



**HOÀNG QUÂN**<sup>®</sup>  
REAL ESTATE - EDUCATION - FINANCE

**STRONG WILL FOR PROSPERITY  
GOOD SOUL FOR OUTREACH**

**ANNUAL REPORT 2015**



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## VISION

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

## MISSION

Relentlessly innovating, striving to create high quality products and services at reasonable cost. Pioneering in every product and service 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:** Hoang Quan is committed to relentless innovation, mind flexibility, proactive improvement on our products and services, and application of modern technologies to create sustainable values for our customers, partners and the community.

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



Impressive results in 2015 will act as a solid foundation on which Hoang Quan will be taking off to new heights, confirming our position as a powerful and sustainable Vietnamese Real Estate – Education – Finance corporate, capable of regional and international integration.

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



#### To: Our Valued Shareholders,

On the heels of breakthroughs in 2014, 2015 was marked with blossoming successes for Hoang Quan Consulting – Trading – Service – Real Estate Company (Hoang Quan Group), which resulted in an **impressive Revenue of VND 1,421.9 billion and an after tax Income of VND 641.4 billion** and the corporate's continued leading position in social housing in Vietnam. Up to now, Hoang Quan Group has been implementing **15 social housing projects** at the total investment capital of about **VND 10,000 billion**, providing more than **15,000 apartments** across various cities and provinces in the South, including: HQC Plaza, HQC Plaza 2, HQC Hoc Mon, HOF-HQC Ho Ngoc Lam, HQC Plaza Binh Tan, HQC Binh Trung Dong, HQC An Phu Tay (HCMC), HQC Tan Huong (Tien Giang), HQC Can Tho, HQC Tay Ninh, HQC Dong Nai (Dong Nai), HQC O Mon (Can Tho), etc.

The Government has shown its enthusiastic support in the national

social housing strategy via many long-term policies to facilitate related enterprises and people. Investment into social housing, therefore, is a sustainable strategy for Hoang Quan Group to bring about long-term benefits to the community, our shareholders and ourselves.

In the period 2016-2020, Hoang Quan Group will continue to promote this development strategy, hence taking firm of the leading position in social housing in Ho Chi Minh City as well as other cities in the South with an aim of providing at least **10,000 apartments per year**. Specifically, in 2016 Hoang Quan Group will deploy more social housing projects such as HQC An Phu Tay, HQC Binh Trung Dong, HQC Binh Tan, HQC Plaza 2 (HCMC), HQC Tan Huong (Tien Giang), HQC Can Tho, HQC Tay Ninh, HQC Dong Nai (Dong Nai), HQC O Mon (Can Tho), etc.

Apart from that, Hoang Quan Group is also investing in other housing projects in commercial blocks, urban zones, civil zones, industrial real estate, office – trading – service buildings, ect; our aims are to diversify businesses and fulfill

the system's development potentials. Hoang Quan Group has been deploying multiple sizable projects including Mekong Delta Urban and University Zone (30ha) in Can Tho (this zone is composed of 4 subzones, of which 7ha making up for 525 apartments in the civil zone at Thuong Thanh, Cai Rang District is completed and has been put into use); Binh Minh Industrial Zone (162ha); Binh Minh Apartments for Specialists and Workers in Vinh Long (40ha); Ham Kiem I Industrial Zone (146.2ha), Ham Kiem Urban – Educational Zone (75ha) and the project to build Ham Tien – Mui Ne Center for Tourism – Events – Finance – Education – Resource (198ha) in Binh Thuan.

Real estate aside, Hoang Quan Group is involving in education and training at the University of Phan Thiet in Binh Thuan, University of Mekong Delta in Can Tho (100% owned), Long An University of Industrial Economics in Long An, Institute for Development of Talents and Human Resources in HCMC, Western Southern Vocational School of Economics and Technology in

HCMC (100% owned), Mui Ne School of Tourism in Binh Thuan as well as the kindergarten system at all project locations of the corporate. Investment in education is an effective addition to optimize facilities for the residents at the project sites.

In Finance, Hoang Quan Group is investing in **3 affiliates, 10 member companies and more than 20 joint ventures**. Combined with Hoang Quan Group, these companies make up for a roundabout and professional model that covers every aspect from design, building, supervising to validating and other legal aspects. The system has made considerable contribution to the corporate's business results, at the same time making an important competitive advantage to our general strategy.

In 2015, Hoang Quan Group was listed in the Top 5 leading real estate corporates in income. These Top 5 enterprises account for 73% revenues of all the real estate companies operating on the stock market. With an aim to reach out to the region and international stage as well as enhance internal transparency

to lure foreign investors, also based on shareholders' suggestions, for the time to come Hoang Quan Group is going to conduct necessary procedures to identify maximum foreign ownership. In the portfolio structure of Quarter I/2016, HQC's securities were selected into FTSE Vietnam All-Share Index and FTSE Vietnam ETF, which is an evidence for HQC's high liquidity on the stock exchange.

#### Dear Valued Shareholders,

2015 was a special landmark, establishing our new peak of success, also marking our 15th anniversaries, 5th year in term of the Board of Management, Board of Directors and Board of Supervisors since HQC was listed on the stock exchange. Impressive results in 2015 will act as a solid foundation on which Hoang Quan will be taking off to new heights, confirming our position as a powerful and sustainable Vietnamese Real Estate – Education – Finance corporate, capable of regional and international integration.

Hoang Quan Group owes our current success to the great support from

governmental agencies, customers, investors, partners as well as the constant efforts of the corporate staff and especially the trust of our valued shareholders. From the individual perspective of myself and on behalf of the corporate's Board of Management, I would like to give big thank-you to all of our valued shareholders for the journey you have been accompanying with us so far. It is my hope that you will continue with your support so that Hoang Quan Group could complete the 2016 plan and 2016-2020 orientation, increase the system's growth rate hence bringing about practical benefits to our customers, the society and especially our valued shareholders.

Sincerely,

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

# OVERVIEW OF HOANG QUAN

Founded in 2000 and over a span of 15 years of development, Hoang Quan Group is proud to be one of the leading **Real Estate - Education - Finance** enterprises in Vietnam, ready to appear on the international stage, proving the position and stature of Vietnamese enterprises to the world.

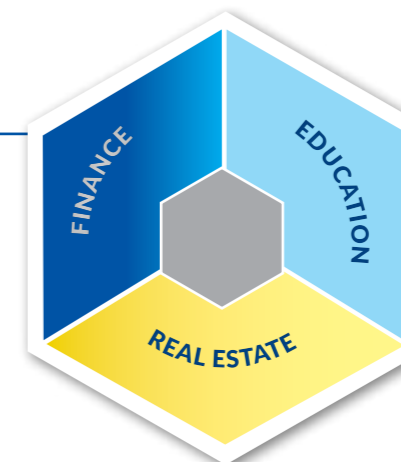
With the motto **Knowledge - Innovation - Pioneering**, Hoang Quan Group is committed to constant efforts to generate valuable, professional and quality products and services to our customers and partners, at the same time contributing to the development of the community.

With the spirit of proactiveness and with an orientation to sustainable development values, Hoang Quan Group is the first enterprise in real estate to apply ISO 9001:2008. We are also the first enterprise in Vietnam to build a closed procedure from brokerage, design, price validation to legalities, leading to high efficiency in economics to our customers and partners alike. **Hoang Quan Group's capability in civil construction and technical infrastructure project management is listed in Group A by the Ministry of Construction.**

In particular, Hoang Quan Group is the **flagship in social housing investment and development** in the South with an enormous social housing chain branded HQC in Ho Chi Minh City, Can Tho, Vinh Long, Khanh Hoa, Binh Thuan, Tay Ninh, Tien Giang, Dong Nai, etc. Currently we are providing tens of thousands of apartment annually, meeting in a practical way the housing needs from the communities.

In parallel with real estate business, Hoang Quan Group is also extending to education and finance fields via the construction of the **Mekong Delta University, Long An University of Industrial Economics, Phan Thiet University, Institute for Development of Talents and Human Resources (ITH), Western Southern Vocational School of Economics and Technology, Mui Ne School of Tourism** among others. The Group is always seeking opportunities for M&A, international cooperation and product diversification in order to sharpen our competitive edges in local and international markets.

So far Hoang Quan Group boasts more than twenty affiliates, seventeen branches and transaction centers present across the country with a labor force of nearly 1,500 employees, ensuring qualified products as well as professional service. The Group is also proud of owning an investor list of more than 10,000 customers, local and global partners.



Hoang Quan Group has realized the desire for growth via the investment activities in Finance. The Group are building as a solid and prestigious financial organization in nation-wide market with diversified and professional activities in this field.

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 the first company in real estate sector to implement and apply ISO 9001:2008 quality management system. Especially, the Group is pioneering in the investment, construction and development of social housing in HCMC as well as other cities and provinces in the South.

Hoang Quan is the first company in Vietnam to develop a closed real estate operating process from brokerage, design, construction, appraisal, bringing high economic value to customers.

The Company's Name in Vietnamese:  
**CÔNG TY CỔ PHẦN TƯ VẤN - THƯƠNG MẠI - DỊCH VỤ ĐỊA ỐC HOÀNG QUÂN**

The Company's Name in English:  
**HOANG QUAN CONSULTING - TRADING - SERVICE REAL ESTATE CORPORATION**

Abbreviated name: **HOANG QUAN CORP**  
Business registration certificate No.: 0302087938

Charter capital: VND 3,950,000,000,000  
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

- Investment in real estate, financial investment in associates and educational investment activities.
- 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).
- Investment in construction and trading of infrastructure of industrial parks.
- Trading of real estate; housing and land brokerage service, real estate transaction service, real estate advertising, and real estate management.
- Real estate auction service, real estate valuation service;
- Civil engineering, site leveling, cadastral survey.
- Investment project planning. Project management.
- Architectural design of civil and industrial works. Construction planning design;
- Vocational training (not applicable in the head quarters).

Securities code: HQC

Time of listing: 20 October 2010

# 30

Affiliates and member companies

# 1,500

Employees with high qualifications

# 17

Branches - transaction centers

# 10,000

Customers and partners

# CORPORATE HISTORY AND DEVELOPMENT

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

The company became a professional component investor  
Hoang Quan Appraisal Company Limited was established

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

Charter capital was increased to VND20 billion

Charter capital was increased to VND50 billion  
Viet Architecture Corporation was established

Charter capital was increased to VND150 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
- Nam Quan Investment Joint Stock Company was established

Hoang Quan Can Tho Investment Real Estate Corporation was established

Hoang Quan Law Company Limited was established

Charter capital was increased to VND400 billion

Charter capital was increased to VND600 billion

- 2<sup>nd</sup> General Meeting of Shareholders was successful organized
- Many real estate projects were successfully merged and acquired
- Social housing projects, housing for the low-income earners were developed

First General Meeting of Shareholders was successful organized

The company was listed in HOSE

- The company won Trust Brand 2010 Prize
- Hoang Quan Learning Promotion Fund was established
- Hoang Quan Education Investment JSC was established

Charter capital was increased to VND900 billion

- 3<sup>rd</sup> General Meeting of Shareholders was successful organized
- 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

Charter capital was increased to VND2,000 billion

- 4<sup>th</sup> General Meeting of Shareholders was successful organized
- Hoang Quan Nha Trang Consulting - Trading - Service Real Estate Co., Ltd. was established
- The company entered into strategic, comprehensive cooperation with LG, Hyundai and Viglacera
- HQC Social Housing brand in HCMC and the Southern provinces was formed
  - The company was involved in a cooperation effort to invest into the construction and trading of the Golden King office building for lease project (District 7, HCMC)
- The groundbreaking for the construction of Mekong Delta University was performed

Charter capital was increased to VND3,950 billion

- 5<sup>th</sup> General Meeting of Shareholders was successful organized
- The company started the construction of the social housing chain including HQC Nha Trang, HQC Phu Tai, HQC Binh Minh, HQC Ham Kiem, HOF-HQC Ho Ngoc Lam, enhancing the social housing development strategy all over HCMC and other provinces
- The company was recognized by the Ministry of Construction as the company with Group A's project management capabilities
- The company became an official member of Vietnam Association of Realtors (VARs)
  - The company received the golden cup and the honor of Excellent Services and Products 2015 for social housing products
  - The investment fund Global Emerging Markets (GEM) signed in an investment contract valued at USD 20 million into HQC
    - The company signed on cooperation memos with large universities and vocational schools in Taiwan.
- The company received a transfer of 40% of charter capital at Tay Ninh Urban Construction and Development JSC
- The company received a transfer of 20% of charter capital at Phan Thiet University (Binh Thuan)
- The company received a transfer of 100% of investment capital at Mui Ne School of Tourism (Binh Thuan)

2000

2002

2004

2005

2006

2007

2008

2009

2010

2011

2012

2013

2014

2015

# CORPORATE HIGHLIGHTS IN 2015



## 1.

### The successful organization of the 5<sup>th</sup> annual General Meeting of Shareholders in 2015

On 28 March 2015, Hoang Quan Group successfully organized the 5<sup>th</sup> General Meeting of Shareholders in 2015 with the participation of more than 500 local and foreign shareholders, investors, partners and the media press. The company reported on 2014 results and plans for 2015.

In 2015, Hoang Quan proposed a target of VND 3,200 billion in revenue and VND 320 billion in after tax profit, which was ten times bigger than 2014 results. In the structure of the company's revenue and profit for 2015, social housing projects would account for 50%, the rest coming from other projects and business lines. Dividends in 2015 was expected at 8%.



## 2.

### The implementation of HQC Nha Trang and HQC Phu Tai, enhancing social housing development strategy across southern provinces and cities

Within two days of 22 and 23 April 2015, Hoang Quan started the construction of the two social housing projects of HQC Nha Trang (Khanh Hoa) and HQC Phu Tai (Binh Thuan) in an effort to meet the practical housing needs of local employees and laborers.

HQC Nha Trang social housing project is located on the civil zone Northern Vinh Hai with an area of 10,842.8m<sup>2</sup> and the total investment capital of about VND 645 billion; the site includes four blocks ranging from 15 to 18 storeys with 1,002 apartments of 46.3 - 69.9m<sup>2</sup>.

HQC Phu Tai social housing project is located on the civil zone Phu Tai - Phu Trinh right at the Northern Phan Thiet Commercial Center, about 2km from the province's administrative and people committee headquarters. HQC Phu Tai includes two 14-storey blocks at the total of 306 apartment of 43 - 60m<sup>2</sup> and with the total investment capital of VND168 billion. The construction area is 23,005m<sup>2</sup>, of which the area for the apartments is 15,196m<sup>2</sup> and commercial area is 563.5m<sup>2</sup>.



## 3.

### The rough construction of HQC Plaza social housing was completed

On 19 May 2015, Hoang Quan conducted the topping ceremony of HQ4 block, denoting the official completion of the rough construction of HQC Plaza. This was a practical celebration of President Ho Chi Minh's 125<sup>th</sup> birthday.

HQC Plaza is a key social housing project in HCMC, forming a role model in pioneering in the trend of social housing construction and development in accordance to the Government's Resolution 02/NQ-CP, Decree 188/2014/NĐ-CP. Especially, HQC Plaza is the first social housing project in HCMC in which both its chief investor and customers enjoy the allowance package valued at VND 30,000 billion.

During the implementation, this project has always been receiving timely consideration and guidance from governmental agencies, at both central and local level, including the delegation of the national assembly members, the Ministry of Construction, the Ministry of Public Security, The State Bank of Vietnam, BIDV Bank, HCMC's People Committee, the Department of Construction, Southern Zone Board of Management and other agencies.



## 4.

### Global Emerging Markets (GEM) signed a USD 20 million investment contract with HQC

On 1 July 2015, at the investment promotion conference named My Vietnam - Your Investment Location organized in New York by the Ministry of Finance, Ph.D. Truong Anh Tuan, Hoang Quan Group's Chairman of Board of Management cum General Director of Hoang Quan Real Estate, and Christopher F.Brown, GEM's Chairman cum CEO, signed an investment contract at the presence of the Ministry of Finance, the State Security Commission of Vietnam, and HCM Stock Exchange.

Mr. Christopher F.Brown said, "GEM is keenly interested in Hoang Quan Real Estate's business and investment activities. We are especially impressed with your pioneering role in social housing development strategy in Vietnam as well as multiple sizable projects all over southern provinces. Besides, GEM believes that in the time to come, social housing continues to grow to meet the Vietnam Government's target of social welfare."



## 5.

### Groundbreaking the projects in Binh Minh Urban - Harbour - Industry zone (Vinh Long)

On 1 August 2015, Hoang Quan Mekong, a member of Hoang Quan Group, successfully organized a chain of events including the groundbreaking ceremony of the HQC Binh Minh social housing project, the inauguration of the HQC Binh Minh's model apartment, the start of the construction of HQC Binh Minh kindergarten, the groundbreaking ceremony of the Binh Minh adobe construction material manufacturer, the inauguration of the waste water disposal factory, and the start of the construction of Logitem Warehouse in the Binh Minh Urban - Harbour - Industry zone in Vinh Long.

The start as well as the inauguration of a series of projects have contributed to the completion of local infrastructure and, together with a complete traffic system, allow Binh Minh urban - harbour - industry zone to fulfil its available potentials, increasing its competitiveness in the region, hence making it an ideal location for domestic and overseas investors and a first choice of office/factory/warehouse location in Mekong Delta.



## 6.

### Hoang Quan Group became an official member of Vietnam Association of Realtors (VARs)

On 18 August 2015, Hoang Quan became an official member of VARs and was the main sponsor of the Association's operation announcement ceremony conducted at Him Lam Palace in HCMC.

VARs membership opens doors to cooperation and connection between Hoang Quan and other members, housing management agencies as well as other real estate organization. This will enable Hoang Quan to quickly grasp and manage market feedback, come up with the best policies to apply into areas of investment in the context of real estate market is making its comeback.

# CORPORATE HIGHLIGHTS IN 2015



## 7.

### Hoang Quan signed official cooperation memos with three universities in Taiwan

In the period from 25 to 30 August 2015, within the framework of the visit to Taiwan organized by the Taiwan Working Committee, Ph.D. Truong Thai Son, member of the BOM cum Deputy Director of Hoang Quan Real Estate, signed cooperation memos (MOU) with leaders of the University of Da-Yeh, University of Minghsin and Vocational School of Taoyuan at the presence of Taiwan's Committee for Cooperation.

Hoang Quan's success in signing the cooperation memos with three big educational organizations in Taiwan is the foundation to implement the details of the cooperation, making other leaps in foreign affairs, investment promotion, and cooperation to develop potential products of the company.



## 8.

### The groundbreaking ceremony of Ham Kiem I industrial zone (Binh Thuan)

On 24 October 2015, Hoang Quan Binh Thuan, a member of Hoang Quan Group which owns 96.5% of its charter capital, started the HQC Ham Kiem social housing project in the Ham Kiem I industrial zone, continuing to enhance Hoang Quan' social housing strategy all over southern provinces.

At the same time, other similar events were also taking place, including the start of construction of the management house at Ham Kiem I industrial zone, the Binh Thuan textile factory, the Binh Thuan adobe brick manufacturer, and Ham Kiem kindergarten.

The start of construction of a series of sizable projects in Ham Kiem I industrial zone will contribute to the completion of local infrastructure, competitiveness and investor attraction; this will also create favourable conditions for enterprises to develop their manufacturing and business activities in Ham Kiem I industrial zone as well as in Binh Thuan province.



## 9.

### The groundbreaking ceremony of the apartment block in HOF - HQC Ho Ngoc Lam social housing project

On 31 October 2015, Hoang Quan Real Estate in cooperation with HCMC Housing Development Fund organized successfully the groundbreaking ceremony of the apartment block belonging to HOF - HQC Ho Ngoc Lam social housing project at 35 Ho Ngoc Lam, An Lac Ward, Binh Tan District, HCMC.

This is the first project to highlight the new form of cooperation between private and state sectors in social housing development with a view to increasing housing database in HCMC, supporting the low-income people to realize their dream of settling down. HOF - HQC Ho Ngoc Lam is the key social housing project in HCMC, following the great success of the two previous projects: HQC Plaza and HQC Hoc Mon.



## 10.

### The topping ceremony of HQC Hoc Mon social housing project

On 5 December 2015, Hoang Quan Real Estate organized successfully the topping ceremony that marked the completion of rough construction for the HQC Hoc Mon social housing. In heels of HQC Plaza in HCMC, HQC Hoc Mon social housing is also a model work. This event contributed to proving the trust that customers, partners and shareholders have had in Hoang Quan and other social housing projects by the company.



## 11.

### The official transfer of investment capital in Indochina Real Estate Investment and Development Joint Stock Company, resulting in VND180 billion in profit

On 21 December 2015, Hoang Quan's Board of Management approved the transfer of 100% of the company's stock in Indochina Real Estate Company at the price not lower than VND 380 billion. As such, the deal is to bring in about VND 180 billion in pre-tax profit, helping pushing Hoang Quan closer to 2015's target profits.

After this transfer, Hoang Quan will stop owning Indochina Real Estate Company, though still remains an investment partner at the Golden King commercial - office building for rent project (estimated to be put into use as of Quarter II/2016). Golden King is expected to be occupied by 70% of its available area for rent right after completion.



## 12.

### Hoang Quan was recognized as Group A project management capabilities in Vietnam

On 23 December 2015, Hoang Quan received the official recognition from the Ministry of Construction as Group A project management capabilities in accordance to the Decision 02/2008/QĐ-BXD dated 20 February 2008, Deceee 11/2014/TT-BXD of the Ministry of Construction.

With more than 15 years of experience in real estate, Hoang Quan is proud of being the first in the industry to deploy and apply ISO 9001:2008. Especially, Hoang Quan is now a pioneering enterprise in social housing development in the guidance of the Government with key projects like HQC Plaza, HQC Hoc Mon, HOF - HQC Ho Ngoc Lam (HCMC), HQC Nha Trang, HQC Phu Tai, HQC Ham Kiem (Binh Thuan), HQC Binh Minh (Vinh Long), HQC Can Tho (Can Tho), ect.

# HONORS AND AWARDS IN 2015

Golden cup in **Excellent Product & Service 2015 for Social Housing** Awarded by HCMC Association of Intellectual Ownership under the supervision of AQA International Quality Management and the Ministry of Science and Technology.

Certificate of merit **Outstanding achievements in business and enthusiastic contribution to the course of socio-economic development of the HCMC Association of Enterprises**, as awarded by Vietnam Chamber of Commerce and Industry (VCCI).

Honour cup **Local outstanding enterprise 2015** awarded by VCCI at the Enterprise Honouring Ceremony in 2015.

Certificate of merit **Enthusiastic in the participation of the stock exchange and connecting the stock exchange with social housing program** award by the chairman of the national security committee.

Certificate of merit **For the course of construction** awarded by the Ministry of Construction at the closing ceremony of 2014 construction law draft.

Certificate of merit **Excellent achievement in the contribution to the activities of the youth delegation and the youth movement in the Ministry of Public Security in 2015** awarded by HCM Communist Youth Delegation under the Ministry of Public Security.

Campaign medal **Energetic activities on the stock market** awarded by Ho Chi Minh Stock Exchange (HOSE) at its 15<sup>th</sup> anniversary.

Campaign medal **Positivity in performing social responsibility in the period 2000 – 2015** awarded by HOSE.

**Soul – Trust Golden Plate** awarded by the Vietnam Association of Science and Enterprise Development (Ministry of Science and Technology) and the Committee of Minority Ethnic at the Gala of outstanding enterprises and entrepreneur for the course of community development in 2015.

Certificate of merit **Education supports in Ninh Thuan Province 2015** awarded by Ninh Thuan Province.

Campaign medal **Hong Bang scholarship sponsors 2015** awarded by Hong Bang International University.



General Secretary Nguyen Phu Trong met outstanding entrepreneurs of Ho Chi Minh City (Ph.D. Nguyen Thi Dieu Phuong - Vice Chairman of Board of Directors - Vice General Director of Hoang Quan Company (The 3<sup>rd</sup> person from the left)



Granted the medal of Ho Chi Minh Stock Exchange



Gold Cup for the excellent product - Excellent product & Service 2015 for Social Housing Product awarded by The Intellectual Property of Ho Chi Minh City



The ceremony about conferring Gold Board of Kind - Heartedness - Trustworthiness of Outstanding Corporation - Entrepreneurship for Community Development in 2015



# NOTABLE FINANCE AND INVESTMENT INDEXES IN 2015

VND **641** billion in profit

VND **1,947** billion in revenue

VND **6,380** billion in total assets



	2014	2015	Increase/Decrease	Change by %
<b>FINANCIAL SITUATION</b>				
1 Net revenue	328.4	1,389.6	1,061	58%
2 Profits from business activities	39.9	419.9	380	323%
3 Profits from other sources	-1.9	300.4	302	953%
4 Pre-tax profits	37.9	720.1	682	-16,002%
5 After-tax profits	30.2	641.4	611	1,796%
6 Owner's equity	1,786	4,001.1	2,215	2,029%
7 Total assets	4,033.1	6,379.5	2,346	58%
8 Short-term assets	2,731.1	4,315.3	1,584	58%
9 Long-term assets	1,324.9	2,064.2	739	56%
10 Total debts	2,270	2,378.3	108	5%
11 Short-term debts	1,384	1,845.4	461	33%
12 Long-term debts	886	532.9	(353)	-40%
<b>KEY FINANCIAL INDICATORS</b>				
<b>1 Liquidity indicators</b>				
a Short-term liquidity indicator (Current assets/ short-term debts)	1.95	2.34	0.39	20%
b Quick liquidity indicator ((Current assets - Inventories)/ short-term debts)	1.40	1.84	0.44	31%
<b>2 Capital structure indicators</b>				
a Debt ratio/Total asset	0.56	0.37	(0.19)	-33%
b Debt ratio/Owner's equity	1.29	0.59	(0.70)	-54%
<b>3 Performance indicators</b>				
a Inventory circle (product price/average inventories)	0.37	1.20	0.83	224%
b Net revenue/Total assets	0.08	0.22	0.14	175%
<b>4 Profitability indicators</b>				
a After-tax profit/Net revenue	9%	46%	37%	411%
b After-tax profit/Owner's equity	2%	16%	14%	700%
c After-tax profit/Total assets	0.70 %	10%	9.3%	1,328%
d Profit ratio from business activities/Net revenue	12,10	30.20	18.10	150%
<b>5 Dividend profitability indicators</b>				
a Number of current dividends	170,000,000	395,000,000	225,000,000	132%
b Earning per each stock (EPS)	177	1,623	1,446	817%
c Book value of each stock	10,371	10,102	(269)	-2,5%
d Market value of each closing stock	7,300	5,300	(2,000)	-27%
e Price per earning ratio (P/E)	41.24	3.27	(38)	-92%

# HIGH DESIRE STRIVE OUTREACH



### Corporate management

- Management structure
- Board of Management
- Board of Directors
- Board of Supervisors
- Shareholder profile
- Macro perspective and the risk management model
- Report of the Board of Management
- Report of the Board of Directors
- Report of the Board of Supervisors

# 15

Social housing projects

# VND 10,000

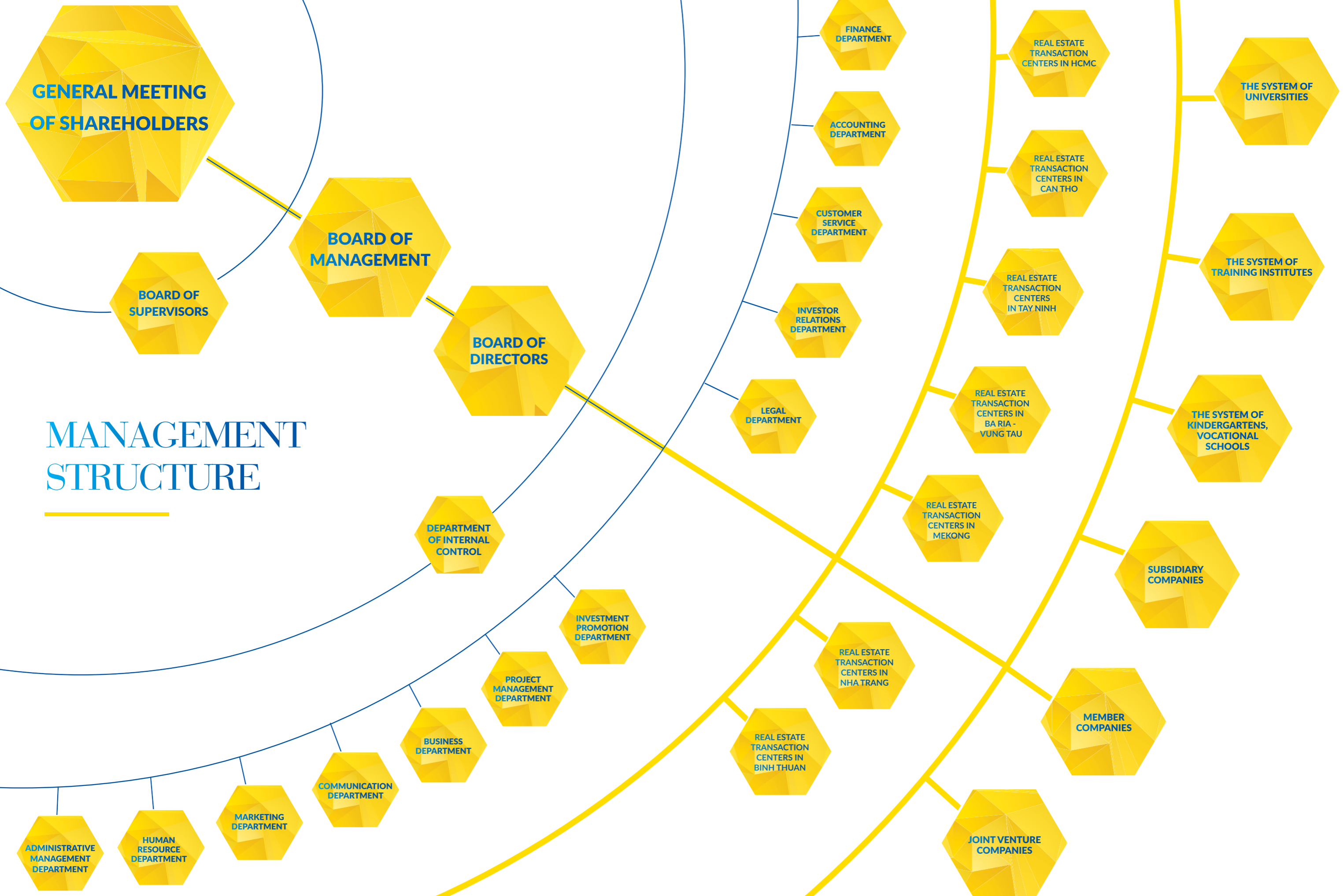
billion in total investment capital

# 1.5,000

apartments across cities and provinces



# MANAGEMENT STRUCTURE



# BOARD OF MANAGEMENT



**Mr. TRUONG ANH TUAN**

Chairman of the Board of Management  
cum General Director

Member of the executive BOM

First date of promotion: 23 March 2007  
Date of repeated promotion: 28 March 2015

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

**WORKING BACKGROUND:**

- 2007 - present Chairman of BOM of Hoang Quan Mekong Consulting – Trading – Service Real Estate Company
- 2007 - Dec 2015 Chairman of BOM of Hoang Quan Binh Thuan Consulting – Trading – Service Real Estate Company
- 2004 - 2008 General Director of Hoang Quan Mekong Consulting – Trading – Service Real Estate Company
- 1999 - 2000 Manager of Sale Department – Assistant to General Director of Thanh Danh Company - Vietnam
- 1998 - 1999 Manager of Sale Department – Assistant to General Director of Vinh Phuoc (Indo), HCMC
- 1995 - 1998 Manager of Sale Department – Assistant to General Director of Nghi Gia (Singapore), HCMC
- 1990 - 1994 Chief Accountant – Manager of Planning Department – Ninh Phuoc Construction company, Ninh Thuan

**CURRENT POSITIONS:**

- At registered company: Chairman of BOM cum General Director of Hoang Quan Consulting – Trading – Service Real Estate Company
- At other organizations: Chairman of BOM of Hoang Quan Mekong Consulting – Trading – Service Real Estate Company  
Chairman of BOM of Hoang Quan Can Tho Consulting – Trading – Service Real Estate Company  
Chairman of BOM of Hoang Quan Binh Thuan Consulting – Trading – Service Real Estate Company



**Ms. NGUYEN THI DIEU PHUONG**

Vice Chairwoman of BOM cum Deputy  
General Director of  
Accounting and Finance

Member of the executive BOM

First date of promotion: 23 March 2007  
Date of repeated promotion: 28 March 2015

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

**WORKING BACKGROUND:**

- Nov 2014 - present Member of the BOM of Hoang Quan Mekong Consulting – Trading – Service Real Estate Company
- 2008 - 2013 Vice Chairwoman of the BOM of Hoang Quan Mekong Consulting – Trading – Service Real Estate Company
- 2012 - present Vice Chairwoman of the BOM of Hoang Quan Binh Thuan Consulting – Trading – Service Real Estate Company
- 2011 - present Vice Chairwoman of Board of Members cum Director of Hoang Quan Education Investment Company
- 2009 - present Vice Chairwoman of BOM of Western Southern Asia School of Economics and Technology
- 2008 - present Vice Chairwoman of BOM of Hoang Quan Can Tho Real Estate
- 2007 - present Vice Chairwoman of BOM cum Vice General Director of Finance and Accounting of Hoang Quan Consulting – Trading – Service Real Estate Company

**CURRENT POSITIONS:**

- At registered company: Vice Chairwoman of BOM cum Vice General Director of Finance and Accounting
- At other organizations: Vice Chairwoman of the BOM of Hoang Quan Binh Thuan Consulting – Trading – Service Real Estate Company  
Vice Chairwoman of BOM of Hoang Quan Can Tho Real Estate  
Director of Hoang Quan Education Investment Company



**Mr. LE HUNG**

Member of BOM cum Vice General  
Director of Education

Member of the executive BOM

First date of promotion: 28 March 2015

Year of birth: 1952 Native place: Thanh Hoa  
Qualification: Senior Lecturer, Doctor of Economics

**WORKING BACKGROUND:**

- 03/2015 - present Member of BOM cum Vice General Director of Education of Hoang Quan Consulting – Trading – Service Real Estate Company
- 1987 – Jun 2013 Meritorious teacher, Dean of Postgraduate Department, HCMC University of Banking
- 1981 - 1987 Lecturer, Deputy Head of Human Resource, School of Finance and Accounting (currently College of Finance – Customs, Ministry of Finance)

**CURRENT POSITION:**

- At registered company: Member of BOM cum Vice General Director of Education of Hoang Quan Consulting – Trading – Service Real Estate Company.



**Mr. TRUONG THAI SON**

Member of BOM cum Deputy General  
Director of Marketing and Foreign Affairs  
Member of executive BOM

First date of promotion: 23 March 2007  
Date of repeated promotion: 28 March 2015

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

**WORKING BACKGROUND:**

- Oct 2014 - present Deputy General Director of Marketing and Foreign Affairs at Hoang Quan Consulting – Trading – Service Real Estate Company
- May 2010 - present BOM member of Hoang Quan Consulting – Trading – Service Real Estate Company
- 2008 - 2010 General Director of Hoang Quan Mekong Consulting – Trading – Service Real Estate Company
- 2007 - Apr 2010 BOM member cum Deputy General Director of Hoang Quan Consulting – Trading – Service Real Estate Company
- 2006 - present Director of Hoang Quan Appraisal Company
- 2002 - 2007 Deputy Director of Hoang Quan Consulting – Trading – Service Real Estate Company
- 1998 - 2001 Assistant to Director cum Director of Sales at Vietnam Packaging Ink Company
- 1996 - 1997 Director of Sales at Long Su Company
- 1994 - 1995 Director of Sales at DX Trading Company
- 1992 - 1994 Director of Marketing at Ben Nghe Stationary Company

**CURRENT POSITIONS:**

- At registered company: BOM member cum Deputy General Director of Hoang Quan Consulting – Trading – Service Real Estate Company
- At other company: Director of Hoang Quan Appraisal Company



**Mr. TRUONG DUC HIEU**

Member of BOM cum  
Deputy General Director of Sales  
Member of executive BOM

First date of promotion: 23 March 2007  
Date of repeated promotion: 28 March 2015

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

**WORKING BACKGROUND:**

- 2011 - present Vice Chairman of BOM of Binh Thuan Housing Construction and Trading Joint Stock Company
- 2009 - present BOM member of Hoang Quan Can Tho Consulting – Trading – Service Real Estate Company
- 2009 - Dec 2015 BOM member of Hoang Quan Binh Thuan Consulting – Trading – Service Real Estate Company
- 2002 - present BOM member cum Deputy General Director of Hoang Quan Consulting – Trading – Service Real Estate Company
- 1998 - 2002 Head of market development, South Thai Son Exports & Imports Company

**CURRENT POSITIONS:**

- At registered company: BOM member cum Deputy General Director of Hoang Quan Consulting – Trading – Service Real Estate Company
- At other company: BOM member of Hoang Quan Can Tho Consulting – Trading – Service Real Estate Company  
Vice Chairman of BOM of Binh Thuan Housing Construction and Trading Joint Stock Company



**Mr. LE DINH VIEN**

Independent member of BOM

First date of promotion: 13 July 2007  
Date of repeated promotion: 28 March 2015

Year of birth: 1951 Native place: Binh Dinh  
Qualification: Ph.D. of Science

**WORKING BACKGROUND:**

- 2007 - present Chairman of BOM cum Dean of Long An University of Economics and Industry
- 2007 - 2012 Chairman of BOM of Nam Quan Investment Joint Stock Company
- 2001 - 2007 Chairman of BOM of Mien Nam Construction – Transport – Service – Trading JSC
- 1994 - 2000 Chairman of BOM of Truong Thinh Company under HCMC Labor Federation
- 1979 - 1994 Director of Saigon 3 Textiles Company, HCMC Industry Department
- 1975 - 1978 Official of HCMC Industry Department

**CURRENT POSITIONS:**

- At registered company: Independent, non-executive member of the BOM of Hoang Quan Consulting – Trading – Service Real Estate Company
- At other company: Chairman of BOM cum Dean of Long An University of Economics and Industry  
Chairman of BOM of Mien Nam Construction – Transport – Service – Trading JSC.



**Mr. LE THANH NAM**

Independent member of BOM

First date of promotion: 29 April 2011  
Date of repeated promotion: 28 March 2015

Year of birth: 1978 Native place: Ha Noi  
Qualification: Technological Engineer, Bachelor of Business Administration, CFO

**WORKING BACKGROUND:**

- Apr 2015 - present Deputy General Director of MB Securities JSC
- May 2014 - present BOM member of Cai Lay Veterinary Pharmaceutical JSC
- May 2013 - present BOM member of DIC 4 JSC
- Apr 2013 - Mar 2015 Director of the Southern Area – MB Securities JSC
- 2013 - present Vice Chairman of BOM of Viet Paper Trading Service JSC
- 2011 - present Independent member of BOM of Hoang Quan Consulting – Trading – Service Real Estate Company
- 2010 - 2012 General Director of Viet Paper Trading Service JSC
- 2007 - 2010 Deputy General Director of Sales of Viet Paper Trading Service JSC
- 2001 - 2007 Project management expert in Tan Mai Group

**CURRENT POSITIONS:**

- At registered company: Independent, non-executive member of the BOM of Hoang Quan Consulting – Trading – Service Real Estate Company  
Vice Chairman of BOM of Viet Paper Trading Service JSC;  
BOM member of DIC 4 JSC  
Deputy General Director of MB Securities JSC  
BOM member of Cai Lay Veterinary Pharmaceutical JSC
- At other company:

# BOARD OF DIRECTORS



**Mr. TRUONG ANH TUAN**  
General Director  
*Date of promotion: 24 March 2007*

Profile see above



**Ms. NGUYEN THI DIEU PHUONG**  
Vice Chairwoman of BOM cum  
Deputy General Director of Accounting  
and Finance  
*Date of promotion: 24 March 2007*

Profile see above



**Mr. LE HUNG**  
Member of BOM cum  
Vice General Director of Education  
*Date of promotion: 18 March 2015*

Profile see above



**Mr. TRUONG THAI SON**  
Member of BOM cum  
Deputy General Director of Marketing  
and Foreign Affairs  
*Date of promotion: 09 October 2014*

Profile see above



**Mr. TRUONG DUC HIEU**  
Member of BOM cum  
Deputy General Director of Sales  
*Date of promotion: 01 September 2011*

Profile see above



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
- 1988 - 2010 Deputy General Director – Housing Development and Trading Company Limited Saigon Real Estate Corporation
- 2010 - present Deputy General Director of Administration and Human Resource for Hoang Quan Consulting – Trading – Service Real Estate Company

**Mr. VU TRONG DAC**  
Deputy General Director of  
Administration and Human Resource  
*Date of promotion: 01 September 2011*

**CURRENT POSITION:**

- At registered company: Deputy General Director of Administration and Human Resource for Hoang Quan Consulting – Trading – Service Real Estate Company



Year of birth: 1962 Native place: Kiên Giang  
Qualification: Engineer of Construction

**WORKING BACKGROUND:**

- 1984 - 1993 Site Manager, Site Team Leader – Kien Giang Imports and Exports Company
- 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
- 2007 - 3/2015 BOM member cum Deputy General Director of Hoang Quan Consulting – Trading – Service Real Estate Company
- 3/2015 - present Deputy General Director of Hoang Quan Consulting – Trading – Service Real Estate Company

**Mr. LE TRONG NGOC**  
Deputy General Director  
*Date of promotion: 23 March 2007*

**CURRENT POSITION:**

- At registered company: Deputy General Director of Hoang Quan Consulting – Trading – Service Real Estate Company
- At other companies: BOM member of Kien Giang Consulting Investment Construction JSC  
BOM member of Gia Dinh Water Supply JSC  
BOM member of HCMC Tinh Khoi JSC



**Mr. PHAM MINH**  
Deputy General Director of Project  
Management  
*Date of promotion: 18 March 2015*

Year of birth: 1964 Native place: Quang Nam  
Qualification: Bachelore of Construction Engineering

**WORKING BACKGROUND:**

- 1992 - 1998 Technical Supervisor of Quang Nam Da Nang House Trading and Installment Company
- 1999 - 2011 Chief Site Commander of Investco Investment, Development and Construction JSC
- Nov 2014 - March 2015 Manager of Project Management Office of Hoang Quan Consulting – Trading – Service Real Estate Company
- Mar 2015 - present Deputy General Director of Project Management, Hoang Quan Consulting – Trading – Service Real Estate Company

**CURRENT POSITION:**

- At registered company: Deputy General Director of Project Management, Hoang Quan Consulting – Trading – Service Real Estate Company
- At other companies: Chairman of BOM, Bao Linh Housing Investment, Construction and Development JSC.



