

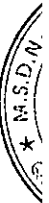
# **CONSOLIDATED FINANCIAL STATEMENTS**

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

For the fiscal year ended 31 March 2019  
(Audited)

CONTENTS

	Page
Report of the Board of General Directors	02 - 03
Independent Auditors' Report	04 - 05
Audited Consolidated Financial Statements	06 - 46
Consolidated Statement of Financial position	06 - 08
Consolidated Statement of Income	09
Consolidated Statement of Cash flows	10 - 11
Notes to the Consolidated Financial Statements	12 - 46



## REPORT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of Hoang Huy Investment Financial Services Joint Stock Company ("The Company") presents its report and the Company's Consolidated Financial Statements for the fiscal year ended as at 31 March 2019.

### 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

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
Mrs. Ho Thi Xuan Hoa	Deputy General Director

The members of the Supervisory Board are:

Mrs. Nguyen Thi Tuoi	Head	
Mrs. Phan Thi Thu Huong	Member	
Mr. Nguyen Hoang Tung	Member	(Appointed on 15 June 2018)
Mrs. Nguyen Thi Thuy Nga	Member	(Resigned on 15 June 2018)

### AUDITORS

The auditors of AASC Auditing Firm Company Limited have taken the audit of Consolidated Financial Statements for the Company.

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

The Board of General Directors is responsible for the Consolidated Financial Statements 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 Consolidated Financial Statements, the Board of General Directors is required to:

- 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 Consolidated 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 Consolidated Financial Statements;
- Prepare the Consolidated Financial Statements on the basis of compliance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Consolidated Financial Statements;
- Prepare the Consolidated Financial Statements on the 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 to reflect the financial position of the Company, with reasonable accuracy at any time and to ensure that the Consolidated Financial Statements comply with the registered accounting system. It is responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We, The Board of General Directors, confirm that the Consolidated Financial Statements give a true and fair view of the financial position at 31 March 2019, 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 Consolidated Financial Statements.

#### **Other commitments**

The Board of General Directors pledges that the Company complies with the Decree No. 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

**Đo Hữu Hà**  
General Director

*Hai Phong, 27 May 2019*



## 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 Consolidated Financial Statements of Hoang Huy Investment Financial Services Joint Stock Company prepared on 27 May 2019, as set out on pages 06 to 46, including: Consolidated Statement of Financial position as at 31 March 2019, Consolidated Statement of Income, Consolidated Statement of Cash flows and Notes to the Consolidated Financial Statements for the year ended as at 31 March 2019.

### Board of General Directors' Responsibility

The Board of General Directors is responsible for the preparation and presentation of Consolidated 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 Financial Statements and for such internal control as the Board of General Directors determines necessary to enable the preparation and presentation of Consolidated Financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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

## Auditor's Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view, in all material respects, of the financial position of Hoang Huy Investment Financial Services Joint Stock Company as at 31 March 2019, its operating results 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 Consolidated Financial Statements.



**AASC Auditing Firm Company Limited**

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**Cat Thi Ha**

Deputy General Director

Registered Auditor No. 0725-2018-002-1

Hanoi, 28 May 2019

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**Nguyen Ngoc Lan**

Auditor

Registered Auditor No. 1427-2018-002-1

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

Code	ASSETS	Note	31/03/2019	01/04/2018 (Adjusted)
			VND	VND
100	<b>A. CURRENT ASSETS</b>		<b>2,143,006,371,035</b>	<b>1,623,224,308,437</b>
110	<b>I. Cash and cash equivalents</b>	<b>03</b>	<b>339,943,572,741</b>	<b>195,059,607,887</b>
111	1. Cash		309,943,572,741	135,059,607,887
112	2. Cash equivalents		30,000,000,000	60,000,000,000
120	<b>II. Short-term financial investments</b>	<b>04</b>	<b>763,022,000,000</b>	<b>486,135,000,000</b>
123	1. Held-to-maturity investments		763,022,000,000	486,135,000,000
130	<b>III. Short-term accounts receivable</b>		<b>288,897,354,629</b>	<b>187,782,638,264</b>
131	1. Short-term trade receivables	05	60,536,842,821	28,261,251,227
132	2. Short-term prepayments to suppliers	06	218,461,492,540	64,905,539,809
135	3. Short-term loan receivable		-	5,000,000,000
136	4. Other short-term receivables	07	9,899,019,268	89,615,847,228
140	<b>IV. Inventories</b>	<b>08</b>	<b>698,577,185,759</b>	<b>752,161,740,277</b>
141	1. Inventories		698,577,185,759	752,161,740,277
150	<b>V. Other short-term assets</b>		<b>52,566,257,906</b>	<b>2,085,322,009</b>
151	1. Short-term prepaid expenses	14	10,617,565,725	848,627,363
152	2. Deductible VAT		41,943,692,181	1,233,694,646
153	3. Taxes and other receivables from the State	17	5,000,000	3,000,000

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION***As at 31 March 2019**(continued)*

Code ASSETS	Note	31/03/2019	01/04/2018
		VND	(Adjusted) VND
200 B. NON- CURRENT ASSETS		4,166,947,074,278	3,293,078,270,392
220 II. Fixed assets		78,868,569,529	80,028,412,417
221 1. Tangible fixed assets	10	25,956,733,704	26,917,740,269
222 - Historical costs		59,368,111,786	57,105,108,237
223 - Accumulated depreciation		(33,411,378,082)	(30,187,367,968)
227 2. Intangible fixed assets	11	52,911,835,825	53,110,672,148
228 - Historical costs		56,329,385,890	56,329,385,890
229 - Accumulated amortization		(3,417,550,065)	(3,218,713,742)
230 III. Investment properties	12	666,907,911,227	621,297,897,590
231 - Historical costs		711,854,094,231	655,802,796,663
232 - Accumulated depreciation		(44,946,183,004)	(34,504,899,073)
240 IV. Long-term assets in progress		1,094,782,738,107	176,705,193,388
242 1. Construction in progress	09	1,094,782,738,107	176,705,193,388
250 V. Long-term financial investments	04	2,325,559,875,664	2,414,672,942,658
252 1. Investments in joint-ventures and associates		2,281,609,875,664	2,369,222,942,658
253 2. Equity investments in other entities		43,950,000,000	43,950,000,000
255 3. Held-to-maturity investments		-	1,500,000,000
260 VI. Other long-term assets		827,979,751	373,824,339
261 1. Long-term prepaid expenses	14	680,909,091	-
262 2. Deferred income tax assets	33	147,070,660	373,824,339
270 TOTAL ASSETS		<u>6,309,953,445,313</u>	<u>4,916,302,578,829</u>



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 March 2019*

(Continued)

Code RESOURCES		31/03/2019	01/04/2018
		VND	(Adjusted) VND
300	C. LIABILITIES	1,820,998,400,864	507,351,177,023
310	I. Current liabilities	761,806,202,927	162,139,974,331
311	1. Short-term trade payables	15 31,366,278,482	11,537,553,911
312	2. Short-term prepayment from customers	16 436,222,370,865	103,782,005,835
313	3. Tax and other payables to State Budget	17 22,587,044,005	35,682,623,854
314	4. Payables to employees	72,217,517	15,217,517
315	5. Short-term accrued expenses	3,063,194,929	4,094,734,342
318	6. Short-term unearned revenue	19 7,353,616,278	5,958,778,893
319	7. Other short-term payables	18 196,477,091,190	931,463,922
320	8. Short-term borrowings and finance lease liabilities	14 64,526,793,598	-
322	9. Bonus and welfare fund	137,596,063	137,596,063
330	II. Non-current liabilities	1,059,192,197,937	345,211,202,686
337	1. Other long-term payables	18 505,126,848,935	302,605,563,486
338	2. Long-term borrowings and finance lease liabilities	14 -	42,605,639,200
339	3. Convertible bonds	20 554,065,349,002	-
400	D. EQUITY	4,488,955,044,449	4,408,951,401,806
410	I. Owner's equity	21 4,488,955,044,449	4,408,951,401,806
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
413	2. Conversion options on convertible bonds	44,370,685,998	-
415	3. Treasury shares	(219,996,488,178)	(219,996,488,178)
421	4. Retained earnings	1,013,947,092,896	978,898,014,121
421a	Retained earnings accumulated till the end of the previous year	731,664,686,343	538,501,649,013
421b	Retained earnings of the current year	282,282,406,553	440,396,365,107
429	5. Non - Controlling Interest	20,693,613,733	20,109,735,863
440	TOTAL CAPITAL	6,309,953,445,313	4,916,302,578,829

