

Hoa Sen Group

Interim consolidated financial statements

31 March 2015



Building a better
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Hoa Sen Group

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Hoa Sen Group

THE GENERAL INFORMATION

THE COMPANY

Hoa Sen Group ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to 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 current principal activities of the Company and its subsidiaries ("the Group") are manufacturing of roofing sheets by galvanized steel, zinc alloy, paint galvanized zinc plating and plating of other alloys; production of steel purlins, galvanized purlins; manufacture of black steel pipes, galvanized steel pipes and other alloys; manufacture of steel mesh, galvanized steel wire, steel wire; manufacture of PVC ceiling; buy and sell building materials, capital goods and consumer goods; rent store and transport goods; industrial and civil construction and production of cold rolled steel coils and leasing of machinery and equipment and other tangible belongings.

The Company was listed on the Ho Chi Minh City Stock Exchange as HSG in accordance with Decision No. 117/QĐ-SGDHCM dated 5 November 2008.

The Company's 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 162 branches located at 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. Jean Eric Jacquemin	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 of the Board of Supervision
Mr. Ly Van Xuan	Member
Mr. Le Dinh Hanh	Member

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

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 consolidated financial statements for the six-month period ended 31 March 2015 in accordance with the Letter of Authorisation No. 49/UQ/CT-HDQT/2013 dated 11 November 2013.

AUDITORS

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

Hoa Sen Group

REPORT OF GENERAL DIRECTOR

General Director of Hoa Sen Group ("the Company") is pleased to present his report and the Company's interim consolidated financial statements and its subsidiaries ("the Group") for the six-month period ended 31 March 2015.

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

The General Director is responsible for the interim consolidated financial statements of the Group which give a true and fair view of the interim consolidated financial position of the Group and of the interim consolidated results of its operations and its interim consolidated cash flows for the period. In preparing those interim consolidated 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 consolidated financial statements; and
- prepare the interim consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 consolidated financial position of the Group and to ensure that the accounting records comply with the applied accounting system. He is also responsible for safeguarding the assets of the Group 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 consolidated financial statements.

STATEMENTS BY THE GENERAL DIRECTOR

The General Director does hereby state that, in his opinion, the accompanying interim consolidated financial statements give a true and fair view of the interim consolidated financial position of the Group as at 31 March 2015 and of the interim consolidated results of its operations and its interim consolidated 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 consolidated financial statements.



Tran Ngoc Chu
General Director

29 May 2015



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REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

We have reviewed the interim consolidated financial statements of Hoa Sen Group and its subsidiaries ("the Group") as prepared on 29 May 2015 and set out on pages 4 to 42 which comprise the interim consolidated balance sheet as at 31 March 2015, the interim consolidated income statement and the interim consolidated cash flow statement for the six-month period then ended and the notes thereto.

The preparation and presentation of these interim consolidated financial statements are the responsibility of the Group's General Director. Our responsibility is to issue a report on these interim consolidated financial statements based on our review.

We conducted our review in accordance with Vietnamese Standard on Auditing No. 910 – Engagements to Review Financial Statements. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim consolidated financial statements are free from material misstatement. A review is limited primarily to inquiries of the Group's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not give a true and fair view of the interim consolidated financial position of the Group as at 31 March 2015, and of the interim consolidated results of its operations and its interim consolidated 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 consolidated financial statements.

The consolidated financial statements of the Group for the year ended 30 September 2014 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 16 December 2014. The interim consolidated financial statements of the Group for the six-month period ended 31 March 2014 were also reviewed by this auditor who expressed an unmodified conclusion on those interim consolidated financial statements on 30 May 2014.

Ernst & Young Vietnam Limited




Duong Le Anthony
Deputy General Director
Audit Practicing Registration Certificate
No. 2223-2013-004-1


Nguyen Thanh Sang
Auditor
Audit Practicing Registration Certificate
No. 1541-2013-004-1

Ho Chi Minh City, Vietnam

29 May 2015

INTERIM CONSOLIDATED BALANCE SHEET
as at 31 March 2015

VND

Code	ASSETS	Notes	31 March 2015	30 September 2014
100	A. CURRENT ASSETS		5,949,647,007,609	6,399,611,833,585
110	I. Cash and cash equivalent	4	154,089,603,077	155,963,095,793
111	1. Cash		153,471,915,077	139,263,095,793
112	2. Cash equivalent		617,688,000	16,700,000,000
130	II. Current account receivables		480,766,233,120	823,122,365,399
131	1. Trade receivables	5	331,918,332,017	639,992,051,617
132	2. Advances to suppliers	6	40,084,498,483	169,550,875,892
135	3. Other receivables	7	113,708,367,015	16,761,942,226
139	4. Provision for doubtful debts		(4,944,964,395)	(3,182,504,336)
140	III. Inventories	8	4,240,980,597,181	4,746,911,757,910
141	1. Inventories		4,243,825,425,650	4,747,945,028,668
149	2. Provision for obsolete inventories		(2,844,828,469)	(1,033,270,758)
150	IV. Other current assets		1,073,810,574,231	673,614,614,483
151	1. Short-term prepaid expenses	9	73,783,598,222	63,446,522,228
152	2. Value-added tax deductible		993,073,259,365	605,808,775,598
154	3. Tax and other receivables from the State		177,997,029	106,928,841
158	4. Other current assets	10	6,775,719,615	4,252,387,816
200	B. NON-CURRENT ASSETS		4,132,333,696,088	3,806,028,656,750
220	I. Fixed assets		3,971,917,746,463	3,654,010,184,217
221	1. Tangible fixed assets	11	3,330,738,319,058	3,189,284,149,072
222	Cost		4,940,908,282,627	4,589,465,633,409
223	Accumulated depreciation		(1,610,169,963,569)	(1,400,181,484,337)
224	2. Finance lease assets	12	212,851,541,403	165,181,799,071
225	Cost		259,977,830,263	197,947,748,863
226	Accumulated depreciation		(47,126,288,860)	(32,765,949,792)
227	3. Intangible assets	13	293,918,108,751	233,117,465,014
228	Cost		318,258,055,770	255,736,845,670
229	Accumulated amortisation		(24,339,947,019)	(22,619,380,656)
230	4. Construction in progress	14	134,409,777,251	66,426,771,060
250	II. Long-term investments	15	42,844,274,759	45,924,232,017
252	1. Investments in associates	15.1	51,952,178,134	44,456,331,634
258	2. Other long-term investments	15.2	4,367,000,000	8,640,000,000
259	3. Provision for long-term investment	15.1	(13,474,903,375)	(7,172,099,617)
260	III. Other long-term assets		117,571,674,866	106,094,240,516
261	1. Long-term prepaid expenses	16	79,697,956,764	70,471,118,888
262	2. Deferred tax assets	30.3	33,458,168,201	31,207,571,727
268	3. Other long-term assets		4,415,549,901	4,415,549,901
270	TOTAL ASSETS		10,081,980,703,697	10,205,640,490,335

