



**HOÀNG QUÂN®**

KNOWLEDGE - INNOVATION - PIONEERING

# ANNUAL REPORT 2014

REAL ESTATE



EDUCATION



FINANCIAL



**SOLID PIONEERING  
REACHING NEW HEIGHT**

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### Vision

Becoming a leading Vietnamese company operated in multi-sector, multi-field, where Real Estate, Education, Finance are considered as key sectors to generate strengths for sustainable development.

### Mission

Constantly innovating, striving to create high quality products and services at reasonable cost. Pioneering in every products and services and bringing about differentiated values to customers and shareholders.

### Core values

**Knowledge:** Knowledge is considered as the foundation for sustainable development and creating Hoang Quan's competitiveness.

**Innovation:** Always turning towards new challenges and accepting changes.

**Pioneering:** Pioneering in the mission of serving customers, shareholders and the society.





To reach the proud achievements in 2014, the Company must overcome many challenges and obstacles on the pioneering path of investment in social housing development in the early stage of implementation of the Government's housing policies.

#### To: Our Valued Shareholders

2015 has special significance - marking the 15th anniversary Hoang Quan Group (HQC)'s establishment, as well as marking the end of 5-year term of the Board of Directors, Board of Management and Supervisory Board since HQC was listed in the stock exchange. This milestone is crucial and significant to the current and future development of Hoang Quan Group system.

This year, Hoang Quan is pleased to inform our Valued Shareholders of our breakthrough improvements, especially in the field of the Company's social housing. In particular, in HQC Plaza - Social Housing Project, 100% of houses were roofed and masonry of 50% of total apartments was completed, while **1,300** out of 1,735 apartments were sold. **247** customers were granted with the total disbursement of VND **78.9 billion** by the bank and **542** customers have been approved to receive disbursement and the bank is performing disbursement. For enterprises, BIDV has disbursed VND **378.4 billion** out of VND 540 billion undertaken to Hoang Quan. Thus, HQC Plaza has been disbursed with total amount of VND **457.3 billion**, taking the leading position in HCMC in terms of disbursement, construction and sale progress.

In Mekong Delta University - Can Tho Urban Area Project, from the end of November 2014 until now, the Company has handed over **206** apartments to customers. Currently, **134** customers have been accepted to be disbursed by the bank, in which **99** customers were already disbursed with total amount of VND **27.2 billion**.

In this year, Hoang Quan has been officially **licensed to invest in the development of 10 other social housing projects** in the provinces: HCMC, Binh Thuan, Nha Trang, Vinh Long, Can Tho, Dong Nai, Tien Giang, **providing the market with approximately 10,000 apartments**.

To reach the proud achievements in 2014, the Company must overcome many challenges and obstacles on the pioneering path of investment in social housing development in the early stage of implementation of the Government's housing policies.

Besides, HQC has **quickly completed merger and acquisition activities**, taking over and participating in operation of companies and projects such as: IC Real Co., Ltd. with HQC Royal Tower Project, Tay Ninh Urban Development and Construction JSC, Phan Thiet University, etc.

Regarding the management system, HQC has built a foundation of sustainably developed internal resources for the future through training of professional management staff

with high qualification and experience. At the same time, HQC has **concentrated on investing in IT system to improve management capability**, as an important foundation for the development of Hoang Quan Group system.

Looking back on 15 years of development, it can be said that Hoang Quan has created core competitive advantages and captured opportunities in the context of increasingly fierce competition. Not only having built a strong brand, HQC has also **confirmed the pioneering and leading position in Vietnam market in terms of investment in social housing development in accordance with the Government's policy**.

On the route of development, HQC has always been looking for opportunities in the activities of M&A, alliance and association, cooperation and diversification of production lines to develop Hoang Quan Group system as present. I believe that with the efforts in recent years, HQC has built a solid foundation to facilitate its sustainable development, while helping the company overcome the pressure of increasingly competitive market and international integration.

#### Dear Valued Shareholders,

From the milestone of establishment in 2000, during the development process, Hoang Quan has taking bold steps together with highlighted marks with the name Hoang Quan through the events, namely: listing HQC shares in stock exchange, deploying the construction of the HQC Plaza - Social Housing Project (the pioneering project of social housing with the largest scale and investment in the South). **Chains of social housing projects of HQC brand** in other provinces such as: Binh Thuan, Nha Trang, Vinh Long, Can Tho, Tay Ninh, Dong Nai, Tien Giang are simultaneously formed and established. 02 important industrial parks in Binh Thuan and Vinh Long were established. Education is also promoted with the operation of Tay Nam A College of Economics and Technology, Long An University of Economics and Industry and commencement of construction of Mekong Delta University. **Alliance, association and cooperation with home and abroad large corporations such as LG, Hyundai, Viglacera is promoted, too.**

Throughout the development process, HQC has always carefully prepared development strategies, has been keen to seize opportunities, investing for the future, seeking new cooperation opportunities to make a breakthrough and increase trading ability.

In the future, HQC will still focus on the core business of social housing development, maintaining strong pioneering position to reach new heights. M&A, education activities will be promoted with the orientation of continuing seeking opportunities to invest in companies that match with the proposed strategy. Association, and cooperation with international partners will be expanded to look for opportunities to bring Hoang Quan brand to the international level.

The year 2015 is the 15th anniversary of the Group's establishment as well as the year marking an important breakthrough of Hoang Quan through the **completion and handover** of apartments to customers of projects in HCMC such as **HQC Plaza, HQC Hoc Mon, Grandora Tower, linked houses of Thuong Thanh Residential Area in Can Tho City**, as well as completion of construction of **Mekong Delta University** (phase 1) and first term enrollment of 3,000 students, and up to 10,000 students in phase 2. In addition, in the beginning of this Quarter II/2015, Hoang Quan will continue to commence other important social housing projects including **HQC Binh Thuan, HQC Nha Trang and HQC Binh Trung Dong** - District 2, HCMC. At the same time, the Company undertakes to complete and put into operation **HQC Royal Tower** in Phu My Hung finance - trading - service center. The Group is also proactive to the foreign investment wave to Vietnam with the target of filling **80% of the area of Ham Kiem Industrial Park and Binh Minh Industrial Park**.

With these important milestones in 2015, we believe that Hoang Quan will begin to achieve the first good results in the social housing development strategy that we have undertaken in the last General Meeting of Shareholders.

Looking back on the development process of Hoang Quan, we highly appreciate the companionship, support and close cooperation of our Valued Shareholders, Investors, Staff, Partners, Suppliers and Customers who have important contributions to our success. These are also the sources of strength and confidence for us in the next development stage.

Finally we wish our Valued Shareholders good health and success.

Sincerely,

**Ph.D. TRUONG ANH TUAN**  
Chairman of the Board of Directors



# OVERVIEW OF HOANG QUAN

Founded in 2000, Hoang Quan Group has become one of the leading corporations in Vietnam in real estate trading investment. Especially, Hoang Quan is the pioneer investment company in social housing construction and development in the South of Vietnam through its performance of a series of large-scale projects in HCMC, Can Tho, Vinh Long, Tay Ninh, Binh Thuan, Nha Trang, etc., providing ten thousands of apartments to the people.

From the foundation through 15 years of development, Hoang Quan always turns towards customers with the motto: "Knowledge - Innovation - Pioneering", providing customers with products of professionalism value and best quality and service.

Beside the strength of real estate sector, Hoang Quan also enhances investment in education and financial sectors. With the achievements in recent years, Hoang Quan is more proud and set its steady position with the target to

become a strong "Real estate - Education - Financial" group, confirming the spirit of "Solid pioneering - Reaching new height."

Since establishment, Hoang Quan has been proud to be the first company in real estate sector to implement and apply ISO 9001:2008 quality management system, and also the first company in Vietnam to develop a closed real estate operating process from brokerage, design, construction, appraisal, bringing high economic value to customers.

Currently, Hoang Quan Group consists of **15 member companies, 14 branches and transaction offices** in the provinces around the country. **The number of domestic and foreign customers, partners** contributing capital together with Hoang Quan is up to **10,000**. Human Resources includes nearly **1,000 employees with high qualification** (Ph.D, Master, Lawyer, Executive, etc.) with professional service style.

## 15

Member companies

## 14

Branches and transaction offices

## 1,000

Employees with high qualification

## 10,000

The number of domestic and foreign customers, partners



Hoang Quan aims to develop and growing stronger by expending financial investment and becoming an established and reliable financial organization in the market with diverse and professional operations.



Expecting to contribute to Vietnamese next generations, Hoang Quan has brought lots of efforts to bring modern knowledge and educational environment by practical and useful activities.

Hoang Quan is proud to be the first company in real estate sector to implement and apply ISO 9001:2008 quality management system, and also the first company in Vietnam to develop a closed real estate operating process from brokerage, design, construction, appraisal, bringing high economic value to customers.

TRANSACTION NAME
The Company's name in Vietnamese: <b>CÔNG TY CỔ PHẦN TƯ VẤN - THƯƠNG MẠI - DỊCH VỤ ĐỊA ỐC HOÀNG QUÂN.</b>
The Company's name in English: HOANG QUAN CONSULTING - TRADING - SERVICE REAL ESTATE CORPORATION.
Abbreviated name: HOANG QUAN CORP.
Business Registration Certificate No.: <b>0302087938</b>
Charter capital: VND <b>1,700,000,000,000</b> (as at 31 December 2014)
Head office: 286 - 288 Huynh Van Banh, Ward 11, Phu Nhuan District, Ho Chi Minh City, Vietnam
Tel: +84 8 62928617
Fax: +84 8 62928486
Email: info@hoangquan.com.vn
Website: www.hoangquan.com.vn

BUSINESS LINES
<ul style="list-style-type: none"> <li>Investment in real estate, financial investment in associates and educational investment activities.</li> <li>Trading of houses (except for receiving land use right to invest in infrastructure construction in accordance with housing construction planning to transfer land use right).</li> <li>Investment in construction and trading of infrastructure of industrial parks.</li> <li>Trading of real estate; Housing and land brokerage service, real estate transaction service, real estate advertising, and real estate management.</li> <li>Real estate auction service, real estate valuation service;</li> <li>Civil engineering; Site leveling; Cadastral survey.</li> <li>Trading of building materials, other installation equipment in construction.</li> <li>Investment project planning. Project management.</li> <li>Architectural design of civil and industrial works. Construction planning design;</li> <li>Vocational training (not operating in the head office).</li> </ul>
Time of listing: 20 October 2010
Securities code: HQC

# CORPORATE HISTORY AND DEVELOPMENT

**Charter capital was increased to VND 150 billion**

- The company was converted from a limited liability company to a joint stock company in the name of Hoang Quan Consulting - Trading - Service Real Estate Corporation
- Charter capital was increased to VND 150 billion
- Nam Quan Investment Joint Stock Company was established
- Hoa Chen Long Duc Joint Venture Company Limited was established

**Capital was increased to VND 50 billion**

Viet Architecture Corporation was established

**Capital was increased to VND 20 billion**

**The company was converted to a company developing real estate projects from an investor**

- Hoang Quan Binh Thuan Consulting - Trading - Service Real Estate Corporation was established.
- Hoang Quan MeKong Consulting - Trading - Service Real Estate Corporation was established.

**Hoang Quan Consulting - Trading - Service Real Estate Company Limited was established**

**2000**

**2002**

**The company became a professional component investor**

- Hoang Quan Appraisal Company Limited was established

**2004**

**Charter capital was increased to VND 600 billion**

- The General Meeting of Shareholders II was successful organized
- Many real estate projects were successfully merged and acquired
- Social housing, low-income housing projects were developed

**2005**

**2006**

**2007**

**2008**

**Hoang Quan Can Tho Investment Real Estate Corporation was established**

Hoang Quan Law Co., Ltd. was established

**2009**

**Charter capital was increased to VND 400 billion**

**2010**

**The company was listed in HOSE**

- The company won Trust Brand 2010 Prize.
- Hoang Quan Education Investment Corporation was established.

**2011**

- The General Meeting of Shareholders I was successful organized
- Member companies were divested

**2013**

**The General Meeting of Shareholders III was successful organized**

- Charter capital was increased to VND 900 billion
- The company was a pioneer in social housing development
- The company developed two key projects: HQC Plaza Social Housing and HQC Hoc Mon Social - Commercial Housing Projects

**2012**

**Charter capital was increased to VND 2,000 billion**

**2014**

- The General Meeting of Shareholders IV was successful organized
- The pioneering position in development of social housing in HCMC was confirmed while the Ceremony of Roofing of HQC Plaza Social Housing was successfully held
- HQC Social Housing brand in HCMC and the Southern provinces was formed

- The investment of projects of social houses, cheap commercial houses and houses for workers in Can Tho, Nha Trang, Vinh Long, etc. were expanded.

- Hoang Quan Nha Trang Consulting - Trading - Service Real Estate Co., Ltd. was established

- The company entered into cooperation with Indochina Real Estate Company to invest in construction and trading of Royal Tower trade building and office for lease project in District 7, HCMC

- The groundbreaking for construction of Mekong Delta University in the Mekong Delta University Urban Area - Can Tho City was performed

- 100 linked houses (land and houses of under 70 m<sup>2</sup> in area each) to customers in Thuong Thanh Residential Area in the Mekong Delta University Urban Area - Can Tho City was handed over

- The company entered into strategic, comprehensive cooperation with LG Group and Hyundai Group in Vietnam, and Viglacera Corporation

- The company received the transfer of Villa and Apartment Building Project in Thanh My Loi Ward, District 2, HCMC

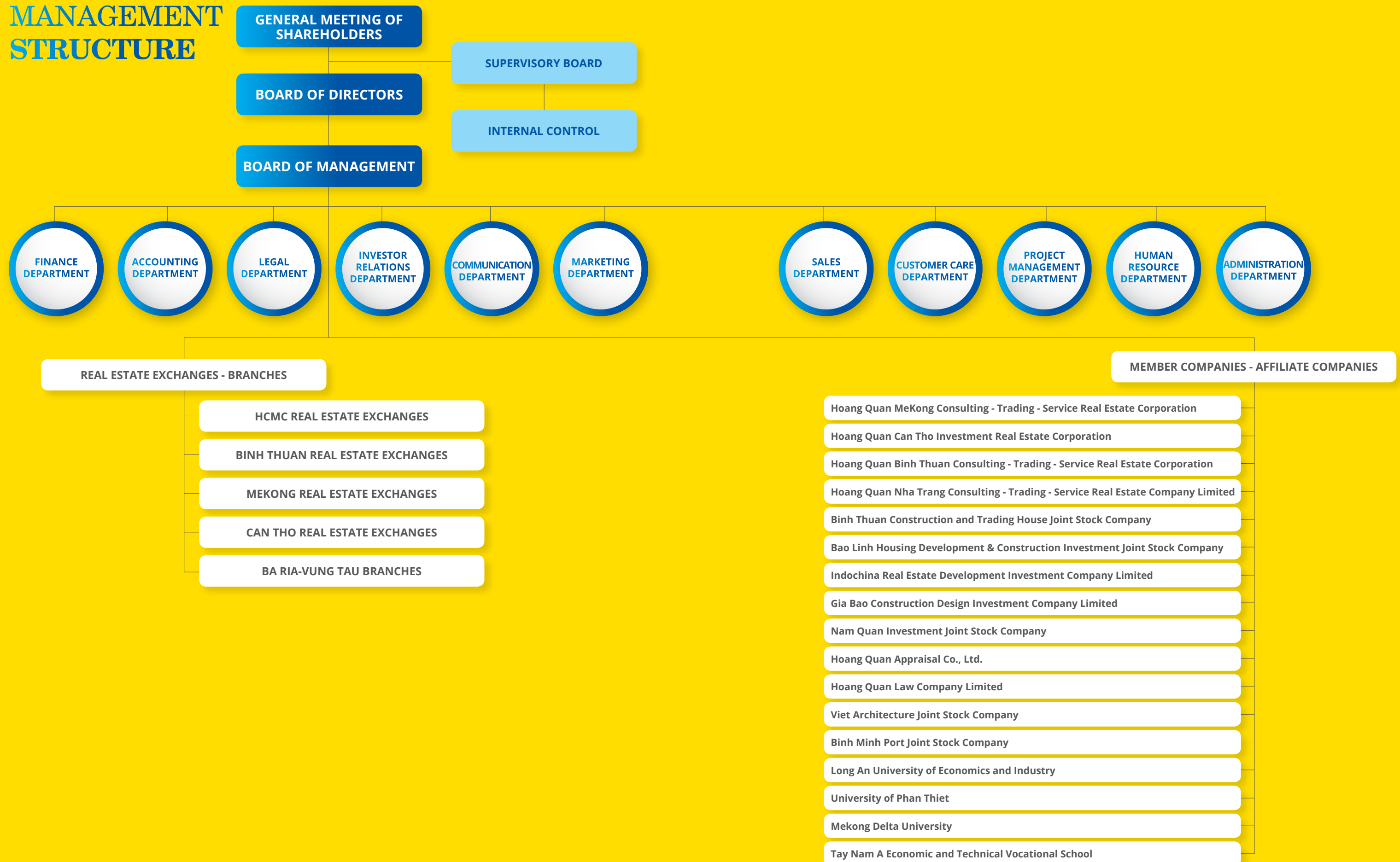
- The company received the transfer of 40% of charter capital in Tay Ninh Urban Development and Construction Joint Stock Company from State Capital and Investment Corporation (SCIC)

- The company received the transfer of 20% of the contributed capital of shareholders invested in Phan Thiet University, Binh Thuan

- The company received the transfer of 100% of the contributed capital of Tu Cuong Travel Vocational College in Phan Thiet, Binh Thuan



# MANAGEMENT STRUCTURE



## BOARD OF DIRECTORS



**Mr. TRUONG ANH TUAN**  
Chairman of the Board of Directors cum General Director

**Year of birth:** 1964 **Native place:** Ninh Thuan  
**Qualification:** Doctor of Business Administration

### WORKING BACKGROUND

- 1990 – 1994: Chief Accountant - Manager of Planning Department - Ninh Phuoc Construction Company, Ninh Thuan
- 1995 – 1998: Manager of Sale Department - Assistant to General Director - Nghi Gia (Singapore) Company, HCMC
- 1998 – 1999: Manager of Sale Department - Assistant to General Director - Vinh Phuoc (Indo) Company, HCMC
- 1999 – 2000: Manager of Sale Department - Assistant to General Director - Thanh Danh Company - Vietnam
- From August 2000 to present: Chairman of the BOD cum General Director - Hoang Quan Consulting - Trading - Service Real Estate Corp.

### POSITIONS IN OTHER ORGANIZATIONS

- Chairman of the BOD of Hoang Quan MeKong Consulting - Trading - Service Real Estate Corp.;
- Chairman of the BOD of Hoang Quan Binh Thuan Consulting - Trading - Service Real Estate Corp.;
- Chairman of the BOD of Hoang Quan Can Tho Investment Real Estate Corp.;
- Chairman of the BOD of Binh Minh Port JSC;



**Ms. NGUYEN THI DIEU PHUONG**  
Vice Chairman of the BOD cum Deputy General Director

**Year of birth:** 1965 **Native place:** Thua Thien Hue  
**Qualification:** Master of Business Administration

### WORKING BACKGROUND

- 2000 - 2002: Vice Chairman of the Members' Council cum Deputy General Director of Finance - Accounting - Hoang Quan Appraisal Co., Ltd.
- 2003 - 2005: Vice Chairman of the BOD - Hoang Quan MeKong Consulting - Trading - Service Real Estate Corp.
- From 2006 to present: Deputy General Director cum Deputy General Director of Finance - Accounting - Hoang Quan Consulting - Trading - Service Real Estate Corp.
- From November 2014 to present: Member of the BOD - Hoang Quan MeKong Consulting - Trading - Service Real Estate Corp.

### POSITIONS IN OTHER ORGANIZATIONS

- Vice Chairman of the BOD of Hoang Quan Binh Thuan Consulting - Trading - Service Real Estate Corp.;
- Vice Chairman of the BOD of Hoang Quan Can Tho Investment Real Estate Corp.;
- Vice Chairman of the BOD of Binh Minh Port JSC;
- Vice Chairman of the BOD of Tay Nam A College of Economics and Technology;
- Vice Chairman of the Members' Council of Hoang Quan Appraisal Co., Ltd.;
- Director of Hoang Quan Education Investment Co., Ltd.



**Mr. TRUONG THAI SON**  
Member of the BOD cum Deputy General Director of Marketing and Foreign Affairs

**Year of birth:** 1967 **Native place:** Ninh Thuan  
**Qualification:** Doctor of Business Administration

### WORKING BACKGROUND

- Từ 1992 – 1994: Marketing Manager - Ben Nghe Stationery Company
- Từ 1994 – 1995: Sales Manager - DX Trading Company
- Từ 1996 – 1997: Sales Manager - Long Su Company Limited
- Từ 1998 – 2001: Assistant + Marketing Manager - Viet Nam Packaging Ink Co., Ltd.
- 2007 - nay: Director - Hoang Quan Appraisal Co., Ltd. Member of the BOD - Hoang Quan Consulting - Trading - Service Real Estate Corp.
- From October 2014 to present: Deputy General Director - Hoang Quan Consulting - Trading - Service Real Estate Corp.

### POSITIONS IN OTHER ORGANIZATIONS

- Director of Hoang Quan Appraisal Co., Ltd.



**Mr. LE TRONG NGOC**  
Member of the BOD cum Deputy General Director

**Year of birth:** 1962 **Native place:** Kien Giang  
**Qualification:** Construction Engineer

### WORKING BACKGROUND

- 1984 – 1993 : Site Manager , Site Team Leader - Kien Giang Import and Export Company . Kien Giang Cement Factory
- 1993 – 1996 : Manager of Planning and Technical Department - Kien Giang Consulting Investment Construction JSC
- 1997 – 2007: Deputy General Director - Kien Giang Consulting Investment Construction JSC
- From 2007 to present: Member of the BOD , Deputy General Director - Hoang Quan Consulting - Trading - Service Real Estate Corp.

### POSITIONS IN OTHER ORGANIZATIONS

- Member of the BOD of Kien Giang Consulting Investment Construction JSC;
- Member of the BOD of Gia Dinh Water Supply JSC;
- Member of the BOD of HCMC Tinh Khoi Export Company;



**Mr. TRUONG DUC HIEU**  
Member of the BOD cum Deputy General Director

**Year of birth:** 1972 **Native place:** Ninh Thuan  
**Qualification:** Master of Business Administration

### WORKING BACKGROUND

- 1998 - 2002: Market Development Manager - Nam Thai Son Import Export JSC. Deputy General Director of Sales - Hoang Quan Consulting - Trading - Service Real Estate Corp.

### POSITIONS IN OTHER ORGANIZATIONS

- Member of the BOD of Hoang Quan Can Tho Investment Real Estate Corp.;
- Vice Chairman of Binh Thuan Construction and Trading House JSC;



**Mr. LE DINH VIEN**  
Independent, Non-executive Member of the BOD

**Year of birth:** 1951 **Native place:** Binh Dinh  
**Qualification:** Doctor of Science

### WORKING BACKGROUND

- 1975 – 1978 : Official of Industry Department - HCMC Industry Department
- 1979 – 1994: Director - Saigon 3 Textiles Company - HCMC Industry Department
- 1994 – 2000: Chairman of the BOD - Truong Thinh Company under HCMC Labor Federation
- 2001 – 2007: Chairman of the BOD - Mien Nam Construction - Transport - Service - Trading JSC
- 2007 – 2012: Chairman of the BOD - Nam Quan Investment Joint Stock Company
- From 2007 to present: Chairman of the BOD cum Rector - Long An University

### POSITIONS IN OTHER ORGANIZATIONS

- Chairman of the BOD cum Rector of Long An University;
- Chairman of the BOD of Mien Nam Construction - Transport - Service - Trading JSC



**Mr. LE THANH NAM**  
Independent, Non-executive Member of the BOD

**Year of birth:** 1978 **Native place:** Hanoi  
**Qualification:** Technological Engineer, Bachelor of Business Administration, CFO

### WORKING BACKGROUND

- Từ 2001 – 2007: Project Management Specialist - Project Management Specialist
- 2007 – 2011: Deputy General Director of Sale - Viet Paper Trading Service Joint Stock Company
- Từ 2010 – 2012: General Director - Viet Paper Trading Service Joint Stock Company
- Từ 2013 – nay: Director of the Southern Area - MB Securities JSC. Member of the BOD - DIC No. 4 JSC. Member of the BOD - Cai Lay Veterinary Pharmaceutical JSC. Member of the BOD - Hoang Quan Consulting - Trading - Service Real Estate Corp.

### POSITIONS IN OTHER ORGANIZATIONS

- Vice Chairman of the BOD of Viet Paper Trading Service Joint Stock Company;
- Member of the BOD of DIC No. 4 Joint Stock Company
- Director of the Southern Area of MB Securities Joint Stock Company
- Member of the BOD of Cai Lay Veterinary Pharmaceutical Joint Stock Company

## BOARD OF MANAGEMENT



**Mr. TRUONG ANH TUAN**  
Chairman of the Board  
of Directors cum General  
Director

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**Ms. NGUYEN THI DIEU PHUONG**  
Vice Chairman of the BOD cum  
Deputy General Director

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**Mr. TRUONG THAI SON**  
Member of the BOD  
cum Deputy General  
Director of Marketing  
and Foreign Affairs

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**Mr. VU TRONG DAC**  
Deputy General Director

**Year of birth:** 1950 **Native place:** Lang Son  
**Qualification:** Bachelor of Economics

### WORKING BACKGROUND

- 1971 – 1976: Lecturer - Economics School No. 1, Officer and Manager School, General Department of Logistics, Vietnamese People's Army.
- 1976 – 1988: Managing Officer - Ministry of Metallurgical Engineering and Cao Thang Technical School, HCMC
- 1988 – 2010: Deputy General Director - Housing Development and Trading Company Limited Saigon Real Estate Corporation
- From March 2010 to present: Deputy General Director of Administration, Human Resources & Legal and Project - Hoang Quan Consulting - Trading - Service Real Estate Corporation

### POSITIONS IN LISTED ORGANIZATIONS

- Deputy General Director of Administration, Human Resources & Legal and Project

### POSITIONS IN OTHER ORGANIZATIONS

- Chairman of the BOD of Nam Quan Investment Joint Stock Company



**Mr. LE TRONG NGOC**  
Member of the BOD cum  
Deputy General Director

*(Detail at Board of Directors  
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**Mr. TRUONG DUC HIEU**  
Member of the BOD cum  
Deputy General Director

*(Detail at Board of Directors  
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## SUPERVISORY BOARD



**Mr. NGUYEN THANH VAN**  
Head of the Supervisory Board

**Year of birth:** 1964 **Native place:** Ho Chi Minh City  
**Qualification:** Bachelor of Economics

### WORKING BACKGROUND

- 1986 – 1996: Executive of Planning Department - Long An Department of Transportation
- 1996 – 2000: Deputy Manager of Finance Accounting Department cum Chief Accountant of HCMC Branch - Baseaserco Company
- From 2000 to present: Head of the Supervisory Board - Hoang Quan Consulting - Trading - Service Real Estate Corporation (HQC)

### POSITIONS IN LISTED ORGANIZATIONS

- Head of the Supervisory Board of Hoang Quan Consulting - Trading - Service Real Estate Corporation

### NUMBER OF SHARES HELD IN LISTED ORGANIZATIONS

- Personally held: 1,800 shares, accounted for 0.000% of charter capital
- Representatively held: 0 shares, accounted for 0% of charter capital



**Mr. LE QUOC DUNG**  
Member of the Supervisory Board

**Year of birth:** 1980 **Native place:** Tay Ninh  
**Qualification:** Construction Engineer

### WORKING BACKGROUND

- 2005 – 2007: Executive of Design Department - T.D.N Consultant Investment Construction Joint Stock Company
- 2007 – 2008: Construction Supervisor - FPT Land Co., Ltd.
- 2008 – 2014: Head of Project Management Unit - Hoang Quan Consulting - Trading - Service Real Estate Corp.



**Ms. MAI HOANG YEN**  
Member of the Supervisory Board

**Year of birth:** 1986 **Native place:** Kien Giang  
**Qualification:** Master of Real Estate Market Management

### WORKING BACKGROUND

- From March 2010 to present: Project Manager - Hoang Quan Consulting - Trading - Service Real Estate Corporation



## SUMMARY OF AFFILIATED COMPANIES

### HOANG QUAN MEKONG CONSULTING - TRADING - SERVICE REAL ESTATE CORPORATION

		Financial position in 2014
Address	97 - 99 Pham Thai Buong, Ward 4, Vinh Long City, Vinh Long Province	
Relationship	Affiliated company	Revenue <b>65,648,483,619</b>
Ownership rate	32% of charter capital	
Equity	VND 320 billion	Profit before tax <b>1,230,619,540</b>
Business operations	leasing of land of industrial parks, trading of utility services in industrial parks, land and house brokerage service.	Profit after tax <b>623,038,088</b>

### HOANG QUAN BINH THUAN CONSULTING - TRADING - SERVICE REAL ESTATE CORPORATION

		Financial position in 2014
Address	198 Nguyen Hoi, Phan Thiet City, Binh Thuan Province	
Relationship	Affiliated company	Revenue <b>1,929,094,436</b>
Ownership rate	32% of charter capital	
Equity	VND 80 billion	Profit after tax <b>2,041,411,064</b>
Business operations	leasing of land of industrial parks, trading of utility services in industrial parks, land and house brokerage service.	

### BINH THUAN CONSTRUCTION AND TRADING HOUSE JOINT STOCK COMPANY

		Financial position in 2014
Address	198 Nguyen Hoi, Phan Thiet City, Binh Thuan Province	
Relationship	Company investing in shares	Revenue <b>182,688,154,264</b>
Ownership rate	4% of charter capital	
Equity	VND 30 billion	Profit before tax <b>11,817,027,853</b>
Business operations	real estate trading and construction	Profit after tax <b>9,173,338,057</b>

### INDOCHINA REAL ESTATE DEVELOPMENT INVESTMENT COMPANY LIMITED

Address	14 <sup>th</sup> Floor, Lot 08B, Vincom Building, 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City
Equity	VND 380 billion
Business operations	doing business in real estates, building works and houses of any kind, involving in nursery education, primary, and secondary education.

### HOANG QUAN CAN THO INVESTMENT REAL ESTATE CORPORATION

		Financial position in 2014
Address	27-29 Quang Trung, Phu Thu Ward, Cai Rang District, Can Tho City	
Relationship	Affiliated company	Revenue <b>40,343,336,155</b>
Ownership rate	32% of charter capital	
Equity	VND 120 billion	Profit before tax <b>2,025,899,005</b>
Business operations	trading of real estate; trading of real estate exchanges; trading of real estate services; project investment; infrastructure investment and construction.	Profit after tax <b>1,278,218,224</b>

### HOANG QUAN NHA TRANG CONSULTING - TRADING - SERVICE REAL ESTATE COMPANY LIMITED

Address	26 Yersin, Van Thang Ward, Nha Trang City, Khanh Hoa Province
Relationship	Associated Company
Ownership rate	40% of the charter capital
Equity	VND 120 billion
Business operations	doing business in real estates, consulting and brokering real estate, building works of any kind, involving in design, architecture and engineering consultancy, trading building materials, and education.

### BAO LINH HOUSING DEVELOPMENT & CONSTRUCTION INVESTMENT JOINT STOCK COMPANY

Address	288 Huynh Van Banh, Ward 11, Phu Nhuan District, Ho Chi Minh City
Relationship	Associated Company
Equity	VND 80 billion
Business operations	doing business in real estates, land use rights of owners, users or lessees and building houses of any kind.

### GIA BAO CONSTRUCTION DESIGN INVESTMENT COMPANY LIMITED

Address	272 Huynh Van Banh, Ward 11, Phu Nhuan District, Ho Chi Minh City
Equity	VND 20 billion
Business operations	designing, consulting supervision and building

### NAM QUAN INVESTMENT JOINT STOCK COMPANY

Address	286 - 288 Huynh Van Banh, Ward 11, Phu Nhuan District, Ho Chi Minh City
Relationship	Associated Company
Ownership rate	40% of the charter capital
Equity	VND 176 billion
Business operations	doing business in real estates, investing and building infrastructure in industrial and residential areas.

