

Hoa Sen Group

Separate financial statements

30 September 2018



Hoa Sen Group

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Hoa Sen Group

THE GENERAL INFORMATION

THE COMPANY

Hoa Sen Group ("the Company") is a shareholding company incorporated pursuant to the Law on Enterprise of Vietnam in accordance with the Business Registration Certificate ("BRC") No. 3700381324 issued by the Department of Planning and Investment of Binh Duong Province on 8 August 2001, as amended.

The Company's current principal activities are manufacturing roofing sheets by galvanized steel, zinc alloy, paint galvanized zinc plating and plating of other alloys; producing steel purlins, galvanized purlins; manufacturing black steel pipes, galvanized steel pipes and other alloys; manufacturing steel mesh, galvanized steel wire, steel wire; buying and selling building materials, capital goods and consumer goods; renting warehouse and transporting goods; building industrial and civil constructions and producing cold rolled steel coils and leasing machinery and equipment and other tangible belongings.

The Company's shares were listed on the Ho Chi Minh City Stock Exchange with code HSG in accordance with the Decision No. 117/QD-SGDHCM dated 5 November 2008.

The Company's registered head office is located at No. 9, Thong Nhat Boulevard, Song Than II Industrial Park Di An Ward, Di An Town, Binh Duong Province, Vietnam. In addition, the Company also has four hundred and seventy one (471) branches located in various provinces in Vietnam.

BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are as follows:

Mr Le Phuoc Vu	Chairman	
Mr Tran Ngoc Chu	Vice Chairman	
Mr Tran Quoc Tri	Member	
Mr Ly Van Xuan	Member	
Mr Nguyen Van Luan	Member	appointed on 16 January 2018
Mr Dinh Viet Duy	Member	appointed on 16 January 2018
Mr Pham Gia Tuan	Member	resigned on 16 January 2018

MANAGEMENT

Members of the Management during the year and at the date of this report are as follows:

Mr Tran Quoc Tri	General Director	appointed 16 January 2018
Mr Tran Quoc Tri	Deputy General Director	resigned on 16 January 2018
Mr Tran Ngoc Chu	General Director	resigned on 16 January 2018
Mr Hoang Duc Huy	Deputy General Director	
Mr Vu Van Thanh	Deputy General Director	
Mr Nguyen Minh Khoa	Deputy General Director	
Mr Ho Thanh Hieu	Deputy General Director	
Mr Tran Quoc Pham	Deputy General Director	
Mr Nguyen Ngoc Huy	Acting Deputy General Director	

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report are:

Mr Le Phuoc Vu	Chairman	
Mr Tran Ngoc Chu	Vice Chairman	appointed 5 February 2018
Mr Tran Quoc Tri	General Director	appointed 5 February 2018

AUDITORS

The auditor of the Company is Ernst & Young Vietnam Limited.

Hoa Sen Group

REPORT OF THE BOARD OF MANAGEMENT

The Board of Management of Hoa Sen Group ("the Company") is pleased to present his report and the separate financial statements of the Company for the year ended 30 September 2018.

THE BOARD OF MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

The Board of Management is responsible for the separate financial statements of each financial year which give a true and fair view of the separate financial position of the Company and of the separate results of its operations and its separate cash flows for the year. In preparing those separate financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the separate financial statements; and
- prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the separate financial position of the Company and to ensure that the accounting records comply with the applied accounting system. He is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Management confirmed that he has complied with the above requirements in preparing the accompanying separate financial statements.


STATEMENT BY THE BOARD OF MANAGEMENT

The Board of Management does hereby state that, in his opinion, the accompanying separate financial statements give a true and fair view of the separate financial position of the Company as at 30 September 2018, and of the separate results of its operations and the separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the separate financial statements.

As disclosed in Note 2.1 of the accompanying separate financial statements, the Company is a parent company with subsidiaries and it has prepared the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 30 September 2018 in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the interim consolidated financial statements.

Users of the separate financial statements should read them together with the said consolidated financial statements of the Group for the year ended 30 September 2018 in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Group.

On behalf of the Board of Management:


Tran Quốc Tri
General Director

28 December 2018

Reference: 61183992/20242753

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of Hoa Sen Group

We have audited the accompanying separate financial statements of Hoa Sen Group ("the Company") as prepared on 28 December 2018 and set out on pages 5 to 52 which comprise the separate balance sheet as at 30 September 2018, the separate income statement and the separate cash flow statement for the year then ended and the notes thereto.

The Board of Management's responsibility

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

Auditors' responsibility

Our responsibility is to express an opinion on these separate 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 separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the separate 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 separate 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 Board of Management, as well as evaluating the overall presentation of the separate financial statements.

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

Opinion

In our opinion, the accompanying separate financial statements give a true and fair view, in all material respects, of the separate financial position of the Company as at 30 September 2018, and of the separate results of its operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the separate financial statements.

Emphasis of matter

We draw attention to Note 2.1 of the separate financial statements, the Company prepared the consolidated financial statements of the Company and its subsidiaries for the year ended 30 September 2018 in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements. We have audited these consolidated financial statements and our auditors' report dated 28 December 2018 expressed an unmodified opinion.

Our opinion is not modified in respect of this matter.

Ernst & Young Vietnam Limited



Doan Thi Thu Thuy
Deputy General Director
Audit Practicing Registration Certificate
No. 1070-2018-004-1



Dang Minh Tai
Auditor
Audit Practicing Registration Certificate
No. 2815-2014-004-1

Ho Chi Minh City, Vietnam

28 December 2018

SEPARATE BALANCE SHEET
as at 30 September 2018

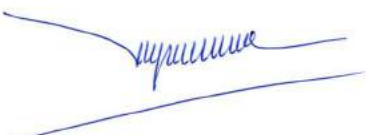
VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		10,985,778,871,754	12,089,458,871,636
110	I. Cash and cash equivalents	4	171,659,888,989	239,918,988,521
111	1. Cash		171,516,367,114	239,775,466,646
112	2. Cash equivalents		143,521,875	143,521,875
120	II. Short-term investments		270,387,032	-
123	1. Held-to-maturity investments		270,387,032	-
130	III. Current account receivables		7,860,565,817,787	5,038,295,013,388
131	1. Short-term trade receivables	5.1	7,163,248,999,755	3,975,438,722,818
132	2. Short-term advances to suppliers	5.2	184,158,011,340	204,686,775,767
135	3. Short-term loan receivables	9	3,660,295,900	25,400,000,000
136	4. Other short-term receivables	6	515,431,702,357	837,573,117,368
137	5. Provision for doubtful short-term receivables	5.1, 6	(5,933,191,565)	(4,803,602,565)
140	IV. Inventories	7	1,787,890,736,309	5,428,029,021,406
141	1. Inventories		1,806,472,903,289	5,450,815,683,238
149	2. Provision for obsolete inventories		(18,582,166,980)	(22,786,661,832)
150	V. Other current assets		1,165,392,041,637	1,383,215,848,321
151	1. Short-term prepaid expenses	8	75,749,637,153	74,422,775,292
152	2. Value-added tax deductible	16	1,063,819,898,124	1,308,779,396,886
153	3. Tax receivables from the State	16	25,822,506,360	13,676,143
200	B. NON-CURRENT ASSETS		5,257,822,222,584	5,043,205,602,817
210	I. Long-term receivables		268,984,943,607	74,974,967,200
215	1. Long-term loan receivables	9	66,686,721,457	74,974,967,200
216	2. Other long-term receivables	6	202,298,222,150	-
220	II. Fixed assets		1,961,681,186,678	2,746,644,774,699
221	1. Tangible fixed assets	10	1,591,695,704,971	2,463,196,998,804
222	Cost		3,260,932,231,963	4,566,370,722,477
223	Accumulated depreciation		(1,669,236,526,992)	(2,103,173,723,673)
224	2. Finance leases	11	81,263,218,413	24,855,221,380
225	Cost		98,947,748,174	39,019,437,785
226	Accumulated depreciation		(17,684,529,761)	(14,164,216,405)
227	3. Intangible assets	12	288,722,263,294	258,592,554,515
228	Cost		320,066,755,310	281,826,289,976
229	Accumulated amortisation		(31,344,492,016)	(23,233,735,461)
240	III. Long-term asset in progress		28,307,339,690	247,666,367,726
242	1. Construction in progress	13	28,307,339,690	247,666,367,726
250	IV. Long-term investments	14	2,769,445,646,684	1,724,245,102,467
251	1. Investments in subsidiaries	14.1	2,677,776,000,000	1,633,276,000,000
252	2. Investment in associates	14.2	43,515,000,000	80,302,178,134
254	3. Provision for diminution in value of long-term investments	14.2	(13,445,353,316)	(35,933,075,667)
255	4. Held-to-maturity investments	14	61,600,000,000	46,600,000,000
260	V. Other long-term assets		229,403,105,925	249,674,390,725
261	1. Long-term prepaid expenses	8	207,352,425,398	216,697,658,464
262	2. Deferred tax assets	27.3	22,050,680,527	32,976,732,261
270	TOTAL ASSETS		16,243,601,094,338	17,132,664,474,453


SEPARATE BALANCE SHEET (continued)
as at 30 September 2018

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		10,859,529,755,393	11,827,724,468,499
310	I. Current liabilities		10,785,335,064,915	11,587,819,028,669
311	1. Short-term trade payables	15.1	1,111,659,624,255	3,415,707,867,150
312	2. Short-term advances from customers	15.2	199,065,234,433	357,924,180,945
313	3. Statutory obligations	16	49,437,391,726	146,954,619,391
314	4. Payables to employees		63,430,563,768	80,555,222,032
315	5. Short-term accrued expenses	17	117,856,182,101	62,825,939,966
319	6. Other short-term payables	18	191,432,011,486	60,239,346,258
320	7. Short-term loans and finance lease obligations	19	9,010,977,033,379	7,402,317,620,460
322	8. Bonus and welfare fund		41,477,023,767	61,294,232,467
330	II. Non-current liabilities		74,194,690,478	239,905,439,830
338	1. Long-term loans and finance lease obligations	19	71,352,839,728	237,114,284,830
342	2. Long-term provisions		2,841,850,750	2,791,155,000
400	D. OWNERS' EQUITY		5,384,071,338,945	5,304,940,005,954
410	I. Capital	20.1	5,384,071,338,945	5,304,940,005,954
411	1. Share capital		3,849,903,280,000	3,499,966,830,000
411a	- Shares with voting rights		3,849,903,280,000	3,499,966,830,000
412	2. Share premium		151,583,183,521	151,583,183,521
415	3. Treasury share		(1,343,000,000)	-
420	4. Other funds belonging to owners' equity		60,509,750,556	34,535,741,195
421	5. Undistributed earnings		1,323,418,124,868	1,618,854,251,238
421a	- Undistributed earnings up to prior year-end		818,143,985,703	265,082,554,604
421b	- Undistributed earnings of current year		505,274,139,165	1,353,771,696,634
440	TOTAL LIABILITIES AND OWNERS' EQUITY		16,243,601,094,338	17,132,664,474,453


