



NET Detergent Joint Stock Company

Interim Financial Statements
for the six-month period ended
30 June 2021

4 M 2021

NET Detergent Joint Stock Company
Corporate Information

Enterprise Registration
Certificate No.

3600642822

1 July 2003

The Enterprise Registration Certificate has been amended several times, the most recent of which is dated 5 May 2021. The Enterprise 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 |
| Mr. Tran Quoc Cuong | Member |
| Ms. Thai Thi Hong Yen | Member |
| Ms. Nguyen Hoang Yen | Member |
| Mr. Huynh Viet Thang | Member |
| Mr. Ngo Van Phuoc | Member |
| Ms. Nguyen Thi Phuong Thuy | Member |

Board of Management

| | |
|------------------------|---------------------------------------------------------|
| Ms. Thai Thi Hong Yen | General Director |
| Mr. Pham Quoc Cuong | Deputy General Director of Technology and Production |
| 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 interim financial statements of the Company for the six-month period ended 30 June 2021.

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

- (a) the interim financial statements set out on pages 5 to 41 give a true and fair view of the financial position of the Company as at 30 June 2021, and its results of operations and its cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim 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 Company’s Board of Management has, on the date of this statement, authorised the accompanying interim financial statements for issue.

On behalf of the Board of Management

Thái Thị Hồng Yến
General Director

Dong Nai Province, 11 August 2021



KPMG Limited Branch
10th Floor, Sun Wah Tower
115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
+84 (28) 3821 9266 | kpmg.com.vn

INTERIM FINANCIAL INFORMATION REVIEW REPORT

To the Shareholders NET Detergent Joint Stock Company

We have reviewed the accompanying interim financial statements of NET Detergent Joint Stock Company ("the Company"), which comprise the balance sheet as at 30 June 2021, the statements of income and cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Management on 11 August 2021, as set out on pages 5 to 41.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express a conclusion on these interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements No. 2410 – *Review of interim financial information performed by the independent auditor of the entity*.

A review of interim financial information 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.



Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view, in all material respects, of the financial position of NET Detergent Joint Stock Company as at 30 June 2021 and of its results of operations and its cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Review Report No.: 21-01-00329-21-1



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

Trieu Tich Quyen
Practicing Auditor Registration
Certificate No. 4629-2018-007-2

Ho Chi Minh City, 11 August 2021

NET Detergent Joint Stock Company
Balance sheet as at 30 June 2021

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

| | Code | Note | 30/6/2021 VND | 1/1/2021 VND |
|--------------------------------------------------------------|------------|-----------|------------------------|------------------------|
| ASSETS | | | | |
| Current assets (100 = 110 + 120 + 130 + 140 + 150) | 100 | | 417,527,275,842 | 388,752,612,343 |
| Cash and cash equivalents | 110 | 8 | 105,346,396,762 | 39,563,916,661 |
| Cash | 111 | | 6,146,396,762 | 14,563,916,661 |
| Cash equivalents | 112 | | 99,200,000,000 | 25,000,000,000 |
| Short-term financial investments | 120 | | 40,400,000,000 | 85,300,000,000 |
| Held-to-maturity investments | 123 | 9 | 40,400,000,000 | 85,300,000,000 |
| Accounts receivable – short-term | 130 | | 67,134,615,611 | 63,201,499,922 |
| Accounts receivable from customers | 131 | 10 | 56,959,934,671 | 58,608,876,742 |
| Prepayments to suppliers | 132 | | 7,775,863,267 | 2,192,188,589 |
| Other short-term receivables | 136 | 11 | 2,398,817,673 | 2,400,434,591 |
| Inventories | 140 | 12 | 201,978,127,280 | 198,920,247,289 |
| Inventories | 141 | | 201,978,127,280 | 198,920,247,289 |
| Other current assets | 150 | | 2,668,136,189 | 1,766,948,471 |
| Short-term prepaid expenses | 151 | | 372,420,000 | - |
| Deductible value added tax | 152 | | 2,295,716,189 | 1,631,703,671 |
| Taxes receivable from State Treasury | 153 | | - | 135,244,800 |

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

NET Detergent Joint Stock Company
Balance sheet as at 30 June 2021 (continued)

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

| | Code | Note | 30/6/2021 VND | 1/1/2021 VND |
|-----------------------------------------------------------------------------|------------|-----------|------------------------|------------------------|
| Long-term assets (200 = 220 + 230 + 240 + 250 + 260) | 200 | | 297,067,582,034 | 306,888,358,060 |
| Fixed assets | 220 | | 241,578,482,662 | 249,793,492,269 |
| Tangible fixed assets | 221 | 13 | 241,129,190,981 | 249,312,450,592 |
| Cost | 222 | | 386,810,506,592 | 385,117,730,348 |
| Accumulated depreciation | 223 | | (145,681,315,611) | (135,805,279,756) |
| Intangible fixed assets | 227 | 14 | 449,291,681 | 481,041,677 |
| Cost | 228 | | 549,000,000 | 549,000,000 |
| Accumulated amortisation | 229 | | (99,708,319) | (67,958,323) |
| Investment property | 230 | 15 | 9,729,446,289 | 10,519,652,511 |
| Cost | 231 | | 34,505,676,919 | 34,505,676,919 |
| Accumulated depreciation | 232 | | (24,776,230,630) | (23,986,024,408) |
| Long-term work in progress | 240 | | 960,178,818 | 727,469,940 |
| Construction in progress | 242 | 16 | 960,178,818 | 727,469,940 |
| Long-term financial investments | 250 | 17 | - | - |
| 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) |
| Other long-term assets | 260 | | 44,799,474,265 | 45,847,743,340 |
| Long-term prepaid expenses | 261 | 18 | 44,799,474,265 | 45,847,743,340 |
| TOTAL ASSETS (270 = 100 + 200) | 270 | | 714,594,857,876 | 695,640,970,403 |

