

Hoa Sen Group

Interim consolidated financial statements

31 March 2016

CONTENTS

	<i>Pages</i>
General information	1
Report of the General Director	2
Report on review of interim consolidated financial statements	3 - 4
Interim consolidated balance sheet	5 - 6
Interim consolidated income statement	7
Interim consolidated cash flow statement	8 - 9
Notes to the interim consolidated financial statements	10 - 44

Hoa Sen Group

THE GENERAL INFORMATION

THE COMPANY

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

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

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

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

BOARD OF DIRECTORS

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

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

BOARD OF SUPERVISION

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

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

MANAGEMENT

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

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

LEGAL REPRESENTATIVE

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

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

AUDITORS

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

Hoa Sen Group

REPORT OF THE GENERAL DIRECTOR

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

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

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

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

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

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

APPROVAL OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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



Tran Ngoc Chu
General Director

27 May 2016

Reference: 61183992/18452358/LR-HN

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To: The Shareholders of Hoa Sen Group

We have reviewed the accompanying interim consolidated financial statements of Hoa Sen Group ("the Company") and its subsidiaries ("the Group") as prepared on 27 May 2016 and set out on pages 5 to 44 which comprise the interim consolidated balance sheet as at 31 March 2016, the interim consolidated income statement and the interim consolidated cash flow statement for the six-month period then ended and the notes thereto.

The General Director's responsibility

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

Auditor's responsibility

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

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

Conclusion

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

Ernst & Young Vietnam Limited



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

Ho Chi Minh City, Vietnam

27 May 2016

INTERIM CONSOLIDATED BALANCE SHEET
as at 31 March 2016

VND

Code	ASSETS	Notes	31 March 2016	30 September 2015
100	A. CURRENT ASSETS		4,896,678,444,127	5,169,208,246,510
110	I. Cash and cash equivalents	4	978,684,721,973	276,693,474,303
111	1. Cash		548,541,200,098	276,553,474,303
112	2. Cash equivalents		430,143,521,875	140,000,000
130	II. Current account receivables		590,281,769,567	771,974,037,263
131	1. Short-term trade receivables	5.1	188,006,451,984	463,585,455,917
132	2. Short-term advances to suppliers	5.2	226,567,745,112	167,828,872,721
135	3. Short-term loan receivables		400,000,000	400,000,000
136	4. Other short-term receivables	6	180,287,716,890	145,139,853,044
137	5. Provision for doubtful short-term receivables	5.1, 6	(4,980,144,419)	(4,980,144,419)
140	III. Inventories	7	3,029,303,614,215	3,543,824,680,642
141	1. Inventories		3,042,372,448,647	3,556,893,515,074
149	2. Provision for obsolete inventories		(13,068,834,432)	(13,068,834,432)
150	IV. Other current assets		298,408,338,372	576,716,054,302
151	1. Short-term prepaid expenses	8	79,344,260,893	70,777,061,388
152	2. Value-added tax deductible	16	219,014,605,092	505,938,992,914
153	3. Tax and other receivables from the State	16	49,472,387	-
200	B. NON-CURRENT ASSETS		4,681,082,050,407	4,271,405,772,353
210	I. Long-term receivables		28,585,549,901	28,585,549,901
215	1. Long-term loan receivables	9	25,000,000,000	25,000,000,000
216	2. Other long-term receivables	6	3,585,549,901	3,585,549,901
220	II. Fixed assets		3,817,315,917,957	3,923,344,582,750
221	1. Tangible fixed assets	10	3,280,627,518,164	3,403,033,912,877
222	Cost		5,357,230,113,179	5,246,748,844,976
223	Accumulated depreciation		(2,076,602,595,015)	(1,843,714,932,099)
224	2. Finance lease assets	11	241,608,332,204	225,651,722,500
225	Cost		321,242,368,759	283,930,508,092
226	Accumulated depreciation		(79,634,036,555)	(58,278,785,592)
227	3. Intangible assets	12	295,080,067,589	294,658,947,373
228	Cost		322,941,011,046	320,750,579,776
229	Accumulated amortisation		(27,860,943,457)	(26,091,632,403)
240	III. Long-term assets in progress		618,402,868,368	111,013,797,983
242	1. Construction in progress	13	618,402,868,368	111,013,797,983
250	IV. Long-term investments	14	29,494,005,842	38,352,640,301
252	1. Investments in an associate		29,494,005,842	33,985,640,301
253	2. Investment in other entity		-	4,367,000,000
260	V. Other long-term assets		187,283,708,339	170,109,201,418
261	1. Long-term prepaid expenses	8	125,103,420,591	110,638,707,574
262	2. Deferred tax assets	26.3	62,180,287,748	59,470,493,844
270	TOTAL ASSETS		9,577,760,494,534	9,440,614,018,863

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

VND

Code	RESOURCES	Notes	31 March 2016	30 September 2015
300	A. LIABILITIES		6,004,163,386,838	6,529,891,553,340
310	I. Current liabilities		4,683,802,564,524	5,554,945,442,317
311	1. Short-term trade payables	15.1	1,027,398,617,983	626,270,248,080
312	2. Short-term advances from customers	15.2	145,785,297,048	134,061,742,054
313	3. Statutory obligations	16	175,803,363,072	71,263,611,531
314	4. Payables to employees		64,354,688,634	40,673,027,547
315	5. Short-term accrued expenses	17	119,211,543,695	104,040,657,497
319	6. Other short-term payables	18	32,543,271,766	48,854,120,155
320	7. Short-term loans and finance lease obligations	19	3,086,512,985,237	4,521,419,411,847
322	8. Bonus and welfare fund		32,192,797,089	8,362,623,606
330	II. Non-current liabilities		1,320,360,822,314	974,946,111,023
338	1. Long-term loans and finance lease obligations	19	1,315,201,932,314	969,894,221,023
342	2. Long-term provisions		5,158,890,000	5,051,890,000
400	B. OWNERS' EQUITY		3,573,597,107,696	2,910,722,465,523
410	I. Capital	20.1	3,573,597,107,696	2,910,722,465,523
411	1. Share capital		1,310,270,670,000	1,007,907,900,000
411a	- Shares with voting rights		1,310,270,670,000	1,007,907,900,000
412	2. Share premium		551,571,933,521	487,290,470,363
415	3. Treasury shares		-	(52,113,695,510)
418	4. Investment and development fund		-	8,525,313,060
420	5. Other funds belonging to owners' equity		24,730,240,357	6,605,155,369
421	6. Undistributed earnings		1,687,024,263,818	1,452,507,322,241
421a	- Undistributed earnings up to prior period-end		1,081,273,529,248	799,632,780,434
421b	- Undistributed earnings of current period		605,750,734,570	652,874,541,807
440	TOTAL LIABILITIES AND OWNERS' EQUITY		9,577,760,494,534	9,440,614,018,863

