

Hoa Sen Group

Interim separate financial statements

31 March 2016



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Hoa Sen Group

THE GENERAL INFORMATION

THE COMPANY

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

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

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

The Company's registered head office is located at No. 9, Thong Nhat Boulevard, Song Than 2 Industrial Park Di An Ward, Di An Town, Binh Duong Province, Vietnam. In addition, the Company also has one hundred and ninety seven (197) branches located in various provinces in Vietnam.

BOARD OF DIRECTORS

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

Mr Le Phuoc Vu	Chairman
Mr Tran Ngoc Chu	Vice Chairman
Mr Pham Gia Tuan	Member
Mr Tran Quoc Tri	Member
Mr Ly Van Xuan	Member

BOARD OF SUPERVISION

Members of the Board of Supervision during the period and at the date of this report are:

Mr Le Vu Nam	Head	
Mr Le Dinh Hanh	Member	
Ms Dong Thi Thanh Hang	Member	appointed on 18 January 2016

MANAGEMENT

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

Mr Tran Ngoc Chu	General Director	
Mr Hoang Duc Huy	Deputy General Director	
Mr Tran Quoc Tri	Deputy General Director	
Mr Vu Van Thanh	Deputy General Director	
Mr Nguyen Minh Khoa	Deputy General Director	
Mr Ho Thanh Hieu	Deputy General Director	
Mr Nguyen Van Quy	Deputy General Director	resigned on 20 January 2016
Mr. Phan Duy Quang	Acting Deputy General Director	

LEGAL REPRESENTATIVE

The legal representative of the Company during the period and at the date of this report is Mr Le Phuoc Vu.

Mr Tran Ngoc Chu is authorised by Mr Le Phuoc Vu to sign the accompanying interim separate financial statements for the six-month period ended 31 March 2016 in accordance with the Letter of Authorisation No. 51/UQ/CT-HĐQT/2016 dated 23 March 2016.

AUDITORS

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

REPORT OF THE GENERAL DIRECTOR
as at 31 March 2016

The General Director of Hoa Sen Group ("the Company") is pleased to present his report and the Company's interim separate financial statements for the six-month period ended 31 March 2016.

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

The General Director is responsible for the interim separate financial statements of the Company which give a true and fair view of the interim separate financial position of the Company and of the interim separate results of its operations and its interim separate cash flows for the period. In preparing those interim separate financial statements, the General Director is required to:

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

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

The General Director confirmed that he has complied with the above requirements in preparing the accompanying interim separate financial statements.

APPROVAL OF THE INTERIM SEPARATE FINANCIAL STATEMENTS

The General Director hereby approves the accompanying interim separate financial statements which give a true and fair view of the interim separate financial position of the Company as at 31 March 2016, and of the interim separate results of its operations and the interim separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of interim separate financial statements.

As disclosed in Note 14.1 of the accompanying interim separate financial statements, the Company is a parent company with subsidiaries and it is in the process of completing the interim consolidated financial statements of the Company and its subsidiaries ("the Group") for the six-month period ended 31 March 2016 to meet the prevailing regulatory reporting requirements.

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



Tran Ngoc Chu
General Director

26 May 2016

Reference: 61183992/18452358LR-Separate

REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS

To: The Shareholders of Hoa Sen Group

We have reviewed the accompanying interim separate financial statements of Hoa Sen Group ("the Company") as prepared on 26 May 2016 and set out on pages 5 to 45 which comprise the interim separate balance sheet as at 31 March 2016, the interim separate income statement and the interim separate cash flow statement for the six-month period then ended and the notes thereto.

The General Director's responsibility

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

Auditors' responsibility

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements do not give a true and fair view, in all material respects, of the interim separate financial position of the Company as at 31 March 2016, and of the interim separate results of its operations and its interim separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of interim separate financial statements.

Emphasis of Matter

As disclosed in Note 2.1 of the accompanying interim separate financial statements, the Company is a parent company with subsidiaries and it is in the process of completing the interim consolidated financial statements of the Company and its subsidiaries ("the Group") for the six-month period ended 31 March 2016 to meet the prevailing regulatory reporting requirements. Users of these interim separate financial statements should read them together with the said interim consolidated financial statements in order to obtain full information on the interim consolidated financial position, interim consolidated results of operations and interim consolidated cash flows of the Group as a whole.

Ernst & Young Vietnam Limited




Hàng Nhật Quang
Deputy General Director
Audit Practicing Registration Certificate
No. 1772-2013-004-1

Ho Chi Minh City, Vietnam

26 May 2016

INTERIM SEPARATE BALANCE SHEET
as at 31 March 2016

VND

Code	ASSETS	Notes	31 March 2016	30 September 2015
100	A. CURRENT ASSETS		4,523,020,391,912	5,189,362,855,705
110	I. Cash and cash equivalents	4	934,973,193,415	233,828,787,007
111	1. Cash		504,829,671,540	233,688,787,007
112	2. Cash equivalents		430,143,521,875	140,000,000
130	II. Current account receivables		864,751,172,254	2,188,495,464,154
131	1. Short-term trade receivables	5.1	640,554,594,034	1,657,213,337,129
132	2. Short-term advances to suppliers	5.2	82,712,646,198	25,367,450,024
135	3. Short-term loan receivables		400,000,000	100,400,000,000
136	4. Other short-term receivables	6	144,130,345,099	408,561,090,078
137	5. Provision for doubtful short-term receivables	5.1, 6	(3,046,413,077)	(3,046,413,077)
140	III. Inventories	7	2,502,883,230,872	2,281,126,058,437
141	1. Inventories		2,515,492,467,752	2,293,735,295,317
149	2. Provision for obsolete inventories		(12,609,236,880)	(12,609,236,880)
150	IV. Other current assets		220,412,795,371	485,912,546,107
151	1. Short-term prepaid expenses	8	62,270,434,852	55,062,184,992
152	2. Value-added tax deductible	16	158,128,962,089	430,850,361,115
153	3. Value-added tax receivables from the State	16	13,398,430	-
200	B. NON-CURRENT ASSETS		3,769,350,940,470	3,758,038,912,478
210	I. Long-term receivables		27,012,549,901	27,012,549,901
215	1. Long-term loan receivables	9	25,000,000,000	25,000,000,000
216	2. Other long-term receivable	6	2,012,549,901	2,012,549,901
220	II. Fixed assets		2,858,840,758,777	2,964,830,715,661
221	1. Tangible fixed assets	10	2,497,366,602,678	2,597,141,283,226
222	Cost		4,040,344,353,445	3,959,400,818,348
223	Accumulated depreciation		(1,542,977,750,767)	(1,362,259,535,122)
224	2. Finance leases	11	92,544,988,516	99,643,625,564
225	Cost		135,252,035,604	135,252,035,604
226	Accumulated depreciation		(42,707,047,088)	(35,608,410,040)
227	3. Intangible assets	12	268,929,167,583	268,045,806,871
228	Cost		288,233,543,976	286,043,112,706
229	Accumulated amortisation		(19,304,376,393)	(17,997,305,835)
240	III. Long-term assets in progress		12,798,475,522	12,346,611,377
242	1. Construction in progress	13	12,798,475,522	12,346,611,377
250	IV. Long-term investments	14	761,770,005,842	649,628,640,301
251	1. Investments in subsidiaries	14.1	732,276,000,000	611,276,000,000
252	2. Investment in an associate	14.2	51,952,178,134	51,952,178,134
253	3. Investment in other entity		-	4,367,000,000
254	4. Provision for diminution in value of long-term investments	14.2	(22,458,172,292)	(17,966,537,833)
260	V. Other long-term assets		108,929,150,428	104,220,395,238
261	1. Long-term prepaid expenses	8	68,022,284,835	64,337,078,607
262	2. Deferred tax assets	26.3	40,906,865,593	39,883,316,631
270	TOTAL ASSETS		8,292,371,332,382	8,947,401,768,183