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

NET Detergent Joint Stock Company
Balance sheet as at 30 June 2021 (continued)

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

| | Code | Note | 30/6/2021 VND | 1/1/2021 VND |
|--------------------------------------------------------------------|------------|-----------|------------------------|------------------------|
| RESOURCES | | | | |
| LIABILITIES (300 = 310 + 330) | 300 | | 267,969,475,455 | 308,518,446,622 |
| Current liabilities | 310 | | 267,869,475,455 | 308,418,446,622 |
| Accounts payable to suppliers | 311 | 19 | 182,980,225,059 | 201,953,380,112 |
| Advances from customers | 312 | | 10,167,715,038 | 12,141,553,837 |
| Taxes payable to State Treasury | 313 | 20 | 10,396,023,334 | 5,591,019,658 |
| Payables to employees | 314 | | 13,914,516,331 | 16,850,499,792 |
| Accrued expenses | 315 | 21 | 26,099,522,401 | 34,128,206,478 |
| Other short-term payables | 319 | 22 | 11,138,571,402 | 11,066,530,037 |
| Short-term borrowings | 320 | 23 | 1,065,277,120 | 20,698,633,290 |
| Bonus and welfare funds | 322 | 24 | 12,107,624,770 | 5,988,623,418 |
| Long-term liabilities | 330 | | 100,000,000 | 100,000,000 |
| Other long-term payables | 337 | | 100,000,000 | 100,000,000 |
| EQUITY (400 = 410) | 400 | | 446,625,382,421 | 387,122,523,781 |
| Owners' equity | 410 | 25 | 446,625,382,421 | 387,122,523,781 |
| Share capital * | 411 | 26 | 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 | 28 | 15,706,553,642 | 15,706,553,642 |
| Undistributed profits after tax | 421 | | 206,935,088,779 | 147,432,230,139 |
| - Undistributed profits after tax brought forward | 421a | | 139,427,230,139 | 14,020,997,559 |
| - Undistributed profit after tax for the current period/prior year | 421b | | 67,507,858,640 | 133,411,232,580 |
| TOTAL RESOURCES (440 = 300 + 400) | 440 | | 714,594,857,876 | 695,640,970,403 |

11 August 2021

Prepared by:



Tran Thi Ai Lien
 Chief Accountant

Approved by:



Thái Thị Hồng Yến
 General Director

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

NET Detergent Joint Stock Company
Statement of income for the six-month period ended 30 June 2021

Form B 02a – DN

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

| | Code | Note | Six-month period ended | |
|--------------------------------------------------------------------------------|-----------|-----------|------------------------|------------------------|
| | | | 30/6/2021 VND | 30/6/2020 VND |
| Revenue from sale of goods and provision of services | 01 | 30 | 739,962,052,871 | 727,387,831,753 |
| Revenue deductions | 02 | 30 | - | 1,163,066,360 |
| Net revenue from sale of goods and provision of services (10 = 01 - 02) | 10 | 30 | 739,962,052,871 | 726,224,765,393 |
| Cost of sales and services | 11 | 31 | 578,392,360,609 | 558,073,974,791 |
| Gross profit (20 = 10 - 11) | 20 | | 161,569,692,262 | 168,150,790,602 |
| Financial income | 21 | 32 | 3,597,844,594 | 5,287,267,966 |
| Financial expenses | 22 | 33 | 693,879,609 | 1,723,641,065 |
| <i>In which: Interest expense</i> | 23 | | 269,769,881 | 311,308,391 |
| Selling expenses | 25 | 34 | 72,098,067,576 | 72,202,212,024 |
| General and administration expenses | 26 | 35 | 15,324,508,549 | 15,024,307,121 |
| Net operating profit {30 = 20 + (21 - 22) - (25 + 26)} | 30 | | 77,051,081,122 | 84,487,898,358 |
| Other income | 31 | | 378,295,619 | 563,293,042 |
| Other expenses | 32 | | 248,885,902 | 177,939,695 |
| Results of other activities (40 = 31 - 32) | 40 | | 129,409,717 | 385,353,347 |
| Accounting profit before tax (50 = 30 + 40) | 50 | | 77,180,490,839 | 84,873,251,705 |
| Income tax expense – current | 51 | 37 | 9,672,632,199 | 10,818,074,952 |
| Net profit after tax (60 = 50 - 51) | 60 | | 67,507,858,640 | 74,055,176,753 |

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

NET Detergent Joint Stock Company
Statement of cash flows for the six-month period ended 30 June 2021
(Indirect method)

