

HOA SEN GROUP

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



HOA SEN GROUP

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

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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 with 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) Vice General Director
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 Separate Financial Statements

The Board of Management of Hoa Sen Group (“the Company”) is responsible for preparing the interim separate financial statements which give a true and fair view of the interim separate financial position of the Company as at 31 March 2024, and the interim separate results of its operations and its interim separate cash flows for the six-month period then ended. In preparing these interim separate 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 separate financial statements on a going concern basis unless it is inappropriate to presume that the Company 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 separate financial position of the Company and enable interim separate financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the interim separate financial statements. The Board of Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud or error.

Approval of the Interim Separate Financial Statements

We hereby, approve the accompanying interim separate financial statements as set out on pages 5 to 57 which give a true and fair view of the interim separate financial position of the Company as at 31 March 2024, and of the interim separate results of its operations and its interim separate 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 separate financial statements.

Users of these interim separate financial statements of the Company should read them together with the interim consolidated financial statements of the Company and its subsidiaries (“the Group”) for the six-month period ended 31 March 2024 in order to obtain full information of the interim consolidated financial position and interim consolidated results of operations and interim consolidated cash flows of the Group.

On behalf of the Board of Management



Vu Van Thanh
General Director

Ho Chi Minh City, SR Vietnam
29 May 2024



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

We have reviewed the accompanying interim separate financial statements of Hoa Sen Group ("the Company") which were prepared on 31 March 2024 and approved by the Board of Management of the Company on 29 May 2024. The interim separate financial statements comprise the interim separate balance sheet as at 31 March 2024, the interim separate income statement, the interim separate cash flow statement for the six-month period then ended, and explanatory notes to the interim separate financial statements including significant accounting policies, as set out on pages 5 to 57.

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 separate financial statements of the Company in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of interim separate financial statements, and for such internal control which the Board of Management determines is necessary to enable the preparation and presentation of interim separate 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 separate 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 financial information 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 separate financial statements do not present fairly, in all material respects, the interim separate financial position of the Company as at 31 March 2024, its interim separate financial performance and its interim separate 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 separate financial statements.


Other Matters

The separate 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 separate financial statements for the six-month period ended 31 March 2023 were also reviewed by this auditor whose report on review of interim separate financial information dated 24 May 2023, expressed an unmodified conclusion.

The report on review of interim separate financial statements 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: HCM15554
Ho Chi Minh City, 29 May 2024

INTERIM SEPARATE BALANCE SHEET

Code	ASSETS	Note	As at	
			31.3.2024 VND	30.9.2023 VND
100	CURRENT ASSETS		17,426,423,494,086	13,186,804,684,705
110	Cash and cash equivalents	3	255,576,064,873	501,386,999,566
111	Cash		254,826,064,873	500,636,999,566
112	Cash equivalents		750,000,000	750,000,000
120	Short-term investment		20,560,958,904	20,560,958,904
123	Investments held to maturity	4(a)	20,560,958,904	20,560,958,904
130	Short-term receivables		10,458,118,447,765	8,405,245,948,063
131	Short-term trade accounts receivable	5	10,159,265,815,969	7,416,195,465,814
132	Short-term prepayments to suppliers	6	52,347,362,532	26,549,614,993
135	Short-term lendings	7(a)	172,500,000,000	118,500,000,000
136	Other short-term receivables	8(a)	74,433,907,550	854,774,675,210
137	Provision for doubtful debts – short-term		(428,638,286)	(10,773,807,954)
140	Inventories	9	5,674,070,615,058	3,749,491,109,277
141	Inventories		5,801,671,191,641	3,876,500,070,101
149	Provision for decline in value of inventories		(127,600,576,583)	(127,008,960,824)
150	Other current assets		1,018,097,407,486	510,119,668,895
151	Short-term prepaid expenses	10(a)	89,119,461,471	96,483,062,965
152	Value added tax ("VAT") to be reclaimed	15(a)	800,192,116,221	285,106,020,138
153	Tax and other receivables from the State	15(b)	128,785,829,794	128,530,585,792

The notes on pages 10 to 57 are an integral part of these interim separate financial statements.

**INTERIM SEPARATE BALANCE SHEET
(continued)**

Code	ASSETS (continued)	Note	As at	
			31.3.2024 VND	30.9.2023 VND
200	LONG-TERM ASSETS		4,850,198,781,907	4,924,991,584,484
210	Long-term receivables		190,812,985,540	140,931,524,246
215	Long-term lending	7(b)	1,500,000,000	-
216	Other long-term receivables	8(b)	189,312,985,540	140,931,524,246
220	Fixed assets		904,243,995,729	1,016,313,002,019
221	Tangible fixed assets	11(a)	735,718,442,535	848,743,235,444
222	Historical cost		3,851,604,047,179	3,888,602,489,525
223	Accumulated depreciation		(3,115,885,604,644)	(3,039,859,254,081)
227	Intangible fixed assets	11(b)	168,525,553,194	167,569,766,575
228	Historical cost		258,793,677,210	254,559,214,510
229	Accumulated amortisation		(90,268,124,016)	(86,989,447,935)
240	Long-term assets in progress		16,629,603,083	27,180,502,737
242	Construction in progress	12	16,629,603,083	27,180,502,737
250	Long-term investments		3,589,850,000,000	3,589,850,000,000
251	Investments in subsidiaries	4(b)	3,588,850,000,000	3,588,850,000,000
255	Investments held to maturity	4(a)	1,000,000,000	1,000,000,000
260	Other long-term assets		148,662,197,555	150,716,555,482
261	Long-term prepaid expenses	10(b)	78,477,054,666	100,428,317,304
262	Deferred income tax assets	19	70,185,142,889	50,288,238,178
270	TOTAL ASSETS		22,276,622,275,993	18,111,796,269,189


The notes on pages 10 to 57 are an integral part of these interim separate financial statements.

**INTERIM SEPARATE BALANCE SHEET
(continued)**

Code	RESOURCES	Note	As at	
			31.3.2024 VND	30.9.2023 VND
300	LIABILITIES		10,854,300,831,220	6,829,845,298,714
310	Short-term liabilities		10,840,169,616,905	6,815,609,482,547
311	Short-term trade accounts payable	13	4,142,626,148,939	3,330,483,232,614
312	Short-term advances from customers	14	268,243,251,839	129,957,335,766
313	Tax and other payables to the State	15(c)	64,109,029,360	145,505,586,644
314	Payable to employees		44,969,413,644	48,600,453,107
315	Short-term accrued expenses	16	149,276,967,226	66,684,028,030
319	Other short-term payables		23,581,477,555	42,122,470,287
320	Short-term borrowings	17	6,094,463,842,402	2,903,786,802,438
322	Bonus and welfare fund	18	52,899,485,940	148,469,573,661
330	Long-term liabilities		14,131,214,315	14,235,816,167
337	Other long-term payables		709,500,000	709,500,000
342	Provision for long-term liabilities		13,421,714,315	13,526,316,167
400	OWNERS' EQUITY		11,422,321,444,773	11,281,950,970,475
410	Capital and reserves		11,422,321,444,773	11,281,950,970,475
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	5,057,294,921,874	4,886,924,844,463
421a	- Undistributed post-tax profits of previous years		4,884,074,062,073	4,638,635,861,919
421b	- Post-tax profit of current period/year		173,220,859,801	248,288,982,544
440	TOTAL RESOURCES		22,276,622,275,993	18,111,796,269,189

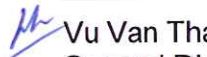


Nguyen Thi Thanh Tuyen
Preparer



Nguyen Thi Ngoc Lan
Chief accountant





Vu Van Thanh
General Director
29 May 2024


The notes on pages 10 to 57 are an integral part of these interim separate financial statements.

