

Hoa Sen Group

Consolidated financial statements

30 September 2015

Hoa Sen Group

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Hoa Sen Group

THE GENERAL INFORMATION

THE COMPANY

Hoa Sen Group ("the Company") is a shareholding company established 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 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; manufacturing of black steel pipes, galvanized steel pipes and other alloys; manufacturing of steel mesh, galvanized steel wire, steel wire; manufacturing of PVC ceiling; manufacturing and trade of plastic building materials; 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's shares were listed on the Ho Chi Minh City Stock Exchange in accordance with 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 seventy six (176) branches located at various provinces in Vietnam.

BOARD OF DIRECTORS

Members of the Board of Directors during the year 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	appointed on 31 July 2015
Mr Jean Eric Jacquemin	Member	resigned on 30 July 2015

BOARD OF SUPERVISION

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

Mr Le Vu Nam	Head of the Board	
Mr Le Dinh Hanh	Member	
Mr Ly Van Xuan	Member	resigned on 31 July 2015

MANAGEMENT

Members of the Management during the year 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	
Mr Phan Duy Quang	Acting Deputy General Director	appointed on 29 July 2015

LEGAL REPRESENTATIVE

The legal representative of the Company during the year 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 consolidated financial statements for the year ended 30 September 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 consolidated financial statements and its subsidiaries ("the Group") for year ended 30 September 2015.

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

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

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

STATEMENTS BY THE GENERAL DIRECTOR

The Company's General Director does hereby state that, in his opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 September 2015 and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements.



Tran Ngoc Chu
General Director

25 December 2015



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working world**

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INDEPENDENT AUDITORS' REPORT

To: The Shareholders of Hoa Sen Group

We have audited the accompanying consolidated financial statements of Hoa Sen Group ("the Company") and its subsidiaries ("the Group") as prepared on 25 December 2015 and set out on pages 5 to 45, which comprise the consolidated balance sheet as at 30 September 2015, and the consolidated income statement and consolidated cash flow statement for the year 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 consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements, and for such internal control as the General Director determines is necessary to enable the preparation and presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

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

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



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Opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 30 September 2015, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements.

Other matter

The consolidated financial statements of the Group for the year ended 30 September 2014 were audited by another audit firm who expressed an unmodified opinion on those consolidated financial statements on 16 December 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

25 December 2015

CONSOLIDATED BALANCE SHEET
as at 30 September 2015

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		5,169,208,246,510	6,399,611,833,585
110	I. Cash and cash equivalents	4	276,693,474,303	155,963,095,793
111	1. Cash		276,553,474,303	139,263,095,793
112	2. Cash equivalents		140,000,000	16,700,000,000
130	II. Current account receivables		755,197,646,602	823,122,365,399
131	1. Trade receivables	5	463,585,455,917	639,992,051,617
132	2. Advances to suppliers	6	167,828,872,721	79,367,648,892
135	3. Other receivables	7	128,763,462,383	106,945,169,226
139	4. Provision for doubtful debts		(4,980,144,419)	(3,182,504,336)
140	III. Inventories	8	3,543,824,680,642	4,746,911,757,910
141	1. Inventories		3,556,893,515,074	4,747,945,028,668
149	2. Provision for obsolete inventories		(13,068,834,432)	(1,033,270,758)
150	IV. Other current assets		593,492,444,963	673,614,614,483
151	1. Short-term prepaid expenses	9	70,777,061,388	63,446,522,228
152	2. Value-added tax deductible		505,938,992,914	605,808,775,598
154	3. Tax and other receivables from the State		-	106,928,841
158	4. Other current assets	10	16,776,390,661	4,252,387,816
200	B. NON-CURRENT ASSETS		4,271,405,772,353	3,806,028,656,750
210	I. Long-term receivable		25,000,000,000	-
218	1. Other long-term receivable	11	25,000,000,000	-
220	II. Fixed assets		4,034,358,380,733	3,654,010,184,217
221	1. Tangible fixed assets	12	3,403,033,912,877	3,189,284,149,072
222	Cost		5,246,748,844,976	4,589,465,633,409
223	Accumulated depreciation		(1,843,714,932,099)	(1,400,181,484,337)
224	2. Finance lease assets	13	225,651,722,500	165,181,799,071
225	Cost		283,930,508,092	197,947,748,863
226	Accumulated depreciation		(58,278,785,592)	(32,765,949,792)
227	3. Intangible assets	14	294,658,947,373	233,117,465,014
228	Cost		320,750,579,776	255,736,845,670
229	Accumulated amortisation		(26,091,632,403)	(22,619,380,656)
230	4. Construction in progress	15	111,013,797,983	66,426,771,060
250	III. Long-term investments	16	38,352,640,301	45,924,232,017
252	1. Investments in an associate	16.1	33,985,640,301	37,284,232,017
258	2. Other long-term investment	16.2	4,367,000,000	8,640,000,000
260	IV. Other long-term assets		173,694,751,319	106,094,240,516
261	1. Long-term prepaid expenses	17	110,638,707,574	70,471,118,888
262	2. Deferred tax assets	31.3	59,470,493,844	31,207,571,727
268	3. Other long-term assets		3,585,549,901	4,415,549,901
270	TOTAL ASSETS		9,440,614,018,863	10,205,640,490,335


CONSOLIDATED BALANCE SHEET (continued)
as at 30 September 2015


VND


Code	RESOURCES	Notes	Ending balance	Beginning balance
300	A. LIABILITIES		6,529,891,553,340	7,826,443,294,669
310	I. Current liabilities		5,554,945,442,317	6,867,040,020,620
311	1. Short-term loans and debts	18	4,521,419,411,847	4,756,010,502,749
312	2. Trade payables	19	626,270,248,080	1,885,979,467,059
313	3. Advances from customers	20	134,061,742,054	61,287,438,660
314	4. Statutory obligations	21	71,263,611,531	47,193,566,120
315	5. Payable to employees		40,673,027,547	41,256,129,506
316	6. Accrued expenses	22	104,040,657,497	42,578,494,225
319	7. Other payables	23	48,854,120,155	23,486,905,843
323	8. Bonus and welfare fund		8,362,623,606	9,247,516,458
330	II. Non-current liabilities		974,946,111,023	959,403,274,049
334	1. Long-term loans and debts	24	969,894,221,023	953,820,775,299
336	2. Provision for severance allowance		5,051,890,000	5,582,498,750
400	B. OWNERS' EQUITY		2,910,722,465,523	2,379,197,195,666
410	I. Capital	25.1	2,910,722,465,523	2,379,197,195,666
411	1. Issued share capital		1,007,907,900,000	1,007,907,900,000
412	2. Share premium		487,290,470,363	451,543,290,363
414	3. Treasury shares		(52,113,695,510)	(81,038,848,436)
418	4. Financial reserve fund		8,525,313,060	8,525,313,060
419	5. Other funds belonging to owners' equity		6,605,155,369	13,278,012,117
420	6. Undistributed earnings		1,452,507,322,241	978,981,528,562
440	TOTAL LIABILITIES AND OWNERS' EQUITY		9,440,614,018,863	10,205,640,490,335

