



ANNUAL REPORT

The fiscal year 2014 - 2015

REACHING
MORE THAN  **MILLION** TONS/YEAR

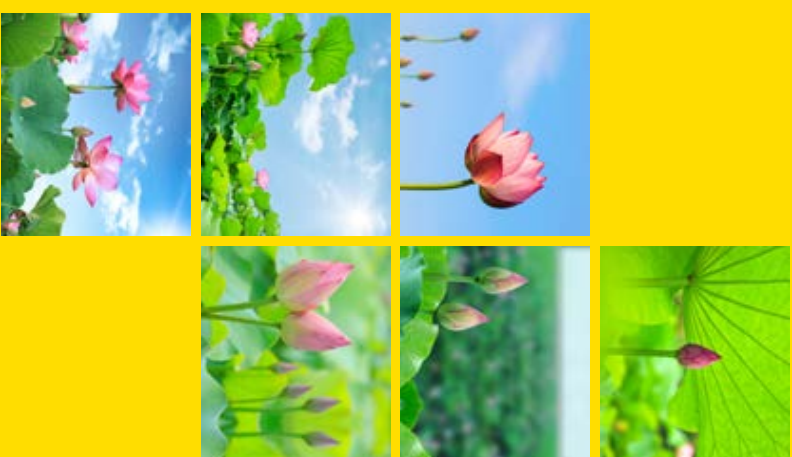


LOTUS *Golden* QUALITY

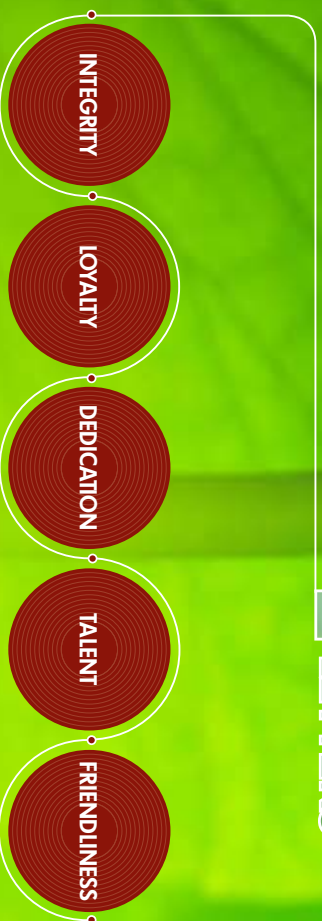
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for the year ended 30 September 2015	



CULTURE OF 10 LETTERS



Vision

Becoming a leading economic group in manufacturing and distributing building material products in Vietnam and in the region with a sustainable development strategy that focuses on 5 core competitive advantages: vertically integrated value chain; distribution-retail network; strong, community-oriented brand; professional unique governance system and corporate culture as well as pioneering in technological innovation investment in order to maximize added value for shareholders, employees and society.

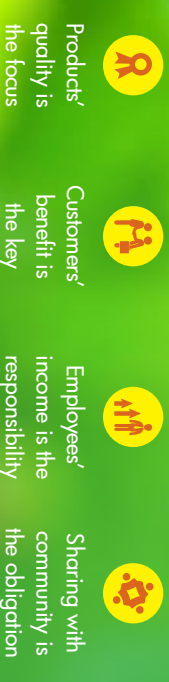
Mission

Providing products with international quality, reasonable prices and diverse designs under the Hoa Sen brand in order to meet customers' needs and contribute to changing the country's architectural landscape and developing the community.

Core Values

Integrity – Community – Development

Business Philosophy



MESSAGE FROM CHAIRMAN OF THE BOARD OF DIRECTORS

“ IN THE UPCOMING TIME, HOA SEN GROUP WILL FOCUS
ON DEVELOPING DOMESTIC MARKET BY EXPANDING RETAIL
NETWORK, IMPLEMENTING MARKETING STRATEGY EFFECTIVELY
AND COMPLETING ERP PROJECT ”

DEAR ESTEEMED SHAREHOLDERS,

Ending 2015, the domestic and international steel industry was still complicated and unstable. The steel industry had to face unfavorable changes from the significant decrease of price of hot rolled coils. As the result, the profits of domestic steel companies were influenced. In addition, the increasing in trade remedy measures of important export markets and the overproduction situation of Chinese steel market – the country having the leading steel production in the world which caused negative influences to business activities of domestic steel companies, especially export activities.

Facing those unfavorable changes, the Board of Directors implemented comprehensive policies, flexible solutions to promote all resources, take full advantages of opportunities, overcome obstacles, adapt to fluctuations and create motivations in the next period of development.

Ending the fiscal year 2014 – 2015, Hoa Sen Group exceeded the business plan approved by the General Assembly of Shareholders. The Group's after-tax profit reached VND 653 billion and increased 45% in comparison with the plan. In addition, sales volume and net sales increased in comparison with the previous fiscal year. Specifically, the sales volume reached more than 1,000,000 tons/year and achieved the growth target of the period from 2013 to 2017 two years earlier. The net sales reached VND 17,447 billion and increased 16% in comparison with the previous fiscal year.

The domestic distribution channels still held the key role with the sales volume of more than 600,000 tons.

increasing 26% in comparison with the previous fiscal year and accounting for 60% of total sales volume. Simultaneously, based on the diversity of export markets, the Group achieved more than 400,000 tons in export sales volume and increased 21% in comparison with the previous fiscal year. With these results, Hoa Sen Group continued to maintain the leading position in coated steel sheet and steel pipe markets in Vietnam by accounting for nearly 40% of coated steel sheet market share and nearly 20% of steel pipe market share.

Hoa Sen Group has remarkable achievement of profit during the difficult period of steel industry as a result of implementing core competitive advantages in the domestic market effectively including expanding the retail network, intensifying brand promotion activities, reducing production cost, enhancing product quality and managing logistics quickly and effectively. Above all, esteemed shareholders' trust and support also contributed to the Group's success significantly.

In 2016, the steel industry is forecasted to face complicated and unexpected changes. Realizing this challenge, Hoa Sen Group aims to accomplish the following key tasks in order to maintain and promote achievements as well as implement development strategies successfully:

» Firstly, expanding the retail network quickly and improving human resources management in order to strengthen operational efficiency of all distribution-retail branches and thence extend the coverage of Hoa Sen products in the domestic market.



MESSAGE FROM CHAIRMAN OF THE BOARD OF DIRECTORS (continued)

**HOA SEN GROUP HAS REMARKABLE
ACHIEVEMENT OF PROFIT DURING THE
DIFFICULT PERIOD OF STEEL INDUSTRY
AS A RESULT OF CREATIVE AND FLEXIBLE
ORIENTATIONS OF THE BOARD OF
DIRECTORS, EFFORTS IN OPERATIONS
OF THE BOARD OF MANAGEMENT AND
DEDICATION OF ALL EMPLOYEES.**



- » Secondly, utilizing the production lines of current plants and new projects such as Hoa Sen Binh Dinh Plant Project, Hoa Sen Nam Cam – Nghe An Plant Project and the project of expanding Hoa Sen Building Materials Plant effectively. Besides, continuing to speed up the progress of Hoa Sen Nghe An Plant Project and Hoa Sen Ho Nam Plant Project in order to allocate production capacity among regions, supply products to the nationwide distribution-retail branches continuously as well as minimize time and cost of transportation.
- » Thirdly, implementing marketing strategy effectively through communication channels and community-oriented and charitable activities in order to strengthen brand identity of Hoa Sen Group in the market.
- » Fourthly, studying and implementing the project of restructuring governance model in order to utilize all resources of production and distribution in conformity with the domestic market development strategy.
- » Finally, speeding up the progress of Enterprise Resource Planning (ERP) project in order to enhance the synchronization and consistency in operations, reduce operating costs and apply modern technology for the next period of development.

To celebrate 15 years of establishment and development of Hoa Sen Group, with long-term attachment of esteemed shareholders and effective and professional governance system, we believe that the Board of Directors, the Board of Management and all employees will complete the business plan approved by the General Assembly of Shareholders early as well as continue to affirm the leading position of Hoa Sen Group in domestic and export markets in line with esteemed shareholders' support.

We hope that esteemed shareholders are always companions of Hoa Sen Group on the way to new success.

Best regards,

Chairman of the Board of Directors

LE PHUOC VU

SALES VOLUME

MORE
THAN
1,000,000
TONS/YEAR

NET SALES

VND
17,447
BILLIONS
+16%
TO COMPARE WITH
THE FISCAL YEAR
2013-2014



INTRODUCTION

Outstanding financial figures and events in the fiscal year 2014 - 2015
History of establishment and development
Model of Hoo Sen Group
Organizational structure of Hoo Sen Group
Production capacity
Product category
5 core competitive advantages

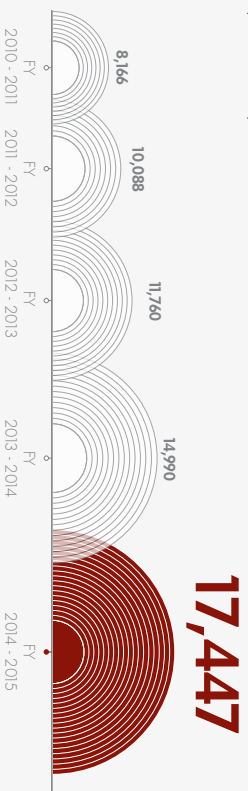
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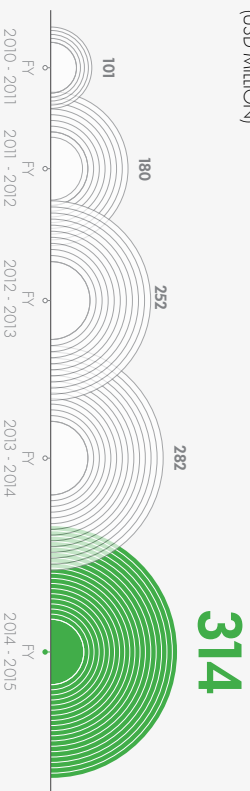
OUTSTANDING FINANCIAL FIGURES AND EVENTS

OF THE FISCAL YEAR 2014 - 2015

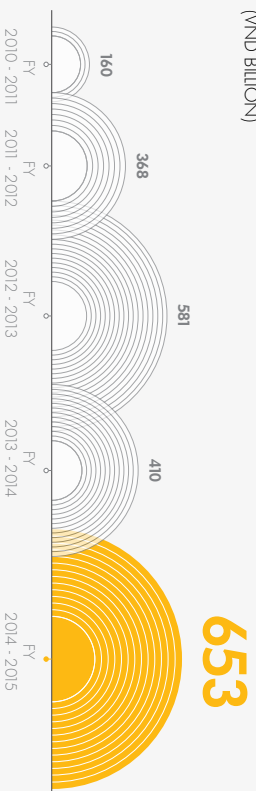
NET SALES (VND BILLION)



EXPORT SALES (USD MILLION)

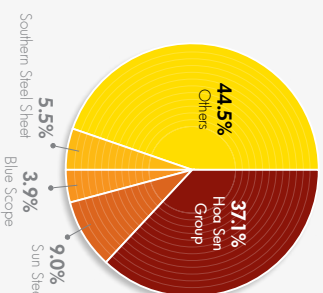


CONSOLIDATED AFTER-TAX PROFIT (VND BILLION)

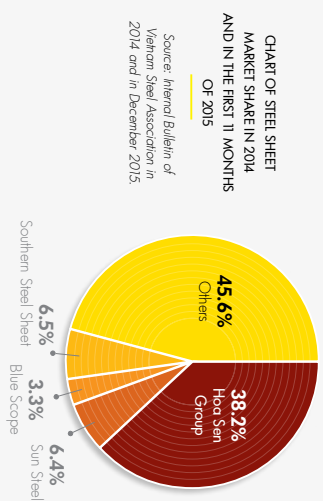


“ IN 2015, HOA SEN GROUP CONTINUED TO AFFIRM ITS POSITION AS THE LEADING MANUFACTURER AND TRADER OF STEEL SHEETS IN VIETNAM WITH 38.2% OF MARKET SHARE. ”

YEAR 2014



THE FIRST 11 MONTHS 2015



Source: Internal Bulletin of Vietnam Steel Association in 2014 and in December 2015.

Note: Above statistics only consist of sales volumes of members of Vietnam Steel Association.

Hoa Sen Group continued to affirm its position as the leading manufacturer and trader of steel sheets in Vietnam with **38.2%** of market share.

Hoa Sen Group is continuous export market diversification. Currently, Hoa Sen Group's products are present in

COUNTRIES AND TERRITORIES

over the world, the Hoa Sen Group products meet the standards of the difficult market such as: AS standard of Australia, JIS standard of Japan, ASTM standard of US, etc. This strategy has achieved certain success is based on 3 factors: the first is the product quality meet the international standard, the second is the justified price and the third is the fast delivery.

Until December 31st 2015, the total number of distribution-retail branches and the total number of branches are

190
BRANCHES
including 6 base depots.

Hoa Sen Group has established warranty policy for the products of Pre-painted Galvanized Steel Sheet, Aluminum-Zinc Alloy Coated Steel Sheet and Pre-painted Aluminum-Zinc Alloy Coated Steel Sheet for a warranty period from

according to Hoa Sen Group Warranty's Terms and Conditions. All 3 product lines are produced on modern lines, meet the standards of the difficult market such as: Japan, Australia, Europe, etc. The features of 3 products are the high aesthetics, high durable, the products surface is shiny and there are many multi-color codes which are available with the diversified demand of customers. Furthermore, the Hoa Sen Group products are delivered directly to end-user with the quantity Right price, standard, right quality, and warranty* through the nationwide 190 distribution-retail branches.



In the fiscal year 2014 - 2015, Hoa Sen Group's net sales reached VND **17,447** BILLION

Increased 16% in comparison with the previous fiscal year. In the context of unfavorable economy, Hoa Sen Group still maintained the high growth rate in net sales.

HISTORY OF ESTABLISHMENT AND DEVELOPMENT

2001 - SEPTEMBER 30th, 2008

On August 8th 2001, Hoa Sen Joint Stock Company was established with an initial share capital of VNĐ 50 billion, 22 employees and 2 distribution-steel branches. Raising Hoa Sen Cold Rolling Mill with a capacity of 180,000 tons/year, guaranteeing line NQC technology with a capacity of 150,000 tons/year and two Color coating lines with a capacity of 45,000 tons/year, new line no operation. Establishing many distribution-steel branches to increase the number of distribution-steel branches by 75 at the end of 2008.

“FROM OCTOBER 1st, 2008, HOA SEN GROUP CHANGED ITS FISCAL YEAR ACCORDING TO HOA SEN GROUP'S FISCAL YEAR BEGINS FROM OCTOBER 1st AND ENDS IN SEPTEMBER 30th OF THE FOLLOWING YEAR”

2012 - 2013

Raising Galvanizing line (NQC technology) of Phase 2 of Hoa Sen Phu My Steel Sheet Plant Project with a capacity of 120,000 tons/year into operation. Establishing 7 more branches to increase the total number of distribution-steel branches by 115. Hoa Sen Group achieved Top 100 of largest Vietnamese Enterprises and Top 30 of largest Vietnamese Private Enterprises.

2013 - 2014

Establishing 35 more branches to increase the total number of distribution-steel branches by 150 until December 31st, 2014. Raising production line of Phase 2 of Hoa Sen Phu My Steel Sheet Plant Project including 2 Cold-rolling lines with a capacity of 180,000 tons/year and 1 Color-coating line with a capacity of 45,000 tons/year into operation to increase the total designed capacity of current production lines of Hoa Sen Group by nearly 1 million tons of cold-rolled coils/year and 12 million tons of coated steel sheets/year. Investing in Hoa Sen Binh Dinh Steel Pipe Plant Project and Hoa Sen Nghe An Steel Sheet Plant Project to enhance production capacity of the Group. On January 8th, 2014, Hoa Sen Group was awarded "Best Managed Company in Asia 2014" in metal and mining sector by *EuroMoney Magazine* (the United Kingdom). In 2014, Hoa Sen Group was honorably voted "50 Best Vietnamese listed Companies" by *Forbes Vietnam*. Hoa Sen Group was awarded "Vietnam Value 2014" for Hoa Sen Steel Sheet Product, Hoa Sen Plastic Pipe Product and Hoa Sen Steel Pipe Product by Ministry of Industry and Trade in November 2014.

2008 - 2009

Establishing 07 more branches to increase the total number of distribution-steel branches by 82. Referring projects placed for more investors and Hoa Sen Group's employees. On December 5th, 2008, 57,238,520 shares of Hoa Sen Joint Stock Company (HSC) were listed on Ho Chi Minh City Stock Exchange.

Raising Hot galvanizing line (NQC technology) with a capacity of 450,000 tons/year and Color coating line with a capacity of 180,000 tons/year into operation. Issuing bonus shares and shares for dividend payment of the fiscal year 2008, increasing the share capital from VNĐ 700 billion to VNĐ 839,960 billion. Increasing the share capital from VNĐ 839,960 billion to VNĐ 1,007,007 billion.

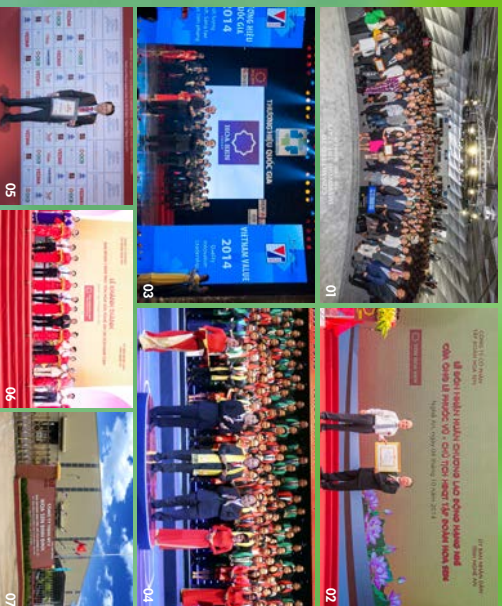
2011 - 2012

The export sales achieved USD 180 million. Hoa Sen Group became one of the leading exporters of coated steel sheets in Southeast Asia. Announcing the new brand identity system. Establishing 2 more branches to increase the total number of distribution-steel branches by 108.

2010 - 2011

Establishing 11 more branches to increase the total number of distribution-steel branches by 79. Raising Hot galvanizing line (NQC technology) with a capacity of 450,000 tons/year and Color coating line with a capacity of 180,000 tons/year into operation. Issuing bonus shares and shares for dividend payment of the fiscal year 2008, increasing the share capital from VNĐ 700 billion to VNĐ 839,960 billion. Increasing the share capital from VNĐ 839,960 billion to VNĐ 1,007,007 billion. Export sales achieved USD 101 million. On June 19th, 2015, inaugurate Hoa Sen Nghe An Steel Sheet Plant at Nam Con Ngã An province and starting Hoa Sen Nghe An Plant Project at Dong Ho Industrial Park. On March 28th, 2015, inaugurated and opened of Phase 1 of Hoa Sen Binh Dinh Steel Pipe Plant by Hoa Sen Binh Dinh Steel Pipe Plant Project with social-labeled Company invest. Phase 1 of steel pipe plant and 07 steel pipe lines, with capacity of 100,000 tons/year. On April 2015, Hoa Sen Group early company in Vietnam is selected in the Global Growth Company by World Economic Forum magazine and votes.

EVENTS IN THE FISCAL YEAR 2014 – 2015



01

Hoa Sen Group officially becomes a member of Global Growth Companies (GGC) for the year 2015, and is the only representative of Vietnam listed of the world's most dynamic and high-growth companies.

02

On October 4th, 2014, Mr. Le Phuc W. Chairman of the Board of Directors of Hoa Sen Group honorably received Second-grade labor Medal by Mr. Nguyen Sinh Hung - Chairman of the National Assembly.

03

Hoa Sen Group was continuously awarded "Vietnam Value" for Hoa Sen Steel Sheet Product, Hoa Sen Steel Pipe Product, and Hoa Sen Plastic Pipe Product

04

On October 4th, 2014, Hoa Sen Group was honorably certified one of the inaugural Phase 1 - Hoa Sen Steel Sheet Plant on the most prestigious Vietnam Gold Star award.

05

In July 2015, Hoa Sen Group was honorably inaugurated one of the Top 10 enterprises on the most prestigious Vietnam Gold Star award.

06

Hoa Sen Group organized grandblessing ceremony of Hoa Sen Nghe An Plant and Binh Dinh Steel Pipe Plant.

07

Hoa Sen Group completed and operated Hoa Sen Binh Dinh Steel Pipe Plant.



PRODUCTION CAPACITY



HOA SEN GROUP

No. 09, Thong Nhat Boulevard,
Song Than 2 Industrial Park, Di An Ward, Di An Town,
Binh Duong Province.

BRANCH OF HOA SEN GROUP - HOA SEN PHU MY STEEL SHEET PLANT

Sheet No. 01 B, Phu My 1 Industrial Park, Phu My
Town, Tan Thanh District, Ba Ria – Vung Tau Province.

- 05 Galvanizing lines (NOF technology) with total designed capacity 1,220,000 tons/year.
- 04 Color coating lines with total designed capacity 420,000 tons/year.
- 02 Annealing furnace with total designed capacity 142,000 tons/year.



HOA SEN BUILDING MATERIAL ONE MEMBER LIMITED LIABILITIES COMPANY

Sheet No. 2B, Phu My 1 Industrial Park, Phu My Town,
Tan Thanh District, Ba Ria – Vung Tau Province.

BRANCH OF HOA SEN BUILDING MATERIAL ONE MEMBER LIMITED LIABILITIES COMPANY IN HAI DUONG PROVINCE

Phuong Do Hamlet, Hung Thinh Commune,
Binh Giang District, Hai Duong Province.

- 25 Steel pipe lines with total designed capacity 377,400 tons/year.
- 16 Plastic pipe lines with total designed capacity 42,840 tons/year.



HOA SEN STEEL SHEET ONE MEMBER LIMITED LIABILITIES COMPANY

No. 09, Thong Nhat Boulevard,
Song Than 2 Industrial Park, Di An Ward, Di An Town,
Binh Duong Province.

BRANCH OF HOA SEN STEEL SHEET ONE MEMBER LIMITED LIABILITIES COMPANY - PHU MY COLD ROLLING MILL

Sheet No. 01 B, Phu My 1 Industrial Park, Phu My
Town, Tan Thanh District, Ba Ria – Vung Tau Province.

- 05 Cold rolling lines with total designed capacity 980,000 tons/year.
- 02 Pickling lines with total designed capacity 1,050,000 tons/year.
- 01 Annealing furnace with total designed capacity 42,000 tons/year.
- 01 Acid recycling line with total designed capacity 5,000 liters/hour.



HOA SEN BINH DINH ONE MEMBER LIMITED LIABILITIES COMPANY

A11 and TT 6.2 & 7 Zone, Nhon Hoa Industrial Park,
Nhon Hoa Ward, An Nhon Town, Binh Dinh Province.

HOA SEN NAM CAM - NGHE AN ONE MEMBER LIMITED LIABILITIES COMPANY

Nam Cam Industrial Park, Nghi Xa Ward,
Nghi Loc Town, Nghe An Province.

- 09 Steel pipe lines with total designed capacity 75,000 tons/year.
- 06 Plastic pipe lines with total designed capacity 12,000 tons/year.

- 06 Steel pipe lines with total designed capacity 50,000 tons/year.

By applying the modern 6 high single-stand reversing cold rolling technology, cold rolled coils of the Group meet the strict requirements of quality in accordance with Japanese standard of JIS G 3141.



COLD ROLLED COIL

Being manufactured by the advanced NOF technology, aluminum-zinc alloy coated steel sheets of the Group meet the standard of ASTM A792 (US), AS 1397 (Australia), JIS G3321 (Japan), MS 1196 (Malaysia) and EN 10346 (Europe). The products' surfaces are glossy, silvery, anti-erosive, effectively heat-resistant and flexibly designed with 4 time higher durability than other common kinds of steel sheet.



ALUMINUM-ZINC ALLOY COATED
STEEL SHEET (G1)

Being applied the most advanced technology of color coating on aluminum-zinc alloy surface makes the products outstandingly durable and highly aesthetic and ensures the products' quality. JIS G 3322 (Japan), ASTM A755 (US), AS 2728 (Australia), MS 2383 (Malaysia), EN 10169 (Europe).



PRE-PAINTED ALUMINUM-ZINC ALLOY
COATED STEEL SHEET (Pre-painted G1)

Pre-painted G1 and pre-painted GI are used paint which main factor is high grade Fluoropolymer plastic to increase significant prevention of erosion, acid and to strengthen paint durability than normal polyester paint. Moreover, the product can prevent UV ray in severe weather conditions and ensure high quality in accordance with standard of JIS G 3322, JIS G 3312 (Japan), ASTM A755 (US), AS 2728 (Australia), EN 10169 (Europe), MS 2383 (Malaysia). In addition, the product is guarantee for the painted coating from 20 to 25 years.



PRE-PAINTED GI AND PRE-PAINTED
GI WITH PVDF

ADVANCED TECHNOLOGY CREATES DIVERSIFIED PRODUCTS



GAUVANIZED STEEL SHEET (GI)

Being manufactured by the advanced NOF technology, the products meet the strictest requirements of galvanized steel sheet in accordance with Japanese standard of JIS G 3302. With the effective anti-erosion and smoothly coated surface, Hoa Sen galvanized steel sheet, which meets standard of ASTM A653 (US), AS 1397 (Australia), EN 10346 (Europe), MS 2384 and MS 2385 (Malaysia).



PRE-PAINTED GALVANIZED STEEL SHEET
(Pre-painted GI)

The variety in color and specifications of Hoa Sen pre-painted galvanized steel sheets always satisfy the customers' demands and ensures the products' quality in accordance with standard of JIS G 3312 (Japan), ASTM A755 (US), AS 2728 (Australia), EN 10169 (Europe) and MS 2383 (Malaysia).

WITH HIGH QUALITY MEET INTERNATIONAL STANDARDS



WOOD PATTERN STEEL SHEET

The outstanding feature of wood pattern steel sheet is its surfaces which is coated with the paint of wood pattern. Therefore, they are highly aesthetic and can be applied to make outdoor products and furnitures which bring the sublimity and luxury to the houses. Being different from traditional steel sheets, the applications of wood pattern steel sheets are extremely diverse. The products are used flexibly for construction works and houses such as ceilings, walls, wardrobes, shelves, furniture, etc. These are the products which have many advantages such as high aestheticism, good heat resistance, high durability, no mold, easy cleaning, high temperature resistance, easy installation, etc. The products can be used without drawbacks of earlier materials such as dinginess, mold, rapid degradation, etc.

An outstanding feature of metallic steel sheet is that its metallic surface creates a very high aestheticism and is widely favored by the consumers. Metallic steel sheet is applied to interior decoration which brings the elegance and sophistication to the houses.

Wrinkle steel sheet in coils are galvanized steel sheets and pre-painted aluminumzinc alloy coated steel sheets with special wrinkle pattern on the surfaces. The outstanding features of wrinkle steel sheet in coils are their high aestheticism, high durability, good heat resistance, good moisture resistance, easy installation, etc. The products are used flexibly for construction works and houses such as ceilings, walls, roofs, etc.

With the input material of high quality cold rolled coil of Hoa Sen Group and the advanced NOF technology, Hoa Sen hot dip galvanized steel meets diversified requirements in industrial and civil construction. Hoa Sen hot dip galvanized steels always meet standards of JIS G 3302 and JIS G 3321 (Japan), ASTM A653 and ASTM A792 (US), AS 1397 (Australia), EN 10346 (Europe), MS 2384, MS 2385 and MS 1196 (Malaysia).

Being manufactured through the process of pickling, cold rolling, annealing, galvanizing, slitting, formed rolling, Hoa Sen steel pipe and square steel pipe have clean and smooth surface, steady thickness, high plasticity and good adhesion as well as high quality in accordance with standards: JIS G 3344, JIS G 3406 (Japan), ASTM A500 /A500M (US).

METALLIC STEEL SHEET



WRINKLE STEEL SHEET IN COILS (Wrinkle)



HOT DIP GALVANIZED STEEL (HGI)

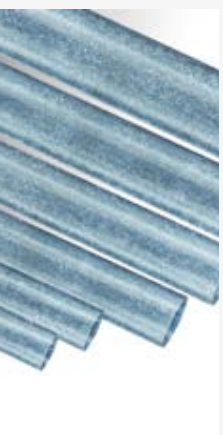


STEEL PIPE AND SQUARE STEEL PIPE



ADVANCED TECHNOLOGY CREATES DIVERSIFIED PRODUCTS

WITH HIGH QUALITY MEET INTERNATIONAL STANDARDS



HOT DEEP GALVANIZED STEEL PIPE (planning)

Being manufactured through following stages: formed pipe, pickling and cleaning surface, hot dip galvanized steel pipe, Hoa Sen hot deep galvanized steel pipe has long durability and meet the standard of BS 1378:1985.



PLASTIC PIPE AND ACCESSORIES

Being manufactured by the modern line with the advanced European technology and the centralized blending system, the products are homogeneous and high-quality in accordance with standards of BS 3505:1968/BS, EN 14522:2009 (Britain), AS/NZS 1472:2006 (Australia), TCVN 6151-2:2002 (Vietnam). By applying the modern technology of adjusting central heat, Hoa Sen Group successfully produced uPVC pipes with 630 mm in diameter, 30 mm in thickness and 12.5 bars in pressure. Hoa Sen Group's plastic pipes are widely used in various fields such as public and civil drainage system, electricity, telecommunication and sand pumping, etc.



HDPE PLASTIC PIPE (estimated sold in January 2016)

Using high quality imported plastic materials and being manufactured with the advanced European technology (Germany), HDPE plastic pipe products meet demand of water supply and drainage. Hoa Sen HDPE plastic pipe is produced in accordance with standard of TCVN 7305-2:2008 (ISO 4427-2:2007) with the maximum size up to 630 mm and the pressure from 6 to 20 bar.



PPR PLASTIC PIPE (estimated sold in January 2016)

Using high quality imported plastic materials and being manufactured with the advanced European technology (Germany) and being controlled tightly in accordance with standard of DIN 8077:2008-09, DIN 8078:2008-09, Hoa Sen PPR plastic pipe tolerates heat of water up to 95°C and is used in hot water for civil and industrial activities.

5 CORE COMPETITIVE ADVANTAGES



VERTICALLY INTEGRATED VALUE CHAIN



HOA SEN GROUP IS THE LEADING MANUFACTURER OF STEEL SHEETS IN SOUTHEAST ASIA

Hoa Sen Group's steel sheet – steel production process begins from cold rolling lines. Imported hot rolled coils which were put through this line will create cold rolled coils. Cold rolled coils are the input materials for galvanizing lines which produce coated steel sheets.

Each stage of this production process is tightly controlled. As the result, all Hoa Sen Group's products have high quality, meet the diverse demands of the market and meet the international quality standards such as ASTM standard of U.S., AS standard of Australia, JIS standard of Japan, etc.

Through nationwide distribution-retail branches, high quality products of Hoa Sen Group are delivered to endusers.

With the vertically integrated value chain, Hoa Sen Group takes the initiative to control the costs of each stage of the production process tightly. This helps the Group to minimize costs and achieve economic effect of the scope. This is the foundation for Hoa Sen Group to implement the manufacturing costleadership strategy.



IMPLEMENT THE
MANUFACTURING
COST - LEADERSHIP
STRATEGY

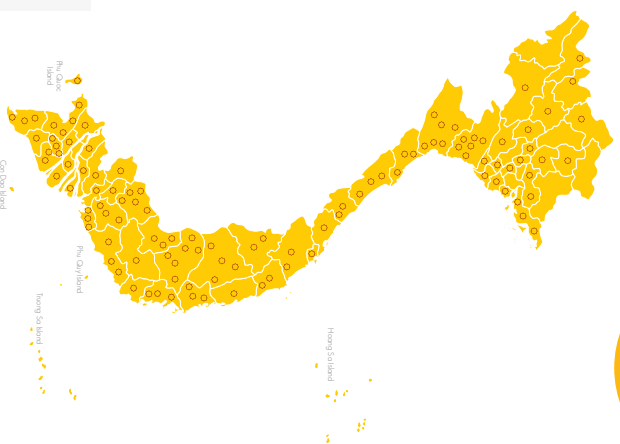


**UNTIL DECEMBER
31ST, 2015, HOA SEN
GROUP HAS OWNED
190 DISTRIBUTION-
RETAIL BRANCHES**

With the centralized and unified management in accordance with the general policies, the nationwide distribution-retail branches have become an outstanding competitive advantage of the Group in directly approaching end-users, tightly controlling products' quality and promptly delivering the products to the market. In the period of the fluctuating economy, the strategic roles of the distribution-retail branches are more promoted when the Group can flexibly apply sales policies to maintain the cash flow. This is a basis that enables the Group to quickly settle the manufacturing and business activities when macroeconomic conditions become unfavorable and keep on affirming the number one position in Vietnamese coated steel sheet market.

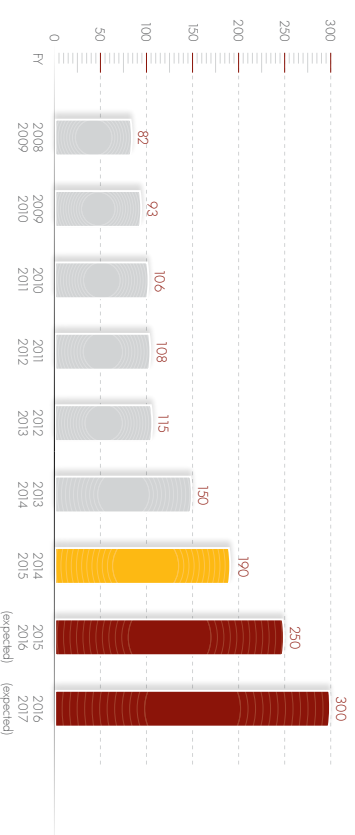
Until December 31st, 2015, the total number of nationwide distribution-retail branches of Hoa Sen Group is 190. At the end of 2017, the total number of branches of Hoa Sen Group will be over 300.

