



Hoa Sen Group

**Separate Financial Statements
for the year ended 30 September 2022**



**Hoa Sen Group
Corporate Information**

Enterprise Registration Certificate 3700381324

8 August 2001

The Enterprise Registration Certificate has been amended several times, the most recent of which is by Enterprise Registration Certificate No. 3700381324 dated 16 November 2022. The Enterprise Registration Certificate and its amendments were issued by the Department of Planning and Investment of Binh Duong Province.

Board of Directors	Mr. Le Phuoc Vu Mr. Tran Ngoc Chu Mr. Tran Quoc Tri Mr. Ly Van Xuan Mr. Nguyen Van Luan Mr. Dinh Viet Duy	Chairman Vice Chairman Member Member Member Member
Board of Management	Mr. Tran Quoc Tri Mr. Vu Van Thanh Mr. Hoang Duc Huy Mr. Tran Quoc Pham Mr. Nguyen Ngoc Huy Mr. Tran Thanh Nam Mr. Nguyen Tan Hoa Mr. Nguyen Minh Phuc Mr. Ho Thanh Hieu	General Director Deputy General Director Deputy General Director Deputy General Director Deputy General Director Deputy General Director Deputy General Director Acting Deputy General Director (from 21 February 2022) Deputy General Director (until 6 October 2022)
Legal representative	Mr. Le Phuoc Vu Mr. Tran Ngoc Chu Mr. Tran Quoc Tri	Chairman Vice Chairman General Director
Registered Office	No. 9, Thong Nhat Boulevard Song Than II Industrial Park Di An Ward, Di An City Binh Duong Province Vietnam	
Auditor	KPMG Limited Vietnam	

Hoa Sen Group Statement of the Board of Management

The Board of Management of Hoa Sen Group (“the Company”) presents this statement and the accompanying separate financial statements of the Company for the year ended 30 September 2022.

The Board of Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with Vietnamese Accounting Standard, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting. In the opinion of the Board of Management:

- (a) the separate financial statements set out on pages 5 to 55 give a true and fair view of the unconsolidated financial position of the Company as at 30 September 2022, and of its unconsolidated results of operations and its unconsolidated cash flows for the year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Company will not be able to pay its debts as and when they fall due.

The Board of Management has, on the date of this statement, authorised the accompanying separate financial statements for issue.



On behalf of the Board of Management *h2*

Tran Quoc Tri
General Director

Ho Chi Minh City, 27 December 2022



KPMG Limited Branch
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders Hoa Sen Group

We have audited the accompanying separate financial statements of Hoa Sen Group ("the Company"), which comprise the separate balance sheet as at 30 September 2022, the separate statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Management on 27 December 2022, as set out on pages 5 to 55.

Management's Responsibility

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

Auditor's 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company's Board of Management, as well as evaluating the overall presentation of the financial statements.

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



Auditor's Opinion

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the unconsolidated financial position of Hoa Sen Group as at 30 September 2022 and of its unconsolidated results of operations and its unconsolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

KPMG Limited's Branch in Ho Chi Minh City
Vietnam
Audit Report No.: 22-01-00194-22-1



Phạm Thị Hoàng Anh
Practicing Auditor Registration
Certificate No. 3434-2022-007-1
Deputy General Director

Tran Thi Le Hang
Practicing Auditor Registration
Certificate No. 3782-2022-007-1

Ho Chi Minh City, 27 December 2022

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Hoa Sen Group
Separate balance sheet as at 30 September 2022

Form B 01 – DN
*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	30/9/2022 VND	1/10/2021 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		12,258,434,228,464	19,651,184,333,706
Cash and cash equivalents	110	5	242,815,476,591	406,017,139,417
Cash	111		242,065,476,591	405,267,139,417
Cash equivalents	112		750,000,000	750,000,000
Short-term financial investments	120		5,000,000,000	5,000,000,000
Held-to-maturity investments	123	14(a)	5,000,000,000	5,000,000,000
Accounts receivable – short-term	130		8,315,127,736,295	11,898,280,531,814
Accounts receivable from customers	131	6(a)	7,934,070,297,881	9,335,440,945,200
Prepayments to suppliers	132	7	95,559,044,734	59,244,726,922
Loans receivable – short-term	135	8(a)	-	68,000,000,000
Other short-term receivables	136	9(a)	299,205,562,269	2,449,326,144,281
Allowance for doubtful debts	137	6(c)	(13,707,168,589)	(13,731,284,589)
Inventories	140	10	3,185,372,278,891	6,384,320,637,756
Inventories	141		3,377,955,693,089	6,464,778,720,342
Allowance for inventories	149		(192,583,414,198)	(80,458,082,586)
Other current assets	150		510,118,736,687	957,566,024,719
Short-term prepaid expenses	151	15(a)	94,748,267,020	85,590,388,401
Deductible value added tax	152		286,790,842,330	871,962,016,601
Taxes receivable from State Treasury	153	18(b)	128,579,627,337	13,619,717

The accompanying notes are an integral part of these separate financial statements

Hoa Sen Group
Separate balance sheet as at 30 September 2022 (continued)

Form B 01 – DN
*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	30/9/2022 VND	1/10/2021 VND
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	200		5,118,727,087,531	4,863,167,615,269
Accounts receivable – long-term	210		241,195,291,600	178,887,837,400
Loans receivable – long-term	215	8(b)	70,700,000,000	-
Other long-term receivables	216	9(b)	170,495,291,600	178,887,837,400
Fixed assets	220		1,198,450,061,079	1,134,208,705,003
Tangible fixed assets	221	11	1,014,508,752,822	936,170,702,614
Cost	222		3,794,307,134,043	3,463,673,580,489
Accumulated depreciation	223		(2,779,798,381,221)	(2,527,502,877,875)
Intangible fixed assets	227	12	183,941,308,257	198,038,002,389
Cost	228		259,431,861,261	259,988,428,918
Accumulated amortisation	229		(75,490,553,004)	(61,950,426,529)
Long-term work in progress	240		106,037,865,309	180,277,059,193
Construction in progress	242	13	106,037,865,309	180,277,059,193
Long-term financial investments	250		3,393,850,000,000	3,244,000,000,000
Investments in subsidiaries	251	14(b)	3,377,850,000,000	3,228,000,000,000
Held-to-maturity investments	255	14(a)	16,000,000,000	16,000,000,000
Other long-term assets	260		179,193,869,543	125,794,013,673
Long-term prepaid expenses	261	15(b)	69,639,780,740	38,680,005,935
Deferred tax assets	262	16	109,554,088,803	87,114,007,738
TOTAL ASSETS (270 = 100 + 200)	270		17,377,161,315,995	24,514,351,948,975

The accompanying notes are an integral part of these separate financial statements

Hoa Sen Group
Separate balance sheet as at 30 September 2022 (continued)

Form B 01 – DN
(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	30/9/2022 VND	1/10/2021 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		6,210,033,388,769	13,195,700,411,669
Current liabilities	310		6,195,799,689,582	13,182,047,854,402
Accounts payable to suppliers	311	17	1,970,635,586,928	4,283,263,896,000
Advances from customers	312		176,845,202,295	233,052,080,172
Taxes payable to State Treasury	313	18(a)	5,275,868,275	309,240,420,455
Payables to employees	314		64,245,590,725	55,566,725,013
Accrued expenses	315	19	207,561,319,455	214,800,245,166
Other payables – short-term	319	20	18,979,145,366	3,256,582,146,203
Short-term borrowings	320	21	3,545,557,150,716	4,754,513,830,764
Bonus and welfare funds	322	22	206,699,825,822	75,028,510,629
Long-term liabilities	330		14,233,699,187	13,652,557,267
Other payables – long-term	337		709,500,000	709,500,000
Provisions – long-term	342	23	13,524,199,187	12,943,057,267
EQUITY (400 = 410)	400		11,167,127,927,226	11,318,651,537,306
Owners' equity	410	24	11,167,127,927,226	11,318,651,537,306
Share capital	411	25	5,980,549,860,000	4,934,818,960,000
- Ordinary shares with voting rights	411a		5,980,549,860,000	4,934,818,960,000
Share premium	412		157,292,539,068	157,292,539,068
Other equity funds	420		187,499,009,876	90,695,201,265
Retained profits	421		4,841,786,518,282	6,135,844,836,973
- Retained profits brought forward	421a		4,793,615,960,838	1,824,320,198,455
- Retained profits for the current year	421b		48,170,557,444	4,311,524,638,518
TOTAL RESOURCES (440 = 300 + 400)	440		17,377,161,315,995	24,514,351,948,975

27 December 2022

Prepared by:


 Nguyen Thi Thanh Tuyen
 Accountant

Approved by:


 Nguyen Thi Ngoc Lan
 Chief Accountant


 Tran Quoc Tri
 General Director

The accompanying notes are an integral part of these separate financial statements