### BINH MINH PORT JOINT STOCK COMPANY

		Financial position in 2014
Address	My Hung Hamlet, My Hoa Commune, Binh Minh District, Vinh Long Province	
Relationship	Affiliated company	Revenue <b>21,724,840,447</b>
Ownership rate	34% of charter capital	
Equity	VND 500 billion	Profit before tax <b>199,206,435</b>
Business operations	loading, plant, warehouse leasing services	Profit after tax <b>93,721,763</b>

### HOANG QUAN APPRAISAL CO., LTD.

		Financial position in 2014
Address	270 Huynh Van Banh, PN District, HCMC	
Relationship	Affiliated company	Revenue <b>13,612,554,424</b>
Ownership rate	32% of charter capital	
Equity	VND 5 billion	Profit before tax <b>141,144,627</b>
Business operations	appraisal of assets; asset and real estate auction service; real estate brokerage;	Profit after tax <b>112,915,702</b>

### HOANG QUAN LAW COMPANY LIMITED

Address	373 Huynh Van Banh, Phu Nhuan District, Ho Chi Minh City
Equity	VND 2,1 billion
Business operations	involving in legal services, acting as a representative under customers' authorization to participate in the proceedings in compliance with legal regulations.

### VIET ARCHITECTURE JOINT STOCK COMPANY

		Financial position in 2014
Address	353 Huynh Van Banh, PN District, HCMC	
Relationship	Affiliated company	Revenue <b>5,650,533,824</b>
Ownership rate	40% of charter capital	
Equity	VND10 billion	Profit before tax <b>232,502,342</b>
Business operations	consulting and design services	Profit after tax <b>186,001,874</b>

### LONG AN UNIVERSITY OF ECONOMICS AND INDUSTRY

Address	National Highway 1A, Ward 04, Tan An City, Long An
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### MEKONG DELTA UNIVERSITY

Address	Thuong Thanh Ward, Cai Rang District, Can Tho City
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### UNIVERSITY OF PHAN THIET

Address	268 Nguyen Thong, Phu Hai Ward, Phan Thiet City, Binh Thuan
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### TAY NAM A ECONOMIC AND TECHNICAL VOCATIONAL SCHOOL

Address	254 Le Trong Tan, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City
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# 12 HIGHLIGHTS OF HOANG QUAN IN 2014

## 01/2014

### Completion of the foundation of Block HQ1, HQ2 ahead schedule and successful opening sale of HQC Plaza Social Housing

On 18 January 2014, Hoang Quan successfully organized the Ceremony of completion of the foundation of block HQ1, HQ2 and announcement of opening sale of HQC Plaza Social Housing Project. Officially commenced on 17 November 2014, until 17 January 2014, within only 2 months, HQC Plaza has completed the foundation of block HQ1, HQ2 ahead the schedule committed by the employer.

In this first opening sale, Hoang Quan provided the market with 560 apartments of Block HQ1 and HQ2 for officers, and soldiers of the Ministry of Public Security, the beneficiaries of social housing policy in HCMC, in accordance with the Decision on distribution to HQC Plaza buyers.



## 03/2014

### Hoang Quan welcoming the Delegation of the National Assembly, Ministry of Construction, HCMC People's Committee to visit and work in HQC Plaza Social Housing Project

On 31 March 2014, Hoang Quan Corporation was honor to welcome the Delegation of the National Assembly, Ministry of Construction, HCMC People's Committee to visit and work in HQC Plaza Social Housing Project. In the session, Ph.D. Truong Anh Tuan - Chairman of the Board of Directors cum General Director of Hoang Quan Corporation reported the construction progress, work quality, business results and proposed recommendations to support the project. Minister Trinh Dinh Dung thought the quality of HQC Plaza has expressed proper perspective of social housing policy of the State and acknowledged the company efforts in such policy implementation, contributing to solving social housing problems. The Minister highlighted that social housing projects need to abide by the Construction Law and the close control of state agencies, focusing on work quality, considering selling price and service to suit the buyer income.

Ph.D. Truong Anh Tuan on behalf of the employer seriously acquired the directions and fulfilling the the pioneer mission in the field of social housing development, while committing that HQC Plaza will be a clear demonstration of the proper State policy in social housing development.



## 06/2014

### Successfully organizing the General Meeting of Shareholders 2014

On 28 June 2014, Hoang Quan Consulting - Trading - Service Real Estate Corporation (HOSE: HQC) has successfully organized the General Meeting of Shareholders 2014. At the meeting, the important development orientations and strategies of Hoang Quan in 2014 were discussed and approved.

In 2014, the meeting decided to pay cash dividends (3%/par value/share) and increase charter capital from VND900 billion to VND2,000 billion, continuing to consider social housing as the key product line.

The success of the General Meeting of Shareholders 2014 brought great significance as uniting optimal development orientations and strategies to help HQC take full advantage of opportunities and achieve more success in 2014.



## 07/2014

### Conversion of HQC Hoc Mon to a Social Housing Project approved by Ministry of Construction.

On 23 July 2014, the Ministry of Construction issued Official Dispatch No. 1661/BXD-QLN approving the conversion of functions of HQC Hoc Mon from a trade center and high-rise apartment to a social housing project. At the same time, Ministry of Construction approved the replacement of the project's employer which was Hoc Mon Trade Joint Stock Company by Hoang Quan Consulting - Trading - Service Real Estate Corporation (HQC).

HQC Hoc Mon is the first high-rise building in the central of Hoc Mon District with total area of 11,889.3 m<sup>2</sup>, consisting of a basement, 4 trading storeys and 14 apartment storeys. Providing the market with 562 apartments with area of 42.87 m<sup>2</sup> - 69.97 m<sup>2</sup>.



## 09/2014

### Officially becoming a member of EuroCham

On 25 September 2014, Hoang Quan attended the event to welcome new member and officially became a member of EuroCham - European Chamber of Commerce in Vietnam. Becoming a member of EuroCham has opened up many opportunities for connection and cooperation between Hoang Quan and the members of the Chamber and international organizations.



## 09/2014

### Inaugurating new head office and celebrating 14-year anniversary of establishment

On 29 September 2014, Hoang Quan held a solemn Inauguration Ceremony of new head office and celebrating 14-year anniversary of establishment of the Company. Located at No. 286-288 Huynh Van Banh, Phu Nhuan District, HCMC, Hoang Quan head office was built with total floor area of 3,000 m<sup>2</sup> consisting of 1 basement and 7 storeys with modern architectural style, friendly working space with high performance and utility.

The 14-year anniversary of establishment also took place in the joy, excitement and confidence of all members in the great family Hoang Quan. The strong and sensitive leadership of the Management; the concern and support of shareholders, customers, partners and constant efforts of the staff will help Hoang Quan develop more and more strongly.





# 12 HIGHLIGHTS OF HOANG QUAN IN 2014

## 10/2014

### Investing in social housing in Nha Trang

On 06 October 2014, the People's Committee of Khanh Hoa Province authorized Hoang Quan to invest in social housing in Bac Vinh Hai residential area, Vinh Hoa Ward, Nha Trang, Khanh Hoa Province. HQC Nha Trang Project has the scale of 10,842.8 m<sup>2</sup> with total investment of approximately VND500 billion, consisting of 4 blocks of total 1,002 apartments with area of about 55 m<sup>2</sup> - 60 m<sup>2</sup>.

The project will be built with exquisite and modern architectural style, and the living space will be polished in every detail. The project will focus on internal facilities such as: kindergarten, polyclinic, gym, children's home, community parks, coffee shops, restaurants, etc.

The construction of HQC Nha Trang Project is expected to be commenced in April 2015 and completed in quarter III/2016.



## 10/2014

### Entering into the cooperation and trading of Royal Tower

In October 2014, Hoang Quan and Indochina Real Estate Development Investment Co., Ltd. entered into the cooperation on investment in construction and trading of Royal Tower in District 7, HCMC. Royal Tower will be planned as a trade, service and office center with total investment of about VND950 billion.

The project will have total floor area of 40,723m<sup>2</sup>, consisting of 2 basements and 21 storeys. In which storeys 1 to 4 will be Trade and Service Center; storeys 5 to 16 will be offices for lease and storeys 17 to 21 will be office-tel area.

The project has been roofed and completed the masonry work and is expected to be continued in construction and completion in April 2015 and put into use from quarter IV/2015.



## 11/2014

### Groundbreaking for construction of Mekong Delta University and the House Handover Ceremony in the Mekong Delta Urban Area and University

On 29 November 2014, Hoang Quan cooperating with Hoang Quan Can Tho Investment Real Estate organized the announcement of construction groundbreaking of Mekong Delta University, while handing over houses to the first 50 customers in the Mekong Delta Urban Area and University.

Mekong Delta University (100% invested by Hoang Quan) has the area of 5ha with total investment of about VND300 billion. Expectedly by the fourth quarter of 2015, Mekong Delta University will officially start enroll the first term of 3,000 students in phase 1 and up to 10,000 students in phase 2.

The Mekong Delta Urban Area and University has total area of 30ha consisting of the component projects: Thuong Thanh Residential Area (14.3ha), Social Housing Area (10.7ha) and Mekong Delta University (5ha). The project is invested by Hoang Quan Corporation cooperating with Hoang Quan Can Tho Investment Real Estate Company with capital contribution ratio of 50%. By 2017, all items of the Mekong Delta Urban Area and University will be completed and put into use.



## 11&12/2014

### Announcing HQC Scholarship Fund for children of residents living in all projects invested by Hoang Quan

In order to acknowledge and stay close to residents in all projects for long term, Hoang Quan has officially established HQC Scholarship Fund for each project, dedicated to the children of residents in all projects invested by Hoang Quan. HQC Scholarship Fund is a part of Hoang Quan Study Promotion Fund, the budget for the Fund's operations is extracted from the sales of each project. Specifically, VND1,000,000 from the sale of each apartment/house in the projects will be extracted to contribute to Hoang Quan Study Promotion Fund.

Not only bringing the opportunities to live peacefully for low-income people, Hoang Quan also accompanies with residents in all projects in motivating, encouraging the learning of children by establishing HQC Scholarship Fund dedicated to each project such as HQC Plaza Scholarship Fund, HQC Scholarship Fund for Mekong Delta Urban Area and University, HQC Hoc Mon Scholarship Fund, etc. with total amount of about VND3 billion per year.

In addition to the profound humanity and the expression of the corporate culture beauty, the establishment of Hoang Quan Study Promotion Fund and HQC Scholarship Fund dedicated to residents of projects has contributed to achieving the target of social security, community development, study promotion to develop talents for the country, together with the society contributing to caring the national education "For the sake of ten years' benefits, plant trees; for the sake of one hundred years' benefits, educate people."



## 11&12/2014

### Entering into strategic, comprehensive cooperation with LG and Hyundai in Vietnam

In November and December 2014, Hoang Quan entered into strategic and comprehensive cooperation with LG and Hyundai in Vietnam. Accordingly, LG will provide the system of central air conditioners, install and arrange showrooms for electronic devices, household electric appliances. Hyundai will provide elevators, escalators and other appropriate products in social housing projects, high-rise apartments, trade centers, and supermarkets invested and constructed by Hoang Quan.

More broadly, Hoang Quan together with LG and Hyundai will formulate and implement investor relation (IR) strategy in order to optimize corporate value, increasing share value while promoting the raising of foreign investment to the projects invested and developed by Hoang Quan.



## 12/2014

### Roofing HQC Plaza Social Housing Project

On 06 December 2014, Hoang Quan conducted the roofing of HQC Plaza Social Houses. The roofing of HQC Plaza not only confirms that Hoang Quan is the pioneering corporation in the development of social housing projects in the South but also confirms the reputation of Hoang Quan in front of investors, partners and customers.

HQC Plaza has total area of 35,290.3 m<sup>2</sup> consisting of 04 blocks of 23-24 storeys and designed with 2 trade storeys, and 21 to 22 apartment storeys. Total construction area is 11,214.68 m<sup>2</sup> with construction density of 33%, providing the market with 1,735 apartments at the price of VND12.8 million/m<sup>2</sup>.

It can be seen that HQC Plaza is a typical pattern in the pioneering of construction and development of social houses in accordance with Resolution No. 02/NQ-CP, and Decree No. 188/2013/ND-CP of the Government, contributing to timely satisfaction of increasing demands on social houses of the people in HCMC.





MEKONG DELTA  
UNIVERSITY





## PIONEER THINKING SUSTAINABLE DEVELOPMENT



# 70%

Total Social Housing apartments  
sold after one year of  
commencement

# 2,000

billion dong  
Increasing of the charter capital

# 10,000

Apartments  
In 10 social housing projects

## 2014 OPERATION REPORT OF THE BOARD OF DIRECTORS AND ORIENTATIONS FOR 2015

Continuing to realize the leading strategy on social housing, in response to the Government's National Housing Program.

Continuing to restructure the Corporation comprehensively (including capital restructuring, product restructuring and machine restructuring) to increase incessantly the labor productivity and effectiveness, develop and strive for new heights and overcome pressures imposed by the market's increasing competition and international integration.

Executing thoroughly the solutions on savings and cost reduction. Further promoting the effectiveness in designing and performing the Corporation's projects.

Continuing to promote the cooperation in investments into the real estate and education projects, acquisitions and mergers of the companies that have been possessing the feasible and effective projects to obtain higher financial profit.

### A. OVERVIEW:

The year 2014 was still a difficult year for Vietnamese real estate enterprises in general and Hoang Quan Corporation in particular. Although the bank interest rate and inflation were reduced compared to the year 2013, the capital resources accessed by the enterprises remained limited; the real estate market was not recovered actually, etc. Hoang Quan Corporation's operations in 2014 still confronted many difficulties due to the general effects of the real estate market. However, thanks to the right orientations plus the efforts and determination of the Management and the staff, although the Corporation did not achieve the given targets in terms of revenue and profit in accordance with the Resolution of the General Meeting of Shareholders, the Corporation made positive changes in banking credit structure and associate companies. Especially, the Corporation stood out as the leading enterprise in executing the "social housing" projects under the guidelines of the Decree No.188/2013/ND-CP of the Government on social housing development and management to develop the real estate market in a sustainable manner, in accordance with the society's real demands. This is an objective macroeconomic factor that matches completely to Hoang Quan's development strategies. As the leader in this sector,

Hoang Quan enjoyed much benefit from the Government's incentives on capital resources mechanism for enterprises and customers as well as the incentives granted for the project design and execution process, laying a solid foundation for the Corporation's development orientations in the next years.

We believe that with the development strategy that follows closely to the market's demands and is flexible in grasping business opportunities, Hoang Quan Corporation will overcome difficulties step by step and maintain Hoang Quan real estate brand with the criteria "Knowledge - Creation - Leading".

### B. PERFORMANCE OF THE BOARD OF DIRECTORS' FUNCTIONS AND DUTIES IN 2014:

In 2014, the Board of Directors focused on performing its functions, duties and powers in accordance with the Corporation's Charter. Specifically, the Board of Directors directed and monitored the Board of Management in realizing the targets set by the 2014' Resolution. Moreover, the Board of Directors maintained the meeting once a month to directly check and evaluate the operation results and timely directing the process of performing the Corporation's investment and business activities to bring practical results.





## 2014 OPERATION REPORT OF THE BOARD OF DIRECTORS AND ORIENTATIONS FOR 2015

The Board of Directors issued the big guidelines as follows:

### I. Real estate:

1. By determining the major strategic market segment as social housing and housing for average incomers, the Corporation became the pioneer in this sector. Thus, the Corporation took advantage of the market's demand powers very well;

2. By promoting maximum strengths with the development strategy following closely to the market's demands, simultaneously, being flexible in grasping business opportunities, Hoang Quan Corporation successfully executed the "social housing" projects under the HQC brand in Ho Chi Minh City and southern provinces and cities. The positive obtained results may be described as follows:

• **HQC Plaza - Social Housing Project:** since the commencement in November 2013 and open selling, two blocks HQ1 and HQ2 were topped out on the 06th day of December 2014 and completed rough part. Block HQ3 has been constructed to 20th floor and Block HQ4 has been constructed to 18th floor; Block HQ3 and HQ4 are expected to be topped out in March 2015. In terms of business, the Project achieved the sales of more than 1,200 apartments. At present, the Board of Directors is preparing the scheme on delivering apartments to customers in the IVth Quarter of 2015.

• **HQC Hoc Mon Social - Commercial Housing Project:** The procedures on transforming small-area commercial housing into social housing are being finalized to satisfy the market's demands and enjoy the State's incentive policies applied to the social housing program. The present sales is from 117 apartments; the construction activities are being executed to the 5th floor. This Project is expected to be completed in the 4th Quarter of 2015.

• **HQC Nha Trang Project:** This Project was approved to be invested in 2014 by the Board of Directors. Until now, some results in investment preparations have been achieved as follows: Hoang Quan Corporation was recognized by Khanh Hoa Provincial People's Committee to be the Employer of Social Housing Project in Bac Vinh Hai Residential Area, Vinh Hoa Ward, Nha Trang City. The Corporation also obtained the approval for the scheme on planning the engineering architecture of the Social Housing Project in Bac Vinh Hai Residential Area, Vinh Hoa Ward, Nha Trang City.

+ At present, HQC is finalizing the procedures to obtain the competent authority's approval for the detailed planning in scale 1/500 comprised of 04 blocks: 02 blocks with 15 floors and 02 blocks with 18 floors; the total number of apartments is 1,002 ones with the area for each from 55 m<sup>2</sup> to 60 m<sup>2</sup>.

+ HQC Nha Trang Project is expected to be commenced in April 2015 and completed in the 3rd Quarter of 2016.

• **HQC Binh Trung Dong Project:** Until now, the procedures on receiving the transfer of land use rights have been completed, with the area of 4,299.8 m<sup>2</sup> for building the apartment, the number of floors: 15 floors + 01 half floor + 01 roof, total number of apartments: 269 (the average area per apartment is 59.5 m<sup>2</sup>).

At present, HQC Binh Trung Dong is submitting the application for registering to be the Employer of this Project and preparing the design, investment project and applying for construction permit. It is expected that this Project shall be commenced in the 2nd Quarter of 2015 and completed and delivered the apartments in the 3rd Quarter of 2016.

• **HQC An Phu Tay Project:** This Project was approved to be invested in 2014 by the Board of Directors. Until now, some results in investment preparations have been achieved. Hoang Quan Consulting - Trading - Service Real Estate Corporation was approved by Binh Chanh District's People's Committee, Ho Chi Minh City to be the Employer of the Social Housing Project in An Phu Tay Commune, Binh Chanh District, Ho Chi Minh City. The total Project area is 6,553.1 m<sup>2</sup> consisting of 02 Apartment and Social Housing blocks with 08-09 floors. In which, the total construction floor area is 23,281.59 m<sup>2</sup>; the total apartment business floor area is 13,756.05 m<sup>2</sup> with about 310 apartments; the gross commercial and service business floor area is 1,256.84 m<sup>2</sup>; the maximum height is 32.6 m. This Project is expected to be completed at the end of 2015.

• **HQC Tay Ninh:** This Project has been approved to be invested since the 4th quarter of 2014. At present, the Project is in progress of preparing the planning scheme and promoting investment preparations. The Project's scope is described as follows:

- **Hoa Thanh Area Project:** Total land area: 8,210.45 m<sup>2</sup>; total construction floor area: 67,394 m<sup>2</sup>; total apartment floor area: 29,567 m<sup>2</sup>; total number of apartments: 560 ones; total area for commercial service, commercial center and office: 14,370 m<sup>2</sup>; number of floors: 23 ones; maximum height: 90 m. This Project is expected to be commenced in the 2nd Quarter of 2015 and completed and delivered the apartments in the 4th Quarter of 2016.

- **Ao Cá (old) Area Project:** Total land area: 32,000 m<sup>2</sup>; total construction floor area (excluding terrace + roof): 40,000 m<sup>2</sup>; total floor area for commercial service business: 15,000 m<sup>2</sup>; total number of apartments: about 200 street-based houses and villas, number of floors: 02-03 floors. It is expected to commence the project in the 2nd Quarter of 2015 and complete and deliver the apartments in the 1st Quarter of 2016.

• **HQC 35 Ho Hoc Lam:** This Project was approved to be invested in 2014 by the Board of Directors. Until now, some results in investment preparations, investment project design and preparation have been achieved. The Project's scope: total land area: 12,382.5 m<sup>2</sup>; gross construction floor area: 69,708.3 m<sup>2</sup>; gross apartment business floor area: 39,312.0 m<sup>2</sup>, gross commercial and service business floor area: 4,965.0 m<sup>2</sup>; number of floors: 16 floors; maximum height: 60.9 m with total number of apartments of 672 ones.

- It is expected to commence the project in the 2nd Quarter of 2015 and deliver apartments in the 2nd Quarter of 2016.

• In 2014, Hoang Quan Corporation finalized the procedures on receiving the transfer of **the Villa and Apartment Project in Thanh My Loi Ward**, District 02, Ho Chi Minh City (the rough part was completed) with the scope of 4,985 m<sup>2</sup> land: Area for building low-rise houses is 880 m<sup>2</sup> (04 villas); area for building high-rise apartments is 3,995 m<sup>2</sup> (with 12 floors and 99 apartments); Land area for external affairs is 110 m<sup>2</sup>. The overall height of the building (from the ground to the roof top) is 49.4 m; gross construction floor area: 17,889.7 m<sup>2</sup>.

3. Continuing to call for investments into Ham Kiem I Industrial Park in Binh Thuan and Binh Minh Industrial Park in Vinh Long by joining the domestic and foreign investment forums.

### II. Education:

Finalizing the procedures on changing the location of Mekong Delta University from Nhon Nghia commune, Phong Dien district and Ba Lang ward, Cai Rang district to Thuong Thanh Residential Area, Cai Rang District, Can Tho City (12.3ha). Accordingly, finalizing the approval of the detailed planning with the rate 1/500.

• On the 29th day of November 2014, HQC commenced Mekong Delta University (phase 1) and expected to complete this University and recruit students for the first course in the IIIth Quarter of 2015.

• The investments into Long An University of Economics and Industry, Tay Nam A Economic and Technical College brought the high financial and social effectiveness;

• Continuing to perform the investment and infrastructure building activities for Hoang Quan Economic College near to Ham Kiem I Industrial Zone - Binh Thuan and Binh Minh Vocational College, Binh Minh - Vinh Long Industrial Zone to satisfy the demands on skilled laborers of the Industrial Zones and localities;

• In 2014, the Board of Directors promoted investments in education through negotiating and signing the agreement on repurchasing 20% of the capital contributed by the shareholders into University of Phan Thiet;

• Negotiating and signing the contract on receiving the transfer of 100% contributed capital of Tu Cuong Tourism College in Phan Thiet - Binh Thuan.

### III. Finance:

1. Strengthening the supervision of the financial investments to ensure their highest effectiveness. In 2014, Hoang Quan Corporation received interest, dividends and other significant incomes generated from the financial investments;

2. Completing the issuance of shares and increase of chartered capital in accordance with the Resolution approved by the 2014 Annual General Meeting of Shareholders, in which, issuing the shares valued at VND 300 billion to the business partners that wished to invest in the Corporation and issuing the shares valued at VND 500 billion to the strategic partners. Until the 31st day of December 2014, the Corporation's chartered capital increased to VND 1,700 billion;

3. Completing the closing of the list to distribute the dividends in cash at the rate of 3%/par value/share on the 18th day of November 2014;

4. In 2014, Hoang Quan performed cooperation in investment and trading of the Royal Tower Building, contributing to diversifying the products supplied by Hoang Quan in the real estate market, simultaneously, representing the Board of Management's sensitiveness in grasping business opportunities.

5. Performing cooperation in investment in the Urban Area - Mekong Delta University in Thuong Thanh Ward - Cai Rang District - Can Tho City in which Hoang Quan Consulting - Trading - Service Real Estate Corporation was the Employer.

6. In 2014, the Board of Directors promoted financial investments through the following activities:

• Establishing Hoang Quan Consulting - Trading - Service Real Estate Corporation to invest the capital resource in performing HQC Nha Trang Social Housing Project in Nha Trang City, Khanh Hoa Province;

• Purchasing openly through the trading floor 40% of the capital contributed by the shareholders into Tay Ninh Urban Development and Construction Joint Stock Company.

• Negotiating to transfer and receive the transfer of shares in Tay Ninh Construction Lottery Company Limited.

7. Continuing to promote M&A activities with the companies that have been possessing the feasible and effective projects to obtain higher financial profit.

#### • Other activities

Signing the comprehensive strategic cooperation agreements with Vietnam-based LG and Hyundai Group and Viglacera Corporation. This not only affirmed Hoang Quan's prestige with customers but also represented Hoang Quan's stature with the investors and partners.

To sum up, the guidelines developed by the Board of Directors proved their rightness and suitability to the market and represented the Board of Directors' close touch with the Corporation's operations. Thanks to the Board of Directors' right guidelines that were realized drastically and thoroughly in all sectors, in spite of difficulties, the Corporation witnessed strong recovery in 2014 and was on the momentum of development for 2015 and next years.

### C. THE BOARD OF DIRECTORS' EVALUATION OF THE BOARD OF MANAGEMENT'S OPERATIONS:

In 2014, the Board of Management kept close touch with and organized the effective execution of the guidelines developed by the Board of Directors. Specifically:

#### I. Business:

1. Speeding up the construction schedule and apartment sales in the HQC Plaza and HQC Hoc Mon Social Housing Project and obtaining good results.
2. Continuing to promote investments and developments of the social housing segment in Ho Chi Minh City and other provinces and cities such as Nha Trang, Binh Thuan, Tay Ninh, Vinh Long and Can Tho.
3. Performing the business cooperation in leasing office and commercial centers under the Royal Tower Project.
4. Receiving the transfer and finalizing the procedures on transferring the Villa and Apartment Project in Thanh My Loi, District 2 and Binh Trung Dong Apartment Project, District 2.
5. Taking proactive in offering the solutions on effective construction, improved project management, etc., to supply customers with the apartments with small and medium area, beautiful design, quality construction, ensured schedule and low cost.
6. Signing the comprehensive cooperation agreements with the Hyundai, LG and Viglacera Group in the fields such as commerce, service, calling for investment, consultancy

and supply of equipment for the projects invested by Hoang Quan to increase the quality and living values for the residents and customers in the relevant projects.

7. Partnering with banks such as BIDV, Agribank and Vietinbank to finance house purchasers. Performing customer support, consultancy and care services effectively.
8. Finalizing the procedures of applying for the relevant ministries and sectors' opinions for the Government's approval (on the 27th of January 2015, the Government issued the approval document) to permit to reduce gradually VND 86 billion of the settlement support compensation amount in the Binh Minh Industrial Park Project into the 50-year land rent money of the Project.
9. Preparing and finalizing the procedures of applying for the approvals by the Ho Chi Minh City's departments and sectors to reduce VND 23 billion of the land use money in the HQC Plaza Social Housing Project and corporate taxes.

#### II. Human resources:

In 2014, Hoang Quan Corporation completed the human resource restructuring process and finalized the policy on talent treatment, training and improving; created promotion conditions for employees with managerial capacity and encouraged the employees to study and increase the qualifications.

Built an active, effective and comfortable working environment for employees and increased salary for them in conformity with their capacity and devotions.

Consequently, the labor productivity and effectiveness in 2014 were increased significantly, making a crucial contribution to increasing the Corporation's production and business effectiveness.

#### III. Relationships with shareholders and investors:

- Organizing successfully the 2014 Annual General Meeting of Shareholders under the spirit of publicity and transparency.
- Fulfilling well the Corporation's obligation to list on the stock exchange; notifying the shareholders, investors and management authorities in time, fully and in accordance with the provisions.
- Taking part in exchanges and learning experience about corporate management at the forums, conferences and courses on corporate management held by the State Security Commission of Vietnam, Ho Chi Minh Stock Exchange in coordination with prestigious units such as IFC, Maastricht, VCCI, GRI, etc.

- Updating fully information and images about the Corporation's operations on website [www.hoangquan.com.vn](http://www.hoangquan.com.vn), thereby, helping the Corporation's shareholders and customers to have full information to make contact and transactions on product buying and investment in shares.
- Receiving the ideas and sending feedbacks to the shareholders quickly and fully helped the Corporation create a professional and prestigious image with the shareholders who invested into the Corporation's shares.
- Establishing close relationships with newspapers and radio agencies to facilitate the transmission of information to investors and shareholders effectively in accordance with the given strategies.
- Promoting working sessions with the domestic and foreign investment funds, investment organizations and individuals and securities companies to exchange and provide information about the Corporation's production and business activities to the shareholders and investors. Specifically, in 2014, Hoang Quan met and made discussions with the organizations and investment funds such as SSI, HSC, GEM, Dragon Capital, Prudential, Manulife, VFM, PXP, Tongyang, Fides Investment, Techcombank, Sarus, KITMC, Vina Capital, Bao Viet, etc.
- Finalizing the documents of share issuance and chartered capital increase in accordance with the Resolution approved by the 2014 General Meeting of Shareholders, increasing the Corporation's chartered capital to VND 2,000 billion.
- Finalizing the documents of distributing dividends to the shareholders at 3% in cash.

### D. THE BOARD OF DIRECTORS' OPERATION ORIENTATIONS IN 2015:

The year 2014 marked the Corporation's breakthrough and rejection of the hot growth objective and high profit in the short term with a lot of potential risks to pursue the sustainable growth objective with the strategic orientation to become the leader in the social housing investment and development, respond to and contribute to realizing the Government's guidelines and policies on housing. The 2014's operation results indicated that the above-mentioned guideline was completely right. Thus, the year 2015 shall be an important year for the Corporation to not only promote the obtained achievements but also expand and develop its operations to strive for new heights. With the above-mentioned orientation, the Board of Directors has reached the final agreement on the development objectives in 2015 as follows:

1. Continuing to realize the leading strategy on social housing, in response to the Government's National Housing Program, satisfying demands on social housing of officers, public

servants, officials and employees in the urban area as well as housing for workers in the industrial zones throughout the provinces and cities;

2. Continuing to restructure the Corporation comprehensively (including capital restructuring, product restructuring and machine restructuring) to increase incessantly the labor productivity and effectiveness, develop and strive for new heights and overcome pressures imposed by the market's increasing competition and international integration. Specifically:
  - a. Taking full advantage of the State's incentives of the policy on finance for the program on real estate market support to generate cheap capital resources for the Corporation;
  - b. Concentrating maximum human resources on developing the products of social housing and housing for employees in the industrial zones to satisfy the market's demands and contributing to realizing the Government's strategy on housing. Especially, in 2015, the Corporation shall complete the key projects such as HQC Plaza Social Housing, HQC Hoc Mon Social - Commercial Housing, Thuong Thanh Residential Area - Can Tho City, HQC Royal Tower Building, Mekong Delta University (phase 1).
  - c. Selling quickly the apartments in the HQC Plaza Social Housing, HQC Hoc Mon Social Housing Project in Ho Chi Minh City. Promoting the segments on selling and leasing office and commercial center.
  - d. Inaugurating, completing the foundation and promoting sales in the Social Housing Projects such as HQC Nha Trang, HQC Binh Trung Dong, HQC An Phu Tay, HQC 35 Ho Hoc Lam and HQC Tay Ninh to generate the revenue for the Corporation right in 2015.
  - e. Preparing all investment promotions based on the negotiation results obtained in 2014. As planned, the Corporation shall continue to expand the investments into the social housing projects in Bien Hoa, Tien Giang and Ho Chi Minh City.
  - f. Continuing to consolidate the human resources system towards simplicity and activeness with the body of crucial officers with good management levels and qualifications, high working capacity, effectiveness and high sense of responsibility.
3. Executing thoroughly the solutions on savings and cost reduction. Further promoting the effectiveness in designing and performing the Corporation's projects;
4. Continuing to promote the cooperation in investments into the real estate and education projects, acquisitions and mergers of the companies that have been possessing the feasible and effective projects to obtain higher financial profit.