OFF BALANCE SHEET ITEM

ITEM	Ending balance	Beginning balance
Foreign currencies:		
- United States dollar (USD)	3,130,927.61	1,890,293.59
- Euro (EUR)	228.42	226.09
- Australian Dollar (AUD)	306.85	306.85


Tran Cong Tien
Preparer


Nguyen Thi Ngoc Lan
Chief Accountant


Tran Ngoc Chu
General Director



CONSOLIDATED INCOME STATEMENT
for the year ended 30 September 2015

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenues from sale of goods and rendering of services	26.1	17,469,894,530,725	15,005,074,576,304
02	2. Deductions	26.1	(23,022,952,903)	(14,713,596,230)
10	3. Net revenues from sale of goods and rendering of services	26.1	17,446,871,577,822	14,990,360,980,074
11	4. Costs of goods sold and services rendered	27	(14,869,355,353,248)	(13,240,125,281,029)
20	5. Gross profit from sale of goods and rendering of services		2,577,516,224,574	1,750,235,699,045
21	6. Finance income	26.2	31,594,688,388	30,490,606,576
22	7. Finance expenses	28	(424,655,641,040)	(256,363,406,116)
23	<i>In which: Interest expenses</i>		(224,013,370,890)	(183,558,980,466)
24	8. Selling expenses		(864,210,788,876)	(672,774,723,079)
25	9. General and administrative expenses		(511,797,744,891)	(393,176,046,163)
30	10. Operating profit		808,446,738,155	458,412,130,263
31	11. Other income	29	64,879,565,362	96,439,652,562
32	12. Other expenses	29	(41,011,033,124)	(31,462,908,658)
40	13. Other profit	29	23,868,532,238	64,976,743,904
50	14. Profit before tax		832,315,270,393	523,388,874,167
51	15. Current corporate income tax expense	31.2	(207,703,650,703)	(128,234,861,960)
52	16. Deferred income tax benefit	31.3	28,262,922,117	15,188,354,027
60	17. Net profit after tax		652,874,541,807	410,342,366,234
70	18. Earnings per share (VND/share)	25.4		
	- Basic earnings per share		5,211	3,277
	- Diluted earnings per share		5,211	3,277



Tran Cong Tien
Preparer



Nguyen Thi Ngoc Lan
Chief Accountant



Tran Ngoc Chu
General Director



CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 September 2015

VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		832,315,270,393	523,388,874,167
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	12,13,14	481,865,483,538	353,992,992,730
03	Provisions		24,627,641,973	7,492,859,415
04	Unrealised foreign exchange losses			
05	(Profits) losses from investing activities	28	39,200,387,990	8,461,111,522
06	Interest expense	28	(1,831,119,281)	2,131,230,144
			224,013,370,890	183,558,980,466
08	Operating profit before changes in working capital		1,600,191,035,503	1,079,026,048,444
09	Decrease (increase) in receivables		70,085,534,668	(501,431,627,983)
10	Decrease (increase) in inventories		1,191,051,513,594	(1,727,480,492,245)
11	(Decrease) increase in payables		(1,092,412,971,892)	561,129,436,385
12	(Increase) decrease in prepaid expenses		(26,873,180,734)	9,913,139,325
13	Interest expense paid		(222,444,620,537)	(182,868,316,481)
14	Corporate income tax paid	31.2	(196,935,049,387)	(109,496,100,262)
16	Other cash outflows for operating activities		(42,436,850,728)	(44,167,732,291)
20	Net cash flows from (used in) operating activities		1,280,225,410,487	(915,375,645,108)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets		(735,065,118,851)	(1,192,558,723,263)
22	Proceeds from disposals of fixed assets		27,911,515,269	20,653,245,183
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		3,679,594,871	2,019,860,610
30	Net cash flows used in investing activities		(706,696,855,211)	(1,163,525,617,470)

CONSOLIDATED CASH FLOW STATEMENT (continued)
for the year ended 30 September 2015

VND

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Issuance of shares		64,721,580,000	-
32	Capital redemption		(49,247,074)	(3,301,938)
33	Drawdown of borrowings		13,314,828,925,538	12,580,815,674,804
34	Repayment of borrowings		(13,606,183,791,767)	(10,295,025,989,274)
35	Finance lease payments		(71,830,837,088)	(33,198,199,870)
36	Dividends paid		(144,058,665,375)	(192,217,558,300)
40	Net cash flows (used in) from financing activities		(442,572,035,766)	2,060,370,625,422
50	Net increase (decrease) in cash and cash equivalents		130,956,519,510	(18,530,637,156)
60	Cash and cash equivalents at beginning of year		155,963,095,793	177,312,594,189
61	Impact of exchange rate fluctuation		(10,226,141,000)	(2,818,861,240)
70	Cash and cash equivalents at end of year	4	276,693,474,303	155,963,095,793



Tran Cong Tien
Preparer



Nguyen Thi Ngoc Lan
Chief Accountant



Tran Ngoc Chu
General Director



25 December 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended 30 September 2015

1. CORPORATE INFORMATION

Hoa Sen Group ("the Company") is a shareholding company established 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 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; manufacturing of black steel pipes, galvanized steel pipes and other alloys; manufacturing of steel mesh, galvanized steel wire, steel wire; manufacturing of PVC ceiling; manufacturing and trade of plastic building materials; 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's shares were 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 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 seventy six (176) branches located at various provinces of Vietnam.

The number of the Group's employees as at 30 September 2015 was 5,757 (30 September 2014: 4,269).

Corporate structure

The Group's corporate structure includes 7 subsidiaries:

Hoa Sen Steel Sheet One Member Limited Liability Company ("HSS") is a one-member limited liability company established 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 in cold rolled steel products. As at 30 September 2015, the Company held 100% ownership interest of HSS.

Hoa Sen Building Materials One Member Limited Liability Company ("HSBM") is a one-member limited liability company established 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 30 September 2015, the Company held 100% ownership interest of HSBM.

Hoa Sen Transportation and Engineering One Member Limited Liability Company ("HTME") is a one-member limited liability company established 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 30 September 2015, the Company held 100% ownership interest of HTME.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2015

1. CORPORATE INFORMATION (continued)

Corporate structure (continued)

Hoa Sen Binh Dinh One Member Limited Liability Company ("HSBD") is a one-member limited liability established 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 30 September 2015, the Company held 100% ownership interest of HSBD.

Hoa Sen Nam Cam Nghe An One Member Limited Liability Company ("HSNC") is a one-member limited liability company established 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 30 September 2015, the Company held 100% ownership interest of HSNC.

Hoa Sen Nghe An One Member Limited Liability Company ("HSDH") is a one-member limited liability company established 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 30 September 2015, the Company held 100% ownership interest of HSDH.

