

SEPARATE FINANCIAL STATEMENTS

HOANG HUY INVESTMENT FINAL SERVICES

JOINT STOCK COMPANY

For the fiscal year ended 31 December 2014

(Audited)

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REPORT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of Hoang Huy Investment Financial Services Joint Stock Company (The Company) presents its report and the Company's Separate Financial Statements for the fiscal year ended 31 December 2014.

THE COMPANY

Hoang Huy Investment Financial Services Joint Stock Company was established and operates under the Business Certificate No 0200117929 (applied for Joint Stock Company) firstly issued by Hai Phong Department of Planning and Investment on 25 December, 2007 and the Certificate of sixth amendment dated 10 January, 2014."

The Company's head office is located at No. 116 Nguyen Duc Canh Street, Le Chan District, Hai Phong City.

BOARD OF MANAGEMENT, BOARD OF GENERAL DIRECTORS AND BOARD OF SUPERVISORS

The members of the Board of Management during the year and to the reporting date include:

Mr. Do Huu Ha	Chairman
Mr. Do Huu Hung	Member
Mrs. Nguyen Thi Ha	Member

The members of the Board of General Directors during the year and to the reporting date include:

Mr. Do Huu Ha	General Director
Mrs. Tran Thi Hoang Ha	Deputy General Director
Mr. Do Huu Hau	Deputy General Director

The members of the Board of Supervisors are:

Mrs. Nguyen Thi Tuoi	Head Supervisor
Mrs. Phan Thi Thu Huong	Member
Mrs. Nguyen Thi Thuy Nga	Member

AUDITORS

The auditors of the AASC Auditing Firm Company Limited have taken the audit of Separate Financial statements for the Company.

STATEMENT OF THE BOARD OF GENERAL DIRECTORS' RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

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

- Establish and maintain of an internal control system which is determined necessary by the Board of General Directors and Those charged with governance to ensure the preparation and presentation of separate financial statements do not contain any material misstatement caused by errors or frauds;
- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;

Hoang Huy Investment Financial Services Joint Stock Company

No. 116 Nguyen Duc Canh Street, Le Chan District, Hai Phong
City.

- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the separate financial statements on the basis of compliance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the current requirements relevant to preparation and presentation of financial statements;
- Prepare the separate financial statements on going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

We, The Board of General Directors, confirm that the separate financial statements for the fiscal year ended 31 December 2014 prepared by us, give a true and fair view of the financial position at 31 December 2014, results of its operations and its cash flows in the year 2014 of Company in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the current requirements relevant to preparation and presentation of financial statements.

On behalf of the Board of General Directors



Do Huu Ha

General Director

Hai Phong, 20 December, 2015

INDEPENDENT AUDITORS' REPORT

**To: The Shareholders, Board of Management and Board of General Directors
Hoang Huy Investment Financial Services Joint Stock Company**

Report on the Separate Financial Statements

We have audited the accompanying Separate Financial Statements of Hoang Huy Investment Financial Services Joint Stock Company prepared on 20 December, 2015, as set out on pages 06 to 26, including: Statement of financial position as at 31 December 2014, Statement of comprehensive income, Statement of cash flows and Notes to separate financial statements for the year ended 31 December 2014.

Board of General Directors' Responsibility

The Board of General Directors is responsible for the preparation of separate financial statements that give a true and fair view 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 management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 standards, 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 auditor's 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 entity's preparation of separate financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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.

Auditor's Opinion

In our opinion, the Separate Financial statements give a true and fair view, in all material respects, of the financial position of Hoang Huy Investment Financial Services Joint Stock Company as at 31 December 2014, and of the results of its operations and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of financial statements.

Auditor's Opinion

In our opinion, the Separate Financial statements give a true and fair view, in all material respects, of the financial position of Hoang Huy Investment Financial Services Joint Stock Company as at 31 December 2014, and of the results of its operations and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of financial statements.



AASC Auditing Firm Company Limited

Cat Thi Ha

Deputy General Director

Registered Auditor No. 0725-2013-002-1

Hanoi, 30 December, 2015

Nguyen Ngoc Lan

Auditor

Registered Auditor No. 1427-2013-002-1



STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

Cod	ASSETS	Note	31/12/2014 VND	01/01/2014 VND
100	A. CURRENT ASSETS		65,213,466,010	22,083,486,173
110	I. Cash and cash equivalents	03	26,596,523,796	285,534,627
111	1. Cash		16,596,523,796	285,534,627
112	2. Cash equivalents		10,000,000,000	-
130	III. Short-term accounts receivable		29,887,332,573	11,189,844,189
131	1. Trade receivables		2,486,669,623	4,178,410,885
132	2. Advances to suppliers		27,400,660,401	7,011,094,006
135	3. Other receivables		2,549	339,298
140	IV. Inventories	04	8,727,698,757	10,109,289,760
141	1. Inventories		8,727,698,757	10,109,289,760
150	V. Other current assets		1,910,884	498,817,597
152	1. VAT deductibles		1,763,337	1,763,337
154	2. Taxes and other receivables from the State	05	147,547	497,054,260
200	B. NON- CURRENT ASSETS		435,498,289,760	440,456,844,102
220	II. Fixed assets		99,498,289,760	104,456,844,102
221	1. Tangible fixed assets	06	44,065,348,652	50,501,117,580
222	- Cost		85,562,882,197	85,811,017,611
223	- Accumulated depreciation		(41,497,533,545)	(35,309,900,031)
227	2. Intangible fixed assets	07	53,756,890,199	53,955,726,522
228	- Cost		56,329,385,890	56,344,385,890
229	- Accumulated amortization		(2,572,495,691)	(2,388,659,368)
230	3. Construction in progress	08	1,676,050,909	-
250	IV. Long - term financial investments	09	336,000,000,000	336,000,000,000
251	1. Investment in subsidiaries		120,000,000,000	120,000,000,000
252	2. Investments in joint-ventures, associates		216,000,000,000	216,000,000,000
270	TOTAL ASSETS		500,711,755,770	462,540,330,275

STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

(Continue)

Code	RESOURCES	Note	31/12/2014 VND	01/01/2014 VND
300	A. LIABILITIES		31,623,203,650	25,567,424,795
310	I. Current liabilities		31,623,203,650	25,567,424,795
312	1. Trade payables		4,248,401,515	1,824,462,923
313	2. Advances from customers		26,554,893,434	23,303,484,298
314	3. Tax payables and statutory obligations	10	674,293,437	299,009,050
319	4. Other payables	11	8,019,201	2,872,461
323	5. Bonus and welfare fund		137,596,063	137,596,063
400	B. OWNER'S EQUITY		469,088,552,120	436,972,905,480
410	I. Equity	12	469,088,552,120	436,972,905,480
411	1. Contributed legal capital		464,986,750,000	434,986,750,000
420	2. Undistributed earnings		4,101,802,120	1,986,155,480
440	TOTAL RESOURCES		500,711,755,770	462,540,330,275

Preparer



Nguyen Thi Thu Huong

Chief Accountant



Phung Thi Thu Huong

Prepared, 20 December, 2015

General Director



Do Huu Ha

STATEMENT OF COMPREHENSIVE INCOME

Year 2014

Code	ITEMS	Note	Year 2014 VND	Year 2013 VND
01	1. Revenue from sale of goods and rendering of services	13	105,830,090,172	56,761,177,100
02	2. Deductible items		-	-
10	3. Net revenue from sale of goods and rendering of services		105,830,090,172	56,761,177,100
11	4. Cost of sales	14	95,564,838,996	44,812,808,984
20	5. Gross profit from sale of goods and rendering of services		10,265,251,176	11,948,368,116
21	6. Financial income	15	15,720,257	2,041,443
22	7. Financial expenses		-	185,500,000
23	<i>In which : Interest expenses</i>		-	185,500,000
24	8. Selling expenses		-	-
25	9. General administrative expenses	16	2,806,026,197	6,219,080,746
30	10. Net profit from operating activities		7,474,945,236	5,545,828,813
31	11. Other income		-	3,028,636,366
32	12. Other expense	17	3,850,277,908	3,012,312,965
40	13. Other profit (loss)		(3,850,277,908)	16,323,401
50	14. Total profit before tax		3,624,667,328	5,562,152,214
51	15. Current corporate income tax expenses	18.1	1,509,020,688	-
52	16. Deferred corporate income tax expenses		-	-
60	17. Profit after tax		<u>2,115,646,640</u>	<u>5,562,152,214</u>

Preparer

Nguyen Thi Thu Huong

Chief Accountant

Phung Thi Thu Huong

Prepared, 20 December, 2015

General Director



Do Huu Ha

STATEMENT OF CASH FLOWS

Year 2014
(Indirect method)

Code	ITEMS	Note	Year 2014 VND	Year 2013 VND
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	1. Profit before tax		3,624,667,328	5,562,152,214
	2. Adjustment for:		6,987,794,084	3,576,057,062
02	- Depreciation of fixed assets		7,003,514,341	3,376,693,596
05	- Gain/loss from investment activities		(15,720,257)	13,863,466
06	- Interest expense		-	185,500,000
08	3. Profit from operating activities before changes in working capital		10,612,461,412	9,138,209,276
09	- Increase/Decrease in receivables		(18,433,165,648)	90,540,888,994
10	- Increase/Decrease in inventories		1,381,591,003	931,161,288
11	- Increase/Decrease in payables (excluding interest payables/ enterprise income tax payables)		5,521,606,083	11,953,153,771
12	- Increase/Decrease in prepaid expenses		-	1,530,177,670
13	- Interest paid		-	(185,500,000)
14	- Corporate income tax paid		(537,767,939)	(173,070,112)
16	- Other payment on operating activities		-	(2,000,000)
20	Net cash flows from operating activities		(1,455,275,089)	113,733,020,887
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	1. Purchase or construction of fixed assets and other long-term assets		(2,249,455,999)	(780,708,000)
22	2. Proceeds from disposals of fixed assets and other long-term assets		-	725,909,091
25	3. Investments in other entities		-	(216,000,000,000)
27	7. Interest and dividend received		15,720,257	2,041,443
30	Net cash flows from investing activities		(2,233,735,742)	(216,052,757,466)
III. CASH FLOWS FROM FINANCING ACTIVITIES				
31	1. Receipts from stocks issuing and capital contribution from equity owners		30,000,000,000	92,000,000,000
33	2. Proceeds from borrowings		-	53,000,000,000
34	3. Loan repayment		-	(53,000,000,000)
40	Net cash flows from financing activities		30,000,000,000	92,000,000,000

