



Hoa Sen Group and its subsidiaries
Consolidated Financial Statements
for the year ended 30 September 2023



Hoa Sen Group Corporate Information

Enterprise Registration Certificate

3700381324

8 August 2001

The Enterprise Registration Certificate has been amended several times, the most recent of which is by Enterprise Registration Certificate No. 3700381324 dated 2 October 2023. The Enterprise 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

Audit Committee

Mr. Nguyen Van Luan	Chairman
Mr. Dinh Viet Duy	Member
Mr. Ly Van Xuan	Member

Board of Management

Mr. Tran Quoc Tri	General Director
Mr. Vu Van Thanh	Deputy General Director
Mr. Hoang Duc Huy	Deputy General Director
Mr. Tran Quoc Pham	Deputy General Director
Mr. Nguyen Ngoc Huy	Deputy General Director
Mr. Tran Thanh Nam	Deputy General Director
Mr. Nguyen Tan Hoa	Deputy General Director (until 26 July 2023)
Mr. Nguyen Minh Phuc	Acting Deputy General Director

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

Hoa Sen Group 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 2023.

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 57 give a true and fair view of the consolidated financial position of the Group as at 30 September 2023, 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, 22 December 2023



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District 1, Ho Chi Minh City, Vietnam
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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 2023, 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 22 December 2023, as set out on pages 5 to 57.

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.



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 2023 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.: 23-01-00382-23-2



Phạm Huy Cường
Practicing Auditor Registration
Certificate No. 2675-2019-007-1
Deputy General Director

Ho Chi Minh City, 22 December 2023

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



Hoa Sen Group and its subsidiaries
Consolidated balance sheet as at 30 September 2023

Form B 01 – DN/HN
*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	30/9/2023 VND	1/10/2022 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		11,274,839,904,924	9,834,993,231,398
Cash and cash equivalents	110	5	596,862,912,861	330,134,957,719
Cash	111		576,792,912,861	312,367,302,226
Cash equivalents	112		20,070,000,000	17,767,655,493
Short-term financial investments	120		26,175,510,851	8,698,661,821
Held-to-maturity investments	123	6(a)	26,175,510,851	8,698,661,821
Accounts receivable – short-term	130		2,322,150,338,611	1,452,105,119,089
Accounts receivable from customers	131	7(a)	1,852,766,528,136	1,185,661,917,716
Prepayments to suppliers	132	8	97,524,228,315	117,395,280,068
Other short-term receivables	136	9(a)	383,617,751,361	162,755,089,894
Allowance for doubtful debts	137	7(c)	(11,758,169,201)	(13,707,168,589)
Inventories	140	10	7,628,606,120,691	7,395,309,339,966
Inventories	141		7,746,044,623,773	8,110,988,499,714
Allowance for inventories	149		(117,438,503,082)	(715,679,159,748)
Other current assets	150		701,045,021,910	648,745,152,803
Short-term prepaid expenses	151	14(a)	135,385,630,493	139,831,025,949
Deductible value added tax	152		437,009,675,890	372,839,784,442
Taxes receivable from State Treasury	153	17(a)	128,649,715,527	136,074,342,412

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 2023 (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	30/9/2023 VND	1/10/2022 VND
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	200		6,090,465,740,720	7,190,417,956,533
Accounts receivable – long-term	210		143,083,524,246	171,495,291,600
Other long-term receivables	216	9(b)	143,083,524,246	171,495,291,600
Fixed assets	220		5,019,581,505,116	5,958,828,374,791
Tangible fixed assets	221	11	4,832,642,501,649	5,754,616,934,906
Cost	222		14,227,893,527,743	14,086,733,048,716
Accumulated depreciation	223		(9,395,251,026,094)	(8,332,116,113,810)
Intangible fixed assets	227	12	186,939,003,467	204,211,439,885
Cost	228		289,088,144,510	293,960,791,261
Accumulated amortisation	229		(102,149,141,043)	(89,749,351,376)
Long-term work in progress	240		530,451,510,027	603,535,433,172
Construction in progress	242	13	530,451,510,027	603,535,433,172
Long-term financial investments	250		1,000,000,000	17,000,000,000
Held-to-maturity investments	255	6(a)	1,000,000,000	17,000,000,000
Other long-term assets	260		396,349,201,331	439,558,856,970
Long-term prepaid expenses	261	14(b)	303,516,349,039	295,431,936,752
Deferred tax assets	262	15	92,832,852,292	144,126,920,218
TOTAL ASSETS (270 = 100 + 200)	270		17,365,305,645,644	17,025,411,187,931

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

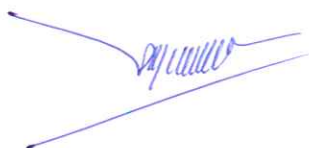
Hoa Sen Group and its subsidiaries
Consolidated balance sheet as at 30 September 2023 (continued)

Form B 01 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	30/9/2023 VND	1/10/2022 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		6,585,139,273,223	6,141,841,220,117
Current liabilities	310		6,568,894,350,227	6,009,187,395,647
Accounts payable to suppliers	311	16	2,885,172,192,715	1,039,714,645,178
Advances from customers	312		142,527,410,662	192,124,686,232
Taxes payable to State Treasury	313	17(b)	171,848,422,096	81,565,802,418
Payables to employees	314		70,913,549,105	86,424,884,228
Accrued expenses	315	18	162,529,104,397	297,172,261,839
Other payables – short-term	319	19	51,089,573,633	34,991,769,952
Short-term borrowings	320	20(a)	2,936,344,523,958	4,070,493,519,978
Bonus and welfare fund	322	21	148,469,573,661	206,699,825,822
Long-term liabilities	330		16,244,922,996	132,653,824,470
Other payables – long-term	337		709,500,000	709,500,000
Long-term borrowings	338	20(b)	-	116,525,575,061
Provisions – long-term	342	22	15,535,422,996	15,418,749,409
EQUITY (400 = 410)	400		10,780,166,372,421	10,883,569,967,814
Owners' equity	410	23	10,780,166,372,421	10,883,569,967,814
Share capital	411	24	6,159,823,090,000	5,980,549,860,000
- <i>Ordinary shares with voting rights</i>	411a		6,159,823,090,000	5,980,549,860,000
Share premium	412		157,292,539,068	157,292,539,068
Other equity funds	420		77,910,496,944	187,499,009,876
Retained profits	421		4,369,041,219,887	4,542,183,640,565
- <i>Retained profits brought forward</i>	421a		4,339,032,984,202	4,290,842,310,436
- <i>Retained profits for the current year</i>	421b		30,008,235,685	251,341,330,129
Non-controlling interest	429		16,099,026,522	16,044,918,305
TOTAL RESOURCES (440 = 300 + 400)	440		17,365,305,645,644	17,025,411,187,931

