



**NET Detergent Joint Stock Company**

**Financial statements for the year ended  
31 December 2020**



## **NET Detergent Joint Stock Company Corporate Information**

### **Business Registration Certificate No.**

3600642822

1 July 2003

The Company's Business Registration Certificate has been amended several times, the most recent of which is by Business Registration Certificate No. 3600642822 dated 26 May 2017. The Business Registration Certificate and its amendments were issued by the Department of Planning and Investment of Dong Nai Province.

### **Board of Directors**

Mr. Truong Cong Thang	Chairman (from 24 September 2020)
Mr. Tran Quoc Cuong	Chairman (to 24 September 2020)
Ms. Thai Thi Hong Yen	Member
Ms. Nguyen Thi Phuong Thuy	Member
Ms. Nguyen Hoang Yen	Member (from 24 September 2020)
Mr. Huynh Viet Thang	Member (from 24 September 2020)
Mr. Ngo Van Phuoc	Member (from 24 September 2020)
Mr. Pham Quang Hoa	Member (to 24 September 2020)
Mr. Nguyen Manh Hung	Member (to 24 September 2020)

### **Board of Management**

Ms. Thai Thi Hong Yen	Chief Executive Officer
Mr. Pham Quoc Cuong	Deputy Chief Executive Officer/ Production Director
Mr. Cao Tran Dang Khoa	Quality Director

### **Registered Office**

D4 Street, Loc An - Binh Son Industrial Park  
Binh Son Commune, Long Thanh District  
Dong Nai Province  
Vietnam

### **Auditor**

KPMG Limited  
Vietnam

## **NET Detergent Joint Stock Company Statement of the Board of Management**

The Board of Management of NET Detergent Joint Stock Company (“the Company”) presents this statement and the accompanying financial statements of the Company for the year ended 31 December 2020.

The Board of Management is responsible for the preparation and fair presentation of the financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting. In the opinion of the Board of Directors:

- (a) the financial statements set out on pages 5 to 38 give a true and fair view of the financial position of the Company as at 31 December 2020, and of the results of operations and the cash flows of the Company for the year ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Company will not be able to pay its debts as and when they fall due.

The Board of Management has, on the date of this statement, authorised the accompanying financial statements for issue.

On behalf of the Board of Management



*Thai Thi Hong Yen*  
Chief Executive Officer

Dong Nai Province, 3 March 2021



KPMG Limited Branch  
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115 Nguyen Hue Street, Ben Nghe Ward  
District 1, Ho Chi Minh City, Vietnam  
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## **INDEPENDENT AUDITOR'S REPORT**

### **To the Shareholders NET Detergent Joint Stock Company**

We have audited the accompanying financial statements of NET Detergent Joint Stock Company ("the Company"), which comprise the balance sheet as at 31 December 2020, the statements of income and cash flows for the year ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Management on 3 March 2021, as set out on pages 5 to 38.

### **Management's Responsibility**

The Company's Board of Management is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting, and for such internal control as the Board of Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's 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 of material misstatement.

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 judgement, 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 Company'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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company's Board of Management, as well as evaluating the overall presentation of the financial statements.

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



### Auditor's Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of NET Detergent Joint Stock Company as at 31 December 2020 and of its results of operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

### Other Matter

The financial statements of the Company for the year ended 31 December 2019 were audited by another firm of auditors whose reports dated 2 March 2020 expressed an unqualified opinion on those financial statements.

### KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Audit Report No. : 20-01-00335-21-1



Nelson Rodriguez Casihan  
Practicing Auditor Registration  
Certificate No. 2225-2018-007-1  
Deputy General Director

Pham Thi Hoang Anh  
Practicing Auditor Registration  
Certificate No. 3434-2017-007-1

Ho Chi Minh City, 3 March 2021



**NET Detergent Joint Stock Company**  
**Balance sheet as at 31 December 2020**

**Form B 01 – DN**  
*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	31/12/2020 VND	1/1/2020 VND
<b>ASSETS</b>				
<b>Current assets</b> (100 = 110 + 120 + 130 + 140 + 150)	<b>100</b>		<b>388,752,612,343</b>	<b>254,792,224,647</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>5</b>	<b>39,563,916,661</b>	<b>36,532,947,546</b>
Cash	111		14,563,916,661	8,432,947,546
Cash equivalents	112		25,000,000,000	28,100,000,000
<b>Short-term financial investments</b>	<b>120</b>		<b>85,300,000,000</b>	<b>63,500,000,000</b>
Held-to-maturity investments	123	6	85,300,000,000	63,500,000,000
<b>Accounts receivable – short-term</b>	<b>130</b>		<b>63,201,499,922</b>	<b>49,704,850,015</b>
Accounts receivable from customers – short-term	131	7	58,608,876,742	47,480,165,795
Prepayments to suppliers – short-term	132		2,192,188,589	304,021,168
Other short-term receivables	136	8	2,400,434,591	1,920,663,052
<b>Inventories</b>	<b>140</b>	<b>9</b>	<b>198,920,247,289</b>	<b>104,650,353,578</b>
Inventories	141		198,920,247,289	104,650,353,578
<b>Other current assets</b>	<b>150</b>		<b>1,766,948,471</b>	<b>404,073,508</b>
Deductible value added tax	152		1,631,703,671	404,073,508
Taxes receivable from State Treasury	153		135,244,800	-

