

Hoa Sen Group

Interim separate financial statements

31 March 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 trade 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 three hundred and sixty five (385) branches located in various provinces in Vietnam.

BOARD OF DIRECTORS

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

Mr Le Phuoc Vu	Chairman	
Mr Tran Ngoc Chu	Vice Chairman	
Mr Pham Gia Tuan	Member	resigned on 16 January 2018
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

MANAGEMENT

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

Mr Tran Quoc Tri	General Director	appointed on 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 period and at the date of this report are as follows:

Mr Le Phuoc Vu	Chairman	
Mr Tran Ngoc Chu	Vice Chairman	appointed on 16 January 2018
Mr Tran Quoc Tri	General Director	appointed on 16 January 2018

AUDITORS

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

Hoa Sen Group

REPORT OF THE GENERAL DIRECTOR

The General Director of Hoa Sen Group ("the Company") is pleased to present his report and the interim separate financial statements of the Company for the six-month period ended 31 March 2018.

THE GENERAL DIRECTOR'S RESPONSIBILITY IN RESPECT OF THE INTERIM SEPARATE FINANCIAL STATEMENTS

The General Director is responsible for the interim separate financial statements of the Company which give a true and fair view of the interim separate financial position of the Company and of the interim separate results of its operations and its interim separate cash flows for the period. In preparing those interim separate financial statements, the General Director 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 interim separate financial statements; and
- prepare the interim separate financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

The General Director is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the interim 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 General Director confirmed that he has complied with the above requirements in preparing the accompanying interim separate financial statements.

APPROVAL OF THE INTERIM SEPARATE FINANCIAL STATEMENTS

The General Director does hereby state that, in his opinion, the accompanying interim separate financial statements give a true and fair view of the interim separate financial position of the Company as at 31 March 2018, and of the interim separate results of its operations and the interim separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of interim separate financial statements.

As disclosed at Note 14.1 of the accompanying interim separate financial statements, the Company is a parent company with subsidiaries and it is in the process of completing the interim consolidated financial statements of the Company and its subsidiaries ("the Group") for the six-month period ended 31 March 2018 to meet the prevailing regulatory reporting requirements.

Users of the interim separate financial statements should read them together with the said interim consolidated financial statements of the Group the six-month period ended 31 March 2018 in order to obtain full information on the interim consolidated financial position, interim consolidated results of operations and interim consolidated cash flows of the Company and its subsidiaries.



Tran Quoc Tri
General Director

29 May 2018



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Reference: 61183992/19355153/LR

REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS

To: **The Shareholders of Hoa Sen Group**

We have reviewed the accompanying interim separate financial statements of Hoa Sen Group ("the Company") as prepared on 29 May 2018 and set out on pages 5 to 51, which comprise the interim separate balance sheet as at 31 March 2018, the interim separate income statement and the interim separate cash flow statement for the six-month period then ended and the notes thereto.

The General Director's responsibility

The Company's General Director is responsible for the preparation and fair presentation of these interim 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 interim separate financial statements, and for such internal control as the General Director determines is necessary to enable the preparation and presentation of the interim separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express a conclusion on the interim separate financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements No. 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of interim separate financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements do not give a true and fair view, in all material respects, of the interim separate financial position of the Company as at 31 March 2018, and of the interim separate results of its operations and its interim separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the interim separate financial statements.

Emphasis of matter

As disclosed at Note 2.1 of the accompanying interim separate financial statements, the Company is a parent company with subsidiaries and it is in the process of completing the preparation and presentation of the interim consolidated financial statements of the Company and its subsidiaries ("the Group") for the six-month period ended 31 March 2018 to meet the prevailing regulatory reporting requirements. Users of the accompanying interim separate financial statements should read them together with the said interim consolidated financial statements in order to obtain full information on the interim consolidated financial position, interim consolidated results of operations and interim consolidated cash flows of the Group as a whole.

Our conclusion on the interim separate financial statement is not modified in respect of this matter.

Ernst & Young Vietnam Limited



Duong Le Anthony
Deputy General Director
Audit Practicing Registration Certificate
No. 2223-2018-004-1

Ho Chi Minh City, Vietnam

29 May 2018

INTERIM SEPARATE BALANCE SHEET
as at 31 March 2018

VND

Code	ASSETS	Notes	31 March 2018	30 September 2017
100	A. CURRENT ASSETS		13,606,681,713,297	11,981,820,448,603
110	I. Cash and cash equivalents	4	119,389,006,364	239,918,988,521
111	1. Cash		119,245,484,489	239,775,466,646
112	2. Cash equivalents		143,521,875	143,521,875
130	II. Current account receivables		7,934,859,072,489	4,930,670,266,498
131	1. Short-term trade receivables	5.1	7,465,348,298,430	3,975,438,722,818
132	2. Short-term advances to suppliers	5.2	109,073,857,793	97,586,233,122
135	3. Short-term loan receivables	9	36,460,295,900	25,400,000,000
136	4. Other short-term receivables	6	329,180,222,931	837,048,913,123
137	5. Provision for doubtful short-term receivables	5.1, 6	(5,203,602,565)	(4,803,602,565)
140	III. Inventories	7	4,193,051,461,028	5,428,029,021,406
141	1. Inventories		4,208,971,325,849	5,450,815,683,238
149	2. Provision for obsolete inventories		(15,919,864,821)	(22,786,661,832)
150	IV. Other current assets		1,359,382,173,416	1,383,202,172,178
151	1. Short-term prepaid expenses	8	92,444,067,582	74,422,775,292
152	2. Value-added tax deductible	16	1,266,782,387,627	1,308,779,396,886
153	3. Tax and other receivables from the State	16	155,718,207	-
200	B. NON-CURRENT ASSETS		4,402,731,814,268	5,043,205,602,817
210	I. Long-term receivable		121,854,031,475	74,974,967,200
215	1. Long-term loan receivables	9	121,854,031,475	74,974,967,200
220	II. Fixed assets		2,047,621,662,020	2,746,644,774,699
221	1. Tangible fixed assets	10	1,718,450,057,375	2,463,196,998,804
222	Cost		3,256,994,234,901	4,566,370,722,477
223	Accumulated depreciation		(1,538,544,177,526)	(2,103,173,723,673)
224	2. Finance leases	11	40,889,634,930	24,855,221,380
225	Cost		52,120,618,191	39,019,437,785
226	Accumulated depreciation		(11,230,983,261)	(14,164,216,405)
227	3. Intangible assets	12	288,281,969,715	258,592,554,515
228	Cost		314,772,442,174	281,826,289,976
229	Accumulated amortisation		(26,490,472,459)	(23,233,735,461)
240	III. Long-term assets in progress		9,404,007,701	247,666,367,726
242	1. Construction in progress	13	9,404,007,701	247,666,367,726
250	IV. Long-term investments	14	1,976,265,444,583	1,724,245,102,467
251	1. Investments in subsidiaries	14.1	1,819,576,000,000	1,633,276,000,000
252	2. Investment in associates	14.2	95,089,444,583	80,302,178,134
254	3. Provision for diminution in value of long-term investments	14.2	-	(35,933,075,667)
255	4. Held-to maturity investments		61,600,000,000	46,600,000,000
260	V. Other long-term assets		247,586,668,489	249,674,390,725
261	1. Long-term prepaid expenses	8	226,173,300,461	216,697,658,464
262	2. Deferred tax assets	27.3	21,413,368,028	32,976,732,261
270	TOTAL ASSETS		18,009,413,527,565	17,025,026,051,420

