

# **SEPARATE FINANCIAL STATEMENTS**

**HOANG HUY INVESTMENT FINANCIAL SERVICES  
JOINT STOCK COMPANY**

For the fiscal period from 01/01/2016 to 31/03/2016  
(Reviewed)

**CONTENTS**

|   | Page    |
|---|---------|
| Report of the Board of General Directors                            | 02 - 03 |
| Auditor's Report on Results of Separate Financial Statements Review | 04      |
| Reviewed Separate Financial Statements                              | 05 - 32 |
| Statement of Financial position                                     | 05 - 06 |
| Statement of Comprehensive income                                   | 07      |
| Statement of Cash flows   | 08 - 09 |
| Notes to the Separate Financial Statements                          | 10 - 31 |



## **REPORT OF BOARD OF GENERAL DIRECTOR**

Board of General Director of Hoang Huy Investment Financial Services Joint Stock Company ("The Company") presents its report and the Company's Separate Financial Statements for the fiscal period from 01/01/2016 to 31/03/2016.

### **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 eighth amendment dated 16 March, 2016 detailed that the Company's charter capital is VND 1,200,000,000,000.

The Company's head office is located at No. 116 Nguyen Duc Canh Street, Cat Dai Ward, 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   |                               |
| Mr. Vu Trong Long  | Member   | (Appointed on 30 March, 2016) |
| Mr. Pham Manh Hung | Member   | (Appointed on 30 March, 2016) |

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:

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

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

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- 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;
- 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 period ended 31 March 2016 prepared by us, give a true and fair view of the financial position at 31 March 2016, results of its operations and its cash flows for the fiscal period from 01/01/2016 to 31/03/2016 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

Hanoi, 07 April, 2016

## **AUDITOR'S REPORT ON RESULTS OF SEPARATE FINANCIAL STATEMENTS REVIEW**

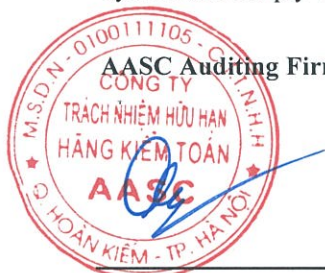
**To: The Shareholders, Board of Management and Board of General Directors  
Hoang Huy Investment Financial Services Joint Stock Company**

We have reviewed the Statement of financial position of Hoang Huy Investment Financial Services Joint Stock Company on 31 March, 2016, Statement of income, Statement of cash flows and Notes to the separate financial statements for the fiscal period from 01/01/2016 to 31/03/2016.

The Board of General Directors is responsible for the preparation of the separate financial statements of the Company. Our responsibility is to express an opinion on these Financial Statements based on our review.

We conducted our review in accordance with Vietnamese Standard on Auditing. This Standard requires that we plan and perform the review to obtain moderate assurance about whether the financial statements are free of material misstatement. A review is limited of making inquiries to the Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

In our review, we do not realize any events which make us announce that the attached separate financial statements do not reflect a true and fair view in all material respects, in accordance with the Vietnamese Accounting Standards and System and comply with relevant statutory requirements.



**AASC Auditing Firm Company Limited**

**Cat Thi Ha**

Deputy General Director

Registered Auditor No.: 0725-2013-002-1

*Ha Noi, 14 April, 2016*



**Nguyen Ngoc Lan**

Auditor

Registered Auditor No. 1427-2013-002-1

## STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

| Code       | ASSETS  | Note      | 31/03/2016<br>VND        | 01/01/2016<br>VND        |
|------------|---|-----------|--------------------------|--------------------------|
| <b>100</b> | <b>A. CURRENT ASSETS</b>                      |           | <b>365,321,460,701</b>   | <b>632,475,589,714</b>   |
| <b>110</b> | <b>I. Cash and cash equivalents</b>           | <b>03</b> | <b>154,445,677,790</b>   | <b>117,886,697,548</b>   |
| 111        | 1. Cash                                       |           | 6,445,677,790            | 1,036,697,548            |
| 112        | 2. Cash equivalents                           |           | 148,000,000,000          | 116,850,000,000          |
| <b>120</b> | <b>II. Short-term financial investments</b>   | <b>04</b> | <b>83,175,000,000</b>    | -                        |
| 123        | 1. Held - to - maturity investments           |           | 83,175,000,000           | -                        |
| <b>130</b> | <b>III. Short-term accounts receivable</b>    |           | <b>20,967,246,999</b>    | <b>289,824,684,991</b>   |
| 131        | 1. Short-term trade receivables               | 05        | 16,550,773,012           | 2,345,030,413            |
| 132        | 2. Short-term prepayment to suppliers         |           | 3,522,318,389            | 286,050,693,526          |
| 136        | 3. Other short-term receivables               | 06        | 894,155,598              | 1,428,961,052            |
| <b>140</b> | <b>IV. Inventories</b>                        | <b>07</b> | <b>103,077,842,276</b>   | <b>211,035,010,178</b>   |
| 141        | 1. Inventories                                |           | 104,000,522,276          | 212,571,490,178          |
| 149        | 2. Provision for devaluation of inventories   |           | (922,680,000)            | (1,536,480,000)          |
| <b>150</b> | <b>V. Other current assets</b>                |           | <b>3,655,693,636</b>     | <b>13,729,196,997</b>    |
| 151        | 1. Short - term prepaid expenses              | 11        | 66,666,664               | 166,666,666              |
| 152        | 2. VAT deductibles                            |           | 3,585,963,972            | 13,562,467,331           |
| 153        | 3. Taxes and other receivables from the State | 13        | 3,063,000                | 63,000                   |
| <b>200</b> | <b>B. NON- CURRENT ASSETS</b>                 |           | <b>1,023,160,413,525</b> | <b>812,038,096,502</b>   |
| <b>220</b> | <b>II. Fixed assets</b>                       |           | <b>288,368,222,656</b>   | <b>289,198,441,413</b>   |
| 221        | 1. Tangible fixed assets                      | 09        | 39,859,877,862           | 40,640,387,537           |
| 222        | - Historical costs                            |           | 76,301,795,101           | 85,620,655,797           |
| 223        | - Accumulated depreciation                    |           | (36,441,917,239)         | (44,980,268,260)         |
| 227        | 2. Intangible fixed assets                    | 10        | 248,508,344,794          | 248,558,053,876          |
| 228        | - Historical costs                            |           | 251,329,385,890          | 251,329,385,890          |
| 229        | - Accumulated amortization                    |           | (2,821,041,096)          | (2,771,332,014)          |
| <b>240</b> | <b>IV. Long-term assets in progress</b>       | <b>08</b> | <b>28,392,190,869</b>    | <b>16,439,655,089</b>    |
| 242        | 1. Construction in progress                   |           | 28,392,190,869           | 16,439,655,089           |
| <b>250</b> | <b>V. Long - term financial investments</b>   | <b>04</b> | <b>706,400,000,000</b>   | <b>506,400,000,000</b>   |
| 251        | 1. Investment in subsidiaries                 |           | 356,000,000,000          | 156,000,000,000          |
| 252        | 2. Investments in joint-ventures, associates  |           | 350,400,000,000          | 350,400,000,000          |
| <b>270</b> | <b>TOTAL ASSETS</b>                           |           | <b>1,388,481,874,226</b> | <b>1,444,513,686,216</b> |

## STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

(Continued)

| Code       | RESOURCES  | Note      | 31/03/2016<br>VND        | 01/01/2016<br>VND        |
|------------|--|-----------|--------------------------|--------------------------|
| <b>300</b> | <b>C. LIABILITIES</b>  |           | <b>109,413,621,868</b>   | <b>168,456,303,524</b>   |
| <b>310</b> | <b>I. Current liabilities</b>  |           | <b>109,413,621,868</b>   | <b>168,456,303,524</b>   |
| 311        | 1. Short-term trade payables   | 12        | 2,184,604,045            | 4,855,255,887            |
| 312        | 2. Short-term prepayment from customers                                    |           | 105,222,088,264          | 158,746,913,515          |
| 313        | 3. Tax payables and statutory obligations                                  | 13        | 762,142,020              | 4,181,803,059            |
| 318        | 4. Other short-term payables   | 14        | 1,107,191,476            | 534,735,000              |
| 322        | 5. Bonus and welfare fund  |           | 137,596,063              | 137,596,063              |
| <b>400</b> | <b>D. OWNER'S EQUITY</b>   |           | <b>1,279,068,252,358</b> | <b>1,276,057,382,692</b> |
| <b>410</b> | <b>I. Owner's equity</b>   | <b>15</b> | <b>1,279,068,252,358</b> | <b>1,276,057,382,692</b> |
| 411        | 1. Contributed capital   |           | 1,200,000,000,000        | 1,200,000,000,000        |
| 411a       | Ordinary shares with voting rights   |           | 1,200,000,000,000        | 1,200,000,000,000        |
| 421        | 2. Undistributed profit after tax  |           | 79,068,252,358           | 76,057,382,692           |
| 421a       | Undistributed post-tax profits accumulated by the end of the previous year |           | 76,057,382,692           | 4,101,802,120            |
| 421b       | Undistributed profit after tax for the current year                        |           | 3,010,869,666            | 71,955,580,572           |
| <b>440</b> | <b>TOTAL RESOURCES</b>   |           | <b>1,388,481,874,226</b> | <b>1,444,513,686,216</b> |

Preparer



Nguyen Thi Thu Huong

Chief Accountant



Phung Thi Thu Huong

Prepared, 07 April, 2016

General Director



Do Huu Ha

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## STATEMENT OF COMPREHENSIVE INCOME

From 01/01/2016 to 31/03/2016

| Code | ITEMS  | Note | Current period<br>VND | Previous period<br>VND |
|------|--|------|-----------------------|------------------------|
| 01   | 1. Revenue from sale of goods and rendering of services      | 17   | 122,126,199,651       | 15,509,586,222         |
| 02   | 2. Deductible items  | 18   | 22,727,273            | -                      |
| 10   | 3. Net revenue from sale of goods and rendering of services  | 19   | 122,103,472,378       | 15,509,586,222         |
| 11   | 4. Cost of sales   | 20   | 118,300,979,213       | 12,612,734,715         |
| 20   | 5. Gross profit from sale of goods and rendering of services |      | 3,802,493,165         | 2,896,851,507          |
| 21   | 6. Financial income  | 21   | 1,883,431,194         | 69,032,956             |
| 22   | 7. Financial expenses  | 22   | 11,279,910            | 10,071,000             |
| 23   | <i>In which : Interest expenses</i>                          |      | -                     | -                      |
| 25   | 8. Selling expenses  | 23   | 392,703,909           | 3,180,000              |
| 26   | 9. General administrative expenses                           | 24   | 1,746,861,952         | 1,856,194,989          |
| 30   | 10. Net profit from operating activities                     |      | 3,535,078,588         | 1,096,438,474          |
| 31   | 11. Other income   | 25   | 228,758,494           | 477,214,508            |
| 32   | 12. Other expenses   |      | -                     | -                      |
| 40   | 13. Other profit   |      | 228,758,494           | 477,214,508            |
| 50   | 14. Total net profit before tax                              |      | 3,763,837,082         | 1,573,652,982          |
| 51   | 15. Current corporate income tax expenses                    | 26   | 752,967,416           | 346,423,656            |
| 60   | 17. Profit after tax   |      | <u>3,010,869,666</u>  | <u>1,227,229,326</u>   |