*The accompanying notes are an integral part of these financial statements*



**NET Detergent Joint Stock Company**  
**Balance sheet as at 31 December 2020 (continued)**

**Form B 01 – DN**  
*(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	31/12/2020 VND	1/1/2020 VND
<b>Long-term assets</b> (200 = 220 + 230 + 240 + 250 + 260)	<b>200</b>		<b>306,888,358,060</b>	<b>321,698,917,596</b>
<b>Fixed assets</b>	<b>220</b>		<b>249,793,492,269</b>	<b>262,541,372,831</b>
Tangible fixed assets	221	10	249,312,450,592	262,355,164,494
Cost	222		385,117,730,348	378,756,573,807
Accumulated depreciation	223		(135,805,279,756)	(116,401,409,313)
Intangible fixed assets	227	11	481,041,677	186,208,337
Cost	228		549,000,000	205,000,000
Accumulated amortisation	229		(67,958,323)	(18,791,663)
<b>Investment property</b>	<b>230</b>	<b>12</b>	<b>10,519,652,511</b>	<b>12,031,275,655</b>
Cost	231		34,505,676,919	34,505,676,919
Accumulated depreciation	232		(23,986,024,408)	(22,474,401,264)
<b>Long-term work in progress</b>	<b>240</b>		<b>727,469,940</b>	<b>20,000,000</b>
Construction in progress	242		727,469,940	20,000,000
<b>Long-term financial investments</b>	<b>250</b>	<b>13</b>	<b>-</b>	<b>-</b>
Equity investments in other entities	253		716,390,400	716,390,400
Allowance for diminution in the value of long-term financial investments	254		(716,390,400)	(716,390,400)
<b>Other long-term assets</b>	<b>260</b>		<b>45,847,743,340</b>	<b>47,106,269,110</b>
Long-term prepaid expenses	261	14	45,847,743,340	47,106,269,110
<b>TOTAL ASSETS</b> (270 = 100 + 200)	<b>270</b>		<b>695,640,970,403</b>	<b>576,491,142,243</b>

*The accompanying notes are an integral part of these financial statements*

**NET Detergent Joint Stock Company**  
**Balance sheet as at 31 December 2020 (continued)**

**Form B 01 – DN**  
*(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*


	Code	Note	31/12/2020 VND	1/1/2020 VND
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		<b>308,518,446,622</b>	<b>267,201,753,442</b>
<b>Current liabilities</b>	<b>310</b>		<b>308,418,446,622</b>	<b>267,101,753,442</b>
Accounts payable to suppliers				
– short-term	311	15	201,953,380,112	170,411,435,582
Advances from customers	312	16	12,141,553,837	29,938,604,170
Taxes payable to State Treasury	313	17	5,591,019,658	2,562,508,365
Payables to employees	314		16,850,499,792	12,935,604,490
Accrued expenses	315	18	34,128,206,478	18,481,070,432
Unearned revenue	318		-	385,404,000
Other short-term payables	319	19	11,066,530,037	13,183,950,939
Short-term borrowings	320	21	20,698,633,290	9,446,409,810
Bonus and welfare funds	322	20	5,988,623,418	9,756,765,654
<b>Long-term liabilities</b>	<b>330</b>		<b>100,000,000</b>	<b>100,000,000</b>
Other payables – long-term	337		100,000,000	100,000,000
<b>EQUITY (400 = 410)</b>	<b>400</b>		<b>387,122,523,781</b>	<b>309,289,388,801</b>
<b>Owners' equity</b>	<b>410</b>	<b>22</b>	<b>387,122,523,781</b>	<b>309,289,388,801</b>
Share capital	411	23	223,983,740,000	223,983,740,000
– Ordinary shares with voting rights	411a		223,983,740,000	223,983,740,000
Investment and development fund	418	24	15,706,553,642	15,706,553,642
Undistributed profits after tax	421		147,432,230,139	69,599,095,159
– Undistributed profits after tax brought forward	421a		14,020,997,559	12,884,420,663
– Undistributed profit after tax for the current year/prior year	421b		133,411,232,580	56,714,674,496
<b>TOTAL RESOURCES</b>	<b>440</b>		<b>695,640,970,403</b>	<b>576,491,142,243</b>
<b>(440 = 300 + 400)</b>				

3 March 2021

Prepared by:

  
Tran Thi Ai Lien  
Chief Accountant

Approved by:

  
Thai Thi Hong Yen  
Chief Executive Officer



The accompanying notes are an integral part of these financial statements



**Net Detergent Joint Stock Company**  
**Statement of income for the year ended 31 December 2020**

**Form B 02 – DN**  
*(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	2020 VND	2019 VND
<b>Revenue from sales of goods and provision of services</b>	<b>01</b>	<b>27</b>	<b>1,490,490,627,534</b>	<b>1,157,310,901,105</b>
<b>Revenue deductions</b>	<b>02</b>	<b>27</b>	<b>20,376,719,213</b>	<b>-</b>
<b>Net revenue from sales of goods and provision of services (10 = 01 - 02)</b>	<b>10</b>	<b>27</b>	<b>1,470,113,908,321</b>	<b>1,157,310,901,105</b>
<b>Cost of sales and services provided</b>	<b>11</b>	<b>28</b>	<b>1,125,627,738,302</b>	<b>923,578,042,792</b>
<b>Gross profit (20 = 10 - 11)</b>	<b>20</b>		<b>344,486,170,019</b>	<b>233,732,858,313</b>
Financial income	21	29	9,308,908,250	5,784,026,756
Financial expenses	22	30	2,388,018,535	2,710,674,263
<i>In which: Interest expense</i>	23		602,083,868	1,665,080,319
Selling expenses	25	31	165,894,616,967	124,649,566,982
General and administration expenses	26	32	32,240,382,521	26,579,643,971
<b>Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}</b>	<b>30</b>		<b>153,272,060,246</b>	<b>85,576,999,853</b>
Other income	31		729,713,498	1,317,180,062
Other expenses	32		314,942,079	614,783,957
<b>Results of other activities (40 = 31 - 32)</b>	<b>40</b>		<b>414,771,419</b>	<b>702,396,105</b>
<b>Accounting profit before tax (50 = 30 + 40)</b>	<b>50</b>		<b>153,686,831,665</b>	<b>86,279,395,958</b>
<b>Income tax expense – current</b>	<b>51</b>	<b>34</b>	<b>20,275,599,085</b>	<b>5,156,022,262</b>
<b>Income tax expense – deferred</b>	<b>52</b>	<b>34</b>	<b>-</b>	<b>-</b>
<b>Net profit after tax (60 = 50 – 51 - 52)</b>	<b>60</b>		<b>133,411,232,580</b>	<b>81,123,373,696</b>