## 2014 OPERATION REPORT OF THE BOARD OF DIRECTORS AND ORIENTATIONS FOR 2015

The business orientations for 2015, 2016 and 2017 may be described as follows:

**PROJECTS EXPECTED TO BE TRADED BY HQC IN 2016, 2016 AND 2017**

Unit: VND

No. Projects invested by Hoang Quan	2015's revenue	2016's revenue	2017's revenue	Total (excluding VAT)
1 HQC Plaza Nguyen Van Linh Project	1,200,000,000,000	100,000,000,000	100,000,000,000	1,400,000,000,000
2 HQC Nha Trang Project	265,000,000,000	250,000,000,000		515,000,000,000
3 HQC Hoc Mon Apartment Project	320,000,000,000	236,227,645,744	-	556,227,645,744
4 Social Housing Project at 35 Ho Ngoc Lam	200,000,000,000	335,623,539,388		535,623,539,388
5 Binh Trung Dong Apartment Project	150,000,000,000	150,000,000,000	59,343,312,416	359,343,312,416
6 An Phu Tay Apartment Project (8,000 m <sup>2</sup> )	150,000,000,000	40,000,000,000		190,000,000,000
7 HQC Royal Tower Project (District 7)	200,000,000,000	500,000,000,000	400,000,000,000	1,100,000,000,000
8 HQC Hoa Thanh - Tay Ninh Project	100,000,000,000	400,000,000,000	200,000,000,000	700,000,000,000
9 HQC Tay Ninh Project (Ao Cá Area)	120,000,000,000	40,000,000,000		160,000,000,000
<b>Promising projects</b>				
10 HQC Social Housing Project in District 9 (6 ha)	150,000,000,000	800,000,000,000	1,400,000,000,000	2,350,000,000,000
11 Social Housing Project in Tan Huong Industrial Zone - HQC Tien Giang (6ha)	200,000,000,000	300,000,000,000	300,000,000,000	800,000,000,000
12 HQC Dong Nai Social Housing Area	70,000,000,000	130,000,000,000		200,000,000,000
13 Mekong Delta University	100,000,000,000	50,000,000,000	150,000,000,000	300,000,000,000
<b>Total</b>	<b>3,225,000,000,000</b>	<b>3,331,851,185,132</b>	<b>2,609,343,312,416</b>	<b>9,166,194,497,548</b>

In parallel, immediately at the beginning of 2015, Hoang Quan Corporation has cooperated with Associate Companies in Hoang Quan Group to perform the following Projects:

**HQC'S PROJECTS JOINTED WITH HOANG QUAN BINH THUAN CONSULTING - TRADING - SERVICE REAL ESTATE JOINT STOCK COMPANY**

Unit: VND

Project	2015's revenue	2016's revenue	2017's revenue	Total (excluding VAT)
Ham Kiem Industrial Zone (146 ha)	200,000,000,000	400,000,000,000	500,000,000,000	1,100,000,000,000
Residential - Trading - Service area, Ham Kiem Industrial Zone (75 ha)	100,000,000,000	300,000,000,000	500,000,000,000	900,000,000,000
HQ Mui Ne Resort (3 ha)		200,000,000,000	400,000,000,000	600,000,000,000
<b>Total</b>	<b>300,000,000,000</b>	<b>900,000,000,000</b>	<b>1,400,000,000,000</b>	<b>2,600,000,000,000</b>

**HQC'S PROJECTS JOINTED WITH HOANG QUAN MEKONG CONSULTING - TRADING - SERVICE REAL ESTATE JOINT STOCK COMPANY**

Unit: VND

Project	2015's revenue	2016's revenue	2017's revenue	Total (excluding VAT)
Binh Minh Industrial Park (136 ha)	200,000,000,000	400,000,000,000	350,000,000,000	950,000,000,000
Binh Minh Residential Area for Employees & Experts.	200,000,000,000	300,000,000,000	300,000,000,000	800,000,000,000
Binh Minh Industrial Park (30 ha)				
Trading and Service Area Binh Minh Industrial Park	150,000,000,000	100,000,000,000	100,000,000,000	350,000,000,000
<b>Total</b>	<b>550,000,000,000</b>	<b>800,000,000,000</b>	<b>750,000,000,000</b>	<b>2,100,000,000,000</b>

**HQC'S PROJECTS JOINTED WITH HOANG QUAN CAN THO CONSULTING - TRADING - SERVICE REAL ESTATE JOINT STOCK COMPANY**

Unit: VND

Project	2015's revenue	2016's revenue	2017's revenue	Total (excluding VAT)
Thuong Thanh Residential Area (7ha)	150,000,000,000	100,000,000,000	50,000,000,000	300,000,000,000
Urban Area - Mekong Delta University 30ha (widened 17ha)	200,000,000,000	300,000,000,000	300,000,000,000	800,000,000,000
Commercial Housing Area 14 ha	200,000,000,000	200,000,000,000	500,000,000,000	900,000,000,000
<b>Total</b>	<b>550,000,000,000</b>	<b>600,000,000,000</b>	<b>850,000,000,000</b>	<b>2,000,000,000,000</b>

The joint revenues expected to be achieved in 2015, 2016 and 2017 above shall bring a significant financial profit to HQC, contributing to speed up the growth rate, revenue and profit in 2015 and next years.

With the above-mentioned investment and business orientations, the expected revenue and profit in 2015, 2016 and 2017 may be described as follows:

**PLAN ON REVENUE AND PROFIT IN 2015, 2016 AND 2017**

Unit: VND

6. Item	2015	2016	2017
1 Revenue	3,225,000,000,000	4,000,000,000,000	6,000,000,000,000
2 Cost	2,718,624,392,375	3,400,000,000,000	5,100,000,000,000
3 Gross profit	506,375,607,625	600,000,000,000	900,000,000,000
4 Financial profit	74,124,392,375	110,000,000,000	300,000,000,000
5 Operating cost	170,000,000,000	200,000,000,000	300,000,000,000
6 Operating profit	336,375,607,625	400,000,000,000	600,000,000,000
7 Profit before tax	410,500,000,000	510,000,000,000	900,000,000,000
8 Profit after tax	320,190,000,000	397,800,000,000	702,000,000,000

5. With the above-mentioned orientations and plan, the Board of Directors would like to consult with the General Meeting of Shareholders about increasing the chartered capital from VND 2,000 billion to about VND 4,000 billion by issuing separately shares to the partners to reduce gradually the liabilities, issuing the convertible shares to acquire and merge the companies and issuing shares to the available shareholders to complete the key projects in 2015.

6. Some basic planned targets in 2015:

1. Revenue: **VND 3,225,000,000,000**
2. Profit before tax: **VND 410,500,000,000**
3. Profit after tax: **VND 320,190,000,000**
4. Dividends: **8 %**

**Conclusion:** In 2015, the Board of Directors shall continue to make its best efforts to overcome difficulties and challenges to reorganize and develop the Corporation and realize the targets assigned by the General Meeting of Shareholders. The Board of Directors would like to receive more belief, consolidation and consensus of the shareholders in the Corporation's operations.

Sincerely,

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS  
THE CHAIRMAN



Ph.D. TRUONG ANH TUAN

**Recipients:**

- 2015's Annual General Meeting of Shareholders;
- Board of Directors, Board of Management, Supervisory Board;
- Archived at office

# 2014 OPERATION REPORT OF THE BOARD OF MANAGEMENT AND ORIENTATIONS FOR 2015

## I. OVERVIEW OF 2014 BUSINESS RESULTS:

### Advantages:

- Hoang Quan Consulting - Trading - Service Real Estate Corporation has always received the concern and leadership from the Ministry of Construction, Ministry of Public Security, State Bank of Vietnam, Bank for Investment and Development of Vietnam (BIDV), City's People's Committee, etc., and guidelines, support and help provided by the agencies, departments and sectors.
- Undergoing 15 years of establishment, development and operation in the sectors of Real estate, Education and Finance, the Corporation has established a good reputation and a strong brand, thereby, obtaining confidence, trust and support from customers, banks and credit institutions in the City.
- Hoang Quan Corporation is the pioneer in investment and building of the social housing projects initiated in Ho Chi Minh City, the Employer of HQC Plaza - Social Housing Project which is now receiving much attention of the leaders at all levels as well as customers throughout the country.
- The Corporation has young staffs with high qualification and quality, and collection of cutting-edge technologies and equipment that help the Corporation be able to compete against other enterprises of the same business lines in and out of the City.
- The Corporation has strengthened the staff quality, stabilized qualified and highly devoted personnel, enhanced corporate finance and risk management and had a highly qualified staff for operations.
- The Corporations' Board of Directors and Board of Management have always reached a high consensus in management, operation and been proactive in investment and business activities with the strategic orientations, decisions and policies that helped the Corporation overcome difficulties.

### Disadvantages:

- In 2014, Vietnam's economy was driven to achieve a slight growth compared to 2013 under the conditions of macroeconomic stability: curbed inflation, reasonable credit growth, suitable interest rate and slightly adjusted exchange rates. However, almost all of Vietnamese enterprises still had to confront a number of difficulties in the routine of continuing to restructure in line with the sustainable development trend and integration in the context of increasingly fierce competition trend.
- The real estate market in 2014 was still silent with high volume of inventories, difficulties in looking for consumption market, insufficient capital resource, and limited loan. Many guidelines and policies to help the enterprises tackle difficulties were issued by the Government. However, accessing to the capital resources remained difficult, especially, loan disbursement for customers to buy the Corporation's project products.
- The Government's documents about social housing policy were issued and executed. However, there were still many entanglements in finalizing the administrative and legal procedures to deploy the investment and building of social housing projects, causing waste of time and money for the Enterprise in performing investment projects.

In that context, in 2014, the Corporation's Board of Directors and Board of Management made great effort in taking advantage of opportunities and took proactive steps to deal with difficulties and challenges, strengthen the internal solidity, run the Corporation's operations in a flexible manner to achieve the given objectives, ensure the shareholders' benefits and life, income and employment for laborers and well fulfill the obligations to the State budget.

## Business results in 2014:

UNIT: VND

Item	Planned amount in 2014	Actual amount in 2014	Achievement percentage
1 Revenue	1,320,000,000,000	308,659,022,576	23.4%
2 Cost	1,030,000,000,000	242,531,875,723	23.6%
3 Gross profit	290,000,000,000	65,672,601,398	22.7%
4 Financial profit	30,000,000,000	45,146,884,742	150.5%
5 Operating cost	130,000,000,000	68,671,810,273	52.8%
6 Operating profit	160,000,000,000	42,147,675,867	26.3%
7 Other profit		(1,888,175,157)	
8 Profit before tax	200,000,000,000	40,259,500,710	
9 Profit after tax	150,000,000,000	31,922,169,469	21.3%

## Corporation's capital and asset structure:

UNIT: VND

Item	2014	Năm 2013	Increase (+) / Decrease (-)	Percentage
Current assets	3,008,199,626,165	2,116,099,124,285	892,100,501,880	+42%
Non-current assets	1,125,218,838,859	1,023,980,226,345	101,238,612,514	+10%
Liabilities	2,345,594,680,080	2,184,177,735,155	161,416,944,925	+7%
Equity	1,787,823,784,944	955,901,615,475	831,922,169,469	+87%

## Achievements in 2014:

Although the real estate sector witnessed positive changes at the end of 2014, this was generally assessed to be the year with many difficulties and fluctuations. In that context, Hoang Quan continued to develop sustainably, with its crucial product as social housing. The resolutions approved at the 2014's General Meeting of Shareholders indicated that Hoang Quan had selected the right direction of development. This is represented by the following recognized achievements:

- **Speeding up the construction progress of the HQC Plaza - Social Housing Project and performing topping out on the 06th day of December 2014.** The successful holding of the topping out ceremony helped Hoang Quan

establish a firm prestige to the government agencies, departments and sectors, investors, partners, shareholders, media, above all, customers.

- Thanks to the success in investment and performance of the HQC Plaza - Social Housing Project, **in 2014, Hoang Quan was approved by the government agencies to invest in a number of social housing projects in other provinces and cities such as Binh Thuan, Nha Trang, Can Tho and Vinh Long.** The establishment of an array of social housing projects (with HQC brand) not only confirmed Hoang Quan's prestige and brand as the leading enterprise in investing in and developing social housing projects, but also helped Hoang Quan satisfy the increasing demands on housing of residents, especially those with difficult conditions.



- Especially, Hoang Quan was **the pioneer in the initiative of designing and building the adjacent housing model with the area of house and land below 70 m<sup>2</sup>. This initiative helped Hoang Quan not only be entitled to the incentives of the government's package of VND 30,000 billion but also satisfy the demands**, tastes and favors of local customers. In fact, Hoang Quan achieved success in the Thuong Thanh Residential Area Project at Mekong Delta University and Urban Area - Can Tho City. In 2014, the Project's Employer delivered 100 first apartments with full of traffic infrastructure, internet, power and water supply to customers, satisfying the residents' living demands. In near future, the Employer would promote the finalization of procedures of issuing the certificate of land use rights to customers in the Project.
- Signing the comprehensive strategic cooperation agreements with Vietnam-based LG and Hyundai Groups, and Viglacera Corporation in the fields such as commerce, service, calling for investment, consultancy and supply of equipment for the projects invested by Hoang Quan to increase the quality and living values for the residents and customers in the relevant projects.** This not only affirmed the outstanding advantages of Hoang Quan's products and prestige to customers but also represented Hoang Quan's stature to the investors and partners.
- Breaking ground for the construction of Mekong Delta University**, which opened a new page in Hoang Quan's investment and development of education projects, also affirmed the area addition in the projects deployed by Hoang Quan.
- In 2014, **Hoang Quan cooperated in investment and trading of the Royal Tower**, contributing to diversifying the products supplied by Hoang Quan in the real estate market, and representing the Management's sensitiveness in grasping business opportunities.
- Completing and putting into operation the new headquarter at No.286 - 288 Huynh Van Banh, Phu Nhuan District.** The inauguration of the new headquarter not only represented Hoang Quan's professional image and increasing development but also satisfied customers' demands better.
- Not only contributing to satisfying the residents' housing demands through the social and low-cost commercial housing projects, Hoang Quan Corporation and its Member Companies in the system continue to act as a companion of the residents in the long term by **establishing the Scholarship Funds named by projects invested by Hoang Quan such as HQC Plaza Scholarship Funds, HQC Hoc Mon Scholarship Funds, HQC Can Tho Scholarship**

**Funds, etc., dedicated to children of residents living in the relevant projects.** Specifically, Hoang Quan granted scholarship to the children of the residents living in the HQC Plaza Project with the amount of VND 200,000,000/year and the children of the residents living in the Mekong Delta University and Urban Area Project and Cai Rang District, Can Tho City with the amount of VND 100,000,000/year.

- In parallel to the business activities, **Hoang Quan Corporation regularly represented its social responsibility through the social activities and charity programs.** In 2014, the social activities were paid much attention to and developed strongly by Hoang Quan. Specifically, beside supporting fond-of-learning poor students, Hoang Quan sponsored the program titled "Joining hands to protect Vietnam's sovereignty in the East Sea" initiated by the Ho Chi Minh City Public Security's Newspaper; organized the playing and physical practice activities for children and teenagers in Phu Nhuan District. Most recently, Hoang Quan has officially undertaken to support three Vietnamese Heroic Mothers in Tay Ninh with respect during their all life. In 2014, Hoang Quan spent the total amount of VND 1.7 billion on the above-mentioned activities to affirm its responsibility for the community and society.

#### **Improvements on organizational structure, policy and management:**

Over years, apart from being active, dynamic and making effort to perform the management and operation tasks and offering the solutions to timely solve problems arising during the business and investment management, the Board of Management made some improvements on structure, policy and management to bring high achievements for the Corporation, specifically:

- Finalizing the personnel organization restructuring process and planning step by step the program on building the staff of inheritors to supplement to the Corporation's Board of Management.
- Appointing the Deputy General Director specialized in Marketing and External Affairs, establishing the Communications - Brand Division to further promote the communication activities and transmit fully and widely information to shareholders, individuals, investment organizations and the media, promotion and brand development agencies, etc., thereby, increasing the prestige of Hoang Quan brand in the market.
- Especially, to facilitate officers and employees in Hoang Quan system to overcome difficulties about housing for their stable life and assurance to work and develop the career,

the Corporation had the incentive policy for all officers and employees in the system to purchase social housing in all projects that are being performed by Hoang Quan.

- In terms of business operations, the Corporation applied the online business system that functions as a marketing and an additional sale channel to facilitate customers to access to the Corporation's products.

## **II. ORIENTATIONS AND TASKS IN 2015**

As per the middle and long term strategies and based on the established foundation as well as assessments on difficulties, challenges and opportunities, the Board of Management has mapped out the orientations and objectives in 2015 and next years as follows:

- Continuing to realize the strategy of leading in social housing in response to the Government's National Housing Program, satisfying demands on social housing of officers, public servants, officials and employees in the urban area as well as housing for workers in the industrial zones throughout the provinces and cities, with a variety of products in conformity with the demands, tastes and income of almost all of customers.
- In addition to focusing on trading two main products: HQC Plaza Social Housing, HQC Hoc Mon Social Housing, etc., the Corporation shall promote developing and offering other social housing products in the potential cities and provinces.
- With the developing economic momentum and gradual recovery of the real estate market, as well as the determination of the staff and Board of Management, the Corporation shall focus its efforts on completing and putting into operation key projects such as HQC Plaza Social Housing, HQC Hoc Mon, Thuong Thanh Residential Area - Can Tho City, HQC Royal Tower, etc. All of these projects are aimed at bringing customers apartments with middle and small areas, beautiful design, quality construction and low cost together with commercial housing and office for lease. Moreover, the Corporation will make its efforts to complete Mekong Delta University (phase 1) and enroll about 3,000 students in the first course and up to 10,000 students in the phase 2.
- Completing the infrastructure and promoting attraction of investors into 02 available industrial zones namely Binh Minh Industrial Park in Vinh Long and Ham Kiem Industrial Park in Binh Thuan; continuing to build workshop for lease to contribute to diversifying options for customers and partners.

- Making investment preparations, executing and finalizing the legal documents of social housing for HQC Hoc Mon Project, HQC Nha Trang Apartment and Social Housing Project, HQC Binh Trung Dong Apartment and Social Housing Project, HQC An Phu Tay Apartment and Social Housing Project (8,000 m<sup>2</sup>), HQC Apartment and Social Housing Project at 35 Ho Hoc Lam, HQC Tay Ninh Social Housing Project, etc.

- Following the development orientations by calling for and expanding investments, especially on the basis of the negotiation results obtained in 2014, the Corporation will continue to expand investments and finalize the legal procedures for investment in the social housing projects in Bien Hoa, Tien Giang and Ho Chi Minh City in 2015.

- Finalizing the legal procedures for investment at Tay Ninh Urban Development and Construction Joint Stock Company. Receiving the share transfer at Tay Ninh Construction Lottery Company Limited, University of Phan Thiet and Tu Cuong Tourism Secondary School in Phan Thiet City - Binh Thuan.

- Controlling closely construction and management costs to optimize the Corporation's profit.

Based on the mapped strategies and inherent potentials, Hoang Quan Corporation develops the 2015's business plan as follows:

#### **PROJECTS TO BE TRADED BY HQC IN 2015**

Unit: VND		
No.	Projects invested by Hoang Quan	Revenue
1	HQC Plaza Nguyen Van Linh Project	1,200,000,000,000
2	HQC Nha Trang Project	265,000,000,000
3	HQC Hoc Mon Apartment Project	320,000,000,000
4	Social Housing Project at 35 Ho Ngoc Lam	200,000,000,000
5	Binh Trung Dong Apartment Project	150,000,000,000
6	An Phu Tay Apartment Project (8,000 m <sup>2</sup> )	150,000,000,000
7	HQC Royal Tower Project (District 7)	200,000,000,000
8	HQC Hoa Thanh - Tay Ninh Project	100,000,000,000
9	HQC Tay Ninh Project (Ao Cá Area)	120,000,000,000
<b>Promising projects</b>		
10	HQC Social Housing Project in District 9 (6 ha)	150,000,000,000
11	Social Housing Project in Tan Huong Industrial Zone - HQC Tien Giang (6 ha)	200,000,000,000
12	HQC Dong Nai Social Housing Area	70,000,000,000
13	Mekong Delta University	100,000,000,000
<b>Total</b>		<b>3,225,000,000,000</b>

2014 OPERATION REPORT OF THE BOARD OF MANAGEMENT AND ORIENTATIONS FOR 2015

In parallel, immediately at the beginning of 2015, Hoang Quan Corporation has cooperated with Associate Companies in Hoang Quan Group to perform the following Projects:

**PROJECTS PERFORMED BY HQC IN COOPERATION WITH HOANG QUAN BINH THUAN CONSULTING - TRADING - SERVICE REAL ESTATE JOINT STOCK COMPANY**

Unit: VND

Project	Revenue
Ham Kiem Industrial Park (146 ha)	200,000,000,000
Residential - Trading - Service Area, Ham Kiem Industrial Park (75 ha)	100,000,000,000
<b>Total</b>	<b>300,000,000,000</b>

**PROJECTS PERFORMED BY HQC IN COOPERATION WITH HOANG QUAN MEKONG CONSULTING - TRADING - SERVICE REAL ESTATE JOINT STOCK COMPANY**

Unit: VND

Project	Revenue
Binh Minh Industrial Park (136 ha)	200,000,000,000
Binh Minh Residential Area for Employees & Experts. Binh Minh Industrial Park (30 ha )	200,000,000,000
Trading and Service Area Binh Minh Industrial Park	150,000,000,000
<b>Total</b>	<b>550,000,000,000</b>

**PROJECTS PERFORMED BY HQC IN COOPERATION WITH HOANG QUAN CAN THO CONSULTING - TRADING - SERVICE REAL ESTATE JOINT STOCK COMPANY**

Unit: VND

Project	Revenue
Thuong Thanh Residential Area (7 ha)	150,000,000,000
Mekong Delta University and Urban Area 30 ha (expanded by 17 ha)	200,000,000,000
Commercial Housing Area (14 ha)	200,000,000,000
<b>Total</b>	<b>550,000,000,000</b>

The joint revenues expected to be achieved in 2015 as above will bring a significant financial profit to HQC, contributing to an increase in the 2015 revenue and profit. Thus, from the above-mentioned investment plan, the Corporation's revenue and profit in 2015 are expected as follows:

**Recipients:**

- 2015's Annual General Meeting of Shareholders;
- Board of Directors, Board of Management, Supervisory Board;
- Archived at office.

**PLAN ON REVENUE AND PROFIT IN 2015**

Unit: VND

<b>Corporate capital</b>	<b>4,000,000,000,000</b>
<b>Revenue</b>	<b>3,225,000,000,000</b>
- HQC Plaza Nguyen Van Linh Project	1,200,000,000,000
- HQC Nha Trang Project	265,000,000,000
- HQC Hoc Mon Apartment Project	320,000,000,000
- HQC Social Housing Project at 35 Ho Hoc Lam	200,000,000,000
- HQC Binh Trung Dong Apartment Project	150,000,000,000
- HQC An Phu Tay Apartment Project (8,000 m <sup>2</sup> )	150,000,000,000
- HQC Royal Tower Project (District 7)	200,000,000,000
- HQC Hoa Thanh Project	100,000,000,000
- HQC Tay Ninh Project (Ao Cá Area)	120,000,000,000
<b>Promising projects</b>	
- HQC Social Housing Project in district 9 (6 ha)	150,000,000,000
- Social Housing Project in Tan Huong Industrial Zone - HQC Tien Giang (6 ha)	200,000,000,000
- HQC Dong Nai Social Housing Area	70,000,000,000
- Mekong Delta University	100,000,000,000
<b>Cost</b>	<b>2,718,624,392,375</b>
Gross profit	506,375,607,625
Operating cost	170,000,000,000
Operating profit	336,375,607,625
Financial profit	74,124,392,375
<b>Profit before tax</b>	<b>410,500,000,000</b>
<b>Profit after tax</b>	<b>320,190,000,000</b>
Dividends	8%

The above is the entire report prepared by Hoang Quan Corporation's Board of Management for review of General Meeting of Shareholders. We would like to receive General Meeting of Shareholders' more support to achieve our targets together.

Sincerely,  
**HOANG QUAN CONSULTING - TRADING - SERVICE REAL ESTATE CORPORATION**



**Ph.D. TRUONG ANH TUAN**





# THE REPORT OF THE SUPERVISORY BOARD

## Submitted to the 2015 Annual General Meeting of Shareholders

### To: The General Meeting of Shareholders of Hoang Quan Consulting - Trading - Service Real Estate Corporation

The Supervisory Board hereby reports the 2014 regular supervision and inspection results as follows:

#### A. INCOME STATEMENTS AND FINANCIAL STATEMENTS APPRAISAL:

The Supervisory Board (SB) agrees with the data stated in the financial statements prepared by the Board of Management and reviewed by Auditing and Consulting Co., Ltd (A&C). Accounting was performed reasonably and complied with the current accounting standards and regimes.

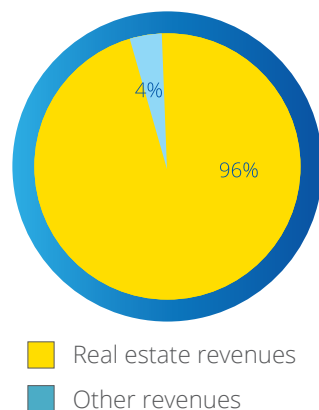
ITEM	As at 31/12/2013	As at 31/12/2014	Increase (+) Decrease (-)
A. Current assets	2,116,099	2,731,120	615,021
B. Non-current assets	1,023,980	1,324,924	300,944
<b>TOTAL ASSETS</b>	<b>3,140,079</b>	<b>4,056,044</b>	<b>915,965</b>
A. Nợ phải trả	2,184,177	2,270,024	85,847
B. Nguồn vốn chủ sở hữu	955,902	1,786,020	830,118
<b>TOTAL CAPITAL</b>	<b>3,140,079</b>	<b>4,056,044</b>	<b>915,965</b>

Unit: Mil. dong

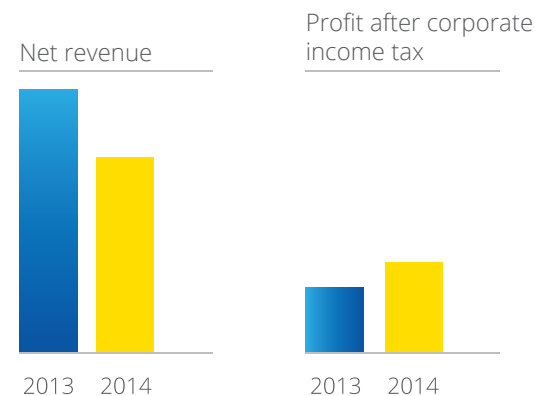
The 2014 business results obtained by the Corporation are described as follows:

- Profit before tax: VND **37.9** billion.
- Profit after tax: VND **30.1** billion (increasing by 30.9%) compared to 2013.
- Total assets as at 31 December 2014: VND **4,056** billion
- Shareholders' equity until 31 December 2014: VND **1,786** billion, increasing by VND **830** billion as compared to 2013.
- Real estate revenues made up **95.8%** of the total revenue.

2014 Revenue structure chart



2014 business result chart



#### B. SUPERVISION RESULTS OF THE BOARD OF DIRECTORS AND BOARD OF MANAGEMENT

##### 1. Cooperation among the Supervisory Board, Board of Directors, and Board of Management:

- The Supervisory Board cooperated closely with the Board of Directors and Board of Management in supervising the compliance with the legal regulations and Corporation's Charters.
- The Board of Directors and Board of Management concerned, created favor conditions, provided information and helped the Supervisory Board to access to the documents for supervision and accuracy check.

- The Head of the Supervisory Board participated in the meetings of the Board of Directors and Board of Management; got involved in contributing ideas and making direct discussions with the Board of Directors and Board of Management about the of the meetings' contents.

##### 2. Management activities supervision results:

- In 2014, HQC still confronted many great difficulties and challenges. It was the great effort of the Board of Directors and Board of Management to keep the Corporation's activities stable and tend to grow.
- After reviewing the Resolution of the General Meeting of Shareholders and Reports of the Board of Directors, the Supervisory Board agreed with the Income Statements.
- The Board of Management held the regular meetings on implementing the investment and business guidelines effectively; evaluated the work quality and effectiveness of the divisions to timely solve the arising issues; offered the solutions to strengthen the governance and management effectiveness; and explored the opportunities to increase the operational effectiveness and limit risks.
- The Board of Directors tried to build a working environment with occupational morality and corporate culture.
- The Supervisory Board supervised the execution of the Resolution of the 2014 General Meeting of Shareholders by the following methods:
  - + The scheme on chartered capital increase to VND 2,000 billion: The Corporation succeeded in issuing shares to increase the chartered capital.
  - + The Chairman of the Board of Directors cum General Director of the Corporation: Ran the management system in effective and cost-saving manners and stabilized the Corporation's activities. Management and administration are centralized and unified.
  - + Updated and supplemented the Corporation's Charters when increasing the chartered capital.
  - + In 2014, the key project was HQC Plaza - Social Housing Project with the scale of: 1,735 apartments, and total investment capital up to VND 1,422 billion. The General Meeting of Shareholders authorized the Board of Directors to borrow the loans from the banks to invest in the projects in accordance with the policy of the Resolution No. 02/NQ-CP dated 07 January 2013 of the Government.

- Controlling closely the construction costs; managing and using the loans for investments; timely withdrawing liabilities; speeding up the selling activities to optimize the profit and increase the liquidity of the cash flows.
- Restructuring the affiliated companies in line with the improved management methods.
- Having the policy on motivating, exploring and developing human resources. Improving the sales policy in accordance with the requirements and tasks in the new period.
- Finalizing the internal control mechanisms and ensuring the implementation of these mechanisms.
- Developing and adjusting the procedures to finalize the system as a whole.
- Increasing the liquidity for the cash flows and controlling the cash flows invested in the projects.

##### 2. Orientations of the 2015 working plan and 2015 - 2019 term:

After the 2015 General Meeting of Shareholders concludes, the new Supervisory Board's term will start. The new Supervisory Board should assign specific tasks to each member and prepare the working plan in accordance with the functions and duties as regulated:

- Supervising the direction and management activities of the Board of Directors and Board of Management in accordance with the Resolution of the General Meeting of Shareholders, Corporation's Charter and legal regulations.
- Appraising the financial statements periodically.
- Conducting regular and sudden checks as requested by the shareholders or the Board of Directors.
- Cooperating with and supporting the Board of Management in improving and increasing the effectiveness of the internal supervision system.
- Applying information technology and increasing effectiveness of the remote supervision; Developing the mechanism to enhance the self-check activity at the member departments and units in the system with capital relations.
- Performing the measures to increase the independence and quality of the supervision and check activities.
- The Supervisory Board would like to receive the contributed ideas and cooperation of the shareholders to fulfill the assigned tasks, contributing to the growth objective, increasing the Corporation's transparency and protecting the shareholder's benefits.
- The Supervisory Board believes that with the efforts from the Board of Directors and good signal from the market, HQC will get many achievements in 2015, creating the foundation for the shareholders to recognize HQC as an enterprise with development potentials.

Sincerely,

FOR AND ON BEHALF OF THE SUPERVISORY BOARD  
**THE HEAD**

NGUYEN THANH VAN

#### C. 2015 WORKING PLAN OF THE SUPERVISORY BOARD

##### 1. Proposals of the Supervisory Board to the Board of Directors:

- Directing, checking up and re-evaluating the investment effectiveness of all projects the Corporation participates in; the specialized divisions should be careful in risk evaluation, analysis, detection and management.