INTERIM SEPARATE BALANCE SHEET (continued)
as at 31 March 2016

VND

Code	RESOURCES	Notes	31 March 2016	30 September 2015
300	C. LIABILITIES		4,819,857,044,487	5,958,058,900,796
310	I. Current liabilities		4,290,791,126,255	5,302,767,036,632
311	1. Short-term trade payables	15.1	889,013,625,625	555,161,842,884
312	2. Short-term advances from customers	15.2	141,982,348,970	132,056,212,298
313	3. Statutory obligations	16	125,910,803,245	54,523,520,743
314	4. Payables to employees		46,247,652,841	28,300,012,321
315	5. Short-term accrued expenses	17	104,129,482,276	81,556,360,439
319	6. Other short-term payables	18	18,708,142,232	42,596,139,795
320	7. Short-term loans and finance lease obligations	19	2,932,606,273,977	4,400,210,324,546
322	8. Bonus and welfare fund		32,192,797,089	8,362,623,606
330	II. Non-current liabilities		529,065,918,232	655,291,864,164
338	1. Long-term loans and finance lease obligations	19	525,122,683,232	651,348,629,164
342	2. Long-term provisions		3,943,235,000	3,943,235,000
400	D. OWNERS' EQUITY		3,472,514,287,895	2,989,342,867,387
410	I. Capital	20.1	3,472,514,287,895	2,989,342,867,387
411	1. Share capital		1,310,270,670,000	1,007,907,900,000
411a	- Shares with voting rights		1,310,270,670,000	1,007,907,900,000
412	2. Share premium		551,571,933,521	487,290,470,363
415	3. Treasury shares		-	(52,113,695,510)
418	4. Investment and development fund		-	8,525,313,060
420	5. Other funds belonging to owners' equity		24,730,240,357	6,605,155,369
421	6. Undistributed earnings		1,585,941,444,017	1,531,127,724,105
421a	- Undistributed earnings up to prior period-end		1,159,893,931,112	843,069,931,334
421b	- Undistributed earnings of current period		426,047,512,905	688,057,792,771
440	TOTAL LIABILITIES AND OWNERS' EQUITY		8,292,371,332,382	8,947,401,768,183

Tran Cong Tien
Preparer

Nguyen Thi Ngoc Lan
Chief Accountant

Tran Ngoc Chu
General Director

26 May 2016

INTERIM SEPARATE INCOME STATEMENT
for the six-month period ended 31 March 2016

VND

Code	ITEMS	Notes	For the six-month period ended 31 March 2016	For the six-month period ended 31 March 2015
01	1. Revenues from sale of goods and rendering of services	21.1	12,939,626,459,759	16,507,950,212,092
02	2. Deductions	21.1	(49,647,582,051)	(25,325,886,065)
10	3. Net revenues from sale of goods and rendering of services	21.1	12,889,978,877,708	16,482,624,326,027
11	4. Costs of goods sold and services rendered	22	(11,506,883,200,423)	(15,627,262,526,328)
20	5. Gross profit from sale of goods and rendering of services		1,383,095,677,285	855,361,799,699
21	6. Finance income	21.2	25,781,897,367	13,375,429,734
22	7. Finance expenses	23	(115,196,501,573)	(148,597,428,323)
23	In which: Interest expense		(91,997,362,776)	(95,077,736,574)
25	8. Selling expenses	24	(402,206,394,150)	(330,630,294,744)
26	9. General and administrative expenses	24	(335,377,839,810)	(189,217,017,157)
30	10. Operating profit		556,096,839,119	200,292,489,209
31	11. Other income		8,042,570,526	9,937,431,574
32	12. Other expenses		(9,908,517,153)	(8,704,595,732)
40	13. Other (loss) profit		(1,865,946,627)	1,232,835,842
50	14. Accounting profit before tax		554,230,892,492	201,525,325,051
51	15. Current corporate income tax expense	26.2	(129,206,928,549)	(54,366,617,214)
52	16. Deferred tax income	26.3	1,023,548,962	3,638,379,969
60	17. Net profit after tax		426,047,512,905	150,797,087,806

Tran Cong Tien
Preparer

Nguyen Thi Ngoc Lan
Chief Accountant

Tran Ngoc Chu
General Director

26 May 2016

INTERIM SEPARATE CASH FLOW STATEMENT
for the six-month period ended 31 March 2016

VND

Code	ITEMS	Notes	For the six-month period ended 31 March 2016	For the six-month period ended 31 March 2015
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit before tax		554,230,892,492	201,525,325,051
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	10, 11, 12	194,632,425,463	182,121,227,035
03	Provisions		4,491,634,459	9,877,720,763
04	Foreign exchange losses arising from revaluation of monetary accounts denominated in foreign currency	23	3,418,637,062	15,450,540,252
05	Profits from investing activities		(5,506,541,239)	(784,692,496)
06	Interest expense	23	91,997,362,776	95,077,736,574
08	Operating profit before changes in working capital		843,264,411,013	503,267,857,179
09	Decrease (increase) in receivables		1,596,431,282,467	(809,053,230,460)
10	(Increase) decrease in inventories		(221,757,172,435)	1,213,063,371,139
11	Increase (decrease) in payables		369,211,753,666	(998,470,141,861)
12	Increase in prepaid expenses		(8,266,178,543)	(15,685,912,272)
14	Interest expense paid		(93,376,144,142)	(93,560,846,995)
15	Corporate income tax paid	26.2	(89,046,802,557)	(59,835,172,284)
17	Other cash outflows for operating activities		(13,539,077,582)	(20,751,607,296)
20	Net cash flows from (used in) operating activities		2,382,922,071,887	(281,025,682,850)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets		(92,128,335,905)	(219,077,972,202)
22	Proceeds from disposals of fixed assets		576,586,376	65,109,904,197
25	Investment in other entities		(121,000,000,000)	(41,495,846,500)
26	Proceeds from sale of investment in other entity		4,367,000,000	4,273,000,000
27	Interest received	21.2	5,336,680,499	2,624,103,578
30	Net cash flows used in investing activities		(202,848,069,030)	(188,566,810,927)

INTERIM SEPARATE CASH FLOW STATEMENT (continued)
for the six-month period ended 31 March 2016

VND

Code	ITEMS	Notes	For the six-month period ended 31 March 2016	For the six-month period ended 31 March 2015
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Reissuance of treasury shares		116,395,667,397	-
32	Capital redemption		(508,729)	(1,356,959)
33	Drawdown of borrowings		4,665,576,580,960	7,013,095,243,151
34	Repayment of borrowings		(6,247,793,892,374)	(6,511,077,831,716)
35	Finance lease payments		(10,518,171,966)	(10,065,548,901)
36	Dividends paid		(121,824,000)	(47,937,601,575)
40	Net cash flows (used in) from financing activities		(1,476,462,148,712)	444,012,904,000
50	Net increase (decrease) in cash and cash equivalents		703,611,854,145	(25,579,589,777)
60	Cash and cash equivalents at beginning of period		233,828,787,007	138,001,647,603
61	Impact of exchange rate fluctuation		(2,467,447,737)	(1,998,268,067)
70	Cash and cash equivalents at end of period	4	934,973,193,415	110,423,789,759

Tran Cong Tien
Preparer

Nguyen Thi Ngoc Lan
Chief Accountant

Tran Ngoc Chu
General Director

26 May 2016

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
as at and for the six-month period ended 31 March 2016

1. **CORPORATE INFORMATION**

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

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

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

The Company's registered head office is located at No. 9, Thong Nhat Boulevard, Song Than 2 Industrial Park Di An Ward, Di An Town, Binh Duong Province, Vietnam. In addition, the Company also has one hundred and ninety seven (197) branches located in various provinces in Vietnam.

The number of the Company's employees as at 31 March 2016 was 3,327 (30 September 2015: 3,966).

Corporate structure

The Company's corporate structure includes 8 subsidiaries, as follows:

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

HSS is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 3700763651 issued by Department of Planning and Investment of Binh Duong Province on 9 November 2006, as amended. HSS's registered head office is located at No. 9 Thong Nhat Boulevard, Song Than 2 Industrial Park, Di An Ward, Di An Town, Binh Duong Province, Vietnam. The current principal activities of HSS are manufacturing and trading cold rolled steel products.

As at 31 March 2016, the Company holds 100% equity interests and 100% voting rights in HSS (30 September 2015: 100%).