THE NATIONWIDE DISTRIBUTION-RETAIL BRANCHES ARE INDISPENSABLE FOUNDATION OF IMPLEMENTING THE STRATEGY OF "BUYING DIRECTLY FROM PRODUCERS AND SELLING TO END-USERS".



190 DISTRIBUTION-RETAIL BRANCHES

CHART OF THE DEVELOPMENT OF BRANCH NETWORK IN VIETNAM

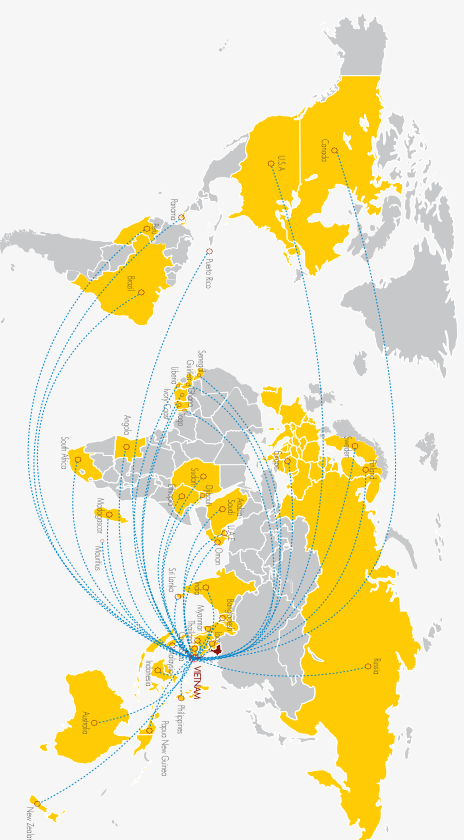


In addition to maintaining domestic market, Hoa Sen Group also continuously strengthens export activities to traditional markets and expands market share to potential markets in Middle East, Southern Asia, Africa, Australia, Europe, and America. Currently, Hoa Sen Group's products are present in 60 countries and territories.

**RELENTLESS
DEVELOPMENT AND
MARKET SHARE
GROWTH**

DISTRIBUTION CHANNELS TO COUNTRIES

60 Hoa Sen Group's products are present in 60 countries and territories.



THE STRONG, FRIENDLY AND COMMUNITY-ORIENTED BRAND

happiness and best human values to strive for better lives. The special of this program was the series of six events held in different places: Ho Chi Minh city, Nghe An and Lam Dong province with various audiences. As a result, the program has brought interested and profound talks.

In 2015, Hoa Sen Group continued to achieve "Vietnam Value" for Hoa Sen Steel Sheet Product, Hoa Sen Steel Pipe Product and Hoa Sen Plastic Pipe Product. In addition, Hoa Sen Steel Sheet is the unique steel sheet brand achieved "Vietnam Value". In 2012, Hoa Sen Group achieved "Vietnam Value" for Hoa Sen Steel Sheet Product. This was the pride of Hoa Sen Group's product quality to affirm the commitment of a brand name which always creates the highest values for the consumers and the society. Hoa Sen Group is continuing to build the community-oriented brand to consolidate domestic market and to expand markets in other countries.

In order to protect the legitimate interest of consumer, Hoa Sen Group has established warranty policy for the products of Pre-painted Galvanized Steel Sheet, Aluminum-Zinc Alloy Coated Steel Sheet and Pre-painted Aluminum-Zinc Alloy Coated Steel Sheet for a warranty period from 10 to 20 years according to Hoa Sen Group Warranty's Terms and Conditions. All of Hoa Sen Group products are delivered directly to end-user with the guaranty "Right price, right standard, right quality, and warranty" through the nationwide distribution-retail branches. In addition, Hoa Sen Group has provided Free call center of consultant 18001515 to support all consumers and give more advice of related information and guidelines of selecting the genuine Hoa Sen Steel Sheet products.

In July 2015, Hoa Sen Group was honorably certificated one of the Top 10 Enterprise listed on the most prestigious media in 2015, hosted by Vietnam Report in order to evaluate the image and reputation of the enterprise. Hoa Sen Group was presented in Top 10 Business Communication Prestigious 2015 and ranked 4th position in ranking list. This is the pride of building successful brand name of Hoa Sen Group not only basing on "High quality product, reasonable price and good service" but also basing on the unique branding strategy. This makes customers "believe and love" in brand name. Hoa Sen Group is orienting to the leading supplier and distributor of building materials in Southeast Asia.



HOA SEN GROUP REALIZES THE IMPORTANCE OF BRAND POSITIONING AND BUILDS THE WELL-KNOWN BRAND TO MAKE CUSTOMERS "REMEMBER" AS WELL AS "BELIEVE AND LOVE" HOA SEN BRAND NAME.

Realizing corporate responsibilities to the community, Hoa Sen Group not only focuses on well organizing business and manufacturing activities but also focuses on implementing diverse and practical social activities. In many consecutive years, through diverse and creative marketing programs and by sponsoring the community activities and social charity activities, the Hoa Sen brand name has gone into consumers' minds deeply as the strong, friendly and community-oriented brand name.

In recent years, Hoa Sen Group was a co-organizer and main sponsor for program series of the motivational speaker Nick Vujicic including "Shining Vietnamese Fortitude" program in 2014. In 2015, Nick Vujicic has returned to Vietnam for the third time to participate "Shining Vietnamese Fortitude 2015 - Nick, You and Me" program. During the program, Nick Vujicic has talked and motivated strongly inspiration of Vietnamese fortitude by sharing stories about his own life experiences and perspectives, truly



THE UNIQUE BRANDING STRATEGY



4

PROFESSIONAL CORPORATE GOVERNANCE AND UNIQUE CORPORATE CULTURE

CORPORATE CULTURE

Hoa Sen Group established its governance system upon the foundation of corporate culture of 10 “T” letters: Integrity – Loyalty – Dedication – Talent – Friendliness. This is an important factor contributing to the rapid and sustainable development of Hoa Sen Group in over 14 years.

INTEGRITY

Being honest and transparent in all activities.

COMMUNITY

Sharing Hoa Sen Group’s achievements with the community is the humanistic beauty which has gone into many Vietnamese people’s minds deeply.

DEVELOPMENT

Continuously developing and bringing the Hoa Sen brand name to new heights.





PIONEERING IN ADVANCED TECHNOLOGY INVESTMENT

**HOA SEN GROUP IS ALWAYS
THE PIONEER IN INVESTING
IN MODERN EQUIPMENT
LINE AND APPLYING NEW
TECHNOLOGY.**

In Vietnam, Hoa Sen Group is always the pioneer in investing in modern equipment lines and applying new technology. Thanks to modern lines and technology, Hoa Sen Group's products always have high quality and meet international and domestic quality standards.

In order to supply high quality products stably to customers, meet all the requirements and customers' satisfaction as well as implement social responsibilities to environment, health and safety, the Group has established, applied and maintained integrated management system including ISO 9001:2008 standards of quality management system, ISO 14001:2004 standards of environmental management system and OHSAS 18001:2007 standards of occupational health and safety management system.



DEVELOPING
SUSTAINABLY
WITH ADVANCED
TECHNOLOGY





2	
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MEMBERS OF THE BOARD OF DIRECTORS



Mr. LE PHUOC VU
Chairman

Mr. Le Phuoc Vu started his business with a steel sheet retail outlet in 1994. In 2001, after 7 years of accumulating capital and experience, he founded Hoa Sen Joint Stock Company (the precursor of Hoa Sen Group) with an initial charter capital of VND 30 billion.

After over 14 years of building and developing, with intelligence, assertiveness, responsibility and integrity, he developed the small company into Hoa Sen Group - the leading manufacturer and trader of steel sheet and steel in Vietnam and Southeast Asia.

In order to acknowledge his outstanding achievements in leadership, management of production and business activities and community activities, he was awarded the Secondgrade Labor Medal. Moreover, he also won the "EY - the Entrepreneur of the Year 2014" award (This is the only global prize that honors the entrepreneurs who have built and successfully led their enterprises to develop actively and fast). He will represent Vietnamese entrepreneurs to take part in "EY - World Entrepreneur of the Year" award in Monaco in 2015. For his dedication and considerable contributions to the development of the Group, the General Assembly of Shareholders elected him as Chairman of the Board of Directors for many consecutive terms.



Mr. TRAN NGOC CHU
Vice Chairman

Joining Hoa Sen Group since the early days of its establishment, Mr. Tran Ngoc Chu has made important contributions during the development period of Hoa Sen Group.

With much experience in the sectors of finance, accounting, taxation and corporate governance, he was elected as Vice Chairman of the Board of Directors for many consecutive terms by the General Assembly of Shareholders as well as entrusted with many great responsibilities at the Group.

Currently, he is Vice Chairman cum General Director of Hoa Sen Group. In 2015, he was honorably awarded Thirdgrade Labor Medal by the President of Vietnam and certificates of merit by Binh Duong Province People's Committee for many times for his contributions to the development of the enterprise and Binh Duong Province.

Mr. Tran Ngoc Chu graduated from Finance and Accounting University Ho Chi Minh City.



Mr. TRAN QUOC TRI
Member

Joining Hoa Sen Group from 2004 up to now, Mr. Tran Quoc Tri has proved his management ability in many positions such as Manager of Planning Department of the Distribution Network, Director of the Distribution Network and Deputy General Director of Sales. He has been Managing Deputy General Director of Hoa Sen Group since April 1st, 2011.

In 2014, he was awarded certificate of merit by Binh Duong Province People's Committee for his contributions to the development of the enterprise and Binh Duong Province. On April 29th, 2014, he was elected as a member of the Board of Directors after Mr. Ly Duy Hoang's resignation.

Mr. Tran Quoc Tri graduated from University of Economics Ho Chi Minh City with major of Accounting and Auditing.



Mr. PHAM GIA TUAN
Member

Mr. Pham Gia Tuan is General Director and a member of the Board of Directors of Viet Capital Asset Management. Simultaneously, he is CEO of Viet Capital Healthcare Fund and directly supervises financial investment activities and private enterprises of the Fund. Beside VCHF executive role, Mr. Pham Gia Tuan is also responsible managing international investment funds. He also contributes the strategic development plan, shareholder and investor relation, raise capital to establishment the fund and represent the capital of Viet Capital in the Board of Directors of the companies which have been invested.

He served as the Financial Director in VietCapital from 2005 - 2007, where he was responsible for financial activities, human resources policy and operational strategies.

He has over 10 years of experience in taxation and auditing in leading companies such as VinaCapital, Dutch Lady Vietnam and PricewaterhouseCoopers, etc.

He graduated from Sydney University of Technology (Australia) with major of Accounting and he is currently a member of Certified Practising Accountants of Australia (CPA Australia).

MEMBERS OF THE BOARD OF DIRECTORS (continued)



Mr. JEAN-ERIC JACQUEMIN
Member
(Having resigned since July 30th, 2015)

Mr. Jean-Eric Jacquemin has over 25 years of experience in managing and restructuring the leading enterprises in US and Europe. He has made many investments in Vietnam within 6 recent years. Currently, Mr. Jean-Eric Jacquemin is Chairman of the Board of Directors of Temasia Capital limited, CEO of Red River Associates and Director of Red River Holding – Major shareholder of Hoa Sen Group. Mr. Jean-Eric Jacquemin graduated from Western New England University (US) with major of Business Administration.

On March 6th, 2013, at Annual General Meeting of the fiscal year 2012 – 2013 of Hoa Sen Group, Mr. Jean-Eric Jacquemin was elected as a member of the Board of Directors and is responsible for Finance and Investor Relation Subcommittee of the Group. He resigned as a member of the Board of Directors from July 30th, 2015.



Mr. LY VAN XUAN
Member

Mr. Ly Van Xuan is a loyal individual shareholder of Hoa Sen Group from the first days of establishment. With his personal reputation and dedication to the Group, the General Assembly of Shareholders elected him as a member of the Board of Supervisors for the period of 2013 – 2017.

Mr. Ly Van Xuan resigned as a member of the Board of Supervisor from July 31st, 2015 and he was elected as a member of the Board of Directors after Mr. Jean-Eric Jacquemin's resignation.

Mr. Ly Van Xuan is Associate Professor and Doctor of Medicine. Currently, he is a Head of Training Department, Ho Chi Minh City Medicine and Pharmacy University.



BUSINESS PERFORMANCE OF THE FISCAL YEAR 2014 – 2015

COMPARED TO THE PREVIOUS FISCAL YEAR, SALES VOLUME AND NET SALES OF THE GROUP INCREASED. SPECIFICALLY, THE COMPOUND ANNUAL GROWTH RATES OF SALES VOLUME AND NET SALES FOR THE LAST 5 FISCAL YEARS REACHED 28%/YEAR AND 21%/YEAR, RESPECTIVELY. THESE IMPRESSIVE FIGURES SHOW THE GREAT EFFORT OF THE BOARD OF DIRECTORS, THE BOARD OF MANAGEMENT AND ALL EMPLOYEES WHEN FACING ECONOMIC DIFFICULTIES AND UNCERTAINTIES.



OVERVIEW

MACRO SITUATION

In 2015, Vietnam's economy began to have signs of prosperity, gradually become stable, and is forecasted to recover in time to come, with the following characteristics:

- » The economy continued to achieve steady growth with 9 months GDP growth reached 6.5% - the highest level over the same period in 4 years. This growth is forecasted to be maintained until the end of 2015.
- » Inflation was maintained at 2.4% , 0.2 % higher than in 2014 but still low and manageable.
- » Credit of the economy by October, 2015 increased 19.9 % compared with the same period in 2014 while the Non-Performing loan ratio of the banking system was only 2.9%. These are very positive signs for the Vietnam's economy.
- » Policies and measures of the government has gradually showing the effectiveness of regulatory activity in stabilize the macro economy.
- » By joining the ASEAN Economic Community and the successful signing of bilateral, multilateral Partnership Agreement and the conclude negotiations of the Trans-Pacific Strategic Economic Partnership Agreement (TPP) has opened up many opportunities , as well as challenges for the economic integration of Vietnam.

MARKET SITUATION

In contrast to the positive transformation of the domestic economy, the market for the steel industry in 2015 has been going through a very difficult period:

- » Domestic and global prices for raw materials continued to decline in 2015, particularly for hot-rolled coil products (HRC). By the end of fiscal year 2014 - 2015 (September 2015), HRC priced only at 295 USD/ton, declined more than 200 USD/ton over the same period (HRC price was 500 USD/ton in September 2014).
- » Exporting steel products from domestic market to foreign markets continue to meet great resistance from many trade barriers that typically is the application of trade defense measures and anti-dumping case in some export markets.

BUSINESS PERFORMANCE OF THE FISCAL YEAR 2014 – 2015

Ending the fiscal year 2014 – 2015, sales volume and net sales exceeded the plan and reached a remarkable growth compared to the previous fiscal year. Specifically, sales volume reached 1,020,793 tons, increasing 13% in comparison with the plan. Net sales reached VND 17,447 billion, increasing 6% in comparison with the plan.

Compared to the previous fiscal year, sales volume and net sales of the Group increased. Specifically, the compound annual growth rates of sales volume and net sales for the last 5 fiscal years reached 28%/year and 21%/year, respectively. These impressive figures show the great effort of the Board of Directors, the Board of Management and all employees when facing economic difficulties and uncertainties.

- » The supply of goods in the domestic market increased significantly in 2015 due to many manufacturers boost production capacity and China exports massive amount of steel products to Vietnam . This caused great pressure on the competition for the domestic steel industry.
- » Fraud in production, purchase and sale of counterfeit products are complicated and becoming more sophisticated.

Because of these situations, the steel industry's domestic market in 2015 is considered very difficult and competition is fierce.

VND
653
BILLION

CONSOLIDATED AFTER-TAX PROFIT

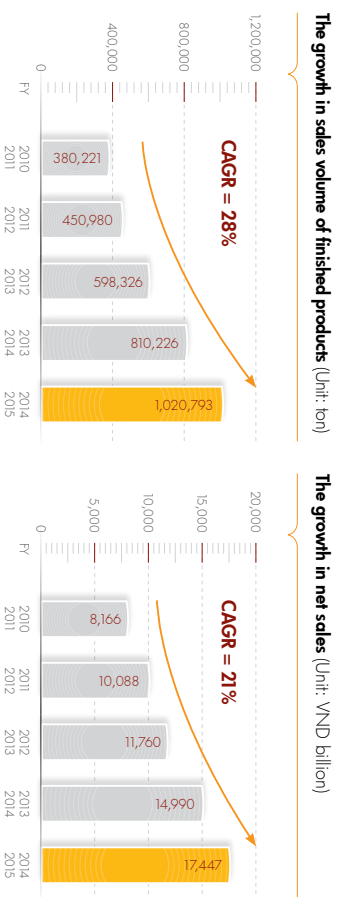


+
26%

THE GROWTH IN SALES VOLUME OF FINISHED PRODUCTS COMPARED WITH THE FISCAL YEAR 2013 - 2014

REPORT OF THE BOARD OF DIRECTORS (continued)

Chart of the growth in sales volume of finished products, the growth in net sales and the growth in consolidated after-tax profit of Hoa Sen Group in 5 fiscal years.

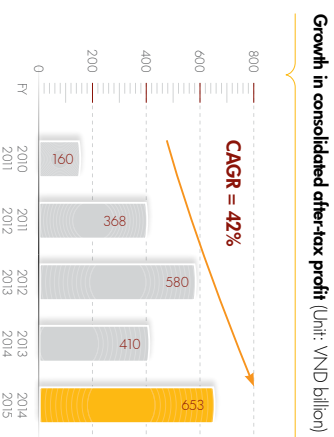


One of the important basis for Hoa Sen Group to maintain the growth of sales volume and net sales stability is by putting production lines, machinery and equipment into operation at these production projects including: Phase 1 of Hoa Sen Binh Dinh Steel Pipe Plant, Phase 2 of Hoa Sen Phu My Steel Sheet Plant, to bring the total output of Hoa Sen Group to 1 million tons/year, provide the basis to boost sales volume, revenue and profit.

In the past fiscal year, the sales channels made maximum effort to accomplish the assigned targets. The export channel continued strong growth by achieved 407,000 tons of products in 60 countries and territories, contributed USD 314 million to the total net sales, up 10% compared

with the previous fiscal year. Besides, the domestic market channels achieved 614,000 tons, accounting for 60% of total net sales and keep its role as the main distribution channel of Hoa Sen Group.

The after-tax profit in the fiscal year 2014 - 2015 reached 653 billion, increased 45% in comparison with the plan, up 59% compared to fiscal year 2013 - 2014 and reached the highest level in 05 recent fiscal years. Facing many difficulties in the domestic steel industry, the number of VND 653 billion after-tax profit is a very impressive figure. This represents the great efforts of all employees of the Group which is also a major driving force to promote the development of Hoa Sen Group in the future.



INVESTMENT PROJECTS

Hoa Sen Nghe An Steel Sheet Plant Project at Dong Hoi Industrial Park

No.	Production line	Deployment time	Completion time (Expected)
1	Galvanizing line (NOF technology) with designed capacity of 280,000 tons/year.	June 2015	May 2016
2	Color coating line with designed capacity of 150,000 tons/year.	June 2015	May 2016
3	03 steel pipe lines with designed capacity of 25,000 tons/year.	March 2016	April 2016

(*) All these production lines currently are managed and operated by Hoa Sen Nghe An One Member Limited Liabilities Company.

Hoa Sen Nam Cam – Nghe An Plant Project (old name: Hoa Sen Nghe An Steel Sheet Plant)

No.	Production line	Deployment time	Completion time (Expected)
1	06 steel pipe lines with designed capacity of 50,000 tons/year (completed).	September 2014	March 2015

Hoa Sen Binh Dinh Steel Pipe, Plastic Pipe Plant Project

No.	Production line	Deployment time	Completion time (Expected)
Steel pipe plant (Completed)			
1	09 steel pipe lines with designed capacity of 75,000 tons/year.	July 2014	December 2014
Plastic pipe plant			
1	06 plastic pipe lines with designed capacity of 12,000 tons/year.	June 2015	January 2016
2	01 modular of centralized blending system with designed capacity of 12,000 tons/year.	June 2015	January 2016

(*) All these production lines currently are managed and operated by Hoa Sen Binh Dinh One Member Limited Liabilities Company.

REPORT OF THE BOARD OF DIRECTORS (continued)

Hoa Sen Ha Nam Plant Project

Hoa Sen Ha Nam Project has been granted the Investment Certificate on September 18th, 2015 by the Management of Ha Nam Industrial Park.

Specifically, the project targets are to produce steel pipes, plastic pipes and splitting line to serve the construction and civil industry. This is a project with an investment capital of VND 1,000 billion.

Currently, Hoa Sen Group is proceeding in the work necessary to implement the Hoa Sen Ha Nam investment project as schedule.

Project in expanding the distribution network

In the fiscal year 2014 – 2015, Hoa Sen Group continues to implement a project to expand the distribution-retail network with 40 new branches were established, bringing the total number of branches for retail distribution to 190 branches in December 31st, 2015 including 6 base depots.

Investment in expanding Transportation – Logistic

In fiscal year 2014 – 2015, Hoa Sen Group has invested in a fleet of 30 tractors and 11 (18-tons trucks) to transport goods in order to save, optimize time and cost of transportation.

REPORT ON IMPLEMENTATION OF THE RESOLUTION OF ANNUAL GENERAL MEETING OF THE FISCAL YEAR 2014 – 2015

The implementation of Resolution No. 01/NQ/DHCD/HSG/2015 of General Assembly of Shareholders at Annual General Meeting held on January 19th, 2015:

No.	Main contents	Results
1	Production and business plan for the fiscal year 2014 – 2015.	A detailed report in the "Report of the Board of Directors".
2	Implementation of investment projects.	A detailed report in the "Report of the Board of Directors".
3	Policy in expanding the distribution network.	A detailed report in the "Report of the Board of Directors".
4	Selection of audit firm for the fiscal year 2014 – 2015.	The Board of Directors chose Ernst & Young Vietnam as Hoa Sen Group's audit firm for the fiscal year 2014 – 2015.
5	Additional business lines and Amend Charter of Hoa Sen Group.	The Board of Directors proceeds in adding the additional business lines based on the decision of the General Assembly of the Shareholders.
6	Research and report on Scheme of Hoa Sen Group.	The project of completing organizational and operational model of Hoa Sen Group in the North Vietnam which strategically consulted by Ernst & Young Limited Company. The project will be presented to the General Assembly of Shareholders for approving in the Annual Meeting of the fiscal year 2015 – 2016.

CONSOLIDATED BUSINESS PLAN FOR THE FISCAL YEAR 2015 – 2016

Based on the forecast for growth rate of domestic and export market, production capacity and sales capacity of the Group, the Board of Directors submitted the consolidated business plan for the fiscal year 2015 – 2016 to General Assembly of Shareholders as follows:

Item	Unit	Performance of the fiscal year 2014 – 2015	Plan of the fiscal year 2015 – 2016 (*)	Compare with the performance of the fiscal year 2014 – 2015	
				Absolute number	Relative number
(A)	(B)	(C)	(D)	(E = D - C)	(F = (D / C) * 100)
Total sales volume	Ton	1,082,767	1,166,000	83,233	8%
- Finished products	Ton	1,020,793	1,100,000	79,207	8%
- By-products	Ton	61,974	66,000	4,026	6%
Net sales	VND billion	17,447	14,280	(3,167)	(18%)
Consolidated after-tax profit	VND billion	653	660	7	1%

(*) Based on assumption that the price of hot rolled coils for the fiscal year 2015 – 2016 is USD 270/ton.

In 2016, hot rolled coils prices are expected to continue to decline and have the potential to reduce the selling price of steel products on the market. Therefore, in the fiscal year 2015 – 2016, Hoa Sen Group will lower net sales by 18% compared with fiscal year 2014 – 2015. However, by implement flexible solution and creativity in the regulation of prices and costs, Hoa Sen Group will strive to achieve growth in net profit to be higher than fiscal year 2014 – 2015.



IMPLEMENTATION ORIENTATION OF BUSINESS PLAN

FOR THE FISCAL YEAR 2015 – 2016

ENDING THE FISCAL YEAR 2014 – 2015, HOA SEN GROUP COMPLETED SUCCESSFULLY THE BUSINESS PLAN, AND CONTINUOUSLY AFFIRMS THE STRONG AND SUSTAINABLE DEVELOPMENT OF THE GROUP.

Based on careful forecast for the possibility of recovery of the economy in forthcoming times, in order to ensure the completion of the production and business plan for the fiscal year 2015 – 2016, the Board of Directors proposed policies and orientations in production and business activities of the Group for the fiscal year 2015 – 2016 as follows:



IN TERM OF PRODUCTION ACTIVITY

Ensuring products' quality is still top priority to maintain the brand name's prestige. In order to enhance the competitiveness of the products, Hoa Sen Group needs to focus on improving technique, enhancing the effectiveness of the production lines and minimizing manufacturing cost.

IN TERM OF SUPPLY ACTIVITIES

In fiscal year 2015 – 2016, Hoa Sen Group decides fast growing logistics system to enhance proactive and effective transport operations and logistic through the improvement and specialization in Logistic – Transportation, investment in increasing number of vehicles to satisfy demand for transport of goods and raw materials, while calculating demand to optimize product supply activities.

IN TERM OF BUSINESS

Continue to expand market coverage, increasing domestic market share by establishing distribution-retail branches combine with strengthen management effectiveness and business effectiveness of the branches.



In order to maintain the growth rate of export, Hoa Sen Group needs to continue to expand the market, diversify export products and focus on improving the products' quality to meet international standards and prepare for catching integration trend in forthcoming times.

IN TERM OF INVESTMENT

Focus on the completion of Hoa Sen Ngyhe An Plant Project and Phase 2 of Hoa Sen Binh Dinh Steel Pipe, Plastic Pipe Plant Project in order to increase production capacity, enhance product supply in the North and Central market; Invest in expanding distribution-retails branches system, the goal in 2016 is to establish 60 more branches and the total of 300 nationwide branches at the end of 2017.

IN TERM OF RR AND MARKETING ACTIVITY

Strengthening brand promotion through diversified and creative marketing programs and advertising programs; Continuing to organize community-oriented events, charity and sponsorship activities to build strong and friendly Hoa Sen brand name.



THE TOTAL OF NATIONWIDE
BRANCHES AT THE END OF 2017

300
BRANCHES

THE SALES VOLUME OF
FINISHED PRODUCTS IN
THE FISCAL YEAR 2014 - 2015

1,020,793
TONS

MEMBERS OF THE BOARD OF MANAGEMENT



Mr. TRAN NGOC CHU
General Director

Joining Hoa Sen Group since the early days of its establishment, Mr. Tran Ngoc Chu has made important contributions during the development period of Hoa Sen Group.

With much experience in the sectors of finance, accounting, taxation and corporate governance, he was elected as Vice Chairman of the Board of Directors for many consecutive terms by the General Assembly of Shareholders as well as entrusted with many great responsibilities at the Group.

Currently, he is Vice Chairman of the Board of Directors cum General Director of Hoa Sen Group. In 2015, he was honorably awarded Third-grade Labor Medal by the President of Vietnam and certificates of merit by Binh Duong Province People's Committee for many times for his contributions to the development of the enterprise and Binh Duong Province. He graduated from Finance and Accounting University Ho Chi Minh City.



Mr. TRAN QUOC TRI
Managing Deputy General Director

Joining Hoa Sen Group from 2004 up to now, Mr. Tran Quoc Tri has proved his management ability in many positions such as Manager of Planning Department of the Distribution Network, Director of the Distribution Network and Deputy General Director of Sales. He has been Managing Deputy General Director of Hoa Sen Group since April 1st, 2011.

In 2014, he was awarded certificate of merit by Binh Duong Province People's Committee for his contributions to the development of the enterprise and Binh Duong Province. On April 29th, 2014, he was elected as a member of the Board of Directors after Mr. Ly Duy Hoang's resignation. Mr. Tran Quoc Tri graduated from University of Economics Ho Chi Minh City with major of Accounting and Auditing.



Mr. HOANG DUC HUY
Deputy General Director

Mr. Hoang Duc Huy is currently Deputy General Director of Internal Control of Hoa Sen Group. In 2001, he was one of the founders of Hoa Sen Joint Stock Company (the precursor of Hoa Sen Group).

Mr. Hoang Duc Huy has over 14 years working in finance, accounting and internal control at large companies under the Department of Transportation of Tay Ninh Province. As Deputy General Director of Internal Control, he has made great contributions to the Group's development. In 2014, he was awarded certificate of merit by Binh Duong Province People's Committee for his contributions to the development of the enterprise and Binh Duong Province.



Mr. VU VAN THANH
Deputy General Director

In 2008, Mr. Vu Van Thanh joined Hoa Sen Group with the position of Chief Financial Officer and made positive contributions to the Group based on his knowledge and experience in operating businesses previously. In 2014, he was awarded certificate of merit by Binh Duong Province People's Committee for his contributions to the development of the enterprise and Binh Duong Province.

Currently, he is Deputy General Director of Distribution Network Development, Finance and Marketing and Trade Remedies Department. He obtained a Master Degree in Development Economics and is the visiting lecturer of a number of universities in Ho Chi Minh City.

MEMBERS OF THE BOARD OF MANAGEMENT (continued)



Mr. **NGUYEN MINH KHOA**
Deputy General Director

Joining Hoa Sen Group in early 2008, he is currently in charge of these positions: Deputy General Director of Supply.

Mr. Nguyen Minh Khoa obtained a Construction Engineering Degree from University of Architecture Ho Chi Minh City and a Master Business Administration Degree from Industrial Management Department of University of Technology Ho Chi Minh City.



Mr. **HO THANH HIEU**
Deputy General Director

Joining Hoa Sen Group in early 2002, he was appointed to many positions such as Deputy Director of the Distribution Network, Director of the Distribution Network, Director of Sales of Hoa Sen Group.

In June 2012, he was appointed as Deputy General Director of Sales. Mr. Ho Thanh Hieu graduated from University of Economics Ho Chi Minh City with major of Accounting and Auditing.



Mr. **NGUYEN VAN QUY**
Deputy General Director

With deep knowledge and experience accumulated from many years in Hoa Sen Group, it can be said that he is a leading expert in production technique of steel sheet and steel in Vietnam. In Hoa Sen Group, he plays an important role in implementing large projects such as Cold Rolling Mill, Galvanizing line (NOF technology) and Hoa Sen Phu My Steel Sheet Plant, Hoa Sen Binh Dinh Steel Pipe Plant, Hoa Sen Ngye An Steel Sheet Plant, Hoa Sen Ngye An Plant, etc.

In 2014, he was awarded certificate of merit by Binh Duong Province People's Committee for his contributions to the development of the enterprise and Binh Duong Province. He is currently Deputy General Director of Production and Project Investment.

Mr. Nguyen Van Quy graduated from university with double majors of Business Administration and Electricity.



Mr. **PHAN DUY QUANG**
Acting Deputy General Director

Mr. Phan Duy Quang has been appointed to Acting Deputy General Director of Export since September 2014.

Mr. Phan Duy Quang graduated from Foreign Trade University with major of Foreign Trade.

IN THE FISCAL YEAR 2014 – 2015, BASED ON GUIDELINES AND ORIENTATIONS OF THE BOARD OF DIRECTORS, THE BOARD OF MANAGEMENT APPLIED FLEXIBLE MANAGEMENT SOLUTIONS TO RESPOND PROMPTLY TO CHANGES OF THE ECONOMY AND COMPLETE THE BUSINESS PLAN APPROVED BY GENERAL ASSEMBLY OF SHAREHOLDERS AT THE HIGHEST LEVEL.

PRODUCTION AND BUSINESS PERFORMANCE OF THE FISCAL YEAR 2014 - 2015

PRODUCTION AND BUSINESS PERFORMANCE OF THE FISCAL YEAR 2014 - 2015 IN COMPARISON WITH THE PLAN

Ending the fiscal year 2014 – 2015, the sales volume of finished products reached 1,020,793 tons and exceeded 13% in comparison with the plan. The net sales reached VND 17,447 billion and exceeded 6% in comparison with the plan in which the export sales reached USD 314 million. The after-tax profit reached VND 653 billion and exceeded 45% in comparison with the plan.

Comparing the business performance of the fiscal year 2014 – 2015 with the plan

Item	Unit	Plan of the fiscal year 2014 – 2015	Performance of the fiscal year 2014 – 2015	Comparing the performance with the plan
(A)	(B)	(C)	(D)	(E=(D/C)*100)
Total sales volume	Ton	961,908	1,082,767	13%
- Finished products	Ton	900,000	1,020,793	13%
- By-products	Ton	61,908	61,974	0%
Net sales	VND billion	16,500	17,447	6%
Consolidated after-tax profit	VND billion	450	653	45%



BUSINESS PERFORMANCE OF THE FISCAL YEAR 2014 - 2015 IN COMPARISON WITH BUSINESS PERFORMANCE OF THE FISCAL YEAR 2013 - 2014

In comparison with the fiscal year 2013 – 2014, the sales volume and the net sales of the fiscal year 2014 – 2015 increased significantly. The sales volume of finished products and the net sales respectively increased 26% and 16% in comparison with the performances of the fiscal year 2013 – 2014. The after-tax profit increased 59% in comparison with the fiscal year 2013 – 2014.