*The accompanying notes are an integral part of these financial statements*

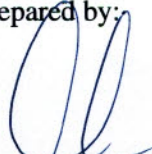
**NET Detergent Joint-Stock Company**  
**Statement of income for the year ended 31 December 2020 (continued)**

**Form B 02 – DN**  
*(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	2020 VND	2019 VND Restated
<b>Earnings per share</b>				
Basic earnings per share	70	35	5,956	3,251

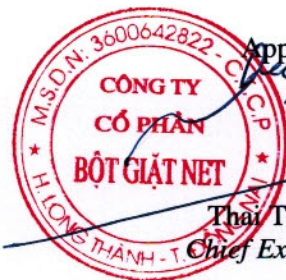
3 March 2021

Prepared by:



Tran Thi Ai Lien  
 Chief Accountant

Approved by:


  
 Thai Thi Hong Yen  
 Chief Executive Officer


**Net Detergent Joint Stock Company**  
**Statement of cash flows for the year ended 31 December 2020**  
**(Indirect method)**

**Form B 03 – DN**  
*(Issued under Circular No. 200/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	2020 VND	2019 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Accounting profit before tax</b>	<b>01</b>		<b>153,686,831,665</b>	<b>86,279,395,958</b>
<b>Adjustments for</b>				
Depreciation and amortisation	02		20,964,660,247	21,547,036,168
Exchange arising from revaluation of monetary items denominated in foreign currencies	04		(6,842,929)	17,585,732
Profits from investing activities	05		(6,798,527,861)	(4,141,045,442)
Interest expense	06		602,083,868	1,665,080,319
<b>Operating profit before changes in working capital</b>	<b>08</b>		<b>168,448,204,990</b>	<b>105,368,052,735</b>
Change in receivables and other assets	09		(12,724,487,814)	(13,986,636,464)
Change in inventories	10		(94,269,893,711)	24,178,369,141
Change in payables and other liabilities	11		30,512,905,159	15,450,888,891
Change in prepaid expenses	12		1,258,525,770	1,530,413,009
			<b>93,225,254,394</b>	<b>132,541,087,312</b>
Interest paid	14		(602,050,329)	(1,660,577,183)
Corporate income tax paid	15		(16,995,314,675)	(5,223,619,447)
Other payments for operating activities	17		(5,590,142,236)	(3,194,427,429)
<b>Net cash flows from operating activities</b>	<b>20</b>		<b>70,037,747,154</b>	<b>122,462,463,253</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for additions to fixed assets and other long-term assets	21		(9,565,978,451)	(630,523,545)
Placement of term deposits at banks	23		(59,600,000,000)	(54,000,000,000)
Proceeds from term deposits at banks	24		37,800,000,000	264,904,600
Receipts of interest	27		6,816,851,971	3,918,872,024
<b>Net cash flows from investing activities</b>	<b>30</b>		<b>(24,549,126,480)</b>	<b>(50,446,746,921)</b>

*The accompanying notes are an integral part of these financial statements*



**Net Detergent Joint Stock Company**  
**Statement of cash flows for the year ended 31 December 2020**  
**(Indirect method – continued)**

**Form B 03 – DN**  
*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	2020 VND	2019 VND
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from borrowings	33		128,120,561,610	174,681,428,143
Payments to settle loan principals	34		(116,823,559,800)	(248,963,985,584)
Payments of dividends	36		(53,755,436,400)	(51,515,626,550)
<b>Net cash flows from financing activities</b>	<b>40</b>		<b>(42,458,434,590)</b>	<b>(125,798,183,991)</b>
<b>Net cash flows during the year (50 = 20 + 30 + 40)</b>	<b>50</b>		<b>3,030,186,084</b>	<b>(53,782,467,659)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>		<b>36,532,947,546</b>	<b>90,315,322,234</b>
<b>Effect of exchange rate fluctuations</b>	<b>61</b>		<b>783,031</b>	<b>92,971</b>
<b>Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61)</b>	<b>70</b>	<b>5</b>	<b>39,563,916,661</b>	<b>36,532,947,546</b>

3 March 2021

Prepared by:

  
Tran Thi Ai Lien  
Chief Accountant

Approved by:

  
  
Thai Thi Hong Yen  
Chief Executive Officer

*The accompanying notes are an integral part of these financial statements*

**NET Detergent Joint-Stock Company**  
**Notes to the financial statements for the year ended 31 December 2020**

**Form B 09 – DN**  
*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

**1. Reporting entity**

**(a) Ownership structure**

NET Detergent Joint Stock Company (“the Company”) is incorporated as a joint stock company in Vietnam.

As at 31 December 2020, the Company has 3 dependent branches which are Hanoi Branch, Ho Chi Minh City Branch and Bien Hoa Branch (1/1/2020: 3 dependent branches).

**(b) Principal activities**

The principal activities of the Company are to:

- manufacture of washing power and detergents;
- wholesale of washing power, hygiene products and cleaning chemicals; and
- rental of warehouses, factories and offices, real estate business.

**(c) Normal operating cycle**

The normal operating cycle of the Company is generally within 12 months.

**(d) Company structure**

As at 31 December 2020, the Company had 592 employees (1/1/2020: 552 employees).

**2. Basis of financial statements preparation**

**(a) Statement of compliance**

The financial statements have been prepared in accordance with Vietnamese Accounting Standard, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

**(b) Basis of measurement**

The financial statements, except for the statement of cash flows, are prepared on the accrual basis using the historical cost concept. The statement of cash flows is prepared using the indirect method.

**NET Detergent Joint-Stock Company**  
**Notes to the financial statements for the year ended 31 December 2020 (continued)**

**Form B 09 – DN**

*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

**(c) Annual accounting period**

The annual accounting period of the Company is from 1 January to 31 December.

**(d) Accounting and presentation currency**

The Company's accounting currency is Vietnam Dong ("VND"), which is also the currency used for financial statement presentation purpose.

**3. Summary of significant accounting policies**

The following significant accounting policies have been adopted by the Company in the preparation of these financial statements.

**(a) Foreign currency transactions**

Transactions in currencies other than VND during the year have been translated into VND at rates approximating actual rates of exchange ruling at the transaction dates.

