

CONSOLIDATED FINANCIAL STATEMENTS

HN

**Hoang Huy Investment Financial Services Joint
Stock Company**

For the fiscal year ended 31 December 2015
(Audited)

CONTENTS

	Page
Report of the Board of General Directors	02 - 03
Independent Auditors' Report	04 - 05
Audited Consolidated Financial Statements	06 - 39
Consolidated statement of financial position	06 - 07
Consolidated statement of comprehensive income	08
Consolidated statement of cash flows	09 - 10
Notes to the Consolidated financial statements	11 - 39



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 Consolidated Financial Statements for the fiscal year ended 31 December, 2015.

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 seventh amendment dated 07 December, 2015.

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 take the audit of the Consolidated Financial statements for the Company.

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

The Board of General Directors is responsible for the consolidated 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 consolidated 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 consolidated financial
- Select suitable accounting policies and then apply them consistently;
- Make judgments 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;

Hoang Huy Investment Financial Services Joint Stock Company

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

- Prepare the consolidated 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
- Prepare the consolidated 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 consolidated 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 consolidated financial statements for the fiscal year ended 31 December 2015 prepared by us, give a true and fair view of the financial position at 31 December 2015, results of its operations and its cash flows in the year 2015 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

Prepared, 25 March, 2016

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 Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of Hoang Huy Investment Financial Services Joint Stock Company prepared on 25 March 2016, as set out on pages 06 to 39, including: consolidated statement of financial position as at 31 December 2015, consolidated statement of comprehensive income, consolidated statement of cash flows and Notes to consolidated financial statements for the year ended 31 December 2015.

Board of General Directors' Responsibility

The Board of General Directors is responsible for the preparation of consolidated 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 financial statements and for such internal control as management determines is necessary to enable the preparation of consolidated 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 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 standards, 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 Corporation's internal control relevant to the entity's preparation of consolidated 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 consolidated 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 Consolidated Financial statements give a true and fair view, in all material respects, of the consolidated financial position of Hoang Huy Investment Financial Services Joint Stock Company as at 31 December 2015, 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 consolidated financial statements.



AASC Auditing Firm Company Limited

Cat Thi Ha

Deputy General Director

Registered Auditor No. 0725-2013-002-1

Hanoi, 26 March, 2016

Nguyen Ngoc Lan

Auditor

Registered Auditor No. 1427-2013-002-1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

Code	ASSETS	Note	31/12/2015 VND	01/01/2015 VND
100	A. CURRENT ASSETS		1,544,887,022,475	1,346,613,029,743
110	I. Cash and cash equivalents	03	132,549,365,270	71,619,606,172
111	1. Cash		15,699,365,270	61,619,606,172
112	2. Cash equivalents		116,850,000,000	10,000,000,000
130	III. Short-term accounts receivable		322,871,804,369	66,345,884,879
131	1. Short-term trade receivables	05	17,633,469,255	27,897,807,255
132	2. Short-term prepayments to suppliers		302,649,403,971	37,371,949,255
136	3. Other short-term receivables	06	2,588,931,143	1,076,128,369
140	IV. Inventories	07	1,069,709,504,026	1,208,327,140,889
141	1. Inventories		1,071,245,984,026	1,208,327,140,889
149	2. Provision for devaluation of inventories		(1,536,480,000)	-
150	V. Other short-term assets		19,756,348,810	320,397,803
151	1. Short-term prepaid expenses		821,838,436	318,486,919
152	2. VAT deductibles		18,934,400,539	1,763,337
153	3. Taxes and other receivables from the State	13	109,835	147,547
200	B. NON- CURRENT ASSETS		728,050,342,082	385,741,751,691
220	II. Fixed assets		289,234,389,888	97,898,750,962
221	1. Tangible fixed assets	09	40,676,336,012	44,141,860,763
222	- Historical costs		85,843,673,979	85,785,900,379
223	- Accumulated depreciation		(45,167,337,967)	(41,644,039,616)
227	2. Intangible fixed assets	10	248,558,053,876	53,756,890,199
228	- Historical costs		251,329,385,890	56,348,485,890
229	- Accumulated amortization		(2,771,332,014)	(2,591,595,691)
240	IV. Long-term assets in progress	08	16,439,655,089	1,676,050,909
242	1. Construction in progress		16,439,655,089	1,676,050,909
250	V. Long-term investments	04	422,160,060,022	286,166,949,820
252	1. Investments in joint-ventures and associates		422,160,060,022	286,166,949,820
260	VI. Other long-term assets		216,237,083	-
262	1. Deferred income tax assets	26	216,237,083	-
270	TOTAL ASSETS		2,272,937,364,557	1,732,354,781,434

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

(Continued)

Code	RESOURCES	Note	31/12/2015 VND	01/01/2015 VND
300	C. LIABILITIES		663,029,433,947	1,002,029,450,623
310	I. Current liabilities		658,593,034,270	990,500,508,711
311	1. Short-term trade payables	12	94,848,245,294	115,661,560,581
312	2. Short-term prepayment from customers		159,383,250,910	28,389,893,454
313	3. Tax payables and statutory obligations	13	77,430,062,486	50,999,958,691
314	4. Payables to employees		15,217,517	18,207,017
315	5. Short-term accrued expenses	14	86,064,186,011	301,025,318,982
318	7. Short-term unrealised revenue		1,499,171,523	951,437,814
319	8. Other short-term payables	15	48,178,468,875	400,474,915,851
320	9. Short-term loans and finance lease liabilities	11	191,036,835,591	92,841,620,258
322	10. Bonus and welfare fund		137,596,063	137,596,063
330	II. Long-term liabilities		4,436,399,677	11,528,941,912
337	1. Other long-term payables	15	2,936,399,677	1,528,941,912
338	2. Long-term loans and finance lease liabilities	11	1,500,000,000	10,000,000,000
400	D. OWNER'S EQUITY		1,609,907,930,610	730,325,330,811
410	I. Owner's equity	16	1,609,907,930,610	730,325,330,811
411	1. Contributed capital		1,200,000,000,000	464,986,750,000
411a	Ordinary shares with voting rights		1,200,000,000,000	464,986,750,000
421	2. Undistributed profit after tax		379,354,358,945	170,071,123,593
421a	Undistributed post-tax profits accumulated by the end of the previous year		170,060,123,593	2,404,598,074
421b	Undistributed profit after tax for the current year		209,294,235,352	167,666,525,519
429	3. Non - controlling interest		30,553,571,665	95,267,457,218
440	TOTAL RESOURCES		2,272,937,364,557	1,732,354,781,434

