

APPENDIX 05

CORPORATE GOVERNANCE REPORT

(Issued under Circular No. 155/2015/TT-BTC dated October 6th 2015 of the Ministry of Finance On guidelines for information disclosure on securities market)

**LIX DETERGENT
JOINT STOCK
COMPANY**

SOCIALIST REPUBLIC OF VIETNAM

Independence – Freedom - Happiness

No.: 02/2017/CV-HDQT

Hochiminh City, January 20th 2017

CORPORATE GOVERNANCE REPORT OF THE LISTED COMPANY

In 2016

Kind attention: - State Securities Commission of Vietnam
- Stock Exchange

- Listed company: LIX DETERGENT JOINT STOCK COMPANY
- Head Office: No. 3, Road No. 2, Quarter 4, Linh Trung Ward, Thu Duc District, Hochiminh City, Vietnam.
- Tel: 0838963658 Fax: 0838967522 E-mail: lixco@lixco.com
- Charter capital: 324,000,000,000 VND
- Stock code: LIX

I. Operation of THE ANNUAL MEETING OF SHAREHOLDERS:

The information of meetings and Resolutions/Decisions of the AGM (including resolutions of the AGM passed in the form of taking opinions by the written word)

No.	Resolution/ Decision No.	Date	Contents
1	01/2016/NQ- ĐHĐCĐ	28/04/2016	<p>1/ Passing the Audited Financial Statement in 2015.</p> <p>2/ Passing the plan of profit allocation and dividend payment in 2015.</p> <p>3/ Passing the issuance of shares to increase the charter capital from owners' the equity capital for existing shareholders in 2016 and relevant affairs.</p> <p>4/ Passing the operating plans and dividend allocation in 2016:</p> <ul style="list-style-type: none">• Total revenue : 1,850 billion VND• EBT : 160 billion VND

			<ul style="list-style-type: none"> • Share dividend : 20% <p>5/ Passing the authorization for the BOD basing on operating situation in the year to determine time and proportion of making an advance of share dividends in 2016.</p> <p>6/ Passing the authorization for the BOD to select one of two independent auditors in 2016.</p> <ul style="list-style-type: none"> • A&C Auditing and Consulting Co., Ltd. (A&C) • AASC Auditing Co., Ltd (AASC) <p>7/ Passing the amendment of the Charter of the company under the law on Enterprises No. 68/2014/QH13 dated 26/11/2014 and under the new charter capital after issuing the shares to increase the owners' equity capital of existing shareholders in 2016.</p> <p>8/ Passing the remuneration for the BOD and the IC in 2016:</p> <ul style="list-style-type: none"> • Remuneration of the BOD: 228 million VND/year • Remuneration of the IC: 66 million/year <p>9/ Passing the termination of the branch of LIX Detergent Joint Stock Company in Hanoi under the policy of moving the plant of the People's Committee of Hanoi City in 2016.</p> <p>10/ Passing the election of supplementation of members of the BOD and the IC of the Office Term 2012 – 2017.</p> <p>- Additional members of the BOD, including:</p> <p>+ Mr. Cao Thanh Tin</p> <p>+ Mr. Nguyen Xuan Bac</p> <p>- Additional members of the IC: Ms. Truong Thi Tram.</p>
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II. Board of Directors (Report in 2016):

1. Information of members of the Board of Directors (BOD):

No.	Members of the BOD	Position	Date of starting/ ceasing the member of the BOD	Number of meeting attendance	Rate	Reason of absence
01	Lam Van Kiet		Resigned from the Chairman and the member of BOD since 11/04/2016	7/21	33%	
02	Nguyen Xuan Bac	Chairman of BOD	Participated in BOD from 11/04/2016	14/21	67%	
03	Cao Thanh Tin	Member of BOD	Participated in BOD from 11/04/2016	14/21	67%	
04	Doan Thi Tam	Member of BOD	01/10/2003	21/21	100%	