INTERIM SEPARATE BALANCE SHEET (continued)
as at 31 March 2018

VND

Code	RESOURCES	Notes	31 March 2018	30 September 2017
300	C. LIABILITIES		12,474,946,627,927	11,720,086,045,466
310	I. Current liabilities		12,326,223,669,254	11,480,180,605,636
311	1. Short-term trade payables	15.1	1,271,177,740,838	3,308,069,444,117
312	2. Short-term advances from customers	15.2	335,779,291,863	357,924,180,945
313	3. Statutory obligations	16	112,574,193,900	146,954,619,391
314	4. Payables to employees		50,427,191,463	80,555,222,032
315	5. Short-term accrued expenses	17	43,537,048,078	62,825,939,966
319	6. Other short-term payables	18	325,685,723,094	60,239,346,258
320	7. Short-term loans and finance lease obligations	19	10,109,649,724,982	7,402,317,620,460
322	8. Bonus and welfare fund		77,392,755,036	61,294,232,467
330	II. Non-current liabilities		148,722,958,673	239,905,439,830
338	1. Long-term loans and finance lease obligations	19	145,931,803,673	237,114,284,830
342	2. Long-term provisions		2,791,155,000	2,791,155,000
400	D. OWNERS' EQUITY		5,534,466,899,638	5,304,940,005,954
410	I. Capital	20	5,534,466,899,638	5,304,940,005,954
411	1. Share capital		3,499,966,830,000	3,499,966,830,000
411a	- Shares with voting rights		3,499,966,830,000	3,499,966,830,000
412	2. Share premium		151,583,183,521	151,583,183,521
415	3. Treasury shares		(543,000,000)	-
420	4. Other funds belonging to owners' equity		70,356,612,914	34,535,741,195
421	5. Undistributed earnings		1,813,103,273,203	1,618,854,251,238
421a	- Undistributed earnings up to prior period-end		1,518,037,818,703	265,082,554,604
421b	- Undistributed earnings of current period		295,065,454,500	1,353,771,696,634
440	TOTAL LIABILITIES AND OWNERS' EQUITY		18,009,413,527,565	17,025,026,051,420

Nguyen Thi Thanh Tuyen
Preparer

Nguyen Thi Ngoc Lan
Chief Accountant

Tran Quoc Tri
General Director

29 May 2018

INTERIM SEPARATE INCOME STATEMENT
for the six-month period ended 31 March 2018

VND

Code	ITEMS	Notes	For the six-month period ended 31 March 2018	For the six-month period ended 31 March 2017
01	1. Revenues from sale of goods and rendering of services	21.1	29,345,419,687,079	22,029,294,923,416
02	2. Deductions	21.1	(99,693,211,691)	(81,507,342,295)
10	3. Net revenues from sale of goods and rendering of services	21.1	29,245,726,475,388	21,947,787,581,121
11	4. Costs of goods sold and services rendered	22	(27,650,926,671,954)	(20,284,139,904,211)
20	5. Gross profit from sale of goods and rendering of services		1,594,799,803,434	1,663,647,676,910
21	6. Finance income	21.2	30,508,451,179	30,863,725,117
22 23	7. Finance expenses <i>In which: Interest expense</i>	23	(235,185,827,218) (228,290,720,096)	(215,872,117,027) (136,838,829,918)
25	8. Selling expenses	24	(689,842,806,457)	(522,938,269,203)
26	9. General and administrative expenses	24	(345,908,539,712)	(264,492,162,551)
30	10. Operating profit		354,371,081,226	691,208,853,246
31	11. Other income	25	25,741,719,577	59,065,916,454
32	12. Other expenses	25	(979,313,029)	(638,879,439)
40	13. Other profit	25	24,762,406,548	58,427,037,015
50	14. Accounting profit before tax		379,133,487,774	749,635,890,261
51	15. Current corporate income tax expense	27.1	(72,504,669,041)	(126,361,580,574)
52	16. Deferred tax expense	27.3	(11,563,364,233)	(35,502,501,304)
60	17. Net profit after tax		295,065,454,500	587,771,808,383



Nguyen Thi Thanh Tuyen
Preparer



Nguyen Thi Ngoc Lan
Chief Accountant



CÔNG TY
CỔ PHẦN
TẬP ĐOÀN
HOA SEN
TX. DI AN - T. BINH DUONG

Tran Quoc Tri
General Director

29 May 2018

INTERIM SEPARATE CASH FLOW STATEMENT
for the six-month period ended 31 March 2018

VND

Code	ITEMS	Notes	For the six-month period ended 31 March 2018	For the six-month period ended 31 March 2017
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit before tax		379,133,487,774	749,635,890,261
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	10, 11, 12	153,632,103,689	198,779,522,832
03	(Reversal provisions) provisions		(42,399,872,678)	9,647,703,090
04	Foreign exchange losses arising from revaluation of monetary accounts denominated in foreign currency		11,944,096,959	8,463,524,412
05	Profits from investing activities	23	(18,830,802,221)	(18,161,658,223)
06	Interest expense	23	228,290,720,096	136,838,829,918
08	Operating profit before changes in working capital		711,769,733,619	1,085,203,812,290
09	Increase in receivables		(2,170,516,916,118)	(2,343,801,914,453)
10	Decrease (increase) in inventories		1,241,844,357,389	(1,563,099,972,875)
11	Decrease in payables		(1,867,501,089,594)	(961,087,579,063)
12	Increase in prepaid expenses		(27,496,934,287)	(83,064,730,445)
14	Interest expense paid		(226,433,478,316)	(130,000,437,842)
15	Corporate income tax paid	16	(84,759,374,895)	(141,421,965,232)
17	Other cash outflows for operating activities		(48,897,038,247)	(29,537,484,056)
20	Net cash flows used in operating activities		(2,471,990,740,449)	(4,166,810,271,676)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets		(136,047,156,786)	(277,827,432,427)
22	Proceeds from disposals of fixed assets		77,583,316,413	36,301,468,280
25	Investment in other entities		(214,672,266,449)	(364,150,000,000)
26	Proceeds from sale of investment in other entity		13,585,000,000	-
27	Interest received	21.2	8,204,987,593	1,114,850,021
30	Net cash flows used in investing activities		(251,346,119,229)	(604,561,114,126)

INTERIM SEPARATE CASH FLOW STATEMENT (continued)
for the six-month period ended 31 March 2018

VND

Code	ITEMS	Notes	For the six-month period ended 31 March 2018	For the six-month period ended 31 March 2017
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
32	Capital redemption		(543,000,000)	-
33	Drawdown of borrowings		14,071,743,354,343	12,510,545,296,194
34	Repayment of borrowings		(11,463,595,633,358)	(7,807,986,130,274)
35	Finance lease payments		(2,425,433,770)	(10,518,171,966)
36	Dividends paid		(293,512,000)	(195,895,385,600)
40	Net cash flows from financing activities		2,604,885,775,215	4,496,145,608,354
50	Net decrease in cash and cash equivalents		(118,451,084,463)	(275,225,777,448)
60	Cash and cash equivalents at beginning of period		239,918,988,521	447,518,356,022
61	Impact of exchange rate fluctuation		(2,078,897,694)	(412,283,352)
70	Cash and cash equivalents at end of period	4	119,389,006,364	171,880,295,222



Nguyen Thi Thanh Tuyen
Preparer



Nguyen Thi Ngoc Lan
Chief Accountant



Tran Quoc Tri
General Director

29 May 2018

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
as at and for the six-month period ended 31 March 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 trade 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 2 Industrial Park Di An Ward, Di An Town, Binh Duong Province, Vietnam. In addition, the Company also has three hundred and eighty five (385) branches located in various provinces in Vietnam.

The number of the Company's employees as at 31 March 2018 was 5,403 (30 September 2017: 5,164).

Corporate structure

The Company's corporate structure includes 16 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 2 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 31 March 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 31 March 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 31 March 2018, the Company holds 100% equity interests and 100% voting rights in HSBD (30 September 2017: 100%).

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 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 2 Industrial Park, Di An Ward, Di An Town, Binh Duong Province, Vietnam. The current principal activities of HTME are providing services of cargo transportation by road.

As at 31 March 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 pipes.

As at 31 March 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 31 March 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 31 March 2018, the Company holds 100% equity interests and 100% voting rights in HSNH (30 September 2017: 100%).

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2018

1. **CORPORATE INFORMATION** (continued)

Corporate structure (continued)

▶ Hoa Sen Van Hoi Joint Stock Company ("HSVH")

HSVH is a joint stock company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 5200861301 issued by the Department of Planning and Investment of Yen Bai Province on 5 May 2016. HSVH's registered head office is located at 48 civil group, Dong Tam Ward, Yen Bai City, Yen Bai Province, Vietnam. The current principal activities of HSVH are trading in real estate and rendering of real estate services and supporting services for trading real estate.

As at 31 March 2018, the Company holds 70% equity interests and 70% voting rights in HSVH (30 September 2017: 70%).

▶ 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 civil 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 31 March 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 current principal activities of HSRE are manufacturing, transmitting and distributing electricity.