Preparer

Nguyen Thi Thu Huong

Chief Accountant

Phung Thi Thu Huong

Hai Phong, 25 March 2016

General Director



Đỗ Hữu Hà

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year 2015

Code	ITEMS	Note	Year 2015 VND	Year 2014 VND
01	1. revenue from sale of goods and rendering of service	18	1,144,739,510,646	1,140,374,694,539
02	2. Deductible items		-	-
10	3. Net revenue from sale of goods and rendering of services		1,144,739,510,646	1,140,374,694,539
11	4. Cost of sales	19	898,177,092,457	824,670,336,816
20	5. Gross profit from sale of goods and rendering of services		246,562,418,189	315,704,357,723
21	6. Financial income	20	6,616,649,322	2,582,532,263
22	7. Financial expenses	21	3,195,873,768	-
23	<i>In which : Interest expenses</i>		2,475,844,399	-
24	8. Profit or loss in joint ventures and associates		1,593,110,202	170,388,709
25	9. Selling expenses		2,326,046,874	12,231,695,054
26	10. General Administrative expenses	22	15,567,624,605	10,951,451,526
30	11. Net profit from operating activities		233,682,632,466	295,274,132,115
31	12. Other income	23	550,977,645	1,192,227,493
32	13. Other expenses	24	931,857,367	8,678,938,859
40	14. Other profit (loss)		(380,879,722)	(7,486,711,366)
50	15. Total profit before tax		233,301,752,744	287,787,420,749
51	16. Current corporate income tax expenses	25	51,937,640,028	64,994,065,173
52	17. Deferred corporate income tax expenses	26	(216,237,083)	-
60	18. Profit after tax		<u>181,580,349,799</u>	<u>222,793,355,576</u>
61	19. Profit after tax contributable to Holding company		162,236,862,647	167,666,525,519
62	20. Profit after tax contributable to Non-controlling interest	16	19,343,487,152	55,126,830,057
70	21. Earnings per share	27	1,701	3,680

Preparer

Chief Accountant

Hai Phong, 25 March 2016

General Director

Nguyen Thi Thu Huong

Phung Thi Thu Huong

Do Han Ha

CONSOLIDATED STATEMENT OF CASH FLOWS

Year 2015
(Indirect method)

Code ITEMS	Note	Year 2015 VND	Year 2014 VND
I. CASH FLOWS FROM OPERATING ACTIVITIES			
01 1. Profit before tax		233,301,752,744	287,787,420,749
2. Adjustment for:		1,663,393,709	7,906,025,889
02 - Depreciation of fixed assets and investment properties		3,722,134,674	9,261,231,806
03 - Provisions		1,536,480,000	-
04 - Losses of exchange rate differences from revaluation of monetary items denominated in foreign currencies		(1,829,857)	-
05 - Gain/loss from investment activities		(6,069,235,507)	(1,355,205,917)
06 - Interest expense		2,475,844,399	-
08 3. Profit from operating activities before changes in working capital		234,965,146,453	295,693,446,638
09 - Increase/Decrease in receivables		(275,458,518,980)	21,177,983,057
10 - Increase/Decrease in inventories		137,081,156,863	(46,204,411,165)
11 - Increase/Decrease in payables (excluding interest payables/ enterprise income tax payables)		(456,305,638,476)	(56,195,770,170)
12 - Increase/Decrease in prepaid expenses		(503,351,517)	101,960,356
14 - Interest paid		(2,475,844,399)	-
15 - Corporate income tax paid		(24,327,233,561)	(14,564,346,219)
17 - Other expenses for operating activities		(1,011,000,000)	-
20 Net cash flows from operating activities		(388,035,283,617)	200,008,862,497
II. CASH FLOWS FROM INVESTING ACTIVITIES			
21 1. Purchase or construction of fixed assets and other long-term assets		(14,821,377,780)	(2,082,559,999)
22 2. Proceeds from disposals of fixed assets and other long-term assets		-	454,545,455
25 3. Investments in other entities (*)		(171,993,110,202)	(70,170,388,709)
27 4. Interest, dividends and profit received		6,069,235,507	2,582,532,263
30 Net cash flows from investing activities		(180,745,252,475)	(69,215,870,990)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
31 1. Receipts from stocks issuing and capital contribution from equity owners		540,013,250,000	30,000,000,000
33 2. Proceeds from borrowings		668,180,040,920	306,709,696,260
34 3. Repayment of borrowings		(578,484,825,587)	(415,404,396,526)
40 Net cash flows from financing activities		629,708,465,333	(78,694,700,266)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year 2015
(Indirect method)

Code ITEMS	Note	Year 2015	Year 2014
		VND	VND
50 Net cash flows in the year		60,927,929,241	52,098,291,241
60 Cash and cash equivalents at beginning of year		71,619,606,172	19,521,314,931
61 Impact of foreign exchange fluctuation		1,829,857	-
70 Cash and cash equivalents at end of year	03	132,549,365,270	71,619,606,172

(*) Including the additional investment in Hung Viet Trading JSC. with an amount of 36 billion Vietnamese dong in 2015.

Hai Phong, 25 March 2016

Preparer



Nguyen Thi Thu Huong

Chief Accountant



Phung Thi Thu Huong



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year 2015

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 seventh amendment dated 07 December, 2015 detailed that the Company's charter capital is VND 628,000,000,000 equivalent to 62,800,000 shares. The par value is VND 10,000 per share.

However, the actual contributed capital as at 31 December, 2015 is 1,200 billion Vietnamese dong. On 16 March 2016, the Company has registered the eighth amendment of Business Certificate detailed that the Company's charter capital is 1,200 billion Vietnamese dong. (Details as in Note 31)

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

Business field

- Real estate business and transportation vehicles

Business activities:

Main business activities 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.

Operations of the company in the fiscal year affecting the consolidated financial statements

- The distribution activities of imported US tractors has initiated from July 2015 resulting in an accelerated increase in revenue in 2015 compared to 2014.
- In 2015, the Company has planned to set apart the real estate activities and establish Hoang Huy Real Estate JSC according to Resolution of Extraordinary General Meeting of Shareholders No. 02/NQ-ĐHĐCĐ dated 10 November 2015. However, under Resolution of Extraordinary General Meeting of Shareholders No. 01/NQ-ĐHĐCĐ dated 20 January 2016, the Company has agreed to cancel plan of splitting (*Detailed as in Note 31*).

Structure of the Company

- **The total number of subsidiaries: 1**
- + The number of subsidiaries that has been consolidated: 1
- + The number of subsidiaries that has not been consolidated: 0
- **Information about the Company's restructures**
- + In 2015, the Company has purchased 3,000,000 shares of its subsidiary from the shareholders resulting in an increase of rate of interest and rate of voting rights from 75% to 93.75% .

The Company's subsidiaries consolidated in Consolidated financial statements as at 31/12/2015 include:

Name of company	Address	Rate of interest	Rate of voting right	Principal activities
Hung Viet Trading JSC.	Thanh Xuan Dist., Hanoi	93.75%	93.75%	Investment in real estate

The Company's material associates and jointly controlled entities that are accounted for using the equity method in the Consolidated financial statements as at 31/12/2015 include:

Name of company	Address	Rate of interest	Rate of voting right	Principal 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.	Le Chan District, Hai Phong City	42.50%	42.50%	Automotive business, production and sales of related parts.
Truong Giang Services Development JSC.	An Duong District, Hai Phong City	48.00%	48.00%	Maintenance and repair of automobiles and other motor vehicles.
Hoang Hiep Investment Construction Corporation	Binh Thanh Dist., Ho Chi Minh City	23.86%	23.86%	Automotive business, production and sales of related parts.

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 Circular No. 200/2014/TT-BTC dated December 22, 2014 by the Ministry 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.

2.3. Changes in accounting policies and disclosures

On 22 December 2014, the Ministry of Finance issued Circular No. 200/2014 /TT-BTC guiding the enterprise accounting policy as replacement for Decision No. 15/2006/QD-BTC dated 20 March 2006, and will be effective for fiscal years commencing on or after 01 January 2015.

The effect of changes in accounting policies under the guidance of Circular No. 200/2014/TT-BTC is prospectively recognized. The Company has supplemented comparative disclosures relating to changes in accounting policies between Circular 200/201/TT-BTC and Decision 15/2006/QD-BTC in Notes 34 of the consolidated financial statements.