Tran Cong Tien
Preparer

Nguyen Thi Ngoc Lan
Chief Accountant

Tran Ngoc Chu
General Director

27 May 2016

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

VND

Code	ITEMS	Notes	For the six-month period ended 31 March 2016	For the six-month period ended 31 March 2015
01	1. Revenues from sale of goods and rendering of services	21.1	8,357,689,023,864	8,708,160,156,543
02	2. Deductions	21.1	(53,876,969,381)	(11,989,917,703)
10	3. Net revenues from sale of goods and rendering of services	21.1	8,303,812,054,483	8,696,170,238,840
11	4. Costs of goods sold and services rendered	22	(6,556,039,486,631)	(7,635,806,405,803)
20	5. Gross profit from sale of goods and rendering of services		1,747,772,567,852	1,060,363,833,037
21	6. Finance income	21.2	26,723,721,600	13,607,874,791
22	7. Finance expenses	23	(131,743,557,900)	(153,794,579,322)
23	In which: Interest expense		(108,384,318,734)	(99,959,453,093)
25	8. Selling expenses	24	(473,701,714,961)	(382,902,400,993)
26	9. General and administrative expenses	24	(386,290,734,635)	(222,448,924,482)
30	10. Operating profit		782,760,281,956	314,825,803,031
31	11. Other income		8,956,713,228	9,362,409,395
32	12. Other expenses		(10,285,856,298)	(8,961,093,747)
40	13. Other (loss) profit		(1,329,143,070)	401,315,648
50	14. Accounting profit before tax		781,431,138,886	315,227,118,679
51	15. Current corporate income tax expense	26.2	(178,390,198,220)	(74,097,834,564)
52	16. Deferred tax income	26.3	2,709,793,904	2,250,596,474
60	17. Net profit after tax		605,750,734,570	243,379,880,589
70	18. Earnings per share (VND/share)	20.4		
	- Basic earnings per share		4,444	1,866
	- Diluted earnings per share		4,444	1,866

Tran Cong Tien
Preparer

Nguyen Thi Ngoc Lan
Chief Accountant

Tran Ngoc Chu
General Director

27 May 2016

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


VND


Code	ITEMS	Notes	For the six-month period ended 31 March 2016	For the six-month period ended 31 March 2015
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit before tax		781,431,138,886	315,227,118,679
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	10,11,12	261,520,727,145	230,540,735,093
03	Provisions		4,598,634,459	9,876,821,528
04	Foreign exchange arising from revaluation of monetary accounts denominated in foreign currency	21.2, 23	2,936,580,936	15,393,747,945
05	Profits from investing activities		(5,727,611,617)	(889,150,881)
06	Interest expense	23	108,384,318,734	99,959,453,093
08	Operating profit before changes in working capital		1,153,143,788,543	670,108,725,457
09	Decrease (increase) in receivables		482,279,120,417	(108,952,207,619)
10	Decrease in inventories		514,521,066,427	504,119,603,018
11	Increase (decrease) in payables		463,428,941,885	(995,611,980,402)
12	Increase in prepaid expenses		(18,969,048,580)	(11,926,881,006)
14	Interest expense paid		(109,184,806,370)	(98,505,639,013)
15	Corporate income tax paid	26.2	(124,407,687,736)	(82,420,451,566)
17	Other cash outflows for operating activities		(13,539,077,582)	(20,751,607,296)
20	Net cash flows from (used in) operating activities		2,347,272,297,004	(143,940,438,427)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets		(630,038,861,648)	(442,371,707,762)
22	Proceeds from disposals of fixed assets		576,586,376	7,018,101,632
25	Payments for investments in other entities		-	(7,495,846,500)
26	Proceeds from sale of investments in other entities		4,367,000,000	4,273,000,000
27	Interest received		5,557,750,877	2,751,131,664
30	Net cash flows used in investing activities		(619,537,524,395)	(435,825,320,966)


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

VND

Code	ITEMS	Notes	For the six-month period ended 31 March 2016	For the six-month period ended 31 March 2015
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Reissuance of treasury shares		116,395,667,397	-
32	Capital redemption		(508,729)	(1,356,959)
33	Drawdown of borrowings		5,233,165,402,343	7,153,896,755,443
34	Repayment of borrowings		(6,339,508,826,961)	(6,494,627,831,716)
35	Finance lease payments		(33,205,585,562)	(31,455,230,740)
36	Dividends paid		(121,824,000)	(47,937,601,575)
40	Net cash flows (used in) from financing activities		(1,023,275,675,512)	579,874,734,453
50	Net increase in cash and cash equivalents		704,459,097,097	108,975,060
60	Cash and cash equivalents at beginning of period		276,693,474,303	155,963,095,793
61	Impact of exchange rate fluctuation		(2,467,849,427)	(1,982,467,776)
70	Cash and cash equivalents at end of the period	4	978,684,721,973	154,089,603,077


Tran Cong Tien
Preparer


Nguyen Thi Ngoc Lan
Chief Accountant


Tran Ngoc Chu
General Director

27 May 2016

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

1. CORPORATE INFORMATION

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

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

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

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

The number of the Group's employees as at 31 March 2016 was 5,999 (30 September 2015: 5,757).

Corporate structure

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

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

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

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

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

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

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

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

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

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

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

1. CORPORATE INFORMATION (continued)

Corporate structure (continued)

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

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

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

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

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

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

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

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

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

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

HSHN is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 0700759219 issued by Department of Planning and Investment of Ha Nam Province on 15 September 2015. HSHN's registered head office is located at 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 31 March 2016, the Company holds 100% equity interests and 100% voting rights in HSHN (30 September 2015: 100%).

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

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

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

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

2. BASIS OF PREPARATION

2.1 *Applied accounting standards and system*

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

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

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

2.2 *Applied accounting documentation system*

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

2.3 *Fiscal year*

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

2.4 *Accounting currency*

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

2.5 *Basis of consolidation*

The interim consolidated financial statements comprise the interim financial statements of the Company and its subsidiaries for six-month period the period ended 31 March 2016.

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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Change in accounting policies and disclosures*

The accounting policies adopted by the Group in preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 September 2015 and the Group's interim consolidated financial statements for the six month period ended 31 March 2015, except for the changes in the accounting policies in relation to the following:

3.1.1 *Circular No. 200/2014/TT-BTC providing guidance on enterprise accounting system*

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

The effects of the change in accounting policies under Circular 200 to the Group's interim consolidated financial statements are applied on a prospective basis as Circular 200 does not require for retrospective application. The Group also reclassifies certain corresponding figures of prior period following the presentation of the current period's interim consolidated financial statements in accordance with Circular 200 as disclosed in Note 30.