Hoa Sen Ha Nam One Member Limited Liability Company ("HSHN") is a one-member limited liability company established in accordance with the BRC No. 0700759219 issued by Department of Planning and Investment of Ha Nam Province on 15 September 2014. HSHN's registered head office is located at Dong Van III Industrial Park, Yen Bac Commune, Duy Tien District, Ha Nam Province, Vietnam. The current principal activities of HSHN are manufacturing and trading in steel pipe products. As at 30 September 2015, the Company held 100% ownership interest of HSHN.

2. BASIS OF PREPARATION

2.1 Applied accounting standards and system

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2015

2. BASIS OF PREPARATION (continued)

2.1 *Applied accounting standards and system* (continued)

Accordingly, the accompanying consolidated balance sheet, consolidated income statement, 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 consolidated financial position and consolidated results of operations and 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 Voucher Journal system.

2.3 *Fiscal year*

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

2.4 *Accounting currency*

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

2.5 *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the year ended 30 September 2015.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continued to be consolidated until the date that such control ceases.

The financial statements of subsidiaries are prepared for the same reporting year as the Company, using consistent accounting policies.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 consolidated income statement.

3.3 *Receivables*

Receivables are presented in the 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 account in the 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 consolidated income statement as incurred.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 *Leased assets* (continued)

Where the Group is the lessee

Assets held under finance leases are capitalised in the 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 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 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 consolidated 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 consolidated income statement over the lease term.

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

3.6 *Intangible assets*

Intangible assets are stated at cost less accumulated amortisation.

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

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

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

Land use rights

Land use rights are recorded as intangible assets 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 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	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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 *Borrowing costs*

Borrowing costs consist of interest and other costs that an Group incurs in connection with the borrowing of funds

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

3.9 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the 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.

3.10 *Investments*

Investment in an associate

The Group's investment in its associate is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence that is neither subsidiaries nor joint ventures. 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 consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment and is amortised over a 5-year period. The 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 associate is presented on the face of the 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 the associate 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 in capital of other entities 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 *Accrual for severance pay*

The severance pay to employee is accrued at the end of each reporting year for all employees who have been more than 12 months 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 year following the average monthly salary of the 6-month period up to the reporting date. Any increase to the accrued amount will be taken to the 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 actual 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 consolidated income statement.

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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 *Revenue recognition* (continued)

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.

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 balance sheet date.

Current income tax is charged or credited to the 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 liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for consolidated financial statements 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 tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 *Taxation* (continued)

Deferred tax (continued)

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 year attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

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 year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

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 issued by the Ministry of Finance on 6 November 2009 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 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 investments.

Financial liabilities

Financial liabilities within the scope of Circular 210 are classified, for disclosures in the notes to the 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, loans and debts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Financial instruments

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 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 EQUIVALENTS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	12,935,643,278	19,964,286,190
Cash in banks	263,617,831,025	119,298,809,603
Cash equivalents	140,000,000	16,700,000,000
TOTAL	<u>276,693,474,303</u>	<u>155,963,095,793</u>

5. TRADE RECEIVABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Due from other parties	462,253,669,867	639,941,451,617
Due from a related party (Note 32)	1,331,786,050	50,600,000
TOTAL	<u>463,585,455,917</u>	<u>639,992,051,617</u>
Provision for doubtful debts	(4,240,144,419)	(3,182,504,336)
NET	<u>459,345,311,498</u>	<u>636,809,547,281</u>

Detail of movements of provision for doubtful debts:

	VND	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	(3,182,504,336)	(3,004,125,480)
Add: Provision made during the year	(1,057,640,083)	(543,145,647)
Less: Utilisation and reversal of provision during the year	-	364,766,791
Ending balance	<u>(4,240,144,419)</u>	<u>(3,182,504,336)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2015

6. ADVANCES TO SUPPLIERS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Advances to other parties	159,535,893,785	75,421,760,892
Advance to a related party (Note 32)	8,292,978,936	3,945,888,000
TOTAL	<u>167,828,872,721</u>	<u>79,367,648,892</u>

7. OTHER RECEIVABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Due from a related party (Note 32)	90,183,227,000	90,183,227,000
Due from other parties	38,580,235,383	16,761,942,226
TOTAL	<u>128,763,462,383</u>	<u>106,945,169,226</u>

8. INVENTORIES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Finished goods	1,476,736,000,611	1,923,425,222,895
Raw materials	1,211,706,536,815	795,263,809,305
Goods in transit	333,244,047,678	1,541,887,466,350
Tools and supplies	336,834,222,083	264,784,363,942
Merchandises	198,372,707,887	222,293,345,220
Work in progress	-	290,820,956
TOTAL	<u>3,556,893,515,074</u>	<u>4,747,945,028,668</u>
Provision for obsolete inventories	(13,068,834,432)	(1,033,270,758)
NET	<u>3,543,824,680,642</u>	<u>4,746,911,757,910</u>

As noted further in Note 18, the Group has pledged inventories with the carrying amount as at 30 September 2015 amounting to VND 1,402,715,774,241 to secure the bank loan facilities.

Detail of movements of provision for obsolete inventories:

	VND	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	(1,033,270,758)	(890,889,816)
Add: Provision made during the year	(12,035,563,674)	(142,380,942)
Ending balance	<u>(13,068,834,432)</u>	<u>(1,033,270,758)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2015

9. SHORT TERM PREPAID EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Advertising expenses	25,002,327,467	26,583,286,264
Tools and equipment	20,121,636,138	20,991,017,687
Rental expenses	9,708,434,406	7,410,851,938
Repair and maintenance expenses	2,974,271,924	1,388,505,556
Insurance fees	1,987,968,179	854,233,494
Advisory fees	1,408,729,769	1,663,750,316
Others	9,573,693,505	4,554,876,973
TOTAL	<u>70,777,061,388</u>	<u>63,446,522,228</u>

10. OTHER CURRENT ASSETS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Advances to employees	6,884,731,461	4,177,295,804
Short-term deposits	9,891,659,200	75,092,012
TOTAL	<u>16,776,390,661</u>	<u>4,252,387,816</u>
Provision for other current assets	(740,000,000)	-
NET	<u>16,036,390,661</u>	<u>4,252,387,816</u>

11. OTHER LONG-TERM RECEIVABLE

The balance of other long-term receivable as at 30 September 2015 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 CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2015

