



Strongly Uprising



REPRESENTATIVE OFFICE

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GOLDEN LOTUS

GOLD QUALITY

INDEX



- 04 Culture of 10 "T" Letters
- 05 Vision - Mission - Core Values
- 07 Message from Chairman of the Board of Directors



09 INTRODUCTION OF HOA SEN GROUP

- 10 General Information
- 12 Outstanding activities in the fiscal year 2020 - 2021
- 14 Awards and Achievements
- 16 History of Establishment and Development
- 22 Model of Hoa Sen Group

- 24 Organizational structure of (Parent Company) Hoa Sen Group
- 26 Members of the Board of Directors
- 29 Members of the Board of Management
- 32 Production capacity
- 34 Product Category
- 39 5 Core competitive advantages



50 REPORT OF PRODUCTION AND BUSINESS ACTIVITIES

- 52 Report of the Board of Directors
- 60 Report of the Board of Management



68 CORPORATE GOVERNANCE

- 70 Principles of business ethics
- 71 Activities of the Board of Directors
- 82 Investor Relations
- 84 Share Information and Changes in equity
- 86 Risk Management
- 88 Organization and Human Resources
- 94 Recruitment and training
- 95 Branch System Subsidiaries and Affiliated Companies



110 SUSTAINABLE DEVELOPMENT REPORT

- 112 Sustainable relationship with Related Parties
- 115 Acquisition of Related Parties' feedback
- 120 Improvements of Human Resource, Policy, Governance
- 124 Responsibility to the products
- 126 Environment and Energy
- 129 Optimizing Economic Efficiency
- 130 Communities Oriented Activities



137 FINANCIAL STATEMENTS

- Separate Financial statements For the Fiscal year ending September 30, 2021
- Consolidated Financial statements For the Fiscal year ending September 30, 2021

Culture Of

10 "T" LETTERS

INTEGRITY
LOYALTY
DEDICATION
TALENT
FRIENDLINESS

Vision

Becoming a leading firm in manufacturing and trading galvanized steel sheet, steel products, building materials and furniture in Vietnam through sustainable development strategy with the purpose of community development, environmental protection, maximizing the value for the society.

Mission

Providing Hoa Sen products and services that ensuring international quality, reasonable prices, diverse designs and environmental friendliness in order to fulfill the demands of the society.

Core values

Integrity – Community – Development

Corporate Culture

Integrity – Loyalty – Dedication – Talent – Friendliness



Mr. LE PHUOC VU - Chairman of the Board of Directors

MESSAGE FROM CHAIRMAN OF THE BOARD OF DIRECTORS

“ THANKS TO THE ADVANTAGES FROM THE FACTORY AND THE BRANCH SYSTEM – RETAIL STORES THAT COVER ALL OF VIETNAM, HOA SEN GROUP HAS MAINTAINED SMOOTH MANUFACTURING, TRADING, SUPPLYING ACTIVITIES WHEREAS THE WORLD AND VIETNAM ECONOMY WERE DEVASTATINGLY AFFECTED BY THE OUTBREAK OF COVID-19. BESIDES, INCREASING THE VOLUME OF EXPORT AT ALL MARKETS HAVE PLAYED A HUGE ROLE IN THE TOTAL VOLUME AND THE PROFIT OF THE GROUP DURING THE LAST FISCAL YEAR. WITH SUCH IMPRESSIVE PERFORMANCE AS WELL AS THE EFFORTS OF BOARD OF DIRECTORS, BOARD OF MANAGEMENT AND ALL OF EMPLOYEES, HOA SEN GROUP CONTINUES TO BE THE BEST FIRM IN TERM OF GALVANIZED STEEL SHEET IN VIETNAM IN BOTH DOMESTIC AND INTERNATIONAL MARKETS DURING THE FISCAL YEAR OF 2020-2021. ”

THE CONSUMPTION
2,253,733 TONS
IN THE FISCAL YEAR 2020 - 2021

NET REVENUE
48,727
BILLION VND

PROFIT AFTER TAX
4,313
BILLION VND

Dear Esteemed Shareholders,

2021 came to an end with positive signals that the economy is gradually recover after an unstable and challenging year, the domestic economy suffered from several serious damages due to Covid-19. Vietnam steel industry found itself in complicated situations because of the continuous fluctuation in the price of the raw material, increased domestic competition while export was under pressure of trading barriers from many markets in the world. However, with flexible, creative strategy, Hoa Sen group has overcome the difficulties, maintained effective manufacturing and trading activities; leading among steel companies in Vietnam with 37% market share of galvanized steel sheet and 21% of steel pipe.

At the end of the fiscal year of 2020-2021, consumption output of HSG reached 2,253,733 tons, net revenue reached 48,727 billion VND, consolidated net profit after tax was 4,313 billion VND. The consumption output, net revenue, consolidated net profit after tax increased by 39%, 77% and 274% compared to the fiscal year of 2019-2020, respectively.

After 20 years of establishment and development, Hoa Sen Group currently has 7,584 employees, a system with 10 factories near the ports which provides logistic benefits and retail system with 55 branches and 520 retail stores cover all of Vietnam, the products of Hoa Sen Group are presented at more than 87 countries and regions all over the globe. The export volume of Hoa Sen Group is growing rapidly at both traditional markets and new markets, especially at the markets that having high demand of galvanized steel such as North America or Europe. The Group always actively harmonize and maximize the sales volume between domestic and international market, meeting the needs of all of customers either within the border or not, guarantying running the factories at the maximum capacity during the fiscal year of 2020-2021.

To the new year of 2022, the market is forecasted to be uneasy due to the unpredictability of Covid-19 pandemic. Hoa Sen Group will do many things to achieve the set plan goals of the fiscal year of 2021-2022, include:

- Firstly, develop the network of Hoa Sen Home Building Materials and Furniture Supermarkets nationwide by upgrading current retail stores and open new stores; cooperate with the suppliers to diversify the building materials and furniture products.
- Secondly, using the strategy that build the brand recognition by creative media programs and social activities of Hoa Sen Brand.
- Thirdly, focus on finishing transferring the operating model of the Group to: concentrating on specialization in the field of business, promote the efficiency of manufacturing – trading activities of each field, concentrating the resources to develop the distribution segment as the strategic orientation and provide the maximized benefit to the shareholders.

Fiscal year of 2021-2022 is also a beginning point for a new development period of the Group, therefore, Board of Directors as well as the employees will be united and try the best to achieve the goals, plans that already set, create a premise to take further steps in the future. With effective administration mechanism, right growth strategy as well as an

experienced, dedicated, understanding the culture of “Integrity – Community – Development” labor force, Board of Directors strongly believe in the victories that we shall achieve in the future. On behalf of the Board of Directors and all employees of Hoa Sen Group, I would like to express my sincere appreciation for the trust and support of the Shareholders. Hopefully, you will be side by side with us in the next development chapters.

I wish you well, happy and successful.

Sincere thanks.

Chairman of the Board of Directors



LE PHUOC VU

WORLDWIDE SALES CHANNELS

87

COUNTRIES / TERRITORIES



INTRODUCTION OF HOA SEN GROUP



GENERAL INFORMATION



VIETNAMESE NAME:	CÔNG TY CỔ PHẦN TẬP ĐOÀN HOA SEN	
ENGLISH NAME:	HOA SEN GROUP	
Business Registration Certificate:	No. 3700381324 issued by the Department of Planning and Investment of Binh Duong Province on 8 August 2001, as amended.	
Chartered capital:	VND 4,934,818,960,000	
Headquarters:	No.09, Thong Nhat Boulevard, Song Than II Industrial Park, Di An Ward, Di An City, Binh Duong Province, Vietnam.	
Telephone:	028 3999 0111	Fax: 028 3847 9882
Website	http://www.hoasengroup.vn	

MAIN BUSINESS ACTIVITIES:

- Manufacturing roofing sheets by galvanized steel, zinc alloy, paint galvanized zinc plating and plating of other alloys;
- Producing steel purlins, galvanized purlins;
- Manufacturing black steel pipes, galvanized steel pipes and other alloys;
- Manufacturing steel mesh, galvanized steel wire, steel wire;
- Manufacturing and trading plastic building materials
- Buying and selling building materials, capital goods and consumer goods;
- Renting warehouse and transporting goods;
- Building industrial and civil constructions;
- Producing cold rolled steel coils;
- Leasing machinery and equipment and other tangible belongings.

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

OUTSTANDINGS FIGURES AND ACTIVITIES IN THE FISCAL YEAR OF 2020 – 2021



1

Hoa Sen Group continues to affirm its position as the best firm in term of galvanized steel in Vietnam for both domestic and international market, accounted for 37% domestic shares and more than 42% of the total export volume of the entire industry.

80

During the fiscal year 2020-2021, Hoa Sen Group continues to promote the growth of Hoa Sen Home Building Materials and Furniture Supermarket System nationwide by upgrading current stores and opening new stores; cooperates with the suppliers to diversify the building materials and furniture products. As of 31/12/2021, the Group has finished and operated 80 building materials and furniture supermarkets Hoa Sen Home throughout the country.

87

To the end of the fiscal year 2020-2021; Hoa Sen Group has exported to more than 87 countries and regions with the products that meet international qualities. During 2021, the export volume of Hoa Sen Group is still growing very fast, despite the outbreak period of Covid-19 around the globe, the average export volume per month is more than 100,000 tons.

575

During the fiscal year of 2020-2021; Hoa Sen Group has a distribution network of 575 branches, retail stores distributed all over the country and 10 factories which are near to international ports, make sure the factories can run at maximum capacity, producing and supplying enough goods under any condition.

Profit after tax is 4,313 billion VND

At the end of the fiscal year of 2020-2021, the Group has overcome difficulties, challenges from the outbreak of Covid-19; The Group has realized impressive business performance; net profit after tax reached 4,313 billion VND; increased by 274% compared to the previous fiscal year and finished by 288% compared to the plan that was passed by the General meeting of shareholders.

OUTSTANDING ACTIVITIES



The average export volume per month reached 100,000 tons.



As of 31/12/2021, the Group has finished and operated 80 Building Materials and Furniture Supermarkets nationwide.

NOTABLE AWARDS



The products of Hoa Sen Galvanized Steel Sheet and Hoa Sen Steel Pipe are honored to receive the Golden Quality National Award 2019-2020.



Hoa Sen Group is also honored in "Top 50 prestigious and efficient public company 2021" voted by Vietnam Report.



Hoa Sen Group is honored in "Top 50 Listing company of 2021" voted by Viet Nam Forbes.



The chain of Building materials and Furniture Hoa Sen Home supermarket of Hoa Sen Group is honored as "the iconic unit in providing building materials, furniture" organized by the magazine Business Review.



Hoa Sen Group is honored in "Top 10 Listing enterprises with the best administration" by Vietnam Chamber of Commerce and Industry (VCCI), the Magazine Enterprise Forum collaborate with INBUS, Vietnam Association of Accountants and Auditors (VAA), Vietnam Association of Corporate Directors (VACD) deploy.



Hoa Sen Group is announced in "Top 3 Mid Cap – Listing company with the IR activity that loved the most by the investors 2021" honored the listing companies with the best IR activities.

HISTORY OF ESTABLISHMENT AND DEVELOPMENT

8/8/2001
Hoa Sen Joint Stock Company, precursor of Hoa Sen Group Joint Stock Company, was established with an initial charter capital of

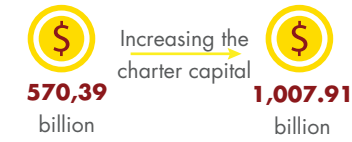


08/8/2004
Inaugurating Hoa Sen Group headquarters at No.9 Thong Nhat Boulevard, Song Than 2 Industrial Park, Di An Ward, Di An District, Binh Duong Province.

11/2006
Establishing Hoa Sen Steel Sheet Joint Stock Company with charter capital of VND 320 billion.

01/2007
Inaugurating Hoa Sen Cold Rolling Mill with capacity of 180,000 tons/year.

12/2007
Hoa Sen Joint Stock Company renamed to Hoa Sen Group Joint Stock Company and merged 3 companies: Hoa Sen Steel Sheet Joint Stock Company, Hoa Sen Building Materials Joint Stock Company and Hoa Sen Building Mechanical Joint Stock Company.



Putting into operation Galvanizing line (NOF technology) with capacity of 450,000 tons/year and Color coating line with capacity of 180,000 tons/year that belong to Hoa Sen Phu My Steel Sheet Plant Project.

EXPORT SALES ACHIEVED USD 180 MILLION

Becoming the leading exporter of steel sheets in Southeast Asia.

ANNOUNCING THE NEW BRAND IDENTITY SYSTEM



150 Branches

08/01/2014
Putting production lines of Phase 2 of Hoa Sen Phu My Steel Sheet Plant Project to increase the total designed capacity of current production lines of Hoa Sen Group to nearly 1 million tons of cold rolled coils/year and 1.2 million tons of coated steel sheets/year.



Hoa Sen Group is the first Vietnamese enterprise in Metal and Mining sector awarded "Best Managed Company in Asia 2014" by Euromoney Magazine (the United Kingdom).

- 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.

2001
2007

2019
2010

2011
2012

2013
2014

2008
2009

2010
2011

2012
2013

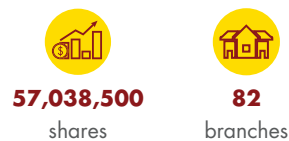
2014
2015

01/10/2008

Hoa Sen Group changed its fiscal year. Accordingly, Hoa Sen Group's fiscal year begins from October 1st and ends in September 30th of the following year.

5/12/2008

Stocks of Hoa Sen Group (code: HSG) were listed on Ho Chi Minh City Stock Exchange.



Starting the construction of Phase 1 of Hoa Sen Phu My Steel Sheet Plant Project at Phu My 1 Industrial Park, Ba Ria - Vung Tau Province.

EXPORT SALES ACHIEVED USD 101 MILLION

Completing Phase 1 of Hoa Sen Phu My Steel Sheet Plant Project



Third-grade Labor Medal



Top 10 of Vietnam Gold Star 2013



Top 10 of Corporate Social Responsibility

Putting Galvanizing line (NOF technology) of Phase 2 of Hoa Sen Phu My Steel Sheet Plant Project with a capacity of 120,000 tons/year into operation.

HOA SEN GROUP ACHIEVED TOP 100 OF LARGEST VIETNAMESE ENTERPRISES AND TOP 30 OF LARGEST VIETNAMESE PRIVATE ENTERPRISES 2012



04/2015

Hoa Sen Group was the only company in Vietnam selected to the list of Global Growth Companies by World Economic Forum.

190 Branches

11/2014

Hoa Sen Group was awarded "Vietnam Value 2014" by Ministry of Industry and Trade.

**HOA SEN STEEL SHEET PRODUCT
HOA SEN PLASTIC PIPE PRODUCT
HOA SEN STEEL PIPE PRODUCT**



28/3/2015

Inaugurating Phase 1 of Hoa Sen Binh Dinh Steel Pipe Plant



Increasing the charter capital

1,008 billion

1,965 billion

09/10/2015

Hoa Sen Group was honorably awarded "Brand Gold Cup for Environment to Develop 2015", and was also awarded "Top 10 Vietnam Friendly Environment Product 2015" for the Hoa Sen Plastic Pipes.

08/01/2016

Hoa Sen Group started construction of Hoa Sen Steel Sheet Plant Project at Nhon Hoi - Binh Dinh province with capacity of 180,000 tons of coated steel sheet/year and 90,000 tons color coated steel sheet/year.

17/3/2016

Hoa Sen Group invested in Hoa Sen Ha Nam Plant Project at Kien Khe I Industrial Park, Ha Nam Province. The project invested in the production lines with modern technology.

15/4/2016

Hoa Sen Group operated Hoa Sen Binh Dinh Plastic Pipes with capacity of 24,000 tons/year.

19/5/2016

Investing in the Hoa Sen Yen Bai Hotel and Residence Complex, marked officially the development strategy of Hoa Sen Group in the future.

06/6/2016

Hoa Sen Nghe An Plant at Dong Hoi Industrial Park - Nghe An province put Galvanizing line with NOF technology with capacity of 400,000 tons/year into operation and produced successfully the first finished steel coil.

22/7/2016

Opening the Representative Office No.2 at Vietcombank Tower - No.5 Me Linh Square, Ben Nghe Ward, District 1, to timely respond to the demands of human resources and facility for strong growth as well as serve for the Group's orientation of investment expansion.

06/8/2016

HONORABLY RECEIVING THE SECOND-GRADE LABOR MEDAL BY PRESIDENT OF THE SOCIALIST REPUBLIC OF VIETNAM.

**9/2016**

Hoa Sen Group was continuously awarded "Best Managed Company in Asia 2016" in metal and mining sector by Euromoney Magazine (the United Kingdom).



Hoa Sen Group was honorably awarded "50 Best Vietnamese Listed Companies" by Forbes Vietnam in four consecutive years.

**250** Branches**October 2018**

Hoa Sen Group officially put ERP system into operation, marking a great step of the Group in consolidating, tightening and optimizing the management, coordination and arrangement of resources.

January 20, 2018

Nhon Hoi - Binh Dinh Plant was honored to welcome Prime Minister Nguyen Xuan Phuc to visit and work.

May 8, 2018

Hoa Sen Group exported 15,000 tons of Steel Sheet to Europe at Quy Nhon Port, Binh Dinh Province. This was the first big shipment exported by Hoa Sen Group to Europe via Quy Nhon port.

May 18, 2018

Inauguration of Hoa Sen Yen Bai Building Materials Plant.

June 9, 2018

Hoa Sen Group was honored in the Top 50 Best Performing Companies in Vietnam 2018 (5 consecutive years).

July 9, 2018

The Group's charter capital was increased from VND 3,500 billion to VND 3,850 billion.

July 27, 2018

Hoa Sen Group was honored in the list of Top 50 best Listed Companies in Vietnam 2018 voted by Forbes Vietnam (6 consecutive years).

From July, 2018

Officially deploying the restructuring of Distribution System according to the model of Provincial Branch.

**491** Branches**2015**
2016**2017**
2018**2016**
2017**2018**
2019**29/5/2017**

Hoa Sen Group was honorably voted for "50 Best Vietnamese Listed Companies" by Forbes Vietnam (5 consecutive years)

6/2017

Hoa Sen Group was honorably awarded for "Top 50 Vietnam's Best Performing Companies awarded by Business Review Magazine (4 consecutive years)

7/2017

Hoa Sen Group achieved "Top 30 Best Annual Reports 2017"

9/2017

Hoa Sen Group was honorably awarded for "Typical South East Enterprise 2017"

Increasing the charter capital

1,965 Billion

3,500 Billion

30/11/2016

Achieving "Vietnam Value" in 2016 for three major product groups:



HOA SEN STEEL SHEET
HOA SEN PLASTIC PIPE
HOA SEN STEEL PIPE.

01/3/2017

Hoa Sen Group started the construction of Hoa Sen Yen Bai Steel Pipe Plant Project - the 11th plant of Hoa Sen Group and the 5th Plant in the North market.

**343** Branches**January 10, 2019**

Successfully exported a shipment of 17,000 tons of steel sheet from Hoa Sen Nghe An Plant to the U.S, worth more than 14 million USD.

Officially signed Strategic Cooperation between Hoa Sen Group and SK Shipping Company in the field of bulk cargo transport to international markets.

January 17, 2019

Hoa Sen Group continues to be honored in the Top 500 largest Enterprises in Vietnam.

From November 2018 to February 2019

Based on the results of the pilot model, Hoa Sen Group officially implemented restructuring the nationwide distribution network under Provincial Branch model, in

parallel with the application of ERP system into Provincial Branches. The Group has established 55 Provincial Branches in Provinces / Cities across the country and more than 400 Stores (Business Locations) under the Provincial Branch. At the same time, during this period, the Group has applied ERP system which has been refined to suit the new management model of Provincial Branches and implemented the electronic invoice system for Provincial Branches.

March 2019

Completing the restructuring of Distribution System according to Provincial Branch model. From March 1, 2019, 55 Provincial Branches and more than 400 Stores across the country began to operate stably. From

this point of time, the Group began implementing procedures to terminate the legal form of branches under the old model, to ensure streamlining and synchronization throughout the system.

March 18, 2019

Officially inaugurated Hoa Sen Phu My Hot Dip Galvanized Steel Pipes Plant at Phu My I Industrial Park, Phu My Ward, Phu My Town, Ba Ria - Vung Tau Province. The plant has a total design capacity of 85,000 tons / year, corresponding to the scale of 01 hot-dipped galvanized steel pipes line, 06 steel pipes rolling lines and 01 slitting line.

Officially announced the successful operation of ERP system after nearly 2

years of implementation. ERP system is applied synchronously to the whole Group, including Parent Company, Plant / Subsidiaries Provincial Branches and Distribution Stores across the country.

Successfully exported a shipment of 15,000 tons of steel sheet worth 11.5 million USD to European market (UK, Germany and Italy) from the plants in Phu My Industrial Park, Ba Ria - Vung Tau Province.

April 22, 2019

Officially inaugurated Phase II of Hoa Sen Nhon Hoi - Binh Dinh Plant at Nhon Hoi Economic Zone, Hoi Son Hamlet, Quy Nhon City, Binh Dinh Province. Phase II of the plant has a total design capacity of 430,000 tons / year, corresponding to the scale of 01 galvanized / aluminum – zinc alloy line (NOF line), 01 color coating line, 01 cold rolling line with two racks, 01 pickling line and 01 acid regeneration system.

Continuing to successfully export a shipment of 5,000 tons of steel sheet, valued at over US \$ 4 million, to Malaysia from Hoa Sen Nhon Hoi Plant.

April 23, 2019

Successfully exported a shipment of 15,000 tons of steel sheet worth US \$12 million to Mexico from Hoa Sen Nghe An Plant. This is the largest consignment of galvanized steel sheet exported to Mexico after the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP or TPP-11) came into effect.

June 24, 2019

Hoa Sen Nghe An One Member Limited Liability Company (Subsidiary of Hoa Sen Group) was first honored at the National Quality Awards 2018 for 02 product lines: Hoa Sen Steel Sheet and Hoa Sen Galvanized Steel Pipes.

October 10, 2019

Hoa Sen Group continued to be honored for the 3rd consecutive year in the List of 1,000 largest corporate income taxpayers in Vietnam in 2018 announced by the General Department of Taxation.

02/03/2021

Hoa Sen Group set a new export record, the export volume exceeded 100,000 tons per month. Export is one of two major sales channels that greatly contributes to the development of Hoa Sen Group. Currently, Hoa Sen group is leading and accounted for 1/2 total volume of the exported galvanized steel with a broad export channel to more than 87 countries and regions.

20/04/2021

Officially operating the e-commerce activities via website hoasenhomes.vn and the App Hoa Sen Home, striving to achieve the goal of increasing the benefits for the Hoa Sen Home Building Materials and Furniture Supermarket Chain.

25/04/2021

The products of Hoa Sen Galvanized

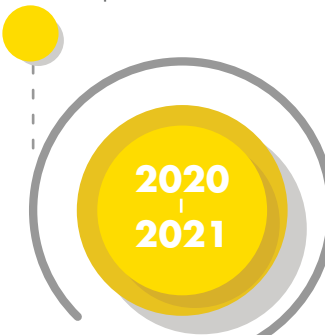
Steel Sheet and Hoa Sen Steel Pipe are honored to receive the Golden Quality National Award 2019-2020. This is the highest reward in term of quality, given by the Prime Minister to honor the firms that achieved outstanding results in enhancing the quality of the product, service, competitive ability and performance, integrating with the regional and international economy.

19/06/2021

Hoa Sen Group is honored in "Top 50 Listing company of 2021" voted by Viet Nam Forbes in its ninth annual list. The best 50 companies in 2021 have majorly established their position to compete with others in the market, not only in their operating field but also in the entire economy.

18/08/2021

Hoa Sen Group is nominated as top 1



November 2019

Hoa Sen Group was honored in Top 100 Sustainable Development Enterprises in 2019. This award was organized by Vietnam Business Council for Sustainable Development (VBCSD) under Vietnam Chamber of Commerce and Industry (VCCI).

February 2020

Hoa Sen Group officially launched super durable Hoa Sen Gold steel sheet in the high-end segment with message "Hoa Sen Gold - Gold quality - Free delivery nationwide" affirming its position as the leading enterprise in coated steel industry. Super durable Hoa Sen Gold steel sheet with many outstanding advantages, is committed to a leak-proof warranty of up to 30 years and a 10-year color warranty, meeting the most stringent requirements of civil and industrial projects.

July - September 2020

(The 4th Quarter of fiscal year 2019-2020) Hoa Sen Group has continuously achieved new records of Hoa Sen Group and Vietnam's coated steel industry in export volume within a month. The Group's steel sheet export volume has continuously grown strongly, in September 2020, the export volume has reached more than 101,000 tons / month in the context that the world economy and Vietnam are still facing many difficulties and challenges due to the effects of Covid-19 pandemic.

August 08, 2020

Hoa Sen Group's Board of Directors decided to establish the Department of Strategy & Development Investment, implementing the strategy of diversifying and expanding product categories and segments/, gradually becoming the leading distributor and retailer of building

materials and furniture in Vietnam through the development of Hoa Sen Home Building Materials and Furniture Supermarket System.

November 2020

Hoa Sen Group continued to achieve the National Brand for all 3 product categories: Hoa Sen Steel Sheet, Hoa Sen Plastic Pipe, Hoa Sen Steel Pipe (5 consecutive years); affirming the position and prestige of Hoa Sen - the leading brand in the market.

October 30, 2020

Hoa Sen Group announced its estimated cumulative business results for FY 2019 - 2020 with profit after tax of VND 1,153 billion, an increase of 219% compared to FY 2018-2019 and 288% higher than the plan approved by the General Meeting of Shareholders, officially returning to the club of businesses with trillion VND of profit after tax after only 2 years.

23/10/2021

Hoa Sen Group is honored in Top 50 prestigious and efficient public companies 2021 voted by Forbes, among the firms that have remarkable efforts in overcome the challenges of the pandemic; proving the potential and sustainable growth.

10/11/2021

Hoa Sen Group received the certificates from the People's Committee of Ho Chi Minh City and many other provinces, glorify the realistic and timely contribution of the Group in the work of preventing Covid-19 in the 4th wave (from 27/04/2021 to 25/12/2021).

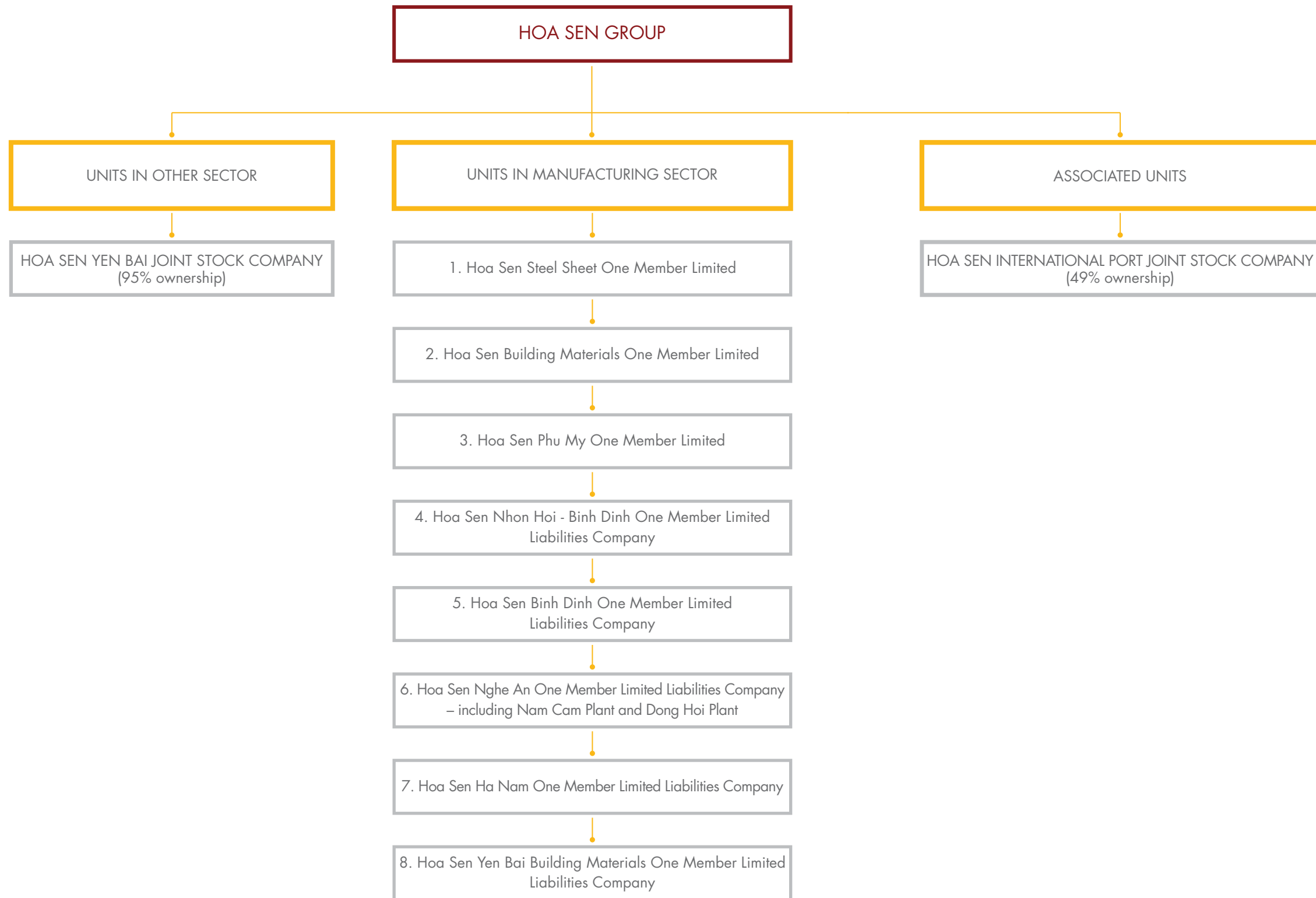
Hoa Sen Group has organized the total of 9 series of giving the necessities which includes medical equipments, food, ... at nearly 120 locations in Ho Chi Minh City and: Binh Duong, Dong Nai, Ca Mau, Soc Trang, An Giang.

18/11/2021

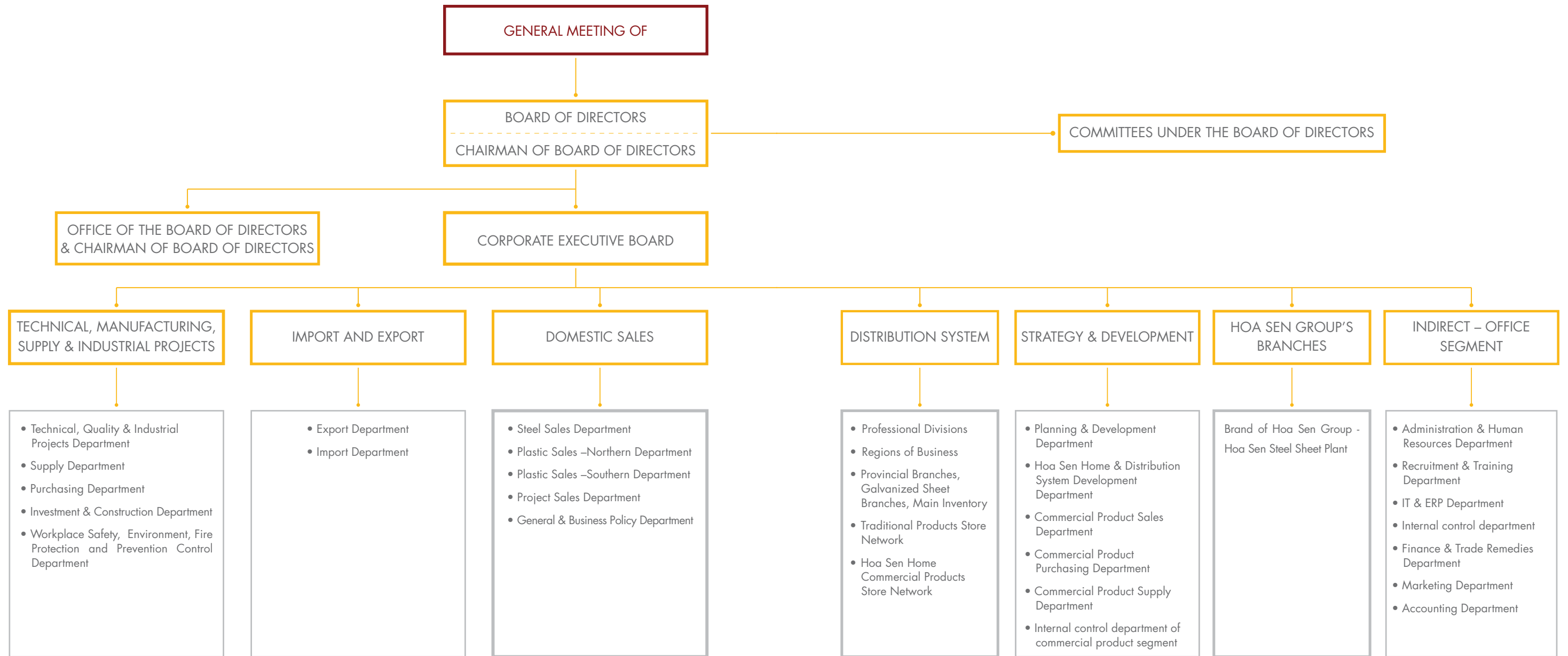
The chain of Building materials and Furniture Hoa Sen Home supermarket of Hoa Sen Group is honored as "the iconic unit in providing building materials, furniture" organized by the magazine Business Review.

"Prestigious exporting firm" in Building Materials industry in 2020 as proposed by Vietnam Steel Association based on the criteria of Ministry of Industry and Trade about the minimum export volume, about the prestige in doing business with the international partners, about doing the duty with the Government in term of customs, taxation, environment, ... and approved by the Ministry of Industry, by the Decision No 1974/QĐ-BCT.

ORGANIZATIONAL MODEL OF HOA SEN GROUP



ORGANIZATIONAL CHART OF HOA SEN GROUP (PARENT COMPANY)



***Note:**

- The groups of unit that are arranged vertically and continuously are the business groups of unit under Board of Management (General Director, Deputy General Directors and other key managers).
- The groups of unit that are arranged horizontally are the consulting, supporting groups of unit for the Board of Directors, under Board of Directors.

BOARD OF DIRECTORS



Mr. LE PHUOC VU
Chairman of the Board of Directors

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 Joint Stock Company) with an initial charter capital of VND 30 billion.

After 20 years of building and developing, with intelligence, assertiveness, responsibility and integrity, he developed Hoa Sen Group from a small company to the leading manufacturer and trader of steel in Vietnam and South East Asia.

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.

Currently, Mr. Le Phuoc Vu is holding the position of Chairman of the Board of Directors cum the first Legal Representative of the Group, performing the functions of general management and leadership in giving orientations and strategies for the Group and in charge of direct and organize the implementation of powers, duties and functions of the Board of Directors. At the same time, he was assigned by the Board of Directors to be the Chairman of Strategy Development Committee and the Chairman of Corporate Governance & Appointment, Salary and Bonuses Committee ("Corporate Governance & Salary Committee"). He directly makes important and breakthrough guidelines, strategies and orientations for the development of the Group.

With outstanding achievements in leadership, management of production, business activities and community activities, Mr. Le Phuoc Vu was honored to receive the Second - class Labor Medal by the President of the Socialist Republic of Vietnam. He was also the Co - Chair at Vietnam - India Business Forum and a Global Entrepreneur honored by Ernst & Young in Monaco in 2015.

As the Chairman of the Board of Directors, Mr. Le Phuoc Vu is together with all the members of the Board of Directors to make resolutions and decisions timely leading Hoa Sen Group to achieve outstanding accomplishments during the past 20 years.



Mr. TRAN NGOC CHU
Vice Chairman of the Board of Directors

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.

Mr. Tran Ngoc Chu graduated from Finance and Accounting University Ho Chi Minh City with much experience in the sectors of finance, accounting, taxation and corporate governance. He was elected in the Board of Directors for many consecutive terms by the General Assembly of Shareholders.

At the Annual General Meeting of Shareholders 2017 - 2018, he continued to be elected to the Board of Directors and was appointed to be the Vice Chairman of the Board of Directors cum the second Legal Representative of the Group.

In the position of Vice Chairman of the Board of Directors, Mr. Tran Ngoc Chu is assigned to hold executive duties at the Board of Directors and to be the head of the Executive Board of the Group. He is also assigned to handle the work on behalf of Chairman of the Board of Directors to perform a number of functions and powers of Chairman of the Board of Directors, Strategy Development Committee and Corporate Governance & Salary Committee. In addition, he is also assigned to direct public relations, finance - credit - banking, investment promotion, industrial projects and other projects of the Company.

In addition to his position at Hoa Sen Group, Mr. Tran Ngoc Chu currently holds several key positions at the Group's subsidiaries / Affiliates:

- Chairman of Hoa Sen Steel Sheet One Member Limited; Hoa Sen Building Materials One Member Limited; Hoa Sen Phu My One Member Limited.
- Chairman of Hoa Sen Yen Bai Joint Stock Company.

With the efforts, reputation and contributions to the production and business activities of Hoa Sen Group in particular, as well as to the socio-economic development of the country in general, Mr. Tran Ngoc Chu was honored to be awarded the Second Class Labor Medal by the President on October 15, 2018. He also received the Certificate of Top 10 excellent businessperson by the People's Committee of Binh Duong province.



Mr. TRAN QUOC TRI
Member of the Board of Directors

Joining Hoa Sen Group since 2004, during his working process in the Group, Mr. Tran Quoc Tri has proved his management ability in the sectors of business and administration. He has been trusted by the Board of Directors, appointed many management - operating positions, from the entry level to the senior level.

At Annual General Meeting of Shareholders 2017-2018, Mr. Tran Quoc Tri was elected to the Board of Directors by the General Assembly of Shareholders and appointed to the position of Executive Member of the Board of Directors cum General Director, and also the third Legal Representative of the Group.

As an Executive Member at the Board of Directors, Mr. Tran Quoc Tri is assigned to the position of General Director, performing the function of directing, supervising and responsible for all management activities of the Board of Management.

In 2014, he was commended by the Binh Duong People's Committee for his contributions to the development of businesses and localities.

BOARD OF DIRECTORS



Mr. LY VAN XUAN
Non - Executive Member of
the Board of Directors

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, he was elected by the General Assembly of Shareholders as a member of the Board of Directors and Board of Supervisor for many terms.

At the Annual General Meeting of Shareholders 2017 - 2018, Mr. Ly Van Xuan was elected by the General Assembly of Shareholders to the Board of Directors, appointed as a Non-Executive Member of the Board of Directors.

Currently, as a Non - Executive Member of the Board of Directors, Mr. Ly Van Xuan is assigned to oversee and approve transactions with affiliated parties and implement shareholder relations activities.

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



Mr. NGUYEN VAN LUAN
Independent Member of
the Board of Directors

Mr. Nguyen Van Luan was elected to the Board of Directors by the General Assembly of Shareholders at the Annual General Meeting of Shareholders 2017 – 2018. Besides, due to fully meeting the criteria prescribed in the Enterprise Law and the Securities Law, he was appointed to the position of Independent Member of the Board of Directors.

As an Independent Member of the Board of Directors with professional knowledge from many years teaching at universities, Mr. Nguyen Van Luan was assigned to hold the position of Chairman of the Audit Committee, directing the profession of internal audit operations, supervising internal control system, at the same time performing the function of monitoring transactions with related persons.

Mr. Nguyen Van Luan is the Associate Professor and Ph.D. majoring in Economics, the former Headmaster of University of Economics and Law under the National University of Ho Chi Minh City.



Mr. DINH VIET DUY
Independent Member of
the Board of Directors

Mr. Dinh Viet Duy is currently a Member of the Board of Directors for the term of 2018-2023, elected by the General Assembly of Shareholders at the Annual General Meeting of Shareholders 2017 - 2018.

Currently, Mr. Dinh Viet Duy is assigned to hold the position of Chairman of Financial & Investor Relations Committee, he also participates in overseeing the related-party transaction activities.

As a Master in Project Management and Construction Engineer, beside the position of Independent Member of the Board of Directors at Hoa Sen Group, Mr. Dinh Viet Duy is also the General Director of Construction and Trading Joint Stock Company 2 (ACSC).

MEMBERS OF THE BOARD OF MANAGEMENT



Mr. TRAN QUOC TRI
General Director

With many years of working, dedicating and developing at Hoa Sen Group, in the Fiscal year 2017 - 2018, Mr. Tran Quoc Tri was appointed to the position of General Director by the Board of Directors of Hoa Sen Group.

As the Head of the Executive Board cum the third Legal Representative, Mr. Tran Quoc Tri performs the functions of general management of all daily production and business activities of the Group and related parties following the guidelines and policies of the Board of Directors, and also responsible to the Board of Directors and the General Assembly of Shareholders on all activities of the Board of Management.

In addition to the general management function, Mr. Tran Quoc Tri is also assigned to guide and directly manage: Exports, Imports, Distribution Management, Business Planning & Policies, Human Resources, Recruitment & training and Strategies to develop the distribution network of Building materials and Furniture Hoa Sen Home supermarkets.



Mr. HOANG DUC HUY
Deputy General Director

Mr. Hoang Duc Huy is currently the Deputy General Director in charge of Internal Control of Hoa Sen Group, directing and managing professional operations of Hoa Sen Group's Internal Control Department. He is one of the founding shareholders of Hoa Sen Joint Stock Company since 2001 (precursor of Hoa Sen Group Joint Stock Company today).

Mr. Hoang Duc Huy has over 15 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

Graduated with a Master Degree in Economics Development, joined Hoa Sen Group since 2008 as the Finance Director. Currently, Mr. Vu Van Thanh is the Deputy General Director in charge of Finance – Marketing, he is the executive manager for the following tasks: finance, trade remedies, marketing, commercial products purchase and supplies for the chain of the Building Materials and Furniture Hoa Sen Home Supermarket. Mr Vu Van Thanh is also the chairman of the manufacturing subsidiaries under Hoa Sen Group:

- Hoa Sen Nghe An One Member Limited Liabilities Company.
 - Hoa Sen Nghe An One Member Limited Liabilities Company.
 - Hoa Sen Yen Bai Building Materials One Member Limited Liabilities Company.
- He was awarded with the Certificate of Merit by the Prime Minister in 2017.

MEMBERS OF THE BOARD OF MANAGEMENT



Mr. HO THANH HIEU
Deputy General Director

Graduated with the Bachelor degree in Accounting – Auditing at University of Economics Ho Chi Minh City, joined 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. Currently, Mr. Ho Thanh Hieu is in the position of Deputy General Director in charge of Domestic Sales, IT & ERP and trading commercial products at the chain of Building Materials and Furniture Hoa Sen Home Supermarket. Besides, he is the Chairman of some subsidiaries of the Group at central of Vietnam, includes: Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liabilities Company and Hoa Sen Binh Dinh One Member Limited Liabilities Company.



Mr. TRAN QUOC PHAM
Deputy General Director

Graduated as a resident construction engineer with major of industrial and civil construction in 1998. Before joining Hoa Sen Group, he has 18 years of experience in construction area, and has taken many important positions in construction companies. For many consecutive years, he was honorably awarded Certificate of Merit by Ministry of Construction for great achievements (2009, 2010 and 2012). Mr. Tran Quoc Pham is currently the Deputy General Director in charge of the Investing and construction activities of the Group, directly operating and taking responsibility for the following tasks: Investing & Construction; deployment and supervision of the construction, building finishing and pre-acceptance test of works, infrastructure and workshops of the Group's Projects; Mainly in charge of the basic construction and completion of the project in Yen Bai.



Mr. NGUYEN NGOC HUY
Deputy General Director

Joined Hoa Sen Group since 2011, he has a Bachelor Degree in Foreign Language. He has experienced many professional positions in Export sector of Hoa Sen Group such as Director of Region 3 - Export Department; Deputy Director of Export Department... On December 25, 2018, Mr. Nguyen Ngoc Huy has been appointed by the Board of Directors as Deputy General Director who is directly responsible for the export activities of Hoa Sen Group and manages the Export Department under the direction of the General Director and the guidelines of the Board of Directors.



Mr. TRAN THANH NAM
Deputy General Director

Holding a Master degree in Business Administration and has been with the Group for nearly one decade. Mr. Tran Thanh Nam has been appointed to many positions in the field of business and management of Distribution System... On January 12, 2021, after reviewing and evaluating Mr. Tran Thanh Nam's competence, quality, standards and dedication process at the Group, the Board of Directors officially appointed him to the position of Deputy General Director cum Director of Distribution System, responsible for the management and administration of the entire Distribution System of the Group. Besides, Mr. Tran Thanh Nam is also appointed to administrate the business activities of the commercial products at the chain of Building Materials and Furniture Hoa Sen Home.

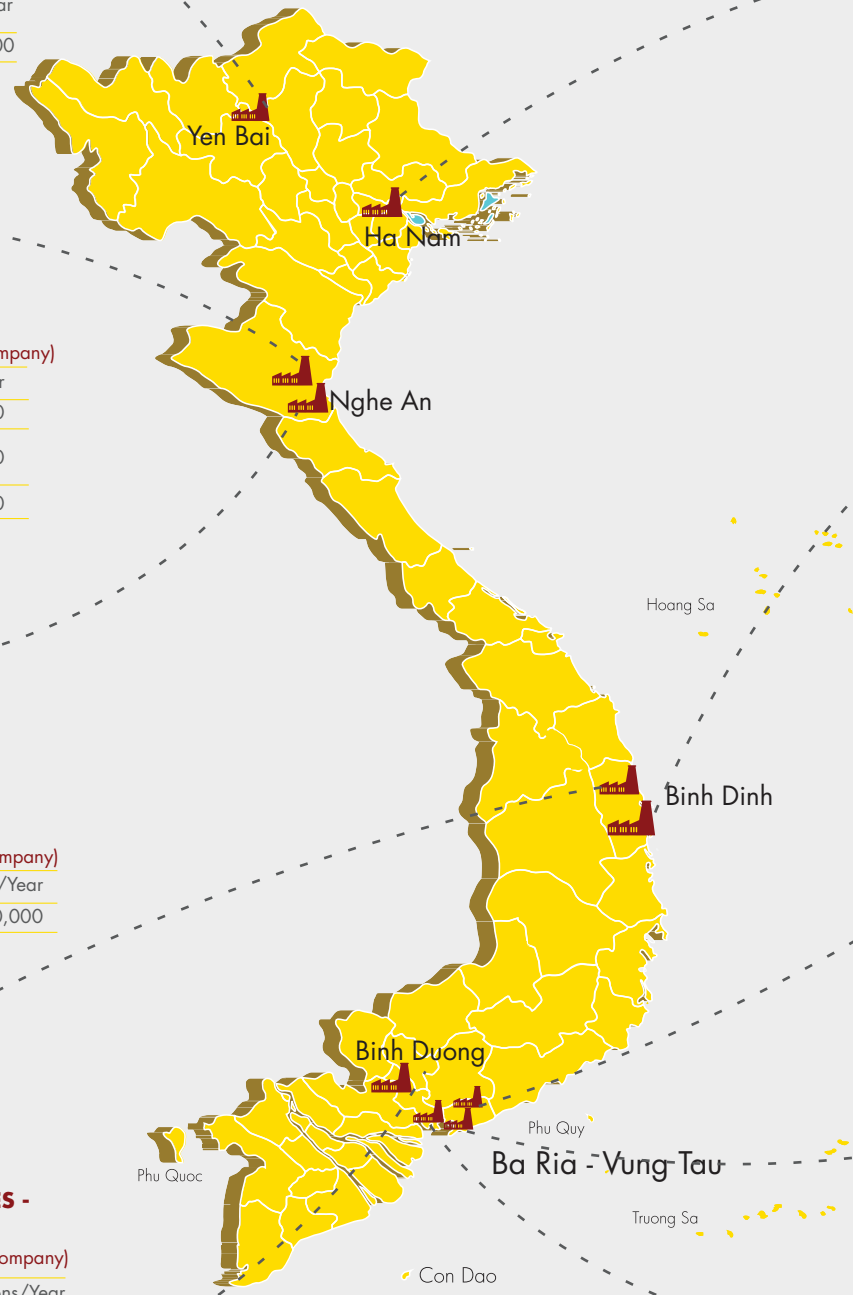


Mr. NGUYEN TAN HOA
Deputy General Director

Graduated with a degree in Mechanical Engineering at University of Danang - University of Technology and Education. Being with the Group for more than 15 years (since 2006), Mr. Nguyen Tan Hoa has been trusted and given many key positions in the Group's production - project system, particularly are the leading positions at the production units of the Group such as: Director of Hoa Sen Phu My Plant, Director of Hoa Sen Nghe An One Member Limited Company, Deputy Head of Industrial Project Management Board, Director of Hoa Sen Steel Sheet One Member Limited Company... On January 12, 2021, the Board of Directors approved a Resolution on the appointment of Mr. Nguyen Tan Hoa to the position of the Deputy General Director. In his new position, Mr. Nguyen Tan Hoa is assigned to be in charge of the Group's management and operation of manufacturing operations, supply and industrial projects.

PRODUCTION CAPACITY

PLANT SYSTEM OF HOA SEN GROUP



HOA SEN YEN BAI GALVANIZED STEEL PIPES PLANT
(Hoa Sen Yen Bai Building Materials One Member Limited Liabilities Company)

Production line	Designed Capacity Tons/Year
Steel Pipe Line	82,800



HOA SEN NGHE AN PLANT
(Owned by Hoa Sen Nghe An One Member Limited Liabilities Company)

Production line	Designed Capacity Tons/Year
Cold Rolling Line	700,000
Steel Sheet Producing Line with NOF Technology	800,000
Color Coating Line	240,000



HOA SEN NAM CAM PLANT
(Owned by Hoa Sen Nghe An One Member Limited Liabilities Company)

Production line	Designed Capacity Tons/Year
Steel Pipe Line	120,000



HOA SEN BINH DINH GALVANIZED STEEL PIPES - PLASTIC PIPES PLANT
(Owned by Hoa Sen Binh Dinh One Member Limited Liabilities Company)

Production line	Designed Capacity Tons/Year
Steel Pipe Line	100,000
Plastic Pipe Line	12,000



HOA SEN BINH DUONG STEEL SHEET PLANT
(Owned by Hoa Sen Steel Sheet One Member Limited Liabilities Company)

Production line	Designed Capacity Tons/Year
Cold Rolling Line	980,000
Steel Sheet Producing Line with NOF Technology*	150,000
Color Coating Line*	45,000

(*) Owned and managed by Hoa Sen Group



HOA SEN HA NAM PLANT

(Owned by Hoa Sen Ha Nam One Member Limited Liabilities Company)

Production line	Designed Capacity Tons/Year
Steel Pipe Line	217,800
Plastic Pipe Line (uPVC, HDPE, PPR)	19,800



HOA SEN NHON HOI - BINH DINH PLANT

(Owned by Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liabilities Company)

Production line	Designed Capacity Tons/Year
Cold Rolling Line	350,000
Steel Sheet Producing Line with NOF Technology	430,000
Color Coating Line	195,000



Hoa Sen - Phu My Building Materials Plant

(Owned by Hoa Sen Building Materials One Member Limited)

Production line	Designed Capacity Tons/Year
Steel Pipe Line	332,040
Plastic Pipe Line (uPVC, HDPE, PPR)	97,891



HOA SEN PHU MY HOT DIP GALVANIZED STEEL PIPES PLANT

(Owned by Hoa Sen Phu My One Member Limited Liabilities Company)

Production line	Designed Capacity Tons/Year
Hot Dip Galvanizing Line	85,000



HOA SEN PHU MY STEEL SHEET PLANT

(Owned by Hoa Sen Group)

Production line	Designed Capacity Tons/Year
Steel Sheet Producing Line with NOF Technology	1,150,000
Color Coating Line	330,000

Note: Designed Capacity Tons/Year

PRODUCT CATEGORY

ADVANCED TECHNOLOGY CREATES DIVERSE PRODUCTS WITH HIGH QUALITY AND INTERNATIONAL STANDARDS

HOA SEN STEEL SHEET

COLD ROLLED COIL

With the investment in the most modern technologies in the world from the suppliers of Esmech-SMS (Germany), CMI (India), cold rolling line can produce thicknesses from 0.0115 – 3.0 mm combined steel quality control automation (flatness, thickness, deformation controlling). The cold rolled coil meets the strictest requirements and improves the effective resolution of losses during production process.