3.1.2 *Circular No. 202/2014/TT-BTC providing guidance on preparation and presentation of consolidated financial statements*

On 22 December 2014, the Ministry of Finance also issued the Circular No. 202/2014/TT-BTC providing guidance on preparation and presentation of consolidated financial statements ("Circular 202") replacing section XIII of Circular No. 161/2007/TT-BTC dated 31 December 2007. Circular 202 is effective for the preparation and presentation of consolidated financial statements for the financial years beginning on or after 1 January 2015.

The effects of the change in accounting treatment under Circular 202 are applied on a prospective as this Circular does not require for retrospective application.

3.2 *Cash and cash equivalents*

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

3.3 *Inventories*

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

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

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

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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Inventories (continued)

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

3.4 Receivables

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

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

3.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

3.6 Leased assets

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

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

Where the Group is the lessee

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Leased assets (continued)

Where the Group is the lessor

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

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

3.7 Intangible assets

Intangible assets are stated at cost less accumulated amortisation.

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

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

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

3.8 Depreciation and amortisation

Depreciation of tangible fixed assets and 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

3.9 Borrowing costs

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

Borrowing costs are recorded as expense during the period in which they are incurred, except for the 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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Prepaid expenses

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

3.11 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 interim 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 interim consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

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

Investment in other entity

Investment in other entity is stated at their acquisition costs.

Provision for investments

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

3.12 Payables and accruals

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

3.13 Accrual for severance pay

The severance pay to employee is accrued at the end of each reporting year for all employees who have been in service for more than 12 months up to the balance sheet date 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 is revised at the end of each reporting year following the average monthly salary of the 6-month period up to the reporting date. Increases or decreases to the accrued amount other than actual payment to employee will be taken to the interim 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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Foreign currency transactions

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

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

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

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

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

3.15 Treasury shares

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

3.16 Appropriation of net profit

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

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

Bonus and welfare fund

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Revenue recognition

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

Sale of goods

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

Rendering of services

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

Interest

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

Dividends

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

Rental income

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

3.18 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 interim consolidated income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

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

Deferred tax

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Taxation (continued)

Deferred tax (continued)

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or when the 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.

3.19 Earnings per share

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

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

3.20 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.

4. CASH AND CASH EQUIVALENTS

	VND	
	31 March 2016	30 September 2015
Cash on hand	23,330,881,100	12,935,643,278
Cash in banks	525,114,430,109	263,617,831,025
Cash in transit	95,888,889	-
Cash equivalents (*)	430,143,521,875	140,000,000
TOTAL	978,684,721,973	276,693,474,303

(*) Cash equivalents represent the deposits at commercial banks with original maturity of less than three (3) months and earn interest at the rates ranging from 5.0% to 5.2% per annum.

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

5. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

5.1 Short-term trade receivables

	VND	
	31 March 2016	30 September 2015
Due from third parties	187,937,787,927	462,253,669,867
<i>In which:</i>		
ISI Steel Co., Ltd.	36,709,666,225	34,459,004,369
Others	151,228,121,702	427,794,665,498
A related party (Note 27)	68,664,057	1,331,786,050
TOTAL	188,006,451,984	463,585,455,917
Provision for doubtful short-term receivables	(4,240,144,419)	(4,240,144,419)
NET	183,766,307,565	459,345,311,498

5.2 Short-term advances to suppliers

	VND	
	31 March 2016	30 September 2015
Due from third parties	173,623,046,716	159,535,893,785
Due from a related party (Note 27)	52,944,698,396	8,292,978,936
TOTAL	226,567,745,112	167,828,872,721

6. OTHER RECEIVABLES

	VND	
	31 March 2016	30 September 2015
Short-term	180,287,716,890	145,139,853,044
Advance for purchase of lands	90,183,227,000	90,183,227,000
Deposits	32,842,140,000	23,632,000,000
Advances to employees	9,797,185,351	6,884,731,461
Others	47,465,164,539	24,439,894,583
Long-term	3,585,549,901	3,585,549,901
Deposits	3,585,549,901	3,585,549,901
TOTAL	183,873,266,791	148,725,402,945
Provision for doubtful other short-term receivables	(740,000,000)	(740,000,000)
NET	183,133,266,791	147,985,402,945
<i>In which:</i>		
Due from related parties (Note 27)	90,183,227,000	90,183,227,000
Due from third parties	92,950,039,791	57,802,175,945

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

7. INVENTORIES

	VND	
	31 March 2016	30 September 2015
Finished goods	1,112,752,170,737	1,476,736,000,611
Raw materials	518,882,127,731	1,211,706,536,815
Goods in transit	886,037,457,733	333,244,047,678
Tools and supplies	353,739,619,451	336,834,222,083
Merchandises	165,557,193,277	198,372,707,887
Work in progress	5,403,879,718	-
TOTAL	3,042,372,448,647	3,556,893,515,074
Provision for obsolete inventories	(13,068,834,432)	(13,068,834,432)
NET	3,029,303,614,215	3,543,824,680,642

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

8. PREPAID EXPENSES

	VND	
	31 March 2016	30 September 2015
Short-term	79,344,260,893	70,777,061,388
Advertising expenses	29,226,593,518	25,002,327,467
Tools and equipment	19,946,719,123	20,121,636,138
Rental expenses	14,551,536,090	9,708,434,406
Repair and maintenance	4,842,956,893	2,974,271,924
Insurance fees	1,687,714,256	1,987,968,179
Advisory fees	1,450,313,858	1,408,729,769
Others	7,638,427,155	9,573,693,505
Long-term	125,103,420,591	110,638,707,574
Tools, materials and equipment	67,975,235,490	64,635,313,493
Repairing and maintenance	29,297,027,339	19,177,548,798
Rental fees	21,566,209,828	24,100,752,551
Others	6,264,947,934	2,725,092,732
TOTAL	204,447,681,484	181,415,768,962