Hoa Sen Group

Separate statement of income for the year ended 30 September 2022

Form B 02 – DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	Year ended	
			30/9/2022 VND	30/9/2021 VND
Revenue from sales of goods and provision of services	01	27	81,450,228,213,277	86,441,507,897,173
Revenue deductions	02	27	260,746,998,178	174,499,462,741
Net revenue (10 = 01 - 02)	10	27	81,189,481,215,099	86,267,008,434,432
Cost of sales	11	28	77,388,423,409,761	80,500,728,426,285
Gross profit (20 = 10 - 11)	20		3,801,057,805,338	5,766,280,008,147
Financial income	21	29	425,167,604,879	2,660,392,557,597
Financial expenses	22	30	419,889,233,636	354,050,453,366
<i>In which: Interest expense</i>	23		176,518,452,634	163,982,509,811
Selling expenses	25	31	3,469,159,524,662	2,971,926,540,542
General and administration expenses	26	32	323,017,357,209	253,197,996,846
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		14,159,294,710	4,847,497,574,990
Other income	31		37,281,371,157	7,884,997,850
Other expenses	32		2,028,544,004	11,164,052,377
Results of other activities (40 = 31 - 32)	40		35,252,827,153	(3,279,054,527)
Accounting profit before tax (50 = 30 + 40)	50		49,412,121,863	4,844,218,520,463
Income tax expense – current	51	34	23,681,645,484	515,776,476,827
Income tax benefit – deferred	52	34	(22,440,081,065)	(47,359,805,957)
Net profit after tax (60 = 50 - 51 - 52)	60		48,170,557,444	4,375,801,849,593

27 December 2022

Prepared by:



Nguyen Thi Thanh Tuyen
Accountant

Approved by:



Nguyen Thi Ngoc Lan
Chief Accountant



Tran Quoc Tri
General Director

The accompanying notes are an integral part of these separate financial statements

Hoa Sen Group
Separate statement of cash flows for the year ended 30 September 2022
(Indirect method)

Form B 03 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code Note	Year ended	
		30/9/2022 VND	30/9/2021 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	49,412,121,863	4,844,218,520,463
Adjustments for			
Depreciation and amortisation	02	288,742,037,855	297,087,701,643
Allowances and provisions	03	112,682,357,532	50,400,186,000
Exchange gains arising from revaluation of monetary items denominated in foreign currencies	04	(5,999,777,701)	(4,361,788,337)
Profits from investing activities	05	(182,386,015,343)	(2,413,142,693,730)
Interest expense	06	176,518,452,634	163,982,509,811
Operating profit before changes in working capital	08	438,969,176,840	2,938,184,435,850
Change in receivables	09	1,825,657,571,725	(4,396,695,871,911)
Change in inventories	10	3,086,823,027,253	(3,443,191,373,178)
Change in payables and other liabilities	11	(3,677,954,974,368)	5,901,843,863,791
Change in prepaid expenses	12	(13,914,683,956)	28,508,264,282
		1,659,580,117,494	1,028,649,318,834
Interest paid	14	(182,460,644,247)	(158,824,335,187)
Income tax paid	15	(288,320,745,818)	(436,616,991,261)
Other payments for operating activities	17	(117,030,852,331)	(63,628,027,964)
Net cash flows from operating activities	20	1,071,767,875,098	369,579,964,422
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(328,785,899,096)	(240,276,296,923)
Proceeds from disposals of fixed assets	22	24,389,427,659	3,272,245,830
Payments for granting loans and placement of term deposits	23	(2,700,000,000)	(101,326,172,142)
Collections on loans receivable and term deposits	24	-	5,000,000,000
Payments for investments in subsidiaries	25	-	(22,668,142,693)
Proceeds from disposals of subsidiaries	26	-	188,100,000,000
Receipts of interest on term deposits, bond coupons and dividends	27	231,166,167,254	16,649,919,883
Net cash flows from investing activities	30	(75,930,304,183)	(151,248,446,045)

The accompanying notes are an integral part of these separate financial statements

Hoa Sen Group
Separate statement of cash flows for the year ended 30 September 2022
(Indirect method – continued)

Form B 03 – DN
(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code Note	Year ended	
		30/9/2022 VND	30/9/2021 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from shares issuance	31	49,008,000,000	44,000,000,000
Proceeds from reissuance of treasury shares	32	-	8,980,355,547
Proceeds from borrowings	33	32,420,046,369,416	36,399,316,632,634
Payments to settle loan principals	34	(33,679,445,401,829)	(36,736,621,271,149)
Payments to settle finance lease liabilities	35	-	(10,027,814,809)
Payments of dividends	36	(393,643,500)	(307,131,948)
Net cash flows from financing activities	40	(1,210,784,675,913)	(294,659,229,725)
Net cash flows during the year (50 = 20 + 30 + 40)	50	(214,947,104,998)	(76,327,711,348)
Cash and cash equivalents at the beginning of the year	60	406,017,139,417	480,196,944,895
Effect of exchange rate fluctuations on cash and cash equivalents	61	51,745,442,172	2,147,905,870
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61)	70 5	242,815,476,591	406,017,139,417

27 December 2022

Prepared by:



Nguyen Thi Thanh Tuyen
Accountant

Approved by:



Nguyen Thi Ngoc Lan
Chief Accountant



TRẦN QUỐC TRI
General Director

The accompanying notes are an integral part of these separate financial statements

Hoa Sen Group

Notes to the separate financial statements for the year ended 30 September 2022

Form B 09 – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

These notes form an integral part of and should be read in conjunction with the accompanying separate financial statements.

1. Reporting entity

(a) Ownership structure

Hoa Sen Group (“the Company”) is a joint stock company incorporated in Vietnam.

The Company’s shares were listed on the Ho Chi Minh City Stock Exchange with trading code “HSG” in accordance with Decision No. 117/QĐ-SGDHCM dated 5 November 2008 issued by the Ho Chi Minh City Stock Exchange.

(b) Principal activities

The Company’s principal activities are manufacturing roofing sheets by galvanised steel, zinc alloy, paint galvanised zinc plating and plating of other alloys; producing steel purlins, galvanised purlins; manufacturing black steel pipes, galvanised steel pipes and other alloys; manufacturing steel mesh, galvanised steel wire, steel wire; buying and selling building materials, capital goods and consumer goods; providing warehousing and transportation services; providing industrial and civil construction services; and producing cold rolled steel coils and leasing machinery and equipment and other tangible belongings.

(c) Normal operating cycle

The normal operating cycle of the Company is generally within 12 months.

(d) Company structure

As at 30 September 2022, the Company had 9 subsidiaries and 1 associate (1/10/2021: 9 subsidiaries and 1 associate) as listed in Note 14(b).

As at 30 September 2022, the Company had 5,678 employees (1/10/2021: 5,254 employees).

2. Basis of preparation

(a) Statement of compliance

The separate financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting. The Company also prepares and issues its consolidated financial statements separately. For a comprehensive understanding of the Company’s consolidated financial position, its consolidated results of operations and its consolidated cash flows, these separate financial statements should be read in conjunction with the Company’s consolidated financial statements.

Hoa Sen Group

Notes to the separate financial statements for the year ended 30 September 2022

(continued)

Form B 09 – DN

*(Issued under Circular No. 200/2014/TT-BTC
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(b) Basis of measurement

The separate financial statements, except for the separate statement of cash flows, are prepared on the accrual basis using the historical cost concept. The separate statement of cash flows is prepared using the indirect method.

(c) Annual accounting period

The annual accounting period of the Company is from 1 October to 30 September.

(d) Accounting and presentation currency

The Company's accounting currency is Vietnam Dong ("VND"), which is also the currency used for financial statements presentation purpose.

3. Summary of significant accounting policies

The following significant accounting policies have been adopted by the Company in the preparation of these separate financial statements.

(a) Foreign currency transactions

Transactions in currencies other than VND during the year have been translated into VND at actual rates of exchange ruling at the transaction dates.

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the buying exchange rate and selling exchange rate, respectively at the end of the annual accounting period quoted by the commercial bank where the Company most frequently conducts transactions.

All foreign exchange differences are recorded in the separate statement of income.

(b) Cash and cash equivalents

Cash comprises cash balances and call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Hoa Sen Group

Notes to the separate financial statements for the year ended 30 September 2022
(continued)

Form B 09 – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

(c) Investments

(i) *Held-to-maturity investments*

Held-to-maturity investments are those that the Company's management has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at banks and bank bonds. These investments are stated at cost less allowance for doubtful debts.

(ii) *Investments in subsidiaries and associates*

For the purpose of these separate financial statements, investments in subsidiaries and associates are initially recognised at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investments are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment values if the investee has suffered a loss which may cause the Company to lose its invested capital, unless there is evidence that the value of the investment has not been diminished. The allowance is reversed if the investee subsequently made a profit that offsets the previous losses for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

(d) Accounts receivable

Trade and other receivables are stated at cost less allowance for doubtful debts.

(e) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. Cost in the case of finished goods and work in progress includes raw materials, direct labour and attributable manufacturing overheads. Net realisable value is the estimated selling price of inventory items, less the estimated costs of completion and estimated costs to sell.

The Company applies the perpetual method of accounting for inventories.

Hoa Sen Group

**Notes to the separate financial statements for the year ended 30 September 2022
(continued)**

Form B 09 – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

(f) Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use and the costs of dismantling and removing the asset and restoring the site on which it is located. Expenditure incurred after tangible fixed assets have been put into operation, such as repair, maintenance and overhaul cost, is charged to the separate statement of income in the year in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

(ii) Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

▪ buildings and structures	5 – 30 years
▪ machinery and equipment	3 – 10 years
▪ motor vehicles	2 – 10 years
▪ office equipment	3 – 10 years
▪ others	5 – 8 years

(g) Intangible fixed assets

(i) Land use rights

Land use rights are stated at cost less accumulated amortisation. The initial cost of a land use rights comprises its purchase price and any direct attributable costs incurred in conjunction with securing the land use rights. Land use rights with definite term are amortised on a straight-line basis over the term of land use rights which is from 14 years to 55 years. Land use rights with indefinite term are not amortised.

(ii) Software

Cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software cost is amortised on a straight-line basis over 3 to 6 years.

