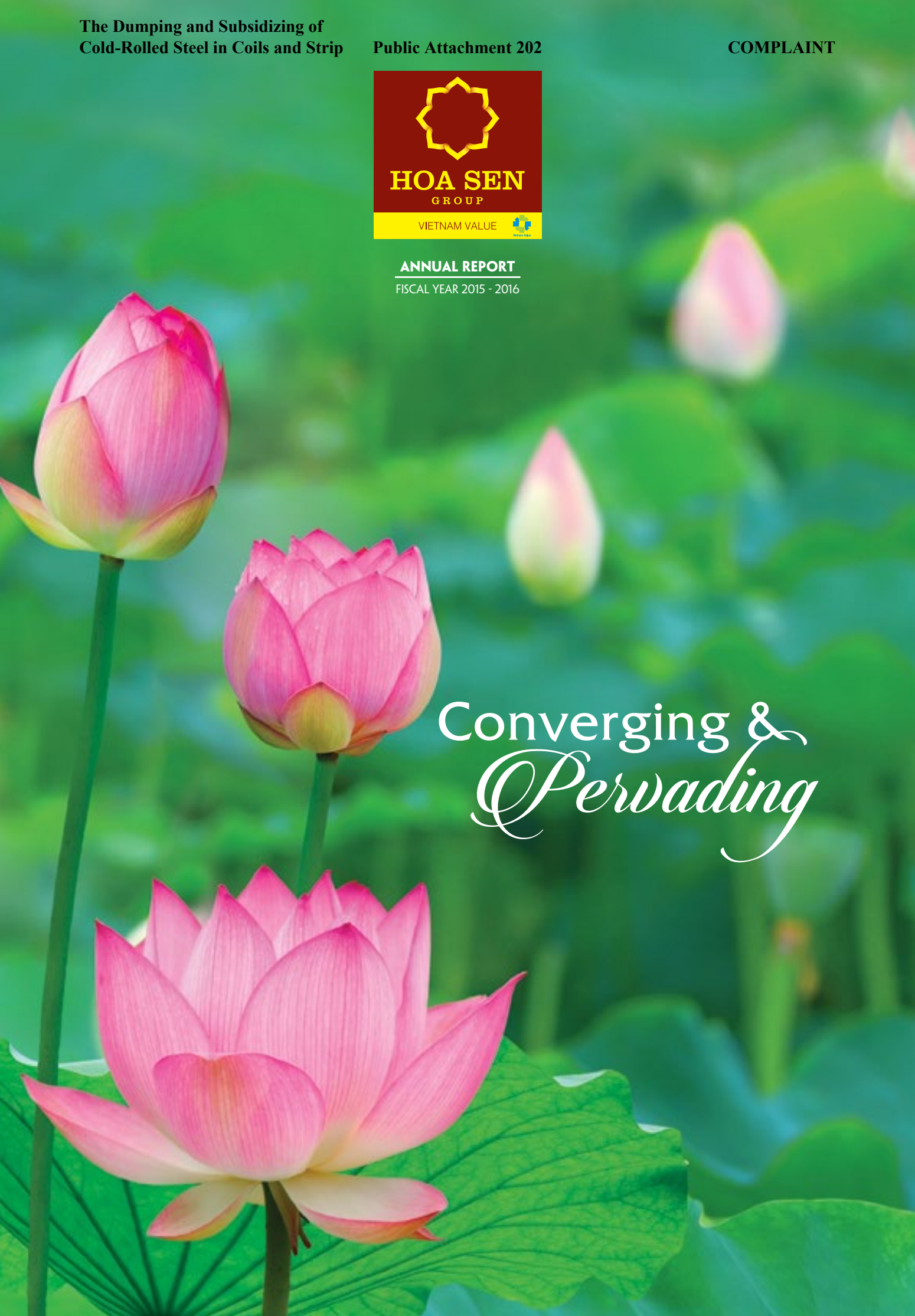
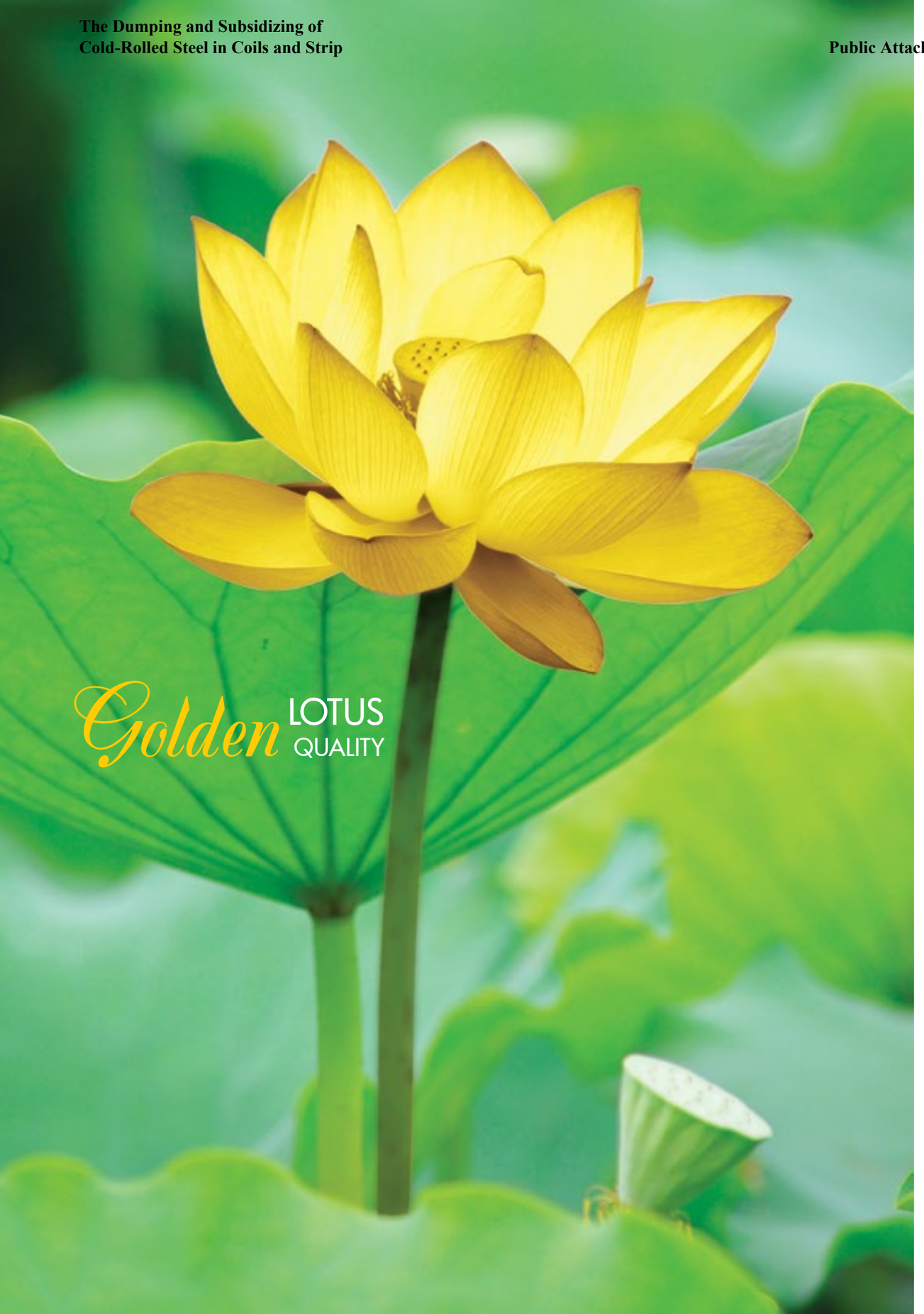

HOA SEN
GROUP
VIETNAM VALUE
ANNUAL REPORT
FISCAL YEAR 2015 - 2016
Converging &
Pervading



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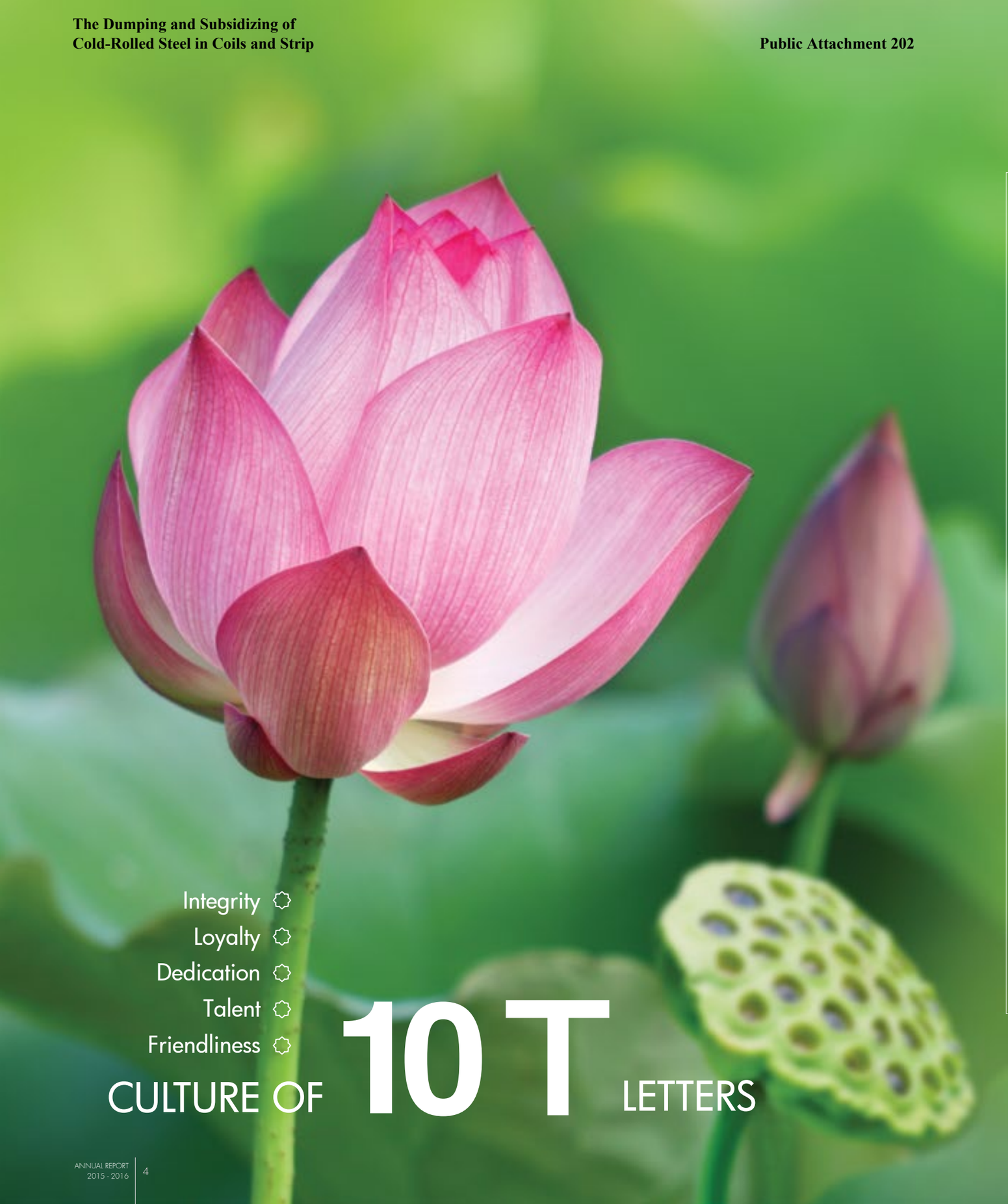


Vision

Becoming a leading economic group in manufacturing and distributing building material products in Vietnam and in the region through sustainable development strategy that focuses on core competitive advantages as well as community development, environmental protection in order to maximize values for shareholders, employees, customers and society.

Mission

Providing services and products with international quality, reasonable prices, diverse designs and environmentally friendly under Hoa Sen brand in order to meet customer's demands, to contribute to changing the country's architectural landscape, and to develop community. Hoa Sen Group continues innovating and developing to affirm the position and mission of dynamic, creative, vanguard Vietnamese enterprise in both business and community activities, reaching higher position in international market.

Core Values

Integrity - Community - Development

Business Philosophy

- Products' quality is the focus
- Employees' income is the responsibility
- Customers' benefit is the key
- Sharing with community is the obligation

MESSAGE FROM CHAIRMAN OF THE BOARD OF DIRECTORS

"HOA SEN GROUP CONTINUES TO AFFIRM THE LEADING POSITION ON THE STEEL SHEET MARKET, AND AT THE SAME TIME ACHIEVES LONG STRIDES ON THE INTERNATIONAL MARKET, PROCLAIMED AS A GLOBAL GROWTH COMPANY OF THE WORLD ECONOMIC FORUM."

1,504

BILLION VND

AFTER-TAX PROFIT
↑ 130% compared to the previous fiscal year

1,242,579

TONS

SALES VOLUME OF FINISHED PRODUCTS
exceeded 13% over the plan and ↑ 22% compared to the previous fiscal year

DEAR ESTEEMED SHAREHOLDERS,

On behalf of the Board of Directors of Hoa Sen Group, I would like to express our sincere thanks to esteemed shareholders, partners, customers, and all employees who have closely accompany us during the past 15 years.

Year 2016 has a special meaning, marking a 15-year journey of unity, establishment, development and maturity of Hoa Sen Group. With great efforts and determination, we have gradually become a leading steel production group in domestic market and region, bringing great value to consumer, community and society.

In that spirits, the management and employees have been striving to achieve outstanding performance, flexibly responding to complex movements of the steel market. Ending the fiscal year 2015 – 2016, Hoa Sen Group impressively exceeded the business plan and had significant growth in comparison with the previous fiscal year. Sales volume reached 1,242,579 tons, exceeded 13% over the plan and increased 22% in comparison with the same period of last year. Net sales reached VND 17,894 billion, exceeded 25% over the plan. Above all, the most prominent performance is the after-tax profit which reached VND 1,504 billion, increased 130% compared to the previous fiscal year.

With these achievements, Hoa Sen Group continues to affirm the leading position on the domestic steel sheet market, accounted for over 30% of the steel sheet market share, over 20% of the steel pipe market share, and at the same time achieves long strides on the international market with distribution channel across 65 countries and territories and exporting sales revenue accounted for nearly 40% of total net sales of the Group, proclaimed as a Global Growth Company of the World Economic Forum.

The accomplishments that we achieved today are result of the companion and support from esteemed shareholders as well as the restlessly efforts of all Hoa Sen Group's employees. With this tremendous momentum, Hoa Sen Group is increasingly becoming a major and strong brand name on both domestic and international market.

Entering fiscal year 2016 - 2017, the steel market is forecasted to face complicated and unexpected changes with fluctuant price of raw materials and trade remedy actions from the export markets. Therefore, in order to maintain our leading position and promote achievements, we aim to fulfill the following key tasks:

- Firstly, focusing on domestic market as foundation through expanding quickly the retail distribution network along with ensuring effective management and control. In addition, continuing to seek and expand export markets and prepare appropriate measures to respond to the trade remedy actions.

- Secondly, concentrating on completing the production project being implemented in Nghe An province, Ha Nam province, Binh Dinh province, etc.; meanwhile researching and implementing new industrial projects in order to increase production capacity, complete the vertical integrated value chain, diversify products and create cost competitive advantage.

- Thirdly, strengthening marketing activities through media events, charitable activities and community-oriented programs in order to implement social responsibility and build strong, friendly Hoa Sen brand name.

- Fourthly, completing Hoa Sen Group management model by region and by sector to ensure conformity with the actual business operation, efficiently utilizing resources for future development.

- Finally, researching carefully and preparing all necessary conditions to implement new investment projects and business plan for potential sectors such as real estate, tourism, energy, etc.

HOA SEN GROUP ACHIEVES LONG STRIDES ON THE INTERNATIONAL MARKET WITH DISTRIBUTION CHANNEL ACROSS

65

COUNTRIES AND TERRITORIES

17,894

BILLION VND

NET SALES
exceeded 25% over the plan

Hoa Sen Group is entering a new era of growth; with appropriate guideline and strategy, alongside the culture of "Integrity – Community – Development" and a talented, young labor force, we have sufficient foundation to believe in the upcoming victory and success.

On behalf of the Board of Directors and all employees of Hoa Sen Group, I would like to thank profoundly to esteemed shareholders for always believing, supporting and accompanying with Hoa Sen Group.

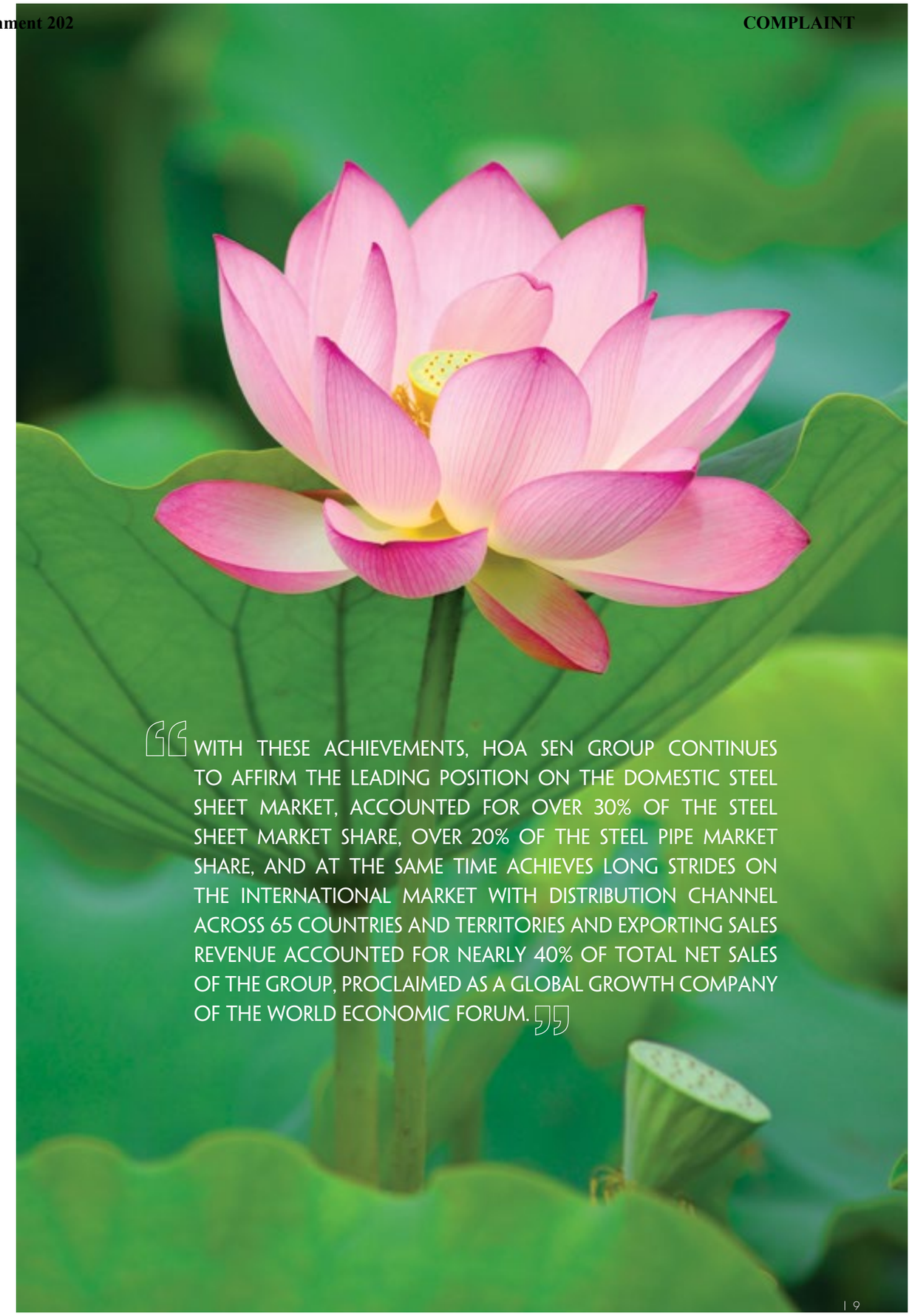
We hope that esteemed shareholders are always companions of Hoa Sen Group to continue to promote the good cooperation for our prosperous development in the future.

We wish your health, happiness and success.

Best regards,

Chairman of the Board of Directors

LE PHUOC VU



INTRODUCTION

Centralizing **resources,**

CREATING DEVELOPING IMPETUS

DEVELOPING HUMAN RESOURCES IS THE TOP PRIOR POLICY; HOA SEN GROUP ALWAYS TAKES THE INITIATIVE IN PLANNING BUSINESS STRATEGY AS WELL AS IMPROVING EMPLOYEES' SKILL IN ORDER TO REACT COMPLICATED MOVEMENTS OF THE MARKET.

GENERAL INFORMATION

VIETNAMESE NAME	CÔNG TY CỔ PHẦN TẬP ĐOÀN HOA SEN
English name:	HOA SEN GROUP
Business Registration Certificate:	No. 3700381324 issued by the Department of Planning and Investment of Binh Duong Province on 8 August 2001, as amended.
Chartered capital:	VND **1,965,398,290,000**.
Headquarters:	No.09, Thong Nhat Boulevard, Song Than II Industrial Park, Di An Ward, Di An District, Binh Duong Province, Vietnam.
Telephone number:	06503.790955 – Fax: 06503.790888
Website:	http://www.hoasengroup.vn
The Company's shares were listed on the Ho Chi Minh City Stock Exchange in accordance with Decision No. 117/QD-SGDHCM dated 5 November 2008.	

PRINCIPAL ACTIVITIES

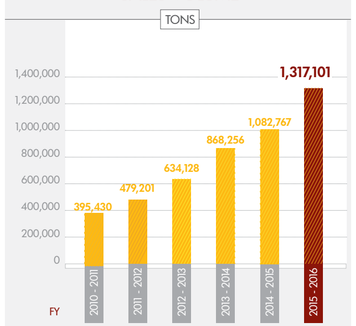
- Manufacturing roofing sheets by galvanized steel, zinc alloy, paint galvanized zinc plating and plating of other alloys;
- Producing steel purlins, galvanized purlins;
- Manufacturing black steel pipes, galvanized steel pipes and other alloys;
- Manufacturing steel mesh, galvanized steel wire, steel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

OUTSTANDING FINANCIAL FIGURES AND EVENTS OF THE FISCAL YEAR 2015 - 2016

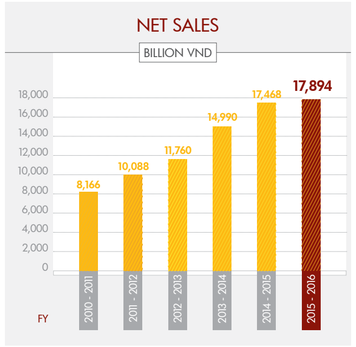
"THE YEAR 2016 MARKED SIGNIFICANTLY THE JOURNEY OF **15** YEARS OF HOA SEN GROUP'S ESTABLISHMENT AND DEVELOPMENT.

DURING 15 YEARS OF OPERATION, HOA SEN GROUP HAS BECOME THE LEADING MANUFACTURER AND TRADER OF STEEL IN VIETNAM AND REGION, BRINGING GREAT VALUE TO THE CONSUMER, COMMUNITY AND SOCIETY."

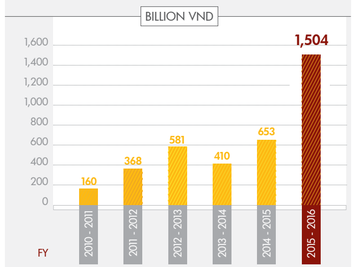
SALES VOLUME



NET SALES



CONSOLIDATED AFTER-TAX PROFIT



Hoa Sen Group continued to affirm its position as the leading manufacturer

1

and trader of steel sheets in Vietnam and the leading exporter of steel in Southeast Asia.

At the end of 2016, Hoa Sen Group owns the nationwide distribution-retail network with

250 branches

including 07 base depots; increasing 60 branches in comparison with the previous year.

August 8th, 2016 - Awarded Ceremony of Second-Grade Labor Medal and Hoa Sen Group 15th Anniversary Celebration

January 8th, 2016 - The Groundbreaking ceremony of Hoa Sen Nhon Hoi – Binh Dinh Plant

March 17th, 2016 - The Groundbreaking ceremony of Hoa Sen Ha Nam Plant

In fiscal year 2015 – 2016, Hoa Sen Group's after-tax profit reached

VND **1,504** billion

exceeded 128% in comparison with the plan and increased 130% in comparison with after-tax profit of fiscal year 2014 – 2015.

At the end of fiscal year 2015 – 2016, Hoa Sen Group's products were exported to **65** countries and territories over the world.

Hoa Sen Group's products meet all standards of difficult markets such as: AS standard of Australia, JIS standard of Japan, ASTM standard of US, etc.

July 22th, 2016 - Opening Ceremony No.2 Representative Office of Hoa Sen Group

April 15th, 2016 - The Inauguration ceremony of Hoa Sen Binh Dinh Plastic Pipe Plant

May 19th, 2016 - The Groundbreaking ceremony of Hoa Sen Yen Bai Hotel and Residence Complex

AWARDS AND ACHIEVEMENTS

July 28th , 2016 - Hoa Sen Group honorably received the Second-Grade Labor Medal awarded by the President of Vietnam

October 17th, 2015

TOP **50** VIETNAMESE BRANDS

announced by Brand Finance Plc (UK)

June 28th, 2016

TOP **40** VIETNAMESE BRAND

awarded by Forbes

November 30th, 2016 HOA SEN GROUP WAS CONTINUOUSLY AWARDED **3** PRODUCT CATEGORIES: HOA SEN STEEL SHEET, HOA SEN STEEL PIPE AND HOA SEN PLASTIC PIPE "VIETNAM VALUE" FOR

September 2016

BEST MANAGED COMPANY IN ASIA 2016

awarded by Euromoney Magazine

September 29th, 2016

THE **50** BEST VIETNAMESE LISTED COMPANIES 2016

voted by Forbes
(4 consecutive years of 2013 - 2016)

June 16th, 2016

VIETNAM'S **50** BEST PERFORMING COMPANIES

awarded by Business Review Magazine
(3 consecutive years of 2014 - 2016)

April 01st, 2016

TOP **10** VIETNAMESE EXCELLENT BRAND 2015

awarded by Vietnam Economic Times

November 5th, 2016

TOP **5** LISTED COMPANIES WITH THE BEST IR ACTIVITIES 2016

awarded by Vietstock and Vietnam Association of Financial Executives (VAFE)

HISTORY OF ESTABLISHMENT AND DEVELOPMENT

FISCAL YEAR 2001 – 2004

- **On August 8th 2001:** Hoa Sen Joint Stock Company, precursor of Hoa Sen Group Joint Stock Company, was established with an initial charter capital of VND 30 billion, 22 employees and 3 distribution-retail branches.
- **In 2002 and 2003:** Hoa Sen Group was developed 31 branches to increase the total number of distribution-retail branches by 34, locating mainly in the south-west, south-east and central coastal region.
- **On August 08th 2004:** Hoa Sen Group put in operation color coating line no.1 with capacity of 45,000 tons/year and inaugurated Hoa Sen Group headquarter at No.9 Thong Nhat Boulevard, Song Than 2 Industrial Park, Di An Ward, Di An District, Binh Duong Province.

FISCAL YEAR 2005 – 30/9/2008

- **On February 2005:** Putting Galvanizing line no.1 with capacity of 50,000 tons/year into operation at Song Than 2 Industrial Park, Di An Ward, Di An District, Binh Duong Province.
- **On November 2006:** Participating to establish Hoa Sen Steel Sheet Join Stock Company with charter capital of VND 320 billion.
- **On January 2007:** Putting Galvanizing line no.2 with a capacity of 50,000 tons/year into operation, increasing the total of capacity of Galvanizing lines to 100,000 tons/year; and inaugurating Hoa Sen Cold Rolling Mill with capacity of 180,000 tons/year.
- **On December 2007:** Hoa Sen Joint Stock Company renamed to Hoa Sen Group Joint Stock Company and merged 3 companies: Hoa Sen Steel Sheet Joint Stock Company, Hoa Sen Building Materials Joint Stock Company and Hoa Sen Building Mechanical Joint Stock Company.
- **At the end of 2007**, Hoa Sen Group established the number of distribution-retail branches by 75 across the country.
- **On March 19th 2008:** Putting in operation Galvanizing line with NOF technology with a capacity of 150,000 tons/years and color coating line no.2 with a capacity of 45,000 tons/year.
- **From October 1st 2008:** Hoa Sen Group changed its fiscal year. Accordingly, Hoa Sen Group's fiscal year begins from October 1st and ends in September 30th of the following year.

FISCAL YEAR 2008 - 2009

- Establishing 7 new branches to increase the total number of distribution-retail branches by 82.
- **On December 5th 2008:** 57,038,500 stocks of Hoa Sen Group (code: HSG) were listed on Ho Chi Minh City Stock Exchange.
- Starting the construction of Phase 1 of Hoa Sen Phu My Steel Sheet Plant Project at Phu My 1 Industrial Park, Ba Ria - Vung Tau Province.

FISCAL YEAR 2009 - 2010

- Establishing 11 new branches to increase the total number of distribution-retail branches by 93.
- Performing private placement for major investors and Hoa Sen Group's employees, increasing the charter capital from 570,385,000,000 VND to 700,000,000,000 VND.
- Putting into operation Galvanizing line (NOF technology) with capacity of 450,000 tons/year and Color coating line with capacity of 180,000 tons/year that belong to Hoa Sen Phu My Steel Sheet Plant Project.
- Issuing bonus shares and shares for dividend payment of the fiscal year 2008 — 2009, increasing the charter capital from 700,000,000,000 VND to 839,960,000,000 VND.
- Issuing shares for dividend payment of the fiscal year 2008 – 2009 and increasing the charter capital from 839,960,000,000 VND to 1,007,907,900,000 VND.

FISCAL YEAR 2010 – 2011

- Establishing 13 new branches to increase the total number of distribution-retail branches by 106.
- Completing Phase 1 of Hoa Sen Phu My Steel Sheet Plant Project.
- Export sales achieved USD 101 million.

FISCAL YEAR 2011 – 2012

- The export sales achieved 180 million USD, became the leading exporter of steel sheets in Southeast Asia.
- Announcing the new brand identity system.
- Establishing 2 new branches to increase the total number of distribution-retail branches by 108.

FISCAL YEAR 2012 – 2013

- Putting Galvanizing line (NOF technology) of Phase 2 of Hoa Sen Phu My Steel Sheet Plant Project with a capacity of 120,000 tons/year into operation.
- Establishing 7 new branches to increase the total number of distribution-retail branches by 115.
- Hoa Sen Group achieved Top 100 of Largest Vietnamese Enterprises and Top 30 of Largest Vietnamese Private Enterprises 2012.
- Hoa Sen Group honorably achieved Top 10 of Vietnam Gold Star 2013 and Top 10 of Corporate Social Responsibility.
- Hoa Sen Group honorably received the Third-grade Labor Medal.

FISCAL YEAR 2013 – 2014

- Establishing 35 new branches to increase the total number of distribution-retail branches by 150 until December 31st, 2014.
- Putting production lines of Phase 2 of Hoa Sen Phu My Steel Sheet Plant Project including 2 Cold rolling lines with a designed capacity of 200,000 tons/year/line, 1 Galvanizing line (NOF technology) with a designed capacity of 400,000 tons/year and 1 Color coating line with a designed capacity of 150,000 tons/year into operation to increase the total designed capacity of current production lines of Hoa Sen Group to nearly 1 million tons of cold rolled coils/year and 1.2 million tons of coated steel sheets/year.
- Investing in Hoa Sen Binh Dinh Steel Pipe Plant Project and Hoa Sen Nghe An Steel Sheet Plant Project to enhance production capacity of the Group.
- **On January 8th, 2014:** Hoa Sen Group which is the first company was awarded "Best Managed Company in Asia 2014" in metal and mining sector by Euromoney Magazine (the United Kingdom).
- **In 2014:** Hoa Sen Group was honorably voted for "The 50 Best Vietnamese Listed Companies" by Forbes Vietnam.

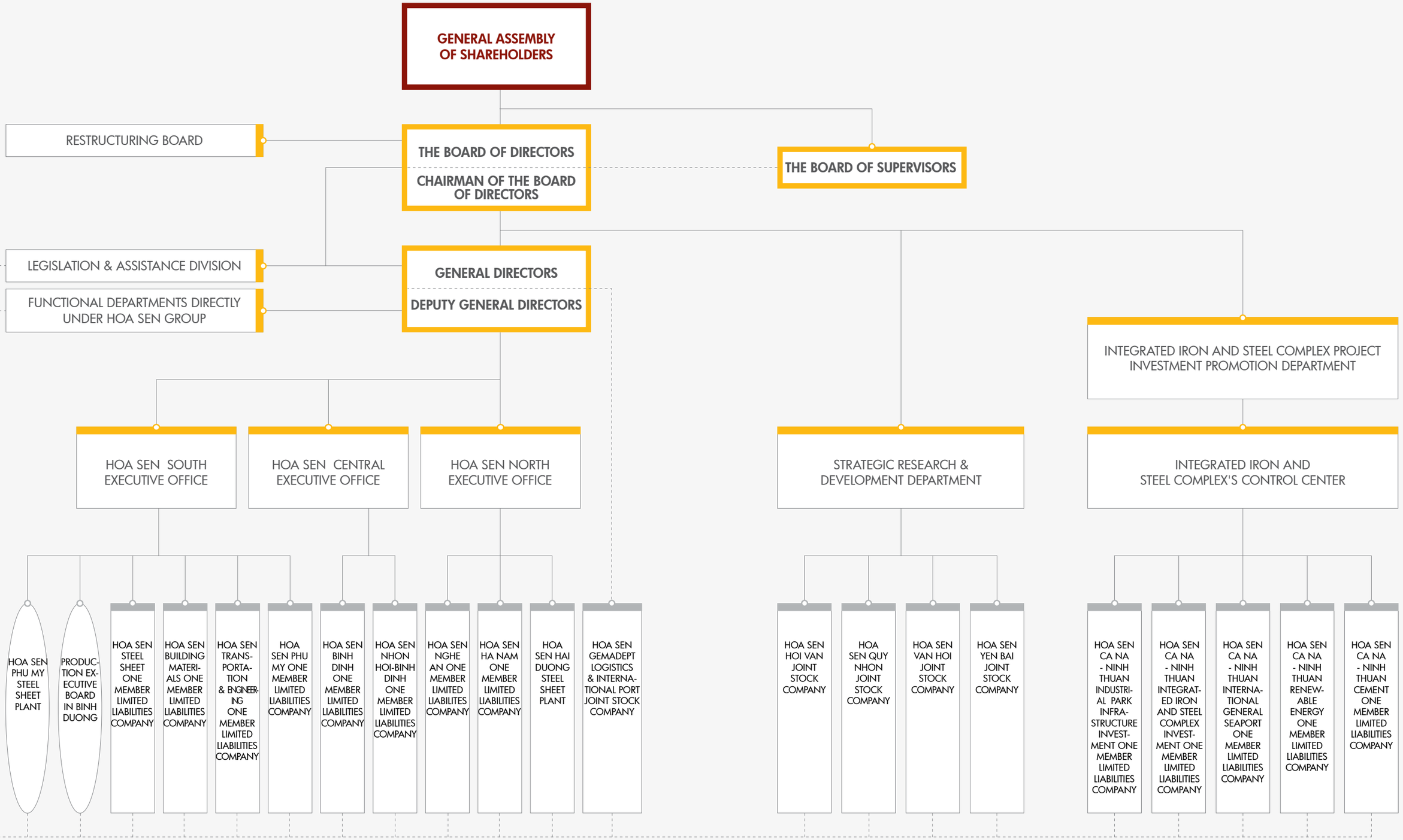
FISCAL YEAR 2014 – 2015

- Establishing 40 new branches to increase the total number of distribution-retail branches by 190 until December 31st, 2015.
- **On November 2014:** Hoa Sen Group was awarded "Vietnam Value 2014" for Hoa Sen Steel Sheet Product, Hoa Sen Plastic Pipe Product and Hoa Sen Steel Pipe Product by Ministry of Industry and Trade.
- **On March 28th, 2015:** Inaugurating and putting production line of Phrase 1 of Hoa Sen Binh Dinh Steel Pipe Plant invested by Hoa Sen Binh Dinh One Member Liabilities Limited Company which belongs to Hoa Sen Group into operation. Phrase 1 of Project includes 9 steel pipe lines.
- **On April 2015:** Hoa Sen Group was the only company in Vietnam selected to the list of Global Growth Companies by World Economic Forum.
- **On June 19th, 2015:** Inaugurating the Hoa Sen Nghe An Steel Sheet Plant at Nam Cam Industrial Park, Dong Nam Economic Zone, Nghe An Province and starting to invest in Hoa Sen Nghe An Plant Project at Dong Hoi Industrial Park with a total investment capital up to 7,000 billion VND.
- **On July 2015:** Hoa Sen Binh Dinh Steel Pipe Plant Project was renamed as "Hoa Sen Binh Dinh Steel Pipe, Plastic Pipe Plant Project" which its scale, activities have been extent the capacity of 124,000 tons/year, including 100,000 tons of steel pipes/year and 24,000 tons of plastic pipes/year.
- **On October 09th, 2015:** Hoa Sen Nghe An Steel Sheet Plant Project was renamed as "Hoa Sen Nam Cam - Nghe An Plant Project" with production capacity of 124,000 tons/year including steel pipe and plastic pipe products.

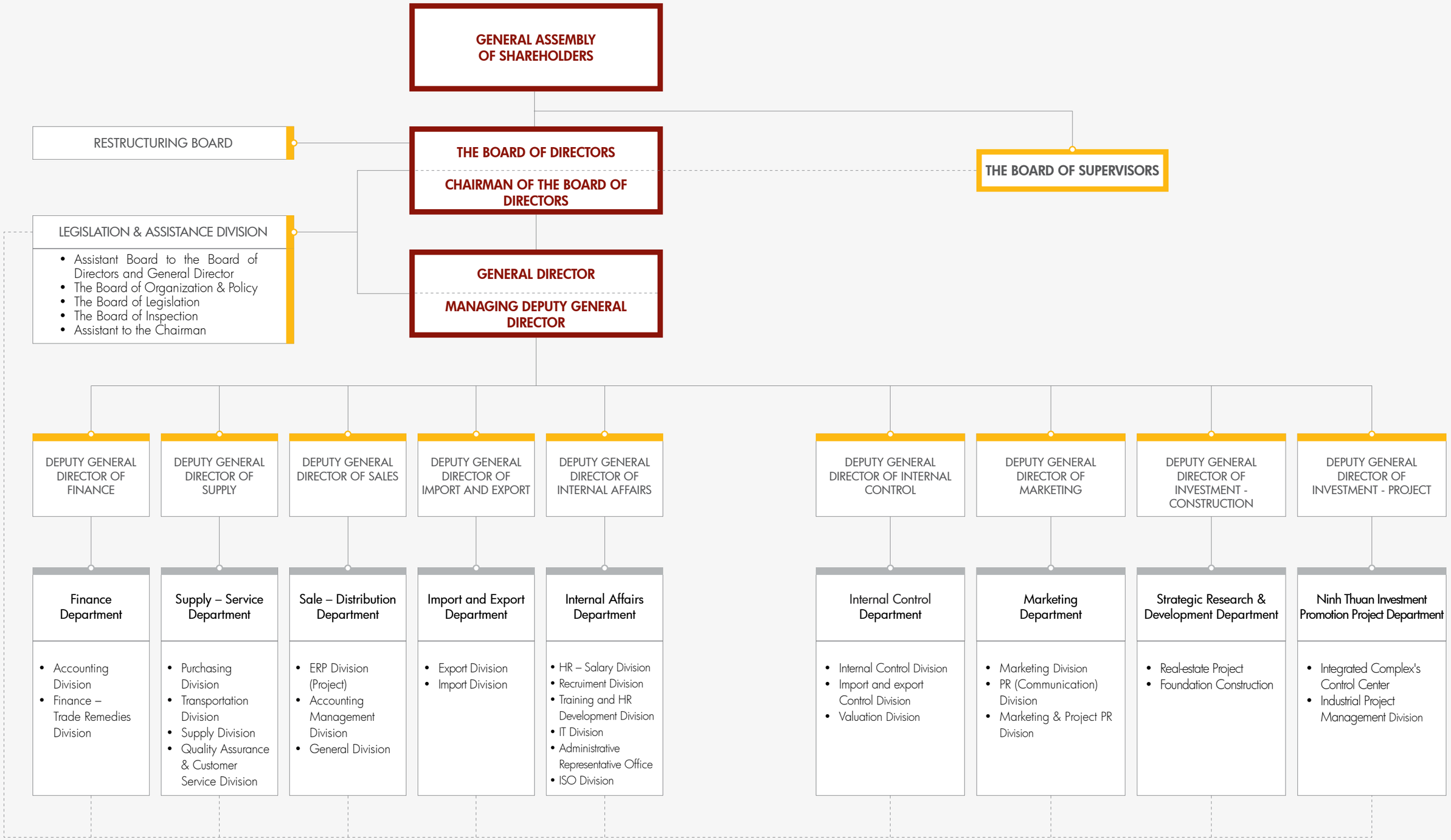
FISCAL YEAR 2015 – 2016

- Establishing 60 new branches to increase the total number of distribution-retail branches by 250 at the end 2016.
- **On December 8th, 2015:** Hoa Sen Group issued shares for dividend payment of the fiscal year 2013 – 2014 and increasing the charter capital from 1,007,907,900 VND to 1,310,270,670,000 VND.
- **On December 13th, 2015:** Hoa Sen Group was honorably awarded "Brand Gold cup for the development environment 2015" in the event "Honoring the Brand for environment - environmentally friendly products 2015". In addition, Hoa Sen Group was awarded "Top 10 environmentally friendly products 2015 " for the Hoa Sen plastic pipes.
- **On January 08th, 2016:** Hoa Sen Group invested in Hoa Sen Steel Sheet Plant Project at Nhon Hoi – Binh Dinh province with capacity of 180,000 tons of coated steel sheet/year and 90,000 tons of color coated steel sheet/year.
- **On March 17th, 2016:** Hoa Sen Group invested in Hoa Sen Ha Nam Plant Project at Kien Khe I Industrial Park, Ha Nam Province. The project invested in the production lines with modern technology. The project includes 2 phrases and produces first finished products at beginning of 2017 and will complete all phrases on September 2018.
- **On April 15th, 2016:** Hoa Sen Group operated Hoa Sen Binh Dinh Plastic Pipes Plant with capacity of 24,000 tons/year.
- **On May 19th, 2016:** Investing in the Hoa Sen Yen Bai Hotel and Residence Complex, officially marked the development strategy of Hoa Sen Group in the future.
- **On June 06th, 2016:** Hoa Sen Nghe An Plant at Dong Hoi Industrial Park – Nghe An province put Galvanizing line with NOF technology with capacity of 400,000 tons/year into operation and produced successfully the first finished steel coil.
- **On June 8th 2016:** Hoa Sen Group issued 65,512,762 shares for dividend payment of the fiscal year 2014 – 2015 and increasing the charter capital from 1,310,270,670 VND to 1,965,398,290,000 VND.
- **On July 22th, 2016:** Opening the Representative Office No.2 at Floor 15 - 17th Vietcombank Tower – No.5 Me Linh Square, Ben Nghe Ward, District 1, Ho Chi Minh City to timely respond to the demands of human resources and facility for strong growth as well as serve for the Group's orientation of investment expansion.
- **On August 06th, 2016:** Hoa Sen Group honorably received the Second-grade Labor Medal conferred by President of the Socialist Republic of Vietnam and held successfully the Hoa Sen Group 15th Anniversary celebration.
- **On September 06th, 2016:** the General Assembly of Shareholders approved the guidelines to invest "Hoa Sen Ca Na – Ninh Thuan Integrated Iron & Steel Complex" Project and authorized the Board of Directors of Hoa Sen Group to determine the capital funding method to fulfill the Project's capital.
- **On September 15th, 2016:** Hoa Sen Group was continuously awarded "Best Managed Company in Asia 2016" in metal and mining sector by Euromoney Magazine (the United Kingdom).
- **On September 29th, 2016:** Hoa Sen Group was honorably awarded "The 50 Best Vietnamese Listed Companies" by Forbes Vietnam in four consecutive years.

MODEL OF HOA SEN GROUP



ORGANIZATIONAL STRUCTURE OF HOA SEN GROUP



MEMBERS OF THE BOARD OF DIRECTORS

Mr. **LE PHUOC VU**
Chairman

Mr. Le Phuoc Vu started his business with a steel sheet retail outlet in 1994. In 2001, after 7 years of accumulating capital and experience, he founded Hoa Sen Joint Stock Company (the precursor of Hoa Sen Group Joint Stock Company) with an initial charter capital of 30 billion VND.

After over 15 years of building and developing, with intelligence, assertiveness, responsibility and integrity, he developed Hoa Sen Group from a small company to the leading manufacturer and trader of steel in Vietnam and Southeast Asia.

For his outstanding achievements in leadership, management of production and business activities and community activities, he was awarded the Second-grade Labor Medal by the President of Vietnam. Moreover, he also won the "EY - the Entrepreneur of the Year 2014" award, this is the only global prize that honors the entrepreneurs who have built and successfully led their enterprises to develop actively and fast. He represented Vietnamese entrepreneurs to participate in "EY - World Entrepreneur of the Year" award in Monaco in 2015.

For his dedication and considerable contributions to the development of the Group, the General Assembly of Shareholders elected him as Chairman of the Board of Directors for many consecutive terms.

Currently, Mr. Le Phuoc Vu is taking responsibility for subcommittees under the Board of Directors, including: Project Investment Subcommittees and Restructuring, HR, Salary and Bonus Subcommittees.

At the same time, he involves in decision of making of strategy, orientation to particular divisions of the Group such as: Restructuring Board, Human Resources Council, Strategic Research & Development Department, Hoa Sen Ca Na - Ninh Thuan Integrated Iron and Steel Complex Project Investment Promotion Department.

As the Chairman of the Board of Directors, Mr. Le Phuoc Vu has been together with all the members of the Board of Directors to make resolution and decision timely leading Hoa Sen Group to achieve outstanding accomplishments during the 15 years of establishment and development.

Mr. **TRAN NGOC CHU**
Vice Chairman

Joining Hoa Sen Group since the early days of its establishment, Mr. Tran Ngoc Chu has made important contributions during the development process of Hoa Sen Group.

He graduated from Ho Chi Minh City Finance and Accounting University with much experience in the sectors of finance, accounting, taxation and corporate governance; he was elected in the Board of Directors for many consecutive terms by the General Assembly of Shareholders as well as entrusted with many great responsibilities at the Group.

Currently, he is Vice Chairman cum General Director of Hoa Sen Group. As the Vice Chairman, he administrates all operations related to internal affair and marketing of the Group.

In 2014, he was honorably awarded the Third-grade Labor Medal by the President of Vietnam and certificates of merit by Binh Duong Province People's Committee for his contributions to the development of the enterprise and Binh Duong Province.

Mr. **PHAM GIA TUAN**
Member

Mr. Pham Gia Tuan graduated from Sydney University of Technology (Australia) with major of Accounting and he is currently a member of Certified Practicing Accountants of Australia. He has over 10 years of experience in taxation and auditing in leading companies such as VinaCapital, Dutch Lady Vietnam and PricewaterhouseCoopers, etc.

Mr. Pham Gia Tuan is a member of the Board of Directors cum General Director of Viet Capital Asset Management (VCAM). Simultaneously, he is CEO of Viet Capital Healthcare Fund and directly supervises financial investment activities and private enterprises of the Fund.

Mr. Pham Gia Tuan is taking responsibility for Finance and Investor Relation Subcommittee of Hoa Sen Group. As an independent member of the Board of Directors, Mr. Pham Gia Tuan participates in all operations of the Board of Directors, especially in all activities related to shareholders and investors.

Mr. **TRAN QUOC TRI**
Member

Joining Hoa Sen Group since 2004, Mr. Tran Quoc Tri has proved his management ability in many positions such as Manager of Planning Department of the Distribution Network, Director of the Distribution Network and Deputy General Director of Sales. He has been Managing Deputy General Director of Hoa Sen Group since April 1st, 2011.

On April 29th, 2014, he was elected as a member of the Board of Directors and officially approved by General Assembly of Shareholders for term of 2013 – 2017 at Annual General Meeting of the fiscal year 2014 – 2015.

In 2014, he was awarded certificate of merit by Binh Duong Province People's Committee for his contributions to the development of the enterprise and Binh Duong Province. Mr. Tran Quoc Tri graduated from University of Economics Ho Chi Minh City with major of Accounting and Auditing.

Mr. **LY VAN XUAN**
Member

Mr. Ly Van Xuan is a loyal individual shareholder of Hoa Sen Group from the first days of establishment. With his personal reputation and dedication to the Group, the General Assembly of Shareholders elected him as a member of the Board of Supervisors for the term of 2013 – 2017.

On July 31st, 2015, Mr. Ly Van Xuan resigned as a member of the Board of Supervisor and he was elected as a member of the Board of Directors. On January 18th, 2016, he was officially approved as a member of the Board of Directors at Annual General Meeting of the fiscal year 2015 – 2016.

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

MEMBERS OF THE BOARD OF MANAGEMENT

Mr. **TRAN NGOC CHU**
General Director

With many years of experience in finance, accounting, taxation and corporate governance, he was elected to the Board of Directors by the General Assembly of Shareholders cum General Director of Hoa Sen Group in many years.

Mr. Tran Ngoc Chu manages all operations of the Group's departments. Besides that, he directly administrates the activities of internal affair, marketing, the projects belongs to Hoa Sen Ca Na – Ninh Thuan Integrated Iron & Steel Complex Project, the real estate projects performed by Strategic Development & Research Department. In 2014, he was honorably awarded the Third-grade Labor Medal by the President of Vietnam and certificates of merit by Binh Duong Province People's Committee for his contributions to the development of the enterprise and Binh Duong Province.

Currently, Mr. Tran Ngoc Chu undertakes key positions in Hoa Sen Group's subsidiaries/associates as follows:

- Chairman of Hoa Sen Steel Sheet One Member Limited Liabilities Company;
- Chairman of Hoa Sen Building Materials One Member Limited Liabilities Company;
- Chairman of the companies which belong to Hoa Sen Ca Na – Ninh Thuan Integrated Iron & Steel Complex Project including: Hoa Sen Ca Na - Ninh Thuan Integrated Iron and Steel Complex Investment One Member Limited Liabilities Company; Hoa Sen Ca Na – Ninh Thuan International General Seaport One Member Limited Liabilities Company; Hoa Sen Ca Na – Ninh Thuan Cement One Member Limited Liabilities Company and Hoa Sen Ca Na – Ninh Thuan Renewable Energy One Member Limited Liabilities Company;
- Chairman of the Board of Directors in associate companies including: Hoa Sen Yen Bai Joint Stock Company, Hoa Sen Van Hoi Joint Stock Company, Hoa Sen Quy Nhon Joint Stock Company and Hoa Sen Hoi Van Joint Stock Company.

Mr. **TRAN QUOC TRI**
Managing Deputy General Director

Joining Hoa Sen Group since 2004, Mr. Tran Quoc Tri has proved his management ability in many positions such as Manager of Planning Department of the Distribution Network, Director of the Distribution Network and Deputy General Director of Sales. He has been Managing Deputy General Director of Hoa Sen Group since April 1st, 2011.

Mr. Tran Quoc Tri is appointed to manage all the Group's activities of import – export, supply – service as well as all business operations in the South region. In addition, he is in charge of directing region executive office. Moreover, Mr. Tran Quoc Tri also operates internal affairs followed guidelines of the Board of Directors and General Director.

He was awarded certificates of merit by Binh Duong Province People's Committee for his contributions to the development of the enterprise and Binh Duong Province in two consecutive years of 2014 and 2015.

He is a member of the Board of Directors of Hoa Sen Group. He graduated from University of Economics Ho Chi Minh City with major of Accounting and Auditing.

Mr. **HOANG DUC HUY**
Deputy General Director

Mr. Hoang Duc Huy currently is Deputy General Director of Internal Control of Hoa Sen Group. He was one of the founders of Hoa Sen Joint Stock Company (the precursor of Hoa Sen Group) since 2001.

Mr. Hoang Duc Huy has over 14 years working in finance, accounting and internal control at large companies under the Department of Transportation of Tay Ninh Province. As Deputy General Director of Internal Control, he has made great contributions to the Group's development. In 2014, he was awarded certificates of merit by Binh Duong Province People's Committee for his contributions to the development of the enterprise and Binh Duong Province.

Mr. Hoang Duc Huy was honorably awarded certificates of merit by Prime Minister of the Socialist Republic of Viet Nam for great contributions to the country in accordance with Decision No. 1329 QD/TTg on September 21st, 2012.

Mr. **VU VAN THANH**
Deputy General Director

Mr. Vu Van Thanh has joined Hoa Sen Group with the position of Chief Financial Officer since 2008. He made significant contributions to the Group based on his knowledge and experience in operating businesses for many years. In 2014 and 2015, he was awarded certificate of merit by Binh Duong Province People's Committee for his contributions to the development of the enterprise and Binh Duong Province.

Mr. Vu Van Thanh currently is Deputy General Director of Finance as well as in charge of directing the North region executive office and all business operations of subsidiaries/factories and retail distribution network located in the North region.

Currently, Mr. Vu Van Thanh undertakes key positions in Hoa Sen Group's subsidiaries as follows:

- Chairman of Hoa Sen Nghe An One Member Limited Liabilities Company;
- Chairman of Hoa Sen Ha Nam One Member Limited Liabilities Company;
- Chairman of Hoa Sen Transportation & Engineering One Member Limited Liabilities Company;

He obtained a Master Degree in Development Economics and is visiting lecturer of many universities in Ho Chi Minh City.

Mr. **NGUYEN MINH KHOA**
Deputy General Director

Mr. Nguyen Minh Khoa, Deputy General Director, has joined Hoa Sen Group since early 2008. He is currently in charge of implementing the projects belong to Hoa Sen Ca Na – Ninh Thuan Integrated Iron & Steel Complex Project followed the guidelines of the Board of Directors, the Chairman and General Director. In addition, he is also responsible for investing in the Group's industrial projects.

In 2015, he was awarded certificate of merit by Binh Duong Province People's Committee for his contributions to the development of the enterprise and Binh Duong Province.

Mr. Nguyen Minh Khoa obtained a Construction Engineering Degree from University of Architecture Ho Chi Minh City and a Master Business Administration Degree from Industrial Management Department of University of Technology Ho Chi Minh City.

MEMBERS OF THE BOARD OF MANAGEMENT

Mr. **HO THANH HIEU**
Deputy General Director

Mr. Ho Thanh Hieu graduated from University of Economics Ho Chi Minh City with major of Accounting and Auditing.

Joining Hoa Sen Group in early 2002, he was appointed to many positions such as Deputy Director of the Distribution Network, Director of the Distribution Network, Director of Sales. In June 2012, he was appointed as Deputy General Director of Hoa Sen Group.

Mr. Ho Thanh Hieu currently is in charge of directing the central region executive office and all business operations of subsidiaries/factories and retail distribution network located in the central region. Mr. Ho Thanh Hieu also undertakes key positions in Hoa Sen Group's subsidiaries such as Hoa Sen Binh Dinh One Member Limited Liabilities Company and Hoa Sen Nhon Hội - Binh Dinh One Member Limited Liabilities Company.

In 2015, he was awarded certificate of merit by Binh Duong Province People's Committee for his contributions to the development of the enterprise and Binh Duong Province.

Mr. **TRAN QUOC PHAM**
Deputy General Director

Mr. Tran Quoc Pham graduated as constructive engineer with major of industrial and civil construction. He has over 18 years of experience in construction area, and took many important positions in construction companies. He was honorably awarded certificate of merit by Ministry of Construction for great achievements in 2009, 2010 and 2012.

On June 11th, 2016, Mr. Tran Quoc Pham was appointed as Deputy General Director. He is currently in charge of implementing real estate projects, operating directly Strategic Development & Research Department as well as taking responsible for primary construction of the Group's projects (including real estate projects, industrial projects, Hoa Sen Ca Na – Ninh Thuan Integrated Iron & Steel Complex Project, etc.)

Mr. **PHAN DUY QUANG**
Deputy General Director

Mr. Phan Duy Quang has been appointed to Acting Deputy General Director of Export since September 2014. Mr. Phan Duy Quang graduated from Foreign Trade University with major of Foreign Economics Relations.

On October 29th, 2016, Mr. Phan Duy Quang has been officially appointed as Deputy General Director of Export of Hoa Sen Group.

MEMBERS OF THE BOARD OF SUPERVISORS

Mr. **Le Vu Nam**
Head of the Board of Supervisors

Mr. Le Vu Nam is Associate Professor and Doctor of Law with major of Economics Law.

He is currently Dean of the Faculty of Law and Head of Banking – Financial – Security Law Subject of University of Economics and Law, Ho Chi Minh City National University. He has the highest level experience in areas: Securities Law, Banking Law, Enterprise Law and Corporate Governance.

He was formerly Head of Market Research and Development Department of Ho Chi Minh City Stock Exchange Centre (currently is Ho Chi Minh City Stock Exchange).

Currently, Mr. Le Vu Nam is a Head of the Board of Supervisors of Hoa Sen Group for the term of 2013 – 2017.

Mr. **LE DINH HANH**
Member of the Board of Supervisors

Mr. Le Dinh Hanh has profound experience in controlling and auditing at Hoa Sen Group through the following positions: Internal Auditing Associate, Deputy Director of Internal Control Department and currently he is Director of Internal Control Department.

The General Assembly of Shareholders elected him as a member of the Board of Supervisors for the term of 2013 – 2017. Mr. Le Dinh Hanh graduated from University of Economics Ho Chi Minh City with major of Finance – Currency – Credit.

Ms. **DONG THI THANH HANG**
Member of the Board of Supervisors

Ms. Dong Thi Thanh Hang, joining Hoa Sen Group since 2010, was appointed to many positions such as trade promotion officer, Assistant to Deputy General Director of Export, Head of Export Documents Division, Deputy Director of Import, Director of Import & Export Control and Deputy Director of Control Department.

Ms. Dong Thi Thanh Hang was elected as a member of the Board of Supervisors for the term of 2013 – 2017 by the General Assembly of Shareholders in the Annual Meeting of the General Assembly of Shareholders of the fiscal years 2015 – 2016.

PRODUCTION CAPACITY

HOA SEN GROUP

No. 9, Thong Nhat Boulevard, Song Than 2 Industrial Park, Di An Ward, Di An Town, Binh Duong Province.

PRODUCTION LINE	QUANTITY	TOTAL DESIGNED CAPACITY (TONS/YEAR)
Galvanizing line (NOF technology)	5	1,220,000
Color coating line	4	420,000

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

Street No. 1B, Phu My 1 Industrial Park, Phu My Town, Tan Thanh District, Ba Ria – Vung Tau Province.

PRODUCTION LINE	QUANTITY	TOTAL DESIGNED CAPACITY (TONS/YEAR)
Cold rolling line	5	980,000
Pickling line	2	1,100,000

HOA SEN STEEL SHEET ONE MEMBER LIMITED LIABILITIES COMPANY

No. 9, Thong Nhat Boulevard, Song Than 2 Industrial Park, Di An Ward, Di An Town, Binh Duong Province

BRANCH OF HOA SEN STEEL SHEET ONE MEMBER LIMITED LIABILITIES COMPANY - PHU MY COLD ROLLING MILL

Street No. 1B, Phu My 1 Industrial Park, Phu My Town, Tan Thanh District, Ba Ria – Vung Tau Province

HOA SEN BUILDING MATERIAL ONE MEMBER LIMITED LIABILITIES COMPANY

Street No. 2B, Phu My 1 Industrial Park, Phu My Town, Tan Thanh District, Ba Ria – Vung Tau Province.

BRANCH OF HOA SEN BUILDING MATERIAL ONE MEMBER LIMITED LIABILITIES COMPANY IN HAI DUONG PROVINCE

Phuong Do Hamlet, Hung Thinh Commune, Binh Giang District, Hai Duong Province.