GALVANIZED STEEL SHEET (GI)

Being manufactured by the advanced and environmentally friendly NOF technology of Danieli (Italy), the GI products meet the strictest requirements of galvanized steel sheet with coating up to Z600 (600 g/m²). Thank to good corrosion resistance and smooth coating layer, Hoa Sen galvanized steel sheet products are the top choice of consumers, ensuring high quality according to ASTM A653/A653M (U.S), AS 1397 (Australia), EN 10346 (Europe), MS 2384, MS 2385 (Malaysia), SNI 07-2053 (Indonesia) and IS 277 (India) standards.



PRE-PAINTED GALVANIZED STEEL SHEET (PPGI)

The variety of colors and sizes of Hoa Sen pre-painted galvanized steel sheet always meets the customer's needs, ensure high quality under JIS G 3312 (Japan), ASTM/A755 A755M (U.S), AS 2728 (Australia), EN 10169 (Europe) , MS 2383 (Malaysia) and IS 14246 (India) standards.



ALUMINUM-ZINC ALLOY COATED STEEL SHEET (GL)

Being manufactured by the modern NOF technology line, investing in the world leading wind - blade technology with automatic adjustment of coating amount, ensuring coating evenly, quality and coating coverage of up to AZ200 (200 g/m²), meets the requirements of ASTM A792/A792M (U.S), AS 1397 (Australia), JIS G3321 (Japan), MS 1196 (Malaysia), EN 10346 (Europe), SNI 4096 (Indonesia) and IS 15961 (India) standards. The surface of the product is bright and beautiful with silver color, outstanding corrosion resistance, effective heat resistance, flexibility in design and has 4 times longer life than normal galvanized steel sheet.



PRE-PAINTED ALUMINUM-ZINC ALLOY COATED STEEL SHEET (PPGL)

The application of the leading technology of coating on aluminum-zinc alloy base enables it to paint two identical surface in order to increase aesthetics, diversity of colors, high durability makes the PPGL product outstanding durability, ensure high quality under: JIS G 3322 (Japan), ASTM/A755 A755M (U.S), AS 2728 (Australia), EN 10169 (Europe), MS 2383 (Malaysia) and IS 15965 (India) standards and the warranty is from 10 to 20 years.



WOOD PATTERN STEEL SHEET

The outstanding feature of wood pattern steel sheet is their surfaces which are coated with the paint of wood pattern. Therefore, they are highly aesthetic, and can be applied to make outdoor products and furniture which bring the subtlety and luxury to the house. Being different from traditional steel sheet, the applications of wood pattern steel sheet 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, etc. The product can be used without drawbacks of earlier materials such as dinginess, mold, rapid degradation, etc.



PRE-PAINTED GL/GI WITH PVDF

Pre-painted GL/GI uses paint of which main factor is high grade Fluoropolymer plastic on GL/GI steel sheet surfaces, and combination of the carbon-fluoro associated with carbon-hydrogen atoms of PVDF 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 standards of JIS G3322, JIS G3312 (Japan), ASTM A755/A755M (U.S), AS 2728 (Australia), EN 10169 (Europe), MS 2383 Malaysia, IS 14246 and IS 15965 (India).



HOA SEN GOLD

HOA SEN GOLD color coating aluminum-zinc alloy steel sheet is a high-class and high-quality product line of Hoa Sen Group. HOA SEN GOLD products are coated with aluminum-zinc alloy coating and high-class paint, therefore, they have outstanding durability, chemical resistance, superior weather resistance, suitable for applications requiring high durability, long service life, especially suitable for exterior applications such as roofs, walls and panels. Especially, HOA SEN GOLD products are guaranteed against leaking up to 30 years and warranty against fading within 10 years from the date of manufacture.



METALLIC STEEL SHEET

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



WRINKLE STEEL SHEET

Wrinkle steel sheet is GL/GI steel sheet painted with special wrinkle pattern on its surfaces. The outstanding features of wrinkle steel sheet is 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.



HOT DIP GALVANIZED STEEL (HGI)

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 steel always meets standards of JIS G3302, JIS G3321 (Japan), ASTM A653/A653M, ASTM A792/A792M (America), AS 1397 (Australia), EN 10346 (Europe), MS 2384, MS 2385, MS 1196 (Malaysia), IS 277 và IS 15961 (India).



PRODUCT CATEGORY

ADVANCED TECHNOLOGY CREATES DIVERSE PRODUCTS WITH HIGH QUALITY AND INTERNATIONAL STANDARDS

HOA SEN STEEL PIPE

GALVANIZED STEEL PIPE

Being manufactured through the process of pickling, cold rolling, annealing, galvanizing, slitting, formed rolling, Hoa Sen galvanized steel pipe has clean and smooth surface, steady thickness, high plasticity and good adhesion as well as high quality in accordance with international standards: JIS G3344, JIS G3466 (Japan), ASTM A500/A500M (U.S), AS 1163 (Australia/New Zealand) and MS 1862 (Malaysia).



HOT DIP GALVANIZED STEEL PIPE

Hoa Sen Hot-Dip Galvanized Steel Pipe is our new product which is widely used in various fields such as: fire alarm system, gas transmission system, scaffolding, construction structure... This product is the top choice of mass consumers. Being manufactured through following process: pipe shaping, surface pick-ling and cleaning, surface treatment, hot-dip galvanizing, Hoa Sen Hot-Dip Galvanized Steel Pipe has high durability and high quality in accordance with various international standards: BS 1387, BS EN 10255, ASTM A53/A53M-12, AS 1074 and MS 863 (Malaysia). Hoa Sen Hot-Dip Galvanized Steel Pipe has a wide range of dimensions: thickness from 1.2mm to 8.2mm, coating mass from 320g/m² to 705g/m² (coating thickness from 45µm to 100µm), size from Ø21.2mm to Ø219.1mm, which facilitates construction and installation process.



HOA SEN GOLD PRE-PAINTED STEEL PIPE

HOA SEN GOLD steel pipe is a high-end product line with high quality of Hoa Sen Group. HOA SEN GOLD steel pipe is coated with zinc and high quality paint. Therefore, they have outstanding durability, excellent chemical and weather resistance, suitable for applications requiring high durability, long service life, especially suitable for construction such as structural frames, steel frames, purlins, staircase frames. In particular, HOA SEN GOLD steel pipe is warranted against corrosion by natural conditions for 30 years from the date of manufacture.



HOA SEN PLASTIC PIPE

UPVC PLASTIC PIPE AND ACCESSORIES

Being manufactured by the modern production line with the advanced Europe technology and the centralized blending system, the plastic products are homogeneous and high-quality in accordance with standards of ISO 1452-2, ISO 1452-3, TCVN 8491-2, TCVN 8491-3, AS/NZS 1477 (Australia), Hoa Sen Group successfully produced uPVC with 630mm in diameter, 24.1mm in thickness and 10 bar in pressure. Hoa Sen Group's plastic pipe is widely used in various fields such as public and civil drainage system, electricity works, telecommunication and sand pumping, etc.



ELASTIC CONDUIT (COILS)

Being manufactured in accordance with BS EN 61386-22:2004 +A11:2010 (Europe) standard with various sizes from Ø16-50 mm. The product has advantages of fire resistance, electrical insulation, safety protection for civil and industrial power system. With light weight and easy to transport and installation, Hoa Sen elastic conduit is able to construct easily, flexibly in narrow place and difficult condition.



RIGID CONDUIT (PIPE CONDUIT)

Being manufactured in accordance with BS EN 61386-21:2004 +A11:2010 (Europe) standard, fire resistance, electrical insulation, safety protection for civil and industrial power system, easy bending and installation. Hoa Sen pipe conduit has various sizes from Ø16-63mm with pressure resistance capacity from 320N, 750N, 11250N which is suitable to customer's demand and using purpose.



HDPE PLASTIC PIPE

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



PPR PLASTIC PIPE – 2 LAYERS PPR PLASTIC PIPE

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, DIN 8078, Hoa Sen PPR plastic pipe tolerates heat of water up to 95°C and is used in hot watering for civil and industrial constructions. The PPR plastic pipe is made by 2 layers: inside layer can tolerate temperature up to 95°C, outside layer which has sunlight protection can prevent the product surface from UV ray, and increases longevity of the product when installing and using outside.

The inside and surface of product is smooth, no moss, no dregs, non-toxic to ensure water sanitation and healthy safety. The PPR plastic pipe also has high chemical durability, not affected by salts, acids and alkaline salts, etc.

Light weight and easy to transport, construction and installation; high sound insulation, no noise and no vibration when water flowing; smooth surface and inside of product, color harmony, modern accessory shape.





**CORE COMPETITIVE
ADVANTAGES**
FOUNDATION FOR
SUSTAINABLE DEVELOPMENT

5

- 1** Vertically integrated value chain
- 2** Owning 575 Branches and Distribution-retail stores
- 3** A competitive, friendly and community-oriented brand
- 4** Professional corporate governance and unique corporate culture
- 5** Pioneering in advanced technology investment



LEADING IN IMPLEMENTING THE LOW-COST STRATEGY



VERTICALLY INTEGRATED VALUE CHAIN

HOA SEN GROUP IS THE

No. **1**

STEEL SHEET MANUFACTURER IN SOUTHEAST ASIA



Hoa Sen Group's steel sheet production process begins from main raw material – hot roll coils. Hot rolled coils are input through cold rolling line will create cold rolled coils. Cold rolled coils are the input materials for galvanizing production lines which produce galvanized steel sheets.

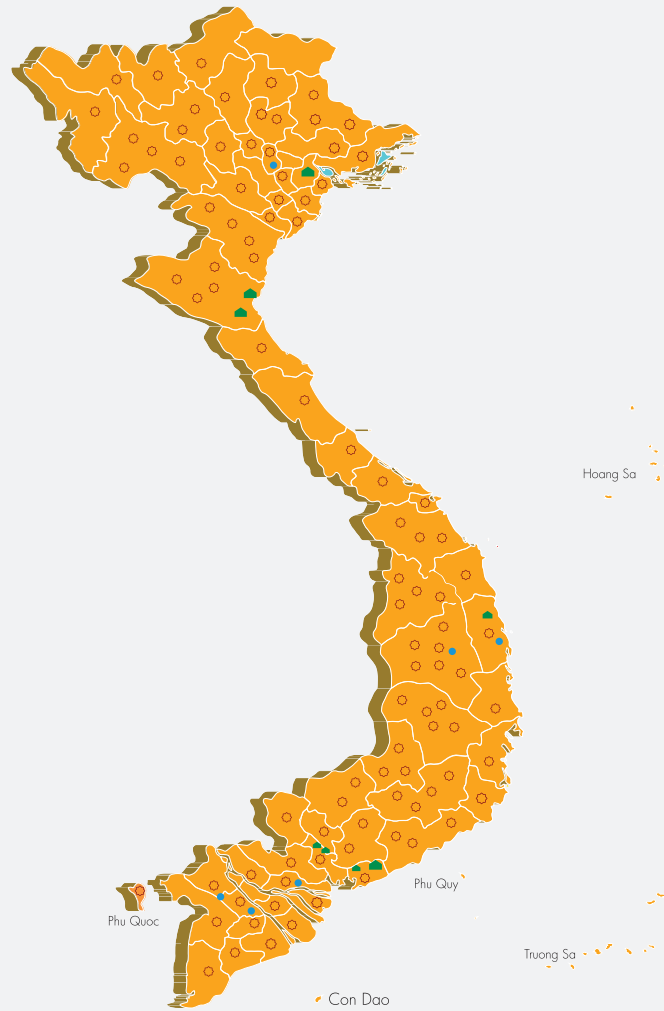
Each stage of this production process is tightly controlled. As the result, all Hoa Sen products have high quality, meet the diverse demands of the market and meet international quality standards such as ASTM standard of U.S, AS standard of Australia, JIS standard of Japan, European EN standard, etc.

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

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 minimize costs and achieve economic effect of the scope. This is the foundation for Hoa Sen Group to implement the manufacturing cost-leadership strategy.

2

OWNING 575 BRANCHES AND DISTRIBUTION-RETAIL STORES



With the centralized and unified management in accordance with the general policies, combined with the optimized executive model (Provincial branches - Retail stores) and the synthesized functional ERP system, the nationwide distribution-retail branches have become an outstanding competitive advantage of the Group in directly approaching to the 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 foundation 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.

55 & 520
BRANCHES STORES

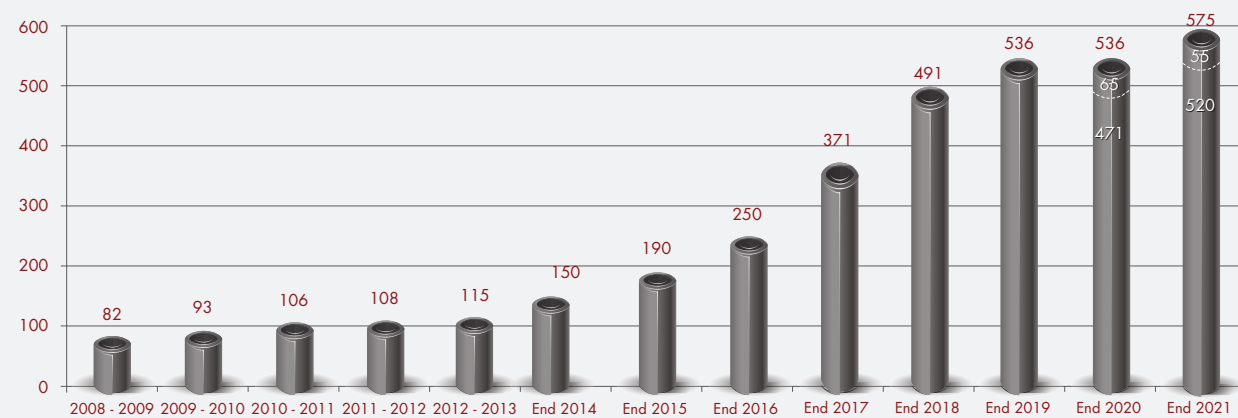
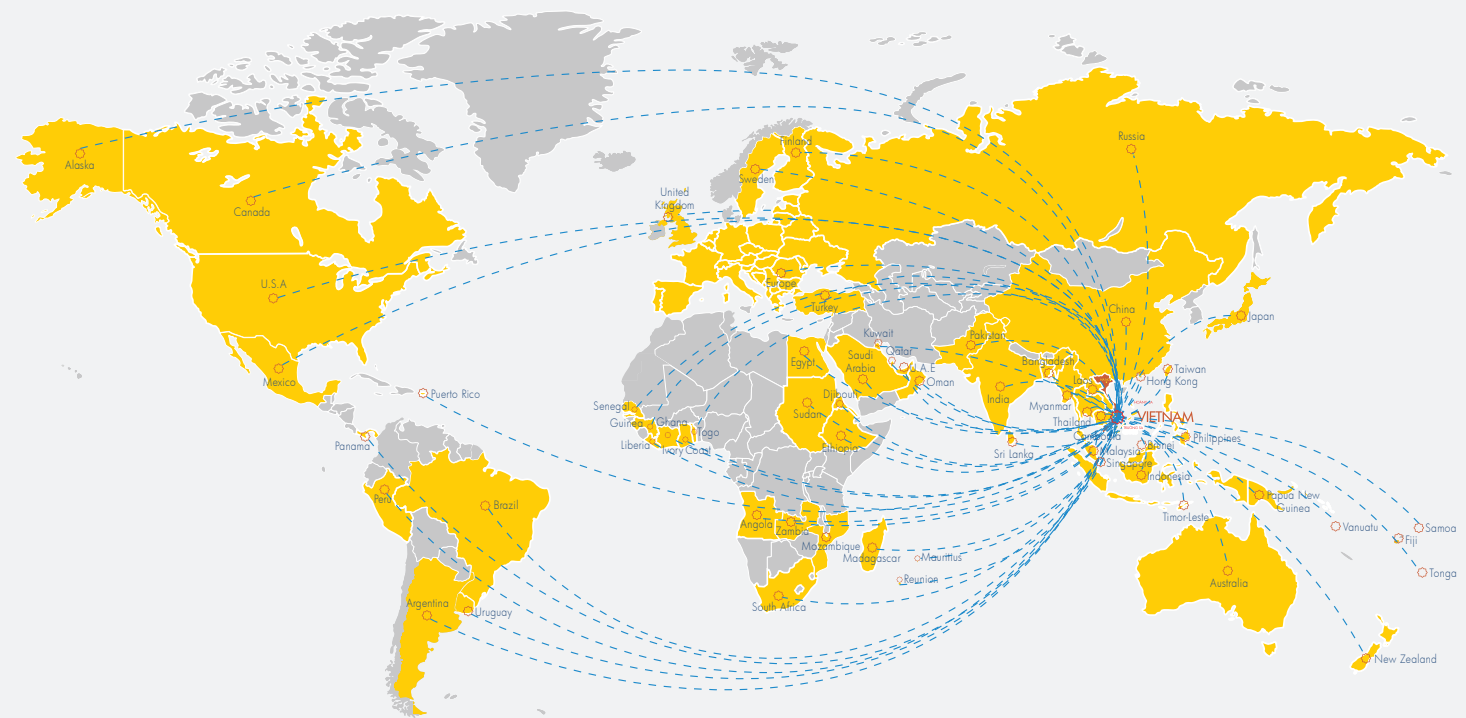


CHART OF THE DEVELOPMENT OF HOA SEN DISTRIBUTION NETWORK IN VIETNAM

CONTINUING DEVELOPMENT AND GROWING MARKET SHARE



DISTRIBUTION CHANNELS TO COUNTRIES IN THE WORLD.

HSG PRODUCTS ARE PRESENT IN MORE THAN

87

COUNTRIES AND TERRITORIES

Besides maintaining domestic market, Hoa Sen Group also continuously strengthens export activities to traditional markets and expands its presence to potential markets in Middle East, Southern Asia, Africa, Australia, Europe, and America. Currently, Hoa Sen Group's products are presented in 87 countries and territories.

3

THE LEADING, FRIENDLY AND COMMUNITY-ORIENTED BRAND



THE UNIQUE BRANDING STRATEGY

It is not merely that Hoa Sen Group has quickly grown to lead Vietnam steel sheet and steel market and is also the leading steel sheet exporter in Southeast Asia. It is the unique branding strategy that makes a leading HOA SEN brand compared to domestic and foreign brands.

Since the first days of establishment, Hoa Sen Group has chosen the strategy of building brand in accordance with its core business philosophy: "Integrity – Community – Development". Over the last 20 years, Hoa Sen Group not only focuses on well organizing business and manufacturing activities but also pioneers in necessary social activities through sponsoring and diverse charity programs. By community activities with profound humanity, Hoa Sen Group has affirmed the mission of a dynamic, creative Vietnamese enterprise, actively contributing to the general development of society.

In addition, Hoa Sen Group always

affirms the brand value by good quality of products and services. For Hoa Sen Group, the products' quality is the prestige and the survival of the brand. By performing seriously four commitments: "Right price, right standard, right quality, and warranty", Hoa Sen Group has delivered products to customers with "international standard, reasonable price, fast delivery and good after sale service".

Currently, Hoa Sen Group continues promoting the community-oriented Hoa Sen brand to reinforce position in domestic market and expand to other countries in region as Hoa Sen products are presented over 87 countries and territories.

It is the different branding strategy that has created a leading Hoa Sen brand compared to domestic and foreign brands. In the fiscal year 2020 - 2021, Hoa Sen Group has achieved many great victories, Hoa Sen officially returned to the club of businesses with trillions of dollars in profit after

tax in the context of the general socio-economic situation and the steel market in particular is facing a difficult and challenging period. In the past fiscal year, Hoa Sen Group has continuously received many noble awards such as: For the 6th consecutive time, Hoa Sen has been honored with the National Brand Program for all 3 product groups: Hoa Sen Steel Sheet, Hoa Sen Plastic Pipe and Hoa Sen Steel Pipe; Top 100 sustainable enterprises in 2020; Top 50 leading Vietnamese brands in 2020; 18th place in the Top 500 largest private enterprises in Vietnam in 2020; For many consecutive years, Hoa Sen has been honored in the Top 1,000 largest tax paying enterprises in Vietnam;... All of these are the best proofs of Hoa Sen Group's successful brand building process and at the same time creating a strong position and the prestige of Hoa Sen - the leading brand in the market.



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 20 years.

INTEGRITY	COMMUNITY	DEVELOPMENT
Being honest and transparent in all activities.	Sharing our achievements with the community is Hoa Sen Group's humanistic beauty.	Continuously developing and bringing the Hoa Sen brand name to new heights.



COMMUNITY-ORIENTED DEVELOPMENT



5 PIONEERING IN ADVANCED TECHNOLOGY INVESTMENT

“ In Vietnam, Hoa Sen Group is always the pioneer in investing in modern equipment line 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 9001:2015 standards of quality management system, ISO 14001:2015 standards of environmental management system and OHSAS 18001:2007 standards of occupational health and safety management system.



**DEVELOPING SUSTAINABLY WITH
ADVANCED TECHNOLOGY**



ENGAGE THE MARKET

Increase **the quality**

AS THE NO. 1 IN MANUFACTURING AND TRADING STEEL SHEET IN VIETNAM AND THE LEADING STEEL SHEET EXPORTER IN SOUTHEAST ASIA, HOA SEN GROUP CONTINUES TO AFFIRM ITS POSITION IN THE DOMESTIC MARKET WITH BROAD DISTRIBUTION NETWORK AND CONSTANTLY REACHING OUT, DEEPLY AND WIDELY INTEGRATING INTO INTERNATIONAL MARKET.

REPORT OF THE BOARD OF DIRECTORS

BUSINESS PERFORMANCE IN THE FISCAL YEAR 2020 – 2021

GENERAL SITUATION

• Socio-economic situation in 2021

As the identifications of Board of Directors, although socio-economic situation in 2020 reflected some positivity, there were insecurities remained that affect the market in general and the productivity of steel firms in specific. Details as follow:

• Difficulties:

+ The long-lasting COVID-19 pandemic has negatively affected the logistics which caused the transportation, manufacturing, trading expenses to increase, operating activities encountered several difficulties.

+ The downward demand in the real estates and construction market led to the decline in the needs of building materials, which affected to the firms in this field.

+ Economic growth rate is considered low.

• Favors

+ The exchange rate as well as USD/VND rate were stable, liquidity was available. Payment activities in the economy is safe, efficient, legal for the transaction to be completed; the expansion fiscal and monetary policies to support the firms in increasing production and export/import after a long time of lockdown due to COVID-19.

+ Overall development of international integration, comprehensive among several fields, provided many results: Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and European Union – Vietnam Free Trade Agreement (EVFTA) have created huge opportunities for Vietnam in consuming commercial products.

+ The business conditions, logistic infrastructure, technologies are concerned and improved continuously by the government. Besides, promoting public investment helped the infrastructures to be finished, creating big opportunities for trading and attracting funds to Vietnam.

• The situation of steel industry in 2021

Followed by the instability since 2020, steel market in 2021 faced remarkable fluctuations:

- The domestic demand was affected by the pandemic, the consumption decreased in construction steels and steel pipes, especially at Southern provinces, as the same time, the domestic market also had to face high level of competition due to demand was higher than demand throughout the whole year, moreover, the massive import of low quality steel, steel sheets into Vietnam had not been controlled.

- The cost of steel input had been unpredictably estimated due to the governments around the globe issued many economic relief packages causing the increase in the price of primary products (oil, raw materials, materials transportation), this resulted in the disadvantages when the raw materials of steel were mainly imported.

- Export has been growing nonstop via two major markets of America and Europe, current having higher profit margin than others. However, export is predicted to be slow down in 2022, galvanized steel companies will find it harder to maintain the export volume because the world supply recovers.

- The Chinese policy of lower steel export can support Vietnamese export in the long term; and the recovery of domestic demand can offset the export decline in 2022.

- EVFTA Agreement continued to positively affected to the trading between Vietnam and EU while the increase in two-way trading volume in 2021 was still stable compared to 2020, while the steel export products are the ones that increase the export values the most.

• The consolidated operating target of the Group during fiscal year 2020-2021

In 2021, despite the instability of the socio-economic in general and steel industry in specific, by the determined leadership of Board of Directors with the flexible, creative business strategies; as well as the efforts of Board of Managements and dependent units, Hoa Sen Group has realized positive results in fiscal year 2020-2021, the goals of consumption volume and revenue of the Group are both increased at higher level compared to previous fiscal year.



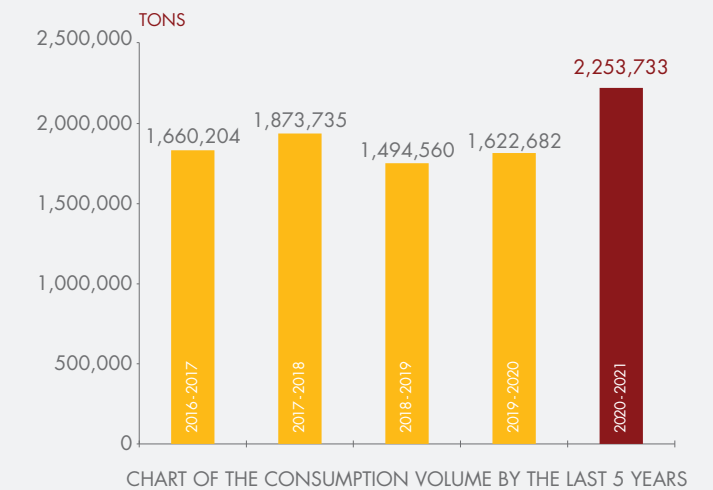
FISCAL YEAR OF 2020 – 2021 COMPARED TO THE PLAN

FINANCIAL TARGET	UNIT	PLANNED FOR FISCAL YEAR OF 2020-2021	ABSOLUTE NUMBER OF FISCAL YEAR 2020-2021	COMPARED TO THE PLAN
(A)	(B)	(C)	(D)	(E)=(D/C)*100
Volume	Ton	1,800,000	2,253,733	125%
Net revenue	VND BILLION	33,000	48,727	148%
Consolidated Net profit	VND BILLION	1,500	4,313	288%

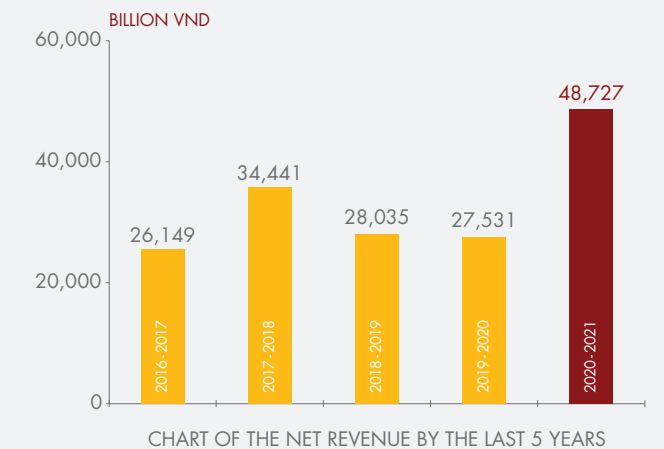
FISCAL YEAR OF 2020 – 2021 COMPARED TO FISCAL YEAR OF 2019 – 2020

FINANCIAL TARGET	UNIT	FISCAL YEAR OF 2019-2020	FISCAL YEAR OF 2020-2021	COMPARISON OF 2 FISCAL YEARS
(A)	(B)	(C)	(D)	(E)=(D/C)*100-1
Volume	Ton	1,622,682	2,253,733	39%
Net revenue	Billion VND	27,531	48,727	77%
Consolidated Net profit	Billion VND	1,153	4,313	274%

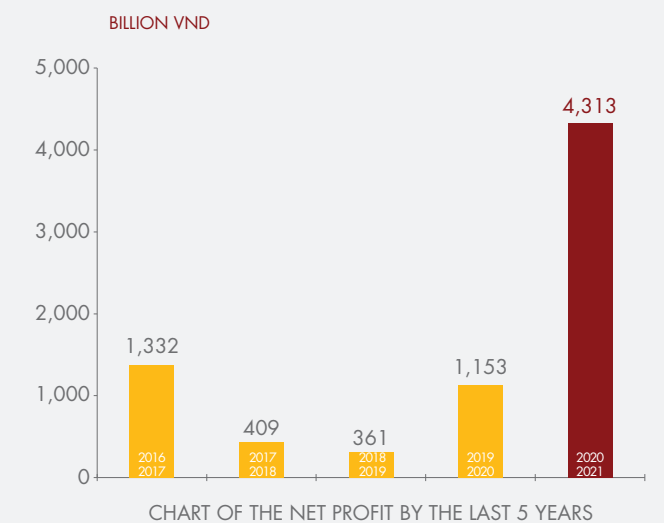
Consumption volume of the fiscal year of 2020-2021 reaches 2,253,733 tons, 125% to the plan, grows by 39% compared to the same period



Net revenue of the fiscal year of 2020-2021 reaches 48,727 billion VND, 148% to the plan, grows by 77% compared to the same period



Net profit after tax of the fiscal year of 2020-2021 has an impressive growth, reaches 4,313 billion VND, 288% to the plan, grows by 274% compared to the same period.



Maximizing the logistic advantages of the plant system, competitive advantages of the branch system – distribution stores throughout the country and promoting the export volume at every market have played a big role in the business performance of Hoa Sen group during the fiscal year of 2020-2021.

At the end of fiscal 2020-2021, production activities of the Group show many impressive and positive results. The goals set about consumption volume, revenue are increased at high level compared to the previous fiscal years. Net profit after tax remarkably increased. This reflects the strong and sustainable growth of the Group, even in harsh and challenging time due to Covid-19.

The results of the previous fiscal year of 2020-2021 are originated from:

ENHANCING THE ADMINISTRATION EFFICIENCY

During the last fiscal year, Board of Managements of the Group has deployed many flexible, appropriated administration solutions to reinforce the core competitive advantages to stable operating activities, deals with uncertainties, by all the resources to accomplish the policies and guidelines of the Board of Directors and the General Meeting of Shareholders. The policies of the Board of Directors is to optimize the procedures, rules of conducting business by reducing the documents; logic and appropriateness are considered in building and imposing policies, procedures, rules; transferring the administration mechanism by setting goals to reinforce and exaggerate efficiency in administrating and controlling activities.

Continuing to imply the solutions to reduce the groups of expense that included in the Group’s activities such as: business trip expense, financial expense, human resources expense... to fit with the realistic situation to guarantee the operating.

PROMOTING THE COMPETITIVE POWER IN THE DOMESTIC AND INTERNATIONAL MARKET

During the fiscal year of 2020-2021, all the products of the Group always meet the standards of the most rigorous market: ASTM (US), EN (EU), JIS (Japan), AS (Australia), BIS (India), SNI (Indonesia), SIRIM (Malaysia), ...

The Group has focused on reinforcing the competitive abilities in the domestic market by evaluating, re-planning the channel of consumption, region of consumption, optimize the human resources mechanism at the provincial branches, stores; Accomplishing the testing, supervising mechanism to the operation of the branches, stores; Organizing education chances for employees to enhance abilities, career skills of the employees of the distribution network, especially in selling and customer services.

Beside exporting to the traditional market, Hoa Sen Group has actively expanded and diversified the exporting markets. Currently, the products of Hoa Sen have been appeared at more than 87 countries and regions around the world. The Group has efficiently utilized the advantages from the free trade agreements: CTPP, EVFTA; ... to promote the production. The export volume of Hoa Sen Group is increasing rapidly at the traditional markets and the new markets, especially the market that currently has high demand of galvanized steel such as North America or Europe.

Furthermore, thanks to actively deployed the acting solutions when dealing with COVID-19, flexible business strategies, adapting with the market situations at each point, therefore, the business goals of Hoa Sen Group increased remarkably during the fiscal year of 2020-2021, continues to name itself in the thousands-of-billion-profit-after-tax club of 2021.

EXPANDING THE CHAIN OF BUILDING MATERIALS AND FURNITURE SUPERMARKETS HOA SEN HOME

During the fiscal year of 2020-20201, Hoa Sen Group focused on expanding the the chain of Building materials and Furniture Supermarkets Hoa Sen Home and diversified the product catalog at some Stores. With the current infrastructures, employees and customers, the Group strive to the target of increasing revenue, profit, maximizing the operating efficiency and value of the current distribution network.

With more than 80 stores across the country, Hoa Sen Home becomes the official distribution partner of the top building materials and furniture manufacturers in Vietnam and the world. Hoa Sen Group actively use the new technologies by implementing the ERP and the selling administration application based on the technology of the world class technology company Oracle at the chain of Building materials and Furniture Supermarkets Hoa Sen Home, provides the logistic connection with outstanding convenience.

INVESTMENT PROJECTS

NO	SUBSIDIARIES/PROJECTS	CONTENT
1	Hoa Sen Du Long Industrial Park Infrastructure Investment Joint Stock Company <i>(Investor of the project "Investment in infrastructure of Du Long Industrial Park")</i>	<ul style="list-style-type: none"> - Transferred all of the capital shares of the Company to a different partner. - Transfer value: The value is not less than the realistic expense that the Group had paid as the contribution to capital into the Projects at the moment of transferring. - Partner: The Group had transferred the contributed capital at these Companies to the partners with sufficient financial abilities, concerned about the Projects at Ninh Thuan province. <p>1. For Shopping Mall: Completed the basic construction of the raw part, including:</p> <ul style="list-style-type: none"> - Basic construction; - Finish painting the outside; - Install glass cover, garden railing; - Electromechanical installation; - Construction of infrastructure in the project area. <p>2. For Commercial townhouses:</p> <ul style="list-style-type: none"> - Completed the design and planning of subdivision for the land area, with a planning of 100m²/lot. - Preparing for construction of water supply and drainage infrastructure items, internal roads, landscapes and trees in the project area. - Currently completing the design of the townhouse according to the project’s planning, to prepare for the construction of the model house. <p>3. Implementation plan:</p> <ul style="list-style-type: none"> - The Board of Directors has agreed to continue to invest more to complete the unfinished items, in order to increase the asset value. - Items expected to be implemented in the fiscal year 2021 - 2022: <ul style="list-style-type: none"> • Completing the interior for 90 hotel rooms; • Finishing the exterior of the Hoa Sen Yen Bai hotel tower; • Completing the internal infrastructure and building a number of model houses on the land where Commercial townhouses are expected to be built.
2	Hoa Sen Yen Bai Joint Stock Company <i>(Investor of the Project "Hoa Sen Yen Bai Shopping Mall, Hotel, Restaurant and Event")</i>	<ul style="list-style-type: none"> - Completed the design and planning of subdivision for the land area, with a planning of 100m²/lot. - Preparing for construction of water supply and drainage infrastructure items, internal roads, landscapes and trees in the project area. - Currently completing the design of the townhouse according to the project’s planning, to prepare for the construction of the model house. <p>3. Implementation plan:</p> <ul style="list-style-type: none"> - The Board of Directors has agreed to continue to invest more to complete the unfinished items, in order to increase the asset value. - Items expected to be implemented in the fiscal year 2021 - 2022: <ul style="list-style-type: none"> • Completing the interior for 90 hotel rooms; • Finishing the exterior of the Hoa Sen Yen Bai hotel tower; • Completing the internal infrastructure and building a number of model houses on the land where Commercial townhouses are expected to be built.



GROUP DEVELOPMENT STRATEGY FOR THE PERIOD 2021 - 2026

1. BACKGROUND

1.1. EXTERNAL FACTORS:

The Board of Directors noticed: In recent years, the socio-economic situation in general and the needs of consumers in particular have had significant changes, which have had many impacts on the traditional business methods of the companies, businesses, including:

- The habits and needs of consumers today are mainly towards convenience and speed. Consumers tend to look for a comprehensive solution which provides a variety of choices to meet their needs fastest and most complete. Therefore, the business of building materials - interior products according to the traditional, small model, providing too few choices will be difficult to meet the habits and needs of the consumers;
- The innovation and improvement of technology in recent years has taken place very strongly. Many new platforms and technologies have been developed to assist businesses in: Improving sales quality, enhancing consumer experience, and improving efficiency in inventory and supply chain management;
- The outbreak of the COVID-19 pandemic, resulting in consequences such as travel restrictions, social distancing, quarantine, etc., has become one of the factors that change traditional transaction methods, such as: Cash payment, direct purchase into new transaction methods, such as: Online purchase, electronic sales, cashless payment has become a new and obvious trend to the business.

Facing the fluctuation in the socio-economy situation in general and the market situation in specific, the Board of Directors has considered, reviewed about upgrading the traditional business method, model into a new method, more creative and modernized.

1.2. INTERNAL FACTORS

From an internal perspective, the Group's production and business activities have made positive changes and improved, ensuring the suitability and feasibility for the implementation of the set goals and strategies, specifically:

- By the end of the fiscal year 2020-2021, the Group's production and business activities grew steadily again. The targets of output, revenue and profit all achieved the set plan and grew over the same period. Cash flow remained stable. Profits from production and business activities are recorded continuously and regularly;
- The Group's outstanding loans decreased sharply and reached the lowest level compared to previous years. The debt-to-equity ratio has been brought to an appropriate level. Financial imbalance has been resolved;
- Export market is expanded with various export products. The Group has effectively taken advantage of the opportunity that the Free Trade Agreement has opened up. The export output increases sharply, contributed to the positive performance of the Group in fiscal year 2020-2021;
- The domestic market continues to promote its competitive advantage. Management and control are consolidated. Sales skills and customer service quality of sales staff are always fostered and improved.

2. DEVELOPMENT STRATEGY FOR THE PERIOD 2021 - 2026

In view of the assessment of the objective context and internal capacity, the Board of Directors set out the key development strategy for the period 2021 - 2026 as follows:

- Promoting traditional production and business activities, including: Optimizing the production - supply system; enhance competitive advantages of export and domestic business channels; and effective application of available platforms and technologies;
- Developing business activities under a new model, including: Diversifying the category of business products in the field of building materials and furniture; setting up Hoa Sen Home building materials - furniture supermarket chain nationwide.
- Promote upgrading and improving technology into business activities such as: Deploying websites and online sales apps, intelligent supply chain management.

3. THE KEY TASKS IN THE FISCAL YEAR 2020 – 2021 TO ACHIEVE GOALS – DEVELOPMENT STRATEGY:

To implement the above objectives and development strategies, the Board of Directors has set out the key tasks for the current period as follows:

NO	KEY TASKS	DESCRIPTION
1	<i>Developing the chain of Building Materials and Furniture Supermarkets HOA SEN HOME</i>	<ul style="list-style-type: none"> - Finishing the development ideas, models of the chain based on the policy from the Board of Directors. - Seeking, negotiating with the rental units, construction units, rental units to open new Hoa Sen Home stores as the the policy of the Board of Directors, guarantee the new position to meet the standards, legal conditions, advantages of product supply, demand of the market and contribute to the efficiency of the operating activities. - Constructing the alternatives of building and upgrading the traditional stores into Hoa Sen Home as the approved model.
2	<i>Expanding the catalog of the building materials – furniture products</i>	<ul style="list-style-type: none"> - Researching, evaluating the demand of the market, suggest the lists of the building materials – furniture commercial products, guarantee to meet with the demand of each region, provide efficiency. - Searching, negotiating and suggesting the suppliers, partners for the commercial products. - Organizing the handling, supplying, inventory controlling, coordinating and transporting tasks of the commercial products to the selling units. - Organizing the deployment, business plan, policy of the commercial products that are sold in the retail network. At the same time, allocating, arranging and preparing the necessary resources for the deployment of selling products - Evaluating the business performance of the commercial products to suggest the adjustments, changes to fit with the realistic circumstances.
3	<i>Implementing IT - ERP Project Phase 2</i>	<ul style="list-style-type: none"> - During the fiscal year of 2021-2022, the Group focuses on deploying and overseeing the stages of the Project to fit with the realistic situation and the needs of the Group. - Deploying the inventory control system WMS integrated with the QRCode/Barcode on the Oracle. - Accomplishing the tasks of managing inventory, supply, transport to optimize the expenses, time, to meet with the customers demand.



ORIENTATION TO CONDUCT THE BUSINESS PLAN FOR THE FISCAL YEAR 2021 - 2022

As the mentioned situations, the Board of Directors has brought out the following actions to achieve the goals, production and business plans for the fiscal year of 2021 – 2022:

FOR ADMINISTRATIVE AND EXECUTIVE ACTIVITIES

Reconstruction Division and the dependent units of BOD review, arrange the operating mechanism; reduce the titles; adjustments to reduce the procedures, rules; reconstruct the distribution network based on the policy that approved by the Meeting of Shareholders and BOD that based on the spirit to optimize the resources, reduce the system, reduce

the operating expenses logically.

Efficiently operating the ERP system, especially focus on finishing and utilizing ERP system for the Provincial Branch model after reconstructing the distribution network with the purpose of promoting administration, control ability that contributes to the improvement of the overall business performance.

FOR THE OPERATING ACTIVITIES

Continuing to reinforce, promote the business performance of the Group by the following solutions:

- Enhancing the domestic competitive abilities via developing the retail network logically, while quickly deploying the reconstruction distribution network alternatives based on the strategy of the BOD and the General Meeting of Shareholders.
- To the export activities, continue to search for, expand to the new potential market and develop, diversify the export products, while having the suggested solutions to deal with the trade remedies activities from some demanding markets to improve the export profit margin, plays a part in stabilizing the business performance of the Group.
- Promoting selling, increase the consumption volume with

the new products of the Group such as plastic pipe, hot-dipped steel pipe.

- Building and applying the selling, promoting, discounting policies logically, effectively, flexibly, while deploying the new selling methods such as online, installments to meet with the needs of the customers.
- Closely observing and seriously applying the alternates to reduce the operating expenses, reducing inventory debts, reduce financial expense, promote the efficiency in operating activities of the Group.
- Effective business with the commercial products sold at the traditional stores and Hoa Sen Home of the Group.

FOR THE MANUFACTURING – SUPPLYING ACTIVITIES

Maximizing the manufacturing capacities; enhancing the quality of the products; logically allocate, effective and professional with the supplying activities, via the following solutions:

- Promoting the efficiency in placing, arranging operating activities, while establishing and guaranteeing to follow the policy in manufacturing: fuel consumption; energy consumption; replacement parts, utilization of tools ..., to ensure to reduce the expenses in operating activities, plays a part in reducing the price of the product.
- Promoting the use of technology advancement, enhancing the skills of the engineers, operating employees to promote the efficiency of the production lines and enhance the product quality, increase the good products ratio,

guarantee stable and safe production.

- Continuing in controlling the expenses, following the fluctuation in the price of the raw materials, calculating the needs and the time to buy the input appropriately to have a good cost, while still meeting with the production demand as well as optimizing the cost of good sold of the Group.
- Optimizing the time and transportation – supply expenses such as: research, calculate the method, transportation route to optimize each order; Bidding, competitive price bid to choose the highest quality transportation firm with a appropriate price; Constructing, enacting the procedures, instructions in ground, sea transport to minimize the risk and guarantee the product quality in transporting.

FOR INVESTMENT AND STRATEGY ACTIVITIES

Stable investment, to increase the operating capacities, reinforce the competitive advantage in the expenses, promote the efficiency of the cash flows

- Analyzing new investing method to expand the scale and operating field, better meet with the market needs

FOR HUMAN RESOURCES DEVELOPMENT ACTIVITIES

- Developing the current employee resources, focusing on the descendant generation and preserved administrators; promoting training, enhancing and reinforcing the technical skills and skills of the employees.
- Step by step enhancing the standards in recruiting,

- promoting initial training programs to build a high quality descendant generation;
- Accomplishing the system that evaluates the tasks based on KPI.
- Ensuring the salary, welfare policy of the employees of the Group.

FOR COMMUNICATION - MARKETING ACTIVITIES

- Deploying the task of building brand image logically via multiple creative and effective marketing programs.
- Continuing to participate in media events, charity events, donations, enhancing the community spirit to accomplish the duty to the society of the Company and play a role in building the good and friendly brand image of Hoa Sen Group.
- Building media campaigns that show great commitments

of Hoa Sen Group in guaranteeing the benefits of the consumers via providing the products at a correct price, correct standard, correct quality.

- Accomplishing the task of consultation via the free line of the call center 18001515 to support the consumers in differentiating real – fake products, while consult the customers with information and instruct the customers to choose the real products of Hoa Sen Group.



REPORT OF THE BOARD OF MANagements

“IN THE FACE OF UNSTABLE DEVELOPMENTS IN THE MARKET SITUATION IN PARTICULAR AND THE SOCIO-ECONOMIC SITUATION IN GENERAL, IN THE FISCAL YEAR 2020 - 2021, THE BOARD OF MANAGEMENT HAS CLOSELY MONITORED MARKET DEVELOPMENTS AND IMPLEMENTED MANY FLEXIBLE SOLUTIONS TO STABILIZE AND PROMOTE PRODUCTION AND BUSINESS ACTIVITIES, COMPLETE THE SET TARGETS, PLANS AND ACHIEVE IMPRESSIVE RESULTS.”

PRODUCTION AND BUSINESS RESULTS OF THE FISCAL YEAR 2020 - 2021

BUSINESS RESULTS IN THE FISCAL YEAR 2020 - 2021 COMPARED TO THE PLAN

By the end of the fiscal year 2020 - 2021, the consumption of finished products of the whole Group reached 2,253,733 tons, 125% compared to the plan. Net revenue reached 48,727 billion dong, 148% compared to the plan. Profit after tax reached 4,313 billion dong, 288% to the plan.

COMPARE BUSINESS RESULTS FOR THE FISCAL YEAR 2020 - 2021 WITH THE PLAN

INDICATOR	UNIT	PLAN OF THE FISCAL YEAR 2020 - 2021	PERFORMANCE OF THE FISCAL YEAR 2020 - 2021	COMPARING THE PERFORMANCE WITH THE PLAN
(A)	(B)	(C)	(D)	(E=(D/C)*100)
Total sales volume	Ton	1,800,000	2,253,733	125%
Net sales	Billion VND	33,000	48,727	148%
Consolidated after-tax prof	Billion VND	1,500	4,313	288%

BUSINESS RESULTS FOR FISCAL YEAR 2020 - 2021 COMPARED TO FISCAL YEAR 2019 - 2020

In the fiscal year 2020 - 2021, the indicators of business results have grown significantly compared to the fiscal year 2019 - 2020, overcoming difficulties and instability of the market. Specifically, consumption increased by 39% over the same period. Most impressive is the target of consolidated profit after tax increased by 274% over the same period.

The above impressive business results are the efforts of the Board of Management in general and the Board of Directors in particular in governance, administration and implementation of flexible and creative business policies.

COMPARE BUSINESS RESULT OF THE FISCAL YEAR 2020 - 2021 WITH THE FISCAL YEAR 2019 - 2020

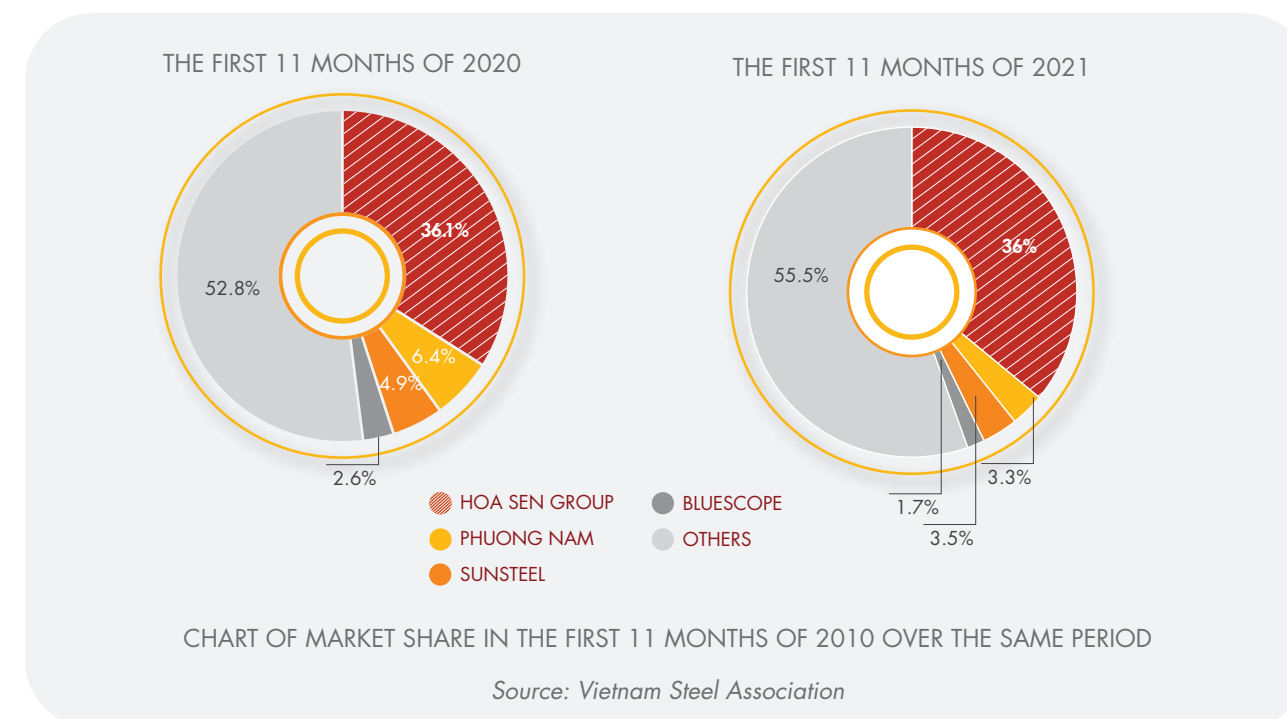
INDICATOR	UNIT	FISCAL YEAR 2019 - 2020	FISCAL YEAR 2020 - 2021	COMPARING THE PERFORMANCE OF FISCAL YEAR 2020 - 2021 WITH THE PERFORMANCE OF FISCAL YEAR 2019 - 2020
(A)	(B)	(C)	(D)	(E=(D/C)*100-1)
Total sales volume	Ton	1,622,682	2,253,733	39%
Net sales	Billion VND	27,531	48,727	77%
Consolidated after-tax profit	Billion VND	1,153	4,313	274%



MARKET SHARE OF HOA SEN GROUP IN THE FISCAL YEAR 2020 - 2021

STEEL SHEET MARKET SHARE

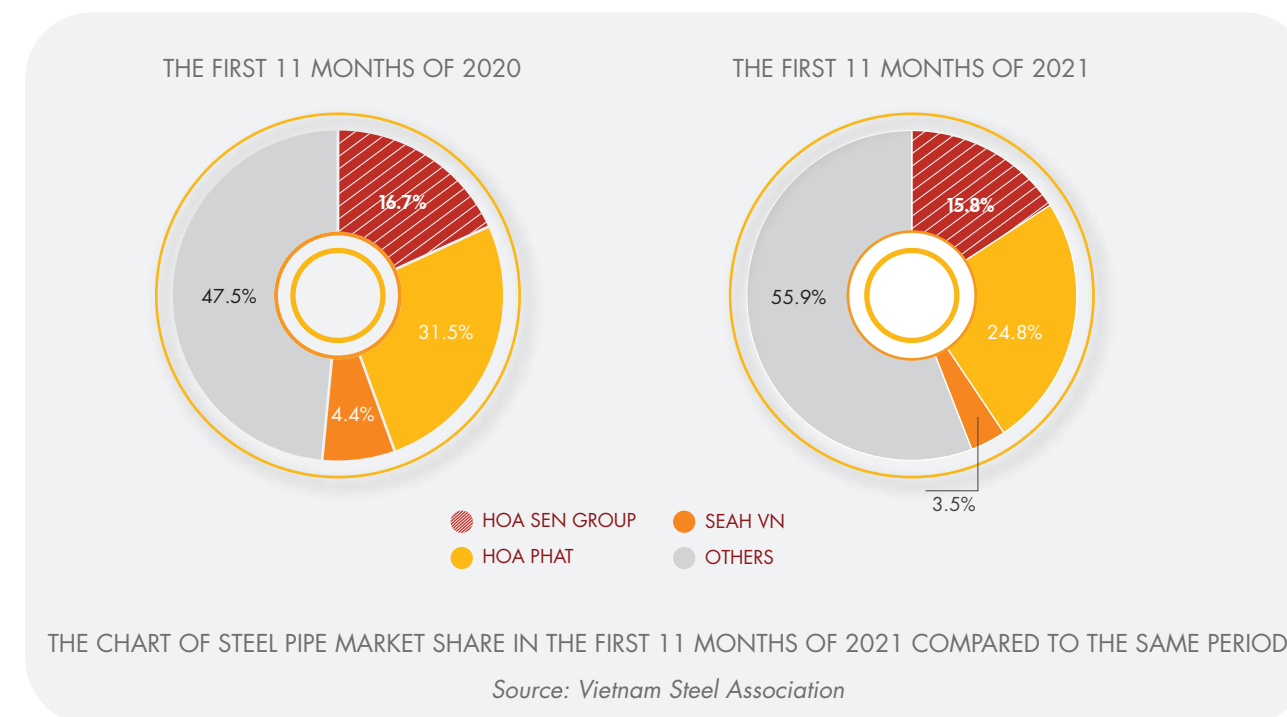
According to statistics of the Vietnam Steel Association, in the first 11 months of 2021, Hoa Sen Group achieved growth in market share of galvanized steel sheet and consolidated its leading position in the market, with a market share of 36%.