INTERIM SEPARATE 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		33,322,273,525,777	24,632,681,403,063
02	Less deductions		(195,423,080,082)	(64,515,126,617)
10	Net revenue from sales of goods and rendering of services	23	33,126,850,445,695	24,568,166,276,446
11	Cost of goods sold and services rendered	24	(31,628,043,960,162)	(23,515,762,832,323)
20	Gross profit from sales of goods and rendering of services		1,498,806,485,533	1,052,403,444,123
21	Financial income	25	188,344,590,545	105,811,629,579
22	Financial expenses	26	(91,332,406,088)	(178,799,975,104)
23	- Including: Interest expense	26	(54,032,560,780)	(96,238,845,958)
25	Selling expenses	27	(1,321,123,751,880)	(1,028,500,773,077)
26	General and administration expenses	28	(127,764,774,119)	(123,798,910,918)
30	Net operating profit/(loss)		146,930,143,991	(172,884,585,397)
31	Other income	29	19,231,587,820	31,096,798,980
32	Other expenses	29	(2,919,619,676)	(122,618,565)
40	Net other income		16,311,968,144	30,974,180,415
50	Accounting profit/(loss) before tax		163,242,112,135	(141,910,404,982)
51	Corporate income tax ("CIT") - current	30	(99,693,200)	(1,536,979,754)
52	CIT - deferred	30	19,896,904,711	(64,230,429,042)
60	Profit/(loss) after tax		183,039,323,646	(207,677,813,778)


 Nguyen Thi Thanh Tuyen
 Preparer


 Nguyen Thi Ngoc Lan
 Chief accountant

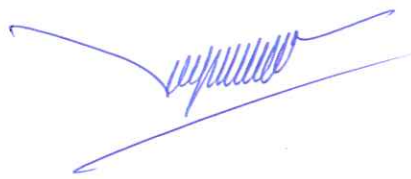

 Vu Van Thanh
 General Director
 29 May 2024



**INTERIM SEPARATE 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		163,242,112,135	(141,910,404,982)
	Accounting profit/(loss) before tax		
	Adjustments for:		
02	Depreciation and amortisation	120,706,500,306	157,240,350,889
03	Provisions/(reversal of provisions)	487,013,907	(119,587,708,331)
04	Unrealised foreign exchange gains	(4,135,455,725)	(10,656,756,441)
05	Profits from investing activities	(15,596,620,658)	(8,880,639,248)
06	Interest expense	54,032,560,780	96,238,845,958
08	Operating profit/(loss) before changes in working capital	318,736,110,745	(27,556,312,155)
09	(Increase)/decrease in receivables	(3,130,775,790,214)	275,533,755,095
10	Increase in inventories	(1,925,171,121,540)	(264,148,948,224)
11	Increase in payables	1,471,383,299,578	470,173,036,313
12	Decrease/(increase) in prepaid expenses	34,915,128,580	(4,163,768,407)
14	Interest paid	(53,022,218,017)	(96,386,470,943)
15	CIT paid	-	(1,461,479,656)
17	Other payments on operating activities	(138,238,937,069)	(69,622,716,335)
20	Net cash (outflows)/inflows from operating activities	(3,422,173,527,937)	282,367,095,688
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(19,502,883,341)	(136,041,211,843)
22	Proceeds from disposals of fixed assets	23,684,038,649	9,778,984,428
23	Payment of term deposits	(75,500,000,000)	(17,000,000,000)
24	Collection of term deposits	20,000,000,000	15,000,000,000
25	Investments in subsidiaries	-	(130,000,000,000)
27	Dividends and interest received	36,379,033,208	8,056,410,470
30	Net cash outflows from investing activities	(14,939,811,484)	(250,205,816,945)
CASH FLOWS FROM FINANCING ACTIVITIES			
33	Proceeds from short-term borrowings	16,352,587,350,750	8,517,766,698,140
34	Repayments of borrowings	(13,161,910,310,786)	(8,558,642,463,974)
36	Dividends paid	(66,184,200)	-
40	Net cash inflows/(outflows) from financing activities	3,190,610,855,764	(40,875,765,834)
50	Net decrease in cash and cash equivalents of period	(246,502,483,657)	(8,714,487,091)
60	Cash and cash equivalents at beginning of period	501,386,999,566	242,815,476,591
61	Effect of foreign exchange differences	691,548,964	11,684,584,453
70	Cash and cash equivalents at end of period	255,576,064,873	245,785,573,953

Additional information relating to the interim separate cash flow statement is presented in Note 32.

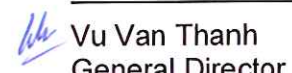


Nguyen Thi Thanh Tuyen
Preparer



Nguyen Thi Ngoc Lan
Chief accountant




Vu Van Thanh
General Director
29 May 2024

The notes on pages 10 to 57 are an integral part of these interim separate financial statements.

**NOTES TO THE INTERIM SEPARATE 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 Company 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; and
- Production of cold rolled steel coils and rental of machinery, equipment and other tangible items.

The normal business cycle of the Company is 12 months.

As at 31 March 2024, the Company had 5,065 employees (as at 30 September 2023: 5,195 employees).

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

HOA SEN GROUP

Form B 09a – DN

1 GENERAL INFORMATION (continued)

As at 31 March 2024, the Company had 9 subsidiaries and 2 associates as disclosed in Note 4 (b) - Investments in other entities (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 Liability 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 separate financial statements

The interim separate 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 separate financial statements. The interim separate financial statements have been prepared under the historical cost convention.

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

The interim separate financial statements in Vietnamese language are the official interim separate statutory financial statements of the Company. The interim separate financial statements in English language have been translated from the Vietnamese interim separate financial statements version.

Separately, the Company has also prepared interim consolidated financial statements for the Company and its subsidiaries (together, "the Group") in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim consolidated financial statements. In the interim consolidated financial statements, subsidiaries undertakings, which are those companies over which the Group has the power to govern the financial and operating policies, have been fully consolidated.

Users of these interim separate financial statements of the Company should read them together with the interim consolidated financial statements of the Group for the six-month period ended 31 March 2024 in order to obtain full information of the interim consolidated financial position and interim consolidated results of operations and interim consolidated cash flows of the whole Group.

2.2 Fiscal year

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

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

2.3 Currency

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.4 Exchange rates**

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

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

2.5 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.

