



Hoa Sen Group

Separate interim financial statements
for the six-month period ended
31 March 2021



Hoa Sen Group Corporate Information

Enterprise Registration Certificate 3700381324

8 August 2001

The Company's Enterprise Registration Certificate has been amended several times, the most recent of which is by Enterprise Registration Certificate No. 3700381324 dated 12 June 2020. The Company's Enterprise Registration Certificate and its amendments were issued by the Department of Planning and Investment of Binh Duong Province.

Board of Directors	Mr. Le Phuoc Vu Mr. Tran Ngoc Chu Mr. Tran Quoc Tri Mr. Ly Van Xuan Mr. Nguyen Van Luan Mr. Dinh Viet Duy	Chairman Vice Chairman Member Member Member Member
Board of Management	Mr. Tran Quoc Tri Mr. Hoang Duc Huy Mr. Vu Van Thanh Mr. Ho Thanh Hieu Mr. Tran Quoc Pham Mr. Nguyen Ngoc Huy Mr. Tran Thanh Nam Mr. Nguyen Tan Hoa	General Director Deputy General Director Deputy General Director Deputy General Director Deputy General Director Deputy General Director Acting Deputy General Director Acting Deputy General Director
Legal representative	Mr. Le Phuoc Vu Mr. Tran Ngoc Chu Mr. Tran Quoc Tri	Chairman of the Board of Directors Vice Chairman of the Board of Directors General Director
Registered Office	No. 9, Thong Nhat Boulevard, Song Than II Industrial Park, Di An Ward, Di An City, Binh Duong Province Vietnam	
Auditor	KPMG Limited Vietnam	

Hoa Sen Group Statement of the Board of Management

The Board of Management of Hoa Sen Group (“the Company”) presents this statement and the accompanying separate interim financial statements of the Company for the six-month period ended 31 March 2021.

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

- (a) the separate interim financial statements set out on pages 5 to 58 give a true and fair view of the unconsolidated financial position of the Company as at 31 March 2021, and of its unconsolidated results of operations and its unconsolidated cash flows for six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Company will not be able to pay its debts as and when they fall due.

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

On behalf of the Board of Management



Tran Quoc Tri
General Director

Ho Chi Minh City, 17 May 2021



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

INTERIM FINANCIAL STATEMENTS REVIEW REPORT

To the Shareholders Hoa Sen Group

We have reviewed the accompanying separate interim financial statements of Hoa Sen Group (“the Company”), which comprise the separate balance sheet as at 31 March 2021, the separate statements of income and cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Company’s Board of Management on 17 May 2021, as set out on pages 5 to 58.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express a conclusion on these separate interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review engagements 2410 – *Review of interim financial information performed by the independent auditor of the entity*.

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



Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying separate interim financial statements do not give a true and fair view, in all material respects, of the unconsolidated financial position of Hoa Sen Group as at 31 March 2021 and of its unconsolidated results of operations and its unconsolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Review Report No.: 21-01-00192-21-1



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

Nguyen Thanh Nghi
Practicing Auditor Registration
Certificate No. 0304-2018-007-1

Ho Chi Minh City, 17 May 2021

Hoa Sen Group
Separate balance sheet as at 31 March 2021

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

	Code	Note	31/3/2021 VND	1/10/2020 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		13,701,349,357,258	10,370,267,877,634
Cash and cash equivalents	110	7	578,529,483,988	480,196,944,895
Cash	111		577,779,483,988	479,446,944,895
Cash equivalents	112		750,000,000	750,000,000
Short-term financial investments	120		5,000,000,000	-
Held-to-maturity investments	123	17(a)	5,000,000,000	-
Accounts receivable – short-term	130		7,205,864,281,361	6,205,820,116,418
Accounts receivable from customers	131	8(a)	6,994,556,311,121	5,212,742,658,223
Prepayments to suppliers	132	9	72,262,141,590	53,025,112,185
Other short-term receivables	136	10(a)	161,468,534,429	962,629,374,510
Allowance for doubtful debts	137	8(c)	(22,422,705,779)	(22,577,028,500)
Inventories	140	11	5,209,777,241,270	2,997,049,481,888
Inventories	141		5,240,049,242,357	3,021,587,347,164
Allowance for inventories	149		(30,272,001,087)	(24,537,865,276)
Other current assets	150		702,178,350,639	687,201,334,433
Short-term prepaid expenses	151	18(a)	102,078,453,857	103,293,368,807
Deductible value added tax	152		599,489,764,370	583,904,965,626
Taxes receivable from State Treasury	153	22(b)	610,132,412	3,000,000

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



Hoa Sen Group

Separate balance sheet as at 31 March 2021 (continued)

Form B 01a – DN

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

	Code	Note	31/3/2021 VND	1/10/2020 VND
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	200		4,822,337,464,111	4,925,206,543,486
Accounts receivable – long-term	210		168,320,229,000	394,880,535,357
Loans receivable – long-term	215	12	-	212,856,006,357
Other long-term receivables	216	10(b)	168,320,229,000	182,024,529,000
Fixed assets	220		1,226,449,142,561	1,364,003,049,395
Tangible fixed assets	221	13	1,033,957,147,267	1,147,463,568,504
Cost	222		3,424,626,006,459	3,392,265,713,774
Accumulated depreciation	223		(2,390,668,859,192)	(2,244,802,145,270)
Finance lease tangible fixed assets	224	14	-	18,551,181,042
Cost	225		-	22,949,448,333
Accumulated depreciation	226		-	(4,398,267,291)
Intangible fixed assets	227	15	192,491,995,294	197,988,299,849
Cost	228		248,569,747,599	248,569,747,599
Accumulated amortisation	229		(56,077,752,305)	(50,581,447,750)
Long-term work in progress	240		24,136,977,956	5,338,412,183
Construction in progress	242	16	24,136,977,956	5,338,412,183
Long-term financial investments	250		3,321,270,617,307	3,072,965,000,000
Investments in subsidiaries	251	17(b)	3,305,270,617,307	3,051,965,000,000
Held-to-maturity investments	255	17(a)	16,000,000,000	21,000,000,000
Other long-term assets	260		82,160,497,287	88,019,546,551
Long-term prepaid expenses	261	18(b)	31,272,434,085	48,265,344,770
Deferred tax assets	262	19	50,888,063,202	39,754,201,781
TOTAL ASSETS (270 = 100 + 200)	270		18,523,686,821,369	15,295,474,421,120

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

Hoa Sen Group
Separate balance sheet as at 31 March 2021 (continued)

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

	Code	Note	31/3/2021 VND	1/10/2020 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		10,888,210,839,798	8,270,877,246,022
Current liabilities	310		10,874,672,795,132	8,243,532,836,931
Accounts payable to suppliers	311	20	5,110,838,266,259	2,023,915,668,822
Advances from customers	312	21	300,541,675,389	188,998,683,777
Taxes payable to State Treasury	313	22(a)	223,897,292,444	206,566,674,152
Payables to employees	314		50,976,551,799	53,486,276,555
Accrued expenses	315	23	139,466,550,755	317,943,257,598
Other payables – short-term	319	24	804,063,158,632	326,075,538,521
Short-term borrowings and finance lease liabilities	320	25(a)	4,159,331,722,558	5,083,484,041,845
Bonus and welfare fund	322	26	85,557,577,296	43,062,695,661
Long-term liabilities	330		13,538,044,666	27,344,409,091
Other payables – long-term	337		709,500,000	709,500,000
Long-term borrowings and finance lease liabilities	338	25(b)	-	17,017,564,425
Provisions – long-term	342	27	12,828,544,666	9,617,344,666
EQUITY (400 = 410)	400		7,635,475,981,571	7,024,597,175,098
Owners' equity	410	28	7,635,475,981,571	7,024,597,175,098
Share capital	411	29	4,446,252,130,000	4,446,252,130,000
- Ordinary shares with voting rights	411a		4,446,252,130,000	4,446,252,130,000
Share premium	412		151,583,183,521	151,583,183,521
Treasury shares	415		(3,271,000,000)	(3,271,000,000)
Other equity funds	420		30,218,596,725	35,535,781,824
Retained profits	421		3,010,693,071,325	2,394,497,079,753
- Retained profits brought forward	421a		2,268,887,028,455	1,318,911,980,318
- Profit for the current period	421b		741,806,042,870	1,075,585,099,435
TOTAL RESOURCES	440		18,523,686,821,369	15,295,474,421,120
(440 = 300 + 400)				

17 May 2021

Prepared by:



Nguyen Thi Thanh Tuyen
Accountant

Approved by:



Nguyen Thi Ngoc Lan
Chief Accountant



Tran Quoc Tri
General Director

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

Hoa Sen Group

Separate statement of income for the six-month period ended 31 March 2021

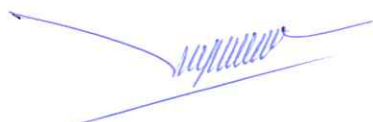
Form B 02a – DN

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

	Code	Note	Six-month period ended	
			31/3/2021 VND	31/3/2020 VND
Revenue from sales of goods and provision of services	01	31	34,522,050,890,800	21,013,944,576,347
Revenue deductions	02	31	56,063,311,189	15,259,765,523
Net revenue (10 = 01 - 02)	10	31	34,465,987,579,611	20,998,684,810,824
Cost of sales	11	32	32,357,385,438,508	19,622,652,367,710
Gross profit (20 = 10 - 11)	20		2,108,602,141,103	1,376,032,443,114
Financial income	21	33	86,977,509,149	33,941,865,345
Financial expenses	22	34	140,034,444,880	239,022,817,220
<i>In which: Interest expense</i>	23		70,248,310,258	155,669,111,066
Selling expenses	25	35	1,075,666,152,128	800,883,271,882
General and administration expenses	26	36	107,599,703,162	163,213,125,187
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		872,279,350,082	206,855,094,170
Other income	31	37	4,959,323,940	11,845,895,193
Other expenses	32	38	106,402,837	6,077,916,086
Results of other activities (40 = 31 - 32)	40		4,852,921,103	5,767,979,107
Accounting profit before tax (50 = 30 + 40)	50		877,132,271,185	212,623,073,277
Income tax expense – current	51	40	146,460,089,736	65,947,756,590
Income tax benefit – deferred	52	40	(11,133,861,421)	(12,708,462,309)
Net profit after tax (60 = 50 - 51 - 52)	60		741,806,042,870	159,383,778,996

