

NET DETERGENT JOINT STOCK COMPANY

REVIEWED INTERIM FINANCIAL STATEMENTS

For the period from 01/01/2019 to 30/06/2019

Dong Nai, August 2019

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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 01/01/2019 to 30/06/2019.

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. 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

Board of Directors

Ms. Thai Thi Hong Yen	General Director
Mr. Pham Quoc Cuong	Vice General Director/Production Director
Mr. Cao Tran Dang Khoa	Technical 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 Board of Directors,



Thai Thi Hong Yen
General Director

Dong Nai, 05 August 2019

No: 113/2019/BCSX-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 05 August 2019 that were presented from page 04 to page 28 which comprise the accompanying balance sheet as at 30 June 2019 and the related statements of income, cash flows for the period from 01/01/2019 to 30/06/2019 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 2019, 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.



Vu Binh Minh

General Director

Certificate of registration audit practice

No. 0034-2018-055-1

For and on behalf of

ANVIET AUDITING COMPANY LIMITED

Ha Noi, 05 August 2019

NET DETERGENT JOINT STOCK COMPANY

BALANCE SHEET

As at 30 June 2019

FORM B01a - DN

Unit: VND

ITEMS	Codes	Notes	30/06/2019	01/01/2019
A - CURRENT ASSETS	100		292,135,292,548	264,831,826,994
I. Cash and cash equivalents	110	5	90,512,453,595	90,315,322,234
1. Cash	111		30,462,453,595	9,815,322,234
2. Cash equivalents	112		60,050,000,000	80,500,000,000
II. Short-term financial investments	130		25,300,000,000	9,500,000,000
1. Invesments held to maturity	135	6	25,300,000,000	9,500,000,000
III. Short-term receivables	130		39,549,913,276	34,839,193,090
1. Trade accounts receivable	131	8	37,174,192,337	32,844,745,788
2. Short-term advances to suppliers	132		690,138,775	533,672,068
3. Short-term loan receivables	135		228,904,600	264,904,600
4. Other receivables	136	9	1,456,677,564	1,195,870,634
IV. Inventories	140	10	133,640,435,750	128,854,022,719
1. Inventories	141		133,640,435,750	128,854,022,719
V. Other current assets	150		3,132,489,927	1,323,288,951
1. Short-term prepaid expenses	151	11	373,860,000	-
2. Value added tax deductibles	152		2,758,060,302	1,285,392,298
3. Other receivables from State Budget	153	14	569,625	37,896,653
B - NON-CURRENT ASSETS	200		333,151,150,268	343,987,190,955
I. Fixed assets	220		272,329,425,381	281,787,967,192
1. Tangible fixed assets	221	12	272,132,967,046	281,787,967,192
- Cost	222		378,669,360,807	378,230,450,262
- Accumulated depreciation	223		(106,536,393,761)	(96,442,483,070)
2. Intangible fixed assets	314		196,458,335	-
- Cost	315		205,000,000	-
- Accumulated Amortization	318		(8,541,665)	-
II. Investment Property	230	18	12,803,085,133	13,600,593,917
- Cost	231		34,505,676,919	34,505,676,919
- Accumulated depreciation	232		(21,702,591,786)	(20,905,083,002)
III. Long-term assets in progress	240		103,200,000	102,500,000
1. Construction in progress	242		103,200,000	102,500,000
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		47,915,439,754	48,496,129,846
1. Long-term prepayments	261	11	47,915,439,754	48,496,129,846
TOTAL ASSETS	270		625,286,442,816	608,819,017,949

BALANCE SHEET (Continued)