Nguyen Thi Thanh Tuyen
Preparer


Nguyen Thi Ngoc Lan
Chief Accountant


Tran Quoc Tri
General Director



28 December 2018

SEPARATE INCOME STATEMENT
for the year ended 30 September 2018

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenues from sale of goods and rendering of services	21.1	59,977,961,162,366	47,077,679,965,050
02	2. Deductions	21.1	(113,760,574,901)	(179,072,251,662)
10	3. Net revenues from sale of goods and rendering of services	21.1	59,864,200,587,465	46,898,607,713,388
11	4. Costs of goods sold and services rendered	22	(57,061,310,696,192)	(43,680,064,063,459)
20	5. Gross profit from sale of goods and rendering of services		2,802,889,891,273	3,218,543,649,929
21	6. Finance income	21.2	539,309,325,068	601,781,666,924
22	7. Finance expenses	23	(614,816,857,761)	(420,377,177,127)
23	<i>In which: Interest expense</i>		(458,729,805,247)	(317,503,841,647)
25	8. Selling expenses	24	(1,493,660,136,661)	(1,235,820,173,529)
26	9. General and administrative expenses	24	(711,802,548,326)	(639,173,453,876)
30	10. Operating profit		521,919,673,593	1,524,954,512,321
31	11. Other income	25	52,932,603,565	73,096,842,741
32	12. Other expenses	25	(1,114,182,751)	(3,244,149,612)
40	13. Other profit	25	51,818,420,814	69,852,693,129
50	14. Accounting profit before tax		573,738,094,407	1,594,807,205,450
51	15. Current corporate income tax expense	27.1	(57,537,903,508)	(209,600,199,457)
52	16. Deferred tax expense	27.3	(10,926,051,734)	(31,435,309,359)
60	17. Net profit after tax		505,274,139,165	1,353,771,696,634



Nguyen Thi Thanh Tuyen
Preparer



Nguyen Thi Ngoc Lan
Chief Accountant



Tran Quoc Tri
General Director 

28 December 2018

SEPARATE CASH FLOW STATEMENT
for the year ended 30 September 2018

VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit before tax		573,738,094,407	1,594,807,205,450
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	10, 11, 12	322,385,755,534	408,968,204,482
03	(Reversal of provision)/ provisions		(25,511,932,453)	18,796,915,536
04	Foreign exchange losses arising from revaluation of monetary accounts denominated in foreign currency	23	47,305,340,201	7,111,244,819
05	Profits from investing activities		(486,088,302,864)	(572,462,153,161)
06	Interest expense	23	458,729,805,247	317,503,841,647
08	Operating profit before changes in working capital		890,558,760,072	1,774,725,258,773
09	Increase in receivables		(2,360,829,298,260)	(2,700,787,407,363)
10	Decrease (increase) in inventories		3,644,342,779,949	(2,268,358,611,679)
11	(Decrease) increase in payables		(2,314,955,937,226)	1,919,983,405,482
12	Decrease (increase) in prepaid expenses		8,018,371,205	(88,508,540,606)
14	Interest expense paid		(457,469,733,777)	(309,453,183,836)
15	Corporate income tax paid	16	(123,097,749,073)	(255,210,120,483)
17	Other cash outflows for operating activities		(94,659,631,874)	(82,041,727,870)
20	Net cash flows used in operating activities		(808,092,438,984)	(2,009,650,927,582)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets		(267,516,192,217)	(605,945,288,394)
22	Proceeds from disposals of fixed assets		164,810,675,146	56,619,348,886
23	Loans to other entities and payments for purchase of debt instruments of other entities		(297,965,882,761)	-
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		116,105,320,725	-
25	Payments for investment in other entities		(181,954,141,602)	(635,150,000,000)
26	Proceeds from sale of investment in other entity		156,446,681,583	-
27	Interest received	21.2	5,427,688,553	2,943,903,852
30	Net cash flows used in investing activities		(304,645,850,573)	(1,181,532,035,656)

SEPARATE CASH FLOW STATEMENT (continued)
for the year ended 30 September 2018

VND

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Capital contribution		-	34,601,710,000
32	Capital redemption		(1,343,000,000)	-
33	Drawdown of borrowings		27,036,232,249,782	21,829,974,818,155
34	Repayment of borrowings		(25,622,600,226,615)	(18,658,018,091,475)
35	Finance lease payments		(14,177,118,427)	(20,996,563,609)
36	Dividends paid	20.2	(350,060,974,500)	(196,362,984,225)
40	Net cash flows from financing activities		1,048,050,930,240	2,989,198,888,846
50	Net decrease in cash and cash equivalents		(64,687,359,317)	(201,984,074,392)
60	Cash and cash equivalents at beginning of year		239,918,988,521	447,518,356,022
61	Impact of exchange rate fluctuation		(3,571,740,215)	(5,615,293,109)
70	Cash and cash equivalents at end of year	4	171,659,888,989	239,918,988,521



Nguyen Thi Thanh Tuyen
Preparer



Nguyen Thi Ngoc Lan
Chief Accountant



Tran Quoc Tri
General Director

28 December 2018

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
as at and for the year ended 30 September 2018

1. **CORPORATE INFORMATION**

Hoa Sen Group ("the Company") is a shareholding company incorporated pursuant to the Law on Enterprise of Vietnam in accordance with the Business Registration Certificate ("BRC") No. 3700381324 issued by the Department of Planning and Investment of Binh Duong Province on 8 August 2001, as amended.

The Company's current principal activities are manufacturing roofing sheets by galvanized steel, zinc alloy, paint galvanized zinc plating and plating of other alloys; producing steel purlins, galvanized purlins; manufacturing black steel pipes, galvanized steel pipes and other alloys; manufacturing steel mesh, galvanized steel wire, steel wire; buying and selling building materials, capital goods and consumer goods; renting warehouse and transporting goods; building industrial and civil constructions and producing cold rolled steel coils and leasing machinery and equipment and other tangible belongings.

The Company's shares were listed on the Ho Chi Minh City Stock Exchange with code HSG in accordance with the Decision No. 117/QD-SGDHCM dated 5 November 2008.

The Company's registered head office is located at No. 9, Thong Nhat Boulevard, Song Than II Industrial Park, Di An Ward, Di An Town, Binh Duong Province, Vietnam. In addition, the Company also has four hundred and seventy one (471) branches located in various provinces in Vietnam.

The number of the Company's employees as at 30 September 2018 was 4,406 (30 September 2017: 5,164).

Corporate structure

The Company's corporate structure includes 15 subsidiaries, as follows:

▶ Hoa Sen Steel Sheet One Member Limited Liability Company ("HSS")

HSS is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 3700763651 issued by the Department of Planning and Investment of Binh Duong Province on 9 November 2006, as amended. HSS's registered head office is located at No. 9 Thong Nhat Boulevard, Song Than II Industrial Park, Di An Ward, Di An Town, Binh Duong Province, Vietnam. The current principal activities of HSS are manufacturing and trading cold rolled steel products.

As at 30 September 2018, the Company holds 100% equity interests and 100% voting rights in HSS (30 September 2017: 100%).

▶ Hoa Sen Building Materials One Member Limited Liability Company ("HSBM")

HSBM is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 3500786179 issued by the Department of Planning and Investment of Ba Ria Vung Tau Province on 26 March 2007, as amended. HSBM's registered head office is located at Phu My 1 Industrial Park, Phu My Town, Tan Thanh District, Ba Ria – Vung Tau Province, Vietnam. The current principal activities of HSBM are manufacturing and trading in plastic building materials and steel pipe products.

As at 30 September 2018, the Company holds 100% equity interests and 100% voting rights in HSBM (30 September 2017: 100%).

▶ Hoa Sen Binh Dinh One Member Limited Liability Company ("HSBD")

HSBD is a one-member limited liability established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 4101425750 issued by the Department of Planning and Investment of Binh Dinh Province on 14 May 2014. HSBD's registered head office is located at Lot A1.1 and TT 6.2 & 7, Nhon Hoa Industrial Park, Nhon Hoa Ward, An Nhon Town, Binh Dinh Province, Vietnam. The current principal activities of HSBD are manufacturing and trading in plastic building materials and steel pipe products.

As at 30 September 2018, the Company holds 100% equity interests and 100% voting rights in HSBD (30 September 2017: 100%).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

1. **CORPORATE INFORMATION** (continued)

Corporate structure (continued)

- ▶ Hoa Sen Transportation and Engineering One Member Limited Liability Company ("HTME")

HTME is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 3700785528 issued by the Department of Planning and Investment of Binh Duong Province on 26 March 2007, as amended. HTME's registered head office is located at No. 9 Thong Nhat Boulevard, Song Than II Industrial Park, Di An Ward, Di An Town, Binh Duong Province, Vietnam. The current principal activities of HTME are providing transportation services and civil, industrial construction projects.

As at 30 September 2018, the Company holds 100% equity interests and 100% voting rights in HTME (30 September 2017: 100%).

- ▶ Hoa Sen Nghe An One Member Limited Liability Company ("HSNA")

HSNA is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 2901788319 issued by the Department of Planning and Investment of Nghe An Province on 12 June 2015, as amended. HSNA's registered head office is located at Lot CN 1-8, Dong Hoi Industrial Park, Quynh Lap Commune, Hoang Mai Town, Nghe An Province, Vietnam. The current principal activities of HSNA are manufacturing and trading in metal roofing sheets and steel pipe products.

As at 30 September 2018, the Company holds 100% equity interests and 100% voting rights in HSNA (30 September 2017: 100%).

- ▶ Hoa Sen Ha Nam One Member Limited Liability Company ("HSHN")

HSHN is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 0700759219 issued by the Department of Planning and Investment of Ha Nam Province on 15 September 2015. HSHN's registered head office is located at Kien Khe I Industrial Complex, Kien Khe Town, Thanh Liem District, Ha Nam Province, Vietnam. The current principal activities of HSHN are manufacturing and trading in plastic building materials and steel pipe products.

As at 30 September 2018, the Company holds 100% equity interests and 100% voting rights in HSHN (30 September 2017: 100%).