Note: This statistic only includes sales volume of members of Vietnam Steel Association, excluding the sales of Perstima Vietnam Co., Ltd. because the production of tin-coated steel sheet does not serve the construction industry.

STEEL PIPES MARKET SHARE

According to Vietnam Steel Association, Hoa Sen Group's steel pipe market share in the first 11 months of 2021 reached 15.8%, making it one of the leading enterprises in the market.



Note: This statistic only includes sales volume of members of Vietnam Steel Association.

THE EXPENSE TO SALES RATIO AS PER THE CONSOLIDATED FINANCIAL STATEMENTS

NO	ITEM	UNIT	FISCAL YEAR 2019 – 2020	FISCAL YEAR 2020 – 2021
1	Sales volume	Ton	1,622,682	2,253,733
2	Net sales	Billion VND	27,531	48,727
3	Gross profit/Net sales	%	16.8	18.2
4	Financial expenses/Net sales	%	2.3	1.1
	- Interest expenses/Net sales	%	2.0	0.7
5	Sales expenses/Net sales	%	8.1	6.9
6	General and Administration Expenses/Net sales	%	1.7	0.9

THE FUNDAMENTAL FINANCIAL RATIOS ACCORDING TO CONSOLIDATED FINANCIAL STATEMENT

NO	ITEM	UNIT	FISCAL YEAR 2019 – 2020	FISCAL YEAR 2020 – 2021
SOLVENCY RATIO				
1	Current ratio	Time	1.0	1.3
	Quick ratio		0.4	0.4
CAPITAL STRUCTURE RATIO				
2	Debt/Total assets ratio	%	63	59
	Debt/Owners' Equity ratio	%	169	146
	Total assets/ Owners' Equity ratio	%	269	246
OPERATION CAPABILITY RATIO				
3	Inventory turnover	time	4.6	5.5
	Net sales/Total assets	time	1.6	1.8
PROFITABILITY RATIO				
	Net profit after tax/Net sales ratio	%	4.2	8.9
	Net profit after tax/ Owners' Equity ratio	%	19.1	39.8
4	Net profit after tax/Total assets ratio	%	6.5	16.2
	Operating profit/Net sales ratio	%	5.0	10.1
	Earnings per share	VND/ share	2,593	8,741

(*) EPS equals consolidated net profit after tax divided by total number of outstanding shares.



MANAGEMENT OPERATIONS IN THE FISCAL YEAR 2020 – 2021

In the fiscal year 2020 - 2021, the Board of Management has drastically implemented many flexible and reasonable operating solutions, strengthened the core competitive advantages to promptly stabilize production and business activities in order to respond to market uncertainties, in every effort to complete the guidelines and orientations of the General Assembly of Shareholders and the Board of Directors. Management solutions include the following key tasks:

STRENGTHENING GOVERNANCE EFFICIENCY

Coordinating with the Restructuring Board and assisting units under the Board of Directors to consolidate the Group's organizational structure in order to enhance the effectiveness of governance and control; effectively apply IT & ERP systems to the management of production and business activities.

Optimizing the process system, operating regulations in the direction of reducing procedures; ensuring the scientific and reasonableness in the system of policies, processes and regulations; transforming the management mechanism in the direction of applying norms and assigning targets to consolidate and promote efficiency in governance and control activities.

Continue to implement solutions to reduce expenses for the Group's operations such as: working expenses, administrative expenses, personnel expenses, etc. to suit the actual situation in order to ensure operational efficiency of the Group.

Effectively operating the Provincial Branch model for the entire Distribution Channel to consolidate and improve the effectiveness of the Distribution Channel's governance.

STRENGTHENING COMPETITIVENESS IN THE DOMESTIC MARKET

In the fiscal year 2020 - 2021, the Group continues to strengthen the operational efficiency of the whole Distribution Channel, in which the focus is on consolidating the personnel apparatus at Provincial Branches and Stores; Improve the inspection and supervision mechanism for the operation of branches and stores; Organize training to improve skills and professionalism of personnel at Distribution Channel, especially in sales and customer care.

Implement, set up and monitor sales policies for each region, area of operation, and ensure that the development and application of policies are implemented quickly, responding promptly to market movements. The management, operation and organization of branches/retail stores are carried out effectively and closely. The flow of information is always ensured smoothly, and the Branches are well aware of the Group's general business orientation and policies.

The retail system is widely distributed and the effective management mechanism has contributed to helping the Group stabilize its

production and business activities and cope with the disadvantages of the market.

In the fiscal year 2020 - 2021, the Group also put into business a number of commercial products in the field of building materials – furniture throughout the Distribution Channel (such as: construction steel, welding materials, insulation panels, cutting stone, grinding stone, hand-held equipment, water-based paint, etc.) to research, evaluate and pilot the application of the new business model Hoa Sen Home that the Board of Directors has directed.

In Vietnam, the 4th wave of Covid-19 pandemic occurred from the end of April, 2021 to present day has imposed negative impacts on socio-economy. HSG has actively deployed the alternatives to deal with the worst scenarios of COVID-19. Hoa Sen Group allowed employees all over the country to stay at the plants and branches to conduct "producing on the spot – dining on the spot – resting on the spot", seriously follow the rules about preventing Covid-19, RT-PCT test weekly. Due

to active preparation, good living conditions, appropriate remuneration, the mental and physical health of the employees are guaranteed, ensured the continuous production, not interrupted by COVID-19.

DEVELOPING EXPORT MARKETS

In the fiscal year 2020 - 2021, the Group's export output is 1,231 thousand tons, accounting for 55% of the Group's total consumption volume. Thus, the proportion of exports in the consumption structure of the Group in the fiscal year 2020 - 2021 has increased over the same period.

In the past few fiscal years, besides exporting to traditional markets, the Group continued to expand and diversify export markets, especially potential markets in Europe, America... Currently, Hoa Sen products are present in more than 87 countries and territories around the world.

Hoa Sen's products always ensure quality and meet international quality standards such as: the standard set of ASTM (American Society for Testing and Materials), the standard set of BS EN (British Standards European Norm) of Europe, JIS (Japanese Industrial Standards) of Japan, AS (Australian Standards) of Australia, SNI (Indonesian National Standards) of Indonesia, MS (Malaysian Standards) of Malaysia.

Above all, 2021 is a landmark year for Vietnam's integration into the world market, with Free Trade Agreements signed: High standard and wide market agreements such as: Comprehensive and Progressive Trans-Pacific Partnership (CPTPP); Vietnam - Europe Bilateral Free Trade Agreement (EVFTA); Regional Comprehensive Economic Partnership (RCEP)... Therefore, the Group has made good use of the advantages opened up by these Agreements to promote export activities. The export volume of HSG is sharply increasing both the traditional market to the new markets, especially the markets that have high demand in galvanized steel such as North America and Europe, with the average export volume above 100,000 tons/month.

STABLE AND EFFECTIVE OPERATION OF THE PLANTS

In the fiscal year 2020 - 2021, the Group's production plants were completed and put into operation, operated stably and effectively, taking advantage of the core advantages of geographical location, increasing competitiveness, reduce transportation expenses, lower product costs, optimize production expenses.

The Group continues to monitor and supervise the operation of production lines, machinery and equipment at the plants to come up with the most optimal maintenance and operation plan, ensuring the requirements for production output, perfect product quality and ensure the best regulations on labor safety, fire prevention and protection.

ORGANIZE THE IMPLEMENTATION OF THE GROUP'S DEVELOPMENT GOALS AND STRATEGIES FOR THE PERIOD 2021 - 2026

In the fiscal year 2020 - 2021, the Board of Directors has set the Group's development goals and strategies for the period of 2021 - 2026, in order to catch new and modern trends, in line with the change of the economic - society situation.

Therefore, implementing the policy approved by the Board of Directors and following the direction of the Strategy & Development Investment Department under the Board of Directors, the Board of Management organized the implementation of important tasks:

- For the task of developing the system of Hoa Sen Home Building Materials, Furniture Supermarket, the Board of Directors has implemented:

- Finalize ideas and development models for Hoa Sen Home System, following ideas and policies from the Board of Directors.
- Search and negotiate with rental units, construction units to open new Hoa Sen Homes according to the policy of the Board of Directors, ensuring the new opening meets the standards and legal conditions, advantages of product supply, market demand and effective contribution to business activities.
- Develop a design plan and organize the construction of upgrading the traditional store system into Hoa Sen Home according to the approved model.

- For the task of expanding the list of commercial products in the field of building materials and furniture, the Board of Management has implemented:

- Research, survey, assess market demand, propose a catalogue of commercial product in the field of construction materials - furniture to put into business, ensuring suitability with the needs in each region, bring efficiency.
- Search, negotiate and propose to select Suppliers and partners for commercial product group to be put into business.
- Organizing the delivery, supply, inventory control, goods coordination and transportation of commercial products to sale units.
- Organize the implementation, business plan, business policy for commercial products put into business at the Retail Store System. At the same time, arrange, prepare necessary resources for the business implementation of products.
- Evaluate the business performance of commercial products to propose adjustments and changes to suit the actual situation.

- For the IT & ERP Project Phase 2, the Board of Management has implemented: For the IT & ERP Project Phase 2, the Board of Management has implemented the inventory control system WMS integrated with QRCode/Barcode with the platform of Oracle.



IMPROVING AND STRENGTHENING PROFESSIONAL SKILLS OF HUMAN RESOURCES

Implementing the guidelines of the Board of Directors on strengthening professional skills, qualifications and responsibilities of the human resources, the Board of Management closely directed the Interior Division and coordinated with the affiliated units under the Board of Directors such as the Board of Restructuring, Human Resources Department to perform the following tasks:

- Arranging and allocating personnel in a rational, streamlined manner, with appropriate orientation and suitable policies, ensuring the optimization and effective utilization of resources for the overall goal of the Group

- Implement measures to ensure compliance with regulations on pandemic prevention and control, according to guidelines and directions from Government agencies, in line with the new normal stage, in which the focus is: Implement work-from-home regime; work location distancing; organize medical declaration for employees; check, monitor health, measure body temperature for employees; ...

- Applying the mechanism of strict assignment, promoting responsibilities, expertise and qualifications of each individual and all units. At the same time, effectively applying the KPI work performance assessment system to assess a detailed and comprehensive work performance of each individual in order to adjust, arrange and select appropriate personnel.

- Developing and perfecting appropriate salary and welfare policies, fairness and reasonable remuneration for the employees who are assessed as capable, professional, well-connected and consistent with Hoa Sen culture.

- Accompanying, sharing and ensuring stable working spirit and motivation of employees to overcome the current difficult period.

BUILDING A STRONG BRAND

Effective communication and marketing activities in recent years continue to be implemented in the fiscal year 2020 - 2021 to strengthen and promote Hoa Sen brand in the market, specifically as follows:

- Implementing new TVCs advertising with content and creative ideas, broadcasting in peak hours on central and local television channel;

- Enhancing the application of modern information technology and digital technologies, such as Digital marketing, viral marketing ... to enhance the Group's activities, communication, brand and image management.

- Completing Hoa Sen Group's website to enhance the aesthetics, creativity and user-friendliness to enhance the Group's brand value and image.

- Promote and strengthen sponsorship and charity programs to contribute to the lives of people in the context of the socio-economic situation experiencing many uncertainties from pandemics, natural disasters, storms and floods.

In the fiscal year 2020 - 2021, Hoa Sen Group was honored to achieve awards, great achievements and prestige, contributing to prove the Group's excellence and professionalism in the operation process, specifically:

The products of Hoa Sen Galvanized Steel Sheet and Hoa Sen steel pipe are honored to receive the Golden Quality National Award 2019-2020.

Hoa Sen Group is honored in "Top 50 Listing company of 2021" voted by Viet Nam Forbes.

Hoa Sen Group is honored in "Top 10 Listing enterprises with the best administration" by Vietnam Chamber of Commerce and Industry (VCCI), the Magazine Enterprise Forum collaborate with INBUS, Vietnam Association of Accountants and Auditors (VAA), Vietnam Association of Corporate Directors (VACD) deploy.

Hoa Sen Group is also honored in "Top 50 prestigious and efficient public company 2021" voted by Vietnam Report.

The chain of Building materials and Furniture Hoa Sen Home supermarket of Hoa Sen Group is honored as "the iconic unit in providing building materials, furniture" organized by the magazine Business Review.

BUSINESS PLAN OF THE FISCAL YEAR 2021 – 2022

PERFORMANCE ORIENTATION

In order to perform objectives of the fiscal year 2021 - 2022, based on the Board of Directors' guideline, the Board of Management has oriented the key duties as follows:

FOR ADMINISTRATIVE - EXECUTIVE ACTIVITIES:

- Continuing to coordinate with the Board of Restructuring and the Departments and Units under the Board of Directors to organize the review and arrangement of operational system; streamlining title of positions in the Group; adjusting to streamline professional processes and regulations; restructuring the Distribution System according to the policies approved by the General Assembly of Shareholders and the Board of Directors in the spirit of ensuring efficient utilization of resources, streamlining the system, reducing operational costs reasonably.

- Completing and effectively operating the ERP system of the Group, especially focusing on completing and putting the ERP system into operation which is applicable to the Provincial Branch model after restructuring the Distribution System in order to enhance governance and supervising capacity, contributing to the improvement of production and business situation.

FOR BUSINESS OPERATIONS

- Continuing to improve the competitiveness in the domestic market through the development of the retail system in a reasonable manner, in parallel with the rapid implementation of restructuring the Distribution System according to the guidelines proposed by the Board of Directors and the General Assembly of Shareholders.

- For export activities, the Group will continue to seek, expand new potential markets and develop, diversify export products, at the same time take reasonable measures to respond to trade remedies measures from fastidious markets to improve export profit margins, contributing to stabilize the Group's business and production situation.

- Promoting sales, increasing consumption volume for new products of the Group such as plastic pipes, hot-dip galvanized steel pipes.

- Developing and applying sales, promotion, discount, after-sales policies in a reasonable, efficient and flexible manner, and deploying new sales methods such as online sales and installment sales to meet consumer demands.

- Closely monitoring and drastically applying solutions to reduce costs for business activities, reasonably reducing inventory of finished products to improve profit margins, reducing short-term debt balance, reducing financial costs, enhancing efficiency in the Group's business performance.

- Effective sale for commercial products at the Group's System of Traditional Stores and Hoa Sen Home.

FOR PRODUCTION AND SUPPLY ACTIVITIES

- Enhancing the optimization in arranging and allocating production activities, in parallel with establishing and ensuring strict compliance with norms in production activities such as material consumption; energy consumption; use of tools and spare parts ..., in order to ensure the reduction of costs in production activities, contributing to reducing product price.

- Enhancing the application of technology innovation, improving skills of engineers and operating workers to increase the efficiency and capacity of production lines and improving product quality, increasing the ratio of finished goods, ensuring stable and safe production.

- Continuing to control costs, closely monitoring fluctuations in raw material prices on the market, calculating the demand and time to buy appropriate materials to select a reasonable purchase price and meet demand of production and business, at the same time ensuring the optimal cost of raw materials of the Group.

- Optimizing time and transportation - supplying costs such as: researching, calculating methods and choosing optimal transport route for each order; carrying out competitive bidding to select transport companies to ensure service quality and reasonable prices;

developing and issuing rules and instructions in transporting goods by road and waterway to limit risks and ensure product quality during transportation.

FOR HUMAN RESOURCE DEVELOPMENT

- Developing the quality of human resources, with a focus on the successive staff and reserve managers; strengthening training, improving and enhancing professional qualifications and skills for employees.

- Gradually improving the standards and criteria in recruitment to strengthen the initial training to build quality staff;

- Improving the work performance assessment through KPI system.

- Ensuring policies on salary and benefits for employees of the Group.

FOR COMMUNICATION - MARKETING ACTIVITIES

- Appropriately building the brand image through diversified and effective marketing programs.

- Continuing to carry out communication events, charity activities, sponsoring humanity and community - orientated activities to implement social responsibility and contribute to build a strong and friendly brand of Hoa Sen Group.

- Building a communication campaign in order to demonstrate the strong commitment of Hoa Sen Group to ensure consumers' rights by providing products at the right price, with the right standards and best quality.

- Completing the performance of consulting activities through the free switchboard 18001515 to support consumers how to distinguish authentic Steel sheet - fake Steel sheet, and giving more information and instructions for customers to choose the right products of Hoa Sen Group.



Attaching trust

ENHANCING MANAGEMENT

THESE GROWTH FIGURES ARE A TESTAMENT TO THE BREAKTHROUGH THINKING OF THE MANAGEMENT TEAM OF HOA SEN GROUP, WHICH HAS A REASONABLE AND RIGHT DEVELOPMENT STRATEGY IN EACH PERIOD, HELPING THE GROUP TO SUCCESSFULLY BUILD THE VALUE CHAIN, CONNECTING THE TRUTH FROM RELATED PARTIES.

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



I. STRUCTURE AND MEMBERS OF THE BOARD OF DIRECTORS



1. MEMBERS OF THE BOARD OF DIRECTORS FOR THE TERM 2018 - 2023

The Board of Directors for the term 2018 - 2023 is elected by the General Meeting of Shareholders at the 2017-2018 Annual General Meeting of Shareholders, specifically as follows:

- Number of members of the Board of Directors for the term of 2018 - 2023 is 06 members.
- Non-executive members and independent members of the Board of Directors meet the standards in Article 13 of Decree 71/2017 / ND-CP dated 06/06/2017, specifically:
 - Number of members of Executive Board: 03 members.
 - Number of Non-executive Board members: 03 members, of which the number of Independent Board members is 02 members.
- The title of members of the Board of Directors for the term of 2018-2023 are as follows:

NO	FULL NAME	TITLE
1	Mr. LE PHUOC VU	Chairman of the Board of Directors
2	Mr. TRAN NGOC CHU	Vice Chairman of the Board of Directors (Vice Chairman)
3	Mr. TRAN QUOC TRI	Executive member of the Board of Directors
4	Mr. LY VAN XUAN	Non-executive member of the Board of Directors
5	Mr. NGUYEN VAN LUAN	Independent Member of the Board of Directors
6	Mr. DINH VIET DUY	Independent Member of the Board of Directors

2.2. COMMITTEES UNDER THE BOARD OF DIRECTORS AND SPECIALIZED UNITS SUPPORTING THE COMMITTEES

The Board of Directors establishes Committees under the Board of Directors to organize, direct and supervise the implementation of the functions, duties and powers of the Board of Directors in accordance with the provisions of the Enterprise Law, the Charter and the current Corporate Governance Regulations. In particular, focus on the following key functions and tasks:

- Planning, developing and organizing the implementation of the Group's goals, strategies and business plans.
- Evaluating and supervising the activities of the Board of Directors; evaluating criteria for appointment of senior management - executive positions of the Group; developing a team of administrative - executive officers; planning, developing and organizing the implementation of guidelines on internal management system, organizational structure, salary and bonus, welfare, and human resource policies of the whole Group.
- Supervising the operating activities of the Company; managing risks and establishing a strong control environment.
- Ensuring the implementation of shareholders' interests; Transparency and information disclosure.

The personnel of the Committees under the Board of Directors are all members of the Board of Directors and include: Chairman of the Committee and Members.

The establishment of Committees under the Board of Directors is in accordance with the Principles of Public Company Governance according to best practice, recommended by the State Securities Commission. In addition, in 2020, the revised Law on Enterprises has defined more specifically the positions and roles of the Committees under the Board of Directors, in order to ensure current governance practices applied in the world.

In addition, the Board of Directors established specialized units under the Board of Directors to advise, support and assist the Committees in performing the functions, tasks and powers of the Committees as assigned by the Board of Directors. The specialized committees may include members of the Board of Directors, independent individuals and senior managers.

The detailed explanation of the committees under the Board of Directors and the specialized units under the Board of Directors is as follows:

NO	THE COMMITTEES UNDER THE BOARD OF DIRECTORS	THE SPECIALIZED UNITS	FUNCTIONS, DUTIES
1	Committee of Investment and Strategic Development	Unit of Strategy & Development Investment (Strategy & Development Unit)	Research, survey, develop and recommend the Board of Directors to consider, decide or submit to the General Meeting of Shareholders to decide on medium and long term development strategies of the Group
2	Committee of Corporate Governance & appointment, salary and bonus (Management & Compensation Committee)	Ban Tài cấu trúc & nhân sự, lương thưởng (Ban Tài cấu trúc)	<ul style="list-style-type: none"> -Research, advise and make recommendations on issues related to the Company's Internal Management System; -Evaluating the criteria and capacity of the candidates for the Board of Directors; -Supervising and evaluating the performance of functions and duties of each member of the Board of Directors; -Evaluate and recommend the appointment, dismissal of management positions; -Review and recommend remuneration and other benefits for positions under the Board of Directors; -Review and recommend the reward and discipline for the members of the Board of Directors, the Board of Management.
3	Committee Of Audit	Audit Support Unit	<ul style="list-style-type: none"> -On behalf of the Board of Directors to supervise the truthfulness of financial statements; -Take the main responsibility and give directions and orientations for the internal audit profession; -Monitor the operation of the internal control system, risk management system and compliance system; -Proposing the Board of Directors to consider, approve and supervise transactions with related persons under the decision-making authority of the Board of Directors; -Proposing the selection of an independent auditing company, the remuneration level and related terms in the audit contract; -Monitor and evaluate the independence and objectivity of the audit firm and the effectiveness of the audit process; -Monitoring to ensure that the Company complies with current legal regulations.
4	Committee of Finance and Investor Relations		<ul style="list-style-type: none"> -Supervising and giving direction in transactions related to shareholders, shareholder relations, information disclosure on the stock market; -Establish, recommend and advise the Board of Directors in deciding issues related to finance and capital mobilization of the Company.

The structure and personnel of the Committees under the Board of Directors and the specialized units under the Board of Directors are as follows:

NO	COMMITTEE	FULL NAME	POSITION
THE COMMITTEES UNDER THE BOARD OF DIRECTORS			
1	COMMITTEE OF INVESTMENT AND STRATEGIC DEVELOPMENT	Mr. LE PHUOC VU – Chairman of the Board of Directors	Committee Chairman
		Mr. TRAN NGOC CHU – Vice Chairman of the Board of Directors	Committee member
2	MANAGEMENT & COMPENSATION COMMITTEE	Mr. LE PHUOC VU – Chairman of the Board of Directors	Committee Chairman
		Mr. TRAN NGOC CHU – Vice Chairman of the Board of Directors	Committee member
3	COMMITTEE OF AUDIT	Mr. NGUYEN VAN LUAN – Independent Board Member of the Board of Directors	Committee Chairman
		Mr. DINH VIET DUY – Independent Board Member of the Board of Directors	Committee member
		Mr. LY VAN XUAN – Non-executive member of the Board of Directors	Committee member
4	COMMITTEE OF FINANCE AND INVESTOR RELATIONS	Mr. DINH VIET DUY – Independent Board Member of the Board of Directors	Committee Chairman
SPECIALIZED UNITS UNDER THE BOARD OF DIRECTORS, ASSISTING THE COMMITTEES			
1	STRATEGY & DEVELOPMENT UNIT	Mr. LE PHUOC VU – Chairman of the Board of Directors	Chairman
		Mr. TRAN NGOC CHU – Vice Chairman of the Board of Directors	Vice Chairman
		Mr. TRAN QUOC TRI – Executive member of the Board of Directors cum General Director	Vice Chairman
2	RESTRUCTURING UNIT	Mr. LE PHUOC VU – Chairman of the Board of Directors	Chairman
		Mr. TRAN NGOC CHU – Vice Chairman of the Board of Directors	Vice Chairman
		Mr. TRAN QUOC TRI – Executive member of the Board of Directors cum General Director	Vice Chairman
		Mr. BUI THANH TAM – In charge of Corporate Governance	Vice Chairman
3	AUDIT SUPPORT UNIT	Mr. LE VU NAM	Chairman
		Mr. LE DINH HANH – Director of Internal Control	Vice Chairman

II. REPORT OF THE ACTIVITIES OF THE BOARD OF DIRECTORS

1. REPORT ON PERFORMANCE OF FUNCTIONS AND DUTIES OF EACH MEMBER OF THE BOARD OF DIRECTORS

In the fiscal year 2020 - 2021, the Board of Directors has assigned each member of the Board of Directors to perform specific functions and tasks to ensure that the activities of the Board of Directors are implemented effectively and closely.

Based on the recommendations of Management & Compensation Committee, the Board of Directors assessed: In the fiscal year 2020 - 2021, the members of the Board of Directors have well completed the tasks and responsibilities assigned by the Board of Directors and within the framework of the authority is stipulated in the Charter and the Group's internal management system.

Details of functions, duties and powers are given in the following table:

NO	MEMBER	FUNCTION
1	Mr. LE PHUOC VU Chairman of the Board of Directors	<ul style="list-style-type: none"> -Performing the function of leading and coordinating the activities of the Board of Directors in accordance with the provisions of the Enterprise Law, the Charter and the Group's Governance Regulations. -Performing the authority on governance - administration according to the assignment from the Board of Directors as stipulated in the Charter and Regulations on corporate governance. -Assigned by the Board of Directors to be the Chairman of the Strategy Development Committee and the Chairman of the Management & Compensation Committee, and at the same time directing, administering and deciding on issues within the scope of functions and tasks of the Committees under the Board of Directors and specialized units under the Board of Directors. -Directing on orientations and strategies for operating activities, decisions, guidelines and solutions implemented by the Board of Management of the Group.
2	Mr. TRAN NGOC CHU Vice Chairman of the Board of Director	<ul style="list-style-type: none"> -In charge of handling the daily work of the Board of Directors. -Assigned by the Board of Directors to the executive function in the management and administration apparatus of the Group. The Vice Chairman of the Board of Directors is the head of the Executive Board of the Group. -On behalf of the Board of Directors and Chairman of the Board of Directors to perform the authority of the Board of Directors and Chairman of the Board of Directors. -Directly direct and decide on important issues within the authority of the Group's Executive Board. -Directing works in the fields of Foreign affairs, Finance - Credit - Banking, Investment promotion, other projects of the Group.
3	Mr. TRAN QUOC TRI – Executive member of the Board of Directors cum General Director	<ul style="list-style-type: none"> -Concurrently holding the title of General Director, being the head, leading and responsible to the Board of Directors for the day-to-day management and administration of the Board of General Directors and functional units under the management of the Board of General Directors. -Directly coordinate, organize the implementation and be responsible to the Board of Directors for all activities of the Board of Management of the Group.
4	Mr. LY VAN XUAN – Non-executive member of the Board of Directors	As a member of the Audit Committee under the Board of Directors, participating in the function of approving and supervising transactions with Related Persons and shareholder relations, information disclosure
5	Mr. NGUYEN VAN LUAN – Independent Board Member of the Board of Directors	<ul style="list-style-type: none"> -Take the position of Chairman of the Audit Committee under the Board of Directors, provide professional guidance to the Audit Support Unit and organize the implementation and supervision of the risk management system, internal control and supervision. -Approve and monitor transactions with Related Persons.
6	Mr. DINH VIET DUY – Independent Board Member of the Board of Directors	<ul style="list-style-type: none"> -Taking the position of Chairman of the Finance & Shareholder Relations Committee, taking the main responsibility for shareholder relations, information disclosure and transparency. -Supervising the transactions with related people of the Group.

2. MEETINGS OF THE BOARD OF DIRECTORS:

In the fiscal year 2020 – 2021 (from October 1, 2020 to September 30, 2021), the Board of Directors approved 52 Resolutions related to important issues under the authority of the Board of Directors.

The number and the rate of attending the Board meetings of each member is detailed as follows:

NO	MEMBER OF THE BOARD OF DIRECTORS	POSITION	STARTING DATE AS A MEMBER OF THE BOARD OF DIRECTORS	NUMBER OF THE BOARD'S MEETINGS ATTENDED	ATTENDANCE RATE
1	Mr. LE PHUOC VU	Chairman of the Board of Directors	16/01/2018	52	100%
2	Mr. TRAN NGOC CHU	Vice Chairman of the Board of Directors	16/01/2018	52	100%
3	Mr. TRAN QUOC TRI	Executive member of the Board of Directors	16/01/2018	52	100%
4	Mr. LY VAN XUAN	Non - Executive member of the Board of Directors	16/01/2018	52	100%
5	Mr. NGUYEN VAN LUAN	Independent member of the Board of Directors	16/01/2018	52	100%
6	Mr. DINH VIET DUY	Independent member of the Board of Directors	16/01/2018	52	100%

2. MEETINGS OF THE BOARD OF DIRECTORS: (CONTINUED)

Summary table of some important meetings of the Board of Directors in the fiscal year 2020 - 2021:

NO	RESOLUTION NUMBER	DATE	DESCRIPTION
1	34/NQ/HĐQT/2020	01/10/2020	Approving the changes about the Heads of Hoa Sen Group's brand at Nam Cam – Nghe An, brand at Binh Phuoc, brand at Binh Duong
2	34A/NQ/HĐQT/2020	01/10/2020	Approving the official provision rate of the Funds fiscal year 2019-2020
3	35/NQ/HĐQT/2020	30/10/2020	Approving the change about the Head of Hoa Sen Group's brand at Thai Binh
4	36/NQ/HĐQT/2020	30/10/2020	Approving the credit line that provided by Vietnam International Commercial Joint Stock Bank – at Sailing Tower
5	36A/NQ/HĐQT/2020	10/11/2020	Approving the policies related to the building and business project Du Long Industrial Park
6	37/NQ/HĐQT/2020	11/11/2020	Adding the additional registered business activities for Hoa Sen Binh Dinh One Member Limited Liabilities Company
7	38/NQ/HĐQT/2020	16/11/2020	Approving the changes in the Heads of Hoa Sen Group's brand at Quang Nam, 2nd Brand at My Hao – Hung Yen
8	39/NQ/HĐQT/2020	18/11/2020	The resolution about the periodic meetings of the Board of Directors in October and November, 2020
9	39A/NQ/HĐQT/2020	18/11/2020	Decision to organize the General Meeting of Shareholders fiscal year 2020 – 2021 of Hoa Sen Group (time: 21/01/2021)
10	40/NQ/HĐQT/2020	25/11/2020	Approving the use of credit that provided by Ho Chi Minh City Development Joint Stock Commercial Bank
11	41/NQ/HĐQT/2020	27/11/2020	Transferring the Internal Audit Unit into the Audit Committee of Board of Directors
12	41A/NQ/HĐQT/2020	30/11/2020	Approving the policy to adjust, add the business activities and adjust the Investment Registration Certificate at Hoa Sen Building Materials One Member Limited Liabilities Company and Hoa Sen Binh Dinh One Member Limited Liabilities Company.
13	42/NQ/HĐQT/2020	01/12/2020	Approving the credit line that provided by Tien Phong Commercial Joint Stock Bank
14	42A/NQ/HĐQT/2020	16/12/2020	Approving the changes in the Heads of Hoa Sen Group's brand at Doan Hung – Phu Tho, 2nd brand at Bac Giang
15	43/NQ/HĐQT/2020	18/12/2020	Approving the loans, mortgages policy and sending a representative to carry out the procedures at Vietnam Joint Stock Commercial Bank for Industry and Trade – Binh Duong Industrial Zone brand
16	44/NQ/HĐQT/2020	24/12/2020	The resolution about the periodic meetings of the Board of Directors in December, 2020
17	45/NQ/HĐQT/2020	25/12/2020	Assigning the signing of documents and the procedures related to Business Registration Certificate (Effective 01/01/2021 – 31/12/2021)
18	45A/NQ/HĐQT/2020	25/12/2020	Assigning the responsibilities of Bank – Credit activities (Effective 01/10/2021 – 31/12/2021)
19	01 /NQ/HĐQT/2021	22/01/2021	Approving the policy of changing the location of HSG brand at Bac Ninh

Summary table of some important meetings of the Board of Directors in the fiscal year 2020 - 2021: (Continued)

NO	RESOLUTION NUMBER	DATE	DESCRIPTION
20	02 /NQ/HĐQT/2021	22/01/2021	Approving the acceptance and guarantee for the repay responsibility of Hoa Sen Building Materials One Member Limited Liabilities Company at Vietnam Joint Stock Commercial Bank for Industry and Trade – Ba Ria – Vung Tau brand.
21	03 /NQ/HĐQT/2021	29/01/2021	Approving the policy of re-buying 22 million shares to become treasury shares.
22	04 /NQ/HĐQT/2021	01/02/2021	Approving the policy to increase the charter capital of Hoa Sen Du Long Industrial Park Infrastructure Investment Joint Stock Company
23	05 /NQ/HĐQT/2021	01/02/2021	Approving the policy to adjust the information about the laminating steel sheet, purlin and manufacturing Plafind PVC Project at Industrial zone at Phan Thiet, Binh Thuan
24	06 /NQ/HĐQT/2021	17/02/2021	Approving the policy to sell the shares bought at the time the 2019 Securities Law was still in effect, gathered shareholders opinion by document about HSG rebuy its own shares and reduce the charter capital
25	07 /NQ/HĐQT/2021	01/03/2021	Approving the policy that gathered shareholders opinion by document about HSG rebuy its own shares and reduce the charter capital
26	08 /NQ/HĐQT/2021	01/03/2021	Approving the changes in the Heads of Hoa Sen Group's at the brands under Hoa Sen Group as follow: - Change in the Head of Hoa Sen Group's brand at Yen Khanh - Ninh Binh - Change in the Head of Hoa Sen Group's brand at Bac Giang brand - Change in the Head of Hoa Sen Group's brand at Lang Son brand - Change in the Head of Hoa Sen Group's brand at Lai Chau brand - Change in the Head of Hoa Sen Group's brand at Yen Bai brand - Change in the Head of Hoa Sen Group's brand at Lao Cai brand
27	08A /NQ/HĐQT/2021	03/03/2021	Approving the policy to increase the charter capital of Hoa Sen Yen Bai Building Materials One Member Limited Liabilities Company (Post charter capital: 340,000,000,000 VND)
28	09 /NQ/HĐQT/2021	10/03/2021	Approving the policy of loan and sending a representative to carry out the making, receiving loans at SinoPac Bank – Ho Chi Minh brand (credit line: 6 million USD)
29	10 /NQ/HĐQT/2021	23/03/2021	The resolution about the periodic meetings of the Board of Directors in January, February and March, 2021
30	10A /NQ/HĐQT/2021	23/03/2021	Choosing the Audit company for the financial report of fiscal year 2020 - 2021
31	11 /NQ/HĐQT/2021	23/03/2021	Approving the use of credit that provided by Ho Chi Minh City Development Joint Stock Commercial Bank (HDBank) (Credit line: VND 2,000 billion)
32	12 /NQ/HĐQT/2021	26/03/2021	Approving the request of newly-granting credit line and sending a representative to do the making, receiving loans procedures at China Trust Commercial Bank (CTBC)
33	13 /NQ/HĐQT/2021	26/03/2021	Approving of allowing Hoa Sen Nghe An One Member Limited Liabilities Company to loan and use its assets as collaterals for the loans at Vietnam Joint Stock Commercial Bank For Industry And Trade – Binh Duong Industrial Zone brand and Nghe An brand.
34	13A /NQ/HĐQT/2021	29/03/2021	Approving to increase the L/C and loan credit line, sending a representative of HSG to sign the making, receiving loan agreement at Saigon Thuong Tin Commercial Joint Stock Bank – Central Brand

2. MEETINGS OF THE BOARD OF DIRECTORS: (CONTINUED)

Summary table of some important meetings of the Board of Directors in the fiscal year 2020 - 2021: (Continued)

NO	RESOLUTION NUMBER	DATE	DESCRIPTION
35	14 /NQ/HĐQT/2021	31/03/2021	Approving the policy to transfer the shares at Hoa Sen Du Long Industrial Park Infrastructure Investment Joint Stock Company
36	15 /NQ/HĐQT/2021	01/04/2021	Approving the changes in the Heads of Hoa Sen Group's brands.
37	15A /NQ/HĐQT/2021	01/04/2021	Approving the policy of credit line request at the Bank for Foreign Trade of Vietnam (Vietcombank)
38	16 /NQ/HĐQT/2021	08/04/2021	Approving the policy of credit line request at the Vietnam Maritime Commercial Joint Stock Bank – Ho Chi Minh city Brand
39	17/NQ/HĐQT/2021	05/05/2021	Approving the policy of credit line request at the HSBC Bank
40	18/NQ/HĐQT/2021	06/05/2021	Approving the policy of credit line request at the Ho Chi Minh City Development Joint Stock Commercial Bank
41	19/NQ/HĐQT/2021	19/05/2021	Approving the policy of credit line request at the Bank for Investment & Development of Vietnam (BIDV)
42	20/NQ/HĐQT/2021	20/05/2021	The resolution about the periodic meetings of the Board of Directors in April and May, 2021
43	21/NQ/HĐQT/2021	24/05/2021	Approving the dividend payout option of fiscal year 2019 – 2020 by shares
44	22/NQ/HĐQT/2021	01/06/2021	Approving the changes in the Heads of Hoa Sen Group's brands
45	23/NQ/HĐQT/2021	24/06/2021	Approving the report about the result of issuing new shares for the dividend payout fiscal year 2019 - 2020
46	24/NQ/HĐQT/2021	16/07/2021	Approving the changes in the Heads of Hoa Sen Group's brand at Binh Duong brand
47	25/NQ/HĐQT/2021	04/08/2021	Issuing shares for the top managers, administration – governance managers of HSG in 2021
48	26/NQ/HĐQT/2021	06/08/2021	Approving the policy of credit line request at the United Overseas Bank (UOB)
49	27/NQ/HĐQT/2021	17/08/2021	Approving the policy of credit line request at the Vietnam International Commercial Joint Stock Bank
50	28/NQ/HĐQT/2021	17/08/2021	Accepting the loan credit line of Hoa Sen Nghe An One Member Limited Liabilities Company at Vietnam International Commercial Joint Stock Bank
51	29/NQ/HĐQT/2021	09/09/2021	Adjusting information about the laminating steel sheet, purlin and manufacturing Plafind PVC Plant
52	30/NQ/HĐQT/2021	30/09/2021	Approving the related-party transactions

3. ACTIVITIES OF COMMITTEES UNDER THE BOARD OF DIRECTORS

As Committees under the Board of Directors and established by the Board of Directors, the Committees perform the function of researching, advising and proposing the Board of Directors / General Assembly of Shareholders to consider and decide the guidelines and orientations related to production and business activities of the Group, and on behalf of the Board of Directors to monitor and supervise functional units of the Executive Board in the implementation of the resolutions and guidelines approved by the Board of Directors / General Assembly of Shareholders.

In the fiscal year 2020 - 2021, the operations of the Committees under the Board of Directors are as follows:

3.1. INVESTMENT & STRATEGIC DEVELOPMENT COMMITTEE

- For the Group's development goals and strategies for the period of 2021 - 2026: The Committee has researched, planned and formulated the Group development goals and strategies to recommend the Board of Directors to consider, approve. The development objectives and strategies have been approved by the Board of Directors to continue to be submitted to the General Meeting of Shareholders for approval at the 2020-2021 Annual General Meeting. At the same time, the Committee has also proposed to the Board of Directors to establish a Development Investment & Strategy Unit to organize the implementation of the set goals and strategies.

- For the manufacturing plants: The committee organized, directed and oversaw the function units to closely follow, ensured stable production, effectiveness of the finished manufacturing plants.

- For another Projects: The committee reviewed, suggested the Board of Directors to continue to deploy, accomplish the mall, hotel, restaurant & event Project Hoa Sen Yen Bai to guarantee the pace accordance to the plan, appropriated with the current resources of the Group.

- For the projects that are temporarily suspended: The committee suggested, asked Board of Directors to consider the balance of the resources to end the Project and disband Hoa Sen Quy Nhon Joint Stock Company to reclaim the investment.

3.2. COMMITTEE OF CORPORATE GOVERNANCE & APPOINTMENT, SALARY AND BONUS

3.2.1. THE WORK OF RESTRUCTURING AND PERFECTING THE OPERATIONAL SYSTEM

- Developing, perfecting and advising the Board of Directors to review and approve the organizational structure, problems of human resources, designate the titles of the Departments, Divisions in the Representative Office, Subsidiaries, Plants, Units to ensure compliance with the new situation, in the spirit of streamlining the system, reducing costs, but still ensuring optimal and effective management and control.

- Directing and coordinating with functional units to implement the restructuring of Distribution System following the model of Provincial Branch, applying ERP and electronic invoices to the Distribution Network, at the same time terminating the operation of the old model in accordance with the approved schedule.

- Directing functional units to review and complete the system of Regulations, Business Processes related to the Group's operating areas in the spirit of optimizing processes, reducing steps, intermediaries and procedures.

3.2.2. HUMAN RESOURCE MANAGEMENT

- Research and build the total staffing of the whole Group in the spirit of streamlining the apparatus, reducing expenses.

- Reviewing, arranging and allocating the whole Group's personnel appropriately in order to ensure compliance with the Group's production and business situation,

streamlining the operating system, optimizing the efficiency of human resources but still ensure the working spirit and motivation of employees.

- Researching, building and recommending to the Board of Directors through policies of salary, bonus, welfare, reward and discipline of the Group.

- Evaluating and proposing to the Board of Directors to consider and appoint a number of senior management positions to strengthen the entire management and administration apparatus of the Group.

- Recruiting, training and developing the management trainee with good characteristics, knowledge, fit to the culture of the Group while building appropriate policy, bonus policy, title structure for the new trainees.

3.2.3. THE WORK OF OPTIMIZING COST EFFICIENCY

- Implementing the guidelines of the Board of Directors, the Committee has directed and coordinated with units to implement many solutions to reduce operating costs of the Group to ensure consistent with the situation of market instability, stabilizing production and business activities, ensuring profits.

- The Committee also advises the Board of Directors in organizing liquidation and transfer of some assets (movables assets, real estate) that the Group no longer needs to use to recover investment capital and supplement to the manufacturing and trading operation.

3.2.4. Handling other issues related to the Group's restructuring, personnel and remuneration.

3.3. FINANCE AND INVESTOR RELATIONS COMMITTEES

3.3.1. SHAREHOLDER RELATIONS AND INVESTORS ACTIVITIES

- Participating in annual and irregular meetings of the General Assembly of Shareholders; preparing meeting documents and fully publishing documents on the website for shareholders to refer, as a basis for shareholders to discuss and vote at the conference in accordance with the provisions of law; fully and thoughtfully answer all questions asked by shareholders at the conference within a reasonable time.

- Participating in meeting and exchanging with domestic and foreign investors, presenting and answering issues that investors care about, creating trust in investors.

- Contacting, meeting, answering questions and supporting shareholders in the registration procedures.

- Updating new legal regulations to recommend the Board of Directors to consider the plan to adjust the Group's internal regulation system related to shareholder relations, internal governance, disclosure and transparency of information to ensure the interests of shareholders.

3.3.2. INFORMATION DISCLOSURE ACTIVITIES

- Implementing regular and irregular information disclosure procedures in accordance with the law.

- Actively disclosing information for important information, which directly or indirectly affects the interests and investment decisions of investors.

3.3.3. DIVIDEND PAYMENT ACTIVITIES

- Advising the Board of Directors appropriately on the ratio, form and time of dividend payment to ensure that it does not affect the operation of the Company

- In the fiscal year 2020 - 2021, the Committee has recommended the Board of Directors to consider and approve the policy of paying dividends of the fiscal year 2019 - 2020 in shares at the rate of 10% before July 30, 2021 to ensure the interests of shareholder.

3.3.4. FINANCIAL ACTIVITIES

- Negotiating and working with banks and credit institutions in calling capital to implement on-going projects.

- Reviewing, proposing and advising the Board of Directors to decide on capital contribution activities, cash flow coordination for the subsidiaries, factories and on – going projects.

3.4. AUDIT COMMITTEE

3.4.1. FINANCIAL SUPERVISION

- Periodically reviewing the financial statements of the Company, ensuring the accuracy and transparency in financial data when reporting to state management agencies, shareholders and investors.
- Verifying reports on monthly financial expenses carried out by the Board of Management ("the Executive Board"), thereby proposing the Board of Directors on orientations related to financial management.
- Inspecting the financial data of the Company to ensure the financial situation of the Company is always in a healthy state.
- Organizing the units to analyze financial situation, and set up the plan to reduce costs of the Group.

3.4.2. INSPECTION, SUPERVISION AND APPROVAL OF TRANSACTIONS WITH RELATED PERSONS

- Participating in monitoring, checking and approving transactions between the Company and related persons.
- Reviewing, commenting and advising the Board of

Directors to approve the Regulation on procedures for approval, entry and implementation of transactions with related persons.

3.4.3. ENSURING THE EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT SYSTEM

- Making business recommendations and monitoring the performance of the internal control system, risk management system and compliance monitoring system;
- Regularly or irregularly organize inspections of functional units under the Group to ensure compliance with the Group's internal regulations and current laws.

3.4.4. ENSURING TRANSPARENCY AND EFFICIENCY OF INDEPENDENT AUDITING FIRMS

- Proposing the selection of an independent auditing company, the remuneration level and related terms in the audit contract;
- Monitor and evaluate the independence and objectivity of the audit firm and the effectiveness of the audit process.

III. RESULTS OF IMPLEMENTING THE RESOLUTION OF THE GENERAL MEETING IN THE FISCAL YEAR 2020 - 2021

In the fiscal year 2020 – 2021, the Board of Directors held an annual shareholder meeting on 21/01/2021 to submit to the General Meeting of Shareholders approving a number of reports and guidelines related to the Company's activities. The contents approved by the General Meeting of Shareholders are recorded in Resolution No. 01 / NQ / DHDCD / 2021 dated 21/01/2021.

Details of the implementation are as follows:

NO	KEY CONTENT	RESULT
1	Approved the operation orientation and business plan for the fiscal year 2020 - 2021	The Group has completed and exceeded the production and business plan for the fiscal year 2020 - 2021. Details show the next sections of the report.
2	Approved the plan for profit distribution of fiscal year 2019 - 2020	Completed the dividend payment of the fiscal year 2019 - 2020 in July 2021: - Payment rate: 10% - Form of payment: Stock dividend - Charter capital after payment is completed: VND 4,890,818,960,000
3	Appropriation of funds in the fiscal year 2020 - 2021 According to the guidelines of the General Meeting of Shareholders, the rate of appropriation of funds is as follows: - Bonus fund: Maximum of 2% of consolidated profit after - tax - Remuneration fund: Maximum of 2% of consolidated profit after - tax - Funds for charity: Up to 4% of consolidated profit after - tax.	The Board of Directors has setting up funds in the fiscal year 2020 – 2021 with the following ratio: - Bonus fund: 2% of consolidated profit after - tax - Remuneration fund: 2% of consolidated profit after - tax - Funds for charity: 4% of consolidated profit after - tax
4	Authorize the Board of Directors to choose the Auditing Company to audit the Financial Statements of the fiscal year 2020 - 2021.	The Board of Directors selected KPMG Vietnam Co., Ltd. as the auditor for the Group's Financial Statements in the fiscal year 2020 – 2021. The choice of the Audit company is shown at Circular 10A/NQ/HD9QT/2021 dated 23/03/2021 and published as stated by the law.

IV. RESULTS OF SUPERVISORY OPERATION ACTIVITIES OF THE BOARD OF DIRECTORS:

1. ASSIGNING TASKS TO MEMBERS OF THE BOARD OF MANAGEMENT

The Board of Directors appointed and assigned to members of the Board of Management to carry out the business segments in the production and business activities of the Group. As follows:

NO	NAME AND POSITION	DESCRIPTION
1	Mr. TRAN QUOC TRI General Director - The third legal representative	1. Function of legal representation: Implementing the authority of the Third Legal Representative in accordance with the Enterprise Law, the Company's Charter and Current Regulations. 2. In charge of common responsibility for the management activities of the Board of Directors: - Organizing, coordinating, assigning and appointing the members of the Board of Directors in the overall management of the Group's daily business and production activities; - Organizing the implementation of the Group's orientations and policies as assigned by the Board of Directors; - Be supervised and responsible to the Board of Directors for the results of activities of the Board of Management. 3. Directly responsible for a number of fields as assigned by the Board of Directors: Managing and taking direct responsibility in: Export, Import raw materials, Domestic sale (Distribution System Management, commercial products), Business Planning & Policy, Human Resources, Recruitment & Training. 4. Responsible for coordinating and organizing the implementation of key tasks related to the Group's development goals and strategies.
2	Mr. HOANG DUC HUY Deputy General Director In charge of Internal Control	Directing and managing professional operations of the Internal Control Department.
3	Mr. VU VAN THANH Deputy General Director In charge of Finance – Marketing	1. Directing and directly responsible for the operations in Finance and Trade Remedies, Marketing; 2. Representing the entire contributed capital of the Group to perform the function of managing - operating the activities of the manufacturing Subsidiaries in the North (Nghe An, Ha Nam, Yen Bai). 3. In charge of operations related to the Group's strategy & development, specifically: Purchasing, selecting suppliers for commercial products in the field of building materials - furniture; Supply and transport for commercial products put into business.
4	Mr. HO THANH HIEU Deputy General Director In charge of Domestic sales, IT, ERP	1. Operating and taking direct responsibility in the following operations: Commercial business (Steel sheet - steel - plastic); Information technology & ERP. 2. Representing the entire contributed capital of the Group to perform the function of managing - operating the activities of the manufacturing Subsidiaries in the Central (Binh Dinh Province). 3. In charge of operations related to the Group's strategy & development, specifically: IT & ERP project phase 2; Effective business for commercial products already in operation.
5	Mr. TRAN QUOC PHAM Deputy General Director In charge of Investment and Construction	1. Operating and taking direct responsibility in Investment & Basic Construction; Investment promotion of real estate projects (if any). 2. Organizing the implementation and supervision of construction, finishing, pre-acceptance test of works, infrastructure and workshops at the Group's Projects (including Plant Projects and other Real Estate Projects). 3. In charge of operations related to the Group's strategy & development, specifically: Design, construction and acceptance for the upgrading and new construction of the Hoa Sen Home Supermarket system of building materials - furniture.
6	Mr. NGUYEN NGOC HUY Deputy General Manager In charge of Export	Operating and taking direct responsibility in Export.
7	Mr. TRAN THANH NAM Deputy General Director In charge of Distribution System	1. Operating and taking direct responsibility in the following operations: Management of Distribution System; Business, market development for branches and stores of Distribution System 2. In charge of operations related to the Group's strategy & development, specifically: Searching, developing and expanding the system of Hoa Sen Home Supermarket system of building materials - furniture; sale activities for the Hoa Sen Home.
8	Mr. NGUYEN TAN HOA Deputy General Director In charge of production, supply and industrial projects	1. Operating and taking direct responsibility in the following operations: Technology, quality; Monitor operational performance of industrial projects; Procurement and Supply to serve the traditional business segment. 2. Directly manage and take responsibility for production management at plants and subsidiaries under the Group; 3. Organize and supervise the installation, completion and acceptance of lines, machinery and equipment at the Group's production projects.