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

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

As at 31 March 2016, the Company holds 100% equity interests and 100% voting rights in HSBM (30 September 2015: 100%).

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

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

As at 31 March 2016, the Company holds 100% equity interests and 100% voting rights in HSBD (30 September 2015: 100%).

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2016

1. **CORPORATE INFORMATION** (continued)

Corporate structure (continued)

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

HTME is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 3700785528 issued by Department of Planning and Investment of Binh Duong Province on 26 March 2007, as amended. HTME's registered head office is located at No. 9 Thong Nhat Boulevard, Song Than 2 Industrial Park, Di An Ward, Di An Town, Binh Duong Province, Vietnam. The current principal activities of HTME are providing transportation services and engineering, civil and industrial construction projects.

As at 31 March 2016, the Company holds 100% equity interests and 100% voting rights in HTME (30 September 2015: 100%).

- ▶ Hoa Sen Nam Cam Nghe An One Member Limited Liability Company ("HSNC")

HSNC is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 2901722597 issued by Department of Planning and Investment of Nghe An Province on 28 May 2014. HSNC's registered head office is located at Block C, Nam Cam Industrial Park, Nghi Xa Commune, Nghi Loc District, Nghe An Province, Vietnam. The current principal activities of HSNC are manufacturing and trading in steel pipe products.

As at 31 March 2016, the Company holds 100% equity interests and 100% voting rights in HSNC (30 September 2015: 100%).

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

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

As at 31 March 2016, the Company holds 100% equity interests and 100% voting rights in HSDH (30 September 2015: 100%).

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

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

As at 31 March 2016, the Company holds 100% equity interests and 100% voting rights in HSHN (30 September 2015: 100%).

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

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

As at 31 March 2016, the Company holds 100% equity interests and 100% voting rights in HSNH.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2016

2. BASIS OF PREPARATION

2.1 *Purpose of preparing the interim separate financial statements*

The Company has subsidiaries as disclosed in Note 14.1 of the accompanying interim separate financial statements and it is in the process of completing the interim consolidated financial statements of the Company and its subsidiaries ("the Group") for the six-month period ended 31 March 2016 to meet the prevailing regulatory reporting requirements.

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

2.2 *Applied accounting standards and system*

The interim separate financial statements of the Company, expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System, Vietnamese Accounting Standard No. 27 - Interim Financial Reporting and other Vietnamese Accounting Standards issued by the Ministry of Finance as per:

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

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

2.3 *Applied accounting documentation system*

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

2.4 *Fiscal year*

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

2.5 *Accounting currency*

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2016

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Change in accounting policies and disclosures*

The accounting policies adopted by the Company in preparation of the interim separate financial statements are consistent with those followed in the preparation of the Company's annual separate financial statements for the year ended 30 September 2015 and the interim separate financial statements for the six-month period ended 31 March 2015 except for the changes in the accounting policies in relation to the application of Circular No. 200/2014/TT-BTC providing guidance on enterprise accounting system.

On 22 December 2014, the Ministry of Finance issued the Circular No. 200/2014/TT-BTC providing guidance on enterprise accounting system ("Circular 200") replacing Decision No. 15/2006/QĐ-BTC dated 20 March 2006 and Circular No. 244/2009/TT-BTC dated 31 December 2009 of the Ministry of Finance. Circular 200 is effective for the financial years beginning on or after 1 January 2015.

The effects of the change in accounting policies under Circular 200 to the Company's interim separate financial statements are applied on a prospective basis as Circular 200 does not require for retrospective application. The Company also reclassifies certain corresponding figures of prior period following the presentation of the current period's interim separate financial statements in accordance with Circular 200 as disclosed in Note 29.

3.2 *Cash and cash equivalents*

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

3.3 *Inventories*

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

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

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

Provision for obsolete inventories

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

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2016

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Receivables

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

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

3.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

3.6 Leased assets

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

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

Where the Company is the lessee

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

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

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

Where the Company is the lessor

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

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2016

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Intangible assets

Intangible assets are stated at cost less accumulated amortisation.

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

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

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

Land use rights

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

3.8 Depreciation and amortisation

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

Buildings and structures	10 - 40 years
Machinery and equipment	5 - 20 years
Means of transportation	7 - 10 years
Office equipment	3 - 5 years
Others	5 - 8 years
Land use rights	14 - 55 years
Computer software	3 - 10 years

3.9 Borrowing costs

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

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

3.10 Prepaid expenses

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2016

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Investments

Investments in subsidiaries

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

Investments in associates

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

Investments in other entities

Investments in other entities are stated at their acquisition costs.

Provision for diminution in value of investments

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

3.12 Payables and accruals

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

3.13 Accrual for severance pay

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

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

3.14 Foreign currency transactions

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

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2016

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Foreign currency transactions (continued)

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

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

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

3.15 Treasury shares

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

3.16 Appropriation of net profit

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

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

Bonus and welfare fund

This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits.

3.17 Revenue recognition

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

Sale of goods

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

Rendering of services

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

Interest

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

Dividends

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

Rental income

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2016

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Taxation

Current income tax

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

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

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

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

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

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2016

4. CASH AND CASH EQUIVALENTS

	VND	
	31 March 2016	30 September 2015
Cash on hand	22,812,065,635	12,462,200,677
Cash in banks	481,921,717,016	221,226,586,330
Cash in transit	95,888,889	-
Cash equivalents (*)	430,143,521,875	140,000,000
TOTAL	934,973,193,415	233,828,787,007

(*) Cash equivalents represent the deposits at commercial banks with original maturity of less than three (3) months and earn interest at the rates ranging from 5.1% to 5.5% per annum.

5. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

5.1 Short-term trade receivables

	VND	
	31 March 2016	30 September 2015
Due from related parties (Note 27)	471,685,725,954	1,214,432,479,886
Due from third parties	168,868,868,080	442,780,857,243
TOTAL	640,554,594,034	1,657,213,337,129
Provision for doubtful short-term receivables	(2,306,413,077)	(2,306,413,077)
NET	638,248,180,957	1,654,906,924,052

5.2 Short-term advances to suppliers

	VND	
	31 March 2016	30 September 2015
Due from a related party (Note 27)	52,944,698,396	6,458,860,936
Due from third parties	29,767,947,802	18,908,589,088
<i>In which:</i>		
Vung Tau Low Pressure Gas Distribution Company	10,581,625,737	4,702,713,031
Others	19,186,322,065	14,205,876,057
TOTAL	82,712,646,198	25,367,450,024

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2016

6. OTHER RECEIVABLES

	VND	
	31 March 2016	30 September 2015
Short-term	144,130,345,099	408,561,090,078
Advance for purchase of lands	90,183,227,000	90,183,227,000
Deposits	32,842,140,000	23,632,000,000
Advances to employees	9,186,709,193	6,177,558,073
Profits shared from subsidiaries	-	273,424,302,385
Others	11,918,268,906	15,144,002,620
Long-term	2,012,549,901	2,012,549,901
Deposits	2,012,549,901	2,012,549,901
TOTAL	146,142,895,000	410,573,639,979
Provision for doubtful other receivables	(740,000,000)	(740,000,000)
TOTAL	145,402,895,000	409,833,639,979
<i>In which:</i>		
Due from related parties (Note 27)	90,911,527,995	364,880,867,523
Due from third parties	54,491,367,005	44,952,772,456

7. INVENTORIES

	VND	
	31 March 2016	30 September 2015
Finished goods	1,012,887,863,727	1,209,216,110,982
Goods in transit	870,146,424,409	334,139,481,536
Raw materials	296,606,183,976	346,651,367,414
Merchandises	153,389,157,260	211,504,360,904
Tools and supplies	182,462,838,380	192,223,974,481
TOTAL	2,515,492,467,752	2,293,735,295,317
Provision for obsolete inventories	(12,609,236,880)	(12,609,236,880)
NET	2,502,883,230,872	2,281,126,058,437

As disclosed in Note 19, the Company has pledged inventories with the carrying amount as at 31 March 2016 amounting to VND 1,133,410,805,447 to secure its bank loans.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2016

