

# **SEPARATE FINANCIAL STATEMENTS**

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

For the fiscal year ended 31 March 2018  
(Audited)

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## **REPORT OF THE BOARD OF GENERAL DIRECTORS**

The Board of General Directors of Hoang Huy Investment Financial Services Joint Stock Company ("The Company") presents its report and the Company's Separate Financial Statements for the fiscal year ended as at 31 March 2018.

### **THE COMPANY**

Hoang Huy Investment Financial Services Joint Stock Company was established and operates under the Business Registration Certificate No 0200117929, firstly issued by Hai Phong Department of Planning and Investment on 25 December 2007 and amended for the 11th time on 18 January 2017.

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 SUPERVISORY BOARD**

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

Mr: Do Huu Ha	Chairman	
Mr: Vu Trong Long	Member	
Mr: Do Huu Hung	Member	
Mrs: Nguyen Thi Ha	Member	
Mrs: Pham Hong Dung	Member	(Appointed on 24 June 2017)
Mr: Pham Manh Hung	Member	(Resigned on 24 June 2017)

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	
Mr: Do Huu Hung	Deputy General Director	(Appointed on 28 July 2017)
Mrs: Ho Thi Xuan Hoa	Deputy General Director	(Appointed on 12 March 2018)

The members of the Supervisory Board are:

Mrs: Nguyen Thi Tuoi	Head
Mrs: Phan Thi Thu Huong	Member
Mrs: Nguyen Thi Thuy Nga	Member

### **AUDITORS**

The auditors of 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 financial position of the Company, its operating results 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, Le Chan District, Hai Phong City.

- Establish and maintain an internal control system which is determined necessary by the Board of General Directors and Board of Management 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 Corporate Accounting System and the current requirements relevant to preparation and presentation of
- 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 financial position of Company and to ensure that the Separate financial statements comply with the current statutory requirements. 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 give a true and fair view of the financial position at 31 March 2018, its operation results and cash flows in the year then ended of the Company in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Financial Statements.

**Other commitments**

The Board of Directors pledges that the Company complies with the Decree 71/2017/ND-CP dated 6 June 2017 on corporate governance applicable to public companies and the Company does not violate the obligation of information disclosure under the regulation of Circular No. 155/2015/TT-BTC dated 06 October 2015 issued by Ministry of Finance guiding the disclosure of information on Securities Market.

On behalf of the Board of General Directors



**Do Huu Ha**

General Director

*Hai Phong, 09 May 2018*



## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying Separate Financial Statements of Hoang Huy Investment Financial Services Joint Stock Company prepared on 08 May 2018, as set out on pages 06 to 40, including: Separate Statement of financial position as at 31 March 2018, Separate Statement of income, Separate Statement of cash flows and Notes to separate financial statements for the year ended as at 31 March 2018.

### Board of General Directors' Responsibility

The Board of General Directors is responsible for the preparation and presentation of separate financial statements that give a true and fair view in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of separate financial statements and for such internal control as Board of General Directors determines is necessary to enable the preparation and presentation of Separate Financial Statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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



In our opinion, the Separate Financial Statements give a true and fair view, in all material respects, of the financial position of Hoang Huy Investment Financial Services Joint Stock Company as at 31 March 2018, and of the results of its operations and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of financial statements.

**Cat Thi Ha**  
Deputy General Director  
Registered Auditor No. 0725-2018-002-1  
*Hanoi, 10 May 2018*

**Nguyen Ngoc Lan**  
Auditor  
Registered Auditor No. 1427-2018-002-1

**SEPARATE STATEMENT OF FINANCIAL POSITION***As at 31 March 2018*

Code	ASSETS	Note	31/03/2018	01/04/2017
			VND	VND
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>461,817,072,077</b>	<b>662,288,128,592</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>03</b>	<b>42,258,301,290</b>	<b>305,525,150,603</b>
111	1. Cash		42,258,301,290	57,247,470,603
112	2. Cash equivalents		-	248,277,680,000
<b>120</b>	<b>II. Short-term investments</b>	<b>04</b>	<b>38,000,000,000</b>	<b>39,200,000,000</b>
123	1. Held-to-maturity investments		38,000,000,000	39,200,000,000
<b>130</b>	<b>III. Short-term receivable</b>		<b>48,169,821,803</b>	<b>79,998,502,068</b>
131	1. Short-term trade receivables	05	21,506,135,859	75,190,498,472
132	2. Short-term prepayments to suppliers	06	19,985,694,123	3,754,494,228
136	3. Other short-term receivables	07	6,677,991,821	1,053,509,368
<b>140</b>	<b>IV. Inventories</b>	<b>08</b>	<b>332,818,466,702</b>	<b>237,559,712,584</b>
141	1. Inventories		332,818,466,702	237,559,712,584
<b>150</b>	<b>V. Other short-term assets</b>		<b>570,482,282</b>	<b>4,763,337</b>
151	1. Short-term prepaid expenses		565,718,945	-
152	2. Deductible VAT		1,763,337	1,763,337
153	3. Taxes and other receivables from State budget	16	3,000,000	3,000,000



## SEPARATE STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

(Continued)

Code	ASSETS	Note	31/03/2018 VND	01/04/2017 VND
200	<b>B. NON- CURRENT ASSETS</b>		<b>3,938,119,515,583</b>	<b>3,306,739,993,094</b>
220	<b>II. Fixed assets</b>		<b>74,526,520,945</b>	<b>77,331,566,857</b>
221	1. Tangible fixed assets	10	21,415,848,797	24,022,058,386
222	- Historical costs		51,245,753,241	51,857,156,877
223	- Accumulated depreciation		(29,829,904,444)	(27,835,098,491)
227	2. Intangible fixed assets	11	53,110,672,148	53,309,508,471
228	- Historical costs		56,329,385,890	56,329,385,890
229	- Accumulated amortization		(3,218,713,742)	(3,019,877,419)
230	<b>III. Investment properties</b>	12	<b>254,322,175,740</b>	<b>257,116,614,196</b>
231	- Historical costs		271,141,197,992	271,141,197,992
232	- Accumulated depreciation		(16,819,022,252)	(14,024,583,796)
240	<b>IV. Long-term assets in progress</b>	09	<b>176,310,266,928</b>	<b>658,147,271</b>
242	1. Construction in progress		176,310,266,928	658,147,271
250	<b>V. Long-term investments</b>	04	<b>3,432,960,551,970</b>	<b>2,971,460,551,970</b>
251	1. Investments in subsidiaries		1,469,409,650,000	1,009,409,650,000
252	2. Investments in joint-ventures and associates		1,962,050,901,970	1,962,050,901,970
255	3. Held-to-maturity investments		1,500,000,000	-
260	<b>VI. Other long-term assets</b>		-	<b>173,112,800</b>
261	1. Long-term prepaid expenses		-	173,112,800
270	<b>TOTAL ASSETS</b>		<b>4,399,936,587,660</b>	<b>3,969,028,121,686</b>



## SEPARATE STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

(Continued)

Code	RESOURCES	Note	31/03/2018 VND	01/04/2017 VND
300	<b>C. LIABILITIES</b>		<b>461,176,801,493</b>	<b>32,948,389,598</b>
310	<b>I. Current liabilities</b>		<b>120,322,001,843</b>	<b>32,185,612,352</b>
311	1. Short-term trade payables	14	7,875,184,058	1,309,807,532
312	2. Short-term prepayment from customers	15	92,183,819,557	12,242,777,052
313	3. Taxes and other payables to State budget	16	14,422,698,951	11,808,560,678
315	4. Short-term accrued expenses	17	3,679,097,980	4,586,993,544
318	5. Short-term unearned revenue	19	2,023,605,234	2,099,877,483
322	6. Bonus and welfare fund		137,596,063	137,596,063
330	<b>II. Non-current liabilities</b>		<b>340,854,799,650</b>	<b>762,777,246</b>
337	1. Other long-term payables	18	298,249,160,450	762,777,246
338	2. Long-term borrowings and finance lease liabilities	13	42,605,639,200	-
400	<b>D. EQUITY</b>		<b>3,938,759,786,167</b>	<b>3,936,079,732,088</b>
410	<b>I. Owner's equity</b>	20	<b>3,938,759,786,167</b>	<b>3,936,079,732,088</b>
411	1. Contributed capital		3,629,940,140,000	3,629,940,140,000
411a	Ordinary shares with voting rights		3,629,940,140,000	3,629,940,140,000
415	2. Treasury shares		(219,996,488,178)	-
421	3. Retained earnings		528,816,134,345	306,139,592,088
421a	Retained earnings accumulated till the end of the previous year		15,744,380,888	-
421b	Retained earnings of the current year		513,071,753,457	306,139,592,088
440	<b>TOTAL RESOURCES</b>		<b>4,399,936,587,660</b>	<b>3,969,028,121,686</b>