As at 31 March 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 current principal activities of HSCC are manufacturing cement, lime and plaster.

As at 31 March 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 current principal activities of HSIP are trading in real estate and land use right for use or rent.

As at 31 March 2018, the Company holds 100% equity interests and 100% voting rights in HSIP (30 September 2017: 100%).

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 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 current principal activities of HSSP are investing riverport, seaport.

As at 31 March 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 current principal activities of HSIC are manufacturing iron, steel, cast iron products.

As at 31 March 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 31 March 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 48 civil group, Dong Tam Ward, Yen Bai City, Yen Bai Province, Vietnam. The current principal activities of HSYB-LTD are manufacturing and trading steel pipes.

As at 31 March 2018, the Company holds 100% equity interests and 100% voting rights in HSYB-LTD (30 September 2017: 100%).

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2018

2. BASIS OF PREPARATION

2.1 Purpose of preparing the interim separate financial statements

The Company has subsidiaries as disclosed at Note 14.1. The Company prepared these interim 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 this regulation, the Company is in process of preparation and presentation of the interim consolidated financial statements of the Company and its subsidiaries for the six-month period ended 31 March 2018.

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

2.2 Applied accounting standards and system

The interim separate financial statements of the Company, expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System, Vietnamese Accounting Standard No. 27 - Interim Financial Reporting and other 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 interim 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 interim separate financial position and interim separate results of operations and interim separate 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 interim separate financial statements are prepared in VND which is also the Company's accounting currency.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 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 interim separate income statement.

3.3 *Receivables*

Receivables are presented in the interim 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 or decreases to the provision balance are recorded as general and administrative expense in the interim 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 interim 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 interim separate income statement.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 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 interim 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 interim 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 interim 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 interim 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 interim separate income statement over the lease term.

Lease income is recognised in the interim 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 interim 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 interim 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.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 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	10 - 40 years
Machinery and equipment	5 - 20 years
Means of transportation	7 - 10 years
Office equipment	3 - 5 years
Others	5 - 8 years
Land use rights	14 - 55 years
Computer software	3 - 10 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 period 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 interim 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 interim 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 interim 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 interim separate income statement.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 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 interim 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 period, 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 period and arising from the revaluation of monetary accounts denominated in foreign currency at period-end are taken to the interim 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 INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 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 INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 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 periods 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 interim 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 income 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 interim 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.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 group 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.

4. CASH AND CASH EQUIVALENTS

	VND	
	31 March 2018	30 September 2017
Cash on hand	24,375,879,565	13,538,266,107
Cash in banks	94,262,973,911	225,389,115,824
Cash in transit	606,631,013	848,084,715
Cash equivalents (*)	143,521,875	143,521,875
TOTAL	<u>119,389,006,364</u>	<u>239,918,988,521</u>

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

5. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

5.1 Short-term trade receivables

	VND	
	31 March 2018	30 September 2017
Due from related parties (Note 28)	6,215,593,194,587	2,892,316,502,137
Due from third parties	1,249,755,103,843	1,083,122,220,681
TOTAL	<u>7,465,348,298,430</u>	<u>3,975,438,722,818</u>
Provision for doubtful short-term receivables	(4,063,602,565)	(4,063,602,565)
NET	<u>7,461,284,695,865</u>	<u>3,971,375,120,253</u>

5.2 Short-term advances to suppliers

	VND	
	31 March 2018	30 September 2017
Due from related parties (Note 28)	60,325,054,781	38,705,908,131
Due from third parties	48,748,803,012	58,880,324,991
TOTAL	<u>109,073,857,793</u>	<u>97,586,233,122</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2018

6. OTHER SHORT-TERM RECEIVABLES

	VND	
	31 March 2018	30 September 2017
Deposits	193,766,282,995	138,798,428,600
Advance for purchase of lands	90,183,227,000	90,183,227,000
Advances to employees	32,636,209,283	26,741,318,349
Profits shared from subsidiaries	5,895,764,638	547,165,072,432
Compensation	-	31,520,000,000
Others	6,698,739,015	2,640,866,742
TOTAL	329,180,222,931	837,048,913,123
Provision for doubtful other receivables	(1,140,000,000)	(740,000,000)
NET	328,040,222,931	836,308,913,123
<i>In which:</i>		
<i>Due from related parties (Note 28)</i>	100,874,792,679	639,008,129,274
<i>Due from third parties</i>	227,165,430,252	197,300,783,849

7. INVENTORIES

	VND	
	31 March 2018	30 September 2017
Finished goods	1,898,106,673,128	1,175,209,610,528
Merchandises	1,007,509,919,454	677,488,468,657
Raw materials	737,863,462,528	843,767,940,021
Goods in transit	340,611,568,741	2,529,588,787,627
Tools and supplies	224,879,701,998	224,760,876,405
TOTAL	4,208,971,325,849	5,450,815,683,238
Provision for obsolete inventories	(15,919,864,821)	(22,786,661,832)
NET	4,193,051,461,028	5,428,029,021,406

As disclosed at Note 19, the Company has pledged inventories with the carrying amount as at 31 March 2018 amounting to VND 2,269,069,822,426 to secure its bank loans.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2018

8. PREPAID EXPENSES

	VND	
	31 March 2018	30 September 2017
Short-term	92,444,067,582	74,422,775,292
Advertising expenses	26,258,632,889	26,925,691,491
Rental expenses	25,652,474,178	19,734,754,783
Tools and equipment	8,625,858,165	11,418,276,450
Advisory fee	5,107,187,545	5,022,641,070
Insurance fee	3,060,656,534	1,650,845,702
Repair and maintenance	2,148,330,295	2,626,399,145
Others	21,590,927,976	7,044,166,651
Long-term	226,173,300,461	216,697,658,464
Rental expense	83,659,079,494	89,433,311,060
Tools and equipment	64,987,733,834	67,552,199,499
Advertising expenses	43,236,911,111	25,377,730,855
Repairing and maintenance	23,468,401,208	20,638,965,085
Others	10,821,174,814	13,695,451,965
TOTAL	<u>318,617,368,043</u>	<u>291,120,433,756</u>

9. LOAN RECEIVABLES

	VND	
	31 March 2018	30 September 2017
Short-term	36,460,295,900	25,400,000,000
Finance Department of Nghe An Province (*)	25,000,000,000	25,000,000,000
Due from a related party (Note 28)	11,460,295,900	-
Other	-	400,000,000
Long-term	121,854,031,475	74,974,967,200
Due from a related party (Note 28)	121,854,031,475	74,974,967,200
TOTAL	<u>158,314,327,375</u>	<u>100,374,967,200</u>

(*) The ending balance of short-term loan receivable represented the unsecured and non-interest bearing lending to the Finance Department of Nghe An Province for the purpose of compensating the clearance costs of the land located at Dong Hoi Industrial Park, Nghe An Province, Vietnam. This lending will be due on 25 June 2018.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2018

10. TANGIBLE FIXED ASSET

Cost:	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Others	Total
As at 30 September 2017	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	1,350,919,153	69,721,561,021	5,463,440,757	5,632,947,000	166,799,260	82,335,667,191
Transfer from construction in progress	1,427,598,181	243,454,615,841	-	8,561,949,400	-	253,444,163,422
Transfer from financial lease fixed assets	-	13,254,770,658	-	-	-	13,254,770,658
Transfer to Hoa Sen Steel Sheet One Member Co., Ltd. Disposals	(150,642,102,617) (7,350,592,579)	(1,399,347,330,074) (68,992,338,084)	- (31,187,084,697)	- (891,640,796)	- -	(1,549,989,432,691) (108,421,656,156)
As at 31 March 2018	493,893,880,216	2,343,895,973,569	353,808,487,476	45,911,845,109	19,484,048,531	3,256,994,234,901
In which:						
Fully depreciated	39,414,328,452	261,359,225,251	21,583,373,522	439,719,574	5,424,985,811	328,221,632,610
Accumulated depreciation:						
As at 30 September 2017	(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 period	(15,242,932,187)	(107,921,578,685)	(20,770,170,376)	(3,044,154,489)	(988,890,793)	(147,967,726,530)
Transfer from financial lease fixed assets	-	(4,693,380,547)	-	-	-	(4,693,380,547)
Transfer to Hoa Sen Steel Sheet One Member Co., Ltd. Disposals	39,869,153,070 6,286,422,372	631,021,304,541 28,146,403,609	11,075,728,836	891,640,796	-	670,890,457,611 46,400,195,613
As at 31 March 2018	(224,185,455,351)	(1,154,681,600,278)	(129,822,835,282)	(12,652,871,490)	(17,201,415,125)	(1,538,544,177,526)
Net carrying amount:						
As at 30 September 2017	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
As at 31 March 2018	269,708,424,865	1,189,214,373,291	223,985,652,194	33,258,973,619	2,282,633,406	1,718,450,057,375