22 December 2023

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 2023

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	
			30/9/2023 VND	30/9/2022 VND
Revenue from sales of goods and provision of services	01	26	32,084,297,693,056	50,090,135,318,501
Revenue deductions	02	26	433,636,736,406	379,499,367,034
Net revenue (10 = 01 - 02)	10	26	31,650,660,956,650	49,710,635,951,467
Cost of sales	11	27	28,590,018,867,006	44,771,944,789,711
Gross profit (20 = 10 - 11)	20		3,060,642,089,644	4,938,691,161,756
Financial income	21	28	233,474,915,968	266,806,826,568
Financial expenses	22	29	314,154,742,246	520,873,319,472
<i>In which: Interest expense</i>	23		195,489,503,107	260,241,924,339
Selling expenses	25	30	2,476,864,155,543	3,832,642,500,065
General and administration expenses	26	31	406,967,911,274	522,227,362,422
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		96,130,196,549	329,754,806,365
Other income	31	32	51,053,143,467	58,502,790,706
Other expenses	32		1,160,780,453	7,128,135,611
Results of other activities (40 = 31 - 32)	40		49,892,363,014	51,374,655,095
Accounting profit before tax (50 = 30 + 40)	50		146,022,559,563	381,129,461,460
Income tax expense – current	51	34	64,666,147,735	94,121,510,013
Income tax expense – deferred	52	34	51,294,067,926	35,687,644,963
Net profit after tax (60 = 50 - 51 - 52) (carried forward to next page)	60		30,062,343,902	251,320,306,484

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 2023 (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	
			30/9/2023 VND	30/9/2022 VND
Net profit after tax (60 = 50 - 51 - 52) (brought forward from previous page)	60		30,062,343,902	251,320,306,484
Attributable to:				
Equity holders of the Company	61		30,008,235,685	251,341,330,129
Non-controlling interest	62		54,108,217	(21,023,645)
Earnings per share				
Basic earnings per share	70	35	47	393

22 December 2023

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 2023
(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	
		30/9/2023 VND	30/9/2022 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	146,022,559,563	381,129,461,460
Adjustments for			
Depreciation and amortisation	02	1,130,700,951,016	1,159,936,099,089
Allowances and provisions	03	(586,365,813,878)	507,142,813,860
Exchange gains arising from revaluation of monetary items denominated in foreign currencies	04	(1,827,471,514)	(4,628,540,304)
Profits from investing activities	05	(10,332,343,999)	(26,083,512,624)
Interest expense	06	195,489,503,107	260,241,924,339
Operating profit before changes in working capital	08	873,687,384,295	2,277,738,245,820
Change in receivables and other assets	09	(786,168,440,314)	3,842,273,521,768
Change in inventories	10	354,598,706,273	4,445,002,462,715
Change in payables and other liabilities	11	1,843,192,008,584	(6,956,019,847,718)
Change in prepaid expenses	12	23,499,333,445	4,410,046,030
		2,308,808,992,283	3,613,404,428,615
Interest paid	14	(197,384,202,217)	(267,259,703,670)
Income tax paid	15	(54,101,428,379)	(384,553,756,705)
Other payments for operating activities	17	(191,696,191,456)	(117,030,852,331)
Net cash flows from operating activities	20	1,865,627,170,231	2,844,560,115,909

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 2023
(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	
			30/9/2023 VND	30/9/2022 VND
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets		21	(373,766,505,881)	(463,432,669,800)
Proceeds from disposals of fixed assets		22	22,445,756,850	27,693,105,782
Placement of term deposits at banks		23	(20,608,888,192)	-
Collections on term deposits from banks		24	19,132,039,162	19,305,130,338
Receipts of interest on term deposits and bond coupons		27	3,037,092,911	8,080,954,013
Net cash flows from investing activities	30		(349,760,505,150)	(408,353,479,667)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from share issuance		31	-	49,008,000,000
Proceeds from capital contributions in a subsidiary by non-controlling interest		32	-	150,000,000
Proceeds from borrowings		33	21,880,369,799,625	32,656,059,182,202
Payments to settle loan principals		34	(23,131,044,370,706)	(35,355,532,973,645)
Payments of dividends		36	(5,531,000)	(393,643,500)
Net cash flows from financing activities	40		(1,250,680,102,081)	(2,650,709,434,943)
Net cash flows during the year (50 = 20 + 30 + 40)	50		265,186,563,000	(214,502,798,701)
Cash and cash equivalents at the beginning of the year	60		330,134,957,719	492,796,782,190
Effect of exchange rate fluctuations on cash and cash equivalents	61		1,541,392,142	51,840,974,230
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61)	70	5	596,862,912,861	330,134,957,719

22 December 2023

Prepared by:



Nguyen Thi Thanh Tuyen
Accountant

Approved by:



Nguyen Thi Ngoc Lan
Chief Accountant



Fran 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 2023

Form B 09 – DN/HN

*(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 2023 comprise the Company and its subsidiaries (collectively referred to as “the Group”) and the Group’s interest in associates.

(b) Principal activities

The principal activities of the Group are manufacturing roofing sheets by galvanised steel, zinc alloy, paint galvanised zinc plating and plating of other alloys; producing steel purlins, galvanised purlins; manufacturing black steel pipes, galvanised steel pipes and other alloys; manufacturing steel mesh, galvanized steel wire, steel wire; 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 2023, the Group has 9 subsidiaries and 1 associate (1/10/2022: 9 subsidiaries and 1 associate), details as follows:

Hoa Sen Group and its subsidiaries**Notes to the consolidated financial statements for the year ended 30 September 2023
(continued)**

Form B 09 – DN/HN

*(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	
		30/9/2023	1/10/2022
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 steel pipe products.	100%	100%
▪ Hoa Sen Plastics Joint Stock Company	Manufacturing and trading in plastic building materials.	99.95%	99.95%
▪ Hoa Sen Binh Dinh Sole Member Limited Company	Manufacturing and trading in steel pipe products.	100%	100%
▪ Hoa Sen Yen Bai Joint Stock Company	Operating a hotel, restaurant services and commercial center.	95.962%	95%
▪ Hoa Sen Yen Bai Building Materials One Member Limited Liabilities Company	Manufacturing and trading in steel pipe products.	100%	100%
Associate			
▪ Hoa Sen International Port Joint Stock Company	Providing supporting services related to transportation.	49%	49%

As at 30 September 2023, the Group had 7,402 employees (1/10/2022: 7,994 employees).

Hoa Sen Group and its subsidiaries
Notes to the consolidated financial statements for the year ended 30 September 2023
(continued)

Form B 09 – DN/HN
*(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.

(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.

Hoa Sen Group and its subsidiaries

Notes to the consolidated financial statements for the year ended 30 September 2023 (continued)

Form B 09 – DN/HN

*(Issued under Circular No. 202/2014/TT-BTC
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(ii) *Non-controlling interests*

Non-controlling interests (“NCI”) 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 statement of income. Any interest retained in the former subsidiary when control is lost is stated at the carrying amount of the retained investment in the separate 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) *Associates*

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, if any) 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.

(v) *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.

Hoa Sen Group and its subsidiaries
Notes to the consolidated financial statements for the year ended 30 September 2023
(continued)

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
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(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 banks and bank 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.

Hoa Sen Group and its subsidiaries

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(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	2 – 25 years
▪ motor vehicles	2 – 10 years
▪ office equipment	3 – 10 years
▪ others	3 – 20 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. Land use rights with definite terms are amortised on a straight-line basis over the terms of land use rights which are from 14 years to 55 years. Land use rights with indefinite term are not amortised.

(ii) Software

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

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(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.

(j) 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 leveling costs

Land leveling cost include payments for land leveling before construction period and are amortised on a straight-line basis over the land lease terms which are ranging from 42 to 50 years.

