

HOA SEN GROUP

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 31 MARCH 2024**



HOA SEN GROUP

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HOA SEN GROUP

CORPORATE INFORMATION

Enterprise registration certificate

No. 3700381324 dated 8 August 2001 was initially issued by the Department of Planning and Investment of Binh Duong and the latest 42nd amendment dated 2 October 2023.

Board of Directors

Mr. Le Phuoc Vu	Chairperson
Mr. Tran Ngoc Chu	Vice Chairperson
Mr. Tran Quoc Tri	Member
Mr. Ly Van Xuan	Member
Mr. Nguyen Van Luan	Member
Mr. Dinh Viet Duy	Member

Board of Supervision

Mr. Nguyen Van Luan	Chief Supervisor
Mr. Dinh Viet Duy	Member
Mr. Ly Van Xuan	Member

Board of Management

Mr. Vu Van Thanh	General Director (from 12 April 2024) Vice General Director (until 12 April 2024)
Mr. Tran Quoc Tri	General Director (until 12 April 2024)
Mr. Hoang Duc Huy	Vice General Director
Mr. Nguyen Ngoc Huy	Vice General Director
Mr. Tran Thanh Nam	Vice General Director
Mr. Tran Quoc Pham	Vice General Director
Mr. Nguyen Minh Phuc	Vice General Director
Mr. Nguyen Tan Hoa	Vice General Director (from 1 May 2024)
Mr. Nguyen Le Manh Tung	Acting Vice General Director (from 1 May 2024)
Mr. Tran Dinh Tai	Acting Vice General Director (from 1 May 2024)
Mr. Pham Dinh	Acting Vice General Director (from 1 May 2024)

Legal representative

Mr. Le Phuoc Vu	Chairperson
Mr. Tran Ngoc Chu	Vice Chairperson
Mr. Vu Van Thanh	General Director (from 12 April 2024)
Mr. Tran Quoc Tri	General Director (until 12 April 2024)

Registered office

No. 9, Thong Nhat Street, Song Than II Industrial Park, Di An Ward, Di An City, Binh Duong, Vietnam

Representative office

No. 183, Nguyen Van Troi Street, Ward 10, Phu Nhuan District, Ho Chi Minh City, Vietnam

Auditor

PwC (Vietnam) Limited

HOA SEN GROUP

STATEMENT OF THE BOARD OF MANAGEMENT

Statement of Responsibility of the Board of Management of the Company in respect of the Interim Consolidated Financial Statements

The Board of Management of Hoa Sen Group ("the Company") is responsible for preparing the interim consolidated financial statements of the Company and its subsidiaries (together, "the Group") which give a true and fair view of the interim consolidated financial position of the Group as at 31 March 2024, and the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended. In preparing these interim consolidated financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the interim consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the interim consolidated financial position of the Group and enable interim consolidated financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the interim consolidated financial statements. The Board of Management is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud or error.

Approval of the Interim Consolidated Financial Statements

We hereby, approve the accompanying interim consolidated financial statements as set out on pages 5 to 53 which give a true and fair view of the interim consolidated financial position of the Group as at 31 March 2024, and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim consolidated financial statements.



Vu Van Thanh
General Director

Ho Chi Minh City, SR Vietnam
29 May 2024



REPORT ON THE REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION TO THE SHAREHOLDERS OF HOA SEN GROUP

We have reviewed the accompanying interim consol financial statements of Hoa Sen Group ("the Company") which were prepared on 31 March 2024 and approved by the Board of Management on 29 May 2024. The interim consolidated financial statements comprise the interim consolidated balance sheet as at 31 March 2024, the interim consolidated income statement, the interim consolidated cash flow statement for the six-month period then ended, and explanatory notes to the interim consolidated financial statements including significant accounting policies, as set out on pages 5 to 53.

The Board of Management's Responsibility

The Board of Management of the Company is responsible for the preparation and the true and fair presentation of these interim consolidated financial statements of the Group in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of interim consolidated financial statements, and for such internal control which the Board of Management determines is necessary to enable the preparation and presentation of interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the interim consolidated financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the interim consolidated financial position of the Group as at 31 March 2024, its interim consolidated financial performance and its interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of interim consolidated financial statements.

Other Matters

The consolidated financial statements for the year ended 30 September 2023 were audited by another auditor whose independent auditor's report dated 22 December 2023, expressed an unmodified opinion. In addition, the interim consolidated financial statements for the six-month period ended 31 March 2023 were also reviewed by this auditor whose report on review of interim consolidated financial information dated 24 May 2023, expressed an unmodified conclusion.

The report on review of interim consolidated financial information is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

For and on behalf of PwC (Vietnam) Limited



Luong Thi Anh Tuyet
Audit Practising Licence No.:
3048-2024-006-1
Authorised signatory

Report reference number: HCM15555
Ho Chi Minh City, 29 May 2024

INTERIM CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at	
			31.3.2024 VND	30.9.2023 VND
100	CURRENT ASSETS		16,304,365,842,349	11,274,839,904,924
110	Cash and cash equivalents	3	369,599,002,566	596,862,912,861
111	Cash		357,829,002,566	576,792,912,861
112	Cash equivalents		11,770,000,000	20,070,000,000
120	Short-term investment		24,358,873,665	26,175,510,851
123	Investments held to maturity	4(a)	24,358,873,665	26,175,510,851
130	Short-term receivables		2,601,913,462,276	2,322,150,338,611
131	Short-term trade accounts receivable	5	2,337,994,069,956	1,852,766,528,136
132	Short-term prepayments to suppliers	6	133,811,937,213	97,524,228,315
136	Other short-term receivables	7(a)	131,821,560,719	383,617,751,361
137	Provision for doubtful debts – short-term		(1,714,105,612)	(11,758,169,201)
140	Inventories	8	11,919,893,710,214	7,628,606,120,691
141	Inventories		12,132,053,204,430	7,746,044,623,773
149	Provision for decline in value of inventories		(212,159,494,216)	(117,438,503,082)
150	Other current assets		1,388,600,793,628	701,045,021,910
151	Short-term prepaid expenses	9(a)	141,487,189,460	135,385,630,493
152	Value added tax ("VAT") to be reclaimed	14(a)	1,117,451,912,662	437,009,675,890
153	Tax and other receivables from the State	14(b)	129,661,691,506	128,649,715,527
200	LONG-TERM ASSETS		5,672,263,252,129	6,090,465,740,720
210	Long-term receivable		191,464,985,540	143,083,524,246
216	Other long-term receivables	7(b)	191,464,985,540	143,083,524,246
220	Fixed assets		4,515,572,602,173	5,019,581,505,116
221	Tangible fixed assets	10(a)	4,328,128,259,452	4,832,642,501,649
222	Historical cost		14,181,338,658,540	14,227,893,527,743
223	Accumulated depreciation		(9,853,210,399,088)	(9,395,251,026,094)
227	Intangible fixed assets	10(b)	187,444,342,721	186,939,003,467
228	Historical cost		293,322,607,210	289,088,144,510
229	Accumulated amortisation		(105,878,264,489)	(102,149,141,043)
240	Long-term assets in progress		541,334,071,595	530,451,510,027
242	Construction in progress	11	541,334,071,595	530,451,510,027
250	Long-term investment		1,000,000,000	1,000,000,000
255	Investments held to maturity	4(a)	1,000,000,000	1,000,000,000
260	Other long-term assets		422,891,592,821	396,349,201,331
261	Long-term prepaid expenses	9(b)	289,530,761,372	303,516,349,039
262	Deferred income tax assets	19	133,360,831,449	92,832,852,292
270	TOTAL ASSETS		21,976,629,094,478	17,365,305,645,644

The notes on pages 9 to 53 are an integral part of these interim consolidated financial statements.

INTERIM CONSOLIDATED BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at	
			31.3.2024 VND	30.9.2023 VND
300	LIABILITIES		10,816,536,031,178	6,585,139,273,223
310	Short-term liabilities		10,800,367,257,323	6,568,894,350,227
311	Short-term trade accounts payable	12	3,800,154,628,441	2,885,172,192,715
312	Short-term advances from customers	13	281,653,635,372	142,527,410,662
313	Tax and other payables to the State	14(c)	90,479,672,780	171,848,422,096
314	Payable to employees	15	70,410,263,045	70,913,549,105
315	Short-term accrued expenses	16	302,684,444,361	162,529,104,397
319	Other short-term payables		37,858,669,649	51,089,573,633
320	Short-term borrowings	17	6,164,226,457,735	2,936,344,523,958
322	Bonus and welfare funds	18	52,899,485,940	148,469,573,661
330	Long-term liabilities		16,168,773,855	16,244,922,996
337	Other long-term payables		709,500,000	709,500,000
342	Provision for long-term liabilities		15,459,273,855	15,535,422,996
400	OWNERS' EQUITY		11,160,093,063,300	10,780,166,372,421
410	Capital and reserves		11,160,093,063,300	10,780,166,372,421
411	Owners' capital	20, 21	6,159,823,090,000	6,159,823,090,000
411a	- Ordinary shares with voting rights		6,159,823,090,000	6,159,823,090,000
412	Share premium	21	157,292,539,068	157,292,539,068
420	Other funds	21	47,910,893,831	77,910,496,944
421	Undistributed earnings	21	4,778,941,165,120	4,369,041,219,887
421a	- Undistributed post-tax profits of previous years		4,366,190,437,497	4,339,032,984,202
421b	- Post-tax profit of current period/year		412,750,727,623	30,008,235,685
429	Non-controlling interests		16,125,375,281	16,099,026,522
440	TOTAL RESOURCES		21,976,629,094,478	17,365,305,645,644

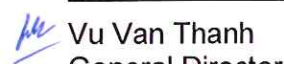


Nguyen Thi Thanh Tuyen
Preparer



Nguyen Thi Ngoc Lan
Chief Accountant





Vu Van Thanh
General Director
29 May 2024

The notes on pages 9 to 53 are an integral part of these interim consolidated financial statements.