17 May 2021

Prepared by:



Nguyen Thi Thanh Tuyen
Accountant

Approved by:



Nguyen Thi Ngoc Lan
Chief Accountant



Tran Quoc Tri
General Director

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

Hoa Sen Group
Separate statement of cash flows for the six-month period ended 31 March 2021
(Indirect method)

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

	Code Note	Six-month period ended 31/3/2021 VND	31/3/2020 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	877,132,271,185	212,623,073,277
Adjustments for			
Depreciation and amortisation	02	151,945,156,441	177,008,011,516
Allowances and provisions	03	8,791,013,090	8,548,256,496
Exchange (gains)/losses arising from revaluation of monetary items denominated in foreign currencies	04	(5,789,789,027)	21,035,611,575
Profits from investing activities	05	(9,740,044,383)	(7,769,466,926)
Interest expenses	06	70,248,310,258	155,669,111,066
Operating profit before changes in working capital	08	1,092,586,917,564	567,114,597,004
Change in receivables	09	(1,799,498,216,779)	(563,466,614,295)
Change in inventories	10	(2,218,461,895,193)	(407,072,078,892)
Change in payables and other liabilities	11	4,242,861,550,085	1,239,521,309,239
Change in prepaid expenses	12	17,878,073,614	29,936,537,872
		1,335,366,429,291	866,033,750,928
Interest paid	14	(69,419,268,494)	(154,056,592,799)
Income tax paid	15	(132,051,410,259)	(27,279,751,381)
Other payments for operating activities	17	(49,298,354,762)	(8,437,081,256)
Net cash flows from operating activities	20	1,084,597,395,776	676,260,325,492
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(27,804,749,209)	(6,593,066,211)
Proceeds from disposals of fixed assets	22	1,075,059,578	1,193,179,386
Payment for granting loans and term deposits at banks	23	(33,326,172,142)	(105,499,989,000)
Collections on loans receivable and term deposits at banks	24	5,000,000,000	75,000,000,000
Payments for investments in subsidiaries	25	(1,500,000,000)	(28,000,000,000)
Receipts of interests and dividends	27	1,845,364,958	3,421,381,254
Net cash flows from investing activities	30	(54,710,496,815)	(60,478,494,571)

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



Hoa Sen Group**Separate statement of cash flows for the six-month period ended 31 March 2021
(Indirect method – continued)**

Form B 03a – DN

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

	Code	Note	Six-month period ended	
			31/3/2021 VND	31/3/2020 VND
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments for repurchase of treasury shares	32		-	(262,000,000)
Proceeds from borrowings	33		15,157,894,623,261	8,827,118,679,911
Payments to settle loan principals	34		(16,099,647,735,735)	(9,346,176,305,957)
Payments to settle finance lease liabilities	35		(10,027,814,809)	(10,467,183,280)
Payments of dividends	36		(170,543,600)	(22,299,100)
Net cash flows from financing activities	40		(951,951,470,883)	(529,809,108,426)
Net cash flows during the period (50 = 20 + 30 + 40)	50		77,935,428,078	85,972,722,495
Cash and cash equivalents at the beginning of the period	60		480,196,944,895	222,264,128,540
Effect of exchange rate fluctuations on cash and cash equivalents	61		20,397,111,015	7,965,039,699
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)	70	7	578,529,483,988	316,201,890,734

17 May 2021

Prepared by:



Nguyen Thi Thanh Tuyen
Accountant

Approved by:



Nguyen Thi Ngoc Lan
Chief Accountant



Tran Quoc Tri
General Director

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

Hoa Sen Group
Notes to the separate interim financial statements for the six-month period ended
31 March 2021

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

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

1. Reporting entity

(a) Ownership structure

Hoa Sen Group (“the Company”) is a joint stock company incorporated in Vietnam.

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

(b) Principal activities

The Company’s principal activities are to manufacturing roofing sheets by galvanised steel, zinc alloy, paint galvanised zinc plating and plating of other alloys; producing steel purlins, galvanised purlins; manufacturing black steel pipes, galvanised steel pipes and other alloys; manufacturing steel mesh, galvanised steel wire, steel wire; buying and selling building materials, capital goods and consumer goods; providing warehousing and transportation services; building industrial and civil construction and producing cold rolled steel coils and leasing machinery and equipment and other tangible belongings.

(c) Normal operating cycle

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

(d) Company structure

As at 31 March 2021, the Company had 10 subsidiaries and 1 associate (1/10/2020: 10 subsidiaries and 1 associates) as listed in the Note 17(b).

As at 31 March 2021, the Company had 5,319 employees (1/10/2020: 4,915 employees).

2. Basis of preparation

(a) Statement of compliance

The separate interim financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting. The Company prepares and issues its consolidated financial statements separately. For a comprehensive understanding of the Company’s consolidated financial position, its consolidated results of operations and its consolidated cash flows, these separate interim financial statements should be read in conjunction with the consolidated financial statements.

Hoa Sen Group

**Notes to the separate interim financial statements for the six-month period ended
31 March 2021 (continued)**

Form B 09a – DN

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

(b) Basis of measurement

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

(c) Annual accounting period

The annual accounting period of the Company is from 1 October to 30 September of following calendar year. The separate interim financial statements are prepared for the six-month period ended 31 March.

(d) Accounting and presentation currency

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

3. Summary of significant accounting policies

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

(a) Foreign currency transactions

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

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

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

(b) Cash and cash equivalents

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

(c) Investments

(i) Held-to-maturity investments

Held-to-maturity investments are those that the Company's management has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at banks and bank bonds. These investments are stated at costs less doubtful debts.

Hoa Sen Group
Notes to the separate interim financial statements for the six-month period ended
31 March 2021 (continued)

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

(ii) Investments in subsidiaries and associates

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

(d) Accounts receivable

Trade and other receivables are stated at cost less allowance for doubtful debts.

(e) Inventories

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

The Company applies the perpetual method of accounting for inventories.

(f) Tangible fixed assets

(i) Cost

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



Hoa Sen Group
Notes to the separate interim financial statements for the six-month period ended
31 March 2021 (continued)

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

(ii) Depreciation

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

▪ buildings and structures	5 – 50 years
▪ machinery and equipment	3 – 10 years
▪ motor vehicles	2 – 10 years
▪ office equipment	3 – 10 years
▪ others	3 – 8 years

(g) Intangible fixed assets

(i) Land use rights

Land use rights comprise:

- those granted by the State for which land use payments are collected;
- those acquired in a legitimate transfer; and
- rights to use leased land obtained before the effective date of Land Law (2003) for which payments have been made in advance for more than 5 years and supported by land use right certificate issued by competent authority.

Land use rights are stated at cost less accumulated amortisation. The initial cost of land use rights comprises the value of the right and any direct attributable costs incurred in conjunction with securing the land use rights. Land use rights with definite term are amortised on a straight-line basis over term of land use rights which is from 14 years to 55 years. Land use rights with indefinite term are not amortised.

(ii) Software

Cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software cost is amortised on a straight-line basis from 3 to 6 years.

(h) Construction in progress

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

Hoa Sen Group
Notes to the separate interim financial statements for the six-month period ended
31 March 2021 (continued)

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

(i) Long-term prepaid expenses

(i) Tools and instruments

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

(ii) Prepaid rental expenses

Prepaid rental expenses comprise prepaid rentals for using warehouse during the Company's production and business operations and are initially recognised at cost. These costs are recognised in the separate statement of income on a straight-line basis over lease term ranging from 2 to 3 years.

(iii) Advertising panels

Advertising panels are initially recognised at cost and are amortised on a straight-line basis over a period ranging from 2 to 3 years.

(iv) Maintenance expenses

The maintenance expenses represent the expenses of repairing and replacing machinery, equipment and other fixed assets but do not meet the capitalisation requirements of fixed asset. Maintenance expenses are initially recognised at cost and are amortised on a straight-line basis over a period ranging from 2 to 3 years.

(j) Trade and other payables

Trade and other payables are stated at their costs.

(k) Provisions

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

Hoa Sen Group

Notes to the separate interim financial statements for the six-month period ended 31 March 2021 (continued)

Form B 09a – DN

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

Severance allowance

Under the Vietnamese Labour Code, when an employee who has worked for 12 months or more (“the eligible employees”) voluntarily terminates his/her labour contract, the employer is required to pay the eligible employee severance allowance calculated based on years of service and employee’s compensation at termination. Provision for severance allowance has been provided based on employees’ years of service and their average salary for the six-month period prior to the end of the accounting period. For the purpose of determining the number of years of service by an employee, the period for which the employee participated in and contributed to unemployment insurance in accordance with prevailing laws and regulations and the period for which severance allowance has been paid by the Company are excluded.

(l) Share capital

(i) Ordinary shares

Ordinary shares are recognised at par value.

(ii) Share premium

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

(iii) Repurchase and reissue of ordinary shares (treasury shares)

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is recognised as a reduction from equity. Repurchased shares are classified as treasury shares under equity. When treasury shares are sold for reissue subsequently, cost of the reissued shares is determined on a weighted average basis. Any difference between the amount received and the cost of the shares reissued is presented within share premium.

