

HOA SEN GROUP

**SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

HOA SEN GROUP

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HOA SEN GROUP

CORPORATE INFORMATION

Business Registration Certificate No.

3700381324 dated 4 July 2011
First issued on 8 August 2001

The Business Registration Certificate has been amended several times and the latest amendment was the Business Registration Certificate No. 3700381324 on 4 July 2011. The Business Registration Certificate was issued by the Department of Planning and Investment of Binh Duong Province.

Board of Management

Mr Le Phuoc Vu	Chairman
Mr Tran Ngoc Chu	Vice Chairman
Mr Le Phung Hao	Member
Mr Pham Gia Tuan	Member
Mr Nguyen Van Quy	Member

Board of Directors

Mr Le Phuoc Vu	General Director (resigned as General Director on 1 April 2011)
Mr Pham Van Trung	General Director (appointed on 1 April 2011, resigned on 27 April 2011)
Mr Tran Ngoc Chu	General Director (appointed on 27 April 2011)
Mr Hoang Duc Huy	Deputy General Director
Mr Vu Van Binh	Deputy General Director
Mr Tran Quoc Tri	Deputy General Director
Mr Vu Van Thanh	Deputy General Director (appointed on 1 April 2011)

Legal representative

Mr Le Phuoc Vu	Chairman
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Registered office

No. 9, Thong Nhat Boulevard, Song Than 2 Industrial Park,
Di An Ward, Di An Town, Binh Duong Province, Vietnam

Auditor

PricewaterhouseCoopers (Vietnam) Limited

HOA SEN GROUP

STATEMENT OF THE RESPONSIBILITY OF GENERAL DIRECTOR OF THE COMPANY IN RESPECT OF THE FINANCIAL STATEMENTS

The legal representative of the Company authorized the General Director to be responsible for the separate financial statements which give a true and fair view of the financial position of Hoa Sen Group ("the Company") as at 30 September 2011 and the results of its operations and cash flows for the year then ended. In preparing these financial statements, the General Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The General Director is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and which enable separate financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the financial statements. The General Director is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS

I hereby approve the accompanying separate financial statements as set out on pages 5 to 36 which give a true and fair view of the financial position of the Company as at 30 September 2011 and of the results of its operations and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and applicable regulations in SR Vietnam.

Users of these separate financial statements should read them together with the consolidated financial statements of the Company and its subsidiaries ("the Group") as at and for the year ended 30 September 2011 in order to obtain full information of the financial information, results of operations and cash flows of the Group as a whole.



Tran Ngoc Chu
General Director

Binh Duong Province, SR Vietnam
30 December 2011



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HOA SEN GROUP

We have audited the accompanying separate financial statements of Hoa Sen Group ("the Company") which were approved by the General Director on 30 December 2011. The separate financial statements comprise the balance sheet as at 30 September 2011, the income statement and cash flow statement for the year then ended, and explanatory notes to the financial statements including significant accounting policies, as set out on pages 5 to 36.

The General Director's Responsibility for the Financial Statements

The General Director of the Company is responsible for the preparation and fair presentation of these separate financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and applicable regulations in SR Vietnam. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of separate financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit in order to obtain reasonable assurance as to whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the General Director, as well as evaluating the overall presentation of the separate financial statements.


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



Opinion

In our opinion, the separate financial statements present fairly, in all material respects, the financial position of the Company as at 30 September 2011, and its financial performance and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and applicable regulations in SR Vietnam.




Quach Thanh Chau
AC No. N.0875/KTV
Deputy General Director
Authorised signatory



Le Van Hoa
AC No. 0248/KTV

PricewaterhouseCoopers (Vietnam) Limited
Ho Chi Minh City, SR Vietnam
Audit report number HCM2988
30 December 2011

As indicated in Note 2.1 to the separate financial statements, the accompanying separate financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than SR Vietnam, and furthermore their utilisation is not designed for those who are not informed about SR Vietnam's accounting principles, procedures and practices.

BALANCE SHEET

Code	ASSETS	Note	As at 30 September	
			2011 VND	2010 VND (Restated – Note 37)
100	CURRENT ASSETS		3,250,279,967,093	2,291,431,199,109
110	Cash and cash equivalents	3	126,343,395,167	34,385,502,402
111	Cash		126,343,395,167	34,385,502,402
130	Accounts receivable		1,097,677,196,770	887,185,802,758
131	Trade accounts receivable	4	735,136,576,406	661,298,057,012
132	Prepayments to suppliers	5	112,840,243,696	226,712,593,700
135	Other receivables	6	252,206,830,245	239,956,240
139	Provision for doubtful debts		(2,506,453,577)	(1,064,804,194)
140	Inventories	7	1,765,275,223,172	1,148,133,598,975
141	Inventories		1,765,275,223,172	1,149,809,053,367
149	Provision for decline in value of inventories		-	(1,675,454,392)
150	Other current assets		260,984,151,984	221,726,294,974
151	Short-term prepayments		25,348,615,065	5,861,946,803
152	Value Added Tax to be reclaimed		191,717,067,998	132,743,741,516
154	Other taxes receivable	8	-	5,089,952,473
158	Other current assets	9	43,918,468,921	78,030,654,182
200	LONG-TERM ASSETS		2,686,882,002,143	2,205,572,301,519
220	Fixed assets		2,128,985,585,123	1,637,724,636,483
221	Tangible fixed assets	10(a)	1,478,450,108,256	864,121,262,830
222	Cost		1,816,619,977,070	1,058,282,843,705
223	Accumulated depreciation		(338,169,868,814)	(194,161,580,875)
227	Intangible fixed assets	10(b)	213,362,665,641	233,250,118,120
228	Cost		220,905,131,051	238,442,173,613
229	Accumulated amortisation		(7,542,465,410)	(5,192,055,493)
230	Construction in progress	10(c)	437,172,811,226	540,353,255,533
250	Long-term investments	11	504,605,390,954	536,656,010,464
251	Investments in subsidiaries		446,276,000,000	478,794,465,506
252	Investments in associates		44,456,331,634	43,414,544,958
258	Other long-term investments		15,000,000,000	15,000,000,000
259	Provision for diminution in value of long-term investments		(1,126,940,680)	(553,000,000)
260	Other long-term assets		53,291,026,066	31,191,654,572
261	Long-term prepayments	12	47,356,517,597	28,561,120,370
262	Deferred income tax assets	13	4,871,229,297	2,630,534,202
268	Other long-term assets		1,063,279,172	-
270	TOTAL ASSETS		5,937,161,969,236	4,497,003,500,628

The notes on pages 9 to 36 are an integral part of these financial statements.

BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at 30 September	
			2011 VND	2010 VND (Restated – Note 37)
300	LIABILITIES		4,115,914,947,348	2,901,254,960,323
310	Current liabilities		3,485,549,491,223	2,489,655,796,537
311	Short-term borrowings	14 (a)	2,245,467,872,962	1,772,956,296,002
312	Trade accounts payable	15	1,124,806,259,547	534,909,040,497
313	Advances from customers		39,043,692,919	20,844,467,979
314	Taxes and other payables to the State Budget	16	16,758,743,314	19,644,877,230
315	Payable to employees		19,490,662,024	15,478,943,361
316	Accrued expenses	17	29,106,140,385	89,732,655,785
319	Other payables	18	2,929,661,962	34,360,518,307
323	Bonus and welfare fund	19	7,946,458,110	1,728,997,376
330	Long-term liabilities		630,365,456,125	411,599,163,786
334	Long-term borrowings	14(b)	629,061,213,625	410,250,888,786
336	Provision for severance allowances		1,304,242,500	1,348,275,000
400	SHAREHOLDERS' EQUITY		1,821,247,021,888	1,595,748,540,305
410	Capital and reserves		1,821,247,021,888	1,595,748,540,305
411	Share capital	20, 21	1,007,907,900,000	1,007,907,900,000
412	Share premium	21	451,543,290,363	451,543,290,363
414	Treasury shares	21	(28,588,182,845)	(572,094,000)
416	Financial reserve funds	21	8,525,313,060	8,525,313,060
420	Undistributed earnings	21	381,858,701,310	128,344,130,882
440	TOTAL RESOURCES		5,937,161,969,236	4,497,003,500,628

OFF BALANCE SHEET ITEMS

Cash and cash equivalents are balances held in foreign currencies of US\$13,337 (As at 30 September 2010: US\$228,666).



 Nguyen Thi Ngoc Lan
 Chief Accountant



 Tran Ngoc Chu
 General Director
 30 December 2011

The notes on pages 9 to 36 are an integral part of these financial statements.


INCOME STATEMENT

Code		Note	Year ended 30 September	
			2011 VND	2010 VND
01	Sales		11,257,002,387,037	7,840,320,534,315
02	Less deductions		(14,808,935,014)	(12,203,286,223)
10	Net sales	22(a)	11,242,193,452,023	7,828,117,248,092
11	Cost of sales	23	(10,336,014,938,167)	(7,077,670,608,388)
20	Gross profit		906,178,513,856	750,446,639,704
21	Financial income	22(b)	274,270,850,819	21,603,447,113
22	Financial expenses	24	(450,899,292,903)	(353,150,476,524)
24	Selling expenses	25	(273,241,648,901)	(181,126,845,061)
25	General and administration expenses	26	(158,043,749,817)	(114,996,048,992)
30	Operating profit		298,264,673,054	122,776,716,240
40	Net other income	27	31,880,912,465	22,360,708,690
50	Net accounting profit before tax		330,145,585,519	145,137,424,930
51	Business income tax - current	28	(17,946,100,611)	(11,879,295,361)
52	Business income tax - deferred	13, 28	2,240,695,095	1,009,934,045
60	Net profit after tax		314,440,180,003	134,268,063,614
70	Earnings per share	30	3,184	1,397



 Nguyen Thi Ngoc Lan
 Chief Accountant





 Tran Ngoc Chu
 General Director
 30 December 2011


The notes on pages 9 to 36 are an integral part of these financial statements.

CASH FLOW STATEMENT
(Indirect method)

Code	Note	Year ended 30 September	
		2011 VND	2010 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01		330,145,585,519	145,137,424,930
	Net profit before tax		
	Adjustments for:		
02	Depreciation and amortisation	152,019,607,346	81,524,654,434
03	Provisions	340,135,671	1,116,545,008
04	Unrealised foreign exchange losses	1,779,496,270	-
05	Gain from investing activities	(189,292,779,656)	(1,533,548,121)
06	Interest expense	282,057,005,265	159,160,398,441
07	Gain from disposals of fixed asset	(14,489,903,987)	-
08	Operating profit before changes in working capital	562,559,146,428	385,405,474,692
09	Increase in receivables	(18,572,145,478)	(534,592,437,342)
10	Increase in inventories	(615,466,169,805)	(636,001,035,926)
11	Increase in payables	505,785,008,867	393,880,638,676
12	Increase in prepaid expenses	(34,649,997,487)	-
13	Interest paid	(274,755,496,246)	(156,683,091,441)
14	Business income tax paid	(10,188,701,745)	(22,873,084,632)
16	Other payments on operating activities	(4,551,499,841)	(11,547,619,579)
20	Net cash inflow/(outflows) from operating activities	110,160,144,702	(582,411,155,552)
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets	(823,899,538,759)	(1,310,794,454,603)
22	Proceeds from disposals of fixed assets	191,389,756,749	268,338,978,568
23	Investments in other entities	-	(6,006,629,021)
27	Interest received	3,167,104,832	2,882,993,102
30	Net cash outflows from investing activities	(629,342,677,178)	(1,045,579,111,954)
CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from issue of shares	-	562,915,578,363
32	Purchase treasury shares	(28,016,088,845)	(94,000)
33	Proceeds from borrowings	5,971,137,263,295	4,390,607,145,366
34	Repayments of borrowings	(5,279,815,361,496)	(3,274,156,471,290)
35	Dividends paid	(49,875,641,450)	(56,964,661,000)
40	Net cash inflows from financing activities	613,430,171,504	1,622,401,497,439
50	Net increase/(decrease) in cash and cash equivalents	94,247,639,028	(5,588,770,067)
60	Cash and cash equivalents at beginning of year	34,385,502,402	39,974,272,469
61	Effect of foreign exchange differences	(2,289,746,263)	-
70	Cash and cash equivalents at end of year	126,343,395,167	34,385,502,402

Major non-cash transactions in financing activities and investing activities during the year include the divestment from Hoa Sen Phu My Steel Sheet One Member Co., Ltd. and Hoa Sen Plastic One Member Co., Ltd. by netting off against accounts receivable amounting to VND67,630,757,133 and VND4,972,915,545 respectively.


 Nguyen Thi Ngoc Lan
 Chief Accountant


 Tran Ngoc Chu
 General Director
 30 December 2011

The notes on pages 9 to 36 are an integral part of these financial statements.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011****1 GENERAL INFORMATION**

Hoa Sen Group – Vietnamese name is Cong ty Co phan Tap doan Hoa Sen - ("the Company") was established in SR Vietnam pursuant to Business Registration Certificate No. 3700381324, dated 8 August 2001 which was issued by Department of Planning and Investment of Binh Duong Province. The latest amendment is on 4 July 2011.