9. LONG-TERM LOAN RECEIVABLE

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

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

10. TANGIBLE FIXED ASSET

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Others	Total
						VND
Cost:						
As at 30 September 2015	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
Additions	308,876,818	39,652,640,840	15,628,986,850	7,544,745,870	-	63,135,250,378
Transfer from construction in progress	1,275,922,597	32,274,952,166	19,710,370,910	-	-	53,261,245,673
Reclassified	(101,029,970)	101,029,970	-	-	-	-
Disposal	-	(5,915,227,848)	-	-	-	(5,915,227,848)
As at 31 March 2016	974,854,247,413	3,997,175,996,222	341,077,870,000	22,585,444,284	21,536,555,260	5,357,230,113,179
<i>In which:</i>						
Fully depreciated	1,560,420,836	163,282,328,885	19,813,054,805	1,389,919,877	1,059,002,199	187,104,726,602
Accumulated depreciation:						
As at 30 September 2015	(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)
Depreciation for the period	(27,647,052,173)	(190,288,567,698)	(17,318,210,414)	(1,625,744,211)	(1,516,590,632)	(238,396,165,128)
Disposal	-	5,508,502,212	-	-	-	5,508,502,212
As at 31 March 2016	(267,536,170,996)	(1,696,146,576,479)	(91,916,659,347)	(7,106,798,091)	(13,896,390,102)	(2,076,602,595,015)
Net carrying amount:						
As at 30 September 2015	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 at 31 March 2016	707,318,076,417	2,301,029,419,743	249,161,210,653	15,478,646,193	7,640,165,158	3,280,627,518,164

As disclosed in Note 19, 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 31 March 2016 of VND 289,374,767,892; VND 1,773,399,922,016; VND 142,161,888,093; VND 3,278,709,513 and VND 637,461,920 to secure the bank loan facilities.

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

11. FINANCE LEASES

			VND
	<i>Machinery and equipment</i>	<i>Means of transportation</i>	<i>Total</i>
Cost:			
As at 30 September 2015	263,597,780,822	20,332,727,270	283,930,508,092
Additions	37,311,860,667	-	37,311,860,667
As at 31 March 2016	300,909,641,489	20,332,727,270	321,242,368,759
Accumulated depreciation:			
As at 30 September 2015	(56,209,917,691)	(2,068,867,901)	(58,278,785,592)
Depreciation for the period	(18,720,803,033)	(2,634,447,930)	(21,355,250,963)
As at 31 March 2016	(74,930,720,724)	(4,703,315,831)	(79,634,036,555)
Net carrying amount:			
As at 30 September 2015	207,387,863,131	18,263,859,369	225,651,722,500
As at 31 March 2016	225,978,920,765	15,629,411,439	241,608,332,204

12. INTANGIBLE ASSETS

			VND
	<i>Land use rights</i>	<i>Computer software</i>	<i>Total</i>
Cost:			
As at 30 September 2015	318,932,354,995	1,818,224,781	320,750,579,776
Additions	2,190,431,270	-	2,190,431,270
As at 31 March 2016	321,122,786,265	1,818,224,781	322,941,011,046
<i>In which:</i>			
<i>Fully amortised</i>	456,396,144	1,734,584,781	2,190,980,925
Accumulated amortisation:			
As at 30 September 2015	(24,310,153,352)	(1,781,479,051)	(26,091,632,403)
Amortisation for the period	(1,757,517,924)	(11,793,130)	(1,769,311,054)
As at 31 March 2016	(26,067,671,276)	(1,793,272,181)	(27,860,943,457)
Net carrying amount:			
As at 30 September 2015	294,622,201,643	36,745,730	294,658,947,373
As at 31 March 2016	295,055,114,989	24,952,600	295,080,067,589

As disclosed in Note 19, the Group has pledged its land use rights with their carrying amounts as at 31 March 2016 of VND 249,911,031,272 to secure the bank loan facilities.

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

13. CONSTRUCTION IN PROGRESS

	VND	
	31 March 2016	30 September 2015
Plant constructions	229,224,867,566	70,263,136,487
Purchases of fixed assets	386,471,909,643	34,779,434,350
Major repair of fixed assets	1,458,816,610	4,454,470,560
Others	1,247,274,549	1,516,756,586
TOTAL	618,402,868,368	111,013,797,983

14. LONG-TERM INVESTMENTS

	VND	
	31 March 2016	30 September 2015
Investment in an associate (*)	29,494,005,842	33,985,640,301
Investment in other entity	-	4,367,000,000
TOTAL	29,494,005,842	38,352,640,301

(*) Detail of investment in the associate was as follow:

Name of associate	31 March 2016		30 September 2015		Location	Business activities
	% of interest	Cost of investment	% of interest	Cost of investment		
		VND		VND		
Hoa Sen-Gemadep Logistics and International Port Corporation	45	29,494,005,842	45	33,985,640,301	Ba Ria – Vung Tau Province, Vietnam	Provide sea cargo agency services

15. TRADE PAYABLES AND ADVANCE FROM CUSTOMERS

15.1 Short-term trade payables

	VND	
	31 March 2016	30 September 2015
Due to third parties	1,024,655,732,546	626,132,304,095
In which:		
Baosteel Singapore Pte Ltd.	194,617,348,444	-
Salzgitter Mannesmann International GmbH	126,734,691,149	-
Rich Fortune Int'l Industrial Co., Ltd.	117,524,010,178	-
Ep Steel Trading Co., Ltd.	57,405,442,528	141,777,423,312
Hongkong Grand International Co., Ltd.	-	67,847,770,463
Others	528,374,240,247	416,507,110,320
Due to a related party (Note 27)	2,742,885,437	137,943,985
TOTAL	1,027,398,617,983	626,270,248,080

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

15. TRADE PAYABLES AND ADVANCE FROM CUSTOMERS (continued)

15.2. Short-term advances from customers

	VND	
	31 March 2016	30 September 2015
Due to third parties	138,533,645,508	131,643,165,514
Due to a related party (Note 27)	7,251,651,540	2,418,576,540
TOTAL	145,785,297,048	134,061,742,054

16. TAXES

	VND			
	30 September 2015	Increase during the period	Decrease during the period	31 March 2016
Payables				
Corporate income tax (Note 26.2)	54,612,287,183	178,390,198,220	(124,407,687,736)	108,594,797,667
Value-added tax	15,399,013,086	646,313,981,343	(599,984,808,971)	61,728,185,458
Personal income tax	1,174,732,989	12,296,498,712	(8,103,303,077)	5,367,928,624
Other taxes	77,578,273	5,477,695,591	(5,442,822,541)	112,451,323
TOTAL	71,263,611,531	842,478,373,866	(737,938,622,325)	175,803,363,072
Receivables				
Value-added tax deductible	505,938,992,914	335,694,283,578	(622,618,671,400)	219,014,605,092
Value-added tax receivable	-	13,398,430	-	13,398,430
Personal income tax	-	36,073,957	-	36,073,957
TOTAL	505,938,992,914	335,743,755,965	(622,618,671,400)	219,064,077,479