**Mr. TRAN THAI SON**  
Deputy General Director of Project  
Investment  
*Date of promotion: 18 March 2015*

Year of birth: 1977 Native place: Da Nang  
Qualification: Bachelor of Architecture

**WORKING BACKGROUND:**

- 2001 Architect, Mien Nam Construction and Architecture Company
- 2002 - 2004 Assistant to General Director of Hoang Quan Consulting – Trading – Service Real Estate Company
- 2005 Director of Industrial Design cum Assistant to General Director, Hoang Quan Consulting – Trading – Service Real Estate Company
- 2006 - 2009 Director, Viet Kien Truc JSC
- 2010 Head of Project Management, Hoang Quan Consulting – Trading – Service Real Estate Company
- 2011 - 2014 General Director, Chau A Construction and Architecture Company
- 3/2015 - present Deputy General Director of Project Investment, Hoang Quan Consulting – Trading – Service Real Estate Company

**CURRENT POSITION:**

- At registered company: Deputy General Director of Project Investment, Hoang Quan Consulting – Trading – Service Real Estate Company.
- At other companies: Chairman of BOM, Chau A Construction and Architecture Company  
Vice Chairman of BOM, Viet Kien Truc JSC  
Vice Chairman of BOM, Gia Bao Investment, Design and Construction Company



**Mr. DANG THANH THAO**  
Deputy General Director  
*Date of promotion: 02 January 2016*

Year of birth: 1975 Native place: Ninh Thuan  
Qualification: Bachelor of Business Law

**WORKING BACKGROUND:**

- 2000 - 2001 Consultant, Gia Luat Company
- 2002 - 2015 Manager of Legality, Hoang Quan Consulting – Trading – Service Real Estate Company
- 01/2016 - present Deputy General Director of Legalties, Hoang Quan Consulting – Trading – Service Real Estate Company

**CURRENT POSITION:**

- At registered company: Deputy General Director, Hoang Quan Consulting – Trading – Service Real Estate Company



**Mr. TRAN ANH TUAN**  
Deputy General Director  
*Date of promotion: 15 March 2016*

Year of birth: 1955 Native place: Binh Thuan  
Qualification: Hydraulic Engineer

**WORKING BACKGROUND:**

- 1977 - 1993 Director of Ham Thuan Bac commune's Factory of Water Resource and Agriculture.
- 1993 - 1997 Deputy Director of Binh Thuan's Water Resource Department
- 1997 - 2002 Deputy Director of Binh Thuan's Construction Department
- 2002 - 2015 Director of Binh Thuan's Housing Construction and Trading Company
- 03/2016 - present Deputy General Director, Hoang Quan Consulting – Trading – Service Real Estate Company

**CURRENT POSITION:**

- At registered company: Deputy General Director, Hoang Quan Consulting – Trading – Service Real Estate Company
- At other companies: Vice Chairman, Hoang Quan Binh Thuan Consulting – Trading – Service Real Estate Company



**Ms. NGUYEN HONG PHUONG**  
Chief Accountant  
*Date of promotion: 22 October 2015*

Year of birth: 1981 Native place: Tay Ninh  
Qualification: Bachelor of Economics

**WORKING BACKGROUND:**

- Oct 2010-Sep 2015 Deputy Head of Accounting Department, Hoang Quan Consulting – Trading – Service Real Estate Company
- Oct/2015 - present Chief Accountant, Hoang Quan Consulting – Trading – Service Real Estate Company

**CURRENT POSITION:**

- At registered company: Chief Accountant, Hoang Quan Consulting – Trading – Service Real Estate Company.

# BOARD OF SUPERVISOR



Year of birth: 1964 Native place: HCM 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
- 2011 - present Head of the Supervisory Board - Hoang Quan Consulting – Trading – Service Real Estate Company

**CURRENT POSITION:**

- At registered company: Head of the Supervisory Board - Hoang Quan Consulting – Trading – Service Real Estate Company
- At other companies: Chief Accountant, Hoang Quan Mekong Consulting – Trading – Service Real Estate Company

**Mr. NGUYEN THANH VAN**  
 Head of the BOS

First date of promotion: 01 November 2011  
 Date of repeated promotion: 28 March 2015



Year of birth: 1980 Native place: Can Tho  
 Qualification: Bachelor of Finance and Auditing

**WORKING BACKGROUND:**

- June 2002 - Sept 2004 Credit officer at Social Policy Bank, Chau Thanh A District, Hau Giang Province
- May 2005 - Jun 2011 Senior internal auditor, MB Bank
- Jun 2011 - Jun 2013 Team Leader of Southern Region Internal Control, SEABANK
- Jun 2013 - Jan 2015 Deputy Director cum Head of Internal Control
- Jan 2015 - present Deputy Head of Internal Control, Hoang Quan Consulting – Trading – Service Real Estate Company

**CURRENT POSITION:**

- At registered company: Member of BOS, Hoang Quan Consulting – Trading – Service Real Estate Company

**Ms. LE PHUNG NHA PHUONG**  
 Member of the BOS

First date of promotion: 28 March 2015



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

**WORKING BACKGROUND:**

- 03/2010 - present Executive, Hoang Quan Consulting – Trading – Service Real Estate Company

**CURRENT POSITION:**

- At registered company: Member of BOS, Hoang Quan Consulting – Trading – Service Real Estate Company

**Ms. MAI HOANG YEN**  
 Member of the BOS

First date of promotion: 26 April 2012  
 Date of repeated promotion: 28 March 2015



# SHAREHOLDER PROFILE

## STOCK PROFILE

Stock profile (up to 31 December 2015)	Value	Unit
Charter capital	3,950,000,000,000	VND
Number of listed stocks	395,000,000	Stock
Number of free float stocks	263,000,000	Stock
Number of limited float stocks	132,000,000	Stock
Treasury stock	0	Stock
Market capitalization	~ 2,650,000,000	VND

## OWNERSHIP RATIO

No	Item	Number of stocks	Ownership ratio %	Number of shareholders	Shareholder structure (persons)	
					Organization	Individual
1	State shareholders	-	0.00%	-	-	-
2	Major shareholders (owning from 5% of the stock onwards)	63,808,260	21.03%	3	2	1
	- Local	63,808,260	16.15%	3	2	1
	- Overseas	-	0.00%	0	0	-
3	Treasury stock	-	0.00%	-	-	-
4	Other shareholders	331,191,740	83.85%	5,742	33	5,709
	- Local	307,406,488	77.83%	5,715	29	5,686
	- Overseas	23,785,252	6.02%	27	4	23
<b>TOTAL</b>		<b>395,000,000</b>	<b>100.00%</b>	<b>5,745</b>	<b>35</b>	<b>5,710</b>
Of which	- Local	371,214,748	93.98%	5,718	31	5,687
	- Overseas	23,785,252	6.02%	27	4	23

## STRUCTURE OF MAJOR SHAREHOLDERS AND PROFESSIONAL FOREIGN INVESTORS

Item	Number of stocks	Ownership ratio %	Number of shareholders	Shareholder structure (persons)	
				Organization	Individual
Major shareholders (owning from 5% of the stock onwards but not professional stock investors)	63,808,260	21.03%	3	2	1
- Local	63,808,260	16.15%	3	2	1
- Overseas	-	0.00%	-	-	-
Professional stock investors as major shareholders (owning from 5% of the stock onwards)					
- Local					
- Overseas					
Professional stock investors as major shareholders (owning less than 5% of the stock)	24,532,231	6.21%	25	25	-
- Local					
- Overseas					
<b>TOTAL</b>	<b>88,340,491</b>	<b>21.03%</b>	<b>28</b>	<b>27</b>	<b>1</b>

## LIST OF SPECIAL SHAREHOLDERS

No	Organization/Individual	Number of Stock	Ownership ratio (%)	Limited float stock
Major shareholders (owning from 5% of the stock onwards)				
1	Hoang Quan Mekong Consulting - Trading - Service Real Estate Company	23,250,000	5.89%	9,600,000
2	Bao Linh House Investment, Construction and Development Company	20,000,000	5.06%	
3	Cao Van Hai	20,558,260	5.20%	20,558,260
<b>TOTAL</b>		<b>63,808,260</b>	<b>16.15%</b>	<b>30,158,260</b>

## DETAILED LIST OF INTERNAL SHAREHOLDERS, AUTHORIZED PERSONS FOR INFORMATION DISCLOSURE

No	Name	Position	Total	Ownership ratio
<b>BOARD OF MANAGEMENT</b>				
1	Truong Anh Tuan	Chairman of BOM	14,986,500	3.79%
2	Nguyen Thi Dieu Phuong	Vice Chairwoman of BOM	13,138,742	3.33%
3	Truong Thai Son	Member of BOM	529,890	0.13%
4	Truong Duc Hieu	Member of BOM	3,958,250	1.00%
5	Le Dinh Vien	Member of BOM	-	-
6	Le Hung	Member of BOM	-	-
7	Le Thanh Nam	Member of BOM	-	-
<b>BOARD OF DIRECTORS</b>				
1	Truong Anh Tuan	General Director	Refer to section I.1	
2	Nguyen Thi Dieu Phuong	Deputy General Director	Refer to section I.2	
3	Truong Thai Son	Deputy General Director	Refer to section I.3	
4	Truong Duc Hieu	Deputy General Director	Refer to section I.4	
5	Le Trong Ngoc	Deputy General Director	126,000	0.03%
6	Vo Trong Dac	Deputy General Director	72,000	0.02%
7	Phạm Minh	Deputy General Director	-	-
8	Tran Thai Son	Deputy General Director	-	-
<b>BOARD OF SUPERVISORS</b>				
1	Nguyen Thanh Van	Head of BOS	3,501,800	0.89%
2	Le Phung Nha Phuong	Member of BOS	-	-
3	Mai Hoang Yen	Member of BOS	-	-
<b>CHIEF ACCOUNTANT - FINANCE DIRECTOR - AUTHORIZED PERSONS FOR INFORMATION DISCLOSURE</b>				
1	Nguyen Hong Phuong	Chief Accountant	-	-
2	Phan Chi Tam	Finance Director	-	-
3	Dang Thanh Thao	Authorized person for information disclosure	-	-
<b>TOTAL</b>			<b>36,313,182</b>	<b>9.19%</b>

# MACRO PERSPECTIVE AND THE RISK MANAGEMENT MODEL

## MACRO PERSPECTIVE

### 1. Macro economic situation in 2015

#### 1.1 GDP growth

The growth rate of the economy (GDP) reached 6.68%, higher than the original target of 6.2% at the beginning of the year 2015. See the details by quarter in chart:

This is the strongest growth rate of GDP in the past five years, resulting in the recovery of most of the real estate segments across the country, especially housing.

Together with the growth of GDP, the increase in urbanization speed has driven housing needs among the people. As a matter of fact, many enterprises are enhancing investment into different housing segments to meet this great demand.

#### 1.2 Credit increase

Credit increase in 2015 is about 18% as compared to the same period last year. About 99.6% bad debt of credit organizations have been addressed and the credit quality has been improved. Towards the year-end, bad debts of the whole system was put down to 2.72%, satisfying the target of 3%.

Outstanding loans in real estate have also increased greatly in 2015 by 20% as compared to the same period in 2014.

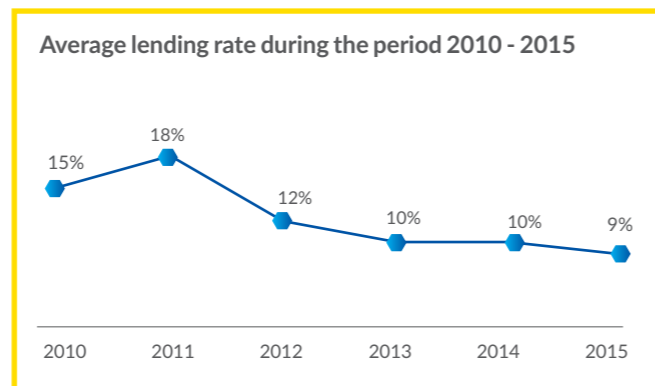
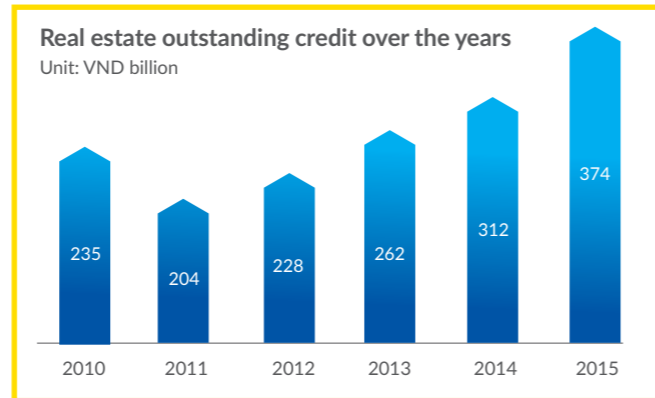
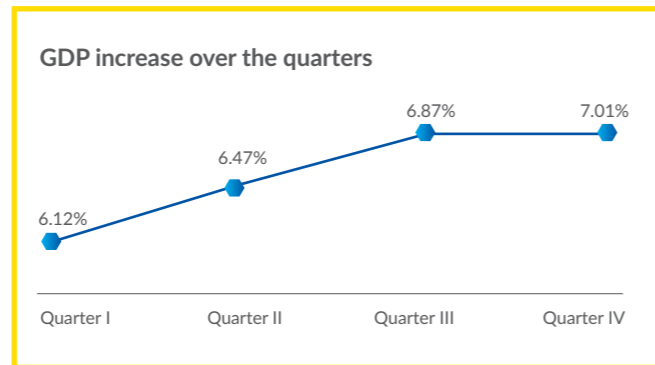
#### 1.3 Interest rate

Overall interest rates in 2015 have decreased strongly. Interest rate for saving accounts goes down by 0.2-0.5% a year, and currently is a relatively low level, however the trust in VND is enhanced. Lending interest rate also decreases by 0.3-0.5% a year as compared to last year-end, leading to the overall decrease of 50% for interest rates as compared to 2011 year-end.

Currently, the general lending interest rate is fluctuating around the range of 6-9% (short-term) and 9-11% (long-term).

In theory, the decrease in interest rate will have positive impact on real estate market. In fact, real estate market has shown a stable time and tended to recover since March 2015. With the current general interest rate, the flow of saving accounts tends to go into real estate. This is also the reason why the market's liquidity is better and better.

At the same time, the State Bank of Vietnam issued the Decision 2530a/QĐ-NHNN on preferable lending interest rates that some selected credit organizations will apply to customers who want to borrow capital for social housing



projects in accordance to the regulations in Decree 25/2015/TT-NHNN. By this Decree:

- Customers who want to borrow to invest in social housing will enjoy a preferable lending interest rate of 5% per year;
- Customers who want to borrow to invest in social housing for rent will enjoy a preferable lending interest rate of 4.5% per year.

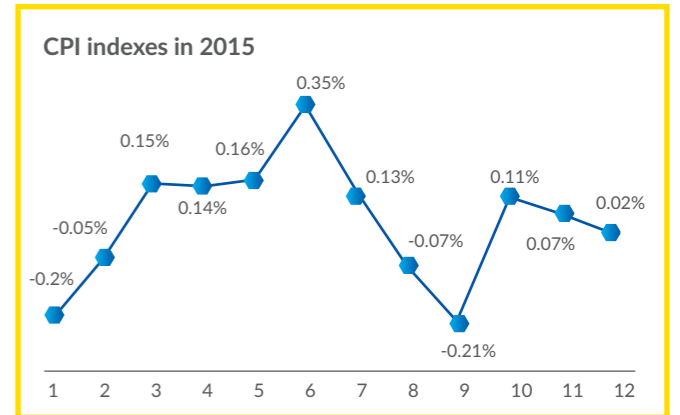
Based on such good conditions, real estate market has shown notable development, especially in social housing segment for rent or for sale.

#### 1.4 Inflation

Inflation rate in 2015 is the lowest in the past fourteen years at 0.63%.

When inflation rate decreases, the central bank will decrease credit interest rate in order to give easier access to capital sources for individuals, organizations and enterprises in the economy to expand manufacture and investment activities, hence helping recover the economy.

These developments serve as the driving force for real estate enterprises to increase their investment, expanding the market supply. At the same time, customers are encouraged to buy houses, driving the needs for real estate market.



### 2. Market perspective for real estate in 2016

#### 2.1 Opportunities

It is expected that the world economy will recover even better in 2016, Vietnam economy is estimated to grow at 6.7-6.8%. In this favorable environment, real estate market will continue to warm up. Local real estate market is not huge but owns great pervasive power as it involves multiple industries such as building materials, installment services, labor force market, etc. As a matter of fact, in this wide and deep integration trend, the needs for real estate are bound to increase in the time to come.

In 2015, the flow of FDI into real estate has nearly doubled as compared to the amount of registered capital the previous year. This upward trend is bound to continue in 2016, especially in the context so favorable as nowadays, when some new laws such as the Law on Real Estate Business or the Law on Housing will be effective, triggering the interest of foreign investors in Vietnam real estate market.

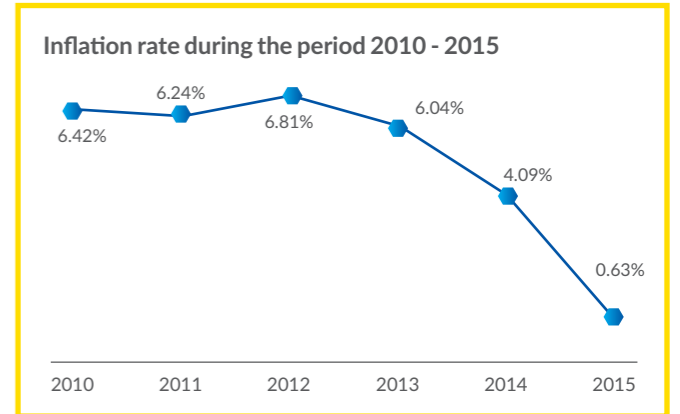
The introduction of regulations on necessary requirements for house trading and bank guarantee will help safeguard the people's capital source, hence imposing greater transparency onto the market.

The VND 30,000 billion allowance package will come to an end in June; however, the State Bank timely issued the Decree 25/2015/TT-NHNN that gives instructions to the implementation of lending to social housing objectives as stated in Decree 100/2015/ND-CP dated 20 October 2015; this is meant to replace the above-mentioned package with lower interest rate so as to the people will feel safe enough to buy houses. Anticipating this cheap credit flow, tens of social housing projects with thousands of apartments is on the way to appear.

Social housing is always suitable with the needs of the majority of the residents in huge urban areas; hence supply is always lower than demand. In particular, more and more private enterprises are entering this housing segment

#### 2.2 Challenges

The first challenges that threaten to hold back the market include the pressure to increase interest rate and tighten lending activities in real estate.



Currently real estate investment comes mainly from commercial credits. In the coming time, it is necessary to come up with middle-term and long-term capital sources, diversify forms of fund to serve this market, even using real estate mortgage at foreign banks so as to guarantee a stable and long-term capital source at low interest rate.

As of 1 July 2015, the Housing Law and the Law on Real Estate Business 2014 were effective, noteworthy are the new regulations such as bank guarantee is required before the selling of future house is conducted and foreigners are allowed to own houses in Vietnam, etc. Although the new policies as such are much waited for; however, the documents that give instructions to the implementation of these laws are slow to issue, bringing about multiple obstacles to the law realization. Up to now, it seems that the regulations on bank guarantee have not been put into deployment, and foreigners are still very much concerned about the compliance with the policies in Vietnam hence limiting the number of those willing to buy houses in the country. The real estate market still introduces potential risks such as lack of transparency in information disclosure, inadequate market support services.

In the mean time, when the market is warming, investors tend to focus on premium segments as profit amplitude here is much higher than cheap housing segments. This is another challenge for social housing in 2016.

The average price of a social housing apartment in Vietnam is still higher than what the majority of the low earners could afford, making the possibility of owning an apartment still out of reach for them.





**RISK MANAGEMENT**

**1. Risk management mechanism**

Hoang Quan Group is continuing to complete the risk policies and management rules in order to identify and analyze potential risks, hence deploying risk control measures.

On the other hand, the Group is continuing to complete the internal control mechanism that performs the operation functions for the whole company and system. This internal control department operates on the basis of independence, objectiveness and honesty with a staff of highly qualified and experienced experts.

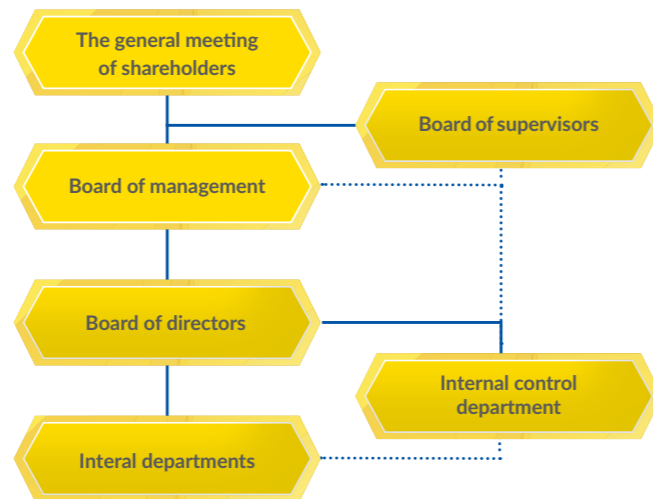
In 2015, the internal control department performed its key tasks on the control of the compliance to legal regulations, the company's charters and operation regulations, also the supervision of the realization of the policies and directions as given by the Board of Directors.

Especially, the department constantly apply the pre-check and after-check measures in order to control costs, based on which they propose recommendations to raise the company's effectiveness.

Apart from that, the department is the supporting unit for the department of control in the control of the operations of the Board of Management and Board of Directors; along with it is the control of the reasonability, legality, honesty and the carefulness in everyday business management.

**2. Major risks**

The company identifies major risks and conducts regular risk management measures to reflect the changes in market conditions as follow:



**2.1 Market risks**

Being a component in the market economy, the company's business is subject to changes in the market. Major risks from the market are identified as monetary risk, interest rate risk and price risk.

**2.1.1 Monetary risk**

Up to now the company's transactions have been performed in local currency, hence foreign exchange developments do not impose direct influence to the company's operation.

However, inflation due to the devaluation of the dong also creates impact on middle-term and long-term investment activities, hence a currency devaluation backup is calculated for all of the company's activities in order to minimize this impact.

**2.1.2 Interest rate risk**

This is a kind of risk that relates to the lending cost arising from the increase in the interest rate. Lending accounts with interest rates are mainly used to invest into real estate projects. However, for social housing the investors enjoy preferable interest rate in accordance to the Housing Law (specifically identified at the Decision 2530a/QĐ-NHNN on preferable lending interest rates applied to customers borrow to invest in the construction of social housing by the regulation laid out at Decree 25/2015/TT-NHNN).

*Risk control measures:*

- Maintaining the pioneering position in social housing investment, taking advantage of the favourable treatments of the Government to decrease the product price.
- Taking initiative in paying debts or structure debts with preferable and fixed interest rate.
- Enhancing the capital mobilization from current shareholders and strategic investors in order to maintain current financial structure with the stable usage of lending sums.

**2.1.3 Price risk**

This is a kind of risk that relates to input materials and the increase in service cost during the process of implementation of projects.

*Risk control measures:*

When it comes to contract signing of the implementation of projects, Hoang Quan Group chooses the form of total contract agreement with a fixed pricing mechanism during the whole construction process. As a matter of fact, changes in input materials have little impact on expected profits.

**2.2 Credit risk**

This is a kind of risk in which the company will be in a financial disadvantage position if a customer or partner fails to perform their responsibilities in accordance to the contracts signed. This type of risk mainly comes from accounts receivable from the customer/partner involved.

*Risk control measures:*

- Accounts receivables from the customers and other types of accounts receivables: Each customer introduces specifications that brings about particular risks to the company. In 2015, the company management deployed some policies to control this risk, including: selecting suitable customers for each project, designing payment terms for different types of customers so as to create optimal condition for both the customers and the company, planning backup accounts for bad account receivables.
- Investments: In the past year the company limited the level of credit risk by only investing in trustworthy partners within the system of Hoang Quan Group, focusing the investment resources on key projects.

**2.3 Liquidity risk**

Liquidity risk has the purpose of guarantee sufficient capital source to meet current and future liabilities of the company.

*Risk control measures:*

- Regularly tracking the requirements for current and future liquidity so as to guarantee enough cash backup to meet immediate financial needs.
- Conducting many measures to speed up the circle of account receivables to meet cash demands of other activities of the company.

**2.4 Project progress risk**

The company's projects often last three to five years, encountering multiple major challenges during the course, including site clearance, procedure in investment application, construction design and the construction itself.

*Risk control measures:*

The company management was timely in working out measures to speed up the progress of projects in order to minimize delay risk. Some such measures include:

- Get the construction site ready for intended projects.
- Get ready with partners and customers right from the beginning to guarantee the projects' investment capital source.
- Take advantage of the closed operation circle to guarantee the deployment of a project from legality, design, material supply to construction.
- As for ongoing projects, the company management work out exact timing of completion and delivery. The company also imposes pressures to satisfy the targets and commitments made with customers, hence creating the company's prestige and trust in customers' mind.
- Seek and perform M&A for potential projects.

**2.5 Legal risk**

Legal risk involves negative changes in the Government's policies from the perspective of an enterprise. In 2015 many legal documents were issued that relates directly to the company's area of operation, namely: the Land Law, the Housing Law, the Law on Real Estate Business, ect. As a matter of fact, at the beginning time when these new regulations is put into practice there will be difficulties and obstacles as a result of the lack of instruction documents.

However in 2015, some decrees and resolutions that give detailed instructions to the application of preferable treatments to investors and customers were also issued, which helped the company to enjoy those treatments.

*Risk control measures:*

Hoang Quan Group has a dedicated legal department comprised of experienced lawyers. This department regularly track and update changes in legality, therefore providing timely recommendations for the management to maximize favourable legal conditions and minimize negative impacts brought in by disadvantageous policies in the real estate market.

# REPORT OF THE BOARD OF MANAGEMENT ON 2015 RESULTS AND 2016 ORIENTATION

## A. ASSESSMENT OF THE BOARD OF MANAGEMENT ON THE COMPANY'S PERFORMANCE IN 2015

### 1. Assessment of the Board of Management on aspects of performance

In the general trend of recovery in the world economy, Vietnam is one of the few nations that registers impressive recovery speed. Positive impacts from the economy combined with multiple supporting policies for the real estate market have constituted the driving force for the recovery of the real estate sector. In particular, in 2015 a series of new laws in real estate such as the Housing Law and the Law on Real Estate Business as well as guidance documents have contributed to the completion of legal framework in housing and real estate, forming the basis to create a legal corridor that is updated with the developments of the market. However, during this transition time, the insufficiency of guidance documents has introduced multiple challenges to enterprises.

In line with positive developments in the market combined with supporting policies for social housing, Hoang Quan Consulting - Trading - Service Real Estate (Hoang Quan Group) boasted positive changes in 2015. With an impressive business operation, the company reached the total profits of VND 641.1 billion, twenty-one times higher than that in 2014 and exceeding the targets of profits as well as satisfying dividend targets for 2015 in accordance to the Resolution approved by the 2015 General Meeting of Shareholders.

Continuing with the maintenance of the company's pioneering position in social housing, Hoang Quan Group will enhance the social housing development strategy in HCMC and other southern provinces with the main target of providing at least 10,000 apartments per year. This is the company's stable development strategy, which also reflects the Government's national housing strategy that has brought about long-term policies and directions to support enterprises and the people in social housing (some examples include the Decree 100/2015/NĐ-CP dated 20 October 2015 that gives instructions on the implementation of the Housing Law, the Circle 25/2015/TT-NHNN on preferable lending for social housing purposes). These are macro objective factors that line up with Hoang Quan Group's development strategy in the period 2016-2020.

As the pioneer in social housing, Hoang Quan Company has been subject to great benefits from the Government's preferable treatments related to capital source mechanism for enterprises and customers as well as other preferable

treatments in the design and implementation of projects. These developments laid out the solid foundation for the company's development direction, bringing about benefits for our shareholders, customers and other stakeholders. Investment in social housing does not only result in economic benefits for the company but is also the demonstration of humanism in the Government's directions in helping the people to realize their dream of settling down.

Aside from the focus field of social housing, the Board of Management aims to diversify the company's investment products with a range of projects in commercial housing, urban zone, civil zone, industrial real estate, office - commerce - service building, etc. in order to maximize the potentials of the system.

After conducting the stock swap of three target companies so far Hoang Quan Group owns a system of three subsidiaries, ten member companies and twenty affiliates, making up for a closed operation process from brokerage, design, construction, appraisal to legality. Hoang Quan has been exploiting the strength of this system, hence optimizing investment efficiency. On the other hand, member companies are also contributing greatly to the impressive business results of Hoang Quan Group.

In education, Hoang Quan Group aims at diversifying forms of education including universities, colleges, vocational schools and a kindergarten system. Investment in education is to maximize facilities for the residents of the project sites as well as to build human resources for HQC system.

In parallel with efforts to bring about positive business results that benefits the shareholders and investors, the company also focuses on the management aspects that guarantee the sufficiency and transparency in information disclosure. At the same time, the company is enhancing communication channels to provide the stakeholders with timely and continuous information flow. On the other hand, the company continues with our activities for the community and society as well as activities to develop future generations.

With impressive achievements in growth rate, financial transparency as well as brand building, in 2015 Hoang Quan was ranked in Top 5 leading listed companies in real estate in terms of revenues and sales. As a matter of fact, in the stock structure for Quarter I/2016, HQC stock was selected into FTSE Vietnam All-Share Index and FTSE Vietnam Index, which once again proves the high liquidity of HQC stocks on the stock exchange.

### 2. Assessment of the Board of Management on the Board of Directors' performance

#### a. Supervising activities

- Via regular or sudden meetings, the BOM in cooperation with the Board of Supervisors conducted tight tracking and gave timely guidance to the BOD during the course of implementing 2015 strategy and business plans so as to satisfy the targets set by the 2015 General Meeting of Shareholders.
- The BOM instructed the internal control department to perform good supervising role as well as providing consultancy to the BOM and BOD on risk management.

#### b. Supervision results

##### • On business activities

This is the best performing year after five years of operating in the stock exchange. These results are the evidence that prove the correctness of the strategy as worked out by the BOM as well as the shrewdness and flexibility of the BOD in the implementation of investment and business activities.

Unit: VND

Item	2015 target	2015 realization	Ratio of target satisfaction
1 Revenue	3,225,000,000,000	1,421,913,166,438	44%
2 Pre tax profits	410,500,000,000	720,134,384,903	175%
3 After tax profits	320,190,000,000	641,358,447,736	200%

The BOD abided to the strategy as proposed by the BOM and approved by the General Meeting of Shareholders. In particular, the BOD has conducted activities as follow:

- Regularly organize meetings to assess macro economic situations, changes in governmental policies that may affect the company's business activities, hence proposing suitable solutions. Take advantage of the system of member companies to optimize efficiency in investment, bringing in profits for the company.
- Continuing to confirm the company's pioneering position in social housing in the South, the company has been investing in a total of fifteen social housing projects across different provinces such as Khanh Hoa, Binh Thuan, HCM, Tay Ninh, Tien Giang, Vinh Long, Can Tho, Dong Nai, etc.
- Enhance investment promotion activities, exploiting the industrial zones of Ham Kiem I and Binh Minh;
- Diversify investment products in order to increase profitability;
- Guarantee the project progress to deliver products to customers in time;
- Continue to expand the company's land fund via land buying, M&A and land database assigned to the company by the local authorities without charging land use fee for social housing purposes, etc. in order to prepare for the business plan in the period 2016-2020;
- Pushing up the construction speed of the Mekong Delta University also prepare for the stage 1 recruitment;
- Deploy the construction of the system of kindergartens, supermarkets and general clinics at the project sites in Hoang Quan system;
- Continue to seek and select companies with good tracking records in order to conduct M&A in order to bring in higher financial profits.
- **On corporate management**
  - Complete the selection of A&C Auditing and Consulting Company Limited as the independent auditor.
  - Constantly improve the corporate management system, especially risk management mechanism. In 2015, under the guidance of the BOD and under the supervision of the BOS, the internal control department issued multiple procedures and regulations to control risk and cost.
  - Build up a proactive and efficient working environment, helping the staff to fulfill their capabilities and creativity.
  - Continue to complete the management mechanics for the system of Hoang Quan.
  - Enable managers to participate in corporate management training courses.
- **On the shareholders/investors relations**
  - Organize the 2015 General Meeting of Shareholders in the spirit of openness and transparency;
  - Complete the payment of VND 30 billion in cash for shareholders and issue new securities to increase the company's charter capital to VND 3,950 billion;

## REPORT OF THE BOARD OF MANAGEMENT ON 2015 RESULTS AND 2016 ORIENTATION

- Perform well the responsibilities of a listed enterprise, conduct timely, sufficient, and correct information disclosure to shareholders, investors and the authorities;
- Take part in the sharing and lesson learning on corporate management on forums, conferences and training courses on corporate management;
- Update sufficient information of the company to the website <http://hoangquan.com.vn>, facilitating access to information for shareholders and customers;
- Regularly meet with local and foreign shareholders and investors like: PYN, KT.Zmico, Probus, PXP, SSI, HSC, ect. in order to provide them with the information of the company operation; at the same time listen to their feedback to improve the company's corporate management quality.

**B. CORPORATE MANAGEMENT MECHANISM****I. The Board of Management**

The BOM is the managing unit over the company. It has the comprehensive authorities to act on behalf of the company and to give out decisions as well as perform the company's rights and responsibilities which are not under the authority of the General Meeting of Shareholders. The BOM is responsible with building the company's strategy and development direction; at the same time supervising the performance of the BOD.

**1. The BOM's structure**

The company's BOM has 7 members, of which there are 2 independent, non-executive members.

The position of the Chairman of BOM cum General Director of the company is approved annually at the General Meeting of Shareholders.

**2. The BOM performance**

In 2015 the BOM organized sixteen meetings to discuss and agree upon the issues under its authorities, hence working out timely guidance to the BOD in business activities. Members of the BOS participated in all the meeting of the BOM to supervise, track and give feedback to the BOM.

**a) BOM meetings:**

No	BOM members	Position	Number of meetings participated	Ratio	Notes
01	Truong Anh Tuan	Chairman	16	100%	
02	Nguyen Thi Dieu Phuong	Vice Chairwoman	16	100%	
03	Le Dinh Vien	Member	16	100%	
04	Truong Thai Son	Member	16	100%	
05	Truong Duc Hieu	Member	16	100%	
06	Le Thanh Nam	Member	16	100%	
07	Le Hung	Member	12	50%	Elected to the BOM at the General Meeting of Shareholders on 28 March 2015
08	Le Trong Ngoc	Member	04	50%	End of term as approved by the General Meeting of Shareholders on 28 March 2015

**b) BOM's meeting contents:**

No.	Decree No.	Date	Contents
1	01/2015/NQ-HDQT	07 Jan 2015	Approve the results of the public offering; amend and add to the company's charters; register on the Vietnam Securities Depository and list on HOSE for the stocks that have been issued in the public market.
2	02/2015/NQ-HDQT	09 Jan 2015	Approve the organization of 2015 General Meeting of Shareholders.
3	03/2015/NQ-HDQT	06 Feb 2015	Adjust the timing of dividend payment in cash.
4	04/2015/NQ-HDQT	13 Mar 2015	Approve the contents of the 2015 General Meeting of Shareholders.
5	05/2015/NQ-HDQT	06 Apr 2015	Adjust the usage purpose of the capital gathered in the 2014 separate stock issuance.
6	06/2015/NQ-HDQT	25 Apr 2015	Approve the detailed method of stock issuance to increase charter capital and the capital usage solution for the capital gathered in the stock offering for existing shareholders.
7	07/2015/NQ-HDQT	25 Apr 2015	Approve the register documents for the stock offering for existing shareholders.
8	08/2015/NQ-HDQT	21 May 2015	Approve the detailed method of share issuance to swap stocks of target companies.
9	09/2015/NQ-HDQT	21 May 2015	Approve the register documents for the stock issuance to swap stocks for shareholders in target companies.
10	10/2015/NQ-HDQT	29 Jun 2015	Approve the final list of shareholders to offer stocks to existing shareholder and pay dividends in cash.
11	11/2015/NQ-HDQT	28 Aug 2015	Reallocate outstanding HQC stocks after the stock offering to existing shareholders.
12	12/2015/NQ-HDQT	10 Sep 2015	Approve the results of the public offering; amend and add to the company's charters; register on the Vietnam Securities Depository and list on HOSE for the stocks that have been issued to conduct stock swaps.
13	12A/2015/NQ-HDQT	01 Oct 2015	Approve the results of the public offering; amend and add to the company's charters; register on the Vietnam Securities Depository and list on HOSE for the stocks that have been issued in the public market.
14	14/2015/NQ-HDQT	05 Nov 2015	Adjust the timing of dividend payment.
15	15/2015/NQ-HDQT	14 Dec 2015	Approve the organization of 2016 General Meeting of Shareholders.
16	16/2015/NQ-HDQT	21 Dec 2015	Approve the whole transfer of stocks at Indochina Real Estate Investment and Development Company.

## REPORT OF THE BOARD OF MANAGEMENT ON 2015 RESULTS AND 2016 ORIENTATION

**3. Performance of sub-divisions in the BOM**

The company has not established sub-divisions. The directions of the BOM is performed by the Office of BOM, the Investor Relations Department and the Internal Control Department.

- **Office of BOM:**

Supervise and organize BOM's meetings; provide necessary information and documents for BOM and BOS members.

- **Investor Relations Department:**

- Organize the 2015 General Meeting of Shareholders in the spirit of openness and transparency.
- Approve the proactive cooperation with local and foreign capital funds, individual and organizational investors and securities companies in order to share and provide information of the company's performance for the shareholders and investors.
- Approve the contract valued USD 20 million with the Global Emerging Markets.
- Participate in the sharing and lesson learning on corporate management at forums and conferences held by the State Security Commission of Vietnam, HOSE in cooperation with prestigious organizations like IFC, VCCI, GRI among others.
- Regularly update and disclose information for all the shareholders as well as state authorities so as to keep every stakeholder in the same loop.
- Conduct in a sufficient and correct basis all the regulations on information disclosure in the stock market about the company's performance and management as well as decisions by the BOM.
- Complete the stock issuance to increase the company's charter capital in accordance with the decree of the 2015 General Meeting of Shareholders, including the offering of 63,000,000 stocks to existing shareholders by the method of performing the company's buying and issuance of new stocks to conduct stock swaps among target companies.

- **Internal Control Department**

- Issue procedures for investment and asset purchase activities in order to control costs.
- Supervise and appraise the compliance of the BOD and other departments in legality and internal regulations.

**4. Certificates/ Training programs on corporate management**

In 2015 the company encouraged the members of the BOM, BOS, Internal Control Department and Investor Relations Department to participate in the Training Course on Corporate Management held by Center for Securities Science Research and Training.

No	Name	Position
1	Nguyen Thi Dieu Phuong	Vice Chairwoman of BOM, Deputy General Director of Finance and Accounting
2	Vu Trong Dac	Deputy General Director of Administration and Human Resource
3	Mai Hoang Yen	Member of the BOS

**II. Board of Supervisors**

The BOS acts on behalf of the General Meeting of Shareholders to supervise and appraise the performance of the BOM and BOD in accordance to the regulations in the company's charter, decisions and decrees by the General Meeting of Shareholders.

The BOS includes three members as follow:

No	Name	Position
1	Nguyen Thanh Van	Head of BOS
2	Le Phung Nha Phuong	Member
3	Mai Hoang Yen	Member

The BOS has the authority to look into any issues within their scope of work. They also have sufficient power to access and work with the BOM and board of executives to fulfill their responsibilities of supervision and appraisal of the compliance to the regulations of BOM and BOD.

All members of BOS have good expertise in real estate, finance and accounting, guaranteeing the supervising activities of BOM and BOD, hence minimizing risks in the company's investment and business activities.

**III. Board of Directors**

Members of the BOD are appointed by the board of executives. Their main responsibilities include realizing decrees by the General Meeting of Shareholders and the BOM, giving decisions on all the issues that do not require the BOM's decrees (including the closing of financial and commercial contracts on behalf of the company, organization and management of everyday business activities in accordance to best practices).

In 2015 the BOD had nine members. In order to complete the executive mechanism, on 02 January 2016 the BOM appointed Mr. Dang Thanh Thao as Deputy General Director of Legal Matters. On 15 March 2016 Mr. Tran Anh Tuan was appointed by the BOM as the Deputy General Director.