(iii) Rental expenses

Rental expenses include prepayments for warehouse rental during the Group's business operations and are initially recognised at cost. Rental prepayments are amortised on a straight-line basis over the lease terms 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 represent the cost to repair and replace machinery, equipment and other fixed assets which do not meet the capitalisation requirements of fixed assets. Maintenance expenses are initially recognised at cost and amortised on a straight-line basis over a period ranging from 2 to 3 years.

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(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, except for provisions mentioned in other notes, is recognised if, as a result of a past event, the Group 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 annual accounting period. For the purpose of determining the number of years of service by an employee, the period for which the employee participated in and contributed to unemployment insurance in accordance with prevailing laws and regulations and the period for which severance allowance has been paid by the Group are excluded.

(n) Share capital

(i) Ordinary shares

Ordinary shares are recognised at par value.

Hoa Sen Group and its subsidiaries

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(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.

(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 sales 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) Processing service

Revenue from processing service is recognised in the consolidated statement of income when the goods have been processed and accepted by the customers. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

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(iii) Rental income

Rental income from operating lease is recognised in the consolidated statement of income on a straight-line basis over the term of the lease. Lease incentives granted are recognised in the consolidated statement of income as an integral part of the total rental income.

(iv) Interest income

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

(q) Operating 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.

(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 Group 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.

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(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 is included as an integral part of the current year consolidated financial statements and is intended to be read only in relation to the amounts and other disclosures relating to the current year. Accordingly, the comparative information included in these 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 manufacturing and trading galvanized steel roofing sheets, aluminum-zinc alloys, galvanized coatings and construction materials. Other activities are asset leasing and service provision. During the year, other activities accounted for an insignificant proportion of total revenue and business operating results of the Group, accordingly, the financial information presented in the consolidated balance sheets as at 30 September 2023 and 1 October 2022 and all revenue, expenses presented in the consolidated statements of income for the year ended 30 September 2023 and 30 September 2022 were mainly related to the Group's principal business activities.

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(b) Geographical segments

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

	Geographical segments		
	Domestic VND	Export VND	Total VND
Year ended 30 September 2023			
Net revenue	18,623,830,014,222	13,026,830,942,428	31,650,660,956,650
Cost of sales	(16,617,116,086,809)	(11,972,902,780,197)	(28,590,018,867,006)
	2,006,713,927,413	1,053,928,162,231	3,060,642,089,644
Year ended 30 September 2022			
Net revenue	24,718,845,662,520	24,991,790,288,947	49,710,635,951,467
Cost of sales	(22,730,547,636,903)	(22,041,397,152,808)	(44,771,944,789,711)
	1,988,298,025,617	2,950,393,136,139	4,938,691,161,756

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5. Cash and cash equivalents

	30/9/2023 VND	1/10/2022 VND
Cash on hand	20,182,995,403	16,020,557,918
Cash in banks	556,584,565,896	296,346,744,308
Cash in transit	25,351,562	-
Cash equivalents (*)	20,070,000,000	17,767,655,493
	<hr/>	<hr/>
	596,862,912,861	330,134,957,719

- (*) Cash equivalents represented term deposits at banks in VND with original terms to maturity of three months or less from their transaction dates and earned annual interest at rates ranging from 2.7% to 3.4% (1/10/2022: from 3.3% to 4.6%).

As at 30 September 2023, term deposits of VND20,070 million (1/10/2022: VND17,768 million) were secured over guarantee contracts issued by Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Industrial Park Branch.

6. Investments

(a) Held-to-maturity investments

(i) *Held-to-maturity investments – short-term*

Held-to-maturity investments – short-term represented term deposits at banks in VND with original terms to maturity of more than three months from transaction dates and less than 12 months from the end of the annual accounting period. These term deposits earned annual interest at rates ranging from 5.2% to 7.5% (1/10/2022: from 4% to 4.9%).

As at 30 September 2023, term deposits with balances of VND3,000 million, VND595 million and VND2,020 million were secured over guarantee contracts issued by Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Industrial Park Branch, Vietnam Joint Stock Commercial Bank for Industry and Trade - Nghe An Branch and Joint Stock Commercial Bank for Foreign Trade of Vietnam - Vung Tau Branch, respectively (1 October 2022: term deposits with balances of VND3,132 million and VND566 million were secured over guarantee contracts issued Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Industrial Park Branch and Vietnam Joint Stock Commercial Bank for Industry and Trade - Nghe An Branch, respectively).

Hoa Sen Group and its subsidiaries**Notes to the consolidated financial statements for the year ended 30 September 2023
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	30/9/2023	1/10/2022
	VND	VND
Bonds issued by Vietnam Bank for Industry and Trade Securities Joint Stock Company (*)	-	16,000,000,000
Bonds issued by Vietnam Bank for Agriculture Joint Stock Company (**)	1,000,000,000	1,000,000,000
	<hr/>	<hr/>
	1,000,000,000	17,000,000,000
	<hr/>	<hr/>

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

(**) These bonds have a 7 year tenor from the date of their issuance which is 12 December 2017, are denominated in VND and earned interest at the average of interest rates of 12 months Vietnam Dong individual saving deposits quoted by 4 local banks (Agribank, Vietcombank, Vietinbank and BIDV) plus an annual margin of 1.2%.

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(b) Long-term investments

	30/9/2023				1/10/2022			
	% equity owned/ voting rights	Cost VND	Equity accounted VND	Fair value VND	% equity owned/ voting rights	Cost VND	Equity accounted VND	Fair value VND
Investment in an associate								
▪ Hoa Sen International Port Joint Stock Company (*)	49%	-	-	-	49%	-	-	-

(*) Hoa Sen International Port Joint Stock Company was incorporated according to 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 Group owned 49% ownership. As at 30 September 2023, the Group has not made any capital contribution to Hoa Sen International Port Joint Stock Company.

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7. Accounts receivable from customers

(a) Accounts receivable from customers detailed by significant customers

	30/9/2023	1/10/2022
	VND	VND
Duferco Sa	353,564,251,820	244,637,500,168
Others	1,499,202,276,316	941,024,417,548
	<hr/>	<hr/>
	1,852,766,528,136	1,185,661,917,716
	<hr/>	<hr/>

(b) Accounts receivable from customers who are related parties

	30/9/2023	1/10/2022
	VND	VND
<i>Companies owned by the Group's Chairman</i>		
Hoa Sen Nghe An Investment Company Limited	66,017,700	-
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The trade related amounts due from the related company were unsecured, interest free and are receivable within 45 days from invoice date.