Form B 03a – DN

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

| | Code | Six-month period ended | |
|-------------------------------------------------------------------------------------------------|-----------|------------------------|-------------------------|
| | | 30/6/2021 VND | 30/6/2020 VND |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Accounting profit before tax | 01 | 77,180,490,839 | 84,873,251,705 |
| Adjustments for | | | |
| Depreciation and amortisation | 02 | 10,697,992,073 | 10,512,163,200 |
| Exchange gains arising from revaluation of monetary items dominated in foreign currencies | 04 | (3,085,116) | (156,474,325) |
| Profits from investing activities | 05 | (2,284,413,296) | (3,729,212,285) |
| Interest expense | 06 | 269,769,881 | 311,308,391 |
| Operating profit before changes in working capital | 08 | 85,860,754,381 | 91,811,036,686 |
| Change in receivables and other assets | 09 | 792,049,812 | (14,913,852,949) |
| Change in inventories | 10 | (3,057,879,991) | (40,625,090,612) |
| Change in payables and other liabilities | 11 | (31,132,602,923) | 26,055,470,533 |
| Change in prepaid expenses | 12 | 675,849,075 | 459,336,769 |
| | | 53,138,170,354 | 62,786,900,427 |
| Interest paid | 14 | (274,306,556) | (311,140,110) |
| Corporate income tax paid | 15 | (5,585,938,910) | (6,295,711,826) |
| Other payments for operating activities | 17 | (1,885,998,648) | (1,822,000,000) |
| Net cash flows from operating activities | 20 | 45,391,926,240 | 54,358,048,491 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for additions to fixed assets and other long-term assets | 21 | (7,181,093,152) | (2,186,078,402) |
| Placements of term deposits at banks | 23 | (21,500,000,000) | (59,600,000,000) |
| Withdrawals of term deposits at banks | 24 | 66,400,000,000 | 27,800,000,000 |
| Receipts of interest | 27 | 2,302,612,198 | 2,747,659,955 |
| Net cash flows from investing activities | 30 | 40,021,519,046 | (31,238,418,447) |

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

NET Detergent Joint Stock Company
Statement of cash flows for the six-month period ended 30 June 2021
(Indirect method – continued)

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

| | Code | Six-month period ended | |
|------------------------------------------------------------------------------|-----------|-------------------------|-----------------------|
| | | 30/6/2021 VND | 30/6/2020 VND |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from borrowings | 33 | 45,063,587,870 | 62,067,125,640 |
| Payments to settle loan principals | 34 | (64,694,640,240) | (57,714,926,780) |
| Payments of dividends | 36 | - | (4,479,674,800) |
| Net cash flows from financing activities | 40 | (19,631,052,370) | (127,475,940) |
| Net cash flows during the period (50 = 20 + 30 + 40) | 50 | 65,782,392,916 | 22,992,154,104 |
| Cash and cash equivalents at beginning of the period | 60 | 39,563,916,661 | 36,532,947,546 |
| Effect of exchange rate fluctuations on cash and cash equivalents | 61 | 87,185 | 3,245,981 |
| Cash and cash equivalents at end of the period (70 = 50 + 60 + 61) | 70 | 105,346,396,762 | 59,528,347,631 |

11 August 2021

Prepared by:


Tran Thi Ai Lien
Chief Accountant

Approved by:



Thai Thi Hong Yen
General Director

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

NET Detergent Joint Stock Company

Notes to the interim financial statements for the six-month period ended 30 June 2021

Form B 09a – 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 interim 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 30 June 2021, the Company had 3 dependent branches, which are Hanoi Branch, Ho Chi Minh Branch and Bien Hoa Branch (1/1/2021: 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; and trade in real estate.

(c) Normal operating cycle

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

(d) The Company’s headcount

As at 30 June 2021, the Company had 543 employees (1/1/2021: 592 employees).

2. Basis of preparation

(a) Statement of compliance

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

(b) Basis of measurement

The interim 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 interim financial statements for the six-month period ended 30 June 2021
(continued)

Form B 09a – 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. The interim financial statements are prepared for the six-month period ended 30 June 2021.

(d) Accounting and presentation currency

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

3. Significant accounting policies

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

The accounting policies that have been adopted by the Company in the preparation of these interim financial statements are consistent with those adopted in the preparation of the latest annual financial statements.

(a) Foreign currency transactions

Transactions in currencies other than VND during the period 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 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 interim financial statements for the six-month period ended 30 June 2021
(continued)

Form B 09a – DN
*(Issued under Circular No. 200/2014/TT-BTC
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(c) Investments

(i) Held-to-maturity investments

Held-to-maturity investments are those that the Company's Board of Management has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at banks with original terms to maturity of more than three months from their transaction dates. 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 Board of 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 interim financial statements for the six-month period ended 30 June 2021
(continued)

Form B 09a – 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, maintenance and overhaul cost, is charged to the statement of income in the period in which the cost is 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 and 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 a new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible fixed asset. Software cost is amortised on a straight-line basis over a period ranging from 8 years to 10 years.

(h) Investment property held to earn rental

(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 repair and maintenance cost, is charged to the statement of income in the period in which the cost 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 interim financial statements for the six-month period ended 30 June 2021
(continued)

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

(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 costs of construction and machinery which have not been fully completed or installed. No depreciation is provided for construction in progress during the period of construction and installation.

(j) Long-term prepaid expenses

(i) Infrastructure usage fees

Infrastructure usage fees 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 supplies

Tools and supplies 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. Costs of tools and supplies are amortised on a straight-line basis over a period ranging from 2 years to 3 years.

(k) Accounts payable to suppliers and other payables

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

(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 interim financial statements for the six-month period ended 30 June 2021
(continued)**

Form B 09a – DN

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

(m) Share capital

Ordinary shares

Ordinary shares are classified as equity. Ordinary shares are recognised at issuance price less incremental costs directly attributable to the issuance of shares, net of tax effects. Such costs are recognised as a deduction from share premium. The excess of proceeds from issuance of shares over the par value of shares issued is recorded as share premium.

