

# **INTERIM SEPARATE FINANCIAL STATEMENTS**

**HOANG HUY INVESTMENT FINANCIAL SERVICES JSC.**

For the accounting period from 01/04/2019 to 30/09/2019

(Audited)



## CONTENTS

	Page
Report of the Board of Directors	02 - 03
Independent Auditors' Report	04 - 05
Audited Interim Separate Financial Statements	06 - 45
Interim Separate Statement of Financial position	06 - 07
Interim Separate Statement of Income	08
Interim Separate Statement of Cash flows	09 - 10
Notes to the Interim Separate Financial Statements	11 - 45

## REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of Hoang Huy Investment Financial Services JSC ("the Company") presents its report and the Company's Interim Separate Financial Statements for the period from 1 April 2019 to 30 September 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 Str., Le Chan Dist., Hai Phong City.

### BOARD OF MANAGEMENT, BOARD OF DIRECTORS AND SUPERVISORY BOARD

The members of the Board of Management during the period and to the reporting date are:

Mr.: Do Huu Ha	Chairman	
Mr.: Vu Trong Long	Member	
Mr.: Do Huu Hung	Member	
Ms: Nguyen Thi Ha	Member	
Ms: Pham Hong Dung	Member	
Ms: Phan Thi Phuong Thuy	Independent Member	(Appointed on 15 June 2019)

The members of the Board of Directors during the period and to the reporting date are:

Mr.: Do Huu Ha	Director
Ms: Tran Thi Hoang Ha	Vice Director
Mr.: Do Huu Hau	Vice Director
Mr.: Do Huu Hung	Vice Director
Ms: Ho Thi Xuan Hoa	Vice Director

The members of the Board of Supervision are:

Mrs: Nguyen Thi Tuoi	Head
Mrs: Phan Thi Thu Huong	Member
Mr.: Nguyen Hoang Tung	Member

### AUDITORS

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

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

The Board of Directors is responsible for the preparation of Interim Separate 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 period. In preparing those Interim Separate Financial Statements, the Board of Directors is required to:



- Establish and maintain an internal control system which is determined necessary by the Board of Directors and Board of Management to ensure the preparation and presentation of Interim Separate Financial Statements do not contain any material misstatement caused by errors or frauds;
- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Interim Separate Financial Statements;
- Prepare and present the Interim Separate Financial Statements on the basis of compliance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of Interim Separate Financial Statements;
- Prepare the Interim Separate Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of Directors is responsible for ensuring that accounting records are kept to reflect the financial position of the Company, with reasonable accuracy at any time and to ensure that the Interim Separate Financial Statements comply with the current State's regulations. 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 Directors, confirm that the Interim Separate Financial Statements give a true and fair view of the financial position at 30 September 2019, its operation results and cash flows in the period from 01 April 2019 to 30 September 2019 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 Interim Financial Statements.

#### Other commitments

The Board of Directors pledges that the company complies with Decree No. 71/2017/ND-CP dated 06 June 2017 guiding on corporate governance of public companies and the company does not violate the obligations of information disclosure in accordance with the regulations of the 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 Directors



**Do Huu Ha**

Director

*Hai Phong, 11 November 2019*



## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying Interim Separate Financial Statements of Hoang Huy Investment Financial Services JSC dated 11 November 2019, pages 06 to 44, including the Interim Separate Statement of Financial Position as at 30 September 2019, Interim Separate Statement of Income, Interim Separate Statement of Cash Flows for the period ended as at 30 September 2019 and Notes to the Interim Separate Financial Statements.

### Board of Directors' Responsibility

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

### Auditor's Responsibility

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

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

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

### Auditor's opinion

In our opinion, the Interim Separate Financial Statements give a true and fair view, in all material respects, of the financial position of Hoang Huy Investment Financial Services Joint Stock Company as at 30 September 2019, its operating results and its cash flows for the six-month period then then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of financial statements.



**AASC Auditing Firm Company Limited**

**Cat Thi Ha**

Deputy General Director

Registered Auditor No. 0725-2018-002-1

Hanoi, 12 November 2019

**Nguyen Ngoc Lan**

Auditor

Registered Auditor No. 1427-2018-002-1



## INTERIM SEPARATE STATEMENT OF FINANCIAL POSITION

As at 30 September 2019

Code	ASSETS	Note	30/09/2019 VND	01/04/2019 VND
100	<b>A. CURRENT ASSETS</b>		<b>2,695,671,345,253</b>	<b>1,034,532,782,857</b>
110	<b>I. Cash and cash equivalents</b>	03	<b>72,276,083,135</b>	<b>194,948,804,389</b>
111	1. Cash		72,276,083,135	194,948,804,389
120	<b>II. Short-term investments</b>	04	<b>692,900,000,000</b>	<b>299,000,000,000</b>
123	1. Held-to-maturity investments		692,900,000,000	299,000,000,000
130	<b>III. Short-term receivables</b>		<b>318,209,874,758</b>	<b>342,954,330,570</b>
131	1. Short-term trade receivables	05	38,896,203,387	52,141,182,625
132	2. Short-term prepayments to suppliers	06	50,409,420,881	90,102,873,083
136	3. Other short-term receivables	07	228,904,250,490	200,710,274,862
140	<b>IV. Inventories</b>	08	<b>1,572,767,105,425</b>	<b>186,792,250,338</b>
141	1. Inventories		1,572,767,105,425	186,792,250,338
150	<b>V. Other short-term assets</b>		<b>39,518,281,935</b>	<b>10,837,397,560</b>
151	1. Short-term prepaid expenses	13	12,651,135,739	-
152	2. Deductible VAT		26,867,146,196	10,832,397,560
153	3. Taxes and other receivables from State budget	17	-	5,000,000
200	<b>B. NON-CURRENT ASSETS</b>		<b>3,654,588,191,514</b>	<b>4,357,963,052,002</b>
220	<b>I. Fixed assets</b>		<b>70,986,224,110</b>	<b>76,815,216,050</b>
221	1. Tangible fixed assets	10	18,173,806,449	23,903,380,225
222	- Historical cost		51,738,681,604	56,643,313,604
223	- Accumulated depreciation		(33,564,875,155)	(32,739,933,379)
227	2. Intangible fixed assets	11	52,812,417,661	52,911,835,825
228	- Historical cost		56,329,385,890	56,329,385,890
229	- Accumulated depreciation		(3,516,968,229)	(3,417,550,065)
230	<b>II. Investment properties</b>	12	<b>251,111,852,235</b>	<b>252,509,071,462</b>
231	- Historical cost		271,141,197,992	271,141,197,992
232	- Accumulated depreciation		(20,029,345,757)	(18,632,126,530)
240	<b>III. Long-term assets in progress</b>	09	<b>346,229,563,199</b>	<b>789,697,303,429</b>
242	1. Construction in progress		346,229,563,199	789,697,303,429
250	<b>IV. Long-term investments</b>	04	<b>2,986,260,551,970</b>	<b>3,238,260,551,970</b>
251	1. Investments in subsidiaries		1,499,409,650,000	1,499,409,650,000
252	2. Investments in joint ventures and associates		1,486,850,901,970	1,738,850,901,970
260	<b>V. Other long-term assets</b>		<b>-</b>	<b>680,909,091</b>
261	1. Long-term prepaid expenses	13	-	680,909,091
270	<b>TOTAL ASSETS</b>		<b>6,350,259,536,767</b>	<b>5,392,495,834,859</b>



## INTERIM SEPARATE STATEMENT OF FINANCIAL POSITION

As at 30 September 2019

(Continued)

Code	CAPITAL	Note	30/09/2019 VND	01/04/2019 VND
300	<b>C. LIABILITIES</b>		<b>2,508,486,974,970</b>	<b>1,546,448,559,783</b>
310	<b>I. Current liabilities</b>		<b>1,442,671,875,889</b>	<b>491,819,388,532</b>
311	1. Short-term trade payables	15	22,160,392,076	13,952,622,689
312	2. Short-term prepayments from customers	16	363,738,215,355	210,439,884,837
313	3. Taxes and other payables to State budget	17	25,452,132,912	3,413,965,163
314	4. Payables to employees		-	57,000,000
315	5. Short-term accrued expenses	18	181,278,665,999	3,063,194,929
318	6. Short-term unearned revenue	20	1,115,901,055	1,821,386,253
319	7. Other short-term payables	19	526,128,972,429	194,406,945,000
320	8. Short-term borrowings and finance lease liabilities	14	322,660,000,000	64,526,793,598
322	9. Bonus and welfare fund		137,596,063	137,596,063
330	<b>II. Non-current liabilities</b>		<b>1,065,815,099,081</b>	<b>1,054,629,171,251</b>
337	1. Other long-term payables	19	501,836,092,249	500,563,822,249
339	2. Convertible bonds	21	563,979,006,832	554,065,349,002
400	<b>D. OWNER'S EQUITY</b>		<b>3,841,772,561,797</b>	<b>3,846,047,275,076</b>
410	<b>I. Owner's equity</b>	22	<b>3,841,772,561,797</b>	<b>3,846,047,275,076</b>
411	1. Contributed capital		3,629,940,140,000	3,629,940,140,000
411a	Ordinary shares with voting rights		3,629,940,140,000	3,629,940,140,000
413	2. Conversion options on convertible bonds		44,370,685,998	44,370,685,998
415	3. Treasury shares		(219,996,488,178)	(219,996,488,178)
421	4. Retained earnings		387,458,223,977	391,732,937,256
421a	Retained earnings accumulated till the end of the previous year		147,975,558,096	228,584,446,591
421b	Retained earnings of the current year		239,482,665,881	163,148,490,665
440	<b>TOTAL CAPITAL</b>		<b>6,350,259,536,767</b>	<b>5,392,495,834,859</b>