Preparer

Bui Thi Tra

Chief Accountant

Phung Thi Thu Huong

Prepared on 09 May 2018

General Director



Do Huu Ha



## SEPARATE STATEMENT OF INCOME

From 01/04/2017 to 31/03/2018

Code	ITEMS	Note	From 01/04/2017 to 31/03/2018 VND	From 01/04/2016 to 31/03/2017 VND
01	1. Revenue from sales of goods and rendering of services	22	1,682,024,961,765	1,281,933,021,798
02	2. Revenue deductions	23	4,173,245,091	3,409,090,910
10	3. Net revenue from sales of goods and rendering of services		1,677,851,716,674	1,278,523,930,888
11	4. Cost of goods sold	24	1,252,801,169,107	1,004,778,907,377
20	5. Gross revenue from sales of goods and rendering of services		425,050,547,567	273,745,023,511
21	6. Financial income	25	193,682,800,663	350,739,224,452
22	7. Financial expenses	26	3,242,464,627	129,202,029
23	<i>In which : Interest expenses</i>		3,231,856,257	-
25	8. Selling expense	27	5,693,234,105	4,040,511,182
26	9. General and administrative expense	28	11,390,997,587	8,488,426,552
30	10. Net profit from operating activities		598,406,651,911	611,826,108,200
31	11. Other income	29	5,069,519,123	152,236,106
32	12. Other expense	30	6,739,326,569	97,786,201
40	13. Other profit (loss)		(1,669,807,446)	54,449,905
50	14. Total net profit before tax		596,736,844,465	611,880,558,105
51	15. Current corporate income tax expenses	31	83,665,091,008	54,707,271,075
60	17. Profit after tax		<u>513,071,753,457</u>	<u>557,173,287,030</u>

Preparer

Bui Thi Tra

Chief Accountant

Phung Thi Thu Huong

Prepared on 09 May 2018

General Director



Do Huu Ha

## SEPARATE STATEMENT OF CASH FLOWS

From 01/04/2017 to 31/03/2018

(Indirect method)

Code	ITEMS	Note	From 01/04/2017 to 31/03/2018 VND	From 01/04/2016 to 31/03/2017 VND
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
01	1. Profit before tax		596,736,844,465	611,880,558,105
	2. Adjustment for:		(184,822,338,110)	(345,274,677,474)
02	- Depreciation of fixed assets and investment properties		5,629,779,270	5,616,601,371
03	- Provisions		-	(922,680,000)
04	- Exchange gains/losses from retranslation of monetary items denominated in foreign currencies		3,462,218	(119,311)
05	- Gain/loss from investment		(193,687,435,855)	(349,896,238,816)
06	- Interest expense		3,231,856,257	-
07	- Other adjustments		-	(72,240,718)
08	3. Operating profit before changes in working capital		411,914,506,355	266,605,880,631
09	- Increase/Decrease in receivables		37,984,949,181	(55,308,058,976)
10	- Increase/Decrease in inventories		(95,258,754,118)	(133,559,190,308)
11	- Increase/Decrease in payables (excluding interest payable/ corporate income tax payable)		382,974,951,556	(90,616,562,670)
12	- Increase/Decrease in prepaid expenses		(392,606,145)	(106,446,136)
14	- Interest paid		(3,231,856,257)	-
15	- Corporate income tax paid		(87,038,697,196)	(45,142,934,219)
17	- Other payments on operating activities		-	(107,527,300)
20	Net cash flows from operating activities		646,952,493,376	(58,234,838,978)
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
21	1. Purchase or construction of fixed assets and other long-term assets		(175,970,506,701)	(19,303,281,908)
22	2. Proceeds from liquidation and disposals of fixed assets and other long-term assets		180,000,000	-
23	3. Loan and purchase of debt instruments from other entities		(171,800,000,000)	(737,372,000,000)
24	4. Collection of loans and resale of debt instrument of other entities		171,500,000,000	781,347,000,000
25	5. Equity investments in other entities		(460,000,000,000)	(2,265,060,551,970)
27	6. Interest, dividends and profit received		193,660,686,408	349,757,306,358
30	Net cash flows from investing activities		(442,429,820,293)	(1,890,631,527,520)





## NOTES TO THE SEPARATE FINANCIAL STATEMENTS

*From 01/04/2017 to 31/03/2018*

### 1. BACKGROUND

#### Forms of Ownership

Hoang Huy Investment Financial Services Joint Stock Company was established and operates under the Business Registration Certificate No 0200117929, firstly issued by Hai Phong Department of Planning and Investment on 25 December 2007 and amended for the 11th time on 18 January 2017.

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

The Company's charter capital is VND 3,629,940,140,000; equivalent to 362,994,014 shares with the par value of VND 10,000 per share.

#### Business field

The Company operates in the field of trading.

#### Business activities

Main business activities of the Company:

- Real estate business
- Sale of spare parts and auxiliary parts of motorcycles;
- Sale of motorcycles;
- Construction of public works; Details: Construction and installation of transmission lines and substations with the capacity of up to 35kV;
- Sale of spare parts and auxiliary parts of automobiles and other motor vehicles;
- Construction of railways and roads; Details: Construction and repair of traffic works;
- Construction of other civil works ; 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 varnish; Wholesale of ceramic tiles and sanitary ware; Wholesale of hardware; Wholesale of concrete;
- Production of body of motor vehicle; Trailers and semi-trailers;
- Production of spare parts and auxiliary parts 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 cars and other motor vehicles;
- Site preparation; Details: Levelling 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);
- Retail of car (up to 12 seats);
- Cars and other motor vehicles dealership;
- Road passenger transport; Details: Provincial and inter- provincial passenger transport by bus; Fixed - route and flexible passenger transport by cars;
- Construction of all kinds; 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);
- Construction finishing;
- Management consulting; Details: Project Management Consulting (Group C);
- Maintenance and repair of motorcycles;
- Brokerage of Commodity contracts and securities; (Exclusive of brokerage in the field of securities, insurance, finance, real estate);



**The Company's operation in the year that affects the Separate Financial Statements**

- The Company's distribution of US imported trailer trucks has started since July 2015 and is growing strongly, leading to the 34% increase in sales compared to previous years. However, due to the decrease in financial income of the Company compared to the previous year (mainly the dividend received from its Subsidiary - Hung Viet Trading Joint Stock Company), the profit after tax of Company decreased compared to previous year.
- The company is cooperating with Hoang Huy Investment Services Joint Stock Company (HHS - Associate) to implement the Hoang Huy Riverside Construction and Investment Project in Thuong Ly Ward, Hong Bang District, Hai Phong City. Therefore, construction in progress and liabilities relating to business cooperation as at 31 March 2018 has increased significantly compared to the previous year. (See details in Note 9 and 18).
- During the year, Hoang Huy Investment Financial Services Joint Stock Company made capital contribution to establish a subsidiary - Thinh Hiep Construction Joint Stock Company to implement HH3, HH4 Dong Quoc Binh project in Hai Phong according to the Resolution No. 09/2017/ND-HDQT dated 03 November 2017.

**Corporate's structure**

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

Information on subsidiaries, joint ventures and associates of the Company: See details in Note 04.

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

Annual accounting period commences from 1st April and ends as at 31st March.

The Company maintains its accounting records in VND.

**2.2. Accounting Standards and Accounting system***Applicable Accounting Policies*

The Company applies Corporate Accounting System issued under the Circular No. 200/2014/TT-BTC dated 22 December 2014 by the Ministry of Finance and the Circular No. 53/2016/TT-BTC dated 21 March 2016 issued by Ministry of Finance amending and supplementing some articles of the Circular No. 200/2014/TT-BTC.