As at 30 June 2019

FORM B01a - DN

Unit: VND

ITEMS	Codes	Notes	30/06/2019	01/01/2019
C - LIABILITIES	300		302,328,953,854	319,410,588,520
I. Current liabilities	310		302,228,953,854	319,310,588,520
1. Trade accounts payable	311	13	186,605,224,182	181,974,806,277
2. Short-term advance from customers	312		10,187,618,345	8,929,534,481
3. Taxes and amounts payable to State Budget	313	14	1,392,298,111	2,385,698,999
4. Payables to employees	314		9,047,641,180	12,034,676,590
5. Short-term accrued expenses	315	16	15,253,460,496	18,670,070,319
6. Short-term unearned revenue	318		948,000,000	-
7. Other current payables	319	17	8,090,143,597	6,426,442,110
8. Short-term borrowings	320	15	65,751,953,300	83,741,166,661
9. Bonus and welfare funds	322		4,952,614,643	5,148,193,083
II. Long-term Liabilities	330		100,000,000	100,000,000
1. Other long-term payables	337	17	100,000,000	100,000,000
D - EQUITY	400		322,957,488,962	289,408,429,429
I. Owner's equity	410	19	322,957,488,962	289,408,429,429
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		83,267,195,320	49,718,135,787
- Undistributed earnings accumulated to the prior year end	421a		48,405,135,787	7,694,588,682
- Undistributed earnings of the current year	421b		34,862,059,533	42,023,547,105
TOTAL RESOURCES	440		625,286,442,816	608,819,017,949

Dong Nai, 05 August 2019

Preparer



Tran Thi Ai Lien

Chief Accountant



Tran Thi Ai Lien

General Director



Thái Thị Hồng Yến

NET DETERGENT JOINT STOCK COMPANY

INCOME STATEMENT

For the period from 01/01/2019 to 30/06/2019

FORM B02a - DN

Unit: VND

ITEMS	Codes	Notes	This Period	Last Period
1. Revenue from goods sold and services rendered	01	21	533,236,604,371	546,180,861,366
2. Deductions	02		-	-
3. Net revenue from goods sold and services rendered	10		533,236,604,371	546,180,861,366
4. Cost of goods sold and services rendered	11	22	433,801,892,763	449,994,434,275
5. Gross profit from goods sold and services rendered	20		99,434,711,608	96,186,427,091
6. Financial income	21	24	2,577,976,515	3,158,930,741
7. Financial expenses	22	25	1,871,385,787	2,845,413,415
- Of which: Loan interest charged	23		1,154,800,748	1,470,776,682
8. Selling expenses	25	26	50,810,130,826	53,698,589,228
9. General and administration expenses	26	26	12,402,197,524	13,881,949,755
10. Operating profit	30		36,928,973,986	28,919,405,434
11. Other income	31		31,004,622	1,348,083,481
12. Other expenses	32		15,199,998	23,487,473
13. Profit from other activities	40		15,804,624	1,324,596,008
14. Accounting profit before tax	50		36,944,778,610	30,244,001,442
15. Current corporate income tax expense	51	27	2,082,719,077	1,922,274,395
16. Deferred Tax Expense	52		-	-
17. Net profit after corporate income tax	60		34,862,059,533	28,321,727,047
18. Earning per share	70	28	1,556	1,264