12. TANGIBLE FIXED ASSET

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Others	Total
Cost:						VND
Beginning balance	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
Additions	998,040,558	99,594,536,039	23,259,231,169	1,724,367,329	168,002,350	125,744,177,445
Transfer from construction in progress	137,547,471,947	242,115,159,879	157,769,111,259	-	165,363,636	537,597,106,721
Transfer from finance leases	-	30,987,116,489	-	-	-	30,987,116,489
Disposal	-	(35,877,387,379)	(439,992,849)	(620,105,021)	(107,703,839)	(37,045,189,088)
Ending balance	973,370,477,968	3,931,062,601,094	305,738,512,240	15,040,698,414	21,536,555,260	5,246,748,844,976
<i>In which:</i>						
Fully depreciated	795,024,319	111,855,338,812	19,059,320,917	1,389,919,877	1,023,547,654	134,123,151,579
Accumulated depreciation:						
Beginning balance	(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)
Depreciation for the year	(48,418,462,322)	(369,752,195,332)	(21,720,932,140)	(2,741,144,644)	(3,108,415,828)	(445,741,150,266)
Transfer from finance leases	-	(7,139,245,725)	-	-	-	(7,139,245,725)
Disposal	-	8,412,833,614	213,039,113	620,105,021	100,970,481	9,346,948,229
Ending balance	(239,889,118,823)	(1,511,366,510,993)	(74,598,448,933)	(5,481,053,880)	(12,379,799,470)	(1,843,714,932,099)
Net carrying amount:						
Beginning balance	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
Ending balance	733,481,359,145	2,419,696,090,101	231,140,063,307	9,559,644,534	9,156,755,790	3,403,033,912,877

As noted further in Notes 18 and 24, the Group has pledged its buildings and structures, machinery and equipment, means of transportation, office equipment and other fixed assets with their respective carrying amounts as at 30 September 2015 of VND 298,881,672,734; VND 1,935,802,621,673; VND 131,421,966,095; VND 3,045,767,261 and VND 671,248,286 to secure the bank loan facilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2015

13. FINANCE LEASES

	VND		
	<i>Machinery and equipment</i>	<i>Means of transportation</i>	<i>Total</i>
Cost:			
Beginning balance	187,781,385,228	10,166,363,635	197,947,748,863
Additions	106,803,512,083	10,166,363,635	116,969,875,718
Transfer to tangible fixed assets	<u>(30,987,116,489)</u>	<u>-</u>	<u>(30,987,116,489)</u>
Ending balance	<u>263,597,780,822</u>	<u>20,332,727,270</u>	<u>283,930,508,092</u>
Accumulated depreciation:			
Beginning balance	(32,206,272,413)	(559,677,379)	(32,765,949,792)
Depreciation for the year	(31,142,891,003)	(1,509,190,522)	(32,652,081,525)
Transfer to tangible fixed assets	<u>7,139,245,725</u>	<u>-</u>	<u>7,139,245,725</u>
Ending balance	<u>(56,209,917,691)</u>	<u>(2,068,867,901)</u>	<u>(58,278,785,592)</u>
Net carrying amount:			
Beginning balance	<u>155,575,112,815</u>	<u>9,606,686,256</u>	<u>165,181,799,071</u>
Ending balance	<u>207,387,863,131</u>	<u>18,263,859,369</u>	<u>225,651,722,500</u>

14. INTANGIBLE ASSETS

	VND		
	<i>Land use rights</i>	<i>Computer software</i>	<i>Total</i>
Cost:			
Beginning balance	253,918,620,889	1,818,224,781	255,736,845,670
Additions	<u>65,013,734,106</u>	<u>-</u>	<u>65,013,734,106</u>
Ending balance	<u>318,932,354,995</u>	<u>1,818,224,781</u>	<u>320,750,579,776</u>
<i>In which:</i>			
<i>Fully amortised</i>	456,396,144	1,669,584,781	2,125,980,925
Accumulated amortisation:			
Beginning balance	(20,880,898,936)	(1,738,481,720)	(22,619,380,656)
Amortisation for the year	<u>(3,429,254,416)</u>	<u>(42,997,331)</u>	<u>(3,472,251,747)</u>
Ending balance	<u>(24,310,153,352)</u>	<u>(1,781,479,051)</u>	<u>(26,091,632,403)</u>
Net carrying amount:			
Beginning balance	<u>233,037,721,953</u>	<u>79,743,061</u>	<u>233,117,465,014</u>
Ending balance	<u>294,622,201,643</u>	<u>36,745,730</u>	<u>294,658,947,373</u>

As noted further in Notes 18 and 24, the Group has pledged its land use rights with their carrying amounts as at 30 September 2015 of VND 226,399,314,741 to secure the bank loan facilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2015

15. CONSTRUCTION IN PROGRESS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Plant constructions	70,263,136,487	8,468,144,143
Purchases of fixed assets	34,779,434,350	54,270,761,854
Major repair of fixed assets	4,454,470,560	2,373,686,871
Others	1,516,756,586	1,314,178,192
TOTAL	<u>111,013,797,983</u>	<u>66,426,771,060</u>

16. LONG-TERM INVESTMENTS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Investment in an associate (Note 16.1)	33,985,640,301	37,284,232,017
Other long-term investment (Note 16.2)	4,367,000,000	8,640,000,000
TOTAL	<u>38,352,640,301</u>	<u>45,924,232,017</u>

16.1 Investment in an associate

<i>Name of associate</i>	<u><i>Ending balance</i></u>		<u><i>Beginning balance</i></u>		<i>Location</i>	<i>Business activities</i>
	<i>% of interest</i>	<i>Cost of investment</i>	<i>% of interest</i>	<i>Cost of investment</i>		
		VND		VND		
Hoa Sen-Gemadep Logistics and International Port Corporation	45	<u>33,985,640,301</u>	45	<u>37,284,232,017</u>	Ba Ria – Vung Tau Province, Vietnam	Provide sea cargo agency services

16.2 Other long-term investment

	<u><i>Ending balance</i></u>		<u><i>Beginning balance</i></u>	
	<i>Cost of investment</i>	<i>% of interest</i>	<i>Cost of investment</i>	<i>% of interest</i>
		VND		VND
Viet Capital Health Care Fund	<u>4,367,000,000</u>	3	<u>8,640,000,000</u>	3

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2015

17. LONG-TERM PREPAID EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Tools, materials and equipment	64,635,313,493	45,248,342,863
Rental fees	24,100,752,551	6,536,180,136
Repairing and maintenance	19,177,548,798	15,691,417,489
Others	2,725,092,732	2,995,178,400
TOTAL	110,638,707,574	70,471,118,888

18. SHORT-TERM LOANS AND DEBTS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Loans from banks (i)	4,113,021,943,841	4,545,014,751,312
Current portion of long-term loans (Note 24)	352,373,244,022	168,014,723,600
Current portion of finance leases (Note 24)	46,054,879,984	26,962,731,277
Current portion of other long-term debts (Note 24)	9,969,344,000	16,018,296,560
TOTAL	4,521,419,411,847	4,756,010,502,749

(i) Details of short-term loans from banks are as follows:

<i>Name of bank</i>	<i>Ending balance</i>	<i>Maturity date</i>	<i>Interest rate</i>	<i>Description of collateral</i>
	<i>(VND)</i>		<i>(% p.a.)</i>	
Joint Stock Commercial Bank for Foreign Trade of Vietnam – South Binh Duong Branch				
Loan in VND	1,112,257,168,458	From 11 November 2015 to 28 February 2016	4.30	Land use rights, and machinery and equipment
Loan in USD	19,880,237,511	Form 29 November 2015 to 14 December 2015	1.60	Land use rights, and machinery and equipment
Vietnam Bank for Industry and Trade – Binh Duong Industrial Park Branch				
Loan in VND	1,039,042,431,699	From 12 October 2015 to 28 February 2016	From 4.30 to 4.40	Land use rights, buildings and structures, and machinery and equipment
Loan in USD	221,235,957,923	From 17 November 2015 to 4 January 2016	From 1.55 to 1.60	Land use rights, buildings and structures, and machinery and equipment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2015