On 5 December 2008, the Company's shares were listed and traded on the Ho Chi Minh City Stock Exchange pursuant to Decision No. 117/QĐ-SDGHCM dated 5 November 2008.

The principal activities of the Company are:

- Manufacture of roofing sheets by galvanized steel, zinc alloy, paint galvanized zinc plating and plating of other alloys
- Production of steel purlins, purlins galvanized
- Manufacture of black steel pipes, galvanized steel pipes, galvanized steel pipes and other alloys
- Manufacture of steel mesh, galvanized steel wire, steel wire
- Manufacture PVC ceiling
- Production of building materials
- Buy and sell building materials, capital goods and consumer goods
- Rent store and transport goods
- Industrial and civil construction
- Production of cold rolled steel coils

As at 30 September 2011, the Company had 1,762 employees (30 September 2010: 2,297 employees).

2 ACCOUNTING SYSTEM AND ACCOUNTING POLICIES**2.1 Basis of preparation of financial statements**

The separate financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and applicable regulations in SR Vietnam. The financial statements have been prepared under the historical cost convention.

The accompanying separate financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than SR Vietnam. The accounting principles and practices utilised in SR Vietnam may differ from those generally accepted in countries and jurisdictions other than SR Vietnam.

Users of these separate financial statements should read them together with the consolidated financial statements of the Company and its subsidiaries ("the Group") as at and for the year ended 30 September 2011 in order to obtain full information of the financial information, results of operations and cash flows of the Group as a whole.

2.2 Fiscal year

The Company's fiscal year is from 1 October to 30 September.

2.3 Form of records applied

The Company uses journal vouchers to record its transactions.

2.4 Use of accounting estimate

The preparation of the separate financial statements in conformity with Vietnamese Accounting Standards requires the General Director to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amounts of revenues and expenses during the year. Although these estimates are based on the Board of Directors' best knowledge of current events and actions, actual results may differ from those estimates.

2.5 Currency

The financial statements are measured in Vietnamese Dong and presented using Vietnamese Dong.

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Foreign exchange differences arising from these transactions are recognised in the income statement.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates of exchange ruling at the balance sheet date. Foreign exchange differences arising from these translations are recognised in the income statement.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank, cash in transit, demand deposits and other short-term investments with an original maturity of three months or less.

2.7 Trade receivables

Trade receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review by the General Director of all outstanding amounts at the year end. Bad debts are written off when identified.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured products, cost includes all direct expenditure and production overheads based on normal levels of operating activity. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses. Provision is made, where necessary, for obsolete, slow-moving and defective inventory items.

2.9 Investments**(a) Investments in subsidiaries**

Investments in subsidiaries are accounted for at cost less provision for diminution in value.

(b) Investments in joint ventures and associates

Investments in joint ventures and associates are accounted for at cost less provision for diminution in value.

(c) Long-term investments

Long-term investments comprise shareholding of less than 20% in listed and unlisted entities which are held with no intention to dispose with in 12 months from the balance sheet date. These investments are initially stated at cost of acquisition. Provision is made where there is a diminution in value of these investments.

2.10 Fixed assets*Tangible and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets.

Depreciation

Fixed assets are depreciated using the straight-line method so as to write off the cost of the assets over their estimated useful lives. The principal annual rates used are:

Buildings	5 - 30 years
Machinery & equipment	3 - 10 years
Motor vehicles	6 - 10 years
Office equipment	6 - 8 years
Others	5 - 20 years

Land use rights which have definite term are amortised, using the straight-line method over number of years in accordance with the terms indicated in each land use right certificate. Land use rights which are granted for an indefinite term are carried at cost and not amortised.

Disposals

Gains and losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are recognised as income or expense in the income statement.

2.11 Borrowing costs

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are recognised in the income statement when incurred.

2.12 Revenue recognition**(a) Sales of goods**

Revenue from the sale of goods is recognised in the income statement when the 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 the possible return of goods.

(c) Interest income

Interest income is recognised on an earned basis.

(d) Dividend income

Dividend income is recognised in the period in which the dividends are declared by the investee entities.

2.13 Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.14 Share capital and treasury shares

Share capital consists of all issued shares. Incremental costs directly attributable to the issue of ordinary shares or options are recognised as a deduction from equity.

Treasury shares are shares that are issued and repurchased by the Company. The amount of the consideration paid, which includes directly attributable cost, net off any tax effects, is recognised and presented as a deduction from equity. Total amount received from the reissue or sales of treasury shares less directly attributable costs are recorded as equity.

2.15 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the shareholders in general meetings.

2.16 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

2.17 Provisions

Provisions are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the expenditures expected to be required to settle the obligation. If the time value of money is material, provisions will be measured at their present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expenses.

2.18 Provision for severance allowances

In accordance with Vietnamese labour laws, employees of the Company are entitled to a severance allowance based on their years of service. This will be paid as a lump sum when the employee leaves the Company. A provision for severance allowance is made for the estimated liability for employment termination as a result of services rendered by employees.

Pursuant to Law on Social Insurance, effective from 1 January 2009, the Company is required to contribute to an unemployment insurance fund managed by the Vietnam Social Insurance Agency. With the implementation of the unemployment scheme, the Company is no longer required to provide for the service period after 1 January 2009. However, provision for severance allowance as of 30 September 2011 is determined based on the employees' number of years of service up to 31 December 2008 and their average salary for the six-month period prior to the balance sheet date.

HOA SEN GROUP

Form B 09 – DN

3 CASH AND CASH EQUIVALENTS

	30.9.2011	30.9.2010
	VND	VND
Cash on hand	9,162,563,690	10,019,512,212
Cash at bank	117,180,831,477	24,365,990,190
	<u>126,343,395,167</u>	<u>34,385,502,402</u>

4 TRADE ACCOUNTS RECEIVABLE

	30.9.2011	30.9.2010
	VND	VND
Third parties	439,415,357,110	309,734,452,646
Related parties (Note 32(b))	295,721,219,296	351,563,604,366
	<u>735,136,576,406</u>	<u>661,298,057,012</u>

5 PREPAYMENTS TO SUPPLIERS

	30.9.2011	30.9.2010
	VND	VND
Third parties	22,657,016,696	122,356,664,200
Related parties (Note 32(b))	90,183,227,000	104,355,929,500
	<u>112,840,243,696</u>	<u>226,712,593,700</u>

6 OTHER RECEIVABLES

	30.9.2011	30.9.2010
	VND	VND
Third parties	49,945,117,800	239,956,240
Related parties (Note 32(b))	202,261,712,445	-
	<u>252,206,830,245</u>	<u>239,956,240</u>

Other receivables from third parties include an amount of VND22,180,652,682 due from Vietinbank Finance Lease Company for the import on consignment of acid reuse chain and an amount of VND26,558,270,928 from contract liquidation of Pho Dong – Hoa Sen Apartment Building Project.