##### Recipients:

- The General Meeting of Shareholders (original);
- The Board of Directors and Board of Management.
- Archived: The Supervisory Board



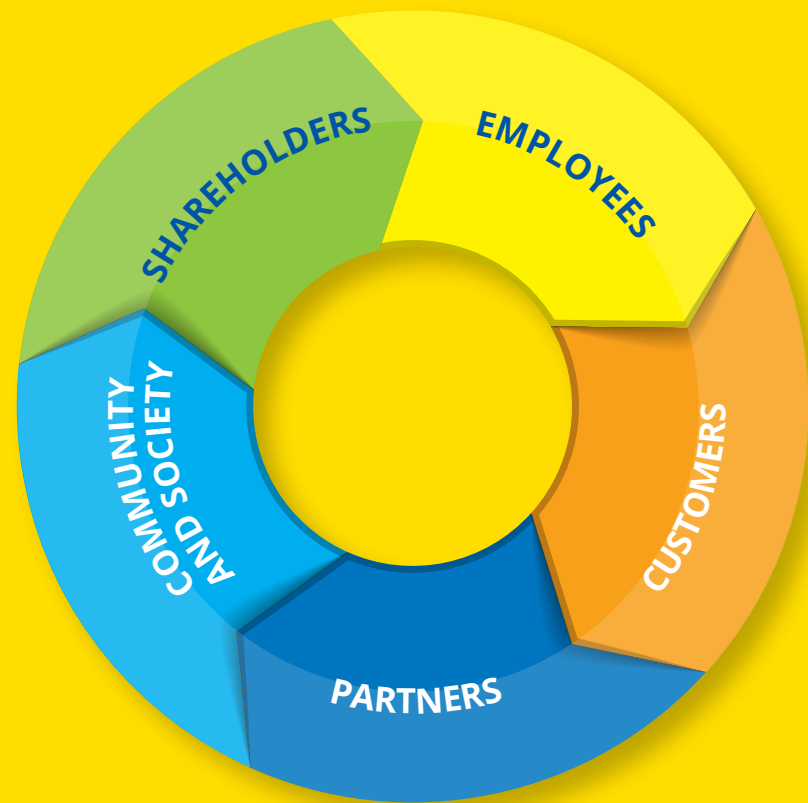
# HIGH PRESTIGE HIGH VISION





## SUSTAINABLE DEVELOPMENT

HQC defines the sustainable development can be obtained only by the harmonious combination of economic benefit of the enterprise and that of related parties, and social responsibility, environmental protection as well. Such combination is detailed in relationships between the Corporation and its shareholders, investors, customers, partners, employees and social communities.



## STRATEGIC VISION WITH RELATED PARTIES

### Shareholders

With the motto of transparency and equality, HQC constantly updates information of the Company's operations to shareholders and investors through various means. Besides, HQC also implements measures to control risks in investment and business activities in order to maximize benefits of shareholders.

### Employees

HQC always provides suitable remuneration policy, friendly and professional working environment, thereby showing appreciation of the contribution of employees to the Company's success.

### Customers

By the devotion and understanding of customer needs, HQC always strives to provide quality products for the safety and benefit of customers. At the same time, by cooperation with local and international partners in application of high technology in construction, HQC can reduce production costs to bring high quality products at reasonable price to customers.

### Partners

In the spirit of fair cooperation, equality and respect for the harmony of interests of the parties, HQC determines the target of sustainable development with partners as the core value of the business.

### Community and society

Identifying that the sustainable development of the Company cannot be separated from the benefits of the community, in addition to environmental protection, HQC continues to promote action programs to jointly develop the community.

# CORPORATE GOVERNANCE

## A. BOARD OF DIRECTORS (BOD)

### Responsibilities of the BOD

The Board of Directors is the body to manage the Company with full authority to on behalf of the company decide and perform rights and obligations of the Company which are not subject to competence of the General Meeting of Shareholders. The Board of Directors is responsible for formulating development strategy and orientation of the Company while supervising the management of the Board of Management.

### Components, structure of the BOD and number of shares held

The Board of Directors of the Company consists of 7 members in which 2 members are independent and non-executive members. The Board of Directors of the Company is considering the establishment of the Board's Committees specialized in Development Policy, Risk Management, Human Resources, and Remuneration for the purpose of specialization and developing the strengths of each member, thereby improving management ability and strengthening the management structure.

Every year, the Chairman of the BOD cum General Director is passed by the General Meeting of Shareholders.

In 2014, there was no change in the membership of the Board of Directors.

(Tính đến 31/12/2014)

No.	Full name	Position	2013		2014	
			Number of shares held	Percentage	Number of shares held	Percentage
1	Mr. Truong Anh Tuan	Chairman	6,470,000	7.19%	5,470,000	3.22%
2	Ms. Nguyen Thi Dieu Phuong	Vice Chairman	2,899,032	3.22%	492	0.00%
3	Mr. Le Trong Ngoc	Member	126,000	0.14%	126,000	0.07%
4	Mr. Truong Duc Hieu	Member	900,000	1.00%	0	-
5	Mr. Truong Thai Son	Member	120,000	0.13%	120,000	0.07%
6	Mr. Le Thanh Nam	Member	0	-	0	-
7	Mr. Le Dinh Vien	Member	0	-	0	-

\* Mr. Le Dinh Vien and Mr. Le Thanh Nam are independent, non-executive members of the BOD.

### Meetings of the BOD and participants in the meetings

In 2014, the Board of Directors held 14 meetings to discuss and make important decisions, orientations and timely adjust business and investment plans.

No.	Member of the BOD	Position	Number of meetings participated	Rate	Remarks
1	Mr. Truong Anh Tuan	Chairman	14	100%	
2	Ms. Nguyen Thi Dieu Phuong	Vice Chairman	14	100%	
3	Mr. Le Dinh Vien	Member	13	93%	Absence due to business trip
4	Mr. Truong Thai Son	Member	13	100%	Absence due to business trip (authorizing to the Chairman)
5	Mr. Truong Duc Hieu	Member	14	100%	
6	Mr. Le Trong Ngoc	Member	14	100%	
7	Mr. Le Thanh Nam	Member	14	100%	

## Resolutions of the BOD in 2014 are as follows:

No.	Resolution No.	Resolution No.	Description
1	01/2014/NQ-HDQT	10 March 2014	Extending time to organize Annual General Meeting of Shareholders 2014
2	02/2014/NQ-HDQT	07 April 2014	Divesting capital in Lang Son Import Export Joint Stock Company
3	03/2014/NQ-HDQT	12 June 2014	Approving the agenda of Annual General Meeting of Shareholders 2014
4	04/2014/NQ-HDQT	14 July 2014	Approving capital contribution to Hoang Quan Nha Trang Consulting - Trading - Service Real Estate Co., Ltd.
5	05/2014/NQ-HDQT	26 July 2014	Approving the separate issuance of shares to business partners to offset liabilities.
6	06/2014/NQ-HDQT	30 July 2014	Approving criteria and objects of strategic investors.
7	07/2014/NQ-HDQT	25 August 2014	Approving results of separate issuance of shares to business partners to offset liabilities; amending and supplementing the Charter; additionally registering separately issued securities to offset liabilities at the Depository Center and HCMC Stock Exchange.
8	08/2014/NQ-HDQT	28 August 2014	Approving detailed plan of issuance of shares to increase charter capital and options to use capital raised from the offer.
9	09/2014/NQ-HDQT	28 August 2014	Approving applications for public offering of shares.
10	10/2014/NQ-HDQT	26 September 2014	Approving adjustment of distribution of separately issued shares to strategic investors.
11	11/2014/NQ-HDQT	02 October 2014	Approving results of separate issuance of shares to strategic investors; amending and supplementing the Charter; additionally registering separately issued securities to strategic investors at the Depository Center and HCMC Stock Exchange.
12	12/2014/NQ-HDQT	22 October 2014	Approving plans to settle excess shares in case existing shareholders have not purchased all offered shares.
13	13/2014/NQ-HDQT	04 November 2014	Approving payment of dividends and issuance of shares to existing shareholders.
14	14/2014/NQ-HDQT	30 December 2014	Approving the distribution of excess shares in the offering to existing shareholders.

## B. SUPERVISORY BOARD

Supervisory Board acts on behalf of the General Meeting of Shareholders to supervise and evaluate the operation and management of the Board of Directors and Board of Management in accordance with regulations in the Charter of the Company, Resolutions, and Decisions of the General Meeting of Shareholders.

The Supervisory Board of the Company consists of 3 members:

No.	Full name	Position	2013		2014	
			Number of shares held	Rate	Number of shares held	Rate
1	Mr. Nguyen Thanh Van	Head	1,800	0.00%	1,800	0.00%
2	Ms. Mai Hoang Yen	Member	0	-	0	-
3	Mr. Le Quoc Dung	Member	0	-	0	-

Members of the Supervisory Board have sufficient qualifications to ensure supervision of activities of the Board of Directors, Board of Management thereby minimizing risks in investment and business operations.

The Supervisory Board has authority to inspect any problem within its competent and has full right to approach and work with the Company's management to perform the responsibility of supervising and evaluating the implementation of regulations of the BOD and the Board of Management.



## CORPORATE GOVERNANCE

**C. BOARD OF MANAGEMENT**

The Board of Management is appointed by the Board of Directors, and it is responsible for implementing resolutions of the GMS and BOD, deciding on all issues which do not require resolutions of the Board of Directors, including acting on behalf of the Company to sign financial and commercial contracts, organizing and managing day to day business operations of the Company in accordance with best management practices.

**From October 2014, the Board of Management includes 6 members:**

No.	Full name	Position	2013		2014	
			Number of shares held	Rate	Number of shares held	Rate
1	Mr. Truong Anh Tuan	Chairman	6,470,000	7.19%	5,470,000	3.22%
2	Mr. Le Trong Ngoc	Permanent Deputy General Director	126,000	0.14%	126,000	0.07%
3	Ms. Nguyen Thi Dieu Phuong	Deputy General Director of Finance - Accounting	2,899,032	3.22%	492	0.00%
4	Mr. Truong Duc Hieu	Deputy General Director of Sale	900,000	1.00%	0	-
5	Mr. Vu Trong Dac	Deputy General Director of Administration - Human Resources - Legal	54,000	0.03%	54,000	0.03%
6	Mr. Truong Thai Son	Deputy General Director of Marketing & Foreign Affairs	Not appointed		120,000	0.07%

Mr. Truong Thai Son was appointed in the position of Deputy General Director of Marketing & Foreign Affairs in order to promote marketing and communication activities thereby sufficiently and extensively transfer information to shareholders, partners, investment organizations, customers, the media, etc. in order to popularize and improve reputation of Hoang Quan brand in the market.

**Internal Control**

The Internal Control operates in the principles of independence, objectivity, honesty, non-concurrence, assumed by officers with professional qualifications and experience. The Internal Control performs the following main duties:

- Safeguarding assets and benefits of shareholders,
- Ensuring the accuracy of accounting figures and financial statements,
- Building the culture of complying with internal regulations, rules, operating process of the organization as well as regulations of the law,
- Controlling operational risk and consulting the organization of effective business operations.

**D. TRANSACTION STATISTICS OF INTERNAL/MAJOR SHAREHOLDERS AND RELATED PERSONS**

No.	Maker	Relationship	Shares at the beginning		Shares at the closing		Reason
			Quantity	Percent (%)	Quantity	Percent (%)	
							Sales of 6 million shares ended 25 March 2014
1	Mr. Truong Anh Tuan	Chairman of Board of Directors cum General Director	6,470,000	7.19	5,470,000	3.22	Purchase of 3 million shares ended 27 June 2014
							Purchase of 2 million shares ended 17 July 2014
2	Ms. Nguyen Thi Dieu Phuong	Deputy Chairwoman of Board of Directors cum Deputy General Director	2,899,032	3.22	492	0	Sales of 2,898,540 shares ended 30 October 2014
3	Mr. Truong Duc Hieu	Member of Board of Directors cum Deputy General Director	900,000	1.00	0	0	Sales of 900,000 shares ended 27 October 2014
4	Viet Kien Truc Joint Stock Company	Mr. Truong Anh Tuan - major shareholder	750,000	0.83	1,350,000	0.79	Sales of 750,000 shares ended 18 July 2014
							Purchase of 1,350,000 shares issued separately for debt offset
5	Hoang Quan Me Kong Consulting-Trading-Service Real Estate Corporation	Mr. Truong Anh Tuan - Chairman of Board of Directors	17,250,000	19.17	25,000,000	14.71	Sales of 17,250,000 shares ended 21 July 2014
							Purchase of 25,000,000 shares issued separately for debt offset
6	Binh Thuan Construction and Trading House Joint Stock Company	Mr. Truong Anh Tuan - major shareholder	0	0	13,650,000	8.03	Purchase of 3,650,000 shares issued separately for debt offset
							Purchase of 10,000,000 shares issued separately for strategic investor
7	Indochina Real Estate Development Investment Company Limited	Major shareholder	0	0	20,000,000	11.76	Purchase of 20,000,000 shares issued separately for strategic investor
8	Bao Linh Housing Development & Construction Investment Joint Stock Company	Mr. Le Quoc Dung - member of Board of Directors	0	0	20,000,000	11.76	Purchase of 20,000,000 shares issued separately for strategic investor

\* Note:

- Statistical values calculated as at 31 December 2014.

- Beginning charter capital amounted 900 billion dong. Closing charter capital amounted 1,700 billion dong.





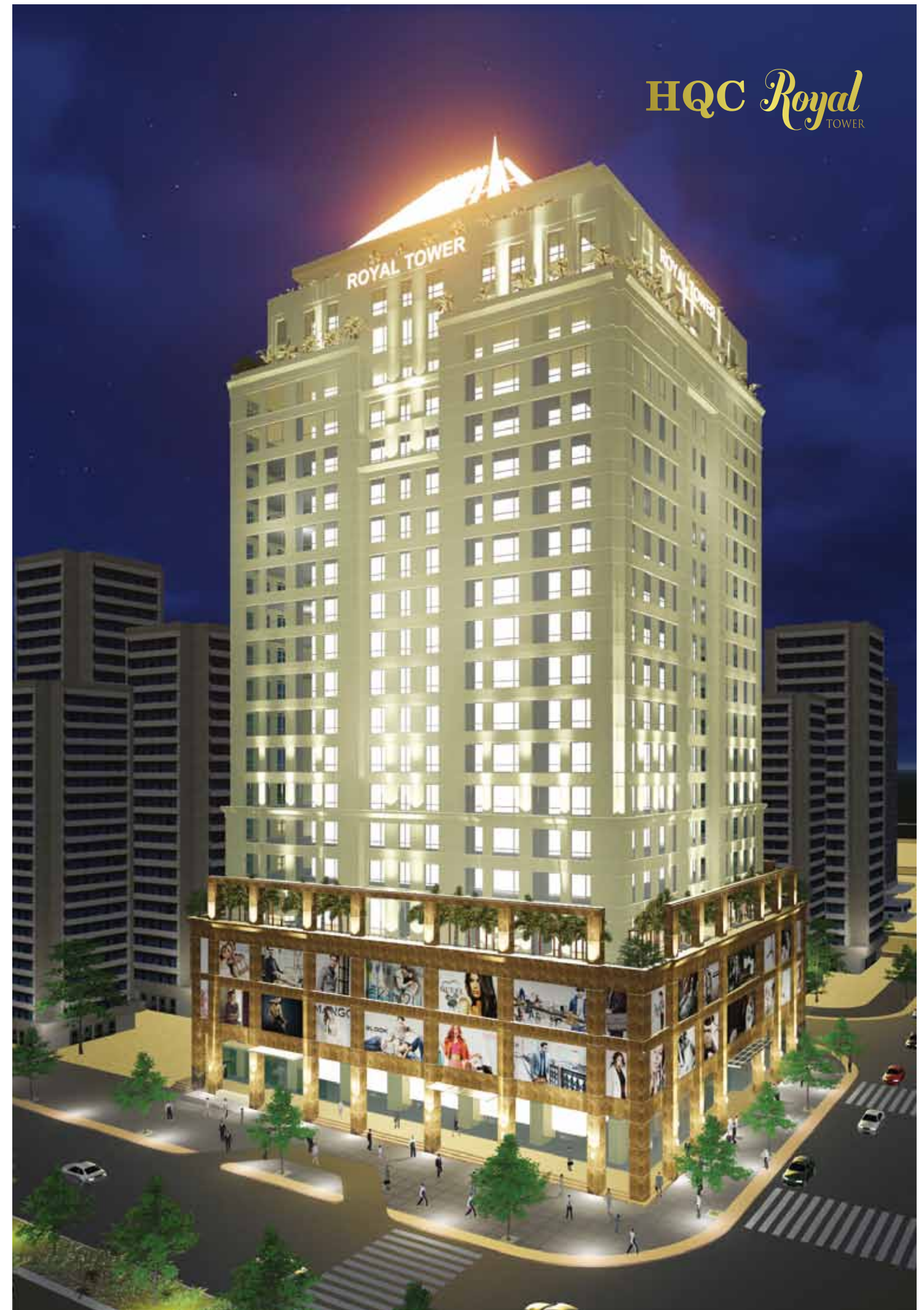
HQC Royal  
TOWER

OFFICE FOR LEASE



HQC Royal  
TOWER

COMMERCIAL CENTER

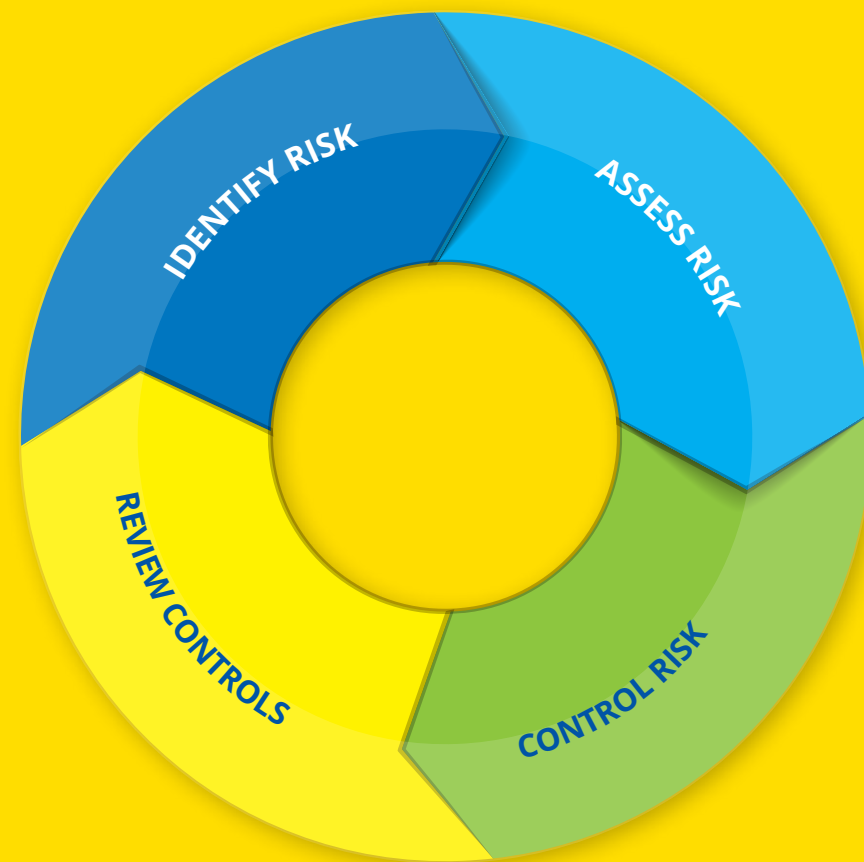


HQC Royal  
TOWER



# RISK MANAGEMENT

In 2014, the Board of Management of Hoang Quan Consulting – Trading – Service Real Estate Corporation continuously carried out the establishing and monitoring measures of risk management principles. Particularly, the Board of Management established a policy system to detect and analyze potential risks, at the same time, implemented risk control measures. The Corporation has defined main types of risks and taken regular risk management measures in correspondence to market condition changes as follows:



CURRENT ASSETS/  
SHORT-TERM LIABILITIES



NON-CURRENT ASSETS/  
LONG-TERM LIABILITIES

## 1. MARKET RISK

Real estate is a peculiar industry, which has a strongly close connection with financial market and general economic situation of the whole country. Therefore, market fluctuation will greatly affect to the expected revenue and profit of the Corporation. Market risks are classified into 3 major types of risk, namely, currency risk, interest rate risk and market price risk.

### 1.1. Currency risk:

Because Hoang Quan Corporation makes all transactions in VND, therefore they are not affected by fluctuations in currency value. However, as a result of inflation, Vietnam dong creates a negative implication on price and output product consumption capacity. Thus, at the first step of implementing the projects, the Leadership has established a currency devaluation reserve norm to minimize the possibility of higher prices due to inflation.

### 1.2. Interest rate risk:

The Corporation is exposed to significant interest rate risk from interest-bearing loans for investment in real estate projects. Some loans are signed with floating interest rate, which brings a potential risk to enterprise's operation in a fluctuant market condition at present.

Accordingly, the Corporation has taken many measures to limit interest rate risk as follows:

- Increasing self-funded coefficient of enterprise from 30% in 2013 to 43% by 31 December 2014.
- Proactively paying off or restructuring of loans with floating interest rate to loans with preferred and fixed interest rate.
- Transforming the project investment form to make best use of incentives from the government and the State Bank in respect to interest rate of project investment loans. In particular, in 2014, the Corporation succeeded in borrowing investment capital of HQC Plaza social housing project with interest rate of 6%/year or less. It is expected that, in 2015, the Corporation shall invest in many other social housing projects in areas of Ho Chi Minh City, Western Region and Central Region.

### 1.3. Market price risk:

In 2014, the real estate market had many positive changes. Additionally, at signing project construction investment contract, the Hoang Quan Corporation selected general contractor signing form with fixed price during construction process. Therefore, the fluctuation on input material price had less implication on the enterprise's expected profit.

## 2. CREDIT RISK

Credit risk is a risk where the Corporation is financially damaged if a customer cannot perform his contractual obligations and such risk arises mainly from receivables from customers (no risk from investments is mentioned).

### Risk mitigation measures:

- Receivables from customers and other receivables: Each customer holds specific characteristics which bring particular risk to the Corporation. In 2014, the Leadership of the Corporation implemented some policies to control as follows: making provision for doubtful receivables, selecting appropriate customers for each project, building payment condition for various customers to create the most optimal conditions to customers and enterprise.
- Investments: In the last year, the Corporation has limited credit risk level by only investing in trusted partners of Hoang Quan system, limiting investments in its subsidiaries by means of withdrawing capitals from such subsidiaries to focus investment resources on some key projects being implemented by the Corporation.

## 3. LIQUIDITY RISK

Liquidity risk management aims to ensure funds to meet current and future debt obligations of the enterprise.

Indicators show the liquidity of the Corporation as of 31 December 2014 as follows:

- Current assets/ Short-term liabilities = 2.27
- Non-current assets/ Long-term liabilities = 1.1

### Risk mitigation measures:

- The Corporation regularly monitors current requirements on liquidity as well as expected future requirements to ensure sufficient reserves of cash to satisfy immediate financial demand of the Corporation.
- The Corporation implemented measures to increase the turnover of receivables to meet cash needs for its other investment activities.

## 4. PROJECT IMPLEMENTATION PROGRESS RISK

The Corporation's projects often have the implementation period of 3-5 years and face up many huge challenges from investment procedure application, site clearance, construction design, and construction commencement. The Leadership of the Corporation has prepared measures to speed up the project construction period to minimize progress delay risk against customers such as:

- Preparing clean soil for planned projects;
- In addition to above action, performing legal procedures and design to enable construction commencement right after obtaining investment approval;
- Preparing partner and customer right from the beginning to ensure capital source invested in the project;
- Early make closed activity chain available to assure project implementation work, including legitimacy - design - material supply - construction;
- For projects being implemented, the Leadership offers an exact house delivery and completion time. Pressure is created so that the Corporation uses its best attempt to complete criteria and commitments to customers for the purpose of establishing prestige and trust toward them.

## 5. LEGAL RISK

Hoang Quan Corporation has a separate legal department including lawyers with years of experience. This department regularly monitors and updates the legal changes to timely consult and advise the Leadership in order to take best advantages of favorable legal conditions and minimize the damages from disadvantageous policies on real estate market.

# INVESTOR RELATIONS

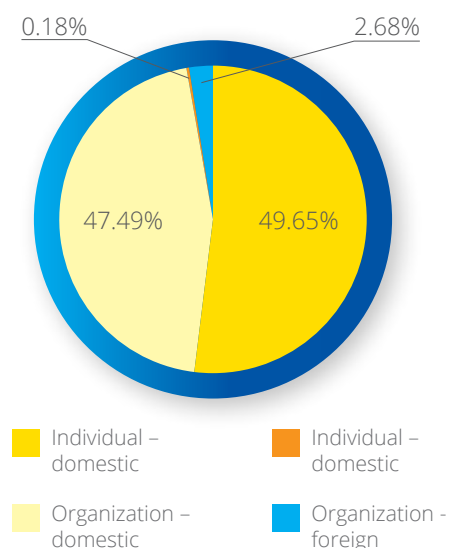
Effort to provide complete and accurate information to create the most favor condition for shareholders and investors to self-update information on the Corporation.

## INFORMATION ON SHAREHOLDERS AND SHARES

Information on shares (as of 31 December 2014)	Value	Unit
Charter capital	1,700,000,000,000	Dongs
Number of shares listed	170,000,000	Shares
Transferable shares	90,000,000	Shares
Transfer restricted shares	80,000,000	Shares
Market capitalization	~ 1,411,000,000,000	Dongs

## SHAREHOLDER STRUCTURE BY OWNERSHIP

SHAREHOLDER STRUCTURE (as of 31 December 2014)	Quantity	Ownership quantity (Charter capital of 1,700 billion dongs)	Rate
<b>DOMESTIC</b>	<b>5,175</b>	<b>194,505,078</b>	<b>97.14%</b>
Individual - domestic	5,134	84,403,670	49.65%
Organization - domestic	41	80,738,688	47.49%
<b>FOREIGN</b>	<b>17</b>	<b>5,494,922</b>	<b>2.86%</b>
Individual - foreign	14	301,602	0.18%
Organization - foreign	3	4,556,540	2.68%



Ownership statistics on major shareholder

No.	Investor	Ownership registration number	Ownership shares number	Rate
01	Hoang Quan Mekong Consulting - Trading - Service Real Estate Corporation	1500419591	25,000,000	14.71%
02	Binh Thuan Construction and Trading House Joint Stock Company	3400382824	13,650,000	8.03%
03	Bao Linh Housing Development & Construction Investment Joint Stock Company	0303133739	20,000,000	11.76%
04	Dong Duong Real Estate Investment Development Co., Ltd	0305769801	20,000,000	11.76%

### Highlight activities Investor Relations in the past year:

- Held successfully Annual General Meeting of Shareholders in 2014 in a spirit of openness and transparency.
- Completed the dividend division in cash of 300 dongs/share to existing shareholders.
- Completed the issuance of separate shares to clear debts

of 30 million shares and issued separate shares to strategic partners with 50 million shares; thereby increasing charter capital to 1,700 billion dongs.

- Completed the issuance of shares to existing shareholders at ratio of 3:1 and put 30 million shares into transaction, increasing the charter capital to 2,000 billion dongs.

- Actively worked with individuals, organizations, domestic and foreign investment Funds, securities companies who are seeking investment opportunity into HQC by exchanging and providing information on business situation. Specifically, in 2014, the Corporation welcomed organizations, and investment funds such as SSI, HSC, GEM, Dragon Capital, Prudential, Manulife, VFM, PXP, Tongyang, Fides Investment, Techcombank, Sarus, KITMC, Vina Capital, Bao Viet, etc.
- Regarding information disclosure, the Corporation often updates and discloses information on its business situation and financial information on website: <http://hoangquan.com.vn/shareholdersrelations/>
- Proactively participated in conferences on Company Administration and training courses organized by State Security Commission of Vietnam, Ho Chi Minh Stock Exchange in coordination with prestigious units such as IFC, Maastricht, VCCI, GRI, etc., to improve the operation quality of Company Administration.
- Took part in Investment Conference held by securities companies.
- Put new website into use with friendly interface to make shareholders, investors easy to access information.

In addition, the department in charge of Investor Relations has perfected operation mechanism step-by-step to gain high efficiency in the role of bridging information to shareholders, investors and relevant parties. Hoang Quan constantly creates the best conditions in order for shareholders and investors to possibly update information on the Corporation via channels:

- Annual General Meeting of Shareholders
- Investor's direct visits to head office of the Corporation
- Welcoming investors through telephone
- Answering questions from investors via email: [qhndt@hoangquan.com.vn](mailto:qhndt@hoangquan.com.vn)

### Information on recipient to handle the issues of Investor Relations

Mr. Nguyen Trung Khanh - Director of Investor Relations  
 286 - 288 Huynh Van Banh, Ward 11, Phu Nhuan District, Ho Chi Minh City  
 Tel: 84-8 6292 8617 – Ext: 125  
 Email: [qhndt@hoangquan.com.vn](mailto:qhndt@hoangquan.com.vn)

### Orientation on Investor Relations in 2015:

- To continue updating information rapidly, accurately to investors and shareholders;
- To provide timely responses to questions from shareholders and investors directly or via email [qhndt@hoangquan.com.vn](mailto:qhndt@hoangquan.com.vn)
- To actively take part in conference, forum, training course, etc., about Company Administration.

- To make continuous updates to website [www.hoangquan.com.vn](http://www.hoangquan.com.vn) in order to supply information on business and financial activities, etc. On the other hand, to complete the content of website in English to transmit full information to foreign shareholders and investors.

## IMPLEMENTING THE RESOLUTION OF GENERAL MEETING OF SHAREHOLDERS IN 2014

### Dividend payment in cash

In accordance with Resolution of General Meeting of Shareholders dated 28 June 2014, the Corporation made dividend payment at the rate of 3%/par value/share in cash.

- Final registration date: 18 November 2014
- Implementation date: 23 March 2015
- Total value of dividends: 27,000,000,000 dongs

### Issue of shares to existing shareholders

The Corporation issued shares to existing shareholders at the ratio of 3:1, particularly as follows:

- Number of shares issued: 30,000,000 shares
- Effective date of listing: 21 January 2015
- Official date of transaction: 26 January 2015

### Issue of separate shares to business partner to clear debts

- Number of shares issued: 30,000,000 shares
- Hoang Quan Mekong Consulting Trading Service Real Estate Corporation: 25,000,000 shares
- Binh Thuan Construction and Trading House Joint Stock Company: 3,650,000 shares
- Viet Architecture Corporation: 1,350,000 shares
- Effective date of listing: 29 September 2014
- Official date of transaction: 26 August 2015

### Issue of separate shares to strategic partner

- Number of shares issued: 50,000,000 shares
- Binh Thuan Construction and Trading House Joint Stock Company: 10,000,000 shares
- Dong Duong Real Estate Investment Development Co., Ltd: 20,000,000 shares
- Bao Linh Housing Development & Construction Investment Joint Stock Company: 20,000,000 shares
- Effective date of listing: 17 October 2014
- Official date of transaction: 05 October 2015

**Remuneration for Board of Directors and Supervisory Board**  
 Remuneration for Board of Directors and Supervisory Board in 2014 is 735,900,000 dongs.

Board of Directors' and Supervisory Board's remuneration in 2015 proposed by Board of Directors is 735,900,000 dongs.