2. EVALUATION OF THE BOARD OF MANAGEMENT PERFORMANCE IN THE FISCAL YEAR 2020 – 2021

Weekly meetings to brief the situation of the Board of Management: Every week, Board of Management holds a weekly meeting with the Directors of Functional Departments and Directors of Subsidiaries to monitor and check the management and administration in order to timely adjust to suit the guidelines and orientations of the Board of Directors. At the meeting, the Board of Directors will review and evaluate the reports on business and production situation; report the progress and results of the work assigned; updated information on market movements and proposed tasks and plans to be implemented during the week. At the weekly meetings, the Board of Directors sent members of the Board of Directors to attend to supervise and monitor the management activities and promptly make adjustments to suit the guidelines and orientations of the Board of Directors.

2. EVALUATION OF THE BOARD OF MANAGEMENT PERFORMANCE IN THE FISCAL YEAR 2020 – 2021 (CONTINUED)

Extraordinary meetings of the Board of Directors: During the peak periods, important decisions need to be made, the Board of Directors holds extraordinary meetings to discuss and agree on issues and decisions. In some necessary cases, members of the Board of Directors are invited to attend the meeting to supervise, monitor and provide guidance.

Periodic Board meetings: The Board holds regular meetings every 2 months to evaluate the management of the Board of Management, the results of implementing the Board's guidelines and monthly business results, discuss and review the business plan of the next month and giving guidelines and important policies for the Group's activities. At regular meetings of the Board of Directors, the members of the Board of Management and a number of key managers (Internal Auditing Board, Chief Accountant, and Corporate Governance) must attend in full to report and acknowledge the guidelines and orientations of the Board of Directors.

In the fiscal year 2020 - 2021, the Board of Management successfully fulfilled the role through timely and flexible production and business management solutions which are consistent with the guidelines and orientations of the Board of Directors. The guidelines and decisions given by the Board of Directors are fully and quickly implemented by the Board of Management and reported to the Board of Directors with a high sense of responsibility.

V. REPORT ON THE ACTIVITIES OF THE AUDIT COMMITTEE UNDER THE BOARD OF DIRECTORS

1. RESULTS OF SUPERVISION OF FINANCIAL AND ACCOUNTING SITUATION OF THE GROUP

In the fiscal year 2020 - 2021, performing the functions specified in the Organization Charter and Corporate Governance Regulation, through the operations of the Internal Audit Committee, the Board of Directors organized the following tasks: (i) reviewing and evaluating the Group's financial and accounting situation; (ii) work with the Independent Auditing Unit (KPMG Vietnam Co., Ltd.) to ensure the independence and objectivity in the audit activities of the Group's financial statements.

Evaluating the Group's financial and accounting situation in the fiscal year 2020 - 2021, the Board of Directors has the following conclusions about the Group's financial situation and financial statements:

1.1. FINANCIAL SITUATION:

The Board of Directors confirmed that the Group's financial position in the fiscal year 2020 – 2021 is good and transparent, namely:

- The Group fully complies with the requirements of the current Vietnamese accounting standards and accounting system in organizing the accounting and financial work.
- The accounting documents are strictly managed and systematically stored by the Group in accordance with regulations, ensuring quick and complete tracking when inspection and auditing are required.
- The opening of accounting books and fund books must comply with current regulations, daily record and update promptly and accurately the receipt, payment and debit / credit notes of the bank.
- Basic indicators of debt situation, loan capital, liquidity, asset use efficiency, provisioning, and equity to meet financial - accountant regulations, principles and standards.
- The Group has tried the best in reducing expenses, promoted selling to realize the net profit from operating activities, effectively reduced the outstanding loans, ensured the financial balance of the Group. As the results, at the end of fiscal year 2020 – 2021, the total debt over total equity is improved.
- Productivity is stable, cash flow is guaranteed, good financial position. This is a positive thing considered the unpredictability of the current market.

1.2. FINANCIAL STATEMENTS:

The Board of Directors confirms that the information in the Group's quarterly, semi-annual and annual financial statements (including separate and consolidated statements) is presented in an honest, reasonable manner, consistent, suitable with the provisions of the law. The Board of Management maintains caution in organizing accounting, statistics and financial reporting.

Based on the reports presented by the Board of Management at the regular Board of Director's meetings, the actual inspection results, as well as audit data of the independent auditing unit - KPMG Vietnam Co., Ltd, the Board of Director of Hoa Sen Group confirms that the financial position of Hoa Sen Group is in a completely healthy state.

2. REPORT ON ACTIVITIES OF INSPECTION AND SUPERVISION OF TRANSACTIONS WITH RELATED PERSONS

In the fiscal year 2020 - 2021, the supervision and inspection of transactions with related persons are strictly implemented, in accordance with the law, details are as follows:

- The conclusion and execution of transactions are subject to the approval of the Board of Directors in accordance with the provisions of the Group's Charter, Regulation on Management and Regulation on transactions with related persons, in accordance with the provisions of the Law on Business and the current Securities Law.
- At regular meetings, members of the Board of Directors discussed, presented opinions and views on transactions with related persons. For transactions that are considered to be important, the Board of Directors held an extraordinary meeting to pass a separate Resolution on transactions and be disclosed in accordance with the law.
- For regular transactions, the Board of Management submits to the Independent members of the Board of Directors, non-executive members of the Board of Directors and the Head of the Internal Audit Department for consideration and approval in accordance with regulations.
- The conclusion and execution of transactions are based on equality and voluntariness in accordance with the laws and regulations of the Group. Transactions are signed in writing, ensuring transparency and harmony of interests of shareholders and interests of parties to the transaction.

In the fiscal year 2020 – 2021, the Board of Directors reviewed and approved the policies on transactions with Related Persons of the Company. The guidelines have also been published in accordance with the current securities laws. As follows:

NO	RESOLUTION NUMBER	DATE	DESCRIPTION
1	33/NQ/HĐQT/2020	30/09/2020	Approve transactions with Related Persons arising from 01/10/2019 to 30/09/2020 (fiscal year 2019 – 2020) and the proposed transaction plan arising from 01/10/2020 to 30/09/2021 (fiscal year 2020 – 2021).
2	30/NQ/HĐQT/2021	30/09/2021	Approve transactions with Related Persons arising from 01/10/2020 to 30/09/2021 (fiscal year 2020 – 2021) and the proposed transaction plan arising from 01/10/2021 to 30/09/2022 (fiscal year 2021 – 2022)

3. ASSESSMENT OF AUDITING, INTERNAL CONTROL ENVIRONMENT

3.1. STRICT CONTROL AND INTERNAL AUDIT ENVIRONMENT

Internal audit is one of the important operations at the Group, increasingly attached to production and business activities. Internal audit is an effective tool of the Board of Directors to inspect, supervise and support the operation of the Board of Management in particular and the functional units of the Group in general, to maximize the protection for the business and the interests of shareholders.

Hoa Sen Group maintains a professional system of internal audit and internal control, participates in monitoring and strictly controlling all activities of the Group in order to ensure that professional operations are in compliance with the issued process. In addition, the Group also has specialized units to carry out bidding activities, control prices... to optimize input costs for the Group.

In addition, through the Internal Audit Sub - Committees and advisory units, the Board of Directors also identifies key risks in the year, identifies business processes related to risks and assess the appropriateness of the control system as well as compliance in operational processes.

3.2. TRANSPARENT AUDIT ENVIRONMENT

Hoa Sen Group always creates a policy of creating a transparent and favorable environment for auditing and inspection activities of Independent Auditing Organizations as well as State Agencies. The data in the financial statements of the Group reflect fully and honestly the financial situation, operation of the Group and in accordance with the standards on accounting, auditing and legal regulations.

VI. REMUNERATION AND OTHER INCOME OF THE BOARD OF DIRECTORS

Remuneration of the Board of Directors in the fiscal year 2020 – 2021:

NO	TITLE	REMUNERATION (VND/ MONTH)
1	Chairman of the Board of Directors	30,000,000
2	Vice Chairman of the Board of Directors	25,000,000
3	Member of the Board of Directors	20,000,000

Other income at the Group of member of the Board of Directors:

STT	HỌ VÀ TÊN	CHỨC DANH	TIỀN LƯƠNG / THÙ LAO (VND/THÁNG)
1	Mr. LE PHUOC VU	Chairman of the Restructuring Board	12,000,000
		Vice Chairman of the Restructuring Board	9,000,000
2	Mr. TRAN NGOC CHU	Chairman of Hoa Sen Phu My Co., Ltd	20,000,000
		Chairman of Hoa Sen Steel Sheet Co.,Ltd	20,000,000
		Chairman of Hoa Sen Building Materials Co.,Ltd	20,000,000
		General Director*	100,000,000
3	Mr. TRAN QUOC TRI	Vice Chairman of the Restructuring Board	9,000,000
		Member of the Board of Management of Hoa Sen Phu My Steel Sheet Plant	20,000,000

* **Note:** The actual salary of the positions of the Board of Management is the salary rank and the business efficiency bonus. In particular, the business performance salary will depend on the monthly production and business situation of the Group

INVESTOR RELATIONS

The investor relations (IR) always earn specific care from the Board of Management and get direct command from the Board of Directors, Spokesman. The activities of investor relations are founded on the core values of Hoa Sen Group and in conformity with law. It is to guarantee the equity and transparency to the investors and shareholders.

Prominent IR activities in the fiscal year 2020 - 2021:

- Successfully holding the Annual General Meeting of the fiscal year 2020 - 2021.
- Information Disclosure accordance to the Circular no 155/2015/TT-BTC dated 06/10/2015 and the Circular no 96/2020-TT-BTC dated 16/11/2020.
- Reimburse dividend payment of fiscal year 2019-2020 according to the Resolution 01/NQ/ĐHĐCĐ/2021 of Annual General Meeting on 21/01/2021.
- Organize meetings between investors to enhance the cooperation. In fiscal year 2020 - 2021, Hoa Sen Group had more than 100 meetings from domestic and international investors that need more information about Hoa Sen Group's operations.



SHAREHOLDERS STRUCTURE, CHANGES IN THE SHARES OF THE OWNERS

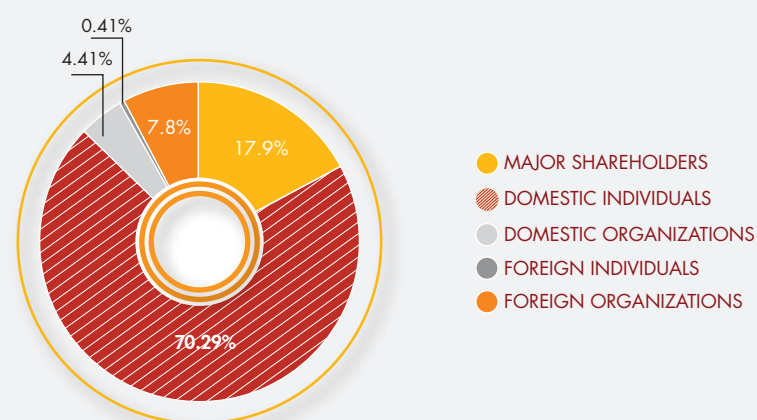
SHARE INFORMATION

- Total number of outstanding share with voting rights: 493,481,896 shares.
- Treasury share: 0 share.
- Total number of free-trade share: 489,081,896 shares.
- Total number of non-free-trade share (ESOP 2021): 4,400,000 shares.
- Maximum ownership of foreign shareholders: 49%

SHAREHOLDER'S STRUCTURE AT 15/09/2021

NO	SHAREHOLDER	NUMBER OF SHARES	PERCENTAGE
1.	Major shareholders	84,326,817	17.09%
2.	Other shareholders	409,155,079	82.91%
2.1	Domestic shareholders	368,646,087	74.70%
A)	Domestic individuals	346,874,950	346,874,950
B)	Domestic organizations	21,771,137	21,771,137
2.2	Foreign shareholders	40,508,992	8.21%
A)	Foreign individuals	2,043,764	0.41%
B)	Foreign organizations	38,465,228	7.80%
	Total	493,481,896	100.00%

SHAREHOLDER'S STRUCTURE OF HOA SEN GROUP



NUMBER OF SHARES OWNED BY THE BOARD OF DIRECTORS

NO	NAME	TITLE	OWNING PERCENTAGE
1	Mr. Le Phuoc Vu	Chairman of the Board of Directors	17.09%
2	Mr. Tran Ngoc Chu	Vice Chairman of the Board of Directors	0.31%
3	Mr. Tran Quoc Tri	Member of the Board of Directors General Director	0.22%
4	Mr. Nguyen Van Luan	Independent Member of Board of Directors, Chairman of Audit Committee	0.01%
5	Mr. Dinh Viet Duy	Independent Member of Board of Directors, Member of Audit Committee	0.01%
6	Mr. Ly Van Xuan	Non-executive Member of Board of Directors, Member of Audit Committee	0.13%

CHANGES IN THE SHARE

Following the Resolution of the annual General Meeting of Shareholders on 21/01/2021, during the fiscal year of 2020 – 2021, the Board of Directors of Hoa Sen Group correctly followed the decision about dividend payout of fiscal year 2019 – 2020. After finishing paying dividend, charter capital increased from VNĐ 4,446,252,130,000 to VNĐ 4,890,818,960,000.

NO	INDICATION	RATE	METHOD	DATE OF THE FINAL REGISTRATION	DATE OF RECEIVING THE STOCK
1	Stock dividend for all current shareholders	10% (Each shareholders that owned 100 shares, received an additional of 10 shares)	Stock Dividend	16/06/2021	20/07/2021

TRADING OF THE TREASURY STOCK

From 25/03/2021 to 29/03/2021, the Group had completely sold 327,100 treasury shares to meet with the law in term of rebuying treasury stock, depends on HSG's stock price, guarantees the investors and shareholders interest.

ISSUING STOCKS FOR THE TOP MANAGERS, ADMINISTRATION – GOVERNANCE MANAGERS OF HOA SEN GROUP

Following the Resolution of the annual General Meeting of Shareholders on 21/01/2021, during 09/2021, the Group had issued 4,400,000 shares for the top managers, administration – governance managers of Hoa Sen Group, therefore, increased the charter capital to VNĐ 4,934,818,960,000. The newly issued shares are restricted to trade for 1 year, the official tradable date is 16/09/2022.

NUMBER AND PERCENTAGE OF SHARES OWNED BY SHAREHOLDERS WHO RELATE TO INTERNAL SHAREHOLDERS FROM 01/10/2020 TO 30/10/2021

No	RELATED PERSON	RELATIONSHIP	BEGINNING SHARES		ENDING SHARES		REASON
			NUMBER OF STOCK	RATE (%)	NUMBER OF STOCK	RATE (%)	
1	Hoa Sen Holdings Group	The chairman of the Company is Mr. Le Phuoc Vu - Chairman	73,140,478	16.45%	43,140,478	9.70%	Sell
2	Hoa Sen Holdings Group	The chairman of the Company is Mr. Le Phuoc Vu - Chairman	43,140,478	9.70%	16,135,729	3.63%	Sell
3	Mr. Hoang Duc Hoang	Little brother of Mr. Hoang Duc Huy – Deputy General Director	11,820	0.0025%	0	0%	Sell
4	Mr. Tran Ngoc Chu	Vice Chairman of the Board of Directors – Executive member	1,658,729	0.34%	1,258,729	0.26%	Sell
5	Mr. Ly Hoang Long	Son of Mr. Ly Van Xuan – Member of Board of Directors	100,051	0.02%	70,051	0.014%	Sell
6	Mr. Ho Thanh Hieu	Deputy General Director	562,195	0.11%	162,195	0.03%	Sell

RISK MANAGEMENT

“ In order to minimize possible risks in business operations, the Group has built a strategy of risk management, which not only guarantees business objectives but also creates competitive advantage in order to ensure the Group’s best operation. The establishment of the functional units such as Internal Control Division, Legal Division, Valuation Division and Purchasing Division aim to control the possible risks and make the positive outcomes in business operation and supervision of the Group. ”

In addition, Hoa Sen Group has issued the flowchart of "Risks Identification and Risks Assessment Process" for guiding the implementation of risks identification and risks assessment, thereby issuing proper control measures to minimize the possibility of risks, stabilize the business operations of the Group, and create comfortable workplace for employee.



RISKS IN BUSINESS ACTIVITIES

Identifying: The economic growth rate is a factor that directly affects the aggregate demand. As the economy grows, the demand of steel and building materials products including the demand of Hoa Sen Group products will also increase. Otherwise, when the economy goes down, the demand of using steel and building material products will decline.

Assessing, supervising and managing risks:

Therefore, the Group has always prepared operational scenarios in order to actively respond to any situations to ensure the most efficient business operations.

- The Group imports the majority of hot rolled coils (the main raw materials) from foreign countries, therefore watch and analysis of hot rolled coils’ domestic and international price to select the right time to buy with the reasonable price and to limit of raw material risks that are particularly attended by 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 due to the market situation at specific time.



Chart of "Risks Identification and Risks Assessment Process"

RISKS IN PRODUCTION ACTIVITIES

Identifying: In production activities, Hoa Sen Group always focuses on reviewing, improving and standardizing the consumption norms of raw materials in order to optimize the products’ cost.

Assessing, supervising and managing risks:

- The Valuation Division and Purchasing Division co-ordinate and consider in selecting suppliers of the raw materials which have suitable quality and reasonable price in order to minimize the raw material risks. Simultaneously, the Internal Control Division will recheck all the expenses of buying raw materials to guarantee the integrity, accuracy and transparency.

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

FINANCIAL RISKS

Identifying: 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.

Assessing, supervising and managing risks:

- Basing on the export revenue, the Board of Management balances structure of borrowings in VND and USD to ensure the lowest average interest rate but still has enough USD to payback the foreign currency loans. The borrowing structure is submitted to the Board of Directors to consider and supervise monthly in order to minimize impact of the risk of interest rate and the risk of exchange rate.

- 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 Division inspects, supervises, and reports to the Board of Management the debts which need to be collected daily. If bad debts occur, the Legal Division will implement some measures to collect the debts including suing measure

- The Financial Division creates and reports on schedule of cash flow weekly so that the Board of Management has flexible business operating measures in order not to have overdue payables.

RISKS OF CHANGING POLICY

Identifying: 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.

Assessing, supervising and managing risks:

The Assistant Board takes responsibility in updating and consulting new legal documents to minimize risk of changing policy which can affect directly to production and business activities of the Group.

OTHER RISKS

Other risks include unavoidable risks such as natural disasters, fires, accidents, etc.

Assessing, supervising and managing risks: The Group always buys 24/24 accident insurance for all employees and the asset insurance of the Group.

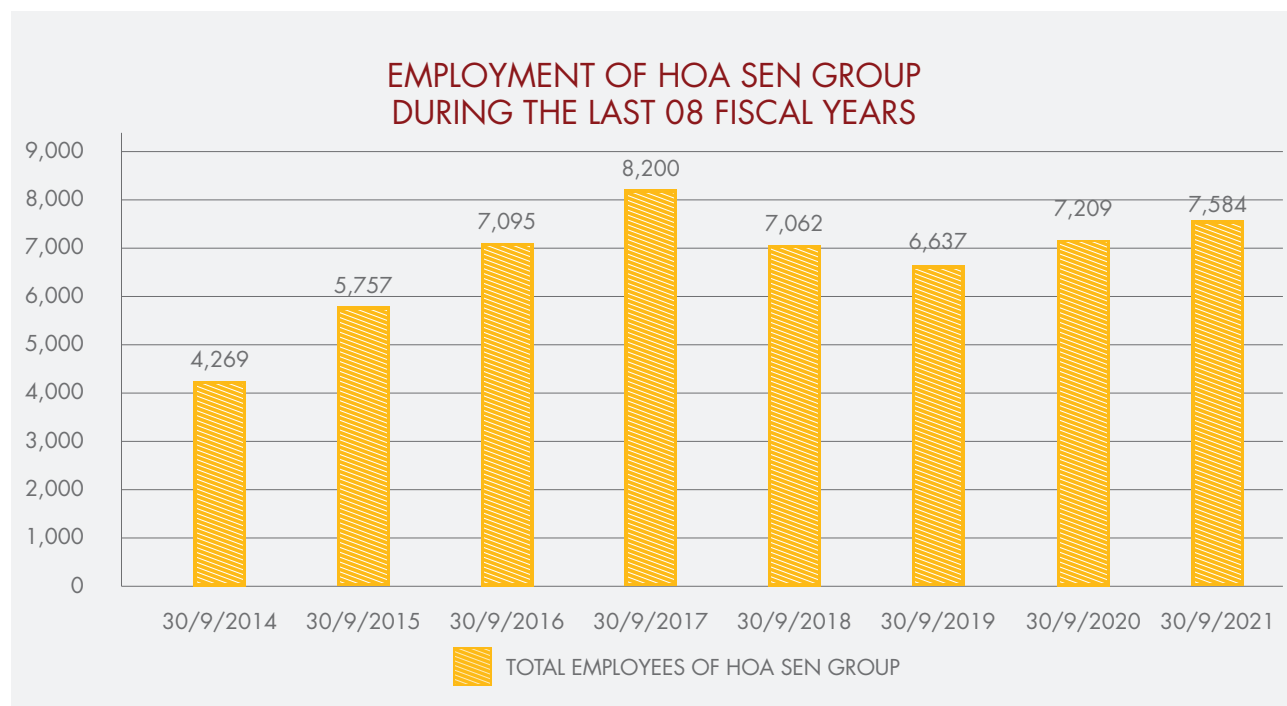


THE REPORT OF HUMAN RESOURCES – INTERNAL CONTROL FISCAL YEAR 2020 – 2021

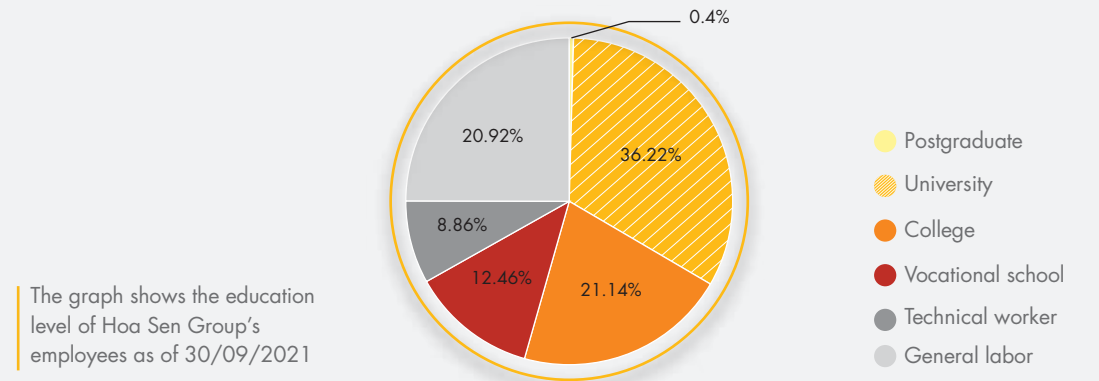
OVERVIEW OF THE LABOR FORCE

THE TOTAL EMPLOYEES

As of September 30, 2021, Hoa Sen Group's total number of employees is 7,584.



STRUCTURE BY EDUCATION IN THE FISCAL YEAR 2020 – 2021



EMPLOYEE STRUCTURE

EMPLOYEE'S GENDER STRUCTURE OF HOA SEN GROUP AT SEPTEMBER 30, 2021

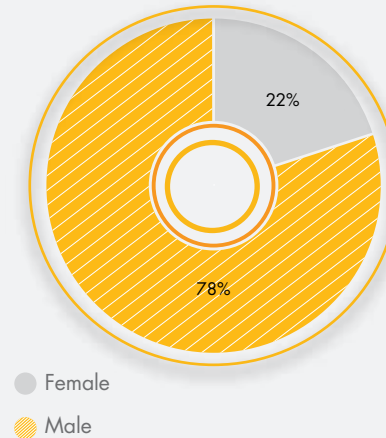


Chart of the employee by gender structure of Hoa Sen Group by 30/09/2021

EMPLOYEE'S AGE STRUCTURE OF HOA SEN GROUP AT SEPTEMBER 30, 2021

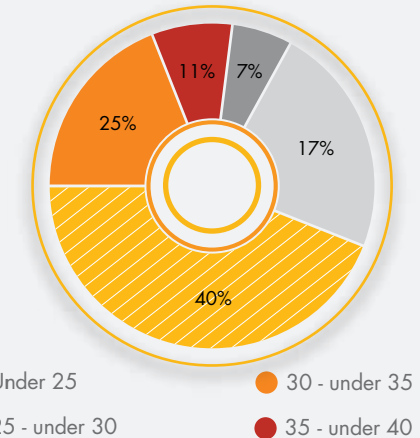
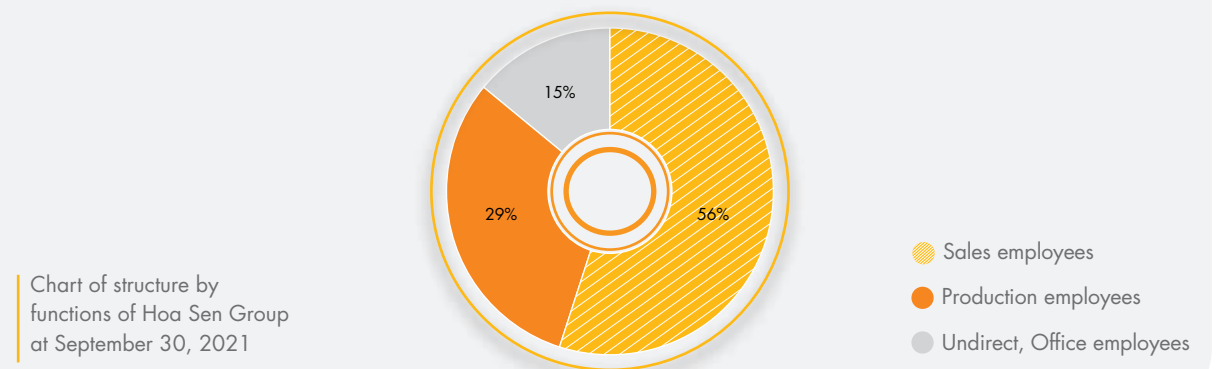


Chart of the employee by age structure of Hoa Sen Group by 30/09/2021

STRUCTURE BY FUNCTION OF HOA SEN GROUP BY 30/09/2021



IMPROVEMENT ON STRUCTURE, POLICY, MANAGEMENT OF HUMAN RESOURCES

RESPONSIBILITY TO THE EMPLOYEES

Following the core value "Integrity – Community – Development", Hoa Sen Group always seriously comply the laws in taxation, insurance, environment ..., having the social responsibility and the development of the country. Therefore, during the last couple years, Hoa Sen Group have received compliments by the tax, insurance agency for conducting well in paying tax, insurance; receiving commendation for actively participating in charity activities. Especially, in the last fiscal year, Hoa Sen Group contributed in the Covid-19 Vaccination fund, supported the front-line personnel, children, families faced difficulties due to COVID-19, carried out volunteer kitchen for the poor,...

Not only having responsibilities to the society, nation, Hoa Sen also shows serious responsibility with its own employees, such as:

- Seriously performs the training policy to develop employees skill, salary and bonus policy, creating a good, safe, comfortable working environment.
- Signing the Labor Contract based on voluntarily agreement, equality, publicity to guarantee the legal rights, benefits of the employer and employee.
- Signing the Labor Contract based on voluntarily agreement, equality, publicity to guarantee the legal rights, benefits of the employer and employee.
- Organizing talk shows with the employee periodically to report the business activities, the upcoming policy so the employees can understand the current position of HSG. Also to know what they want, to answer the questions of the employee and provide realistic solution to harmonize the benefits of both parties.
- All of the employees are treated equally and under appropriate protection when facing discriminations in handling tasks or career.
- All of the employees sign the labor contract as stated by the

law, eligible to Social Insurance, Medical Insurance, Unemployment Insurance, 24/24 Accident Insurance.

- Commitment not to ever use child labor and forceful labor under any condition.

- During the fiscal year of 2020-2021, this is such a challenging fiscal year due to COD-19 pandemic, not only complicated and quickly widespread in Vietnam but also the world, causing not only economic losses but also mental health and human life. The COVID-19 situation forced several provinces to lock down, many companies were forced to follow the option of 3-activities-at-1-place, combined with work-from-home solution. There were plenty of company, factory, business, store that closed or bankrupted, affected to the jobs of many people, many individuals faced unemployment or income decrease.

During such unprecedented moments, the Board of Managements always tried the best in finding the solutions to deal with the pandemic as well as ensuring the business continuity. Due to the wise, determined decisions of the Board of Managements and the efforts of the employees in operating activities and preventing COVID-19, Hoa Sen achieved impressive business results, especially in export. Guaranteed in operating was not only to achieve the financial goals but also to maintain the income of the employees. During the difficulties because of COVID-19, many employees at other companies had their income decreased or unemployed, but at Hoa Sen Group, the employee's income was guaranteed, moreover, they were eligible to residence financial support.

- Hoa Sen Group actively vaccinated for the employees, seriously and determinedly followed many suggestions of the Ministry of Health, showed the responsibilities of the Company in taking care of the health of all of employee of the Group.

SOME ACTIVITIES IN LABOR SAFETY CONDUCTED IN FISCAL YEAR 2020-2021

Year by year, workplace health and safety are always considered. The Company always seriously follows the law in workplace health, safety and environmental protection for the employees, actively prevents the human, asset and environmental damages:

- Fully equipping with fire prevention and protection tools.
- Periodically training, rehearsing fire prevention and protection.
- Fully equipping with the knowledge and skills in labor safety in all of the production activities for all of employee in general and for the employees at the production line in specific by organizing the training programs in first aid, labor safety, radiation safety, chemical safety, electricity safety, heavy equipment safety, fire protection and prevention ...
- Organizing periodically health check for all of employee, based of the results to provide the solutions to the seriously, non-seriously ill cases so the employees can rest assured and

focus on the work.

- Actively performing and following as the environmental laws. Each fiscal year, the Group always issues the Quality - Environment policy. Job health safety; conducts the workplace measurement annually to ensure the workplace environments are met with the standards as stated by the rules as well as guaranteed labor health.

- During the period of Covid-19, the Company was always serious in following the tasks of preventing COVID-19 such as: organizing workplace at specific location or work from home to reduce the number of employees that worked at the office, carried out 3-activities-at-1-place, 5K rules (Mask – Sterilization – Distance – Decentralization – Health Report), PCR test, quick test, vaccination for the employees, ... All of the mentioned solutions to guarantee a safe workplace environment for the employees and reduced the public contagion.

IMPROVEMENTS ON THE HUMAN RESOURCES POLICY

To a firm, the human resources policy is a fundamental element in keeping the labor, especially in such a competitive labor market. Therefore, Hoa Sen Group has always focused on improving the salary, bonus, training, developing the human resources policy that are flexible to each period and directional to the future.

• Salary, bonus, support, allowance policy

- To promote the productivity of the employees, results of the production, during fiscal year 2020 – 2021, the Group maintained the salary policy of the factories associated to the production quality.

- To the selling units, the Group adjusted the salary policy of some unit to be easier to comprehend, linked the income to the successful rate in the goal of selling volume of each individual. This created the motivation for each selling employees to actively sell more, created significant results, also played a part in keeping the employees, especially good ones.

- The employees could receive additional allowance in case they had exceeded the selling goals or quality goals, additional allowance if they could find new customers,... Especially, during this fiscal year, Hoa Sen had been deploying Hoa Sen Home model, selling the commercial products such as building steels, floor bricks, hygiene devices, electronic devices, handling tools... If employees could sell these products, they would received additional income based on the total bil. This policy encourages and creates motivation to sell the new products that Hoa Sen is directional to develop in the long-term.

- During the period of lockdown, 3-activities-at-1-place, for the resided employees, besides the allowance, 3 meals per day, the employees were eligible in receiving a bonus per each resided day to encourage, provide additional income for the employees.

- The allowances such as gas, residence, transportation, phone, supported the branches that facing harshness, in remote areas, supported pregnancy, marriage, bonus policy based on the exceed-goal results each month, quarter, year for the managers had been maintained during the previous fiscal year.

- The flexible salary, bonus, allowance and the support mentioned above played a role in increasing the income for the employees, stabled the human resources as well as contributed in business development of the Group.

• Insurance policy and other welfare policies

- The official employees of the Group are fully enrolled in the social insurance, medical insurance and unemployment insurance accordance to the law.

- Hoa Sen Group has maintained the buying policy for the accident insurance 24/24 for all of employee (even employees that on probation) with the maximum amount of VND 200,000,000/person/case.

- Besides the compensation from the social insurance or 24/24 accident insurance that the company already purchased for the employees, the Company also pays for the medical treatment, compensation/allowance accordance to the law and depends on the level of each accident that the Company also has the separated policy to support, encourage and improve so the labor health can be recovered.

- The allowance policy by physical materials to the employees that working in the hazardous, dangerous to health environment are also done accordance to the current law.

- Other welfare policies: support the female employees on the International Women day and Vietnam Women day, pregnancy support, support when the employee gets married, funeral, gifts to the children of the employees on International Children day have been maintained during fiscal year 2020 – 2021.

- Fiscal year of 2020 – 2021, although due to the complicated situation of the pandemic resulted in not organizing the 20 years of establishment celebration, the Company still provided allowance as a gift to encourage the employees.

BUILDING A FRIENDLY AND TOGETHER-DEVELOPED ENVIRONMENT

- In addition to building appropriate salary, bonus and welfare policies, working environment is also an important factor for employees to stick with the business. Therefore, Hoa Sen Group always strives to maintain and build a friendly and united working environment by organizing activities to associate employees with each other as well as between employees and the Group.

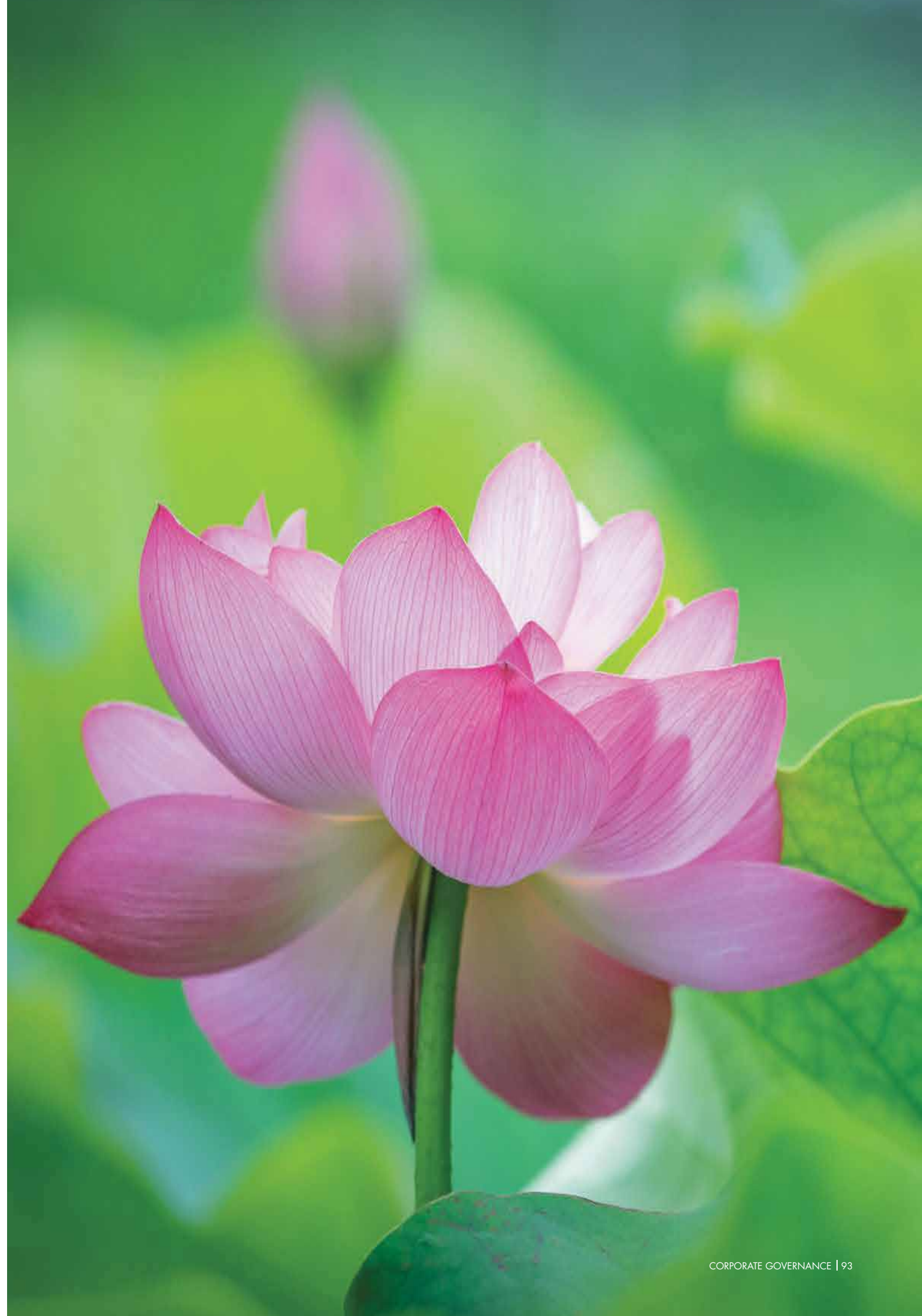
- During fiscal year 2020 – 2021, due to the complicated ongoing of COVID-19, the arts, sport events to celebrate 20 years of establishment were not held as precedent fiscal years. However, collaborated with the Union, the Company still sent gifts on special occasion such as International Children day, mid autumn festival, International Women day.



Meeting with female employees on International Women day (March 8th).



Rehearsing fire prevention and protection on December 10th, 2021.



RECRUITMENT AND TRAINING



RECRUITMENT WORK

With the core value of "Honesty - Community - Development" and a typical culture of "10 T's", people are considered an important factor to create the sustainable development of an enterprise. During the past years, the policy of recruitment and human resource development has always been a key factor that Hoa Sen Group focuses on in order to build a high-quality human resources team to meet production and business activities of the Group.

In the fiscal year 2020 - 2021, marking a turning point in recruitment by synchronously applying a new recruitment process, closer to the actual needs of the Group, has quickly solved the human resource needs for the entire Group in both quantity and quality. With the right human resource orientation and strategy, Hoa Sen Group has promoted widespread and flexible communication by applying various forms of recruitment, combining traditional methods and applying technology. Thereby, the Group has recruited a team of dedicated and experienced personnel who are not lacking in youth, dynamism and creativity.

In the fiscal year 2020 - 2021, the Group continues to implement and promote communication and recruitment image building through participation in career counseling programs, job fairs, etc. at Universities/ Colleges across the country. In addition, the Group also constantly focuses on cooperating with reputable recruitment agencies, while making use of the effectiveness of the media to reach the maximum source of potential candidates, bringing the brand image closer to employees. In the poll "Top 100 most favorite employers in 2019" organized by CareerBuilder, Hoa Sen Group continues to be honored as the leading recruitment brand in the field of Construction - Building materials. Thereby, it can be seen that Hoa Sen Group has been interested, trusted and chosen by many candidates as a place of career development because of its professional working environment and core cultural values that we are always aiming for.

TRAINING WORK

In addition to communication and recruitment branding to attract and approach potential candidates, the Group also constantly focuses on training to develop and retain current talents, improve the quality of human resources and efficiency in human resource management.

With the goal of building a team of personnel with enough knowledge, skills and capabilities to meet each job position, in addition to periodic training courses in accordance with the law, the Group also regularly organizes courses to improve skills, expertise and professional knowledge for the whole Group across the country.

In particular, in the fiscal year 2020 - 2021, the Group has focused on promoting the organization of training courses "Next generation staff for the Distribution System" in order to build an succession management team for appointment to the following positions of Store Manager, Director/Deputy Director of the Provincial Branch of the Distribution System. With a scientifically designed training program framework, combining theory and practical experiences, it helps to equip employees with professional knowledge as well as necessary skills to meet job requirements.

In addition, in order to improve the quality of teaching and learning while reducing expenses and enhancing management efficiency in training, the Group also flexibly organizes forms from direct training at Branches/Stores, regional focused training, online training through technology applications, etc. Along with the development of information technology, the Group has been applying the E-Learning online training system, applying and integrating modern technology into teaching will help employees be more proactive in learning and tracking individual learning paths. In addition, the system also helps the management of training more closely, quickly and conveniently.

SUBSIDIARIES AND AFFILIATED COMPANIES



DISTRIBUTION NETWORK – CORE COMPETITIVE ADVANTAGE OF HOA SEN GROUP



After 20 years of establishment and development, Hoa Sen group owns the distribution network with 575 brands – retail stores nationwide. These brands are the important links in the production, business procedures of the Group. This is also a key competitive advantage of Hoa Sen Group compared to competitors in the domestic market.

During the fiscal year of 2020 – 2021, the consumption volume of the distribution network reached 511,000 tons, revenue reached VND 10,565 billion, increased by 5% and 14% compared to the fiscal year of 2019 – 2020, respectively.

During the fiscal year of 2020 – 2021, the consumption volume of the distribution network reached 511,000 tons, revenue reached VND 10,565 billion, increased by 5% and 14% compared to the fiscal year of 2019 – 2020, respectively.

In order to maximize the current advantage: infrastructures, well-trained employees and database of customers, HSG expanded its business to the building materials field with the chain of Building Materials and Furniture Hoa Sen Home supermarket. From selling three major products produced by Hoa Sen Group: steel sheet, steel pipe, plastics. HSG

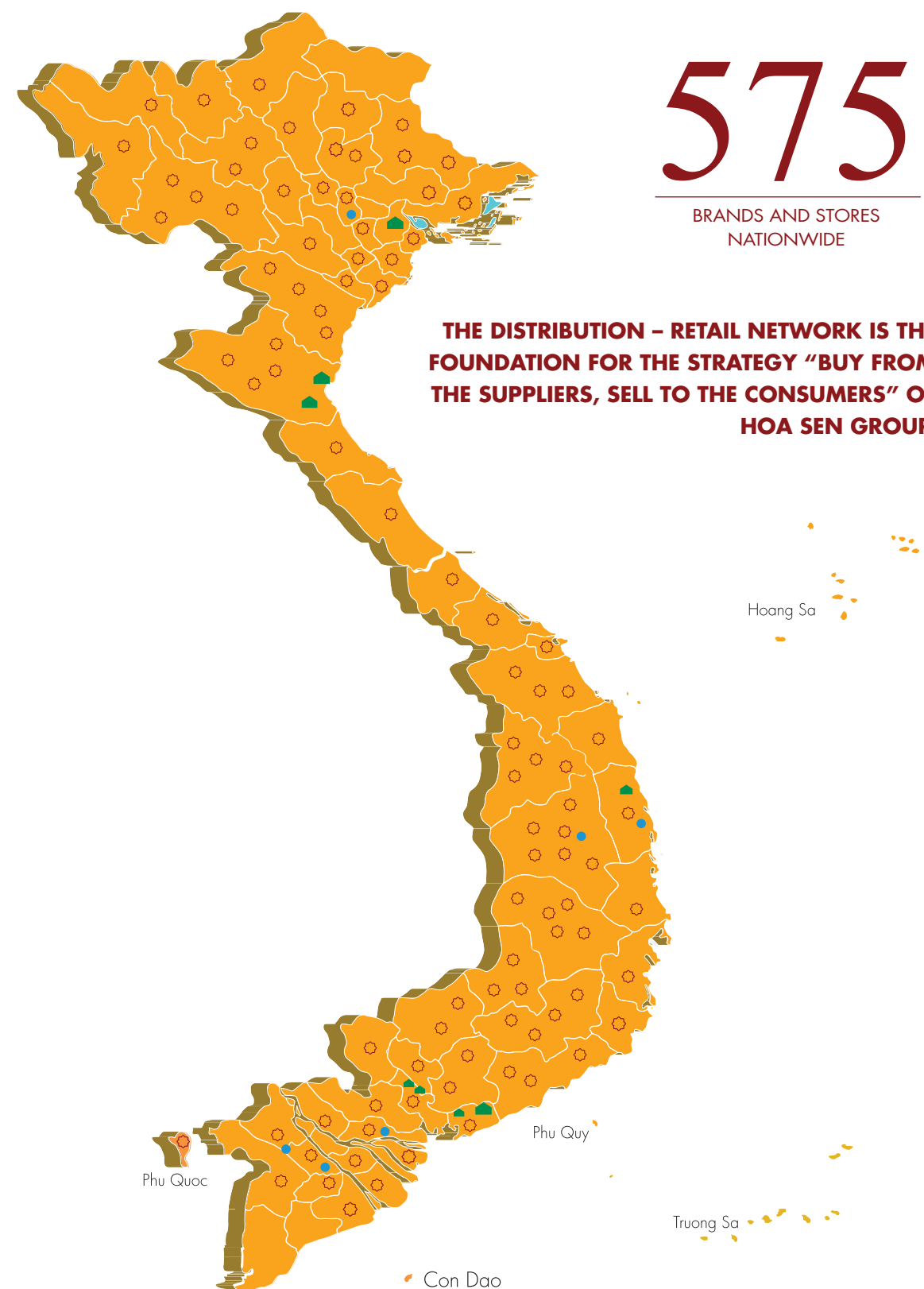
developed itself into the building materials distribution Group from the traditional products such as: steel sheet, steel pipe, plastics, construction steel, cement, floor brick to the complete building material products such as: floor brick, hygiene devices, electricity devices, painters, equipment and tools, ... This is considered as a crucial moment that helps HSG to build its own chain of building materials retail stores, distribution of the diversified, best products from the top brands in the world and their quality are guaranteed by Hos Sen Group.

March of 2021, the first Building Materials and Furniture Hoa Sen Home supermarket opened at Thot Not, Can Tho. Customers will be advised and choose among the best-fit products, the prices are publicly listed and professional promotion. To the end of 2021, Hoa Sen Group has opened more than 80 stores of Hoa Sen Home nationwide. According to the plan, Hoa Sen Group will continue to increase the number of stores in the upcoming years.

With more than 20 years of experience in managing chain of retail stores, the chain of Hoa Sen Home of Hoa Sen Group is expected to be the leading unit in developing building material and interior decoration industry in Vietnam.



BRANCH SYSTEM



For details about the distribution network, please refer to HSG’s website:
<https://www.hoasengroup.vn/vi/kenh-phan-phoi>

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



GENERAL INFORMATION

Address	Street No.1B, Phu My I Industrial Park, Phu My Town, Tan Thanh District, Ba Ria – Vung Tau Province
Telephone	(0254) 3 924 790 – Fax: (0254) 3 924 795
Business Registration Certification	No. 3700381324-095 issued by the Department of Planning and Investment of Ba Ria – Vung Tau Province on July 19 th , 2010. The 5 th amendment was on August 3 rd , 2016
Legal Representative	Mr. TRUONG TAN DAT
Business Activities	Producing galvanized steel sheet, aluminum-zinc alloy coated steel sheet, pre-painted galvanized steel sheet and other alloy coated steel. Producing cold rolled coils and hot rolled coils.
Hoa Sen Group owns	100%

INTRODUCTION

Hoa Sen Phu My Steel Sheet Plant was established on July 19th, 2010 on the area of 16.7 hectares including workshops, office, 110kV transformer station, waste water treatment and water recycling system. Moreover, the plant which is vertically integrated value chain and applies the most modern technology in steel industry in Vietnam was invested with the lowest capital expenditure and constructed in the shortest time yet keep the quality of the construction.

Hoa Sen Phu My Steel Sheet Plant is one of the largest plants in South East Asia with the total capacity of 1.200.000 tons/year.

HOA SEN PHU MY STEEL SHEET PLANT IS ONE OF THE LARGEST PLANTS IN SOUTH EAST ASIA

WITH THE TOTAL CAPACITY OF TONS/YEAR

1,200,000

HOA SEN STEEL SHEET ONE MEMBER LIMITED LIABILITIES COMPANY



GENERAL INFORMATION

Address	No. 9 Thong Nhat Boulevard, Song Than II Industrial Park, Di An Ward, Di An Town, Binh Duong Province
Telephone	(0274) 3 737 200 - Fax: (0274) 3 737 904
Charter capital	VND 280,000,000,000 (Two hundred and eighty billion VND)
Business Registration Certificate	No. 3700763651 issued by the Department of Planning and Investing of Binh Duong Province on December 24 th , 2007. The 9 th amended was on September 26, 2018
Legal representative	Mr. TRAN NGOC CHU - Chairman
Director	Mr. NGUYEN TAN HOA
Business activities	Production of cold rolled coils, mechanical processing, handling and metal coating.
Hoa Sen Group owns	100%

INTRODUCTION

Hoa Sen Steel Sheet One Member Limited Liabilities Company was established on November 9th 2016 (precursor is Hoa Sen Steel Sheet Joint Stock Company). The company's principal activities are manufacturing and trading cold rolled coils. It is the first subsidiary of Hoa Sen Group. On December 24th, 2007, the Company was renamed to Hoa Sen Steel Sheet One Member Limited Liabilities Company. On December 27, 2012, it established the first branch with the name of Branch Hoa Sen Steel Sheet One Member Limited Liabilities Company – Phu My Cold Rolling Mill. Việc đưa dây chuyền cán nguội vào hoạt động tại Công ty - Putting cold rolling line into operation created an important link on the chain of the Group's core competitive advantages and supplied the majority of input materials for galvanizing line and steel pipe lines of Hoa Sen Group.