No.	Members of the BOD	Position	Date of starting/ ceasing the member of the BOD	Number of meeting attendance	Rate	Reason of absence
05	Vo Thanh Danh		Resigned from the member of BOD since 15/10/2016	18/21	86%	
06	Bui Cong Than	Member of BOD	30/03/2012	21/21	100%	

2. Supervision of the Board of Directors upon the Board of Management:

The Board of Directors regularly supervises operations of the Board of Management and other managing affairs, to cooperate with the Inspection Committee to check implementations of:

- Targets and plans proposed by the AGM and the BOD.
- Progress and measures of implementations of resolutions of the AGM, the BOD and decisions of BOB.
- Operating plans and relevant economic targets.
- Appointing the position of General Director
- Compliance with regulations of the enterprise, the charter and current regulations of the government.

3. Activities of subcommittees of BOD: None

4. Resolutions/Decisions of BOD:

No.	Resolution No.	Date	Contents
01	01/2016/NQ-HĐQT	18/01/2016	Passing the operating result in 2015 and operating plans in 2016, Quarter I/2016.
02	02/2016/NQ-HĐQT	05/02/2016	Determining the salary fund in 2015
03	03/2016/NQ-HĐQT	26/02/2016	Adjusting the title of the legal representative of the company under the Certificate of Business Registration.
04	04/2016/NQ-HĐQT	09/03/2016	Supplementing the plan of construction investment in 2016 and adjusting the total investment of LIX Project in Bac Ninh.
05	05/2016/NQ-HĐQT	10/03/2016	Closing the list of shareholders participating in the AGM in 2016.
06	06/2016/QĐ-HĐQT	06/04/2016	Determining the resignation for retirement pension of Vice General Director Vo Thanh Danh.
07	07/2016/NQ-HĐQT	11/04/2016	- Supplementing members of BOD and Chairman of BOD - Passing main contents to prepare for the AGM in 2016 - Operating result of Quarter I/2016 and Plans of Quarter II/2016.
08	08/2016/NQ-HĐQT	28/04/2016	Voting Chairman of BOD of the company.
09	09/2016/NQ-HĐQT	04/05/2016	Closing the list of shareholders to allocate dividends of

No.	Resolution No.	Date	Contents
			stage 2 in 2015.
10	10/2016/NQ-HĐQT	12/05/2016	Selecting the independent auditor in 2016.
11	11/2016/NQ-HĐQT	01/06/2016	Passing the issuance of shares to increase the charter capital from the owners' equity capital for existing shareholders in 2016.
12	12/2016/NQ-HĐQT	01/06/2016	Passing the registration documents for issuance of additional shares to increase its charter capital from the owners' equity capital to the State Securities Commission of Vietnam.
13	13/2016/QĐ-HĐQT	22/06/2016	Terminating the operation of the branch of LIX Detergent Joint Stock Company in Hanoi.
14	14/2016/NQ-HĐQT	27/06/2016	Passing the final registration for issuance of shares to increase its charter capital from the owners' equity capital for existing shareholders in 2016.
15	15/2016/NQ-HĐQT	11/07/2016	Determining the establishment of the Representative Office of LIX Detergent Joint Stock Company in Hochiminh City.
16	16/2016/NQ-HĐQT	27/07/2016	Resolution on managing personnel of the company.
17	17/2016/NQ-HĐQT	27/07/2016	Determining the resignation for retirement pension of General Director Lam Van Kiet.
18	18/2016/NQ-HĐQT	27/07/2016	Determining to appoint Mr. Cao Thanh Tin as the general director to implement responsibilities, obligations and powers.
19	19/2016/NQ-HĐQT	27/07/2016	Passing the operating result of 6 beginning months of 2016 and operating plans of 6 ending months in 2016.
20	20/2016/NQ-HĐQT	15/08/2016	Passing the registration of charter capital from 216 billion to 324 billion VND.
21	21/2016/NQ-HĐQT	22/08/2016	Assigning Mr. Cao Thanh Tin to be on behalf of the company to sign relevant documents of loan at VIETIN Bank.
22	22/2016/NQ-HĐQT	20/10/2016	Passing the operating result of Quarter III/2016 and operating plans of IV/2016.
23	23/2016/NQ-HĐQT	09/11/2016	Closing the list of shareholders to make an advance of share dividends of stage 1 in 2016.
24	24/2016/NQ-HĐQT	20/12/2016	To appoint the general director of the company.