Preparer

Bui Thi Tra

Chief Accountant

Phung Thi Thu Huong

Hai Phong, 11 November 2019



Do Hui Ha

## INTERIM SEPARATE STATEMENT OF INCOME

For the accounting period from 01/04/2019 to 30/09/2019

Code	ITEMS	Note	This period VND	Previous period VND
01	1. Revenue from sales of goods and rendering of services	24	682,369,908,415	404,423,745,560
02	2. Revenue deductions		-	822,921,000
10	3. Net revenue from sales of goods and rendering of services		682,369,908,415	403,600,824,560
11	4. Cost of goods sold	25	411,757,117,230	283,373,063,100
20	5. Gross profit from sales of goods and rendering of services		270,612,791,185	120,227,761,460
21	6. Financial income	26	99,447,783,840	8,323,696,367
22	7. Financial expense	27	22,593,018,125	360,207,363
23	<i>In which: Interest expense</i>		2,240,079,552	315,380,020
25	8. Selling expense	28	15,749,115,567	3,274,108,096
26	9. General and administrative expense	29	8,148,201,914	7,196,956,830
30	10. Net profit from operating activities		323,570,239,419	117,720,185,538
31	11. Other income	30	2,383,334,025	2,853,277,804
32	12. Other expense		116,266,120	1,082,616,777
40	13. Other profit		2,267,067,905	1,770,661,027
50	14. Total net profit before tax		325,837,307,324	119,490,846,565
51	15. Current corporate income tax expense	31	50,591,152,677	24,114,692,473
60	17. Profit after corporate income tax		<u>275,246,154,647</u>	<u>95,376,154,092</u>

Hai Phong, 11 November 2019

Preparer

Bui Thi Tra

Chief Accountant

Phung Thi Thu Huong

Director



Đỗ Hữu Hà



## INTERIM SEPARATE STATEMENT OF CASH FLOWS

For the accounting period from 01/04/2019 to 30/09/2019

(Indirect method)

Code	ITEMS	Note	This period VND	Previous period VND
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
01	1. Profit before tax		325,837,307,324	119,490,846,565
	2. Adjustment for:		(94,361,493,121)	(5,002,768,420)
02	- Depreciation of fixed assets and investment properties		2,851,595,848	2,900,894,247
04	- Exchange gains / losses from retranslation of monetary items denominated in foreign currency		(10,243,225)	(647,870,237)
05	- Gains / losses from investment		(99,442,925,296)	(7,571,172,450)
06	- Interest expense		2,240,079,552	315,380,020
08	3. Operating profit before changes in working capital		231,475,814,203	114,488,078,145
09	- Increase or decrease in receivables		19,118,817,429	(21,334,303,679)
10	- Increase or decrease in inventories		(333,093,752,048)	(89,188,276,572)
11	- Increase or decrease in payables (excluding interest payable/ corporate income tax payable)		451,076,535,254	193,847,585,007
12	- Increase or decrease in prepaid expenses		(11,970,226,648)	484,628,473
14	- Interest paid		8,335,528,460	-
15	- Corporate income tax paid		(28,984,270,047)	(25,661,395,344)
20	Net cash flow from operating activities		335,958,446,603	172,636,316,030
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
21	1. Purchase or construction of fixed assets and other long-term assets		(420,399,886,338)	(267,234,184,271)
22	2. Proceeds from disposals of fixed assets and other long-term assets		4,380,000,000	-
23	3. Loans and purchase of debt instruments from other entities		(750,900,000,000)	(32,500,000,000)
24	4. Collection of loans and resale of debt instrument of other entities		357,000,000,000	38,000,000,000
26	5. Proceeds from equity investment in other entities		254,545,200,000	225,432,000,000
27	6. Interest and dividend received		82,289,191,847	4,915,233,621
30	Net cash flow from investing activities		(473,085,494,491)	(31,386,950,650)
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
33	1. Proceeds from borrowings		536,660,000,000	152,308,781,498
34	2. Repayment of principal		(278,526,793,598)	-
36	3. Dividends or profits paid to owners		(243,679,164,985)	(300,184,478,601)
40	Net cash flow from financing activities		14,454,041,417	(147,875,697,103)
50	Net cash flows in the period		(122,673,006,471)	(6,626,331,723)



## INTERIM SEPARATE STATEMENT OF CASH FLOWS

For the accounting period from 01/04/2019 to 30/09/2019

(Indirect method)

Code	ITEMS	Note	This period	Previous period
			VND	VND
60	Cash and cash equivalents at the beginning of the year		194,948,804,389	42,258,301,290
61	Effect of exchange rate fluctuations		285,217	335,392,737
70	Cash and cash equivalents at the end of the period	03	<u>72,276,083,135</u>	<u>35,967,362,304</u>

Hai Phong, 11 November 2019

Preparer

Chief Accountant

Director



Bui Thi Tra



Phung Thi Thu Huong



Do Hieu Ha

## NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS

*For the accounting period from 01/04/2019 to 30/09/2019*

### 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 Str., Le Chan Dist., Hai Phong City.

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

#### Business field

The Company operates in the field of commercial business and real estate.

#### Business activities

Main business activities of the Company:

- Construction of railways and roads; Specifics: Construction and repair of traffic works;
- Construction of other civil works; Specifics: Wholesaler of bamboo, timber and processed wood; Wholesaler of cement; Wholesaler of bricks, tiles, stones, sand and gravel; Wholesaler of building glass; Wholesaler of paint and varnish; Wholesaler of ceramic tiles and sanitary ware; Wholesaler of hardware; Wholesaler of concrete;
- Production of body of motor vehicle; Trailers and semi-trailers;
- Production of spare parts and auxiliary parts for motor vehicles and engine.
- Production of motor vehicles; Specifics: Production of motor vehicles, trailers and semi-trailers;
- Production of motorcycles;
- Wholesaler of cars and other motor vehicles;
- Maintenance and repairment of cars and other motor vehicles;
- Site preparation; Specifics: Levelling of ground;
- Wholesaler of machinery, equipment and other machine parts; Specifics: Wholesaler of electrical machinery, equipment, electrical materials (generators, electric motors, wires and other equipment used in the circuit);
- Retailer of car (up to 12 seats);
- Cars and other motor vehicles dealership;
- Road passenger transport; Specifics: Provincial and inter- provincial passenger transport by bus; Fixed - route and flexible passenger transport by cars;
- Construction of all kinds of houses; Details: Construction and repair of all kinds of houses;
- Installation of electrical systems; Specifics: Installation of electrical systems, lighting systems, fire alarm systems and anti-theft system; Installation of communication lines, computer networks and TV cable (including optical cables);
- Construction finishing;
- Management consulting activities; Details: Project Management Consulting (Group C);
- Maintenance and repair of motorcycles;
- Brokerage of Contract of commodity and security; (Exclusive of brokerage in the field of securities, insurance, finance, real estate);



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

- During the period, Hoang Huy Riverside project has been accepted and handed over to customers, leading to significant increase in revenue, cost of goods sold, selling expenses and real estate compared to previous period.

**The Company's structure**

<b>The Company's member entities</b>	<b>Address</b>	<b>Principal activities</b>
Branch of Hoang Huy Investment Financial Services Joint Stock Company in Hanoi	No. 275 Nguyen Trai Str., Thanh Xuan Ward, Thanh Xuan Dist., Hanoi.	Real Estate Business
Business Location No. 01	Km 09 New National Road 05, Nam Son Ward, An Duong Dist., Hai Phong City.	Truck container production
Business Location No. 02	No. 183 Ba Trieu Str., Le Dai Hanh Ward, Hai Ba Trung Dist., Hanoi.	Real Estate and commercial business

Information on subsidiaries, joint ventures and associates of the Company is provided in Note 04.

**2. ACCOUNTING SYSTEM AND ACCOUNTING POLICY**

**2.1. Accounting period and accounting currency**

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

**2.2. Accounting Standards and Accounting system**

*Applicable Accounting Policies*

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

*Declaration of compliance with Accounting Standards and Accounting System*

The Company applies Vietnamese Accounting Standards and supplementary documents issued by the State. Financial Statements are prepared and presented in accordance with regulations of each standard and supplementary document as well as with current Accounting Standards and Accounting System.

**2.3. Financial Instruments**

*Initial recognition*

**Financial assets**

Financial assets of the Company include cash and cash equivalents, held-to-maturity investments, trade receivables, and other receivables. 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.