*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 and presented in accordance with regulations of each standard and supplementary document as well as with current Accounting Standards and Accounting System.



### **2.3. Financial Instruments**

#### *Initial recognition*

##### Financial assets

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

##### Financial liabilities

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

#### *Subsequent measurement after initial recognition*

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

### **2.4. Cash and cash equivalents**

Cash includes cash on hand, demand deposit.

Cash equivalents are short-term investments with the maturity of not over than 3 months from the date of investment, that are highly liquid and readily convertible into known amount of cash and that are subject to an insignificant risk of conversion into cash.

### **2.5. Financial investments**

*Held-to-maturity Investments* include term deposits held to maturity to earn profits periodically and other held to maturity investments.

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

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

- With regard to investments in subsidiaries, joint ventures or associates: the provision shall be made based on the Financial Statements of subsidiaries, joint ventures or associates at the provision date. The provisions shall be made when the investees incur losses, except for that loss that was planned in the investment decision;
- With regard to held to maturity investments: the provision for doubtful debts shall be made based on the recovery capacity in accordance with statutory regulations.

### **2.6. Receivables**

The receivables shall be recorded in details in terms of due date, entities receivable, types of currency and other factors according to requirements for management of the Company.

The provision for doubtful debts is made for receivables that are overdue under an economic contract, a loan agreement, a contractual commitment or a promissory note and for receivables that are not due but difficult to be recovered. Accordingly, the provisions for overdue debts shall be based on the due date stipulated in the initial sale contract, exclusive of the debt rescheduling between contracting parties and the case where the debts are not due but the debtor is in bankruptcy, in dissolution, or missing and making a getaway.



## **2.7. Inventories**

Inventories are initially recognized at original cost including purchase price, processing cost and other costs incurred in bringing the inventories to their location and condition at the time of initial recognition. After initial recognition, at the reporting date, inventories are stated at the lower of cost and net realizable value.

The cost of inventory is calculated using weighted average method.

Inventories are recorded by perpetual method.

Provision for devaluation of inventories made at the end of the period is based on the excess of original cost of inventory over their net realizable value.

## **2.8. Fixed assets and Investment properties**

Fixed assets (tangible and intangible) are initially stated at the historical cost. During the using time, fixed assets (tangible and intangible) are recorded at cost, accumulated depreciation and carrying amount. Depreciation is computed on a straight-line basis method.

Fixed assets are depreciated (amortised) using the straight-line method over their estimated useful lives as follows:

- Buildings, structures	10 - 26 years
- Machinery, equipment	05 - 15 years
- Transportation equipment	06 - 10 years
- Office equipment and furniture	03 - 05 years
- Long-term land use rights	not be amortised
- Management software	08 years

Investment properties are recognized at historical cost.

Investment properties held for operating lease are recorded at cost, accumulated depreciation and carrying amount.

Investment properties are depreciated using the straight-line method with expected useful life as follows:

- Buildings, structures	10 - 26 years
- Long-term land use rights	not be amortised

## **2.9. Business Cooperation Contract (BCC)**

Business Cooperation Contract (BCC) is a contractual agreement between two or more venturers with the objectives of cooperating to carry out specific business activities without constitution of a new legal entity. This operation may be jointly controlled by venturers under BCC or controlled by one of them.

In case of receiving money or assets from other entities in the BCC, they should be recorded as payables. According to the terms of BCC, profit and loss shall be shared among venturers according to the operating results of BCC. The venturer shall record its share of revenues, expenses and profits in accordance with BCC's agreement in their own Statement of Income. The venturer in charge of accounting for BCC shall, on behalf of other venturers, fulfil obligations of BCC to the State's budget, complete tax declaration and then allocate these obligations to other venturers in accordance with BCC's agreement.

#### **2.10. Prepaid expenses**

The expenses incurred but related to operating results of several accounting periods are recorded as prepaid expenses and are allocated to the operating results in the following accounting periods.

The calculation and allocation of long-term prepaid expenses to operating expenses in each accounting period should be based on the nature of those expenses to select a reasonable allocation method and criteria. Prepaid expenses are allocated gradually into operating expenses on the straight-line basis.

#### **2.11. Payables**

The payables shall be recorded in details in terms of due date, entities payable, types of currency and other factors according to the requirements for management of the Company.

#### **2.12. Borrowings**

Borrowings shall be recorded in details in terms of lending entities, loan agreement and terms of borrowings. In case of borrowings denominated in foreign currency, they shall be recorded in details in terms of types of currency.

#### **2.13. Borrowing costs**

Borrowing costs are recognized into operating expenses during the period, in which it its incurred unless those which are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset in accordance with VAS No. 16 "Borrowing costs". Besides, regarding borrowings serving the construction of fixed assets, and investment properties, the interests shall be capitalized even when the construction duration is under 12 months.

Regarding the borrowings for the purpose of constructing and renovating old apartments and under the Financial Plan of the BT Contract, interest expenses shall be deducted from the value of land allocated by the People's Committee to execute other projects and recognized as other receivables by the Company.

#### **2.14. Accrued expenses**

Accrued expenses include payables to goods or services received from the suppliers or provided for the customers during the reporting period, but the payments for such goods or services have not been made and other payables which are recorded as operating expenses of the reporting period.

The recording of accrued expenses as operating expenses during the year shall be carried out under the matching principle between revenues and expenses during the year. Accrued expenses are settled with actual expenses incurred. The difference between accrued and actual expenses is reverted.

#### **2.15. Unearned revenues**

Unearned revenues include prepayments from customers for one or many accounting periods relating to asset leasing.

Unearned revenues are transferred to revenue from sale of goods and rendering of services with the amount corresponding to each accounting period.

## **2.16. Owner's equity**

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

Retained earnings are used to present the Company's operating results (profit, loss) after corporate income tax and profit appropriation or loss handling of the Company. The distribution of net profits is made when the net profit of the company does not exceed the net profit presented on Consolidated Financial Statements after eliminating the profits from cheap purchase. In case dividend payment or profit distribution for the owners exceeds the net profit, the difference shall be recorded as a decrease in contributed capital. Retained earnings can be distributed to investors based on capital contribution rate after being approved by General Meeting of Shareholders and after being appropriated to funds in accordance with the Company's Articles of Incorporation and Vietnamese statutory requirements.

Dividends to be paid to shareholders are recognised as a payable in Statement of Financial position after the announcement of dividend payment from the Board of Management and announcement of cut-off date for dividend payment of Vietnam Securities Depository Center.

## **2.17. 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.

### *Rendering of services*

Revenue from services rendered shall be recognized 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 evaluating the volume of work performed.

### *Financial income*

Revenue arising from the use by the others of the Company's assets yielding interest, royalties and dividends and other financial income shall be recognised when:

- 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.

Dividend income shall be recognised when the Company's right to receive dividend is established.



#### **2.18. Revenue deductions**

Revenue deductions from sales and service provisions arising in the year include sales discounts and sales returns.

Sales discount and sales return incurred in the same period of sale of goods and rendering of services are recorded as a decrease in revenue in the incurring period. In case goods and services are sold in the previous periods, but until the next period they are incurred as deductible items, the Company records the decrease in revenue under the following principles: If it is incurred prior to the issuance of Financial Statements, it is then recorded as a decrease in revenue on the Separate Financial Statements of the reporting period (the previous period); and if it is incurred after the issuance of Separate Financial Statements, it is recorded as a decrease in revenue of incurring period (the next period).

#### **2.19. Corporate income tax**

Current corporate income tax expenses are determined based on taxable income during the year and current corporate income tax rate.

#### **2.20. 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 Group 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
- Companies that the above-mentioned individuals directly or indirectly hold an important part of the voting power or have significant influence on.

