

# **SEPARATE FINANCIAL STATEMENTS**

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

For the fiscal year ended 31 December 2015  
(Audited)

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## REPORT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of Hoang Huy Investment Financial Services Joint Stock Company ("The Company") presents its report and the Company's Separate Financial Statements for the fiscal year ended 31 December 2015.

### THE COMPANY

Hoang Huy Investment Financial Services Joint Stock Company was established and operates under the Business Certificate No 0200117929 (applied for Joint Stock Company) firstly issued by Hai Phong Department of Planning and Investment on 25 December, 2007 and the Certificate of seventh amendment dated 07 December, 2015.

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

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

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

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

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

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

The members of the Board of Supervisors are:

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

### AUDITORS

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

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

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

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



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

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

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- 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 separate financial statements;
- Prepare the separate financial statements on going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

We, The Board of General Directors, confirm that the separate financial statements for the fiscal year ended 31 December 2015 prepared by us, give a true and fair view of the financial position at 31 December 2015, results of its operations and its cash flows in the year 2015 of Company in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the current requirements relevant to preparation and presentation of financial statements.

On behalf of the Board of General Directors



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**Do Huu Ha**

General Director

*Hai Phong, 20 March, 2016*

## INDEPENDENT AUDITORS' REPORT

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

### Report on the Separate Financial Statements

We have audited the accompanying Separate Financial Statements of Hoang Huy Investment Financial Services Joint Stock Company prepared on 20 March, 2016, as set out on pages 06 to 33, including: Statement of financial position as at 31 December 2015, Statement of comprehensive income, Statement of cash flows and Notes to separate financial statements for the year ended 31 December, 2015.

### Board of General Directors' Responsibility

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

### Auditor's Responsibility

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

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

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

### Auditor's Opinion

In our opinion, the Separate Financial Statements give a true and fair view, in all material respects, of the financial position of Hoang Huy Investment Financial Services Joint Stock Company as at 31 December 2015, and of the results of its operations and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of financial statements.



**AASC Auditing Firm Company Limited**

**Cat Thi Ha**

Deputy General Director

Registered Auditor No. 0725-2013-002-1

Hanoi, 21 March, 2016

**Nguyen Ngoc Lan**

Auditor

Registered Auditor No. 1427-2013-002-1





## STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

Code	ASSETS	Note	31/12/2015 VND	01/01/2015 VND
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>632,475,589,714</b>	<b>65,213,466,010</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>03</b>	<b>117,886,697,548</b>	<b>26,596,523,796</b>
111	1. Cash		1,036,697,548	16,596,523,796
112	2. Cash equivalents		116,850,000,000	10,000,000,000
<b>130</b>	<b>III. Short-term accounts receivable</b>		<b>289,824,684,991</b>	<b>29,887,332,573</b>
131	1. Short-term trade receivables	05	2,345,030,413	2,486,669,623
132	2. Short-term prepayments to suppliers		286,050,693,526	27,400,660,401
136	3. Other short-term receivables	06	1,428,961,052	2,549
<b>140</b>	<b>IV. Inventories</b>	<b>07</b>	<b>211,035,010,178</b>	<b>8,727,698,757</b>
141	1. Inventories		212,571,490,178	8,727,698,757
149	2. Provision for devaluation of inventories		(1,536,480,000)	-
<b>150</b>	<b>V. Other short-term assets</b>		<b>13,729,196,997</b>	<b>1,910,884</b>
151	1. Short-term prepaid expenses	11	166,666,666	-
152	2. VAT deductibles		13,562,467,331	1,763,337
153	3. Taxes and other receivables from the State	13	63,000	147,547
<b>200</b>	<b>B. NON- CURRENT ASSETS</b>		<b>812,038,096,502</b>	<b>435,498,289,760</b>
<b>220</b>	<b>II. Fixed assets</b>		<b>289,198,441,413</b>	<b>97,822,238,851</b>
221	1. Tangible fixed assets	09	40,640,387,537	44,065,348,652
222	- Historical costs		85,620,655,797	85,562,882,197
223	- Accumulated depreciation		(44,980,268,260)	(41,497,533,545)
227	2. Intangible fixed assets	10	248,558,053,876	53,756,890,199
228	- Historical costs		251,329,385,890	56,329,385,890
229	- Accumulated amortization		(2,771,332,014)	(2,572,495,691)
<b>240</b>	<b>IV. Long-term assets in progress</b>	<b>08</b>	<b>16,439,655,089</b>	<b>1,676,050,909</b>
242	1. Construction in progress		16,439,655,089	1,676,050,909
<b>250</b>	<b>V. Long-term investments</b>	<b>04</b>	<b>506,400,000,000</b>	<b>336,000,000,000</b>
251	1. Investments in subsidiaries		156,000,000,000	120,000,000,000
252	2. Investments in joint-ventures and associates		350,400,000,000	216,000,000,000
<b>270</b>	<b>TOTAL ASSETS</b>		<b>1,444,513,686,216</b>	<b>500,711,755,770</b>