2.4. Basis for preparation of Consolidated Financial Statements

Consolidated financial statements are prepared based upon consolidating Separate financial statements of the Company and its subsidiaries under its control as at 31 December annually. Control right is in practice when the Company has power to govern the financial and operating policies of invested companies to obtain benefits from their activities.

Financial statements of subsidiaries are prepared using consistent accounting policies of the Company. If necessary, adjustments are made to the Financial statements of subsidiaries to ensure the consistency of the accounting policies used by the Company and its subsidiaries.

The results from operations of subsidiaries acquired or disposed during the period are included in the Consolidated financial statements from the effective date of acquisition or up to the effective date of disposal.

Balance, main incomes and expenses, including unrealized profits from intra-group transactions are eliminated in full from Consolidated financial statements.

Non - controlling interest:

Non - controlling interest is the benefits in profits or losses, and in the net assets of subsidiaries not held by the Company.

2.5. Investments in associates

Associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture of the investor. In Consolidated Financial Statements, the investments in associates are recorded under equity method.

2.6. Financial Instruments

Initial recognition

Financial assets

Financial assets of the Company including cash and cash equivalents, trade receivables and other receivables, 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 expense 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.

2.7. Foreign currency transactions

The foreign currency transactions during the year are converted into Vietnam dong with the real exchange rate at the trans Real exchange rates are determined as the following principles:

- When buying or selling foreign currency: apply exchange rates concluded in foreign currency trading contract between the Company and commercial banks;
- When making capital contribution or receiving of contributed capital: apply the buying rate of the bank where the Company opens the account to receive capital from investors at the date of the contribution of capital;
- When recording receivables: apply the buying rate of commercial banks where the Company assigned customers to make payment at the time of incurred transactions;

- When recording liabilities: apply the selling rate of commercial banks where the Company expects to conduct transactions at the time of incurred transactions;
- When purchases of assets or expenses paid immediately in foreign currency: apply the buying rate of commercial banks where Company makes payments.

Real exchange rate applied when re-determining monetary items denominated in foreign currencies at the date of the Consolidated Financial Statements is determined under the following principles:

- For the items classified as asset: applies the buying rate of commercial banks where Company regularly conducts transaction;
- For foreign currency deposited in bank: applies the buying rate of the bank where Company open foreign currency account;
- For the items classified as liabilities: applies the selling rate of commercial banks where Company regularly conducts transaction.

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.

Realized foreign exchange differences arising in the year and unrealized foreign exchange differences incurring from re-determining monetary items denominated in foreign currencies at the end of the year have recorded accumulated on the Statement of Financial position and will be allocated into financial expense or financial income when Enterprises operate. Allocation of minimum loss from foreign exchange differences in each period must ensure that it is not less than the pre-tax profit before allocation (after allocation of loss from foreign exchange differences, profit before tax of Statement of Comprehensive income shall be zero).

2.8. 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 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.

2.9. Financial investments

Investments in joint ventures and associates purchased during the year are determined the date of purchase, the cost of investments and implemented of accounting procedures in accordance with provisions of Accounting Standards "Business combination" and "Investments in joint ventures and associates" by the buyers. In the Consolidated Financial Statements, investments in joint ventures and associates are accounted according to the equity method.

Investments in equity of other entities include investments in equity of other entities with no controlling, jointly-controlling, or significant influence on the investee. Book value of these investments is determined at original cost. After initial recognition, the value of these investments is determined at original cost less provision for diminution in value of investments.

Dividends received in shares only monitor the number of shares received, do not record any increase in the value of the investment and financial income.

Provisions for devaluation of investments are made at year-end as follows:

- In respect of investments in trading securities: the provisions shall be made according to the excess of original cost of the investments recorded as book value over their market value on provision date.
- In respect of long-term investments (other than trading securities) with no significant influence on the investee: If an investment in listed shares or the fair value of the investment is determined reliably, the provisions shall be made according to the market value of the shares; if the fair value is not determined at the reporting time, the provisions shall be made according to investee's Financial Statements at the time the provision is made

2.10. Receivables

The receivables shall be kept records in details according to maturity, entities, types of currency and other factors according to requirements for management of the Company.

The provision for bad debts is created when arising an overdue debt under an economic contract, a loan agreement, a contractual commitment or a promissory note and debts are not due but difficult recovery. Accordingly, the provisions for overdue debts shall be made according to time in which the principal is repaid according to the sale contract, exclusive of the debt rescheduling between contracting parties and the debts are not due but the debtor is close to bankruptcy or undergone procedures for dissolution, or the debtor is missing or makes a getaway.

2.11. Inventories

Inventories are initially recognized at original cost included: the purchase price, costs of conversion and other costs incurred in bringing the inventories to their location and condition at the time of initial recognition. After initial recognition, at the time the financial statements are prepared if the net realizable value is lower than cost, inventories should be measured at the net realizable value.

The cost of inventory is calculated by weighted average method.

Inventories are recorded by perpetual method.

Method for valuation of work in progress: work in progress is obtained for each construction project unfinished or related revenue unrecognised corresponding to the amount of work in progress at the end of period.

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.

2.12. 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	10 - 26 years
- Machine, equipment	05 - 15 years
- Transportation equipment	06 - 10 years
- Office equipment and furniture	03 - 05 years
- Land use rights	30 years
- Computer software	08 years

2.13. Prepaid expenses

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.

2.14. Payables

The payables shall be kept records in details according to maturity, entities, types of currency and other factors according to requirements for management of the Company.

2.15. Loans

Loans, finance lease liabilities shall be kept records in details according to entities, loan agreement and term of loan, finance lease liabilities. In case of loans or liabilities in foreign currency shall be kept records in detail of the currency.

2.16. 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". Besides, regarding loans serving the construction of fixed assets, investment properties, the interests shall be capitalized even if the construction duration is under 12 months.

2.17. Accrued expenses

Payables for goods or services received from the seller or provided to the customers during a reporting period, but payments of such goods or services have not been made which are recorded to operating expenses of the reporting period.

The recording of accrued expenses to operating expenses during a period shall be carried out in conformity with revenues and expenses incurring during a period. Accrued expenses payable are settled with actual expenses incurred. The difference between accrualment and actual expenses are reverted.

2.18. Owner's equity

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

Undistributed profit after tax is used to record business results (profit, loss) after corporate income tax and situation of income distribution or loss handling of company. The distribution of profits are made when the undistributed profit after tax of company shall not exceed the undistributed profit after tax on Consolidated Financial Statements after eliminating the impact of profits recorded from cheap purchase. In case payment of dividends, profits for the owners exceeding the undistributed profit after tax shall be essentially decrease of contributed capital. Undistributed profit after tax can be distributed to investors based on capital contribution rate after approval by General Meeting of Shareholders / Board of Management and after making appropriation to funds in accordance with the Company's Charter and Vietnamese regulatory requirements.

2.19. Revenues

Sale of goods

Revenue from the sale of goods shall be recognized 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.

Services rendered

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognized 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.