Dong Nai, 05 August 2019

Preparer



Tran Thi Ai Lien

Chief Accountant



Tran Thi Ai Lien

General Director



Thái Thị Hồng Yến

NET DETERGENT JOINT STOCK COMPANY

**CASH FLOW STATEMENT
(Indirect Method)**

For the period from 01/01/2019 to 30/06/2019

FORM B03a - DN

Unit: VND

ITEMS	Codes	This period		Last period	
I. CASH FLOWS FROM OPERATING ACTIVITIES					
1. Profit for the year	01	36,944,778,610		30,244,001,442	
2. Adjustment for					
- Depreciation and amortization of fixed assets	02	10,899,961,140		11,571,377,933	
- Foreign exchange loss (gain) upon revaluation of monetary items denominated in foreign currency	04	206,318,335		613,849,853	
- Gain from investing activities	05	(2,076,184,211)		(3,068,291,214)	
- Interest expenses	06	1,154,800,748		1,470,776,682	
3. Operating profit before movements in working capital	08	47,129,674,622		40,831,714,696	
- Increase in receivables	09	(5,934,041,435)		7,143,239,259	
- Increase in inventory	10	(4,811,713,031)		211,673,040	
- Increase, decrease in payables (exclude interest expenses, CIT)	11	1,186,003,334		(1,581,416,454)	
- Increase in prepayments and others	12	206,830,092		326,742,936	
- Interest paid	14	(1,126,404,651)		(1,439,848,465)	
- Corporate income tax paid	15	(2,235,440,313)		(2,973,149,793)	
- Other cash outflows	17	(1,508,578,440)		(2,537,492,063)	
Net cash from operating activities	20	32,906,330,178		39,981,463,156	
II. CASH FLOWS FROM INVESTING ACTIVITIES					
1. Acquisition of fixed assets and other long-term assets	21	(523,310,545)		(7,270,904,801)	
2. Proceeds from disposals of fixed assets and other long-term assets	22	-		873,636,364	
3. Cash outflow for lending, buying debt intruments of other entities	23	(15,800,000,000)		-	
4. Cash recoverd from lending, selling debt intruments of other entities	24	36,000,000		-	
5. Interest earned, dividend and profit received	27	1,678,531,880		2,342,275,595	
Net cash from investing activities	30	(14,608,778,665)		(4,054,992,842)	
III. CASH FLOWS FROM FINANCING ACTIVITIES					
1. Proceeds from borrowings	33	118,549,172,605		120,530,366,972	
2. Repayments of borrowings	34	(136,648,132,712)		(148,390,032,649)	
Net cash from financing activities	40	(18,098,960,107)		(27,859,665,677)	
Net decrease in cash during the period	50	198,591,406		8,066,804,637	
Cash and cash equivalents at the beginning of period	60	90,315,322,234		97,052,279,042	
Effect of changes in foreign exchange rates	61	(1,460,045)		492,907	
Cash and cash equivalents at the end of period	70	90,512,453,595		105,119,576,586	

Dong Nai, 05 August 2019

Preparer



Tran Thi Ai Lien

Chief Accountant



Tran Thi Ai Lien

General Director



Thái Thị Hồng Yến

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

1. GENERAL INFORMATIONS

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 2003 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

- 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 30/6/2019, the Company's organization includes head office in Dong Nai province and 03 branches:

No	Name 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. CURRENCY UNIT AND FINANCIAL YEAR

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

The financial statements for the period from 01/01/2019 to 30/06/2019 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, Circular No. 53/2016/TT-BTC dated 21 March 2016 of Ministry of Finance, Vietnamese Accounting Standards, and legal regulations relating to financial reporting.

As at 30 June 2019, The company has Current liabilities exceeded Current assets about VND 10.093 billion (As at 31 December 2018 was VND 54.478 billion); The Board of Directors believes in business operations and proceeds from customers, the company is not affected in the payment of liabilities due to date.

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 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.

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, 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.

Conversion of foreign currency

Conversion of foreign currency is applied in accordance with Vietnamese Accounting Standard (VAS) No. 10 - Effects of changes in foreign exchange rates and prevailing Corporate Accounting Policies.

During the period, 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 gain) or financial expense (if loss) at the end of the period.

Cash and cash equivalents

Cash reflects the full existing amount of the Corporation 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 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.

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

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.

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.

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

Intangible fixed assets and amortization

Intangible fixed assets are stated at cost less accumulated amortization. Intangible fixed assets are Computer software, Copyrights, patents. Intangible fixed assets are amortized using the straight-line method in 10 years.

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.

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

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>Year</u>
Buildings and structures	20 - 25
Infrastructure	05 - 20

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 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 truster 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.

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

Accrued expenses

Accrued expenses are recognized by the properly estimated cost of goods and services used during the period due to without or insufficient documents, accounting records, including: distributor, supermarket support costs, transport expenses and others cost.