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**

	31/03/2018	01/04/2017
	VND	VND
Cash on hand	624,301,101	693,844,193
Demand deposits	41,634,000,189	56,553,626,410
Cash equivalents	-	248,277,680,000
	<b>42,258,301,290</b>	<b>305,525,150,603</b>

**4. FINANCIAL INVESTMENTS**

**a) Held to maturity investments**

	31/03/2018		01/04/2017	
	Original value	Book value	Original value	Book value
	VND	VND	VND	VND
Short-term investments	38,000,000,000	38,000,000,000	39,200,000,000	39,200,000,000
- 6-month term deposits (*)	38,000,000,000	38,000,000,000	39,200,000,000	39,200,000,000
Long-term investments	1,500,000,000	1,500,000,000	-	-
- 18-month term deposits (*)	1,500,000,000	1,500,000,000	-	-
	<b>39,500,000,000</b>	<b>39,500,000,000</b>	<b>39,200,000,000</b>	<b>39,200,000,000</b>

(\*) As at 31 March 2018, the held-to-maturity investments are 6-month and 18-month term deposits with the total value of VND39.5 billion at Saigon Thuong Tin Commercial Joint Stock Bank - Hai Phong Branch, Technological and Commercial Joint Stock Bank - Hai Phong Branch and Ho Chi Minh Development Joint Stock Commercial Bank - Hai Phong Branch at the interest rates of from 6.2% to 7% per annum for the 6-month deposits and the interest rate of 7.5% or the 18-month deposits.

**b) Investments in other entities**

	31/03/2018		01/04/2017	
	Original value	Provision	Original value	Provision
	VND	VND	VND	VND
Investments in subsidiaries				
- Hung Viet Trading JSC	1,469,409,650,000	-	1,009,409,650,000	-
- Thinh Hiep Construction JSC (*)	1,009,409,650,000	-	1,009,409,650,000	-
	460,000,000,000	-	-	-
Investments in joint ventures and associates				
- Lam Hau Trading Services JSC	1,962,050,901,970	-	1,962,050,901,970	-
- Truong Giang Service Development JSC	266,000,000,000	-	266,000,000,000	-
- Hoang Ha Service Investment JSC	134,400,000,000	-	134,400,000,000	-
- Vinh Quang International Trading Investments JSC	312,000,000,000	-	312,000,000,000	-
- Viet Dung Development Trading JSC	252,000,000,000	-	252,000,000,000	-
- Hoang Huy Investment Services JSC	223,200,000,000	-	223,200,000,000	-
	774,450,901,970	-	774,450,901,970	-
	<b>3,431,460,551,970</b>	<b>-</b>	<b>2,971,460,551,970</b>	<b>-</b>

(\*) According to the Resolution No. 09/2017/ND-HDQT dated 03 November 2017, Hoang Huy Investment Financial Services Joint Stock Company has contributed capital to establish Thinh Hiep Construction Joint Stock Company with total contributed capital of 460 billion dong. On 04 November 2017, Thinh Hiep Construction Joint Stock Company was granted the business registration certificate. As at 31 March 2018, the Company has fully contributed VND 460 billion dong as committed.

Material transactions between the Company and the Company's subsidiaries, joint ventures and associates during the year: see details in Note 38.

The Company has not determined the fair value of financial investments since Vietnamese Accounting Standards, Vietnamese Corporate Accounting System has not had any detailed guidance on the determination of the fair value.

**Investments in subsidiaries**

Detailed information on the Company's subsidiaries as at 31 March 2018 as follows:

Name of subsidiaries	Place of establishment and operation	Rate of interest	Rate of voting rights	Principal activities
Hung Viet Trading JSC	Thanh Xuan Dist., Hanoi	99.997%	99.997%	Investment in real estate
Thinh Hiep Construction JSC	Hai Phong City	95.83%	95.83%	Investment in construction

**Investments in joint-ventures, associates**

Detailed information on the Company's joint-ventures, associates as at 31 March 2018 as follows:

Name of joint-ventures, associates	Place of establishment and operation	Rate of interest	Rate of voting rights	Principal activities
Lam Hau Trading Services JSC	Le Chan District, Hai Phong City	47.50%	47.50%	Automotive business, production and sales of spare parts, real estate business
Hoang Ha Service Investment JSC	Le Chan District, Hai Phong City	48.00%	48.00%	Automotive business, production and sales of spare parts, real estate business
Truong Giang Service Development JSC	Nam Son Commune, An Duong Dist., Hai Phong City	48.00%	48.00%	Maintenance and repair of automobiles and other motor vehicles, real estate business
Vinh Quang International Trade Investments JSC (Vinh Quang Intradinco)	No. 212 To Hieu Street, Trai Cau Ward, Le Chan District, Hai Phong City	45.00%	45.00%	Automotive business, production and sales of spare parts, real estate business
Viet Dung Development Trading JSC	No. 324 To Hieu Street, Ho Nam Ward, Le Chan District, Hai Phong City	46.50%	46.50%	Sale of automobile and other motor vehicles, sale of spare parts of automobiles and motorcycles, real estate business
Hoang Huy Investment Services JSC	No. 116 Nguyen Duc Canh Street, Le Chan District, Hai Phong city	36.58%	36.58%	Automotive business, production and sales of spare parts



## 5. SHORT-TERM TRADE RECEIVABLES

	31/03/2018	01/04/2017
	VND	VND
<b>a) Trade receivables detailed by customers with large account balances</b>		
- Lam Hau Trading Services JSC	-	20,718,015,000
- Hoang Giang Service Development JSC	-	3,761,000,000
- Hoang Ha Service Investment JSC	-	9,804,000,000
- Thanh Nam Investment Services JSC	-	14,097,000,000
- Viet Dung Development Trading JSC	-	8,193,500,000
- Vinh Quang International Trading Investments JSC (Vinh Quang Intradinco.)	-	5,554,000,000
- HSON Star Trading Co., Ltd	3,657,000,000	4,891,000,000
- Hoang Hiep Investment Construction Corporation	3,603,800,000	3,627,500,000
- Navistar, Inc	9,947,121,275	-
- Others	4,298,214,584	4,544,483,472
	<b>21,506,135,859</b>	<b>75,190,498,472</b>
<b>b) Trade receivables from related parties</b>	<b>3,663,800,000</b>	<b>69,290,605,055</b>
<i>(See details in Note 37)</i>		

## 6. SHORT-TERM PREPAYMENTS TO SUPPLIERS

	31/03/2018		01/04/2017	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
- Vietnam Investment Consulting and Construction Designing JSC (CDC)	2,097,813,050	-	500,000,000	-
- Nam Phong Electrical Construction JSC	4,196,063,000	-	-	-
- Navistar, Inc	11,325,257,849	-	-	-
- Others	2,366,560,224	-	3,254,494,228	-
	<b>19,985,694,123</b>	<b>-</b>	<b>3,754,494,228</b>	<b>-</b>

## 7. OTHER SHORT-TERM RECEIVABLES

	31/03/2018		01/04/2017	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
- Accrued interest	677,991,821	-	1,033,088,056	-
- Receivable from Land Development Center of Ngo Quyen District, Hai Phong	6,000,000,000	-	-	-
- Others	-	-	20,421,312	-
	<b>6,677,991,821</b>	<b>-</b>	<b>1,053,509,368</b>	<b>-</b>

(\*) Hoang Huy Investment Financial Services Joint Stock Company advanced the expenses of compensation, relocation assistance relating to the project of investment in renovation and rebuilding of old apartments U1, U2, U3 Le Loi and Dong Quoc Binh project to the Land Development Center of Ngo Quyen District, Hai Phong City. This amount will be reimbursed by the Land Development Center to the Company after the State Treasury disburses funds to the Land Development Center according to the approved plan.