Hoa Sen Group and its subsidiaries

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(c) Bad and doubtful debts

	Overdue days	30/9/2023			Overdue days	1/10/2022		
		Cost VND	Allowance VND	Recoverable amount VND		Cost VND	Allowance VND	Recoverable amount VND
<i>Overdue debts</i>								
Me Kong Consultant Trading Construction Joint Stock Company	-	-	-	-	More than 4 years	1,648,743,436	(1,648,743,436)	-
Hai Thuy Limited Liability Company	-	-	-	-	More than 6 years	1,545,000,625	(1,545,000,625)	-
Hiep Loan Steel Construction Limited Liability Company	-	-	-	-	More than 3 years	1,243,508,106	(1,243,508,106)	-
Hoang Thai Private Enterprise	-	-	-	-	More than 6 years	1,023,359,294	(1,023,359,294)	-
Others	From 6 months to 2 years	13,351,403,607	(11,758,169,201)	1,593,234,406	From 2 to more than 5 years	8,246,557,128	(8,246,557,128)	-
		<u>13,351,403,607</u>	<u>(11,758,169,201)</u>	<u>1,593,234,406</u>		<u>13,707,168,589</u>	<u>(13,707,168,589)</u>	<u>-</u>



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

	Year ended	
	30/9/2023 VND	30/9/2022 VND
Opening balance	13,707,168,589	16,849,295,152
Allowance made during the year	11,758,169,201	-
Allowance utilised during the year	(13,707,168,589)	-
Allowance reversed during the year	-	(3,142,126,563)
Closing balance	11,758,169,201	13,707,168,589

8. Prepayments to suppliers

	30/9/2023 VND	1/10/2022 VND
K.N.G Construction Company Limited	14,984,539,870	2,629,511,475
QH Plus Steel Structure Corporation	18,150,000,000	-
Trung Nguyen Mining and Building Materials Production Joint Stock Company	-	15,600,000,000
Vicenza Investment Development Joint Stock Company	-	14,763,244,800
Other suppliers	64,389,688,445	84,402,523,793
Total	97,524,228,315	117,395,280,068

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9. Other receivables

(a) Other short-term receivables

	30/9/2023	1/10/2022
	VND	VND
Deposits awaiting settlement at Joint Stock Commercial Bank for Foreign Trade of Vietnam	144,324,780,746	-
Advances for purchases of lands	58,438,165,400	53,832,470,000
Advances to employees	25,566,944,730	32,492,267,608
Receivables from transfer of land use rights	12,818,775,000	12,818,775,000
Advances for compensations and ground clearance costs	95,738,070,000	20,000,000,000
Short-term deposits and rental deposits	34,553,500,430	35,975,205,196
Shortage of assets awaiting resolution	10,345,169,668	1,631,088,893
Other receivables	1,832,345,387	6,005,283,197
	383,617,751,361	162,755,089,894

(i) Other short-term receivables from related parties

	30/9/2023	1/10/2022
	VND	VND
<i>Companies owned by the Group's Chairman</i>		
Hoa Sen Holdings Group	1,010,000,000	1,448,000,000
<i>Key management personnel</i>		
Mr. Hoang Duc Huy – Deputy General Director	45,462,225,000	45,462,225,000

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

(b) Other long-term receivables

	30/9/2023	1/10/2022
	VND	VND
Rental deposits	127,931,524,246	161,495,291,600
Others	15,152,000,000	10,000,000,000
	143,083,524,246	171,495,291,600

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10. Inventories

	30/9/2023		1/10/2022	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	1,190,017,296,617	(1,916,485,707)	121,427,071,099	-
Raw materials	2,593,687,433,417	(34,594,377,867)	3,048,486,580,997	(417,399,664,065)
Tools and supplies	535,963,387,028	-	603,798,226,059	-
Work in progress	-	-	4,834,046	-
Finished goods	2,226,103,634,178	(46,391,373,811)	2,788,849,194,981	(224,568,764,408)
Merchandise goods	1,200,272,872,533	(34,536,265,697)	1,548,422,592,532	(73,710,731,275)
	<u>7,746,044,623,773</u>	<u>(117,438,503,082)</u>	<u>8,110,988,499,714</u>	<u>(715,679,159,748)</u>

As at 30 September 2023, inventories with carrying value of VND3,729,368 million (1/10/2022: VND4,603,003 million) were pledged with banks as security for loans granted to the Group (Note 20).

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

	Year ended	
	30/9/2023 VND	30/9/2022 VND
Opening balance	715,679,159,748	206,895,014,407
Allowance (reversed)/made during the year	(598,240,656,666)	508,784,145,341
Closing balance	<u>117,438,503,082</u>	<u>715,679,159,748</u>

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11. Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
Cost						
Opening balance	2,843,121,743,939	10,619,315,671,481	508,175,262,734	87,597,045,920	28,523,324,642	14,086,733,048,716
Additions	659,272,079	17,138,814,989	8,477,085,926	-	100,147,000	26,375,319,994
Transfers from construction in progress	88,468,369,521	67,311,694,509	3,847,900,311	8,373,081,818	9,540,915,756	177,541,961,915
Transfers from intangible fixed assets	-	-	-	4,986,512,351	-	4,986,512,351
Disposals	(137,900,000)	(62,046,566,940)	(2,891,016,355)	-	-	(65,075,483,295)
Written off	(1,246,719,022)	(1,421,112,916)	-	-	-	(2,667,831,938)
Closing balance	2,930,864,766,517	10,640,298,501,123	517,609,232,616	100,956,640,089	38,164,387,398	14,227,893,527,743
Accumulated depreciation						
Opening balance	942,983,810,820	6,926,009,712,069	370,275,810,842	67,717,454,776	25,129,325,303	8,332,116,113,810
Charge for the year	176,650,018,519	875,223,609,032	51,455,283,312	10,991,312,985	1,914,078,717	1,116,234,302,565
Transfers from intangible fixed assets	-	-	-	2,066,858,784	-	2,066,858,784
Disposals	(16,205,477)	(50,022,915,470)	(2,885,733,225)	-	-	(52,924,854,172)
Written off	(1,052,818,994)	(1,188,575,899)	-	-	-	(2,241,394,893)
Closing balance	1,118,564,804,868	7,750,021,829,732	418,845,360,929	80,775,626,545	27,043,404,020	9,395,251,026,094
Net book value						
Opening balance	1,900,137,933,119	3,693,305,959,412	137,899,451,892	19,879,591,144	3,393,999,339	5,754,616,934,906
Closing balance	1,812,299,961,649	2,890,276,671,391	98,763,871,687	20,181,013,544	11,120,983,378	4,832,642,501,649

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Included in tangible fixed assets were assets costing VND2,800,398 million which were fully depreciated as at 30 September 2023 (1/10/2022: VND1,974,982 million), but which are still in active use.

As at 30 September 2023, tangible fixed assets with net book value of VND3,151,653 million (1/10/2022: VND4,165,082 million) were pledged with banks as security for loans granted to the Group (Note 20).

12. Intangible fixed assets

	Land use rights VND	Software VND	Total VND
Cost			
Opening balance	234,468,842,108	59,491,949,153	293,960,791,261
Additions	113,865,600	-	113,865,600
Transfers to tangible fixed assets	-	(4,986,512,351)	(4,986,512,351)
Closing balance	234,582,707,708	54,505,436,802	289,088,144,510
Accumulated amortisation			
Opening balance	47,941,387,135	41,807,964,241	89,749,351,376
Charge for the year	3,452,227,577	11,014,420,874	14,466,648,451
Transfers to tangible fixed assets	-	(2,066,858,784)	(2,066,858,784)
Closing balance	51,393,614,712	50,755,526,331	102,149,141,043
Net book value			
Opening balance	186,527,454,973	17,683,984,912	204,211,439,885
Closing balance	183,189,092,996	3,749,910,471	186,939,003,467

Included in intangible fixed assets were assets costing VND751 million which were fully amortised as at 30 September 2023 (1/10/2022: VND751 million), but which are still in active use.

As at 30 September 2023, intangible fixed assets with net book value of VND84,446 million (1/10/2022: VND86,072 million) were pledged with banks as security for loans granted to the Group (Note 20).