18. SHORT-TERM LOANS AND DEBTS (continued)

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

Name of bank	Ending balance (VND)	Maturity date	Interest rate (% p.a.)	Description of collateral
Military Commercial Joint Stock Bank – Binh Duong Branch				
Loan in VND	35,287,334,785	12 February 2016	4.50	Land use rights
Loan in USD	47,137,019,580	31 January 2016	1.65	Land use rights
Vietnam Bank for Industry and Trade – Phu Tai Industrial Park Branch				
Loan in VND	56,078,267,922	From 1 October 2015 to 14 February 2016	4.30	Buildings and structures, and machinery and equipment
Joint Stock Commercial Bank for Investment and Development of Vietnam – Ho Chi Minh Branch				
Loan in VND	163,310,313,435	From 24 January 2016 to 1 February 2016	4.30	Inventories
Loan in USD	78,079,847,463	7 November 2015	1.40	Inventories
Standard Chartered Bank (Vietnam) Limited – Ho Chi Minh Branch				
Loan in VND	74,405,100,000	25 December 2015	4.70	Inventories, and machinery and equipment
Loan in USD	84,308,680,464	10 December 2015	1.50	Inventories, and machinery and equipment
ANZ Bank (Vietnam) Limited				
Loan in VND	8,210,000,000	2 October 2015	4.10	Land use rights
Loan in USD	164,542,994,571	From 25 October 2015 to 10 December 2015	From 1.40 to 1.50	Land use rights
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh Branch				
Loan in VND	769,695,120,702	From 2 November 2015 to 21 February 2016	4.30	Unsecured
Loan in USD	53,904,505,890	20 November 2015	1.60	Unsecured
Vietnam Bank for Agriculture and Rural Development – Saigon branch				
Loan in VND	108,864,000,000	From 1 January 2016 to 22 January 2016	4.10	Unsecured
HSBC Bank (Vietnam) Limited				
Loan in USD	76,782,963,438	From 26 November 2015 to 9 December 2015	1.50	Inventories, land use rights, buildings and structures, and machinery and equipment
TOTAL	4,113,021,943,841			

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2015

19. TRADE PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Due to other parties	626,132,304,095	1,885,958,760,040
Due to a related party (Note 32)	137,943,985	20,707,019
TOTAL	<u>626,270,248,080</u>	<u>1,885,979,467,059</u>

20. ADVANCES FROM CUSTOMERS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Advances from other parties	131,643,165,514	61,283,588,683
Advance from a related party (Note 32)	2,418,576,540	3,849,977
TOTAL	<u>134,061,742,054</u>	<u>61,287,438,660</u>

21. STATUTORY OBLIGATIONS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Corporate income tax (Note 31.2)	54,612,287,183	43,843,685,867
Value added tax	15,399,013,086	2,488,344,659
Personal income tax	1,174,732,989	860,638,794
Other taxes	77,578,273	896,800
TOTAL	<u>71,263,611,531</u>	<u>47,193,566,120</u>

22. ACCRUED EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
13 th month salary	65,064,286,000	16,229,395,000
Electricity	11,691,391,739	9,362,335,924
Payable relating to construction in progress	7,662,678,218	10,317,543,485
Loan interest	4,486,704,614	2,917,954,261
Others	15,135,596,926	3,751,265,555
TOTAL	<u>104,040,657,497</u>	<u>42,578,494,225</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2015

23. OTHER PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Export bill negotiation	29,719,800,000	-
Dividends	4,173,566,525	3,762,584,900
Social insurance, health insurance, unemployment insurance, and trade union fees	3,169,672,863	2,316,381,763
Tender deposits received	1,490,000,000	3,370,000,330
Due to a related party (Note 32)	1,000,000,000	-
Others	9,301,080,767	14,037,938,850
TOTAL	<u>48,854,120,155</u>	<u>23,486,905,843</u>

24. LONG-TERM LOANS AND DEBTS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Loans from banks (i)	1,223,388,652,292	1,041,736,693,623
Finance leases (ii)	144,933,692,737	96,309,529,273
Other long-term debts	9,969,344,000	26,770,303,840
TOTAL	<u>1,378,291,689,029</u>	<u>1,164,816,526,736</u>
<i>In which:</i>		
Current portion of long-term loans (Note 18)	352,373,244,022	168,014,723,600
Current portion of finance lease liabilities (Note 18)	46,054,879,984	26,962,731,277
Current portion of other long-term debts (Note 18)	9,969,344,000	16,018,296,560
Non-current portion	969,894,221,023	953,820,775,299

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

<i>Name of bank</i>	<i>Ending balance</i>	<i>Maturity date</i>	<i>Interest rate</i>	<i>Description of collateral</i>
	(VND)		(% p.a.)	
Joint Stock Commercial Bank for Foreign Trade of Vietnam – South Binh Duong Branch				
Loan in VND	186,121,636,695	From 6 November 2015 to 13 May 2019	From 8.20 to 9.50	Land use rights, and machinery and equipment
Viet Capital Commercial Joint Stock Bank				
Loan in VND	65,894,660,000	From 26 October 2015 to 26 November 2019	From 7.60 to 8.50	Means of transportation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2015

24. LONG-TERM LOANS AND DEBTS (continued)

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

<i>Name of bank</i>	<i>Ending balance</i> (VND)	<i>Maturity date</i>	<i>Interest rate</i> (% p.a.)	<i>Description of collateral</i>
Asia Commercial Joint Stock Bank				
Loan in VND	54,911,590,000	From 6 November 2015 to 17 June 2020	From 7.80 to 8.50	Means of transportation
Vietnam Bank for Industry and Trade – Binh Duong Industrial Park Branch				
Loan in VND	658,369,516,442	From 16 November 2015 to 24 January 2024	From 7.80 to 8.50	Land use rights, buildings and structures, and machinery and equipment
Vietnam Bank for Industry and Trade – Phu Tai Industrial Park Branch				
Loan in VND	4,859,400,000	From 25 July 2016 to 28 April 2019	8.00	Buildings and structures, and machinery and equipment
Vietnam Development Bank				
Loan in USD	48,181,849,155	From 20 December 2015 to 20 June 2018	1.70	Buildings and structures, and machinery and equipment
Vietnam Bank for Agriculture and Rural Development – Binh Duong Branch				
Loan in VND	105,050,000,000	From 31 March 2016 to 25 September 2017	8.00	Land use rights, and machinery and equipment
Standard Chartered Bank (Vietnam) Limited – Ho Chi Minh Branch				
Loan in VND	100,000,000,000	From 9 November 2015 to 9 October 2019	From 5.70 to 8.06	Buildings and structures, and machinery and equipment
TOTAL	<u>1,223,388,652,292</u>			