PRODUCTION LINE	QUANTITY	TOTAL DESIGNED CAPACITY (TONS/YEAR)
Steel pipe line	28	411,800
Truss, Hollow, Batten line	3	28,400
Plastic pipe line (uPVC, HDPE, PPR)	19	67,000
Production line for plastic accessories	20	2,160

HOA SEN BINH DINH ONE MEMBER LIMITED LIABILITIES COMPANY

Lot A1.1 and TT 6.2 & 7, Nhon Hoa Industrial Park, Nhon Hoa Ward, An Nhon Town, Binh Dinh Province.

PRODUCTION LINE	QUANTITY	TOTAL DESIGNED CAPACITY (TONS/YEAR)
Steel pipe line	9	108,000
Plastic pipe line	6	12,000

HOA SEN NGHE AN ONE MEMBER LIMITED LIABILITIES COMPANY

Lot CN 1-8, Dong Hoi Industrial Park, Quynh Lap Commune, Hoang Mai Town, Nghe An Province.

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

Nam Cam Industrial Park, Nghi Xa Commune, Nghi Loc District, Nghe An Province.

PRODUCTION LINE	QUANTITY	TOTAL DESIGNED CAPACITY (TONS/YEAR)
Galvanizing line (NOF technology)	1	400,000
Color coating line	1	120,000
Steel pipe line	9	118,800

PRODUCT CATEGORY

"ADVANCED TECHNOLOGY CREATES DIVERSE PRODUCTS WITH HIGH QUALITY AND INTERNATIONAL STANDARDS"

COLD ROLLED COIL

By applying the modern 6 high single-stand reversing cold rolling technology, cold rolled coils of the Group meet the strict requirements of quality in accordance with Japanese standard of JIS G3141.

GALVANIZED STEEL SHEET (GI)

Being manufactured by the advanced and environmentally friendly NOF technology, the products meet the strictest requirements of galvanized steel sheet in accordance with Japanese standard of JIS G3302. With the effective anti-erosive and smoothly coated surface, Hoa Sen galvanized steel sheet, which meet high quality standard of ASTM A653/A653M (US), AS 1397 (Australia), EN 10346 (Europe), MS 2384 and MS 2385 (Malaysia), is first priority choice of the consumers.

PRE-PAINTED ZINC ALLOY COATED STEEL SHEET
(PRE-PAINTED GI)

With the variety in color and specifications of Hoa Sen Group, pre-painted galvanized steel sheets always satisfy the customers' demands and ensure the products' quality in accordance with standards of JIS G3312 (Japan), ASTM A755/A755M (US), AS 2728 (Australia), EN 10169 (Europe) and MS 2383 (Malaysia).

ALUMINUM-ZINC ALLOY COATED STEEL SHEET
(GL)

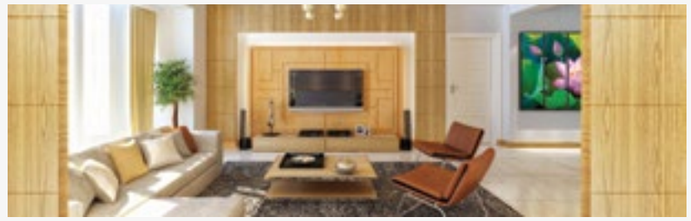
Being manufactured by the advanced and environmentally friendly NOF technology, aluminum-zinc alloy coated steel sheets meet the standards of ASTM A792/A792M (US), AS 1397 (Australia), JIS G3321 (Japan), MS 1196 (Malaysia) and EN 10346 (Europe). The products' surfaces are glossy, silvery, anti-erosive, effectively heat-resistant and flexibly designed with 4 times higher durability than other common kinds of steel sheet product.

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

Being applied the most advanced technology of color coating on aluminum-zinc alloy surface makes the products outstandingly durable, highly aesthetic, and ensures the products' quality standards: JIS G3322 (Japan), ASTM A755/A755M (US), AS 2728 (Australia), MS 2383 (Malaysia), EN 10169 (Europe).

WOOD PATTERN STEEL SHEET

The outstanding feature of wood pattern steel sheets is their surfaces which are coated with the paint of wood pattern. Therefore, they are highly aesthetic, and can be applied to make outdoor products and furniture which bring the subtlety and luxury to the houses. Being different from traditional steel sheets, the applications of wood pattern steel sheets are extremely diverse. The products are used flexibly for construction works and houses such as ceilings, walls, wardrobes, shelves, furniture, etc. These are the products which have many advantages such as high aestheticism, good heat resistance, high durability, no mold, easy cleaning, high temperature resistance, easy installation, etc. The products can be used without drawbacks of earlier materials such as dinginess, mold, rapid degradation, etc.



PRE-PAINTED GL/GI WITH PVDF

Pre-painted GL/GI is used paint which main factor is high grade Fluoropolymer plastic on GL/GI steel sheet surfaces, and combination of the carbon-fluoro associated with carbon-hydrogen atoms of PVDF to increase significant prevention of erosion, acid and to strengthen paint durability than normal polyester paint. Moreover, the product can prevent UV ray in severe weather conditions and ensure high quality in accordance with standard of JIS G 3322, JIS G 3312 (Japan), ASTM A755/A755M (US), AS 2728 (Australia), EN 10169 (Europe), MS 2383 (Malaysia).

METALLIC STEEL SHEET

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

PRODUCT CATEGORY

"ADVANCED TECHNOLOGY CREATES DIVERSE PRODUCTS WITH HIGH QUALITY AND INTERNATIONAL STANDARDS."

WRINKLE STEEL SHEET IN COILS

Wrinkle steel sheet in coils including Galvanized steel sheets and Pre-painted aluminum-zinc alloy coated steel sheets are painted with special wrinkle pattern on the surfaces. The outstanding features of wrinkle steel sheet in coils are their high aestheticism, high durability, good heat resistance, good moisture resistance, easy installation, etc. The products are used flexibly for construction works and houses such as ceilings, walls, roofs, etc.

HOT DIP GALVANIZED STEEL PIPE (PLANNING)

Being manufactured through following stages: forming pipe, pickling and cleaning surface, hot dipping galvanized steel pipe. Hoa Sen hot dip galvanized steel pipe products have long durability and meet the standard of ASTM A53/A53M-12.

UPVC PLASTIC PIPE AND ACCESSORIES

Being manufactured by the modern production line with the advanced European technology and the centralized blending system, the plastic products are homogeneous and high-quality in accordance with standards of BS EN ISO 1452-2: 2009 (Britain); AS/NZS 1477:2006 (Australia), TCVN 8699:2011 (Vietnam). Hoa Sen Group successfully produced uPVC pipes with 630 mm in diameter, 30 mm in thickness and 12.5 bars in pressure. Hoa Sen Group's plastic

pipes are widely used in various fields such as public and civil drainage system, electricity works, telecommunication and sand pumping, etc.

HOT DIP GALVANIZED STEEL (HGI)

With the input material of high quality cold rolled coil of Hoa Sen Group and the advanced NOF technology, Hoa Sen hot dip galvanized steel meets diversified requirements in industrial and civil construction. Hoa Sen hot dip galvanized steel always meets standards of JIS G3302 and JIS G3321 (Japan), ASTM A653/A653M and ASTM A792/A792M (US), AS 1397 (Australia), EN 10346

(Europe), MS 2384, MS 2385 and MS 1196 (Malaysia).

GALVANIZED STEEL PIPE AND SQUARE STEEL PIPE

Being manufactured through the process of pickling, cold rolling, annealing, galvanizing, slitting, formed rolling, Hoa Sen steel pipe and square steel pipe have clean and smooth surface, steady thickness, high plasticity and good adhesion as well as high quality in accordance with standards: JIS G3344, JIS G3466 (Japan), ASTM A500/A500M (US), AS 1163:2009 (Australia/New Zealand)

TRUSS BAR, BATTEN BAR AND HOLLOW PIPE

These products are made of high strength aluminum alloy coated steel G550 AZ100 with extremely corrosive resistance, high aestheticism for constructions, without needs of covering the rust-proof paint, ability to protect against insects such as termites and other harmful insects, satisfy many strict requirements.

HDPE PLASTIC PIPE

Using high quality imported plastic materials and being manufactured with the advanced European technology (Germany), HDPE plastic pipe products meet high demand of water supply and drainage. Hoa Sen HDPE plastic pipe products are produced in accordance with standard of TCVN 7305-2:2008 (ISO 4427-2:2007) with the maximum size up to 630 mm and the pressure from 6 to 20 bar.

PPR PLASTIC PIPE

Using high quality imported plastic materials and being manufactured with the advanced European technology (Germany) and being controlled tightly in accordance with standard of DIN 8077:2008-09, DIN 8078:2008-09, Hoa Sen PPR plastic pipe products tolerate heat of water up to 95°C and are used in hot watering for civil and industrial activities.

5 CORE COMPETITIVE ADVANTAGES

1. VERTICALLY INTEGRATED VALUE CHAIN
2. OWNING 250 DISTRIBUTION-RETAIL BRANCHES
3. THE LEADING, FRIENDLY AND COMMUNITY-ORIENTED BRAND
4. PROFESSIONAL CORPORATE GOVERNANCE AND UNIQUE CORPORATE CULTURE
5. PIONEERING IN ADVANCED TECHNOLOGY INVESTMENT

IMPLEMENT THE MANUFACTURING COST-LEADERSHIP STRATEGY

5 CORE COMPETITIVE ADVANTAGES

1

VERTICALLY INTEGRATED VALUE CHAIN

"WITH THE VERTICALLY INTEGRATED VALUE CHAIN, HOA SEN GROUP TAKES THE INITIATIVE TO CONTROL THE COSTS OF EACH STAGE OF THE PRODUCTION PROCESS TIGHTLY. THIS HELPS THE GROUP MINIMIZE COSTS AND ACHIEVE ECONOMIES OF SCALE."

HOA SEN GROUP IS THE LEADING MANUFACTURER OF STEEL SHEETS

1

IN SOUTHEAST ASIA

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

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

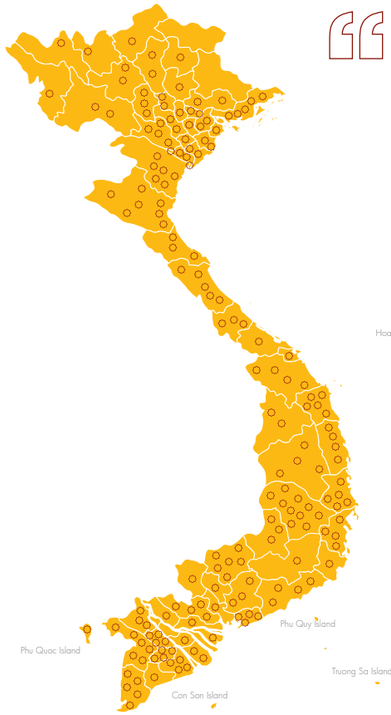
Through nationwide distribution-retail branches, high quality products of Hoa Sen Group are delivered to the end-users.

With the vertically integrated value chain, Hoa Sen Group takes the initiative to control the costs of each stage of the production process tightly. This helps the Group minimizes costs and achieves economic effect of the scope. This is the foundation for Hoa Sen Group to implement the manufacturing cost-leadership strategy.

5 CORE COMPETITIVE ADVANTAGES

2

OWNING 250 DISTRIBUTION-RETAIL BRANCHES



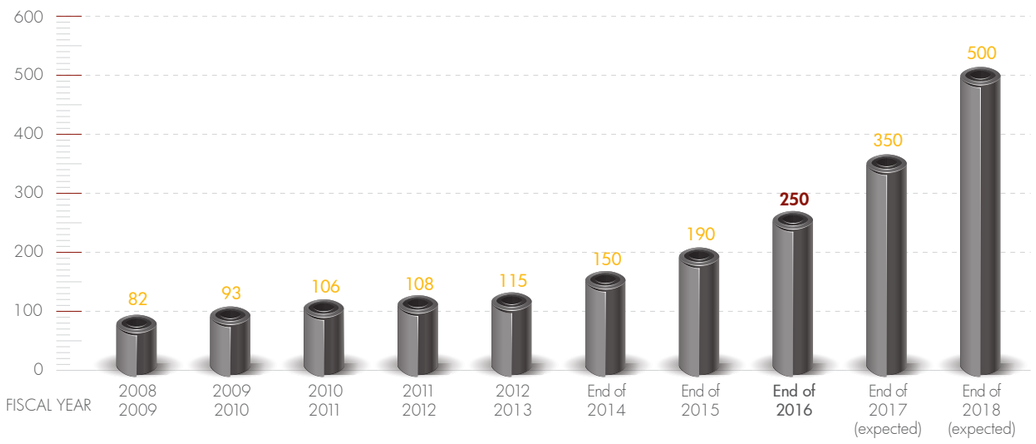
"THE NATIONWIDE DISTRIBUTION-RETAIL BRANCHES ARE INDISPENSABLE FOUNDATION TO IMPLEMENT THE STRATEGY OF "BUYING DIRECTLY FROM PRODUCERS AND SELLING DIRECTLY TO END-USERS".

By the end of 2016, the total number of retail branches of Hoa Sen Group is:

250

Planning to the end of 2018, the total number of Hoa Sen Group's branches will be 500.

CHART OF THE DEVELOPMENT OF BRANCH NETWORK IN VIETNAM



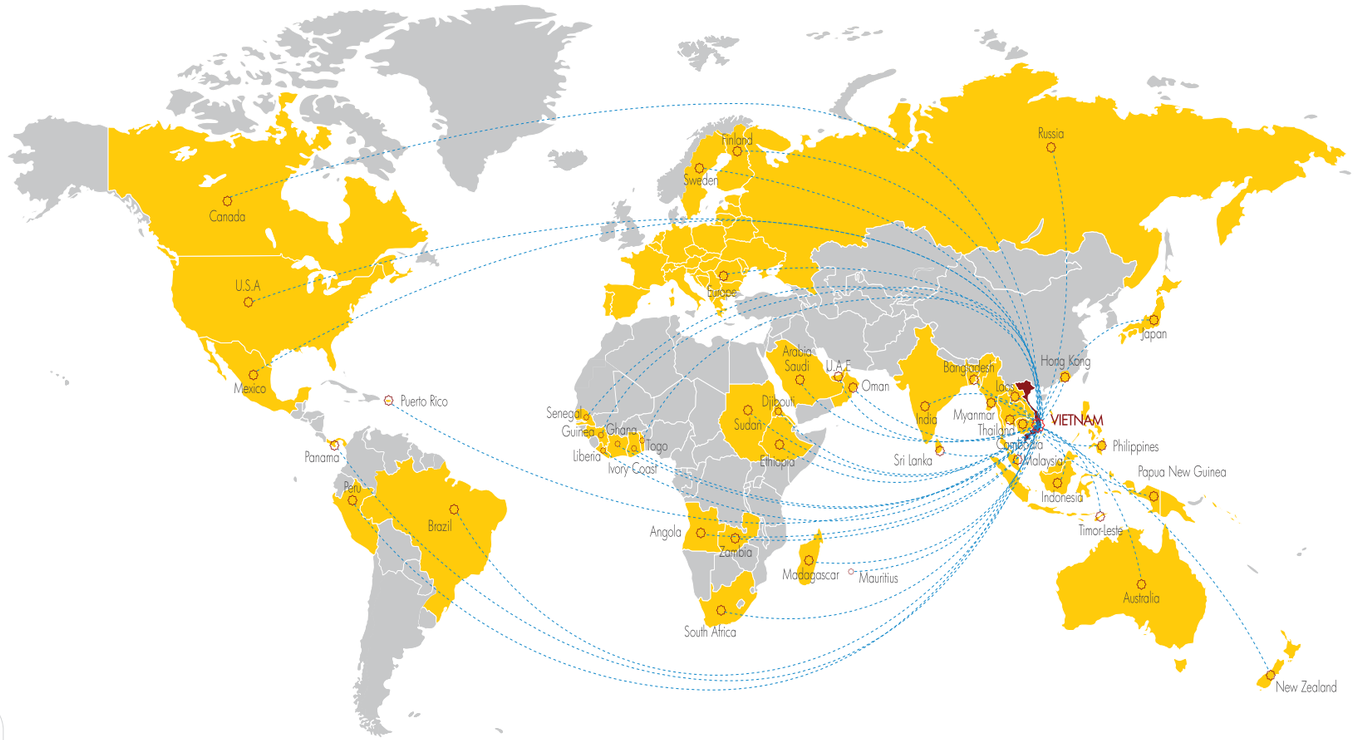
HOA SEN GROUP'S PRODUCTS ARE PRESENTED IN

65

COUNTRIES AND TERRITORIES

RELENTLESS DEVELOPMENT AND MARKET SHARE GROWTH

DISTRIBUTION CHANNELS TO COUNTRIES



With the centralized and unified management in accordance with the general policies, the nationwide distribution-retail branches have become an outstanding competitive advantage of the Group in directly approaching to the end-users, tightly controlling products' quality and promptly delivering the products to the market. In the period of fluctuating economy, the strategic role of the distribution-retail branches is even more valuable that the Group can flexibly apply sales policies to maintain the cash flow. This characteristic is the foundation that enables the Group to quickly settle the manufacturing and business activities when macroeconomic conditions become unfavorable, and to keep on affirming the number one position in the Vietnamese coated steel sheet market.

By the end of 2016, the total number of retail branches of Hoa Sen Group is 250. Planning to the end of 2018, the total number of Hoa Sen Group's branches will be 500.

Besides maintaining domestic market, Hoa Sen Group also continuously strengthens export activities to traditional markets and expands market share to potential markets in Middle East, Southern Asia, Africa, Australia, Europe, and America. Currently, Hoa Sen Group's products are presented in 65 countries and territories.

5 CORE COMPETITIVE ADVANTAGES

3 THE LEADING, FRIENDLY AND COMMUNITY-ORIENTED BRAND

> WITH UNCEASING EFFORTS, HOA SEN GROUP RAPIDLY OBTAINS THE LEADING POSITION IN VIETNAMESE STEEL SHEET MARKET AND IS THE TOP STEEL EXPORTER IN SOUTHEAST ASIA. THIS IS A RESULT OF THE UNIQUE STRATEGY THAT MADE A STRONG AND SUSTAINABLE HOA SEN BRAND IN NOT ONLY DOMESTIC MARKET BUT ALSO INTERNATIONAL MARKET. HOA SEN GROUP ALWAYS FOCUSES ON BRAND PROMOTION, MAINTAINS ITS "GLOBAL GROWTH COMPANY" POSITION IN THE WORLD ECONOMIC FORUM AND CONTINUES TO PRESENT THE LEADING, FRIENDLY AND COMMUNITY-ORIENTED BRAND.

THE UNIQUE BRANDING STRATEGY

Since the first days of establishment, Hoa Sen Group has chosen the strategy of building brand in accordance with its core business philosophy: "Integrity – Community – Development". Over the last 15 years, Hoa Sen Group has not only focused on well organizing business and manufacturing activities but also pioneered in meaningful social activities through sponsoring and diverse charity programs such as Viet Families' Sweet Home, Hoa Sen Steel Sheet – School together, the Futsal cup for underprivileged children, the VTV international cycling tournament – Hoa Sen Steel Sheet Cup 2016, VTV Television International Woman Volleyball – Hoa Sen Steel Sheet Cup 2016, Golden Small Bell, Overcome yourself, donating steel sheet for people in flood zone, etc. One of special events of Hoa Sen Group over the past few years was Hoa Sen Group becoming a co-organizer and main sponsor for program series of motivational speaker Nick Vujicic in 2013, 2014, and 2015; these series of events have been the strong inspiration to live and spread the good value to the community.

In addition, Hoa Sen Group always affirms the brand value by good quality products and services. For Hoa Sen Group, product quality is the prestige and survival of the brand. By seriously performing four commitments: "Right price, right standard, right quality, and warranty", Hoa Sen Group has delivered products to customers with "international standard, reasonable price, fast delivery and good after sale service". In order to deliver products directly to end-users, Hoa Sen Group has established a nationwide distribution-retail network with over 250 branches across the country. Moreover, the Group has call center 18001515 to support all consumers' issues and to consult more information and guidelines for selecting the genuine Hoa Sen products. Currently, the Group continues promoting the community-oriented Hoa Sen brand to reinforce the position in domestic market and expand to other countries in the region as the fact that Hoa Sen products are now presented in more than 65 countries and territories.

With unceasing effort on improving products' quality and services, Hoa Sen Group has built successful brand which consistently taking competitive advantage and strong demand from its brand. During the last fiscal year, Hoa Sen Group has achieved many awards including the Second Grade Labor Medal from the President of Vietnam, National Quality 2016 award, Third time "Vietnam Value" for Hoa Sen Steel Sheet, Hoa Sen Steel Pipe and Hoa Sen Plastic Pipe, Top 10 Vietnam Gold Star 2015, Top 10 Vietnam Strong Brands 2015, Top 10 Most Reputable Listed Companies in 2015, Top 50 Best Vietnamese listed companies 2016 by Forbes, Top 50 Most Valuable Vietnamese Brands by Brand Finance Plc (UK), Top 40 Most Valuable Vietnamese Company Brands awarded by Forbes, Best Managed Company in Asia 2016 conferred by Euromoney Magazine, etc. In 09/2015, Hoa Sen Group was the only representative in Vietnam chosen in the Community of Global Growth Companies. These prestigious awards are significant evidences demonstrating a successful brand building process, creating Hoa Sen Group's position and prestige as the leading brand in the market. Continuously developing and growing, Hoa Sen Group has consistently affirmed its brand commitment that always creates the highest values for consumers and society, orienting to become the leading supplier and distributor of building materials in Southeast Asia.

COMMUNITY-ORIENTED DEVELOPMENT

5 CORE COMPETITIVE ADVANTAGES

4 PROFESSIONAL CORPORATE GOVERNANCE AND UNIQUE CORPORATE CULTURE

CORPORATE CULTURE

Hoa Sen Group established its governance system upon the foundation of corporate culture of 10 "T" letters: Integrity – Loyalty – Dedication – Talent – Friendliness. This is an important factor contributing to the rapid and sustainable development of Hoa Sen Group in over 15 years.

INTEGRITY

Being honest and transparent in all activities

COMMUNITY

Sharing Hoa Sen Group's achievements with the community is the humanistic beauty which has gone into many Vietnamese people's minds deeply.

DEVELOPMENT

Continuously developing and bringing the Hoa Sen brand name to new heights.

5 CORE COMPETITIVE ADVANTAGES

5 PIONEERING IN ADVANCED TECHNOLOGY INVESTMENT

"HOA SEN GROUP IS ALWAYS THE PIONEER IN INVESTING IN MODERN EQUIPMENT LINE AND APPLYING NEW TECHNOLOGY."

In Vietnam, Hoa Sen Group is always the pioneer in investing in modern equipment line and applying new technology. Thanks to modern lines and technology, Hoa Sen Group's products always have high quality and meet international and domestic quality standards.

In order to supply high quality products stably to customers, meet all the requirements and customers' satisfaction as well as implement social responsibilities to environment, health and safety, the Group has established, applied and maintained integrated management system including ISO 9001:2015 standards of quality management system, ISO 14001:2015 standards of environmental management system and OHSAS 18001:2007 standards of occupational health and safety management system.

DEVELOPING SUSTAINABLY WITH ADVANCED TECHNOLOGY

DEVELOPMENT ORIENTATION IN THE PERIOD 2016 - 2020

HOA SEN GROUP'S DEVELOPMENT ORIENTATION IN THE PERIOD 2016 - 2020 CONTINUES TO AFFIRM THE LEADING POSITION IN THE DOMESTIC MARKET, AS WELL AS ENHANCING ITS INFLUENCE TO REGION AND INTERNATIONAL MARKETS.

HOA SEN GROUP KEEPS FOCUSING ON STEEL PRODUCTION WHICH IS THE GROUP'S CORE BUSINESS IN PARALLEL WITH RESEARCHING AND APPROACHING TO OTHER POTENTIAL INVESTMENT SECTORS SUCH AS REAL ESTATE, TOURISM, ETC.

DEVELOPMENT STRATEGY'S TARGETS IN THE PERIOD 2016 - 2020

To implement the development orientation, Hoa Sen Group has set strategic objectives in the period 2016 – 2020 as following:

- Concentrating domestic market as the foundation to dedicate and bring sustainable value to consumers, affirming the stature and mission of a dynamic and creative Vietnamese enterprise.
- Pushing brand identity activities in order to promote a strong and friendly Hoa Sen brand.
- Improving the organizational structure and governance model of the Group in accordance with regions and business sectors in order to utilize resources, and increase business efficiency.
- Completing industrial projects, in which applying advanced technology and technique to improve production capability, environmental protection, and delivering good values to community.
- Researching and preparing necessary resources for the new developments in the future.

DEVELOPMENT STRATEGY'S IMPLEMENTATIONS IN THE PERIOD 2016 - 2020

- Expanding retail distribution network, applying flexible business policy and technical innovations in order to improve products' quality and design, combining with thoughtful customer care policy to take competitive advantage in cost and quality in the domestic market.
- Exploring export markets and responding actively to the trade remedy measures from these foreign markets.
- Pushing effectively Marketing – Communication activities through brand promotion, charity and community-oriented activities.
- Researching and completing the organizational structure and operation according to the Corporation model organized by regions and business sectors.
- Accelerating the production projects' implementing in the North, the Central and the South of Vietnam, taking competitive advantage in cost. Researching and implementing investment projects in the potential fields such as real estate, tourism, steel making, etc.
- Strengthening the effectiveness of controlling operation in parallel with the Group's development, ensuring all operations complied with legal regulations to protect general benefits of corporation, shareholders, and consumers.

HOA SEN GROUP'S OBJECTIVES IN FISCAL YEAR 2016 - 2017

TO IMPLEMENT THE POLICY AND ORIENTATION, THE BOARD OF DIRECTORS AND ALL EMPLOYEES OF HOA SEN GROUP ENDEAVOUR TO OUTPERFORM THE BUSINESS PLAN IN FISCAL YEAR 2016 - 2017 AS FOLLOWS:

QUALITY OBJECTIVES

- The selling division and the nationwide distribution-retail network ensure that achieving 100% target of business plan which was assigned by the Board of Directors.
- Ensuring that purchased goods meet the time requirements of the divisions which have demand for goods or production plan, as follows:
  - » Import Department ensures that 90% of main raw materials meet the time requirements of Plan – Supply Department.
  - » Ensuring that 100% purchase requirements of subsidiary materials, materials, instruments and tools are on production schedule.
- Ensuring that the purchased goods meet specification requirements and technical standards, as follows:
  - » Import Department ensures that 95% of main raw materials meet the specification requirements and technical standards.
  - » Ensuring that 100% purchased subsidiary materials, materials, instruments and tools meet the specification requirements and technical standards.
- The rate of finished goods of type 1, type 2 and by-products meet the production norm of Hoa Sen Group in fiscal year 2016 - 2017.
- Ensuring that the number of unresolved customer complaints in one month does not exceed 8 cases.

ENVIRONMENTAL OBJECTIVES

- Stationary expenses within the norm limits of the Group.
- Ensuring that the electricity, water and gas expenses within the norm limits of the Board of Management (apply to the Production Executive Board).
- Ensuring that environmental monitoring at the Production Executive Board is periodically monitored.

OCCUPATIONAL HEALTH AND LABOR SAFETY OBJECTIVES

- Ensuring that at the Production Executive Board, the number of serious workplace accident is no more than one case and the number of minor accident does not exceed three cases per month.
- No workplace accident at representative office.
- No fire incident.

REPORT ON PRODUCTION
AND BUSINESS OPERATIONS

Increasing **capacity,**

CAPTURING THE MARKET

BEING THE FIRST POSITION IN VIETNAM STEEL MARKET AND THE LEADING EXPORTER IN SOUTHEAST ASIA, HOA SEN GROUP CONTINUES TO REACH OUT AND AFFIRM INTEGRATIVE ABILITY IN INTERNATIONAL ECONOMY EXTENSIVELY.

BUSINESS PERFORMANCE OF
FISCAL YEAR 2015 - 2016

17,894

BILLION VND

NET SALES
25% compared to business plan

1,504

BILLION VND

AFTER-TAX PROFIT
130% compared to previous fiscal year

"ENDING THE FISCAL YEAR 2015 - 2016, SALES VOLUME, NET SALES AND AFTER-TAX PROFIT OF HOA SEN GROUP COMPLETED THE PROPOSED PLAN AND ACHIEVED REMARKABLE GROWTH COMPARED TO THE PREVIOUS FISCAL YEAR."

OVERVIEW

MACRO SITUATION

In 2016, Vietnam's economy continues to have positive development, maintaining stable growth momentum with the following characteristics:

- General domestic product (GDP) in the first 9 months of 2016 rose 5.93% estimately compared to the same period in 2015.
- Average consumer price index in the first 9 months of the year increased by 2.07% compared to the same period in 2015, but still within the 5% limit set by the National Assembly.
- Credit growth of the economy reached 10.46%. The average interest rate is adjusted down to the range of 0.3% - 0.5%.
- The integration of the ASEAN Community in 2016 brought many opportunities, as well as challenges for the economic integration of Vietnam.
- Nevertheless, in the context where economic growth of major economies such as the US, China, Japan, is slowing down combined with the volatilities and uncertainties of the political - security situation in some sensitive areas of the world, the domestic market was somewhat significantly impacted, especially in the export and budgeting activities.

MARKET SITUATION

Under the pressure of the long last over-production crisis, the market for the steel industry in 2016 has been going through a very difficult period:

- Iron ore and hot rolled steel prices sharply increased in the first 6 months but continuously fluctuated in the following months.
- The steel market is currently over-supplied with products serving construction industry, but under-supplied with products serving manufacturing, processing sector (hot roll coil, high quality alloy steel, shape steel, long steel, etc.). This is one of the reasons for the increasing long steel trade deficit of Vietnam.
- The prices of many construction steel products were low compared to the average prices of previous years.
- The Chinese steel market is undergoing strong restructuring through reallocation of domestic supply and boosting export at low prices in order to minimize inventory. This is the cause of the pressure on prices for steel products in Vietnam. Chinese steel price is around 10% lower even after tax imposition.
- Exports of steel products continuously encounter trade barriers, particularly the imposition of trade remedy measures in several major markets in the world and in the region such as the US, Malaysia, Indonesia Thailand, causing negative effects on steel export countries, including Vietnam.

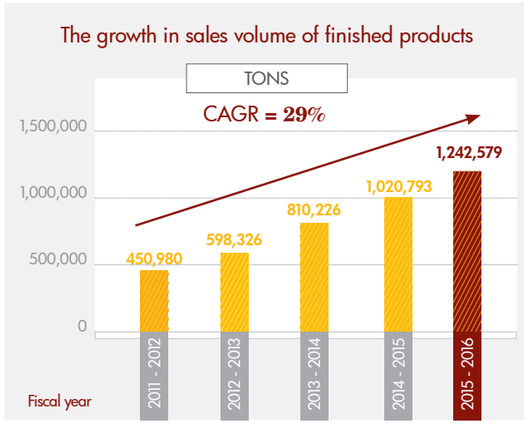
BUSINESS PERFORMANCE OF THE FISCAL YEAR 2015 - 2016

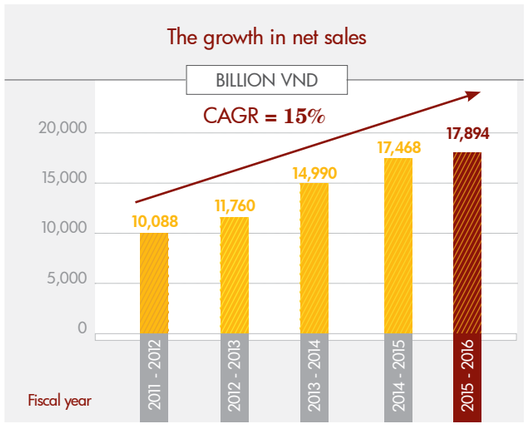
Ending the fiscal year 2015 – 2016, sales volume, net sales and after-tax profit of Hoa Sen Group completed the proposed plan and achieved remarkable growth compared to the previous fiscal year:

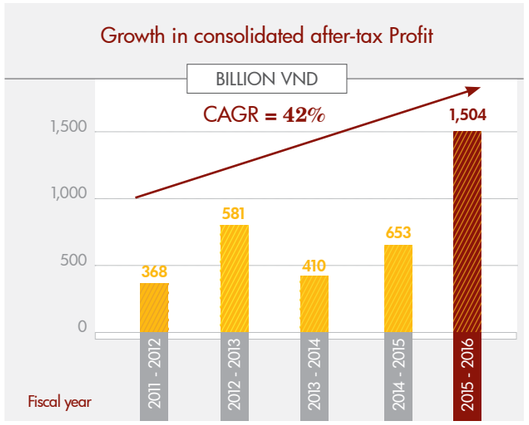
- Sales volume of finished products reached 1,242,579 tons, exceeding 13% the plan and grew 22% over the same period of previous fiscal year. The average compound annual growth rate in 5 fiscal years is 29%.
- Net sales reached 17,894 billion VND, 25% higher than the plan. The average compound annual growth rate in 05 fiscal year reached 15%.
- The after-tax profit of fiscal year 2015 - 2016 exceeded over the plan with impressive result of 1,504 billion VND, increased 130% compared to the previous fiscal year. The average compound annual growth rate in 5 fiscal year is 42%.

REPORT OF THE BOARD OF DIRECTORS

CHART OF THE GROWTH IN SALES VOLUME OF FINISHED PRODUCTS, THE GROWTH IN NET SALES AND THE GROWTH IN CONSOLIDATED AFTER-TAX PROFIT OF HOA SEN GROUP IN 5 FISCAL YEARS.







The outstanding business results in fiscal year 2015 – 2016 of Hoa Sen Group comes from the following reasons:

- The recovery of the real estate market led to an increase in demand for the products of building materials, especially steel products.
- The recovery of hot rolled coils prices on the market compared to the previous fiscal year.
- Large-scale production plants (Hoa Sen Nghe An plant, Hoa Sen Binh Dinh plastic pipe plant) along with many new production lines, machineries and equipments in the current plants were put into operation, improving production capacity and product diversification, minimizing transportation cost, enhancing Hoa Sen Group competitiveness in the new markets.
- Furthermore, the wide-spread retail branches network countinued to expand, augmented with an effective cost management mechanism, and a appropriate flexible business policy is also one of the important factors contributing to the success of Hoa Sen Group in fiscal year 2015 – 2016.

478

THOUSAND TONS

SALES VOLUME IN EXPORT CHANNEL

17% compared to previous fiscal year

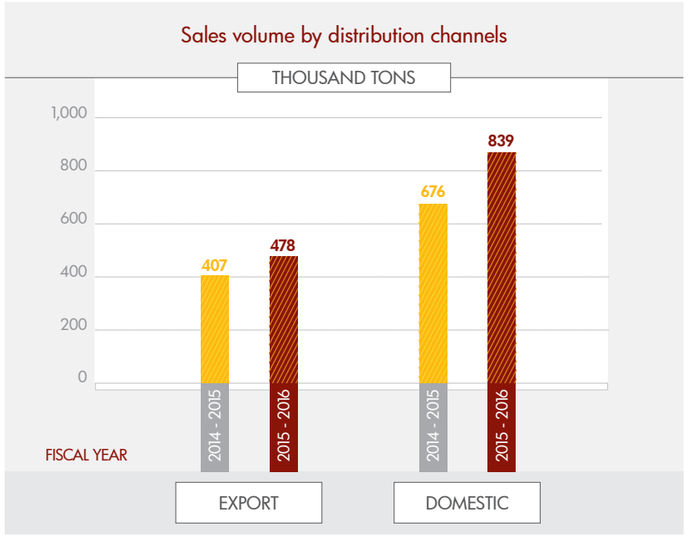
839

THOUSAND TONS

SALES VOLUME IN DOMESTIC CHANNEL

24% compared to previous fiscal year

In the fiscal year 2015 – 2016, the sales channels have also made great efforts to accomplish the assigned targets. Specifically, the export channel continued to grow with sales volume reached 478,000 tons, increased 17% compared to the previous fiscal year. The domestic sales channel continued to be the main distribution channel of Hoa Sen Goup with the sales volume reaching 839,000 tons, increased 24% compared to the previous fiscal year.



REPORT ON IMPLEMENTATION OF THE RESOLUTION OF

ANNUAL GENERAL MEETING OF THE FISCAL YEAR 2015 - 2016

In the fiscal year 2015 – 2016, Hoa Sen Group held 02 Annual General Meetings to report and approve policies. At the meeting, General Assembly of Shareholders has approved the following resolution.

- Resolution No. 01/NQ/ĐHĐCĐ/HSG/2016, dated 18/01/2016 at Annual General Meeting of the fiscal year 2015 – 2016.
- Resolution No. 02/NQ/ĐHĐCĐ/2016 dated 06/09/2016 on implementing Hoa Sen Ca Na – Ninh Thuan integrated iron and steel complex project.

The implementation of Resolution of General Assembly of Shareholders in fiscal year 2015 – 2016 is as follows:

No.	Main contents	Results
1	Production and business plan for the fiscal year 2015 – 2016	A detailed report in the "Report of the Board of Management"
2	Implementation of industrial projects of Hoa Sen Group	A detailed report in the "Report of the Board of Management" and "Invesment projects"
3	Profit distribution plan and the allocation percentage for funds in the fiscal year 2015 - 2016	In the fiscal year 2015 – 2016, The Board of Directors completed the dividend payment of fiscal year 2014 - 2015 and allocation of funds for fiscal year 2015 - 2016 according to schedule and content that has been approved.
4	Implementation of the project to improve the organizational and operational model of the Hoa Sen Group by region	In the fiscal year 2015 – 2016, Hoa Sen Group put into operation the North - Central - South Executive Offices in order to improve the organizational and operational model.
5	Selection of audit firm for the fiscal year 2015 – 2016	The Board of Directors chose Ernst & Young Vietnam as Hoa Sen Group's audit firm for the fiscal year 2015 – 2016.
6	Implementation of Hoa Sen Ca Na – Ninh Thuan integrated iron and steel complex project.	Currently, the General Assembly of Shareholders and the Board of Directors are completing the registration procedures for the investment components of the Complex Project.

CONSOLIDATED BUSINESS PLAN

FOR THE FISCAL YEAR 2016 – 2017

Based on the forecast for growth rate of domestic and export market, production capacity and sales capacity of the Group, the Board of Directors submitted the consolidated business plan for the fiscal year 2016 - 2017 to General Assembly of Shareholders as follows:

Item	Unit	Performance of fiscal year 2015 – 2016	Business plan of fiscal year 2016 – 2017	Compare to the performance of fiscal year 2015 – 2016	
				Absolute number	Relative number
(A)	(B)	(C)	(D)	(E = D-C)	(F = ((D/C-1)*100)
Sales volume	Tons	1,317,101	1,575,000	257,899	20%
- Finished Goods	Tons	1,242,579	1,486,000	243,421	20%
- By-product	Tons	74,522	89,000	14,478	19%
Net sales	billion VND	17,894	23,000	5,106	29%
After-tax profit	billion VND	1,504	1,650	146	10%

In 2017, steel market is forecasted to have complex movements. Therefore, in the fiscal year 2016 - 2017, Hoa Sen Group proposes a business plan with more careful than its fiscal year 2015 - 2016. In particular, the sales volume and net sales increase 20% and 28% respectively, and the after-tax profit increases by 10% compared to fiscal year 2015 - 2016.

IMPLEMENTATION ORIENTATION OF BUSINESS PLAN

FOR THE FISCAL YEAR 2016 – 2017

Based on careful forecast for the market movements of the steel industry in 2017, the Board of Directors proposed policies and orientations in production and business operations of Hoa Sen Group for the fiscal year 2016 – 2017 as follows:

2 IN TERMS OF SUPPLY ACTIVITY

- Improving logistic systems, and developing transport quantities to meet the demand for transport of goods and raw materials, and ensure the initiatives and effectiveness of transport operations, supply activities.
- Developing the retail distribution network quickly, ensuring the branches of Hoa Sen Group are allocated throughout the country, taking competitive advantage in cost.

1 IN TERMS OF PRODUCTION ACTIVITY

- Exploitating, operating the production line system effectively, combining with investing in technical improvements to optimize production costs, ensuring improvements of the quality of products, and maintaining brand reputation.
- Researching, and developing new products with good technical characteristics to meet market demand, and contribute to the diversification of Hoa Sen Group's products.
- Completing vertically integrated value chain to optimize production costs.

3 IN TERMS OF BUSINESS ACTIVITY

- Continuing to focus on domestic market as the foundation through expanding the distribution retail network in three regions North - Central - South of Vietnam, as well as improving of administration and controlling at the branches.
- Continuing to maintain the growth of export through effective methods to increase sales volume in the traditional markets, and expanding export activities to potential markets.

4 IN TERMS OF INVESTMENT ACTIVITY

- Speeding up implementation of industrial projects of Hoa Sen Group such as the Hoa Sen Nghe An plant, Hoa Sen Ha Nam plant, Hoa Sen Nhon Hoi - Binh Dinh plant, expansion project the Hoa Sen building materials plant to increase production capacity, diversified products in various market, creating competitive advantage in cost.
- Researching carefully for real estate projects and Hoa Sen Ca Na - Ninh Thuan integrated iron and steel complex project, ensuring the project is effective and beneficial to Hoa Sen Group, and being a strong premise for the new development in the future.
- Developing distribution retail network rapidly throughout the country, ensuring by 2017, Hoa Sen Group will own 350 branches; planning to 2018, the total distribution retail network will reach 500 branches.

5 IN TERMS OF COMMUNICATION AND MARKETING ACTIVITY

- Strengthening brand promotion through diversified and creative marketing programs and advertising programs; Continuing to organize community-oriented events, charity and sponsorship activities to build strong and friendly Hoa Sen brand name.

PRODUCTION AND BUSINESS PERFORMANCE
OF THE FISCAL YEAR 2015 – 2016

"IMPLEMENTING GUIDELINES AND ORIENTATIONS OF THE GENERAL ASSEMBLY OF SHAREHOLDERS AND THE BOARD OF DIRECTORS, THE BOARD OF MANAGEMENT APPLIED FLEXIBLE, EFFECTIVE MANAGEMENT SOLUTIONS TO TAKE OPPORTUNITY AND TO RESPOND PROMPTLY FLUCTUATIONS OF THE MARKET AND THE ECONOMY. ENDING THE FISCAL YEAR 2015 - 2016, THE BOARD OF MANAGEMENT COMPLETED IMPRESSIVELY THE BUSINESS PLAN."

PRODUCTION AND BUSINESS PERFORMANCE OF THE FISCAL YEAR 2015 - 2016 IN COMPARISON WITH THE PLAN

Ending the fiscal year 2015 – 2016, the sales volume of finished products reached 1,242,579 tons and exceeded 13% in comparison with the plan. The net sales reached VND 17,894 billion and exceeded 25% in comparison with the plan, the after-tax profit reached VND 1,504 billion and exceeded 128% in comparison with the plan.

Comparing the business performance of the fiscal year 2015 – 2016 to the plan

Item	Unit	Plan of the fiscal year 2015 – 2016	Performance of the fiscal year 2015 – 2016	Comparing the performance to the plan
(A)	(B)	(C)	(D)	(E=(D/C-1)*100)
Sales volume	Ton	1,166,000	1,317,101	13%
- Finished products	Ton	1,100,000	1,242,579	13%
- By-products	Ton	66,000	74,522	13%
Net sales	billion VND	14,280	17,894	25%
Consolidated after-tax profit	billion VND	660	1,504	128%

BUSINESS PERFORMANCE OF THE FISCAL YEAR 2015 - 2016 IN COMPARISON WITH BUSINESS PERFORMANCE OF THE FISCAL YEAR 2014 - 2015

In the fiscal year 2015 – 2016, Hoa Sen Group achieved impressively business performance of sales volume and after-tax profit in comparison with business performance of the fiscal year 2014 – 2015. In which, the sales volume of finished products increased 22% and the consolidated after-tax profit increased 130% in comparison with the previous fiscal year.

Business performance of the fiscal year 2015 – 2016 in comparison with business performance of the fiscal year 2014 – 2015

Item	Unit	Performance of the fiscal year 2014 – 2015	Performance of the fiscal year 2015 – 2016	Comparing the performance of the fiscal year 2015 – 2016 to the performance of the fiscal year 2014 – 2015
(A)	(B)	(C)	(D)	(E=(D/C-1)*100)
Sales volume	Ton	1,082,767	1,317,101	22%
- Finished products	Ton	1,020,793	1,242,579	22%
- By-products	Ton	61,974	74,522	20%
Net sales	billion VND	17,468	17,894	2%
Consolidated after-tax profit	billion VND	653	1,504	130%

MARKET SHARE OF HOA SEN GROUP IN THE FISCAL YEAR 2015 - 2016

STEEL SHEET MARKET SHARE

In 2016, Hoa Sen Group continued to maintain the leading position in domestic steel sheet market share by accounting for 33.1% of market share. In the fiscal year 2015 – 2016, the steel sheet sales volume reached 864,680 tons, increased 118,858 tons (equivalent increased 16%) in comparison with the market share of the fiscal year 2014 – 2015.

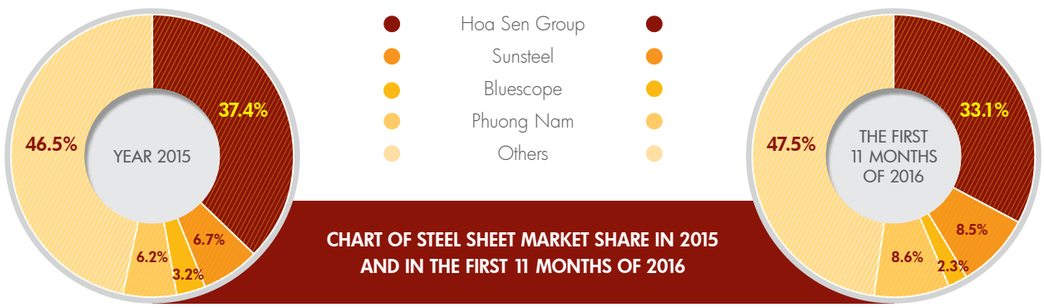


CHART OF STEEL SHEET MARKET SHARE IN 2015 AND IN THE FIRST 11 MONTHS OF 2016

Source: Internal Bulletin of Vietnam Steel Association

Note: *Above statistics only consists of sales volumes of Vietnam Steel Association's members and exclude sales volume of Pestima Vietnam because the tin coated steel sheets are not used for construction industry.*

STEEL PIPE MARKET SHARE

In 2016, Hoa Sen Group's steel pipe market share accounted for 20.3%, increasing by 1.3% compared to 2015, ranking second position in the domestic steel pipe market share. In the fiscal year 2015 – 2016, the steel pipe sales volume reached 347,137 tons, increased 93,448 tons (equivalent increased 37%) in comparison with the market share of fiscal year 2014 – 2015.

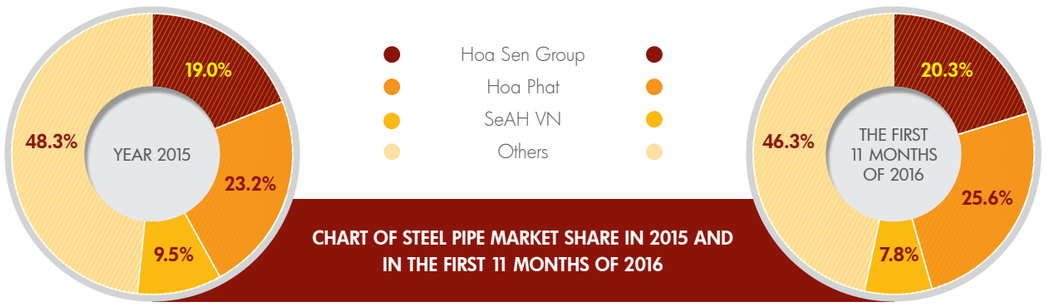


CHART OF STEEL PIPE MARKET SHARE IN 2015 AND IN THE FIRST 11 MONTHS OF 2016

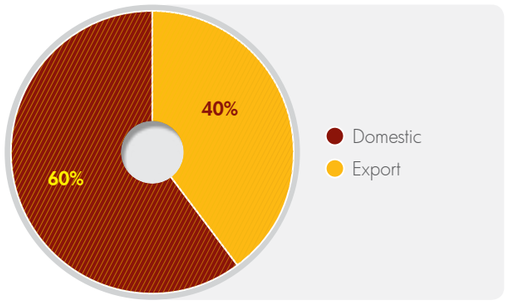
Source: Internal Bulletin of Vietnam Steel Association

Note: *Above statistics only consists of sales volumes of members of Vietnam Steel Association.*

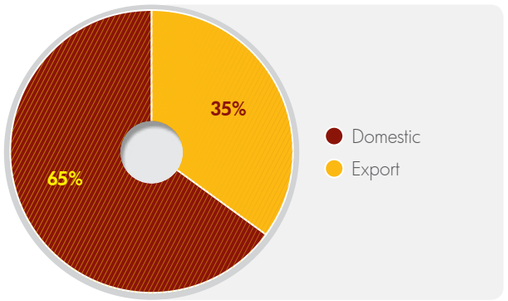
NET SALES STRUCTURE BY SALES CHANNELS IN THE FISCAL YEAR 2015 - 2016

In the fiscal year 2015 – 2016, the domestic consumption channel continued to be the key channel that accounted for 65% of total net sales of the Group. The domestic net sales structure increased by 5% in comparison with the fiscal year 2014 – 2015.

Fiscal year 2014 - 2015



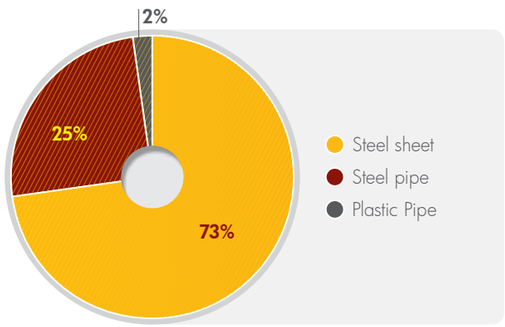
Fiscal year 2015 - 2016



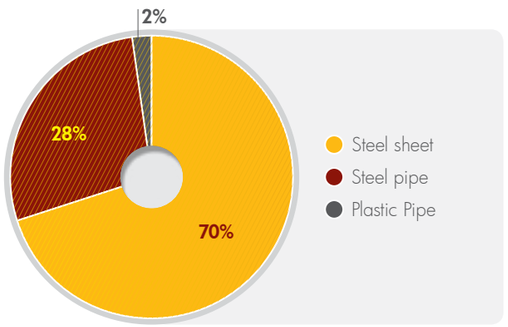
SALES VOLUME STRUCTURE BY PRODUCT CATEGORY

The products of coated steel sheet and hot dip galvanized steel including galvanized steel sheet (GI), aluminum-zinc alloy coated steel sheet (GL), pre-painted galvanized steel sheet (pre-painted GI), pre-painted aluminum-zinc alloy coated steel sheet (pre-painted GL), pre-painted cold rolled coil (pre-painted CRC), steel sheet, hot dip galvanized steel (HGI), galvalnized purlin, etc. continued to be the main products which contributing 70% of the total sales volume. The steel pipe and plastic pipe contributed 28% and 2% of the total sales volume of the Group.

Fiscal year 2014 - 2015



Fiscal year 2015 - 2016



THE EXPENSE TO NET SALES RATIO AS PER THE CONSOLIDATED FINANCIAL STATEMENTS

No.	Item	Unit	The fiscal year 2014 – 2015	The fiscal year 2015 – 2016
1	Sales volume	Ton	1,082,767	1,317,101
1.1	- Finished products	Ton	1,020,793	1,242,579
1.2	- By-products	Ton	61,974	74,522
2	Net sales	billion VND	17,468	17,894
3	Gross profit/Net sales	%	14.9%	23.3%
4	Financial expenses/Net sales	%	2.4%	1.4%
	- Interest expenses/Net sales	%	1.3%	1.2%
5	Sales expenses/Net sales	%	4.9%	6.4%
6	General and Administration Expenses/Net sales	%	2.9%	5.0%

FINANCIAL RATIOS AS PER THE CONSOLIDATED FINANCIAL STATEMENTS

No.	Ratios	Unit	The fiscal year 2014 – 2015	The fiscal year 2015 – 2016
1	SOLVENCY RATIO			
	Current ratio	Time	0.9	1.0
	Quick ratio		0.3	0.3
2	CAPITAL STRUCTURE RATIO			
	Debt/Total assets ratio	%	69	66
	Debt/Owners' Equity ratio	%	224	198
	Total assets/ Owners' Equity ratio	%	324	298
3	OPERATION CAPABILITY RATIO			
	Inventory turnover	Time	3.6	3.3
	Net sales/Total assets	Time	1.9	1.5
4	PROFITABILITY RATIO			
	Net profit after tax/Net sales ratio	%	3.7	8.4
	Net profit after tax/Owners' Equity ratio	%	24.7	42.7
	Net profit after tax/Total assets ratio	%	6.6	13.8
	Operating profit/Net sales ratio	%	4.7	10.7
	Earnings per share	Dong/share	3,309	7,350

MANAGEMENT ACTIVITIES
IN THE FISCAL YEAR 2015 - 2016

"IN ORDER TO MAINTAIN STEADY GROWTH AND TO COMPLETE THE GUIDELINES, ORIENTATIONS OF THE GENERAL ASSEMBLY OF SHAREHOLDERS AND THE BOARD OF DIRECTORS, THE BOARD OF MANAGEMENT HAS IMPLEMENTED FLEXIBLE, EFFECTIVE SOLUTIONS BASING ON HOA SEN GROUP'S CORE COMPETITIVE ADVANTAGES TO ACHIEVE IMPRESSIVELY BUSINESS PERFORMANCE IN THE FISCAL YEAR 2015 - 2016."

These solutions revolved around five keys tasks:

DEVELOPING NATIONWIDE DISTRIBUTION-RETAIL NETWORK

By implementing cost-leadership strategy and bringing products directly to consumers, Hoa Sen Group continued to establish more distribution-retail branches across the country. Until December 31st, 2016, the total number of branches was 250 including 7 base depots, and the Group plans to own 350 branches by the end of 2017.

The branches are managed consistently in accordance with model of region executive office. In addition, branches' sales policies are adjusted flexibly to respond market's fluctuations. As a result, Hoa Sen Group continues to increase significantly domestic sales volume and to maintain the leading position in steel sheet and steel pipe market share in the fiscal year 2015 – 2016.

EXPANDING EXPORT MARKET AND RESPONDING ACTIVELY TO TRADE REMEDIES IN SOME COUNTRIES

In the fiscal year 2015 – 2016, Hoa Sen Group exported over 478,000 tons of products, increased by 17% in comparison with export sales volume of the previous fiscal year.

The quality of Hoa Sen Group's products always meets international standards such as ASTM standards (American Society for Testing and Materials), BS EN standards of Europe (British Standards European Norms), JIS (Japanese Industrial Standards), AS (Australian Standards) of Australia, SNI (Indonesian National Standards) of Indonesia, MS (Malaysian Standards) of Malaysia.

Hoa Sen Group's products are recently presented more than 65 countries and territories over the world. In the following time, the Group expand its export coverage to potential markets in Africa, South America, etc.

COMPLETING KEY INVESTMENT PROJECTS, IMPROVING PRODUCTION CAPACITY, AND DIVERSIFYING PRODUCTS

INDUSTRIAL PROJECTS

HOA SEN NGHE AN PLANT PROJECT	Beginning in June 2015, Hoa Sen Nghe An plant started to build, set up production lines, machinery and equipment in October 2015. The project will complete in May 2017 with total capacity of 1,200,000 tons/year.
HOA SEN HA NAM PLANT PROJECT	Beginning in March 2016, Hoa Sen Ha Nam plant started to build, set up production lines, machinery and equipment in June 2016. The project will complete in January 2017 which producing steel pipe – capacity of 500,000 tons/year, uPVC plastic pipe – capacity of 60,000 tons/year, HDPE/PPR plastic pipes – capacity of 18,000 tons/year, plastic accessories – capacity of 5,000 tons/year.
HOA SEN BINH DINH PLASTIC PIPE PLANT PROJECT	Beginning in July 2015 and completing in April 2016. The project provides uPVC plastic pipe with capacity of 12,000 tons/year, and its size from D21 to D315.
HOA SEN NHON HOI – BINH DINH PLANT PROJECT	Beginning in January 2016, Hoa Sen Nhon Hoi – Binh Dinh plant started to build, set up production lines, machinery and equipment in March 2016. The project will complete in March 2017 with capacity of 200,000 tons/year.
EXPANSION PROJECT OF HOA SEN BUILDING MATERIAL PLANT, BA RIA – VUNG TAU	Beginning in March 2016 and completing in January 2017, the project provides uPVC plastic pipe with capacity of 15,550 tons/year and HDPE/PPR plastic pipe with capacity of 12,960 tons/year.
HOA SEN PHU MY HOT DIP GALVANIZED STEEL PIPE PLANT PROJECT, BA RIA – VUNG TAU	The project is going to start from the first quarter of 2017 with total capacity of 120,000 tons/year.

REAL-ESTATE PROJECTS

HOA SEN YEN BAI HOTEL AND RESIDENCE COMPLEX PROJECT	Ending the fiscal year 2015 – 2016, the Group is implementing the necessary legal procedures to receive land used rights, preparing land for deploying the project as well as coordinating with prestige consultant company in order to research best business plan for the project.
HOA SEN TOWER – COMMERCIAL CENTER, HOTEL AND LUXURY APARTMENT COMPLEX, QUY NHON	By the end of the fiscal year 2015 – 2016, Hoa Sen Group had conducted feasibility study, coordinated with architectural designed consultant to choose the best optimal and aesthetic design option.

HOA SEN CA NA – NINH THUAN INTEGRATED IRON & STEEL COMPLEX PROJECT

Hoa Sen Group is implementing the legal procedures to achieve investment certification for Phase 1 of the complex project with capacity of 4.5 million tons/year, starting from 2017 to 2020 respectfully.

BUILDING QUALIFIED HUMAN RESOURCES

Implementing the guideline of the Board of Directors to build the human resources with "Integrity – Dedication – Effectiveness" and "Genius – Caste – Leading", the Board of Managements has directed Internal Affairs Department and supported departments including Restructuring Division, Human Resources Council to perform the following tasks:

- Continuing to implement KPI (Key Performance Indicator) to assess the operational effectiveness of each employee and each department specifically and comprehensively, making adjustment, placement and screening HR reasonably.
- Recruiting overseas students for the team of management trainees, making plans of arranging HR as well as having reasonable HR policies.
- Maintaining the cooperative relationship with prestigious colleges and universities through scholarships sponsor and job fairs to attract young and qualified workforce. This also is the Group's recruitment channel frequently.
- Establishing and completing the policy of salary and welfare which has favorable treatments for qualified human resources.

BUILDING THE STRONG BRAND NAME

These effective activities of communication and marketing in previous fiscal years were continuously conducted in the fiscal year 2015 – 2016 in order to strengthen the presence density of Hoa Sen brand name including:

- Implemeting new TVCs with more creative contents and ideas and broadcasting in rush times on National and Local Television Channels.
- Installing outdoor advertising pannels at the locations with high traffic density and good view, providing sponsorship of signboards for building material stores, changing to new brand identification for all Hoa Sen Group distribution retail network.

In the fiscal year 2015 – 2016, Hoa Sen Group achieved many significant results and made a strong impression on the partners and customers such as: "Vietnamese High Quality Product 2016", "Top 10 Vietnam Strong Brand 2016" award, Top 40 Most Valuable Vietnamese Company Brands awarded by Forbes, etc.

Moreover, Hoa Sen Group also concerned to the fulfilment of social responsibilities by sponsoring many community-oriented and humanistic events such as "Viet families' sweet home – Lunar New Year 2016" program in seven consecutive years, the 17th Futsal Cup for underprivileged children – Hoa Sen Steel Sheet Cup 2016, the 18th Ben Tre television cycling tournament 2016. Therefore, Hoa Sen brand name has gone into the consumers' minds deeply as a strong, friendly and community-oriented brand name.