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13. Construction in progress

	Year ended	
	30/9/2023 VND	30/9/2022 VND
Opening balance	603,535,433,172	660,329,384,725
Additions	209,907,898,640	370,155,829,650
Transfers to tangible fixed assets	(177,541,961,915)	(387,416,067,299)
Transfers to long-term prepaid expenses	(59,129,254,111)	(35,371,741,983)
Transfers to short-term prepaid expenses	(4,953,094,165)	(4,090,028,316)
Disposals	(2,573,439,594)	(71,943,605)
Transfers to other short-term receivables	(38,794,072,000)	-
	<hr/>	<hr/>
Closing balance	530,451,510,027	603,535,433,172
	<hr/>	<hr/>

Major constructions in progress were as follows:

	30/9/2023 VND	1/10/2022 VND
Machinery and equipment awaiting installation	14,928,044,341	36,415,101,440
Construction and renovation costs of Hoa Sen Home projects	12,111,342,101	73,383,240,019
Construction costs of Hoa Sen Yen Bai project	385,771,131,059	382,406,762,021
Land clearance and leveling costs of Hoa Sen Ha Nam project	37,967,880,631	38,794,072,000
Land leveling costs of Hoa Sen Phu My project	11,500,000,000	11,500,000,000
Major maintenance expenses of fixed assets	8,415,713,985	19,269,541,640
Other construction projects	59,757,397,910	41,766,716,052
	<hr/>	<hr/>
	530,451,510,027	603,535,433,172
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During the year, borrowing costs capitalised into the cost of construction in progress amounted to VND2,206 million (for the year ended 30 September 2022: VND5,249 million).

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14. Prepaid expenses

(a) Short-term prepaid expenses

	30/9/2023	1/10/2022
	VND	VND
Rental expenses	65,979,132,889	66,582,136,763
Tools and instruments	27,855,649,983	36,899,099,334
Advertising panels	14,986,892,696	7,532,677,931
Maintenance expenses	7,084,411,712	6,857,793,038
Insurance expenses	7,059,710,184	7,713,933,585
Consulting expenses	1,116,293,334	815,945,168
Others	11,303,539,695	13,429,440,130
	135,385,630,493	139,831,025,949

(b) Long-term prepaid expenses

	30/9/2023	1/10/2022
	VND	VND
Tools and instruments	81,501,592,111	92,167,184,244
Land leveling costs	78,325,116,411	73,245,496,479
Rental expenses	48,282,491,935	52,877,446,322
Maintenance expenses	45,688,884,054	28,347,650,038
Advertising panels	29,746,562,183	25,982,420,589
Others	19,971,702,345	22,811,739,080
	303,516,349,039	295,431,936,752

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

	Year ended	
	30/9/2023	30/9/2022
	VND	VND
Opening balance	295,431,936,752	263,776,212,655
Additions	122,835,385,208	111,289,231,475
Transfers from construction in progress	59,129,254,111	35,371,741,983
Amortisation during the year	(130,361,180,295)	(110,828,182,745)
Disposals and written off	(6,575,048,737)	(4,177,066,616)
Transfers to other short-term receivables	(36,943,998,000)	-
	303,516,349,039	295,431,936,752

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	30/9/2023 VND	1/10/2022 VND
<i>Deferred tax assets are recognised for:</i>		
▪ Unrealised profits	33,328,738,232	4,864,444,988
▪ Accrued expenses	28,280,991,129	90,736,147,414
▪ Allowance and provisions	31,706,123,314	48,526,327,816
▪ Unrealised exchange differences	(483,000,383)	-
	92,832,852,292	144,126,920,218

16. Accounts payable to suppliers**(a) Accounts payable to suppliers detailed by significant suppliers**

	30/9/2023 Cost/amount within repayment capacity VND	1/10/2022 Cost/amount within repayment capacity VND
Win Faith Trading Limited	1,060,712,721,850	-
Formosa Ha Tinh Steel Corporation	215,321,324,077	484,333,050,520
Other suppliers	1,609,138,146,788	555,381,594,658
	2,885,172,192,715	1,039,714,645,178

(b) Accounts payable to suppliers who are related parties

	30/9/2023 Cost/amount within repayment capacity VND	1/10/2022 Cost/amount within repayment capacity VND
<i>Companies owned by the Group's Chairman</i>		
Hoa Sen Holdings Group	5,468,309,878	3,670,024,946
Hoa Sen Nghe An Investment Company Limited	4,124,658,536	4,350,064,783

The trade related amounts due to the related parties are unsecured, interest free and payable within 45 days from invoice date.

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17. Taxes

(a) Taxes receivable from State Treasury

	1/10/2022 VND	Netted-off VND	Reclassified VND	30/9/2023 VND
Corporate income tax	136,009,720,908	(7,511,348,460)	-	128,498,372,448
Personal income tax	63,672,135	(58,866,713)	146,537,657	151,343,079
Other taxes	949,369	(949,369)	-	-
	136,074,342,412	(7,571,164,542)	146,537,657	128,649,715,527

(b) Taxes payable to State Treasury

	1/10/2022 VND	Incurred VND	Netted-off VND	Paid VND	Reclassified VND	30/9/2023 VND
Value added tax	67,012,290,644	8,355,409,913,567	(7,331,435,375,240)	(936,942,725,117)	-	154,044,103,854
Import-export tax	79,574,109	4,359,894,641	-	(4,407,493,829)	-	31,974,921
Corporate income tax	11,811,010,823	64,666,147,735	(7,511,348,460)	(54,101,428,379)	-	14,864,381,719
Personal income tax	2,662,455,482	34,748,149,632	-	(35,389,641,356)	146,537,657	2,167,501,415
Other taxes	471,360	11,795,072,434	(949,369)	(11,054,134,238)	-	740,460,187
	81,565,802,418	8,470,979,178,009	(7,338,947,673,069)	(1,041,895,422,919)	146,537,657	171,848,422,096

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18. Accrued expenses

	30/9/2023	1/10/2022
	VND	VND
Trade discounts and sales support expenses	112,814,263,281	16,245,400,836
Electricity expenses	10,392,668,077	14,202,019,186
Salary and bonus	1,375,141,829	232,043,282,166
Transportation expenses	3,019,944,373	8,961,490,341
Construction in progress	2,433,182,398	8,810,441,608
Interest expense	1,916,402,761	3,811,101,871
Others	30,577,501,678	13,098,525,831
	<hr/>	<hr/>
	162,529,104,397	297,172,261,839
	<hr/> <hr/>	<hr/> <hr/>

19. Other payables – short-term

	30/9/2023	1/10/2022
	VND	VND
Export Documentary Credit Bill Negotiations payable	28,135,471,782	-
Short-term deposits received	10,561,616,231	16,095,878,082
Dividend payables	3,541,015,977	3,546,546,977
Social insurance, health insurance, unemployment insurance and union funds	2,551,389,020	2,590,979,890
Other payables	6,300,080,623	12,758,365,003
	<hr/>	<hr/>
	51,089,573,633	34,991,769,952
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Hoa Sen Group and its subsidiaries

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	1/10/2022 Carrying amount/ Amount within repayment capacity VND	Movements during the year		30/9/2023 Carrying amount/ Amount within repayment capacity VND
		Increase VND	Decrease VND	
Short-term borrowings	3,635,557,150,716	21,838,094,894,006	(22,537,307,520,764)	2,936,344,523,958
Current portion of long-term borrowings (b)	434,936,369,262	42,274,905,619	(477,211,274,881)	-
	4,070,493,519,978	21,880,369,799,625	(23,014,518,795,645)	2,936,344,523,958