INTERIM CONSOLIDATED BALANCE SHEET (continued)
as at 31 March 2015

VND

Code	RESOURCES	Notes	31 March 2015	30 September 2014
300	A. LIABILITIES		7,535,035,295,345	7,826,443,294,669
310	I. Current liabilities		6,587,567,406,485	6,867,040,020,620
311	1. Short-term loans and debts	17	5,472,553,975,145	4,756,010,502,749
312	2. Trade payables	18	896,206,941,497	1,885,979,467,059
313	3. Advances from customers	19	54,110,095,780	61,287,438,660
314	4. Statutory obligations	20	46,532,586,808	47,193,566,120
315	5. Payable to employees		35,093,440,343	41,256,129,506
316	6. Accrued expenses	21	41,461,466,870	42,578,494,225
319	7. Other payables	22	25,639,228,936	23,486,905,843
323	8. Bonus and welfare fund		15,969,671,106	9,247,516,458
330	II. Non-current liabilities		947,467,888,860	959,403,274,049
334	1. Long-term loans and debts	23	941,885,390,110	953,820,775,299
336	2. Provision for severance allowance		5,582,498,750	5,582,498,750
400	B. OWNERS' EQUITY		2,546,945,408,352	2,379,197,195,666
410	I. Capital	24.1	2,546,945,408,352	2,379,197,195,666
411	1. Issued share capital		1,007,907,900,000	1,007,907,900,000
412	2. Share premium		451,543,290,363	451,543,290,363
414	3. Treasury shares		(81,040,205,395)	(81,038,848,436)
418	4. Financial reserve fund		8,525,313,060	8,525,313,060
419	5. Other funds		14,528,215,808	13,278,012,117
420	6. Undistributed earnings		1,145,480,894,516	978,981,528,562
440	TOTAL LIABILITIES AND OWNERS' EQUITY		10,081,980,703,697	10,205,640,490,335

OFF BALANCE SHEET ITEM

ITEM	31 March 2015	30 September 2014
Foreign currencies:		
- United States dollar (USD)	1,669,260.91	1,890,293.59
- Euro (EUR)	227.26	226.09
- Australian Dollar (AUD)	306.85	306.85



Tran Cong Tien
Preparer

Nguyen Thi Ngoc Lan
Chief Accountant

Tran Ngoc Chu
General Director

INTERIM CONSOLIDATED INCOME STATEMENT
for the six-month period ended 31 March 2015

VND

Code	ITEMS	Notes	For the six-month period ended 31 March 2015	For the six-month period ended 31 March 2014
01	1. Revenues from sale of goods and rendering of services	25.1	8,696,613,064,312	6,644,428,375,356
02	2. Deductions	25.1	(11,989,917,703)	(3,788,194,438)
10	3. Net revenues from sale of goods and rendering of services	25.1	8,684,623,146,609	6,640,640,180,918
11	4. Costs of goods sold and services rendered	26	(7,635,806,405,803)	(5,847,943,828,166)
20	5. Gross profit from sale of goods and rendering of services		1,048,816,740,806	792,696,352,752
21	6. Financial income	25.2	13,607,874,791	15,734,327,264
22	7. Financial expenses	27	(153,794,579,322)	(120,001,669,184)
23	<i>In which: Interest expenses</i>		<i>(99,959,453,093)</i>	<i>(97,771,277,719)</i>
24	8. Selling expenses		(382,902,400,993)	(299,423,311,065)
25	9. General & administrative expenses		(222,448,924,482)	(190,889,316,908)
30	10. Operating profit		303,278,710,800	198,116,382,859
31	11. Other income	28	27,712,384,079	46,093,718,819
32	12. Other expenses	28	(15,763,976,200)	(18,805,115,071)
40	13. Other profit	28	11,948,407,879	27,288,603,748
50	14. Profit before tax		315,227,118,679	225,404,986,607
51	15. Current corporate income tax expense	30.2	(74,097,834,564)	(54,793,442,313)
52	16. Deferred income tax benefit	30.3	2,250,596,474	-
60	17. Net profit after tax		243,379,880,589	170,611,544,294
70	18. Earnings per share <i>- Basic and diluted (VND/share)</i>	24.4	2,527	1,771



Tran Cong Tien
Preparer

Nguyen Thi Ngoc Lan
Chief Accountant

Tran Ngoc Chu
General Director

29 May 2015

INTERIM CONSOLIDATED CASH FLOW STATEMENT
for the six-month period ended 31 March 2015

VND

Code	ITEMS	Notes	For the six-month period ended 31 March 2015	For the six-month period ended 31 March 2014
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		315,227,118,679	225,404,986,607
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	11, 12, 13	230,540,735,093	161,375,152,146
03	Provisions		9,876,821,528	185,970,596
04	Unrealised foreign exchange losses (gains)	25.2, 27	15,393,747,945	(447,706,103)
05	Profits from investing activities		(889,150,881)	(438,963,709)
06	Interest expense	27	99,959,453,093	97,771,277,719
08	Operating profit before changes in working capital		670,108,725,457	483,850,717,256
09	Increase in receivables		(108,952,207,619)	(304,865,259,009)
10	Decrease (increase) in inventories		504,119,603,018	(1,042,377,109,097)
11	(Decrease) increase in payables		(995,611,980,402)	154,393,821,492
12	(Increase) decrease in prepaid expenses		(11,926,881,006)	19,457,640,830
13	Interest expense paid		(98,505,639,013)	(96,120,999,940)
14	Corporate income tax paid	30.2	(82,420,451,566)	(64,108,630,957)
16	Other cash outflows for operating activities		(20,751,607,296)	(35,848,789,467)
20	Net cash flows used in operating activities		(143,940,438,427)	(885,618,608,892)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets		(442,371,707,762)	(797,678,390,167)
22	Proceeds from disposals of fixed assets		7,018,101,632	13,698,678,000
25	Payments for investments in other entities		(7,495,846,500)	-
26	Proceeds from sale of investments in other entities		4,273,000,000	6,360,000,000
27	Interest received		2,751,131,664	1,511,914,531
30	Net cash flows used in investing activities		(435,825,320,966)	(776,107,797,636)

INTERIM CONSOLIDATED CASH FLOW STATEMENT (continued)
for the six-month period ended 31 March 2015

VND

Code	ITEMS	Notes	For the six-month period ended 31 March 2015	For the six-month period ended 31 March 2014
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
32	Capital redemption		(1,356,959)	(1,646,446)
33	Drawdown of borrowings		7,153,896,755,443	6,077,458,095,876
34	Repayment of borrowings		(6,494,627,831,716)	(4,332,959,265,995)
35	Finance lease payments		(31,455,230,740)	(14,568,627,933)
36	Dividends paid		(47,937,601,575)	(96,384,149,200)
40	Net cash flows from financing activities		579,874,734,453	1,633,544,406,302
50	Net increase (decrease) in cash and cash equivalent		108,975,060	(28,182,000,226)
60	Cash and cash equivalent at beginning of period		155,963,095,793	177,312,594,189
61	Impact of exchange rate fluctuation		(1,982,467,776)	(3,902,140,169)
70	Cash and cash equivalent at end of period	4	154,089,603,077	145,228,453,794



[Signature]

Tran Cong Tien
Preparer

[Signature]

Nguyen Thi Ngoc Lan
Chief Accountant

[Signature]

Tran Ngoc Chu
General Director

29 May 2015

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
as at and for the six-month period ended 31 March 2015

1. CORPORATE INFORMATION

Hoa Sen Group ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to 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 current principal activities of the Company and its subsidiaries ("the Group") are manufacturing of roofing sheets by galvanized steel, zinc alloy, paint galvanized zinc plating and plating of other alloys; production of steel purlins, galvanized purlins; manufacture of black steel pipes, galvanized steel pipes and other alloys; manufacture of steel mesh, galvanized steel wire, steel wire; manufacture of PVC ceiling; buy and sell building materials, capital goods and consumer goods; rent store and transport goods; industrial and civil construction and production of cold rolled steel coils and leasing of machinery and equipment and other tangible belongings.

The Company was listed on the Ho Chi Minh City Stock Exchange as HSG in accordance with Decision No. 117/QD-SGDHCM dated 5 November 2008.

The Company's 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 162 branches located at various provinces of Vietnam.

The number of Group's employees as at 31 March 2015 was 4,543 (30 September 2014: 4,269).