- ▶ Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Company ("HSNH")

HSNH is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 4101453370 issued by the Department of Planning and Investment of Binh Dinh Province on 26 November 2015. HSNH's registered head office is located at Hoi Son Village, Nhon Hoi Commune, Quy Nhon City, Vietnam. The current principal activities of HSNH are manufacturing and trading in metal roofing sheets.

As at 30 September 2018, the Company holds 100% equity interests and 100% voting rights in HSNH (30 September 2017: 100%).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018**1. CORPORATE INFORMATION** (continued)**Corporate structure** (continued)

▶ Hoa Sen Yen Bai Joint Stock Company ("HSYB")

HSYB is a joint stock company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 5200861319 issued by the Department of Planning and Investment of Yen Bai Province on 5 May 2016. HSYB's registered head office is located at 48 Group, Dong Tam Ward, Yen Bai City, Yen Bai Province, Vietnam. The current principal activities of HSYB are operating a hotel, restaurant services and commercial center.

As at 30 September 2018, the Company holds 70% equity interests and 70% voting rights in HSYB (30 September 2017: 70%).

▶ Hoa Sen Ca Na – Ninh Thuan Renewable Energy One Member Limited Liabilities Company ("HSRE")

HSRE is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 4500607960 issued by the Department of Planning and Investment of Ninh Thuan Province on 8 August 2016. HSRE's registered head office is located at Hoa Sen Ca Na Industrial Park, Phuoc Diem Commune, Thuan Nam District, Ninh Thuan Province, Vietnam. The registered principal activities of HSRE are manufacturing, transmitting and distributing electricity.

As at 30 September 2018, the Company holds 100% equity interests and 100% voting rights in HSRE (30 September 2017: 100%).

▶ Hoa Sen Ca Na – Ninh Thuan Cement One Member Limited Liabilities Company ("HSCC")

HSCC is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 4500607946 issued by the Department of Planning and Investment of Ninh Thuan Province on 8 August 2016. HSCC's registered head office is located at Hoa Sen Ca Na Industrial Park, Phuoc Diem Commune, Thuan Nam District, Ninh Thuan Province, Vietnam. The registered principal activities of HSCC are manufacturing cement, lime and plaster.

As at 30 September 2018, the Company holds 100% equity interests and 100% voting rights in HSCC (30 September 2017: 100%).

▶ Hoa Sen Ca Na – Ninh Thuan Industrial Park Infrastructure Investment One Member Limited Liabilities Company ("HSIP")

HSIP is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 4500607978 issued by the Department of Planning and Investment of Ninh Thuan Province on 8 August 2016. HSIP's registered head office is located at Hoa Sen Ca Na Industrial Park, Phuoc Diem Commune, Thuan Nam District, Ninh Thuan Province, Vietnam. The registered principal activities of HSIP are trading in real estate and land use right for use or rent.

As at 30 September 2018, the Company holds 100% equity interests and 100% voting rights in HSIP (30 September 2017: 100%).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

1. CORPORATE INFORMATION (continued)

Corporate structure (continued)

- ▶ Hoa Sen Ca Na – Ninh Thuan International General Seaport One Member Limited Liabilities Company (“HSSP”)

HSSP is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 4500607985 issued by the Department of Planning and Investment of Ninh Thuan Province on 8 August 2016. HSSP’s registered head office is located at Thuong Diem 2 Village, Phuoc Diem Commune, Thuan Nam District, Ninh Thuan Province, Vietnam. The registered principal activities of HSSP are investing riverport, seaport.

As at 30 September 2018, the Company holds 100% equity interests and 100% voting rights in HSSP (30 September 2017: 100%).

- ▶ Hoa Sen Ca Na – Ninh Thuan Integrated Iron and Steel Complex Investment One Member Limited Liabilities Company (“HSIC”)

HSIC is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 4500607953 issued by the Department of Planning and Investment of Ninh Thuan Province on 8 August 2016. HSIC’s registered head office is located at Hoa Sen Ca Na Industrial Park, Phuoc Diem Commune, Thuan Nam District, Ninh Thuan Province, Vietnam. The registered principal activities of HSIC are manufacturing iron, steel, cast iron products.

As at 30 September 2018, the Company holds 100% equity interests and 100% voting rights in HSIC (30 September 2017: 100%).

- ▶ Hoa Sen Phu My One Member Limited Liability Company (“HSPM”)

HSPM is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 3502313442 issued by the Department of Planning and Investment of Ba Ria – Vung Tau Province on 8 August 2016. HSPM’s registered head office is located at Phu My 1 Industrial Park, Phu My Town, Tan Thanh District, Ba Ria – Vung Tau Province, Vietnam. The current principal activities of HSPM are manufacturing steel for building materials and consumer goods.

As at 30 September 2018, the Company holds 100% equity interests and 100% voting rights in HSPM (30 September 2017: 100%).

- ▶ Hoa Sen Yen Bai Building Materials One Member Liability Company (“HSYB-LTD”)

HSYB-LTD is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 5200870602 issued by the Department of Planning and Investment of Yen Bai Province on 6 January 2017. HSYB-LTD’s registered head office is located at Dong Danh Village, Minh Quan Commune, Tran Yen District, Yen Bai Province, Vietnam. The current principal activities of HSYB-LTD are manufacturing and trading steel pipes.

As at 30 September 2018, the Company holds 100% equity interests and 100% voting rights in HSYB-LTD.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

2. BASIS OF PREPARATION

2.1 Purpose of preparing the separate financial statements

The Company has subsidiaries as disclosed in Notes 1 and 14.1. The Company prepared these separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular No. 155/2015/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Company has also prepared the consolidated financial statements of the Company and its subsidiaries for the year ended 30 September 2018 dated on 28 December 2018.

Users of the separate financial statements should read them together with the said consolidated financial statements in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Company and its subsidiaries.

2.2 Applied accounting standards and system

The separate financial statements of the Company, expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying separate financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.3 Applied accounting documentation system

The Company's applied accounting documentation system is the Voucher Journal system.

2.4 Fiscal year

The Company's fiscal year applicable for the preparation of its annual separate financial statements starts on 1 October and ends on 30 September.

2.5 Accounting currency

The separate financial statements are prepared in VND which is also the Company's accounting currency.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash in banks, cash in transit and short-term, highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.2 *Inventories*

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value. Net realizable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories, which are valued as follows:

Merchandises, raw materials, tools and supplies - cost of purchase on a weighted average basis.

Finished goods and work-in-process - cost of direct materials and labour plus attributable manufacturing overheads based on the normal operating capacity on a weighted average basis.

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Company, based on appropriate evidence of impairment available at the balance sheet date.

Increases or decreases to the provision balance are recorded into the cost of goods sold account in the separate income statement.

3.3 *Receivables*

Receivables are presented in the separate financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases and decreases to the provision balance are recorded as general and administrative expense in the separate income statement.

3.4 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the separate income statement as incurred.

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the separate income statement.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Leased assets

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Where the Company is the lessee

Assets held under finance leases are capitalised in the separate balance sheet at the inception of the lease at the fair value of the leased assets or, if lower, at the net present value of the minimum lease payments. The principal amount included in future lease payments under finance leases are recorded as a liability. The interest amounts included in lease payments are charged to the separate income statement over the lease term to achieve a flexible rate on interest on the remaining balance of the finance lease liability.

Capitalised financial leased assets are depreciated using straight-line basis over the shorter of the estimated useful lives of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Rentals under operating leases are charged to the separate income statement on a straight-line basis over the lease term.

Where the Company is the lessor

Assets subject to operating leases are included as the Company's fixed assets in the separate balance sheet. Initial direct costs incurred in negotiating an operating lease are added to the carrying value of the leased asset for amortisation to the separate income statement over the lease term.

Lease income is recognised in the separate income statement on a straight-line basis over the lease term.

3.6 Intangible assets

Intangible assets are stated at cost less accumulated amortisation.

The cost of an intangible asset comprises its purchase price and any directly attributable costs of preparing the intangible asset for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the separate income statement as incurred.

When intangible assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the separate income statement.

Land use rights

Land use rights are recorded as intangible assets representing the value of the right to use the lands acquired or leased by the Company. The useful lives of land use rights are assessed as either definite or indefinite. Accordingly, the land use rights with definite useful lives representing the land lease are amortised over the lease term while the land use rights with indefinite useful lives are not amortised.

The advance payment for land rental, of which the land lease contracts have effectiveness prior to 2003 and Land use right certificate being issued, are recorded as intangible fixed asset according to Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013 guiding the management, use and depreciation of fixed assets ("Circular 45").

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Depreciation and amortisation

Depreciation of tangible fixed assets and finance leases, and amortisation of intangible assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	5 - 50 years
Machinery and equipment	3 - 10 years
Means of transportation	2 - 10 years
Office equipment	3 - 10 years
Others	5 - 8 years
Land use rights	14 - 55 years
Computer software	3 - 16 years

3.8 Borrowing costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the year in which they are incurred, except to the extent that they are capitalized. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

3.9 Prepaid expenses

Prepaid expenses are reported as short-term or long-term prepaid expenses on the separate balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

3.10 Investments

Investments in subsidiaries

Investments in subsidiaries over which the Company has control are carried at cost. Distributions from accumulated net profits of the subsidiaries arising subsequent to the date of acquisition are recognised to the Company's separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

Investments in associates

Investments in associates over which the Company has significant influence are carried at cost. Distributions from accumulated net profits of the associates arising subsequent to the date of acquisition are recognised to the Company's separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

Investments in other entities

Investments in other entities are stated at their acquisition costs.

Provision for diminution in value of investments

Provision for any diminution in value of the investments in other entities at the balance sheet date is made in accordance with the guidance under Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 28 June 2013 issued by the Ministry of Finance. Increases or decreases to the provision balance are recorded as finance expense in the separate income statement.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Payables and accruals

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company.

3.12 Accrual for severance pay

The severance pay to employee is accrued at the end of each reporting period for all employees who have been in service for more than 12 months up to 31 December 2008 at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code, and related implementing guidance. The average monthly salary used in this calculation will be revised at the end of each reporting period following the average monthly salary of the 6-month period up to the reporting date. Any increase or decrease to the accrued amount will be taken to the separate income statement.

This accrued severance pay is used to settle the termination allowance to be paid to employee upon termination of their labour contract following Article 48 of the Labour Code.

3.13 Foreign currency transactions

Transactions in currencies other than the Company's accounting currency of VND are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- Transaction resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment; and
- Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

At the end of the year, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rates at the balance sheet dates which are determined as follows:

- Monetary assets are translated at buying exchange rate of the commercial bank where the Company conducts transactions regularly; and
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company conducts transactions regularly.

All foreign exchange differences incurred during the year and arising from the revaluation of monetary accounts denominated in foreign currency at year-end are taken to the separate income statement.