BUSINESS PLAN OF
THE FISCAL YEAR 2016 – 2017

1,575
THOUSAND TONS
TOTAL SALES VOLUME

23,000
BILLION VND
NET SALES

1,650
BILLION VND
CONSOLIDATED
AFTER-TAX PROFIT

BUSINESS PLAN OF THE FISCAL YEAR 2016 - 2017

Based on the forecast for growth rate of domestic market and export market, production capacity and business situation of the Group, the Board of Directors submitted the consolidated business plan of the fiscal year 2016 – 2017 to the General Assembly of Shareholders as follows:

Item	Unit	Performance of the fiscal year 2015 – 2016	Plan of the fiscal year 2016 – 2017	Comparing to the performance of fiscal year 2015 – 2016	
				Absolute numbers	Relative numbers
(A)	(B)	(C)	(D)	(E = D-C)	(F = ((D/C-1)*100)
Sales volume	**Ton**	**1,317,101**	**1,575,000**	**257,899**	**20%**
- Finished products	Ton	1,242,579	1,486,000	243,421	20%
- By-products	Ton	74,522	89,000	14,478	19%
Net sales	**billion VND**	**17,894**	**23,000**	**5,106**	**29%**
Consolidated after-tax profit	**billion VND**	**1,504**	**1,650**	**146**	**10%**

PERFORMANCE ORIENTATION

In order to perform objectives of the fiscal year 2016 – 2017, based on policies that the Board of Directors set, the Board of Management has oriented the key duties as follows:

For business activities:

- Expanding continuously distribution-retail network to obtain 350 branches at the end of 2017.
- Developing distribution-retail network should be incorporated with enhancing effective management and supervision, improving the management model as well as suitable salary and bonus policy to raise the performance of this key distribution channel more effective.
- Boosting continuously export activities, looking and expanding new potential markets, having reasonable solutions and responding actively to trade remedies from the Group's export markets.

For production activities

- Strengthening production system, improving technique, improving skills of engineers and workers to strengthen operational effectiveness of production lines, enhance products' quality, increase rate of main products, minimize consumption of raw material and operating costs of machinery and equipment, lower products' price and ensure safety and continuity of the production.
- Controlling operation costs, tracking carefully the fluctuations of raw materials' price, calculating demands and suitable time to purchase raw materials with the best offer as well as ensuring continuously the Group's production operations.
- Researching and completing production system to create new products with good quality which meet the market demand.

For supply and transportation activities

- Implementing synchronous solutions in order to minimize time and costs of transportation and supply including: Researching and calculating methods and optimized transportation routes for each order; Conducting bid and competitive price offer to choose the transportation company with good quality and appropriate price; Building and promulgating rules and guidelines for road transportation and sea transportation in order to restrain risks and ensure the products' quality in transportation.
- Increasing total number of transportation means to meet transportation demand better.
- Building professional management model of logistics - transportation system in order to control and manage these operations effectively.

For investment activities

- Implemeting rapidly investment of industrial projects such as: Hoa Sen Nghe An Plant, Hoa Sen Nhon Hoi – Binh Dinh Plant, Hoa Sen Ha Nam Plant and Hoa Sen Phu My Hot Dip Galvanized Steel Pipe Plant, etc.
- Researching new investment plan to expand production scale, meet market's demands better and get ready for new period of growth.

For HR development activities

- Developing HR, focusing on inherited staff and management trainees, strengthening training activities and improving professional competences and skills for employees.
- Enhancing gradually standard and criteria in recruitment and strengthening initial training in order to build qualified inherited team.
- Applying completely the KPIs (Key Performance Indicators) system to evaluate effective performance.
- Ensuring the policy of salary, bonus and welfare for all employees of the Group.

For Communication and Marketing activities

- Relentlessly promoting the branding through diverse, creative and effective marketing programs.
- Carrying out communication events, humanistic and community-oriented charity and sponsorship activities to fulfill its social responsibilities and contribute to building a strong and friendly Hoa Sen brand name.
- Building communication campaign to express the strong commitment that Hoa Sen Group always guarantees the consumers' interests by providing them with right price, right standard and right quality.
- Completing consultant operations via call center 18001515 to help consumers identify fake - genuine steel sheet products and give additional advices of choosing the genuine Hoa Sen product.

REPORT OF
THE BOARD OF SUPERVISORS

In the fiscal year 2015 – 2016, the Board of Supervisors continues to fulfill the mission entrusted by the General Assembly of Shareholders. The Board of Supervisors presented evaluation report as the following:

ASSESSMENT OF MANAGEMENT ACTIVITIES
OF THE FISCAL YEAR 2015 – 2016

ASSESSMENT OF THE ACTIVITIES OF THE BOARD OF DIRECTORS

The Board of Directors includes 5 members with 2 independent/non-executive members is appropriate with legal stipulations and the Group's charter.

Monthly, the Board of Directors holds periodic meetings to monitor the Group's operations closely. The Board of Directors also holds extraordinary meetings to discuss and approve important issues under jurisdictional limits. All meetings of the Board of Directors were carried out in accordance with correct procedures and with the attendance of representative of the Board of Supervisors. The Board of Supervisors always receives all reports of guidelines and orientations which are approved by the Board of Directors in the extraordinary meetings.

The discussed and voted issues at all meetings were under the decisive authority of the Board of Directors in accordance with legal stipulations or authorization of the Board of Directors. The discussion and vote were implemented publicly and suitably in accordance with functions, duties and rights of the Board of Directors, Enterprise Law and Hoa Sen Group's Charter.

With the functions and the duties which were assigned at subcommittees of the Board of Directors, members of the Board of Directors well performed their roles in counseling the Board of Directors and helping the Board of Directors to make appropriate decisions and policies.

For information disclosure, periodic management reports were made in accordance with legal stipulations to ensure that all information was public and transparent to protect benefits of shareholders and investors.

ASSESSMENT OF MANAGEMENT ACTIVITIES OF THE BOARD OF MANAGEMENT

In order to execute the guidelines of the Board of Directors, the Board of Management fully implemented the policies and decisions approved by the Board of Directors in accordance with functions, duties and authority of the Board of Management which were stipulated in the charter of Hoa Sen Group. Results of implementation of policies and resolutions of the Board of Directors were fully reported to the Board of Directors at monthly meeting of the Board of Directors and weekly briefing with the attendance of Chairman of the Board of Directors.

In order to fulfill the business plan at the best effect, the Board of Management carried out flexible solutions which were suitable for the administration to help Hoa Sen Group maintain high growth rate in sales volume and net sales and increasingly expand production scale in an unfavorable general situation.

ASSESSMENT OF FINANCE AND ACCOUNTING ACTIVITIES
OF THE FISCAL YEAR 2015 – 2016

Basing on periodic and extraordinary inspections of financial and accounting activities during the fiscal year, the Board of Supervisors has noted as the following issues:

- Hoa Sen Group fully complied with the requirements of Vietnamese Accounting Standards and Vietnamese Accounting System to organize financial and accounting activities.

- Hoa Sen Group's accounting documents are managed and archived systematically to ensure quick and full accessibility when having requirements of check and audit.

- The opening of ledger and cash book was performed in accordance with current stipulations. The Group also timely and accurately recorded and updated receipt vouchers, payment vouchers, debit and credit notices daily.

Based on the reports presented by the Board of Management at periodic meetings of the Board of Directors and figures audited by Ernst & Young Vietnam, the Board of Supervisors supposed that the financial status of Hoa Sen Group was in good condition. The basic figures of debt, loan, liquidity, asset utilization efficiency, provision and owners' equity met high standards.

INVESTMENT PROJECTS

INDUSTRIAL PROJECTS

1 HOA SEN NGHE AN PLANT PROJECT

- **Address:** Dong Hoi Industrial Park, Quynh Lap Commune, Hoang Mai Town, Nghe An Province.
- **Area:** 45 hectares
- **Design capacity:** The total capacity of 1,200,000 tons/year.

Implementing progress of project by the end of fiscal year 2015 – 2016:

No.	Category	Starting time	Completing time
1	01 Galvanizing line (NOF technology) with capacity of 400,000 tons/year (NOF line No.1)	June 2015	June 2016
2	01 Color coating line with capacity of 120,000 tons/year	June 2015	June 2016
3	01 Slitting line with capacity of 100,000 tons/year	May 2016	June 2016
4	03 Steel pipe lines with capacity of 25,000 tons/year	May 2016	July 2016
5	Waste water treatment station	October 2015	June 2016
6	01 Galvanizing line (NOF technology) with capacity of 400,000 tons/year (NOF line No.2)	September 2016	May 2017

(*) All these production lines currently are managed and operated by Hoa Sen Nghe An One Member Limited Liabilities Company.

2 HOA SEN HA NAM PLANT PROJECT

- **Address:** Kien Khe I Industrial Zone, Kien Khe Town, Thanh Liem District, Ha Nam Province.
- **Area:** 20.4 hectares
- **The total designed capacity:** The project plans to produce various products including galvanized steel pipe with capacity of 500,000 tons/year, uPVC plastic pipe with capacity of 60,000 tons/year, HDPE/PPR plastic pipe with capacity of 18,000 tons/year, plastic accessories with capacity of 5,000 tons/year.
- **The designed capacity of Phase 1:** The project targets to finish 01 module of centralized blending system with capacity of 12,000 tons/year and plastic pipe lines with total capacity of 20,760 tons/year including: 05 uPVC plastic pipe lines with total capacity of 12,000 tons/year, 01 PPR plastic pipe line with capacity of 1,800 tons/year, 02 HDPE plastic pipe lines with total capacity of 6,000 tons/year and 10 production lines for plastic accessories with total capacity of 960 tons/year.

Implementing progress of project by the end of fiscal year 2015 – 2016

No.	Category	Starting time	Completing time
1	Building workshop, weighing station, infrastructure of project	July 2016	December 2016
2	01 module of centralized blending system with capacity of 12,000 tons/year	July 2016	January 2017
3	05 uPVC plastic pipe lines with total capacity of 12,000 tons/year	June 2016	January 2017
4	01 PPR plastic pipe line with capacity of 1,800 tons/year	June 2016	January 2017
5	02 HDPE plastic pipe lines with total capacity of 6,000 tons/year	June 2016	January 2017
6	10 production lines for plastic accessories	August 2016	January 2017

(*) All these production lines are managed and operated by Hoa Sen Ha Nam One Member Limited Liabilities Company.

3 HOA SEN BINH DINH PLASTIC PLANT PROJECT

- **Address:** Nhon Hoa Industrial Park, Nhon Hoa Ward, An Nhon Town, Binh Dinh Province.
- **Area:** 8.3 hectares
- **The total designed capacity:** The project targets to produce plastic pipe with capacity of 12,000 tons/year which its size from D21 to D315.

Implementing progress of project by the end of fiscal year 2015 – 2016:

No.	Category	Starting time	Completing time
1	Workshop, infrastructure	June 2015	April 2016
2	03 uPVC plastic pipe lines, pipe size D21 – D63	June 2015	April 2016
3	01 uPVC plastic pipe line, pipe size D60 – D120	June 2015	April 2016
4	02 uPVC plastic pipe lines, pipe size D114 – D315	June 2015	April 2016
5	01 module of centralized blending system with capacity of 12,000 tons/year	June 2015	April 2016

(*) All these production lines currently are managed and operated by Hoa Sen Binh Dinh One Member Limited Liabilities Company.

4 HOA SEN NHON HOI - BINH DINH PLANT PROJECT

- **Address:** Nhon Hoi Ecomonic Zone, Hoi Son Hamlet, Nhon Hoi Commune, Quy Nhon City, Binh Dinh Province.
- **Area:** 12.4 hectares
- **The total designed capacity:** The project targets to achive total design capacity of 200,000 tons/year including 200,000 tons of cold roll coils; 180,000 tons of galvanized/aluminum-zinc alloy coated steel sheet and 90,000 tons of color coated steel sheet.

Implementing progress of project by the end of fiscal year 2015 – 2016

No.	Category	Starting time	Completing time
1	Workshop, infrastructure, structuring	March 2016	January 2017
2	01 Galvanizing line with capacity of 180,000 tons/year	October 2016	February 2017
3	01 Color coating line with capacity of 45,000 tons/year	January 2017 (Plan)	February 2017
4	01 Slitting line with capacity of 100,000 tons/year	January 2017 (Plan)	March 2017
5	Waste water treatment system	October 2016	March 2017

(*) All these production lines currently are managed and operated by Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liabilities Company.

INDUSTRIAL PROJECTS

5 HOA SEN BUILDING MATERIALS PLANT EXPANDING PROJECT

- Address: Phu My I Industrial Park, Phu My Town, Tan Thanh District, Ba Ria – Vung Tau Province.
- **The design capacity:** uPVC plastic pipe: 15,550 tons/year
  HDPE/PPR plastic pipe: 12,960 tons/year

Implementing progress of project by the end of fiscal year 2015 – 2016

No.	Category	Starting time	Completing time
1	Workshop, infrastructure	March 2016	October 2016
2	uPVC plastic pipe line with capacity of 15,550 tons/year	March 2016	January 2017
3	HDPE/PPR plastic pipe line with capacity of 12,960 tons/year	March 2016	January 2017
4	Production lines for plastic accessories with capacity of 4,000 tons/year	June 2015	January 2017

(*) All these production lines currently are managed and operated by Hoa Sen Building Materials One Member Limited Liabilities Company.

6 HOA SEN PHU MY HOT DIP GALVANIZED STEEL PIPE PLANT PROJECT

- **Address:** Phu My I Industrial Park, Phu My Town, Tan Thanh District, Ba Ria – Vung Tau Province.
- **The project's target:** The project plans to build hot dip galvanized steel pipe plant with capacity of 120,000 tons/year.
- **Starting time:** September 2016
- **The project's scale:** The project invests in production lines and machinery including:
  - » 02 hot dip galvanized steel pipe lines with total capacity of 120,000 tons/year (equivalence of 60,000 tons/year/line).
  - » 06 steel pipe lines.
  - » 01 slitting line for hot rolled coil/cold rolled coil.
  - » 01 pipe testing line by water pressure.
  - » 01 hot rolled coil pickling line with capacity of 90 metre/minute.
  - » 01 HCl acid recycling line.

By the end of fiscal year 2015 – 2016, the Group has completed necessary legal procedures and prepared resources to implement the project.

REAL ESTATE PROJECTS

During the fiscal year 2015 – 2016, given the high demand and favorable market conditions, Hoa Sen Group had conducted researches and started some resort and hospitality development investments in potential locations, to prepare resources for further expansion, detailed as follow:

1 HOA SEN YEN BAI HOTEL AND RESIDENCE COMPLEX PROJECT

- **Address:** Dong Tam Ward, Yen Bai City, Yen Bai Province.
- **Area:** 1.5 hectares.
- **Investment objectives:** To construct and build a complex of commercial, hotel, conference and restaurants located in Yen Bai city's center, with the harmonious design combining the typical beauty of Vietnam's North-Western mountains and the trademark of Hoa Sen Group. The project also aims to sell shophouse associated with permanent land use rights.

Implementing progress of project by the end of fiscal year 2015 – 2016

No.	Time	Descriptions
1	April 2016	Yen Bai People's Committee issued the official dispatch approving of Hoa Sen Group's doing research and project's site survey.
2	May 2016	Yen Bai People's Committee issued Decision No. 888/QĐ-UBND on investment policies for the project.
3	May 2016	Yen Bai People's Committee decided for HSG to lease 1.5 hectares of land to implement the project.
4	July 2016	Completed site clearing work, and preparing land for deploying the project.

By the end of the fiscal year 2015 – 2016, Hoa Sen Group had completed the preparation of all the necessary resources, designs and construction plans, as well as financial and economic efficiency evaluations for the project.

2 HOA SEN TOWER - COMMERCIAL CENTER, HOTEL AND LUXURY APARTMENT COMPLEX PROJECT

- **Address:** No. 01 Ngo May Street, Nguyen Van Cu Ward, Quy Nhon City, Binh Dinh Province.
- **Area:** 8,109 m^2
- **Investment objectives:** To construct a Commercial Center, Hotel and Luxury Apartment Complex, including: 02 high – rise towers, sea-park, functional tunnel connecting the towers and the sea-park, etc.

Imlementing progress of project by the end of fiscal year 2015 – 2016:

By the end of the fiscal year 2015 – 2016, Hoa Sen Group had conducted feasibility study, been choosing architectural design and preparing human and financial resources for effective development of this project.

No.	Time	Descriptions
1	March 2016	Binh Dinh People's Committee issued the official dispatch approving of Hoa Sen Group's project researching, site surveying, and creating investment report.
2	June 2016	Binh Dinh People's Committee issued the Decision No. 2098/QĐ-UBND on investment policies for the project.
3	August 2016	Hoa Sen Group announced the architectural design contest for the project.
4	October 2016	Group8Asia (Switzerland) was elected as the winner of the contest.

HOA SEN CA NA - NINH THUAN INTEGRATED IRON AND STEEL COMPLEX PROJECT

Address: Ca Na Commune, Phuoc Diem Commune, and Phuoc Minh Commune, Thuan Nam District, Ninh Thuan Province.

Currently, Hoa Sen Group is implementing the legal procedures for investment registration of the project's Phase I, as follows:

- **Investment objectives:** Constructing the Integrated Iron & Steel Complex on a great scale with vertically integrated value chain from raw material input (including iron ore, limestone, coke, etc.) to finished products (including long steel/square steel, hot rolled coil, productible steel, etc.), and using scraps from steel making process to produce some by-products such as: cement, electricity, etc.
- **Designed capacity:** 4.5 million tons/year. After the complex project reach to designed capacity of 4.5 million tons/year, the Group will propose the expansion of complex project which is suitable for Ministry of Industry and Trade's planning.
- **Starting time:** From 2017 to 2020.
- **Land area:** 450 hectares

According to Decision of Ministry of Industry and Trade, Hoa Sen Ca Na - Ninh Thuan Integrated Iron and Steel Complex Project with total designed capacity of 16 million tons/year in accordance with the planning in the period of 2017 - 2031.

INVESTMENT PROJECT:

In order to implement effectively the complex project, the Group firstly plans to implement sub-projects belongs to the complex project including:

» Hoa Sen Ca Na - Ninh Thuan Industrial Park Infrastructure Investment Project;

» Hoa Sen Ca Na – Ninh Thuan Integrated Iron and Steel Complex Project;

» Hoa Sen Ca Na - Ninh Thuan International General Seaport Project.

To implement the sub-projects, the Group has established subsidiaries to perform its function such as management and controlling in deploying sub-projects including:

» Hoa Sen Ca Na – Ninh Thuan Industrial Park Infrastructure Investment One Member Limited Liabilities Company;

» Hoa Sen Ca Na – Ninh Thuan Integrated Iron & Steel Complex One Member Limited Liabilities Company;

» Hoa Sen Ca Na – Ninh Thuan International General Seaport One Member Limited Liabilities Company.

IMPLEMENTING PROGRESS OF PROJECT BY THE END OF FISCAL YEAR 2015 - 2016

In the fiscal year 2015 – 2016, implementing strategy of development and expansion in production and business operations, Hoa Sen Group has started many investment promotion activities and prepaired the necessary legal procedures to perform the Hoa Sen Ca Na – Ninh Thuan Integrated Iron & Steel Complex Project as follows:

- According to the guideline of the General Asssembly of Shareholders, the Group is working with international experienced and prestige consultant companies to investigate and select the best location for the implement of Integrated Iron & Steel Complex which next to the deep water seaport.
- Coordinating to People's Committee of Ninh Thuan Province on issues related to deploy of Hoa Sen Ca Na – Ninh Thuan Integrated Iron & Steel Complex Project.
- Signing the strategic agreement with People's Committee of Ninh Thuan Province on August 25th, 2016 related to deployment of investment projects in Ninh Thuan Province including the Integrated Iron & Steel Complex Project.
- On September 6th, 2016, the General Assembly of Shareholders of Hoa Sen Group approved the Resolution of extraordinary General Assembly of Shareholders on implementing's Hoa Sen Group's Project Complex.
- Currently, Hoa Sen Group is continuously working with the consultant companies; Technology and equipment suppliers; Environmental solution companies which are high prestige on the world to choose best suitable company for Project's requirement.
- The Group is completing the documents and necessary procedures for investment registration of Project complex to submit the Government, Ministries and Ninh Thuan Province in accordance with current legal provision.

CORPORATE GOVERNANCE

Improving **governance,** ACCUMULATING BELIEFS

HOA SEN GROUP'S OUTSTANDING GROWTH FIGURES PRESENT THE MANAGEMENT'S THINKING EFFORT IN LOOKING FOR THE RIGHT GOVERNANCE ORIENTATION. THIS HELPS HOA SEN GROUP TO CREATE THE VALUE CHAIN SUCCESSFULLY, ACCUMULATING BELIEFS OF RELATED PARTIES.

BASED ON CORE VALUES AND BUSINESS PHILOSOPHY, BUSINESS ETHICS AND RULES OF HOA SEN GROUP ADJUST INTERNAL AND EXTERNAL RELATIONSHIPS OF THE GROUP, WHICH FOCUS ON FIVE BASIC RELATIONSHIPS BETWEEN THE GROUP AND:

THE BOARD OF DIRECTORS

MEMBERS OF THE BOARD OF DIRECTORS

Ending the fiscal year 2015 - 2016, the Board of Directors has five members as follows:

No.	Member	Position	Note
1	Mr. Le Phuoc Vu	Chairman of the Board of Directors	
2	Mr. Tran Ngoc Chu	Vice Chairman of the Board of Directors	
3	Mr. Tran Quoc Tri	Member	
4	Mr. Pham Gia Tuan	Independent member	
5	Mr. Ly Van Xuan	Independent member	On January 18th 2016, Mr. Ly Van Xuan was officially appointed as a member of the Board of Directors by the General Assembly of Shareholders

SUBCOMMITTEES OF THE BOARD OF DIRECTORS

In order to specialize in functions and duties of each Board of Directors' member, the Board of Directors has assigned its members to take responsibility for subcommittees under the Board of Directors as the following:

- **Finance and Investor Relation Subcommittee:** Mr. Pham Gia Tuan - Independent member of the Board of Directors takes responsibility as a Head of Finance and Investor Relation Subcommittee.
- **Project Investment Subcommittee:** Mr. Le Phuoc Vu – Chairman of the Board of Directors takes responsibility as a Head of this subcommittee.
- **Restructuring, HR, Salary and Reward Subcommittee:** Mr. Le Phuoc Vu – Chairman of the Board of Directors currently takes responsibility as a Head of this subcommittee.

Related departments and divisions take responsibility for supporting these Board of Directors' subcommittees. These departments and divisions will directly perform works of the subcommittees and report the results to these subcommittees.

THE BOARD OF DIRECTORS' ACTIVITIES

MEETINGS OF THE BOARD OF DIRECTORS

In the fiscal year 2015 – 2016 (from October 1st, 2015 to September 30th, 2016), the Board of Directors held 102 meetings including monthly and extraordinary meetings to issue promptly policies and decisions in production and business operations of the Group.

The number and rate of attendance of the Board of Directors' members

No.	Member	Position	Member since	Number of meetings	Attending rate	Note
1	Mr. Le Phuoc Vu	Chairman	March 6th, 2013	102	100%	
2	Mr. Tran Ngoc Chu	Vice Chairman	March 6th, 2013	102	100%	
3	Mr. Tran Quoc Tri	Member	April 29th, 2014	102	100%	
4	Mr. Pham Gia Tuan	Independent member	March 6th, 2013	102	100%	
5	Mr. Ly Van Xuan	Independent member	July 31st, 2015	102	100%	

The contents of Board of Directors' important meetings during the fiscal year 2015 – 2016 are summarized as follows:

No.	Resolution	Meeting date	Approved contents
1	No. 61/NQ/HDQT/2015	October 5th, 2015	Approving to adjust the registered information of Hoa Sen Binh Dinh Steel Pipe Plant Project operated by Hoa Sen Binh Dinh One Member Liabilities Limited Company.
2	No. 64/NQ/HDQT/2015	October 16th, 2015	Approving the stock issue for second dividend payment of the fiscal year 2013 - 2014
3	No. 68/NQ/HDQT/2015	November 10th, 2015	Approving the holding of the General Assembly of Shareholders Meeting of the fiscal year 2015 – 2016.
4	No.70/NQ/HDQT/2015	November 25th, 2015	Approving the establishment of Hoa Sen Nhon Hoi – Binh Dinh One Member Liabilities Limited Company owned by Hoa Sen Group.
5	No.70A/NQ/HDQT/2015	November 26th, 2015	Approving the investment in Hoa Sen Nhon Hoi - Binh Dinh Steel Plant Project operated by Hoa Sen Nhon Hoi – Binh Dinh One Member Liabilities Limited Company.
6	No. 03/NQ/HDQT/2016	January 20th, 2016	Approving the resignation of Mr. Nguyen Van Quy - Deputy General Director of Investment and Project since January 20th 2016.
7	No. 08/NQ/HDQT/2016	March 4th, 2016	Approving the first dividend payment for the fiscal year 2014 – 2015.
8	No.09 NQ/HDQT/2016	March 4th, 2016	Approving the stock issue for second dividend payment of the fiscal year 2014 – 2015.
9	No. 10/NQ/HDQT/2016	March 4th, 2016	Approving the selection of audit firm – Ernst & Young Vietnam to audit financial statements of Hoa Sen Group and its subsidiaries for the fiscal year 2015 – 2016.
10	No. 11/NQ/HDQT/2016	March 8th, 2016	Increasing in charter capital of Hoa Sen Nghe An One Member Liabilities Limited Company.
11	No. 13/NQ/HDQT/2016	March 10th, 2016	Approving the changing headquarters of Hoa Sen Ha Nam One Member Liabilities Limited Company. Approving the increasing in charter capital of Hoa Sen Ha Nam One Member Liabilities Limited Company. Approving the amendment of some Charter's articles of Hoa Sen Ha Nam One Member Liabilities Limited Company.
12	No. 17/NQ/HDQT/2016	March 24th, 2016	Approving to adjust the registered information of Hoa Sen Nghe An Plant Project.
13	No. 23/NQ/HDQT/2016	May 5th, 2016	Approving to invest in establishment of Hoa Sen Yen Bai Joint Stock Company.
14	No. 24/NQ/HDQT/2016	May 5th, 2016	Approving to invest in establishment of Hoa Sen Van Hoi Joint Stock Company.
15	No. 25/NQ/HDQT/2016	May 5th, 2016	Approving to invest in establishment of Hoa Sen Quy Nhon Joint Stock Company.
16	No. 26/NQ/HDQT/2016	May 5th, 2016	Approving to invest in establishment of Hoa Sen Hoi Van Joint Stock Company.
17	No. 28A/NQ/HDQT/2016	May 9th, 2016	Approving the investment in Hoa Sen Yen Bai Hotel and Residence Complex Project operated by Hoa Sen Yen Bai Joint Stock Company.
18	No. 36/NQ/HDQT/2016	June 1st, 2016	Approving the establishment of representative office of Hoa Sen Group in Binh Dinh.
19	No. 40/NQ/HDQT/2016	June 11th, 2016	Appointing Mr. Tran Quoc Pham as a Deputy General Directors of Investment & Construction.
20	No. 42/NQ/HDQT/2016	June 2st, 2016	Changing the legal representative of Hoa Sen Nam Cam – Nghe An One Member Liabilities Limited Company.
21	No. 43/NQ/HDQT/2016	June 2st, 2016	Changing the legal representative of Hoa Sen Nghe An One Member Liabilities Limited Company.
22	No. 45/NQ/HDQT/2016	June 29th, 2016	Approving the establishment of representative office No. 2 of Hoa Sen Group in Ho Chi Minh City
23	No. 48/NQ/HDQT/2016	July 7th, 2016	Approving the transactions among Hoa Sen Group, its subsidiaries and Hoa Sen Investment & Tourism Co.,Ltd.
24	No. 50/NQ/HDQT/2016	July 12th, 2016	Approving the holding of extraordinary meeting of the General Assembly of Shareholders in the fiscal year 2015 – 2016 to propose the investment project for the General Assembly of Shareholders' approval.
25	No. 52/NQ/HDQT/2016	July 15th, 2016	Approving the holding extraordinary meeting of the General Assembly of Shareholders in the fiscal year 2015 – 2016.
26	No. 56/NQ/HDQT/2016	August 2nd, 2016	Approving the establishment of subsidiaries: 1. Hoa Sen Ca Na - Ninh Thuan Integrated Iron & Steel Complex Investment One Member Limited Liabilities Company; 2. Hoa Sen Ca Na - Ninh Thuan Industrial Park Infrastructure Investment One Member Limited Liabilities Company; 3. Hoa Sen Ca Na - Ninh Thuan International General Seaport One Member Limited Liabilities Company; 4. Hoa Sen Ca Na - Ninh Thuan Renewable Energy One Member Limited Liabilities Company; 5. Hoa Sen Ca Na - Ninh Thuan Cement One Member Limited Liabilities Company.

THE BOARD OF DIRECTORS' ACTIVITIES

No.	Resolution	Meeting date	Approved contents
27	No. 58/NQ/HDQT/2016	August 5th, 2016	Approving the establishment of Hoa Sen Phu My One Member Limited Liabilities Company.
28	No. 60/NQ/HDQT/2016	August 15th, 2016	Approving the changing of Hoa Sen Steel Sheet One Member Limited Liabilities Company's Chairman; the changing of the Board of Members of Hoa Sen Steel Sheet One Member Limited Liabilities Company; the changing of the Board of Members of Hoa Sen Building Materials One Member Limited Liabilities Company.
29	No. 64/NQ/HDQT/2016	August 31st, 2016	Approving the appointment of Mr. Ho Thanh Hieu as a Chairman of Hoa Sen Binh Dinh One Member Limited Liabilities Company and Hoa Sen Nhon Hoi - Binh Dinh One Member Liabilities Limited Company.
30	No. 64B/NQ/HDQT/2016	September 1st, 2016	Approving the investment of Hoa Sen Phu My hot dip galvanized steel pipe plant project.
31	No. 68/NQ/HDQT/2016	September 15th, 2016	Approving the changing legal representative of Hoa Sen Binh Dinh One Member Liabilities Limited Company.
32	No. 69/NQ/HDQT/2016	September 15th, 2016	Approving the changing legal representative of Hoa Sen Nhon Hoi - Binh Dinh One Member Liabilities Limited Company.
33	No. 70/NQ/HDQT/2016	September 16th, 2016	Approving the adjustment of periodically meeting time of the Board of Directors.
34	No. 76/NQ/HDQT/2016	September 26th, 2016	Approving the merging of Hoa Sen Nam Cam – Nghe An One Member Limited Liabilities Company to Hoa Sen Nghe An One Member Limited Liabilities Company.
35	No. 77/NQ/HDQT/2016	September 29th, 2016	Approving the engraving two seals of Hoa Sen Group.
36	No. 78/NQ/HDQT/2016	September 30th, 2016	Approving the transaction of asset transfer between Hoa Sen Group and Hoa Sen Investment & Tourism Limited Co.

ACTIVITIES OF THE BOARD OF DIRECTORS' SUBCOMMITTEES

At periodic meetings of the Board of Directors, the subcommittees report their operations to the Board of Directors and propose the Board of Directors to approve policies and orientations in accordance with subcommittees' functions and duties.

In order to perform functions and duties assigned by the Board of Directors, in the fiscal year 2015 - 2016, the subcommittees carried out operations as bellow:

Activities of Restructuring, HR, Salary and Reward subcommittee

In the fiscal year 2015 – 2016, Restructuring, HR, Salary and Reward subcommittee operated the activities as:

Restructuring and HR activity

- Building and perfecting organizational structure that is appropriate to practical activities.
- Researching and composing operational regulations of the Group's departments such as: operational regulation of the Board of Directors and its subcommittees; operational regulation of the Board of Management; stipulation about decentralization of management level and administration level of the Group; operational regulation of executive office model by regions; and operational regulation system of the Group's functional divisions.
- Building and perfecting organizational structure of HR such as criteria of assessing managerial officers and management trainees; stipulations about appointment and dismissal of managerial officers of the Group; policies of planning, displacing, training and developing HR.
- Researching and improving the Group's organizational structure and governance model in response to demand and development strategy in the following time.

Salary, reward and welfare policies

- Researching, building and suggesting policies on salary, reward, welfare - discipline of the Group.

Besides, the subcommittee also handles other issues relating to salary and reward issues of the Group.

Activities of project investment subcommittee

In the fiscal year 2015 – 2016, the project investment subcommittee cooperated with the Industrial Management Project Department, Hoa Sen Ca Na – Ninh Thuan Iron & Steel Complex Project Investment Promotion Department and Strategic Research & Development Department to implement activities relating to the project invesments, such as:

- Researching and implementing projects that have been approved by the General Assembly of Shareholders/ The Board of Directors including:
  - » Industrial Projects: Hoa Sen Nghe An Plant Project; Hoa Sen Binh Dinh Plastic Plant Project; Hoa Sen Nhon Hoi – Binh Dinh Plant Project; Hoa Sen Ha Nam Plant Project; Hoa Sen Building Materials Plant Expansion Project; Hoa Sen Phu My Hot Dip Galvanized Steel Pipe Plant Project.
  - » Researching, prepairing the resources for the real estate, tourism and resort projects such as: Hoa Sen Yen Bai Hotel and Residence Complex Project; Hoa Sen Quy Nhon Tower – Commercial Center, Hotel and Luxury Apartment Complex Project.
  - » Promoting investment and perfoming necessary procedures to implement Hoa Sen Ca Na – Ninh Thuan Integrated Iron & Steel Complex Project.
- Researching, counseling and recommending promising investment plans for the Board of Directors' decision or proposing for the General Assembly of Shareholders' approval. In the fiscal year 2015 – 2016, the committee played a role in consultant, promotion of establishment foreign investment division in order to create premise and resources in foreign investments in the future.
- Implementing and supervising other investment activities of the Group.

Activities of Finance and Investor Relations Subcommittee

Financial supervision activity

- Reviewing periodically the Group's financial statements to ensure accuracy and transparency of financial data when reporting to state agencies, shareholders and investors.
- Verifying financial expense reports made by the Board of Management monthly, then suggesting orientations of financial management to the Board of Directors.
- Conducting extraordinary verification the Group's financial figures to ensure the financial situation is always in a good state.

Information disclosure activity

- Implement periodic and extraordinary information disclosure in accordance with Circular 155/2015/TT-BTC of Ministry of Finance.
- Implement important information disclosure which directly or indirectly affected to investors' benefits and investment decisions.

Dividend payment activity

- Advising to the Board of Directors about ratio, plan and time for dividend payment to ensure that not affect to the Group's operation.
- Instructing and answering shareholders' questions and requirements related to shares, share transfer and other requirements.

Other activities

- Participating in annual and extraordinary meetings of General Assembly of Shareholders; preparing meeting documents; posting meeting documents on website for shareholders to discuss and vote at the meeting in accordance with legal stipulations; responding to shareholders' questions at the meeting fully, carefully, and timely.
- Holding customers' conference to build and strengthen cooperative relationship with partners and investors.
- Meeting and discussing with domestic and foreign investors, presenting about Hoa Sen Group and responding to the investors' concerns to create trust from the investors.

THE BOARD OF DIRECTORS' ACTIVITIES

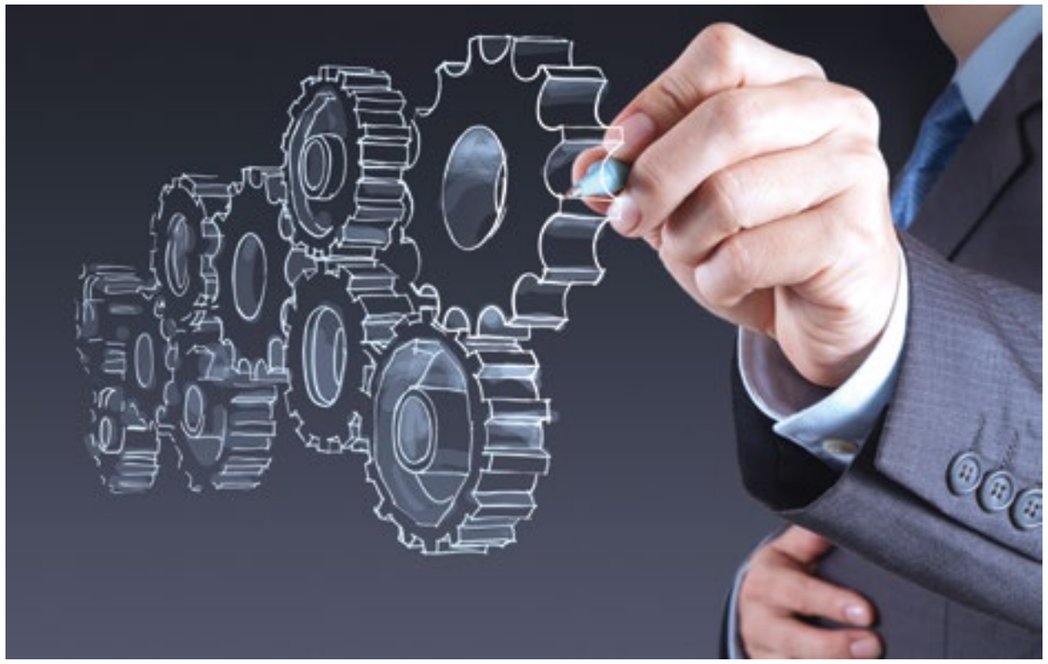
SUPERVISION OF BOARD OF MANAGEMENT'S ACTIVITIES

In the fiscal year 2015 – 2016, the Board of Directors approved the appointment and resignation the positions in the Board of Management as follows:

- Approving the resignation of Mr. Nguyen Van Quy – the Deputy General Director of Investment & Project in accordance with Resolution No. 03/NQ/HDQT/2016 on January 20th, 2016.
- Approving the appointment of Mr. Tran Quoc Pham as the Deputy General Director of Investment & Construction in accordance with Resolution No. 39/NQ/HDQT/2016 on June 10th, 2016.

The current members and responsibility of each Board of Management's member as the following:

No.	Member	Title	Responsibility
1	Mr. Tran Ngoc Chu	General Director	Administrating overall operations of the Group's departments. Administrating directly to activities of internal affair, marketing, the subprojects belongs to Hoa Sen Ca Na – Ninh Thuan Integrated Iron & Steel Complex Project, the real estate projects operated by Strategic Development & Research Department.
2	Mr. Tran Quoc Tri	Managing Deputy General Director	Managing directly all the Group's activities of import - export, supply – service as well as all business operations in the South region. Operating overall Hoa Sen executive offices in 3 regions. Implementing policies related to internal affairs supervised by the Board of Directors, Chairman and General Director.
3	Mr. Hoang Duc Huy	Deputy General Director	Undertaking all the Group's controlling activities.
4	Mr. Vu Van Thanh	Deputy General Director	Undertaking Finance activities of the Group. Undertaking all the production and business operations of distribution-retail branches, plants/subsidiaries in the North region.
5	Mr. Nguyen Minh Khoa	Deputy General Director	Implementing the subprojects belong to Hoa Sen Ca Na – Ninh Thuan Integrated Iron & Steel Complex Project supervised by the Board of Directors, the Chairman and the General Director. Undertaking the implement of industrial projects.
6	Mr. Ho Thanh Hieu	Deputy General Director	Undertaking all the production and business operations of distribution-retail branches, plants/subsidiaries in the Central region. Operating directly activities of Sales – Distribution Department of the Group.
7	Mr. Tran Quoc Pham	Deputy General Director	Undertaking the implement of real estate projects. Managing directly the Strategic Research & Developtment Department. Taking responsibility for foundation construction of the Group's project (including real estate projects, industrial projects, Hoa Sen Ca Na – Ninh Thuan Integrated Iron & Steel Complex Project, etc.)
8	Mr. Phan Duy Quang	Deputy General Director	Undertaking export activities.



In order to understand closely the Group's operations, in monthly meetings, the Board of Directors required the participation of the Board of Management and managerial officers to report on production and business activities of current month to the Board of Directors and the implementation of policies and guidelines supervised by the Board of Directors, as well as presenting business plans of the following months and the detailed orientations to complete the plans.

In addition, the Chairman and other members of the Board of Directors also attended weekly meetings with the Board of Management, Headers of functional divisions and subsidiaries to supervise and monitor management activities and to make timely adjustments in accordance with guidelines and orientations of the Board of Directors.

Ending the fiscal year 2015 – 2016, the Board of Management fulfilled its role showed in timely and flexible solutions of production and business management which were appropriate to guidelines and orientations of the Board of Directors. Guidelines and policies supervised by the Board of Directors were also fully and timely implemented by the Board of Management and reported in details with high responsibility.

ASSESSMENT OF THE GROUP'S CONTROL AND AUDIT ENVIRONMENT

STRICTLY INTERNAL CONTROL ENVIRONMENT

Internal control is one of important activities at Hoa Sen Group and the effective monitoring tool of the Board of Directors and the Board of Management to protect the Group's assets and shareholders' benefits at the maximum level.

Accordingly, Hoa Sen Group maintained professional internal control system and participated in monitoring and controlling all activities of the Group strictly to ensure the compliance with issued processes and minimized the negative issues.

In addition to the internal control system, the Group also established departments to undertake the bidding, price offer, price control of raw materials, spare parts and outside purchasing services to reduce input costs for the Group.

TRANSPARENT AUDIT ENVIRONMENT

Hoa Sen Group always creates the most transparent and convenient audit environment for audit organizations as well as state agencies to approach easily. Documents and files are arranged and archived scientifically for easy consultation, extraction and collection. The figures in the Group's financial statements truly and fully reflected financial situation, business performance and cash flow in accordance with Vietnamese Accounting Standards, Vietnamese Standards on Auditing and legal stipulations.

REMUNERATIONS AND OTHER INCOMES OF THE BOARD OF DIRECTORS

(according to Appendix 04 of Annual Report in Circular 155/2015/TT-BTC of Ministry of Finance).

REMUNERATIONS OF THE BOARD OF DIRECTORS IN THE FISCAL YEAR 2015 - 2016

No.	Position	Remuneration (VND/month)
1	Chairman of the Board of Directors	30,000,000
2	Vice Chairman of the Board of Directors	25,000,000
3	Members of the Board of Directors	20,000,000

OTHER INCOMES OF THE BOARD OF DIRECTORS' MEMBERS

No.	Member	Title	Salary/ Remuneration (VND/month)
1	Mr. Le Phuoc Vu	Head of Project Management Division	100,000,000
		Head of Restructuring Division	12,000,000
		General Director	100,000,000
		Deputy Head of Restructuring Division	9,000,000
		Chairman of Hoa Sen Building Material One Member Limited Liabilities Company	12,000,000
2	Mr. Tran Ngoc Chu	Chairman of Hoa Sen Steel Sheet One Member Limited Liabilities Company *(since September 2016)*	12,000,000
		Chairman of Hoa Sen Binh Dinh One Member Limited Liabilities Company	12,000,000
		Chairman of Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liabilities Company	12,000,000
		Managing Deputy General Director	80,000,000
		Deputy Head of Restructuring Division	9,000,000
3	Mr. Tran Quoc Tri	Chairman of Hoa Sen Nghe An One Member Limited Liabilities Company *(to June 2016)*	12,000,000
		Chairman of Hoa Sen Nam Cam – Nghe An One Member Limited Liabilities Company *(to June 2016)*	12,000,000

*** Note:** *The actual salary of the Head of Project Management Division, General Director and Managing Deputy General Director positions are the scale of salary plus commission. In which, the commission is based on business performance of the Group.*

THE BOARD OF SUPERVISORS' ACTIVITIES

In the fiscal year 2015 - 2016, the Board of Supervisors continued to fulfill the mission of supervising and controlling all the Group's activities to ensure benefits of shareholders. Specifically, during the fiscal year, the Board of Supervisors carried out the following tasks:

- Participating fully in periodic and extraordinary meetings of the Board of Directors; questioning and asking for explanations to the Board of Directors and the Board of Management; issuing contributed opinions and proposals timely in order to maintain production and business operations stably and effectively, therefore ensuring benefits of shareholders and investors.
- Reviewing and verifying the Group's financial statements including the interim consolidated financial statements, annual consolidated financial statements, separate financial statements of Hoa Sen Group and its subsidiaries, debts, inventories, receipt vouchers, payment vouchers, import and export, etc.
- Supervising and monitoring activities in accordance with investor relations such as updates of shareholders' information, stocks' issues and information disclosure, etc.
- Coordinating with Internal Control Division to conduct inspections of branches and the Group's subsidiaries; verifying and confirming completion vouchers and payment vouchers of the projects and supervising the implementation as well as effectiveness of the projects in order to propose appropriate and timely adjustments.

REMUNERATIONS OF THE BOARD OF SUPERVISORS

THE REMUNERATIONS AND BONUS FOR OUTPERFORMING BUSINESS PLAN

No.	Title	Remuneration (VND/month)
1	Head of the Board of Supervisors	20,000,000
2	Member of the Board of Supervisors	15,000,000

OTHER INCOMES OF THE BOARD OF SUPERVISORS' MEMBERS

No.	Member	Title	Salary/Remuneration (VND/month)
1	Mr. Le Dinh Hanh	Director of Internal Control Department	80,000,000
		Head of the Board of Supervisors of Hoa Sen Building Material One Member Limited Liabilities Company	3,000,000
2	Ms. Dong Thi Thanh Hang	Deputy Director of Internal Control Department cum Head of Internal Control Division of Strategic Research & Development Department	45,000,000
		Head of the Board of Supervisors of Hoa Sen Nghe An One Member Limited Liabilities Company	3,000,000

- Holding Annual General Meeting of the General Assembly of Shareholders in the fiscal year 2015 – 2016 successfully.
- Implementing information disclosure in accordance with Circular 155/2015/TT-BTC dated October 06th 2015.
- Compiling Hoa Sen Group's investor bulletins quarterly to provide information to shareholders and investors.
- Implementing dividend payment of the fiscal year 2014 – 2015 in accordance with Resolution of Annual General Meeting on January 18th, 2016.
- Holding meetings with investors to enhance cooperative relationship with investors.

STOCK INFORMATION

CHART OF HOA SEN GROUP STOCK PRICE IN THE FISCAL YEAR 2015 - 2016

Source: vndirect.com.vn
(Chart drawn in prices has been adjusted)

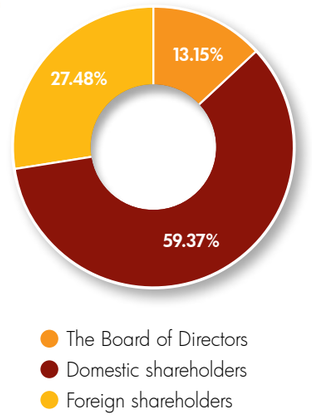
DIVIDEND PAYMENT INFORMATION

In order to implement Resolution of General Assembly of Shareholders at Annual General Meeting held on January 18th, 2016, in the fiscal year 2015 – 2016, Hoa Sen Group paid completely its dividend payment, the details are as follows:

No.	Dividend	Dividend payout ratio	Payment method	Payment date
1	The first dividend payment of the fiscal year 2014 - 2015	25% par value (VND 2,500/share)	In cash	April 28th, 2016
2	The second dividend payment of the fiscal year 2014 - 2015	50% par value (Payment ratio 10:5)	In Stock	July 01st, 2016

SHAREHOLDER STRUCTURE ON NOVEMBER 11TH, 2016

No.	Shareholder	Owning volume	Owning rate
1	The Board of Directors	25,836,975	13.15%
2	Domestic shareholders	116,676,910	59.37%
	- *Domestic individuals*	*50,072,519*	*25.48%*
	- *Domestic organizations*	*66,604,391*	*33.89%*
3	Foreign shareholders	54,025,944	27.48%
4	Treasury stocks	0	0%
	Total	196,539,829	100%



SHAREHOLDERS OWNING OVER 5% OF SHARE CAPITAL ON NOVEMBER 11TH, 2016

No.	Organization/Individual	ID Card Number/ Passport Number/ Business Registration Certificate Number	Address	Owning volume	Owning rate
1	Hoa Sen Investment & Tourism Co., Ltd.	5800921584	Hamlet 2, Da M'Ri Commune, Da Huoai District, Lam Dong Province	39,606,065	20.15%
2	Le Phuoc Vu	023327821	No. 19 Giang Van Minh Street, An Phu Ward, District 2, Ho Chi Minh City	25,500,000	12.97%
3	Tam Thien Tam One Member Limited Liabilities Company	3702259048	No. 9, Thong Nhat Boulevard, Song Than 2 Industrial Park, Di An Ward, Di An Town, Binh Duong Province	13,835,326	7.04%
4	Tam Hy One Member Limited Liabilities Company	3702257523	No. 9, Thong Nhat Boulevard, Song Than 2 Industrial Park, Di An Ward, Di An Town, Binh Duong Province, Vietnam	10,500,000	5.34%

FOUNDING SHAREHOLDERS

No.	Full name	Owning volume	Owning rate
1	Le Phuoc Vu	25,500,000	12.97%
2	Hoang Duc Huy	-	-
3	Ho Van Hoang	2,224,748	1.13%

NUMBER AND PERCENTAGE OF SHARES OWNED BY THE BOARD OF DIRECTORS ON NOVEMBER 11TH, 2016

No.	Full name	Title	Owning volume	Owning rate
1	Le Phuoc Vu	Chairman of the Board of Directors	25,500,000	12.97%
2	Tran Ngoc Chu	Vice Chairman of the Board of Directors	168,480	0.09%
3	Pham Gia Tuan	Member of the Board of Directors	-	-
4	Tran Quoc Tri	Member of the Board of Directors	15	0.00%
5	Ly Van Xuan	Member of the Board of Directors	168,480	0.09%

NUMBER AND PERCENTAGE OF SHARES OWNED BY THE BOARD OF MANAGEMENT AND CHIEF ACCOUNTANT ON NOVEMBER 11TH, 2016

No.	Full name	Title	Owning volume	Owning rate
1	Tran Ngoc Chu	General Director	168,480	0.09%
2	Tran Quoc Tri	Managing Deputy General Director	15	0.00%
3	Hoang Duc Huy	Deputy General Director	-	-
4	Vu Van Thanh	Deputy General Director	30,325	0.02%
5	Nguyen Minh Khoa	Deputy General Director	11,895	0.01%
6	Ho Thanh Hieu	Deputy General Director	-	-
7	Tran Quoc Pham	Deputy General Director	-	-
8	Phan Duy Quang	Deputy General Director	-	-
9	Nguyen Thi Ngoc Lan	Chief Accountant	6,208	0.00%

NUMBER AND PERCENTAGE OF SHARES OWNED BY THE BOARD OF SUPERVISORS ON NOVEMBER 11TH, 2016

No.	Full name	Title	Owning volume	Owning rate
1	Le Vu Nam	Head of the Board of Supervisors	17,550	0.01%
2	Le Dinh Hanh	Member of the Board of Supervisors	4,168	0.00%
3	Dong Thi Thanh Hang	Member of the Board of Supervisors	-	-

NUMBER AND PERCENTAGE OF SHARES OWNED BY SHAREHOLDERS WHO RELATE TO INTERNAL SHAREHOLDERS ON NOVEMBER 11TH, 2016

No.	Full name	Related shareholders	Relationship with internal shareholders	Owning volume	Owning rate
1	Le Phuoc Vu	Tam Hy One Member Limited Liabilities Company	Mr. Le Phuoc Vu is the owner of this company	10,500,000	5.34%
		Hoa Sen Investment & Tourism Co., Ltd.	Mr. Le Phuoc Vu is the owner of this company	39,606,065	20.15%
2	Ly Van Xuan	Vo Thi Son Ca	Spouse	43,300	0.022%
		Ly Hoang Long	Son	30,000	0.015%
		Ly Khanh Van	Daughter	41,910	0.021%
3	Hoang Duc Huy	Hoang Duc Hoang	Brother	3	0%
		Hoang Duc Canh	Brother	7	0%
4	Nguyen Minh Khoa	Nguyen Thi Minh Thu	Sister	16	0%

RISK MANAGEMENT

IN ORDER TO MINIMIZE POSSIBLE RISKS IN BUSINESS OPERATIONS, THE GROUP HAS BUILT A STRATEGY OF RISK MANAGEMENT, WHICH NOT ONLY GUARANTEES BUSINESS OBJECTIVES BUT ALSO CREATES COMPETITIVE ADVANTAGE IN ORDER TO ENSURE THE GROUP'S BEST OPERATION. THE ESTABLISHMENT OF THE FUNCTIONAL DEPARTMENTS SUCH AS INTERNAL CONTROL DIVISION, LEGAL DIVISION, VALUATION DIVISION AND MATERIAL DIVISION AIMS TO CONTROL THE POSSIBLE RISKS AND MAKE THE POSITIVE OUTCOMES IN BUSINESS OPERATION AND SUPERVISION OF THE GROUP.

MANAGING RISKS IN BUSINESS ACTIVITIES

The economic growth rate is a factor that directly affects the aggregate demand. As the economy grows, the demand of steel sheet and building materials including the demand of Hoa Sen Group products will also increase. Otherwise, when the economy goes down, the demand of using steel sheet and building material products will decline. Therefore, the Group has always prepared operational scenarios in order to actively respond to any situations to ensure the best business operation.

The Group imports the majority of hot rolled coils (the main raw materials) from foreign countries, therefore track and analysis of hot rolled coils' price in domestic and international to choose the right time to buy with the best price and to limit of raw material risks that are particularly attended by the Board of Directors and the Board of Management.

The fluctuation of selling price in the market directly affects Hoa Sen Group's business activities. Therefore, the flexible selling price policy in accordance with the fluctuation of market price is always considered and adjusted by the Board of Directors and the Board of Management due to the market situation at specific time.

MANAGING RISKS IN PRODUCTION ACTIVITIES

In production activities, Hoa Sen Group always focuses on reviewing, improving and standardizing the consumption norms of raw materials in order to reduce the products' cost. The Valuation Division and Material Division co-ordinate and consider in selecting suppliers of the raw materials which have suitable quality and reasonable price in order to minimize the raw material risks. Simultaneously, the Internal Control Division will recheck all the expenses of buying raw materials to guarantee the integrity, accuracy and transparency.

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

MANAGING FINANCIAL RISKS

In production and business activities, the Group may be subjected to risk of exchange rate, risk of interest rate, risk of bad debts and risk of liquidity.

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

For new customers, the Group requires payment guarantee from bank for delivery. For traditional customers, the Group issues debt limit for each customer in each period based on financial situation, collateral, transaction reputation of each customer and proposal of sales units. The Board of Management reviews the debt limit monthly. The sales units are responsible for collecting the debts on time. The Internal Control Division inspects, supervises, and reports to the Board of Management the debts which need to be collected daily. If bad debts occur, the Legal Department will implement some measures to collect the debts including suing measure.

The Finance Department makes and reports on plan of cash flow weekly so that the Board of Management has flexible business operating measures in order not to have overdue payables.

MANAGING RISKS OF CHANGING POLICY

Legal documents in the field of business and securities have been in the process of improvement so that changing policy can always happen and they can somehow affect to management, production, and business activities of Hoa Sen Group. The Assistant Board takes responsibility in updating and consulting new legal documents to minimize risk of changing policy which can affect directly to production and business activities of the Group.

MANAGING OTHER RISKS

In order to minimize unavoidable risks such as natural disasters, fires, accidents, etc., the Group always buys 24/24 accident insurance for all employees and the asset insurance of the Group.

ORGANIZATION AND HUMAN RESOURCES

OVERVIEW OF WORKFORCE

The total employees

The total employees of Hoa Sen Group develop with the scale and growth of the Group year by year. At September 30th 2016, the total number of employees of Hoa Sen Group was 7,095.

7,095

EMPLOYEES

The total number of employees of Hoa Sen Group at 30/9/2016

Chart of structure by education in fiscal year 2015 - 2016

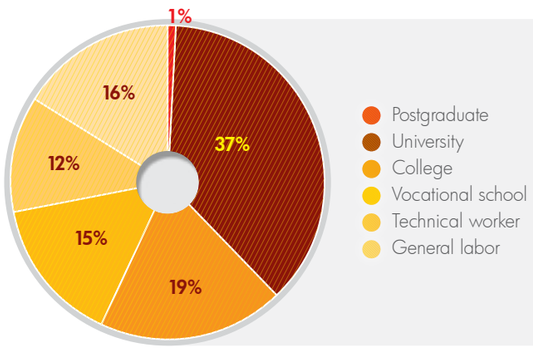


Chart of structure by education to September 30th 2016

Chart of structure by gender in fiscal year 2015 - 2016

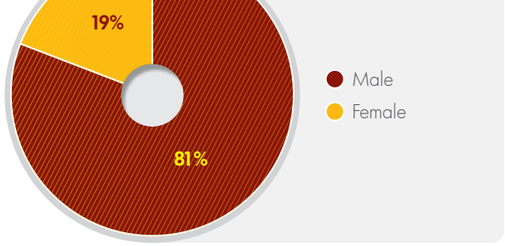


Chart of structure by gender of Hoa Sen Group to September 30th 2016

Chart of structure by age in the fiscal year 2015 - 2016

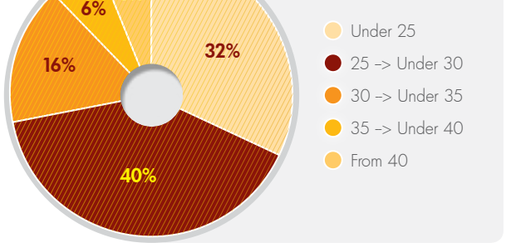


Chart of structure by age of Hoa Sen Group to September 30th 2016

Chart of structure by management levels in the fiscal year 2015 - 2016

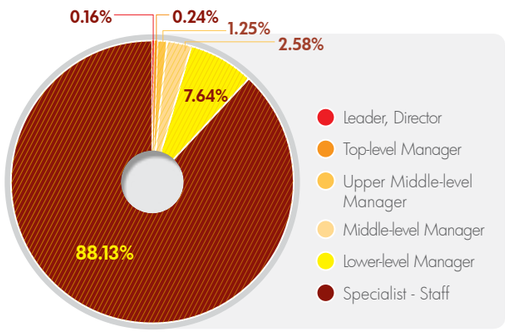


Chart of structure by management levels of Hoa Sen Group to September 30th 2016

Structure by functions in the fiscal year 2015 - 2016

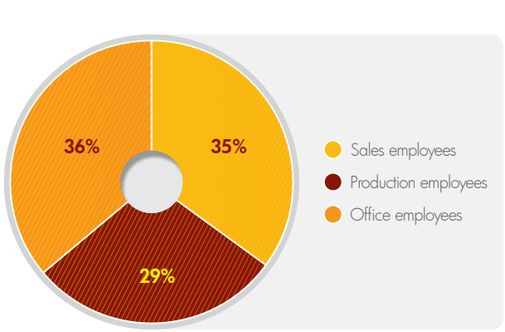


Chart of structure by functions of Hoa Sen Group to September 30th 2016

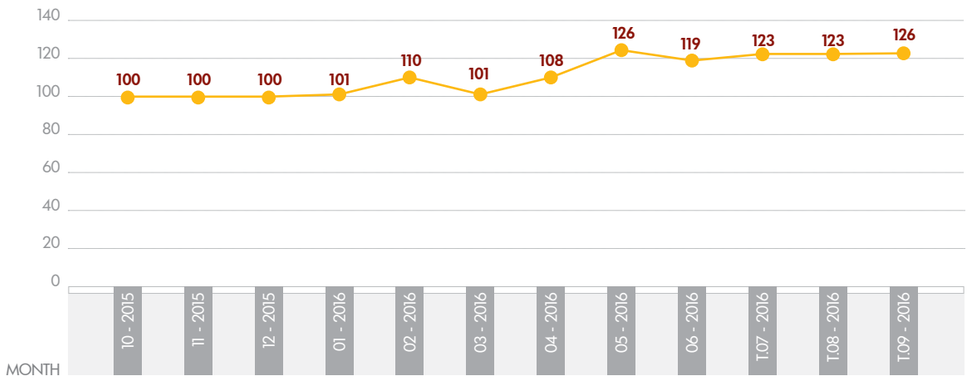
ORGANIZATION AND HUMAN RESOURCES

THE EMPLOYEE'S INCOMES

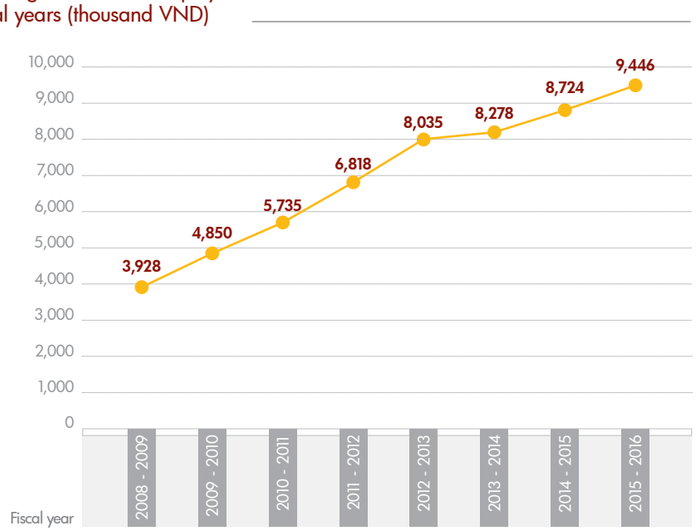
In the fiscal year 2015 – 2016, Hoa Sen Group has adjusted the salary policy in accordance with business plan as well as ensured the increase of employee's incomes followed to the Group's sales volume, revenue and profits. In addition, Hoa Sen Group has rebuilt the new salary range in May 2016 that is suitable for general average salary and rising motivation of employees.