Preparer



Nguyen Thi Thu Huong

Chief Accountant



Phung Thi Thu Huong

Prepared, 07 April, 2016

General Director



Do Huu Ha

## STATEMENT OF CASH FLOWS

*From 01/01/2016 to 31/03/2016*

*(Indirect method)*

| Code  | ITEMS   | Note | Current period<br>VND | Previous period<br>VND |
|---|---|------|-----------------------|------------------------|
| <b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>  |   |      |                       |                        |
| 01  | 1. Profit before tax  |      | 3,763,837,082         | 1,573,652,982          |
|   | 2. Adjustment for:  |      | (1,819,861,431)       | 720,010,379            |
| 02  | - Depreciation of fixed assets and investment properties                                      |      | 906,128,257           | 789,043,335            |
| 03  | - Provisions  |      | (613,800,000)         | -                      |
| 05  | - Gain/loss from investment activities  |      | (2,112,189,688)       | (69,032,956)           |
| 08  | 3. Profit from operating activities before changes in working capital                         |      | 1,943,975,651         | 2,293,663,361          |
| 09  | - Increase/Decrease in receivables  |      | 280,010,910,030       | 22,066,142,462         |
| 10  | - Increase/Decrease in inventories  |      | 108,570,967,902       | (5,177,616,112)        |
| 11  | - Increase/Decrease in payables (excluding interest payables/ enterprise income tax payables) |      | (55,622,235,277)      | (14,845,806,791)       |
| 12  | - Increase/Decrease in prepaid expenses   |      | 100,000,002           | (26,518,742)           |
| 15  | - Corporate income tax paid   |      | (4,173,413,795)       | (304,141,466)          |
| 20  | Net cash flows from operating activities  |      | 330,830,204,513       | 4,005,722,712          |
| <b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b> |   |      |                       |                        |
| 21  | 1. Purchase or construction of fixed assets and other long-term assets                        |      | (13,231,289,808)      | (2,925,194,601)        |
| 22  | 2. Proceeds from disposals of fixed assets and other long-term assets                         |      | 251,634,343           | -                      |
| 23  | 3. Lending and purchase of debt instruments from other entities                               |      | (121,545,000,000)     | (42,000,000,000)       |
| 24  | 4. Repayment from borrowers and proceeds from sales of debt instruments of other entities     |      | 38,370,000,000        | -                      |
| 25  | 5. Investments in other entities  |      | (200,000,000,000)     | -                      |
| 27  | 7. Interest and dividend received   |      | 1,883,431,194         | 69,032,956             |
| 30  | Net cash flows from investing activities  |      | (294,271,224,271)     | (44,856,161,645)       |

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***From 01/01/2016 to 31/03/2016***

*(Indirect method)*

| Code | ITEMS   | Note | Current period<br>VND | Previous period<br>VND |
|------|---|------|-----------------------|------------------------|
|      | <b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>                            |      |                       |                        |
| 31   | 1. Receipts from stocks issuing and capital contribution from equity owners |      | -                     | 429,910,600,000        |
| 32   | 2. Repayment of contributions capital and repurchase of stock issued        |      | -                     | -                      |
| 40   | <i>Net cash flows from financing activities</i>                             |      | -                     | <i>429,910,600,000</i> |
| 50   | Net cash flows in the year  |      | 36,558,980,242        | 389,060,161,067        |
| 60   | Cash and cash equivalents at beginning of year                              |      | 117,886,697,548       | 26,596,523,796         |
| 61   | Impact of foreign exchange fluctuation                                      |      | -                     | -                      |
| 70   | Cash and cash equivalents at end of year                                    | 03   | 154,445,677,790       | 415,656,684,863        |

Preparer

**Nguyen Thi Thu Huong**

### Chief Accountant

Thru

Phung Thi Thu Huong

*Prepared, 07 April, 2016*

**General Director**

Do Huu Ha

**NOTES TO THE FINANCIAL STATEMENTS***From 01/01/2016 to 31/03/2016***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 eighth amendment dated 16 March, 2016 detailed that the Company's charter capital is VND 1,200,000,000,000.

The Company's head office is located at No. 116 Nguyen Duc Canh Street, Cat Dai Ward, 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.

**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;
- 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;
- Transport of iron ore;
- Coastal and ocean transportation;
- 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;
- 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

Main business field of the Company (*continue*)

- 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
- 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 separate financial statements

- 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 Vietnam dong, fixed assets with original cost of 199,686 million Vietnam dong and bank deposits of 315 million Vietnam 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.
- According to the Decision No.01/2016/QD-AGM dated 20 January 2016 of General Meeting of Shareholders, Hoang Huy Investment Financial Services will additionally invest 200 billion Vietnam dong equivalent to 20,000,000 shares in Hung Viet Trading JSC resulting in the amount of shares owned by Hoang Huy Investment Financial Services JSC is 35,000,000 shares equivalent to 350 billion Vietnam dong; Accounting for 97.22% of Owner's Equity of Hung Viet Trading JSC. As at 31 March 2016, the Company has completed the additional investment in Hung Viet Trading JSC.
- In 2016, the Company has changed annual accounting period commencing on 01st April and ending as at 31 March.

**Structure of enterprises**

**The Company's member entities are Address as follows:**

**Principle activities**

|  |   |                       |
|--|---|-----------------------|
| Hoang Huy Investment Financial Services Joint Stock Company - Hanoi Branch | No. 275 Nguyen Trai Str., Thanh Xuan 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. 4.*

**2. ACCOUNTING SYSTEM AND ACCOUNTING POLICY****2.1. Accounting period and accounting monetary unit**

From year 2016, the Company has changed annual accounting period commencing on 01st April and ending as at 31 March.

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 supplementary documents issued by the State. Financial statements are prepared in accordance with regulations of each standard and supplementary 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/QĐ-BTC dated 20 March 2006, and will be effective for fiscal years commencing on or after 01 January 2015.

**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. 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.

**2.5. Foreign currency transactions**

The foreign currency transactions during the year are converted into Vietnam dong with the real exchange rate at the transaction date.

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 Separate 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 accounts;
- 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.

## 2.6. Cash and cash equivalents

Cash includes cash on hand, demand deposits, monetary gold used for value storage, not includes the gold classified to inventory account and used as raw materials for production of goods for sale.

Cash equivalents is short-term highly liquid investments with maturity less than 3 months from the date investment, can be converted easily into a certain amount of cash and there is no risk in conversion into cash.

## 2.7. Financial investments

*Trading securities* are initially recognized in the ledger according to original prices include: buying prices plus buying costs (if any) as brokerage, transactions, information provision, taxes, bank's fees and charges. After initial recognition, trading securities are determined at original price less provision for diminution in value of trading securities.