(m) Taxation

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

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

Hoa Sen Group
Notes to the separate interim financial statements for the six-month period ended
31 March 2021 (continued)

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

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

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

(n) Revenue and other income

(i) Goods sold

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

(ii) Services rendered

Revenue from services rendered is recognised in the separate statement of income in proportion to the stage of completion of the transaction. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

(iii) Interest income

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

(iv) Dividend income

Dividend income is recognised when the right to receive dividend is established.

Hoa Sen Group
Notes to the separate interim financial statements for the six-month period ended
31 March 2021 (continued)

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

(o) Leases

(i) Leased assets

Leases in terms of which the Company, as lessee, assumes substantially all the risks and rewards of ownership are classified as finance leases. Tangible fixed assets acquired by way of finance leases are stated at an amount equal to the lower of fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation.

Depreciation on finance leased assets is computed on a straight-line basis over the shorter of the lease term and the estimated useful lives of the leased assets unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. The estimated useful lives of finance leased assets are consistent with the useful lives of tangible fixed assets as described in Note 3(f).

Assets held under other leases are classified as operating leases and are not recognised in the Company's balance sheet.

(ii) Lease payments

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

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(p) Borrowing costs

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

(q) Segment reporting

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

Hoa Sen Group

Notes to the separate interim financial statements for the six-month period ended 31 March 2021 (continued)

Form B 09a – DN

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

(r) Related parties

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

(s) Comparative information

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

4. Seasonality of operations

The Company's principal activities are to manufacturing and trading in galvanized steel roofing sheets, aluminum-zinc alloys, galvanized coatings and related products. The Company's Board of Management assesses that the Company's principal activities are not impacted by seasonality.

5. Changes in accounting estimates

In preparing these interim separate financial statements, the Company's Board of Management has made several accounting estimates. Actual results may differ from these estimates.

There were no significant changes in accounting estimates compared to those made in the most recent annual separate financial statements or those made in the same interim period of the prior year.

6. Segment reporting

(a) Business segments

The Company's principal business activities are buying and selling roofing sheets by steel, steel pipes, building materials. Other activities are asset leasing and service provision. During the year, other activities accounted for an insignificant proportion of total revenue and business operating results of the Company, accordingly, the financial information presented in the separate balance sheet as at 31 March 2021 and 1 October 2020 and all revenue, expenses presented in the separate statement of income for the six-month period ended 31 March 2021 and 31 March 2020 are mainly related to the Company's principal business activities.

Hoa Sen Group
Notes to the separate interim financial statements for the six-month period ended
31 March 2021 (continued)

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

(b) Geographical segments

The Company's geographical segments are distinguished based on the locations of customers as follows:

	Geographical segments		
	Local VND	Export VND	Total VND
Six-month period ended 31 March 2021			
Revenue	24,407,960,173,205	10,058,027,406,406	34,465,987,579,611
Cost of sales	(23,096,250,964,571)	(9,261,134,473,937)	(32,357,385,438,508)
	<u>1,311,709,208,634</u>	<u>796,892,932,469</u>	<u>2,108,602,141,103</u>
Six-month period ended 31 March 2020			
Revenue	17,052,645,929,344	3,946,038,881,480	20,998,684,810,824
Cost of sales	(15,834,432,099,779)	(3,788,220,267,931)	(19,622,652,367,710)
	<u>1,218,213,829,565</u>	<u>157,818,613,549</u>	<u>1,376,032,443,114</u>

7. Cash and cash equivalents

	31/3/2021 VND	1/10/2020 VND
Cash on hand	12,858,085,275	37,746,780,451
Cash in banks	564,389,796,215	441,692,185,884
Cash in transit	531,602,498	7,978,560
Cash equivalents (*)	750,000,000	750,000,000
	<u>578,529,483,988</u>	<u>480,196,944,895</u>

(*) Cash equivalents represented term deposits at banks with original terms to maturity of three months or less and earned annual interest from 3.5% to 4.0% (1/10/2020: from 3.5% to 4.0%).

Hoa Sen Group
Notes to the separate interim financial statements for the six-month period ended
31 March 2021 (continued)

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

8. Accounts receivable from customers

(a) Accounts receivable from customers detailed by significant customers

	31/3/2021 VND	1/10/2020 VND
Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liability Company	1,555,185,730,947	1,422,755,855,210
Hoa Sen Steel One Member Company Limited	1,336,862,962,391	649,390,077,771
Hoa Sen Nghe An One Member Limited Liabilities Company	914,180,501,045	609,698,769,472
Hoa Sen Building Materials Company Limited	571,384,145,379	606,455,682,416
Other customers	2,616,942,971,359	1,924,442,273,354
	6,994,556,311,121	5,212,742,658,223

As at 31 March 2021, accounts receivable with carrying value of VND570,000 million and receivable arising from export bill collection with the value of VND2,300,000 million (1/10/2020: VND570,000 million of trade receivable and VND2,300,000 million arising from export bill collection) were pledged with banks as security for loan granted to the Company (Note 25).

(b) Accounts receivable from customers who are related parties

	31/3/2021 VND	1/10/2020 VND
<i>Subsidiaries</i>		
Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liability Company	1,555,185,730,947	1,422,755,855,210
Hoa Sen Steel One Member Company Limited	1,336,862,962,391	649,390,077,771
Hoa Sen Nghe An One Member Limited Liabilities Company	914,180,501,045	609,698,769,472
Hoa Sen Building Materials Company Limited	571,384,145,379	606,455,682,416
Hoa Sen Phu My One Member Limited Liabilities Company	285,908,576,028	314,686,249,805
Hoa Sen Ha Nam One Member Limited Liability Company	17,726,280	-
Hoa Sen Binh Dinh Sole Member Limited Company	-	36,010,152,572
<i>Company owned by the Company's Chairman</i>		
Hoa Sen Holdings Group	128,158,717,180	34,749,020

The trade related amounts due from the related party were unsecured, interest free and are receivable in 365 days from invoice date for subsidiaries and 45 days from invoice date for company owned by the Company's Chairman.

Hoa Sen Group

Notes to the separate interim financial statements for the six-month period ended

31 March 2021 (continued)

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

(c) Bad and doubtful debts

	31/3/2021			1/10/2020				
	Overdue days	Cost VND	Allowance VND	Recoverable amount VND	Overdue days	Cost VND	Allowance VND	Recoverable amount VND
Mekong Consultant Trading Company	2 – 3 years	1,648,743,436	(1,648,743,436)	-	2 – 3 years	1,648,743,436	(1,648,743,436)	-
Hai Thuy Limited Liability Company	2 – 3 years	1,545,000,625	(1,545,000,625)	-	Over 1 year	1,545,000,625	(1,545,000,625)	-
Hiep Loan Construction Steel Company Limited	1 – 3 years	1,243,508,106	(1,243,508,106)	-	Over 1 year	1,243,508,106	(1,243,508,106)	-
Phuc Duc Production and Trading One Member Limited Liability Company	1 – 2 years	1,096,410,095	(1,096,410,095)	-	Over 6 months	1,096,410,095	(1,096,410,095)	-
Hoang Thai Private Enterprise	Over 1 year	1,023,359,294	(1,023,359,294)	-	Over 1 year	1,023,359,294	(1,023,359,294)	-
Yen Mai Trading and Construction Services Company Limited	Over 6 months	-	-	-	Over 6 months	839,518,227	(839,518,227)	-
Toan Phat HN Trading and Production Limited Liability Company	1 – 2 years	1,426,131,048	(1,426,131,048)	-	6 months – 1 year	1,426,131,048	(1,426,131,048)	-
Other customers		14,439,553,175	(14,439,553,175)	-		13,754,357,669	(13,754,357,669)	-
		22,422,705,779	(22,422,705,779)	-		22,577,028,500	(22,577,028,500)	-

Hoa Sen Group
Notes to the separate interim financial statements for the six-month period ended
31 March 2021 (continued)

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

Movements of allowance for doubtful debts during the year were as follows:

	Six-month period ended	
	31/3/2021	31/3/2020
	VND	VND
Opening balance	22,577,028,500	8,634,346,424
Allowance made during the period	5,727,000	7,434,093,955
Allowance reversed during the period	(160,049,721)	(423,309,760)
Closing balance	22,422,705,779	15,645,130,619

9. Prepayments to suppliers

	31/3/2021	1/10/2020
	VND	VND
<i>Subsidiaries</i>		
Hoa Sen Binh Dinh Sole Member Limited Company	-	4,995,423,582
Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liability Company	262,396,354	469,909,029
Hoa Sen Ha Nam One Member Limited Liability Company	252,596,525	-
<i>Third parties</i>		
Posco Vietnam Company Limited	16,148,143,265	-
Vung Tau Low Pressure Gas Distribution Enterprise	8,942,912,964	11,105,788,618
Hoa Phat Hung Yen Steel Limited Liability Company	10,183,555	21,469,960,714
Other suppliers	46,645,908,927	14,984,030,242
	72,262,141,590	53,025,112,185

10. Other receivables

(a) Other short-term receivables

	31/3/2021	1/10/2020
	VND	VND
Profit distribution	-	795,208,077,723
Advances for purchase of lands	45,462,225,000	45,462,225,000
Advances to employees	39,907,593,051	41,550,758,590
Receivables from transfer of land use rights	12,818,775,000	12,818,775,000
Interest income from banks deposits and loan receivables	14,446,000,000	17,516,531,729
Short-term deposits and rental deposits	39,036,545,800	41,728,445,800
Others	9,797,395,578	8,344,560,668
	161,468,534,429	962,629,374,510

Hoa Sen Group**Notes to the separate interim financial statements for the six-month period ended
31 March 2021 (continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)****Other short-term receivables from related parties***

	31/3/2021	1/10/2020
	VND	VND
<i>Subsidiaries</i>		
Hoa Sen Ha Nam One Member Limited Liability Company	37,450,000	27,450,000
Hoa Sen Building Materials Company Limited	21,340,000	232,711,670,069
Hoa Sen Nghe An One Member Limited Liabilities Company	-	514,874,175,062
Hoa Sen Binh Dinh Sole Member Limited Company	-	35,488,493,426
Hoa Sen Yen Bai Joint Stock Company	-	15,011,988,771
Hoa Sen Steel One Member Company Limited	-	12,308,639,166
Hoa Sen Du Long Industrial Park Infrastructure Investment Joint Stock Company	-	2,504,542,958
<i>Company owned by the Company's Chairman</i>		
Hoa Sen Holdings Group (*)	8,667,600,000	2,059,900,000
<i>Key management personnel</i>		
Mr. Hoang Duc Huy – Deputy General Director (**)	45,462,225,000	45,462,225,000

(*) The non-trade amounts due from this related party were unsecured, earned interest at 4% per annum and are receivable on demand.