7 INVENTORIES

	30.9.2011	30.9.2010
	VND	VND
Goods in transit	328,583,285,799	130,224,610,443
Raw materials	352,116,157,982	328,977,587,629
Tools	90,498,457,943	42,318,656,668
Finished goods	875,480,750,474	516,458,743,292
Merchandises	118,596,570,974	131,829,455,335
	<u>1,765,275,223,172</u>	<u>1,149,809,053,367</u>
Provision for decline in value of inventory	-	(1,675,454,392)
	<u><u>1,765,275,223,172</u></u>	<u><u>1,148,133,598,975</u></u>

As at 30 September 2011, inventories with a carrying amount of VND1,363,091,358,973 (As at 30 September 2010: VND1,117,449,650,648) have been pledged as security for the bank loans.

8 OTHER TAXES RECEIVABLE

	30.9.2011	30.9.2010
	VND	VND
Business income tax refundable	-	4,299,818,767
Other receivables from the State	-	790,133,706
	<u>-</u>	<u>5,089,952,473</u>
	<u><u>-</u></u>	<u><u>5,089,952,473</u></u>

9 OTHER CURRENT ASSETS

	30.9.2011	30.9.2010
	VND	VND
Short-term deposits	39,184,104,427	75,629,296,596
Advance to employees	4,542,839,658	2,401,357,586
Shortage of assets awaiting for disposal	191,524,836	-
	<u>43,918,468,921</u>	<u>78,030,654,182</u>
	<u><u>43,918,468,921</u></u>	<u><u>78,030,654,182</u></u>

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10 FIXED ASSETS

(a) Tangible fixed assets

	Buildings VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Other tangible fixed assets VND	Total VND
Historical cost						
At 1 October 2010	246,145,177,162	768,270,173,145	40,548,194,326	3,014,689,190	304,609,882	1,058,282,843,705
New purchases	9,600,030,620	34,084,996,580	7,444,500,041	29,250,000	13,185,022,684	64,343,799,925
Transfers from construction in progress	138,322,274,234	680,004,455,458	378,000,000	93,360,012	-	818,798,089,704
Disposals	-	(124,546,661,797)	(75,850,455)	-	-	(124,622,512,252)
Other	-	(88,884,000)	-	(93,360,012)	-	(182,244,012)
At 30 September 2011	394,067,482,016	1,357,724,079,386	48,294,843,912	3,043,939,190	13,489,632,566	1,816,619,977,070
Accumulated depreciation						
At 1 October 2010	31,880,449,551	148,203,537,958	12,734,986,395	1,108,210,855	234,396,116	194,161,580,875
Charge for the year	20,660,470,111	122,044,533,709	5,611,066,490	523,810,721	829,316,398	149,669,197,429
Disposals	-	(5,604,342,942)	(56,566,548)	-	-	(5,660,909,490)
At 30 September 2011	52,540,919,662	264,643,728,725	18,289,486,337	1,632,021,576	1,063,712,514	338,169,868,814
Net book value						
At 1 October 2010	214,264,727,611	620,066,635,187	27,813,207,931	1,906,478,335	70,213,766	864,121,262,830
At 30 September 2011	341,526,562,354	1,093,080,350,661	30,005,357,575	1,411,917,614	12,425,920,052	1,478,450,108,256

- Cost of fixed assets fully depreciated but still in use as at 30 September 2011 was VND6,315,233,156 (As at 30 September 2010: VND2,200,154,117).
- As at 30 September 2011 tangible fixed assets with a carrying value of VND937,725,317,496 (As at 30 September 2010: VND186,113,705,790) have been pledged as security for the Company's loans.

10 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Land use rights VND	Computer software VND	Total VND
Historical cost			
As at 1 October 2010	237,051,699,879	1,390,473,734	238,442,173,613
New purchases	40,488,269,438	-	40,488,269,438
Disposals	(57,938,250,000)	-	(57,938,250,000)
Other	(87,062,000)	-	(87,062,000)
As at 30 September 2011	219,514,657,317	1,390,473,734	220,905,131,051
Accumulated amortisation			
As at 1 October 2010	4,687,146,561	504,908,932	5,192,055,493
Charge for the year	2,119,987,393	230,422,524	2,350,409,917
As at 30 September 2011	6,807,133,954	735,331,456	7,542,465,410
Net book value			
As at 1 October 2010	232,364,553,318	885,564,802	233,250,118,120
As at 30 September 2011	212,707,523,363	655,142,278	213,362,665,641

As at 30 September 2011 land use rights with a carrying value of VND150,236,457,785 (At 30 September 2010: VND153,410,730,556) have been pledged with banks as security for the company's loans.

(c) Construction in progress

	Year ended 30 September	
	2011 VND	2010 VND
Opening balance	540,353,255,533	200,117,607,178
Additions	719,067,469,396	895,290,399,939
Transfers to long-term prepayments	(3,449,823,999)	(23,612,590,738)
Transfers to tangible fixed assets	(818,798,089,704)	(531,442,160,846)
Closing balance	437,172,811,226	540,353,255,533

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11 LONG-TERM INVESTMENTS

Details of investments into subsidiaries, associates and other long-term investments is as follows:

Investee	Principal activities	Business License	% ownership and voting rights	30.9.2011 VND	30.9.2010 VND
Subsidiaries: Hoa Sen Steel Sheet One Member Co., Ltd.	Manufacture and trade in cold rolled steel products	Business Registration Certificate No. 4604000225 and No. 3700763651 issued by Department of Planning and Investment of Binh Duong Province on 24 December 2007 and 29 June 2011 respectively.	100	280,000,000,000	280,000,000,000
Hoa Sen Building Materials One Member Co., Ltd.	Manufacture and trade in plastic building materials and steel pipe products	Business Registration Certificate No. 4904000228 and 350078619 issued by Department of Planning and Investment of Ba Ria Vung Tau Province on 28 December 2007 and 18 July 2011 respectively.	100	150,000,000,000	150,000,000,000
Hoa Sen Transportation and Mechanical Engineering One Member Co., Ltd.	Provide engineering, civil and industrial construction projects; transportation service; produce and process rolling mill; cutter and industrial machine, equipment	Business Registration Certificate No. 4603000325, 4604000224 and 3700785528 issued by Department of Planning and Investment of Binh Duong Province on 26 March 2007, 24 December 2007 and 29 June 2011, respectively.	100	16,276,000,000	16,276,000,000
Hoa Sen Phu My Steel Sheet One Member Co., Ltd. (*)	Manufacture and trade galvanized steel products	Business Registration Certificate No. 3501504130 issued by Department of Planning and Investment of Ba Ria Vung Tau Province dated 24 December 2009.	100	-	27,518,465,506
Hoa Sen Plastic One Member Co., Ltd. (**)	Manufacture and trade in plastic building materials	Business Registration Certificate No. 3501548411 issued by Department of Planning and Investment of Ba Ria Vung Tau Province dated 4 February 2010.	100	-	5,000,000,000
				<u>446,276,000,000</u>	<u>478,794,465,506</u>

(*) During the year, Hoa Sen Phu My Steel Sheet One Member Co., Ltd. was liquidated pursuant to Decision No. 244/QĐ/HĐQT/2010 dated 20 December 2010.