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

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.

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

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, 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.

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.

Companies are preferential corporate income tax in accordance with Circular 78/2014-TT-BTC dated 18/06/2014 from 2018 calculated as follows:

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

Activities	Preferential time	
	Tax-free	Sale 50%
Income from the expansion project	2 Years	4 Years

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

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

	30/06/2019	01/01/2019
	VND	VND
Cash in hand	639,061,725	283,417,962
Cash at bank	29,823,391,870	9,531,904,272
Cash equivalents	60,050,000,000	80,500,000,000
Total	90,512,453,595	90,315,322,234

(*) Represents saving accounts that matured less than 3 months at Vietcombank - Bien Hoa Branch and at Vietinbank - Bien Hoa Branch with earning interest rate vary from 4.7% to 5.5% per annum.

6. INVESTMENTS HELD TO MATURITY DATE

Representing saving accounts that matured from 6 to 12 months at Vietinbank - Bienhoa Branch with earning interest rate vary from 6.2% to 6.7% per annum.

7. FINANCIAL INVESTMENTS

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). 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.

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

8. TRADE ACCOUNTS RECEIVABLE

	<u>30/06/2019</u>	<u>01/01/2019</u>
	VND	VND
Unilver Vietnam International Company Limited	2,534,284,265	2,597,787,006
NEU-TECH Ltd	2,848,592,448	1,864,925,502
Saigon Union of Trading Co- operatives	2,360,091,981	8,964,444,483
Others	29,431,223,643	19,417,588,797
Total	<u>37,174,192,337</u>	<u>32,844,745,788</u>

9. OTHER RECEIVABLES

	<u>30/06/2019</u>		<u>01/01/2019</u>	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Short-term	1,456,677,564	-	1,195,870,634	-
Accrued interest	1,231,308,228	-	833,655,897	-
Advances	27,475,243	-	43,634,102	-
Other receivable	197,894,093	-	318,580,635	-
Total	<u>1,456,677,564</u>	-	<u>1,195,870,634</u>	-

10. INVENTORY

	<u>30/06/2019</u>		<u>01/01/2019</u>	
	Historical cost	Provision	Historical cost	Provision
	VND	VND	VND	VND
Materials and supplies	83,761,645,709	-	90,548,453,206	-
Tools and spare parts	284,274,347	-	331,731,250	-
Work-in-process	1,697,219,230	-	1,837,986,852	-
Finished products	47,897,296,464	-	36,135,851,411	-
Total	<u>133,640,435,750</u>	-	<u>128,854,022,719</u>	-

There no provision needed for devaluation of inventories since the cost of inventories were not excess its net realizable values at 30/06/2019.

11. PREPAYMENT

	<u>30/06/2019</u>	<u>01/01/2019</u>
	VND	VND
Short- term	373,860,000	-
Infrastructure maintenance fee	96,000,000	-
Infrastructure using costs	277,860,000	-
Long-term	47,915,439,754	48,496,129,846
Infrastructure using costs	46,070,200,392	46,634,325,294
Tools and supplies	1,845,239,362	1,861,804,552

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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12. TANGIBLE FIXED ASSET