17. SHORT-TERM ACCRUED EXPENSES

	VND	
	31 March 2016	30 September 2015
Bonuses and 13th month salary	50,582,359,500	65,064,286,000
Anniversary of establishment fee	30,000,000,000	-
Electricity	11,146,381,230	11,691,391,739
Payables relating to construction in progress	7,212,678,218	7,662,678,218
Loan interest	3,686,216,978	4,486,704,614
Others	16,583,907,769	15,135,596,926
TOTAL	119,211,543,695	104,040,657,497

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

18. OTHER SHORT-TERM PAYABLES

	VND	
	31 March 2016	30 September 2015
Dividends	4,051,742,525	4,173,566,525
Social insurance, health insurance, unemployment insurance, and trade union fees	4,151,655,050	3,169,672,863
Tender deposits received	3,560,500,000	1,490,000,000
Due to a related party (Note 27)	1,000,000,000	1,000,000,000
Export bill negotiation	-	29,719,800,000
Others	19,779,374,191	9,301,080,767
TOTAL	32,543,271,766	48,854,120,155

19. LOANS AND FINANCE LEASES OBLIGATIONS

	VND	
	31 March 2016	30 September 2015
Short-term loans and finance leases	3,086,512,985,237	4,521,419,411,847
Loans from banks (Note 19.1)	2,709,012,480,875	4,113,021,943,841
Current portion of long-term loans (Note 19.2)	314,410,754,703	352,373,244,022
Current portion of finance leases (Note 19.3)	58,111,349,659	46,054,879,984
Current portion of other long-term debts	4,978,400,000	9,969,344,000
Long-term loans and finance leases	1,315,201,932,314	969,894,221,023
Loans from banks (Note 19.2)	1,210,540,366,816	871,015,408,270
Finance leases (Note 19.3)	104,661,565,498	98,878,812,753
	4,401,714,917,551	5,491,313,632,870

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

	VND
	Amount
As at 30 September 2015	5,491,313,632,870
Drawdown from borrowings	5,233,165,402,343
Addition of finance lease obligations	51,044,807,982
Repayment from borrowings	(6,372,714,412,523)
Foreign exchange differences	(1,094,513,121)
As at 31 March 2016	<u>4,401,714,917,551</u>

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

19. LOANS AND FINANCE LEASES OBLIGATIONS (continued)

19.1 Short-term loans from banks

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

<i>Name of bank</i>	<i>31 March 2016 (VND)</i>	<i>Maturity date</i>	<i>Interest rate (% p.a.)</i>	<i>Description of collateral</i>
Joint Stock Commercial Bank for Foreign Trade of Vietnam – South Binh Duong Branch				
Loan in VND	310,634,130,566	From 29 April 2016 to 27 June 2016	From 4.0 to 4.2	Land use rights, and machinery and equipment
Loan in USD	112,278,648,764	Form 17 July 2016 to 24 July 2016	1.0	Land use rights, and machinery and equipment
Vietnam Bank for Industry and Trade – Binh Duong Industrial Park Branch				
Loan in VND	178,053,779,261	From 25 April 2016 to 3 June 2016	From 4.0 to 4.25	Land use rights, buildings and structures, and machinery and equipment
Loan in USD	375,936,095,279	From 2 June 2016 to 30 June 2016	1.0	Land use rights, buildings and structures, and machinery and equipment
Military Commercial Joint Stock Bank – Binh Duong Branch				
Loan in USD	86,482,477,151	From 15 June 2016 to 1 July 2016	From 1.0 to 1.1	Land use rights, and means of transportation
Joint Stock Commercial Bank for Investment and Development of Vietnam – Operation Center 2				
Loan in VND	494,865,765,437	From 18 May 2016 to 4 June 2016	4.0	Inventories
Loan in USD	238,490,249,210	From 25 July 2016 to 10 August 2016	1.0	Inventories
Standard Chartered Bank (Vietnam) Limited – Ho Chi Minh Branch				
Loan in USD	59,981,561,062	22 June 2016	1.1	Inventories, and machinery and equipment

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

19. LOANS AND FINANCE LEASES OBLIGATIONS (continued)

19.1 Short-term loans from banks (continued)

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

<i>Name of bank</i>	<i>31 March 2016</i>	<i>Maturity date</i>	<i>Interest rate</i>	<i>Description of collateral</i>
	<i>(VND)</i>		<i>(% p.a.)</i>	
<i>Vietnam Bank for Industry and Trade – Phu Tai Industrial Park Branch</i>				
Loan in VND	61,456,855,537	From 3 June 2016 to 28 July 2016	From 4.25 to 4.4	Inventories
<i>ANZ Bank (Vietnam) Limited</i>				
Loan in USD	65,310,134,268	3 June 2016	1.1	Land use rights
<i>Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh Branch</i>				
Loan in VND	287,423,670,614	From 19 April 2016 to 25 August 2016	From 4.0 to 4.4	Unsecured
Loan in USD	110,922,275,528	From 8 July 2016 to 25 July 2016	1.0	Unsecured
<i>Vietnam Bank for Agriculture and Rural Development – Saigon branch</i>				
Loan in VND	78,550,000,000	From 16 April 2016 to 24 May 2016	From 4.0 to 4.3	Unsecured
<i>Vietnam Prosperity Joint Stock Commercial Bank</i>				
Loan in USD	127,727,399,030	From 25 June 2016 to 29 June 2016	1.05	Unsecured
<i>HSBC Bank (Vietnam) Limited</i>				
Loan in USD	120,899,439,168	From 10 May 2016 to 28 July 2016	1.1	Inventories, land use rights, buildings and structures, and machinery and equipment
TOTAL	<u>2,709,012,480,875</u>			

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

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

19. LOANS AND FINANCE LEASES OBLIGATIONS (continued)

19.2 Long-term loans from banks

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

Name of bank	31 March 2016 (VND)	Maturity date	Interest rate (% p.a.)	Description of collateral
Joint Stock Commercial Bank for Foreign Trade of Vietnam – South Binh Duong Branch				
Loan in VND	135,041,636,695	From 15 May 2016 to 15 August 2019	From 8.0 to 8.5	Land use rights, and machinery and equipment
Viet Capital Commercial Joint Stock Bank				
Loan in VND	66,564,410,000	From 26 April 2016 to 26 November 2019	From 7.6 to 8.5	Means of transportation
Asia Commercial Joint Stock Bank				
Loan in VND	46,950,588,000	From 6 April 2016 to 17 June 2020	From 7.8 to 8.5	Means of transportation
Vietnam Bank for Industry and Trade – Binh Duong Industrial Park Branch				
Loan in VND	1,063,501,482,288	From 16 May 2016 to 5 October 2024	From 7.8 to 8.5	Land use rights, buildings and structures, and machinery and equipment
Vietnam Development Bank				
Loan in USD	39,235,271,201	From 20 June 2016 to 20 June 2018	1.7	Land use right, buildings and structures, and machinery and equipment
Military Commercial Joint Stock Bank – Binh Duong Branch				
Loan in VND	18,095,000,000	From 25 July 2016 to 7 January 2019	8.0	Land use rights, and means of transportation
Vietnam Bank for Agriculture and Rural Development – Binh Duong Branch				
Loan in VND	61,120,000,000	From 30 June 2016 to 25 September 2017	8.0	Land use rights, and machinery and equipment
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	8.0	Buildings and structures, and machinery and equipment