8. PREPAID EXPENSES

	VND	
	31 March 2016	30 September 2015
Short-term	62,270,434,852	55,062,184,992
Advertising expenses	28,159,465,318	24,210,259,090
Rental expenses	14,065,535,847	8,372,683,765
Tools and equipment	8,729,369,337	10,307,348,223
Advisory expenses	1,450,313,858	1,408,729,769
Insurance expenses	1,383,355,900	1,310,876,033
Repair and maintenance expenses	2,340,428,033	1,665,640,996
Others	6,141,966,559	7,786,647,116
Long-term	68,022,284,835	64,337,078,607
Tools, supplies and spare parts	33,292,455,636	45,000,996,782
Repair and maintenance	24,945,765,436	12,505,051,016
Rental expense	4,411,557,207	5,895,995,809
Others	5,372,506,556	935,035,000
TOTAL	130,292,719,687	119,399,263,599

9. LONG-TERM LOAN RECEIVABLES

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2016

10. TANGIBLE FIXED ASSET

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Others	VND Total
Cost:						
As at 30 September 2015	621,660,819,138	3,064,331,212,467	242,213,491,285	12,374,597,617	18,820,697,841	3,959,400,818,348
New purchase	-	29,594,155,520	8,132,802,486	6,825,663,000	-	44,552,621,006
Transfer from construction in progress	-	22,595,771,029	19,710,370,910	-	-	42,306,141,939
Reclassified	(101,029,970)	101,029,970	-	-	-	-
Disposal	-	(5,915,227,848)	-	-	-	(5,915,227,848)
As at 31 March 2016	621,559,789,168	3,110,706,941,138	270,056,664,681	19,200,260,617	18,820,697,841	4,040,344,353,445
In which:						
Fully depreciated	657,546,419	148,785,882,020	18,503,180,707	1,170,977,398	179,918,238	169,297,504,782
Accumulated depreciation:						
As at 30 September 2015	(180,824,570,224)	(1,114,545,060,787)	(52,389,277,920)	(3,729,674,354)	(10,770,951,837)	(1,362,259,535,122)
Depreciation for the period	(19,201,088,869)	(150,758,482,798)	(13,729,728,239)	(1,145,248,283)	(1,392,169,668)	(186,226,717,857)
Disposal	-	5,508,502,212	-	-	-	5,508,502,212
As at 31 March 2016	(200,025,659,093)	(1,259,795,041,373)	(66,119,006,159)	(4,874,922,637)	(12,163,121,505)	(1,542,977,750,767)
Net carrying amount:						
As at 30 September 2015	440,836,248,914	1,949,786,151,680	189,824,213,365	8,644,923,263	8,049,746,004	2,597,141,283,226
As at 31 March 2016	421,534,130,075	1,850,911,899,765	203,937,658,522	14,325,337,980	6,657,576,336	2,497,366,602,678

As disclosed in Note 19, the Company has pledged its buildings and structures, machinery and equipment and means of transportation with their respective carrying amounts as at 31 March 2016 of VND 133,554,630,919, VND 1,515,516,787,924 and VND 127,620,455,459 to secure the bank loan facilities.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2016

11. FINANCE LEASES

			VND
	<i>Machinery and equipment</i>	<i>Means of transportation</i>	<i>Total</i>
Cost:			
As at 30 September 2015 and 31 March 2016	<u>114,919,308,334</u>	<u>20,332,727,270</u>	<u>135,252,035,604</u>
Accumulated depreciation:			
As at 30 September 2015	(33,539,542,139)	(2,068,867,901)	(35,608,410,040)
Depreciation for the period	<u>(4,464,189,118)</u>	<u>(2,634,447,930)</u>	<u>(7,098,637,048)</u>
As at 31 March 2016	<u>(38,003,731,257)</u>	<u>(4,703,315,831)</u>	<u>(42,707,047,088)</u>
Net carrying amount:			
As at 30 September 2015	<u>81,379,766,195</u>	<u>18,263,859,369</u>	<u>99,643,625,564</u>
As at 31 March 2016	<u>76,915,577,077</u>	<u>15,629,411,439</u>	<u>92,544,988,516</u>

12. INTANGIBLE ASSETS

			VND
	<i>Land use rights</i>	<i>Computer software</i>	<i>Total</i>
Cost:			
As at 30 September 2015	284,698,354,995	1,344,757,711	286,043,112,706
Additions	<u>2,190,431,270</u>	-	<u>2,190,431,270</u>
As at 31 March 2016	<u>286,888,786,265</u>	<u>1,344,757,711</u>	<u>288,233,543,976</u>
<i>In which:</i>			
<i>Fully amortised</i>	<u>456,396,144</u>	<u>1,344,757,711</u>	<u>1,801,153,855</u>
Accumulated amortisation:			
As at 30 September 2015	(16,652,548,124)	(1,344,757,711)	(17,997,305,835)
Amortisation for the period	<u>(1,307,070,558)</u>	-	<u>(1,307,070,558)</u>
As at 31 March 2016	<u>(17,959,618,682)</u>	<u>(1,344,757,711)</u>	<u>(19,304,376,393)</u>
Net carrying amount:			
As at 30 September 2015	<u>268,045,806,871</u>	-	<u>268,045,806,871</u>
As at 31 March 2016	<u>268,929,167,583</u>	-	<u>268,929,167,583</u>

As disclosed in Note 19, the Company has pledged its land use rights with their carrying amounts as at 31 March 2016 of VND 223,785,083,866 to secure the bank loan facilities.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2016

13. CONSTRUCTION IN PROGRESS

	VND	
	31 March 2016	30 September 2015
Purchases of fixed assets	10,183,003,020	6,853,861,204
Major repair of fixed assets	1,458,816,610	4,036,803,273
Others	1,156,655,892	1,455,946,900
TOTAL	12,798,475,522	12,346,611,377

14. LONG-TERM INVESTMENTS

	VND	
	31 March 2016	30 September 2015
Investments in subsidiaries (Note 14.1)	732,276,000,000	611,276,000,000
Investment in an associate (Note 14.2)	51,952,178,134	51,952,178,134
Investment in other entity	-	4,367,000,000
TOTAL	784,228,178,134	667,595,178,134
Provision for diminution in value of long-term investments	(22,458,172,292)	(17,966,537,833)
NET	761,770,005,842	649,628,640,301

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and the six-month period ended 31 March 2016

14. LONG-TERM INVESTMENTS (continued)

14.1 Investments in subsidiaries

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

Name of subsidiaries	31 March 2016		30 September 2015		Location	Business activities
	% of interest	Cost of investment (VND)	% of interest	Cost of investment (VND)		
Hoa Sen Steel Sheet One Member Co., Ltd.	100	280,000,000,000	100	280,000,000,000	Binh Duong province, Vietnam	Manufacturing and trading in cold rolled steel products
Hoa Sen Nghe An One Member Co., Ltd.	100	200,000,000,000	100	80,000,000,000	Nghe An Province, Vietnam	Manufacturing and trading in roofing sheets by metals
Hoa Sen Building Materials One Member Co., Ltd.	100	150,000,000,000	100	150,000,000,000	Ba Ria – Vung Tau Province, Vietnam	Manufacturing and trading in plastic building materials and steel pipe products
Hoa Sen Binh Dinh One Member Co., Ltd.	100	55,000,000,000	100	55,000,000,000	Binh Dinh Province, Vietnam	Manufacturing and trading in plastic building materials and steel pipe products
Hoa Sen Nam Cam Nghe An One Member Co., Ltd.	100	30,000,000,000	100	30,000,000,000	Nghe An Province, Vietnam	Manufacturing and trading in steel pipe products
Hoa Sen Transportation and Engineering One Member Co., Ltd.	100	16,276,000,000	100	16,276,000,000	Binh Duong Province, Vietnam	Providing engineering, civil and industrial construction projects; transportation service
Hoa Sen Nhon Hoi - Binh Dinh One Member Co., Ltd.	100	1,000,000,000	-	-	Binh Dinh Province, Vietnam	Manufacturing and trading in roofing sheets by metals
Hoa Sen Ha Nam One Member Co., Ltd.	100	-	100	-	Ha Nam Province, Vietnam	Manufacturing and trading in steel pipe products
TOTAL		732,276,000,000		611,276,000,000		