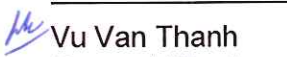
INTERIM CONSOLIDATED INCOME STATEMENT

Code	Note	For the six-month period ended	
		31.3.2024 VND	31.3.2023 VND
01	Revenue from sales of goods and rendering of services	18,673,285,022,777	15,023,787,773,745
02	Less deductions	(350,476,322,629)	(125,492,521,516)
10	Net revenue from sales of goods and rendering of services	18,322,808,700,148	14,898,295,252,229
11	Cost of goods sold and services rendered	(16,254,870,840,141)	(13,804,628,151,045)
20	Gross profit from sales of goods and rendering of services	2,067,937,860,007	1,093,667,101,184
21	Financial income	182,326,648,064	105,499,123,452
22	Financial expenses	(92,198,098,846)	(188,571,707,880)
23	- Including: Interest expense	(54,071,510,070)	(104,934,036,334)
25	Selling expenses	(1,534,882,751,393)	(1,204,161,716,556)
26	General and administration expenses	(217,523,904,430)	(207,575,617,668)
30	Net operating profit/(loss)	405,659,753,402	(401,142,817,468)
31	Other income	27,816,064,313	38,412,956,000
32	Other expenses	(3,779,707,165)	(1,343,445,503)
40	Net other income	24,036,357,148	37,069,510,497
50	Accounting profit/(loss) before tax	429,696,110,550	(364,073,306,971)
51	Corporate income tax ("CIT") - current	(47,628,549,480)	(19,148,749,028)
52	CIT - deferred	40,527,979,157	(40,957,602,733)
60	Profit/(loss) after tax	422,595,540,227	(424,179,658,732)
	Attributable to:		
61	Owners of the parent company	422,569,191,468	(424,201,990,396)
62	Non-controlling interests	26,348,759	22,331,664
70	Basic earnings/(losses) per share	659	(709)
71	Diluted earnings/(losses) per share	659	(709)


 Nguyen Thi Thanh Tuyen
 Preparer


 Nguyen Thi Ngoc Lan
 Chief Accountant




 Vu Van Thanh
 General Director
 29 May 2024

The notes on pages 9 to 53 are an integral part of these interim consolidated financial statements.

INTERIM CONSOLIDATED CASH FLOW STATEMENT
(Indirect method)

Code	Note	For the six-month period ended	
		31.3.2024 VND	31.3.2023 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01		429,696,110,550	(364,073,306,971)
	Accounting profit/(loss) before tax		
	Adjustments for:		
02	Depreciation and amortisation	516,758,306,593	578,937,447,189
03	Provisions/(reversal of provisions)	94,945,948,073	(517,201,998,472)
04	Unrealised foreign exchange gains	(4,055,459,553)	(10,166,384,832)
05	Profits from investing activities	(13,623,778,339)	(8,995,565,272)
06	Interest expense	54,071,510,070	104,934,036,334
08	Operating profit/(loss) before changes in working capital	1,077,792,637,394	(216,565,772,024)
09	Increase in receivables	(997,069,543,736)	(643,634,592,885)
10	(Increase)/decrease in inventories	(4,386,008,580,657)	902,030,595,503
11	Increase in payables	1,091,870,196,537	911,820,608,037
12	Decrease in prepaid expenses	29,257,404,021	25,502,972,220
14	Interest paid	(53,276,128,635)	(105,697,383,919)
15	CIT paid	(36,508,351,252)	(19,180,323,541)
17	Other payments on operating activities	(138,238,937,069)	(69,622,716,335)
20	Net cash (outflows)/inflows from operating activities	(3,412,181,303,397)	784,653,387,056
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(72,925,458,586)	(208,663,337,730)
22	Proceeds from disposals of fixed assets	26,458,454,290	16,081,186,759
23	Payment of term deposits	(203,362,814)	(17,020,000,000)
24	Collection of term deposits	2,020,000,000	16,132,039,162
27	Dividends, interest received and profit distributed	891,918,665	1,865,798,053
30	Net cash outflows from investing activities	(43,758,448,445)	(191,604,313,756)
CASH FLOWS FROM FINANCING ACTIVITIES			
33	Proceeds from short-term borrowings	16,595,934,039,263	8,655,108,551,228
34	Repayments of borrowings	(13,368,052,105,486)	(9,264,461,708,425)
36	Dividends paid, profits distributed to owners	(66,184,200)	-
40	Net cash inflows/(outflows) from financing activities	3,227,815,749,577	(609,353,157,197)
50	Net decrease in cash and cash equivalents in period	(228,124,002,265)	(16,304,083,897)
60	Cash and cash equivalents at beginning of period	596,862,912,861	330,134,957,719
61	Effect of foreign exchange differences	860,091,970	11,666,726,524
70	Cash and cash equivalents at end of period	369,599,002,566	325,497,600,346


Additional information relating to the interim consolidated cash flow statement is presented in Note 34.



 Nguyen Thi Thanh Tuyen
 Preparer



 Nguyen Thi Ngoc Lan
 Chief Accountant



 Vu Van Thanh
 General Director
 29 May 2024



The notes on pages 9 to 53 are an integral part of these interim consolidated financial statements.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 31 March 2024****1 GENERAL INFORMATION**

Hoa Sen Group (“the Company”) is a joint stock company established in SR Vietnam pursuant to investment certificate No. 3700381324, which was issued by the Department of Planning and Development of Binh Duong, dated 8 August 2001 and the 42nd amended enterprise registration certificate dated 2 October 2023.

The Company's shares are listed on the Ho Chi Minh City Stock Exchange with the stock trading code “HSG” from 5 December 2008, according to Decision No. 117/QD-SGDHCM signed by General Director of Ho Chi Minh City Stock Exchange at 5 November 2008.

The registered principal business activities of the Group are:

- Production of roofing sheets made of galvanized steel, zinc-aluminum alloy, painted galvanized steel, and other alloy types;
- Production of steel purlins, galvanized purlins;
- Production of black steel pipes, galvanized steel pipes, steel pipes coated with other alloys;
- Production of galvanized steel mesh, galvanized steel wire, and all kinds of steel wire;
- Buy and sell construction materials, production materials and consumer goods;
- Warehouse leasing and cargo transportation services;
- Industrial and civil construction;
- Production of cold rolled steel coils
- Machinery, equipment and other tangible items leasing;
- Production and sales of construction materials including plastic pipes and plastic pipe accessories; and
- Hotel business, catering services and commercial centers.

The normal business cycle of the Group is 12 months.

As at 31 March 2024, the Company had 7,527 employees (as at 30 September 2023: 7,402 employees).

Comparative information as at 30 September 2023 and the six-month period ended 31 March 2023 is carried over from information presented in the audited consolidated financial statements for the fiscal year ended 30 September 2023 and the reviewed consolidated interim financial statements for the six-month period ended 31 March 2023.

HOA SEN GROUP

Form B 09a – DN/HN

1 GENERAL INFORMATION (continued)

As at 31 March 2024, the Company had 9 subsidiaries and 2 associates (as at 30 September 2023: 9 subsidiaries and 1 associate). Details are as follows:

Name	Principal activities	Place of incorporation and operation	31.3.2024		30.9.2023	
			% of ownership	% of voting rights	% of ownership	% of voting rights
Subsidiaries						
Hoa Sen Nghe An One Member Limited Liabilities Company	Production and sales of metal roofing sheets and steel pipe products.	Nghe An Province	100	100	100	100
Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liabilities Company	Production and sales of metal roofing products.	Binh Dinh Province	100	100	100	100
Hoa Sen Steel One Member Company Limited	Producing and trading cold rolled steel products.	Binh Duong Province	100	100	100	100
Hoa Sen Phu My One Member Limited Liabilities Company	Producing steel products for construction and consumer materials.	Ba Ria - Vung Tau Province	100	100	100	100
Hoa Sen Ha Nam One Member Limited Liabilities Company	Producing and trading steel pipe products.	Ha Nam Province	100	100	100	100
Hoa Sen Plastics Joint Stock Company	Producing and trading in plastic construction materials.	Ba Ria - Vung Tau Province	99.95	99.95	99.95	99.95
Hoa Sen Binh Dinh Sole Member Limited Company	Producing and trading steel pipe products.	Binh Dinh Province	100	100	100	100
Hoa Sen Yen Bai Joint Stock Company	Hotel business, catering services and commercial centers.	Yen Bai Province	95.96	95.96	95.96	95.96
Hoa Sen Yen Bai Building Materials One Member Limited Liabilities Company	Producing and trading steel pipe products.	Yen Bai Province	100	100	100	100
Associates						
Hoa Sen International Port Joint Stock Company	Other support service activities related to transportation.	Ba Ria - Vung Tau Province	49	49	49	49
Hoa Sen Sai Gon Joint Stock Company	Real estate business activities.	Ho Chi Minh City	40	40	-	-

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of the interim consolidated financial statements

The interim consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim consolidated financial statements. The interim consolidated financial statements have been prepared under the historical cost convention, except for investments in associates and business combinations as presented in Note 2.5.

The accompanying interim consolidated financial statements are not intended to present the interim consolidated financial position and results of interim consolidated operations and interim consolidated cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam's. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

The interim consolidated financial statements in Vietnamese language are the official statutory interim consolidated financial statements of the Group. The interim consolidated financial statements in English language have been translated from the Vietnamese language interim consolidated financial statements.

2.2 Fiscal year

The Group's fiscal year is from 1 October to 30 September.

The interim consolidated financial statements are prepared for the six-month period from 1 October to 31 March.

2.3 Currency

The interim consolidated financial statements are measured and presented in Vietnamese Dong ("VND"), which is the Group's accounting currency.

2.4 Exchange rates

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Foreign exchange differences arising from these transactions are recognised in the interim consolidated income statement.

Monetary assets and liabilities denominated in foreign currencies at the consolidated balance sheet date are respectively translated at the buying and selling exchange rates at the consolidated balance sheet date of the commercial bank(s) with which the Group regularly transacts. Foreign currencies deposited in bank(s) at the consolidated balance sheet date are translated at the buying exchange rate of the commercial bank(s) where the Group opens its foreign currency accounts. Foreign exchange differences arising from these translations are recognised in the consolidated income statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.5 Basis of consolidation****Subsidiaries**

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies in order to gain future benefits from their activities generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the interim consolidated income statement.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated.