Hoa Sen Group

Notes to the separate financial statements for the year ended 30 September 2022

(continued)

Form B 09 – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

(h) Construction in progress

Construction in progress represents the cost of tangible and intangible fixed assets which have not been fully completed or installed. No depreciation is provided for construction in progress during the year of construction and installation.

(i) Long-term prepaid expenses

(i) Advertising panels

Advertising panels are initially recognised at cost and are amortised on a straight-line basis over a period ranging from 2 to 3 years.

(ii) Tools and instruments

Tools and instruments include assets held for use by the Company in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulation. Cost of tools and instruments are amortised on a straight-line basis over a period ranging from 2 to 3 years.

(iii) Rental expenses

Prepaid rental expenses comprise prepayments for warehouse rental during the Company's production and business operations and are initially recognised at cost. These prepayments are amortised on a straight-line basis over the lease terms ranging from 2 to 3 years.

(iv) Maintenance expenses

Maintenance expenses represent costs to repair and replace machinery, equipment and other fixed assets which do not meet the recognition requirements of fixed assets. Maintenance expenses are initially recognised at cost and amortised on a straight-line basis over a period ranging from 2 to 3 years.

(j) Trade and other payables

Trade and other payables are stated at their cost.

(k) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Hoa Sen Group

Notes to the separate financial statements for the year ended 30 September 2022

(continued)

Form B 09 – DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

Severance allowance

Under the Vietnamese Labour Code, when an employee who has worked for 12 months or more (“the eligible employees”) voluntarily terminates his/her labour contract, the employer is required to pay the eligible employee severance allowance calculated based on years of service and employee’s compensation at termination. Provision for severance allowance has been provided based on employees’ years of service and their average salary for the year prior to the end of the annual accounting period. For the purpose of determining the number of years of service by an employee, the period for which the employee participated in and contributed to unemployment insurance in accordance with prevailing laws and regulations and the period for which severance allowance has been paid by the Company are excluded.

(l) Share capital

(i) Ordinary shares

Ordinary shares are recognised at par value.

(ii) Share premium

Excess of cash receipt from share issues over par value is recorded as share premium. Incremental costs directly attributable to the issue of shares, net of tax effects is recognised as a deduction from share premium.

(m) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the separate statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the annual accounting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the end of the annual accounting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Hoa Sen Group

Notes to the separate financial statements for the year ended 30 September 2022

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(n) Revenue and other income

(i) Goods sold

Revenue from sales of goods is recognised in the separate statement of income when significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or possible return of goods. Revenue on sales of goods is recognised at the net amount after deducting sales discounts stated on the invoice.

(ii) Services rendered

Revenue from services rendered is recognised in the separate statement of income in proportion to the stage of completion of the transaction. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

(iii) Interest income

Interest income is recognised on a time proportion basis with reference to the principal outstanding and the applicable interest rate.

(iv) Dividend income

Dividend income is recognised when the right to receive dividend is established.

(o) Operating lease payments

Payments made under operating leases are recognised in the separate statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the separate statement of income as an integral part of the total lease expense, over the term of the lease.

(p) Borrowing costs

Borrowing costs are recognised as an expense in the year in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of qualifying assets, in which case the borrowing costs incurred during the year of construction are capitalised as part of the cost of the assets concerned.

Hoa Sen Group

Notes to the separate financial statements for the year ended 30 September 2022

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(q) Segment reporting

A segment is a distinguishable component of the Company that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company's primary format for segment reporting is based on business segments.

(r) Related parties

Parties are considered to be related to the Company if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Company and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

(s) Comparative information

Comparative information in these separate financial statements is presented as corresponding figures. Under this method, comparative information for the prior year is included as an integral part of the current year financial statements and is intended to be read only in relation to the amounts and other disclosures relating to the current year. Accordingly, the comparative information included in these separate financial statements is not intended to present the Company's unconsolidated financial position, unconsolidated results of operation and unconsolidated cash flows for the prior year.

4. Segment reporting

(a) Business segments

The Company's principal business activities are buying and selling galvanized steel roofing sheets, aluminum-zinc alloys, galvanized coatings and construction materials. Other activities are asset leasing and service provision. During the year, other activities accounted for an insignificant proportion of the unconsolidated revenue and unconsolidated results of operations of the Company, accordingly, the financial information presented in the separate balance sheets as at 30 September 2022 and 1 October 2021 and all revenue, expenses presented in the separate statements of income for the years ended 30 September 2022 and 30 September 2021 were mainly related to the Company's principal business activities.

Hoa Sen Group
Notes to the separate financial statements for the year ended 30 September 2022
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(b) Geographical segments

The Company's geographical segments were based on the locations of customers as follows:

	Geographical segments		
	Domestic VND	Export VND	Total VND
Year ended 30 September 2022			
Net revenue	56,214,951,778,660	24,974,529,436,439	81,189,481,215,099
Cost of sales	(55,347,026,256,953)	(22,041,397,152,808)	(77,388,423,409,761)
	867,925,521,707	2,933,132,283,631	3,801,057,805,338
Year ended 30 September 2021			
Net revenue	57,968,328,131,963	28,298,680,302,469	86,267,008,434,432
Cost of sales	(54,931,238,317,407)	(25,569,490,108,878)	(80,500,728,426,285)
	3,037,089,814,556	2,729,190,193,591	5,766,280,008,147

Hoa Sen Group**Notes to the separate financial statements for the year ended 30 September 2022
(continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
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	30/9/2022	1/10/2021
	VND	VND
Cash on hand	15,584,046,000	13,617,648,701
Cash in banks	226,481,430,591	391,480,006,937
Cash in transit	-	169,483,779
Cash equivalents (*)	750,000,000	750,000,000
	<hr/>	<hr/>
	242,815,476,591	406,017,139,417
	<hr/>	<hr/>

- (*) Cash equivalents represented term deposits at banks with original terms to maturity of three months or less from their transactions dates and earned annual interest at rates ranging from 3.3% to 4.6% (1/10/2021: 3% to 3.3%).

As of 30 September 2022, term deposits of VND750 million (1/10/2021: VND750 million) were secured over a guarantee contract issued by Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Industrial Park Branch.

6. Accounts receivable from customers**(a) Accounts receivable from customers detailed by significant customers**

	30/9/2022	1/10/2021
	VND	VND
Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liability Company	2,652,930,737,630	1,487,196,033,900
Hoa Sen Nghe An One Member Limited Liabilities Company	2,422,283,777,755	1,598,748,271,511
Hoa Sen Phu My One Member Limited Liabilities Company	864,997,781,220	394,820,399,043
Hoa Sen Plastics Joint Stock Company (formerly known as Hoa Sen Building Materials Company Limited)	607,338,753,185	758,704,667,548
Hoa Sen Steel One Member Company Limited	403,645,299,396	873,525,603,746
Other customers	982,873,948,695	4,222,445,969,452
	<hr/>	<hr/>
	7,934,070,297,881	9,335,440,945,200
	<hr/>	<hr/>

Hoa Sen Group**Notes to the separate financial statements for the year ended 30 September 2022****(continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***(b) Accounts receivable from customers who are related parties**

	30/9/2022	1/10/2021
	VND	VND
<i>Subsidiaries</i>		
Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liability Company	2,652,930,737,630	1,487,196,033,900
Hoa Sen Nghe An One Member Limited Liabilities Company	2,422,283,777,755	1,598,748,271,511
Hoa Sen Phu My One Member Limited Liabilities Company	864,997,781,220	394,820,399,043
Hoa Sen Plastics Joint Stock Company (formerly known as Hoa Sen Building Materials Company Limited)	607,338,753,185	758,704,667,548
Hoa Sen Steel One Member Company Limited	403,645,299,396	873,525,603,746
Hoa Sen Binh Dinh Sole Member Limited Company	-	14,827,184,790
Hoa Sen Ha Nam One Member Limited Liability Company	917,618,361	15,348,017,868
Hoa Sen Yen Bai Building Materials One Member Limited Liabilities Company	5,254,326,475	171,241,122

The trade related amounts due from the related parties were unsecured, interest free and are receivable within 365 days from invoice dates.

Hoa Sen Group
Notes to the separate financial statements for the year ended 30 September 2022 (continued)

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	30/9/2022			1/10/2021				
	Overdue days	Cost VND	Allowance VND	Recoverable amount VND	Overdue days	Cost VND	Allowance VND	Recoverable amount VND
(c) Bad and doubtful debts								
<i>Overdue debts</i>								
Mekong Consultant Trading Construction Joint Stock Company	More than 4 years	1,648,743,436	(1,648,743,436)	-	From 3 to 4 years	1,648,743,436	(1,648,743,436)	-
Hai Thuy Limited Liability Company	More than 6 years	1,545,000,625	(1,545,000,625)	-	More than 5 years	1,545,000,625	(1,545,000,625)	-
Hiep Loan Construction Steel Company Limited	More than 3 years	1,243,508,106	(1,243,508,106)	-	From 2 to 3 years	1,243,508,106	(1,243,508,106)	-
Hoang Thai Private Enterprise	More than 6 years	1,023,359,294	(1,023,359,294)	-	More than 5 years	1,023,359,294	(1,023,359,294)	-
Other customers	From 2 to more than 5 years	8,246,557,128	(8,246,557,128)	-	From 2 to more than 5 years	8,270,673,128	(8,270,673,128)	-
		13,707,168,589	(13,707,168,589)	-		13,731,284,589	(13,731,284,589)	-

Hoa Sen Group**Notes to the separate financial statements for the year ended 30 September 2022****(continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

Movements of allowance for doubtful debts during the year were as follows:

	Year ended	
	30/9/2022	30/9/2021
	VND	VND
Opening balance	13,731,284,589	22,577,028,500
Allowance made during the year	-	435,523,000
Allowance reversed during the year	(24,116,000)	(9,281,266,911)
	<hr/>	<hr/>
Closing balance	13,707,168,589	13,731,284,589

7. Prepayments to suppliers

	30/9/2022	1/10/2021
	VND	VND
<i>Subsidiaries</i>		
Hoa Sen Ha Nam One Member Limited Liability Company	-	26,739,999,215
Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liability Company	-	87,124,757
<i>Third parties</i>		
Little Rain Company Limited	9,445,374,912	-
Trung Nguyen Mining and Construction Materials Production Joint Stock Company	15,600,000,000	-
Vicenza Development Investment Joint Stock Company	14,763,244,800	-
Other suppliers	55,750,425,022	32,417,602,950
	<hr/>	<hr/>
	95,559,044,734	59,244,726,922

8. Loans receivable**(a) Loans receivable – short-term**

	30/9/2022	1/10/2021
	VND	VND
Loans receivable from Hoa Sen Yen Bai Joint Stock Company – a subsidiary	-	68,000,000,000
	<hr/>	<hr/>

This loan was unsecured, has original term to maturity of 12 months and earned annual interest at 4%.

