

Board of Directors are responsible for preparing the financial statements for the year ended 31 December 2018, which give a true and fair view of the financial position, business results, and cash flows of the Company for the year. In preparing these financial statements, Board of Directors are required to:

- Comply with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the relevant statutory requirements applicable to the preparation and presentation of the financial statements;
- 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 misstated applications which need to be disclosed and explained in the financial statements;
- Design and implement an effective internal control system for the purpose of properly preparation and presentation of the financial statements so as to minimize errors and frauds; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

Board of Directors are responsible for ensuring that accounting books are properly recorded to disclose the financial position of the Company reasonably at any time and the financial statements are prepared and presented in compliance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the relevant statutory requirements. Board of Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable methods to prevent and detect fraud and other irregularities.

Board of Directors confirms that the Company has complied with the above requirements in preparing these financial statements.

For and on behalf of the Board of Directors,



Thai Thi Hong Yen
General Director

Dong Nai, 25 February 2019

No: 24/2019/BCKT-AVI-TC1

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Net Detergent Joint stock Company ("the Company") prepared on 25 February 2019 and set out from page 04 to page 27 which comprise the Balance sheet as at 31st December 2018, Income and Cash flows Statements for the year then ended, and the Notes to those financial statements.

Management's responsibility

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

Our responsibility

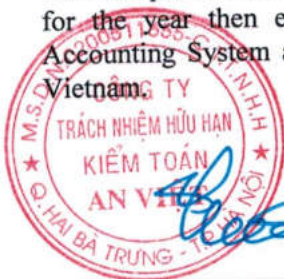
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying financial statements give a true and fair view of, in all material respects, the financial position of the Company as at 31st December 2018 and the results of its operations and its cash flows for the year then ended, in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and legal regulations guiding on preparation and presentation of financial statements in Vietnam.



Nguyen Thuong
Deputy General Director
Certificate of audit practice registration
No. 0308-2018-055-1

For and on behalf of
ANVIET AUDITING COMPANY LIMITED

Ha Noi, 25 February 2019

Tran Minh Nguyet
Auditor
Certificate of audit practice registration
No. 3412-2015-055-1

NET DETERGENT JOINT STOCK COMPANY

BALANCE SHEET
As at 31st December 2018

FORM B01 - DN
Currency: VND

ITEMS	Codes	Notes	31/12/2018	01/01/2018
A - CURRENT ASSETS	100		264,831,826,994	247,468,462,315
I. Cash and cash equivalents	110	5	90,315,322,234	97,052,279,042
1. Cash	111		9,815,322,234	13,852,279,042
2. Cash equivalents	112		80,500,000,000	83,200,000,000
II. Short-term financial investments	130		9,500,000,000	-
1. Investments held to maturity	135	6	9,500,000,000	-
III. Short-term receivables	130		34,839,193,090	41,268,558,954
1. Trade accounts receivable	131	8	32,844,745,788	39,473,574,355
2. Short-term advances to suppliers	132		533,672,068	735,423,133
3. Short-term loan receivables	135		264,904,600	333,000,000
4. Other receivables	136	9	1,195,870,634	726,561,466
IV. Inventories	140	10	128,854,022,719	108,495,022,146
1. Inventories	141		128,854,022,719	108,495,022,146
V. Other current assets	150		1,323,288,951	652,602,173
1. Value added tax deductibles	152		1,285,392,298	635,249,348
2. Other receivables from State Budget	153	17	37,896,653	17,352,825
B - NON-CURRENT ASSETS	200		343,987,190,955	358,274,780,584
I. Fixed assets	220		281,787,967,192	293,214,944,605
1. Tangible fixed assets	221	15	281,787,967,192	293,214,944,605
- Cost	222		378,230,450,262	369,322,718,695
- Accumulated depreciation	223		(96,442,483,070)	(76,107,774,090)
II. Investment Property	230	14	13,600,593,917	15,195,611,513
- Cost	231		34,505,676,919	35,306,730,252
- Accumulated depreciation	232		(20,905,083,002)	(20,111,118,739)
III. Long-term assets in progress	240		102,500,000	1,458,935,039
1. Construction in progress	242		102,500,000	1,458,935,039
IV. Long-term financial investments	410	7	-	-
1. Other long-term investments	253		716,390,400	716,390,400
2. Provision for impairment of long-term financial	254		(716,390,400)	(716,390,400)
V. Other long-term assets	260		48,496,129,846	48,405,289,427
1. Long-term prepayments	261	11	48,496,129,846	48,405,289,427
TOTAL ASSETS	270		608,819,017,949	605,743,242,899

NET DETERGENT JOINT STOCK COMPANY

BALANCE SHEET (Continued)

As at 31st December 2018

FORM B01 - DN

Currency: VND

ITEMS	Codes	Notes	31/12/2018	01/01/2018
C - LIABILITIES	300		319,410,588,520	324,465,348,047
I. Current liabilities	310		319,310,588,520	324,365,348,047
1. Trade accounts payable	311	16	181,974,806,277	156,711,442,559
2. Short-term advance from customers	312		8,929,534,481	10,838,445,895
3. Taxes and amounts payable to State Budget	313	17	2,385,698,999	3,840,582,057
4. Payables to employees	314		12,034,676,590	14,354,754,970
5. Short-term accrued expenses	315	12	18,670,070,319	13,322,916,917
6. Short-term unearned revenue	318		-	660,000,000
7. Other current payables	319	13	6,426,442,110	8,104,425,876
8. Short-term borrowings	320	18	83,741,166,661	111,361,800,825
9. Bonus and welfare funds	322		5,148,193,083	5,170,978,948
II. Long-term Liabilities	330		100,000,000	100,000,000
1. Other long-term payables	337	13	100,000,000	100,000,000
D - EQUITY	400		289,408,429,429	281,277,894,852
I. Owner's equity	410	19	289,408,429,429	281,277,894,852
1. Owners' contributed capital	411		223,983,740,000	223,983,740,000
- Ordinary shares with voting rights	411a		223,983,740,000	223,983,740,000
2. Investment and development fund	418		15,706,553,642	15,706,553,642
3. Retained earnings	421		49,718,135,787	41,587,601,210
- Undistributed earnings accumulated to the prior year end	421a		7,694,588,682	8,351,373,371
- Undistributed earnings of the current year	421b		42,023,547,105	33,236,227,839
TOTAL RESOURCES	440		608,819,017,949	605,743,242,899