(**) The non-trade amounts due from this related party were unsecured, interest free and are receivable on demand.

(b) Other long-term receivables

	31/3/2021	1/10/2020
	VND	VND
Deposits for rental	168,320,229,000	181,758,529,000
Others	-	266,000,000
	168,320,229,000	182,024,529,000

Hoa Sen Group**Notes to the separate interim financial statements for the six-month period ended
31 March 2021 (continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***11. Inventories**

	31/3/2021		1/10/2020	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	1,780,780,213,870	-	1,074,363,397,517	-
Raw materials	1,296,690,663,333	(3,315,745,546)	262,088,540,692	(12,427,170,038)
Tools and supplies	157,859,561,277	-	160,536,427,953	-
Finished goods	903,127,792,199	(9,901,035,351)	683,530,539,971	(10,057,583,911)
Merchandise inventories	1,101,591,011,678	(17,055,220,190)	841,068,441,031	(2,053,111,327)
	<u>5,240,049,242,357</u>	<u>(30,272,001,087)</u>	<u>3,021,587,347,164</u>	<u>(24,537,865,276)</u>

As at 31 March 2021 inventories with carrying value of VND2,217,392 million (1/10/2020: VND1,478,039 million) were pledged with banks as security for loans granted to the Company (Note 25).

Included in inventories as at 31 March 2021 was VND163,082 million of raw materials, VND85,862 million of finished goods and VND97,737 million of merchandise inventories (1/10/2020: VND61,472 million of raw materials, VND116,340 million of finished goods and VND42,337 million of merchandise inventories) carried at net realisable value.

Movements in allowance for inventories during the period were as follows:

	Six-month period ended	
	31/3/2021 VND	31/3/2020 VND
Opening balance	24,537,865,276	30,286,414,827
Allowance made during the period	5,734,135,811	-
Allowance reversed during the period	-	(13,190,008,415)
Closing balance	<u>30,272,001,087</u>	<u>17,096,406,412</u>

Hoa Sen Group

Notes to the separate interim financial statements for the six-month period ended 31 March 2021 (continued)

Form B 09a – DN

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

12. Loans receivable – long-term

	31/3/2021 VND	1/10/2020 VND
Loans receivable from Hoa Sen Yen Bai Joint Stock Company – a subsidiary (*)	-	167,286,721,457
Loans receivable from Hoa Sen Du Long Industrial Park Infrastructure Investment Joint Stock Company – a subsidiary (**)	-	45,569,284,900
		<hr/>
		- 212,856,006,357
		<hr/>

(*) This loan was unsecured, original term of 24 months and earned annual interest rate of 8% at 1 October 2020.

(*) This loan was unsecured, original term of 24 months and earned annual interest rate of 8% at 1 October 2020.

During the period, the Company converted the outstanding long-term loan receivables to investments to subsidiaries, Hoa Sen Yen Bai Joint Stock Company and Hoa Sen Du Long Industrial Park Infrastructure Investment Joint Stock Company, amounting to VND176,187 million and VND 64,995 million, respectively.

Hoa Sen Group

Notes to the separate interim financial statements for the six-month period ended 31 March 2021 (continued)

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

13. Tangible fixed assets

Cost	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
Opening balance	484,406,352,732	2,523,902,329,811	286,843,639,080	76,375,572,729	20,737,819,422	3,392,265,713,774
Additions	-	12,277,718,005	1,207,586,364	-	-	13,485,304,369
Transfer from construction in progress	-	682,726,246	-	-	-	682,726,246
Transfer from finance lease tangible fixed assets	-	13,389,448,333	9,560,000,000	-	-	22,949,448,333
Transfer from prepaid expenses	-	956,506,224	-	-	-	956,506,224
Disposals	-	(1,860,820,420)	(2,128,712,500)	-	-	(3,989,532,920)
Written off	-	(1,724,159,567)	-	-	-	(1,724,159,567)
Closing balance	484,406,352,732	2,547,623,748,632	295,482,512,944	76,375,572,729	20,737,819,422	3,424,626,006,459
Accumulated depreciation						
Opening balance	278,882,994,848	1,738,186,050,970	172,098,126,466	36,296,971,627	19,338,001,359	2,244,802,145,270
Charge for the period	11,058,457,771	112,442,659,724	17,031,786,599	4,707,885,390	144,045,983	145,384,835,467
Transfer from finance lease tangible fixed assets	-	3,149,966,649	2,312,317,061	-	-	5,462,283,710
Disposals	-	(1,412,041,503)	(1,844,204,185)	-	-	(3,256,245,688)
Written off	-	(1,724,159,567)	-	-	-	(1,724,159,567)
Closing balance	289,941,452,619	1,850,642,476,273	189,598,025,941	41,004,857,017	19,482,047,342	2,390,668,859,192
Net book value						
Opening balance	205,523,357,884	785,716,278,841	114,745,512,614	40,078,601,102	1,399,818,063	1,147,463,568,504
Closing balance	194,464,900,113	696,981,272,359	105,884,487,003	35,370,715,712	1,255,772,080	1,033,957,147,267

Hoa Sen Group**Notes to the separate interim financial statements for the six-month period ended
31 March 2021 (continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

Included in tangible fixed assets were assets costing VND972,107 million which were fully depreciated as at 31 March 2021 (1/10/2020: VND727,763 million), but which are still in active use.

As at 31 March 2021, tangible fixed assets with net book value of VND343,834 million (1/10/2020: VND395,303 million) were pledged with banks as security for loans granted to the Company (Note 25).

14. Finance lease tangible fixed assets

	Machinery and equipment VND	Motor vehicles VND	Total VND
Cost			
Opening balance	13,389,448,333	9,560,000,000	22,949,448,333
Transfer to tangible fixed assets	(13,389,448,333)	(9,560,000,000)	(22,949,448,333)
Closing balance	-	-	-
Accumulated depreciation			
Opening balance	2,579,925,881	1,818,341,410	4,398,267,291
Charge for the period	570,040,768	493,975,651	1,064,016,419
Transfer to tangible fixed assets	(3,149,966,649)	(2,312,317,061)	(5,462,283,710)
Closing balance	-	-	-
Net book value			
Opening balance	10,809,522,452	7,741,658,590	18,551,181,042
Closing balance	-	-	-

Hoa Sen Group
Notes to the separate interim financial statements for the six-month period ended
31 March 2021 (continued)

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

15. Intangible fixed assets

	Land use rights VND	Software VND	Total VND
Cost			
Opening balance and closing balance	200,791,409,765	47,778,337,834	248,569,747,599
Accumulated amortisation			
Opening balance	28,908,454,957	21,672,992,793	50,581,447,750
Charge for the period	1,273,039,849	4,223,264,706	5,496,304,555
Closing balance	30,181,494,806	25,896,257,499	56,077,752,305
Net book value			
Opening balance	171,882,954,808	26,105,345,041	197,988,299,849
Closing balance	170,609,914,959	21,882,080,335	192,491,995,294

Included in intangible fixed assets were assets costing VND456 million which were fully depreciated as at 31 March 2021 (1/10/2020: VND456 million), but which are still in active use.

As at 31 March 2021, intangible fixed assets with net book value of VND66,892 million (1/10/2020: VND77,916 million) were pledged with banks as security for loans granted to the Company (Note 25).

16. Construction in progress

Major constructions in progress were as follows:

	31/3/2021 VND	1/10/2020 VND
Machinery and equipment waiting for installation	4,182,556,276	457,602,000
Construction costs	1,472,949,719	1,472,949,719
Others	18,481,471,961	3,407,860,464
	24,136,977,956	5,338,412,183

Hoa Sen Group
Notes to the separate interim financial statements for the six-month period ended
31 March 2021 (continued)

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

Movements in constructions in progress during the period were as follows:

	Six-month period ended	
	31/3/2021	31/3/2020
	VND	VND
Opening balance	5,338,412,183	16,487,785,421
Additions during the period	20,108,046,222	3,962,560,607
Transfer to tangible fixed assets	(682,726,246)	(1,983,604,901)
Transfer to long-term prepaid expenses	(626,754,203)	(419,191,448)
	<hr/>	<hr/>
Closing balance	24,136,977,956	18,047,549,679
	<hr/> <hr/>	<hr/> <hr/>

17. Investments

(a) Held-to-maturity investments

Held-to-maturity investments - short-term

	31/3/2021	1/10/2020
	VND	VND
Term deposits	5,000,000,000	-
	<hr/>	<hr/>

Held-to-maturity investments - short-term represented term deposits at bank with term of more than 3 months from the placement date and less than 12 months from the period end. As at 31 March 2021, term deposits denominated in VND and earned annual interest rate of 3.7%.