In a multi-phase acquisition, when determining goodwill or bargain purchase, the consideration is the sum of the total consideration on the date of acquiring control and previous considerations remeasured to fair value on the date of control acquisition.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The financial statements of the subsidiaries are prepared for the same accounting period of the Group for the consolidation purpose. If there are differences in end dates, the gap must not exceed 3 months. Adjustments are made to reflect impacts of significant transactions and events occurring between the end dates of the subsidiaries' accounting period and that of the Group's. The length of the reporting period and differences in reporting date must be consistent between periods.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.5 Basis of consolidation (continued)****Non-controlling transactions and interests**

The Group applies a policy for transactions with non-controlling interests ("NCI") as transactions with external parties to the Group.

NCI are measured at their proportionate share of the acquiree's identifiable net assets at date of acquisition.

Transactions leading to the change in the Group's ownership interest in a subsidiary that does not result in a loss of control is accounted for as a 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 from divestment of Group's interest in the subsidiary is recorded directly in the undistributed earnings under equity.

Transactions leading to the change in the Group's ownership interest in a subsidiary that results in a loss of control, the difference between the Group's share in the net assets of the subsidiary and the net proceeds from divestment is recognised in the interim consolidated income statement. The retained interest in the entity will be accounted for as either an investment in an other entity or an investment to be accounted for as equity since the divestment date.

Associates

Associates are investments that the Group has significant influence but not control over and the Group would generally have from 20% to less than 50% of the voting rights of the investee. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of the post-acquisition profits or losses of its associates is recognised in the consolidated income statement. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Unrealised gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks, cash in transit and other short-term investments with an original maturity of three months or less.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.7 Receivables**

Receivables represent trade receivables from customers arising from sales of goods and rendering of services or non-trade receivables from others and are stated at cost. Provision for doubtful debts is made for each outstanding amount based on overdue days in payment according to the initial payment commitment (exclusive of the payment rescheduling between parties), or based on the expected loss that may arise. Bad debts are written off when identified as uncollectible.

Receivables are classified into short-term and long-term receivables on the interim consolidated balance sheet based on the remaining period from the interim consolidated balance sheet date to the maturity date.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method and includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured products, cost includes all direct expenditure and production overheads based on normal levels of operating activity. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses.

The Group applies the perpetual method for inventories.

Provision is made, where necessary, for obsolete, slow-moving and defective inventory items. The difference between the provision of this period and the provision of the previous period is recognised as an increase or decrease of cost of goods sold in the period.

2.9 Investments**(a) Investments held to maturity**

Investments held to maturity are investments which the Group has a positive intention and ability to hold until maturity.

Investments held to maturity include bank term deposits. Those investments are initially accounted for at cost. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the period end.

Provision for diminution in value of investments held to maturity is made when there is evidence that the investment is uncollectible in whole or in part. Changes in the provision balance during the accounting period are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

Investments held to maturity are classified into short-term and long-term investments held to maturity on the interim consolidated balance sheet based on the remaining period from the interim consolidated balance sheet date to the maturity date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.9 Investments (continued)****(b) Investments in associates**

Investments in associates are accounted for using the equity method when preparing the interim consolidated financial statements (Note 2.5).

2.10 Fixed assets*Tangible and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation and amortisation. Historical cost includes any expenditure that is directly attributable to the acquisition of the fixed assets bringing them to suitable conditions for their intended use. Expenditure which is incurred subsequently and has resulted in an increase in the future economic benefits expected to be obtained from the use of fixed assets, can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the interim consolidated income statement when incurred in the period.

Depreciation and amortisation

Fixed assets are depreciated and amortised using the straight-line method so as to write off the depreciable amount of the fixed assets over their estimated useful lives or over the term of the Investment registration certificated if shorter. Depreciable amount equals to the historical cost of fixed assets recorded in the interim consolidation financial statements minus (-) the estimated disposal value of such assets. The estimated useful lives of each asset class 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

Land use rights comprise of land use rights acquired in a legitimate transfer and prepaid land use rights obtained under land rental contracts which are effective before the effective date of land law 2003 (ie. 1 July 2004) and which land use right certificates are granted.

Definite land use rights are stated at costs less accumulated amortisation. Costs of land use rights consists of its purchased prices and any directly attributable costs in obtaining the land use rights. Land use rights are amortised using the straight-line basis over the terms of the land use right certificates.

Indefinite land use rights are stated at costs and not amortised.

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are recognised as income or expense in the interim consolidated income statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.10 Fixed assets (continued)***Construction in progress*

Construction in progress represents the cost of assets in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, which are recorded at cost and are comprised of such necessary costs to newly construct, to repair and maintain, to upgrade, to renew or equip the projects with technologies as construction costs; costs of tools and equipment; project management expenditure; construction consulting expenditure; and capitalised borrowing costs for qualifying assets in accordance with the Group's accounting policies. Depreciation of these assets, on the same basis as other fixed assets, commences when they are ready for their intended use.

2.11 Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the interim consolidated income statement on a straight-line basis over the term of the lease.

2.12 Prepaid expenses

Prepaid expenses include short-term and long-term prepayments on the interim consolidated balance sheet. Short-term prepaid expenses represent prepayments for services; or tools that do not meet the recognition criteria for fixed assets for a period not exceeding 12 months or a business cycle from the date of prepayment. Long-term prepaid expenses represent prepayments for services; or tools, which do not meet the recognition criteria for fixed assets for a period exceeding 12 months or more than one business cycle from the date of prepayment. Prepaid expenses are recorded at historical cost and allocated using the straight-line method over their estimated useful lives.

Prepayments for land rental contracts which are not recorded as intangible assets as described in Note 2.10 are recorded as prepaid expenses and allocated using the straight-line basis over the prepaid lease term.

2.13 Payables

Classifications of payables are based on their nature as follows:

- Trade accounts payable are trade payables arising from purchase of goods and services; and
- Other payables including non-trade payables, and not relating to purchase of goods and services.

Payables are classified as long-term and short-term payables on the interim consolidated balance sheet based on remaining period from the interim consolidated balance sheet date to the maturity date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.14 Borrowings**

Borrowings include borrowings from banks.

Borrowings are classified into short-term and long-term based on remaining period from the interim consolidated balance sheet date to the maturity date.

Borrowing costs are recognised in the interim consolidated income statement when incurred.

2.15 Accrued expenses

Accrued expenses include liabilities for goods and services received in the period but not yet paid for, due to pending invoice or insufficient records and documents. Accrued expenses are recorded as expenses in the reporting period.

2.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provision is not recognised for future operating losses.

Provisions are measured at the level of expenditures expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a financial expense. Changes in the provision balance during the accounting period are recorded as an increase or decrease in operating expenses.

2.17 Provision for severance allowances

In accordance with Vietnamese labour laws, employees of the Group who have worked regularly for full 12 months or longer are entitled to a severance allowance. The working period used for the calculation of severance allowance is the period during which the employee actually works for the Group less the period during which the employee participates in the unemployment insurance scheme in accordance with the labour regulations and the working period for which the employee has received severance allowance from the Group.

The severance allowance is accrued at the end of the reporting period on the basis that each employee is entitled to half of an average monthly salary for each working year. The average monthly salary used for calculating the severance allowance is the employee contract's average salary for the six-month period prior to the consolidated balance sheet date.

This allowance will be paid as a lump sum when employees terminate their labour contracts in accordance with current regulations.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.18 Capital and reserves**

Owners' capital of the shareholders is recorded according to the actual amounts contributed and is recorded according to par value of the share.

Share premium is the difference between the par value and the issue price of shares; and the difference between the repurchase price and re-issuing price of treasury shares.

Undistributed earnings record the Company's results (profit or loss) after CIT at the reporting date.

2.19 Appropriation of profit

The Group's dividends are recognised as a liability in the interim consolidated financial statements in the period based on the final registration date for closing the list of shareholders according to the Resolution of Board of Directors, in which the dividends are approved by the Company's General Meeting of shareholders.

Net profit after CIT could be distributed to shareholders after approval at a General Meeting of shareholders, and after appropriation to funds in accordance with the Group's charter and Vietnamese regulations.

The Group's funds are as below:

(a) Bonus and welfare fund

The bonus and welfare fund is appropriated from the Group's profit after CIT and subject to shareholders approval at the General Meeting of shareholders. This fund is presented as a liability on the interim consolidated balance sheet. This fund is used for the purpose of rewarding and encouragement, enhancement of the employees' benefits.

(b) Other funds

Other funds are appropriated from profit after tax and approved by the shareholders in the General Meeting of shareholders. This fund is used for sponsorship, charity activities, and remuneration and expenses of the Board of Directors. The use of these funds is based on the regulations on appropriation, management, and use of funds and operating expenses of the Board of Directors.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.20 Revenue recognition****(a) Revenue from sales of goods**

Revenue from sale of goods is recognised in the interim consolidated income statement when all five (5) following conditions are satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

Revenue is recognised in accordance with the “substance over form” principle and allocated to each sales obligation. If the Group gives promotional goods to customers associated with their purchases, the Group allocates the total considerations received between goods sold and promotional goods. The cost of promotional goods is recognised as cost of goods sold in the interim consolidated income statement.

(b) Revenue from rendering of services

Revenue from rendering of services is recognised in the interim consolidated income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue from rendering of services is only recognised when all four (4) following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group;
- The percentage of completion of the transaction at the interim consolidated balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

(c) Interest income

Interest income is recognised on the basis of the actual time and interest rates for each period when both conditions are simultaneously satisfied:

- It is probable that economic benefits will be generated; and
- Income can be measured reliably.

(d) Dividend and profits income

Income from dividend and profit distribution is recognised when the Group has established the receiving right from investees.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.21 Sales deductions**

Sales deductions include trade discounts, sales returns and allowances. Sales deductions incurred in the same period of the related revenue from sales of products, goods and rendering of services are recorded as a deduction from the revenue of that period.

Sales deductions for sales of products, goods or rendering of services which are sold in the period but are incurred after the consolidated balance sheet date but before the issuance of the consolidated financial statements are recorded as a deduction from the revenue of the period.

2.22 Cost of goods sold and services rendered

Cost of goods sold and services rendered are cost of finished goods, merchandises, materials sold or services rendered during the period, and recorded on the basis of matching with revenue and on a prudent basis.