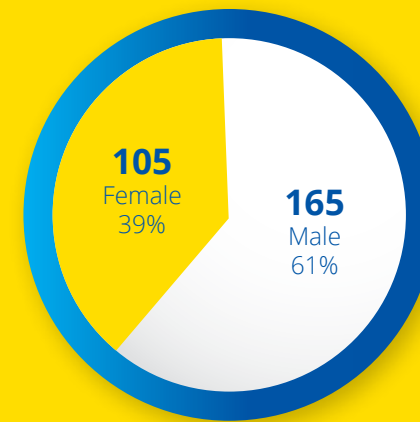


# HUMAN RESOURCE DEVELOPMENT ACTIVITIES

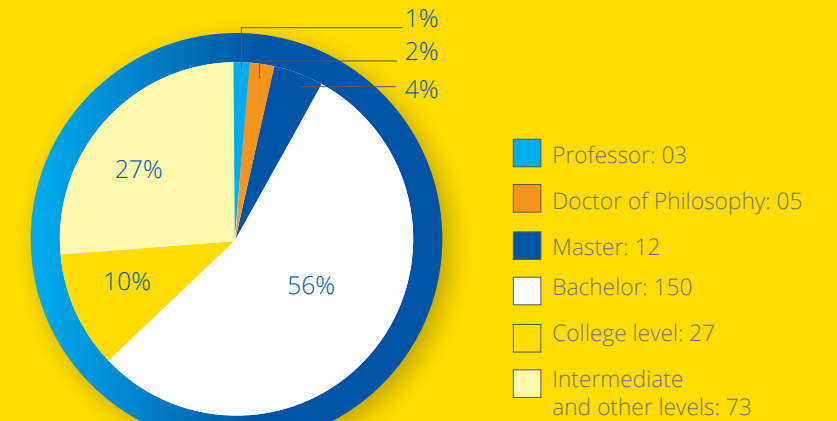


NUMBER OF EMPLOYEES (as at 01 March 2015)

Employees by gender



Employees by qualification



## REGIMES AND POLICIES FOR EMPLOYEES

### Salary and bonus regime

The Company has established a synchronous salary policy, and the salary shall be paid accordingly, based on contribution of employee and working quality for higher productivity, talent attraction and retention. Furthermore, salary policy is always the most concerned issue to employee and an important element to create working environment with plentiful promotion opportunities.

The Company has appropriate bonus regulation to encourage its employee to fulfill their work well, contributing to business plan efficiency of the Company.

Bonus forms applied by the Company include bonus for work efficiency, bonus of 13 month salary, bonus for excessive revenue, bonus for initiative on engineering and management affairs, etc.

In addition, the Company gives bonus on public holidays (New Year, Lunar New Year, Liberation Day, and National Day) based on operation performance of the whole Company during the year,

time and contribution of each individual, section and unit.

### Treatment and welfare regime

Beside position, responsibility allowance regime, capacity allowance, qualification, seniority, transportation allowance, etc., the company also provides lunch allowance, work fees, severance allowance, allowance for difficult financial conditions, and other welfares for marriage, birthday, funeral, sickness, etc., at the same time, ensures social insurance, health insurance, unemployment insurance, 24/24 accident insurance for employee.

To create a consolidation among employees, annually the Company organizes vacations, cultural, sports and entertainment activities, takes care of its employees' material and spiritual life.

### Recruitment policy includes

Recruitment under procedures established on first principle of the Company's recruitment policy is "right person - right work".



HUMAN RESOURCE DEVELOPMENT ACTIVITIES



With the aim of recruiting a team of dedicated, enthusiastic and qualified employees, the Company's recruitment policy always aims at diversification of candidates who have suitable skills, experience, high qualification to match work requirements, always facilitates its employees in integrating and adapting to working environment and their job as soon as possible.

On the other hand, the Company always prioritizes, creates promotion and development opportunities to its employees as well as appropriate candidates through introduction.

**Training policy**

With desire of building a professional team of employees with extensive qualification, adequate capacity to lead the company conquering higher and further goals, the Company always focuses on training works to enhance professional skills, living skills and professional working skills for employees, regularly organizes internal training courses (by top senior experts

in Vietnam) and external training; thereby, seeks potential candidates for successive leaders.

**Trade Union**

1. Cultural - entertainment - sport activities:  
In 2004, the Company facilitated and encouraged the employees to take part in Cultural - entertainment - sport activities and got high achievement such as First prize - Tennis Tournament organized by Business Association of Phu Nhuan District, Third prize - Tennis Tournament of Businessmen Association (organized by Ho Chi Minh City's Public Security News)

2. Employees' life care:  
On public holidays, the Company always holds a meeting and giving program to encourage spirit of the employees. In 2014, total expense for these activities is approximately VND 202,000,000.

**Labor safety**

Not only does the Company take care of its employees' life but also working

conditions and labor safety, especially for those who are working directly at project site.

**Human resource development**

Appreciating the importance of human factor in success of all activities, the Company always has treatment policy for talent retention and attraction, development of existing human resource through encouragement of employee's self-training, internal training, etc., enhancement of qualification to meet work standards as required at higher position, thereby, build a team of successive personnel. On the other hand, the Company periodically evaluates and proposes solutions of working environment improvement, working method, ensuring high professionalism, at the same time, fair and reasonable payment to employees.

Besides, the Company always places importance on human resource assessment, allocation, transfer, etc. to suit their actual capacity; on the other hand, the Company is also flexible in personnel policy to suit each specific stage.





# SUSTAINABLE DEVELOPMENT WITH COMMUNITY

## FOR EDUCATIONAL CAREER

Education and training play an extremely important role in development of a nation and its people. With desire to share a partial contribution to educational career of home country, Hoang Quan Corporation has established Hoang Quan Scholarship Fund and actively supported pupils and students in Ninh Thuan, Ho Chi Minh City and Southern provinces and cities.

- Encouragement scholarships have been granted to 54 pupils – students who overcome difficulty and got excellent performance in Phu Nhuan District Area with total amount of 75 million Vietnam dong.
- Coordinate with Association for Promoting Education of District 8 to grant scholarship to 245 primary, secondary, and high-school pupils who got high results in study with total contribution of 255 million Vietnam dong.

- Together with Tuoi Tre News, Hoang Quan Scholarships - "Relay to school in 2014" have been granted to 211 new students with difficult situation from 7 provinces and cities in Southeast Region with total amount of 100 million Vietnam dong.
- 400 scholarships with total amount of 230 million Vietnam dong have been granted to excellent poor pupils and 30 gifts given to teachers with difficult situation who achieved high teaching performance.
- 100 million Vietnam dong has been spent for exclusive scholarships to children of residents living in Mekong Delta University - Urban Area and Cai Rang District, Can Tho City.
- 200 million Vietnam dong has been spent for annual scholarships to all children of residents with excellent study result living at HQC Plaza Project.
- 500 million Vietnam dong has been given to Association for Promoting Education of Ninh Thuan Province to support excellent poor students – pupils in Ninh Thuan Province.



VND **1,460,000,000**

Total contribution to Educational career in 2004 of Hoang Quan Scholarship Fund

## SHARING WITH COMMUNITY

Hoang Quan Corporation's sharing activities not only focuses on education but also in hunger eradication and poverty reduction and gratitude, etc. In particular, Hoang Quan Corporation reserved 100 million Vietnam dong to support program "Uniting Efforts to Protect Vietnamese Sovereignty over the East Sea", to sponsor "Empathy Hearts" program, to coordinate organization of "Moonlight Shadow in 2014" to children in Phu Nhuan District, etc. Especially, in 2014, Hoang Quan Corporation accepted to take care of 3 Vietnamese Heroic Mothers in Tay Ninh Province.



Total budget reserved for the sharing activities in 2014 is approximately

VND **300,000,000**

# ENVIRONMENT PROTECTION

As employer of many tall building projects and industrial zone, university and college projects, Hoang Quan always awares that sustainable economic development should be in line with environment protection. Strict management of environmental issues such as energy saving, water saving, waste limitation during construction process, minimization of waste discharged to the environment, etc., that helped Company to save construction expense, reduce product price and minimize avoidable impacts to the environment.

## EFFICIENT USE OF ENERGY, MATERIALS

In 2014, HQC actively raised the sense of saving energy in its office and at projects.

### At office

- Design, position, and rearrange the whole working office in green – clean trend. Natural light and wind are fully utilized. The use of lighting, power and air-conditioning system is restricted.
- Call for employees in the whole network to reduce management expense in their use of power energy, water, stationery, etc.
- In addition, the Company also enhances application of technology and science in its operation such as online meeting which helps to reduce the usage of transportation vehicles thereby reduce gas emission to the environment.

### At projects

- Not only working office is directed to energy saving, other projects of which HQC and its members act as the employer are also applied requirements on efficient use of energy.

- Economical use of materials, especially materials exploited from natural resources.

## ENVIRONMENT MANAGEMENT AND WASTE CONTROL

During project implementation, arising waste is unavoidable. However, by appropriate technological and technical measures, in combination with strict management methods at each section, it is possible to minimize a large amount of waste arising. Such measures to minimize arising wastes include:

- Exact estimate of materials volume serving the construction, minimization of residues after construction.
- Selection of appropriate material gathering location upwind and on high ground to avoid damage and loss when unused.
- Measures for smoke and arising wastewater minimization during construction process.
- Regular check, routine maintenance for items to prevent and remedy

timely possible breakdown.

- Active use of green materials – which are less hazardous to the environment such as unburned materials. At high floor projects in which HQC and member companies acting as the employer, use of up to 30% unburned bricks during project implementation, in accordance with regulation on unburned materials in construction works of Ministry of Construction.
- On the other hand, project implementation process is standardized to ensure proper performance in first time, thereby reduce wastes into the environment.
- All projects are evaluated and committed to execute under regulations on environment based on standards such as: QCVN 05:2009/BTNMT, QCVN 06:2009/BTNMT, QCVN 26:2010/BTNMT.







# PROGRESS OF TYPICAL PROJECTS



## KEY PROJECTS TO BE COMPLETED IN 2015

### HQC PLAZA SOCIAL HOUSING

**Location:** Lot CC1, Nguyen Van Linh Avenue, Saigon South New Urban Area, Binh Chanh, Ho Chi Minh City.

Located in Nguyen Van Linh Avenue, where is considered arterial road of Western gateway of Ho Chi Minh City. The Project is 500m far from National Highway 1A, therefore it is easy to connect to Ho Chi Minh City – Trung Luong Expressway toward Mekong Delta provinces. Especially, with complete traffic system, it takes 5 minutes only to arrive at Vo Van Kiet Avenue from HQC Plaza, connecting to the center of Ho Chi Minh City, and only 10 minutes to arrive at Phu My Hung Urban Area.

In addition to its prime location, HQC Plaza also lies in area under the master planning of Saigon South Area beside Binh Dien Wholesale Market, adjacent to D and E areas of Phu My Hung, opposite to International University area, close to BigC Supermarket, Western Region Bus Station, Children Hospital of City, Trieu An Hospital, Franco – Vietnamese Hospital (FV), etc., so it inherits a series of utility services for demand of modern life, satisfying commercial service activities and learning opportunity in international standardized schools.

#### Scope of Project:

- The project consists of four 23-24-storey condominium blocks, which are constructed in an area of 35,290 m<sup>2</sup>.
- Construction area: 11,214.68 m<sup>2</sup>
- Total construction floor area: 149,221.54
- Construction density: 33%
- Total number of apartments: 1,735 apartments
- Area of apartment:
  - + Apartment with 02 bedrooms, 02 toilets: 54.87 m<sup>2</sup>, 61.52 m<sup>2</sup>, 62.25 m<sup>2</sup>, 67.92 m<sup>2</sup>, 69.85 m<sup>2</sup>
  - + Apartment with 02 bedrooms, 01 toilet: 54.87 m<sup>2</sup>

#### Project Utilities:

HQC Plaza is a Social housing project; however, the Employer pays much attention to building many utility works to provide a more comfortable and modern life to residents, in particular:

- Commercial center
- Areas for entertainment, sport practice, walking street
- General clinic
- Kindergarten
- Green Tree Park, swimming pool, tennis yard, children's garden.
- Besides, residents also enjoy a range of utilities, services, public entertainments at areas such as Big C Supermarket, Western Region Bus Station, Children Hospital, Trieu An Hospital, Franco – Vietnamese Hospital (FV), etc.

**Total land area:** 35,290.3 m<sup>2</sup>

**Total construction floor area:** 152,026. 5 m<sup>2</sup>

**Completion time:** Quarter IV 2015

**Total investment capital:** 1,450 billion VND (in which equity capital is 327 billion VND, borrowed capital is 540 billion VND, and mobilized capital is 884 billion VND)

By the end of March 2015, HQC Plaza Social Housing has been completed 100% topping and 50% masonry of apartment and sold out more than 1,300/1,735 suites. For disbursement situation, as at 16 March 2015, 236 customers purchasing HQC Plaza apartment received disbursement from the bank with total amount of 74.5 billion VND, 542 applications were approved for disbursement by the bank.

Regarding the enterprise, BIDV has also disbursed to Hoang Quan Corporation an amount of 378.4 billion VND over total pledged amount of 540 billion VND. Thus, HQC Plaza has been disbursed by the bank with total amount of 452.7 billion VND.



# 1,735

Apartments

# 152,027

Total construction floor area

### HQC HOC MON COMMERCIAL – SOCIAL HOUSING

**Employer:** Hoang Quan Consulting - Trading - Service - Real Estate Corporation.

#### Location:

- Nguyen Thi Soc Street, Xuan Thoi Dong, Hoc Mon District (opposite to Hoc Mon Agriculture Wholesale Market)
- HQC Hoc Mon is located in the centre of Hoc Mon District, where infrastructure is completed and modern.
- Only 200m far from National Highway 22 (arterial road connecting the centre of Ho Chi Minh City and Cu Chi, Moc Bai – Tay Ninh)
- It takes only 7 minutes to arrive at administrative center of Hoc Mon District, Hoc Mon Hospital, Metro and Coopmart Supermarkets, Quang Trung Software Park, only 5 minutes to An Suong intersection and 25 minutes to the centre of Ho Chi Minh City.
- Opposite to the project is Hoc Mon Agriculture Wholesale Market which is bustling and busy.

#### Scope of Project:

- Scope: Basement, 4 commercial floors, 14 apartment floors.
- Total number of apartments: 562 apartments
- Apartment area: 42.87 m<sup>2</sup> – 69.97 m<sup>2</sup>
  - + Apartment with 02 bedrooms, 02 toilets: 60.52 m<sup>2</sup>, 48.07 m<sup>2</sup>, 55.05 m<sup>2</sup>, 55.13 m<sup>2</sup>, 55.83 m<sup>2</sup>, 69.03 m<sup>2</sup>, 64.18 m<sup>2</sup>, 62.74 m<sup>2</sup>
  - + Apartment with 03 bedrooms, 02 toilets: 69.97 m<sup>2</sup>, 69.50 m<sup>2</sup>, 65.53 m<sup>2</sup>
  - + Apartment with 02 bedrooms, 01 toilet: 59.60 m<sup>2</sup>, 42.87 m<sup>2</sup>
  - + Apartment with 01 bedroom, 01 toilet: 45.04 m<sup>2</sup>, 48.83 m<sup>2</sup>, 47.47 m<sup>2</sup>, 46.07 m<sup>2</sup>, 47.35 m<sup>2</sup>

- Area of construction of residential area and commercial center: 5,531 m<sup>2</sup>
- Area of green tree park: 1,747.3 m<sup>2</sup>

#### Project Utilities:

- 24/24 strict control security system, together with professional security guards
- Modern monitoring camera system
- Advanced fire fighting and prevention system
- Ventilated parking area, elevator system, power and water service, high-speed internet wifi, various cable television services
- Chain of cafeterias, luxury restaurants, and supermarket system available to all residents.
- Green tree park

**Total construction land area:** 11,899.3 m<sup>2</sup>

**Total construction floor area:** 70,560.2 m<sup>2</sup>

**Completion time:** Quarter IV 2015

**Total investment capital:** 554.9 billion VND (in which equity capital is 104 billion VND, borrowed capital is 80 billion VND, and mobilized capital is 397 billion VND)

By 07 March 2015, HQC Hoc Mon Project is in construction of 5th floor, 119 apartments have been sold and it will be completed and handed over to the customers in 4th Quarter 2015. 10 customers were approved for disbursement under a package of 30,000 billion of the Government at interest rate not exceeding 6%/year, supported with maximum loan of 80% of apartment value within period of 20 years.



# 562

Apartments

# 70,560

Total construction floor area



## HQC ROYAL TOWER



**Employer:** Hoang Quan Consulting - Trading - Service - Real Estate Corporation and Dong Duong Real Estate Development Company Limited.

**Location:** C17-1-1 Nguyen Luong Bang, District 7, Ho Chi Minh City

- Adjacent to Nguyen Luong Bang Street in the West.
- Adjacent to regional internal road in the East.
- Adjacent to Tran Van Ha Street in the South.
- Adjacent to Lot No. C17-1 -2 in the North.

**Scope:** The project is constructed with total floor area of 41,765.8 m<sup>2</sup>. Project construction density is about 77.87% (low-rise block) and 57.72% (tower block). HQC Royal Tower includes 2 basements and 21 storeys. In which:

- 1st storey will be used as lobby, commercial area.
- Mezzanine at 1st storey and 2nd storey is arranged as commercial shopping area.
- 3rd storey is for retail with famous brands such as Parkson, etc.
- Total layout of 4th storey will be reserved for exhibition and business area of interior products, family decorative products which are luxurious and diverse from many domestic sources, imported from Asia and Europe.
- 5th to 16th storeys will be offices for rent.
- From 17th to 21st storeys will be used as office-tel area.

The building also has 2 basements for parking with area of 5,550 m<sup>2</sup>, capable of containing 118 cars and 290 motorbikes. It serves parking demand of customers shopping at commercial center and staffs working in offices of the building.

### Project Utilities:

HQC Royal Tower is equipped with versatile modern facility system:

- High-speed elevator system, stand-by power system, fire detection and alarm system, lightning protection system, exit and exit sign system, etc.
- Facilities are always available at Phu My Hung area such as: Green Tree Park, luxurious café and restaurants, medial area, multi-functional sports complex, etc.

**Total land area lot:** 2,775 m<sup>2</sup>

**Total construction floor area:** 41,765.8 m<sup>2</sup>

**Completion time:** It is expected to be completed in Quarter IV/2015

**Investment capital:** 950 billion VND

**950** billion VND

Investment capital

**41,766** m<sup>2</sup>

Total construction floor area

## GRANDORA TOWER

**Employer:** Hoang Quan Consulting - Trading - Service Real Estate Corporation

### Location:

Grandora Tower luxury apartment is located in Dong Van Cong Street, at administrative center of District 2 – the fastest developing area of Ho Chi Minh City.

In addition to its prime location, Grandora Tower possesses and inherits a lot of modern utilities which cannot be seen in many other projects: adjacent to Thu Thiem New Urban Area and other luxury high-floor condominiums, Rach Chiec Sport Center, An Phu Metro, International University. Grandora Tower is an ideal place with a smooth connection of different areas, it takes only about 10 minutes to arrive at District 1 and Phu My Hung, District 7 through East West Avenue, Thu Thiem Tunnel and Phu My Bridge.

### Scope of Project:

Grandora Tower luxury apartment has total lot area of 4,990.7 m<sup>2</sup>, construction density accounts for 29.6%, total construction floor area is 19,082 m<sup>2</sup>. The whole project is a 12-floor condominium with 99 apartments with area from 76 m<sup>2</sup> to 140 m<sup>2</sup>, which have various design suitable to modern lifestyle of successful young families.

### Project Utilities

- The commercial center at ground floor serves for residential only, fully satisfies their essential demands. Underground parking area, commercial service and public area create a complete structure and ensure the best quality of life.
- Luxury utilities such as: swimming pool, spa, gym, cafeteria, etc.
- Other modern standards such as: internet wifi, HD television, modern elevator system, water drain and supply service, telecommunication service, fire prevention and fighting which provide an ideal space for modern life at the heart of city.
- Smart camera system – 24/24 professional security
- Automatic fire alarm system to bring life security to house owner.

**Total land area:** 4,985 m<sup>2</sup>

**Total construction floor area:** 19,081.7 m<sup>2</sup>

**Completion time:** Quarter IV 2015

**Total investment capital:** 99.4 billion VND



**99.4** billion VND

Total investment capital

**19,082** m<sup>2</sup>

Total construction floor area



KEY PROJECTS COMPLETED IN 2015

## THUONG THANH RESIDENTIAL AREA

**Location:** Located in Thuong Thanh Ward, Cai Rang District, Can Tho City, at facade of National Highway 91 C, 1km away from the heart of Cai Rang District, adjacent to the Heart of Can Tho City. Thuong Thanh Residential Area (7.3 ha) is linked to 3 other sub-projects including Thuong Thanh Extended Residential Area (7ha), Social Housing area (10.7 ha) and Mekong Delta University (5 ha) to form the overall Project of Mekong Delta University - Urban Area with total area of 30 ha.

### Scope:

- Construction area is 72,785.3 m<sup>2</sup>, covering 534 one-ground one-floor townhouses with area of less than 70 m<sup>2</sup>.
- Price for each one-ground one-floor townhouse is from 508 – 608 million dong.
- Each one-ground one-floor townhouse has a totally specific space featuring modern, sophisticated and elegant design. Especially, the one-ground one-floor townhouses are looking at the landscapes, taking the best advantage of wind direction and natural light for the healthiest and most perfect life.

### Project Utilities:

In addition to available utilities at the area adjacent to the heart of Can Tho City, the project enjoys social infrastructure, technical infrastructure systems of a typical urban area which is modern and harmonious to natural landscapes with adequate utilities such as Mekong Delta University, mini-supermarket, market, kindergarten, park, children's entertainment area, volleyball and tennis yards, football stadium, riverside café, restaurant, etc.

**Total land area of project:** 7.3 ha.

**Time for completion:** 4th Quarter/2015.

Recently, Thuong Thanh Residential Area within Mekong Delta University – Urban Area officially obtained the Certificate of land use right, house ownership and assets attached to land (pink book) of 69.7 m<sup>2</sup> from Can Tho City Department of Natural Resources and Environment. Accordingly, at the 1st stage of the Project, 177 pink books are issued corresponding to 177 adjacent houses.

To date, 250 out of 534 townhouses of the Project have been sold out, and 134 loan applications was approved by the bank for disbursement within 30,000 billion VND package of the Government (in which, 99 customers received disbursement with total amount of 27.2 billion VND).

At present, the Project already delivered over 100 houses to customers with full conditions on traffic infrastructure, internet, power and water to meet life demand of residents. In the coming time, the Employer will promote completing the procedures for issuing the Certificate of land use right to customers involved in the Project.



# 534

One-ground one-floor townhouses

# 72,785

Total construction floor area

## MEKONG DELTA UNIVERSITY



**Employer:** Hoang Quan Consulting - Trading - Service - Real Estate Corporation

**Location:** Thuong Thanh Ward, Cai Rang District, Can Tho City

### Scope:

Total project area is 5 ha, including Administration – Management Area, Training Major Departments such as: Senate Area, Main Hall, House for gym and sport competition (3-storey), Dormitory (satisfying demand for 20% of total students), Departments of Economics – Accounting Administration, Department of Science, Construction, Information Technology (5-storey).

### Project Utilities

- House for gym and sport competition
- Student dormitory
- Landscape area
- Landscaping
- Supporting service area: bookstore, supermarket, bank

**Total land area:** 50,351 m<sup>2</sup>

**Completion time:** It is expected that in Quarter IV/2015, Mekong Delta University shall enroll the first course with 3,000 students at 1st stage, and up to 10,000 students at 2nd stage.

**Investment capital:** 300 billion VND (1st stage)

# 300

300 billion VND

Investment capital

# 50,351

m<sup>2</sup>

Total land area



## KEY PROJECTS COMPLETED IN 2015

## BINH MINH INDUSTRIAL PARK



**Employer:** Hoang Quan Mekong Consulting - Trading - Service - Real Estate Corporation

**Location:** My Hoa Commune, Binh Minh District, Vinh Long Province

Scope of Project: 162 ha

In which: Industrial park of 90ha; Port area of 42ha; Residential area for experts and workers of 30ha.

**Utilities:**

- Power and water supply system ensures satisfaction to secondary Investors (now water supply station and power supply station in the Industrial Park are available)
- System of rainwater, wastewater drainage system, fire fighting and prevention: completed.
- Wastewater treatment plant: in completion stage for operation (expected to be completed in June 2015)
- Customs, Bank, Post office, Medical station, Commercial Center, restaurant, entertainment area, gym and sport center, school, logistic warehouse are established within the industrial park.

**Investment advantages:**

- Binh Minh Complex of Port – Industrial Park – Residential for experts and workers is located at the centre of Mekong Delta.
- Convenient traffic (waterway, roadway, airway, high-speed railway are already planned)
- Adjacent to Binh Minh logistic – port system
- Close to goods consumption and distribution center of Mekong Delta (consumption market in Southwest Region of over 17 million people)
- Natural resources (aquatic products – seafood, fruits) and abundant labor force.

- Completed infrastructure of the Industrial Park meets modern standards.
- Transparent investment environment.

**Investment incentives:**

- Land rental: Preferential
- Labor cost: Cheap
- Tax incentives:
  - Corporate income tax: Tax exemption for 2 years, tax reduction of 50% for 4 years afterward. Especially, investment incentives for hi-tech industries.
  - Export and import tax
  - Tax on transfer of profit abroad
- Free support: investment consulting, investment procedures (Business registration certificate, Investment Certificate), human resource management registration, seal, tax code.
- Support: 50% of warehouse and factory design cost; assistance in recruitment and personnel training; product and trademark advertisement on television of Vinh Long province.
- Other supports from the Employer and Vinh Long province

**Total investment capital:** 460 billion VND

**162** ha

Scope of Project

## HAM KIEM I INDUSTRIAL PARK



**Employer:** Hoang Quan Binh Thuan Consulting – Trading – Service – Real Estate Corporation

Location: Ham Kiem and Ham My Communes, Ham Thuan Districts, Binh Thuan Province

Scope of Project: 146.2 ha

**Utilities:**

- Power and water supply system: Ensure satisfaction of secondary Investors (now water supply station and power supply station in Industrial Area are available)
- System of rainwater, wastewater drainage system, fire fighting and prevention, internal roads: Completed.
- Wastewater treatment plant: In operation
- Customs, banks are established in the Industrial Park
- Telephone, fax, wide-band internet of 5,000 subscribers.
- Vocational training school, job introduction, Residential of experts, logistics

**Investment advantages:**

- Aquatic – seafood materials, fruits, plentiful minerals
- Location: Connected to 4 traffic roads (roadway, railway, waterway, airway)
- Infrastructure: Synchronous, complete under international standards.
- Site: Prompt delivery to customer
- Incentives from the government
- Labor forces: Abundant
- Transparent investment environment

**Investment incentives:**

- Land rental: Preferred
- Labor hiring price: Cheap
- Tax incentives:
  - Corporate income tax: Tax exemption for 2 years, tax reduction of 50% for 4 years afterward.
  - Export and import tax
  - Tax on transfer of profit abroad
- Free support: Investment consulting, investment procedures (Business registration certificate, Investment Certificate), personnel management registration, seal, tax code.
- Support: 50% of warehouse and factory design cost; assistance in recruitment and personnel training; product and trademark advertisement on television and many other supports from Binh Thuan province.

**Total investment capital:** 273 billion VND

**146.2** ha

Scope of Project



## KEY PROJECTS KICKED-OFF IN 2015

### HQC BINH TRUNG DONG – SOCIAL HOUSING

**Employer:** Hoang Quan Consulting - Trading - Service - Real Estate Corporation

**Location:** District 2, Ho Chi Minh City

**Scope:**

Binh Trung Dong Condominium is a part of many items constituting a complete architectural ensemble of residential area of District 2 – Ho Chi Minh, this architecture shows a highlight but harmony with the whole. The building has 1 ground floor and 15 storeys with 296 apartments in total.

- Its location is nice and cool and surrounded by Giong Ong To river, two facades to Nguyen Duy Trinh and Do Xuan Hop streets, opposite to Rach Chiec Sports Center.
- Convenient for business work, near market, school and existing residential area.
- Along Sai Gon – Long Thanh Expressway (200m), area with developed traffic system at Saigon East region, connecting key economic regions such as Thu Thiem Commercial Area – District 2, Nam Sai Gon Urban Area – District 7.

**Project Utilities:**

- 24/24 strict control security system, together with professional security guards
- Modern monitoring camera system
- Advanced fire fighting and prevention system
- Ventilated garage basement, elevator system, power and water service, high-speed wifi, various cable television services
- Chain of cafeterias, luxurious and warm restaurants, and supermarket chain satisfying all demands of residents.
- Medical, multi-functional sports area, etc.

**Total land area:** 4,299.8 m<sup>2</sup>

**Total construction floor area:** 30,091 m<sup>2</sup>

**Completion time:** It is expected to be completed in Quarter III/2016

**Total investment capital:** 317 billion VND



# 269

Apartments

# 30,091

Total construction floor area

### HQC NHA TRANG – SOCIAL HOUSING

**Employer:** Hoang Quan Consulting - Trading - Service - Real Estate Corporation

**Location:** Bac Vinh Hai Residential Area, Vinh Hoa Ward, Nha Trang City, Khanh Hoa Province.

**Scope:**

- The project comprises 4 blocks: 02 15-storey blocks and 02 18-storey blocks with 1,002 apartments of approximately 55 m<sup>2</sup> – 60 m<sup>2</sup> in harmonious arrangement, fresh and wide space between blocks.
- Constructed with modern and sophisticated architectural style, living space is focused to each and every detail.

**Project Utilities:**

- Systems of power supply, water drainage and supply, cable television, communication, fire fighting and prevention are equipped adequately.
- In order to serve at maximum of life demands of residents, Hoang Quan Corporation also places a great importance on providing internal utilities such as: kindergarten, general clinic, gym room, children's house, public area, café, restaurant, etc.
- With its prime transportation position and modern existing infrastructure, the project shall not only satisfy settlement demand but also share with the Government in ensuring social security.

**Total land area:** 10,842 m<sup>2</sup>

**Total construction floor area:** 92,484 m<sup>2</sup>

**Completion time:** Quarter III/2016

**Investment capital:** 500 billion VND



# 1,002

Apartments

# 92,484

Total construction floor area



## SOCIAL HOUSING OF BINH MINH INDUSTRIAL PARK



**The Employer:** Hoang Quan Mekong Consulting - Trading - Service - Real Estate Corporation

**Location:** Within Binh Minh Industrial Park – My Hoa Commune, Binh Minh Town, Vinh Long Province

**Scope:**

- Social housing project of Binh Minh Industrial Park is built in an area of 39,138.6 m<sup>2</sup>, covering 4 7-storey condominiums with land use area of CC1 condominium of 13,524.1 m<sup>2</sup>; CC2 7,494.2 m<sup>2</sup>; CC3 9,037.8 m<sup>2</sup> and CC4 9,082.5 m<sup>2</sup>.
- The project includes total of 1,863 apartments, in which, 931 apartments for sales and lease, and 932 remaining apartments for rent.

**Project Utilities**

Providing full utilities for demands of residents:

- Entertainment area, sport practice area, walking street,
- General clinic
- Kindergarten
- Green Tree Park, swimming pool, tennis yard, children's garden.

**Total land area:** 39,138.6 m<sup>2</sup>

**Total construction floor area:** 123,289m<sup>2</sup>

**Completion time:** Quarter IV/2017

**Investment capital:** 618 billion VND

# 1,863

Apartments

# 123,289

Total construction floor area

## HQC PHU TAI – PHU TRINH SOCIAL HOUSING



**Employer:** Binh Thuan Construction & Trading House Joint Stock Company

**Location:**

- Phu Tai Ward – Phan Thiet City – Binh Thuan Province
- The project is located at Phan Thiet North Commercial Center, Dong Xuan An, Hung Vuong 2A
- 60 km far from Lagi town
- 150 km far from Phan Rang – Thap Cham.

**Scope of Project:**

- The project has scope of 3,773.2 m<sup>2</sup>, including 02 14-storey condominiums.
- Number of apartments: 300 apartments

**Project Utilities:**

All available utilities are around the project like school, hospital, cultural house, supermarket, administrative center, etc.

**Total project area:** 10.75ha

**Total construction floor area:** 23,005 m<sup>2</sup>

**Completion time:** Quarter IV 2016

**Total investment capital:** 150 billion VND

# 300

Apartments

# 23,005

Total construction floor area



## MEKONG DELTA UNIVERSITY - URBAN AREA



**Employer:** Hoang Quan Consulting - Trading - Service - Real Estate Corporation and Hoang Quan Can Tho Real Estate Joint Stock Company

### Location:

- The project is located at façade of National Highway 91C (80m building line), under master plan of relocation area in Thanh Hue – Thanh My area, Thuong Thanh Ward, Cai Rang District, Can Tho City.
- Within 1km - 2km radius, there are Primary Schools and Secondary Schools, Tay Do University, Cai Rang market, Cai Rang General Hospital.
- 1km far from the centre of Cai Rang District, 2km from the centre of Can Tho City.