(**) During the year, Hoa Sen Plastic One Member Co., Ltd. was liquidated pursuant to Decision No. 245/QĐ/HĐQT/2010 dated 20 December 2010.

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11 LONG-TERM INVESTMENTS (continued)

Investee	Main activities	Business License	% ownership and voting rights	VND	
				30.09.2011	30.9.2010
Associates:					
Hoa Sen-Gemadep Logistics and International Port Corporation	Provide sea cargo agency services	Business Registration Certificate No. 3500751828 issued by Department of Planning and Investment of Ba Ria-Vung Tau Province on 20 June 2006 and amended on 13 October 2009	45	44,456,331,634	43,414,544,958
Viet Capital Health Care Fund	Invest in listed and unlisted healthcare Vietnamese companies and projects in Vietnam	Decision No. 08/TB-UBCK issued by State Securities Commission of Vietnam on 15 January 2008	3	15,000,000,000	15,000,000,000
Provision for diminution in value of long-term investments				59,456,331,634	58,414,544,958
				(1,126,940,680)	(553,000,000)
				58,329,390,954	57,861,544,958

12 LONG-TERM PREPAYMENTS

	Year ended 30 September	
	2011 VND	2010 VND
Opening balance	28,561,120,370	6,648,137,493
Additions	34,667,181,388	18,084,432,119
Transferred from construction in progress	3,449,823,999	23,612,590,738
Transferred from fixed assets	93,360,012	-
Amortisation	(18,428,901,167)	(8,570,200,196)
Transferred to tangible fixed assets	(143,091,058)	(11,213,839,784)
Transferred to inventory	(842,975,947)	-
Closing balance	47,356,517,597	28,561,120,370

13 DEFERRED INCOME TAX ASSETS

The gross movement in the deferred income tax is as follows:

	Year ended 30 September	
	2011 VND	2010 VND
Opening balance	2,630,534,202	1,620,600,157
Credited to income statement	2,240,695,095	1,009,934,045
Closing balance	4,871,229,297	2,630,534,202

Deferred income tax assets arise mainly from the temporary differences relating to unrealised profits on sales to branches, accrued interest expense and accrued expenses.

14 BORROWINGS**(a) Short-term borrowings**

	30.9.2011 VND	30.9.2010 VND
Short-term bank loans (*)	2,058,178,693,714	1,646,489,975,890
Current portion of long-term loans (Note 14(b))	187,289,179,248	126,466,320,112
	2,245,467,872,962	1,772,956,296,002

14 BORROWINGS (continued)**(a) Short-term borrowings (continued)**

(*) Detail of short-term borrowings is as follows:

Loan No	Currency	Annual interest	30.9.2011 VND	30.9.2010 VND
01	VND	13.5% - 18.5%	416,200,000,000	379,172,838,000
02	USD	5.5%-7%	162,816,804,000	170,232,246,436
03	VND	17.5% - 18.5%	21,960,000,000	-
04	USD	5.3% - 8%	39,224,142,000	32,689,327,799
05	VND	13% - 20%	170,041,793,679	180,434,911,000
06	USD	6.0% - 6.5%	268,532,580,897	89,605,926,343
07	VND	17.5% - 20.4%	42,600,000,000	-
08	USD	6% - 8%	150,378,120,000	81,645,101,940
09	VND	16.5% - 20%	48,000,000,000	114,975,000,000
10	USD	5.6%-6.2%	117,411,357,826	15,165,383,940
11	USD	5% - 5.5%	5,961,492,000	100,665,786,622
12	VND	15.5% - 16.6%	-	16,808,000,000
13	USD	6%	92,788,745,832	33,963,421,108
14	USD	6.8%	-	44,875,660,253
15	USD	5.8% - 6.8%	22,741,543,436	31,466,190,536
16	USD	6.5% - 8.2%	35,536,177,397	-
17	USD	13.2% - 19.8%	35,100,000,000	150,649,994,231
18	VND	16.1%	-	23,167,387,682
19	VND	20%	44,000,000,000	51,972,800,000
20	USD	6.2% - 7.5%	98,364,141,906	-
21	VND	12.7% - 19%	85,400,000,000	129,000,000,000
22	USD	4.7% - 5.1%	129,789,639,741	-
23	VND	18%	71,332,155,000	-
			<u>2,058,178,693,714</u>	<u>1,646,489,975,890</u>

(*) All of the above short-term loans are secured by the Company's fixed assets and inventory.

(b) Long-term borrowings

	30.9.2011 VND	30.9.2010 VND
Bank loans (*)	734,218,920,873	536,717,208,898
Other loans (**)	82,131,472,000	-
	<u>816,350,392,873</u>	<u>536,717,208,898</u>
Less: Amount due within one year (Note 14(a))	(187,289,179,248)	(126,466,320,112)
	<u>629,061,213,625</u>	<u>410,250,888,786</u>

14 BORROWINGS (continued)**(b) Long-term borrowings (continued)**

(*) Details of long-term bank loans as below:

Loan	Currency	Repayment	Annual interest	30.9.2011 VND	30.09.2010 VND
01	VND	29/04/2014	10.5% - 17.6%	188,753,256,000	251,296,096,000
02	USD	02/05/2012	6.5%	14,439,600,000	33,131,000,000
03	VND	29/03/2016	14.9% - 21%	297,075,482,971	27,494,990,147
04	USD	08/06/2018	7.00%	3,098,985,696	4,266,288,336
05	USD	08/06/2018	1.7%	112,403,818,206	118,534,946,415
06	VND	25/03/2013	7.8% - 8.4%	49,720,000,000	63,940,000,000
07	VND	26/10/2016	15% - 18.5%	40,865,888,000	35,023,888,000
08	VND	06/11/2014	15% - 19%	13,861,890,000	3,030,000,000
09	VND	27/12/2012	23%	14,000,000,000	-
				734,218,920,873	536,717,208,898

All long-term bank loans are secured by the assets financed by these loans.