*Investments held to maturity* include: term deposits (including treasury bills, promissory notes), bonds, preference shares which the issuer is required to re-buy them at a certain time in the future and loans... held to maturity to earn profits periodically and other held to maturity investments.

*Investments in subsidiaries, joint ventures or associates* are initially recognized in the ledger according to original cost. After initial recognition, the value of these investments is determined at original cost less provision for diminution in value of investments.

*Investments in equity of other entities* included: investments in equity of other entities but not control, joint control, 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 increase in the value of the investment and financial income

## 2.8. 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.

## 2.9. Inventories

Inventories are initially recognized at original cost including: 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.

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.

## 2.10. 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 method.

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      |
| - Management software            | 08 years      |

**2.11. 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.

**2.12. 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.

**2.13. Unearned revenues**

Unearned revenues include: amounts of customers paid in advance for one or many accounting periods for asset lease;

Unearned revenues are transferred to revenue from sale of goods and rendering of service or financial income according to the amount which is determined reasonably in each accounting period.

**2.14. 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.

Dividends to be paid to shareholders are recognised as a payable in Statement of Financial position after declaration from the Board of Management.

**2.15. Revenues***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.

*Services rendered*

Revenue from services rendered shall be recognised when all the following conditions have been 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.

**2.16. Financial expenses**

Items recorded into financial expenses consist of:

- Expenses or losses relating to financial investment activities;
- Provision for losses from investment in other units, losses incurred when selling foreign currency, losses from exchange rate difference...

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

**2.17. Corporate income tax***Current corporate income tax expenses*

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

**2.18. 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 of these individuals;
- 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 separate financial statements, the Company should consider the nature of the relationship rather than the legal form of the relationship.

**3. CASH AND CASH EQUIVALENTS**

|                  | 31/03/2016             | 01/01/2016             |
|------------------|------------------------|------------------------|
|                  | VND                    | VND                    |
| Cash on hand     | 624,060,424            | 283,212,078            |
| Demand deposits  | 5,821,617,366          | 753,485,470            |
| Cash equivalents | 148,000,000,000        | 116,850,000,000        |
|                  | <b>154,445,677,790</b> | <b>117,886,697,548</b> |

As at 31/03/2016, cash equivalents include the term deposits matured from 30/03/2016 to 31/05/2016 in value of VND 148,000,000,000 at Asia Comercial Bank - Hai Phong Branch and Ho Chi Minh City Development Joint Stock Commercial Bank - Hai Phong Branch with the interest rate of 5,3% per year.

**4. FINANCIAL INVESTMENTS****a) Held-to-maturity investments**

|                        | 31/03/2016            |            | 01/01/2016    |            |
|------------------------|-----------------------|------------|---------------|------------|
|                        | Original cost         | Book value | Original cost | Book value |
|                        | VND                   | VND        | VND           | VND        |
| Short-term investments | 83,175,000,000        | -          | -             | -          |
| - Term Deposit (*)     | 83,175,000,000        | -          | -             | -          |
|                        | <b>83,175,000,000</b> | -          | -             | -          |

(\*) As at 31/03/2016, the short-term investments include 6 months term deposit at Tien Phong Joint Stock Commercial Bank - Pham Hung Branch. According to the term deposit contract No. 33175.30012016/HDTG/TPB-PHG dated 30/01/2016 and Contract No. 50.30012016/HDTG/TPB-PHG dated 30/01/2016, the interest rate is 6.2% per year.

b) Investments in other entities

|   | 31/03/2016             |                        |           | 01/01/2016             |                        |           |
|---|------------------------|------------------------|-----------|------------------------|------------------------|-----------|
|   | Original cost          | Fair value             | Provision | Original cost          | Fair value             | Provision |
|   | VND                    | VND                    | VND       | VND                    | VND                    | VND       |
| Investments in subsidiaries                     | 356,000,000,000        | 356,000,000,000        | -         | 156,000,000,000        | 156,000,000,000        | -         |
| - <i>Hung Viet Trading JSC.</i>                 | 356,000,000,000        | 356,000,000,000        | -         | 156,000,000,000        | 156,000,000,000        | -         |
| Investments in joint ventures and associates    | 350,400,000,000        | 350,400,000,000        | -         | 350,400,000,000        | 350,400,000,000        | -         |
| - <i>Lam Hau Trading Services JSC.</i>          | 80,000,000,000         | 80,000,000,000         | -         | 80,000,000,000         | 80,000,000,000         | -         |
| - <i>Truong Giang Services Development JSC.</i> | 134,400,000,000        | 134,400,000,000        | -         | 134,400,000,000        | 134,400,000,000        | -         |
| - <i>Hoang Ha Investment Services JSC.</i>      | 136,000,000,000        | 136,000,000,000        | -         | 136,000,000,000        | 136,000,000,000        | -         |
|   | <u>706,400,000,000</u> | <u>706,400,000,000</u> | <u>-</u>  | <u>506,400,000,000</u> | <u>506,400,000,000</u> | <u>-</u>  |

The Company has not determined the fair value of financial investments because Vietnam Accounting Standards, Vietnam Enterprise Accounting System have no specific guidance on the determination of fair value.

**Investments in subsidiaries**

Detail information on the Company's subsidiaries as at 31 March 2016 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         | 97.22%           | 97.22%                | Investment in real estate |

The reason for each change of investment in subsidiaries

- In the first quarter of 2016, the Company has additionally invested 20,000,000 shares, equivalent to VND 200,000,000,000 Hung Viet Trading JSC. in accordance with the Decision No. 01/2016/QD-DHDCD dated 20/01/2016 of General Meeting of Shareholders. Accordingly, rate of interest and rate of voting right has increased from 93,75% to 97,22%.

**Investments in associates**

Detail information on the Company's associates as at 31 March 2016 as follows:

| Name of joint-ventures, 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.      | Le Chan District, Hai Phong City             | 42.50%           | 42.50%                | Automotive business, production and sales of related parts.     |
| Truong Giang Services Development JSC. | Nam Son Commune, Duong Dist., Hai Phong City | 48.00%           | 48.00%                | Maintenance and repair of automobiles and other motor vehicles. |

Major transactions between the Company and the Company's subsidiaries, joint ventures and associates during the year: details as in Note 30.