Employees' allowances including fuel, housing, transportation, phone expense, maternity, etc. were maintained the same as the previous year. These allowances were added to monthly incomes which help employees work comfortably.

The average incomes of the Board of Management in fiscal year 2015 - 2016 (million VND)



The average incomes of employees in fiscal years (thousand VND)



RECRUITMENT

In fiscal year 2015 – 2016, The Group continued to implement "Management Trainees" program; select and recruite excellent students from prestigious universities in Vietnam and over the world, in order to put in trainee position as core managerial officers in future.

Besides, the Group continued to cooperate closely with prestigious universities, colleges through giving scholarships, attending job fairs, educational collaboration, etc. to strengthen long-term strategic relationship. This is one of communication activities and recruitment channel to elect potential candidates for important positions of Hoa Sen Group in future.

THE EVALUATION AND TRAINING

Since 2013, the Group has applied KPI - Key Performance Indicators to assess the performance of each department and each employee specifically and thoroughly, and then the Group will adjust and improve human resources reasonably.

Furthermore, human resources training and developing are always focused by the Group. All activities of building training plan, selecting objects, contents, methods, and terms are implemented professionally and practically. Regulations of appointment and staff planning with specific and clearly itinerary are built successfully by the Group to motivate all employees. By focusing on this mission, as a result, all Hoa Sen Group's employees have continuously improved their ability and qualification to complete their duties.

HOA SEN SOUTH EXECUTIVE OFFICE

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

Management area:
Manage Southern region starts from Ba Ria – Vung Tau Province, including South - East region and South - West region.

Subsidiary and Plant :

- Hoa Sen Steel Sheet One Member Limited Liabilities Company
- Hoa Sen Building Materials One Member Limited Liabilities Company
- Transportation and Engineering One Member Limited Liabilities Company
- Hoa Sen Phu My One Member Limited Liabilities Company
- Hoa Sen Phu My Steel Sheet Plant
- Production Executive Board in Binh Duong

HOA SEN PHU MY STEEL SHEET PLANT

BRANCH OF HOA SEN GROUP

GENERAL INFORMATION

Address	Street No. 1B, Phu My 1 Industrial Park, Phú Mỹ Town, Tan Thanh District, Ba Ria - Vung Tau Province
Telephone	(064) 3 924 790 – Fax: (064) 3 924 795
Business Registration Certificate	No. 3700381324-095 issued by the Department of Planning and Investment of Ba Ria - Vung Tau Province on July 19th, 2010
Legal Reprensentative	Mr. CAO QUANG SANG
Business activities	Producing galvanized steel sheet, aluminum-zinc alloy coated steel sheet, pre-painted galvanized steel sheet, pre-painted aluminum-zinc alloy coated steel sheet, hot rolled coil, cold rolled coil.
Hoa Sen Group owns	100%

INTRODUCTION

The total capacity of

1,200,000

TONS/YEAR

HOA SEN PHU MY STEEL SHEET PLANT IS THE LARGEST PLANT IN SOUTHEAST ASIA

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

On April 2014, the plant put into operation the waste water treatment station no.2 with the capacity of 100 m^3/hour.

Currently, Hoa Sen Phu My Steel Sheet Plant is the largest plant in Southeast Asia with the total capacity of 1,200,000 tons/year.

In the fiscal year 2016 – 2017, Hoa Sen Phu My Steel Sheet Plant plans to upgrade the galvanizing lines to optimize production capacity and product quality ensuring to meet the international standards and high market demand.

SUBSIDIARIES AND
ASSOCIATED COMPANIES

HOA SEN STEEL SHEET ONE MEMBER LIMITED LIABILITIES COMPANY

GENERAL INFORMATION

Address	No. 9 Thong Nhat Boulevard, Song Than II Industrial Park, Di An Ward, Di An Town, Binh Duong Province, Vietnam.
Telephone	(0650) 3 737 200 - Fax: (0650) 3 737 904
Charter Capital	**VND 280,000,000,000** (Two hundred and eighty billion VND)
Business Registration Certificate	No. 3700763651 issued by Department of Planning and Investment of Binh Duong Province on December 24th, 2007. The 7th amendment was on December 27th, 2012
Legal representative	Mr. **TRAN NGOC CHU** - Chairman
Director	Mr. **HOANG DUC HOANG**
Business activities	Production of roof plate from galvanized steel, aluminum zinc alloy coated steel, pre-painted galvanized steel and other alloy coated steel. Production of products from iron such as oxide iron, carbon iron, alloy iron and other products from iron.
Hoa Sen Group owns	100%

INTRODUCTION

Chartered capital
280
BILLION VND

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

Hoa Sen Steel Sheet One Member Limited Liabilities Company (precursor is Hoa Sen Steel Sheet Joint Stock Company) was established on November 9th, 2006. The company's principle activities are manufacturing and trading cold rolled coils. Hoa Sen Steel Sheet One Member Limited Liabilities Company is the first subsidiary of Hoa Sen Group.

On December 24th, 2007, the Company was renamed to Hoa Sen Steel Sheet One Member Limited Liabilities Company.

On December 27th, 2012, Hoa Sen Steel Sheet One Member Limited Liabilities Company established the first branch with the name of Branch of Hoa Sen Steel Sheet One Member Limited Liabilities Company - Phu My Cold Rolling Mill.

Putting cold rolling lines into operation was created an important chain link of the Group's core competitive advantages and supplied the majority of input materials for galvanizing lines and steel pipe lines of Hoa Sen Group.

HOA SEN BUILDING MATERIALS ONE MEMBER LIMITED LIABILITIES COMPANY

GENERAL INFORMATION

Address	2B Street, Phu My I Industrial Park, Phu My Town, Tan Thanh District, Ba Ria – Vung Tau Province
Telephone	(064) 3 923 231 - Fax: (064) 3 923 230
Charter capital	**VND 150,000,000,000** (One hundred and fifty billion VND)
Business Registration Certificate	No. 3500786179 issued by Department of Planning and Investment of Ba Ria – Vung Tau Province on December 18th, 2007.
Legal representative	Mr. **TRAN NGOC CHU** - Chairman
Director	Mr. **PHAM VAN CHUNG**
Business activities	Manufacturing and trading building material products including billet strip; galvanized steel pipes; Truss bar, Hollow bar, Batten bar; plastic pipes and accessories, solvent cement for uPVC pipes, Hoa Sen HDPE and PPR plastic pipes.
Hoa Sen Group owns	100%

INTRODUCTION

Hoa Sen Building Material One Member Limited Liabilities Company, one of Hoa Sen Group's subsidiaries, was established on December 18th, 2007 with its initial charter capital of VND 150 billion. The company's head office and main factory are located in the area of 11 hectares at Street No.2B, Phu My 1 Industrial Park, Phu My Town, Tan Thanh District, Ba Ria - Vung Tau Province. With the strategic orientation to become a leading manufacturer - supplier of building material in Vietnam and Southeast Asia region, the Company is undertaking the production and trading the Group's mainly product lines including: billet strip; galvanized steel pipes; Truss bar, Hollow bar, Batten bar; plastic pipes and accessories, glue for uPVC pipes, Hoa Sen HDPE/PPR plastic pipes and accessories.

Currently, the company owns 02 steel pipe plants including 28 production lines with the total capacity of 411,000 tons/year (in which 22 production lines located at Phu My Steel Plant, Tan Thanh District, Ba Ria – Vung Tau Province and 06 production lines located at Hai Duong Steel Plant, Industrial Zone at Binh Giang District, Hai Duong Province). Before that, the Company has invested in Truss line, Hollow line, and Batten line with the total capacity of 28,400 tons/year and put into operation on December 2015. Also, the slitting line No.4 put into operation in 2016, increasing capacity from 450,000 tons/year to 600,000 tons/year. Besides, Hoa Sen plastic pipe plant applied Europe technology has 17 uPVC plastic pipe lines with the total capacity of 57,000 tons/year lines and 20 uPVC plastic pipe accessories lines with the total capacity of 2,160 tons/year operating automatically in accordance with vertically integrated value chain and strict management qualifying international standard.

February 2016, the company put into operation two HDPE and PPR plastic pipe lines with the total capacity of 10,000 tons/year. Simultaneously with the orientation of product kinds' diversification, and responding promptly high consumers demand in domestic and foreign markets, the Company is going to invest in 7 uPVC plastic pipe lines, 10 uPVC accessories lines, 1 HDPE/PPR plastic pipe line, 1 coil plastic pipe line, 1 white plastic pipe line (pass through electric) with the total capacity of 99,600 tons/year in fiscal year 2016 – 2017.

With all achievements, the company endeavors continuously to satisfy consumers with high quality products, to respond timely all customer' demands of quantity and services as well as to become one of leading manufacturers and suppliers of building materials in domestic and Pacific Asia.

HOA SEN TRANSPORTATION AND ENGINEERING ONE MEMBER LIMITED LIABILITIES COMPANY

GENERAL INFORMATION

Address	No. 9, Thong Nhat Boulevard, Song Than II Industrial Park, Di An Ward, Di An Town, Binh Duong Province, Vietnam
Telephone	(0650) 3 737 999 – Fax: (0650) 3 737 999
Charter capital	**VND 16,276,000,000** (Sixteen billion and two hundred and seventy six million VND)
Business Registration Certificate	No. 3700785528 issued by the Department of Planning and Investment of Binh Duong Province on December 24th, 2007.
Legal representative	Mr. **VU VAN THANH** – Chairman
Director	Mr. **VO MINH TUONG**
Business activities	Goods and passenger transportation services by road and by waterway; direct supporting services for water transport; warehouses; storage of goods, means of transportation for leasing; trading of materials and spare parts of automobile.
Hoa Sen Group owns	100%

INTRODUCTION

Net sales of
fiscal year 2015 – 2016

81.2

BILLION VND

In the fiscal year 2015 – 2016, Hoa Sen Transportation and Engineering One Member Limited Liabilities Company's net sales achieved 81.2 billion VND; the after-tax profit achieved 7.4 billion VND, total transportation volumes reached 1,367,102 tons. Currently, the company owns total 27 transportation means including 15 tractors, 6 trucks with loading capacity of 18 tons and 6 trucks with loading capacity of 8 tons.

HOA SEN PHU MY ONE MEMBER LIMITED LIABILITIES COMPANY

GENERAL INFORMATION

Address	Street No. 1B, Phu My 1 Industrial Park, Phu My Town, Tan Thanh District, Ba Ria - Vung Tau Province, Viet Nam.
Telephone	0937.937.547
Charter capital	**VND 50,000,000,000** (Fifty billion VND)
Business Registration Certificate	No. 3502313442 issued by Department of Planning and Investment of Ba Ria – Vung Tau Province on August 08th, 2016.
Legal representative	Mr. **TRAN NGOC CHU** - Chairman
Director	Mr. **NGO THANH THIEN**
Business activities	Manufacturing steel pipes, galvanized steel pipes, hot dip galvanized steel pipes, color metal pipe; stainless steel pipe.
Hoa Sen Group owns	100%

INTRODUCTION

The company has completed investment procedures, then being implementing the following phases of the project.

Planning to the end of 2017, the production lines of Hoa Sen Phu My Company will put into operation and manufacture finished products that contribute to increase production capacity and deliver high quality products to the end users.

SUBSIDIARIES AND
ASSOCIATED COMPANIES

HOA SEN CENTRAL EXECUTIVE OFFICE

Address:
Lot A1.1 and TT6.2 & 7, Nhon Hoa Industrial Park, Nhon Hoa Ward,
An Nhon Town, Binh Dinh Province.

Management area:
Manage Central region from Da Nang city to Khanh Hoa province,
including Central Coast region and Western Highlands region.

Subsidiary and Plant:

- Hoa Sen Binh Dinh One Member Limited Liabilities Company.
- Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Liabilities Company.

HOA SEN BINH DINH
ONE MEMBER LIMITED LIABILITIES COMPANY

GENERAL INFORMATION

Address	Lot A1.1 and TT6.2 & 7, Nhon Hoa Industrial Park, Nhon Hoa Ward, An Nhon Town, Binh Dinh Province, Vietnam.
Telephone	(056) 3 738 991
Charter capital	**VND 55,000,000,000** (Fifty five billion VND).
Business Registration Certificate	No. 4101425750 issued by the Department of Planning and Investment of Binh Dinh Province on May 14th, 2014, and the third amendment was on September 15th, 2016.
Legal representative	Mr. **HO THANH HIEU** – Chairman.
Director	Mr. **Le Xuan Phong**
Business activities	Manufacturing galvanized steel pipes, plastic pipes and accessories.
Hoa Sen Group owns	100%

INTRODUCTION

Hoa Sen Binh Dinh One Member Limited Liabilities Company is a Hoa Sen Group's subsidiary established on May 14th, 2014 with 55 billion VND in charter capital. The company's operations are controlled by Hoa Sen Group in capital, brand name, distribution retail network and core competitive advantages.

The company was invested in Nhon Hoa Industrial Park, An Nhon Town, Binh Dinh Province with total area of 8.3 hectares and applied modern technology in production. The company plays important role to supply products of steel pipe and plastic pipe to the markets in Central region and export to Lao, Thailand, etc.

December 2014, the company put into operation Phase 1 of steel pipe plant including 09 steel pipe lines with most advanced technology to increase production capacity for satisfying highly demands of steel pipes in Central markets.

January 2016, the uPVC plastic pipe plant with capacity of 12,000 tons/ year puts into operation and provides the high quality plastic products to response demands of Central and Tay Nguyen markets.

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

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

GENERAL INFORMATION

Address	Hoi Son Hamlet, Nhon Hoi Commune, Quy Nhon City, Binh Dinh Province.
Telephone	(056) 3 579 567
Charter capital	**VND 200,000,000,000** (two hundred billion VND)
Business Registration Certificate	No. 4101453370 issued by Department of Planning and Investment of Binh Dinh Province on November 26th 2015.
Legal representative	Mr. **HO THANH HIEU** – Chairman
Director	Mr. **TRAN DINH CUONG**
Business activities	Manufacturing galvanized steel sheet, color coated steel, cold roll coil.
Hoa Sen Group owns	100%

INTRODUCTION

Chartered capital of
200
BILLION VND

MODERN PRODUCTION LINES, EQUIPMENT AND VERTICALLY INTEGRATED VALUE-CHAIN, TIGHTLY INTERNAL CONTROL FROM RAW MATERIALS TO FINISHED PRODUCTS

Hoa Sen Nhon Hoi – Binh Dinh One Member Limited Liabilities Company, one of Hoa Sen Group's subsidiaries, was established on November 26th, 2015. The company's head office and main factory are located at Nhon Hoi Economic Zone, Quy Nhon City, Binh Dinh Province.

Invested in the area of 12.4 hectares with modern production lines, equipment and vertically integrated value-chain, tightly internal control from raw materials to finished products, the company's galvanized steel sheet products ensure the international quality standard.

Planning to March 2017, Hoa Sen Nhon Hoi – Binh Dinh One Member Limited Liabilities Company will put into operation galvanizing line with capacity of 180,000 tons/year and color coated steel line with capacity of 45,000 tons/year. This will increase production capacity at Central region in accordance with Hoa Sen Group's development orientation.

HOA SEN NORTH EXECUTIVE OFFICE

Address:
Kien Khe I Industrial Zone, Kien Khe Town, Thanh Liem District, Ha Nam Province.

Management area:
Manage Northern region starts from Thua Thien Hue, including Central North region, North East region, South West region.

Management area:

- Hoa Sen Nghe An One Member Limited Liabilities Company (including branch of Hoa Sen Nghe An One Member Limited Liabilities Company at Nam Cam – Nghe An).
- Hoa Sen Ha Nam One Member Limited Liabilities Company.

HOA SEN HA NAM ONE MEMBER LIMITED LIABILITIES COMPANY

GENERAL INFORMATION

Address	Kien Khe I Industrial Zone, Kien Khe Town, Thanh Liem District, Ha Nam Province.
Charter capital	**VND 200,000,000,000** (Two hundred billion VND).
Business Registration Certificate	No. 0700759219 issued by the Department of Planning and Investment of Ha Nam Province on September 15th, 2015
Legal representative	Mr. **VU VAN THANH** – Chairman
Director	Mr. **NGUYEN TRAN DAI**
Business activities	Manufacturing and trading all products serving for industrial and civil construction including: steel pipes, plastic pipes and slitting products.
Hoa Sen Group owns	100%

INTRODUCTION

Planning to February 2017, Hoa Sen Ha Nam One Member Limited Liabilities Company will officially produce the first finished products at Kien Khe I Industrial Park, Kien Khe Town, Thanh Liem District, Ha Nam Province, which contribute to increase the production and supply capacity to markets in Northern region.

HOA SEN NGHE AN ONE MEMBER LIMITED LIABILITIES COMPANY

GENERAL INFORMATION

Address	Lot CN 1-8, Dong Hoi Industrial Park, Quynh Lap Commune, Hoang Mai Town, Nghe An Province, Vietnam.
Telephone	(038) 3 668 112
Charter capital	VND 330,000,000,000 (Three hundred and thirty billion VND)
Business Registration Certificate	No. 2901788319 issued by the Department of Planning and Investment of Nghe An Province on June 12th, 2015, and the 4th amendment was on October 03rd, 2016.
Legal representative	Mr. VU VAN THANH – Chairman
Director	Mr. NGUYEN MINH PHUC
Business activities	Production of roof plate from galvanized steel, aluminum zinc alloy coated steel, pre-painted galvanized steel and other alloy coated steel, production of cold roll coil.
Hoa Sen Group owns	100%

INTRODUCTION

In September 2016, exporting first cargo of

6,000

TONS

OF FINISHED STEEL SHEET TO MEXICO

Hoa Sen Nghe An One Member Limited Liabilities Company, one of Hoa Sen Group's subsidiaries, was established on June 12th, 2015. The company's head office and main factory are located at Lot CN 1-8, Dong Hoi Industrial Park, Quynh Lap Commune, Hoang Mai Town, Nghe An Province. Currently, the Company's main activities are manufacture and trading metal roof plate.

June 2016, Hoa Sen Nghe An One Member Limited Liabilities Company was officially put into operation the galvanizing line (NOF technology) with capacity of 400,000 tons/year and successfully produced the first finished products after 11 months of construction. As a result, this contributes to improve production and supply capacity of Hoa Sen Group in Central North region as well as to export to foreign countries. The plant also creates jobs and incomes to local employees, gains the State budget as well as promotes the economic - social development of Nghe An province.

In September 2016, Hoa Sen Nghe An One Member Limited Liabilities Company exported the first cargo of 6,000 tons of finished steel sheet to Mexico (America). This is the first Vietnam steel enterprise exported to Mexico with the large volume of steel sheets. Simultaneously, this will lead the development of Vietnamese steel industry and export to international markets in future

On September 26th 2016, the Hoa Sen Group's Board of Directors promulgated the Resolution of merging Hoa Sen Nam Cam – Nghe An One Member Liabilities Limited Company to Hoa Sen Nghe An One Member Liabilities Limited Company. After merging, Hoa Sen Nghe An One Member Liabilities Limited Company will establish the branch at Hoa Sen Nam Cam – Nghe An One Member Liabilities Limited Company's location to supervise, manage all operations and deploy the expanding investment for the next phases of Hoa Sen Nam Cam – Nghe An Plant Project.

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

(precursor is Hoa Sen Nam Cam – Nghe An One Member Liabilities Limited Company).

Address	Nam Cam Industrial Park, Nghi Xa Commune, Nghi Loc District, Nghe An Province, Vietnam.
Telephone	(038) 3 798 555
Business Registration Certificate	No. 2901788319-001 issued by the Department of Planning and Investment of Nghe An Province on September 28th, 2016.
Director	Mr. MAI THE ANH MINH
Business activities	Manufacturing steel purlins, galvanized purlins, black steel pipes, galvanized steel pipes and other alloy coated steel pipes

Branch of Hoa Sen Nghe An One Member Liabilities Limited Company at Nam Cam completed and officially put into operation 06 steel pipe lines with total capacity of 82,800 tons/year in April 2015. This contributes to increase production capacity and meets the market demand at the North and Central Provinces according to development orientation of Hoa Sen Group.

October 2016, branch of Hoa Sen Nghe An One Member Liabilities Limited Company at Nam Cam has installed 03 steel pipe lines to increase the plant's capacity to 117,360 tons/year, and contributed to increase the production capacity of the Company as well as the Hoa Sen Group.

By applying advanced technology, vertically integrated value-chain, tightly internal control from input materials to output finished products, Hoa Sen steel pipe products meet the market demands and ensure the products' quality in accordance with US standard of ASTM A500; Japanese standard of JIS G3466:2006, JIS 3444:2010.

SUBSIDIARIES AND ASSOCIATED COMPANIES

STRATEGIC RESEARCH AND DEVELOPMENT DEPARTMENT

Address: Floor 15th, 16th, 17th and 21st, Vietcombank Tower – No. 05 Me Linh Square, Ben Nghe Ward, District 1, Ho Chi Minh City.

Introduction: Strategic Research & Development Department ("R&D Department") is a functional department performing specialized operations of Hoa Sen Group. The department is overseen by the Hoa Sen Group Chairman, Vice Chairman, and CEO and directly managed by the Deputy Managing Director in charge of Investment and Construction.

R&D Department implements specific operations in business services, and real estate trading sectors, and other particular operation related to project development.

Sub-Companies:

- Hoa Sen Hoi Van Joint Stock Company
- Hoa Sen Quy Nhon Joint Stock Company
- Hoa Sen Van Hoi Joint Stock Company
- Hoa Sen Yen Bai Joint Stock Company

HOA SEN HOI VAN JOINT STOCK COMPANY

Address	No. 01 Ngo May Street, Nguyen Van Cu Ward, Quy Nhon City, Binh Dinh Province.
Phone Number	0905.117.106
Charter Capital	**VND 50,000,000,000** (Fifty billion VND).
Business Registration Certificate	No. 4101464333 issued by Department of Planning and Investment of Binh Dinh Province on May 05th, 2016.
Legal Representative	Mr. **TRAN NGOC CHU** – Chairman of the Board of Directors
Director	Mr. **LE XUAN PHONG**
Business Activities	Trading real estate and land-use right belong to owner, user or leaseholder. Details: office leasing; house trading; tourism area, river port and sea port investment and trading. Short-term accommodation services. Details: hospitality business; eco-tourism area and eco-tourism related services.
Hoa Sen Group owns	45%

HOA SEN VAN HOI JOINT STOCK COMPANY

Address	Group 48, Dong Tam Ward, Yen Bai City, Yen Bai Province.
Charter Capital	**VND 100,000,000,000** (One hundred billion VND)
Business Registration Certificate	No. 5200861301 issued by Department of Planning and Investment of Yen Bai Province on May 05th, 2016
Legal Representative	Mr. **TRAN NGOC CHU** – Chairman of the Board of Directors
Director	Mr. **TRAN QUOC PHAM**
Business Activities	Trading real estate, land use rights belong to owner, user or leaseholder. Particularly office leasing, house trading
Hoa Sen Group owns	70%

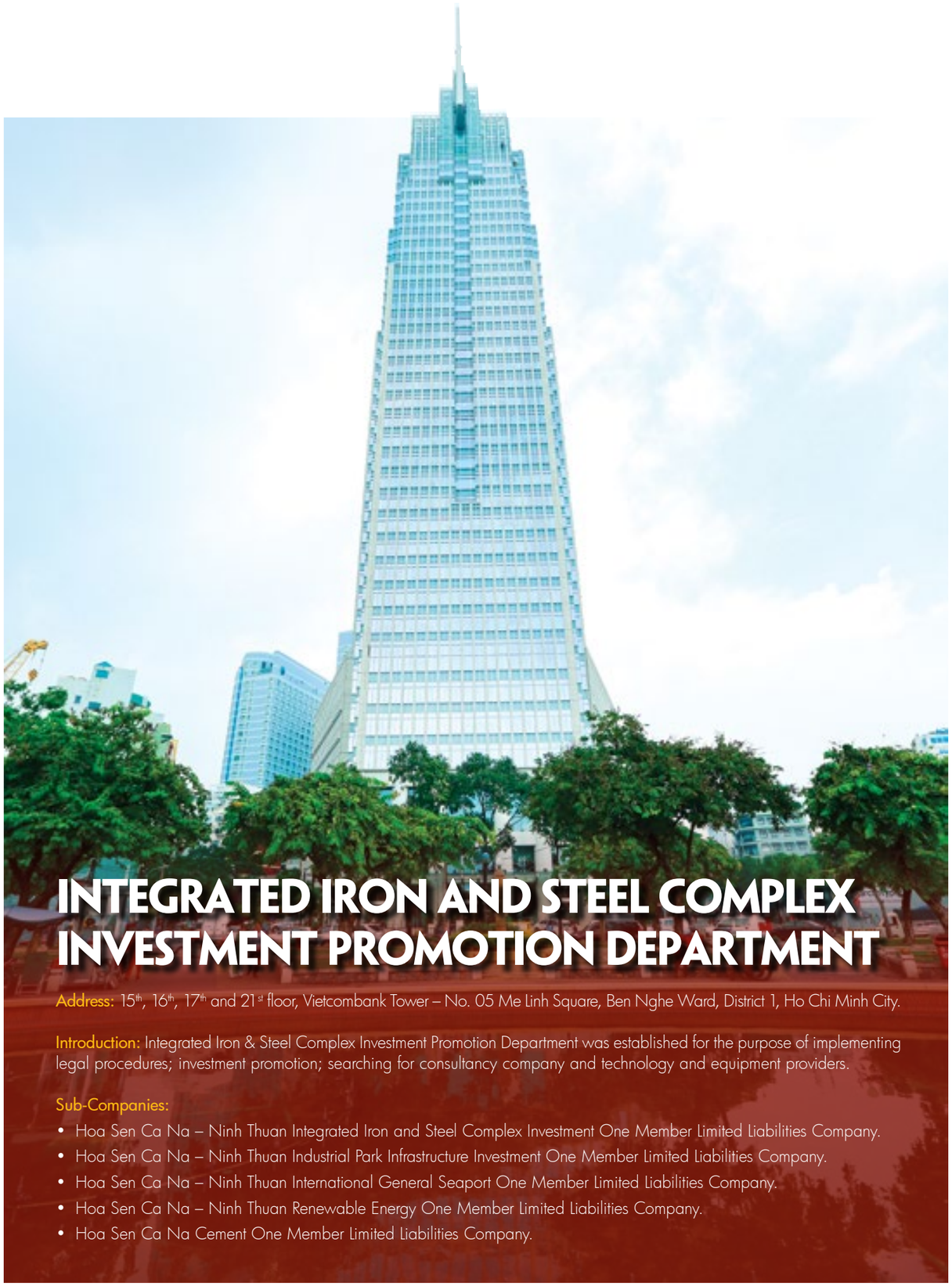
SUBSIDIARIES AND ASSOCIATED COMPANIES

HOA SEN QUY NHON JOINT STOCK COMPANY

Address	No. 01 Ngo May Street, Nguyen Van Cu Ward, Quy Nhon City, Binh Dinh Province.
Phone Number	0905.117.106
Charter Capital	**VND 100,000,000,000** (One hundred billion VND).
Business Registration Certificate	No. 4101464326 issued by Department of Planning and Investment of Binh Dinh Province on May 05th, 2016
Legal Representative	Mr. **TRAN NGOC CHU** – Chairman of the Board of Directors
Director	Mr. **LE XUAN PHONG**
Business Activities	Trading real estate, land use right belong to owner, user or leaseholder, particularly office leasing; house trading; tourism area, river port and sea port investment and trading. Short-term accommodation services particularly hospitality business; eco-tourism area and eco-tourism related services.
Hoa Sen Group owns	45%

HOA SEN YEN BAI JOINT STOCK COMPANY

Address	Group 48, Dong Tam Ward, Yen Bai City, Yen Bai Province.
Charter Capital	**VND 50,000,000,000** (Fifty billion VND).
Business Registration Certificate	No. 5200861319 issued by Department of Planning and Investment of Yen Bai Province on May 05th, 2016.
Legal Representative	Mr. **TRAN NGOC CHU** – Chairman of the Board of Directors
Director	Mr. **TRAN QUOC PHAM**
Business Activities	Trading real estate, land use right belong to owner, user or leaseholder. Particularly office leasing, house trading.
Hoa Sen Group owns	70%



INTEGRATED IRON AND STEEL COMPLEX INVESTMENT PROMOTION DEPARTMENT

Address: 15th, 16th, 17th and 21st floor, Vietcombank Tower – No. 05 Me Linh Square, Ben Nghe Ward, District 1, Ho Chi Minh City.

Introduction: Integrated Iron & Steel Complex Investment Promotion Department was established for the purpose of implementing legal procedures; investment promotion; searching for consultancy company and technology and equipment providers.

Sub-Companies:

- Hoa Sen Ca Na – Ninh Thuan Integrated Iron and Steel Complex Investment One Member Limited Liabilities Company.
- Hoa Sen Ca Na – Ninh Thuan Industrial Park Infrastructure Investment One Member Limited Liabilities Company.
- Hoa Sen Ca Na – Ninh Thuan International General Seaport One Member Limited Liabilities Company.
- Hoa Sen Ca Na – Ninh Thuan Renewable Energy One Member Limited Liabilities Company.
- Hoa Sen Ca Na Cement One Member Limited Liabilities Company.

SUBSIDIARIES AND ASSOCIATED COMPANIES

HOA SEN CA NA – NINH THUAN INTEGRATED IRON AND STEEL COMPLEX INVESTMENT ONE MEMBER LIMITED LIABILITIES COMPANY

Address	Hoa Sen Ca Na Industrial Park, Phuoc Diem Commune, Thuan Nam District, Ninh Thuan Province.
Phone Number	(08) 3 999 0111
Charter Capital	**VND 100,000,000,000** (One hundred billion VND).
Business Registration Certificate	No. 4500607953 issued by Department of Planning and Investment of Ninh Thuan Province on August 08th, 2016.
Legal Representative	Mr. **LE PHUOC VU** – Chairman of the Board of Directors
Business Activities	**Producing iron, steel, liquid iron, particularly:** • Manufacturing, processing, producing metallurgical products, casting and manucturing iron & steel, section steel and steel wire, 2nd processing steel, machinery steel. • Manufacturing, processing, producing other steel products.
Hoa Sen Group owns	100%

HOA SEN CA NA – NINH THUAN INDUSTRIAL PARK INFRASTRUCTURE INVESTMENT ONE MEMBER LIMITED LIABILITIES COMPANY

Address	Hoa Sen Ca Na Industrial Park, Phuoc Diem Commune, Thuan Nam District, Ninh Thuan Province.
Phone Number	(08) 3 999 0111
Charter Capital	**VND 50,000,000,000** (Fifty billion VND).
Business Registration Certificate	No. 4500607978 issued by Department of Planning and Investment of Ninh Thuan Province on August 08th, 2016.
Legal Representative	Mr. **TRAN NGOC CHU** – Chairman
Business Activities	Real estate, land use rights of owner, users or lender
Hoa Sen Group owns	100%

HOA SEN CA NA – NINH THUAN INTERNATIONAL GENERAL SEAPORT ONE MEMBER LIMITED LIABILITIES COMPANY

Address	Thuong Diem 2 Hamlet, Phuoc Diem Commune, Thuan Nam District, Ninh Thuan Province.
Phone Number	(08) 3 999 0111
Charter Capital	**VND 50,000,000,000** (Fifty billion VND).
Business Registration Certificate	No. 4500607985 issued by Department of Planning and Investment of Ninh Thuan Province on August 08th, 2016.
Legal Representative	Mr. **TRAN NGOC CHU** – Chairman
Business Activities	Transporting goods on domestic water way (only works with adequate conditions in accordance with laws and regulations). Particularly, investing in river ports, sea ports.
Hoa Sen Group owns	100%

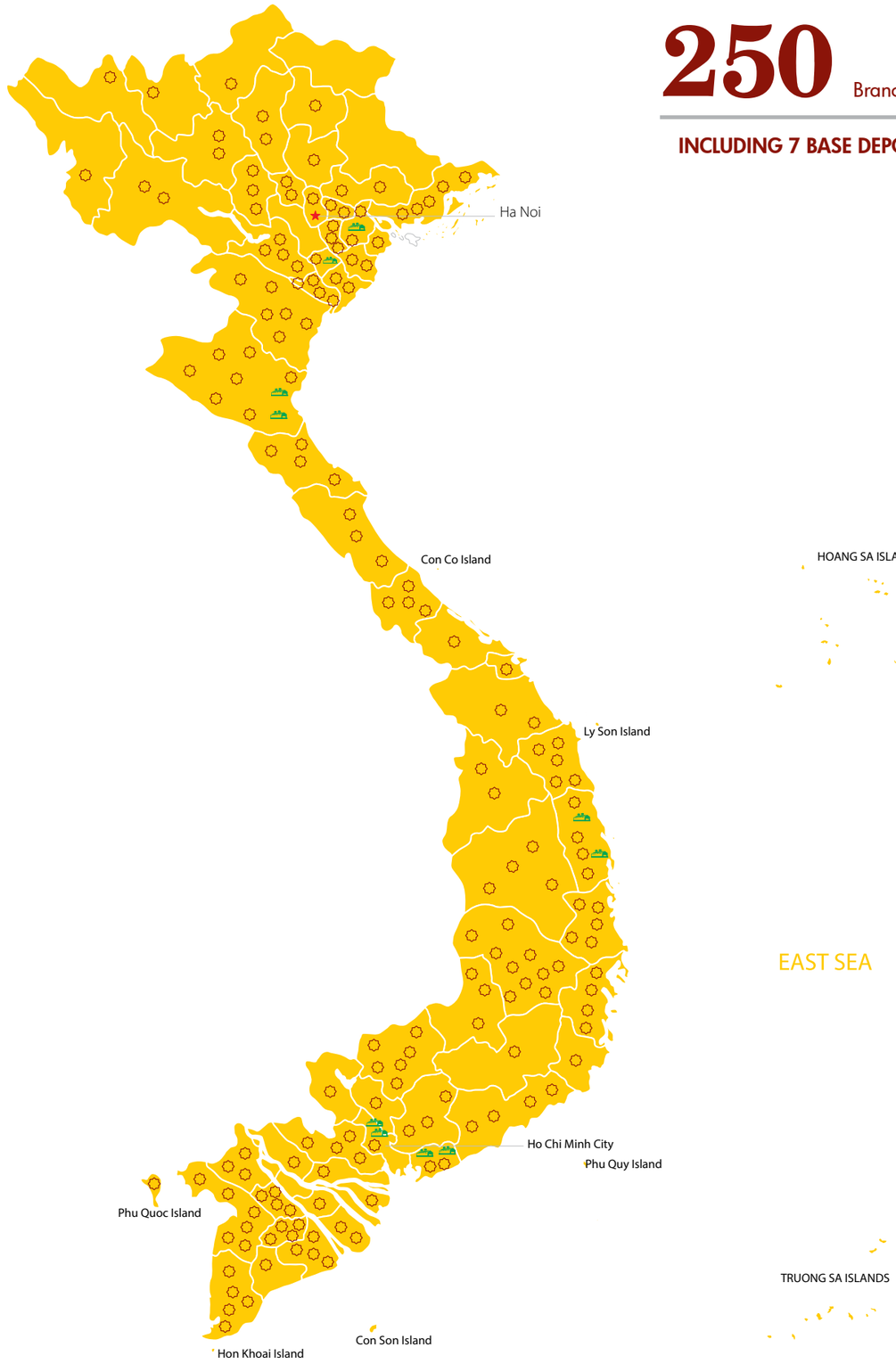
HOA SEN CA NA – NINH THUAN RENEWABLE ENEGY ONE MEMBER LIMITED LIABILITIES COMPANY

Address	Hoa Sen Ca Na Industrial Park, Phuoc Diem Commune, Thuan Nam District, Ninh Thuan Province.
Phone Number	(08) 3 999 0111
Charter Capital	**VND 20,000,000,000** (Twenty billion VND).
Business Registration Certificate	No. 4500607960 issued by Department of Planning and Investment of Ninh Thuan Province, first registered on August 08th, 2016
Legal Representative	Mr. **TRAN NGOC CHU** – Chairman
Business Activities	**Producing, tranmissing and distributiing electricity** Particularly, constructing, erecting, operating and carrying on business of thermal power plant, solar power plant, wind power plant; commanding and operating production system, transmission, allocating and distributing electricity; Investing and managing electricity projects; Managing, operating, repairing, maintaining, overhauling, renovating, upgrading electrical, mechanical, control and automation equipment of production line, transmissioning and distributing electricity, electrical works; electrical experiments.
Tập đoàn Hoa Sen sở hữu	100%

HOA SEN CA NA – NINH THUAN CEMENT ONE MEMBER LIMITED LIABILITIES COMPANY

Address	Hoa Sen Ca Na Industrial Park, Phuoc Diem Commune, Thuan Nam District, Ninh Thuan Province.
Phone Number	(08) 3 999 0111
Charter Capital	**VND 30,000,000,000** (Thirty billion VND).
Business Registration Certificate	No. 4500607946 issued by Department of Planning and Investment of Ninh Thuan Province, first registered on August 08th, 2016.
Legal Representative	Mr. **TRAN NGOC CHU** – Chairman
Business Activities	**Producing cement, lime and plaster** Particularly manufacturing, processing, producing blastfurnace-cement and other types of cement.
Hoa Sen Group owns	100%

DISTRIBUTION-RETAIL BRANCHES



250 Branches

INCLUDING 7 BASE DEPOTS

No.	Branch	Address	Tel
	MOBILE WORK UNIT NO.01: WESTERN AREA		
1	Nam Can	Cai Nai Cluster, Nam Can Town, Nam Can District, Ca Mau Province, Viet Nam	0780 3876 703
2	Ca Mau	No 39, Ly Thuong Kiet, Cluster 7, Ward 6, Ca Mau City, Ca Mau Province, Viet Nam	0780 3826 699
3	Bac Lieu	Street 23/8, Cluster 3, Ward 8, Bac Lieu City, Bac Lieu Province, Viet Nam	0781 3829 843
4	Soc Trang	Highway 1A, Ward 2, Soc Trang City, Soc Trang Province, Viet Nam	079 3611 212
5	Vinh Chau	Nguyen Hue Street, Cluster 1, Ward 1, Vinh Chau Town, Soc Trang Province, Viet Nam	079 3861 828 079 3861 929
6	Cai Nuoc	No 115, Highway 1A, Dong Hung Hamlet, Tan Hung Dong Commune, Cai Nuoc District, Ca Mau Province, Viet Nam	07803 882 636
7	Hong Dan	Kinh Xang Hamlet, Loc Ninh Commune, Hong Dan District, Bac Lieu Province, Viet Nam	0781 3560 110
8	Vinh Loi	Highway 1A, Tan Tao Hamlet, Chau Hung Town, Vinh Loi District, Bac Lieu Province, Viet Nam	0781 3922 335
9	Thoi Binh	Vo Van Kiet Street, Tac Thu Hamlet, Ho Thi Ky Commune, Thoi Binh District, Ca Mau Province, Viet Nam	0780 3868 707
10	Nga Nam	Highway 61B, Ward 1, Nga Nam Town, Soc Trang Province, Viet Nam	0793 869 877
11	Dam Doi	TL Dam Doi - Ca Mau, Tan Dien Hamlet, Tan Duyet Commune, Dam Doi District, Ca Mau Province, Viet Nam	
12	Long Phu	Phung Tuong 1 Hamlet, Song Phung Commune, Long Phu District, Soc Trang Province, Viet Nam	
13	Ca Mau City	Highway 1A, Ly Vam Lam Commune, Ca Mau City, Ca Mau Province, Viet Nam	
	HAU GIANG - CAN THO		
14	Phung Hiep	Zone 3, Hiep Thanh Ward, Nga Bay Town, Hau Giang Province, Viet Nam	0711 3867 887
15	Vi Thanh	Tran Hung Dao Street, Zone 3, Ward 5, Vi Thanh City, Hau Giang Province, Viet Nam	0711 3870 137
16	Can Tho	No. 143, Zone 5, Cach Mang Thang Tam Street, An Thoi Ward, Binh Thuy District, Can Tho City, Viet Nam	0710 3887 581
17	Cai Rang	Highway 1A, Area 2, Ba Lang Ward, Cai Rang District, Can Tho City, Viet Nam	0710 3910 001
18	O Mon	Thoi Hung Zone, Long Hung Ward, O Mon District, Can Tho City, Viet Nam	0710 3687 417
19	Tan Long	Tan Long Hamlet, Tan Binh Town, Phung Hiep District, Hau Giang Province, Viet Nam	0711 3936 712
20	Long My	Binh Thanh B Zone, Binh Thanh Ward, Long My Town, Hau Giang Province, Viet Nam	0711 3511 850
21	Phung Hiep 2	Highway 1A, Hamlet 1, Thanh Hoa Town, Phung Hiep District, Hau Giang Province, Viet Nam	
22	Thoi Lai	Land Parcel No. 139 (Map No. 10), Thoi Phong A Hamlet, Thoi Lai Town, Can Tho City, Viet Nam	
	AN GIANG		
23	Lo Te	No.454, Group 16, Thoi Hoa Zone, Thoi Thuan Ward, Thot Not District, Can Tho City, Viet Nam	076 3831 844
24	Vinh Thanh	Vinh Tien Hamlet, Vinh Thanh Town, Vinh Thanh District, Can Tho City, Viet Nam	0710 3641 828
25	Tri Ton	Cluster 1, Tri Ton Town, Tri Ton District, An Giang Province, Viet Nam	076 3772 949
26	Chau Doc	No. 177, Nguyen Tri Phuong Street, Hoa Binh Cluster, Vinh My Ward, Chau Doc City, An Giang Province, Viet Nam	076 3560 510
27	Phu Tan	Long Hung 2 Cluster, Long Son Ward, Tan Chau Town, An Giang Province, Viet Nam	076 3533 435
28	Long Xuyen	Group 12, Binh Duc 5 Cluster, Binh Duc Ward, Long Xuyen City, An Giang Province, Viet Nam	076 3650 738
29	Cho Moi	My Hoa Hamlet, My Luong Town, Cho Moi District, An Giang Province, Viet Nam	076 3626 376
30	My Hoa	Tay Hue 1 Cluster, My Hoa Ward, Long Xuyen City, An Giang Province, Viet Nam	076 3949 952
31	Tinh Bien	Highway 91, Phu Hiep Hamlet, An Phu Town, Tinh Bien District, An Giang Province, Viet Nam	0763 740 140
32	Thoai Son	943 Street, Trung Binh Hamlet, Thoai Son Town, Thoai Son District, An Giang Province, Viet Nam	0763 713 979 0763 713 980
33	Phu My	No.123 Ton Duc Thang, Thuong 3 Hamlet, Phu My Town, Phu Tan District, An Giang Province, Viet Nam	
	KIEN GIANG		
34	Vinh Thuan	Group 39, Vinh Dong 2 Hamlet, Vinh Thuan Town, Vinh Thuan District, Kien Giang Province, Viet Nam	077 3561 336
35	An Bien	Group 17, Dong Thanh Hamlet, Dong Thai Commune, An Bien District, Kien Giang Province, Viet Nam	077 3524 259
36	Kien Luong	Group 13, Tam Thuoc Quarter, Kien Luong Town, Kien Luong District, Kien Giang Province, Viet Nam	077 3765 055
37	Rach Gia	No. 67 Cach Mang Thang Tam Street, Vinh Loi Ward, Rach Gia City, Kien Giang Province, Viet Nam	077 3912 450
38	Hon Dat	Group 4, Highway 80, Son Thinh Hamlet, Soc Son Town, Hon Dat District, Kien Giang Province, Viet Nam	0773 742 377
39	Phu Quoc	Group 1, Suoi May Hamlet, Duong To Commune, Phu Quoc District, Kien Giang Province, Viet Nam	0773 844 173
40	Hon Dat 2	Highway 80, Su Nam Hamlet, Hon Dat Commune, Hon Dat District, Kien Giang Province, Viet Nam	0773 771 778
41	Minh Luong Store	No 581, Highway 61, Minh Phu Quarter, Minh Luong Town, Chau Thanh District, Kien Giang Province, Viet Nam	077 3619 989
42	U Minh Thuong	Highway 64, Vinh Thanh Hamlet, Vinh Hoa Town, U Minh Thuong District, Kien Giang Province, Viet Nam	
	DONG THAP - VINH LONG		
43	Hong Ngu	Highway 30, An Loc Ward, Hong Ngu Town, Dong Thap Province, Viet Nam	067 3836 771
44	Tam Nông	Tram Chim Town, Tam Nong District, Dong Thap Province, Viet Nam	067 3829 658
45	Cao Lanh	Highway 30, My Phu Ward, Cao Lanh City, Dong Thap Province, Viet Nam	067 3857 316
46	Sa Dec	Highway 80, An Hoa Nhat Hamlet, Tan Binh Commune, Chau Thanh District, Dong Thap Province, Viet Nam	067 3868 156
47	Binh Minh	622A, Thuan Tien B Hamlet, Thuan An Commune, Binh Minh Town, Vinh Long Province, Viet Nam	070 3750 711
48	Vung Liem	Group 2, Trung Xuan Hamlet, Trung Thanh Commune, Vung Liem District, Vinh Long Province, Viet Nam	070 3976 282
49	Vinh Long	No.333, Tan Vinh Thuan Hamlet, Tan Ngai Commune, Vinh Long City, Vinh Long Province, Viet Nam	070 3816 434
50	Long Ho	No.138A, Highway 53, Group 11, Cluster 2, Long Ho Town, Long Ho District, Vinh Long Province, Viet Nam	070 3851 165
	TRA VINH - BEN TRE		
51	Tra Vinh	Highway 60, Cluster 6, Ward 8 ,Tra Vinh City, Tra Vinh Province, Viet Nam	074 3842 546

DISTRIBUTION-RETAIL BRANCHES

No.	Branch	Address	Tel
52	Chau Thanh - Ben Tre	Hamlet 5 (Map No.3, Land Parcel No.974), An Khanh Commune, Chau Thanh District, Ben Tre Province, Viet Nam	075 3612 698
53	Ben Tre	109D Nguyen Dinh Chieu Street, Quarter 3, Ward 8, Ben Tre City, Ben Tre Province, Viet Nam	075 3811 794
54	Binh Dai	Hamlet 2 (Land Parcel No.1194, Map No.2), Binh Thoi Commune, Binh Dai District, Ben Tre Province, Viet Nam	0753 750 705
55	Tieu Can	Phu Tho 1 Hamlet, Hieu Trung Commune, Tieu Can District, Tra Vinh Province, Viet Nam	0743 614 700
56	Cau Ngang	Highway 53, My Cam B Hamlet, My Hoa Commune, Cau Ngang District, Tra Vinh Province, Viet Nam	0742 460 988
	TIEN GIANG - LONG AN		
57	Cai Be	Highway 1, An Thai Hamlet, An Cu Commune, Cai Be District, Tien Giang Province, Viet Nam	073 3923 409
58	Thu Thua	Binh Cang 1 Hamlet, Binh Thanh Commune, Thu Thua District, Long An Province, Viet Nam	072 3820 522
59	Tan Thanh	Quarter 3, Tan Thanh Town, Tan Thanh District, Long An Province, Viet Nam	072 3941 013
60	Duc Hoa	Binh Thuy Hamlet, Hoa Khanh Dong Commune, Duc Hoa District, Long An Province, Viet Nam	072 3647 778 072 3647 779
61	Binh Chanh	D1/29 Highway 1A, Quarter 4, Tan Tuc Town, Binh Chanh District, Ho Chi Minh City, Viet Nam	083 7594 250 083 7594 251
62	Chau Thanh - Long An	Do Tam Phong Street, Tam Vu Town, Chau Thanh District, Long An Province, Viet Nam	
63	Can Duoc	Highway 50, Nha Tho Hamlet, Tan Lan Commune, Can Duoc District, Long An Province, Viet Nam	
64	Duc Hue	No.63, No.838 Street, Quarter 3, Dong Thanh Town, Duc Hue District, Long An Province, Viet Nam	
	TAY NINH		
65	Trang Bang	Group 6, An Binh Hamlet, An Tinh Commune, Trang Bang District, Tay Ninh Province, Viet Nam	066 3896 733
66	Go Dau	Land Parcel No 247, Map No.7, Phuoc Duc B Hamlet, Phuoc Dong Commune, Go Dau District, Tay Ninh Province, Viet Nam	066 3533 838
67	Tay Ninh	371 Pham Hung Street, Long Chi Hamlet, Long Thanh Trung Commune, Hoa Thanh District, Tay Ninh Province, Viet Nam	066 3837 123
68	Tan Chau	No. 282, Street No.785, Tan Hoa Hamlet, Tan Phu Commune, Tan Chau District, Tay Ninh Province, Viet Nam	066 3759 689
69	Tan Bien	Group 6, Thanh Nam Hamlet, Thanh Tay Commune, Tan Bien District,Tay Ninh Province, Viet Nam	066 3776 666
70	Go Dau 2	Highway 22B, Tram Vang 1 Hamlet, Thanh Phuoc Commune, Go Dau District, Tay Ninh Province, Viet Nam	066 3515 771
71	Duong Minh Chau	DT 781, Group 9, Ninh Binh Hamlet, Bau Nang Commune, Duong Minh Chau District, Tay Ninh Province, Viet Nam	066 3722 733
	BINH DUONG - BINH PHUOC		
72	Phu Giao	DT741 Street, Group 5, Vinh An Hamlet, Vinh Hoa Commune, Phu Giao District, Binh Duong Province, Viet Nam	0650 3695 113
73	District 9	11 Nguyen Duy Trinh Street, Tam Da Quarter, Long Truong Ward, District 9, Ho Chi Minh City, Viet Nam	083 7462 034
74	Phuoc Long	Group 1, Quarter 9, Long Phuoc Ward, Phuoc Long Town, Binh Phuoc Province, Viet Nam	0651 3713 006 0651 3713 007
75	Binh Duong	612 Binh Duong Boulevard, Hiep Thanh Ward, Thu Dau Mot City, Binh Duong Province, Viet Nam	0650 3824 495 0650 3872 259
76	Ben Cat	Binh Duong Boulevard, 3B Hamlet, Thoi Hoa Commune, Ben Cat Town, Binh Duong Province, Viet Nam	0650 3577 112 0650 3577 113
77	Chon Thanh	No. 31, Group 1, Hamlet 1, Thanh Tam Commune, Chon Thanh District, Binh Phuoc Province, Viet Nam	0651 3668 494
78	Thuan An	84A Binh Duong Boulevard, Dong Ba Quarter, Binh Hoa Ward, Thuan An Town, Binh Duong Province, Viet Nam	0650 3765 943 0650 3765 944
79	Binh Long	Highway 13, Group 4, Phu Long Hamlet, Thanh Phu Commune, Binh Long Town, Binh Phuoc Province, Viet Nam	0651 3650 555
80	Loc Ninh	Hamlet 3, Loc Thai Commune, Loc Ninh District, Binh Phuoc Province, Viet Nam	0651 3540 888
81	Dau Tieng	Quarter 7, Dau Tieng Town, Dau Tieng District, Binh Duong Province, Viet Nam	06503 526 776 06503 526 778
82	Bu Dop	Hamlet 1, Thanh Hoa Commune, Bu Dop District, Binh Phuoc Province, Viet Nam	0651 3520 888
	DONG NAI - BA RIA VUNG TAU		
83	Thong Nhat	No. 65, Highway 1A, Hung Nghia Hamlet, Hung Loc Commune, Thong Nhat District, Dong Nai Province, Viet Nam	061 3768 503
84	Dinh Quan	Lot SKK 97A, Dinh Quan Industrial Park, La Nga Commune, Dinh Quan District, Dong Nai Province, Viet Nam	061 3633 855 061 3633 858
85	Ngai Giao	Highway 56, Tan Phu Hamlet, Bau Chinh Commune, Chau Duc District, Ba Ria - Vung Tau Province, Viet Nam	064 3962 358
86	Tan Thanh	Ben Dinh Hamlet, My Xuan Commune, Tan Thanh District, Ba Ria – Vung Tau Province, Viet Nam	064 3931 828
87	Xuyen Moc	Highway 55, Thanh Son Hamlet, Phuoc Thuan Commune, Xuyen Moc District, Ba Ria - Vung Tau Province, Viet Nam	064 3782 888 064 3782 999
88	Trang Bom	No.834 B, Ngu Phuc Hamlet, Ho Nai 3 Commune, Trang Bom District, Dong Nai Province, Viet Nam	0613 981 701
89	Ba Ria	Hai Dinh Quarter, Kim Dinh Ward, Ba Ria City, Ba Ria – Vung Tau Province, Viet Nam	0643 717 001
90	Hoa Binh	Land Parcel No16 (Map No 09), Hoa Binh Commune, Xuyen Moc District, Ba Ria - Vung Tau Province, Viet Nam	
	BINH THUAN - NINH THUAN		
91	Duc Linh	Hamlet 4, Duc Chinh Commune, Duc Linh District, Binh Thuan Province, Viet Nam	062 3887 898
92	Ham Tan	Da Mai Hamlet, Tan Xuan Commune, Ham Tan District, Binh Thuan Province, Viet Nam	062 3872 888
93	Phan Thiet	Lot 4/1, Phan Thiet Industrial Park phase 1, Phong Nam Commune, Phan Thiet City, Binh Thuan Province, Viet Nam	062 3829 124 062 3776 515
94	Phan Ri	Binh Liem Hamlet, Phan Ri Thanh Commune, Bac Binh District, Binh Thuan Province, Viet Nam	062 3862 151
95	Phan Rang	Quarter 6, Phu Ha Ward, Phan Rang - Thap Cham City, Ninh Thuan Province, Viet Nam	068 3833 845 068 3833 846
96	Ham Thuan Nam	Highway 1A, Ham My Commune, Ham Thuan Nam District, Binh Thuan Province, Viet Nam	062 3899 559
97	Tanh Linh	Lac Tin Quarter, Lac Tanh Town, Tanh Linh District, Binh Thuan Province, Viet Nam	0623 888 338
	KHANH HOA - PHU YEN		
98	Cam Ranh	Phuc Ninh Group, Cam Phuc Nam Ward, Cam Ranh City, Khanh Hoa Province, Viet Nam	058 3976 402
99	Dien Khanh	Phu Khanh Hamlet, Dien Thanh Commune, Dien Khanh District, Khanh Hoa Province, Viet Nam	058 3750 526 058 3750 527
100	Son Hoa	Tan Thanh Hamlet, Suoi Bac Commune, Son Hoa District, Phu Yen Province, Viet Nam	057 3640 427 057 3640 428
101	Tuy Hoa	No.229 Nguyen Tat Thanh Street, Ward 8, Tuy Hoa City, Phu Yen Province, Viet Nam	057 3820 586 057 3820 361
102	Tuy An	Chi Duc Hamlet, Chi Thanh Town, Tuy An District, Phu Yen Province, Viet Nam	057 3767 477 057 3767 478
103	Ninh Hoa	Highway 1A, Ninh Ich Hamlet, Ninh An Commune, Ninh Hoa Town, Khanh Hoa Province, Viet Nam	0583 633 088 0583 633 089
104	Nam Cam Ranh	Phu Trung Quarter, Cam Phu Ward, Cam Ranh City, Khanh Hoa Province, Viet Nam	
105	Song Hinh	Quarter 3, Hai Rieng Town, Song Hinh District, Phu Yen Province, Viet Nam	
106	Song Cau	Highway 1A, Phuoc ly Quarter, Xuan Yen Ward, Song Cau Town, Phu Yen Province, Viet Nam	
	DAK LAK - DAK NONG		
107	Gia Nghia	Tong Duy Tan Street, Group 9, Nghia Thanh Ward, Gia Nghia Town, Dak Nong Province, Viet Nam	0501 3545 016
108	Dak Mil	Duc Tan Hamlet, Duc Manh Commune, Dak Mil District, Dak Nong Province, Viet Nam	0501 3750 878 0501 3750 888
109	Cu Jut	Highway 14, Tam Thang Commune, Cu Jut District, Dak Nong Province, Viet Nam	0501 3692 567 0501 3692 568
110	Dak Lak	Km No. 09, Highway 14, Ea Tu Commune, Buon Me Thuot City, Dak Lak Province, Viet Nam	0500 3954 056 0500 3954 057
111	Eakar	Cu An Hamlet, Cu Hue Commune, Ea Kar District, Dak Lak Province, Viet Nam	0500 3627 064 0500 3627 065
112	Krong Pak	Block 11, Phuoc An Town, Krong Pak District, Dak Lak Province, Viet Nam	0500 3519 743 0500 3519 744
113	Buon Ho	No.861 Hung Vuong Street, Thien An Ward, Buon Ho Town, Dak Lak Province, Viet Nam	0500 3870 010
114	Ea H'leo	Hamlet 2, Ea Ral Commune, Ea H'leo District, Daklak Province, Viet Nam	0500 3779 798
115	Cu M'gar	Provincial Highway 8, Hamlet 1, Ea Kpam Commune, Cu M'gar District, Dak Lak Province, Viet Nam	0500 3533 377 0500 3533 388
116	Cu Kuin	Highway 27, Hamlet 2, Ea Tieu Commune, Cu Kuin District, Dak Lak Province, Viet Nam	0500 3633 337 0500 3633 338
117	Krong Ana	Quynh Tan 3 Hamlet, Buon Trap Commune, Krong A Na District, Dak Lak Province, Viet Nam	05003 788 588 05003 788 688
118	M'Drak	Hamlet 3, Krong Jing Commune , M'Drak District, Dak Lak Province, Viet Nam	0500 3730 919 0500 3730 212
119	Buon Me Thuot	Block 8, Khanh Xuan Ward, Buon Me Thuot City, Dak Lak Province, Viet Nam	
120	Buon Ho 2	Highway 14, Tan Lap Hamlet, Pong Drang Commune, Krong Buk District, Dak Lak Province, Viet Nam	
121	Buon Don	Hamlet 14, Tan Hoa Commune, Buon Don District, Dak Lak Province, Viet Nam	
	GIA LAI - KON TUM		
122	Gia Lai	No. 174 Truong Chinh Street, Group 4, Tra Ba Ward, Pleiku City, Gia Lai Province, Viet Nam	059 3747 170
123	Chu Se	Hamlet 7, Ia Blang Commune, Chu Se District, Gia Lai Province, Viet Nam	059 3768 778
124	Kon Tum	293 Phan Dinh Phung Street, Duy Tan Ward, Kon Tum City, Kon Tum Province, Viet Nam	060 3856 372
125	Ngoc Hoi	Hamlet 5, Plei Kan Town, Ngoc Hoi District, Kon Tum Province, Viet Nam	060 3832 772
126	Chu Prong	Hung Vuong Street, Chu Prong Town, Chu Prong District, Gia Lai Province, Viet Nam	059 3843 688 059 3843 699
127	An Khe	Group 3, Ngo May Ward, An Khe Town, Gia Lai Province, Viet Nam	059 3533 511 059 3533 512
	BINH DINH - MOBILE WORK UNIT NO.02 (QUANG NGAI)		
128	Tuy Phuoc	My Dien Hamlet, Tuy Phuoc Town, Tuy Phuoc District, Binh Dinh Province, Viet Nam	056 3833 008 056 3833 009
129	Tay Son	Hamlet 1, Binh Nghi Commune, Tay Son District, Binh Dinh Province, Viet Nam	056 388 2725 056 388 2726
130	Phu Cat	Hoa Dong Hamlet, Cat Tan Commune, Phu Cat District, Binh Dinh Province, Viet Nam	056 3538 178
131	Phu My	Diem Tieu Hamlet, Phu My Town, Phu My District, Binh Dinh Province, Viet Nam	056 3755 089
132	Bong Son	Thiet Dinh Bac Block, Bong Son Town, Hoai Nhon District, Binh Dinh Province, Viet Nam	056 3761 841
133	Hoai Nhon	Block 3, Tam Quan Town, Hoai Nhon District, Binh Dinh Province, Viet Nam	
134	Mo Duc	Tu Son 2 Hamlet, Duc Lan Commune, Mo Duc District, Quang Ngai Province, Viet Nam	055 3943 378 055 3943 379
135	Son Tinh	Truong Tho Dong Hamlet, Truong Quang Trong Ward, Quang Ngai City, Quang Ngai Province, Viet Nam	055 3670 097 055 3670 098
136	Duc Nhuan	Highway 1A, Hamlet 3, Duc Nhuan Commune, Mo Duc District, Quang Ngai Province, Viet Nam	0553 936 777 0553 933 777
137	Binh Son	Long Binh Hamlet, Binh Long Commune, Binh Son District, Quang Ngai Province, Viet Nam	0553 516 825 0553 516 826
138	An Nhon	Highway 1A, Nhon Hung Ward, An Nhon Town, Binh Dinh Province, Viet Nam	
139	Hoai An	Tang Bat Ho Town, Hoai An District, Binh Dinh Province, Viet Nam	
140	Duc Pho	Nguyen Nghiem Street, Pho Ninh Commune, Duc Pho District, Quang Ngai Province, Viet Nam	
141	Quy Nhon	Tay Son Street, Group 2, Zone 7, Nhon Phu Ward, Quy Nhon City, Binh Dinh Province, Viet Nam	
	MOBILE WORK UNIT NO.03		
142	Hue	Highway 1A, Huong Van Ward, Huong Tra Town, Thua Thien Hue Province, Viet Nam	054 3777 156 054 3777 157
143	Quang Tri	An Binh Hamlet, Cam Thanh Commune, Cam Lo District, Quang Tri Province, Viet Nam	053 3565 222
144	Quang Binh	Hamlet 7, Loc Ninh Commune, Dong Hoi City, Quang Binh Province, Viet Nam	052 3859 356 052 3859 357
145	Trieu Phong	Nhan Bieu Hamlet, Trieu Thuong Commune, Trieu Phong District, Quang Tri Province, Viet Nam	053 3711 337 053 3711 336
146	Ba Don	Highway 1A, Nhan Tho Hamlet, Quang Tho Ward, Ba Don Town, Quang Binh Province, Viet Nam	052 3515 779 052 3515 778
147	Bo Trach	Highway 1A, Trung Trach Ward, Bo Trach District, Quang Binh Province, Viet Nam	0523 611 368 0523 611 369
148	Vinh Linh	Highway 1A, Hoa binh Hamlet, Vinh Long Commune, Vinh Linh District, Quang Tri Province, Viet Nam	
	HA TINH		
149	Ha Tinh	Tan Phu Hamlet, Thach Trung Commune, Ha Tinh City , Ha Tinh Province, Viet Nam	039 3690 617 039 3690 618
150	Ky Anh	Madam Nguyen Thi Thi's House, Hoa Hieu Zone, Ky Thinh Commune, Ky Anh District, Ha Tinh Province, Viet Nam	039 3721 776 039 3721 777
151	Huong Khe	Madam Le Thi Linh Nham's House, Group 17, Huong Khe Town, Huong Khe District, Ha Tinh Province, Viet Nam	039 3790 790 039 3790 791
152	Duc Tho	Highway 8A, Dong Chang Zone, Tung Anh Commune, Duc Tho District, Ha Tinh Province, Viet Nam	0393 546 661 0393 546 662
153	Hong Linh	No 196, Quang Trung Street, Nam Hong Ward, Hong Linh District, Ha Tinh Province, Viet Nam	0393 565 100 0393 565 101
	NGHE AN		
154	Nghe An	Hamlet 14, Nghi Kim Commune, Vinh City, Nghe An Province, Viet Nam	038 3516 469