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the account transfer buying rate and account transfer selling rate, respectively, at the end of the annual accounting period quoted by the commercial bank where the Company most frequently conducts transactions.

All foreign exchange differences are recorded in the statement of income.

**(b) Cash and cash equivalents**

Cash comprises cash balances and call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

**NET Detergent Joint-Stock Company**

**Notes to the financial statements for the year ended 31 December 2020 (continued)**

**Form B 09 – DN**

*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

**(c) Investments**

**(i) *Held-to-maturity investments***

Held-to-maturity investments are those that the Company's management has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at banks with original term to maturity of more than three months. These investments are stated at costs less allowance for doubtful debts.

**(ii) *Investments in equity instruments of other entities***

Investments in equity instruments of other entities are initially recognised at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investments are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment values if the investee has suffered a loss, except where such a loss was anticipated by the Company's management before making the investment. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

**(d) Accounts receivable**

Accounts receivable from customers and other receivables are stated at cost less allowance for doubtful debts.

**(e) Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. Cost in the case of finished goods and work in progress includes raw materials, direct labour and attributable manufacturing overheads. Net realisable value is the estimated selling price of inventory items, less the estimated costs of completion and direct selling expenses.

The Company applies the perpetual method of accounting for inventories.

## NET Detergent Joint-Stock Company

### Notes to the financial statements for the year ended 31 December 2020 (continued)

Form B 09 – DN

(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)

#### (f) **Tangible fixed assets**

##### (i) **Cost**

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repair and maintenance and overhaul cost, is charged to the statement of income in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

##### (ii) **Depreciation**

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

▪ buildings, structures	5 – 40 years
▪ machinery and equipment	5 – 15 years
▪ motor vehicles	6 – 10 years
▪ office equipment	3 – 15 years

#### (g) **Intangible fixed assets**

##### **Software**

Cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software cost is amortised on a straight-line basis within 8 – 10 years.

#### (h) **Investment property**

##### (i) **Cost**

Investment property held to earn rental is stated at cost less accumulated depreciation. The initial cost of an investment property held to earn rental comprises its buildings, infrastructures and any directly attributable expenditure of bringing the property to the condition necessary for it to be capable of operating in the manner intended by the Board of Management. Expenditure incurred after the investment property held to earn rental has been put into operation, such as repairs and maintenance, is charged to the statement of income in the year in which the expenditure is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in future economic benefits in excess of the originally assessed standard of performance of the existing investment property held to earn rental, the expenditure is capitalised as an additional cost of the investment property.



**NET Detergent Joint-Stock Company**

**Notes to the financial statements for the year ended 31 December 2020 (continued)**

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**(ii) Depreciation**

Depreciation is computed on a straight-line basis over the estimated useful lives of investment property. The estimated useful lives are as follows:

- buildings 20 – 25 years
- infrastructures 5 – 20 years

**(i) Construction in progress**

Construction in progress represents the cost of construction and machinery which have not been fully completed or installed. No depreciation is provided for construction in progress during the year of construction and installation.

**(j) Long-term prepaid expenses**

**(i) Infrastructure usage**

Infrastructure usage expenses are prepaid expenses incurred in connection with securing the use of infrastructure in the industrial park. These costs are amortised on a straight-line basis over the term of the contract for using the infrastructure of 47 years.

**(ii) Tools and instruments**

Tools and instruments include assets held for use by the Company in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulation. Cost of tools and instruments are amortised on a straight-line basis over 2 to 3 years.

**(k) Accounts payable to suppliers and other payables**

Accounts payable to suppliers and other payables are stated at their cost.

**(l) Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

**NET Detergent Joint-Stock Company**

**Notes to the financial statements for the year ended 31 December 2020 (continued)**

**Form B 09 – DN**

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**(m) Share capital**

***Ordinary shares***

Ordinary shares are stated at par value. Excess of cash received from share issues over par value is recorded as share premium. Incremental costs directly attributable to the issue of shares, net of tax effects, are recognised as a deduction from share premium.

**(n) Taxation**

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the annual accounting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using the tax rates enacted or substantively enacted at the end of the annual accounting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**(o) Revenue and other income**

**(i) *Sales of goods***

Revenue from the sale of goods is recognised in the statement of income when significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or possible return of goods. Revenue on sales of goods is recognised at the net amount after deducting sales discounts stated on the invoice.

**NET Detergent Joint-Stock Company**

**Notes to the financial statements for the year ended 31 December 2020 (continued)**

**Form B 09 – DN**

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**(ii) Processing services**

Revenue from processing services is recognised in the statement of income when the goods have been processed and accepted by the client. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

**(iii) Rental income**

Rental income from leased property is recognised in the statement of income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

**(iv) Interest income**

Interest income is recognised in the statement of income on a time proportion basis with reference to the principal outstanding and the applicable interest rate.

**(p) Borrowing costs**

Borrowing costs are recognised as an expense in the year in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of qualifying assets, in which case the borrowing costs incurred during the year of construction are capitalised as part of the cost of the assets concerned.

**(q) Operating lease payments**

Payments made under operating leases are recognised in the statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of income as an integral part of the total lease expense, over the term of the lease.

**(r) Earnings per share**

The Company presents basic and diluted earnings per share (“EPS”) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares.

The profit or loss attributable to the ordinary shareholders of Company is determined after deducting any amounts appropriated to bonus and welfare funds for the year.

**NET Detergent Joint-Stock Company**

**Notes to the financial statements for the year ended 31 December 2020 (continued)**

**Form B 09 – DN**

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**(s) Segment reporting**

A segment is a distinguishable component of the Company that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Board of Directors assessed that the Company only operates in one main business segment, which is producing detergents and chemicals. The Company's primary format for segment reporting is based on geographical segments.

**(t) Related parties**

Parties are considered to be related to the Company if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Company and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

**(u) Comparative information**

Comparative information in these financial statements is presented as corresponding figures. Under this method, comparative information for the prior year are included as an integral part of the current period financial statements and are intended to be read only in relation to the amounts and other disclosures relating to the current year. Accordingly, the comparative information included in these financial statements is not intended to present the Company's financial position, results of operation or cash flows for the prior year.