STATEMENT OF CASH FLOWS

Year 2014
(Indirect method)

Code	ITEMS	Note	Year 2014 VND	Year 2013 VND
50	Net cash flows in the year		26,310,989,169	(10,319,736,579)
60	Cash and cash equivalents at beginning of year		285,534,627	10,605,271,206
70	Cash and cash equivalents at end of year	03	<u>26,596,523,796</u>	<u>285,534,627</u>

Prepared, 20 December, 2015

Preparer

Chief Accountant

General Director





Nguyen Thi Thu Huong

Phung Thi Thu Huong

Đỗ Hữu Hà

NOTES TO THE FINANCIAL STATEMENTS

Year 2014

1. BACKGROUND

Forms of Ownership

Hoang Huy Investment Financial Services Joint Stock Company was established and operates under the Business Certificate No 0200117929 (applied for Joint Stock Company) firstly issued by Hai Phong Department of Planning and Investment on 25 December, 2007 and the Certificate of sixth amendment dated 10 January, 2014."

The Company's head office is located at No. 116 Nguyen Duc Canh Street, Le Chan District, Hai Phong City.

The Company's charter capital is VND 1,200,000,000,000 equivalent to 120,000,000 shares. The par value is VND10,000 per share.

The actual contributed capital as at 31 December, 2014 is VND 464,986,750,000 (By words: Four hundred sixty four billion, nine hundred eighty six million, seven hundred and fifty thousand Vietnamese dong).

The Company's member entities are as follows:	Address	Principle activities
Hoang Huy Investment Financial Services Joint Stock Company - Hanoi Branch	No. 275 Nguyen Trai Str., Thanh Xuan Trung Ward, Thanh Xuan Dist., Hanoi City.	Real Estate Business
Trading Division No. 01	Km 09 New National Road 05, Nam Son Ward, An Duong Dist., Hai Phong City.	Truck body production

Information of Subsidiaries, Joint-ventures and Associates of the Company is provided in Note No. 9.

Business field

Main business field of the Company:

- Trading in real estate, land use rights of the owner or leasing to use;
- Passenger inland waterway transportation;
- Transportation of goods by road; Details: Transportation by cars, trucks and containers;
- Passenger coastal and ocean transportation;
- Selling spare parts and accessories of motorcycles;
- Sale of motorcycles;
- Exploitation and collection of hard coal;
- Installation of water supply, drainage, heating and air conditioning systems;
- Exploitation of iron ore;
- Transport of iron ore;
- Transporting goods by inland waterways;
- Coastal and ocean transportation;
- Construction of public works; Details: Construction and installation of transmission lines and substations up to 35kV;
- Mining and collecting lignite;
- Mining of other non-ferrous metal ores; Details: Exploiting bauxite, copper ore, lead, nickel;
- Sales of spare parts and auxiliary parts of automobiles and other motor vehicles;
- Exploitation of stone, sand, gravel and clay;
- Wholesale of metals and metal ores; Details: Wholesale of iron and steel;
- Construction of railways and roads; Details: Construction and repair traffic works;

- Building of other civil construction; Details: Wholesale of bamboo, wood and processing wood; Wholesale of cement; Wholesale of brick, tile, stone, sand and gravel; Wholesale of building glass; Wholesale of paint and vecsni; Wholesale of ceramic tiles and sanitary ware; Wholesale of hardware; Wholesale of concrete;
- Mining and collecting peat;
- Production of motor vehicle body; Trailers and semi-trailers;
- Production of spare parts and accessories for motor vehicles and engine.
- Production of motor vehicles; Details: Production of motor vehicles, trailers and semi-trailers;
- Production of motorcycles;
- Wholesale of cars and other motor vehicles;
- Maintenance and repair of motorcars and other motor vehicles;
- Prepare surface; Details: Leveling of ground
- Wholesale of machinery, equipment and other machine parts; Details: Wholesale of electrical machinery, equipment, electrical materials (generators, electric motors, wires and other equipment used in the circuit);
- Cast iron and steel;
- Mechanical processing; Treatment and coating of metals
- Retail of motorcar (12 seats downwards)
- Cars and other motor vehicles agency
- Other passengers road transportation; Details: Passenger transport by bus within the provincial; Passenger transport by automobile along fixed routes and contracts;
- Construction of buildings; Details: Construction and repair of buildings of all kinds;
- Installation of electrical systems; Details: Installation of electrical systems, lighting systems, fire alarm systems and anti-theft system; Installation of communication lines, computer networks and TV cable (including optical cables);
- Completing construction;
- Production of concrete and products made by cement and plaster;
- Management consulting Activities; Details: Project Management Consulting (Group C);
- Consulting, brokerage, auction in real estate, auction of land use rights; Details: real estate brokerage service; Real estate valuation Services; Real estate trading floors services; Consulting, Advertising and Management services in real estate;
- Maintenance and repair of motorcycles
- Brokerage of Commodity contracts and securities; (Exclude brokerage in securities, insurance, finance, real estate);
- Casting of non-ferrous metals (except gold castings);
- Wholesale of solid fuel, liquid, gas and related products; Details: Wholesale coal and other solid fuels;
- Passenger transportation in the urban, suburban (excluding transport by bus); Details: Passenger transport by taxi;
- Other credit-granting activities; Details: pawn service.