Corporate structure

The Group's corporate structure includes 5 subsidiaries:

Hoa Sen Steel Sheet One Member Limited Liabilities Company ("HSS") is a one-member limited liability company incorporated under the Law on Enterprise of Vietnam in accordance with the Business Registration Certificate No. 3700763651 issued by Department of Planning and Investment of Binh Duong Province on 9 November 2006, as amended. HSS's 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 production of roof plate from galvanized steel, aluminium zinc alloy coated steel, pre-painted galvanized steel and other alloy coated steel, production of products from iron such as oxide iron, carbon iron, alloy iron and other products from iron. As at 31 March 2015, the Company held 100% ownership interest of HSS.

Hoa Sen Building Materials One Member Limited Liabilities Company ("HSBM") is a one-member limited liability company incorporated under the Law on Enterprise of Vietnam in accordance with the Business Registration Certificate No. 3500786179 issued by Department of Planning and Investment of Ba Ria Vung Tau Province on 26 March 2007, as amended. HSBM's 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 building materials products including steel pipes, galvanized steel pipes, plastic pipes and fittings of plastic pipes. As at 31 March 2015, the Company held 100% ownership interest of HSBM.

Hoa Sen Transportation and Engineering One Member Limited Liabilities Company ("HTME") is a one-member limited liability company incorporated under the Law on Enterprise of Vietnam in accordance with the Business Registration Certificate No. 3700785528 issued by Department of Planning and Investment of Binh Duong Province on 26 March 2007, as amended. HTME's 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, civil and industrial construction, manufacturing rolling, shearing machine and industrial machinery and equipment.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2015

1. CORPORATE INFORMATION (continued)

Corporate structure (continued)

Hoa Sen Binh Dinh Steel Pipe One Member Limited Liabilities Company ("HSBD") is a one-member limited liability company incorporated under the Law on Enterprise of Vietnam in accordance with the Business Registration Certificate No. 4101425750 issued by Department of Planning and Investment of Binh Dinh Province on 14 May 2014. HSBD's 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 black steel pipes, galvanized steel pipes and other alloy coated steel pipes. As at 31 March 2015, the Company held 100% ownership interest of HSBD.

Hoa Sen Nghe An Steel Sheet One Member Limited Liabilities Company ("HSNA") is a one-member limited liability company incorporated under the Law on Enterprise of Vietnam in accordance with the Business Registration Certificate No. 2901722597 issued by Department of Planning and Investment of Nghe An Province on 28 May 2014. HSNA's 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 HSNA are manufacturing galvanized steel pipes and other alloy coated steel pipes. As at 31 March 2015, the Company held 100% ownership interest of HSNA.

2. BASIS OF PREPARATION

2.1 *Applied accounting standards and system*

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

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

Accordingly, the accompanying interim consolidated balance sheet, interim consolidated income statement, interim consolidated cash flow statement and related notes, 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 consolidated financial position and interim consolidated results of operations and interim consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 *Applied accounting documentation system*

The Group's applied accounting documentation system is the Journal Ledgers System.

2.3 *Fiscal year*

The Group's fiscal year applicable for the preparation of its interim consolidated financial statements starts on 1 October and ends on 30 September.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2015

2. BASIS OF PREPARATION (continued)

2.4 Accounting currency

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

2.5 Basic of consolidation

The interim consolidated financial statements comprise the interim separate financial statements of the parent company and its subsidiaries for the six-month period ended 31 March 2015. A subsidiary is fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continued to be consolidated until the date that such control ceases.

The consolidated financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-company interim balances, income and expenses and unrealised gains or losses resulting from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the interim consolidated income statement and within equity in the interim consolidated balance sheet, separately from parent shareholders' equity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalent

Cash 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.

3.2 Inventories

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value. Net 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:

Raw materials, tools and supplies, and merchandise	- 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.

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 Group, based on appropriate evidence of impairment available at the balance sheet date.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Receivables

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

The provision for doubtful debts represents the estimated loss due to non-payment arising on receivables that were outstanding at the balance sheet date. Increases and decreases to the provision balance are recorded as general and administrative expense in the interim consolidated income statement.

3.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use. Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the interim consolidated income statement as incurred.

When tangible fixed assets are sold or retired, their costs and accumulated depreciation are removed from the interim consolidated balance sheet and any gain or loss resulting from their disposal is included in the interim consolidated income statement.

3.5 Leased assets

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

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

Where the Group is the lessee

Assets held under finance leases are capitalised in the interim consolidated 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 consolidated income statement over the lease term to achieve a constant 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 Group will obtain ownership by the end of the lease term.

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

Where the Group is the lessor

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 *Intangible assets*

Intangible assets are stated at cost less accumulated amortisation.

The cost of an intangible asset comprises its purchase price and any directly attributable costs of preparing the intangible asset for its intended use. Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the interim consolidated income statement as incurred.

When intangible assets are sold or retired, their costs and accumulated amortisation are removed from the interim consolidated balance sheet and any gain or loss resulting from their disposal is included in the interim consolidated income statement.

Land use rights

Land use rights are recorded as intangible assets and investment property representing the value of the right to use the lands acquired by the Group. 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.

3.7 *Depreciation and amortisation*

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

Buildings and structures	5 - 50 years
Machinery and equipment	3 - 20 years
Means of transportation	6 - 10 years
Office equipment	3 - 8 years
Others	5 - 8 years
Land use rights	14 - 55 years
Computer software	3 - 10 years

3.8 *Borrowing costs*

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and are recorded as expense during the period in which they are incurred.

Borrowing costs are recognised as an expense when incurred, except when they qualify for capitalization. Capitalization of borrowing costs are applied for those that are directly attributable to the acquisition, construction or production of a qualifying asset.

3.9 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the interim consolidated 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 CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Investments

Investment in an associate

The Group's investment in its associates is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture. The Group generally deems they have significant influence if they have over 20% of the voting rights.

Under the equity method, the investment is carried in the interim consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment and is amortized over a 5-year period. The interim consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

The share of post-acquisition profit (loss) of the associates is presented on the face of the interim consolidated income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend or profit sharing received or receivable from associates reduce the carrying amount of the investment.

Other investments

Other investments are stated at their acquisition costs.

Provision for diminution in value of investments

Provision is made for any diminution in value of the investments at the balance sheet date 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 and decreases to the provision balance are recorded as finance expense in the interim consolidated income statement.

3.11 Payables and accruals

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

3.12 Accrual for severance pay

The severance pay to employee is accrued at the end of each reporting period for all employees who have been being in service 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 six-month period up to the reporting date. Any changes to the accrued amount will be taken to the interim consolidated income statement.

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

3.13 Foreign currency transactions

Transactions in currencies other than the Group's reporting currency of VND are recorded at the inter-bank exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are revalued at buying exchange rate announced by the commercial bank where the Group maintains bank accounts at the balance sheet date. All realised and unrealised foreign exchange differences are taken to the interim consolidated income statement.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Treasury shares

Own equity instruments which are reacquired (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 Group's own equity instruments.

3.15 Appropriation of net profit

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

The Group maintains the following funds and reserve funds which are appropriated from the Group's net profit as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting.

Financial reserve fund

This fund is set aside to protect the Group's normal operations from business risks or losses, or to prepare for unforeseen losses or damages for objective reasons and force majeure, such as fire, economic and financial turmoil of the country or elsewhere.

Bonus and welfare fund

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

3.16 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group 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 CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Taxation

Current income tax

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

Current income tax is charged or credited to the interim consolidated 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 Group to set off current tax assets against current tax liabilities and when the Group 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 interim 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 income tax assets is reviewed at each the interim 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 income tax asset to be utilised. Previously unrecognised deferred income tax assets are re-assessed at each the interim 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 interim balance sheet date.