Revenue from sales of real estate

Revenue from sales of real estate shall be recognized when all the following conditions have been satisfied:

- The real estate has completed and transferred to the buyers, the Company have transferred risks and benefits associated with ownership of the real estate to the buyers;
- The Company no longer hold the right to manage the real estate as real estate's owners or the right to control the real estate;
- The turnover is determined reliably;
- The Company have received or will receive economic benefits from the sales of the real estate;
- Costs related to sales of the real estate is determined reliably

In the case that real estate is traded in the form of self-improvement by the buyer or the Company finishes interior of the real estate in accordance with requirements of customers, the revenue is recorded when raw building is completed and transferred to customers.

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.

2.20. Cost of sales

Cost of goods sold is recognized in accordance with revenue arising and ensure compliance with the prudence principle. In cases of loss of materials and goods exceeded the norm, abnormal expenses and losses of inventories after deducting the responsibility of collective and individuals concerned,... are recognized fully and promptly into cost of goods sold in the period.

2.21. Current corporate income tax

Current corporate income tax expenses are determined based on taxable income during period, and current corporate income tax rate.

2.22. Related Parties

The parties are regarded as related parties if that party has the ability to control or significantly influence the other party in making decisions about the financial policies and activities. The Company's related parties include:

- Companies, 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;
- 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
- Enterprises due to the above-mentioned individuals directly or indirectly hold an important part of the voting rights or have significant influence on the Company.

In considering the relationship of related parties to serve for the preparation and presentation of financial statements, the Company should consider the nature of the relationship rather than the legal form of the relationship.

3. CASH AND CASH EQUIVALENTS

	31/12/2015	01/01/2015
	VND	VND
Cash on hand	2,001,198,045	553,351,989
Demand deposits	13,698,167,225	61,066,254,183
Cash equivalents	116,850,000,000	10,000,000,000
	<u>132,549,365,270</u>	<u>71,619,606,172</u>

As at 31/12/2015, cash equivalents include the term deposits matured from 30/10/2015 to 30/01/2015 in an amount of 116,850 million Vietnamese dong at Asia Commercial Bank, Military Commercial Joint Stock Bank and Tien Phong Commercial Joint Stock Bank with the interest rate from 4.9 % to 5.5 % per year.

4. FINANCIAL INVESTMENTS

Investments in associates

	Address	31/12/2015			01/01/2015		
		Rate of interest	Rate of voting rights	Book Value	Rate of interest	Rate of voting rights	Book Value
		VND	VND	VND	VND	VND	VND
Investments in associates							
- Lam Hau Trading Services JSC.	Hai Phong City	44.44%	44.44%	80,281,261,822	44.44%	44.44%	79,999,111,111
- Truong Giang Services Development JSC. (*)	Hai Phong City	48.00%	48.00%	134,400,301,377	0.00%	0.00%	-
- Hoang Ha Investment Services JSC.	Hai Phong City	42.50%	42.50%	136,652,952,575	42.50%	42.50%	135,997,450,000
- Hoang Hiep Investment Construction Corporation	Ho Chi Minh City	23.86%	23.86%	70,825,544,248	23.86%	23.86%	70,170,388,709
				<u>422,160,060,022</u>			<u>286,166,949,820</u>

The reason for each change of investment in joint ventures or associates:

(*) In 2015, the Company contributed capital to establish Truong Giang Services Development JSC. Accordingly, the Company holds 13,440,000 shares in total of 28,000,000 shares of Truong Giang Services Development JSC.

Major transactions between the Company and associates during the year: details as in Notes 33.

5. TRADE RECEIVABLES

	31/12/2015	01/01/2015
	VND	VND
a) Trade receivables detailed by large account balances		
- An Phuoc Automobiles Co., Ltd.	445,000,000	-
- Hong Son Star Da Nang Automobiles Co., Ltd.	480,000,000	-
- Dong Do Co., Ltd	445,000,000	-
- Trung Viet Automobiles Single Member Co., Ltd.	429,000,000	1,565,634,262
- Truong Hai Single Member Co., Ltd.	330,000,000	-
- Mr. Nguyen Quoc Hiep	-	2,191,930,416
- Mrs. Nguyen Thi Thanh Hien	-	1,635,447,059
- Mr. Do Ngoc Kien	-	1,656,710,444
- Other trade receivables	15,504,469,255	20,848,085,074
	17,633,469,255	27,897,807,255
b) Trade receivables detailed by terms of payment		
- Short-term trade receivables	17,633,469,255	27,897,807,255
	17,633,469,255	27,897,807,255

6. OTHER SHORT-TERM RECEIVABLES

	31/12/2015		01/01/2015	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
- Accrued interest	1,115,087,916	-	-	-
- Receivables from Hoang Huy Real Estate Co., Ltd under the policy of splitting the Company	313,873,136	-	-	-
- Undeclared VAT	417,777,608	-	35,911,392	-
- Advances to employees	612,192,483	-	946,269,762	-
- Others	130,000,000	-	93,947,215	-
	2,588,931,143	-	1,076,128,369	-

7. INVENTORIES

	31/12/2015		01/01/2015	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
- Raw material	3,713,665,532	-	4,628,425,554	-
- Tools and supplies	12,140,725	-	-	-
- Work in process (*)	856,936,238,582	-	1,199,579,072,132	-
- Finished goods	3,431,658,734	-	4,099,273,203	-
- Merchandise	205,681,053,092	(1,536,480,000)	20,370,000	-
- Consignments	1,471,227,361	-	-	-
	1,071,245,984,026	(1,536,480,000)	1,208,327,140,889	-

(*) Work in process is the cost of Golden Land Building Project at No. 275 Nguyen Trai Street, Thanh Xuan District, Ha Noi, invested by Hung Viet Trading JSC. - subsidiary of Hoang Huy Investment Financial Services JSC. Golden Land Building Project began handing over the apartment to the customers and record revenue from the real estate business in 2014.

8. CONSTRUCTION IN PROGRESS

	31/12/2015	01/01/2015
	VND	VND
Construction in progress	16,439,655,089	1,676,050,909
+ <i>Building at No. 183 Ba Trieu St.</i>	16,439,655,089	1,676,050,909
	16,439,655,089	1,676,050,909

9. TANGIBLE FIXED ASSETS

	Buildings	Machinery, equipment	Transportation equipment	Management equipment	Total
	VND	VND	VND	VND	VND
Original cost					
Beginning balance	64,997,440,680	11,352,586,146	8,663,227,727	772,645,826	85,785,900,379
Increase	-	57,773,600	-	-	57,773,600
- <i>Purchase in the year</i>	-	57,773,600	-	-	57,773,600
Decrease	-	-	-	-	-
Ending balance	64,997,440,680	11,410,359,746	8,663,227,727	772,645,826	85,843,673,979
Accumulated depreciation					
Beginning balance	26,100,323,513	11,286,468,722	3,886,154,403	371,092,978	41,644,039,616
Increase	2,450,629,531	23,526,588	956,127,261	93,014,971	3,523,298,351
- <i>Depreciation for the year</i>	2,450,629,531	23,526,588	956,127,261	93,014,971	3,523,298,351
Decrease	-	-	-	-	-
Ending balance	28,550,953,044	11,309,995,310	4,842,281,664	464,107,949	45,167,337,967
Net carrying amount					
Beginning	38,897,117,167	66,117,424	4,777,073,324	401,552,848	44,141,860,763
Ending	36,446,487,636	100,364,436	3,820,946,063	308,537,877	40,676,336,012

- Cost of fully depreciated tangible fixed assets but still in use: 21,438,282,802 VND