Business performance of the fiscal year 2014 – 2015 in comparison with business performance of the fiscal year 2013 – 2014

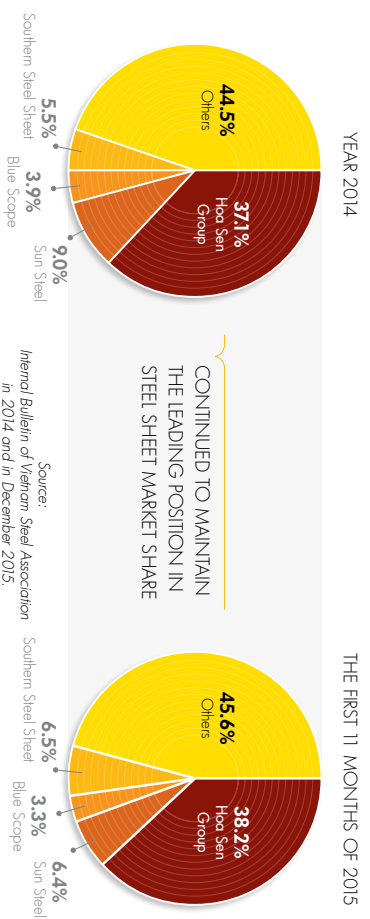
Item	Unit	Performance of the fiscal year 2013 – 2014	Performance of the fiscal year 2014 – 2015	Comparing the performance of the fiscal year 2014 – 2015 with the performance of the fiscal year 2013 – 2014
(A)	(B)	(C)	(D)	(E=(D/C)*100)
Total sales volume	Ton	868,256	1,082,767	25%
- Finished products	Ton	810,226	1,020,793	26%
- By-products	Ton	58,030	61,974	7%
Net sales	VND billion	14,990	17,447	16%
Consolidated after-tax profit	VND billion	410	653	59%

MARKET SHARE OF HOA SEN GROUP IN THE FISCAL YEAR 2014 - 2015

Steel sheet market share

In 2015, Hoa Sen Group continued to maintain the leading position in steel sheet market with its market share of 38.2%.

Chart of steel sheet market share in 2014 and in the first 11 months of 2015

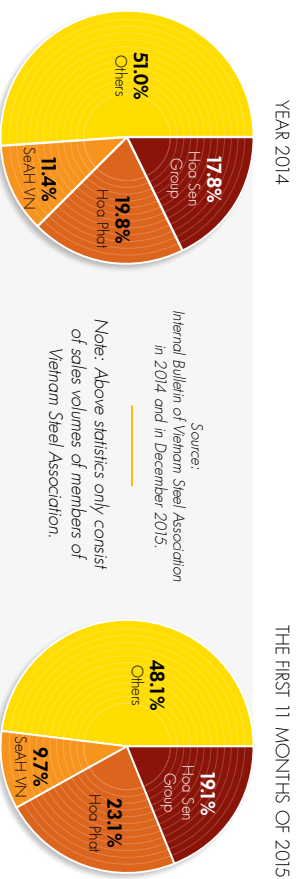


Note: Above statistics only consist of sales volumes of members of Vietnam Steel Association.

Steel pipe market share

In 2015, that Hoa Sen Group's steel pipe market share of 19.1% helped the Group to be ranked second in steel pipe market.

Chart of steel pipe market share in 2014 and in the first 11 months of 2015

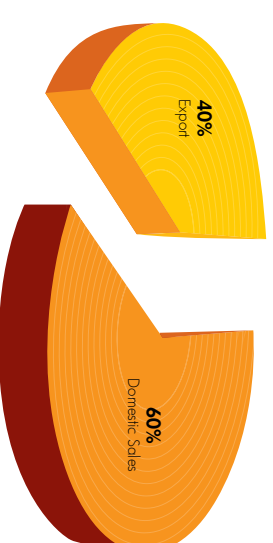


NET SALES STRUCTURE OF HOA SEN GROUP IN THE FISCAL YEAR 2014 - 2015

Net sales structure by sales channels

In the fiscal year 2014 – 2015, the domestic consumption channel continued to be the key consumption channel that accounted for 60% of total net sales of the Group, the export channel accounted for 40% of total net sales of the Group.

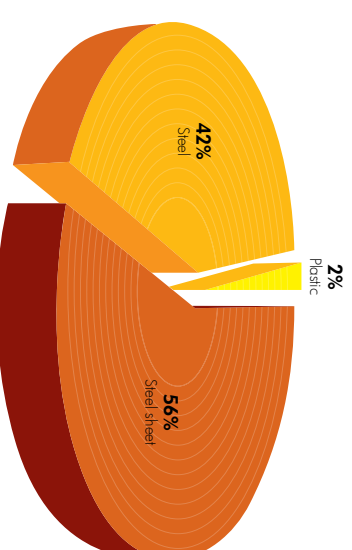
Chart of net sales structure by sales channels



Net sales structure by product category

The group of coated steel sheet products including galvanized steel sheet (GI), Aluminumzinc alloy coated steel sheet (GI), pre-painted galvanized steel sheet (pre-painted GI), pre-painted aluminumzinc alloy coated steel sheet (pre-painted GI) and pre-painted cold rolled coil (pre-painted CRC) continued to be the main group of products contributing 56% to the total net sales of the Group. The next one was the group of steel products including hot dip galvanized steel, galvanized steel pipe, steel pipe, galvanized purlin and purlin contributing 42% to the total net sales of the Group. Plastic products respectively accounted for 2% to total net sales of the Group.

Chart of net sales structure by product category



REPORT OF THE BOARD OF MANAGEMENT (continued)

THE RATE OF EXPENSES OVER NET SALES AS PER THE CONSOLIDATED FINANCIAL STATEMENTS

No.	Item	Unit	The fiscal year 2013 – 2014	The fiscal year 2014 – 2015
1	Sales volume	Ton	868,256	1,082,767
1.1	– Finished products	Ton	810,226	1,020,793
1.2	– Byproducts	Ton	58,030	61,974
2	Net sales	VND billion	14,990	17,447
3	Gross profit/Net sales	%	11.7%	14.8%
4	Financial expenses/Net sales	%	1.7%	2.4%
4	– Interest expense/Net sales	%	1.2%	1.3%
5	Selling expenses/Net sales	%	4.5%	5.0%
6	General and Administration Expenses/Net sales	%	2.6%	2.9%

SOME MAIN FINANCIAL RATIOS AS PER THE CONSOLIDATED FINANCIAL STATEMENTS

No.	Ratios	Unit	The fiscal year 2013 – 2014	The fiscal year 2014 – 2015
LIQUIDITY RATIOS				
1	Current ratio	Time	0.9	0.9
	Quick ratio		0.2	0.3
ACTIVITY RATIOS				
2	Inventory turnover ratio	Time	3.4	3.6
FINANCIAL LEVERAGE RATIOS				
3	Total debt/Total assets		77	69
	Total debt/Equity	%	329	224
	Total assets/Equity		429	324
PROFITABILITY RATIOS				
	Net profit after tax/Total assets		4.7	6.6
4	Net profit after tax/Net sales	%	2.7	3.7
	Net profit after tax/Equity		17.9	24.7
	Earnings per share	VND/share	3,277	5,211

MANAGEMENT ACTIVITIES IN THE FISCAL YEAR 2014 - 2015

In order to maintain steady growth, based on guidelines and orientations of the Board of Directors, the Board of Management has implemented solutions in order to improve and promote the core competitive advantages of the Group. These solutions revolved around five key tasks:



Building nationwide distribution-retail network

In order to implement the business strategy of "Bringing products directly to consumers", the Group continued to establish many distribution-retail branches across the country. Until December 31st, 2015, the total number of branches of Hoa Sen Group was 190 including 6 base depots.

While the distribution network of almost other enterprises of the same industry are often independent agencies, Hoa Sen Group's distribution network is invested by purchasing or hiring land and factories and owning all machinery, equipment and goods by the parent company. The branches' management was implemented consistently in accordance with general policy that helped Hoa Sen Group actively and flexibly adjust sales policy in accordance with market's fluctuations in order to stabilize sales volume as well as ensure cash flow. Therefore, although the domestic demand was low, Hoa Sen Group's domestic sales volume and market share continued to increase significantly in the fiscal year 2014 – 2015. As the result, Hoa Sen Group still maintained its leading position in steel sheet market and its steel pipe market share increased significantly.

Expanding export market and responding to trade remedies in some countries actively

In the fiscal year 2014 – 2015, Hoa Sen Group exported over 407,000 tons of products and achieved USD 314 million of net sales which increased 10% in comparison with export sales of the fiscal year 2013 – 2014.

The quality of Hoa Sen Group's products always meets international standards such as ASTM standards (American Society for Testing and Materials), BS EN standards of Europe (British Standards European Norms), JIS (Japanese Industrial Standards), AS (Australian Standards) of Australia, SNI (Indonesian National Standards) of Indonesia, MS (Malaysian Standards) of Malaysia.

Besides, Hoa Sen Group continues to perform export market diversification. Currently, Hoa Sen Group's products are present in 60 countries and territories over the world including remote markets such as Europe, Africa and Americas.

REPORT OF THE BOARD OF MANAGEMENT (continued)

Completing key investment projects, improving production capacity

In the fiscal year 2014 – 2015, Hoa Sen Group continued to implement investment projects to improve production and supply capacity of the Group. The implementation results of investment projects of Hoa Sen Group of the fiscal year 2014 – 2015 until September 30th, 2015:



Hoa Sen Nghe An Plant Project at Dong Hoi Industrial Park

In the fiscal year 2014 – 2015, Hoa Sen Group started to invest with the Hoa Sen Nghe An Plant Project at Dong Hoi Industrial Park, Dong Nam Economic Zone, Hoang Mai Town, Nghe An Province. The Project was approved by the General Assembly of Shareholders on the Resolution no. 02/NQ/DHDCD/2015 dated on August 25th, 2015.

Until September 30th, 2015 of the fiscal year 2014 – 2015, Hoa Sen Group invested 01 Galvanizing line (NOF technology) with the capacity of 280,000 tons/year and 1 Color coating line with the capacity of 150,000 tons/year. The Project will appear the commercial product in May 2016.

In the fiscal year 2015 – 2016, Hoa Sen Group will invest addition 3 steel pipe lines with total capacity of 25,000 tons/year and completion plan in April 2016.

Hoa Sen Nam Cam – Nghe An Plant Project

Hoa Sen Nam Cam – Nghe An Plant Project (old name: “Hoa Sen Nghe An Steel Sheet Plant”) at Nam Cam Industrial Park, Nghe An Province is continuously implementing.

In the fiscal year 2014 – 2015, Hoa Sen Group completed 06 steel pipe lines with capacity of 50,000 tons/year and started operation in March 2015.

On the October 0th, 2015, Hoa Sen Nghe An Steel Sheet Plant was renamed as “Hoa Sen Nam Cam – Nghe An Plant Project”.

Hoa Sen Binh Dinh Steel Pipe, Plastic Pipe Plant Project

On July 2015, the Board of Directors approved to extent with Hoa Sen Binh Dinh Steel Pipe, Plastic Pipe Plant Project. Consequently, Hoa Sen Binh Dinh Steel Pipe Plant Project was renamed as Hoa Sen Binh Dinh Steel Pipe, Plastic Pipe Plant Project with scale, activities have been extent.

At the end the fiscal year 2014 – 2015, the implementation results of investment projects of Hoa Sen Steel Pipe, Plastic Pipe Plant Project as follows:

- » On December 2015, Hoa Sen Binh Dinh Steel Pipe Plant Project were operated including 09 steel pipe lines, machinery and equipment with investment value VND 101 billions.

**THE TOTAL CAPITAL
EXPENDITURE
OF 09 STEEL PIPE LINES IS**

VND 101 BILLION

Building qualified human resources

In order to implement the policy of the Board of Directors on establishing the staff in accordance with the orientation of “Being better, being more professional, having higher incomes”, the Board of Management has directed Internal Affairs Division and related departments to perform the following tasks:

- » Continuing to implement KPI (Key Performance Indicator) to assess the operational effectiveness of each employee and each department specifically and comprehensively, making adjustments and screening HR reasonably.

Building the strong brand name

These effective activities of PR and marketing in last fiscal years were continuously conducted in the fiscal year 2014 – 2015 in order to strengthen the presence density of Hoa Sen brand name including:

- » Implementing new TVCs with more creative contents and ideas and broadcasting in rush times on National and Local Television Channels.
- » Installing outdoor advertising panels at the locations with high traffic density and good view, providing sponsorship of signboards for building material stores.

In the fiscal year 2014 – 2015, Hoa Sen Group achieved many successful results and made a strong impression on the partners and customers such as: Hoa Sen Group is voted “The Best Vietnamese 50 listed companies” by Forbes Vietnam; Hoa Sen Group was continuously awarded

- » On March 28th, 2015, Hoa Sen Group inaugurated the Steel Pipe Plant.

- » Currently, Hoa sen group is speeding up the implementation of the Plastic Pipe Plant including 06 plastic pipe lines and 01 modular of centralized blending system, machinery, equipment, materials facilities with investment value VND 172 billion.

- » As expected, on January 2016, Plastic Pipe Plant will appear the first commercial products.

- » Strengthening the recruitment of overseas students for the team of management trainees, making plans of arranging HR as well as having reasonable treatment policies.

- » Maintaining the cooperative relationship with prestigious colleges and universities through scholarships and job fairs to attract young and qualified workforce.

“Vietnam Value” for Hoa Sen Steel Sheet Product; Hoa Sen Steel Pipe Product and Hoa Sen Plastic Pipe Product; and Hoa Sen Group officially becomes a member of Global Growth Companies (GGCs) for the year 2015 by the World Economic Forum.

Moreover, Hoa Sen Group also paid much attention to the fulfillment of social responsibilities by sponsoring a lot of community-oriented and humanistic events such as “Shining Vietnamese Fortitude - Nick, You and Me”, “Viet families’ sweet home - Lunar New Year” program, the U19 National Football Tournament – Hoa Sen Steel Sheet Cup 2015, The 3rd Ho Chi Minh city traditional cycling tournament 2015 and the 27th annual Ho Chi Minh city television cycling tournament 2015. Therefore, Hoa Sen brand name has gone into the consumers’ minds deeply as a strong, friendly and community-oriented brand name.

CONSOLIDATED PRODUCTION AND BUSINESS PLAN

OF THE FISCAL YEAR 2015 - 2016

PRODUCTION AND BUSINESS PLAN OF THE FISCAL YEAR 2015 – 2016

Based on the forecast for growth rate of domestic market and export market, production and business capacity of the Group, the Board of Directors submitted the consolidated business plan of the fiscal year 2015 – 2016 to the General Assembly of Shareholders as follows:

Item	Unit	Performance of the fiscal year 2014 – 2015	Plan of the fiscal year 2015 – 2016 (*)	In comparison with the performance of the fiscal year 2014 – 2015	
				Absolute numbers	Relative numbers
(A)	(B)	(C)	(D)	(E = D-C)	(F = ((D/C)-1)*100%)
Total sales volume	Ton	1,082,767	1,166,000	83,233	8%
- <i>Finished products</i>	<i>Ton</i>	<i>1,020,793</i>	<i>1,100,000</i>	<i>79,207</i>	<i>8%</i>
- <i>By-products</i>	<i>Ton</i>	<i>61,974</i>	<i>66,000</i>	<i>4,026</i>	<i>6%</i>
Net sales	VND billion	17,447	14,280	(3,167)	(18%)
Consolidated after-tax profit	VND billion	653	660	7	1%

(*) Based on the assumption that the price of hot rolled coils in the fiscal year 2015 – 2016 is USD 270/ton.

PERFORMANCE ORIENTATION

In order to carry out targets of the fiscal year 2015 – 2016, based on policies that the Board of Directors suggested, the Board of Management oriented towards the following key duties as follows:

For business activities

- » Expanding distribution-retail network, planning to establish 60 more branches in 2016 to obtain 300 branches at the end of 2017, enhancing management effectiveness of distribution-retail network through building and perfecting mechanism, management model, salary and reward policies to improve the operational effectiveness of this key consumption channel more and more.
- » Strengthening the export, looking for and expanding new and potential markets.

For production activities

- » Strengthening production system, improving technique, improving skills of engineers and workers to strengthen operational effectiveness of production lines, enhance products quality, increase rate of main products, minimize consumption of raw material and operating costs of machinery and equipment, lower products price and ensure safety and continuity of the production.
- » Controlling costs, monitoring the change of price of raw materials closely, calculating demands and times to purchase raw materials with the best price as well as ensuring the needs of production and business of the Group.

NET SALES
OF THE FISCAL YEAR 2015 - 2016

VND 14,280
BILLION

**TOTAL SALES VOLUME OF
FINISHED PRODUCTS**
OF THE FISCAL YEAR 2015 - 2016

1,100,000
TONS

**CONSOLIDATED
AFTER-TAX PROFIT**
OF THE FISCAL YEAR 2015 - 2016

VND 660
BILLION

For supply and transportation activities

- » Implementing synchronous solutions in order to minimize time and costs of transportation and supply including: researching and calculating methods and optimizing transportation routes for each order, conducting bid and competitive price offer to choose the transportation company with good quality and appropriate price; building and promulgating rules and guidelines for road transportation and sea transportation in order to restrain risks and ensure the products' quality in transportation.
- » Increasing number of means of transportation to better meet transportation demand.
- » Building professional management model of logistics – transportation system in order to control and operate effectively.

For investment activities

- » Implementing rapid investment in Hoa Sen Nghe An Plant Project, Hoa Sen Binh Dinh Steel Pipe, Plastic Pipe Plant Project, Hoa Sen Ha Nam Plant Project and putting the production lines into operation to enhance production capacity of the Group.
- » Researching new investment plan to expand production scale, meet market's demands better and catch new period of growth.

For HR development

- » Developing HR, focusing on inherited staff and management trainees, strengthening training activities and improving professional competences and skills for employees.
- » Step by step enhancing standards and criteria in recruitment and strengthening initial in order to build qualified inherited staff.

- » Continuously applying the KPIs (Key Performance Indicators) in next fiscal year.
- » Ensuring the salaries and bonus salaries policy employees of the Group.

For PR and Marketing activities

- » Relentlessly promoting the branding through diverse, creative and effective marketing programs.
- » Carrying out PR events, humanistic and community-oriented charity and sponsorship activities to fulfill its social responsibilities and contribute to building a strong and friendly Hoa Sen brand name.
- » Building PR campaign to express the strong commitment that Hoa Sen Group always guarantees the consumers' interests by providing them with right price, right standard and right quality.
- » Setting up a telephone number of 18001515 for free consultation to help all consumers identify fake and genuine steel sheets and give more advices on related information and guidelines of selecting the genuine Hoa Sen Steel Sheet Product.





Mr. LE VU NAM
Head of the Board of Supervisors



Mr. LE DINH HANH
Member of the Board of Supervisors



Mr. LY VAN XUAN
Member of the Board of Supervisors
(Having resigned since July 30th, 2015)

Mr. Le Vu Nam is Associate Professor and Doctor of Law with major of Economics law. He is currently Dean of the Faculty of Law and Head of Banking – Financial – Security law Subject of University of Economics and Law, Ho Chi Minh City National University. His research areas are Securities Law, Banking law, Enterprise law and Corporate Governance. He was formerly Head of Market Research and Development Department of Ho Chi Minh City Stock Exchange.

Mr. Le Dinh Hanh has profound experience in controlling and auditing at Hoa Sen Group through the following positions: Internal Auditing Associate, Vice Director of Internal Control Division and Director of Internal Control Division. The General Assembly of Shareholders elected him as a member of the Board of Supervisors for the period of 2013 – 2017.

Mr. Le Dinh Hanh graduated from University of Economics Ho Chi Minh City with major of Finance – Currency – Credit.

Mr. Ly Van Xuan is a loyal individual shareholder of Hoa Sen Group from the first days of establishment. With his personal reputation and dedication to the Group, the General Assembly of Shareholders elected him as a member of the Board of Supervisors for the period of 2013 – 2017. Mr. Ly Van Xuan resigned as a member of the Board of Supervisor from July 31st, 2015.

Mr. Ly Van Xuan is Associate Professor and Doctor of Medicine. Currently, he is a Head of Training Department, Ho Chi Minh City Medicine and Pharmacy University.

ASSESSMENT OF MANAGEMENT ACTIVITIES OF THE FISCAL YEAR 2014 - 2015

Assessment of the activities of the Board of Directors

That the Board of Directors includes 5 members with 2 independent/non-executive members is appropriate with legal stipulations and the Group's charter.

In the fiscal year 2014 – 2015, the Board of Directors approved the resigned letter to resign the member of the Board of Directors of Mr. Jean-Eric Jacquemin and elect Mr. Ly Van Xuan into the Board of Directors according to the Resolution No. 45/NQ/HĐQT/2015 of the Board of Directors dated on July 31st, 2015.

Monthly, the Board of Directors held periodic meetings to monitor the Group's operating situation closely. The members of the Board of Directors also regularly met each other to discuss and approve important issues which belonged to their authority. All meetings of the Board of Directors were carried out in accordance with correct procedures and with the attendance of the Board of Supervisors. The discussed

and voted issues at all meetings were under the decisive authority of the Board of Directors in accordance with legal stipulations or authorization of the Board of Directors. The discussion and vote were implemented publicly and suitably in accordance with functions, duties and rights of the Board of Directors, Enterprise law and Hoa Sen Group's charter.

With the functions and the duties that were assigned at subcommittees of the Board of Directors, members of the Board of Directors well performed their roles in counselling the Board of Directors and helping the Board of Directors to make appropriate decisions and policies.

For information disclosure, periodic management reports were made in accordance with legal stipulations to ensure that all information was public and transparent to protect benefits of shareholders and investors.

Assessment of management activities of the Board of Management

In order to execute the guidelines of the Board of Directors, the Board of Management fully implemented the policies and decisions approved by the Board of Directors in accordance with functions, duties and authority of the Board of Management which were stipulated in the charter of Hoa Sen Group. Results of implementation of policies and resolutions of the Board of Directors were fully reported to the Board of Directors at monthly meetings of the Board of Directors and weekly briefings with the attendance of Chairman of the Board of Directors.

In order to fulfill the business plan at the highest level, the Board of Management carried out flexible solutions which were suitable for the administration to help Hoa Sen Group maintain high growth rate in sales volume and net sales and increasingly expand production scale in an unfavorable general situation.

ASSESSMENT OF FINANCIAL AND ACCOUNTING ACTIVITIES OF THE FISCAL YEAR 2014 - 2015

Having carried out periodic and extraordinary inspections of financial and accounting activities in last fiscal year, the Board of Supervisors noted the following issues:

- » Hoa Sen Group fully complied with the requirements of Vietnamese Accounting Standards and Vietnamese Accounting System to organize financial and accounting activities.
- » Hoa Sen Group's accounting documents are managed and achieved systematically to ensure quick and full accessibility when having requirements of checking and auditing.

» The opening of ledger and cash book was done in accordance with current stipulations. The Group also timely and accurately recorded and updated receipt vouchers, payment vouchers, debit and credit notices daily.

Based on the reports presented by the Board of Management at periodic meetings of the Board of Directors and figures audited by Ernst & Young Vietnam Limited, the Board of Supervisors supposed that the financial status of Hoa Sen Group was in good condition. The basic figures of debt, loan, liquidity, asset utilization efficiency, provision and owners' equity met high standards.

3

CORPORATE GOVERNANCE

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HOA SEN GROUP

OFFICIALLY BECOMES A MEMBER OF GLOBAL GROWTH COMPANIES (GGCS)
FOR THE YEAR 2015.

HOA SEN GROUP IS THE ONLY REPRESENTATIVE OF VIETNAM CHOSEN IN THE COMMUNITY OF GLOBAL GROWTH COMPANIES (GGCS) IN 2015. TOGETHER WITH THE WORLD ECONOMIC FORUM'S COMMUNITY OF 400 INSTITUTIONAL MEMBERS, HOA SEN GROUP CONTRIBUTES TO IMPROVE THE BUSINESS STATE OF THE WORLD.

On September 09 – 11th, 2015, the World Economic Forum (WEF) held the 9th Annual Meeting of the New Champions in Dalian, China. In the meeting, WEF announced and honored 132 companies from many countries which are chosen in the Community of Global Growth Companies (GGCS) in 2015. Hoa Sen Group is the only representative of Vietnam listed of the world's most dynamic and high-growth companies.

As the foremost global gathering on science, technology and innovation, the 9th Annual Meeting of the New Champions welcomed more than 1,500 participants from 90 countries for a true global experience addressing today's unprecedented set of intertwined global challenges – economic, political, societal and environmental. As Hoa Sen Group's representative, Mr. Le Phuoc Vu – Chairman of the Board of Directors attended this annual meeting.

The community of Forum Members comprises more than 400 firms from over the world. They are businesses of established influence that continue to help growing economies thrive, that contribute to societal prosperity, and that are transforming themselves into global leaders in their industries and regions. The Forum Members community represents outstanding firms from around the globe that are counted amongst the world's top innovators, market shapers, disruptors, and influencers including niche market leaders and regional champions.

By well support to the community and remarkable achievements in business operations, Hoa Sen Group honorably received many valued rewards such as: Thirdgrade Labor Medal by the President of the Socialist Republic of Viet Nam; "Vietnam Value" award of Hoa Sen Steel Sheet Product; Hoa Sen Steel Pipe Product; and Hoa Sen Plastic Pipe Product; "Best Managed Company in Asia 2014" award in metal and mining sector by Euromoney; "Top 50 Vietnam Best Growth" in 2009 – 2014 period by Vietnam Report; "The Best Vietnamese 50 listed companies" by Forbes; "Vietnam 50 Best Performance Companies in 2015"; "Top 10 Business Communication Prestigious 2015", etc. Hoa Sen Group is the only representative of Vietnam chosen in the Community of Global Growth Companies (GGCS) in 2015. Together with the World Economic Forum's community of 400 Institutional Members, Hoa Sen Group contributes to improve the business state of the world.



BUSINESS ETHICS AND RULES

Based on core values and business philosophy, business ethics and rules of Hoa Sen Group adjust internal and external relationships of the Group, which focus on 05 basic relationships between the Group and:



LAW

Complying with the law and fulfilling the Group's obligations with state agencies.



CUSTOMERS

Serving to satisfy the customers with high-quality products, competitive prices and excellent after-sales services.



SHAREHOLDERS

Maximizing the shareholders' benefits in accordance with the law and ensuring fairness of interests among the shareholders.



EMPLOYEES

Creating a friendly, equal and developing work environment for employees to ensure the employees' benefits in accordance with the law.



COMMUNITY

Fulfilling social responsibilities and contributing to building an increasingly developing community.

THE BOARD OF DIRECTORS

Members of the Board of Directors

Ending the fiscal year 2014 – 2015, The Board of Directors includes 5 members as follows:

No.	Members of the Board of Directors	Position	Note
1	Mr. Le Phuoc Vu	Chairman of the Board of Directors	
2	Mr. Tran Ngoc Chu	Vice Chairman of the Board of Directors	
3	Mr. Tran Quoc Tri	Member	
4	Mr. Pham Gia Tuan	Independent member	Mr. Ly Van Xuan was appointed as a member of the Board of Directors in replacement of Mr. Jean-Eric Jacquemin (resigned in the fiscal year 2014 – 2015).
5	Mr. Ly Van Xuan	Independent member	In the Annual Meeting of the General Assembly of Shareholders of the fiscal year 2014 – 2015, the Board of Directors will submit to the General Assembly of Shareholders for approval Mr. Ly Van Xuan as the Member of the Board of Directors.

Subcommittees of the Board of Directors

In order to specialize in functions and duties of each member of the Board of Directors, the Board of Directors has assigned members of the Board of Directors to take responsibility for subcommittees under the Board of Directors:

- » **Finance and Investor Relation Subcommittee:** Mr. Pham Gia Tuan – Independent member of the Board of Directors cum Head of Finance and Investor Relation Subcommittee and Mr. Jean-Eric Jacquemin – Non-executive member of the Board of Directors take responsibility for Finance and Investor Relation Subcommittee (Mr. Jean-Eric Jacquemin resigned as member of the Board of Directors on July 31st, 2015).
- » **Project Investment Subcommittee:** Mr. Le Phuoc Vu – Chairman of the Board of Directors cum Head of Project Investment Subcommittee takes responsibility for this subcommittee.
- » **Restructuring, HR, Salary and Reward Subcommittee:** Mr. Le Phuoc Vu – Chairman of the Board of Directors takes responsibility for Restructuring, HR, Salary and Reward Subcommittee.

Related departments and divisions take responsibility for supporting these subcommittees of the Board of Directors. These departments and divisions will directly handle jobs of the subcommittees and reported on the results to the subcommittees.



ACTIVITIES OF THE BOARD OF DIRECTORS

Meetings of the Board of Directors

In the fiscal year 2014 – 2015 (from October 1st, 2014 to September 30th, 2015), the Board of Directors conducted 84 meetings including monthly and extraordinary meetings to make policies and decisions in production and business activities of the Group promptly.

The number and percentage of attendance of members of the Board of Directors:

No.	Members of the Board of Directors	Position	Number of meetings	Rate	Note
1	Mr. Le Phuoc Vu	Chairman	81	96.4%	
2	Mr. Tran Ngoc Chu	Vice Chairman	84	100%	
3	Mr. Pham Gia Tuan	Member	84	100%	
4	Mr. Tran Quoc Tri	Member	84	100%	
5	Mr. Jean-Eric Jacquemin	Member	61	91%	Having resigned since July 30 th , 2015
6	Mr. Ly Van Xuan	Member	17	100%	Having been appointed since July 31 st , 2015

CORPORATE GOVERNANCE (continued)

Below are the contents of some important meetings of the Board of Directors during the fiscal year 2014 – 2015:

No.	Resolution	Date of the meetings	Approved contents
1	No. 02/NQ/HDQT/2015	January 20 th , 2015	Approving the investment in Hoa Sen Nighe An Steel Sheet Plant Project by Hoa Sen Nighe An Steel Sheet One Member limited liabilities Company.
2	No. 09/NQ/HDQT/2015	March 3 rd , 2015	Approving the 3 rd cash dividend payment of the fiscal year 2012 – 2013.
3	No. 10/NQ/HDQT/2015	March 10 th , 2015	Approving the transaction among Hoa Sen Group, Hoa Sen Group's subsidiaries and Hoa Sen Investment and Travel Co., Ltd.
4	No. 12/NQ/HDQT/2015	March 10 th , 2015	Approving the selection of audit firm – Ernst & Young Vietnam to audit financial statements of Hoa Sen Group and its subsidiaries for the fiscal year 2014 – 2015.
5	No. 24/NQ/HDQT/2015	May 12 th , 2015	Approving the first cash dividend payment of the fiscal year 2013 – 2014.
6	No. 26/NQ/HDQT/2015	June 8 th , 2015	Rename the Hoa Sen Binh Dinh Steel Pipe One Member limited liabilities Company.
7	No. 31/NQ/HDQT/2015	June 10 th , 2015	Approving the establishment of Hoa Sen Nighe An One Member limited liabilities Company (Hoa Sen Group's subsidiary).
8	No. 34/NQ/HDQT/2015	June 23 rd , 2015	Increasing in charter capital of Hoa Sen Binh Dinh One Member limited liabilities Company.
9	No. 36/NQ/HDQT/2015	June 29 th , 2015	Approving the selling treasury stocks to additional capital for production and business.
10	No. 39/NQ/HDQT/2015	July 13 th , 2015	Presenting to the General Assembly of Shareholders to approve the investment plan by seeking shareholder's written opinion.
11	No. 44/NQ/HDQT/2015	July 31 st , 2015	Approving the selling treasury stocks to investors.
12	No. 45/NQ/HDQT/2015	July 31 st , 2015	Approving the appointment of member of the Board of Directors (Mr. Vy Van Xuan).
13	No. 50/NQ/HDQT/2015	August 27 th , 2015	Approving the investment plan of Hoa Sen Nighe An Plant Project of Hoa Sen Nighe An One Member limited liabilities Company.
14	No. 54/NQ/HDQT/2015	September 7 th , 2015	Approving the supplementary plan of selling treasury stocks.
15	No. 55/NQ/HDQT/2015	September 15 th , 2015	Approving the establishment of a subsidiary of Hoa Sen Group – Hoa Sen Ha Nam One Member limited liabilities Company.
16	No. 57/NQ/HDQT/2015	September 22 nd , 2015	Approving the establishment of the representative office of Hoa Sen Group in Ha Noi.
17	No. 59/NQ/HDQT/2015	September 28 th , 2015	Rename the Hoa Sen Nighe An Steel Sheet One Member limited liabilities Company to Hoa Sen Nam Cam – Nighe An One Member limited liabilities Company.

Activities of subcommittees under the Board of Directors

At periodic meetings of the Board of Directors, the subcommittees reported monthly operating situation to the Board of Directors and proposed that the Board of Directors should approve policies and orientations for issues belonging to functions and duties of the subcommittees.

In order to perform functions and duties assigned by the Board of Directors, in the fiscal year 2014 – 2015, the subcommittees under the Board of Directors carried out the following activities:

Activities of Restructuring, HR, Salary and Reward subcommittee

Restructuring and HR activity

- » Building and perfecting organizational structure to be appropriated to practical activities.
- » Researching and compiling operational regulations of departments of the Group such as operational regulation of the Board of Directors and subcommittees under the Board of Directors, operational regulation of the Board of Management, stipulation about decentralization of management level and administration level of the Group and operational regulation of functional divisions under the Group.
- » Building and perfecting organizational structure of HR such as criteria of assessing managerial officers and management trainees; stipulations about appointment and dismissal of managerial officers of the Group; policies of planning, displacing, training and developing HR.
- » Researching and suggesting restructuring plans of Hoa Sen Group management model.