Deferred tax is charged or credited to the interim consolidated 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 Group to set off 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 Group intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.18 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit after tax for the period attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Group (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Segment information

A segment is a component determined consolidated by the Group which is engaged in providing products or related services (business segment) or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments.

3.20 Financial instruments

Initial recognition and presentation

Financial assets

Financial assets within the scope of Circular No. 210/2009/TT-BTC dated 6 November 2009 issued by the Ministry of Finance providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210") are classified, for disclosures in the notes to the interim consolidated financial statements, as financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables or available-for-sale financial assets as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at cost plus directly attributable transaction costs.

The Group's financial assets include cash and short-term deposits, trade and other receivables and other long-term investment.

Financial liabilities

Financial liabilities within the scope of Circular 210 are classified, for disclosures in the notes to the interim consolidated financial statements, as financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at cost net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and loans.

Subsequent re-measurement

There is currently no guidance in Circular 210 in relation to subsequent re-measurement of financial instruments. Accordingly, the financial instruments are subsequently re-measured at cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the interim consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4. CASH AND CASH EQUIVALENT

	VND	
	31 March 2015	30 September 2014
Cash on hand	17,577,687,200	19,964,286,190
Cash in banks	135,894,227,877	119,298,809,603
Cash equivalent	617,688,000	16,700,000,000
TOTAL	154,089,603,077	155,963,095,793

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2015

5. TRADE RECEIVABLES

	VND	
	31 March 2015	30 September 2014
Due from a related party (Note 31)	457,196,808	-
Due from third parties	331,461,135,209	639,992,051,617
TOTAL	331,918,332,017	639,992,051,617

6. ADVANCE TO SUPPLIERS

	VND	
	31 March 2015	30 September 2014
Due from third parties	40,084,498,483	79,367,648,892
Due from a related party	-	90,183,227,000
TOTAL	40,084,498,483	169,550,875,892

7. OTHER RECEIVABLES

	VND	
	31 March 2015	30 September 2014
Due from a related party (Note 31)	90,183,227,000	-
Others	23,525,140,015	16,761,942,226
TOTAL	113,708,367,015	16,761,942,226

8. INVENTORIES

	VND	
	31 March 2015	30 September 2014
Finished goods	2,061,758,249,857	1,923,425,222,895
Raw materials	1,217,582,975,977	795,263,809,305
Goods in transit	473,095,417,314	1,541,887,466,350
Tools and supplies	317,612,258,537	264,784,363,942
Merchandises	173,776,523,965	222,293,345,220
Work in progress	-	290,820,956
TOTAL	4,243,825,425,650	4,747,945,028,668
Provision for obsolete inventories	(2,844,828,469)	(1,033,270,758)
NET	4,240,980,597,181	4,746,911,757,910

As noted further in Notes 17 and 23, the Group has pledged inventories with the carrying amount as at 31 March 2015 amounting to VND 1,532,244,088,371 to secure the bank loan facilities.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2015

9. SHORT TERM PREPAID EXPENSES

	VND	
	31 March 2015	30 September 2014
Advertising expenses	34,467,119,192	26,583,286,264
Tools and equipment	15,321,701,019	20,991,017,687
Rental expenses	13,010,131,499	7,410,851,938
Repair and maintenance expenses	3,312,058,444	1,388,505,556
Insurance fee	2,073,116,896	854,233,494
Advisory fee	2,059,498,122	1,663,750,316
Others	3,539,973,050	4,554,876,973
TOTAL	<u>73,783,598,222</u>	<u>63,446,522,228</u>

10. OTHER CURRENT ASSETS

	VND	
	31 March 2015	30 September 2014
Advances to employees	6,773,101,739	4,177,295,804
Short-term deposits	2,617,876	75,092,012
TOTAL	<u>6,775,719,615</u>	<u>4,252,387,816</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2015

11. TANGIBLE FIXED ASSET

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Others	Total	VND
Cost:							
As at 1 October 2014	834,824,965,463	3,594,243,176,066	125,150,162,661	13,936,436,106	21,310,893,113	4,589,465,633,409	
New purchase	1,390,926,519	46,609,064,445	10,718,681,971	3,873,428,850	168,002,350	62,760,104,135	
Transfer from construction in progress	27,279,908,819	180,654,760,931	91,872,194,542	-	165,363,636	299,972,227,928	
Disposal	-	(10,792,268,959)	(425,538,304)	-	(34,795,657)	(11,252,602,920)	
Other decrease	-	(37,079,925)	-	-	-	(37,079,925)	
As at 31 March 2015	863,495,800,801	3,810,677,652,558	227,315,500,870	17,809,864,956	21,609,463,442	4,940,908,282,627	
<i>In which:</i>							
Fully depreciated	653,906,476	85,742,822,897	17,694,919,662	1,376,086,847	620,232,700	106,087,968,582	
Accumulated depreciation:							
As at 1 October 2014	(191,470,656,501)	(1,142,887,903,550)	(53,090,555,906)	(3,360,014,257)	(9,372,354,123)	(1,400,181,484,337)	
Charges for the period	(23,644,180,214)	(179,090,723,856)	(8,910,988,475)	(1,261,945,596)	(1,551,991,521)	(214,459,829,662)	
Disposal	-	4,223,073,600	198,584,568	-	28,062,299	4,449,720,467	
Other decrease	-	21,629,963	-	-	-	21,629,963	
As at 31 March 2015	(215,114,836,715)	(1,317,733,923,843)	(61,802,959,813)	(4,621,959,853)	(10,896,283,345)	(1,610,169,963,569)	
Net carrying amount:							
As at 1 October 2014	643,354,308,962	2,451,355,272,516	72,059,606,755	10,576,421,849	11,938,538,990	3,189,284,149,072	
As at 31 March 2015	648,380,964,086	2,492,943,728,715	165,512,541,057	13,187,905,103	10,713,180,097	3,330,738,319,058	

As noted further in Notes 17 and 23, the Group has pledged its buildings and structures, machinery and equipment, means of transportation and other fixed assets with their respective carrying amounts as at 31 March 2015 of VND 204,686,041,109; VND 1,859,125,747,443; VND 80,608,724,507 and VND 546,250,000 to secure the bank loan facilities.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2015

12. FINANCE LEASES

			VND
	<i>Machinery and equipment</i>	<i>Means of transportation</i>	<i>Total</i>
Cost:			
As at 1 October 2014	187,781,385,228	10,166,363,635	197,947,748,863
Additions	<u>51,863,717,765</u>	<u>10,166,363,635</u>	<u>62,030,081,400</u>
As at 31 March 2015	<u>239,645,102,993</u>	<u>20,332,727,270</u>	<u>259,977,830,263</u>
Accumulated depreciation:			
As at 1 October 2014	(32,667,107,950)	(98,841,842)	(32,765,949,792)
Charges for the period	<u>(13,407,967,448)</u>	<u>(952,371,620)</u>	<u>(14,360,339,068)</u>
As at 31 March 2015	<u>(46,075,075,398)</u>	<u>(1,051,213,462)</u>	<u>(47,126,288,860)</u>
Net carrying amount:			
As at 1 October 2014	<u>155,114,277,278</u>	<u>10,067,521,793</u>	<u>165,181,799,071</u>
As at 31 March 2015	<u>193,570,027,595</u>	<u>19,281,513,808</u>	<u>212,851,541,403</u>