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

(Continued)

Code	RESOURCES	Note	31/12/2015 VND	01/01/2015 VND
300	<b>C. LIABILITIES</b>		<b>168,456,303,524</b>	<b>31,623,203,650</b>
310	<b>I. Current liabilities</b>		<b>168,456,303,524</b>	<b>31,623,203,650</b>
311	1. Short-term trade payables	12	4,855,255,887	4,248,401,515
312	2. Short-term prepayment from customers		158,746,913,515	26,554,893,434
313	3. Tax payables and statutory obligations	13	4,181,803,059	674,293,437
318	4. Short-term unrealised revenue	14	534,735,000	-
319	5. Other short-term payables		-	8,019,201
322	6. Bonus and welfare fund		137,596,063	137,596,063
400	<b>D. OWNER'S EQUITY</b>		<b>1,276,057,382,692</b>	<b>469,088,552,120</b>
410	<b>I. Owner's equity</b>	15	<b>1,276,057,382,692</b>	<b>469,088,552,120</b>
411	1. Contributed capital		1,200,000,000,000	464,986,750,000
411a	Ordinary shares with voting rights		1,200,000,000,000	464,986,750,000
421	2. Undistributed profit after tax		76,057,382,692	4,101,802,120
421a	Undistributed post-tax profits accumulated by the end of the previous year		4,101,802,120	1,986,155,480
421b	Undistributed profit after tax for the current year		71,955,580,572	2,115,646,640
440	<b>TOTAL RESOURCES</b>		<b>1,444,513,686,216</b>	<b>500,711,755,770</b>

Preparer

Nguyen Thi Thu Huong

Chief Accountant

Phung Thi Thu Huong

Prepared, 20 March, 2016

General Director



Đo Huu Ha

## STATEMENT OF COMPREHENSIVE INCOME

Year 2015

Code	ITEMS	Note	Year 2015 VND	Year 2014 VND
01	1. Revenue from sale of goods and rendering of services	17	612,240,757,047	105,830,090,172
02	2. Deductible items		-	-
10	3. Net revenue from sale of goods and rendering of services		612,240,757,047	105,830,090,172
11	4. Cost of sales	18	530,965,434,658	95,564,838,996
20	5. Gross profit from sale of goods and rendering of services		81,275,322,389	10,265,251,176
21	6. Financial income	19	21,643,371,469	15,720,257
22	7. Financial expenses	20	3,195,873,768	-
23	<i>In which : Interest expenses</i>		2,475,844,399	-
24	8. Selling expenses	21	792,821,100	-
25	9. General administrative expenses	22	10,719,126,267	2,806,026,197
30	10. Net profit from operating activities		88,210,872,723	7,474,945,236
31	11. Other income	23	507,699,508	-
32	12. Other expenses		-	3,850,277,908
40	13. Other profit (loss)		507,699,508	(3,850,277,908)
50	14. Total net profit before tax		88,718,572,231	3,624,667,328
51	15. Current corporate income tax expenses	24	16,762,991,659	1,509,020,688
60	17. Profit after tax		<u>71,955,580,572</u>	<u>2,115,646,640</u>

Preparer

Nguyen Thi Thu Huong

Chief Accountant

Phung Thi Thu Huong

Prepared, 20 March, 2016

General Director



Do Huu Ha



## STATEMENT OF CASH FLOWS

Year 2015  
(Indirect method)