2.6 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 estimated 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 separate balance sheet based on the remaining period from the interim separate balance sheet date to the maturity date.

2.7 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, costs of conversion 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 Company applies the perpetual system 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.8 Investments****(a) Investments held to maturity**

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

Investments held to maturity include bank term deposits and bonds. 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 separate balance sheet based on the remaining period from the interim separate balance sheet date to the maturity date.

(b) Investments in subsidiaries

Subsidiaries are all entities over which the Company 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 Company controls another entity.

Investments in subsidiaries are initially recorded at cost of acquisition plus other expenditures directly attributable to the investment. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the period end.

(c) Investments in associates

Associates are investments that the Company has significant influence but not control over and would generally have from 20% to less than 50% of the voting rights of the investee.

Investments in associates are initially recorded at cost of acquisition including purchase cost or capital contribution value plus other expenditure directly attributable to the investments. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the period end.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.8 Investments (continued)****(d) Provision for for investments in subsidiaries and associates**

Provision for investments in subsidiaries and associates is made when there is a diminution in value of the investments at period end.

Provision for investments in subsidiaries and associates is calculated based on the loss of investees.

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.

2.9 Lendings

Lendings are lendings granted for the earning interest under agreements among parties but not for being traded as securities.

Lendings are initially recognised at cost. Subsequently, the Board of Management reviews all outstanding amounts to determine the amount of provision to recognise at the period end. Provision for doubtful lendings is made for each lending based on overdue days in payment of principals according to the initial payment commitment (exclusive of the payment rescheduling between parties) or based on the estimated loss that may arise. Changes in the provision balance during the accounting period fiscal year 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.

Lendings are classified into short-term and long-term lendings on the interim separate balance sheet based on the remaining term of the lendings as at the interim separate balance sheet date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**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 their 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 charged to the interim separate 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. Depreciable amount equals to the historical cost of fixed assets recorded in the interim separate 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 - 30 years
Machinery and equipment	3 - 10 years
Motor vehicles	2 - 10 years
Office equipment	3 - 10 years
Others	5 - 8 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 of the fixed assets and are recognised as income or expense in the interim separate income statement.

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 comprise 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 accounting policies. Depreciation of these assets, on the same basis as other fixed assets, commences when they are ready for their intended use.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**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 separate 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 separate 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 method 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 are non-trade payables and payables not relating to purchase of goods and services.

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

2.14 Borrowings

Borrowings include borrowings from banks.

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

Borrowing costs are recognised in the interim separate 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 invoices or insufficient records and documents. Accrued expenses are recorded as expenses in the reporting period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.16 Provisions**

Provisions are recognised when the Company 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 the 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. 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 Company 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 Company 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 Company.

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 balance sheet date.

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

2.18 Capital and reserves

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

Share premium is the difference between the par value and the issue price of shares.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.19 Appropriation of profit**

The Company's dividends are recognised as a liability in the Company's interim separate 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 Company's charter and Vietnamese regulations.

The Company's funds are as below:

(a) Bonus and welfare fund

The bonus and welfare fund is appropriated from the Company'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 separate 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.

2.20 Revenue recognition**(a) Revenue from sales of goods**

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

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company 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 Company; 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 sale obligation. If the Company gives promotional goods to customers associated with their purchases, the Company 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 separate income statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.20 Revenue recognition (continued)****(b) Revenue from rendering of services**

Revenue from rendering of services is recognised in the interim separate 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) of the 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 Company;
- The percentage of completion of the transaction at the interim separate 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 below are simultaneously satisfied:

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

(d) Dividends and profits income

Income from dividends and profits is recognised when the Company has established the receiving rights from investees.

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 interim separate balance sheet date but before the issuance of the interim separate 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, merchandise, materials sold and 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**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.

2.26 Current and deferred income tax

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

Current income tax is the amount of income tax 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 separate 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 separate 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 Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, key management personnel, including the Chairperson and members of the Board of Directors, Board of Management, Board of Supervision and 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 Company considers the substance of the relationships, not merely the legal form.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.28 Segment reporting**

A segment is a component which can be separated by the Company engaged in sales of goods or rendering of services (“business segment”), or sales of goods or rendering of 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 Company’s business segment.

2.29 Critical accounting estimates

The preparation of interim separate financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim separate 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 separate financial statements and the reported amounts of revenue and expense during the period.

The areas involving significant estimates and assumptions are as follows:

- Estimation of provision for decline in value of inventories (Notes 2.7); 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 Company 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	28,443,379,000	19,658,150,000
Cash at banks	226,256,217,873	480,959,663,566
Cash in transit	126,468,000	19,186,000
Cash equivalents (*)	750,000,000	750,000,000
	<u>255,576,064,873</u>	<u>501,386,999,566</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).

As at 31 March 2024 and 30 September 2023, cash equivalents of VND750 million were used to secure for guarantee contract in Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Industrial Zone Branch.

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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 (*)	20,560,958,904	20,560,958,904	20,560,958,904	20,560,958,904
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 4.3% per annum to 5.4% per annum (as at 30 September 2023: from 5.4% per annum to 5.7% 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 Company's bank loans of Joint Stock Commercial Bank for Investment and Development of Vietnam (Note 17).

(**) 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
i. Investments in subsidiaries						
Hoa Sen Nghe An One Member Limited Liabilities Company	1,100,000,000,000	(*)	-	1,100,000,000,000	(*)	-
Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liability Company	770,000,000,000	(*)	-	770,000,000,000	(*)	-
Hoa Sen Steel One Member Company Limited	280,000,000,000	(*)	-	280,000,000,000	(*)	-
Hoa Sen Phu My One Member Limited Liabilities Company	380,000,000,000	(*)	-	380,000,000,000	(*)	-
Hoa Sen Ha Nam One Member Limited Liabilities Company	200,000,000,000	(*)	-	200,000,000,000	(*)	-
Hoa Sen Plastics Joint Stock Company	299,850,000,000	(*)	-	299,850,000,000	(*)	-
Hoa Sen Binh Dinh Sole Member Limited Company	105,000,000,000	(*)	-	105,000,000,000	(*)	-
Hoa Sen Yen Bai Joint Stock Company	404,000,000,000	(*)	-	404,000,000,000	(*)	-
Hoa Sen Yen Bai Building Materials One Member Limited Liabilities Company	50,000,000,000	(*)	-	50,000,000,000	(*)	-
ii. Investments associates						
Hoa Sen International Port Joint Stock Company (i)	-	(*)	-	-	(*)	-
Hoa Sen Sai Gon Joint Stock Company (ii)	-	(*)	-	-	(*)	-
	<u>3,588,850,000,000</u>			<u>3,588,850,000,000</u>		

(i) Hoa Sen International Port Joint Stock Company established pursuant to investment certificate 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 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 Company has not determined the fair reliable value of these investments for disclosure in the interim separate 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	1,793,607,143,616	1,554,983,637,140
Related parties (Note 34(b))	8,365,658,672,353	5,861,211,828,674
	<u>10,159,265,815,969</u>	<u>7,416,195,465,814</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 Company'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
Little Rain Company Limited	8,063,030,370	844,762,499
Others	29,175,732,850	25,558,202,211
Related parties (Note 34(b))	852,449,730	-
	<u>52,347,362,532</u>	<u>26,549,614,993</u>

7 LENDING

(a) Short-term

	31.3.2024		30.9.2023	
	Book value VND	Provision VND	Book value VND	Provision VND
Related party (Note 34(b)) (*)	172,500,000,000		118,500,000,000	-

(*) As at 31 March 2024, short-term lendings consist of lending to Hoa Sen Plastics Joint Stock Company, a subsidiary, with a remaining term less than 12 months and earn interest at rate 2.5% per annum (as at 30 September 2023: 3.5% per annum).