The Group used these loans to finance its constructions and purchase of fixed assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2015

24. 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 lease agreements as at the balance sheet dates are as follows:

	Ending balance		Beginning balance		VND
	Total minimum lease payments	Finance charges	Total minimum lease payments	Finance charges	
Current liabilities					
Less than 1 year	56,474,403,722	10,419,523,738	34,431,379,642	7,468,648,365	26,962,731,277
Non-current liabilities					
From 1 - 5 years	110,179,398,375	11,300,585,622	80,624,142,102	11,277,344,106	69,346,797,996
TOTAL	166,653,802,097	21,720,109,360	115,055,521,744	18,745,992,471	96,309,529,273

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2015

25. OWNERS' EQUITY

25.1 Movements in owners' equity

	Issued share capital	Share premium	Treasury shares	Financial reserve fund	Other funds belonging to owners' equity	Undistributed earnings	Total
							VND
<i>Previous year</i>							
Beginning balance	1,007,907,900,000	451,543,290,363	(81,035,546,498)	8,525,313,060	2,007,734,351	821,487,103,328	2,210,435,794,604
Net profit for the year	-	-	-	-	-	410,342,366,234	410,342,366,234
Dividends declared	-	-	-	-	-	(192,626,196,000)	(192,626,196,000)
Repurchase of treasury shares	-	-	(3,301,938)	-	-	-	(3,301,938)
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 funds	-	-	-	-	(25,717,883,234)	-	(25,717,883,234)
Ending balance	1,007,907,900,000	451,543,290,363	(81,038,848,436)	8,525,313,060	13,278,012,117	978,981,528,562	2,379,197,195,666
<i>Current year</i>							
Beginning balance	1,007,907,900,000	451,543,290,363	(81,038,848,436)	8,525,313,060	13,278,012,117	978,981,528,562	2,379,197,195,666
Net profit for the year	-	-	-	-	-	652,874,541,807	652,874,541,807
Dividends declared	-	-	-	-	-	(144,469,647,000)	(144,469,647,000)
Reissuance of treasury shares	-	35,747,180,000	28,974,400,000	-	-	-	64,721,580,000
Repurchase of treasury shares	-	-	(49,247,074)	-	-	-	(49,247,074)
Transferred to bonus and welfare fund	-	-	-	-	-	(16,413,694,648)	(16,413,694,648)
Appropriated to other funds	-	-	-	-	18,465,406,480	(18,465,406,480)	-
Use of funds	-	-	-	-	(25,138,263,228)	-	(25,138,263,228)
Ending balance	1,007,907,900,000	487,290,470,363	(52,113,695,510)	8,525,313,060	6,605,155,369	1,452,507,322,241	2,910,722,465,523

(*) During the year, the Group has reissued 1,600,000 treasury shares to its existing shareholders at the price of VND 40,500 per share in accordance with the Resolution of Board of Directors No. 36/NQ/HDQT/2015 dated 29 June 2015.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2015

25. OWNERS' EQUITY (continued)

25.2 Capital transactions with owners

	VND	
	Current year	Previous year
Contributed capital		
Beginning and ending balances	<u>1,007,907,900,000</u>	<u>1,007,907,900,000</u>
Dividends		
Dividends declared	144,469,647,000	192,626,196,000
Dividends paid by cash	144,058,665,375	192,217,558,300

25.3 Share capital

	Number of shares	
	Ending balance	Beginning balance
Issued shares		
Shares issued and paid-up shares		
<i>Ordinary shares</i>	100,790,790	100,790,790
Treasury shares		
<i>Ordinary shares</i>	(2,877,692)	(4,477,692)
Shares in circulation		
<i>Ordinary shares</i>	97,913,098	96,313,098

The Company's shares are issued at 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.

25.4 Earnings per share

Basic and diluted earnings per share are calculated as follows:

	Current year	Previous year
Net profit attributable to ordinary equity holders of the Company (VND)	652,874,541,807	410,342,366,234
Weighted average number of ordinary shares (*)	<u>125,298,205</u>	<u>125,207,027</u>
Earnings per share		
Basic (VND)	5,211	3,277
Diluted (VND)	5,211	3,277

(*) The weighted average numbers of ordinary shares, in the current and previous years, have been retrospectively adjusted for the payments of stock dividends to the Group's shareholders after the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2015

26. REVENUES

26.1 Revenues from sale of goods and rendering of services

	VND	
	<i>Current year</i>	<i>Previous year</i>
Gross revenues:	17,469,894,530,725	15,005,074,576,304
<i>Of which:</i>		
<i>Sale of finished goods</i>	13,780,568,305,421	12,515,189,659,910
<i>Sale of merchandises</i>	3,686,752,977,336	2,488,094,369,488
<i>Others</i>	2,573,247,968	1,790,546,906
Less:	(23,022,952,903)	(14,713,596,230)
<i>Of which:</i>		
<i>Sales discount</i>	(9,174,845,515)	(1,072,761,848)
<i>Sales returns</i>	(7,671,981,524)	(11,726,618,268)
<i>Sales allowances</i>	(5,937,377,797)	(1,914,216,114)
<i>Export tax</i>	(238,748,067)	-
NET	<u>17,446,871,577,822</u>	<u>14,990,360,980,074</u>

26.2 Finance income

	VND	
	<i>Current year</i>	<i>Previous year</i>
Realised foreign exchange gains	27,915,093,517	28,470,745,966
Finance income from investments	1,727,000,000	1,139,560,000
Interest income	1,952,594,871	880,300,610
TOTAL	<u>31,594,688,388</u>	<u>30,490,606,576</u>

27. COST OF SALES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Costs of sale of finished goods	11,455,050,521,672	11,090,002,610,791
Costs of sale of merchandises	3,414,011,508,400	2,149,668,822,482
Others	293,323,176	453,847,756
TOTAL	<u>14,869,355,353,248</u>	<u>13,240,125,281,029</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2015

28. FINANCE EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Interest expenses	224,013,370,890	183,558,980,466
Realised foreign exchange losses	150,647,443,944	57,171,214,511
Unrealised foreign exchange losses	39,200,387,990	8,461,111,522
Provision for long-term investments	10,794,438,216	7,172,099,617
TOTAL	<u>424,655,641,040</u>	<u>256,363,406,116</u>

29. OTHER INCOME AND EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Other income	64,879,565,362	96,439,652,562
Proceeds from disposal of fixed assets	27,911,515,269	20,653,245,183
Sale of scrap	21,104,688,084	63,406,009,216
Compensation income	12,362,037,500	6,173,806,778
Others	3,501,324,509	6,206,591,385
Other expenses	(41,011,033,124)	(31,462,908,658)
Net book value of fixed assets disposed	(27,698,240,859)	(24,619,874,992)
Others	(13,312,792,265)	(6,843,033,666)
NET	<u>23,868,532,238</u>	<u>64,976,743,904</u>