No	Name	Position	Notes
1	Truong Anh Tuan	Chairman	
2	Nguyen Thi Dieu Phuong	Deputy General Director of Finance and Accounting	
3	Truong Duc Hieu	Deputy General Director of Sales	
4	Vu Trong Dac	Deputy General Director of Administration and Human Resource	
5	Truong Thai Son	Deputy General Director of Marketing & Foreign Affairs	
6	Le Hung	Deputy General Director of Education	Appointed on 18 Mar 2015
7	Pham Minh	Deputy General Director of Project Management	Appointed on 18 Mar 2015
8	Tran Thai Son	Deputy General Director of Project Investment	Appointed on 18 Mar 2015
9	Le Trong Ngoc	Deputy General Director	
10	Dang Thanh Thao	Deputy General Director of Legal Matters	Appointed on 02 Jan 2016
11	Tran Anh Tuan	Deputy General Director	Appointed on 15 March 2016
12	Nguyen Hong Phuong	Chief Accountant	Appointed on 22 Oct 2015

In addition, in 2015 there was a change in the position of the chief accountant, in which Ms. Nguyen Hong Phuong took the place of Ms. Tran Thi Thanh Nhu as the Chief Accountant as of 22 October 2015.

## REPORT OF THE BOARD OF MANAGEMENT ON 2015 RESULTS AND 2016 ORIENTATION

**IV. Transactions of internal shareholders and related persons**

No.	Transaction person	Relations with internal shareholders	Term-beginning ownership of stocks		End-term ownership of stocks		Rationale for changes in ownership ratio (buying, purchasing, transfer, awarded, ect.)
			Number of stock	%	Number of stock	%	
1	Truong Anh Tuan	Chairman of BOM, General Director	5,470,000	2.74	19,986,500	5.06	Conduct purchasing rights from 22 July – 19 Sep 2015 Buying OTC from 15 Dec 2015 to 05 Jan 2016 Stock swaps of Binh Minh Port JSC, Hoang Quan Binh Thuan Company with HQC from 04 – 23 Sep 2015
2	Hoang Quan Mekong Consulting – Trading – Service Real Estate Company	Truong Anh Tuan as Chairman of BOM	25,000,000	12.05	23,250,000	5.89	Stock swaps of Binh Minh Port JSC with HQC stocks from 04 – 23 Sep 2015 Selling OTC from 05 – 10 Nov 2015

**Compensation policies for the BOM and BOS**

- The compensation for the BOM and BOS in 2014 is VND 735,900,000.
- The board of executives proposed the 2015 compensation for the BOM and BOS of VND 735,900,000.
- Apart from compensation, the company also support vehicles and business fees for members of the BOM and BOS, creating favorable conditions for them to perform their tasks.

**V. Changes in the internal shareholders and related persons**

No.	Name	Position at the company	Starting/ending point as an involved individual	Rationales
1	Le Hung	Deputy General Director of Education	18 Mar 2015	Appointed to Deputy General Director
2	Pham Minh	Deputy General Director of Project Management	18 Mar 2015	Appointed to Deputy General Director
3	Tran Thai Son	Deputy General Director of Project Investment	18 Mar 2015	Appointed to Deputy General Director
4	Tran Thi Thanh Nhu	Chief Accountant	22 Oct 2015	No longer Chief Accountant
5	Nguyen Hong Phuong	Chief Accountant	22 Oct 2015	Appointed to Chief Accountant
6	Binh Thuan Housing Construction and Trading JSC		21 Dec 2015	No longer involved with Truong Anh Tuan
7	Dang Thanh Thao	Deputy General Director	02 Jan 2016	Appointed to Deputy General Director
8	Tran Anh Tuan	Deputy General Director	15 Mar 2016	Appointed to Deputy General Director

**VI. Changes in investment capital of the company owner****Issue stocks to existing shareholders**

The company issued stocks to existing shareholders at the ratio of 200 : 63, specifications are as follow:

- Number of the stocks issued: 63,000,000
- Effective listed date: 24 September 2015
- Official transaction date: 29 September 2015

**Issue stocks to swaps with shareholders of target companies**

- Number of stocks issued: 132,000,000**
- Shareholder Hoang Quan Binh Thuan: **28,657,850**
- Shareholder Hoang Quan Can Tho: **35,009,890**
- Shareholder Indochina Real Estate Investment and Development JSC: **37,432,260**
- Shareholder Binh Minh Port JSC: **30,900,000**
- Effective listed date: 22 October 2015
- Official transaction date: 04 October 2016

**C. PLAN OF BOM**

- Plan for 2016**
  - Continue to take advantage of the leading position in social housing to maintain stable income source for the company; at the same time expanding to other kinds of investment such as building commercial housing, urban zones, resorts, ect. in order to diversify products to optimize profit ratio;
  - Select the capital raising method suitable to develop potential projects;
  - Focus on the construction, pushing the speed and quickly put in to use key social housing projects such as HQC Plaza, HQC Hoc Mon, HQC Nha Trang, HOF-HQC Ho Ngoc Lam; and other periodically implemented like HQC Ham Kiem, HQC Binh Minh;
  - Enhance investment promotion activities for other social housing projects such as HQC An Phu Tay, HQC Binh Trung Dong, HQC Tan Huong, HQC Can Tho, HQC Tay Ninh and other upcoming projects;
  - Continue to deploy to system of kindergartens, supermarkets and general clinics, ect. to create added value to the projects;
  - Enhance risk management and cost control measures in order to increase investment efficiency.
- Plan for the period 2016-2020**
  - Enhance the system's strengths, develop the company in accordance to the model of a group;
  - Constantly improve the corporate management system, complete risk and cost management mechanism;
  - Diversify the forms of real estate investment on the basis that social housing is the core business maintaining stable income flow, forming the solid foundation for the development of more profitable projects;
  - Proactively seek and select highly potential projects

**Recipients:**

- 2016 Annual General Meeting of Shareholders;
- Board of Management, Board of Directors, Board of Supervisors
- For archive.

that promise economic efficiency and are suitable with the company's capabilities and experience in the international market.

**Dividend plan**

- The company has finished the dividend payment for 2014 at the ratio of 1.5% per face value, which is in line with the plan approved at the General Meeting of Shareholders.
- Last register date: 13 July 2015
- Performing date: 25 December 2015
- Total value of dividends: VND 30,000,000,000

Given the beyond-target business results in 2015, in accordance to the suggestion of some shareholders, the BOM will submit to the 2016 General Meeting of Shareholder the plan to pay dividends for 2015 at the ratio of 8% per face value.

With a view to safeguard the stable benefits for shareholders, the board of executives proposes some basic plan criteria for 2016 as follow:

1	Revenue	7,416.9	VND billion
2	Pre-tax profits	641	VND billion
3	After-tax profits	500	VND billion
4	Dividends	8%	

**Conclusion:** In 2016, the BOM aims to promote the collective strength of the whole system and take advantage of the Government's supporting policies to remain the flagship in social housing as well as satisfy targets set out by the General Meeting of Shareholders. The BOM hopes to continue to receive the trust, close support and consensus of our valued shareholders in every aspect of operation of the company.

Sincerely,

**ON BEHALF OF THE BOARD OF MANAGEMENT  
CHAIRMAN**



Ph.D. TRUONG ANH TUAN

# REPORT OF THE BOARD OF DIRECTORS ON 2015 RESULTS AND 2016 ORIENTATION

## I. OVERVIEW OF BUSINESS ACTIVITIES IN 2015

2015 witnessed a strong transformation of the Vietnam economy with a series of events opening up multiple opportunities as well as competitive challenges for local enterprises when Vietnam entered many regional and international markets such as AFTA, TPP, WTO, etc. Also, the introduction of new favorable policies that were effective in 2015 has been forming an encouraging investment environment and making a pushup for the market to growth. The real estate market, among the others, promises positive recovery with increasing liquidity.

### • Advantages:

- Hoang Quan Consulting - Trading - Service Real Estate Company (Hoang Quan Group) has received constant consideration from the leaders in the State Bank of Vietnam, the ministries, multiple state agencies, commercial banks and local authorities where the company has investment projects.
- Over the course of fifteen years of growing and doing business activities in Real Estate - Education - Finance, of which social housing being the key investment item, the company has established a strong prestige and brand, winning the trust and support if partners, customers, banks and credit organizations across the southern cities and provinces.
- Being the flagship in developing social housing projects on multiple provinces nation-wide, Hoang Quan Group has received deep consideration from different levels of governmental authorities as well as customers in the nation.
- The company boasts a young and qualified workforce which is constantly improved. The company is also looking out for a chance to own modern technologies and equipment.
- The company is promoting the conducts of financial corporate management, risk management and cost control.
- There is great consensus between the BOM and BOD in corporate management. The company is also active in investment activities under strategic directions in line with the orientation of stable development.

### • Challenges:

- Overall, Vietnam macro economy in 2015 was quite stable at a relatively high growth drive with the highest GDP growth rate in the period 2011-2015. In general, difficulties of the previous years are gradually addressed. However, the fact that many market supporting policies will be expired. In 2016 and many new laws and regulations were issued in 2015 when there is still a lack of guidance documents has introduced new difficulties and obstacles for the enterprises in the implementation of new laws.

- The deeper and wider integration into global economy has opened wide the doors for attracting foreign capital, at the same time creating challenges in the face of fiercer and fiercer competition.

- The real estate market has shown positive recovery in liquidity and prices are increasing slightly in several segments. However, the market is more selective regarding the prestige of the investors as well as project quality.

### • Analysis of the company's performance in 2015

- Facing the advantages and disadvantages the year 2015 proposed, the company's BOM and BOD have made great efforts to take full advantage of opportunities, take initiative to deal with challenges, consolidate and agree within internal circle, manage in a flexible manner the company's operations so as to obtain the targets, guarantee benefits for shareholders as well as bring about a stable life, in come and job for the workforce, at the same time fulfill the company's responsibility with the state budget.

- In particular, the company met and exceeded the profit plans that the General Meeting of Shareholders had worked out. Owing to good consumption power, in combination with the timely delivery of the projects, revenue from sales increased profoundly in 2015, reaching VND 1,421 billion, accounting for 73% of the total revenue.

Table of business results in 2015:

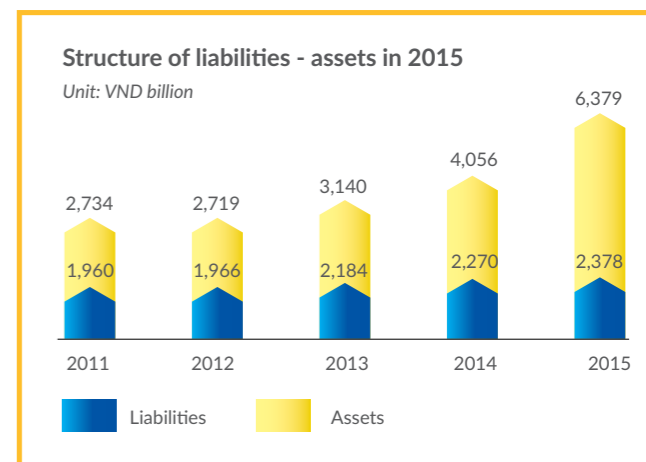
		Unit: VND billion		
	Target	2015 plan	Achievement 2015	Realization ratio
1	Revenue	3,225.0	1,421.9	44%
2	Cost of goods sold	2,718.6	1,001.9	37%
3	Gross profits	506.3	387.6	77%
4	Business expenses	170.0	135.8	80%
5	Profits from business activities	336.3	419.8	125%
6	Financial profits	74.1	168.2	227%
7	Pre-tax profits	410.5	720.1	175%
8	After-tax profits	320.1	641.3	200%
9	Dividends	8%	8%	100%

Apart from that, subsidiaries merged into the company's system in Quarter IV/2015 have made great contribution to the company's revenue and profits in the same quarter, increasing the total revenue of the year to VND 1,947.3 billion. On the other hand, owing to enhanced cost control measures as well as the tightened compliance of risk management procedures, the company saved cost, controlled risk and came up with suitable risk minimization measures, hence increasing business efficiency.

### • Analysis of the company's financial situation

Balance sheet of the company's capital source and assets in 2015:

		Unit: VND billion			
	Target	2014	2015	Increase/decrease	Ratio by %
1	Total assets	4,033.1	6,379.5	2,346.3	58.2%
a	Short-term assets	2,694.0	4,315.2	1,621.2	60%
b	Long-term assets	13.3	2,064.2	2,050.8	15,314%
2	Total liabilities	2,270.0	2,378.3	108.3	5%
a	Short-term debts	1,384.0	1,845.4	461.4	33%
b	Long-term debts	886.0	532.9	-353.0	-40%
3	Owner's equity	1,763.1	4,001.1	2,238.0	127%



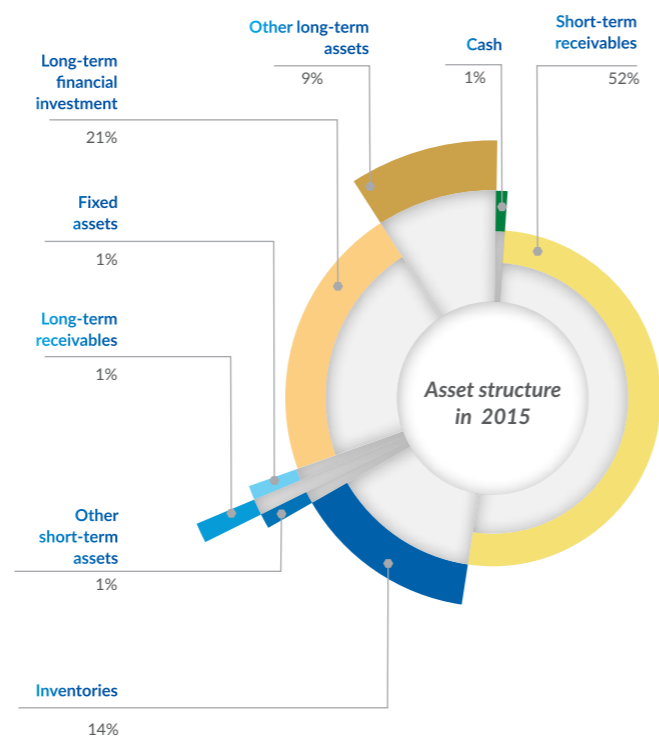
By year-end 2015, the company's total assets were VND 6,379 billion, an increase of 57.3% as compared with 2014; meanwhile total liabilities were VND 2,378 billion, just a 4.8% increase year-on-year.

## REPORT OF THE BOARD OF DIRECTORS ON 2015 RESULTS AND 2016 ORIENTATION

The structure of total assets by 31 December 2015 is allocated mainly in the form of receivables, most of which is the amount of house purchase cost the customers have to pay to the company. This amount is disbursed in installment, hence this introducing no risk in failure.

Another major factor is long-term financial investment, making up for 21% of the total assets. These are investments and capital contribution to affiliated companies and joint ventures. These investments have been bringing about the benefits of direct investment, resulting in profits for the company as well as increasing the competitive advantages based on closed real estate investment system.

Inventories in 2015 increased VND 128 billion; the reason is that in the past year the company invested in the construction and sales of many projects, however these projects will be completed and put into use in 2016 and 2017 in accordance to the plan.

**Key financial criteria**

	2014	2015
<b>1 Liquidity criteria</b>		
a Short-term liquidity ratio	1.95	2.34
b Quick liquidity ratio	1.40	1.84
<b>2 Capital structure indicators</b>		
a Debt/total assets ratio	0.56	0.37
b Debt/owner's equity ratio	1.30	0.60
<b>3 Performance indicators</b>		
a Inventories circle	0.20	0.60
b Net revenue/total assets	0.10	0.20
<b>4 Profitability indicators</b>		
a After-tax profits/net revenue ratio	9.20	46.20
b After-tax profits/owner's equity ratio	1.70	16.00
c After-tax profits/total assets	0.70	10.10
<b>5 Stock profitability indicators</b>		
a Number of circulating stocks	170,000,000	395,000,000
b Earning per stock (EPS)	177	1,623
c Book value of each stock	10,371	10,129
d Market value of each end-of-term stock	7,300	5,300
e P/E ratio	41.24	3.27

The year 2015 continued the growth trend of the company and is the year with the highest revenue and profits in the past five years. Solid foundation of achievements in 2014, correct strategic decisions by the BOM and BOD have contributed greatly to the maintenance of the company's pioneering position in social housing, paving the way for stable development in the period 2016-2020.

- Progresses in 2015**

In 2015, real estate field showed evidence of taking off with more positive changes than 2014. Hoang Quan in particular obtained multiple results and achievements, including:

- Expand the housing database all over HCMC and other southern provinces with a total of fifteen projects and more than 4,000 apartment sold. Especially, Hoang Quan was successful in changing the definition of social housing via the cooperation with leading local and international brands like LG, Hyundai, Viglacera so as to equip the apartments with modern facilities of high quality, hence maximizing the facilities to serve the needs of residents in HQC social housing apartments.
- In HCMC, HQC Plaza is delivering apartments in block HQ1 and HQ2 to customers; the two remaining blocks (HQ3 and HQ4) are under completion stage. At the same time, HQC Hoc Mon social housing project with 562 apartments in HCMC is also delivering roughly constructed apartment to customers in line with the committed timeline.
- Especially, Hoang Quan is selected by HCMC People's Committee to cooperate with HCMC Housing Development Fund for a joint investment effort in HOF-HQC Ho Hoc Lam (718 apartments) in Binh Tan District. This event marked a huge step in the private-state cooperation in social housing. Currently HOF-HQC Ho Hoc Lam is being built at first floor; this will be the next major project in HCM.
- Beside HCMC, in 2015 Hoang Quan deployed a sizable social housing chain across southern provinces including HQC Nha Trang (1,002 apartments) in Khanh Hoa, HQC Phu Tai (306 apartments), HQC Ham Kiem (3,186 apartments) in Binh Thuan, HQC Binh Minh (2,020 apartments) in Vinh Long, etc.
- That aside, Hoang Quan also invested in education-training projects such as Western Southern Asia School of Economics and Technologies (HCMC), Phan Thiet University, Mui Ne School of Toursim (Binh Thuan), all having been put into use with stable number of students each year.
- Currently the company is investing in Mekong Delta University in Can Tho city; it is estimated that the first stage of recruitment with about 3,000 students will start in Quarter II/2016.

- At the same time, Hoang Quan has also gone into cooperation with Indochina Real Estate Investment and Development to build the Royal Tower commerce - service - office fore rent in Phu My Hung urban zone (District 7, HCMC). Currently this building has completed rough construction, the exterior as well as the last works including M&E equipment and elevators, etc. are under progress. The building will be ready for use as of Quarter II/2016 as planned. With a plentiful customer database from the partner, Royal Tower is expected to be occupied with 70% of the available areas right after completion.

Besides, the company witnessed notable events, including:

- On 18 August 2015, Hoang Quan Group (HOSE: HQC) became an official member and the key sponsor of the Conference on activities of Vietnam's Association of Realtors in the South that took place at Him Lam Palace Convention, Him Lam Golf course, Tan Son Nhat, HCMC.
- Hoang Quan signed cooperation memos with three universities in Taiwan: From 25 - 30 August 2015, during a business trip in Taiwan held by Taiwanese Business Commission, Ph.D. Truong Thai Son - Member of BOM cum Deputy General Director of Hoang Quan Group - and Ph.D. Dong-Sing Wuu - Dean of Da-Yeh University, Mr. Yuan Pao Hsin - Dean of Minghsin University and Mr. Thai Thu Dien - Chairman of BOM of Taoyuan Vocational School in Taoyuan University of Science, Technology and Innovation signed cooperation memos at the presence of Taiwanese Business Commission.
- HQC is recognized as Group A project management capability: on 23 December 2015, Hoang Quan Group was officially recognized by the Ministry of Construction as Group A project management capability as regulated in Decision 02/2008/QĐ-BXD dated 20 February 2008 and Decree 11/2014/TT-BXD of the Ministry of Construction.

- Improvements in organization, policies and management:**

- In the past year, beside its activeness and efforts in conducting management tasks as well as proposing timely solutions to address obstacles in business and investment activities, the BOD conducted some improvements in the structure, policy and management in order to bring about higher results for the company. In details:
  - Complete the human resource restructure and build up the next generation of leadership for the company.
  - Build an active and efficient working environment, creating favorable conditions for the workforce to fulfill their potential and creativity.
  - Improve risk management procedure, investment procedure and cost control in order to bring about high efficiency in the business results in 2015.

## REPORT OF THE BOARD OF DIRECTORS ON 2015 RESULTS AND 2016 ORIENTATION

- In particular, in order to create favorable conditions for Hoang Quan staffs to address difficulties in housing to settle down and focus on developing careers, the company has a preferable policies for all the staff in the system to buy social housing at all ongoing projects of the company.
- In business operation, the company as completed online business which will function as a marketing channle, also creating another sales channel to approach customers.

**II. ORIENTATION FOR 2016**

Based on the strategic direction outlined by the BOM, the BOD identifies business plan for 2016 and 2016-2020 as follows:

- Continue with the pioneering strategy in social housing, responding to the Government's national housing program, meeting the housing needs of urban residents as well as of workers at industrial zones in provinces with different products that satisfy the taste and income level of the majority of customers.
- Focus on the key product line of social housing in HCMC, Khanh Hoa, Dong Nai, Tay Ninh, Binh Thuan, Can Tho, Vinh Long, Tien Giang, etc. with a total of 15 projects.
- Apart from that, the company will aim to diversify investment products such as commercial zone, urban zone, civil zone, industrial real estate, office - commerce - service building, etc. in order to optimize the potential development of the system.

- Guarantee the construction and delivery progress of projects HQC Plaza, HQC Hoc Mon, HQC Nha Trang, HOF-HQC Ho Hoc Lam as well as other periodic projects like HQC Ham Kiem, HQC Binh Minh.
- Speed up the completion of legal documents and deploy small and medium sized projects that promise immediate revenue and profits In 2016 such as HQC Binh Trung Dong, HQC An Phu Tay, HQC Tay Ninh, HQC Tan Huong, etc. at the same time promoting investment in projects in the business plan of 2016-2020.
- Promote the construction of Mekong Delta University and prepare for the first recruitment stage of 3,000 students and the second one of about 10,000 students.
- Enhance the investor attraction activities to two existing industrial zones of Binh Minh - Vinh Long and Ham Kiem I - Binh Thuan, proceeding with the construction of factories for rent in order to diversify the choices for the customers and partners.
- Tighten the construction costs and management cost in order to optimize profits for the company.
- Assess the efficiency of financial investment into subsidiaries, member and affiliate companies with a view to creat huge financial revenue for the company in 2016 and the longer period of 2016-2020.

Based on strategies as well as internal strengths of the company, Hoang Quan identifies business plan for 2016 as follows:

## REPORT OF THE BOARD OF DIRECTORS ON 2015 RESULTS AND 2016 ORIENTATION

**HQC PROJECTS TO DEPLOY DURING 2016 - 2020**

No.	Projects invested by Hoang Quan	Revenue (VND)				Total (without VAT)	
		2016	2017	2018	2019		
	<b>PROJECTS IN HCMC</b>	<b>1,728,288,900,000</b>	<b>2,595,405,661,600</b>	<b>2,125,905,661,600</b>	<b>1,338,000,000,000</b>	<b>513,500,000,000</b>	<b>8,301,100,223,200</b>
1	HQC Plaza	345,000,000,000	115,000,000,000	-	-	-	460,000,000,000
2	Apartment block 35 Ho Hoc Lam	418,000,000,000	280,000,000,000	-	-	-	698,000,000,000
3	Apartment block An Phu Tay	150,000,000,000	40,000,000,000	-	-	-	190,000,000,000
4	HQC Hoc Mon	266,400,000,000	-	-	-	-	266,400,000,000
5	Binh Trung Dong	144,000,000,000	276,000,000,000	-	-	-	420,000,000,000
6	Eden in Binh Chanh District	43,888,900,000	1,884,405,661,600	1,884,405,661,600	-	-	3,812,700,223,200
7	Commercial housing Binh Thoi, District 11	130,000,000,000	-	-	-	-	130,000,000,000
8	HQC Binh Tan Social housing project	115,500,000,000	-	120,750,000,000	1,200,000,000,000	513,500,000,000	1,949,750,000,000
9	Western Southern Asia Vocational School Project	115,500,000,000	-	120,750,000,000	138,000,000,000	-	374,250,000,000
	<b>PROJECTS IN VUNG TAU</b>	<b>14,991,792,000</b>	<b>20,991,792,000</b>	<b>14,991,792,000</b>	<b>49,000,000,000</b>	<b>49,000,000,000</b>	<b>148,975,376,000</b>
10	Cinderella 1	3,280,512,000	3,280,512,000	3,280,512,000	9,000,000,000	9,000,000,000	27,841,536,000
11	Cinderella 2	-	6,000,000,000	-	-	-	6,000,000,000
12	Cinderella 3	11,711,280,000	11,711,280,000	11,711,280,000	40,000,000,000	40,000,000,000	115,133,840,000
	<b>PROJECTS IN DONG NAI</b>	<b>199,760,000,000</b>	<b>26,000,000,000</b>	<b>400,000,000,000</b>	<b>300,000,000,000</b>	<b>-</b>	<b>925,760,000,000</b>
13	Projects A6, A7, Bien Hoa City	182,160,000,000	26,000,000,000	400,000,000,000	300,000,000,000	-	908,160,000,000
14	Block A Project (mini football ground)	17,600,000,000	-	-	-	-	17,600,000,000
	<b>PROJECTS IN TIEN GIANG</b>	<b>279,235,200,000</b>	<b>775,213,500,000</b>	<b>473,845,500,000</b>	<b>-</b>	<b>-</b>	<b>1,528,294,200,000</b>
15	Social housing at Tan Huong industrial zone	279,235,200,000	775,213,500,000	473,845,500,000	-	-	1,528,294,200,000



No.	Projects invested by Hoang Quan	Revenue (VND)				Total (without VAT)
		2016	2017	2018	2019	
	<b>PROJECTS IN TAY NINH</b>	<b>968,550,000,000</b>	<b>1,852,092,000,000</b>	<b>1,664,960,000,000</b>	<b>1,664,960,000,000</b>	<b>916,410,000,000</b>
16	HQC Tay Ninh Social housing - former fishing river - 5ha	281,050,000,000	281,050,000,000	281,050,000,000	281,050,000,000	1,124,200,000,000
17	HQC Hoa Thanh (BOM in the economic zone)	220,000,000,000	187,132,000,000	-	-	407,132,000,000
18	Tay Ninh University urban area - 22ha	467,500,000,000	467,500,000,000	467,500,000,000	467,500,000,000	1,870,000,000,000
19	Civil zone Go Dau - 55a - Go Dau 1	-	336,985,000,000	336,985,000,000	336,985,000,000	1,347,940,000,000
20	Civil zone Go Dau - 70ha - Go Dau 2	-	428,175,000,000	428,175,000,000	428,175,000,000	1,712,700,000,000
21	Embarkment to prevent earth erosion in Go Dau Commune	-	151,250,000,000	151,250,000,000	151,250,000,000	605,000,000,000
	<b>PROJECTS IN BINH THUAN</b>	<b>-</b>	<b>220,000,000,000</b>	<b>1,870,000,000,000</b>	<b>6,960,000,000,000</b>	<b>9,700,000,000,000</b>
22	Square Mui Ne Sea - 198ha	-	220,000,000,000	1,870,000,000,000	6,960,000,000,000	9,700,000,000,000
	<b>PROJECTS IN CAN THO</b>	<b>-</b>	<b>100,000,000,000</b>	<b>200,000,000,000</b>	<b>400,000,000,000</b>	<b>1,300,000,000,000</b>
23	Mekong Delta University	-	100,000,000,000	200,000,000,000	400,000,000,000	1,300,000,000,000
	<b>PROJECTS IN NHA TRANG</b>	<b>567,600,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>567,600,000,000</b>
24	HQC Nha Trang Social housing Project	567,600,000,000	-	-	-	567,600,000,000
<b>Total</b>		<b>3,758,425,892,000</b>	<b>5,589,702,953,600</b>	<b>6,749,702,953,600</b>	<b>10,711,960,000,000</b>	<b>29,538,701,799,200</b>

In parallel, right from the beginning of 2016 Hoang Quan and other member company in Hoang Quan Group will be deploying the following projects:

#### HQC PROJECTS IN COOPERATION WITH HOANG QUAN BINH THUAN COMPANY (SUBSIDIARY)

No. Projects	Revenue (VND)				Total (without VAT)	
	2016	2017	2018	2019		
1	Ham Kiem industrial zone 146ha	91,614,000,000	93,612,000,000	70,915,000,000	-	256,141,000,000
2	HQC Ham Kiem Social housing - 13.54ha	246,709,680,000	284,324,000,000	319,234,000,000	-	850,267,680,000
3	Infrastructure and social housing for workers at Ham Kiem industrial zone - 52.9ha	21,695,700,000	598,173,000,000	598,173,000,000	-	1,218,041,700,000
4	Tien Loi social housing project - Phan Thiet City - 3.64 ha	18,750,000,000	211,875,000,000	446,165,000,000	-	676,790,000,000
5	Eden Resort - Lagi Town - 2.0ha	5,924,600,000	29,182,000,000	10,030,000,000	-	45,136,600,000
<b>Total</b>	<b>384,693,980,000</b>	<b>1,217,166,000,000</b>	<b>1,444,517,000,000</b>	<b>-</b>	<b>-</b>	<b>3,046,376,980,000</b>

REPORT OF THE BOARD OF DIRECTORS ON 2015 RESULTS AND 2016 ORIENTATION

#### HQC PROJECT IN COOPERATION WITH HOANG QUAN MEKONG

No. Projects	Revenue (VND)				Total (without VAT)	
	2016	2017	2018	2019		
1	Social housing project in Binh Minh industrial zone of CC1, CC2, CC3, CC4	219,758,806,150	200,000,000,000	200,000,000,000	-	619,758,806,150
2	Apartment block for specialists and workers of Binh Minh Commerce and Service Company	194,632,749,600	200,000,000,000	200,000,000,000	250,000,000,000	844,632,749,600
3	Binh Minh industrial zone project	450,000,000,000	350,000,000,000	-	-	800,000,000,000
4	Apartment block project in Block 2, Ward 3, Vinh Long City	4,987,580,000	-	-	-	4,987,580,000
5	Project of the Service zone 1A, 1B, 1C, 1D (CX1-CX2)	32,000,000,000	247,000,000,000	-	-	279,000,000,000
6	Dong Binh Industrial zone project	36,000,000,000	120,000,000,000	648,000,000,000	300,000,000,000	1,404,000,000,000
7	Social housing project at Hoa Phu Industrial zone	20,880,000,000	-	-	-	20,880,000,000
<b>Total</b>	<b>958,259,135,750</b>	<b>1,117,000,000,000</b>	<b>1,048,000,000,000</b>	<b>550,000,000,000</b>	<b>300,000,000,000</b>	<b>3,973,259,135,750</b>

#### HQC PROJECTS IN COOPERATION WITH BINH MINH PORT COMPANY (SUBSIDIARY)

No. Projects	Revenue (VND)				Total (without VAT)	
	2016	2017	2018	2019		
1	Construction part	1,035,000,000,000	1,210,000,000,000	1,210,000,000,000	1,210,000,000,000	5,875,000,000,000
2	Harbor part	-	100,000,000,000	125,000,000,000	-	360,000,000,000
<b>Total</b>	<b>1,035,000,000,000</b>	<b>1,310,000,000,000</b>	<b>1,335,000,000,000</b>	<b>1,210,000,000,000</b>	<b>1,570,000,000,000</b>	<b>6,460,000,000,000</b>

#### HQC PROJECTS IN COOPERATION WITH HOANG QUAN CAN THO (SUBSIDIARY)

No. Projects	Revenue (VND)				Total (without VAT)	
	2016	2017	2018	2019		
1	Civil zone Thuong Thanh - 7.3ha	180,962,573,000	124,518,175,540	-	-	305,480,748,540
2	Civil zone Thuong Thanh extension - 7ha	174,900,000,000	174,900,000,000	25,454,000,000	-	375,254,000,000
3	New urban zone of Thuong Thanh Ward	325,600,000,000	287,100,000,000	141,746,000,000	-	754,446,000,000
4	Civil zone project, O Mon resettlement - 20ha	240,283,177,570	240,283,177,570	144,969,514,019	-	625,535,869,158
5	New urban zone 5B (Cultural house Tay Do) - 14ha	358,766,100,000	2,183,810,200,000	1,843,882,200,000	422,722,800,000	4,809,181,300,000
<b>Total</b>	<b>1,280,511,850,570</b>	<b>3,010,611,553,110</b>	<b>2,156,051,714,019</b>	<b>422,722,800,000</b>	<b>-</b>	<b>6,869,897,917,698</b>

## REPORT OF THE BOARD OF DIRECTORS ON 2015 RESULTS AND 2016 ORIENTATION

Based on the company's revenue plans and income sources from member companies in the Group, the company is expected to result in a notable financial profits, contributing to the increasing of revenue and profits in 2016 and in the period 2016-2020.

## PLAN FOR REVENUE AND PROFITS DURING 2016-2020

No	Item	2016	2017	2018	2019	2020
1	Revenue	7,416,890,858,320	12,244,480,506,710	12,733,271,667,619	12,894,682,800,000	13,298,910,000,000
2	Cost price	6,255,300,616,838	9,985,215,772,417	10,983,820,242,801	11,109,076,000,000	11,409,076,000,000
3	Gross profits	1,161,590,241,482	2,259,264,734,293	1,749,451,424,818	1,785,606,800,000	1,889,834,000,000
4	Financial profits	118,450,000,000	50,000,000,000	100,000,000,000	200,000,000,000	300,000,000,000
5	Operation cost	639,000,000,000	1,469,337,660,805	1,018,661,733,410	1,031,574,624,000	1,063,912,800,000
6	Pre-tax profits	641,040,241,482	839,927,073,488	830,789,691,408	954,032,176,000	1,125,921,200,000
7	After-tax profits	500,011,000,000	655,143,000,000	648,016,000,000	744,145,000,000	878,219,000,000

In particular, the BOD proposes the detailed plan for 2016 business activities as follows:

## TABLE OF REVENUE AND PROFITS PLAN IN 2016

<b>Enterprise capital</b>	<b>6,000,000,000,000</b>
<b>Revenue</b>	<b>7,416,890,858,320</b>
<b>PROJECTS IN HCMC</b>	<b>1,728,288,900,000</b>
1 HQC Plaza	345,000,000,000
2 Apartment block 35 Ho Hoc Lam	418,000,000,000
3 An Phu Tay Apartment	150,000,000,000
4 HQC Hoc Mon	266,400,000,000
5 Binh Trung Dong	144,000,000,000
6 Eden Binh Chanh District	43,888,900,000
7 Commercial housing Binh Thoi, District 11, HCMC	130,000,000,000
8 HQC Binh Tan	115,500,000,000
9 Western Southern Asia School Project	115,500,000,000
<b>PROJECTS IN VUNG TAU</b>	<b>14,991,792,000</b>
10 Cinderella 1	3,280,512,000
11 Cinderella 3	11,711,280,000
<b>PROJECTS IN DONG NAI</b>	<b>199,760,000,000</b>
12 Projects A6, A7 Bien Hoa City	182,160,000,000
13 Block A Project (mini football ground)	17,600,000,000
<b>PROJECTS IN TIEN GIANG</b>	<b>279,235,200,000</b>
14 HQC Tan Huong	279,235,200,000
<b>PROJECTS IN TAY NINH</b>	<b>968,550,000,000</b>
15 HQC Tay Ninh	281,050,000,000
16 HQC Hoa Thanh (BOM In the economic zone)	220,000,000,000
17 The Urban zone of Tay Ninh University - 22ha	467,500,000,000
<b>PROJECTS IN NHA TRANG</b>	<b>567,600,000,000</b>
18 HQC Nha Trang	567,600,000,000

<b>PROJECTS WITH HOANG QUAN CAN THO AS INVESTOR</b>	<b>1,280,511,850,570</b>
19 Civil zone Thuong Thanh - 7.3ha	180,962,573,000
20 Civil zone Thuong Thanh extension - 7ha	174,900,000,000
21 New urban zone of Thuong Thanh Ward	325,600,000,000
22 Civil zone project, O Mon resettlement - 20ha	240,283,177,570
23 New urban zone 5B (Cultural house Tay Do) - 14ha	358,766,100,000
<b>PROJECTS WITH HOANG QUAN BINH THUAN AS INVESTOR</b>	<b>384,693,980,000</b>
24 Ham Kiem industrial zone 146ha	91,614,000,000
25 Social housing HQC Ham Kiem - 13.54ha	246,709,680,000
26 Infrastructure and social housing for workers at Ham Kiem industrial zone - 52.9ha	21,695,700,000
27 Tien Loi social housing project - Phan Thiet City - 3.64ha	18,750,000,000
28 Eden Resort - Lagi Town	5,924,600,000
<b>HQC PROJECTS WITH HOANG QUAN MEKONG AS INVESTOR</b>	<b>958,259,135,750</b>
29 Social housing project in Binh Minh industrial zone of CC1, CC2, CC3, CC4	219,758,806,150
30 Apartment block for specialists and workers of Binh Minh Commerce and Service Company	194,632,749,600
31 Binh Minh industrial zone project	450,000,000,000
32 Apartment block project in Block 2, Ward 3, Vinh Long City	4,987,580,000
33 Project of the Service zone 1A, 1B, 1C, 1D (CX1-CX2)	32,000,000,000
34 Dong Binh Industrial zone project	36,000,000,000
35 Social housing project at Hoa Phu Industrial zone	20,880,000,000
<b>BINH MINH PORT JSC</b>	<b>1,035,000,000,000</b>
36 Construction part	1,035,000,000,000
<b>Revenue</b>	<b>7,416,890,858,320</b>
Cost price	6,255,300,616,838
Gross profits	1,161,590,241,482
Financial profits	118,450,000,000
Operation cost	639,000,000,000
Profits from business activities	641,040,241,482
Pre-tax profits	641,040,241,482
<b>After-tax profits</b>	<b>500,011,000,000</b>
<b>Dividends</b>	<b>8%</b>

Above is the comprehensive report of the Board of Directors of Hoang Quan submitted to the General Meeting of Shareholders. We hope to continue to receive the support of our valued shareholders in order to meet the objectives as outlined.

Sincerely,

HOANG QUAN CONSULTING - TRADING - SERVICE  
REAL ESTATE COMPANY

General Director



Ph.D. TRUONG ANH TUAN

## Recipients:

- 2016 Annual General Meeting of Shareholders;
- Board of Management, Board of Directors, Board of Supervisors
- For archive.

# REPORT OF THE BOARD OF SUPERVISORS

(Submitted to 2016 Annual General Meeting of Shareholders)

In accordance to the regulations on the BOS's functions as under the Law of Enterprises and by the rules of organization and operation of Hoang Quan Consulting – Trading – Service Real Estate Company, the Board of Supervisors report to the General Meeting of Shareholders on the BOS's performance in 2015. The report contents include:

- The BOS's performance in 2015;
- Supervision results in every aspects of BOS;
- Operation plan for 2016.

## I. THE BOARD OF SUPERVISORS' PERFORMANCE IN 2015

In 2015, the BOS worked out plan and carried out the implementation of the supervisory tasks in the following aspects:

- Review the compliance of regulations in accordance with the Law of Enterprises and the rules of organization and operation of the company.
- Review and supervise the issuance as well as the implementation of the resolutions and decisions by the BOM and BOD.
- Review and appraise the performance of the BOM, BOD as well as the whole managerial system in the Group in 2015 that relates to the implementation of the company's directions and plans as approved by the General Meeting of Shareholders.

- Participate in regular meetings of the BOM, BOD as well as other progress meetings among the company and member companies.
- Participate in investment and business activity deployment working sessions of the BOD and go to the sites of on-going projects.
- Review regular corporate management reports and prospectus reports.
- Validate the reasonability, legality, honesty and thoroughness in business management and coordination; the systematicness, consistency and suitability of accounting, statistics analysis and financial report planning.
- Review and validate annual financial report, give feedbacks and coordinate with independent auditing agency in the audition of the company's financial report as well as review the auditing agency's feedbacks on the financial report.
- Give feedbacks on some issues related to management, finance and accounting, plan design, public debt address, budget distribution, etc.
- Give feedbacks in accordance to the board's scope of work, rights and knowledge.

## II. RESULTS OF THE BUSINESS AND OPERATION SUPERVIZING

### 1. On the company's financial and accounting situation

The BOS agrees with the financial report as prepared by the BOM and reviewed by A&C Auditing Agency. The report was conducted in a reasonable manner, suitable with existing accounting standards and mechanism.

Target	Unit: VND		
	2014	2015	Increase/decrease
Total assets	4,033,135,074,051	6,379,501,757,101	2,346,366,683,050
Liabilities	2,270,024,531,669	2,378,387,430,734	108,362,899,065
Owner's equity	1,763,110,542,382	4,001,114,326,367	2,238,003,783,985
Pre-tax profits	37,986,592,467	720,134,384,903	682,147,792,436
After-tax profits	30,118,203,095	641,358,447,736	611,240,244,641

The BOS analyzed and reviewed the financial report, which was finished by 31 December 2015. After discussion with the finance and accounting department, we come up with the conclusion as follows: The company abided by the regulations of standard accounting and mechanism in the conducting of accounting tasks, recording and doing financial reports in a manner that guarantees the characteristics of correctness, honesty and reasonability.

The company's financial report was also validated by the independent A&C Auditing and Consulting Agency. The 2015 balance sheet is an honest and reasonable reflection of the company's financial situation on 31 December 2015. As such, the company's business operation and monetary circulation in 2015 is in line with Vietnamese standard accounting as well as related regulations.

### 2. Supervisory results on the Board of Management and Board of Directors

Via the supervisory and reviewing activities, the BOS sees that the BOM and BOD's management abides by existing laws and regulations, the company's rules and the resolutions of the annual General Meeting of Shareholders.