III. Inspection Committee:

1. INFORMATION OF MEMBERS OF THE INSPECTION COMMITTEE

No.	Member of IC	Position	Date of starting/ceasing the mebers of IC	Number of meeting attendance	Rate	Reason of absence
1	Le Dinh Vy	Head	-Date of starting: 30/3/2012 -Date of resigning: 11/4/2016	1/5	20%	Resigned from the Head and the member of IC since 11/4/2016
2	Truong Thi Tram	Head	- Date of starting: 28/04/2016	4/5	80%	Participated in the IC from 28/04/2016
3	Nguyen Ngoc Quang	Member	- Date of starting: 1/10/2003	5/5	100%	
4	Nguyen Thi Thuy Van	Member	- Date of starting: 17/4/2010	5/5	100%	

2. Inspection activities of the Inspection Committee upon the BOD, the BOM and the shareholders

- In 2016, the Supervision Committee has attended fully the meetings of the BOD quarterly and on-demand. The Supervision Committee evaluates that activities of the BOD are in conformity with regulations of the law and the company, timely meet the requirements of business operations of the Company.
- The Board of Directors has issued several resolutions and decisions relating to the activities of the Company within responsibilities and competence of the Board of Directors. Resolutions and Decisions of the Board of Directors have been issued in order, right with jurisdiction and in accordance with the legal basis under the provisions of law and the Company.

3. Combined operations between the Supervision Committee on activities of the Board of Directors

- In 2016, The Supervision Committee has been created flavor conditions by the Board of Management and the Board of Directors to provide full information on the situation of production and business activities and financial position of the Company.
- The Supervision Committee is invited to attend all meetings of the Board of Directors, express opinions on their functions and duties of the Supervision Committee.
- The Supervision Committee has cooperated closely with the Board of Directors, the Board of Management, but still maintained its independence in the performance of their assigned functions and tasks, coordinated in inspection, control activities.

4. Other activities of the Inspection Committee

The Inspection Committee has evaluated the quarterly financial statements provided by the Executive Committee as well as the independent audit report in 2015.

IV. Training on corporate governance:

The members of the Board of Directors, the Executive Committee and the company secretary joined the training program on Corporate Governance for public joint stock companies from 14/04/2016 to 15/04/2016 in Hochiminh City held by the Securities Research and Training Center.

V. List of affiliated persons of the listed company under the provisions of paragraph 34 of Article 6 of the Law on Securities and transactions of affiliated persons of the company with the company itself:

1. List of affiliated persons:

No.	Name of organization/ individual	Position in the company (if any)	ID Card, Date of issue and place of issue	Head office address/ mailing address	Date of being affiliated person	Date of ceasing affiliated person	Reason/Note
1	Lam Van Kiet			HCMC	01/10/2003	31/07/2016	Resigned from Chairman and the Member of BOD since