**Scope of Project:** Mekong Delta University - Urban Area has total area of 30 ha, covering:

- Mekong Delta University of which Hoang Quan Consulting - Trading - Service - Real Estate Corporation acting as the employer, has area of 5 ha with total investment capital of about 300 billion Vietnam dong, including: Senate Area, Main Hall, House for gym and sport competition (3-storey), Dormitory (satisfying demand for 20% of total students), Departments of Economics – Administration – Accounting, Science, Construction, Information Technology (5-storey). It is expected that in Quarter IV/2015, Mekong Delta University shall officially operate and enroll the first course with 3,000 students at 1st stage, and up to 10,000 students at 2nd stage.

- Thuong Thanh Residential Area (7.3 ha): has total number of 534 one-ground one-storey townhouses with area less than 70 m<sup>2</sup>. Price for each house is from 508 - 608 million Vietnam dong. Apartments under the Project have sophisticated and modern architectural style under standards of modern industrial area. It is expected to complete in Quarter IV/2015.
- Social housing area (10.7 ha) includes 700 low-rise houses. It is expected to complete in Quarter II/2016.
- Extension Thuong Thanh Residential Area (7 ha) with land use area of 70,076 m<sup>2</sup>. The project is estimated to have 400 - 459 apartments and residential houses with public works, service and commercial structures. It is expected to complete in Quarter IV/2016.

### Project Utilities:

Mekong Delta University, mini supermarket, market, kindergarten, park, children's entertainment park, volleyball yard, football stadium, riverside café, restaurant, etc.

**Total area:** 30 ha.

**Total investment capital:** over 1,271 billion VND.

**30** ha

Total project area

## BINH MINH RIVERSIDE



**Employer:** Hoang Quan Mekong Consulting - Trading - Service - Real Estate Corporation

### Location:

- National Highway 1A, Binh Minh District, Vinh Long Province.
- Binh Minh RiverSide (Binh Minh Residential for experts and workers) is one of the most potential and modern urban areas in Mekong Delta.
- With strategic position adjacent to National Highway 1A, right at Can Tho Bridge, taking only 7 minutes to the centre of Can Tho City, 15 km far from Tra Noc airport.

### Scope of Project:

- The project is a complex of commercial center, housing, villa, ecological park
- Occupying 30 ha area of total 162 ha of Industrial – Port – Residential for experts and workers – Binh Minh Service - Commercial Center.

### Project Utilities:

- Various design with many house samples, many architectural styles such as: one-ground one-storey villa, one-ground two-storey low-rise townhouse, one-ground three-storey low-rise townhouse, etc.
- Modern synchronous planning with ecological park, riverside promenade, commercial center, gym and sport center, restaurant and hotel, kindergarten, intermediate vocational training school, etc., adjacent to Industrial Area that has gone into operation.

**Total project area:** 30 ha

**Completion time:** Quarter IV 2016

**Total investment capital:** 1,282 billion VND

**30** ha

Total project area

**1,282**

billion VND

Total investment capital



## HQC AN PHU TAY – SOCIAL HOUSING

**Employer:** Hoang Quan Consulting - Trading - Service - Real Estate Corporation

**Location:** An Phu Tay Commune, Binh Chanh District, Ho Chi Minh City, under master plan of An Phu Tay - Tan Quy Tay

**Scope:**

- 2 9-storey social housing blocks of about 310 apartments in total.

**Project Utilities:**

Providing full utilities for demands of residents.

- Entertainment area, sport practice area and walking street area
- General clinic
- Kindergarten
- Green Tree Park, swimming pool, tennis yard, children's garden.

**Total land area:** 7,722 m<sup>2</sup>

**Total construction floor area:** 23,281.59 m<sup>2</sup>

**Completion time:** expected to be completed in Quarter IV/2015

**Investment capital:** 172.82 billion VND

# 310

Apartments

# 23,282

Total construction floor area

## HQC 35 HO HOC LAM – SOCIAL HOUSING

**Employer:** Ho Chi Minh City Housing Development Fund (Hoang Quan Corporation engages in investment and construction and is allowed to trade in 4 of 6 condominium blocks).

**Location:** Within existing residential area in An Lac Ward, Binh Tan District, Ho Chi Minh City and adjacent to Ho Hoc Lam Street with a 60 m building line.

**Scope:** 16-storey condominium + 1 basement with 672 apartments in total.

**Project Utilities**

Full utilities to serve demands of residents:

- Entertainment area, sports practice area, walking street, library
- Kindergarten
- Plant Tree Park, swimming pool, tennis yard, children's garden.

**Total land area:** 12,382.5 m<sup>2</sup>

**Total construction floor area:** 69,746.2 m<sup>2</sup>

**Completion time:** Quarter II/2016

**Vốn đầu tư:** 603,21 billion VND

# 672

Apartments

# 69,746

Total construction floor area





## PROSPECTIVE PROJECTS

### DONG TANG LONG NEW URBAN AREA PROJECT – DISTRICT 9

**462.2** billion **14,919** m<sup>2</sup>

Total investment capital Total area of project

**Employer:** Hoang Quan Consulting Trading – Service – Real Estate Corporation;

**Location:** Dong Tang Long New Urban Area, Truong Thanh Ward, District 9, Ho Chi Minh City;

**Scope of project:** 16-storey social housing;

**Total area of project:** 14,918.53 m<sup>2</sup>.

**Expected time of investment:** 4<sup>th</sup> Quarter/2015;

**Total investment capital:** 462.2 billion VND.

### HQC TÂN HƯƠNG – TIEN GIANG PROJECT

**882.5** billion **6.05** ha

Total investment capital Total area of project

**Employer:** Hoang Quan Consulting Trading – Service – Real Estate Corporation;

**Location:** Tan Huong Relocation Area – Chau Thanh District – Tien Giang Province;

**Scope of project:** 5-storey condominium;

**Total area of project:** 6.05 ha;

**Expected time of investment:** 3<sup>rd</sup> Quarter/2015;

**Total investment capital:** 882.5 billion VND.

### AO CÁ AREA, TAY NINH

**353.6** billion **36,250** m<sup>2</sup>

Total investment capital Total area of project

**Employer:** Hoang Quan Consulting Trading – Service – Real Estate Corporation

**Location:** Ward 2, Tay Ninh City

**Scope of project:** Low-rise house

**Total area of project:** 36,250 m<sup>2</sup>.

**Total construction floor area:** 24,942 m<sup>2</sup>.

**Expected time of investment:** In 2015

**Total investment capital:** 353.6 billion VND

### HQC HÒA THÀNH PROJECT, TAY NINH

**371.1** billion **8,211** m<sup>2</sup>

Total investment capital Total area of project

**Employer:** Hoang Quan Consulting Trading – Service – Real Estate Corporation

**Location:** Ward 4, Tay Ninh City

**Scope of project:** 23-storey social housing - condominium

**Total area of project:** 8,210.5 m<sup>2</sup>

**Total land area of project:** 67,233 m<sup>2</sup>

**Expected time of investment:** In 2015

**Total investment capital:** 371.1 billion VND

### PROJECT ON RESIDENTIAL FOR WORKERS, SOCIAL HOUSING

AT HAM KIEM COMMUNE, HAM THUAN NAM DISTRICT,  
BINH THUAN PROVINCE

**1.754** billion **515,299** m<sup>2</sup>

Total investment capital Total area of project

**Employer:** Hoang Quan Binh Thuan Consulting - Trading - Service Real Estate Corporation

**Total area of project:** 515,299 m<sup>2</sup>.

**Total construction floor area:** condominium: 19,400 m<sup>2</sup>, low-rise house: 17,690 m<sup>2</sup>.

**Expected investment capital:** 1,754 billion VND.

**Expected time of investment:** In 2015.



# FINANCIAL STATEMENTS

- Statement of The Board of Directors
- Independent Auditor's report
- Balance sheet
- Income statement
- Cash flow statement
- Notes to The Financial statements
- Appendix: Statement of fluctuation in owner's equity





# STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Hoang Quan Consulting – Trading – Service Real Estate Corporation (“the Company”) presents this Statement together with the audited Financial Statements for the fiscal year ended 31 December 2014.

## BUSINESS HIGHLIGHTS

Hoang Quan Consulting – Trading – Service Real Estate Corporation (transformed from Hoang Quan Consulting – Trading – Service Real Estate Company Limited) has been operating under the Business Registration Certificate No. 0302087938, which was registered for the first time on 23 March 2007 and amended for the 28th time on 26 January 2015, granted by the Department of Planning and Investment of Ho Chi Minh City.

Charter capital as in the Business Registration Certificate: VND **1.700.000.000.000**

The Company's stocks have been listed at Ho Chi Minh City Stock Exchange since 12 October 2010 with the stock code of HQC.

## Head office

Address: 286-288 Huynh Van Banh, Ward 11, Phu Nhuan District, Ho Chi Minh City  
 Tel.: (84-8) 39 913 080  
 Fax: (84-8) 39 913 064  
 E-mail: headoffice@hoangquan.com.vn  
 Tax code: 0 3 0 2 0 8 7 9 3 8

## Affiliates

Affiliates	Address
Branch of Hoang Quan Consulting – Trading – Service Real Estate Corporation	99 Inter-provincial Road 25B, Thanh My Loi Ward, District 2, Ho Chi Minh City
Branch of Hoang Quan Consulting – Trading – Service Real Estate Corporation	159A Phan Dang Luu, Long Huong Ward, Ba Ria – Vung Tau City, Ba Ria - Vung Tau Province
Branch of Hoang Quan Consulting – Trading – Service Real Estate Corporation	Lot A2 19-20 Binh Minh service - residential area for experts and employees, My Loi Hamlet, My Hoa Commune, Binh Minh District, Vinh Long Province
Branch of Hoang Quan Consulting – Trading – Service Real Estate Corporation	272 Huynh Van Banh, Ward 11, Phu Nhuan District, Ho Chi Minh City
Branch of Hoang Quan Consulting – Trading – Service Real Estate Corporation	47C/2 Hamlet 3, An Phu Tay Commune, Binh Chanh District, Ho Chi Minh City
Branch of Hoang Quan Consulting – Trading – Service Real Estate Corporation	270 Huynh Van Banh, Ward 11, Phu Nhuan District, Ho Chi Minh City
Hoc Mon Branch, Hoang Quan Consulting – Trading – Service Real Estate Corporation – Hoang Quan Real Estate Exchange Center	15E My Hoa 4 Hamlet, Xuan Thoi Thuong Commune, Hoc Mon District, Ho Chi Minh City
Branch of Hoang Quan Consulting – Trading – Service Real Estate Corporation	339 Huynh Van Banh, Ward 11, Phu Nhuan District, Ho Chi Minh City
Branch of Hoang Quan Consulting – Trading – Service Real Estate Corporation	353 Huynh Van Banh, Ward 11, Phu Nhuan District, Ho Chi Minh City
Branch of Hoang Quan Consulting – Trading – Service Real Estate Corporation	286 Huynh Van Banh, Ward 11, Phu Nhuan District, Ho Chi Minh City
Branch of Hoang Quan Consulting – Trading – Service Real Estate Corporation	55C Cay Keo, Tam Phu Ward, Thu Duc District, Ho Chi Minh City
Branch of Hoang Quan Consulting – Trading – Service Real Estate Corporation	C 15-16 Nam Hiep Thanh residential area, Truong Chinh Street, Phu My Town, Tan Thanh District, Ba Ria - Vung Tau Province.
Branch of Hoang Quan Consulting – Trading – Service Real Estate Corporations	T6 Vo Dinh Building, TA 14, Thoi An Ward, District 12, Ho Chi Minh City

## Main operations of the Company as in the Business Registration Certificate

- Trading houses (excluding receiving the land use right to invest in construction of infrastructure according to housing construction planning for the purpose of transferring land use right). Investing in construction and trading industrial park infrastructures. Trading in real estate;
- Providing land brokerage services and real estate exchange services, advertising real estates, and managing real estates. Providing real estate brokerage services. Providing real estate auction services and real estate valuation services;
- Constructing civil works;
- Providing services of ground leveling;
- Providing commercial brokerage;
- Trading porcelains, handicrafts and fine arts. Trading interior decoration products;
- Trading agricultural – seafood products, industrial foodstuff. Trading aquatic products. Trading fruits and vegetables (not operating at the head office);
- Designing and prototyping on the computer;
- Trading chemicals (excluding strong poisonous chemicals) and packages;
- Trading construction materials. Trading all kinds of timber, materials serving construction industry;
- Acting as an agent to trade and deposit goods;
- Surveying land. Preparing investment project. Managing project. Designing civil-industrial construction. Designing construction plan;
- Providing vocational training (not operating at the head office);
- Consulting domestic investment, consulting foreign investment;
- Providing commercial advertising services;
- Constructing bridge and road;
- Trading machinery and equipment of construction industry and printing industry;
- Trading paddy, corn and cereals; Trading agricultural – forestry materials (excluding rice, paddy, cane-sugar, beet sugar, wood, bamboos) (not operating at the head office);

## Material effects on the Company's operations

According to the Resolution dated 28 June 2014 of the Annual Shareholders' Meeting in 2014, the Company has increased its charter capital from VND 900 billion to VND 1.700 billion.

## Financial position and financial performance

The financial position as of 31 December 2014, the financial performance and the cash flows for the fiscal year ended 31 December 2014 of the Company have been expressed in the Financial Statements attached to this Statement (from page 96 to page 120).

## Subsequent events

On 26 January 2015, the Company received the Business Registration Certificate No. 0302087938 amended for the 28th time on 26 January 2015 granted by the Department of Planning and Investment of Ho Chi Minh City regarding the increase of charter capital due to the capital increased from share issuance in 2014.

In January 2015, the company offered shares to the existing shareholders under the form of stock option action (ratio: 3:1) in accordance with the Resolution dated 28 June 2014 of the Annual Shareholders' Meeting. All the shares that are unsold because the shareholders do not take their stock option are offered to investors in accordance with the Resolution No. 14/2014/NQ-HĐQT dated 30 December 2014 of the Board of Management. The number of offering shares is 30.000.000 common shares at the price of VND 10.000/ share.

Apart from the above mentioned events, the Board of Management of the Company hereby confirms that there have been no events from 31 December 2014 to the date of this Statement, which need any adjustments on the figures or the disclosures in the Financial Statements.



## STATEMENT OF THE BOARD OF DIRECTORS

**The Board of Directors and the Executive Office**

The Board of Directors and the Executive Officers of the Company during the year and as of the date of this Statement include:

**The Board of Directors**

Full names	Position	Appointing date	Resigning date
Mr. Truong Anh Tuan	Chairman	23 March 2007	-
Ms. Nguyen Thi Dieu Phuong	Member	23 March 2007	-
Mr. Truong Duc Hieu	Member	23 March 2007	-
Mr. Truong Thai Son	Member	23 March 2007	-
Mr. Le Dinh Vien	Member	13 July 2007	-
Mr. Le Trong Ngoc	Member	20 October 2010	-
Mr. Le Thanh Nam	Member	29 April 2011	-

**The Control Board**

Full names	Position	Appointing date	Resigning date
Mr. Nguyen Thanh Van	Chief of the Board	01 November 2011	-
Mr. Le Quoc Dung	Member	25 April 2013	-
Ms. Mai Hoang Yen	Member	26 April 2012	-

**The Board of Management**

Full names	Position	Appointing date	Resigning date
Mr. Truong Anh Tuan	General Director	24 March 2007	-
Mr. Le Trong Ngoc	Deputy General Director	01 August 2007	-
Ms. Nguyen Thi Dieu Phuong	Deputy General Director	24 March 2007	-
Mr. Truong Duc Hieu	Deputy General Director	01 September 2011	-
Mr. Vu Trong Dac	Deputy General Director	01 September 2011	-
Mr. Truong Thai Son	Deputy General Director	09 October 2014	-

**Auditors**

A&C Auditing and Consulting Co., Ltd. has been appointed to perform the audit on the Company's Financial Statements for the fiscal year ended 31 December 2014, and has expressed its willingness to be appointed the Company's external auditor in the coming years.

**Responsibilities of the Board of Management**

The Board of Management of the Company is responsible for the preparation of the Financial Statements to give a true and fair view on the financial position, the financial performance and the cash flows of the Company. In order to prepare these Financial Statements, the Board of Management must:

- Select appropriate accounting policies and apply them consistently;
- Make judgments and estimates prudently;
- State clearly whether the accounting standards to be applied by the Company are followed and all the material incompliance with these standards are disclosed and explained in the Financial Statements;
- Prepare the Financial Statements of the Company on the going-concern basis, except for the cases that the going-concern assumption is considered inappropriate.
- Design and implement effectively the internal control system in order to ensure that the preparation and presentation of the Financial Statements are free from material misstatements due to frauds or errors.

The Board of Management hereby ensures that all the requirements mentioned above have been followed when the Financial Statements are prepared, that all the accounting books of the Company have been fully recorded and can fairly reflect the financial position of the Company at any time, and that all the Financial Statements have been prepared in compliance with the Vietnamese Accounting Standards and System, which were issued together with the Decision No. 15/2006/QĐ-BTC dated 20 March 2006 of the Minister of Finance and other Circulars guiding the implementation of the Accounting Standards and System of the Ministry of Finance.

The Board of Management is also responsible to protect the assets of the Company, and consequently has taken appropriate measures to prevent and to detect frauds and other irregularities.

**Approval on the Financial Statements**

The Board of Directors of the Company has already approved the attached Financial Statements. The Financial Statements referred to above give a true and fair view of the financial position of Hoang Quan Consulting – Trading – Service Real Estate Corporations as of 31 December 2014, its financial performance and its cash flows for the fiscal year then ended in compliance with the Vietnamese Accounting Standards and System, which have been issued together with the Decision No. 15/2006/QĐ-BTC dated 20 March 2006 of the Minister of Finance as well as the Circulars of the Ministry of Finance giving guidance on the implementation of the Accounting System and Standards.

For and on behalf of the Board of Directors,



**TRUONG ANH TUAN (Ph.D.)**

Chairman

17 March, 2015



# INDEPENDENT AUDITOR'S REPORT

No:0205/2015/BCTC-KTTV

## TO: THE SHAREHOLDERS, THE BOARD OF DIRECTORS AND THE BOARD OF MANAGEMENT OF HOANG QUAN CONSULTING - TRADING - SERVICE REAL ESTATE CORPORATION

We have audited the accompanying Financial Statements of Hoang Quan Consulting - Trading - Service Real Estate Corporation which were prepared on 11 February 2015 (from page 96 to page 120) including the Balance Sheet as of 31 December 2014, the Income Statement, the Cash Flow Statement for the fiscal year then ended and the Notes to the Financial Statements.

### Responsibility of the Board of Management

The Company's Board of Management is responsible for the preparation, true and fair presentation of these Financial Statements in accordance with the Vietnamese Accounting Standards and System as well as the legal regulations related to the preparation and presentation of the Financial Statements and responsible for such internal control as the Company's Board of Management determines necessary to enable the preparation of Financial Statements to be free from material misstatement, whether due to fraud or error.

### Responsibility of Auditor

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and true and fair presentation of the Financial Statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company's Board of Management, as well as evaluating the overall presentation of the Financial Statements.

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

### Basis for qualified audit opinion

According to the Company, its unearned revenue is VND 120,954,985,635 (which is presented on the item "Advances from customers"), the estimated cost corresponding to this unearned revenue is VND 61,321,027,240 and the correspondingly estimated gross profit is VND 59,633,958,395. Accordingly, the Company has not recorded selling expenses and general and administration expenses into the financial performance of the previous years (the year 2009 and the year 2010). Then, these expenses will be allocated to projects as soon as the revenue from these projects generates in the future (see Note V.7 in Notes to the Financial Statements). If the expenses mentioned above are recorded, there will be the same decrease of VND 22,909,276,188 in the item "Inventories" and item "Retained earnings" of the Balance Sheet.

### Auditor's qualified opinion

In our opinion, except for the effects of the matters described in the paragraph "Basis for qualified audit opinion", the Financial Statements referred to above give a true and fair view, in all material respects, of the financial position as of 31 December 2014, the financial performance, and the cash flows for the fiscal year then ended of Hoang Quan Consulting - Trading - Service Real Estate Corporation in conformity with the Vietnamese Accounting System and Standards as well as and the legal regulations related to the preparation and presentation of the Financial Statements.

For and on behalf of

**A&C Auditing and Consulting Co., Ltd.**



**BUI VAN KHA** - Deputy General Director

Audit Practice Registration Certificate No. 0085-2013-008-1

Hồ Chí Minh city, 17 March, 2015



**PHAN VU CONG BA** - Auditor

Audit Practice Registration Certificate No. 0197-2013-008-1

# BALANCE SHEET

As of 31 December 2014

Unit: VND

ASSETS	Code	Note	Ending balance	Beginning balance
<b>A CURRENT ASSETS</b>	100		2,731,120,230,173	2,116,099,124,285
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>V.1</b>	<b>26,200,351,704</b>	<b>20,615,066,042</b>
1. Cash	111		26,200,351,704	20,615,066,042
2. Cash equivalents	112		-	-
<b>II. Short-term financial investments</b>	<b>120</b>		<b>155,515,047,168</b>	<b>300,204,930,746</b>
1. Short-term investment	121	V.2	155,515,047,168	300,204,930,746
2. Provisions for devaluation of short-term investments	129		-	-
<b>III. Short-term receivables</b>	<b>130</b>		<b>1,668,057,032,336</b>	<b>1,143,777,662,545</b>
1. Trade receivables	131	V.3	645,826,202,603	460,767,435,789
2. Prepayments to suppliers	132	V.4	731,111,943,375	527,328,597,888
3. Short-term inter-company receivable	133		-	-
4. Receivable according to the progress of construction contract	134		-	-
5. Other receivables	135	V.5	325,521,486,189	179,553,430,331
6. Allowance for doubtful debts	139	V.6	(34,402,599,831)	(23,871,801,463)
<b>IV. Inventories</b>	<b>140</b>		<b>788,927,115,003</b>	<b>611,294,189,887</b>
1. Inventories	141	V.7	788,927,115,003	611,294,189,887
2. Allowance for inventories	149		-	-
<b>V. Other current assets</b>	<b>150</b>		<b>92,420,683,962</b>	<b>40,207,275,065</b>
1. Short-term prepaid expenses	151		543,152,974	552,887,113
2. Deductible VAT	152		31,326,609,811	2,656,214,964
3. Taxes and other accounts receivable from the State	154		875,610,401	525,610,401
4. Trading Government bonds	157		-	-
5. Other current assets	158	V.8	59,675,310,776	36,472,562,587

These notes form an integral part of and should be read in conjunction with the Financial Statements



## BALANCE SHEET

## As of 31 December 2014

Unit: VND

ASSETS	Code	Note	Ending balance	Beginning balance
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>1,324,924,120,066</b>	<b>1,023,980,226,345</b>
<b>I. Long-term receivables</b>	<b>210</b>		-	-
1. Long-term trade receivables	211		-	-
2. Working capital in affiliates	212		-	-
3. Long-term inter-company receivable	213		-	-
4. Other long-term receivable	218		-	-
5. Allowance for doubtful debts	219		-	-
<b>II. Fixed assets</b>	<b>220</b>		<b>6,280,905,923</b>	<b>6,905,438,997</b>
1. Tangible fixed assets	221	V.9	6,120,645,856	6,711,078,345
Historical cost	222		17,355,440,368	17,031,440,368
Accumulated depreciation	223		(11,234,794,512)	(10,320,362,023)
2. Financial leased assets	224		-	-
Historical cost	225		-	-
Accumulated depreciation	226		-	-
3. Intangible fixed assets	227	V.10	-	34,100,585
Initial cost	228		170,503,000	170,503,000
Accumulated amortization	229		(170,503,000)	(136,402,415)
4. Construction-in-progress	230	V.11	160,260,067	160,260,067
<b>III. Investment property</b>	<b>240</b>		-	-
Historical costs	241		-	-
Accumulated depreciation	242		-	-
<b>IV. Long-term investments</b>	<b>250</b>		<b>1,315,400,941,371</b>	<b>1,013,183,454,514</b>
1. Investments in subsidiaries	251		-	-
2. Investments in associates	252	V.12	640,931,937,929	538,797,732,279
Other long-term investments				
3. Provisions for devaluation of long-term financial investments	258	V.13	675,594,781,161	475,594,781,161
4. investments	259	V.14	(1,125,777,719)	(1,209,058,926)
<b>V. Other non-current assets</b>	<b>260</b>		<b>3,242,272,772</b>	<b>3,891,332,834</b>
1. Long-term prepaid expenses	261	V.15	39,239,993	610,300,055
2. Deferred income tax assets	262	V.16	2,973,032,779	2,973,032,779
3. Other non-current assets	268		230,000,000	308,000,000
<b>TOTAL ASSETS</b>	<b>270</b>		<b>4,056,044,350,239</b>	<b>3,140,079,350,630</b>

These notes form an integral part of and should be read in conjunction with the Financial Statements

Unit: VND

LIABILITIES AND OWNER'S EQUITY	Code	Note	Ending balance	Beginning balance
<b>A. LIABILITIES</b>	<b>300</b>		<b>2,270,024,531,669</b>	<b>2,184,177,735,155</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>1,384,004,583,847</b>	<b>1,539,155,470,045</b>
1. Short-term borrowings	311	V.17	206,328,692,100	150,263,724,312
2. Trade payables	312	V.18	9,163,471,674	144,599,302,350
3. Advances from customers	313	V.19	593,511,396,694	453,274,601,814
4. Taxes and other obligations payable to State Budget	314	V.20	9,203,261,199	10,458,789,815
5. Payable to employees	315	V.21	7,207,601,197	4,087,900,658
6. Accrued expenses	316	V.22	342,077,338,717	485,419,001,264
7. Inter-company payable	317		-	-
8. Payable according to the progress of construction contracts	318		-	-
9. Other payable	319	V.23	215,462,201,773	290,001,529,339
10. Provisions for short-term payables	320		-	-
11. Bonus and welfare funds	323		1,050,620,493	1,050,620,493
12. Trading Government bonds	327		-	-
<b>II. Long-term liabilities</b>	<b>330</b>		<b>886,019,947,822</b>	<b>645,022,265,110</b>
1. Long-term trade payables	331		-	-
2. Long-term trade payables	332		-	-
3. Other long-term payable	333	V.24	312,014,679,538	477,600,683,937
4. Long-term borrowings	334	V.25	574,005,268,284	167,421,581,173
5. Deferred income tax payable	335		-	-
6. Provisions for unemployment allowances	336		-	-
7. Provisions for long-term payables	337		-	-
8. Unearned revenues	338		-	-
9. Science and technology development funds	339		-	-
<b>B - OWNER'S EQUITY</b>	<b>400</b>		<b>1,786,019,818,570</b>	<b>955,901,615,475</b>
<b>I. Owner's equity</b>	<b>410</b>		<b>1,786,019,818,570</b>	<b>955,901,615,475</b>
1. Capital	411	V.26	1,700,000,000,000	900,000,000,000
2. Share premiums	412		-	-
3. Other sources of capital	413		-	-
4. Treasury stocks	414		-	-
5. Differences on asset revaluation	415		-	-
6. Foreign exchange differences	416		-	-
7. Investment and development fund	417	V.26	700,413,662	700,413,662
8. Financial reserved fund	418	V.26	1,751,034,154	1,751,034,154
9. Other funds	419		-	-
10. Retained earnings	420	V.26	83,568,370,754	53,450,167,659

These notes form an integral part of and should be read in conjunction with the Financial Statements

## BALANCE SHEET

As of 31 December 2014

Unit: VND

LIABILITIES AND OWNER'S EQUITY	Code	Note	Ending balance	Beginning balance
11. Construction investment fund	421		-	-
12. Business arrangement supporting fund	422		-	-
<b>II. Other sources and funds</b>	<b>430</b>		-	-
1. Sources of expenditure	432		-	-
2. Fund to form fixed assets	433		-	-
<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>	<b>440</b>		<b>4,056,044,350,239</b>	<b>3,140,079,350,630</b>

## OFF-BALANCE SHEET ITEMS

ITEMS	Note	Ending balance	Beginning balance
1. Leasehold assets		-	-
2. Materials and goods kept or processed for others		-	-
3. Goods deposited by others		-	-
4. Treated doubtful debts		-	-
5. Foreign currencies: USD		290.55	303.75
6. Estimates for non-business and project expenditure		-	-

Ho Chi Minh City, 11 February 2015



**NGUYEN HONG PHUONG**  
Preparer



**TRAN THI THANH NHU**  
Chief Accountant



**TRUONG ANH TUAN (Ph.D)**  
General Director

## INCOME STATEMENT

For the fiscal year ended 31 December 2014

Unit: VND

ITEMS	Code	Note	Current year	Previous year
<b>1. Sales</b>	<b>01</b>	<b>VI.1</b>	<b>328,851,888,961</b>	<b>438,749,034,569</b>
<b>2. Sales deductions</b>	<b>02</b>		<b>454,545,455</b>	<b>-</b>
<b>3. Net sales</b>	<b>10</b>	<b>VI.1</b>	<b>328,397,343,506</b>	<b>438,749,034,569</b>
<b>4. Cost of sales</b>	<b>11</b>	<b>VI.2</b>	<b>256,001,306,660</b>	<b>330,846,557,769</b>
<b>5. Gross profit</b>	<b>20</b>		<b>72,396,036,846</b>	<b>107,902,476,800</b>
<b>6. Financial income</b>	<b>21</b>	<b>VI.3</b>	<b>102,091,138,190</b>	<b>51,572,208,778</b>
<b>7. Financial expenses</b>	<b>22</b>	<b>VI.4</b>	<b>56,071,527,241</b>	<b>83,491,083,954</b>
In which: Loan interest expenses	23		55,854,808,448	81,740,251,194
<b>8. Selling expenses</b>	<b>24</b>	<b>VI.5</b>	<b>35,034,999,658</b>	<b>16,680,778,985</b>
<b>9. General and administration expenses</b>	<b>25</b>	<b>VI.6</b>	<b>43,505,880,513</b>	<b>37,067,291,866</b>
<b>10. Net operating profit</b>	<b>30</b>		<b>39,874,767,624</b>	<b>22,235,530,773</b>
<b>11. Other income</b>	<b>31</b>	<b>VI.7</b>	<b>1,575,993,358</b>	<b>9,872,364,763</b>
<b>12. Other expenses</b>	<b>32</b>	<b>VI.8</b>	<b>3,464,168,515</b>	<b>2,028,706,240</b>
<b>13. Other profit/ (loss)</b>	<b>40</b>		<b>(1,888,175,157)</b>	<b>7,843,658,523</b>
<b>14. Total accounting profit before tax</b>	<b>50</b>		<b>37,986,592,467</b>	<b>30,079,189,296</b>
<b>15. Current income tax</b>	<b>51</b>	<b>V.20</b>	<b>7,868,389,372</b>	<b>3,761,607,569</b>
<b>16. Deferred income tax</b>	<b>52</b>		<b>-</b>	<b>3,304,538,637</b>
<b>17. Profit after tax</b>	<b>60</b>		<b>30,118,203,095</b>	<b>23,013,043,090</b>
<b>18. Earning per share</b>	<b>70</b>	<b>VI.9</b>	<b>278</b>	<b>289</b>

Ho Chi Minh City, 11 February 2015



**NGUYEN HONG PHUONG**  
Preparer



**TRAN THI THANH NHU**  
Chief Accountant



**TRUONG ANH TUAN (Ph.D)**  
General Director



# CASH FLOW STATEMENT

(Indirect method)

For the fiscal year ended 31 December 2014

Unit: VND

ITEMS	Code	Note	Current year	Previous year
<b>I. Cash flows from operating activities</b>				
1. Profit before tax	01		37,986,592,467	30,079,189,296
<b>2. Adjustments</b>				
- Depreciation of fixed assets	02	V.9; V.10	948,533,074	1,092,582,719
- Provisions	03	V.6; V.14	10,447,517,161	8,394,036,936
- Unrealized foreign exchange gain/(loss)	04		-	-
- Gain/ (loss) from investing activities	05	VI.3	(102,065,123,786)	(51,552,524,647)
- Interest expenses	06	VI.4	55,854,808,448	81,740,251,194
<b>3. Operating profit before changes of working capital</b>	<b>08</b>		<b>3,172,327,364</b>	<b>69,753,535,498</b>
- Increase/(decrease) of receivables	09		(440,312,398,009)	(231,992,836,994)
- Increase/(decrease) of inventories	10		(177,632,925,116)	(146,499,764,141)
- Increase/ (decrease) of payables	11		(54,772,102,476)	279,290,903,428
- Increase/ (decrease) of prepaid expenses	12		580,794,201	535,716,273
- Interests paid	13		(82,364,480,571)	(46,808,545,652)
- Corporate income tax paid	14	V.20	(3,388,473,158)	(5,470,000,000)
- Other cash inflows	15		112,000,000	-
- Other cash outflows	16		-	(105,640,000)
<b>Net cash flows from operating activities</b>	<b>20</b>		<b>(754,605,257,765)</b>	<b>(81,296,631,588)</b>
<b>II. Cash flows from investing activities</b>				
1. Purchases and construction of fixed assets and other long-term assets	21	V.9	(324,000,000)	-
2. Proceeds from disposals of fixed assets and other long-term assets	22		-	-
3. Cash outflow for lending, buying debt instruments of other entities	23		(10,116,422)	(113,252,778)
4. Cash recovered from lending, selling debt instruments of other entities	24		-	-
5. Investments into other entities	25	V.12; V.13, V.II	(202,134,205,650)	(200,000,000)
6. Withdrawals of investments in other entities	26		-	-
7. Interest earned, dividends and profits received	27		10,210,600	2,140,702,478
<b>Net cash flows from investing activities</b>	<b>30</b>		<b>(202,458,111,472)</b>	<b>1,827,449,700</b>

These notes form an integral part of and should be read in conjunction with the Financial Statements

ITEMS	Code	Note	Current year	Previous year
<b>III. Cash flows from financing activities</b>				
1. Proceeds from issuing stocks and capital contributions from shareholders	31	V.26; VII	500,000,000,000	-
2. Repayment for capital contributions and re-purchases of stocks already issued	32		-	-
3. Proceeds from short-term and long-term borrowings	33	V.25	504,243,797,711	89,703,000,000
4. Repayment for loan principal	34	V.17	(41,595,142,812)	(5,566,275,688)
5. Payments for financial leased assets	35		-	-
6. Dividends and profit paid to the owners	36		-	-
<b>Net cash flows from financing activities</b>	<b>40</b>		<b>962,648,654,899</b>	<b>84,136,724,312</b>
<b>Net cash flows during the year</b>	<b>50</b>		<b>5,585,285,662</b>	<b>4,667,542,424</b>
<b>Beginning cash and cash equivalents</b>	<b>60</b>	<b>V.1</b>	<b>20,615,066,042</b>	<b>15,947,523,618</b>
Effects of fluctuations in foreign exchange rates	61		-	-
<b>Ending cash and cash equivalents</b>	<b>70</b>	<b>V.1</b>	<b>26,200,351,704</b>	<b>20,615,066,042</b>

Unit: VND

Ho Chi Minh City, 11 February 2015



**NGUYEN HONG PHUONG**  
Preparer



**TRAN THI THANH NHU**  
Chief Accountant



**TRUONG ANH TUAN (Ph.D)**  
General Director

These notes form an integral part of and should be read in conjunction with the Financial Statements

# NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2014

## I. GENERAL INFORMATION

1. **Investment form** : Joint stock company.
2. **Operating field** : Construction, service, commerce and trading in real estate
3. **Main operation** : Trading houses (excluding receiving the land use right to invest in construction of infrastructure according to housing construction planning for the purpose of transferring land use right). Investing in construction and trading industrial park infrastructures. Trading in real estate; providing land brokerage service and real estate exchange services, advertising real estate, managing real estate. Providing real estate brokerage services. Providing real estate auction services and real estate valuation services; constructing civil works; providing services of ground leveling; surveying land. Preparing investment project. Managing project. Designing civil-industrial constructions. Designing construction plan; providing vocational training (not operating at the head office).
4. **Employees**  
As of 31 December 2014, there have been 281 employees working for the Company (as of 31 December 2013: 197 employees).
5. **Effects of the Company's operations during the year on the Financial Statement**  
According to the Resolution dated 28 June 2014 of the Annual Shareholders' Meeting in 2014, the Company has increased its charter capital to VND 1,700 billion.