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2016

14. LONG-TERM INVESTMENTS (continued)

14.2 Investment in an associate

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

Name of associate	31 March 2016		30 September 2015		Location	Business activities
	% of interest	Cost of investment VND	% of interest	Cost of investment VND		
Hoa Sen-Gemadep Logistics and International Port Corporation	45	51,952,178,134	45	51,952,178,134	Ba Ria – Vung Tau Province, Vietnam	Provide sea cargo agency services
Provision for diminution in value of long-term investments		(22,458,172,292)		(17,966,537,833)		
		<u>29,494,005,842</u>		<u>33,985,640,301</u>		

15. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

15.1 Short-term trade payables

	VND	
	31 March 2016	30 September 2015
Due to third parties	819,399,971,822	482,031,569,234
In which:		
Baosteel Singapore Pte Ltd.	194,617,348,444	-
Salzgitter Mannesmann International GmbH	126,734,691,149	-
Rich Fortune Int'l Industrial Co., Ltd.	117,524,010,178	-
Ep Steel Trading Co., Ltd.	57,405,442,528	141,777,423,312
Hongkong Grand International Co., Ltd.		67,847,770,463
Others	323,118,479,523	272,406,375,459
Due to related parties (Note 27)	69,613,653,803	73,130,273,650
TOTAL	<u>889,013,625,625</u>	<u>555,161,842,884</u>

15.2 Short-term advances from customers

	VND	
	31 March 2016	30 September 2015
Due to third parties	135,039,562,800	130,555,900,033
In which:		
Bangkok Coil Center Co., Ltd.	12,757,481,475	6,832,518,000
Other customers	122,282,081,325	123,723,382,033
Due to a related party (Note 27)	6,942,786,170	1,500,312,265
TOTAL	<u>141,982,348,970</u>	<u>132,056,212,298</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2016

16. TAXES

	30 September 2015	Increase during the period	Decrease during the period	VND 31 March 2016
Payables				
Corporate income tax (Note 26.2)	39,779,435,531	129,206,928,549	(89,046,802,557)	79,939,561,523
Value- added tax	13,754,684,828	513,761,427,377	(486,667,631,092)	40,848,481,113
Personal income tax	987,443,384	10,850,674,325	(6,724,985,143)	5,113,132,566
Other taxes	1,957,000	1,759,531,099	(1,751,860,056)	9,628,043
TOTAL	54,523,520,743	655,578,561,350	(584,191,278,848)	125,910,803,245
Receivables				
Value-added tax deductible	430,850,361,115	287,620,493,783	(560,341,892,809)	158,128,962,089
Value-added tax receivables to the State	-	13,398,430	-	13,398,430
TOTAL	430,850,361,115	287,633,892,213	(560,341,892,809)	158,142,360,519

17. SHORT-TERM ACCRUED EXPENSES

	31 March 2016	30 September 2015
Bonuses and 13 th month salary	41,270,434,500	48,819,296,000
Anniversary of the Company's establishment fee	30,000,000,000	-
Electricity fee	10,897,473,130	11,090,213,768
Payable relating to construction in progress	7,147,518,971	7,597,518,971
Loan interest	2,321,970,789	3,700,752,155
Others	12,492,084,886	10,348,579,545
TOTAL	104,129,482,276	81,556,360,439

18. OTHER SHORT-TERM PAYABLES

	31 March 2016	30 September 2015
Dividends	3,770,828,525	3,892,652,525
Tender deposits received	3,560,500,000	1,490,000,000
Social insurance, health insurance, unemployment insurance, and trade union fee	3,532,118,400	2,853,893,928
Other payables to related parties (Note 27)	1,824,002,500	2,233,267,935
Export bill negotiation	-	29,719,800,000
Others	6,020,692,807	2,406,525,407
TOTAL	18,708,142,232	42,596,139,795

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2016

19. LOANS AND FINANCE LEASES

	VND	
	31 March 2016	30 September 2015
Short-term loans and finance leases	2,932,606,273,977	4,400,210,324,546
Loans from banks (Note 19.1)	2,647,555,625,338	4,056,943,675,919
Current portion of long-term loans (Note 19.2)	259,035,904,707	302,800,960,695
Current portion of finance leases (Note 19.3)	21,036,343,932	21,036,343,932
Current portion of other long-term debts	4,978,400,000	9,969,344,000
Loans from related parties (Note 27)	-	9,460,000,000
Long-term loans and finance leases	525,122,683,232	651,348,629,164
Loans from banks (Note 19.2)	507,055,773,050	622,763,547,016
Finance leases (Note 19.3)	18,066,910,182	28,585,082,148
	<u>3,457,728,957,209</u>	<u>5,051,558,953,710</u>

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

	VND
	Amount
As at 30 September 2015	5,051,558,953,710
Drawdown from borrowings	4,665,576,580,960
Repayment from borrowings	(6,258,312,064,340)
Foreign exchange differences	(1,094,513,121)
As at 31 March 2016	<u>3,457,728,957,209</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2016

19. LOANS AND FINANCE LEASES (continued)

19.1 Short-term loans from banks

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

<i>Name of bank</i>	<i>31 March 2016</i>	<i>Maturity date</i>	<i>Interest rate</i>	<i>Description of collateral</i>
	<i>(VND)</i>		<i>(% p.a.)</i>	
<i>Joint Stock Commercial Bank for Foreign Trade of Vietnam – South Binh Duong Branch</i>				
Loan in VND	310,634,130,566	From 29 April 2016 to 27 June 2016	From 4.0 to 4.2	Land use rights, and machinery and equipment
Loan in USD	112,278,648,764	Form 17 July 2016 to 24 July 2016	1.0	Land use rights, and machinery and equipment
<i>Vietnam Bank for Industry and Trade – Binh Duong Industrial Park Branch</i>				
Loan in VND	178,053,779,261	From 25 April 2016 to 3 June 2016	From 4.0 to 4.25	Land use rights, buildings and structures, and machinery and equipment
Loan in USD	375,936,095,279	From 2 June 2016 to 30 June 2016	1.0	Land use rights, buildings and structures, and machinery and equipment
<i>Military Commercial Joint Stock Bank – Binh Duong Branch</i>				
Loan in USD	86,482,477,151	From 15 June 2016 to 1 July 2016	From 1.0 to 1.1	Land use rights, and means of transportation
<i>Joint Stock Commercial Bank for Investment and Development of Vietnam – Ho Chi Minh Branch</i>				
Loan in VND	494,865,765,437	From 18 May 2016 to 4 June 2016	4.0	Inventories
Loan in USD	238,490,249,210	From 25 July 2016 to 10 August 2016	1.0	Inventories

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2016

19. LOANS AND FINANCE LEASES (continued)

19.1 Short-term loans from banks (continued)

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

<i>Name of bank</i>	<i>31 March 2016</i> <i>(VND)</i>	<i>Maturity date</i>	<i>Interest rate</i> <i>(% p.a.)</i>	<i>Description of collateral</i>
<i>Standard Chartered Bank (Vietnam) Limited – Ho Chi Minh Branch</i>				
Loan in USD	59,981,561,062	22 June 2016	1.1	Inventories, and machinery and equipment
<i>ANZ Bank (Vietnam) Limited</i>				
Loan in USD	65,310,134,268	3 June 2016	1.1	Land use rights
<i>Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh Branch</i>				
Loan in VND	287,423,670,614	From 19 April 2016 to 25 August 2016	From 4.0 to 4.4	Unsecured
Loan in USD	110,922,275,528	From 8 July 2016 to 25 July 2016	1.0	Unsecured
<i>Vietnam Bank for Agriculture and Rural Development – Saigon branch</i>				
Loan in VND	78,550,000,000	From 16 April 2016 to 24 May 2016	From 4.0 to 4.3	Unsecured
<i>Vietnam Prosperity Joint Stock Commercial Bank</i>				
Loan in USD	127,727,399,030	From 25 June 2016 to 29 June 2016	1.05	Unsecured
<i>HSBC Bank (Vietnam) Limited</i>				
Loan in USD	120,899,439,168	From 10 May 2016 to 28 July 2016	1.1	Inventories, land use rights, buildings and structures, and machinery and equipment
TOTAL	<u>2,647,555,625,338</u>			