3.14 Treasury shares

Own equity instruments which are reacquired (known as treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss upon purchase, sale, issue or cancellation of the Company's own equity instruments.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Appropriation of net profit

Net profit after tax is available for appropriation to shareholders after approval in the annual general meeting, and after making appropriation to funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

The Company maintains the following fund which is appropriated from the Company's net profit as proposed by the Board of Directors and subject to the approval of shareholders at the annual general meeting.

Bonus and welfare fund

This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits, and presented as a liability on the separate balance sheet.

3.16 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

Rendering of services

Revenue is recognised when the services have been performed and completed.

Interest

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

Dividends

Revenue is recognised when the Company is entitled to receive dividends.

Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease term.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the balance sheet date.

Current income tax is charged or credited to the separate income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company to offset current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

Deferred tax is provided using the balance sheet liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial statement purpose.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the assets is realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred tax is charged or credited to the separate income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or when the Company intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.18 Related parties

Parties are considered to be related parties of the Company if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Company and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of the family of any such individual.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

4. CASH AND CASH EQUIVALENTS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	48,240,229,076	13,538,266,107
Cash in banks	122,549,584,478	225,389,115,824
Cash in transit	726,553,560	848,084,715
Cash equivalents (*)	143,521,875	143,521,875
TOTAL	<u>171,659,888,989</u>	<u>239,918,988,521</u>

(*) Cash equivalents represent the deposits at commercial banks with original maturity of less than three (3) months and earn interest at the rates of 5% per annum.

5. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

5.1 Short-term trade receivables

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Due from related parties (Note 28)	5,660,685,579,825	2,892,316,502,137
Due from third parties	1,502,563,419,930	1,083,122,220,681
<i>In which:</i>		
Abhay Ispat India Pvt. Ltd	184,852,880,289	-
Thyssenkrupp Materials Trading Asia Pte. Ltd	156,206,373,060	94,054,987,217
Others	1,161,504,166,581	989,067,233,464
TOTAL	<u>7,163,248,999,755</u>	<u>3,975,438,722,818</u>
Provision for doubtful short-term receivables	(4,293,191,565)	(4,063,602,565)
NET	<u>7,158,955,808,190</u>	<u>3,971,375,120,253</u>

5.2 Short-term advances to suppliers

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Due from related parties (Note 28)	144,725,955,368	38,705,908,131
Due from third parties	39,432,055,972	165,980,867,636
<i>In which:</i>		
Vung Tau Low Pressure Gas Distribution Enterprise	9,189,153,750	11,755,350,255
Others	30,242,902,222	154,225,517,381
TOTAL	<u>184,158,011,340</u>	<u>204,686,775,767</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

6. OTHER RECEIVABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term	515,431,702,357	837,573,117,368
Profits shared from subsidiaries	358,392,102,244	547,165,072,432
Advance for purchase of lands	90,183,227,000	90,183,227,000
Advances to employees	27,619,762,719	26,741,318,349
Disposal of associates	15,665,290,474	-
Interest income	6,990,313,620	551,616,708
Deposits	5,713,929,000	138,798,428,600
Compensation	-	31,520,000,000
Others	10,867,077,300	2,613,454,279
Long-term	202,298,222,150	
Deposits for rental	202,093,222,150	-
Long-term deposits	205,000,000	-
TOTAL	717,729,924,507	837,573,117,368
Provision for doubtful other receivables	(1,640,000,000)	(740,000,000)
NET	716,089,924,507	836,833,117,368
<i>In which:</i>		
Due from related parties (Note 28)	458,001,388,370	639,008,129,274
Due from third parties	258,088,536,137	197,824,988,094

7. INVENTORIES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Finished goods	734,738,921,821	1,175,209,610,528
Merchandises	511,623,580,259	677,488,468,657
Raw materials	296,974,292,857	843,767,940,021
Tools and supplies	215,430,530,762	224,760,876,405
Goods in transit	47,688,056,628	2,529,588,787,627
Others	17,520,962	-
TOTAL	1,806,472,903,289	5,450,815,683,238
Provision for obsolete inventories	(18,582,166,980)	(22,786,661,832)
NET	1,787,890,736,309	5,428,029,021,406

As disclosed in *Note 19*, the Company has pledged inventories with the carrying amount as at 30 September 2018 amounting to VND 1,229,352,536,487 to secure its bank loans.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

8. PREPAID EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term	75,749,637,153	74,422,775,292
Advertising expenses	26,163,164,737	26,925,691,491
Rental expenses	24,362,401,677	19,734,754,783
Tools and equipment	9,308,630,023	11,418,276,450
Advisory fee	2,765,970,828	5,022,641,070
Insurance fee	1,679,401,673	1,650,845,702
Others	11,470,068,215	9,670,565,796
Long-term	207,352,425,398	216,697,658,464
Rental expense	67,919,903,057	89,433,311,060
Tools and equipment	57,397,992,492	67,552,199,499
Advertising expenses	47,986,279,155	25,377,730,855
Repairing and maintenance	23,626,356,355	20,638,965,085
Others	10,421,894,339	13,695,451,965
TOTAL	<u>283,102,062,551</u>	<u>291,120,433,756</u>

9. LOAN RECEIVABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term	3,660,295,900	25,400,000,000
Due from related parties (<i>Note 28</i>)	3,660,295,900	-
Finance Department of Nghe An Province	-	25,000,000,000
Other	-	400,000,000
Long-term		
Due from related parties (<i>Note 28</i>) (*)	<u>66,686,721,457</u>	<u>74,974,967,200</u>
TOTAL	<u>70,347,017,357</u>	<u>100,374,967,200</u>

(*) Long-term loan receivable from Hoa Sen Yen Bai Joint Stock Company, a subsidiary, with original maturity in 2020 and earn interest at the rates +8% per annum.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

10. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Others	Total
Cost:						VND
Beginning balance	649,108,058,078	3,485,804,694,207	379,532,131,416	32,608,589,505	19,317,249,271	4,566,370,722,477
New purchase	3,683,232,440	105,513,066,378	7,948,267,301	24,269,310,636	242,708,351	141,656,585,106
Transfer from construction in progress	2,853,827,117	271,216,467,210	-	10,042,223,036	-	284,112,517,363
Transfer from financial lease fixed assets	-	13,254,770,658	-	-	-	13,254,770,658
Transfer to Hoa Sen Steel Sheet One Member Co., Ltd.	(150,642,102,617)	(1,399,347,330,074)	-	-	-	(1,549,989,432,691)
Disposal	(7,830,592,579)	(86,729,429,820)	(80,318,935,519)	(19,593,973,032)	-	(194,472,930,950)
Ending balance	497,172,422,439	2,389,712,238,559	307,161,463,198	47,326,150,145	19,559,957,622	3,260,932,231,963
<i>In which:</i>						
Fully depreciated	62,765,798,554	291,743,247,603	14,835,350,358	832,088,307	5,424,985,811	375,601,470,633
Accumulated depreciation:						
Beginning balance	(255,098,098,606)	(1,701,234,349,196)	(120,128,393,742)	(10,500,357,797)	(16,212,524,332)	(2,103,173,723,673)
Depreciation for the year	(29,261,121,404)	(228,123,396,877)	(39,113,243,836)	(6,924,854,353)	(1,991,195,848)	(305,413,812,318)
Transfer from financial lease fixed assets	-	(4,693,380,547)	-	-	-	(4,693,380,547)
Transfer to Hoa Sen Steel Sheet One Member Co., Ltd.	39,869,153,070	631,021,304,541	-	-	-	670,890,457,611
Disposal	6,286,422,372	34,959,944,245	30,592,546,208	1,315,019,110	-	73,153,931,935
Ending balance	(238,203,644,568)	(1,268,069,877,834)	(128,649,091,370)	(16,110,193,040)	(18,203,720,180)	(1,669,236,526,992)
Net carrying amount:						
Beginning balance	394,009,959,472	1,784,570,345,011	259,403,737,674	22,108,231,708	3,104,724,939	2,463,196,998,804
Ending balance	258,968,777,871	1,121,642,360,725	178,512,371,828	31,215,957,105	1,356,237,442	1,591,695,704,971
<i>In which:</i>						
Mortgaged (Note 19)	99,121,626,108	548,881,874,136	92,872,439,182	-	-	740,875,939,426

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

11. FINANCE LEASES

				VND
	<i>Machinery and equipment</i>	<i>Means of transportation</i>	<i>Office equipment</i>	<i>Total</i>
Cost:				
Beginning balance	30,886,346,877	8,133,090,908	-	39,019,437,785
Increase	14,635,857,235	39,910,860,176	18,636,363,636	73,183,081,047
Transfer to fixed assets	<u>(13,254,770,658)</u>	-	-	<u>(13,254,770,658)</u>
Ending balance	<u>32,267,433,454</u>	<u>48,043,951,084</u>	<u>18,636,363,636</u>	<u>98,947,748,174</u>
Accumulated depreciation:				
Beginning balance	(11,717,212,453)	(2,447,003,952)	-	(14,164,216,405)
Depreciation for the year	(4,489,751,537)	(3,514,602,391)	(209,339,975)	(8,213,693,903)
Transfer to fixed assets	<u>4,693,380,547</u>	-	-	<u>4,693,380,547</u>
Ending balance	<u>(11,513,583,443)</u>	<u>(5,961,606,343)</u>	<u>(209,339,975)</u>	<u>(17,684,529,761)</u>
Net carrying amount:				
Beginning balance	<u>19,169,134,424</u>	<u>5,686,086,956</u>	-	<u>24,855,221,380</u>
Ending balance	<u>20,753,850,011</u>	<u>42,082,344,741</u>	<u>18,427,023,661</u>	<u>81,263,218,413</u>

12. INTANGIBLE ASSETS

			VND
	<i>Land use rights</i>	<i>Computer software</i>	<i>Total</i>
Cost:			
Beginning balance	280,481,532,265	1,344,757,711	281,826,289,976
Transfer to fixed assets	-	44,778,337,834	44,778,337,834
Newly purchase	718,364,000	-	718,364,000
Disposal	<u>(7,256,236,500)</u>	-	<u>(7,256,236,500)</u>
Ending balance	<u>273,943,659,765</u>	<u>46,123,095,545</u>	<u>320,066,755,310</u>
<i>In which:</i>			
<i>Fully amortised</i>	456,396,144	1,344,757,711	1,801,153,855
Accumulated amortisation:			
Beginning balance	(21,888,977,750)	(1,344,757,711)	(23,233,735,461)
Amortisation for the year	(2,560,821,111)	(6,197,428,202)	(8,758,249,313)
Disposal	<u>647,492,758</u>	-	<u>647,492,758</u>
Ending balance	<u>(23,802,306,103)</u>	<u>(7,542,185,913)</u>	<u>(31,344,492,016)</u>
Net carrying amount:			
Beginning balance	<u>258,592,554,515</u>	-	<u>258,592,554,515</u>
Ending balance	<u>250,141,353,662</u>	<u>38,580,909,632</u>	<u>288,722,263,294</u>
<i>In which:</i>			
<i>Mortgaged (Note 19)</i>	100,775,187,505	-	100,775,187,505