**5. TRADE RECEIVABLES**

|  | 31/03/2016<br>VND     | 01/01/2016<br>VND    |
|--|-----------------------|----------------------|
| <b>a) Trade receivables detailed by large account balances</b> |                       |                      |
| - Thanh Nam Services and Investment JSC.                       | 2,580,000,000         | -                    |
| - Duc Vinh Trading Investment and Material Co., Ltd.           | 1,848,000,000         | -                    |
| - Tan Ngoc Viet Trading and Material Co., Ltd.                 | 4,200,000,000         | -                    |
| - NAVISTAR, INC  | 1,040,205,000         | -                    |
| - Trung Viet Automobiles Single Member Co., Ltd.               | 429,000,000           | 429,000,000          |
| - Hong Son Star Da Nang Automobiles Co., Ltd.                  | 630,000,000           | 480,000,000          |
| - Other trade receivables                                      | 5,823,568,012         | 1,436,030,413        |
|  | <b>16,550,773,012</b> | <b>2,345,030,413</b> |
| <b>b) Trade receivables detailed by terms of payment</b>       |                       |                      |
| - Short-term trade receivables                                 | 16,550,773,012        | 2,345,030,413        |
|  | <b>16,550,773,012</b> | <b>2,345,030,413</b> |
| <b>c) Trade receivables from related parties</b>               | <b>351,999,999</b>    | <b>-</b>             |

**6. OTHER SHORT-TERM RECEIVABLES**

|   | 31/03/2016         |           | 01/01/2016           |           |
|---|--------------------|-----------|----------------------|-----------|
|   | Value              | Provision | Value                | Provision |
|   | VND                | VND       | VND                  | VND       |
| - Accrued interest  | 892,938,473        | -         | 1,115,087,916        | -         |
| - Receivables from Hoang Huy Real Estate Co., Ltd under the policy of splitting the Company | -                  | -         | 313,873,136          | -         |
| - Social insurance receivables  | 1,217,125          | -         | -                    | -         |
|   | <b>894,155,598</b> | <b>-</b>  | <b>1,428,961,052</b> | <b>-</b>  |

**7. INVENTORIES**

|                  | 31/03/2016             |                      | 01/01/2016             |                        |
|------------------|------------------------|----------------------|------------------------|------------------------|
|                  | Original cost          | Provision            | Original cost          | Provision              |
|                  | VND                    | VND                  | VND                    | VND                    |
| - Raw material   | 147,064,192            | -                    | 2,007,920,991          | -                      |
| - Finished goods | 73,371,723,771         | -                    | 3,431,658,734          | -                      |
| - Merchandise    | 26,417,033,803         | (922,680,000)        | 205,660,683,092        | (1,536,480,000)        |
| - Consignments   | 4,064,700,510          | -                    | 1,471,227,361          | -                      |
|                  | <b>104,000,522,276</b> | <b>(922,680,000)</b> | <b>212,571,490,178</b> | <b>(1,536,480,000)</b> |

**8. LONG-TERM ASSETS IN PROGRESS**

|   | 31/03/2016            | 01/01/2016            |
|---|-----------------------|-----------------------|
|   | VND                   | VND                   |
| - Construction in progress                | 28,392,190,869        | 16,439,655,089        |
| + <i>Building at No. 183 Ba Trieu St.</i> | 28,392,190,869        | 16,439,655,089        |
|   | <b>28,392,190,869</b> | <b>16,439,655,089</b> |

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9 . TANGIBLE FIXED ASSETS

|                                 | Buildings             | Machinery,<br>equipment | Transportation<br>equipment | Management<br>equipment | Others            | Total                 |
|---------------------------------|-----------------------|-------------------------|-----------------------------|-------------------------|-------------------|-----------------------|
|                                 | VND                   | VND                     | VND                         | VND                     | VND               | VND                   |
| <b>Original cost</b>            |                       |                         |                             |                         |                   |                       |
| Beginning balance               | 64,812,022,498        | 11,410,359,746          | 8,663,227,727               | 735,045,826             | -                 | 85,620,655,797        |
| Purchase in the period          | -                     | -                       | -                           | -                       | 75,909,500        | 75,909,500            |
| - Liquidation, disposal         | -                     | (9,394,770,196)         | -                           | -                       | -                 | (9,394,770,196)       |
| <b>Ending balance</b>           | <b>64,812,022,498</b> | <b>2,015,589,550</b>    | <b>8,663,227,727</b>        | <b>735,045,826</b>      | <b>75,909,500</b> | <b>76,301,795,101</b> |
| <b>Accumulated depreciation</b> |                       |                         |                             |                         |                   |                       |
| Beginning balance               | 28,379,550,003        | 11,309,995,310          | 4,842,281,664               | 448,441,283             | -                 | 44,980,268,260        |
| - Depreciation for the period   | 585,958,893           | 9,492,495               | 234,901,086                 | 19,740,909              | 6,325,792         | 856,419,175           |
| - Liquidation, disposal         | -                     | (9,394,770,196)         | -                           | -                       | -                 | (9,394,770,196)       |
| <b>Ending balance</b>           | <b>28,965,508,896</b> | <b>1,924,717,609</b>    | <b>5,077,182,750</b>        | <b>468,182,192</b>      | <b>6,325,792</b>  | <b>36,441,917,239</b> |
| <b>Net carrying amount</b>      |                       |                         |                             |                         |                   |                       |
| Beginning                       | 36,432,472,495        | 100,364,436             | 3,820,946,063               | 286,604,543             | -                 | 40,640,387,537        |
| <b>Ending</b>                   | <b>35,846,513,602</b> | <b>90,871,941</b>       | <b>3,586,044,977</b>        | <b>266,863,634</b>      | <b>69,583,708</b> | <b>39,859,877,862</b> |

- Cost of fully depreciated tangible fixed assets but still in use:

VND 12,043,512,606



**10. INTANGIBLE FIXED ASSETS**

|                                 | Land use right         | Computer software  | Total                  |
|---------------------------------|------------------------|--------------------|------------------------|
|                                 | VND                    | VND                | VND                    |
| <b>Original cost</b>            |                        |                    |                        |
| Beginning balance               | 251,217,489,700        | 111,896,190        | 251,329,385,890        |
| Ending balance                  | <u>251,217,489,700</u> | <u>111,896,190</u> | <u>251,329,385,890</u> |
| <b>Accumulated depreciation</b> |                        |                    |                        |
| Beginning balance               | 2,659,435,824          | 111,896,190        | 2,771,332,014          |
| - Depreciation for the period   | 49,709,082             | -                  | 49,709,082             |
| Ending balance                  | <u>2,709,144,906</u>   | <u>111,896,190</u> | <u>2,821,041,096</u>   |
| <b>Net carrying amount</b>      |                        |                    |                        |
| Beginning                       | 248,558,053,876        | -                  | 248,558,053,876        |
| Ending                          | <u>248,508,344,794</u> | <u>-</u>           | <u>248,508,344,794</u> |

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

**11. SHORT-TERM PREPAID EXPENSES**

|                                  | 31/03/2016        | 01/01/2016         |
|----------------------------------|-------------------|--------------------|
|                                  | VND               | VND                |
| - Prepaid advertisement expenses | 66,666,664        | 166,666,666        |
|                                  | <u>66,666,664</u> | <u>166,666,666</u> |

**12. TRADE PAYABLES**

|   | 31/03/2016           |                      | 01/01/2016           |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | Outstanding balance  | Amount can be paid   | Outstanding balance  | Amount can be paid   |
|   | VND                  | VND                  | VND                  | VND                  |
| <b>a) Trade payables detailed by large account balances</b>     |                      |                      |                      |                      |
| - NAVISTAR, INC   | 641,357,676          | 641,357,676          | 3,697,980,300        | 3,697,980,300        |
| - La Thanh Do Construction and Inspection Consultancy Co., Ltd. | 545,537,545          | 545,537,545          | 480,336,057          | 480,336,057          |
| - Others  | 997,708,824          | 997,708,824          | 676,939,530          | 676,939,530          |
|   | <u>2,184,604,045</u> | <u>2,184,604,045</u> | <u>4,855,255,887</u> | <u>4,855,255,887</u> |
| <b>b) Trade payables detailed by term of payment</b>            |                      |                      |                      |                      |
| - Short-term trade payables                                     | 2,184,604,045        | 2,184,604,045        | 4,855,255,887        | 4,855,255,887        |
|   | <u>2,184,604,045</u> | <u>2,184,604,045</u> | <u>4,855,255,887</u> | <u>4,855,255,887</u> |

### 13. TAX PAYABLES AND STATUTORY OBLIGATIONS

|                        | Tax receivable at<br>beginning of year | Tax payable at<br>beginning of year | Tax payable in the<br>period | Tax paid in the<br>period | Tax receivable<br>end of the period | Tax payable end<br>of the period |
|------------------------|--|-------------------------------------|------------------------------|---------------------------|-------------------------------------|----------------------------------|
|                        | VND                                    | VND                                 | VND                          | VND                       | VND                                 | VND                              |
| - Value-added tax      | 63,000                                 | -                                   | -                            | -                         | 63,000                              | -                                |
| - Corporate income tax | -                                      | 4,173,413,795                       | 752,967,416                  | 4,173,413,795             | -                                   | 752,967,416                      |
| - Personal income tax  | -                                      | 8,389,264                           | 9,174,604                    | 8,389,264                 | -                                   | 9,174,604                        |
| - Other taxes          | -                                      | -                                   | -                            | 3,000,000                 | 3,000,000                           | -                                |
|                        | <u>63,000</u>                          | <u>4,181,803,059</u>                | <u>762,142,020</u>           | <u>4,184,803,059</u>      | <u>3,063,000</u>                    | <u>762,142,020</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. UNEARNED REVENUES**

|                                      | 31/03/2016           | 01/01/2016         |
|--------------------------------------|----------------------|--------------------|
|                                      | VND                  | VND                |
| - Revenue from leased plant, offices | 1,107,191,476        | 534,735,000        |
|                                      | <b>1,107,191,476</b> | <b>534,735,000</b> |

**15. OWNER'S EQUITY****a) Change in owner's equity**

|   | Contributed Capital      | Undistributed earnings | Total                    |
|---|--------------------------|------------------------|--------------------------|
|   | VND                      | VND                    | VND                      |
| Beginning balance of previous period                  | 464,986,750,000          | 4,101,802,120          | 469,088,552,120          |
| Increase in capital in the first Quarter of year 2015 | 624,910,600,000          | -                      | 624,910,600,000          |
| Profit in the first Quarter of year 2015              | -                        | 1,227,229,326          | 1,227,229,326            |
| Ending balance of previous period                     | <b>1,089,897,350,000</b> | <b>5,329,031,446</b>   | <b>1,095,226,381,446</b> |
| Beginning balance of current period                   | 1,200,000,000,000        | 76,057,382,692         | 1,276,057,382,692        |
| Profit in the first Quarter of year 2016              | -                        | 3,010,869,666          | 3,010,869,666            |
| Ending balance of current period                      | <b>1,200,000,000,000</b> | <b>79,068,252,358</b>  | <b>1,279,068,252,358</b> |

**b) Details of owner's invested capital**

|                          | Ending                   | Rate        | Beginning                | Rate        |
|--------------------------|--------------------------|-------------|--------------------------|-------------|
|                          | VND                      | %           | VND                      | %           |
| Owner's invested capital | 1,200,000,000,000        | 100%        | 1,200,000,000,000        | 100%        |
| - Mr. Do Huu Ha          | 600,000,000,000          | 50%         | 600,000,000,000          | 50%         |
| - Mr. Do Huu Hau         | 60,000,000,000           | 5%          | 60,000,000,000           | 5%          |
| - Others                 | 540,000,000,000          | 45%         | 540,000,000,000          | 45%         |
|                          | <b>1,200,000,000,000</b> | <b>100%</b> | <b>1,200,000,000,000</b> | <b>100%</b> |

