



CORE COMPETITIVE ADVANTAGES FOUNDATION FOR SUSTAINABLE DEVELOPMENT

5



Vertically integrated
value chain



Owning 371
distribution-retail
branches



The leading, friendly and
community-oriented brand



Professional corporate
governance and unique
corporate culture



Pioneering in advanced
technology investment



IMPLEMENT THE MANUFACTURING COST-LEADERSHIP STRATEGY





VERTICALLY INTEGRATED VALUE CHAIN

HOA SEN GROUP IS THE
LEADING MANUFACTURER
OF STEEL SHEETS IN
SOUTHEAST ASIA

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

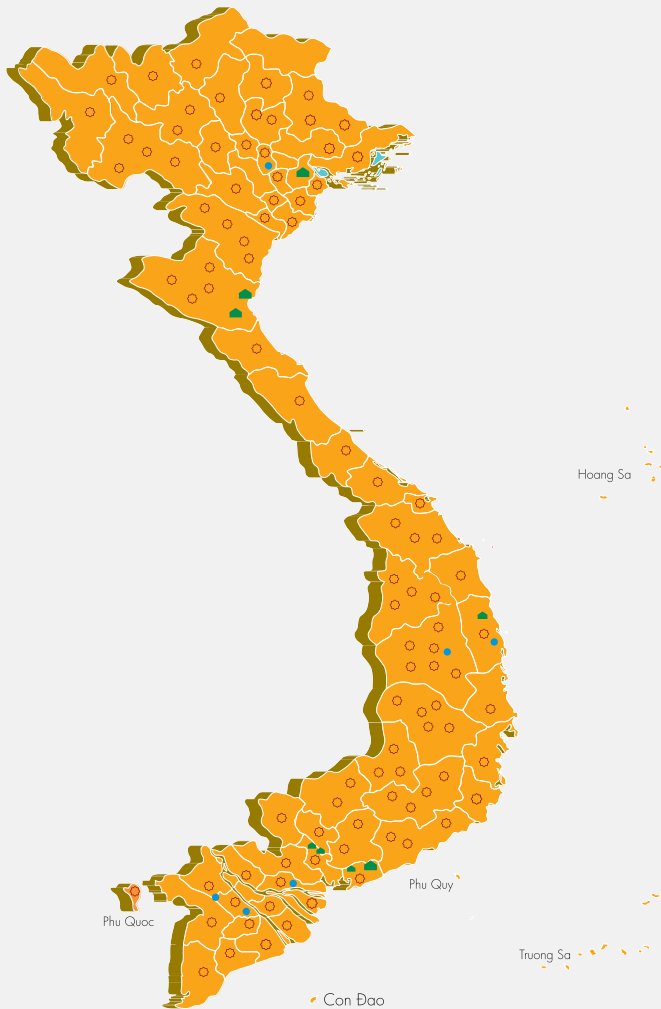
Each stage of this production process is tightly controlled. As the result, all Hoa Sen products have high quality, meet the diverse demands of the market and meet international quality standards such as ASTM standard of U.S, AS standard of Australia, JIS standard of Japan, etc.

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

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



OWNING 371 DISTRIBUTION-RETAIL BRANCHES



THE NATIONWIDE DISTRIBUTION-RETAIL BRANCHES ARE INDISPENSABLE FOUNDATION OF IMPLEMENTING THE STRATEGY OF “BUYING DIRECTLY FROM PRODUCERS AND SELLING DIRECTLY TO END-USERS”

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 the fluctuating economy, the strategic roles of the distribution-retail branches are more promoted when the Group can flexibly apply sales policies to maintain the cash flow. This is foundation that enables the Group to quickly settle the manufacturing and business activities when macroeconomic conditions become unfavorable and keep on affirming the number one position in Vietnamese coated steel sheet market. By the end of 2017, the number of Hoa Sen Group's retail branches is 371.



The number of Hoa Sen Group’s branches is planning to reach 500 branches by the end of 2018.