## 8. INVENTORIES

	31/03/2018		01/04/2017	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
- Goods in transit	-	-	86,978,531,071	-
- Raw material	775,827,200	-	114,618,525	-
- Tools and supplies	-	-	35,865,904	-
- Finished goods	152,885,041,243	-	31,835,592,595	-
- Merchandise	25,974,450,715	-	12,830,168,096	-
- Consignments	153,183,147,544	-	105,764,936,393	-
	<b>332,818,466,702</b>	<b>-</b>	<b>237,559,712,584</b>	<b>-</b>

## 9. CONSTRUCTION IN PROGRESS

	31/03/2018	01/04/2017
	VND	VND
- <b>Real estate project in progress</b>		
+ Renovation and rebuilding of U1, U2, U3 Le Loi old apartment building (1)	77,636,378,344	658,147,271
+ Hoang Huy Riverside Project in Thuong Ly Ward, Hong Bang District (2)	82,267,089,978	-
+ Renovation of HH3, HH4 Dong Quoc Binh old apartments (3)	4,906,910,572	-
+ Hoang Huy Complex project in Kenh Duong Ward and Vinh Niem Ward, Hai Phong City (4)	8,095,640,368	-
+ Canh Dieu Mall Project (5)	2,271,195,030	-
+ Other investment projects	640,124,273	-
- <b>Construction in progress</b>		
+ Car repair, maintenance and showroom	492,928,363	-
	<b>176,310,266,928</b>	<b>658,147,271</b>

(1) The project of renovating and rebuilding U1, U2, U3 Le Loi old apartments in May To Ward, Ngo Quyen District, Hai Phong City under the form of Build-Transfer (BT) Contract No. 01/2017/HDBT dated 05 April 2017 with the following details:

- Owner: Hai Phong City People's Committee (represented by Hai Phong City Department of Construction);

- Total investment value: VND 109,627,000,000

- Implementation time: The project has been implemented since April 2017 and is expected to be completed by 30 October 2018;

- Status of the project as at 31 March 2018: The project has handed over two 6-floor buildings and 126 apartments to the Department of Construction to put into use and resettle households.

(2) Hoang Huy Riverside Project in Thuong Ly Ward, Hong Bang District was approved by Hai Phong City People's Committee under the Decision No. 557/QĐ-UBND dated 16 March 2018 with the following details:

- Owner: Hoang Huy Investment Financial Services Joint Stock Company
- Total investment value: VND 1,064,000,000,000
- Project implementation method: Business cooperation with Hoang Huy Investment Services Joint Stock Company (See details in Note 18);
- Implementation time: The project has been implemented since the 1st quarter of 2018 and is expected to be completed by the 1st quarter of 2023;
- Status of the project as at 31 March 2018: The project is in the stage of demolition of the old plants.

(3) The project of renovating HH3, HH4 Dong Quoc Binh old apartments (properly known as the project of renovating degraded apartments in danger in Hai Phong City - Golden Land 5 Construction, construct HH3 -HH4 apartment building in Dong Quoc Binh Ward, Ngo Quyen District, Hai Phong City under the form of Build-Transfer (BT) Contract with the following details:

- Owner: Hai Phong City People's Committee;
- Total investment value: VND 1,712,263,286,000
- Implementation time: The project has been implemented since 5 March 2018 and is expected to be completed in 24 months from the date when the site were compensated, cleared and handed over to the owner;
- Status of the project as at 31 March 2018: The project is in the process of constructing the working pile.

(4) Hoang Huy Complex Project in Kenh Duong Ward and Vinh Niem Ward, Hai Phong City with the following details:

- Owner: Hoang Huy Investment Financial Services Joint Stock Company
- Total investment value: VND 605,045,863,000
- Implementation time: The project has been implemented since the 1st quarter of 2018 and is expected to be completed by the 1st quarter of 2023;
- Status of the project as at 31 March 2018: The project is in the process of compensation for site clearance. Expenses incurred are related to the application for construction permit, design, compensation for site clearance, etc.

(5) The project of Canh Dieu Mall to be used as a showroom in Anh Dung Ward, Duong Kinh District, Hai Phong City with the following details:

- Owner: Hoang Huy Investment Financial Services Joint Stock Company
- Status of the project as at 31 March 2018: The project has started to be implemented. Expenses incurred are related to the application for construction permit, design, levelling, etc.

10 . TANGIBLE FIXED ASSETS

	Buildings, structures	Machinery, equipment	Transportation equipment	Management equipment	Others	Total
	VND	VND	VND	VND	VND	VND
<b>Original cost</b>						
Beginning balance	40,136,565,238	2,210,114,096	8,663,227,727	771,340,316	75,909,500	51,857,156,877
- Purchase in the year	-	-	-	183,545,455	-	183,545,455
- Liquidation, disposal	-	-	(794,949,091)	-	-	(794,949,091)
<b>Ending balance</b>	<b>40,136,565,238</b>	<b>2,210,114,096</b>	<b>7,868,278,636</b>	<b>954,885,771</b>	<b>75,909,500</b>	<b>51,245,753,241</b>
<b>Accumulated depreciation</b>						
Beginning balance	19,271,671,455	2,157,212,143	6,009,040,341	352,894,010	44,280,542	27,835,098,491
- Depreciation for the year	1,540,414,189	37,969,991	844,811,625	181,679,728	31,628,958	2,636,504,491
- Liquidation, disposal	-	-	(641,698,538)	-	-	(641,698,538)
<b>Ending balance</b>	<b>20,812,085,644</b>	<b>2,195,182,134</b>	<b>6,212,153,428</b>	<b>534,573,738</b>	<b>75,909,500</b>	<b>29,829,904,444</b>
<b>Net carrying amount</b>						
Beginning balance	20,864,893,783	52,901,953	2,654,187,386	418,446,306	31,628,958	24,022,058,386
<b>Ending balance</b>	<b>19,324,479,594</b>	<b>14,931,962</b>	<b>1,656,125,208</b>	<b>420,312,033</b>	<b>-</b>	<b>21,415,848,797</b>

- Cost of fully depreciated tangible fixed assets but still in use at the end of the year: VND 9,867,428,263



**11. INTANGIBLE FIXED ASSETS**

	Land use right	Computer software	Total
	VND	VND	VND
<b>Original cost</b>			
Beginning balance	56,217,489,700	111,896,190	56,329,385,890
Ending balance	<u>56,217,489,700</u>	<u>111,896,190</u>	<u>56,329,385,890</u>
<b>Accumulated amortisation</b>			
Beginning balance	2,907,981,229	111,896,190	3,019,877,419
- Amortisation for the year	198,836,323	-	198,836,323
Ending balance	<u>3,106,817,552</u>	<u>111,896,190</u>	<u>3,218,713,742</u>
<b>Net carrying amount</b>			
Beginning balance	53,309,508,471	-	53,309,508,471
Ending balance	<u>53,110,672,148</u>	<u>-</u>	<u>53,110,672,148</u>

- Cost of fully amortised intangible fixed assets but still in use at the end of the year: VND 111,896,190

**12. INVESTMENT PROPERTIES FOR LEASE**

	Land use right (1)	Buildings, Structures (1)	Total
	VND	VND	VND
<b>Original cost</b>			
Beginning balance	195,000,000,000	76,141,197,992	271,141,197,992
Ending balance	<u>195,000,000,000</u>	<u>76,141,197,992</u>	<u>271,141,197,992</u>
<b>Accumulated depreciation</b>			
Beginning balance	-	14,024,583,796	14,024,583,796
- Depreciation for the year	-	2,794,438,456	2,794,438,456
Ending balance	<u>-</u>	<u>16,819,022,252</u>	<u>16,819,022,252</u>
<b>Net carrying amount</b>			
Beginning balance	195,000,000,000	62,116,614,196	257,116,614,196
Ending balance	<u>195,000,000,000</u>	<u>59,322,175,740</u>	<u>254,322,175,740</u>

(1): Investment properties includes land use rights and assets attached to the land at 183 Ba Trieu Street, Hoan Kiem District, Hanoi and a part of buildings and factory for lease in Hai Phong City with annual rental payment.

### 13. BORROWINGS AND FINANCE LEASE LIABILITIES

	01/04/2017		During the year		31/03/2018	
	Outstanding balance	Amount can be paid	Increase	Decrease	Outstanding balance	Amount can be paid
	VND	VND	VND	VND	VND	VND
<b>a) Short-term borrowings</b>						
Technological and Commercial Joint Stock Bank - Hai Phong Branch	-	-	226,836,994,224	226,836,994,224	-	-
	-	-	226,836,994,224	226,836,994,224	-	-
<b>b) Long-term borrowings</b>						
Tien Phong Commercial Joint Stock Bank - Thang Long Branch (1)	-	-	42,605,639,200	-	42,605,639,200	42,605,639,200
	-	-	42,605,639,200	-	42,605,639,200	42,605,639,200
Amount due for settlement within 12 months	-	-	-	-	-	-
Amount due for settlement after 12 months	-	-			<u>42,605,639,200</u>	<u>42,605,639,200</u>

#### Detailed information on Long-term borrowings is as follows:

(1) Loan Agreement No. 371/2017/HDTD/PHG/01 dated 07 August 2017 with the terms as follows:

- + Credit limit: VND 93,000,000,000;
- + Purpose of loan: Payment for expenses of the project of renovating and rebuilding old apartment U1, U2, U3 Le Loi, Ngo Quyen district, Hai Phong city under the Build - Transfer Contract between Hai Phong Department of Construction and Hoang Huy Investment Financial Services Joint Stock Company;
- + Loan period: From the disbursement date to 30 June 2019;
- + Loan interest: Floating rate;
- + Loan guarantee: Secured by property rights formed in the future from the Build - Transfer project of renovating and rebuilding old apartment U1, U2, U3 Le Loi, Ngo Quyen district Act No. 01/2017/HDBT between Hai Phong Department of Construction and Hoang Huy Investment Financial Services Joint Stock Company dated 05 April 2017.
- + The outstanding balance as at 31 March 2018 is VND 42,605,639,200.