(n) Taxation

Income tax on the profit or loss for the period 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 in equity, in which case it is recognised in equity.

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

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 amounts of assets and liabilities using the tax rates enacted or substantively enacted at the end of the 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) Sale of goods

Revenue from 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 from sale of goods is recognised at the net amount after deducting sale discounts stated on the invoice.

NET Detergent Joint Stock Company

**Notes to the interim financial statements for the six-month period ended 30 June 2021
(continued)**

Form B 09a – DN

*(Issued under Circular No. 200/2014/TT-BTC
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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 buyer. 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, over the term of the lease.

(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 period 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 period 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 period. 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 period.

NET Detergent Joint Stock Company

**Notes to the interim financial statements for the six-month period ended 30 June 2021
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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 Company's Board of Management assesses that the Company only operates in one main business segment, which is manufacturing detergents and chemicals. Therefore, 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 interim financial statements is presented as corresponding figures. Under this method, comparative information for the prior period is included as an integral part of the current period interim financial statements and is intended to be read only in relation to the amounts and other disclosures relating to the current period. Accordingly, the comparative information included in these interim financial statements is not intended to present the Company's financial position, results of operations or cash flows for the prior period.

The comparative information as at 1 January 2021 was brought forward from the Company's financial statements as at and for the year ended 31 December 2020. The comparative information for the six-month period ended 30 June 2020 was brought forward from the Company's interim financial statements as at and for the six-month period ended 30 June 2020.

4. Seasonality of operations

The Company's operations is not subject to seasonal fluctuations.

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5. Changes in accounting estimates

In preparing these interim financial statements, the Company's Board of Management has made several accounting estimates. Actual results may differ from these estimates. There were no significant changes in accounting estimates made in the interim financial statements for the six-month period ended 30 June 2021 compared to those made in the most recent annual financial statements or those made in the same interim period of the prior year.

6. Changes in the composition of the Company

There were no significant changes in the composition of the Company since the end of the last accounting period which affect the Company's interim financial statements for the six-month period ended 30 June 2021.

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7. Segment reporting

In presenting information on the basis of geographical segments, segment revenue is allocated 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 are in Vietnam. The Company’s geographical segments are as follows:

| | Domestic | | Overseas | | Total | |
|----------------------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|
| | Six-month period ended 30/6/2021 VND | Six-month period ended 30/6/2020 VND | Six-month period ended 30/6/2021 VND | Six-month period ended 30/6/2020 VND | Six-month period ended 30/6/2021 VND | Six-month period ended 30/6/2020 VND |
| Net revenue from sale of goods and provision of services | 551,461,880,061 | 527,759,711,494 | 188,500,172,810 | 198,465,053,899 | 739,962,052,871 | 726,224,765,393 |
| Cost of sales and services | 437,988,467,874 | 407,095,132,221 | 140,403,892,735 | 150,978,842,570 | 578,392,360,609 | 558,073,974,791 |
| Gross profit | 113,473,412,187 | 120,664,579,273 | 48,096,280,075 | 47,486,211,329 | 161,569,692,262 | 168,150,790,602 |

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8. Cash and cash equivalents

| | 30/6/2021 | 1/1/2021 |
|------------------|------------------|-----------------|
| | VND | VND |
| Cash on hand | 309,752,137 | 825,376,325 |
| Cash at banks | 5,836,644,625 | 13,738,540,336 |
| Cash equivalents | 99,200,000,000 | 25,000,000,000 |
| | 105,346,396,762 | 39,563,916,661 |

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

9. Held-to-maturity investments – short-term

| | 30/6/2021 | 1/1/2021 |
|------------------------|------------------|-----------------|
| | VND | VND |
| Term deposits at banks | 40,400,000,000 | 85,300,000,000 |

Held-to-maturity investments – short-term represented term deposits at banks with terms to maturity of twelve months or less from the end of the accounting period. Term deposits are denominated in VND and earned annual interest at rates ranging from 3.1% to 4.6% during the period (for the six-month period ended 30 June 2020: from 5.1% to 7.0% per annum).

10. Accounts receivable from customers

Accounts receivable from customers who are related parties

| | 30/6/2021 | 1/1/2021 |
|-------------------------------------------------------------|------------------|-----------------|
| | VND | VND |
| Other related parties | | |
| Vincommerce General Commercial Services Joint Stock Company | 8,266,184,232 | 13,306,881,061 |
| Masan Consumer Corporation | 6,590,565,586 | - |

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 interim financial statements for the six-month period ended 30 June 2021
(continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
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| | 30/6/2021 | 1/1/2021 |
|----------------------------------------------------|------------------|-----------------|
| | VND | VND |
| Deposits | 1,014,100,000 | 986,100,000 |
| Accrued interest receivable from deposits at banks | 853,641,919 | 871,840,821 |
| Advances | 80,883,500 | 26,900,000 |
| Others | 450,192,254 | 515,593,770 |
| | <hr/> | <hr/> |
| | 2,398,817,673 | 2,400,434,591 |
| | <hr/> | <hr/> |