Code	Note	Year 2015 VND	Year 2014 VND
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01 1. Profit before tax		88,718,572,231	3,624,667,328
2. Adjustment for:		28,788,023,234	6,987,794,084
02 - Depreciation of fixed assets and investment properties		3,681,571,038	7,003,514,341
03 - Provisions		1,536,480,000	-
04 - Losses of exchange rate differences from revaluation of monetary items denominated in foreign currencies		(1,829,857)	-
05 - Gain/loss from investment activities		21,095,957,654	(15,720,257)
06 - Interest expense		2,475,844,399	-
08 3. Profit from operating activities before changes in working capital		117,506,595,465	10,612,461,412
09 - Increase/Decrease in receivables		(272,015,834,087)	(18,433,165,648)
10 - Increase/Decrease in inventories		(203,843,791,421)	1,381,591,003
11 - Increase/Decrease in payables (excluding interest payables/ enterprise income tax payables)		133,193,858,851	5,521,606,083
12 - Increase/Decrease in prepaid expenses		(166,666,666)	-
14 - Interest paid		(2,475,844,399)	-
15 - Corporate income tax paid		(13,123,750,636)	(537,767,939)
20 Net cash flows from operating activities		(240,925,432,893)	(1,455,275,089)
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21 1. Purchase or construction of fixed assets and other long-term assets		(16,303,515,558)	(2,249,455,999)
25 2. Investments in other entities		(170,400,000,000)	-
27 7. Interest and dividend received		(21,095,957,654)	15,720,257
30 Net cash flows from investing activities		(207,799,473,212)	(2,233,735,742)

## STATEMENT OF CASH FLOWS

Year 2015  
(Indirect method)

Code	Note	Year 2015 VND	Year 2014 VND
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31 1. Receipts from stocks issuing and capital contribution from equity owners		540,013,250,000	30,000,000,000
33 2. Proceeds from borrowings		344,357,659,135	-
34 3. Repayment of borrowings		(344,357,659,135)	-
40 Net cash flows from financing activities		540,013,250,000	30,000,000,000
50 Net cash flows in the year		91,288,343,895	26,310,989,169
60 Cash and cash equivalents at beginning of year		26,596,523,796	285,534,627
61 Impact of foreign exchange fluctuation		1,829,857	-
70 Cash and cash equivalents at end of year	03	117,886,697,548	26,596,523,796

Prepared, 20 March, 2016

Preparer

Chief Accountant

General Director

Nguyen Thi Thu Huong

Phung Thi Thu Huong



Do Huu Ha

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## NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year 2015

### 1. BACKGROUND

#### Forms of Ownership

Hoang Huy Investment Financial Services Joint Stock Company was established and operates under the Business Certificate No 0200117929 (applied for Joint Stock Company) firstly issued by Hai Phong Department of Planning and Investment on 25 December, 2007 and the Certificate of seventh amendment dated 07 December, 2015 detailed that the Company's charter capital is VND 628,000,000,000 equivalent to 62,800,000 shares. The par value is VND 10,000 per share.

However, the actual contributed capital as at 31 December, 2015 is VND 1,200 billion. On 16 March 2016, the Company has registered the eighth amendment of Business Certificate detailed that the Company's charter capital is VND 1,200 billion. (Details as in Note 27)

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

#### Structure of enterprises

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

Information of Subsidiaries, Joint-ventures and Associates of the Company is provided in Note No. 4.

#### Business field

Main business field of the Company:

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



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

#### **Operations of the company in the fiscal year affecting the separate financial statements**

- The distribution activities of imported US tractors has initiated from July 2015 resulting in an accelerated increase in revenue in 2015 compared to 2014. Revenue from the distribution activities of imported US tractors contributed 98% of total revenue in 2015.

## **2. ACCOUNTING SYSTEM AND ACCOUNTING POLICY**

### **2.1. Accounting period and accounting monetary unit**

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





## 2.6. 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 included 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 account
- For the items classified as liabilities: applies the selling rate of commercial banks where Company regularly conducts transaction.

All exchange differences arising on settlement or revaluation at the date of financial statements will be recorded into the financial income or expense in the fiscal year.

## 2.7. 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.

## 2.8. 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.

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*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* include: 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.

## 2.9. 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.

## 2.10. Inventories

Inventories are initially recognized at original cost include: 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.

## 2.11. Fixed assets

Fixed assets (tangible and intangible) are stated at the historical cost. During the using time, fixed assets (tangible and intangible) are recorded at cost, accumulated depreciation and net book value. Depreciation is provided on a straight-line basis.