#### 2.4. 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;
- When purchasing assets or paying immediately in foreign currency, applying the bid rate of the commercial bank where the Company makes payments.

Real exchange rate when revaluating monetary items denominated in foreign currencies at the reporting date of Separate 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 period and from revaluation of remaining foreign currency monetary items at the end of the period are recorded immediately to operating results of the accounting period. In which, exchange gain due to revaluation of monetary items denominated in foreign currencies at the end of the period shall not be used for profit distribution or dividend payment.

#### 2.5. Cash and cash equivalents

Cash comprises cash on hand, demand deposit.

#### 2.6. Financial investments

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

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

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

- With regard to investments in subsidiaries, joint ventures or associates: The provision shall be made based on the Financial Statements of subsidiaries, joint ventures or associates at the provision date;
- With regard to held to maturity investments: The provision for doubtful debts shall be made based on the recovery capacity in accordance with statutory regulations.

## 2.7. 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 fleeing.

## 2.8. Inventories

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

The cost of inventory is calculated using weighted average method.

Inventories are recorded by perpetual method.

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

## 2.9. Fixed assets

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
- Definite land use rights	30 years
- Long-term land use rights	Not amortised
- Management software	08 years

## 2.10. Investment property

Investment properties are recognized at historical cost.

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

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

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



#### 2.11. Construction in progress

Construction in progress includes fixed assets which are being purchased or constructed but have not completed at the end of the accounting period and recorded at historical cost. Attributable costs include construction and installation cost and other direct costs. Depreciation of these assets shall be made when these assets are completed and put into use.

#### 2.12. Operating lease

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

#### 2.13. 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. During the process of operating BCC, depending on the form of BCC, the accounting methods are adopted as follows:

BCC in the form of shares of post-tax profits

According to the terms of BCC, the venturer in charge of accounting for BCC shall record all revenues, expenses and post-tax profits of BCC in their Statement of Income.

#### 2.14. 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.

#### 2.15. 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.

#### 2.16. 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.



#### 2.17. Borrowing costs

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

For general loans, including those used for investment in construction or production of an uncompleted asset, the borrowing costs eligible for capitalization in each accounting period are determined based on capitalization rate over the weighted average accumulated cost incurred for the investment in construction or production of such assets. The capitalization rate is computed at the weighted average interest rate of the borrowings which have not yet been paid during the period, except for particular borrowings serving the purpose of obtaining a qualifying asset.

#### 2.18. Accrued expenses

Accrued expenses include payables to goods or services received from the suppliers or provided for the customers during the reporting period, but the payments for such goods or services have not been made and other payables such as interest expenses, construction in progress... 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.

#### 2.19. Unearned revenues

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

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

#### 2.20. Convertible bonds

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 common borrowing interest rate in the market at the time of issuing bonds and subtracting the cost of issuing convertible bonds.



## 2.21. Owner's equity

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

Option to convert bonds into shares (the capital component of the convertible bond) arises when the Company issues bonds that can be converted into a certain number of shares as stipulated in the issuance plan. The value of the capital component of the convertible bonds is determined at the difference between the total proceeds from the issuance of convertible bonds and the value of debt component of convertible bonds.

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. Net profit 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.

## 2.22. Revenues

### *Sale of goods*

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

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

### *Rendering of services*

Revenue from rendering of services shall be recognised when all the following conditions have been satisfied:

- The amount of the revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity;
- The stage of the completion of the transaction at the end of the reporting period can be measured reliably;
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

The stage of the completion of the transaction may be determined by evaluating the volume of work performed.



*Revenue from sales of real estate*

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

- The construction of real estate has been completed and significant risks and rewards associated with the ownership of the real estate has been transferred to the buyer;
- 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.

*Revenue from operating lease*

Revenue from operating lease mainly includes revenue from leasing of factories and other fixed assets which are recorded in the Statement of Income on straight-line basis method over the entire leasing period according to the leasing agreements.

*Financial income*

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

- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The amount of the revenue can be measured reliably.

Dividend income shall be recognised when the Company's right to receive dividend or profit from capital distribution is established.

**2.23. Revenue deductions**

Revenue deductions from sales and service provisions arising in the period include: Sales discounts.

Sales discount 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).

**2.23. 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. Cases of loss of materials and goods exceeded the norm, abnormal expenses, and losses of inventories after deducting the responsibility of collective and individuals concerned, etc. is recognized fully and promptly into cost of goods sold in the period.

**2.24. Financial expenses**

Items recorded into financial expenses comprise:

- Borrowing costs;
- 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.



## 2.25. Corporate income tax

### a) Current corporate income tax expenses

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

### b) Current corporate income tax rate:

The Company is currently subject to corporate income tax rate of 20% for business activities for the period from 01 April 2019 to 30 September 2019.

## 2.26. Related parties

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

- Companies, directly or indirectly through one or more intermediaries, having control over the Group or being under the control of the Company, or being under common control with the Company, including the Company's parent, subsidiaries and affiliated companies;
- Individuals, directly or indirectly, holding voting power of the Company that have a significant influence on the Company, key management personnel including directors and employees of the Company, the close family members 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 interim separate financial statements, the Company should consider the nature of the relationship rather than the legal form of the relationship.

## 2.27. Segment Reporting

A segment is a distinguishable component of the Company that is engaged in providing 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

	30/09/2019	01/04/2019
	VND	VND
Cash on hand	1,631,454,796	10,066,603,779
Demand deposits	70,644,628,339	184,882,200,610
	<u>72,276,083,135</u>	<u>194,948,804,389</u>



#### 4. FINANCIAL INVESTMENTS

##### a) Held to maturity investments

	30/09/2019		01/04/2019	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Short-term investments	692,900,000,000	-	299,000,000,000	-
- Term deposits (*)	692,900,000,000	-	299,000,000,000	-
	<b>692,900,000,000</b>	<b>-</b>	<b>299,000,000,000</b>	<b>-</b>

(\*) At as 30 September 2019, the held-to-maturity investments are 6-month and 12-month term deposits at the interest rate of from 6.3%/year to 7.5%/year.

##### b) Investments in other entities

	30/09/2019		01/04/2019	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
<b>Investments in subsidiaries</b>	<b>1,499,409,650,000</b>		<b>1,499,409,650,000</b>	
- Hung Viet Trading JSC	1,009,409,650,000	-	1,009,409,650,000	-
- Thinh Hiep Construction JSC	249,184,000,000	-	249,184,000,000	-
- Thinh Phat Real Estate Construction JSC	240,816,000,000	-	240,816,000,000	-
<b>Investments in joint ventures and</b>	<b>1,486,850,901,970</b>		<b>1,738,850,901,970</b>	
- Lam Hau Trading Services JSC	266,000,000,000	-	266,000,000,000	-
- Truong Giang Service Development JSC	134,400,000,000	-	134,400,000,000	-
- Hoang Ha Service Investment JSC	312,000,000,000	-	312,000,000,000	-
- Vinh Quang International Trading Investments JSC (*)	-	-	252,000,000,000	-
- Hoang Huy Investment Services JSC	774,450,901,970	-	774,450,901,970	-
	<b>2,986,260,551,970</b>	<b>-</b>	<b>3,238,260,551,970</b>	<b>-</b>

(\*) According to Resolution No. 09/2019/ND-HDQT dated 01 July 2019, Hoang Huy Investment Financial Services Joint Stock Company has transferred all of its contributed capital in Vinh Quang International Trading Investments JSC to 2 individuals with selling price of VND 10,101/share (equivalent to book value in the latest auditor's report). Accordingly, the interest of VND 2,545,200,000 from this transfer is recognized in financial income in the Separate Statement of Income (Note 26).

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

**Investments in subsidiaries**

Detailed information on the Company's subsidiaries as at 30 September 2019 as follows:

Name of subsidiaries	Place of establishment and operation	Rate of interest	Rate of voting rights	Principal activities
Hung Viet Trading JSC	Hanoi	99.997%	99.997%	Investment in real estate
Thinh Phat Real Estate Construction JSC	Hai Phong City	96.33%	96.33%	Investment in construction
Thinh Hiep Construction JSC	Hai Phong City	95.84%	95.84%	Investment in construction

**Investments in joint-ventures, associates**

Detailed information on the Company's joint-ventures, associates as at 30 September 2019 as follows:

Name of joint-ventures, associates	Place of establishment	Rate of interest	Rate of voting rights	Principal activities
Lam Hau Trading Services JSC	Le Chan District, Hai Phong City	47.50%	47.50%	Automotive business, production and sales of spare parts, real estate business
Truong Giang Service Development JSC	An Duong Dist., Hai Phong City	48.00%	48.00%	Maintenance and repair of automobiles and other motor vehicles, real estate business
Hoang Ha Service Investment JSC	An Duong Dist., Hai Phong City	48.00%	48.00%	Automotive business, production and sales of spare parts, real estate business
Hoang Huy Investment Services JSC	Le Chan District, Hai Phong City	40.24%	40.24%	Automotive business, production and sales of spare parts