PUTTING COLD ROLLING LINE INTO OPERATION CREATED AN IMPORTANT LINK ON THE CHAIN OF THE GROUP'S CORE COMPETITIVE ADVANTAGES

CHARTER CAPITAL

280

BILLION VND

HOA SEN BUILDING MATERIALS ONE MEMBER LIMITED LIABILITIES COMPANY



GENERAL INFORMATION

Address	2B Street, Phu My I Industrial Park, Phu My Town, Tan Thanh District, Ba Ria – Vung Tau Province
Telephone	(0254) 3 923 231 - Fax: (0254) 3 923 230
Charter capital	VND 150,000,000,000 (One hundred and fifty billion VND)
Business Registration Certificate	No. 3500786179 issued by the Department of Planning and Investment of Ba Ria - Vung Tau Province on December 18 th , 2007. The 12 th amended was on September 08, 2018
Legal representative	Mr. TRAN NGOC CHU - Chairman
Director	Mr. CAO QUANG SANG
Business activities	Manufacturing and trading building material products including billet strip, galvanized steel pipes, truss bar, hollow bar, batten bar, plastic pipes and accessories uPVC, solvent cement for uPVC pipes, Hoa Sen HDPE and PPR pipes.
Hoa Sen Group owns	100%

WITH THE AIM OF BECOMING THE LEADING MANUFACTURER – SUPPLIER OF STEEL PIPES, PLASTIC PIPES AND BUILDING MATERIALS IN VIETNAM AND SOUTH EAST ASIA REGION, HOA SEN BUILDING MATERIALS ONE MEMBER LIMITED LIABILITIES COMPANY DEPLOYED THE INVESTMENT PLAN PARTIALLY AND SUCCESSFULLY DEVELOPED FOR THE PAST FEW YEARS.

INTRODUCTION

Hoa Sen Building Materials One Member Limited Liabilities Company is an subsidiary of Hoa Sen Group and was established on December 18th, 2007 with the initial charter capital of VND 150 billion. The head office and main factories are located in the area of 10.8 hectares at Phu My I Industrial Park, Ba Ria – Vung Tau Province. It is in charge of producing – supplying the core products of Hoa Sen Group as billet strip, galvanized steel pipes, plastic pipes, accessories, solvent cement for uPVC, Hoa Sen HDPE and PPR pipes, ect.

Up to now, the Company has put into operation the Slitting Plant with modern production lines with a total capacity of nearly 600,000 tons / year; Hoa Sen Phu My Steel Pipe Plant with 23 production lines, total capacity of over 350,000 tons / year; Hoa Sen Phu My Plastic Plant with: 25 uPVC plastic pipe production lines, capacity of 50,000 tons / year; 33 plastic pipe accessories production lines, capacity of 3,600 tons / year; 3 HDPE and PRR production lines with a capacity of 6,000 tons / year; 2 production lines of electric conduits and elastic conduit

(coils), capacity of 1,360 tons / year. Accordingly, the production systems are operated automatically with the closed production process and managed strictly according to international quality standards.

Under the prudent business strategy, the products of the company is gradually acknowledged by customers and widely used in healthcare, food, industry, telecommunication, construction, drainage and other civil area. They are introduced to the customers by the Group's distribution channels as the retail distribution network, wholesaler network, agents, nationwide construction and the export to other countries.

With all achievements, the company endeavours continuously to satisfy consumers with high quality products, to response timely the demands of quantity and service and to be one of the leading manufacturer – supplier of building materials in both domestic and Asia-Pacific region in the future.

HOA SEN PHU MY ONE MEMBER LIMITED LIABILITIES COMPANY



GENERAL INFORMATION

Address	1A Street, Phu My I Industrial Park, Phu My Town, Tan Thanh District, Ba Ria – Vung Tau Province, Vietnam
Telephone	(0254) 3 890222
Charter capital	VND 250,000,000,000 (Two hundred fifty billion VND)
Business Registration Certificate	No. 3502313442 issued by the Department of Planning and Investment of Ba Ria – Vung Tau on August 8 th , 2016. The 6 th amended was on June 21, 2017
Legal representative	Mr. TRAN NGOC CHU - Chairman
Director	Mr. NGUYEN VAN TRUONG
Business activities	Manufacturing hot dip galvanized steel pipes.
Hoa Sen Group owns	100%

INTRODUCTION

Hoa Sen Phu My One Member Limited Liabilities Company is a subsidiary of Hoa Sen Group that was established on August 8th, 2016 with the initial charter capital of 250 billion VND. The head office and plants are located in an area of 5.3 hectares at Phu My I Industrial Park, Phu My Ward, Phu My Town, Ba Ria – Vung Tau Province.

Hoa Sen Phu My Company plays the role of manufacturing – supplying the key product of Hoa Sen Group as the hot-dip galvanized steel pipes with the capacity for the first phase of 85,000 tons/year. The hot-dip galvanized steel pipes plant is expected to be in operation in the early 2018 and provide high quality products to the consumers, enhancing the production capacity of the Group.

DESIGN CAPACITY OF
PHASE I REACHED

85,000

TONS/ YEAR

HOA SEN BINH DINH ONE MEMBER LIMITED LIABILITIES COMPANY



GENERAL INFORMATION

Address	Lot A1.1 and TT 6.2&7, Nhon Hoa Industrial Park, Nhon Hoa Ward, An Nhon Town, Binh Dinh Province.
Telephone	(0256) 3 738 991
Charter Capital	VND 105,000,000,000 (One hundred and five billion VND)
Legal Representative	Mr. HO THANH HIEU - Chairman
Director	Mr. LE XUAN PHONG
Business Activities	Manufacturing building materials including steel pipes, galvanized steel pipes, plastic pipes and accessories.
Hoa Sen Group owns	100%

INTRODUCTION

Hoa Sen Binh Dinh One Member Limited Liabilities Company is a Hoa Sen Group's subsidiary established on May 14th, 2014 with 105 billion VND in charter capital. The company operation is under control of Hoa Sen Group in capital, brand, retailer and core competitive advantages. The company was invested with modern technology in production in Nhon Hoa Industrial Park, An Nhon Town, Binh Dinh Province with total area of 8.3 hectares. Hoa Sen Binh Dinh One Member Limited Liabilities Company plays important role on

boosting steel pipes and plastic pipes supply to Central region market and export to Laos, Thailand, ...

In order to implement expanding plan of supply network as well as increase production capacity to response the demand of steel pipe increasingly in Central market, on December 2014, the company put into operation the steel pipes plant, including 9 steel pipe lines with the most advanced technology.

In January 2016, the uPVC

plastic pipe plant with capacity of 12,000 tons/year was officially into operation and yields the high quality plastic products in response to the demand of the Central and Western Highlands markets.

By applying advanced technology, strict quality management process and inquiring mind, Hoa Sen Binh Dinh One Member Limited Liabilities Company commits to bring solely high quality products to customers as deserving of Vietnam Value award.

HOA SEN NHON HOI – BINH DINH ONE MEMBER LIMITED LIABILITIES COMPANY



GENERAL INFORMATION

Address	Nhon Hoi B Industrial Park, Hoi Son Hamlet, Nhon Hoi Commune, Quy Nhon City, Binh Dinh Province, Vietnam.
Telephone	(0256) 222 0001
Charter capital	VND 770,000,000,000 (Seven hundred and seventy billion VND)
Business Registration Certificate	No. 4101453370 issued by the Department of Planning and Investment of Binh Dinh Province on November 26 th , 2015. The 4 th amendment was on May 22, 2018
Legal representative	Mr. HO THANH HIEU – Chairman
Director	Mr. NGUYEN VAN MINH
Business activities	Manufacturing roofing sheets made of galvanized steel, aluminum zinc alloy steel, pre-painted galvanized steel and other alloys; Manufacturing steel pipes, galvanized steel pipes, steel pipes coated with other alloys; Manufacturing galvanized wire mesh, galvanized steel wire, steel wire of all kinds; Manufacturing stainless steel and inox.
Hoa Sen Group owns	100%

INTRODUCTION

Hoa Sen Nhon Hoi – Binh Dinh One Member Limited Liabilities Company is one of the subsidiaries of Hoa Sen Group, established on November 26, 2015. As of September 30, 2018, the total area of the entire Hoa Sen Nhon Hoi - Binh Dinh Plant is 218,481.54 m², located in Nhon Hoi B Industrial Park, Hoi Son Hamlet, Nhon Hoi Commune, Quy Nhon City, Binh Dinh Province, Vietnam.

The plant is invested in a modern machinery and equipment system, specializing in producing Hoa Sen steel, steel sheet products, applied in the fields of construction, civil, ...

Under the direction of the Board of Directors, Hoa Sen Nhon Hoi - Binh Dinh Steel Plant Project is in the process of completing the second phase, which is expected to complete

all items by the end of 2018, increasing the total production and supply capacity of the Group to over 40,000 tons / month with 01 Pickling Line, capacity of 800,000 tons / year, 01 Cold Rolling Line with a capacity of 350,000 tons / year, 02 Galvanizing / Aluminium Zinc Coating Lines with total capacity of 430,000 tons / year, 02 Color Coating Lines with total capacity of 195,000 tons / year, 01 Acid Regeneration Line with a capacity of 5,000 liters / hour and more than 6,000 tons of metal oxide / year. Besides, there are other auxiliary items. With the strong investment of modern production lines, machinery and equipment along with the orientation to take quality as a prerequisite to

increase the competitiveness of products, the plant has met the demand for consumption at Central and Central Highlands markets. Not only stopping in the domestic market, on May 8, 2018, for the first time, Hoa Sen Nhon Hoi - Binh Dinh Plant exported about 12 million USD of shipment to Europe to mark a new development step in the export operation of the plant, contributing a part of Hoa Sen Group's output in the international market, affirming the capacity of the plant's production lines that can meet the strict requirements of the customers both in the domestic and international market.

HOA SEN NGHE AN ONE MEMBER LIMITED LIABILITIES COMPANY



GENERAL INFORMATION	
Address	Lot CN 1-8, Dong Hoi Industrial Park, Quynh Lap Commune, Hoang Mai Town, Nghe An Province, Vietnam
Telephone	(0238) 3 668 112
Charter capital	VND 1,100,000,000,000 VND (One thousand one hundred billion VND)
Business Registration Certificate	No. 2901788319 issued by the Department of Planning and Investment of Nghe An Province on June 12 th , 2015. The 8 th amendment was on June 12, 2018
Legal representative	Mr. VU VAN THANH – Chairman
Director	Mr. NGUYEN MINH PHUC
Business activities	Producing roof plate by galvanized steel sheet, aluminum-zinc alloy coated steel sheet, pre-painted galvanized steel sheet and other alloy coated steel, cold rolled coils.
Hoa Sen Group owns	100%

INTRODUCTION

Hoa Sen Nghe An One Member Limited Liabilities Company – one of Hoa Sen Group subsidiaries, was established on June 12th, 2015. The head office and main factory are located in Lot CN 1-8, Dong Hoi Industrial Park, Quynh Lap Commune, Hoang Mai Town, Nghe An Province. Business activities: Producing roof plate by galvanized steel sheet, aluminum-zinc alloy coated steel sheet, pre-painted galvanized steel sheet and other alloy coated steel, cold rolled coils.

On June 19th, 2015, Hoa Sen Nghe An One Member Limited Liabilities Company officially started Hoa Sen Nghe An Plant Project with a total capacity of production lines up to 01 million tons of products per year on a land area of 45 hectare. Total investment capital of the project is VND 7,000 billion. The project is divided into 3 phases and implemented within 36 months. Up to the present time, Hoa Sen Nghe An

Plant Project has basically completed the stages of the closed production process from raw materials of hot rolled steel to output products of steel – steel sheet, increasing the total production and supply capacity of the Company to over 80,000 tons of products / month with 01 Pickling line, capacity of 800,000 tons / year, 02 Cold rolling lines with total capacity of 800,000 tons / year, 03 NOF coating line with a total capacity of 1,000,000 tons / year, 02 Color coating lines with a total capacity of 240,000 tons / year, 02 Slitting lines with a capacity of 200,000 tons / year, 01 Trimming line with a capacity of 400,000 tons / year, 01 Acid regeneration line with a capacity of 5,000 liters / hour and other auxiliary items.

Putting the production lines into operation timely has met the demand

in the North Central market. Hoa Sen products are also present in some countries that are considered "most difficult" about product quality requirements such as America, Europe and India ... with total export volume reaching from average 15,000 to 20,000 tons/ month.

In parallel with the completion of the closed production process, Hoa Sen Nghe An constantly invests in improving modern technology to bring the best quality products, reduce raw materials consumption, reduce costs. At the same time, the standard system of product quality, environment and health has been deployed by Hoa Sen Nghe An, contributing to help Hoa Sen products affirm its solid position in the international market.

BRANCH OF HOA SEN NGHE AN ONE MEMBER LIMITED LIABILITIES COMPANY AT NAM CAM



GENERAL INFORMATION	
Address	Nam Cam Industrial Park, Nghi Xa Commune, Nghi Loc District, Nghe An Province
Telephone	(0238) 3 798 555
Business Registration Certification	No. 2901788319-001 issued by the Department of Planning and Investment of Nghe An Province on September 28, 2016, first amended on October 11, 2017
Director	Mr. HO MANH HUNG
Business activities	Manufacturing steel pipes, galvanized steel pipes and other alloy coated steel pipes; manufacturing steel purlins, galvanized purlins.

INTRODUCTION

Branch of Hoa Sen Nghe An One Member Limited Liabilities Company at Nam Cam (precursor is Hoa Sen Nam Cam – Nghe An One Member Limited Liabilities Company) officially put into operation 6 steel pipes lines with total capacity of 82,800 tons/year in April 2015, which boosted the production capacity and the supplying potentiality of By investing advanced technology and tight control from the input materials to the output finished products to meet the international

quality standards as ASTM500 (U.S standard), JIS 3444:2010 (Japanese standard), the steel pipes products are expected to increase their competitiveness in both domestic and foreign markets.

TOTAL DESIGN CAPACITY REACHES

82,800

TONS/YEAR

HOA SEN HA NAM ONE MEMBER LIMITED LIABILITIES COMPANY



GENERAL INFORMATION

Address	Thanh Liem Industrial Zone, Kien Khe Town, Thanh Liem District, Ha Nam Province
Telephone	(0226) 3 777 555
Charter Capital	VND 200,000,000,000 (Two 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, the 1 st amended on March 11, 2016
Legal Representative	Mr. VU VAN THANH – Chairman
Director	Mr. DAU DINH THUC
Business activities	Manufacturing galvanized steel pipes, steel strips, HDPE, PPR, uPVC plastic pipes, plastic accessories and plastic pipe adhesives
Hoa Sen Group owns	100%

INTRODUCTION

Hoa Sen Ha Nam One Member Limited Liabilities Company was established on September 15th, 2015 with the charter capital of 200 billion VND. The main office and plant are located in a 20.4 hectare area on Kien Khe I Industrial Zone, Ha Nam Province.

Hoa Sen Ha Nam plant is a key project of the expanding productivity plan of Hoa Sen Group. The plan is to assert Hoa Sen position in domestic market by consolidating the Southern market and advancing to the Northern one.

Hoa Sen Ha Nam Plant Project is one of the key projects in order to expand production of Hoa Sen Group. This is one of the key strategies of Hoa Sen

Group. The construction of Hoa Sen Ha Nam Plant will contribute to improve production capacity and optimize the ability of Hoa Sen Group to supply steel pipes and plastic pipes, especially meeting market demand in the North.

The upgrade of Hoa Sen Ha Nam plant will contribute to improve the productivity, maximize the supply capacity of the steel pipes and plastic pipes to reach the demand of the Northern market. In addition, the enhancement of the producing system as well as the distribution and retail network enables Hoa Sen Group's products reach the

customers more conveniently.

The company is now in charge of manufacturing – supplying the main products of the Group as galvanized steel pipes, plastic pipes, solvent cement for PVC pipes, HDPE pipes, PPR pipes and other Hoa Sen accessories. The finished product must be satisfied the 4 requirements “international standard quality, reasonable price, fast delivery and excellent after-sale service” along with 04 commitments “Right price, Right Standard, Right Quality, Warranty”.

HOA SEN YEN BAI BUILDING MATERIALS ONE MEMBER LIMITED LIABILITIES COMPANY



GENERAL INFORMATION

Address	Dong Danh Commune, Minh Quan Village, Tran Yen District, Yen Bai Province
Telephone	(0216) 2220 789
Charter capital	VND 50,000,000,000 (Fifty billion VND)
Business Registration Certificate	No. 5200870602 issued by the Department of Planning and Investment of Yen Bai Province on January 6, 2017, the 01 st amended on April 02, 2018.
Legal representative	Mr. VU VAN THANH - Chairman
Director	Mr. LE VAN PHUOC
Business activities	Manufacturing steel products as: black steel pipes, galvanized steel pipes/ aluminum-zinc alloy coated steel pipes...
Hoa Sen Group owns	100%

INTRODUCTION

Hoa Sen Yen Bai Building Materials One Member Limited Liabilities Company is the investor of Hoa Sen Yen Bai plant project, which started on March 1st, 2017 at Dong Danh Hamlet, Minh Quan Commune, Tran Yen District, Yen Bai Province (next to IC12 intersection of Noi Bai – Lao Cai highway). This is the first plant of Hoa Sen Group in the North West region. The plant is invested with modern equipment and advanced technology that specialized in producing the

galvanized steel pipes, which have civil and construction work application. In December 2017, the plant completed Phase 1 and officially put into operation 6 steel pipe lines with the capacity of 80,200 tons/year. This should help Hoa Sen Group improve their productiveness and attain the market demand in the North West region, which is in line with the growing strategy of Hoa Sen Group.



GROUP OF SUBSIDIARIES TO CARRY OUT OTHER PROJECTS

HOA SEN YEN BAI JOINT STOCK COMPANY

Address	Group 48, Dong Tam Ward, Yen Bai City, Yen Bai Province
Charter Capital	120,000,000,000 (One hundred twenty billion VND)
Business Registration Certificate	No. 5200861319 issued by Department of Planning and Investment of Yen Bai Province on May 5, 2016. Amended on December 22, 2016
Legal Representative	Mr. TRAN NGOC CHU – Chairman of the Board of Directors
Director	Mr. TRAN QUOC PHAM
Business activities	Trading real estate, land use right belongs to owner, user or leaseholder Details: office leasing, house trading.
Ownership of Hoa Sen Group	95%



OVERVIEW OF SUSTAINABLE DEVELOPMENT REPORT

The steel industry is one of the few industries to implement the Global Sustainable Development Report. The first sustainable development report of the steel industry was issued in 2004 and is maintained annually on the basis of a set performance indicators on environmental, social and economic performance. Global sustainable development report is one of the major efforts undertaken by the steel industry to manage its performance, demonstrating its commitment to sustainability and increasing transparency.

(According to the report of the World Steel Association)

HOA SEN GROUP DEFINES THAT THE GROUP SUCCESES SUSTAINABLE DEVELOPMENT STRATEGY WHEN COMBINING ECONOMIC GROWTH TARGETS WITH PERFORMING SOCIAL, COMMUNITY, AND ENVIRONMENT'S RESPONSIBILITY. AT THE SAME TIME, ALL ACTIVITIES OF THE GROUP ALWAYS ENSURE THE BALANCE OF INTERESTS AMONG RELATED PARTIES TO IMPLEMENT THE LONG-TERM STRATEGY OF HOA SEN GROUP'S SUSTAINABLE DEVELOPMENT.

THE SUSTAINABLE DEVELOPMENT REPORT

In the fiscal year 2020 - 2021, Hoa Sen Group implemented the Sustainable Development Report applying Guidance of Global Reporting Initiative (GRI) - the most widely used sustainable development reporting standard in the world and the Set of criteria for rating Vietnam Sustainable Enterprises (Corporate Sustainability Index CSI) in order to determine materiality sectors that effect to related parties in order to overview on building Sustainable Development Report and perform sustainable business strategy in the future.

The sustainable development report of Hoa Sen Group is prepared to reevaluate practice principles of sustainable development at Hoa Sen Group and its subsidiaries. The report presents approaches of Hoa Sen Group to sustainable development issues. During the year, although facing to the challenged business operation, Hoa Sen Group has prepared and analyzed the list of factors that affect the Group's business areas, then basing priority on level of related parties' effect and eliminating unaffected issues.

By determining priority on materiality sectors, Hoa Sen Group enhance managing and controlling activities in each issue to ensure harmony of related parties' interest and present fully essential issues that affect the Group's business area and that are most concerned by related parties.

SCOPE OF SUSTAINABLE DEVELOPMENT REPORT

The basis of information and data in the report are presented for the fiscal year 2020 – 2021 which begins on October 1, 2020 and ends on September 30, 2021. The reports of safety, social, environment are collected from operations of Hoa Sen Group and its subsidiaries. The report presents the business performance in fiscal year 2020 – 2021 and concerns orientation and target in the following years for Hoa Sen Group's sustainable development.

METHOD OF PREPARING SUSTAINABLE DEVELOPMENT REPORT

The method to approach the sustainable development issues of Hoa Sen Group comes from sustainable growth target in long term combine with targets of social development environment protection, hence contributing positively to general development of society.

The issues that related to sustainable development target are considered by Hoa Sen Group in relationship with actual operations, determining materiality issues to improve contents and present fully in sustainable development report in the fiscal year 2020 – 2021.

COVERAGE OF SUSTAINABLE DEVELOPMENT REPORT

The sustainable development report which is performed in Vietnam and in steel production sector is achieved by Hoa Sen Group and its subsidiaries and associates.

CONTACT

With orientation of sustainable development, Hoa Sen Group is trying to respond to related parties basing on foundation of transparency information, sustainable growth in business, social responsibility. Hoa Sen Group welcomes all your feedback. Please send us any suggestion related to sustainable development report via:

- Website: <http://www.hoasengroup.vn>
- Telephone: 028 3823 9555
- Email: gopy@hoasengroup.vn

SUSTAINABLE RELATIONSHIP WITH RELATED PARTIES



CUSTOMERS

- Focusing on enhancement of products' quality, and expanding retail distribution network continuously to provide the best products and services to customers.
- Basing on "The customers' satisfaction to measure the Group's success", each employee has to care and hear customers' needs respectfully, and to satisfy them in interactive process.
- Performing customer appreciation activities by organizing customer conferences, promotional programs, and persuasive after-sale activities.
- Fully complying with the regulations in the domestic and foreign markets; establishing competitive and reasonable price policy to ensure the benefits between consumers and enterprise, etc.
- Actively protecting the consumers against fake galvanized steel sheet, steel products by broadly propagating various methods to identify the real and fake products, protect customers from trading fraud, as the slogan "The key is the benefit of customer".



SHAREHOLDERS, INVESTORS

- Ensuring to fulfill information disclosure in accordance with regulations of the Ministry of Finance in order to provide timely information to shareholders, investors and transparency in business operations
- Actively publishing important information that might effect the benefits as well as decision making of investors and to help stakeholders to keep up with the Group's activities.
- Regularly organizing open conferences to help investors to have the overview of business operations and development strategy in the period including annual and extraordinary general meeting, customer conferences, meetings with domestic and foreign investors.
- Exchanging, publishing the information has to be fair to guarantee the investment opportunity to all of the investors.
- Do not disclosure information of investors, shareholders without their permission or public authorities' request.



EMPLOYEES

- Realizing that human resource is the core of development, Hoa Sen Group always apply benefit policies and build friendly, solidarity working environment for all employees.
- Maintaining employees' income is always higher than the average income of labor market and conforms to the Group's business situation.
- Researching and amending some policies of salary, bonus, allowance clearly and fairly to satisfy to employees' attempts and performance.
- Ensuring benefits, rights and job safety to employees in accordance with regulations as well as objecting all kinds of working enforcement.
- Hoa Sen Group's administration is based on employees' respect including their decision, desire, freedom and other legal rights.



COMPETITORS

- Maintaining relationships with competitors respectfully and constantly learning from their successes.
- Avoiding any harmful action to competitors and recognizing their success based on "The best company is the winner".
- Undertaking fairly competition, preventing collusive activities or any action to rule the market, and rejecting to achieve competitors' confident information.
- Responding flexibly to critical competition, basing on the top factors in consistent business principle: integrity, quality, prestige and brand name.
- Complying Monopolies Act, Competition Act to ensure fairly openly competition.



SUPPLIERS

- Suppliers play an important role in the Group's success, therefore Hoa Sen Group always maintain a mutual respect relationship with the suppliers.
- Do not take advantage of the business scale to propose any unreasonable agreement to suppliers, and especially prohibit all behaviors of self-interest, dishonesty, bribe-taking of Hoa Sen Group's employees. This is presented as must-have article in all contracts between Hoa Sen Group and suppliers.
- Selecting supplier equally based on their profile of quality, technical capacity, experience, etc.
- Do not leak any suppliers' privacy information to their competitors.



REGULATORY AUTHORITY

- Rigorously complying all regulations of tax, environment, labor safety, etc.
- Strengthening positive relationship to Government, Ministries and Departments but do not benefit from these relations to achieve unrighteous interests.
- Closely cooperating with the local government in building factories, finishing each period on time, contributing to the government income and providing employment to the local.
- Pointing unreasonable article in the process of applying government's regulations and policies, proposing adjustments to help public authorities to govern the country effectively.



PRESS

- Building good relationship with communication department, press, and television based on the principles of equality, transparency and legal.
- All message, information are provided correctly, clearly, fully and objectively in order to help press to understand precisely about Hoa Sen Group's business operations and its retail distribution network, promotional programs, etc.
- Handling communication problems with strategic behavior, skillful speaking and criterion in respond of objection and argument.
- Publishing recommendation of fake steel situation to help press to communicate timely to customers.



COMMUNITY

- Hoa Sen Group is one of vanguard group performing CSR (Corporate Social Responsibility). The Group always put social responsibility on top in sustainable development strategy.
- Committing environment factor over the development, minimizing impact to environment during the expansion and operation of production projects.
- Affirming working spirit with all conscience and responsibility for not only protecting environment but also contributing in growth of social and country.
- Continuously performing charity activities and sponsor programs to build a development community.
- By well support to the social, Hoa Sen Group has marked deeply in consumers' minds as enterprise with consciousness, social responsibility, bringing best values to the community.



ACQUISITION OF RELATED PARTIES' FEEDBACK

“ IN GENERAL TREND OF NECESSARY REQUIREMENTS FOR SUSTAINABLE DEVELOPMENT PATH, HOA SEN GROUP ALWAYS CONCERNS WHETHER OR NOT THE INFLUENCE OF RELATED PARTIES. CONSEQUENTLY, HOA SEN GROUP DEALS CONSIDERABLY WITH EVERY FEEDBACK FROM RELATED PARTIES. ”

With guideline of declaration and transparency in every activity, since it was established, Hoa Sen Group has built sustainable relationship with related parties in accordance with core values "Integrity – Community – Development" directing to bring long-term value chain to each party. Hoa Sen Group also unites to select important representative from related parties to summarize concerned issues, to focus on consultancy of related issues that affect directly to Hoa Sen Group's sustainable development. In addition, practical solutions and strategic development orientation are raised to boost establishing process of management method as well as perfecting Hoa Sen Group's operation structure.



RELATED PARTY	APPROACH
Customer	<p>With the aim to bring the best utility for customers, Hoa Sen Group is the pioneer in the building materials industry in Vietnam to implement the online purchase on its official website www.hoasengroup.vn. On the website, local customers and importers can find all information on the products, select the nearest branch/retail store to place retail orders or commercial orders with large volume. In particular, the form of online chat and Call center 18001515 will advise on specific types of products that meet the demands as well as support and answer all customer's questions.</p> <p>Other approach channels:</p> <ul style="list-style-type: none"> • Email gopy@hoasengroup.vn, mail group of related departments; • Update frequently important information to social networks, website; • Hold exhibition, conference, seminar, and meeting.
Employee	<ul style="list-style-type: none"> • Periodically conducting the Labor Union Congress and Hoa Sen Group Employees' Conference; • Meeting to labor union • Survey employee's opinions to labor safety, working environment, policies, welfare, etc. via email, telephone, social network; • Hold internal training programs; • Hold internal activities such as music performance, sports, union activities, etc. • Interactive channel between Hoa Sen Group labor union and employees is via group mail congdoan@hoasengroup.vn
Partner	<ul style="list-style-type: none"> • Privacy meetings • Receiving and resolving issues via email, telephone, fax, etc. • Public and transparency financial statements, business policy documents, regulations on bidding, etc. • Participating exhibitions, economic forums (VietBuild Exhibition, Vnrea Expo, the leading international exhibition on water supply and drainage sector - Viet Water, Vietnam private economic forum...) • Organizing programs to enhance relationships with partners.
Shareholder - Investor	<ul style="list-style-type: none"> • Monthly, quarterly, on-demand meetings • Receiving and resolving issues via email, telephone, fax, etc... • Holding Annual General Meeting, periodic and extraordinary meetings, posting financial statements in public • Implementing information disclosure in accordance with regulations of State Securities Commission of Vietnam and Ho Chi Minh Stock Exchange. • Participating seminar, annual forum of steel industry to share information and take opportunity of investment expanding. • In 2021, the Group has put into operation the email quanhecodong@hoasengroup.vn to receive and answer shareholders' opinions and questions related to the Group's operation. Email is publicly available on the website hoasengroup.vn.
Community	<ul style="list-style-type: none"> • Implementing the program "Loving leaf bags" nationwide and gave hundreds of thousands of gifts and bicycles to poor students who overcame difficulties and studied well; • Responding to blood donation activities, charity activities for poor people; visiting and supporting families in disaster and flood areas. • Coordinating local government to explore local people's opinions nearby project area.
Regulatory Authority	<ul style="list-style-type: none"> • Participating actively in organization, association of steel industry; • Attending conference, seminar of steel industry held by Government, Ministries as a member of Vietnam Steel Association; • Complying with legal regulations in all production and business activities.
Press	<ul style="list-style-type: none"> • Implementing public and transparency information disclosure, and interviewing to press offices on communication channels; • Press releasing of Hoa Sen Group's events and send to communication offices for information disclosure; • Updating frequently important information on the Group's website and social network; • Performing television programs and implementing information disclosure of significant events on official communication channels of the Group.

MATERIAL ISSUES



PRINCIPLE TO DETERMINE THE MATERIAL ISSUES

The Hoa Sen Group's sustainable development report of fiscal year 2020 - 2021 is prepared within the fluctuations of steel industry in Vietnam and international markets with critical competition. The US-China trade war and the increasing trend of protecting local businesses of many countries around the world make the export market meet a lot of obstacles. Therefore, the report focuses on issues that could overcome losses from market, and offers efficient solutions to ensure the Group's operations are always sustainable development.

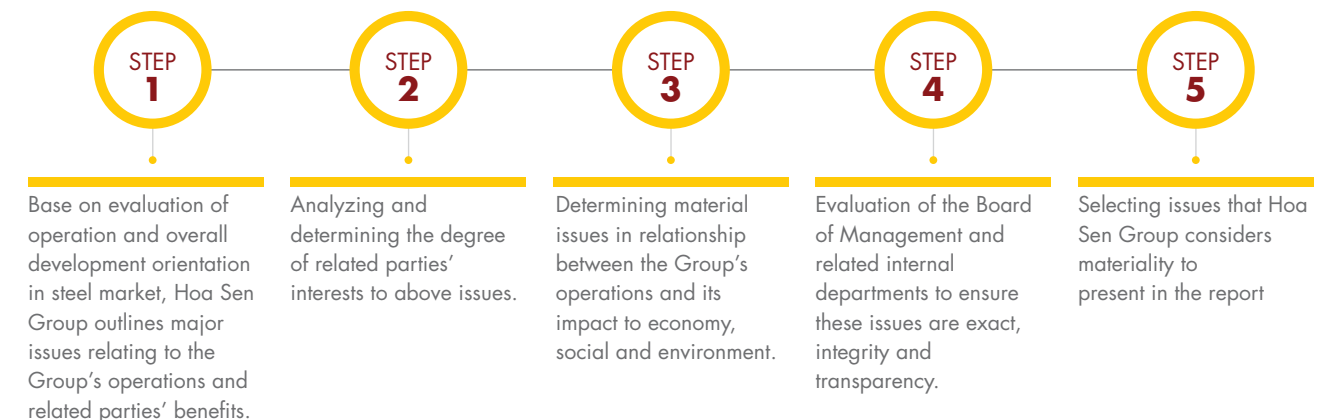
In fiscal year 2020 - 2021, the sustainable development report is prepared by assessing material issues that relating economy, social, environment to the Group's operations as well as satisfying related parties' demand. Determining correctly material issues is very important that ensure the best benefits of related parties. This also is foundation for fulfilling sustainable development report's contents in the following fiscal years.

BASIS TO DETERMINE THE MATERIAL ISSUES

- Examining the level of concern and expectation of related parties based on demand, performance and feedback during the Group's production and trading process, supply's process to markets, interaction with related parties.
- Basing on evaluation, internal control of functional departments, the Board of Management, in periodic and extraordinary meetings, approves reports, budget planning that is suitable to actual development situation in each fiscal year.
- Approving evaluation minutes, supervision reports of State authorities.
- Reviewing customer's evaluation and feedback, consultant organization during cooperation with Hoa Sen Group.
- Considering forecast reports of macroeconomic, domestic and international steel industry issuing by economic organization, foreign finance institution, etc.

PROCEDURE TO EVALUATE AND ASSESS MATERIAL ISSUES

Procedure to assess material issues is prepared by Hoa Sen Group as the following steps:





SUSTAINABLE DEVELOPMENT SOLUTIONS



IMPROVEMENTS OF HUMAN RESOURCE, POLICY, GOVERNANCE



RESPONSIBILITIES TO EMPLOYEES

RELATIONSHIP WITH THE LABOR

Implementing the cultural philosophy of "Honesty - Community - Development", Hoa Sen Group always strictly complies with the provisions of the law on tax, insurance, environment..., is responsible for the community and development of the country.

Not only fulfilling its responsibilities to the society and the country, Hoa Sen also seriously implements its responsibilities to its own employees such as:

- The Board of Directors is responsible for implementing solutions to stabilize production and business development to ensure jobs and contribute to increasing incomes for employees.
- Fully implement employee training and development policies and regimes, salary and bonus policies, creating a safe, comfortable and beneficial working environment for employees.
- Signing a collective labor agreement on the principle of voluntary, equal and publicity in order to ensure the legitimate rights and interests of employees and employers.
- Seriously carry out the annual labor law inspection to strictly comply with the provisions of the law as well as properly demonstrate obligations and responsibilities to employees in matters related to the environment and

working time, labor contract...

- Organize periodic dialogues with employees and report on the results of production and business activities, upcoming orientations so that employees can grasp the situation of the company. At the same time, the Company has the opportunity to listen to the thoughts and aspirations of employees, thereby answering questions and recommendations of employees and taking practical actions to harmonize the interests of both parties.
- All employees are treated equally and are entitled to adequate protection against any discrimination in employment or occupation.
- All employees are signed labor contracts in accordance with the law, paid social insurance, health insurance, unemployment insurance, available to purchase the 24/24 accident insurance.
- Actively and seriously implement many measures as recommended by the Ministry of Health to minimize the risk of Covid-19 pandemic and to protect the Company's own employees as well as contribute to preventing the risk of infection in the community.
- Always commit not to use child labor and forced labor in any form.

PROFESSION HEALTH AND SAFETY

To ensure health for long-time working of all employees, Hoa Sen Group always complies tightly legislation of labor safety, establishes occupational health and safety management system in accordance with OHSAS 18001:2007 standard.

The State's regulations as well as the Group's rules regarding to labor safety and occupational health are informed fully to employees before entering in production lines.

Employees are prepared qualified personal protective equipment, insurance and periodic health examination to minimize risks as well as disease detection and treatment promptly. Compensatory policy in specific to employees who work in hard, noxious environment, affected health is realized to current regulations. Workshop, warehouse, office are prepared automatic fire alarm system, water spray system, CO2 fire extinguisher, etc.

Each year, the Group holds training courses of labor safety for all employees in general and production direct employees in particular. These courses include first aid, radiation safety, chemical safety, electricity safety, lifting equipment safety, fire protection, etc.

Workplaces are ensured to be clear and have enough light. The elements such as dust, poison gas, noise, etc. are measured carefully avoiding harm to environment and labor health.

The Group has set up a Medical team with 24/24 medical staff to provide first aid, handle emergency situations as well as health care for employees. At the same time, each production line is equipped with medical tool cabinets for first aid to ensure the best health for employees.

LABOR SAFETY ACTIVITIES IN FISCAL YEAR 2020 - 2021

Over the years, occupational safety and hygiene has always been focused by the company. The company always strictly adheres to the provisions of the law on occupational safety, health and protection of the working environment for employees, proactively preventing damage to people, property and the environment:

- Fully equipped with fire protection equipment.
- Periodically organize training and drills on fire prevention and fighting.
- Fully equipped with knowledge and skills of occupational safety in production for all employees in general and for employees directly in production in particular by organizing training courses for safety content at work such as first aid,

occupational safety, radiation safety, chemical safety, electrical safety, lifting equipment safety, fire protection...

- Organize periodical health checks for all employees, based on the results of the classification of health checks to have a solution to severe or mild diseases to ensure the health of employees.
- The company has actively implemented and always complied with environmental regulations. Every year, the Group promulgates the policy of Quality - Environment, Occupational Health and Safety; perform annual working environment measurement to ensure the working environment meets the prescribed standards as well as to ensure the health of employees.

HUMAN RESOURCES POLICY IMPROVEMENTS

In the fiscal year 2020 - 2021, overcoming difficulties and challenges from the pandemic and trade war, Hoa Sen Group achieved impressive business results, especially export activities. In addition to the flexible management of the Board of Directors, the efforts of all employees, salary, bonus and welfare policies associated with production and business efficiency are also important factors contributing to the success of Hoa Sen in the last year.

SALARY - BONUS AND SUPPORT POLICIES

In order to create motivation for employees to improve productivity, improve production and business efficiency, in the fiscal year 2020-2021, in addition to maintaining and improving the salary policy, the Group has issued bonus policies for completing monthly, quarterly and yearly business plans for the management team, bonus for new

product sales, bonus for exceeding sales target for sales units, bonus for exceeding the production plan, quality for the plants, etc.

Support such as fuel, housing, transportation, telephone support, support for branches in difficult, remote and isolated areas, maternity support, etc. are still maintained as in previous years. These supports are an addition to monthly income, creating motivation, helping employees feel secure to work.

INSURANCE AND OTHER WELFARE POLICIES

- When employees become official employees of the Group, they are all entitled to fully participate in social insurance, health insurance and unemployment insurance regimes in accordance with the law.

- Hoa Sen Group has adjusted the minimum salary for employees in accordance with the Government's regulations in January 2020 and still maintains the 24/24 accident insurance policy for all employees of the Company (including probationary staff) with a maximum insurance coverage of VND 200,000,000/person/case.

- Adjusting the meal allowance policy to improve the meal quality of employees of the Group.

- Organize a flexible working regime for employees to limit the risk of Covid-19 pandemic, including: Divide the office in accordance with the employee's residence, implement the policy of working online from home, providing supplies, equipment, drinks for anti-pandemic work, paying special attention to the health and safety of pregnant women,

providing shuttle bus service for employees

- Other welfare policies: support for female employees on International Women's Day and Vietnamese Women's Day, maternity support, support for employees when getting married, support for employees during bereavement...

Combined with the Trade Union, Hoa Sen Group also cares about the lives of employees with difficult circumstances, giving gifts to employees' children every year on the occasion of International Children's Day.

- In addition to the compensation of the social insurance agency or the 24/24 accident insurance that the company has purchased for the employees, the company also pays the expenses of treatment, compensation/benefits according to regulations. According to the law and depending on the severity of the occupational accidents, the company also has its own support policy to compensate, motivate and foster to regenerate the labor force for employees.

- The policy for employees working in a heavy, hazardous environment, affecting health is also implemented in accordance with current regulations.

TRAINING POLICY

In recent fiscal year, Hoa Sen Group has always been paying attention to the training and development for human resources of the organization. The total training cost of the Group in the fiscal year 2020 – 2021 reached more than VND 3 billion. The Group has successfully organized 355 training courses with more than 10,000 attendees, including outstanding activities as follows:

Developing Functional Division/Department

- In the fiscal year 2020 – 2021, new employees are regularly trained to integrate, in which compulsory training courses such as occupational safety and health, first aid, fire protection, courses for managers and improve their internal control ability, improve professional skills, knowledge and working skills

- The training program for the title of Business Director of the Provincial Branch to help the Group find "Pioneer Warriors" to work in all parts of the country. With the combination of external training courses to improve management capacity and internal training topics of the Group to help employees understand how to operate the system. The Group's training has contributed to create a team of management with a strong, passionate and outstanding working ability.

Support for the development of the Distribution System

- With the system of subjects (ISM) specially designed for staffs at the branches, the professional internal trainers have trained nearly 500 staffs in the whole system, with 02 phases of organization:

- Phase 1 offers 6 subjects including Foundation Culture; Teamwork Spirit; Hoa Sen Culture; Knowledge on products; Policies; Criterion – Standards.

- Phase 2 provides 5 subjects including Market Exploitation & Business Planning Skills; Communication & Teamwork Skills; Sales skills; Debt Control & recovery; Asset control.

- In addition, Department of Training - Recruitment in conjunction with the Regional Executive Offices has conducted training and assessment on the capacity of management trainees through the subjects: Branch management; Market Exploitation skills; Information analysis and reporting skills; Professional sale skill.

- With the business philosophy of "Helping customers succeed" through the spirit of service, professionalism and homogeneity of Distribution Network, visual standard material "Criterion - Standards " has been created and developed, from that standardizing the image of employees, facilities of distribution network and branches in order to create new competitive advantages for the Group.

- To develop the Branch Managers team, training activities have been implemented to improve the management capacity through the following subjects: Branch management in accordance with criterion and standards; Creating - Implementing business plan; Tutoring – guiding skills.



Developing Subsidiaries/Factories

- Carrying out the training for employees of Subsidiaries/-Factories throughout the fiscal year, including compulsory training courses such as integration training, first aid, labor safety, radiation safety, chemical safety, electric safety, lifting equipment safety, fire prevention and fighting; etc. training courses to improve skills and capabilities such as production management, improving mid-level management capability, 5S - Kaizen, etc. Content of training courses closely follow the business and production activities of the Group, has been implemented towards modernization, highly practical with the combination between the theory and practice which can help learners have the opportunity to study and apply immediately to the practical work.

- At the same time, after-training assessment has been applied in various forms to all training programs. Particularly for staff at Distribution Network, the Group deploys online testing on criterion - standards, professional knowledge and business policies to help staff aware and comply with the regulations, contributing to the improvement of customer service quality and brand reputation of Hoa Sen Group.



BUILDING FRIENDLY AND DEVELOPMENT WORKING ENVIRONMENT

- In addition to building appropriate salary, bonus and welfare policies, working environment is also an important factor for employees to stick with the business. Therefore, Hoa Sen Group always strives to maintain and build a friendly and united working environment by organizing activities to associate employees with each other as well as between employees and the Group.

- In the fiscal year 2020 - 2021, due to the complicated situation of the Covid-19 pandemic, cultural activities, sports festivals and events to celebrate the 20th anniversary of the Group's establishment were not organized like every year. However, in cooperation with the Trade Union, the Company still gives gifts on occasions such as International Children's Day, Mid-Autumn Festival, Vietnamese Women's Day.

WITH ALL SALARY, BONUS AND WELFARE POLICIES AND A COMFORTABLE, FRIENDLY AND DYNAMIC WORKING ENVIRONMENT; FOR FIVE CONSECUTIVE YEARS (FROM 2013 TO 2017), HOA SEN GROUP IS IN THE TOP 5 IN THE BUILDING MATERIALS INDUSTRY AND IN THE TOP 100 COMPANIES WITH THE BEST WORKING ENVIRONMENT IN VIETNAM THROUGH THE SURVEY RESULTS "100 BEST PLACES TO WORK IN VIETNAM" ORGANIZED BY ANPHABE AND NIELSEN COMPANY.



Meeting with female employees on International Women Day 8/3

RESPONSIBILITY TO THE PRODUCT



The product quality is strictly controlled from input material and on each stage to ensure product process complying with international standard and customer's quality demands by Hoa Sen Group. Hoa Sen Group established quality control processes with control indicators, quality standards, application forms, norms, etc. depends on each specific product and production line in order to control quality of input materials, semi-finished products, and finished products on each production stage. In addition, employees who are in charge of controlling product quality and chemical testing are guided to fulfill quality control process of outputs. According to the capacity and actual productivity of the lines, Hoa Sen Group annually established the Standards of Quality Norms for the main production lines that applies for the products of both domestic and exported market, which classifies the product as the Class 1, Class 2 and by-products. All Hoa Sen Group's plants have laboratories which are equipped the most advanced system to ensure the process of measuring product is most accurate. Moreover, every production stage is under surveillance for the management easily to supervise, retrieve source and timely prevent any error detected. Besides, the finished products are packed in conformity with the regulation to ensure the product quality, and labeled clearly for brand identity in order to meet consumer's aesthetic demands, rust-proof or non-dented during storage, handling, and transportation.

PRODUCT QUALITY ENHANCEMENT, QUALIFY DOMESTIC AND INTERNATIONAL STANDARDS

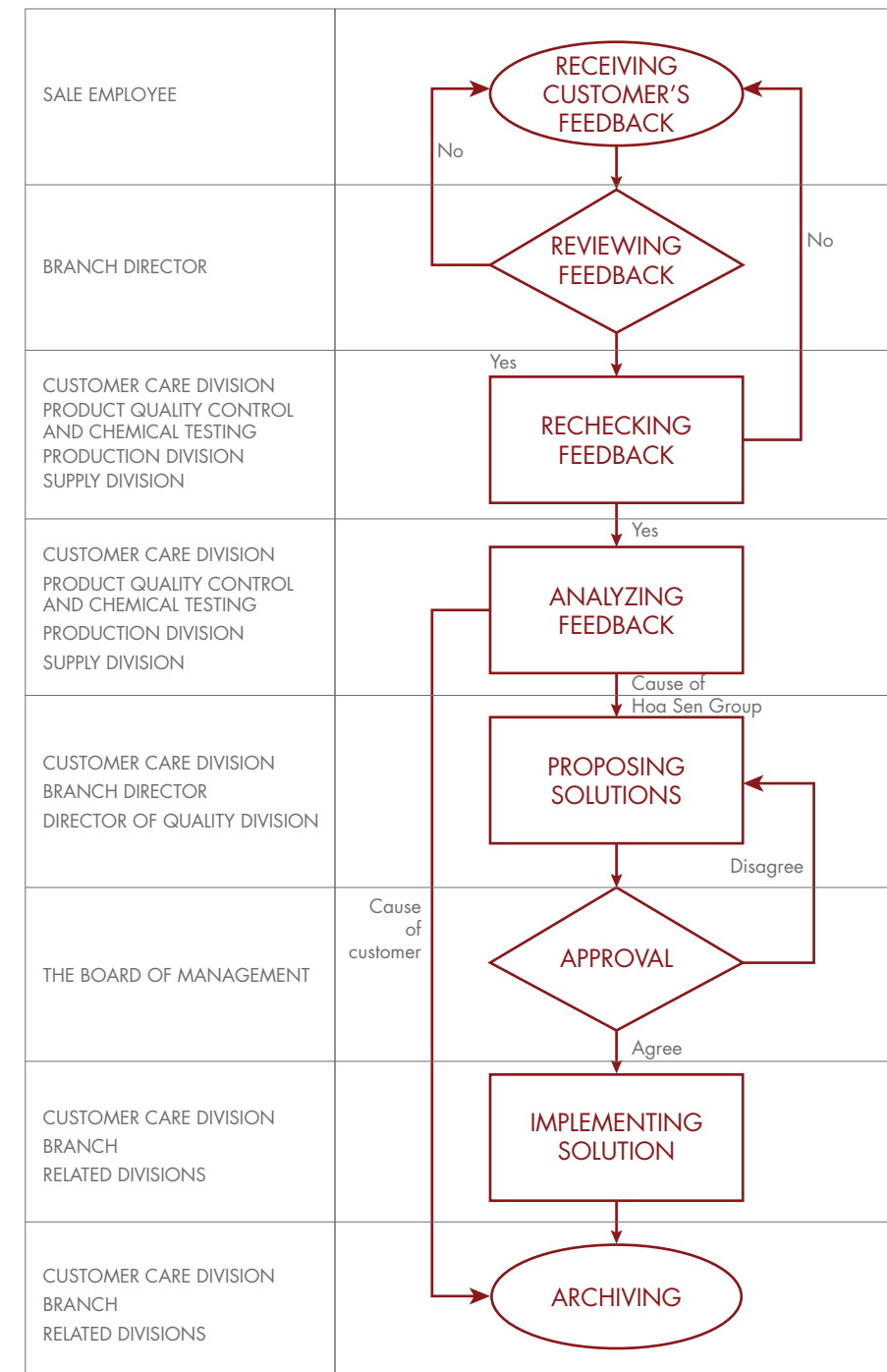


By investing advanced technology and reforming the lines, Hoa Sen Group did develop and maintain the integrated controlling system which consists of quality management system ISO 9001:2015, environmental management system ISO 14001:2015, occupational health and safety advisory services ISO 45000:2018 as a mean to response to social and environmental responsibility and satisfy customer's demand. The products of Hoa Sen Group always attain high quality standard that meet the strict requirements in top-notch market as United States, Japan, EU, etc. Additionally, Hoa Sen Group periodically reviews the production process, product allocation as well as conducts research to improve the technology in order to reduce the energy, fuel consumption and boost the competitiveness of the products.

COMMITMENT TO CONSUMER



Hoa Sen Group has established warranty policy from 10 to 20 years for the products of Pre-Painted Galvanized Steel Sheet, Aluminum-Zinc Alloy Coated Steel Sheet and Pre-Painted Aluminum-Zinc Alloy Coated Steel Sheet. In addition, Hoa Sen Group is willing to receive all inquiries, complaints of product quality through various channels (telephone, email, online consultation on the website www.hoasengroup.vn) or fill in "Feedback form" to suppose solutions that satisfy customers. The process of resolving customer feedback of Hoa Sen Group is presented as the following flowchart:



ENVIRONMENT AND ENERGY

“ MANUFACTURING AND TRADING IN STEEL INDUSTRY REQUIRE OPERATIONS OF MANY PRODUCTION LINES WITH GREAT COMMAND OF ENERGY CONSUMPTION AND STRICTLY COMPLYING DISCHARGED STANDARDS TO ENVIRONMENT. BEING AWARE OF THIS ISSUE, HOA SEN GROUP IS CONTINUOUSLY LOOKING FOR SOLUTIONS IN USING SAVING AND EFFECTIVE ENERGY, AS WELL AS MINIMIZE IMPACTS TO ENVIRONMENT DURING PRODUCTION PROCESS. ”



RAW MATERIAL MANAGEMENT

Input materials which are used in manufacture are qualified to the Hoa Sen Group's general standards. Most of input material orders are verified and approved by Materials division and Evaluation division of Hoa Sen Group. The utilization of materials are controlled and collated among divisions of production, supply, supervision through daily, weekly, monthly reports including inventory status report, material consumption report, and balance report of materials – finished products to ensure the optimization.