Dong Nai, 25 February 2019

Preparer



Tran Thi Ai Lien

Chief Accountant



Tran Thi Ai Lien

General Director



Thai Thi Hong Yen

NET DETERGENT JOINT STOCK COMPANY

INCOME STATEMENT
For the year ended 31st December 2018

FORM B02 - DN
Currency: VND

ITEMS	Codes Notes		Year 2018	Year 2017
1. Revenue from goods sold and services rendered	01	21	1,117,335,189,334	1,075,698,997,960
2. Deductions		02	-	167,662,422
3. Net revenue from goods sold and services rendered	10		1,117,335,189,334	1,075,531,335,538
4. Cost of goods sold and services rendered	11	22	919,075,138,939	837,983,354,954
5. Gross profit from goods sold and services rendered	20		198,260,050,395	237,547,980,584
6. Financial income	21	24	6,645,451,095	5,026,215,151
7. Financial expenses	22	25	6,255,819,364	2,922,200,088
- Of which: Loan interest charged		23	2,829,779,660	1,877,913,390
8. Selling expenses	25	26	112,098,266,292	142,449,901,731
9. General and administration expenses	26	26	29,279,176,168	23,494,160,099
10. Operating profit	30		57,272,239,666	73,707,933,817
11. Other income	31	27	3,684,260,081	4,490,591,428
12. Other expenses	32	28	593,741,043	4,206,567,500
13. Profit from other activities	40		3,090,519,038	284,023,928
14. Accounting profit before tax	50		60,362,758,704	73,991,957,745
15. Current corporate income tax expense	51	29	3,743,024,599	14,832,355,906
16. Deferred Tax Expense		52	-	-
17. Net profit after corporate income tax	60		56,619,734,105	59,159,601,839
18. Earning per share	70	30	2,376	2,472

Dong Nai, 25 February 2019

Preparer



Tran Thi Ai Lien

Chief Accountant



Tran Thi Ai Lien

General Director



Thái Thị Hồng Yến

CASH FLOW STATEMENT
(Indirect Method)
For the year ended 31st December 2018

FORM B03 - DN
Currency: VND

ITEMS	Codes	Year 2018	Year 2017
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit for the year	01	60,362,758,704	73,991,957,745
2. Adjustment for			
- Depreciation and amortization of fixed assets	02	23,083,414,177	16,172,128,115
- Foreign exchange loss (gain) upon revaluation of monetary items denominated in foreign currency	04	(423,314,353)	(60,935,457)
- Gain from investing activities	05	(5,441,559,590)	(2,025,326,860)
- Interest expenses	06	2,829,779,660	1,877,913,390
3. Operating profit before movements in working capital	08	80,411,078,598	89,955,736,933
- Increase in receivables	09	6,129,421,158	7,824,252,357
- Increase in inventory	10	(20,359,000,573)	(27,881,622,148)
- Increase, decrease in payables (exclude interest expenses, CIT)	11	24,394,464,685	58,691,881,421
- Increase in prepayments and others	12	1,465,769,572	2,826,668,222
- Interest paid	14	(2,788,143,913)	(1,877,913,390)
- Corporate income tax paid	15	(5,459,796,542)	(15,900,140,555)
- Other cash inflows	16	2,800,000	-
- Other cash outflows	17	(3,677,585,865)	(2,919,008,800)
Net cash from operating activities	20	80,119,007,120	110,719,854,040
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition of fixed assets and other long-term assets	21	(10,831,287,073)	(30,260,834,659)
2. Proceeds from disposals of fixed assets and other long-term assets	22	945,909,091	-
3. Cash outflow for lending, buying debt instruments of other entities	23	(9,500,000,000)	(400,000,000)
4. Cash recovered from lending, selling debt instruments of other entities	24	68,095,400	67,000,000
5. Interest earned, dividend and profit received	27	4,441,338,884	3,346,734,724
Net cash from investing activities	30	(14,875,943,698)	(27,247,099,935)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	272,640,228,384	203,991,792,246
2. Repayments of borrowings	34	(299,823,723,307)	(206,327,482,508)
3. Dividends and profits paid	36	(44,796,197,000)	(51,516,260,200)
Net cash from financing activities	40	(71,979,691,923)	(53,851,950,462)
Net decrease in cash during the period	50	(6,736,628,501)	29,620,803,643
Cash and cash equivalents at the beginning of period	60	97,052,279,042	67,430,898,879
Effect of changes in foreign exchange rates	61	(328,307)	576,520
Cash and cash equivalents at the end of period	70	90,315,322,234	97,052,279,042

Preparer



Tran Thi Ai Lien

Chief Accountant



Tran Thi Ai Lien

Dong Nai, 25 February 2019

General Director




Thai Thi Hong Yen

NOTES TO THE FINANCIAL STATEMENTS

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 26 May 2017.

Charter capital of the Company is VND 223,983,740,000; 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 D4 Street, Loc An Industrial Park, Binh Son Commune, Long Thanh District, Dong Nai Province.

Business field and activities**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 31/12/2018, the Company's organization includes head office in Dong Nai province and 03 branches with independent accounting:

No	Nam of branch	Address
1	Hanoi branch	Km No.1, Phan Trong Tue road, Tam Hiep commune, Thanh Tri district, Hanoi.
2	Ho Chi Minh branch	No. 617 - 629 Ben Binh Dong, 13 ward, 8 district, Ho Chi Minh City.
3	Bien Hoa branch	No.8 Street, Bien Hoa 1 Industrial Zone, An Binh Ward, Bien Hoa City, Dong Nai Province.