Movement of lending during the period/year was as follow:

	For the six-month period ended 31.3.2024 VND	For the year ended 30.9.2023 VND
Opening balance of period/year	118,500,000,000	-
Increase	74,000,000,000	118,500,000,000
Decrease	(20,000,000,000)	-
Ending balance of period/year	172,500,000,000	118,500,000,000

(b) Long-term

	31.3.2024		30.9.2023	
	Book value VND	Provision VND	Book value VND	Provision VND
Related party (Note 34(b)) (*)	1,500,000,000	-	-	-

(*) As at 31 March 2024, long-term lendings consist of lending to Hoa Sen Yen Bai Joint Stock Company, a subsidiary, with a remaining term more than 12 months and earn interest at rate 7% per annum (as at 30 September 2023: not incurred).

8 OTHER RECEIVABLES**(a) Short-term**

	As at 31.3.2024		As at 30.9.2023	
	Book value VND	Provision VND	Book value VND	Provision VND
Advance to employees	34,009,803,747	-	25,152,379,411	-
Rental deposits and short-term deposits	27,871,930,086	-	32,922,961,831	-
Dividends receivable	-	-	569,044,918,051	-
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)
Interest receivables from term deposits	740,127,398	-	-	-
Others	11,812,046,319	-	14,546,300,103	-
	<u>74,433,907,550</u>	<u>-</u>	<u>854,774,675,210</u>	<u>(10,345,169,668)</u>
In which,				
Third parties	70,351,904,203	-	239,257,532,159	(10,345,169,668)
Related parties (Note 34)	4,082,003,347	-	615,517,143,051	-
	<u>74,433,907,550</u>	<u>-</u>	<u>854,774,675,210</u>	<u>(10,345,169,668)</u>

(b) Long-term

	As at 31.3.2024		As at 30.9.2023	
	Book value VND	Provision VND	Book value VND	Provision VND
Rental deposits	105,056,045,140	-	127,931,524,246	-
Advances for land purchases	58,438,165,400	-	-	-
Others	25,818,775,000	-	13,000,000,000	-
	<u>189,312,985,540</u>	<u>-</u>	<u>140,931,524,246</u>	<u>-</u>
In which,				
Third parties	139,945,560,540	-	136,506,324,246	-
Related parties (Note 34)	49,367,425,000	-	4,425,200,000	-
	<u>189,312,985,540</u>	<u>-</u>	<u>140,931,524,246</u>	<u>-</u>

9 INVENTORIES

	As at 31.3.2024		As at 30.9.2023	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	1,091,445,845,383	(16,286,996,949)	1,158,658,126,605	(15,816,167,731)
Raw materials	1,744,570,995,404	(46,203,073,663)	435,595,761,803	(13,737,221,633)
Tools and supplies	140,631,830,952	-	150,718,345,305	-
Finished goods	1,384,765,962,943	(39,283,940,523)	871,628,051,071	(25,238,466,823)
Merchandise	1,440,256,556,959	(25,826,565,448)	1,259,899,785,317	(72,217,104,637)
	<u>5,801,671,191,641</u>	<u>(127,600,576,583)</u>	<u>3,876,500,070,101</u>	<u>(127,008,960,824)</u>

As at 31 March 2024, the inventories book value at VND3,473,944 million (as at 30 September 2023: VND1,614,030 million), was used as a guarantee for the Company'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	127,008,960,824	192,583,414,198
Increase/(reversal)	591,615,759	(65,574,453,374)
End of period/year	<u>127,600,576,583</u>	<u>127,008,960,824</u>

10 PREPAID EXPENSES

(a) Short-term

	31.3.2024 VND	30.9.2023 VND
Warehouse rental	72,691,089,575	64,417,050,951
Tools and supplies	5,800,274,894	7,097,532,603
Prepaid advertising expenses	3,589,834,236	12,053,314,299
Repair and maintainance	2,646,562,982	3,277,044,736
Others	4,391,699,784	9,638,120,376
	<u>89,119,461,471</u>	<u>96,483,062,965</u>

10 PREPAID EXPENSES (continued)

(b) Long-term

	31.3.2024 VND	30.9.2023 VND
Repair and maintainance	24,626,049,565	29,666,238,371
Billboard	21,683,967,806	29,506,341,258
Tools and supplies	18,234,717,181	23,936,086,329
Rental expenses	6,228,457,756	7,087,889,100
Others	7,703,862,358	10,231,762,246
	<u>78,477,054,666</u>	<u>100,428,317,304</u>

Movements in long-term prepaid expenses 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	100,428,317,304	69,639,780,740
Increase	4,523,623,184	34,775,660,765
Transfer from construction in progress (Note 12)	5,421,577,670	52,200,883,683
Allocation	(31,667,998,381)	(55,043,240,550)
Disposals	(228,465,111)	(1,144,767,334)
End of period/year	<u>78,477,054,666</u>	<u>100,428,317,304</u>

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11 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	857,057,288,549	2,587,589,173,611	323,870,381,174	89,735,166,898	30,350,479,293	3,888,602,489,525
New purchases	-	2,346,396,650	3,441,215,838	-	-	5,787,612,488
Transfers from construction in progress (Note 12)	8,988,425,522	462,548,176	-	-	-	9,450,973,698
Disposals	-	(47,826,550,413)	(3,046,614,909)	-	-	(50,873,165,322)
Write-off	-	(1,363,863,210)	-	-	-	(1,363,863,210)
As at 31 March 2024	866,045,714,071	2,541,207,704,814	324,264,982,103	89,735,166,898	30,350,479,293	3,851,604,047,179
Accumulated depreciation						
As at 1 October 2023	391,113,290,220	2,291,669,826,248	266,252,799,840	67,385,906,106	23,437,431,667	3,039,859,254,081
Charge for the period	39,388,692,686	60,956,207,673	12,060,766,223	4,150,495,527	871,662,116	117,427,824,225
Disposals	-	(37,009,586,120)	(3,028,024,332)	-	-	(40,037,610,452)
Write-off	-	(1,363,863,210)	-	-	-	(1,363,863,210)
As at 31 March 2024	430,501,982,906	2,314,252,584,591	275,285,541,731	71,536,401,633	24,309,093,783	3,115,885,604,644
Net book value						
As at 1 October 2023	465,943,998,329	295,919,347,363	57,617,581,334	22,349,260,792	6,913,047,626	848,743,235,444
As at 31 March 2024	435,543,731,165	226,955,120,223	48,979,440,372	18,198,765,265	6,041,385,510	735,718,442,535

11 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 VND2,077,064 million (as at 30 September 2023: VND1,640,344 million).