2. ACCOUNTING SYSTEM AND ACCOUNTING POLICY

2.1. Accounting period and accounting monetary unit

Annual accounting period commences from 1st January and ends as at 31st December.
The Company maintains its accounting records in VND.

2.2. Accounting Standards and Accounting system

Accounting System

The company applies Enterprise Accounting System issued under Decision No.15/2006/QĐ-BTC dated 20 March, 2006 amended and supplemented in accordance with Circular No.244/2009/TT-BTC dated 31 December, 2009 of the Minister of Finance.

Declaration of compliance with Accounting Standards and Accounting System

The company applies Vietnamese Accounting Standards and supplement documents issued by the State. Financial statements are prepared in accordance with regulations of each standard and supplement documents as well as with current Accounting Standards and Accounting System.

Form of accounting record

The company is applying accounting record by computer

2.3. Basis for preparation of separate financial statements

Separate Financial statements are presented based on historical cost principle

Separate Financial statements of the Company are prepared based on summarization of transactions incurred, then recorded into accounting books of dependent accounting entities and at the offices of the Company

In the Separate financial statements of the Company, the intra-group balances and transactions related to assets, equity, receivables and payables are eliminated in full.

The Users of this separate financial statements should study the separate financial statements combined with the consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 2014 in order to gain enough information regarding the financial position, results of operations and cash flows of the Company.

2.4. Financial Instruments

Initial recognition

Financial assets

Financial assets of the Company including cash and cash equivalents, trade receivables and other receivables, lending, long-term and short-term investments. At initial recognition, financial assets are identified by purchasing price/issuing cost plus other expenses directly related to the purchase and issuance of those assets.

Financial liabilities

Financial liabilities of the Company including loans, trade payables and other payables, accrued expenses. At initial recognition, financial liabilities are determined by issuing price plus other expenses directly related to the issuance of those liabilities.

Subsequent measurement after initial recognition

There are currently no regulations on revaluation of financial instruments after initial recognition.

2.5. Cash and cash equivalents

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

2.6. Receivables

Receivables is presented on the Separate Financial statements according to book value of trade receivables and other receivables after deducting provision for bad receivable debts.

The provision for bad debts is made for each bad debt based on overdue period of debts or possible loss



2.7. Inventories

Inventories are stated at original cost. Where the net realizable value is lower than cost, inventories should be measured at the net realizable value. The cost of inventories comprise the purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventory at the year-end is calculated by weighted average method adjusted after each entry.

Provisions for devaluation of inventories made at the end of the year are the excess of original cost of inventory over their net realizable value.

2.8. Fixed assets and depreciation of fixed assets

Fixed assets (tangible and intangible) are stated at the historical cost. During the using time, fixed assets (tangible and intangible) are recorded at cost, accumulated depreciation and net book value.

Depreciation is provided on a straight-line basis. Depreciation period is estimated as follows:

- Buildings and Structures	10 - 26 years
- Machine, equipment	05 - 15 years
- Transportation equipment	06 - 10 years
- Office equipment and furniture	03 - 05 years
- Land use right	30 years
- Computer software	08 years

Finance lease fixed assets are depreciated in the same method with the Company's fixed assets. For finance lease fixed assets that is uncertain to be repurchased, depreciation is based on leasing period if useful life is longer than leasing period.

2.9. Financial investment

Investments in subsidiaries over which the Company has control rights are stated at original cost. Distributions from accumulated net profits from subsidiaries arising subsequent to the date of acquisition are recognized in the Statement of comprehensive income. Other distributions received (in excess of such profits) are considered a recovery of investment and are deducted to the cost of the investment.

Investments in associates over which the Company has significant influence are stated at original cost. Distributions from accumulated net profits from associates arising subsequent to the date of acquisition are recognized in the Statement of comprehensive income. Other distributions received (in excess of such profits) are considered a recovery of investment and are deducted to the cost of the investment.

Financial investments are presented at the balance sheet date, if:

- Bill and treasury bill, term deposit with maturity not over than 3 months from the date of acquisition are recognised as "cash equivalents";
- Having maturity less than 1 year/1 operating cycle are recognised as short-term assets;
- Having maturity over than 1 year/1 operating cycle are recognised as long-term assets;

Provisions for devaluation of investments are made at year-end based on the excess of original cost in accounting books over their market value or fair value at the time of provision.

2.10. Borrowing costs

Borrowing costs are recognized into operating costs during the year, except for which directly attributable to the acquisition, construction or production of a qualifying asset included (capitalized) in the cost of that asset, when gather sufficient conditions as regulated in VAS No. 16 "Borrowing costs".