Salary, reward and welfare policies

- » Researching, building and making suggestions to perfect policies on salary, reward, welfare and discipline of the Group.

Handling other issues relating to restructuring, HR, salary and reward issues of the Group.

Activities of project investment subcommittee

Implementing key domestic and abroad projects of Hoa Sen Group approved by General Assembly of Shareholders/ the Board of Directors including:

Hoa Sen Nam Cam – Nighe An Plant Project, Hoa Sen Binh Dinh Steel Pipe, Plastic Pipe Plant Project. Besides, implementing Hoa Sen Nighe An Plant Project in Dong Hoi Industrial Park; Hoa Sen Ha Nam Plant Project.

Researching, counseling and recommending some promising investment plans for the Board of Directors to make decision or for the General Assembly of Shareholders to approve.

Implementing and supervising other investment activities of the Group.

Finance and Investor Relation Subcommittee

Financial supervision activity

- » Periodically reviewing the financial statements of the Group to ensure accuracy and transparency of financial data when reporting to governmental management agencies, shareholders and investors.
- » Verifying monthly financial cost reports which the Board of Management made, thereby recommending orientations relating to financial management activities to the Board of Directors.
- » Conducting unusual check for the financial data of the Group to ensure that the financial situation of the Group was in a good state.

Information disclosure activity

- » Implement periodic and extraordinary information disclosure in accordance with Circular 52/2012/TT-BTC of Ministry of Finance.
- » Implement important information disclosure which directly or indirectly affected to benefits as well as investment decisions of the investors.

Dividend payment activity

- » Advising the Board of Directors about percentage, form and time for dividend payment to ensure that it did not affect to the Group's operation.
- » Instructing and answering shareholders' questions and solving shareholders' requirements for shares and share transfer and other requirements.



Other activities

- » Participating in annual and extraordinary meetings of General Assembly of Shareholders; chairing the meetings; preparing meeting documents; posting meeting documents on website for shareholders to discuss and vote at the meeting in accordance with legal stipulations; answering shareholders' questions at the meeting fully and carefully in reasonable period of times.
- » Organizing customers' conference to build and strengthen cooperative relationship with partners and investors.
- » Meeting and discussing with domestic and abroad investors, giving presentation to the investors, answering the investors' questions and creating trust for the investors.

**SUPERVISION OF MANAGEMENT ACTIVITIES OF
THE BOARD OF MANAGEMENT**

In the fiscal year 2014 – 2015, the Board of Directors approved the appointment of Mr. Phan Duy Quang as Acting Deputy General Director of Export based on the Resolution No. 42/NQ/HDQT/2015 on July 29th, 2015. The current structure of the Board of Management is as follows:

» Mr. Tran Ngoc Chu	: General Director
» Mr. Tran Quoc Tri	: Managing Deputy General Director
» Mr. Hoang Duc Huy	: Deputy General Director of Internal Control
» Mr. Nguyen Minh Khoa	: Deputy General Director of Supply
» Mr. Nguyen Van Quy	: Deputy General Director of Investment and Project
» Mr. Vu Van Thanh	: Deputy General Director of Finance and Marketing
» Mr. Ho Thanh Hieu	: Deputy General Director of Sales
» Mr. Phan Duy Quang	: Acting Deputy General Director of Export

In order to deeply understand the operations of the Group, of the monthly meetings, the Board of Directors required the participation of the Board of Management and a number of managerial officers to report on production and business activities of the month to the Board of Directors and the implementation of policies and guidelines of the Board of Directors, give presentation about business plans of the next months and the orientations to complete the proposed plans.

In addition, Mr. le Phuoc Vu – Chairman of the Board of Directors also regularly attended weekly briefings with the Board of Management, Directors of functional divisions

and directors of subsidiaries to supervise and monitor management activities and make timely adjustments in accordance with guidelines and orientations of the Board of Directors.

In the fiscal year 2014 – 2015, the Board of Management fulfilled their roles well through timely and flexible production and business management solutions which were appropriate to guidelines and orientations of the Board of Directors. Guidelines and policies which were made by the Board of Directors also fully and timely implemented by the Board of Management and reported specifically with sense of responsibility.

ASSESSMENT OF CONTROL AND AUDIT ENVIRONMENT AT THE GROUP

Close internal control environment

Internal control is one of important activities at Hoa Sen Group and the effective monitoring tool of the Board of Directors and the Board of Management to protect the Group's assets and shareholders' benefits at the maximum level.

Accordingly, Hoa Sen Group maintained professional internal control system and participated in monitoring and controlling all activities of the Group closely to ensure

the compliance with issued processes and minimized the negative issues.

In addition to the internal control system, the Group also established departments to undertake the bidding, price offer, control of price of raw materials, spare parts and outside purchasing services to reduce input costs for the Group.

Transparent audit environment

Hoa Sen Group always tries to create the most transparent and convenient audit environment for audit organizations as well as state management agencies to approach easily. Documents and files were arranged and archived scientifically for easy consultation, extraction and collection.

The figures in the financial statements of the Group truly and fully reflected financial situation, business performance and cash flow of the Group in accordance with Vietnamese Accounting Standards, Vietnamese Standards on Auditing and legal stipulations.

REMUNERATIONS AND OTHER INCOMES OF THE BOARD OF DIRECTORS

(according to Appendix II of Annual Report in Circular 52/2012/TT-BTC of Ministry of Finance.)

Remunerations of the Board of Directors in the fiscal year 2014 – 2015

No.	Position	Remuneration (VNĐ/month)
1	Chairman of the Board of Directors	20,000,000
2	Vice Chairman of the Board of Directors	13,000,000
3	Members of the Board of Directors	11,000,000

Other incomes of members of the Board of Directors

No.	Full name	Title	Salary/Remuneration (VNĐ/month)
1	Mr. le Phuoc Vu	Head of Project Management Board Head of Restructuring Board General Director	100,000,000 7,000,000 100,000,000
2	Mr. Tran Ngoc Chu	Chairman of the Board of Members – Hoa Sen Building Material One Member limited liabilities Company Deputy Head of Restructuring Board	8,000,000 5,000,000
		Chairman of Hoa Sen Binh Dinh One Member limited liabilities Company	5,000,000
		Managing Deputy General Director	80,000,000
		Deputy Head of Restructuring Board	5,000,000
3	Mr. Tran Quoc Tri	Chairman of Hoa Sen Ngye An One Member limited liabilities Company Chairman of Hoa Sen Nam Cam – Ngye An One Member limited liabilities Company	8,000,000 5,000,000

ACTIVITIES OF THE BOARD OF SUPERVISORS

In the fiscal year 2014 – 2015, the Board of Supervisors continued to fulfill the mission of supervising and controlling the activities of the Group to ensure Benefits of shareholders. Specifically, in the last fiscal year, the Board of Supervisors carried out the following tasks:

- » Participating in periodic meetings and extraordinary meetings of the Board of Directors fully and positively through raising questions, requesting members of the Board of Directors and members of the Board of Management to give explanations and raising opinions and timely appropriate proposals in order to make production and business activities stable and effective, thereby ensuring the benefits of shareholders and investors.
- » Reviewing and verifying the financial statements of the Group including the semi-annual consolidated financial statements, yearly consolidated financial statements, separate financial statements of parent company and its subsidiaries, debts, inventories, receipt vouchers, payment vouchers, import and export, etc.
- » Supervising and checking activities relating to investor relation such as updating on shareholders' information, issues relating to shares – stocks and information disclosure, etc.
- » Coordinating with Internal Control Department to conduct inspections of branches and subsidiaries of the Group; verifying and confirming completion vouchers and payment vouchers of the projects and supervising the implementation as well as effectiveness of the projects in order to propose appropriate and timely adjustments.



THE REMUNERATIONS OF THE BOARD OF SUPERVISORS

The remunerations and bonus for surpassing the plan of members of the Board of Supervisors

No.	Title	Remuneration (VND/month)	
1	Head of the Board of Supervisors	9,000,000	
2	Member of the Board of Supervisors	7,000,000	
Other incomes of members of the Board of Supervisors			
No.	Full name	Title	Salary/Remuneration (VND/month)
		Director of Internal Control Division	30,000,000
1	Mr. Le Dinh Hanh	Head of the Board of Supervisors of Hoa Sen Building Material One Member Limited Liabilities Company	3,000,000

SHAREHOLDER AND INVESTOR RELATION

- » Organizing Annual General Meeting of the fiscal year 2014 – 2015 successfully.
- » Implementing information disclosure in accordance with Circular 52/2012/TT-BTC dated April 5th, 2012.
- » Compiling Hoa Sen Group's investor bulletins quarterly to provide information to shareholders and investors.
- » Implementing dividend payment of the fiscal year 2013 – 2014 in accordance with Resolution of Annual General Meeting held on January 19th, 2015.
- » Holding meetings with investors to tighten cooperative relationship with them.



CORPORATE GOVERNANCE (continued)

COMMUNITY RELATIONS



Besides focusing on business operations, Hoa Sen Group is known as enterprise of social responsibilities by funding 3% of after tax profit for sponsor and charity programs. These programs are diversified and practical such as constructing bridge, building the house of gratitude, building school, giving steel sheets, supporting disaster regions (Hoa Sen Group visited and gave gifts to 12 workers who had been in distress and functional force which obtained achievements in the rescue in lam Dong Province, donated steel sheets to people in flooding regions in Quang Ninh province and Quang Tri province)...



With friendly, community-oriented brand name in many years, Hoa Sen Group continuously sponsored humane programs that spread all human values over the countryside to poverty labour such as "Overcome ourselves", "Golden small bell", "Loving life", "Compassionate heart", "Famous sayings and life", etc. Hoa Sen Group becomes community-oriented brand name as well as makes the better lives for hundreds of households.



In recent years, Hoa Sen Group was a co-organizer and main sponsor for program series of the motivational speaker Nick Vujicic including "Nick comes to Vietnam" event in 2013, "Shining Vietnamese Fortitude" program in 2014. In 2015, Nick Vujicic has returned to Vietnam for the third time to participate "Shining Vietnamese Fortitude 2015 – Nick, You and Me" program. The special of this program was the series of six events held in different places: Ho Chi Minh city, Nghe An province and lam Dong province with various audiences. During the program, Nick Vujicic has talked and motivated strongly inspiration of Vietnamese fortitude by sharing stories about his own life experiences and perspectives, truly happiness and best human values to strive for better lives. As a result, the program has brought interested and profound talks.

IN MANY CONSECUTIVE YEARS, THROUGH DIVERSE AND CREATIVE MARKETING PROGRAMS AND BY SPONSORING THE COMMUNITY ACTIVITIES AND SOCIAL CHARITY ACTIVITIES, THE HOA SEN GROUP HAS MARKED DEEPLY IN CONSUMERS' MINDS AS THE STRONG, FRIENDLY AND COMMUNITY-ORIENTED BRAND NAME.

In April 2015, on occasion of marking the 40th anniversary of the Southern liberation and the National Reunification Day – April 30th, Hoa Sen Group was the main sponsor of the 27th Ho Chi Minh Television Cup Cycling Tournament and donated 190 bicycles to the poor pupils at every completed stage along the country. Following this successful event, on occasion of marking the 70th anniversary of the August Revolution and National Day – September 2nd, Hoa Sen Group sponsored the 3rd Ho Chi Minh Traditional Cycling Race to dignify the sporting spirit as well as to offer an excellent opportunity for outstanding Vietnamese racers.



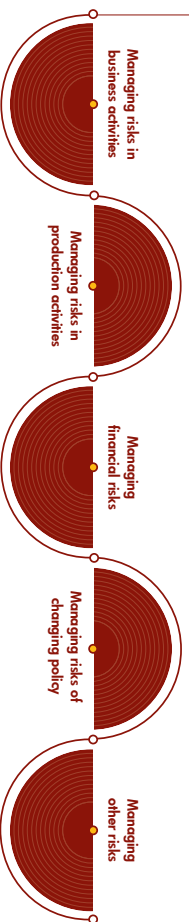
On June 19th, 2015, in groundbreaking ceremony of Hoa Sen Nghe An Plant in Dong Hoi Industrial Park, Hoa Sen Group donated 50 bicycles and support VND 222 millions to poverty households at Hoang Mai town, Nghe An Province.

Caring many underprivileged children, Hoa Sen Group sponsored many charity events to bring good values to community such as: the Football Tournament for underprivileged children, giving computers to children at SOS villages, etc. Especially, in the New Academic Year 2015 – 2016, Hoa Sen Group performed the program "Hoa Sen Steel Sheet comes to school with pupils" at 48 primary school in nationwide, donated 1,070 school bags and 10,700 notebooks for underprivileged and hard-study children.

Always realizing the enterprise's responsibilities for society and developing Hoa Sen Group brand with business philosophy "Sharing happiness to community", Hoa Sen Group held "Viet's Families sweet home" programs in lunar New Year and in the Mid-Autumn Festival Night for consecutive years. These programs were held to bring a warm and meaningful spring to over thousands underprivileged and ill-fated children from orphanages and reformatories in Ho Chi Minh City and neighboring provinces. Besides, Hoa Sen Group also held many charity events in lam Dong, Hai Phong, Nghe An, Ho Nho, Nam Dinh, Phu Tho. With the sponsorship of many enterprises, the "Viet Families' sweet home" programs were taken place successfully and brought happiness to underprivileged and ill-fated children. The organizing committee hopes to receive the support of the enterprises and individuals in order that the "Viet Families' sweet home" programs continue to be organized at a larger scale in forthcoming times.



IN ORDER TO MINIMIZE POSSIBLE RISKS, THE GROUP HAS DEVELOPED A STRATEGY OF RISK MANAGEMENT, WHICH NOT ONLY GUARANTEES BUSINESS OBJECTIVES BUT ALSO CREATES A COMPETITIVE ADVANTAGE. IN ORDER TO ENSURE THE BEST OPERATIONAL EFFICIENCY, THE ESTABLISHMENT OF THE FUNCTIONAL DEPARTMENTS LIKE INTERNAL CONTROL DEPARTMENT, LEGAL DEPARTMENT, VALUATION DEPARTMENT AND MATERIAL DEPARTMENT AIMS TO CONTROL THE POSSIBLE RISKS AND BRING THE POSITIVE OUTCOMES IN THE BUSINESS ACTIVITIES AND SUPERVISION OF THE WHOLE GROUP.



MANAGING RISKS IN BUSINESS ACTIVITIES

The economic growth rate is a factor that directly affects the aggregate demand. As the economy grows, the demand of steel sheet and building materials including the products of Hoa Sen Group will increase. Otherwise, when the economy goes down, the demand of using steel sheet and building material products will decline. Therefore, the Group has always prepared operational scenarios in order to actively respond to any situations to ensure the best operational efficiency.

The Group imports the majority of hot rolled coils (the main raw materials) from foreign countries, therefore updating and analysis of price of the hot rolled coils inside and outside the country, selection of right time to buy with the best price and limitation of raw material risks have always got particular attention of the Board of Directors and the Board of Management.

The fluctuation of selling price in the market directly affects Hoa Sen Group's business activities. Therefore, the flexible selling price policy in accordance with the fluctuation of market price is always considered and adjusted by the Board of Directors and the Board of Management according to the market situation at specific time.



MANAGING RISKS IN PRODUCTION ACTIVITIES

In production activities, Hoa Sen Group always focuses on reviewing, improving and standardizing the consumption norms of raw materials in order to reduce the products' price. The Valuation Department and Material Department co-ordinate and consider in choosing suppliers of the raw materials which have suitable quality and reasonable price in order to minimize the raw material risks. Simultaneously, the Internal Control Department will check all the expenses

of buying raw materials to guarantee the integrity, accuracy and transparency.

The Group always has regular and periodic maintenance and repair plans so that machinery and equipment are always in the best condition in order to ensure safe and efficient operation.

MANAGING FINANCIAL RISKS

In production and business activities, the Group may be subjected to risk of exchange rate, risk of interest rate, risk of bad debts and risk of liquidity.

Based on the export sales, the Board of Management balances structure of borrowings denominated in VND and USD to ensure the lowest average interest rate but still has enough USD to pay the foreign currency loans, minimize impact of the risk of interest rate and the risk of exchange rate and submit to the Board of Directors to consider and give the direction of borrowing structure monthly.

For new customers, the Group requires payment guarantee from bank for delivery. For traditional customers, the Group

issues debt limit for each customer in each period based on financial situation, collateral, transaction reputation of each customer and proposal of sales units. The Board of Management reviews the debt limit monthly. The sales units are responsible for collecting the debts on time. The Internal Control Department inspects, supervises, and reports to the Board of Management the debts which need to be collected daily. If bad debts occur, the legal Department will implement some measures to collect the debts including bringing the case to the law.

The financial Department notes and reports on plan of cash flow weekly so that the Board of Management has flexible business operating measures in order not to have overdue payables.

MANAGING RISKS OF CHANGING POLICY

Legal documents in the field of business and securities have been in the process of improvement so that changing policy can always happen and they can somehow affect to management, production, and business activities of Hoa Sen

Group. The Assistant Board has played an important role in updating and consulting new legal documents to minimize risk of changing policy which can affect to production and business activities of the Group directly.

MANAGING OTHER RISKS

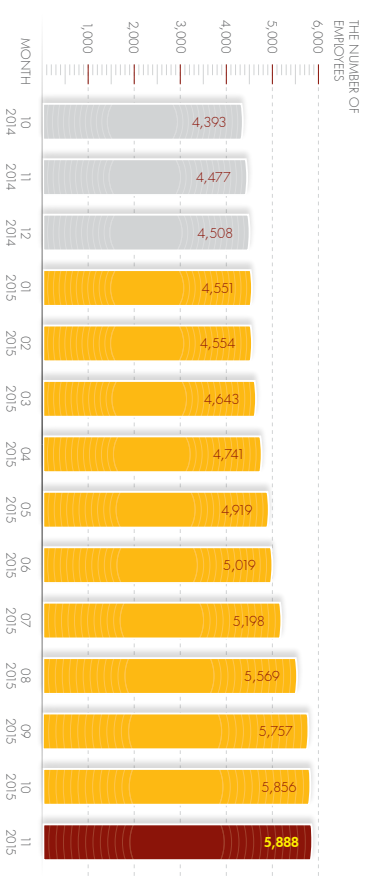
In order to minimize unavoidable risks such as natural disasters, fires, accidents, etc., the Group always spends

an amount of expenses to buy 24 hour accident insurance for all employees and the asset insurance of the Group.

THE NUMBER OF EMPLOYEES

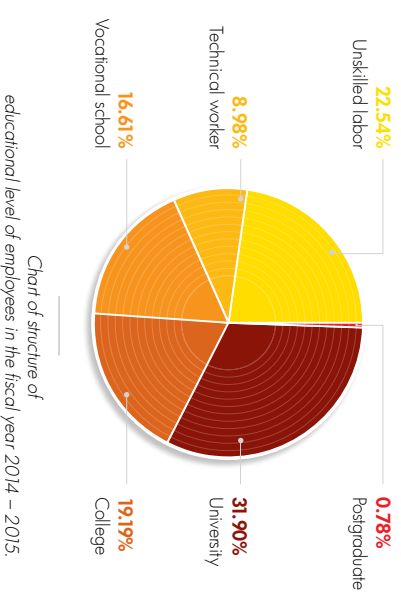


THE NUMBER OF EMPLOYEES OF HOA SEN GROUP IN THE FISCAL YEAR 2014 – 2015

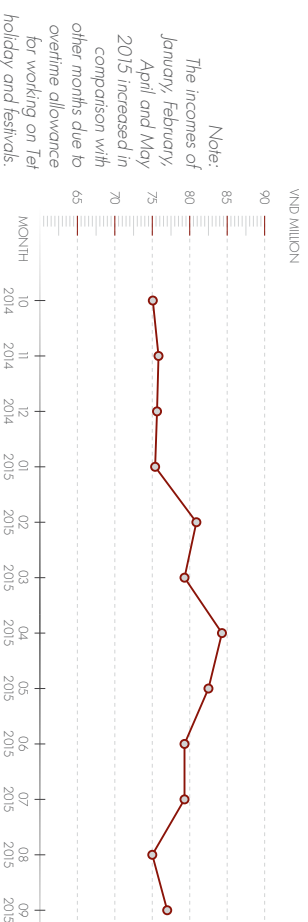


The number of employees of Hoa Sen Group on 12 November 2015

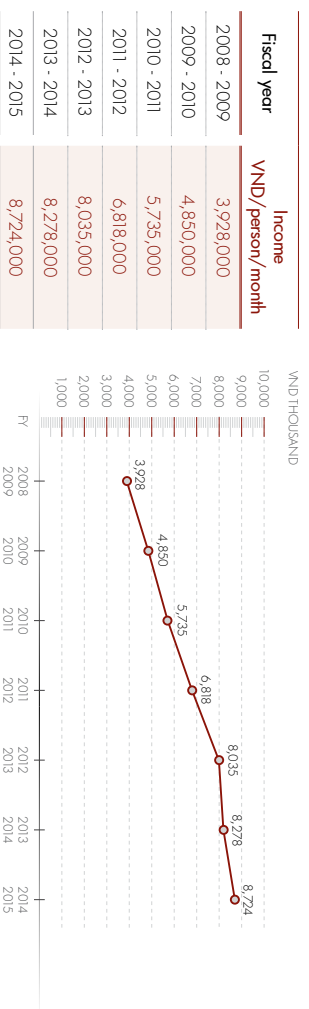
STRUCTURE OF EDUCATIONAL LEVEL OF EMPLOYEES IN THE FISCAL YEAR 2014 – 2015



THE AVERAGE INCOMES OF THE BOARD OF MANAGEMENT IN THE FISCAL YEAR 2014 – 2015



THE AVERAGE INCOMES OF EMPLOYEES IN THE FISCAL YEAR



HUMAN RESOURCES TRAINING AND DEVELOPING POLICY

In the fiscal year 2014 – 2015, Hoa Sen Group continued to strengthen HR training and development through the following activities:

- » Hoa Sen Group continued to implement "Management Trainees" program and recruit good and excellent students from prestigious universities such as Ho Chi Minh City University of Technology, Ho Chi Minh City University of Economics and Law – Ho Chi Minh City National University, Ho Chi Minh City University of Economics, Foreign Trade University. In the fiscal year 2014 – 2015, Hoa Sen Group recruited 66 overseas students from many countries such as Britain, Australia, United States of America, Russia, Singapore and New Zealand in order to train, monitor, orient and develop them as core managerial officers in future.
- » The Group continued to be strategic partner of Ho Chi Minh City National University in general as well as members of Ho Chi Minh City National University in particular, provided scholarships for poor, strong-willed and good students, tightened relationship between the Group and schools in HR training and development.
- » The HR development of Hoa Sen Group is closely connected with internal training programs and training programs cooperated with external agencies. In this fiscal year, Hoa Sen Group organized 64 internal training courses and external training courses. The training courses at Hoa Sen Group included mandatory training courses such as integration training, first aid, occupational safety, radiation safety, chemical safety, electricity safety, fire protection and training courses to improve skills and abilities such as time management and planning skill, professional sales skill, negotiation skill, etc. The contents of the training courses which met the employees' needs were implemented towards modernization, combined theories with practice and contained high practical application. As the result, the trainees had chances to penetrate reality through sharing of lecturers as well as trainees' ideas.
- » Particularly, the Group organized training course to improve English for managerial officers of Hoa Sen Group. This was one of key training programs to improve skills and knowledge of managerial officers.



LABOR POLICIES

Salary and allowance policy

Achieving the target in productions, sales and profit together with the average salaries of employees are companies' priority. As the previous fiscal year, the fiscal year 2014 – 2015, company has adjusted the fixed rate and commission policies to suitable with business production plan but also ensure employee's average wages increasing according to production, sales, profit, create flexibility but at the same time, ensure the same fixed rate salaries compare to other companies in the same industry.

Allowance policy was maintained as the previous year including: allowance for attraction, allowance for mobility, allowance for holding concurrently, allowance for responsibility, allowance for toxicity, allowance for reserve and allowance for telephone, allowance for work, allowance for seniority... These types of allowances were additions to monthly incomes which help employees feel secure to work.

Insurance policy

The official employees of the Group are eligible to join social insurance, health insurance and unemployment insurance in accordance with governmental stipulations. Besides, the Group has bought the 24/24 accident insurance for all the employees (official employees and probationary employees). In the fiscal year 2014 – 2015, the Group continued to adjust insurance premium for employees in accordance with the Government's minimum salary regulation in January 2015.

Bonus policy

The bonus policies of Hoa Sen Group were to honor and encourage the employees which obtained outstanding achievements and had dedication to the Group, thereby encouraging all employees to promote intelligence, talent and labor to contribute to the Group.

Hoa Sen Group has applied bonus policies to the employees who obtained outstanding achievements in work and contributed to the development of the Group. In the fiscal year 2014 – 2015, Hoa Sen Group had the bonus policies for the employees such as 13th month salary, bonus for monthly effectiveness at work, bonus for innovation, bonus for reducing costs and bonus for completing projects. Bonus policies are always performed equitably and deservedly.

Other policies

In addition to the implementation of salary policy, bonus policy, insurance in accordance with the law, the Group applied the welfare policy such as periodic health examination, annual holiday, organize the culture, and sport activities to enhance the spiritual life for employees, has the canteen serving daily meals for employees, allocate uniforms, equip the full protective gear in accordance with the law, the shuttle bus for employee, support for marriage allowance for childbearing, support for employees' bereavement. Furthermore, female employees were supported on International Women's Day, Vietnamese Women's Day and during period of maternity.

With all policies of salary, bonus, welfare, friendly and self-motivated work environment, Hoa Sen Group is ranked in Top 5 of building materials sector and "100 Vietnam best places to work" surveyed by Anhphabe and Nielsen in the consecutive years of 2014 and 2015.

Activities for employees

In the fiscal year 2014 – 2015, the Trade Union coordinated with the Group to hold exciting musical contests and sport festivals to take care of physical and spiritual lives for employees such as:

WITH ALL POLICIES OF SALARY, BONUS, WELFARE, FRIENDLY AND SELF-MOTIVATED WORK ENVIRONMENT, HOA SEN GROUP IS RANKED IN TOP 5 OF BUILDING MATERIALS SECTOR AND "100 VIETNAM BEST PLACES TO WORK" SURVEYED BY ANHPHABE AND NIELSEN IN THE CONSECUTIVE YEARS OF 2014 AND 2015.

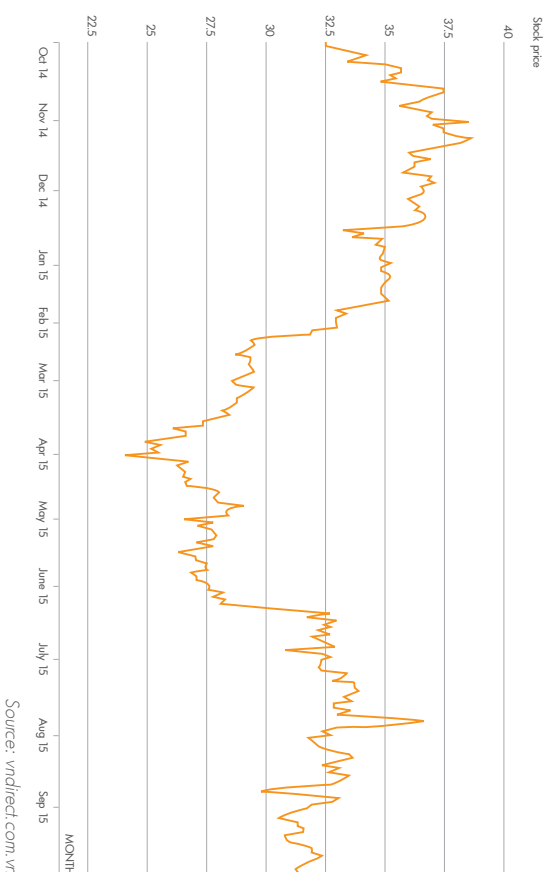


01. Cooking contest to celebrate Vietnamese Women's Day.
02. Mini Football Contest – Health Hoa Sen Contest to celebrate the 14th Anniversary of the Hoa Sen Group (August 08th, 2001 – August 08th, 2015), create a practical and useful playground, opportunity exercise healthy for employees of Hoa Sen Group, at the same time, where is the meeting place and exchange between with all members in the Hoa Sen's family.
03. "Golden Lotus" Singing Contest to search and honor talents of the Group to celebrate the Anniversary of the Hoa Sen Group on August 8th, 2015.
04. The 2015 "Vai Families' sweet home – Mid-Autumn Festival Night" program for underprivileged children and children of employees of Hoa Sen Group.
05. Gifts for children of employees of the Group who obtained outstanding academic achievements.
06. Organizing "Smiling of Hoa Sen" Photo Contest to create a useful playground, arouse solidarity, passion for photography and creativity of employees of Hoa Sen Group.

SHARE INFORMATION

STOCK INFORMATION

Chart of HSG stock price in the fiscal year 2014 – 2015



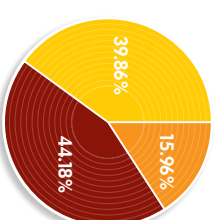
DIVIDEND INFORMATION

In order to implement Resolution of General Assembly of Shareholders at Annual General Meeting held on January 19th, 2015, in the fiscal year 2014 – 2015, Hoa Sen Group carried out 3 stages of dividend payment, there is 1 stage of dividend payment of the fiscal year 2012 – 2013 and 2 stages of dividend payment of the fiscal year 2013 – 2014. The details are as follows:

No.	Dividend	Dividend payout ratio	Payment method	Payment date
1	The third dividend payment of the fiscal year 2012 – 2013	5% par value (VND 500/share)	In cash	March 27 th , 2015
2	The first dividend payment of the fiscal year 2013 – 2014	10% par value (VND 1000/share)	In cash	July 1 st , 2015
3	The second dividend payment of the fiscal year 2013 – 2014	30% par value (Payment ratio 10:3)	In stock	listed on December 24 th , 2015

SHAREHOLDER STRUCTURE ON NOVEMBER 25TH, 2015

No.	Shareholder	Owning volume	Owning rate
1	The Board of Directors	16,089,960	15.96%
2	Domestic shareholders	44,525,873	44.18%
	» Domestic individuals	16,680,335	16.55%
	» Domestic organizations	27,845,538	27.63%
3	Foreign shareholders	40,174,957	39.86%
	Total	100,790,790	100%



- The Board of Directors
- Domestic shareholders
- Foreign shareholders

SHAREHOLDERS OWNING OVER 5% OF SHARE CAPITAL ON NOVEMBER 25TH, 2015

No.	Full name	ID Card Number/ Passport Number/ Business Registration Certificate Number	Address	Owning volume	Owning rate
1	Tam Hy One Member limited liabilities Company	3702257523	No. 9, Thong Nhat Boulevard, Song Than 2 Industrial Park, Di An Ward, Di An Town, Binh Duong Province, Vietnam	13,239,576	13.14%
2	Le Phuoc Vu	023327821	No. 19 Giang Van Minh Street, An Phu Ward, District 2, Ho Chi Minh City, Vietnam	15,917,152	15.79%
3	Tam Thien Tam One Member limited liabilities Company	3702259048	No. 9, Thong Nhat Boulevard, Song Than 2 Industrial Park, Di An Ward, Di An Town, Binh Duong Province, Vietnam	7760,424	7.70%
4	Red River Holding	CA1288	No. 9A Tu Xuong Street, Ward 7, District 3, Ho Chi Minh City, Vietnam	6,625,789	6.57%

FOUNDING SHAREHOLDERS

No.	Full name	Owning volume	Owning rate
1	Le Phuoc Vu	15,917,152	15.79%
2	Ho Van Hoang	648,459	0.64%
3	Hoang Duc Huy	6,400	0.006%

SHARE INFORMATION (continued)

NUMBER AND PERCENTAGE OF SHARES OWNED BY THE BOARD OF DIRECTORS ON NOVEMBER 25TH, 2015

No.	Full name	Title	Owning volume	Owning rate
1	Le Phuc Vu	Chairman of the Board of Directors	15,917,152	15.792%
2	Tan Ngoc Chu	Vice Chairman of the Board of Directors	86,400	0.086%
3	Pham Gia Tuan	Member of the Board of Directors	-	-
4	Tan Quoc Tri	Member of the Board of Directors	8	-
5	Ly Van Xuan	Member of the Board of Directors	86,400	0.086%

NUMBER AND PERCENTAGE OF SHARES OWNED BY THE BOARD OF MANAGEMENT AND CHIEF ACCOUNTANT ON NOVEMBER 25TH, 2015

No.	Full name	Title	Owning volume	Owning rate
1	Tan Ngoc Chu	General Director	86,400	0.086%
2	Tan Quoc Tri	Deputy General Director	8	-
3	Hoang Duc Huy	Deputy General Director	6,400	0.006%
4	Nguyen Van Quy	Deputy General Director	2,000	0.002%
5	Vu Van Thanh	Deputy General Director	15,552	0.015%
6	Nguyen Minh Khoa	Deputy General Director	6,100	0.006%
7	Ho Thanh Hieu	Deputy General Director	-	-
8	Phan Duy Quang	Acting Deputy General Director	-	-
9	Nguyen Thi Ngoc Lan	Chief Accountant	3,184	0.003%

NUMBER AND PERCENTAGE OF SHARES OWNED BY THE BOARD OF SUPERVISORS ON NOVEMBER 25TH, 2015

No.	Full name	Title	Owning volume	Owning rate
1	Le Vu Nam	Head of the Board of Supervisors	9,000	0.009%
2	Le Dinh Hanh	Member of the Board of Supervisors	2,138	0.002%

NUMBER AND PERCENTAGE OF SHARES OWNED BY SHAREHOLDERS WHO RELATE TO INTERNAL SHAREHOLDERS ON NOVEMBER 25TH, 2015

No.	Full name	Name of shareholders who relate to internal shareholders	Relationship with internal shareholders	Owning volume	Owning rate
1	Le Phuc Vu	Tan Hy One Member limited liabilities Company	Mr. Le Phuc Vu is the owner of this company	13,239,576	13.140%
		Hoc Sen Investment & Tourism Co., Ltd	Mr. Le Phuc Vu is the owner of this company	4,634,132	4.600%
2	Ly Van Xuan	Vo Thi Son Ca	Spouse	18,000	0.018%
		Ly Khanh Van	Daughter	9,000	0.009%
3	Hoang Duc Huy	Hoang Duc Hoang	Younger brother	2	-
		Hoang Duc Canh	Younger brother	4	-
4	Nguyen Minh Khoa	Nguyen Thi Minh Thu	Younger sister	9	-



**BRANCH OF
HOA SEN GROUP**

HOA SEN PHU MY STEEL SHEET PLANT



**THE LARGEST
PLANT IN
SOUTHEAST
ASIA**

**THE TOTAL CAPACITY OF
HOA SEN PHU MY STEEL SHEET PLANT**

1,200,000

TONS/YEAR



Address	Street No. 1B, Phu My 1 Industrial Park, Ton Trinh District, Ba Ria – Vung Tau Province.
Telephone	(+84) 64 3 924 790 – Fax: (+84) 64 3 924 795.
Business Registration Certificate	No. 3700381324-0/95 issued by the Department of Planning and Investment of Ba Ria – Vung Tau Province on July 19 th , 2010.
Director	Mr. NGUYEN MINH KHOA .
Business activities	Producing galvanized steel sheet, aluminum-zinc alloy coated steel sheet, pre-painted galvanized steel sheet, pre-painted aluminumzinc alloy coated steel sheet, hot rolled coil, cold rolled coil.
Hoa Sen Group owns	100%.