#### • The Board of Management

- The BOM supervised closely and gave timely guidance to the BOD in their management of the company's business; the BOM also looked into the implementation of the resolutions as approved by the General Meeting of Shareholders.
- The BOM's decrees were issued in line with its scope of functions and rights as well as with the resolution of the General Meeting of Shareholders; all abiding to the company's regulations, the Law of Enterprises and other legal regulations.
- The BOM organized regular and sudden meetings as per regulated in order to deploy the supervision and orientation of the company's business operation;
- In 2015 the BOS did not receive any claim from the shareholders on the misconducting of the BOM;

#### • The Board of Directors

The BOD carried out well its responsibilities of managing the company as decided by the BOM; during the year the BOD performed review, addition, adjustment and improvement some of the procedures in business operations as well as guarantee the compliance to the laws. The BOD showed great efforts in improving the working system, upholding middle-managers capability via the power distribution tied with responsibilities and specific criteria, enhancing cooperation to achieve general results. The BOD also performed sufficient policies for the workforce as well as policies and budgets for social welfare. They contributed

greatly to the building of an agreeable, solidary and friendly atmosphere within the company, helping to the satisfactory completion of the business task and plans as outlined.

### 3. The coordination among the BOS, BOM and BOD

The BOS cooperated closely with the BOM and BOD while guaranteeing the rule of staying independent and objective in performing the tasks given to the BOS as well as in cooperating in reviewing, supervising and controlling activities internally.

The BOM and BOD created favorable conditions for the BOS to perform its review and supervision responsibilities and other tasks as participating in the meetings of the BOM and BOD, in which these two units provide sufficient information and materials related to the company's operation.

The BOD and the accounting department are always concerned with the improvement, correction and dealing with shortcomings in the activity of managing accounting and finance. Related departments cooperated to provide information, documents and give explanations, etc. upon the BOS's queries and they showed their willingness to listen to the feedback from the BOS.

### 4. Remarks

The company's investment and business operations in 2015 were stable, efficient, leading to high revenue and profits.

The BOS did not find out about any subnormal cases in the operation of the company. All the operation of investment, business and spending, etc. comply with the requirements of internal management system. The regular progress meetings help provide timely solutions to problems as well as provide good recommendations in order to enhance the company's efficiency in operations. Overall, the BOM and BOD's guidance and management in business operation are in line with the existing laws and the company's rules and regulations.

However, it is expected that the BOM and BOD will enhance their management and coordination activities, making favorable conditions for the company to develop stably, reach and exceed the financial targets assigned by the General Meeting of Shareholders, guaranteeing maximum benefits for the company and shareholders.

The company needs to complete the system of procedures and process as well as the decentralization of power in order to increase productivity and internal efficiency.

The company needs to enhance supervisory capabilities and efficiency via the department of internal controls.

### III. THE BOARD OF SUPERVISORS' PLAN FOR 2016

After the 2016 Annual General Meeting of Shareholders, the BOS will work out specific action plan in line with the BOS's scope of functions and responsibilities as well as the regulations in the Law of Enterprises and the company's rules.

Supervise and review each and every business activity and direction of the BOM as well as the guidance of the board of executives. At the same time, the BOS will maintain the supervision and review of the performance in leadership and management of each member of the BOM and BOD.

The BOS will review, analyze and appraise on a quarterly basis the company's performance via financial reports. Exact timing and contents for each occasion will be informed to the BOM, BOD and functional departments in order for these units to provide relevant information, documents and materials.

At the end of the financial year, the BOS will report its process of supervisory activities in accordance with the company's rules of organization and operation before the Annual General Meeting of Shareholders. Apart from that, in case of any evidence of the violating of laws and the company's rules, the BOS will conduct thorough review based on our functions and then give information to the BOM so as to come up with solutions, at the same time reporting this event to the General Meeting of Shareholders.

The BOS has shown great efforts in order to perform our functions and responsibility to the highest order, contributing to the completion of the overall target of increasing efficiency for the enterprise, improving life standards for the workforce as well as safeguarding the rights of shareholders.

Above is the report on the BOS's performance in 2015, submitted to the 2016 Annual Meeting of Shareholders.

Sincerely,

ON BEHALF OF THE BOARD OF SUPERVISORS

TEAM LEADER



NGUYEN THANH VAN



TRANSPARENCY AND EFFICIENCY  
FOR BLOSSOM SUCCESS

# INTERNATIONAL INVESTMENT BRAND ENHANCEMENT

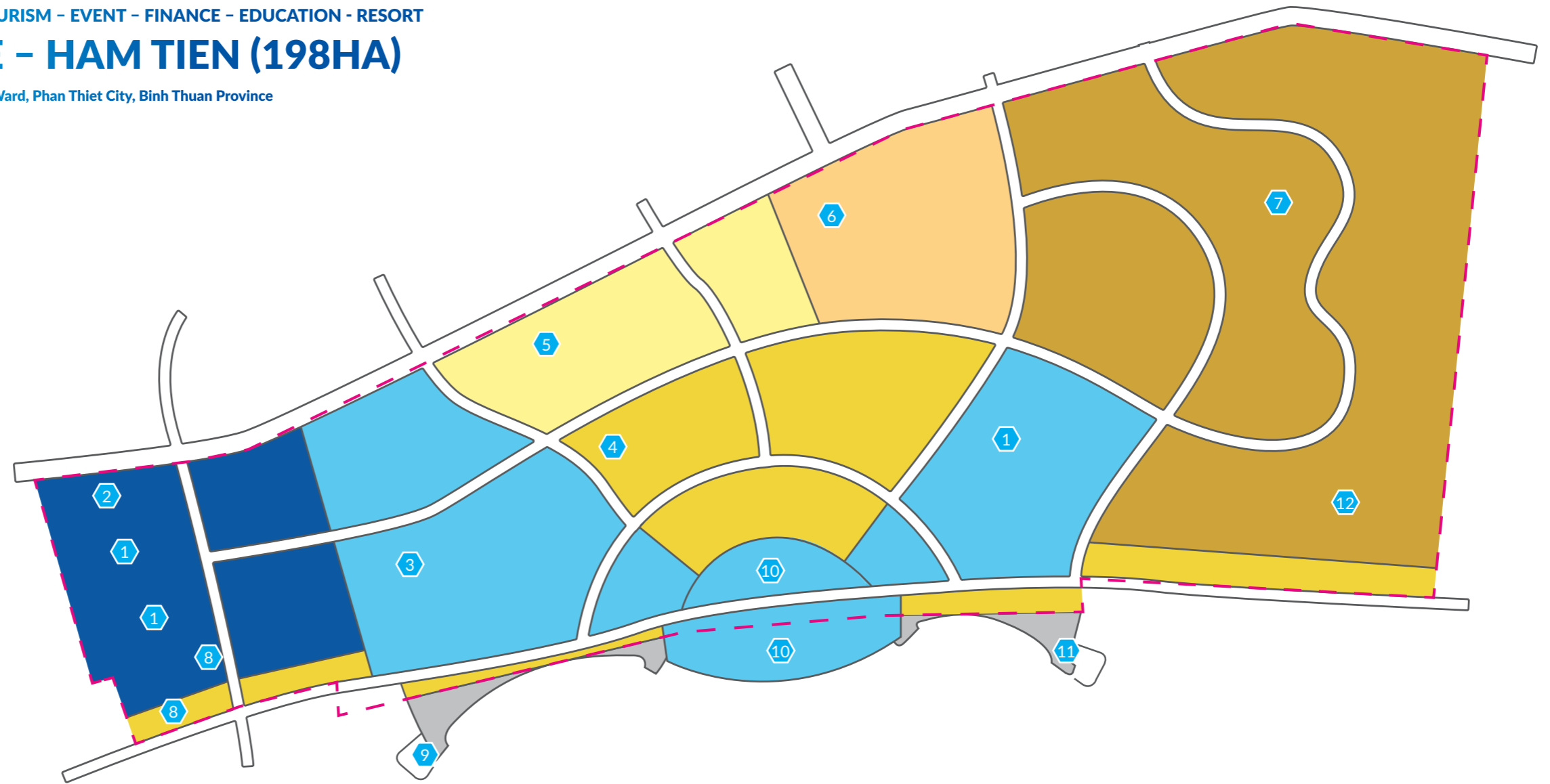


## CENTER FOR TOURISM - EVENT - FINANCE - EDUCATION - RESORT MUI NE - HAM TIEN (198HA)

Location: Ham Tien Ward, Phan Thiet City, Binh Thuan Province

- Land for internal use
- Bus station
- Land for sports events
- Land for commerce - service purposes
- Land for financial purposes
- Land for educational purposes
- Land for resort
- Sand
- Local border

1. Walking street
2. Bus stations at the beginning of arterial roads
3. Amusement park
4. Premium commerce and service sector
5. Finance sector
6. Education - Training sector
7. Green park with religious works
8. Land for staff use and for tourism
9. Quays for water sports
10. Sea square with a sector for religious activities
11. Boat station
12. Resort



# REAL ESTATE INVESTMENT ACTIVITIES



With 15 years of experience in real estate and with a strategic vision toward stable development, Hoang Quan has pushed forward investment in social housing, taking it as the key product. Currently Hoang Quan is the pioneer in developing social housing throughout the South with a total of fifteen focus projects and more than 15,000 apartments introduced to the market.

With a persistence to pursuit the orientation of supplying social housing for the majority of people, Hoang Quan sees this as a potential and safe segment.

Given the recovery of real estate market, the strong increase in consumers' purchasing power, especially the need for apartments under VND 1 billion, the need for social housing and worker housing in industrial zones is huge. While there is an enormous supply in premium apartments, social housing does not seem to be of interest to investors. With a resolution to create real products that

meet real needs of customers, combined with strong supporting policies from the Government for this segment, Hoang Quan deployed multiple sizable social housing projects and has achieved extremely promising results. Profits from social housing are not quite attractive but safe because the investors receive support from the banks and in at least five years from now, policies for social housing remain unchanged.

Towards 2016, many experts expect a supply redundancy in premium segment. Prevention and risk control policies for the real estate market will also put middle and premium segments before multiple challenges. Meanwhile, social housing is still an open door that is enjoying positive support from the Government, which makes it an attractive pie to take just a piece. Given the pioneering position and strong brand in this segment, Hoang Quan is going to grasp this opportunity and push toward more investment in social housing.

Beside social housing as the key product, Hoang Quan is also investing in different forms of real estate such as commercial housing (The Urban - Mekong Delta University Zone, Binh Minh Riverside Urban Zone, Grandora Tower, etc.) and a chain of clean industrial zones including Binh Minh Industrial Zone (Vinh Long, 162ha), Ham Kiem I Industrial Zone (Binh Thuan, 146.2ha). At the same time, Hoang Quan is cooperating with Indochina Real Estate Investment and Development Company to build Golden King Commercial - Service - Office building in the Phu My Hung Urban Zone (HCMC). Taking advantage of the opportunities coming from trade agreements such as the Trans-Pacific Strategic Economic Partnership Agreement (TPP), Vietnam-EU Free Trade Agreement (VEFTA) and ASEAN Economic Community (AEC), Hoang Quan will take the investment wave with huge capital flow into Vietnam by the head to make more groundbreaking leaps in the coming time.

## INVESTMENT EFFICIENCY

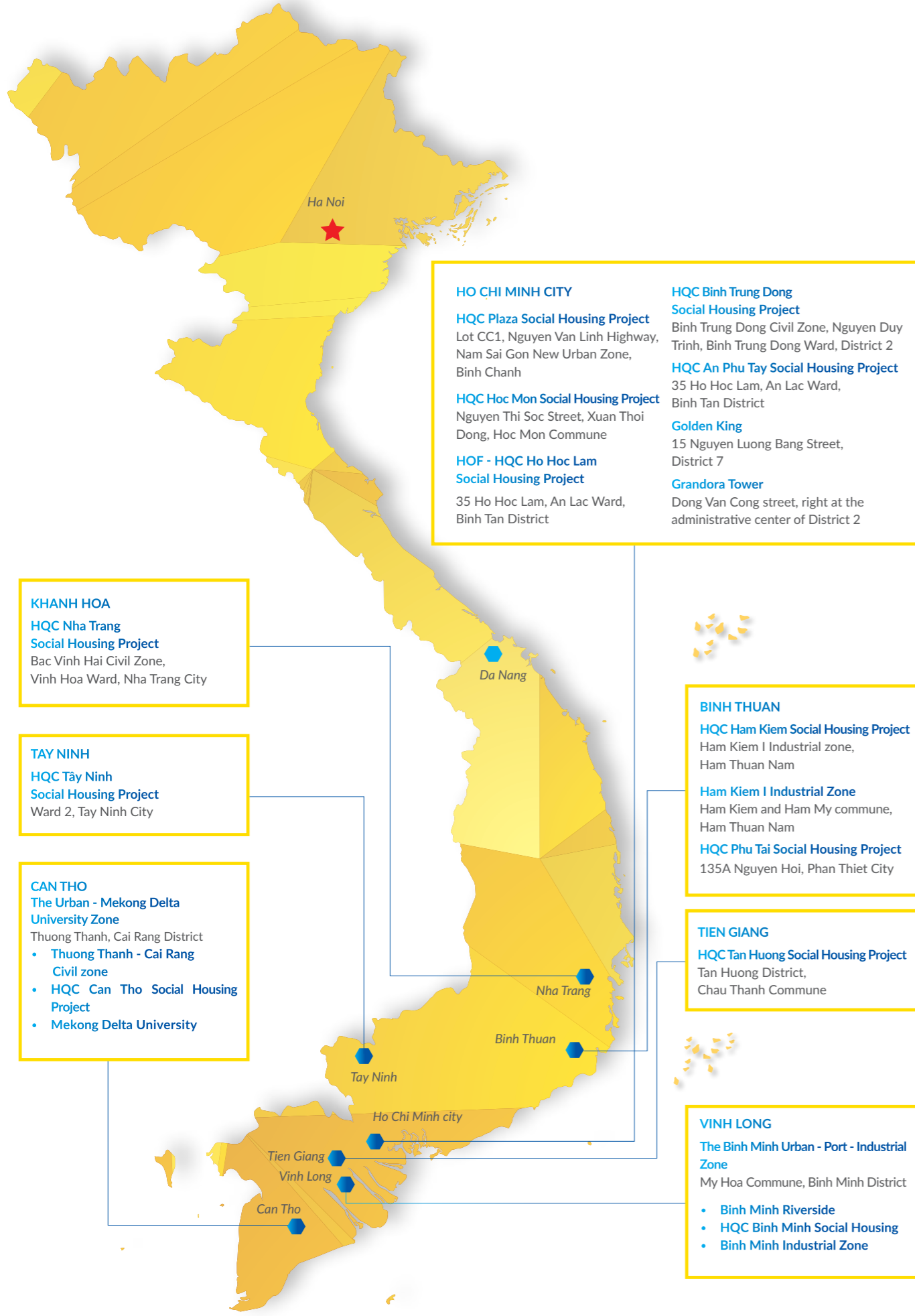
Up to now, encouraging results obtained from investment activities in social housing serve as good evidence for the correctness of Hoang Quan's direction and strategy. In 2015, profits from business activities of the company achieved VND 387 billion, exceeding the targets and is 5.4 times higher than 2014. Needless to say, these are impressive figures.

At Thuong Thanh - Cai Rang Civil Zone within The Urban - Mekong Delta University Zone (Can Tho), Hoang Quan has delivered apartments to customers since the beginning of 2015 and this zone is forming a civilized and modern community. As regards to social housing, Hoang Quan is also delivering apartments to customers at 2 social housing projects of HQC Plaza and HQC Hoc Mon (HCMC). For other social housing projects, the construction progress is under control, guaranteeing the target of supplying the market with at least 10,000 apartments per year.

For industrial real estate, Binh Minh and Ham Kiem I Industrial Zones have been attracting the attention of local and international investors and are occupied more than 50% of all the available room; of which about 20 projects have been effective with partners such as

Logitem Management and Investment Company of Japan Logistics Corporation, Truong Long Technical and Car JSC, Thach Anh Binh Minh JSC, Ngoc Thu Trading and Service of Sea Products Company, An Phu Irradiation Company, Fine Fruit ASIA Company, Hong Phu Foods JSC, Dai Dong Hoa Company, etc. Both industrial zones boast enormous land database, synchronized infrastructure and complete traffic system; besides there are multiple preferable conditions in tax, design costs for factories or warehouses - these advantages make the two zone well prepared to welcome a wave of investors coming to Vietnam when the free trade agreements come into life.

As for Golden King Tower, rough construction is done; the exterior is being completed as well as other last construction items. The building will be ready for use since Quarter II/2016. Given the enormous customer base from the partner Indochina Real Estate Company, Golden King is expected to be occupied by 70% of its available area for rent right after completion.



## HQC PLAZA SOCIAL HOUSING PROJECT



**Gross land area:** 35,290.3m<sup>2</sup>  
**Completion time:** Quarter II/2016  
**Total investment capital:** VND 1,450 billion

By the end of March 2016, HQC Plaza Social Housing will have sold more than 1,720 on the total of 1,735 apartments and will have completed 100% apartments in the two blocks of HQ1 and HQ2 to deliver to customers. The whole project is expected to complete by end of April 2016. For disbursement, up to 18 February 2016, 1,119 customers buying apartments in HQC Plaza had received disbursement from the banks with the total amount of VND 512.8 billion. 1,242 applications have received disbursement from the banks.

On the part of the company, BIDV disbursed for Hoang Quan VND 477.3 billion on the committed amount of VND 540 billion. As such, HQC Plaza has received the disbursement of VND 990.1 billion.

VND  
**1,450** billion

Investment capital

**149,221** m<sup>2</sup>

Gross floor area

**Investor:**  
Hoang Quan Consulting - Trading - Service Real Estate Company

**Location:** Lot CC1, Nguyen Van Linh Highway, Nam Sai Gon New Urban Zone, Binh Chanh, HCMC.

The project is located at Nguyen Van Linh Highway, the arterial road of the western gate of HCMC. The site is only 500 meters away from the National Road 1A, hence it is easy to connect directly with the Highway Sai Gon - Trung Luong that heads to provinces in the Mekong Delta. Especially, with complete traffic infrastructure, it takes the residents at this apartment block just five minutes to go from HQC Plaza to Vo Van Kiet main road to connect with the center of HCMC, and ten minutes to go to Phu My Hung Urban Zone.

Together with the breeding ground, HQC Plaza also belongs to the general planning of the Nam Sai Gon Zone beside the wholesale market Binh Dien, nearing D and E block of Phu My Hung zone, facing the International University, next to Big C Supermarket, Mien Tay Bus Station, The City's Children Hospital, Trieu An Hospital, France - Vietnam Hospital, etc. As a matter of fact, the residents here inherit a series of facilities and services making for a modern life and meeting the demands for trading and service activities as well as educational opportunities in international environment.

**Project Scope:**

- The project includes four apartment block from 23 - 24 storeys, built on a floor area of 35,290m<sup>2</sup>
- Constructional area: 11,214.68m<sup>2</sup>
- Gross constructional floor area: 149.221,54m<sup>2</sup>
- Building density: 33%.
- Total number of apartments: 1,735
- Apartment area:  
- Apartment with two bedrooms and two toilets: 54.9m<sup>2</sup> and 69.9m<sup>2</sup>

**Project facilities:**

HQC Plaza is invested with outstanding facilities to ensure more convenient and modern life for the residents. Details are as follows:

- A commercial center
- Amusement park, sports park, walking street
- A general clinic
- A kindergarten
- Green park, swimming pool, tennis ground, children park

Besides, the residents will also enjoy a series of facilities, services and public entertainment in the neighborhood including Big C Supermarket, Mien Tay Bus Station, The City's Children Hospital, Trieu An Hospital, France - Vietnam Hospital, etc.

## HQC HOC MON SOCIAL HOUSING PROJECT



**Investor:**  
Hoang Quan Consulting – Trading – Service Real Estate Company

**Location:** Nguyen Thi Soc Street, Xuan Thoi Dong, Hoc Mon Commune (facing Hoc Mon wholesale market of agricultural products).

HQC Hoc Mon is located at the center of Hoc Mon Commune, where there is complete modern infrastructure. This site is only 200 meter from National Road 22, the arterial road connecting HCMC center with Cu Chi, Moc Bai – Tay Ninh. It takes only seven minutes to go from here to the administrative center of Hoc Mon Commune, Hoc Mon Hospital, Metro Supermarket, Coopmart Supermarket, Quang Trung Software Technology Zone. It takes five minutes to An Suong intersection and twenty-five minutes to the center of HCMC.

### Project Scope:

- Scope: Base floor, 4 commercial storeys, 14 apartment storeys
- Total number of apartments: 562
- Apartment area: 42.2m<sup>2</sup> – 69.9m<sup>2</sup>
- Constructional area: 5,531m<sup>2</sup>
- Green park area: 1,747.3m<sup>2</sup>
- Constructional floor area: 70,560m<sup>2</sup>

### Project facilities:

- Security system operative 24/7 and a team of professional guards.
- Modern supervising camera system.
- Modern firefighting system.
- Spacious parking lot at the basement, elevator system, utility services, high speed wi-fi internet, cable TV.

- A chain of luxurious cafeteria and restaurants, together with a chain of supermarkets that are ready to meet each and every demand of the residents.
- A green park.

**Completion time:** Quarter II/2016  
**Gross land area:** 11,899.3m<sup>2</sup>  
**Total investment capital:** VND 554,9 billion

By end of March 2016, HQC Hoc Mon has sold all of the apartments, rough construction completed 50%. For disbursement, up to 18 February 2016, 243 customers of HQC Hoc Mon received disbursement from the banks with the total amount of VND 70 billion. 257 applications have been given disbursement from the banks.

VND  
**555** billion  
Investment capital  
**70.560** m<sup>2</sup>  
Gross floor area

## HOF-HQC HO HOC LAM SOCIAL HOUSING PROJECT



**Investor:**  
HCMC Housing Development Fund  
(Hoang Quan Consulting – Trading – Service Real Estate Company cooperates to invest and construct this project and is allowed to do business on 4 per 6 apartment blocks)

**Location:** 35 Ho Hoc Lam, An Lac Ward, Binh Tan District, HCMC.

HOF - HQC Ho Hoc Lam is the connecting point between the developed and dynamic urban zones of HCMC like the districts 1, 5, 11, Tan Binh District and the new urban zone in the western south of Binh Tan District near An Lac intersection, the strategic traffic gate in the western south of the city.

HOF - HQC Ho Hoc Lam is located on Ho Hoc Lam street at the center of Binh Tan District, nearing District 8 and convenient for connecting with two main roads of Vo Van Kiet and National Road 1A that lead to the city center or provinces in the Mekong Delta.

The site is also near the existing Tan Tao civil zone and the public administration zone, the People's Procuracy, the People's Court, the district's law enforcement team, etc. The neighbourhood enjoys complete infrastructure and it is easy to go to Big C An Lac Supermarket, Mien Tay Bus Station, Binh Tay market, Dam Sen Cultural Park, etc. Apart from that, it is also very convenient to go to big industrial zones such as Pou-Yuen, Tan Tao, Le Minh Xuan, etc.

### Project Scope:

- Scope: 1 basement, 1 half storey, and 6 15-storey blocks
- Total number of apartments: 718
- Apartment area: 46m<sup>2</sup> - 69m<sup>2</sup> (2 - 3 bedrooms)

### Project facilities:

- HOF - HQC Ho Hoc Lam boasts internal facilities such as commercial center, green park, kindergarten, sports park, swimming pool, cafeteria, etc.
- With complete traffic infrastructure, from the project site it is easy to get access to existing community public services such as Big C An Lac Supermarket, Mien Tay Bus Station, Binh Tay market, Dam Sen park, etc. This will boost up facilities to make the residents' life more modern and convenient.

**Total land area:** 12.382,5m<sup>2</sup>  
**Gross floor area:** 71.118,9m<sup>2</sup>  
**Completion time:** Quarter II/2017  
**Investment capital:** VND 664 billion

VND  
**664** billion  
Investment capital  
**71.119** m<sup>2</sup>  
Gross floor area



## HQC BINH TRUNG DONG SOCIAL HOUSING PROJECT



**Investor:**  
Hoang Quan Consulting – Trading – Service Real Estate Company

**Location:** Lot O, Binh Trung Dong Civil Zone, Nguyen Duy Trinh, Binh Trung Dong Ward, District 2, HCMC.

HQC Binh Trung Dong Social Housing boasts good location, surrounded by Giong Ong To river, facing two streets of Nguyen Duy Trinh and Do Xuan Hop as well as the Rach Chiec sports center. Located along the Sai Gon – Long Thanh highway (200m), the site enjoys a developed traffic system in Dong Sai Gon, connected to major economic zones such as Thu Thiem Commercial Zone in District 2, Nam Sai Gon Urban Zone in District 7. It is near the markets, schools and existing civil zones, convenient for doing business.

**Scope:** HQC Binh Trung Dong contributes to the completion of the civil planning of District 2. The project has 1 basement and 15 storeys with a total of 260 apartments.

**Project facilities:**

- Security system operative 24/7 and a team of professional guards.
- Modern supervising camera system.
- Modern firefighting system.
- Spacious parking lot at the basement, elevator system, utility services, high speed wi-fi internet, cable TV.

- A chain of luxurious cafeteria and restaurants, together with a chain of supermarkets that are ready to meet each and every demand of the residents
- Health care sector, multiple-purposed sports center, etc.

**Total land area:** 4,299.8m<sup>2</sup>  
**Gross floor area:** 26,719.1m<sup>2</sup>  
**Start time:** Quarter II/2016  
**Total investment capital:** VND 350 billion

VND  
**350** billion

**Investment capital**

**26.719** m<sup>2</sup>

**Gross floor area**

## HQC AN PHU TAY SOCIAL HOUSING PROJECT



**Investor:**  
Hoang Quan Consulting – Trading – Service Real Estate Company

**Location:** An Phu Tay District, Binh Chanh Commune, HCMC. This project belongs to the general planning for An Phu Tay – Tan Quy Tay.

**Scope:**

- Total number of apartments: 311
- Number of blocks: 2
- Apartment area: 55.3m<sup>2</sup> – 65.2m<sup>2</sup>

**Project facilities:**

The blocks are fully equipped to meet the needs of the residents, including:

- Amusement park, sports park, walking street.
- General clinic.
- Kindergarten.
- Green park, swimming pool, tennis ground, children park.

**Total land area:** 7,722m<sup>2</sup>  
**Gross constructional floor area:** 24,871m<sup>2</sup>  
**Start time:** Quarter II/2016  
**Investment capital:** VND 206 billion

VND  
**206** billion

**Investment capital**

**7.722** m<sup>2</sup>

**Gross floor area**

## HQC NHA TRANG SOCIAL HOUSING PROJECT



**Investor:**  
Hoang Quan Consulting – Trading – Service Real Estate Company

**Location:** Bac Vinh Hai civil zone, Vinh Hoa Ward, Nha Trang City, Khanh Hoa Province

- Located facing to four directions pointed to the streets Tran Quang Dieu, Trinh Hoai Duc, Dang Thai Than and Thoi Ngoc Hau
- Next to Nha Trang sea
- 10 minutes from the center of Nha Trang City
- 300 meters from the northern bus station
- 700 meters from Vinh Hai market
- Near Nha Trang University, Center II College of Kindergarten Teacher Training, College of Tourism

**Project scope:**

- 4 blocks: A1-A2 with 15 storeys each; B1-B2 with 18 storeys each
- Total number of apartments: 1,002
- Apartment area: 46.3m<sup>2</sup> – 69.9m<sup>2</sup> (2-3 bedrooms)
- Block area 6,493m<sup>2</sup>
- Green and flower space area: 2,179m<sup>2</sup>

**Project facilities:**

With a view to serve the residents at the maximum level, HQC Nha Trang focuses on the deployment of internal facilities such as: kindergarten, general clinic, sports house, children house, community house, cafeteria, restaurants, etc. Apart from that, the blocks are also equipped utilities services, water supply and sewage, cable TV, communication, firefighting system.

**Total land area:** 10,842m<sup>2</sup>  
**Gross constructional floor area:** 92,484m<sup>2</sup>  
**Completion time:** Quarter IV/2016  
**Total investment capital:** VND 645 billion

By end of March 2016, HQC Nha Trang has sold nearly 800 per 1,002 apartments. The blocks are building up to storey 7. For disbursement, by 18 February 2016, 528 loan applications from customers have been approved by the banks, of which 163 have received disbursement at the total amount of VND 15 billion.

VND

**645** billion

**Investment capital**

**92,484** m<sup>2</sup>

**Gross floor area**

## HQC PHU TAI SOCIAL HOUSING PROJECT



**Investor:**  
Binh Thuan Housing Construction and Trading Joint Stock Company

**Location:** 135A Nguyen Hoi, Phan Thiet City

- 5 minutes from central Phan Thiet City
- 10 minutes from Thuong Chanh beach

**Project scope:**

- Two 14-storey blocks
- Total number of apartments: 306
- Apartment area: 43,1m<sup>2</sup> - 60,1m<sup>2</sup>
- Total surrounding area: 3,773.5m<sup>2</sup>
- Green area: 647,94m<sup>2</sup> (17.17%)
- Block area: 1,673m<sup>2</sup> (44.34%)

**Project facilities:**

HQC Phu Tai meets basic needs for facilities, including centralized commercial zone, green park, community house, and parking lot.

**Total land area:** 10,75ha

**Gross constructional floor area:** 23,005m<sup>2</sup>

**Completion time:** Quarter IV/2016

**Total investment capital:** VND 168 billion

By end of March 2016, social housing HQC Phu Tai has sold more than 146 per 306 apartments. It is being built up to storey 7.

VND

**168** billion

**Investment capital**

**23,005** m<sup>2</sup>

**Gross floor area**

## HQC HAM KIEM SOCIAL HOUSING PROJECT



**Investor:**  
Hoang Quan Binh Thuan Consulting – Trading – Service Real Estate Company

**Location:**  
Located in Ham Kiem I Industrial Zone, Ham Thuan Nam District, Binh Thuan Province. The site is convenient of traffic that connects to factories in the industrial zone.

- 5km from Muong Man Station
- 9km from Phan Thiet City

- Project scope:**
- 19 blocks ranging from 7 – 12 storeys
  - Total number of apartments: 3,186
  - Total surrounding area: 13.54ha
  - Apartment area: 35m<sup>2</sup> - 55m<sup>2</sup>
  - Total constructional area: 174,894m<sup>2</sup>
  - Green area: 9.500m<sup>2</sup>

**Project facilities:**  
Kindergarten, swimming pool for children, green park, football yard, sports zone, centralized commercial zone, restaurants, parking lot.

**Total land area:** 13.54ha  
**Completion time:** Quarter IV/2019  
**Total investment capital:** VND 1,045.4 billion



VND  
**1,045.4** billion

**Investment capital**

**174,894** m<sup>2</sup>

**Gross floor area**

## HQC TAN HUONG SOCIAL HOUSING PROJECT



**Investor:** Hoang Quan Consulting – Trading – Service Real Estate Company

**Location:** HQC Tan Huong is located at Tan Huong District, Chau Thanh Commune, Tien Giang Province. The site is next to the industrial zones of Tan Huong and Long Giang. It also belongs to the key economic sector of the Western South region.

With strategic location and more and more complete traffic infrastructure, from HQC Tan Huong it takes just 20 minutes to go to the center of My Tho City. It is also easy to connect to National Road 1A, highway HCMC – Trung Luong that lead to major urban centers of the nation such as Can Tho City and HCMC.

**Scope:** eighteen 10-storey blocks, divided into 3 zones of CN1, CN2, CN3

- Total number of apartments: 3,057
- Apartment area: 34m<sup>2</sup> – 56m<sup>2</sup>
- Total surrounding area: 60,490m<sup>2</sup>
- Green area: 12,266m<sup>2</sup>
- Block constructional area: 29.267m<sup>2</sup>
- Building density: 48.38%

**Project facilities:**  
HQC Tan Huong is fully equipped with facilities to meet the need for a modern life of the residents such as parks, community house, commercial center, sports park, kindergarten, restaurants, cafeteria, etc.

**Total land area:** 60.5ha  
**Gross constructional floor area:** 205,395m<sup>2</sup>  
**Start time:** Quarter II/2016  
**Total investment capital:** VND 952.3 billion



VND  
**952.3** billion

**Investment capital**

**205,395** m<sup>2</sup>

**Gross floor area**

## HQC BINH MINH SOCIAL HOUSING PROJECT



**Investor:**  
Hoang Quan Mekong Consulting – Trading – Service Real Estate Company

**Location:**  
Located right at the center of the complex of Urban area – Port – Industrial zone of Binh Minh (162ha), next to two rivers of Dong Thanh and Hau, lying beside National Road 1A, right at the foot of the Can Tho bridge. This site is considered the center of Mekong Delta region.

**Project scope:**

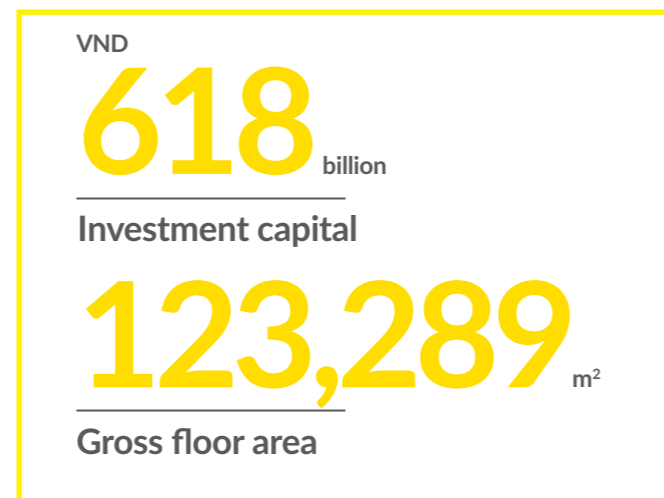
- HQC Binh Minh is built on an area of 39,138.6m<sup>2</sup>, including four 7-storey blocks with usage area of: CC1 – 13,524.1m<sup>2</sup>; CC2 – 7,494.2m<sup>2</sup>; CC3 – 9,037.8m<sup>2</sup> and CC4 – 9,082.5m<sup>2</sup>.
- Total number of apartments: 1,863

**Project facilities:**

- Fully equipped to satisfy the needs of the residents, including:
- Amusement park, sports park, walking street.
- General clinic.
- Kindergarten, restaurant, cafeteria, commercial center
- Green park, tennis ground, children park.

**Total land area:** 39,138.6m<sup>2</sup>  
**Gross constructional floor area:** 123,289m<sup>2</sup>  
**Completion time:** Quarter IV/2017  
**Total investment capital:** VND 618 billion

By end of March 2016, social housing HQC has completed the building of the foundation.



## HQC TAY NINH SOCIAL HOUSING PROJECT

**Investor:**  
Hoang Quan Consulting – Trading – Service Real Estate Company

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

**Project scope:** HQC Tay Ninh includes 12-storey blocks, divided into two sectors (excluding basements and terraces)

**Total land area:** 50,478m<sup>2</sup>  
**Gross constructional floor area:** 181,295m<sup>2</sup>  
**Green park:** 9,137m<sup>2</sup>  
**Project facilities:** Kindergarten, community house, commercial center, swimming pool, parking lot  
**Expected investment time:** Quarter II/2016  
**Total investment capital:** VND 1,022 billion



## HQC CAN THO SOCIAL HOUSING PROJECT

**Investor:** Hoang Quan Can Tho Consulting – Trading – Service Real Estate Company

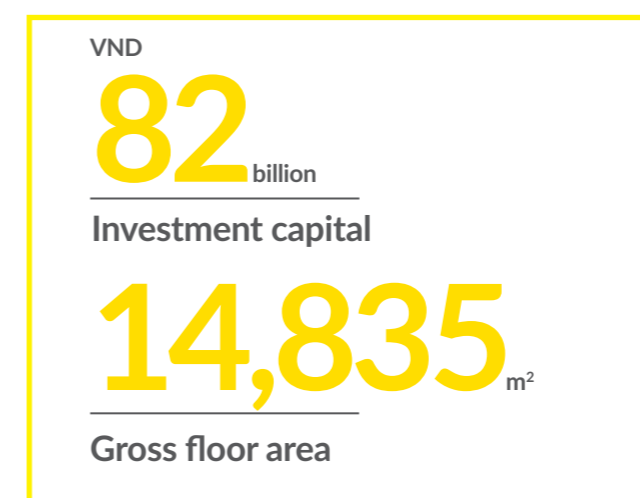
**Location:** Thuong Thanh Ward, Cai Rang District, Can Tho City

**Total investment capital:** VND 82 billion

**Project scope:** HQC Can Tho includes 9-storey block with the total number of 295 apartments

**Facilities:** Community house, green park, parking lot, next to the Mekong Delta University and other existing facilities in the neighborhood of Thuong Thanh civil zone.

**Total land area:** 5,258.7m<sup>2</sup>  
**Gross constructional floor area:** 181,295m<sup>2</sup>  
**Expected completion time:** Year 2017



## BINH MINH RIVERSIDE



**Investor:**  
Hoang Quan Mekong Consulting – Trading – Service Real Estate Company

**Location:**  
The project site is located within the Binh Minh complex of Urban – Port – Industry (My Hoa Commune, Binh Minh Town, Vinh Long Province)

Binh Minh Riverside is one of the most modern and potential urban zones in the Mekong Delta. It boasts a strategic location next to National Road 1A, Can Tho Bridge, only 7 minutes from the center of Can Tho City and 15km from Tra Noc airport.

**Project scope:** 40ha  
The project is a complex of commercial center, apartments, villas, and ecological park.

**Project facilities:**  
The project has multiple types of design with various house models and types of architectures such as: one-storey villas with one basement, 2-storey terraced houses with one basement, three-storey terraced houses with one basement, etc.

The project site is planned in synchronization with ecological park, riverside walking street, commercial center, sports center, restaurants, hotels, kindergartens, vocational schools, etc. It is next to an operative industrial zone.

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



## THUONG THANH - CAI RANG CIVIL ZONE

**Investor:**  
Hoang Quan Can Tho Consulting – Trading – Service Real Estate Company

**Location:**  
The project site is located in Thuong Thanh Ward, Cai Rang District, Can Tho City on the front of National Road 91C. It is 1km from the center of Cai Rang District, next to the center of Can Tho City. The Thuong Thanh Civil Zone (7.3ha) is combined with three other component projects of Thuong Thanh Civil Zone extension (7ha), Social housing sector (10.7ha) and the Mekong Delta University (5ha). Altogether they will form into a general complex of urban zone and the Mekong Delta University with the total area of 30ha.

**Project scope:**  
525 2-storey houses, each has an area of less than 70m<sup>2</sup>.

**Project facilities:**

- Each terraced house boasts separate space with individual modern, elegant and luxurious design. Especially, each has broad view, taking advantage of the wind direction and natural light, bringing about the most healthy and perfect life to the residents.
- Apart from existing facilities for the neighborhood of Can Tho City, this project also inherits the modern social and technical infrastructure of an urban area with natural surrounding. It is equipped fully with facilities such as the Mekong Delta University, mini supermarket, market, kindergarten, park, children park, volleyball yard, tennis yard, football yard, riverside cafeteria, restaurants, etc.

**Total land area:** 7.3ha

**Total investment capital:** VND 331.3 billion

**Completion time:** Up to now, more than 500 houses have been delivered to customers, fully equipped with traffic infrastructure, internet, utilities services.



## HAM KIEM I INDUSTRIAL ZONE



**Investor:**  
Hoang Quan Binh Thuan Consulting – Trading – Service Real Estate Company

**Location:** Ham Kiem and Ham My Communes, Ham Thuan Nam District, Binh Thuan Province.

**Project scope:** 146.2ha

**Project facilities:**

- Electricity and water supply systems that satisfy the needs of secondary investors (there currently are water supply station and electricity supply station at the industrial zone).
- Rain water and waste water sewage system, firefighting system, internal roads: Completed.
- Water process factory: Operative.
- Customs and bank agencies are established within the industrial zone

- Telephone with 5,000 different numbers, fax, band-width internet.
- Vocational school, job brokerage agency, social housing, kindergarten, logistics services.

**Investment advantages:**

- Huge supplies of water and sea materials as well as fruits.
- Location: connected to four types of traffic (on land, railway, water way, airway).
- Infrastructure: synchronized and complete in accordance to international standards.
- Floor: ready for delivery.
- Hard floor: low cost
- Labor cost: cheap
- Government support.
- Transparent investment environment.
- Investment favorable conditions:
  - Land lease fee: preferable
  - Flexible payment methods
- Preferable treatment in tax:
  - Business income tax charge: free tax for two years, 50% reduction of tax for the following 4 years.
  - Exports and imports taxes.
  - Tax on profit transfer overseas.
- Free-of-charge support: consulting on investment and investment procedure (business register certificate, investment certificate), human resource management register, seals, tax codes.
- Othe support: 50% reduction of fee for the design service of factories; support in recruitment and workforce training, product and brand promotion on TV as well as multiple support of Binh Thuan authorities.

**Total investment capital:** VND 273 billion

VND  
**273** billion

**Investment capital**

**146.2** ha

**Project scope**

## BINH MINH URBAN - PORT - INDUSTRIAL ZONE



**Investor:** Hoang Quan Mekong Consulting – Trading – Service Real Estate Company

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

**Project scope:** 162ha

Of which: Industrial Zone: 90 ha; Harbor Zone: 42ha; Binh Minh Riverside Civil and Service Zone: 30ha.

**Project facilities:**

- Electricity and water supply systems that satisfy the needs of secondary investors (there currently are water supply station and electricity supply station at the industrial zone).
- Rain water and waste water sewage system, firefighting system, internal roads: Completed.
- Waste water process factory: at the first stage the factory's capacity is 2,200m<sup>3</sup>/day and night; for the second stage 2,800m<sup>3</sup>/day and night.
- Custom agency, bank agency, post office, clinic, commercial center, restaurant, amusement park, sports zone, school, social housing, logistics warehouse, all are built within the industrial zone.