DISTRIBUTION-RETAIL BRANCHES

No.	Branch	Address	Tel
155	Hung Nguyen	Highway 46, 6A Hamlet, Hung Dao Town, Hung Nguyen Commune, Nghe An Province, Viet Nam	038 376 1456 038 376 1458
156	Hoang Mai	Highway 1A, Group 7, Mai Hung Ward, Hoang Mai Commune, Nghe An Province, Viet Nam	0388 647 664
157	Dien Chau	Nho Industrial Park, Dien Hong Commune, Dien Chau District, Nghe An Province, Viet Nam	038 3620 685 038 3620 686
158	Thai Hoa	Highway 48, Doc Cao Block, Quang Tien Ward, Thai Hoa Town, Nghe An Province, Viet Nam	038 3811 268 038 3811 568
159	Tan Ky	Ho Chi Minh Street, Block 8, Tan Ky Town, Tan Ky District, Nghe An Province, Viet Nam	0383 978 688
160	Yen Thanh	Xu Dong Ao Ca, Xuan Thanh Commune, Yen Thanh District, Nghe An Province, Viet Nam	0383 631 887 0383 631 889
161	Do Luong	Highway 7A, Dien Tien Hamlet, Luu Son Commune, Do Luong District, Nghe An Province, Viet Nam	0383 870 677
162	Thanh Chuong	Highway 46, Block 12, Thanh Chuong Town, Thanh Chuong District, Nghe An Province, Viet Nam	0383 823 007
	THANH HOA		
163	Tho Xuan	Huu Le 4 Hamlet, Tho Xuong Commune, Tho Xuan District, Thanh Hoa Province, Viet Nam	0373 535 116 0373 535 117
164	Thanh Hoa	Highway 1A, Quyet Thang Hamlet, Quang Thinh Commune, Thanh Hoa City, Thanh Hoa Province, Viet Nam	037 8755 667 037 8755 668
165	Ha Trung	Doai Thon Hamlet, Ha Duong Commune, Ha Trung District, Thanh Hoa Province, Viet Nam	037 3786 996 037 3786 997
166	Yen Dinh	Highway 45, Hamlet 8, Dinh Lien Commune, Yen Dinh District, Thanh Hoa Province, Viet Nam	0373 511 357 0373 511 358
167	Nong Cong	Highway 45, Thai Hoa 2 Hamlet, Nong Cong Town , Nong Cong District, Thanh Hoa Province, Viet Nam	0373 680 368
168	Trieu Son	Highway 506, Xuan Tien Hamlet, Dan Luc Commune, Trieu Son District, Thanh Hoa Province, Viet Nam	0373 868 555 0373 868 567
169	Cam Thuy	Dai Dong 1+2 Hamlet, Cam Son Commune, Cam Thuy District, Thanh Hoa Province, Viet Nam	0373 525 522 0373 525 524
170	Tinh Gia	Km 37+368 Highway 1A, Ninh Hai Commune, Tinh Gia District, Thanh Hoa Province, Viet Nam	0378 726 999
	HA NAM - NINH BINH		
171	Ninh Binh	Highway 1A, Thien Ton Town, Hoa Lu District, Ninh Binh Province, Viet Nam	030 3626 668 030 3626 667
172	Binh Luc	Tran Van Chuong Street, An My Commune, Binh Luc District, Ha Nam Province, Viet Nam	0351 372 7567
173	Ha Nam	Lao Cau Hamlet, Tien Tan Commune, Phu ly City, Ha Nam Province, Viet Nam	0351 3595 616 0351 3595 618
174	Yen Khanh	Highway 10, Khanh An Commune, Yen Khanh District, Ninh Binh Province, Viet Nam	030 3762 938 030 3762 939
175	Kim Son	Provincial Highway 481, Hamlet 8, Yen Loc Commune, Kim Son District, Ninh Binh Province, Viet Nam	
176	Nho Quan	Street 477 , Lac Van Commune, Nho Quan District, Ninh Binh Province, Viet Nam	
177	Tam Diep	Highway 1A, Ghenh Quarter, Yen Binh Ward, Tam Diep City, Ninh Binh Province, Viet Nam	0303 777 881 0303 777 882
	NAM DINH - THAI BINH		
178	Quynh Phu	The office of Hoang Trong General Trade Co.,ltd, Phuc Boi Hamlet, Quynh Hung Commune, Quynh Phu District, Thai Binh Province, Viet Nam	0363 913 555 0363 914 555
179	Hai Hau	Highway 21, Zone 3, Yen Dinh Town, Hai Hau District, Nam Dinh Province, Viet Nam	0350 3773 789
180	Hung Ha	Sir Ong Tang's House, Dong Tu 2 Area, Hung Ha Town, Hung Ha District, Thai Binh Province, Viet Nam	0363 955 551
181	Thai Binh	Gia Le Hamlet, Dong My Commune, Thai Binh City, Thai Binh Province, Viet Nam	036 3568 866 036 3568 868
182	Nam Dinh	Km 3.5, S2 Street, Nghia An Commune, Nam Truc District, Nam Dinh Province, Viet Nam	0350 3672 317
183	Nam Truc	Provincial Highway 490C, Nam Thai Commune, Nam Truc District, Nam Dinh Province, Viet Nam	03503 921 666 03503 921 665
184	Giao Thuy	Provincial Highway 489, Hamlet 1, Hoanh Son Commune, Giao Thuy District, Nam Dinh Province, Viet Nam	03503 737 333
	HOA BINH		
185	Hoa Binh	Trung Hamlet, Trung Minh Commune, Hoa Binh City, Hoa Binh Province, Viet Nam	0218 3843 737
186	Chuong My	Yen Kien Hamlet, Dong Son Commune, Chuong My District, Hanoi City, Viet Nam	0433 911 353
187	Lac Son	Highway 12B, Nam Hoa Hamlet, Xuat Hoa Commune, Lac Son District, Hoa Binh Province, Viet Nam	02183 862 868 02183 861 868
188	Tan Lac	Highway 6, Dai Hamlet, Quy Hau Commune, Tan Lac District, Hoa Binh Province, Viet Nam	02183 832 888 02183 832 686
189	Kim Boi	TL 12B, Men Boi Hamlet, Hop Kim Commune, Kim Boi District, Hoa Binh Province, Viet Nam	0218 390 5588 0218 390 5599
	SON LA - DIEN BIEN		
190	Son La	Chieng Sinh Industrial Park, Chieng Sinh Ward, Son La City, Son La Province, Viet Nam	022 3774 280 022 3774 281
191	Moc Chau	Subdivision 3, Moc Chau Town, Moc Chau District, Son La Province, Viet Nam	0223 669 959
192	Mai Son	Highway 6, Subdivision 26/3, Co Noi Commune, Mai Son District, Son La Province, Viet Nam	0223 746 386 0223 746 387
193	Dien Bien	Hong Cum Hamlet, Thanh An Commune, Dien Bien District, Dien Bien Province, Viet Nam	0230 3958 144 0230 3958 145
194	Song Ma	Highway 4G, Quyet Tien Hamlet, Na Nghiu Commune, Song Ma District, Son La Province, Viet Nam	
195	Tuan Giao	Highway 279, Noong Rom Pond, Dong Tam Block, Tuan Giao Town, Tuan Giao District, Dien Bien Province, Viet Nam	0230 3867 778 0230 3867 779
	QUANG NINH - HAI PHONG		
196	Quang Ninh	Trai Thanh Area, Dong Mai Ward, Quang Yen Town, Quang Ninh Province, Viet Nam	033 3553 768 033 3553 769
197	Hai Phong	Hamlet 5, Ngu lao Commune, Thuy Nguyen District, Hai Phong City, Viet Nam	031 3645 566 031 3645 567
198	Kien An	846A Tran Nhan Tong Street, Nam Son Ward, Kien An District, Hai Phong City, Viet Nam	031 3590 088 031 3590 099
199	Mong Cai	Km 3.5, Block 7, Hai Yen Ward, Mong Cai City, Quang Ninh Province, Viet Nam	033 3779 001 033 3779 002
200	Duong Kinh	Street No. 402, Residential Group No. 11, Hoa Nghia Ward, Duong Kinh District, Hai Phong City, Viet Nam	0313 633 559 0313 633 659
201	Dong Trieu	Group 1, Vinh Tuy 1 Area, Mao Khe Ward, Dong Trieu Town, Quang Ninh Province, Viet Nam	0333 580 228 0333 580 229
202	Tien Lang	Block 5, Tien Lang Town, Tien Lang District, Hai Phong City, Viet Nam	0313 682 155 0313 682 157
203	Vinh Bao	Highway 10, Dong Quan Hamlet, Dung Tien Commune, Vinh Bao District, Hai Phong City, Viet Nam	0318 832 898 0318 832 899
204	Cam Pha	No.461, Hoang Quoc Viet Street, Group 66, Diem Thuy Area, Cam Dong Ward, Cam Pha City, Quang Ninh Province, Viet Nam	0333 968 640 0333 968 641
205	Quang Yen Town	Bach Dang Street, Quarter 2, Yen Giang Ward, Quang Yen Town, Quang Ninh Province, Viet Nam	
	MOBILE WORK UNIT NO. 04		
206	Tu Ky	Dong Thai Cluster, Thai An Hamlet, Quang Phuc Commune, Tu Ky District, Hai Duong Province, Viet Nam	03203 747 413 03203 747 414
207	Ha Noi	Lot A6 – 2, Ha Noi - Dai Tu Industrial Park, No. 386 Nguyen Van Linh Street, Phuc Loi Ward, Long Bien District, Hanoi City, Viet Nam	043 6559 905 043 6559 906
208	Chi Linh	Do Xa Residential Area, Hoang Tan Ward, Chi Linh Town, Hai Duong Province, Viet Nam	0320 3590 108 0320 3590 109
209	Thanh Mien	Provincial Highway 392, Block 2, Doan Tung Township, Doan Tung Commune, Thanh Mien District, Hai Duong Province, Viet Nam	0320 3731 226 0320 3731 227
210	Hai Duong	Highway 37, Hao Thon Hamlet, Dong Lac Commune, Nam Sach District, Hai Duong Province, Viet Nam	0320 3751 335 0320 3751 336
211	Hung Yen	Street 196, Thu Thi Hamlet, Tan Lap Commune, Yen My District, Hung Yen Province, Viet Nam	0321 3744 205 0321 3744 206
212	Phuc Tho	Cluster 8, Phuc Tho Town, Phuc Tho District, Ha Noi City, Viet Nam	0433 643 360-1
213	Thuong Tin	Ha Binh Phuong Industrial Cluster, Ha Hoi Commune, Thuong Tin District, Ha Noi City, Viet Nam	0433 760 318-9
214	Kim Dong	Highway 39A, Truong Xa Hamlet, Toan Thang Commune, Kim Dong District, Hung Yen Province, Viet Nam	0321 3818 737 0321 3818 739
215	Kinh Mon	Provincial Highway 388, Long Xuyen Commune, Kinh Mon District, Hai Duong Province, Viet Nam	0320 3828 777 0320 3828 778
216	Tien Lu	Cau Son Residential Area, Ngo Quyen Commune, Tien Lu District, Hung Yen Province, Viet Nam	
217	My Hao	Highway 5, Thinh Van Hamlet, Minh Duc Commune, My Hao District, Hung Yen Province, Viet Nam	
	MOBILE WORK UNIT NO. 05		
218	Bac Giang	Highway 1A, Tan My Industrial Cluster, Tan My Commune, Bac Giang City, Bac Giang Province, Viet Nam	0240 3992 567
219	Bac Kan	Giao Lam Group, Huyen Tung Ward, Bac Kan City, Bac Kan Province, Viet Nam	0281 3812 556 0281 3812 55
220	Thai Nguyen	Tan Son Cluster 3, Luong Son Ward, Song Cong City, Thai Nguyen Province, Viet Nam	0280 3645 658
221	Luc Ngan	Highway 31, Mao Ga Hamlet, Phuong Son Commune, Luc Ngan District, Bac Giang Province, Viet Nam	0240 3696 515
222	Bac Ninh	Highway 38, Moi Quarter, Ho Town, Thuan Thanh District, Bac Ninh Province, Viet Nam	0241 3775 381-2
223	Pho Yen	Thanh Hoa Hamlet, Trung Thanh Commune, Pho Yen Town, Thai Nguyen Province, Viet Nam	0280 3666 655
224	Tu Son	Sir Duong Thanh Trong's House, Ong Dong Area, Vinh Kieu Quarter, Dong Nguyen Ward, Tu Son Town, Bac Ninh Province, Viet Nam	02413 745 086 02413 745 085
225	Viet Yen	Street 398, Trung Hamlet, Nghia Trung Commune, Viet Yen District, Bac Giang Province, Viet Nam	02403 678 686 02403 878 686
226	Hiep Hoa	Highway 37, Chop Hamlet, Luong Phong Commune, Hiep Hoa District, Bac Giang Province, Viet Nam	02403 671 987 02403 671 988
227	Yen Dung	Provincial Highway 284, Minh Phuong Hamlet, Nham Son Commune, Yen Dung District, Bac Giang Province, Viet Nam	02403 861 185 02403 861 186
228	Gia Binh	Highway 17, Xuan Mai Commune, Gia Binh District, Bac Ninh Province, Viet Nam	
229	Que Vo	Highway 18, Lua Hamlet, Viet Hung Commune, Que Vo District, Bac Ninh Province, Viet Nam	
	PHU THO - VINH PHUC		
230	Phu Tho	Block 12, Kim Duc Commune, Viet Tri City , Phu Tho Province, Viet Nam	0210 3736 386
231	Vinh Phuc	Nguyen Tat Thanh Street, Tich Son Ward, Vinh Yen City, Vinh Phuc Province, Việt Nam	0211 3593 234 0211 3593 567
232	Doan Hung	Block 8, Soc Dang Commune, Doan Hung District, Phu Tho Province, Viet Nam	0210 3881 123 0210 3881 456
233	Phu Tho Town	Dinh Tien Hoang Street, Block 15, Ha Loc Commune, Phu Tho Town, Phu Tho Province, Viet Nam	02103 712 333 02103 712 335
234	Cam Khe	Highway 32C, Block 1, Cat Tru Commune, Cam Ke District, Phu Tho Province, Viet Nam	
235	Thanh Son	Ba Mo Quarter, Thanh Son Town, Thanh Son District, Phu Tho Province, Viet Nam	
236	Yen Lac	Km No. 41, Highway 2, Dong Van industrial Cluster, Dong Van Commune, Yen Lac District, Vinh Phuc Province, Viet Nam	
	MOBILE WORK UNIT 06		
237	Yen Bai	Group 2, Hop Minh Ward, Yen Bai City , Yen Bai Province, Viet Nam	029 3710 456 029 3710 468
238	Ha Giang	No. 1166, Highway 2, Group 8, Viet Quang Town, Bac Quang District, Ha Giang Province, Viet Nam	0219 3892 956 0219 3892 957
239	Lai Chau	No. 121 Le Duan Street, Group 5, Tan Phong Ward, Lai Chau City, Lai Chau Province, Viet Nam	0231 3791 517
240	Bat Xat	Highway 4D, Luong Lao 2 Hamlet , Coc San Commune, Bat Xat District, Lao Cai Province, Viet Nam	0203 768 699
241	Tuyen Quang City	Highway 2, Che 8 Hamlet, Luong Vuong Commune, Tuyen Quang City, Tuyen Quang Province, Viet Nam	
242	Yen Binh	Huong ly - Van Phu Street - Group 14A, Yen Binh Town, Yen Binh District, Yen Bai Province, Viet Nam	
243	Ham Yen	Highway 2, Tan Quang Group, Tan Yen Town, Ham Yen District, Tuyen Quang Province, Viet Nam	
	BASE DEPOT		
244	Lo Te Base Depot	No 454, Group16, Thoi Hoa Area, Thoi Thuan Ward, Thot Not District, Can Tho City, Viet Nam	076 3930 180
245	Cai Rang Base Depot	Highway 1A, Area No. 2, Ba Lang Ward, Cai Rang District, Can Tho City, Viet Nam	0710 3527 994
246	Trung Luong Base Depot	Highway 1A, Long My Hamlet, Phuoc Thanh Commune, My Tho City, Tien Giang Province, Viet Nam	073 3955 899
247	Dak Doa Base Depot	Group 9, Nguyen Hue Street, Dak Doa Town, Dak Doa District, Gia Lai Province, Viet Nam	059 3894 608
248	An Nhon Base Depot	Lot A1.1 + TT 6.2 & 7 Nhon Hoa Industrial Park, Nhon Hoa Ward, An Nhon Town, Binh Dinh Province, Viet Nam	0563 738 991
249	Long Bien Base Depot	Lot A6 - 2, Ha Noi - Dai Tu Industrial Park, 386 Nguyen Van Linh Street, Phuc Loi Ward, Long Bien District, Hanoi City, Viet Nam	043 6556 180
250	Nam Cam Base Depot	Block C, Nam Cam Industrial Park, Nghi Xa Commune, Nghi Loc District, Nghe An Province, Viet Nam	038 3798 555

SUSTAINABLE DEVELOPMENT REPORT

Branding **humanities,**

CONSOLIDATING COMMUNITY

IN PARALLEL WITH STRONG EFFORT IN BUSINESS OPERATIONS, HOA SEN GROUP IS WELL KNOWN AS A COMPANY HAS GREAT SUPPORT TO SOCIAL ACTIVITIES, PERVADING HUMANITIES VALUE TO COMMUNITY.

OVERVIEW OF SUSTAINABLE DEVELOPMENT REPORT

"THE YEAR 2016 IS REMARKABLE WITH 15 YEARS OF ESTABLISHMENT AND DEVELOPMENT AS WELL AS DISTRIBUTION RETAIL NETWORK ACROSS THE COUNTRY AND PRESENTED OVER 65 COUNTRIES AND TERRITORIES, HOA SEN GROUP HAS MORE CONTRIBUTION TO COUNTRY ECONOMY, ESPECIALLY CREATING THOUSANDS OF JOBS FOR VIETNAMESE."

Hoa Sen Group defines that the Group successes sustainable development strategy when combining economic growth targets with performing social, community, and environment's responsibility. In addition, maintaining effective relationships with related parties in order to achieve long-term, sustainable development strategy of Hoa Sen Group.

THE SUSTAINABLE DEVELOPMENT REPORT

In the fiscal year 2015 - 2016, Hoa Sen Group applies Guidance of Global Reporting Initiative (GRI), Guidelines 4 by determining material sectors that effect to related parties in order to overview on building Sustainable Development Report and perform sustainable business strategy in the future.

The sustainable development report of Hoa Sen Group is prepared to re-evaluate practical principles of sustainable development at Hoa Sen Group and its subsidiaries. The report presents approaches of Hoa Sen Group to sustainable development issues. During the year, although facing to the challenged business operation, Hoa Sen Group has prepared and analyzed the list of factors that affect the Group's business areas, then basing priority on level of related parties' effect and eliminating unaffected issues. By determining priority on material sectors, Hoa Sen Group enhances managing and controlling activities in each issue to ensure harmony of related parties' interest and present fully essential issues that affect the Group's business area and that is the most concerned subject by related parties.

SCOPE OF SUSTAINABLE DEVELOPMENT REPORT

Information and data in the report are presented for the fiscal year 2015 – 2016 which begins on October 1st, 2015 and ends on September 30th, 2016. The reports of safety, social, environment are collected from operations of Hoa Sen Group and its subsidiaries. The report presents the business performance in the fiscal year 2015 – 2016 as well as orientation and target in the following years for Hoa Sen Group's sustainable development.

METHOD OF PREPARING SUSTAINABLE DEVELOPMENT REPORT

The method to prepare the sustainable development issues of Hoa Sen Group is basing on the sustainable growth target in long-term combine with targets of social development environment protection, hence contributing positively to general development of society.

The issues that related to sustainable development target are considered by Hoa Sen Group in relation with actual operations, determining material issues to improve contents and present fully in sustainable development report in the fiscal year 2016 – 2017.

COVERAGE OF SUSTAINABLE DEVELOPMENT REPORT

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

CONTACT

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

- Website: http://www.hoasengroup.vn
- Telephone: 08 3999 0111
- Email: gopy@hoasengroup.vn

SUSTAINABLE RELATIONSHIP WITH RELATED PARTIES

CUSTOMERS

- Focusing on investment, technology innovation, enhancement of products' quality, and expanding distribution-retail network continuously to provide the best products and services to customers.
- Basing on "The customers' satisfaction to measure the Group's success", each employee has to care and listen to customers' needs respectfully, and to satisfy them in interactive process.
- Performing thankful activities to customers through customer conferences, promotional programs, and persuasive after-sale activities.
- Complying fully with the regulations in domestic and foreign markets; establishing competitive and reasonable price policy to ensure the benefits between consumers and enterprise, etc.
- Protecting actively consumers by various methods of communication to identify fake products - genuine products, to help consumers avoid trading fraud, and to be consistent with guideline "Customers' benefit is the key".

SHAREHOLDERS, INVESTORS

- Ensuring to fulfill information disclosure in accordance with regulations of the Ministry of Finance in order to provide timely information to shareholders, investors and to ensure the transparency in business operations.
- Publishing actively important information that might effect to benefits as well as decision making of investors and to help shareholders to observe the Group's activities.
- Organizing regularly open conferences to help investors to have overview of business operations and development strategy in the following period including period bulletins, annual and extraordinary general meeting, customer conferences, meetings with indigenous and foreign investors.
- Exchanging information has to be fair to assure opportunity investments to all investors.
- Do not disclosure information of investors, shareholders without their permission or competent authorities' request.

EMPLOYEES

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

SUSTAINABLE RELATIONSHIP WITH RELATED PARTIES

COMPETITORS

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

SUPPLIERS

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

GOVERNMENT, REGULATORY AUTHORITY

- Complying rigorous all regulations of tax, environment, labor safety, etc.
- Strengthening positive relationship to Government, Ministries and Departments but do not benefit from these relations to achieve unrighteous interests.
- Associating closely to local government in process of constructing factories, completing all phases of investment timely, contributing to the state budget and creating jobs for local labor.
- Pointing unreasonable article in the process of applying government's regulations and policies, proposing adjustments to help the national authorities to govern the country effectively.

PRESS

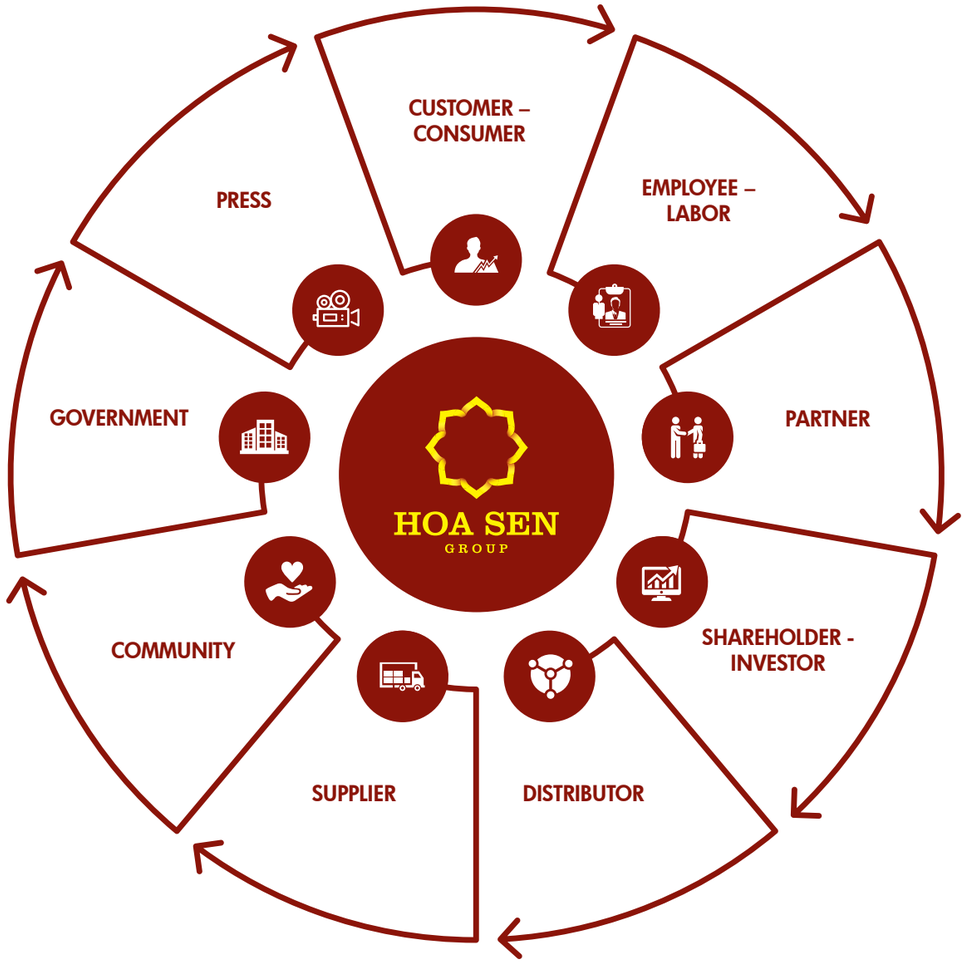
- Building good relationship with media, the press, and television based on the principles of equality, transparency and legal.
- All messages, and information are provided correctly, clearly, fully and objectively in order to help the press to understand precisely Hoa Sen Group's business operations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

COMMUNITY

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

ACQUISITION OF RELATED PARTIES' FEEDBACK

"IN GENERAL TREND OF NECESSARY REQUIREMENTS FOR SUSTAINABLE DEVELOPMENT PATH, HOA SEN GROUP ALWAYS CONCERNS THE INFLUENCE OF RELATED PARTIES EVEN THAT INFLUENCE IS SIGNIFICANT OR NOT. CONSEQUENTLY, HOA SEN GROUP DEALS CONSIDERABLY WITH EVERY FEEDBACK FROM RELATED PARTIES."



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

RELATED PARTY	APPROACH
CUSTOMER – CONSUMER	• Consulting and resolving issues by face to face meeting or call center 18001515, email gopy@hoasengroup.vn, mailgroup of related departments; • Updating information to social networks, website; • Holding exhibition, conference, seminar, meeting.
EMPLOYEE – LABOR	• Meeting to labor union. • Investigating employee's opinions to labor safety, working environment, policies, welfare, etc. via email, telephone, social network; • Organizing internal training programs; • Holding internal activities such as music performance, sports, union activities, etc. • Interacting between Hoa Sen Group labor union and employees is via groupmail congdoan@hoasengroup.vn
PARTNER	• Face to face meetings • Receiving and resolving issues via email, telephone, fax, etc. • Public and transparency financial statements • Participating exhibitions, economic forums (VietBuild Exhibition, Vnrea Expo, Vietnam private economic forum – Topic "Integration and Globalization", etc.) • Releasing tender policy, agreement contract, purchasing policy, etc.
SHAREHOLDER - INVESTOR	• Monthly, quarterly, on-demand meetings. • Receiving and resolving issues via email, telephone, fax, etc. • Holding Annual General Meeting, periodic and extraordinary meetings, posting financial statements in public. • Implementing information disclosure in accordance with regulations of State Securities Commission of Vietnam and Ho Chi Minh Stock Exchange. • Participating seminar, annual forum of steel industry to share information and take opportunity of investment expanding.
DISTRIBUTOR	• Face to face meetings. • Receiving and resolving issues via email, telephone, social network, etc.
SUPPLIER	• Face to face and phone meetings, email; • Implementing transparency information disclosure in written of tendering price, raw material prices. • Holding programs to enhance relationship with supplier.
COMMUNITY	• In many consecutive years, Hoa Sen Group was co-organizer and main sponsor for program series of motivational speaker Nick Vujicic in Vietnam, to motivate strongly inspiration to local people and pervading good life values to community. • Performing program "Hoa Sen Steel Sheet – School Together" at more than 800 elementary schools in 63 cities across the country and giving hundred thousands of presents and bicycles to poverty-stricken and hard studying pupils. • Responding to blood donation activities, charity activities for poor people; visiting and supporting families in disaster and flood areas. • Coordinating local government to explore local people's opinions nearby project area.
GOVERNMENT	• Attending conference, seminar of steel industry held by Government, Ministries. • Participating in organization, association of steel industry. • Filing tax report and fees according to regulations.
PRESS	• Implementing public and transparency information disclosure, and interviewing to press offices on communication channels. • Press releasing Hoa Sen Group's events and send to media agencies for information disclosure. • Updating frequently important information on the Group's website and social network; • Performing television programs and implementing information disclosure of upcoming events on official communication channels.

ASSESSMENT OF KEY AREAS

RULES OF DETERMINING OF KEY AREAS

The Hoa Sen Group's sustainable development report of fiscal year 2015 – 2016 is prepared within the fluctuations of steel industry in Vietnam and international markets with critical competition. Therefore, the report focuses on issues that could overcome losses from market, and offers efficient solutions to ensure the Group's operations which are always sustainable development.

In fiscal year 2015 – 2016, the sustainable development report is prepared by assessing key areas that relating economy, social, environment to the Group's operations as well as satisfying related parties' demand. Determining correctly key areas is very important that ensures the best benefits of related parties. This also is the foundation for fulfilling sustainable development report's contents in the following fiscal years.

DETERMINATION OF KEY AREAS

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

PROCEDURE TO ASSESS KEY AREAS

The procedure of assessing the key areas is prepared by Hoa Sen Group as the following steps:

STEP 1 – Basing on evaluation of operation and overall development orientation in steel market, Hoa Sen Group outlines major issues relating to the Group's operations and related parties' benefits.

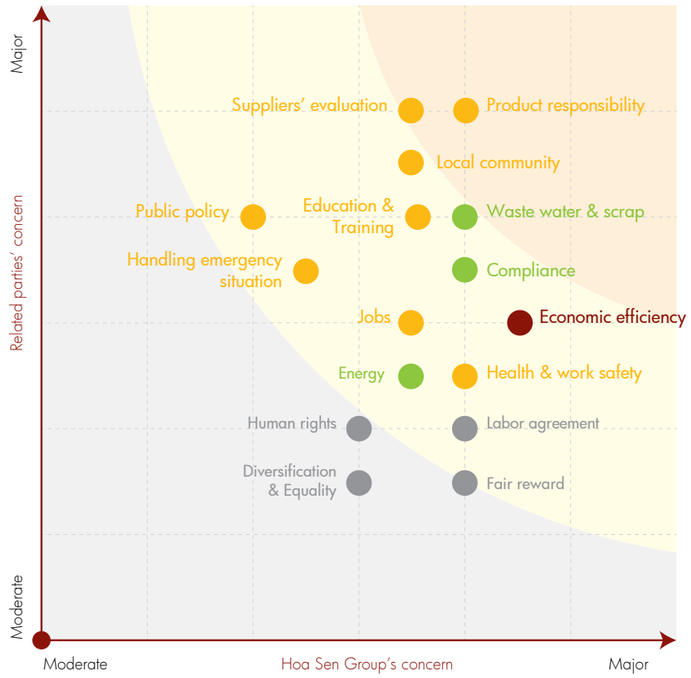
STEP 2 – Analyzing and determining the degree of related parties' interests to above issues.

STEP 3 – Determining material issues in relationship between the Group's operations and its impact to economy, social and environment.

STEP 4 – Evaluating of the Board of Management and related internal departments to ensure these issues are exact, clean and transparent.

STEP 5 – Selecting issues that Hoa Sen Group considers key areas to present in the report.

The key areas are determined in details as the following:



ASSESSMENT OF KEY AREAS

KEY ISSUES

APPLICATION ON MODERN TECHNOLOGY AND IMPROVEMENT ON PRODUCTION SYSTEM

In order to provide to consumers best quality products which compete by quality and affirm its position in the market, Hoa Sen Group always concerns on investment of advanced technology production lines and equipment, and leads in new technology application with environment friendly. The detail is as follows:

- In 2007, Hoa Sen Group was the first private enterprise in Vietnam which invested in Galvanizing line with non-oxidizing furnace (NOF technology).
- In 2009, Hoa Sen Group was the first enterprise in Southeast Asia which invested in hot dip galvanizing line with non-oxidizing furnace (NOF technology).
- In 2010, Hoa Sen Group was the first enterprise which invested synchronously in centralized blending system, plastic pipe line of Battenfeld – Cincinnati was applied by European technology and laboratory qualified Japanese standard in order to provide high quality products with competitive price to consumers.
- In 2011, Hoa Sen Group completed Phase 1 of Hoa Sen Phu My Steel Sheet Plant Project. Currently, this is the largest steel sheet plant in Southeast Asia with modern and synchronous production lines and machinery system.

ISO 9001:2015

STANDARD OF QUALITY MANAGEMENT SYSTEM

ISO 14001:2015

STANDARD OF ENVIRONMENT MANAGEMENT SYSTEM

OHSAS 18001:2007

STANDARD OF OCCUPATIONAL HEALTH AND SAFETY ADVISORY SERVICES

ADVANCING PRODUCT QUALITY, QUALIFYING FULLY VIETNAMESE AND INTERNATIONAL STANDARDS

Hoa Sen Group's production lines, which are invested by modern technology and innovated continuously, meet international standards such as quality management system - ISO 9001:2015 standard; environment management system - ISO 14001:2015, occupational health and safety advisory services - OHSAS 18001:2007. These qualifications improve customers' satisfaction and present the Group's responsibility to environment, safety and career health.

Hoa Sen Group's products, which are high quality, meet strict quality standards of the most difficult markets such as USA, Japan, Europe, etc.

Moreover, Hoa Sen Group has also periodically reviewed production process and norms, researched to innovate in technique to optimize production costs, minimize material – fuel consumption in order to gain product's competition on markets.

ENHANCING PRODUCTION CAPACITY, SATISFYING CONSUMER'S DEMANDS

In this fiscal year, Hoa Sen Group has completed large-scale factories in order to enhance production capacity, satisfy consumer's demands, and minimize logistic costs.

- On April 15th, 2016, Phase 1 of Hoa Sen Binh Dinh Plastic Pipe plant officially put into operation. As planning, the plant will provide 12,000 tons/year of uPVC plastic pipes to the market, which diversifies building material products in the Central and West Highland regions, contributes significantly to State budget, and creates more than 100 jobs for local labor.

- On June 6th, 2016, Hoa Sen Nghe An Plant in Dong Hoi – Nghe An Industrial Park officially put galvanizing line (NOF technology) with capacity of 400,000 tons/year into operation and produced successfully first commercial steel coils. By this time, the plant also put into operation production lines including 01 color coating line with capacity of 120,000 tons/year and 01 slitting lines with capacity of 100,000 tons/year. Currently, Phase 2 of the project is being conducting rapidly. Planning to May 2017, Phase 2 will complete and put into operation.

- In addition, during fiscal year 2015 – 2016, Hoa Sen Group also implements production projects in provinces across the North – Central – South regions to complete the Group's production system as follows:

  » On January 08th, 2016, Hoa Sen Nhon Hoi – Binh Dinh Steel Plant Project was implemented in the area of 12.4 hectares at Nhon Hoi Economic Park, Hoi Son Hamlet, Nhon Hoi Commune, Quy Nhon City, Binh Dinh Province. The project has investment capital of 2,000 billion VND and is going to supply 180,000 tons of coated steel sheet products, 90,000 tons of color coated steel sheet products and 200,000 tons of cold rolled coils every year. Hoa Sen Nhon Hoi – Binh Dinh Steel Plant Project contributes diversified industrial products to Binh Dinh province, and increases the Group's production capacity in South of Central and Western Highlands regions, expanding export activities in North East of Cambodia, South of Laos and Central of Thailand.

  » On March 17th, 2016, Hoa Sen Ha Nam Plant Project was implemented at Kien Khe I Industrial Zone, Kien Khe Town, Thanh Liem District, Ha Nam Province in the area of 20.4 hectares. When going to operation, the plant will supply steel pipe and plastic pipe products to construction sector including galvanized steel pipe (capacity of 200,000 tons/year), hot dip galvanized steel pipe (capacity of 110,000 tons/year), uPVC/HDPE/PPR plastic pipe (capacity of 51,000 tons/year) and uPVC accessories (capacity of 4,000 tons/year).

KEY ISSUES

DIVERSIFYING PRODUCTS

Hoa Sen Group continuously researches in new products to meet high, diversified consumer demands:

- In 2012, Hoa Sen Group introduced Metallic steel sheet product with the outstanding feature of metallic surface with high aestheticism.

- July 2014, Hoa Sen Group launched Hoa Sen wood pattern steel sheet. The outstanding feature of wood pattern steel sheets is their surfaces which are coated with the paint of wood pattern. Therefore, they are highly aesthetic and can be applied to make both outdoor products and furniture which bring the subtlety and luxury to the houses. Hoa Sen wood pattern steel sheets are durable, beautiful, luxurious and suitable for construction works and houses. With superior durability, the wood pattern steel sheet product may have more than 20 year's long-lasting usage.

- August 2014, Hoa Sen Group continued to launch Hoa Sen wrinkle steel sheet. Wrinkle steel sheets are Galvanized steel sheets and Pre-painted aluminum-zinc alloy coated steel sheets with special wrinkle pattern on the surfaces. The outstanding features of wrinkle steel sheet are their high aestheticism, high durability, good heat resistance, good moisture resistance, easy installation, etc. The products are used flexibly for construction works and houses such as ceilings, walls, roofs, etc.

- Besides famous steel sheet products, Hoa Sen Group also supplies diversified products of galvanized steel pipe and plastic pipe with superior specifications:

  » Hoa Sen steel pipe is produced by modern production lines in accordance with strict quality control process to meet high quality standards of JIS G3444 (Japan), JIS G3466 (Japan), ASTM 500M (USA). Hoa Sen steel pipe product has clean, and smooth surface, even thickness, high flexibility, and good zinc adherence.

  » Being manufactured by modern production line with the advanced European technology and the centralized blending system, the uPVC plastic pipe products are homogeneous and high quality in accordance with standards of BS 3505:1968/BS EN 1452-2:2009 (England); AS/NZS 1477:2006 (Australia): ISO 4422:1996, TCVN 6151-2:2002 (Vietnam), TCVN 8699:2011 (Vietnam). Hoa Sen Plastic Pipes are widely used in various fields such as civil and industrial water supply and drainage, buildings, telecommunication constructions, etc.

  » March 2016, Hoa Sen Group launched superior HDPE plastic pipe products. HDPE plastic pipes are manufactured by advanced technology of Cincinnati (Germany) and strict quality control process. Hoa Sen Group's laboratory is prepared modern equipment originated from USA, Germany, Japan, Canada, etc. Hoa Sen HDPE plastic pipes advantages include non-toxic, safety for users' health, long life span, high tightness (watertight, airtight), leak-free, non-corrosion by acid solutions, neutral solvent, ability to resist against extreme weather conditions. Hoa Sen HDPE plastic pipes are applicable for water supply, drainage, sewage conveyance, sand pumping, industrial and agricultural water leading system, and other various applications.

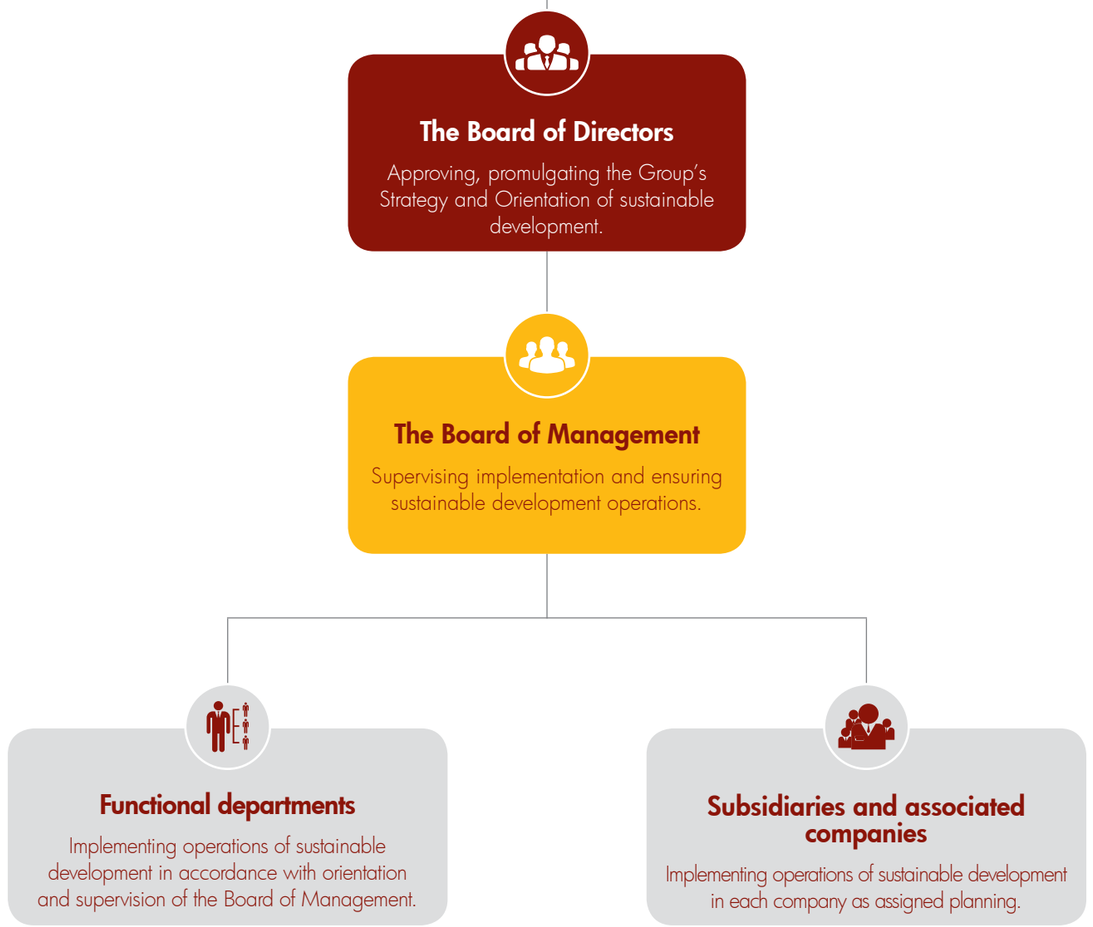
  » In fiscal year 2015 - 2016, Hoa Sen Group also launched Hoa Sen PP-R plastic pipe product. Hoa Sen PP-R plastic pipes, which are manufactured by non-toxic PP-R (Polypropylen Random Copolymer) materials, are absolute safety for users' health. Especially, Hoa Sen PP-R plastic pipe has heat resistance up to 95^{0}C is used for hot and cold water conveyance in civil and industrial constructions and solar energy – using pipeline system. The products also have ability to resist against wide array of chemicals, and have non-corrosion from acid solutions, alkaline solution, saline solution, neutral solvent, etc.

- In the following years, when completing Hoa Sen Ca Na – Ninh Thuan Integrated Iron and Steel Complex Project, Hoa Sen Group is going to supply diversified products served for construction, manufacturing, handling such as square steel, long steel, hot rolled coil, cement, electricity, etc. to contribute the development of national industry.

APPLYING ADVANCED MANAGEMENT PROCESS, PERFECTING MANAGEMENT OPERATION AND MODEL

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

Governance model leading to sustainable development



IMPROVEMENTS OF HUMAN RESOURCE, POLICY, GOVERNANCE

RESPONSIBILITY TO EMPLOYEES

"BASING ON LABOR UNION'S EFFECTIVE OPERATIONS AND THE BOARD OF MANAGEMENT'S CONCERNS ABOUT EMPLOYEES' LIVING, ON SEPTEMBER 30TH, 2016, COLLECTIVE LABOR AGREEMENT WAS SIGNED BY HOA SEN GROUP TO ENSURE LEGAL RIGHTS AND BENEFITS OF EMPLOYEE AS WELL AS EMPLOYER."

Labor relationship

In the collective labor agreement, employer is responsible for solutions of stable production, business development in order to guarantee labor's jobs; increase income; fulfill conditions, policies of employee's development and training, salary and welfare; build working environment safety, comfortably, and labor-oriented benefits, etc. Employee, on the contrary, has to complete assigned work; comply with working rules and the Group's regulations; get new ideas applying for business operations; commit working after training according to sponsored training costs; obey strictly labor discipline of safety, hygiene, and fire prevention, etc.

The agreement was negotiated and signed by the representatives of employee and employer on the principle of voluntariness, equality and publicity.

Besides the collective labor agreement, leading to sustainable development, Hoa Sen Group also focuses on building harmonious relationship between employer and employee as follows:

- Holding conversations with labor periodically.
- All employees are signed labor contract in accordance with legislation.
- The General Director reports business performance periodically.
- Explaining clearly purpose of evaluation and ranking employees.
- Responding to employee's proposal in division meetings.
- All employees are treated equally and protected from any discrimination in work and career.

In addition, Hoa Sen Group commits never employ child labor and forced labor in any circumstance.

Occupational health and safety

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

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

Employees are equipped high quality personal protective equipment, insurance and periodic health examination to minimize risks as well as disease detection and treatment promptly. The specific compensatory policy to employees who work in hard, noxious environment, affected health is applied by current regulations. Workshop, warehouse, and office are prepared automatic fire alarm system, extinguisher, fire hydrant, etc.

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

Working places ensure airy and light fully. The elements such as dust, poison gas, noise, etc. are measured carefully avoiding harm to environment and labor health. Moreover, personal protective equipments and emergency measures are always ready to timely handle when problem occurs.

IMPROVEMENTS OF HUMAN RESOURCE, POLICY, GOVERNANCE

LABOR SAFETY ACTIVITIES IN FISCAL YEAR 2015 - 2016

At the beginning of fiscal year, Hoa Sen Group planned labor protection program for the fiscal year 2015 – 2016 and proceeded statistics, figured out problems and solutions, avoided occupational accident. As a result, the number of occupational accident in fiscal year 2015 – 2016 decreased significantly (3 cases in comparison with 11 cases in fiscal year 2014 – 2015), and occupational disease was not realized. The labor protection program includes particular solutions:

SOLUTION OF TECHNIQUE

- Implementing shielding, warning in dangerous areas.
- Inspecting, maintaining machinery and equipment as being planned.
- Verifying on time machinery and equipment which have strict requirement of labor safety.

SOLUTION OF MEDICAL – HEALTH CARE FOR EMPLOYEE

- Period of six months (usually February and August), organizing periodic medical examinations, occupational health examination to detect the disease early for timely treatment.
- Implementing noxious compensatory to employees who work in hard, noxious environment.
- Setting separate medical room at production area which operates 24/24 to ensure good care for labor's health.
- Hiring functional division to measure working environment periodically in every March.

SOLUTION OF PERSONAL PROTECTIVE EQUIPMENTS

- Depending on working environment, all positions are prepared suitable personal protective equipments.
- Personal protective equipments have to be quality, aesthetics and convenience for users.
- Employees are compelled to use personal protective equipments when working.

SOLUTION OF PROPAGANDA AND TRAINING

In fiscal year, the Group organized training courses of safety – occupational health including:

- Training course of general labor safety for nearly 500 employees.
- Training course of vocational certification for employees who operate roller bridge.
- Training course of labor safety for workers who operate lifting equipment, pressure equipment, electrical maintainance, metal welding and cutting, and for workers who work at height.
- Training course of first aid for the Group's first aid team.
- Training course of radiation safety for employee who works in radiation environment.
- Organizing rehearse to respond to chemical leakage, X-ray radiation problem and gamma radiation problem.

Besides, labor safety team and rule supervision team also inspect, remind employees everyday to comply the Group's rules and regulations of labor safety.

SOLUTION OF FIRE PROTECTING AND FIGHTING

- The fire protecting and fighting team is organized in accordance with legislation.
- Period of months, inviting firefighter to inform new regulation of fire protecting and fighting as well as usage of fire equipment, fire fighting measure when problem occurs.
- Organizing rehearse of fire fighting at least once a year, getting ready when the worst situation occurs.
- Fire extinguishers are loaded regularly and ensure always ready.
- Fire alert system is maintained yearly by functional devisions.
- Inspecting periodically safety of electrical system, prepairing and fixing timely any state that leads to short-circuit.
- Once a year, implementing ground resistence measurement of anti-lightning system and electrical system.
- Holding non smoking rule within workshop area.
- Rechecking and labelling warning signs in easy-to-fire areas such as: chemical storage, CNG, NH_3 station, kiln, painting area, etc.
- All divisions must carry out welding and cutting at clear areas. When required in flammable places, it must be shielded carefully to prevent fire-ray catching to flammable material.

IMPROVEMENTS OF HUMAN RESOURCE, POLICY, GOVERNANCE

INNOVATIONS OF HUMAN RESOURCE POLICY

Towards to build the Group's employees

Hoa Sen Group implements policies to develop human resouces as follows:

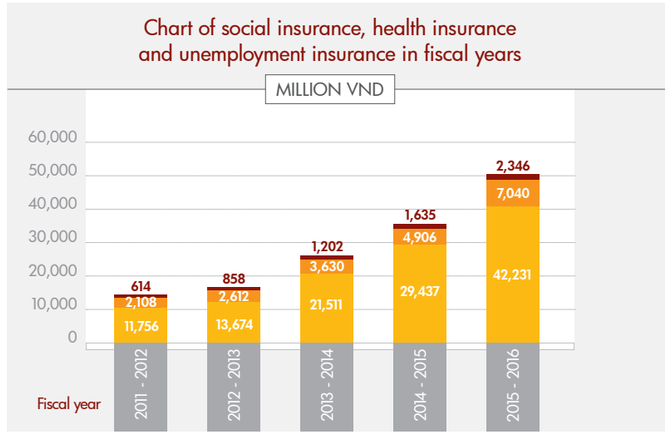
Salary and bonus policy

Hoa Sen Group always follows overall development demand of the market; researches and adjusts to maintain the employee's average income which is higher than general average income of labor market and correspond to the Group's business operations. In addition, the Group promulgates and amends some allowance and business salary policies to motivate employees.

During fiscal years, Hoa Sen Group maintains applying many types of rewards for employees who obtained outstanding accomplishments and great contribution to the Group's development. The reward policies are applied in fiscal year 2015 – 2016 including: the 13th month salary, bonus for effectiveness at work monthly, bonus for technical innovation in production, bonus for optimizing costs, bonus for excellent achievements at the end of fiscal year, bonus for national holidays, New Year and the Group's anniversary, etc.

Insurance and other welfare policy

The social insurance, health insurance and unemployment insurance are perfomed by the Group in accordance with government stipulations to ensure all employees receive fully these types of insurance. In addition, the Group has paid 24/24 accident insurance for all employees (including official employees and probationary employees) with the maximum coverage of 100,000,000 VND/person. In fiscal year 2015 – 2016, Hoa Sen Group has adjusted insurance premium rate for employees in accordance with minimum salary rate of government regulation in January 2016.



Besides implementing bonus and salary policy according to legislation, the Group applies other welfare to employees including vacation combines with team building activities; activities of culture, arts, and sports to enhance the spiritual life for employees; serving meals for the Group's production divisions; delivering uniforms, personal protective equipment in accordance with regulations; supporting employee who is in accident, sickness, mourning, etc.

In addition, Hoa Sen Group always takes care of employee's health and working safety. In each fiscal year, the Group organizes periodic health examination and advices effective treatments depending on examnination's results in order to ensure employees working comfortably.

Recruitment policy

In fiscal year 2015 – 2016, Hoa Sen Group constantly promoted recruitment policy, built and attract high quality human resource through significant activities as follows:

- Enhancing chain of activities "Recruiting talent human resource" such as: Attending event "Recruitment Day" at universities, colleges (Ho Chi Minh City International University, Foreign Trade University - Ho Chi Minh Campus, Ho Chi Minh City University of Technology, University of Economics and Law, etc.) and collecting thousands of student's information; heading to universities, colleges in the North region (Ha Noi University of Science and Technology, Ha Noi University of Mining and Geology, Thai Nguyen University, etc.) and in the South region (Can Tho University, Tien Giang University, An Giang University, Mekong University, Tay Do University, etc.) to recruit workforce for the Group's distribution-retail network and new investment projects.
- Continuing to implement the program "Management Trainees" to attract and recruit overseas students and students who are excellent, integrity, committed, pregressive spirit from prestigious and high-ranked in Vietnam such as Ho Chi Minh City University of Technology, University of Economics and Law, International University belongs to Vietnam National University - Ho Chi Minh City, Foreign Trade University, University of Economics - Ho Chi Minh City, etc. and top universities from advanced countries in the world. This will be high quality human resource of Hoa Sen Group in future.
- Completing personel structure to recruitment divisions of regional executive office and subsidiaries/plants, distribution-retail network and new investment projects; coordinating and supporting timely to all divisions in recruitment activities in order to response to human resource' demand in accordance with supervision of the Group's Chairman and the Board of Management.
- Completing recruitment process and associating with functional departments for recruitment criterion: focus on grading candidates who are young, active, high education, professional knowledge, good behaviour and thinking, etc.

Training policy

Continuing the success of previous fiscal years, in fiscal year 2015 – 2016, Hoa Sen Group enhanced training policies to improve human resource's quality. Training expense in the fiscal year exceeded VND 4.5 billion with significant activities such as:

- Hundreds of potential candidates, who are recruited from "Management Trainees" program, are trained and oriented in professional path to become core managers in future.
- Building successfully professional training program for employees who work at distribution-retail branches. The training program has 3 main subjects: entrance examination for 4 job title: Marketing - Sale, Accountant, Storekeeper – Worker, Driver; training material of 11 subjects, and testing, post-training evaluation.
- Training for regional/provincial directors, branch director to improve capacity of management, planning and market development. Moreover, training to improve sales skills and customer care for branches' employees across the country.
- Coordinating with Ministry of Industry and Trade to holds joint training program between Hoa Sen Group and universities, colleges under the Ministry to improve the Group's human resource and support these universities, colleges to enhance training quality of human resource.
- Holding successfully 100 training courses which are taught by internal and invited lecturers. These training courses at Hoa Sen Group are organized continuously including mandatory training (integration, occupational safety) and training courses for middle-level and upper middle-level managers. These courses are organized to combine theory and practice, focus on learners, and have high practical application. During training courses, trainees not only receive useful knowledge from lecturer but also share experience with others to create fun, friendly and united environment.

IMPROVEMENTS OF HUMAN RESOURCE, POLICY, GOVERNANCE

BUILDING FRIENDLY AND DEVELOPMENT WORKING ENVIRONMENT

Building friendly, solidary and development working environment is always the top priority of Hoa Sen Group. In fiscal year 2015 – 2016, Labor Union coorperated with the Group to hold various exciting activities of arts, sports to care for employees' life such as:

- Organizing fruit decoration contest with topic "Four seasons with love" to celebrate International Woman's Day.
- Holding Mini Football Contest – Hoa Sen Sports Festival to celebrate Hoa Sen Group 15th Annivesary (August 08, 2001 – August 08, 2016), creating practical and useful playground where all members from different divisions meet together under Hoa Sen Family.
- Holding "2016 Golden Lotus Singing" contest to search and honor talent voice of the Group in celebration of Hoa Sen Group 15th Annivesary (August 08, 2001 – August 08, 2016)
- Giving gifts for employee's children on The Children's Day; organizing ceremony to honor employees' children who obtained outstanding academic achievements.
- Launching program of saving plan; holding "Viet Families's sweet home – Mid-Autumn Festival Night 2016" event for underprivileged children and employees' children.
- Organizing Photo Contest "Golden Hand 2016" to create useful playground, arouse solidarity and improve skills of Hoa Sen Group's employees.
- With all policies of salary, reward, welfare and friendly, dynamic working environment, Hoa Sen Group was in Top 5 of buiding materials sector and "Top 100 Vietnam best places to work" surveyed by Anphabe and Nielsen Company in three consecutive years (2013, 2014 and 2015).