**14. SHORT-TERM TRADE PAYABLES**

	31/03/2018		01/04/2017	
	Outstanding balance	Amount can be paid	Outstanding balance	Amount can be paid
	VND	VND	VND	VND
<b>Trade payables detailed by suppliers with large account balances</b>				
- Le Quan Construction Co., Ltd	348,537,620	348,537,620	348,537,620	348,537,620
- Trung Viet Auto Co., Ltd	-	-	287,169,094	287,169,094
- Anh Duc Ship Industry and Trading Co.,	-	-	240,223,500	240,223,500
- Nam Son Construction and Trading Co.,	1,136,723,200	1,136,723,200	-	-
- Bach Dang 234 Construction JSC	6,253,341,600	6,253,341,600	-	-
- Others	136,581,638	136,581,638	433,877,318	433,877,318
	<b>7,875,184,058</b>	<b>7,875,184,058</b>	<b>1,309,807,532</b>	<b>1,309,807,532</b>

**15. SHORT-TERM PREPAYMENT FROM CUSTOMERS**

	31/03/2018	01/04/2017
	VND	VND
- Hoang Giang Service Development JSC.	38,642,500,000	-
- Thanh Nam Investment Services JSC.	14,934,500,000	-
- Viet Dung Development Trading JSC.	9,056,499,999	-
- Hoang Ha Service Investment JSC.	6,314,500,000	-
- Lam Hau Trading Services JSC.	5,957,785,000	-
- Phu Man Trading and Service JSC.	-	1,400,000,000
- Truong Giang Service Development JSC.	-	-
- Hong Son Star Da Nang Co., Ltd	-	300,000,000
- Others	17,278,034,558	10,542,777,052
	<b>92,183,819,557</b>	<b>12,242,777,052</b>



16. TAX AND OTHER PAYABLES TO STATE BUDGET

	Tax receivable at the beginning of the year	Tax payable at the beginning of the year	Tax payable in the year	Tax paid in the year	Tax receivable at the end of the year	Tax payable at the end of the year
	VND	VND	VND	VND	VND	VND
- Value-added tax	-	1,476,641,729	12,455,313,502	6,477,031,925	-	7,454,923,306
- Export, import duties	-	-	69,517,146,030	69,517,146,030	-	-
- Corporate income tax	-	10,317,304,272	83,665,091,008	87,038,697,196	-	6,943,698,084
- Personal income tax	-	14,614,677	14,576,666,885	14,567,204,001	-	24,077,561
- Land tax and land rental	-	-	806,661,744	806,661,744	-	-
- Other taxes	3,000,000	-	3,000,000	3,000,000	3,000,000	-
- Fees, charges and other payables	-	-	-	-	-	-
	<b>3,000,000</b>	<b>11,808,560,678</b>	<b>181,023,879,169</b>	<b>178,409,740,896</b>	<b>3,000,000</b>	<b>14,422,698,951</b>

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 separate financial statements could be changed at a later date upon final determination by the tax authorities.



## 17. SHORT-TERM ACCRUED EXPENSES

	31/03/2018	01/04/2017
	VND	VND
- Construction expenses of office building for lease at 183 Ba Trieu Street, Hanoi	3,679,097,980	4,586,993,544
	<b>3,679,097,980</b>	<b>4,586,993,544</b>

## 18. OTHER LONG-TERM PAYABLES

	31/03/2018	01/04/2017
	VND	VND
- Long-term deposits and collateral received	1,008,477,246	762,777,246
- Other payables	297,240,683,204	-
<i>Capital contribution received from Hoang Huy Investment Services Joint Stock Company (1)</i>	<i>297,150,000,000</i>	-
<i>Other payables</i>	<i>90,683,204</i>	-
	<b>298,249,160,450</b>	<b>762,777,246</b>

(1): Capital contributed received under Business Cooperation Contract No. 168 /HTKD dated 16 August 2017 between Hoang Huy Investment Services Joint Stock Company (HHS) and Hoang Huy Investment Financial Services Joint Stock Company (TCH) with the following terms:

- Purpose of business cooperation: Implement the project of renovating and rebuilding U1, U2, U3 Le Loi old apartments, the investment project to renovate HH3, HH4 Dong Quoc Binh old apartment building and Hoang Huy Riverside Construction and Investment Project.

- Parties involved and capital contribution ratio:

+ Total estimated investment value of the projects is more than 2.800 billion dong;

+ Hoang Huy Investment Services Joint Stock Company (HHS) has contributed 500 billion dong in cash;

+ Hoang Huy Investment Financial Services Joint Stock Company (TCH) has contributed the remaining amount in the form of cash, the right to exploit the project, the land use rights in the projects. At the same time, TCH is responsible for the bookkeeping relating to the Business Cooperation Contract;

- Obligations of the parties:

+ Hoang Huy Investment Services Joint Stock Company (HHS) is responsible for fully contributing capital as committed in accordance with the schedule announced by Hoang Huy Investment Financial Services Joint Stock Company (TCH), giving opinion on administration, project management, consumption;

+ Hoang Huy Investment Financial Services Joint Stock Company (TCH) is responsible for completing all legal procedures to implement the project, managing all activities of the project, deciding the selling price, distributing profit and returning contributed capital to Hoang Huy Investment Services Joint Stock Company (HHS) in accordance with the contract.

+ Benefit sharing: Hoang Huy Investment Services Joint Stock Company is entitled to 25% of Hoang Huy Riverside project's profit after tax annually, Hoang Huy Investment Financial Services Joint Stock Company is entitled to the rest.

(See more information in Note.09)

**19. SHORT-TERM UNEARNED REVENUE**

	31/03/2018	01/04/2017
	VND	VND
- Unearned revenue from asset leasing	2,023,605,234	2,099,877,483
	<b>2,023,605,234</b>	<b>2,099,877,483</b>

**20. OWNER'S EQUITY**

**a) Changes in owner's equity**

	Contributed	Treasury shares	Retained earnings	Total
	VND	VND	VND	VND
Balance as at 01/04/2016	1,200,000,000,000	-	79,068,252,358	1,279,068,252,358
Increase in capital of previous year	2,099,945,720,000	-	-	2,099,945,720,000
Profit of previous year	-	-	557,173,287,030	557,173,287,030
Dividend payment in the form of shares	329,994,420,000	-	(329,994,420,000)	-
Other decrease	-	-	(107,527,300)	(107,527,300)
<b>Balance as at 31/03/2017</b>	<b>3,629,940,140,000</b>	<b>-</b>	<b>306,139,592,088</b>	<b>3,936,079,732,088</b>
<b>Balance as at 01/04/2017</b>	<b>3,629,940,140,000</b>	<b>-</b>	<b>306,139,592,088</b>	<b>3,936,079,732,088</b>
Profit of current year	-	-	513,071,753,457	513,071,753,457
Increase in treasury shares (*)	-	(219,996,488,178)	-	(219,996,488,178)
Profit distribution (**)	-	-	(290,395,211,200)	(290,395,211,200)
<b>Balance as at 31/03/2018</b>	<b>3,629,940,140,000</b>	<b>(219,996,488,178)</b>	<b>528,816,134,345</b>	<b>3,938,759,786,167</b>

(\*) During the period, the Board of Management passed the Resolution No. 10/2017/ND-HDQT dated 18 November 2017 on the Company's purchase of treasury shares with the maximum amount of 11 million shares by the order matching method. As at 31 March 2018, the Company purchased 9,722,450 shares with the corresponding value of VND 219,996,488,178.