12. Inventories

| | 30/6/2021 | 1/1/2021 |
|--------------------|------------------|-----------------|
| | VND | VND |
| Goods in transit | 10,175,084,256 | 6,967,192,940 |
| Raw materials | 137,201,639,275 | 137,030,048,677 |
| Tools and supplies | 377,485,562 | 450,049,440 |
| Work in progress | 3,087,428,197 | 2,111,388,897 |
| Finished goods | 51,136,489,990 | 52,361,567,335 |
| | <hr/> | <hr/> |
| | 201,978,127,280 | 198,920,247,289 |
| | <hr/> | <hr/> |

NET Detergent Joint Stock Company

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13. Tangible fixed assets

| | Buildings and structures VND | Machinery and equipment VND | Motor vehicles VND | Office equipment VND | Total VND |
|----------------------------------------|---------------------------------|--------------------------------|-----------------------|-------------------------|-----------------|
| Cost | | | | | |
| Opening balance | 227,562,463,142 | 144,698,839,858 | 10,958,053,136 | 1,898,374,212 | 385,117,730,348 |
| Additions | - | 105,200,000 | - | 189,000,000 | 294,200,000 |
| Transfer from construction in progress | 490,725,644 | 907,850,600 | - | - | 1,398,576,244 |
| Closing balance | 228,053,188,786 | 145,711,890,458 | 10,958,053,136 | 2,087,374,212 | 386,810,506,592 |
| Accumulated depreciation | | | | | |
| Opening balance | 40,217,076,421 | 87,670,603,775 | 6,915,911,517 | 1,001,688,043 | 135,805,279,756 |
| Charge for the period | 5,220,792,835 | 4,212,715,531 | 349,008,823 | 93,518,666 | 9,876,035,855 |
| Closing balance | 45,437,869,256 | 91,883,319,306 | 7,264,920,340 | 1,095,206,709 | 145,681,315,611 |
| Net book value | | | | | |
| Opening balance | 187,345,386,721 | 57,028,236,083 | 4,042,141,619 | 896,686,169 | 249,312,450,592 |
| Closing balance | 182,615,319,530 | 53,828,571,152 | 3,693,132,796 | 992,167,503 | 241,129,190,981 |

Included in tangible fixed assets were assets costing VND58,418 million which were fully depreciated as of 30 June 2021 (1/1/2021: VND57,589 million), but which are still in active use.

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Notes to the interim financial statements for the six-month period ended 30 June 2021
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14. Intangible fixed assets

| | Software VND |
|---------------------------------|-------------------------|
| Cost | |
| Opening and closing balances | 549,000,000 |
| Accumulated amortisation | |
| Opening balance | 67,958,323 |
| Charge for the period | 31,749,996 |
| Closing balance | 99,708,319 |
| Net book value | |
| Opening balance | 481,041,677 |
| Closing balance | 449,291,681 |

15. Investment property

| | Buildings VND | Infrastructures VND | Total VND |
|---------------------------------|--------------------------|--------------------------------|----------------------|
| Cost | | | |
| Opening and closing balances | 31,727,073,211 | 2,778,603,708 | 34,505,676,919 |
| Accumulated depreciation | | | |
| Opening balance | 21,758,233,867 | 2,227,790,541 | 23,986,024,408 |
| Charge for the period | 758,842,968 | 31,363,254 | 790,206,222 |
| Closing balance | 22,517,076,835 | 2,259,153,795 | 24,776,230,630 |
| Net book value | | | |
| Opening balance | 9,968,839,344 | 550,813,167 | 10,519,652,511 |
| Closing balance | 9,209,996,376 | 519,449,913 | 9,729,446,289 |

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Included in investment property were assets costing VND2,545 million which were fully depreciated as of 30 June 2021 (1/1/2021: VND2,545 million), but which are still in active use.

The Company has not determined the fair value of investment property for disclosure in the interim financial statements because there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. The fair value of the investment property may differ from its carrying amount.

16. Construction in progress

| | VND |
|-----------------------------------|-----------------|
| Opening balance | 727,469,940 |
| Additions | 1,631,285,122 |
| Transfer to tangible fixed assets | (1,398,576,244) |
| | 960,178,818 |
| Closing balance | 960,178,818 |

17. Long-term financial investments

Equity investments in other entities represented an investment in Can Tho Vegetables Joint Stock Company (“Can Tho Vegetables”) with the amount of VND716,390,400. The Company held 6,600 shares with the par value per share of VND100,000 which equivalents to 10.1% of the charter capital of Can Tho Vegetables. As at the reporting date, Can Tho Vegetables stopped its operation due to prolonged losses and it also carried out the procedures to dissolve the enterprise. The Company’s Board of Management has fully made allowance for diminution in the value of this investment.

18. Long-term prepaid expenses

| | Infrastructure usage fees VND | Tools and supplies VND | Total VND |
|-----------------------------|----------------------------------------------|---------------------------------------|----------------------|
| Opening balance | 44,377,825,686 | 1,469,917,654 | 45,847,743,340 |
| Additions | - | 175,525,000 | 175,525,000 |
| Amortisation for the period | (564,124,902) | (659,669,173) | (1,223,794,075) |
| | 43,813,700,784 | 985,773,481 | 44,799,474,265 |
| Closing balance | 43,813,700,784 | 985,773,481 | 44,799,474,265 |

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Notes to the interim financial statements for the six-month period ended 30 June 2021
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19. Accounts payable to suppliers