(**) Other long-term loans:

(a) The loan balance of EUR2,728,000, which is equivalent to VND77,131,472,000 (30 September 2010: nil) is from the Company's supplier for purchases of fixed assets, bearing interest at the rate of 5.8% p.a and to be repaid in 6-month instalments from March 2011 to May 2016.

(b) The loan balance of VND5,000,000,000 is from a subsidiary, unsecured, interest free and due for repayment in November of 2012 (Note 32(a)).

15 TRADE ACCOUNTS PAYABLE

	30.9.2011 VND	30.9.2010 VND
Third parties	1,082,513,405,792	399,659,420,587
Related parties (Note 32(b))	42,292,853,755	135,249,619,910
	1,124,806,259,547	534,909,040,497

16 TAXES AND OTHER PAYABLES TO THE STATE BUDGET

	30.9.2011 VND	30.9.2010 VND
VAT on importation	10,340,205,509	16,600,684,204
Business income tax	3,457,580,099	-
Output VAT	863,074,723	1,713,691,787
Import – Export duties	-	1,128,280,960
Other taxes	2,097,882,983	202,220,279
	<u>16,758,743,314</u>	<u>19,644,877,230</u>

17 ACCRUED EXPENSES

	30.9.2011 VND	30.9.2010 VND
Electricity	-	454,389,585
Expenses for construction in progress	9,737,303,244	80,408,592,287
Transportation fee	5,637,891,191	-
Audit fee	459,800,000	397,572,000
13 th month salary	3,472,230,000	4,823,503,000
Loan interest	9,778,816,019	2,477,307,000
Other expenses	20,099,931	1,171,291,913
	<u>29,106,140,385</u>	<u>89,732,655,785</u>

18 OTHER PAYABLES

	30.9.2011 VND	30.9.2010 VND
Dividends	1,249,599,550	968,592,000
Social insurance, health insurance, trade union fee	886,734,400	678,659,950
Unearned revenue (*)	-	4,560,000,000
Advance for assets imported on behalf of others (**)	-	23,581,885,056
Other payables	683,604,254	821,877,010
Other payables to related parties (Note 32(b))	109,723,758	3,749,504,291
	<u>2,929,661,962</u>	<u>34,360,518,307</u>

(*) Unearned revenue represents the amounts received by the Company in advance for selling the apartments in Pho Dong – Hoa Sen Apartment Building Project. As at 30 September 2011, this project had been transferred to Pho Dong Investment Development JSC, the joint venture partner.

(**) This is the amount received from VietinBank Leasing Company – Ho Chi Minh City Branch for the payment of the production line imported for a project of Hoa Sen Phu My Steel Sheet One Member Co., Ltd.

19 BONUS AND WELFARE FUND

This fund is established by appropriating from retained profits as approved by shareholders at shareholder's meetings. This fund is used to pay bonus and welfare to the Company's and subsidiaries employees in accordance with the Company's bonus and welfare policies. Movements of bonus and welfare fund during this period were as below:

	Year ended 30 September	
	2011	2010
Opening balance	1,728,997,376	7,151,926,861
Addition	10,768,960,575	6,121,598,094
Utilisation	(4,551,499,841)	(11,544,527,579)
Closing balance	<u>7,946,458,110</u>	<u>1,728,997,376</u>

20 NUMBER OF SHARES

Detailed registered and issued shares of the Company are as below:

	30.9.2011		30.9.2010	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares capital authorised and issued	100,790,790	-	100,790,790	-
Treasury shares	(2,020,012)	-	(20,012)	-
Number of existing shares in issue	<u>98,770,778</u>	-	<u>100,770,778</u>	-

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

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21 MOVEMENTS IN OWNERS' EQUITY

	Shareholders' capital VND	Share premium VND	Undistributed earnings VND	Differences upon asset revaluation VND	Treasury shares VND	Financial Reserves VND	Total VND
As at 1 October 2009 (as previously reported)	570,385,000,000	88,222,712,000	225,206,880,266	21,447,090,156	(572,000,000)	-	904,689,682,422
Restatement (Note 37)	-	-	21,447,090,156	(21,447,090,156)	-	-	-
As at 1 October 2009 (as restated)	570,385,000,000	88,222,712,000	246,653,970,422	-	(572,000,000)	-	904,689,682,422
Issued shares	129,615,000,000	438,652,500,000	-	-	-	-	568,267,500,000
Issued bonus shares	69,980,000,000	(69,980,000,000)	-	-	-	-	-
Dividend by shares issued	237,927,900,000	-	(237,927,900,000)	-	-	-	-
Commission and brokerage fee on issuing shares	-	(5,351,921,637)	-	-	-	-	(5,351,921,637)
Profit for the year	-	-	134,268,063,614	-	-	-	134,268,063,614
Repurchase of treasury shares	-	-	-	-	(94,000)	-	(94,000)
Appropriated to financial reserves	-	-	(8,525,313,060)	-	-	8,525,313,060	-
Appropriated to bonus and welfare funds	-	-	(6,121,598,094)	-	-	-	(6,121,598,094)
Others	-	-	(3,092,000)	-	-	-	(3,092,000)
As at 30 September 2010	1,007,907,900,000	451,543,290,363	128,344,130,882	-	(572,094,000)	8,525,313,060	1,595,748,540,305
Profit for the year	-	-	314,440,180,003	-	-	-	314,440,180,003
Dividend payment	-	-	(50,156,649,000)	-	-	-	(50,156,649,000)
Repurchase of treasury shares	-	-	-	-	(28,016,088,845)	-	(28,016,088,845)
Appropriated to bonus and welfare funds	-	-	(10,768,960,575)	-	-	-	(10,768,960,575)
As at 30 September 2011	1,007,907,900,000	451,543,290,363	381,858,701,310	-	(28,588,182,845)	8,525,313,060	1,821,247,021,888

22 REVENUE

(a) Net sales

	Year ended 30 September	
	2011 VND	2010 VND
Sales		
Finished goods	7,563,102,259,779	3,831,706,127,593
Merchandises	3,693,900,127,258	4,008,614,406,722
	<u>11,257,002,387,037</u>	<u>7,840,320,534,315</u>
Sales deductions		
Trade discounts	(771,748,862)	(1,182,354,748)
Sales returns	(13,707,656,265)	(9,131,632,824)
Sales allowances	(329,529,887)	(874,650,617)
Other sales deductions	-	(1,014,648,034)
	<u>(14,808,935,014)</u>	<u>(12,203,286,223)</u>