2. ACCOUNTING PERIOD AND ACCOUNTING CURRENCY

The Company's fiscal year begins on 1 January and ends on 31 December.

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

3. ACCOUNTING STANDARDS AND ACCOUNTING SYSTEM APPLIED

The financial statements are expressed in Vietnamese Dong (VND) and prepared under the accounting principles in conformity with the Vietnamese Corporate Accounting System issued in pursuance of Circular No. 200/2015/TT-BTC dated 22 December 2015, Circular No. 53/2016/TT-BTC dated 21 March 2016 of Ministry of Finance, Vietnamese Accounting Standards, and the relevant statutory requirements applicable 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

The significant accounting policies, which have been adopted by the Company in the preparation of these financial statements, are as follows:

Basis of preparation of financial statements

The financial statements are prepared on the accrual basis (except for the information related to cash flows).

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.

The financial statements of the Company have been translated into English from the financial statements issued in Vietnam in Vietnamese.

Estimates

The preparation of financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and the relevant statutory requirements applicable to financial reporting requires the management 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 fiscal year. Actual business results could differ from those estimates and assumptions.

Conversion of foreign currency

Conversion of foreign currency is applied under the Vietnamese Accounting Standard No. 10 - Effects of changes in foreign exchange rates and prevailing Vietnamese Corporate Accounting System.

During the year, transactions arising in foreign currencies are translated into VND at exchange rates ruling at the transaction dates or accounting book exchange rate. Foreign exchange differences arising from these transactions are recognized in financial income (if gain) and financial expense (if loss). Monetary items denominated in foreign currencies are translated using exchange rate ruling at the balance sheet date. Foreign exchange differences arising from revaluation are reflected in the Foreign exchange rate differences account and the balance of this account is transferred to the financial income (if profit) or financial expense (if loss) at the end of the year.

Cash and cash equivalents

Cash reflects the full existing amount of the Company at the end of the accounting year, comprising cash on hand, Demand deposits and cash in transit.

Cash equivalents include short-term investments with maturity less than 03 months since the date of investment, which can be converted easily into a certain amount of cash without any risk in conversion into cash at the reporting date and recorded following Vietnamese Accounting Standard No. 24 – Cash flow statement.

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 time deposits (including treasury bills, promissory notes), bonds, commercial papers, preference stocks which the issuer is obliged to buy at a certain time in the future, held-to-maturity loans for the purpose of collecting periodic interest, other kinds of debt securities (e.g. investment in buying bad debts, etc.) and other held-to-maturity investments, not including those already presented in the items such as "cash equivalents", "receivables from short-term borrowings" and "receivables from long-term borrowings".

NOTES TO THE FINANCIAL STATEMENTS

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

Held-to-maturity investments are initially recognized 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.

The Company bases on the remaining term from the reporting date to classify held-to-maturity investments as long-term or short-term..

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. Provision for held-to-maturity investments is similar to receivables unlikely to recover, is made similarly to bad debts

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;
- Intercompany 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 realizable 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. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing and selling. Inventories are calculated using the monthly.

The provision for the devaluation of inventories is the excess of the inventories' cost over their net realizable value at the accounting year end and made in accordance with Circular No. 228/2009/TT-BTC dated 7 December 2009 of the Ministry of Finance.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Tangible fixed assets are recognized under the historical cost.

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

The costs of tangible fixed assets arising from purchases and self-constructions comprise all costs of bringing the tangible fixed assets to their working condition for their intended use.

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 - 40
Machinery and equipment	05 - 15
Motor vehicles	06 - 10
Office equipment	03 - 15

Investment properties

Investment properties include land used rights, buildings, part of buildings or infrastructure under the owner of the Company or finance lease used for achieving benefits in renting or waiting for increase in price.

Investment properties for lease/held for sale are stated at cost less accumulated depreciation/devaluation loss. The cost of investment properties is the Company's expenses (cash and cash equivalents) or any directly attributable costs at the date of acquisition or upon the construction completion of investment properties.

Cost incurred after initial recognition are recorded in operation expenses, except these expenses is sure to make the investment properties create more future economics than the initial evaluation operation of the assets, for this case these expenses will be recorded as increase in the historical cost.

Investment properties of the company include buildings and structures, infrastructure at No.8 Street, Bien Hoa 1 Industrial Zone, An Binh Ward, Bien Hoa City, Dong Nai Province.

Investment properties for rent are depreciated using the straight-line method over their estimated 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>Năm</u>
Buildings and structures	20 - 25
Infrastructure	05 - 20

Construction in progress

The construction in progress is recorded at cost, including expenses directly related to (including borrowing costs by 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

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

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 recorded at actual incurred, including: costs of tools, supplies; advertising costs; infrastructure rentals and other prepayments serving for business activities of multiple accounting periods.

- 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.
- 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.

Payables

The payables are monitored detailed under the original terms, the remaining terms at the reporting date, the payable objects, type of payables denominated in foreign currency and other factors according to the Company's management purpose. The classification of payables such as trade payables, intercompany payables, other payables must be implemented the following principles:

- Trade payables include commercial payables incurred from purchase-sale transactions, including payables when imported goods under the trust;
- Intercompany payables include payables between higher entities and lower subordinate entities without legal status and dependent recording;
- Other payables include non-commercial or non-trading payables, including: payables for loan interest, dividend and earning payables; payables for financial investments; amount paid for the third party; amount which the trustor receives from relevant parties to pay under the entrusted import-export transactions; asset borrowings; payables for penalties, compensation; surplus assets without reason; payables for social insurance, medical insurance, unemployment insurance, trade union; collaterals, deposits received, etc.

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

The payables are recorded not less than the payment obligations. In the case of there is evidence that a loss likely occurs, the Company recognizes immediately a payable under the precautionary principle.