Preparer

### Chief Accountant

*Hai Phong, 27 May 2019*

**General Director**

**Bui Thi Tra**

Phung Thi Thu Huong

Do Huy Ha

## CONSOLIDATED STATEMENT OF INCOME

From 01/04/2018 to 31/03/2019

Code	ITEMS	Note	From 01/04/2018 to 31/03/2019	From 01/04/2017 to 31/03/2018 (Adjusted)
			VND	VND
01	1. Revenues from sales of goods and rendering of services	23	829,649,055,441	1,844,419,175,582
02	2. Revenue deductions	24	822,921,000	4,173,245,091
10	3. Net revenues from sales of goods and rendering of services		828,826,134,441	1,840,245,930,491
11	4. Cost of goods sold	25	577,089,286,533	1,346,621,632,239
20	5. Gross profit from sales of goods and rendering of services		251,736,847,908	493,624,298,252
21	6. Financial income	26	38,601,590,725	22,904,989,963
22	7. Financial expenses	27	3,146,972,919	3,242,464,627
23	<i>In which : Interest expenses</i>		3,098,994,339	3,231,856,257
24	8. Profit or loss in joint ventures and associates		80,943,604,075	55,696,986,850
25	9. Selling expenses	28	11,745,808,079	8,882,716,607
26	10. General and administrative expenses	29	30,521,004,392	20,865,809,589
30	11. Net profit from operating activities		325,868,257,318	539,235,284,242
31	12. Other income	30	9,077,379,773	5,909,941,123
32	13. Other expenses	31	1,247,851,656	6,739,535,594
40	14. Other profit (loss)		7,829,528,117	(829,594,471)
50	15. Total profit before tax		333,697,785,435	538,405,689,771
51	16. Current corporate income tax expenses	32	50,573,652,071	97,414,095,923
52	17. Deferred corporate income tax expenses	33	226,753,679	446,438,806
60	18. Profit after tax		282,897,379,685	440,545,155,042
61	19. Profit after tax attributable to owners of the parent		282,282,406,553	440,465,387,034
62	20. Profit after tax attributable to non-controlling interest		614,973,132	79,768,008
70	21. Basic earnings per share	34	799	1,222

Preparer

Bui Thi Tra

Chief Accountant

Phung Thi Thu Huong

Hai Phong, 27 May 2019

General Director



Do Hữu Hà

## CONSOLIDATED STATEMENT OF CASH FLOWS

From 01/04/2018 to 31/03/2019

(Indirect method)

Code ITEMS	Note	From 01/04/2018 to 31/03/2019	From 01/04/2017 to 31/03/2018 (Adjusted)
		VND	VND
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01 1. Profit before tax		333,697,785,435	538,405,689,771
2. Adjustment for:		(100,674,074,364)	(60,858,493,198)
02 - Depreciation of fixed assets and investment properties		14,845,464,542	14,512,800,332
04 - Exchange gains / losses from retranslation of monetary items denominated in foreign currency		18,466	3,462,218
05 - Gain/loss from investment activities		(118,618,551,711)	(78,606,612,005)
06 - Interest expense		3,098,994,339	3,231,856,257
08 3. Operating profit before changes in working capital		233,023,711,071	477,547,196,573
09 - Increase/Decrease in receivables		(67,931,153,561)	182,936,836,936
10 - Increase/Decrease in inventories		2,716,516,639	(54,297,908,153)
11 - Increase/Decrease in payables (excluding interest payable/corporate income tax payable)		736,761,653,573	244,620,345,419
12 - Increase/Decrease in prepaid expenses		(10,449,847,453)	(256,846,435)
14 - Interest paid		(3,098,994,339)	(3,231,856,257)
15 - Corporate income tax paid		(58,832,278,747)	(114,970,821,404)
17 - Other payments on operating activities		(2,518,641,300)	(1,436,934,833)
20 Net cash flows from operating activities		829,670,965,883	730,910,011,846
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21 1. Purchase or construction of fixed assets and other long-term assets		(997,161,230,422)	(182,001,769,975)
22 2. Proceeds from liquidation and disposals of fixed assets and other long-term assets		-	180,000,000
23 3. Loans and purchase of debt instruments from other entities		(1,582,631,000,000)	(624,935,000,000)
24 4. Collection of loans and resale of debt instrument of other entities		1,312,244,000,000	171,500,000,000
26 5. Proceeds from equity investment in other entities		225,432,000,000	-
27 6. Interest, dividends and profit received		37,252,887,861	19,673,429,106
30 Net cash flows from investing activities		(1,004,863,342,561)	(615,583,340,869)



## CONSOLIDATED STATEMENT OF CASH FLOWS

From 01/04/2018 to 31/03/2019

(Indirect method)

Code	ITEMS	Note	From 01/04/2018 to 31/03/2019	From 01/04/2017 to 31/03/2018 (Adjusted)
			VND	VND
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
31	1. Proceeds from issuance of shares and receipt of contributed capital		44,370,685,998	20,000,000,000
32	2. Repayment of capital contributions and repurchase of stock issued		-	(219,996,488,178)
33	3. Proceeds from borrowings		855,169,318,288	269,442,633,424
34	4. Repayment of principal		(279,182,814,888)	(226,836,994,224)
36	5. Dividends or profits paid to owners		(300,280,829,400)	(290,395,211,200)
40	<i>Net cash flow from financing activities</i>		<i>320,076,359,998</i>	<i>(447,786,060,178)</i>
50	<b>Net cash flows in the year</b>		<b>144,883,983,320</b>	<b>(332,459,389,201)</b>
60	Cash and cash equivalents at the beginning of the year		195,059,607,887	527,522,459,306
61	Effect of foreign exchange fluctuation		(18,466)	(3,462,218)
70	Cash and cash equivalents at the end of the year	03	<u>339,943,572,741</u>	<u>195,059,607,887</u>

Preparer

Bui Thi Tra

Chief Accountant

Phung Thi Thu Huong

Hai Phong, 27 May 2019

General Director



Do Huu Ha

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*From 01/04/2018 to 31/03/2019*

### 1. GENERAL INFORMATION OF THE COMPANY

#### Form 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 activities

- Trading in real estate and transportation.

#### Main business activities of the Company

- Construction of railways and roads; Details: Construction and repair of traffic works;
- Construction of other civil works;
- 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;
- 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;
- Construction finishing;
- Management consulting; Details: Project Management Consulting (Group C);
- Maintenance and repair of motorcycles;

#### The Company's operation in the year that affects the Consolidated Financial Statements

- During the year, due to the interruption of the import process and the stability of automobile consumption market after a period of strong growth and the incompleteness of acceptance and handover of the real estate projects, the revenue of the Company has decreased by 62.4% comparing to the previous year.
- Implementing Resolution No. 07/2018/NQ-HDQT dated 08 August 2018, the Company has transferred the entire contributed capital in Viet Dung Development and Trading Joint Stock Company for the buyer with the selling price of VND 10,100/share.
- During the year, the Company issued convertible bonds to foreign investors under Resolution No. 01/2019/NQ-DHDCD dated 23 February 2019 to increase its capital to fund its business activities and investment projects. The total proceeds from the first issuance of convertible bonds is VND 598,808,000,000.



**Group structure**

- The Group's subsidiaries consolidated in Consolidated Financial Statements as at 31 March 2019 include:

Name of subsidiaries	Head office	Proportion of ownership	Proportion of voting rights	Principal activities
HUNGVIETTRA., JSC	Hanoi	99.997%	99.997%	Trading in real estate
THINH HIEP CONSCO	Hai Phong City	95.84%	95.84%	Trading in real estate
THINH PHAT RESCO	Hai Phong City	96.33%	96.33%	Trading in real estate

**- Information about the Group's restructuring**

In 2018, Thinh Phat Real Estate Construction Joint Stock Company was established after being separated from Thinh Hiep Construction Joint Stock Company. The separation was completed on 19 June 2018. The charter capital of these two companies is VND 250 billion and VND 260 billion respectively. The total capital and assets separated at the time of separation was VND 220 billion, of which the capital and assets separated respectively for Hoang Huy Investment Financial Services Joint Stock Company were VND 210.816 billion. At the same time, the Company contributed VND 30 billion to Thinh Phat Real Estate Construction Joint Stock Company. Accordingly, the Company's investment capital of at Thinh Phat Real Estate Construction Joint Stock Company and Thinh Hiep Construction Joint Stock Company as at 31 March 2019 are VND 240.816 billion and VND 249.184 billion respectively.

- The Company has important affiliates and jointly controlled business establishments which are reflected in the Consolidated Financial Statements by the equity method at March 31, 2019: See details in Note 4.

## 2. ACCOUNTING SYSTEM AND ACCOUNTING POLICY

### 2.1. Accounting period and accounting currency

Annual accounting period commences from 01 April and ends as at 31 March.

The Company maintains its accounting records in VND.

### 2.2. Standards and Applicable Accounting Policies

#### *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, 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 and the Circular No. 202/2014/TT-BTC guiding the preparation and presentation of Consolidated Financial Statements.

#### *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. Basis for the preparation of Consolidated Financial Statements

Consolidated Financial Statements are prepared based on consolidating Separate Financial Statements of the Company and Financial Statements of its subsidiaries under its control as at 31 March annually. Control right is achieved when the Company has power to govern the financial and operating policies of investees to obtain benefits from their activities.