	Building and structures		Machinery and equipments		Transportation vehicles		Offices equipment		Total	
	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND
COST										
As at 01/01/2019	226,175,450,510	140,211,919,313	10,566,998,772	1,276,081,667	378,230,450,262					
Purchasing	-	359,456,000	-	-	359,456,000					
Construction	79,454,545	-	-	-	79,454,545					
As at 30/06/2019	<u>226,254,905,055</u>	<u>140,571,375,313</u>	<u>10,566,998,772</u>	<u>1,276,081,667</u>	<u>378,669,360,807</u>					
ACCUMULATED DEPRECIATION										
As at 01/01/2019	19,762,075,819	70,631,410,918	5,248,045,870	800,950,463	96,442,483,070					
Charged for the period	5,081,832,229	4,485,506,400	467,651,515	58,920,547	10,093,910,691					
As at 30/06/2019	<u>24,843,908,048</u>	<u>75,116,917,318</u>	<u>5,715,697,385</u>	<u>859,871,010</u>	<u>106,536,393,761</u>					
NET BOOK VALUE										
As at 01/01/2019	206,413,374,691	69,580,508,395	5,318,952,902	475,131,204	281,787,967,192					
As at 30/06/2019	<u>201,410,997,007</u>	<u>65,454,457,995</u>	<u>4,851,301,387</u>	<u>416,210,657</u>	<u>272,132,967,046</u>					

Cost of fixed assets fully depreciated but still in use

4,888,209,553	39,906,798,123	1,640,483,171	618,710,176	47,054,201,023
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NET DETERGENT JOINT STOCK COMPANY

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NOTES TO THE FINANCIAL STATEMENTS

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

13. TRADE ACCOUNTS PAYABLE

	30/06/2019		01/01/2019	
	Value	Amount able to be paid off	Value	Amount able to be paid off
	VND	VND	VND	VND
Short-term	186,605,224,182	186,605,224,182	181,974,806,277	181,974,806,277
Branch TICO Joint Stock Company	29,813,372,439	29,813,372,439	27,424,896,953	27,424,896,953
UIC Vietnam Company Limited	45,981,913,451	45,981,913,451	46,756,114,006	46,756,114,006
Chan Thuan Thanh Plastic, mechanic and trading Co., Ltd	14,594,692,111	14,594,692,111	9,383,050,463	9,383,050,463
Mitsui & Co Vietnam Company Limited	-	-	3,888,264,600	3,888,264,600
Quang Thang Company Limited	17,067,343,869	17,067,343,869	17,259,932,055	17,259,932,055
Others	79,147,902,312	79,147,902,312	77,262,548,200	77,262,548,200
Long-term	-	-	-	-
Total	186,605,224,182	186,605,224,182	181,974,806,277	181,974,806,277

Trade payables for related party

Bien Hoa chemical factory - Southern basic chemicals joint-stock company	6,293,554,520	6,293,554,520	3,475,445,710	3,475,445,710
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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

14. TAXES AND AMOUNTS PAYABLE TO THE STATE

	01/01/2019	Payable amount	Paid amount	30/06/2019
	VND	VND	VND	VND
Value added tax	186,360,325	1,356,226,677	1,360,183,076	182,403,926
Value added tax of imported goods	(37,712,903)	1,738,653,099	1,701,326,071	(385,875)
Import tax	(183,750)	351,112,639	351,112,639	(183,750)
Corporate income tax	1,296,829,378	2,082,719,077	2,235,440,313	1,144,108,142
Personal income tax	237,431,753	345,547,112	517,192,822	65,786,043
Others	665,077,543	885,496,231	1,550,573,774	-
Total	2,347,802,346	6,759,754,835	7,715,828,695	1,391,728,486

In which:

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

17,352,825
3,840,582,057

569,625
1,392,298,111

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

15. LOANS AND FINANCE LEASE LIABILITIES

	30/06/2019		During the year		01/01/2019	
	Book value	Amount able to be paid off	Increase	Decrease	Book value	Amount able to be paid off
	VND	VND	VND	VND	VND	VND
Short-term	65,751,953,300	65,751,953,300	118,694,384,565	136,683,597,926	83,741,166,661	83,741,166,661
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Bien Hoa Branch (i)	41,027,421,050	41,027,421,050	93,934,387,101	136,648,132,712	83,741,166,661	83,741,166,661
Joint Stock Commercial Bank for industry and Trade of Vietnam - Bien Hoa Branch (ii)	24,724,532,250	24,724,532,250	24,759,997,464	35,465,214	-	-
Long-term	-	-	-	-	-	-
Total	65,751,953,300	65,751,953,300	118,694,384,565	136,683,597,926	83,741,166,661	83,741,166,661

Short term loan from Joint Stock Commercial Bank for Foreign Trade of Vietnam - Bien Hoa Branch under Credit contracts No. 012.19/48.05-HMVCV dated 30/01/2019 to finance to its short-term financial requirements. The credit is limited to VND 150 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 1,757,063 as at 30/6/2019.