As at 31 March 2024, the tangible fixed assets which carrying amount is VND92,118 million (as at 30 September 2023: VND114,967 million), were pledged as collaterals for the Company's bank loans (Note 17).

(b) Intangible fixed assets

	Land use rights VND	Software VND	Total VND
Historical cost			
As at 1 October 2023	200,348,707,708	54,210,506,802	254,559,214,510
Transfers from construction in progress (Note 12)	-	4,234,462,700	4,234,462,700
As at 31 March 2024	<u>200,348,707,708</u>	<u>58,444,969,502</u>	<u>258,793,677,210</u>
Accumulated amortisation			
As at 1 October 2023	36,528,851,604	50,460,596,331	86,989,447,935
Charge for the period	1,276,358,485	2,002,317,596	3,278,676,081
As at 31 March 2024	<u>37,805,210,089</u>	<u>52,462,913,927</u>	<u>90,268,124,016</u>
Net book value			
As at 1 October 2023	<u>163,819,856,104</u>	<u>3,749,910,471</u>	<u>167,569,766,575</u>
As at 31 March 2024	<u>162,543,497,619</u>	<u>5,982,055,575</u>	<u>168,525,553,194</u>

As at 31 March 2024, the historical cost of intangible fixed assets which were fully depreciated but still in used was VND49,165 million as at 30 September 2023: VND456 million).

As at 31 March 2024, the intangible fixed assets which remaining amount is VND49,368 million (as at 30 September 2023: VND 65,077 million), were pledged as collaterals for the Company's bank loans (Note 17).

12 CONSTRUCTION IN PROGRESS

Details of construction in progress by projects are as follows:

	31.3.2024 VND	30.9.2023 VND
Computer software in installation	9,040,000,000	12,390,962,700
Construction and upgrading of Hoa Sen Home building materials and furniture supermarkets	4,746,240,950	12,111,342,101
Machinery and equipment in installation	1,164,543,893	82,250,414
Others	1,678,818,240	2,595,947,522
	<u>16,629,603,083</u>	<u>27,180,502,737</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	27,180,502,737	106,037,865,309
Increase	8,734,801,192	105,729,807,473
Transfers to long-term prepaid expenses (Note 10)	(5,421,577,670)	(52,200,883,683)
Transfers to tangible fixed assets (Note 11(a))	(9,450,973,698)	(128,966,965,597)
Transfers to intangible fixed assets (Note 11(b))	(4,234,462,700)	-
Transfers to short-term prepaid expenses	(178,686,778)	(3,419,320,765)
End of period/year	<u>16,629,603,083</u>	<u>27,180,502,737</u>

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13 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	1,087,799,688,312	1,087,799,688,312	1,150,938,868,431	1,150,938,868,431
Related parties (Note 34(b))	686,133,040,878	686,133,040,878	725,315,423,334	725,315,423,334
	<u>4,142,626,148,939</u>	<u>4,142,626,148,939</u>	<u>3,330,483,232,614</u>	<u>3,330,483,232,614</u>

14 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	-	121,002,749,172	-
Others	194,222,607,825		8,954,586,594	
Related parties (Note 34(b))	37,370,168,000			
	<u>268,243,251,839</u>		<u>129,957,335,766</u>	

15 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	285,106,020,138	3,547,433,066,177	-	(2,535,488,557,947)	(496,858,412,147)	-	800,192,116,221
(b) Tax receivables	128,498,372,448	-	-	-	-	(99,693,200)	128,398,679,248
CIT	32,213,344	-	-	-	-	354,937,202	387,150,546
Personal income tax	128,530,585,792	-	-	-	-	255,244,002	128,785,829,794
(c) Tax payables	142,077,492,529	727,310,673,890	(822,336,916,715)	-	-	-	47,051,249,704
VAT on import	761,322,753	2,564,915,561,290	(13,564,520,162)	(2,535,488,557,947)	-	-	16,623,805,934
VAT	1,905,541,818	17,237,225,602	(19,063,730,900)	-	-	354,937,202	433,973,722
Personal income tax	31,974,921	3,471,223,495	(3,503,198,416)	-	-	-	-
Import and export tax	-	99,693,200	-	-	-	(99,693,200)	-
CIT	729,254,623	9,535,645,184	(10,264,899,807)	-	-	-	-
Others	145,505,586,644	3,322,570,022,661	(868,733,266,000)	(2,535,488,557,947)	-	255,244,002	64,109,029,360

16 SHORT-TERM ACCRUED EXPENSES

	31.3.2024 VND	30.9.2023 VND
Trade discounts	55,638,319,984	48,754,012,121
Transportation	33,884,514,350	2,197,954,978
Staff costs	37,127,516,500	644,609,213
Electricity	11,775,096,564	7,929,241,402
Guarantee certificate	4,349,463,325	2,457,188,443
Interest expense	2,679,357,884	1,669,015,121
Others	3,822,698,619	3,032,006,752
	<u>149,276,967,226</u>	<u>66,684,028,030</u>

17 SHORT-TERM BORROWINGS

	As at 1.10.2023 VND	Increase VND	Decrease VND	As at 31.3.2024 VND
Borrowings from banks	<u>2,903,786,802,438</u>	<u>16,352,587,350,750</u>	<u>(13,161,910,310,786)</u>	<u>6,094,463,842,402</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) Kasikornbank Public Company Limited - Ho Chi Minh Branch (v)	2.3% - 3%	According to specific credit agreement and no exceed 12 months from the disbursement date.	358,746,002,288	-
United Overseas Bank (Vietnam) Limited (vi)	2% - 2.9%	No exceed 120 days from the disbursement date.	240,768,168,761	177,770,837,441
Saigon Thuong Tin Commercial Joint Stock Bank (vii)	2.4%	No exceed 120 days from the disbursement date.	146,311,076,748	-
	(*)	According to specific credit agreement.	-	-
			<u>6,094,463,842,402</u>	<u>2,903,786,802,438</u>

(*) The Company 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 VND25,030 million and VND50,260 million respectively (as at 30 September 2023: VND25,305 million and VND52,405 million); receivables with amount of VND570,000 million; minimum inventories balance equal to short-term borrowing balance; land use rights and tangible fixed assets of Hoa Sen Steel One Member Company Limited and Hoa Sen Plastics Joint Stock Company with total carrying amount of VND54,996 million (as of 30 September 2023: VND173,690 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 total carrying amount of VND8,801 million and VND41,858 million respectively (as at 30 September 2023: VND21,611 million and VND62,562 million); receivables with amount of VND568,894 million; minimum inventories balance equal to short-term borrowing balance; land use rights and tangible fixed assets of Hoa Sen Ha Nam One Member Limited Liabilities Company, Hoa Sen Phu My One Member Limited Liabilities and Hoa Sen Steel One Member Company Limited total carrying amount of VND356,269 million (as at 30 September 2023: VND200,433 million);
- (iii) Loans from HSBC Bank (Vietnam) Ltd is secured by land use rights with total carrying amount of VND10,766 million (as at 30 September 2023: VND10,766 million); the Company's inventories; and tangible fixed assets of Hoa Sen Binh Dinh One Member Limited Liabilities Company with total carrying amount of VND29,833 million (as of 30 September 2023: VND30,996 million);
- (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 of the Hoa Sen Nghe An One Member Limited Liabilities Company with a carrying amount of VND45,825 million (as at 30 September 2023: 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 Company's floating inventories with the amount of USD23 million; and
- (vii) The collateral asset 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 FUND