Consistent accounting policies are applied in Financial Statements of subsidiaries and the Company. If necessary, adjustments are made to the Financial Statements of subsidiaries to ensure the consistency of application of accounting policies among the Company and its subsidiaries.

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

Non - controlling interest:

Non – controlling interest represents the portion of profit or loss and net assets of subsidiaries not held by the Company.

## 2.4. Financial Instruments

### *Initial recognition*

#### Financial assets

Financial assets of the Company include cash and cash equivalents, trade receivables, lending loans, other receivables and short-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 those liabilities.

### *Subsequent measurement after initial recognition*

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

## 2.5. Foreign currency transactions

The foreign currency transactions during the year are translated into Vietnam Dong using the real exchange rate ruling at the transaction date. Real exchange rates are determined under the following principles:

- When buying or selling foreign currency, applying the exchange rates specified in the contracts of foreign exchange sale between Company and commercial banks;
- When recording receivables, applying the bid rate of the commercial bank stipulated by the Company for customers to make payment at the transaction time;
- When recording payables, applying the offer rate of the commercial bank where the Company expects to conduct transactions at the transaction time;

Real exchange rate when revaluating monetary items denominated in foreign currencies at the reporting date of Consolidated Financial Statements is determined under the following principles:

- For asset accounts, applying the bid rate of the commercial bank where the Company regularly conducts transaction;
- For foreign currency deposited in bank, applying the bid rate of the bank where the Company opens its foreign currency accounts;
- For liability accounts, applying the offer rate of the commercial bank where the Company regularly conducts transaction.

All exchange differences arising from foreign currency transactions in the year and from revaluation of remaining foreign currency monetary items at the end of the year are recorded immediately to operating results of the accounting year.

## 2.6. Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

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.

## 2.7. Business combination

All business combinations shall be accounted for using the purchase method. The cost of a business combination includes the fair values of assets exchanged at the exchange date, liabilities incurred or assumed, and equity instruments issued by the acquirer to obtain control of the acquiree plus any costs directly attributable to the business combination. The acquiree's assets acquired and liabilities assumed in business combination are measured at their fair values at the acquisition date.

## 2.8. Financial investments

*Held-to-maturity investments* comprise term deposits and loans, etc. held to maturity to earn profits periodically and other held to maturity investments.

*Investments in subsidiaries, joint ventures and associates:* During the year, the buyer determines the date of purchase and the cost of investments and implements accounting procedures in accordance with the Accounting Standards on "Business combination" and "Investments in joint ventures and associates".

In the Consolidated Financial Statements, investments in joint ventures and associates are accounted for using equity method. Under this method, the investments are initially recognised at cost and adjusted thereafter for the post acquisition change in the Group's share in net assets of the associate after acquisition date. Goodwill incurred from the investment in the associates is reflected in the carrying amount of the investment in the associate. The Group will not allocate such goodwill but assess annually to determine whether the goodwill is under impaired loss or not.

The share of investor in post-acquisition profits or losses of the associate is recognised in the consolidated income statement, and the share of investor in post-acquisition movements in equity of the associate is recognised in equity. The post-acquisition accumulated changes are adjusted to carrying amount of investments. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Financial Statements of associates are prepared in the same period with the Group's consolidated financial statements and use the consistent accounting policies with the Group's policies. Adjustment shall be made if necessary to ensure the consistence with the Group's accounting policies.

*Equity Investments in other entities* comprise investments in equity instruments of other entities without having control, joint control, or significant influence on the investee. These investments are initially stated at original cost. After initial recognition, these investments are 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 held long-term (other than trading securities) without significant influence on the investee:  
If the investment is made in listed shares or the fair value of the investment is determined reliably, the provisions shall be made on the basis of the market value of the shares; if the fair value of the investment is not determined at the reporting date, the provision shall be made based on the Financial Statements at the provision date of the investee.
- With regard to investments held to maturity, the provision for doubtful debts shall be made based on the recovery capacity in accordance with statutory regulations.

## 2.9. 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.

## 2.10. 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.

Method for valuation of work in progress: The value of work in progress is recorded for each construction project that is incomplete or of which revenue is unrecognised, corresponding to the amount of work in progress at the end of the year.

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

## 2.11. 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.

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    |
| - Other fixed assets             | 5 - 10 years     |
| - Definite land use rights       | 30 years         |
| - Permanent land use rights      | Not be amortised |
| - Computer software              | 08 years         |

## 2.12. Investment properties

Investment properties are recognized at historical cost.

Investment properties for operating lease are recorded at cost, accumulated depreciation and carrying amount. Investment properties are depreciated using the straight-line method over their estimated useful life as follows:

- |                             |                  |
|-----------------------------|------------------|
| - Buildings, structures     | 26 - 44 years    |
| - Permanent land use rights | Not be amortised |

## 2.13. Construction in progress

Construction in progress includes fixed assets which are being purchased and constructed at the reporting date and is recognised at historical cost. This includes costs of construction, installation of equipment and other direct costs. Construction in progress is not depreciated until the relevant assets are completed and put into use.

## 2.14. Operating lease

Operating leases is fixed asset leasing in which a significant portion of the risks and rewards of ownership are retained by the lessor. Payments made under operating leases are charged to income statement on a straight-line basis over the period of the lease.

## 2.15. 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.

## 2.16. 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.

## 2.17. 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.



## 2.18. 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.

## 2.19. Borrowing costs

Borrowing costs are recognized as operating expenses in the year, in which it is 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.

## 2.20. 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 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.

## 2.21. Convertible bond

Convertible bonds are the bonds that may be converted into common shares of the same issuer under the conditions specified in the issuance plan.

At initial recognition, when issuing convertible bonds, the Company must calculate and determine separately the value of debt component (debt principal) and capital component of convertible bonds. The debt component of convertible bonds is recorded as the liabilities; the capital component (stock options) of convertible bonds is recorded as the owner's equity.

At initial recognition, the value of the debt component of convertible bonds is determined by discounting the nominal value of future payments (including principal and interest of bonds) to the present value at the interest rate of similar bonds in the market without conversion option (or at the common borrowing interest rate in the market at the time of issuing bonds) and subtracting the cost of issuing convertible bonds.

## 2.22. Owner's equity

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

Treasury shares are shares issued and bought-back by the issuing company itself. Treasury shares are uncanceled and shall be re-issued within the period as regulated by the law on securities. Treasury shares shall be recorded at the actual buyback price and presented on the Statement of Financial position as a decrease in owner's equity. Cost of Treasury shares when being re-issued or used to pay dividend, bonus, etc. shall be calculated using the weighted average method.

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.

## 2.23. Revenues

### *Sale of goods*

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

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company 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 Company; and
- The cost incurred or to be incurred in respect of the transaction can be measured reliably.

### *Rendering of services*

Revenue from rendering of services 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 Company;
- 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.

### *Revenue from sales of real estate*

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

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

As regards the sale of real estate, in case the customer is entitled to interior finish or the Company finishes the interior at the customer's discretion, the revenue is recorded when the unfinished buildings are completed and transferred to customers.

### *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 Company; and
- The amount of the revenue can be measured reliably.

#### 2.24. 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 Financial Statements of the reporting period (the previous period); and if it is incurred after the issuance of Financial Statements, it is recorded as a decrease in revenue of incurring period (the next period).

#### 2.25. Cost of goods sold

The recognition of cost of goods sold is matched against the revenue in the period and complies with the prudence principle.

#### 2.26. Financial expenses

Items recorded into financial expenses comprise:

- Expenses or losses relating to financial investment activities;
- Borrowing costs;
- Provision for diminution in value of trading securities price; provision for losses from investment in other entities, losses from sale of foreign currency, exchange loss, etc

The above items are recorded by the total amount arising in the year without offsetting against financial income.

#### 2.27. Corporate income tax

##### a) Deferred income tax assets and Deferred income tax liability

Deferred income tax asset is recognized for deductible temporary differences and the carrying forward of unused tax losses and unused tax credits. Deferred income tax liability is recognized for taxable temporary differences.

##### b) Current corporate income tax expenses and Deferred corporate income tax expenses

Deferred corporate income tax expenses are determined based on deductible temporary differences, the taxable temporary differences and corporate income tax rate.

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

Current corporate income tax expenses and deferred corporate income tax expenses are not offset against each other.

##### c) Current CIT rate

The Company is subject to corporate income tax of 20% for the fiscal year ended as at 31 March 2019.

## 2.28. 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 associates;
- 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;
- 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 Consolidated Financial Statements, the Company should consider the nature of the relationship rather than the legal form of the relationship.

## 2.29. Segment information

A segment is a distinguishable component of the Company that is engaged in providing an individual or group of related products or services (business segment), or providing products or services within a particular economic environment (geographical segment). Each segment is subject to risks and returns that are different from other components.

Segment information should be prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company in order to help users of financial statements better understand and make more informed judgements about the Company as a whole.