2.11. Prepaid expenses

Prepaid expenses only related to present fiscal year or an operating cycle are recognized as short-term prepaid expenses and are recorded into operating costs.

Prepaid expenses incurred during the fiscal year but related to business operations of several years are recorded as long-term prepaid expenses and are amortized to the income statement in several years.

The calculation and allocation of long-term prepaid expenses to profit and loss account in the period should be based on nature of those expenses to select a reasonable method and allocated factors. Prepaid expenses are allocated partly into operating expenses on a straight-line basis.

2.12. Accrued expenses

Expenses not yet occurred may be charged in advance into production and operating costs in order to ensure when these expenses arise, they do not make material influence on production and operating costs on the basis of suitability between revenue and cost. When these expenses arise, if there is any difference with the amount charged, accountants additionally record or make decrease to cost equivalent to the difference.

2.13. Owner's equity

Owner's equity is stated at actually contributed capital of owners.

Undistributed earnings is the profit of business operations after deduction (-) regulated items due to applying a change in accounting retrospectively or to make a retrospective restatement to correct materiality in previous years. The profit is available for appropriation to investors after approval by General Meeting of Shareholder/Board of Management and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnamese regulatory requirements.

2.14. Foreign currency transactions

Transactions in currencies other than accounting unit of the Company (VND) are recorded at the rate of exchange ruling at the dates of transactions. Monetary items denominated in foreign currencies (including cash on hand, cash at bank, cash in transit, receivables and payables and excluding advances from customers, advances to suppliers, revenue received in advance) are revalued at the buying rate of the commercial banks that the Company opened account at the time of preparation of financial statements at the balance sheet date. All exchange differences arising on settlement or revaluation at the date of financial statements will be recorded into the financial income or expense in the fiscal year.

2.15. Revenue

Sale of goods

Revenue from the sale of goods shall be recognised when all the following conditions have been satisfied:

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

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associate with the transaction shall be recognised by reference to the stage of completion of the transaction at the end of reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- The amount of the revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity;
- The stage of the completion of the transaction at the end of the reporting period can be measured reliably;
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

The stage of the completion of the transaction may be determined by surveys of work completed methods.

Financial income

Financial income include income from interest, royalties, dividends and other financial gains earned by the Company should be recognized when these two conditions are satisfied:

- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The amount of the revenue can be measured reliably.

Dividends shall be recognised when the shareholder's right to receive payment is established.

2.16. Financial expenses

Items recorded into financial expenses consist of:

- Expenses or losses relating to financial investment activities;
- Expenses of capital borrowing;
- Loss due to foreign exchange differences arising from transactions relating to foreign currencies;

The above items are recorded by the total amount arising within the period without compensation to financial income.

2.17. Taxation

Current tax

Current tax assets and liabilities for the current year and previous 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 by the balance sheet date.

2.18. Related Parties

Entities, individuals, directly or indirectly through one or more intermediaries, having control over the Company or being under the control of the Company, or being under common control with the Company, including the Company's parent, subsidiaries and affiliated companies, are related parties. Associates and individuals, directly or indirectly, holding voting power of the Company that have a significant influence on the Company, key management personnel including directors and employees of the Company, the close family members of these individuals or affiliated parties or companies associated with these individuals are also considered related party.

In considering the relationship of related parties, one should also consider the nature, not only the legal form of the relationship.

3. CASH AND CASH EQUIVALENTS

	31/12/2014	01/01/2014
	VND	VND
Cash on hand	213,645,430	192,527,794
Cash at bank	16,382,878,366	93,006,833
Cash equivalents	10,000,000,000	-
	26,596,523,796	285,534,627

4. INVENTORIES

	31/12/2014	01/01/2014
	VND	VND
Raw material	4,628,425,554	4,410,554,684
Finished goods	4,099,273,203	5,698,735,076
	8,727,698,757	10,109,289,760

5. TAXES AND OTHER RECEIVABLES FROM THE STATE

	31/12/2014	01/01/2014
	VND	VND
Corporate income tax	-	437,079,977
Personal income tax	147,547	275,422
Property tax and land rental	-	59,698,861
	147,547	497,054,260