(b) Financial income

	Year ended 30 September	
	2011 VND	2010 VND
Interest income from deposits	3,167,104,832	1,532,993,102
Transfer of profit from liquidation of Hoa Sen Phu My Steel Sheet One Member Co., Ltd.	40,112,291,627	-
Dividends income from Hoa Sen Steel Sheet One Member Co., Ltd.	153,458,750,365	-
Dividends income from Hoa Sen Building Materials One Member Co., Ltd.	29,807,279,768	-
Dividends income from Hoa Sen Transportation and Mechanical Engineering One Member Co., Ltd.	2,946,706,691	-
Interest income from long-term investments	-	1,350,000,000
Gain from foreign exchange differences	44,778,717,536	18,720,454,011
	<u>274,270,850,819</u>	<u>21,603,447,113</u>

23 COST OF SALES

	Year ended 30 September	
	2011 VND	2010 VND
Cost of finished goods sold	6,872,768,008,994	3,215,184,509,174
Cost of merchandises sold	3,463,246,929,173	3,862,277,854,841
Provision for decline in value of inventories	-	208,244,373
	<u>10,336,014,938,167</u>	<u>7,077,670,608,388</u>

24 FINANCIAL EXPENSES

	Year ended 30 September	
	2011 VND	2010 VND
Interest expense	282,057,005,265	159,160,398,441
Provision for diminution in value of long-term investments	573,940,680	553,000,000
Realised foreign exchange losses	168,241,262,503	193,437,078,083
Transfer of loss from the liquidation of Hoa Sen Plastic Co. Ltd.	27,084,455	-
	<u>450,899,292,903</u>	<u>353,150,476,524</u>

25 SELLING EXPENSES

	Year ended 30 September	
	2011 VND	2010 VND
Staff costs	62,874,827,126	45,203,547,105
Depreciation expenses	18,138,581,723	15,603,152,383
Material expenses	2,224,576,875	2,280,063,855
Outside service expenses	181,916,330,204	112,269,404,838
Other expenses	8,087,332,973	5,770,676,880
	<u>273,241,648,901</u>	<u>181,126,845,061</u>

26 GENERAL AND ADMINISTRATION EXPENSES

	Year ended 30 September	
	2011	2010
	VND	VND
Staff costs	72,514,684,163	57,289,790,800
Office supplies	4,427,382,792	2,582,562,680
Depreciation expenses	14,687,033,095	11,903,390,392
Outside service expenses	56,221,558,509	36,654,231,019
Other expenses	10,193,091,258	6,566,074,101
	<u>158,043,749,817</u>	<u>114,996,048,992</u>

27 NET OTHER INCOME/EXPENSES

	Year ended 30 September	
	2011	2010
	VND	VND
Other income		
Sales of scraps	13,515,173,426	17,084,031,062
Proceeds from disposal of fixed assets	191,389,756,749	268,338,978,568
Others	14,388,624,926	18,946,552,664
	<u>219,293,555,101</u>	<u>304,369,562,294</u>
Other expenses		
Net book value of fixed assets disposed	(176,899,852,762)	(269,679,645,146)
Others	(10,512,789,874)	(12,329,208,458)
	<u>(187,412,642,636)</u>	<u>(282,008,853,604)</u>
Net other income	<u>31,880,912,465</u>	<u>22,360,708,690</u>

28 TAXATION

Under the terms of its Investment Incentives Certificate No.108/CN-UB issued by the People's Committee of Binh Duong Province on 29 October 2001, the Company has an obligation to pay income tax at the rate of 15% on taxable profit and of 25% for the following years from the year 2014. The provisions of the Company's Investment Incentive Certificate allow the Company to be exempt from business income tax for 3 years starting from the first year it generates a taxable profit (2004), and entitled to a 50% reduction in business income tax for the 7 thereafter years.

Trading activities are subject to 25% tax rate and are not exempted for business income tax.

28 TAXATION (continued)

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the tax rate of 15% as follows:

	<u>Year ended 30 September</u>	
	2011 VND	2010 VND
Net accounting profit before tax	330,145,585,519	145,137,424,930
Tax calculated at a rate of the Company	49,521,837,828	21,770,613,740
Effect of:		
Income not subject to tax	(35,741,850,123)	(860,852,830)
Expenses not deductible for tax purposes	11,461,659,678	2,711,590,302
Impact of tax reduction	(11,305,556,591)	(11,879,295,361)
Impact of increase in tax rate	(4,871,229,296)	(872,694,535)
Business income tax from transfer of land use rights	515,437,500	-
Under Provision from previous years	6,125,106,520	-
Business income tax charge	<u>15,705,405,516</u>	<u>10,869,361,316</u>
In which:		
Business Income Tax - Current	(17,946,100,611)	(11,879,295,361)
Business Income Tax - Deferred	<u>2,240,695,095</u>	<u>1,009,934,045</u>

The business income tax charge for the year is based on estimated taxable income and is subject to review and possible adjustment by the tax authorities.

29 DIVIDENDS

The first interim dividends for the year 2009 - 2010 were declared at 5% of par value (VND500 per share), which were paid in cash.

30 EARNINGS PER SHARE

Basic earnings per share as at 30 September 2011 is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	Year ended 30 September	
	2011	2010
Net profit attributable to shareholders (VND)	314,440,180,003	134,268,063,614
Weighted average number of ordinary shares in issue (shares)	98,770,778	96,126,246
Basic earnings per share (VND)	3,184	1,397

31 COST OF GOODS MANUFACTURED BY FACTORS

	Year ended 30 September	
	2011 VND	2010 VND
Raw materials	7,286,232,682,525	3,596,822,623,725
Labour costs	179,395,026,619	122,210,770,228
Depreciation expense	142,477,716,496	81,524,654,434
Outside service expenses	413,740,194,206	192,014,751,265
Other expenses	76,200,576,894	35,003,387,650
	<u>8,098,046,196,740</u>	<u>4,027,576,187,302</u>

32 RELATED PARTY TRANSACTIONS

Related parties transactions include subsidiaries, associates, shareholders, members of Board of Management, and key personnel.