As disclosed at Note 19, the Company has pledged its buildings and structures, machinery and equipment and means of transportation with their respective carrying amounts as at 31 March 2018 of VND 1,404,694,066, VND 515,905,695,379 and VND 106,680,663,228 to secure its bank loans.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2018

11. FINANCE LEASES

	VND		
	<i>Machinery and equipment</i>	<i>Means of transportation</i>	<i>Total</i>
Cost:			
As at 30 September 2017	30,886,346,877	8,133,090,908	39,019,437,785
Increase in the period	14,635,857,235	11,720,093,829	26,355,951,064
Transfer to fixed assets	<u>(13,254,770,658)</u>	-	<u>(13,254,770,658)</u>
As at 31 March 2018	<u>32,267,433,454</u>	<u>19,853,184,737</u>	<u>52,120,618,191</u>
Accumulated depreciation:			
As at 30 September 2017	(11,717,212,453)	(2,447,003,952)	(14,164,216,405)
Depreciation for the period	(1,257,480,025)	(502,667,378)	(1,760,147,403)
Transfer to fixed assets	<u>4,693,380,547</u>	-	<u>4,693,380,547</u>
As at 31 March 2018	<u>(8,281,311,931)</u>	<u>(2,949,671,330)</u>	<u>(11,230,983,261)</u>
Net carrying amount:			
As at 30 September 2017	<u>19,169,134,424</u>	<u>5,686,086,956</u>	<u>24,855,221,380</u>
As at 31 March 2018	<u>23,986,121,523</u>	<u>16,903,513,407</u>	<u>40,889,634,930</u>

12. INTANGIBLE ASSETS

	VND		
	<i>Land use rights</i>	<i>Computer software</i>	<i>Total</i>
Cost:			
As at 30 September 2017	280,481,532,265	1,344,757,711	281,826,289,976
New purchase	-	38,529,686,198	38,529,686,198
Disposals	<u>(5,583,534,000)</u>	-	<u>(5,583,534,000)</u>
As at 31 March 2018	<u>274,897,998,265</u>	<u>39,874,443,909</u>	<u>314,772,442,174</u>
<i>In which:</i>			
<i>Fully amortised</i>	456,396,144	1,344,757,711	1,801,153,855
Accumulated amortisation:			
As at 30 September 2017	(21,888,977,750)	(1,344,757,711)	(23,233,735,461)
Amortisation for the period	(1,281,227,027)	(2,623,002,729)	(3,904,229,756)
Disposal	<u>647,492,758</u>	-	<u>647,492,758</u>
As at 31 March 2018	<u>(22,522,712,019)</u>	<u>(3,967,760,440)</u>	<u>(26,490,472,459)</u>
Net carrying amount:			
As at 30 September 2017	<u>258,592,554,515</u>	-	<u>258,592,554,515</u>
As at 31 March 2018	<u>252,375,286,246</u>	<u>35,906,683,469</u>	<u>288,281,969,715</u>

As disclosed at Note 19, the Company has pledged its land use rights with their carrying amounts as at 31 March 2018 of VND 111,682,654,176 to secure its bank loans.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2018

13. CONSTRUCTION IN PROGRESS

	VND	
	31 March 2018	30 September 2017
Purchases of fixed assets	5,144,608,437	241,007,879,131
Major repair of fixed assets	518,683,446	4,874,878,475
Construction expenses	1,954,024,120	1,307,543,169
Others	1,786,691,698	476,066,951
TOTAL	<u>9,404,007,701</u>	<u>247,666,367,726</u>

14. LONG-TERM INVESTMENTS

	VND	
	31 March 2018	30 September 2017
Investments in subsidiaries (Note 14.1)	1,819,576,000,000	1,633,276,000,000
Investment in associates (Note 14.2)	95,089,444,583	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 (**)	15,000,000,000	-
TOTAL	<u>1,976,265,444,583</u>	<u>1,760,178,178,134</u>
Provision for diminution in value of long-term investments	-	(35,933,075,667)
NET	<u>1,976,265,444,583</u>	<u>1,724,245,102,467</u>

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and the six-month period ended 31 March 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	31 March 2018		30 September 2017		Location	Business activities
	% of interest	Cost of investment (VND)	% of interest	Cost of investment (VND)		
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 Nghe An One Member Co., Ltd.	100	450,000,000,000	100	450,000,000,000	Nghe An Province, Vietnam	Manufacturing and trading in metal roofing sheets and steel pipes
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	55,000,000,000	100	55,000,000,000	Binh Dinh Province, Vietnam	Manufacturing and trading in plastic building materials and steel pipe products
Hoa Sen 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 Nhon Hoi - Binh Dinh One Member Co., Ltd.	100	320,000,000,000	100	200,000,000,000	Binh Dinh Province, Vietnam	Manufacturing and trading in metal roofing sheets
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 Van Hoi Joint Stock Company	70	2,800,000,000	70	2,800,000,000	Yen Bai Province, Vietnam	Trading in real estate and rendering of supporting services for trading real estate
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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 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	31 March 2018		30 September 2017		Location	Business activities
	% of interest	Cost of investment (VND)	% of interest	Cost of investment (VND)		
Hoa Sen Phu My One Member Co., Ltd.	100	190,000,000,000	100	100,000,000,000	Ba Ria – Vung Tau Province, Vietnam	Manufacturing steel for building materials and consumer goods
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	2,500,000,000	100	2,500,000,000	Ninh Thuan Province, Vietnam	Investing riverport, seaport
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
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		1,819,576,000,000		1,633,276,000,000		

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2018

14. LONG-TERM INVESTMENTS (continued)

14.1 Investments in subsidiaries (continued)

(*) On 16 October 2017, the Company disposed 55% of its ownership interest in Hoa Sen Du Long Industrial Park Infrastructure Investment One Member Co., Ltd. ("HSDL") to Hoa Sen Holdings Group and Mr Le Phuoc Vu in accordance with the Capital Transfer Agreements dated 16 October 2017 at the price of VND 11,115,000,000 and VND 2,470,000,000 respectively. Accordingly, the Company only holds 45% of ownership interest in HSDL as at 31 March 2018 and this is presented in investments in associates.

14.2 Investment in associates

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

Name of associate	31 March 2018		30 September 2017		Location	Business activities
	% of interest	Cost of investment (VND)	% of interest	Cost of investment (VND)		
Hoa Sen-Gemadep Logistics and International Port Corporation	45	55,624,444,583	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	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
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 rendering of real estate services and supporting services for trading real estate
Hoa Sen Du Long Industrial Park Infrastructure Investment One Member Co., Ltd. (*)	45	11,115,000,000	-	-	Ninh Thuan Province, Vietnam	Investing, construction and developing industrial park infrastructure
Provision for diminution in value of long-term investments		-		(35,933,075,667)		
		95,089,444,583		44,369,102,467		

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2018

15. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

15.1 Short-term trade payables

	VND	
	31 March 2018	30 September 2017
Due to third parties	655,597,235,785	2,926,831,509,306
<i>In which:</i>		
Liberty Commodities Limited	141,190,260,657	-
Hangzhou Cogeneration (HongKong) Co.,Ltd	131,346,998,856	645,971,085,812
Win Faith Trading Limited	94,039,830,133	-
Others	289,020,146,139	2,280,860,423,494
Due to related parties (Note 28)	615,580,505,053	381,237,934,811
TOTAL	<u>1,271,177,740,838</u>	<u>3,308,069,444,117</u>

15.2 Short-term advances from customers

	VND	
	31 March 2018	30 September 2017
Due to a related party (Note 28)	183,022,268,963	224,715,547,311
Due to third parties	152,757,022,900	133,208,633,634
TOTAL	<u>335,779,291,863</u>	<u>357,924,180,945</u>