10. INTANGIBLE FIXED ASSETS

	Land use right (*)	Computer software	Others	Total
	VND	VND	VND	VND
Original cost				
Beginning balance	56,217,489,700	19,100,000	111,896,190	56,348,485,890
- Increase due to capital contribution (*)	195,000,000,000	-	-	195,000,000,000
- Decrease under Circular No. 45/2013/TT-BTC	-	(19,100,000)	-	(19,100,000)
Ending balance	251,217,489,700	-	111,896,190	251,329,385,890
Accumulated depreciation				
Beginning balance	2,460,599,501	19,100,000	111,896,190	2,591,595,691
- Depreciation for the year	198,836,323	-	-	198,836,323
- Decrease under Circular No. 45/2013/TT-BTC	-	(19,100,000)	-	(19,100,000)
Ending balance	2,659,435,824	-	111,896,190	2,771,332,014
Net carrying amount				
Beginning	53,756,890,199	-	-	53,756,890,199
Ending	248,558,053,876	-	-	248,558,053,876

- Cost of fully depreciated tangible fixed assets but still in use: 111,896,190 VND

(*) The value of land use right at No. 183 Ba Trieu Street, Hoan Kiem District, Hanoi is additionally contributed under the contract for capital contribution with land use rights among Mr. Do Huu Ha, Mrs. Nguyen Thi Ha and Hoang Huy Investment Financial Services Joint Stock Company dated 15 April, 2015. The amount of capital contribution is determined by the Valuation Certificate No. 01/2015/BCTDG-Kreston dated 30 October, 2015 issued by Kreston (VN) Auditing and Consulting Company.

11. LOANS AND FINANCE LEASE LIABILITIES

	01/01/2015		During the year		31/12/2015	
	Outstanding balance	Amount can be paid	Increase	Decrease	Outstanding balance	Amount can be paid
	VND	VND	VND	VND	VND	VND
a) Short-term loans						
- Short-term loans	50,736,624,521	50,736,624,521	666,680,040,920	536,379,829,850	181,036,835,591	181,036,835,591
+ Tien Phong Commercial Joint Stock Bank - Pham Hung Branch ⁽¹⁾	-	-	154,350,381,785	110,380,596,194	43,969,785,591	43,969,785,591
+ Global Petro Commercial Joint Stock Bank - Hai Phong Branch	7,416,764,021	7,416,764,021	-	7,416,764,021	-	-
+ Ho Chi Minh City Housing Development Joint Stock Bank - Hai Phong Branch	-	-	181,303,827,360	181,303,827,360	-	-
+ LienViet Post Joint Stock Commercial Bank - Hai Phong Branch	-	-	26,058,609,775	26,058,609,775	-	-
+ Saigon Thuong Tin Commercial Joint Stock Bank - Hai Phong Branch	-	-	136,995,222,000	136,995,222,000	-	-
+ Mrs. Nguyen Thi Hoa ⁽⁴⁾	23,609,305,000	23,609,305,000	-	23,609,305,000	-	-
+ Mr. Do Huu Hung ⁽⁴⁾	13,924,705,500	13,924,705,500	12,672,000,000	26,596,705,500	-	-
+ Mr. Do Huu Hau ⁽⁴⁾	-	-	21,000,000,000	11,000,000,000	10,000,000,000	10,000,000,000
+ Hoang Ha Investment Services JSC. ⁽²⁾	-	-	118,000,000,000	-	118,000,000,000	118,000,000,000
+ Lam Hau Trading Services JSC. ⁽³⁾	-	-	3,500,000,000	-	3,500,000,000	3,500,000,000
+ Loans from other entities ⁽⁴⁾	5,785,850,000	5,785,850,000	12,800,000,000	13,018,800,000	5,567,050,000	5,567,050,000
- Current portion of long-term loans	42,104,995,737	42,104,995,737	10,000,000,000	42,104,995,737	10,000,000,000	10,000,000,000
+ Tien Phong Commercial Joint Stock Bank - Pham Hung Branch	32,560,885,092	32,560,885,092	-	32,560,885,092	-	-
+ Asia Commercial Joint Stock Bank - Hai Phong Branch ⁽⁵⁾	-	-	10,000,000,000	-	10,000,000,000	10,000,000,000
+ LienViet Post Joint Stock Commercial Bank - Hai Phong Branch	9,544,110,645	9,544,110,645	-	9,544,110,645	-	-
	92,841,620,258	92,841,620,258	676,680,040,920	578,484,825,587	191,036,835,591	191,036,835,591

Consolidated Financial Statements
The fiscal year ended 31 December 2015

25

Detail information on short-term loans is as follows:

(1) Loans from Tien Phong Commercial Joint Stock Bank - Pham Hung Branch include 2 Loan Agreement as follows:

(a) Loan Agreement No. 633-12.15/HĐTD/PHG dated 10 December 2015 with the terms detailed as follows:

+ Loan Purpose: Adding capital budget to construct Building N01 in Golden Land Building Project at No. 275 Nguyen Trai Street, Thanh Xuan District, Hanoi;

+ Loan Period: From 10 December 2015 to 15 January 2016;

+ Loan interest: Fixed in each application for disbursement, concurrently loan receipt certificate;

+ Method of security: Secured by assets including: (i) Deposit Agreement No. 26.30102015/HĐTG/TPB-PHG in value of VND 26,000,000,000; (ii) Deposit Agreement No. 35.30102015/HĐTG/TPB-PHG in value of VND 35,000,000,000.

+ Principal balance as at 31 December 2015: VND 24,022,240,854

(b) Loan Agreement No. 635-12.15/HĐTD/PHG dated 15 December 2015 with the terms detailed as follows:

+ Loan Purpose: Adding capital budget to construct Building N01 in Golden Land Building Project at No. 275 Nguyen Trai Street, Thanh Xuan District, Hanoi;

+ Loan Period: From 10 December 2015 to 15 January 2016;

+ Loan interest: Fixed in each application for disbursement, concurrently loan receipt certificate;

+ Method of security: Secured by assets including: (i) Deposit Agreement No. 26.30102015/HĐTG/TPB-PHG in value of VND 26,000,000,000; (ii) Deposit Agreement No. 35.30102015/HĐTG/TPB-PHG in value of VND 35,000,000,000.

+ Principal balance as at 31 December 2015: VND 19,947,544,737

(2) Loan Agreement No. 23.11.2015/HH-HV dated 23 November 2015 with the terms detailed as follows:

+ Loan Period: less than 12 months from the first disbursement;

+ Loan interest: 8,5% per year;

+ Method of security: Unsecured;

+ Principal balance as at 31 December 2015: VND 118,000,000,000

(3) Loan Agreement No. 02.12.2015/HH-HV dated 03 December 2015 with the terms detailed as follows:

+ Loan Period: less than 12 months from the first disbursement;

+ Loan interest: 8,5% per year;

+ Method of security: Unsecured;

+ Principal balance as at 31 December 2015: VND 3,500,000,000

(4) Including the interest-free loans from the shareholders of the Company and matured long-term loans from individuals to perform Golden Land Building project; The interest rate is 0%-2% per year. In case that the individual has the right to buy an apartment in the plan, the individual will enjoy the loans with the interest rate of 0% per year.

Detail information on long-term loans is as follows:

(5) Loan Agreement No. 01230114/TH dated 23 January 2014 with the terms detailed as follows:

+ Credit Line: VND 10,000,000,000;

+ Loan Purpose: Adding capital budget to construct high-rise building NO1 in Golden Land Building Project.