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

Lenders	Note	Currency	30/9/2023 VND	1/10/2022 VND
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Industrial Park Branch	(i)	VND	1,625,599,905,996	67,760,505,201
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Industrial Park Branch	(i)	USD	-	1,299,533,881,430
▪ Joint Stock Commercial Bank for Foreign Trade of Vietnam - South Binh Duong Branch	(ii)	VND	1,100,416,059,001	1,338,014,916,558
▪ Joint Stock Commercial Bank for Foreign Trade of Vietnam - South Binh Duong Branch	(ii)	USD	-	151,710,297,416
▪ HSBC Bank (Vietnam) Ltd.	(iii)	VND	-	421,607,418,953
▪ United Overseas Bank (Vietnam) Limited	(iv)	VND	-	266,930,131,158
▪ Kasikornbank Public Bank Limited – Ho Chi Minh City Branch	(v)	VND	177,770,837,441	-
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade - Nghe An Branch	(vi)	VND	-	90,000,000,000
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade - Ba Ria Vung Tau Branch	(vii)	VND	32,557,721,520	-
			<hr/>	<hr/>
			2,936,344,523,958	3,635,557,150,716

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

	Lenders	Currency	Credit limit	Interest rate		Collaterals
				30/9/2023	1/10/2022	
i.	Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Industrial Park Branch	VND USD	VND4,000 billion	2.8% - 5.2% -	3.86% - 4.10% 2.50%	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	VND2,400 billion	3.20% -	4.50% - 5.0% 1.60% - 1.90%	Land use rights, machinery and equipment and inventories, buildings, structures, accounts receivable from customers
iii.	HSBC Bank (Vietnam) Ltd.	VND	USD60 million	-	4.30% - 5.0%	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
iv.	United Overseas Bank (Vietnam) Limited	VND	USD23 million	-	4.30% - 5.20%	Inventories
v.	Kasikornbank Public Bank Limited – Ho Chi Minh City Branch	VND	USD10 million	2.4% - 2.6%	-	Inventories
vi.	Vietnam Joint Stock Commercial Bank for Industry and Trade - Nghe An Branch	VND	USD800 million	-	5.50%	Inventories
vii.	Vietnam Joint Stock Commercial Bank for Industry and Trade - Ba Ria Vung Tau Branch	VND	VND200 billion	3.2%	-	Fixed assets, inventories and accounts receivable from customers

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	30/9/2023	1/10/2022
	VND	VND
Long-term borrowings	-	551,461,944,323
Repayable within twelve months	-	(434,936,369,262)
		<hr/>
Repayable after twelve months	-	116,525,575,061
		<hr/> <hr/>

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

Lenders	Note	Currency	Year of maturity	30/9/2023	1/10/2022
				VND	VND
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Industrial Park Branch	(i)	VND	2021 – 2024	-	477,211,274,881
▪ Joint Stock Commercial Bank for Foreign Trade of Vietnam - Vung Tau Branch	(ii)	VND	2024	-	74,250,669,442
					<hr/>
					- 551,461,944,323
					<hr/> <hr/>

- (i) This loan was secured by land use rights, buildings and structures, machinery and equipment and was settled during the year.
- (ii) This loan was secured by buildings and structures, machinery and equipment and was settled during the year.

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21. Bonus and welfare funds

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

	Year ended	
	30/9/2023	30/9/2022
	VND	VND
Opening balance	206,699,825,822	75,028,510,629
Appropriation from retained profits (Note 23)	10,053,653,206	172,540,289,352
Utilisation of funds during the year	(68,283,905,367)	(40,868,974,159)
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Closing balance	148,469,573,661	206,699,825,822
	<hr/> <hr/>	<hr/> <hr/>

22. Provisions – long-term

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

	Year ended	
	30/9/2023	30/9/2022
	VND	VND
Opening balance	15,418,749,409	13,917,954,327
Provision made during the year	116,673,587	1,500,795,082
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Closing balance	15,535,422,996	15,418,749,409
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23. Changes in owners' equity

	Share capital VND	Share premium VND	Other equity funds VND	Retained profits VND	Non-controlling interest VND	Total VND
Balance at 1 October 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
Net profit/(loss) for the year	-	-	-	251,341,330,129	(21,023,645)	251,320,306,484
Share dividends	996,722,900,000	-	-	(996,722,900,000)	-	-
Shares issued under employee stock ownership plans	49,008,000,000	-	-	-	-	49,008,000,000
Appropriation to bonus and welfare fund	-	-	-	(172,540,289,352)	-	(172,540,289,352)
Appropriation to equity funds	-	-	172,965,686,783	(172,965,686,783)	-	-
Utilisation of funds	-	-	(76,161,878,172)	-	-	(76,161,878,172)
Capital contributed to a subsidiary by non-controlling shareholders	-	-	-	-	150,000,000	150,000,000
Balance at 1 October 2022	5,980,549,860,000	157,292,539,068	187,499,009,876	4,542,183,640,565	16,044,918,305	10,883,569,967,814

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	Share capital VND	Share premium VND	Other equity funds VND	Retained profits VND	Non-controlling interest VND	Total VND
Balance at 1 October 2022	5,980,549,860,000	157,292,539,068	187,499,009,876	4,542,183,640,565	16,044,918,305	10,883,569,967,814
Net profit for the year	-	-	-	30,008,235,685	54,108,217	30,062,343,902
Share dividends (i)	179,273,230,000	-	-	(179,273,230,000)	-	-
Appropriation to bonus and welfare fund	-	-	-	(10,053,653,206)	-	(10,053,653,206)
Appropriation to equity funds (ii)	-	-	13,823,773,157	(13,823,773,157)	-	-
Utilisation of funds	-	-	(123,412,286,089)	-	-	(123,412,286,089)
Balance at 30 September 2023	6,159,823,090,000	157,292,539,068	77,910,496,944	4,369,041,219,887	16,099,026,522	10,780,166,372,421

- (i) In accordance with the Resolution of the General Meeting of Shareholders dated 10 March 2023 and Resolution of the Board of Directors dated 18 May 2023, the Company paid share dividends through issuance of new shares. There were 17,927,323 shares issued at par value of VND10,000/share (for the year ended 30 September 2022: in accordance with the Resolution of the General Meeting of Shareholders dated 21 March 2022 and Resolution of the Board of Directors dated 29 September 2022 the Company issued 99,672,290 shares at par value of VND10,000/share).
- (ii) In accordance with the Resolution of the General Meeting of Shareholders dated 21 March 2022 and Resolution of the Board of Directors dated 1 October 2022, the Company has appropriated VND13,824 million from retained profits brought forward (for the year ended 30 September 2022: in accordance with the Resolution of the General Meeting of Shareholders dated 21 January 2021 and Resolution of the Board of Directors dated 16 November 2021, the Company has appropriated VND172,966 million from retained profits brought forward) to other equity funds for the purpose of paying remunerations and operating expenses of the Board of Directors, charitable activities and other activities of the Company as approved by of the Board of Directors.