13. INTANGIBLE ASSETS

			VND
	<i>Land use rights</i>	<i>Computer software</i>	<i>Total</i>
Cost:			
As at 1 October 2014	253,918,620,889	1,818,224,781	255,736,845,670
Additions	<u>62,521,210,100</u>	<u>-</u>	<u>62,521,210,100</u>
As at 31 March 2015	<u>316,439,830,989</u>	<u>1,818,224,781</u>	<u>318,258,055,770</u>
<i>In which:</i>			
Fully amortised	456,396,144	1,489,330,711	1,945,726,855
Accumulated amortisation:			
As at 1 October 2014	(20,880,898,936)	(1,738,481,720)	(22,619,380,656)
Amortisation for the period	<u>(1,695,278,361)</u>	<u>(25,288,002)</u>	<u>(1,720,566,363)</u>
As at 31 March 2015	<u>(22,576,177,297)</u>	<u>(1,763,769,722)</u>	<u>(24,339,947,019)</u>
Net carrying amount:			
As at 1 October 2014	<u>233,037,721,953</u>	<u>79,743,061</u>	<u>233,117,465,014</u>
As at 31 March 2015	<u>293,863,653,692</u>	<u>54,455,059</u>	<u>293,918,108,751</u>

As noted further in Notes 17 and 23, the Group has pledged its land use rights with their carrying amounts as at 31 March 2015 of VND 227,626,828,161 to secure the bank loan facilities.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2015

14. CONSTRUCTION IN PROGRESS

	VND	
	31 March 2015	30 September 2014
Construction	94,247,471,750	8,468,144,143
Purchases of fixed assets	32,864,216,864	54,270,761,854
Major repair of fixed assets	5,865,229,467	2,373,686,871
Others	1,432,859,170	1,314,178,192
TOTAL	134,409,777,251	66,426,771,060

15. LONG-TERM INVESTMENTS

	VND	
	31 March 2015	30 September 2014
Investments in an associate (Note 15.1)	51,952,178,134	44,456,331,634
Other long-term investment (Note 15.2)	4,367,000,000	8,640,000,000
TOTAL	56,319,178,134	53,096,331,634
Provision for long-term investments	(13,474,903,375)	(7,172,099,617)
NET	42,844,274,759	45,924,232,017

15.1 Investments in an associate

Name of associate	31 March 2015		30 September 2014		Location	Business activities
	% of interest	Cost of investment	% of interest	Cost of investment		
		VND		VND		
Hoa Sen-Gemadep Logistics and International Port Corporation	45	51,952,178,134	45	44,456,331,634	Ba Ria – Vung Tau Province, Vietnam	Provide sea cargo agency services
Provision for decline in value of investment		(13,474,903,375)		(7,172,099,617)		
NET		38,477,274,759		37,284,232,017		

15.2 Other long-term investment

	31 March 2015		30 September 2014	
	Cost of investment	% of interest	Cost of investment	% of interest
		VND		VND
Viet Capital Health Care Fund	4,367,000,000	3	8,640,000,000	3

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2015

16. LONG-TERM PREPAID EXPENSES

	VND	
	31 March 2015	30 September 2014
Tools, materials and equipment	56,012,578,117	45,248,342,863
Repairing and maintenance	12,375,957,135	15,691,417,489
Rental fees	7,242,729,370	6,536,180,136
Others	4,066,692,142	2,995,178,400
TOTAL	79,697,956,764	70,471,118,888

17. SHORT-TERM LOANS AND DEBTS

	VND	
	31 March 2015	30 September 2014
Loans from banks (i)	5,121,530,105,212	4,545,014,751,312
Current portion of long-term loans (Note 23)	312,435,176,000	168,014,723,600
Current portion of finance leases (Note 23)	27,405,129,613	26,962,731,277
Current portion of other long-term debts (Note 23)	11,183,564,320	16,018,296,560
TOTAL	5,472,553,975,145	4,756,010,502,749

(i) The Group obtained these loans for the purpose of financing its working capital requirements. Details are as follows:

Name of bank	31 March 2015	Maturity date	Interest rate	Description of collateral
	(VND)		(%/p.a.)	
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Binh Duong Branch				
Loan in VND	949,263,962,735	From 4 April 2015 to 19 July 2015	From 4.3 to 5.0	Land use rights and machinery and equipment
Loan in USD	370,961,269,716	Form 6 April 2015 to 31 July 2015	From 1.75 to 2.3	Land use rights and machinery and equipment

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2015

17. SHORT-TERM LOANS AND DEBTS (continued)

(i) The Group obtained these loans for the purpose of financing its working capital requirements. Details are as follows: (continued)

<i>Name of bank</i>	<i>31 March 2015</i> <i>(VND)</i>	<i>Maturity date</i>	<i>Interest rate</i> <i>(%/p.a.)</i>	<i>Description of collateral</i>
<i>Vietnam Bank for Industry and Trade – Binh Duong Branch</i>				
Loan in VND	860,652,160,044	From 9 April 2015 to 27 August 2015	From 4.5 to 4.9	Land use rights and buildings and structures
Loan in USD	1,034,489,404,933	From 3 April 2015 to 5 August 2015	From 1.75 to 2.3	Land use rights and buildings and structures
<i>Military Commercial Joint Stock Bank – Binh Duong Province</i>				
Loan in VND	111,613,567,663	From 4 April 2015 to 26 May 2015	From 4.5 to 4.7	Inventories, land use rights and machinery and equipment
Loan in USD	207,098,862,066	From 23 April 2015 to 18 July 2015	From 1.75 to 2.3	Inventories, land use rights and machinery and equipment
<i>Far East National Bank</i>				
Loan in USD	56,738,692,344	12 April 2015	1.8	Inventories
<i>Joint Stock Commercial Bank for Investment and Development of Vietnam – Ho Chi Minh Branch</i>				
Loan in USD	106,986,583,880	12 July 2015	1.75	Inventories
<i>Vietnam International Commercial Joint Stock Bank – Ho Chi Minh Branch</i>				
Loan in VND	152,138,721,633	From 13 April 2015 to 21 May 2015	4.9	Land use rights
<i>Standard Chartered Bank (Vietnam) Limited</i>				
Loan in USD	107,996,449,503	22 May 2015	1.6	Inventories and machinery and equipment
<i>ANZ Bank (Vietnam) Limited</i>				
Loan in VND	55,585,330,865	From 13 June 2015 to 25 July 2015	4.4	Unsecured
Loan in USD	163,848,461,881	From 17 April 2015 to 25 July 2015	From 1.4 to 1.6	Unsecured

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2015

17. SHORT-TERM LOANS AND DEBTS (continued)

- (i) The Group obtained these loans for the purpose of financing its working capital requirements. Details are as follows: (continued)

Name of bank	31 March 2015 (VND)	Maturity date	Interest rate (%/p.a.)	Description of collateral
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh Branch				
Loan in VND	306,206,268,139	From 6 April 2015 to 12 July 2015	From 4.3 to 4.5	Unsecured
Loan in USD	464,835,860,510	From 7 April 2015 to 12 July 2015	From 1.75 to 2.3	Unsecured
Vietnam Prosperity Joint-Stock Commercial Bank				
Loan in USD	82,198,032,338	9 June 2015	1.75	Unsecured
HSBC Bank (Vietnam) Limited				
Loan in USD	90,916,476,962	26 June 2015	1.7	Inventory, land use rights and machinery and equipment
TOTAL	<u>5,121,530,105,212</u>			

18. TRADE PAYABLES

	VND	
	31 March 2015	30 September 2014
Due to third parties	896,166,941,497	1,885,979,467,059
Due to a related party (Note 31)	40,000,000	-
TOTAL	<u>896,206,941,497</u>	<u>1,885,979,467,059</u>

19. ADVANCE FROM CUSTOMERS

	VND	
	31 March 2015	30 September 2014
Due to third parties	53,541,616,009	61,287,438,660
Due to a related party (Note 31)	568,479,771	-
TOTAL	<u>54,110,095,780</u>	<u>61,287,438,660</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2015