Hoa Sen Group**Notes to the separate interim financial statements for the six-month period ended
31 March 2021 (continued)**

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

Held-to-maturity investments - long-term

	31/3/2021	1/10/2020
	VND	VND
Bonds issued by Vietnam Bank for Industry and Trade Securities Joint Stock Company (*)	15,000,000,000	15,000,000,000
Bonds issued by Agribank Securities Corporation (**)	1,000,000,000	1,000,000,000
Bonds issued by BIDV Securities Joint Stock Company	-	5,000,000,000
	<hr/>	<hr/>
	16,000,000,000	21,000,000,000
	<hr/>	<hr/>

(*) Bonds with original term of 10 years were denominated in VND and earned annual interest rate at floating interest rate plus 1.2% (1/10/2020: floating interest rate plus 1.2%).

(**) Bonds with original term of 7 years were denominated in VND and earned annual interest rate at floating interest rate plus 1.2% (1/10/2020: floating interest rate plus 1.2%).

Hoa Sen Group

Notes to the separate interim financial statements for the six-month period ended 31 March 2021 (continued)

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

(b) **Equity investments in other entities**

	31/3/2021		1/10/2020	
	% of equity owned/ voting rights	Cost VND	Allowance for diminution in value VND	% of equity owned/ voting rights
Investments in subsidiaries:				Allowance for diminution in value VND
▪ Hoa Sen Nghe An One Member Limited Liabilities Company	100%	1,100,000,000,000	-	100%
▪ Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liability Company	100%	770,000,000,000	-	100%
▪ Hoa Sen Steel One Member Company Limited	100%	280,000,000,000	-	100%
▪ Hoa Sen Phu My One Member Limited Liabilities Company	100%	250,000,000,000	-	100%
▪ Hoa Sen Ha Nam One Member Limited Liability Company	100%	200,000,000,000	-	100%
▪ Hoa Sen Building Materials Company Limited	100%	150,000,000,000	-	100%
▪ Hoa Sen Binh Dinh Sole Member Limited Company	100%	105,000,000,000	-	100%
▪ Hoa Sen Yen Bai Joint Stock Company (i)	95%	301,831,857,307	-	95%
▪ Hoa Sen Yen Bai Building Materials One Member Limited Liabilities Company	100%	50,000,000,000	-	100%
▪ Hoa Sen Du Long Industrial Park Infrastructure Investment Joint Stock Company (ii)	95%	98,438,760,000	-	95%
		3,305,270,617,307	-	3,051,965,000,000
Investments in joint ventures				
▪ Hoa Sen International Port Joint Stock Company (iii)	49%	-	-	49%
		3,305,270,617,307	-	3,051,965,000,000

Hoa Sen Group

Notes to the separate interim financial statements for the six-month period ended 31 March 2021 (continued)

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

- (i) On 3 March 2021, the Board of Directors of Hoa Sen Group resolved to increase charter capital of Hoa Sen Yen Bai Joint Stock Company, of which the Company holds 95 % ownership.
- (ii) On 1 February 2021, the Board of Directors of Hoa Sen Group resolved to increase charter capital of Hoa Sen Du Long Industrial Park Infrastructure Investment Joint Stock Company, in which the Company holds 95% ownership. On 31 March 2021, the Board of Directors of Hoa Sen Group approved for the disposal of all shares in Hoa Sen Du Long Industrial Park Infrastructure Investment Joint Stock Company. The transaction was completed on 2 April 2021.
- (iii) Hoa Sen International Port Joint Stock Company was established under the Business Registration Certificate No. 3502399898 issued by the Department of Planning and Investment of Ba Ria Vung Tau Province on 5 July 2019, in which the Company holds 49% ownership. At 31 March 2021, the Company has not yet contributed capital to Hoa Sen International Port Joint Stock Company.

Hoa Sen Group**Notes to the separate interim financial statements for the six-month period ended
31 March 2021 (continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***18. Prepaid expenses****(a) Short-term prepaid expenses**

	31/3/2021	1/10/2020
	VND	VND
Rental fee	68,772,234,077	57,410,986,820
Tools and instruments	12,730,818,112	13,454,533,851
Advertising expenses	12,533,232,018	24,829,641,795
Maintenance expenses	3,159,546,058	2,738,747,884
Insurance fee	995,488,627	668,137,829
Consulting expenses	160,000,000	1,889,338,410
Others	3,727,134,965	2,301,982,218
	<hr/>	<hr/>
	102,078,453,857	103,293,368,807
	<hr/>	<hr/>

(b) Long-term prepaid expenses

	31/3/2021	1/10/2020
	VND	VND
Tools and instruments	7,956,952,828	9,342,376,906
Prepaid rental expenses	7,467,126,093	7,538,605,524
Advertising panels	4,824,123,880	15,374,300,149
Maintenance expenses	4,294,560,579	6,587,628,785
Others	6,729,670,705	9,422,433,406
	<hr/>	<hr/>
	31,272,434,085	48,265,344,770
	<hr/>	<hr/>

Hoa Sen Group**Notes to the separate interim financial statements for the six-month period ended 31 March 2021 (continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

Movements of long-term prepaid expenses during the period were as follows:

	Six-month period ended	
	31/3/2021	31/3/2020
	VND	VND
Opening balance	48,265,344,770	128,815,049,868
Additions during the period	7,384,048,212	7,465,380,285
Transfer from tangible fixed assets	(173,643,592)	(163,628,065)
Transfer from construction in progress	626,754,203	419,191,448
Transfer from short-term prepaid expenses	41,636,364	-
Amortisation for the period	(24,817,979,921)	(56,380,264,412)
Disposals	(53,725,951)	-
	<hr/>	<hr/>
Closing balance	31,272,434,085	80,155,729,124
	<hr/>	<hr/>

19. Deferred tax assets

	Tax rate	31/3/2021	1/10/2020
		VND	VND
<i>Deferred tax assets are recognised on:</i>			
▪ Accrued expenses	20%	30,117,288,158	21,325,730,550
▪ Allowances and provisions	20%	10,701,953,746	9,422,978,755
▪ Unrealised profits	20%	10,068,821,298	9,005,492,476
		<hr/>	<hr/>
		50,888,063,202	39,754,201,781
		<hr/>	<hr/>

Hoa Sen Group
Notes to the separate interim financial statements for the six-month period ended
31 March 2021 (continued)

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

20. Accounts payable to suppliers

(a) Accounts payable to suppliers detailed by significant suppliers

	Cost/Amount within payment capacity	
	31/3/2021	1/10/2020
	VND	VND
Kim Quoc Steel Company Limited	1,041,750,376,301	59,872,948,917
Formosa Ha Tinh Steel Corporation	632,420,126,030	296,702,697,996
Cumic Steel Limited	487,342,640,275	-
Hoa Sen Binh Dinh Sole Member Limited Company	264,597,911,854	276,882,578,172
Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liability Company	208,595,524,541	331,558,978,673
Hoa Sen Ha Nam One Member Limited Liability Company	164,012,150,041	200,540,364,464
Nippon Steel Trading Corporation	-	303,482,841,213
Other suppliers	2,312,119,537,217	554,875,259,387
	5,110,838,266,259	2,023,915,668,822

(b) Accounts payable to suppliers who are related parties

	Cost/Amount within payment capacity	
	31/3/2021	1/10/2020
	VND	VND
<i>Subsidiaries</i>		
Hoa Sen Binh Dinh Sole Member Limited Company	264,597,911,854	276,882,578,172
Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liability Company	208,595,524,541	331,558,978,673
Hoa Sen Ha Nam One Member Limited Liability Company	164,012,150,041	200,540,364,464
Hoa Sen Yen Bai Building Materials One Member Limited Liabilities Company	96,304,676,193	71,677,939,985
<i>Companies owned by the Company's Chairman</i>		
Hoa Sen Holdings Group	3,000,000	4,622,401,585
Hoa Sen Nghe An Investment Company Limited	29,583,646	1,892,022

The trade related amounts due to the related parties were unsecured, interest free and are payable within 365 days from invoice date for subsidiaries and are payable within 45 days from invoice date for companies owned by the Company's Chairman.