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

13. CONSTRUCTION IN PROGRESS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Purchases of fixed assets	23,206,143,020	241,007,879,131
Construction expenses	1,932,316,670	1,307,543,169
		5,350,945,426
Others	<u>3,168,880,000</u>	
TOTAL	<u>28,307,339,690</u>	<u>247,666,367,726</u>

14. LONG-TERM INVESTMENTS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Investments in subsidiaries (<i>Note 14.1</i>)	2,677,776,000,000	1,633,276,000,000
Investment in associates (<i>Note 14.2</i>)	43,515,000,000	80,302,178,134
Bonds at Bank for Foreign Trade of Vietnam (*)	46,600,000,000	46,600,000,000
Bonds at Bank for Industry and Trade (**)	<u>15,000,000,000</u>	-
TOTAL	<u>2,782,891,000,000</u>	<u>1,760,178,178,134</u>
Provision for diminution in value of long-term investments	<u>(13,445,353,316)</u>	<u>(35,933,075,667)</u>
NET	<u>2,769,445,646,684</u>	<u>1,724,245,102,467</u>

(*) Bonds at Bank for Foreign Trade of Vietnam with original maturity of ten (10) years and earn interest at the floating rates +1% per annum.

(**) Bonds at Bank for Industry and Trade of Vietnam with original maturity of ten (10) years and earn interest at the floating rates +1.2% per annum.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

14. LONG-TERM INVESTMENTS (continued)

14.1 Investments in subsidiaries

Details of the Company's investments in subsidiaries were as follows:

Name of subsidiaries	Ending balance		Beginning balance		Location	Business activities
	% of interest	Cost of investment (VND)	% of interest	Cost of investment (VND)		
Hoa Sen Nghe An One Member Co., Ltd.	100	1,100,000,000,000	100	450,000,000,000	Nghe An Province, Vietnam	Manufacturing and trading in metal roofing sheets and steel pipe products
Hoa Sen Nhon Hoi - Binh Dinh One Member Co., Ltd	100	420,000,000,000	100	200,000,000,000	Binh Dinh Province, Vietnam	Manufacturing and trading in metal roofing sheets
Hoa Sen Steel Sheet One Member Co., Ltd.	100	280,000,000,000	100	280,000,000,000	Binh Duong Province, Vietnam	Manufacturing and trading in cold rolled steel products
Hoa Sen Phu My One Member Co., Ltd.	100	250,000,000,000	100	100,000,000,000	Ba Ria – Vung Tau Province, Vietnam	Manufacturing steel for building materials and consumer goods
Hoa Sen Ha Nam One Member Co., Ltd.	100	200,000,000,000	100	200,000,000,000	Ha Nam Province, Vietnam	Manufacturing and trading in plastic building materials and steel pipe products
Hoa Sen Building Materials One Member Co., Ltd.	100	150,000,000,000	100	150,000,000,000	Ba Ria – Vung Tau Province, Vietnam	Manufacturing and trading in plastic building materials and steel pipe products
Hoa Sen Binh Dinh One Member Co., Ltd.	100	105,000,000,000	100	55,000,000,000	Binh Dinh Province, Vietnam	Manufacturing and trading in plastic building materials and steel pipe products
Hoa Sen Yen Bai Joint Stock Company	70	84,000,000,000	70	84,000,000,000	Yen Bai Province, Vietnam	Operating hotel, restaurant services and commercial center
Hoa Sen Yen Bai Building Materials One Member Co., Ltd.	100	50,000,000,000	100	50,000,000,000	Yen Bai Province, Vietnam	Manufacturing and trading in plastic building materials and steel pipe products

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

14. LONG-TERM INVESTMENTS (continued)

14.1 Investments in subsidiaries (continued)

Details of the Company's investments in subsidiaries were as follows (continued):

Name of subsidiaries	Ending balance		Beginning balance		Location	Business activities
	% of interest	Cost of investment (VND)	% of interest	Cost of investment (VND)		
Hoa Sen Transportation and Engineering One Member Co., Ltd.	100	16,276,000,000	100	16,276,000,000	Binh Duong Province, Vietnam	Providing services of cargo transportation by road
Hoa Sen Ca Na – Ninh Thuan Integrated Iron and Steel Complex Investment One Member Co., Ltd.	100	15,000,000,000	100	15,000,000,000	Ninh Thuan Province, Vietnam	Manufacturing iron, steel and cast iron products
Hoa Sen Ca Na – Ninh Thuan Industrial Park Infrastructure Investment One Member Co., Ltd.	100	4,000,000,000	100	3,000,000,000	Ninh Thuan Province, Vietnam	Trading in real estate and land use right for use or rent
Hoa Sen Ca Na – Ninh Thuan International General Seaport One Member Co., Ltd.	100	3,500,000,000	100	2,500,000,000	Ninh Thuan Province, Vietnam	Investing riverport, seaport
Hoa Sen Van Hoi Joint Stock Company	-	-	70	2,800,000,000	Yen Bai Province, Vietnam	Trading in real estate and rendering of supporting services for trading real estate
Hoa Sen Du Long Industrial Park Infrastructure Investment One Member Co., Ltd.	-	-	100	24,700,000,000	Ninh Thuan Province, Vietnam	Investing, construction and developing industrial park infrastructure
TOTAL		2,677,776,000,000		1,633,276,000,000		

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

14. LONG-TERM INVESTMENTS (continued)

14.2 Investment in associates

Detail of the Company's investment in the associates was as follows:

Name of associate	Ending balance		Beginning balance		Location	Business activities
	% of interest	Cost of investment VND	% of interest	Cost of investment VND		
Hoa Sen Quy Nhon Joint Stock Company	45	27,900,000,000	45	27,900,000,000	Binh Dinh Province, Vietnam	Trading in real estate and to render real estate services and supporting services for trading real estate
Hoa Sen Du Long Industrial Park Infrastructure Investment One Member Co., Ltd.	45	15,615,000,000	-	-	Ninh Thuan Province, Vietnam	Investing, construction and developing industrial park infrastructure
Hoa Sen-Gemadept Logistics and International Port Corporation	-	-	45	51,952,178,134	Ba Ria – Vung Tau Province, Vietnam	Provide sea cargo agency services
Hoa Sen Hoi Van Joint Stock Company	-	-	45	450,000,000	Binh Dinh Province, Vietnam	Trading in real estate and rendering of real estate services and supporting services for trading real estate
Provision for diminution in value of long-term investments		(13,445,353,316)		(35,933,075,667)		
TOTAL		30,069,646,684		44,369,102,467		

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

15. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

15.1 Short-term trade payables

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Due to third parties	520,522,315,776	3,034,469,932,339
<i>In which:</i>		
<i>Formosa Ha Tinh Steel Corporation</i>	199,152,165,080	-
<i>Hangzhou Cogeneration (HongKong) Co., Ltd.</i>	191,161,898,608	645,971,085,812
<i>Arcelormittal International Singapore Private Limited</i>	-	441,107,265,180
<i>Kim Quoc Steel Co., Ltd.</i>	-	376,715,036,265
<i>Others</i>	130,208,252,088	1,570,676,545,082
Due to related parties (Note 28)	591,137,308,479	381,237,934,811
TOTAL	<u>1,111,659,624,255</u>	<u>3,415,707,867,150</u>

15.2 Short-term advances from customers

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Due to third parties	105,456,193,525	133,208,633,634
Due to related parties (Note 28)	93,609,040,908	224,715,547,311
TOTAL	<u>199,065,234,433</u>	<u>357,924,180,945</u>

16. STATUTORY OBLIGATION

	VND			
	<i>Beginning balance</i>	<i>Payable for the year</i>	<i>Payment made in the year</i>	<i>Ending balance</i>
Payables				
Value-added tax	104,569,749,540	1,736,447,276,733	(1,793,612,317,259)	47,404,709,014
Personal income tax	1,614,292,843	37,087,632,102	(37,097,955,659)	1,603,969,286
Corporate income tax	39,767,280,907	57,537,903,508	(97,305,184,415)	-
Export tax	941,888,393	31,185,621,787	(31,699,370,882)	428,139,298
Other taxes	61,407,708	1,612,067,307	(1,672,900,887)	574,128
TOTAL	<u>146,954,619,391</u>	<u>1,863,870,501,437</u>	<u>(1,961,387,729,102)</u>	<u>49,437,391,726</u>
Receivables				
Value-added tax deductible	1,308,779,396,886	922,947,013,065	(1,167,906,511,827)	1,063,819,898,124
Corporate income tax	-	25,792,564,658	-	25,792,564,658
Others	13,676,143	16,265,559	-	29,941,702
TOTAL	<u>1,308,793,073,029</u>	<u>948,755,843,282</u>	<u>(1,167,906,511,827)</u>	<u>1,089,642,404,484</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

17. SHORT-TERM ACCRUED EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Tax provision	36,097,467,662	-
Transportation expense	35,712,412,522	-
Bonuses and 13 th month salary	23,755,410,000	36,886,740,000
Loan interest	12,021,671,246	10,761,599,776
Electricity fee	9,412,829,611	9,628,754,210
Payable relating to construction in progress	733,191,060	5,322,145,980
Others	123,200,000	226,700,000
TOTAL	<u>117,856,182,101</u>	<u>62,825,939,966</u>

18. OTHER SHORT-TERM PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Deposit for opening L/C	136,756,103,216	-
Document discounts	25,996,753,725	-
Tender deposits received	8,371,520,000	7,076,760,110
Social insurance, health insurance, unemployment insurance, and trade union fees	6,272,088,850	777,656,800
Dividends	4,494,873,425	4,598,464,925
Other payables to related parties (Note 28)	2,767,185,492	25,716,800,000
Deposit received for Gemadept's share transfer	-	15,776,367,206
Others	6,773,486,778	6,293,297,217
TOTAL	<u>191,432,011,486</u>	<u>60,239,346,258</u>