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

19. LOANS AND FINANCE LEASES OBLIGATIONS (continued)

19.2 Long-term loans from banks (continued)

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

<i>Name of bank</i>	<i>31 March 2016</i>	<i>Maturity date</i>	<i>Interest rate</i>	<i>Description of collateral</i>
	<i>(VND)</i>		<i>(% p.a.)</i>	
<i>Standard Chartered Bank (Vietnam) Limited – Ho Chi Minh Branch</i>				
Loan in VND	89,583,333,335	From 11 April 2016 to 9 October 2019	From 6.37 to 8.39	Buildings and structures, and machinery and equipment
TOTAL	<u>1,524,951,121,519</u>			
<i>In which:</i>				
<i>Current portion</i>	314,410,754,703			
<i>Non-current portion</i>	1,210,540,366,816			

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

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

19. LOANS AND FINANCE LEASES OBLIGATIONS (continued)

19.3 Finance leases

Details of finance leases were as follow:

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

	31 March 2016			30 September 2015		
	Total minimum lease payments	Finance charges	Lease liabilities	Total minimum lease payments	Finance charges	Lease liabilities
Current liabilities						
Less than 1 year	69,012,156,084	10,900,806,425	58,111,349,659	56,474,403,722	10,419,523,738	46,054,879,984
Non-current liabilities						
From 1-5 years	115,119,831,361	10,458,265,863	104,661,565,498	110,179,398,375	11,300,585,622	98,878,812,753
TOTAL	184,131,987,445	21,359,072,288	162,772,915,157	166,653,802,097	21,720,109,360	144,933,692,737

VND

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

20. OWNERS' EQUITY

20.1 Movements in owners' equity

	Issued share capital	Share premium	Treasury shares	Investment and development fund	Financial reserve fund	Other funds belongs to owners' equity	Undistributed earnings	Total	VND
For the six-month period ended 31 March 2015:									
As at 30 September 2014	1,007,907,900,000	451,543,290,363	(81,038,848,436)	-	8,525,313,060	13,278,012,117	978,981,528,562	2,379,197,195,666	
Net profit for the period	-	-	-	-	-	-	243,379,880,589	243,379,880,589	
Dividends declared	-	-	-	-	-	-	(48,156,549,000)	(48,156,549,000)	
Repurchase of treasury shares	-	-	(1,356,959)	-	-	-	-	(1,356,959)	
Transferred to bonus and welfare fund	-	-	-	-	-	-	(16,413,694,648)	(16,413,694,648)	
Appropriated to other funds	-	-	-	-	-	12,310,270,987	(12,310,270,987)	-	
Use of other funds during the period	-	-	-	-	-	(11,060,067,296)	-	(11,060,067,296)	
As at 31 March 2015	1,007,907,900,000	451,543,290,363	(81,040,205,395)	-	8,525,313,060	14,528,215,808	1,145,480,894,516	2,546,945,408,352	

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

20. OWNERS' EQUITY (continued)

20.1 Movements in owners' equity (continued)

	Issued share capital	Share premium	Treasury shares	Investment and development fund	Financial reserve fund	Other funds belongs to owners' equity	Undistributed earnings	Total
For the six-month period ended 31 March 2016:								
As at 30 September 2015 (previously presented)	1,007,907,900,000	487,290,470,363	(52,113,695,510)	-	8,525,313,060	6,605,155,369	1,452,507,322,241	2,910,722,465,523
As at 30 September 2015 (reclassified)	1,007,907,900,000	487,290,470,363	(52,113,695,510)	8,525,313,060	-	6,605,155,369	1,452,507,322,241	2,910,722,465,523
Net profit for the period	-	-	-	-	-	-	605,750,734,570	605,750,734,570
Stock dividends (*)	302,362,770,000	-	-	-	-	-	(302,362,770,000)	-
Repurchase of treasury shares	-	-	(508,729)	-	-	-	-	(508,729)
Reissuance of treasury shares (**)	-	64,281,463,158	52,114,204,239	-	-	-	-	116,395,667,397
Transferred to bonus and welfare fund	-	-	-	-	-	-	(26,114,981,672)	(26,114,981,672)
Appropriated to other funds	-	-	-	-	-	29,379,354,381	(29,379,354,381)	-
Reversal of fund performance bonus	-	-	-	(8,525,313,060)	-	-	8,525,313,060	-
Use of other funds during the period	-	-	-	-	-	(11,254,269,393)	-	(11,254,269,393)
As at 31 March 2016	1,310,270,670,000	551,571,933,521	-	-	-	24,730,240,357	1,687,024,263,818	3,573,597,107,696

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

20. OWNERS' EQUITY (continued)

20.1 Movements in owners' equity (continued)

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

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

20.2 Capital transactions with owners

	VND	
	For the six-month period ended 31 March 2016	For the six-month period ended 31 March 2015
Contributed capital		
As at 30 September 2015	1,007,907,900,000	1,007,907,900,000
Increase	302,362,770,000	-
As at 31 March 2016	<u>1,310,270,670,000</u>	<u>1,007,907,900,000</u>
Dividends		
Dividends declared	-	48,156,549,000
Dividends paid by cash	121,824,000	47,937,601,575

20.3 Share capital

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

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

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

20. OWNERS' EQUITY (continued)

20.4 Earnings per share

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	For the six-month period ended 31 March 2016	For the six-month period ended 31 March 2015
Net profit after tax (VND)	605,750,734,570	243,379,880,589
Distribution to bonus and welfare fund VND) (*)	(24,230,029,383)	(9,735,195,224)
Net profit after tax attributable to ordinary equity holders for basic earnings (VND)	581,520,705,187	233,644,685,365
Weighted average number of ordinary shares (share) (**)	130,850,026	125,207,027
Earnings per share (VND/share)		
Basic	4,444	1,866
Diluted	4,444	1,866

(*) Profit used to compute earnings per share for the six-month period ended 31 March 2015 as presented in the interim consolidated financial statements of previous period was restated to reflect the actual allocation to bonus and welfare fund from previous period's net profit after tax in accordance with the Resolution of Annual General Meeting No. 01/NQ/DHDCD/2016 dated 18 January 2016.