## 5. SHORT-TERM TRADE RECEIVABLES

	30/09/2019		01/04/2019	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
<b>a) Trade receivables detailed by customers with large account balances</b>				
- Hong Son Star Trading Co., Ltd	2,800,000,000	-	670,000,000	-
- Lam Hau Trading Services JSC	8,970,000,000	-	8,670,715,000	-
- Hoang Ha Service Investment JSC	-	-	33,945,500,000	-
- Thanh Nam Investment Services JSC	-	-	6,318,000,000	-
- Phuong Bac - HA Commercial and Services JSC	1,586,000,000	-	-	-
- Real estate customers	25,216,238,729	-	-	-
- Others	323,964,658	-	2,536,967,625	-
	<b>38,896,203,387</b>	<b>-</b>	<b>52,141,182,625</b>	<b>-</b>
<b>b) Trade receivables from related parties</b>	<b>8,970,000,000</b>	<b>-</b>	<b>48,958,032,500</b>	<b>-</b>
<i>(As detailed in Note 36)</i>				

## 6. SHORT-TERM PREPAYMENTS TO SUPPLIERS

	30/09/2019		01/04/2019	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
- Nam Phong Electrical Construction JSC	995,040,744	-	964,246,730	-
- CDC Hanoi JSC	-	-	28,172,212,016	-
- Nam Hoang Viet JSC	5,164,832,361	-	23,407,736,928	-
- Nam Son Construction and Trading Co., Ltd	6,735,182,418	-	14,658,641,220	-
- Bach Dang 234 Construction JSC	-	-	4,778,402,010	-
- HD International Investment JSC	-	-	8,753,857,605	-
- Thanh Trung Co., Ltd	2,590,680,935	-	4,857,526,221	-
- Nam San Stones Construction Co., Ltd	10,480,295,131	-	-	-
- Song Hoang Co., Ltd	6,001,345,800	-	-	-
- Austdoor Southern Co., Ltd	4,170,000,000	-	1,200,000,000	-
- Others	14,272,043,492	-	3,310,250,353	-
	<b>50,409,420,881</b>	<b>-</b>	<b>90,102,873,083</b>	<b>-</b>

## 7. OTHER SHORT-TERM RECEIVABLES

	30/09/2019		01/04/2019	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
- Accrued interest	14,934,818,630	-	331,669,862	-
- Mortgages	872,273,600	-	-	-
- Receivables from the Land Fund Development Center in Ngo Quyen District, Hai Phong City <sup>(1)</sup>	6,000,000,000	-	6,000,000,000	-
- Receivable from Land Development Center in Le Chan District, Hai Phong City <sup>(2)</sup>	12,718,553,260	-	-	-
- Receivable from 'Thinh Hiep Construction JSC on advance for implementation of HH3, HH4 project <sup>(3)</sup>	194,378,605,000	-	194,378,605,000	-
	<b>228,904,250,490</b>	<b>-</b>	<b>200,710,274,862</b>	<b>-</b>

<sup>(1)</sup> The Company advanced the expenses of compensation, relocation assistance relating to the project of investment in renovation and rebuilding of Le Loi old apartments U1, U2, U3 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.

<sup>(2)</sup> Hoang Huy Investment Financial Services Joint Stock Company advances funds for compensation and relocation to serve the Hoang Huy Commerce Project for Land Fund Development Center of Le Chan District, Hai Phong City. This fund will be deducted from the land use levies of projects when there is approval from the competent authorities.

<sup>(3)</sup> As detailed in Note 19.

Other receivables from related parties (As detailed in Note 36)	<b>194,378,605,000</b>	<b>-</b>	<b>194,378,605,000</b>	<b>-</b>
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## 8. INVENTORIES

	30/09/2019		01/04/2019	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
- Goods in transit	509,774,035,097	-	-	-
- Raw materials	765,804,800	-	765,947,200	-
- Finished goods (*)	932,625,572,428	-	47,122,328,225	-
- Merchandise	27,627,542,662	-	31,485,993,879	-
- Consignments	101,974,150,438	-	107,417,981,034	-
	<b>1,572,767,105,425</b>	<b>-</b>	<b>186,792,250,338</b>	<b>-</b>

(\*) Finished goods details

	30/09/2019		01/04/2019	
	Giá gốc	Dự phòng	Giá gốc	Dự phòng
	VND	VND	VND	VND
American Trailer Trucks	121,289,370,917	-	47,122,328,225	-
Real estates	811,336,201,511	-	-	-
	<b>932,625,572,428</b>	<b>-</b>	<b>47,122,328,225</b>	<b>-</b>



9. CONSTRUCTION IN PROGRESS

	30/09/2019	01/04/2019
	VND	VND
- Real estate project in progress	346,229,563,199	789,697,303,429
+ Renovation and rebuilding of Le Loi old apartment building U1, U2, U3 <sup>(1)</sup>	95,989,410,350	95,522,872,791
+ Hoang Huy Riverside Project in Thuong Ly Ward, Hong Bang District <sup>(2)</sup>	27,138,531,185	629,118,957,635
+ Renovation of Dong Quoc Binh old apartments HH3, HH4 <sup>(3)</sup>	18,880,014,039	17,876,291,441
+ Hoang Huy Mall project in Kenh Duong Ward, Hai Phong City <sup>(4)</sup>	195,570,219,983	38,623,001,614
+ Renovation of Dong Quoc Binh old apartments HH1, HH2 <sup>(5)</sup>	4,423,380,529	2,552,817,120
+ Other Projects	4,228,007,113	6,003,362,828
	<b>346,229,563,199</b>	<b>789,697,303,429</b>

(1) The project of renovating and rebuilding Le Loi old apartments U1, U2, U3 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 to be implemented from April 2017 and has been completed;
- BT land fund handed over for payment:  
The land located in Kenh Duong ward and Vinh Niem ward, Le Chan district with total area of 30,062 m2, has been handed over to the Company to build the Hoang Huy Mall Project;
- Status of the project as at 30 September 2019: The project has handed over 2 6-storey buildings and 126 apartments, playgrounds and greenery for the Department of Construction to use and hand over to households. people. The time for the project is handed over and put into operation is in February 2018. The Company is waiting for approval of the 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 JSC;
- 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 Dong Quoc Binh old apartment HH3, HH4 at No. 1 and No. 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 Financial Services JSC (As detailed in Note 19);
- Implementation time: The project started from the first quarter of 2018 and expected to be completed in the first quarter of 2020;
- Status of the project as at 30 September 2019: The project has been completed and being handed over to the customers.



(3) The project of renovating Dong Quoc Binh old apartments HH3, HH4 (properly known as the project of renovating severely degraded apartments in Hai Phong City - Golden Land 5 Construction, construction of 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's Enterprise: Thinh Hiep Construction JSC;
- Implementation time: The project has been implemented since 5 March 2018 and is expected to be completed in 24 months from the date that the compensation for site clearance is completed and handed over to the owner;
- Status of the project as at 30 September 2019: The foundation and frame have been completed, the body structure is under construction, HH3 - HH4 building is being deployed to the 28th floor. Part of the project has been implemented and recorded received at Thinh Hiep Construction Joint Stock Company with the amount of VND 661,829,401,303.

(4) Hoang Huy Mall project in Kenh Duong ward, Hai Phong city was approved by Hai Phong People's Committee in accordance with Decision No. 558/QĐ-UBND dated 16 March 2018 and Decision No. 932/QĐ-UBND on land allocation dated April 19, 2019 with the following details:

- Owner: Hoang Huy Investment Financial Services JSC;
- 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 of 30/09/2019, Due to Hai Phong City People's Committee's decision of not allocating detailed land use fee estimates, the Company has not recorded the value of land use right into the value of Hoang Huy Mall residential and commercial area project;
- Implementation time: The project's investment started from the first quarter of 2018 and is expected to be completed in the first quarter of 2021;
- Status of the project as at 30 September 2019: The project has implemented the compensation, leveling and site clearance and incurred costs such as licensing documents, land leveling, corrugated iron fence, pile construction and infrastructure, etc.

(5) The project of renovating Dong Quoc Binh old apartments HH1, HH2 (properly known as the project of renovating severely degraded apartments in Hai Phong City - Golden Land 5 Construction, construction of 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 commenced implementation on 20 February 2019 and is expected to be completed after 24 months from the date that the compensation for site clearance is completed and handed over to the owner;
- Status of the project as at 30 September 2019: The leveling work is completed and the pile construction and infrastructure are under construction, etc.