20. STATUTORY OBLIGATIONS

	VND	
	31 March 2015	30 September 2014
Corporate income tax (Note 30.2)	35,521,068,865	43,843,685,867
Value added tax	8,889,278,365	2,488,344,659
Personal income tax	2,034,716,920	860,638,794
Other taxes	87,522,658	896,800
TOTAL	<u>46,532,586,808</u>	<u>47,193,566,120</u>

21. ACCRUED EXPENSES

	VND	
	31 March 2015	30 September 2014
13 th month salary	13,222,571,500	16,229,395,000
Electricity	11,029,674,103	9,362,335,924
Payable relating to construction in progress	8,443,590,031	10,317,543,485
Loan interest	4,371,768,341	2,917,954,261
Audit fee	286,363,636	560,000,000
Others	4,107,499,259	3,191,265,555
TOTAL	<u>41,461,466,870</u>	<u>42,578,494,225</u>

22. OTHER PAYABLES

	VND	
	31 March 2015	30 September 2014
Tender deposits received	4,394,416,125	3,370,000,330
Dividends	3,981,532,325	3,762,584,900
Social insurance, health insurance, unemployment insurance, and trade union fee	2,587,107,402	2,316,381,763
Due to a related party (Note 31)	1,000,000,000	-
Others	13,676,173,084	14,037,938,850
TOTAL	<u>25,639,228,936</u>	<u>23,486,905,843</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2015

23. LONG-TERM LOANS AND DEBTS

	VND	
	31 March 2015	30 September 2014
Loans from banks (i)	1,153,348,433,361	1,041,736,693,623
Finance leases (ii)	123,885,502,922	96,309,529,273
Other long-term debts	15,675,323,760	26,770,303,840
TOTAL	1,292,909,260,043	1,164,816,526,736
<i>In which:</i>		
Current portion of long term loans (Note 17)	312,435,176,000	168,014,723,600
Current portion of finance lease liabilities (Note 17)	27,405,129,613	26,962,731,277
Current portion of other long-term debts (Note 17)	11,183,564,320	16,018,296,560
Non-current portion	941,885,390,110	953,820,775,299

(i) Details of long-term loans from banks are as follow:

Name of bank	31 March 2015 (VND)	Maturity date	Interest rate (%/p.a.)	Description of collateral
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh Branch				
Loan in VND	95,017,516,695	15 August 2019	From 8.5 to 9.0	Land use rights and machinery and equipment
Loan in USD	39,053,560,000	15 August 2018	3.55	Machinery and equipment
Viet Capital Commercial Joint Stock Bank				
Loan in VND	50,809,200,000	From 26 February 2018 to 26 November 2019	From 8.0 to 9.0	Means of transportation

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2015

23. LONG-TERM LOANS AND DEBTS (continued)

(i) Details of long-term loans from banks are as follow: (continued)

<i>Name of bank</i>	<i>31 March 2015</i> <i>(VND)</i>	<i>Maturity date</i>	<i>Interest rate</i> <i>(%p.a.)</i>	<i>Description of collateral</i>
<i>Asia Commercial Joint Stock Bank</i>				
Loan in VND	15,707,000,000	6 January 2020	8.5	Means of transportation
<i>Vietnam Bank for Industry and Trade</i>				
Loan in VND	193,947,099,624	16 July 2019	8.5	Machinery and equipment
Loan in USD	373,425,583,041	16 July 2019	3.65	Machinery and equipment
<i>Vietnam Development Bank</i>				
Loan in USD	55,942,926,491	8 September 2018	1.7	Machinery and equipment
Loan in VND	5,350,000,000	25 September 2015	7.8	Machinery and equipment
<i>Vietnam Bank for Agriculture and Rural Development</i>				
Loan in VND	143,250,000,000	25 September 2017	9	Land use rights, machinery and equipment
<i>Joint Stock Commercial Bank for Foreign Trade of Vietnam - Binh Duong Branch</i>				
Loan in VND	14,910,000,000	14 November 2018	8.8	Assets from expansion project of the Group
Loan in VND	22,040,000,000	11 February 2019	8.8	Assets from expansion project of the Group
<i>Standard Chartered Vietnam - Ho Chi Minh City Branch</i>				
Loan in VND	96,700,015,776	9 October 2019	From 7.42 to 7.51	Fixed assets and factory
<i>Vietnam Bank for Industry and Trade – Binh Duong Branch</i>				
Loan in VND	30,000,000,000	24 January 2024	7.8	All assets of the project
Loan in VND	17,195,531,734	4 February 2024	7.8	All assets of the project
TOTAL	<u>1,153,348,433,361</u>			

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2015

23. LONG-TERM LOANS DEBTS (continued)

(ii) Details of finance leases are as follow:

The Group 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 2015			30 September 2014			VND
	Total minimum lease payments	Finance charges	Lease liabilities	Total minimum lease payments	Finance charges	Lease liabilities	
Current liabilities							
Less than 1 year	37,458,137,110	10,053,007,497	27,405,129,613	34,431,379,642	7,468,648,365	26,962,731,277	
Non-current liabilities							
From 1 - 5 years	108,792,684,706	12,312,311,397	96,480,373,309	80,624,142,102	11,277,344,106	69,346,797,996	
TOTAL	146,250,821,816	22,365,318,894	123,885,502,922	115,055,521,744	18,745,992,471	96,309,529,273	

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2015

24. OWNERS' EQUITY

24.1 Movements in owners' equity

	Issued share capital	Share premium	Treasury shares	Financial reserve fund	Undistributed earnings	Others	Total	VND
For the six-month period ended 31 March 2014:								
As at 1 October 2013	1,007,907,900,000	451,543,290,363	(81,035,546,498)	8,525,313,060	821,487,103,328	2,007,734,351	2,210,435,794,604	
Net profit for the period	-	-	-	-	170,611,544,294	-	170,611,544,294	
Dividends declared	-	-	-	-	(96,313,098,000)	-	(96,313,098,000)	
Repurchase of treasury shares	-	-	(1,646,446)	-	-	-	(1,646,446)	
Transferred to bonus and welfare fund	-	-	-	-	(23,233,584,000)	-	(23,233,584,000)	
Appropriated to other funds	-	-	-	-	(36,988,161,000)	36,988,161,000	-	
Use of other funds	-	-	-	-	-	(19,032,542,467)	(19,032,542,467)	
As at 31 March 2014	1,007,907,900,000	451,543,290,363	(81,037,192,944)	8,525,313,060	835,563,804,622	19,963,352,884	2,242,466,467,985	
For the six-month period ended 31 March 2015:								
As at 1 October 2014	1,007,907,900,000	451,543,290,363	(81,038,848,436)	8,525,313,060	978,981,528,562	13,278,012,117	2,379,197,195,666	
Net profit for the period	-	-	-	-	243,379,880,589	-	243,379,880,589	
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	-	-	-	-	-	(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	1,145,480,894,516	14,528,215,808	2,546,945,408,352	

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2015

24. OWNERS' EQUITY (continued)

24.2 Capital transactions with owners and distribution of dividends, profits

	VND	
	<i>For the six-month period ended 31 March 2015</i>	<i>For the six-month period ended 31 March 2014</i>
Contributed capital		
Beginning and ending balances	<u>1,007,907,900,000</u>	<u>1,007,907,900,000</u>
Dividends declared	48,156,549,000	96,313,098,000

24.3 Share capital

	<u>Number of shares</u>	
	<i>31 March 2015</i>	<i>30 September 2014</i>
Issued shares		
Shares issued and paid-up shares		
<i>Ordinary shares</i>	100,790,790	100,790,790
Treasury shares		
<i>Ordinary shares</i>	(4,477,692)	(4,477,692)
Shares in circulation		
<i>Ordinary shares</i>	96,313,098	96,313,098