**Investment advantages:**

- Located at the center of Mekong Delta.
- Convenient traffic (water way, land way, airway, railway – all are incorporated in the plan).
- Next to Binh Minh Port – logistics system.
- Apartments for specialists and workers in the industrial zone.
- Next to the center of distribution and consumption of the Mekong Delta (the consumption market of the western south of the South makes up for more than 17 million people).
- Various natural resources (water and sea products, fruits).
- Plentiful human resource.
- Modern and complete infrastructure in the industrial zone.
- Transparent investment environment.
- Customers of this industrial zone include big names such as Logitem Management and Investment Company of Japan Logistics Corporation, Greenfeed Viet Nam Company.

**Investment favorable conditions:**

- Flexible payment methods
- Favorable conditions in tax:
  - Business income tax charge: free tax for 2 years, 50% reduction of tax for the following 4 years. Especially there is special treatment for companies operating in high technology.
  - Exports and imports taxes.
  - Tax on profit transfer overseas.
- Free-of-charge support: consulting on investment and investment procedure (business register certificate, investment certificate), human resource management register, seals, tax codes.
- Othe support: 50% reduction of fee for the design service of factories; support in recruitment and workforce training, product and brand promotion on TV as well as multiple support of Vinh Long authorities
- Other support from the Investor and local authorities.

**Total investment capital:** VND 460 billion

VND  
**460** billion

**Investment capital**

**162** ha

**Project scope**

## GOLDEN KING

**Investor:** Indochina Real Estate Investment and Development Company  
(Hoang Quan Mekong Consulting – Trading – Service Real Estate Company cooperate in investment)

**Location:** 15 Nguyen Luong Bang Street, District 7, HCMC

**Project scope:**

- Golden King is built on the gross floor area of 41,765.8m<sup>2</sup>. Building density is about 77.87% (the low-rise sector) and 57.72% (the tower sector).
- Golden King has 2 basements and 21 storeys.

**Total commercial area for rent:** 5,580m<sup>2</sup>

**Total office area for rent:** 17,878m<sup>2</sup>

The two basement boasts a total area of 3,791m<sup>2</sup> satisfying the parking needs for customers coming to the commercial center as well as for the workforce at the office zone of the building.

**Project facilities:**

Golden King is equipped with multi-purposed and modern facilities, including:

- High speed elevators, backup electricity, firefighting system (fire tracking and fire alarm), lightning-proof system, exit system and light exit system, etc.
- Available facilities in Phu My Hung zone such as: green park, premium cafeteria, health care zone, multi-purposed sports center, etc.

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

**Gross constructional floor area:** 41,765.8m<sup>2</sup>

**Completion time:** Quarter II/2016



VND

**950** billion

Investment capital

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

Gross floor area

## GRANDORA TOWER

**Investor:**

Hoang Quan Consulting – Trading – Service Real Estate Company

**Location:**

- Located at Dong Van Cong street, right at the administrative center of District 2, the most developing part of HCMC.
- Apart from breeding location, Grandora Tower owns and inherits many modern facilities that could make other projects envy. Some of which include: neighboring Thu Thiem New Urban Zone and many other premium high apartment buildings, Rach Chiec Sports Center, Metro An Phu Supermarket. This site is an ideal settlement, only 10 minutes from District 1 and Phu My Hung, District 7 via highway Dong Tay, Thu Thiem Vault, and Phu My Bridge.

**Project scope:**

- Premium apartment building Grandora Tower has the total surrounding area of 4,990.7m<sup>2</sup>, building density of 29.6% and gross constructional floor area of 19,082m<sup>2</sup>.
- In total, the project is a 12-storey building with 99 apartments of 76 - 140m<sup>2</sup> each. The apartments have various styles, suitable with the modern life of successful young families.

**Project facilities:**

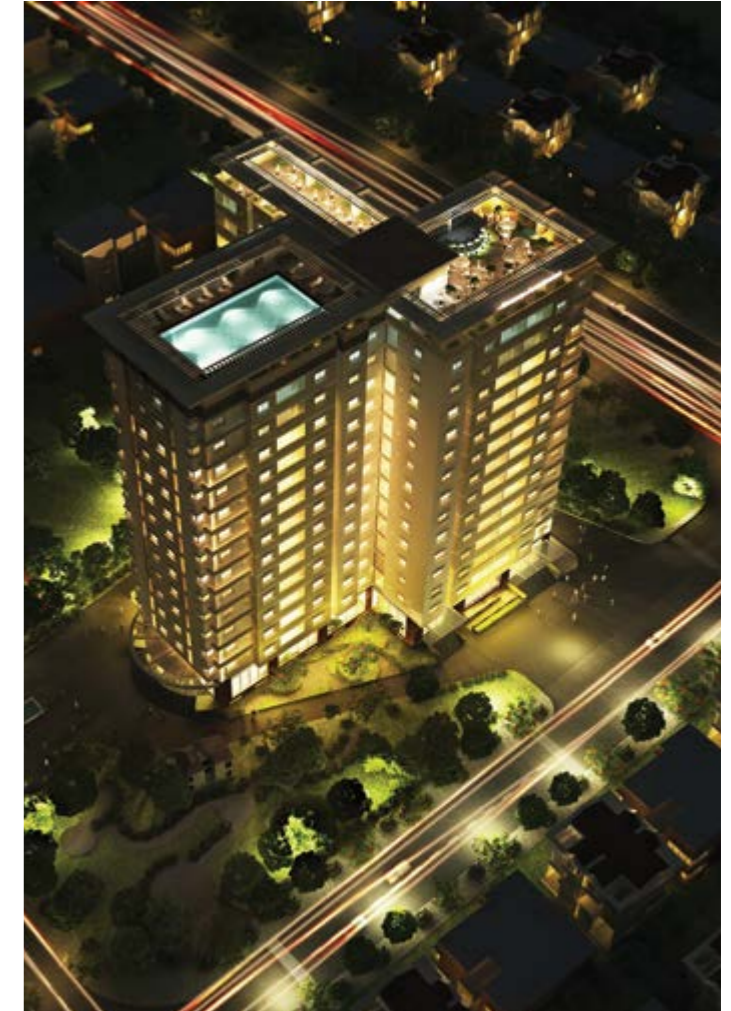
- The commercial center at the basement serves exclusively the needs of the residents. Parking basement, service and commercial sector and the public area all contribute to the formation of a comprehensive total for a modern, separate and high quality life.
- Premium facilities such as swimming pool, gym center, cafeteria, etc.
- Other modern and quality facilities such as: internet wifi, HD television, modern elevator system, water supply and sewage system, telecommunication system, firefighting system. This creates an ideal space for a modern life at the heart of the city.
- Smart camera system and a professional guarding team operating 24/7.
- Automatic fire alarm system to assure the residents.

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

**Gross constructional floor area:** 19,081.7m<sup>2</sup>

**Completion time:** Quarter II/2016

**Total investment capital:** VND 99.4 billion



VND

**99.4** billion

Investment capital

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

Gross floor area

## EDUCATION INVESTMENT ACTIVITIES



Hoang Quan Group is active in investing in education sector, bearing in mind that investing in education means investing in the future of the country and in the society in a stable manner, at the same time optimizing the facilities for the residents living in the project sites of the company.

### INVESTMENT RULES AND PURPOSES

Beside investment activities in real estate and finance, education is an important sector and a focus for Hoang Quan to develop. Our objectives include:

- Contributing to the development of the country's education, the building of a foundation of young intellectuals and the cultivation of future generations.
- Meeting the needs for education and training, completing facilities, maximizing life values at the projects deployed by Hoang Quan.

With these criteria, Hoang Quan has deployment the investment in the Mekong Delta University, Long An University of Economics and Industry, Phan Thiet University, Institute for Development of Talents and Human Resources (ITH), Western Southern Asia Vocational School of Economics and Technology, Mui Ne Tourism Vocational School, etc. We have also invested in the system of kindergartens at the company's project's sites. Especially, in

2010, Hoang Quan Group established the Hoang Quan Learning Promotion Fund in order to encourage learning and talents, accompanying with the students on their learning journey.

### INVESTMENT EFFICIENCY

So far Hoang Quan's policies in education investment has been creating enormous values with far-reaching impact in the communities.

Long An University of Economics and Industry, Phan Thiet University, ITH, Western Southern Asia Vocational School of Economics and Technology, Mui Ne Tourism Vocational School have all been going into operation, supplying quality workforce for local markets. In Can Tho, Mekong Delta University has been completed and is planning for the 1<sup>st</sup> phase of recruitment. Mekong Delta University is aimed to be one of the modern and biggest universities in the Mekong Delta with highly qualified teaching staff and curriculums of international standards.

In addition, the system of kindergartens in HQC Plaza, HQC Hoc Mon, HQC Nha Trang, HQC Binh Minh, etc. will also be put into use since 2016, meeting the educational needs of the residents also contributing to the comprehensive development of the projects' facilities.

At the same time, Hoang Quan Learning Promotion Fund has positive and dynamic activities. Since its foundation, the Fund has contributed more than VND 6 billion to the education promotion funds of other organizations. In 2015 alone, the Fund contributed more than VND 2.3 billion. In the meantime, at each civil project site deployed by the company, the Fund established a scholarship fund exclusively for the children of the residents.



## MEKONG DELTA UNIVERSITY



**Investor:** Hoang Quan Consulting – Trading – Service Real Estate Company

**Total investment capital:** VND 350 billion

**Area:** 5ha

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

**Project scope:**

- The site includes an administration section, a management section, a special department that cover: managerial zone, the hall, sports center (3 storeys), hostel (fulfilling up to 20% of total students), department of economics and accounting management, department of science, department of construction, department of information technology (5 storeys).
- In 2016, the university will recruit the first generation of students with a total number of 3,000 students for the 1<sup>st</sup> phase and 10,000 students for the 2<sup>nd</sup> phase.

VND

**350** billion

**Investment capital**

**5** ha

**Project scope**

## LONG AN UNIVERSITY OF ECONOMICS AND INDUSTRY

**Location:**

National Road 1A, Khanh Hau Ward, Tan An City, Long An Province

**Project scope:**

Long An University of Economics and Industry is a multi-sectored one with different levels. Currently the university is offering 23 majors with 40 lecture hall with the capacity of 5,000 students per session, 500 modern computers, a library of 1,500m<sup>2</sup> and more than 10 laboratories.

## PHAN THIET UNIVERSITY

**Head quarters:** 268 Nguyen Thong, Phan Thiet City, Binh Thuan Province

**Project scope:**

Phan Thiet University has an area of nearly 4ha including 6 departments, a human resource center, a sports center, a hostel (fulfilling up to 400 students), and a system of restaurants, hotels and ecological tourism sector.

Phan Thiet University is the first and only university in Binh Thuan Province. Beside its headquarters in 268 Nguyen Thong, the university is extended and building its second establishment of nearly 5ha on 706B street, Phu Tai Ward, Phan Thiet City, Binh Thuan Province.

## INSTITUTE FOR DEVELOPMENT OF TALENTS AND HUMAN RESOURCES (ITH)

**Headquarters:** 254 Le Trong Tan, Tay Thanh Ward, Tan Phu District, HCMC

**Overall description:** ITH is an organization of science and technology belonging to Vietnam Association of Development of Talents and Human Resources. The organization was established in accordance with the Law of Science and Technology. The organization is headed by Associate Professor cum Ph.D. Bui Ngoc Oanh.

**Functions:**

- Organizing the research of different topics, applying and deploying achievements and results in scientific and technological research locally and internationally to develop talents and human resources.
- Organizing the activities of human resources and talents training.
- Organizing the activities of consulting, service, propaganda, and communication of scientific knowledge in human resources and talent training.

## MUI NE TOURISM VOCATIONAL SCHOOL

**Area:** 32,069m<sup>2</sup>

**Address:** 268 Nguyen Thong, Phu Hai Ward, Phan Thiet City, Binh Thuan Province

**Project scope:** The school can organize the training for 3,000 students at the same time with a system of 18 lecture halls, 3 computer rooms, a multimedia room, a laboratory and a sports center.

## WESTERN SOUTHERN ASIA VOCATIONAL SCHOOL OF ECONOMICS & TECHNOLOGY

**Total investment capital:** VND 6.5 billion

**Address:** 254 Le Trong Tan, Tay Thanh Ward, Tan Phu District, HCMC

**Project scope:**

The school boasts a total area of use of 7,940m<sup>2</sup>, 94 functional rooms including learning room, halls, library, theory learning room, experiment room, computer room.

The school offers 11 major fields with 20 special field. The school can organize the training of 4,000 students at the same time. The school has been operative since 2007.

# FINANCE INVESTMENT ACTIVITIES

## INVESTMENT RULES AND PURPOSES

This is one of the major business lines that Hoang Quan focuses on with the purpose of connecting the system power and increasing competitive advantages in the wider and deeper integration of Vietnam into global economy.

Each subsidiary and member company is identified as one of the important point in a chain of various fields, forming a closed real estate investment system from brokerage to design, appraisal and legality. Based on this subsidiary and member company system with high qualification and capabilities as well as professionalism, Hoang Quan Group has gradually increase investment efficiency, reduce cost and product price while guaranteeing customers of high quality products fully equipped with services and facilities necessary for a modern life.

With the mission of a pioneer, Hoang Quan does not only focus on individual product or service but also make great efforts to bring about differentiated values to customers and shareholders. As a matter of fact, Hoang Quan gives special interest in M&A activities with companies of good tracking records and which are owing good and efficient projects in order to bring in economic benefits to shareholders, those have trust in the company and have accompanied the company in the development journey.

## INVESTMENT EFFICIENCY

This is a sector that has contributed greatly to Hoang Quan's business results. Especially since Quarter IV/2015, after swapping stocks with shareholders at target companies, Hoang Quan has been strengthened via the merger with the four companies including: (1) Hoang Quan Binh Thuan Consulting - Trading - Service Real Estate Company, (2) Hoang Quan Can Tho Consulting - Trading - Service Real Estate Company, (3) Binh Minh Port Joint Stock Company and (4) Indochina Real Estate Investment and Development Joint Stock Company.

A critical illustration is the transfer of capital investment in Indochina Real Estate Investment and Development Joint Stock Company has brought to Hoang Quan good amount of profits.

In parallel, other financial investments have also been creating profits, dividends as well as other types of income for the ultimate performance of the company.



# SUBSIDIARIES, MEMBER COMPANIES AND FINANCIAL INDEXES

## HOANG QUAN CAN THO REAL ESTATE INVESTMENT COMPANY

Address	27-29 Quang Trung, Phu Thu Ward, Cai Rang District, Can Tho City		
	Tel: (0710) 3917 696 - Fax: (0710) 3917 693		
Business lines	Real estate, real estate transaction, real estate services, project investment, investment, infrastructure construction.		
Charter capital	400,000,000,000	Revenue	126,879,974,936
Ownership ratio	97%	Profits	9,696,240,771

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

Address	198 Nguyen Hoi, Phan Thiet City, Binh Thuan		
	Tel: (062) 3722 722 - Fax: (062) 3722 727		
Business lines	Main business lines: renting land at industrial zones, doing business on accompanying services in the industrial zones, real estate brokerage.		
Charter capital	323,501,000,000	Revenue	15,075,574,033
Ownership ratio	96.5%	Profits	3,029,690,940

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

Address	46 Thoai Ngoc Hau, Vinh Hoa Ward, Nha Trang City, Khanh Hoa Province		
	Tel: (0586) 277 277 - Fax: (0586) 299 299		
Business lines	Real estate trading, trading land use rights of owners, owners of land usage or rent		
Charter capital	120,000,000,000	Revenue	2,852,803,183
Ownership ratio	40%	Profits	171,678,577

## VIET ARCHITECT JOINT STOCK COMPANY

Address	274 Huynh Van Banh, Ward 11, Phu Nhuan District, HCMC		
	Tel: (08) 3991 5180 - Fax: (070) 3991 5181		
Business lines	Architecture and consulting activities		
Charter capital	10,000,000,000	Revenue	21,692,233,877
Ownership ratio	40%	Profits	934,088,284

## BINH MINH PORT JOINT STOCK COMPANY

Address	My Hung Hamlet, My Hoa Commune, Binh Minh District, Vinh Long		
	Tel: (070) 3752 567 - Fax: (070) 3752 599		
Business lines	Goods transport, renting warehouse, housing construction		
Charter capital	600,000,000,000	Revenue	120,275,957,746
Ownership ratio	96.5%	Profits	3,186,977,283

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

Address	97- 99 Pham Thai Buong, Ward 4, Vinh Long City, Vinh Long		
	Tel: (070) 3852 020 - Fax: (070) 3852 012		
Business lines	Main business lines: renting land at industrial zones, doing business on accompanying services in the industrial zones.		
Charter capital	320,000,000,000	Revenue	74,127,558,146
Ownership ratio	32%	Profits	395,370,581

## TU CUONG MANUFACTURE AND COMMERCE COMPANY

Address	268 Nguyen Thong, Phu Hai Ward, Phan Thiet City, Binh Thuan Province		
	Tel: (062) 3722 722		
Business lines	Real estate trading, trading land use rights of owners, owners of land usage or rent		
Charter capital	33,000,000,000	Revenue	200,000,000
Ownership ratio	40%	Profits	10,601,154

## TAY NINH URBAN CONSTRUCTION AND DEVELOPMENT JOINT STOCK COMPANY

Address	90 Nguyen Thai Hoc, Block 4, Ward III, Tay Ninh City, Tay Ninh Province		
	Tel: (066) 388 7887 - Fax: (066) 3826 480		
Business lines	House building		
Charter capital	60,000,000,000	Revenue	66,197,815,623
Ownership ratio	44%	Profits	6,702,069,587

## BINH THUAN CONSTRUCTION AND TRADING HOUSE JOINT STOCK COMPANY

Address	198 Nguyen Hoi, Phan Thiet City, Binh Thuan		
	Tel: (062) 3722 722 - Fax: (062) 3722 727		
Business lines	Real estate trading, house construction.		
Charter capital	30,000,000,000	Revenue	255,546,654,825
Ownership ratio	37%	Profits	10,974,054,863

## HOANG QUAN PRICE APPRAISAL COMPANY

Address	270 Huynh Van Banh, Ward 11, Phu Nhuan District, HCMC		
	Tel: (08) 3844 3396 - Fax: (08) 3844 3396		
Business lines	Asset value appraisal, asset and real estate auction service, real estate brokerage		
Charter capital	5,000,000,000	Revenue	13,612,554,424
Ownership ratio	32%	Profits	90,062,984

## WESTERN SOUTHERN ASIA VOCATIONAL SCHOOL OF ECONOMICS AND TECHNOLOGY

Address	254 Le Trong Tan, Tay Thanh Ward, Tan Phu District, HCMC		
	Tel: (08) 2246 2511		
Business lines	Asset value appraisal, asset and real estate auction services, real estate brokerage		
Charter capital	4,592,393,370	Revenue	1,909,405,600
Ownership ratio	20%	Profits	9,450,251

## MEKONG DELTA UNIVERSITY

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

Address	268 Nguyen Thong, Phu Hai Ward, Phan Thiet City, Binh Thuan Province		
	Tel: (062) 246 1372 - (062) 371 9089		

## LONG AN UNIVERSITY OF ECONOMICS AND INDUSTRY

Address	National Road 1A, Khanh Hau Ward, Tan An City, Long An Province		
	Tel: (072) 3512 826 - Fax: (072) 3512 825		

## MUI NE TOURISM VOCATIONAL SCHOOL

Address	268 Nguyen Thong, Phu Hai Ward, Phan Thiet City, Binh Thuan Province		
	Tel: (062) 246 1372		



**A STABLE LIFE  
A SUSTAINABLE COMMUNITY**

**Sustainable development**

- Sustainable development report
- Orientation for sustainable development
- Sustainable development management
- Sustainable development from corporate's perspective
- Sustainable development the market's perspective
- Sustainable development the society's perspective
- Sustainable development criteria in line with GRI's



# INTRODUCTION ON SUSTAINABLE DEVELOPMENT REPORT

## a. Scope of the report

Sustainable Development Report 2015 is implemented across the company including the head office and branches, transaction offices and does not include affiliates in Hoang Quan system.

Due to since the Quarter IV/2015 the Company started consolidating with 3 subsidiaries so the scope of the Sustainable Development Report 2015, does not include:

1. Hoang Quan Binh Thuan Consulting - Trading - Service Real Estate Company
2. Binh Minh Port Joint Stock Company
3. Hoang Quan Can Tho Investment - Real Estate Joint Stock Corporation

The report reflects the results of activities set up in the reporting period which fiscal year ended on 31 December 2015 on the territorial scope of Vietnam.

## b. Applied standards

Sustainable Development Report 2015 was built in the first time based on sustainable development reporting guidelines of the Global Reporting Initiative (Global Reporting Initiative, - GRI). The report is presented in accordance with Guidelines 4, focusing on the areas of Economic Development, Employment, Education and Training and Community Activities.

## c. Contact Information on the Report

Report contents are posted on the Company website:  
<http://hoangquan.com.vn/shareholdersrelations/>

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# ORIENTATION ON SUSTAINABLE DEVELOPMENT



In the trend of globalization, with strong integration of Vietnam with the international economy, Hoang Quan Group aware that sustainable development activities are increasingly interested. In particular, the responsibility of organization for the benefits of stakeholders such as employees, shareholders, customers, partners, the community etc. is an important core content.

**a. Impacts, risks and opportunities**

Hoang Quan Group is a multidisciplinary company operates mainly in the 3 sectors which are Real Estate - Education - Finance and has made a significant contribution to the real estate market in Vietnam, especially the type of social housing. The Company's activities have a direct or indirect impacts to the 3 main target groups are: Internal Organization, Markets, Society.

**b. Sustainable development goals:**

With the goal of becoming a leading company in Vietnam operating multidisciplinary, multi-sector in which it took Real Estate - Education - Finance as the main industries, creating sustainable development. The Company builds the goal of creating a positive influence to 3 objective groups: Organization, Markets, Society.

**c. Sustainable development model**

To achieve sustainable development goal, the company set out specific principles for stakeholders:



# GOVERNANCE ON SUSTAINABLE DEVELOPMENT

## 1. GOVERNANCE MODEL ON SUSTAINABLE DEVELOPMENT



## 2. PARTICIPATION OF RELEVANT PARTIES

Content of sustainable report is based on the level of interest of the company and relevant parties by collecting information from shareholders/investors, customers, employees, the media, authorities/associations, local communities.

### Shareholders/Investors

Annual General Meeting of Shareholders  
Meet the shareholders and investors directly  
Exchanged by phone, email to Investor Relations Department

### Customer

Meet to exchange directly  
Receiving information from the Customer Care Department  
Exchange through email, telephone

### Employee

Periodic review meetings  
Weekly live activity under the flag  
Mailing comments to the Board of Directors

### Public Relations

Meet and answer interview  
Exchanged by phone, email to Communication Department  
Press Release

### Management agencies and associations

Participate in the conferences, workshops held by the Government, Ministries, Sectors, Management agencies.  
Participate in activities in associations: EuroCham Association - European Business Association in Vietnam, Vietnam Real Estate Association, etc. and many other associations which are presented in detail in the part of Overview about Hoang Quan.

### Local Community

Support for scholarships for pupils, students  
Participate in activities on share with the community, social security, Gratitude etc.

After a review of opinions and responses of the parties to be consulted, the Company identifies important relevant parties including **shareholders/investors, customers, employees, management agencies and associations, Local Commodities.**

Although 2015 is the first year in which Hoang Quan implements Sustainable Development report under GRI guidelines, the Company determined to make a report fully and

in correct focus, identify correctly the relevant parties who have important level, high expectations for the Company. On that basis, Hoang Quan identifies key issues presented in the Sustainable Development Report 2015, which will be reviewed and improved after the report.

## RESULTS ON CONSULTATION PROCESS OF RELEVANT PARTIES

Important relevant parties	Elements of interest	Feedback from organization	Report content	Indicators of GRI
Shareholders/ Investors	• Dividends	• Maintaining stable dividends	• Affect to market	G4-EC1
	• Share price	• Strengthen corporate governance, increase investment efficiency		
	• Transparency information	• Provide information fully, timely, transparently		
Customers	• Product quality	• Improving the quality of products, services and utilities	• Affect to market	G4-PR2
	• Timely handover	• Require contractors to apply new technologies to accelerate the construction schedule		
Employee	• Salary and welfare policy	• Guaranteed wage and welfare policy for employees	• Affect to internal organization	G4-EC3 G4-LA10
	• Human Resource Development Policy	• Organize training to improve knowledge and skills for staff		
	• Promotion opportunities	• Quarterly staff assessment and on that basis to propose salary increase for employees or promote to staff having management capacity		
Management organization and associations	• Compliance with laws	• Risk management	• Macroeconomic prospects and Risk Management	G4-EC1
	• Market Development Contribution	• Positive contribution of market development	• Affect to society	
	• State budget contribution	• Compliance obligations to the State	• Responsibility for State	
Community	• Developing future generations	• Maintain and develop Hoang Quan Study Promotion Fund	• Share with the community	G4-SO1
	• Share with difficult circumstances	• Regularly participate in social welfare programs, community activities		

# REPORT CONTENT

## A. FOR INTERNAL ENTERPRISE

### 1. Financial Growth

In 2015, results of business activities of the company has considerable grown step with total revenue of VND 1,947 billion, including revenue from sales and service supplies accounted for 73%. Regarding to profit, without including commercial disadvantage from the acquisition of subsidiaries, the profit of the year reached VND 336.4 billion, increased by 11 times compared to 2014 and is the highest growth rate in the period of 2010-2015.

To achieve business results, the Company has completed 8% dividend plan which was approved by the General Meeting of Shareholders in 2015 as well as contributing to ensure the economic benefits for the employees.

Capital of the Company increased from VND 2,000 billion to VND3,950 billion, total assets and total capital resources increased 57% over the same period last year, to VND 6,379 billion.

Regarding to operating expenses, compared to the 2014 Cost of sales increased 27.9% compared to 2014 while revenue growth increased to 332% which is 12 times higher than the cost increases.

With the proper orientation of the Board of Management and the acumen of the Board of Directors, to seize the opportunities has helped the company to overcome difficulties and challenges; business results gradually grew positive changes and gained growth in 2015 to be highest in the period of 2011-2015.

Targets	2011	2012	2013	2014	2015
<b>Total Assets</b>	<b>2,733.7</b>	<b>2,718.6</b>	<b>3,140</b>	<b>4,033.1</b>	<b>6,379.5</b>
Current assets	1,680.7	1,660.6	2,116.1	2,694	4,315.3
Long-term assets	1,053	1,058	1,023.9	1,339.1	2,064.2
<b>Total liabilities</b>	<b>1,959.9</b>	<b>1,965.7</b>	<b>2,184.2</b>	<b>2,270</b>	<b>2,378.3</b>
Short-term liabilities	1,800	1,382.2	1,539.2	1,384	1,845.4
Long-term liabilities	159.9	583.5	645	886	532.9
Owner's equity	712.6	752.9	955.9	1,763.1	4,001.1
Profit before tax	40.5	24.3	30.1	37.9	720.1
Profit after tax	16.5	19	23	30.1	641.4

For gained achievements and consolidated experiences, the Company has a solid foundation to continue to maintain its pioneering position at the social housing, affirms the trade name prestige and expand trade segment investment aimed at sustainable benefits for shareholders, while implements well their responsibilities to partners, customers, community and the state budget.

#### Revenue structure

In 2015 the proportion of revenue is mainly from Real estate business activities accounted for 87% of total revenue. Besides, financial investment also contributed significantly to the 13% of total revenue.

#### Structure of total assets

Structure of total assets at the time of 31 December 2015 is allocated primarily in the form of accounts receivable. Much of the receivable value is the amount which the house buyers have to pay for Company. This amount was disbursed in installments by the bank so its recoverability is very high.

The following large proportion is long-term financial investments accounted for 25% of total assets. These are investments, capital contributions to associated companies and joint ventures.

### 2. Ensure the employee's benefits

Human resources play a basically vital role for the sustainable development, so Hoang Quan ensures policies of salary, allowances and benefits in order to facilitate for employees to work safely, sticking together sustainable development strategy of the Company.

#### Salary policy

Understand that the salary mechanism is always the first concern of employees, Hoang Quan has built synchronous, unified and comprehensive salary policy, comprehensive on the basis of the contributions of employees and the work quality to improve the labor efficiency, attracting and maintaining staff, good employees.

The company evaluated the work done under the KPI based on work objectives, results of the work implementation of individuals, divisions, departments. In particular, the salaries of employees including salary, insurance premiums and allowances for work completion.

#### Reward policy

To encourage employees to fulfill the work well to contribute to the business results of the company, Hoang Quan Company has issued a reward policy including: Rewards for work efficiency, 13th month salary bonus; bonus for revenue exceed, rewards for innovations in engineering and management.

Every quarter, the Company has policies of rewarding achievement based on the work completion level of staff that has achievements or achievements or initiatives in production and business activities.

At the end of each fiscal year, based on the results of business activities, the Company has policies to reward the units, collectives and individuals that achieve outstanding achievements during the year with the aim of:

- Reward according to the level of fulfillment of collective or personal goals, creating work motivation.
- Create a healthy emulation environment for staff to promote their potential, promote strong development of the company.
- Meeting the needs of being recognized from the staff, as a means to widely publicize achievements and the efforts of collectives, individuals which staff has shown.

In addition, the company also rewards on the holidays (Solar New Year, Lunar New Year, Liberation Day, Labor Day, National

Day, etc.) The reward level based on production and business efficiency of the company during the year, time and extension of the contribution of each individual, department or unit.

#### Policies care the employee's life

Not only being concerned about the salary and reward policies, Hoang Quan both also focuses on welfare policy in order to motivate and improve the spiritual life to help employees get on with the company.

In addition to the welfare policies as stipulated by the State, the company also combines with the Trade union to implement other welfare policies to employees, such as mid-shift meal allowance, regimes of visiting sick employees, death, birthday, sightseeing - resort, periodic medical examinations, marriage, marriage allowance, maternity allowance etc.

In addition, the company also has supported allowances of fee of going on business, severance pay, allowance for difficulties etc. while ensuring the regimes of social insurance, health insurance, unemployment insurance, periodic medical checkup, 24/24 accident insurance for employees.

In particular, the company has contentment settlement mode to support staff when wishing to purchase apartments in the projects invested and developed by Hoang Quan.

To create cohesion of collective spirit for officers and employees, the Company organizes annual vacation, culture - sport - fine art activities and sport movements, take care of the physical and spiritual life for employees. Thereby, to create motivation to promote relationships of exchange, learning, sharing experiences which are environment to help staff closer together, renewable labor energy and raise labor productivity, work efficiency.

#### Occupational safety

Hoang Quan Company always creates safe working conditions with adequate facilities and necessary equipment at the office and at the project site.

Compliance with standards for occupational safety: law on occupational safety, sanitation No. 84/2015/QH13, the National technical standards for safety in construction No. NTR 18: 2014/BXD in the projects.

Put safety factor on top, regular training, reminding employees about occupational safety in the construction process, work at construction sites.



**3. Human Resource Development**

*Recruitment Policy*

Recruitment policy in Hoang Quan is set according to the process and based on the first principle is "Right people - Right work".

With the aim of recruiting the staff who are dedicated, enthusiastic and fully energetic, the recruitment policy of the company is always looking to diversify sources of candidates with the appropriate skills, experience, high qualifications in line with the job requirements, area always facilitating conditions for new staff to the integration and adapt to the environment and the work fastest.

*Training Policy*

Hoang Quan Company organizes regularly training courses with the desire to build a staff team with skilled professionals to meet the needs of higher and higher daily work and increase cohesion among members. Enhance professional skills and expertise for employees to motivate and encourage staff who have capacity to facilitate promotion to higher positions.

Training activities carried out in two forms which mainly are *internal training* and *external training*.

- Internal training: To offer senior experts, industry leaders or leaders of the Company and direct training systems.
- External training: To appoint the officials and staff to participate in training courses to supplement and expand the expertise to develop human resources, thereby to discover and train Internal trainers for the Company.

In 2015, the Company has organized many internal training sessions as well as appointed officials and staff to attend external training; in which, internal training volume occupies the majority.

Most internal training sessions targets at objects who are business staff to update their knowledge about the relevant products, the legislation in order to consult completely and accurately to customers. Business Department in cooperation with the Customer Services Department and the Hoang Quan Law Company to organize Internal training sessions on every monthly period for sales staffs.

In addition, the company also appoints staffs to participate in training sessions held by the agencies, departments and organizations to update their knowledge on real estate law. In particular, aware of its role as a listed company, the company has facilitated for leaders and staff to attend fully training sessions, seminars and training on knowledge about the stock market and responsibly for information disclosure of the enterprise.

Besides, for officials and staffs who wish to participate in the long-term training programs to enhance the professional qualifications, the Company facilitates to arrange appropriate working time, arrange for officials and staffs to participate full training program.

*Recruitment process*



*Training process*



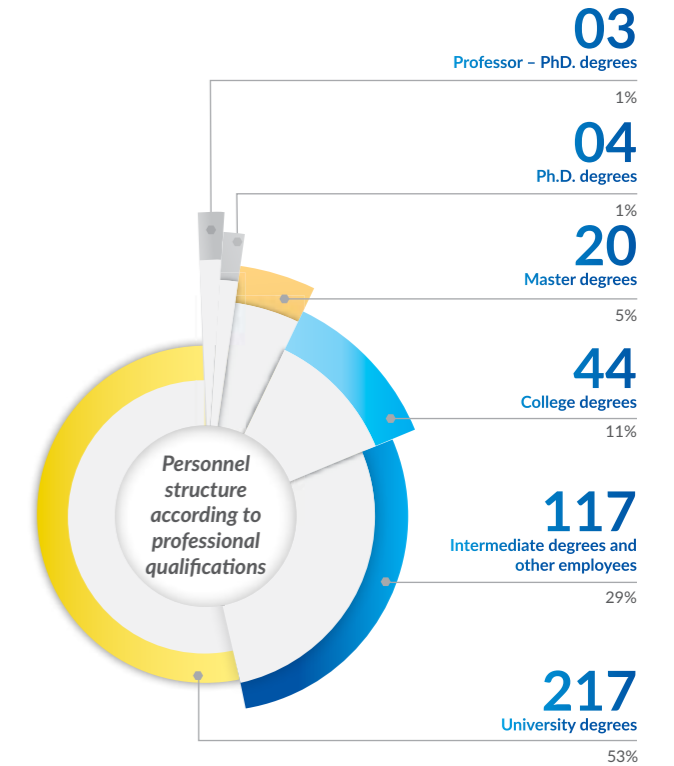
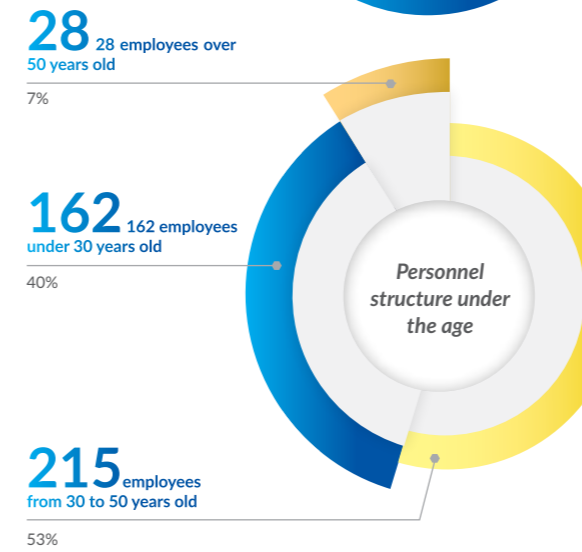
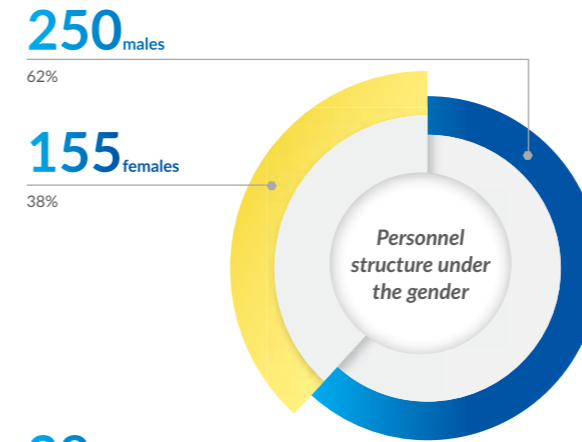
*Human resource development policy*

To develop human resources currently and in the future, the Company has always focused on staff development and seeking prospective candidates to focus on training the leaders of the inheritance.

In addition to the regimes and policies on salaries, bonuses, allowances and other remuneration policy for permanent employees, Leadership of the company strive to create a friendly working environment, professional and willing to listen, share experiences with staff. Thereby encouraging and promoting the initiative and creativity in their work.

In addition to receiving the comments and recommendations of the officials and staff directly or through email, the Leadership also hold the exchange meeting with the Leadership to facilitate for the employees to present the thoughts, aspirations and proposals and proposing the idea of contributing to improving the quality of work.

Besides, the company has always focused on the evaluation of resources, arrangement, appointment and rotation of staff, etc. in accordance with the actual capacity of each phase and has specific human resource strategy.



*Workforce*

In 2015, Hoang Quan Company has strengthened the officials and staff in order to meet development demand, which accounted for mainly sales team.

Criteria	Quantity	Rate
Number of new officials and employees recruited	175	43%
Number of officials and employees leaving job	123	30%
Total officials and employees	405	100%



## B. IMPACT ON THE MARKET

### For Shareholders

With sustainable development strategy aims at maintaining a stable level of dividends for shareholders, in 2015 all officials and staff of Hoang Quan Company strive emulation and contribute to fulfill the business plan, to complete dividend target of 8%. In 2015 the company has spent 30 billion dongs to pay dividends to shareholders.

Besides, for the issue of information transparency provided to shareholders the Company considers enhancing through the work of the Investor Relations Department in charge. Investor Relations work is done on the principle of providing adequate, clear and transparent information and complying with the law.

Investor Relations activities are carried out through various forms such as the General Meeting of Shareholders, Annual Report, Meeting shareholders, investors, securities companies, Disclosure of Information, Press Release, etc. in order to ensure continuity of information.

In 2015, the Company has begun to implement the information provision through the website in two languages which are English and Vietnamese, to meet the needs of information of the shareholders, foreign investors. This is the information channel is the Company's assessment and is particularly important to provide the information of the Company to the broadly international shareholders.

### For Customers / Partners

The company operates mainly in three sectors of Real Estate - Education - Finance. In which investment activity, social housing development of the company brings typicality with a pioneering role in the South Region.

#### Residential area

Real Estate	Education	Finance
<b>Residential Area</b>		
Social housing area	University	Subsidiaries
Trade area	College	Affiliated companies
<b>Real estate for lease</b>		
Industrial parks	Vocational school	
Offices for lease	Kindergarten	



Up to now, Hoang Quan Company has been investing 15 social housing projects in many provinces such as Khanh Hoa, Binh Thuan, Ho Chi Minh City, Tay Ninh, Tien Giang, Vinh Long, Can Tho.

Hoang Quan has supplied 7 social housing projects to the market with a total of 9,372 apartments in provinces such as Khanh Hoa, Binh Thuan, Ho Chi Minh City, Vinh Long contribute to resolve the housing needs for the objects of social housing.

In term of the model of real estate investment which has been standardized, the company strives to bring customers high quality products with reasonable price. At the same time, the company also signed Hoang Quan strategic cooperation contracts with international partners such as Hyundai, LG, Viglacera, etc. to provide quality products to meet the demands of modern life of their residents.

Especially, in the housing projects invested and developed by Hoang Quan are implementing through essential services such as pre-schools - kindergarten, supermarket, garage,

professional building management services help residents feel to live and work in peace and contentment.

#### Real Estate Rental

For partners in the industrial parks and office for lease, the company always provide services and products for lease with reasonable price. Besides the company also assists actively investors in implementing local investment, especially for foreign partners when making investment for factories, logistic services in the industrial parks invested by Hoang Quan.

#### Education

With the aim of contributing to the development of education in the homecountry, building a knowledge foundation for the young generation, at the same time meet the needs of education and training, supply of quality manpower for the local market, Hoang Quan company has invested in the education sector through many grades from University, College, Vocational school and pre-school, kindergarten. In 2015, Hoang Quan

has signed a Memorandum of Coporation on the education development, student exchange, training program with three prestigious universities in Taiwan to improve the quality of education - training in schools invested by Hoang Quan.

#### Social housing market development

For the social housing sector, Hoang Quan Company is a pioneer for exploiting housing segment which is much potential for huge demand for social housing and has achieved many successes. To get the successful social housing projects, Hoang Quan Company was a pioneer in the response to social housing policy by the government, is a leader in issue of accompanying with the State agencies, Departments, Sectors, State bank to find and propose solutions to resolve the difficulties and contribute positively in the development of social housing.

## C. WITH SOCIETY

### Social companion

Is the enterprise operating in the sectors of Real Estate - Education - Finance, Hoang Quan Group always strives to complete business tasks, contributes to build the country's economy better and better. Along with business activities, Hoang Quan Company also expresses a sense of responsibility to the community, accompanying with society, develop future young generations through the establishment of Hoang Quan Learning Promotion Fund, actively participates in activities of education encouragement, talent promotion, social security, gratitude, the program "Memorizing the origin," environmental protection etc. Hoang Quan Learning Promotion Fund was born in 2010, on the occasion of 10th anniversary of establishment of Hoang Quan Company, for the purpose of contribution to general development of the education career of the country. In particular, Hoang Quan Learning Promotion Fund always accompanies with the pupils and students in difficult circumstances, helps reduce the financial burden for them to be assured of learning, the courage to follow their dreams, ambitions to towards a bright future. Sources of funding for the fund's activities have been extracted from the Company's revenues, in particular it is VND 1,000,000 from each apartment sold in all projects.