Loans and finance lease liabilities

Loans and finance lease liabilities include loans, finance lease liabilities.

The loans and finance lease liabilities are monitored detailed for each loan object, loan agreement, and loan asset; for the term of loan and finance lease liabilities and type of foreign currency (if any). The loans and finance lease liabilities with the remaining term more than 12 months from the reporting date are presented as long-term loans and finance lease liabilities. The due loans and finance lease liabilities within the next 12 months from the reporting date are presented as short-term loans and finance lease liabilities.

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

NOTES TO THE FINANCIAL STATEMENTS

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

(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

Financial income comprises deposit interest, gains from foreign exchange differences, etc. Detailed as follows:

- Interest income is recognized reliably on the balances of deposits, loans, and periodic actual interest.
- Foreign exchange differences reflect profit from the actual exchange differences of arising transactions denominated in foreign currencies during the period and profit from the exchange differences due to the translation of monetary items denominated in foreign currencies at the reporting date.

Financial expenses

Financial expenses comprise interest expenses; losses from exchange differences, etc. Details are as follows:

- Interest expense is based on actual loans and periodic interest expense (except for capitalized interest expense).
- Foreign exchange differences: reflect losses from the actual exchange differences of arising transactions denominated in foreign currencies during the period and losses from the exchange differences due to the revaluation of monetary items denominated in foreign currencies at the end of the year.

Selling expenses, general and administrative expenses

Selling expenses represent the actual expenses incurred in the process of selling products, goods and service rendered of the accounting period, including: expenses of products introduction, advertising products, sales commissions; warranty costs of products, goods (excluding construction activities); costs of storage, packaging, shipping, etc.

General and administrative expenses represent the general management expenses of the Company incurred in the accounting period, including the salary expenses of management staff (salaries, wages, allowances, etc.); social insurance, health insurance, trade union fees, unemployment insurance of management staff; expenses of office materials, work tools; depreciation of fixed assets for management; land rentals and license tax; provision for doubtful debts; outsourcing services (electricity, water, telephone, fax, insurance of property, fire...); other cash expenses (guests, customer conferences, etc.)

Selling expenses and general and administrative expenses are decreased when reversal of provisions

Taxation

Corporate income tax represents the sum of the current tax and deferred tax.

The current tax expense represents corporate tax payables incurred for the current year and additional corporate tax payables due to immaterial errors in last year. The current tax income represents corporate tax payables deducted due to immaterial errors in last year.

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

Deferred tax expenses reflect the excess of reverted deferred tax assets and arisen deferred tax assets or the excess of arisen deferred tax payables and reverted deferred tax payables during the year. Deferred tax income reflects the excess of arisen deferred tax assets and reverted deferred tax assets or the excess of reverted deferred tax payables and arisen deferred tax payables during the year.

Deferred tax is recognized on significant differences between carrying amounts and the corresponding tax bases of assets and liabilities in the financial statements, tax losses, and unused tax incentives. Deferred tax liabilities are generally recognized for all temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized. Deferred tax is charged or credited to profit or loss in the income statement, except when it relates to items charged or credited directly to equity, in this case, the deferred tax is also recorded directly to 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 Corporation intends to settle its current tax assets and liabilities on a net basis.

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

The determination of the taxes borne by the Corporation 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.

The Company is subject to preferential corporate income tax rate in accordance with Circular 78/2014-TT-BTC dated 18/06/2014 applicable for income from expending project from the year 2018, as follows:

Activities	Preferential time	
	Tax exemption	50% reduction
Income generated from the expansion project (from 2018)	First 2 years	next 4 following years

Other activities applicable under the general tax rate of 20%.

Financial instruments

Initial recognition

Financial assets

According to the Circular No. 210/2009/TT-BTC dated 6 November 2009 of the Ministry of Finance, financial assets are classified appropriately, for disclosure purpose in the financial statements, financial assets are recognized at fair value through profit or loss, held-to-maturity investments, loans and receivables or available-for-sale financial assets. The Company determines the classification of its financial assets at initial recognition.

At the date of initial recognition, financial assets are recognized at cost plus transaction costs that are directly attributable to the acquisition of the financial assets. The Company's financial assets comprise cash and cash equivalents, trading securities, held-to-maturity investments, trade accounts receivables, loan receivables and other receivables.

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

Financial liabilities

According to the Circular No. 210/2009/TT-BTC dated 6 November 2009 of the Ministry of Finance, financial liabilities are classified appropriately, for disclosure purpose in the financial statements, financial liabilities are recognized at fair value through profit or loss and financial liabilities measured at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

At the date of initial recognition, financial liabilities are recognized at cost plus transaction costs that are directly attributable to the issue of these financial liabilities. The Company's financial liabilities comprise trade accounts payable, accrued expenses, other payables, loans and finance lease liabilities.

Subsequent measurement after initial recognition

The subsequent measurement of the financial instruments after initial recognition is the fair value. In the case of, there is no regulation on revaluing the fair value of financial instruments, using the historical cost.

Offset of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet, if and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to collect the assets and settle the liabilities simultaneously.

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

5. CASH AND CASH EQUIVALENTS

	<u>31/12/2018</u>	<u>01/01/2018</u>
	VND	VND
Cash in hand	283,417,962	510,990,743
Cash at bank	9,531,904,272	13,341,288,299
Cash equivalents	80,500,000,000	83,200,000,000
Total	<u>90,315,322,234</u>	<u>97,052,279,042</u>

(*) Representing saving accounts that matured less than 3 months at Vietcombank - Bien Hoa Branch and at Vietinbank - Bienhoa Branch with earning interest rate fluctuating from 5% to 5.5% per annum.

6. INVESTMENTS HELD TO MATURITY DATE

Representing saving accounts that matured in 12 months at Vietinbank - Bienhoa Branch with earning interest rate of 6.7% per annum.