16. TAXES

	VND			
	30 September 2017	Increase during the period	Decrease during the period	31 March 2018
Payables				
Corporate income tax	39,767,280,907	72,504,669,041	(84,759,374,895)	27,512,575,053
Value- added tax	104,569,749,540	904,501,447,824	(927,716,303,488)	81,354,893,876
Personal income tax	1,614,292,843	19,350,603,163	(17,453,851,892)	3,511,044,114
Other taxes	1,003,296,101	20,966,750,959	(21,774,366,203)	195,680,857
TOTAL	<u>146,954,619,391</u>	<u>1,017,323,470,987</u>	<u>(1,051,703,896,478)</u>	<u>112,574,193,900</u>
Receivables				
Value- added tax	1,308,779,396,886	535,147,750,066	(577,144,759,325)	1,266,782,387,627
Personal income tax	-	61,916,565	-	61,916,565
Other taxes	-	93,801,642	-	93,801,642
TOTAL	<u>1,308,779,396,886</u>	<u>535,303,468,273</u>	<u>(577,144,759,325)</u>	<u>1,266,938,105,834</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2018

17. SHORT-TERM ACCRUED EXPENSES

	VND	
	31 March 2018	30 September 2017
Bonuses and 13 th month salary	17,090,908,500	36,886,740,000
Loan interest	12,618,841,556	10,761,599,776
Electricity fee	12,504,986,962	9,628,754,210
Payable relating to construction in progress	1,098,311,060	5,322,145,980
Others	224,000,000	226,700,000
TOTAL	<u>43,537,048,078</u>	<u>62,825,939,966</u>

18. OTHER SHORT-TERM PAYABLES

	VND	
	31 March 2018	30 September 2017
Deposits for Letter of Credit	286,135,654,185	-
Deposit received for Gemadept's share transfer	15,776,367,206	15,776,367,206
Tender deposits received	4,502,650,000	7,076,760,110
Dividends	4,304,952,925	4,598,464,925
Social insurance, health insurance, unemployment insurance, and trade union fees	668,817,420	777,656,800
Other payables to related parties (Note 28)	2,699,542,373	25,716,800,000
Others	11,597,738,985	6,293,297,217
TOTAL	<u>325,685,723,094</u>	<u>60,239,346,258</u>

19. LOANS AND FINANCE LEASES

	VND	
	31 March 2018	30 September 2017
Short-term loans and finance leases	10,109,649,724,982	7,402,317,620,460
Loans from banks (Note 19.1)	9,898,214,789,325	7,204,366,078,759
Current portion of long-term loans from banks (Note 19.2)	195,042,696,961	193,321,275,085
Current portion of finance leases (Note 19.3)	16,392,238,696	4,630,266,616
Long-term loans and finance leases	145,931,803,673	237,114,284,830
Loans from banks (Note 19.2)	137,762,212,641	234,156,032,907
Finance leases (Note 19.3)	8,169,591,032	2,958,251,923
TOTAL	<u>10,255,581,528,655</u>	<u>7,639,431,905,290</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2018

19. LOANS AND FINANCE LEASES (continued)

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

	VND Amount
As at 30 September 2017	7,639,431,905,290
Drawdown from borrowings	14,071,743,354,343
Repayment from borrowings	(11,463,595,633,358)
Repayment for finance lease	(2,425,433,770)
Foreign exchange differences	10,427,336,150
As at 31 March 2018	<u>10,255,581,528,655</u>

19.1 Short-term loans from banks

Details of short-term loans from banks were as follows:

<i>Name of bank</i>	<i>31 March 2018</i>	<i>Maturity date</i>	<i>Interest rate</i>	<i>Description of collateral</i>
	VND		(% p.a.)	
Joint Stock Commercial Bank for Foreign Trade of Vietnam – South Binh Duong Branch				
Loan in VND	1,191,852,795,720	From 20 April 2018 to 5 July 2018	From 5.2 to 5.6	Land use rights, and machinery and equipment
Loan in USD	1,176,097,359,447	From 10 April 2018 to 27 August 2018	From 2.5 to 2.9	Land use rights, and machinery and equipment
Vietnam Bank for Industry and Trade – Binh Duong Industrial Park Branch				
Loan in VND	1,602,771,102,772	From 4 April 2018 to 30 August 2018	From 5.0 to 5.5	Land use rights, buildings and structures, and machinery and equipment
Loan in USD	1,443,912,148,768	From 6 April 2018 to 29 September 2018	From 2.3 to 2.8	Land use rights, buildings and structures, and machinery and equipment
Military Commercial Joint Stock Bank – Binh Duong Branch				
Loan in USD	77,622,000,000	21 May 2018	2.6	Land use rights and inventories

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
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19. LOANS AND FINANCE LEASES (continued)

19.1 Short-term loans from banks (continued)

Details of short-term loans from banks were as follows (continued):

Name of bank	31 March 2018 VND	Maturity date	Interest rate (% p.a.)	Description of collateral
Joint Stock Commercial Bank for Investment and Development of Vietnam – Transaction Center No. 2 Branch				
Loan in VND	916,153,874,106	From 13 April 2018 to 6 September 2018	5.5	Unsecured
Loan in USD	250,382,423,348	From 26 August 2018 to 14 September 2018	3.5	Unsecured
Ho Chi Minh Development Joint Stock Commercial Bank				
Loan in USD	265,967,100,000	From 13 April 2018 to 6 September 2018	3.0	Unsecured
Standard Chartered Bank (Vietnam) Limited – Ho Chi Minh Branch				
Loan in VND	63,427,041,574	From 26 April 2018 to 18 May 2018	From 4.2 to 4.4	Inventories, and machinery and equipment
ANZ Bank (Vietnam) Limited				
Loan in VND	441,196,174,425	From 7 April 2018 to 28 July 2018	From 3.8 to 4.8	Land use rights and inventories
Loan in USD	17,317,895,266	6 April 2018	2.7	Land use rights and inventories
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh Branch				
Loan in VND	51,436,818,662	From 14 May 2018 to 20 July 2018	From 5.2 to 5.5	Unsecured
Loan in USD	454,329,190,428	From 2 May 2018 to 26 July 2018	From 2.5 to 3.0	Unsecured
Sumitomo Mitsui Banking Corporation – Ho Chi Minh Branch				
Loan in VND	298,309,055,103	From 29 July 2018 to 8 August 2018	From 4.0 to 4.2	Unsecured
Vietnam Prosperity Joint Stock Commercial Bank				
Loan in USD	47,438,451,143	From 4 May 2018 to 18 May 2018	From 2.9 to 3.0	Inventories

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2018

19. LOANS AND FINANCE LEASES (continued)

19.1 Short-term loans from banks (continued)

Details of short-term loans from banks were as follows (continued):

<i>Name of bank</i>	<i>31 March 2018</i>	<i>Maturity date</i>	<i>Interest rate</i>	<i>Description of collateral</i>
	<i>VND</i>		<i>(% p.a.)</i>	
<i>HSBC Bank (Vietnam) Limited</i>				
Loan in VND	758,865,991,502	From 13 April 2018 to 19 July 2018	From 3.8 to 4.8	Inventories, land use rights, buildings and structures, and machinery and equipment
Loan in USD	256,409,335,564	From 12 June 2018 to 29 June 2018	2.57	Inventories, land use rights, buildings and structures, and machinery and equipment
<i>United Overseas Bank Limited Co. – Ho Chi Minh Branch</i>				
Loan in VND	104,000,000,000	From 8 April 2018 to 18 July 2018	From 3.9 to 4.0	Inventories
<i>Orient Commercial Joint Stock Bank</i>				
Loan in USD	127,641,010,207	13 September 2018	From 2.3 to 3.0	Unsecured
<i>BNP Paribas Vietnam – Ho Chi Minh Branch</i>				
Loan in VND	237,621,719,343	From 25 May 2018 to 22 June 2018	From 4.25 to 4.7	Unsecured
<i>Vietnam Technological and Commercial Joint Stock Bank – Sai Gon Branch</i>				
Loan in VND	115,463,301,947	From 18 April 2018 to 26 April 2018	From 5.2 to 5.3	Unsecured
TOTAL	<u>9,898,214,789,325</u>			

The Company used these loans to finance its working capital requirements.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2018

19. LOANS AND FINANCE LEASES (continued)

19.2 Long-term loans from banks

Details of long-term loans from banks were as follows:

<i>Name of bank</i>	<i>31 March 2018</i>	<i>Maturity date</i>	<i>Interest rate</i>	<i>Description of collateral</i>
	<i>VND</i>		<i>(% p.a.)</i>	
Joint Stock Commercial Bank for Foreign Trade of Vietnam – South Binh Duong Branch				
Loan in VND	82,094,315,280	7 February 2022	8.0	Land use rights, and machinery and equipment
Viet Capital Commercial Joint Stock Bank				
Loan in VND	17,765,359,500	From 26 April 2018 to 16 September 2018	8.0	Means of transportation
Asia Commercial Joint Stock Bank – Tan Thuan Branch				
Loan in VND	12,523,580,000	From 6 January 2020 to 17 June 2020	8.5	Means of transportation
Vietnam Bank for Industry and Trade – Binh Duong Industrial Park Branch				
Loan in VND	206,924,771,861	16 July 2019	9.0	Land use rights, buildings and structures, and machinery and equipment
Vietnam Development Bank - Binh Duong – Binh Phuoc Branch				
Loan in USD	3,842,327,991	20 June 2018	1.7	Land use right, buildings and structures, and machinery and equipment
Military Commercial Joint Stock Bank – Binh Duong Branch				
Loan in VND	9,654,554,970	7 January 2019	8.0	Means of transportation
TOTAL	<u>332,804,909,602</u>			
<i>In which:</i>				
<i>Current portion</i>	195,042,696,961			
<i>Non-current portion</i>	137,762,212,641			

The Company used these loans to finance its construction and purchase of fixed assets.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2018

19. LOANS AND FINANCE LEASES (continued)

19.3 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:

	31 March 2018			30 September 2017		
	Total minimum lease payments	Finance charges	Lease liabilities	Total minimum lease payments	Finance charges	Lease liabilities
Current liabilities						
Less than 1 year	17,648,488,877	1,256,250,181	16,392,238,696	5,059,482,950	429,216,334	4,630,266,616
Non-current liabilities						
From 1-5 years	8,606,934,855	437,343,823	8,169,591,032	3,050,680,643	92,428,720	2,958,251,923
TOTAL	26,255,423,732	1,693,594,004	24,561,829,728	8,110,163,593	521,645,054	7,588,518,539

VND

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2018

20. OWNERS' EQUITY

20.1 *Movements in owners' equity*

	Issued share capital	Share premium	Treasury shares	Other funds belongs to equity	Undistributed earnings	Total
For the six-month period ended 31 March 2017:						
As at 30 September 2016	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 period	-	-	-	-	587,771,808,383	587,771,808,383
Dividends	-	-	-	-	(196,539,829,000)	(196,539,829,000)
Transferred to bonus and welfare fund	-	-	-	-	(60,167,737,724)	(60,167,737,724)
Appropriated to other funds	-	-	-	67,688,704,939	(67,688,704,939)	-
Performance bonus	-	-	-	-	(51,300,000,000)	(51,300,000,000)
Use of funds	-	-	-	(26,571,644,057)	-	(26,571,644,057)
As at 31 March 2017	1,965,398,290,000	551,571,933,521	-	47,901,636,552	1,965,207,442,987	4,530,079,303,060
For the six-month period ended 31 March 2018:						
As at 30 September 2017	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 period	-	-	-	-	295,065,454,500	295,065,454,500
Buy treasury shares	-	-	(543,000,000)	-	-	(543,000,000)
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	-	-	-	(11,729,004,329)	-	(11,729,004,329)
As at 31 March 2018	3,499,966,830,000	151,583,183,521	(543,000,000)	70,356,612,914	1,813,103,273,203	5,534,466,899,638

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2018

20. OWNERS' EQUITY (continued)

20.2 Capital transactions with owners and distribution of dividends, profits

	VND	
	<i>For the six-month period ended 31 March 2018</i>	<i>For the six-month period ended 31 March 2017</i>
Contributed capital		
Beginning and ending balances	<u>3,499,966,830,000</u>	<u>1,965,398,290,000</u>
Dividends		
Dividends declared	-	196,539,829,000
Dividends paid by cash	293,512,000	195,895,385,600

20.3 Share capital

	<u>Number of shares</u>	
	<i>31 March 2018</i>	<i>30 September 2017</i>
Issued shares		
Shares issued and paid-up shares		
<i>Ordinary shares</i>	349,996,683	349,996,683
Treasury shares		
<i>Ordinary shares</i>	54,300	-
Shares in circulation		
<i>Ordinary shares</i>	349,942,383	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 INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2018

21. REVENUES**21.1 Revenues from sale of goods and rendering of services**

	VND	
	<i>For the six-month period ended 31 March 2018</i>	<i>For the six-month period ended 31 March 2017</i>
Gross revenues	29,345,419,687,079	22,029,294,923,416
<i>Of which:</i>		
<i>Sale of finished goods</i>	9,191,498,564,583	8,966,902,442,739
<i>Sale of merchandises</i>	20,122,036,927,899	12,942,848,868,880
<i>Others</i>	31,884,194,597	119,543,611,797
Sales deduction	(99,693,211,691)	(81,507,342,295)
<i>Of which:</i>		
<i>Trade discount</i>	(86,729,016,051)	(76,204,794,414)
<i>Sales returns</i>	(11,139,619,355)	(4,836,405,320)
<i>Sales allowances</i>	(1,824,576,285)	(466,142,561)
NET	<u>29,245,726,475,388</u>	<u>21,947,787,581,121</u>
<i>Of which:</i>		
<i>Sale to related parties</i>	17,251,369,620,955	12,153,605,098,737
<i>Sale to third parties</i>	11,994,356,854,433	9,794,182,482,384

21.2 Finance income

	VND	
	<i>For the six-month period ended 31 March 2018</i>	<i>For the six-month period ended 31 March 2017</i>
Foreign exchange gains	22,303,463,586	29,748,875,096
Financial income from investments	8,036,143,858	884,469,964
Interest income	168,843,735	230,380,057
TOTAL	<u>30,508,451,179</u>	<u>30,863,725,117</u>

22. COSTS OF GOODS SOLD AND SERVICES RENDERED

	VND	
	<i>For the six-month period ended 31 March 2018</i>	<i>For the six-month period ended 31 March 2017</i>
Costs of sale of finished goods	8,187,925,169,285	7,769,589,730,083
Costs of sale of merchandises	19,454,854,918,516	12,403,978,107,544
Others	8,146,584,153	110,572,066,584
TOTAL	<u>27,650,926,671,954</u>	<u>20,284,139,904,211</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2018

23. FINANCE EXPENSES

	VND	
	<i>For the six-month period ended 31 March 2018</i>	<i>For the six-month period ended 31 March 2017</i>
Loan interest	228,290,720,096	136,838,829,918
Foreign exchange losses	30,409,044,612	66,078,128,239
Foreign exchange losses arising from revaluation of monetary accounts denominated in foreign currency	11,944,096,959	8,463,524,412
(Reversal provision) provision for long-term investments	(35,933,075,667)	4,491,634,458
Others	475,041,218	-
TOTAL	<u>235,185,827,218</u>	<u>215,872,117,027</u>

24. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	<i>For the six-month period ended 31 March 2018</i>	<i>For the six-month period ended 31 March 2017</i>
Selling expenses	689,842,806,457	522,938,269,203
Expenses for external services	350,381,930,780	227,044,616,252
Labour costs	165,158,053,865	135,058,420,660
Depreciation and amortisation	51,799,859,182	31,570,900,618
Other expenses	122,502,962,630	129,264,331,673
General and administrative expenses	345,908,539,712	264,492,162,551
Labour costs	193,107,665,017	130,482,064,997
Depreciation and amortisation	20,502,740,825	17,185,911,905
Expenses for external services	15,521,964,793	11,264,150,327
Other expenses	116,776,169,077	105,560,035,322
TOTAL	<u>1,035,751,346,169</u>	<u>787,430,431,754</u>

25. OTHER INCOME AND EXPENSES

	VND	
	<i>For the six-month period ended 31 March 2018</i>	<i>For the six-month period ended 31 March 2017</i>
Other income	25,741,719,577	59,065,916,454
Gain from disposed fixed assets	10,625,814,628	17,046,808,202
Compensation	11,916,097,562	36,059,780,905
Others	3,199,807,387	5,959,327,347
Other expenses	(979,313,029)	(638,879,439)
Others	(979,313,029)	(638,879,439)
NET	<u>24,762,406,548</u>	<u>58,427,037,015</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2018

26. PRODUCTION AND OPERATING COSTS

	VND	
	<i>For the six-month period ended 31 March 2018</i>	<i>For the six-month period ended 31 March 2017</i>
Raw materials	8,240,939,221,733	7,367,347,822,763
Expenses for external services	592,448,614,686	479,089,808,949
Labour costs	416,445,743,193	328,529,107,384
Depreciation and amortisation (Notes 10,11 and 12)	153,632,103,689	198,779,522,832
Others	410,082,134,382	379,267,145,154
TOTAL	<u>9,813,547,817,683</u>	<u>8,753,013,407,082</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 interim separate financial statements could be changed at a later date upon final determination by the tax authorities.