## 3. CASH AND CASH EQUIVALENTS

	31/03/2019	01/04/2018
	VND	VND
Cash on hand	12,200,815,349	2,864,535,721
Demand deposits	297,742,757,392	132,195,072,166
Cash equivalents (*)	30,000,000,000	60,000,000,000
	<b>339,943,572,741</b>	<b>195,059,607,887</b>

(\*) At 31 March 2019, the cash equivalents are 01-month term deposits worth VND 30.000.000.000 at Tien Phong Commercial Joint Stock Bank - Thang Long Branch at the interest rate of 5.5%/year.

## 4. FINANCIAL INVESTMENTS

### a) Held to maturity investments

	31/03/2019		01/04/2018	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Short-term investments	763,022,000,000	-	486,135,000,000	-
- Term deposits (*)	763,022,000,000	-	486,135,000,000	-
Long-term investments	-	-	1,500,000,000	-
- Term deposits (*)	-	-	1,500,000,000	-
	<b>763,022,000,000</b>	<b>-</b>	<b>487,635,000,000</b>	<b>-</b>

(\*) At 31 March 2019, the held-to-maturity investments are 6-month and 12-month term deposits at commercial banks at the interest rate of from 6.8%/year to 7.5%/year.

**b) Investments in joint-ventures and associates**

(1) The Company has transferred all contributed capital in Viet Dung Development and Trading Joint Stock Company under Resolution No. 07/2018 / ND-HDQT dated 08 August 2018 for Ms. Vu Thi Hau with the selling price of VND 10,100 /share.

(2) During the period, Hoang Huy Investment Services Joint Stock Company purchased 20 million shares as treasury shares which is leading to the proportion of benefits and voting rights of the Company at Hoang Huy Services Investment Joint Stock Company at March 31, 2019 achieved the rate of 40.24%.

### c) Investments in other entities

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



**5. SHORT-TERM TRADE RECEIVABLES**

	31/03/2019		01/04/2018	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
<b>a) Trade receivables detailed by customers with large account balances</b>				
- Golden Land Housing Management JSC.	4,722,180,679	-	4,442,180,679	-
- Lam Hau Trading Services JSC.	8,670,715,000	-	-	-
- Hoang Ha Service Investment JSC.	33,945,500,000	-	-	-
- Thanh Nam Investment Services JSC.	6,318,000,000	-	-	-
- Hong Son Star Danang Trading Co., Ltd.	670,000,000	-	3,916,840,000	-
- Hoang Hiep Investment Construction Corporation.	-	-	3,603,800,000	-
- Navistar., Inc.	-	-	9,947,121,275	-
- Others	6,210,447,142	-	6,351,309,273	-
	<b>60,536,842,821</b>	<b>-</b>	<b>28,261,251,227</b>	<b>-</b>
<b>b) Trade receivables from related parties</b> <i>(Detailed in Note 39)</i>	<b>48,958,032,500</b>	<b>-</b>	<b>3,663,800,000</b>	<b>-</b>

**6. PREPAYMENTS TO SUPPLIERS**

	31/03/2019		01/04/2018	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
- Ecoba Vietnam JSC.	116,337,776,200	-	25,467,334,200	-
- CDC Hanoi JSC	28,172,212,016	-	-	-
- Nam Hoang Viet JSC.	23,407,736,928	-	-	-
- Bach Dang 234 Construction JSC.	4,778,402,010	-	-	-
- HD International Investment JSC.	8,753,857,605	-	-	-
- Thanh Trung Co., Ltd.	4,857,526,221	-	-	-
- Nam Son Construction and Trading Co., Ltd.	14,658,641,220	-	-	-
- Phuc Hung Holdings Construction JSC.	-	-	5,843,292,824	-
- Navistar, Inc.	-	-	11,325,257,849	-
- Others	17,495,340,340	-	22,269,654,936	-
	<b>218,461,492,540</b>	<b>-</b>	<b>64,905,539,809</b>	<b>-</b>

**7. OTHER SHORT-TERM RECEIVABLES**

	31/03/2019		01/04/2018	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
- Accrued interest	3,392,337,687	-	5,202,277,912	-
- Advances to employees	289,848,103	-	770,709,693	-
- Receivable from Land Development Center of Ngo Quyen District, Hai Phong City (1)	6,000,000,000	-	83,500,000,000	-
- Others	216,833,478	-	142,859,623	-
	<b>9,899,019,268</b>	<b>-</b>	<b>89,615,847,228</b>	<b>-</b>

(1) The 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 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**

	31/03/2019		01/04/2018	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
- Automobile and spare part business				
+ Raw material	1,870,333,532	-	1,880,753,532	-
+ Tools and supplies	116,355,449	-	35,037,291	-
+ Finished goods	47,122,328,225	-	152,885,041,243	-
+ Merchandise	31,506,363,879	-	25,994,820,715	-
+ Consignments	107,417,981,034	-	153,183,147,544	-
- Real-estate business				
+ Finished products real estate (1)	180,578,629,643	-	-	-
+ Work in progress (1)	329,965,193,997	-	418,182,939,952	-
	<b>698,577,185,759</b>	<b>-</b>	<b>752,161,740,277</b>	<b>-</b>

## (1) Details of work in progress - Golden Land Building:

	31/03/2019		01/04/2018	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
<b>Finished products real estate</b>	<b>180,578,629,643</b>	-	-	-
N01 Building	180,578,629,643	-	-	-
<b>Work in progress</b>	<b>329,965,193,997</b>	-	<b>418,182,939,952</b>	-
N01 Building	-	-	248,244,396,330	-
N02 Building	30,121,878,113	-	28,545,918,995	-
Gold Tower Building	299,843,315,884	-	141,392,624,627	-
	<b>510,543,823,640</b>	-	<b>418,182,939,952</b>	-

Works of Golden Land Building Apartment Project - High-rise mixed-use complex at 275 Nguyen Trai Street, Thanh Xuan District, Hanoi City include the following basic information:

- Project name: Golden Land Building Trade center - Services - Senior housing.
- Location: No. 275 Nguyen Trai Street, Thanh Xuan Ward, Thanh Xuan District, Hanoi.
- Purpose: To construct a high-rise mixed-use complex named Golden Land Building Trade Center - Services - Senior Housing.
- Investor: Hung Viet Trading Joint Stock Company.
- Capital source for investment: Company's equity and loans.
- Project investment scale and project status:
  - +) Trade center - Services - Office Building (Trade Center Project): Construction area is about 2,352 m2, 33 floors (not including tumble floor), 03 technical floors and parking zone.
  - +) N01 Building: Including 03 apartment buildings with two 25-floor buildings and a 27-floor building. Currently, the project has been completed and put into use. The real estate products as at March 31, 2019 are apartments and trade centers which have not been sold, not yet handed over and not yet leased.
  - +) N02 Building: Constructing a high-rise residential area to hand over to Hanoi City according to Decision No. 153/2006 / QĐ-UBND dated August 31, 2006. By March 31, 2019, the project has not been implemented. Unfinished production and business costs include land costs, site clearance compensation.

## 9. CONSTRUCTION IN PROGRESS

	31/03/2019	01/04/2018
	VND	VND
- Real-estate project in progress	1,094,782,738,107	176,212,265,025
+ Renovation and rebuilding of U1, U2, U3 Le Loi old apartment building (1)	95,522,872,791	77,636,378,344
+ Hoang Huy Riverside Project in Thuong Ly Ward, Hong Bang District (2)	629,118,957,635	82,267,089,978
+ Renovation of HH3, HH4 Dong Quoc Binh old apartments (3)	322,961,726,119	5,301,837,032
+ Hoang Huy Mall project in Kenh Duong Ward and Vinh Niem Ward, Hai Phong City (4)	38,623,001,614	8,095,640,368
+ Canh Dieu Mall Project (5)	1,799,658,184	2,271,195,030
+ Other Project	6,756,521,764	640,124,273
- Construction in progress	-	492,928,363
+ Car repair, maintenance and showroom	-	492,928,363
	<u>1,094,782,738,107</u>	<u>176,705,193,388</u>

(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/HĐBT 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 started from April 2017 and currently completed;
- BT land fund expected for payment:

The land is located in the area of Kenh Duong and Vinh Niem wards, Le Chan district with an area of 30,062 m2 which has been handed over to the Company to build the Hoang Huy Mall residential and commercial area project;

- Status of the project as at 31 March 2019: The project handed over two 6-floor buildings and 126 apartments to the Department of Construction to put into use and resettle households in January and February 2018. The Company is now waiting for approval of the final settlement from Hai Phong City People's Committee.

(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;
- Land use rights: The project was built on reciprocal land fund of the project of renovating the old apartment HH3, HH4 Dong Quoc Binh at 1 and 8 Chi Lang Street, Thuong Ly Ward, Hong Bang District, Hai Phong City. The value of land use rights recorded in the project is VND 194,378,605,000;
- Project implementation method: Business cooperation with Hoang Huy Investment Services Joint Stock Company (See more details in Note );
- 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 2019: The project has completed the civil works and is in the stage of finishing works.