Accounts payable to suppliers who are related parties

| | Cost/Amount within payment capacity | |
|-------------------------------------------------------------------------|------------------------------------------------|-----------------|
| | 30/6/2021 | 1/1/2021 |
| | VND | VND |
| Other related parties | | |
| Bien Hoa Chemicals Plant – South Basic Chemicals Joint Stock Company | 6,936,921,200 | 6,480,460,800 |
| South Chemicals Import-Export Joint Stock Company | 3,294,324,000 | 3,790,299,150 |
| | 6,936,921,200 | 6,480,460,800 |

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

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20. Taxes payable to State Treasury

| | 1/1/2021 VND | Incurred VND | Paid/Net-off VND | 30/6/2021 VND |
|---------------------------------|-----------------|-----------------|---------------------|------------------|
| Value added tax | 308,350,235 | 64,414,265,786 | (64,419,229,606) | 303,386,415 |
| Value added tax of import goods | - | 8,150,541,977 | (8,150,541,977) | - |
| Corporate income tax | 5,001,028,737 | 9,672,632,199 | (5,585,938,910) | 9,087,722,026 |
| Import tax | - | 1,311,840,894 | (1,311,840,894) | - |
| Personal income tax | 272,193,552 | 377,100,431 | (517,293,590) | 132,000,393 |
| Others | 9,447,134 | 1,093,600,708 | (230,133,342) | 872,914,500 |
| | 5,591,019,658 | 85,019,981,995 | (80,214,978,319) | 10,396,023,334 |



NET Detergent Joint Stock Company**Notes to the interim financial statements for the six-month period ended 30 June 2021
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| | 30/6/2021 | 1/1/2021 |
|--------------------------------|------------------|-----------------|
| | VND | VND |
| Promotion and support expenses | 18,151,398,488 | 23,500,969,258 |
| Transportation expense | 3,723,200,349 | 3,939,831,518 |
| Sales commission expense | 2,854,019,714 | 2,702,861,432 |
| Interest expense | - | 4,536,675 |
| Others | 1,370,903,850 | 3,980,007,595 |
| | <hr/> | <hr/> |
| | 26,099,522,401 | 34,128,206,478 |

22. Other short-term payables

| | 30/6/2021 | 1/1/2021 |
|--------------------------|------------------|-----------------|
| | VND | VND |
| Other payables to staffs | 6,564,090,126 | 6,992,828,512 |
| Deposits received | 1,186,900,000 | 1,186,900,000 |
| Union fees | 644,473,155 | 426,304,995 |
| Others | 2,743,108,121 | 2,460,496,530 |
| | <hr/> | <hr/> |
| | 11,138,571,402 | 11,066,530,037 |

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Notes to the interim financial statements for the six-month period ended 30 June 2021 (continued)

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23. Short-term borrowings

| | 1/1/2021 | | Movements during the period | | | 30/6/2021 | |
|-----------------------|---------------------|--------------------------------------|-----------------------------|------------------|----------------------------------|---------------------|--------------------------------------|
| | Carrying amount VND | Amount within repayment capacity VND | Additions VND | Repayments VND | Foreign exchange differences VND | Carrying amount VND | Amount within repayment capacity VND |
| Short-term borrowings | 20,698,633,290 | 20,698,633,290 | 45,063,587,870 | (64,694,640,240) | (2,303,800) | 1,065,277,120 | 1,065,277,120 |

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

| | Currency | Annual interest rate | 30/6/2021 VND | 1/1/2021 VND |
|----------------------|----------|----------------------|---------------|----------------|
| Unsecured bank loans | USD | 2.0% | 1,065,277,120 | 20,698,633,290 |

As at 30 June 2021 and 1 January 2021, the Company did not have any overdue borrowings including principal and interest.

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24. Bonus and welfare funds

Bonus and welfare funds were appropriated from undistributed profits after tax in accordance with the resolution of the Annual General Meeting of Shareholders. 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 funds during the period were as follows:

| | Six-month period ended | |
|---------------------------------|------------------------|-----------------|
| | 30/6/2021 | 30/6/2020 |
| | VND | VND |
| Opening balance | 5,988,623,418 | 9,756,765,654 |
| Appropriation during the period | 8,005,000,000 | 1,822,000,000 |
| Utilisation during the period | (1,885,998,648) | (4,044,909,035) |
| Closing balance | 12,107,624,770 | 7,533,856,619 |

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25. Changes in owners' equity

| | Share capital VND | Investment and development fund VND | Undistributed profits after tax VND | Total VND |
|------------------------------------------|----------------------|----------------------------------------|----------------------------------------|-----------------|
| Balance as at 1 January 2020 | 223,983,740,000 | 15,706,553,642 | 69,599,095,159 | 309,289,388,801 |
| Net profit for the period | - | - | 74,055,176,753 | 74,055,176,753 |
| Dividends | - | - | (4,479,674,800) | (4,479,674,800) |
| Appropriation to bonus and welfare funds | - | - | (1,822,000,000) | (1,822,000,000) |
| Balance as at 30 June 2020 | 223,983,740,000 | 15,706,553,642 | 137,352,597,112 | 377,042,890,754 |
| Balance as at 1 January 2021 | 223,983,740,000 | 15,706,553,642 | 147,432,230,139 | 387,122,523,781 |
| Net profit for the period | - | - | 67,507,858,640 | 67,507,858,640 |
| Appropriation to bonus and welfare funds | - | - | (8,005,000,000) | (8,005,000,000) |
| Balance as at 30 June 2021 | 223,983,740,000 | 15,706,553,642 | 206,935,088,779 | 446,625,382,421 |



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26. Share capital

The Company's authorised and issued share capital were as follows:

| | 30/6/2021 | | 1/1/2021 | |
|----------------------------------------------------------|------------------|-----------------|------------------|-----------------|
| | Number of shares | VND | Number of shares | VND |
| Authorised share capital | 22,398,374 | 223,983,740,000 | 22,398,374 | 223,983,740,000 |
| Issued share capital | | | | |
| Ordinary shares | 22,398,374 | 223,983,740,000 | 22,398,374 | 223,983,740,000 |
| Share capital and shares currently in circulation | | | | |
| 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 dividends 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 were no movements of share capital during the period.