27.1 CIT expense

	VND	
	<i>For the six-month period ended 31 March 2018</i>	<i>For the six-month period ended 31 March 2017</i>
Current CIT expense	72,504,669,041	126,362,430,574
Adjusted CIT from previous periods	-	(850,000)
Deferred CIT expense	11,563,364,233	35,502,501,304
TOTAL	<u>84,068,033,274</u>	<u>161,864,081,878</u>

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

	VND	
	<i>For the six-month period ended 31 March 2018</i>	<i>For the six-month period ended 31 March 2017</i>
Accounting profit before tax	<u>379,133,487,774</u>	<u>749,635,890,261</u>
At CIT rate of 20%	75,826,697,555	149,927,178,052
<i>Adjustments to increase (decrease)</i>		
Non-deductible expenses	8,241,335,719	11,937,753,826
Adjustment for over accrual of CIT from prior period	-	(850,000)
Current CIT expense	<u>84,068,033,274</u>	<u>161,864,081,878</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2018

27. CORPORATE INCOME TAX (continued)

27.2 Current tax

The current CIT payable is based on taxable profit for the current period. The taxable profit of the Company for the year differs from the accounting profit as reported in the interim 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 deferred tax assets recognized by the Company, and the movements thereon, during the current and previous periods:

	<i>Interim separate balance sheet</i>		<i>Interim separate income statement</i>		VND
	<i>31 March 2018</i>	<i>30 September 2017</i>	<i>For the six-month period ended 31 March 2018</i>	<i>For the six-month period ended 31 March 2017</i>	
Unrealised profits	3,237,437,819	2,302,446,294	934,991,525	(8,112,444,149)	
Accrued operating expenses	12,491,454,628	14,347,792,714	(1,856,338,086)	(25,947,904,851)	
Provisions	4,224,693,477	12,704,668,012	(8,479,974,535)	1,929,540,618	
Foreign exchange differences arising from revaluation of monetary accounts denominated in foreign currency	142,451,723	1,135,161,780	(992,710,057)	330,134,903	
Others	1,317,330,381	2,486,663,461	(1,169,333,080)	(3,701,827,825)	
Deferred tax assets	<u>21,413,368,028</u>	<u>32,976,732,261</u>			
Deferred CIT expense			<u>(11,563,364,233)</u>	<u>(35,502,501,304)</u>	

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2018

28. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Significant transactions of the Company with its related parties during the current and previous periods were as follows:

Related party	Relationship	Transactions	VND	
			For the six-month period ended 31 March 2018	For the six-month period ended 31 March 2017
Hoa Sen Steel Sheet One Member Co., Ltd.	Subsidiary	Purchase of goods	7,479,995,422,607	6,740,929,492,579
		Sale of goods	6,921,878,825,946	7,285,547,757,649
		Payment on behalf	78,393,984,261	79,826,451,769
		Sale of fixed assets	9,138,455,859	-
		Leasing of assets	-	69,648,000,000
		Purchase of gas	-	4,075,460,000
Hoa Sen Building Materials One Member Co., Ltd.	Subsidiary	Sale of goods	2,368,058,101,504	2,069,224,218,756
		Purchase of goods	1,998,109,156,956	1,747,939,570,484
		Sale of fixed assets	87,000,000	200,000,000
		Leasing of assets	65,272,730	339,272,730
		Sales return	-	397,974,795
Hoa Sen Transportation and Engineering One Member Co., Ltd.	Subsidiary	Transportation expenses	25,263,965,186	18,186,425,568
		Leasing of assets	3,978,000,000	3,402,000,000
		Purchase of goods	-	4,611,416,810
		Sale of goods	-	14,225,521
Hoa Sen Binh Dinh One Member Co., Ltd.	Subsidiary	Purchase of goods	516,748,062,658	366,288,302,562
		Sale of goods	9,346,553,157	12,234,344,996

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2018

28. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Significant transactions of the Company with its related parties during the current and previous periods were as follows (continued):

<i>Related party</i>	<i>Relationship</i>	<i>Transactions</i>	<i>For the six-month period ended 31 March 2018</i>	<i>For the six-month period ended 31 March 2017</i>	<i>VND</i>
Hoa Sen Nghe An One Member Co., Ltd.	Subsidiary	Purchase of goods	3,777,035,652,798	1,804,295,595,967	
		Sale of goods	5,252,304,812,268	1,760,509,877,822	
		Sale of fixed assets	5,820,000,000	-	
		Leasing of assets	38,000,000	3,324,000,000	
		Capital contribution	-	30,000,000,000	
Hoa Sen Nhon Hoi - Binh Dinh One Member Co., Ltd.	Subsidiary	Capital contribution	120,000,000,000	64,000,000,000	
		Sales of goods	793,175,734,003	17,856,223,488	
		Purchase of goods	490,648,828,284	-	
		Interest income	708,702,055	167,082,436	
Hoa Sen Ha Nam One Member Co., Ltd	Subsidiary	Sale of fixed assets	2,904,000,000	-	
		Purchase of goods	343,996,764,472	3,313,073,985	
		Sales of goods	404,490,944	4,318,604,349	
		Interest income	-	717,387,528	
		Capital contribution	-	150,000,000,000	
		Lending	-	61,437,540,665	
Hoa Sen Yen Bai Joint Stock Company	Subsidiary	Interest income	2,918,086,194	-	
		Capital contribution	-	78,500,000,000	
Hoa Sen Phu My One Member Co., Ltd	Subsidiary	Sales of goods	197,218,930,577	-	
		Capital contribution	90,000,000,000	50,000,000,000	
		Purchase of goods	3,795,686,880	-	
		Interest income	360,292,657	-	
Hoa Sen Ca Na - Ninh Thuan Integrated Iron and Steel Complex Investment One Member Co., Ltd	Subsidiary	Capital contribution	-	12,500,000,000	

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2018

28. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Significant transactions of the Company with its related parties during the current and previous periods were as follows (continued):

<i>Related party</i>	<i>Relationship</i>	<i>Transactions</i>	<i>For the six-month period ended 31 March 2018</i>	<i>For the six-month period ended 31 March 2017</i>	<i>VND</i>
Ca Na – Ninh Thuan International General Seaport One Member Co., Ltd	Subsidiary	Capital contribution	-	1,000,000,000	
Hoa Sen Yen Bai Building Materials One Member Co., Ltd	Subsidiary	Capital contribution	-	2,000,000,000	
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	Capital contribution	-	3,150,000,000	
Hoa Sen-Gemadep Logistics and International Port Corporation	Associate	Capital contribution	3,672,266,449	-	
Hoa Sen Holdings Group	Related party	Sale of goods	1,735,016,751,376	957,011,460,274	
		Purchase of goods	1,323,909,747,617	1,164,342,628,636	
		Gains from disposed assets	31,542,647,555	28,338,441,005	
		Trade discount	31,151,447,142	30,367,059,146	
		Transportation expenses	-	14,245,901,816	
		Office rental	223,636,362	223,636,362	
		Leasing of assets	819,590,909	957,468,178	