Comparative figures as at 1 January 2020 were derived from the balances and amounts in the Company's financial statements as at and for the year ended 31 December 2019.



**NET Detergent Joint-Stock Company****Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***4. Segment reporting**

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers, which is located in Vietnam (“Domestic”) or countries other than Vietnam (“Overseas”). Segment assets and capital expenditure are not presented since the location of assets and production is in Vietnam. The Company’s geographical segments are as follows:

	<b>Domestic</b> <b>(Customers in Vietnam)</b>		<b>Overseas</b> <b>(Customers in countries</b> <b>other than Vietnam)</b>		<b>Total</b>	
	<b>2020</b> <b>VND</b>	<b>2019</b> <b>VND</b>	<b>2020</b> <b>VND</b>	<b>2019</b> <b>VND</b>	<b>2020</b> <b>VND</b>	<b>2019</b> <b>VND</b>
Net revenue from sales of goods and provision of services	1,133,384,248,844	838,780,301,531	336,729,659,477	318,530,599,574	1,470,113,908,321	1,157,310,901,105
Cost of sales and services provided	868,116,703,000	681,824,480,531	257,511,035,302	241,753,562,261	1,125,627,738,302	923,578,042,792
Gross profit	265,267,545,844	156,955,821,000	79,218,624,175	76,777,037,313	344,486,170,019	233,732,858,313



**NET Detergent Joint-Stock Company****Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***5. Cash and cash equivalents**

	<b>31/12/2020</b> <b>VND</b>	<b>1/1/2020</b> <b>VND</b>
Cash on hand	825,376,325	745,564,577
Cash in banks	13,738,540,336	7,687,382,969
Cash equivalents	25,000,000,000	28,100,000,000
	<hr/>	
Cash and cash equivalents in the statement of cash flows	39,563,916,661	36,532,947,546

Cash equivalents represented term deposits at banks with original terms to maturity of three months or less from their transactions dates.

**6. Held-to-maturity investments**

	<b>31/12/2020</b> <b>VND</b>	<b>1/1/2020</b> <b>VND</b>
Term deposits at banks	85,300,000,000	63,500,000,000

Held-to-maturity investments represented term deposits at banks with terms to maturity of twelve months or less from the end of the annual accounting period. Term deposits are denominated in VND and earned interest at rates ranging 3.7% - 4.6% per annum (2019: 6.2% - 6.7% per annum).

**7. Accounts receivable from customers – short-term****Accounts receivable from customers who are related parties**

	<b>31/12/2020</b> <b>VND</b>	<b>1/1/2020</b> <b>VND</b>
Vincommerce General Commercial Services Joint Stock Company	13,306,881,061	-

The trade related amounts due from related parties were unsecured, interest free and are receivable within 30 days from invoice date.

**NET Detergent Joint-Stock Company****Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***8. Other short-term receivables**

	<b>31/12/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Deposits	986,100,000	858,000,000
Interest accrued on deposits at banks	871,840,821	890,164,931
Advances	26,900,000	43,571,700
Others	515,593,770	128,926,421
	<hr/>	<hr/>
	2,400,434,591	1,920,663,052

**9. Inventories**

	<b>31/12/2020</b>		<b>1/1/2020</b>	
	<b>Cost</b>	<b>Allowance</b>	<b>Cost</b>	<b>Allowance</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Goods in transit	6,967,192,940	-	-	-
Raw materials	137,030,048,677	-	75,903,916,053	-
Tools and supplies	450,049,440	-	250,910,227	-
Work in progress	2,111,388,897	-	1,152,034,298	-
Finished goods	52,361,567,335	-	27,343,493,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
	198,920,247,289	-	104,650,353,578	-

**NET Detergent Joint-Stock Company**  
**Notes to the financial statements for the year ended 31 December 2020 (continued)**

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**10. Tangible fixed assets**

	<b>Buildings, structures VND</b>	<b>Machinery and equipment VND</b>	<b>Motor vehicles VND</b>	<b>Office equipment VND</b>	<b>Total VND</b>
<b>Cost</b>					
Opening balance	226,254,905,055	140,571,375,313	10,566,998,772	1,363,294,667	378,756,573,807
Additions	398,318,182	1,457,000,000	391,054,364	535,079,545	2,781,452,091
Transfers from construction in progress	909,239,905	2,670,464,545	-	-	3,579,704,450
Closing balance	227,562,463,142	144,698,839,858	10,958,053,136	1,898,374,212	385,117,730,348
<b>Accumulated depreciation</b>					
Opening balance	29,924,272,088	79,398,246,161	6,176,805,521	902,085,543	116,401,409,313
Charge for the year	10,292,804,333	8,272,357,614	739,105,996	99,602,500	19,403,870,443
Closing balance	40,217,076,421	87,670,603,775	6,915,911,517	1,001,688,043	135,805,279,756
<b>Net book value</b>					
Opening balance	196,330,632,967	61,173,129,152	4,390,193,251	461,209,124	262,355,164,494
Closing balance	187,345,386,721	57,028,236,083	4,042,141,619	896,686,169	249,312,450,592

Included in tangible fixed assets were assets costing VND57,589 million which were fully depreciated as at 31 December 2020 (1/1/2020: VND47.989 million), but which are still in active use.



