



HOABINH

ANNUAL REPORT 2016



Sustainable Value



In 2016, Hoa Binh will focus its efforts to improve the entire governance system based on international standards. The improvement is based on the foundation of sustainable value which was gained from the experience through many market events with many ups and downs in many years but it still flourished and has been written into the Declaration of Values including: Vision, Mission , Business philosophy and Core value. The objective of the Board of Directors and Board of Managers is to bring this value into the business, making it the nature of the Hoa Binh, the flesh and blood of each member and to create sustainable value of the group.

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MESSAGE FROM THE CHAIRMAN

Currently, in the field of high-rise and super high-rise building, Hoa Binh is considered to be the Vietnamese contractors with best capacity to meet the highest requirements of the market. In 2015, Hoa Binh has received numerous awards and honors including the notable Top 50 largest brand value according to international consulting firm Brand Finance (UK) valuation.

Dear Shareholders,

In 2015, the real estate market has changed and impacted to the company business positively. However, we have not achieved the expected business result, in which net revenue reached VND 5,078 billion, increased 44.5% compared to 2014, and approximately 95.8% compared to the plan. In 2015, profit after tax of the parent company's shareholder was VND 83.5 billion, increased 28.4% compared to 2014, and approximately 46.4% compared to the plan.

Profit after tax did not meet the target because of some objective and subjective reasons: Firstly, we did not control the costs in some projects well. There was also the support for the customers when calculating arisen costs. Secondly, we did not control the debt collecting well. We have shared the difficulties with the investors. Thirdly, some of profits from real estate have not been accounted. Fourthly, the restructure process of parent company and some of subsidiaries did not bring the improvement and effectiveness as expected.

Despite of not achieving the after tax profit as planned, but we still stepped a big development with very encouraging results: Company management system has been increasingly improved; Technical expertise is getting more important steps, working quality has been increasingly improved; trust, customer appreciation and brand reputation of Hoa Binh is increasingly well-defined.

Currently, in the field of high-rise and super high-rise building, Hoa Binh is considered to be the Vietnamese contractors with best capacity to meet the highest requirements of the market. In 2015, Hoa Binh has received numerous awards and honors including the notable Top 50 largest

brand value according to international consulting firm Brand Finance (UK) valuation. We have been entrusted by customers to implement more and more large-scale contracts, with high technical and aesthetic requirements in which it was previously implemented by the world-class contractors from the developed countries.

In recent quarter I/2016, we were very excited to win contract and started building more new projects with a total value of over VND 4,000 billion. Accumulated up to the present, the total value of the remaining contracts which will be carried out is over VND 15,000 billion. In the field of investment, Hoa Binh has been granted investment certificates of Hoa Binh Innovation Center and has been allocated to the area of 2.5 hectares (24,512m²) in the heart of Saigon Hi-Tech Park, District 9, Ho Chi Minh City. This is a strategic long-term investment project to serve the purpose of research and development (R & D) in order to access and develop technology and modernize the techniques in the field of construction, to improve business performance and to contribute more actively to the development of the construction industry. It will help bring the construction industry of Vietnam to international level and become a spear-head economic sector of the country.

Dear Shareholders,

In 2016, Hoa Binh will focus its efforts to improve the entire governance system based on international standards. The improvement is based on the foundation of sustainable value which was gained from the experience through many market events with many ups and downs in many years but it still flourished and has been written into the Declaration of Values including: Vision, Mission, Business philosophy and Core value. The objective of the Board of Directors and Board of Managers is to bring this value into the business, making it the nature of the Hoa Binh, the flesh and blood of each member and to create sustainable value of the group.

...kế hoạch 2016:
doanh thu 7.200 tỷ
đồng, tăng 42% và
lợi nhuận ròng 252 tỷ
đồng, tăng 200%

BOD and BOM will continue the efforts to complete the management system based on international standards, to improve the technical level, labor productivity and business efficiency in a comprehensive way for both the parent company and its subsidiaries. Plan targets for 2016 are: consolidated revenue is VND 7,200 billion, profit after tax is VND 252 billion.