Profit used to compute earnings per share for the six-month period ended 31 March 2016 was adjusted for the provisional allocation to bonus and welfare fund from the current period's net profit after tax following the plan as approved in the Resolution of Annual General Meeting No. 01/NQ/DHDCD/2016 dated 18 January 2016.

(**) The weighted average numbers of ordinary shares, in the previous period, has been retrospectively adjusted for the payments of stock dividends to the Company's shareholders during the period.

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

21. REVENUES

21.1 Revenues from sale of goods and rendering of services

		VND
	<i>For the six-month period ended 31 March 2016</i>	<i>For the six-month period ended 31 March 2015</i>
Gross revenues	8,357,689,023,864	8,708,160,156,543
<i>Of which:</i>		
<i>Sale of finished goods</i>	6,281,103,732,236	7,228,502,048,419
<i>Sale of merchandises</i>	2,066,940,901,321	1,467,924,515,893
<i>Others</i>	9,644,390,307	11,733,592,231
Less	(53,876,969,381)	(11,989,917,703)
<i>Of which:</i>		
<i>Sales discount</i>	(49,012,730,422)	(2,813,991,574)
<i>Sales returns</i>	(2,127,436,946)	(3,916,072,468)
<i>Sales allowances</i>	(2,736,802,013)	(5,021,105,594)
<i>Export tax</i>	-	(238,748,067)
NET	8,303,812,054,483	8,696,170,238,840
<i>Of which:</i>		
<i>Sale to third parties</i>	7,082,639,391,610	8,207,797,735,816
<i>Sale to a related parties</i>	1,221,172,662,873	488,372,503,024

21.2 Finance income

		VND
	<i>For the six-month period ended 31 March 2016</i>	<i>For the six-month period ended 31 March 2015</i>
Foreign exchange gains	20,672,374,750	10,771,376,261
Finance income from investments	4,997,054,930	1,727,000,000
Interest income	560,695,947	1,024,131,664
Foreign exchange gains arising from revaluation of monetary accounts denominated in foreign currency	493,595,973	85,366,866
TOTAL	26,723,721,600	13,607,874,791

22. COST OF GOODS SOLD AND SERVICES RENDERED

		VND
	<i>For the six-month period ended 31 March 2016</i>	<i>For the six-month period ended 31 March 2015</i>
Costs of sale of finished goods	4,667,989,269,588	6,294,482,392,817
Costs of sale of merchandises	1,886,515,569,446	1,341,178,917,566
Others	1,534,647,597	145,095,420
TOTAL	6,556,039,486,631	7,635,806,405,803

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

23. FINANCE EXPENSES

	VND	
	<i>For the six-month period ended 31 March 2016</i>	<i>For the six-month period ended 31 March 2015</i>
Interest expense	108,384,318,734	99,959,453,093
Foreign exchange losses	15,437,427,798	32,053,207,660
Foreign exchange losses arising from revaluation of monetary accounts denominated in foreign currency	3,430,176,909	15,479,114,811
Provision for long-term investments	4,491,634,459	6,302,803,758
TOTAL	131,743,557,900	153,794,579,322

24. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	<i>For the six-month period ended 31 March 2016</i>	<i>For the six-month period ended 31 March 2015</i>
Selling expenses	473,701,714,961	382,902,400,993
Labour costs	109,083,631,003	72,535,512,647
Depreciation and amortisation	20,002,861,377	12,074,350,226
Expenses for external services	251,058,458,011	240,261,881,551
Other expenses	93,556,764,570	58,030,656,569
General and administrative expenses	386,290,734,635	222,448,924,482
Labour costs	183,559,412,760	114,942,276,611
Depreciation and amortisation	18,593,198,425	15,380,604,903
Expenses for external services	23,534,828,996	22,731,409,274
Other expenses	160,603,294,454	69,394,633,694
TOTAL	859,992,449,596	605,351,325,475

25. PRODUCTION AND OPERATING COSTS

	VND	
	<i>For the six-month period ended 31 March 2016</i>	<i>For the six-month period ended 31 March 2015</i>
Raw materials	5,860,673,907,771	6,951,825,647,633
Labour costs	407,284,083,760	284,153,198,762
Depreciation and amortisation (Notes 10, 11 and 12)	261,520,727,145	230,540,735,093
Expenses for external services	756,637,502,584	690,121,719,981
Others	459,306,675,511	378,867,988,718
TOTAL	7,745,422,896,771	8,535,509,290,187

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

26. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") applicable to the Company and its subsidiaries is 20% of taxable profits, except for the following:

- 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 CIT rate applicable to HSNC, HSDH and HSNH is 10% of taxable profits in 15 years since the first year of operation and the applicable tax rate for the years thereafter. These subsidiaries are 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 HSHN is 17% of taxable profits in 10 years since year 2016 and the applicable tax rate for the years thereafter. This subsidiary 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 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 interim consolidated financial statements could change at a later date upon final determination by the tax authorities.

26.1 CIT expense

	VND	
	For the six-month period ended 31 March 2016	For the six-month period ended 31 March 2015
Current CIT expense	178,351,108,492	74,097,820,062
Adjustment for CIT from previous periods	39,089,728	14,502
Deferred CIT income	(2,709,793,904)	(2,250,596,474)
TOTAL	175,680,404,316	71,847,238,090

26.2 Current CIT

The current tax payable is based on taxable profit for the current year. The taxable profit of the Company and its subsidiaries for the period differs from the income as reported in the interim consolidated income statement because it excludes items of income or expense that are taxable or deductible in other 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.

A reconciliation between the accounting profit before tax as reported in the interim consolidated financial statements and taxable profit is presented below:

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

26. CORPORATE INCOME TAX (continued)

26.2 Current CIT (continued)

	VND	
	For the six-month period ended 31 March 2016	For the six-month period ended 31 March 2015
Accounting profit before tax	781,431,138,886	315,227,118,679
Adjustments:		
Non-deductible expenses	57,553,025,762	29,073,631,641
Change in unrealised profits	4,292,016,902	2,902,038,584
Change in accrued expenses	13,941,317,334	47,517,889
Change in provisions	4,491,634,459	9,877,720,763
Change in foreign exchange losses arising from revaluation of monetary accounts denominated in foreign currency	(7,063,915,977)	(1,278,203,204)
Tax losses of subsidiaries	3,886,681,267	1,125,617,295
Others	(1,319,090,062)	(4,282,611,122)
Estimated taxable profit	857,212,808,571	352,692,830,525
Estimated current CIT	180,125,850,539	74,097,820,062
CIT exempted	(1,774,742,047)	-
Estimated CIT after exemption	178,351,108,492	74,097,820,062
Adjustment for CIT from previous periods	39,089,728	14,502
CIT expense after adjustment	178,390,198,220	74,097,834,564
CIT payables at beginning of period	54,612,287,183	43,843,685,867
CIT paid during the period	(124,407,687,736)	(82,420,451,566)
CIT payables at end of period	108,594,797,667	35,521,068,865