**NET Detergent Joint-Stock Company****Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)***11. Intangible fixed assets**

	<b>Software VND</b>
<b>Cost</b>	
Opening balance	205,000,000
Transfers from construction in progress	344,000,000
	<hr/>
Closing balance	549,000,000
	<hr/>
<b>Accumulated amortisation</b>	
Opening balance	18,791,663
Charge for the year	49,166,660
	<hr/>
Closing balance	67,958,323
	<hr/>
<b>Net book value</b>	
Opening balance	186,208,337
Closing balance	481,041,677
	<hr/>



**NET Detergent Joint-Stock Company****Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***12. Investment property**

	<b>Buildings VND</b>	<b>Infrastructures VND</b>	<b>Total VND</b>
<b>Cost</b>			
Opening and closing balance	31,727,073,211	2,778,603,708	34,505,676,919
<b>Accumulated amortisation</b>			
Opening balance	20,326,063,075	2,148,338,189	22,474,401,264
Charge for the year	1,432,170,792	79,452,352	1,511,623,144
Closing balance	21,758,233,867	2,227,790,541	23,986,024,408
<b>Net book value</b>			
Opening balance	11,401,010,136	630,265,519	12,031,275,655
Closing balance	9,968,839,344	550,813,167	10,519,652,511

Included in investment property were assets costing VND2,545 million which were fully depreciated as at 31 December 2020 (1/1/2020: VND1,941 million), but which are still in active use.

The Company has not determined fair value of investment in property held to earn rental as at reporting date for disclosure in the financial statements, there is currently no guidance on determination of fair value using valuation techniques under the Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. The fair value of the investment in property held to earn rental referenced to market price may differ from its carrying amount.

**13. Long-term financial investments**

Equity investments in other entities represented an investment in Can Tho Vegetables Joint Stock Company amounting to VND716,390,400. The Company holds 6,600 shares, par value is VND100,000 per share, equivalent to 10.1% of the charter capital of Can Tho Vegetables Joint Stock Company. Currently, Can Tho Vegetables Joint Stock Company has stopped their operation due to prolonged loss and it has also carried out procedures to dissolve the enterprise. The Company's Board of Directors made full provision for the above investments with the amount of VND716,390,400.

**Net Detergent Joint Stock Company**  
**Notes to the financial statements for the year ended 31 December 2020 (continued)**

**Form B 09 – DN**

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**14. Long-term prepaid expenses**

	<b>Infrastructure usage VND</b>	<b>Tools and instruments VND</b>	<b>Total VND</b>
Opening balance	45,506,075,490	1,600,193,620	47,106,269,110
Additions	-	1,144,710,000	1,144,710,000
Amortisation for the year	(1,128,249,804)	(1,274,985,966)	(2,403,235,770)
<b>Closing balance</b>	<b>44,377,825,686</b>	<b>1,469,917,654</b>	<b>45,847,743,340</b>

**15. Accounts payable to suppliers – short-term**

**Accounts payable to suppliers who are related parties**

	<b>Cost/Amount within payment capacity</b>	
	<b>31/12/2020 VND</b>	<b>1/1/2020 VND</b>
Bien Hoa Chemicals Plant - South Basic Chemicals Joint Stock Company	6,480,460,800	7,787,459,020
South Chemicals Import - Export Joint Stock Company	3,790,299,150	4,311,109,000

The trade amounts due to the related parties were unsecured, interest free and are payable within 30 days from invoice date.

**Net Detergent Joint Stock Company**  
**Notes to the financial statements for the year ended 31 December 2020 (continued)**

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**16. Taxes payable to State Treasury**

	<b>1/1/2020 VND</b>	<b>Incurred VND</b>	<b>Paid/net-off VND</b>	<b>Transferred to State Tax Receivable VND</b>	<b>31/12/2020 VND</b>
Value added tax	205,577,194	139,745,958,640	(139,643,185,599)	-	308,350,235
Value added tax of import goods	-	8,772,774,753	(8,908,019,553)	135,244,800	-
Import tax	-	1,241,339,732	(1,241,339,732)	-	-
Corporate income tax	1,720,744,327	20,275,599,085	(16,995,314,675)	-	5,001,028,737
Personal income tax	636,186,844	1,493,198,003	(1,857,191,295)	-	272,193,552
Others	-	2,075,533,623	(2,066,086,489)	-	9,447,134
	<b>2,562,508,365</b>	<b>173,604,403,836</b>	<b>(170,711,137,343)</b>	<b>135,244,800</b>	<b>5,591,019,658</b>

**Net Detergent Joint Stock Company****Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***17. Accrued expenses**

	<b>31/12/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Promotion and support expenses	23,500,969,258	10,289,080,657
Transportation expenses	3,939,831,518	4,645,668,454
Sales commission expenses	2,702,861,432	1,825,137,325
Interest expenses	4,536,675	4,503,136
Others	3,980,007,595	1,716,680,860
	<hr/>	<hr/>
	34,128,206,478	18,481,070,432
	<hr/>	<hr/>

**18. Other short-term payables**

	<b>31/12/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Payable to employees	6,992,828,512	6,491,021,896
Deposits received	1,186,900,000	1,144,000,000
Union fee	426,304,995	325,599,439
Others	2,460,496,530	5,223,329,604
	<hr/>	<hr/>
	11,066,530,037	13,183,950,939
	<hr/>	<hr/>

**19. Bonus and welfare funds**

This fund is established by appropriating from retained profits as approved by shareholders at shareholders' meeting. This fund is used to pay bonus and welfare to the Company's employees in accordance with the Company's bonus and welfare policies. Movements of bonus and welfare fund during the year were as follows:

	<b>2020</b>	<b>2019</b>
	<b>VND</b>	<b>VND</b>
Opening balance	9,756,765,654	5,148,193,083
Appropriation during the year	1,822,000,000	7,803,000,000
Utilisation during the year	(5,590,142,236)	(3,194,427,429)
	<hr/>	<hr/>
Closing balance	5,988,623,418	9,756,765,654
	<hr/>	<hr/>

**NET Detergent Joint-Stock Company**  
**Notes to the financial statements for the year ended 31 December 2020 (continued)**

**Form B 09 – DN**  
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**20. Short-term borrowings**

	1/1/2020		Movements during the year			31/12/2020	
	Carrying amount VND	Amount within repayment capacity VND	Addition VND	Decrease VND	Foreign exchange differences VND	Carrying amount VND	Amount within repayment capacity VND
Short-term borrowings	9,446,409,810	9,446,409,810	128,120,561,610	(116,823,559,800)	(44,778,330)	20,698,633,290	20,698,633,290

Terms and conditions of outstanding short-term borrowings were as follows:

	Currency	Annual interest rate	31/12/2020 VND	1/1/2020 VND
Unsecured bank loan	USD	2.0%	20,698,633,290	9,446,409,810



**NET Detergent Joint-Stock Company****Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)***21. Changes in owners' equity**

	<b>Share capital VND</b>	<b>Investment and development fund VND</b>	<b>Undistributed profits after tax VND</b>	<b>Total VND</b>
<b>Balance at 1 January 2019</b>	223,983,740,000	15,706,553,642	47,794,981,663	287,485,275,305
Net profit for the year	-	-	81,123,373,696	81,123,373,696
Dividends (Note 25)	-	-	(51,516,260,200)	(51,516,260,200)
Appropriation to bonus and welfare funds	-	-	(7,803,000,000)	(7,803,000,000)
<b>Balance at 1 January 2020</b>	223,983,740,000	15,706,553,642	69,599,095,159	309,289,388,801
Net profit for the year	-	-	133,411,232,580	133,411,232,580
Dividends (Note 25)	-	-	(53,756,097,600)	(53,756,097,600)
Appropriation to bonus and welfare funds	-	-	(1,822,000,000)	(1,822,000,000)
<b>Balance at 31 December 2020</b>	223,983,740,000	15,706,553,642	147,432,230,139	387,122,523,781



**NET Detergent Joint-Stock Company****Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***22. Share capital**

The Company's authorised and issued share capital are:

	31/12/2020		1/1/2020	
	Number of shares	VND	Number of shares	VND
<b>Authorised share capital</b>	22,398,374	223,983,740,000	22,398,374	223,983,740,000
<b>Issued shares</b>				
Ordinary shares	22,398,374	223,983,740,000	22,398,374	223,983,740,000
<b>Share capital and share currently in circulation</b>				
Ordinary shares	22,398,374	223,983,740,000	22,398,374	223,983,740,000

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at shareholder's meetings of the Company. Shareholders are entitled to receive dividend as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets. In respect of shares bought back by the Company, all rights are suspended until those shares are reissued.

There was no movements in share capital for the year ended 31 December 2020 and 31 December 2019.

**23. Investment and development fund**

Investment and development funds were appropriated from retained profits in accordance with the resolution of General Meeting of Shareholders. These funds were established for the purpose of future business expansion.

**24. Dividends**

The Annual General Meeting of Shareholders of the Company No. 01/NQ/-ĐHĐCĐ-NET/2020 dated on 25 June 2020 resolved to distribute profit after tax in 2019 as follows: dividend of VND71,675 million equivalent to 32% of charter capital (dividend advanced in 2019 were VND17,919 million, equivalent to 8% of charter capital).



**NET Detergent Joint-Stock Company****Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***25. Off balance sheet items****(a) Leases**

The future minimum lease payments under non-cancellable operating leases were:

	<b>31/12/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Within one year	2,789,574,341	2,306,588,947
From two to five years	9,109,305,764	7,279,318,587
More than five years	59,006,115,961	44,754,590,080
	<hr/>	<hr/>
	70,904,996,066	54,340,497,614
	<hr/>	<hr/>

**(b) Foreign currencies**

	<b>31/12/2020</b>		<b>1/1/2020</b>	
	<b>Original currency</b>	<b>VND equivalent</b>	<b>Original currency</b>	<b>VND equivalent</b>
▪ USD	25,981.09	598,474,408	1,347.61	31,131,947
▪ EUR	223.46	6,242,076	234.38	6,050,667
		<hr/>		<hr/>
		604,716,484		37,182,614
		<hr/>		<hr/>

**(c) Capital expenditure commitments**

At the reporting date, the Company had the following outstanding capital commitments approved but not provided for in the balance sheet:

	<b>31/12/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Approved and contracted	6,172,988,387	1,210,142,250
	<hr/>	<hr/>

**NET Detergent Joint-Stock Company****Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)***26. Revenue from sales of goods and provision of services**

Total revenue represents the gross value of goods sold and services rendered, exclusive of value added tax.

	<b>2020</b>	<b>2019</b>
	<b>VND</b>	<b>VND</b>
Total revenue		
▪ Domestic consumption revenue	1,110,927,913,948	798,089,115,989
▪ Export sales	336,729,659,477	318,530,599,574
▪ Other revenue	42,833,054,109	40,691,185,542
	<hr/> 1,490,490,627,534	<hr/> 1,157,310,901,105
Less revenue deductions		
▪ Sales returns	16,788,211,850	-
▪ Sales discounts	3,588,507,363	-
	<hr/> 20,376,719,213	<hr/> -
	<hr/> 1,470,113,908,321	<hr/> 1,157,310,901,105

**27. Cost of sales**

	<b>2020</b>	<b>2019</b>
	<b>VND</b>	<b>VND</b>
Total cost of sales		
▪ Finished goods sold	1,087,031,483,227	890,713,037,759
▪ Processing and investment property held to earn rental	36,395,059,045	27,394,703,475
▪ Others	2,201,196,030	5,470,301,558
	<hr/> 1,125,627,738,302	<hr/> 923,578,042,792

**NET Detergent Joint-Stock Company****Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***28. Financial income**

	<b>2020 VND</b>	<b>2019 VND</b>
Interest income	6,798,527,861	4,141,045,442
Foreign exchange gains	2,510,380,389	1,642,981,314
	<hr/>	<hr/>
	9,308,908,250	5,784,026,756

**29. Financial expense**

	<b>2020 VND</b>	<b>2019 VND</b>
Interest expense	602,083,868	1,665,080,319
Foreign exchange losses	1,785,934,667	1,045,593,944
	<hr/>	<hr/>
	2,388,018,535	2,710,674,263

**30. Selling expenses**

	<b>2020 VND</b>	<b>2019 VND</b>
Sale supporting expenses	63,877,767,013	40,555,576,179
Transportation expenses	37,557,874,482	31,007,074,164
Staff costs	27,828,995,614	22,604,757,524
Promotion expenses	26,832,797,728	18,928,952,786
Packaging expenses	3,637,898,235	1,932,329,851
Depreciation and amortisation	384,699,372	5,788,905,259
Other expenses	5,774,584,523	3,831,971,219
	<hr/>	<hr/>
	165,894,616,967	124,649,566,982