19. LOANS AND FINANCE LEASES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term loans and finance leases	9,010,977,033,379	7,402,317,620,460
Loans from banks (Note 19.1)	8,748,119,898,344	7,204,366,078,759
Current portion of long-term loans (Note 19.3)	174,491,250,325	193,321,275,085
Loan from related party (Note 19.2, 28)	53,000,000,000	-
Current portion of finance leases (Note 19.4)	35,365,884,710	4,630,266,616
Long-term loans and finance leases	71,352,839,728	237,114,284,830
Loans from banks (Note 19.3)	55,596,689,280	234,156,032,907
Finance leases (Note 19.4)	15,756,150,448	2,958,251,923
TOTAL	<u>9,082,329,873,107</u>	<u>7,639,431,905,290</u>

Movements of loans and finance leases during the year were as follows:

	VND
	<i>Amount</i>
Beginning balance	7,639,431,905,290
Drawdown from borrowings	26,978,521,614,736
Drawdown from financial lease	57,710,635,046
Repayment from borrowings	(25,622,600,226,615)
Repayment from finance lease	(14,177,118,427)
Foreign exchange differences	43,443,063,077
Ending balance	<u>9,082,329,873,107</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

19. LOANS AND FINANCE LEASES (continued)

19.4 Finance leases

Details of finance leases were as follows:

The Company leases machinery and equipment and means of transportation under finance leases arrangements. Future obligations due under finance leases agreements as at the balance sheet dates were as follows:

	Ending balance		Beginning balance		VND
	Total minimum lease payments	Finance charges	Total minimum lease payments	Finance charges	
Current liabilities					
Less than 1 year	38,305,086,689	2,939,201,979	5,059,482,950	429,216,334	4,630,266,616
Non-current liabilities					
From 1 - 5 years	16,708,824,489	952,674,041	3,050,680,643	92,428,720	2,958,251,923
TOTAL	55,013,911,178	3,891,876,020	8,110,163,593	521,645,054	7,588,518,539

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

20. OWNERS' EQUITY

20.1 *Movements in owners' equity*

	Issued share capital	Share premium	Other funds belongs to equity	Undistributed earnings	Total
Previous year:					VND
Beginning balance	1,965,398,290,000	551,571,933,521	6,784,575,670	1,753,131,906,267	4,276,886,705,458
Net profit for the year	-	-	-	1,353,771,696,634	1,353,771,696,634
Stock dividends (**)	1,099,978,080,000	-	-	(1,099,978,080,000)	-
Dividends declared	-	-	-	(196,539,829,000)	(196,539,829,000)
Share premium (**)	399,988,750,000	(399,988,750,000)	-	-	-
The issuance of new ordinary shares to the Company's employees (*)	34,601,710,000	-	-	-	34,601,710,000
Transferred to bonus and welfare fund	-	-	-	(60,167,737,724)	(60,167,737,724)
Appropriated to other funds	-	-	80,063,704,939	(80,063,704,939)	-
Performance bonus (***)	-	-	-	(51,300,000,000)	(51,300,000,000)
Use of funds	-	-	(52,312,539,414)	-	(52,312,539,414)
Ending balance	3,499,966,830,000	151,583,183,521	34,535,741,195	1,618,854,251,238	5,304,940,005,954

(*) The Resolution of Annual General Meeting No. 01/NQ/DHDCD/2017 dated 6 January 2017 and the relevant the Board of Directors' Resolutions approved the Company issued bonus shares to its employees under Employee Stock Ownership Plan ("ESOP"). Accordingly, the Company completed the issuance of 3,460,171 new shares on 12 April 2017 at price of VND 10,000 per share with the total amount VND 34,601,710,000. The Company also received the 27th amended BRC dated 20 April 2017 issued by the Department of Planning and Investment of Binh Duong Province reflecting this increase.

(**) The Resolution of Annual General Meeting No. 01/NQ/DHDCD/2017 dated 6 January 2017 and the Resolution of Board of Directors No. 38/NQ/HDTT/2017 dated 3 May 2017 approved the payments of stock dividends to its existing shareholders, which were appropriated from the undistributed earnings, at a ratio of 100:75 (i.e. issuing 75 new shares for every 100 shares holding by existing shareholders) and carrying forward of the share premium to supplement the charter company. Accordingly, the Company completed the issuance of 149,996,683 new shares on 8 June 2017 at price of VND 10,000 per share with the total amount VND 1,499,966,830,000. The Company also received the 29th amended BRC dated 26 June 2017 issued by the Department of Planning and Investment of Binh Duong Province reflecting this increase.

(***) In accordance with the Resolution of Annual General Meeting No. 01/NQ/DHDCD/2016 dated 18 January 2016, the Company's shareholders approved the performance bonus at 4% of profit after tax.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

20. OWNERS' EQUITY (continued)

20.1 *Movements in owners' equity* (continued)

	Issued share capital	Share premium	Treasury shares	Other funds belongs to equity	Undistributed earnings	VND Total
Current year:						
Beginning balance	3,499,966,830,000	151,583,183,521	-	34,535,741,195	1,618,854,251,238	5,304,940,005,954
Net profit for the year	-	-	-	-	505,274,139,165	505,274,139,165
Dividends declared	349,936,450,000	-	-	-	(349,936,450,000)	-
Buy treasury shares	-	-	-	-	(349,957,383,000)	(349,957,383,000)
The issuance of new ordinary shares to the Company's employees (*)	-	-	(1,343,000,000)	-	-	(1,343,000,000)
Transferred to bonus and welfare fund	-	-	-	-	(53,266,556,487)	(53,266,556,487)
Appropriated to other funds	-	-	-	47,549,876,048	(47,549,876,048)	-
Use of funds	-	-	-	(21,575,866,687)	-	(21,575,866,687)
Ending balance	3,849,903,280,000	151,583,183,521	(1,343,000,000)	60,509,750,556	1,323,418,124,868	5,384,071,338,945

(*) The Company announced to issue 34,999,228 ordinary shares to pay for dividend to existing shareholders at a ratio 10:1 (each shareholder who holds 10 shares will receive 1 additional share) from undistributed profit after tax for the year ended 30 September 2017 in accordance with the Resolution of the Annual General Meeting of Shareholders No. 01 / NQ / ĐHCĐ / 2018 dated 16 January 2018 and the resolution No. 07 / NQ / HĐQT / 2018 dated 6 February 2018. The issuance was completed on 18 June 2018 with a total number of additional shares of 34,993,645 shares with a par value of VND 349,936,450,000. On 9 July 2018, the Company has received the amended Business Registration Certificate No 31st issued by the Department of Planning and Investment of Binh Duong Province approving this increase in the charter capital of the Company.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

20. OWNERS' EQUITY (continued)

20.2 Capital transactions with owners and distribution of dividends, profits

	VND	
	Current year	Previous year
Contributed capital		
Beginning balances	3,499,966,830,000	1,965,398,290,000
Increase	<u>349,936,450,000</u>	<u>1,534,568,540,000</u>
Ending balance	<u>3,849,903,280,000</u>	<u>3,499,966,830,000</u>
Dividends		
Dividends declared	699,893,833,000	1,296,517,909,000
Dividends paid	699,997,424,500	1,296,341,064,225

20.3 Share capital

	Number of shares	
	Ending balance	Beginning balance
Issued shares		
Shares issued and paid-up shares		
<i>Ordinary shares</i>	384,990,328	349,996,683
Treasury shares		
<i>Ordinary shares</i>	134,300	-
Shares in circulation		
<i>Ordinary shares</i>	384,856,028	349,996,683

The par value of the Company's issued shares is VND 10,000 per share. The holders of the Company's ordinary shares are entitled to receive dividends as and when declared by the Company. Each ordinary share carries one vote per share without restriction.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

21. REVENUES

21.1 Revenues from sale of goods and rendering of services

	VND	
	Current year	Previous year
Gross revenues	59,977,961,162,366	47,077,679,965,050
<i>Of which:</i>		
<i>Sale of merchandises</i>	40,327,474,385,158	28,936,150,602,420
<i>Sale of finished goods</i>	19,610,603,182,865	17,915,937,715,175
<i>Others</i>	39,883,594,343	225,591,647,455
Sales deduction	(113,760,574,901)	(179,072,251,662)
<i>Of which:</i>		
<i>Sales discount</i>	(91,463,945,910)	(168,048,151,825)
<i>Sales returns</i>	(18,018,812,564)	(9,423,827,040)
<i>Sales allowances</i>	(4,277,816,427)	(1,600,272,797)
NET	<u>59,864,200,587,465</u>	<u>46,898,607,713,388</u>
<i>Of which:</i>		
<i>Sale to third parties</i>	25,526,544,445,715	21,135,214,803,228
<i>Sale to related parties (Note 31)</i>	34,337,656,141,750	25,763,392,910,160

21.2 Finance income

	VND	
	Current year	Previous year
Profits shared from subsidiaries	358,392,102,244	547,165,072,432
Financial income from disposals of investments	102,139,227,474	2,483,309,967
Foreign exchange gains	66,882,399,885	51,672,690,640
Interest income	11,895,595,465	460,593,885
TOTAL	<u>539,309,325,068</u>	<u>601,781,666,924</u>

22. COSTS OF GOODS SOLD AND SERVICES RENDERED

	VND	
	Current year	Previous year
Costs of sale of finished goods	18,021,956,769,108	15,751,202,412,685
Costs of sale of merchandises	39,027,616,532,190	27,779,529,536,731
Others	11,737,394,894	149,332,114,043
TOTAL	<u>57,061,310,696,192</u>	<u>43,680,064,063,459</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

23. FINANCE EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Interest expense	458,729,805,247	317,503,841,647
Foreign exchange losses	129,354,124,623	86,778,821,744
Foreign exchange losses arising from revaluation of monetary accounts denominated in foreign currency	47,305,340,201	7,111,244,819
(Reversal of provision) provision for long-term investments	(22,487,722,351)	8,983,268,917
Other	1,915,310,041	-
TOTAL	<u>614,816,857,761</u>	<u>420,377,177,127</u>

24. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Selling expenses	1,493,660,136,661	1,235,820,173,529
Expenses for external services	790,640,510,476	593,014,446,591
Labour costs	327,536,085,599	292,108,792,713
Depreciation and amortisation	108,714,732,356	72,442,980,982
Other expenses	266,768,808,230	278,253,953,243
General and administrative expenses	711,802,548,326	639,173,453,876
Labour costs	361,669,045,416	318,188,060,303
Depreciation and amortisation	42,732,423,837	34,910,163,952
Expenses for external services	29,750,707,573	23,333,620,677
Other expenses	277,650,371,500	262,741,608,944
TOTAL	<u>2,205,462,684,987</u>	<u>1,874,993,627,405</u>

25. OTHER INCOME

	VND	
	<i>Current year</i>	<i>Previous year</i>
Compensation	27,904,180,851	46,938,922,223
Gain from disposed fixed assets	16,148,077,681	22,353,176,877
Others	8,880,345,033	3,804,743,641
TOTAL	<u>52,932,603,565</u>	<u>73,096,842,741</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

26. PRODUCTION AND OPERATING COSTS

	VND	
	<i>Current year</i>	<i>Previous year</i>
Raw materials	16,617,021,783,833	14,997,112,273,572
Expense for external services	1,241,036,775,605	1,095,325,907,080
Labour costs	796,124,614,877	730,185,246,256
Depreciation and amortisation (Notes 10,11 and 12)	322,385,755,534	408,968,204,482
Others	650,150,547,377	836,244,964,815
TOTAL	<u>19,626,719,477,226</u>	<u>18,067,836,596,205</u>

27. CORPORATE INCOME TAX

The Company has the obligation to pay corporate income tax ("CIT") at the rate of 20% of taxable profits.