2.23 Financial expenses

Financial expenses are expenses incurred in the period for financial activities including expenses or losses relating to expenses of borrowing; losses from foreign exchange differences; and payment discounts.

2.24 Selling expenses

Selling expenses represent expenses that are incurred in the process of selling products, goods and providing services.

2.25 General and administration expenses

General and administration expenses represent expenses that are incurred for administrative purposes.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.26 Current and deferred income tax**

Income tax includes all income tax which is based on taxable profits. Income tax expense comprises current tax expense and deferred tax expense.

Current income tax is the amount of income taxes payable or recoverable in respect of the current period taxable profits at the current period tax rates. Current and deferred income tax are recognised as an income or an expense and included in the profit or loss of the period, except to the extent that the income tax arises from a transaction or event which is recognised, in the same or a different period, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the interim consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the interim consolidated balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.27 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Group, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group, key management personnel, including the Chairperson and members of the Board of Directors, the Board of Management, the Board of Supervision, close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering its relationships with each related party, the Group considers the substance of the relationships, not merely the legal form.

2.28 Segment reporting

A segment is a component which can be separated by the Group engaged in providing products or services ("business segment"), or providing products or services within a particular economic environment ("geographical segment"). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment is the Group's business segment or the Group's business segment.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.29 Critical accounting estimates**

The preparation of interim consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim consolidated financial statements requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the interim consolidated financial statements and the reported amounts of revenue and expenses during the period.

The areas involving significant estimates and assumptions are as follows:

- Provision for decline in value of inventories (Notes 2.8); and
- CIT expense and deferred income tax (Notes 2.26).

Such estimates and assumptions are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are assessed by the Board of Management to be reasonable under the circumstances.

3 CASH AND CASH EQUIVALENTS

	31.3.2024	30.9.2023
	VND	VND
Cash on hand	28,884,537,337	20,182,995,403
Cash at banks	328,817,997,229	556,584,565,896
Cash in transit	126,468,000	25,351,562
Cash equivalents (*)	11,770,000,000	20,070,000,000
	<u>369,599,002,566</u>	<u>596,862,912,861</u>

(*) As at 31 March 2024, cash equivalents include bank term deposits with original maturity of 3 months or less and earn interest at rates ranging from 1.6% per annum to 2.2% per annum (as at 30 September 2023: from 2.7% per annum to 3.4% per annum).

As at 31 March 2024, cash equivalents of respectively VND11,570 million and VND200 million were used to secure for guarantee contract in Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Industrial Zone Branch and Joint Stock Commercial Bank for Foreign Trade of Vietnam - Vung Tau Branch (as at 30 September 2023: VND19,870 million and VND200 million).

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4 INVESTMENTS

(a) Investments held to maturity

	As at 31.3.2024		As at 30.9.2023	
	Cost VND	Book value VND	Cost VND	Book value VND
i. Short-term				
Term deposits (*)	24,358,873,665	24,358,873,665	26,175,510,851	26,175,510,851
ii. Long-term				
Bonds issued by Agribank Securities Corporation (**)	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000

(*) As at 31 March 2024, the balance represents bank term deposits with original maturity of more than 3 months and less than 12 months and earn interest at rates ranging from 2.9% per annum to 6% per annum (as at 30 September 2023: from 5.2% per annum to 7.5% per annum).

As at 31 March 2024 and 30 September 2023, deposit contract with the amount of VND20,561 million was used as collateral assets for the Group's bank loans of Joint Stock Commercial Bank for Investment and Development of Vietnam (Note 17).

As at 31 March 2024, term deposit contracts with values of VND3,000 million, VND598 million and VND200 million, respectively, are used to secure the guarantee contracts of Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Industrial Zone 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 (as of 30 September 2023: VND3,000 million, VND595 million and VND2,020 million).

(**) Bonds with original maturity of 7 years from the date of issuance on 12 December 2017, issued in Vietnamese Dong and have interest rates calculated based on the average interest rate of personal savings deposits in Vietnamese Dong for the 12-month period term of four (4) banks (Vietnam Bank for Agriculture and Rural Development, Joint Stock Commercial Bank for Foreign Trade of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Trade, Joint Stock Commercial Bank for Investment and Development of Vietnam) plus an annual margin of 1.2%.

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4 INVESTMENTS (continued)

(b) Investments in other entities

	As at 31.3.2024			As at 30.9.2023		
	Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
Investments associates						
Hoa Sen International Port Joint Stock Company (i)	-	(*)	-	-	(*)	-
Hoa Sen Sai Gon Joint Stock Company (ii)	-	(*)	-	-	(*)	-

(i) Hoa Sen International Port Joint Stock Company established pursuant to Investment certificate No. 3502399898, which was issued by the Department of Planning and Development of Ba Ria - Vung tau, dated 5 July 2019. As at 31 March 2024, this Company has not received capital contribution and operated.

(ii) Hoa Sen Sai Gon Joint Stock Company established pursuant to Investment certificate No. 0318310211, which was issued by the Department of Planning and Development of Ho Chi Minh City, dated 21 February 2024. As at 31 March 2024, this Company has not received capital contribution and operated.

(*) As at 31 March 2024 and 30 September 2023, the Group has not determined the fair value of these investments for disclosure in the interim consolidated financial statement because they do not have listed prices. The fair value of such investments may be different from their book value.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	31.3.2024 VND	30.9.2023 VND
Third parties	2,009,453,289,928	1,852,700,510,436
Related parties (Note 35(b))	328,540,780,028	66,017,700
	<u>2,337,994,069,956</u>	<u>1,852,766,528,136</u>

As at 31 March 2024 and 30 September 2023, there were no third-party customers who had a balance accounting for 10% or more of the total balance of short-term trade accounts receivable.

As at 31 March 2024 and 30 September 2023, receivables respectively valued at VND568,894 million and VND570,000 million are mortgaged at Joint Stock Commercial Bank for Foreign Trade of Vietnam - South Binh Duong Branch and Vietnam Joint Stock Commercial Bank For Industry and Trade - Binh Duong Industrial Zone Branch for the Group's bank loans (Note 17).

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	31.3.2024 VND	30.9.2023 VND
Third parties		
ACT Trading and Construction Investment Limited Liability Company	14,256,149,582	146,650,283
QH Plus Steel Structure JSC	30,250,000,000	18,150,000,000
Others	89,305,787,631	79,227,578,032
	<u>133,811,937,213</u>	<u>97,524,228,315</u>

7 OTHER RECEIVABLES

(a) Other short-term receivables

	As at 31.3.2024		As at 30.9.2023	
	Book value VND	Provision VND	Book value VND	Provision VND
Compensation for site clearance (*)	56,943,998,000	-	95,738,070,000	-
Advance from employees	34,368,123,201	-	25,566,944,730	-
Rental deposits and short-term deposits	29,383,946,086	-	34,553,500,430	-
LC deposit	-	-	144,324,780,746	-
Advances for land purchases	-	-	58,438,165,400	-
Shortage of assets awaiting resolution	-	-	10,345,169,668	(10,345,169,668)
Others	11,125,493,432	-	14,651,120,387	-
	<u>131,821,560,719</u>	<u>-</u>	<u>383,617,751,361</u>	<u>(10,345,169,668)</u>
In which,				
Third parties	130,881,560,719	-	337,145,526,361	(10,345,169,668)
Related parties (Note 35)	940,000,000	-	46,472,225,000	-
	<u>131,821,560,719</u>	<u>-</u>	<u>383,617,751,361</u>	<u>(10,345,169,668)</u>

(*) Compensation for site clearance mainly represents the amount that the Group has advanced to clear the site of Hoa Sen Factory Construction Project at Thanh Liem Industrial Park and at the IC12 intersection, Noi Bai - Lao Cai Expressway in Tran Yen District, Yen Bai Province, will be refunded or deducted from the land rental.

(b) Other long-term receivables

	As at 31.3.2024		As at 30.9.2023	
	Book value VND	Provision VND	Book value VND	Provision VND
Rental deposit	105,056,045,140	-	127,931,524,246	-
Advances for land purchases	58,438,165,400	-	-	-
Others	27,970,775,000	-	15,152,000,000	-
	<u>191,464,985,540</u>	<u>-</u>	<u>143,083,524,246</u>	<u>-</u>
In which,				
Third parties	142,097,560,540	-	138,658,324,246	-
Related parties (Note 35)	49,367,425,000	-	4,425,200,000	-
	<u>191,464,985,540</u>	<u>-</u>	<u>143,083,524,246</u>	<u>-</u>

8 INVENTORIES

	As at 31.3.2024		As at 30.9.2023	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	1,138,540,378,977	(16,286,996,949)	1,190,017,296,617	(1,916,485,707)
Raw materials	5,799,076,547,919	(85,101,334,364)	2,593,687,433,417	(34,594,377,867)
Tools and supplies	512,287,446,740	-	535,963,387,028	-
Work in progress	274,996,690	-	-	-
Finished goods	3,264,162,412,923	(86,117,103,939)	2,226,103,634,178	(46,391,373,811)
Merchandise	1,417,711,421,181	(24,654,058,964)	1,200,272,872,533	(34,536,265,697)
	<u>12,132,053,204,430</u>	<u>(212,159,494,216)</u>	<u>7,746,044,623,773</u>	<u>(117,438,503,082)</u>

As at 31 March 2024, the inventories book value at VND6,596,406 million (as at 30 September 2023: VND3,729,368 million), was used as a guarantee for the Group's bank loans (Note 17).