During the year, the Company agreed to extend the original term of the loan to Hoa Sen Yen Bai Joint Stock Company.

Hoa Sen Group**Notes to the separate financial statements for the year ended 30 September 2022**

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Form B 09 – DN*(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***(b) Loans receivable – long-term**

	30/9/2022 VND	1/10/2021 VND
Loans receivable from Hoa Sen Yen Bai Joint Stock Company – a subsidiary	70,700,000,000	-

This loan was unsecured, has a term of 24 months and earned annual interest at 7.5% which is receivable quarterly.

Movements in receivables from long-term loans during the year were as follows:

	Year ended	
	30/9/2022 VND	30/9/2021 VND
Opening balance	-	-
Additions	2,700,000,000	-
Transfers from short-term loans receivable	68,000,000,000	-
Closing balance	70,700,000,000	-

9. Other receivables**(a) Other short-term receivables**

	30/9/2022 VND	1/10/2021 VND
Receivable from profits distribution	154,371,185,341	2,313,430,131,015
Advances for purchases of lands	53,832,470,000	54,319,725,000
Advances to employees	31,942,549,257	25,761,299,195
Short-term deposits and rental deposits	32,995,045,800	36,503,545,800
Receivables from transfers of land use rights	12,818,775,000	12,818,775,000
Interest income from loan receivables	5,248,575,343	-
Other receivables	7,996,961,528	6,492,668,271
	299,205,562,269	2,449,326,144,281

Hoa Sen Group**Notes to the separate financial statements for the year ended 30 September 2022
(continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
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	30/9/2022	1/10/2021
	VND	VND
<i>Subsidiaries</i>		
Hoa Sen Ha Nam One Member Limited Liability Company	59,919,400,868	156,020,916,359
Hoa Sen Steel One Member Company Limited	55,113,744,672	120,808,132,718
Hoa Sen Binh Dinh Sole Member Limited Company	32,534,930,981	69,057,496,793
Hoa Sen Yen Bai Building Materials One Member Limited Liabilities Company	6,803,108,820	16,444,286,300
Hoa Sen Yen Bai Joint Stock Company	5,248,575,343	-
Hoa Sen Nghe An One Member Limited Liabilities Company	-	946,725,035,692
Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liability Company	-	756,039,601,281
Hoa Sen Plastics Joint Stock Company (formerly known as Hoa Sen Building Materials Company Limited)	-	248,393,361,872
<i>Company owned by the Company's Chairman</i>		
Hoa Sen Holdings Group	1,448,000,000	1,470,000,000
<i>Key management personnel</i>		
Mr. Hoang Duc Huy - Deputy General Director	45,462,225,000	45,462,225,000

Other receivables from the related parties were unsecured, interest free and are receivable on demand.

(b) Other long-term receivables

	30/9/2022	1/10/2021
	VND	VND
Rental deposits	161,495,291,600	178,887,837,400
Others	9,000,000,000	-
	170,495,291,600	178,887,837,400

Hoa Sen Group**Notes to the separate financial statements for the year ended 30 September 2022**

(continued)

Form B 09 – DN*(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***10. Inventories**

	30/9/2022		1/10/2021	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	114,509,419,480	-	948,952,756,883	-
Raw materials	477,122,815,899	(37,069,055,231)	1,392,865,556,357	(18,837,869,618)
Tools and supplies	172,405,446,071	-	164,573,666,041	-
Work in progress	4,834,046	-	-	-
Finished goods	1,109,718,290,205	(84,128,944,549)	1,542,494,461,325	(52,327,014,685)
Merchandises goods	1,504,194,887,388	(71,385,414,418)	2,415,892,279,736	(9,293,198,283)
	<u>3,377,955,693,089</u>	<u>(192,583,414,198)</u>	<u>6,464,778,720,342</u>	<u>(80,458,082,586)</u>

As at 30 September 2022, inventories with carrying amounts of VND2,016,477 million (1/10/2021: VND4,772,185 million) were pledged with banks as security for loans granted to the Company (Note 21).

Movements of allowance for inventories during the year were as follows:

	Year ended	
	30/9/2022 VND	30/9/2021 VND
Opening balance	80,458,082,586	24,537,865,276
Allowance made during the year	112,125,331,612	55,920,217,310
	<u>192,583,414,198</u>	<u>80,458,082,586</u>

Hoa Sen Group

Notes to the separate financial statements for the year ended 30 September 2022 (continued)

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11. Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
Cost						
Opening balance	484,476,100,366	2,585,435,473,028	296,648,614,944	76,375,572,729	20,737,819,422	3,463,673,580,489
Additions	1,434,436,378	32,679,454,486	6,202,340,000	-	-	40,316,230,864
Transfers from construction in progress	291,657,091,262	3,975,143,966	23,347,005,222	-	1,472,949,719	320,452,190,169
Disposals	(2,354,196,948)	(19,708,303,856)	(5,981,500,000)	-	-	(28,044,000,804)
Written off	(555,068,634)	(1,535,798,041)	-	-	-	(2,090,866,675)
Closing balance	774,658,362,424	2,600,845,969,583	320,216,460,166	76,375,572,729	22,210,769,141	3,794,307,134,043
Accumulated depreciation						
Opening balance	300,463,557,227	1,954,884,467,890	206,789,739,878	45,738,228,100	19,626,884,780	2,527,502,877,875
Charge for the year	23,661,007,272	205,023,730,512	35,043,380,516	9,280,876,749	2,156,509,454	275,165,504,503
Disposals	(2,354,196,948)	(12,689,229,983)	(5,735,707,551)	-	-	(20,779,134,482)
Written off	(555,068,634)	(1,535,798,041)	-	-	-	(2,090,866,675)
Closing balance	321,215,298,917	2,145,683,170,378	236,097,412,843	55,019,104,849	21,783,394,234	2,779,798,381,221
Net book value						
Opening balance	184,012,543,139	630,551,005,138	89,858,875,066	30,637,344,629	1,110,934,642	936,170,702,614
Closing balance	453,443,063,507	455,162,799,205	84,119,047,323	21,356,467,880	427,374,907	1,014,508,752,822

Hoa Sen Group**Notes to the separate financial statements for the year ended 30 September 2022****(continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

Included in tangible fixed assets were assets costing VND1,175,749 million which were fully depreciated as at 30 September 2022 (1/10/2021: VND1,063,778 million), but which are still in active use.

As at 30 September 2022, tangible fixed assets with net book value of VND193,584 million (1/10/2021: VND293,060 million) were pledged with banks as security for loans granted to the Company (Note 21).

12. Intangible fixed assets

	Land use rights VND	Software VND	Total VND
Cost			
Opening balance	200,791,409,765	59,197,019,153	259,988,428,918
Disposals	(556,567,657)	-	(556,567,657)
Closing balance	200,234,842,108	59,197,019,153	259,431,861,261
Accumulated amortisation			
Opening balance	31,461,529,384	30,488,897,145	61,950,426,529
Charge for the year	2,552,396,256	11,024,137,096	13,576,533,352
Disposals	(36,406,877)	-	(36,406,877)
Closing balance	33,977,518,763	41,513,034,241	75,490,553,004
Net book value			
Opening balance	169,329,880,381	28,708,122,008	198,038,002,389
Closing balance	166,257,323,345	17,683,984,912	183,941,308,257

Included in intangible fixed assets were assets costing VND456 million which were fully amortised as at 30 September 2022 (1/10/2021: VND456 million), but which are still in active use.

As at 30 September 2022, intangible fixed assets with net book value of VND65,802 million (1/10/2021: VND66,528 million) were pledged with banks as security for loans granted to the Company (Note 21).