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The Company's authorised and issued share capital are:

	30/9/2023		1/10/2022	
	Number of shares	VND	Number of shares	VND
Authorised and issued share capital				
Ordinary shares	615,982,309	6,159,823,090,000	598,054,986	5,980,549,860,000
Shares in circulation				
Ordinary shares	615,982,309	6,159,823,090,000	598,054,986	5,980,549,860,000

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 prior to 1 January 2021, all rights are suspended until those shares are reissued.

Movements of share capital during the year were as follows:

	Year ended			
	30/9/2023		30/9/2022	
	Number of shares	VND	Number of shares	VND
Opening balance	598,054,986	5,980,549,860,000	493,481,896	4,934,818,960,000
Share dividends	17,927,323	179,273,230,000	99,672,290	996,722,900,000
Shares issued under employee stock ownership plans	-	-	4,900,800	49,008,000,000
Closing balance	615,982,309	6,159,823,090,000	598,054,986	5,980,549,860,000

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

	30/9/2023	1/10/2022
	VND	VND
Within one year	198,096,110,010	198,973,265,573
From two to five years	608,663,842,515	703,574,405,633
More than five years	596,870,950,333	686,945,120,839
	<hr/>	<hr/>
	1,403,630,902,858	1,589,492,792,045
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(b) Foreign currency

	30/9/2023		1/10/2022	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	2,947,027	71,073,511,783	1,958,901	46,478,174,548
	<hr/>	<hr/>	<hr/>	<hr/>

(c) Capital expenditure commitments

At the reporting date, the Group had the following outstanding capital expenditure commitments approved for the purpose of purchasing new machinery that will be used for the Group's business operation and construction projects:

	30/9/2023	1/10/2022
	VND	VND
Approved and contracted	129,182,279,069	70,506,807,558
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Total revenue represents the gross value of goods sold and services provided, exclusive of value added tax.

Net revenue comprised:

	Year ended	
	30/9/2023	30/9/2022
	VND	VND
Total revenue		
▪ Sales of finished goods	15,758,056,666,536	23,391,212,646,138
▪ Sales of merchandise goods	16,311,576,818,615	26,679,991,736,818
▪ Provision of services and others	14,664,207,905	18,930,935,545
	<hr/>	<hr/>
	32,084,297,693,056	50,090,135,318,501
Less revenue deductions		
▪ Sales discounts	408,620,166,437	354,367,561,104
▪ Sales returns	15,531,050,103	22,089,020,245
▪ Sales allowances	9,485,519,866	3,042,785,685
	<hr/>	<hr/>
	433,636,736,406	379,499,367,034
Net revenue	<hr/>	<hr/>
	31,650,660,956,650	49,710,635,951,467

27. Cost of sales

	Year ended	
	30/9/2023	30/9/2022
	VND	VND
Total cost of sales:		
▪ Finished goods sold	13,603,191,775,437	20,323,022,949,353
▪ Merchandises goods sold	15,570,568,607,068	23,925,122,178,748
▪ Services rendered and others	14,499,141,167	15,015,516,269
▪ Allowance (reversed)/made during the year	(598,240,656,666)	508,784,145,341
	<hr/>	<hr/>
	28,590,018,867,006	44,771,944,789,711

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28. Financial income

	Year ended	
	30/9/2023 VND	30/9/2022 VND
Interest income from term deposits	1,893,092,911	6,986,154,013
Profits from financial investments	1,144,000,000	1,094,800,000
Realised foreign exchange gains	227,774,761,913	252,349,907,257
Unrealised foreign exchange gains	1,827,471,514	4,628,540,304
Other financial income	835,589,630	1,747,424,994
	233,474,915,968	266,806,826,568

29. Financial expenses

	Year ended	
	30/9/2023 VND	30/9/2022 VND
Interest expense	195,489,503,107	260,241,924,339
Realised foreign exchange losses	116,527,176,927	259,505,091,281
Other financial expenses	2,138,062,212	1,126,303,852
	314,154,742,246	520,873,319,472

30. Selling expenses

	Year ended	
	30/9/2023 VND	30/9/2022 VND
Export expenses	740,825,612,555	1,794,587,785,556
Staff costs	692,558,304,009	900,753,976,328
Domestic transportation expenses	223,306,684,654	340,407,152,000
Rental expenses	194,639,564,812	195,838,571,571
Depreciation and amortisation	198,367,334,392	166,651,322,612
Advertising expenses	73,165,325,085	94,603,895,769
Outside services	84,859,067,464	82,336,100,980
Other selling expenses	269,142,262,572	257,463,695,249
	2,476,864,155,543	3,832,642,500,065

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(continued)****Form B 09 – DN/HN***(Issued under Circular No. 202/2014/TT-BTC
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	Year ended	
	30/9/2023 VND	30/9/2022 VND
Staff costs	141,907,580,859	201,458,245,191
Depreciation and amortisation	58,899,234,668	64,433,530,407
Rental expenses	35,716,348,704	28,253,170,952
Guest reception expenses	13,109,662,348	13,688,805,283
Business trip expenses	9,224,859,371	10,379,350,253
Professional services	9,085,607,582	6,231,783,240
Outside services	59,929,903,424	80,729,125,866
Other general and administration expenses	79,094,714,318	117,053,351,230
	<hr/>	<hr/>
	406,967,911,274	522,227,362,422

32. Other income

	Year ended	
	30/9/2023 VND	30/9/2022 VND
Gains from disposals of fixed assets	7,295,251,088	18,002,558,611
Gains from disposals of tools and instruments	9,911,113,490	9,687,889,329
Compensations received	14,869,945,513	13,264,861,862
Others	18,976,833,376	17,547,480,904
	<hr/>	<hr/>
	51,053,143,467	58,502,790,706

33. Production and business costs by elements

	Year ended	
	30/9/2023 VND	30/9/2022 VND
Costs of raw material included in production costs	25,751,153,670,467	39,321,166,757,145
Labour costs and staff costs	977,190,273,062	1,392,802,608,806
Depreciation and amortisation	1,130,700,951,016	1,159,936,099,089
Outside services	1,908,865,750,638	3,271,112,972,379
Others	905,250,083,597	1,168,310,371,154
	<hr/>	<hr/>

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34. Income tax

(a) Recognised in the consolidated statement of income

	Year ended	
	30/9/2023 VND	30/9/2022 VND
Current tax expense		
Current year	61,497,338,319	93,010,478,757
Under provision in prior years	3,168,809,416	1,111,031,256
	64,666,147,735	94,121,510,013
Deferred tax expense		
Origination and reversal of temporary differences	51,294,067,926	35,687,644,963
	115,960,215,661	129,809,154,976

(b) Reconciliation of effective tax rate

	Year ended	
	30/9/2023 VND	30/9/2022 VND
Accounting profit before tax	146,022,559,563	381,129,461,460
Tax at the Company's tax rate	29,204,511,913	76,225,892,292
Effect of different tax rates in subsidiaries	(22,278,967,032)	(8,333,778,017)
Non-deductible expenses	18,053,891,969	26,107,027,425
Tax incentives	(9,469,905,085)	(15,421,057,778)
Unrecognised deferred tax assets	97,281,874,480	50,120,039,798
Under provision in prior years	3,168,809,416	1,111,031,256
	115,960,215,661	129,809,154,976

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(c) Unrecognised deferred tax assets

	30/9/2023		1/10/2022	
	Temporary difference VND	Tax value VND	Temporary difference VND	Tax value VND
Deductible temporary differences	51,251,801,544	6,515,997,127	520,276,221,130	55,956,413,431
Tax losses	995,618,836,989	158,328,265,083	77,070,259,211	13,101,944,065
	<u>1,046,870,638,533</u>	<u>164,844,262,210</u>	<u>597,346,480,341</u>	<u>69,058,357,496</u>

The tax losses expire in the following years:

Year of expiry	Status of tax review	Tax losses available VND
2024	Finalised	51,019,362,630
2025	Finalised	2,955,947,345
2027	Outstanding	12,376,961,481
2028	Outstanding	929,266,565,533
		<u>995,618,836,989</u>

During the year, the Group had tax losses amounting to VND8,799,822,155 that were expired.