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	2,684,342,863	2,705,263,233
Deferred tax assets to be recovered within 12 months	68,404,632,549	48,065,975,328
	<u>71,088,975,412</u>	<u>50,771,238,561</u>
Deferred tax liabilities:		
Deferred tax assets to be recovered within 12 months	(903,832,523)	(483,000,383)
	<u>70,185,142,889</u>	<u>50,288,238,178</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	50,288,238,178	109,554,088,803
Separate income statement credit/(charge)	19,896,904,711	(59,265,850,625)
End of period/year	<u>70,185,142,889</u>	<u>50,288,238,178</u>

(a) Details of deferred tax assets

Deferred tax assets related to the following temporary differences:

	31.3.2024 VND	30.9.2023 VND
Deductible temporary differences		
Accrued expense	30,110,282,979	14,944,363,399
Allowances and provisions	28,290,185,837	30,261,816,989
Unrealised profits	12,688,506,596	5,565,058,173
	<u>71,088,975,412</u>	<u>50,771,238,561</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>(903,832,523)</u>	<u>(483,000,383)</u>

The Company used a tax rate of 20% 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.

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	Others fund VND	Post-tax undistributed earnings VND	Total VND
As at 1 October 2022	5,980,549,860,000	157,292,539,068	187,499,009,876	4,841,786,518,282	11,167,127,927,226
Net profit for the year	-	-	-	248,288,982,544	248,288,982,544
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)	-
Payment of 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	4,886,924,844,463	11,281,950,970,475
Net profit for the period	-	-	-	183,039,323,646	183,039,323,646
Appropriation to set up 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)	-
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	5,057,294,921,874	11,422,321,444,773

(*) According to the Resolution of Annual General Meeting of Shareholders 2022-2023 No. 01/NQ-DHDCD/2023 dated 10 March 2023 and the Resolution of Board of Directors No. 02/ND/HĐQT/2024 dated 12 January 2024, the Company 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 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-DHDCD/2024 dated 18 March 2024, the Company 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 Management and Department under the Board of Directors 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 OFF INERIM SEPARATE BALANCE SHEET ITEMS**(a) Bad debts written off**

As at 31 March 2024, total doubtful debts written off were VND10,345,169,668 (as at 30 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 USD4,956,589 (as at 30 September 2023: USD2,877,534).

(c) Operating lease assets

Total minimum receipts in the future from non-cancellable operating lease assets contracts are presented in Note 35.

23 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	24,988,744,792,906	16,698,473,287,538
Revenue from sales of finished goods	8,327,585,570,240	7,930,462,130,298
Revenue from rendering of services	4,790,960,086	3,745,985,227
Revenue from sales of others	1,152,202,545	-
	<u>33,322,273,525,777</u>	<u>24,632,681,403,063</u>
Sales deductions		
Trade discounts	(179,359,781,661)	(52,158,610,746)
Sales returns	(12,124,682,281)	(4,373,577,207)
Sales allowances	(3,938,616,140)	(7,982,938,664)
	<u>(195,423,080,082)</u>	<u>(64,515,126,617)</u>
Net revenue from sales of goods and rendering of services		
Net revenue from sales of merchandise	24,958,080,453,745	16,766,062,573,752
Net revenue from sales of finished goods	8,162,826,829,319	7,798,372,384,134
Net revenue from rendering of services	4,790,960,086	3,731,318,560
Net revenue from sales of others	1,152,202,545	-
	<u>33,126,850,445,695</u>	<u>24,568,166,276,446</u>

24 COST OF GOODS SOLD AND SERVICES RENDERED

	For the six-month period ended	
	31.3.2024	31.3.2023
	VND	VND
Cost of merchandise sold	24,038,935,481,668	16,489,577,231,375
Cost of finished goods sold	7,587,762,468,171	7,157,152,614,651
Provision/(reversal of provision) for decline in value of inventories	591,615,759	(131,653,439,393)
Others	754,394,564	686,425,690
	<u>31,628,043,960,162</u>	<u>23,515,762,832,323</u>

25 FINANCIAL INCOME

	For the six-month period ended	
	31.3.2024	31.3.2023
	VND	VND
Realised foreign exchange gains	175,576,122,871	91,446,515,540
Interest income from late payments from customers	5,449,898,133	-
Net gain from foreign currency translation at period-end	4,135,455,725	10,656,756,441
Interest income from deposits and loans	2,748,136,879	2,450,373,568
Income from investments	-	1,008,750,000
Payment discounts received	434,976,937	249,234,030
	<u>188,344,590,545</u>	<u>105,811,629,579</u>

26 FINANCIAL EXPENSES

	For the six-month period ended	
	31.3.2024	31.3.2023
	VND	VND
Interest expense	54,032,560,780	96,238,845,958
Realised foreign exchange losses	36,663,203,346	81,283,098,678
Payment discounts	636,641,962	1,278,030,468
	<u>91,332,406,088</u>	<u>178,799,975,104</u>

27 SELLING EXPENSES

	For the six-month period ended	
	31.3.2024 VND	31.3.2023 VND
Export expenses	570,624,324,591	316,425,694,431
Staff costs	371,792,541,963	306,283,639,094
Rental	88,633,866,931	93,314,146,027
Depreciation	83,929,859,126	89,969,373,387
Transportation	49,150,970,385	65,618,039,051
Outside services	32,430,520,626	34,118,000,715
Advertising	27,710,979,594	34,806,330,516
Others	96,850,688,664	87,965,549,856
	<u>1,321,123,751,880</u>	<u>1,028,500,773,077</u>

28 GENERAL AND ADMINISTRATION EXPENSES

	For the six-month period ended	
	31.3.2024 VND	31.3.2023 VND
Staff costs	59,191,504,424	44,119,318,889
Outside services	18,671,834,864	18,706,176,592
Office and equipment rental	11,920,350,088	9,676,515,153
Depreciation	9,600,425,528	15,106,227,029
Guests expenses	4,689,979,827	6,924,756,654
Business trip expenses	3,203,036,314	3,692,499,515
Others	20,487,643,074	25,573,417,086
	<u>127,764,774,119</u>	<u>123,798,910,918</u>

29 NET OTHER INCOMES 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	12,848,483,779	5,421,515,680
Compensation received	1,076,896,132	11,068,872,798
Others	5,306,207,909	14,606,410,502
	<u>19,231,587,820</u>	<u>31,096,798,980</u>
Other expenses		
Others	2,919,619,676	122,618,565
	<u>16,311,968,144</u>	<u>30,974,180,415</u>