Hoa Sen Group**Notes to the separate financial statements for the year ended 30 September 2022
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Major construction in progress were as follows:

	30/9/2022	1/10/2021
	VND	VND
Machinery and equipment waiting for installation	18,689,210,837	5,803,440,449
Construction and renovation costs of Hoa Sen Home project	73,383,240,019	169,996,445,030
Major maintenance expenses of fixed assets	13,119,891,601	3,004,223,995
Others	845,522,852	1,472,949,719
	<hr/>	<hr/>
	106,037,865,309	180,277,059,193
	<hr/>	<hr/>

Movements of construction in progress during the year were as follows:

	Year ended	
	30/9/2022	30/9/2021
	VND	VND
Opening balance	180,277,059,193	5,338,412,183
Additions	272,415,965,753	179,587,597,217
Transfers to tangible fixed assets	(320,452,190,169)	(3,429,005,166)
Transfers to long-term prepaid expenses	(25,723,501,813)	-
Transfers to short-term prepaid expenses	(479,467,655)	(1,219,945,041)
	<hr/>	<hr/>
Closing balance	106,037,865,309	180,277,059,193
	<hr/>	<hr/>

Hoa Sen Group**Notes to the separate financial statements for the year ended 30 September 2022
(continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
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	30/9/2022 VND	1/10/2021 VND
Term deposits	5,000,000,000	5,000,000,000

Held-to-maturity investments - short-term included term deposits in VND at banks with original terms to maturity of more than 3 months from their transaction dates and less than 12 months from the end of the annual accounting period. As at 30 September 2022, these term deposits earned interest at rate of 4% per annum (1/10/2021: 3.7% per annum).

Held-to-maturity investments - long-term

	30/9/2022 VND	1/10/2021 VND
Bonds issued by Vietnam Bank for Industry and Trade Securities Joint Stock Company (*)	15,000,000,000	15,000,000,000
Bonds issued by Agribank Securities Corporation (**)	1,000,000,000	1,000,000,000
	16,000,000,000	16,000,000,000

(*) These bonds have 10 year tenor, are denominated in VND and earn interest at the average interest rate of 12 months Vietnam Dong individual saving deposits quoted by 4 local banks (Agribank, Vietcombank, Vietinbank and BIDV) plus an annual margin of 1.2%.

(**) These bonds have 7 year tenor, are denominated in VND and earn interest at the average interest rate of 12 months Vietnam Dong individual saving deposits quoted by 4 local banks (Agribank, Vietcombank, Vietinbank and BIDV) plus an annual margin of 1.2%.

Hoa Sen Group

Notes to the separate financial statements for the year ended 30 September 2022 (continued)

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(b) Equity investments in other entities

	30/9/2022		1/10/2021			
	% of equity owned/voting rights	Cost VND	Allowance for diminution in value VND	% of equity owned/voting rights	Cost VND	Allowance for diminution in value VND
Investments in subsidiaries						
▪ Hoa Sen Nghe An One Member Limited Liabilities Company	100%	1,100,000,000,000	-	100%	1,100,000,000,000	-
▪ Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liability Company	100%	770,000,000,000	-	100%	770,000,000,000	-
▪ Hoa Sen Steel One Member Company Limited	100%	280,000,000,000	-	100%	280,000,000,000	-
▪ Hoa Sen Phu My One Member Limited Liabilities Company	100%	250,000,000,000	-	100%	250,000,000,000	-
▪ Hoa Sen Ha Nam One Member Limited Liability Company	100%	200,000,000,000	-	100%	200,000,000,000	-
▪ Hoa Sen Plastics Joint Stock Company (formerly known as Hoa Sen Building Materials Company Limited)	99.95%	299,850,000,000	-	100%	150,000,000,000	-
▪ Hoa Sen Binh Dinh Sole Member Limited Company	100%	105,000,000,000	-	100%	105,000,000,000	-
▪ Hoa Sen Yen Bai Joint Stock Company	95%	323,000,000,000	-	95%	323,000,000,000	-
▪ Hoa Sen Yen Bai Building Materials One Member Limited Liabilities Company	100%	50,000,000,000	-	100%	50,000,000,000	-
		<u>3,377,850,000,000</u>	<u>-</u>		<u>3,228,000,000,000</u>	<u>-</u>
Investment in an associate						
▪ Hoa Sen International Port Joint Stock Company (i)	-	-	-	-	-	-
		<u>3,377,850,000,000</u>	<u>-</u>		<u>3,228,000,000,000</u>	<u>-</u>

Hoa Sen Group**Notes to the separate financial statements for the year ended 30 September 2022**

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Form B 09 – DN*(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

- (i) Hoa Sen International Port Joint Stock Company was incorporated under Enterprise Registration Certificate No. 3502399898 issued by the Department of Planning and Investment of Ba Ria Vung Tau Province on 5 July 2019, in which the Company holds 49% ownership. As at 30 September 2022, the Company has not yet contributed capital to Hoa Sen International Port Joint Stock Company.

Movements of investments in subsidiaries during the year were as follows:

	Year ended	
	30/9/2022 VND	30/9/2021 VND
Opening balance	3,228,000,000,000	3,051,965,000,000
Increase in investments in subsidiaries by off setting accounts receivable from customers	149,850,000,000	-
Increase in investments in subsidiaries by offsetting loan receivables	-	241,182,178,499
Increase in investments in subsidiaries by offsetting loan interest receivables	-	10,623,438,808
Capital contribution in cash	-	22,668,142,693
Disposals of subsidiaries	-	(98,438,760,000)
Closing balance	3,377,850,000,000	3,228,000,000,000

15. Prepaid expenses**(a) Short-term prepaid expenses**

	30/9/2022 VND	1/10/2021 VND
Rental expenses	64,585,607,908	60,086,558,798
Advertising expenses	7,532,677,931	4,977,085,978
Tools and instruments	8,433,302,530	7,318,855,307
Maintenance expenses	4,186,028,112	3,605,758,234
Insurance fee	2,156,343,069	599,821,424
Consulting expenses	188,404,107	430,991,668
Other short-term prepaid expenses	7,665,903,363	8,571,316,992
	94,748,267,020	85,590,388,401

Hoa Sen Group**Notes to the separate financial statements for the year ended 30 September 2022**

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Form B 09 – DN*(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***(b) Long-term prepaid expenses**

	30/9/2022	1/10/2021
	VND	VND
Advertising panels	25,604,930,564	15,059,349,254
Tools and instruments	18,132,685,548	9,550,254,921
Maintenance expenses	10,989,601,459	3,918,465,569
Prepaid rental expenses	10,596,319,316	6,266,006,987
Other long-term prepaid expenses	4,316,243,853	3,885,929,204
	<hr/>	<hr/>
	69,639,780,740	38,680,005,935
	<hr/>	<hr/>

Movements of long-term prepaid expenses during the year were as follows:

	Year ended	
	30/9/2022	30/9/2021
	VND	VND
Opening balance	38,680,005,935	48,265,344,770
Additions	38,837,490,092	33,716,445,821
Transfers from construction in progress	25,723,501,813	-
Transfers to short-term prepaid expenses	-	(3,500,000)
Amortisation for the year	(33,467,890,065)	(43,208,346,116)
Disposals	(133,327,035)	(89,938,540)
	<hr/>	<hr/>
Closing balance	69,639,780,740	38,680,005,935
	<hr/>	<hr/>

16. Deferred tax assets

	Tax rate	30/9/2022	1/10/2021
		VND	VND
<i>Deferred tax assets are recognised for:</i>			
▪ Accrued expenses	20%	72,253,284,528	61,879,057,711
▪ Allowances and provisions	20%	41,258,116,558	18,837,873,435
▪ Unrealised (losses)/profits	20%	(3,957,312,283)	6,397,076,592
		<hr/>	<hr/>
		109,554,088,803	87,114,007,738
		<hr/>	<hr/>

Hoa Sen Group
Notes to the separate financial statements for the year ended 30 September 2022
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17. Accounts payable to suppliers

(a) Accounts payable to suppliers detailed by significant suppliers

	Cost/Amount within repayment capacity	
	30/9/2022	1/10/2021
	VND	VND
Formosa Ha Tinh Steel Corporation	484,333,050,520	1,508,956,770,530
Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liability Company	466,964,809,368	161,764,492,000
Hoa Sen Binh Dinh Sole Member Limited Company	458,751,657,862	199,491,934,084
Hoa Sen Ha Nam One Member Limited Liability Company	205,051,386,730	159,185,584,085
Kim Quoc Steel Company Limited	-	622,557,774,639
Xiamen ITG Group Corporation Limited	-	630,195,444,218
Other suppliers	355,534,682,448	1,001,111,896,444
	1,970,635,586,928	4,283,263,896,000

(b) Accounts payable to suppliers who are related parties

	Cost/Amount within repayment capacity	
	30/9/2022	1/10/2021
	VND	VND
<i>Subsidiaries</i>		
Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liability Company	466,964,809,368	161,764,492,000
Hoa Sen Binh Dinh Sole Member Limited Company	458,751,657,862	199,491,934,084
Hoa Sen Ha Nam One Member Limited Liability Company	205,051,386,730	159,185,584,085
Hoa Sen Yen Bai Building Materials One Member Limited Liabilities Company	47,205,825,100	83,547,848,008
<i>Companies owned by the Company's Chairman</i>		
Hoa Sen Holdings Group	517,408,886	6,124,567,058
Hoa Sen Nghe An Investment Company Limited	86,963,661	13,356,842

The trade related amounts due to the related parties were unsecured, interest free and are payable within 365 days from invoice dates for subsidiaries and are payable within 45 days from invoice dates for companies owned by the Company's Chairman.