The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of deductible temporary differences and tax losses because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

(d) Applicable tax rates

Under the terms of Income Tax Law, the Company has an obligation to pay the government income tax at 20% of taxable profits. Subsidiaries have obligations to pay the government income tax at rates ranging from 10% to 20% of taxable profits. Details are as follows:

- Hoa Sen Binh Dinh Sole Member Limited Company has an obligation to pay the government income tax at 20% of taxable profits. This subsidiary is exempt from income tax for 2 years starting from the first year it generates a taxable profit (2014 – 2015) and entitled to a 50% reduction in income tax for the 4 succeeding years (2016 – 2019).

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- Hoa Sen Nghe An One Member Limited Liabilities Company has an obligation to pay the government income tax at 10% of taxable profits for 15 years starting from the first year it generates revenue and at the usual income tax rate for the succeeding years. This subsidiary is exempted from income tax for 4 years starting from the first year it generates a taxable profit (2016 – 2019) and entitled to a 50% reduction in income tax for the 9 succeeding years (2020 – 2028).
- Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liability Company has an obligation to pay the government income tax at 10% of taxable profits for 15 years starting from the first year it generates revenue and the usual income tax rate for the succeeding years. This subsidiary is exempted from income tax for 4 years starting from the first year it generates a taxable profit (2019 – 2022) and entitled to a 50% reduction in income tax for the 9 succeeding years (2023 – 2031).
- Hoa Sen Ha Nam One Member Limited Liability Company has an obligation to pay the government income tax at 17% of taxable profits for the first 10 years starting 2016 and at the usual income tax rate for the succeeding years. This subsidiary is exempted from income tax for 2 years starting from the first year it generates a taxable profit (2019 – 2020) and entitled to a 50% reduction in income tax for the 4 succeeding years (2021 – 2024).
- Hoa Sen Phu My One Member Limited Liabilities Company has an obligation to pay the government income tax at 17% of taxable profits for the first 10 years starting from the first year it generates revenue and at the usual income tax rate for the succeeding years. This subsidiary is exempted from income tax for 2 years starting from the first year it generates a taxable profit (2020 – 2021) and entitled to a 50% reduction in income tax for the 4 succeeding years (2022 – 2025).
- Hoa Sen Yen Bai Building Materials One Member Limited Liabilities Company has an obligation to pay the government income tax at 17% of taxable profits for the first 10 years starting from the first year it generates revenue and at the usual income tax rate for the succeeding years. This subsidiary is exempted from income tax for 2 years starting from the first year it generates a taxable profit (2020 – 2021) and entitled to a 50% reduction in income tax for the 4 succeeding years (2022 – 2025).
- Other subsidiaries have obligations to pay the government income tax at 20% of taxable profits.

The usual income tax rate applicable to enterprises excluding any incentives is 20%.

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35. Basic earnings per share

The calculation of basic earnings per share for the years ended 30 September 2023 and 30 September 2022 was based on the profit attributable to ordinary shareholders after deducting the amounts appropriated to bonus and welfare fund for the annual accounting periods and a weighted average number of outstanding ordinary shares, calculated as follows:

(i) *Net profit attributable to ordinary shareholders*

	Year ended	
	30/9/2023 VND	30/9/2022 VND
Net profit for the year	30,008,235,685	251,341,330,129
Appropriation to bonus and welfare fund (*)	(1,200,329,427)	(10,053,653,205)
Net profit attributable to ordinary shareholders	28,807,906,258	241,287,676,924

(*) 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	
	30/9/2023 Number of shares	30/9/2022 Number of shares Restated (*)
Ordinary shares issued at the beginning of the year	598,054,986	493,481,896
Effect of share dividends for the year ended 30 September 2023	17,927,323	17,927,323
Effect of share dividends for the year ended 30 September 2022	-	99,672,290
Effect of shares issued under employee stock ownership plans	-	2,134,869
Weighted average number of ordinary shares	615,982,309	613,216,378

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(iii) *Basic earnings per share*

	30/9/2023 VND	Year ended 30/9/2022 VND As restated (*)	30/9/2022 VND As previously reported
Basic earnings per share	47	393	405

(*) The restatement represented the impact of share dividends issued after the annual accounting period.

36. 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:

	30/9/2023 VND	Year ended 30/9/2022 VND
Companies owned by the Company's Chairman		
Hoa Sen Holdings Group		
Sales of merchandise and finished goods	3,439,051,260,109	4,491,502,543,753
Provision of leasing service	4,064,534,162	3,486,352,344
Purchases of merchandise and finished goods	1,901,825,095	13,030,000
Sales discounts	148,673,081,817	61,952,016,618
Purchase of transportation service	54,176,364,834	69,512,797,002
Purchase of leasing service	10,169,650,855	11,735,093,390
Sale returns	4,878,147,343	4,584,783,491
Interest expense on late payment	315,449,503	4,855,265
Sale allowance	74,543,970	54,727,273
Provision of processing service	54,851,849	-
Provision of transportation service	21,382,180	-
Purchases of fixed assets	18,000,000	-
Purchase of processing service	1,898,200	-
Sales of fixed assets	-	836,100,000
Other sales	-	149,588,019
Other purchases	-	7,004,452
Hoa Sen Nghe An Investment One Member Co., Ltd.		
Purchase of transportation service	43,689,368,018	52,736,771,622
Provision of leasing service	216,000,000	223,500,000
Sales of goods	6,127,500	-

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	Year ended	
	30/9/2023	30/9/2022
	VND	VND
Hoa Sen International Art Performance and Concert Co., Ltd		
Purchase of event organisation service	35,450,000,000	-
Members of the Board of Directors		
<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	300,000,000	300,000,000
Mr. Nguyen Van Luan – Member	360,000,000	360,000,000
Mr. Dinh Viet Duy – Member	300,000,000	300,000,000
General Director		
Salary, bonuses and other allowances	2,362,752,815	2,706,721,532
Other members of the Board of Management		
Salary, bonuses and other allowances	14,431,880,677	16,587,416,081

37. Non-cash investing activities

	Year ended	
	30/9/2023	30/9/2022
	VND	VND
Cost of fixed assets and construction in progress acquired through occurrence of liabilities	30,969,165,231	131,482,180,414

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38. Comparative information

The comparative information as at 1 October 2022 were derived from the Group's consolidated financial statements as at and for the year ended 30 September 2022.

22 December 2023

Prepared by:



Nguyen Thi Thanh Tuyen
Accountant

Approved by:



Nguyen Thi Ngoc Lan
Chief Accountant



Tran Quoc Tri
General Director