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

7. INVESTMENTS IN OTHER ENTITIES

The company holds 6,600 shares, par value of 100,000 VND/share, with amount of VND 716,390,400, representing 10.1% of the charter capital in Can Tho Vegetables JSC (investee). This company had stopped operation because of significant losses and it was bankruptcy. The management of the Company made 100% provision for its loss from the investment in the investee with value of VND 716,390,400.

8. SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	31/12/2018	01/01/2018
	VND	VND
Unilver Vietnam International Company Limited	2,597,787,006	6,740,590,312
NEU-TECH Ltd	1,864,925,502	1,099,716,624
Saigon Union of Trading Co- operatives	8,964,444,483	8,428,373,071
Others	19,417,588,797	23,204,894,348
Total	32,844,745,788	39,473,574,355

9. OTHER RECEIVABLES

	31/12/2018		01/01/2018	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Short-term	1,195,870,634	-	726,561,466	-
Accrued interest	833,655,897	-	366,047,779	-
Mortgage, collaterals and deposits	-	-	24,500,000	-
Advances	43,634,102	-	82,844,767	-
Other receivable	318,580,635	-	253,168,920	-
Total	1,195,870,634	-	726,561,466	-

10. INVENTORY

	31/12/2018		01/01/2018	
	Historical cost	Provision	Historical cost	Provision
	VND	VND	VND	VND
Materials and supplies	90,548,453,206	-	73,844,791,178	-
Tools and spare parts	331,731,250	-	323,060,271	-
Work-in-process	1,837,986,852	-	2,129,606,171	-
Finished products	36,135,851,411	-	32,197,564,526	-
Total	128,854,022,719	-	108,495,022,146	-

There was no provision for the devaluation of inventories since the cost of inventories were not excess its net realizable values.

11. PREPAYMENT

	31/12/2018	01/01/2018
	VND	VND
Short- term	-	-
Long-term	48,496,129,846	48,405,289,427
Infrastructure using costs	46,634,325,294	47,762,575,098
Tools and supplies	1,861,804,552	642,714,329

NET DETERGENT JOINT STOCK COMPANY**NOTES TO THE FINANCIAL STATEMENTS****FORM B09 - DN***These notes are integral parts of and should be read in conjunction with the accompanying financial statements***12. ACCRUED EXPENSES**

	<u>31/12/2018</u>	<u>01/01/2018</u>
	VND	VND
Short- term	18,670,070,319	13,322,916,917
Commission, promotion, distribuor support costs	12,971,473,137	8,833,654,706
Transportation costs	4,616,320,535	3,146,702,954
Milde meal	122,220,000	168,650,000
Other expense	960,056,647	1,173,909,257
Long-term	-	-

13. OTHER PAYABLES

	<u>31/12/2018</u>	<u>01/01/2018</u>
	VND	VND
Short- term	6,426,442,110	8,104,425,876
Trade Union fees	272,806,886	197,710,400
Social insurance	-	250,369,736
Dividend and profits payables	4,336,080	3,785,080
Others	6,149,299,144	7,652,560,660
Long-term	100,000,000	100,000,000
Long-term Collaterals and deposits received	100,000,000	100,000,000

14. INVESTMENT PROPERTIES

	<u>01/01/2018</u>	<u>Increase</u>	<u>Decrease</u>	<u>31/12/2018</u>
	VND	VND	VND	VND
Investment Properties for rent				
COST	35,306,730,252	-	801,053,333	34,505,676,919
Building	31,727,073,211	-	-	31,727,073,211
Infrastructure	3,579,657,041	-	801,053,333	2,778,603,708
ACCUMULATED DEPRECIATION	20,111,118,739	1,595,017,596	801,053,333	20,905,083,002
Building	17,461,721,491	1,432,170,792	-	18,893,892,283
Infrastructure	2,649,397,248	162,846,804	801,053,333	2,011,190,719
NET BOOK VALUE	15,195,611,513	(1,595,017,596)	-	13,600,593,917
Building	14,265,351,720	(1,432,170,792)	-	12,833,180,928
Infrastructure	930,259,793	(162,846,804)	-	767,412,989

The investment property include value of building and infrastructure of the company at No.8 Road, Bien Hoa 1 Industrial Zone, An Binh ward, Bien Hoa City - Dong Nai province that for renting to Luc Thanh Company under the Rental Contract No.296/HĐN-2017 dated 13/11/2017.

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

15. TANGIBLE FIXED ASSETS

	Building and structures	Machinery and equipments	Transportation vehicles	Offices equipment	Total
	VND	VND	VND	VND	VND
COST					
As at 01/01/2018	224,673,864,563	132,259,305,005	11,336,739,227	1,052,809,900	369,322,718,695
Purchasing	125,232,500	1,688,821,700	1,080,700,909	-	2,894,755,109
Construction	908,633,447	6,669,430,608	4,264,740	(2,368,233)	7,579,960,562
Others	467,720,000	-	-	-	467,720,000
Transfer to investment property	-	(225,640,000)	-	225,640,000	-
Disposals	-	(179,998,000)	(1,854,706,104)	-	(2,034,704,104)
As at 31/12/2018	226,175,450,510	140,211,919,313	10,566,998,772	1,276,081,667	378,230,450,262
ACCUMULATED DEPRECIATION					
As at 01/01/2018	9,151,410,335	60,586,455,067	5,689,442,513	680,466,175	76,107,774,090
Charged for the year	10,142,945,484	10,224,953,851	1,000,012,958	120,484,288	21,488,396,581
Others	467,720,000	-	-	-	467,720,000
Disposals	-	(179,998,000)	(1,441,409,601)	-	(1,621,407,601)
As at 31/12/2018	19,762,075,819	70,631,410,918	5,248,045,870	800,950,463	96,442,483,070
NET BOOK VALUE					
As at 01/01/2018	215,522,454,228	71,672,849,938	5,647,296,714	372,343,725	293,214,944,605
As at 31/12/2018	206,413,374,691	69,580,508,395	5,318,952,902	475,131,204	281,787,967,192
<i>Cost of fixed assets fully depreciated but still in use</i>	4,676,091,813	21,984,153,173	1,378,749,571	245,329,227	28,284,323,784

The cost of building and structures, machinery and equipment of investment project of in Loc An industrial park, Binh Son commune, Long Thanh district, Dong Nai province was adjustment according to the Audit report No.159/2018/KT-A-VI-XD dated 12/11/2018.