(ii): Loans with Joint Stock Commercial Bank for industry and Trade of Vietnam - Bien Hoa Branch under the following detailed contracts:

- Credit contracts No.02/2019/HĐCVTL/NHCT682-NETCO dated 27/06/2019 to finance to its short-term financial requirements, the credit is limited to VND 23 billion. 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 USD balance was USD 850,659 as at 30/6/2019.
- Credit contracts No.01/2019/HĐCVTL/NHCT682-NETCO dated 24/05/2019 to finance to its short-term financial requirements, the credit is limited to VND 7.5 billion. 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 USD balance was USD 207,075 as at 30/6/2019.

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

16. ACCRUED EXPENSES

	<u>30/06/2019</u>	<u>01/01/2019</u>
	VND	VND
Short- term	15,253,460,496	18,670,070,319
Commission, promotion, distribuor support costs	11,142,786,511	12,971,473,137
Transportation costs	3,373,272,942	4,616,320,535
Milde meal	157,930,000	122,220,000
Other expense	579,471,043	960,056,647
Long-term	-	-

17. OTHER PAYABLES

	<u>30/06/2019</u>	<u>01/01/2019</u>
	VND	VND
Short- term	8,090,143,597	6,426,442,110
Trade Union fees	413,770,766	272,806,886
Social insurance	14,818,142	-
Dividend and profits payables	4,336,080	4,336,080
Others	7,657,218,609	6,149,299,144
Long-term	100,000,000	100,000,000
Long-term Collaterals and deposits received	100,000,000	100,000,000

18. INVESTMENT PROPERTIES

	<u>01/01/2019</u>	<u>Increase</u>	<u>Decrease</u>	<u>30/06/2019</u>
	VND	VND	VND	VND
Investment Properties for rent				
COST	34,505,676,919	-	-	34,505,676,919
Building	31,727,073,211	-	-	31,727,073,211
Infrastructure	2,778,603,708	-	-	2,778,603,708
ACCUMULATED DEPRECIATION	20,905,083,002	797,508,784	-	21,702,591,786
Building	18,893,892,283	716,085,382	-	19,609,977,665
Infrastructure	2,011,190,719	81,423,402	-	2,092,614,121
NET BOOK VALUE	13,600,593,917	(797,508,784)	-	12,803,085,133
Building	12,833,180,928	(716,085,382)	-	12,117,095,546
Infrastructure	767,412,989	(81,423,402)	-	685,989,587

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 Retal Contract No.296/HĐN-2017 dated 13/11/2017

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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19. OWNER'S EQUITY**Movements in owner's equity**

	Owner' equity	Investment and Development funds	Undistributed earning	Total
	VND	VND	VND	VND
As at 01/01/2018	223,983,740,000	3,248,753,642	41,587,601,210	268,820,094,852
Profit during the year	-	-	56,619,734,105	56,619,734,105
Profit distribution	-	12,457,800,000	(48,448,748,000)	(35,990,948,000)
Other increase	-	-	(40,451,528)	(40,451,528)
As at 01/01/2019	223,983,740,000	15,706,553,642	49,718,135,787	289,408,429,429
Profit during the year	-	-	34,862,059,533	34,862,059,533
Profit distribution (*)	-	-	(1,313,000,000)	(1,313,000,000)
As at 30/06/2019	223,983,740,000	15,706,553,642	83,267,195,320	322,957,488,962

(*) According to the Resolution of the Annual General Meeting of Shareholders meeting No. 01/NQ-ĐHĐCĐ-2019 dated 25/04/2019, the shareholders approved the distribution of the profit after tax in 2018 of the company as follows: declared dividend of VND 44,796,748,000 VND equivalent to 20% of the charter capital, Bonus and welfare fund of VND 4.530 billion (declared VND 3.394 billion in 2018), Executive bonus fund: VND 180 million.