Since going into operation, Hoang Quan Learning Promotion Fund has allocated more than 6 billion dong, to be awarded scholarships for the Learning Promotion Association, Scholarship Fund of the units, organizations and agencies, departments, Sectors in various localities in country.

In which, especially in 2015, Hoang Quan Company has awarded more than VND 2.3 billion in scholarships to many Scholarship Funds as "Support to go to school 2015" held by the Youth newspaper and Youth Union of Ho Chi Minh City, Scholarship Fund of Hong Bang International University, Ninh Thuan Learning Promotion Association, Binh Thuan Learning Promotion Association, Khanh Hoa Learning Promotion Association, jointly organize the program of Disabled Children Festival in the Third time in Nha Trang, etc.

Besides Hoang Quan Study Encouragement Fund, in each residential project being deployed by Hoang Quan, the Company has established its own scholarship fund for children of residents in the project such as HQC Plaza, HQC Hoc Mon, HQC Nha Trang, HQC Phu Tai, HQC Binh Minh, HQC Ham Kiem, etc. with the amount for operation up to VND 3 billion per year.

Besides the work of study encourage, talent promotion, the company also promotes the activities to share with the community, contribute to social security such as received to take care 5 Vietnamese Heroic Mothers in Tay Ninh and Hoc Mon (Ho Chi Minh City), sponsored VND 300 million for rural roads organized by Youth Union of Ministry of Public Security in Tay Ninh, supported for Campaign board for the poor Fund of Hoc Mon district, sponsored for the program "Full Moon Festival Night" annually to children in Phu Nhuan district etc.

### Environmental Protection

#### Environmental management, energy saving

Hoang Quan considers environmental management is important work, regularly checks and promotes environmental activities in harmony with business activities, campaigns to raise awareness of energy savings at the corporate office and in the project.

Corporate offices are designed in the green - clean trend. Take full advantage of the light, sun, natural wind. Limit use of air conditioning systems, lighting power. Urged officials and employees to have a sense of savings, to avoid wasting electricity, water, paper, stationery etc.

In the project, compliance with regulations, the latest standards, increase in use of devices for energy saving, being friendly with environment, such as LED devices, materials of recycling capableness, materials unburned building material etc. strict management of wastewater treatment processes, wastes, without hazarding and affecting to the community and the general environment.

At the same time, Hoang Quan Group always obeys the laws of the government, the local regulations and requirements of the parties related to the environment.

### Use of green materials, waste control

Hoang Quan Group always strives to design green buildings, application of technology, engineering with tight management measures, standardizing project implementation processes from the outset, thereby minimizing substances, waste water discharged into the environment.

Each works and projects invested and deployed by Hoang Quan is:

- Accurately estimate the volume of construction materials, rational use, reducing excess remaining situation.
- Gathering materials in appropriate locations (downwind, high above the ground) to avoid losses and damage when are not in use.
- Regular inspection and routine maintenance of work items
- Save and reuse water source.
- Take measures against dust, noise; waste water, waste are treated in accordance with technical regulations on environment
- Converse ecology and land environment.

Most importantly is that all projects of the Hoang Quan Group all are used with green materials, capability of recycling, environmental friendliness, meet and comply with the regulations, the latest standards, namely including Circular No. 09/2013 / TT-BXD of the Ministry of Construction stipulated on use unbaked materials in the construction works; Directive No. 04/2013 / CT-UBND of People's Committee of Ho Chi Minh City on the increased use of non-baked building materials in the works in Ho Chi Minh City; TCVN 6477: 2011 - Standard for concrete tiles; TCVN 7959: 2011 - Standard for lightweight concrete - autoclaved aerated concrete bricks (AAC); TCVN 9029: 2011 - Standard for lightweight concrete - autoclaved air, foam concrete bricks - technical requirements; TCVN 9028: 2011 - Standard for lightweight concrete mortar, etc.



Hoang Quan Company joined to sponsor Scholarship Fund "Support to go to school in 2015" Youth Newspaper and Youth Union of Ho Chi Minh City



PhD. Truong Anh Tuan attended the Youth camp festival and supported funding for building rural roads for people in Tay Ninh



Hoang Quan visited and took care of Vietnamese Heroic Mother in Hoc Mon



Hoang Quan Company sponsoring the "Full-moon festival night in 2015" for children in Phu Nhuan District



# TABLES OF COMPLIANCE CRITERIA ON SUSTAINABLE DEVELOPMENT BY GRI

Criteria	Description	Reference / Direct answer	Page
<b>INFORMATION ANNOUNCEMENT UNDER GENERAL CRITERIA</b>			
<b>Stategy and analysis</b>			
G4-1	Declaration of Highest leader of the organization on relation of (PTBV) Sustainable development with Enterprise and strategy for Sustainable development	Annual Report – Note of Chairman of Board of Management	4
G4-2	Describe impacts, risks, main opportunities	Annual Report- Macro prospect and risk management + Sustainable development report – Orientation on Sustainable development	30 90
<b>Organizational profile</b>			
G4-3	Report the name of the organization	Annual Report - Enterprise information	6
G4-4	Primary brands, products, services	Annual Report - Enterprise information	6
G4-5	Address of headquarters	Annual Report - Enterprise information	6
G4-6	Number of countries in which the Enterprise operates, name of countries, organizations have considerable activities or related to subjects on Sustainable development	Annual Report – Enterprise information	6
G4-7	Type of ownership, legal form	ANNUAL REPORT - Enterprise Information	6
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	The main market is South Region of Vietnam, from Khanh Hoa to Can Tho	
G4-9	Scale of the organization	ANNUAL REPORT - Enterprise Information	6
G4-10	Statistics on total employees	SUSTAINABLE DEVELOPMENT REPORT - Human resource development	96
G4-11	Percentage of employees are entitled to the collective labor agreement	SUSTAINABLE DEVELOPMENT REPORT - Human resource development	96
G4-12	Description of the organization's supply chain	ANNUAL REPORT - Enterprise Information	6
G4-13	Significant changes in the reporting process related to the scale, structure, ownership and Supply Chain	ANNUAL REPORT – Report of Board of Management	34
G4-14	Method of precaution, prior warning about the issues that affect the environment	SUSTAINABLE DEVELOPMENT REPORT - Environmental Protection	101
G4-15	Listing the terms and principles of economics, environment and society which the Organization has built	Sustainable development report – Governance on Sustainable development	92
G4-16	Listing association that the enterprise has participated	ANNUAL REPORT - Introduction to enterprise	6
<b>Identify the significant areas and boundaries</b>			
G4-17	Listing all entities included in the consolidated financial report + report on whether certain units in the consolidated financial statement was not mentioned in this report	ANNUAL REPORT - Financial Investment Activities	82
G4-18	Explain the process of determining the report content and Aspect Boundaries + Explains how enterprise organization has implemented the Reporting Principles for Defining Report Content.	SUSTAINABLE DEVELOPMENT REPORT - Introduction to Sustainable Development Report	88
G4-19	List all the material Aspects identified in the process of determining report content	SUSTAINABLE DEVELOPMENT REPORT - Introduction to Sustainable Development Report	88
G4-20	For each significant Aspect, Report on Aspect bBoundaries within the organization	SUSTAINABLE DEVELOPMENT REPORT - Introduction to Sustainable Development Report	88

Criteria	Description	Reference / Direct answer	Page
<b>INFORMATION ANNOUNCEMENT UNDER GENERAL CRITERIA</b>			
G4-21	For each significant Aspect, Report on the Aspect bBoundaries outside the organization	SUSTAINABLE DEVELOPMENT REPORT - Introduction to Sustainable Development Report	88
G4-22	Report on the impact of any restatement of information provided in previous reports and the reasons for the restatement	No cases have occurred restated	
G4-23	Report on significant changes from previous reporting periods in the Scope and Aspect bBoundaries compared to the previous reporting period.	This is the first year in which the enterprise implements report under the guidance of GRI	
<b>Consultation with related parties</b>			
G4-24	Group list of related parties to the Organization	SUSTAINABLE DEVELOPMENT REPORT - Introduction to Sustainable Development Report	88
G4-25	Report on the basis of selecting and identifying related parties	SUSTAINABLE DEVELOPMENT REPORT - Introduction to Sustainable Development Report	88
G4-26	Approach method with the involvement of related parties	SUSTAINABLE DEVELOPMENT REPORT - Introduction to Sustainable Development Report	88
G4-27	Report on the topics and main concerns of related parties and Enterprise's reactions to these topics.	SUSTAINABLE DEVELOPMENT REPORT - Introduction to Sustainable Development Report	88
<b>Profile report</b>			
G4-28	Reporting period for information provided	SUSTAINABLE DEVELOPMENT REPORT - Introduction to Sustainable Development Report	88
G4-29	Date of the most recent previous report	This is the first year in which HQC implements report under the guidance of GRI	
G4-30	Reporting period	SUSTAINABLE DEVELOPMENT REPORT - Introduction to Sustainable Development Report	88
G4-31	Contact person for questions related to the report or content related to the report	SUSTAINABLE DEVELOPMENT REPORT - Introduction to Sustainable Development Report	88
<b>GRI signage catalog</b>			
G4-32	Selection plans of enterprise	SUSTAINABLE DEVELOPMENT REPORT - Introduction to Sustainable Development Report	88
G4-33	Policy in the use of external assurance for the report	HQC does not have policy to use external assurance for SUSTAINABLE DEVELOPMENT REPORT	
<b>Governance</b>			
G4-34	The structure of organization governance, including the highest leadership	ANNUAL REPORT - Corporate governance	22
G4-38	Report on the composition of the highest governing body and the executive committee under executive/ non-executive level, independence, tenure, number of positions and significant commitments, gender, member of vulnerable social group, competence related to impacts on economy, environment and society, representative for the related parties.	ANNUAL REPORT - Corporate governance	22

TABLES OF COMPLIANCE CRITERIA ON SUSTAINABLE DEVELOPMENT BY GRI

Criteria	Description	Reference / Direct answer	Page
<b>INFORMATION ANNOUNCEMENT UNDER GENERAL CRITERIA</b>			
G4-39	Report of Chairman of the highest agency must be the Chief executive director. Functions of the Chairman in governance operations, arranging reasons	ANNUAL REPORT - Corporate governance	22
<b>Morality and integrity</b>			
G4-56	The values, principles, standards and behavior norms of the Enterprise as a Code of Conduct and Code of ethics	ANNUAL REPORT - Mission - Vision - Core Values	3
<b>INFORMATION ANNOUNCEMENT UNDER SPECIFIC CRITERIA</b>			
<b>ECONOMIC CATEGORY</b>			
G4-EC1	Direct economic value generated and distributed	ANNUAL REPORT - Report of the Board of Management	34
G4-EC3	Coverage of the organization's defined benefit plan obligations	SUSTAINABLE DEVELOPMENT REPORT - Ensure employee's interests	95
G4-EC4	Financial Assistant received from Government	ANNUAL REPORT - Real Estate Investment activity	58
<b>ENVIRONMENTAL CATEGORY</b>			
<b>Materials</b>			
G4-EN2	Percentage of materials used are recycled input materials	SUSTAINABLE DEVELOPMENT REPORT - Environmental Protection	101
<b>Energy</b>			
G4-EN6	Reducing energy consumption	SUSTAINABLE DEVELOPMENT REPORT - Environmental Protection	101
<b>SOCIAL CATEGORY</b>			
<b>How to treat employees and create sustainable employments</b>			
<b>Employment</b>			
G4-LA1	Total number and rate of new employees hired and employee turnover by age group, gender, region	SUSTAINABLE DEVELOPMENT REPORT - Human resource development	96
G4-LA2	Benefit provided to full-time employees are not provided to temporary or part-time employees, by significant locations of operation	SUSTAINABLE DEVELOPMENT REPORT - Ensure employee's benefits	95
<b>Safety and Occupational health</b>			
G4-LA6	Injury type and injury rates, occupational diseases, retired date, state of absent employees and the total of deaths related to work under region and under gender	Does not happen	
<b>Education and training</b>			
G4-LA9	The average training hours per year of the employees by gender and by employee category	SUSTAINABLE DEVELOPMENT REPORT - Human resource development	96
G4-LA10	The skill governance programs and lifelong learning to support the continued employability of the employee and assist them in managing career endings.	SUSTAINABLE DEVELOPMENT REPORT - Human resource development	96
<b>Diversity and equal opportunity</b>			
G4-LA12	The composition of the governance bodies and detailed breakdown list of employees per employee category according to gender, age group, minority group membership, and other indicator of diversity	SUSTAINABLE DEVELOPMENT REPORT - Human resource development	96

Criteria	Description	Reference / Direct answer	Page
<b>Human rights</b>			
<b>Child labor</b>			
G4-HR5	Activities and vendors were identified as having a significant risk of child labor cases and has implemented measures to help eliminate child labor effectively	Recruitment policy of the company does not recruit child labor and the same applies to the selection of suppliers	
<b>Society</b>			
<b>Local community</b>			
G4-SO1	Percentage of operations with the implemented local community engagement, impact assessment and development programs	SUSTAINABLE DEVELOPMENT REPORT - Affect to society	100
G4-SO2	Operations with significant actual and potential negative impacts on local communities	SUSTAINABLE DEVELOPMENT REPORT - Affect to society	100
<b>Responsibility for products</b>			
<b>Safety and Customer's Health</b>			
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the of health and safety products and services in the life cycle by type of outcomes	Does not happen	





HOÀNG QUÂN®



# CIRCULAR PROCESS EFFICIENT OUTCOME

## Financial statements

- Statement of the Board of Management
- Independent Auditor's report
- Balance sheet
- Income statement
- Cash flow statement
- Notes to the financial statements

# STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of Hoang Quan Consulting – Trading – Service Real Estate Corporation (hereinafter referred to as 'the Company') presents this statement together with the audited Consolidated Financial Statements for the fiscal year ended 31 December 2015, including the Financial Statements of the Company and the subsidiaries ('hereinafter referred to as 'the Group').

## BUSINESS HIGHLIGHTS

Hoang Quan Consulting – Trading – Service Real Estate Corporation is a joint stock company operating under the Business Registration Certificate No. 0302087938, which was registered for the first time on 23 March 2007 and amended for the 32<sup>th</sup> time on 11 November 2015 by the Department of Planning and Investment of Ho Chi Minh City.

## HEAD OFFICE

Address: 286-288, Huynh Van Banh Street, Ward 11, Phu Nhuan District, Ho Chi Minh City

Tel: (84-8) 39 913 808

Fax: (84-8) 39 913 064

Principal business activities 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).
- Providing nursery, primary, secondary and high school education services;
- Providing college and postgraduate education services.



## BOARD OF MANAGEMENT AND THE EXECUTIVE OFFICERS

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

### The Board of Management

Full name	Position	Appointing date/ Re-appointing date
Mr. Truong Anh Tuan	Chairman	Re-appointed on 28 Mar 2015
Ms. Nguyen Thi Dieu Phuong	Member	Re-appointed on 28 Mar 2015
Mr. Truong Duc Hieu	Member	Re-appointed on 28 Mar 2015
Mr. Truong Thai Son	Member	Re-appointed on 28 Mar 2015
Mr. Le Dinh Vien	Member	Re-appointed on 28 Mar 2015
Mr. Le Hung	Member	Appointed on 28 Mar 2015
Mr. Le Thanh Nam	Member	Re-appointed on 28 Mar 2015

### The Control Board

Full name	Position	Appointing date/ Reappointing date
Mr. Nguyen Thanh Van	Chief of the Board	Re-appointed on 28 Mar 2015
Mr. Le Phung Nha Phuong	Member	Appointed on 28 Mar 2015
Ms. Mai Hoang Yen	Member	Re-appointed on 28 Mar 2015

### The Board of Directors

Full name	Position	Appointing date
Mr. Truong Anh Tuan	General Director	24 Mar 2007
Mr. Le Trong Ngoc	Deputy General Director	01 Aug 2007
Ms. Nguyen Thi Dieu Phuong	Deputy General Director	24 Mar 2007
Mr. Truong Duc Hieu	Deputy General Director	01 Sep 2011
Mr. Vu Trong Dac	Deputy General Director	01 Sep 2011
Mr. Truong Thai Son	Deputy General Director	09 Oct 2014
Mr. Le Hung	Deputy General Director	18 Mar 2015
Mr. Pham Minh	Deputy General Director	16 Mar 2015
Mr. Tran Thai Son	Deputy General Director	16 Mar 2015

### Legal Representative

The legal representative of the Company during the year and as of the date of this statement is Mr. Truong Anh Tuan – Chairman (re-appointed on 28 March 2015).

### Auditors

A&C Auditing and Consulting Co., Ltd. has been appointed to perform the audit on the Company's Consolidated Financial Statements for the fiscal year ended 31 December 2015.

### Responsibilities of the Board of Directors

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

- Select appropriate accounting policies and apply them consistently;
- Make judgments and estimates prudently;
- State clearly whether the accounting standards applied to the Group are followed or not, and all the material differences from these standards are disclosed and explained in the Consolidated Financial Statements;
- Prepare the Consolidated Financial Statements of the Group 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 Consolidated Financial Statements are free from material misstatements due to frauds or errors.

The Board of Directors hereby ensures that all the accounting books of the Group have been fully recorded and can fairly reflect the financial position of the Group at any time, and in compliance with the applicable Vietnamese Accounting Standards. The Board of Directors is also responsible for protecting the assets of the Group, and consequently has taken appropriate measures to prevent and to detect frauds and other irregularities.

The Board of Directors ensures that all the requirements mentioned above have been followed when the Consolidated Financial Statements are prepared.

### Approval on the Financial Statements

The Board of Directors approves the accompanying Consolidated Financial Statements, which can truly and fairly present the consolidated financial position as of 31 December 2015, the consolidated financial performance and the consolidated cash flows for the fiscal year then ended of the Group in conformity with the Vietnamese Accounting Standards and Vietnamese Accounting System and legal regulations related to the preparation and presentation of the Consolidated Financial Statements.

For and on behalf of the Board of Management,



TRUONG ANH TUAN (PH.D.)

Chairman

Date: 03 March, 2016

# INDEPENDENT AUDITOR'S REPORT

No: 0166/2016/BCTC-KTTV

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

We have audited the accompanying Consolidated Financial Statements of Hoang Quan Consulting – Trading – Service Real Estate Corporation (hereinafter referred to as 'the Company') and those of its subsidiaries (hereinafter collectively called "the Group"), which were prepared on 02 March 2016 (from page 07 to page 52) including the Consolidated Balance Sheet as of 31 December 2015, the Consolidated Income Statement, the Consolidated Cash Flow Statement for the fiscal year then ended and the Notes to the Consolidated Financial Statements.

### Responsibility of the Board of Directors

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

### Responsibility of Auditors

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

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

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

### Opinion of Auditors

In our opinion, the Consolidated Financial Statements referred to above, give a true and fair view, in all material respects, of the consolidated financial position as of 31 December 2015, the consolidated financial performance and the consolidated cash flows for the fiscal year then ended of the Group in conformity with the prevailing Vietnamese Accounting Standards and System as well as other regulations related the preparation and presentation of Consolidated Financial Statements.

This report is made in two languages (Vietnamese and English), both of equal validity. The Vietnamese version will be the original for reference when needed. For and on behalf of

### A&C AUDITING AND CONSULTING CO., LTD.



*(Signature)*

*(Signature)*



NGUYEN MINH TRI – Deputy General Director  
Audit Practice Registration Certificate  
No. 0089-2013-008-1  
Ho Chi Minh City, 11 March, 2016

PHAN VU CONG BA- Auditor  
Audit Practice Registration Certificate  
No. 0197-2013-008-1

# CONSOLIDATED BALANCE SHEET

As of 31 December 2015

Unit: VND

ITEMS	Code	Note	Ending balance	Beginning balance
<b>A - CURRENT ASSETS</b>	<b>100</b>		<b>4,315,299,037,995</b>	<b>2,694,001,336,912</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>V.1</b>	<b>50,511,352,196</b>	<b>26,200,351,704</b>
1. Cash	111		50,511,352,196	26,200,351,704
2. Cash equivalents	112		-	-
<b>II. Short-term investments</b>	<b>120</b>		<b>4,100,000,000</b>	<b>136,000,000</b>
1. Trading securities	121		-	-
2. Provisions for devaluation of securities trading	122		-	-
3. Held-to-maturity investments	123	V.2a	4,100,000,000	136,000,000
<b>III. Short-term receivables</b>	<b>130</b>		<b>3,300,689,893,834</b>	<b>1,883,111,390,280</b>
1. Short-term trade receivables	131	V.3a	951,194,573,902	645,826,202,603
2. Short-term prepayments to suppliers	132	V.4	1,943,637,295,357	731,111,943,375
3. Short-term inter-company receivables	133		-	-
4. Receivable according to the progress of construction contract	134		-	-
5. Short-term loans receivable	135	V.5a	172,907,220,455	336,775,816,379
6. Other short-term receivables	136	V.6a	279,686,538,726	203,395,027,754
7. Allowance for short-term doubtful debts	137	V.7	(47,870,169,019)	(34,402,599,831)
8. Deficit assets for treatment	139	V.8	1,134,434,413	405,000,000
<b>IV. Inventories</b>	<b>140</b>		<b>917,164,279,430</b>	<b>751,808,221,742</b>
1. Inventories	141	V.9	917,164,279,430	751,808,221,742
2. Allowance for inventories	149	V.9	-	-
<b>V. Other current assets</b>	<b>150</b>		<b>42,833,512,535</b>	<b>32,745,373,186</b>
1. Short-term prepaid expenses	151	V.10a	1,959,020,006	543,152,974
2. Deductible VAT	152		39,686,826,199	31,326,609,811
3. Taxes and other accounts receivable from the State	153	V.18	1,187,666,330	875,610,401
4. Trading Government bonds	154		-	-
5. Other current assets	155		-	-



## CONSOLIDATED BALANCE SHEET

For the fiscal year ended 31 December 2015

Unit: VND				
ITEMS	Code	Note	Ending balance	Beginning balance
<b>B - NON-CURRENT ASSETS</b>	<b>200</b>		<b>2,064,202,719,106</b>	<b>1,339,133,737,139</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>75,811,809,000</b>	<b>285,330,960,000</b>
1. Long-term trade receivables	211	V.3b	70,400,000,000	285,100,960,000
2. Long-term prepayment to suppliers	212		-	-
3. Working capital in affiliates	213		-	-
4. Long-term inter-company receivables	214		-	-
5. Long-term loans receivable	215	V.5b	3,228,305,000	-
6. Other long-term receivables	216	V.6b	2,183,504,000	230,000,000
7. Allowance for long-term doubtful debts	219		-	-
<b>II. Fixed assets</b>	<b>220</b>		<b>31,342,213,643</b>	<b>6,120,645,856</b>
1. Tangible fixed assets	221	V.11	20,568,851,689	6,120,645,856
- Historical cost	222		38,197,922,506	17,355,440,368
- Accumulated depreciation	223		(17,629,070,817)	(11,234,794,512)
2. Financial leased assets	224		-	-
- Historical cost	225		-	-
- Accumulated depreciation	226		-	-
3. Intangible fixed assets	227	V.12	10,773,361,954	-
- Initial cost	228		11,946,767,789	170,503,000
- Accumulated amortization	229		(1,173,405,835)	(170,503,000)
<b>III. Investment property</b>	<b>230</b>		<b>-</b>	<b>-</b>
- Historical costs	231		-	-
- Accumulated depreciation	232		-	-
<b>IV. Long-term assets in process</b>	<b>240</b>		<b>21,768,414,411</b>	<b>14,369,877,140</b>
1. Long-term work-in-process	241	V.13	19,466,820,276	14,209,617,073
2. Construction-in-progress	242	V.14	2,301,594,135	160,260,067
<b>V. Long-term investments</b>	<b>250</b>		<b>1,346,372,137,591</b>	<b>1,030,299,981,371</b>
1. Investments in subsidiaries	251		-	-
2. Investments in joint ventures and associates	252	V.2b	296,304,757,297	640,931,937,929
3. Investments in other entities	253	V.2c	1,050,171,292,696	390,493,821,161
4. Provisions for devaluation of long-term financial investments	254	V.2c	(103,912,402)	(1,125,777,719)
5. Held-to-maturity investments	255		-	-
<b>VI. Other non-current assets</b>	<b>260</b>		<b>588,908,144,461</b>	<b>3,012,272,772</b>
1. Long-term prepaid expenses	261	V.10b	585,935,111,682	39,239,993
2. Deferred income tax assets	262	V.15	2,973,032,779	2,973,032,779
3. Long-term components and spare parts and accessories	263		-	-
4. Other non-current assets	268		-	-
5. Goodwill	269		-	-
<b>TOTAL ASSETS</b>	<b>270</b>		<b>6,379,501,757,101</b>	<b>4,033,135,074,051</b>

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

Unit: VND				
ITEMS	Code	Note	Ending balance	Beginning balance
<b>C - LIABILITIES</b>	<b>300</b>		<b>2,378,387,430,734</b>	<b>2,270,024,531,669</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>1,845,439,930,143</b>	<b>1,384,004,583,847</b>
1. Short-term trade payables	311	V.16	60,786,336,647	9,163,471,674
2. Short-term advances from customers	312	V.17	382,321,935,272	287,843,686,305
3. Taxes and other obligations payable to State Budget	313	V.18	89,063,140,766	9,203,261,199
4. Payables to employees	314	V.19	8,145,407,358	7,207,601,197
5. Short-term accrued expenses	315	V.20	312,750,936,149	342,077,338,717
6. Short-term inter-company payables	316		-	-
7. Payable according to the progress of construction contracts	317		-	-
8. Short-term unearned revenue	318	V.21a	331,509,996,124	305,667,710,389
9. Other short-term payables	319	V.22a	94,508,578,232	215,462,201,773
10. Short-term borrowings and financial leases	320	V.23a	565,154,206,340	206,328,692,100
11. Provisions for short-term payables	321		-	-
12. Bonus and welfare funds	322	V.25	1,199,393,255	1,050,620,493
13. Price stabilization fund	323		-	-
14. Trading Government bonds	324		-	-
<b>II. Long-term liabilities</b>	<b>330</b>		<b>532,947,500,591</b>	<b>886,019,947,822</b>
1. Long-term trade payables	331		-	-
2. Long-term prepayment from customers	332		-	-
3. Long-term accrued expenses	333		-	-
4. Inter-company payables for operating capital	334		-	-
5. Long-term inter-company payables	335		-	-
6. Long-term unearned revenue	336	V.21b	149,823,799	-
7. Other long-term payables	337	V.22b	273,703,543,997	312,014,679,538
8. Long-term borrowing and financial leases	338	V.23b	245,206,445,652	574,005,268,284
9. Convertible bonds	339		-	-
10. Preferred shares	340		-	-
11. Deferred income tax payable	341	V.26	12,312,581,243	-
12. Provisions for long-term payables	342	V.24	1,575,105,900	-
13. Science and technology development funds	343		-	-

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

## CONSOLIDATED BALANCE SHEET

For the fiscal year ended 31 December 2015

ITEMS	Code	Note	Ending balance	Beginning balance
<b>D - OWNER'S EQUITY</b>	<b>400</b>		<b>4,001,114,326,367</b>	<b>1,763,110,542,382</b>
<b>I. Owner's equity</b>	<b>410</b>		<b>4,001,114,326,367</b>	<b>1,763,110,542,382</b>
1. Capital	411	V.27	3,950,000,000,000	1,700,000,000,000
- Ordinary shares carrying voting right	411a		3,950,000,000,000	1,700,000,000,000
- Preferred shares	411b		-	-
2. Share premiums	412	V.27	(646,800,000,000)	-
3. Bond conversion option	413		-	-
4. Other sources of capital	414		-	-
5. Treasury stocks	415		-	-
6. Differences on asset revaluation	416		-	-
7. Foreign exchange differences	417		-	-
8. Investment and development fund	418	V.27	2,785,877,941	2,451,447,816
9. Business arrangement supporting fund	419		-	-
10. Other funds	420		-	-
11. Retained earnings	421	V.27	654,389,245,940	60,659,094,566
- Retained earnings accumulated to the end of the previous period	421a		13,201,683,037	60,659,094,566
- Retained earnings of the current period	421b		641,187,562,903	-
12. Construction investment fund	422		-	-
13. Benefit of non-controlling shareholders	429	V.28	40,739,202,486	-
<b>II. Other sources and funds</b>	<b>430</b>		<b>-</b>	<b>-</b>
1. Sources of expenditure	431		-	-
2. Fund to form fixed assets	432		-	-
<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>	<b>440</b>		<b>6,379,501,757,101</b>	<b>4,033,135,074,051</b>

Ho Chi Minh City, 02 March 2016




VU THI THANH THUY  
Preparer

NGUYEN HONG PHUONG  
Chief Accountant



TRUONG ANH TUAN (PhD.)  
General Director

# CONSOLIDATED INCOME STATEMENT

For the fiscal year ended 31 December 2015

Unit: VND

ITEMS	Code	Note	Current year	Previous year
1. Sales	01	VI.1	1,421,913,166,438	328,851,888,961
2. Sales deductions	02	VI.2	32,300,190,902	454,545,455
3. Net sales	10		1,389,612,975,536	328,397,343,506
4. Cost of sales	11	VI.3	1,001,995,465,325	256,001,306,660
5. Gross profit	20		387,617,510,211	72,396,036,846
6. Financial income	21	VI.4	215,744,492,325	102,091,138,190
7. Financial expenses	22	VI.5	53,446,646,714	56,071,527,241
In which: Loan interest expenses	23		54,203,353,031	55,854,808,448
8. Gain/(loss) in associates	24	V.2b	5,868,393,911	-
9. Selling expenses	25	VI.6	44,763,764,988	35,034,999,658
10. General and administration expenses	26	VI.7	91,135,265,989	43,505,880,513
11. Net operating profit	30		419,884,718,756	39,874,767,624
12. Other income	31	VI.8	309,762,293,384	1,575,993,358
13. Other expenses	32	VI.9	9,512,627,237	3,464,168,515
14. Other profit/(loss)	40		300,249,666,147	(1,888,175,157)
15. Total accounting profit before tax	50		720,134,384,903	37,986,592,467
16. Current income tax	51	V.18	78,323,472,607	7,868,389,372
17. Deferred income tax	52	V.26	452,464,560	-
<b>18. Profit after tax</b>	<b>60</b>		<b>641,358,447,736</b>	<b>30,118,203,095</b>
<b>19. Profit of the parent company</b>	<b>61</b>		<b>641,187,562,903</b>	<b>30,118,203,095</b>
20. Profit after tax of non-controlling shareholders	62	V.28	170,884,833	-
21. Earning per share	70	VI.10	2,551	278
22. Diluted earnings per share	71	VI.10	2,551	278

Ho Chi Minh City, 02 March 2016




VU THI THANH THUY  
Preparer

NGUYEN HONG PHUONG  
Chief Accountant



TRUONG ANH TUAN (PhD.)  
General Director

# CONSOLIDATED CASH FLOW STATEMENT

(Indirect method)  
For the fiscal year ended 31 December 2015

Unit: VND				
ITEMS	Code	Note	Current year	Previous year
<b>I. Cash flows from operating activities</b>				
1. Profit before tax	01		720,134,384,903	37,986,592,467
2. Adjustments				
- Depreciation of fixed assets and investment properties	02	V.11, 12	3,393,497,811	948,533,074
- Provisions	03	V.2c, V.7, V.24	12,046,387,393	10,447,517,161
- Gain/ (loss) from exchange difference due to revaluation of monetary items in foreign currencies	04		-	-
- Gain/ (loss) from investing activities	05	VI.4	(215,522,420,123)	(102,065,123,786)
- Interest expenses	06	VI.5	54,203,353,031	55,854,808,448
- Other adjustments	07		(306,736,011,252)	-
3. Operating profit before changes of working capital	08		267,519,191,763	3,172,327,364
- Increase/ (decrease) of receivables	09		(912,051,822,534)	(440,312,398,009)
- Increase/ (decrease) of inventories	10		147,237,793,295	(177,632,925,116)
- Increase/ (decrease) of payables	11		(226,875,391,329)	(54,772,102,476)
- Increase/ (decrease) of prepaid expenses	12		(2,049,343,423)	580,794,201
- Increase/(decrease) of securities trading	13		-	-
- Interests paid	14		(83,261,719,797)	(82,364,480,571)
- Corporate income tax paid	15	V.18	(8,579,047,959)	(3,388,473,158)
- Other cash inflows	16		9,735,057,566	112,000,000
- Other cash outflows	17		-	-
<b>Net cash flows from operating activities</b>	<b>20</b>		<b>(808,325,282,418)</b>	<b>(754,605,257,765)</b>
<b>II. Cash flows from investing activities</b>				
1. Purchases and construction of fixed assets and other long-term assets	21	V.11, V.14	(14,232,108,295)	(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		(134,750,822,322)	(10,116,422)
4. Cash recovered from lending, selling debt instruments of other entities	24		923,785,234,239	-
5. Investments into other entities	25	V.2	(1,076,572,384,046)	(202,134,205,650)
6. Withdrawals of investments in other entities	26	V.2	216,578,000,000	-
7. Interest earned, dividends and profits received	27		112,284,633,135	10,210,600
<b>Net cash flows from investing activities</b>	<b>30</b>		<b>27,092,552,711</b>	<b>(202,458,111,472)</b>

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

Unit: VND				
ITEMS	Code	Note	Current year	Previous year
<b>III. Cash flows from financing activities</b>				
1. Proceeds from issuing stocks and capital contributions from owners	31	V.27	930,000,000,000	500,000,000,000
2. Repayment for capital contributions and re-purchases of stocks already issued	32		-	-
3. Receivables from borrowings	33	V.23	113,521,345,241	504,243,797,711
4. Repayment for loan principal	34	V.23	(181,763,795,042)	(41,595,142,812)
5. Payments for financial leased assets	35		-	-
6. Dividends and profit paid to the owners	36	V.27	(56,213,820,000)	-
<b>Net cash flows from financing activities</b>	<b>40</b>		<b>805,543,730,199</b>	<b>962,648,654,899</b>
<b>Net cash flows during the period</b>	<b>50</b>		<b>24,311,000,492</b>	<b>5,585,285,662</b>
<b>Beginning cash and cash equivalents</b>	<b>60</b>	<b>V.1</b>	<b>26,200,351,704</b>	<b>20,615,066,042</b>
Effects of fluctuations in foreign exchange rates	61		-	-
<b>Ending cash and cash equivalents</b>	<b>70</b>	<b>V.1</b>	<b>50,511,352,196</b>	<b>26,200,351,704</b>

Ho Chi Minh City, 02 March 2016



**VU THI THANH THUY**  
Preparer



**NGUYEN HONG PHUONG**  
Chief Accountant



**TRUONG ANH TUAN (PhD.)**  
General Director

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

## I. GENERAL INFORMATION

- Investment form:** Hoang Quan Consulting – Trading – Service Real Estate Corporation (hereinafter referred to as “the Company” or “parent company”) is a joint stock company.
- Operating field:** The Company operates in various business fields.
- Principal business activities:** Principal business activity of the Company is trading in real estate.
- Normal operating cycle:** Normal operating cycle of the Company is within 02 - 03 years.
- Effects of the Company's operations during the year on the Consolidated Financial Statement:**

According to the Resolutions dated 28 June 2014 of the Annual Shareholders' Meeting in 2014 and the Resolutions dated 28 March 2015 of the Annual Shareholders' Meeting in 2015, the Company has increased its charter capital from VND 1,700 billion up to VND 3,950 billion.

The sales of real estate has increased significantly since the Company has successfully handed over finished houses of 02 blocks as well as handed over crude houses to most of the remaining apartments of 02 blocks under the Hoang Quan Plaza project. Profit before tax has increased due to the increase in revenue and gains from the transfer of stock investments.

- The Group's structure:** The Group includes the parent company and 03 subsidiaries which are controlled by the parent company. All subsidiaries are consolidated in these Consolidated Financial Statements.

### 6a. Information on the Group's re-structure

#### Acquisition of subsidiary

On 01 October 2015, the Company has additionally acquired shares of 03 companies, including Hoang Quan Binh Thuan Consulting – Trading – Service Real Estate Joint Stock Company, Hoang Quan Can Tho Investment Real Estate Joint Stock Company and Binh Minh Port Joint Stock Company. The capital holding rates of the Company at these three companies have been increased to 96,5%, 97% and 96,5% respectively in order to take control over these three companies.

Cost of business consolidation of these acquired subsidiaries include:

	Fair values of share issued to swap	Shares purchased before	Total
Hoang Quan Binh Thuan Consulting – Trading – Service Real Estate Joint Stock Company	146,155,035,000	78,080,000,000	224,235,035,000
Hoang Quan Can Tho Investment Real Estate Joint Stock Company	178,550,439,000	37,901,104,000	216,451,543,000
Binh Minh Port Joint Stock Company	157,590,000,000	273,255,000,000	430,845,000,000
<b>Total</b>	<b>482,295,474,000</b>	<b>389,236,104,000</b>	<b>871,531,578,000</b>

Fair values of shares issued to swap are the closing price listed on the security market as of the exchange date (i.e. 01 October 2015).

Values of shares purchased before are carrying values of investments into subsidiaries before the date of taking control over these companies (fair values cannot be determined).

Details of fair values of assets and liabilities of subsidiaries on the acquisition date and goodwill /(interest on transaction at cheap price) are as follows:

	Hoang Quan Binh Thuan Consulting – Trading – Service Real Estate Joint Stock Company	Hoang Quan Can Tho Investment Real Estate Joint Stock Company	Binh Minh Port Joint Stock Company	Total
<b>Assets</b>	<b>362,938,823,255</b>	<b>908,106,777,097</b>	<b>889,398,935,204</b>	<b>2,160,444,535,556</b>
Cash and cash equivalents	4,246,165,104	5,417,984,556	70,907,906	9,735,057,566
Short-term trade receivables	2,022,127,400	9,664,830,325	9,407,286,009	21,094,243,734
Short-term prepayment to suppliers	33,514,725,690	20,898,716,666	118,468,691,687	172,882,134,043
Receivables for short-term loans	236,281,406,607	117,163,522,548	113,492,595,690	466,937,524,845
Other short-term receivables	24,139,489,474	23,974,998,361	17,274,238,186	65,388,726,021
Deficit assets waiting for treatment	-	515,000,000	-	515,000,000
Inventories	44,099,666,740	244,302,913,142	26,791,749,537	315,194,329,419
Short-term prepaid expenses	1,785,491	160,986,089	-	162,771,580
Deductible VAT	665,460,570	5,861,113,610	98,092,995	6,624,667,175
Receivables for long-term loans	-	473,646,780,747	-	473,646,780,747
Other long-term receivables	-	3,012,604,000	-	3,012,604,000
Fixed assets	243,760,901	701,029,189	14,681,203,690	15,625,993,780
Construction-in-progress	122,727,273	-	589,060,914,658	589,183,641,931
Long-term work-in-process	-	2,483,997,494	-	2,483,997,494
Investments in associates	17,354,610,154	-	-	17,354,610,154
Long-term prepaid expenses	246,897,851	302,300,370	53,254,846	602,453,067
<b>Liabilities</b>	<b>(39,533,743,166)</b>	<b>(503,833,478,975)</b>	<b>(400,229,195,005)</b>	<b>(943,596,417,146)</b>
Short-term trade payables	(764,428,336)	(75,064,576,010)	(9,834,831,209)	(85,663,835,555)
Short-term advances from customers	(1,487,207,060)	(56,667,938,745)	(66,727,000,859)	(124,882,146,664)
Taxes and other obligations payable to the State	(20,974,212)	(3,973,698,002)	(1,285,842,286)	(5,280,514,500)
Payable to employees	(257,470,918)	(768,747,669)	(490,678,365)	(1,516,896,952)
Short-term accrued expenses	-	-	(719,100,312)	(719,100,312)
Short-term unearned revenue	-	-	(982,290,909)	(982,290,909)
Other short-term payables	(26,794,208,212)	(114,883,018,549)	(72,769,895,374)	(214,447,122,135)
Short-term borrowing and financial leases	-	-	(88,239,004,133)	(88,239,004,133)
Provision for short-term payables	-	-	(165,067,600)	(165,067,600)
Bonus and welfare fund	(5,445,566)	-	-	(5,445,566)
Long-term trade payables	-	-	(7,360,000,000)	(7,360,000,000)
Long-term other payables	-	(222,455,500,000)	(150,000,000,000)	(372,455,500,000)
Long-term borrowing and financial leases	-	(30,020,000,000)	-	(30,020,000,000)
Deferred income tax liabilities	(10,204,008,862)	-	(1,655,483,958)	(11,859,492,820)
<b>Fair values of net assets</b>	<b>323,405,080,089</b>	<b>404,273,298,122</b>	<b>489,169,740,199</b>	<b>1,216,848,118,410</b>
<b>Benefit of non-controlling shareholders</b>	<b>11,319,177,803</b>	<b>12,128,198,943</b>	<b>17,120,940,907</b>	<b>40,568,317,653</b>
<b>Fair values of net assets purchased (a)</b>	<b>312,085,902,286</b>	<b>392,145,099,179</b>	<b>472,048,799,292</b>	<b>1,176,279,800,757</b>
<b>Cost of business consolidation (b)</b>	<b>224,235,035,000</b>	<b>216,451,543,000</b>	<b>430,845,000,000</b>	<b>871,531,578,000</b>
<b>Interest from transactions at cheap price [(b) – (a)]</b>	<b>(87,850,867,286)</b>	<b>(175,693,556,179)</b>	<b>(41,203,799,292)</b>	<b>(304,748,222,757)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

Fair values of net assets of Hoang Quan Binh Thuan Consulting – Trading – Service Real Estate Joint Stock Company and Hoang Quan Can Tho Investment Real Estate Joint Stock Company as of the date of acquisition are recorded at the carrying values. Fair values of net assets of Binh Minh Port Joint Stock Company are recorded at the values as in business valuation report of the independent valuation organization.