The Hoa Sen Phu My Steel Sheet Plant established on July 19th, 2010 with the area of 16.7 hectares including 87,542 square meters for workshops, 690 square meters for office, 110 KV transformer station, waste water treatment and water recycling system and vertically integrated value chain. Moreover, it applies the most modern technology in the industry in Vietnam as well as is invested with the lowest cost and constructed in the shortest time but ensuring the quality of works.

On April 2014, putting the no. 2 Waste Processing Factory with the capacity of 100 m³/hour.

Hoa Sen Phu My Steel Sheet Plant is the largest plant in Southeast Asia up to now with the total capacity of 1,200,000 tons/year.

SUBSIDIARIES

HOA SEN STEEL SHEET ONE MEMBER LIMITED LIABILITIES COMPANY



Address	No. 9 Thong Nhat Boulevard, Song Thon 2 Industrial Park, Di An Ward, Di An Town, Binh Duong Province, Vietnam.
Telephone	(+84) 650 3 737 200 – Fax: (+84) 650 3 737 904.
Charter Capital	VND 280,000,000,000 (Two hundred and eighty billion VND).
Business Registration Certificate	No. 3700763651 issued by Department of Planning and Investment of Binh Duong Province on December 24 th , 2007. The 7 th amendment was on December 27 th , 2012.
Legal representative	Mr. NGUYEN MINH KHOA – Chairman of the Board of Members.
Director	Mr. HOANG DUC HOANG.
Business activities	Production of roof plate from galvanized steel, aluminum-zinc alloy coated steel, pre-painted galvanized steel and other alloy coated steel. Production of products from iron such as oxide iron, carbon iron, alloy iron and other products from iron.
Hoa Sen Group owns	100%

In the fiscal year 2014 – 2015, Hoa Sen Steel Sheet One Member Limited Liabilities Company had the innovations that saving production costs and creating more profits to the Group. The details as follows:

» Improving the picking line: CPC of pay off reel, an edge trimmer at coil head end, a crop shear to cut the strip head end, increase the capacity of line to 30,000 - 35,000 tons/month as scheduled.

» Improving the cold rolling line: fixed the sudden Driver error, strip breakage without cause finding, set up the electronic board to keep track the “n” indicator of operation.

» Color coating line: design, set up the pattern point machine which put into stable operation (creding wood pattern steel sheet)...

As the result of these innovations, The Board of Management decided to reward VND 150,000,000 for the Hoa Sen Steel Sheet One Member Limited Liabilities Company.

BUSINESS PERFORMANCE OF THE FISCAL YEAR 2013 – 2014 AND BUSINESS PERFORMANCE OF THE FISCAL YEAR 2014 – 2015

No.	Item	Unit	Performance of the fiscal year 2013 – 2014	Performance of the fiscal year 2014 – 2015	Comparing the performance of the fiscal year 2014 – 2015 with the performance of the fiscal year 2013 – 2014
(A)	(B)	(C)	(D)	(E)	(F)=(E/D)*100 Absolute number Relative number
1	Sales volume	Ton	879,977	1,018,090	138,113 16%
2	Net sales	VND billion	11,900	11,296	(604) (5%)
3	Before-tax profit	VND billion	140	111	(29) (21%)

BUSINESS PERFORMANCE OF THE FISCAL YEAR 2014 – 2015 AND BUSINESS PLAN OF THE FISCAL YEAR 2015 – 2016

No.	Item	Unit	Performance of the fiscal year 2014 – 2015	Business plan of the fiscal year 2015 – 2016	Comparing the business plan of the fiscal year 2015 – 2016 with the performance of the fiscal year 2014 – 2015
(A)	(B)	(C)	(D)	(E)	(F)=(E/D)*100 Absolute number Relative number
1	Sales volume	Ton	1,018,090	1,287,011	268,921 26%
2	Net sales	VND billion	11,296	10,940	(356) (3%)
3	Before-tax profit	VND billion	111	137	26 23%

SUBSIDIARIES (continued)

HOA SEN BUILDING MATERIAL ONE MEMBER LIMITED LIABILITIES COMPANY



Address	2B Street, Phu My 1 Industrial Park, Phu My Town, Tan Thanh District, Ba Ria – Vung Tau Province, Vietnam.
Telephone	(+84) 64 3 923 231 – Fax: (+84) 64 3 923 230
Charter capital	VND 150,000,000,000 (One hundred and fifty billion VND).
Business Registration Certificate	No. 3500786179 issued by Department of Planning and Investment of Ba Ria – Vung Tau Province on December 18 th , 2007.
Legal representative	Mr. TRAN NGOC CHU – Chairman of the Board of Members.
Director	Mr. NGUYEN MINH KHOA
Business activities	Manufacturing and trading building material products including steel pipes, galvanized steel pipes, plastic pipes and fittings of plastic pipes.
Hoa Sen Group owns	100%.

In December 2015, the Company continuously puts into operation 3 steel pipe lines with total designed capacity of 33,600 tons/year and meet the demands of domestic and export markets.

At the present, the Company owns 2 Steel Pipe Plants with 28 production lines, the total capacity of 411,000 tons/year (in which 22 lines located at Phu My 1 Industrial Park, Phu My Town, Tan Thanh District, Ba Ria – Vung Tau Province and 6 lines located at Hai Duong Province). Besides, Hoa Sen Plastic Pipe Plant applied Europe technology has 16 plastic pipe lines and 7 accessories lines of uPVC plastic

pipe, the total capacity of 36,600 tons/year (in which the total plastic pipe capacity of 36,000 tons/year), automatic operation based on vertically integrated value chain and strict management for meeting international standard.

With these achievements, the Company is committed to constantly endeavoring to satisfy customers with high quality, reasonable price and good after-sales service to meet the customers' requirements promptly and timely as well as strive to be one of leading manufacturers and suppliers of building materials in domestic and Southeast Asian market.

BUSINESS PERFORMANCE OF THE FISCAL YEAR 2013 – 2014 AND BUSINESS PERFORMANCE OF THE FISCAL YEAR 2014 – 2015

No.	Item	Unit	Performance of the fiscal year 2013 – 2014	Performance of the fiscal year 2014 – 2015	Comparing the performance of the fiscal year 2014 – 2015 with the performance of the fiscal year 2013 – 2014	
(A)	(B)	(C)	(D)	(E)	Absolute number	Relative number
1	Sales volume	Ton	201,300	306,516	105,216	52%
2	Net sales	VND billion	3,358	4,568	1,210	36%
3	Before-tax profit	VND billion	53	185	132	250%

BUSINESS PERFORMANCE OF THE FISCAL YEAR 2014 – 2015 AND BUSINESS PLAN OF THE FISCAL YEAR 2015 – 2016

No.	Item	Unit	Performance of the fiscal year 2014 – 2015	Business plan of the fiscal year 2015 – 2016	Comparing the business plan of the fiscal year 2015 – 2016 with the performance of the fiscal year 2014 – 2015	
(A)	(B)	(C)	(D)	(E)	Absolute number	Relative number
1	Sales volume	Ton	306,516	372,091	65,575	21%
2	Net sales	VND billion	4,568	4,849	281	6%
3	Before-tax profit	VND billion	185	215	30	16%

SUBSIDIARIES (continued)

HOA SEN TRANSPORTATION AND ENGINEERING ONE MEMBER LIMITED LIABILITIES COMPANY



Address	No. 9, Thong Nhat Boulevard, Song Than 2 Industrial Park, Di An Ward, Di An Town, Binh Duong Province, Vietnam.
Telephone	(+84) 6503 737 999 – Fax: (+84) 6503 737 999.
Charter capital	VND 16,276,000,000 (Sixteen billion and two hundred and seventy six million VND).
Business Registration Certificate	No. 3700785528 issued by the Department of Planning and Investment of Binh Duong Province on December 24 th , 2007.
Legal representative	Mr. VU VAN THANH – Chairman.
Director	Mr. VO MINH TUONG.
Business activities	Goods and passenger transport by road and by waterway; Direct support services for water transport; Warehouses; Storage of goods, means of transportation for leasing; Trading of materials and spare parts of cars.
Hoa Sen Group owns	100%.

In the fiscal year 2014 – 2015, Hoa Sen Transportation and Engineering One Member Limited Liabilities Company transported 1,120,420 tons and achieved VND 72.8 billion in net sales which exceeded 6 times in comparison with the net sales in fiscal year 2013 – 2014. The profit before-tax achieved VND 14.7 billion. It is estimated that the Company will transport 1,232,000 tons in fiscal year 2015 – 2016.

BUSINESS PERFORMANCE OF THE FISCAL YEAR 2014 – 2015 AND BUSINESS PLAN OF THE FISCAL YEAR 2015 – 2016

No.	Item	Unit	Performance of the fiscal year 2014 – 2015	Business plan of the fiscal year 2015 – 2016	Comparing the business plan of the fiscal year 2015 – 2016 with the performance of the fiscal year 2014 – 2015	
(A)	(B)	(C)	(D)	(E)	(F)=E/D	(G)=(E/D-1)*100
					Absolute number	Relative number
1	Sales volume	Ton	1,120,420	1,232,000	111,580	10%
2	Net sales	VND billion	72.8	81.8	9	12%
3	Before-tax profit	VND billion	14.7	16.4	1.7	12%

SUBSIDIARIES (continued)

HOA SEN BINH DINH ONE MEMBER LIMITED LIABILITIES COMPANY



Address	lot A11 and TT 6.2 & 7, Nhon Hoa Industrial Park, Nhon Hoa Ward, An Nhon Town, Binh Dinh Province, Vietnam.
Charter capital	VND 55,000,000,000 (fifty five billion VND).
Business Registration Certificate	No. 4101423750 issued by the Department of Planning and Investment of Binh Dinh Province on May 14 th , 2014, and the second amendment was on June 26 th , 2015.
Legal representative	Mr. TRAN NGOC CHU – Chairman.
Director	Mr. LE XUAN PHONG.
Business activities	Manufacturing galvanized steel pipes, plastic pipes and accessories.
Hoa Sen Group owns	100%.

Hoa Sen Binh Dinh One Member limited liabilities Company is a Hoa Sen Group's subsidiary established on May 14th, 2014 with VND 55 billion in charter capital. The company's operations are controlled by Hoa Sen Group in capital, brand name, distribution retail network and core competitive advantages.

The company invested in Nhon Hoa Industrial Park, An Nhon Town, Binh Dinh Province with 8.3 hectare of total area. By applying modern technology in production, the company plays important role to supply products of steel pipe and plastic pipe to the Central markets of Vietnam and export to Lao, Thailand, etc.

In December 2014, the company put into operation Phase 1 of Steel Pipe Plant including 09 steel pipe lines with modern technology to contribute to the increasing of production and supply capacity for Central markets.

Phase 1 of Plastic Pipe and Accessories (PVC) Plant has started to build since July, 2014 with the total capacity of 10,000 tons/year. The plant is going to put into operation at the beginning of 2016 which delivering high quality plastic products to Central and Highland markets.

By applying advanced technology, tightly quality management process as well as inquiring mind, the company guarantees to provide high quality products to customers as deserving of Vietnam Value.



BUSINESS PERFORMANCE OF THE FISCAL YEAR 2014 – 2015 AND BUSINESS PLAN OF THE FISCAL YEAR 2015 – 2016

No.	Item	Unit	Performance of the fiscal year 2014 – 2015	Business plan of the fiscal year 2015 – 2016	Comparing the business plan of the fiscal year 2015 – 2016 with the performance of the fiscal year 2014 – 2015	
(A)	(B)	(C)	(D)	(E)	Absolute number	Relative number
1	Sales volume	Ton	27909	50,000	22,091	79%
2	Net sales	VND billion	381	606	225	59%
3	Before-tax profit	VND billion	9	16	7	78%

SUBSIDIARIES (continued)

HOA SEN NAM CAM – NGHE AN ONE MEMBER LIMITED LIABILITIES COMPANY



Address	Block C, Nam Cam Industrial Park, Nghi Xá Commune, Nghi Loc District, Nghe An Province, Vietnam.
Telephone	(+84) 383 798 668 – Fax: (+84) 383 798 669.
Charter capital	VND 30,000,000,000 (Thirty billion VND).
Business Registration Certificate	No. 2901722597 issued by the Department of Planning and Investment of Nghe An Province on May 28 th , 2014, and the first amendment was on September 28 th , 2015.
Legal representative	Mr. TRAN QUOC TRI – Chairman.
Director	Mr. TRAN ANH VU.
Business activities	Manufacturing steel pulfins, galvanized pulfins, black steel pipes, galvanized steel pipes and other alloy coated steel pipes.
Hoa Sen Group owns	100%.

Hoa Sen Nam Cam – Nghe An One Member Limited Liabilities Company is a Hoa Sen Group's subsidiary established on May 28th, 2014 with the previous name is Hoa Sen Nghe An Steel Sheet One Member Limited Liabilities Company. The company and the plant are located Block C, Nam Cam Industrial Park, Nghi Xá Commune, Nghi Loc District, Nghe An Province, Vietnam.

In April, 2015, the company completed and put into operation 6 steel pipe lines with the total designed capacity of 50,000 tons/year which contributes to increasing production and supply capacity for markets in the North and the Central of Vietnam.

By applying advanced technology, vertically integrated value-chain, tightly internal control, the Hoa Sen steel pipe products meet the market demands and ensure the products' quality in accordance with US standard of ASTM A500, Japanese standard of JIS G 3466:2006, JIS 3444:2010.



BUSINESS PERFORMANCE OF THE FISCAL YEAR 2014 – 2015 AND BUSINESS PLAN OF THE FISCAL YEAR 2015 – 2016

No.	Item	Unit	Performance of the fiscal year 2014 – 2015	Business plan of the fiscal year 2015 – 2016	Comparing the business plan of the fiscal year 2015 – 2016 with the performance of the fiscal year 2014 – 2015	
					Absolute number	Relative number
(A)	(B)	(C)	(D)	(E)	(F)=E-D	(G)=(E/D)*100
1	Sales volume	Ton	15,500	44,000	28,500	184%
2	Net sales	VND billion	188	500	312	166%
3	Before-tax profit	VND billion	8	22	14	175%

Note: In the fiscal year 2014 – 2015, the plant has put into operation since April, 2015.

SUBSIDIARIES (continued)

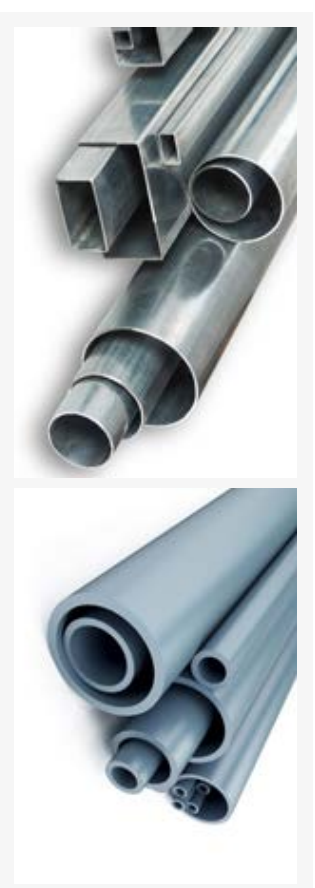
HOA SEN NGHE AN ONE MEMBER LIMITED LIABILITIES COMPANY



Address	lot CN 1-8, Dong Hoi Industrial Park, Quynh Lap Commune, Hoang Mai Town, Nghe An Province, Vietnam.
Charter capital	VND 80,000,000,000 (Eighty billion VND).
Business Registration Certificate	No. 2901788319 issued by the Department of Planning and Investment of Nghe An Province on June 12 th , 2015.
Legal representative	Mr. TRAN QUOC TRI – Chairman.
Director	Mr. NGUYEN TAN HOA.
Business activities	Manufacturing cold rolled coils, galvanized roofing sheet, aluminumzinc alloy coated roofing sheet, pre-painted galvanized roofing sheet and other galvanized roofing sheet.
Hoa Sen Group owns	100%.

Hoa Sen Nghe An One Member limited liabilities Company will provide first products in May 2016 in Dong Hoi Industrial Park, Quynh Lap Commune, Hoang Mai Town, Nghe An Province, Vietnam which contributes to increasing production and supply capacity for markets in the Central North region of Vietnam and for exporting to other countries.

HOA SEN HA NAM ONE MEMBER LIMITED LIABILITIES COMPANY



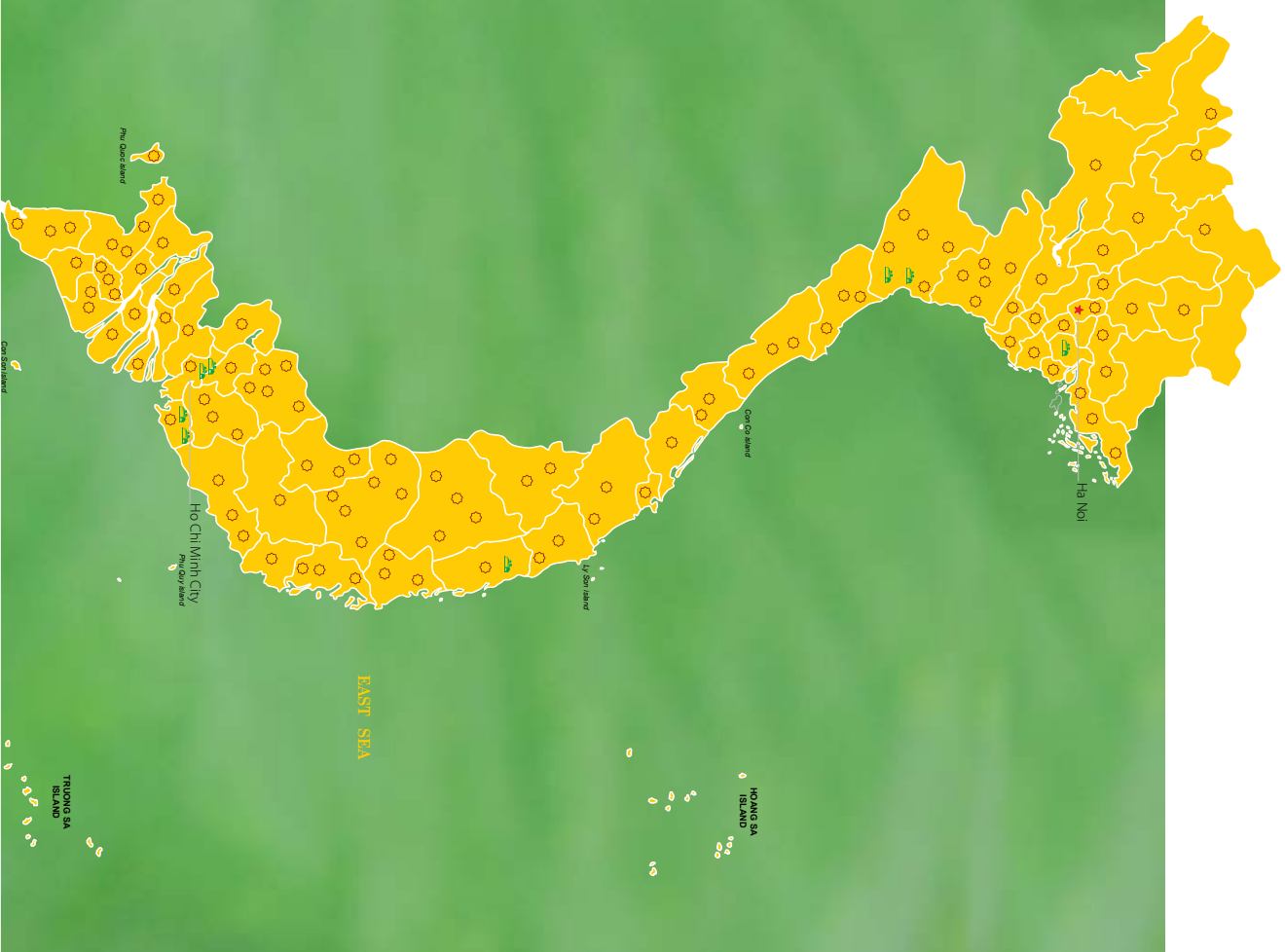
Address	Dong Van III Industrial Park, Yen Bac Commune, Duy Tien District, Ha Nam Province, Vietnam.
Charter capital	VND 100,000,000,000 (One hundred billion VND).
Business Registration Certificate	No. 0700759219 issued by the Department of Planning and Investment of Ha Nam Province on September 15 th , 2015.
Legal representative	Mr. VU VAN THANH – Chairman.
Business activities	Manufacturing and trading steel pipes, plastic pipes and accessories.
Hoa Sen Group owns	100%.

The Company completed investment procedures, and is implementing following steps of the project.

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BRANCHES

INCLUDING 6 BASE DEPOTS



BRANCH NETWORK (continued)

No	Name	Address	Tel
AN GIANG			
1	Ti Ton	Cluster 1, 11 to 10m, 11, Ben District, An Giang Province	(+84 78) 3772 949
2	Chau Doc	No. 177, Nguyen Ti Phuong Street, Hoa Binh Quarter, Vinh My Ward, Chau Doc City, An Giang Province	(+84 78) 3560 510
3	Phu Tan	long Hung 2, Cluster, long Son Ward, Tan Chau town, An Giang Province	(+84 78) 3533 455
4	long Xuyen	Group 12, Binh Duc 5 Cluster, Binh Duc Ward, long Xuyen City, An Giang Province	(+84 78) 3560 738
5	Cho Moi	My Hoa Hamlet, My Luong Town, Cho Moi District, An Giang Province	(+84 78) 3606 576
6	My Hoa	Tan Huei 1, Cluster, My Hoa Ward, long Xuyen City, An Giang Province	(+84 78) 3949 952
7	Tinh Bien	Highway 9, Phu Hiep Hamlet, An Phu Town, Tan Bien District, An Giang Province	(+84 78) 3740 140
BA RIA - VINH LONG PROVINCE			
8	Bo Rio - Vung Tau	Highway 55, Tan Phu Hamlet, Bau Chinh Commune, Chau Doc District, Bo Rio - Vung Tau Province	(+84 64) 3962 358
9	Tan Thanh	Ben Dinh Hamlet, My Xuan Commune, Tan Thanh District, Ba Rio - Vung Tau Province	(+84 64) 3931 828
10	Xuyen Moc	Highway 55, Thon Son Hamlet, Phuc Thuan Commune, Xuyen Moc District, Ba Rio - Vung Tau Province	(+84 64) 3782 888 (+84 64) 3782 999
11	Bo Rio	Ho Dinh Quarter, Tan Binh Ward, Bo Rio City, Bo Rio - Vung Tau Province	(+84 64) 3717 001
BAC GIANG PROVINCE			
12	Luc Nyan	Highway 31, Moa Cai Hamlet, Phung Son Commune, Luc Nyan District, Bac Giang Province	(+84 240) 3596 915
13	Bac Giang	Highway 1, Tan My Industrial Cluster, Tan My Commune, Bac Giang City, Bac Giang Province	(+84 240) 3992 567
BAC KAN PROVINCE			
14	Bac Kan	Quoc tan Group, Huynh Tung Ward, Bac Kan City, Bac Kan Province	(+84 281) 3812 556 (+84 281) 3812 558
BAC LIEU PROVINCE			
15	Bac Lieu	23/8 Street, Cluster 3, Ward 8, Bac Lieu City, Bac Lieu Province	(+84 781) 3822 843
16	Hong Don	Kinh Dong Hamlet, Bac Ninh Commune, Hong Don District, Bac Lieu Province	(+84 781) 3540 110
17	Vinh Loi	Highway 1, Tan Do Hamlet, Chau Hung town, Vinh Loi District, Bac Lieu Province	(+84 781) 3922 335
BAC NINH PROVINCE			
18	Bac Ninh	Highway 38, Moi City, Ho town, Thuan Thuan District, Bac Ninh Province	(+84 241) 3775 3812
BEN TRE PROVINCE			
19	Chau Thanh	Hamlet 5, An Khom Commune, Chau Thanh District, Ben Tre Province	(+84 78) 3612 698
20	Ben Tre	1090 Nguyen Binh Chieu Street, Quarter 3, Ward 8, Ben Tre City, Ben Tre Province	(+84 76) 381 794
21	Binh Dai	Hamlet 2, Binh Thoi Commune, Binh Dai District, Ben Tre Province	(+84 76) 3790 705
BINH DINH PROVINCE			
22	Tuy Phuc	My Dien Hamlet, Tuy Phuc Town, Tuy Phuc District, Binh Dinh Province	(+84 56) 3883 008 (+84 56) 3883 009
23	Tay Son	Hamlet 1, Binh Nghi Commune, Tay Son District, Binh Dinh Province	(+84 56) 3882 725 (+84 56) 3882 726
24	Phu Cat	Hoa Dong Hamlet, Cat Tan Commune, Phu Cat District, Binh Dinh Province	(+84 56) 3538 178

No	Name	Address	Tel
25	Phu My	Dien Tan Hamlet, Phu My town, Phu My District, Binh Dinh Province	(+84 56) 3755 089
26	Bong Son	Thoi Binh Bac Black, Bong Son town, Hoa Nhon District, Binh Dinh Province	(+84 56) 3761 841
27	An Nhon Base Depot	lot A11 and 11to 2,87 Nhon Hoa Industrial Park, Nhon Hoa Ward, An Nhon town, Binh Dinh Province	(+84 56) 3728 991
BINH DUONG PROVINCE			
28	Phu Giao	DT21, Steel Group 5, Vinh An Hamlet, Vinh Hoa Commune, Phu Giao District, Binh Duong Province	(+84 650) 3695 113
29	Thu Dau Mot	612 Binh Duong Boulevard, Thiep Thanh Ward, Thu Dau Mot City, Binh Duong Province	(+84 650) 3824 495 (+84 650) 382 259
30	Di An	lot C3, No. 19 Street, Thon II Industrial Park, Di An Ward, Di An town, Binh Duong Province	(+84 650) 3577 113
31	Ben Cat	Binh Duong Boulevard, 38 Hamlet, Tho Hoa Commune, Ben Cat town, Binh Duong Province	(+84 650) 3577 112 (+84 650) 3577 113
32	Thuan An	844 Binh Duong Boulevard, Dong Bo Quarter, Binh Hoa Ward, Thuan An town, Binh Duong Province	(+84 650) 3765 943 (+84 650) 3765 944
33	Dau Tieng	Quarter 2, Dau Tieng town, Dau Tieng District, Binh Duong Province	
BINH PHUOC PROVINCE			
34	Phuoc Long	Group 1, Quarter 9, long Phuc Ward, Phuoc Long town, Binh Phuoc Province	(+84 651) 3713 006 (+84 651) 3713 007
35	Chon Thanh	No. 31, Group 1, Hamlet 1, Thon Tan Commune, Chon Thanh District, Binh Phuoc Province	(+84 651) 3668 494
36	Binh Long	Highway 13, Group 4, Phu long Hamlet, Thon Phu Commune, Binh long town, Binh Phuoc Province	(+84 651) 3650 555
37	Loc Ninh	Hamlet 3, Loc Thi Commune, Loc Ninh District, Binh Phuoc Province	(+84 651) 3540 888
38	Bu Dop	Hamlet 1, Thon Hoa Commune, Bu Dop District, Binh Phuoc Province	(+84 651) 3530 888
BINH THUAN PROVINCE			
39	Duc Linh	Hamlet 4, Duc Ghin Commune, Duc Linh District, Binh Thuan Province	(+84 62) 3887 978
40	Huon Tan	Do Moi Hamlet, Tan Xuan Commune, Huon Tan District, Binh Thuan Province	(+84 62) 3872 888
41	Phon Thiet	lot 4/1, Phon Thiet Industrial Park, Binh Thuan Province	(+84 62) 3829 124 (+84 62) 3776 515
42	Phon Ri	Binh tan Hamlet, Phon Ri Thanh Commune, Bac Binh District, Binh Thuan Province	(+84 62) 3862 151 (+84 62) 3862 599
43	Huon Thuan Nam	Highway 1A, Huon My Commune, Huon Thuan Nam District, Binh Thuan Province	(+84 62) 3869 559
CA MAU PROVINCE			
44	Nam Can	Cai Ba Cluster, Nam Can town, Nam Can Commune, Ca Mau Province	(+84 780) 3876 703
45	Ca Mau	39 y, Thuong Cai Street, Cluster 7, Ward 6, Ca Mau City, Ca Mau Province	(+84 780) 3826 699
46	Cai Nuec	No. 115, Highway 1A, Dong Hung Hamlet, Ba Hung Dong Commune, Cai Nuec District, Ca Mau Province	(+84 780) 3882 636
47	Thoi Binh	Vo Van Kieu Street, Thoi Binh Hamlet, Ho Thi Ky Commune, Thoi Binh District, Ca Mau Province	
CAN THO PROVINCE			
48	Can Tho	No. 143, Zone 5, Cach Mang Thang Tam Street, An Tho Ward, Binh Thuy District, Can Tho City	(+84 710) 3887 581 (+84 710) 3910 001
49	Cai Rang	Highway 1A, Ane 2, Ba lang Ward, Cai Rang District, Can Tho City	

No	Name	Address	Tel
50	O Mon	Thoi Hung Zone, long Hung Ward, O Mon District, Can Tho City	(+84 710) 3636 417
51	Thoi Nid	No. 454, Group 16, Tho Hoa Zone, Thoi Nhon Ward, Thoi Nid District, Can Tho City	(+84 710) 3631 844
52	Vinh Thanh	Vinh Tan Hamlet, Vinh Thanh town, Vinh Thanh District, Can Tho City	(+84 710) 3641 828
53	Thoi Nid Base Depot	No. 454, Group 16, Tho Hoa Zone, Thoi Nhon Ward, Thoi Nid District, Can Tho City	(+84 78) 3930 180
54	Ca Rang Base Depot	Highway 1A, zone 2, Ba lang Ward, Cai Rang District, Can Tho City	(+84 710) 3627 994
DA NANG PROVINCE			
55	Da Nang	281 A Thong Chinh Street, An Rue Ward, Thanh Khe District, Da Nang City	(+84 511) 3721 102 (+84 511) 3721 101
DAK LAK PROVINCE			
56	Dak Lak	Km No. 09, Highway 14, Ea Tu Commune, Buon Me Thuot City, Dak Lak Province	(+84 500) 3954 056 (+84 500) 3954 057
57	Ea ar	Cu An Hamlet, Cu Hua Commune, Ea Kar District, Dak Lak Province	(+84 500) 3627 044 (+84 500) 3627 045
58	Krong Pak	Phuc An town, Krong Pak District, Dak Lak Province	(+84 500) 3519 743 (+84 500) 3519 744
59	Buon Ho	861 Hung Vuong Street, Thuan An Ward, Buon Ho town, Dak Lak Province	(+84 500) 3970 010
60	Ea H'leo	Hamlet 2, Ea Bai Commune, Ea H'leo District, Dak Lak Province	(+84 500) 3779 798
61	Cu M'gar	Provincial Highway 8, Hamlet 1, Ea Kram Commune, Cu M'gar District, Dak Lak Province	(+84 500) 3533 377 (+84 500) 3533 388
62	Cu Kuan	Highway 27, Ea Tu Commune, Cu Kuan District, Dak Lak Province	(+84 500) 3623 337 (+84 500) 3623 338
63	Krong An	Quynh Tan 3 Hamlet, Buon Tap Commune, Krong An District, Dak Lak Province	(+84 500) 3788 588 (+84 500) 3788 688
DAK NONG PROVINCE			
64	Gia Nghia	Dong Duy Tan Street, Group 9, Nghia Thanh Ward, Gia Nghia town, Dak Nong Province	(+84 501) 3545 016
65	Dak Mil	Duc Tan Hamlet, Duc Manh Commune, Dak Mil District, Dak Nong Province	(+84 501) 3750 878 (+84 501) 3870 888
66	Cu Luu	Highway 14, Tan Thang Commune, Cu Luu District, Dak Nong Province	(+84 501) 3692 567 (+84 501) 3692 568
DIEN BIEN PROVINCE			
67	Dien Bien	Hong Cam Hamlet, Thuan An Commune, Dien Bien District, Dien Bien Province	(+84 210) 3958 114 (+84 210) 3958 145
DONG NAI PROVINCE			
68	Thong Nhat	No. 65, Highway 1A, Hung Nghia Hamlet, Hung Loc Commune, Thong Nhat District, Dong Nai Province	(+84 61) 3708 503
69	Dinh Quan	lot SKK 97A, Dinh Quan Industrial Park, la Nga Commune, Dinh Quan District, Dong Nai Province	(+84 61) 3633 855 (+84 61) 3633 858
70	Trong Bom	834 B, Ngu Phuc Hamlet, Ho Nai 3 Commune, Trong Bom District, Dong Nai Province	(+84 61) 3781
DONG THAP PROVINCE			
71	Hong Ngu	Highway 30, An Lac Ward, Hong Ngu town, Dong Thap Province	(+84 67) 3836 771
72	Tan Hong	Tan Gim town, Tan Hong District, Dong Thap Province	(+84 67) 3829 658
73	Cao Lanh	Highway 30, My Phu Ward, Cao Lanh City, Dong Thap Province	(+84 67) 3857 316
74	Chau Thanh	Highway 80, An Hoa Thia Hamlet, Tan Binh Commune, Chau Thanh District, Dong Thap Province	(+84 67) 3868 156