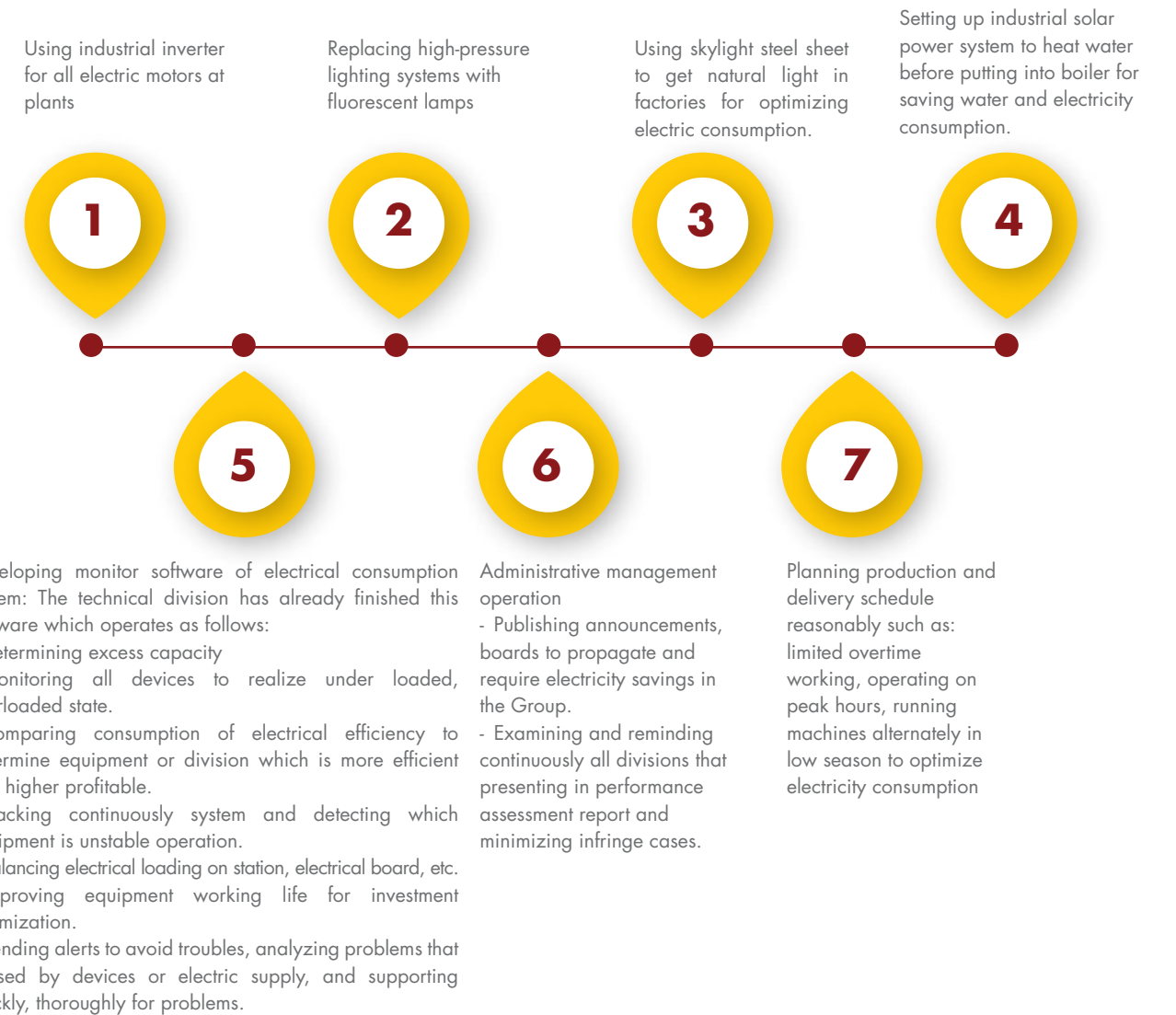


ENERGY CONSUMPTION

SOLUTIONS OF ENERGY SAVING

Hoa Sen Group always concerns of saving of energy consumption within the limitation that is set by the Group. All Hoa Sen Group's ofces, plants perform energy report regularly. Especially, each production line is always tracked and measured energy consumption in order to detect and adjust timely issues of unreasonable consumption.

Measures of energy savings



SOLUTIONS AND IDEAS OF ENERGY SAVINGS

TECHNICAL SOLUTIONS

- Expanding or adding more windows which installed by glass, skylight steel sheets to maximize natural light usage.
- Replacing incandescent bulbs to electrical saving compact lights.
- Installing gutters, covers of lights to increase light reflection and placing lights at appropriate height.
- Replacing overloaded electrical wire to matching electrical wire.
- Replacing old, damaged electrical wire to new ones.
- Repairing joints, cosse head, tangential points, knife switch, connector which are overloaded.
- Allocating transmission which is balanced on every production line in accordance with designed capacity of transformers.
- Implementing reactive power compensation for engines which are high capacity operations.
- Operating transformers in each appropriate mode (norm mode, under loaded mode).

ADMINISTRATION, MANAGEMENT SOLUTIONS

Regulation of electrical equipment usage

- All electric devices in offices are turned off when leaving.
- Lightning system for corridor, security:
 - In summer: Turn on at 19pm and turn off at 5am.
 - In winter: Turn on at 18pm and turn off at 6am.
- The air condition is set temperature at 25 – 27°C and shut down when leaving.
- The computers are used for working only and un-plugged when finishing
- Photocopy machines, printers are used for working only and un-plugged when finishing

Tracking and monitoring

- Technical and environment safety division coordinates with administrative office are responsible to check the compliance of using equipment in plant and announce on back board weekly violations of using equipment in each division.

Rewarding and encouraging

- Publishing information of good employee, good behavior in electric saving.
- Innovative suggests of electric saving in plant.

COMPLIANCE WITH THE LAW OF ENVIRONMENTAL PROTECTION

IN PARALLEL WITH IMPROVING BUSINESS PERFORMANCE, HOA SEN GROUP USUALLY CONCERNS ABOUT ENVIRONMENTAL PROTECTION TO LOOK FORWARD TO PRODUCE ENVIRONMENTAL FRIENDLY PRODUCTS.

Hoa Sen Group has functional division in environment which has high qualification employees graduated from prestigious universities around the country. All employees are usually propagated garbage classification, energy saving regulation (electricity, water, etc.) during production and office operations as well as environmental sanitation regulation.

- All Hoa Sen Group's subsidiaries/plants perform environmental impact assessment/ environmental protection project/ environmental protection commitment before operation. During operation, subsidiaries/plants measure and supervise environment quarterly and report to authorities.

- ISO sections of subsidiaries/plants always update environmental legislations to filter the contains that need to be complied.

- To improve supervision and management in environmental protection, Hoa Sen Group has developed, maintained and enhanced environment management system in accordance with ISO 14001:2015 standard which certificated by BUREAU VERITAS.

- In yearly period or when environment management system has been modified, Hoa Sen Group identifies environmental sector to have good control in significant environmental sector as the following:

- +Waste water is treated in accordance with eligible standard before getting in centralized waste water treatment system of industrial park.

- +Emissions are treated in accordance with column B – QCVN 19:2009/BTNMT before discharging into environment.

- +Solid waste is classified, collected and transfer for treatment in accordance with legislation. Scraps are classified at original sources; each kind of scraps is contained in trash can with specific label. When the trash can is full, it will be transferred to the company's garbage house at specific area.

- For hazardous waste, Hoa Sen Group has been issued certification of owning hazardous waste. When the hazardous waste volume has changed, the Group also modifies the certification. In addition, Hoa Sen Group has signed agreement with functional authorities which have license to transport and handle waste.

- In factory area, to allocate harmony building structure, the Group has used ground for trees, lawns to create beautiful landscape and contribute much for fresh air.

- In addition, to ensure working environment with high standard for employee's health, the Group applies technical solutions to clear the workshop, reduce noise and equip exhaust fans, industrial fans. Hoa Sen Group also measures environmental parameters periodically in accordance with legislation.



OPTIMIZING ECONOMIC EFFICIENCY

APPLICATION ON MODERN TECHNOLOGY AND IMPROVEMENT ON PRODUCTION SYSTEM

In order to provide to consumer the best quality products which compete by quality and affirm its position in the market, Hoa Sen Group always concerns on investment of advanced technology production lines and equipment, and leads in the implication of new and environmental-friendly technologies. After 12 years (from 2007 to 2019), Hoa Sen Group has achieved the following results:

- Invested in Galvanizing line with non-oxidizing furnace (NOF technology).

- In 2009, Hoa Sen Group was the first enterprise in Southeast Asia to invest in hot dip galvanizing line with non-oxidizing furnace (NOF technology).

- Synchronously invested in centralized blending system, plastic pipe line of Battenfeld – Cincinnati applied by European technology and laboratory qualified by Japanese standard.

- Invested in a hot-dip galvanized steel pipe line with a capacity of 85,000 tons/year. The lines use modern technology imported from Europe. The output meets the standards of quality, good thickness of coating, good coating adhesion, highly applicable in many constructions.

- Deployed and put into operation large-scale production projects across the country in the North-Central-South in order to implement the strategy of perfecting the production system, improving supply capacity, meeting consumer demand and contributing to optimize the cost of transportation. Such as: Hoa Sen Nghe An Plant and Hoa Sen Nhon Hoi Plant provide steel sheet products; Hoa Sen Ha Nam Plant and Hoa Sen Yen Bai Plant provide steel pipe and plastics products.

- Besides expanding the Plant system, Hoa Sen Group has also concentrated on increasing the cover rate of the Group to each region throughout the country by expanding the distribution network and stores. Until now, Hoa Sen Group is owning a system with more than 536 branches, providing the best and fastest products to the final users nationwide.

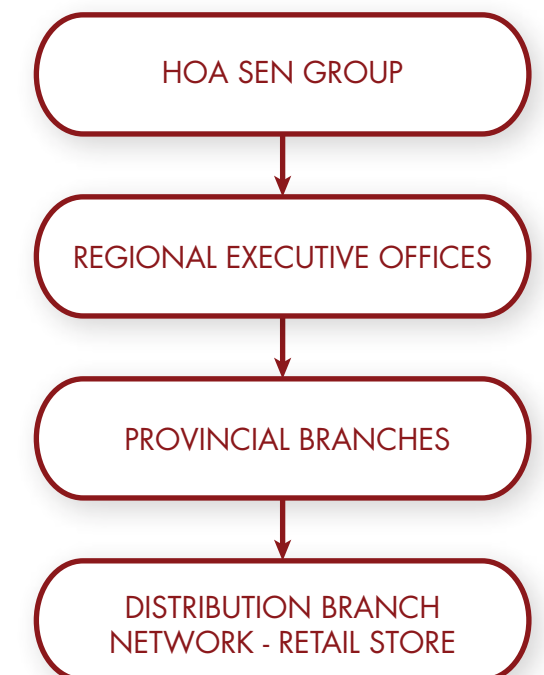


APPLYING ADVANCED MANAGEMENT PROCESS, PERFECTING MANAGEMENT OPERATION AND MODEL

- Hoa Sen Group defines business management is one of the most important factors to enhance stable and efficient economic growth, to keep sustainable development on track in long-term. In parallel with building strong governance system based on complying legislations and applying most advanced governance model in the world, Hoa Sen Group has issued system of internal policies in order to build integrated and decisive governance mechanism.

- In the fiscal year 2016 - 2017, the Group focused on perfecting and putting ERP system into operation, improving synchronization and standardization in professional operations, creating a premise for the application of new technologies in order to meet the demand for future development.

- In the near future, the Group will continue to research and implement restructuring activities to perfect and improve the management system. In particular, the Group will focus on the restructuring of the distribution system under the Provincial branch model. It is expected that the whole distribution system management model will be restructured at the following management levels:



“ BEING CONSISTENT WITH THE BUSINESS PHILOSOPHY OF “**INTERGRITY – COMMUNITY – DEVELOPMENT**”, OVER THE PAST 20 YEARS, HOA SEN GROUP HAS ALWAYS BROUGHT HAPPINESS TO SHARE WITH THE COMMUNITIES THROUGH VARIOUS CHARITABLE ACTIVITIES. ”

SHARING LOVE – SHARING RESPONSIBILITIES TO OVERCOME THE PANDEMIC OF COVID-19” JOURNEY

Sharing responsibilities to get rid of Covid-19, support for the front-line forces who participate in preventing-COVID-19 activities, as well as partly support for the people in harshness, Hoa Sen Group conducted “SHARING LOVE – SHARING RESPONSIBILITIES TO OVERCOME THE PANDEMIC OF COVID-19” journey from 16/07/2021 to 23/10/2021. Hoa Sen Group had organized 9 times of giving away necessities which included medical equipment, food, ... at nearly 120 locations at Ho Chi Minh city and Binh Duong, Dong Nai, Ca Mau, Soc Trang, An Giang. At the same time, Hoa Sen Group had contributed VND 11.5 billion to the COVID-19 prevention funds at Vietnam Fatherland Front Central Committees of the provinces where the plants, offices of Hoa Sen Group were operating. With the realistic and timely contributions of Hoa Sen Group, Ho Chi Minh City People’s Committee commended the Group with the certificate for the outstanding results in fighting, preventing COVID-19.





“SING FOR TOMORROW” TV SHOW

“Sing for tomorrow” is the first TV show with a community purpose at Vietnam to honor the front-line forces who has fought against COVID-19, accompanied by the chain of Building Materials and Furniture Hoa Sen Home Supermarket. With the duty of “Spreading love”, “Sing for tomorrow” has become the stage for the candidates who are doctors, volunteers, had a chance to use their own voice to help the lives in difficulties, persons, community groups, organizations with kind hearts or the ones who were affected by COVID-19.

“ WITH MEANINGFUL COMMUNITY ACTIVITIES, HOA SEN GROUP HAS BEEN ASSERTING THE MISSION OF A PIONEERING ENTERPRISES IN BOTH BUSINESS AND COMMUNITY ACTIVITIES, CONFIRMING THE STATURE OF A DYNAMIC, CREATIVE, INNOVATING, AND DEVELOPING VIETNAMESE BUSINESS. ”



“LOVING LEAVES BAG” PROGRAM

“Loving Leaves Bag” is a voluntary program implemented nationwide by the Vietnam News Center VTV24 - Vietnam Television in collaboration with the Ministry of Labor and Social Policy Bank, starting from October 1, 2015. The program with the mission as a bridge for benefactors to support difficult circumstances across provinces and cities in all over the country, creating couples to support each other to overcome difficulties.

“Loving Leaves Bag” is a voluntary program implemented nationwide by the Vietnam News Center VTV24 - Vietnam Television in collaboration with the Ministry of Labor and Social Policy Bank, starting from October 1, 2015. The program with the mission as a bridge for benefactors to support difficult circumstances across provinces and cities in all over the country, creating couples to support each other to overcome difficulties.

As a community-orientated firm, by sponsoring for “Loving Leaves Bag” is one of many activities that contribute to the social welfare, reflects the social responsibility of Hoa Sen Group.





**LEADING, FRIENDLY AND
COMMUNITY-ORIENTED BRAND**

HOA SEN GROUP

SEPARATE FINANCIAL STATEMENTS

30 September 2021

INDEX

	Pages
Corporate Information	1
Report of the Board of Management	2
Independent audit report	3 - 4
Separate balance sheet	5 - 7
Separate income statement	8
Separate cash flow statement	9 - 10
Notes to the separate financial statements	11 - 59

HOA SEN GROUP CORPORATE INFORMATION

ENTERPRISE REGISTRATION CERTIFICATE 3700381324 8 August 2001

The Company's Enterprise Registration Certificate has been amended several times, the most recent of which is by Enterprise Registration Certificate No. 3700381324 dated 28 October 2021. The Company's 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	Chairman
Mr. Tran Ngoc Chu	Vice Chairman
Mr. Tran Quoc Tri	Member
Mr. Ly Van Xuan	Member
Mr. Nguyen Van Luan	Member
Mr. Dinh Viet Duy	Member

BOARD OF MANAGEMENT

Mr. Tran Quoc Tri	General Director
Mr. Hoang Duc Huy	Deputy General Director
Mr. Vu Van Thanh	Deputy General Director
Mr. Ho Thanh Hieu	Deputy General Director
Mr. Tran Quoc Pham	Deputy General Director
Mr. Nguyen Ngoc Huy	Deputy General Director
Mr. Tran Thanh Nam	Deputy General Director (from 1 December 2021)
Mr. Nguyen Tan Hoa	Deputy General Director (from 1 December 2021)

LEGAL REPRESENTATIVE

Mr. Le Phuoc Vu	Chairman
Mr. Tran Ngoc Chu	Vice Chairman
Mr. Tran Quoc Tri	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

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 2021.

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 59 give a true and fair view of the unconsolidated financial position of the Company as at 30 September 2021, 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



Tran Quoc Tri
General Director

Ho Chi Minh City, 24 December 2021



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 2021, 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 24 December 2021, as set out on pages 5 to 59.

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.



INDEPENDENT AUDITOR'S REPORT (Continued)

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 2021 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. 21-01-00192/1-21-1

 CHI NHANH
 CÔNG TY TNHH
 KPMG
 Chang Hung Chun
 Practising Auditor Registration
 Certificate No. 0863-2018-007-1
 Deputy General Director

Nguyen Thanh Nghi
Practising Auditor Registration
Certificate No. 0304-2018-007-1

Ho Chi Minh City, 24 December 2021



Separate balance sheet as at 30 September 2021

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

ASSETS	CODE	NOTE	30/9/2021 VND	1/10/2020 VND
CURRENT ASSETS (100 = 110 + 120 + 130 + 140 + 150)	100		19,651,184,333,706	10,370,267,877,634
Cash and cash equivalents	110	5	406,017,139,417	480,196,944,895
Cash	111		405,267,139,417	479,446,944,895
Cash and cash equivalents	112		750,000,000	750,000,000
Short-term financial investments	120		5,000,000,000	-
Held-to-maturity investments	123	15(a)	5,000,000,000	-
Accounts receivable – short-term	130		11,898,280,531,814	6,205,820,116,418
Accounts receivable from customers	131	6(a)	9,335,440,945,200	5,212,742,658,223
Prepayments to suppliers	132	7	59,244,726,922	53,025,112,185
Loans receivable	135	8(a)	68,000,000,000	-
Other short-term receivables	136	9(a)	2,449,326,144,281	962,629,374,510
Allowance for doubtful debts	137	6(c)	(13,731,284,589)	(22,577,028,500)
Inventories	140	10	6,384,320,637,756	2,997,049,481,888
Inventories	141		6,464,778,720,342	3,021,587,347,164
Allowance for inventories	149		(80,458,082,586)	(24,537,865,276)
Other current assets	150		957,566,024,719	687,201,334,433
Short-term prepaid expenses	151	16(a)	85,590,388,401	103,293,368,807
Deductible value added tax	152		871,962,016,601	583,904,965,626
Taxes receivable from State Treasury	153		13,619,717	3,000,000

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



Separate balance sheet as at 30 September 2021 (Continued)

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

ASSETS	CODE	NOTE	30/9/2021 VND	1/10/2020 VND
LONG-TERM ASSETS (200 = 210 + 220 + 240 + 250 + 260)	200		4,863,167,615,269	4,925,206,543,486
Accounts receivable – long-term	210		178,887,837,400	394,880,535,357
Loans receivable – long-term	215	8(b)	-	212,856,006,357
Other long-term receivables	216	9(b)	178,887,837,400	182,024,529,000
Fixed assets	220		1,134,208,705,003	1,364,003,049,395
Tangible fixed assets	221	11	936,170,702,614	1,147,463,568,504
Cost	222		3,463,673,580,489	3,392,265,713,774
Accumulated depreciation	223		(2,527,502,877,875)	(2,244,802,145,270)
Finance lease tangible fixed assets	224	12	-	18,551,181,042
Cost	225		-	22,949,448,333
Accumulated depreciation	226		-	(4,398,267,291)
Intangible fixed assets	227	13	198,038,002,389	197,988,299,849
Cost	228		259,988,428,918	248,569,747,599
Accumulated amortisation	229		(61,950,426,529)	(50,581,447,750)
Long-term work in progress	240		180,277,059,193	5,338,412,183
Construction in progress	242	14	180,277,059,193	5,338,412,183
Long-term financial investments	250		3,244,000,000,000	3,072,965,000,000
Investments in subsidiaries	251	15(b)	3,228,000,000,000	3,051,965,000,000
Held-to-maturity investments	255	15(a)	16,000,000,000	21,000,000,000
Other long-term assets	260		125,794,013,673	88,019,546,551
Long-term prepaid expenses	261	16(b)	38,680,005,935	48,265,344,770
Deferred tax assets	262	17	87,114,007,738	39,754,201,781
TOTAL ASSETS (270 = 100 + 200)	270		24,514,351,948,975	15,295,474,421,120

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

**Separate balance sheet as at 30 September 2021 (Continued)**Form B 01 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

ASSETS	CODE	NOTE	30/9/2021 VND	1/10/2020 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		13,195,700,411,669	8,270,877,246,022
Current liabilities	310		13,182,047,854,402	8,243,532,836,931
Accounts payable to suppliers	311	18	4,283,263,896,000	2,023,915,668,822
Advances from customers	312	19	233,052,080,172	188,998,683,777
Taxes payable to State Treasury	313	20	309,240,420,455	206,566,674,152
Payables to employees	314		55,566,725,013	53,486,276,555
Accrued expenses	315	21	214,800,245,166	317,943,257,598
Other payables – short-term	319	22	3,256,582,146,203	326,075,538,521
Short-term borrowings and finance lease liabilities	320	23(a)	4,754,513,830,764	5,083,484,041,845
Bonus and welfare fund	322	24	75,028,510,629	43,062,695,661
Long-term liabilities	330		13,652,557,267	27,344,409,091
Other payables – long-term	337		709,500,000	709,500,000
Long-term borrowings and finance lease liabilities	338	23(b)	-	17,017,564,425
Provisions – long-term	342	25	12,943,057,267	9,617,344,666
EQUITY (400 = 410)	400		11,318,651,537,306	7,024,597,175,098
Owners' equity	410	26	11,318,651,537,306	7,024,597,175,098
Share capital	411	27	4,934,818,960,000	4,446,252,130,000
- Ordinary shares with voting rights	411a		4,934,818,960,000	4,446,252,130,000
Share premium	412		157,292,539,068	151,583,183,521
Treasury shares	415		-	(3,271,000,000)
Other equity funds	420		90,695,201,265	35,535,781,824
Retained profits	421		6,135,844,836,973	2,394,497,079,753
- Retained profits brought forward	421a		1,824,320,198,455	1,318,911,980,318
- Retained profits for the current year	421b		4,311,524,638,518	1,075,585,099,435
TOTAL RESOURCESN (440 = 300 + 400)	440		24,514,351,948,975	15,295,474,421,120

24 December 2021

Prepared by:

Nguyen Thi Thanh Tuyen
Accountant

Approved by:

Nguyen Thi Ngoc Lan
Chief AccountantTran Quoc Tri
General Director

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

**Separate statement of income for the year ended
30 September 2021**Form B 02 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

			Year ended	
	Code	Note	30/9/2021 VND	30/9/2020 VND
REVENUE FROM SALES OF GOODS AND PROVISION OF SERVICES	01	29	86,441,507,897,173	45,103,812,699,734
Revenue deductions	02	29	174,499,462,741	150,953,669,705
Net revenue (10 = 01 - 02)	10	29	86,267,008,434,432	44,952,859,030,029
Cost of sales	11	30	80,500,728,426,285	42,130,019,773,392
Gross profit (20 = 10 - 11)	20		5,766,280,008,147	2,822,839,256,637
Financial income	21	31	2,660,392,557,597	882,731,990,749
Financial expenses	22	32	354,050,453,366	372,603,906,385
<i>In which: Interest expense</i>	23		163,982,509,811	277,498,364,219
Selling expenses	25	33	2,971,926,540,542	1,838,841,569,984
General and administration expenses	26	34	253,197,996,846	268,160,558,053
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		4,847,497,574,990	1,225,965,212,964
Other income	31	35	7,884,997,850	19,875,796,975
Other expenses	32	36	11,164,052,377	16,683,262,011
Results of other activities (40 = 31 - 32)	40		(3,279,054,527)	3,192,534,964
Accounting profit before tax (50 = 30 + 40)	50		4,844,218,520,463	1,229,157,747,928
Income tax expense – current	51	38	515,776,476,827	172,226,511,967
Income tax benefit – deferred	52	38	(47,359,805,957)	(18,653,863,474)
NET PROFIT AFTER TAX (60 = 50 - 51 - 52)	60		4,375,801,849,593	1,075,585,099,435

24 December 2021

Prepared by:

Nguyen Thi Thanh Tuyen
Accountant

Approved by:

Nguyen Thi Ngoc Lan
Chief AccountantTran Quoc Tri
General Director

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

**Separate statement of cash flows for the year ended 30 September 2021**

(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	
			30/9/2021 VND	30/9/2020 VND
ACCOUNTING PROFIT BEFORE TAX				
ADJUSTMENTS FOR				
Accounting profit before tax	01		4,844,218,520,463	1,229,157,747,928
Adjustments for				
Depreciation and amortisation	02		297,087,701,643	345,980,466,978
Allowances and provisions	03		50,400,186,000	8,194,132,525
Exchange (gains)/losses arising from revaluation of monetary items denominated in foreign currencies	04		(4,361,788,337)	7,983,777,905
Profits from investing activities	05		(2,413,142,693,730)	(789,158,399,428)
Interest expense	06		163,982,509,811	277,498,364,219
Operating profit before changes in working capital	08		2,938,184,435,850	1,079,656,090,127
Change in receivables	09		(4,396,695,871,911)	(376,215,302,995)
Change in inventories	10		(3,443,191,373,178)	(922,226,907,987)
Change in payables and other liabilities	11		5,901,843,863,791	1,502,784,567,628
Change in prepaid expenses	12		28,508,264,282	60,193,117,360
Interest paid	14		1,028,649,318,834	1,344,191,564,133
Income tax paid	15		(158,824,335,187)	(277,754,143,955)
Other payments for operating activities	17		(436,616,991,261)	(110,417,388,642)
			(63,628,027,964)	(30,964,795,406)
Net cash flows from operating activities	20		369,579,964,422	925,055,236,130
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(240,276,296,923)	(21,342,822,954)
Proceeds from disposals of fixed assets	22		3,272,245,830	16,403,189,295
Payment for granting loans and term deposits	23		(101,326,172,142)	(155,899,989,000)
Collections on loans receivable and term deposits	24		5,000,000,000	82,750,000,000
Payments for investments in subsidiaries	25		(22,668,142,693)	(30,500,000,000)
Collections on disposals of investments in other entities	26		-	2,683,257,535
Collections on disposals of subsidiaries	26		188,100,000,000	40,500,000,000
Receipts of interests and dividends	27		16,649,919,883	4,966,948,321
NET CASH FLOWS FROM INVESTING ACTIVITIES	30		(151,248,446,045)	(60,439,416,803)

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

**Separate statement of cash flows for the year ended 30 September 2021**

(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	
			30/9/2021 VND	30/9/2020 VND
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from equity issued	31		44,000,000,000	-
Payments for shares redemptions	32		-	(812,000,000)
Proceeds from sales of treasury shares	32		8,980,355,547	-
Proceeds from borrowings	33		36,399,316,632,634	20,593,501,692,686
Payments to settle loan principals	34		(36,736,621,271,149)	(21,178,118,714,736)
Payments to settle finance lease liabilities	35		(10,027,814,809)	(20,860,716,112)
Payments of dividends	36		(307,131,948)	(22,299,100)
Net cash flows from financing activities	40		(294,659,229,725)	(606,312,037,262)
Net cash flows during the year (50 = 20 + 30 + 40)	50		(76,327,711,348)	258,303,782,065
Cash and cash equivalents at the beginning of the year	60		480,196,944,895	222,264,128,540
Effect of exchange rate fluctuations on cash and cash equivalents	61		2,147,905,870	(370,965,710)
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61)	70	5	406,017,139,417	480,196,944,895

24 December 2021

Prepared by:

Nguyen Thi Thanh Tuyen
Accountant

Approved by:

Nguyen Thi Ngoc Lan
Chief AccountantTran Quoc Tri
General Director



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 the 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 to 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; building industrial and civil construction 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 2021, the Company had 9 subsidiaries and 1 associate (1/10/2020: 10 subsidiaries and 1 associates) as listed in the Note 15(b).

As at 30 September 2021, the Company had 5,254 employees (1/10/2020: 4,915 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 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 consolidated financial statements.



(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 of following calendar year.

(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 and selling exchange rates, 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.

(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.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(ii) Investments in subsidiaries and associates**

For the purpose of this 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 loss 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.

(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.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(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 – 50 years
• machinery and equipment	3 – 10 years
• motor vehicles	2 – 10 years
• office equipment	3 – 10 years
• others	3 – 8 years

(g) Intangible fixed assets**(i) Land use rights**

Land use rights are stated at cost less accumulated amortisation. The initial cost of land use rights comprises the value of the right 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 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 from 3 to 6 years.

(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 period 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.



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 prepaid rentals for using warehouse during the Company's production and business operations and are initially recognised at cost. These costs are recognised in the separate statement of income on a straight-line basis over lease term ranging from 2 to 3 years.

(iv) Maintenance expenses

Maintenance expenses represent the expenses of repairing and replacing machinery, equipment and other fixed assets but do not meet the capitalisation requirements of fixed asset. Maintenance expenses are initially recognised at cost and are 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 costs.

(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.

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 six-month period prior to the end of the 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.

(iii) Repurchase and reissue of ordinary shares (treasury shares)

Before 1 January 2021

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is recognised as a reduction from equity. Repurchased shares are classified as treasury shares under equity. When treasury shares are sold for reissue subsequently, cost of the reissued shares is determined on a weighted average basis. Any difference between the amount received and the cost of the shares reissued is presented within share premium.

From 1 January 2021

Treasury shares are recognised only in respect of repurchased shares which are aggregated fractions of share arising when the company issues shares to pay dividends or issues shares from equity reserves in accordance with an approved issuance plan, or repurchased odd-lots of shares as requested by the shareholders. In all other cases, when shares recognized as equity are repurchased, their par value amount is recognized as a reduction to share capital. The difference between the par value and the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is included in share premium.

This change in accounting policy has been applied prospectively from 1 January 2021 due to change in applicable laws and regulations on buying back shares.

(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 accounting period, and any adjustment to tax payable in respect of previous years.



(m) Taxation (Continued)

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes 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 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.

(n) Revenue and other income

(i) Goods sold

Revenue from the sale 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) Interest income

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

(iii) Dividend income

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

(o) Leases

(i) Leased assets

Leases in terms of which the Company, as lessee, assumes substantially all the risks and rewards of ownership are classified as finance leases. Tangible fixed assets acquired by way of finance leases are stated at an amount equal to the lower of fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation.

Depreciation on finance leased assets is computed on a straight-line basis over the shorter of the lease term and the estimated useful lives of the leased assets unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. The estimated useful lives of finance leased assets are consistent with the useful lives of tangible fixed assets as described in Note 3(f).

Assets held under other leases are classified as operating leases and are not recognised in the Company's balance sheet.



(o) Leases (Continued)

(ii) 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.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(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 period of construction are capitalised as part of the cost of the assets concerned.

(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 are included as an integral part of the current period financial statements and are 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 separate financial position, results of operation or cash flows for the prior year.



Notes to the separate financial statements for the year ended 30 September 2021
(Continued)

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

4. SEGMENT REPORTING

(a) Business segments

The Company's principal business activities are buying and selling roofing sheets by steel, steel pipes, building materials. Other activities are asset leasing and service provision. During the year, other activities accounted for an insignificant proportion of total revenue and business operating results of the Company, accordingly, the financial information presented in the separate balance sheet as at 30 September 2021 and 1 October 2020 and all revenue, expenses presented in the separate statement of income for the year ended 30 September 2021 and 30 September 2020 were mainly related to the Company's principal business activities.

(b) Geographical segments

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

	Geographical segments		
	Local VND	Export VND	Total VND
Year ended 30 September 2021			
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
Year ended 30 September 2020			
Revenue	34,982,290,211,381	9,970,568,818,648	44,952,859,030,029
Cost of sales	(32,656,090,830,938)	(9,473,928,942,454)	(42,130,019,773,392)
	2,326,199,380,443	496,639,876,194	2,822,839,256,637



Notes to the separate financial statements for the year ended 30 September 2021
(Continued)

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

5. CASH AND CASH EQUIVALENTS

	30/9/2021 VND	1/10/2020 VND
Cash on hand	13,617,648,701	37,746,780,451
Cash in banks	391,480,006,937	441,692,185,884
Cash in transit	169,483,779	7,978,560
Cash equivalents (*)	750,000,000	750,000,000
	406,017,139,417	480,196,944,895

(*) 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 from 3% to 3.3% (1/10/2020: 3.5% to 4.0%).

6. ACCOUNTS RECEIVABLE FROM CUSTOMERS

(a) Accounts receivable from customers detailed by significant customers

	30/9/2021 VND	1/10/2020 VND
Hoa Sen Nghe An One Member Limited Liabilities Company	1,598,748,271,511	609,698,769,472
Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liability Company	1,487,196,033,900	1,422,755,855,210
Hoa Sen Steel One Member Company Limited	873,525,603,746	649,390,077,771
Hoa Sen Building Materials Company Limited	758,704,667,548	606,455,682,416
Other customers	4,617,266,368,495	1,924,442,273,354
	9,335,440,945,200	5,212,742,658,223

As at 30 September 2021, accounts receivable with carrying value of VND570,000 million and receivable arising from export bill collection with the value of VND2,300,000 million (1/10/2020: VND570,000 million of trade receivable and VND2,300,000 million arising from export bill collection) were pledged with banks as security for loan granted to the Company (Note 23).



6. ACCOUNTS RECEIVABLE FROM CUSTOMERS (CONTINUED)

(b) Accounts receivable from customers who are related parties

	30/9/2021 VND	1/10/2020 VND
Subsidiaries		
Hoa Sen Nghe An One Member Limited Liabilities Company	1,598,748,271,511	609,698,769,472
Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liability Company	1,487,196,033,900	1,422,755,855,210
Hoa Sen Steel One Member Company Limited	873,525,603,746	649,390,077,771
Hoa Sen Building Materials Company Limited	758,704,667,548	606,455,682,416
Hoa Sen Phu My One Member Limited Liabilities Company	394,820,399,043	314,686,249,805
Hoa Sen Ha Nam One Member Limited Liability Company	15,348,017,868	-
Hoa Sen Binh Dinh Sole Member Limited Company	14,827,184,790	36,010,152,572
Hoa Sen Yen Bai Building Materials One Member Limited Liabilities Company	171,241,122	-
Company owned by the Company's Chairman		
Hoa Sen Holdings Group	-	34,749,020

The trade related amounts due from related parties were unsecured, interest free and are receivable in 365 days from invoice date for subsidiaries and 45 days from invoice date for company owned by the Company's Chairman.



(c) Bad and doubtful debts

	30/9/2021			1/10/2020			
	Overdue days	Cost VND	Allowance VND	Recoverable amount VND	Cost VND	Allowance VND	Recoverable amount VND
Overdue debts							
Mekong Consultant Trading Construction Joint Stock Company	3 – 4 years	1,648,743,436	(1,648,743,436)	-	1,648,743,436	(1,648,743,436)	-
Hai Thuy Limited Liability Company	Over 2 years	1,545,000,625	(1,545,000,625)	-	1,545,000,625	(1,545,000,625)	-
Hiep Loan Construction Steel Company Limited	Over 2 years	1,243,508,106	(1,243,508,106)	-	1,243,508,106	(1,243,508,106)	-
Phuc Duc Production and Trading One Member Limited Liability Company	-	-	-	-	1,096,410,095	(1,096,410,095)	-
Hoang Thai Private Enterprise	Over 2 years	1,023,359,294	(1,023,359,294)	-	1,023,359,294	(1,023,359,294)	-
Yen Mai Trading and Construction Services Company Company Limited	-	-	-	-	839,518,227	(839,518,227)	-
Toan Phat HN Trading and Production Limited Liability Company	-	-	-	-	1,426,131,048	(1,426,131,048)	-
Other customers	-	8,270,673,128	(8,270,673,128)	-	13,754,357,669	(13,754,357,669)	-
		13,731,284,589	(13,731,284,589)		22,577,028,500	(22,577,028,500)	



Notes to the separate financial statements for the year ended 30 September 2021
(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	
	30/9/2021 VND	30/9/2020 VND
Opening balance	22,577,028,500	8,634,346,424
Allowance made during the year	435,523,000	16,809,639,086
Allowance reversed during the year	(9,281,266,911)	(2,866,957,010)
Closing balance	13,731,284,589	22,577,028,500

7. PREPAYMENTS TO SUPPLIERS

	30/9/2021 VND	1/10/2020 VND
Subsidiaries		
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	469,909,029
Hoa Sen Binh Dinh Sole Member Limited Company	-	4,995,423,582
Third parties		
Vung Tau Low Pressure Gas Distribution Enterprise	9,000,000,000	11,105,788,618
Hoa Phat Hung Yen Steel Limited Liability Company	10,183,555	21,469,960,714
Other suppliers	23,407,419,395	14,984,030,242
	59,244,726,922	53,025,112,185

8. LOANS RECEIVABLE

(a) Loans receivable – short-term

	30/9/2021 VND	1/10/2020 VND
Loans receivable from Hoa Sen Yen Bai Joint Stock Company – a subsidiary	68,000,000,000	-

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



Notes to the separate financial statements for the year ended 30 September 2021
(Continued)

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

8. LOANS RECEIVABLE (CONTINUED)

(b) Loans receivable – long-term

	30/9/2021 VND	1/10/2020 VND
Loans receivable from Hoa Sen Yen Bai Joint Stock Company – subsidiary (*)	-	167,286,721,457
Loans receivable from Hoa Sen Du Long Industrial Park Infrastructure Investment Joint Stock Company – subsidiary (**)	-	45,569,284,900
	-	212,856,006,357

(*) This loan was unsecured, has original term of 24 months and earned annual interest rate of 8% (1/10/2020: 8%).

(**) This loan was unsecured, has original term of 24 months and earned annual interest rate of 8% (1/10/2020: 8%).

During the year, the Company converted the outstanding long-term loan receivables to investments to subsidiaries, Hoa Sen Yen Bai Joint Stock Company and Hoa Sen Du Long Industrial Park Infrastructure Investment Joint Stock Company, amounting to VND176,187 million and VND64,995 million, respectively.

9. OTHER RECEIVABLES

(a) Other short-term receivables

	30/9/2021 VND	1/10/2020 VND
Profits distribution	2,313,430,131,015	795,208,077,723
Advances for purchase of lands	45,462,225,000	45,462,225,000
Short-term deposits and rental deposits	36,503,545,800	41,728,445,800
Advances to employees	34,618,799,195	41,550,758,590
Receivables from transfer of land use right	12,818,775,000	12,818,775,000
Interest income from banks deposits and loan receivables	-	17,516,531,729
Other receivables	6,492,668,271	8,344,560,668
	2,449,326,144,281	962,629,374,510



Notes to the separate financial statements for the year ended 30 September 2021
(Continued)

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

(a) Other short-term receivables (Continued)

Other short-term receivables from related parties

	30/9/2021 VND	1/10/2020 VND
Subsidiaries		
Hoa Sen Nghe An One Member Limited Liabilities Company	946,725,035,692	514,874,175,062
Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liability Company	756,039,601,281	-
Hoa Sen Building Materials Company Limited	248,393,361,872	232,711,670,069
Hoa Sen Ha Nam One Member Limited Liability Company	156,020,916,359	27,450,000
Hoa Sen Steel One Member Company Limited	120,808,132,718	12,308,639,166
Hoa Sen Binh Dinh Sole Member Limited Company	69,057,496,793	35,488,493,426
Hoa Sen Yen Bai Building Materials One Member Limited Liabilities Company	16,444,286,300	-
Hoa Sen Yen Bai Joint Stock Company	-	15,011,988,771
Hoa Sen Du Long Industrial Park Infrastructure Investment Joint Stock Company	-	2,504,542,958
Company owned by the Company's Chairman		
Hoa Sen Holdings Group	1,470,000,000	2,059,900,000
Key management personnel		
Mr. Hoang Duc Huy – Deputy General Director	45,462,225,000	45,462,225,000

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

(b) Other long-term receivables

	30/9/2021 VND	1/10/2020 VND
Deposits for rental	178,887,837,400	181,758,529,000
Others	-	266,000,000
	178,887,837,400	182,024,529,000



Notes to the separate financial statements for the year ended 30 September 2021
(Continued)

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

10. INVENTORIES

	30/9/2021		1/10/2020	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	948,952,756,883	-	1,074,363,397,517	-
Raw materials	1,392,865,556,357	(18,837,869,618)	262,088,540,692	(12,427,170,038)
Tools and supplies	164,573,666,041	-	160,536,427,953	-
Finished goods	1,542,494,461,325	(52,327,014,685)	683,530,539,971	(10,057,583,911)
Merchandise inventories	2,415,892,279,736	(9,293,198,283)	841,068,441,031	(2,053,111,327)
	6,464,778,720,342	(80,458,082,586)	3,021,587,347,164	(24,537,865,276)

As at 30 September 2021, inventories with carrying value of VND4,772,185 million (1/10/2020: VND1,478,039 million) were pledged with banks as security for loans granted to the Company (Note 23).

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

	Year ended	
	30/9/2021 VND	30/9/2020 VND
Opening balance	24,537,865,276	30,286,414,827
Allowance made during the year	55,920,217,310	-
Allowance reversed during the year	-	(5,748,549,551)
Closing balance	80,458,082,586	24,537,865,276

11. TANGIBLE FIXED ASSETS

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

Notes to the separate financial statements for the year ended 30 September 2021 (Continued)

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
Cost						
Opening balance	484,406,352,732	2,523,902,329,811	286,843,639,080	76,375,572,729	20,737,819,422	3,392,265,713,774
Additions	-	54,215,834,479	1,207,586,364	-	-	55,423,420,843
Transfer from construction in progress	141,703,283	2,121,199,883	1,166,102,000	-	-	3,429,005,166
Transfer from finance lease tangible fixed assets	-	13,389,448,333	9,560,000,000	-	-	22,949,448,333
Disposals	(71,955,649)	(6,097,113,853)	(2,128,712,500)	-	-	(8,297,782,002)
Written off	-	(2,096,225,625)	-	-	-	(2,096,225,625)
Closing 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
Accumulated depreciation						
Opening balance	278,882,994,848	1,738,186,050,970	172,098,126,466	36,296,971,627	19,338,001,359	2,244,802,145,270
Charge for the year	21,652,518,028	219,048,547,987	34,223,500,536	9,441,256,473	288,883,421	284,654,706,445
Transfer from finance lease tangible fixed assets	-	3,149,966,649	2,312,317,061	-	-	5,462,283,710
Disposals	(71,955,649)	(3,566,823,990)	(1,844,204,185)	-	-	(5,482,983,824)
Written off	-	(1,933,273,726)	-	-	-	(1,933,273,726)
Closing 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
Net book value						
Opening balance	205,523,357,884	785,716,278,841	114,745,512,614	40,078,601,102	1,399,818,063	1,147,463,568,504
Closing 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



Notes to the separate financial statements for the year ended 30 September 2021 (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 VND1,063,778 million which were fully depreciated as at 30 September 2021 (1/10/2020: VND727,763 million), but which are still in active use.

As at 30 September 2021, tangible fixed assets with net book value of VND293,060 million (1/10/2020: VND395,303 million) were pledged with banks as security for loans granted to the Company (Note 23).

12. FINANCE LEASE TANGIBLE FIXED ASSETS

	Machinery and equipment VND	Motor vehicles VND	Total VND
Cost			
Opening balance	13,389,448,333	9,560,000,000	22,949,448,333
Transfer to tangible fixed assets	(13,389,448,333)	(9,560,000,000)	(22,949,448,333)
Closing balance	-	-	-
Accumulated depreciation			
Opening balance	2,579,925,881	1,818,341,410	4,398,267,291
Charge for the year	570,040,768	493,975,651	1,064,016,419
Transfer to tangible fixed assets	(3,149,966,649)	(2,312,317,061)	(5,462,283,710)
Closing balance	-	-	-
Net book value			
Opening balance	10,809,522,452	7,741,658,590	18,551,181,042
Closing balance	-	-	-



13. INTANGIBLE FIXED ASSETSH

	Land use rights VND	Software VND	Total VND
Cost			
Opening balance	200,791,409,765	47,778,337,834	248,569,747,599
Additions	-	11,418,681,319	11,418,681,319
Closing balance	200,791,409,765	59,197,019,153	259,988,428,918
Accumulated amortisation			
Opening balance	28,908,454,957	21,672,992,793	50,581,447,750
Charge for the year	2,553,074,427	8,815,904,352	11,368,978,779
Closing balance	31,461,529,384	30,488,897,145	61,950,426,529
Net book value			
Opening balance	171,882,954,808	26,105,345,041	197,988,299,849
Closing balance	169,329,880,381	28,708,122,008	198,038,002,389

Included in intangible fixed assets were assets costing VND456 million which were fully amortised as at 30 September 2021 (1/10/2020: VND456 million), but which are still in active use.

As at 30 September 2021, intangible fixed assets with net book value of VND66,528 million (1/10/2020: VND77,916 million) were pledged with banks as security for loans granted to the Company (Note 23).



14. CONSTRUCTION IN PROGRESS

Major constructions in progress were as follows:

	30/9/2021 VND	1/10/2020 VND
Machinery and equipment waiting for installation	5,606,678,492	457,602,000
Construction costs	151,857,874,771	1,472,949,719
Others	22,812,505,930	3,407,860,464
	180,277,059,193	5,338,412,183
Year ended		
	30/9/2021 VND	30/9/2020 VND
Opening balance	5,338,412,183	16,487,785,421
Additions	179,587,597,217	8,165,030,780
Transfer to tangible fixed assets	(3,429,005,166)	(14,289,426,988)
Transfer to long-term prepaid expenses	-	(3,150,626,219)
Transfer to short-term prepaid expenses	(1,219,945,041)	(1,874,350,811)
Closing balance	180,277,059,193	5,338,412,183

15. INVESTMENTS

(a) Held-to-maturity investments

Held-to-maturity investments - short-term

	30/9/2021 VND	1/10/2020 VND
Term deposits	5,000,000,000	-

Held-to-maturity investments - short-term represented term deposits at bank with term of more than 3 months from the placement date and less than 12 months from the period end. As at 30 September 2021, term deposits denominated in VND and earned annual interest rate of 3.7%.



(a) Held-to-maturity investments (Continued)

Held-to-maturity investments - long-term

	30/9/2021 VND	1/10/2020 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
Bonds issued by BIDV Securities Joint Stock Company	-	5,000,000,000
	16,000,000,000	21,000,000,000

(*) Bonds with original term of 10 years were denominated in VND and earned annual interest rate at floating interest rate plus 1.2% (1/10/2020: floating interest rate plus 1.2%).

(**) Bonds with original term of 7 years were denominated in VND and earned annual interest rate at floating interest rate plus 1.2% (1/10/2020: floating interest rate plus 1.2%).



(b) Equity investments in other entities

	30/9/2021			1/10/2020		
	% 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 Building Materials Company Limited	100%	150,000,000,000	-	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 (i)	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	-
• Hoa Sen Du Long Industrial Park Infrastructure Investment Joint Stock Company (ii)	-	-	-	95%	32,965,000,000	-
		3,228,000,000,000	-		3,051,965,000,000	-
Investments in joint ventures						
• Hoa Sen International Port Joint Stock Company (iii)	-	-	-	-	-	-
		3,228,000,000,000	-		3,051,965,000,000	-



Notes to the separate financial statements for the year ended 30 September 2021
(Continued)

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

- (i) On 3 March 2021, the Board of Directors of Hoa Sen Group resolved to increase charter capital of Hoa Sen Yen Bai Joint Stock Company, of which the Company holds 95% ownership. The Company completed the capital contribution to the subsidiary by converting loans receivables of VND176,187 million (Note 8), converting other receivables of VND10,145 million and by contributing cash of VND22,668 million.
- (ii) On 1 February 2021, the Board of Directors of Hoa Sen Group resolved to increase charter capital of Hoa Sen Du Long Industrial Park Infrastructure Investment Joint Stock Company, in which the Company holds 95% ownership. The Company completed the capital contribution to the subsidiary by converting loan receivables of VND64,995 million (Note 8) and converting other receivables of VND478 million. On 31 March 2021, the Board of Directors of Hoa Sen Group approved the disposal of all shares in Hoa Sen Du Long Industrial Park Infrastructure Investment Joint Stock Company. The transaction was completed on 2 April 2021.
- (iii) Hoa Sen International Port Joint Stock Company was established under the Business 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. At 30 September 2021, the Company has not yet contributed capital to Hoa Sen International Port Joint Stock Company.



Notes to the separate financial statements for the year ended 30 September 2021
(Continued)

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

16. PREPAID EXPENSES

(a) Short-term prepaid expenses

	30/9/2021 VND	1/10/2020 VND
Rental fee	60,086,558,798	57,410,986,820
Tools and instruments	7,318,855,307	13,454,533,851
Advertising expenses	4,977,085,978	24,829,641,795
Maintenance expenses	3,605,758,234	2,738,747,884
Consulting expenses	430,991,668	1,889,338,410
Insurance fee	599,821,424	668,137,829
Other short-term prepaid expenses	8,571,316,992	2,301,982,218
	85,590,388,401	103,293,368,807

(b) Long-term prepaid expenses

	30/9/2021 VND	1/10/2020 VND
Advertising panels	15,059,349,254	15,374,300,149
Tools and instruments	9,550,254,921	9,342,376,906
Rental expenses	6,266,006,987	7,538,605,524
Maintenance expenses	3,918,465,569	6,587,628,785
Other long-term prepaid expenses	3,885,929,204	9,422,433,406
	38,680,005,935	48,265,344,770

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

	Year ended	
	30/9/2021 VND	30/9/2020 VND
Opening balance	48,265,344,770	128,815,049,868
Additions	33,716,445,821	12,783,913,427
Transfer from construction in progress	-	3,150,626,219
Transfer from tangible fixed assets	-	(163,628,065)
Transfer (to)/from short-term prepaid expenses	(3,500,000)	240,769,417
Amortisation for the year	(43,208,346,116)	(96,551,161,921)
Disposals	(89,938,540)	(10,224,175)
Closing balance	38,680,005,935	48,265,344,770



Notes to the separate financial statements for the year ended 30 September 2021
(Continued)

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

17. DEFERRED TAX ASSETS

	Tax rate	30/9/2021 VND	1/10/2020 VND
Deferred tax assets are recognised on:			
• Accrued expenses	20%	61,879,057,711	21,325,730,550
• Allowances and provisions	20%	18,837,873,435	9,422,978,755
• Unrealised profits	20%	6,397,076,592	9,005,492,476
		87,114,007,738	39,754,201,781

18. ACCOUNTS PAYABLE TO SUPPLIERS

(a) Accounts payable to suppliers detailed by significant suppliers

	Cost/Amount within payment capacity	
	30/9/2021 VND	1/10/2020 VND
Formosa Ha Tinh Steel Corporation	1,508,956,770,530	296,702,697,996
Xiamen ITG Group Corp., Ltd.	630,195,444,218	-
Kim Quoc Steel Company Limited	622,557,774,639	59,872,948,917
Hoa Sen Binh Dinh Sole Member Limited Company	199,491,934,084	276,882,578,172
Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liability Company	161,764,492,000	331,558,978,673
Hoa Sen Ha Nam One Member Limited Liability Company	159,185,584,085	200,540,364,464
Nippon Steel Trading Corporation	-	303,482,841,213
Other suppliers	1,001,111,896,444	554,875,259,387
	4,283,263,896,000	2,023,915,668,822



Notes to the separate financial statements for the year ended 30 September 2021
(Continued)

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

(b) Accounts payable to suppliers who are related parties

	Cost/Amount within payment capacity	
	30/9/2021 VND	1/10/2020 VND
Subsidiaries		
Hoa Sen Binh Dinh Sole Member Limited Company	199,491,934,084	276,882,578,172
Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liability Company	161,764,492,000	331,558,978,673
Hoa Sen Ha Nam One Member Limited Liability Company	159,185,584,085	200,540,364,464
Hoa Sen Yen Bai Building Materials One Member Limited Liabilities Company	83,547,848,008	71,677,939,985
Companies owned by the Company's Chairman		
Hoa Sen Holdings Group	6,124,567,058	4,622,401,585
Hoa Sen Nghe An Investment Company Limited	13,356,842	1,892,022

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

19. ADVANCES FROM CUSTOMERS

	30/9/2021 VND	1/10/2020 VND
Aceros Y Overollings De Mexico S.A. De C.V.	-	18,179,700,000
Other customers	233,052,080,172	170,818,983,777
	233,052,080,172	188,998,683,777

Notes to the separate financial statements for the year ended 30 September 2021
(Continued)

	1/10/2020 VND	Incurred VND	Paid VND	Netted-off VND	Reclassified VND	30/9/2021 VND
Value added tax	146,604,239,860	7,961,396,397,916	(1,972,622,357,714)	(5,962,469,880,233)	(1,386,919,443)	171,521,480,386
Import-export tax	456,189,132	1,448,514,895	(1,738,836,243)	-	-	165,867,784
Corporate income tax	56,905,742,222	515,776,476,827	(436,616,991,261)	-	-	136,065,227,788
Personal income tax	2,508,438,278	32,264,163,672	(33,387,177,170)	-	13,619,717	1,399,044,497
Other taxes	92,064,660	1,790,747,324	(1,791,011,984)	-	(3,000,000)	88,800,000
	206,566,674,152	8,512,676,300,634	(2,446,156,374,372)	(5,962,469,880,233)	(1,376,299,726)	309,240,420,455

Notes to the separate financial statements for the year ended 30 September 2021
(Continued)Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

21. ACCRUED EXPENSES

	30/9/2021 VND	1/10/2020 VND
Salary and bonus	150,283,536,463	304,695,782,083
Transportation expenses	43,534,163,796	115,044,561
Interest expenses	9,084,253,069	3,926,078,445
Construction in progress	6,849,402,456	696,000,000
Electricity expenses	34,655,876	27,883,576
Others	5,014,233,506	8,482,468,933
	214,800,245,166	317,943,257,598

22. OTHER PAYABLES – SHORT-TERM

	30/9/2021 VND	1/10/2020 VND
Import financing payables (*)	3,226,391,554,000	155,578,117,585
Discount export documents payables	-	142,966,821,833
Short-term deposits received	19,134,400,000	9,597,080,065
Social insurance, health insurance, unemployment insurance and union funds	528,125,900	932,699,080
Dividend payables	3,940,190,477	4,247,322,425
Other payables	6,587,875,826	12,753,497,533
	3,256,582,146,203	326,075,538,521

(*) These amounts represented Usance payable at sight Letter 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 Branch, The Maritime Commercial Joint Stock Bank – Ho Chi Minh Branch and Tien Phong Commercial Joint Stock Bank – Ben Thanh Branch (1/10/2020: provided by Vietnam International Commercial Joint Stock Bank – Ho Chi Minh City Branch and Tien Phong Commercial Joint Stock Bank – Ho Chi Minh City Branch) with tenor from 90 to 120 days after sight. If the Company cannot make payment on the due date, they will be automatically converted into bank loans.