Consolidated Income Statements include net sales and profit after tax of subsidiaries as follows:

	Net sales	Profit after tax
Hoang Quan Binh Thuan Consulting – Trading – Service Real Estate Joint Stock Company	11,235,122,040	2,037,025,002
Hoang Quan Can Tho Investment Real Estate Joint Stock Company	60,010,896,760	5,853,373,064
Binh Minh Port Joint Stock Company	55,841,667,000	1,718,958,471
<b>Total</b>	<b>127,087,685,800</b>	<b>9,609,356,536</b>

**6b. List of subsidiaries consolidated**

Company name	Address	Principal business activities	Benefit rate (%)		Voting right (%)	
			Ending balance	Beginning balance	Ending balance	Beginning balance
Hoang Quan Binh Thuan Consulting – Trading – Service Real Estate Joint Stock Company	No. 198, Nguyen Hoi Street, Phu Trinh Ward, Phan Thiet City, Binh Thuan Province	Leasing land in the industrial zone	96.5	32	96.5	32
Hoang Quan Can Tho Investment Real Estate Joint Stock Company	No. 27-28, Quang Trung Street, Phu Thu Ward, Cai Rang District, Can Tho City	Trading in real estates	97	31.58	97	31.58
Binh Minh Port Joint Stock Company	My Hung 2 Hamlet, My Hoa Commune, Binh Minh Town, Vinh Long Province	Building various kinds of houses	96.5	45	96.5	45

**6c. List of associates reflected in Consolidated Financial Statements according to the owner's equity method**

Company name	Address	Principal business activities	Rate of ownership (%)		Voting right (%)	
			Ending balance	Beginning balance	Ending balance	Beginning balance
Viet Architecture Corporation	274, Huynh Van Banh Street, Ward 11, Phu Nhuan District, Ho Chi Minh City	Providing architectural design for civil and industrial constructions	40	40	40	40
Hoang Quan Appraisal Co., Ltd.	270, Huynh Van Banh Street, Ward 11, Phu Nhuan District, Ho Chi Minh City	Making valuation of real estates, investment projects	32	32	32	32
Hoang Quan Mekong Consulting – Trading – Service Real Estate Joint Stock Company	My Hung 2 Hamlet, My Hoa Commune, Binh Minh Town, Vinh Long Province	Trading in real estates	32	32	32	32
Hoang Quan Nha Trang Consulting – Trading – Service Real Estate Joint Stock Company	No. 26, Yersin Street, Van Thang Ward, Nha Trang City, Khanh Hoa Province	Trading in real estates	40	40	40	40
Tay Ninh Urban Development & Construction Joint Stock Company	No. 90, Nguyen Thai Hoc Street, Quarter 4, Ward III, Tay Ninh City, Tay Ninh Province	Building various kinds of houses	42.38	-	42.38	-
Western Southern Asia Vocational School of Economic and Technology	No. 254, Le Trong Tan Street, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City	Education	20	-	20	-
MeGaSky Joint Stock Company	No. 373, Huynh Van Banh Street, Ward 11, Phu Nhuan District, Ho Chi Minh City	Repairing computers	40	40	40	40
Binh Thuan Housing Construction and Trading Joint Stock Company	No. 198, Nguyen Hoi Street, Phu Trinh Ward, Phan Thiet City, Binh Thuan Province	Building various kinds of houses	37.46	-	37.46	-
Tu Cuong Trading Production Co., Ltd.	No. 268, Nguyen Thong Street, Phu Hai Ward, Phan Thiet City, Binh Thuan Province	Leasing	40%	-	40%	-

**7. Statement on information comparability on the Consolidated Financial Statements**

As presented in the Note No. III.1, since 01 January 2015, the Corporation has applied the Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance guiding the Vietnamese 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 as well as Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance in replacement for Part XIII – Circular No. 161/2007/TT-BTC dated 31 December 2007 of the Ministry of Finance regarding the presentation and preparation Consolidated Financial Statements in accordance with the Vietnamese Accounting Standard No. 25 “Consolidated Financial Statements and investments

in subsidiaries”. The application of this new Accounting System regulation does not cause any material effects on the Group’s figures and the Group has re-presented the comparative figures in the Consolidated Balance Sheet as of 31 December 2015, Consolidated Income Statement and Consolidated Cash Flow Statement for the fiscal year ended. Consequently, the corresponding figures in the previous year can be comparable with those of the current year.

The Company take control over the subsidiaries since 01 October 2015, so the beginning balances and ending balances in the previous year in the Consolidated Financial Statements are figures of the parent company.

**8. Employees**

As of the balance sheet date, there have been 578 employees working for the Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

**II. FISCAL YEAR AND ACCOUNTING CURRENCY****1. Fiscal year**

The fiscal year of the Group is from 01 January to 31 December annually.

**2. Accounting currency unit**

The accounting currency unit is Vietnamese Dong (VND) because transactions of the Group are primarily made in VND.

**III. ACCOUNTING STANDARDS AND SYSTEM****1. Accounting Standards and System**

On 22 December 2014, the Ministry of Finance issued the Circular No. 200/2014/TT-BTC guiding the Vietnamese 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 as well as Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance in replacement for Part XIII – Circular No. 161/2007/TT-BTC dated 31 December 2007 of the Ministry of Finance regarding the presentation and preparation consolidated Financial Statements as in the Vietnamese Accounting Standard No. 25 “Consolidated Financial Statements and investments in subsidiaries”. These Circulars take effect and is applied to the fiscal year starting from or after 01 January 2015. The Group applies the Vietnamese Accounting Standards, this Circular and other Circulars guiding the implementation of Vietnamese Accounting Standards of the Ministry of Finance in the preparation and presentation of Consolidated Financial Statements.

**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 Circular No. 200/2014/TT-BTC dated 22 December 2014, No. 202/2014/TT-BTC dated 22 December 2014 as well as other Circulars guiding the implementation of Vietnamese Accounting Standards of the Ministry of Finance in the preparation and presentation of Consolidated Financial Statements.

**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. Consolidation bases**

The Consolidated Financial Statements include the Combined Financial Statements of the parent company

and Financial Statements of its subsidiaries. A subsidiary is an entity that is controlled by the parent company. The control exists when the parent company has the power to directly or indirectly govern the financial and operating policies of the subsidiary to obtain economic benefits from its activities. In determining the control power, the options that are currently valid or will be transferred should also be taken into consideration.

The financial performance of subsidiaries, which is bought or sold during the period, are included the Consolidated Income Statements from the date of acquisition or until the date of selling investments in those subsidiaries.

Financial Statements of the parent company and those of subsidiaries used for consolidation are prepared in the same accounting period and apply consistently accounting policies to the same types of transactions and events in similar circumstances. In the case that the accounting policy of a subsidiary is different from the accounting policy applied consistently in the Group, the Financial Statements of that subsidiary will be properly adjusted before being used for the preparation of the Consolidated Financial Statements.

Intra-group balances in the Balance Sheet and intra-group transactions and unrealized profits from these transactions must be completely eliminated. Unrealized losses resulting from intra-group transactions are also eliminated unless costs cannot be recovered.

Interests of non-controlling shareholders reflect profit or loss and net assets of subsidiaries, which are not hold by the Group and presented in a separate item of the Consolidated Income Statement and Consolidated Balance Sheet (classified under “Owner’s equity”). Interests of non-controlling shareholders include the values of their non-controlling interest at the initial date of business combination and those arise within the ranges of changes in owner’s equity from the date of business combination. The losses arising in the subsidiary are attributed equally to the ownership rate of non-controlling shareholders, even if such losses are higher than the interest owned by these shareholders in net assets of the subsidiaries.

**3. Cash and cash equivalents**

Cash include cash on hand, and demand deposits. Cash equivalents are 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 as of the balance sheet date.

**4. Financial investments****Held-to-maturity investments**

Investments are classified as held-to-maturity investments that the Group intends and is able to hold

to maturity. Held-to-maturity investments include term deposits (including debentures and promissory note), bonds, preferred shares that the issuer are required to re-purchases at a certain date in the future and held-to-maturity loans for the purpose of receiving periodical interest as well as other held-to-maturity investments.

Held-to-maturity investments are initially recognized at cost. After initial recognition, these investments are recorded at recoverable value. Interest from these held-to-maturity investments after acquisition date is recognized in the profit or loss on the basis of the interest income to be received. Interests arising prior to the Group’s acquisition of held-to-maturity investment are recorded as a decrease in the costs at the acquisition time.

When there are reliable evidences proving that a part or the whole investment cannot be recovered and the loss are reliably determined, the loss is recognized as financial expenses during the period while the investment value is derecognized.

**Loans**

Loans are determined at original costs less allowance for doubtful debts. Allowance for doubtful debts of loans is made on the basis of estimated losses.

**Investments in associates****Associates**

An associate is an entity which the Group has significant influence but not the control to govern the financial and operating policies. Significant influence is the right to participate in making the associate’s financial and operating policies but not control those policies.

Investments in associates are recorded as in the owner’s equity method. Accordingly, the investment into associate is initially recorded at costs on the consolidated Financial Statements and then adjusted for the post acquisition change in the Group’s share of net assets of the associate. If the Group’s share of loss of an associate exceeds or equals the carrying amount of an investment, the investment is then reported at nil (0) value on the consolidated financial statement, except when the Group has obligations to pay on behalf of the associate to satisfy obligations of the associate.

The Financial Statements of the associate are prepared for the accounting period that is the same with that of the Group. In the case that the accounting policy of an associate is different from the accounting policy applied consistently in the Group, the Financial Statements of that associate will be suitably adjusted before being used for the preparation of the consolidated Financial Statements.

Unrealized profit, loss generating from transactions with associates are excluded correspondingly to an amount

belonging to the Group when the Consolidated Interim Financial Statements are made.

**Investments in equity instruments of other entities**

Investments in equity instruments of other entities include such investments in equity instruments that do not enable the Company to have the control, joint control or significant influence on these entities.

Investments in equity instruments of other entities are initially recognized at original costs, including the cost of purchase plus other directly attributable transaction costs. Values of these investments are derecognized for dividends and profits arising in the periods prior to the acquisition of such investments. Dividends and profit arising in the periods after the acquisition of investments are recorded into the Group’s revenue. Particularly, the dividends paid in form of shares are not recorded as an increase in values, but the increasing quantity of shares is followed up.

Provisions for impairment of investments in equity instruments of other entities are made as follows:

- For investments in listed shares or fair value of investments which is reliably measured, provisions are made on the basis of the market value of shares.
- For investments of which the fair value cannot be measured at the time of reporting, provisions are made on the basis of the losses suffered by investees, at the rate equal to the difference between the actual capital invested by investors and the actual owner’s equity multiplying (x) by the Group’s rate of capital contribution over the total actual capital invested by investors in these investees.

Increases/decreases in the provisions for impairment of investments in equity instruments of other entities are recorded into “Financial expenses”.

**5. Receivables**

Receivables are recognized at the carrying amounts less allowances for doubtful debts.

The classification of receivables as trade receivables or other receivables is made according the following principles:

- Trade receivables reflect receivables concerning the commercial nature arising from purchase and sale transactions between the Group and customers who are independent to the Group, inclusive of receivables for the exports entrusted to other entities.
- Other receivables reflect receivables not concerning the commercial nature and irrelevant to purchase and sale transactions.

Allowance is made for each doubtful debt on the basis of the debt age or estimated loss. Detail is as follows:

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

- 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: Allowances is made on the basis of estimated loss.

Increases/(decreases) in the obligatory allowance for doubtful debts as of the balance sheet date are recorded into "General and administration expenses".

**6. Inventories**

Inventories are recognized at the lower of cost or net realizable value.

Original cost of inventories is determined as follows:

- For materials and merchandises: Original cost comprises costs of purchases and other directly relevant costs incurred in bringing the inventories to their present location and conditions.
- For finished goods of real estate: Original cost comprises land use right, direct expenses and directly relevant general manufacturing expenses in the investment and construction of real estate.
- Work-in-process: Original cost only comprises main materials, labor and other directly relevant expenses.

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

Net realizable value is the estimated selling price of inventories in the ordinary course of business deducts the estimated costs of completion and the estimated costs necessary to make the sale.

Allowance for inventories is recognized when their costs are higher than their net realizable values. Increases/(decreases) in the obligatory allowance for inventories as of the balance sheet date are recorded into "Costs of sales".

**7. Prepaid expenses**

Prepaid expenses comprise actual expenses arising but relevant to financial performance in several accounting periods. Prepaid expenses of the Group include:

**Prepaid land rental**

Prepaid land rental reflects the land rental that the Group has been using. The prepaid land rental is allocated to expenses in accordance with the straight-line method according to the lease term (i.e. 42 years).

**Tools**

Expenses for tools put into use are allocated into expenses during the year in accordance with the straight-line method for the maximum period of 02 years.

**Expenses for repair of fixed assets**

Expenses for repair of fixed assets arising once with high value are allocated into expenses in accordance with the straight-line method for the maximum period of 3 years.

**Other expenses**

Prepaid insurance premiums and house rent are allocated into expenses in accordance with the straight-line method according to the term of insurance policy and lease term.

**8. Operating leased assets**

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 Group's operating expenses in accordance with the straight-line method over the lease term and are not subject to the method of lease payment.

**9. Tangible fixed assets**

Tangible fixed assets are determined by their historical costs deduct accumulated depreciation. Historical costs of tangible fixed assets include all the expenses paid by the Group 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 above conditions will be recorded into operation expenses during the period.

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 period.

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	10 - 50
Equipment and machinery	08 - 10
Vehicles	06 - 10
Office equipment	03 - 05

**10. Intangible fixed assets**

Intangible fixed assets are determined by their initial costs less accumulated amortization.

Initial costs of intangible fixed assets include all the costs paid by the Group to bring the asset to its working condition for its intended use. Other costs relevant to intangible fixed assets arising subsequent to initial recognition are included into operation costs during the period only if these costs are associated with a specific intangible fixed asset and result in future economic benefits expected to be obtained from the use of these assets.

When an intangible fixed asset is sold or disposed, its initial costs and accumulated amortization are written off, then any gain or loss arising from such disposal is included in the income or the expenses during the period.

The Group's intangible fixed asset includes:

**Land use right**

Land use right includes all the actual expenses directly related to the land being used such as expenses to obtain the land use right, expenses for compensation, land clearance and ground leveling, registration fees, etc. The land use right is amortized in accordance with the straight-line method for 46 years.

**Computer software**

Purchase price of computer software, which is not a part associated with the relevant hardware, will be capitalized. Costs of computer software include all the expenses paid by the Group until the date the software is put into use. Computer software is amortized in accordance with the straight-line method in 05 years.

**11. Construction-in-progress**

Construction-in-progress reflects the expenses (including related loan interest expenses following the accounting policies of the Group) directly related to the construction and the installation of machinery and equipment to serve for production, leasing, and management as well as the repair of fixed assets, which have not been completed yet. These assets are recorded at historical costs and not depreciated.

**12. Business combination**

The business combination is accounted by applying acquisition method. The costs of business merging include the fair values as at the acquisition date of the exchanged assets, the incurred or assumed liabilities as well as the equity instruments issued by the Group in exchange for control of the acquiree, plus any cost directly attributable to the business combination. The acquired assets, the identifiable and contingent liabilities assumed from the business merging are recognized at their fair values as at the acquisition date.

If the business combination covers some accounting periods, the cost of business merging equals the total investment made at the date of obtaining the control of subsidiaries plus the amount of previous investments which are re-evaluated at fair value as at the date of obtaining the control of subsidiaries. The difference between the re-evaluated amount and the cost of investment shall be recorded in the financial performance provided that the Group does not have any significant influence on subsidiaries prior the date of obtaining the control and the investment in subsidiaries is presented in line with the cost method. In case where the Group has significant influence on the subsidiaries prior the date of obtaining the control the investment in subsidiaries is presented in line with the equity method, the difference between the re-evaluated amount and the cost of investment determined in line with the equity method shall be recorded in the financial performance; and the difference between the investment determined in line with the equity method and the cost of investment shall be directly recorded in "Retained earnings" of the Consolidated Interim Balance Sheet.

The excess of the cost of business combination over the ownership share of the Group in the net fair value of the assets, the identifiable and contingent liabilities of acquiree which are recognized at the date obtaining the control of subsidiaries is recognized as goodwill. If the ownership share of the Group in the net fair value of the assets, the identifiable and contingent liabilities of acquiree which are recognized at the date of obtaining the control of subsidiaries exceeds the cost of business combination, the difference will be included in the financial performance.

The interest of non-controlling shareholders as at the date of business combination is initially measured on the basis of the ownership share of non-controlling shareholders in the fair values of the assets, the liabilities and the inherent liabilities recognized.

**13. Contractual arrangement****Jointly controlled assets**

In respect of its interest in jointly controlled assets, the Group shall recognize in its Interim Financial Statements:

- The Group's share of the jointly controlled assets, classified according to the nature of assets.
- Any liabilities that the Group has incurred.
- The Group's share of any liabilities incurred jointly with the other ventures in relation to the joint venture.
- Any income from the sale or use of the Group's products/services shared from the joint venture, together with its share of any expenses incurred by the joint venture.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

- Any expenses that the Group has incurred in respect of its interest in the joint venture.

Fixed assets and investment property contributed into the contractual arrangement without transferring the ownership into the joint ownership of the ventures are not recognized as a decrease in assets. In case the Company received the assets contributed into the joint venture, these assets shall be recognized as assets kept on other's behalf instead of an increase in asset and owner's equity.

Fixed assets and investment property contributed into the contractual arrangement of which the ownership are transferred and the formation of jointly-controlled assets is in process are recognized as a decrease in assets and corresponding value is recorded as an increase into construction-in-progress. After jointly controlled assets completed and put into use, the Company records an increase in its assets on the basis of its share of these assets.

**14. Payables and accrued expenses**

Payables and accrued expenses are recognized for the amount payable in the future relevant to goods and services used. Accrued expenses are recognized on the basis of reasonable estimates for the amount payable.

The classification of payables as trade payables, accrued expenses or other payables is made according the following principles:

- Trade payables reflect payables of commercial nature arising from the purchase of goods, services, or assets and the seller is an independent entity with the Group, including payables for import through entrustment.
- Accrued expenses reflect expenses for goods, services received from suppliers or supplied to customers but have not been paid, invoiced or lack of accounting records and supporting documents; pay on leave payable to employees; and accrual of operation expenses.
- Other payables reflect payables of non-commercial nature and irrelevant to purchase, sales of goods or provisions of services.

**15. Provisions for payables**

Provisions are recorded when the Group has present obligations (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

If time causes material effects, the provisions will be determined by deducting the amount to be spent in future to settle the liability at the pre-tax discount rate that reflects the assessments of the time value of money

and the specific risks from this liability in the current market. The increase in provisions due to the effect of time will be recognized as a financial expense.

Provisions for payables of the Group include only provision for warranty of construction works.

Provisions for warranty of construction works are made for each construction work under the commitment of warranty.

The provisions for warranty is made at the rate of 05% on revenue from construction works under warranty. This rate is estimated on the basis of the warranty expenses in the previous years and weighted rate of all the possible consequences at corresponding probability. Upon expiry of the warranty period, provisions for warranty of construction works which are not used or not used up are recorded in other income.

**16. Capital****Owner's equity**

The Company's capital is recorded according to the actual amount already invested by the shareholders.

**Share premiums**

Share premiums are recorded in accordance with the difference between the issuance price and face value upon the IPO, additional issue or the difference between the re-issuance price and carrying value of treasury shares and the equity component of convertible bonds upon maturity date. Expenses directly related to the additional issue of shares and the re-issuance of treasury shares are recorded as a decrease in share premiums.

Share premiums are also recorded in case where the purchase and sales of share upon business merge are made and the buyer issues shares with the issuance price equal to the fair value as of the transaction date which is different from the face value.

**17. Distribution of profit**

Profit after corporation income tax is distributed to the shareholders after appropriation for funds under the Charter of the Company as well as legal regulations and approved by the Shareholders' Meeting.

The distribution of profits to the shareholders is made with consideration toward non-cash items in the retained earnings that may affect cash flows and payment of dividends such as profit due to revaluation of assets contributed as investment capital, profit due to revaluation of monetary items, financial instruments and other non-cash items.

Dividends are recorded as payables upon approval of the Shareholders' Meeting.

**18. Recognition of sales and income****Sales of merchandises**

Sales of merchandise are recognized when the following conditions are satisfied:

- The Group transfers most of risks and benefits incident to the ownership of products or goods to customers.
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of sales can be measured reliably. Where the contracts stipulate that buyers have the right to return products, goods purchased under specific conditions, sales are recorded only when those specific conditions are no longer exist and buyers retains no right to return products, goods (except for the case that such returns are in exchange for other goods or services).
- It is probable that the economic benefits associated with sale transactions will flow to the Group.
- The cost incurred or to be incurred in respect of the sale transaction can be measured reliably.

**Sales of rendering services**

Sales of rendering services shall be recognized when all of the following conditions have been satisfied:

- The amount of sales can be measured reliably. When the contract stipulates that the buyer is entitled to return the services rendered under specific conditions, sales is recognized only when these specific conditions are no longer existed and the buyer is not entitled to return the services rendered.
- The Group received or shall probably receive the economic benefits associated with the rendering of services.
- The stage of completion of the transaction at the end of reporting period can be measured reliably.
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

In the case that the services are provided in several accounting periods, the determination of sales during the period is done on the basis of the stage of completion as of the balance sheet date.

**Sales of real estates**

Sales of real estates that invested by the Group shall be recognized when all of the following conditions have been satisfied:

- Real estates are fully completed and handed over to the buyers, and the Group has transferred to the buyer the significant risks and rewards of ownership of the real estates.

- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the real estate sold.
- The amount of sales can be measured reliably.
- The Group received or shall probably receive the economic benefits associated with the transaction.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

In case the customer has the right to complete the interior of the real estate and the Group completes the interior of the real estate according to the designs, models, and customer requirements under the separate contract, sales are recognized upon the completion and handover of the main construction works to customers.

**Sales from real estates sold in form of land plots**

Sales of plots of land as real estate sold under irrevocable contracts shall be recognized when all of the following conditions have been satisfied:

- The Group has transferred to the buyer the significant risks and rewards associated with ownership of the land use right.
- The amount of sales can be measured reliably.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.
- The Group received or shall probably receive the economic benefits associated with the transaction.

**Income from leasing operating assets**

Income from leasing operating assets is recognized in accordance with the straight-line method during the lease term. Rentals received in advance for several periods are allocated to revenues in consistence with the lease term.

In case lease term accounts for 90% useful period of assets, revenue is recorded once for all rental amount received in advance if the following conditions are satisfied:

- The lessee do not have right to cancel the lease contract and the Group has no obligation to return advances received under any circumstance.
- Advance received from lease is not less than 90% of total estimated rental received from the lease contract during the lease term and lessee has to pay rental within 12 months, starting from the first date of leasing assets.
- Most of risks and benefits associated with asset's ownership have been transferred to lessor.
- Costs of lease can be measured reliably.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

**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 Group has the right to receive dividends or profit from the capital contribution. Particularly, the dividends paid in form of shares are not recorded as an increase in value, but the increasing quantity of shares is followed up.

**19. Construction contracts**

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.

**20. Sales deductions**

Sales deductions include sales allowances, sales returns incurred in the same period of providing goods, merchandises which are recorded as a deduction in sales of such period.

In case of goods, merchandises provided in the previous period but sales allowances, sales returns incurred in

the current period, sales deductions shall be recorded as follows:

- If sales allowances, sales returns incur prior to the release of the Combined Interim Financial Statements, such sales deductions are derecognized into revenues on the Interim Financial Statements of the current period.
- If sales allowances, sales returns incur after the release of the Interim Financial Statements, such sales deductions are derecognized into revenues on the Interim Financial Statements of the following year.

**21. Borrowing costs**

Borrowing costs include loan interest and other costs incurred directly relevant to borrowings.

Borrowing costs are recorded as an expense when it is incurred. In case the borrowing costs are directly attributable 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 included in the cost of that asset. To the extent that the borrowings are especially for the purpose of construction of fixed assets and investment properties, the borrowing cost is eligible for capitalization even if construction period is under 12 months. Incomes arisen from provisional investments as loans are recognized as a decrease in the costs of relevant assets.

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 period, except for particular borrowings serving the purpose of obtaining a specific asset.

**22. Expenses**

Expenses are those that result in outflows of the Company's economic benefits and are recorded at the time of transactions or when incurrance of the transaction is reliable regardless of whether payment for expenses is made or not.

Expenses and their corresponding revenues are simultaneously recognized in accordance with matching principle. In the event that matching principle conflicts with prudence principle, expenses are recognized based on the nature and regulations of accounting standards in order to guarantee that transactions can be fairly and truly reflected.

**23. 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 liability or refundable due to temporary differences between carrying values of assets and liabilities serving the preparation of the Financial Statements and basis for calculation of income tax. 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, that corporate income tax will be included in the owner's equity.

Deferred income tax assets and deferred income tax liabilities are offset when:

- The Company has the legal right to offset current income tax assets against current income tax liabilities; and
- Deferred income tax assets and deferred income tax liabilities are relevant to corporate income tax which is under the management of one tax authority:
  - Of the same subject to corporate income tax; or
  - The Company has intention to pay current income tax liabilities and current income tax assets on a net basis or recover tax assets and settle tax liability simultaneously in each future period to the extent that the majority of deferred income tax liabilities or deferred income tax assets are paid or recovered.

**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.

**25. 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.

Information on segment is prepared and presented as in the accounting policies applied to preparation and presentation of the Group's Consolidated Financial Statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

**V. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED BALANCE SHEET****1. Cash and cash equivalents**

	Ending balance	Beginning balance
Cash on hand	41,146,410,829	23,175,854,523
Cash in bank	9,364,941,367	3,024,497,181
<b>Total</b>	<b>50,511,352,196</b>	<b>26,200,351,704</b>

**2. Financial investments**

The Group's financial investments include held-to-maturity investments, investments into associates and equity investments in other entities. Information on the Group's financial investments is as follows:

**2a. Held-to-maturity investments**

Term deposits at BIDV - Ky Hoa Branch have been mortgaged to secure for the implementation of Tan Huong Industrial Park project in Tien Giang Province.

**2b. Investments in associates**

	Ending balance			Beginning balance		
	Original cost	Profit after the investment date	Total	Original cost	Profit after the investment date	Total
Viet Architecture Corporation <sup>(1)</sup>	5,813,333,333	590,354,231	6,403,687,564	5,813,333,333	-	5,813,333,333
Hoang Quan Binh Thuan Consulting – Trading – Service Real Estate Joint Stock Company <sup>(2)</sup>	-	-	-	78,080,000,000	-	78,080,000,000
Hoang Quan Appraisal Co., Ltd. <sup>(3)</sup>	1,600,000,000	30,440,353	1,630,440,353	1,600,000,000	-	1,600,000,000
Hoang Quan Mekong Consulting – Trading – Service Real Estate Joint Stock Company <sup>(4)</sup>	166,560,927,946	346,088,973	166,907,016,919	166,560,927,946	-	166,560,927,946
Hoang Quan Can Tho Investment Real Estate Joint Stock Company <sup>(5)</sup>	-	-	-	37,901,104,000	-	37,901,104,000
Hoang Quan Nha Trang Consulting – Trading – Service Real Estate Joint Stock Company <sup>(6)</sup>	48,000,000,000	5,822,284	48,005,822,284	2,434,205,650	-	2,434,205,650
Nam Quan Investment Joint Stock Company <sup>(7)</sup>	-	-	-	70,400,000,000	-	70,400,000,000
Binh Minh Port Joint Stock Company <sup>(8)</sup>	-	-	-	273,255,000,000	-	273,255,000,000
MeGaSky Joint Stock Company <sup>(9)</sup>	309,367,000	(309,367,000)	-	309,367,000	-	309,367,000
Lang Son Import Export Joint Stock Company <sup>(10)</sup>	-	-	-	4,578,000,000	-	4,578,000,000
Tay Ninh Urban Development & Construction Joint Stock Company <sup>(11)</sup>	26,187,528,000	2,840,337,091	29,027,865,091	-	-	-
Tay Nam A Economy and Technology College <sup>(12)</sup>	1,200,000,000	982,056	1,200,982,056	-	-	-
Binh Thuan Housing Construction and Trading Joint Stock Company <sup>(13)</sup>	18,331,041,315	11,768,779,075	30,099,820,390	-	-	-
Tu Cuong Trading Production Co., Ltd. <sup>(14)</sup>	13,200,000,000	(170,877,360)	13,029,122,640	-	-	-
<b>Total</b>	<b>281,202,197,594</b>	<b>15,102,559,703</b>	<b>296,304,757,297</b>	<b>640,931,937,929</b>	<b>-</b>	<b>640,931,937,929</b>

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

<sup>(2)</sup> During the year, the Group has additionally purchased shares of Hoang Quan Binh Thuan Consulting – Trading – Service Real Estate Joint Stock Company under the form of share swap, so this company has become a subsidiary.

<sup>(3)</sup> The Group 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 Group has invested VND 166,560,927,946 equivalent to 32% of charter capital of Hoang Quan Mekong Consulting – Trading – Service Real Estate Joint Stock Company.

<sup>(5)</sup> During the year, the Group has additionally purchased shares of Hoang Quan Can Tho Investment Real Estate Joint Stock Company under the form of share swap, so this company has become a subsidiary.

<sup>(6)</sup> During the year, the Group has additionally into Hoang Quan Nha Trang Consulting – Trading – Service Real Estate Joint Stock Company an amount of VND 45.565.794.350. As of the balance sheet date, the Group has invested VND 48 billion, equivalent to 40% of charter capital.

<sup>(7)</sup> During the year, the Group has sold shares of Nam Quan Investment Joint Stock Company.

<sup>(8)</sup> During the year, the Group has additionally purchased shares of Binh Minh Port Joint Stock Company under the form of share swap, so this company has become a subsidiary.

<sup>(9)</sup> The Group has invested in MeGaSky Joint Stock Company an amount of VND 309.367.000, equivalent to 40% of charter capital.

<sup>(10)</sup> During the year, the Group has sold shares of Lang Son Import Export Joint Stock Company.

<sup>(11)</sup> During the year, the Group has invested in Tay Ninh Urban Development & Construction Joint Stock Company an amount of VND 26.187.528.000, equivalent to 42,38% of charter capital.

<sup>(12)</sup> During the year, the Group has invested in Tay Nam A Economy and Technology College for an amount of VND 1,2 billion, equivalent to 20% of charter capital.

<sup>(13)</sup> The Group has invested in Binh Thuan Housing Construction and Trading Joint Stock Company an amount of VND 18,331,041,315 equivalent to 37,46% of charter capital.

<sup>(14)</sup> The Group has invested in Tu Cuong Trading Production Co., Ltd. for an amount of VND 13,200,000,000, equivalent to 40% of charter capital.

Values of the Group's ownership in associates (see appendix 01 attached).

**Operation situation of associates**

MeGaSky Joint Stock Company has currently ceased its operation. Other associates has been in normal operation and not had significant changes in comparison with the previous year.

**Transactions with associates**

Material transactions between the Group and associates are as follows:

	Current year	Previous year
<b>Viet Architecture Corporation</b>		
Lending	4,513,404,464	1,734,400,000
Borrowing	100,000,000	-
Hiring car	181,818,184	-
Expenses on design consultancy	14,637,530,941	7,719,838,392
<b>Binh Thuan Housing Construction and Trading Joint Stock Company</b>		
Expenses on project construction	217,331,526,131	-
Execution revenue	5,252,625,092	-
Sales from leasing	5,573,873,864	-
Lending	1,000,000,000	-
Dividend receivable	122,180,000	-
Borrowings	3,521,650,000	-
Loan interest payable	592,749,372	-
<b>Hoang Quan Appraisal Co., Ltd,</b>		
Lending	200,000,000	-
<b>Hoang Quan Mekong Consulting – Trading – Service Real Estate Joint Stock Company</b>		
Lending	7,575,891,000	16,202,000,000
Dividends shared	3,072,000,000	7,628,000,000
Borrowing, collection on other's behalf	30,842,984,983	33,001,116,949
Revenues from execution and construction	26,010,696,364	-
Loan interest expenses	647,149,610	701,400,274

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

	Current year	Previous year
<b>Hoang Quan Nha Trang Consulting – Trading – Service Real Estate Joint Stock Company</b>		
Lending	380,000,000	-
<b>Nam Quan Investment Joint Stock Company</b>		
Lending	45,200,095,766	-
Sales of property	94,177,579,918	-
Borrowing	69,365,977,318	4,440,000
<b>MeGaSky Joint Stock Company</b>		
Lending	143,350,040	16,860,714
<b>Tay Ninh Urban Development &amp; Construction Joint Stock Company</b>		
Dividends received upon divestment	907,509,600	-
Revenues from construction execution	20,288,460,909	-
<b>Tay Nam A Economy and Technology College</b>		
Lending	210,000,000	-
<b>Tu Cuong Trading Production Co., Ltd.</b>		
Lending	72,072,000	-

## 2c. Investments into other entities

	Ending balance			Beginning balance		
	Original cost	Provisions	Fair value	Original cost	Provision	Fair value
Binh Thuan Housing Construction and Trading Joint Stock Company	-	-	-	1,241,590,161	-	1,241,590,161
Ninh Thuan Tourist Joint Stock Company	1,000,000,000	-	1,000,000,000	1,000,000,000	-	1,000,000,000
KIS Vietnam Securities Corporation	1,080,000,000	(103,912,402)	976,087,598	1,080,000,000	(459,827,714)	620,172,286
Viet Nam Young Entrepreneurs Investment Corporation	2,108,880,000	-	2,108,880,000	2,108,880,000	-	2,108,880,000
Kien Giang Investment and Construction Consulting Joint Stock Company	5,988,000,000	-	5,988,000,000	5,988,000,000	-	5,988,000,000
HDBank	256,051,000	-	256,051,000	256,051,000	-	256,051,000
Phu Quoc Investment Development Infrastructure Corporation	2,800,000,000	-	2,800,000,000	2,800,000,000	-	2,800,000,000
Binh Minh Port Joint Stock Company	-	-	-	150,000,000,000	-	150,000,000,000
Ho Chi Minh City Housing Development Fund <sup>(1)</sup>	221,200,000	-	221,200,000	-	-	-
Hoang Quan Mekong Consulting – Trading – Service Real Estate Joint Stock Company <sup>(1)</sup>	322,019,300,000	-	322,019,300,000	26,019,300,000	-	26,019,300,000
Binh Minh Trading Services and Entertainment Company Limited <sup>(1)</sup>	120,000,000,000	-	120,000,000,000	-	-	-
Thien Phat Construction Investment Co., Ltd. <sup>(1)</sup>	394,697,861,696	-	394,697,861,696	-	-	-
Dong Duong Real Estate Investment and Development JSC <sup>(1)</sup>	200,000,000,000	-	200,000,000,000	200,000,000,000	-	200,000,000,000
<b>Total</b>	<b>1,050,171,292,696</b>	<b>(103,912,402)</b>	<b>1,050,067,380,294</b>	<b>390,493,821,161</b>	<b>(459,827,714)</b>	<b>390,033,993,447</b>

<sup>(1)</sup> The Group has signed business co-operation contract with these companies under the form of assets jointly controlled.

## Fair values

For investments with listed price, fair values are determined at the listed price as of the balance sheet date. The Group has not determined fair values of investments because there has been no specific guidance on determination of fair values.

## Provisions for investments in other entities

Fluctuations of provisions for investments in other entities are as follows:

Beginning balance (*)	1,125,777,719
Reversal for provision	(1,021,865,317)
<b>Ending balance</b>	<b>103,912,402</b>

(\*) Beginning balance includes provision for associates because the business consolidation has not been performed in the previous year.

## 3. Short-term/long-term trade receivables

## 3a. Short-term trade receivables

	Ending balance	Beginning balance
<b>Receivables from related parties</b>	<b>60,978,775,546</b>	<b>157,902,275,108</b>
Viet Architecture Corporation	357,929,202	357,929,202
Hoang Quan Mekong Consulting – Trading – Service Real Estate Joint Stock Company	17,943,300,323	17,354,455,276
Hoang Quan Can Tho Investment Real Estate Joint Stock Company	-	140,189,890,630
Binh Thuan Housing Construction and Trading Joint Stock Company	957,887,602	-
Bao Linh Housing Development & Investment J,S,C	8,970,708,379	-
Hoang Quan Education Investment Company Limited	7,850,260,000	-
Nam Quan Investment Joint Stock Company	24,898,690,040	-
<b>Receivables from other customers</b>	<b>890,215,798,356</b>	<b>487,923,927,495</b>
Customers purchasing real estates	872,428,259,744	487,907,927,495
Other customers	17,787,538,612	16,000,000
<b>Total</b>	<b>951,194,573,902</b>	<b>645,826,202,603</b>

## 3b. Long-term trade receivables

Receivable from individuals for the transfer of shares.

## 4. Short-term prepayment to suppliers

	Ending balance	Beginning balance
<b>Prepayment to related parties</b>	<b>1,475,590,393,971</b>	<b>472,393,945,409</b>
Bao Linh Housing Development & Investment J,S,C	814,976,504,205	270,334,411,418
Viet Architecture Corporation	4,847,303,532	4,602,597,049
Hoang Quan Nha Trang Consulting – Trading – Service Real Estate Joint Stock Company	123,000,000,000	-
Binh Thuan Housing Construction and Trading Joint Stock Company	432,147,713,889	153,059,335,177
Board of Management	44,397,601,765	44,397,601,765
Mega Sky Joint Stock Company	377,216,306	-
Nam Quan Investment Joint Stock Company	48,782,360,257	-
Hoang Quan Mekong Consulting – Trading – Service Real Estate Joint Stock Company	7,061,694,017	-
<b>Prepayment to other suppliers</b>	<b>468,046,901,386</b>	<b>258,717,997,966</b>
Gia Bao Construction Design Investment Company Limited	194,204,078,846	-
Other suppliers	273,842,822,540	258,717,997,966
<b>Total</b>	<b>1,943,637,295,357</b>	<b>731,111,943,375</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

**5. Receivables for short-term/long-term loans****5a. Receivables for short-term loans**

	Ending balance	Beginning balance
<b>Receivables from related parties</b>	<b>96,278,105,641</b>	<b>168,406,151,937</b>
Lending to Binh Minh Port Joint Stock Company	-	45,789,862,724
Loan given to Bao Linh Housing Development & Investment Joint Stock Company	19,509,951,342	15,228,000,000
Lending to Hoang Quan Mekong Consulting – Trading – Service Real Estate JSC	15,022,732,758	16,150,000,000
Lending to Hoang Quan Can Tho Investment Real Estate Joint Stock Company	-	66,523,504,394
Lending to Hoang Quan Binh Thuan Consulting – Trading – Service Real Estate JSC	-	43,100,000
Lending to Dong Duong Land JSC	347,228,211	875,206,873
Lending to Viet Architecture Corporation	8,944,553,113	5,429,947,135
Lending to Binh Minh Port Joint Stock Company	-	5,678,456,427
Lending to Nam Quan Investment Joint Stock Company	12,570,204,620	-
Lending to MeGaSky Joint Stock Company	485,619,561	354,569,521
Lending to Hoang Quan Law Co., Ltd.	383,200,000	253,200,000
Lending to Hoang Quan Nha Trang Consulting – Trading – Service Real Estate Joint Stock Company	380,000,000	-
Lending to Tay Nam A Economy and Technology College	210,000,000	-
Lending to Hoang Quan Law Co., Ltd.	383,200,000	253,000,000
Binh Minh Trading Services and Entertainment Company Limited	8,812,852,500	-
Thien Phat Construction Investment Co., Ltd.	403,413,500	-
Lending to Phan Chi Tam	28,825,150,036	11,827,304,863
<b>Receivables from other organizations or individuals</b>	<b>76,629,114,814</b>	<b>168,369,664,442</b>
Loans given to other individuals at the interest rate of 06%/year	-	105,245,184,444
Lending to other organizations or individuals	76,629,114,814	63,124,479,998
<b>Total</b>	<b>172,907,220,455</b>	<b>336,775,816,379</b>

**5b. Receivables for long-term loans**

Loans given to other individuals with the loan period of 04 years.

**6. Other short-term/ long-term receivables****6a. Other short-term receivables**

	Ending balance		Beginning balance	
	Value	Allowance	Value	Allowance
<b>Receivables from related parties</b>	<b>6,923,436,506</b>	<b>-</b>	<b>56,814,911,629</b>	<b>-</b>
Hoang Quan Can Tho Investment Real Estate Joint Stock Company – receivable for transfer of investment projects	-	-	25,700,000,000	-
Hoang Quan Mekong Consulting – Trading – Service Real Estate Joint Stock Company – Dividends shared	3,072,000,000	-	7,628,000,000	-
Binh Minh Port Joint Stock Company – Loan interest	-	-	20,546,145,373	-
Board of Management - Advance	894,418,606	-	799,448,356	-
Executive Officers - Advance	2,957,017,900	-	2,141,317,900	-
<b>Receivables from other organizations and individuals</b>	<b>272,763,102,220</b>	<b>12,151,478,000</b>	<b>146,580,116,125</b>	<b>7,401,084,681</b>
Loan interest	-	-	80,821,362,735	-
Mortgages, deposits	7,690,640,000	-	141,640,000	-
Advances	84,588,992,350	8,685,039,352	56,187,904,520	7,006,315,811
Viet Phuong Nam Investment Co., Ltd. - capital transfer	168,000,000,000	-	-	-
Other short-term receivables	12,483,469,870	3,466,438,648	9,429,208,870	394,768,870
<b>Total</b>	<b>279,686,538,726</b>	<b>12,151,478,000</b>	<b>203,395,027,754</b>	<b>7,401,084,681</b>

**6b. Other long-term receivables**

Long-term mortgages and deposits.