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

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



#### **2.12. 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.

#### **2.13. 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.

#### **2.14. Loans and finance lease liabilities**

The value of finance lease liabilities is the total payable amount calculated on the present value of minimum lease payments or the fair value of leased assets.

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

#### **2.15. Borrowing costs**

Borrowing costs are recognized into operating costs during the year, except for which directly attributable to the acquisition, construction or production of a qualifying asset included (capitalized) in the cost of that asset, when gather sufficient conditions as regulated in VAS No. 16 "Borrowing costs". Besides, regarding loans serving the construction of fixed assets, investment properties, the interests shall be capitalized even if the construction duration is under 12 months.

#### **2.16. Accrued expenses**

Payables to goods or services received from the seller or provided to the customers during a reporting period, but payments of such goods or services have not been made and other payables such as annual leave salary, expenses in seasonal cessation of production period, interest expenses... which are recorded to operating expenses of the reporting period.

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

#### **2.17. Unearned revenues**

Unearned revenues include: amounts of customers paid in advance for one or many accounting periods for asset lease; interests received in advance when lending or buying debt instruments; or the difference between selling prices under deferred and from instalment payment as committed and cash price; revenues corresponding to the value of goods, services or discounts to clients in the traditional client programs...

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.

## **2.18. Owner's equity**

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

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

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

## **2.19. 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.

Dividends, profit shall be recognised when the Company's right to receive payment is established.

## **2.20. Cost of sales**

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



## 2.21. Financial expenses

Items recorded into financial expenses consist of:

- Expenses or losses relating to financial investment activities;
- Expenses of capital borrowing;
- Losses from short-term security transfer, selling expenses of security transaction;
- Provision for devaluation of trading securities, provision for losses from investment in other units, losses incurred when selling foreign currency, losses from exchange rate difference...

## 2.22. Corporate income tax

a) Current corporate income tax expenses

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

## 2.23. 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 financial statements, the Company should consider the nature of the relationship rather than the legal form of the relationship.

## 3. CASH AND CASH EQUIVALENTS

	31/12/2015	01/01/2015
	VND	VND
Cash on hand	283,212,078	213,645,430
Demand deposits	753,485,470	16,382,878,366
Cash equivalents (*)	116,850,000,000	10,000,000,000
	<u>117,886,697,548</u>	<u>26,596,523,796</u>

(\*) As at 31/12/2015, cash equivalents include the term deposits matured from 30/10/2015 to 30/01/2016 in an amount of 116,850 million Vietnam dong at Asia Comercial Bank, Military Commercial Joint Stock Bank and Tien Phong Commercial Joint Stock Bank with the interest rate from 4.9 % to 5.5 % per year.

4. FINANCIAL INVESTMENTS

a) Investments in other entities

	31/12/2015			01/01/2015		
	Original cost	Fair value	Provision	Original cost	Fair value	Provision
	VND	VND	VND	VND	VND	VND
Investments in subsidiaries	156,000,000,000	156,000,000,000	-	120,000,000,000	120,000,000,000	-
- <i>Hung Viet Trading JSC.</i>	156,000,000,000	156,000,000,000	-	120,000,000,000	120,000,000,000	-
Investments in joint ventures and associates	350,400,000,000	350,400,000,000	-	216,000,000,000	216,000,000,000	-
- <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	-	-	-	-
- <i>Hoang Ha Investment Services JSC.</i>	136,000,000,000	136,000,000,000	-	136,000,000,000	136,000,000,000	-
	<u>506,400,000,000</u>	<u>506,400,000,000</u>	<u>-</u>	<u>336,000,000,000</u>	<u>336,000,000,000</u>	<u>-</u>

**Investments in subsidiaries**

Detail information on the Company's subsidiaries as at 31 December 2015 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	93.75%	93.75%	Investment in real estate

**Investments in joint-ventures, associates**

Detail information on the Company's joint-ventures, associates as at 31 December 2015 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, An 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 Notes 29.**