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16. TRADE ACCOUNTS PAYABLE

	31/12/2018		01/01/2018	
	Value	Amount able to be paid off	Value	Amount able to be paid off
	VND	VND	VND	VND
Short- term	181,974,806,277	181,974,806,277	156,711,442,559	156,711,442,559
Branch TICO Joint Stock Company	27,424,896,953	27,424,896,953	355,513,943	355,513,943
UIC Vietnam Company Limited	46,756,114,006	46,756,114,006	34,795,001,591	34,795,001,591
Chan Thuan Thanh Plastic, mechanic and trading Co., Ltd	9,383,050,463	9,383,050,463	9,515,118,415	9,515,118,415
Mitsui & Co Vietnam Company Limited	3,888,264,600	3,888,264,600	20,049,209,865	20,049,209,865
Quang Thang Company Limited	17,259,932,055	17,259,932,055	12,243,685,240	12,243,685,240
Others	77,262,548,200	77,262,548,200	79,752,913,505	79,752,913,505
Long- term	-	-	-	-
Total	181,974,806,277	181,974,806,277	156,711,442,559	156,711,442,559
Trade payables for related party				
Bien Hoa chemical factory - Southern basic chemicals joint-stock company	3,475,445,710	3,475,445,710	6,960,125,155	6,960,125,155
Can Tho Fertilizer and Chemical Joint- Stock Company	-	-	1,095,207,300	1,095,207,300
Southern Chemicals Import- Export Joint Stock Company	-	-	1,834,696,125	1,834,696,125

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17. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

	01/01/2018	Payable amount	Paid amount	31/12/2018
	VND	VND	VND	VND
Value added tax	195,856,412	2,596,371,655	2,605,867,742	186,360,325
Value added tax of imported goods	(17,169,075)	3,485,699,568	3,506,243,396	(37,712,903)
Import tax	(183,750)	488,451,920	488,451,920	(183,750)
Corporate income tax	2,973,149,793	3,783,476,127	5,459,796,542	1,296,829,378
Personal income tax	356,671,372	1,173,914,607	1,293,154,226	237,431,753
Others	314,904,480	4,541,625,688	4,191,452,625	665,077,543
Total	3,823,229,232	16,069,539,565	17,544,966,451	2,347,802,346

In which:

- Tax and amounts payable to State Budget
- Other receivable from State Budget

	17,352,825	37,896,653
	3,840,582,057	2,385,698,999

18. LOANS AND FINANCE LEASE LIABILITIES

	31/12/2018				01/01/2018							
	Book value		Amount able to be paid off		Increase		Decrease		Book value		Amount able to be paid off	
	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND
Short- term	83,741,166,661	83,741,166,661	272,203,089,143	299,823,723,307	111,361,800,825	111,361,800,825	111,361,800,825	111,361,800,825	111,361,800,825	111,361,800,825	111,361,800,825	111,361,800,825
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Bien Hoa Branch	83,741,166,661	83,741,166,661	272,203,089,143	299,823,723,307	111,361,800,825	111,361,800,825	111,361,800,825	111,361,800,825	111,361,800,825	111,361,800,825	111,361,800,825	111,361,800,825
Long- term	-	-	-	-	-	-	-	-	-	-	-	-
Total	83,741,166,661	83,741,166,661	272,203,089,143	299,823,723,307	111,361,800,825	111,361,800,825	111,361,800,825	111,361,800,825	111,361,800,825	111,361,800,825	111,361,800,825	111,361,800,825

Short term loan from Joint Stock Commercial Bank for Foreign Trade of Vietnam - Bien Hoa Branch under Credit contracts No. 005.18/48.05-HMTD dated 09/01/2018 to finance to its short-term financial requirements. The credit is limited to VND 200 billion for the duration of 12 months since contract signing date. The loan currency could be VND or USD and each borrowing will be matured in 6 months from withdrawal date and stipulated in the loan agreement. The interest is regulated at withdrawal date by lender. The loan was not secured. The USD balance was USD 3,602,545.35 as at 31/12/2018.

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

19. OWNER'S EQUITY

Movements in owner's equity

	Owner' equity	Investment and	Undistributed	Total
	VND	Development funds	earning	VND
As at 01/01/2017	223,983,740,000	3,248,753,642	53,388,062,358	280,620,556,000
Profit during the year	-	-	59,159,601,839	59,159,601,839
Profit distribution	-	12,457,800,000	(71,679,060,200)	(59,221,260,200)
Other increase	-	-	718,997,213	718,997,213
As at 01/01/2018	223,983,740,000	15,706,553,642	41,587,601,210	281,277,894,852
Profit during the year	-	-	56,619,734,105	56,619,734,105
Profit distribution (*)	-	-	(48,448,748,000)	(48,448,748,000)
Other decrease (**)	-	-	(40,451,528)	(40,451,528)
As at 31/12/2018	223,983,740,000	15,706,553,642	49,718,135,787	289,408,429,429

(*) According to the Resolution of the Annual General Meeting of Shareholders meeting No. 01/NQ-DHDCD-2018 dated 27/04/2018, the shareholders approved the distribution of the profit after tax in 2017 of the company as follows: declared dividend of VND 55,995,935,000 VND equivalent to 25% of the charter capital, Bonus and welfare fund of VND 3.55 billion (declared VND 3.525 billion in 2017), the bonus fund for executive management of VND 230 million.