6. TANGIBLE FIXED ASSETS

	Buildings	Machinery, equipment	Transportation equipment	Management equipment	Total
	VND	VND	VND	VND	VND
Original cost					
Beginning balance	64,914,069,415	11,527,678,004	8,663,227,727	706,042,465	85,811,017,611
Increase in the year	-	-	-	368,909,090	368,909,090
- Purchase in the year	-	-	-	368,909,090	368,909,090
Decrease in the year	(102,046,917)	(175,091,858)	-	(339,905,729)	(617,044,504)
- Decrease under Circular No. 45/2013/TT-BTC	(102,046,917)	(175,091,858)	-	(339,905,729)	(617,044,504)
Ending balance	64,812,022,498	11,352,586,146	8,663,227,727	735,045,826	85,562,882,197
Accumulated depreciation					
Beginning balance	21,971,829,746	9,725,059,428	2,918,225,059	694,785,798	35,309,900,031
Increase	4,087,167,946	1,736,501,152	967,929,344	13,079,576	6,804,678,018
- Depreciation for the year 2015	1,954,679,069	18,712,121	967,929,344	13,079,576	2,954,400,110
- Depreciation of not- in-use fixed assets for the previous years	2,132,488,877	1,717,789,031	-	-	3,850,277,908
Decrease in the year	(102,046,917)	(175,091,858)	-	(339,905,729)	(617,044,504)
- Decrease under Circular No. 45/2013/TT-BTC	(102,046,917)	(175,091,858)	-	(339,905,729)	(617,044,504)
Ending balance	25,956,950,775	11,286,468,722	3,886,154,403	367,959,645	41,497,533,545
Net carrying amount					
Beginning	42,942,239,669	1,802,618,576	5,745,002,668	11,256,667	50,501,117,580
Ending	38,855,071,723	66,117,424	4,777,073,324	367,086,181	44,065,348,652

- Cost of fully depreciated tangible fixed assets but still in use: VND 21,364,227,132

7. INTANGIBLE FIXED ASSETS

	Land use right (*)	Computer software	Others	Total
	VND	VND	VND	VND
Original cost				
Beginning balance	56,217,489,700	15,000,000	111,896,190	56,344,385,890
Increase in the year	-	-	-	-
Decrease in the year	-	(15,000,000)	-	(15,000,000)
- Decrease under Circular No. 45/2013/TT-BTC	-	(15,000,000)	-	(15,000,000)
Ending balance	56,217,489,700	-	111,896,190	56,329,385,890

Accumulated depreciation

Beginning balance	2,261,763,178	15,000,000	111,896,190	2,388,659,368
Increase	198,836,323	-	-	198,836,323
- Depreciation for the year 2015	198,836,323	-	-	198,836,323
Decrease in the year	-	(15,000,000)	-	(15,000,000)
- Decrease under Circular No. 45/2013/TT-BTC	-	(15,000,000)	-	(15,000,000)
Ending balance	2,460,599,501	-	111,896,190	2,572,495,691

Net carrying amount

Beginning	53,955,726,522	-	-	53,955,726,522
Ending	53,756,890,199	-	-	53,756,890,199

(*) Land use rights are detailed as follows:

- The land parcel with the total area of 25,828.2 m2 at Nam Duong Ward, Hai Phong City; Using method: lease of land from the State with annual rental payment. The land use term is 30 years from 22 July, 2003 to 22 July, 2033.
- The land parcel with the total area of 18,939.4 m2 at Nam Duong Ward, Hai Phong City; Using method: lease of land from the State with annual rental payment. The land use term is 30 years from 13 March, 2002 to 13 March, 2032.
- The land parcel with the total area of 352.4 m2 at No. 116 Nguyen Duc Canh Str., Cat Dai Ward, Hai Phong City. The land use term is long-term.

8. CONSTRUCTION IN PROGRESS

	31/12/2014	01/01/2014
	VND	VND
Construction in progress	1,676,050,909	-
Pile construction of Building at No. 183 Ba Trieu Str.	1,676,050,909	-
	1,676,050,909	-

9. LONG - TERM FINANCIAL INVESTMENTS

	31/12/2014	01/01/2014
	VND	VND
Investments in subsidiaries	120,000,000,000	120,000,000,000
Hung Viet Trading JSC.	120,000,000,000	120,000,000,000
Investments in associates, joint venture	216,000,000,000	216,000,000,000
Lam Hau Trading Services JSC.	80,000,000,000	80,000,000,000
Hoang Ha Investment Services JSC.	136,000,000,000	136,000,000,000
	336,000,000,000	336,000,000,000

Investments in subsidiaries

Detail information on the Company's subsidiaries as at 31 December 2014 as follows:

Name of subsidiaries	Place of establishment and operation	Rate of interest	Rate of voting rights	Principle activities
Hung Viet Trading JSC.	Thanh Xuan Dist., Hanoi City	75.00%	75.00%	Investment in real estate

Investments in associates

Detail information on the Company's associates as at 31 December 2014 as follows:

Name of associates	Place of establishment and operation	Rate of interest	Rate of voting rights	Principle activities
Lam Hau Trading Services JSC.	Le Chan District, Hai Phong City	44.44%	44.44%	Automotive business, production and sales of related parts.
Hoang Ha Investment Services JSC.	An Duong Dist., Hai Phong City	42.50%	42.50%	Automotive business, production and sales of related parts.