Hoa Sen Group

**Notes to the separate interim financial statements for the six-month period ended
31 March 2021 (continued)**

Form B 09a – DN

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

21. Advances from customers

	31/3/2021	1/10/2020
	VND	VND
Aceros Y Overrollings De Mexico S.A. De C.V.	229,800	18,179,700,000
Cascadia Metals Ltd	45,269,687,468	-
Other customers	255,271,758,121	170,818,983,777
	<hr/>	<hr/>
	300,541,675,389	188,998,683,777
	<hr/>	<hr/>

Hoa Sen Group

Notes to the separate interim financial statements for the six-month period ended 31 March 2021 (continued)

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

22. Taxes payable to and receivable from State Treasury

(a) Taxes payable to State Treasury

	1/10/2020 VND	Incurred VND	Paid VND	Netted-off VND	Reclassified VND	31/3/2021 VND
Value added tax	146,604,239,860	3,297,255,234,059	(722,002,535,320)	(2,568,970,217,433)	(924,629,777)	151,962,091,389
Import-export tax	456,189,132	675,170,484	(989,669,141)	-	-	141,690,475
Corporate income tax	56,905,742,222	146,460,089,736	(132,051,410,259)	-	-	71,314,421,699
Personal income tax	2,508,438,278	20,776,321,250	(23,415,803,059)	-	610,132,412	479,088,881
Other taxes	92,064,660	864,117,129	(953,181,789)	-	(3,000,000)	-
	206,566,674,152	3,466,030,932,658	(879,412,599,568)	(2,568,970,217,433)	(317,497,365)	223,897,292,444

(b) Taxes receivable from State Treasury

	1/10/2020 VND	Incurred VND	Reclassified VND	31/3/2021 VND
Personnal income tax	-	-	610,132,412	610,132,412
Other taxes	3,000,000	-	(3,000,000)	-
	3,000,000	-	607,132,412	610,132,412

Hoa Sen Group**Notes to the separate interim financial statements for the six-month period ended
31 March 2021 (continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***23. Accrued expenses**

	31/3/2021	1/10/2020
	VND	VND
Salary and bonus	98,901,099,799	304,695,782,083
Transportation expenses	28,602,318,388	115,044,561
Interest expenses	4,755,120,209	3,926,078,445
Construction in progress	696,000,000	696,000,000
Electricity expenses	35,890,222	27,883,576
Others	6,476,122,137	8,482,468,933
	<hr/>	<hr/>
	139,466,550,755	317,943,257,598
	<hr/>	<hr/>

24. Other payables – short-term

	31/3/2021	1/10/2020
	VND	VND
Discount export documents payables	54,331,305,000	142,966,821,833
Import sponsor payables (*)	718,042,670,559	155,578,117,585
Short-term deposits received	11,982,440,000	9,597,080,065
Social insurance, health insurance, unemployment insurance and union funds	1,489,235,040	932,699,080
Dividend payables	4,076,778,825	4,247,322,425
Other payables	14,140,729,208	12,753,497,533
	<hr/>	<hr/>
	804,063,158,632	326,075,538,521
	<hr/>	<hr/>

- (*) These amounts represented Usance payable at sight Letter of credit (UPAS L/C) provided by Vietnam Joint Stock Commercial Bank for Industry and Trade – Binh Duong Industrial Park Branch, Ho Chi Minh City Development Joint Stock Commercial Bank, Vietnam International Commercial Joint Stock Bank – Ho Chi Minh City Branch and Tien Phong Commercial Joint Stock Bank – Ben Thanh Branch (1/10/2020: provided by Vietnam Joint Stock Commercial Bank for Industry and Trade – Binh Duong Industrial Park Branch) with tenor from 90 to 120 days after sight. If the Company cannot make payment on the due date, they will be automatically converted into bank loans.

Other payables – short-term to related parties

	31/3/2021	1/10/2020
	VND	VND
<i>Subsidiaries</i>		
Hoa Sen Yen Bai Building Materials One Member Limited		
Liabilities Company	-	26,498,450
	<hr/>	<hr/>

The other payable amounts due to the related parties were unsecured, interest free and are payable on demand.

Hoa Sen Group

Notes to the separate interim financial statements for the six-month period ended 31 March 2021 (continued)

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

25. Borrowings and finance lease liabilities

(a) Short-term borrowings and finance lease liabilities

	1/10/2020	Movements during the period			31/3/2021
	Carrying amount/ Amount within repayment capacity VND	Additions VND	Decreases VND	Foreign exchange differences VND	Carrying amount/ Amount within repayment capacity VND
Short-term borrowings	5,058,379,476,181	15,157,894,623,261	(16,067,553,420,455)	10,611,043,571	4,159,331,722,558
Current portion of long-term borrowings (b)	20,000,000,000	5,000,000,000	(25,000,000,000)	-	-
Finance lease principals due within twelve months (c)	5,104,565,664	1,276,141,416	(6,380,707,080)	-	-
	5,083,484,041,845	15,164,170,764,677	(16,098,934,127,535)	10,611,043,571	4,159,331,722,558

Hoa Sen Group

Notes to the separate interim financial statements for the six-month period ended 31 March 2021 (continued)

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

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

Lenders	Note	Currency	31/3/2021 VND	1/10/2020 VND
<i>Third parties</i>				
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Industrial Park Branch	(i)	VND	192,333,211,891	1,171,017,687,810
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Industrial Park Branch	(i)	USD	1,200,138,973,406	531,104,907,733
▪ Joint Stock Commercial Bank for Foreign Trade of Vietnam - South Binh Duong Branch	(ii)	VND	100,000,000,000	947,943,944,130
▪ Joint Stock Commercial Bank for Foreign Trade of Vietnam - South Binh Duong Branch	(ii)	USD	716,838,277,738	413,037,687,997
▪ Bank for Investment and Development of Vietnam - Transaction Office 2 Branch	(iii)	VND	259,372,999,518	472,377,287,783
▪ Bank for Investment and Development of Vietnam - Transaction Office 2 Branch	(iii)	USD	-	99,439,545,965
▪ HSBC Bank (Vietnam) Ltd.	(iv)	VND	871,494,746,413	608,438,856,420
▪ Ho Chi Minh City Development Joint Stock Commercial Bank	(v)	USD	25,244,400,000	213,385,900,000
▪ Sinopac Bank - Ho Chi Minh City Branch	(vi)	VND	68,000,000,000	32,300,000,000
▪ United Overseas Bank (Vietnam) Limited	(vii)	VND	242,122,472,591	101,516,310,719
▪ United Overseas Bank (Vietnam) Limited	(vii)	USD	14,116,090,344	57,085,000,000
▪ Malayan Banking Berhad Ho Chi Minh City Branch	(viii)	VND	50,111,040,747	42,323,443,406
▪ Malayan Banking Berhad Ho Chi Minh City Branch	(viii)	USD	39,747,579,553	46,084,500,000
▪ The Maritime Commercial Joint Stock Bank - Ho Chi Minh City Branch	(ix)	VND	59,789,000,000	97,147,784,400
▪ The Maritime Commercial Joint Stock Bank - Ho Chi Minh City Branch	(ix)	USD	135,690,642,871	-
▪ Saigon Thuong Tin Commercial Joint Stock Bank – Head Office	(x)	VND	-	50,000,000,000
▪ ChinaTrust Commercial Bank - Ho Chi Minh City Branch	(xi)	VND	124,320,327,587	19,942,608,592
▪ ChinaTrust Commercial Bank - Ho Chi Minh City Branch	(xi)	USD	60,011,959,899	155,234,011,226
▪ ChinaTrust Commercial Bank - Ho Chi Minh City Branch			4,159,331,722,558	5,058,379,476,181

Hoa Sen Group

Notes to the separate interim financial statements for the six-month period ended 31 March 2021 (continued)

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

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

Lenders	Currency	Credit limit	Interest rate		Pledged assets
			31/3/2021	1/10/2020	
<i>Third parties</i>					
i. Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Industrial Park Branch	VND	VND3,000 billion	4.00%	4.50% - 4.90%	Land use rights, buildings, structures, machinery and equipment and accounts receivable from customers
ii. Joint Stock Commercial Bank for Foreign Trade of Vietnam - South Binh Duong Branch	USD	VND2,387 billion	1.50% - 2.00%	1.85% - 2.00%	Land use rights, machinery and equipment and inventories
iii. Bank for Investment and Development of Vietnam - Transaction Office 2 Branch	VND	VND1,500 billion	4.00%	4.20% - 4.50%	Machinery and equipment, constructions on land and bonds of the company and constructions on land of Hoa Sen Nghe An One Member Limited
iv. HSBC Bank (Vietnam) Ltd.	USD	USD40 million	-	3.00%	Liabilities Company, a subsidiary
v. Ho Chi Minh City Development Joint Stock Commercial Bank	VND	USD800 billion	2.50% - 3.20%	4.10% - 4.90%	Inventories, machinery and equipment, land use rights and constructions on land and fixed assets of Hoa Sen Binh Dinh Sole Member Limited
vi. Sinopac Bank - Ho Chi Minh City Branch	USD	USD6 million	3.20%	5.00%	Company, a subsidiary
vii. United Overseas Bank (Vietnam) Limited	VND	USD12 million	3.00%	4.00% - 4.20%	Inventories
viii. Malaysian Banking Berhad Ho Chi Minh City Branch	USD	USD4 million	1.60%	1.64%	
ix. The Maritime Commercial Joint Stock Bank - Ho Chi Minh City Branch	VND	VND195 billion	3.00%	4.10% - 4.70%	Inventories
	USD		4.00%	1.80%	
			4.00%	4.50%	Unsecured
			2.10%	-	

Hoa Sen Group

Notes to the separate interim financial statements for the six-month period ended 31 March 2021 (continued)

Form B 09a – DN

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

Lenders	Currency	Credit limit	Interest rate		Pledged assets
			31/3/2021	1/10/2020	
Third parties					
x. Saigon Thuong Tin Commercial Joint Stock Bank – Head Office	VND	VND1,000 billion	-	5.00%	Land use rights and accounts receivable from customers
xi. ChinaTrust Commercial Bank - Ho Chi Minh City Branch	VND	USD15 million	3.20% - 3.50%	3.80% - 4.00%	Unsecured
	USD		1.40% - 1.45%	1.80% - 1.85%	

Hoa Sen Group**Notes to the separate interim financial statements for the six-month period ended
31 March 2021 (continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***(b) Long-term borrowings and finance lease liabilities**

	31/3/2021	1/10/2020
	VND	VND
Long-term borrowings	-	32,094,315,280
Finance lease liabilities (c)	-	10,027,814,809
		<hr/>
		- 42,122,130,089
Repayable within twelve months		-
		<hr/>
		(25,104,565,664)
Repayable after twelve months		-
		<hr/> <hr/>
		17,017,564,425

Terms and conditions of long-term borrowings were as follows:

Lenders	Note	Currency	Year of maturity	31/3/2021	1/10/2020
				VND	VND
Joint Stock Commercial Bank for Foreign Trade of Vietnam - South Binh Duong Branch	(i)	VND	2022	-	32,094,315,280

This loan was secured by the land use rights, machinery and equipment and inventories of the Company and tangible assets of Hoa Sen Binh Dinh Sole Member Limited Company, a subsidiary, and bore annual interest rate of 8.5% as at 1 October 2020. As at 31 March 2021, this loan was fully paid.