30. PRODUCTION AND OPERATING COSTS

	VND	
	<i>Current year</i>	<i>Previous year</i>
Raw materials	12,876,638,971,133	13,047,737,366,791
Labour costs	657,035,704,773	492,472,692,820
Depreciation and amortisation (Notes 12, 13 and 14)	481,865,483,538	255,898,067,354
Expenses for external services	1,491,493,342,227	1,140,070,851,867
Others	750,448,046,376	652,049,041,026
TOTAL	<u>16,257,481,548,047</u>	<u>15,588,228,019,858</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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31. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") applicable to the Group is 22% of taxable profits, except for the following:

- The CIT rate applicable to HTME is 20% of taxable profits for the current year and the applicable tax rate for the years thereafter.
- The CIT rate applicable to HSBM is 15% of taxable profits in 12 years since the first year of operation and the applicable tax rate for the years thereafter. HSBM is entitled to an exemption from CIT for 3 years commencing from the first year in which a taxable profit is earned, and a 50% reduction of the applicable tax rate for the following 5 years.
- The CIT rate applicable to HSNC is 10% of taxable profits in 15 years since the first year of operation and the applicable tax rate for the years thereafter. HSNC is entitled to an exemption from CIT for 4 years commencing from the first year in which a taxable profit is earned, and a 50% reduction of the applicable tax rate for the following 9 years.
- The CIT rate applicable to HSDH is 10% of taxable profits in 15 years since the first year of operation and the applicable tax rate for the years thereafter. HSDH is entitled to an exemption from CIT for 4 years commencing from the first year in which a taxable profit is earned, and a 50% reduction of the applicable tax rate for the following 9 years.
- HSBD is entitled to an exemption from CIT for 2 years commencing from the first year in which a taxable profit is earned, and a 50% reduction of the applicable CIT tax rate for the following 4 years.

The tax returns filed by the Company and its subsidiaries are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the consolidated financial statements could change at a later date upon final determination by the tax authorities.

31.1 CIT expense

	VND	
	<i>Current year</i>	<i>Previous year</i>
Current CIT expense	207,702,023,401	127,862,436,485
Adjustment for under-accrued CIT from prior year	1,627,302	372,425,475
Deferred CIT benefit	<u>(28,262,922,117)</u>	<u>(15,188,354,027)</u>
TOTAL	<u>179,440,728,586</u>	<u>113,046,507,933</u>

31.2 Current CIT

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2015

31. CORPORATE INCOME TAX (continued)

31.2 Current CIT (continued)

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

	VND	
	Current year	Previous year
Accounting profit before tax	832,315,270,393	523,388,874,167
Adjustments:		
Non-deductible expenses	61,320,749,471	65,599,877,425
Change in unrealised profits	68,889,166,364	689,074,589
Change in accrued expenses	61,789,316,001	12,036,818,306
Change in provisions	24,011,800,723	8,020,721,915
Change in unrealised foreign exchange differences	6,588,906,387	(950,262,055)
Tax losses of subsidiaries	743,828,162	104,249,982
Others	(2,638,243,869)	(2,638,180,123)
Adjusted taxable profit before loss carried forward and tax	1,053,020,793,632	606,251,174,206
Tax loss carried forward	(104,249,982)	-
Estimated taxable profit	1,052,916,543,650	606,251,174,206
Estimated current CIT	231,291,948,544	137,842,097,231
CIT exempted	(23,589,925,143)	(9,979,660,746)
Estimated CIT after exemption	207,702,023,401	127,862,436,485
Under-accrued CIT from previous years	1,627,302	372,425,475
Total estimated current CIT expense	207,703,650,703	128,234,861,960
CIT payables at beginning of year	43,843,685,867	25,104,924,169
CIT paid during the year	(196,935,049,387)	(109,496,100,262)
CIT payables at end of year	54,612,287,183	43,843,685,867

31.3 Deferred CIT

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

	VND			
	Consolidated balance sheet		Consolidated income statement	
	Ending balance	Beginning balance	Current year	Previous year
Unrealised profits	30,030,570,812	19,393,016,488	10,637,554,324	8,460,391,443
Accrued expenses	17,689,924,504	5,594,676,992	12,095,247,512	3,621,947,120
Provisions	7,203,103,336	2,087,453,315	5,115,650,021	1,770,114,516
Unrealised foreign exchange differences	1,910,474,749	651,962,818	1,258,511,931	162,746,642
Others	2,636,420,443	3,480,462,114	(844,041,671)	1,173,154,306
Deferred tax assets	59,470,493,844	31,207,571,727		
Deferred CIT benefit			28,262,922,117	15,188,354,027

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2015

32. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Related party	Relationship	Transaction	VND	
			Current year	Previous year
Hoa Sen Investment and Tourism Co., Ltd.	Related party	Sales of goods	1,301,241,868,031	385,043,155,535
		Purchases of goods	184,654,533,072	3,595,178,458
		Receiving of services	3,948,581,818	3,057,072,818
		Rendering of transportation services	1,329,682,333	56,000,000
Hoa Sen-Gemadep Logistics and International Port Corporation	Associate	Capital contribution	7,495,846,500	-
Viet Capital Health Care Fund	Related party	Reclaim of investment	4,273,000,000	6,360,000,000
Huong Sen Real Estate	Related party	Land returned	60,000,000,000	-
Amounts due from and due to related parties at the balance sheet date were as follows:				
Related party	Relationship	Transaction	Ending balance	Beginning balance
VND				
Trade receivable				
Hoa Sen Investment and Tourism Co., Ltd.	Related party	Sales of goods	1,331,786,050	50,600,000
Advance to a supplier				
Hoa Sen Investment and Tourism Co., Ltd.	Related party	Advances	8,292,978,936	3,945,888,000
Other receivable				
Mr Hoang Duc Huy	Deputy General Director	Advance for purchase of lands	90,183,227,000	90,183,227,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2015

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

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

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>Ending balance</i>	<i>Beginning balance</i>	<i>VND</i>
Trade payable					
Hoa Sen Investment and Travel Co., Ltd.	Related party	Purchases of goods	137,943,985	20,707,019	
Advance from a customer					
Hoa Sen Investment and Travel Co., Ltd.	Related party	Advance	2,418,576,540	3,849,977	
Other payable					
Huong Sen Real Estate	Related party	Payable of advance	1,000,000,000	-	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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32. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Transactions with other related parties

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

	VND	
	<i>Current year</i>	<i>Previous year</i>
Salaries of the Management	8,118,957,415	8,110,590,009
Bonuses of the Management	1,050,000,000	5,540,000,000
Remuneration of the Board of Directors and the Board of Supervision	1,054,000,000	1,145,000,000
Bonuses of the Board of Directors and the Board of Supervision	-	10,850,378,000
TOTAL	<u>10,222,957,415</u>	<u>25,645,968,009</u>

33. COMMITMENTS

Operating lease commitments

The Group leases land under operating lease arrangements. The minimum lease commitments as at the balance sheet date under operating lease arrangements is as follows:

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Less than 1 year	42,332,637,447	35,342,143,903
From 1 to 5 years	124,191,468,650	103,819,767,860
More than 5 years	268,627,842,340	204,775,855,609
TOTAL	<u>435,151,948,437</u>	<u>343,937,767,372</u>

Capital expenditure commitments

As at 30 September 2015, the Group has commitments of VND 836,113,556,098 (30 September 2014: VND 81,753,325,170) mainly related to the acquisition of new machinery for the operation.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2015

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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 three types of risk: interest rate risk, foreign currency risk and commodity price 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 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:

	<i>Increase/decrease in basis points</i>	<i>VND Effect on profit before tax</i>
Current year		
USD	+50	(15,502,726,948)
VND	+100	(22,210,677,763)
USD	-50	15,502,726,948
VND	-100	22,210,677,763
Previous year		
USD	+50	(15,876,483,184)
VND	+100	(12,853,892,608)
USD	-50	15,876,483,184
VND	-100	12,853,892,608

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 its accounting currency).