10. TAX PAYABLES AND STATUTORY OBLIGATIONS

	31/12/2014 VND	01/01/2014 VND
Value-added tax	140,120,665	299,009,050
Corporate income tax	534,172,772	-
	674,293,437	299,009,050

The Company's tax settlements are subject to examination by the tax authorities. Because the application of tax laws and regulations on many types of transactions is susceptible to varying interpretations, amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities

11. OTHER SHORT-TERM PAYABLES

	31/12/2014 VND	01/01/2014 VND
Trade union fund	-	2,872,461
Social insurance	8,019,201	-
	8,019,201	2,872,461

12. OWNER'S EQUITY

a) Increase and decrease in owner's equity

	Contributed Capital	Retained earnings	Total
	VND	VND	VND
Beginning balance of previous year	342,986,750,000	(3,575,996,734)	339,410,753,266
Increase in capital of previous year	92,000,000,000	-	92,000,000,000
Profit of previous year	-	5,562,152,214	5,562,152,214
Ending balance of previous year	434,986,750,000	1,986,155,480	436,972,905,480
Increase in capital of current year	30,000,000,000	-	30,000,000,000
Profit of current year	-	2,115,646,640	2,115,646,640
Ending balance of current year	464,986,750,000	4,101,802,120	469,088,552,120

b) Details of owner's invested capital

	Ending VND	Rate %	Beginning VND	Rate %
Mr. Do Huu Ha	182,442,050,000	39.24%	162,442,050,000	37.34%
Mrs. Nguyen Thi Ha	151,344,700,000	32.55%	141,344,700,000	32.49%
Mr. Do Huu Hung	65,600,000,000	14.11%	65,600,000,000	15.08%
Mr. Do Huu Huy	65,600,000,000	14.11%	65,600,000,000	15.08%
	464,986,750,000	100%	434,986,750,000	100%

c) Capital transactions with owners and distribution of dividends and profits

	Year 2014 VND	Year 2013 VND
Owner's invested capital		
- At the beginning of year	434,986,747,451	342,986,747,451
- Increase in the year	30,000,000,000	92,000,000,000
- At the end of the year	464,986,747,451	434,986,747,451
Distributed dividends and profit	-	-

d) Share

	Ending	Beginning
Quantity of Authorized issuing shares	43,498,675	43,498,675
Quantity of issued shares	46,498,675	43,498,675
- Common shares	46,498,675	43,498,675
Quantity of circulated shares	46,498,675	43,498,675
- Common shares	46,498,675	43,498,675
Par value per share:	10,000	10,000

13. TOTAL REVENUE FROM SALE OF GOODS AND RENDERING OF SERVICES

	Year 2014	Year 2013
	VND	VND
Revenue from sale of goods	97,851,000,000	47,030,000,000
Revenue from rendering of services	7,979,090,172	9,731,177,100
	105,830,090,172	56,761,177,100

14. COSTS OF SALES

	Year 2014	Year 2013
	VND	VND
Cost of goods sold	90,012,544,535	40,802,305,524
Cost of services rendered	5,552,294,461	4,010,503,460
	95,564,838,996	44,812,808,984

15. FINANCIAL INCOME

	Year 2014	Year 2013
	VND	VND
Interest income	15,635,777	2,041,443
Gain from sale of foreign currencies	84,480	-
	15,720,257	2,041,443

16. GENERAL ADMINISTRATIVE EXPENSES

	Year 2014	Year 2013
	VND	VND
Labour expenses	613,292,244	984,074,456
Depreciation and amortisation	1,317,894,273	1,899,976,019
Tax, Charge, Fee	309,989,991	141,864,518
Other expenses by cash	564,849,689	3,193,165,753
	2,806,026,197	6,219,080,746

17. OTHERS EXPENSES

	Year 2014	Year 2013
	VND	VND
Liquidating, disposing fixed assets expenses	-	741,814,000
Liquidating inventories expenses	-	2,270,498,965
Depreciation of not-in-use fixed assets	3,850,277,908	-
	3,850,277,908	3,012,312,965

18. CORPORATE INCOME TAX

18.1 Current corporate income tax expense

	Year 2014 VND	Year 2013 VND
<i>Corporate income tax from main business activities</i>		
Total profit before tax	3,624,667,328	5,562,152,214
Increase	3,851,277,908	-
- Depreciation of not-in-use fixed assets	3,850,277,908	-
- Others	1,000,000	-
Decrease	(616,760,291)	(5,562,152,214)
- Transferring loss of previous years	(616,760,291)	(5,562,152,214)
Taxable income	6,859,184,945	-
Current corporate income tax expense (tax rate 22%)	1,509,020,688	
Adjustment of tax expenses in previous years into current year		
Tax payable at the beginning of year	(437,079,977)	(264,009,865)
Tax paid in the year	(537,767,939)	(173,070,112)
Corporate income tax payable end of the year	534,172,772	(437,079,977)

19. BUSINESS AND PRODUCTIONS COST BY ITEMS

	Year 2014 VND	Year 2013 VND
Raw materials	80,029,225,836	37,842,930,636
Labour expenses	5,887,960,000	4,655,000,000
Depreciation expenses	3,153,236,433	3,376,693,596
Expenses from external services	643,381,628	225,995,806
Other expenses by cash	7,057,599,423	4,776,066,218
	96,771,403,320	50,876,686,256

20. FINANCIAL INSTRUMENTS

The types of financial instruments of the Company

	Carrying amount			
	31/12/2014		01/01/2014	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Financial Assets				
Cash and cash equivalent	26,596,523,796	-	285,534,627	-
Trade and other receivables	2,486,672,172	-	4,178,750,183	-
Total	29,083,195,968	-	4,464,284,810	-
			Carrying amount	
			31/12/2014	01/01/2014
			VND	VND
Financial Liabilities				
Trade and other payables			4,256,420,716	1,827,335,384
Total			4,256,420,716	1,827,335,384

Financial assets and financial liabilities are not revalued according to fair value at the year ended because Circular No. 210/2009/TT-BTC and prevailing statutory regulations require to present Financial Statements and additional note for financial instruments but do not provide any relevant instructions for assessment and recognition of fair value of financial assets and liabilities, excluding provisions for bad debts and provision for devaluation of securities investments which are presented in relevant notes.