The Company used these long-term borrowings to finance their constructions and purchase of fixed assets.

Hoa Sen Group**Notes to the separate interim financial statements for the six-month period ended 31 March 2021 (continued)**

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

(c) Finance lease liabilities

The future minimum lease payments under non-cancellable finance leases are:

	31/3/2021		1/10/2020	
	Payments VND	Interest VND	Principal VND	Payments VND
Within one year	-	-	-	5,762,851,279
Within two to five years	-	-	-	5,147,734,966
	-	-	-	10,910,586,245
				882,771,436
				10,027,814,809

Hoa Sen Group
Notes to the separate interim financial statements for the six-month period ended
31 March 2021 (continued)

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

26. Bonus and welfare fund

Movements of bonus and welfare fund during the period were as follows:

	Six-month period ended	
	31/3/2021	31/3/2020
	VND	VND
Opening balance	43,062,695,661	44,902,799,431
Appropriation from retained profits	46,120,560,692	3,613,521,330
Utilisation of fund during the period	(3,625,679,057)	(1,753,525,100)
	<hr/>	<hr/>
Closing balance	85,557,577,296	46,762,795,661
	<hr/> <hr/>	<hr/> <hr/>

27. Provisions – long-term

Provisions – long-term represented provision for severance allowance.

	Six-month period ended	
	31/3/2021	31/3/2020
	VND	VND
Opening balance	9,617,344,666	2,473,036,500
Allowance made during the period	3,211,200,000	325,563,860
	<hr/>	<hr/>
Closing balance	12,828,544,666	2,798,600,360
	<hr/> <hr/>	<hr/> <hr/>

Hoa Sen Group

Notes to the separate interim financial statements for the six-month period ended 31 March 2021 (continued)

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

28. Changes in owners' equity

	Share capital VND	Share premium VND	Treasury shares VND	Other equity funds VND	Retained profits VND	Total VND
Balance at 1 October 2019	4,234,694,890,000	151,583,183,521	(2,459,000,000)	55,626,670,135	1,539,503,023,643	5,978,948,767,299
Net profit for the period	-	-	-	-	159,383,778,996	159,383,778,996
Repurchase of treasury shares	-	-	(262,000,000)	-	-	(262,000,000)
Appropriation to bonus and welfare fund	-	-	-	-	(3,613,521,330)	(3,613,521,330)
Appropriation to equity funds (*)	-	-	-	5,420,281,995	(5,420,281,995)	-
Utilisation of funds	-	-	-	(6,683,556,156)	-	(6,683,556,156)
Balance at 31 March 2020	4,234,694,890,000	151,583,183,521	(2,721,000,000)	54,363,395,974	1,689,852,999,314	6,127,773,468,809
Net profit for the period	-	-	-	-	916,201,320,439	916,201,320,439
Shares issued to pay dividends	211,557,240,000	-	-	-	(211,557,240,000)	-
Repurchase of treasury shares	-	-	(550,000,000)	-	-	(550,000,000)
Utilisation of funds	-	-	-	(18,827,614,150)	-	(18,827,614,150)
Balance at 30 September 2020	4,446,252,130,000	151,583,183,521	(3,271,000,000)	35,535,781,824	2,394,497,079,753	7,024,597,175,098

Hoa Sen Group

Notes to the separate interim financial statements for the six-month period ended 31 March 2021 (continued)

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

	Share capital VND	Share premium VND	Treasury shares VND	Other equity funds VND	Retained profits VND	Total VND
Balance at 1 October 2020	4,446,252,130,000	151,583,183,521	(3,271,000,000)	35,535,781,824	2,394,497,079,753	7,024,597,175,098
Net profit for the period	-	-	-	-	741,806,042,870	741,806,042,870
Appropriation to bonus and welfare fund	-	-	-	-	(46,120,560,692)	(46,120,560,692)
Appropriation to equity funds (*)	-	-	-	40,355,490,606	(40,355,490,606)	-
Utilisation of funds	-	-	-	(45,672,675,705)	-	(45,672,675,705)
Appropriation for exceeding production and business plan (**)	-	-	-	-	(39,134,000,000)	(39,134,000,000)
Balance at 31 March 2021	4,446,252,130,000	151,583,183,521	(3,271,000,000)	30,218,596,725	3,010,693,071,325	7,635,475,981,571

(*) In accordance with the Resolution of Board of Directors dated 1 October 2020, the Company appropriated 3.5% retained profits to other equity funds for the purpose of remuneration, charity activities and operation expenses of the Board of Directors (six-month period ended 31 March 2020: 1.5%).

(**) In accordance with the Resolution of Board of Directors dated 27 January 2021, the Company appropriated 3.4% retained profits to appropriation for exceeding production and business plan expenses for financial year 2019 – 2020 for the Board of Directors, the Board of Management and Committees under the Board of Directors.

Hoa Sen Group
Notes to the separate interim financial statements for the six-month period ended
31 March 2021 (continued)

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

29. Share capital

The Company's authorised and issued share capital are:

	31/3/2021		1/10/2020	
	Number of shares	VND	Number of shares	VND
Authorised and issued share capital				
Ordinary shares	444,625,213	4,446,252,130,000	444,625,213	4,446,252,130,000
Treasury share				
Ordinary shares	327,100	3,271,000,000	327,100	3,271,000,000
Shares in circulation				
Ordinary shares	444,298,113	4,442,981,130,000	444,298,113	4,442,981,130,000

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

Movements in share capital during the year were as follows:

	Six-month period ended			
	31/3/2021		31/3/2020	
	Number of shares	VND	Number of shares	VND
Balance at the beginning of the period	444,298,113	4,442,981,130,000	423,223,589	4,232,235,890,000
Repurchase of treasury shares during the period	-	-	(26,200)	(262,000,000)
Balance at the end of the period	444,298,113	4,442,981,130,000	423,197,389	4,231,973,890,000

Hoa Sen Group
Notes to the separate interim financial statements for the six-month period ended
31 March 2021 (continued)

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

30. Off balance sheet items

(a) Lease

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

	31/3/2021	1/10/2020
	VND	VND
Within one year	167,987,427,943	170,013,489,423
Within two to five years	654,888,656,377	660,219,684,543
More than five years	462,225,661,817	516,622,301,356
	<hr/>	<hr/>
	1,285,101,746,137	1,346,855,475,322
	<hr/> <hr/>	<hr/> <hr/>

(b) Foreign currencies

	31/3/2021		1/10/2020	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	3,958,364.62	90,976,590,904	7,357,873	169,929,938,524
EUR	-	-	909	24,288,480
		<hr/>		<hr/>
		90,976,590,904		169,954,227,004
		<hr/> <hr/>		<hr/> <hr/>

(c) Capital expenditure commitments

At the reporting date, the Company had the following outstanding capital commitments approved for the purpose of purchasing new machineries that use for the Company's operation:

	31/3/2021	1/10/2020
	VND	VND
Approved and contracted	73,537,289,651	-
	<hr/> <hr/>	<hr/> <hr/>

Hoa Sen Group**Notes to the separate interim financial statements for the six-month period ended
31 March 2021 (continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***31. Revenue from sales of goods and provision of services**

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

Net revenue comprised:

	Six-month period ended	
	31/3/2021	31/3/2020
	VND	VND
Total revenue		
▪ Sales of merchandise goods	24,389,030,326,570	14,484,261,374,632
▪ Sales of finished goods	10,128,973,912,147	6,518,016,188,859
▪ Others	4,046,652,083	11,667,012,856
	34,522,050,890,800	21,013,944,576,347
Less revenue deductions		
▪ Sales discounts	46,387,033,496	2,775,281,113
▪ Sales returns	8,930,677,661	9,745,727,847
▪ Sales allowances	745,600,032	2,738,756,563
	56,063,311,189	15,259,765,523
Net revenue	34,465,987,579,611	20,998,684,810,824

32. Cost of sales

	Six-month period ended	
	31/3/2021	31/3/2020
	VND	VND
Total cost of sales:		
▪ Merchandise goods sold	23,338,613,054,523	14,046,761,733,791
▪ Finished goods sold	9,012,213,081,809	5,582,400,304,044
▪ Others	825,166,365	6,680,338,290
▪ Allowance for inventories made/(reversed) during the period	5,734,135,811	(13,190,008,415)
	32,357,385,438,508	19,622,652,367,710

Hoa Sen Group
Notes to the separate interim financial statements for the six-month period ended
31 March 2021 (continued)

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

33. Financial income

	Six-month period ended	
	31/3/2021	31/3/2020
	VND	VND
Interest income from deposits and loans receivable	73,978,611	2,217,631,254
Income from financial investments	9,324,293,426	6,041,656,273
Realised foreign exchange gains	71,635,541,516	25,682,577,818
Unrealised foreign exchange gains	5,789,789,027	-
Others	153,906,569	-
	<hr/>	<hr/>
	86,977,509,149	33,941,865,345
	<hr/> <hr/>	<hr/> <hr/>

34. Financial expenses

	Six-month period ended	
	31/3/2020	31/3/2019
	VND	VND
Interest expense	70,248,310,258	155,669,111,066
Realised foreign exchange losses	69,414,934,505	47,016,960,032
Unrealised foreign exchange losses	-	21,035,611,575
Allowance for diminution of financial investments	-	14,727,480,716
Other financial expenses	371,200,117	573,653,831
	<hr/>	<hr/>
	140,034,444,880	239,022,817,220
	<hr/> <hr/>	<hr/> <hr/>