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

	As at 30/06/2019		As at 01/01/2019	
	Value VND	Rate %	Value VND	Rate %
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%

As at 10 July 2019 Vietnam National Chemical Group (Shareholders representing 51% of charter capital corresponding VND 114,234,980,000) sold 3,359,000 shares, corresponding VND 33,590,000,000. Decrease ownership rate below 36% corresponding VND 80,644,980,000.

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
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	-	-

Shares

	<u>30/06/2019</u>	<u>01/01/2019</u>
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

	<u>30/06/2019</u>	<u>01/01/2019</u>
Foreign currencies		
- USD	89,692.12	1,450.15
- EUR	239.84	245.30
Bad debt written-off (VND)	604,396,281	604,396,281

21. REVENUE FROM GOODS SOLD AND SERVICES

	<u>This period</u>	<u>Last period</u>
	VND	VND
Sales of domestic goods	368,809,606,107	346,304,282,786
Sales of exported goods	145,172,967,067	182,598,678,415
Others	19,254,031,197	17,277,900,165
Total	533,236,604,371	546,180,861,366

22. COST OF GOOD SOLD AND SERVICES RENDERED

	<u>This period</u>	<u>Last period</u>
	VND	VND
Cost of merchandises sold	418,835,345,840	436,854,236,474
Cost of services rendered	14,966,546,923	13,140,197,801
Total	433,801,892,763	449,994,434,275

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

23. EXPENSES BY CATEGORY

	<u>This period</u>	<u>Last period</u>
	VND	VND
Materials expense	414,365,349,153	412,959,692,903
Labor costs	25,721,940,846	28,175,495,480
Depreciation and amortisation	10,899,961,140	11,571,377,933
Orther expenses in cash	55,373,700,839	57,514,455,784
Total	<u>506,360,951,978</u>	<u>510,221,022,100</u>

24. FINANANCIAL INCOME

	<u>This period</u>	<u>Last period</u>
	VND	VND
Bank and loan interest	2,076,184,211	2,551,739,265
Foreign exchange gain	501,792,304	607,191,476
Total	<u>2,577,976,515</u>	<u>3,158,930,741</u>

25. FINANCIAL EXPENSES

	<u>This period</u>	<u>Last period</u>
	VND	VND
Interest expense	1,154,800,748	1,470,776,682
Foreign exchange loss	510,266,704	613,849,853
Unrealized foreign exchange loss	206,318,335	760,786,880
Total	<u>1,871,385,787</u>	<u>2,845,413,415</u>

26. SELLING EXPENSES AND GENERAL AND ADIMINISTRATION EXPENSE

	<u>This period</u>	<u>Last period</u>
	VND	VND
Administrative expenses	12,402,197,524	13,881,949,755
Salary and relates	4,445,601,011	5,363,893,762
Office equipment	687,184,278	536,766,438
Depreciation and amortisation	1,917,656,836	1,930,346,596
Tax, fee and charges	1,603,062,445	1,597,302,902
Expenses from external services	218,410,613	282,324,505
Orther expenses in cash	3,530,282,341	4,171,315,552
Selling expenses	50,810,130,826	53,698,589,228
Salary and relates	10,613,057,551	12,088,276,005
Marterial, packaging expenses	923,342,900	929,866,543
Depreciation and amortisation	2,897,724,319	2,905,085,678
Transport expenses	13,873,477,196	15,846,068,574
Advertising expense	-	1,490,458,182
Promotion expenses in cash	3,308,712,124	307,338,750
Distributor, supermarket support cost	17,567,666,793	18,411,266,705
Orther expenses in cash	1,626,149,943	1,720,228,791