The Company has temporarily distributed its profit of the year 2018 as follows: appropriated for Bonus and welfare fund: VND 3.397 million; declared dividend of VND 11,199,187,000 equivalent to 5% of the charter capital. As at 31/12/2018, the company had paid dividends declared to shareholders.

(**): Adjustment according to Conclusion No.976/QĐ-CT dated 20/07/2018.

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

	As at 31/12/2018		As at 01/01/2018	
	Value	Rate	Value	Rate
	VND	%	VND	%
Vietnam National Chemical Group	114,234,980,000	51%	114,234,980,000	51%
Others	109,748,760,000	49%	109,748,760,000	49%
Total	223,983,740,000	100%	223,983,740,000	100%

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

	Year 2018	Year 2017
	VND	VND
Capital Contribution	-	
- Opening balance	223,983,740,000	223,983,740,000
- Increase during the year	-	-
- Decrease during the year	-	-
- Closing balance	223,983,740,000	223,983,740,000
Dividend paid	44,796,748,000	51,516,260,200

Shares

	31/12/2018	01/01/2018
Authorised shares	22,398,374	22,398,374
Issued share	22,398,374	22,398,374
- Common shares	22,398,374	22,398,374
Repurchased shares	-	-
Outstanding shares in circulation	22,398,374	22,398,374
- Common shares	22,398,374	22,398,374
* <i>Far value of an outstanding share (VND/share)</i>	10,000	10,000

20. OFF-BALANCE SHEET ITEMS

	31/12/2018	01/01/2018
Foreign currencies		
- USD	1,450.15	43,851.09
- EUR	245.30	-
Bad debt written-off (VND)	604,396,281	628,958,072

21. REVENUE FROM GOODS SOLD AND SERVICES

	Year 2018	Year 2017
	VND	VND
Sales of domestic goods	723,276,713,174	693,991,950,599
Sales of exported goods	357,235,659,465	340,028,356,649
Sales of outsourcing services	-	5,508,118,730
Others	36,822,816,695	36,170,571,982
Total	1,117,335,189,334	1,075,698,997,960

22. COST OF GOOD SOLD AND SERVICES RENDERED

	Year 2018	Year 2017
	VND	VND
Cost of merchandises sold	889,761,441,606	806,181,336,436
Cost of services rendered	29,313,697,333	31,802,018,518
Total	919,075,138,939	837,983,354,954

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

23. EXPENSES BY CATEGORIES

	<u>Year 2018</u>	<u>Year 2017</u>
	VND	VND
Materials expense	854,172,891,868	790,328,192,687
Labor costs	48,809,977,595	57,144,422,452
Depreciation and amortistion	23,083,414,177	16,172,128,115
Orther expenses in cash	127,308,903,811	156,076,683,202
Total	<u>1,053,375,187,451</u>	<u>1,019,721,426,456</u>

24. FINANCIAL INCOME

	<u>Year 2018</u>	<u>Year 2017</u>
	VND	VND
Bank and loan interest	4,908,947,002	3,346,734,724
Foreign exchange gain	1,313,189,740	1,618,544,970
Unrealized foreign exchange gain	423,314,353	60,935,457
Total	<u>6,645,451,095</u>	<u>5,026,215,151</u>

25. FINANCIAL EXPENSES

	<u>Year 2018</u>	<u>Year 2017</u>
	VND	VND
Interest expense	2,829,779,660	1,877,913,390
Unrealized foreign exchange loss	3,426,039,704	1,044,286,698
Total	<u>6,255,819,364</u>	<u>2,922,200,088</u>

26. SELLING EXPENSES AND GENERAL AND ADIMINISTRATION EXPENSE

	<u>Year 2018</u>	<u>Year 2017</u>
	VND	VND
Administrative expenses	29,279,176,168	23,494,160,099
Salary and relates	9,443,378,231	10,477,663,945
Office equipment	1,261,446,766	869,785,214
Depreciation and amortistion	3,851,258,000	1,978,398,069
Tax, fee and charges	5,975,936,644	329,351,614
Orther expenses in cash	8,747,156,527	9,838,961,257
Selling expenses	112,098,266,292	142,449,901,731
Salary and relates	20,312,374,233	20,705,958,628
Marterial, packaging expenses	1,902,271,585	1,897,116,483
Depreciation and amortistion	5,807,120,952	3,346,904,526
Transport expenses	33,840,066,248	15,912,764,568
Advertising expense	1,586,258,182	2,088,957,827
Promotion expenses in cash	7,524,866,822	7,757,044,140
Distributor, supermarket support cost	36,115,590,653	78,767,584,359
Orther expenses in cash	5,009,717,617	11,973,571,200

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

27. OTHER INCOME

	Year 2018	Year 2017
	VND	VND
Gain of disposals of fixed assets	532,612,588	-
Income from termination processing contracts	-	4,134,805,860
Fine, compensation received	1,023,744,056	145,441,028
Others	2,127,903,437	210,344,540
Total	3,684,260,081	4,490,591,428

28. OTHER EXPENSES

	Year 2018	Year 2017
	VND	VND
Expenses from termination processing contracts	-	3,670,838,609
Fine, compensation paid	445,421,043	56,677
Others	148,320,000	535,672,214
Total	593,741,043	4,206,567,500

29. CURRENT CORPORATE INCOME TAX

	Year 2018	Year 2017
	VND	VND
Net profit before tax	60,362,758,704	73,991,957,745
Adjustment for taxable income		
<i>Less: Income adjusted by State Audit of Vietnam</i>	-	1,320,155,266
<i>Add: Unrealized foreign exchange</i>	15,277,167	-
<i>Add: Non- deductible expenses</i>	239,446,640	169,821,786
Total taxable income	60,617,482,511	72,841,624,265
Taxable profit free tax	41,902,359,515	-
Taxable profit under ordinary tax rate (20%)	18,715,122,996	72,841,624,265
Tax rate	20%	20%
CIT adjusted by State audit of Vietnam	-	264,031,053
Current Corporation income tax	3,743,024,599	14,832,355,906

30. EARNINGS PER SHARE

	Year 2018	Year 2017
	VND	VND
Net profit after corporate income tax	56,619,734,105	59,159,601,839
Welfare and bonus fund (*)	(3,397,000,000)	(3,780,000,000)
Profit allocated to common shareholders	53,222,734,105	55,379,601,839
Weighted average number of common shares during the period	22,398,374	22,398,374
Earnings per share	2,376	2,472

(*) The actual bonus and welfare fund with amount of VND 3.550 million and bonus fund for board of executives of VND 230 million were distributed from profit of 2017 in accordance with the resolution of the shareholders in 2018. Therefore, the earnings per share item in 2017 was adjusted accordingly.