**5. TRADE RECEIVABLES**

	31/12/2015 VND	01/01/2015 VND
<b>a) Trade receivables detailed by large account balances</b>		
- An Phuoc Automobiles Co., Ltd.	445,000,000	-
- Hong Son Star Da Nang Automobiles Co., Ltd.	480,000,000	-
- Dong Do Co., Ltd	445,000,000	-
- Trung Viet Automobiles Single Member Co., Ltd.	429,000,000	1,565,634,262
- Truong Hai Single Member Co., Ltd.	330,000,000	-
- Other trade receivables	216,030,413	921,035,361
	<b>2,345,030,413</b>	<b>2,486,669,623</b>
<b>b) Trade receivables detailed by terms of payment</b>		
- Short-term trade receivables	2,345,030,413	2,486,669,623
- Long-term trade receivables	-	-
	<b>2,345,030,413</b>	<b>2,486,669,623</b>



**6. OTHER RECEIVABLES**

	31/12/2015		01/01/2015	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
<b>a) Short-term receivables</b>				
.. Accrued interest	1,115,087,916	-	-	-
.. Receivables from Hoang Huy Real Estate Co., Ltd under the policy of splitting the Company	313,873,136	-	-	-
.. Others	-	-	2,549	-
	<b>1,428,961,052</b>	<b>-</b>	<b>2,549</b>	<b>-</b>

**7. INVENTORIES**

	31/12/2015		01/01/2015	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
.. Raw material	2,007,920,991	-	4,628,425,554	-
.. Finished goods	3,431,658,734	-	4,099,273,203	-
.. Merchandise	205,660,683,092	(1,536,480,000)	-	-
.. Consignments	1,471,227,361	-	-	-
	<b>212,571,490,178</b>	<b>(1,536,480,000)</b>	<b>8,727,698,757</b>	<b>-</b>

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

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

## 9. TANGIBLE FIXED ASSETS

	Buildings	Machinery, equipment	Transportation equipment	Management equipment	Total
	VND	VND	VND	VND	VND
<b>Original cost</b>					
Beginning balance	64,812,022,498	11,352,586,146	8,663,227,727	735,045,826	85,562,882,197
- Purchase in the year	-	57,773,600	-	-	57,773,600
<b>Ending balance</b>	<b>64,812,022,498</b>	<b>11,410,359,746</b>	<b>8,663,227,727</b>	<b>735,045,826</b>	<b>85,620,655,797</b>
<b>Accumulated depreciation</b>					
Beginning balance	25,956,950,775	11,286,468,722	3,886,154,403	367,959,645	41,497,533,545
- Depreciation for the year	2,422,599,228	23,526,588	956,127,261	80,481,638	3,482,734,715
<b>Ending balance</b>	<b>28,379,550,003</b>	<b>11,309,995,310</b>	<b>4,842,281,664</b>	<b>448,441,283</b>	<b>44,980,268,260</b>
<b>Net carrying amount</b>					
Beginning	38,855,071,723	66,117,424	4,777,073,324	367,086,181	44,065,348,652
<b>Ending</b>	<b>36,432,472,495</b>	<b>100,364,436</b>	<b>3,820,946,063</b>	<b>286,604,543</b>	<b>40,640,387,537</b>
- Cost of fully depreciated tangible fixed assets but still in use:			VND	21,438,282,802	

## 10. 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
- Increase due to capital contribution (*)	195,000,000,000	-	195,000,000,000
<b>Ending balance</b>	<b>251,217,489,700</b>	<b>111,896,190</b>	<b>251,329,385,890</b>
<b>Accumulated depreciation</b>			
Beginning balance	2,460,599,501	111,896,190	2,572,495,691
- Depreciation for the year	198,836,323	-	198,836,323
<b>Ending balance</b>	<b>2,460,599,501</b>	<b>111,896,190</b>	<b>2,771,332,014</b>
<b>Net carrying amount</b>			
Beginning	53,756,890,199	-	53,756,890,199
<b>Ending</b>	<b>248,756,890,199</b>	<b>-</b>	<b>248,558,053,876</b>
- Cost of fully depreciated tangible fixed assets but still in use:		VND	111,896,190

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

**11. PREPAID EXPENSES**

	31/12/2015	01/01/2015
	VND	VND
<b>a) Short-term prepaid expenses</b>		
- Prepaid advertisement expenses	166,666,666	-
	<b>166,666,666</b>	<b>-</b>