Other payables – short-term to related parties

	30/9/2021 VND	1/10/2020 VND
Subsidiaries		
Hoa Sen Yen Bai Building Materials One Member Limited Liabilities Company	-	26,498,450

The other payable amounts due to the related parties were unsecured, interest free and are payable on demand.



23. BORROWINGS AND FINANCE LEASE LIABILITIES
(a) Short-term borrowings and finance lease liabilities

	Movements during the year			
	1/10/2020	Additions VND	Decreases VND	Foreign exchange differences VND
	Carrying amount/ Amount within re- payment capacity VND	30/9/2021	Carrying amount/ Amount within re- payment capacity VND	
Short-term borrowings	5,058,379,476,181	36,399,316,632,634	(36,704,526,955,869)	1,344,677,818
Current portion of long-term borrowings (b)	20,000,000,000	5,000,000,000	(25,000,000,000)	-
Finance lease principals due within twelve months (c)	5,104,565,664	1,276,141,416	(6,380,707,080)	-
	5,083,484,041,845	36,405,592,774,050	(36,735,907,662,949)	1,344,677,818
				4,754,513,830,764
				4,754,513,830,764

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

Lenders	Note	Currency	Form B 09 – DN (Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)	
			30/9/2021 VND	1/10/2020 VND
Bên thứ ba				
• Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Industrial Park Branch	(i)	VND	75,643,458,480	1,171,017,687,810
• Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Industrial Park Branch	(i)	USD	777,548,744,645	531,104,907,733
• Joint Stock Commercial Bank for Foreign Trade of Vietnam - South Binh Duong Branch	(ii)	VND	60,000,000,000	947,943,944,130
• Joint Stock Commercial Bank for Foreign Trade of Vietnam - South Binh Duong Branch	(ii)	USD	1,453,181,080,932	413,037,687,997
• Bank for Investment and Development of Vietnam - Transaction Office 2 Branch	(iii)	VND	347,681,380,658	472,377,287,783
• Bank for Investment and Development of Vietnam - Transaction Office 2 Branch	(iii)	USD	-	99,439,545,965
• HSBC Bank (Vietnam) Ltd.	(iv)	VND	1,186,536,814,890	608,438,856,420
• Sinopac Bank - Ho Chi Minh City Branch	(v)	VND	56,000,000,000	32,300,000,000
• United Overseas Bank (Vietnam) Limited	(vi)	VND	34,366,092,843	101,516,310,719
• United Overseas Bank (Vietnam) Limited	(vi)	USD	384,498,035,750	57,085,000,000
• Malayan Banking Berhad Ho Chi Minh City Branch	(vii)	VND	60,626,701,580	42,323,443,406
• Malayan Banking Berhad Ho Chi Minh City Branch	(vii)	USD	73,836,076,658	46,084,500,000
• The Maritime Commercial Joint Stock Bank - Ho Chi Minh City Branch	(viii)	VND	67,617,983,015	97,147,784,400
• ChinaTrust Commercial Bank - Ho Chi Minh City Branch	(ix)	VND	75,695,575,053	19,942,608,592
• ChinaTrust Commercial Bank - Ho Chi Minh City Branch	(ix)	USD	101,281,886,260	155,234,011,226
• Ho Chi Minh City Development Joint Stock Commercial Bank	(x)	USD	-	213,385,900,000
• Saigon Thuong Tin Commercial Joint Stock Bank – Head Office	(xi)	VND	-	50,000,000,000
			4,754,513,830,764	5,058,379,476,181

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

Lenders	Currency	Credit limit	Form B 09 – DN (Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)		Pledged assets
			30/9/2021 Interest rate	1/10/2020 Interest rate	
Third parties					
i. Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Industrial Park Branch	VND USD	VND3,000 billion	3.50% 1.50% - 2.00%	4.50% - 4.90% 1.85% - 2.00%	Land use rights, buildings, structures, machinery and equipment and accounts receivable from customers.
ii. Joint Stock Commercial Bank for Foreign Trade of Vietnam - South Binh Duong Branch	VND USD	VND2,397 billion	3.50% 1.30%	4.50% - 5.00% 1.80% - 2.10%	Land use rights, machinery and equipment and inventories, accounts receivable, structures.
iii. Bank for Investment and Development of Vietnam - Transaction Office 2 Branch	VND VND	VND1,500 billion	3.50% - 3.80%	4.20% - 4.50%	Machinery and equipment, constructions on land of Hoa Sen Nghe An One Member Limited
iv. HSBC Bank (Vietnam) Ltd.	VND	USD60 million	-	3.00%	Company, subsidiary
v. Sinopac Bank - Ho Chi Minh City Branch	VND	USD6 million	3.35%	4.10% - 4.90%	Inventories, machinery and equipment, land use rights and constructions on land and fixed assets of Hoa Sen Binh Dinh Sole Member Limited Company, a subsidiary.
vi. United Overseas Bank (Vietnam) Limited	VND USD	USD20 million	3.30% 3.00%	5.00% 4.00% - 4.20%	Unsecured. Inventories.
vii. Malayan Banking Berhad Ho Chi Minh City Branch	VND USD	USD6.6 million	1.60% 3.20% - 3.30%	1.64% 4.10% - 4.70%	Inventories.
viii. The Maritime Commercial Joint Stock Bank - Ho Chi Minh City Branch	VND	VND500 billion	1.40% 3.90%	1.80% 4.50%	Unsecured.

Terms and conditions of short-term borrowings were as follows: (Continued)

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

Notes to the separate financial statements for the year ended 30 September 2021
(Continued)

	Lenders	Curren- cy	Credit limit	Interest rate		Pledged assets
				30/9/2021	1/10/2020	
	Third parties					
ix.	China Trust Commercial Bank - Ho Chi Minh City Branch	VND	USD15 million	3.60%	3.80% - 4.00%	Unsecured
		USD		1.45%	1.80% - 1.85%	
x.	Ho Chi Minh City Development Joint Stock Commercial Bank	USD	VND2,000 billion	-	1.80%	Unsecured.
xi.	Saigon Thuong Tin Commercial Joint Stock Bank – Head Office	VND	VND1,000 billion	-	5.00%	Land use rights and accounts receivable from customers.



Notes to the separate financial statements for the year ended 30 September 2021
(Continued)

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

(b) Long-term borrowings and finance lease liabilities

	30/9/2021 VND	1/10/2020 VND
Long-term borrowings	-	32,094,315,280
Finance lease liabilities (c)	-	10,027,814,809
	-	42,122,130,089
Repayable within twelve months	-	(25,104,565,664)
Repayable after twelve months	-	17,017,564,425

Terms and conditions of long-term borrowings were as follows:

Lenders	Currency	Year of maturity	30/9/2021 VND	1/10/2020 VND
Joint Stock Commercial Bank for Foreign Trade of Vietnam - South Binh Duong Branch	VND	2022	-	32,094,315,280

This loan was secured by the land use rights, machinery and equipment and inventories of Company and tangible assets of Hoa Sen Building Materials Company Limited, its subsidiary and bore annual interest rate of 8.5% as at 1 October 2020. As at 30 September 2021, this loan was fully paid.

The Company used these long-term borrowings to finance its constructions and purchase of fixed assets.

(c) Finance lease liabilities

The future minimum lease payments under non-cancellable finance leases are:

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)**Notes to the separate financial statements for the year ended 30 September 2021
(Continued)**

	30/9/2021		1/10/2020	
	Payments VND	Interest VND	Principal VND	Payments VND
Within one year	-	-	-	5,762,851,279
Within two to five years	-	-	-	5,147,734,966
				10,910,586,245
				882,771,436
				5,104,565,664
				4,923,249,145
				10,027,814,809

**Notes to the separate financial statements for the year ended 30 September 2021
(Continued)**Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)**24. BONUS AND WELFARE FUND**

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

	Year ended	
	30/9/2021 VND	30/9/2020 VND
Opening balance	43,062,695,661	44,902,799,431
Appropriation from retained profits	46,120,560,692	3,613,521,330
Utilisation of fund during the year	(14,154,745,724)	(5,453,625,100)
Closing balance	75,028,510,629	43,062,695,661

25. PROVISIONS – LONG-TERM

Provisions – long-term represented provision for severance allowance.

	Year ended	
	30/9/2021 VND	30/9/2020 VND
Opening balance	9,617,344,666	2,473,036,500
Provision made during the year	3,325,712,601	7,144,308,166
Closing balance	12,943,057,267	9,617,344,666

26. CHANGES IN OWNERS' EQUITY

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

Notes to the separate financial statements for the year ended 30 September 2021 (Continued)

	Share capital VND	Share premium VND	Treasury shares VND	Other equity funds VND	Retained profits VND	Total VND
Balance at 1 October 2019	4,234,694,890,000	151,583,183,521	(2,459,000,000)	55,626,670,135	1,539,503,023,643	5,978,948,767,299
Net profit for the year	-	-	-	-	1,075,585,099,435	1,075,585,099,435
Shares issued to pay dividends	211,557,240,000	-	-	-	(211,557,240,000)	-
Repurchase of treasury shares	-	-	(812,000,000)	-	-	(812,000,000)
Appropriation to bonus and welfare fund	-	-	-	-	(3,613,521,330)	(3,613,521,330)
Appropriation to equity funds	-	-	-	5,420,281,995	(5,420,281,995)	-
Utilisation of funds	-	-	-	(25,511,170,306)	-	(25,511,170,306)
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
Shares issued to pay dividends (*)	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	44,000,000,000	-	-	-	-	44,000,000,000
Appropriation to bonus and welfare fund	-	-	-	-	(46,120,560,692)	(46,120,560,692)
Appropriation for bonus performance bonus plan (**)	-	-	-	-	(39,134,000,000)	(39,134,000,000)
Appropriation to equity funds (***)	-	-	-	104,632,701,681	(104,632,701,681)	-
Utilisation of funds	-	-	-	(49,473,282,240)	-	(49,473,282,240)
Balance at 30 September 2021	4,934,818,960,000	157,292,539,068	-	90,695,201,265	6,135,844,836,973	11,318,651,537,306



Notes to the separate financial statements for the year ended 30 September 2021 (Continued)

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

(*) 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 increased share capital from shares issued to pay dividends. There were 44,456,683 shares issued with par value of VND10,000.

(**) In accordance with the Resolution of the General Meeting of Shareholders dated 13 January 2020 and the Decision of Board of Directors dated 27 January 2021, the Company appropriated 3.4% of profit after tax as the bonus for exceeding business performance for the financial year 2019 – 2020 for Board of Directors, the Board of Management and other Boards.

(***) In accordance with the Resolution of the Board of Directors dated 1 October 2020, the Company appropriated VND40,356 million from opening retained earnings and as at 1 April 2021, the Company appropriated VND64,277 million from retained profit after tax into other equity funds for the purpose of supplementing remuneration, charitable activities and operating expenses of the Board of Directors (year ended 30 September 2020: VND5,420 million).

27. SHARE CAPITAL

The Company's authorised and issued share capital are:

	30/9/2021		1/10/2020	
	Number of shares	VND	Number of shares	VND
Authorised and issued share capital				
Ordinary shares	493,481,896	4,934,818,960,000	444,625,213	4,446,252,130,000
Treasury share				
Ordinary shares	-	-	327,100	3,271,000,000
Shares in circulation				
Ordinary shares	493,481,896	4,934,818,960,000	444,298,113	4,442,981,130,000

All ordinary shares have a par value of VND10,000. 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, all rights are suspended until those shares are reissued.



Notes to the separate financial statements for the year ended 30 September 2021
(Continued)

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

Movements in share capital during the year were as follows:

	Year ended			
	30/9/2021		30/9/2020	
	Number of shares	VND	Number of shares	VND
Opening balance	444,298,113	4,442,981,130,000	423,223,589	4,232,235,890,000
Shares issued to pay dividends	44,456,683	444,566,830,000	21,155,724	211,557,240,000
Re-issuance of treasury shares	327,100	3,271,000,000	-	-
Shares issued under employee stock ownership plans	4,400,000	44,000,000,000	-	-
Repurchase of treasury shares during the year	-	-	(81,200)	(812,000,000)
Closing balance	493,481,896	4,934,818,960,000	444,298,113	4,442,981,130,000

28. OFF BALANCE SHEET ITEMS

(a) Lease

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

	30/9/2021 VND	1/10/2020 VND
Within one year	175,830,612,602	170,013,489,423
Within two to five years	660,021,307,908	660,219,684,543
More than five years	409,868,094,705	516,622,301,356
	1,245,720,015,215	1,346,855,475,322

(b) Foreign currencies

	30/9/2021		1/10/2020	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	10,326,201	233,974,279,650	7,357,873	169,929,938,524
EUR	-	-	909	24,288,480
		233,974,279,650		169,954,227,004



Notes to the separate financial statements for the year ended 30 September 2021
(Continued)

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

(c) Capital expenditure commitments

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

	30/9/2021 VND	1/10/2020 VND
Approved and contracted	111,387,661,390	-

29. REVENUE FROM SALES OF GOODS

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

Net revenue comprised:

	Year ended	
	30/9/2021 VND	30/9/2020 VND
Total revenue		
• Sales of merchandise goods	63,707,475,115,992	30,465,484,254,551
• Sales of finished goods	22,726,584,674,370	14,607,097,600,014
• Others	7,448,106,811	31,230,845,169
	86,441,507,897,173	45,103,812,699,734
Less revenue deductions		
• Sales discounts	153,562,023,411	131,553,521,310
• Sales returns	19,989,289,800	13,932,986,623
• Sales allowances	948,149,530	5,467,161,772
	174,499,462,741	150,953,669,705
Net revenue	86,267,008,434,432	44,952,859,030,029



Notes to the separate financial statements for the year ended 30 September 2021
(Continued)

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

30. COST OF SALES

	Year ended	
	30/9/2021 VND	30/9/2020 VND
Total cost of sales:		
• Merchandise goods sold	60,545,116,745,484	29,434,405,085,489
• Finished goods sold	19,898,049,520,909	12,699,699,279,794
• Others	1,641,942,582	1,663,957,660
• Allowance made/(reversed) during the year	55,920,217,310	(5,748,549,551)
	80,500,728,426,285	42,130,019,773,392

31. FINANCIAL INCOME

	Year ended	
	30/9/2021 VND	30/9/2020 VND
Interest income from deposits, loans receivable and bonds	9,756,826,962	18,345,348,908
Dividends income	2,313,430,131,015	797,433,902,081
Gains from disposal of subsidiary	89,661,240,000	-
Realised foreign exchange gains	239,848,361,972	66,952,739,760
Unrealised foreign exchange gains	4,361,788,337	-
Other financial income	3,334,209,311	-
	2,660,392,557,597	882,731,990,749

32. FINANCIAL EXPENSES

	Year ended	
	30/9/2021 VND	30/9/2020 VND
Interest expense	163,982,509,811	277,498,364,219
Realised foreign exchange losses	189,348,549,748	69,717,151,914
Unrealised foreign exchange losses	-	7,983,777,905
Losses from disposal/liquidation of subsidiaries	-	15,675,997,377
Other financial expenses	719,393,807	1,728,614,970
	354,050,453,366	372,603,906,385



Notes to the separate financial statements for the year ended 30 September 2021
(Continued)

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

33. SELLING EXPENSES

	Year ended	
	30/9/2021 VND	30/9/2020 VND
Labour costs	572,789,649,650	771,493,515,517
Export expenses	1,697,338,531,240	443,895,444,297
Rental expenses	157,374,566,374	155,050,248,876
Depreciation and amortisation	141,316,737,508	142,049,846,427
Advertising expenses	60,889,736,428	81,026,319,039
Transportation expenses	172,601,983,301	81,662,146,417
Outside services	56,695,244,435	54,927,308,793
Other selling expenses	112,920,091,606	108,736,740,618
	2,971,926,540,542	1,838,841,569,984

34. GENERAL AND ADMINISTRATION EXPENSES

	Year ended	
	30/9/2021 VND	30/9/2020 VND
Labour costs and staff costs	107,547,022,862	179,784,051,475
Depreciation and amortisation	29,172,591,956	34,611,714,935
Rental expenses	17,225,095,414	16,402,898,529
Outside service	29,405,088,651	31,645,319,225
Other general and administration expenses	69,848,197,963	5,716,573,889
	253,197,996,846	268,160,558,053

35. OTHER INCOME

	Year ended	
	30/9/2021 VND	30/9/2020 VND
Compensation	3,087,935,243	1,248,978,013
Gains from disposals of fixed assets	294,495,753	-
Others	4,502,566,854	18,626,818,962
	7,884,997,850	19,875,796,975



36. OTHER EXPENSES

	Year ended	
	30/9/2021 VND	30/9/2020 VND
Expenses for charity activities	8,190,000,000	-
Losses on disposals of fixed assets	-	10,944,854,184
Others	2,974,052,377	5,738,407,827
	11,164,052,377	16,683,262,011

37. PRODUCTION AND BUSINESS COSTS BY ELEMENTS

	Year ended	
	30/9/2021 VND	30/9/2020 VND
Raw material costs	19,634,118,684,123	11,589,624,310,373
Labour costs and staff costs	761,610,810,434	1,021,871,046,663
Depreciation and amortisation	297,087,701,643	345,980,466,978
Outside services	2,266,088,195,975	914,520,089,821
Other expenses	558,927,543,337	486,221,772,732



38. INCOME TAX

(a) Recognised in the separate statement of income

	Year ended	
	30/9/2021 VND	30/9/2020 VND
Current tax expense		
Current year	515,776,476,827	158,373,188,664
Under provision in prior years	-	13,853,323,303
	515,776,476,827	172,226,511,967
Deferred tax benefit		
Origination and reversal of temporary differences	(47,359,805,957)	(18,653,863,474)
	468,416,670,870	153,572,648,493

(b) Reconciliation of effective tax rate

	Year ended	
	30/9/2021 VND	30/9/2020 VND
Accounting profit before tax	4,844,218,520,463	1,229,157,747,928
Tax at the Company's tax rate	968,843,704,093	245,831,549,586
Non-deductible expenses	9,853,332,005	53,374,556,020
Tax exempt income	(462,686,026,203)	(159,486,780,416)
Under provision in prior years	-	13,853,323,303
Utilisation of previous unrecognised deferred tax assets	(47,594,339,025)	-
	468,416,670,870	153,572,648,493

(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.



Notes to the separate financial statements for the year ended 30 September 2021
(Continued)

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

39. 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	
	30/9/2021 VND	30/9/2020 VND
Subsidiaries		
Hoa Sen Steel One Member Company Limited		
Sales of goods	15,613,730,729,165	9,053,226,500,894
Purchases of goods	15,866,720,483,372	9,531,890,292,386
Transfer/sales of fixed assets	-	11,701,050,819
Sale returns	-	2,448,818,788
Profit received	120,808,132,718	12,308,639,166
Payment on behalf	156,947,487,796	148,988,924,860
Other income	3,725,953	418,584,100
Hoa Sen Building Materials Company Limited		
Sales of goods	3,313,980,084,464	3,484,402,690,237
Purchases of goods	2,850,430,034,029	3,187,035,968,803
Sales of fixed assets	-	18,181,818
Purchases of fixed assets	87,770,891	-
Income from leasing of assets	469,580,644	392,000,000
Rental expenses	1,645,321,674	1,336,599,965
Sales returns	1,270,533,793	2,034,352,586
Profit received	248,393,361,872	232,536,770,069
Other sales	1,590,334	115,348,483
Other purchases	-	3,570,000
Purchases returns/deduction	56,469,898	42,509,017
Transportation service	49,359,856	-
Hoa Sen Binh Dinh Sole Member Limited Company		
Sales of goods	7,970,825,645	3,508,899,196
Purchases of goods	1,630,046,559,177	1,529,863,165,679
Purchases of fixed assets	1,141,000,000	-
Profit received	69,057,496,793	35,488,493,426
Other sales	748,320	-
Other purchases	-	10,576,607
Purchases returns/deduction	2,418,702	21,358,572



Notes to the separate financial statements for the year ended 30 September 2021
(Continued)

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

	Year ended	
	30/9/2021 VND	30/9/2020 VND
Hoa Sen Nghe An One Member Limited Liabilities Company		
Sales of goods	14,380,220,390,226	5,905,022,432,009
Purchases of goods	12,406,066,542,279	5,478,697,620,076
Sales of fixed assets	2,146,533,482	86,129,750
Purchases of fixed assets	-	53,217,000
Sales returns /sales allowances	94,564,747	251,224,373
Purchases returns	2,964,150,670	2,700,349,416
Purchases deduction	56,386,365	134,905,155
Income from leasing of assets	9,670,000	-
Rental expenses	404,139,768	404,139,768
Profit received	946,725,035,692	514,874,175,062
Processing costs	150,905,593,027	90,057,765,739
Transportation costs	31,113,848,136	-
Other sales	20,713,740	-
Other purchases	2,654,343,654	5,675,194,349
Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liability Company		
Sales of goods	8,720,363,728,904	3,037,350,943,346
Purchases of goods	7,842,804,505,068	2,498,747,115,421
Sales of fixed assets	494,268,668	-
Sales returns	-	89,818,330
Purchases returns	1,879,028,959	1,767,576,138
Purchases deduction	-	15,178,182
Profit received	756,039,601,281	-
Transportation service	38,681,700	-
Transportation costs	2,371,469,850	-
Processing service	47,546,401	-
Processing costs	144,483,750,356	40,363,221,505
Other purchases	1,223,005,802	741,525,153
Other sales	-	76,110,897
Hoa Sen Ha Nam One Member Limited Liability Company		
Sales of goods	14,844,895,601	29,256,828,653
Purchases of goods	756,002,857,208	551,390,640,670
Purchases of fixed assets	-	348,116,539
Income from leasing of assets	254,400,000	241,200,000
Profit received	155,962,216,359	-
Provide processing service	999,180	-
Operating lease expenses	166,000,000	216,000,000
Purchase returns/deduction	26,197,280	50,822,590
Other purchases	-	47,299,914



Notes to the separate financial statements for the year ended 30 September 2021

(Continued)

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

	Year ended	
	30/9/2021 VND	30/9/2020 VND
Hoa Sen Yen Bai Joint Stock Company		
Capital contribution	209,000,000,000	-
Lending loan	68,000,000,000	114,900,000,000
Loans receivable	-	7,000,000,000
Interest income	6,133,147,079	11,771,972,342
Hoa Sen Phu My One Member Limited Liabilities Company		
Sales of goods	872,839,230,596	790,478,750,989
Purchases of goods	223,014,878,397	197,527,496,960
Operating lease expenses	600,000,000	600,000,000
Purchases deduction	72,625,730	122,727,272
Other purchases	82,990,910	-
Hoa Sen Ca Na - Ninh Thuan Industrial Park Infrastructure Investment One Member Limited Liabilities Company		
Capital contribution	-	1,000,000,000
Hoa Sen Ca Na - Ninh Thuan International General Seaport One Member Limited Liabilities Company		
Capital contribution	-	29,500,000,000
Hoa Sen Quy Nhon Joint Stock Company		
Interest expense	-	2,076,438,356
Hoa Sen Du Long Industrial Park Infrastructure Investment Joint Stock Company		
Lending loan	-	35,999,989,000
Interest income	1,586,146,347	1,606,428,245
Hoa Sen Yen Bai Building Materials One Member Limited Liabilities Company		
Sales of goods	5,757,375,828	14,224,724
Purchases of goods	498,581,508,868	260,209,760,755
Purchases of fixed assets	289,355,615	-
Purchase deduction	11,515,987	1,449,201
Profit received	16,444,286,300	-
Other purchases	-	77,271,455



Notes to the separate financial statements for the year ended 30 September 2021

(Continued)

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

	Year ended	
	30/9/2021 VND	30/9/2020 VND
<i>Company owned by the Company's Chairman</i>		
Hoa Sen Holdings Group		
Sales of goods	2,005,614,625,990	1,742,673,278,315
Purchases of goods	12,281,818	-
Sales discounts	13,007,397,387	29,577,829,265
Sales returns	7,185,669,645	4,172,697,261
Income from leasing of assets	3,426,751,992	3,149,312,901
Sales of fixed assets	278,700,000	-
Processing service	94,664,218	-
Purchases of processing service	1,300,909	-
Provide transportation service	6,777,318	-
Transportation costs	57,513,075,054	41,294,030,024
Other sale	-	313,695,826
Other purchase	2,727,273	10,161,454
Operating lease expenses	10,271,374,544	8,897,850,106
Sales allowances	-	154,727,273
Interest income late payment	2,490,522,129	-
Interest income	50,630,137	-
Hoa Sen Nghe An Investment Company Limited		
Transportation costs	127,061,336	150,684,078

Remuneration, salary, bonus and other benefits of key management personnel

	Year ended	
	30/9/2021 VND	30/9/2020 VND
Members of Board of Management		
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	290,000,000	240,000,000
Mr. Nguyen Van Luan – Member	340,000,000	240,000,000
Mr. Dinh Viet Duy – Member	290,000,000	240,000,000
General Director		
Salary and bonus	1,967,900,022	1,847,025,972
Other key management personnel		
Salary and bonus	34,209,331,101	9,705,523,866



40. NON-CASH INVESTING AND FINANCING ACTIVITIES

	Year ended	
	30/9/2021 VND	30/9/2020 VND
Net-off trade payables with receivables from profit distribution	795,208,077,723	335,992,976,173
Conversion of receivables into investments in subsidiaries	241,182,178,499	-
Conversion of interest income from loan receivables to subsidiary into investments in subsidiaries	10,623,438,808	-
Net-off short-term borrowings against investments in subsidiaries	-	53,000,000,000
Net-off trade payables against investments in subsidiaries	-	20,696,742,465
Net-off interest payables against other receivables	-	5,696,742,465

41. COMPARATIVE INFORMATION

The comparative information as at 1 October 2020 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.

24 December 2021

Prepared by:

Nguyen Thi Thanh Tuyen
Accountant

Approved by:

Nguyen Thi Ngoc Lan
Chief Accountant



Tran Quoc Tri
General Director



CORPORATE INFORMATION

BUSINESS REGISTRATION CERTIFICATE 3700381324 8 August 2001

The Company's Business Registration Certificate has been amended several times, the most recent of which is by Business Registration Certificate No. 3700381324 dated 28 October 2021. The Business Registration Certificate and its updates were issued by the Department of Planning and Investment of Binh Duong Province.

BOARD OF DIRECTORS

Mr. Le Phuoc Vu	Chairman
Mr. Tran Ngoc Chu	Vice Chairman
Mr. Tran Quoc Tri	Member
Mr. Ly Van Xuan	Member
Mr. Nguyen Van Luan	Member
Mr. Dinh Viet Duy	Member

BOARD OF MANAGEMENT

Mr. Tran Quoc Tri	General Director
Mr. Hoang Duc Huy	Deputy General Director
Mr. Vu Van Thanh	Deputy General Director
Mr. Ho Thanh Hieu	Deputy General Director
Mr. Tran Quoc Pham	Deputy General Director
Mr. Nguyen Ngoc Huy	Deputy General Director
Mr. Tran Thanh Nam	Deputy General Director (from 1 December 2021)
Mr. Nguyen Tan Hoa	Deputy General Director (from 1 December 2021)

LEGAL REPRESENTATIVE

Mr. Le Phuoc Vu	Chairman
Mr. Tran Ngoc Chu	Vice Chairman
Mr. Tran Quoc Tri	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

STATEMENT OF BOARD OF MANAGEMENT

The Board of Management of Hoa Sen Group ("the Company") presents this statement and the accompanying consolidated financial statements of the Company and its subsidiaries (collectively referred to as "the Group") for the year ended 30 September 2021.

The Board of Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Vietnamese Accounting Standards, 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 consolidated financial statements set out on pages 5 to 61 give a true and fair view of the consolidated financial position of the Group as at 30 September 2021, and of its consolidated results of operations and consolidated 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 Group 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 consolidated financial statements for issue.

On behalf of the Board of Management



Tran Quoc Tri
General Director

Ho Chi Minh City, 24 December 2021



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS

HOA SEN GROUP

We have audited the accompanying consolidated financial statements of Hoa Sen Group ("the Company") and its subsidiaries (together referred to as "the Group"), which comprise the consolidated balance sheet as at 30 September 2021, the consolidated 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 24 December 2021, as set out on pages 5 to 61.

Management's Responsibility

The Company's Board of Management is responsible for the preparation and fair presentation of these consolidated 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 necessary to enable the preparation of consolidated 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 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 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.



INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Hoa Sen Group and its subsidiaries as at 30 September 2021 and of their consolidated results of operations and consolidated 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.: 21-01-00192/1-21-2



Chang Hung Chun
 Chang Hung Chun
 Practising Auditor Registration
 Certificate No. 0863-2018-007-1
 Deputy General Director

Nguyen Thanh Nghi
 Nguyen Thanh Nghi
 Practising Auditor Registration
 Certificate No. 0304-2018-007-1

Ho Chi Minh City, 24 December 2021



Hoa Sen Group and its subsidiaries
Consolidated balance sheet as at 30 September 2021

Form B 01 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

ASSETS	Code	Note	30/9/2021 VND	1/10/2020 VND
CURRENT ASSETS (100 = 110 + 120 + 130 + 140 + 150)	100		18,655,160,349,585	9,022,315,330,402
Cash and cash equivalents	110	6	492,796,782,190	574,767,066,704
Cash	111		461,926,662,510	546,734,145,565
Cash equivalents	112		30,870,119,680	28,032,921,139
Short-term financial investments	120		28,003,792,159	516,043,836
Held-to-maturity investments	123	7(a)	28,003,792,159	516,043,836
Accounts receivable – short-term	130		4,534,902,423,539	2,024,273,013,463
Accounts receivable from customers	131	8(a)	4,323,663,158,680	1,778,136,480,894
Prepayments to suppliers	132	9	68,897,236,027	100,085,092,644
Other short-term receivables	136	10(a)	159,191,323,984	171,749,127,453
Allowance for doubtful debts	137	8(c)	(16,849,295,152)	(25,697,687,528)
Inventories	140	11	12,349,095,948,022	5,523,844,442,201
Inventories	141		12,555,990,962,429	5,568,878,411,270
Allowance for inventories	149		(206,895,014,407)	(45,033,969,069)
Other current assets	150		1,250,361,403,675	898,914,764,198
Short-term prepaid expenses	151	16(a)	136,435,025,777	141,636,982,795
Deductible value added tax	152		1,108,616,194,136	757,274,781,403
Taxes receivable from State Treasury	153		5,310,183,762	3,000,000

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



Hoa Sen Group and its subsidiaries
Consolidated balance sheet as at 30 September 2021
(continued)

Form B 01 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	30/9/2021 VND	1/10/2020 VND
LONG-TERM ASSETS (200 = 210 + 220 + 240 + 250 + 260)	200		7,962,869,653,354	8,734,092,334,529
Accounts receivable – long-term	210		179,887,837,400	184,949,529,000
Other long-term receivables	216	10(b)	179,887,837,400	184,949,529,000
Fixed assets	220		6,662,061,653,393	7,594,742,677,985
Tangible fixed assets	221	12	6,442,809,695,940	7,262,428,277,688
Cost	222		13,671,862,519,864	13,329,437,933,511
Accumulated depreciation	223		(7,229,052,823,924)	(6,067,009,655,823)
Finance lease tangible fixed assets	224	13	-	112,152,264,648
Cost	225		-	130,467,379,881
Accumulated depreciation	226		-	(18,315,115,233)
Intangible fixed assets	227	14	219,251,957,453	220,162,135,649
Cost	228		294,517,358,918	283,098,677,599
Accumulated amortisation	229		(75,265,401,465)	(62,936,541,950)
Long-term work in progress	240		660,329,384,725	575,955,787,725
Construction in progress	242	15	660,329,384,725	575,955,787,725
Long-term financial investments	250		17,000,000,000	26,472,160,000
Held-to-maturity investments	255	7(a)	17,000,000,000	26,472,160,000
Other long-term assets	260		443,590,777,836	351,972,179,819
Long-term prepaid expenses	261	16(b)	263,776,212,655	272,734,770,282
Deferred tax assets	262	17	179,814,565,181	79,237,409,537
TOTAL ASSETS (270 = 100 + 200)	270		26,618,030,002,939	17,756,407,664,931

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



Công ty Cổ phần Tập đoàn Hoa Sen và các công ty con
Bảng cân đối kế toán hợp nhất tại ngày 30 tháng 9 năm 2021
(tiếp theo)

Mẫu B 01 – DN/HN

(Ban hành theo Thông tư số 202/2014/TT-BTC
ngày 22 tháng 12 năm 2014 của Bộ Tài chính)

	Code	Note	30/9/2021 VND	1/10/2020 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		15,786,236,174,085	11,165,669,153,608
Current liabilities	310		14,372,246,601,418	8,991,488,795,259
Accounts payable to suppliers	311	18	4,293,881,185,244	1,454,938,948,232
Advances from customers	312		268,020,163,980	208,728,376,787
Taxes payable to State Treasury	313	19	346,182,368,564	271,827,347,796
Payables to employees	314		79,744,676,730	75,605,377,314
Accrued expenses	315	20	298,559,691,259	480,647,139,892
Other payables – short-term	319	21	3,574,141,589,235	433,234,264,391
Short-term borrowings and finance lease liabilities	320	22(a)	5,436,688,415,777	6,023,444,645,186
Bonus and welfare fund	322	23	75,028,510,629	43,062,695,661
Long-term liabilities	330		1,413,989,572,667	2,174,180,358,349
Other payables – long-term	337		709,500,000	709,500,000
Long-term borrowings and finance lease liabilities	338	22(b)	1,399,362,118,340	2,162,915,544,533
Provisions – long-term	342	24	13,917,954,327	10,555,313,816
EQUITY (400 = 410)	400		10,831,793,828,854	6,590,738,511,323
Owners' equity	410	25	10,831,793,828,854	6,590,738,511,323
Share capital	411	26	4,934,818,960,000	4,446,252,130,000
- Ordinary shares with voting rights	411a		4,934,818,960,000	4,446,252,130,000
Share premium	412		157,292,539,068	151,583,183,521
Treasury shares	415		-	(3,271,000,000)
Other equity funds	420		90,695,201,265	35,535,781,824
Retained profits	421		5,633,071,186,571	1,954,018,045,161
- Retained profits brought forward	421a		1,383,841,163,863	800,689,731,226
- Retained profits for the current year	421b		4,249,230,022,708	1,153,328,313,935
Non-controlling interest	429		15,915,941,950	6,620,370,817
TOTAL RESOURCES (440 = 300 + 400)	440		26,618,030,002,939	17,756,407,664,931

24 December 2021

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 consolidated financial statements



Hoa Sen Group and its subsidiaries
Consolidated statement of income for the year ended 30 September 2021

Form B 02 – DN/HN

(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	Year ended	
			30/9/2021 VND	30/9/2020 VND
REVENUE FROM SALES OF GOODS AND PROVISION OF SERVICES	01	28	48,987,333,712,285	27,765,155,626,306
Revenue deductions	02	28	260,811,478,549	234,406,112,472
Net revenue (10 = 01 - 02)	10	28	48,726,522,233,736	27,530,749,513,834
Cost of sales	11	29	39,853,124,052,753	22,903,482,165,423
Gross profit (20 = 10 - 11)	20		8,873,398,180,983	4,627,267,348,411
Financial income	21	30	366,296,112,404	77,984,494,109
Financial expenses	22	31	552,008,300,634	645,261,573,177
<i>In which: Interest expense</i>	23		355,048,548,813	560,086,135,926
Selling expenses	25	32	3,344,487,236,554	2,221,083,074,110
General and administration expenses	26	33	425,816,363,938	459,978,781,905
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		4,917,382,392,261	1,378,928,413,328
Other income	31	34	14,708,414,685	28,617,237,724
Other expenses	32	35	16,607,736,066	31,902,487,528
Results of other activities (40 = 31 - 32)	40		(1,899,321,381)	(3,285,249,804)
Accounting profit before tax (50 = 30 + 40)	50		4,915,483,070,880	1,375,643,163,524
Income tax expense – current	51	37	702,566,164,265	259,835,557,336
Income tax benefit – deferred	52	37	(100,577,155,644)	(37,206,411,121)
NET PROFIT AFTER TAX (60 = 50 - 51 - 52) (carried forward)	60		4,313,494,062,259	1,153,014,017,309

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



Hoa Sen Group and its subsidiaries
Consolidated statement of income for the year ended 30 September 2021
(Continued)

Form B 02 – DN/HN
 (Issued under Circular No. 202/2014/TT-BTC
 dated 22 December 2014 of the Ministry of Finance)

	Code	Note	Year ended	
			30/9/2021 VND	30/9/2020 VND
NET PROFIT AFTER TAX (60 = 50 - 51 - 52) (brought forward)	60		4,313,494,062,259	1,153,014,017,309
In which:				
Equity holders of the Company	61		4,313,507,233,783	1,153,328,313,935
Non-controlling interest	62		(13,171,524)	(314,296,626)
Earnings per share				
Basic earnings per share	70	38	8,465	2,265

24 December 2021

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 consolidated financial statements



Hoa Sen Group and its subsidiaries
Consolidated statement of cash flows for the year ended 30 September 2021
(Indirect method)

Form B 03 – DN/HN
 (Issued under Circular No. 202/2014/TT-BTC
 dated 22 December 2014 of the Ministry of Finance)

	Code	Note	Year ended	
			30/9/2021 VND	30/9/2020 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Accounting profit before tax	01		4,915,483,070,880	1,375,643,163,524
Adjustments for				
Depreciation and amortisation	02		1,185,959,400,847	1,229,764,453,316
Allowances and provisions	03		156,375,293,473	16,247,641,558
Losses arising from revaluation of monetary items denominated in foreign currencies	04		(4,523,936,793)	8,093,493,896
(Profits)/losses from investing activities	05		(111,174,418,192)	11,969,098,415
Interest expense	06		355,048,548,813	560,086,135,926
Operating profit before changes in working capital	08		6,497,167,959,028	3,201,803,986,635
Change in receivables	09		(2,857,778,927,583)	(398,108,982,805)
Change in inventories	10		(6,987,119,321,159)	(969,498,666,166)
Change in payables and other liabilities	11		5,855,275,980,310	983,533,510,048
Change in prepaid expenses	12		33,403,745,158	50,298,250,628
			2,540,949,435,754	2,868,028,098,340
Interest paid	14		(351,638,503,121)	(563,994,610,863)
Income tax paid	15		(629,606,456,169)	(163,547,497,267)
Other payments for operating activities	17		(63,628,027,964)	(30,964,795,406)
Net cash flows from operating activities	20		1,496,076,448,500	2,109,521,194,804

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

**Hoa Sen Group and its subsidiaries****Consolidated statement of cash flows for the year ended 30 September 2021
(Indirect method - Continued)**Form B 03 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	Year ended	
			30/9/2021 VND	30/9/2020 VND
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(476,856,734,594)	(398,137,474,514)
Proceeds from disposals of fixed assets	22		7,727,197,097	7,619,573,128
Payments for granting loans	23		(14,446,000,000)	-
Payments for term deposits and purchase of debt instruments of other entities	23		(23,015,588,323)	(9,988,203,836)
Collections on loans receivable and term deposits	24		19,446,000,000	76,250,000,000
Collections on disposals of subsidiaries	26		188,062,042,687	8,882,151,730
Receipts of interest	27		3,424,914,740	4,594,414,990
Net cash flows from investing activities	30		(295,658,168,393)	(310,779,538,502)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from equity issued	31		44,000,000,000	-
Payments for shares redemptions	32		-	(812,000,000)
Proceeds from sales of treasury shares	32		8,980,355,547	-
Proceeds from capital contributions in a subsidiary by non-controlling interest	32		14,446,000,000	-
Proceeds from borrowings	33		38,252,605,550,541	22,583,653,369,329
Payments to settle loan principals	34		(39,543,878,574,152)	(24,031,275,249,680)
Payments to settle finance lease liabilities	35		(60,381,309,809)	(64,120,907,969)
Payments of dividends	36		(307,131,948)	(22,299,100)
Net cash flows from financing activities	40		(1,284,535,109,821)	(1,512,577,087,420)
Net cash flows during the year (50 = 20 + 30 + 40)	50		(84,116,829,714)	286,164,568,882
Cash and cash equivalents at the beginning of the year	60		574,767,066,704	288,707,713,172
Effect of exchange rate fluctuations on cash and cash equivalents	61		2,146,545,200	(105,215,350)
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61)	70	6	492,796,782,190	574,767,066,704

24 December 2021

Prepared by

Nguyen Thi Thanh Tuyen
Accountant

Approved by

Nguyen Thi Ngoc Lan
Chief AccountantTran Quoc Tri
General Director*The accompanying notes are an integral part of these consolidated financial statements***Hoa Sen Group and its subsidiaries****Notes to the consolidated financial statements for the year ended 30 September 2021**Form B 09 – DN/H
(Issued under Circular No. 202/2014/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 consolidated financial statements.

1. REPORTING ENTITY**(a) Ownership structure**

Hoa Sen Group ("Company") is incorporated as a joint stock company in Vietnam.

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

The consolidated financial statements for the year ended 30 September 2021 comprise the Company and its subsidiaries (collectively referred to as "the Group").

(b) Principal activities

The principal activities of the Group are to 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, galvanized steel wire, steel wire; manufacturing PVC ceiling; buying and selling building materials, capital goods and consumer goods; providing warehousing and transportation services; building industrial and civil constructions 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 Group is within 12 months.

(d) Group structure

As at 30 September 2021, the Group has 9 subsidiaries and 1 associate (1/10/2020: 10 subsidiaries and 1 associate), as follows:



Hoa Sen Group and its subsidiaries
Notes to the consolidated financial statements for the year ended 30 September 2021
(Continued)

Form B 09 – DN/H
 (Issued under Circular No. 202/2014/TT-BTC
 dated 22 December 2014 of the Ministry of Finance)

Name	Principal activities	Percentage of ownership/ voting rights	
		30/9/2021 VND	1/10/2020 VND
Subsidiaries			
• Hoa Sen Nghe An One Member Limited Liabilities Company	Manufacturing and trading metal roofing sheets and steel pipe products.	100%	100%
• Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liability Company	Manufacturing and trading metal roofing sheets.	100%	100%
• Hoa Sen Steel One Member Company Limited	Manufacturing and trading in cold rolled steel products.	100%	100%
• Hoa Sen Phu My One Member Limited Liabilities Company	Manufacturing steel for building materials and consumer goods.	100%	100%
• Hoa Sen Ha Nam One Member Limited Liability Company	Manufacturing and trading in plastic building materials and steel pipe products.	100%	100%
• Hoa Sen Building Materials Company Limited	Manufacturing and trading in plastic building materials and steel pipe products.	100%	100%
• Hoa Sen Binh Dinh Sole Member Limited Company	Manufacturing and trading in plastic building materials and steel pipe products.	100%	100%
• Hoa Sen Yen Bai Joint Stock Company	Operating a hotel, restaurant services and commercial center.	95%	95%
• Hoa Sen Yen Bai Building Materials One Member Limited Liabilities Company	Manufacturing and trading in steel pipe products.	100%	100%
• Hoa Sen Du Long Industrial Park Infrastructure Investment Joint Stock Company (*)	Investing, constructing and trading industrial park infrastructure.	-	95%
Associates			
• Hoa Sen International Port Joint Stock Company	Providing supporting services related to transportation.	49%	49%

(*) On 31 March 2021, the Board of Directors of Hoa Sen Group decided to transfer all shares in Hoa Sen Du Long Industrial Park Infrastructure Investment Joint Stock Company. The transaction was completed on 2 April 2021.

As at 30 September 2021, the Group had 7,584 employees (1/10/2020: 7,209 employees).



Hoa Sen Group and its subsidiaries
Notes to the consolidated financial statements for the year ended 30 September 2021
(Continued)

Form B 09 – DN/H
 (Issued under Circular No. 202/2014/TT-BTC
 dated 22 December 2014 of the Ministry of Finance)

2. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirement applicable to financial reporting.

(b) Basis of measurement

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

(c) Annual accounting period

The annual accounting period of the Group is from 1 October to 30 September of following calendar year.

(d) Accounting and presentation currency

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Non-controlling interests

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners. The difference between the change in the Group's share of net assets of the subsidiary and any consideration paid or received is recorded directly in retained profits under equity.



(iii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in the consolidated income statement. Any interest retained in the former subsidiary when control is lost is stated at the carrying amount of the retained investment in the consolidated financial statements adjusted for appropriate shares of changes in equity of the investee since the acquisition date, if significant influence in the investee is maintained, or otherwise stated at cost.

(iv) Associate

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method. The consolidated financial statements include the Group's share of the income and expenses of the associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in associates, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associates.

(iv) Transactions eliminated on consolidation

Intra-group transactions, balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains and losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

(b) 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 account transfer buying rate and account transfer selling rate, respectively, at the end of the annual accounting period quoted by the commercial bank where the Group most frequently conduct transactions.

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



(c) 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 amount 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.

(d) Held-to-maturity investments

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

(e) Accounts receivable

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

(f) 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 Group applies the perpetual method of accounting for inventories.

(g) 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 consolidated 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 – 50 years
- machinery and equipment 3 – 10 years
- motor vehicles 2 – 10 years
- office equipment 3 – 10 years
- others 3 – 8 years

(h) Intangible fixed assets

(i) Land use rights

Land use rights are stated at cost less accumulated amortisation. The initial cost of land use rights comprises its purchase price and any directly attributable costs incurred in conjunction with securing the land use rights. Definite land use rights are amortised on a straight-line basis over periods ranging from 14 to 55 years. Indefinite land use rights 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 periods ranging from 3 to 6 years.

(i) 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 period of construction and installation.

(i) Long-term prepaid expenses

(i) Tools and instruments

Tools and instruments include assets held for use by the Group 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. Costs of tools and instruments are amortised on a straight-line basis over a period ranging from 2 to 3 years.



(ii) Land clearance cost

Land clearance cost including cost for ground clearing before construction which is amortised on a straight-line basis over the land lease term of 49 years 8 months.

(iii) Rental expenses

Rental expenses include prepaid warehouse rentals for use of the warehouse during the Group's business operations and are initially recognised at cost. Rental expenses are amortised on a straight-line basis over lease term ranging from 2 to 3 years.

(iv) Advertising panels

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

(v) Maintenance expenses

Maintenance expenses of fixed assets represent the cost of repairing and replacing machinery, equipment and other fixed assets but do not meet the capitalisation requirements of fixed asset. Maintenance expenses are initially recognised at cost and are amortised on a straight-line basis over a period ranging from 2 to 3 years.

(k) Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures. Goodwill is measured at cost less accumulated amortisation. Cost of goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (gain from bargain purchase), it is recognised immediately in the consolidated statement of income.

Goodwill arising on acquisition of a subsidiary is amortised on a straight-line basis not more than 10 years. Carrying value of goodwill arising on acquisition of a subsidiary is written down to recoverable amount as management determines that it is not fully recoverable.

In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment and is not amortised.

(l) Trade and other payables

Trade and other payables are stated at their costs.



(m) 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.

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 six-month period prior to the end of the 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 Group are excluded.

(n) 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, are recognised as a deduction from share premium.

(iii) Repurchase and reissue of ordinary shares (treasury shares)

Before 1 January 2021

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.



From 1 January 2021

Treasury shares are recognised only in respect of repurchased shares which are aggregated fractions of share arising when the company issues shares to pay dividends or issues shares from equity reserves in accordance with an approved issuance plan, or repurchased odd-lots of shares as requested by the shareholders. In all other cases, when shares recognised as equity are repurchased, their par value amount is recognised as a reduction to share capital. The difference between the par value and the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is included in share premium.

This change in accounting policy has been applied prospectively from 1 January 2021 due to change in applicable laws and regulations on buying back shares.

(o) Taxation

Income tax on the consolidated profit or loss for the year comprises current and deferred tax. Income tax is recognised in the consolidated 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 purposes 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.

(p) Revenue and other income

(i) Goods sold

Revenue from the sale of goods is recognised in the consolidated 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 consolidated 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.

(q) Leases

(i) Leased assets

Leases in terms of which the Company, as lessee, assumes substantially all the risks and rewards of ownership are classified as finance leases. Tangible fixed assets acquired by way of finance leases are stated at an amount equal to the lower of fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation.

Depreciation on finance leased assets is computed on a straight-line basis over the shorter of the lease term and the estimated useful lives of the leased assets unless it is reasonably certain that the Group will obtain ownership by the end of lease term. The estimated useful lives of finance leased assets are consistent with the useful lives of tangible fixed assets as described in Note 3(g).

Assets held under other leases are classified as operating leases and are not recognised in the Group's balance sheet.

(ii) Lease payments

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

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.



(r) 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 period of construction are capitalised as part of the cost of the assets concerned.