## II. FISCAL YEAR AND ACCOUNTING CURRENCY

1. **Fiscal year**  
The Company's fiscal year is from 01 January to 31 December annually.
2. **Accounting currency unit**  
The accounting currency unit is Vietnam Dong (VND).

## III. ACCOUNTING STANDARDS AND SYSTEM

1. **Accounting Standards and System**  
The Company has been applying the Vietnamese Accounting System which was issued together with the Decision No. 15/2006/QĐ-BTC dated 20 March 2006 of the Minister of Finance and the Circulars guiding the implementation of the Accounting Standards and System of the Ministry of Finance.

## 2. Statement on the compliance with the Accounting Standards and System

The Board of Directors ensures to follow all the requirements of the Vietnamese Accounting Standards and System, which were issued together with the Decision No. 15/2006/QĐ-BTC dated 20 March 2006 of the Minister of Finance as well as the Circulars guiding the implementation of the Accounting Standards and System of the Ministry of Finance in the preparation of these Financial Statements.

On 22 December 2014, the Ministry of Finance has issued the following Circulars:

- Circular No. 200/2014/TT-BTC guiding the business accounting system in replacement for the Decision No. 15/2006/QĐ-BTC dated 20 March 2006 of the Minister of Finance and the Circular No. 244/2009/TT-BTC dated 31 December 2009 of the Ministry of Finance.
- Circular No. 202/2014/TT-BTC guiding the preparation of Consolidated Financial Statements in replacement for guidance regarding the preparation of Consolidated Financial Statements as specified in the Circular No. 161/2007/TT-BTC dated 31 December 2007 of the Ministry of Finance.

The regulations of these Circulars are applied to the account recordings, preparations and presentations of the Financial Statements for the year from 2015 onward.

## 3. Accounting form

General journal recording.

## IV. ACCOUNTING POLICIES

### 1. Accounting convention

All the Financial Statements are prepared on the accrual basis (except for the information related to cash flows).

### 2. Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in bank, cash in transit and short-term investments of which the due dates cannot exceed 03 months from the dates of the investments and the convertibility into cash is easy, and which do not have a lot of risks in the conversion into cash.

### 3. Inventories

Inventories are recorded at their original costs. Costs of inventories comprise all costs of purchases, cost of conversions and other costs incurred in bringing the inventories to their present location and conditions. Costs of inventories include expenses on land use right, direct expenses and related general expenses generating during real estate investment and construction.

Costs of inventories are determined in accordance with the weighted average method and are recorded in line with the perpetual method.

Allowance for inventories is recognized when their costs are higher than their net realizable values. Net realizable value is the estimated selling price of inventories less the estimated costs of completion and the estimated costs necessary to make the sale.

Increases/ (decreases) in the allowance for inventories are recorded into "Costs of sales" during the year.

## 4. Trade and other receivables

Trade and other receivables are recognized at the values on supporting documents and invoices.

Allowance is made for each doubtful debt on the basis of the debt age or estimated loss, details are as follows:

- As for outstanding debts:
  - 30% of the value of debts outstanding from over 06 months to under 01 year.
  - 50% of the value of debts outstanding from 01 year to under 02 years.
  - 70% of the value of debts outstanding from 02 years to under 03 years.
  - 100% of the value of debts outstanding from over 03 years.
- As for doubtful debts: allowance is made on the basis of the estimated loss.

Any increases/ (decreases) in the allowance for doubtful debts are recorded into "General and administration expenses" during the year.

## 5. Tangible fixed assets

Tangible fixed assets are determined by their historical costs less accumulated depreciation. Historical costs of fixed assets include all the expenses paid by the Company to bring the asset to its working condition for its intended use. Other expenses arising subsequent to initial recognition are included into historical costs of fixed assets only if it can be clearly demonstrated that the expenditure has resulted in future economic benefits expected to be obtained from the use of these assets. Those which do not meet the conditions mentioned above will be recorded into expenses.

When a tangible fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain or loss arising from such disposal is included in the income or the expenses during the year.

Tangible fixed assets are depreciated in accordance with the straight-line method over their estimated useful lives. The depreciation years applied are as follows:

Fixed assets	Years
Buildings and structures	20
Vehicles	06 - 10
Office equipment	03

## 6. Operating leased assets *The Company is the lessee*

A lease is classified as an operating lease if it transfers substantially all the risks and rewards incident to ownership belonging to the lessor. The lease expenses are allocated in the company's operating expenses in accordance with the straight-line method over the lease term and are not subject to the method of lease payment.

## 7. Intangible fixed assets

Intangible fixed assets of the Company are determined by their initial costs less accumulated amortization. The Company's intangible fixed assets include:

### Computer software

The expenses on purchasing computer software, which is not a part associated with the relevant hardware, will be capitalized. Computer software includes all the expenses paid until the date the software is put into use. Computer software is amortized in line with the straight-line method in 05 years.

## 8. Construction-in-progress

The expenses on construction-in-progress reflect all the direct expenses related to the construction of office. The assets which are under construction and installation are not depreciated.

## 9. Borrowing costs

Borrowing costs are recognized as an expense when it is incurred. In case the borrowing costs are directly related to the construction or the production of an asset in progress, which takes a substantial period of time (over 12 months) to get ready for intended use or sales of the asset, these costs will be capitalized.

In the event that general borrowings are partly used for the acquisition, construction or production of an asset in progress, the costs eligible for capitalization will be determined by applying the capitalization rate to average accumulated expenditure on construction or production of that asset. The capitalization rate is computed at the weighted average interest rate of the borrowings not yet paid during the year, except for particular borrowings serving the purpose of obtaining a specific asset.



## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2014

#### 10. Financial investment

Investments into stocks, associates and jointly controlled entities are recorded at their original costs. Interest, dividends and profit of the periods prior to the purchase of investment are recorded as a decrease in the value of that investment. Interest, dividends and profit of the periods after the purchase of investment are recorded in the company's sales.

Provisions for investments in other economic organizations is made when these organizations incur losses (except for the case of losses as in the plan made before the investments) at the rate equal to the difference between the actual capital invested by parties in these economic organizations and the actual owner's equity multiplying (x) by the company's rate of capital contribution in comparison with the total actual capital invested by parties in these economic organizations.

Increases/ (decreases) in the provision for financial investments are recorded into "Financial expenses" during the year.

When an investment is liquidated, the differences between net liquidation value and carrying value are recorded into income or expenses.

#### 11. Long-term prepaid expenses

##### **Expenses on repairing office**

Expenses on repairing office are allocated expenses during the year in line with the straight-line method for the maximum period of 02 years.

#### 12. Accrued expenses

Accrued expenses are recorded, based on reasonable estimates on the amounts payable for goods and services already used.

#### 13. Severance allowances

The Company has to pay for severance allowances to the employees who have worked regularly for the Company for 12 months or more at the rate equal to 1/2 of the average salary plus the salary allowances (if any) in 6 consecutive months before the resigning date for each working year for the period in which employees do not pay for unemployment insurance.

Severance allowances are recorded in "General and administration expenses" when being paid to the employees.

#### 14. Capital

The Company's source of capital includes the capital recorded according to the actual amounts invested by the shareholders.

#### 15. Dividends

Dividends are recorded as payables when the dividends are disclosed.

#### 16. Appropriation for funds

Funds are appropriated and used in line with the Resolution of the Shareholders' Meeting as follows:

	Purposes
• Investment and development fund	To expand the business operations and to make intensive investments of the Company
• Financial reserved fund	To compensate damages and loss generated the course of operation or for unpredictable force majeure such as fire, natural calamities, etc.
• Bonus and welfare fund	To reward, encourage the material benefits, and to improve the physical and spiritual life for employees

The rates of extraction for these funds are determined in compliance with the Resolution of the Annual Shareholder's Meeting.

#### 17. Corporate income tax

Corporate income tax includes current income tax and deferred income tax.

##### **Current income tax**

Current income tax is the tax amount computed based on the taxable income. Taxable income is different from accounting profit due to the adjustments of temporary differences between tax and accounting figures, non-deductible expenses as well as those of non-taxable income and losses brought forward.

##### **Deferred income tax**

Deferred income tax is the amount of corporate income tax payable or refundable due to temporary differences between book values of assets and liabilities serving the preparation of the Financial Statements and the values for tax purposes. Deferred income tax liabilities are recognized for all the temporary taxable differences. Deferred income tax assets are recorded only when there is an assurance on the availability of taxable income in the future against which the temporarily deductible differences can be used.

Carrying values of deferred corporate income tax assets are considered as of the balance sheet date and will be reduced to the rate that ensures enough taxable income against which the benefits from part of or all of the deferred income tax can be used. Deferred corporate income tax assets, which have not been recorded before, are considered as of the balance sheet date and are recorded

when there is certainly enough taxable income to use these unrecognized deferred corporate income tax assets.

Deferred income tax assets and deferred income tax liabilities are determined at the estimated rate to be applied in the year when the assets are recovered or the liabilities are settled based on the effective tax rates as of the balance sheet date. Deferred income tax is recognized in the income statement. In the case that deferred income tax is related to the items of the owner's equity, corporate income tax will be included in the owner's equity.

#### 18. Foreign currency transactions

Transactions in foreign currencies are converted at the actual exchange rates ruling as of the transaction dates. The ending balances of monetary items in foreign currencies are converted at the actual exchange rates ruling as of the balance sheet date.

The foreign exchange differences, which arise from transactions of monetary items in foreign currencies and the differences on foreign exchange rates due to the revaluation of the ending balances of the monetary items in foreign currencies during the year, after offsetting their positive differences against negative differences, shall be recorded into the financial income or the financial expenses.

The exchange rate used to convert the transactions in foreign currencies is the actual exchange rate ruling at the time when arises the transactions with commercial banks. The exchange rates used to re-evaluate the ending balances of monetary items in foreign currencies are the buying rates or the average buying rates of commercial banks where the Company opens its accounts as of the balance sheet date.

The exchange rates used as of:  
31 December 2013: VND/USD 21.085.  
31 December 2014: VND/USD 21.380.

#### 19. Recognition of sales and income

##### **Sales of finished goods**

Sales of finished goods are recognized when most of risks and benefits incident to the ownership and management rights of those finished goods are transferred to customers and there are no uncertainties related to payments, additional costs, or sales returns.

##### **Sales of service provision**

Sales of service provision are recognized when there are no significant uncertainties related to payments or additional costs. In the case that the services are provided in many accounting periods, the determination of sales is done on the basis of the service completion rate as of the balance sheet date.

##### **Income from the sale of land lots of which infrastructures are already constructed**

Income from the sale of land of which infrastructures are already constructed is recorded when the construction of infrastructures is basically completed and the land is already handed over to customers.

##### **Revenue from the construction**

When the outcome of the construction contracts is estimated reliably,

- For the construction contracts stipulating that the contractors are paid according to the planned progress, revenue and costs related to these contracts are recognized in proportion to the stage of completion of contract activity as determined by the company itself.
- For the construction contracts stipulating that the contractors are paid according to the work actually performed, revenue and costs related to these contracts are recognized in proportion to the stage of completion of contract activity as confirmed in the invoices made by the customers.

Increases/ (decreases) in revenue of the works done, compensation receivable and other receivables are only recognized upon the agreement with customers.

When the outcome of the construction contracts cannot be estimated reliably,

- Contract revenue is recognized only to the extent that contract costs incurred are expected to be reliably recoverable.
- Contract costs are only recognized as actually incurred.

The difference between the accumulated revenue from the construction contract already recognized and the accumulated amount in the invoices according to the planned progress of contract is recognized as an amount receivable or an amount payable according to the planned progress of implementation of the construction contracts.

##### **Interest**

Interest is recorded, based on the term and the actual interest rate applied in each particular period.

##### **Dividends and profit shared**

Dividends and profit shared are recognized when the company has the right to receive dividends or profit from the capital contribution. Particularly, the dividends paid in form of shares are not recorded into income, but the increasing quantity is followed up.

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2014

## 20. Financial assets

### Classification of financial assets

The classification of financial assets depends on their nature and purposes and is determined at the date of initial recognition. The financial assets of the company include held-to-maturity investments, loans and receivables, available-for-sale financial assets.

### Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity periods that the company intends and is able to hold to maturity.

### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in the market.

### Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets designated as available for sale or any other instruments that are not classified as financial assets at fair value through profit or loss, held-to-maturity investments, or loans and receivables.

### Initial carrying amount of a financial asset

Financial assets are recognized at the acquisition date and derecognized at the selling date. At the date of initial recognition, a financial asset is recognized at original cost plus other costs directly related to the acquisition or issuance of that financial asset.

## 21. Financial liabilities and equity instruments

Financial instruments are classified as financial liabilities or equity instruments at the date of initial recognition in conformity with their nature and definition of financial liabilities or equity instruments.

### Financial liabilities

The classification of financial liabilities depends on the natures and the purposes of the financial liabilities, and is determined at the date of initial recognition. The Company's financial liabilities include borrowings, trade and other payables.

At the date of initial recognition, except for the liabilities related to financial lease which is recorded at amortized cost, other financial liabilities are recorded at original cost plus other costs directly related to those financial liabilities.

Amortized value is measured by the initial value of financial liabilities minus the principal amounts then plus/minus the accumulated amortized amounts which are

calculated by applying the effective interest method to the difference between initial value and the due value, then minus deductions (direct deductions or deductions by using a provisional account) due to devaluation or unrecoverable amount.

The effective interest method is used to calculate the amortized value of one or a group of financial liabilities and to allocate the interest income or interest expenses in relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or during a shorter period (if necessary) to the current net carrying value of the financial liability.

### Equity instrument

Equity instrument is the contract which can prove the remaining benefits in the assets of the company after deducting all of its liabilities.

## 22. Offsetting financial instruments

Financial assets and financial liabilities will be offset against each other and reflected at their net values in the balance sheet when, and only when, the Company:

- Has a legal right to offset the recognized amounts; and
- Has intention either to settle on a net basis, or to recognize the asset and to settle the liability simultaneously.

## 23. Segment reporting

A business segment is a distinguishable component of the company that is engaged in manufacturing or providing products or services and that is subject to risks and returns that are different from those of other business segments.

A geographical segment is a distinguishable component of the company that is engaged in manufacturing or providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

## 24. Related parties

A party is considered a related party of the company in case that party is able to control the company or to cause material effects on the financial decisions as well as the operations of the company. A party is also considered a related party of the company in case that party is under the same control or is subject to the same material effects.

Considering the relationship of related parties, the nature of relationship is focused more than its legal form.

Transactions with the related parties during the year are presented in Note VIII.2.

## V. ADDITIONAL INFORMATION ON THE ITEMS OF THE BALANCE SHEET

### 1. Cash and cash equivalent

	Ending balance	Beginning balance
Cash on hand	23,175,854,523	20,432,945,303
Cash in bank	3,024,497,181	182,120,739
<b>Total</b>	<b>26,200,351,704</b>	<b>20,615,066,042</b>

### 2. Short-term investment

	Ending balance	Beginning balance
Loan given (*)	155,379,047,168	300,079,047,168
Term deposits in bank	136,000,000	125,883,578
<b>Total</b>	<b>155,515,047,168</b>	<b>300,204,930,746</b>

(\*) The loan given to individuals and organizations is at interest rate of 13%/year. .

### 3. Trade receivables

	Ending balance	Beginning balance
Receivables for real estate trading	645,452,273,401	460,393,506,587
Others	373,929,202	373,929,202
<b>Total</b>	<b>645,826,202,603</b>	<b>460,767,435,789</b>

### 4. Prepayments to suppliers

	Ending balance	Beginning balance
Related parties	49,062,698,814	140,083,927,641
Other suppliers	682,049,244,561	387,244,670,247
<b>Total</b>	<b>731,111,943,375</b>	<b>527,328,597,888</b>

### 5. Other receivables

	Ending balance	Beginning balance
Lending to individuals and organizations	114,350,141,265	119,897,137,593
Hoang Quan Can Tho Real Estate Corporation – receivables for transfer of the capital contribution for project development and lending	92,223,504,394	14,612,896,505
Loan interest receivable	110,943,619,522	39,110,307,262
Dividends receivable	7,628,000,000	
VAT and corporate income tax of advances for real estate trading but not issued invoices	-	5,556,867,963
Other receivables	376,221,008	376,221,008
<b>Total</b>	<b>325,521,486,189</b>	<b>179,553,430,331</b>



## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2014

**6. Allowance for doubtful debts**

	Ending balance	Beginning balance
Prepayment to suppliers	12,310,928,354	10,110,928,354
Advances	7,006,315,811	8,263,997,512
Other receivables	15,085,355,666	5,496,875,597
<b>Total</b>	<b>34,402,599,831</b>	<b>23,871,801,463</b>

Fluctuation of allowance for doubtful debts is as follows:

Beginning balance	23,871,801,463
Additional extraction	10,530,798,368
<b>Ending balance</b>	<b>34,402,599,831</b>

**7. Inventories**

	Ending balance	Beginning balance
Work-in-process	652,208,020,027	508,129,292,742
• Expenses on construction	593,533,009,439	449,454,282,154
• Expenses on project investment (*)	58,675,010,588	58,675,010,588
Merchandises	113,014,066	113,014,066
Real estate	136,606,080,910	103,051,883,079
<b>Total</b>	<b>788,927,115,003</b>	<b>611,294,189,887</b>

(\*) In which, selling expenses and general and administration expenses are kept to allocate for projects when the revenue from these projects generates in the future. Details are as follows:

	Ending balance	Beginning balance
Selling expenses	2,578,711,681	2,578,711,681
General and administration expenses	20,330,564,507	20,330,564,507
<b>Total</b>	<b>22,909,276,188</b>	<b>22,909,276,188</b>

Some real estates and project expenses have been mortgaged to secure the loans from SeABank – Ho Chi Minh City Branch and BIDV – Northern Saigon Branch.

**8. Other current assets**

	Ending balance	Beginning balance
Advances	59,128,670,776	35,891,922,587
Short-term deposits	141,640,000	175,640,000
Deficit assets waiting for treatment	405,000,000	405,000,000
<b>Total</b>	<b>59,675,310,776</b>	<b>36,472,562,587</b>

**9. Increase/ (decrease) of tangible fixed assets**

	Buildings and structures	Vehicles	Office equipment	Total
<b>Beginning balance</b>				
New purchases	3,370,551,063	12,978,300,635	682,588,670	17,031,440,368
Ending balance			324,000,000	324,000,000
<b>In which:</b>	<b>3,370,551,063</b>	<b>12,978,300,635</b>	<b>1,006,588,670</b>	<b>17,355,440,368</b>
<i>Assets being fully depreciated but still in use</i>		6,409,887,817	618,532,307	7,028,420,124
<b>Depreciation</b>				
Beginning balance	42,131,886	9,629,914,653	648,315,484	10,320,362,023
Depreciation	168,527,544	704,307,827	41,597,118	914,432,489
<b>Ending balance</b>	<b>210,659,430</b>	<b>10,334,222,480</b>	<b>689,912,602</b>	<b>11,234,794,512</b>
<b>Net book values</b>				
Beginning balance	3,328,419,177	3,348,385,982	34,273,186	6,711,078,345
<b>Ending balance</b>	<b>3,159,891,633</b>	<b>2,644,078,155</b>	<b>316,676,068</b>	<b>6,120,645,856</b>
<i>In which:</i>				
Assets temporary not in use	-	-	-	-
Assets waiting for treatment	-	-	-	-

**10. Increase/ (decreases) of intangible fixed assets**

	Initial costs	Amortization	Book values
Beginning balance	170,503,000	136,402,415	34,100,585
Increases	-	34,100,585	-
<b>Ending balance</b>	<b>170,503,000</b>	<b>170,503,000</b>	<b>-</b>

**11. Construction-in-progress**

This item reflects construction costs in Hoc Mon, which is suspended.

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2014

**12. Investment in associates**

	Ending balance		Beginning balance	
	Amount	Value	Amount	Value
Viet Architecture Corporation <sup>(1)</sup>	40,000	5,813,333,333	40,000	5,813,333,333
Hoang Quan Binh Thuan Consulting – Trading – Service Real Estate Corporation <sup>(2)</sup>	2,560,000	78,080,000,000	2,560,000	78,080,000,000
Hoang Quan Appraisal Co., Ltd <sup>(3)</sup>	-	1,600,000,000	-	1,600,000,000
Hoang Quan Mekong Consulting – Trading – Service Real Estate Corporation <sup>(4)</sup>	10,240,000	166,560,927,946	10,240,000	166,560,927,946
Hoang Quan Can Tho Real Estate Corporation <sup>(5)</sup>	3,790,110	37,901,104,000	3,790,110	37,901,104,000
Hoang Quan Nha Trang Real Estate Company Limited <sup>(6)</sup>	-	2,434,205,650	-	-
Nam Quan Investment Corporation <sup>(7)</sup>	7,040,000	70,400,000,000	7,040,000	70,400,000,000
Binh Minh Port Corporation <sup>(8)</sup>	17,000,000	273,255,000,000	17,000,000	173,255,000,000
Southeast Asia Dragon Import – Export Joint Stock Company <sup>(9)</sup>	-	-	30,000	300,000,000
MeGaSky Corporation <sup>(10)</sup>	30,937	309,367,000	30,937	309,367,000
Lang Son Import – Export Joint Stock Company <sup>(11)</sup>	210,000	4,578,000,000	210,000	4,578,000,000
<b>Total</b>	-	<b>640,931,937,929</b>	-	<b>538,797,732,279</b>

<sup>(1)</sup> The Company has invested in Viet Architecture Corporation an amount of VND 5,813,333,333, equivalent to 40% of charter capital.

<sup>(2)</sup> The Company has invested in Hoang Quan Binh Thuan Consulting – Trading – Service Real Estate Corporation an amount of VND 78,080,000,000, equivalent to 32% of charter capital.

<sup>(3)</sup> The Company has invested in Hoang Quan Appraisal Co., Ltd. an amount of VND 1,600,000,000, equivalent to 32% of charter capital.

<sup>(4)</sup> The Company has invested in Hoang Quan Mekong Consulting – Trading – Service Real Estate Corporation an amount of VND 166,560,927,946, equivalent to 32% of charter capital.

<sup>(5)</sup> The Company has invested in Hoang Quan Can Tho Real Estate Corporation an amount of VND 37,901,104,000, equivalent to 31.58% of charter capital.

<sup>(6)</sup> During the year, the Company has invested in Hoang Quan Nha Trang Real Estate Company Limited an amount of VND 2,434,205,650, equivalent to 40% of charter capital.

<sup>(7)</sup> The Company has invested in Nam Quan Investment Corporation an amount of VND 70,400,000,000, equivalent to 40% of charter capital.

<sup>(8)</sup> During the year, the Company has additionally invested VND 100,000,000,000 by transferring from the loan. As at the year end, the Company has invested in Binh Minh Port Corporation an amount of VND 273,255,000,000, equivalent to 45% of charter capital.

<sup>(9)</sup> During the year, the Company has liquidated the investment in Southeast Asia Dragon Import– Export Joint Stock Company.

<sup>(10)</sup> The Company has invested in MeGaSky Corporation an amount of VND 309,367,000, equivalent to 40% of charter capital.

<sup>(11)</sup> The Company has invested in Lang Son Import– Export Joint Stock Company an amount of VND 4,578,000,000, equivalent to 24% of charter capital.

**13. Other long-term investment**

	Ending balance		Beginning balance	
	Amount	Value	Amount	Value
Investment in shares		14,474,521,161		14,474,521,161
• Binh Thuan Construction and House Trading Joint Stock Company	12,218	1,241,590,161	12,218	1,241,590,161
• Ninh Thuan Tourism Company	100,000	1,000,000,000	100,000	1,000,000,000
• KIS Vietnam Securities Corporation	36,000	1,080,000,000	36,000	1,080,000,000
• Vietnam Young Enterprise Investment Corporation	210,888	2,108,880,000	210,888	2,108,880,000
• Kien Giang Construction Consult Joint Stock Company	882,590	5,988,000,000	882,590	5,988,000,000
• Housing Development Bank	31,235	256,051,000	31,235	256,051,000
• Phu Quoc Investment Development Infrastructure Corporation	280,000	2,800,000,000	280,000	2,800,000,000
Investment cooperation		376,019,300,000		176,019,300,000
• Binh Minh Port Corporation		150,000,000,000		150,000,000,000
• Hoang Quan Mekong Consulting – Trading – Service Real Corporation		26,019,300,000		26,019,300,000
• IC Real Co., Ltd.		200,000,000,000		
Receivable for transfer of contributed capital		285,100,960,000		285,100,960,000
<b>Total</b>		<b>675,594,781,161</b>		<b>475,594,781,161</b>

**14. Provisions for devaluation of long-term financial investments**

	Ending balance	Beginning balance
Provisions for loss of associates	665,950,005	748,296,539
• Nam Quan Investment Corporation	598,113,128	606,390,584
• Hoang Quan Appraisal Co., Ltd.	67,836,877	141,905,955
Provisions for other long-term investments	459,827,714	460,762,387
<b>Total</b>	<b>1,125,777,719</b>	<b>1,209,058,926</b>

Fluctuation of provisions for devaluation of long-term financial investments:

Beginning balance	1,209,058,926
Additional extraction	216,718,793
Investment liquidated	(300,000,000)
<b>Ending balance</b>	<b>1,125,777,719</b>

**15. Long-term prepaid expenses**

Beginning balance	610,300,055
Allocation	(571,060,062)
<b>Ending balance</b>	<b>39,239,993</b>

**16. Deferred income tax assets**

Deferred income tax assets generated from temporarily deductible differences.



## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2014

**17. Short-term borrowings**

	Ending balance	Beginning balance
Short-term bank loans	35,000,000,000	110,933,724,312
• BIDV – Northern Saigon Branch (i)	35,000,000,000	54,434,307,518
• Agribank – Mac Thi Bui Branch (ii)		56,499,416,794
Current portion of long-term loans (see Note V.25)	171,328,692,100	39,330,000,000
<b>Total</b>	<b>206,328,692,100</b>	<b>150,263,724,312</b>

(i) The loan from BIDV–Northern Saigon Branch is to pay for purchases of fuel, construction materials, expenses on labors, expenses on constructions of the following items: completed linked loft houses of Binh Minh commercial – service – residential area for experts and employees. This loan is secured by mortgaging right for debt claim for the works done of Binh Minh commercial – service – residential area for experts and employees.

(ii) The loan from Agribank – Mac Thi Bui branch is to supplement the working capital. This loan is secured by the Company's land use right. This loan is extended to long-term loan.

**Details of increases/(decreases) of short-term borrowings are as follows:**

	Beginning balance	Inclusion	Amount already paid	Ending balance
Short-term loans from banks	110,933,724,312	(51,294,000,000)	(24,639,724,312)	35,000,000,000
Current portion of long-term loans	39,330,000,000	148,954,110,600	(16,955,418,500)	171,328,692,100
<b>Total</b>	<b>150,263,724,312</b>	<b>97,660,110,600</b>	<b>(41,595,142,812)</b>	<b>206,328,692,100</b>

**18. Trade payables**

	Ending balance	Beginning balance
Related parties	55,215,230	134,508,782,639
Other suppliers	9,108,256,444	10,090,519,711
<b>Total</b>	<b>9,163,471,674</b>	<b>144,599,302,350</b>

**19. Advances from customers**

	Ending balance	Beginning balance
Advances for construction	272,326,335,918	272,326,335,918
Advances for real estate trading	40,724,925,526	172,338,200,630
Advances for entities executing projects	280,134,553,096	8,284,483,112
Other customers	325,582,154	325,582,154
<b>Total</b>	<b>593,511,396,694</b>	<b>453,274,601,814</b>

**20. Taxes and other obligations to the State Budget**

	Beginning balance	Amount payable	Amount already paid	Ending balance
VAT on local sales (**)	6,049,240,857	(536,762,493)	(5,512,478,364)	
Corporate income tax	3,387,730,564	7,868,389,372	(3,388,473,158)	7,867,646,778
Corporate income tax temporarily paid for advances from real estate transfer (*)	(525,610,401)		(350,000,000)	(875,610,401)
Personal income tax	1,021,818,394	1,104,909,092	(1,100,566,959)	1,026,160,527
Other taxes		493,493,770	(184,039,875)	309,453,895
<b>Total</b>	<b>9,933,179,414</b>	<b>8,930,029,741</b>	<b>(10,535,558,356)</b>	<b>8,327,650,799</b>

(\*) Corporate income tax temporarily paid for payments received in advance from real estate transfer during the year is the tax temporarily paid, which is decreased because the projects are handed over and revenue from these projects is recorded during the year. This corporate income tax excessively paid is presented in the item "Taxes and other receivables from the State".