**12. TRADE PAYABLES**

	31/12/2015		01/01/2015	
	Outstanding balance	Amount can be paid	Outstanding balance	Amount can be paid
	VND	VND	VND	VND
<b>a) Trade payables detailed by large account balances</b>				
- Navistar, Inc	3,697,980,300	3,697,980,300	-	-
- Others	1,157,275,587	1,157,275,587	4,248,401,515	4,248,401,515
	<b>4,855,255,887</b>	<b>4,855,255,887</b>	<b>4,248,401,515</b>	<b>4,248,401,515</b>
<b>b) Trade payables detailed by term of payment</b>				
- Short-term trade payables	4,855,255,887	4,855,255,887	4,248,401,515	4,248,401,515
- Long-term trade payables	-	-	-	-
	<b>4,855,255,887</b>	<b>4,855,255,887</b>	<b>4,248,401,515</b>	<b>4,248,401,515</b>



### 13. TAX PAYABLES AND STATUTORY OBLIGATIONS

	Tax receivable at beginning of year	Tax payable at beginning of year	Tax payable in the year	Tax paid in the year	Tax receivable end of the year	Tax payable end of the year
	VND	VND	VND	VND	VND	VND
- Value-added tax	-	140,120,665	65,375,177,652	65,515,361,317	63,000	-
- Export, import duties	-	-	25,461,114,417	25,461,114,417	-	-
- Corporate income tax	-	534,172,772	16,762,991,659	13,123,750,636	-	4,173,413,795
- Personal income tax	147,547	-	17,644,086	9,107,275	-	8,389,264
- Land tax and land rental	-	-	804,308,010	804,308,010	-	-
- Fees, charges and other payables	-	-	3,000,000	3,000,000	-	-
	<u>147,547</u>	<u>674,293,437</u>	<u>108,424,235,824</u>	<u>104,916,641,655</u>	<u>63,000</u>	<u>4,181,803,059</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

	31/12/2015	01/01/2015
	VND	VND
<b>a) Short-term unearned revenues</b>		
- Revenue from leased plant, offices	534,735,000	-
	<b>534,735,000</b>	<b>-</b>

#### 15. OWNER'S EQUITY

##### a) Change in owner's equity

	Contributed Capital	Undistributed earnings	Total
	VND	VND	VND
Beginning balance of previous year	434,986,750,000	1,986,155,480	436,972,905,480
Increase in capital of previous year	30,000,000,000	-	30,000,000,000
Profit of previous year	-	2,115,646,640	2,115,646,640
<b>Ending balance of previous year</b>	<b>464,986,750,000</b>	<b>4,101,802,120</b>	<b>469,088,552,120</b>
Beginning balance of current year	464,986,750,000	4,101,802,120	469,088,552,120
Increase in capital of current year	735,013,250,000	-	735,013,250,000
Profit of current year	-	71,955,580,572	71,955,580,572
<b>Ending balance of current year</b>	<b>1,200,000,000,000</b>	<b>76,057,382,692</b>	<b>1,276,057,382,692</b>

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

	Ending	Rate	Beginning	Rate
	VND	%	VND	%
- Mr. Do Huu Ha	600,000,000,000	50.00%	182,442,050,000	39%
- Mr. Do Huu Hau	60,000,000,000	5.00%	-	0%
- Mrs. Nguyen Thi Ha	5,000,000,000	0.42%	151,344,700,000	33%
- Others	535,000,000,000	44.58%	131,200,000,000	28%
	<b>1,200,000,000,000</b>	<b>100%</b>	<b>464,986,750,000</b>	<b>100%</b>

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

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

d) Share

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

16. OFF STATEMENT OF FINANCIAL POSITION ITEMS

a) Foreign currencies

	Unit	31/12/2015	01/01/2015
- US Dollar	USD	1,507	1,276
- Euro	EUR	9	9

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

	Year 2015	Year 2014
	VND	VND
Revenue from sale of motorcycles, automobile parts	149,908,001,144	32,586,220,286
Revenue from sale of automobile plants	2,195,454,545	1,103,000,000
Revenue from sale of body truck	80,720,000,000	64,161,779,714
Revenue from sale of US tractors	369,438,181,859	-
Revenue from rendering of services	9,965,119,501	7,976,726,773
Other revenue	13,999,998	2,363,399
	<b>612,240,757,047</b>	<b>105,830,090,172</b>
Revenue from related parties (Details as in Note 29)	<b>414,436,190,212</b>	<b>97,527,227,150</b>