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2016

19. LOANS AND FINANCE LEASES (continued)

19.2 Long-term loans from banks

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

Name of bank	31 March 2016 (VND)	Maturity date	Interest rate (% p.a.)	Description of collateral
Joint Stock Commercial Bank for Foreign Trade of Vietnam – South Binh Duong Branch				
Loan in VND	43,201,636,695	From 15 May 2016 to 15 August 2019	From 8.0 to 8.5	Land use rights, and machinery and equipment
Viet Capital Commercial Joint Stock Bank				
Loan in VND	66,564,410,000	From 26 April 2016 to 26 November 2019	From 7.6 to 8.5	Means of transportation
Asia Commercial Joint Stock Bank – Tan Thuan Branch				
Loan in VND	46,950,588,000	From 6 April 2016 to 17 June 2020	From 7.8 to 8.5	Means of transportation
Vietnam Bank for Industry and Trade – Binh Duong Industrial Park Branch				
Loan in VND	490,924,771,861	From 16 May 2016 to 16 July 2019	8.2	Land use rights, buildings and structures, and machinery and equipment
Vietnam Development Bank				
Loan in USD	39,235,271,201	From 20 June 2016 to 20 June 2018	1.7	Land use right, buildings and structures, and machinery and equipment
Military Commercial Joint Stock Bank – Binh Duong Branch				
Loan in VND	18,095,000,000	From 25 July 2016 to 7 January 2019	8.0	Land use rights, and means of transportation
Vietnam Bank for Agriculture and Rural Development – Binh Duong Branch				
Loan in VND	61,120,000,000	From 30 June 2016 to 25 September 2017	8.0	Land use rights, and machinery and equipment
TOTAL	<u>766,091,677,757</u>			
<i>In which:</i>				
Current portion	259,035,904,707			
Non-current portion	507,055,773,050			

The Company used these loans to finance its constructions and purchases of fixed assets.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2016

19. LOANS AND FINANCE LEASES (continued)

19.3 Finance leases

Details of finance leases were as follow:

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

	31 March 2016			30 September 2015		
	Total minimum lease payments	Finance charges	Lease liabilities	Total minimum lease payments	Finance charges	Lease liabilities
Current liabilities						
Less than 1 year	23,434,317,138	2,397,973,206	21,036,343,932	24,477,641,416	3,441,297,484	21,036,343,932
Non-current liabilities						
From 1-5 years	19,447,672,302	1,380,762,120	18,066,910,182	31,093,925,619	2,508,843,471	28,585,082,148
TOTAL	42,881,989,440	3,778,735,326	39,103,254,114	55,571,567,035	5,950,140,955	49,621,426,080

VND:

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2016

20. OWNERS' EQUITY

20.1 Movements in owners' equity

	Issued share capital	Share premium	Treasury shares	Investment and development fund	Financial reserve fund	Other funds belongs to equity	Undistributed earnings	Total	VND
For the six-month period ended 31 March 2015:									
As at 30 September 2014	1,007,907,900,000	451,543,290,363	(81,038,848,436)	-	8,525,313,060	13,278,012,117	1,022,418,679,462	2,422,634,346,566	
Net profit for the period	-	-	-	-	-	-	150,797,087,806	150,797,087,806	
Dividends declared	-	-	-	-	-	-	(48,156,549,000)	(48,156,549,000)	
Repurchase of treasury shares	-	-	(1,356,959)	-	-	-	-	(1,356,959)	
Transferred to bonus and welfare fund	-	-	-	-	-	-	(16,413,694,648)	(16,413,694,648)	
Appropriated to other funds	-	-	-	-	-	12,310,270,987	(12,310,270,987)	-	
Use of other funds during the period	-	-	-	-	-	(11,060,067,296)	-	(11,060,067,296)	
As at 31 March 2015	1,007,907,900,000	451,543,290,363	(81,040,205,395)	-	8,525,313,060	14,528,215,808	1,096,335,252,633	2,497,799,766,469	

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2016

20. OWNERS' EQUITY (continued)

20.1 Movements in owners' equity (continued)

	Issued share capital	Share premium	Treasury shares	Investment and development fund	Financial reserve fund	Other funds belongs to equity	Undistributed earnings	Total
<i>For the six-month period ended 31 March 2016:</i>								
As at 30 September 2015								
(previously presented)	1,007,907,900,000	487,290,470,363	(52,113,695,510)	-	8,525,313,060	6,605,155,369	1,531,127,724,105	2,989,342,867,387
As at 30 September 2015								
(reclassified)	1,007,907,900,000	487,290,470,363	(52,113,695,510)	8,525,313,060	-	6,605,155,369	1,531,127,724,105	2,989,342,867,387
Net profit for the period	-	-	-	-	-	-	426,047,512,905	426,047,512,905
Stock dividends (*)	302,362,770,000	-	-	-	-	-	(302,362,770,000)	-
Repurchase of treasury shares	-	-	(508,729)	-	-	-	-	(508,729)
Reissuance of treasury shares (**)	-	64,281,463,158	52,114,204,239	-	-	-	-	116,395,667,397
Transferred to bonus and welfare fund	-	-	-	-	-	-	(26,114,981,672)	(26,114,981,672)
Appropriated to other funds	-	-	-	-	-	29,379,354,381	(29,379,354,381)	-
Reversal of fund	-	-	-	(8,525,313,060)	-	-	8,525,313,060	-
Performance bonus	-	-	-	-	-	-	(21,902,000,000)	(21,902,000,000)
Use of other funds during the period	-	-	-	-	-	(11,254,269,393)	-	(11,254,269,393)
As at 31 March 2016	1,310,270,670,000	551,571,933,521	-	-	-	24,730,240,357	1,585,941,444,017	3,472,514,287,895

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2016

20. OWNERS' EQUITY (continued)

20.1 Movements in owners' equity (continued)

(*) The Resolution of Annual General Meeting No. 01/NQ/DHDCD/2015 dated 19 January 2015 and the Resolution of Board of Directors No. 64/NQ/HDQT/2015 dated 16 October 2015 approved the payments of stock dividends to its existing shareholders, which were appropriated from the undistributed earnings, at a ratio of 10:3 (i.e. issuing 3 new shares for every 10 shares holding by existing shareholders). The Company completed the issuance of 30,236,277 new shares on 7 December 2015 at price of VND 10,000 per share. Accordingly, the Company's share capital was increased by VND 302,362,770,000 to VND 1,310,270,670,000 as at this date. The Company also received the 25th amended BRC dated 18 December 2015 issued by the Department of Planning and Investment of Binh Duong Province reflecting this increase.

(**) In accordance with the Resolution of Board of Directors No. 36/NQ/HDQT/2015 dated 29 June 2015, the Company has reissued 2,877,692 treasury shares to its existing shareholders at the price of VND 40,500 per share on 7 October 2015.