10 . TANGIBLE FIXED ASSETS

	Buildings, structures	Machinery, equipment	Transportation equipment	Management equipment	Others	Total
	VND	VND	VND	VND	VND	VND
<b>Original cost</b>						
Beginning balance	40,629,493,601	2,210,114,096	12,772,910,636	954,885,771	75,909,500	56,643,313,604
- Liquidation, disposal	-	-	(4,904,632,000)	-	-	(4,904,632,000)
<b>Ending balance</b>	<b>40,629,493,601</b>	<b>2,210,114,096</b>	<b>7,868,278,636</b>	<b>954,885,771</b>	<b>75,909,500</b>	<b>51,738,681,604</b>
<b>Accumulated depreciation</b>						
Beginning balance	22,353,707,465	2,210,114,096	7,321,727,076	778,475,242	75,909,500	32,739,933,379
- Depreciation for the year	781,080,245	-	518,662,306	55,215,906	-	1,354,958,457
- Liquidation, disposal	-	-	(530,016,681)	-	-	(530,016,681)
<b>Ending balance</b>	<b>23,134,787,710</b>	<b>2,210,114,096</b>	<b>7,310,372,701</b>	<b>833,691,148</b>	<b>75,909,500</b>	<b>33,564,875,155</b>
<b>Net carrying amount</b>						
Beginning balance	18,275,786,136	-	5,451,183,560	176,410,529	-	23,903,380,225
<b>Ending balance</b>	<b>17,494,705,891</b>	<b>-</b>	<b>557,905,935</b>	<b>121,194,623</b>	<b>-</b>	<b>18,173,806,449</b>

- Cost of fully depreciated tangible fixed assets but still in use at the end of the year: VND 10,268,293,626.

# 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
<b>Ending balance</b>	<b>56,217,489,700</b>	<b>111,896,190</b>	<b>56,329,385,890</b>
<b>Accumulated amortisation</b>			
Beginning balance	3,305,653,875	111,896,190	3,417,550,065
- Amortisation for the year	99,418,164	-	99,418,164
<b>Ending balance</b>	<b>3,405,072,039</b>	<b>111,896,190</b>	<b>3,516,968,229</b>
<b>Net carrying amount</b>			
Beginning balance	52,911,835,825	-	52,911,835,825
<b>Ending balance</b>	<b>52,812,417,661</b>	<b>-</b>	<b>52,812,417,661</b>

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

(\*) Land use rights of the Company include definite land use rights at Km9, National Road 5 Nam Son Commune, An Duong District, Hai Phong City 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 FOR LEASE

### a) Investment properties for lease

	Land use right <sup>(1)</sup> VND	Buildings, Structures <sup>(1)</sup> VND	Total VND
<b>Original cost</b>			
Beginning balance	195,000,000,000	76,141,197,992	271,141,197,992
<b>Ending balance</b>	<b>195,000,000,000</b>	<b>76,141,197,992</b>	<b>271,141,197,992</b>
<b>Accumulated depreciation</b>			
Beginning balance	-	18,632,126,530	18,632,126,530
- Depreciation for the year	-	1,397,219,227	1,397,219,227
<b>Ending balance</b>	<b>-</b>	<b>20,029,345,757</b>	<b>20,029,345,757</b>
<b>Net carrying amount</b>			
Beginning balance	195,000,000,000	57,509,071,462	252,509,071,462
<b>Ending balance</b>	<b>195,000,000,000</b>	<b>56,111,852,235</b>	<b>251,111,852,235</b>

- Historical cost of Investment property has been fully depreciated but still leased: VND 3,910,164,842.

<sup>(1)</sup> Investment properties including land use rights and properties on land at 183 Ba Trieu Street, Hoan Kiem District, Hanoi City and a part of houses and workshops for rent in Hai Phong City according to annual rent collection method.



**13. PREPAID EXPENSES**

	30/09/2019	01/04/2019
	VND	VND
<b>a) Short-term</b>		
- Land tax	287,070,135	-
- Advertising expenses, brokerage fees for Hoang Huy Riverside project	12,364,065,604	-
	<b>12,651,135,739</b>	<b>-</b>
<b>b) Long-term</b>		
- Advertising expenses, brokerage fees for Hoang Huy Riverside project	-	680,909,091
	<b>-</b>	<b>680,909,091</b>

**14. BORROWINGS**

	01/04/2019		During the period		30/09/2019	
	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 debts	19,711,154,398	19,711,154,398	536,660,000,000	233,711,154,398	322,660,000,000	322,660,000,000
+ <i>Tien Phong Commercial Joint Stock Bank - Thang Long Branch</i> <sup>(1)</sup>	19,711,154,398	19,711,154,398	264,000,000,000	233,711,154,398	50,000,000,000	50,000,000,000
+ <i>Woori Bank Vietnam Limited</i> <sup>(2)</sup>	-	-	115,200,000,000	-	115,200,000,000	115,200,000,000
+ <i>Thinh Phat Real Estate Construction JSC</i> <sup>(3)</sup>	-	-	100,000,000,000	-	100,000,000,000	100,000,000,000
+ <i>Hung Viet Trading JSC</i> <sup>(4)</sup>	-	-	57,460,000,000	-	57,460,000,000	57,460,000,000
- Current portion of long-term debts	44,815,639,200	44,815,639,200	-	44,815,639,200	-	-
+ <i>Tien Phong Commercial Joint Stock Bank - Thang Long Branch</i> <sup>(1)</sup>	44,815,639,200	44,815,639,200	-	44,815,639,200	-	-
	<b>64,526,793,598</b>	<b>64,526,793,598</b>	<b>536,660,000,000</b>	<b>278,526,793,598</b>	<b>322,660,000,000</b>	<b>322,660,000,000</b>
<b>b) Long-term borrowings</b>						
- Long-term debts	44,815,639,200	44,815,639,200	-	44,815,639,200	-	-
+ <i>Tien Phong Commercial Joint Stock Bank - Thang Long Branch</i> <sup>(1)</sup>	44,815,639,200	44,815,639,200	-	44,815,639,200	-	-
	44,815,639,200	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	-	-			-	-



**a) Detailed information on short-term loans:**

(1) The loan from Tien Phong Commercial Joint Stock Bank - Thang Long Branch includes the following loan agreements:

a) The loan agreement No.397/2019/HDTD/PHG/02 dated 26 August 2019 includes the following information:

- + Loan amount: VND 25,000,000,000;
- + Loan purpose: payment for import of US tractors;
- + Loan term: 2 months;
- + Loan interest: 7%/year;
- + Guarantee method: Term deposit contract at Tien Phong Commercial Joint Stock Bank with total value of VND 82,215,000,000;
- + The principal balance of the Loan Agreement as at 30 September 2019 is VND 25,000,000,000.

b) Loan agreement No. 397/2019/HDTD/PHG/03 dated 26 August 2019 with the terms as follow:

- + Loan amount: VND 25,000,000,000;
- + Loan purpose: payment for import of US tractors;
- + Loan term: 2 months;
- + Loan interest: 7%/year;
- + Guarantee method: Term deposit contract at Tien Phong Commercial Joint Stock Bank with total value of VND 82,215,000,000 ;
- + The principal balance of the Loan Agreement as at 30 September 2019 is VND 25,000,000,000.

(2) Credit contract No. VN119003286 dated 23/09/2019 between Woori Bank Limited Vietnam - Hai Phong Branch and JSC Hoang Huy Investment Financial Services JSC with the following details:

- + Loan amount: VND 115,200,000,000;
- + Loan purpose: Supplementing capital to serve production and business activities;
- + Loan term: Until 31 December 2019;
- + Lending interest rate: 6.2%/year;
- + Guaranteed method: Term deposit contract at Vietnam Joint Stock Commercial Bank for Industry and Trade - Ngo Quyen Branch with total amount of VND 128,000,000,000 ;
- + The principal balance of the Credit Contract as at 30 September 2019 is: VND 115,200,000,000.

(3) Loan agreement No. 13.9.2019/TP-TCH dated 13 September 2019 between Thinh Phat Real Estate Construction JSC and Hoang Huy Investment Financial Services Joint Stock Company with the terms as follow:

- + Amount: VND 100,000,000,000;
- + Loan purpose: supplementing capital for investment, construction activities
- + Loan term: 6 months from the disbursement date
- + Loan interest: 7.5%/year;
- + Loan guarantee: unsecured loan;
- + The principal balance of the credit contract as at 30 September 2019 is VND 100,000,000,000;

(4) Credit Agreement No. 30/9/2019/HV-TCH dated 30/09/2019 between Hung Viet Trading JSC and Hoang Huy Investment Financial Services JSC with the terms as follows:

- + Amount: VND 57,460,000,000;
- + Loan purpose: supplementing capital for investment, construction activities
- + Loan term: 6 months from the disbursement date
- + Loan interest: 7.5%/year;
- + Loan guarantee: unsecured loan;
- + The principal balance of the credit contract as at 30 September 2019 is VND 57,460,000,000;

b) Borrowings and finance lease liabilities from related parties

Relation	30/09/2019		01/04/2019	
	Principal	Interest	Principal	Interest
	VND	VND	VND	VND
Borrowings and debts	157,460,000,000	287,671,233	-	-
- Thinh Phat Real Subsidiary	100,000,000,000	287,671,233	-	-
Estate Construction				
JSC				
- Hung Viet Trading Subsidiary	57,460,000,000	-	-	-
	<b>157,460,000,000</b>	<b>287,671,233</b>	<b>-</b>	<b>-</b>

15. SHORT-TERM TRADE PAYABLES

	30/09/2019		01/04/2019	
	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				
- Le Quan Construction Co., Ltd	348,537,620	348,537,620	348,537,620	348,537,620
- Minh Long Construction and Industry Co., Ltd	694,914,000	694,914,000	710,509,800	710,509,800
- Truong Phat International Construction Investment Consulting JSC	18,379,170,871	18,379,170,871	12,278,884,117	12,278,884,117
- Other trade payables	2,737,769,585	2,737,769,585	614,691,152	614,691,152
	<b>22,160,392,076</b>	<b>22,160,392,076</b>	<b>13,952,622,689</b>	<b>13,952,622,689</b>