30 CORPORATE INCOME TAX (“CIT”)

The CIT on the Company’s accounting profit/(loss) before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% as follows:

	For the six-month period ended	
	31.3.2024	31.3.2023
	VND	VND
Accounting profit/(loss) before tax	163,242,112,135	(141,910,404,982)
Tax calculated at a rate of 20%	32,648,422,427	(28,382,080,996)
Effects of:		
Expenses not deductible for tax purposes	9,993,490,928	8,582,828,834
Utilisation of previously unrecognised tax losses	(58,895,373,015)	-
Tax losses for which no deferred income tax asset was recognised	-	84,905,030,126
Temporary differences for which no deferred income tax was recognised	(3,643,445,051)	(875,348,922)
Under-provision in previous period	99,693,200	1,536,979,754
CIT (charged)/credited (*)	<u>(19,797,211,511)</u>	<u>65,767,408,796</u>
Charged/(credited) to the interim separate income statement:		
CIT - current	99,693,200	1,536,979,754
CIT - deferred	(19,896,904,711)	64,230,429,042
	<u>(19,797,211,511)</u>	<u>65,767,408,796</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.

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

The Company'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 separate financial statements. The estimated amount of tax losses available for offset against the Company's future taxable profit is:

Year of tax loss	Status of tax authorities' review	Loss incurred VND	Loss utilised VND	Loss carried forward VND
2022-2023	Outstanding	<u>490,453,606,555</u>	<u>(294,476,865,073)</u>	<u>195,976,741,482</u>

The Company 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.

31 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	7,419,523,984,644	6,861,365,719,071
Staff costs	473,436,280,673	387,125,708,139
Depreciation and amortisation	120,706,500,306	157,240,350,889
Outside service	840,780,605,258	565,926,919,276
Others	320,510,809,927	333,031,804,215
	<u>9,174,958,180,808</u>	<u>8,304,690,501,590</u>

32 ADDITIONAL INFORMATION ON CERTAIN ITEMS OF THE INTERIM SEPARATE 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	8,488,081,665	17,171,863,456
	<u>8,488,081,665</u>	<u>17,171,863,456</u>
	For the six-month period ended	
	31.3.2024 VND	31.3.2023 VND
Offset other short-term receivable against short-term trade payable	534,673,894,324	147,568,076,521
Write-off provision for doubtful debts - short-term	10,345,169,668	-
	<u>10,345,169,668</u>	<u>-</u>

33 SEGMENT REPORTING

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

Business segments

The principal business activities of the Company 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; and production of cold rolled steel coils and rental of machinery, equipment and other tangible items. Other business activities are warehouse rental and freight transportation services; industrial and civil construction. During the period, other business activities account for an insignificant proportion of the total revenue and interim separate income statement of the Company. Accordingly, financial information presented on the interim separate balance sheet and interim separate income statement is mainly related to the main business activities of the Company.

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 Company are located only in the territory of Vietnam.

HOA SEN GROUP

Form B 09a – DN

33 SEGMENT REPORTING (continued)

Geographical segments (continued)

Segment information based on the geographical location of the Company 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	23,979,788,826,858	9,147,061,618,837	33,126,850,445,695
Cost of goods sold and services rendered	(23,390,705,919,462)	(8,237,338,040,700)	(31,628,043,960,162)
Gross profit from sales of goods and rendering of services	589,082,907,396	909,723,578,137	1,498,806,485,533
	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	19,191,816,799,866	5,376,349,476,580	24,568,166,276,446
Cost of goods sold and services rendered	(18,421,129,405,672)	(5,094,633,426,651)	(23,515,762,832,323)
Gross profit from sales of goods and rendering of services	770,687,394,194	281,716,049,929	1,052,403,444,123

34 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 Nghe An One Member Limited Liabilities Company	Subsidiary
Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liability Company	Subsidiary
Hoa Sen Steel One Member Company Limited	Subsidiary
Hoa Sen Phu My One Member Limited Liabilities Company	Subsidiary
Hoa Sen Ha Nam One Member Limited Liabilities Company	Subsidiary
Hoa Sen Plastics Joint Stock Company	Subsidiary
Hoa Sen Binh Dinh Sole Member Limited Company	
Hoa Sen Yen Bai Joint Stock Company	Subsidiary
Hoa Sen Yen Bai Building Materials One Member Limited Liabilities Company	Subsidiary
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

34 RELATED PARTY DISCLOSURES (continued)

(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		
Subsidiaries		
Hoa Sen Nghe An One Member Limited Liabilities Company	6,854,692,500,314	2,952,634,071,879
Hoa Sen Steel One Member Company Limited	6,763,471,085,834	5,800,186,166,480
Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liability Company	2,241,842,618,776	1,079,561,949,531
Hoa Sen Phu My One Member Limited Liabilities Company	1,448,471,188,383	2,152,215,376,610
Hoa Sen Binh Dinh Sole Member Limited Company	1,291,576,453	7,303,850,771
Hoa Sen Plastics Joint Stock Company	1,028,796,246	4,059,733,054
Hoa Sen Ha Nam One Member Limited Liabilities Company	798,972,962	3,238,557,075
Hoa Sen Yen Bai Building Materials One Member Limited Liabilities Company	37,533,456	365,152,322
Other related party		
Hoa Sen Holdings Group	981,428,652,460	1,122,852,073,596
	<u>18,293,062,924,884</u>	<u>13,122,416,931,318</u>
(ii) Purchases of goods and services		
Subsidiaries		
Hoa Sen Steel One Member Company Limited	6,229,521,768,391	5,741,299,682,381
Hoa Sen Nghe An One Member Limited Liabilities Company	5,338,927,113,212	3,086,583,452,240
Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liability Company	1,584,444,911,901	828,858,960,577
Hoa Sen Phu My One Member Limited Liabilities Company	902,445,587,517	1,639,424,867,952
Hoa Sen Binh Dinh Sole Member Limited Company	515,411,021,986	637,934,875,671
Hoa Sen Ha Nam One Member Limited Liabilities Company	196,420,123,951	215,348,294,942
Hoa Sen Yen Bai Building Materials One Member Limited Liabilities Company	82,614,808,390	122,295,635,612
Hoa Sen Plastics Joint Stock Company	9,490,588,782	9,271,430,008
Other related parties		
Hoa Sen Holdings Group	216,646,444,853	28,107,315,191
Hoa Sen Nghe An Investment Company Limited	103,257,776	172,513,657
	<u>15,076,025,626,759</u>	<u>12,309,297,028,231</u>