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Notes to the separate financial statements for the year ended 30 September 2022 (continued)

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18. Taxes payable to and receivable from State Treasury

(a) Taxes payable to State Treasury	1/10/2021 VND	Incurred VND	Paid VND	Netted-off VND	Reclassified VND	30/9/2022 VND
Value added tax	171,521,480,386	7,065,581,782,480	(1,212,089,778,311)	(6,022,256,270,095)	-	2,757,214,460
Import-export tax	165,867,784	1,516,375,380	(1,602,669,055)	-	-	79,574,109
Corporate income tax	136,065,227,788	23,681,645,484	(288,320,745,818)	-	128,573,872,546	-
Personal income tax	1,399,044,497	41,436,356,103	(39,291,639,304)	(1,095,867,295)	(8,814,295)	2,439,079,706
Other taxes	88,800,000	2,013,998,477	(2,103,747,846)	-	949,369	-
	309,240,420,455	7,134,230,157,924	(1,543,408,580,334)	(6,023,352,137,390)	128,566,007,620	5,275,868,275
(b) Taxes receivable from State Treasury						
Corporate income tax			-	-	128,573,872,546	128,573,872,546
Personal income tax	13,619,717			-	(8,814,295)	4,805,422
Other taxes	-		-	-	949,369	949,369
	13,619,717			-	128,566,007,620	128,579,627,337

Hoa Sen Group**Notes to the separate financial statements for the year ended 30 September 2022**

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	30/9/2022	1/10/2021
	VND	VND
Salary and bonus	175,807,342,057	150,283,536,463
Transportation expenses	8,772,973,606	43,534,163,796
Construction in progress	5,981,920,235	6,849,402,456
Interest expense	3,142,061,456	9,084,253,069
Electricity expenses	10,580,760,500	34,655,876
Others	3,276,261,601	5,014,233,506
	<hr/>	<hr/>
	207,561,319,455	214,800,245,166
	<hr/>	<hr/>

20. Other payables – short-term

	30/9/2022	1/10/2021
	VND	VND
Short-term deposits received	4,533,857,502	19,134,400,000
Dividend payables	3,546,546,977	3,940,190,477
Social insurance, health insurance, unemployment insurance and union funds	1,807,923,260	528,125,900
Import financing payables (*)	-	3,226,391,554,000
Other payables	9,090,817,627	6,587,875,826
	<hr/>	<hr/>
	18,979,145,366	3,256,582,146,203
	<hr/>	<hr/>

- (*) These amounts represented amounts payable for Usance payable at sight Letters of credit (UPAS L/C) provided by Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Industrial Park Branch, Ho Chi Minh City Development Joint Stock Commercial Bank, Vietnam International Commercial Joint Stock Bank - Ho Chi Minh City Branch, Vietnam Maritime Commercial Joint Stock Bank - Ho Chi Minh City Branch and Tien Phong Commercial Joint Stock Bank - Ben Thanh Branch with tenors from 90 to 120 days after sight. If the Company cannot make payment on the due date, these amounts will be automatically converted into bank loans.

Hoa Sen Group

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21. Short-term borrowings

	1/10/2021	Movements during the year		30/9/2022
	Carrying amount/ Amount within repayment capacity VND	Additions VND	Repayments VND	Carrying amount/ Amount within repayment capacity VND
Short-term borrowings	4,754,513,830,764	32,420,046,369,416	(33,679,445,401,829)	50,442,352,365
				3,545,557,150,716

Hoa Sen Group
Notes to the separate financial statements for the year ended 30 September 2022 (continued)

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Terms and conditions of outstanding short-term borrowings were as follows:

Lenders	Note	Currency	30/9/2022 VND	1/10/2021 VND
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Industrial Park Branch	(i)	VND	67,760,505,201	75,643,458,480
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Industrial Park Branch	(i)	USD	1,299,533,881,430	777,548,744,645
▪ Joint Stock Commercial Bank for Foreign Trade of Vietnam - South Binh Duong Branch	(ii)	VND	1,338,014,916,558	60,000,000,000
▪ Joint Stock Commercial Bank for Foreign Trade of Vietnam - South Binh Duong Branch	(ii)	USD	151,710,297,416	1,453,181,080,932
▪ Bank for Investment and Development of Vietnam - Transaction Office Branch 2	(iii)	VND	-	347,681,380,658
▪ HSBC Bank (Vietnam) Ltd.	(iv)	VND	421,607,418,953	1,186,536,814,890
▪ Sinopac Bank - Ho Chi Minh City Branch	(v)	VND	-	56,000,000,000
▪ United Overseas Bank (Vietnam) Limited	(vi)	VND	266,930,131,158	34,366,092,843
▪ United Overseas Bank (Vietnam) Limited	(vi)	USD	-	384,498,035,750
▪ Malayan Banking Berhad - Ho Chi Minh City Branch	(vii)	VND	-	60,626,701,580
▪ Malayan Banking Berhad - Ho Chi Minh City Branch	(vii)	USD	-	73,836,076,658
▪ Vietnam Maritime Joint Stock Commercial Bank - Ho Chi Minh City Branch	(viii)	VND	-	67,617,983,015
▪ CTBC Bank Co., Ltd - Ho Chi Minh City Branch	(ix)	VND	-	75,695,575,053
▪ CTBC Bank Co., Ltd - Ho Chi Minh City Branch	(ix)	USD	-	101,281,886,260
			3,545,557,150,716	4,754,513,830,764

Hoa Sen Group

Notes to the separate financial statements for the year ended 30 September 2022 (continued)

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Terms and conditions of outstanding short-term borrowings were as follows:

Lenders	Currency	Credit limit	Interest rate		Pledged assets
			30/9/2022	1/10/2021	
i. Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Industrial Park Branch	VND USD	VND4,000 billion	3.86% - 4.10% 2.50%	3.50% 1.50% - 2.00%	Land use rights, buildings, structures, machinery and equipment, accounts receivable
ii. Joint Stock Commercial Bank for Foreign Trade of Vietnam - South Binh Duong Branch	VND USD	VND2,400 billion	4.50% - 5.0% 1.60% - 1.90%	3.50% 1.30%	Land use rights, machinery and equipment and inventories, buildings, structures, accounts receivable
iii. Bank for Investment and Development of Vietnam - Transaction Office Branch 2	VND	VND1,500 billion	-	3.50% - 3.80%	Inventories, machinery and equipment and a part of the construction on land of Hoa Sen Nghe An One Member Limited Liabilities Company, a subsidiary
iv. HSBC Bank (Vietnam) Ltd.	VND	USD60 million	4.30% - 5.0%	3.35%	Inventories, machinery and equipment, land use rights and constructions on land and a part of the fixed assets of Hoa Sen Binh Dinh Sole Member Limited Company, a subsidiary
v. Sinopac Bank - Ho Chi Minh City Branch	VND	USD6 million	-	3.30%	Unsecured
vi. United Overseas Bank (Vietnam) Limited	VND USD	USD23 million	4.30% - 5.20%	3.00% 1.60%	Inventories
vii. Malayan Banking Berhad - Ho Chi Minh City Branch	VND USD	USD6.6 million	-	3.20% - 3.30% 1.40%	Inventories
viii. Vietnam Maritime Joint Stock Commercial Bank - Ho Chi Minh City Branch	VND	VND500 billion	-	3.90%	Unsecured

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Lenders	Currency	Credit limit	Interest rate		Pledged assets
			30/9/2022	1/10/2021	
ix. CTBC Bank Co., Ltd - Ho Chi Minh City Branch	VND	USD15	-	3.60%	Unsecured
	USD	million	-	1.45%	

Hoa Sen Group
Notes to the separate financial statements for the year ended 30 September 2022
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22. Bonus and welfare funds

Movements of bonus and welfare funds during the year were as follows:

	Year ended	
	30/9/2022 VND	30/9/2021 VND
Opening balance	75,028,510,629	43,062,695,661
Appropriation from retained profits	172,540,289,352	46,120,560,692
Utilisation of funds during the year	(40,868,974,159)	(14,154,745,724)
Closing balance	206,699,825,822	75,028,510,629

23. Provisions – long-term

Provisions – long-term represented provision for severance allowance. Movements of provision for severance allowance during the year were as follows:

	Year ended	
	30/9/2022 VND	30/9/2021 VND
Opening balance	12,943,057,267	9,617,344,666
Provision made during the year	581,141,920	3,325,712,601
Closing balance	13,524,199,187	12,943,057,267

Hoa Sen Group

Notes to the separate financial statements for the year ended 30 September 2022 (continued)

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24. Changes in owners' equity

	Share capital VND	Share premium VND	Treasury shares VND	Other equity funds VND	Retained profits VND	Total VND
Balance at 1 October 2020	4,446,252,130,000	151,583,183,521	(3,271,000,000)	35,535,781,824	2,394,497,079,753	7,024,597,175,098
Net profit for the year	-	-	-	-	4,375,801,849,593	4,375,801,849,593
Share dividends (i)	444,566,830,000	-	-	-	(444,566,830,000)	-
Re-issuance of treasury shares	-	5,709,355,547	3,271,000,000	-	-	8,980,355,547
Shares issued under employee stock ownership plans (ii)	44,000,000,000	-	-	-	-	44,000,000,000
Appropriation to bonus and welfare fund	-	-	-	-	(46,120,560,692)	(46,120,560,692)
Appropriation for performance bonus	-	-	-	-	(39,134,000,000)	(39,134,000,000)
Appropriation to equity funds (iii)	-	-	-	104,632,701,681	(104,632,701,681)	-
Utilisation of funds	-	-	-	(49,473,282,240)	-	(49,473,282,240)
Balance at 1 October 2021	4,934,818,960,000	157,292,539,068	-	90,695,201,265	6,135,844,836,973	11,318,651,537,306
Net profit for the year	-	-	-	-	48,170,557,444	48,170,557,444
Share dividends (i)	996,722,900,000	-	-	-	(996,722,900,000)	-
Shares issued under employee stock ownership plans (ii)	49,008,000,000	-	-	-	-	49,008,000,000
Appropriation to bonus and welfare fund	-	-	-	-	(172,540,289,352)	(172,540,289,352)
Appropriation to equity funds (iii)	-	-	-	172,965,686,783	(172,965,686,783)	-
Utilisation of funds	-	-	-	(76,161,878,172)	-	(76,161,878,172)
Balance at 30 September 2022	5,980,549,860,000	157,292,539,068	-	187,499,009,876	4,841,786,518,282	11,167,127,927,226