16. SHORT-TERM PREPAYMENTS FROM CUSTOMERS

	30/09/2019	01/04/2019
	VND	VND
- Viet Dung Commercial and Development JSC	-	780,000,000
- Vinh Quang International Commercial Investment JSC	-	5,785,000,000
- Intertruck Co., Ltd	1,994,000,000	5,149,139,800
- Progressive advance payment from real estate buyers	340,107,285,821	191,935,130,471
- Hung Anh Cars Co., Ltd	7,820,646,033	981,397,566
- Hoang Hiep Investment Construction JSC	6,144,000,000	-
- Other prepayments	7,672,283,501	5,809,217,000
	<b>363,738,215,355</b>	<b>210,439,884,837</b>
Prepayments from customers from related parties (As detailed in Note 36)	<b>7,961,025,000</b>	<b>7,223,720,000</b>



17. TAX PAYABLES AND STATUTORY OBLIGATIONS

	Tax receivable at the beginning of the period	Tax payable at the beginning of the period	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	-	-	30,478,652,600	30,478,652,600	-	-
- Corporate income tax	-	3,381,387,256	50,591,152,677	28,984,270,047	-	24,988,269,886
- Personal income tax	-	32,577,907	12,557,596,370	12,500,590,200	-	89,584,077
- Land tax and land rental	-	-	186,539,999,230	186,539,999,230	-	-
- Other taxes	5,000,000	-	379,278,949	-	-	374,278,949
	<u>5,000,000</u>	<u>3,413,965,163</u>	<u>280,546,679,826</u>	<u>258,503,512,077</u>	<u>-</u>	<u>25,452,132,912</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 interim separate financial statements could be changed at a later date upon final determination by the tax authorities.

# 18. SHORT-TERM ACCRUED EXPENSES

	30/09/2019	01/04/2019
	VND	VND
- Loan interests	287,671,233	-
- Construction costs of Hoang Huy Riverside project (*)	177,999,099,837	-
- Others	2,991,894,929	3,063,194,929
	<b>181,278,665,999</b>	<b>3,063,194,929</b>
In which accrued expenses with related parties (As detailed in Note 36)	<b>287,671,233</b>	-

(\*) Basic construction expenses actually incurred but there are insufficient documents and vouchers for acceptance of the appropriated work volume according to the provisional settlement dossier, contract and appendices if there is no provisional settlement document to calculate prime cost of real estate finished product.

# 19. OTHER PAYABLES

	30/09/2019	01/04/2019
	VND	VND
a) Short-term		
- Social insurance	-	28,340,000
- Dividends or profits payable	78,214,175	-
- Other payables	526,050,758,254	194,378,605,000
+ First-time payment for the HH3, HH4 Project <sup>(1)</sup>	194,378,605,000	194,378,605,000
+ First-time payment for the U1, U2, U3 Le Loi Project <sup>(2)</sup>	101,221,533,000	-
+ Asia Commercial Joint Stock Bank - Hai Phong Branch <sup>(3)</sup>	194,196,421,488	-
+ Distributed profit for Hoang Huy Investment Services JSC <sup>(4)</sup>	35,763,488,766	-
+ Others	490,710,000	-
	<b>526,128,972,429</b>	<b>194,406,945,000</b>
b) Long-term		
- Long-term deposits and collateral received	1,943,058,246	670,788,246
- Other payables	499,893,034,003	499,893,034,003
+ Receiving capital contribution from Hoang Huy Investment Services Joint Stock Company <sup>(4)</sup>	499,706,000,000	499,706,000,000
+ Others	187,034,003	187,034,003
	<b>501,836,092,249</b>	<b>500,563,822,249</b>
c) Other payables from related parties (As detailed in Note 36)	<b>535,469,488,766</b>	<b>499,706,000,000</b>

(1) According to Decision No. 306/QD-UBND dated 01 February 2019, the People's Committee of Hai Phong City allocates the detailed estimate of land use levy collection for Hoang Huy Riverside Project and payment for the Goldenland 5 project, construction of HH3, HH4 apartment in 2019 of VND 194,378,605,000. Accordingly, Hoang Huy Investment Financial Services Joint Stock Company has been paid the 1st payment for HH3 and HH4 project with the amount of VND 194,378,605,000 (reciprocal with land use levy of Hoang Huy Riverside Project). Hoang Huy Financial Services Investment JSC transferred the above paid amount to Thinh Hiep Construction JSC, which is the HH3, HH4 project's Enterprise (As detailed in Note 7).



(2) According to Decision No. 986/QĐ-UBND dated 25 April 2019, Hai Phong City People's Committee allocates detailed estimates of land use levy collection of Hoang Huy Mall construction investment project in Kenh Duong ward, Le Chan district and payment for Project of renovating and rebuilding Le Loi old apartments U1, U2, U3, Ngo Quyen district in 2019 under the BT form, with the amount of VND 101,221,533,000.

(3) Payables to Asia Commercial Joint Stock Bank - Hai Phong Branch for service of "Deferred Payment L/C - Payment at sight": Asia Commercial Joint Stock Bank - Hai Phong Branch will accept payment to the correspondent bank, and the correspondent bank will negotiate to pay immediately to foreign suppliers with all costs paid by Hoang Huy Investment Financial Services JSC. The maximum time for deferred payment L/C is 180 days.

(4) Receiving capital contribution under Business Cooperation Contract No. 168/HTKD dated 16 August 2017 and its Appendix No. 01PL/168 between Hoang Huy Investment Services Joint Stock Company (HHS) ) and Hoang Huy Investment Financial Services JSC (TCH) with the following detailed terms:

- Purpose of business cooperation: Investment in project of renovating and rebuilding old apartments Le Loi U1, U2, U3, HH3, HH4 old apartment renovation project in Dong Quoc Binh and Hoang Huy Riverside construction project;
- Contributing parties and capital contribution rate:
  - + The total estimated investment of the projects is more than VND 2,858 billion;
  - + Hoang Huy Investment Services Joint Stock Company (HHS) contributed VND 500 billion in cash;
  - + Hoang Huy Investment Financial Services Joint Stock Company (TCH) contributes the remaining amount in cash, project exploitation rights, land use rights in projects. Besides, TCH is in charge of accounting for business cooperation contracts;
- Responsibility of the parties:
  - + Hoang Huy Investment Services Joint Stock Company (HHS) is responsible for fully contributing the committed capital according to the schedule announced by Hoang Huy Investment Financial Services Joint Stock Company (TCH);
  - + Hoang Huy Investment Financial Services Joint Stock Company (TCH) is responsible for completing legal procedures to implement the project, run project activities, determine the selling price of products, pay taxes and bear all risks if the project suffer losses, transfer profits and return contributed capital to Hoang Huy Investment Services Joint Stock Company (HHS) in accordance with the contract.
- Distribution of results: Hoang Huy Investment Services Joint Stock Company (HHS) is entitled to 25% of the after-tax profit of Hoang Huy Riverside project every year, Hoang Huy Investment Financial Services Joint Stock Company (TCH) is entitled to the remaining profits; Profit of Hoang Huy Investment Services Joint Stock Company (HHS) earned in the period is VND 35,763,488,766;
- Hoang Huy Investment Services Joint Stock Company has the priority to buy part or all of the products of Hoang Huy Riverside project to invest, and distribute products to consumers.

(As detailed in Note 9).

## 20. SHORT-TERM UNEARNED REVENUE

	30/09/2019	01/04/2019
	VND	VND
- Unearned revenue from asset leasing	1,115,901,055	1,821,386,253
	<u>1,115,901,055</u>	<u>1,821,386,253</u>



## 21. CONVERTIBLE BONDS

- Name of bonds: Convertible bond type A 2019 Hoang Huy Investment Financial Services Joint Stock Company;
- Bond code: TCH\_TPCD2019\_A;
- Purpose: Increase the scale of operating capital to ensure the capital source for implementing existing programs and projects of the Company;
- Release date: 22 March 2019;
- Type of bond: Convertible bonds with secured assets, without warrants;
- The par value : VND 1,000,000/bond, total issuance value is VND 598,808,000,000;
- Bond term: 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 the payment of 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: for the first issuance is VND 16,550 / share;
- Conversion rate:  $= M / P$   
In which:  
M is the face value of a bond and is equal to VND 1,000,000 ;  
P is the conversion price effective at the time of conversion;
- Conversion term: Minimum time for first phase is greater than or equal to ( $\geq$ ) 33.3% of total convertible bonds circulating within 03 consecutive months from the working day after 12 months from the date of issuance, Minimum time for second phase is greater than or equal to ( $\geq$ ) 66.7% of the total convertible bonds circulating into shares within 09 consecutive months from the last day of the first phase, phase 3 from the last day of the second phase until the last day of the conversion period; Bond owners only convert once every time;
- The Company applied an interest rate of 9%/year to discount the nominal value of future payments (including principal and interest on bonds) to the present value and then determine the value of the capital component of the bond (stock options of the equity). This interest rate is determined by the Company based on the average loan interest rate of Tien Phong Commercial Joint Stock Bank - Thang Long Branch. Whereby:

	Initial recognition	30/09/2019	01/04/2019
		VND	VND
<b>Convertible bonds TCH_TPCD2019_A</b>			
- Principal value of the convertible bond	554,437,314,002	564,288,977,665	554,065,349,002
- Bond issuance costs which have been deducted to the bond principal	(371,965,000)	(309,970,833)	-
- Conversion options on convertible bonds	44,370,685,998	44,370,685,998	44,370,685,998



## 22. OWNER'S EQUITY

### a) Changes in owner's equity

	Contributed Capital	Conversion options on convertible	Treasury shares	Retained earnings	Total
	VND	VND	VND	VND	VND
Beginning balance of previous year	3,629,940,140,000	-	(219,996,488,178)	528,816,134,345	3,938,759,786,167
Profit for previous period	-	-	-	95,376,154,092	95,376,154,092
Profit distribution	-	-	-	(300,280,829,400)	(300,280,829,400)
Ending balance of previous period	3,629,940,140,000	-	(219,996,488,178)	323,911,459,037	3,733,855,110,859
Beginning balance of current period	3,629,940,140,000	44,370,685,998	(219,996,488,178)	391,732,937,256	3,846,047,275,076
Profit for this period	-	-	-	275,246,154,647	275,246,154,647
Profit distribution (*)	-	-	-	(243,757,379,160)	(243,757,379,160)
Profit distribution for BBC (**)	-	-	-	(35,763,488,766)	(35,763,488,766)
Ending balance	3,629,940,140,000	44,370,685,998	(219,996,488,178)	387,458,223,977	3,841,772,561,797

(\*) According to Resolution No. 02/2019/NQ-DHDCD dated 15 June 2019 of the Annual General Meeting of Shareholders in 2019, the Company announced its profit distribution in 2018 as follows:

	Rate %	Amount VND
Dividend payment (each share receives VND 690)	6.9%	243,757,379,160

(\*\*) As detailed in Note 19 (4).

### b) Details of contributed capital

	30/09/2019	Rate	01/04/2019	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	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

	First 6 months of 2019 VND	First 6 months of 2018 VND
Owner's contributed capital		
- At the beginning of the period	3,629,940,140,000	3,629,940,140,000
- At the end of the period,	3,629,940,140,000	3,629,940,140,000

d) Share

	30/09/2019	01/04/2019
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

23. OFF STATEMENT OF FINANCIAL POSITION ITEMS

a) Operating asset for leasing

The Company leases its assets under operating lease contracts. As at 30 June 2019, total future minimum leasing under operating lease contracts are presented as follows:

	30/09/2019	01/04/2019
	VND	VND
- Up to 1 year	6,296,682,890	5,818,721,799
- In 1 year to 5 years	6,382,423,282	5,880,409,834
- In more than 5 years	2,754,818,182	3,201,545,455

b) Operating leased assets

The Company signs land lease contracts in Hai Phong to serve production and business activities as follows:

Land lot	Purpose	Area	Lease term
Land lot in Nam Son commune, An Duong district, Hai Phong city	Construction of factory to manufacture engines, frames, spare parts and assembly of two-wheel motorcycles	25,828.2 m2	From 2003 to 2033
Land lot in Nam Son commune, An Duong district, Hai Phong city	Construction of operating office and store	19,875.3 m2	From 2002 to 2032

According to these contracts, the Company must pay the land rental until the contract maturity date in accordance with the current regulations of the State.

c) Foreign currencies

	Unit	30/09/2019	01/04/2019
- US Dollar	USD	902,203.78	225,644.72
- Euro	EUR	8.95	8.95



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

	First 6 months of 2019	First 6 months of 2018
	VND	VND
Revenue from sale of goods	2,559,027,363	1,199,458,720
Revenue from sale of US trailer trucks and spare parts	237,245,636,334	394,236,383,976
Revenue from rendering of services	9,821,615,578	8,987,902,864
Real estate revenue	432,743,629,140	-
	<b>682,369,908,415</b>	<b>404,423,745,560</b>

In which: Revenue from related parties  
(As detailed in Note 36)

**185,311,117,990**    **303,769,371,343**

**25. COST OF GOODS SOLD**

	First 6 months of 2019	First 6 months of 2018
	VND	VND
Cost of goods sold	2,074,481,136	928,741,049
Cost of US trailer trucks sold and spare parts collected	163,680,913,428	277,884,868,932
Cost of services rendered	4,456,821,138	4,559,453,119
Cost of real estate sold	241,544,901,528	-
	<b>411,757,117,230</b>	<b>283,373,063,100</b>

**26. FINANCIAL INCOME**

	First 6 months of 2019	First 6 months of 2018
	VND	VND
Interest income	23,894,530,615	5,339,172,450
Interest from disposal of investments	2,545,200,000	2,232,000,000
Dividends and profits received	72,997,810,000	-
Realised exchange gain	-	104,645,464
Unrealised exchange gain	10,243,225	647,878,453
	<b>99,447,783,840</b>	<b>8,323,696,367</b>

In which: Financial income from related parties  
(as detailed in Note 36)

**74,558,097,671**    **-**

## 27. FINANCIAL EXPENSES

	First 6 months of 2019	First 6 months of 2018
	VND	VND
Interest expenses	2,240,079,552	315,380,020
Realised exchange loss	-	44,819,127
Unrealised exchange loss	-	8,216
Bond interest expenses and bond-issuing expenses allocated	20,085,850,650	-
Other financial expenses	267,087,923	-
	<b>22,593,018,125</b>	<b>360,207,363</b>
In which: Financial expenses from related parties (as detailed in Note 36)	287,671,233	-

## 28. SELLING EXPENSES

	First 6 months of 2019	First 6 months of 2018
	VND	VND
Raw materials	4,834,000	-
Labour expenses	1,690,904,763	1,909,442,205
Depreciation expenses	41,077,362	20,538,682
Expenses of outsourcing services	13,954,920,150	1,175,563,856
Other expenses in cash	57,379,292	168,563,353
	<b>15,749,115,567</b>	<b>3,274,108,096</b>

## 29. GENERAL ADMINISTRATIVE EXPENSES

	First 6 months of 2019	First 6 months of 2018
	VND	VND
Raw materials	1,660,787,602	-
Labour expenses	1,394,580,947	1,683,528,023
Depreciation expenses	1,458,697,080	1,135,418,144
Expenses of outsourcing services	3,087,116,200	3,267,066,645
Other expenses in cash	547,020,085	1,110,944,018
	<b>8,148,201,914</b>	<b>7,196,956,830</b>



**30. OTHER INCOME**

	First 6 months of 2019	First 6 months of 2018
	VND	VND
Gain from liquidation, disposal of fixed assets	5,384,681	-
Free-of-charge goods received from Navistar	2,366,245,344	2,853,226,628
Other income	11,704,000	51,176
	<b>2,383,334,025</b>	<b>2,853,277,804</b>
In which: Other income from related parties (as detailed in Note 36)	5,384,681	-

**31. CURRENT CORPORATE INCOME TAX EXPENSES**

	First 06 months of 2019	First 06 months of 2018
	VND	VND
<i>Corporate income tax from business activities</i>		
Total profit before Corporate income tax	147,301,358,077	119,490,846,565
Increase	116,266,058	1,082,615,800
- Ineligible expenses	116,266,058	1,082,615,800
Decrease	(72,997,810,000)	-
- Dividend, profit distributed	(72,997,810,000)	-
Taxable income	74,419,814,135	120,573,462,365
<b>Current corporate income tax expense (tax rate 20%)</b>	<b>14,883,962,828</b>	<b>24,114,692,473</b>
Adjustment of tax expenses from previous periods to current period		
Tax payable at the beginning of the period	3,381,387,256	6,943,698,084
Tax paid in the period	(23,534,272,483)	(25,661,395,344)
<b>Corporate income tax payable at the end of the period from business activities</b>	<b>(5,268,922,399)</b>	<b>5,396,995,213</b>
<i>Corporate income tax from real estate activities</i>		
Total profit from real estate activities	178,535,949,247	-
Taxable income	178,535,949,247	-
<b>Current corporate income tax expense (tax rate 20%)</b>	<b>35,707,189,849</b>	<b>-</b>
Temporarily payment on advance of real estate activities	(5,449,997,564)	-
Tax payable at the beginning of the period	-	-
Tax paid in the period	-	-
<b>Corporate income tax payable at the end of the period from real estate activities</b>	<b>30,257,192,285</b>	<b>-</b>
Total current corporate income tax expense	50,591,152,677	24,114,692,473
<b>Corporate income tax payable at the end of the period</b>	<b>24,988,269,886</b>	<b>5,396,995,213</b>