No	Name	Address	Tel
GIA LAI PROVINCE			
75	Phalu	No. 174, Thong Chinh Street, Group 4, Ta Bo Ward, Phalu City, Gia Lai Province	(+84 59) 3247 170
76	Chu Se	Hamlet 7, la Bung Commune, Chu Se District, Gio Lai Province	(+84 59) 3268 778
77	An Khe	Group 3, Phay May Ward, An Khe town, Gio Lai Province	(+84 59) 3533 511 (+84 59) 3533 512
78	Dak Doa Base Depot	Group 9, Nguyen Huynh Street, Dak Doa town, Dak Doa District, Gio Lai Province	(+84 59) 3684 608
79	Chu Phong	Hung Vuong Street, Chu Phong town, Chu Phong District, Gio Lai Province	
HA GIANG PROVINCE			
80	Ho Giang	Tan An Hamlet, Hung An Commune, Bec Quang District, Ho Giang Province	(+84 219) 3892 956 (+84 219) 3892 957
HA NAM PROVINCE			
81	Ha Nam	lot Cau Hamlet, Tan Tan Commune, Phu Ly City, Ho Nam Province	(+84 31) 3595 616 (+84 31) 3595 618
82	Binh Luc	Tan Van Chung Street, An My Commune, Binh Luc District, Ho Nam Province	
HA NOI CITY			
83	Ha Noi	lot 46 - 2, Ho Noi - Doi Tu Industrial Park, No. 336 Nguyen Van Linh Street, Phuc lai Ward, long Bien District, Hanoi City	(+84 43) 6559 905 (+84 43) 6559 906
84	Quang My	Van Kien Hamlet, Dong Son Commune, Quang My District, Hanoi City	(+84 43) 3911 353
85	Phuc Tho	Cluster 8, Phuc Tho town, Phuc Tho District, Hanoi City	(+84 43) 3643 3601
86	Thuong Tin	No Binh Phung Industrial Cluster, Ho Hai Commune, Thuong Tin District, Hanoi City	(+84 43) 3760 318
87	Long Bien Base Depot	lot 46 - 2, Ho Noi - Doi Tu Industrial Park, No. 336 Nguyen Van Linh Street, Phuc lai Ward, long Bien District, Hanoi City	(+84 43) 6556 180
HA TINH PROVINCE			
88	Ha Tinh	Tan Phu Hamlet, Thach Tung Commune, Ho Tinh City, Ha Tinh Province	(+84 39) 3540 617 (+84 39) 3540 618
89	Ky Anh	Ho Huu Zone, Ky Anh Commune, Ky Anh District, Ha Tinh Province	(+84 39) 3221 776 (+84 39) 3221 777
90	Huong Khe	Group 17, Huong Khe town, Huong Khe District, Ha Tinh Province	(+84 39) 3790 770 (+84 39) 3790 791
91	Duc Tho	Highway 8A, Dong Chung Zone, Tung Anh Commune, Duc Tho District, Ha Tinh Province	
HAI DUONG PROVINCE			
92	Hoi Duong	Highway 37, Hoa Tan Hamlet, Dong Loc Commune, Nam Sach District, Hoi Duong Province	(+84 320) 3751 3356
93	Chi Linh	Do Xo, Baskedien Area, Hoang Tan Ward, Chi Linh town, Hoi Duong Province	(+84 320) 3590 108 (+84 320) 3590 109
94	Thanh Mien	Provincial Highway 392, Block 2, Doan Tung Township, Doan Tung Commune, Thanh Mien District, Hai Duong Province	(+84 320) 3231 226 (+84 320) 3231 227
95	Tu Ky	Thi An Cluster, Dong Thoi Hamlet, Quang Phuc Commune, Tu Ky District, Hai Duong Province	
HAI PHONG PROVINCE			
96	Hoi Phong	Kien Bai Commune, Thuy Nguyen District, Hoi Phong City	(+84 31) 3545 566 (+84 31) 3545 567
97	Ken An	No. 846A, Ton Kiem Dong Street, Nam Son Ward, Ken An District, Hoi Phong City	(+84 31) 3590 088 (+84 31) 3590 099
98	Duong Kinh	Street No. 402, Baskedien Group No. 11, Hoa Nghia Ward, Duong Kinh District, Hoi Phong City	(+84 31) 3633 559 (+84 31) 3633 659

BRANCH NETWORK (continued)

No	Name	Address	Tel
HAU GIANG PROVINCE			
99	Phung Hiep	Zone 3, Hiep Thanh Ward, Ngo Bay Town, Hau Giang Province	(+84 771) 3867 887
100	Vj Thanh	Tan Hung Dao Street, Zone 3, Ward 5, Vi Thanh City, Hau Giang Province	(+84 771) 3870 137
101	Tan lung	Tan lung Hamlet, Tan Binh Commune, Phung Hiep District, Hau Giang Province	
102	lung My	Binh Thanh A Area, Binh Thanh Ward, lung My District, Hau Giang Province	(+84 771) 331 860
HOA BINH PROVINCE			
103	Hoa Binh	Tung Hamlet, Tung Minh Commune, Hoa Binh City, Hoa Binh Province	(+84 218) 3843 737
THUA THIEN HUE PROVINCE			
104	Thua Thien - Hue	Highway 1, A, Huong Yen Commune, Huong Thien District, Thua Thien - Hue Province	(+84 54) 3777 56 (+84 54) 3777 157
HUONG YEN PROVINCE			
105	Huong Yen	Phe Noi Industrial Park, Di Su Commune, My Hoa District, Huong Yen Province	(+84 321) 3244 205 (+84 321) 3244 206
106	Kim Dong	Highway 39A, Thung Xo Hamlet, loan Thung Commune, Kim Dong District, Huong Yen Province	(+84 321) 388 737 (+84 321) 3818 738 (+84 321) 3818 737
KHANH HOA PROVINCE			
107	Cam Ranh	Phuc Ninh Group, Cam Phuc Nam Ward, Cam Ranh City, Khanh Hoa Province	(+84 58) 3796 402
108	Dien Khanh	Phu Khanh Hamlet, Dien Khanh Commune, Dien Khanh District, Khanh Hoa Province	(+84 58) 3750 526 (+84 58) 3750 527
109	Ninh Hoa	Highway 1A, Ninh Chi Hamlet, Ninh Ai Commune, Ninh Hoa town, Khanh Hoa Province	(+84 58) 3633 088 (+84 58) 3633 089
KIEN GIANG PROVINCE			
110	Vinh Thuan	Group 38, Vinh Dong 2 Hamlet, Vinh Thuan Town, Vinh Thuan District, Kien Giang Province	(+84 77) 3561 336
111	An Bien	Group 17, Dong Thanh Hamlet, Dong Thai Commune, An Bien District, Kien Giang Province	(+84 77) 3504 259
112	Kien lung	Group 13, Tam Thuc Quarter, Kien lung Town, Kien lung District, Kien Giang Province	(+84 77) 3763 065
113	Rach Gia	No. 67 Coc Mang Thung Tam Street, Vinh loi Ward, Rach Gia City, Kien Giang Province	(+84 77) 3797 450
114	Hon Dai	Group 4, Highway 80, Son Thinh Hamlet, Soc Son Town, Hon Dai District, Kien Giang Province	(+84 77) 3762 277
115	Phu Quoc	Soc My Hamlet, Dong To Commune, Phu Quoc District, Kien Giang Province	(+84 77) 3844 173
116	Hon Da 2	Highway 80, Su Nam Hamlet, Hon Dai Commune, Hon Dai District, Kien Giang Province	(+84 77) 3771 778
KON TUM PROVINCE			
117	Kon Tum	293 Phu Dinh Phung Street, Kon Tum City, Kon Tum Province	(+84 60) 3856 372
118	Ngac Hoi	Group 3, Phu Kon Town, Ngac Hoi District, Kon Tum Province	(+84 60) 3832 772
LAI CHAU PROVINCE			
119	lai Chau	121 le Duon Street, Group 5, Tan Phuong Ward, lai Chau City, lai Chau Province	(+84 231) 3797 517
LAO CAI PROVINCE			
120	Bat Xai	Highway 40, lung lao 2 Hamlet, Coc Son Commune, Bat Xai District, lao Cai Province	(+84 20) 3768 688

No	Name	Address	Tel
LONG AN PROVINCE			
121	Phu Thua	Binh Giang 1 Hamlet, Binh Thuan Commune, Phu Thua District, Long An Province	(+84 72) 3820 522
122	Tan Thanh	Quarter 3, Tan Thanh Town, Tan Thanh District, Long An Province	(+84 72) 3841 013
123	Bat Luc	Vo lo Hamlet, lung Hoa Commune, Bat Luc District, Long An Province	(+84 72) 3847 778 (+84 72) 3847 779
NAM DINH PROVINCE			
124	Nam Dinh	lot 21, N1 Street A, Ya Industrial Quarter, My Xo Commune, Nam Dinh City, Nam Dinh Province	(+84 350) 3627 317
125	Hai Hau	Highway 21, Block 3, Yen Dinh Town, Hai Hau District, Nam Dinh Province	(+84 350) 3773 789
126	Nam Tuc	Provincial Highway 490C, Nam Tong Province, Nam Tuc District, Nam Dinh Province	
NGHE AN PROVINCE			
127	Nghe An	Hamlet 14, Nghi Kim Commune, Vinh City, Nghe An Province	(+84 38) 3516 449
128	Dien Chau	Nho Industrial Park, Dien Hong Commune, Dien Chau District, Nghe An Province	(+84 38) 3520 685 (+84 38) 3520 686
129	Thai Hoa	Highway 48, Doc Coc Block, Quang Tan Ward, Thai Hoa Town, Nghe An Province	(+84 38) 3811 248 (+84 38) 3811 568
130	Hung Nguyen	Highway 46, 6A Hamlet, Hung Dao Town, Hung Nguyen Commune, Nghe An Province	(+84 38) 3761 456 (+84 38) 3761 458
131	Huong Mai	Highway 1A, Group 7, Mai Hung Ward, Huong Mai Commune, Nghe An Province	(+84 38) 8647 664
132	Do Luong	Highway 7A, Do Tan Hamlet, luu Son Commune, Do Luong District, Nghe An Province	(+84 38) 3870 677
133	Tan Ky	No Chi Minh Street, Block 8, Tan Ky Town, Tan Ky District, Nghe An Province	
134	Yen Thanh	Xu Dong Ao, Co Xuan Thanh Commune, Yen Thanh District, Nghe An Province	
NINH BINH PROVINCE			
135	Ninh Binh	Highway 1A, Thuan Ton Town, Hoa Lu District, Ninh Binh Province	(+84 30) 3626 668 (+84 30) 3626 668
136	Yen Khanh	Highway 10, Khanh An Commune, Yen Khanh District, Ninh Binh Province	(+84 30) 3762 939
137	Yen Khanh 2	Highway 10, Khanh An Commune, Yen Khanh District, Ninh Binh Province	
NINH THUAN PROVINCE			
138	Phan Bang	Quarter 6, Phu Ho Ward, Phan bang - Thap Cham City, Ninh Thuan Province	(+84 68) 3833 845 (+84 68) 3833 846
PHU THO PROVINCE			
139	Phu Tho	Block 12, Kim Duc Commune, Viet Thi City, Phu Tho Province	(+84 210) 3736 386
140	Doan Hung	Block 8, Soc Chng Commune, Doan Hung District, Phu Tho Province	(+84 210) 3881 123 (+84 210) 3881 456
PHU YEN PROVINCE			
141	Son Hoa	Tan Thanh Hamlet, Soc Bec Commune, Son Hoa District, Phu Yen Province	(+84 57) 3840 427 (+84 57) 3840 428
142	Tuy Hoa	229 Nguyen Tai Thanh Street, Ward 8, Tuy Hoa City, Phu Yen Province	(+84 57) 3850 586 (+84 57) 3850 584
143	Tuy An	Chi Duc Hamlet, Chi Thanh Town, Tuy An District, Phu Yen Province	(+84 57) 3367 477 (+84 57) 3367 478
QUANG BINH PROVINCE			
144	Quang Binh	Hamlet 7 loc Ninh Commune, Dong Hoa City, Quang Binh Province	(+84 52) 3859 356 (+84 52) 3859 357
145	Ba Don	Highway 1A, Nhon Tho Hamlet, Quang Tho Ward, Ba Don Town, Quang Binh Province	
146	Bo Trach	Highway 1A, Tung Trach Ward, Bo Trach District, Quang Binh Province	

No	Name	Address	Tel
QUANG NAM PROVINCE			
147	Quang Nam	No. 16 Phan Bai Chau Street, Hoa Thuan Ward, Tam Ky City, Quang Nam Province	(+84 510) 3810 812 (+84 510) 3810 843
QUANG NGAI PROVINCE			
148	Mo Duc	Ti Son 2 Hamlet, Duc tan Commune, Mo Duc District, Quang Ngai Province	(+84 53) 3843 378 (+84 53) 3843 379
149	Son Tinh	Tuong Thi Dong Hamlet, Tuong Quang Tung Ward, Quang Ngai City, Quang Ngai Province	(+84 53) 3670 098
QUANG NINH PROVINCE			
150	Quang Ninh	Trai Thanh 1 Hamlet, Dong Mai Ward, Quang Yen Town, Quang Ninh Province	(+84 33) 3553 788 (+84 33) 3553 789
151	Mong Cai	km 3.5, Block 7, Hai Yen Ward, Mong Cai City, Quang Ninh Province	(+84 33) 3779 001 (+84 33) 3779 002
152	Dong Trieu	Group 1, Vinh Tuy 1 Area, Mao Khe Ward, Dong Trieu Town, Quang Ninh Province	(+84 33) 3580 228 (+84 33) 3580 229
QUANG TRI PROVINCE			
153	Quang Tri	An Binh Hamlet, Cam Thanh Commune, Cam to District, Quang Tri Province	(+84 33) 3565 222
154	Tieu Phong	Nhon Beau Hamlet, Tieu Thuong Commune, Tieu Phong District, Quang Tri Province	(+84 53) 3711 337 (+84 53) 3771 336
SOC TRANG PROVINCE			
155	Soc Trang	Highway 1A, Ward 2, Soc trang City, Soc trang Province	(+84 79) 3611 212
156	Vinh Chau	Nguyen Hue Street, Quarter 1, Ward 1, Vinh Chau Town, Soc trang Province	(+84 79) 3861 828 (+84 79) 3861 929
SON LA PROVINCE			
157	Son la	Chang Sinh Industrial Park, Chang Sinh Ward, Son la City, Son la Province	(+84 22) 3724 280 (+84 22) 3724 281
158	Mac Chau	Subdivision 3, Mac Chau Town, Mac Chau District, Son la Province	(+84 22) 3649 959
159	Mat Son	Highway 6, 26/3 Subdivision, Co Noi Commune, Mat Son District, Son la Province	(+84 22) 3746 385 (+84 22) 3746 387
TAY NINH PROVINCE			
160	Trong Bang	Group 6, An Binh Hamlet, An tinh Commune, Trong Bang District, Tay Ninh Province	(+84 66) 3876 723
161	Go Dau	Phuoc Duc B Hamlet, Phuoc Dong Commune, Go Dau District, Tay Ninh Province	(+84 66) 3533 838
162	Tay Ninh	371 Phuoc Hung Street, lung Chi Hamlet, lung Thung Trung Commune, Hoa Thinh District, Tay Ninh Province	(+84 66) 3837 123
163	Tan Chau	No. 282, 785 Street, Tan Hoa Hamlet, Tan Phu Commune, Tan Chau District, Tay Ninh Province	(+84 66) 3759 689
164	Tan Bien	Thanh Nuan Hamlet, Thanh Toy Commune, Tan Bien District, Tay Ninh Province	(+84 66) 3776 666
165	Go Dau 2	Highway 228, Tam Xoi 1 Hamlet, Thanh Phuoc Commune, Go Dau District, Tay Ninh Province	
166	Duong Minh Chau	Di 781, Bau Nang Commune, Duong Minh Chau District, Tay Ninh Province	
THAI BINH PROVINCE			
167	Thai Binh	Gia le Hamlet, Dong My Commune, Thai Binh City, Thai Binh Province	(+84 36) 3568 866 (+84 36) 3568 867
168	Hung Ho	Highway 39, Dong Ty 2 Area, Hung Ho Town, Hung Ho District, Thai Binh Province	

No	Name	Address	Tel
THAI NGUYEN PROVINCE			
169	Thai Nguyen	Hamlet 3, lung Son Commune, Thai Nguyen City, Thai Nguyen Province	(+84 280) 3646 668
170	Pho Yen	Highway 3, Tung Thanh Commune, Pho Yen Town, Thai Nguyen Province	
THANH HOA PROVINCE			
171	Thanh Hoa	Highway 1A, Quyet Thang Hamlet, Quang Thinh Commune, Quang Xuong District, Thanh Hoa Province	(+84 37) 6755 667 (+84 37) 6755 668
172	Ha Tung	Doai Thanh Hamlet, Ho Dong Commune, Ho tung District, Thanh Hoa Province	(+84 37) 3703 996 (+84 37) 3703 997
173	Yen Dinh	Highway 45, Dinh liem Commune, Yen Dinh District, Thanh Hoa Province	(+84 37) 3511 357 (+84 37) 3511 358
174	Tho Xuan	Huu le 4 Hamlet, Tho Xuong Commune, Tho Xuan District, Thanh Hoa Province	(+84 37) 3535 116 (+84 37) 3535 117
175	Nong Cong	Highway 45, Thai Hoa 2 Hamlet, Minh Tho Commune, Nong Cong District, Thanh Hoa Province	(+84 37) 3680 368
176	Tieu Son	Highway 506, Xuan Tan Hamlet, Bauc Commune, Tieu Son District, Thanh Hoa Province	(+84 37) 3688 555 (+84 37) 3688 567
177	Cam Thuy	No Chi Minh Street, Bai Dong 1+2 Hamlet, Cam Son Commune, Cam Thuy District, Thanh Hoa Province	(+84 37) 3525 522 (+84 37) 3525 524
178	Tinh Gia	km 37+368 Highway 1A, Ninh Binh Commune, Tinh Gia District, Thanh Hoa Province	
TIEN GIANG PROVINCE			
179	Co Ba	Highway 1, An Thi Hamlet, An Cu Commune, Co Ba District, Tien Giang Province	(+84 73) 3723 409
180	Chau Thanh Boae Depoi	lung My Hamlet, Phuc Giang Commune, My Tho City, Tien Giang Province	(+84 73) 3755 899
HO CHI MINH CITY			
181	Binh Chanh	Di 729 Highway 1A, Quarter 4, Tan Tiec Town, Binh Chanh District, Ho Chi Minh City	(+84 8) 3739 4250 (+84 8) 3739 4251
182	District 9	11 Nguyen Duy Tinh Street, Tam Ba Quarter, lung Thung Ward, District 9, Ho Chi Minh City	(+84 8) 3746 2034
TBA VINH PROVINCE			
183	Tro Vinh	Highway 60, Cluster 6, Ward 8, Tro Vinh City, Tro Vinh Province	(+84 74) 3842 546
184	Trau Can	Phu Tho 1 Hamlet, Hieu Trung Commune, Trau Can District, Tro Vinh Province	(+84 74) 384 700
VINH LONG PROVINCE			
185	Binh Minh	622A, Thuan tieu B Hamlet, Thuan An Commune, Binh Minh Town, Vinh long Province	(+84 79) 3790 771
186	Vung lam	Tung Xuan Hamlet, Tung lam Commune, Vung lam District, Vinh long Province	(+84 79) 3776 282
187	Vinh lung	Tan Vinh Thuan Hamlet, Tan Ngai Commune, Vinh lung City, Vinh long Province	(+84 79) 3816 434
188	lung Ho	No. 138 Highway 53, Cluster 2, lung Ho Town, lung Ho District, Vinh long Province	(+84 79) 3851 165
VINH PHUC PROVINCE			
189	Vinh Phuc	Huong loc Hamlet, Dong Duc Commune, Binh Xuyen District, Vinh Phuc Province	(+84 211) 3593 234 (+84 211) 3593 567
YEN BA1 PROVINCE			
190	Yen Bai	Group 2, Hiep Minh Ward, Yen Bai City, Yen Bai Province	(+84 29) 3770 456 (+84 29) 3770 468



Sharing
happiness
to community

4

THE REPORT OF SUSTAINABLE DEVELOPMENT	
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Improvement on
production system
and enhancement of
products' quality



Human resources
development



Building trust in
shareholders and
investors



Building strong
and friendly
brand name

ORIENTATION OF
SUSTAINABLE
DEVELOPMENT NOT ONLY
HELPS ENTERPRISES
OUTLINE A CLEAR AND
SPECIFIC ROADMAP,
THEREOF, SET UP
THE APPROPRIATE
GUIDELINES AND
POLICIES IN EACH
STAGE BUT ALSO LAYS A
FOUNDATION FOR LONG-
TERM DEVELOPMENT OF
THE ENTERPRISES.

Being aware of that importance, right from the first days of establishment, Hoa Sen Group has always oriented itself towards sustainable development in its activities and sustainable development has become Hoa Sen Group's commitment to community, employees and customers through the Group's business philosophy and core values.

As a manufacturing and trading enterprise, there are key factors that Hoa Sen Group has given priority to build and improve in order to concretize the target of sustainable development.





IMPROVEMENT ON PRODUCTION SYSTEM AND ENHANCEMENT OF PRODUCTS' QUALITY

IN ORDER TO PROVIDE CONSUMERS WITH THE BEST QUALITY PRODUCTS, COMPETE BASED ON QUALITY AND AFFIRM THE POSITION IN THE MARKET, HOA SEN GROUP ALWAYS PAYS ATTENTION TO THE INVESTMENT IN ADVANCED PRODUCTION LINES AND MACHINERY SYSTEM AND APPLIES NEW TECHNOLOGY TO PRODUCTION.

- » In 2007, Hoa Sen Group was Vietnam's first private enterprise to invest in the Galvanizing line with Non-oxidizing furnace (NOF technology).
- » In 2009, Hoa Sen Group was Southeast Asia's first enterprise to invest in hot galvanizing line with Non-oxidizing furnace (NOF technology).
- » In 2010, Hoa Sen Group was the first enterprise to synchronously invest in the centralized blending system, the plastic pipe line of Bottenfeld - Cincinnati in accordance with European technology and the laboratory in accordance with Japanese standards in order to bring consumers high quality products with competitive prices.
- » In 2011, Hoa Sen Group completed Phase 1 of Hoa Sen Phu My Steel Sheet Plant Project. At the present, this is the largest steel sheet plant in Southeast Asia with modern and synchronous production lines and machinery system.

Hoa Sen Group's production lines are continuously researched and improved, they meet international standards such as ISO 9001:2008 of quality management system, ISO 14001:2004 of environment management system and OHSAS 18000:2007 of occupational health and safety advisory services. The high quality products of Hoa Sen Group have met the strict quality standards of the most difficult markets such as USA, Japan, Europe, etc. At the same time, the Group has also periodically reviewed the production process and production norms, researched and improved technique to reduce production costs and minimize material – fuel consumption in order to enhance the competitiveness of products on the market.

Moreover, Hoa Sen Group has continuously researched new products in order to meet the diversified demands of the consumers:

- » In 2012, Hoa Sen Group introduced Metallic steel sheets with the outstanding feature of metallic surface so the aestheticism is high.



- » In July 2014, Hoa Sen Group launched Hoa Sen wood pattern steel sheets. Hoa Sen wood pattern steel sheets are durable, beautiful, luxurious and suitable for construction works and houses. The outstanding feature of wood pattern steel sheets is their surfaces which are coated with the paint of wood pattern. Therefore, they are highly aesthetic and can be applied to making outdoor products and furniture which bring the subtlety and luxury to the houses. With superior durability, the wood pattern steel sheet product may last more than 20 years.
- » In August 2014, Hoa Sen Group continued to launch Hoa Sen wrinkle steel sheet in coils. Wrinkle steel sheet in coils are Galvanized steel sheets and Pre-painted aluminumzinc alloy coated steel sheets with special wrinkle pattern on the surfaces. The outstanding features of wrinkle steel sheet in coils are their high aestheticism, high durability, good heat resistance, good moisture resistance, easy installation, etc. The products are used flexibly for construction works and houses such as ceilings, walls, roofs, etc.
- » In May 3rd 2015, Hoa Sen Group has officially launches Hoa Sen steel pipe products along with the already famous steel sheet products. Produced by modern production line with strict quality control, Hoa Sen steel pipe has clean, smooth surface, even thickness, high flexibility and good zinc content, ensuring to meet high quality standards of JISG 3444 (Japan), JIS G 3460 (Japan), ASTM A500M (USA).
- » Hoa Sen Group also introduced Plastic Pipe to the market. Hoa Sen plastic pipe is produce by modern production line using European technology in the mixing system. The products are consistent and meet high quality standards of BS 3505:1968/BS EN 14522:2009(UK), AS/NZS 1477:2006 (Australia); ISO 4422:1996; ISO 61512:2002 (Vietnam), ISO 8699:2011 (Vietnam). Hoa Sen Plastic pipes are used widely in many fields such as: water supply for civil and industrial, high-rise buildings, telecommunication constructions...



HUMAN RESOURCES DEVELOPMENT

BEING AWARE THAT HUMAN FACTOR IS THE CENTER AND CORE OF THE DEVELOPMENT, BESIDES INVESTING IN MACHINERY SYSTEM AND MODERN TECHNOLOGY, HOA SEN GROUP ALSO PAYS ATTENTION TO THE DEVELOPMENT OF HUMAN RESOURCES BY APPLYING PROPER REMUNERATION AND BENEFIT POLICY, MOTIVATING EMPLOYEES AND BUILDING A FRIENDLY WORK ENVIRONMENT WITH SOLIDARITY AND MUTUAL DEVELOPMENT.

POLICIES ON RECRUITMENT, SALARY, REWARD AND WELFARE

In order to build the human resources with the orientation of “being better, being more professional and having higher incomes”, Hoa Sen Group implemented a number of policies to develop human resources as follows:

Policy on assessing, refining, recruiting and training

Since 2013, the Group has applied KPI – Key Performance Indicators to assess the performance of each department and each employee specifically and thoroughly to adjust and refine HR reasonably.

Furthermore, the Group also gradually raised standards of recruitment and strengthened the initial training to build qualified inheritance workforce.

Besides, the Group continued to cooperate with members of Ho Chi Minh City National University, universities, colleges in Binh Duong Province and Ba Ria - Vung Tau Province through scholarships, job fairs, etc... in order to create young workforce with suitable competence and qualification.

Policy on salary, reward and welfare

The Group has researched and adjusted the employees' incomes in order that they are always higher in comparison with general level of labor market and suitable for operating situation of the Group.

Besides, the Group has also researched, issued and amended some policies on business salary and allowance to encourage and motivate the employees. The social insurance and health insurance have been performed in accordance with the law to ensure the employees' benefits.

Apart from the implementation of salary, reward, welfare in accordance with the laws, Hoa Sen Group also apply other welfare such as bonus on major holidays: The South Liberation Day, The Anniversary of the Establishment of Company, annual vacation...; maintaining and ensuring other policies such as organizing meal time between shifts for production unit in plants owned by Hoa Sen Group, issuing uniforms, work wear, periodic health examination...; in addition, female employees are supported in International Women's day and Vietnam Women's Day, support during maternity leave.



FRIENDLY AND SOLIDARY WORK ENVIRONMENT

Each employee of Hoa Sen Group is always aware of building a friendly and solidary work environment: Understanding culture of 10 “7” letters of the Group deeply, in relationship with colleagues as well as between superiors and subordinates, the employees of Hoa Sen Group are always open-minded and willing to learn and respect each other. The Group always maintains the friendliness and solidarity of work environment.

Besides, the employees of Hoa Sen Group also have participated in other activities of Hoa Sen Group which have been regularly organized. Therefore, the employees of Hoa Sen Group have opportunity to discuss with each other, learn from each other and tighten their colleague relationships.





BUILDING TRUST IN SHAREHOLDERS AND INVESTORS

SHAREHOLDERS AND INVESTORS ARE OWNERS AND COMPANIONS OF THE GROUP IN THE DEVELOPMENT PROCESS. THEREFORE, HOA SEN GROUP ALWAYS STRIVES TO MEET THE MAXIMUM BENEFITS OF ITS SHAREHOLDERS AND INVESTORS.

INFORMATION DISCLOSURE

In order to ensure timely provision of information to shareholders and investors and ensure transparency in operations, Hoa Sen Group always pays attention to fully implement procedures of periodic and extraordinary information disclosure in accordance with Circular 52/2012/TT-BTC of the Ministry of Finance (guidelines on information disclosure on stock exchange)

In addition to information disclosure as stipulated, Hoa Sen Group also actively carries out information disclosure for important information which can affect to benefits and decisions of investors directly or indirectly to help shareholders and investors update and monitor operations of the Group timely.

ACTIVITIES TO APPROACH THE INVESTORS

In addition, Hoa Sen Group also organizes other activities to help investors to have a more comprehensive view of activities as well as development strategy in the next periods of the Group such as:

- » Compiling Hoa Sen Group's quarterly bulletins to provide the shareholders and investors with information and ensure that the investors have sufficient information to make appropriate investment decisions.
- » Organizing customer conferences to set up and strengthen cooperative relationship with partners and investors.
- » Meeting and discussing with domestic and foreign investors, answering investors' questions, creating trust in the investors.
- » Organizing the Annual General Meeting and Extraordinary General Meeting successfully: arranging time and favorable location for the shareholders to attend, fully posting the stipulated meeting documents on website for reference and for the shareholders to discuss and vote at the meeting, fully and thoughtfully answering all the questions raised by the shareholders at the meeting.



THE REPORT OF
SUSTAINABLE DEVELOPMENT (continued)



BUILDING STRONG
AND FRIENDLY BRAND NAME



THROUGHOUT OUR OPERATION, HOA SEN GROUP'S TARGET IS ALWAYS AIM
TO BUILD A STRONG AND DEVELOPED BRAND. TO ACCOMPLISH THIS GOAL,
OVER THE YEARS, STAFFS AND EMPLOYEES OF HOA SEN GROUP ALWAYS
STRIVE FOR PERFECTION IN ALL AREAS FROM BUSINESS OPERATIONS TO
INTERNAL ORGANIZATION.

With these efforts, in fiscal year 2014 - 2015, Hoa Sen Group has achieved many outstanding achievements, bring special impression to the eyes of partners and consumers, such as being voted into the Top "50 Best listed company in Vietnam" - "held by Forbes Vietnam; continue to achieve the title of "National Brand" for both 3 product lines: Hoa Sen steel sheet, Hoa Sen zinc pipes, Hoa Sen plastic pipes. Hoa Sen Group is the sole enterprise in Vietnam officially become a Members of Global Growth Companies 2015 Business Community by the World Economic Forum.

Besides, with the efforts of building a friendly Hoa Sen brand image, and above all, a desire to be contributing to the development of the community, in recent years Hoa Sen Group were very actively participated in community events, sponsorship and charitable activities to develop community, representing the social responsibility of enterprises.

One of the events that attracted community's interest in 2015 is Hoa Sen Group's program "Shining Vietnamese Fortitude" took place in March 22nd 2015. The program was jointly held by Vietnam Youth Federation, Hoa Sen Group, Thanh Nien Newspaper to bring a message of good life ideal to young Vietnamese people through true touching stories of examples of fortitude. The program was taken place with the participation of special invited guest Nick Vujicic - Motivational speaker and Example of extraordinary fortitude.

Moreover, Hoa Sen Group also sponsored and organized a number of community-oriented and humanistic programs such as "Viet Families' sweet home - Lunar New Year 2015" for the sixth consecutive year, sponsored - "U19 National Football Tournament - Hoa Sen Cup", Sponsored the 3rd traditional bicycle racing Ho Chi Minh City in 2015 and sponsored the 27th Ho Chi Minh City Television Cup Cycling Tournament in 2015.