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Notes to the separate financial statements for the year ended 30 September 2022 (continued)

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*(Issued under Circular No. 200/2014/TT-BTC
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- (i) In accordance with the Resolution of the Board of Directors dated 29 September 2022, the Company increased its share capital from paying share dividends. There were 99,672,290 shares issued with par value of VND10,000/share (for the year ended 30 September 2021: in accordance with the Resolution of the General Meeting of Shareholders dated 13 January 2020 and the Resolution of Board of Directors dated 24 May 2021, the Company issued 44,456,683 shares with par value of VND10,000/share).
- (ii) In accordance with the Resolution of the General Meeting of Shareholders dated 21 March 2022 and the Resolution of the Board of Directors dated 25 April 2022, the Company approved and issued shares under the employee stock ownership plans (“ESOP”) for directors and management personnel of Hoa Sen Group in 2022. Accordingly, the Company issued 4,900,800 shares with par value of VND10,000/share (for the year ended 30 September 2021: in accordance with the Resolution of the General Meeting of Shareholders dated 21 January 2021 and the Resolution of the Board of Directors dated 4 August 2021, the Company approved and issued 4,400,000 shares under the employee stock ownership plans with a par value of VND10,000/share).
- (iii) In accordance with the Resolution of the Board of Directors dated 16 November 2021, the Company has appropriated VND172,966 million from retained profits brought forward (for the year ended 30 September 2021: the Company has appropriated VND40,356 million from retained profits brought forward according to the Resolution of the Board of Directors dated 1 October 2020 and VND64,277 million from profit after tax of the year according to the Resolution of the Board of Directors dated 1 April 2021) to other equity funds to finance the remuneration, charitable activities and operating expenses of the Board of Directors.

Hoa Sen Group

Notes to the separate financial statements for the year ended 30 September 2022

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Form B 09 – DN*(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***25. Share capital**

The Company's authorised and issued share capital are:

	30/9/2022		1/10/2021	
	Number of shares	VND	Number of shares	VND
Authorised and issued share capital				
Ordinary shares	598,054,986	5,980,549,860,000	493,481,896	4,934,818,960,000
Shares in circulation				
Ordinary shares	598,054,986	5,980,549,860,000	493,481,896	4,934,818,960,000

All ordinary shares have a par value of VND10,000 each. Each share is entitled to one vote at shareholders' meetings of the Company. Shareholders are entitled to receive dividend as declared from time to time. All ordinary shares are ranked equally in regard to the Company's residual assets. In respect of shares bought back by the Company prior to 1 January 2021, all rights are suspended until those shares are reissued.

Movements of share capital during the year were as follows:

	Year ended			
	30/9/2022		30/9/2021	
	Number of shares	VND	Number of shares	VND
Opening balance	493,481,896	4,934,818,960,000	444,625,213	4,446,252,130,000
Share dividends	99,672,290	996,722,900,000	44,456,683	444,566,830,000
Shares issued under employee stock ownership plans	4,900,800	49,008,000,000	4,400,000	44,000,000,000
Closing balance	598,054,986	5,980,549,860,000	493,481,896	4,934,818,960,000

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Notes to the separate financial statements for the year ended 30 September 2022
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26. Off balance sheet items

(a) Leases

The future minimum lease payments under non-cancellable operating leases were:

	30/9/2022	1/10/2021
	VND	VND
Within one year	190,704,970,814	175,830,612,602
From two to five years	671,436,595,330	660,021,307,908
More than five years	402,599,723,559	409,868,094,705
	1,264,741,289,703	1,245,720,015,215
	1,264,741,289,703	1,245,720,015,215

(b) Foreign currency

	30/9/2022		1/10/2021	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	1,907,538	45,263,920,554	10,326,201	233,974,279,650
		45,263,920,554		233,974,279,650
		45,263,920,554		233,974,279,650

(c) Capital expenditure commitments

The Company had the following outstanding capital expenditure commitments approved but not provided for in the separate balance sheets:

	30/9/2022	1/10/2021
	VND	VND
Approved and contracted	43,430,903,759	111,387,661,390
	43,430,903,759	111,387,661,390
	43,430,903,759	111,387,661,390

Hoa Sen Group**Notes to the separate financial statements for the year ended 30 September 2022**

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Form B 09 – DN*(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***27. Revenue from sales of goods and provision of services**

Total revenue represents the gross value of goods sold and services provided, exclusive of value added tax.

Net revenue comprised:

	Year ended	
	30/9/2022	30/9/2021
	VND	VND
Total revenue		
▪ Sales of merchandise goods	57,808,704,593,493	63,707,475,115,992
▪ Sales of finished goods	23,634,273,781,682	22,726,584,674,370
▪ Others	7,249,838,102	7,448,106,811
	<hr/>	<hr/>
	81,450,228,213,277	86,441,507,897,173
	<hr/>	<hr/>
Less revenue deductions		
▪ Sales discounts	235,503,862,029	153,562,023,411
▪ Sales returns	22,285,866,464	19,989,289,800
▪ Sales allowances	2,957,269,685	948,149,530
	<hr/>	<hr/>
	260,746,998,178	174,499,462,741
	<hr/>	<hr/>
Net revenue	81,189,481,215,099	86,267,008,434,432
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28. Cost of sales

	Year ended	
	30/9/2022	30/9/2021
	VND	VND
Total cost of sales:		
▪ Merchandise goods sold	55,515,097,480,925	60,545,116,745,484
▪ Finished goods sold	21,760,279,939,401	19,898,049,520,909
▪ Others	920,657,823	1,641,942,582
▪ Allowance made during the year	112,125,331,612	55,920,217,310
	<hr/>	<hr/>
	77,388,423,409,761	80,500,728,426,285
	<hr/> <hr/>	<hr/> <hr/>

Hoa Sen Group**Notes to the separate financial statements for the year ended 30 September 2022
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	Year ended	
	30/9/2022	30/9/2021
	VND	VND
Interest income from term deposits and loans receivable	10,315,629,445	8,079,826,962
Profits from financial investments	1,094,800,000	1,677,000,000
Profits distribution	154,371,185,341	2,313,430,131,015
Gains from disposals of subsidiaries	-	89,661,240,000
Realised foreign exchange gains	251,951,061,756	239,848,361,972
Unrealised foreign exchange gains	5,999,777,701	4,361,788,337
Other financial income	1,435,150,636	3,334,209,311
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	425,167,604,879	2,660,392,557,597

30. Financial expenses

	Year ended	
	30/9/2022	30/9/2021
	VND	VND
Interest expense	176,518,452,634	163,982,509,811
Realised foreign exchange losses	242,244,477,150	189,348,549,748
Other financial expenses	1,126,303,852	719,393,807
	<hr/>	<hr/>
	419,889,233,636	354,050,453,366

Hoa Sen Group**Notes to the separate financial statements for the year ended 30 September 2022**

(continued)

Form B 09 – DN*(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***31. Selling expenses**

	Year ended	
	30/9/2022	30/9/2022
	VND	VND
Staff costs	800,829,008,111	572,789,649,650
Export expenses	1,788,319,799,615	1,697,338,531,240
Rental expenses	191,267,820,840	157,374,566,374
Depreciation and amortisation	143,706,365,940	141,316,737,508
Advertising expenses	94,421,008,749	60,889,736,428
Domestic transportation expenses	192,663,313,546	172,601,983,301
Outside services	70,052,660,275	56,695,244,435
Other selling expenses	187,899,547,586	112,920,091,606
	<hr/>	<hr/>
	3,469,159,524,662	2,971,926,540,542
	<hr/>	<hr/>

32. General and administration expenses

	Year ended	
	30/9/2022	30/9/2021
	VND	VND
Staff costs	137,809,115,329	107,547,022,862
Depreciation and amortisation	31,898,095,327	29,172,591,956
Outside services	51,617,783,651	29,405,088,651
Guest reception expenses	12,241,321,628	11,490,258,007
Rental expenses	18,518,659,374	17,225,095,414
Professional services	5,260,489,540	6,621,202,829
Business trip expenses	9,059,375,388	4,948,345,429
Other general and administration expenses	56,612,516,972	46,788,391,698
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	323,017,357,209	253,197,996,846
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Hoa Sen Group

Notes to the separate financial statements for the year ended 30 September 2022

(continued)

Form B 09 – DN*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***33. Production and business costs by element**

	Year ended	
	30/9/2022	30/9/2021
	VND	VND
Raw material costs	20,525,871,449,898	19,634,118,684,123
Labour costs and staff costs	1,020,188,374,598	761,610,810,434
Depreciation and amortisation	288,742,037,855	297,087,701,643
Outside services	2,383,274,263,506	2,266,088,195,975
Others	740,564,626,415	558,927,543,337

34. Income tax**(a) Recognised in the separate statement of income**

	Year ended	
	30/9/2022	30/9/2021
	VND	VND
Current tax expense		
Current period	22,742,463,666	515,776,476,827
Under provision in prior year	939,181,818	-
Deferred tax benefit		
Reversal of temporary differences	(22,440,081,065)	(47,359,805,957)
	1,241,564,419	468,416,670,870

Hoa Sen Group
Notes to the separate financial statements for the year ended 30 September 2022
(continued)

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(b) Reconciliation of effective tax rate

	Year ended	
	30/9/2022	30/9/2021
	VND	VND
Accounting profit before tax	49,412,121,863	4,844,218,520,463
Tax at the Company's tax rate	9,882,424,373	968,843,704,093
Non-deductible expenses	21,294,195,296	9,853,332,005
Tax exempt income	(30,874,237,068)	(462,686,026,203)
Under provision in prior year	939,181,818	-
Utilisation of prior year's unrecognised deferred tax assets	-	(47,594,339,025)
	1,241,564,419	468,416,670,870

(c) Applicable tax rates

Under the terms of Income Tax Law, the Company has an obligation to pay the government income tax at the rate of 20% of taxable profits.