PRODUCT RESPONSIBILITY

"HOA SEN GROUP CONTROLS PRODUCT QUALITY STRICTLY FROM INPUT MATERIALS AND ON EACH STAGE TO ENSURE PRODUCTION PROCESS COMPLYING WITH INTERNATIONAL STANDARDS AND CUSTOMER'S QUALITY DEMANDS."

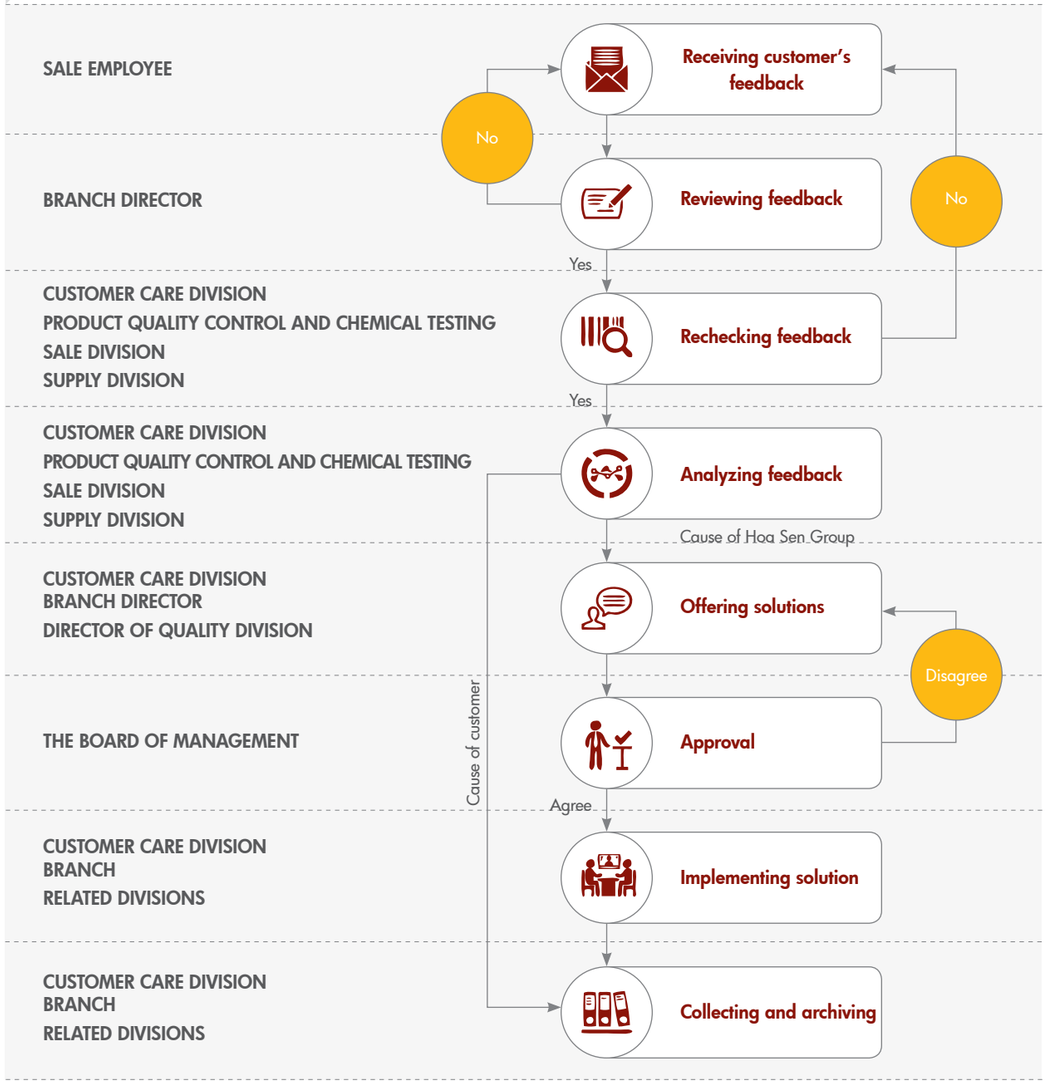
Hoa Sen Group established quality control processes with control indicators, quality standards, application forms, norms, etc. depending on each specific product and production line in order to control quality of input materials, semi-finished products, and finished products on each production stage. In addition, employees who are in charge of controlling product quality and chemical testing are guided to fulfill quality control process of outputs.

All Hoa Sen Group's plants have laboratories which are prepared the most advanced system in South East Asia to ensure the process of measuring product is most accurate. Moreover, every production stage has installed camera system for the management easily to supervise, retrieve source and prevent timely any error detected.

Besides, finished products are packed according to regulation to ensure the product quality, and labeled clearly for brand identity in order to meet consumer's aesthetic demands, rust-proof or non-dented during storage, handling, and transportation.

Hoa Sen Group has established warranty policy from 10 to 20 years for the products of Pre-Painted Galvanized Steel Sheet, Aluminum-Zinc Alloy Coated Steel Sheet and Pre-Painted Aluminum-Zinc Alloy Coated Steel Sheet. In addition, Hoa Sen Group is willing to receive all inquiries, complaints of product quality through various channels (telephone, email, and fax) or fill in "Feedback form" to suppose solutions that satisfy customers.

THE PROCESS OF RESOLVING CUSTOMER FEEDBACK OF HOA SEN GROUP
is presented as the following flowchart:



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

MATERIAL MANAGEMENT

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

ENERGY CONSUMPTION

Direct and indirect energy consumption

Targets	Electricity consumption (Kwh)		Water consumption (M^3)
	For production, supply operations	For office, lightning operations	For production, supply, living, irrigation operations
Hoa Sen Group (including plants belongs to the Group)	345,220,972	1,156,963	3,378,253
Total		346,377,935	3,378,253

Solutions of energy saving are applying

Hoa Sen Group always concerns saving of energy consumption within the limitation that is set by the Group.

All Hoa Sen Group's offices, plants perform energy report regularly. Especially, each production line is always tracked and measured energy consumption in order to detect and adjust timely issues of unreasonable consumption.

Measures of energy saving

1. Using industrial inverter for all electric motors at plants.
2. Replacing high-voltage lightning system to fluorescent lights.
3. Using skylight steel sheet to get natural light in factories for optimizing electric consumption.
4. Setting up industrial solar power system to heat water before putting into boiler for saving water and electricity consumption.
5. Developing monitor software of electrical consumption system: The technical division has already finished this software which operates as follows:
   - Determining excess capacity
   - Monitoring all devices to realize under loaded, overloaded state.
   - Comparing consumption of electrical efficiency to determine equipment or division which is more efficient and higher profitable.
   - Tracking continuously system and detecting which equipment is unstable operation.
   - Balancing electrical loading on station, electrical board, etc.
   - Improving equipment working life for investment optimization.
   - Sending alerts to avoid troubles, analyzing problems that caused by devices or electric supply, and supporting quickly, thoroughly for problems.
6. Administrative management operation
   - Publishing announcements, boards to propagate and require electricity saving in the Group.
   - Examining and reminding continuously all divisions that presenting in performance assessment report and minimizing infringe cases.
7. Planning production and delivery schedule reasonably such as: limited overtime working, operating on peak hours, running machines alternately in low season to optimize electricity consumption.

Solutions and ideas of energy saving

Technical solutions

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

Administration, management solutions

Regulation of electrical equipment usage

- All electric devices in offices are turned off when leaving.
- Lightning system for corridor, security:
  - » In summer: Turn on at 19pm and turn off at 5am
  - » In winter: Turn on at 18pm and turn off at 6am
- The air condition is set temperature at 25 – 27^{0}C and shut down when leaving.
- The computers are used for working only and un-plugged when finishing.
- Photocopy machines, and printers are used for working only and un-plugged when finishing.

Tracking and monitoring

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

Rewarding and encouraging

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

COMPLIANCE WITH THE LAW OF ENVIRONMENTAL PROTECTION

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

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

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

- ISO sections of subsidiaries/plants always update environmental legislations to comply and inform to related divisions. ISO sections also assess the compliance of legislation before the Group's ISO division rechecks every six months.

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

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

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

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

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

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

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

- In addition, to ensure working environment with high standard for employee's health, the Group applies technical solutions to clear the workshop, reduce noise and equip exhaust fans, industrial fans. Hoa Sen Group also measures environmental parameters periodically and these parameters are not over the criteria of the legislation.

COMMUNITY-ORIENTED ACTIVITIES

"OVERCOME OURSELVES" PROGRAM

Being the sponsor of "Overcome ourselves" program, Hoa Sen Group has marked a good impression in the community because of its great human significance and profound human values. "Overcome ourselves" program has been broadcasted on HTV7 channel - Ho Chi Minh City Television and other 16 local televisions nationwide (VTC9, many provinces such as Hai Phong, Dong Thap, Ben Tre, Kien Giang, Soc Trang, Quang Binh, Tay Ninh, Ninh Thuan, Hue, Nghe An, Ninh Binh, Ha Nam, Binh Phuoc, Daklak, and Bac Lieu, etc.). The program is made for poverty households that have technical skills but still have loan from the bank. The program brings opportunities to pay off loans and to finance money for households by contest of their occupations. The program has been together with 624 households for 12 years (from September 2005 to present) to overcome difficulties and start a better future. At the present, the total fund given to households is 22.2 billion VND. Hoa Sen Group has constributed to change the living condition of hundreds of poor family, to widen the humanity in society.

COMMUNITY-ORIENTED ACTIVITIES

"GOLDEN SMALL BELL" PROGRAM

"Golden small bell" program has been broadcasted on every Sunday at 8:45 pm on VTV1 Channel – Viet Nam Television and other 16 local Televisions nationwide (such as Kien Giang province, Soc Trang province, Ben Tre province, Dong Nai province, Tay Ninh province, Daklak province, Ha Nam province, Ninh Thuan province, Thua Thien Hue province, Quang Binh province, Ninh Binh province, Bac Kan province, Binh Phuoc province, Bac Lieu province, VTC9 – Let's Viet, Yen Bai province). With the 12 criterions of choosing and cooperate with peoples' committee commune, the "Golden small bell" program will choose 06 households/commune (01 program/commune). Having been broadcasted for four years, the program has created miracles that few programs can do by giving belief and hope for more than 1,248 households with a pair of cows per household. Moreover, the community has also given to 770 households with a cow per household.

NICK VUJICIC COMES TO VIETNAM

For 3 consecutive years (2013, 2014, 2015), Hoa Sen Group is both the co-organizer and sponsor of the series of talk show of the disable hostess Nick Vujicic to Vietnam. The chain of events has spreaded the values of good living and left a deep impression on society.

COMMUNITY-ORIENTED ACTIVITIES

"THE FUTSAL CUP FOR UNDERPRIVILEGED CHILDREN"

Being a friendly brand, receiving much love from the community, Hoa Sen Group always pays special attention to underprivileged and energetic children. For 10 consecutive years, Hoa Sen Group has supported "the Futsal cup for underprivileged children" jointly organized by Ho Chi Minh city Cong An Newspaper, Vietnam Sports Newspaper. The prize was established since 1999 and is celebrated on the occasion of the International Children's Day every 1st of June with the desire of building a healthy playground for underprivileged children who are living in SOS villages, loving homes, reform schools, etc. so that they can have physical training and socializing with friends in the spirit of humanity and unity.

"HOA SEN STEEL SHEET SCHOOL TOGETHER"

"Hoa Sen Steel Sheet – School Together" is a program of special interest Hoa Sen Group for poor and good learning students across the country. On the opening school ceremony 2016 - 2017, Hoa Sen Group continued to carry out the "Hoa Sen Steel Sheet - School together" program, awarding 29,400 schoolbags and 152,000 notebooks to underprivileged children at more than 800 primary schools in 63 provinces nationwide.

COMMUNITY-ORIENTED ACTIVITIES

"VIET FAMILIES' SWEET HOME"

Whenever talking about Hoa Sen brand name, people always mention the "Viet Families' Sweet Home" - the remarkable program has brought joy to thousands of children from orphanage, open house, etc. on the Lunar New Year and Mid-Autumn Festival nationwide for over 7 years. In particularly, on the occasion of Mid-Autumn Festival, Hoa Sen Group brought the "Viet Families' Sweet Home - Mid-Autumn Festival 2016" program to more than 1,000 children from the orphanage, open houses in Nghe An province and Thanh Hoa province; At the same time, gifts, entertainment activities for more than 1,400 children in the orphanage, open houses in Ho Chi Minh City and Lam Dong province. All of these gifts have been donated by Hoa Sen Group's staffs and the contribution of donors and sponsors. To summarize the program, the Organizing Board has presented more than 2,500 gifts and 3,000 lanterns to children.

COMMUNITY-ORIENTED ACTIVITIES

With the desire of becoming a support for the creative passion of the youth, contributing to incubate the talent to build the country in the period of international economic integration, Hoa Sen Group has sponsored 10.5 billion VND to develop Startup Fund operated by Hoa Sen Group and Vietnam National University, Ho Chi Minh City.

Besides bringing the best quality products and services to serve the interests of consumers and society, Hoa Sen Group also brings happiness to communities in many localities nationwide. At the commencement ceremony of the Ha Nam Hoa Sen plant project, Hoa Sen Group donated VND 1.5 billion worth of cows; 50 bicycles for studious students; Companion with "Overcome yourself" Hoa Sen Group performed two programs in Ha Nam province; Accompanying the "Golden Small Bell" program, Hoa Sen Group awarded 24 cows to the poor households in Ha Nam province.

COMMUNITY-ORIENTED ACTIVITIES

At the inauguration ceremony of Hoa Sen Binh Dinh Plastic Pipes plant, Hoa Sen Group donated 1.4 billion VND to build the dormitory area for the Binh Dinh General Hospital; 150 million VND for the charity kitchen of Hoai Nhon General Hospital, Hoai Nhon district, Binh Dinh province; 300 million VND for the poor fund and 50 bicycles for poor students in Binh Dinh province.

On the occasion of commencement ceremony of Hoa Sen Yen Bai Hotel and Residence Complex Project, Hoa Sen Group donated 5 billion VND to social welfare activity and 50 bicycles to poor and studious pupils in Yen Bai province.

COMMUNITY-ORIENTED ACTIVITIES

VTV INTERNATIONAL CYCLING TOURNAMENT - **HOA SEN STEEL SHEET CUP 2016**

With the desire of contributing to create a healthy playground for the national sport, Hoa Sen Group became the annual sponsor for major sports tournaments such as: VTV International Cycling Tournament – Hoa Sen Steel Sheet Cup 2016; VTV Television International Woman Volleyball - Hoa Sen Steel Sheet Cup 2016, the 19th Ben Tre Television Cycling Tournament - Hoa Sen Plastic Pipe Cup 2016, etc. Especially, at the VTV International Cycling Tournament – Hoa Sen Steel Sheet Cup 2016, departed on 24 August 2016 from Da Nang city and finished in Hanoi capital on the Independence Day 02 September 2016, beyond the framework of a pure sport tournament, the prize has brought a lot of humanistic meaning such as donating 120 bicycles for poor and studious students at each destination; In coporation with the "Hoa Sen Steel Sheet - School Together" program, Hoa Sen Group presented gifts and schoolbags, notebooks to poor and studious pupils nationwide, including the pupils of the school on the routine.

COMMUNITY-ORIENTED ACTIVITIES

GIVING CHARITABLE GIFTS TO **FLOOD VICTIMS IN THE CENTRAL PROVINCES**

From 9th November 2016 to 12th November 2016, Hoa Sen Group held a charity festival to flood victims in Central provinces including provinces such as Nghe An, Ha Tinh, Quang Binh, Phu Yen, Binh Dinh, and Ninh Thuan to develop a spirit that is compatible with each other, contributing to stabilize the lives of people after great floods. Specifically, Hoa Sen Group visited families with damage and handed 4,500 gifts worth up to 3 billion VND totally, each portion includes 10 kg of rice and 500,000 VND.

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

G4 SUSTAINABILITY REPORTING GUIDELINES

Indicator	GRI criteria	Content	Page
General standard			
	STRATEGY AND ANALYSIS		
G4-1	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization; provide the overall vision of short, medium and long term strategies.	Message from Chairman of the Board of Directors	7, 8
G4-2	Provide a description of key impacts, risks, and opportunities.	Report of the Board of Directors	56, 57
		Development orientation in the period 2016-2020	50, 51
		Hoa Sen Group's objectives in fiscal year 2016 - 2017.	52, 53
		Risk management	98, 99
	ORGANIZATIONAL PROFILE		
G4-3	Name of the organization	General information of Hoa Sen Group	12, 13
G4-4	Primary brands, products, and services.	Principal activities	13
		Product category.	34 - 37
G4-5	Location of the organization's headquarters.	General information of Hoa Sen Group	12, 13
G4-6	The number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Distribution channels to countries	42, 43
		Distribution-retail branches	122 - 127
G4-7	Nature of ownership and legal form.	General information of Hoa Sen Group	12, 13
		History of establishment and development	20, 21
		Model of Hoa Sen Group	22 - 25
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers).	Distribution-retail branches	42, 43
G4-9	Scale of the organization.	Outstanding financial figures and events of the fiscal year 2015 – 2016	14
		Model and Organization structure of Hoa Sen Group	22 - 25
		Subsidiaries and Associates	104 - 121
G4-10	Report the total workforce.	Overview of workforce	100, 101
G4-11	Percentage of total employees covered by collective bargaining agreements.	Labor relationship	144
G4-12	Describe the organization's supply chain.	Vertically integrated value chain	41
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	Model and Organization structure of Hoa Sen Group	22 - 25
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	Risk management	98, 99
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	Awards and Achievements	17, 18
		Qualifying fully Vietnamese and international standards	141
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations.	Hoa Sen Group is "Global Growth Company" member of the World Economic Forum and Vietnam Steel Association member.	45, 66
	IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents.	Report of subsidiaries and associates	104 - 121
G4-18	Explain the process for defining the report content, the Aspect Boundaries and how the organization has implemented the Reporting Principles for Defining Report Content.	Method of preparing sustainable development report	131
G4-19	List all the material Aspects identified in the process for defining report content.	Overview of sustainable development report	130, 131
G4-20	For each material Aspect, report the Aspect Boundary within the organization.	Overview of sustainable development report	130, 131
G4-21	For each material Aspect, report the Aspect Boundary outside the organization.	Overview of sustainable development report	130, 131
		Materiality assessment	138, 139
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	In fiscal year 2015-2016, Hoa Sen Group presents positive, clear orientation of sustainable development and prepares careful contents in sustainable report.	130 - 159
	STAKEHOLDERS ENGAGEMENT		
G4-24	Provide a list of stakeholder groups engaged by the organization.	Chart of related parties.	132, 136
G4-25	Report the basis for identification and selection of stakeholders with whom to engage. Build the strong relationship with stakeholders.	Sustainable relationship with related parties	132 - 135
G4-26	Report the organization's approach to stakeholder engagement.	Acquisition of related parties' feedback	136, 137
G4-27	Report key topics and concerns that have been raised through stakeholder engagement.	Materiality assessment	138, 139

Indicator	GRI criteria	Content	Page
	REPORT PROFILE		
G4-28	Reporting period.	Hoa Sen Group prepared the report for fiscal year 2015 – 2016 which began on October 1st, 2015 and ended on September 30th, 2016.	131
G4-29	Date of most recent previous report (if any).	In fiscal year 2014 – 2015.	131
G4-30	Reporting cycle.	Annual report	131
G4-31	Provide the contact point.	Contact information	131
	GOVERNANCE		
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	Model and Organization structure of Hoa Sen Group	22 - 25
		Activities of the Board of Directors and Subcommittees	85
		Governance model leading to sustainable development	143
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	Activities of the Board of Directors and Subcommittees	143
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	Governance model leading to sustainable development	143
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics.	Acquisition of related parties' feedback	136, 137
		Governance model leading to sustainable development	143
G4-38	Report the composition of the highest governance body and its committees.	Members of the Board of Directors, the Board of Management, and the Board of Supervisors	26 - 31
G4-39	Report whether the Chair of the highest governance body is also an executive officer.	The Chairman is also an executive officer.	26
G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed.	Business ethics and rules	84
G4-42	Report the highest governance body's and senior executives' roles in the construction, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	Governance model leading to sustainable development	143
G4-44	Report the evaluation of operational effectiveness processes and action plans of the Board of director.	Assessment of management activities	74
G4-45	Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks.	Risk management	98, 99
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	Risk management	98, 99
G4-47	Report the frequency of reviewing	Meetings of the Board of Directors	86 - 88
G4-51	Report the remuneration policies for the highest governance body and senior executives.	Remunerations and other incomes of the Board of Directors, the Board of Supervisors.	92 - 93
	ETHICS AND INTEGRITY		
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Culture of 10 "T" letters	4
		Vision – Mission – Core Values – Business Philosophy	5
		Corporate culture	47
		Business ethics and rules	84
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	Vision – Mission – Core Values – Business Philosophy	5
		Business ethics and rules	84
		Sustainable relationship with related parties	132 - 135
		Acquisition of related parties' feedback	136, 137
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	Business ethics and rules	84
CATEGORY: ECONOMIC			
	ECONOMIC PERFORMANCE		
G4-DMA	Report the general management approach.	Development orientation in the period 2016 – 2020	50 - 51
		Implementation orientation of business plan for the fiscal year 2016 – 2017	62 - 63

G4 SUSTAINABILITY REPORTING GUIDELINES

Indicator	GRI criteria	Content	Page
G4-EC1	Report the direct economic value generated and distributed.	Business performance of fiscal year 2015 - 2016	56 - 59
		Community-oriented activities	160 - 175
G4-EC3	Organization's responsibility scope for meeting its obligations under welfare benefit plans.	Community-oriented activities	160 - 175
	INDIRECT ECONOMIC IMPACTS		
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G4-EC8	Describe the significant indirect economic impacts, including the extent of impacts.		
CATEGORY: ENVIRONMENTAL			
	MATERIALS		
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	EMISSIONS		
G4-DMA	General management approach method.	Compliance with the law of environmental protection	158 - 159
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G4-DMA	General management approach method.	Compliance with the law of environmental protection	158 - 159
CATEGORY: SOCIAL			
TREATMENT OF LABOR AND DECENT WORK			
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	LABOR/MANAGEMENT RELATIONS		
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	OCCUPATIONAL HEALTH AND SAFETY		
G4-DMA	General management approach method.	Occupational health and safety	145
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Indicator	GRI criteria	Content	Page
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SEPARATE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

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Expanding **the scale,**

RETAINING THE GROWTH

FOCUSING ON DOMESTIC MARKET, HOA SEN GROUP CONTINUES TO PROMOTE INVESTMENTS IN KEY PROJECTS, RAISING THE COMPETITIVE ADVANTAGES, AND THEN INTEGRATING IN INTERNATIONAL MARKETS EXTENSIVELY.

THE GENERAL INFORMATION

THE COMPANY

Hoa Sen Group ("the Company") is a shareholding company incorporated pursuant to the Law on Enterprise of Vietnam in accordance with the Business Registration Certificate ("BRC") No. 3700381324 issued by the Department of Planning and Investment of Binh Duong Province on 8 August 2001, as amended.

The Company's current principal activities are manufacturing roofing sheets by galvanized steel, zinc alloy, paint galvanizedzinc plating and plating of other alloys;producing steel purlins, galvanized purlins; manufacturing black steel pipes, galvanized steel pipes and other alloys; manufacturing steel mesh, galvanized steel wire, steel wire; buying and selling building materials, capital goods and consumer goods; renting warehouse and transporting goods; building industrial and civil constructions and producing cold rolled steel coils and leasing machinery and equipment and other tangible belongings.

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

The Company's registered head officeis located at No. 9, Thong Nhat Boulevard, Song Than 2 Industrial Park, Di An Ward, Di An Town, Binh Duong Province, Vietnam. In addition, the Company also has two hundred and twenty seven (227) branches located in various provinces in Vietnam.

BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are as follows:

Mr Le Phuoc Vu	Chairman
Mr Tran Ngoc Chu	Vice Chairman
Mr Pham Gia Tuan	Member
Mr Tran Quoc Tri	Member
Mr Ly Van Xuan	Member

BOARD OF SUPERVISION

Members of the Board of Supervision during the year and at the date of this report are as follows:

Mr Le Vu Nam	Head of the Board	
Mr Le Dinh Hanh	Member	
Ms Dong Thi Thanh Hang	Member	appointed on 18 January 2016

MANAGEMENT

Members of the Management during the year and at the date of this report are as follows:

Mr Tran Ngoc Chu	General Director	
Mr Hoang Duc Huy	Deputy General Director	
Mr Tran Quoc Tri	Deputy General Director	
Mr Vu Van Thanh	Deputy General Director	
Mr Nguyen Minh Khoa	Deputy General Director	
Mr Ho Thanh Hieu	Deputy General Director	
Mr Nguyen Van Quy	Deputy General Director	resigned on 20 January 2016
Mr Phan Duy Quang	Deputy General Director	appointed on 1 November 2016
Mr Tran Quoc Pham	Deputy General Director	appointed on 11 June 2016

LEGAL REPRESENTATIVE

The legal representative of the Company during the yearand at the date of this report is Mr.Le Phuoc Vu.

Mr. Tran Ngoc Chu is authorised by Mr. Le Phuoc Vu to sign the accompanying separate financial statements for the year ended 30 September 2016 in accordance with the Letter of Authorisation No. 51/UQ/CT-HĐQT/2016 dated 23 March 2016.

AUDITORS

The auditor of the Company is Ernst &Young Vietnam Limited.

REPORT OF THE GENERAL DIRECTOR

The General Director of Hoa Sen Group ("the Company") is pleased to present his report and the separate financial statements of the Company for the year ended 30 September 2016.

THE GENERAL DIRECTOR'S RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

The General Director is responsible for the separate financial statements of each financial year which give a true and fair view of the separate financial position of the Company and of the separate results of its operations and its separate cash flows for the year. In preparing those separate financial statements, the General Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the separate financial statements; and
- prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

The General Director is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the separate financial position of the Company and to ensure that the accounting records comply with the applied accounting system. He is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The General Director confirmed that he has complied with the above requirements in preparing the accompanying separate financial statements.

STATEMENT BY THE GENERAL DIRECTOR

The General Director does hereby state that, in his opinion, the accompanying separate financial statements give a true and fair view of the separate financial position of the Company as at 30 September 2016, and of the separate results of its operations and the separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of separate financial statements.

As disclosed in Note 14.1 of the accompanying separate financial statements, the Company is a parent company with subsidiaries and it is in the process of completing the preparation of the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 30 September 2016 in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the relevant statutory requirements relevant to preparation and presentation of interim consolidated financial statements.

Users of the separate financial statements should read them together with the said consolidated financial statements of the Group for the year ended 30 September 2016 in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Group.

Tran Ngoc Chu
General Director

15 December 2016

INDEPENDENT AUDITORS' REPORT

Reference: 61183992/18452358

To: The Shareholders of Hoa Sen Group

We have audited the accompanying separate financial statements of Hoa Sen Group ("the Company") as prepared on 15 December 2016 and set out on pages 5 to 49 which comprise the separate balance sheet as at 30 September2016, the separate income statement and the separate cash flow statement for the year then ended and the notes thereto.

The General Director's responsibility

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

Auditors' responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the General Director, as well as evaluating the overall presentation of the separate financial statements.

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

Opinion

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the separate financial position of the Company as at 30 September 2016, and of the separate results of its operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of separate financial statements.

Emphasis of matter

As disclosed in Note 2.1 of the separate financial statements, the Company is a parent company with subsidiaries and it is in the process of completing the preparation of the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 30 September 2016 in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements. Users of the accompanying separate financial statements should read them together with thesaid consolidated financial statements in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Group.

Ernst & Young Vietnam Limited

Hang Nhat Quang
Deputy General Director
Audit Practicing Registration Certificate
No.1772-2013-004-1

Nguyen Thanh Sang
Auditor
Audit Practicing Registration Certificate
No. 1541-2013-004-1

Ho Chi Minh City, Vietnam

15 December 2016

SEPARATE BALANCE SHEET
as at 30 September 2016

B01-DN

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	**A. CURRENT ASSETS**		**6,766,755,498,915**	**5,189,362,855,705**
110	***I. Cash and cash equivalents***	***4***	***447,518,356,022***	***233,828,787,007***
111	1. Cash		447,374,834,147	233,688,787,007
112	2. Cash equivalentsn		143,521,875	140,000,000
130	***II. Current account receivables***		***2,734,790,808,631***	***2,188,495,464,154***
131	1. Short-term trade receivables	5.1	1,986,659,007,410	1,657,213,337,129
132	2. Short-term advances to suppliers	5.2	74,284,302,601	25,367,450,024
135	3. Short-term loan receivables		400,000,000	100,400,000,000
136	4. Other short-term receivables	6	678,251,101,185	408,561,090,078
137	5. Provision for doubtful short-term receivables	5.1, 6	(4,803,602,565)	(3,046,413,077)
140	***III. Inventories***	***7***	***3,169,484,056,346***	***2,281,126,058,437***
141	1. Inventories		3,182,457,071,559	2,293,735,295,317
149	2. Provision for obsolete inventories		(12,973,015,213)	(12,609,236,880)
150	***IV. Other current assets***		***414,962,277,916***	***485,912,546,107***
151	1. Short-term prepaid expenses	8	63,632,969,870	55,062,184,992
152	2. Value-added tax deductible	16	351,329,308,046	430,850,361,115
200	**B. NON-CURRENT ASSETS**		**4,113,482,116,707**	**3,758,038,912,478**
210	***I. Long-term receivables***		***27,012,549,901***	***27,012,549,901***
215	1. Long-term loan receivables	9	25,000,000,000	25,000,000,000
216	2. Other long-term receivable	6	2,012,549,901	2,012,549,901
220	***II. Fixed assets***		***2,793,334,988,207***	***2,964,830,715,661***
221	1. Tangible fixed assets	10	2,440,269,368,323	2,597,141,283,226
222	Cost		4,145,255,413,314	3,959,400,818,348
223	Accumulated depreciation		(1,704,986,044,991)	(1,362,259,535,122)
224	2. Finance leases	11	85,446,238,657	99,643,625,564
225	Cost		135,252,035,604	135,252,035,604
226	Accumulated depreciation		(49,805,796,947)	(35,608,410,040)
227	3. Intangible assets	12	267,619,381,227	268,045,806,871
228	Cost		288,233,543,976	286,043,112,706
229	Accumulated amortisation		(20,614,162,749)	(17,997,305,835)
240	***III. Long-term assets in progress***		***45,622,693,380***	***12,346,611,377***
242	1. Construction in progress	13	45,622,693,380	12,346,611,377
250	***IV. Long-term investments***	***14***	***1,051,478,371,384***	***649,628,640,301***
251	1. Investments in subsidiaries	14.1	1,025,576,000,000	611,276,000,000
252	2. Investment in associates	14.2	52,852,178,134	51,952,178,134
253	3. Investment in other entity		-	4,367,000,000
254	4. Provision for diminution in value of long-term investments	14.2	(26,949,806,750)	(17,966,537,833)
260	***V. Other long-term assets***		***196,033,513,835***	***104,220,395,238***
261	1. Long-term prepaid expenses	8	131,621,472,215	64,337,078,607
262	2. Deferred tax assets	26.3	64,412,041,620	39,883,316,631
270	**TOTAL ASSETS**		**10,880,237,615,622**	**8,947,401,768,183**

SEPARATE BALANCE SHEET (continued)
as at 30 September 2016

B01-DN

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	**C. LIABILITIES**		**6,603,350,910,164**	**5,958,058,900,796**
310	***I. Current liabilities***		***6,215,159,598,085***	***5,302,767,036,632***
311	1. Short-term trade payables	15.1	1,501,886,154,837	555,161,842,884
312	2. Short-term advances from customers	15.2	130,240,194,421	132,056,212,298
313	3. Statutory obligations	16	164,411,640,149	54,523,520,743
314	4. Payables to employees		62,752,064,223	28,300,012,321
315	5. Short-term accrued expenses	17	187,888,512,542	81,556,360,439
319	6. Other short-term payables	18	34,427,569,550	42,596,139,795
320	7. Short-term loans and finance lease bligations	19	4,102,697,779,164	4,400,210,324,546
322	8. Bonus and welfare fund		30,855,683,199	8,362,623,606
330	***II. Non-current liabilities***		***388,191,312,079***	***655,291,864,164***
338	1. Long-term loans and finance lease obligations	19	385,490,114,579	651,348,629,164
342	2. Long-term provisions		2,701,197,500	3,943,235,000
400	**D. OWNERS' EQUITY**		**4,276,886,705,458**	**2,989,342,867,387**
410	***I. Capital***	***20.1***	***4,276,886,705,458***	***2,989,342,867,387***
411	1. Share capital		1,965,398,290,000	1,007,907,900,000
411a	*- Shares with voting rights*		*1,965,398,290,000*	*1,007,907,900,000*
412	2. Share premium		551,571,933,521	487,290,470,363
415	3. Treasury shares		-	(52,113,695,510)
418	4. Investment and development fund		-	8,525,313,060
420	5. Other fundsbelonging to owners' equity		6,784,575,670	6,605,155,369
421	6. Undistributed earnings		1,753,131,906,267	1,531,127,724,105
421a	*- Undistributed earnings up to prior year-end*		*177,198,643,612*	*843,069,931,334*
421b	*- Undistributed earnings of current year*		*1,575,933,262,655*	*688,057,792,771*
440	**TOTAL LIABILITIES AND OWNERS' EQUITY**		**10,880,237,615,622**	**8,947,401,768,183**

Tran Cong Tien	Nguyen Thi Ngoc Lan	Tran Ngoc Chu
Preparer	Chief Accountant	General Director

15 December 2016

SEPARATE INCOME STATEMENT
for the year ended 30 September 2016

B02-DN

VND

Code	ITEMS	Notes	Current year	Previous year
01	**1. Revenues from sale of goods and rendering of services**	21.1	**30,259,054,800,256**	**31,157,314,338,362**
02	**2. Deductions**	21.1	**(105,803,558,650)**	**(36,219,065,104)**
10	**3. Net revenues from sale of goods and rendering of services**	21.1	**30,153,251,241,606**	**31,121,095,273,258**
11	**4. Costs of goods sold and services rendered**	22	**(26,953,271,230,658)**	**(29,074,021,762,754)**
20	**5. Gross profit from sale of goods and rendering of services**		**3,199,980,010,948**	**2,047,073,510,504**
21	**6. Finance income**	21.2	**589,479,991,294**	**304,851,891,320**
22	**7. Finance expenses**	23	**(209,784,749,306)**	**(379,883,551,601)**
23	*In which: Interest expense*		*(163,766,749,605)*	*(180,561,247,510)*
25	**8. Selling expenses**	24	**(974,622,573,218)**	**(727,052,217,691)**
26	**9. General and administrative expenses**	24	**(724,634,725,092)**	**(417,829,755,541)**
30	**10. Operating profit**		**1,880,417,954,626**	**827,159,876,991**
31	**11. Other income**		**11,210,529,464**	**15,219,811,998**
32	**12. Other expenses**		**(23,493,402,813)**	**(16,617,762,624)**
40	**13. Other loss**		**(12,282,873,349)**	**(1,397,950,626)**
50	**14. Accounting profit before tax**		**1,868,135,081,277**	**825,761,926,365**
51	**15. Current corporate income tax expense**	26.2	**(316,730,543,611)**	**(157,276,390,231)**
52	**16. Deferred tax income**	26.3	**24,528,724,989**	**19,572,256,637**
60	**17. Net profit after tax**		**1,575,933,262,655**	**688,057,792,771**

Tran Cong Tien
Preparer

Nguyen Thi Ngoc Lan
Chief Accountant

CÔNG TY CỔ PHẦN TẬP ĐOÀN HOA SEN

Tran Ngoc Chu
General Director

15 December 2016

SEPARATE CASH FLOW STATEMENT
for the year ended 30 September 2016

B03-DN

VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Accounting profit before tax**		**1,868,135,081,277**	**825,761,926,365**
	Adjustments for:			
02	Depreciation and amortisation	10, 11, 12	385,326,494,125	373,077,021,625
03	Provisions		11,104,236,738	24,133,763,632
04	Foreign exchange losses arising from revaluation of monetary accounts denominated in foreign currency	23	4,354,280,912	38,895,143,213
05	Profits from investing activities		(558,086,065,677)	(275,290,397,527)
06	Interest expense		163,766,749,605	206,026,054,089
08	**Operating profit before changes in working capital**		**1,874,600,776,980**	**1,192,603,511,397**
09	Decrease in receivables		79,609,350,350	163,799,373,505
10	(Increase) decrease in inventories		(888,721,776,242)	1,417,961,613,884
11	Increase (decrease) in payables		1,115,842,465,230	(1,122,480,272,291)
12	Increase in prepaid expenses		(72,363,512,787)	(2,592,658,493)
14	Interest expense paid		(164,756,559,795)	(205,180,180,696)
15	Corporate income tax paid	26.2	(271,132,777,209)	(148,083,149,484)
17	Other cash outflows for operating activities		(32,821,856,159)	(42,436,850,728)
20	**Net cash flows from operating activities**		**1,640,256,110,368**	**1,253,591,387,094**
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets		(256,487,914,209)	(344,821,955,435)
22	Proceeds from disposals of fixed assets		7,326,355,468	71,470,321,057
25	Payments for investment in other entities		(415,200,000,000)	(151,495,846,500)
26	Proceeds from sale of investment in other entity		4,367,000,000	4,273,000,000
27	Interest received	21.2	8,515,622,891	3,792,978,396
30	**Net cash flows used in investing activities**		**(651,478,935,850)**	**(416,781,502,482)**

SEPARATE CASH FLOW STATEMENT (continued)
for the year ended 30 September 2016

B03-DN

VND

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Reissuance of treasury shares		116,395,667,397	64,721,580,000
32	Capital redemption		(508,729)	(49,247,074)
33	Drawdown of borrowings		11,548,329,293,474	12,912,074,325,312
34	Repayment of borrowings		(12,091,389,075,962)	(13,530,135,977,447)
35	Finance lease payments		(21,036,343,932)	(33,306,639,607)
36	Dividends paid	20.2	(327,038,699,875)	(144,058,665,375)
40	**Net cash flows used in financing activities**		**(774,739,667,627)**	**(730,754,624,191)**
50	**Net increase in cash and cash equivalents**		**214,037,506,891**	**106,055,260,421**
60	**Cash and cash equivalents at beginning of year**		**233,828,787,007**	**138,001,647,603**
61	**Impact of exchange rate fluctuation**		**(347,937,876)**	**(10,228,121,017)**
70	**Cash and cash equivalents at end of year**	**4**	**447,518,356,022**	**233,828,787,007**

Tran Cong Tien
Preparer

Nguyen Thi Ngoc Lan
Chief Accountant

Tran Ngoc Chu
General Director

15 December 2016

1. CORPORATE INFORMATION

Hoa Sen Group ("the Company") is a shareholding company incorporated pursuant to the Law on Enterprise of Vietnam in accordance with the Business Registration Certificate ("BRC") No. 3700381324 issued by the Department of Planning and Investment of Binh Duong Province on 8 August 2001, as amended.

The Company's current principal activities are manufacturing roofing sheets by galvanized steel, zinc alloy, paint galvanized zinc plating and plating of other alloys; producing steel purlins, galvanized purlins; manufacturing black steel pipes, galvanized steel pipes and other alloys; manufacturing steel mesh, galvanized steel wire, steel wire; buying and selling building materials, capital goods and consumer goods; renting warehouse and transporting goods; building industrial and civil constructions and producing cold rolled steel coils and leasing machinery and equipment and other tangible belongings.

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

The Company's registered head office is located at No. 9, Thong Nhat Boulevard, Song Than 2 Industrial Park Di An Ward, Di An Town, Binh Duong Province, Vietnam. In addition, the Company also has two hundred and twenty seven (227) branches located in various provinces in Vietnam.

The number of the Company's employees as at 30 September 2016 was 4,536 (30 September 2015: 3,966).

Corporate structure

The Company's corporate structure includes 16 subsidiaries, as follows:

- Hoa Sen Steel Sheet One Member Limited Liability Company ("HSS")

  HSS is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 3700763651 issued by the Department of Planning and Investment of Binh Duong Province on 9 November 2006, as amended. HSS's registered head office is located at No. 9 Thong Nhat Boulevard, Song Than 2 Industrial Park, Di An Ward, Di An Town, Binh Duong Province, Vietnam. The current principal activities of HSS are manufacturing and trading cold rolled steel products.

  As at 30 September 2016, the Company holds 100% equity interests and 100% voting rights in HSS (30 September 2015: 100%).

- Hoa Sen Building Materials One Member Limited Liability Company ("HSBM")

  HSBM is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 3500786179 issued by the Department of Planning and Investment of Ba Ria Vung Tau Province on 26 March 2007, as amended. HSBM's registered head office is located at Phu My 1 Industrial Park, Phu My Town, Tan Thanh District, Ba Ria – Vung Tau Province, Vietnam. The current principal activities of HSBM are manufacturing and trading in plastic building materials and steel pipe products.

  As at 30 September 2016, the Company holds 100% equity interests and 100% voting rights in HSBM (30 September 2015: 100%).

- Hoa Sen Binh Dinh One Member Limited Liability Company ("HSBD")

  HSBD is a one-member limited liability established pursuant to the Law on Enterprise of Vietnamin accordance with the BRC No. 4101425750 issued by the Department of Planning and Investment of Binh Dinh Province on 14 May 2014. HSBD's registered head office is located at Lot A1.1 and TT 6.2 & 7, Nhon Hoa Industrial Park, Nhon Hoa Ward, An Nhon Town, Binh Dinh Province, Vietnam. The current principal activities of HSBD are manufacturing and trading in plastic building materials and steel pipe products.

  As at 30 September 2016, the Company holds 100% equity interests and 100% voting rights in HSBD (30 September 2015: 100%).

1. CORPORATE INFORMATION (continued)

Corporate structure (continued)

- Hoa Sen Transportation and Engineering One Member Limited Liability Company ("HTME")

  HTME is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 3700785528 issued by the Department of Planning and Investment of Binh Duong Province on 26 March 2007, as amended. HTME's registered head office is located at No. 9 Thong Nhat Boulevard, Song Than 2 Industrial Park, Di An Ward, Di An Town, Binh Duong Province, Vietnam. The current principal activities of HTME are providing transportation services and civil, industrial construction projects.

  As at 30 September 2016, the Company holds 100% equity interests and 100% voting rights in HTME (30 September 2015: 100%).

- Hoa Sen Nam Cam Nghe An One Member Limited Liability Company ("HSNC")

  HSNC is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 2901722597 issued by the Department of Planning and Investment of Nghe An Province on 28 May 2014, as amended. HSNC's registered head office is located at Lot C, Nam Cam Industrial Park, Nghi Xa Commune, Nghi Loc District, Nghe An Province, Vietnam. The current principal activities of HSNC are manufacturing and trading in steel pipe products.

  As at 30 September 2016, the Company holds 100% equity interests and 100% voting rights in HSNC (30 September 2015: 100%).

- Hoa Sen Nghe An One Member Limited Liability Company ("HSNA")

  HSNA is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRCNo. 2901788319 issued by the Department of Planning and Investment of Nghe An Province on 12 June 2015, as amended. HSNA's registered head office is located at Lot CN 1-8, Dong Hoi Industrial Park, Quynh Lap Commune, Hoang Mai Town, Nghe An Province, Vietnam. The current principal activities of HSNA are manufacturing and trading in metal roofing sheets.

  As at 30 September 2016, the Company holds 100% equity interests and 100% voting rights in HSNA (30 September 2015: 100%).

- Hoa Sen Ha Nam One Member Limited Liability Company ("HSHN")

  HSHN is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 0700759219 issued by the Department of Planning and Investment of Ha Nam Province on 15 September 2015. HSHN's registered head office is located at Kien Khe I Industrial Complex, Kien Khe Town, Thanh Liem District, Ha Nam Province, Vietnam. The current principal activities of HSHN are manufacturing and trading in plastic building materials and steel pipe products.

  As at 30 September 2016, the Company holds 100% equity interests and 100% voting rights in HSHN (30 September 2015: 100%).

- Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Company ("HSNH")

  HSNH is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 4101453370 issued by the Department of Planning and Investment of Binh Dinh Province on 26 November 2015. HSNH's registered head office is located at Hoi Son Village, Nhon Hoi Commune, Quy Nhon City, Vietnam. The current principal activities of HSNH are manufacturing and trading in metal roofing sheets.

  As at 30 September 2016, the Company holds 100% equity interestsand 100% voting rights in HSNH.

1. CORPORATE INFORMATION (continued)

Corporate structure (continued)

- Hoa Sen Van Hoi Joint Stock Company ("HSVH")

  HSVH is a joint stock company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 5200861301 issued by the Department of Planning and Investment of Yen Bai Province on 5 May 2016. HSVH's registered head office is located at 48 civil group, Dong Tam Ward, Yen Bai City, Yen Bai Province, Vietnam. The current principal activities of HSVH are trading in real estate and rendering of real estate services and supporting services for trading real estate.

  As at 30 September 2016, the Company holds 70% equity interests and 70% voting rights in HSVH.

- Hoa Sen Yen Bai Joint Stock Company ("HSYB")

  HSYB is a joint stock company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 5200861319 issued by the Department of Planning and Investment of Yen Bai Province on 5 May 2016. HSYB's registered head office is located at 48 civil group, Dong Tam Ward, Yen Bai City, Yen Bai Province, Vietnam. The current principal activities of HSYB are operating a hotel, restaurant services and commercial center.

  As at 30 September 2016, the Company holds 70% equity interests and 70% voting rights in HSYB.

- Hoa Sen Ca Na – Ninh Thuan Renewable Energy One Member Limited Liabilities Company ("HSRE")

  HSRE is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 4500607960 issued by the Department of Planning and Investment of Ninh Thuan Province on 8 August 2016. HSRE's registered head office is located at Hoa Sen Ca Na Industrial Park, Phuoc Diem Commune, Thuan Nam District, Ninh Thuan Province, Vietnam. The current principal activities of HSRE are manufacturing, transmitting and distributing electricity.

  As at 30 September 2016, the Company holds 100% equity interests and 100% voting rights in HSRE.

- Hoa Sen Ca Na – Ninh Thuan Cement One Member Limited Liabilities Company ("HSCC")

  HSCC is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 4500607946 issued by the Department of Planning and Investment of Ninh Thuan Province on 8 August 2016. HSCC's registered head office is located at Hoa Sen Ca Na Industrial Park, Phuoc Diem Commune, Thuan Nam District, Ninh Thuan Province, Vietnam. The current principal activities of HSCC are manufacturing cement, lime and plaster.

  As at 30 September 2016, the Company holds 100% equity interests and 100% voting rights in HSCC.

- Hoa Sen Ca Na – Ninh Thuan Industrial Park Infrastructure Investment One Member Limited Liabilities Company ("HSIP")

  HSIP is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 4500607978 issued by the Department of Planning and Investment of Ninh Thuan Province on 8 August 2016. HSIP's registered head office is located at Hoa Sen Ca Na Industrial Park, Phuoc Diem Commune, Thuan Nam District, Ninh Thuan Province, Vietnam.The current principal activities of HSIP are trading in real estate and land use right for use or rent.

  As at 30 September 2016, the Company holds 100% equity interests and 100% voting rights in HSIP.

1. CORPORATE INFORMATION (continued)

Corporate structure (continued)

- Hoa Sen Ca Na – Ninh Thuan International General Seaport One Member Limited Liabilities Company ("HSSP")

  HSSP is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 4500607985 issued by the Department of Planning and Investment of Ninh Thuan Province on 8 August 2016. HSSP's registered head office is located at Thuong Diem 2 Village, Phuoc Diem Commune, Thuan Nam District, Ninh Thuan Province, Vietnam. The current principal activities of HSSP are investing riverport, seaport.

  As at 30 September 2016, the Company holds 100% equity interests and 100% voting rights in HSSP.

- Hoa Sen Ca Na – Ninh Thuan Integrated Iron and Steel Complex Investment One Member Limited Liabilities Company ("HSIC")

  HSIC is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 4500607953 issued by the Department of Planning and Investment of Ninh Thuan Province on 8 August 2016. HSIC's registered head office is located at Hoa Sen Ca Na Industrial Park, Phuoc Diem Commune, Thuan Nam District, Ninh Thuan Province, Vietnam. The current principal activities of HSIC are manufacturing iron, steel, cast iron products.

  As at 30 September 2016, the Company holds 100% equity interests and 100% voting rights in HSIC.

- Hoa Sen Phu My One Member Limited Liability Company ("HSPM")

HSPM is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 3502313442 issued by the Department of Planning and Investment of Ba Ria – Vung Tau Province on 8 August 2016. HSPM's registered head office is located at Phu My 1 Industrial Park, Phu My Town, Tan Thanh District, Ba Ria – Vung Tau Province, Vietnam. The current principal activities of HSPM are manufacturing steel for building materials and consumer goods.

As at 30 September 2016, the Company holds 100% equity interests and 100% voting rights in HSPM.

2. BASIS OF PREPARATION

2.1 Purpose of preparing theseparate financial statements

The Company has subsidiaries as disclosed in Note 14.1. The Company prepared these separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular No. 155/2015/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Company has also prepared the consolidated financial statements of the Company and its subsidiaries for the year ended 30 September 2016.

Users of the separate financial statements should read them together with the said consolidated financial statements in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Company and its subsidiaries.

2.2 Applied accounting standards and system

The separate financial statements of the Company, expressed in Vietnam dong ("VND"),are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying separate financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.3 Applied accounting documentation system

The Company's applied accounting documentation system is the Voucher Journal system.

2.4 Fiscal year

The Company's fiscal year applicable for the preparation of its annual separate financial statements starts on 1 October and ends on 30 September.

2.5 Accounting currency

The separate financial statements are prepared in VND which is also the Company's accounting currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Change in accounting policies and disclosures

The accounting policies adopted by the Company in preparation of the separate financial statements are consistent with those followed in the preparation of the Company's annual separate financial statements for the year ended 30 September 2015 except for the changes in the accounting policies in relation to the application of Circular No. 200/2014/TT-BTC providing guidance on enterprise accounting system.

On 22 December 2014, the Ministry of Finance issued the Circular No. 200/2014/TT-BTC providing guidance on enterprise accounting system ("Circular 200") replacing Decision No. 15/2006/QD-BTC dated 20 March 2006 and Circular No. 244/2009/TT-BTC dated 31 December 2009 of the Ministry of Finance. Circular 200 is effective for the financial years beginning on or after 1 January 2015.

The effects of the change in accounting policies under Circular 200 to the Company's separatefinancial statements are applied on a prospective basis as Circular 200 does not require for retrospective application. The Company also reclassifies certain corresponding figures of prior yearfollowing the presentation of the current year's separate financial statements in accordance with Circular 200 as disclosed in Note 29.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks, cash in transit and short-term, highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.3 Inventories

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value. Net realizable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetualmethod is used to record inventories, which are valued as follows:

Merchandises, raw materials, tools and supplies	- cost of purchase on a weighted average basis.
Finished goods and work-in-process	- cost of direct materials and labour plus attributable manufacturing overheads based on the normal operating capacity on a weighted average basis.

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Company, based on appropriate evidence of impairment available at the balance sheet date.

Increases or decreases to the provision balance are recorded into the cost of goods sold account in the separate income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Receivables

Receivables are presented in the separate financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases and decreases to the provision balance are recorded as general and administrative expense in the separate income statement.

3.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the separateincome statement as incurred.

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the separate income statement.

3.6 Leased assets

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Where the Company is the lessee

Assets held under finance leases are capitalised in the separate balance sheet at the inception of the lease at the fair value of the leased assets or, if lower, at the net present value of the minimum lease payments. The principal amount included in future lease payments under finance leases are recorded as a liability. The interest amounts included in lease payments are charged to the separate income statement over the lease term to achieve a flexible rate on interest on the remaining balance of the finance lease liability.

Capitalised financial leased assets are depreciated using straight-line basis over the shorter of the estimated useful lives of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Rentals under operating leases are charged to the separate income statement on a straight-line basis over the lease term.

Where the Company is the lessor

Assets subject to operating leases are included as the Company's fixed assets in the separate balance sheet. Initial direct costs incurred in negotiating an operating lease are added to the carrying value of the leased asset for amortisation to the separate income statement over the lease term.

Lease income is recognised in the separate income statement on a straight-line basis over the lease term.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 *Intangible assets*

Intangible assets are stated at cost less accumulated amortisation.

The cost of an intangible asset comprises its purchase price and any directly attributable costs of preparing the intangible asset for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the separate income statement as incurred.

When intangible assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the separate income statement.

Land use rights

Land use rights are recorded as intangible assets representing the value of the right to use the lands acquired or leased by the Company. The useful lives of land use rights are assessed as either definite or indefinite. Accordingly, the land use rights with definite useful lives representing the land lease are amortised over the lease term while the land use rights with indefinite useful lives are not amortised.

3.8 *Depreciation and amortisation*

Depreciation of tangible fixed assets andfinance leases,and amortisation of intangible assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	10 - 40 years
Machinery and equipment	5 - 15 years
Means of transportation	7 - 10 years
Office equipment	3 - 5 years
Others	5 - 8 years
Land use rights	14 - 55 years
Computer software	3 - 10 years

3.9 *Borrowing costs*

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the year in which they are incurred, except to the extent that they are capitalized. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

3.10 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the separate balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 *Investments*

Investments in subsidiaries

Investments in subsidiaries over which the Company has control are carried at cost. Distributions from accumulated net profits of the subsidiaries arising subsequent to the date of acquisition are recognised to the Company's separateincome statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

Investments in associates

Investments in associates over which the Company has significant influence are carried at cost. Distributions from accumulated net profits of the associates arising subsequent to the date of acquisition are recognised to the Company's separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

Investments in other entities

Investment in other entities is stated at their acquisition costs.

Provision for diminution in value ofinvestments

Provision for any diminution in value of the investments in other entities at the balance sheet date is made in accordance with the guidance under Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 28 June 2013 issued by the Ministry of Finance. Increases or decreases to the provision balance are recorded as finance expense in the separate income statement.

3.12 *Payables and accruals*

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company.

3.13 *Accrual for severance pay*

The severance pay to employee is accrued at the end of each reporting year for all employees who have been in service for more than 12 months up to balance sheet date at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code, the Law on Social Insurance and related implementing guidance. The average monthly salary used in this calculation will be revised at the end of each reporting period following the average monthly salary of the 6-month period up to the reporting date. Increases or decreases to the accrued amount other than actual payment to employee will be taken to the separate income statement.

This accrued severance pay is used to settle the termination allowance to be paid to employee upon termination of their labor contract following Article 48 of the Labor Code.

3.14 *Foreign currency transactions*

Transactions in currencies other than the Company's accounting currency of VND are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- Transaction resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment; and
- Payments for assets or expenses without liabilities initially being recognised is recorded at the buyingexchange rates of the commercial banks that process these payments.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Foreign currency transactions (continued)

At the end of the year, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rates at the balance sheet dates which are determined as follows:

- Monetary assets are translated at buying exchange rate of the commercial bank where the Company conducts transactions regularly; and
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company conducts transactions regularly.

All foreign exchange differences incurred during the year and arising from the revaluation of monetary accounts denominated in foreign currency at year-end are taken to the separate income statement.

3.15 Treasury shares

Own equity instruments which are reacquired (known as treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss upon purchase, sale, issue or cancellation of the Company's own equity instruments.

3.16 Appropriation of net profit

Net profit after tax is available for appropriation to shareholders after approval in the annual general meeting, and after making appropriation to funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

The Company maintains the following fund which is appropriated from the Company's net profit as proposed by the Board of Directors and subject to the approval of shareholders at the annual general meeting.

Bonus and welfare fund

This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits, and presented as a liability on the separate balance sheet.

3.17 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

Rendering of services

Revenue is recognised when the services have been performed and completed.

Interest

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

Dividends

Revenue is recognised when the Company is entitled to receive dividends.

Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease term.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior yearsare measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the balance sheet date.

Current income tax is charged or credited to the separate income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company to offset current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

Deferred tax is provided using the balance sheet liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial statement purpose.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the assets is realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred tax is charged or credited to the separate income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or when the Company intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

4. CASH AND CASH EQUIVALENTS

VND

	Ending balance	Beginning balance
Cash on hand	11,585,393,615	12,462,200,677
Cash in banks	385,789,440,532	221,226,586,330
Cash in transit	50,000,000,000	-
Cash equivalents (*)	143,521,875	140,000,000
TOTAL	**447,518,356,022**	**233,828,787,007**

(*) Cash equivalents represent the deposits at commercial banks with original maturity of less than three (3) months and earn interest at the rates of 5% per annum.

5. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

5.1 Short-term trade receivables

VND

	Ending balance	Beginning balance
Due from related parties *(Note 27)*	1,517,220,453,750	1,214,432,479,886
Due from third parties	469,438,553,660	442,780,857,243
TOTAL	**1,986,659,007,410**	**1,657,213,337,129**
Provision for doubtful short-term receivables	(4,063,602,565)	(2,306,413,077)
NET	**1,982,595,404,845**	**1,654,906,924,052**

5.2 Short-term advances to suppliers

VND

	Ending balance	Beginning balance
Due from a related party *(Note 27)*	6,795,198,682	6,458,860,936
Due from third parties	67,489,103,919	18,908,589,088
In which:		
Cockerill Maintenance & Ingénierie(CMI S.A)	*9,954,258,160*	-
Others	*57,534,845,759*	*18,908,589,088*
TOTAL	**74,284,302,601**	**25,367,450,024**

6. OTHER RECEIVABLES

VND

	Ending balance	Beginning balance
Short-term	**678,251,101,185**	**408,561,090,078**
Profits shared from subsidiaries	509,778,179,025	273,424,302,385
Advance for purchase of lands	90,183,227,000	90,183,227,000
Deposits	53,187,465,900	23,632,000,000
Advances to employees	19,858,438,997	6,177,558,073
Others	5,243,790,263	15,144,002,620
Long-term	**2,012,549,901**	**2,012,549,901**
Deposits	2,012,549,901	2,012,549,901
TOTAL	**680,263,651,086**	**410,573,639,979**
Provision for doubtful other receivables	(740,000,000)	(740,000,000)
NET	**679,523,651,086**	**409,833,639,979**
In which:		
Due from related parties (Note 27)	*600,946,505,775*	*364,880,867,523*
Due from third parties	*78,577,145,311*	*44,952,772,456*

7. INVENTORIES

VND

	Ending balance	Beginning balance
Goods in transit	1,424,402,924,775	334,139,481,536
Finished goods	992,881,622,867	1,209,216,110,982
Raw materials	305,548,805,026	346,651,367,414
Merchandises	275,747,646,476	211,504,360,904
Tools and supplies	183,876,072,415	192,223,974,481
TOTAL	**3,182,457,071,559**	**2,293,735,295,317**
Provision for obsolete inventories	(12,973,015,213)	(12,609,236,880)
NET	**3,169,484,056,346**	**2,281,126,058,437**

As disclosed in Note 19, the Company has pledged inventories with the carrying amount as at 30 September2016 amounting to VND 1,072,992,559,357 to secure its bank loans.

8. PREPAID EXPENSES

VND

	Ending balance	Beginning balance
Short-term	**63,632,969,870**	**55,062,184,992**
Advertising expenses	23,835,246,313	24,210,259,090
Rental expenses	11,971,103,911	8,372,683,765
Tools and equipment	12,457,928,551	10,307,348,223
Advisory fee	1,615,463,792	1,408,729,769
Insurance fee	1,082,517,262	1,310,876,033
Others	12,670,710,041	9,452,288,112
Long-term	**131,621,472,215**	**64,337,078,607**
Rental expense	65,147,659,827	5,895,995,809
Tools and equipment	50,315,244,895	45,000,996,782
Repairing and maintenance	11,079,041,450	12,505,051,016
Others	5,079,526,043	935,035,000
TOTAL	**195,254,442,085**	**119,399,263,599**

9. LONG-TERM LOAN RECEIVABLES

The ending balance of long-term loan receivable represented the unsecured and non-interest bearing lending to the Finance Department of Nghe An Province for the purpose of compensating the clearance costs of the land located at Dong Hoi Industrial Park, Nghe An Province, Vietnam. This lending will be due on 25 June 2018.