Movements in the provision for decline in value of inventories during the period/year were as follows:

	For the six-month period ended 31.3.2024 VND	For the year ended 30.9.2023 VND
Beginning of period/year	117,438,503,082	715,679,159,748
Increase/(reversal)	94,720,991,134	(598,240,656,666)
End of period/year	<u>212,159,494,216</u>	<u>117,438,503,082</u>

9 PREPAID EXPENSES**(a) Short-term**

	31.3.2024 VND	30.9.2023 VND
Rental expenses	78,638,619,772	65,979,132,889
Tools and supplies	30,284,621,923	27,855,649,983
Prepaid advertising expenses	15,542,523,981	14,986,892,696
Repair and maintainance	7,138,501,080	7,084,411,712
Others	9,882,922,704	19,479,543,213
	<u>141,487,189,460</u>	<u>135,385,630,493</u>

(b) Long-term

	31.3.2024 VND	30.9.2023 VND
Tools and supplies	79,335,645,801	81,501,592,111
Site clearance expense	77,407,244,763	78,325,116,411
Rental expenses	46,879,798,505	48,282,491,935
Repair and maintainance	46,027,728,006	45,688,884,054
Billboard	23,275,066,084	29,746,562,183
Others	16,605,278,213	19,971,702,345
	<u>289,530,761,372</u>	<u>303,516,349,039</u>

Movement in long-term prepaid during period/year were as follows:

	For the six-month period ended 31.3.2024 VND	For the year ended 30.9.2023 VND
Beginning of period/year	303,516,349,039	295,431,936,752
Increase	32,214,039,042	122,835,385,208
Transfer from construction in progress	21,194,688,543	59,129,254,111
Allocation	(66,333,771,863)	(130,361,180,295)
Disposal	(1,060,543,389)	(6,575,048,737)
Transfer to other short-term receivables	-	(36,943,998,000)
	<u>289,530,761,372</u>	<u>303,516,349,039</u>

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10	FIXED ASSETS												
(a)	Tangible fixed assets												
		Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND						
	Historical cost												
	As at 1 October 2023	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						
	New purchases	68,181,818	5,296,587,307	3,441,215,838	-	-	8,805,984,963						
	Transfers from construction in progress (Note 11)	8,988,425,522	4,447,125,081	-	-	-	13,435,550,603						
	Disposals	-	(51,340,863,404)	(10,326,264,980)	-	-	(61,667,128,384)						
	Write-off	(2,216,204,266)	(4,754,178,108)	-	-	(158,894,011)	(7,129,276,385)						
	As at 31 March 2024	2,937,705,169,591	10,593,947,171,999	510,724,183,474	100,956,640,089	38,005,493,387	14,181,338,658,540						
	Accumulated depreciation												
	As at 1 October 2023	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						
	Charge for the period	91,675,545,841	395,210,410,555	20,723,413,573	4,364,613,135	1,055,200,043	513,029,183,147						
	Disposals	-	(40,198,816,674)	(7,929,458,569)	-	-	(48,128,275,243)						
	Write-off	(2,028,462,791)	(4,754,178,108)	-	-	(158,894,011)	(6,941,534,910)						
	As at 31 March 2024	1,208,211,887,918	8,100,279,245,505	431,639,315,933	85,140,239,680	27,939,710,052	9,853,210,399,088						
	Net book value												
	As at 1 October 2023	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						
	As at 31 March 2024	1,729,493,281,673	2,493,667,926,494	79,084,867,541	15,816,400,409	10,065,783,335	4,328,128,259,452						

10 FIXED ASSETS (continued)**(a) Tangible fixed assets (continued)**

As at 31 March 2024, the historical cost of tangible fixed assets which were fully depreciated but still in use was VND3,559,517 million (as at 30 September 2023: VND2,800,398 million).

As at 31 March 2024, tangible fixed assets with carrying amount of VND2,892,603 million (as at 30 September 2023: VND3,151,653 million), were pledged as collaterals for the Group's bank loans (Note 17).

(b) Intangible fixed assets

	Land use rights VND	Software VND	Total VND
Historical cost			
As at 1 October 2023	234,582,707,708	54,505,436,802	289,088,144,510
Transfers from construction in progress (Note 11)	-	4,234,462,700	4,234,462,700
As at 31 March 2024	<u>234,582,707,708</u>	<u>58,739,899,502</u>	<u>293,322,607,210</u>
Accumulated amortisation			
As at 1 October 2023	51,393,614,712	50,755,526,331	102,149,141,043
Charge for the period	1,726,805,850	2,002,317,596	3,729,123,446
As at 31 March 2024	<u>53,120,420,562</u>	<u>52,757,843,927</u>	<u>105,878,264,489</u>
Net book value			
As at 1 October 2023	<u>183,189,092,996</u>	<u>3,749,910,471</u>	<u>186,939,003,467</u>
As at 31 March 2024	<u>181,462,287,146</u>	<u>5,982,055,575</u>	<u>187,444,342,721</u>

As at 31 March 2024, the historical cost of intangible fixed assets which were fully amortised but still in use was VND49,460 million (as at 30 September 2023: VND751 million).

As at 31 March 2024, the intangible fixed assets with carrying amount of VND68,287 million (as at 30 September 2023: VND84,446 million), were pledged as collaterals for the Group's bank loans (Note 17).

11 CONSTRUCTION IN PROGRESS

Details of construction in progress by projects are as follows:

	31.3.2024 VND	30.9.2023 VND
Yen Bai Hotel project	393,139,183,567	385,771,131,059
Construction at subsidiaries	49,128,733,919	32,065,862,113
Hoa Sen Phu My project	38,511,925,321	36,632,865,723
Hoa Sen Ha Nam project	37,967,880,631	37,967,880,631
Software in installation	9,040,000,000	12,390,962,700
Others	13,546,348,157	25,622,807,801
	<u>541,334,071,595</u>	<u>530,451,510,027</u>

Movements in construction in progress during the period/year are as follows:

	For the six-month period ended 31.3.2024 VND	For the year ended 30.9.2023 VND
Beginning of period/year	530,451,510,027	603,535,433,172
Increase	49,925,950,192	209,907,898,640
Transfers to long-term prepaid expenses (Note 9(b))	(21,194,688,543)	(59,129,254,111)
Transfers to tangible fixed assets (Note 10(a))	(13,435,550,603)	(177,541,961,915)
Transfers to intangible fixed assets (Note 10(b))	(4,234,462,700)	-
Transfers to short-term prepaid expenses	(178,686,778)	(4,953,094,165)
Disposals	-	(2,573,439,594)
Transfer to other short-term receivables	-	(38,794,072,000)
	<u>541,334,071,595</u>	<u>530,451,510,027</u>

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12 SHORT-TERM TRADE ACCOUNTS PAYABLE

	As at 31.3.2024		As at 30.9.2023	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties				
Kim Quoc Steel Company Limited	814,473,964,710	814,473,964,710	148,774,386,772	148,774,386,772
Hoa Phat Dung Quat Steel Joint Stock Company	700,694,258,517	700,694,258,517	29,420,508,150	29,420,508,150
Win Faith Trading Limited	445,428,154,443	445,428,154,443	1,060,712,721,850	1,060,712,721,850
Formosa Ha Tinh Steel Corporation	408,097,042,079	408,097,042,079	215,321,324,077	215,321,324,077
Others	1,426,288,804,276	1,426,288,804,276	1,421,350,283,452	1,421,350,283,452
Related parties (Note 35(b))	5,172,404,416	5,172,404,416	9,592,968,414	9,592,968,414
	<u>3,800,154,628,441</u>	<u>3,800,154,628,441</u>	<u>2,885,172,192,715</u>	<u>2,885,172,192,715</u>

13 SHORT-TERM ADVANCES FROM CUSTOMERS

	31.3.2024		30.9.2023	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties				
Sia Granits	36,650,476,014			-
Others	207,221,209,887			130,018,877,787
Related parties (Note 35(b))	37,781,949,471			12,508,532,875
	<u>281,653,635,372</u>		<u>281,653,635,372</u>	<u>142,527,410,662</u>

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14 TAX AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE

Movements in tax and other receivables from/payables to the State were as follows:

	As at 1.10.2023 VND	Receivable/payable during the period VND	Payment during the period VND	Offset during the period VND	Refund during the period VND	Reclassification VND	As at 31.3.2024 VND
(a) VAT to be reclaimed							
VAT to be reclaimed	437,009,675,890	5,599,462,435,860	-	(4,422,161,786,941)	(496,858,412,147)	-	1,117,451,912,662
(b) Tax receivables							
CIT	128,498,372,448	-	-	-	-	366,571,466	128,864,943,914
Personal income tax	151,343,079	-	-	-	-	645,404,513	796,747,592
	128,649,715,527	-	-	-	-	1,011,975,979	129,661,691,506
(c) Tax payables							
VAT import	142,077,492,529	743,994,997,551	(839,021,240,376)	-	-	-	47,051,249,704
CIT	14,864,381,719	47,628,549,480	(36,508,351,252)	-	-	366,571,466	26,351,151,413
VAT	11,966,611,325	4,469,915,166,018	(43,096,184,468)	(4,422,161,786,941)	-	-	16,623,805,934
Personal income tax	2,167,501,415	19,831,025,551	(22,209,957,757)	-	-	645,404,513	433,973,722
Others	772,435,108	15,596,617,767	(16,349,560,868)	-	-	-	19,492,007
	171,848,422,096	5,296,966,356,367	(957,185,294,721)	(4,422,161,786,941)	-	1,011,975,979	90,479,672,780

15 PAYABLE TO EMPLOYEES

Payable to employees represents salary payable to employees.

16 SHORT-TERM ACCRUED EXPENSES

	31.3.2024	30.9.2023
	VND	VND
Trade discount	138,751,679,749	90,199,607,878
Staff costs	46,778,867,260	1,375,141,829
Transportation	34,595,845,997	3,019,944,373
Electricity	21,128,539,495	10,392,668,077
Rental fee	20,239,199,753	17,810,699,049
Promotion	17,503,037,539	12,665,979,198
Interest expense	2,711,784,196	1,916,402,761
Others	20,975,490,372	25,148,661,232
	<u>302,684,444,361</u>	<u>162,529,104,397</u>

17 SHORT-TERM BORROWINGS

	As at		Decrease	As at
	1.10.2023	Increase	VND	31.3.2024
	VND	VND		VND
Borrowings from banks	<u>2,936,344,523,958</u>	<u>16,595,934,039,263</u>	<u>(13,368,052,105,486)</u>	<u>6,164,226,457,735</u>

17 SHORT-TERM BORROWINGS (continued)

Borrowings from banks are mobilised for the purpose of financing working capital. Interest rates of borrowings are determined in each drawdown. Details are as follows:

Banks	Interest %/year	Term	As at 31.3.2024	As at 30.9.2023
Vietnam Joint Stock Commercial Bank For Industry and Trade - Binh Duong Industrial Zone Branch (i)	1.9% - 4.2%	No exceed 5 months from the disbursement date.	3,246,612,518,650	1,625,599,905,996
Joint Stock Commercial Bank for Foreign Trade of Vietnam - South Binh Duong branch (ii)	2.3% - 3.2%	No exceed 6 months from the next day of disbursement date and was stated in each drawdown note.	1,727,201,049,538	1,100,416,059,001
HSBC Bank (Vietnam) Ltd (iii)	2.3% - 3%	No exceed 120 days from the disbursement date.	374,825,026,417	-
Bank for Investment and Development of Vietnam (iv)	2.3% - 3%	According to specific credit agreement and no exceed 12 months from the disbursement date.	358,746,002,288	-
Kasikornbank Public Company Limited - Ho Chi Minh Branch (v)	2% - 2.9%	No exceed 120 days from the disbursement date.	240,768,168,761	177,770,837,441
United Overseas Bank (Vietnam) Limited (vi)	2.4%	No exceed 120 days from the disbursement date.	146,311,076,748	-
Vietnam Joint Stock Commercial Bank For Industry and Trade - Ba Ria - Vung Tau Branch (vii)	2.5% - 4.5%	No exceed 5 months from the next day of the disbursement date.	69,762,615,333	32,557,721,520
Saigon Thuong Tin Commercial Joint Stock Bank (viii)	(*)	According to specific credit agreement.	-	-
			<u>6,164,226,457,735</u>	<u>2,936,344,523,958</u>

(*) The Group have not incurred borrowings with Saigon Thuong Tin Commercial Joint Stock Bank during the six-month period ended 31 March 2024.