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

24.4 Earnings per share

Basic and diluted earnings per share are calculated as follows:

	<i>For the six-month period ended 31 March 2015</i>	<i>For the six-month period ended 31 March 2014</i>
Net profit attributable to ordinary equity holders of the Company (VND)	243,379,880,589	170,611,544,294
Weighted average number of ordinary shares	<u>96,313,098</u>	<u>96,313,098</u>
Earnings per share		
Basic and diluted (VND)	2,527	1,771

There have been no dilutive potential ordinary shares during the period and up to the date of these interim consolidated financial statements.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2015

25. REVENUES

25.1 Revenues from sale of goods and rendering of services

	VND	
	For the six-month period ended 31 March 2015	For the six-month period ended 31 March 2014
Gross revenues:	8,696,613,064,312	6,644,428,375,356
<i>Of which:</i>		
<i>Sale of finished goods</i>	7,228,502,048,419	5,610,640,239,087
<i>Sale of merchandises</i>	1,467,924,515,893	1,032,849,632,371
<i>Revenue from lease of assets</i>	186,500,000	938,503,898
Less:	(11,989,917,703)	(3,788,194,438)
<i>Of which:</i>		
<i>Sales discount</i>	(2,813,991,574)	-
<i>Export tax</i>	(238,748,067)	-
<i>Sales returns</i>	(3,916,072,468)	(3,147,367,188)
<i>Sales allowances</i>	(5,021,105,594)	(640,827,250)
NET	8,684,623,146,609	6,640,640,180,918

25.2 Financial income

	VND	
	For the six-month period ended 31 March 2015	For the six-month period ended 31 March 2014
Realised foreign exchange gain	10,771,376,261	13,576,012,694
Gain on financial investment	1,727,000,000	1,139,560,000
Interest income	1,024,131,664	372,354,531
Unrealised foreign exchange gain	85,366,866	646,400,039
TOTAL	13,607,874,791	15,734,327,264

26. COST OF SALES

	VND	
	For the six-month period ended 31 March 2015	For the six-month period ended 31 March 2014
Finished goods	6,294,482,392,817	5,009,061,552,303
Merchandises	1,341,178,917,566	838,702,292,534
Expenses for lease of assets	145,095,420	179,983,329
TOTAL	7,635,806,405,803	5,847,943,828,166

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2015

27. FINANCIAL EXPENSES

	VND	
	<i>For the six-month period ended 31 March 2015</i>	<i>For the six-month period ended 31 March 2014</i>
Interest expense	99,959,453,093	97,771,277,719
Realised foreign exchange losses	32,053,207,660	22,031,697,529
Unrealised foreign exchange losses	15,479,114,811	198,693,936
Provisions	6,302,803,758	-
TOTAL	<u>153,794,579,322</u>	<u>120,001,669,184</u>

28. OTHER INCOME AND EXPENSES

	VND	
	<i>For the six-month period ended 31 March 2015</i>	<i>For the six-month period ended 31 March 2014</i>
Other income	27,712,384,079	46,093,718,819
Sales of scrap	11,547,092,231	26,012,934,750
Compensation	8,657,711,769	2,911,510,266
Proceeds from disposal of fixed assets	7,018,101,632	13,698,678,000
Others	489,478,447	3,470,595,803
Other expenses	(15,763,976,200)	(18,805,115,071)
Net book value of fixed assets disposed	(6,802,882,453)	(14,771,628,822)
Others	(8,961,093,747)	(4,033,486,249)
NET	<u>11,948,407,879</u>	<u>27,288,603,748</u>

29. PRODUCTION AND OPERATING COSTS

	VND	
	<i>For the six-month period ended 31 March 2015</i>	<i>For the six-month period ended 31 March 2014</i>
Raw materials	6,951,825,647,633	5,797,779,575,041
Labour costs	284,153,198,762	231,389,069,469
Depreciation and amortisation (Notes 11, 12 and 13)	230,540,735,093	118,830,950,140
Expenses for external services	690,121,719,981	486,481,527,482
Others	378,867,988,718	337,505,158,484
TOTAL	<u>8,535,509,290,187</u>	<u>6,971,986,280,616</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2015

30. CORPORATE INCOME TAX

The Group have the obligation to pay corporate income tax ("CIT") at the rate of 22% of taxable income, except for the CIT rate applicable to HTME which is 20% of taxable profits and HSBM has an obligation to pay income tax at the rate of 15% on taxable profit in 12 years since the first year of operation and 22% for the following years. The provision of the Business Registration Certificate allow HSBM to be exempt from business income tax for 3 years starting from the first year it generates a taxable profit (2007), and entitled to a 50% reduction in business income tax for the 5 thereafter years.

The Group's tax returns are subject 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 consolidated financial statements could be changed at a later date upon final determination by the tax authorities.

30.1 CIT expense

	VND	
	<i>For the six-month period ended 31 March 2015</i>	<i>For the six-month period ended 31 March 2014</i>
Current CIT expense	74,097,820,062	54,421,016,838
Adjusted CIT from previous period	14,502	372,425,475
Deferred CIT income	<u>(2,250,596,474)</u>	<u>-</u>
TOTAL	<u>71,847,238,090</u>	<u>54,793,442,313</u>

30.2 Current CIT

The current tax payable is based on taxable income for the current period. The taxable income of the Group for the period differs from the income as reported in the interim consolidated 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 Group's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2015

30. CORPORATE INCOME TAX (continued)

30.2 Current CIT (continued)

A reconciliation between the profit before tax on the interim consolidated income statement and taxable income is presented below:

	<i>For the six-month period ended 31 March 2015</i>	<i>For the six-month period ended 31 March 2014</i>
		VND
Profit before tax	315,227,118,679	225,404,986,607
<i>Adjustments to increase (decrease) accounting profit:</i>		
Non-deductible expenses	29,073,631,641	1,477,466,641
Change in provision	9,877,720,763	-
Change in accrual	47,517,889	-
Unrealized foreign exchange difference	(1,278,203,204)	-
Change in unrealised profit	2,902,038,584	15,125,618,246
Loss of subsidiaries	1,125,617,295	-
Others	(4,282,611,122)	-
Estimated current taxable income	352,692,830,525	242,008,071,494
Estimated current CIT	74,097,820,062	54,421,016,838
Adjusted CIT from previous period	14,502	372,425,475
Estimated current tax loss	74,097,834,564	54,793,442,313
CIT over paid at beginning of period	43,843,685,867	25,104,924,169
CIT paid during the period	(82,420,451,566)	(64,108,630,957)
CIT over paid at end of period	35,521,068,865	15,789,735,525

30.3 Deferred CIT

The following are the major deferred tax assets recognized by the Group, and the movements thereon, during the current and previous period:

	<i>Interim consolidated balance sheet</i>		<i>Interim consolidated income statement</i>	
	<i>31 March 2015</i>	<i>30 September 2014</i>	<i>For the six-month period ended 31 March 2015</i>	<i>For the six-month period ended 31 March 2014</i>
				VND
Unrealised profit	20,031,464,977	19,393,016,488	638,448,489	-
Accrued expenses	5,605,130,927	5,594,676,992	10,453,935	-
Provision	4,260,551,883	2,087,453,315	2,173,098,568	-
Unrealized foreign exchange differences	370,758,113	651,962,818	(281,204,705)	-
Others	3,190,262,301	3,480,462,114	(290,199,813)	-
Deferred tax assets	33,458,168,201	31,207,571,727		
Deferred income tax income			2,250,596,474	-

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2015

31. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Significant transactions with related parties during the period were as follows:

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>VND Amount</i>
Ho Sen Investment and Travel Co., Ltd	Related party	Sales of goods	488,539,575,277
		Other purchase	4,553,344,609
		Purchase of raw materials	1,460,343,613
		Sales of fixed asset	502,692,000
		Services rendered	150,500,000