10. TANGIBLE FIXED ASSET

VND

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Others	Total
Cost:						
Beginning balance	621,660,819,138	3,064,331,212,467	242,213,491,285	12,374,597,617	18,820,697,841	3,959,400,818,348
New purchase	-	76,502,690,442	35,559,210,759	9,508,695,000	-	121,570,596,201
Transfer from construction in progress	-	62,454,366,006	33,504,773,030	-	-	95,959,139,036
Reclassified	(122,852,152)	101,029,970	-	-	-	(21,822,182)
Disposal	(1,445,715,000)	(29,133,800,698)	(1,007,223,391)	-	(66,579,000)	(31,653,318,089)
Ending balance	620,092,251,986	3,174,255,498,187	310,270,251,683	21,883,292,617	18,754,118,841	4,145,255,413,314
In which:						
Fully depreciated	*694,323,419*	*284,604,251,798*	*19,148,920,529*	*1,170,977,398*	*113,339,238*	*305,731,812,382*
Accumulated depreciation:						
Beginning balance	(180,824,570,224)	(1,114,545,060,787)	(52,389,277,920)	(3,729,674,354)	(10,770,951,837)	(1,362,259,535,122)
Depreciation for the year	(38,385,886,558)	(294,945,297,549)	(29,710,062,247)	(2,686,664,614)	(2,784,339,336)	(368,512,250,304)
Disposal	913,215,000	24,422,555,144	383,391,291	-	66,579,000	25,785,740,435
Ending balance	(218,297,241,782)	(1,385,067,803,192)	(81,715,948,876)	(6,416,338,968)	(13,488,712,173)	(1,704,986,044,991)
Net carrying amount:						
Beginning balance	440,836,248,914	1,949,786,151,680	189,824,213,365	8,644,923,263	8,049,746,004	2,597,141,283,226
Ending balance	401,795,010,204	1,789,187,694,995	228,554,302,807	15,466,953,649	5,265,406,668	2,440,269,368,323

As disclosed in Note 19, the Company has pledged its buildings and structures, machinery and equipment and means of transportation with their respective carrying amounts as at 30 September 2016 of VND 128,729,561,149, VND 1,475,241,360,610 and VND 143,059,312,618 to secure its bank loan facilities.

11. FINANCE LEASES

VND

	Machinery and equipment	Means of transportation	Total
Cost:			
Beginning and ending balances	114,919,308,334	20,332,727,270	135,252,035,604
Accumulated depreciation:			
Beginning balance	(33,539,542,139)	(2,068,867,901)	(35,608,410,040)
Depreciation for the year	(12,160,271,547)	(2,037,115,360)	(14,197,386,907)
Ending balance	(45,699,813,686)	(4,105,983,261)	(49,805,796,947)
Net carrying amount:			
Beginning balance	81,379,766,195	18,263,859,369	99,643,625,564
Ending balance	69,219,494,648	16,226,744,009	85,446,238,657

12. INTANGIBLE ASSETS

VND

	Land use rights	Computer software	Total
Cost:			
Beginning balance	284,698,354,995	1,344,757,711	286,043,112,706
Additions	2,190,431,270	-	2,190,431,270
Ending balance	286,888,786,265	1,344,757,711	288,233,543,976
In which:			
Fully amortised	*456,396,144*	*1,344,757,711*	*1,801,153,855*
Accumulated amortisation:			
Beginning balance	(16,652,548,124)	(1,344,757,711)	(17,997,305,835)
Amortisation for the year	(2,616,856,914)	-	(2,616,856,914)
Ending balance	(19,269,405,038)	(1,344,757,711)	(20,614,162,749)
Net carrying amount:			
Beginning balance	268,045,806,871	-	268,045,806,871
Ending balance	267,619,381,227	-	267,619,381,227

As disclosed in Note 19, the Company has pledged its land use rights with their carrying amounts as at 30 September 2016 of VND 221,542,152,270 to secure its bank loan facilities.

13. CONSTRUCTION IN PROGRESS

VND

	Ending balance	Beginning balance
Purchases of fixed assets	42,037,817,373	6,853,861,204
Major repair of fixed assets	3,031,321,051	4,036,803,273
Others	553,554,956	1,455,946,900
TOTAL	**45,622,693,380**	**12,346,611,377**

14. LONG-TERM INVESTMENTS

VND

	Ending balance	Beginning balance
Investments in subsidiaries *(Note 14.1)*	1,025,576,000,000	611,276,000,000
Investment in associates *(Note 14.2)*	52,852,178,134	51,952,178,134
Investment in other entity	-	4,367,000,000
TOTAL	**1,078,428,178,134**	**667,595,178,134**
Provision for diminution in value of long-term investments	(26,949,806,750)	(17,966,537,833)
NET	**1,051,478,371,384**	**649,628,640,301**

14. LONG-TERM INVESTMENTS (continued)

14.1 *Investments in subsidiaries*

Details of the Company's investments in subsidiaries were as follows:

Name of subsidiaries	Ending balance			Beginning balance			Location	Business activities
	% of interest	Cost of investment (VND)		% of interest	Cost of investment (VND)			
Hoa Sen Steel Sheet One Member Co., Ltd.	100	280,000,000,000		100	280,000,000,000		Binh Duong Province, Vietnam	Manufacturing and trading in cold rolled steel products
Hoa Sen Nghe An One Member Co., Ltd.	100	300,000,000,000		100	80,000,000,000		Nghe An Province, Vietnam	Manufacturing and trading in metal roofing sheets
Hoa Sen Building Materials One Member Co., Ltd.	100	150,000,000,000		100	150,000,000,000		Ba Ria – Vung Tau Province, Vietnam	Manufacturing and trading in plastic building materials and steel pipe products
Hoa Sen Binh Dinh One Member Co., Ltd.	100	55,000,000,000		100	55,000,000,000		Binh Dinh Province, Vietnam	Manufacturing and trading in plastic building materials and steel pipe products
Hoa Sen Nam Cam Nghe An One Member Co., Ltd.	100	30,000,000,000		100	30,000,000,000		Nghe An Province, Vietnam	Manufacturing and trading in steel pipe products
Hoa Sen Transportation and Engineering One Member Co., Ltd.	100	16,276,000,000		100	16,276,000,000		Binh Duong Province, Vietnam	Providing engineering, civil and industrial construction projects; transportation service
Hoa Sen Nhon Hoi - Binh Dinh One Member Co., Ltd.	100	136,000,000,000			-		Binh Dinh Province, Vietnam	Manufacturing and trading in metal roofing sheets
Hoa Sen Ha Nam One Member Co., Ltd.	100	50,000,000,000			-		Ha Nam Province, Vietnam	Manufacturing and trading in plastic building materials and steel pipe products
Hoa Sen Van Hoi Joint Stock Company	70	2,800,000,000			-		Yen Bai Province, Vietnam	Trading in real estate and rendering of real estate services and supporting services for trading real estate
Hoa Sen Yen Bai Joint Stock Company	70	5,500,000,000			-		Yen Bai Province, Vietnam	Operating a hotel, restaurant services and-commercial center
TOTAL		**1,025,576,000,000**			**611,276,000,000**			

14. LONG-TERM INVESTMENTS (continued)

14.2 *Investment in associates*

Detail of the Company's investment in the associates was as follows:

Name of associate	Ending balance		Beginning balance		Location	Business activities
	% of interest	Cost of investment (VND)	% of interest	Cost of investment (VND)		
Hoa Sen-Gemadept Logistics and International Port Corporation	45	51,952,178,134	45	51,952,178,134	Ba Ria – Vung Tau Province, Vietnam	Provide sea cargo agency services
Hoa Sen Hoi Van Joint Stock Company	45	450,000,000		-	Binh Dinh Province, Vietnam	Trading in real estate and rendering of real estate services and supporting services for trading real estate
Hoa Sen Quy Nhon Joint Stock Company	45	450,000,000		-	Binh Dinh Province, Vietnam	Trading in real estate and to render real estate services and supporting services for trading real estate
Provision for diminution in value of long-term investments		(26,949,806,750)		(17,966,537,833)		
		25,902,371,384		**33,985,640,301**		

15. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

15.1 *Short-term trade payables*

VND

	Ending balance	Beginning balance
Due to third parties	1,286,862,909,994	482,031,569,234
In which:		
Ep Steel Trading Co., Ltd.	*489,859,708,622*	*141,777,423,312*
Baosteel Singapore Pte Ltd.	*256,372,215,014*	-
Hongkong Grand International Co., Ltd.	*181,747,126,994*	*67,847,770,463*
Others	*358,883,859,364*	*272,406,375,459*
Due to related parties *(Note 27)*	215,023,244,843	73,130,273,650
TOTAL	**1,501,886,154,837**	**555,161,842,884**

15. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS (continued)

15.2 Short-term advances from customers

VND

	Ending balance	Beginning balance
Due to third parties	121,845,912,372	130,555,900,033
Due to a related party *(Note 27)*	8,394,282,049	1,500,312,265
TOTAL	**130,240,194,421**	**132,056,212,298**

16. TAXES

VND

	Beginning balance	Increase during the year	Decrease during the year	Ending balance
Payables				
Corporate income tax *(Note 26.2)*	39,779,435,531	316,730,543,611	(271,132,777,209)	85,377,201,933
Value-added tax	13,754,684,828	1,098,488,017,878	(1,037,696,639,760)	74,546,062,946
Personal income tax	987,443,384	25,691,230,682	(24,104,287,130)	2,574,386,936
Other taxes	1,957,000	6,021,182,122	(4,109,150,788)	1,913,988,334
TOTAL	**54,523,520,743**	**1,446,930,974,293**	**(1,337,042,854,887)**	**164,411,640,149**
Receivables				
Value-added tax deductible	430,850,361,115	571,250,474,275	(650,771,527,344)	351,329,308,046

17. SHORT-TERM ACCRUED EXPENSES

VND

	Ending balance	Beginning balance
Bonuses and 13th month salary	133,842,548,580	48,819,296,000
Electricity fee	9,619,132,214	11,090,213,768
Payable relating to construction in progress	7,125,696,789	7,597,518,971
Loan interest	2,710,941,965	3,700,752,155
Others	34,590,192,994	10,348,579,545
TOTAL	**187,888,512,542**	**81,556,360,439**

18. OTHER SHORT-TERM PAYABLES

VND

	Ending balance	Beginning balance
Tender deposits received	26,301,326,100	1,490,000,000
Dividends	4,421,620,150	3,892,652,525
Social insurance, health insurance, unemployment insurance, and trade union fees	297,013,000	2,853,893,928
Other payables to related parties *(Note 27)*	1,009,084,000	2,233,267,935
Discount export documents	-	29,719,800,000
Others	2,398,526,300	2,406,525,407
TOTAL	**34,427,569,550**	**42,596,139,795**

19. LOANS AND FINANCE LEASES

VND

	Ending balance	Beginning balance
Short-term loans and finance leases	**4,102,697,779,164**	**4,400,210,324,546**
Loans from banks *(Note 19.1)*	3,829,686,778,983	4,056,943,675,919
Current portion of long-term loans *(Note 19.2)*	255,864,471,340	302,800,960,695
Current portion of finance leases *(Note 19.3)*	17,146,528,841	21,036,343,932
Current portion of other long-term debts	-	9,969,344,000
Loans from related parties (Note 27)	-	9,460,000,000
Long-term loans and finance leases	**385,490,114,579**	**651,348,629,164**
Loans from banks *(Note 19.2)*	374,051,561,272	622,763,547,016
Finance leases *(Note 19.3)*	11,438,553,307	28,585,082,148
Total	**4,488,187,893,743**	**5,051,558,953,710**

Movements of loans and finance leases during the year were as follows:

VND

	Amount
Beginning balance	5,051,558,953,710
Drawdown from borrowings	11,548,329,293,474
Repayment from borrowings	(12,112,425,419,894)
Foreign exchange differences	725,066,453
Ending balance	**4,488,187,893,743**

19. LOANS AND FINANCE LEASES(continued)

19.1 *Short-term loans from banks*

Details of short-term loans from banks are as follows:

Name of bank	Ending balance VND	Maturity date	Interest rate (% p.a.)	Description of collateral
Joint Stock Commercial Bank for Foreign Trade of Vietnam – South Binh Duong Branch				
Loan in VND	609,524,423,267	From 13 November 2016 to 27 February 2017	From 4.5 to 4.7	Land use rights, and machinery and equipment
Loan in USD	76,602,549,622	28 February 2017	1,6	Land use rights, and machinery and equipment
Vietnam Bank for Industry and Trade – Binh Duong Industrial Park Branch				
Loan in VND	312,100,776,310	From 18 November 2016 to 12 December 2016	From 4.0 to 4.5	Land use rights, buildings and structures, and machinery and equipment
Loan in USD	1,120,512,959,036	From 27 November 2016 to 28 February 2017	From 1.0 to 1.4	Land use rights, buildings and structures, and machinery and equipment
Military Commercial Joint Stock Bank – Binh Duong Branch				
Loan in USD	310,635,603,614	From 24 October 2016 to 15 December 2016	1.0	Land use rights, and means of transportation
Vietnam Technological and Commercial Join Stock Bank				
Loan in VND	117,003,997,774	From 17 November 2016 to 22 January 2017	From 4.4 to 4.5	Unsecured
Standard Chartered Bank (Vietnam) Limited – Ho Chi Minh Branch				
Loan in VND	56,565,757,987	5 December 2016	4.1	Inventories, and machinery and equipment

19. LOANS AND FINANCE LEASES (continued)

19.1 *Short-term loans from banks(continued)*

Details of short-term loans from banks areas follows (continued):

Name of bank	Ending balance VND	Maturity date	Interest rate (% p.a.)	Description of collateral
ANZ Bank (Vietnam) Limited				
Loan in VND	432,838,005,434	From 1 October 2016 to 3 December 2016	From 4.0 to 4.05	Land use rights
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh Branch				
Loan in VND	556,762,565,014	From 14 November 2016 to 28 February 2017	From 4.5 to 4.7	Unsecured
Vietnam Bank for Agriculture and Rural Development – Saigon branch				
Loan in VND	99,800,000,000	From 21 October 2016 to 30 November 2016	From 4.0 to 4.5	Unsecured
Vietnam Prosperity Joint Stock Commercial Bank				
Loan in VND	67,886,940,450	19 December 2016	1.4	Unsecured
United Overseas Bank – Ho Chi Minh Branch				
Loan in VND	69,453,200,475	21 October 2016	4.2	Inventories
TOTAL	**3,829,686,778,983**			

The Company used these loans to finance its working capital requirements.

19. LOANS AND FINANCE LEASES (continued)

19.2 *Long-term loans from banks*

Details of long-term loans from banks areas follows:

Name of bank	Ending balance VND	Maturity date	Interest rate (% p.a.)	Description of collateral
Joint Stock Commercial Bank for Foreign Trade of Vietnam – South Binh Duong Branch				
Loan in VND	26,104,120,000	15 August 2019	8.0	Land use rights, and machinery and equipment
Viet Capital Commercial Joint Stock Bank				
Loan in VND	54,624,410,000	From 4 February 2018 to 26 November 2019	8.0	Means of transportation
Asia Commercial Joint Stock Bank – Tan Thuan Branch				
Loan in VND	38,989,585,320	From 26 June 2018 to 17June 2020	8.0	Means of transportation
Vietnam Bank for Industry and Trade – Binh Duong Industrial Park Branch				
Loan in VND	419,924,771,861	16 July 2019	8.3	Land use rights, buildings and structures, and machinery and equipment
Vietnam Development Bank – Binh Duong Branch				
Loan in USD	30,489,125,436	20 June 2018	1.7	Land use right, and machinery and equipment
Military Commercial Joint Stock Bank – Binh Duong Branch				
Loan in VND	29,224,019,995	7 January 2019	8.0	Land use rights, and means of transportation
Vietnam Bank for Agriculture and Rural Development – Binh Duong Branch				
Loan in VND	30,560,000,000	25 September 2017	8.0	Land use rights, and machinery and equipment
TOTAL	**629,916,032,612**			
In which:				
Current portion	*255,864,471,340*			
Non-current portion	*374,051,561,272*			

The Company used these loans to finance its constructions and purchases of fixed assets.

19. LOANS AND FINANCE LEASES (continued)

19.3 *Finance leases*

Details of finance leases were as follows:

The Company leases machinery and equipment and means of transportation under finance leases arrangements. Future obligations due under finance leases agreements as at the balance sheet dates were as follows:

VND

	Beginning balance			Ending balance		
	Total minimum lease payments	Finance charges	Lease liabilities	Total minimum lease payments	Finance charges	Lease liabilities
Current liabilities						
Less than 1 year	24,477,641,416	3,441,297,484	21,036,343,932	18,718,404,629	1,571,875,788	17,146,528,841
Non-current liabilities						
From 1-5 years	31,093,925,619	2,508,843,471	28,585,082,148	12,229,792,718	791,239,411	11,438,553,307
TOTAL	**55,571,567,035**	**5,950,140,955**	**49,621,426,080**	**30,948,197,347**	**2,363,115,199**	**28,585,082,148**

20. OWNERS' EQUITY

20.1 Movements in owners' equity

VND

	Issued share capital	Share premium	Treasury shares	Investment and development fund	Financial reserve fund	Other funds belongs to equity	Undistributed earnings	Total
Previous year:								
Beginning balance	1,007,907,900,000	451,543,290,363	(81,038,848,436)	-	8,525,313,060	13,278,012,117	1,022,418,679,462	2,422,634,346,566
Net profit for the year	-	-	-	-	-	-	688,057,792,771	688,057,792,771
Dividends declared	-	-	-	-	-	-	(144,469,647,000)	(144,469,647,000)
Repurchase of treasury shares	-	-	(49,247,074)	-	-	-	-	(49,247,074)
Reissuance of treasury shares(*)	-	35,747,180,000	28,974,400,000	-	-	-	-	64,721,580,000
Transferred to bonus and welfare fund	-	-	-	-	-	-	(16,413,694,648)	(16,413,694,648)
Appropriated to other funds	-	-	-	-	-	18,465,406,480	(18,465,406,480)	-
Use of other funds during the year	-	-	-	-	-	(25,138,263,228)	-	(25,138,263,228)
Ending balance	1,007,907,900,000	487,290,470,363	(52,113,695,510)	-	8,525,313,060	6,605,155,369	1,531,127,724,105	2,989,342,867,387

(*) During the year, the Company has reissued 1,600,000 treasury shares to its existing shareholders at the price of VND 40,500 per share in accordance with the Resolution of Board of Directors No. 36/NQ/HDQT/2015 dated 29 June 2015.

20. OWNERS' EQUITY(continued)

20.1 Movements in owners' equity (continued)

VND

	Issued share capital	Share premium	Treasury shares	Investment and development fund	Financial reserve fund	Other funds belongs to equity	Undistributed earnings	Total
Current year:								
Beginning balance *(previously presented)*	1,007,907,900,000	487,290,470,363	(52,113,695,510)	-	8,525,313,060	6,605,155,369	1,531,127,724,105	2,989,342,867,387
Beginning balance (reclassified under Circular 200-Note 29)	1,007,907,900,000	487,290,470,363	(52,113,695,510)	8,525,313,060	-	6,605,155,369	1,531,127,724,105	2,989,342,867,387
Net profit for the year	-	-	-	-	-	-	1,575,933,262,655	1,575,933,262,655
Stock dividends (*)	957,490,390,000	-	-	-	-	-	(957,490,390,000)	-
Dividends declared	-	-	-	-	-	-	(327,567,667,500)	(327,567,667,500)
Repurchase of treasury shares	-	-	(508,729)	-	-	-	-	(508,729)
Reissuance of treasury shares *(**)*	-	64,281,463,158	52,114,204,239	-	-	-	-	116,395,667,397
Reversal of fund	-	-	-	(8,525,313,060)	-	-	8,525,313,060	-
Transferred to bonus and welfare fund	-	-	-	-	-	-	(26,114,981,672)	(26,114,981,672)
Appropriated to other funds	-	-	-	-	-	29,379,354,381	29,379,354,381	-
Performance bonus *(***)*	-	-	-		-		(21,902,000,000)	(21,902,000,000)
Use of other funds during the year	-	-	-	-	-	(29,199,934,080)	-	(29,199,934,080)
Ending balance	1,965,398,290,000	551,571,933,521	-	-	-	6,784,575,670	1,753,131,906,267	4,276,886,705,458

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20. OWNERS' EQUITY (continued)

20.1 Movements in owners' equity (continued)

(*) The Resolution of Annual General Meeting No. 01/NQ/DHDCD/2015 dated 19 January 2015 and the Resolution of Board of Directors No. 64/NQ/HDQT/2015 dated 16 October 2015 approved the payments of stock dividends to its existing shareholders, which were appropriated from the undistributed earnings, at a ratio of 10:3 (i.e. issuing 3 new shares for every 10 shares holding by existing shareholders). The Company completed the issuance of 30,236,277 new shares on 7 December 2015 at price of VND 10,000 per share. Accordingly, the Company's share capital was increased by VND 302,362,770,000 to VND 1,310,270,670,000 as at this date. The Company also received the 25th amended BRC dated 18 December 2015 issued by the Department of Planning and Investmentof Binh Duong Province reflecting this increase.

The Resolution of Annual General Meeting No. 01/NQ/DHDCD/2016 dated 18 January 2016 and the Resolution of Board of Directors No. 09/NQ/HDQT/2016 dated 4 March 2016 approved the payments of stock dividends to its existing shareholders, which were appropriated from the undistributed earnings, at a ratio of 10:5 (i.e. issuing 5 new shares for every 10 shares holding by existing shareholders). The Company completed the issuance of 65,512,762 new shares on 1 June 2016 at price of VND 10,000 per share. Accordingly, the Company's share capital was increased by VND 655,127,620,000 to VND 1,965,398,290,000 as at this date. The Company also received the 26th amended BRC dated 10 June 2016 issued by the Department of Planning and Investment of Binh Duong Province reflecting this increase.

(**) In accordance with the Resolution of Board of Directors No. 36/NQ/HDQT/2015 dated 29 June 2015, the Company has reissued 2,877,692 treasury shares to its existing shareholders at the price of VND 40,500 per share on 7 October 2015.

(***) In accordance withthe Resolution of Annual General Meeting No. 01/NQ/DHDCD/2015 dated 19 January 2015, the Company's shareholders approved the performancebonus at 3.4% ofprofit after tax.

20.2 Capital transactions with owners and distribution of dividends, profits

VND

	Current year	Previous year
Contributed capital		
Beginning balances	1,007,907,900,000	1,007,907,900,000
Increase	957,490,390,000	-
Ending balance	1,965,398,290,000	1,007,907,900,000
Dividends		
Dividends declared	327,567,667,500	144,469,647,000
Dividends paid by cash	327,038,699,875	144,058,665,375

20. OWNERS' EQUITY (continued)

20.3 Share capital

	Number of shares	
	Ending balance	Beginning balance
Issued shares		
Shares issued and paid-up shares		
Ordinary shares	*196,539,829*	*100,790,790*
Treasury shares		
Ordinary shares	*-*	*(2,877,692)*
Shares in circulation		
Ordinary shares	*196,539,829*	*97,913,098*

The par value of the Company's issued shares is VND 10,000 per share. The holders of the Company's ordinary shares are of the entitled to receive dividends as and when declared by the Company. Each ordinary share carries one vote per share without restriction.

21. REVENUES

21.1 Revenues from sale of goods and rendering of services

VND

	Current year	Previous year
Gross revenues	**30,259,054,800,256**	**31,157,314,338,362**
Of which:		
Sale of finished goods	*14,948,831,938,260*	*16,293,231,194,980*
Sale of merchandises	*15,099,244,760,060*	*14,661,767,800,386*
Others	*210,978,101,936*	*202,315,342,996*
Sales deduction	**(105,803,558,650)**	**(36,219,065,104)**
Of which:		
Sales discount	*(89,757,637,334)*	*(8,533,133,954)*
Sales allowances	*(10,157,008,501)*	*(5,924,601,756)*
Sales returns	*(5,888,912,815)*	*(21,522,581,327)*
Export taxes	*-*	*(238,748,067)*
NET	**30,153,251,241,606**	**31,121,095,273,258**
Of which:		
Sale to third parties	*14,878,268,074,336*	*15,103,574,577,423*
Sale to related parties	*15,274,983,167,270*	*16,017,520,695,835*

21.2 Finance income

VND

	Current year	Previous year
Profits shared from subsidiaries	548,133,487,154	273,424,302,385
Foreign exchange gains	32,830,881,249	27,634,610,539
Financial income from investments	5,955,721,596	2,104,398,889
Interest income	2,559,901,295	1,688,579,507
TOTAL	**589,479,991,294**	**304,851,891,320**

22. COSTS OF GOODS SOLD AND SERVICES RENDERED

VND

	Current year	Previous year
Costs of sale of finished goods	12,214,685,246,583	14,508,854,195,691
Costs of sale of merchandises	14,597,078,296,815	14,394,939,388,754
Others	141,507,687,260	170,228,178,309
TOTAL	**26,953,271,230,658**	**29,074,021,762,754**

23. FINANCE EXPENSES

VND

	Current year	Previous year
Interest expense	163,766,749,605	180,561,247,510
Foreign exchange losses	32,680,449,872	149,632,722,662
Foreign exchange losses arising from revaluation of monetary accounts denominated in foreign currency	4,354,280,912	38,895,143,213
Provision for long-term investments	8,983,268,917	10,794,438,216
TOTAL	**209,784,749,306**	**379,883,551,601**

24. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

VND

	Current year	Previous year
Selling expenses	**974,622,573,218**	**727,052,217,691**
Labour costs	232,671,874,390	158,265,977,155
Depreciation and amortisation	42,173,596,773	24,452,344,359
Expenses for external services	452,817,160,265	401,750,110,293
Other expenses	246,959,941,790	142,583,785,884
General and administrative expenses	**724,634,725,092**	**417,829,755,541**
Labour costs	382,214,003,741	223,018,743,751
Depreciation and amortisation	30,677,554,848	26,986,385,237
Expenses for external services	30,063,731,011	30,797,481,362
Other expenses	281,679,435,492	137,027,145,191
TOTAL	**1,699,257,298,310**	**1,144,881,973,232**

25. PRODUCTION AND OPERATING COSTS

VND

	Current year	Previous year
Raw materials	11,213,306,244,528	12,937,726,814,892
Labour costs	724,705,315,960	482,362,995,143
Depreciation and amortisation *(Notes 10,11 and 12)*	385,326,494,125	373,077,021,625
Expenses for external services	913,252,352,659	884,644,942,196
Others	791,794,434,019	578,528,959,461
TOTAL	**14,028,384,841,291**	**15,256,340,733,317**

26. CORPORATE INCOME TAX

The Company has the obligation to pay corporate income tax ("CIT") at the rate of 22% of taxable profits for the period from 1st October 2015 to 31st December 2015 and at the rate of 20% of taxable profits for the period from 1st January 2016 to 30th September 2016.

The tax returns filed by the Company are subjected to examination by the tax authorities. Because the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, the amounts reported in the separate financial statements could be changed at a later date upon final determination by the tax authorities.

26.1 CIT expense

VND

	Current year	Previous year
Current CIT expense	316,730,543,611	157,276,375,729
Adjusted CIT from previous year	-	14,502
Deferred CIT benefit	(24,528,724,989)	(19,572,256,637)
TOTAL	**292,201,818,622**	**137,704,133,594**

26.2 Current CIT

The current tax payable is based on taxable profit for the current year. The taxable profit of the Company for the year differs from the accounting profit as reported in the separate income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

A reconciliation between the accounting profit before tax as reported in the separate income statement and taxable profit is presented below:

VND

	Current year	Previous year
Accounting profit before tax	**1,868,135,081,277**	**825,761,926,365**
Adjustments:		
Profits shared from subsidiaries	(548,133,487,154)	(273,424,302,385)
Non-deductible expenses	103,623,860,436	56,088,999,786
Change in accrued operating expenses	115,597,954,438	46,466,491,506
Change in provisions	9,862,199,238	23,506,237,382
Change in foreign exchange differences arising from revaluation of monetary accounts denominated in foreign currency	(9,211,779,959)	6,588,906,387
Change in unrealised profits	(9,398,655,212)	32,542,601,776
Others	14,551,868,942	(2,638,243,869)
Estimated current taxable profit	**1,545,027,042,006**	**714,892,616,948**
Estimated current CIT	316,730,543,611	157,276,375,729
Adjusted CIT from previous year	-	14,502
Total estimated current CIT	**316,730,543,611**	**157,276,390,231**
CIT payables at beginning of year	39,779,435,531	30,586,194,784
CIT paid during the year	(271,132,777,209)	(148,083,149,484)
CIT payables at end of year	**85,377,201,933**	**39,779,435,531**

26. CORPORATE INCOME TAX (continued)

26.3 *Deferred CIT*

The following are the deferred tax assets recognized by the Company, and the movements thereon, during the current and previous year:

VND

	Separate balance sheet		Separate income statement	
	Ending balance	Beginning balance	Current year	Previous year
Unrealised profits	12,352,884,544	14,232,615,587	(1,879,731,043)	5,736,110,832
Accrued operating expenses	37,498,959,182	14,379,368,294	23,119,590,888	8,784,691,302
Provisions	8,945,284,906	6,724,437,558	2,220,847,348	4,636,984,243
Foreign exchange differences arising from revaluation of monetary accounts denominated in foreign currency	68,118,757	1,910,474,749	(1,842,355,992)	1,258,511,931
Others	5,546,794,231	2,636,420,443	2,910,373,788	(844,041,671)
Deferred tax assets	**64,412,041,620**	**39,883,316,631**		
Deferred CIT income			**24,528,724,989**	**19,572,256,637**

27. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Significant transactions with related parties during the current year and previous year were as follows:

VND

Related party	Relationship	Transactions	Current year	Previous year
Hoa Sen Steel Sheet One Member Co., Ltd.	Subsidiary	Purchase of goods	10,304,345,500,272	11,234,332,056,248
		Sale of goods	9,629,215,808,671	10,844,160,516,428
		Leasing of assets	169,105,200,000	166,467,000,000
		Payment on behalf	145,015,701,307	159,806,750,565
		Profit shared	79,655,811,634	86,686,768,532
		Purchase of gas	7,491,200,000	8,672,040,000
Hoa Sen Building Materials One Member Co., Ltd.	Subsidiary	Sale of goods	3,188,289,759,622	3,437,005,655,887
		Purchase of goods	2,791,794,909,369	3,222,009,427,842
		Profit shared	357,177,111,985	166,481,143,413
		Sale of fixed assets	2,631,860,000	65,609,370,516
		Sales return	1,115,427,301	14,279,444,060
Hoa Sen Transportation and Engineering One Member Co., Ltd.	Subsidiary	Transporationexpenses	32,493,428,597	72,580,671,496
		Purchase of goods	34,383,360,333	-
		Leasing of assets	13,954,400,000	9,925,000,000
		Profit shared	3,423,095,400	11,487,160,126
		Repayment of short-term loans	-	1,940,000,000
Hoa Sen Nam Cam Nghe An One Member Co., Ltd.	Subsidiary	Purchase of goods	435,450,834,190	183,215,681,661
		Sale of goods	33,806,898,516	114,496,402,408
		Capital contribution	-	30,000,000,000
		Short-term loans	-	19,500,000,000
		Repayment of short-term loans	-	19,500,000,000
		Lending of money	-	11,000,000,000
		Collection of lending	-	11,000,000,000
Hoa Sen Binh Dinh One Member Co., Ltd.	Subsidiary	Purchase of goods	580,619,631,706	369,443,407,507
		Sale of goods	314,828,115,320	295,606,474,461
		Profit shared	69,522,160,006	8,769,230,314
		Capital contribution	-	34,000,000,000
		Lending of money	-	6,000,000,000
		Collection of lending	-	6,000,000,000

27. TRANSACTIONS AND BALANCES WITH RELATED PARTIES(continued)

Significant transactions with related parties during the current year and previous year were as follows (continued):

VND

Related party	Relationship	Transactions	Current year	Previous year
Hoa Sen Nghe An One Member Co., Ltd.	Subsidiary	Capital contribution	220,000,000,000	80,000,000,000
		Collection of lending	287,500,000,000	-
		Lending of money	187,500,000,000	100,000,000,000
		Sale of goods	825,719,284,191	-
		Purchase of goods	383,536,049,083	-
Hoa Sen Nhon Hoi - Binh Dinh One Member Co., Ltd.	Subsidiary	Capital contribution	136,000,000,000	-
		Sale of goods	2,212,334,024	-
Hoa Sen Ha Nam One Member Co., Ltd	Subsidiary	Capital contribution	50,000,000,000	-
Hoa Sen Van Hoi Joint Stock Company	Subsidiary	Capital contribution	2,800,000,000	-
Hoa Sen Yen Bai Joint Stock Company	Subsidiary	Capital contribution	5,500,000,000	-
Hoa Sen Investment and Tourism Co., Ltd.	Related party	Sale of goods	1,122,999,989,418	1,161,329,951,726
		Purchase of goods	928,800,964,406	184,654,533,072
		Trade discount	26,270,140,994	-
		Receiving of services	17,503,495,807	3,948,581,818
Hoa Sen-Gemadept Logistics and International Port Corporation	Associate	Capital contribution	-	7,495,846,500
Viet Capital Health Care Fund	Related party	Reclaim of investment	4,367,000,000	4,273,000,000
Huong Sen Real Estate	Related party	Land returned	-	60,000,000,000

27. TRANSACTIONS AND BALANCES WITH RELATED PARTIES(continued)

Amounts due from and due to related parties at the balance sheet date were as follows:

VND

Related party	Relationship	Transactions	Ending balance	Beginning balance
Short-term trade receivables				
Hoa Sen Steel Sheet One Member Co., Ltd.	Subsidiary	Sales of goods	800,534,662,997	741,762,003,581
Hoa Sen Nghe An One Member Co., Ltd.	Subsidiary	Sales of goods	420,889,853,059	172,451,970
Hoa Sen Building Materials One Member Co., Ltd.	Subsidiary	Sales of goods	232,002,562,858	390,228,663,563
Hoa Sen Binh Dinh One Member Co., Ltd.	Subsidiary	Sales of goods	60,250,074,913	7,523,066,192
Hoa Sen Nhon Hoi - Binh Dinh One Member Co., Ltd.	Subsidiary	Sales of goods	2,433,567,426	-
Hoa Sen Ha Nam One Member Co., Ltd.	Subsidiary	Sales of goods	496,554,009	-
Hoa Sen Investment and Tourism Co., Ltd.	Related party	Sales of goods	27,493,400	-
Hoa Sen Nam Cam Nghe An One Member Co, Ltd.	Subsidiary	Sales of goods	-	63,828,794,580
Hoa Sen Transportation and Engineering One Member Co., Ltd.	Subsidiary	Sales of goods	585,685,088	10,917,500,000
TOTAL			**1,517,220,453,750**	**1,214,432,479,886**
Short-term advances to suppliers				
Hoa Sen Investment and Tourism Co., Ltd.	Related party	Advances	1,303,140,682	6,458,860,936
Hoa Sen Binh Dinh One Member Co., Ltd.	Subsidiary	Advances	5,492,058,000	-
			6,795,198,682	**6,458,860,936**
Short-term loan receivables				
Hoa Sen Nghe An One Member Co., Ltd.	Subsidiary	Lending of money	-	100,000,000,000

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27. TRANSACTIONS AND BALANCES WITH RELATED PARTIES(continued)

Amounts due from and due to related parties at the separate balance sheet dates were as follows (continued):

VND

Related party	Relationship	Transactions	Ending balance	Beginning balance
Other short-term receivables				
Mr Hoang Duc Huy	Deputy General Director	Advance for purchase of lands	90,183,227,000	90,183,227,000
Hoa Sen Steel Sheet One Member Co., Ltd.	Subsidiary	Payment on behalf	-	864,322,260
		Profit shared	79,655,811,634	86,686,768,532
Hoa Sen Nghe An One Member Co., Ltd.	Subsidiary	Payment on behalf		408,316,578
Hoa Sen Building Materials One Member Co., Ltd.	Subsidiary	Profit shared	357,177,111,985	166,481,143,413
Hoa Sen Phu My One Member Co., Ltd	Subsidiary	Payment on behalf	5,000,000	-
Hoa Sen Ca Na – Ninh Thuan Cement One Member Limited Liabilities Company	Subsidiary	Payment on behalf	5,000,000	-
Hoa Sen Ca Na – Ninh Thuan Intergrated Iron and Steel Complex Investment One Member Limited Liabilities Company	Subsidiary	Payment on behalf	923,312,250	-
Hoa Sen Ca Na – Ninh Thuan Renewable Energy One Member Limited Liabilities Company	Subsidiary	Payment on behalf	5,000,000	-
Hoa Sen Ca Na – Ninh Thuan Industrial Park Infrastructure Investment One Member Limited Liabilities Company	Subsidiary	Payment on behalf	5,000,000	-
Hoa Sen Ca Na – Ninh Thuan International General Seaport One Member Limited Liabilities Company	Subsidiary	Payment on behalf	5,000,000	-
Hoa Sen Transportation and Engineering One Member Co., Ltd.	Subsidiary	Profit shared	3,423,095,400	11,487,160,126
		Payment on behalf	36,787,500-	699,300
Hoa Sen Binh Dinh One Member Co., Ltd.	Subsidiary	Profit shared	69,522,160,006	8,769,230,314
TOTAL			**600,946,505,775**	**364,880,867,523**

27. TRANSACTIONS AND BALANCES WITH RELATED PARTIES(continued)

Amounts due from and due to related parties at the separate balance sheet dates were as follows (continued):

VND

Related party	Relationship	Transaction	Ending balance	Beginning balance
Short-term trade payables				
Hoa Sen Nam Cam Nghe An One Member Co., Ltd.	Subsidiary	Purchases of goods	128,981,860,181	-
Hoa Sen Binh Dinh One Member Co, Ltd.	Subsidiary	Purchases of goods	56,093,633,619	27,695,981,378
Hoa Sen Steel Sheet One Member Co., Ltd.	Subsidiary	Purchases of goods	14,500,000,000	11,100,000,000
Hoa Sen Transportation and Engineering One Member Co., Ltd.	Subsidiary	Purchases of goods	9,331,853,822	34,196,348,287
Hoa Sen Investment and Tourism Co., Ltd.	Related party	Purchases of goods	6,115,897,221	137,943,985
TOTAL			**215,023,244,843**	**73,130,273,650**
Short-term advances from customers				
Hoa Sen Investment and Tourism Co., Ltd.	Related party	Advance	8,394,282,049	1,500,312,265
Other short-term payables				
Huong Sen Real Estate	Related party	Payable of advance	1,000,000,000	1,000,000,000
Hoa Sen Transportation and Engineering One Member Co., Ltd.	Subsidiary	Receivable on behalf	784,000	-
Hoa Sen Investment and Tourism Co., Ltd.	Related party	Receivable on behalf	2,300,000	-
Hoa Sen Building Materials One Member Co., Ltd.	Subsidiary	Receivable on behalf	-	1,194,618,735
Hoa Sen Steel Sheet One Member Co., Ltd.	Subsidiary	Receivable on behalf	-	31,799,200
Hoa Sen Nhon Hoi - Binh Dinh One Member Co., Ltd.	Subsidiary	Receivable on behalf	6,000,000	
Hoa Sen Nghe An One Member Co., Ltd.	Subsidiary	Receivable on behalf	-	6,850,000
TOTAL			**1,009,084,000**	**2,233,267,935**
Short-term loans from a related party				
Hoa Sen Transportation and Engineering One Member Co., Ltd.	Subsidiary	Short-term loans	-	9,460,000,000

27. TRANSACTIONS AND BALANCES WITH RELATED PARTIES(continued)

Transactions with other related parties

Details of salaries and remuneration of the Boards of Directors, the Board of Supervision and the Management during the year are as set out below:

VND

	Current year	Previous year
Salaries of the Management	13,233,255,424	8,118,957,415
Bonuses of the Management	5,968,000,000	1,050,000,000
Remuneration of the Board of Directors and the Board of Supervision	1,859,000,000	1,054,000,000
Bonuses of the Board of Directors and the Board of Supervision	11,636,460,000	-
TOTAL	**32,696,715,424**	**10,222,957,415**

28. COMMITMENTS

Operating lease commitment - the Company as lessee

The Company leases land and factories under operating lease arrangements. The minimum lease commitments as at the balance sheet dates under operating lease arrangements are as follows:

VND

	Ending balance	Beginning balance
Less than 1 year	75,550,440,800	34,785,802,868
From 1 to 5 years	266,600,521,480	102,023,130,333
More than 5 years	182,710,585,480	119,122,043,000
TOTAL	**524,861,547,760**	**255,930,976,201**

Operating lease commitment - the Company as lessor

The Company leases out buildings and structures, machinery and equipment, and means of transportation under operating lease arrangements. The future minimum rental receivable as at the balance sheet dates under the operating lease agreements are as follows:

VND

	Ending balance	Beginning balance
Less than 1 year	186,859,086,366	186,136,854,548
From 1 to 5 years	741,692,236,365	740,241,077,276
More than 5 years	593,967,700,000	754,538,300,000
TOTAL	**1,522,519,022,731**	**1,680,916,231,824**

Capital commitments

As at 30 September 2016, the Company had commitments of VND 200,919,905,078 (30 September 2015: VND 18,302,951,124) mainly related to the acquisition of new machinery for its operations.

28. COMMITMENTS(continued)

Capital commitments

As at 30 September 2016, the Company has capital-contributed commitments into subsidiaries and associates which have not been contributed as follows:

VND

	Cost of investment		Contributed
	Amount	%	Amount
Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Company	200,000,000,000	100%	136,000,000,000
Hoa Sen Ha Nam One Member Limited Liabilities Company	200,000,000,000	100%	50,000,000,000
Hoa Sen Van Hoi Joint Stock Company	70,000,000,000	70%	2,800,000,000
Hoa Sen Yen Bai Joint Stock Company	35,000,000,000	70%	5,500,000,000
Hoa Sen Ca Na – Ninh Thuan Renewable Energy One Member Limited Liabilities Company	20,000,000,000	100%	-
Hoa Sen Ca Na – Ninh Thuan Cement One Member Limited Liabilities Company	30,000,000,000	100%	-
Hoa Sen Ca Na – Ninh Thuan Industrial Park Infrastructure Investment One Member Limited Liabilities Company	50,000,000,000	100%	-
Hoa Sen Ca Na – Ninh Thuan International General Seaport One Member Limited Liabilities Company	50,000,000,000	100%	-
Hoa Sen Ca Na – Ninh Thuan Integrated Iron and Steel Complex Investment One Member Limited Liabilities Company	100,000,000,000	100%	-
Hoa Sen Phu My One Member Limited Liability Company	50,000,000,000	100%	-
Hoa Sen Hoi Van Joint Stock Company	22,500,000,000	45%	450,000,000
Hoa Sen Quy Nhon Joint Stock Company	45,000,000,000	45%	450,000,000
TOTAL	**872,500,000,000**		**195,200,000,000**

Public Attachment 202 COMPLAINT

29. RECLASSIFICATION OF CORRESPONDING FIGURES FOLLOWING APPLICATION OF CIRCULAR 200

Certain corresponding figures on the separate financial statements for the year ended 30 September 2015 have been reclassified to reflect the presentation of the current year's separate financial statements. Details are as follows:

VND

	Beginning balance (previously pre-sented)	Impact of reclassification	Beginning balance (reclassified)
SEPARATE BALANCE SHEET			
Short-term loan receivables	-	100,400,000,000	100,400,000,000
Other short-term receivables	498,630,282,005	(90,069,191,927)	408,561,090,078
Other current assets	10,330,808,073	(10,330,808,073)	-
Long-term loan receivables	-	25,000,000,000	25,000,000,000
Other long-term receivables	25,000,000,000	(22,987,450,099)	2,012,549,901
Other long-term assets	2,012,549,901	(2,012,549,901)	-
Financial reserve fund	8,525,313,060	(8,525,313,060)	-
Investment and development fund	-	8,525,313,060	8,525,313,060

	Previous year (previously presented)	Impact of reclassification	Previous year (reclassified)
SEPARATE INCOME STATEMENT			
Revenue from sale of goods and render-ing of services	31,133,878,040,825	23,436,297,537	31,157,314,338,362
Other income	109,991,563,846	(94,771,751,848)	15,219,811,998
Other expenses	(87,953,216,935)	71,335,454,311	(16,617,762,624)

30. EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events occurring after the balance sheet date which would require adjustments or disclosures to be made in the separate financial statements.

Tran Cong Tien	Nguyen Thi Ngoc Lan	Tran Ngoc Chu
Preparer	Chief Accountant	General Director

15 December 2016

HOA SEN GROUP

CONSOLIDATED FINANCIAL STATEMENTS

30 SEPTEMBER 2016

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Report of the General Director 2
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Consolidated balance sheet 5
Consolidated income statement 7
Consolidated cash flow statement 8
Notes to the consolidated financial statements 10

GENERAL INFORMATION

THE COMPANY

Hoa Sen Group ("the Company") is a shareholding company incorporated pursuant to the Law on Enterprise of Vietnam in accordance with the Business Registration Certificate ("BRC") No. 3700381324 issued by the Department of Planning and Investment of Binh Duong Province on 8 August 2001, as amended.

The Company's and its subsidiaries current principal activities are manufacturing roofing sheets by galvanized steel, zinc alloy, paint galvanized zinc plating and plating of other alloys; producing steel purlins, galvanized purlins; manufacturing black steel pipes, galvanized steel pipes and other alloys; manufacturing steel mesh, galvanized steel wire, steel wire; buying and selling building materials, capital goods and consumer goods; renting warehouse and transporting goods; building industrial and civil constructions and producing cold rolled steel coils and leasing machinery and equipment and other tangible belongings.

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

The Company's registered head office is located at No. 9, Thong Nhat Boulevard, Song Than 2 Industrial Park, Di An Ward, Di An Town, Binh Duong Province, Vietnam. In addition, the Company also has two hundred and twenty seven (227) branches located at various provinces in Vietnam.

BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are as follows:

Mr Le Phuoc Vu	Chairman	
Mr Tran Ngoc Chu	Vice Chairman	
Mr Pham Gia Tuan	Member	
Mr Tran Quoc Tri	Member	
Mr Ly Van Xuan	Member	

BOARD OF SUPERVISION

Members of the Board of Supervision during the year and at the date of this report are as follows:

Mr Le Vu Nam	Head of the Board	
Mr Le Dinh Hanh	Member	
Ms Dong Thi Thanh Hang	Member	appointed on 18 January 2016

MANAGEMENT

Members of the Management during the year and at the date of this report are as follows:

Mr Tran Ngoc Chu	General Director	
Mr Hoang Duc Huy	Deputy General Director	
Mr Tran Quoc Tri	Deputy General Director	
Mr Vu Van Thanh	Deputy General Director	
Mr Nguyen Minh Khoa	Deputy General Director	
Mr Ho Thanh Hieu	Deputy General Director	
Mr Nguyen Van Quy	Deputy General Director	resigned on 20 January 2016
Mr Phan Duy Quang	Deputy General Director	appointed on 1 November 2016
Mr Tran Quoc Pham	Deputy General Director	appointed on 11 June 2016

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr. Le Phuoc Vu.

Mr. Tran Ngoc Chu is authorised by Mr. Le Phuoc Vu to sign the accompanying consolidated financial statements for the year ended 30 September 2016 in accordance with the Letter of Authorisation No. 51/UQ/CT-HDQT/2016 dated 23 March 2016.

AUDITORS

The auditor of the Company is Ernst & Young Vietnam Limited.

REPORT OF GENERAL DIRECTOR

The General Director of Hoa Sen Group ("the Company") is pleased to presenthis report and the consolidated financial statements of the Company and its subsidiaries ("the Group") for year ended 30 September 2016.

THE GENERAL DIRECTOR'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The General Director is responsible for the consolidated financial statements of each financial year which give a true and fair view of the consolidated financial position of the Group and of the consolidated results of its operations and its consolidated cash flows for the year. In preparing those consolidated financial statements, the General Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue its business.

The General Director is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and to ensure that the accounting records comply with the applied accounting system. He is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The General Director confirmed that he has complied with the above requirements in preparing the accompanying consolidated financial statements.

STATEMENTS BY THE GENERAL DIRECTOR

The General Director does hereby state that, in his opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 September 2016 and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements.

Tran Ngoc Chu
General Director

16 December 2016

INDEPENDENT AUDITORS' REPORT

Reference: 61183992/18452358-HN

To: The Shareholders of Hoa Sen Group

We have audited the accompanying consolidated financial statements of Hoa Sen Group ("the Company") and its subsidiaries ("the Group") as prepared on 16 December 2016 and set out on pages 5 to 46, which comprise the consolidated balance sheet as at 30 September 2016, and the consolidated income statement and consolidated cash flow statement for the year then ended and the notes there to.

The General Director's responsibility

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

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the General Director, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 30 September 2016, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements.

Ernst & Young Vietnam Limited

Hang Nhat Quang
Deputy General Director
Audit Practicing Registration Certificate
No. 1772-2013-004-1

Nguyen Thanh Sang
Auditor
Audit Practicing Registration Certificate
No. 1541-2013-004-1

Ho Chi Minh City, Vietnam

16 December 2016

CONSOLIDATED BALANCE SHEET
as at 30 September 2016

B01-DN/HN

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	**A. CURRENT ASSETS**		**7,057,496,113,079**	**5,169,208,246,510**
110	***I. Cash and cash equivalents***	***4***	***576,620,705,083***	***276,693,474,303***
111	1. Cash		576,477,183,208	276,553,474,303
112	2. Cash equivalents		143,521,875	140,000,000
130	***II. Current account receivables***		***1,097,734,614,933***	***771,974,037,263***
131	1. Short-term trade receivables	5.1	512,883,028,481	463,585,455,917
132	2. Short-term advances to suppliers	5.2	418,334,564,354	167,828,872,721
135	3. Short-term loan receivables		400,000,000	400,000,000
136	4. Other short-term receivables	6	172,878,302,008	145,139,853,044
137	5. Provision for doubtful short-term receivables		(6,761,279,910)	(4,980,144,419)
140	***III. Inventories***	***7***	***4,821,500,983,389***	***3,543,824,680,642***
141	1. Inventories		4,835,669,252,872	3,556,893,515,074
149	2. Provision for obsolete inventories		(14,168,269,483)	(13,068,834,432)
150	***IV. Other current assets***		***561,639,809,674***	***576,716,054,302***
151	1. Short-term prepaid expenses	8	89,057,046,906	70,777,061,388
152	2. Value-added tax deductible	16	472,570,764,899	505,938,992,914
153	3. Tax and other receivables from the State		11,997,869	-
200	**B. NON-CURRENT ASSETS**		**5,252,489,822,394**	**4,271,405,772,353**
210	***I. Long-term receivables***		***28,470,549,901***	***28,585,549,901***
215	1. Long-term loan receivables	9	25,000,000,000	25,000,000,000
216	2. Other long-term receivables	6	3,470,549,901	3,585,549,901
220	***II. Fixed assets***		***4,590,256,155,671***	***3,923,344,582,750***
221	1. Tangible fixed assets	10	4,010,721,553,262	3,403,033,912,877
222	Cost		6,334,589,034,551	5,246,748,844,976
223	Accumulated depreciation		(2,323,867,481,289)	(1,843,714,932,099)
224	2. Finance lease assets	11	286,223,132,542	225,651,722,500
225	Cost		390,450,105,019	283,930,508,092
226	Accumulated depreciation		(104,226,972,477)	(58,278,785,592)
227	3. Intangible assets	12	293,311,469,867	294,658,947,373
228	Cost		322,941,011,046	320,750,579,776
229	Accumulated amortisation		(29,629,541,179)	(26,091,632,403)
240	***III. Long-term assets in progress***		***294,089,597,497***	***111,013,797,983***
242	1. Construction in progress	13	294,089,597,497	111,013,797,983
250	***IV. Long-term investments***	***14***	***25,902,371,384***	***38,352,640,301***
252	1. Investments in associates		25,902,371,384	33,985,640,301
253	2. Investment in other entity		-	4,367,000,000
260	***V. Other long-term assets***		***313,771,147,941***	***170,109,201,418***
261	1. Long-term prepaid expenses	8	218,966,831,302	110,638,707,574
262	2. Deferred tax assets	26.3	94,804,316,639	59,470,493,844
270	**TOTAL ASSETS**		**12,309,985,935,473**	**9,440,614,018,863**

CONSOLIDATED BALANCE SHEET (continued)
as at 30 September 2016

B01-DN/HN

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	**C. LIABILITIES**		**8,180,013,371,207**	**6,529,891,553,340**
310	***I. Current liabilities***		***6,757,387,367,397***	***5,554,945,442,317***
311	1. Short-term trade payables	15.1	1,620,489,926,985	626,270,248,080
312	2. Short-term advances from customers	15.2	152,344,207,252	134,061,742,054
313	3. Statutory obligations	16	196,510,882,399	71,263,611,531
314	4. Payables to employees		82,046,846,238	40,673,027,547
315	5. Short-term accrued expenses	17	262,426,636,612	104,040,657,497
319	6. Other short-term payables	18	46,540,401,931	48,854,120,155
320	7. Short-term loans and finance lease obligations	19	4,366,172,782,781	4,521,419,411,847
322	8. Bonus and welfare fund		30,855,683,199	8,362,623,606
330	***II. Non-current liabilities***		***1,422,626,003,810***	***974,946,111,023***
338	1. Long-term loans and finance lease obligations	19	1,418,572,001,810	969,894,221,023
342	2. 2. Long-term provisions		4,054,002,000	5,051,890,000
400	**D. OWNERS' EQUITY**		**4,129,972,564,266**	**2,910,722,465,523**
410	***I. Capital***	***20.1***	***4,129,972,564,266***	***2,910,722,465,523***
411	1. Share capital		1,965,398,290,000	1,007,907,900,000
411a	*- Shares with voting rights*		*1,965,398,290,000*	*1,007,907,900,000*
412	2. Share premium		551,571,933,521	487,290,470,363
415	3. Treasury shares		-	(52,113,695,510)
418	4. Investment and development fund		-	8,525,313,060
420	5. Other funds belonging to owners' equity		6,784,575,670	6,605,155,369
421	6. Undistributed earnings		1,602,771,684,847	1,452,507,322,241
421a	*- Undistributed earnings up to prior year-end*		*98,578,241,748*	*799,632,780,434*
421b	*- Undistributed earnings of current year*		*1,504,193,443,099*	*652,874,541,807*
429	7. Non-controlling interests		3,446,080,228	-
440	**TOTAL LIABILITIES AND OWNERS' EQUITY**		**12,309,985,935,473**	**9,440,614,018,863**

CÔNG TY CỔ PHẦN TẬP ĐOÀN HOA SEN

Tran Cong Tien
Preparer

Nguyen Thi Ngoc Lan
Chief Accountant

Tran Ngoc Chu
General Director

16 December 2016

CONSOLIDATED INCOME STATEMENT
for the year ended 30 September 2016

B02-DN/HN

VND

Code	ITEMS	Notes	Current year	Previous year
01	**1. Revenues from sale of goods and rendering of services**	21.1	**18,006,498,541,322**	**17,490,999,218,809**
02	**2. Deductions**	21.1	**(112,783,060,369)**	**(23,022,952,903)**
10	**3. Net revenues from sale of goods and rendering of services**	21.1	**17,893,715,480,953**	**17,467,976,265,906**
11	**4. Costs of goods sold and services rendered**	22	**(13,717,393,786,963)**	**(14,869,355,353,248)**
20	**5. Gross profit from sale of goods and rendering of services**		**4,176,321,693,990**	**2,598,620,912,658**
21	**6. Finance income**	21.2	**38,428,728,972**	**31,594,688,388**
22	**7. Finance expenses**	23	**(255,684,384,136)**	**(424,655,641,040)**
23	*In which: Interest expense*		*(209,035,437,498)*	*(224,013,370,890)*
25	**8. Selling expenses**	24	**(1,139,602,275,640)**	**(864,210,788,876)**
26	**9. General and administrative expenses**	24	**(900,715,660,702)**	**(511,797,744,891)**
30	**10. Operating profit**		**1,918,748,102,484**	**829,551,426,239**
31	**11. Other income**		**12,438,447,274**	**16,076,636,419**
32	**12. Other expenses**		**(24,436,799,077)**	**(13,312,792,265)**
40	**13. Other (loss)/profit**		**(11,998,351,803)**	**2,763,844,154**
50	**14. Profit before tax**		**1,906,749,750,681**	**832,315,270,393**
51	**15. Current corporate income tax expense**	26.2	**(437,894,050,149)**	**(207,703,650,703)**
52	**16. Deferred income tax benefit**	26.3	**35,333,822,795**	**28,262,922,117**
60	**17. Net profit after tax**		**1,504,189,523,327**	**652,874,541,807**
61	**18. Net profit after tax attributable to shareholders of the parent**		**1,504,193,443,099**	**652,874,541,807**
62	**19. Net loss after tax attributable to non-controlling interests**		**(3,919,772)**	**-**
70	**20. Earnings per share** *(VND/share)*	20.4		
	- Basic earnings per share		*7,350*	*3,309*
	- Diluted earnings per share		*7,350*	*3,309*

Tran Cong Tien
Preparer

Nguyen Thi Ngoc Lan
Chief Accountant

Tran Ngoc Chu
General Director

16 December 2016

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 September 2016

B03-DN/HN

VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Accounting profit before tax**		**1,906,749,750,681**	**832,315,270,393**
	Adjustments for:			
02	Depreciation and amortisation	10, 11, 12	548,687,219,681	481,865,483,538
03	Provisions		11,863,839,459	24,627,641,973
04	Foreign exchange difference arising from revaluation of monetary accounts denominated in foreign currency	23	4,522,119,842	39,200,387,990
05	Profits from investing activities		(6,762,148,291)	(1,831,119,281)
06	Interest expense	23	209,035,437,498	224,013,370,890
08	**Operating profit before changes in working capital**		**2,674,096,218,870**	**1,600,191,035,503**
09	(Increase) decrease in receivables		(275,398,648,744)	70,085,534,668
10	(Increase) decrease in inventories		(1,278,775,737,798)	1,191,051,513,594
11	Increase (decrease) in payables		1,251,763,256,721	(1,092,412,971,892)
12	Increase in prepaid expenses		(110,709,151,095)	(26,873,180,734)
14	Interest expense paid		(209,357,317,508)	(222,444,620,537)
15	Corporate income tax paid	26.2	(377,577,508,418)	(196,935,049,387)
17	Other cash outflows for operating activities		(32,821,856,159)	(42,436,850,728)
20	**Net cash flows from operating activities**		**1,641,219,255,869**	**1,280,225,410,487**
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets		(1,306,700,247,402)	(735,065,118,851)
22	Proceeds from disposals of fixed assets		5,357,567,669	27,911,515,269
25	Payments for investments in other entities		(900,000,000)	(7,495,846,500)
26	Proceeds from sale of investments in other entities		4,367,000,000	4,273,000,000
27	Interest received		4,781,142,242	3,679,594,871
30	**Net cash flows used in investing activities**		**(1,293,094,537,491)**	**(706,696,855,211)**

CONSOLIDATED CASH FLOW STATEMENT (continued)
for the year ended 30 September 2016

B03-DN/HN

VND

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Issuance of treasury shares		116,395,667,397	64,721,580,000
32	Capital redemption		(508,729)	(49,247,074)
33	Drawdown of borrowings		12,715,960,175,942	13,314,828,925,538
34	Repayment of borrowings		(12,485,356,652,060)	(13,606,183,791,767)
35	Finance lease payments		(67,794,496,495)	(71,830,837,088)
36	Dividends paid	20,2	(327,038,699,875)	(144,058,665,375)
40	**Net cash flows used in financing activities**		**(47,834,513,820)**	**(442,572,035,766)**
50	**Net increase in cash and cash equivalents**		**300,290,204,558**	**130,956,519,510**
60	**Cash and cash equivalents at beginning of year**		**276,693,474,303**	**155,963,095,793**
61	**Impact of exchange rate fluctuation**		**(362,973,778)**	**(10,226,141,000)**
70	**Cash and cash equivalents at end of year**	**4**	**576,620,705,083**	**276,693,474,303**

Tran Cong Tien
Preparer

Nguyen Thi Ngoc Lan
Chief Accountant

Tran Ngoc Chu
General Director

16 December 2016

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended 30 September 2016

B09-DN/HN

1. CORPORATE INFORMATION

Hoa Sen Group ("the Company") is a shareholding company incorporated pursuant to the Law on Enterprise of Vietnam in accordance with the Business Registration Certificate ("BRC") No. 3700381324 issued by the Department of Planning and Investment of Binh Duong Province on 8 August 2001, as amended.