17 SHORT-TERM BORROWINGS (continued)

Details of collateral assets are as follow:

- (i) Loans from Vietnam Joint Stock Commercial Bank For Industry and Trade - Binh Duong Industrial Zone Branch is secured by land use rights and tangible fixed assets with total carrying amount of VND34,489 million and VND2,351,402 million respectively (as at 30 September 2023: VND34,990 million and VND2,627,648 million); minimum inventories balance equal to short-term borrowing balance; and receivables with amount of VND570,000 million;
- (ii) Loans from Joint Stock Commercial Bank for Foreign Trade of Vietnam - South Binh Duong Branch is secured by land use rights and tangible fixed assets with carrying amount of VND18,261 million and VND388,667 million respectively (as at 30 September 2023: VND31,295 million and VND356,218 million); minimum inventories balance equal to short-term borrowing balance; and receivables with amount of VND568,894 million.
- (iii) Loans from HSBC Bank (Vietnam) Ltd is secured by land use rights and tangible assets with carrying amount of VND10,766 million and VND29,833 million respectively (as at 30 September 2023: VND10,766 million and VND30,966 million); and inventories;
- (iv) Loans from Bank for Investment and Development of Vietnam is secured by a term deposit with a book value of VND20,561 million and tangible fixed assets has a carrying amount of VND45,825 million (as at 30 September 2023: VND20,561 million and VND50,575 million);
- (v) Loans from Kasikornbank Public Company Limited - Ho Chi Minh Branch is secured by the Company's inventories with the minimum of USD10 million (or equivalent amount in Vietnamese Dong);
- (vi) Loans from United Overseas Bank (Vietnam) Limited is secured by the floating inventories with the amount of USD23 million;
- (vii) Loans from Vietnam Joint Stock Commercial Bank for Industry and Trade - Ba Ria - Vung Tau Branch is secured by inventory and tangible assets with carrying amount of VND360,000 million and VND76,876 million respectively (as at 30 September 2023: VND360,000 million and VND86,216 million); and
- (viii) The collateral assets at Saigon Thuong Tin Commercial Joint Stock Bank is land use rights with a carrying amount of VND4,771 million (as of 30 September 2023: VND7,395 million).

18 BONUS AND WELFARE FUNDS

Movements in bonus and welfare fund during the period/year are as follows:

	For the six-month period ended 31.3.2024 VND	For the year ended 30.9.2023 VND
Beginning of period/year	148,469,573,661	206,699,825,822
Appropriation (Note 21)	5,334,419,468	10,053,653,206
Utilisation	(100,904,507,189)	(68,283,905,367)
End of period/year	<u>52,899,485,940</u>	<u>148,469,573,661</u>

19 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same taxation authority and same taxable unit. The details were as follows:

	31.3.2024 VND	30.9.2023 VND
Deferred tax assets:		
Deferred tax assets to be recovered after more than 12 months	4,346,419,508	2,872,608,474
Deferred tax assets to be recovered within 12 months	129,923,360,067	90,443,244,201
Deferred tax liabilities:		
Deferred tax liabilities to be recovered within 12 months	(908,948,126)	(483,000,383)
	<u>133,360,831,449</u>	<u>92,832,852,292</u>

19 DEFERRED INCOME TAX (continued)

The gross movement in deferred income tax, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	For the six-month period ended 31.3.2024 VND	For the year ended 30.9.2023 VND
Beginning of period/year	92,832,852,292	144,126,920,218
Consolidated income statement (charge)/credit	40,527,979,157	(51,294,067,926)
End of period/year	<u>133,360,831,449</u>	<u>92,832,852,292</u>

(a) Details of deferred tax assets

Deferred tax assets related to the following temporary differences:

	31.3.2024 VND	30.9.2023 VND
Unrealised profits	66,328,774,715	33,328,738,232
Accrued expense	51,644,051,522	28,280,991,129
Provisions	16,296,953,338	31,706,123,314
	<u>134,269,779,575</u>	<u>93,315,852,675</u>

(b) Details of deferred tax liabilities

Deferred tax liabilities related to the following temporary differences:

	31.3.2024 VND	30.9.2023 VND
Foreign exchange differences	<u>(908,948,126)</u>	<u>(483,000,383)</u>

The Group used tax rates of 5%, 8.5% and 20% for the six-month period ended 31 March 2024 and the fiscal year ended 30 September 2023 to determine deferred income tax assets and deferred income tax liabilities.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

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20 OWNERS' CAPITAL

(a) Number of shares

	As at 31.3.2024		As at 30.9.2023	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered	615,982,309	-	615,982,309	-
Number of shares issued	615,982,309	-	615,982,309	-
Number of existing shares in circulation	615,982,309	-	615,982,309	-

(b) Details of owners' shareholding

	As at 31.3.2024		As at 30.9.2023	
	Ordinary shares	%	Ordinary shares	%
Mr. Le Phuoc Vu	104,845,945	17.02	104,845,945	17.02
Other shareholders	511,136,364	82.98	511,136,364	82.98
Number of shares	615,982,309	100.00	615,982,309	100.00

(c) Movement of share capital

	Number of shares	Ordinary shares VND	Preference shares VND	Total VND
As at 1 October 2022	598,054,986	5,980,549,860,000	-	5,980,549,860,000
New shares issued	17,927,323	179,273,230,000	-	179,273,230,000
As at 30 September 2023	615,982,309	6,159,823,090,000	-	6,159,823,090,000
As at 31 March 2024	615,982,309	6,159,823,090,000	-	6,159,823,090,000

Par value per share: VND10,000.

21 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Other funds VND	Post-tax undistributed earnings VND	Non-controlling shareholder interests VND	Total VND
As 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
Dividends paid	179,273,230,000	-	-	(179,273,230,000)	-	-
Appropriation to bonus and welfare funds	-	-	-	(10,053,653,206)	-	(10,053,653,206)
Appropriation to other funds	-	-	13,823,773,157	(13,823,773,157)	-	-
Utilisation of other funds	-	-	(123,412,286,089)	-	-	(123,412,286,089)
As 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
Net profit for the period	-	-	-	422,569,191,468	26,348,759	422,595,540,227
Appropriation to bonus and welfare funds (*) (Note 18)	-	-	-	(5,334,419,468)	-	(5,334,419,468)
Appropriation to other funds (*)	-	-	7,334,826,767	(7,334,826,767)	-	-
Utilisation of other funds	-	-	(37,334,429,880)	-	-	(37,334,429,880)
As at 31 March 2024	6,159,823,090,000	157,292,539,068	47,910,893,831	4,778,941,165,120	16,125,375,281	11,160,093,063,300

(*) According to the Resolution of Annual General Meeting of Shareholders 2022-2023 No. 01/NQ-DHDCCD/2023 dated 10 March 2023 and the Resolution of Board of Directors No. 02/ND/HĐQT/2024 dated 12 January 2024, the Group has appropriated consolidated profit after tax of the fiscal year 2022-2023 as follow:

- Appropriation of bonus and welfare fund is 4% from consolidated profit after tax, equivalent to VND1,200,329,428;
- Appropriation of compensation for Board of Directors and Department under the Board of Directors is 1.5% from consolidated profit after tax, equivalent to VND 450,123,535; and
- Appropriation of sponsorship and charity fund is 4% from consolidated profit after tax, equivalent to VND1,200,329,427.

Besides, according to the Resolution of Annual General Meeting of Shareholders 2023-2024 No. 01/NQ-DHDCCD/2024 dated 18 March 2024, the Group has temporarily appropriated funds from consolidated profit after tax of the fiscal year 2023-2024 as follow:

- Temporary appropriation of bonus and welfare fund is VND4,134,090,040;
- Temporary appropriation of compensation for Board of Directors and Department under the Board of Directors is 1.5% from consolidated profit after tax, equivalent to VND1,550,283,765; and
- Temporary appropriation of sponsorship and charity fund is VND4,134,090,040.

22 EARNINGS/(LOSSES) PER SHARE**(a) Basic earnings/(losses) per share**

Basic earnings/(losses) per share is calculated by dividing the net profit/(loss) attributable to shareholders after deducting the bonus and welfare funds by the weighted average number of ordinary shares outstanding during the period. The details were as follows:

	For the six-month period ended	
	31.3.2024	31.3.2023
Net profit/(loss) attributable to shareholders (VND)	422,569,191,468	(424,201,990,396)
Less amount allocated to bonus and welfare funds (VND) (*)	(16,902,767,659)	-
	<u>405,666,423,809</u>	<u>(424,201,990,396)</u>
Weighted average number of ordinary shares in issue (shares)	615,982,309	598,054,986
Basic earnings/(losses) per share (VND)	<u>659</u>	<u>(709)</u>

(*) The amount appropriated to bonus and welfare fund for the six-month period ended 31 March 2024 is estimated at a rate of 4% of consolidated net income of the six-month period ended 31 March 2024 according to the Resolution of Annual General Meeting of Shareholders 2023-2024 No. 01/NQ-DHDCD/2024 dated 18 March 2024.