**c) Share**

|                                       | 31/03/2016  | 01/01/2016  |
|---------------------------------------|-------------|-------------|
| Quantity of Authorized issuing shares | 120,000,000 | 120,000,000 |
| Quantity of issued shares             | 120,000,000 | 120,000,000 |
| - Common shares                       | 120,000,000 | 120,000,000 |
| Quantity of circulated shares         | 120,000,000 | 120,000,000 |
| - Common shares                       | 120,000,000 | 120,000,000 |
| Par value per share (VND)             | 10,000      | 10,000      |

**16. OFF STATEMENT OF FINANCIAL POSITION ITEMS****Foreign currencies**

|             | Unit | 31/03/2016 | 01/01/2016 |
|-------------|------|------------|------------|
| - US Dollar | USD  | 1,506.51   | 1,506.59   |
| - Euro      | EUR  | 8.95       | 8.95       |

**17. TOTAL REVENUE FROM SALE OF GOODS AND RENDERING OF SERVICES**

|  | Current period         | Previous period       |
|--|------------------------|-----------------------|
|  | VND                    | VND                   |
| Revenue from sale of motorcycles, automobile parts | 5,807,784,547          | -                     |
| Revenue from sale of automobile plants             | -                      | 990,000,000           |
| Revenue from sale of truck body                    | 9,654,000,000          | 12,228,000,000        |
| Revenue from sale of US tractors and spare parts   | 104,585,205,004        |                       |
| Revenue from rendering of services                 | 2,079,210,100          | 2,286,858,950         |
| Other revenue                                      | -                      | 4,727,272             |
|  | <b>122,126,199,651</b> | <b>15,509,586,222</b> |
| Revenue from related parties                       | 50,954,000,000         | 12,368,650,651        |

**18. DEDUCTIBLE ITEMS**

|                 | Current period    | Previous period |
|-----------------|-------------------|-----------------|
|                 | VND               | VND             |
| Trade discounts | 22,727,273        | -               |
|                 | <b>22,727,273</b> | -               |

**19. NET REVENUE FROM SALE OF GOODS AND RENDERING OF SERVICES**

|  | Current period         | Previous period       |
|--|------------------------|-----------------------|
|  | VND                    | VND                   |
| Net revenue from sale of motorcycles, automobile parts | 5,807,784,547          | -                     |
| Net revenue from sale of automobile plants             | -                      | 990,000,000           |
| Net revenue from sale of truck body                    | 9,654,000,000          | 12,228,000,000        |
| Net revenue from sale of US tractors and spare parts   | 104,562,477,731        |                       |
| Net revenue from rendering of services                 | 2,079,210,100          | 2,286,858,950         |
| Others revenue   |                        | 4,727,272             |
|  | <b>122,103,472,378</b> | <b>15,509,586,222</b> |

**20. COSTS OF SALES**

|  | Current period<br>VND  | Previous period<br>VND |
|--|------------------------|------------------------|
| Cost of motorcycles, automobile parts sold | 5,799,187,708          | -                      |
| Cost of automobile plants sold             | -                      | 954,256,032            |
| Cost of truck body sold                    | 8,143,560,541          | 11,658,478,683         |
| Cost of US tractors and spare part sold    | 104,171,011,973        | -                      |
| Cost of services rendered                  | 801,018,991            | -                      |
| Provision for devaluation of inventories   | (613,800,000)          | -                      |
|  | <b>118,300,979,213</b> | <b>12,612,734,715</b>  |

**21. FINANCIAL INCOME**

|                 | Current period<br>VND | Previous period<br>VND |
|-----------------|-----------------------|------------------------|
| Interest income | 1,883,431,194         | 69,032,956             |
|                 | <b>1,883,431,194</b>  | <b>69,032,956</b>      |

**22. FINANCIAL EXPENSES**

|  | Current period<br>VND | Previous period<br>VND |
|--|-----------------------|------------------------|
| Realised losses from foreign exchange difference | 11,279,910            | 10,071,000             |
|  | <b>11,279,910</b>     | <b>10,071,000</b>      |

**23. SELLING EXPENSES**

|                                 | Current period<br>VND | Previous period<br>VND |
|---------------------------------|-----------------------|------------------------|
| Labour expenses                 | 280,685,119           | -                      |
| Expenses from external services | 104,281,100           | -                      |
| Other expenses by cash          | 7,737,690             | 3,180,000              |
|                                 | <b>392,703,909</b>    | <b>3,180,000</b>       |

**24. GENERAL ADMINISTRATIVE EXPENSES**

|                               | Current period<br>VND | Previous period<br>VND |
|-------------------------------|-----------------------|------------------------|
| Labour expenses               | 496,221,600           | 388,186,370            |
| Depreciation and amortisation | 771,236,701           | 745,856,787            |
| Tax, Charge, Fee              | 1,000,000             | 1,000,000              |
| Other expenses by cash        | 478,403,651           | 721,151,832            |
|                               | <b>1,746,861,952</b>  | <b>1,856,194,989</b>   |

**25. OTHER INCOME**

|   | Current period<br>VND | Previous period<br>VND |
|---|-----------------------|------------------------|
| Gain from liquidating, disposing fixed assets | 228,758,494           | -                      |
| Income from uncharged debt                    | -                     | 477,214,508            |
|   | <b>228,758,494</b>    | <b>477,214,508</b>     |

**26. CURRENT CORPORATE INCOME TAX EXPENSES**

|  | Current period<br>VND | Previous period<br>VND |
|--|-----------------------|------------------------|
| <i>Corporate income tax from main business activities</i>        |                       |                        |
| Total profit before tax  | 3,763,837,082         | 1,573,652,982          |
| Increase   | 1,000,000             | 1,000,000              |
| - Other adjustments  | 1,000,000             | 1,000,000              |
| Decrease   | -                     | -                      |
| Taxable income   | 3,764,837,082         | 1,574,652,982          |
| <b>Current corporate income tax expense (tax rate 20%)</b>       | <b>752,967,416</b>    | <b>346,423,656</b>     |
| Adjustment of tax expenses in previous years into current period |                       |                        |
| Tax payable at the beginning of year                             | 4,173,413,795         | 534,172,772            |
| Tax paid in the period   | (4,173,413,795)       | (304,141,466)          |
| <b>Corporate income tax payable end of the period</b>            | <b>752,967,416</b>    | <b>576,454,962</b>     |