(s) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders (after deducting any amounts appropriated to bonus and welfare fund for the accounting period) of the Company by the weighted average number of ordinary shares outstanding during the year.

The Group has no potential dilutive shares. Therefore, regulations on presentation of diluted earnings per share are not applied.

(t) Segment reporting

A segment is a distinguishable component of the Group 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 Group's primary format for segment reporting is based on business segments.

(u) Related parties

Parties are considered to be related to the Group 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 Group 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.

(v) Comparative information

Comparative information in these consolidated financial statements is presented as corresponding figures. Under this method, comparative information for the prior year are included as an integral part of the current period financial statements and are 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 consolidated financial statements is not intended to present the Group's consolidated financial position, results of operation or cash flows for the prior year.



4. SEGMENT REPORTING

(a) Business segments

The Group's principal activities are buying and selling steel roofing sheets, steel pipes, building materials. Other activities are asset leasing and service provision. During the year, other activities accounted for an insignificant proportion of total revenue and business operating results of the Group, accordingly, the financial information presented in the consolidated balance sheet as at 30 September 2021 and 1 October 2020 and all revenue, expenses presented in the consolidated statement of income for the year ended 30 September 2021 and 30 September 2020 were mainly related to the Group's principal business activities.

(b) Geographical segments

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

	Geographical segments			Total VND
	Domestic VND	Export VND		
Year ended 30 September 2021				
Revenue	20,397,366,150,732	28,329,156,083,004	48,726,522,233,736	
Cost of sales	(14,272,927,853,826)	(25,580,196,198,927)	(39,853,124,052,753)	
	6,124,438,296,906	2,748,959,884,077	8,873,398,180,983	
Year ended 30 September 2020				
Revenue	17,439,544,287,525	10,091,205,226,309	27,530,749,513,834	
Cost of sales	(13,329,842,491,295)	(9,573,639,674,128)	(22,903,482,165,423)	
	4,109,701,796,230	517,565,552,181	4,627,267,348,411	



5. DISPOSAL OF A SUBSIDIARY

Hoa Sen Du Long Industrial Park Infrastructure Investment Joint Stock Company

On 2 April 2021, the Group disposed all equity interests in Hoa Sen Du Long Industrial Park Infrastructure Investment Joint Stock Company. The disposal had the following effect on the Group's assets and liabilities on disposal date:

	Carrying amount at transfer date VND
Cash and cash equivalents	37,957,313
Short-term receivables	1,982,939,452
Inventories	6,770,000
Other current assets	5,572,266,092
Construction in progress	77,905,805,100
Total carrying amount of net assets disposed	85,505,737,957
Proportionate carrying amount of net assets disposed	80,368,480,614
Gains recorded from disposal of a subsidiary (Note 30)	107,731,519,386
Total consideration	188,100,000,000
Net cash inflow	188,062,042,687

6. CASH AND CASH EQUIVALENTS

	30/9/2021 VND	1/10/2020 VND
Cash on hand	14,457,442,293	38,446,527,451
Cash in banks	447,299,736,438	508,279,639,554
Cash in transit	169,483,779	7,978,560
Cash equivalents (*)	30,870,119,680	28,032,921,139
	492,796,782,190	574,767,066,704

(*) Cash equivalents represented term deposits at banks with original terms to maturity of three months or less from their transaction dates and earned annual interest rate ranging from 3.0% to 4.0% (1/10/2020: from 3.0% to 4.8%).

**7. INVESTMENTS****(a) Held-to-maturity investments****(i) Held-to-maturity investments – short-term**

Held-to-maturity investments – short-term represented term deposits at banks with original terms to maturity of more than three months from transaction dates and less than 12 months from the period ended. These term deposits were denominated in VND and earned annual interest rate from 3.7% to 4.9% (1/10/2020: from 3.0% to 4.8%).

As at 30 September 2021, term deposit amounting to VND4,472 million was pledged at bank as security for the guarantee contract issued by Joint Stock Commercial Bank for Industry and Trade of Vietnam-Binh Duong Industrial Park Branch.

(ii) Held-to-maturity investments – long-term

	30/9/2021 VND	1/10/2020 VND
Bonds issued by Vietnam Bank for Industry and Trade Securities Joint Stock Company (*)	16,000,000,000	16,000,000,000
Bonds issued by Vietnam Bank for Agriculture Joint Stock Company (**)	1,000,000,000	1,000,000,000
Term deposit at Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Industrial Park Branch	-	4,472,160,000
Bonds issued by Vietnam Bank for Investment and Development Securities Joint Stock Company	-	5,000,000,000
	17,000,000,000	26,472,160,000

(*) Bonds with original term of 10 years were denominated in VND and earned annual interest at floating interest rate plus 1.2% (1/10/2020: floating interest rate plus 1.2%).

(**) Bonds with original term of 7 years were denominated in VND and earned annual interest at floating interest rate plus 1.2% (1/10/2020: floating interest rate plus 1.2%).

**(b) Long-term investments**

	1/10/2020			30/9/2021		
	Cost VND	Equity accounted VND	Fair value VND	% equity owned/ voting rights	Cost VND	Equity accounted VND
Investment in associates						
Hoa Sen International Port Joint Stock Company (**)	-	-	-	49%	-	-

(**) Hoa Sen International Port Joint Stock Company was incorporated under the 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 owned 49% ownership. As at 30 September 2021, the Company has not contributed capital to Hoa Sen International Port Joint Stock Company.

**8. ACCOUNTS RECEIVABLE FROM CUSTOMERS****(a) Accounts receivable from customers detailed by significant customers**

	30/9/2021 VND	1/10/2020 VND
Hanwa Co., Ltd – Nagoya Branch	641,244,798,681	12,198,320,650
Duferco Sa	579,108,806,311	2,486,767,208
Posco International Corporation	439,530,448,796	22,905,128,469
Isi Steel Co., Ltd.	21,600,642,482	338,062,125,796
Others	2,642,178,462,410	1,402,484,138,771
	4,323,663,158,680	1,778,136,480,894

As at 30 September 2021, accounts receivable with carrying value of VND570,000 million and receivable arising from export bill collection with the value of VND2,300,000 million (1/10/2020: VND570,000 million of trade receivable and VND2,300,000 million arising from export bill collection) were pledged with banks as security for loan granted to the Group (Note 22).

(b) Accounts receivable from customers who are related parties

	30/9/2021 VND	1/10/2020 VND
Companies owned by the Group's Chairman		
Hoa Sen Nghe An Investment Company Limited	51,333,808	19,800,000
Hoa Sen Holdings Group	-	34,749,020

The trade related amounts due from the related parties were unsecured, interest free and are receivable in 45 days from invoice date.

**(c) Bad and doubtful debt**

	30/9/2021			1/10/2020				
	Overdue days	Cost VND	Allowance VND	Recoverable amount VND	Overdue days	Cost VND	Allowance VND	Recoverable amount VND
Overdue debts								
Me Kong Consultant Trading Construction Joint Stock Company	3 – 4 years	1,648,743,436	(1,648,743,436)	-	2 – 3 years	1,648,743,436	(1,648,743,436)	-
Hai Thuy Limited Liability Company	More than 2 years	1,545,000,625	(1,545,000,625)	-	More than 1 year	1,545,000,625	(1,545,000,625)	-
Hiep Loan Steel Construction Limited Liability Company	More than 2 years	1,243,508,106	(1,243,508,106)	-	More than 1 year	1,243,508,106	(1,243,508,106)	-
Phuc Duc Production and Trading One Member Limited Liability Company		-	-	-	More than 6 months	1,096,410,095	(1,096,410,095)	-
Hoang Thai Private Enterprise	More than 2 years	1,023,359,294	(1,023,359,294)	-	More than 1 year	1,023,359,294	(1,023,359,294)	-
Yen Mai Trading Service and Construction Company Limited		-	-	-	More than 6 months	839,518,227	(839,518,227)	-
Toan Phat HN Trading & Production Limited Liability Company		-	-	-	6 months – 1 year	1,426,131,048	(1,426,131,048)	-
Others		11,388,683,691	(11,388,683,691)	-		25,697,687,528	(25,697,687,528)	-
		16,849,295,152	(16,849,295,152)	-		25,697,687,528	(25,697,687,528)	-



Hoa Sen Group and its subsidiaries
Notes to the consolidated financial statements for the year ended 30 September 2021
(Continued)

Form B 09 – DN/H
 (Issued under Circular No. 202/2014/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	
	30/9/2021 VND	30/9/2020 VND
Opening balance	25,697,687,528	10,291,966,694
Allowance made during the year	-	15,405,720,834
Allowance reversed during the year	(8,848,392,376)	-
Closing balance	16,849,295,152	25,697,687,528

9. PREPAYMENTS TO SUPPLIERS

	30/9/2021 VND	1/10/2020 VND
Vung Tau Low Pressure Gas Distribution Enterprise	9,000,000,000	12,151,382,390
Hoa Phat Hung Yen Steel Limited Liability Company – Binh Duong Branch	10,183,555	21,469,960,714
Vietnam Kinex Construction Joint Stock Company	546,858,800	14,348,431,632
Kim Nguon Limited Liability Company	-	11,650,000,000
Other suppliers	59,340,193,672	40,465,317,908
	68,897,236,027	100,085,092,644

10. OTHER RECEIVABLES

(a) Other short-term receivables

	30/9/2021 VND	1/10/2020 VND
Advances for purchase of lands	45,462,225,000	45,462,225,000
Advances to employees	35,631,264,951	42,103,309,219
Receivables from transfer land use rights	12,818,775,000	12,818,775,000
Compensation and ground clearing	20,000,000,000	20,000,000,000
Short-term deposits and deposits for rental	38,929,346,750	42,305,656,080
Other receivables	6,349,712,283	9,059,162,154
	159,191,323,984	171,749,127,453



Hoa Sen Group and its subsidiaries
Notes to the consolidated financial statements for the year ended 30 September 2021
(Continued)

Form B 09 – DN/H
 (Issued under Circular No. 202/2014/TT-BTC
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Other short-term receivables from related parties

	30/9/2021 VND	1/10/2020 VND
Companies owned by the Group's Chairman		
Hoa Sen Holdings Group	1,470,000,000	2,059,900,000
Key management personnel		
Mr. Hoang Duc Huy – Deputy General Director	45,462,225,000	45,462,225,000

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

(b) Other long-term receivables

	30/9/2021 VND	1/10/2020 VND
Deposits for rental	178,887,837,400	181,758,529,000
Others	1,000,000,000	3,191,000,000
	179,887,837,400	184,949,529,000



11. INVENTORIES

	30/9/2021		1/10/2020	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	1,105,140,612,021	-	1,382,843,392,363	-
Nguyên vật liệu	4.603.302.420.591	(29.198.980.627)	1.130.658.074.684	(16.115.794.147)
Tools and supplies	554,815,549,339	-	569,463,528,312	-
Work in progress	-	-	1,646,096,388	-
Finished goods	4,068,877,356,961	(167,365,717,233)	1,694,167,547,960	(24,672,838,046)
Merchandise	2,223,855,023,517	(10,330,316,547)	790,099,771,563	(4,245,336,876)
	12,555,990,962,429	(206,895,014,407)	5,568,878,411,270	(45,033,969,069)

As at 30 September 2021, inventories with carrying value of VND8,449,472 million (1/10/2020: VND2,800,786 million) were pledged with banks as security for loans granted to the Group (Note 22).

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

Biến động dự phòng giảm giá hàng tồn kho trong năm như sau:

	Year ended	
	30/9/2021 VND	30/9/2020 VND
Opening balance	45,033,969,069	51,851,107,911
Allowance made during the year	161,861,045,338	-
Allowance reversed during the year	-	(6,817,138,842)
Closing balance	206,895,014,407	45,033,969,069



12. TANGIBLE FIXED ASSETS

	Buildings and structures VND	Buildings and structures VND	Motor vehicles VND	Office equipment VND	Office equipment VND	Total VND
Cost						
Opening balance	2,471,415,069,857	10,273,310,183,375	470,065,259,436	87,597,045,920	27,050,374,923	13,329,437,933,511
Additions	124,900,000	69,062,217,895	5,523,305,394	-	-	74,710,423,289
Transfer from construction in progress	72,900,561,390	100,359,483,607	1,783,750,049	-	-	175,043,795,046
Transfer from finance lease tangible fixed assets	-	120,808,224,881	9,560,000,000	-	-	130,368,224,881
Disposals	(71,955,649)	(25,217,546,101)	(7,518,767,367)	-	-	(32,808,269,117)
Written off	-	(4,704,277,378)	-	-	-	(4,704,277,378)
Decrease following construction finalisation	(185,310,368)	-	-	-	-	(185,310,368)
Closing balance	2,544,183,265,230	10,533,618,286,279	479,413,547,512	87,597,045,920	27,050,374,923	13,671,862,519,864
Accumulated depreciation						
Opening balance	689,091,528,334	5,040,773,688,555	268,928,936,816	46,144,436,204	22,071,065,914	6,067,009,655,823
Charge for the year	127,546,094,302	975,200,767,119	55,242,998,965	11,007,941,301	597,734,673	1,169,595,536,360
Transfer from finance lease tangible fixed assets	-	19,988,653,492	2,312,317,061	-	-	22,300,970,553
Disposals	(71,955,649)	(20,067,711,030)	(5,689,678,699)	-	-	(25,829,345,378)
Written off	-	(4,023,993,434)	-	-	-	(4,023,993,434)
Closing balance	816,565,666,987	6,011,871,404,702	320,794,574,143	57,152,377,505	22,668,800,587	7,229,052,823,924
Net book value						
Opening balance	1,782,323,541,523	5,232,536,494,820	201,136,322,620	41,452,609,716	4,979,309,009	7,262,428,277,688
Closing balance	1,727,617,598,243	4,521,746,881,577	158,618,973,369	30,444,668,415	4,381,574,336	6,442,809,695,940



Hoa Sen Group and its subsidiaries
Notes to the consolidated financial statements for the year ended 30 September 2021
(Continued)

Form B 09 – DN/H
 (Issued under Circular No. 202/2014/TT-BTC
 dated 22 December 2014 of the Ministry of Finance)

Included in tangible fixed assets were assets costing VND1,700,044 million which were fully depreciated as at 30 September 2021 (1/10/2020: 1,166,403 million), but which are still in active use.

As at 30 September 2021, tangible fixed assets with net book value of VND5,317,975 million (1/10/2020: VND6,185,137 million) were pledged with banks as security for loans granted to the Group (Note 22).

13. FINANCE LEASE TANGIBLE FIXED ASSETS

	Machinery and equipment VND	Motor vehicles VND	Total VND
Cost			
Opening balance	120,907,379,881	9,560,000,000	130,467,379,881
Transfer to tangible fixed assets	(120,808,224,881)	(9,560,000,000)	(130,368,224,881)
Written off	(99,155,000)	-	(99,155,000)
Closing balance	-	-	-
Accumulated depreciation			
Opening balance	16,496,773,823	1,818,341,410	18,315,115,233
Charge for the year	3,541,029,321	493,975,651	4,035,004,972
Transfer to tangible fixed assets	(19,988,653,492)	(2,312,317,061)	(22,300,970,553)
Written off	(49,149,652)	-	(49,149,652)
Closing balance	-	-	-
Net book value			
Opening balance	104,410,606,058	7,741,658,590	112,152,264,648
Closing balance	-	-	-



Hoa Sen Group and its subsidiaries
Notes to the consolidated financial statements for the year ended 30 September 2021
(Continued)

Form B 09 – DN/H
 (Issued under Circular No. 202/2014/TT-BTC
 dated 22 December 2014 of the Ministry of Finance)

14. INTANGIBLE FIXED ASSETS

	Land use rights VND	Software VND	Total VND
Cost			
Opening balance	235,025,409,765	48,073,267,834	283,098,677,599
Additions	-	11,418,681,319	11,418,681,319
Closing balance	235,025,409,765	59,491,949,153	294,517,358,918
Accumulated amortisation			
Opening balance	41,070,533,857	21,866,008,093	62,936,541,950
Charge for the year	3,453,969,163	8,874,890,352	12,328,859,515
Closing balance	44,524,503,020	30,740,898,445	75,265,401,465
Net book value			
Opening balance	193,954,875,908	26,207,259,741	220,162,135,649
Closing balance	190,500,906,745	28,751,050,708	219,251,957,453

Included in intangible fixed assets were assets costing VND456 million which were fully amortised as at 30 September 2021 (1/10/2020: VND456 million), but which are still in active use.

As at 30 September 2021, intangible fixed assets with net book value of VND88,587 million (1/10/2020: VND99,988 million) were pledged with banks as security for loans granted to the Group (Note 22).



15. CONSTRUCTION IN PROGRESS

	Year ended	
	30/9/2021 VND	30/9/2020 VND
Opening balance	575,955,787,725	576,452,872,180
Additions	356,566,427,659	246,758,507,548
Transfer to tangible fixed assets	(175,043,795,046)	(203,450,203,825)
Transfer to short-term prepaid expenses	(3,716,322,363)	(2,419,457,088)
Transfer to long-term prepaid expenses	(15,526,908,150)	(12,637,706,813)
Decreases due to disposal of subsidiary	(77,905,805,100)	(28,748,224,277)
Closing balance	660,329,384,725	575,955,787,725

Major constructions in progress were as follows:

	30/9/2021 VND	1/10/2020 VND
Machinery and equipment waiting for installation	35,679,907,327	67,957,814,979
Factories	178,108,117,347	110,723,594,232
Hoa Sen Yen Bai project	368,688,188,434	347,706,768,372
Ground clearing cost of Hoa Sen Ha Nam project	38,794,072,000	38,794,072,000
Ground clearing cost of Hoa Sen Phu My project	11,500,000,000	-
Major maintenance expenses of fixed assets	11,187,832,111	10,597,766,331
Others	16,371,267,506	175,771,811
	660,329,384,725	575,955,787,725

During the year, borrowing costs were capitalised into the construction in progress amounting to VND15,080 million (year ended 30/9/2020: VND10,038 million).



16. PREPAID EXPENSES

(a) Short-term prepaid expenses

	30/9/2021 VND	1/10/2020 VND
Rental fee	61,118,651,512	59,399,652,052
Advertising expenses	4,977,085,978	24,829,641,795
Tools and instruments	47,490,066,391	43,529,656,120
Insurance fee	2,708,146,140	1,585,945,970
Maintenance expenses	5,401,342,918	5,140,546,849
Consultancy expenses	430,991,668	1,889,338,410
Others	14,308,741,170	5,262,201,599
	136,435,025,777	141,636,982,795

(b) Long-term prepaid expenses

	30/9/2021 VND	1/10/2020 VND
Tools and instruments	82,143,471,550	100,595,642,595
Land clearance cost	74,922,871,392	76,600,246,305
Rental expenses	49,633,658,164	52,465,115,643
Advertising panels	15,059,349,254	15,374,300,149
Maintenance expenses	19,284,076,785	12,292,628,995
Others	22,732,785,510	15,406,836,595
	263,776,212,655	272,734,770,282

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

	Year ended	
	30/9/2021 VND	30/9/2020 VND
Opening balance	272,734,770,282	365,534,127,666
Additions during the year	95,839,433,370	82,532,801,042
Transfer to tangible fixed assets	-	(163,628,065)
Transfer from construction in progress	15,526,908,150	12,637,706,813
Transfer (to)/from short-term prepaid expenses	(3,500,000)	240,769,417
Amortisation during the year	(118,232,051,179)	(187,417,700,068)
Disposals and written off	(2,089,347,968)	(629,306,523)
Closing balance	263,776,212,655	272,734,770,282



Hoa Sen Group and its subsidiaries
Notes to the consolidated financial statements for the year ended 30 September 2021
(Continued)

Form B 09 – DN/H
 (Issued under Circular No. 202/2014/TT-BTC
 dated 22 December 2014 of the Ministry of Finance)

17. DEFERRED TAX ASSETS

	30/9/2021 VND	1/10/2020 VND
Deferred tax assets are recognised for:		
• Unrealised profits	80,651,828,368	39,216,457,247
• Accrued expenses	74,249,427,448	24,728,361,887
• Allowance and provisions	24,913,309,365	11,977,576,816
• Others	-	3,315,013,587
	179,814,565,181	79,237,409,537

18. ACCOUNTS PAYABLE TO SUPPLIERS

(a) Accounts payable to suppliers detailed by significant supplier

	30/9/2021 Cost/amount within payment capacity VND	1/10/2020 Cost/amount within payment capacity VND
Hung Nghiep Formosa Ha Tinh Iron Steel Limited Liability Company	1,779,225,472,530	296,702,697,996
Xiamen ITG Group Corp., LTD.	630,195,444,218	-
Kim Quoc Steel Company Limited	622,557,774,639	59,872,948,917
Nippon Steel Trading Corporation	-	303,482,841,213
Other suppliers	1,261,902,493,857	794,880,460,106
	4,293,881,185,244	1,454,938,948,232

(b) Accounts payable to suppliers who are related parties

	30/9/2021 Cost/amount within payment capacity VND	1/10/2020 Cost/amount within payment capacity VND
Companies owned by the Group's Chairman		
Hoa Sen Holdings Group	8,280,625,262	7,018,375,408
Hoa Sen Nghe An Investment Company Limited	6,872,127,178	2,449,892,438

The trade related amounts due to the related parties were unsecured, interest free and are payable within 45 days from invoice date.



Hoa Sen Group and its subsidiaries
Notes to the consolidated financial statements for the year ended 30 September 2021
(Continued)

Form B 09 – DN/H
 (Issued under Circular No. 202/2014/TT-BTC
 dated 22 December 2014 of the Ministry of Finance)

19. TAXES PAYABLE TO STATE TREASURY

	1/10/2020 VND	Incurred VND	Paid VND	Netted-off VND	Reclassified VND	30/9/2021 VND
Value added tax	175,141,284,813	13,522,409,387,473	(2,183,512,707,115)	(11,339,817,353,690)	(1,386,919,443)	172,833,692,038
Import-export tax	456,189,132	5,977,033,761	(6,267,355,109)	-	-	165,867,784
Corporate income tax	93,273,828,511	702,566,164,265	(629,606,456,169)	-	5,296,564,045	171,530,100,652
Personal income tax	2,863,365,640	35,552,524,625	(36,761,584,196)	(91,839,508)	720,809	1,563,187,370
Other taxes	92,679,700	3,412,340,916	(3,412,499,896)	-	(3,000,000)	89,520,720
	271,827,347,796	14,269,917,451,040	(2,859,560,602,485)	(11,339,909,193,198)	3,907,365,411	346,182,368,564



20. ACCRUED EXPENSES

	30/9/2021 VND	1/10/2020 VND
Salary and bonus	211,122,463,563	442,569,291,620
Transportation expenses	43,680,114,673	219,189,613
Construction in progress	13,331,759,284	10,787,448,808
Interest expenses	10,828,881,202	7,418,835,510
Tax provision expenses	5,543,056,774	3,912,745,955
Electricity expenses	643,394,816	380,529,874
Others	13,410,020,947	15,359,098,512
	298,559,691,259	480,647,139,892

21. OTHER PAYABLES – SHORT-TERM

	30/9/2021 VND	1/10/2020 VND
Import financing payables (*)	3,503,256,652,175	245,638,100,621
Discount export documents payables	-	142,966,821,833
Short-term deposits received	54,628,952,727	23,105,461,713
Dividend payables	3,940,190,477	4,247,322,425
Social insurance, health insurance, unemployment insurance and union funds	1,270,131,710	2,474,430,995
Other payables	11,045,662,146	14,802,126,804
	3,574,141,589,235	433,234,264,391

(*) These amounts represented Usance payable at sight Letter of credit (UPAS L/C) provided by 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 Branch, Vietnam Maritime Commercial Joint Stock Bank - Ho Chi Minh Branch, Joint Stock Commercial Bank for Industry and Trade - Nghe An Branch, Ho Chi Minh City Development Joint Stock Commercial Bank - Nghe An Branch and Tien Phong Commercial Joint Stock Bank - Ben Thanh Branch (1/10/2020: provided by Vietnam International Commercial Joint Stock Bank - Ho Chi Minh Branch, Tien Phong Commercial Joint Stock Bank – Ben Thanh Branch and Joint Stock Commercial Bank for Industry and Trade - Nghe An Branch) with a tenor from 90 to 120 days after sight. If the Group cannot make payment on the due date, they will be automatically converted into bank loans.



22. BORROWINGS AND FINANCE LEASE LIABILITIES

(a) Short-term borrowings and finance lease liabilities

	1/10/2020	Movements during the year			30/9/2021
	Carrying amount/ Amount within repayment capacity VND	Additions VND	Decreases VND	Foreign exchange differences VND	Carrying amount/ Amount within repayment capacity VND
Short-term borrowings	5,266,057,103,675	38,252,605,550,541	(38,690,118,916,257)	1,344,677,818	4,829,888,415,777
Current portion of long-term borrowings (b)	724,728,971,847	640,800,000,000	(758,728,971,847)	-	606,800,000,000
Finance lease principals due within twelve months (c)	32,658,569,664	8,164,642,416	(40,823,212,080)	-	-
	6,023,444,645,186	38,901,570,192,957	(39,489,671,100,184)	1,344,677,818	5,436,688,415,777

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

Form B 09 – DN/H
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

Lenders	Note	Currency	30/9/2021 VND	1/10/2020 VND
• Vietnam Joint Stock Commercial Bank for Industry and Trade – Binh Duong Industrial Park Branch	(i)	VND	75,643,458,48	1,171,017,687,810
• Vietnam Joint Stock Commercial Bank for Industry and Trade – Binh Duong Industrial Park Branch	(i)	USD	777,548,744,645	531,104,907,733
• Joint Stock Commercial Bank for Foreign Trade of Vietnam - South Binh Duong Branch	(ii)	VND	60,000,000,000	947,943,944,130
• Joint Stock Commercial Bank for Foreign Trade of Vietnam - South Binh Duong Branch	(ii)	USD	1,453,181,080,932	413,037,687,997
• Bank for Investment and Development of Vietnam - Transaction Office 2 Branch	(iii)	VND	347,681,380,658	472,377,287,783
• Bank for Investment and Development of Vietnam - Transaction Office 2 Branch	(iii)	USD	-	99,439,545,965
• HSBC Bank (Vietnam) Ltd.	(iv)	VND	1,186,536,814,890	608,438,856,420
• Ho Chi Minh City Development Joint Stock Commercial Bank	(v)	USD	-	213,385,900,000
• Sinopac Bank - Ho Chi Minh City Branch	(vi)	VND	56,000,000,000	32,300,000,000
• United Overseas Bank (Vietnam) Limited	(vii)	VND	34,366,092,843	101,516,310,719
• United Overseas Bank (Vietnam) Limited	(vii)	USD	384,498,035,750	57,085,000,000
• United Overseas Bank (Vietnam) Limited	(viii)	VND	66,934,425,013	61,832,823,335
• Malayan Banking Berhad Ho Chi Minh City Branch	(ix)	VND	60,626,701,580	42,323,443,406
• Malayan Banking Berhad Ho Chi Minh City Branch	(ix)	USD	73,836,076,658	46,084,500,000
• Vietnam Joint Stock Commercial Bank for Industry and Trade - Nghe An Branch	(x)	VND	-	145,844,804,159
• Vietnam Joint Stock Commercial Bank for Industry and Trade - Ba Ria Vung Tau Branch	(xi)	VND	8,440,160,000	-
• Vietnam Maritime Joint Stock Commercial Bank - Ho Chi Minh City Branch	(xii)	VND	67,617,983,015	97,147,784,400
• Saigon Thuong Tin Joint Stock Commercial Bank - Center Branch	(xiii)	VND	-	50,000,000,000
• CTBC Bank Limited Liability Company - Ho Chi Minh City Branch	(xiv)	VND	75,695,575,053	19,942,608,592
• CTBC Bank Limited Liability Company - Ho Chi Minh City Branch	(xiv)	USD	101,281,886,260	155,234,011,226
			4,829,888,415,777	5,266,057,103,675

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

Form B 09 – DN/H
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

Lenders	Currency	Credit limit	Interest rate		Pledged assets
			30/9/2021	1/10/2020	
i. Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Industrial Park Branch	VND USD	VND3,000 billion	3.50% 1.50% - 2.00%	4.50% - 4.90% 1.85% - 2.00%	Land use rights, buildings, structures, machinery and equipment and accounts receivable from customers.
ii. Joint Stock Commercial Bank for Foreign Trade of Vietnam - South Binh Duong Branch	VND USD	VND2,397 billion	3.50% 1.30%	4.50% - 5.00% 1.80% - 2.10%	Land use rights, machinery and equipment and inventories.
iii. Bank for Investment and Development of Vietnam - Transaction Office 2 Branch	VND USD	VND1,500 billion	3.50% - 3.80%	4.20% - 4.50%	Inventories and bonds of the Company; machinery and equipment and a part of the construction on land of Hoa Sen Nghe An One Member Limited Liabilities Company, subsidiary.
iv. HSBC Bank (Vietnam) Ltd.	VND	USD60 million	3.35%	4.10% - 4.90%	Inventories, machinery and equipment, land use rights and construction on land and a part of the fixed assets of Hoa Sen Binh Dinh Sole Member Limited Company, a subsidiary.
v. Ho Chi Minh City Development Joint Stock Commercial Bank	USD	VND2,000 billion	-	1.80%	Unsecured.
vi. Sinopac Bank - Ho Chi Minh City Branch	VND	USD6 million	3.30%	5.00%	Unsecured.
vii. United Overseas Bank (Vietnam) Limited	VND USD	USD20 million	3.00% 1.60%	4.00% - 4.20% 1.64%	Inventories.



Terms and conditions of short-term borrowings were as follows: (Continued)

	Lenders	Currency	Credit limit	Interest rate		
				30/9/2021	1/10/2020	
viii.	United Overseas Bank (Vietnam) Limited	VND	USD 3 million	3.00%	4.00% - 4.50%	Inventories.
ix.	Malayan Banking Berhad Ho Chi Minh City Branch	VND	USD6,6 million	3.20% - 3.30%	4.10% - 4.70%	Inventories.
x.	Vietnam Joint Stock Commercial Bank for Industry and Trade - Nghe An Branch	USD	VND800 billion	1.40%	1.80%	
		VND		-	3.20% - 4.50%	Inventories.
xi.	Vietnam Joint Stock Commercial Bank for Industry and Trade - Ba Ria Vung Tau Branch	VND	VND200 billion	3.10% - 4.40%	-	Fixed assets and inventories.
xii.	Vietnam Maritime Joint Stock Commercial Bank - Ho Chi Minh City Branch	VND	VND500 billion	3.90%	4.50%	Unsecured.
xiii.	Saigon Thuong Tin Joint Stock Commercial Bank - Center Branch	VND	VND1,000 billion	-	5.00%	Land use rights and accounts receivable from customers.
xiv.	CTBC Bank Limited Liability Company - Ho Chi Minh City Branch	VND	USD15 million	3.60%	3.80% - 4.00%	Unsecured
		USD		1.50%	1.80% - 1.85%	



(b) Long-term borrowings and finance lease liabilities

	30/9/2021 VND	1/10/2020 VND
Long-term borrowings	2,006,162,118,340	2,859,921,776,235
Finance lease liabilities (c)	-	60,381,309,809
	2,006,162,118,340	2,920,303,086,044
Repayable within twelve months	(606,800,000,000)	(757,387,541,511)
Repayable after twelve months	1,399,362,118,340	2,162,915,544,533

Terms and conditions of long-term borrowings were as follows:

Lenders	Note	Currency	Year of maturity	30/9/2021 VND	1/10/2020 VND
• Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Industrial Park Branch	(i)	VND	2021 – 2026	1,589,211,274,881	2,102,282,791,370
• Joint Stock Commercial Bank for Foreign Trade of Vietnam - South Binh Duong Branch	(ii)	VND	2022 – 2023	167,056,547,660	303,150,862,940
• Joint Stock Commercial Bank for Foreign Trade of Vietnam - Vung Tau Branch	(iii)	VND	2024	206,750,669,442	291,633,669,442
• Vietnam Joint Stock Commercial Bank for Industry and Trade - Yen Bai Branch	(iv)	VND	2025 – 2026	43,143,626,357	132,670,311,741
• Vietnam Joint Stock Commercial Bank for Industry and Trade - Ba Ria Vung Tau Branch	(v)	VND	2021	-	30,184,140,742
				2,006,162,118,340	2,859,921,776,235

- (i) This loan was secured by land use rights, buildings and structures, machinery and equipment and bore annual interest rate of 7.6% (1/10/2020: from 8.0% to 9.0%).
- (ii) This loan was secured by land use rights, machinery and equipment, motor vehicles and inventories and bore annual interest rates ranging from 7.5% to 8.7% (1/10/2020: from 7.5% to 8.7%).
- (iii) This loan was secured by buildings and structures, machinery and equipment and bore annual interest rates ranging from 8.2% to 9.2% (1/10/2020: from 8.2% to 9.1%).
- (iv) This loan was secured by land use rights, buildings and structures, machinery and equipment and motor vehicles and bore annual interest rates ranging from 8.2% to 9.2% (1/10/2020: from 8.2% to 9.2%).
- (v) This loan was secured by buildings and structures, machinery and equipment and bore annual interest rate of 7.6% (1/10/2020: 8.0%).

(c) Finance lease liabilities

The future minimum lease payments under non-cancellable finance leases are:

	30/9/2021			1/10/2020		
	Payments VND	Interest VND	Principal VND	Payments VND	Interest VND	Principal VND
Within one year	-	-	-	36,840,545,897	4,181,976,233	32,658,569,664
Within two to five years	-	-	-	28,935,494,777	1,212,754,632	27,722,740,145
	-	-	-	65,776,040,674	5,394,730,865	60,381,309,809



**23. BONUS AND WELFARE FUND**

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

	Year ended	
	30/9/2021 VND	30/9/2020 VND
Opening balance	43,062,695,661	44,902,799,431
Appropriation from retained profit (Note 25)	46,120,560,692	3,613,521,330
Utilisation of fund during the year	(14,154,745,724)	(5,453,625,100)
Closing balance	75,028,510,629	43,062,695,661

24. PROVISIONS – LONG-TERM

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

	Year ended	
	30/9/2021 VND	30/9/2020 VND
Opening balance	10,555,313,816	2,896,254,250
Provision made during the year	3,362,640,511	7,659,059,566
Closing balance	13,917,954,327	10,555,313,816

**25. CHANGES IN OWNERS' EQUITY**

	Share capital VND	Share premium VND	Treasury shares VND	Other equity funds VND	Retained profits VND	Non-controlling interest VND	Total VND
Balance at 1 October 2019	4,234,694,890,000	151,583,183,521	(2,459,000,000)	55,626,670,135	1,021,280,774,551	7,554,667,443	5,468,281,185,650
Net profit for the year	-	-	-	-	1,153,328,313,935	(314,296,626)	1,153,014,017,309
Shares issued to pay dividends	211,557,240,000	-	-	-	(211,557,240,000)	-	-
Repurchase of treasury shares	-	-	(812,000,000)	-	-	-	(812,000,000)
Appropriation to bonus and welfare fund	-	-	-	-	(3,613,521,330)	-	(3,613,521,330)
Appropriation to equity funds	-	-	-	5,420,281,995	(5,420,281,995)	-	-
Utilisation of funds	-	-	-	(25,511,170,306)	-	-	(25,511,170,306)
Decrease due to dissolution of a subsidiary	-	-	-	-	-	(620,000,000)	(620,000,000)
Balance at 1 October 2020	4,446,252,130,000	151,583,183,521	(3,271,000,000)	35,535,781,824	1,954,018,045,161	6,620,370,817	6,590,738,511,323



	Share capital VND	Share premium VND	Treasury shares VND	Other equity funds VND	Retained profits VND	Non-controlling interest 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	1,954,018,045,161	6,620,370,817	6,590,738,511,323
Net profit for the year	-	-	-	-	4,313,507,233,783	(13,171,524)	4,313,494,062,259
Dividend shares issued (*)	444,566,830,000	-	-	-	(444,566,830,000)	-	-
Shares issued under employee stock ownership plans	44,000,000,000	-	-	-	-	-	44,000,000,000
Re-issuance of treasury shares	-	5,709,355,547	3,271,000,000	-	-	-	8,980,355,547
Appropriation to bonus and welfare fund	-	-	-	-	(46,120,560,692)	-	(46,120,560,692)
Appropriation for bonus performance bonus plan (**)	-	-	-	-	(39,134,000,000)	-	(39,134,000,000)
Appropriation to equity funds (***)	-	-	-	104,632,701,681	(104,632,701,681)	-	-
Utilisation of funds	-	-	-	(49,473,282,240)	-	-	(49,473,282,240)
Capital contributed to subsidiary by non-controlling interest	-	-	-	-	-	14,446,000,000	14,446,000,000
Decrease due to disposal of a subsidiary (Note 5)	-	-	-	-	-	(5,137,257,343)	(5,137,257,343)
Balance at 30 September 2021	4,934,818,960,000	157,292,539,068	-	90,695,201,265	5,633,071,186,571	15,915,941,950	10,831,793,828,854



- (*) 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 increased share capital from dividend shares issued to pay dividends. There were 44,456,683 shares issued at par value of VND10,000.
- (**) In accordance with the Resolution of the General Meeting of Shareholders dated 13 January 2020 and the Decision of Board of Directors dated 27 January 2021, the Company appropriated 3.4% of profit after tax as the bonus for exceeding business performance for the financial year 2019 – 2020 for Board of Directors, the Board of Management and other Boards.
- (***) In accordance with the Resolution of the Board of Directors dated 1 October 2020, the Company appropriated VND40,356 million from opening retained earnings and as at 1 April 2021, the Company appropriated VND64,277 million from retained profit after tax into other equity funds for the purpose of supplementing remuneration, charitable activities and operating expenses of the Board of Directors (year ended 30 September 2020: VND5,420 million).

26. SHARE CAPITAL

The Company's authorised and issued share capital are:

	30/9/2021		1/10/2020	
	Number of shares	VND	Number of shares	VND
Authorised and issued share capital				
Ordinary shares	493,481,896	4,934,818,960,000	444,625,213	4,446,252,130,000
Treasury share				
Ordinary shares	-	-	327,100	3,271,000,000
Shares in circulation				2,459,000,000
Ordinary shares	493,481,896	4,934,818,960,000	444,298,113	4,442,981,130,000

All ordinary shares have a par value of VND10,000. 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 with regard to the Company's residual assets. In respect of shares bought back by the Company, all rights are suspended until those shares are reissued.



Hoa Sen Group and its subsidiaries
Notes to the consolidated financial statements for the year ended 30 September 2021
(Continued)

Form B 09 – DN/H
 (Issued under Circular No. 202/2014/TT-BTC
 dated 22 December 2014 of the Ministry of Finance)

Movements in share capital during the year were as follows:

	Year ended			
	30/9/2021		30/9/2020	
	Number of shares	VND	Number of shares	VND
Opening balance	444,298,113	4,442,981,130,000	423,223,589	4,232,235,890,000
Dividend shares	44,456,683	444,566,830,000	21,155,724	211,557,240,000
Re-issuance of treasury shares	327,100	3,271,000,000	-	-
Shares issued under employee stock ownership plans	4,400,000	44,000,000,000	-	-
Cổ phiếu quỹ mua lại trong năm	-	-	(81.200)	(812.000.000)
Closing balance	493,481,896	4,934,818,960,000	444,298,113	4,442,981,130,000

27. OFF BALANCE SHEET ITEMS

(a) Lease

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

	30/9/2021 VND	1/10/2020 VND
Within one year	183,481,962,474	181,023,716,815
Within two to five years	691,377,536,840	691,146,037,199
More than five years	693,964,700,288	770,536,718,044
	1,568,824,199,602	1,642,706,472,058



Hoa Sen Group and its subsidiaries
Notes to the consolidated financial statements for the year ended 30 September 2021
(Continued)

Form B 09 – DN/H
 (Issued under Circular No. 202/2014/TT-BTC
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(b) Foreign currencies

	30/9/2021		1/10/2020	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	10,572,802	239,562,452,177	7,572,153	174,878,082,357
EUR	-	-	909	24,288,480
		239,562,452,177		174,902,370,837

(c) Capital expenditure commitments

At the reporting date, the Group had the following outstanding capital commitments approved for the purpose of purchasing new machineries that use for the Group's operation:

	30/9/2021 VND	1/10/2020 VND
Approved and contracted	135,317,792,924	71,522,424,222



28. REVENUE FROM SALES OF GOODS AND PROVISION OF SERVICES

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

Net revenue comprised:

	Year ended	
	30/9/2021 VND	30/9/2020 VND
Total revenue		
• Sales of finished goods	22,762,662,833,195	13,945,093,147,339
• Sales of merchandise goods	26,204,556,855,059	13,778,934,771,842
• Others	20,114,024,031	41,127,707,125
	48,987,333,712,285	27,765,155,626,306
Less revenue deductions		
• Sales discounts	238,263,060,549	215,992,234,977
• Sales allowances	980,524,072	5,700,055,453
• Sales returns	21,567,893,928	12,713,822,042
	260,811,478,549	234,406,112,472
Net revenue	48,726,522,233,736	27,530,749,513,834

29. COST OF SALES

	Year ended	
	30/9/2021 VND	30/9/2020 VND
Total cost of sales:		
• Finished goods sold	16,700,658,638,817	10,224,045,844,167
• Merchandise goods sold	22,971,222,896,369	12,672,459,961,421
• Others	19,381,472,229	13,793,498,677
• Allowance made/(reversed) during the year	161,861,045,338	(6,817,138,842)
	39,853,124,052,753	22,903,482,165,423



30. FINANCIAL INCOME

	Year ended	
	30/9/2021 VND	30/9/2020 VND
Interest income from deposits, loans receivable and bonds	3,424,914,740	4,594,414,990
Gains from disposal of a subsidiary	107,731,519,386	-
Realised foreign exchange gains	244,563,630,062	70,199,983,098
Unrealised foreign exchange gains	4,523,936,793	-
Other financial income	6,052,111,423	3,190,096,021
	366,296,112,404	77,984,494,109

31. FINANCIAL EXPENSES

	Year ended	
	30/9/2021 VND	30/9/2020 VND
Interest expense	355,048,548,813	560,086,135,926
Realised foreign exchange losses	196,240,358,014	75,353,328,385
Unrealised foreign exchange losses	-	8,093,493,896
Other financial expenses	719,393,807	1,728,614,970
	552,008,300,634	645,261,573,177

32. SELLING EXPENSES

	Year ended	
	30/9/2021 VND	30/9/2020 VND
Staff costs	643,035,977,672	884,532,511,683
Export expenses	1,704,544,466,093	449,890,876,255
Transportation expenses	356,516,789,419	219,517,108,970
Depreciation and amortisation expenses	165,968,395,956	167,094,144,203
Rental expenses	162,547,696,297	160,274,877,997
Advertising expenses	60,905,209,032	81,107,806,439
Outside service expenses	69,488,023,995	71,910,732,695
Other selling expenses	181,480,678,090	186,755,015,868
	3,344,487,236,554	2,221,083,074,110



33. GENERAL AND ADMINISTRATION EXPENSES

	Year ended	
	30/9/2021 VND	30/9/2020 VND
Staff expenses	160,841,770,891	257,915,445,562
Depreciation and amortisation expenses	62,481,994,024	66,626,994,248
Rental expenses	27,137,721,765	25,949,018,951
Guest reception expenses	13,002,378,112	11,665,809,396
Business trip expenses	5,314,297,362	6,910,634,199
Professional service expenses	7,581,013,556	11,783,549,723
Outside service expenses	51,815,526,915	50,145,884,923
Other general and administration expenses	97,641,661,313	28,981,444,903
	425,816,363,938	459,978,781,905

34. OTHER INCOME

	Year ended	
	30/9/2021 VND	30/9/2020 VND
Gains from disposals of fixed assets	17,984,066	-
Compensations	7,190,639,755	3,503,871,667
Others	7,499,790,864	25,113,366,057
	14,708,414,685	28,617,237,724

35. OTHER EXPENSES

	Year ended	
	30/9/2021 VND	30/9/2020 VND
Expenses for charity activities	8,190,000,000	-
Losses on disposals of fixed assets	-	16,563,513,405
Others	8,417,736,066	15,338,974,123
	16,607,736,066	31,902,487,528



36. PRODUCTION AND BUSINESS COSTS BY ELEMENTS

	Year ended	
	30/9/2021 VND	30/9/2020 VND
Raw material costs	42,143,228,874,022	19,535,328,665,795
Labour costs and staff costs	1,090,357,716,427	1,433,792,511,778
Depreciation and amortisation	1,185,959,400,847	1,229,764,453,316
Outside services	3,389,673,536,999	1,794,833,077,709
Other expenses	949,824,551,140	847,512,493,972

37. INCOME TAX

(a) Recognised in the consolidated statement of income

	Year ended	
	30/9/2021 VND	30/9/2020 VND
Current tax expense		
Current year	701,081,358,149	245,982,234,033
Under provision in prior years	1,484,806,116	13,853,323,303
	702,566,164,265	259,835,557,336
Deferred tax benefit		
Reversal of temporary differences	(100,577,155,644)	(37,206,411,121)
	601,989,008,621	222,629,146,215



(b) Reconciliation of effective tax rate

	Year ended	
	30/9/2021	30/9/2020
	VND	VND
Accounting profit before tax	4,915,483,070,880	1,375,643,163,524
Tax at the Company's tax rate	983,096,614,175	275,128,632,706
Effect of different tax rates in subsidiaries	(180,599,986,752)	(62,558,538,811)
Non-deductible expenses	19,772,352,262	71,990,972,514
Tax incentives	(150,545,861,692)	(63,129,542,290)
Unrecognised deferred tax assets	3,580,744,724	7,690,276,040
Tax losses utilised	(10,443,765,911)	(13,908,404,822)
Utilisation of previous unrecognised deferred tax assets	(64,355,894,301)	(6,437,572,425)
Under provision in prior years	1,484,806,116	13,853,323,303
	601,989,008,621	222,629,146,215

(c) Applicable tax rates

Under the terms of Income Tax Law, the Company has an obligation to pay the government income tax rate of 20% of taxable profits. Subsidiaries have obligations to pay the government income tax at rates ranging from 10% to 20% of taxable profits, as follows:

- Hoa Sen Binh Dinh Sole Member Limited Company has an obligation to pay the government income tax at the rate of 20% of taxable profits. This subsidiary is exempt from income tax for 2 years starting from the first year it generates a taxable profit and entitled to a 50% reduction in income tax for the 4 succeeding years.
- Hoa Sen Nghe An One Member Limited Liabilities Company and Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liability Company have an obligation to pay the government income tax at the rate of 10% of taxable profits for 15 years starting from the first year generate revenue and the usual income tax rate for the succeeding years. These subsidiaries are exempt from income tax for 4 years starting from the first year it generates a taxable profit and entitled to a 50% reduction in income tax for the 9 succeeding years.
- Hoa Sen Ha Nam One Member Limited Liability Company has an obligation to pay the government income tax at the rate of 17% of taxable profits for the first 10 years from 2016 and the usual income tax rate for the succeeding years. This subsidiary is exempt from income tax for 2 years starting from the first year it generates a taxable profit and entitled to a 50% reduction in income tax for the 4 succeeding years.



- Hoa Sen Phu My One Member Limited Liabilities Company and Hoa Sen Yen Bai Building Materials One Member Limited Liabilities Company has an obligation to pay the government income tax at the rate of 17% of taxable profits for the first 10 years from the first year generate revenue and the usual income tax rate for the succeeding years. These subsidiaries are exempt from income tax for 2 years starting from the first year it generates a taxable profit and entitled to a 50% reduction in income tax for the 4 succeeding years.
- Other subsidiaries have an obligation to pay the government income tax at the rate of 20% of taxable profits.

38. BASIC EARNINGS PER SHARE

The calculation of basic earnings per share for the year ended 30 September 2021 was based on the profit attributable to ordinary shareholders after deducting the amounts appropriated to bonus and welfare fund for the annual accounting period and a weighted average number of ordinary shares outstanding, calculated as follows:

(i) Net profit attributable to ordinary shareholder

	Year ended	
	30/9/2021	30/9/2020
	VND	VND
Net profit for the year	4,313,507,233,783	1,153,328,313,935
Appropriation to bonus and welfare fund (*)	(172,540,289,351)	(46,133,132,557)
Net profit attributable to ordinary shareholders	4,140,966,944,432	1,107,195,181,378

(*) Appropriation to bonus and welfare fund was estimated at 4% of the Group's profit after tax. This appropriation rate is consistent with the actual rate approved by the shareholders in the previous years.



(ii) Weighted average number of ordinary shares

	Year ended	
	30/9/2021 Number of shares	30/9/2020 Number of shares Restated (*)
Ordinary shares issued at the beginning of the year	444,298,113	423,223,589
Effect of repurchase of treasury shares	-	(24,612)
Effect of re-issuance of treasury shares	164,894	-
Effect of bonus shares issued after 30 September 2020	-	21,155,724
Effect of bonus shares issued during the year ended 30 September 2021	44,456,683	44,429,811
Effect of shares issued under employee stock ownership plans	289,315	-
Weighted average number of ordinary shares	489,209,005	488,784,512

(iii) Basic earnings per share

	Year ended		
	30/9/2021 VND	30/9/2020 VND Restated (**)	30/9/2020 VND As previously stated
Basic earnings per share	8,465	2,265	2,492

(*) The restatement represented the impact of shares issued after period-end as dividends.

**39. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES**

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

	Year ended	
	30/9/2021 VND	30/9/2020 VND
<i>Company owned by the Company's Chairman</i>		
<i>Hoa Sen Holdings Group</i>		
Sales of merchandise and finished goods	3,491,098,491,681	3,310,303,106,066
Income from leasing of assets	3,486,352,344	3,165,014,069
Purchases of merchandise and finished goods	65,433,048	-
Sales discounts	29,951,547,928	59,763,907,878
Transportation expenses	71,877,987,424	60,304,523,944
Operating lease expenses	10,324,829,089	8,897,850,106
Sale returns	7,332,794,966	4,324,800,079
Late payment interest	4,314,972,614	1,783,817,982
Sale allowance	-	166,020,819
Sales of fixed assets	278,700,000	-
Purchases of fixed assets	-	123,636,364
Other sales	217,541,773	348,676,081
Other purchases	4,028,182	-
<i>Hoa Sen Nghe An Investment One Member Co., Ltd.</i>		
Transportation expenses	56,691,234,612	36,265,597,722
Income from leasing of assets	227,000,000	216,000,000

Remuneration, salary, bonus and other benefits of key management personnel:

	Năm kết thúc ngày	
	30/9/2021 VND	30/9/2020 VND
<i>Members of Board of Management</i>		
<i>Remuneration</i>		
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	290,000,000	240,000,000
Mr. Nguyen Van Luan – Member	340,000,000	240,000,000
Mr. Dinh Viet Duy – Member	290,000,000	240,000,000
<i>General Director</i>		
Remuneration, salary and other bonus	1,967,900,022	1,847,025,972
<i>Other key management personnel</i>		
Remuneration, salary and other bonus	34,209,331,101	9,705,523,866



40. NON-CASH INVESTING ACTIVITIES

	Year ended	
	30/9/2021 VND	30/9/2020 VND
Purchases of fixed assets and construction in progress not yet paid	36,384,781,236	73,275,604,407

41. COMPARATIVE INFORMATION

The comparative information as at 1 October 2020 were derived from the Group's consolidated financial statement as at and for the year ended 30 September 2020.

24 December 2021

Prepared by

Nguyen Thi Thanh Tuyen
Accountant

Approved by

Nguyen Thi Ngoc Lan
Chief Accountant



Tran Quoc Tri
General Director