Nick, you & me

SHINING VIETNAMESE FORTITUDE 2015

THIRD TIME SPEAKER NICK VUJICIC CAME TO VIETNAM TO SPEAK AND INSPIRE STRONGLY THE SPIRITUAL VALUE TO VIETNAMESE COMMUNITY.

Specially, a series of events were organized in various places, such as Ho Chi Minh City, Nghe An and Lam Dong to serve different targets.

With specific topics for different targets, a series of "Shining Vietnamese Fortitude 2015 – Nick, You & Me" events have brought to Vietnamese citizens several interesting, attractive and profound speeches.

1. The event with the topic "You are beautiful just as the way you are" was held at Television Theatre – Ho Chi Minh City Television – for more than 500 children in special circumstances. It was live broadcasted on Ho Chi Minh City Television.
2. The event with the topic "Be a good example" was held at Nguyen Thi Minh Khai high school with the attendance of 2,000 students.
3. The event with the topic "Life purpose and the way to true happiness" was held in Da Lat city with the attendance of nearly 2,000 audiences.
4. The event with the topic "Good services to others build up united society and strong nation" was held in Nghe An for nearly 2,000 audiences. It was live broadcasted on 7 local channels.
5. The event with the topic "Fall down, get back up and stand firmly with a strong belief in your own values" was held at Hoa Sen high school for nearly 1,400 students.
6. The event with the topic "Dream big and live an adventurous life" was held in Ho Chi Minh National University for nearly 2,000 students.



THE PROGRAM

VIET FAMILIES' Sweet Home

The yearly event "Viet Families' sweet home" is held to create a helpful playground for children with special circumstance. The event not only helps nearly 2,000 disadvantaged children who come from orphanage, open house, reform school in Ho Chi Minh city and surrounding areas to have a meaningful Vietnam traditional Tet holiday (Lunar New Year, Mid-Autumn Festival), to keep good memories of childhood, but also helps these children to have the opportunity to eat, drink, play together and receive gifts.



LUNAR NEW YEAR



MID-AUTUMN FESTIVAL





THE PROGRAM

Overcome Yourself

The “Overcome yourself” program is broadcast on Ho Chi Minh City Television and other 14 local televisions. It targets to those households who already have job, but still face difficulties of bank loans. The program will create an opportunity for those households to clear their debt and provide fundings through the contest of finishing their current job in limited time. With such criteria, the program has run effectively during the last 10 years, accompanies with 532 households (from 9/2005 to now) that helps them to overcome difficult time in their life and starting a new future. Until now, the total capital provides to those households in this program is 15,960 billion VND.

THE PROGRAM

Golden Small Bell

The “Golden Small Bell” has been broadcast on every Sunday at 8.45 PM on VTV1 Channel – Viet Nam Television and other 12 local televisions. With the motto “Giving fishing rod, not giving fish”, the program has 12 criteria to select households and coordinate with the commune committee, select 6 households/communes (each program/communes). After 3 years of broadcasting, the “Golden Small Bell” has given hope, belief for more than 1,056 households with 2 cows/household, simultaneously, the community also contributes to additionally offer to 634 households, one cow/household.



THE PROGRAM

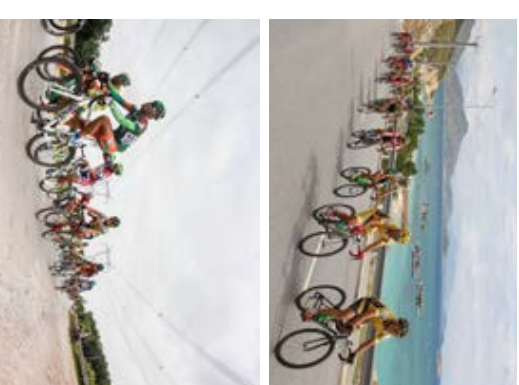
Compassionate Heart



The program "Compassionate heart" broadcasted on Vinh Long Television - Vinh Long 1 Television, accompanies with heart patients in the journey to recover their life, giving mother back to her children, bringing strong heart to little kids.



Hoa Sen Group visited and gave gifts to 12 workers who had been in distress and functional force which obtained achievements in the rescue in Lam Dong Province.



THE 27TH ANNUAL HO CHI MINH CITY TELEVISION CYCLING TOURNAMENT 2015

Hoa Sen Group was the main sponsor for the 27th annual Ho Chi Minh City Television Cycling Tournament 2015. The tournament is an event organized to celebrate the 40th anniversary of Southern liberation and National Reunification Day, 125th President Ho Chi Minh's birthday. This program is held by Ho Chi Minh City Television from 11th April to 30th April, 2015.





Integrity
is the key objective

SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR END 30 SEPTEMBER 2015

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GENERAL INFORMATION

THE COMPANY

Hoa Sen Group ("the Company") is a shareholding company established in accordance with the Business Registration Certificate 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 of roofing sheets by galvanized steel, zinc alloy, paint galvanized zinc plating and plating of other alloys; manufacturing of steel purflins, galvanized purflins; manufacturing of black steel pipes, galvanized steel pipes and other alloys; manufacturing of steel mesh; galvanized steel wire; steel wire; manufacturing of PVC ceiling; buy and sell building materials, capital goods and consumer goods; rent store and transport goods; industrial and civil construction and production of cold rolled steel coils and leasing of machinery and equipment and other tangible belongings.

The Company's shares were listed on the Ho Chi Minh City Stock Exchange 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 seventy six (176) branches located in 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
Mr Jean Eric Jaquemin	Member

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

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

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 separate financial statements for the year ended 30 September 2015 in accordance with the Letter of Authorisation No. 49/UQCT-HDQT/2013 dated 11 November 2013.

AUDITORS

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

REPORT OF MANAGEMENT

The General Director of Hoa Sen Group ("the Company") is pleased to present his report and the Company's separate financial statements for the year ended 30 September 2015.

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the separate financial statements; and
- prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Company 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 separate financial position of the Company and to ensure that the accounting records comply with the applied accounting system. He is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

STATEMENTS BY THE GENERAL DIRECTOR

The Company's General Director does hereby state that, in his opinion, the accompanying separate financial statements give a true and fair view of the separate financial position of the Company as at 30 September 2015 and of the separate results of its operations and its separate 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 separate financial statements.

The Company is a parent company with subsidiaries and it is in the process of completing its consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 30 September 2015 to meet the prevailing regulatory reporting requirements. Users of these separate financial statements should read them together with the said consolidated financial statements in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Group as a whole.



Tran Ngoc Chu
General Director

24 December 2015

Reference: 6/1183992/17620833-Separate

INDEPENDENT AUDITORS' REPORT

TO: THE SHAREHOLDERS OF HOA SEN GROUP

We have audited the accompanying separate financial statements of Hoa Sen Group ("the Company") as prepared on 24 December 2015 and set out on pages 5 to 46, which comprise the separate balance sheet as at 30 September 2015, and the separate income statement and separate 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 separate financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of separate financial statements, and for such internal control as the General Director determines is necessary to enable the preparation and presentation of separate 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 separate financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal 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 separate financial statements.

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

OPINION

In our opinion, the accompanying separate financial statements give a true and fair view, in all material respects, of the separate financial position of the Company as at 30 September 2015, and of the separate results of its operations and its separate 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 separate financial statements.

EMPHASIS OF MATTER

Without qualifying our opinion, we draw attention to Note 2.1 of the separate financial statements. The Company is in the process of preparation of the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 30 September 2015. Users of the accompanying separate financial statements should read them together with the said consolidated financial statements in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Group as a whole.

OTHER MATTER

The separate financial statements of the Company for the year ended 30 September 2014 were audited by another audit firm who expressed an unmodified opinion on those separate financial statements on 8 December 2014.

ERNST & YOUNG VIETNAM LIMITED



[Signature]

[Signature]

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

24 December 2015

SEPARATE BALANCE SHEET

as of 30 September 2015

B01-DN

Code	ASSETS	Notes	Ending balance	Beginning balance
VND				
100	A. CURRENT ASSETS		5,189,362,855,705	6,494,253,273,944
110	I. Cash and cash equivalents	4	233,828,787,007	138,001,647,603
111	1. Cash		233,688,787,007	121,301,647,603
112	2. Cash equivalents		140,000,000	16,700,000,000
130	II. Current account receivables		2,178,164,656,081	2,049,767,900,951
131	1. Trade receivables	5	1,657,213,337,129	1,721,171,369,702
132	2. Advances to suppliers	6	25,367,450,024	63,663,399,940
135	3. Other receivables	7	498,630,282,005	266,216,185,092
139	4. Provision for doubtful debts		(3,046,413,077)	(1,283,053,783)
140	III. Inventories	8	2,281,126,058,437	3,710,663,638,443
141	1. Inventories		2,293,735,295,317	3,711,696,909,201
149	2. Provision for obsolete inventories		(12,609,236,880)	(1,033,270,758)
150	IV. Other current assets		496,243,354,180	595,820,086,947
151	1. Short-term prepaid expenses	9	55,062,184,892	49,779,479,489
152	2. Value-added tax deductible		430,850,361,115	541,948,513,679
154	3. Tax and other receivables from the State		-	85,557,805
158	4. Other current assets	10	10,330,808,073	4,006,535,974
200	B. NON-CURRENT ASSETS		3,758,038,912,478	3,597,395,807,319
210	I. Long-term receivable		25,000,000,000	-
218	1. Other long-term receivable	11	25,000,000,000	-
220	II. Fixed assets		2,977,177,327,038	3,006,737,366,454
221	1. Tangible fixed assets	12	2,597,141,283,226	2,660,458,487,298
222	Cost		3,959,400,818,348	3,666,617,736,204
223	Accumulated depreciation		(1,362,258,535,122)	(1,006,159,248,906)
224	2. Finance leases	13	99,643,625,564	89,590,148,900
225	Cost		135,252,035,604	111,830,901,311
226	Accumulated depreciation		(35,608,410,040)	(22,240,752,411)
227	3. Intangible assets	14	268,045,806,871	205,560,432,449
228	Cost		286,043,112,706	221,029,378,600
229	Accumulated amortisation		(17,997,305,835)	(15,468,946,151)
230	4. Construction in progress	15	12,346,611,377	51,128,299,807
250	III. Long-term investments	16	649,628,640,301	513,200,232,017
251	1. Investment in subsidiaries	16.1	611,276,000,000	467,276,000,000
252	2. Investment in an associate	16.2	51,952,178,134	44,456,331,634
258	3. Other long-term investments	16.3	4,367,000,000	8,640,000,000
259	4. Provision for long-term investment	16.2	(17,966,537,833)	(7,172,099,617)
260	IV. Other long-term assets		106,232,945,139	77,458,206,848
261	1. Long-term prepaid expenses	17	64,337,078,607	55,134,596,953
262	2. Deferred tax assets	31.3	39,883,316,631	20,311,059,994
268	3. Other long-term assets		2,012,549,901	2,012,549,901
270	TOTAL ASSETS		8,947,401,768,183	10,091,649,081,263

Code	RESOURCES	Notes	Ending balance	Beginning balance
VND				
300	A. LIABILITIES		5,958,056,900,796	7,669,014,734,697
310	I. Current liabilities		5,302,767,036,632	6,761,688,243,129
311	1. Short-term loans and debts	18	4,400,210,324,546	4,749,052,198,420
312	2. Trade payables	19	555,161,842,884	1,825,290,959,556
313	3. Advances from customers	20	132,056,212,298	58,831,484,853
314	4. Statutory obligations	21	54,523,520,743	33,584,282,621
315	5. Payable to employees		28,300,012,321	31,366,190,372
316	6. Accrued expenses	22	81,556,360,439	37,809,893,447
319	7. Other payables	23	42,596,139,795	16,505,717,402
323	8. Bonus and welfare fund		8,362,623,606	9,247,516,458
330	II. Non-current liabilities		655,291,864,164	907,326,491,568
334	1. Long-term loans and debts	24	651,348,629,164	902,755,730,318
336	2. Provision for severance allowance		3,943,235,000	4,570,761,250
400	B. OWNERS' EQUITY		2,989,342,867,387	2,422,634,346,566
410	I. Capital	25.1	2,989,342,867,387	2,422,634,346,566
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		1,531,127,724,105	1,022,418,679,462
440	TOTAL LIABILITIES AND OWNERS' EQUITY		8,947,401,768,183	10,091,649,081,263

OFF BALANCE SHEET ITEM

ITEM	Ending balance	Beginning balance
Foreign currencies:		
- United States dollar (USD)	3,128,667.09	1,887,802.73
- 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

24 December 2015

SEPARATE INCOME STATEMENT
for the year ended 30 September 2015

B02-DN

Code	ITEMS	Notes	Current year	Previous year
VND				
01	1. Revenues from sale of goods and rendering of services	26.1	31,133,878,040,825	27,965,738,124,852
02	2. Deductions	26.1	(36,219,065,104)	(15,606,362,602)
10	3. Net revenues from sale of goods and rendering of services	26.1	31,097,658,975,721	27,950,131,762,250
11	4. Costs of goods sold and services rendered	27	(29,074,021,762,754)	(26,543,957,391,845)
20	5. Gross profit from sale of goods and rendering of services		2,023,637,212,967	1,406,174,370,405
21	6. Finance income	26.2	304,851,891,320	189,955,101,097
22	7. Finance expenses	28	(379,883,551,601)	(251,034,907,307)
23	8. Selling expenses		(180,561,247,510)	(178,732,189,603)
24	9. General and administrative expenses		(727,052,217,691)	(602,674,781,415)
25	10. Operating profit		(417,829,755,541)	(329,681,909,965)
30	11. Other income	29	803,723,579,454	412,737,872,815
31	12. Other expenses	29	109,991,563,846	140,129,321,530
32	13. Other profit	29	(87,953,216,935)	(76,960,835,550)
40	14. Profit before tax	29	22,038,346,911	63,168,485,980
50	15. Current corporate income tax expense	31.2	825,761,926,365	475,906,358,795
51	16. Deferred income tax benefit	31.3	(157,276,390,231)	(91,658,631,969)
52	17. Net profit after tax		19,577,256,637	11,862,602,563
60			688,057,792,771	396,110,329,389


 Tran Cong Tien
 Preparer


 Nguyen Thi Ngoc Lan
 Chief Accountant


 Tran Ngoc Chu
 General Director

24 December 2015

SEPARATE CASH FLOW STATEMENT
for the year ended 30 September 2015

B03-DN

Code	ITEMS	Notes	Current year	Previous year
VND				
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	Profit before tax		825,761,926,365	475,906,358,795
<i>Adjustments for:</i>				
02	Depreciation and amortisation	12,13,14	373,077,021,625	283,038,111,139
03	Provisions		24,133,763,632	6,949,713,768
04	Unrealised foreign exchange losses	28	38,895,143,213	8,427,796,677
05	Profits from investing activities		(275,290,397,527)	(158,164,478,164)
06	Interest expense		206,026,054,089	198,308,677,546
08	Operating profit before changes in working capital		1,192,603,511,397	814,466,179,761
09	Decrease (increase) in receivables		163,799,373,505	(495,765,754,652)
10	Decrease (increase) in inventories		1,417,961,613,884	(1,585,126,810,861)
11	(Decrease) increase in payables		(1,122,480,272,291)	531,113,193,354
12	Increase in prepaid expenses		(2,592,658,493)	(2,318,187,593)
13	Interest expense paid		(205,180,180,686)	(197,681,089,060)
14	Corporate income tax paid	31.2	(148,083,149,484)	(78,836,554,680)
16	Other cash outflows from operating activities		(42,436,850,728)	(44,167,732,291)
20	Net cash flows from (used in) operating activities		1,253,591,387,094	(1,058,316,756,022)
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	Purchases of fixed assets		(344,821,955,435)	(1,064,209,108,441)
22	Proceeds from disposals of fixed assets		71,470,321,057	65,210,566,718
25	Investment in other entities		(151,495,846,500)	(21,000,000,000)
26	Proceeds from sales of investment in other entity		4,273,000,000	6,360,000,000
27	Interest received	26.2	3,792,978,366	1,864,144,549
30	Net cash flows used in investing activities		(416,781,502,482)	(1,011,774,397,174)
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		12,912,074,325,312	12,554,276,636,973
34	Repayment of borrowings		(13,530,135,977,447)	(10,296,325,989,274)
35	Finance lease payments		(33,306,639,607)	(18,039,524,067)
36	Dividends paid		(144,058,665,375)	(192,498,472,300)
40	Net cash flows (used in) from financing activities		(730,754,624,191)	2,047,409,349,394

Code	ITEMS	Notes	Current year	Previous year
50	Net increase (decrease) in cash and cash equivalents		106,055,260,421	(22,681,803,802)
60	Cash and cash equivalents at beginning of year		138,001,647,603	163,502,687,316
61	Impact of exchange rate fluctuation		(10,228,121,017)	(2,819,235,911)
70	Cash and cash equivalents at end of year	4	233,828,787,007	138,001,647,603

VND

Tran Cong Tien
Preparer

Nguyen Thi Ngoc Lan
Chief Accountant

Tran Ngoc Chu
General Director

24 December 2015



1. CORPORATE INFORMATION

Ho Sen Group ("the Company") is a shareholding company established in accordance with the Business Registration Certificate 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 of roofing sheets by galvanized steel, zinc alloy, paint galvanized zinc plating and plating of other alloys; manufacturing of steel pultrins, galvanized pultrins; manufacturing of black steel pipes, galvanized steel pipes and other alloys; manufacturing of steel mesh, galvanized steel wire, steel wire; manufacturing of PVC ceiling; buy and sell building materials, capital goods and consumer goods; rent store and transport goods; industrial and civil construction and production of cold rolled steel coils and leasing of machinery and equipment and other tangible belongings.

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

The Company's registered head office is located at No. 9, Trong 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 in various provinces in Vietnam.

The number of the Company's employees as at 30 September 2015 was 3,966 (30 September 2014: 3,168).

2. BASIS OF PREPARATION

2.1 Applied accounting standards and system

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

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

The Company is a parent company with subsidiaries and it is in the process of completing the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 30 September 2015 to meet the prevailing regulatory reporting requirements. Users of these separate financial statements should read them together with the said consolidated financial statements in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Group as a whole.

2. BASIS OF PREPARATION (CONTINUED)

2.2 Applied accounting documentation system

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

2.3 Fiscal year

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

2.4 Accounting currency

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

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.

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:

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

Provision for obsolete inventories

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

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

3.3 Receivables

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 separate income statement as incurred.

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

3.5 Leased assets

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

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

Where the Company is the lessee

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

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

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

Where the Company is the lessor

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

Lease income is recognised in the separate 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 separate income statement as incurred.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**3.6 Intangible assets (continued)***Land use rights*

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

3.7 Depreciation and amortisation

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

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

3.8 Borrowing costs

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

Borrowing costs are recorded as expense during the 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 separate balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

3.10 Investment*Investments in subsidiaries*

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

Investment in associates

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

Other investments

Other investments are stated at their acquisition costs.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**3.10 Investment (continued)***Provision for diminution in value of investments*

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

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 separate 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 Company'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 the actual exchange rates announced by the commercial bank where the Company maintains bank accounts at the balance sheet date. All realised and unrealised foreign exchange differences are taken to the separate 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 Company'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 Company's Charter and Vietnam's regulatory requirements.

The Company maintains the following funds and reserve funds which are appropriated from the Company'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 Company'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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Revenue recognition

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

Sale of goods

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

Rendering of services

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

Interest

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

Dividends

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

Rental income

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

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

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

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for separate 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 profits will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17 Taxation (continued)

Deferred tax (continued)

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company to 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 Company intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.18 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 separate 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 Company determines the classification of its financial assets at initial recognition.

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

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

Financial liabilities

Financial liabilities within the scope of Circular 210 are classified, for disclosures in the notes to the separate financial statements, as financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost as appropriate. The Company 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 Company's financial liabilities include trade and other payables, loans and debts.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.18 Financial instruments (continued)

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 separate 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

	Ending balance	Beginning balance
Cash on hand	12,462,200,677	18,919,893,997
Cash in banks	221,226,586,330	102,381,753,606
Cash equivalents	140,000,000	16,700,000,000
TOTAL	233,828,787,007	138,001,647,603

5. TRADE RECEIVABLES

	Ending balance	Beginning balance
Due from related parties (Note 32)	1,214,432,479,886	1,124,726,248,293
Due from other parties	442,780,857,243	596,445,121,409
TOTAL	1,657,213,337,129	1,721,171,369,702
Provision for doubtful debts	(2,306,413,077)	(1,283,053,783)
NET	1,654,906,924,052	1,719,888,315,919

Detail of movements of provision for doubtful debts:

	Current year	Previous year
Beginning balance	(1,283,053,783)	(1,647,820,574)
Add: Provision provided during the year	(1,023,359,294)	-
Less: Utilisation and reversal of provision during the year	-	364,766,791
Ending balance	(2,306,413,077)	(1,283,053,783)

6. ADVANCES TO SUPPLIERS

	Ending balance	Beginning balance
Advance to other parties	18,908,589,088	59,717,511,940
Advance to a related party (Note 32)	6,458,860,936	3,945,888,000
TOTAL	25,367,450,024	63,663,399,940

7. OTHER RECEIVABLES

	Ending balance	Beginning balance
Due from related parties (Note 32)	464,880,867,523	253,691,581,754
Due from other parties	33,749,414,482	12,524,603,338
TOTAL	498,630,282,005	266,216,185,092

8. INVENTORIES

	Ending balance	Beginning balance
Finished goods	1,209,216,110,982	1,617,607,372,114
Raw materials	346,651,367,414	207,712,164,971
Goods in transit	334,139,481,536	1,492,842,901,982
Merchandises	211,504,360,904	221,892,688,755
Tools and supplies	192,223,974,481	171,641,780,379
TOTAL	2,293,735,295,317	3,711,696,099,201
Provision for obsolete inventories	(12,609,236,880)	(1,033,270,758)
NET	2,281,126,058,437	3,710,663,638,443

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

Detail of movements of provision for obsolete inventories:

	Current year	Previous year
Beginning balance	(1,033,270,758)	(890,889,816)
Add: Provision provided during the year	(111,575,966,122)	(142,380,942)
Ending balance	(12,609,236,880)	(1,033,270,758)

9. SHORT TERM PREPAID EXPENSES

	Ending balance	Beginning balance
Advertising expenses	24,210,259,090	25,434,656,241
Tools and equipment	10,307,348,223	11,082,237,639
Rental expenses	8,372,683,765	6,061,440,131
Advisory expenses	1,408,729,769	1,602,791,960
Insurance expenses	1,310,876,033	679,821,306
Repair and maintenance expenses	1,665,640,996	546,477,585
Others	7,786,647,116	4,372,052,627
TOTAL	55,062,184,992	49,779,479,489

10. OTHER CURRENT ASSETS

	Ending balance	Beginning balance
Advances to employees	6,177,558,073	3,931,443,962
Short-term deposits	4,153,250,000	75,092,012
TOTAL	10,330,808,073	4,006,535,974
Provision for other current assets	(740,000,000)	-
NET	9,590,808,073	4,006,535,974

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 Ho Industrial Park, Nghe An Province, Vietnam. This lending will be due on 25 June 2018.

12. TANGIBLE FIXED ASSET

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Others	Total
Cost:						
Beginning balance	604,561,707,949	2,944,158,448,120	87,775,075,027	11,469,809,617	18,652,695,491	3,666,617,736,204
Additions	681,936,012	75,731,510,325	8,382,275,169	904,788,000	168,002,350	85,868,511,856
Transfer from construction in progress	16,417,175,177	116,857,426,429	146,056,141,089	-	-	279,330,742,695
Disposal	-	(72,416,172,407)	-	-	-	(72,416,172,407)
Ending balance	621,660,819,138	3,064,331,212,467	242,213,491,285	12,374,597,617	18,820,697,841	3,959,400,818,348
<i>In which:</i>						
Fully depreciated	657,546,419	106,640,644,448	17,749,446,819	1,170,977,398	179,918,238	126,398,533,322
Accumulated depreciation:						
Beginning balance	(145,279,994,340)	(815,486,703,367)	(35,731,449,549)	(1,665,562,545)	(7,995,539,105)	(1,006,159,248,906)
Depreciation for the year	(35,544,575,884)	(300,139,075,516)	(16,657,828,371)	(2,064,111,809)	(2,775,412,732)	(357,181,004,312)
Disposal	-	1,080,718,096	-	-	-	1,080,718,096
Ending balance	(180,824,570,224)	(1,114,545,060,787)	(52,389,277,920)	(3,729,674,354)	(10,770,951,837)	(1,362,259,535,122)
Net carrying amount:						
Beginning balance	459,281,713,609	2,128,671,744,753	52,043,625,478	9,804,247,072	10,657,156,386	2,660,458,487,298
Ending balance	440,836,248,914	1,949,786,151,680	189,824,213,365	8,644,923,263	8,049,746,004	2,597,141,283,226

As noted further in Notes 18 and 24, the Company has pledged its buildings and structures, machinery and equipment and means of transportation with their respective carrying amounts as at 30 September 2015 of VND 138,380,847,841, VND 1,655,268,829,910 and VND 116,756,876,513 to secure the bank loan facilities.

13. FINANCE LEASES

	VND		
	Machinery and equipment	Means of transportation	Total
Cost:			
Beginning balance	101,664,537,676	10,166,363,635	111,830,901,311
Additions	13,254,770,658	10,166,363,635	23,421,134,293
Ending balance	114,919,308,334	20,332,727,270	135,252,035,604
Accumulated depreciation:			
Beginning balance	(22,141,910,569)	(98,841,842)	(22,240,752,411)
Depreciation for the year	(11,397,631,570)	(1,970,026,059)	(13,367,657,629)
Ending balance	(33,539,542,139)	(2,068,867,901)	(35,608,410,040)
Net carrying amount:			
Beginning balance	79,522,627,107	10,067,521,793	89,590,148,900
Ending balance	81,379,766,195	18,263,859,369	99,643,625,564

14. INTANGIBLE ASSETS

	Land use rights	Computer software	Total
Cost:			
Beginning balance	219,684,620,889	1,344,757,711	221,029,378,600
Additions	65,013,734,106	-	65,013,734,106
Ending balance	284,698,354,995	1,344,757,711	286,043,112,706
<i>In which:</i>			
<i>Fully amortised</i>	456,396,144	1,344,757,711	1,801,153,855
Accumulated amortisation:			
Beginning balance	(14,124,188,440)	(1,344,757,711)	(15,468,946,151)
Amortisation for the year	(2,528,359,684)	-	(2,528,359,684)
Ending balance	(16,652,548,124)	(1,344,757,711)	(17,997,305,835)
Net carrying amount:			
Beginning balance	205,560,432,449	-	205,560,432,449
Ending balance	268,045,806,871	-	268,045,806,871

As noted further in Notes 18 and 24, the Company has pledged its land use rights with their carrying amounts as at 30 September 2015 of VND 199,822,919,969 to secure the bank loan facilities.

15. CONSTRUCTION IN PROGRESS

	VND	
	Ending balance	Beginning balance
Purchases of fixed assets	6,853,861,204	46,270,410,089
Major repair of fixed assets	4,036,803,273	2,373,686,871
Others	1,455,946,900	2,484,202,847
TOTAL	12,346,611,377	51,128,299,807

16. LONG-TERM INVESTMENTS

	VND	
	Ending balance	Beginning balance
Investments in subsidiaries (Note 16.1)	611,276,000,000	467,276,000,000
Investments in an associate (Note 16.2)	51,952,178,134	44,456,331,634
Other long-term investments (Note 16.3)	4,367,000,000	8,640,000,000
TOTAL	667,595,178,134	520,372,331,634
Provision for long-term investments	(17,966,537,833)	(7,172,099,617)
NET	649,628,640,301	513,200,232,017

16. LONG-TERM INVESTMENTS (CONTINUED)

16.1 Investments in subsidiaries

Investments in subsidiaries as at the balance sheet date comprise the following:

Name of subsidiaries	Ending balance		Beginning balance		Location	Business activities
	% of interest	Cost of investment (VND)	% of interest	Cost of investment (VND)		
Hoa Sen Steel Sheet One Member Co., Ltd.	100	280,000,000,000	100	280,000,000,000	Binh Duong province, Vietnam	Manufacturing and trading in cold rolled steel products
Hoa Sen Building Materials One Member Co., Ltd.	100	150,000,000,000	100	150,000,000,000	Ba Ria – Vung Tau Province, Vietnam	Manufacturing and trading in plastic building materials and steel pipe products
Hoa Sen Nghe An One Member Co., Ltd.	100	80,000,000,000	-	-	Nghe An Province, Vietnam	Manufacturing and trading in roofing sheets by metals
Hoa Sen Binh Dinh One Member Co., Ltd.	100	55,000,000,000	100	21,000,000,000	Binh Dinh Province, Vietnam	Manufacturing and trading in plastic building materials and steel pipe products
Hoa Sen Nam Cam Nghe An One Member Co., Ltd.	100	30,000,000,000	-	-	Nghe An Province, Vietnam	Manufacturing and trading in steel pipe products
Hoa Sen Transportation and Engineering One Member Co., Ltd.	100	16,276,000,000	100	16,276,000,000	Binh Duong Province, Vietnam	Providing engineering, civil and industrial construction projects; transportation service
Hoa Sen Ha Nam One Member Co., Ltd.	100	-	-	-	Ha Nam Province, Vietnam	Manufacturing and trading in steel pipe products
TOTAL		611,276,000,000		467,276,000,000		

16. LONG-TERM INVESTMENTS (CONTINUED)

16.2 Investments in an associate

Name of associate	Ending balance		Beginning balance		Location	Business activities
	% of interest	Cost of investment (VND)	% of interest	Cost of investment (VND)		
Hoa Sen-Gemadep Logistics and International Port Corporation	45	51,952,178,134	45	44,456,331,634	Ba Ria – Vung Tau Province, Vietnam	Provide sea cargo agency services
Provision for decline in value of investment		(17,966,537,833)		(7,172,099,617)		
NET		33,985,640,301		37,284,232,017		

16.3 Other long-term investments

Cost of investment (VND)	Ending balance		Beginning balance	
	% of ownership	Cost of investment (VND)	% of ownership	Cost of investment (VND)
Viet Capital Health Care Fund		4,367,000,000	3	8,640,000,000
				3

17. LONG-TERM PREPAID EXPENSES

	Ending balance		Beginning balance	
		VND		VND
Tools, supplies and spare parts		45,000,996,782		35,442,417,092
Repair and maintenance		12,505,051,016		14,136,510,311
Rental expense		5,895,995,809		3,597,639,959
Others		935,035,000		1,958,029,591
TOTAL		64,337,078,607		55,134,596,953

18. SHORT-TERM LOANS AND DEBTS

		VND	
		Ending balance	Beginning balance
Loans from banks (i)		4,056,943,675,919	4,545,014,751,312
Current portion of long-term loans (Note 24)		302,800,960,695	162,472,223,600
Current portion of finance leases (Note 24)		21,036,343,932	14,146,926,948
Current portion of other long-term debts (Note 24)		9,969,344,000	16,018,296,560
Loans from a related party (Note 32) (i)		9,460,000,000	11,400,000,000
TOTAL		4,400,210,324,546	4,749,052,198,420

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

Name of bank	Ending balance (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	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	From 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
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

18. SHORT-TERM LOANS (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
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	4,056,943,675,919			

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

18. SHORT-TERM LOANS AND DEBTS (CONTINUED)

(ii) Detail of the loan from a related party is as follows:

Related party	Ending balance (VND)	Maturity date	Interest rate (% p.a.)	Description of collateral
Hoa Sen Transportation and Engineering One Member Co., Ltd.	9,460,000,000	1 April 2016	6.00	Unsecured

The Company used this loan to finance its working capital requirements.