26.3 Deferred CIT

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

	VND			
	Interim consolidated balance sheet		Interim consolidated income statement	
	31 March 2016	30 September 2015	For the six-month period ended 31 March 2016	For the six-month period ended 31 March 2015
Unrealised profits	30,937,870,852	30,030,570,812	907,300,040	638,448,489
Accrued expenses	20,270,692,685	17,689,924,504	2,580,768,181	10,453,935
Provisions	8,101,430,227	7,203,103,336	898,326,891	2,173,098,568
Foreign exchange losses arising from revaluation of monetary accounts denominated in foreign currency	497,691,553	1,910,474,749	(1,412,783,196)	(281,204,705)
Others	2,372,602,431	2,636,420,443	(263,818,012)	(290,199,813)
Deferred tax assets	62,180,287,748	59,470,493,844	2,709,793,904	2,250,596,474
Deferred CIT income				

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

27. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>For the six-month period ended 31 March 2016</i>	<i>VND</i> <i>For the six-month period ended 31 March 2015</i>
Hoa Sen Investment and Tourism Co., Ltd.	Related party	Sale of goods Purchase of goods Trade discounts Receiving of services Rendering of transportation services	1,232,439,200,996 192,120,189,885 11,699,309,329 11,260,082,500 9,726,003,705	488,553,266,186 5,804,597,314 - - -
Hoa Sen-Gemadep Logistics and International Port Corporation	Associate	Capital contribution	-	7,495,846,500
Viet Capital Health Care Fund	Related party	Recollection of investment	4,367,000,000	4,273,000,000
Huong Sen Real Estate	Related party	Land returned	-	60,000,000,000
Amounts due from and due to related parties at the balance sheet dates were as follows:				
<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>31 March 2016</i>	<i>VND</i> <i>30 September 2015</i>
Short-term trade receivable				
Hoa Sen Investment and Tourism Co., Ltd.	Related party	Sale of goods	68,664,057	1,331,786,050
Short-term advance to a supplier				
Hoa Sen Investment and Tourism Co., Ltd.	Related party	Advances	52,944,698,396	8,292,978,936
Other short-term receivable				
Mr Hoang Duc Huy	Deputy General Director	Advance for purchase of lands	90,183,227,000	90,183,227,000

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

27. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

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

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>31 March 2016</i>	<i>30 September 2015</i>
				<i>VND</i>
<i>Short-term trade payable</i>				
Hoa Sen Investment and Tourism Co., Ltd.	Related party	Purchase of goods	<u>2,742,885,437</u>	<u>137,943,985</u>
<i>Short-term advance from a customer</i>				
Hoa Sen Investment and Tourism Co., Ltd.	Related party	Advance	<u>7,251,651,540</u>	<u>2,418,576,540</u>
<i>Other short-term payable</i>				
Huong Sen Real Estate	Related party	Payable of advance	<u>1,000,000,000</u>	<u>1,000,000,000</u>

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

27. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Transactions with other related parties

Remuneration to members of the Board of Directors, the Board of Supervision and the Management

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

28. COMMITMENTS

Operating lease 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>31 March 2016</i>	<i>30 September 2015</i>
Less than 1 year	49,889,318,337	42,332,637,447
From 1 to 5 years	163,302,256,922	124,191,468,650
More than 5 years	267,011,902,657	268,627,842,340
TOTAL	480,203,477,916	435,151,948,437

Capital expenditure commitments

As at 31 March 2016, the Group has commitments of VND 538,699,519,759 (30 September 2015: VND 836,113,556,098) mainly related to the acquisition of new machinery for the operation.

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

29. 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	
	For the six-month period ended 31 March 2016	For the six-month period ended 31 March 2015	For the six-month period ended 31 March 2016	For the six-month period ended 31 March 2015	For the six-month period ended 31 March 2016	For the six-month period ended 31 March 2015
Revenue	5,383,328,445,500	4,704,583,011,209	2,920,483,608,983	3,991,587,227,631	8,303,812,054,483	8,696,170,238,840
Cost of goods sold	3,691,231,524,450	3,894,915,936,134	2,864,807,962,181	3,740,890,469,669	6,556,039,486,631	7,635,806,405,803
Segment income	1,692,096,921,050	809,667,075,075	55,675,646,802	250,696,757,962	1,747,772,567,852	1,060,363,833,037

VND

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

30. RECLASSIFICATION OF CORRESPONDING FIGURES FOLLOWING APPLICATION OF CIRCULAR 200

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

			VND
	30 September 2015 (previously presented)	Impact of reclassification	30 September 2015 (reclassified)
CONSOLIDATED BALANCE SHEET			
Short-term loan receivables	-	400,000,000	400,000,000
Other short-term receivables	128,763,462,383	16,376,390,661	145,139,853,044
Other current assets	16,776,390,661	(16,776,390,661)	-
Long-term loan receivables	-	25,000,000,000	25,000,000,000
Other long-term receivables	25,000,000,000	(21,414,450,099)	3,585,549,901
Other long-term assets	3,585,549,901	(3,585,549,901)	-
			VND
	For the six-month period ended 31 March 2015 (previously presented)	Impact of reclassification	For the six-month period ended 31 March 2015 (reclassified)

INTERIM CONSOLIDATED INCOME STATEMENT

Revenues from sale of goods and rendering of services	8,696,613,064,312	11,547,092,231	8,708,160,156,543
Other income	27,712,384,079	(18,349,974,684)	9,362,409,395
Other expenses	(15,763,976,200)	6,802,882,453	(8,961,093,747)

31. EVENTS AFTER THE BALANCE SHEET DATE

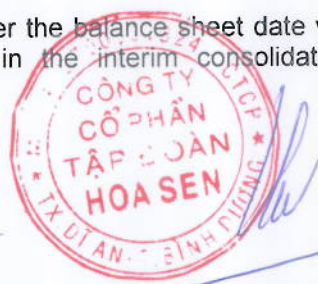
There have been no significant events occurring after the balance sheet date which would require adjustments or disclosures to be made in the interim consolidated financial statements.



Tran Cong Tien
Preparer



Nguyen Thi Ngoc Lan
Chief Accountant



Tran Ngoc Chu
General Director

27 May 2016