(a) Related party transactions

During the year, the following transactions were carried out with related parties:

i) Sales of goods and other services

	Year ended 30 September	
	2011 VND	2010 VND
Hoa Sen Steel Sheet One Member Co., Ltd,	2,611,741,700,120	2,189,467,107,524
Hoa Sen Building Materials One Member Co., Ltd,	999,100,998,186	348,485,485,690
Hoa Sen Transportation and Mechanical Engineering One Member Co., Ltd.	2,563,105,478	2,572,935,788
Hoa Sen Plastic One Member Co., Ltd.	43,209,452	117,845,372

32 RELATED PARTY TRANSACTIONS (continued)

(a) Related party transactions (continued)

ii) Purchases of goods and other services

	Year ended 30 September	
	2011 VND	2010 VND
Hoa Sen Steel Sheet One Member Co., Ltd.	2,837,619,414,872	2,016,972,765,807
Hoa Sen Building Materials One Member Co., Ltd.	872,234,049,897	541,706,430,765
Hoa Sen Transportation and Mechanical Engineering One Member Co., Ltd.	15,847,220,659	13,657,732,118
Hoa Sen Plastic One Member Co., Ltd.	-	40,541,496,981

iii) Sales of fixed assets

	Year ended 30 September	
	2011 VND	2010 VND
Hoa Sen Building Materials One Member Co., Ltd.	129,354,538,219	16,773,152,000
Hoa Sen Transportation and Mechanical Engineering One Member Co., Ltd.	-	425,538,304

iv) Purchases of fixed assets

	Year ended 30 September	
	2011 VND	2010 VND
Hoa Sen Steel Sheet One Member Co., Ltd.	2,452,754,895	-
Hoa Sen Building Materials One Member Co., Ltd.	297,832,847	-
Hoa Sen Transportation and Mechanical Engineering One Member Co., Ltd.	-	245,773,390

32 RELATED PARTY TRANSACTIONS (continued)

(a) Related party transactions (continued)

v) Others

	Year ended 30 September	
	2011 VND	2010 VND
Hoa Sen Steel Sheet One Member Co., Ltd.		
Other sales	99,913,643	867,785,872
Other purchases	-	9,097,536,679
Goods returned	-	141,526,000
Hoa Sen Building Materials One Member Co., Ltd.		
Sales returned	1,733,640,900	2,398,494,519
Other sales	6,276,298,544	5,255,435,242
Goods returned	13,337,154,162	1,609,169,618
Hoa Sen Plastic One Member Co., Ltd.		
Other sales	-	35,924,600
Goods returned	-	266,478,771
Hoa Sen Transportation and Mechanical Engineering One Member Co., Ltd.		
Loan proceeds (Note 14(b))	5,000,000,000	-

vi) Compensation of key management

	Year ended 30 September	
	2011 VND	2010 VND
Compensation for Board of Management, Board of Advisors and Board of Supervisors	954,000,000	2,349,028,027
Gross salary of Board of Directors	4,293,126,682	3,134,997,000

32 RELATED PARTY TRANSACTIONS (continued)

(b) Year end balances with related parties

	30.9.2011 VND	30.9.2010 VND
Trade accounts receivable (Note 4)		
Hoa Sen Steel Sheet One Member Co., Ltd.	8,800,000,000	192,446,316,023
Hoa Sen Building Materials One Member Co., Ltd.	286,921,219,296	155,681,149,969
Hoa Sen Plastic One Member Co., Ltd.	-	3,436,138,374
	<u>295,721,219,296</u>	<u>351,563,604,366</u>
Prepayments to suppliers (Note 5)		
Mr Hoang Duc Huy (Deputy General Director) Advance for purchase of land use rights	90,183,227,000	104,355,929,500
	<u>90,183,227,000</u>	<u>104,355,929,500</u>
Other receivables (Note 6)		
Dividends receivable from subsidiaries		
Hoa Sen Steel Sheet One Member Co., Ltd.	153,458,750,365	-
Hoa Sen Building Materials One Member Co., Ltd.	29,807,279,768	-
Hoa Sen Transportation and Mechanical Engineering One Member Co., Ltd.	2,946,706,691	-
Other		
Hoa Sen Building Materials One Member Co., Ltd.	16,048,975,621	-
	<u>202,261,712,445</u>	<u>-</u>
Trade accounts payable (Note 15)		
Hoa Sen Steel Sheet One Member Co., Ltd.	39,785,925,034	33,501,245,750
Hoa Sen Transportation and Mechanical Engineering One Member Co., Ltd.	2,506,928,721	5,493,422,472
Hoa Sen Phu My Steel Sheet One Member Co., Ltd.	-	71,343,507,328
Hoa Sen Plastic One Member Co., Ltd.	-	24,830,330,005
Hoa Sen Building Materials One Member Co., Ltd.	-	81,114,355
	<u>42,292,853,755</u>	<u>135,249,619,910</u>

32 RELATED PARTY TRANSACTIONS (continued)**(b) Year end balances with related parties (continued)**

	30.9.2011 VND	30.9.2010 VND
Other payables (Note 18)		
Hoa Sen Transportation and Mechanical Engineering One Member Co., Ltd.	109,723,758	102,399,758
Hoa Sen Building Materials One Member Co., Ltd.	-	187,334,654
Hoa Sen Phu My Steel Sheet One Member Co., Ltd.	-	3,459,769,879
	<u>109,723,758</u>	<u>3,749,504,291</u>
Long term loans (Note 14(b))		
Hoa Sen Transportation and Mechanical Engineering One Member Co., Ltd.	5,000,000,000	-
	<u>5,000,000,000</u>	<u>-</u>

33 SEGMENT REPORTING

The Board of Directors is of the opinion that the Company operates in one single business segment, which is the manufacture and sale of coated steel sheet, steel and building materials and one single geographical segment, which is Vietnam.

34 COMMITMENTS UNDER OPERATING LEASES

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

	30.9.2011 VND	30.9.2010 VND
Within 1 year	18,064,277,823	8,638,765,316
Between 1 and 5 years	53,726,255,649	23,503,960,302
Over 5 years	152,128,654,822	123,135,490,313
	<u>223,919,188,294</u>	<u>155,278,215,931</u>
Total minimum payments	<u>223,919,188,294</u>	<u>155,278,215,931</u>

35 CAPITAL COMMITMENTS

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements is as follows:

	30.9.2011 VND	30.9.2010 VND
Buildings, machinery and equipment	<u>28,575,744,556</u>	<u>421,784,701,314</u>

36 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation

37 RESTATEMENT

The difference on revaluation of land use rights contributed by the Company to Hoa Sen Steel Sheet One Member Co. Ltd. was recognised under the account "Differences upon asset revaluation" instead of "Income" in 2006. Since this treatment in 2006 is not in accordance with the current accounting regulations, the Company has restated this by reclassifying the difference from "Differences upon asset revaluation" to "Undistributed earnings".

	Previously reported VND	Restated VND
Difference on asset revaluation as at 30 September 2010	21,447,090,156	-
Undistributed Earnings as at 30 September 2010	<u>106,897,040,726</u>	<u>128,344,130,882</u>
Difference on asset revaluation as at 30 September 2009	21,447,090,156	-
Undistributed Earnings as at 30 September 2009	<u>225,206,880,266</u>	<u>246,653,970,422</u>

The separate financial statements were approved by the General Director on 30 December 2011



Nguyen Thi Ngoc Lan
Chief Accountant





Tran Ngoc Chu
General Director