The Group is exposed to foreign currency risk in relation to purchases of raw materials and sale 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 and sales of goods denominated in foreign currencies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2015

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

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 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>
Current year			
	+1%	+1%	(5,562,121,009)
	-1%	-1%	5,562,121,009
Previous year			
	+1%	+1%	(55,532,435,807)
	-1%	-1%	55,532,435,807

Commodity price risk

The Group is exposed to commodity price risk in relation to purchase of certain commodities. The Group manages its commodity price risk by keeping close watch on relevant information and situation of commodity market in order to properly manage timing of purchases, production plans and inventories level. The Group does not employ any derivative financial instruments to hedge its commodity price risk.

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 deposits and loan receivables.

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 the reporting date on each customer. 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 consolidated balance sheet 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 Group's General Director evaluates that all other financial assets are neither past due nor impaired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2015

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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 based on contractual agreements:

	<i>Less than 1 year</i>	<i>Over 1 year</i>	<i>VND</i> <i>Total</i>
Ending balance			
Loans and borrowings	4,521,014,461,847	970,299,171,023	5,491,313,632,870
Trade payables	626,270,248,080	-	626,270,248,080
Other payables and accrued expenses	80,487,252,264	-	80,487,252,264
	<u>5,227,771,962,191</u>	<u>970,299,171,023</u>	<u>6,198,071,133,214</u>
Beginning balance			
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, intangible fixed assets and land use rights in order to fulfil the collateral requirements for the short-term and long-term loans obtained from banks (Notes 18 and 24).

The Group did not hold collateral at the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2015

35. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are carried in the consolidated financial statements:

	Carrying amount				Fair value		VND
	Ending balance		Beginning balance		Ending balance	Beginning balance	
	Cost	Provision	Cost	Provision			
Financial assets							
Trade receivables	462,253,669,867	(4,240,144,419)	639,941,451,617	(3,182,504,336)	458,013,525,448	636,758,947,281	
Receivable from related parties	91,515,013,050	-	90,233,827,000	-	91,515,013,050	90,233,827,000	
Other receivables	48,471,894,583	-	16,837,034,238	-	48,471,894,583	16,837,034,238	
Other non-current financial assets	28,585,549,901	-	4,415,549,901	-	28,585,549,901	4,415,549,901	
Other long-term investments	4,367,000,000	-	8,640,000,000	-	4,367,000,000	8,640,000,000	
Cash and cash equivalents	276,693,474,303	-	155,963,095,793	-	276,693,474,303	155,963,095,793	
TOTAL	911,886,601,704	(4,240,144,419)	916,030,958,549	(3,182,504,336)	907,646,457,285	912,848,454,213	
							VND
	Ending balance		Beginning balance		Ending balance	Beginning balance	
	Carrying amount	Provision	Carrying amount	Provision	Fair value	Fair value	
Financial liabilities							
Loans and borrowings	5,491,313,632,870	5,709,831,278,048	5,491,313,632,870	5,709,831,278,048	5,491,313,632,870	5,709,831,278,048	
Trade payables	626,132,304,095	1,885,958,760,040	626,132,304,095	1,885,958,760,040	626,132,304,095	1,885,958,760,040	
Payables from related parties	1,137,943,985	20,707,019	1,137,943,985	20,707,019	1,137,943,985	20,707,019	
Other payables and accrued expenses	79,487,252,264	43,757,038,405	79,487,252,264	43,757,038,405	79,487,252,264	43,757,038,405	
TOTAL	6,198,071,133,214	7,639,567,783,512	6,198,071,133,214	7,639,567,783,512	6,198,071,133,214	7,639,567,783,512	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2015

35. 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 balance sheet date.

36. 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
	Ending balance	Beginning balance	Ending balance	Beginning balance	Ending balance	Beginning balance	
Sales revenue	10,665,252,958,805	9,042,506,962,551	6,781,618,619,017	5,947,854,017,523	17,446,871,577,822	14,990,360,980,074	
Cost of sales	(8,547,682,145,156)	(7,662,704,741,381)	(6,321,673,208,092)	(5,577,420,539,648)	(14,869,355,353,248)	(13,240,125,281,029)	
Segment income	2,117,570,813,649	1,379,802,221,170	459,945,410,925	370,433,477,875	2,577,516,224,574	1,750,235,699,045	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 30 September 2015

37. RECLASSIFICATION OF CORRESPONDING FIGURES

Certain corresponding figures on the consolidated financial statements as at 30 September 2014 have been reclassified to reflect the presentation of the current year's consolidated financial statements. Details are as follows:

	<i>Beginning balance (previously presented)</i>	<i>Reclassification</i>	<i>VND Beginning balance (reclassified)</i>
CONSOLIDATED BALANCE SHEET			
Advance to suppliers	169,550,875,892	(90,183,227,000)	79,367,648,892
Other receivables	16,761,942,226	90,183,227,000	106,945,169,226
Investments in an associate	44,456,331,634	(7,172,099,617)	37,284,232,017
Provision for long-term investment	(7,172,099,617)	7,172,099,617	-
CONSOLIDATED CASH FLOW STATEMENT			
(Increase in payables	553,788,629,711	7,340,806,674	561,129,436,385
Corporate income tax paid	(102,155,293,588)	(7,340,806,674)	(109,496,100,262)

38. EVENTS AFTER THE BALANCE SHEET DATE

On 10 October 2015, the Group completed the reissuance of 2,877,692 treasury shares to its existing shareholders at the price of VND 40,500 per share in accordance with the Resolution of Board of Directors No. 36/NQ/HDQT/2015 dated 29 June 2015.

On 7 December 2015, the Group also completed 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) in accordance with the Annual General Meeting Minute 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. As the result, the Group issued 30,236,277 shares at par value of VND 10,000 per share.

Except for the events as disclosed above, there have been no other significant events occurring after the balance sheet date which would require adjustments or disclosures to be made in the consolidated financial statements.



Tran Cong Tien
Preparer



Nguyen Thi Ngoc Lan
Chief Accountant



Tran Ngoc Chu
General Director

25 December 2015