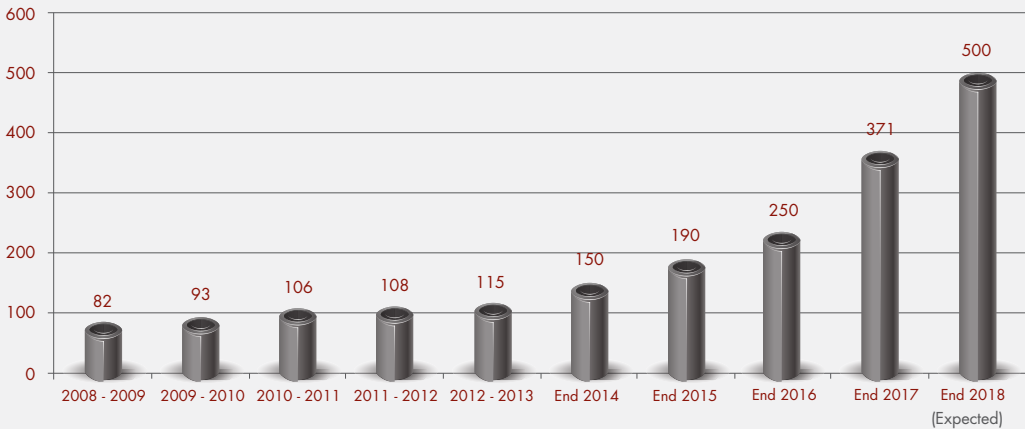
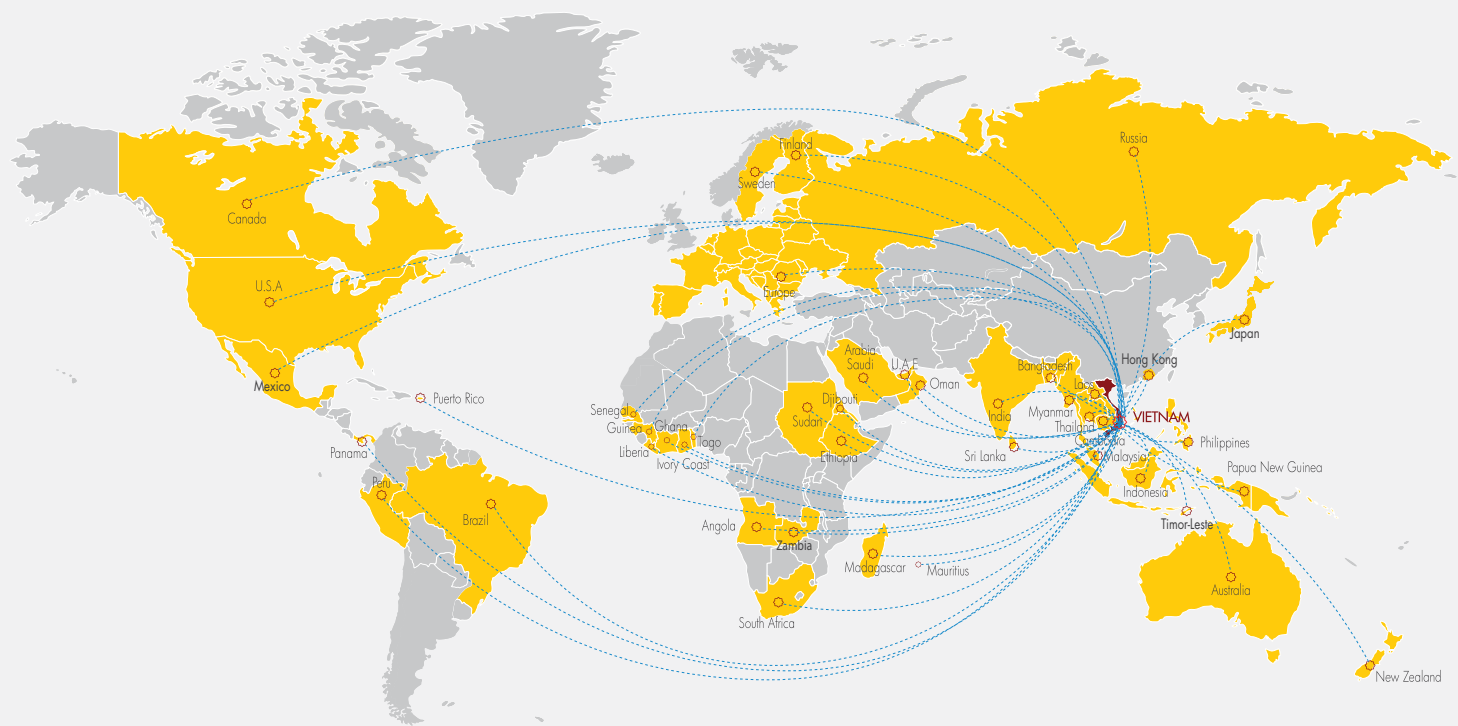