No.	Name of organization/ individual	Position in the company (if any)	ID Card, Date of issue and place of issue	Head office address/ mailing address	Date of being affiliated person	Date of ceasing affiliated person	Reason/Note
							11/04/2016. Retired under the law since 31/07/2016
2	Nguyen Xuan Bac	Chairman of BOD		Bac Giang	11/04/2016		
3	Cao Thanh Tin	Member of BOD cum Vice General Director		HCMC	11/04/2016		
4	Vo Thanh Danh	Member of BOD		HCMC	01/10/2003	15/10/2016	Resigned from the member of BOD
5	Doan Thi Tam	Member of BOD, Spokesperson cum Chief Accountant		HCMC	01/10/2003		
6	Bui Cong Than	Member of BOD cum Vice General Director		Dong Nai	30/03/2012		
7	Truong Thi Tram	Head of IC		HCMC	28/04/2016		
8	Nguyen Thi Thuy Van	Member of IC cum Deputy Chief of Consuming Department		Binh Duong	17/04/2010		
9	Nguyen Ngoc Quang	Member of IC cum Vice Director of Binh Duong Branch		HCMC	01/10/2003		

2. Transactions between the company and the affiliated persons of the company; or between the company and the major shareholders, the insiders, affiliated persons of the insiders: None

3. Transactions between the insiders of the listed company, relevant persons of the insiders with its subsidiaries, the companies under control of the listed company: None

4. Transactions between the company and other entities: None

4.1. Transactions between the company and the companies that members of the Inspection Committee, CEO have been the founder members of members of BOD, CEO for a period of last three (03) years (as at the time of reporting): None

4.2. Transactions between the company and the companies that the affiliated persons of members of the Board of Directors, members of the Inspection Committee, CEO are the members of the Board of Directors, CEO; None

4.3. Other transactions of the company (if any) may be materially or immaterially beneficial for members of the Board of Directors, members of the Inspection Board, CEO: None

VI. Share transactions by insiders and affiliated persons of the insiders:

1. List of insiders and affiliated persons of the insiders:

No.	Name of organization/ individual	Position (if any)	ID Card No., Date of issue and place of issue	Head office address/ mailing address	Number of holding shares at the end of period (31/12/2016)	Rate of holding shares at the end of period (31/12/2016)	Note
1	Lam Van Kiet			HCMC			Resigned from Chairman and Member of BOD since 11/04/2016. Retired under the law since 31/07/2016
2	Nguyen Xuan Bac	Chairman of BOD		Bac Giang	0		
3	Cao Thanh Tin	Member of BOD cum Vice General Director		HCMC	0		
4	Vo Thanh Danh			HCMC			Resigned from member of BOD since 15/10/2016
5	Doan Thi Tam	Member of BOD, Spokesperson cum Chief Accountant		HCMC	179,500	0.554%	Number of holding shares as of 10/01/2017
6	Bui Cong Than	Member of BOD cum Vice General Director		Dong Nai	0		
	Tran Pham Thuy Vy			Dong Nai	36,624	0.113%	Bui Cong Than's wife
7	Truong Thi Tram	Head of IC		HCMC	0		
8	Nguyen Thi Thuy Van	Member of IC cum		Binh Duong	3,600	0.011%	

No.	Name of organization/ individual	Position (if any)	ID Card No., Date of issue and place of issue	Head office address/ mailing address	Number of holding shares at the end of period (31/12/2016)	Rate of holding shares at the end of period (31/12/2016)	Note
		Deputy Chief of Consuming Department					
9	Nguyen Ngoc Quang	Member of IC cum Vice Director of Binh Duong Branch		HCMC	29,085	0.090%	
	To Thi Ai			HCMC	14,976	0.046%	Nguyen Ngoc Quang's wife

2. Transactions of insiders and affiliated persons on shares of the listed company:

No.	Transactor	Relationship of the company	Number of holding shares at the beginning period		Number of holding share in the ending period (10/01/2017)		Reason of increase/ Decrease	Execution time
			Number of shares	Rate	Number of shares	Rate		
1	Doan Thi Tam	Member of BOD, Spokesperson cum Chief Accountant	269.280	0,831%	179.500	0,554%	Sell	From 12/12/2016 to 10/01/2017

VII. Other notes: None

CHAIRMAN OF THE BOARD
OF DIRECTORS



Nguyễn Xuân Bắc