The Company's and its subsidiaries current principal activities are manufacturing roofing sheets by galvanized steel, zinc alloy, paint galvanizedzinc plating and plating of other alloys; producing steel purlins, galvanized purlins; manufacturing black steel pipes, galvanized steel pipes and other alloys; manufacturing steel mesh, galvanized steel wire, steel wire; manufacturing PVC ceiling; buying and selling building materials, capital goods and consumer goods; renting warehouse and transporting goods; building industrial and civil constructions and producing cold rolled steel coils and leasing machinery and equipment and other tangible belongings.

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

The Company's registered head office is located at No. 9, Thong Nhat Boulevard, Song Than 2 Industrial Park, Di An Ward, Di An Town, Binh Duong Province, Vietnam. In addition, the Company also has two hundred and twenty seven (227) branches located at various provinces of Vietnam.

The number of employees of the Company and its subsidiaries ("the Group") as at 30 September 2016 was 7,095 (30 September 2015: 4,543).

Corporate structure

The Group's corporate structure includes the Company and the following 16 subsidiaries:

- Hoa Sen Steel Sheet One Member Limited Liabilities Company ("HSS")

  HSS is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 3700763651 issued by the Department of Planning and Investment of Binh Duong Province on 9 November 2006, as amended. HSS's registered head office is located at No. 9 Thong Nhat Boulevard, Song Than 2 Industrial Park, Di An Ward, Di An Town, Binh Duong Province, Vietnam. The current principal activities of HSS are manufacturing and trading in cold rolled steel products.

  As at 30 September 2016, the Company holds 100% equity interests and 100% voting rights in HSS (30 September 2015: 100%).

- Hoa Sen Building Materials One Member Limited Liabilities Company ("HSBM")

  HSBM is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 3500786179 issued by the Department of Planning and Investment of Ba Ria Vung Tau Province on 26 March 2007, as amended. HSBM's registered head office is located at Phu My 1 Industrial Park, Phu My Town, Tan Thanh District, Ba Ria – Vung Tau Province, Vietnam. The current principal activities of HSBM are manufacturing and trading in plastic building materials and steel pipe products.

  As at 30 September 2016, the Company holds 100% equity interests and 100% voting rights in HSBM (30 September 2015: 100%).

- Hoa Sen Binh Dinh One Member Limited Liabilities Company ("HSBD")

  HSBD is a one-member limited liability established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 4101425750 issued by the Department of Planning and Investment of Binh Dinh Province on 14 May 2014. HSBD's registered head office is located at Lot A1.1 and TT 6.2 & 7, Nhon Hoa Industrial Park, Nhon Hoa Ward, An Nhon Town, Binh Dinh Province, Vietnam. The current principal activities of HSBD are manufacturing and trading in plastic building materials and steel pipe products.

  As at 30 September 2016, the Company holds 100% equity interest and 100% voting rights in HSBD (30 September 2015: 100%).

1. CORPORATE INFORMATION (CONTINUED)

Corporate structure (continued)

- Hoa Sen Transportation and Engineering One Member Limited Liability Company ("HTME")

  HTME is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 3700785528 issued by the Department of Planning and Investment of Binh Duong Province on 26 March 2007, as amended. HTME's registered head office is located at No. 9 Thong Nhat Boulevard, Song Than 2 Industrial Park, Di An Ward, Di An Town, Binh Duong Province, Vietnam. The current principal activities of HTME are providing transportation services and civil, industrial construction projects.

  As at 30 September 2016, the Company holds 100% equity interest and 100% voting rights in HTME (30 September 2015: 100%).

- Hoa Sen Nam Cam Nghe An One Member Limited Liability Company ("HSNC")

  HSNC is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 2901722597 issued by the Department of Planning and Investment of Nghe An Province on 28 May 2014, as amended. HSNC's registered head office is located at Lot C, Nam Cam Industrial Park, Nghi Xa Commune, Nghi Loc District, Nghe An Province, Vietnam. The current principal activities of HSNC are manufacturing and trading in steel pipe products.

  As at 30 September 2016, the Company holds 100% equity interest and 100% voting rights in HSNC (30 September 2015: 100%).

- Hoa Sen Nghe An One Member Limited Liability Company ("HSNA")

  HSNA is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 29011788319 issued by the Department of Planning and Investment of Nghe An Province on 12 June 2015, as amended. HSNA's registered head office is located at Lot CN 1-8, Dong Hoi Industrial Park, Quynh Lap Commune, Hoang Mai Town, Nghe An Province, Vietnam. The current principal activities of HSNA are manufacturing and trading in metal roofing sheets.

  As at 30 September 2016, the Company holds 100% equity interest and 100% voting rights in HSNA (30 September 2015: 100%).

- Hoa Sen Ha Nam One Member Limited Liability Company ("HSHN")

  HSHN is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 0700759219 issued by the Department of Planning and Investment of Ha Nam Province on 15 September 2015. HSHN's registered head office is located at Kien Khe I Industrial Complex, Kien Khe Town, Thanh Liem District, Ha Nam Province, Vietnam. The current principal activities of HSHN are manufacturing and trading in plastic building materials and steel pipe products.

  As at 30 September 2016, the Company holds 100% equity interest and 100% voting rights in HSHN (30 September 2015: 100%).

- Hoa Sen Nhon Hoi - Binh Dinh One Member Limited Company ("HSNH")

  HSNH is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 4101453370 issued by the Department of Planning and Investment of Binh Dinh Province on 26 November 2015. HSNH's registered head office is located at Hoi Son Village, Nhon Hoi Commune, Quy Nhon City, Binh Dinh Province, Vietnam. The current principal activities of HSNH are manufacturing and trading in metal roofing sheets.

  As at 30 September 2016, the Company holds 100% equity interests and 100% voting rights in HSNH.

1. CORPORATE INFORMATION (CONTINUED)

Corporate structure (continued)

- Hoa Sen Van Hoi Joint Stock Company ("HSVH")

  HSVH is a joint stock company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 5200861301 issued by the Department of Planning and Investment of Yen Bai Province on 5 May 2016. HSVH's registered head office is located at 48 Civil group, Dong Tam Ward, Yen Bai City, Yen Bai Province, Vietnam. The current principal activities of HSVH are trading in real estate and to render real estate services and supporting services for trading real estate.

  As at 30 September 2016, the Company holds 70% equity interests and 70% voting rights in HSVH.

- Hoa Sen Yen Bai Joint Stock Company ("HSYB")

  HSYB is a joint stock company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 5200861319 issued by the Department of Planning and Investment of Yen Bai Province on 5 May 2016. HSYB's registered head office is located at 48 Civil group, Dong Tam Ward, Yen Bai City, Yen Bai Province, Vietnam. The current principal activities of HSVH are operating a hotel, restaurant services and commercial center.

  As at 30 September 2016, the Company holds 70% equity interests and 70% voting rights in HSVH.

- Hoa Sen Ca Na – Ninh Thuan Renewable Energy One Member Limited Liabilities Company ("HSRE")

  HSRE is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 4500607960 issued by the Department of Planning and Investment of Ninh Thuan Province on 8 August 2016. HSRE's registered head office is located at Hoa Sen Ca Na Industrial Park, Phuoc Diem Commune, Thuan Nam District, Ninh Thuan Province, Vietnam. The current principal activities of HSRE are manufacturing, transmitting and distributing electricity.

  As at 30 September 2016, the Company holds 100% equity interests and 100% voting rights in HSRE.

- Hoa Sen Ca Na – Ninh Thuan Cement One Member Limited Liabilities Company ("HSCC")

  HSCC is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 4500607946 issued by the Department of Planning and Investment of Ninh Thuan Province on 8 August 2016. HSCC's registered head office is located at Hoa Sen Ca Na Industrial Park, Phuoc Diem Commune, Thuan Nam District, Ninh Thuan Province, Vietnam. The current principal activities of HSCC are manufacturing cement, lime and plaster.

  As at 30 September 2016, the Company holds 100% equity interests and 100% voting rights in HSCC.

- Hoa Sen Ca Na – Ninh Thuan Industrial Park Infrastructure Investment One Member Limited Liabilities Company ("HSIP")

  HSIP is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 4500607978 issued by the Department of Planning and Investment of Ninh Thuan Province on 8 August 2016. HSIP's registered head office is located at Hoa Sen Ca Na Industrial Park, Phuoc Diem Commune, Thuan Nam District, Ninh Thuan Province, Vietnam. The current principal activities of HSIP are trading in real estateand land use right for use or rent.

  As at 30 September 2016, the Company holds 100% equity interests and 100% voting rights in HSIP.

1. CORPORATE INFORMATION (CONTINUED)

Corporate structure (continued)

- Hoa Sen Ca Na – Ninh Thuan International General Seaport One Member Limited Liabilities Company ("HSSP")

  HSSP is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 4500607985 issued by the Department of Planning and Investment of Ninh Thuan Province on 8 August 2016. HSSP's registered head office is located at Thuong Diem 2 Village, Phuoc Diem Commune, Thuan Nam District, Ninh Thuan Province, Vietnam. The current principal activities of HSSP are investing riverport, seaport.

  As at 30 September 2016, the Company holds 100% equity interests and 100% voting rights in HSSP.

- Hoa Sen Ca Na – Ninh Thuan Integrated Iron and Steel Complex Investment One Member Limited Liabilities Company ("HSIC")

  HSIC is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 4500607953 issued by the Department of Planning and Investment of Ninh Thuan Province on 8 August 2016. HSIC's registered head office is located at Hoa Sen Ca Na Industrial Park, Phuoc Diem Commune, Thuan Nam District, Ninh Thuan Province, Vietnam. The current principal activities of HSIC are manufacturing iron, steel, cast iron products.

  As at 30 September 2016, the Company holds 100% equity interests and 100% voting rights in HSIC

- Hoa Sen Phu My One Member Limited Liability Company ("HSPM")

  HSPM is a one-member limited liability company established pursuant to the Law on Enterprise of Vietnam in accordance with the BRC No. 3502313442 issued by the Department of Planning and Investment of Ba Ria – Vung Tau Province on 8 August 2016. HSPM's registered head office is located at Phu My 1 Industrial Park, Phu My Town, Tan Thanh District, Ba Ria – Vung Tau Province, Vietnam. The current principal activities of HSPM are manufacturing steel for building materials and consumer goods.

  As at 30 September 2016, the Company holds 100% equity interests and 100% voting rights in HSPM.

2. BASIS OF PREPARATION

2.1 Applied accounting standards and system

The consolidated financial statements of the Group, expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying consolidated financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the consolidated financial position and consolidated results of operations and consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 Applied accounting documentation system

The Group's applied accounting documentation system is the Voucher Journal system.

2.3 Fiscal year

The Group's fiscal year applicable for the preparation of its consolidated financial statements starts on 1 October and ends on 30 September.

2.4 Accounting currency

The consolidated financial statements are prepared in VND which is also the Group's accounting currency.

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the year ended 30 September 2016.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continued to be consolidated until the date that such control ceases.

The financial statements of subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

All intra-company balances, income and expenses and unrealised gains or losses resulting from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity.

Impact of change in the ownership interest of a subsidiary, without a loss of control, is recorded in retained earnings.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Change in accounting policies and disclosures

The accounting policies adopted by the Group in preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 30 September 2015, except for the changes in the accounting policies in relation to the following:

3.1.1 Circular No. 200/2014/TT-BTC providing guidance on enterprise accounting system

On 22 December 2014, the Ministry of Finance issued the Circular No. 200/2014/TT-BTC providing guidance on enterprise accounting system ("Circular 200") replacing Decision No. 15/2006/QD-BTC dated 20 March 2006 and Circular No. 244/2009/TT-BTC dated 31 December 2009 of the Ministry of Finance. Circular 200 is effective for the financial year beginning on or after 1 January 2015.

The effects of the change in accounting policies under Circular 200 to the Group's consolidated financial statements are applied on a prospective basis as Circular 200 does not require for retrospective application. The Group also reclassifies certain corresponding figures of prior year following the presentation of the current year's consolidated financial statements in accordance with Circular 200 as disclosed in Note 30.

3.1.2 Circular No. 202/2014/TT-BTC providing guidance on preparation and presentation of consolidated financial statements

On 22 December 2014, the Ministry of Finance also issued the Circular No. 202/2014/TT-BTC providing guidance on preparation and presentation of consolidated financial statements ("Circular 202") replacing section XIII of Circular No. 161/2007/TT-BTC dated 31 December 2007. Circular 202 is effective for the preparation and presentation of consolidated financial statements for the financial years beginning on or after 1 January 2015.

The effects of the change in accounting treatment under Circular 202 are applied on a prospective basis as this Circular does not require for retrospective application

3.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks, cash in transit and short-term, highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.3 Inventories

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories, which are valued as follows:

Raw materials, tools and supplies, and merchandise	- cost of purchase on a weighted average basis.
Finished goods and work in process	- cost of direct materials and labour plus attributable manufacturing overheads based on the normal operating capacity.

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Group, based on appropriate evidence of impairment available at the balance sheet date.

Increases and decreases to the provision balance are recorded into the cost of goods sold account in the consolidated income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Receivables

Receivables are presented in the consolidated financial statements at the carrying amounts due from customers and other debtors, along with the provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtfulof being recovered. Increases and decreases to the provision balance are recorded as general and administrative expense in the consolidated income statement.

3.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the consolidated income statement as incurred.

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

3.6 Leased assets

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Where the Group is the lessee

Assets held under finance leases are capitalised in the consolidated balance sheet at the inception of the lease at the fair value of the leased assets or, if lower, at the net present value of the minimum lease payments. The principal amount included in future lease payments under finance leases are recorded as a liability. The interest amounts included in lease payments are charged to the consolidated income statement over the lease term to achieve a constant rate on interest on the remaining balance of the finance lease liability.

Capitalised financial leased assets are depreciated using straight-line basis over the shorter of the estimated useful lives of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Rentals under operating leases are charged to the consolidated income statement on a straight-line basis over the lease term.

Where the Group is the lessor

Assets subject to operating leases are included as the Group's fixed assets in the consolidated balance sheet. Initial direct costs incurred in negotiating an operating lease are added to the carrying value of the leased asset for amortisation to the consolidated income statement over the lease term.

Lease income is recognised in the consolidated income statement on a straight-line basis over the lease term.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 *Intangible assets*

Intangible assets are stated at cost less accumulated amortisation.

The cost of an intangible asset comprises its purchase price and any directly attributable costs of preparing the intangible asset for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the consolidated income statement as incurred.

When intangible assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

Land use rights

Land use rights are recorded as intangible assets representing the value of the right to use the lands acquired or leased by the Group. The useful lives of land use rights are assessed as either definite or indefinite. Accordingly, the land use rights with definite useful lives representing the land lease are amortised over the lease term while the land use rights with indefinite useful lives are not amortised.

3.8 *Depreciation and amortisation*

Depreciation of tangible fixed assets and financial leases, and amortisation of intangible assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	5 - 50 years
Machinery and equipment	3 - 15 years
Means of transportation	6 - 10 years
Office equipment	3 - 8 years
Others	5 - 8 years
Land use rights	14 - 55 years
Computer software	3 - 10 years

3.9 *Borrowing costs*

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds

Borrowing costs are recorded as expense during the year in which they are incurred, except to the extent that they are capitalized. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

3.10 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the consolidated balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 *Investments*

Investments in associates

The Group's investments in its associates are accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence that is neither subsidiaries nor joint ventures. The Group generally deems they have significant influence if they have over 20% of the voting rights.

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment and subject to annual review for impairment. The consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

The share of post-acquisition profit (loss) of the associate is presented on the face of the consolidated income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend or profit sharing received or receivable from the associate reduce the carrying amount of the investment.

Investment in other entity

Investment in other entity is are stated at their acquisition costs.

Provision for diminution in value of investments

Provision for any diminution in value of the investments in capital of other entities at the balance sheet date is madein accordance with the guidance under Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 28 June 2013 issued by the Ministry of Finance.Increases or decreases to the provision balance are recorded as finance expense in the consolidated income statement.

3.12 *Payables and accruals*

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.

3.13 *Accrual for severance pay*

The severance pay to employee is accrued at the end of each reporting year for all employees who have been in service for more than 12 months up to the balance sheet date at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code, the Law on Social Insurance and related implementing guidance. The average monthly salary used in this calculation is revised at the end of each reporting year following the average monthly salary of the 6-month period up to the reporting date. Increase or decrease to the accrued amount other than actual payment to employee will be taken to the consolidated income statement.

This accrued severance pay is used to settle the termination allowance to be paid to employee upon termination of their labour contract following Article 48 of the Labour Code.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 Foreign currency transactions

Transactions in currencies other than the Group's reporting currency of VND are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- Transaction resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment; and
- Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

At the end of the year, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rates at the balance sheet dates which are determined as follows:

- Monetary assets are translated at buying exchange rate of the commercial bank where the Group conducts transactions regularly; and
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Group conducts transactions regularly.

All foreign exchange differences incurred during the year and arisen from the translation of monetary accounts denominated in foreign currency at year-end are taken to the consolidated income statement.

3.15 Treasury shares

Own equity instruments which are reacquired (known as treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss upon purchase, sale, issue or cancellation of the Group's own equity instruments.

3.16 Appropriation of net profit

Net profit after tax is available for appropriation to shareholders after approval in the annual general meeting, and after making appropriation to funds and reserve funds in accordance with the Group's Charter and Vietnam's regulatory requirements.

The Group maintains the following fund which is appropriated from the Group's net profit as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting.

Bonus and welfare fund

This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits, and presented as a liability on the consolidated balance sheet.

3.17 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17 Revenue recognition (continued)

Rendering of services

Revenue is recognised when the services have been performed and completed.

Interest

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

Dividends

Income is recognised when the Group is entitled to receive dividends.

Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease term.

3.18 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the balance sheet date.

Current income tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Group to set off current tax assets against current tax liabilities and when the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for consolidated financial statements purpose.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.18 *Taxation (continued)*

Deferred tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or when the Group intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.19 *Earnings per share*

Basic earnings per share amounts are calculated by dividing net profit after tax for the year attributable to ordinary shareholders of the Group (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Group (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

3.20 *Segment information*

A segment is a component determined consolidated by the Group which is engaged in providing products or related services (business segment) or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments.

4. CASH AND CASH EQUIVALENTS

VND

	Ending balance	Beginning balance
Cash on hand	12,729,078,269	12,935,643,278
Cash in banks	513,748,104,939	263,617,831,025
Cash in transit	50,000,000,000	-
Cash equivalents	143,521,875	140,000,000
TOTAL	**576,620,705,083**	**276,693,474,303**

(*) Cash equivalents represent the deposits at commercial banks with original maturity of less than three (3) months and earn interest at the rates of 5% per annum.

5. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

5.1 *Short-term trade receivables*

VND

	Ending balance	Beginning balance
Due from third parties	512,855,535,081	462,253,669,867
Due from a related party *(Note 27)*	27,493,400	1,331,786,050
TOTAL	**512,883,028,481**	**463,585,455,917**
Provision for doubtful short-term trade receivables	(6,021,279,910)	(4,240,144,419)
NET	**506,861,748,571**	**459,345,311,498**

5.2 *Short-term advances to suppliers*

VND

	Ending balance	Beginning balance
Advances to third parties	413,718,365,689	159,535,893,785
Advance to a related party *(Note 27)*	4,616,198,665	8,292,978,936
TOTAL	**418,334,564,354**	**167,828,872,721**

6. OTHER RECEIVABLES

VND

	Ending balance	Beginning balance
Short-term	**172,878,302,008**	**145,139,853,044**
Advance for purchase of lands	90,183,227,000	90,183,227,000
Deposits	53,959,892,062	23,632,000,000
Advances to employees	20,846,911,314	6,884,731,461
Others	7,888,271,632	24,439,894,583
Long-term	**3,470,549,901**	**3,585,549,901**
Deposits	3,470,549,901	3,585,549,901
TOTAL	**176,348,851,909**	**148,725,402,945**
Provision for doubtful other short-term receivables	(740,000,000)	(740,000,000)
NET	**175,608,851,909**	**147,985,402,945**
In which:		
Due from a related party (Note 27)	*90,183,227,000*	*90,183,227,000*
Due from third parties	*85,425,624,909*	*57,802,175,945*

7. INVENTORIES

VND

	Ending balance	Beginning balance
Finished goods	1,358,911,213,509	1,476,736,000,611
Raw materials	1,211,410,567,699	1,211,706,536,815
Goods in transit	1,576,075,705,558	333,244,047,678
Tools and supplies	385,159,981,694	336,834,222,083
Merchandises	273,447,375,269	198,372,707,887
Work in process	30,664,409,143	-
TOTAL	**4,835,669,252,872**	**3,556,893,515,074**
Provision for obsolete inventories	(14,168,269,483)	(13,068,834,432)
NET	**4,821,500,983,389**	**3,543,824,680,642**

As disclosed in Note 19, the Company has pledged inventories with the carrying amount as at 30 September 2016 amounting to VND 1,776,879,348,899 to secure its bank loans.

8. PREPAID EXPENSES

VND

	Ending balance	Beginning balance
Short-term	**89,057,046,906**	**70,777,061,388**
Advertising expenses	24,585,328,927	25,002,327,467
Tools and equipment	30,110,567,566	20,121,636,138
Rental expenses	13,439,356,204	9,708,434,406
Insurance fees	1,272,363,610	1,987,968,179
Advisory fees	1,615,463,792	1,408,729,769
Others	18,033,966,807	12,547,965,429
Long-term	**218,966,831,302**	**110,638,707,574**
Tools, materials and equipment	101,715,319,644	64,635,313,493
Repairing and maintenance	12,044,617,510	19,177,548,798
Rental fees	96,224,400,019	24,100,752,551
Others	8,982,494,129	2,725,092,732
TOTAL	**308,023,878,208**	**181,415,768,962**

9. LONG-TERM LOAN RECEIVABLE

The ending balance of long-term loan receivable represented the unsecured and non-interest bearing lending to the Finance Department of Nghe An Province for the purpose of compensating the clearance costs of the land located at Dong Hoi Industrial Park, Nghe An Province, Vietnam. This lending will be due on 25 June 2018.

10. TANGIBLE FIXED ASSET

VND

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Others	Total
Cost:						
Beginning balance	973,370,477,968	3,931,062,601,094	305,738,512,240	15,040,698,414	21,536,555,260	5,246,748,844,976
Additions	500,730,727	118,828,009,263	63,081,448,815	10,549,099,870	-	192,959,288,675
Transfer from construction in progress	236,112,405,952	633,860,559,099	42,602,804,741	-	-	912,575,769,792
Transfer from finance leases	-	4,730,267,558	-	-	-	4,730,267,558
Disposals	(1,445,715,000)	(19,701,665,328)	(1,007,223,391)	(127,049,979)	(66,579,000)	(22,348,232,698)
Reclassified	(188,011,399)	111,107,647	-	-	-	(76,903,752)
Ending balance	1,208,349,888,248	4,668,890,879,333	410,415,542,405	25,462,748,305	21,469,976,260	6,334,589,034,551
In which:						
Fully depreciated	*11,649,725,109*	*300,600,770,995*	*21,007,563,177*	*1,262,869,898*	*1,072,290,294*	*335,593,219,473*
Accumulated depreciation:						
Beginning balance	(239,889,118,823)	(1,511,366,510,993)	(74,598,448,933)	(5,481,053,880)	(12,379,799,470)	(1,843,714,932,099)
Depreciation for the year	(59,427,200,715)	(393,752,227,747)	(38,168,970,503)	(3,694,246,602)	(3,016,055,469)	(498,058,701,036)
Transfer from finance leases	-	(1,142,422,984)	-	-	-	(1,142,422,984)
Disposals	913,215,000	17,558,339,560	383,391,291	127,049,979	66,579,000	19,048,574,830
Ending balance	(298,403,104,538)	(1,888,702,822,164)	(112,384,028,145)	(9,048,250,503)	(15,329,275,939)	(2,323,867,481,289)
Net carrying amount:						
Beginning balance	733,481,359,145	2,419,696,090,101	231,140,063,307	9,559,644,534	9,156,755,790	3,403,033,912,877
Ending balance	909,946,783,710	2,780,188,057,169	298,031,514,260	16,414,497,802	6,140,700,321	4,010,721,553,262

As disclosed in Note 19, the Group has pledged its buildings and structures, machinery and equipment, means of transportation and other fixed assets with their respective carrying amounts as at 30 September 2016 of VND 620,403,978,972, VND 2,279,547,488,047, VND 176,347,516,248 and VND3,612,001,907 to secure its bank loan facilities.

11. FINANCE LEASES

VND

	Machinery and equipment	Means of transportation	Total
Cost:			
Beginning balance	263,597,780,822	20,332,727,270	283,930,508,092
Additions	111,524,704,867	-	111,524,704,867
Transfer to fixed assets	(5,005,107,940)	-	(5,005,107,940)
Ending balance	370,117,377,749	20,332,727,270	390,450,105,019
Accumulated depreciation:			
Beginning balance	(56,209,917,691)	(2,068,867,901)	(58,278,785,592)
Depreciation for the year	(45,053,494,509)	(2,037,115,360)	(47,090,609,869)
Transfer to fixed assets	1,142,422,984	-	1,142,422,984
Ending balance	(100,120,989,216)	(4,105,983,261)	(104,226,972,477)
Net carrying amount:			
Beginning balance	207,387,863,131	18,263,859,369	225,651,722,500
Ending balance	269,996,388,533	16,226,744,009	286,223,132,542

12. INTANGIBLE ASSETS

VND

	Land use rights	Computer software	Total
Cost:			
Beginning balance	318,932,354,995	1,818,224,781	320,750,579,776
Additions	2,190,431,270	-	2,190,431,270
Ending balance	321,122,786,265	1,818,224,781	322,941,011,046
In which:			
Fully amortised	*456,396,144*	*1,734,584,781*	*2,190,980,925*
Accumulated amortisation:			
Beginning balance	(24,310,153,352)	(1,781,479,051)	(26,091,632,403)
Amortisation for the year	(3,517,751,646)	(20,157,130)	(3,537,908,776)
Ending balance	(27,827,904,998)	(1,801,636,181)	(29,629,541,179)
Net carrying amount:			
Beginning balance	294,622,201,643	36,745,730	294,658,947,373
Ending balance	293,294,881,267	16,588,600	293,311,469,867

As disclosed in Note 19, the Group has pledged its land use rights with their carrying amounts as at 30 September 2016 of VND 247,217,652,310 to secure its bank loan facilities.

13. CONSTRUCTION IN PROGRESS

VND

	Ending balance	Beginning balance
Purchases of fixed assets	173,966,203,042	34,779,434,350
Plant construction	112,969,902,665	70,263,136,487
Major repair of fixed assets	6,599,936,834	4,454,470,560
Others	553,554,956	1,516,756,586
TOTAL	**294,089,597,497**	**111,013,797,983**

14. LONG-TERM INVESTMENTS

VND

	Ending balance	Beginning balance
Investment in associates *(*)*	25,902,371,384	33,985,640,301
Investment in other entity	-	4,367,000,000
TOTAL	**25,902,371,384**	**38,352,640,301**

(*) Details of investments in the associates were as follow:

Name of associate	% of interest	Ending balance: Cost of investment	% of interest	Beginning balance: Cost of investment	Location	Business activities
		VND		VND		
Hoa Sen-Gemadept Logistics and International Port Corporation	45	25,002,371,384	45	33,985,640,301	Ba Ria – Vung Tau Province, Vietnam	Provide sea cargo agency services
Hoa Sen Hoi Van Joint Stock Company	45	450,000,000			Binh Dinh Province, Vietnam	Trading in real estate and rendering of real estate services and supporting services for trading real estate
Hoa Sen Quy Nhon Joint Stock Company	45	450,000,000			Binh Dinh Province, Vietnam	Trading in real estate and to render real estate services and supporting services for trading real estate
TOTAL		**25,902,371,384**		**33,985,640,301**		

15. TRADE PAYABLES AND ADVANCE FROM CUSTOMERS

15.1 *Short-term trade payables*

VND

	Ending balance	Beginning balance
Due to third parties	1,609,231,521,388	626,132,304,095
In which:		
Ep Steel Trading Co., Ltd.	*489,859,708,622*	*141,777,423,312*
Baosteel Singapore Pte Ltd.	*256,372,215,014*	-
Hongkong Grand International Co., Ltd.	*181,747,126,994*	*67,847,770,463*
Others	*681,252,470,758*	*416,507,110,320*
Due to a related party *(Note 27)*	11,258,405,597	137,943,985
TOTAL	**1,620,489,926,985**	**626,270,248,080**

15.2 *Short-term advances from customers*

VND

	Ending balance	Beginning balance
Due to third parties	125,931,086,087	131,643,165,514
Due to a related party *(Note 27)*	26,413,121,165	2,418,576,540
TOTAL	**152,344,207,252**	**134,061,742,054**

16. TAXES

VND

	Beginning balance	Increase during the year	Decrease during the year	Beginning balance
Payables				
Corporate income tax *(Note 26.2)*	54,612,287,183	437,894,050,149	(377,577,508,418)	114,928,828,914
Value-added tax	15,399,013,086	1,769,502,871,402	(1,708,354,081,023)	76,547,803,465
Personal income tax	1,174,732,989	28,734,635,250	(26,789,516,585)	3,119,851,654
Other taxes	77,578,273	12,619,822,052	(10,783,001,959)	1,914,398,366
TOTAL	**71,263,611,531**	**2,248,751,378,853**	**(2,123,504,107,985)**	**196,510,882,399**
Receivables				
Value-added tax deductible	505,938,992,914	854,416,707,722	(887,784,935,737)	472,570,764,899
Value-added tax receivables	-	11,997,869	-	11,997,869
Personal income tax	-	108,671,392	(108,671,392)	-
TOTAL	**505,938,992,914**	**854,537,376,983**	**(887,893,607,129)**	**472,582,762,768**

17. SHORT-TERM ACCRUED EXPENSES

VND

	Ending balance	Beginning balance
Bonuses and 13th month salary	187,345,248,580	65,064,286,000
Electricity	11,627,442,689	11,691,391,739
Payables relating to construction in progress	13,043,613,180	7,662,678,218
Loan interest	4,164,824,604	4,486,704,614
Others	46,245,507,559	15,135,596,926
TOTAL	**262,426,636,612**	**104,040,657,497**

18. OTHER SHORT-TERM PAYABLES

VND

	Ending balance	Beginning balance
Tender deposits received	28,888,223,493	1,490,000,000
Dividends	4,702,534,150	4,173,566,525
Social insurance, health insurance, unemployment insurance, and trade union fees	761,223,150	3,169,672,863
Due to a related party *(Note 27)*	1,002,300,000	1,000,000,000
Discount export documents	-	29,719,800,000
Others	11,186,121,138	9,301,080,767
TOTAL	**46,540,401,931**	**48,854,120,155**

19. LOANS AND FINANCE LEASES OBLIGATIONS

VND

	Ending balance	Beginning balance
Short-term loans and finance leases	**4,366,172,782,781**	**4,521,419,411,847**
Loans from banks *(Note 19.1)*	3,954,271,503,856	4,113,021,943,841
Current portion of long-term loans *(Note 19.2)*	340,564,271,336	352,373,244,022
Current portion of finance leases (Note 19.3)	71,337,007,589	46,054,879,984
Current portion of other long-term debts	-	9,969,344,000
Long-term loans and finance leases	**1,418,572,001,810**	**969,894,221,023**
Loans from banks *(Note 19.2)*	1,316,636,732,692	871,015,408,270
Finance leases *(Note 19.3)*	101,935,269,118	98,878,812,753
TOTAL	**5,784,744,784,591**	**5,491,313,632,870**

Movements of loans and finance leases during the year are as follows:

VND

	Amount
Beginning balance	5,491,313,632,870
Drawdown from borrowings	12,715,960,175,942
Addition of finance lease obligations	129,897,057,881
Repayment from borrowings	(12,485,356,652,060)
Repayment from finance lease obligation	(67,794,496,495)
Foreign exchange differences	725,066,453
Ending balance	**5,784,744,784,591**

19. LOANS AND FINANCE LEASES (CONTINUED)

19.1 *Short-term loans from banks*

Details of short-term loans from banks are as follows:

Name of banks	Ending balance VND	Maturity date	Interest rate (% p.a.)	Description of collateral
Joint Stock Commercial Bank for Foreign Trade of Vietnam – South Binh Duong Branch				
Loan in VND	609,524,423,267	From 13 November 2016 to 26 February 2017	From 4.5 to 4.7	Land use rights, and machinery and equipment
Loan in USD	76,602,549,622	28 February 2017	1.6	Land use rights, and machinery and equipment
Vietnam Bank for Industry and Trade – Binh Duong Industrial Park Branch				
Loan in VND	312,100,776,310	From 18 November 2016 to 12 December 2016	From 4.0 to 4.5	Land use rights, buildings and structures, and machinery and equipment
Loan in USD	1,120,512,959,036	From 27 November 2016 to 28 February 2017	From 1.1 to 1.4	Land use rights, buildings and structures, and machinery and equipment
Military Commercial Joint Stock Bank – Binh Duong Branch				
Loan in USD	310,635,603,614	From 24 October 2016 to 15 December 2016	1.0	Land use rights, and means of transportation
Standard Chartered Bank (Vietnam) Limited – Ho Chi Minh Branch				
Loan in VND	56,565,757,987	5 December 2016	4.1	Inventories, and machinery and equipment
ANZ Bank (Vietnam) Limited				
Loan in VND	432,838,005,434	From 1 October 2016 to 3 December 2016	From 4.0 to 4.05	Land use rights
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh Branch				
Loan in VND	556,762,565,014	From 14 November 2016 to 28 February 2017	From 4.5 to 4.7	Unsecured
Vietnam Bank for Agriculture and Rural Development – Saigon branch				
Loan in VND	99,800,000,000	From 21 October 2016 to 30 November 2016	From 4.0 to 4.5	Unsecured

19. LOANS AND FINANCE LEASES(CONTINUED)

19.1 *Short-term loans from banks(continued)*

Details of short-term loans from banks are as follows(continued):

Name of banks	Ending balance VND	Maturity date	Interest rate (% p.a.)	Description of collateral
Vietnam Prosperity Joint Stock Commercial Bank				
Loan in USD	67,886,940,450	19 December 2016	1.4	Unsecured
United Overseas Bank				
Loan in VND	69,453,200,475	21 October 2016	4.2	Unsecured
Vietnam Technological and Commercial Join Stock Bank				
Loan in VND	117,003,997,774	From 17 November 2016 to 22 January 2017	From 4.4 to 4.5	Unsecured
Vietnam Bank for Industry and Trade – Vung Tau Branch				
Loan in VND	22,891,126,027	27 October 2016	4.5	Building and structures, and machinery and equipment
Vietnam Bank for Industry and Trade – Phu Tai Industrial Park Branch				
Loan in VND	9,770,631,288	14 November 2016	From 4.0 to 4.4	Unsecured
Vietnam Bank for Industry and Trade – Nghe An Branch				
Loan in VND	91,922,967,558	From 16 July 2016 to 30 June 2017	4.5	Building and structures, and machinery
TOTAL	**3,954,271,503,856**			

The Group used these loans to finance its working capital requirements.

19. LOANS AND FINANCE LEASES (CONTINUED)

19.2 *Long-term loans from banks*

Details of long-term loans from banks are as follow:

Name of banks	Ending balance VND	Maturity date	Interest rate (% p.a.)	Description of collateral
Joint Stock Commercial Bank for Foreign Trade of Vietnam – South Binh Duong Branch				
Loan in VND	103,364,120,000	From 14 November 2018 to 15 September 2019	8.0	Land use rights, and machinery and equipment
Viet Capital Commercial Joint Stock Bank				
Loan in VND	54,624,410,000	From 4 February 2018 to 26 November 2019	8.0	Means of transportation
Asia Commercial Joint Stock Bank – Tan Thuan Branch				
Loan in VND	38,989,585,320	From 26 June 2018 to 17 June 2020	8.0	Means of transportation
Vietnam Bank for Industry and Trade – Binh Duong Industrial Park Branch				
Loan in VND	1,261,449,434,765	From 16 July 2019 to 24 October 2024	From 8.0 to 8.3	Land use rights, buildings and structures, and machinery and equipment
Vietnam Development Bank – Binh Duong Branch				
Loan in USD	30,489,125,436	20 June 2018	1.7	Land use rights, and machinery and equipment
Military Commercial Joint Stock Bank – Binh Duong Branch				
Loan in VND	29,224,019,995	7 January 2019	8.0	Land use rights and means of transportation
Vietnam Bank for Agriculture and Rural Development – Binh Duong Branch				
Loan in VND	30,560,000,000	25 September 2017	8.0	Land use rights, and machinery and equipment
Vietnam Bank for Industry and Trade – Vung Tau Branch				
Loan in VND	26,962,525,175	19 July 2021	7.0	Buildings and structures, and machinery and equipment

19. LOANS AND FINANCE LEASES (CONTINUED)

19.2 *Long-term loans from banks (continued)*

Details of long-term loans from banks are as follow (continued):

Name of banks	Ending balance VND	Maturity date	Interest rate (% p.a.)	Description of collateral
Standard Chartered Bank (Vietnam) Limited – Ho Chi Minh Branch				
Loan in VND	77,083,333,337	10 September 2019	From 5.7 to 8.06	Buildings and structures, and machinery and equipment
Vietnam Bank for Industry and Trade – Phu Tai Industrial ParkBranch				
Loan in VND	4,454,450,000	From 25 July 2016 to 28 April 2019	8.0	Buildings and structures, and machinery and equipment
TOTAL	**1,657,201,004,028**			
In which:				
Current portion	*340,564,271,336*			
Non-current portion	*1,316,636,732,692*			

The Group used these loans to finance its constructions and purchase of fixed assets.

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19. LOANS AND FINANCE LEASES (CONTINUED)

19.3 *Finance leases*

The Group leases machinery and equipment and means of transportation under finance leases arrangements. Future obligations due under finance leases agreements as at the balance sheet dates were as follows:

VND

	Ending balance			Beginning balance		
	Total minimum lease payments	Finance charges	Lease liabilities	Total minimum lease payments	Finance charges	Lease liabilities
Current liabilities						
Less than 1 year	82,543,681,008	11,206,673,419	71,337,007,589	56,474,403,722	10,419,523,738	46,054,879,984
Non-current liabilities						
From 1 - 5 years	110,918,984,884	8,983,715,766	101,935,269,118	110,179,398,375	11,300,585,622	98,878,812,753
TOTAL	**193,462,665,892**	**20,190,389,185**	**173,272,276,707**	**166,653,802,097**	**21,720,109,360**	**144,933,692,737**

20. OWNERS' EQUITY

20.1 *Movements in owners' equity*

VND

	Share capital	Share premium	Treasury shares	Invest-ment and develop-ment fund	Financial reserve fund	Undistributed earnings	Other funds belonging to owners' equity	Total
Previous year								
Beginning balance	1,007,907,900,000	451,543,290,363	(81,038,848,436)	-	8,525,313,060	978,981,528,562	13,278,012,117	2,379,197,195,666
Net profit for the year	-	-	-	-	-	652,874,541,807	-	652,874,541,807
Dividends declared	-	-	-	-	-	(144,469,647,000)	-	(144,469,647,000)
Repurchase of treasury shares	-	-	(49,247,074)	-	-	-	-	(49,247,074)
Reissuance of treasury shares (*)	-	35,747,180,000	28,974,400,000	-	-	-	-	64,721,580,000
Transferred to bonus and welfare fund belonging to owners' equity	-	-	-	-	-	(16,413,694,648)	-	(16,413,694,648)
Appropriated to other funds belonging to owners' equity	-	-	-	-	-	(18,465,406,480)	18,465,406,480	-
Use of other funds during the year	-	-	-	-	-		(25,138,263,228)	(25,138,263,228)
Ending balance	1,007,907,900,000	487,290,470,363	(52,113,695,510)	-	8,525,313,060	1,452,507,322,241	6,605,155,369	2,910,722,465,523

(*) During the year, the Company has reissued 1,600,000 treasury shares to its existing shareholders at the price of VND 40,500 per share in accordance with the Resolution of Board of Directors No. 36/NQ/HDQT/2015 dated 29 June 2015.

20. OWNERS' EQUITY (CONTINUED)

20.1 *Movements in owners' equity (continued)*

VND

	Share capital	Share premium	Treasury shares	Investment and devel-opment fund	Financial reserve fund	Undistributed earnings	Other funds belonging to owners' equity	Total
Current year								
Beginning balance *(previously presented)*	1,007,907,900,000	487,290,470,363	(52,113,695,510)	-	8,525,313,060	1,452,507,322,241	6,605,155,369	2,910,722,465,523
Beginning balance *(reclassified under Circular 200-Note 30)*	1,007,907,900,000	487,290,470,363	(52,113,695,510)	8,525,313,060	-	1,452,507,322,241	6,605,155,369	2,910,722,465,523
Net profit for the year	-	-	-	-	-	1,504,193,443,099	-	1,504,193,443,099
Stock dividends *(*)*	957,490,390,000	-	-	-	-	(957,490,390,000)	-	-
Dividend declared	-	-	-	-	-	(327,567,667,500)	-	(327,567,667,500)
Repurchase of trea-sury shares	-	-	(508,729)	-	-	-	-	(508,729)
Reissuance of treasury shares *(**)*	-	64,281,463,158	52,114,204,239	-	-	-	-	116,395,667,397
Reversal of fund	-	-	-	(8,525,313,060)	-	8,525,313,060	-	-
Transferred to bonus and welfare fund	-	-	-	-	-	(26,114,981,672)	-	(26,114,981,672)
Appropriated to other funds belonging to owner's equity	-	-	-	-	-	(29,379,354,381)	29,379,354,381	-
Performance bonus (***)	-	-	-	-	-	(21,902,000,000)	-	(21,902,000,000)
Use of other funds to belonging to owner's equity	-	-	-	-	-	-	(29,199,934,080)	(29,199,934,080)
Ending balance	**1,965,398,290,000**	**551,571,933,521**	**-**	**-**	**-**	**1,602,771,684,847**	**6,784,575,670**	**4,126,526,484,038**

20. OWNERS' EQUITY (CONTINUED)

20.1 *Movements in owners' equity (continued)*

(*) The Resolution of Annual General Meeting No. 01/NQ/DHDCD/2015 dated 19 January 2015 and the Resolution of Board of Directors No. 64/NQ/HDQT/2015 dated 16 October 2015 approved the payments of stock dividends to its existing shareholders, which were appropriated from the undistributed earnings, at a ratio of 10:3 (i.e. issuing 3 new shares for every 10 shares holding by existing shareholders). The Company completed the issuance of 30,236,277 new shares on 7 December 2015 at price of VND 10,000 per share. Accordingly, the Company's share capital was increased by VND 302,362,770,000 to VND 1,310,270,670,000 as at this date. The Company also received the 25th amended BRC dated 18 December 2015 issued by the Department of Planning and Investment of Binh Duong Province reflecting this increase.

The Resolution of Annual General Meeting No. 01/NQ/DHDCD/2016 dated 18 January 2016 and the Resolution of Board of Directors No. 09/NQ/HDQT/2016 dated 4 March 2016 approved the payments of stock dividends to its existing shareholders, which were appropriated from the undistributed earnings, at a ratio of 10:5 (i.e. issuing 5 new shares for every 10 shares holding by existing shareholders). The Company completed the issuance of 65,512,762 new shares on 1 June 2016 at price of VND 10,000 per share. Accordingly, the Company's share capital was increased by VND 655,127,620,000 to VND 1,965,398,290,000 as at this date. The Company also received the 26th amended BRC dated 10 June 2016 issued by the Department of Planning and Investment of Binh Duong Province reflecting this increase.

(**) In accordance with the Resolution of Board of Directors No. 36/NQ/HDQT/2015 dated 29 June 2015, the Company has reissued 2,877,692 treasury shares to its existing shareholders at the price of VND 40,500 per share on 7 October 2015.

(***) In accordance with the Resolution of Annual General Meeting No. 01/NQ/DHDCD/2015 dated 19 January 2015, the Company's shareholders approved the performance bonus at 3.4% of profit after tax.

20.2 *Capital transactions with owners and distribution of dividends, profits*

VND

	Current year	Previous year
Contributed capital		
Beginning balance	1,007,907,900,000	1,007,907,900,000
Increase	957,490,390,000	-
Ending balance	1,965,398,290,000	1,007,907,900,000
Dividends		
Dividends declared	327,567,667,500	144,469,647,000
Dividends paid by cash	327,038,699,875	144,058,665,375

20. OWNERS' EQUITY (CONTINUED)

20.3 *Share capital*

	Number of shares	
	Ending balance	Beginning balance
Issued shares		
Shares issued and paid-up shares		
Ordinary shares	*196,539,829*	*100,790,790*
Treasury shares		
Ordinary shares	-	*(2,877,692)*
Shares in circulation		
Ordinary shares	*196,539,829*	*97,913,098*

The Company's shares are issued at par value of VND 10,000 per share. The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company. Each ordinary share carries one vote per share without restriction.

20.4 *Earnings per share*

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	Current year	Previous year
Net profit attributable to ordinary equity holders of the Company (VND)	1,504,193,443,099	652,874,541,807
Distribution to bonus and welfare fund (VND) (*)	(60,167,737,724)	(26,114,981,672)
Net profit after tax attributable to ordinary equity holders for basic earnings (VND)	1,444,025,705,375	626,759,560,135
Weighted average number of ordinary shares (shares)(**)	196,471,180	189,400,678
Earnings per share (VND/share)		
Basic	7,350	3,309
Diluted	7,350	3,309

(*) Profit used to compute earnings per share for the year ended 30 September 2016 as presented in the consolidated financial statements of previous year was restated to reflect the actual allocation to bonus and welfare fund from previous year's net profit after tax in accordance with the Resolution of Annual General Meeting No. 01/NQ/DHDCD/2016 dated 18 January 2016.

Net profit used to compute earnings per share for the year ended 30 September 2016 is adjusted for distribution to Bonus and welfare funds, which is appropriated at 4% of net profit after tax as approved in accordance with the Resolution of Annual General Meeting No. 01/NQ/DHDCD/2016 dated 18 January 2016.

(**) The weighted average number of ordinary shares in the previous years has beenretrospectively adjusted for the payments of stock dividends to the Company's existing shareholders during the year.

21. REVENUES

21.1 *Revenues from sale of goods and rendering of services*

VND

	Current year	Previous year
Gross revenues	**18,006,498,541,322**	**17,490,999,218,809**
Of which:		
Sale of finished goods	*13,186,708,856,497*	*13,780,568,305,421*
Sale of merchandises	*4,788,804,258,942*	*3,686,752,977,336*
Others	*30,985,425,883*	*23,677,936,052*
Sales deduction	**(112,783,060,369)**	**(23,022,952,903)**
Of which:		
Sales discount	*(97,697,573,236)*	*(9,174,845,515)*
Sales allowances	*(10,157,008,501)*	*(5,937,377,797)*
Sales returns	*(4,928,478,632)*	*(7,671,981,524)*
Export tax	-	*(238,748,067)*
NET	**17,893,715,480,953**	**17,467,976,265,906**
Of which:		
Sale to third parties	*15,461,462,955,111*	*16,306,322,233,978*
Sale to related parties (Note 27)	*2,432,252,525,842*	*1,161,654,031,928*

21.2 *Finance income*

VND

	Current year	Previous year
Foreign exchange gains	33,647,586,730	27,915,093,517
Finance income from investments	1,826,610,485	1,727,000,000
Interest income	2,954,531,757	1,952,594,871
TOTAL	**38,428,728,972**	**31,594,688,388**

22. COST OF GOODS SOLD AND SERVICES RENDERED

VND

	Current year	Previous year
Costs of sale of finished goods	9,483,644,403,917	11,455,050,521,672
Costs of sale of merchandises	4,208,202,828,538	3,414,011,508,400
Others	25,546,554,508	293,323,176
TOTAL	**13,717,393,786,963**	**14,869,355,353,248**

23. FINANCE EXPENSES

VND

	Current year	Previous year
Interest expense	209,035,437,498	224,013,370,890
Foreign exchange losses	33,143,557,879	150,647,443,944
Foreign exchange losses arising from revaluation of monetary accounts denominated in foreign currency	4,522,119,842	39,200,387,990
Provision for long-term investments	8,983,268,917	10,794,438,216
TOTAL	**255,684,384,136**	**424,655,641,040**

24. SELLING EXPENSES AND GENERAL AND ADMNISTRATIVE EXPENSES

VND

	Current year	Previous year
Selling expenses	**1,139,602,275,640**	**864,210,788,876**
Labour costs	273,388,599,137	178,661,267,893
Depreciation and amortisation	48,244,020,726	27,560,870,780
Expenses for external services	551,250,173,010	506,000,337,984
Other expenses	266,719,482,767	151,988,312,219
General and administrative expenses	**900,715,660,702**	**511,797,744,891**
Labour costs	482,969,462,270	268,348,471,061
Depreciation and amortisation	38,808,799,980	32,913,652,457
Expenses for external services	56,362,244,197	49,020,233,261
Other expenses	322,575,154,255	161,515,388,112
TOTAL	**2,040,317,936,342**	**1,376,008,533,767**

25. PRODUCTION AND OPERATING COSTS

VND

	Current year	Previous year
Raw materials	12,819,482,741,240	12,876,638,971,133
Labour costs	987,026,559,466	657,035,704,773
Depreciation and amortisation *(Notes 10, 11 and 12)*	548,687,219,681	481,865,483,538
Expenses for external services	1,587,140,983,390	1,491,493,342,227
Others	1,088,873,335,950	750,448,046,376
TOTAL	**17,031,210,839,727**	**16,257,481,548,047**

26. CORPORATE INCOME TAX

The Company and its subsidiaries have the obligation to pay corporate income tax ("CIT") at the rate of 22% of taxable profits for the period from 1st October 2015 to 31st December 2015 and at the rate of 20% of taxable profits for the period from 1st January 2016 to 30th September 2016, except for the following:

- HSBD is entitled to an exemption from CIT for 2 years commencing from the first year in which a taxable profit is earned, and a 50% reduction of the applicable CIT tax rate for the following 4 years.
- The CIT rate applicable to HSNC, HSNA and HSNH is 10% of taxable profits in 15 years since the first year of revenueand the applicable tax rate for the years thereafter. These subsidiaries are entitled to an exemption from CIT for 4 years commencing from the first year in which a taxable profit is earned, and a 50% reduction of the applicable tax rate for the following 9 years.
- The CIT rate applicable to HSHN is 17% of taxable profits in 10 years since year 2016 and the applicable tax rate for the years thereafter. This subsidiary is entitled to an exemption from CIT for 2 years commencing from the first year in which a taxable profit is earned, and a 50% reduction of the applicable tax rate for the following 4 years.

The tax returns filed by the Company and its subsidiaries are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the consolidated financial statements could change at a later date upon final determination by the tax authorities.

26.1 CIT expense

VND

	Current year	Previous year
Current CIT expense	438,192,658,926	207,702,023,401
Adjustment for CIT from previous years	(298,608,777)	1,627,302
Deferred CIT benefit	(35,333,822,795)	(28,262,922,117)
TOTAL	**402,560,227,354**	**179,440,728,586**

26.2 Current CIT

The current tax payable is based on taxable profit for the current year. The taxable profit of the Group for the year differs from the income as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

A reconciliation between the accounting profit before tax as reported in the consolidated income statement and taxable profit is presented below:

26. CORPORATE INCOME TAX (CONTINUED)

26.2 Current CIT (continued)

VND

	Current year	Previous year
Accounting profit before tax	**1,906,749,750,681**	**832,315,270,393**
Adjustments:		
Non-deductible expenses	113,311,319,094	61,320,749,471
Change in unrealised profits	29,161,775,849	68,889,166,364
Change in accrued expenses	159,438,492,863	61,789,316,001
Change in provisions	10,910,900,590	24,011,800,723
Change in foreign exchange losses arising from revaluation of monetary accounts denominated in foreign currency	(9,211,779,959)	6,588,906,387
Tax losses of subsidiaries	28,460,623,960	743,828,162
Others	12,529,481,916	(2,638,243,869)
Adjusted net profit before tax and tax loss carried forward	**2,251,350,564,994**	**1,053,020,793,632**
Tax loss carried forward	-	(104,249,982)
Estimated current taxable profit	**2,251,350,564,994**	**1,052,916,543,650**
Estimated current CIT	461,256,440,840	231,291,948,544
CIT exempted	(23,063,781,914)	(23,589,925,143)
Estimated current CIT after exemption	**438,192,658,926**	**207,702,023,401**
Adjustment for CIT from previous years	(298,608,777)	1,627,302
Total estimated current CIT	**437,894,050,149**	**207,703,650,703**
CIT payables at beginning of year	54,612,287,183	43,843,685,867
CIT paid during the year	(377,577,508,418)	(196,935,049,387)
CIT payables at end of year	**114,928,828,914**	**54,612,287,183**

26.3 Deferred CIT

The following are deferred tax assets recognized by the Group, and the movements thereon, during the current and previous years:

VND

	Consolidated balance sheet		Consolidated income statement	
	Ending balance	Beginning balance	Current year	Previous year
Unrealised profits	33,017,132,333	30,030,570,812	2,986,561,521	10,637,554,324
Accrued expenses	45,849,491,271	17,689,924,504	28,159,566,767	12,095,247,512
Provisions	13,760,789,860	7,203,103,336	6,557,686,524	5,115,650,021
Foreign exchange losses arising from revaluation of monetary accounts denominated in foreign currency	68,118,757	1,910,474,749	(1,842,355,992)	1,258,511,931
Others	2,108,784,418	2,636,420,443	(527,636,025)	(844,041,671)
Deferred tax assets	**94,804,316,639**	**59,470,493,844**		
Deferred CIT income			**35,333,822,795**	**28,262,922,117**

27. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Significant transactions with related parties during the year were as follows:

VND

Related party	Relationship	Transaction	Current year	Previous year
Hoa Sen Investment and Tourism Co., Ltd.	Related party	Sale of goods	2,430,784,452,088	1,160,917,402,701
		Purchase of goods	929,183,348,655	184,654,533,072
		Purchase of services	4,772,436,591	3,948,581,818
		Rendering of services	1,400,609,480	731,699,999
		Sale of fixed assets	2,617,000,000	521,000,000
		Purchase of fixed assets	656,000,000	-
		Transportation fees	27,949,504,004	45,327,000
		Other sale	67,464,274	4,929,228
		Other purchase	189,184,542	441,051,660
Hoa Sen-Gemadept Logistics and International Port Corporation	Associate	Capital contribution	-	7,495,846,500
Viet Capital Health Care Fund	Related party	Reclaim of investment	4,367,000,000	4,273,000,000
Huong Sen Real Estate	Related party	Land returned	-	60,000,000,000

27. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (CONTINUED)

Amounts due from and due to relatedparties at the balance sheet date were as follows:

VND

Related party	Relationship	Transaction	Ending balance	Beginning balance
Short-term trade receivable				
Hoa Sen Investment and Tourism Co., Ltd.	Related party	Sales of goods	27,493,400	1,331,786,050
Short-term advances to supplier				
Hoa Sen Investment and Tourism Co., Ltd.	Related party	Advances	4,616,198,665	8,292,978,936
Other short-term receivable				
Mr Hoang Duc Huy	Deputy General Director	Advance for purchase of lands	90,183,227,000	90,183,227,000
Short-term trade payable				
Hoa Sen Investment and Travel Co., Ltd.	Related party	Purchases of goods	11,258,405,597	137,943,985
Short-term advance from customer				
Hoa Sen Investment and Travel Co., Ltd.	Related party	Purchases of goods	26,413,121,165	2,418,576,540
Other short-term payable				
Huong Sen Real Estate	Related party	Payable of advance	1,000,000,000	1,000,000,000
Hoa Sen Investment and Tourism Co., Ltd.	Related party	Others	2,300,000	-
			1,002,300,000	1,000,000,000

COMPLAINT

27. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (CONTINUED)

Transactions with other related parties

Remuneration to members of the Board of Directors, the Board of Supervision and management is as follows:

VND

	Current year	Previous year
Salaries of management	13,233,255,424	8,118,957,415
Bonuses of management	5,968,000,000	1,050,000,000
Remuneration of the Board of Directors and the Board of Supervision	1,859,000,000	1,054,000,000
Bonuses of the Board of Directors and the Board of Supervision	11,636,460,000	-
TOTAL	**32,696,715,424**	**10,222,957,415**

28. COMMITMENTS

Operating lease commitments

The Group leases land under operating lease arrangements. The minimum lease commitments as at the balance sheet date under operating lease arrangements is as follows:

VND

	Ending balance	Beginning balance
Less than 1 year	82,759,697,967	42,332,637,447
From 1 to 5 years	287,468,710,149	124,191,468,650
More than 5 years	301,261,164,310	268,627,842,340
TOTAL	**671,489,572,426**	**435,151,948,437**

Capital expenditure commitments

As at 30 September 2016, the Group had commitments of VND 1,476,770,906,397 (30 September 2015: VND 836,113,556,098) mainly related to the acquisition of new machinery for its operation.

29. SEGMENT REPORTING

Segment information is presented in respect of the Group's geographical segments, is based on the Company's management and internal reporting structure.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise assets and liabilities, financial income and expenses, other gains or losses, and corporate income tax.

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers, which is located in Vietnam ("Domestic") or countries other than Vietnam ("Export").

VND

	Domestic		Export		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year
Sales revenue	11,693,250,961,546	10,686,357,646,889	6,200,464,519,407	6,781,618,619,017	17,893,715,480,953	17,467,976,265,906
Cost of sales	(7,869,961,490,057)	(8,547,682,145,156)	(5,847,432,296,906)	(6,321,673,208,092)	(13,717,393,786,963)	(14,869,355,353,248)
Gross profit	3,823,289,471,489	2,138,675,501,733	353,032,222,501	459,945,410,925	4,176,321,693,990	2,598,620,912,658

30. RECLASSIFICATION OF CORRESPONDING FIGURES FOLLOWING APPLICATION OF CIRCULAR 200

Certain corresponding figures on the consolidated financial statements for the year ended 30 September 2015 have been reclassified to reflect the presentation of the current year's consolidated financial statements. Details are as follows:

VND

	Beginning balance (previously presented)	Impact of reclassification	Beginning balance (reclassified)
CONSOLIDATED BALANCE SHEET			
Short-term loan receivables	-	400,000,000	400,000,000
Other short-term receivables	128,763,462,383	16,376,390,661	145,139,853,044
Other current assets	16,776,390,661	(16,776,390,661)	-
Long-term loan receivables	-	25,000,000,000	25,000,000,000
Other long-term receivables	25,000,000,000	(21,414,450,099)	3,585,549,901
Other long-term assets	3,585,549,901	(3,585,549,901)	-
Financial reserve fund	8,525,313,060	(8,525,313,060)	-
Investment and development fund	-	8,525,313,060	8,525,313,060

VND

	Previous year (previously presented)	Impact of reclassification	Previous year (reclassified)
CONSOLIDATED INCOME STATEMENT			
Revenues from sale of goods and rendering of services	17,469,894,530,725	21,104,688,084	17,490,999,218,809
Other income	64,879,565,362	(48,802,928,943)	16,076,636,419
Other expenses	(41,011,033,124)	27,698,240,859	(13,312,792,265)

31. EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events occurring after the balance sheet date which would require adjustments or disclosures to be made in the consolidated financial statements.

Tran Cong Tien	Nguyen Thi Ngoc Lan	Tran Ngoc Chu
Preparer	Chief Accountant	General Director

16 December 2016

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