Financial risk management

The Company's financial risks including market risk, credit risk and liquidity risk. The Company has developed its control system to ensure the reasonable balance between cost of incurred risks and cost of risk management. The Board of General Directors of the Company is responsible for monitoring the risk management process to ensure the appropriate balance between risk and risk control

Market risk

The Company's business operations will bear the risks of changes in prices, exchange rates and interest rates.

Price Risk:

The Company bears price risk of equity instruments from short-term and long-term security investments due to uncertainty on future prices of the securities. Long-term securities are held for long-term strategies, at the end of the fiscal year, the Company has no plans to sell these investments.

Exchange rate risk:

The Company bears the risk of exchange rate due to fluctuation in fair value of future cash flows of a financial instrument according to changes in exchange rates if loans, revenues and expenses of the Company are done in foreign currencies other than VND.

Interest rate risk:

The Company bears the risk of interest rates due to fluctuation in fair value of future cash flow of a financial instrument according to changes in market interest rates if the Company has time or demand deposits, loans and debts subject to floating interest rates. The Company manages interest rate risk by analyzing the market competition situation to obtain any interest profitable for its operation purpose.

Credit Risk

Credit risk is risk in which the potential loss may be incurred if a counterpart fails to perform its obligations under contractual terms or financial instruments. The Company has credit risk from operating activities (mainly for trade receivables) and financial activities (including bank deposits, loans and other financial instruments), detailed as follow:

	Up to 1 year	In 1 to 5 years	In more than 5 years	Total
As at 31/12/2014	VND	VND	VND	VND
Cash and cash equivalent	26,596,523,796	-	-	26,596,523,796
Trade and other receivables	2,486,672,172	-	-	2,486,672,172
Total	29,083,195,968	-	-	29,083,195,968
As at 01/01/2014				
Cash and cash equivalent	285,534,627	-	-	285,534,627
Trade and other receivables	4,178,750,183	-	-	4,178,750,183
Total	4,464,284,810	-	-	4,464,284,810

Liquidity Risk

Liquidity risk is the risk in which the Company has trouble in settlement of its financial obligations due to lack of funds. Liquidity risk of the Company is mainly from different maturity of its financial assets and liabilities.

Due date for payment of financial liabilities based on expected payment under the contracts (based on cash flow of the original debts) as follows:

	Up to 1 year	In 1 to 5 years	In more than 5 years	Total
As at 31/12/2014	VND	VND	VND	VND
Trade and other payables	4,256,420,716	-	-	4,256,420,716
Total	4,256,420,716	-	-	4,256,420,716
As at 01/01/2014				
Trade and other payables	1,827,335,384	-	-	1,827,335,384
Total	1,827,335,384	-	-	1,827,335,384

The Company believes that risk level of loan repayment is low. The Company has the ability to pay debts matured from cash flows from its operating activities and cash received from matured financial assets.

21. EVENTS AFTER THE REPORTING PERIOD

There have been no significant events occurring after the reporting period, which would require adjustments or disclosures to be made in the separate financial statements.

22. TRANSACTION AND BALANCES WITH RELATED PARTIES

In the fiscal year, the Company has the transactions and balances with related parties as follows:

	Relation	Year 2014 VND	Year 2013 VND
Revenue			
Hoang Huy Investment Services Joint Stock Company	Same chairman	82,461,227,150	48,014,449,511
Hoang Giang Services Development Joint Stock Company	Same chairman	15,066,000,000	-
Lending			
Hoang Giang Services Development Joint Stock Company	Same chairman	10,000,000,000	-

Outstanding balances with related parties up to the reporting date are as follows:

	Relation	31/12/2014 VND	01/01/2014 VND
Lending			
Hoang Giang Services Development Joint Stock Company	Same chairman	10,000,000,000	-
Advances to suppliers			
Lam Hau Trading Services JSC.	Associate	26,501,094,000	7,011,094,000
Hoang Ha Investment Services JSC.	Associate	-	7,011,094,000
Payables			
Hoang Huy Investment Services Joint Stock Company	Same chairman	25,946,134,434	23,303,484,298

Transactions with other related parties:

	Year 2014 VND	Year 2013 VND
Remuneration to members of Board of General Directors and Board of Manager	185,871,500	184,215,176

23. CORRESPONDING FIGURES

The corresponding figures are figures in the Financial Statements for the fiscal year ended 31 December 2013 which was prepared by Hoang Huy Investment Financial Services Joint Stock Company.

Preparer



Nguyen Thi Thu Huong

Chief Accountant



Phung Thi Thu Huong

Prepared, 20 December, 2015

General Director



Do Huu Ha