34 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	For the six-month period ended	
	31.3.2024 VND	31.3.2023 VND
(iii) Sales of fixed assets, tools and supplies		
Subsidiaries		
Hoa Sen Phu My One Member Limited Liabilities Company	242,799,000	60,000,000
Hoa Sen Nghe An One Member Limited Liabilities Company	214,857,000	23,100,000
Hoa Sen Plastics Joint Stock Company	156,728,325	70,090,980
Hoa Sen Binh Dinh Sole Member Limited Company	909,091	153,268,494
Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liability Company	-	3,000,000
	<u>615,293,416</u>	<u>309,459,474</u>
(iv) Purchases of fixed assets		
Subsidiaries		
Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liability Company	1,140,313,062	805,000,002
Hoa Sen Phu My One Member Limited Liabilities Company	1,693,450,952	-
Other related party		
Hoa Sen Holdings Group	-	18,000,000
	<u>2,833,764,014</u>	<u>823,000,002</u>
(v) Investing activities		
Lendings		
Subsidiaries		
Hoa Sen Yen Bai Joint Stock Company	1,500,000,000	2,000,000,000
Hoa Sen Plastics Joint Stock Company	74,000,000,000	-
	<u>75,500,000,000</u>	<u>2,000,000,000</u>
Receipt of lendings		
Subsidiaries		
Hoa Sen Yen Bai Joint Stock Company	-	2,000,000,000
Hoa Sen Plastics Joint Stock Company	20,000,000,000	-
	<u>20,000,000,000</u>	<u>2,000,000,000</u>
Investments in subsidiaries		
Subsidiaries		
Hoa Sen Phu My One Member Limited Liabilities Company	-	130,000,000,000
Hoa Sen Yen Bai Joint Stock Company	-	80,154,397,261
	<u>-</u>	<u>210,154,397,261</u>

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

	31.3.2024 VND	31.3.2023 VND
(i) Short-term trade accounts receivable (Note 5)		
Subsidiaries		
Hoa Sen Nghe An One Member Limited Liabilities Company	2,666,129,492,628	1,372,936,869,815
Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liability Company	2,453,260,088,566	2,215,264,273,972
Hoa Sen Steel One Member Company Limited	1,667,698,026,351	946,241,475,038
Hoa Sen Phu My One Member Limited Liabilities Company	1,104,432,315,165	895,604,786,299
Hoa Sen Plastics Joint Stock Company	280,628,910,147	431,164,423,550
Hoa Sen Binh Dinh Sole Member Limited Company	1,857,591	-
Other related party		
Hoa Sen Holdings Group	193,507,981,905	-
	<u>8,365,658,672,353</u>	<u>5,861,211,828,674</u>
(ii) Short-term prepayments to suppliers (Note 6)		
Subsidiaries		
Hoa Sen Ha Nam One Member Limited Liabilities Company	57,500,000	-
Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liability Company	793,749,730	-
Hoa Sen Nghe An One Member Limited Liabilities Company	1,200,000	-
	<u>852,449,730</u>	<u>-</u>
(iii) Short-term lending (Note 7(a))		
Subsidiary		
Hoa Sen Plastics Joint Stock Company	<u>172,500,000,000</u>	<u>118,500,000,000</u>
(iv) Long-term lending (Note 7(b))		
Subsidiary		
Hoa Sen Yen Bai Joint Stock Company	<u>1,500,000,000</u>	<u>-</u>

34 RELATED PARTY DISCLOSURES (continued)

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

	31.3.2024 VND	31.3.2023 VND
(v) Other short-term receivables (Note 8(a))		
<i>Dividends receivable</i>		
Subsidiaries		
Hoa Sen Nghe An One Member Limited Liabilities Company	-	452,606,481,613
Hoa Sen Steel One Member Company Limited	-	79,701,680,202
Hoa Sen Ha Nam One Member Limited Liabilities Company	-	21,793,140,575
Hoa Sen Binh Dinh Sole Member Limited Company	-	14,943,615,661
	<u>-</u>	<u>569,044,918,051</u>
<i>Interest receivables from lending and late payments</i>		
Subsidiaries		
Hoa Sen Plastics Joint Stock Company	3,116,573,210	-
Hoa Sen Yen Bai Joint Stock Company	25,430,137	-
	<u>3,142,003,347</u>	<u>-</u>
<i>Rental deposit</i>		
Other related party		
Hoa Sen Holdings Group	940,000,000	1,010,000,000
	<u>940,000,000</u>	<u>1,010,000,000</u>
<i>Advances for land purchases</i>		
Member of Board of Management		
Mr. Hoang Duc Huy	-	45,462,225,000
	<u>4,082,003,347</u>	<u>615,517,143,051</u>
(vi) Other long-term receivables (Note 8(b))		
<i>Rental deposit</i>		
Other related party		
Hoa Sen Holdings Group	3,905,200,000	4,425,200,000
	<u>3,905,200,000</u>	<u>4,425,200,000</u>
<i>Advances for land purchases</i>		
Member of Board of Management		
Mr. Hoang Duc Huy	45,462,225,000	-
	<u>49,367,425,000</u>	<u>4,425,200,000</u>

34 RELATED PARTY DISCLOSURES (continued)

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

	31.3.2024 VND	31.3.2023 VND
(vii) Short-term trade accounts payable (Note 13)		
Subsidiaries		
Hoa Sen Binh Dinh Sole Member Limited Company	314,768,493,057	334,337,182,195
Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liability Company	249,757,918,225	253,940,389,459
Hoa Sen Ha Nam One Member Limited Liabilities Company	93,209,840,502	111,279,330,138
Hoa Sen Yen Bai Building Materials One Member Limited Liabilities Company	26,610,178,621	20,317,701,360
Hoa Sen Plastics Joint Stock Company	1,534,452,903	505,888,267
Other related parties		
Hoa Sen Holdings Group	244,200,000	4,927,051,994
Hoa Sen Nghe An Investment Company Limited	7,957,570	7,879,921
	<u>686,133,040,878</u>	<u>725,315,423,334</u>
(viii) Short-term advances from customers (Note 14)		
Other related party		
Hoa Sen Holdings Group	<u>37,370,168,000</u>	<u>8,954,586,594</u>
(ix) Other short-term payables		
Subsidiaries		
Hoa Sen Binh Dinh Sole Member Limited Company	1,093,022,842	-
Hoa Sen Ha Nam One Member Limited Liabilities Company	53,191,649	-
Hoa Sen Yen Bai Building Materials One Member Limited Liabilities Company	918,953,480	185,203,980
	<u>2,065,167,971</u>	<u>185,203,980</u>
(x) Other long-term payables		
Other related party		
Hoa Sen Holdings Group	<u>709,500,000</u>	<u>709,500,000</u>

35 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	175,109,187,106	184,530,335,648
Between one and five years	493,749,503,637	566,172,450,076
Over five years	299,295,804,050	322,064,111,424
Total minimum payments	<u>968,154,494,793</u>	<u>1,072,766,897,148</u>

(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	4,198,047,273	3,998,410,909
Between one and five years	12,592,476,364	13,433,280,000
Over five years	36,000,000	148,019,091
Total minimum receipts	<u>16,826,523,637</u>	<u>17,579,710,000</u>

(b) Capital commitments

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

	31.3.2024 VND	30.9.2023 VND
Property, plant and equipment	<u>618,100,964</u>	<u>11,130,299,195</u>

36 EVENTS AFTER THE INTERIM SEPARATE 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 separate 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