Hoa Sen Group
Notes to the separate interim financial statements for the six-month period ended
31 March 2021 (continued)

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

35. Selling expenses

	Six-month period ended	
	31/3/2021	31/3/2020
	VND	VND
Export expenses	536,800,775,552	178,602,805,529
Labour costs and staff costs	202,691,103,724	312,434,554,442
Rental expenses	76,121,548,498	78,552,771,868
Depreciation and amortisation	70,758,468,243	71,485,133,302
Advertising expenses	67,518,797,206	39,456,258,278
Transportation expenses	37,490,539,267	39,573,480,328
Outside service	25,705,521,480	26,552,028,641
Other expenses	58,579,398,158	54,226,239,494
	1,075,666,152,128	800,883,271,882

36. General and administration expenses

	Six-month period ended	
	31/3/2021	31/3/2020
	VND	VND
Labour costs and staff costs	33,453,682,570	73,498,699,167
Depreciation and amortisation	14,409,633,918	17,387,182,888
Outside services	13,471,735,787	17,339,114,449
Guest expenses	9,208,887,034	6,805,953,766
Rental expenses	8,525,201,569	7,980,446,879
Professional service fees	4,709,679,438	3,942,314,864
Business trip expenses	2,976,648,694	4,339,597,959
Other expenses	20,844,234,152	31,919,815,215
	107,599,703,162	163,213,125,187

37. Other income

	Six-month period ended	
	31/3/2021	31/3/2020
	VND	VND
Gain from disposals of fixed assets	341,772,346	-
Compensation	2,803,486,173	1,052,425,268
Others	1,814,065,421	10,793,469,925
	4,959,323,940	11,845,895,193

Hoa Sen Group
Notes to the separate interim financial statements for the six-month period ended
31 March 2021 (continued)

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

38. Other expenses

	Six-month period ended	
	31/3/2021	31/3/2020
	VND	VND
Loss on disposals of fixed assets	-	419,820,602
Others	106,402,837	5,658,095,484
	106,402,837	6,077,916,086

39. Production and business costs by elements

	Six-month period ended	
	31/3/2021	31/3/2020
	VND	VND
Raw material costs included in production costs	8,668,400,883,714	4,981,670,157,473
Labour costs and staff costs	274,613,903,938	421,155,162,180
Depreciation and amortisation	151,945,156,441	177,008,011,516
Outside services	803,786,644,478	408,851,409,550
Other expenses	286,826,245,597	283,572,322,231
	8,668,400,883,714	4,981,670,157,473

40. Income tax

(a) Recognised in the separate statement of income

	Six-month period ended	
	31/3/2021	31/3/2020
	VND	VND
Current tax expense		
Current period	146,460,089,736	65,947,756,590
Deferred tax benefit		
Origination of temporary differences	(11,133,861,421)	(12,708,462,309)
	135,326,228,315	53,239,294,281

Hoa Sen Group**Notes to the separate interim financial statements for the six-month period ended
31 March 2021 (continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***(b) Reconciliation of effective tax rate**

	Six-month period ended	
	31/3/2021	31/3/2020
	VND	VND
Accounting profit before tax	877,132,271,185	212,623,073,277
Tax at the Company's tax rate	175,426,454,237	42,524,614,655
Non-deductible expenses	5,743,932,833	10,714,679,626
Utilisation of deferred tax assets not previously recognised	(45,844,158,755)	-
Income tax	135,326,228,315	53,239,294,281

(c) Applicable tax rates

Under the terms of Income Tax Law, the Company has an obligation to pay the government income tax at the rate of 20% of taxable profits.

41. Significant transactions with related parties

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

	Six-month period ended	
	31/3/2021	31/3/2020
	VND	VND
<i>Subsidiaries</i>		
Hoa Sen Steel One Member Company Limited		
Sales of goods	6,782,867,432,698	4,469,702,109,055
Purchases of goods	6,299,619,883,587	4,635,313,374,264
Sales returns	-	2,238,054,358
Others	-	14,108,830
Hoa Sen Building Materials Company Limited		
Sales of goods	1,763,239,373,343	1,785,540,412,450
Purchases of goods	1,596,134,394,915	1,679,869,045,454
Income from leasing of assets	403,580,644	66,000,000
Transportation service rendered	36,614,679	-
Others	-	61,309,896
Rental expenses	822,583,070	607,102,010
Purchase of fixed assets	87,770,891	-
Sales returns	1,270,533,793	1,898,319,657
Purchase returns	27,864,786	-
Purchase deduction	5,181,772	-

Hoa Sen Group**Notes to the separate interim financial statements for the six-month period ended 31 March 2021 (continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Six-month period ended	
	31/3/2021	31/3/2020
	VND	VND
Hoa Sen Binh Dinh Sole Member Limited Company		
Sales of goods	6,239,155,813	306,586,966
Purchases of goods	797,313,954,364	716,933,673,881
Hoa Sen Nghe An One Member Limited Liabilities Company		
Sales of goods	5,138,124,666,492	2,875,745,299,952
Purchases of goods	4,652,130,808,455	2,489,374,261,877
Sales of fixed assets	30,000,000	86,129,750
Purchases of processing services	123,871,015,662	-
Transportation expenses	6,573,534,703	-
Purchase of other services	1,647,937,201	-
Rental expenses	202,069,884	202,069,884
Sales allowances	204,000	-
Purchase returns	1,788,062,026	1,485,299,380
Purchase deduction	34,189,092	77,994,545
Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liability Company		
Sales of goods	3,179,602,429,022	1,565,875,762,479
Purchases of goods	2,508,873,218,671	1,140,949,736,029
Processing service rendered	494,268,668	-
Transportation service rendered	27,766,020	-
Purchase of processing service	11,399,500	-
Transportation expenses	100,542,571,383	-
Transportation expenses	1,723,269,749	47,243,658
Purchase of other services	637,899,367	-
Purchase returns	403,360,132	846,149,807
Purchase deduction	-	3,360,000
Hoa Sen Ha Nam One Member Limited Liabilities Company		
Sales of goods	2,311,414,242	1,462,071,903
Purchases of goods	380,323,785,309	215,086,505,958
Revenue from leasing	127,200,000	114,000,000
Processing service rendered	999,180	-
Rental expenses	108,000,000	108,000,000
Sales of fixed assets	-	280,369,752
Purchase returns	16,383,167	3,911,300
Purchase deduction	3,566,192	8,252,781
Hoa Sen Yen Bai Joint Stock Company		
Interest income	6,133,147,079	4,307,083,842



Hoa Sen Group**Notes to the separate interim financial statements for the six-month period ended
31 March 2021 (continued)**

Form B 09a – DN

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

	Six-month period ended	
	31/3/2021 VND	31/3/2020 VND
Hoa Sen Phu My One Member Limited Liabilities Company		
Sales of goods	390,517,520,847	328,398,360,134
Purchases of goods	99,853,848,819	78,445,544,554
Rental expenses	300,000,000	300,000,000
Purchase deduction	-	122,727,272
Hoa Sen Quy Nhon Joint Stock Company		
Interest expenses	-	1,461,493,151
Hoa Sen Du Long Industrial Park Infrastructure Investment Joint Stock Company		
Interest income	1,586,146,347	530,822,431
Hoa Sen Yen Bai Building Materials One Member Limited Liabilities Company		
Sales of goods	5,687,012,060	12,314,224
Purchases of goods	247,934,317,503	126,068,957,259
Purchase returns	8,376,127	-
Purchase deduction	3,139,860	-
<i>Company owned by the Company's Chairman</i>		
Hoa Sen Holdings Group		
Sales of goods	967,316,467,817	781,669,959,360
Purchases of goods	12,281,818	-
Income from leasing of assets	1,713,375,996	1,435,936,905
Sales of fixed assets	278,700,000	-
Processing service rendered	45,465,962	-
Transportation service rendered	6,777,318	-
Transportation expenses	26,788,156,719	21,106,402,003
Rental expenses	5,817,436,362	314,053,742
Purchase of other services	2,727,273	-
Purchase of processing service	829,091	-
Purchase tools and instruments	-	4,281,261,820
Sales discounts	9,950,862,687	-
Sales returns	4,396,566,705	2,922,492,120
Sales discounts	-	154,727,273
Hoa Sen Investment Company Limited		
Transportation expenses	-	122,571,451
<i>Other related parties</i>		
Hoa Sen Nghe An Investment Company Limited		
Transportation expenses	114,131,449	-

Hoa Sen Group
Notes to the separate interim financial statements for the six-month period ended
31 March 2021 (continued)

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

	Six-month period ended	
	31/3/2021	31/3/2020
	VND	VND
Board of Management		
Salary and bonus	22,794,668,814	6,549,158,313
Board of Directors and Board of Supervisors		
Remuneration	22,270,000,000	1,170,000,000

42. Non-cash investing and financing activities

	Six-month period ended	
	31/3/2021	31/3/2020
	VND	VND
Net-off trade payables with profits distribution	795,208,077,723	335,992,976,173
Conversion of loans into investments in subsidiaries	241,182,178,499	-
Conversion of receivables into investments in subsidiaries	10,623,438,808	-

43. Comparative information

The comparative information was derived from the Company's separate financial statements as at and for the year ended 30 September 2020 and from the Company's separate interim financial statements as at and for the six-month period ended 31 March 2020.

17 May 2021

Prepared by:



Nguyen Thi Thanh Tuyen
Accountant

Approved by:



Nguyen Thi Ngoc Lan
Chief Accountant



Tran Quoc Tri
General Director