(\*\*) According to the resolution of the Annual General Meeting of Shareholders No. 01/2017/NQ-DHDCD dated 24 June 2017, the Company announces the distribution of profit in 2016 as follows:

	Amount
	VND
Dividend payment (each share receives VND 800)	290,395,211,200

b) Details of contributed capital

	Ending VND	Rate	Beginning VND	Rate
- Mr. Do Huu Ha	1,510,836,250,000	41.62%	1,510,836,250,000	41.62%
- Mr. Do Huu Hau	181,500,000,000	5.00%	181,500,000,000	5.00%
- Other shareholders	1,840,379,390,000	50.70%	1,937,603,890,000	53.38%
- Treasury shares acquired by the shareholders	97,224,500,000	2.68%	-	0.00%
	<b>3,629,940,140,000</b>	<b>100%</b>	<b>3,629,940,140,000</b>	<b>100%</b>

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

	From 01/04/2017 to 31/03/2018 VND	From 01/04/2016 to 31/03/2017 VND
Owner's contributed capital		
- At the beginning of year	3,629,940,140,000	1,200,000,000,000
- Increase in the year	-	2,429,940,140,000
- At the end of the year	3,629,940,140,000	3,629,940,140,000
Dividends and profit distributed		
- Dividend payment from last year's profit	290,395,211,200	329,994,420,000

d) Share

	31/03/2018	01/04/2017
Quantity of Authorized issuing shares	362,994,014	362,994,014
Quantity of issued shares	362,994,014	362,994,014
- Common shares	362,994,014	362,994,014
Quantity of shares repurchased	9,722,450	-
- Common shares	9,722,450	-
Quantity of outstanding shares in circulation	353,271,564	362,994,014
- Common shares	353,271,564	362,994,014
Par value per share (VND):	10,000	10,000

21. OFF STATEMENT OF FINANCIAL POSITION ITEMS

Foreign currencies

	Unit	31/03/2018	01/04/2017
- US Dollar	USD	1,653.99	1,618.68
- Euro	EUR	8.95	8.95



**22. REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES**

	From 01/04/2017 to 31/03/2018	From 01/04/2016 to 31/03/2017
	VND	VND
Revenue from sale of goods	2,721,756,456	20,638,848,345
Revenue from sale of finished goods of automobile factories	32,964,818,180	33,983,909,091
Revenue from sale of US trailer trucks and spare parts	1,629,266,952,196	1,212,054,727,101
Revenue from rendering of services	17,071,434,933	15,255,537,261
	<b>1,682,024,961,765</b>	<b>1,281,933,021,798</b>
In which: Revenue from related parties (See details in Note 37)	<b>1,491,293,096,096</b>	<b>1,074,909,567,010</b>

**23. REVENUE DEDUCTIONS**

	From 01/04/2017 to 31/03/2018	From 01/04/2016 to 31/03/2017
	VND	VND
Sale discounts	3,682,336,000	-
Sale returns	490,909,091	3,409,090,910
	<b>4,173,245,091</b>	<b>3,409,090,910</b>

**24. COST OF GOODS SOLD**

	From 01/04/2017 to 31/03/2018	From 01/04/2016 to 31/03/2017
	VND	VND
Cost of goods sold	2,189,076,677	19,741,359,391
Cost of finished goods of automobile factories sold	25,830,350,865	26,741,499,532
Cost of US trailer trucks sold and spare parts collected	1,217,770,084,072	950,588,737,506
Cost of services rendered	7,011,657,493	8,629,990,948
Provision/Reversal of provision for devaluation of inventories	-	(922,680,000)
	<b>1,252,801,169,107</b>	<b>1,004,778,907,377</b>

**25. FINANCIAL INCOME**

	From 01/04/2017 to 31/03/2018	From 01/04/2016 to 31/03/2017
	VND	VND
Interest income	8,666,236,408	9,764,184,885
Dividends and profits received (*)	184,994,450,000	340,132,053,931
Realised exchange gain	22,011,399	842,866,325
Unrealised exchange gain	102,856	119,311
	<b>193,682,800,663</b>	<b>350,739,224,452</b>

(\*) In which Dividend received from Hung Viet Trading JSC is VND 184,994,450,000.

**26. FINANCIAL EXPENSES**

	From 01/04/2017 to 31/03/2018	From 01/04/2016 to 31/03/2017
	VND	VND
Interest expenses	3,231,856,257	-
Realised exchange loss	7,043,296	129,202,029
Unrealised exchange loss	3,565,074	-
	<b>3,242,464,627</b>	<b>129,202,029</b>

**27. SELLING EXPENSES**

	From 01/04/2017 to 31/03/2018	From 01/04/2016 to 31/03/2017
	VND	VND
Raw materials	98,000,000	138,875,000
Labour expenses	1,911,699,552	1,250,034,519
Depreciation expenses	134,577,714	-
Expenses of outsourcing services	3,074,151,656	2,544,590,208
Other expenses in cash	474,805,183	107,011,455
	<b>5,693,234,105</b>	<b>4,040,511,182</b>

**28. GENERAL AND ADMINISTRATIVE EXPENSES**

	From 01/04/2017 to 31/03/2018	From 01/04/2016 to 31/03/2017
	VND	VND
Raw materials	-	91,558,524
Labour expenses	2,046,916,807	1,940,899,496
Depreciation expenses	2,752,689,239	2,282,596,687
Expenses of outsourcing services	4,903,329,875	3,669,134,260
Other expenses in cash	1,688,061,666	504,237,585
	<b>11,390,997,587</b>	<b>8,488,426,552</b>

**29. OTHER INCOME**

	From 01/04/2017 to 31/03/2018	From 01/04/2016 to 31/03/2017
	VND	VND
Gain from liquidation, disposal of fixed assets	180,000,000	-
Free-of-charge goods received	4,889,519,123	151,236,106
Others	-	1,000,000
	<b>5,069,519,123</b>	<b>152,236,106</b>

**30. OTHER EXPENSES**

	From 01/04/2017 to 31/03/2018	From 01/04/2016 to 31/03/2017
	VND	VND
Loss from liquidation, disposal of fixed assets	153,250,553	-
Donation towards the building of Nguyen Duc Canh Memorial House and donation to the local	6,500,000,000	-
Fines	83,060,575	97,786,201
Others	3,015,441	-
	<b>6,739,326,569</b>	<b>97,786,201</b>

**31. CURRENT CORPORATE INCOME TAX EXPENSES**

	From 01/04/2017 to 31/03/2018	From 01/04/2016 to 31/03/2017
	VND	VND
Total profit before Corporate income tax	596,736,844,465	611,880,558,105
Increase	6,583,060,575	97,723,201
- <i>Ineligible expenses</i>	6,583,060,575	97,723,201
Decrease	(184,994,450,000)	(340,132,053,931)
- <i>Dividend, profit distributed</i>	(184,994,450,000)	(340,132,053,931)
Taxable income	418,325,455,040	271,846,227,375
<b>Current corporate income tax expense (at the tax rate of 20%)</b>	<b>83,665,091,008</b>	<b>54,369,245,475</b>
Adjustment of tax expenses from previous years into current		338,025,600
Tax payable at the beginning of the year	10,317,304,272	752,967,416
Tax paid in the year	(87,038,697,196)	(45,142,934,219)
<b>Corporate income tax payable at the end of the year</b>	<b>6,943,698,084</b>	<b>10,317,304,272</b>

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

	From 01/04/2017 to 31/03/2018	From 01/04/2016 to 31/03/2017
	VND	VND
Raw materials	1,407,455,403,669	1,017,706,895,682
Labour expenses	8,607,797,812	6,494,818,426
Depreciation expenses	5,629,779,270	5,616,601,371
Expenses of outsourcing services	12,308,136,321	6,511,016,468
Other expenses in cash	2,162,866,849	657,326,617
	<b>1,436,163,983,921</b>	<b>1,036,986,658,564</b>



### 33. FINANCIAL INSTRUMENTS

The types of financial instruments of the Company

	Carrying amount			
	31/03/2018		01/04/2017	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
<b>Financial Assets</b>				
Cash and cash equivalent	42,258,301,290	-	305,525,150,603	-
Trade and other receivables	28,184,127,680	-	76,244,007,840	-
Short-term investments	39,500,000,000	-	39,200,000,000	-
	<b>109,942,428,970</b>	<b>-</b>	<b>420,969,158,443</b>	<b>-</b>

	Carrying amount	
	31/03/2018	01/04/2017
	VND	VND
<b>Financial Liabilities</b>		
Borrowings and debts	42,605,639,200	-
Trade and other payables	306,124,344,508	2,072,584,778
Accrued expenses	3,679,097,980	4,586,993,544
	<b>352,409,081,688</b>	<b>6,659,578,322</b>

Financial assets and financial liabilities are not revalued according to fair value at the end of the year because the Circular No. 210/2009/TT-BTC and prevailing statutory regulations require to present Financial Statements and Notes to financial instruments but do not provide any relevant instruction for assessment and recognition of fair value of financial assets and liabilities, excluding provision for doubtful debts and provision for diminution in value of trading securities which are presented in relevant notes.