### 32. BUSINESS AND PRODUCTIONS COST BY ITEMS

	First 6 months of 2019	First 6 months of 2018
	VND	VND
Raw materials	233,830,854,203	136,422,511,304
Labour expenses	3,418,587,410	4,588,438,728
Depreciation expenses	2,742,329,790	2,900,894,247
Expenses of outsourcing services	20,160,276,220	4,442,630,501
Other expenses in cash	606,216,520	1,279,507,371
	<b>260,758,264,143</b>	<b>149,633,982,151</b>

### 33. FINANCIAL INSTRUMENTS

The types of financial instruments of the Company

	Carrying amount			
	30/09/2019		01/04/2019	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
<b>Financial Assets</b>				
Cash and cash equivalent	72,276,083,135	-	194,948,804,389	-
Trade and other receivables	267,800,453,877	-	252,851,457,487	-
Lending loans	692,900,000,000	-	299,000,000,000	-
	<b>1,032,976,537,012</b>	<b>-</b>	<b>746,800,261,876</b>	<b>-</b>

	Giá trị sổ kế toán	
	30/09/2019	01/04/2019
	VND	VND
<b>Financial Liabilities</b>		
Borrowings and debts	322,660,000,000	64,526,793,598
Trade and other payables	1,050,125,456,754	708,923,389,938
Accrued expenses	181,278,665,999	3,063,194,929
	<b>1,554,064,122,753</b>	<b>776,513,378,465</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 30/09/2019</b>				
Cash and cash equivalent	72,276,083,135	-	-	72,276,083,135
Trade and other receivables	267,800,453,877	-	-	267,800,453,877
Lending loans	692,900,000,000	-	-	692,900,000,000
	<b>1,032,976,537,012</b>	<b>-</b>	<b>-</b>	<b>1,032,976,537,012</b>
<b>As at 01/04/2019</b>				
Cash and cash equivalent	194,948,804,389	-	-	194,948,804,389
Trade and other receivables	252,851,457,487	-	-	252,851,457,487
Lending loans	299,000,000,000	-	-	299,000,000,000
	<b>746,800,261,876</b>	<b>-</b>	<b>-</b>	<b>746,800,261,876</b>

**Liquidity Risk**

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

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

	Up to 1 year	In 1 to 5 years	In more than 5 years	Total
	VND	VND	VND	VND
<b>As at 30/09/2019</b>				
Borrowings and debts	322,660,000,000	-	-	322,660,000,000
Trade and other payables	548,289,364,505	501,836,092,249	-	1,050,125,456,754
Accrued expenses	181,278,665,999	-	-	181,278,665,999
	<b>1,052,228,030,504</b>	<b>501,836,092,249</b>	<b>-</b>	<b>1,554,064,122,753</b>

As at 01/04/2019

Borrowings and debts	64,526,793,598	-	-	64,526,793,598
Trade and other payables	208,359,567,689	500,563,822,249	-	708,923,389,938
Accrued expenses	3,063,194,929	-	-	3,063,194,929
	<b>275,949,556,216</b>	<b>500,563,822,249</b>	<b>-</b>	<b>776,513,378,465</b>

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

### 34. SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

There have been no significant events occurring after the reporting period, which would require adjustments or disclosures to be made in the Interim Separate financial statements.

### 35. SEGMENT REPORTING

Under business fields:

	Real estate activities VND	Sale of US trailer truck VND	Others VND	Grand Total VND
Net revenue from sales to external customers	432,743,629,140	237,245,636,334	12,380,642,941	682,369,908,415
Gross profit from sales of goods and rendering of services	191,198,727,612	73,564,722,906	5,849,340,667	270,612,791,185
Segment assets	1,455,634,562,306	761,430,903,914	251,111,852,235	2,468,177,318,455
Unallocated assets				3,882,082,218,312
<b>Total assets</b>	<b>1,455,634,562,306</b>	<b>761,430,903,914</b>	<b>251,111,852,235</b>	<b>6,350,259,536,767</b>
Segment liabilities	1,964,163,955,389			1,964,163,955,389
Unallocated liabilities				544,323,019,581
<b>Total liabilities</b>	<b>1,964,163,955,389</b>			<b>2,508,486,974,970</b>

Under geographical area:

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



### 36. TRANSACTION AND BALANCES WITH RELATED PARTIES

During the period, the Company has transactions and outstanding balances at the end of the period with related parties as follows (except for borrowings from related parties are provided in Note 14):

Transactions during the period:

	Relation	First 6 months of 2019 VND	First 6 months of 2018 VND
<b>Revenue from sale of goods and rendering of services</b>		<b>185,311,117,990</b>	<b>303,769,371,343</b>
Lam Hau Trading Services JSC	Associate	62,070,909,082	64,169,090,903
Hoang Ha Service Investment JSC	Associate	55,097,999,991	54,124,545,457
Truong Giang Service Development JSC	Associate	3,996,302,271	16,837,525,906
Vinh Quang International Trading Investments JSC (from 01/04/2019 to 14/08/2019)	Associate (divested completely)	9,163,636,362	20,203,636,365
Viet Dung Development Trading JSC (from 01/04/2018 to 08/08/2018)	Associate (divested completely)	-	29,472,727,268
Hoang Giang Service Development JSC	Subsidiary of Associate	10,509,090,906	79,642,727,271
Hoang Huy Investment Services JSC	Associate	60,000,000	5,224,090,908
Hoang Hiep Investment Construction Corporation (from 01/04/2019 to 15/05/2019)	Investee of Subsidiary (divested completely)	5,433,090,909	33,749,572,722
Thanh Nam Investment Service JSC	Associate of Associate	38,693,636,359	-
Thinh Hiep Construction JSC	Subsidiary	54,545,455	290,909,088
Thinh Phat Real Estate Construction JSC	Subsidiary	54,545,455	54,545,455
Prukha Vietnam Co., Ltd	Subsidiary of Associate	177,361,200	-
<b>Financial income</b>		<b>74,558,097,671</b>	<b>-</b>
Mrs. Tran Thi Hoang Ha - Gain from disposal of investment	Deputy General Director	1,212,000,000	-
Hung Viet Trading JSC - Dividend	Subsidiary	72,997,810,000	-
Thinh Hiep Construction JSC - Loan interest	Subsidiary	348,287,671	-
<b>Financial expenses</b>		<b>287,671,233</b>	<b>-</b>
Thinh Phat Real Estate Construction JSC	Subsidiary	287,671,233	-
<b>Disposal of fixed assets</b>		<b>5,384,681</b>	<b>-</b>
Hung Viet Trading JSC	Subsidiary	5,384,681	-

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

	Relation	30/09/2019 VND	01/04/2019 VND
<b>Short-term trade receivables</b>		<b>8,970,000,000</b>	<b>48,958,032,500</b>
Lam Hau Trading Services JSC	Associate	8,970,000,000	8,670,715,000
Hoang Ha Service Investment JSC	Associate	-	33,945,500,000
Truong Giang Service Development JSC	Associate	-	23,817,500
Thanh Nam Investment Service JSC	Associate of Associate	-	6,318,000,000



	Relation	30/09/2019	01/04/2019
		VND	VND
<b>Other short-term receivables</b>		<b>194,378,605,000</b>	<b>194,378,605,000</b>
Thinh Hiep Construction JSC	Subsidiary	194,378,605,000	194,378,605,000
<b>Short-term prepayment from customers</b>		<b>7,961,025,000</b>	<b>7,223,720,000</b>
Truong Giang Service Development JSC	Associate	896,025,000	-
Vinh Quang International Trading Investments JSC (from 01/04/2019 to 14/08/2019)	Associate (divested completely)	-	5,785,000,000
Hoang Hiep Investment Construction Corporation (from 01/04/2019 to 15/05/2019)	Investee of Subsidiary (divested completely)	6,144,000,000	1,438,720,000
Thanh Nam Investment Service JSC	Associate of Associate	921,000,000	-
<b>Accrued expenses</b>		<b>287,671,233</b>	<b>-</b>
Thinh Phat Real Estate Construction JSC	Subsidiary	287,671,233	-
<b>Other payables</b>		<b>535,469,488,766</b>	<b>499,706,000,000</b>
Hoang Huy Investment Services JSC - Capital contribution for investment	Associate	499,706,000,000	499,706,000,000
Hoang Huy Investment Services JSC - Investment cooperation profit	Associate	35,763,488,766	-
Transactions with other related parties:			
		First 6 months of 2019	First 6 months of 2018
		VND	VND
Remuneration to Director		220,200,000	198,780,000
Remuneration to other members of the Board of Management and Board of Directors		389,160,000	355,421,712

### 37. COMPARATIVE FIGURES

The comparative figures in the Interim Separate Statement of Financial Position and corresponding Notes are figures in the Separate Financial Statements for the fiscal year ended as at 31 March 2019, which were audited by AASC Auditing Firm Company Limited. The comparative figures in the Interim Separate Statement of Income, Interim Separate Statement of Cash Flows and corresponding Notes are figures in the Interim Separate Financial Statements which have been reviewed for the period from 01/04/2018 to 30/09/2018.

Hai Phong, 11 November 2019

Preparer

Chief Accountant

Director



Bui Thi Tra

Phung Thi Thu Huong

Do Huu Ha