(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, constructing 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 (represented by Hai Phong City Department of Construction);
- Total investment value: VND 1,712,263,286,000;
- Project management enterprise: Thinh Hiep Construction Joint Stock Company;
- 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 2019: The project has completed the foundation, the frame and is in progress of building the superstructure. HH3 - HH4 is underway to the 26th floor. A part of the project has been implemented and recorded as a receivable at Thinh Hiep Construction Joint Stock Company with the amount of VND 305,085,434,678.

(4) Hoang Huy Mall residential and commercial area project in Kenh Duong ward, Vinh Niem ward, Hai Phong city was approved by Hai Phong City People's Committee under the Decision No. 558/QD-UBND dated 16 March 2018 with the following details:

- Owner: Hoang Huy Investment Financial Services Joint Stock Company;
- Total investment value: VND 605,045,863,000;
- Land use rights: The project is built on the reciprocal BT land fund of the project of renovating and rebuilding the old apartment U1, U2, U3 Le Loi. As at 31 March 2019, since Hai Phong City People's Committee's did not provide the decision on detailed allocation of land use fee estimates, the Company has not recorded the value of land use rights into the value of Hoang Huy Mall residential and commercial area project;
- Implementation time: The project has been implemented since the 1st quarter of 2018 and is expected to be completed by the 1st quarter of 2024;
- Status of the project as at 31 March 2019: The project has implemented compensation, leveling, site clearance and incurred costs such as making permit documents, cost of leveling, making corrugated iron, etc.

(5) The project of renovating HH1, HH2 Dong Quoc Binh old apartments, properly known as the project of renovating degraded apartments in danger in Hai Phong City - Golden Land 5 Construction, constructing HH1-HH2 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 (represented by Hai Phong City Department of Construction);
- Total investment value: VND 1,200,649,000,000;
- Implementation time: The project has been implemented since 20 February 2019 and is expected to be completed after 24 months from the date when the site has been compensated, cleared and handed over to investors;



**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	10,245,558,636	1,250,903,953	3,261,966,314	57,105,108,237
- Purchase in the year	-	-	4,904,632,000	51,500,000	-	4,956,132,000
- Completed construction investment	492,928,363	-	-	-	-	492,928,363
- Adjusting the value of model houses to unfinished real estate project costs	-	-	-	-	(3,186,056,814)	(3,186,056,814)
<b>Ending balance</b>	<b>40,629,493,601</b>	<b>2,210,114,096</b>	<b>15,150,190,636</b>	<b>1,302,403,953</b>	<b>75,909,500</b>	<b>59,368,111,786</b>
<b>Accumulated depreciation</b>						
Beginning balance	20,812,085,644	2,195,182,134	6,345,486,763	758,703,927	75,909,500	30,187,367,968
- Depreciation for the year	1,541,621,821	14,931,962	1,376,240,312	291,216,019	-	3,224,010,114
<b>Ending balance</b>	<b>22,353,707,465</b>	<b>2,210,114,096</b>	<b>7,721,727,075</b>	<b>1,049,919,946</b>	<b>75,909,500</b>	<b>33,411,378,082</b>
<b>Net carrying amount</b>						
Beginning balance	19,324,479,594	14,931,962	3,900,071,873	492,200,026	3,186,056,814	26,917,740,269
<b>Ending balance</b>	<b>18,275,786,136</b>	<b>-</b>	<b>7,428,463,561</b>	<b>252,484,007</b>	<b>-</b>	<b>25,956,733,704</b>

- Cost of fully depreciated tangible fixed assets but still in use at the end of the year: VND: 10,491,311,808.

**11. INTANGIBLE FIXED ASSETS**

	Land use right (*) VND	Computer software VND	Total 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	3,106,817,552	111,896,190	3,218,713,742
- Amortisation for the year	198,836,323	-	198,836,323
Ending balance	<u>3,305,653,875</u>	<u>111,896,190</u>	<u>3,417,550,065</u>
<b>Net carrying amount</b>			
Beginning balance	53,110,672,148	-	53,110,672,148
Ending balance	<u>52,911,835,825</u>	<u>-</u>	<u>52,911,835,825</u>

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

(\*) The Company's land use rights include definite land use rights at Km9, National Road 5 Nam Son Commune, An Duong District, Hai Phong City that will be allocated within 360 months and long-term land use rights at 116 Nguyen Duc Canh Street, Le Chan District, Hai Phong City.

**12. INVESTMENT PROPERTIES HELD FOR LEASE**

	Land use right VND	Buildings, Structures VND	Total VND
<b>Original cost</b>			
Beginning balance	195,000,000,000	460,802,796,663	655,802,796,663
- Increase the value of investment property due to adjustment according to the project settlement N01 - GoldenLand Building Apartment	-	56,051,297,568	56,051,297,568
Ending balance	<u>195,000,000,000</u>	<u>516,854,094,231</u>	<u>711,854,094,231</u>
<b>Accumulated depreciation</b>			
Beginning balance	-	34,504,899,073	34,504,899,073
- Depreciation for the year	-	11,422,618,105	11,422,618,105
- Adjusted according to the tax inspection conclusion of Hai Phong City Tax Department	-	(981,334,174)	(981,334,174)
Ending balance	<u>-</u>	<u>44,946,183,004</u>	<u>44,946,183,004</u>
<b>Net carrying amount</b>			
Beginning balance	195,000,000,000	426,297,897,590	621,297,897,590
Ending balance	<u>195,000,000,000</u>	<u>471,907,911,227</u>	<u>666,907,911,227</u>

**14. PREPAID EXPENSES**

	31/03/2019	01/04/2018
	VND	VND
<b>a) Short-term</b>		
- Dispatched tools and supplies	337,289,317	848,627,363
- Cost of brokerage to sell apartments	10,280,276,408	-
	<u>10,617,565,725</u>	<u>848,627,363</u>
<b>b) Long-term</b>		
- Dispatched tools and supplies	680,909,091	-
	<u>680,909,091</u>	<u>-</u>

14. BORROWINGS

	01/04/2018		During the year		31/03/2019	
	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>						
- Short-term borrowings						
+ Tien Phong Commercial Joint Stock Bank - Hai Phong Branch (1)	-	-	298,893,969,286	279,182,814,888	19,711,154,398	19,711,154,398
+ Technological and Commercial Joint Stock Bank - Hai Phong Branch	-	-	19,711,154,398	-	19,711,154,398	19,711,154,398
- Current portion of long-term debts	-	-	279,182,814,888	279,182,814,888	-	-
+ Tien Phong Commercial Joint Stock Bank - Hai Phong Branch (1)	-	-	44,815,639,200	-	44,815,639,200	44,815,639,200
	-	-	44,815,639,200	-	44,815,639,200	44,815,639,200
	-	-	343,709,608,486	279,182,814,888	64,526,793,598	64,526,793,598
<b>b) Long-term borrowings</b>						
- Long-term borrowings						
+ Tien Phong Commercial Joint Stock Bank - Hai Phong Branch (1)	42,605,639,200	42,605,639,200	2,210,000,000	-	44,815,639,200	44,815,639,200
	42,605,639,200	42,605,639,200	2,210,000,000	-	44,815,639,200	44,815,639,200
	42,605,639,200	42,605,639,200	2,210,000,000	-	44,815,639,200	44,815,639,200
Amount due for settlement within 12 months	-	-	(44,815,639,200)	-	(44,815,639,200)	(44,815,639,200)
Amount due for settlement after 12 months	42,605,639,200	42,605,639,200				

**Detailed information on 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 principal balance of the credit contract as at 31 March 2019 is VND 64,526,793,598. In particular, the loan balance of short-term loans is 19,711,154,398 VND, long-term loans due in the next 12 months is 44,815,639,200 VND.

**15. SHORT-TERM TRADE PAYABLES**

	31/03/2019		01/04/2018	
	Outstanding balance	Amount can be paid	Outstanding balance	Amount can be paid
	VND	VND	VND	VND
Trade payables detailed by suppliers with large account balances				
- Phuc Hung Holdings Construction JSC.	12,538,186,374	12,538,186,374	-	-
- Truong Phat International Construction Investment Consultant JSC	12,278,884,117	12,278,884,117	-	-
- Bach Dang 234 Construction JSC	-	-	6,253,341,600	6,253,341,600
- Others	6,549,207,991	6,549,207,991	5,284,212,311	5,284,212,311
	<b>31,366,278,482</b>	<b>31,366,278,482</b>	<b>11,537,553,911</b>	<b>11,537,553,911</b>

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

	31/03/2019	01/04/2018
	VND	VND
a) Prepayments from customers detailed by large account balances		
- Hoang Giang Service Development JSC.	-	38,642,500,000
- Thanh Nam Investment Services JSC.	-	14,934,500,000
- Viet Dung Development Trading JSC.	780,000,000	9,056,499,999
- Hoang Ha Service Investment JSC.	-	6,314,500,000
- Lam Hau Trading Services JSC.	-	5,957,785,000
- Vinh Quang International Trading Investments JSC.	5,785,000,000	1,264,000,000
- International Truck and Trading Co., Ltd.	5,149,139,800	-
- Progress payment of apartment purchasers	414,579,474,990	10,427,083,561
- Others	9,928,756,075	17,185,137,275
	<b>436,222,370,865</b>	<b>103,782,005,835</b>
b) Prepayments from customers to related parties (as detailed in Note 39)	<b>7,223,720,000</b>	<b>73,840,230,345</b>

17. TAX AND OTHER PAYABLES TO STATE BUDGET

	Tax receivable at beginning of the year	Tax payable at 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	-	7,454,923,306	62,765,079,096	70,220,002,402	-	-
- Export, import duties	-	-	18,985,024,039	18,985,024,039	-	-
- Corporate income tax	-	28,181,071,135	52,660,470,391	58,832,278,747	-	22,009,262,779
- Personal income tax	-	46,629,413	16,181,014,306	15,649,862,493	-	577,781,226
- Land tax and land rental	-	-	3,932,943,240	3,932,943,240	-	-
- Other taxes	3,000,000	-	18,000,000	20,000,000	5,000,000	-
- Fees and other obligations	-	-	1,019,264,945	1,019,264,945	-	-
	<u>3,000,000</u>	<u>35,682,623,854</u>	<u>155,561,796,017</u>	<u>168,659,375,866</u>	<u>5,000,000</u>	<u>22,587,044,005</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 consolidated financial statements could be changed at a later date upon final determination by the tax authorities.