27. Dividends

The Annual General Meeting of Shareholders of the Company on 23 April 2021 resolved to distribute dividends by cash amounting to VND134,390 million. The dividends payable will be accrued upon the approval of Board of Directors and the list of shareholders entitled is determined.

28. Investment and development fund

Investment and development fund was appropriated from undistributed profits after tax in accordance with the resolution of the Annual General Meeting of Shareholders. This fund is established for the purpose of future business expansion.

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29. Off balance sheet items

(a) Lease commitments

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

| | 30/6/2021 | 1/1/2021 |
|------------------------|------------------|-----------------|
| | VND | VND |
| Within one year | 3,189,403,374 | 2,789,574,341 |
| From two to five years | 9,042,802,980 | 9,109,305,764 |
| More than five years | 57,591,398,109 | 59,006,115,961 |
| | 69,823,604,463 | 70,904,996,066 |

(b) Foreign currencies

| | 30/6/2021 | | 1/1/2021 | |
|-------|------------------------------|---------------------------|------------------------------|---------------------------|
| | Original currency | VND equivalent | Original currency | VND equivalent |
| ▪ USD | 30,045 | 688,607,104 | 25,981 | 598,474,408 |
| ▪ EUR | 218 | 5,849,869 | 223 | 6,242,076 |
| | | 694,456,973 | | 604,716,484 |

(c) Capital expenditure commitments

The Company had the following outstanding capital commitments approved but not provided for in the balance sheet:

| | 30/6/2021 | 1/1/2021 |
|-------------------------|------------------|-----------------|
| | VND | VND |
| Approved and contracted | 5,359,259,091 | 6,172,988,387 |
| | | |

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30. Revenue from sale of goods and provision of services

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

| | Six-month period ended | |
|-------------------------------------|-------------------------------|------------------|
| | 30/6/2021 | 30/6/2020 |
| | VND | VND |
| Total revenue | | |
| ▪ Sale of finished goods | 717,189,976,766 | 699,130,346,968 |
| ▪ Processing services | 16,662,558,864 | 22,873,785,262 |
| ▪ Factory rental and other services | 3,977,274,530 | 2,060,334,540 |
| ▪ Others | 2,132,242,711 | 3,323,364,983 |
| | 739,962,052,871 | 727,387,831,753 |
| Less revenue deductions | | |
| ▪ Sale discounts | - | 1,163,066,360 |
| | | 1,163,066,360 |
| Net revenue | 739,962,052,871 | 726,224,765,393 |

31. Cost of sales and services

| | Six-month period ended | |
|-------------------------------------|-------------------------------|------------------|
| | 30/6/2021 | 30/6/2020 |
| | VND | VND |
| Total cost of sales | | |
| ▪ Finished goods sold | 560,352,703,556 | 536,451,984,762 |
| ▪ Processing services | 13,856,420,665 | 19,428,567,807 |
| ▪ Factory rental and other services | 2,825,948,178 | 1,200,213,386 |
| ▪ Others | 1,357,288,210 | 993,208,836 |
| | 578,392,360,609 | 558,073,974,791 |

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Notes to the interim financial statements for the six-month period ended 30 June 2021
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32. Financial income

| | Six-month period ended | |
|------------------------|------------------------|------------------|
| | 30/6/2021 VND | 30/6/2020 VND |
| Interest income | 2,284,413,296 | 3,729,212,285 |
| Foreign exchange gains | 1,313,431,298 | 1,558,055,681 |
| | 3,597,844,594 | 5,287,267,966 |

33. Financial expenses

| | Six-month period ended | |
|-------------------------|------------------------|------------------|
| | 30/6/2021 VND | 30/6/2020 VND |
| Interest expense | 269,769,881 | 311,308,391 |
| Foreign exchange losses | 424,109,728 | 1,412,332,674 |
| | 693,879,609 | 1,723,641,065 |

34. Selling expenses

| | Six-month period ended | |
|-------------------------------|------------------------|------------------|
| | 30/6/2021 VND | 30/6/2020 VND |
| Sale support expenses | 26,803,652,853 | 23,612,963,238 |
| Transportation expense | 24,167,683,186 | 19,497,474,559 |
| Staff costs | 15,738,735,857 | 14,149,600,570 |
| Packaging expense | 1,071,304,149 | 1,066,565,446 |
| Promotion expense | 948,152,225 | 11,285,710,808 |
| Depreciation and amortisation | 182,387,371 | 193,482,708 |
| Others | 3,186,151,935 | 2,396,414,695 |
| | 72,098,067,576 | 72,202,212,024 |