Hoa Sen Group**Notes to the separate financial statements for the year ended 30 September 2022
(continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***35. Significant transactions with related parties**

In addition to related party balances disclosed in other notes to the separate financial statements, the Company had the following significant transactions with related parties during the year:

	Year ended	
	30/9/2022	30/9/2021
	VND	VND
Subsidiaries		
Hoa Sen Steel One Member Company Limited		
Sales of merchandise and finished goods	15,154,201,068,619	15,613,730,729,165
Purchases of merchandise and finished goods	16,849,446,476,866	15,866,720,483,372
Sale returns	461,604,000	-
Profit received	55,113,744,672	120,808,132,718
Payments on behalf	145,872,876,921	156,947,487,796
Other sales	734,960,549	3,725,953
Hoa Sen Plastics Joint Stock Company (formerly known as Hoa Sen Building Materials Company Limited)		
Sales of merchandise and finished goods	2,949,538,487,764	3,313,980,084,464
Purchases of merchandise and finished goods	2,667,095,069,278	2,850,430,034,029
Sales of fixed assets	596,981,403	-
Purchases of fixed assets	-	87,770,891
Assets leasing	132,000,000	469,580,644
Leases	1,667,888,665	1,645,321,674
Sales returns	1,506,534,607	1,270,533,793
Profit received	-	248,393,361,872
Other sales	1,171,818	1,590,334
Purchase returns/purchase discounts	317,064,314	56,469,898
Provision of transportation service	55,330,646	49,359,856
Hoa Sen Binh Dinh Sole Member Limited Company		
Sales of merchandise and finished goods	53,100,202,214	7,970,825,645
Purchases of merchandise and finished goods	1,807,757,820,347	1,630,046,559,177
Sales of fixed assets	2,136,688,455	-
Purchases of fixed assets	-	1,141,000,000
Assets leasing	88,000,000	-
Profit received	32,534,930,981	69,057,496,793
Purchases of processing service	12,703,654	-
Purchases of transportation service	362,700,165	-
Other sales	19,747,239	748,320
Purchase discounts/purchase returns	909,091	2,418,702

Hoa Sen Group**Notes to the separate financial statements for the year ended 30 September 2022****(continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Year ended	
	30/9/2022	30/9/2021
	VND	VND
Hoa Sen Nghe An One Member Limited Liabilities Company		
Sales of merchandise and finished goods	11,338,681,473,292	14,380,220,390,226
Purchases of merchandise and finished goods	10,677,905,794,382	12,406,066,542,279
Sales of fixed assets	-	2,146,533,482
Sales returns/sales allowances	-	94,564,747
Purchase returns	1,313,093,999	2,964,150,670
Purchase discounts	179,379,341	56,386,365
Assets leasing	116,040,000	9,670,000
Leases	112,867,044	404,139,768
Profit received	-	946,725,035,692
Purchases of processing service	74,544,573,553	150,905,593,027
Purchases of transportation service	1,758,868,357	31,113,848,136
Other sales	5,265,843	20,713,740
Other purchases	466,646,471	2,654,343,654
Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liability Company		
Sales of merchandise and finished goods	5,916,912,916,961	8,720,363,728,904
Purchases of merchandise and finished goods	5,293,505,494,304	7,842,804,505,068
Sales of fixed assets	283,000,000	494,268,668
Purchase returns	1,715,302,815	1,879,028,959
Profit received	-	756,039,601,281
Provision of transportation service	-	38,681,700
Purchases of transportation service	1,683,027,246	2,371,469,850
Provision of processing service	-	47,546,401
Purchases of processing service	48,253,646,596	144,483,750,356
Other purchases	191,314,130	1,223,005,802
Other sales	52,984,112	-
Hoa Sen Ha Nam One Member Limited Liability Company		
Sales of merchandise and finished goods	20,131,689,237	14,844,895,601
Purchases of merchandise and finished goods	579,971,845,803	756,002,857,208
Assets leasing	254,400,000	254,400,000
Profit received	59,919,400,868	155,962,216,359
Provision of processing service	-	999,180
Leases	96,000,000	166,000,000
Purchase returns/purchase discounts	64,144,064	26,197,280
Purchases of transportation service	148,220,156	-
Other sales	42,234,031	-
Other purchases	29,545,456	-

Hoa Sen Group**Notes to the separate financial statements for the year ended 30 September 2022****(continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Year ended	
	30/9/2022	30/9/2021
	VND	VND
Hoa Sen Yen Bai Joint Stock Company		
Loans granted to related party	2,700,000,000	68,000,000,000
Interest income	5,248,575,343	6,133,147,079
Capital contribution	-	209,000,000,000
Hoa Sen Phu My One Member Limited Liabilities Company		
Sales of merchandise and finished goods	1,602,249,854,813	872,839,230,596
Purchases of merchandise and finished goods	1,084,379,090,742	223,014,878,397
Leases	5,400,926,396	600,000,000
Sales returns/sales allowances	1,494,701,100	-
Purchase discounts	-	72,625,730
Provision of transportation service	10,229,427	-
Other purchases	200,345,454	82,990,910
Other sales	2,051,444	-
Purchases of transportation service	1,422,234	-
Purchase returns	494,720,491	-
Hoa Sen Yen Bai Building Materials One Member Limited Liabilities Company		
Sales of merchandise and finished goods	5,323,476,510	5,757,375,828
Purchases of merchandise and finished goods	426,566,323,005	498,581,508,868
Purchases of fixed assets	-	289,355,615
Purchases of transportation service	53,318,348	-
Purchase discounts	-	11,515,987
Profit received	6,803,108,820	16,444,286,300
Other sales	185,822	-
Hoa Sen Du Long Industrial Park Infrastructure Investment Joint Stock Company (previously as a subsidiary)		
Interest income	-	1,586,146,347



Hoa Sen Group**Notes to the separate financial statements for the year ended 30 September 2022****(continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Year ended	
	30/9/2022 VND	30/9/2021 VND
Company owned by the Company's Chairman		
Hoa Sen Holdings Group		
Sales of merchandise and finished goods	3,092,150,468,293	2,005,614,625,990
Sales of fixed assets	836,100,000	278,700,000
Other sales	108,548,139	-
Purchases of merchandise and finished goods	-	12,281,818
Assets leasing	3,426,751,992	3,426,751,992
Provision of processing service	7,004,452	94,664,218
Provision of transportation service	5,624,030	6,777,318
Purchases of transportation service	54,223,963,947	57,513,075,054
Purchases of processing service	-	1,300,909
Operating lease expenses	11,691,820,663	10,271,374,544
Sales discounts	40,668,612,691	13,007,397,387
Sales allowances	54,727,273	-
Sales returns	4,211,655,248	7,185,669,645
Purchases of other services	-	2,727,273
Interest income on late payment	733,063	2,490,522,129
Interest income	-	50,630,137
Hoa Sen Nghe An Investment Company Limited		
Transportation expenses	615,505,112	127,061,336
Members of Board of Directors		
Remuneration		
Mr. Le Phuoc Vu – Chairman	360,000,000	360,000,000
Mr. Tran Ngoc Chu – Vice Chairman	300,000,000	300,000,000
Mr. Tran Quoc Tri – Member	240,000,000	240,000,000
Mr. Ly Van Xuan – Member	300,000,000	290,000,000
Mr. Nguyen Van Luan – Member	360,000,000	340,000,000
Mr. Dinh Viet Duy – Member	300,000,000	290,000,000
General Director		
Salary, bonuses and other allowances	2,706,721,532	1,967,900,022
Other members of Board of Management		
Salary, bonuses and other allowances	16,587,416,081	34,209,331,101

Hoa Sen Group
Notes to the separate financial statements for the year ended 30 September 2022
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36. Non-cash investing and financing activities

	Year ended	
	30/9/2022	30/9/2021
	VND	VND
Costs of fixed assets acquired through occurrence of liabilities	93,030,622,427	93,574,105,467
Prepayments for purchase of fixed assets	24,220,798,320	8,710,578,881
Netting-off trade payables and receivables from profit distribution	2,088,425,817,863	795,208,077,723
Conversion of loan receivables into investments in subsidiaries	-	241,182,178,499
Increase in investment in subsidiaries by off setting accounts receivable from customers	149,850,000,000	10,623,438,808

37. Comparative information


The comparative information as at 1 October 2021 was derived from the balances and amounts reported in the Company's separate financial statements as at and for the year ended 30 September 2021.

27 December 2022

Prepared by:


 Nguyen Thi Thanh Tuyen
 Accountant

Approved by:


 Nguyen Thi Ngoc Lan
 Chief Accountant



 Tran Quoc Tri
 General Director