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

31. RELATED PARTIES INFORMATION

Related parties	Relationship
Vietnam Chemical Group	Shareholders representing 51% of charter capital
Bien Hoa chemical factory - Southern basic chemical joint stock company	Subsidiary of Vinachem
Can Tho Fertilizer and Chemical Joint Stock Company	Subsidiary of Vinachem
Southern Chemical Import and Export Joint Stock	Subsidiary of Vinachem

Except for related parties transactions and balances presented at other notes to these financial statements, the Company has related parties transactions as following:

	Year 2018	Year 2017
	VND	VND
Purchases		
Bien Hoa chemical factory - Southern basic chemicals joint-stock company	42,169,785,000	35,584,072,380
Can Tho Fertilizer and Chemical Joint- Stock Company	-	3,958,902,000
Southern Chemicals Import- Export Joint Stock Company	8,966,250,910	2,488,953,534
Dividends paid		
Vietnam National Chemical Group	22,846,996,000	26,274,045,400
Salaries and benefit of Board of Management and Board of Director	1,425,954,000	1,939,218,000

32. FINANCIAL INSTRUMENTS

Significant accounting policies

Details of the significant accounting policies and methods applied (comprising the criteria for recognition, the basis of measurement, and the basis for recognition of income and expenses) for each type of financial asset, financial liability, and equity instrument are disclosed in the Financial instruments note.

Categories of financial instruments

	Book value 31/12/2018	Book value 01/01/2018
	VND	VND
Financial assets		
Cash and cash equivalents	90,315,322,234	97,052,279,042
Trade accounts receivable	32,844,745,788	39,473,574,355
Short-term loan receivables	264,904,600	333,000,000
Other receivables	1,195,870,634	726,561,466
Total	124,620,843,256	137,585,414,863
Financial liabilities		
Trades payables	181,974,806,277	156,711,442,559
Accrued expenses	18,670,070,319	13,322,916,917
Other payables	6,253,635,224	7,756,345,740
Loans	83,741,166,661	111,361,800,825
Total	290,639,678,481	289,152,506,041
Less: provision amount	(716,390,400)	(716,390,400)

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

The Corporation has not assessed fair value of its financial assets and liabilities as at the balance date since there are no comprehensive guidance under Circular 210 and other relevant prevailing regulations to determine fair value of these financial assets and liabilities. While Circular 210 refers to the application of IFRS on presentation and disclosures of financial instruments, it did not adopt the equivalent guidance for the recognition and measurement of financial instruments, including application of fair value, in accordance with IFRS.

Financial risk management objectives

Financial risk includes credit risk, liquidity risk and interest rate risk of cash flow. The Corporation does not execute measures to prevent such risks due to the shortage of market to exchange these financial instruments.

The Board of Directors is responsible for setting objectives and basic principles of financial risk management for the Corporation. It establishes specific policies such as risk identification and measurement, risk limitation and risk prevention strategy. Financial risk management is implemented by the financial department employees.

The financial department employees measure the level of actual risk with limitation and prepare a periodic report for the Board of Management and the Board of Directors to review. The following information is based on the information which the Board of Directors received.

Credit risk

The Corporation's policy is to have transactions only with customers having good credit history and collect collateral assets to reduce credit risk. For other financial assets, the Corporation only has transactions with financial institutions and other counterparty having high credit ranking.

The maximum credit risk for each financial asset category equals to the book value of these financial instruments in the balance sheet. The significant financial asset categories of the Corporation are cash in banks (demand/time deposits), trade accounts receivable, loan receivables and other receivables.

- Financial assets are neither overdue nor impaired

Cash in banks which are neither overdue nor impaired are deposited at the bank with high credit ranking determined by international credit rating organization. Trade accounts receivable, loan receivables and other receivables which are neither overdue nor impaired are primary from the Company's customers with good collection track records.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty to meet its financial obligations by paying cash or other financial assets.

The following table analyses non-derivative financial liabilities in due group based on remaining date from the balance sheet date to the expiration date. Figures are presented in the following table based on undiscounted cash flow according to the contract.

NET DETERGENT JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS

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

	<u>Less than 1 year</u>	<u>Over 1 year</u>
	VND	VND
As at 31/12/2018		
Trades payables	181,974,806,277	-
Accrued expenses	18,670,070,319	-
Other payables	6,153,635,224	100,000,000
Loans	83,741,166,661	-
Total	290,539,678,481	100,000,000
As at 01/01/2018		
Trades payables	156,711,442,559	-
Accrued expenses	13,322,916,917	-
Other payables	7,656,345,740	100,000,000
Loans	111,361,800,825	-
Total	289,052,506,041	100,000,000

Measurement of fair value

The fair value of trading securities, trade accounts receivable, loans receivables, other receivables and trade accounts payable, accrued expenses, other payables, loans and finance lease liabilities is estimated at the book value less provision.

33. 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.

34. COMPARATIVE FIGURES

The comparative figures are the figures on the audited financial statements for the year ended 31/12/2017 that were audited.

Dong Nai, 25 February 2019

Preparer



Tran Thi Ai Lien

Chief Accountant



Tran Thi Ai Lien

General Director



Thai Thi Hong Yen