**27. BUSINESS AND PRODUCTIONS COST BY ITEMS**

|                                 | Current period<br>VND  | Previous period<br>VND |
|---------------------------------|------------------------|------------------------|
| Raw materials                   | 122,392,787,989        | 15,252,638,665         |
| Labour expenses                 | 1,212,724,444          | 1,591,986,370          |
| Depreciation expenses           | 906,128,257            | 789,043,335            |
| Expenses from external services | 345,649,138            | 210,202,705            |
| Other expenses by cash          | 486,141,341            | 724,331,832            |
|                                 | <b>125,343,431,169</b> | <b>18,568,202,907</b>  |

**28. FINANCIAL INSTRUMENTS**

The types of financial instruments of the Company

|                             | Carrying amount        |           |                        |           |
|-----------------------------|------------------------|-----------|------------------------|-----------|
|                             | 31/03/2016             |           | 01/01/2016             |           |
|                             | Original cost          | Provision | Original cost          | Provision |
|                             | VND                    | VND       | VND                    | VND       |
| <b>Financial Assets</b>     |                        |           |                        |           |
| Cash and cash equivalent    | 154,445,677,790        | -         | 117,886,697,548        | -         |
| Trade and other receivables | 17,444,928,610         | -         | 3,773,991,465          | -         |
| Lending                     | 83,175,000,000         | -         | -                      | -         |
|                             | <b>255,065,606,400</b> | <b>-</b>  | <b>121,660,689,013</b> | <b>-</b>  |

|                              | Carrying amount      |                      |
|------------------------------|----------------------|----------------------|
|                              | 31/03/2016           | 01/01/2016           |
|                              | VND                  | VND                  |
| <b>Financial Liabilities</b> |                      |                      |
| Trade and other payables     | 2,184,604,045        | 4,855,255,887        |
|                              | <b>2,184,604,045</b> | <b>4,855,255,887</b> |

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                    |
| <b>As at 31/03/2016</b>     |                        |                 |                      |                        |
| Cash and cash equivalent    | 154,445,677,790        | -               | -                    | 154,445,677,790        |
| Trade and other receivables | 17,444,928,610         | -               | -                    | 17,444,928,610         |
| Lending                     | 83,175,000,000         | -               | -                    | 83,175,000,000         |
|                             | <b>255,065,606,400</b> | -               | -                    | <b>255,065,606,400</b> |
| <b>As at 01/01/2016</b>     |                        |                 |                      |                        |
| Cash and cash equivalent    | 117,886,697,548        | -               | -                    | 117,886,697,548        |
| Trade and other receivables | 3,773,991,465          | -               | -                    | 3,773,991,465          |
|                             | <b>121,660,689,013</b> | -               | -                    | <b>121,660,689,013</b> |

**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                  |
| <b>As at 31/03/2016</b>  |                      |                 |                      |                      |
| Trade and other payables | 2,184,604,045        | -               | -                    | 2,184,604,045        |
|                          | <b>2,184,604,045</b> | -               | -                    | <b>2,184,604,045</b> |
| <b>As at 01/01/2016</b>  |                      |                 |                      |                      |
| Trade and other payables | 4,855,255,887        | -               | -                    | 4,855,255,887        |
|                          | <b>4,855,255,887</b> | -               | -                    | <b>4,855,255,887</b> |

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.

**29. 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.

**30. TRANSACTION AND BALANCES WITH RELATED PARTIES**

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

Transactions during the period:

|  | Relation      | Current period<br>VND | Previous period<br>VND |
|--|---------------|-----------------------|------------------------|
| <b>Revenue</b>                                       |               |                       |                        |
| Hoang Huy Investment Services Joint Stock Company    | Same chairman | 8,954,000,000         | 11,348,650,651         |
| Hoang Giang Services Development Joint Stock Company | Same chairman | 42,000,000,000        | 1,020,000,000          |
| <b>Lending</b>                                       |               |                       |                        |
| Hung Viet Trading JSC.                               | Subsidiary    | 38,370,000,000        | -                      |
| <b>Interest receivable</b>                           |               |                       |                        |
| Hung Viet Trading JSC.                               | Subsidiary    | 476,174,722           | -                      |
| Hoang Giang Services Development Joint Stock Company | Same chairman | -                     | 30,555,556             |

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

|  | Relation      | 31/03/2016<br>VND | 01/01/2016<br>VND |
|--|---------------|-------------------|-------------------|
| <b>Short-term trade receivables</b>        |               |                   |                   |
| Hoang Huy Investment Services Joint        | Same chairman | 351,999,999       | -                 |
| <b>Short-term prepayments to suppliers</b> |               |                   |                   |
| Hoang Giang Services Development           | Same chairman | 101,172,000,000   | 147,372,000,000   |
| Hoang Huy Investment Services Joint        | Same chairman | -                 | 9,279,825,251     |
| <b>Interest receivable</b>                 |               |                   |                   |
| Lam Hau Trading Services JSC.              | Associate     | -                 | 127,516,094,000   |
| Truong Giang Services Development          | Associate     | -                 | 149,580,000,000   |

Transactions with other related parties:

|   | Current period<br>VND | Previous period<br>VND |
|---|-----------------------|------------------------|
| Remuneration to members of Board of General Directors and Board of Management | 110,890,000           | 54,213,250             |

**31. CORRESPONDING FIGURES**

The corresponding figures are figures in the Separate Financial Statements for the fiscal period ended 31 March 2015. The corresponding figures on Statement of financial position were audited by AASC Auditing Firm Company Limited. The corresponding figures on Statement of Comprehensive income, Statement of Cash Flows, Notes to the Separate Financial Statements for the fiscal period from 01/01/2015 to 31/03/2015 are prepared by Hoang Huy Investment Financial Services JSC.

*Prepared, 07 April, 2016***Preparer****Nguyen Thi Thu Huong****Chief Accountant****Phung Thi Thu Huong****General Director****Đỗ Hữu Hà**