18. COSTS OF SALES

	Year 2015	Year 2014
	VND	VND
Cost of motorcycles, automobile parts sold	105,647,628,742	29,965,816,788
Cost of automobile plants sold	2,129,672,807	1,044,483,277
Cost of body truck sold	70,861,815,398	59,002,244,470
Cost of US tractors sold	349,119,721,513	-
Cost of services rendered	1,670,116,198	5,552,294,461
Provision for devaluation of inventories	1,536,480,000	-
	<b>530,965,434,658</b>	<b>95,564,838,996</b>



**19. FINANCE INCOME**

	Year 2015	Year 2014
	VND	VND
Interest income	6,095,957,654	15,635,777
Dividends and distributed profits from subsidiaries	15,000,000,000	-
Realised gain from foreign exchange differences	539,728,437	84,480
Unrealised gain from foreign exchange differences	7,685,378	-
	<b>21,643,371,469</b>	<b>15,720,257</b>

**20. FINANCIAL EXPENSES**

	Year 2015	Year 2014
	VND	VND
Interest of the loan agreement settled in the period of Ho Chi Minh City Development Joint Stock Commercial Bank - Hai Phong Branch, Lien Viet Post Joint Stock Commercial Bank and Saigon Thuong tin Commercial Joint Stock Bank.	2,475,844,399	-
Realised losses from foreign exchange difference	720,029,369	-
	<b>3,195,873,768</b>	<b>-</b>

**21. SELLING EXPENSES**

	Year 2015	Year 2014
	VND	VND
Labour expenses	436,080,581	-
Other expenses by cash	353,199,315	-
Provision	3,541,204	-
	<b>792,821,100</b>	<b>-</b>

**22. GENERAL ADMINISTRATIVE EXPENSES**

	Year 2015	Year 2014
	VND	VND
Labour expenses	1,737,771,186	613,292,244
Depreciation and amortisation	3,569,043,186	1,317,894,273
Tax, Charge, Fee	277,848,951	309,989,991
Other expenses by cash	5,134,462,944	564,849,689
	<b>10,719,126,267</b>	<b>2,806,026,197</b>

**23. OTHER INCOME**

	Year 2015	Year 2014
	VND	VND
Income from uncharged debt	507,699,508	-
	<b>507,699,508</b>	<b>-</b>

	Year 2015	Year 2014
	VND	VND
<b>Corporate income tax from main business activities</b>		
Total profit before tax	88,718,572,231	3,624,667,328
Increase	2,476,844,399	3,851,277,908
- Depreciation of not-in-use fixed assets	-	3,850,277,908
- Others	2,476,844,399	1,000,000
Decrease	(15,000,000,000)	(616,760,291)
- Dividend, distributed profit	(15,000,000,000)	-
- Transferring loss of previous years	-	(616,760,291)
Taxable income	76,195,416,630	6,859,184,945
<b>Current corporate income tax expense (tax rate 22%)</b>	<b>16,762,991,659</b>	<b>1,509,020,688</b>
Adjustment of tax expenses in previous years into current year		
Tax payable at the beginning of year	534,172,772	(437,079,977)
Tax paid in the year	(13,123,750,636)	(537,767,939)
<b>Corporate income tax payable end of the year</b>	<b>4,173,413,795</b>	<b>534,172,772</b>

	Year 2015	Year 2014
	VND	VND
Raw materials	524,048,876,674	80,029,225,836
Labour expenses	7,398,874,317	5,887,960,000
Depreciation expenses	3,681,571,038	3,153,236,433
Expenses from external services	660,508,673	643,381,628
Other expenses by cash	7,491,164,215	7,057,599,423
	<b>543,280,994,917</b>	<b>96,771,403,320</b>

### *The types of financial instruments of the Company*

	Carrying amount			
	31/12/2015		01/01/2015	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
<b>Financial Assets</b>				
Cash and cash equivalent	117,886,697,548	-	26,596,523,796	-
Trade and other receivables	3,773,991,465	-	2,486,672,172	-
	<b>121,660,689,013</b>	<b>-</b>	<b>29,083,195,968</b>	<b>-</b>