**18. OTHER PAYABLES**

	31/03/2019	01/04/2018
	VND	VND
<b>a) Short-term</b>		
- Maintenance fees received on behalf of Management Unit of Golden Land Building	1,501,852,943	628,657,788
- Short-term deposits and collateral received	409,198,000	174,000,000
- Receive payment for the first time of Project HH3, HH4 (1)	194,378,605,000	-
- Others	187,435,247	128,806,134
	<u>196,477,091,190</u>	<u>931,463,922</u>
<b>b) Long-term</b>		
- Long-term deposits and collateral received	5,233,814,932	5,364,880,282
- Capital contribution received relating to BCC (2)	499,706,000,000	297,150,000,000
- Others	187,034,003	90,683,204
	<u>505,126,848,935</u>	<u>302,605,563,486</u>
<b>c) Other payables from related parties</b>	<u>499,706,000,000</u>	<u>297,150,000,000</u>
<i>(as detailed in Note 39)</i>		

(1) According to the Decision No. 306/QĐ-UBND dated 01 February 2019, Hai Phong City People's Committee allocates detailed cost estimates for land use fees of Hoang Huy Riverside project and records the 1st payment for the Goldenland 5 project and building apartment HH3, HH4 in 2019 which is amounted to VND 194,378,605,000. Accordingly, Hoang Huy Financial Services Investment Joint Stock Company received the 1st payment for the HH3, HH4 project with the amount of VND 194,378,605,000 (reciprocal with payables of the Company for land use fees at Hoang Huy Riverside Project).

(2): 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
- 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.
- Dividing results: Hoang Huy Investment Services Joint Stock Company (HHS) receives 25% of Hoang Huy Riverside's after-tax profit annually, the rest Hoang Huy Investment Financial Services Joint Stock Company (TCH) is entitled;
- 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.

(More information in Note 9).

## 19. SHORT-TERM UNREALIZED REVENUE

	31/03/2019	01/04/2018
	VND	VND
- Unearned revenue from asset leasing	6,618,262,977	4,089,657,198
- Unearned revenue from selling goods to the Company's Associates	735,353,301	1,869,121,695
	<u>7,353,616,278</u>	<u>5,958,778,893</u>

## 20. CONVERTIBLE BONDS

- Name of bonds: Convertible bond\_Type A\_ 2019\_ Hoang Huy Financial Services Investment Joint Stock Company;
- Bond code: TCH\_TPCD2019\_A;
- Purpose: Increase the Company's capital to fund its business activities and investment projects;
- Issue date: 22 March 2019;
- Bond type: Convertible, secured bond, without warrants;
- Face value : 1,000,000 VND/bond. Total issuance value is VND 598,808,000,000;
- Maturity period of bond: 03 years from the issue date;
- Interest payment term: Bond interest is paid later. Payment period: every 3 months, on the last day of each interest payment period;
- Coupon rate: 5% / year;
- Yield to maturity: In addition to paying interest arising from coupon interest, the Company will pay the interest amount calculated on the maturity amount ("YTM") at maturity of the bond. For this purpose, YTM will be equal to 2% per year on bonds accumulated until the date of YTM payment. YTM will not be paid for the Converted Bonds according to terms and conditions;
- Conversion price: VND 16,550 / share for the first issuance;
- Conversion term: Number of convertible bonds for the 1st phase is greater than or equal to ( $\geq$ ) 33.3 percent of total convertible bonds circulated within 03 consecutive months from the working day in 12 months from the issuance date. These ones for second phase is greater than or equal to ( $\geq$ ) 66.7 percent of the total convertible bonds circulated to shares within 09 consecutive months from the last day of the first phase, and third phase will be from the last day of second phase to the last day of conversion term; Bondholders can only convert once in each phase;
- The Company has applied an interest rate of 9% per year to discount the nominal value of future payments (including bond principal and interest) to the present value to determine the capital component value of bonds (stock options under the owner's equity). This interest rate is determined by the Company based on the medium-term average lending interest rate of Tien Phong Commercial Joint Stock Bank - Thang Long Branch where the Company regularly conducts transactions. Whereby:

	Initial recognition	31/03/2019	01/04/2018
		VND	VND
Convertible bonds TCH_TPCD2019_A			
- Principal value of the convertible bonds	554,437,314,002	554,065,349,002	-
- Bond issuance costs have been reduced to the original debt bonds	(371,965,000)	-	-
- Conversion options on convertible bonds	44,370,685,998	44,370,685,998	-



21 . OWNER'S EQUITY

a) Changes in owner's equity

	Contributed capital	Rights option of convertible bonds	Treasury shares	Retained earnings	Non - Controlling Interest	Total
	VND	VND	VND	VND	VND	VND
Beginning balance of previous year	3,629,940,140,000	-	-	839,832,048,303	35,560,796	4,469,807,749,100
Purchase of treasury shares	-	-	(219,996,488,178)	-	-	(219,996,488,178)
Profit of previous year	-	-	-	440,465,387,034	79,768,008	440,545,155,042
Non - Controlling Interest at Thinh Hiep Construction JSC.	-	-	-	-	20,000,000,000	20,000,000,000
Dividend payment	-	-	-	(290,395,211,200)	(5,550,000)	(290,400,761,200)
Adjustment due to combination of Hoang Huy Investment	-	-	-	(9,572,868,125)	-	(9,572,868,125)
Others	-	-	-	(1,431,341,892)	(42,941)	(1,431,384,833)
<b>Ending balance of previous year</b>	<b>3,629,940,140,000</b>	<b>-</b>	<b>(219,996,488,178)</b>	<b>978,898,014,121</b>	<b>20,109,735,863</b>	<b>4,408,951,401,806</b>
Beginning balance of current year	3,629,940,140,000	-	(219,996,488,178)	978,898,014,121	20,109,735,863	4,408,951,401,806
Capital component of convertible bonds	-	44,370,685,998	-	-	-	44,370,685,998
Profit of current year	-	-	-	282,282,406,553	614,973,132	282,897,379,685
Dividend payment	-	-	-	(300,280,829,400)	-	(300,280,829,400)
Adjusted by associates to buy treasury stocks and other adjustments at the associates	-	-	-	54,643,328,931	-	54,643,328,931
Adjusted according to the tax inspection conclusion of Hai Phong City Tax Department	-	-	-	49,141,646	-	49,141,646
Others	-	-	-	(1,644,968,955)	(31,095,262)	(1,676,064,217)
<b>Ending balance of current year</b>	<b>3,629,940,140,000</b>	<b>44,370,685,998</b>	<b>(219,996,488,178)</b>	<b>1,013,947,092,896</b>	<b>20,693,613,733</b>	<b>4,488,955,044,449</b>

According to the resolution of the Annual General Meeting of Shareholders No. 02/2018/NQ-DHDCD dated 15 June 2018, the Company announces the distribution of profit in 2016 as follows:

	Amount VND
Dividend payment (Equivalent to VND 850 per share)	300,280,829,400

**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%	1,840,379,390,000	50.70%
Treasury shares acquired by the shareholders	97,224,500,000	2.68%	97,224,500,000	2.68%
	<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 01/04/2018 to 31/03/2019 VND	From 01/04/2017 to 31/03/2018 VND
Owner's contributed capital		
- At the beginning of year	3,629,940,140,000	3,629,940,140,000
- At the end of the year	3,629,940,140,000	3,629,940,140,000
Dividends and profit distributed	300,280,829,400	290,395,211,200

**d) Share**

	31/03/2019	01/04/2018
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	9,722,450
- Common shares	9,722,450	9,722,450
Quantity of outstanding shares in circulation	353,271,564	353,271,564
- Common shares	353,271,564	353,271,564
Par value per share (VND):	10,000	10,000

**22. OFF STATEMENT OF FINANCIAL POSITION ITEMS**

**a) Operating asset for leasing**

The Company is the lessor under operating lease contracts. As at 31/03/2019, total future minimum lease income under operating lease contracts are presented as follows:

	31/03/2019 VND	01/04/2018 VND
- Not later than 1 year	5,818,721,799	9,774,097,981
- Later than 1 year and not later than 5 years	5,880,409,834	9,993,531,633
- Later than 5 years	3,201,545,455	4,095,000,000

**b) Operating leased assets**

The company signed land lease contracts in Hai Phong to serve production and business. As follows:

Land	Purpose	Acreage	Lease term
Plot in Nam Son Commune, An Duong District, Hai Phong City	Building an engine factory, frame, spare parts and assembly factory	25,828.2 m2	From 2003 to 2033
Plot in Nam Son Commune, An Duong District, Hai Phong City	Building operating offices and product introduction shops	19,875.3 m2	From 2002 to 2032

Under these contracts, the Company must pay leasing cost until contract expiry date complying with the current legal regulations.