**7. Doubtful debts**

	Outstanding period	Ending balance		Beginning balance		
		Original costs	Recoverable amount	Original costs	Recoverable amount	
Advances	1- 3 years	10,217,386,238	1,532,346,886	1- 3 years	10,680,900,122	3,674,584,311
Trade receivables	1- 3 years	2,003,252,400	79,490,660	-	-	-
Lending	1- 3 years	84,642,152,730	65,065,031,475	1- 3 years	25,740,452,070	11,278,073,458
Other receivables	1- 3 years	9,790,546,648	6,324,108,000	1- 3 years	767,869,439	347,392,385
Prepayment to suppliers	1- 3 years	13,527,998,507	337,173,675	1- 3 years	16,223,703,164	3,912,774,810
Deficit assets waiting for treatment	1- 3 years	1,114,434,413	87,451,221	1- 3 years	405,000,000	202,500,000
<b>Total</b>		<b>121,295,770,936</b>	<b>73,425,601,917</b>		<b>53,817,924,795</b>	<b>19,415,324,964</b>

Fluctuations of allowances for doubtful debts are as follows:

Ending balance	34,402,599,831
Increase due to business consolidation	1,809,354,778
Additional extraction	11,658,214,410
<b>Ending balance</b>	<b>47,870,169,019</b>

**8. Deficit assets waiting for treatment**

Deficit amount received from the sale of goods on transaction floors.

**9. Inventories**

	Ending balance		Beginning balance	
	Original cost	Allowance	Original cost	Allowance
Materials and supplies	4,679,181,406	-	-	-
Work-in-process	637,947,806,332	-	615,089,126,766	-
- Construction expenses	602,182,071,932	-	579,323,392,366	-
- Project investment expenses	35,765,734,400	-	35,765,734,400	-
Merchandises	182,521,985	-	113,014,066	-
Real estate merchandises	274,354,769,707	-	136,606,080,910	-
<b>Total</b>	<b>917,164,279,430</b>	<b>-</b>	<b>751,808,221,742</b>	<b>-</b>

Some real estate merchandises and project expenses have been mortgaged to secure the loans from banks.

**10. Short-term/long-term prepaid expenses****10a. Short-term prepaid expenses**

	Ending balance	Beginning balance
Tools	1,467,759,648	201,523,235
Repair expenses	446,859,061	341,629,739
Insurance premiums	14,392,295	-
House rental	30,009,002	-
<b>Total</b>	<b>1,959,020,006</b>	<b>543,152,974</b>

**10b. Long-term prepaid expenses**

	Ending balance	Beginning balance
Land rental	584,497,170,651	-
Tools	1,355,499,267	-
Repair expenses	82,441,764	39,239,993
<b>Total</b>	<b>585,935,111,682</b>	<b>39,239,993</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

**11. Tangible fixed assets**

	Buildings and structures	Machinery and equipment	Vehicles	Office equipment	Total
<b>Historical costs</b>					
Beginning balance	3,370,551,063	-	12,978,300,635	1,006,588,670	17,355,440,368
Purchases	-	-	13,589,071,818	-	13,589,071,818
Increase due to business consolidation	5,703,631,879	36,497,619	1,493,454,909	69,825,913	7,303,410,320
Other decreases	-	-	(50,000,000)	-	(50,000,000)
<b>Ending balance</b>	<b>9,074,182,942</b>	<b>36,497,619</b>	<b>28,010,827,362</b>	<b>1,076,414,583</b>	<b>38,197,922,506</b>
<i>In which:</i>					
Fully depreciated but still in use	-	36,497,619	6,409,887,817	736,688,670	7,183,074,106
Waiting for treatment	-	-	-	-	-
<b>Depreciation</b>					
Beginning balance	210,659,430	-	10,334,222,480	689,912,602	11,234,794,512
Depreciation	241,839,420	912,428	2,657,972,432	119,116,236	3,019,840,516
Increase due to business consolidation	2,622,968,578	35,585,191	646,496,274	69,385,746	3,374,435,789
<b>Beginning balance</b>	<b>3,075,467,428</b>	<b>36,497,619</b>	<b>13,638,691,186</b>	<b>878,414,584</b>	<b>17,629,070,817</b>
<b>Net book values</b>					
Beginning balance	3,159,891,633	-	2,644,078,155	316,676,068	6,120,645,856
<b>Ending balance</b>	<b>5,998,715,514</b>	<b>-</b>	<b>14,372,136,176</b>	<b>197,999,999</b>	<b>20,568,851,689</b>
<i>In which:</i>					
Assets temporary not in use	-	-	-	-	-
Assets waiting for treatment	-	-	-	-	-

**12. Intangible fixed assets**

	Land use right	Computer software	Total
<b>Initial costs</b>			
Ending balance	-	170,503,000	170,503,000
Increase due to business consolidation	11,776,264,789	-	11,776,264,789
<b>Ending balance</b>	<b>11,776,264,789</b>	<b>170,503,000</b>	<b>11,946,767,789</b>
<i>In which:</i>			
Fully amortized assets but being still in use	-	170,503,000	170,503,000
<b>Amortization</b>			
Beginning balance	-	170,503,000	170,503,000
Amortization	373,657,295	-	373,657,295
Increase due to business consolidation	629,245,540	-	629,245,540
<b>Ending balance</b>	<b>1,002,902,835</b>	<b>170,503,000</b>	<b>1,173,405,835</b>
<b>Net book values</b>			
Beginning balance	-	-	-
<b>Ending balance</b>	<b>10,773,361,954</b>	<b>-</b>	<b>10,773,361,954</b>
<i>In which:</i>			
Not yet being used	-	-	-
Waiting for liquidation	-	-	-

**13. Work-in-process**

	Ending balance	Beginning balance
	Original costs	Recoverable amount
Project of Hoang Quan Consulting - Trading - Service Real Estate Corporation	14,209,617,073	14,209,617,073
Project of Hoang Quan Can Tho Investment Real Estate Joint Stock Company	4,343,844,541	-
Project of Hoang Quan Binh Thuan Consulting - Trading - Service Real Estate Joint Stock Company	913,358,662	-
<b>Total</b>	<b>19,466,820,276</b>	<b>14,209,617,073</b>

**14. Construction-in-progress**

	Beginning balance	Increases	Increase due to business consolidation	Ending balance
Binh Minh Port	-	-	922,306,273	922,306,273
Construction of unburned material production factory	-	603,540,841	-	603,540,841
Land lots in Phu An Urban Zone, Cai Rang District, Can Tho City	-	-	550,000,000	550,000,000
Others	160,260,067	39,495,636	25,991,318	225,747,021
<b>Total</b>	<b>160,260,067</b>	<b>643,036,477</b>	<b>1,498,297,591</b>	<b>2,301,594,135</b>

**15. Deferred income tax assets**

Deferred income tax assets arising from temporarily deductible differences of accrued expenses.

**16. Short-term trade payables**

	Ending balance	Beginning balance
<b>Payables to related parties</b>		
Tay Ninh Urban Development & Construction Joint Stock Company	13,094,790,602	622,715,229
Binh Minh Port Joint Stock Company	12,207,886,000	-
Hoang Quan Law Co., Ltd.	-	55,215,230
Viet Architecture Corporation	422,326,144	567,499,999
Binh Thuan Housing Construction and Trading Joint Stock Company	186,007,000	-
Hoang Quan Law Co., Ltd.	223,571,458	-
<b>Payables to other suppliers</b>	<b>55,000,000</b>	<b>-</b>
Construction Joint Stock Company 507	47,691,546,045	8,540,756,445
Housing Trading and Construction Co., Ltd.	2,383,981,000	2,763,981,000
Housing Development and Trading Co., Ltd.	1,000,000,000	1,000,000,000
Hoc Mon Trading JSC	243,790,781	794,849,017
Others	30,036,123,538	-
<b>Total</b>	<b>14,027,650,726</b>	<b>3,981,926,428</b>
<b>Total</b>	<b>60,786,336,647</b>	<b>9,163,471,674</b>

The Company has not had any outstanding trade payables.

**17. Short-term advances from customers**

	Ending balance	Beginning balance
<b>Advances from related parties</b>		
Hoang Quan Nha Trang Consulting - Trading - Service Real Estate Joint Stock Company	50,377,983,112	31,184,483,112
Binh Thuan Housing Construction and Trading Joint Stock Company	30,000,000,000	-
Viet Architecture Corporation	-	22,900,000,000
Bao Linh Housing Development & Investment Joint Stock Company	93,500,000	-
<b>Advances from other customers</b>	<b>20,284,483,112</b>	<b>8,284,483,112</b>
Customers purchasing real estates	331,943,952,160	256,659,203,193
Other customers	329,976,678,864	256,333,621,039
<b>Total</b>	<b>1,967,273,296</b>	<b>325,582,154</b>
<b>Total</b>	<b>382,321,935,272</b>	<b>287,843,686,305</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

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

	Beginning balance		Increases			Ending balance	
	Payables	Receivables	Increase due to business consolidation	Amount payable	Amount already paid	Payables	Receivables
VAT on local sales	-	-	140,074,668	200,062,411	(456,876,674)	-	116,739,595
Corporate income tax	7,867,646,778	-	3,695,052,946	78,323,472,607	(8,383,731,625)	81,502,440,706	-
Corporate income tax temporarily paid on the amount received in advance from the transfer of real estates	-	875,610,401	-	-	(195,316,334)	-	1,070,926,735
Personal income tax	1,026,160,526	-	760,901,649	5,167,329,894	(2,279,187,971)	4,675,204,098	-
Other taxes	309,453,895	-	684,422,826	2,023,882,541	(132,263,300)	2,885,495,962	-
<b>Total</b>	<b>9,203,261,199</b>	<b>875,610,401</b>	<b>5,280,452,089</b>	<b>85,714,747,453</b>	<b>(11,447,375,904)</b>	<b>89,063,140,766</b>	<b>1,187,666,330</b>

**Value added tax**

The Company has to pay VAT in line with the deduction method. The tax rates applied are as follows:

Social housing	5%
Other activities	10%

**Corporate income tax**

The Company is responsible for paying corporate income tax at the rate of 22% on taxable income. 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 of companies in Group during the year is as follows:

	Beginning balance
Hoang Quan Mekong Consulting - Trading - Service Real Estate Joint Stock Company	75,192,864,533
Hoang Quan Can Tho Investment Real Estate Joint Stock Company	2,643,258,413
Binh Minh Port Joint Stock Company	487,349,661
<b>Total</b>	<b>78,323,472,607</b>

Determination of corporate income tax liability of the companies in Group is based on prevailing regulations on tax. Nonetheless, these tax regulations may change from time to time and tax regulations applicable to variety of transactions can be interpreted differently. Hence, the tax amounts presented in the Interim Financial Statements can be changed upon the inspection of tax authorities.

Pursuant to the Law No. 32/2013/QH13 on amending and supplementing a number of Articles of the Law on Corporate Income Tax approved by the XIIIth National Assembly of the Socialist Republic of Vietnam at its 5th session on 19 June 2013, the common corporate income tax rate shall decrease from 22% to 20% from 01 January 2016.

Corporate income tax temporarily paid for advances received from real estate transfer

The Group has temporarily paid the corporate income tax at the rate of 01% on the amount received in advance from the transfer of property in accordance with regulations of the Circular No. 78/2014/TT-BTC dated 18 June 2014 of the Ministry of Finance. The Group will finalize the accounts of corporate income tax payable for this activity upon handing-over of property.

**Other taxes**

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

**19. Payables to employees**

Salary payable to employees.

**20. Short-term accrued expenses**

	Ending balance	Beginning balance
Payables to other organizations and individuals		
Project expenses	298,216,325,077	320,817,115,560
Interest expenses	10,538,832,219	17,638,053,218
House rental	3,622,159,939	3,622,169,939
Others	373,618,914	-
<b>Total</b>	<b>312,750,936,149</b>	<b>342,077,338,717</b>

**21. Short-term/long-term unearned revenues****21a. Short-term unearned revenues**

	Ending balance	Beginning balance
<b>Unearned revenues in relation to related parties</b>	<b>286,013,468,764</b>	<b>272,326,335,918</b>
Hoang Quan Mekong Consulting - Trading - Service Real Estate Joint Stock Company - prepayment for construction	273,235,426,827	272,326,335,918
Viet Architecture Corporation - expenses for materials, goods	12,778,041,937	-
<b>Unearned revenues in relation to other organizations and individuals</b>	<b>45,496,527,360</b>	<b>33,341,374,471</b>
Prepayment for investment properties	43,429,845,861	33,341,374,471
Prepayment for land rental	2,066,681,499	-
<b>Total</b>	<b>331,509,996,124</b>	<b>305,667,710,389</b>

**21b. Long-term unearned revenue**

Prepayment for land rental of Ham Kiem I Industrial Zone.

**22. Other short-term/long-term payables****22a. Other short-term payables**

	Ending balance	Beginning balance
<b>Payables for borrowings to related parties</b>	<b>17,062,561,470</b>	<b>121,326,306,191</b>
Ms. Tran Thi Thanh Nhu	-	1,432,246,668
Viet Architecture Corporation	99,000,000	66,798,486
Binh Thuan Housing Construction and Trading Joint Stock Company	3,691,650,000	24,749,504,338
Hoang Quan Appraisal Co., Ltd.	310,423,138	500,000,000
Hoang Quan Mekong Consulting - Trading - Service Real Estate Joint Stock Company	9,619,216,244	29,600,648,061
Nam Quan Investment Joint Stock Company	-	182,391,146
Hoang Quan Education Investment Company Limited	3,342,272,088	3,831,151,742
Binh Minh Port Joint Stock Company	-	4,519,921,917
Bao Linh Housing Development & Investment Joint Stock Company	-	53,279,829,808
Tay Nam A Economy and Technology College - payable for borrowing	-	228,345,275
Hoang Quan Can Tho Investment Real Estate Joint Stock Company	-	2,935,468,750
<b>Payables to other organizations and individuals</b>	<b>77,446,016,762</b>	<b>94,135,895,582</b>
Kien Giang Investment and Construction Consulting Joint Stock Company - Receipt of invested capital	50,887,215,989	85,856,401,657
Others	26,558,800,773	8,279,493,925
<b>Total</b>	<b>94,508,578,232</b>	<b>215,462,201,773</b>

**22b. Other long-term payables**

	Ending balance	Beginning balance
Payables to related parties		
Borrowings from members of the Board of Management	268,748,043,997	312,014,679,538
Payable to other organizations and individuals		
Others	4,955,500,000	-
<b>Total</b>	<b>273,703,543,997</b>	<b>312,014,679,538</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

**22c. Overdue debts**

The Group has not had any overdue balance.

**23. Short-term/ long-term borrowings and financial lease****23a. Short-term borrowings and financial lease**

	Ending balance	Beginning balance
Short-term borrowings and financial lease payable to other organizations and individuals		
Short-term loans from banks	64,500,000,000	35,000,000,000
Loans from BIDV - Northern Saigon Branch <sup>(ii)</sup>	-	35,000,000,000
Loans from Agribank - Can Tho Branch	64,500,000,000	-
Current portion of long-term loans (see Note V,23b)	500,654,206,340	171,328,692,100
<b>Total</b>	<b>565,154,206,340</b>	<b>206,328,692,100</b>

- (i) Loans from Agribank - Can Tho Branch is to supplement the working capital. This loan is secured by mortgaging assets which are projects in process of the Group.

Details of increases/decreases of short-term borrowings during the year are as follows:

	Beginning balance	Increase due to business consolidation	Transferred from long-term borrowings	Amount already paid	Ending balance
Short-term loans from banks	35,000,000,000	98,269,141,409	-	(68,769,141,409)	64,500,000,000
Current portion of long-term loans	171,328,692,100	-	442,320,167,873	(112,994,653,633)	500,654,206,340
<b>Total</b>	<b>206,328,692,100</b>	<b>98,269,141,409</b>	<b>442,320,167,873</b>	<b>(181,763,795,042)</b>	<b>565,154,206,340</b>

**23b. Long-term borrowings and financial lease**

	Ending balance	Beginning balance
SeABank - Ho Chi Minh City Branch <sup>(i)</sup>	-	25,278,581,173
BIDV - Northern Saigon Branch <sup>(ii)</sup>	177,011,789,252	369,126,444,011
Sacombank <sup>(iii)</sup>	26,694,000,000	138,506,243,100
Agribank - Mac Thi Buoï Branch <sup>(iv)</sup>	37,854,756,400	41,094,000,000
LienVietPostBank - Ho Chi Minh City <sup>(v)</sup>	1,049,600,000	-
National Citizen Bank - Saigon Branch <sup>(vi)</sup>	2,596,300,000	-
<b>Total</b>	<b>245,206,445,652</b>	<b>574,005,268,284</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 loan 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 Sacombank is to pay the expenses used 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 Group's real estates and guaranteed by real estates from Binh Minh Port Joint Stock Company and Hoang Quan Mekong Consulting - Trading - Service Real Estate Joint Stock Company.
- (iv) The loan from Agribank - Mac Thi Buoï Branch has been extended from short-term loan.
- (v) The loan from LienVietPostBank - Ho Chi Minh City is to purchase a vehicle at the interest rate of 7,5% in the first 12 months, but from the 13th month onward, the interest rate is equal to the deposit interest rate plus the interest rate margin (which is determined to each specific period of time). The loan period is 60 months. The loan repayment is made monthly and the first repayment was on 29 June 2015. This loan is secured by mortgaging the assets formed from this loan.
- (vi) The loan from National Citizen Bank - Saigon Branch is to purchase a vehicle at the interest rate of 9% in the first 12 months, but from the 13th month onward, the interest rate is equal to the deposit interest rate plus the interest rate margin (which is determined to each specific period of time). The loan period is 60 months. The loan repayment is made monthly and the first repayment was on 25 March 2015. This loan is secured by mortgaging the assets formed from this loan.

## Schedule of payment for long-term borrowings:

	Ending balance	Beginning balance
Under 01 year	500,654,206,340	171,328,692,100
From 01 year to 05 years	245,206,445,652	574,005,268,284
<b>Total</b>	<b>745,860,651,992</b>	<b>745,333,960,384</b>

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

Beginning balance	574,005,268,284
Increases	113,521,345,241
Transfer to short-term borrowings	(442,320,167,873)
<b>Ending balance</b>	<b>245,206,445,652</b>

**23c. Outstanding borrowings and financial leases**

	Ending balance			Beginning balance		
	Principal	Interest	Total	Principal	Interest	Total
<b>Loans from banks</b>						
BIDV - Northern Saigon Branch	-	-	-	35,000,000,000	-	35,000,000,000
Agribank - Mac Thi Buoï Branch	32,679,000,000	-	32,679,000,000	48,794,000,000	-	48,794,000,000
SeABank - Ho Chi Minh Branch	82,166,738,694	-	82,166,738,694	103,682,607,673	-	103,682,607,673
<b>Total</b>	<b>114,845,738,694</b>	<b>-</b>	<b>114,845,738,694</b>	<b>187,476,607,673</b>	<b>-</b>	<b>187,476,607,673</b>

These loans have not been repaid due to the loan extension.

**24. Provision for long-term payables**

Warranty for construction works. Details are as follows:

Beginning balance	-
Increase due to extraction	1,410,038,300
Increase due to business consolidation	165,067,600
<b>Ending balance</b>	<b>1,575,105,900</b>

**25. Bonus and welfare funds**

Beginning balance	1,050,620,493
Increases due to the appropriation from profit	143,327,196
Increase due to business consolidation	5,445,566
<b>Ending balance</b>	<b>1,199,393,255</b>

**26. Deferred income tax liabilities**

	Beginning balance	Recognition in financial performance	Increase due to business consolidation	Ending balance
Revenue recorded in advance	-	521,443,058	10,204,632,725	10,726,075,783
Valuation of assets upon business consolidation	-	(68,978,498)	1,655,483,958	1,586,505,460
<b>Total</b>	<b>-</b>	<b>452,464,560</b>	<b>11,860,116,683</b>	<b>12,312,581,243</b>

The corporate income tax used to determined values of deferred income tax liabilities is 20% (Previous year: 22%).

**27. Owner's equity****27a. Statement of the fluctuation of the owner's equity**

Information on fluctuation of owner's equity is presented in Appendix 02 attached.

According to the Resolution dated 28 June of the Annual Shareholders' Meeting in 2014 and the Resolution dated 28 March 2015 of the Annual Shareholders' Meeting in 2015:

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

The Company has offered 93,000,000 common shares to existing shareholders and potential partners in order to supplement to working capital.

The Company has issued shares to convert shares with shareholders of target companies at the swap rate of 1:1. Total shares issued are 132,000,000 shares.

On 11 November 2015, the Company has received the 32th amended Business Registration Certificate granted by the Department of Planning and Investments of Ho Chi Minh City regarding the increase in charter capital to VND 3,950 billion.

**27b. Shares**

	Ending balance	Beginning balance
Number of shares registered to be issued	395,000,000	170,000,000
Number of shares already sold to the public	395,000,000	170,000,000
- Common shares	395,000,000	170,000,000
- Preferred shares	-	-
Number of shares repurchased	-	-
- Common shares	-	-
- Preferred shares	-	-
Number of outstanding shares	395,000,000	170,000,000
- Common shares	395,000,000	170,000,000
- Preferred shares	-	-

Face value per outstanding share: VND 10,000.

**27c. Share premiums**

Share premiums arisen from the issuance of shares for swap are as follows:

	Quantity	Issuance value	Values by face value	Share premiums
Hoang Quan Can Tho Investment Real Estate Joint Stock Company	35,009,890	178,550,439,000	350,098,900,000	(171,548,461,000)
Hoang Quan Binh Thuan Consulting – Trading – Service Real Estate Joint Stock Company	28,657,850	146,155,035,000	286,578,500,000	(140,423,465,000)
Binh Minh Port Joint Stock Company	30,900,000	157,590,000,000	309,000,000,000	(151,410,000,000)
Dong Duong Land JSC	37,432,260	190,904,526,000	374,322,600,000	(183,418,074,000)
<b>Total</b>	<b>132,000,000</b>	<b>673,200,000,000</b>	<b>1,320,000,000,000</b>	<b>(646,800,000,000)</b>

Values of issued shares are based on the closing price of the Company listed in the securities market as of 01 October 2015 (i.e. VND 5,100 /share).

**27d. Distribution of profit**

During the year, the Company distributed its profit in accordance with the Resolution dated 28 June 2014 of the Annual Shareholders' Meeting in 2014 and the Resolution No. 03/2015/NQ-HĐQT dated 06 February 2015 of the Board of Management, the Resolution dated 28 March 2015 of the Annual Shareholders' Meeting in 2015 and the Resolution No. 14/2015/NQ-HĐQT dated 05 November 2015 of the Board of Management as follows:

	VND
Distribution of dividends in 2013 to shareholders	26,972,460,000
Extraction for investment and development fund and bonus	477,757,321
Distribution of dividends in 2014 to shareholders	29,241,360,000

**28. Benefit of non-controlling shareholders**

Benefit of non-controlling shareholders reflects the benefit parts of non-controlling shareholders in values of net sales of subsidiaries. Fluctuation of benefit of non-controlling shareholders are as follows:

Beginning balance	-
Profit after tax of non-controlling shareholders	170,884,833
Increase due to business consolidation	40,568,317,653
<b>Ending balance</b>	<b>40,739,202,486</b>

**29. Off-balance sheet items**

Foreign currencies

As of the balance sheet date, cash includes USD 277.35 (Ending balance: USD 290.55).

**VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED INCOME STATEMENT****1. Sales****1a. Gross sales**

	Current year	Previous year
Sales of trading in real estates	1,364,792,600,385	315,116,998,563
Sales of constructions	44,745,035,640	13,352,076,993
Sales of service provisions	6,393,033,465	382,813,405
Sales of agricultural land lease	5,008,758,911	-
Others	973,738,037	-
<b>Total</b>	<b>1,421,913,166,438</b>	<b>328,851,888,961</b>

**1b. Sales to related parties**

Apart from transactions of sales of goods and service provision with associates presented in Note No. V.2c, the Group has had no transactions of sales of goods and service provision with other related parties which are not associates.

**2. Sales deductions**

Sales return.

**3. Costs of sales**

	Current year	Previous year
Costs of trading in real estates	970,290,416,682	245,450,414,577
Costs of construction activities	29,566,974,180	10,550,892,083
Cost of leasing activities	1,844,097,701	-
Others	293,976,762	-
<b>Total</b>	<b>1,001,995,465,325</b>	<b>256,001,306,660</b>

**4. Financial income**

	Current year	Previous year
Term deposit interest	-	10,210,600
Demand deposit interest	222,072,202	26,014,404
Loan interest	20,338,879,223	66,828,620,936
Dividends and profit received	6,088,066,900	9,526,292,250
Income from transfer of capital	189,095,474,000	25,700,000,000
<b>Total</b>	<b>215,744,492,325</b>	<b>102,091,138,190</b>

**5. Financial expenses**

	Current year	Previous year
Loan interest expenses	54,203,353,031	55,854,808,448
Reversal of provision devaluation of trading securities and investment loss	(756,706,317)	216,718,793
<b>Total</b>	<b>53,446,646,714</b>	<b>56,071,527,241</b>

**6. Selling expenses**

	Current year	Previous year
Expenses for employees	27,429,275,369	19,222,877,139
Materials, suppliers	261,053,127	1,012,286,603
Depreciation/(amortization) of fixed assets	729,205,303	284,559,927
External services rendered	6,107,539,583	7,098,690,801
Others	10,236,691,606	7,416,585,188
<b>Total</b>	<b>44,763,764,988</b>	<b>35,034,999,658</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

**7. General and administration expenses**

	Current year	Previous year
Expenses for employees	30,684,455,958	20,424,498,454
Office supplies	1,708,490,750	1,141,465,236
Depreciation/(amortization) of fixed assets	2,624,508,390	663,973,147
Taxes, fees, and legal fees	1,016,110,044	317,407,207
Allowance for doubtful debts	11,658,214,410	10,530,798,368
External services rendered	23,559,055,258	6,270,732,678
Others	19,884,431,179	4,157,005,423
<b>Total</b>	<b>91,135,265,989</b>	<b>43,505,880,513</b>

**8. Other income**

	Current year	Previous year
Interest due to acquisition of subsidiary	304,748,222,757	-
Proceeds from fines due to contract violation	3,983,735,270	370,523,407
Others	1,030,335,357	1,205,469,951
<b>Total</b>	<b>309,762,293,384</b>	<b>1,575,993,358</b>

**9. Other expenses**

	Current year	Previous year
Fines for administrative violation	1,360,639,972	479,806,270
Compensation	3,486,000,000	2,984,362,245
Tax fines and tax collected in arrears	1,547,100,081	-
Others	3,118,887,184	-
<b>Total</b>	<b>9,512,627,237</b>	<b>3,464,168,515</b>

**10. Earnings per share****10a. Earnings and diluted earnings per share**

	Current year	Previous year
Accounting profit after corporate income tax	641,187,562,903	30,118,203,095
Increases/(decreases) in accounting profit to determine profit distributed to ordinary equity holders:	-	-
Profit used to calculate basic earnings and diluted earnings per share	641,187,562,903	30,118,203,095
The average number of ordinary shares outstanding during the period	251,375,000	108,333,333
<b>Earnings and diluted earnings per share</b>	<b>2,551</b>	<b>278</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	170,000,000	90,000,000
Effects of ordinary shares issued on 06 January 2015	30,000,000	-
Effects of ordinary shares issued on 14 September 2015	18,375,000	-
Effects of ordinary shares issued on 01 October 2015	33,000,000	-
Effects of common shares issued during the previous year	-	18,333,333
Average ordinary shares outstanding during the period	251,375,000	108,333,333

**10b. Other disclosures**

There are no transactions relating to ordinary shares or potential ordinary shares occurring from the balance sheet date to the date of these Financial Statements.

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

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

	Current year	Previous year
Capital increased from profit and offsetting payables against receivables	-	300,000,000,000
Capital increased from swapping shares	673,200,000,000	-
Transfer of unpaid investment	70,400,000,000	-
Recovery of the loans transferred into debts	-	44,700,000,000
Recovery of the loans transferred into investment	-	100,000,000,000

**VII. OTHER DISCLOSURES****1. Balances and transactions with related parties**

Related parties of the Group include key managers, their related individuals and other related parties.

**1a. Balances and transactions with key managers and their related individuals**

Key managers include members of the Board of Management and the Executive Officers (the Board of Directors, Financial Manager and Chief Accountant). The individuals related to the key managers are their close family members.

*Transactions with key managers and their related individuals*

The Group has not conducted any transaction of sales of goods and service provision with key managers and their related individuals. Other transactions with key managers and their related individuals are as follows:

	Current year	Previous year
Members of the Board of Management		
<i>Borrowings</i>	282,632,253,018	320,541,417,691
<i>Loan interest payable</i>	-	1,537,909,038
Executive Officers		
<i>Loan interest</i>	71,752,284	152,083,335
<i>Lending</i>	22,554,391,422	12,436,261,432

*Guarantee commitment*

The Board of Management has used the amount lending the Company to guarantee the loans given to individuals.

*Balances with key managers and their related individuals*

Balances with key managers and their related individuals are presented in the Note V4, V.5, V6 and V.22.

*Income of key managers*

Income of key managers includes only the salary and total salary during the year is VND 4,586,480,000 (same period of the previous year: VND 2,728,564,686).

**1b. Balances and transactions with other related parties**

Other related parties of the Group include:

Related parties	Relationship
Viet Architecture Corporation	Associate
Hoang Quan Appraisal Co., Ltd.	Associate
Hoang Quan Mekong Consulting - Trading - Service Real Estate Joint Stock Company	Associate
Hoang Quan Nha Trang Consulting - Trading - Service Real Estate Joint Stock Company	Associate
Nam Quan Investment Joint Stock Company	Associate
MeGaSky Joint Stock Company	Associate
Tay Ninh Urban Development & Construction Joint Stock Company	Associate
Tay Nam A Economy and Technology College	Associate
Bao Linh Housing Development & Investment J.S.C	Related company
Hoang Quan Education Investment Company Limited	Related company

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

Related parties	Relationship
Binh Thuan Housing Construction and Trading Joint Stock Company	Related company
Hoang Quan Law Co., Ltd.	Related company
Binh Minh Trading Services and Entertainment Company Limited	Business cooperation
Thien Phat Construction Investment JSC	Business cooperation
Dong Duong Land JSC	Shareholder and business cooperation

*Transactions with other related parties*

Transactions with associates are presented in the Note V.2c. Transactions between the Company and other related parties, which are not the Company's associates, are as follows:

	Current year	Previous year
Bao Linh Housing Development & Investment J.S.C		
Execution expenses	352,516,255,431	451,954,959,280
Lending	11,211,951,342	5,757,444,400
Borrowing	869,000,000	107,366,214,115
Dong Duong Land JSC		
Lending	22,514,976,338	-
Binh Minh Trading Services and Entertainment Company Limited		
Lending	8,058,650,000	-
Thien Phat Construction Investment JSC		
Lending	403,413,500	-
Hoang Quan law Co., Ltd.		
Legality service fee	1,463,636,364	-
Lending	530,000,000	-

*Balances with other related parties*

Balances with other related parties are presented in the Note V3, V4, V.5, V6, V.16, V.17, V.21 and V.22.

**2. Segment information**

The Group's main operation is trading in real estate (equivalent to over 97% of sales of the whole company) and Group's operating activities are mainly in Southern areas; therefore, it is not subject that has to present the segment reporting according to the guidance of Vietnamese Accounting Standard.

**3. Comparative figures****3a. Application of new Accounting System**

As presented in Note No. III.1, since 01 January 2015, the Company has applied the Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance guiding the Vietnamese 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 as well as Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance in replacement for Part XIII - Circular No. 161/2007/TT-BTC dated 31 December 2007 of the Ministry of Finance regarding the presentation and preparation consolidated Financial Statements as in the Vietnamese Accounting Standard No. 25 "Consolidated Financial Statements and investments in subsidiaries". The Group has re-presented the comparative figures in compliance with regulations of this new Accounting System.

**3b. Errors**

Some operation expenses at the mount of VND 22,909,276,188 arisen in the fiscal year 2009 and 2010 which were not recorded in the income statement but allocated for projects which may earn revenues in the future. In the current year, these expenses are transferred to Retained earnings of the previous year.

**3c. Effects of the application of new Accounting System and adjustments of errors**

The application of new Accounting System has not materially affected the comparative figures in the Interim Financial Statements as follows:

	Code	Figures before adjustment	Adjustments	Figures after adjustment
<b>Balance Sheet</b>				
Short-term financial investments	120	155,515,047,168	(155,379,047,168)	136,000,000
Receivables for short-term loans	135	-	336,775,816,379	336,775,816,379
Other short-term receivables	136	325,521,486,189	(122,126,458,435)	203,395,027,754
Deficit assets waiting for treatment	139	-	405,000,000	405,000,000
Inventories	141	788,927,115,003	(37,118,893,261)	751,808,221,742
Other current assets	155	59,675,310,776	(59,675,310,776)	-
Long-term trade payables	211	-	285,100,960,000	285,100,960,000
Other long-term payables	216	-	230,000,000	230,000,000
Long-term work-in-process	241	-	14,209,617,073	14,209,617,073
Investments in other entities	253	675,594,781,161	(285,100,960,000)	390,493,821,161
Other non-current assets	268	230,000,000	(230,000,000)	-
Short-term advances from customers	312	593,511,396,694	(305,667,710,389)	287,843,686,305
Short-term unearned revenue	318	-	305,667,710,389	305,667,710,389
Investment and development fund	418	700,413,662	1,751,034,154	2,451,447,816
Financial reserved fund		1,751,034,154	(1,751,034,154)	-
Retained earnings	421	83,568,370,754	(22,909,276,188)	60,659,094,566

**4. Subsequent events**

There have been no subsequent events which need any adjustments on the figures or the disclosures in the Financial Statements.

Ho Chi Minh City, 02 March 2016



VU THI PHUONG THUY  
Preparer



NGUYEN HONG PHUONG  
Chief Accountant



Ph.D. TRUONG ANH TUAN  
General Director

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

## Appendix 1: Values of ownership of the Group in associates

	Value of capital ownership at the beginning of the year	Adjustments due to consolidation	Capital contribution during the year	Profit or loss during the year	Value of amount transferred	Transferred to subsidiaries	Value of capital ownership at the end of the year
Viet Architect Corporation	5,813,333,333	216,718,918	-	373,635,313	-	-	6,403,687,564
Hoang Quan Binh Thuan Consulting -Trading -Service Real Estate Corporation	78,080,000,000	-	-	-	-	(78,080,000,000)	-
Hoang Quan Appraisal Limited Company	1,600,000,000	(27,808,884)	-	58,249,237	-	-	1,630,440,353
Hoang Quan Mekong Consulting -Trading -Service Real Estate Corporation	166,560,927,946	219,570,387	-	126,518,586	-	-	166,907,016,919
Hoang Quan Can Tho Consulting - Trading - Service Real Estate Joint Stock Company	37,901,104,000	-	-	-	-	(37,901,104,000)	-
Hoang Quan Nha Trang Consulting - Trading - Service Real Estate Joint Stock Company	2,434,205,650	(62,849,147)	45,565,794,350	68,671,431	-	-	48,005,822,284
Nam Quan Investment Joint Stock Company	70,400,000,000	-	-	-	(70,400,000,000)	-	-
Binh Minh Port Joint Stock Company	273,255,000,000	-	-	-	-	(273,255,000,000)	-
MeGaSky Joint Stock Company	309,367,000	(309,367,000)	-	-	-	-	-
Lang Son Import Export Joint Stock Company	4,578,000,000	-	-	-	(4,578,000,000)	-	-
Tay Ninh Urban Development & Construction Joint Stock Company	-	-	26,187,528,000	2,840,337,091	-	-	29,027,865,091
Tay Nam A Economy and Technology College	-	-	1,200,000,000	982,056	-	-	1,200,982,056
Binh Thuan Housing Construction and Trading Joint Stock Company	-	27,704,060,815	-	2,395,759,575	-	-	30,099,820,390
Tu Cuong Trading Production Co., Ltd.	-	13,024,882,018	-	4,240,622	-	-	13,029,122,640
<b>Total</b>	<b>640,931,937,929</b>	<b>40,765,207,107</b>	<b>72,953,322,350</b>	<b>5,868,393,911</b>	<b>(74,978,000,000)</b>	<b>(389,236,104,000)</b>	<b>296,304,757,297</b>

Ho Chi Minh City, 02 March 2016



**VU THI THANH THUY**  
Preparer



**NGUYEN HONG PHUONG**  
Chief Accountant



**TRUONG ANH TUAN (PhD.)**  
General Director

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

## Appendix 2: Statement of fluctuation in owner's equity

	Capital	Share premiums	Investment and development fund	Financial reserved fund	Retained earnings	Benefit of non-controlling shareholders	Total
Beginning balance of the previous year	900,000,000,000	-	700,413,662	1,751,034,154	53,450,167,659	-	955,901,615,475
Adjustment on recognition of expenses of previous years	-	-	-	-	(22,909,276,188)	-	(22,909,276,188)
Reclassification of beginning balance	900,000,000,000	-	700,413,662	1,751,034,154	30,540,891,471	-	932,992,339,287
Share issuance to increase capital	800,000,000,000	-	-	-	-	-	800,000,000,000
Profit during the year	-	-	-	-	30,118,203,095	-	30,118,203,095
<b>Ending balance of the previous year</b>	<b>1,700,000,000,000</b>	<b>-</b>	<b>700,413,662</b>	<b>1,751,034,154</b>	<b>60,659,094,566</b>	<b>-</b>	<b>1,763,110,542,382</b>
Beginning balance of the current year	1,700,000,000,000	-	2,451,447,816	-	60,659,094,566	-	1,763,110,542,382
Share issuance to increase capital	930,000,000,000	-	-	-	-	-	930,000,000,000
Capital increased from share transfer	1,320,000,000,000	(646,800,000,000)	-	-	-	-	673,200,000,000
Profit during the year	-	-	-	-	641,187,562,903	-	641,187,562,903
Increase due to recognition of investments into associates as in the method of owner's equity	-	-	-	-	9,234,165,792	-	9,234,165,792
Dividends shared in the current year	-	-	-	-	(56,213,820,000)	-	(56,213,820,000)
Extraction for fund during the year	-	-	334,430,125	-	(477,757,321)	-	(143,327,196)
Profit after tax of non-controlling shareholders	-	-	-	-	-	170,884,833	170,884,833
Increase due to business consolidation	-	-	-	-	-	40,568,317,653	40,568,317,653
<b>Ending balance of the current year</b>	<b>3,950,000,000,000</b>	<b>(646,800,000,000)</b>	<b>2,785,877,941</b>	<b>-</b>	<b>654,389,245,940</b>	<b>40,739,202,486</b>	<b>4,001,114,326,367</b>

Ho Chi Minh City, 02 March 2016



**VU THI THANH THUY**  
Preparer



**NGUYEN HONG PHUONG**  
Chief Accountant



**TRUONG ANH TUAN (PhD.)**  
General Director

# SYSTEM OPERATING FUNCTIONS

## REAL ESTATE

- Investment and business in real estate: Residential area, Industrial parks, Buildings for Office - Commerce - Services etc.
- Marketing, distribution and management of real estate, real estate brokerage.

## EDUCATION

- Investment and development of education: universities, colleges, vocational schools, kindergartens.
- Cooperation and training for human resource development.

## FINANCE

- Contribute capital and acquisitions.
- Financial investments and securities.

## DESIGN

- Design civil - industrial engineering works, project planning of urban areas and industrial zones.
- Consulting, managing and developing the investment projects, supervision of construction works

## CONSTRUCTION

- Leveling construction, transport infrastructure, construction of civil works.
- Design and construction of interior - exterior works, building materials business.

## LAW

- Consulting and implementing real estate services, legal consultancy.
- Authorized representative of the customer involved in the proceedings in accordance with law.

## PRICE APPRAISAL

- Appraisal of real estate, estate, investment projects.
- Property auction service, market research.

# ASSOCIATED, SUBSIDIARIES COMPANIES



CONTACT INVESTOR RELATIONS DEPARTMENT FOR MORE INFORMATION

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

Investor Relations Department:

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HQC Plaza 2 (HCMC) - 7ha



HQC Binh Tan (HCMC) - 4.2ha



HQC Dong Nai (Dong Nai Province)



HQC O Mon (Can Tho City) - 22ha

**CENTER FOR TOURISM - EVENT - FINANCE - EDUCATION - RESORT**  
**MUI NE - HAM TIEN (198ha)**  
 Location: Ham Tien Ward, Phan Thiet City, Binh Thuan Province

- 1. Land for internal use
- 2. Bus station
- 3. Land for sports events
- 4. Land for commerce - service purposes
- 5. Land for financial purposes
- 6. Land for educational purposes
- 7. Land for resort
- 8. Sand
- 9. Local border

1. Walking street
2. Bus stations at the beginning of arterial roads
3. Amusement park
4. Premium commerce and service sector
5. Finance sector
6. Education - Training sector
7. Green park with religious works
8. Land for staff use and for tourism
9. Quays for water sports
10. Sea square with a sector for religious activities
11. Boat station
12. Resort

Center for Tourism - Event - Finance - Education - Resort Mui Ne - Ham Tien - 198ha

**KNOWLEDGE - INNOVATION - PIONEERING**



**HOANG QUAN CONSULTING - TRADING - SERVICE REAL ESTATE CORPORATION**  
 (STOCK CODE: HQC)

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