The tax returns filed by the Company are subjected to examination by the tax authorities. Because the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, the amounts reported in the separate financial statements could be changed at a later date upon final determination by the tax authorities.

27.1 CIT expense

	VND	
	<i>Current year</i>	<i>Previous year</i>
Current CIT expense	57,537,903,508	209,236,418,604
Adjusted CIT from previous year	-	363,780,853
Deferred CIT expense	10,926,051,734	31,435,309,359
TOTAL	<u>68,463,955,242</u>	<u>241,035,508,816</u>

Reconciliation between CIT expense and the accounting profit multiplied by CIT rate is presented below:

	VND	
	<i>Current year</i>	<i>Previous year</i>
Accounting profit before tax	<u>573,738,094,407</u>	<u>1,594,807,205,450</u>
At CIT rate of 20%	114,747,618,881	318,961,441,090
<i>Adjustments</i>		
Non-deductible expenses	25,384,617,658	31,143,301,359
Profits shared from subsidiaries	(71,678,420,449)	(109,433,014,486)
Adjusted CIT from previous year	-	363,780,853
Other	10,139,152	-
Current CIT expense	<u>68,463,955,242</u>	<u>241,035,508,816</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

27. CORPORATE INCOME TAX (continued)

27.2 Current tax

The current CIT payable is based on taxable profit for the current year. The taxable profit of the Company for the year differs from the accounting profit as reported in the separate income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

27.3 Deferred CIT

The following are the deferred tax assets recognized by the Company, and the movements thereon, during the current and previous year:

	<i>Separate balance sheet</i>		<i>Separate income statement</i>		VND
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>	
Accrued operating expenses	12,107,935,853	14,347,792,714	(2,239,856,861)	(23,151,166,468)	
Provisions	7,592,142,372	13,610,183,079	(6,018,040,707)	3,759,383,106	
Foreign exchange differences arising from revaluation of monetary accounts denominated in foreign currency	714,348,043	1,135,161,780	(420,813,737)	1,067,043,023	
Unrealised profits	582,741,890	2,302,446,294	(1,719,704,404)	(10,050,438,250)	
Others	1,053,512,369	1,581,148,394	(527,636,025)	(3,060,130,770)	
Deferred tax assets	<u>22,050,680,527</u>	<u>32,976,732,261</u>			
Deferred CIT expenses			<u>(10,926,051,734)</u>	<u>(31,435,309,359)</u>	

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

28. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Significant transactions with related parties during the current year and previous year were as follows:

<i>Related party</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Current year</i>	<i>Previous year</i>	<i>VND</i>
Hoa Sen Steel Sheet One Member Co., Ltd.	Subsidiary	Purchase of goods	14,995,785,607,702	14,901,254,604,796	
		Sale of goods	13,779,143,441,900	13,643,025,632,712	
		Payment on behalf	152,580,172,648	166,530,762,965	
		Profit shared	34,568,169,073	76,653,509,042	
		Sales of fixed asset	9,138,455,859	-	
		Transfer of fixed assets	879,098,975,080	-	
		Other Income	4,783,074,700	-	
		Purchase return	2,510,365,445	-	
		Sales return	1,980,258,020	-	
		Purchase of gas	80,969,500	8,213,145,624	
		Purchase of fixed assets	-	1,436,070,000	
		Leasing of assets	-	139,296,000,000	
Hoa Sen Building Materials One Member Co., Ltd.	Subsidiary	Sale of goods	4,827,327,999,833	3,618,783,885,490	
		Purchase of goods	3,715,489,723,137	3,260,772,053,282	
		Profit shared	144,875,735,339	205,519,465,050	
		Sales return	1,329,668,691	397,974,795	
		Purchase of fixed assets	136,202,200	-	
		Rental expense	100,000,010	-	
		Leasing of assets	88,409,095	678,545,460	
		Sale of fixed assets	87,000,000	200,000,000	
Hoa Sen Transportation and Engineering One Member Co., Ltd.	Subsidiary	Transportation expenses	48,534,481,409	44,995,715,904	
		Leasing of assets	7,956,000,000	8,565,000,000	
		Profit shared	5,818,027,378	5,895,764,638	
		Rental expense	607,696,966	-	
		Purchase of fixed asset	100,000,000	-	
		Purchase of goods	-	4,611,416,810	
		Other	401,957,962	-	

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

28. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Significant transactions with related parties during the current year and previous year were as follows (continued):

<i>Related party</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Current year</i>	<i>Previous year</i>
				VND
Hoa Sen Nghệ An One Member Co., Ltd	Subsidiary	Sale of goods	9,626,602,855,004	5,599,890,071,479
		Purchase of goods	7,502,469,038,140	4,551,651,709,046
		Capital contribution	650,000,000,000	120,000,000,000
		Profit shared	161,600,175,097	224,128,658,740
		Purchase return	6,407,186,748	-
		Sales of fixed assets	5,913,155,809	-
		Rental expense	327,272,724	-
		Purchase deduction	168,333,118	-
		Other purchase	141,284,700	-
		Leasing of assets	38,000,000	3,948,000,000
Hoa Sen Binh Dinh One Member Co., Ltd.	Subsidiary	Purchase of goods	1,082,856,041,149	794,881,373,702
		Capital contribution	50,000,000,000	-
		Sale of goods	24,251,426,607	51,434,073,556
		Profit shared	11,529,995,357	34,967,674,962
		Other sales	45,328,337	-
		Other purchases	21,454,414	-
Hoa Sen Nhon Hoi - Binh Dinh One Member Co., Ltd.	Subsidiary	Sale of goods	1,416,755,238,005	505,020,866,183
		Purchase of goods	1,224,289,168,009	145,744,606,172
		Lending	132,500,000,000	42,967,623,260
		Conversion of lending to capital	119,000,000,000	-
		Capital contribution	101,000,000,000	64,000,000,000
		Collection of lending	13,500,000,000	42,967,623,260
		Purchase returns	1,804,591,517	-
		Interest income	708,702,055	201,781,047
		Sales return	154,174,786	-
		Sale of fixed assets	-	8,435,500,000
		Leasing of assets	-	300,000,000

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

28. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Significant transactions with related parties during the current year and previous year were as follows (continued):

<i>Related party</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Current year</i>	<i>Previous year</i>
				VND
Hoa Sen Ha Nam One Member Co., Ltd	Subsidiary	Purchase of goods	848,947,136,769	154,761,409,425
		Sale of goods	44,779,573,986	11,076,398,202
		Sale returned	86,112,315	-
		Sales of fixed assets	2,904,000,000	150,000,000,000
		Capital contribution	-	64,852,176,516
		Collection of lending	-	64,869,376,516
		Lending of money	-	1,565,011,328
		Interest income	171,000,000	-
		Lease of assets	486,410,620	-
		Others	-	-
Hoa Sen Van Hoi Joint Stock Company	Subsidiary	Capital withdrawal	2,800,000,000	-
Hoa Sen Yen Bai Joint Stock Company	Subsidiary	Lending of money	84,022,894,522	45,663,826,935
		Collection of lending	63,000,000,000	-
		Interest income	6,103,354,523	551,616,708
		Capital contribution	-	78,500,000,000
Hoa Sen Du Long Industrial Park Infrastructure Investment One Member Co., Ltd.	Associates	Capital transfer	13,585,000,000	-
		Lending	12,160,295,900	-
		Conversion of lending to capital	4,500,000,000	24,700,000,000
		Collection of lending	4,000,000,000	-
		Loan interest	335,342,389	-
Hoa Sen Phu My One Member Co., Ltd	Subsidiary	Sales of goods	403,345,547,024	6,005,111,813
		Capital contribution	77,281,875,153	100,000,000,000
		Convert lending to capital contribution	72,718,124,847	-
		Purchase of goods	49,562,550,487	-
		Lending	43,406,984,582	29,311,140,265
		Others	2,332,380,193	164,900,884

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

28. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Significant transactions with related parties during the current year and previous year were as follows (continued):

<i>Related party</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Current year</i>	<i>Previous year</i>	<i>VND</i>
Hoa Sen Ca Na – Ninh Thuan Integrated Iron and Steel Complex Investment One Member Co., Ltd	Subsidiary	Capital contribution	-	15,000,000,000	
Ca Na – Ninh Thuan International General Seaport One Member Co., Ltd	Subsidiary	Capital contribution	1,000,000,000	2,500,000,000	
Hoa Sen Yen Bai Building Materials One Member Co., Ltd	Subsidiary	Purchase of goods Collection of lending Lending Capital contribution	215,951,772,945 10,605,320,725 10,605,320,725 -	- - -	
		Sale of goods Others	1,704,016,764 939,048,113	50,000,000,000 2,527,910,381	
Hoa Sen Ca Na – Ninh Thuan Industrial Park Infrastructure Investment One Member Limited Liabilities Company	Subsidiary	Capital contribution	1,000,000,000	3,000,000,000	
Hoa Sen Quy Nhon Joint Stock Company	Associate	Loan Interest expense Capital contribution	53,000,000,000 1,256,027,397 -	- 27,450,000,000	
Hoa Sen Holdings Group	Related party	Sale of goods Purchase of goods Transportation expenses Trade discount Sale of fixed assets Sales return Leasing of assets Outsource Other sales Receiving of services Other	4,247,355,470,991 2,131,902,739,532 43,220,427,887 43,093,355,162 40,961,909,490 3,595,809,964 1,828,130,909 1,146,734,978 573,272,555 509,617,649 -	2,245,091,246,176 2,868,716,011,902 49,363,717,493 73,059,929,459 36,386,756,005 - 1,718,377,268 - 28,255,009,089 -	

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

28. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Significant transactions with related parties during the current year and previous year were as follows (continued):