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2018

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

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

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	31 March 2018	30 September 2017
<i>VND</i>				
Short-term trade receivables				
Hoa Sen Steel Sheet One Member Co., Ltd.	Subsidiary	Sales of goods	2,710,976,410,296	1,372,719,862,467
Hoa Sen Nghe An One Member Co., Ltd.	Subsidiary	Sales of goods	1,615,410,393,606	666,455,845,353
Hoa Sen Nhon Hoi - Binh Dinh One Member Co., Ltd.	Subsidiary	Sales of goods	1,156,976,762,248	416,327,068,751
Hoa Sen Building Materials One Member Co., Ltd.	Subsidiary	Sales of goods	531,826,733,048	423,765,967,282
Hoa Sen Phu My One Member Co., Ltd	Subsidiary	Sales of goods	195,698,224,620	10,215,237,917
Hoa Sen Transportation and Engineering One Member Co., Ltd.	Subsidiary	Sales of goods	4,375,800,000	-
Hoa Sen Yen Bai Building Materials One Member Co., Ltd	Subsidiary	Sales of goods	325,220,210	2,380,875,132
Hoa Sen Holdings Group	Related party	Sales of goods	3,650,559	451,645,235
TOTAL			6,215,593,194,587	2,892,316,502,137
Short-term advances to suppliers				
Hoa Sen Ha Nam One Member Co., Ltd.	Subsidiary	Advances	53,912,673,708	38,705,908,131
Hoa Sen Nhon Hoi - Binh Dinh One Member Co., Ltd.	Subsidiary	Advances	6,412,381,073	-
TOTAL			60,325,054,781	38,705,908,131
Short-term loan receivable				
Hoa Sen Du Long Industrial Park Infrastructure Investment One Member Co., Ltd.	Associate	Lending of money	11,460,295,900	-
Long-term loan receivables				
Hoa Sen Yen Bai Joint Stock Company	Subsidiary	Lending of money	121,854,031,475	45,663,826,935
Hoa Sen Phu My One Member Co., Ltd	Subsidiary	Lending of money	-	29,311,140,265
TOTAL			121,854,031,475	74,974,967,200

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 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>	31 March 2018	30 September 2017
<i>VND</i>				
Other short-term receivables				
Mr Hoang Duc Huy	Deputy General Director	Advance for purchase of lands	90,183,227,000	90,183,227,000
Hoa Sen Transportation and Engineering One Member Co., Ltd.	Subsidiary	Profit shared	5,895,764,638	5,895,764,638
Hoa Sen Ha Nam One Member Co., Ltd.		Payment on behalf	25,755,000	-
Hoa Sen Yen Bai Joint Stock Company	Subsidiary	Loan interest	3,469,702,902	551,616,708
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 Phu My One Member Co., Ltd	Subsidiary	Loan interest	176,334,280	164,900,884
Hoa Sen Du Long Industrial Park Infrastructure Investment One Member Co., Ltd.	Associate	Loan interest	174,696,609	-
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 Nghe An One Member Co., Ltd.	Subsidiary	Profit shared	-	224,128,658,740
Hoa Sen Building Materials One Member Co., Ltd.	Subsidiary	Profit shared	-	205,519,465,050
Hoa Sen Steel Sheet One Member Co., Ltd.	Subsidiary	Profit shared	-	76,653,509,042
Hoa Sen Binh Dinh One Member Co., Ltd.	Subsidiary	Profit shared	-	34,967,674,962
TOTAL			100,874,792,679	639,008,129,274

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2018

28. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

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

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	31 March 2018	30 September 2017
				VND
Short-term trade payables				
Hoa Sen Binh Dinh One Member Co, Ltd.	Subsidiary	Purchases of goods	364,897,895,584	200,641,334,445
Hoa Sen Nhon Hoi - Binh Dinh One Member Co., Ltd.	Subsidiary	Purchases of goods	125,075,704,774	56,166,912,937
Hoa Sen Ha Nam One Member Co., Ltd.	Subsidiary	Purchases of goods	64,962,974,590	53,560,995,083
Hoa Sen Transportation and Engineering One Member Co., Ltd.	Subsidiary	Purchases of goods	26,264,100,580	14,226,066,980
Hoa Sen Yen Bai Building Materials One Member Co., Ltd	Subsidiary	Purchases of goods	17,603,105,010	-
Hoa Sen Building Materials One Member Co., Ltd.	Subsidiary	Purchases of goods	12,415,765,734	-
Hoa Sen Phu My One Member Co., Ltd	Subsidiary	Purchases of goods	4,175,255,568	-
Hoa Sen Nghe An Investment One Member Co., Ltd	Related party	Purchases of goods	144,703,213	427,095,341
Hoa Sen Holdings Group	Related party	Purchases of goods	41,000,000	54,215,530,025
Hoa Sen Steel Sheet One Member Co., Ltd.	Subsidiary	Purchases of goods	-	2,000,000,000
TOTAL			615,580,505,053	381,237,934,811
Short-term advances from customers				
Hoa Sen Binh Dinh One Member Co, Ltd.	Subsidiary	Advance	92,982,548,450	78,751,807,428
Hoa Sen Holdings Group	Related party	Advance	90,039,720,513	145,963,739,883
TOTAL			183,022,268,963	224,715,547,311

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2018

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

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

Related party	Relationship	Transaction	31 March 2018	30 September 2017	VND
Other short-term payables					
Huong Sen Real Estate	Related party	Payable of advance	1,000,000,000	1,000,000,000	
Hoa Sen Ha Nam One Member Co., Ltd.	Subsidiary	Payment on behalf	749,516,500	-	
Hoa Sen Phu My One Member Co., Ltd	Subsidiary	Payment on behalf	439,140,976	-	
Hoa Sen Transportation and Engineering One Member Co., Ltd.	Subsidiary	Payment on behalf	350,400,000	-	
Hoa Sen Yen Bai Building Materials One Member Co., Ltd	Subsidiary	Payment on behalf	94,484,897	16,800,000	
Hoa Sen Nhon Hoi – Binh Dinh One Member Co., Ltd.	Subsidiary	Payment on behalf	66,000,000	-	
Hoa Sen Du Long Industrial Park Infrastructure Investment One Member Co., Ltd.	Associate	Capital contribution	-	24,700,000,000	
TOTAL			2,699,542,373	25,716,800,000	

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 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 management during the period are as set out below:

	VND	
	<i>For the six-month period ended 31 March 2018</i>	<i>For the six-month period ended 31 March 2017</i>
Salaries of management	10,281,821,204	9,206,791,955
Bonuses of management	-	14,580,000,000
Remuneration of the Board of Directors and the Board of Supervision	1,100,000,000	990,000,000
Bonuses of the Board of Directors and the Board of Supervision	-	26,810,000,000
TOTAL	<u>11,381,821,204</u>	<u>51,586,791,955</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>31 March 2018</i>	<i>30 September 2017</i>
Less than 1 year	108,118,146,600	102,622,704,600
From 1 to 5 years	366,742,941,893	360,182,972,527
More than 5 years	248,717,061,667	247,322,009,333
TOTAL	<u>723,578,150,160</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>31 March 2018</i>	<i>30 September 2017</i>
Less than 1 year	690,300,000	155,269,354,547
From 1 to 5 years	1,435,500,000	616,331,681,818
More than 5 years	-	341,516,000,000
TOTAL	<u>2,125,800,000</u>	<u>1,113,117,036,365</u>

Capital commitments

As at 31 March 2018, the Company had commitments of VND 9.644.474.400 (30 September 2017: VND 35,525,754,918) mainly related to the acquisition of new machinery for its operations.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2018

29. COMMITMENTS (continued)

Capital commitments (continued)

As at 31 March 2018, the Company had capital-contributed commitments into subsidiaries and associates as follows:

	<i>Cost of investment</i>		<i>Contributed</i>
	<i>Amount (VND)</i>	<i>%</i>	<i>Amount (VND)</i>
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 Van Hoi Joint Stock Company	70,000,000,000	70%	2,800,000,000
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%	2,500,000,000
Hoa Sen Ca Na – Ninh Thuan Cement One Member Limited Liabilities Company	30,000,000,000	100%	-
Hoa Sen Ca Na – Ninh Thuan Renewable Energy One Member Limited Liabilities Company	20,000,000,000	100%	-
Hoa Sen Quy Nhon Joint Stock Company	45,000,000,000	45%	27,900,000,000
Hoa Sen Hoi Van Joint Stock Company	22,500,000,000	45%	450,000,000
TOTAL	387,500,000,000		52,650,000,000

30. 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 interim separate financial statements.



Nguyen Thi Thanh Tuyen
Preparer



Nguyen Thi Ngoc Lan
Chief Accountant



Tran Quoc Tri
General Director



29 May 2018