(b) Diluted earnings/(losses) per share

The Group did not have any ordinary shares potentially diluted during the period and up to the date of this consolidated financial statements. Therefore, the diluted earnings/(losses) per share is equal to the basic earnings/(losses) per share.

23 OFF INTERIM CONSOLIDATED BALANCE SHEET ITEMS**(a) Bad debts written off**

As at 31 March 2024, total doubtful debts written off were VND10,345,169,669 (as at 31 September 2023: no balance).

(b) Foreign currency

As at 31 March 2024, included in cash and cash equivalents were balances held in foreign currency of USD4,993,804 (as at 30 September 2023: USD2,947,027).

(c) Operating lease assets

Total minimum receipts in the future from non-cancellable operating lease assets contracts are presented in Note 36(a)(ii).

24 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	For the six-month period ended	
	31.3.2024	31.3.2023
	VND	VND
Revenue from sales of goods and rendering of services		
Revenue from sales of merchandise	9,336,313,801,070	7,307,712,549,680
Revenue from sales of finished goods	9,328,369,721,521	7,708,842,104,479
Revenue from rendering of services	5,677,581,878	4,619,701,972
Revenue from sales of others	2,923,918,308	2,613,417,614
	<u>18,673,285,022,777</u>	<u>15,023,787,773,745</u>
Sales deductions		
Trade discounts	(334,285,136,361)	(110,974,944,576)
Sales returns	(11,389,577,356)	(6,517,398,762)
Sales allowances	(4,801,608,912)	(8,000,178,178)
	<u>(350,476,322,629)</u>	<u>(125,492,521,516)</u>
Net revenue from sales of goods and rendering of services		
Net revenue from sales of merchandises	9,283,589,604,152	7,367,294,419,399
Net revenue from sales of finished goods	9,030,617,595,810	7,523,782,379,911
Net revenue from rendering of services	5,677,581,878	4,605,035,305
Net revenue from sales of others	2,923,918,308	2,613,417,614
	<u>18,322,808,700,148</u>	<u>14,898,295,252,229</u>

25 COST OF GOODS SOLD AND SERVICES RENDERED

	For the six-month period ended	
	31.3.2024 VND	31.3.2023 VND
Cost of merchandise sold	8,333,923,632,839	7,207,062,441,405
Cost of finished goods sold	7,801,857,639,943	7,124,782,786,204
Others	24,368,576,225	2,522,229,138
Provision/(reversal of provision) for decline in value of inventories	94,720,991,134	(529,739,305,702)
	<u>16,254,870,840,141</u>	<u>13,804,628,151,045</u>

26 FINANCIAL INCOME

	For the six-month period ended	
	31.3.2024 VND	31.3.2023 VND
Realised foreign exchange gains	176,944,146,239	93,215,897,780
Net gain from foreign currency translation at period-end	4,055,459,553	10,166,384,832
Interest income from deposits	891,918,665	789,798,053
Income from investments	-	1,076,000,000
Payment discounts received	435,123,607	251,042,787
	<u>182,326,648,064</u>	<u>105,499,123,452</u>

27 FINANCIAL EXPENSES

	For the six-month period ended	
	31.3.2024 VND	31.3.2023 VND
Interest expense	54,071,510,070	104,934,036,334
Realised foreign exchange losses	37,489,946,814	82,359,641,078
Payment discounts	636,641,962	1,278,030,468
	<u>92,198,098,846</u>	<u>188,571,707,880</u>

28 SELLING EXPENSES

	For the six-month period ended	
	31.3.2024 VND	31.3.2023 VND
Export expenses	575,415,082,476	319,156,079,318
Staff costs	433,945,582,438	350,131,899,692
Transportation	117,036,254,205	115,353,992,727
Rental	97,490,762,275	96,458,849,697
Depreciation	92,642,663,161	100,748,505,207
Outside services	39,488,103,289	41,556,358,182
Advertising	33,522,614,032	35,508,680,892
Sales support	9,770,356,089	23,813,549,619
Others	135,571,333,428	121,433,801,222
	<u>1,534,882,751,393</u>	<u>1,204,161,716,556</u>

29 GENERAL AND ADMINISTRATION EXPENSES

	For the six-month period ended	
	31.3.2024 VND	31.3.2023 VND
Staff costs	97,534,954,721	70,303,804,586
Outside services	32,448,843,444	33,872,395,521
Depreciation	23,201,640,900	29,920,660,062
Office and equipment rental	17,206,558,692	14,560,829,438
Others	47,131,906,673	58,917,928,061
	<u>217,523,904,430</u>	<u>207,575,617,668</u>

30 NET OTHER INCOME AND OTHER EXPENSES

	For the six-month period ended	
	31.3.2024 VND	31.3.2023 VND
Other income		
Gains on disposal of fixed assets	12,731,859,674	7,129,767,219
Compensation received	4,431,182,980	11,334,694,496
Others	10,653,021,659	19,948,494,285
	<u>27,816,064,313</u>	<u>38,412,956,000</u>
Other expenses		
Others	3,779,707,165	1,343,445,503
	<u>24,036,357,148</u>	<u>37,069,510,497</u>

31 CORPORATE INCOME TAX (“CIT”)

The Company is obliged to pay the State CIT at the tax rate of 20%. Subsidiaries are obliged to pay the State CIT at the following tax rates:

Hoa Sen Nghe An One Member Limited Liabilities Company is eligible to pay the CIT at the tax rate of 10% within 15 years from the first year of operation of Nam Cam Factory (FY 2015-2016 to FY 2029-2030), Dong Hoi Factory (FY 2016-2017 to FY 2030-2031), and to the normal tax rate in the following years. Nam Cam Factory and Dong Hoi Factory are exempted from CIT for the first 4 years generating taxable income (FY 2015-2016 to FY 2018-2019 and FY 2016-2017 to FY 2019-2020) and are eligible for 50% reduction of CIT in the 9 following years (FY 2019-2020 to FY 2027-2028 and FY 2020-2021 to FY 2028-2029).

Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liabilities Company is eligible to pay the CIT at the tax rate of 10% within 15 years from the date this subsidiary generating revenue (FY 2016-2017 to FY 2030-2031) and at normal tax rates in the following years. This subsidiary is exempted from CIT for 4 years from the first year generating taxable income (FY 2019-2020 to FY 2022-2023) and is eligible for a 50% reduction of CIT in the 9 following years (FY 2023-2024 to FY 2031-2032).

Hoa Sen Ha Nam One Member Limited Liabilities Company is eligible to pay the CIT at the tax rate of 17% within 10 years from the first year this subsidiary has taxable income (FY 2016- 2017 to FY 2025-2026) and at normal tax rates in the following years. This subsidiary is exempted from CIT for production activities for 2 years from the first year generating taxable income (FY 2019-2020 to FY 2020-2021) and is eligible for 50% reduction of CIT in the 4 following years (FY 2021-2022 to FY 2024-2025).

Hoa Sen Phu My One Member Limited Liabilities Company is eligible to pay the CIT at the tax rate of 17% within 10 years from the first year that the investment project of this subsidiary had revenue (FY 2017-2018 to FY 2026-2027) and at normal tax rates in the following years. This subsidiary is exempted from CIT for 2 years from the first year generating taxable income (FY 2020-2021 to FY 2021-2022) and is eligible for 50% reduction of CIT in the next 4 following years (FY 2022-2023 to FY 2025-2026).

Hoa Sen Yen Bai Building Materials One Member Limited Liabilities Company is eligible to pay the CIT at the tax rate of 17% within 10 years from the first year of operation (FY 2017-2018 to FY 2026-2027) and at normal tax rates in the following years. This subsidiary is exempted from CIT for 2 years from the first year generating taxable income (FY 2020-2021 to FY 2021-2022) and is eligible 50% reduction of CIT for the next 4 following years (FY 2022-2023 to FY 2025-2026).

Other subsidiaries are using the applicable tax rate of 20%.

31 CORPORATE INCOME TAX (“CIT”) (continued)

The CIT amount on the accounting profit/(loss) before tax of the Group is different from the tax amount when calculated at the applicable tax rate of 20% as follows:

	For the six-month period ended	
	31.3.2024 VND	31.3.2023 VND
Accounting profit/(loss) before tax	429,696,110,550	(364,073,306,971)
Tax calculated at a rate of 20%	85,939,222,110	(72,814,661,393)
Effects of:		
Expenses not deductible for tax purposes	11,917,304,763	10,235,809,646
Utilisation of previously unrecognised tax losses	(69,765,283,052)	-
Tax losses for which no deferred income tax asset was recognised	8,499,848,140	96,499,695,866
Temporary differences for which no deferred income tax asset was recognised	10,981,689,102	(875,348,922)
Impact of changes in tax rate of subsidiaries	(25,775,363,277)	27,585,744,758
Tax exemption	(14,662,645,245)	(2,414,843,570)
(Over-provision)/under-provision in previous period	(34,202,218)	1,889,955,376
CIT charge (*)	<u>7,100,570,323</u>	<u>60,106,351,761</u>
Charged/(credited) to the interim consolidated income statement:		
CIT - current	47,628,549,480	19,148,749,028
CIT - deferred	(40,527,979,157)	40,957,602,733
	<u>7,100,570,323</u>	<u>60,106,351,761</u>

(*) The current CIT charge for the period is based on estimated taxable income and is subject to review and possible adjustments by the tax authorities.

31 CORPORATE INCOME TAX (“CIT”) (continued)

The Group’s tax losses can be carried forward to offset against future taxable profits for a maximum period of no more than five consecutive years from the year right after the year in which the loss was incurred. The actual amount of tax losses that can be carried forward is subject to review and approval of the tax authorities and may be different from the figures presented in the interim consolidated financial statements. The estimated amount of tax losses available for offset against the Group’s future taxable profit is:

Year of tax loss	Status of tax authorities’ review	Loss incurred VND	Loss utilised VND	Loss carried forward VND
2018-2019	Finalised	51,019,362,630	-	51,019,362,630
2019-2020	Finalised	2,955,947,345	-	2,955,947,345
2021-2022	Outstanding	12,376,961,481	-	12,376,961,481
2022-2023	Outstanding	929,266,565,533	(348,826,415,257)	580,440,150,276
2023-2024	Outstanding	42,499,240,712	-	42,499,240,712

The Group did not recognise deferred income tax assets relating to the above tax losses carried forward, as the realisation of the related tax benefits through future taxable profits currently cannot be assessed as probable.