**c) Foreign currencies**

	Unit	31/03/2019	01/04/2018
US Dollar	USD	621,108.50	1,653.99
Euro	EUR	8.95	8.95

**23. TOTAL REVENUES FROM SALES AND SERVICES RENDERED**

	From 01/04/2018 to 31/03/2019	From 01/04/2017 to 31/03/2018
	VND	VND
Revenue from sale of goods	4,965,034,639	2,721,756,456
Revenue from sale of finished goods of automobile factories	-	32,964,818,180
Revenue from sale of US trailer trucks and spare parts	747,422,531,498	1,642,455,533,733
Revenue from real estate business	26,329,642,161	117,929,513,991
Revenue from rendering of services	50,931,847,143	48,347,553,222
	<b>829,649,055,441</b>	<b>1,844,419,175,582</b>

In which: Revenue from related parties  
(Detailed in Note 39)

698,908,068,267	1,491,238,550,642
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**24. REVENUE DEDUCTIONS**

	From 01/04/2018 to 31/03/2019	From 01/04/2017 to 31/03/2018
	VND	VND
- Sale discounts	822,921,000	3,682,336,000
- Sale returns	-	490,909,091
	<b>822,921,000</b>	<b>4,173,245,091</b>

**25. COST OF GOODS SOLD**

	From 01/04/2018 to 31/03/2019	From 01/04/2017 to 31/03/2018
	VND	VND
Cost of goods sold	3,594,247,796	2,189,076,677
Cost of finished goods of automobile factories sold	-	25,830,350,865
Cost of US trailer trucks sold and spare parts collected	535,295,757,406	1,228,846,483,158
Cost of real estate sold	14,255,397,372	67,515,426,725
Cost of services rendered	23,943,883,959	22,240,294,814
	<u>577,089,286,533</u>	<u>1,346,621,632,239</u>

**26. FINANCIAL INCOME**

	From 01/04/2018 to 31/03/2019	From 01/04/2017 to 31/03/2018
	VND	VND
Interest income	35,442,947,636	22,882,875,708
Interest on sale of investments	2,232,000,000	-
Realised exchange gain	926,643,089	22,011,399
Unrealised exchange gain	-	102,856
	<u>38,601,590,725</u>	<u>22,904,989,963</u>

**27. FINANCIAL EXPENSES**

	From 01/04/2018 to 31/03/2019	From 01/04/2017 to 31/03/2018
	VND	VND
Interest expenses	3,098,994,339	3,231,856,257
Realised exchange loss	47,960,114	7,043,296
Unrealised exchange loss	18,466	3,565,074
	<u>3,146,972,919</u>	<u>3,242,464,627</u>

**28. SELLING EXPENSES**

	From 01/04/2018 to 31/03/2019	From 01/04/2017 to 31/03/2018
	VND	VND
Raw materials	-	98,000,000
Labour expenses	4,429,095,956	2,977,678,489
Depreciation expenses	228,396,327	134,577,714
Expenses of outsourcing services	5,206,126,224	4,532,015,009
Other expenses in cash	1,882,189,572	1,140,445,395
	<u>11,745,808,079</u>	<u>8,882,716,607</u>

**29. GENERAL AND ADMINISTRATIVE EXPENSES**

	From 01/04/2018 to 31/03/2019	From 01/04/2017 to 31/03/2018
	VND	VND
Labour expenses	10,771,812,727	6,157,477,099
Depreciation expenses	2,270,425,881	2,892,289,235
Expenses of outsourcing services	13,470,337,109	7,228,981,039
Other expenses in cash	4,008,428,675	4,587,062,216
	<u>30,521,004,392</u>	<u>20,865,809,589</u>

**30. OTHER INCOME**

	From 01/04/2018 to 31/03/2019	From 01/04/2017 to 31/03/2018
	VND	VND
Gain from liquidation and disposal of fixed assets	-	180,000,000
Collected fine	-	700,298,127
Income from customers who cancel Contract	108,452,028	140,000,000
Free-of-charge goods received	8,962,096,569	4,889,519,123
Others	6,831,176	123,873
	<u>9,077,379,773</u>	<u>5,909,941,123</u>

**31. OTHER EXPENSES**

	From 01/04/2018 to 31/03/2019	From 01/04/2017 to 31/03/2018
	VND	VND
Loss from liquidation, disposal of fixed assets	-	153,250,553
Donation to the localt	1,000,000,000	6,500,000,000
Others	247,851,656	86,285,041
	<u>1,247,851,656</u>	<u>6,739,535,594</u>

**32. CURRENT CORPORATE INCOME TAX EXPENSES**

	From 01/04/2018 to 31/03/2019	From 01/04/2017 to 31/03/2018
	VND	VND
Current corporate income tax expenses of Hoang Huy Investment Financial Services Joint Stock Company - the Parent Company	41,099,084,516	84,110,127,689
Current corporate income tax expenses of Hung Viet Trading Joint Stock Company - the Subsidiary	5,704,734,176	12,834,921,754
Current corporate income tax expenses of the other Subsidiarys	3,769,833,379	469,046,480
Current corporate income tax expense	<u>50,573,652,071</u>	<u>97,414,095,923</u>

### 33. DEFERRED CORPORATE INCOME TAX EXPENSES

#### a) Deferred income tax assets

	31/03/2019	01/04/2018
	VND	VND
- Deferred income tax assets related to deductible temporary differences	147,070,660	373,824,339
<b>Deferred income tax assets</b>	<b>147,070,660</b>	<b>373,824,339</b>

#### b) Deferred corporate income tax expense

	From 01/04/2018 to 31/03/2019	From 01/04/2017 to 31/03/2018
	VND	VND
- Deferred income tax expenses incurred from reversal of deferred income tax assets	373,824,339	820,263,145
- Deferred income tax assets arising from deductible temporary difference	(147,070,660)	(373,824,339)
	<b>226,753,679</b>	<b>446,438,806</b>

### 34. BASIC EARNINGS PER SHARE

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

	From 01/04/2018 to 31/03/2019	From 01/04/2017 to 31/03/2018
	VND	VND
Profit after tax	282,282,406,553	440,465,387,034
Dividends distributed to common shares	282,282,406,553	440,465,387,034
Average number of outstanding common shares in circulation in the year	353,271,564	360,547,031
<b>Basic earnings per share</b>	<b>799</b>	<b>1,222</b>

The company has not planned to make any distribution to Bonus and welfare fund from the net profit after tax for the fiscal year ended as at 31 March 2019.

### 35. BUSINESS AND PRODUCTIONS COST BY ITEMS

	From 01/04/2018 to 31/03/2019	From 01/04/2017 to 31/03/2018
	VND	VND
Raw materials	379,037,899,582	1,407,455,403,669
Labour expenses	19,804,686,194	13,784,337,041
Depreciation expenses	14,845,464,542	14,512,800,332
Expenses of outsourcing services	137,093,249,170	34,313,590,823
Other expenses in cash	9,407,803,676	4,753,334,050
	<b>560,189,103,164</b>	<b>1,474,819,465,915</b>

### 36. FINANCIAL INSTRUMENTS

The types of financial instruments of the Company:

	Carrying amount			
	31/03/2019		01/04/2018	
	Original cost	Provision	Original cost	Provision
<b>Financial Assets</b>	VND	VND	VND	VND
Cash and cash equivalent	339,943,572,741	-	195,059,607,887	-
Trade and other receivables	70,435,862,089	-	117,877,098,455	-
Held-to-maturity investments	763,022,000,000	-	492,635,000,000	-
	<b>1,173,401,434,830</b>	<b>-</b>	<b>805,571,706,342</b>	<b>-</b>