20.2 Capital transactions with owners and distribution of dividends, profits

	VND	
	<i>For the six-month period ended 31 March 2016</i>	<i>For the six-month period ended 31 March 2015</i>
Contributed capital		
Beginning balances	1,007,907,900,000	1,007,907,900,000
Increase	302,362,770,000	-
Ending balance	<u>1,310,270,670,000</u>	<u>1,007,907,900,000</u>
Dividends		
Dividends declared	-	48,156,549,000
Dividends paid by cash	-	47,937,601,575

20.3 Share capital

	Number of shares	
	<i>31 March 2016</i>	<i>30 September 2015</i>
Issued shares		
Shares issued and paid-up shares		
<i>Ordinary shares</i>	131,027,067	100,790,790
Treasury shares		
<i>Ordinary shares</i>	-	(2,877,692)
Shares in circulation		
<i>Ordinary shares</i>	131,027,067	97,913,098

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2016

21. REVENUES

21.1 Revenues from sale of goods and rendering of services

	VND	
	For the six-month period ended 31 March 2016	For the six-month period ended 31 March 2015
Gross revenues	12,939,626,459,759	16,507,950,212,092
Of which:		
Sale of finished goods	7,266,500,217,044	8,532,463,887,989
Sale of merchandises	5,569,247,376,207	7,879,604,831,539
Others	103,878,866,508	95,881,492,564
Less	(49,647,582,051)	(25,325,886,065)
Of which:		
Trade discount	(44,113,113,005)	(2,805,550,340)
Sales returns	(2,797,667,033)	(18,366,076,135)
Sales allowances	(2,736,802,013)	(3,915,511,523)
Export taxes	-	(238,748,067)
NET	12,889,978,877,708	16,482,624,326,027
Of which:		
Sale to third parties	6,051,342,375,435	8,902,174,127,795
Sale to related parties	6,838,636,502,273	7,580,450,198,232

21.2 Finance Income

	VND	
	For the six-month period ended 31 March 2016	For the six-month period ended 31 March 2015
Foreign exchange gains	20,445,216,868	10,751,326,156
Financial income from investments	4,997,054,930	1,755,000,000
Interest income	339,625,569	869,103,578
TOTAL	25,781,897,367	13,375,429,734

22. COSTS OF GOODS SOLD AND SERVICES RENDERED

	VND	
	For the six-month period ended 31 March 2016	For the six-month period ended 31 March 2015
Costs of sale of finished goods	6,014,922,886,080	7,785,668,700,436
Costs of sale of merchandises	5,416,049,044,603	7,758,531,582,692
Others	75,911,269,740	83,062,243,200
TOTAL	11,506,883,200,423	15,627,262,526,328

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2016

23. FINANCE EXPENSES

	VND	
	<i>For the six-month period ended 31 March 2016</i>	<i>For the six-month period ended 31 March 2015</i>
Loan interest	91,997,362,776	95,077,736,574
Foreign exchange losses	15,288,867,276	31,766,347,739
Foreign exchange losses arising from revaluation of monetary accounts denominated in foreign currency	3,418,637,062	15,450,540,252
Provision for long-term investments	4,491,634,459	6,302,803,758
TOTAL	115,196,501,573	148,597,428,323

24. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	<i>For the six-month period ended 31 March 2016</i>	<i>For the six-month period ended 31 March 2015</i>
Selling expenses	402,206,394,150	330,630,294,744
Labour costs	96,213,135,700	65,051,391,968
Depreciation and amortisation	17,461,991,699	10,700,691,289
Expenses for external services	202,348,098,718	200,363,578,213
Other expenses	86,183,168,033	54,514,633,274
General and administrative expenses	335,377,839,810	189,217,017,157
Labour costs	161,148,094,604	98,512,253,816
Depreciation and amortisation	14,857,604,409	13,352,851,014
Expenses for external services	15,158,100,657	15,388,632,995
Other expenses	144,214,040,140	61,963,279,332
TOTAL	737,584,233,960	519,847,311,901

25. PRODUCTION AND OPERATING COSTS

	VND	
	<i>For the six-month period ended 31 March 2016</i>	<i>For the six-month period ended 31 March 2015</i>
Raw materials	5,437,243,304,563	6,933,893,194,403
Labour costs	306,878,252,589	214,896,018,053
Depreciation and amortisation (Notes 10, 11 and 12)	194,632,425,463	182,121,227,035
Expenses for external services	443,254,667,031	430,523,508,097
Others	328,629,143,187	259,616,604,876
TOTAL	6,710,637,792,833	8,021,050,552,464

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2016

26. CORPORATE INCOME TAX

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

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

26.1 CIT expense

	VND	
	For the six-month period ended 31 March 2016	For the six-month period ended 31 March 2015
Current CIT expense	129,206,928,549	54,366,602,712
Adjusted CIT from previous periods	-	14,502
Deferred CIT benefit	(1,023,548,962)	(3,638,379,969)
TOTAL	128,183,379,587	50,728,237,245

26.2 Current CIT

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

A reconciliation between the accounting profit before tax as reported in the interim separate income statement and taxable profit is presented below:

	VND	
	For the six-month period ended 31 March 2016	For the six-month period ended 31 March 2015
Accounting profit before tax	554,230,892,492	201,525,325,051
Adjustments:		
Non-deductible expenses	55,922,451,016	29,057,505,600
Change in accrued operating expenses	13,941,317,334	47,517,889
Change in provisions	4,491,634,459	9,877,720,763
Change in foreign exchange differences arising from revaluation of monetary accounts denominated in foreign currency	(7,063,915,977)	(1,278,203,204)
Change in unrealised profits	(4,932,200,934)	9,210,145,381
Others	(1,319,090,062)	(1,319,090,062)
Estimated current taxable profit	615,271,088,328	247,120,921,418
Estimated current CIT	129,206,928,549	54,366,602,712
Adjusted CIT from previous periods	-	14,502
Total estimated current CIT	129,206,928,549	54,366,617,214
CIT payables at beginning of period	39,779,435,531	30,586,194,784
CIT paid during the period	(89,046,802,557)	(59,835,172,284)
CIT payables at end of period	79,939,561,523	25,117,639,714

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2016

26. CORPORATE INCOME TAX (continued)

26.3 Deferred CIT

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

			VND	
	<i>Interim separate balance sheet</i>		<i>Interim separate income statement</i>	
	<i>31 March 2016</i>	<i>30 September 2015</i>	<i>For the six-month period ended 31 March 2016</i>	<i>For the six-month period ended 31 March 2015</i>
Unrealised profits	13,246,175,400	14,232,615,587	(986,440,187)	2,026,231,984
Accrued operating expenses	17,167,631,760	14,379,368,294	2,788,263,466	10,453,935
Provisions	7,622,764,449	6,724,437,558	898,326,891	2,173,098,568
Foreign exchange differences arising from revaluation of monetary accounts denominated in foreign currency	497,691,553	1,910,474,749	(1,412,783,196)	(281,204,705)
Others	2,372,602,431	2,636,420,443	(263,818,012)	(290,199,813)
Deferred tax assets	40,906,865,593	39,883,316,631		
Deferred CIT benefit			1,023,548,962	3,638,379,969

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2016

27. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

<i>Related party</i>	<i>Relationship</i>	<i>Transactions</i>	<i>For the six-month period ended 31 March 2016</i>	<i>VND For the six-month period ended 31 March 2015</i>
Hoa Sen Steel Sheet One Member Co., Ltd.	Subsidiary	Purchase of goods Sale of goods Leasing of assets Payment on behalf Purchase of gas	4,577,589,994,434 3,550,750,002,185 84,552,600,000 75,472,066,111 3,921,200,000	6,080,130,363,362 6,331,782,747,211 81,914,400,000 78,596,487,897 4,568,240,000
Hoa Sen Building Materials One Member Co., Ltd.	Subsidiary	Sale of goods Purchase of goods Sale of fixed assets Sales return	1,597,457,728,614 1,349,348,807,897 - 655,656,201	1,735,775,511,410 1,607,993,894,919 59,511,953,656 13,472,930,120
Hoa Sen Transportation and Engineering One Member Co., Ltd.	Subsidiary	Transportation expenses Leasing of assets Repayment of short-term loans	36,026,392,981 7,641,600,000 9,460,000,000	25,375,437,349 2,532,000,000 1,940,000,000
Hoa Sen Nam Cam Nghe An One Member Co., Ltd.	Subsidiary	Purchase of goods Sale of goods Capital contribution Short-term loans Lending of money	165,084,564,405 15,564,015,253 - - -	1,230,275,834 41,774,191,838 30,000,000,000 19,500,000,000 10,000,000,000