(\*\*) VAT on local sales payable during the year is decreased because the projects are handed over and revenue from these projects is recorded in the revenues of the previous year.

**Value added tax (VAT)**

The Company has paid VAT in line with the deduction method at the tax rate of 10%.

**Corporate income tax**

The Company is responsible to pay corporate income tax on taxable income at the tax rate of 22%. Income from the sales, lease, lease and then purchase of social housing is subject to corporate income tax at the tax rate of 10%.

Estimated corporate income tax payable during the year is as follows:

	Current year	Previous year
Total accounting profit before tax	37,986,592,467	30,079,189,296
Increase/(decrease) of accounting profit to determine profit subject to corporate income tax:		
• Increases	3,027,203,830	325,476,023
• Decreases	(9,526,292,250)	(15,358,235,045)
Taxable income	31,487,504,047	15,046,430,274
Taxable income at the tax rate of 10%	(13,485,209,813)	
Taxable income at the tax rate of 22%	44,972,713,860	
Taxable income at the tax rate of 25%		15,046,430,274
<b>Corporate income tax payable</b>	<b>6,927,250,890</b>	<b>3,761,607,569</b>
<b>Adjustment on corporate income tax payable of the previous years</b>	<b>941,138,482</b>	
<b>Corporate income tax to be paid</b>	<b>7,868,389,372</b>	<b>3,761,607,569</b>

**Corporate income tax temporarily paid for payments received in advance from real estate transfer**

The Company has to pay temporarily the corporate income tax at the rate of 01 % on the payments received in advance from real estate transfer as stipulated in Circular No. 123/2012/TT-BTC dated 27 July 2012 of the Ministry of Finance. The Company will finalize the corporate income tax payable for this transfer when the real estate is handed over.

**Other taxes** The Company has declared and paid these taxes in line with the prevailing regulations.

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2014

**21. Payable to employees**

The salary to be paid to employees

**22. Accrued expenses**

	Ending balance	Beginning balance
Project expenses	320,817,115,560	438,306,445,894
Loan interest expenses	17,638,053,218	44,147,725,341
House rental expenses	3,622,169,939	2,964,830,029
<b>Total</b>	<b>342,077,338,717</b>	<b>485,419,001,264</b>

**23. Other short-term payables**

	Ending balance	Beginning balance
Social insurance, health insurance, unemployment insurance, Trade Union's expenditure	1,498,271,231	3,069,441,483
Kien Giang Construction and Investment Consulting Corporation <sup>(*)</sup>	85,856,401,657	152,621,581,657
Binh Thuan Construction and House Trading Joint Stock Company – re-purchases of capital contribution	24,749,504,338	36,759,300,000
Borrowing from organizations	94,916,209,910	90,750,695,221
Borrowing from individuals	5,695,175,815	3,629,458,606
Other payables	2,746,638,822	3,171,052,372
<b>Total</b>	<b>215,462,201,773</b>	<b>290,001,529,339</b>

<sup>(\*)</sup> Divestment in Kien Giang Construction and Investment Consulting Corporation under the Meeting Minutes between two Companies on 01 December 2011.

**24. Other long-term payables**

	Ending balance	Beginning balance
Do Thanh Real Estate Investment Joint Stock Company – Receipt of capital contribution for project joint venture		200,000,000,000
Borrowing from members of the Board of Management	312,014,679,538	220,871,933,937
Hoang Quan Mekong Consulting – Trading – Service Real Estate Corporation – Re-purchase of shares		56,728,750,000
<b>Total</b>	<b>312,014,679,538</b>	<b>477,600,683,937</b>

**25. Long-term borrowings**

	Ending balance	Beginning balance
SeABank – Ho Chi Minh Branch <sup>(i)</sup>	25,278,581,173	77,718,581,173
BIDV – Northern Saigon Branch <sup>(ii)</sup>	369,126,444,011	89,703,000,000
Agribank – Mac Thi Buoï Branch <sup>(iii)</sup>	41,094,000,000	
Sacombank <sup>(iv)</sup>	138,506,243,100	
<b>Total</b>	<b>574,005,268,284</b>	<b>167,421,581,173</b>

- (i) The loan from SeABank – Ho Chi Minh City Branch is to re-structure the deficit of working capital in order that the Company can continue investing in real estate projects at the interest rate of 15%/ year. This loan is secured by mortgaging personal properties of the members of the Board of Management, the Company's assets and related companies' assets including land use right, properties on land to be formed in the future.
- (ii) The loan from BIDV – Northern Saigon Branch is to invest in HQC Plaza social housing project at the interest rate calculated on the basis of 50 % of the average interest rate of bank loans in the market but cannot exceed 6%/year. The loan period is 42 months from the first disbursement date and the grace period is 18 months. This loan is secured by mortgaging the land use right of project.
- (iii) The loan from Agribank – Mac Thi Buoï Branch is to supplement the working capital, which is extended from short-term loan.
- (iv) The loan from Sacombank is to invest in projects at the interest rate equal to interests rate applied to 12-month deposit plus 4,5%/year. The loan term is 36 months starting for the first loan disbursement. This loan is secured by mortgaging the Company's real estates and guaranteed by real estates from Binh Minh Port Corporation and Hoang Quan Mekong Consulting – Trading – Service Real Estate Corporation.

**Schedule of payment for long-term borrowings:**

Under 01 year	171,328,692,100
From 01 year to 05 years	574,005,268,284
<b>Total debts</b>	<b>745,333,960,384</b>

**Details of increases/ (decreases) of long-term borrowings are as follows:**

Beginning balance	167,421,581,173
Increases	504,243,797,711
Transfer to current portions of long-term loans	(97,660,110,600)
<b>Ending balance</b>	<b>574,005,268,284</b>

**26. Owner's equity****Statement on fluctuation in owner's equity**

Information on fluctuations in owner's equity is presented at the attached Appendix in Page 121.

Following the Resolution dated 28 June 2014 of the Annual Shareholders' Meeting in 2014, the Company has increased the capital during the year as follows:

The Company has sold 30,000,000 common shares at the price of VND 10,000/ share to potential investors in order to supplement the capital under the form of offsetting against payables.

The Company has sold 50,000,000 common shares at the price of VND 10,000/ share to potential investors in order to supplement the capital in cash.



## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2014

**Shares**

	Ending balance	Beginning balance
Number of shares registered to be issued	170,000,000	90,000,000
Number of shares already sold to the public	170,000,000	90,000,000
• Common shares	170,000,000	90,000,000
• -Preferred shares		
Number of shares repurchased		
• Common shares		
• Preferred shares		
Number of outstanding shares	170,000,000	90,000,000
• Common shares	170,000,000	90,000,000
• Preferred shares		

Face value per outstanding share: VND 10.000.

**VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE INCOME STATEMENT****1. Sales**

	Current year	Previous year
Gross sales	328,851,888,961	438,749,034,569
- Sales of trading in real estate	315,116,998,563	373,485,204,157
- Sales of construction	13,352,076,993	63,275,122,728
- Sales of construction	382,813,405	710,418,680
- Sales of construction	-	1,278,289,004
Sales deductions:	(454,545,455)	-
- Sales allowance	(454,545,455)	-
<b>Net sales</b>	<b>328,397,343,506</b>	<b>438,749,034,569</b>
In which:		
- Net sales of trading in real estate	314,662,453,108	373,485,204,157
- Net sales of construction	13,352,076,993	63,275,122,728
- Net sales of service provision	382,813,405	710,418,680
- Net sales of other activities	-	1,278,289,004

**2. Costs of sales**

	Current year	Previous year
Costs of trading in real estate	245,450,414,577	290,380,237,241
Costs of construction	10,550,892,083	40,466,320,528
<b>Total</b>	<b>256,001,306,660</b>	<b>330,846,557,769</b>

**3. Financial income**

	Current year	Previous year
Interests on term deposits	10,210,600	25,883,578
Interest on demand deposits	26,014,404	19,684,131
Interests on loans given	66,828,620,936	49,386,560,569
Dividends and profit shared	9,526,292,250	2,140,080,500
Income from transfer of capital contribution	25,700,000,000	-
<b>Total</b>	<b>102,091,138,190</b>	<b>51,572,208,778</b>

**4. Financial expenses**

	Current year	Previous year
Loan interest expenses	55,854,808,448	81,740,251,194
Provisions for devaluation of long-term investments	216,718,793	218,585,753
Others	-	1,532,247,007
<b>Total</b>	<b>56,071,527,241</b>	<b>83,491,083,954</b>

**5. Selling expenses**

	Current year	Previous year
Expenses for employees	19,222,877,139	7,031,277,070
Materials, suppliers	1,012,286,603	290,417,163
Depreciation of fixed assets	284,559,927	332,473,125
External services rendered	7,098,690,801	5,469,182,568
Others	7,416,585,188	3,557,429,059
<b>Total</b>	<b>35,034,999,658</b>	<b>16,680,778,985</b>

**6. General and administration expenses**

	Current year	Previous year
Expenses for staffs	20,424,498,454	14,312,327,629
Office supplies	1,141,465,236	913,407,122
Depreciation of fixed assets	663,973,147	760,109,593
Taxes, fees, and legal fees	317,407,207	589,891,972
Allowance and provisions	10,530,798,368	8,175,451,183
External services rendered	6,270,732,678	7,852,713,944
Others	4,157,005,423	4,463,390,423
<b>Total</b>	<b>43,505,880,513</b>	<b>37,067,291,866</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2014

**7. Other income**

	Current year	Previous year
Fine interest	370,523,407	9,034,440,000
Other income	1,205,469,951	837,924,763
<b>Total</b>	<b>1,575,993,358</b>	<b>9,872,364,763</b>

**8. Other expenses**

	Current year	Previous year
Penalty for administrative violations	479,806,270	-
Compensation expenses	2,984,362,245	1,991,138,440
Other expenses	-	37,567,800
<b>Total</b>	<b>3,464,168,515</b>	<b>2,028,706,240</b>

**9. Earnings per share**

	Current year	Previous year
Accounting profit after corporate income tax	30,118,203,095	23,013,043,090
Increase/(decrease) of accounting profit to determine profit attributable to ordinary equity shareholders	-	-
Profit attributable to shareholders of ordinary shares	30,118,203,095	23,013,043,090
Average ordinary shares outstanding during the year	108,333,333	79,500,000
<b>Earnings per share (*)</b>	<b>278</b>	<b>289</b>

(\*) Average ordinary shares outstanding during the year are calculated as follows:

	Current year	Previous year
Ordinary shares outstanding at the beginning of the year	90,000,000	60,000,000
Effects of ordinary shares issued from retained earnings	-	12,000,000
Effects of ordinary shares issued on 29 July 2013	-	7,500,000
Effects of ordinary shares issued on 25 August 2014	10,000,000	-
Effects of ordinary shares issued 02 October 2014	8,333,333	-
<b>Average ordinary shares outstanding during the year</b>	<b>108,333,333</b>	<b>79,500,000</b>

**10. Operating costs**

	Current year	Previous year
Materials and supplies	2,153,751,839	1,971,148,135
Labor	55,816,020,414	21,343,604,699
Depreciation of fixed assets	948,533,074	1,092,582,719
External services rendered	405,444,555,145	35,277,777,927
Others	137,600,134,535	8,610,711,453
<b>Total</b>	<b>601,962,995,007</b>	<b>68,295,824,933</b>

These notes form an integral part of and should be read in conjunction with the Financial Statements

**VII. ADDITIONAL INFORMATION ON THE ITEMS OF THE CASH FLOW STATEMENT****Non-cash transactions**

During the year, the Company has had the following non-cash transactions:

	Current year	Previous year
Increase capital from profit and offsetting debts	300,000,000,000	300,000,000,000
Share transfer through long-term loans	-	41,640,960,000
Disbursement for investment through payables and receivables	-	176,019,300,000
Transfer contributed capital of Kien Quan Real Estate Joint Stock Company into expenses on project and on project land	-	154,107,600,000
Recovery by transferring loans into debts	44,700,000,000	-
Recovery by transferring loans into investments	100,000,000,000	-

**VIII. OTHER DISCLOSURES****1. Subsequent events**

On 26 January 2015, the Company received the Business Registration Certificate No. 0302087938 amended for the 28th time on 26 January 2015 granted by the Department of Planning and Investment of Ho Chi Minh City regarding the increase of charter capital due to the capital increased from share issuance in 2014.

In January 2015, the company offered shares to the existing shareholders under the form of stock option action (ratio: 3:1) in accordance with the Resolution dated 28 June 2014 of the Annual Shareholders' Meeting. All the shares that are unsold because the shareholders do not take their stock option are offered to investors in accordance with the Resolution No. 14/2014/NQ-HĐQT dated 30 December 2014 of the Board of Management. The number of offering shares is 30,000,000 common shares at the price of VND 10,000/ share.

**2. Transactions with related parties****Transactions with key managers and related individuals**

Key managers and related individuals of the Company include: the members of the Board of Directors, the Board of Management, Finance Manager, the Chief Accountant and their family members.

During the year, the Company has had the following transactions with the key managers and related individuals:

	Current year	Previous year
<b>The Board of Directors</b>		
Lending	320,541,417,691	164,243,917,787
Interest receivable	1,537,909,038	2,136,858,750
Leasing office to the Company	-	707,158,980
<b>The Executive Officers</b>		
Interest payable	152,083,335	152,083,333
Loan	12,436,261,432	-
Payable for purchase of shares	230,000,000	-

These notes form an integral part of and should be read in conjunction with the Financial Statements



## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2014

As of balance sheet date, the receivables from and payables to key managers and related individuals are as follows:

	Current year	Previous year
The Board of Directors	45,282,283,521	45,007,596,953
The Executive Officers	13,783,389,363	15,000,000
<b>Total receivables</b>	<b>59,065,672,884</b>	<b>45,022,596,953</b>
The Board of Directors	312,014,679,538	220,871,933,937
The Executive Officers	1,050,163,333	1,050,163,333
<b>Total payables</b>	<b>313,064,842,871</b>	<b>221,922,097,270</b>

Income of key managers during the current year is VND 2.728.564.686 (Previous year: VND 2.152.354.473).

#### Transactions with other related parties

The Company's other related parties include:

Related parties	Relationship
Viet Architecture Corporation	Associate
Hoang Quan Binh Thuan Consulting – Trading – Service Real Estate Corporation	Associate
Hoang Quan Appraisal Co., Ltd	Associate
Hoang Quan Mekong Consulting – Trading – Service Real Estate Corporation	Associate
Hoang Quan Can Tho Real Estate Corporation	Associate
Kien Quan Real Estate Corporation	Associate
Nam Quan Investment Corporation	Associate
Bao Linh Investment-Construction-Housing Development Corporation	Related company
Hoang Quan Education Investment Corporation	Related company
Binh Minh Port Corporation	Related company
Tay Nam A College of Economics and Technology	Related company

During the year, the Company has had the following transactions with other related parties:

	Current year	Previous year
<b>Viet Architecture Corporation</b>		
Design consulting expenses	7,719,838,392	-
Lending	1,734,400,000	1,560,341,256
Advances of designing expenses	-	653,914,392
<b>Hoang Quan Binh Thuan Consulting – Trading – Service Real Estate Corporation</b>		
Lending	-	200 000 000
<b>Hoang Quan Appraisal Co., Ltd.</b>		
Valuation expenses	-	1,061,009,091
<b>Hoang Quan Mekong Consulting – Trading – Service Real Estate Corporation</b>		
Borrowing	33,001,116,949	2,146,558,455
Lending	16,202,000,000	7,163,951,000
Loan interest expenses	701,400,274	1,213,372,404
Dividend receivable	7,628,000,000	-
Payable for purchase of house	210,592,250	-
<b>Hoang Quan Can Tho Real Estate Corporation</b>		
Lending	11,000,000,000	13,750,816,257
Interest receivable	-	8,041,876,667
Borrowing, collection on other's behalf	3,558,367,600	-
Sales of apartments in Binh Minh project and brokerage	-	135,810,187,182
Capital contribution to investment co-operation	63,523,504,394	-
Transfer of contributed capital	89,223,504,394	-
<b>Kien Quan Real Estate Corporation</b>		
Lending	43,136,083	2,782,133,652
<b>Nam Quan Investment Corporation</b>		
Payment on other's behalf	5,140,000	35,500,000
<b>Bao Linh Investment-Construction-Housing Development Corporation</b>		
Execution income	-	27,514,414,000
Loan interest	-	996,666,667
Execution expenses	451,954,959,280	2,994,637,329
Lending	5,757,444,400	14,096,456,654
Borrowing	107,366,214,115	95,000,000
<b>Binh Minh Port Corporation</b>		
Loan interest	15,702,682,156	13,632,347,324
Loan interest expenses	633,363,785	871,475,827
Lending	5,268,000,000	2,367,592,132
Borrowing	700,000,000	-
<b>Tay Nam A College of Economics and Technology</b>		
Loan interest expenses	3,570,548	73,541,607

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2014

As of balance sheet date, the balances with other related parties are as follows:

	Current year	Previous year
<b>Viet Architecture Corporation</b>		
Advances for project execution	4,602,597,049	6,270,895,392
Lending	5,429,947,135	3,832,147,135
Leasing cars	357,929,202	357,929,202
<b>Hoang Quan Mekong Consulting – Trading – Service Real Estate Corporation</b>		
Receipt of advances for execution	17,354,455,276	17,354,455,276
Lending	23,778,000,000	3,018,000
Business co-operations	26,019,300,000	26,019,300,000
<b>Hoang Quan Can Tho Real Estate Corporation</b>		
Lending	3,000,000,000	51,271,019,838
Loan interest receivable	-	8,041,876,667
Sales of houses of Binh Minh project	140,189,890,630	135,803,119,000
Transfer of capital contribution for business co-operations	89,223,504,394	-
<b>Kien Quan Real Estate Corporation</b>		
Lending	5,476,460,772	5,433,324,689
<b>Bao Linh Investment-Construction-Housing Development Corporation</b>		
Advances for project execution	264,627,572,925	89,451,330,484
Lending	15,228,000,000	54,652,843,279
Loan interest receivable	-	996,666,667
<b>Binh Minh Port Corporation</b>		
Loans	45,789,862,724	145,789,862,724
Lending	-	522,456,427
Loan interest receivable	26,224,601,800	4,843,463,217
Business co-operation	150,000,000,000	150,000,000,000
<b>Hoang Quan Binh Thuan Consulting – Trading – Service Real Estate Corporation</b>		
Lending	43,100,000	43,100,000
<b>Total receivables</b>	<b>817,345,221,907</b>	<b>700,686,807,997</b>
<b>Viet Architecture Corporation</b>		
Borrowing payable	66,798,486	13,566,798,486
<b>Bao Linh Investment-Construction-Housing Development Corporation</b>		
Borrowing payable	53,279,829,808	-
<b>Hoang Quan Appraisal Co., Ltd.</b>		
Borrowing payable	500,000,000	500,000,000

These notes form an integral part of and should be read in conjunction with the Financial Statements

	Current year	Previous year
<b>Hoang Quan Mekong Consulting – Trading – Service Real Estate Corporation</b>		
Borrowing payable	29,600,648,061	41,393,687,698
Payable for purchase of capital contribution of Binh Minh Port Corporation	-	23,716,622,466
Payable for purchases of project house	272,326,335,918	272,326,335,918
Trade payable	-	134,150,367,409
Payable for purchases of capital contribution of Kien Quan Real Estate Corporation	-	56,728,750,000
<b>Nam Quan Investment Corporation</b>		
Borrowing payable	182,391,146	187,531,146
<b>Hoang Quan Can Tho Real Estate Corporation</b>		
Borrowing payable	2,935,468,750	893,993,261
<b>Hoang Quan Education Investment Corporation</b>		
Other payables	3,831,151,742	4,158,103,365
<b>Binh Minh Port Corporation</b>		
Borrowing payable	4,519,921,917	4,788,558,132
Trade payables	55,215,230	-
<b>Tay Nam A College of Economics and Technology</b>		
Borrowing payable	224,774,727	249,765,028
Loan interest expenses payable	3,570,548	425,009,699
<b>Total payables</b>	<b>367,526,106,333</b>	<b>553,085,522,608</b>

### 3. Information on segment

The Company's main operation is trading in real estate (equivalent to over 97% of sales of the whole company) and Company's operating activities are mainly in Southern areas; therefore, it is not subject that has to present the segment reporting according to the request of Vietnamese Accounting Standard.

### 4. Financial risk management

#### Overview

The Company's activities are exposed to the following financial risks: credit risk, liquidity risk and market risk. The Board of Directors is responsible for establishing policies and controls to minimize the financial risk as well as monitor the implementation of applied policies and controls. The risk management is carried out mainly by the Department of Accounting and Department of Finance in line with the policies and procedures approved by the Board of Directors.

#### Credit risk

Credit risk is the risk that one contractual party will cause a loss for the Company by its failure to pay for its obligations.

The Company is exposed to credit risks mainly arises from trade receivables, cash in banks, and loans.

#### Trade receivables

Main operation of the Company is real estate trading, so the Company only hands over house and surface to customers when customers fully pay the amounts in line with the progress. Particularly, as for payment for buying house in several years, the real estate trading department follows up in detail the term of payment to collect money in line with the payment progress. In addition, the trade receivables of the Company are related to various individuals. Therefore, the credit risk does not focus on a certain customer.

These notes form an integral part of and should be read in conjunction with the Financial Statements



## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2014

*Cash in banks*

Most of the Company's demand deposits are in the large and trusted banks in Vietnam. The Company believes that the credit risk level from cash in banks is low.

*Loans*

The Company gives loans to the related parties and the key managers. These enterprises and individuals have the good reputations and good payment abilities, so the credit risk from loans is low.

The maximum credit risk level for the Company's financial assets is their carrying values (see Note VIII.5 regarding the carrying values of the financial assets).

The analysis statement on outstanding period and devaluation of financial assets is as follows:

	Not yet overdue or devaluated	Not yet overdue but already devaluated	Already overdue but not devaluated	Already overdue and/or already devaluated	Total
<b>Ending balance</b>					
Cash and cash equivalents	26,200,351,704	-	-	-	26,200,351,704
Held-to-maturity investments	136,000,000	-	-	-	136,000,000
Trade receivables	602,912,502,724	-	42,913,699,879	-	645,826,202,603
Loans	155,379,047,168	-	-	-	155,379,047,168
Other receivables	556,686,405,322	-	27,127,719,358	26,808,321,509	610,622,446,189
Available-for-sale financial investments	14,474,521,161	-	-	-	14,474,521,161
<b>Total</b>	<b>1,355,788,828,079</b>	<b>-</b>	<b>70,041,419,237</b>	<b>26,808,321,509</b>	<b>1,452,638,568,825</b>
<b>Beginning balance</b>					
Cash and cash equivalents	20,615,066,042	-	-	-	20,615,066,042
Held-to-maturity investments	125,883,578	-	-	-	125,883,578
Trade receivables	460,767,435,789	-	-	-	460,767,435,789
Loans	300,079,047,168	-	-	-	300,079,047,168
Other receivables	453,218,202,551	-	-	5,879,319,817	459,097,522,368
Available-for-sale financial investments	14,474,521,161	-	-	-	14,474,521,161
<b>Total</b>	<b>1,249,280,156,289</b>	<b>-</b>	<b>-</b>	<b>5,879,319,817</b>	<b>1,255,159,476,106</b>

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

The Company's liquidity risks mainly arise from the differences in maturity dates of financial assets and financial liabilities.

The Company's approach to liquidity risk management is to follow up requests for current payment and estimates in the future regularly in order to maintain an appropriate amount of cash and loans, and to monitor the cash flows actually generated in comparison with those estimated to minimize the effects of the changes in cash flows.

The terms of payments to non-derivative financial liabilities (excluding interest payable) are based on the undiscounted payments supposed to make according to the contracts. Details are as follows:

	Under 01 year	From 01 year to 05 years	Over 05 year	Total
<b>Ending balance</b>				
Trade payables	9,163,471,674	-	-	9,163,471,674
Borrowings	223,966,745,318	574,005,268,284	-	797,972,013,602
Other payables	217,586,100,481	312,014,679,538	-	529,600,780,019
<b>Total</b>	<b>450,716,317,473</b>	<b>886,019,947,822</b>	<b>-</b>	<b>1,336,736,265,295</b>
<b>Beginning balance</b>				
Trade payables	144,599,302,350	-	-	144,599,302,350
Borrowings	194,411,449,653	167,421,581,173	-	361,833,030,826
Other payables	289,896,917,885	277,600,683,937	-	567,497,601,822
<b>Total</b>	<b>628,907,669,888</b>	<b>445,022,265,110</b>	<b>-</b>	<b>1,073,929,934,998</b>

The Board of Management believes that the risk level associated with payments to financial liabilities is low. The Company has sufficient capacity to settle all financial obligations when they are due from its operating cash flows and from the amounts receivable from mature financial assets. The company is able to approach capital sources and loans falling due within 12 months, which can be extended with the current creditors.

**Collaterals**

The Company has had no collaterals received from or given to other entities as of 31 December 2014 and 31 December 2013.

**5. Fair values of financial assets and liabilities****Financial assets**

	Carrying values				Fair values	
	Ending balance		Beginning balance		Ending balance	Beginning balance
	Initial costs	Provision	Initial costs	Provision		
Cash and cash equivalents	26,200,351,704	-	20,615,066,042	-	26,200,351,704	20,615,066,042
Held-to-maturity investments	136,000,000	-	125,883,578	-	136,000,000	125,883,578
Trade receivables	645,826,202,603	-	460,767,435,789	-	645,826,202,603	460,767,435,789
Loans	155,379,047,168	-	300,079,047,168	-	155,379,047,168	300,079,047,168
Other receivables	610,622,446,189	(15,085,355,666)	459,097,522,368	(5,496,875,597)	595,537,090,523	453,600,646,771
Available-for-sale financial investments	14,474,521,161	-	14,474,521,161	-	14,474,521,161	14,474,521,161
<b>Total</b>	<b>1,452,638,568,825</b>	<b>(15,085,355,666)</b>	<b>1,255,159,476,106</b>	<b>(5,496,875,597)</b>	<b>1,437,553,213,159</b>	<b>1,249,662,600,509</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2014

**Financial liabilities**

	Carrying values		Fair values	
	Ending balance	Beginning balance	Ending balance	Beginning balance
Trade payables	9,163,471,674	144,599,302,350	9,163,471,674	144,599,302,350
Borrowings	780,333,960,384	317,685,305,485	780,333,960,384	317,685,305,485
Other payables	547,238,833,237	611,645,327,163	547,238,833,237	611,645,327,163
<b>Total</b>	<b>1,336,736,265,295</b>	<b>1,073,929,934,998</b>	<b>1,336,736,265,295</b>	<b>1,073,929,934,998</b>

Fair values of financial assets and liabilities of the Company are reflected at the values which the financial instruments can be converted in a current transaction among parties having adequate knowledge and expecting to involve in the transaction.

The Company has applied the following method and assumption to estimate the fair value of financial assets and liabilities:

- Fair values of cash and cash equivalents, trade receivables, loans, other receivables, borrowings, trade payables as well as other short-term payables are equivalent to their carrying values (excluding the allowance for estimates on unrecoverable amounts) of these items since these instruments have short-term periods.
- Fair values of loans, trade receivables, other receivables, borrowings, trade payables and other long-term payables are determined by discounting cash flows at the interest rate applied to loans of which the loan features and remaining loan periods are the same with the loans given.
- Fair values of loans, trade receivables, other receivables, borrowings, trade payables and other long-term payables, held-to-maturity investments which are unlisted on the stock exchange without the trading prices disclosed by O3 securities companies are determined by discounting cash flows at the interest rate applied to loans of which the loan features and remaining loan periods are the same with the loans given.

The Company has not officially assessed the unlisted available-for-sale financial assets without the trading prices disclosed by O3 securities companies. However, the Board of Management have assessed that the fair values of these financial assets are not materially different from the carrying values.

Ho Chi Minh City, 11 February 2015



**NGUYEN HONG PHUONG**  
Preparer



**TRAN THI THANH NHU**  
Chief Accountant



**TRUONG ANH TUAN (Ph.D)**  
General Director



**NGUYEN HONG PHUONG**  
Preparer



**TRAN THI THANH NHU**  
Chief Accountant



**TRUONG ANH TUAN (Ph.D)**  
General Director

For the fiscal year ended 31 December 2014

## APPENDIX: STATEMENT OF FLUCTUATION IN OWNER'S EQUITY

Unit: VND

	Capital	Investment and development fund	Financial reserved fund	Retained earnings	Total
Beginning balance of the previous year	600,000,000,000	700,413,662	1,751,034,154	150,437,124,569	752,888,572,385
Capital increased share issuance	180,000,000,000	-	-	-	180,000,000,000
Dividends shared in form of shares	120,000,000,000	-	-	(120,000,000,000)	-
Profit during the year	-	-	-	23,013,043,090	23,013,043,090
<b>Ending balance of the previous year</b>	<b>900,000,000,000</b>	<b>700,413,662</b>	<b>1,751,034,154</b>	<b>53,450,167,659</b>	<b>955,901,615,475</b>
Beginning balance of the current year	900,000,000,000	700,413,662	1,751,034,154	53,450,167,659	955,901,615,475
Capital increased share issuance	800,000,000,000	-	-	-	800,000,000,000
Dividends shared in form of shares	-	-	-	-	-
Profit during the year	-	-	-	30,118,203,095	30,118,203,095
Fund extraction during the year	-	-	-	-	-
<b>Ending balance of the current year</b>	<b>1,700,000,000,000</b>	<b>700,413,662</b>	<b>1,751,034,154</b>	<b>83,568,370,754</b>	<b>1,786,019,818,570</b>

Ho Chi Minh City, 11 February 2015



**NGUYEN HONG PHUONG**  
Preparer



**TRAN THI THANH NHU**  
Chief Accountant



**TRUONG ANH TUAN (Ph.D)**  
General Director



## SYSTEM OPERATING FUNCTIONS

### REAL ESTATE

- Real Estate Investment: Residential, Apartment, Office Building, Industrial Park,...
- Marketing, distributing, managing and brokering

### EDUCATION

- Education and Development Investment: University, College and Trade School
- Cooperating and training for human resource development

### FINANCE

- Capital Contribution, M&A
- Financial & Security Investment

### APPRAISAL

- Real Estate, Investment Projects
- Properties auction, Market research

### LEGAL COUNSELLING

- Service of legal counselling
- Represent client to join proceedings

### DESIGN

- Civil project, Industrial project, Township & Industrial Park planning
- Project consulting, investment planning, construction supervising

### CONSTRUCTION

- Leveling, infrastructure and civil project construction
- Interior, exterior design & construction, and material trading

## ASSOCIATED, SUBSIDIARIES COMPANIES



### CONTACT INVESTOR RELATIONS DEPARTMENT FOR MORE INFORMATION

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**HOÀNG QUÂN**<sup>®</sup>

KNOWLEDGE · INNOVATION · PIONEERING

**HOANG QUAN CONSULTING - TRADING - SERVICE REAL ESTATE CORPORATION**  
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