	Carrying amount	
	31/12/2015	01/01/2015
	VND	VND
<b>Financial Liabilities</b>		
Trade and other payables	4,855,255,887	4,256,420,716
	<b>4,855,255,887</b>	<b>4,256,420,716</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 31/12/2015</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>-</b>	<b>-</b>	<b>121,660,689,013</b>
<b>As at 01/01/2015</b>				
Cash and cash equivalent	26,596,523,796	-	-	26,596,523,796
Trade and other receivables	2,486,672,172	-	-	2,486,672,172
	<b>29,083,195,968</b>	<b>-</b>	<b>-</b>	<b>29,083,195,968</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 31/12/2015</b>				
Trade and other payables	4,855,255,887	-	-	4,855,255,887
	<u>4,855,255,887</u>	<u>-</u>	<u>-</u>	<u>4,855,255,887</u>
<b>As at 01/01/2015</b>				
Trade and other payables	4,256,420,716	-	-	4,256,420,716
	<u>4,256,420,716</u>	<u>-</u>	<u>-</u>	<u>4,256,420,716</u>

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.

**27. OTHER INFORMATION**

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

**28. EVENTS AFTER THE REPORTING PERIOD**

Except from events disclosed at Note 27, 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.

## 29. TRANSACTION AND BALANCES WITH RELATED PARTIES

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

Transactions during the year:

	Relation	Year 2015 VND	Year 2014 VND
<b>Revenue</b>			
Hoang Huy Investment Services Joint Stock Company	Same chairman	79,283,008,348	82,461,227,150
Hoang Giang Services Development Joint Stock Company	Same chairman	335,153,181,864	15,066,000,000
<b>Lending</b>			
Hung Viet Trading JSC.	Subsidiary	95,200,000,000	-
<b>Interest receivable</b>			
Hung Viet Trading JSC.	Subsidiary	982,895,833	-

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

	Relation	31/12/2015 VND	01/01/2015 VND
<b>Short-term prepayments to suppliers</b>			
Lam Hau Trading Services JSC.	Associate	277,096,094,000	26,501,094,000
Truong Giang Services Development	Associate	127,516,094,000	26,501,094,000
<b>Short-term prepayment from customers</b>			
Công ty Cổ phần Đầu tư Dịch vụ Hoàng Huy	Same chairman	149,580,000,000	-
Hoang Giang Services Development	Same chairman	156,651,825,251	25,946,134,434
		9,279,825,251	25,946,134,434
		147,372,000,000	-

Transactions with other related parties:

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



## 30. CORRESPONDING FIGURES

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

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

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

Code	Items	Amount	Code	Items	Amount	Differences
A/ Statement Of Financial Position			A/ Statement Of Financial Position			
131	Trade receivables	2,486,669,623	131	Short-term trade receivables	2,486,669,623	-
132	Advances to suppliers	27,400,660,401	132	Short-term prepayments to suppliers	27,400,660,401	-
135	Other receivables	2,549	136	Other short-term receivables	2,549	-
154	Taxes and other receivables from the State	147,547	153	Taxes and other receivables from the State	147,547	-
230	Construction in progress	1,676,050,909	242	Construction in progress	1,676,050,909	-
312	Trade payables	4,248,401,515	311	Short-term trade payables	4,248,401,515	-
313	Advances from customers	26,554,893,434	312	Short-term prepayment from customers	26,554,893,434	-
314	Tax payables and statutory obligations	674,293,437	313	Tax payables and statutory obligations	674,293,437	-
319	Other payables	8,019,201	319	Other short-term payables	8,019,201	-
323	Bonus and welfare fund	137,596,063	322	Bonus and welfare fund	137,596,063	-
411	Contributed legal capital	464,986,750,000	411	Contributed capital	464,986,750,000	-
420	Undistributed earnings	4,101,802,120	421	Undistributed profit after tax	4,101,802,120	-
			421a	Undistributed post-tax profits accumulated by the end of the previous year	1,986,155,480	-
			421b	Undistributed profit after tax for the current year	2,115,646,640	-



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

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

Code	Items	Amount	Code	Items	Amount	Differences
b/ Statement Of Comprehensive Income			b/ Statement Of Comprehensive Income			
c/ Statement Of Cash Flows			c/ Statement Of Cash Flows			
14	Corporate income tax paid	537,767,939	15	Corporate income tax paid	537,767,939	-
d/ Note to the separate financial statement			d/ Note to the separate financial statement			

Preparer



Nguyen Thi Thu Huong

Chief Accountant



Phung Thi Thu Huong

Prepared, 20 March, 2016

General Director



Do Huu Ha