+ Loan Period: 24 months, the principal is paid in full at due date, the interest is paid quarterly;

+ Loan interest: 9,5% per year;

+ Method of security: Secured by passbook No. 172791049 dated 23 January 2014 issued by Asia Commercial Joint Stock Bank - Hai Phong Branch with total value of VND 10,000,000,000, owned by Mr. Do Huu Hung;

+ Principal balance as at 31 December 2015: VND 10,000,000,000 which is matured in 2016.

(6) Loan Agreement No. 01230114/TH dated 23 January 2014 with the terms detailed as follows:

+ Loan amount: VND 1,500,000,000;

+ Loan Period: 60 months;

+ Loan interest: 7% per year; in case that the loan is withdrawn before maturity, the interest rate is 0%;

+ Method of security: Unsecured;

+ Principal balance as at 31 December 2015: VND 1,500,000,000, in which the amount matured in 2016 is VND 0.

c) Loans and finance lease liabilities from relevant entities are as follows:

	Relation	31/12/2015		01/01/2015	
		Principal	Interest	Principal	Interest
		VND	VND	VND	VND
- Hoang Ha Investment Services	Associate	118,000,000,000	1,058,722,222	-	-
- Lam Hau Trading Services JSC.	Associate	3,500,000,000	23,138,889	-	-
- Mr. Do Huu Hau	Major shareholde	10,000,000,000	-	-	-
		131,500,000,000	1,081,861,111	-	-

12. TRADE PAYABLES

	31/12/2015		01/01/2015	
	Outstanding balance	Amount can be paid	Outstanding balance	Amount can be paid
	VND	VND	VND	VND

a) Trade payables detailed by large account balances

- Navistar, Inc	3,697,980,300	3,697,980,300	-	-
- Posco Engineering & Construction Vietnam Co., Ltd.	22,697,827,651	22,697,827,651	40,836,848,552	40,836,848,552
- Hanoi CPM Construction Corporation	-	-	12,294,324,149	12,294,324,149
- Hawee ME., JSC.	20,862,554,783	20,862,554,783	7,617,833,541	7,617,833,541
- Hanoi Construction Joint Stock Company No. 01	20,092,111,013	20,092,111,013	17,690,742,134	17,690,742,134
- Viet Ha Co., Ltd	4,887,146,077	4,887,146,077	8,292,253,399	8,292,253,399
- Binh Khanh Co., Ltd	3,494,623,305	3,494,623,305	-	-
- Long Giang Construction Company	-	-	4,609,714,570	4,609,714,570
- Vien Lam Hanoi JSC.	-	-	6,594,832,773	6,594,832,773
- Others	19,116,002,165	19,116,002,165	17,725,011,463	17,725,011,463
	94,848,245,294	94,848,245,294	115,661,560,581	115,661,560,581

b) Trade payables detailed by term of payment

- Short-term trade payables	94,848,245,294	94,848,245,294	115,661,560,581	115,661,560,581
	94,848,245,294	94,848,245,294	115,661,560,581	115,661,560,581

13. TAX PAYABLES AND STATUTORY OBLIGATIONS

	Tax receivable at beginning of year	Tax payable at beginning of year	Tax payable in the year	Tax paid in the year	Tax receivable end of the year	Tax payable end of the year
	VND	VND	VND	VND	VND	VND
- Value-added tax	-	1,121,016,579	65,582,274,086	66,703,353,665	63,000	-
- Export, import duties	-	-	25,461,114,417	25,461,114,417	-	-
- Corporate income tax	-	49,811,266,755	51,937,640,028	24,327,233,561	-	77,421,673,222
- Personal income tax	147,547	67,675,357	313,155,688	372,341,069	46,835	8,389,264
- Land tax and land rental	-	-	1,712,489,710	1,712,489,710	-	-
- Fees, charges and other payables	-	-	6,000,000	6,000,000	-	-
	<u>147,547</u>	<u>50,999,958,691</u>	<u>145,012,673,929</u>	<u>118,582,532,422</u>	<u>109,835</u>	<u>77,430,062,486</u>

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.

14. SHORT-TERM ACCRUED EXPENSES

	31/12/2015	01/01/2015
	VND	VND
- Accrued construction expenses of Golden Land Project	86,064,186,011	301,025,318,982
	86,064,186,011	301,025,318,982

15. OTHER PAYABLES

	31/12/2015	01/01/2015
	VND	VND
a) Short-term		
- Social insurance	-	8,019,201
- Short-term deposits, collateral received	660,000,000	4,260,000,000
- Other payables	47,518,468,875	396,206,896,650
+ Payable to Golden Land Building on maintenance expenses collect-on-behalf	18,813,376,279	8,166,503,750
+ Proceeds from buyer of apartment according to construction progress	27,566,869,197	387,961,498,775
+ Loan interest payables	1,081,861,111	-
+ Others	56,362,288	78,894,125
	48,178,468,875	400,474,915,851
b) Long-term		
- Long-term deposits, collateral received	2,936,399,677	1,528,941,912
	2,936,399,677	1,528,941,912

00117
CÔNG TY
Ổ PHẢI
TƯ DỊCH
VỊ CHÍNH
HÀNG HUY
(T.P. HẢI)

0111106
CÔNG TY
NHÌEM HỮ
NG KIỂM
AAS
KIỂM - T

16. OWNER'S EQUITY

a) Changes in owner's equity

	Contributed legal capital	Undistributed earnings	Non-controlling interest	Total
	VND	VND	VND	VND
Beginning balance of previous year	434,986,750,000	2,404,598,074	40,140,627,161	477,531,975,235
Increase in capital of previous year	30,000,000,000	-	-	30,000,000,000
Profit of previous year	-	167,666,525,519	55,126,830,057	222,793,355,576
Ending balance of previous year	464,986,750,000	170,071,123,593	95,267,457,218	730,325,330,811
Beginning balance of current year	464,986,750,000	170,071,123,593	95,267,457,218	730,325,330,811
Increase in capital of current year	735,013,250,000	-	-	735,013,250,000
Profit of current year	-	162,236,862,647	19,343,487,152	181,580,349,799
Impact of adjustment of capital contribution of Parent Company and Non- controlling shareholders (*)	-	47,057,372,705	(83,057,372,705)	(36,000,000,000)
Earnings distribution at subsidiaries	-	-	(1,000,000,000)	(1,000,000,000)
Other decreases	-	(11,000,000)	-	(11,000,000)
Ending balance of current year	1,200,000,000,000	379,354,358,945	30,553,571,665	1,609,907,930,610

(*) In 2015, Hoang Huy Investment Financial Services JSC (Parent company) has purchased 3,000,000 shares of Hung Viet Trading JSC (Subsidiary) from other shareholders at price of VND12,000 per shares. Accordingly, the ratio of contributed capital and voting rights of the Parent company in subsidiary increased from 75% to 93.75%; while the proportion of contributed capital and voting rights of the Non-controlling shareholders in subsidiary reduced from 25% to 6.25%.

b) Details of owner's invested capital

	Ending VND	Rate %	Beginning VND	Rate %
Mr. Do Huu Ha	600,000,000,000	50.00%	182,442,050,000	39.24%
Mr. Do Huu Hau	60,000,000,000	5.00%	-	0.00%
Mrs. Nguyen Thi Ha	5,000,000,000	0.42%	151,344,700,000	32.55%
Others	535,000,000,000	44.58%	131,200,000,000	28.22%
	1,200,000,000,000	100.00%	464,986,750,000	100.00%