<i>Related party</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Current year</i>	<i>Previous year</i>	<i>VND</i>
Hoa Sen Nghe An Investment One Member Co., Ltd	Related party	Transportation expenses	818,445,193	620,677,877	
Hoa sen Hoi Van One member Co., Ltd	Related party	Capital withdrawal	450,000,000	-	
Hoa Sen Gemadept International Port & Logistics Joint Stock Company	Related party	Capital transfer	55,624,444,583	-	
		Capital contribution	3,672,266,449	-	
Amounts due from and due to related parties at the balance sheet date were as follows:					
<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>Ending balance</i>	<i>Beginning balance</i>	
Short-term trade receivables					
Hoa Sen Steel Sheet One Member Co., Ltd.	Subsidiary	Sales of goods	2,274,374,701,634	1,372,719,862,467	
Hoa Sen Nghe An One Member Co., Ltd.	Subsidiary	Sales of goods	1,200,868,459,695	666,455,845,353	
Hoa Sen Nhon Hoi - Binh Dinh One Member Co., Ltd.	Subsidiary	Sales of goods	1,307,539,434,530	416,327,068,751	
Hoa Sen Building Materials One Member Co., Ltd.	Subsidiary	Sales of goods	570,934,978,238	423,765,967,282	
Hoa Sen Phu My One Member Co., Ltd	Subsidiary	Sales of goods	291,904,280,843	10,215,237,917	
Hoa Sen Ha Nam One Member Co., Ltd	Subsidiary	Sales of goods	15,062,949,385	-	
Hoa Sen Yen Bai Building Materials One Member Co., Ltd	Subsidiary	Sales of goods	-	2,380,875,132	
Hoa Sen Holdings Group	Related party	Sales of goods	775,500	451,645,235	
TOTAL			5,660,685,579,825	2,892,316,502,137	

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

28. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Amounts due from and due to related parties at the balance sheet date were as follows:

Related party	Relationship	Transaction	Ending balance	Beginning balance
Short-term advances to suppliers				
Hoa Sen Nhon Hoi - Binh Dinh One Member Co., Ltd.	Subsidiary	Sales of goods	141,210,746,400	-
Hoa Sen Ha Nam One Member Co., Ltd.	Subsidiary	Advances	3,089,692,968	38,705,908,131
Hoa Sen Yen Bai Building Materials One Member Co., Ltd.	Subsidiary	Advances	425,516,000	-
TOTAL			144,725,955,368	38,705,908,131
Short-term loan receivables				
Hoa Sen Du Long Industrial Park Infrastructure Investment One Member Co., Ltd.	Associates	Lending	3,660,295,900	-
Long-term loan receivables				
Hoa Sen Yen Bai Joint Stock Company	Subsidiary	Lending	66,686,721,457	45,663,826,935
Hoa Sen Phu My One Member Co., Ltd.	Subsidiary	Lending	-	29,311,140,265
TOTAL			66,686,721,457	74,974,967,200
Loan				
Hoa Sen Quy Nhon Joint Stock Company	Associate	Loan	53,000,000,000	-

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

28. **TRANSACTIONS AND BALANCES WITH RELATED PARTIES** (continued)

Amounts due from and due to related parties at the separate balance sheet dates were as follows (continued):

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>Ending balance</i>	<i>Beginning balance</i>	<i>VND</i>
Other short-term receivables					
Hoa Sen Nghe An One Member Co., Ltd.	Subsidiary	Profit shared	161,600,175,097	224,128,658,740	
Hoa Sen Building Materials One Member Co., Ltd.	Subsidiary	Profit shared	144,875,735,339	205,519,465,050	
Mr Hoang Duc Huy	Deputy General Director	Advance for purchase of lands	90,183,227,000	90,183,227,000	
		Sales of land	1,367,463,256	-	
Hoa Sen Steel Sheet One Member Co., Ltd.	Subsidiary	Profit shared	34,568,169,073	76,653,509,042	
Hoa Sen Binh Dinh One Member Co., Ltd.	Subsidiary	Profit shared	11,529,995,357	34,967,674,962	
Hoa Sen Yen Bai Joint Stock Company	Subsidiary	Loan interest	6,654,971,231	551,616,708	
Hoa Sen Transportation and Engineering One Member Co., Ltd.	Subsidiary	Profit shared	5,818,027,378	5,895,764,638	
Hoa Sen Ca Na – Ninh Thuan Intergrated Iron and Steel Complex Investment One Member Limited Liabilities Company	Subsidiary	Payment on behalf	923,312,250	923,312,250	
Hoa Sen Du Long Industrial Park Infrastructure Investment One Member Co., Ltd.	Associate	Payment on behalf	335,342,389	-	
Hoa Sen Ha Nam One Member Co., Ltd.	Subsidiary	Payment on behalf	118,970,000	-	
Hoa Sen Ca Na – Ninh Thuan Cement One Member Limited Liabilities Company	Subsidiary	Payment on behalf	13,000,000	10,000,000	
Hoa Sen Ca Na – Ninh Thuan Renewable Energy One Member Limited Liabilities Company	Subsidiary	Payment on behalf	13,000,000	10,000,000	
Hoa Sen Phu My One Member Co., Ltd.	Subsidiary	Loan interest	-	164,900,884	
TOTAL			458,001,388,370	639,008,129,274	

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

28. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Amounts due from and due to related parties at the separate balance sheet dates were as follows (continued):

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term trade payables				
Hoa Sen Binh Dinh One Member Co, Ltd.	Subsidiary	Purchases of goods	336,200,056,889	200,641,334,445
Hoa Sen Ha Nam One Member Co., Ltd.	Subsidiary	Purchases of goods	137,214,608,808	53,560,995,083
Hoa Sen Nhon Hoi – Binh Dinh One Member Co., Ltd.	Subsidiary	Purchases of goods	61,292,574,787	56,166,912,937
Hoa Sen Yen Bai Building Materials One Member Co., Ltd	Subsidiary	Purchases of goods	36,513,309,235	-
Hoa Sen Transportation and Engineering One Member Co., Ltd.	Subsidiary	Purchases of goods	15,599,670,164	14,226,066,980
Hoa Sen Holdings Group	Owned by Chairman	Purchases of goods	4,264,268,660	54,215,530,025
Hoa Sen Nghe An Investment One Member Co., Ltd	Related party	Purchases of goods	52,819,936	427,095,341
Hoa Sen Steel Sheet One Member Co., Ltd.	Subsidiary	Purchases of goods	-	2,000,000,000
TOTAL			591,137,308,479	381,237,934,811
Short-term advances from customers				
Hoa Sen Binh Dinh One Member Co, Ltd.	Subsidiary	Advance	85,962,064,553	78,751,807,428
Hoa Sen Holdings Group	Owned by Chairman	Advance	7,646,976,355	145,963,739,883
TOTAL			93,609,040,908	224,715,547,311
Other short-term payables				
Hoa Sen Quy Nhon Joint Stock Company	Associate	Interest income	1,256,027,397	-
Huong Sen Real Estate	Related party	Payable of advance	1,000,000,000	1,000,000,000
Hoa Sen Binh Dinh One Member Co, Ltd.	Subsidiary	Receivable on behalf	319,600,000	-
Hoa Sen Yen Bai Building Materials One Member Co., Ltd.	Subsidiary	Payment on behalf	191,558,095	16,800,000
Hoa Sen Du Long Industrial Park Infrastructure Investment One Member Co., Ltd.	Associate	Capital contribution	-	24,700,000,000
TOTAL			2,767,185,492	25,716,800,000

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

28. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Transactions with other related parties

Details of salaries and remuneration of the Boards of Directors, the Board of Supervision and the Management during the year are as set out below:

	VND	
	<i>Current year</i>	<i>Previous year</i>
Salaries of the Management	16,987,072,159	15,910,226,680
Bonuses of the Management	-	14,580,000,000
Remuneration of the Board of Directors and the Board of Supervision	2,270,000,000	2,000,000,000
Bonuses of the Board of Directors and the Board of Supervision	-	26,810,000,000
TOTAL	<u>19,257,072,159</u>	<u>59,300,226,680</u>

29. COMMITMENTS

Operating lease commitment - the Company as lessee

The Company leases land and factories under operating lease arrangements. The minimum lease commitments as at the balance sheet dates under operating lease arrangements are as follows:

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Less than 1 year	120,530,357,667	102,622,704,600
From 1 to 5 years	432,335,802,440	360,182,972,527
More than 5 years	449,691,597,286	247,322,009,333
TOTAL	<u>1,002,557,757,393</u>	<u>710,127,686,460</u>

Operating lease commitment - the Company as lessor

The Company leases out buildings and structures, machinery and equipment, and means of transportation under operating lease arrangements. The future minimum rental receivable as at the balance sheet dates under the operating lease agreements are as follows:

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Less than 1 year	909,600,000	155,269,354,547
From 1 to 5 years	2,529,300,000	616,331,681,818
More than 5 years	-	341,516,000,000
TOTAL	<u>3,438,900,000</u>	<u>1,113,117,036,365</u>

Capital commitments

As at 30 September 2018, the Company had commitments of VND 12,968,628,192 (30 September 2017: VND 35,525,754,918) mainly related to the acquisition of new machinery for its operations.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2018

29. COMMITMENTS (continued)

Capital commitments

As at 30 September 2018, the Company has capital-contributed commitments into subsidiaries and associates which have not been contributed as follows:

	Cost of investment		VND
	Amount	%	Contributed Amount
Hoa Sen Ca Na – Ninh Thuan Renewable Energy One Member Limited Liabilities Company	20,000,000,000	100%	-
Hoa Sen Ca Na – Ninh Thuan Cement One Member Limited Liabilities Company	30,000,000,000	100%	-
Hoa Sen Ca Na – Ninh Thuan Industrial Park Infrastructure Investment One Member Limited Liabilities Company	50,000,000,000	100%	4,000,000,000
Hoa Sen Ca Na – Ninh Thuan International General Seaport One Member Limited Liabilities Company	50,000,000,000	100%	3,500,000,000
Hoa Sen Ca Na – Ninh Thuan Integrated Iron and Steel Complex Investment One Member Limited Liabilities Company	100,000,000,000	100%	15,000,000,000
Hoa Sen Quy Nhon Joint Stock Company	45,000,000,000	45%	27,900,000,000
TOTAL	295,000,000,000		50,400,000,000

30. CORRESPONDING FIGURES

Certain corresponding figures in the separate financial statements for the year ended 30 September 2017 have been reclassified to conform to the presentation of the current year.

31. EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events occurring after the balance sheet date which would require adjustments or disclosures to be made in the separate financial statements.



Nguyen Thi Thanh Tuyen
Preparer



Nguyen Thi Ngoc Lan
Chief Accountant



Tran Quoc Tri
General Director



28 December 2018