**NET Detergent Joint-Stock Company****Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)***31. General and administration expenses**

	<b>2020</b> <b>VND</b>	<b>2019</b> <b>VND</b>
Staff costs	11,767,217,235	9,256,081,774
Depreciation and amortisation	3,736,962,449	3,840,913,405
Tax, fees and duties	3,532,727,459	3,215,572,024
Office materials and equipments	1,672,935,634	1,886,042,979
Other expenses	11,530,539,744	8,381,033,789
	<hr/> 32,240,382,521	<hr/> 26,579,643,971

**32. Production and business costs by elements**

	<b>2020</b> <b>VND</b>	<b>2019</b> <b>VND</b>
Material expenses	1,057,792,185,815	853,512,974,954
Labour costs and staff costs	69,532,705,450	55,074,524,049
Depreciation and amortisation	20,964,660,247	21,547,036,168
Other expenses	175,473,186,278	136,493,886,945
	<hr/> 1,323,762,737,790	<hr/> 1,066,628,422,116

**33. Income tax****(a) Reconciliation of effective tax rate**

	<b>2020</b> <b>VND</b>	<b>2019</b> <b>VND</b>
Accounting profit before tax	153,686,831,665	86,279,395,958
Tax at the Company's tax rate	30,737,366,333	17,255,879,192
Tax incentives	(11,039,817,993)	(12,939,377,458)
Non-deductible expenses	578,050,745	839,520,528
	<hr/> 20,275,599,085	<hr/> 5,156,022,262

**NET Detergent Joint-Stock Company****Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***(b) Applicable tax rates**

In accordance with Corporate Income Tax Law, the Company has an obligation to pay the government income tax rate of 20% of taxable profits. According to Degree No. 96/2015/TT-BTC issued by Ministry of Finance on 22 June 2015, the Company is exempted from corporate income tax for 2 years starting from the first year it generates taxable profit (2018 - 2019) and entitled to a 50% reduction in corporate income tax for the 4 succeeding years (2020 - 2023) for the new expansion investment project, regulated in Circular 218/2013/NĐ-CP.

**34. Earnings per share****(a) Basic earnings per share**

The calculation of basic earnings per share for the year ended 31 December 2020 was based on the profit attributable to ordinary shareholders after deducting the amounts appropriated to bonus and welfare funds for the annual accounting period, of VND 133,411 million (the profit attributable to ordinary shareholders after deducting the amounts appropriated to bonus and welfare funds for year ended 31 December 2019: VND72,811 million) and a weighted average number of ordinary shares outstanding of 22,398,374 (year ended 31 December 2019: 22,398,374), calculated as follows:

**(i) Net profit attributable to ordinary shareholders**

	<b>2020</b> <b>VND</b>	<b>2019</b> <b>VND</b> <b>Restated (*)</b>
Net profit attributable to ordinary shareholders	133,411,232,580	72,811,373,696

**(ii) Weighted average number of ordinary shares**

	<b>2020</b> <b>VND</b>	<b>2019</b> <b>VND</b>
Weighted average number of ordinary shares for the year ended	22,398,374	22,398,374

**(iii) Basic earnings per share**

	<b>2020</b> <b>VND</b>	<b>2019</b> <b>VND</b> <b>Restated (*)</b>
Basic earnings per share	5,956	3,251

**NET Detergent Joint-Stock Company****Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

- (\*) The appropriation of bonus and welfare fund for the year ended 31 December 2019 was restated based on the actual appropriation which was approved by shareholders at Annual General Meeting. Accordingly, basic earnings per share for the year ended 31 December 2019 have been recalculated based on the adjusted amount appropriated to bonus and welfare fund (as previously reported: VND3,332 per share).

**(b) Diluted earnings per share**

As at 31 December 2020 and 1 January 2020, the Company did not have potential diluted shares. Therefore, the presentation of diluted earnings per share is not applicable.

**35. Significant transactions with related parties**

In addition to related party balances disclosed in other notes to the financial statements, the Company had the following significant transactions with related parties during the year:

	<b>Transaction value</b>	
	<b>2020</b>	<b>2019</b>
	<b>VND</b>	<b>VND</b>
<i>Other related parties</i>		
<b>Bien Hoa Chemicals Plant - South Basic Chemicals Joint Stock Company</b>		
Purchase of goods	40,184,383,400	37,064,672,100
<b>South Chemicals Import - Export Joint Stock Company</b>		
Purchase of goods	24,931,840,350	14,000,207,780
<b>Masan Consumer Corporation</b>		
Sales of finished goods	89,342,882,619	-
<b>Vincommerce General Commercial Services Joint Stock Company</b>		
Sales of finished goods	55,729,211,528	-
<b>Members of Board of Management and Board of Directors (*)</b>		
Remuneration	898,768,400	1,692,161,000

- (\*) Included in the remuneration to key management personnel, the actual board fees, salary and bonus for each member of the Company's Board of Directors and the Company's Chief Executive Officer during the year ended 31 December 2020 was as follows:

**NET Detergent Joint-Stock Company****Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

Name	Position	VND
<b>Board of Directors</b>		
Mr. Truong Cong Thang	Chairman	-
Mr. Tran Quoc Cuong	Member	57,000,000
Ms. Thai Thi Hong Yen	Member	48,000,000
Ms. Nguyen Hoang Yen	Member	-
Mr. Huynh Viet Thang	Member	-
Ms. Nguyen Thi Phuong Thuy	Member	48,000,000
Mr. Pham Quang Hoa	Member	32,000,000
Mr. Ngo Van Phuoc	Member	-
Mr. Nguyen Manh Hung	Member	32,000,000

Name	Position	VND
<b>Board of Management</b>		
Ms. Thai Thi Hong Yen	Chief Executive Officer	681,768,400

3 March 2021

Prepared by:

  
 Tran Thi Ai Lien  
 Chief Accountant

Approved by:


  
 Thai Thi Hong Yen  
 Chief Executive Officer