19. TRADE PAYABLES

	Ending balance	Beginning balance
Due to other parties	482,031,569,234	1,817,764,944,149
Due to related parties (Note 32)	73,130,273,650	7,526,015,407
TOTAL	555,161,842,884	1,825,290,959,556

20. ADVANCES FROM CUSTOMERS

	Ending balance	Beginning balance
Advance from other parties	130,555,900,033	58,827,634,876
Advance from a related party (Note 32)	1,500,312,265	3,849,977
TOTAL	132,056,212,298	58,831,484,853

21. STATUTORY OBLIGATIONS

	Ending balance	Beginning balance
Corporate income tax (Note 31.2)	39,779,435,531	30,586,194,784
Value-added tax	13,754,684,828	2,200,406,997
Personal income tax	987,443,384	796,784,040
Other taxes	1,957,000	896,800
TOTAL	54,523,520,743	33,584,282,621

22. ACCRUED EXPENSES

	Ending balance	Beginning balance
13 th month salary	48,819,296,000	13,605,575,000
Electricity	11,090,213,768	8,669,896,200
Payable relating to construction in progress	7,597,518,971	10,317,543,485
Loan interest	3,700,762,155	2,854,878,762
Others	10,348,579,545	2,362,000,000
TOTAL	81,556,360,439	37,809,893,447

23. OTHER PAYABLES

	Ending balance	Beginning balance
Export bill negotiation	29,719,800,000	-
Dividends	3,892,652,525	3,481,670,900
Social insurance, health insurance, unemployment insurance, and trade union fee	2,853,893,928	1,703,448,900
Other payables to related parties (Note 32)	2,233,267,935	74,361,249
Tender deposits received	1,490,000,000	3,370,000,330
Others	2,406,525,407	7,876,236,023
TOTAL	42,596,139,795	16,505,717,402

24. LONG-TERM LOANS AND DEBTS

	Ending balance	Beginning balance
Loans from banks (i)	925,564,507,711	1,013,296,693,623
Finance leases (ii)	49,621,426,080	55,326,179,963
Other long-term debts	9,969,344,000	26,770,303,840
TOTAL	985,155,277,791	1,095,393,177,426
In which:		
Current portion of loans from banks (Note 18)	302,800,960,695	162,472,223,600
Current portion of finance leases (Note 18)	21,036,343,932	14,146,926,948
Current portion of other long-term debts (Note 18)	9,969,344,000	16,018,296,560
Non-current portion	651,348,629,164	902,755,730,318

24. LONG-TERM LOANS AND DEBTS (CONTINUED)

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

Name of bank	Ending balance (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	89,601,636,695	From 16 November 2015 to 15 August 2016	8.50	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
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	561,924,771,861	From 16 November 2015 to 16 July 2019	8.50	Land use rights, and buildings and structures
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
TOTAL	925,564,507,711			

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

24. LONG-TERM LOANS AND DEBTS (CONTINUED)

(ii) Details of finance leases are as follow:

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

	Ending balance			Beginning balance		
	Total minimum lease payments	Finance charges	Lease liabilities	Total minimum lease payments	Finance charges	Lease liabilities
Current liabilities						
Less than 1 year	24,477,641,416	3,441,297,484	21,036,343,932	17,997,474,657	3,850,547,709	14,146,926,948
Non-current liabilities						
From 1-5 years	31,093,925,619	2,508,843,471	28,585,082,148	47,621,513,354	6,442,260,339	41,179,253,015
TOTAL	55,571,567,035	5,950,140,955	49,621,426,080	65,618,988,011	10,292,808,048	55,326,179,963

VND

25. OWNERS' EQUITY

25.1 Movements in owners' equity

	VND						
	Issued share capital	Share premium	Treasury shares	Financial reserve fund	Other funds belonging to owners' equity	Undistributed earnings	Total
Previous year:							
Beginning balance	1,007,907,900,000	451,543,290,363	(81,035,546,498)	8,525,313,060	2,007,734,351	879,156,291,073	2,268,104,982,349
Net profit for the year	-	-	-	-	-	396,110,329,389	396,110,329,389
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	1,022,418,679,462	2,422,634,346,566
Current year:							
Beginning balance	1,007,907,900,000	451,543,290,363	(81,038,848,436)	8,525,313,060	13,278,012,117	1,022,418,679,462	2,422,634,346,566
Net profit for the year	-	-	-	-	-	688,057,792,771	688,057,792,771
Dividends declared	-	-	-	-	-	(144,469,647,000)	(144,469,647,000)
Repurchase of treasury shares	-	-	(49,247,074)	-	-	-	(49,247,074)
Reissuance of treasury shares (*)	-	35,747,180,000	28,974,400,000	-	-	-	64,721,580,000
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	1,531,127,724,105	2,989,342,867,387

(*) During the year, the Company 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.

25. OWNERS' EQUITY (CONTINUED)

25.2 Capital transactions with owners and distribution of dividends, profits

	VND	
	Current year	Previous year
Contributed capital		
Beginning and ending balances	1,007,907,900,000	1,007,907,900,000
Dividends		
Dividends declared	144,469,647,000	192,626,196,000
Dividends paid by cash	144,058,665,375	192,498,472,300

25.3 Share capital

	Number of shares	
	Ending balance	Beginning balance
Issued shares		
Shares issued and paid-up shares		
Ordinary shares	100,790,790	100,790,790
Treasury shares		
Ordinary shares	(2,877,692)	(4,477,692)
Shares in circulation		
Ordinary shares	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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

as of and for the year ended 30 September 2015

B09-DN

26. REVENUES

26.1 Revenues from sale of goods and rendering of services

	Current year	Previous year
	VND	
Gross revenues	31,133,878,040,825	27,965,738,124,852
Of which:		
Sale of finished goods	16,293,231,194,980	14,273,844,186,822
Sale of merchandises	14,661,767,800,386	13,577,645,192,570
Others	178,879,045,459	114,248,745,460
Less:	(36,219,065,104)	(15,606,362,602)
Of which:		
Sales returns	(21,522,581,327)	(12,622,297,775)
Sales allowances	(5,924,601,756)	(1,914,216,114)
Trade discounts	(8,533,133,954)	(1,069,848,713)
Export taxes	(238,748,067)	-
NET	31,097,658,975,721	27,950,131,762,250

26.2 Finance income

	Current year	Previous year
	VND	
Profits shared from subsidiaries	273,424,302,385	159,658,835,575
Realised foreign exchange gains	27,634,610,539	28,432,120,973
Finance income from investments	2,104,398,889	1,139,560,000
Interest income	1,688,579,507	724,584,549
TOTAL	304,851,891,320	189,955,101,097

27. COSTS OF GOODS SOLD AND SERVICES RENDERED

	Current year	Previous year
	VND	
Costs of sale of finished goods	14,508,854,195,691	13,188,447,373,691
Costs of sale of merchandises	14,394,939,388,754	13,243,596,865,030
Others	170,228,178,309	111,913,153,124
TOTAL	29,074,021,762,754	26,543,957,391,845

28. FINANCE EXPENSES

	Current year	Previous year
	VND	
Loan interest	180,561,247,510	178,732,189,603
Realised foreign exchange losses	149,632,722,662	56,702,821,410
Unrealised foreign exchange losses	38,895,143,213	8,427,796,677
Provision for long-term investments	10,794,438,216	7,172,099,617
TOTAL	379,883,551,601	251,034,907,307

29. OTHER INCOME AND EXPENSES

	Current year	Previous year
	VND	
Other income	109,991,563,846	140,129,321,530
Proceeds from disposal of fixed assets	71,470,321,057	65,210,566,718
Sales of scrap	23,436,297,537	63,079,616,145
Compensation income	12,362,037,500	6,173,806,778
Others	2,722,907,752	5,665,331,889
Other expenses	(87,953,216,935)	(76,960,835,550)
Net book value of fixed assets disposed	(71,335,454,311)	(68,412,910,970)
Others	(16,617,762,624)	(8,547,924,580)
NET OTHER PROFIT	22,038,346,911	63,168,485,980

30. PRODUCTION AND OPERATING COSTS

	Current year	Previous year
	VND	
Raw materials	12,937,726,814,892	13,329,512,973,369
Labour costs	482,362,995,143	368,464,398,879
Depreciation and amortisation (Notes 12.13 and 14)	373,077,021,625	184,537,661,805
Expenses for external services	884,644,942,196	771,146,234,367
Others	578,528,959,461	495,180,000,201
TOTAL	15,256,340,733,317	15,148,841,268,621

31. CORPORATE INCOME TAX

The Company has the obligation to pay corporate income tax ("CIT") at the rate of 22% of taxable profits. The Company's tax returns are subjected to examination by the tax authorities. Because the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, the amounts reported in the separate financial statements could be changed at a later date upon final determination by the tax authorities.

31.1 CIT expense

	Current year	Previous year
Current CIT expense	157,276,375,729	91,648,631,969
Adjustment for under accrual of CIT from prior year	14,502	10,000,000
Deferred CIT benefit	(19,572,256,637)	(1,862,602,563)
TOTAL	137,704,133,594	79,796,029,406

VND

31.2 Current CIT

The current tax payable is based on taxable profit for the current year. The taxable profit of the Company for the year differs from the profit as reported in the separate 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 Company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

A reconciliation between the profit before tax and taxable profit is presented below:

VND

	Current year	Previous year
Accounting profit before tax	825,761,926,365	475,906,358,795
Adjustments		
Profits shared from subsidiaries	(273,424,302,385)	(159,658,835,575)
Non-deductible expenses	56,088,999,786	61,464,043,283
Change in unrealised profits	32,542,601,776	11,725,557,952
Change in provisions	23,506,237,382	7,353,936,268
Change in accrued expenses	46,466,491,506	9,648,510,989
Change in unrealised foreign exchange differences	6,588,906,387	(950,262,056)
Others	(2,638,243,869)	(2,638,180,123)
Estimated current taxable profit	714,892,616,948	402,851,129,534
Estimated current CIT	157,276,375,729	91,648,631,969
Under-accrued CIT from previous years	14,502	10,000,000
Total estimated current CIT	157,276,390,231	91,658,631,969
CIT payables at beginning of year	30,586,194,784	17,764,117,495
CIT paid during the year	(148,083,149,484)	(78,836,554,680)
CIT payables at end of year	39,779,435,531	30,586,194,784

31. CORPORATE INCOME TAX (CONTINUED)

31.3 Deferred CIT

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

	Separate balance sheet		Separate income statement	
	Ending balance	Beginning balance	Current year	Previous year
Unrealised profits	14,232,615,587	8,496,504,755	5,736,110,832	5,134,639,979
Accrued expenses	14,379,368,294	5,594,676,992	8,784,691,302	3,621,947,120
Provisions	6,724,437,558	2,087,453,315	4,636,984,243	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	39,883,316,631	20,311,059,994		
Deferred CIT benefit			19,572,256,637	11,862,602,563

VND

32. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

			VND	
Related party	Relationship	Transaction	Current year	Previous year
Hoa Sen Steel Sheet One Member Co., Ltd.	Subsidiary	Purchases of goods	11,234,332,056,248	11,831,109,338,240
		Sales of goods	10,844,160,516,428	10,993,429,364,000
		Leasing of assets	166,467,000,000	110,510,200,000
		Payment on behalf	159,806,750,565	122,719,057,015
		Purchases of gas	8,672,040,000	8,195,360,000
Hoa Sen Building Materials One Member Co., Ltd.	Subsidiary	Sales of goods	3,437,005,655,887	3,019,078,642,465
		Purchases of goods	3,222,009,427,842	2,251,208,073,031
		Sales of fixed assets	65,609,370,516	44,774,872,862
		Sales return	14,279,444,060	1,045,538,628
Hoa Sen Transportation and Engineering One Member Co., Ltd.	Subsidiary	Transportation expenses	72,580,671,496	10,852,504,423
		Leasing of assets	9,925,000,000	84,000,000
		Repayment of short-term loans	1,940,000,000	1,300,000,000
		Short-term loans	-	4,200,000,000
Hoa Sen Nam Cam Nghe An One Member Co., Ltd.	Subsidiary	Purchases of goods	183,215,681,661	-
		Sales of goods	114,496,402,408	-
		Capital contribution	30,000,000,000	-
		Short-term loans	19,500,000,000	-
		Repayment of short-term loans	19,500,000,000	-
		Lending of money	11,000,000,000	-
		Collection of lending	11,000,000,000	-
Hoa Sen Binh Dinh One Member Co., Ltd.	Subsidiary	Purchases of goods	369,443,407,507	-
		Sales of goods	295,606,474,461	2,173,587,234
		Capital contribution	34,000,000,000	21,000,000,000
		Lending of money	6,000,000,000	-
		Collection of lending	6,000,000,000	-

32. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (CONTINUED)

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

			VND	
Related party	Relationship	Transaction	Current year	Previous year
Hoa Sen Nghe An One Member Co., Ltd.	Subsidiary	Lending of money	100,000,000,000	-
		Capital contribution	80,000,000,000	-
Hoa Sen Investment and Tourism Co., Ltd.	Related party	Sales of goods	1,161,329,951,726	268,778,547,419
		Purchases of goods	184,654,533,072	3,595,178,458
		Receiving of services	3,948,581,818	3,057,072,818
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 separate balance sheet date were as follows:

			VND	
Related party	Relationship	Transaction	Ending balance	Beginning balance
Trade receivables				
Hoa Sen Steel Sheet One Member Co., Ltd.	Subsidiary	Sales of goods	741,762,003,581	413,269,247,273
Hoa Sen Building Materials One Member Co., Ltd.	Subsidiary	Sales of goods	390,228,663,563	709,027,555,064
Hoa Sen Nam Cam Nghe An One Member Co., Ltd.	Subsidiary	Sales of goods	63,828,794,580	-
Hoa Sen Transportation and Engineering One Member Co., Ltd.	Subsidiary	Sales of goods	10,917,500,000	-
Hoa Sen Binh Dinh One Member Co., Ltd.	Subsidiary	Sales of goods	7,523,066,192	2,390,945,956
Hoa Sen Nghe An One Member Co., Ltd.	Subsidiary	Sales of goods	172,451,970	-
Hoa Sen Investment and Tourism Co., Ltd.	Related party	Sales of goods	-	38,500,000
			1,214,432,479,886	1,124,726,248,293

32. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (CONTINUED)

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

VND				
Related party	Relationship	Transaction	Ending balance	Beginning balance
Advance to supplier				
Hoa Sen Investment and Tourism Co., Ltd.	Related party	Advance	6,458,860,936	3,945,888,000
Other receivables				
Hoa Sen Building Materials One Member Co., Ltd.	Subsidiary	Profit shared	166,481,143,413	46,126,688,336
Hoa Sen Nghe An One Member Co., Ltd.	Subsidiary	Lending of money	100,000,000,000	-
		Payment on behalf	408,316,578	-
Mr Hoang Duc Huy	Deputy General Director	Advance for purchase of lands	90,183,227,000	90,183,227,000
Hoa Sen Steel Sheet One Member Co., Ltd.	Subsidiary	Profit shared	86,686,768,532	111,590,513,050
		Payment on behalf	864,322,260	3,849,519,179
Hoa Sen Transportation and Engineering One Member Co., Ltd.	Subsidiary	Profit shared	11,487,160,126	1,941,634,189
		Payment on behalf	699,300	-
Hoa Sen Binh Dinh One Member Co., Ltd.	Subsidiary	Profit shared	8,769,230,314	-
			464,880,867,523	253,691,581,754

32. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (CONTINUED)

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

VND				
Related party	Relationship	Transaction	Ending balance	Beginning balance
Trade payables				
Hoa Sen Transportation and Engineering One Member Co., Ltd.	Subsidiary	Purchases of goods	34,196,348,287	3,405,308,388
Hoa Sen Binh Dinh One Member Co., Ltd.	Subsidiary	Purchases of goods	27,695,981,378	-
Hoa Sen Steel Sheet One Member Co., Ltd.	Subsidiary	Purchases of goods	11,100,000,000	4,100,000,000
Hoa Sen Investment and Tourism Co., Ltd.	Related party	Purchases of goods	137,943,985	20,707,019
			73,130,273,650	7,526,015,407
Advance from customers				
Hoa Sen Investment and Tourism Co., Ltd.	Related party	Advance	1,500,312,265	3,849,977
Other payables				
Huong Sen Real Estate	Related party	Payable of advance	1,000,000,000	-
Hoa Sen Building Materials One Member Co., Ltd.	Subsidiary	Payment on behalf	1,194,618,735	22,969,400
Hoa Sen Steel Sheet One Member Co., Ltd.	Subsidiary	Payment on behalf	31,799,200	49,291,849
Hoa Sen Nghe An One Member Co., Ltd.	Subsidiary	Payment on behalf	6,850,000	-
Hoa Sen Transportation and Engineering One Member Co., Ltd.			-	2,100,000
			2,233,267,935	74,361,249
Short-term loans				
Hoa Sen Transportation and Engineering One Member Co., Ltd.	Subsidiary	Short-term loans	9,460,000,000	11,400,000,000

32. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (CONTINUED)**Transactions with other related parties**

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

	VND	
	Current year	Previous year
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	10,222,957,415	25,645,968,009

33. COMMITMENTS**Operating lease commitment - the Company as lessee**

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

	VND	
	Ending balance	Beginning balance
Less than 1 year	34,786,802,868	28,345,347,738
From 1 to 5 years	102,023,130,333	80,415,983,201
More than 5 years	119,122,043,000	98,678,363,000
TOTAL	255,930,976,201	207,439,693,939

Operating lease commitment - the Company as lessor

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

	VND	
	Ending balance	Beginning balance
Less than 1 year	186,136,854,548	165,985,145,460
From 1 to 5 years	740,241,077,276	655,060,050,000
More than 5 years	754,538,300,000	794,889,300,000
TOTAL	1,680,916,231,824	1,615,934,495,460

Capital commitments

As at 30 September 2015, the Company has commitments of VND 18,302,951,124 (30 September 2014: VND 61,885,954,624) mainly related to the acquisition of new machinery for its operations.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

Market risk

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

Interest rate sensitivity

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

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

	VND	
	Increase/decrease in basis points	Effect on profit before tax
Current year		
USD	+50	(15,502,726,948)
VND	+100	(19,864,310,444)
USD	-50	15,502,726,948
VND	-100	19,864,310,444
Previous year		
USD	+50	(15,876,483,184)
VND	+100	(12,246,596,342)
USD	-50	15,876,483,184
VND	-100	12,246,596,342

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**Market risk (continued)****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 Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue and expense are denominated in a different currency from the Company's accounting currency).

The Company is exposed to foreign currency risk in relation to purchases of raw materials and sales of goods which are denominated in currencies other than its accounting currency as disclosed in Note 2.4. The Company 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.

Foreign currency sensitivity

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

	Change in USD rate	Change in EUR rate	Effect on profit before tax
Current year			VND
	+1%	+1%	(6,810,550,451)
	-1%	-1%	6,810,550,451
Previous year			
	+1%	+1%	(55,402,070,500)
	-1%	-1%	55,402,070,500

Commodity price risk

The Company is exposed to commodity price risk in relation to purchase of certain commodities. The Company 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 Company 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 Company may be exposed to credit risk from its operating activities (primarily for trade and other receivables) and from its financing activities, including cash, bank deposit and loans.

Trade receivables

Customer credit risk is managed by the Company based on its established policy and procedures relating to customer credit risk management. Outstanding customer receivables are regularly monitored. In addition, the requirement for impairment is analyzed at each reporting date on an individual. The Company 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 Company's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**Credit risk (continued)****Bank deposits**

The Company's bank balances are mainly maintained with well-known banks in Vietnam. The Company's maximum exposure to credit risk for the components of the separate balance sheet at each reporting dates is the carrying amounts as disclosed in Note 4. The Company 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 Company's General Director evaluates that other financial assets are neither past due nor impaired.

Liquidity risk

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

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

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

	Less than 1 year	Over 1 year	Total
Ending balance			VND
Loans and borrowings	4,400,210,324,546	651,348,629,164	5,051,558,953,710
Trade payables	555,161,842,884	-	555,161,842,884
Other payables and accrued expenses	68,586,657,781	-	68,586,657,781
Beginning balance	5,023,958,825,211	651,348,629,164	5,675,307,454,375
Loans and borrowings	4,749,052,198,420	902,755,730,318	5,651,807,928,738
Trade payables	1,825,290,959,556	-	1,825,290,959,556
Other payables and accrued expenses	35,524,916,049	-	35,524,916,049
	6,609,868,074,025	902,755,730,318	7,512,623,804,343

Collateral

The Company has pledged inventories, fixed assets and land use rights in order to fulfil the collateral requirements for the short-term and long-term loan obtained from banks (*Notes 18 and 24*).

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

35. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

	Carrying amount				Fair value	
	Ending balance		Beginning balance		Ending balance	Beginning balance
	Cost	Provision	Cost	Provision		
Financial assets						
Trade receivables	442,780,857,243	(2,306,413,077)	596,445,121,409	(1,283,053,783)	440,474,444,166	595,162,067,626
Receivable from related parties	1,679,313,347,409	-	1,378,417,830,047	-	1,679,313,347,409	1,378,417,830,047
Other receivables	37,902,664,482	-	12,599,695,350	-	37,902,664,482	12,599,695,350
Other non-current financial assets	27,012,549,901	-	2,012,549,901	-	27,012,549,901	2,012,549,901
Other long-term investments	4,367,000,000	-	8,640,000,000	-	4,367,000,000	8,640,000,000
Cash and cash equivalents	233,828,787,007	-	138,001,647,603	-	233,828,787,007	138,001,647,603
TOTAL	2,425,205,206,042	(2,306,413,077)	2,136,116,844,310	(1,283,053,783)	2,422,898,792,965	2,134,833,790,527

	Carrying amount		Fair value	
	Ending balance	Beginning balance	Ending balance	Beginning balance
Financial liabilities				
Loans and borrowings	5,051,558,953,710	5,651,807,928,738	5,051,558,953,710	5,651,807,928,738
Trade payables	482,031,569,234	1,817,764,944,149	482,031,569,234	1,817,764,944,149
Payables from related parties	75,363,541,585	7,600,376,656	75,363,541,585	7,600,376,656
Other payables and accrued expenses	66,353,389,846	35,450,554,800	66,353,389,846	35,450,554,800
TOTAL	5,675,307,454,375	7,512,623,804,343	5,675,307,454,375	7,512,623,804,343

35. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

The fair value of 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 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 balance sheet date.

36. RECLASSIFICATION OF CORRESPONDING FIGURES

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

	Beginning balance (previously presented)	Reclassification	Beginning balance (reclassified)
SEPARATE BALANCE SHEET			
Advance to suppliers	153,846,626,940	(90,183,227,000)	63,663,399,940
Other receivables	176,032,958,092	90,183,227,000	266,216,185,092

37. EVENTS AFTER THE BALANCE SHEET DATE

On 10 October 2015, the Company 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/HĐQT/2015 dated 29 June 2015.

On 7 December 2015, the Company 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/HĐCĐ/2015 dated 19 January 2015 and the Resolution of Board of Directors No. 64/NQ/HĐQT/2015 dated 16 October 2015. As the result, the Company 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 separate financial statements.

Tran Cong Tien
Preparer
24 December 2015

Nguyen Thi Ngoc Lan
Chief Accountant

Tran Ngoc Chu
General Director





CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR END 30 SEPTEMBER 2015

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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/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 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
Mr Jean Eric Jacquemin	Member
	appointed on 31 July 2015
	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.

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

Reference: 61183992/17620833-HN

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.

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

Ho Chi Minh City, Vietnam

25 December 2015

Nguyen Thanh Sang

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

Code	ASSETS	Notes	Ending balance	Beginning balance
VNĐ				
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		276,653,474,303	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		4,034,356,380,733	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

Code	RESOURCES	Notes	Ending balance	Beginning balance
VNĐ				
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

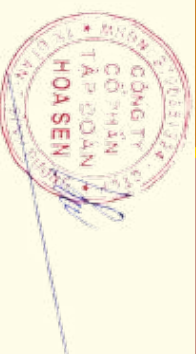
25 December 2015

CONSOLIDATED INCOME STATEMENT
for the year ended 30 September 2015

B02-DN/HN

Code	ITEMS	Notes	Current year	Previous year
VND				
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)	(256,353,406,116)
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	29	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	23,866,532,238	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		5,217	3,277
	- Diluted earnings per share		5,217	3,277





Tran Cong Tien
Preparer
25 December 2015

Nguyen Thi Ngoc Lan
Chief Accountant

Tran Ngoc Chu
General Director

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 September 2015

B03-DN/HN

Code	ITEMS	Notes	Current year	Previous year
VND				
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	28	39,200,367,990	8,461,111,522
05	(Profits) losses from investing activities		(1,831,119,281)	2,131,230,144
06	Interest expense	28	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)	(1,192,568,723,263)
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)

Code	ITEMS	Notes	Current year	Previous year
VND				
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
25 December 2015

Nguyen Thi Ngoc Lan
Chief Accountant

Tran Ngoc Chu
General Director

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/QĐ-SGDHCĐM 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.

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

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.

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.

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

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.

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:

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Revenue recognition (continued)

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.

3.17 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

3.18 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit after tax for the 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.20 Financial instruments (continued)

Initial recognition and presentation (continued)

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.

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	
	Ending balance	Beginning balance
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	276,693,474,303	155,963,095,793

5. TRADE RECEIVABLES

	VND	
	Ending balance	Beginning balance
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	463,585,455,917	639,992,051,617
Provision for doubtful debts	(4,240,144,419)	(3,182,504,336)
NET	459,345,311,498	636,809,547,281

5. TRADE RECEIVABLES (CONTINUED)

Detail of movements of provision for doubtful debts:

	VND	
	Current year	Previous year
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	(4,240,144,419)	(3,182,504,336)

6. ADVANCES TO SUPPLIERS

	VND	
	Ending balance	Beginning balance
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	167,828,872,721	79,367,648,892

7. OTHER RECEIVABLES

	VND	
	Ending balance	Beginning balance
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	128,763,462,383	106,945,169,226

8. INVENTORIES

	VND	
	Ending balance	Beginning balance
Finished goods	1,476,736,000,611	1,923,425,222,896
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	3,556,893,515,074	4,747,945,028,666
Provision for obsolete inventories	(13,068,834,432)	(1,033,270,758)
NET	3,543,824,680,642	4,746,911,757,910

As noted further in Note 18, the Group has pledged inventories with the carrying amount as at 30 September 2015 amounting to VND 1,402,713,774,241 to secure the bank loan facilities.

8. INVENTORIES (CONTINUED)

Detail of movements of provision for obsolete inventories:

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

9. SHORT TERM PREPAID EXPENSES

	VND
Advertising expenses	Ending balance 25,002,327,467
Tools and equipment	Beginning balance 26,583,286,264
Rental expenses	20,121,636,138
Repair and maintenance expenses	20,991,017,687
Insurance fees	9,708,434,406
Advisory fees	7,410,851,938
Others	2,974,271,924
	1,388,505,556
	1,987,988,179
	854,233,494
	1,408,729,769
	1,663,750,316
	9,573,693,505
	4,554,876,973
TOTAL	70,777,061,388
	63,446,522,228

10. OTHER CURRENT ASSETS

	VND
Advances to employees	Ending balance 6,884,731,461
Short-term deposits	Beginning balance 4,177,295,804
TOTAL	9,891,659,200
	75,082,012
	16,776,390,661
	4,252,387,816
	-
Provision for other current assets	(740,000,000)
NET	16,036,390,661
	4,252,387,816

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.

12. TANGIBLE FIXED ASSET

	VND					
	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Others	Total
Cost:						
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.

13. FINANCE LEASES

	Machinery and equipment	Means of transportation	Total
VND			
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	(30,987,116,489)	-	(30,987,116,489)
Ending balance	263,597,780,822	20,332,727,270	283,930,508,092
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	7,139,245,725	-	7,139,245,725
Ending balance	(56,209,917,691)	(2,068,867,901)	(58,278,785,592)
Net carrying amount:			
Beginning balance	155,575,112,815	9,606,686,256	165,181,799,071
Ending balance	207,387,863,131	18,263,859,369	225,651,722,500

14. INTANGIBLE ASSETS

	Land use rights	Computer software	Total
VND			
Cost:			
Beginning balance	253,918,620,889	1,818,224,781	255,736,845,670
Additions	65,013,734,106	-	65,013,734,106
Ending balance	318,932,354,995	1,818,224,781	320,750,579,776
<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	(3,429,254,416)	(42,997,331)	(3,472,251,747)
Ending balance	(24,310,153,352)	(1,781,479,051)	(26,091,632,403)
Net carrying amount:			
Beginning balance	233,037,721,953	79,743,061	233,117,465,014
Ending balance	294,622,201,643	36,745,730	294,658,947,373

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.

15. CONSTRUCTION IN PROGRESS

	Ending balance	Beginning balance
VND		
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	111,013,797,983	66,426,771,060

16. LONG-TERM INVESTMENTS

	Ending balance	Beginning balance
VND		
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	38,352,640,301	45,924,232,017

16.1 Investment in an associate

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

16.2 Other long-term investment

	Ending balance	Beginning balance		
	Cost of investment (VND)	% of interest	Cost of investment (VND)	% of interest
Viet Capital Health Care Fund	4,367,000,000	3	8,640,000,000	3

17. LONG-TERM PREPAID EXPENSES

VND			
	Ending balance	Beginning balance	
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			
	Ending balance	Beginning balance	
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:

Name of bank	Ending balance (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	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	From 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
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

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
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.

19. TRADE PAYABLES

	VND	
	Ending balance	Beginning balance
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	626,270,248,080	1,885,979,467,059

20. ADVANCES FROM CUSTOMERS

	VND	
	Ending balance	Beginning balance
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	134,061,742,054	61,287,438,660

21. STATUTORY OBLIGATIONS

	VND	
	Ending balance	Beginning balance
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	71,263,611,531	47,193,566,120

22. ACCRUED EXPENSES

	VND	
	Ending balance	Beginning balance
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	104,040,657,497	42,578,494,225

23. OTHER PAYABLES

	VND	
	Ending balance	Beginning balance
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	48,854,120,155	23,486,905,843

24. LONG-TERM LOANS AND DEBTS

	VND	
	Ending balance	Beginning balance
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	1,378,291,689,029	1,164,816,526,736
In which:		
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:

Name of bank	Ending balance (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	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

24. LONG-TERM LOANS AND DEBTS (CONTINUED)

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

Name of bank	Ending balance (VND)	Maturity date	Interest rate (% p.a.)	Description of collateral
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	1,223,388,652,292			

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

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:

	VND					
	Ending balance			Beginning balance		
	Total minimum lease payments	Finance charges	Lease liabilities	Total minimum lease payments	Finance charges	Lease liabilities
Current liabilities						
Less than 1 year	56,474,403,722	10,419,523,738	46,054,879,984	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	98,878,812,753	80,624,142,102	11,277,344,106	69,346,797,996
TOTAL	166,653,802,097	21,720,109,360	144,933,692,737	115,055,521,744	18,745,992,471	96,309,529,273

25. OWNERS' EQUITY

25.1 Movements in owners' equity

	VND						
	Issued share capital	Share premium	Treasury shares	Financial reserve fund	Other funds belonging to owners' equity	Undistributed earnings	Total
Previous year							
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
Current year							
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.

25. OWNERS' EQUITY (CONTINUED)

25.2 Capital transactions with owners

	VND	
	Current year	Previous year
Contributed capital		
Beginning and ending balances	1,007,907,900,000	1,007,907,900,000
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		
Ordinary shares	100,790,790	100,790,790
Treasury shares		
Ordinary shares	(2,877,692)	(4,477,692)
Shares in circulation		
Ordinary shares	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 (*)	125,298,205	125,207,027
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.

26. REVENUES

26.1 Revenues from sale of goods and rendering of services

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

26.2 Finance income

	Current year	Previous year
	VND	
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	31,594,688,388	30,490,606,576

27. COST OF SALES

	Current year	Previous year
	VND	
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	14,869,355,353,248	13,240,125,281,029

28. FINANCE EXPENSES

	Current year	Previous year
	VND	
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	39,200,387,980	8,461,111,522
Provision for long-term investments	10,794,438,216	7,172,099,617
TOTAL	424,655,641,040	256,363,406,116

29. OTHER INCOME AND EXPENSES

	Current year	Previous year
	VND	
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	23,868,532,238	64,976,743,904

30. PRODUCTION AND OPERATING COSTS

	Current year	Previous year
	VND	
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	1,140,070,861,867
Others	750,448,046,376	652,049,041,026
TOTAL	16,257,481,548,047	15,588,228,079,858

31. CORPORATE INCOME TAX (CONTINUED)

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

- | | | |
|---|-----------------|-----------------|
| Accounting profit before tax | 832,315,270,393 | 523,388,874,167 |
| Adjustments: | | |
| Non-deductible expenses | 61,320,749,471 | 66,599,877,425 |
| Change in unrealised profits | 68,889,166,364 | 689,074,588 |
| 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 | (960,262,055) |
| Tax losses of subsidiaries | 743,828,162 | 104,249,987 |
| Others | (2,638,243,869) | (2,638,180,123) |

Estimated CIT after exemption	
Under-accrued CIT from previous years	
Total estimated current CIT expense	
CIT payables at beginning of year	

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

Current year	Previous year
832,315,270,353	523,388,874,161
61,320,749,471	65,599,877,425
68,889,166,364	689,074,588
61,789,316,001	12,036,818,300
24,011,800,723	8,020,721,915
6,588,906,387	(950,262,055)
743,828,162	104,249,982
(2,638,243,869)	(2,638,180,123)
1,053,020,793,632	606,251,174,206
(104,249,982)	
1,052,916,543,650	606,251,174,206
231,291,948,544	137,842,097,23
(23,589,925,143)	(9,979,660,746)
207,702,023,401	127,862,436,488
1,627,302	372,425,471
207,703,650,703	128,234,861,960
43,843,665,867	25,104,924,166
(196,935,049,387)	(109,496,100,262)
54,612,287,183	43,843,665,867

	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	17,669,924,504	5,594,676,992	12,085,247,512	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		

32. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

			VND	
Related party	Relationship	Transaction	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:

			VND	
Related party	Relationship	Transaction	Ending balance	Beginning balance
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

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):

			VND	
Related party	Relationship	Transaction	Ending balance	Beginning balance
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	-

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:

	Current year	Previous year
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	10,222,957,415	25,645,968,009

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:

	Ending balance	Beginning balance
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	435,151,948,437	343,937,767,372

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:

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:

		Increase/decrease in basis points	Effect on profit before tax
Current year			VND
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.

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.

	VND	
	Change in USD rate	Change in EUR rate
Current year	+1%	+1%
	-1%	-1%
Previous year	+1%	+1%
	-1%	-1%
		Effect on profit before tax
Current year		(5,562,121,009)
		5,562,121,009
Previous year		(55,532,435,807)
		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.

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:

	Less than 1 year	Over 1 year	Total
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
	5,227,771,962,191	970,299,171,023	6,198,071,133,214
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
	6,685,747,008,213	953,820,775,299	7,639,567,783,512

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.

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:

						VND	
		Carrying amount				Fair value	
		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			
	Carrying amount		Fair value	
	Ending balance	Beginning balance	Ending balance	Beginning balance
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
Trade payables	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
Other payables and accrued expenses	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

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").

							VND
		Domestic		Export		Total	
		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

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:


	Beginning balance (previously presented)	Reclassification	Beginning balance (reclassified)
VND			
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/HĐQT/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/HĐCĐ/2015 dated 19 January 2015 and the Resolution of Board of Directors No. 64/NQ/HĐQT/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
25 December 2015


Nguyen Thi Ngoc Lan
Chief Accountant


Tran Ngoc Chu
General Director



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