32 COSTS OF OPERATION BY FACTORS

Costs of operation by factor represents all costs incurred during the period, excluding cost of merchandises for trading activities. Details are as follows:

	For the six-month period ended	
	31.3.2024 VND	31.3.2023 VND
Raw materials	16,085,446,245,871	12,163,197,777,792
Outside service	1,360,051,324,277	920,858,635,868
Staff costs	683,508,712,113	535,285,252,303
Depreciation and amortisation	516,758,306,593	578,937,447,189
Others	510,940,322,160	532,002,521,354
	<u>19,156,704,911,014</u>	<u>14,730,281,634,506</u>

33 SEGMENT REPORTING

The Board of Management of the Group determines that the decisions of the Group are based primarily on the types of products and services provided by the Group. As a result, the primary segment reporting of the Group is presented in respect of the Group’s business segments.

33 SEGMENT REPORTING (continued)*Business segments*

The principal business activities of the Group are production of roofing sheets made of galvanized steel, zinc-aluminum alloy, painted galvanized steel, and other alloy types; production of steel purlins, galvanized purlins, production of black steel pipes, galvanized steel pipes, steel pipes coated with other alloys; production of galvanized steel mesh, galvanized steel wire, and all kinds of steel wire; buy and sell construction materials, production materials and consumer goods; warehouse rental and cargo transportation services; industrial and civil construction; production of cold rolled steel coils; rental of machinery, equipment and other tangible items; production and sales of construction materials including plastic pipes and plastic pipe accessories; and hotel business, catering services and commercial centers. During the period, other business activities account for an insignificant proportion of the total revenue and interim consolidated income statement of the Group. Accordingly, financial information presented on the interim consolidated balance sheet and interim consolidated income statement is mainly related to the main business activities of the Group.

Geographical segments

Segment revenue from external sales and the carrying amount of receivables from customers based on the geographical location of its customers. The total carrying amount of segment assets by geographical location of the assets. As at 31 March 2024 and 30 September 2023, all of the assets of the Group are located only in the territory of Vietnam. Segment information based on the geographical location of the Group is as follows:

	For the six-month period ended 31 March 2024		
	Domestic VND	Export VND	Total VND
Net revenue from sales of goods and rendering of services	9,162,662,688,317	9,160,146,011,831	18,322,808,700,148
Costs of goods sold and services rendered	(8,017,532,799,441)	(8,237,338,040,700)	(16,254,870,840,141)
Net operating profit	1,145,129,888,876	922,807,971,131	2,067,937,860,007
	For the six-month period ended 31 March 2023		
	Domestic VND	Export VND	Total VND
Net revenue from sales of goods and rendering of services	9,513,510,066,822	5,384,785,185,407	14,898,295,252,229
Costs of goods sold and services rendered	(8,709,994,724,394)	(5,094,633,426,651)	(13,804,628,151,045)
Net operating profit	803,515,342,428	290,151,758,756	1,093,667,101,184

34 ADDITIONAL INFORMATION ON CERTAIN ITEMS OF THE INTERIM CONSOLIDATED CASH FLOW STATEMENT

	31.3.2024 VND	30.9.2023 VND
Purchase of fixed assets and other long-term assets that have not yet been settled	25,778,309,570	30,969,165,231
	<u>25,778,309,570</u>	<u>30,969,165,231</u>
	For the six-month period ended	
	31.3.2024 VND	31.3.2023 VND
Write-off provision for doubtful debts - short-term	10,345,169,669	-
	<u>10,345,169,669</u>	<u>-</u>

35 RELATED PARTY DISCLOSURES

The Company is joint stock company.

Details of subsidiaries and associates are given in Note 1.

Details of the key related parties and relationship are given as below:

Name	Relationship
Hoa Sen International Port Joint Stock Company	Associate
Hoa Sen Sai Gon Joint Stock Company	Associate
Hoa Sen Holdings Group	Owned by Chairperson of the Company
Hoa Sen Nghe An Investment One Member Limited Liabilities Company	Owned by Chairperson of the Company
Mr. Hoang Duc Huy	Member of Board of Management

(a) Related party transactions

The significant transactions with related parties incurred in the period are:

	For the six-month period ended	
	31.3.2024 VND	31.3.2023 VND
(i) Net revenue from sales of goods and rendering of services		
Hoa Sen Holdings Group	1,586,714,252,092	1,713,689,692,649
Hoa Sen Nghe An Investment One Member Limited Liabilities Company	108,980,000	108,000,000
	<u>1,586,823,232,092</u>	<u>1,713,797,692,649</u>

35 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

		For the six-month period ended	
		31.3.2024	31.3.2023
		VND	VND
(ii) Purchases of goods and services			
Hoa Sen Holdings Group		221,143,166,613	34,010,735,725
Hoa Sen Nghe An Investment One Member Limited Liabilities Company		29,949,848,612	18,722,486,221
		<u>251,093,015,225</u>	<u>52,733,221,946</u>
(iii) Purchases of fixed assets			
Hoa Sen Holdings Group		-	18,000,000
		<u>-</u>	<u>18,000,000</u>
(iv) Interest from late payment			
Hoa Sen Holdings Group		-	1,741,543
		<u>-</u>	<u>1,741,543</u>
(v) Compensation of key management			
Board of Directors			
Mr. Le Phuoc Vu	Chairperson	180,000,000	180,000,000
Mr. Tran Ngoc Chu	Vice chairperson	150,000,000	150,000,000
Mr. Tran Quoc Tri	Member	120,000,000	120,000,000
Mr. Nguyen Van Luan	Member	120,000,000	120,000,000
Mr. Dinh Viet Duy	Member	120,000,000	120,000,000
Mr. Ly Van Xuan	Member	120,000,000	120,000,000
Board of Supervision			
Mr. Nguyen Van Luan	Chief Supervisor	60,000,000	60,000,000
Mr. Dinh Viet Duy	Member	30,000,000	30,000,000
Mr. Ly Van Xuan	Member	30,000,000	30,000,000
Board of Management			
Mr. Vu Van Thanh	General Director (from 12 April 2024)	1,498,956,192	1,256,812,385
Mr. Tran Quoc Tri	General Director (until 12 April 2024)	1,318,400,000	1,272,852,815
Other members		6,416,878,692	6,385,460,856
		<u>10,164,234,884</u>	<u>9,845,126,056</u>

35 RELATED PARTY DISCLOSURES (continued)

(b) Period-end/year-end balances with related parties

	31.3.2024 VND	30.9.2023 VND
(i) Short-term trade accounts receivable (Note 5)		
Hoa Sen Holdings Group	328,481,380,028	-
Hoa Sen Nghe An Investment One Member Limited Liabilities Company	59,400,000	66,017,700
	<u>328,540,780,028</u>	<u>66,017,700</u>
(ii) Other short-term receivables (Note 7(a))		
Rental deposit		
Hoa Sen Holdings Group	940,000,000	1,010,000,000
Advances for land purchases		
Mr. Hoang Duc Huy	-	45,462,225,000
	<u>940,000,000</u>	<u>46,472,225,000</u>
(iii) Other long-term receivables (Note 7(b))		
Rental deposit		
Hoa Sen Holdings Group	3,905,200,000	4,425,200,000
Advances for land purchases		
Mr. Hoang Duc Huy	45,462,225,000	-
	<u>49,367,425,000</u>	<u>4,425,200,000</u>
(iv) Short-term trade accounts payable (Note 12)		
Hoa Sen Holdings Group	266,841,077	5,468,309,878
Hoa Sen Nghe An Investment One Member Limited Liabilities Company	4,905,563,339	4,124,658,536
	<u>5,172,404,416</u>	<u>9,592,968,414</u>

35 RELATED PARTY DISCLOSURES (continued)**(b) Period-end/year-end balances with related parties (continued)**

	31.3.2024 VND	30.9.2023 VND
(v) Short-term advances from customers (Note 13)		
Hoa Sen Holdings Group	37,781,949,471	12,508,532,875
(vi) Other short-term payables		
Hoa Sen Holdings Group	105,000,000	15,000,000
(vii) Other long-term payables		
Hoa Sen Holdings Group	709,500,000	709,500,000

36 COMMITMENTS**(a) Commitments under operating leases****(i) The Company as a lessee**

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

	31.3.2024 VND	30.9.2023 VND
Within one year	185,586,419,065	198,096,110,010
Between one and five years	536,662,901,188	608,663,842,515
Over five years	564,257,512,655	596,870,950,333
Total minimum payments	1,286,506,832,908	1,403,630,902,858

(ii) The Company as a lessor

The Company signed operating lease contracts. Accordingly, the future minimum lease receipts under non-cancellable operating leases were as follows:

	31.3.2024 VND	30.9.2023 VND
Within one year	4,830,348,997	4,977,767,531
Between one and five years	15,967,865,079	17,700,895,988
Over five years	16,127,164,188	17,703,090,411
Total minimum receipts	36,925,378,264	40,381,753,930

36 COMMITMENTS (continued)

(b) Capital commitments

Capital expenditure contracted for at the consolidated balance sheet date but not recognised in the consolidated financial statements was as follows:

	31.3.2024 VND	30.9.2023 VND
Plants, stores, machinery and equipments	<u>110,967,346,861</u>	<u>129,182,279,069</u>

37 EVENTS AFTER THE INTERIM CONSOLIDATED BALANCE SHEET DATE

As at 25 April 2024, the Board of Directors has finalised the list of shareholders to declare dividends by cash from the consolidated undistributed profit after tax as at to 30 September 2023 according to the audited consolidated financial statements of the fiscal year 2022-2023, the dividend payout rate is 5% of the par value of outstanding shares.

The interim consolidated financial statements were approved by the Board of Management on 29 May 2024.



Nguyen Thi Thanh Tuyen
Preparer



Nguyen Thi Ngoc Lan
Chief Accountant




Vu Van Thanh
General Director