CHART OF DISTRIBUTION-RETAIL NETWORK DEVELOPMENT IN VIETNAM

CONTINUING DEVELOPMENT AND GROWING MARKET SHARE



DISTRIBUTION CHANNELS TO COUNTRIES

HOA SEN PRODUCTS ARE
PRESENTED IN MORE THAN

70

COUNTRIES AND TERRITORIES

Besides maintaining domestic market, Hoa Sen Group also continuously strengthens export activities to traditional markets and expands its presence to potential markets in Middle East, Southern Asia, Africa, Australia, Europe, and America. Currently, Hoa Sen Group’s products are presented in 70 countries and territories.



THE LEADING, FRIENDLY AND COMMUNITY - ORIENTED BRAND



THE UNIQUE BRANDING STRATEGY

“With unceasing efforts, Hoa Sen Group rapidly obtains the leading position in Vietnam steel sheet market and is the top leading steel exporter in Southeast Asia. As a result, unique strategies have made a strong and sustainable Hoa Sen brand in not only domestic market but also global 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.”

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 16 years, Hoa Sen Group not only focuses on well organizing business and manufacturing activities but also pioneers in necessary social activities through sponsoring and diverse charity programs: Viet Families’ Sweet Home, Hoa Sen Steel Sheet – School together, the Futsal cup for underprivileged children, the VTV television international cycling tournament – Hoa Sen Steel Sheet Cup 2017, the Binh Duong television cycling tournament – Hoa Sen Plastic Pipe Cup 2017, VTV television International Woman Volleyball – Hoa Sen Steel Sheet Cup 2017, donating steel sheet for people in flood zone, sponsoring for television programs with humanity such as Golden Small Bell, Overcome yourself, etc.

In addition, Hoa Sen Group always affirms the brand value by good quality of products and services. For Hoa Sen Group, the products’ quality is the prestige and the survival of the brand. By performing seriously four commitments: “Right price, right standard, right quality, and warranty”, Hoa Sen Group has delivered products to customers with “international standard, reasonable price, fast

delivery and good after sale service”. In order to deliver products directly to end-users, Hoa Sen Group has established a nationwide retail distribution network with over 350 branches across the country. In particular, Hoa Sen Group is the pioneer in the construction materials industry in Vietnam deploying online sales on website www.hoasengroup.vn to bring the best benefits to customers with the message “No need to go far - buy Hoa Sen steel sheet, steel pipe, plastic pipe at home”. Currently, Hoa Sen Group continues promoting the community-oriented Hoa Sen brand to reinforce position in domestic market and expand to other countries in region as Hoa Sen products are presented over 70 countries and territories.

With continuous 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 past time, Hoa Sen Group has achieved many awards including Second Grade Labor Medal from the Prime Minister, Top 10 Vietnam Gold Star in many consecutive years, achieved the title of “Vietnam Value” for both 3 product lines: Hoa Sen Steel Sheet, Hoa Sen Steel Pipe, Hoa Sen Plastic Pipe, Top 30 Best Annual Reports voted by Ho Chi Minh

Stock Exchange (HOSE), Ha Noi Stock Exchange (HNX) and Stock Investment Newspaper, Top 50 Vietnam’s Best Performing Companies awarded by Business Review Magazine in 4 consecutive years, Top 10 Vietnamese Strong Brands 2017, The 50 Best Vietnamese listed companies 2017 by Forbes, Best managed company in Asia 2014 and 2016 awarded by Euromoney Magazine, Top 40 Typical Enterprises in the South East of 2017 by Business Forum Newspaper and the People's Committee of the Southeastern provinces, being the only representative in Vietnam chosen in the Community of Global Growth Companies in 2015. These prestigious awards are significant evidences demonstrating brand building process successfully, creating Hoa Sen Group’s position and prestige as the leading brand in the market. Hoa Sen Group, which continuously is developing and growing, 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.



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 16 years.

INTEGRITY

Being honest and transparent in all activities.

COMMUNITY

Sharing our achievements with the community is Hoa Sen Group’s humanistic beauty.

DEVELOPMENT

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





COMMUNITY-ORIENTED DEVELOPMENT





PIONEERING IN ADVANCED TECHNOLOGY INVESTMENT

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



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





DEVELOPING SUSTAINABLY WITH ADVANCED TECHNOLOGY