Amounts due from and due to related companies at the interim consolidated balance sheet date were as follows:

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>VND Receivable (payable)</i>
Trade receivable			
Ho Sen Investment and Travel Co., Ltd	Related party	Sales of goods	<u>457,196,808</u>
Other receivable			
Mr Hoang Duc Huy	Deputy General Director	Advance for land purchasing	<u>90,183,227,000</u>
Trade payable			
Ho Sen Investment and Travel Co., Ltd	Related party	Purchase of materials	<u>(40,000,000)</u>
Advance from customer			
Ho Sen Investment and Travel Co., Ltd	Related party	Purchase of materials	<u>(568,479,771)</u>
Other payable			
Huong Sen Real Estate Pte	Related party	Payable of advance	<u>(1,000,000,000)</u>

Transactions with other related parties

Details of salaries and remuneration of the Boards of Directors and General Director during the period are as set out below:

	<i>For the six-month period ended 31 March 2015</i>	<i>VND For the six-month period ended 31 March 2014</i>
Salaries of the Management	4,122,590,415	4,335,663,000
Bonuses of the Management	950,000,000	5,540,000,000
Remuneration of the Board of Directors and the Board of Supervision	534,000,000	534,000,000
Bonuses of the Board of Directors and the Board of Supervision	-	10,850,378,000
TOTAL	<u>5,606,590,415</u>	<u>21,260,041,000</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2015

32. OPERATING LEASE COMMITMENTS

Operating lease commitment

The Group leases land under operating lease arrangements. The minimum lease commitment as at 31 March 2015 under operating lease arrangements is as follows:

	VND	
	31 March 2015	30 September 2014
Less than 1 year	41,731,426,523	35,342,143,903
From one to five years	117,069,516,702	103,819,767,860
More than five years	219,895,157,002	204,775,855,609
TOTAL	<u>378,696,100,227</u>	<u>343,937,767,372</u>

Capital expenditure commitments

As at 31 March 2015, the Group has commitments of VND 18,643,910,718 (30 September 2014: VND 61,885,954,624) mainly related to the acquisition of new machinery for the operation.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities are trade payables, loans and debts and other payables. The main purpose of these financial liabilities is to finance the Group's working capital requirements. The Group has trade and other receivables, cash and cash equivalent that arise directly from its operations. The Group does not hold or issue any derivative financial instruments.

In its normal operation, the Group may be exposed to market risk, credit risk and liquidity risk.

The General Director reviews and agrees policies for managing each of these risks which are summarized below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise two types of risk: interest rate risk and foreign currency risk. Financial instruments affected by market risk include bank deposits and loans.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to market risk for changes in interest rate relates primarily to the Group's cash and cash equivalents and loans with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans.

With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate loans as follows:

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2015

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

Interest rate sensitivity (continued)

	<i>Increase/decrease in basis points</i>	<i>VND Effect on profit before tax</i>
For the six-month period ended 31 March 2015		
USD	+50	(10,177,347,710)
VND	+100	(10,608,123,286)
USD	-50	10,177,347,710
VND	-100	10,608,123,286
For the six-month period ended 31 March 2014		
USD	+50	(6,523,795,481)
VND	+100	(7,436,961,877)
USD	-50	6,523,795,481
VND	-100	7,436,961,877

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue and expense are denominated in a different currency from the Group's accounting currency).

The Group is exposed to foreign currency risk in relation to purchases of raw materials and sales of goods which are denominated in currencies other than its accounting currency as disclosed in Note 2.4. The Group manages its foreign currency exposure by considering the prevailing and expected market situation when it plans for future purchases of goods denominated in foreign currencies.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the USD and EUR exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities). The Group's exposure to foreign currency changes for all other currencies is not material.

	<i>Change in USD rate</i>	<i>Change in EUR rate</i>	<i>VND Effect on profit before tax</i>
For the six-month period ended 31 March 2015			
	+1%	+1%	(35,886,726,869)
	-1%	-1%	35,886,726,869
For the six-month period ended 31 March 2014			
	+1%	+1%	(46,228,927,983)
	-1%	-1%	46,228,927,983

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group may be exposed to credit risk from its operating activities (primarily for trade and other receivables) and from its financing activities, including cash, bank deposit.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2015

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Trade receivables

Customer credit risk is managed by the Group based on its established policy and procedures relating to customer credit risk management. Outstanding customer receivables are regularly monitored. In addition, the requirement for impairment is analyzed at each reporting date on an individual. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimize credit risk. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

Bank deposits

The Group's bank balances are mainly maintained with well-known banks in Vietnam. The Group's maximum exposure to credit risk for the components of the statement of financial position at each reporting dates is the carrying amounts as disclosed in Note 4. The Group evaluates the concentration of credit risk in respect to bank deposit as low.

Other financial instruments

Except for the financial assets for which provision have been made, the General Director evaluates all financial assets are neither past due nor impaired.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligation due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of maturities of financial assets and liabilities.

The Group monitors its liquidity risk and maintains a level of cash, cash equivalents and bank loans deemed adequate by the General Director to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The table below summarizes the maturity profile of the Group's financial liabilities:

	<i>Less than 1 year</i>	<i>Over 1 year</i>	<i>VND</i> <i>Total</i>
As at 31 March 2015			
Loans and borrowings	5,472,553,975,145	941,885,390,110	6,414,439,365,255
Trade payables	896,206,941,497	-	896,206,941,497
Other payables and accrued expenses	46,309,484,579	-	46,309,484,579
	<u>6,415,070,401,221</u>	<u>941,885,390,110</u>	<u>7,356,955,791,331</u>
As at 30 September 2014			
Loans and borrowings	4,756,010,502,749	953,820,775,299	5,709,831,278,048
Trade payables	1,885,979,467,059	-	1,885,979,467,059
Other payables and accrued expenses	43,757,038,405	-	43,757,038,405
	<u>6,685,747,008,213</u>	<u>953,820,775,299</u>	<u>7,639,567,783,512</u>

Collateral

The Group has pledged inventories, fixed assets and land use rights in order to fulfil the collateral requirements for the short-term and long-term loan obtained from banks (Notes 17 and 23).

The Group did not hold collateral at 31 March 2015 and 30 September 2014.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 31 March 2015

34. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following method and assumption were used to estimate the fair values:

- Cash and cash equivalents and short-term deposits, trade and other receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- The fair values of the financial assets and liabilities had not yet been formally assessed and determined as at the balance sheet date. However, the General Director assessed that the fair values of these financial assets and liabilities were not materially different from their carrying values as at the interim balance sheet date.

35. SEGMENT REPORTING

Segment information is presented in respect of the Group's geographical segment. The primary format, geographical segments, is based on the Company's management and internal reporting structure.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise assets and liabilities, financial income and expenses, selling, general and administration expenses, other gains or losses, and corporate income tax.

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers, which is located in Vietnam ("Domestic") or countries other than Vietnam ("Export").

	Domestic		Export		Total		VND
	For the six-month period ended	For the six-month period ended	For the six-month period ended	For the six-month period ended	For the six-month period ended	For the six-month period ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014	
Sales revenue	4,693,035,918,978	3,675,408,140,808	3,991,587,227,631	2,965,232,040,110	8,684,623,146,609	6,640,640,180,918	
Cost of sales	3,894,915,936,134	3,067,501,162,175	3,740,890,469,669	2,780,442,665,991	7,635,806,405,803	5,847,943,828,166	
Segment income	798,119,982,844	607,906,978,633	250,696,757,962	184,789,374,119	1,048,816,740,806	792,696,352,752	