	Carrying amount	
	31/03/2019	01/04/2018
	VND	VND
<b>Financial Liabilities</b>		
Borrowings and debt	64,526,793,598	42,605,639,200
Trade and other payables	732,970,218,607	315,074,581,319
Accrued expenses	3,063,194,929	4,094,734,342
	<b>800,560,207,134</b>	<b>361,774,954,861</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 31/03/2019</b>				
Cash and cash equivalent	339,943,572,741	-	-	339,943,572,741
Trade and other receivables	70,435,862,089	-	-	70,435,862,089
Held-to-maturity investments	763,022,000,000	-	-	763,022,000,000
	<b>1,173,401,434,830</b>	<b>-</b>	<b>-</b>	<b>1,173,401,434,830</b>
<b>As at 01/04/2018</b>				
Cash and cash equivalent	195,059,607,887	-	-	195,059,607,887
Trade and other receivables	117,877,098,455	-	-	117,877,098,455
Held-to-maturity investments	491,135,000,000	1,500,000,000	-	492,635,000,000
	<b>804,071,706,342</b>	<b>1,500,000,000</b>	<b>-</b>	<b>805,571,706,342</b>

#### Liquidity Risk

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

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

	Up to 1 year	In 1 to 5 years	In more than 5 years	Total
	VND	VND	VND	VND
<b>As at 31/03/2019</b>				
Borrowings and debt	64,526,793,598	-	-	64,526,793,598
Trade and other payables	227,843,369,672	505,126,848,935	-	732,970,218,607
Accrued expenses	3,063,194,929	-	-	3,063,194,929
	<b>295,433,358,199</b>	<b>505,126,848,935</b>	<b>-</b>	<b>800,560,207,134</b>
<b>As at 01/04/2018</b>				
Borrowings and debt	-	42,605,639,200	-	42,605,639,200
Trade and other payables	12,469,017,833	302,605,563,486	-	315,074,581,319
Accrued expenses	4,094,734,342	-	-	4,094,734,342
	<b>16,563,752,175</b>	<b>345,211,202,686</b>	<b>-</b>	<b>361,774,954,861</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 mature financial assets.

### 37. ADDITIONAL INFORMATION FOR THE ITEMS OF THE STATEMENT OF CASH FLOWS

On May 7, 2019, the Board of Directors issued Resolution No. 06/2019/NQ-HDQT on restructuring some of the Company's investments in subsidiaries and associates. Details are as follows:

- + Withdrawing contributed capital of Hung Viet Trading Joint Stock Company from Hoang Hiep Investment Construction Corporation;
  - + Receiving transfer of shares at Thinh Hiep Construction Joint Stock Company and Thinh Phat Real Estate Construction Joint Stock Company from Ms. Nguyen Thi Ha and Mr. Do Huu Hung. The maximum shares received is 1,081,600 shares and 918,400 shares respectively;
- Time for structure implementation is expected in May - June 2019.



Apart from these events, there have been no significant events occurring after the reporting period, which would require adjustments or disclosures to be made in the Consolidated Financial Statements.

### 38. SEGMENT REPORT

Under business fields:

	Transportation, vehicle business VND	Real estate business VND	Rendering of services VND	Grand total VND
Net revenue from sales to external customers	751,564,645,137	26,329,642,161	50,931,847,143	828,826,134,441
<b>Gross profit from business operation</b>	<b>212,674,639,935</b>	<b>12,074,244,789</b>	<b>26,987,963,184</b>	<b>251,736,847,908</b>
The total cost of acquisition of fixed assets				923,526,605,082
Segment assets	237,637,577,119	1,515,376,308,104	666,907,911,227	2,419,921,796,450
Unallocated assets				3,890,031,648,863
<b>Total assets</b>				<b>6,309,953,445,313</b>
Liabilities of parts	7,959,073,301	988,483,232,553	12,261,275,909	1,008,703,581,763
Liabilities are not allocated				812,294,819,101
<b>Total liabilities</b>				<b>1,820,998,400,864</b>

Under geographical areas:

The Company's major activities mainly operates in Vietnam, therefore the Company does not present Segment report under geographical areas.

### 39. TRANSACTION AND BALANCES WITH RELATED PARTIES

The list and relationships between related parties and the Company are as follows:

Revenue	Relation
Lam Hau Trading Services JSC.	Associate
Hoang Ha Service Investment JSC.	Associate
Truong Giang Service Development JSC.	Associate
Vinh Quang International Trading Investments JSC.	Associate
Viet Dung Development Trading JSC.	Associated (as of August 17, 2018)
Hoang Huy Investment Services JSC.	Associate
Hoang Giang Service Development JSC.	Subsidiary of associate
Hoang Hiep Investment Construction Corporation	Investee of Subsidiary
Thanh Nam Investment Services JSC.	Associate of Associate

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

Transactions during the year:

	From 01/04/2018 to 31/03/2019	From 01/04/2017 to 31/03/2018
	VND	VND
<b>Revenue</b>	<b>698,908,068,267</b>	<b>1,491,238,550,642</b>
Lam Hau Trading Services JSC.	120,959,545,445	248,382,727,296
Hoang Ha Service Investment JSC.	192,586,363,646	227,209,090,921
Truong Giang Service Development JSC.	41,424,914,642	56,148,459,640
Vinh Quang International Trading Investments JSC.	43,212,727,272	73,212,727,276
Viet Dung Development Trading JSC.	62,881,818,176	93,200,909,093
Hoang Giang Service Development JSC.	91,431,818,181	524,487,727,306
Hoang Huy Investment Services JSC.	6,754,545,454	33,014,818,180
Thanh Nam Investment Services JSC.	78,442,508,182	114,349,545,473
Hoang Hiep Investment Construction Corporation	61,213,827,269	121,232,545,457

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

	31/03/2019	01/04/2018
	VND	VND
<b>Short-term trade receivables</b>	<b>48,958,032,500</b>	<b>3,663,800,000</b>
Lam Hau Trading Services JSC.	8,670,715,000	-
Hoang Ha Service Investment JSC.	33,945,500,000	-
Truong Giang Service Development JSC.	23,817,500	-
Hoang Hiep Investment Construction Corporation	-	3,603,800,000
Thanh Nam Investment Services JSC.	6,318,000,000	-
Thinh Hiep Construction JSC.	-	60,000,000
<b>Short-term prepayment from customers</b>	<b>7,223,720,000</b>	<b>73,840,230,345</b>
Lam Hau Trading Services JSC.	-	5,957,785,000
Hoang Ha Service Investment JSC.	-	6,314,500,000
Truong Giang Service Development JSC.	-	4,145,045,344
Vinh Quang International Trading Investments JSC.	5,785,000,000	1,264,000,000
Hoang Giang Service Development JSC.	-	38,642,500,000
Hoang Huy Investment Services JSC.	-	2,581,900,001
Thanh Nam Investment Services JSC.	-	14,934,500,000
Hoang Hiep Investment Construction Corporation	1,438,720,000	-
<b>Other payables</b>	<b>499,706,000,000</b>	<b>297,150,000,000</b>
Hoang Huy Investment Services JSC.	499,706,000,000	297,150,000,000

Transactions with other related parties:

	From 01/04/2018 to 31/03/2019	From 01/04/2017 to 31/03/2018
	VND	VND
Remuneration to General Directors	397,560,000	351,120,000
Remuneration to other members of Board of Management and Board of General Directors	711,480,624	604,821,144

#### 40. COMPARATIVE FIGURES

The comparative figures are figures in the Consolidated Financial Statements for the fiscal year ended as at 31 March 2018 which were audited by AASC Auditing Firm Company Limited.

Some indicators have been adjusted to suit the project settlement figures of Building N01 - GoldenLand Building Apartment as an investor of Hung Viet Trading Joint Stock Company:

	Code	Adjusted VND	Presented in the financial statements of previous year VND
<b>a/ Consolidated Statement of Financial position</b>			
Inventories	141	752,161,740,277	692,258,372,789
Tax and other payables to State Budget	313	35,682,623,854	19,594,516,982
Retained earnings	421	978,898,014,121	935,084,067,963
Non - Controlling Interest	429	20,109,735,863	20,108,421,405
<b>b/ Consolidated Statement of Income</b>			
Cost of goods sold	11	1,346,621,632,239	1,348,860,161,710
Selling expenses	25	8,882,716,607	9,929,824,097
General and administrative expenses	26	20,865,809,589	19,891,636,028
Total profit before tax	50	538,405,689,771	536,094,226,371
Current corporate income tax expenses	51	97,414,095,923	96,951,803,242
Profit after tax attributable to owners of the parent	61	440,465,387,034	438,616,271,790
Profit after tax attributable to non-controlling interest	62	79,768,008	79,712,533

#### 41. CHALLENGING PROBLEMS WITH ANY YEARS

During the year, due to the interruption of the import process and the automobile consumption market was quite stable, the revenue from truck distribution decreased. Real estate sector has not recorded revenue yet due to the lack of handover. Therefore, the consolidated net revenue for the fiscal year ended March 31, 2019, reached VND 828,826,134,441, down 55% compared to the previous year, the consolidated net profit after tax reached VND 282,282,406,553, decreased by 35.91% compared to the previous year.

Preparer



Bui Thi Tra

Chief Accountant



Phung Thi Thu Huong

Hai Phong, 27 May 2019

General Director



Do Hoa Ha