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

	Year 2015 VND	Year 2014 VND
Owner's invested capital		
- At the beginning of year	464,986,750,000	434,986,750,000
- Increase in the year	735,013,250,000	30,000,000,000
- Decrease in the year	-	-
- At the end of the year	1,200,000,000,000	464,986,750,000

d) Share

	31/12/2015	01/01/2015
Quantity of Authorized issuing shares	120,000,000	46,498,675
Quantity of issued shares	120,000,000	46,498,675
- Common shares	120,000,000	46,498,675
Quantity of circulated shares	120,000,000	46,498,675
- Common shares	120,000,000	46,498,675
Par value per share (VND)	10,000	10,000

17. OFF STATEMENT OF FINANCIAL POSITION ITEMS

a) Foreign currencies

	Unit	31/12/2015	01/01/2015
US Dollar	USD	1,506.59	1,276.18
Euro	EUR	8.95	8.95

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

	Year 2015	Year 2014
	VND	VND
Revenue from sale of US tractors	369,438,181,859	-
Revenue from sale of truck, truck body and spare parts	232,823,455,689	97,851,000,000
Revenue from real estate business	518,406,625,838	1,029,827,516,262
Revenue from rendering of services	24,057,247,262	12,693,814,878
Other revenue	13,999,998	2,363,399
	1,144,739,510,646	1,140,374,694,539
Revenue from relevant parties (Details as in Note 33)	414,436,190,212	97,527,227,150

19. COSTS OF SALES

	Year 2015	Year 2014
	VND	VND
Cost of US tractors sold	349,119,721,513	-
Cost of truck, truck body and spare parts sold	178,639,116,947	90,012,544,535
Cost of real estate invested	362,583,837,635	727,776,607,159
Cost of services rendered	6,297,936,362	6,881,185,122
Provision for devaluation of inventories	1,536,480,000	-
	898,177,092,457	824,670,336,816

20. FINANCIAL INCOME

	Year 2015	Year 2014
	VND	VND
Interest income	6,069,235,507	2,582,447,783
Gain from foreign exchange differences	547,413,815	-
Other financial income	-	84,480
	6,616,649,322	2,582,532,263

21. FINANCIAL EXPENSES

	Year 2015	Year 2014
	VND	VND
Loan interest	2,475,844,399	-
Loss from foreign exchange differences	720,029,369	-
	3,195,873,768	-

22. GENERAL ADMINISTRATIVE EXPENSES

	Year 2015	Year 2014
	VND	VND
Labour expenses	6,583,269,524	4,963,135,591
Depreciation and amortization	3,569,043,186	1,535,442,069
Expenses from external services	277,848,951	3,745,024,177
Other expenses by cash	5,137,462,944	707,849,689
	15,567,624,605	10,951,451,526

23. OTHER INCOME

	Year 2015	Year 2014
	VND	VND
Income from uncharged debt	507,699,508	-
Income from liquidating, disposing fixed assets	-	454,545,455
Income from fine for late payment of buyer of apartment	-	244,481,899
Income from deposits of buyer	-	417,000,000
Others	43,278,137	76,200,139
	550,977,645	1,192,227,493

24. OTHER EXPENSES

	Year 2015	Year 2014
	VND	VND
Liquidating, disposing fixed assets expenses	-	1,618,209,614
Depreciation of not-in-use assets	-	3,850,277,908
Tax fines, administrative penalties	911,799,171	1,890,340,641
Others	20,058,196	1,320,110,696
	931,857,367	8,678,938,859

25. CURRENT CORPORATE INCOME TAX EXPENSES

	Year 2015 VND	Year 2014 VND
Current corporate income tax expenses of Hoang Huy Investment Financial Services Joint Stock Company - the Parent Company	16,762,991,659	1,509,020,688
Current corporate income tax expenses of Hung Viet Trading Joint Stock Company - the Subsidiary	35,174,648,369	63,485,044,485
	51,937,640,028	64,994,065,173

26. DEFERRED CORPORATE INCOME TAX EXPENSES

	31/12/2015 VND	01/01/2015 VND
Deferred corporate income tax incurred when consolidating financial statements	(216,237,083)	-
Deferred corporate income tax assets	(216,237,083)	-

27. BASIC EARNINGS PER SHARE

Basic earnings per share distributed to common shareholders of the company is calculated as follows:

	Year 2015 VND	Year 2014 VND
Profit after tax	162,236,862,647	167,666,525,519
Dividends of common shares	162,236,862,647	167,666,525,519
Average circulated common shares in the year	95,404,214	45,561,688
Basic earnings per share	1,701	3,680

28. BUSINESS AND PRODUCTIONS COST BY ITEMS

	Year 2015 VND	Year 2014 VND
Raw materials	524,048,876,674	80,029,225,836
Labour expenses	12,206,809,019	10,237,803,347
Depreciation expenses	3,722,134,674	5,410,953,898
Expenses from external services	660,508,673	4,078,415,814
Other expenses by cash	9,024,389,989	17,392,124,808
	549,662,719,029	117,148,523,703

29. FINANCIAL INSTRUMENTS

The types of financial instruments of the Company

	Carrying amount			
	31/12/2015		01/01/2015	
	Original cost	Provision	Original cost	Provision
Financial Assets	VND	VND	VND	VND
Cash and cash equivalent	132,549,365,270	-	71,619,606,172	-
Trade and other receivables	20,222,400,398	-	28,973,935,624	-
	152,771,765,668	-	100,593,541,796	-

	Carrying amount	
	31/12/2015	01/01/2015
	VND	VND
Financial Liabilities		
Loans and borrowings	192,536,835,591	102,841,620,258
Trade and other payables	145,963,113,846	517,665,418,344
Accrued expenses	86,064,186,011	301,025,318,982
	424,564,135,448	921,532,357,584

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
	VND	VND	VND	VND
As at 31/12/2015				
Cash and cash equivalent	132,549,365,270	-	-	132,549,365,270
Trade and other receivables	20,222,400,398	-	-	20,222,400,398
	152,771,765,668	-	-	152,771,765,668
As at 01/01/2015				
Cash and cash equivalent	71,619,606,172	-	-	71,619,606,172
Trade and other receivables	28,973,935,624	-	-	28,973,935,624
	100,593,541,796	-	-	100,593,541,796

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
	VND	VND	VND	VND
As at 31/12/2015				
Loans and borrowings	191,036,835,591	1,500,000,000	-	192,536,835,591
Trade and other payables	143,026,714,169	2,936,399,677	-	145,963,113,846
Accrued expenses	86,064,186,011	-	-	86,064,186,011
	420,127,735,771	4,436,399,677	-	424,564,135,448
As at 01/01/2015				
Loans and borrowings	92,841,620,258	10,000,000,000	-	102,841,620,258
Trade and other payables	516,136,476,432	1,528,941,912	-	517,665,418,344
Accrued expenses	301,025,318,982	-	-	301,025,318,982
	910,003,415,672	11,528,941,912	-	921,532,357,584

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.