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

27. CURRENT CORPORATION INCOME TAX

	<u>This period</u>	<u>Last period</u>
	VND	VND
Net profit before tax	36,944,778,610	30,244,001,442
Adjustment for taxable income		
Less: Income adjusted by State Audit of Vietnam	-	81,573,115
Add: Unrealized foreign exchange	25,993,696	-
Add: Non- deductible expenses	103,732,217	74,487,473
Total taxable income	37,074,504,523	30,236,915,800
Taxable profit free tax	26,660,909,138	20,625,543,831
Taxable profit under ordinary tax rate (20%)	10,413,595,385	9,611,371,969
Tax rate	20%	20%
Current Corporation income tax	<u>2,082,719,077</u>	<u>1,922,274,395</u>

28. EARNINGS PER SHARE

	<u>This period</u>	<u>Last period</u>
	VND	VND
Net profit after corporate income tax	34,862,059,533	28,321,727,047
Welfare and bonus fund	-	-
Profit allocated to common shareholders	34,862,059,533	28,321,727,047
Weighted average number of common shares during the period	22,398,374	22,398,374
Earnings per share	<u>1,556</u>	<u>1,264</u>

29. RELATED PARTIES TRANSACTION AND BALANCES

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

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

	<u>This period</u>	<u>Last period</u>
	VND	VND
Purchases		
Bien Hoa chemical factory - Southern basic chemicals joint-stock company	18,017,583,300	21,115,356,100
Southern Chemicals Import- Export Joint Stock Company	5,008,875,000	8,966,250,910
Salaries and benefit of Board of Management and Board of Director	700,770,000	837,267,000

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

30. 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 30/06/2019	Book value 01/01/2019
	VND	VND
Financial assets		
Cash and cash equivalents	90,512,453,595	90,315,322,234
Trade accounts receivable	37,174,192,337	32,844,745,788
Short-term loan receivables	228,904,600	264,904,600
Other receivables	1,456,677,564	1,195,870,634
Total	129,372,228,096	124,620,843,256
Financial liabilities		
Trades payables	186,605,224,182	181,974,806,277
Accrued expenses	15,253,460,496	18,670,070,319
Other payables	8,170,989,375	6,522,106,030
Loans	65,751,953,300	83,741,166,661
Total	275,781,627,353	290,908,149,287
Less: provision amount	(716,390,400)	(716,390,400)

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.

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

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.

	<u>Less than 1 year</u>	<u>Over 1 year</u>
	VND	VND
As at 30/06/2019		
Trades payables	186,605,224,182	-
Accrued expenses	15,253,460,496	-
Other payables	8,070,989,375	100,000,000
Loans	65,751,953,300	-
Total	<u>275,681,627,353</u>	<u>100,000,000</u>
As at 01/01/2019		
Trades payables	181,974,806,277	-
Accrued expenses	18,670,070,319	-
Other payables	6,422,106,030	100,000,000
Loans	83,741,166,661	-
Total	<u>290,808,149,287</u>	<u>100,000,000</u>

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.

31. 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.

32. COMPARATIVE FIGURES

The comparative figures are the figures on the audited Balance sheet for the year ended 31/12/2018 that were audited.

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

The comparative figures on the income statement and cash flow statement and respective notes are figures for the period from 01/01/2018 to 30/6/2018 that were reviewed.

Dong Nai, 05 August 2019

Preparer



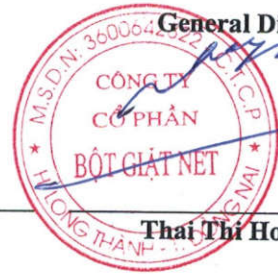
Tran Thi Ai Lien

Chief Accountant



Tran Thi Ai Lien

General Director



Thai Thi Hong Yen