#### Financial risk management

The Company's financial risks include 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 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 exchange rates and interest rates.

##### Exchange rate risk:

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

##### Interest rate risk:

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

#### Credit Risk

Credit risk is the risk of financial loss to the Company if a counterparty fails to perform its contractual obligations. The Company has credit risk from operating activities (mainly to trade receivables) and financial activities (including deposits, loans and other financial instruments), detailed as follows:



	Up to 1 year	In 1 to 5 years	In more than 5 years	Total
	VND	VND	VND	VND
<b>As at 31/03/2018</b>				
Cash and cash equivalent	42,258,301,290	-	-	42,258,301,290
Trade and other receivables	28,184,127,680	-	-	28,184,127,680
Short-term investments	38,000,000,000	1,500,000,000	-	39,500,000,000
	<b>108,442,428,970</b>	<b>1,500,000,000</b>	<b>-</b>	<b>109,942,428,970</b>
	Up to 1 year	In 1 to 5 years	In more than 5 years	Total
	VND	VND	VND	VND
<b>As at 01/04/2017</b>				
Cash and cash equivalent	305,525,150,603	-	-	305,525,150,603
Trade and other receivables	76,244,007,840	-	-	76,244,007,840
Short-term investments	39,200,000,000	-	-	39,200,000,000
	<b>420,969,158,443</b>	<b>-</b>	<b>-</b>	<b>420,969,158,443</b>

**Liquidity Risk**

Liquidity risk is the risk that the Company has trouble in settlement of its financial obligations due to the 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 31/03/2018</b>				
Borrowings and debts	-	42,605,639,200	-	42,605,639,200
Trade and other payables	7,875,184,058	298,249,160,450	-	306,124,344,508
Accrued expenses	3,679,097,980	-	-	3,679,097,980
	<b>11,554,282,038</b>	<b>340,854,799,650</b>	<b>-</b>	<b>352,409,081,688</b>
<b>As at 01/04/2017</b>				
Trade and other payables	1,309,807,532	762,777,246	-	2,072,584,778
Accrued expenses	4,586,993,544	-	-	4,586,993,544
	<b>5,896,801,076</b>	<b>762,777,246</b>	<b>-</b>	<b>6,659,578,322</b>

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



**34. ADDITIONAL INFORMATION FOR THE ITEMS OF THE STATEMENT OF CASH FLOWS**

	From 01/04/2017 to 31/03/2018	From 01/04/2016 to 31/03/2017
	VND	VND
<b>a) Proceeds from borrowings during the year</b>		
Proceeds from ordinary contracts	269,442,633,424	
<b>b) Actual repayments on principal during the year</b>		
Repayment on principal from ordinary contracts	226,836,994,224	

**35. SUBSEQUENT EVENT 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.

**36. SEGMENT REPORTING**

The Company's main activities is trading of trailer trucks that is mainly implemented in Vietnam; therefore, the Company does not present Segment report under business fields and geographical areas.

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

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

Transactions during the year:

	Relation	From 01/04/2017 to 31/03/2018	From 01/04/2016 to 31/03/2017
		VND	VND
<b>Revenue from sale of goods and rendering of services</b>		<b>1,491,293,096,096</b>	<b>1,074,909,567,010</b>
Lam Hau Trading Services JSC	Associate	248,382,727,296	176,167,272,746
Hoang Ha Service Investment JSC	Associate	227,209,090,921	152,238,090,934
Truong Giang Service Development JSC	Associate	56,148,459,640	59,853,021,486
Vinh Quang International Trading Investments JSC	Associate	73,212,727,276	70,345,454,542
Viet Dung Development Trading JSC	Associate	93,200,909,093	66,036,818,178
Hoang Giang Service Development JSC.	Subsidiary of Associate	524,487,727,306	304,944,545,476
 Hoang Huy Investment Services JSC	Associate	33,014,818,180	32,894,818,181
Thanh Nam Investment Service JSC	Associate of Associate	114,349,545,473	106,720,454,558
 Hoang Hiep Investment Construction Corporation	Investee of Subsidiary	121,232,545,457	105,709,090,909
Thinh Hiep Construction JSC.	Subsidiary	54,545,454	-
 <b>Dividend and profits received</b>		<b>184,994,450,000</b>	<b>360,186,133,600</b>
Hung Viet Trading JSC.	Subsidiary	184,994,450,000	319,990,400,000
Hoang Huy Investment Services JSC	Associate	-	40,195,733,600



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

	Relation	31/03/2018	01/04/2017
		VND	VND
<b>Short-term trade receivables</b>		<b>3,663,800,000</b>	<b>69,290,605,055</b>
Lam Hau Trading Services JSC	Associate	-	20,718,015,000
Hoang Ha Service Investment JSC	Associate	-	9,804,000,000
Truong Giang Service Development JSC	Associate	-	1,433,790,056
Vinh Quang International Trading Investments JSC	Associate	-	5,554,000,000
Viet Dung Development Trading JSC	Associate	-	8,193,500,000
Hoang Giang Service Development JSC.	Subsidiary of Associate	-	3,761,000,000
Hoang Huy Investment Services JSC	Associate	-	2,101,799,999
Hoang Hiep Investment Construction Corporation	Investee of Subsidiary	3,603,800,000	3,627,500,000
Thanh Nam Investment Service JSC	Associate of Associate	-	14,097,000,000
- Thinh Hiep Construction JSC.	Subsidiary	60,000,000	-
	<b>Mối quan hệ</b>	<b>31/03/2018</b>	<b>01/04/2017</b>
		VND	VND
<b>Short-term prepayment from customers</b>		<b>82,896,730,344</b>	-
Lam Hau Trading Services JSC	Associate	5,957,785,000	-
Hoang Ha Service Investment JSC	Associate	6,314,500,000	-
Truong Giang Service Development JSC	Associate	4,145,045,344	-
Vinh Quang International Trading Investments JSC	Associate	1,264,000,000	-
Viet Dung Development Trading JSC	Associate	9,056,499,999	-
Hoang Giang Service Development JSC.	Subsidiary of Associate	38,642,500,000	-
Hoang Huy Investment Services JSC	Associate	2,581,900,001	-
Thanh Nam Investment Service JSC	Associate of Associate	14,934,500,000	-
<b>Other payables - Capital contributions to investment cooperation</b>		<b>297,150,000,000</b>	-
Hoang Huy Investment Services JSC	Associate	297,150,000,000	-

Transactions with other related parties:

	From 01/04/2017 to 31/03/2018	From 01/04/2016 to 31/03/2017
	VND	VND
Remuneration to members of the Board of General Directors and Board of Management	955,941,144	843,133,354
<i>Of which: Remuneration to General Directors</i>	<i>351,120,000</i>	<i>335,220,000</i>

### 38. COMPARATIVE FIGURES

The comparative figures are figures in the Separate Financial Statements for the fiscal year ended as at 31 March 2017, which were audited by AASC Auditing Company Limited.

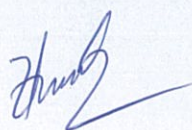
*Prepared on 09 May 2018*

**Preparer**



**Bui Thi Tra**

**Chief Accountant**



**Phung Thi Thu Huong**

**General Director**



**Do Huu Ha**