30. ADDITIONAL INFORMATION FOR THE ITEMS OF THE STATEMENT OF CASH FLOWS

a) Proceeds from borrowings during the year

Proceeds from ordinary contracts; 668,180,040,920 306,709,696,260

b) Actual repayments on principal during the year

Repayment on principal from ordinary contracts; (578,484,825,587) (415,404,396,526)

31. OTHER INFORMATION

According to the Resolution of Extraordinary General Meeting of Shareholders No. 02/NQ-AGM dated 10 November, 2015, Hoang Huy Investment Financial Services JSC has planned to set apart the real estate activities and establish Hoang Huy Real Estate JSC. Hoang Huy Investment Financial Services JSC has been granted for Business Certificate No. 0200117929 dated 07 December, 2015 by the Department of Planning and Investment of Hai Phong City. According to this Resolution, Hoang Huy Investment Financial Services will transfer to Hoang Huy Real Estate JSC: The long-term investments (Subsidiaries and Associates) in value of 372,000 million Vietnamese dong, fixed assets with original cost of 199,686 million Vietnamese dong and bank deposits of 315 million Vietnamese dong.

On 20 January 2016, the Company issued the Resolution of Extraordinary General Meeting of Shareholders No. 01/NQ-AGM cancelling plan to set apart Hoang Huy Real Estate JSC as mentioned above. Hoang Huy Investment Financial Services JSC has been granted for Business Certificate No. 0200117929 dated 16 March, 2016 by the Department of Planning and Investment of Hai Phong City replacing the Business Certificate No. 0200117929 dated 07 December 2015. As at 31 December 2015, the Company has not carried out the transfer of properties and ownership of assets to Hoang Huy Real Estate JSC.

32. 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 consolidated financial statements.

33. TRANSACTION AND BALANCES WITH RELATED PARTIES

In the fiscal year, the Company has the transactions and balances with related parties as follows: (Specifically, the loans from related parties are detailed in Note 11)

Transactions during the year:

	Relation	Year 2015 VND	Year 2014 VND
Revenue			
Hoang Huy Investment Services Joint Stock Company	Same chairman	79,283,008,348	82,461,227,150
Hoang Giang Services Development Joint Stock Company	Same chairman	335,153,181,864	15,066,000,000
Contributing capital			
Hoang Hiep Investment Construction Corporation	Associate	-	70,000,000,000
Truong Giang Services Development	Associate	134,400,000,000	-
Proceeds under Business Cooperation Contract			
Hoang Huy Investment Services Joint Stock Company	Same chairman	-	40,000,000,000

Payment under Business Cooperation Contract

Hoang Huy Investment Services JSC.	Same chairman	-	185,835,447,934
------------------------------------	---------------	---	-----------------

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

	Relation	31/12/2015	01/01/2015
		VND	VND
Short-term advances to suppliers			
Lam Hau Trading Services JSC.	Associate	127,516,094,000	-
Truong Giang Services Development	Associate	149,580,000,000	-
Short-term advances from customers			
Hoang Huy Investment Services JSC.	Same chairman	9,279,825,251	25,946,134,434
Truong Giang Services Development	Same chairman	147,372,000,000	-

Transactions with other related parties:

	Year 2015	Year 2014
	VND	VND
Remuneration to members of Board of General Directors and Board of Managem.	315,213,175	185,871,500

34. CORRESPONDING FIGURES

The corresponding figures are figures in the Consolidated Financial Statements for the fiscal year ended 31 December 2014, which was audited by AASC Auditing Firm Company Limited. Those figures were reclassified to conform with Circular No. 200/2014/TT-BTC dated 22/12/2014 in order to compare with figures of this year.

Hoang Huy Investment Financial Services Joint Stock Company

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

Consolidated Financial Statements

The fiscal year ended 31 December 2015

Figures in the Consolidated Financial Statements for the fiscal year ended 31/12/2014

Figures adjusted under Circular No. 200/2014/TT-BTC

Code	Items	Amount	Code	Items	Amount	Differences
a/ Consolidated Statement of Financial Position						
131	Trade receivables	27,897,807,255	131	Short-term trade receivables	27,897,807,255	-
132	Advances to suppliers	37,371,949,255	132	Short-term prepayments to suppliers	37,371,949,255	-
135	Other receivables	129,858,607	136	Other short-term receivables	1,076,128,369	(946,269,762)
154	Taxes and other receivables from the State	147,547	153	Taxes and other receivables from the State	147,547	-
158	Other current assets	946,269,762	155	Other current assets	-	946,269,762
230	Construction in progress	1,676,050,909	242	Construction in progress	1,676,050,909	-
311	Short - term loans and debts	92,841,620,258	320	Short-term loans and finance lease liabilities	92,841,620,258	-
312	Trade payables	115,661,560,581	311	Short-term trade payables	115,661,560,581	-
313	Advances from customers	28,389,893,454	312	Short-term prepayment from customers	28,389,893,454	-
314	Tax payables and statutory obligations	50,999,958,691	313	Tax payables and statutory obligations	50,999,958,691	-
315	Payables to employees	18,207,017	314	Payables to employees	18,207,017	-
316	Accrued expenses	301,025,318,982	315	Short-term accrued expenses	301,025,318,982	-
319	Other payables	401,426,353,665	319	Other short-term payables	400,474,915,851	951,437,814
			318	Short-term unrealised revenue	951,437,814	(951,437,814)
323	Bonus and welfare fund	137,596,063	322	Bonus and welfare fund	137,596,063	-
333	Other long-term payables	1,528,941,912	337	Other long-term payables	1,528,941,912	-
334	Long - term loans and debts	10,000,000,000	338	Long-term loans and finance lease liabilities	10,000,000,000	-
411	Contributed legal capital	464,986,750,000	411	Contributed capital	464,986,750,000	-
			411a	Ordinary shares with voting rights	464,986,750,000	-
420	Undistributed earnings	170,071,123,593	421	Undistributed profit after tax	170,071,123,593	-
			421a	Undistributed post-tax profits accumulated by the end of the previous year	2,404,598,074	-
			421b	Undistributed profit after tax for the current year	167,666,525,519	-
439	Non-controlling interest	95,267,457,218	429	Non - controlling interest	95,267,457,218	-

Figures in the Consolidated Financial Statements for the fiscal year
ended 31/12/2014

Figures adjusted under Circular No. 200/2014/TT-BTC

Code	Items	Amount	Code	Items	Amount	Differences
b/ Consolidated Statement Of Comprehensive Income						
24	Selling expenses	12,231,695,054	25	Selling expenses	12,231,695,054	-
25	General Administrative expenses	10,951,451,526	26	General Administrative expenses	10,951,451,526	-
45	Profit (loss) in associates/joint ventures	170,362,745	24	Profit or loss in joint ventures and associates	170,388,709	(25,964)
61	Profit after tax contributable to Non-controlling interest	55,126,830,057	62	Profit after tax contributable to Non-controlling interest	55,126,830,057	-
62	Profit after tax contributable to Holding company	167,666,499,555	61	Profit after tax contributable to Holding company	167,666,525,519	(25,964)
c/ Consolidated Statement Of Cash Flows						
14	Corporate income tax paid	(56,195,770,170)	15	Corporate income tax paid	(56,195,770,170)	-
33	Proceeds from short - term, long - term borrow	306,709,696,260	33	Proceeds from borrowings	306,709,696,260	-
34	Loan repayment	(415,404,396,526)	34	Repayment of borrowings	(415,404,396,526)	-

Preparer



Nguyen Thi Thu Huong

Chief Accountant



Phung Thi Thu Huong

Hai Phong, 25 March 2016

General Director



Do Huu Ha