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35. General and administration expenses

| | Six-month period ended | |
|--------------------------------|------------------------|----------------|
| | 30/6/2021 | 30/6/2020 |
| | VND | VND |
| Staff costs | 6,197,817,598 | 5,922,163,139 |
| Depreciation and amortisation | 1,901,801,336 | 1,861,263,843 |
| Taxes, fees and duties | 1,809,459,402 | 1,605,762,444 |
| Office materials and equipment | 920,639,779 | 791,206,548 |
| Others | 4,494,790,434 | 4,843,911,147 |
| | 15,324,508,549 | 15,024,307,121 |

36. Production and business costs by elements

| | Six-month period ended | |
|-------------------------------|------------------------|-------------------|
| | 30/6/2021 | 30/6/2020 |
| | VND | VND |
| Material expenses | 524,861,197,503 | 518,226,301,640 |
| Labour costs and staff costs | 35,139,396,190 | 36,425,054,077 |
| Depreciation and amortisation | 10,697,992,073 | 10,512,163,200 |
| Others | 95,116,350,968 | 80,136,975,019 |
| | 1,166,095,538,734 | 1,155,341,694,976 |

37. Income tax

(a) Recognised in the statement of income

| | Six-month period ended | |
|----------------------------------|------------------------|----------------|
| | 30/6/2021 | 30/6/2020 |
| | VND | VND |
| Current period | 9,355,189,994 | 10,818,074,952 |
| Under provision in prior periods | 317,442,205 | - |
| | 9,672,632,199 | 10,818,074,952 |

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(b) Reconciliation of effective tax rate

| | Six-month period ended | |
|----------------------------------|-------------------------------|------------------|
| | 30/6/2021 | 30/6/2020 |
| | VND | VND |
| Accounting profit before tax | 77,180,490,839 | 84,873,251,705 |
| Tax at the Company's tax rate | 15,436,098,168 | 16,974,650,341 |
| Tax incentives | (5,645,964,227) | (6,164,107,079) |
| Other temporary differences | (446,782,947) | - |
| Non-deductible expenses | 11,839,000 | 7,531,690 |
| Under provision in prior periods | 317,442,205 | - |
| | 9,672,632,199 | 10,818,074,952 |

(c) Applicable tax rates

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

The usual corporate income tax rate applicable to enterprises before any incentives is 20%.

(d) Tax contingencies

The taxation laws and their application in Vietnam are subject to interpretation and change over time as well as from one tax office to another. The final tax position may be subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges. These facts may create tax risks in Vietnam that are substantially more significant than in other countries. Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation, including transfer pricing requirements and computation of corporate income tax. However, the relevant authorities may have different interpretations and the effects could be significant.

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38. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share for the six-month period ended 30 June 2021 was based on the profit attributable to ordinary shareholders after deducting the amounts appropriated to bonus and welfare funds for the period of VND67,508 million (for the six-month period ended 30 June 2020: VND70,053 million) and a weighted average number of ordinary shares outstanding of 22,398,374 (for the six-month period ended 30 June 2020: 22,398,374 shares), calculated as follows:

(i) Net profit attributable to ordinary shareholders

| | Six-month period ended | |
|--------------------------------------------------|------------------------|-----------------------|
| | 30/6/2021 | 30/6/2020 |
| | VND | VND (Restated) (*) |
| Net profit attributable to ordinary shareholders | 67,507,858,640 | 70,052,676,753 |

(ii) Weighted average number of ordinary shares

| | Six-month period ended | |
|--------------------------------------------------------------|------------------------|------------|
| | 30/6/2021 | 30/6/2020 |
| Weighted average number of ordinary shares during the period | 22,398,374 | 22,398,374 |

(iii) Basic earnings per share

| | Six-month period ended | |
|--------------------------|------------------------|-----------------------|
| | 30/6/2021 | 30/6/2020 |
| | VND | VND (Restated) (*) |
| Basic earnings per share | 3,014 | 3,128 |

(*) The basic earnings per share for the six-month period ended 30 June 2020 has been recalculated based on the profit attributable to ordinary shareholders after deducting the actual amount appropriated to bonus and welfare funds, which was approved by shareholders in the Annual General Meeting of Shareholders.

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(b) Diluted earnings per share

As at 30 June 2021 and 1 January 2021, the Company did not have any potential diluted shares. Therefore, the presentation of diluted earnings per share is not applicable.

39. Significant transactions with related parties

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

| | Transaction value | |
|---------------------------------------------------------------------------------|--------------------------------------------|------------------|
| | Six-month period ended 30/6/2021 VND | 30/6/2020 VND |
| <i>Other related parties</i> | | |
| Bien Hoa Chemicals Plant – South Basic Chemicals Joint Stock Company | | |
| Purchase of goods | 15,842,070,000 | 22,299,723,800 |
| South Chemicals Import-Export Joint Stock Company | | |
| Purchase of goods | 16,300,990,900 | 12,706,669,650 |
| Masan Consumer Corporation | | |
| Sale of goods | 57,645,158,970 | 39,473,785,118 |
| Vincommerce General Commercial Services Joint Stock Company | | |
| Sale of goods | 13,326,524,321 | 771,185,390 |
| Members of Board of Directors and Board of Management | | |
| Remuneration | 474,010,000 | 1,104,000,000 |



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40. Post balance sheet events

There has been no significant event occurred after the balance sheet date which would require adjustments or disclosures to be made in the interim financial statements.

11 August 2021

Prepared by:



Tran Thi Ai Lien
Chief Accountant

Approved by:



Thai Thi Hong Yen
General Director