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2016

27. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

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

Related party	Relationship	Transactions	For the six-month period ended 31 March 2016	VND For the six-month period ended 31 March 2015
Hoa Sen Binh Dinh One Member Co., Ltd.	Subsidiary	Purchase of goods Sale of goods Capital contribution Lending of money	224,092,246,544 171,355,220,960 - -	93,366,075,390 148,692,259,193 4,000,000,000 6,000,000,000
Hoa Sen Nghe An One Member Co., Ltd.	Subsidiary	Capital contribution Collection of lending Lending of money Sale of goods Loan interest	120,000,000,000 152,000,000,000 52,000,000,000 19,290,111,258 3,170,444,445	- - - - -
Hoa Sen Nhon Hoi - Binh Dinh One Member Co., Ltd.	Subsidiary	Capital contribution	1,000,000,000	-
Hoa Sen Investment and Tourism Co., Ltd.	Related party	Sale of goods Purchase of goods Trade discount Receiving of services	615,842,800,646 191,945,505,399 11,692,382,124 7,769,125,602	431,424,028,069 5,803,783,613 - -
Hoa Sen-Gemadep Logistics and International Port Corporation	Associate	Capital contribution	-	7,495,846,500
Viet Capital Health Care Fund	Related party	Recollection of investment	4,367,000,000	4,273,000,000
Huong Sen Real Estate	Related party	Land returned	-	60,000,000,000

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2016

27. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

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

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	31 March 2016	30 September 2015
Short-term trade receivables				
Hoa Sen Building Materials One Member Co., Ltd.	Subsidiary	Sales of goods	339,649,015,327	390,228,663,563
Hoa Sen Nam Cam Nghe An One Member Co., Ltd.	Subsidiary	Sales of goods	41,260,736,639	63,828,794,580
Hoa Sen Steel Sheet One Member Co., Ltd.	Subsidiary	Sales of goods	41,192,606,867	741,762,003,581
Hoa Sen Binh Dinh One Member Co., Ltd.	Subsidiary	Sales of goods	27,029,167,696	7,523,066,192
Hoa Sen Nghe An One Member Co., Ltd.	Subsidiary	Sales of goods	21,153,239,425	172,451,970
Hoa Sen Transportation and Engineering One Member Co., Ltd.	Subsidiary	Sales of goods	1,400,960,000	10,917,500,000
TOTAL			471,685,725,954	1,214,432,479,886
Short-term advances to suppliers				
Hoa Sen Investment and Tourism Co., Ltd.	Related party	Advance	52,944,698,396	6,458,860,936
Short-term loan receivables				
Hoa Sen Nghe An One Member Co., Ltd.	Subsidiary	Lending money	-	100,000,000,000
Other short-term receivables				
Mr Hoang Duc Huy	Deputy General Director	Advance for purchase of lands	90,183,227,000	90,183,227,000
Hoa Sen Steel Sheet One Member Co., Ltd.	Subsidiary	Payment on behalf Profit shared	419,032,695	864,322,260
			-	86,686,768,532
Hoa Sen Nhon Hoi - Binh Dinh One Member Co., Ltd.	Subsidiary	Payment on behalf	304,507,700	-
Hoa Sen Nghe An One Member Co., Ltd.	Subsidiary	Payment on behalf	4,760,600	408,316,578
Hoa Sen Building Materials One Member Co., Ltd.	Subsidiary	Profit shared	-	166,481,143,413
Hoa Sen Transportation and Engineering One Member Co., Ltd.	Subsidiary	Profit shared	-	11,487,160,126
		Payment on behalf	-	699,300
Hoa Sen Binh Dinh One Member Co., Ltd.	Subsidiary	Profit shared	-	8,769,230,314
TOTAL			90,911,527,995	364,880,867,523

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2016

27. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

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

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>31 March 2016</i>	<i>30 September 2015</i>
Short-term trade payables				
Hoa Sen Binh Dinh One Member Co, Ltd.	Subsidiary	Purchases of goods	40,712,695,423	27,695,981,378
Hoa Sen Transportation and Engineering One Member Co., Ltd.	Subsidiary	Purchases of goods	21,498,569,100	34,196,348,287
Hoa Sen Steel Sheet One Member Co., Ltd.	Subsidiary	Purchases of goods	6,600,000,000	11,100,000,000
Hoa Sen Investment and Tourism Co., Ltd.	Related party	Purchases of goods	802,389,280	137,943,985
TOTAL			69,613,653,803	73,130,273,650
Short-term advances from customers				
Hoa Sen Investment and Tourism Co., Ltd.	Related party	Advance	6,942,786,170	1,500,312,265
Other short-term payables				
Huong Sen Real Estate	Related party	Payable of advance	1,000,000,000	1,000,000,000
Hoa Sen Building Materials One Member Co., Ltd.	Subsidiary	Payment on behalf	195,702,500	1,194,618,735
Hoa Sen Steel Sheet One Member Co., Ltd.	Subsidiary	Payment on behalf	337,100,000	31,799,200
Hoa Sen Nghe An One Member Co., Ltd.	Subsidiary	Payment on behalf	216,500,000	6,850,000
Hoa Sen Nam Cam Nghe An One Member Co, Ltd.	Subsidiary	Payment on behalf	59,200,000	-
Hoa Sen Transportation and Engineering One Member Co., Ltd.	Subsidiary	Payment on behalf	10,000,000	-
Hoa Sen Binh Dinh One Member Co., Ltd.	Subsidiary	Payment on behalf	5,500,000	-
TOTAL			1,824,002,500	2,233,267,935
Short-term loans from a related party				
Hoa Sen Transportation and Engineering One Member Co., Ltd.	Subsidiary	Short-term loans	-	9,460,000,000

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2016

27. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Transactions with other related parties

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

	VND	
	For the six-month period ended 31 March 2016	For the six-month period ended 31 March 2015
Salaries of the Management	6,917,110,950	4,122,590,415
Bonuses of the Management	5,968,000,000	950,000,000
Remuneration of the Board of Directors and the Board of Supervision	869,000,000	534,000,000
Bonuses of the Board of Directors and the Board of Supervision	11,636,460,000	-
TOTAL	25,390,570,950	5,606,590,415

28. COMMITMENTS

Operating lease commitment - the Company as lessee

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

	VND	
	31 March 2016	30 September 2015
Less than 1 year	41,368,283,860	34,785,802,868
From 1 to 5 years	139,063,879,013	102,023,130,333
More than 5 years	130,836,485,160	119,122,043,000
TOTAL	311,268,648,033	255,930,976,201

Operating lease commitment - the Company as lessor

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

	VND	
	31 March 2016	30 September 2015
Less than 1 year	185,079,404,548	186,136,854,548
From 1 to 5 years	733,308,600,002	740,241,077,276
More than 5 years	656,562,500,000	754,538,300,000
TOTAL	1,574,950,504,550	1,680,916,231,824

Capital commitments

As at 31 March 2016, the Company has commitments of VND 25,652,862,631 (30 September 2015: VND 18,302,951,124) mainly related to the acquisition of new machinery for its operations.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2016

29. RECLASSIFICATION OF CORRESPONDING FIGURES FOLLOWING APPLICATION OF CIRCULAR 200

Certain corresponding figures on the separate financial statements for the year ended 30 September 2015 and the interim separate financial statements for the six-month period ended 31 March 2015 have been reclassified to reflect the presentation of the current period's interim separate financial statements. Details are as follows:

			VND
	30 September 2015 (previously presented)	Impact of reclassification	30 September 2015 (reclassified)
SEPARATE BALANCE SHEET			
Short-term loan receivables	-	100,400,000,000	100,400,000,000
Other short-term receivables	498,630,282,005	(90,069,191,927)	408,561,090,078
Other current assets	10,330,808,073	(10,330,808,073)	-
Long-term loan receivables	-	25,000,000,000	25,000,000,000
Other long-term receivables	25,000,000,000	(22,987,450,099)	2,012,549,901
Other long-term assets	2,012,549,901	(2,012,549,901)	-

			VND
	For the six-month period ended 31 March 2015 (previously presented)	Impact of reclassification	For the six-month period ended 31 March 2015 (reclassified)


INTERIM SEPARATE INCOME STATEMENT

Revenue from sale of goods and rendering of services	16,497,454,892,258	10,495,319,834	16,507,950,212,092
Other income	85,320,316,687	(75,382,885,113)	9,937,431,574
Other expenses	(73,592,161,011)	64,887,565,279	(8,704,595,732)

30. EVENTS AFTER THE BALANCE SHEET DATE

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


Tran Cong Tien
Preparer


Nguyen Thi Ngoc Lan
Chief Accountant


Tran Ngoc Chu
General Director

26 May 2016