Finally, on behalf of BOD and BOM, I would like to express sincere and deepest gratitude to all shareholders and all employees; for believing in, accompanying with BOD and BOM during the past and for making positive contribution to the success of 2015, to create the foundation for sustainable development of 2016 and subsequent years.

Best Regards,

CHAIRMAN/ CEO



Le Viet Hai

DECLARATION OF VALUES



1. AMBITION

Our ambition is to make Hoa Binh become a prestigious, powerful, and international corporation to improve the pride and the value of Vietnamese brand in the world.

2. MISSION

Sứ mệnh của Hòa Bình là đem lại sự an tâm và lợi ích cộng hưởng cho khách hàng; kiến tạo một xã hội văn minh, phát triển bền vững bằng những sản phẩm, dịch vụ có ưu điểm vượt trội, tiết kiệm tài nguyên, thân thiện với môi trường.

3. BUSINESS PHILOSOPHY

A business can only be successful and obtain the sustainable development if all members are ready to serve the customers with all passions and sincerely dedicate to the society with all talents and enthusiasm.

4. SEVEN CORE VALUES

The Arabian people said that: “The rainbow is created by the smile of Goddess”. From a long time ago, the rainbow symbolizes the purity and the most sacred things.

As the rainbow creates the pure white light, Hoa Binh is also radiant due to the harmony of its seven core values. Those are Civilized Conduct, Ethical Behavior, Commitment Fulfillment, Complying Discipline, Integrating Quintessences, Creativeness Encouragement, and Cooperation Promotion.

1. EIGHT KEYS OF CIVILIZED CONDUCT

Conscientious and Dedicated to Work
Devoted and Faithful to our Company
Cheerful and Considerate to our Clients
Honorable and Self-Motivated
Demonstrating Leadership and Concern for Subordinates
Helpful and Cooperative with Colleagues
Respectful and Obedient of Seniors
Honest and Modest toward Others

2. ETHICAL BEHAVIOR 4 KEYS

Justice in arbitration
Honesty in income
Equity in treatment
Fairness in reward and punishment

3. COMMITMENT FULFILLMENT 4 RIGHT'S

Right quality
Right time
Right quantity
Right value

5. STRATEGY 2015 - 2024

The year of 2015 is seen as a pivotal year in the development strategy from 2015 to 2024 with the strategy statement as follows:

The core sector is the construction with the motto: “High concentration” and “Specialization for difference”. Continuing to maintain and develop related industry - Real Estate including real estate trading and building management to support the construction industry.

6. BUSINESS STRATEGY

Positioning as a world-class contractor, a No. 1 contractor in Vietnam in the field of super-high-rise with “Professional and Friendly” image

- Main products are the major projects in the field of civil construction, continuing and gradually developing the market of industry and infrastructure.
- Target customers are large investors (private, Government, local, foreign).
- The core benefit for the customers is the peace of mind and resonant benefit from Hoa Binh brand.

4. COMPLYING DISCIPLINE 6 NO'S

No violation of the laws
No violation of charters
No violation of agreements
No violation of regulations
No violation of policies
No violation of procedures

5. INTEGRATING QUINTESSENCES 5+1

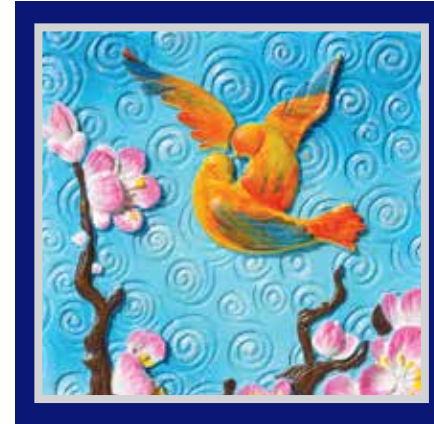
Updating knowledge in technology, management, skills, quality, and speed from the cream of five continents, in harmony with the best of Vietnam.

6. CREATIVITY ENCOURAGEMENT 4 AREAS

Engineering
Art
Governance
Business

7. COOPERATION PROMOTION 4 REQUIREMENTS

Openness
Sincerity
Harmony
Goodwill



CHAPTER I

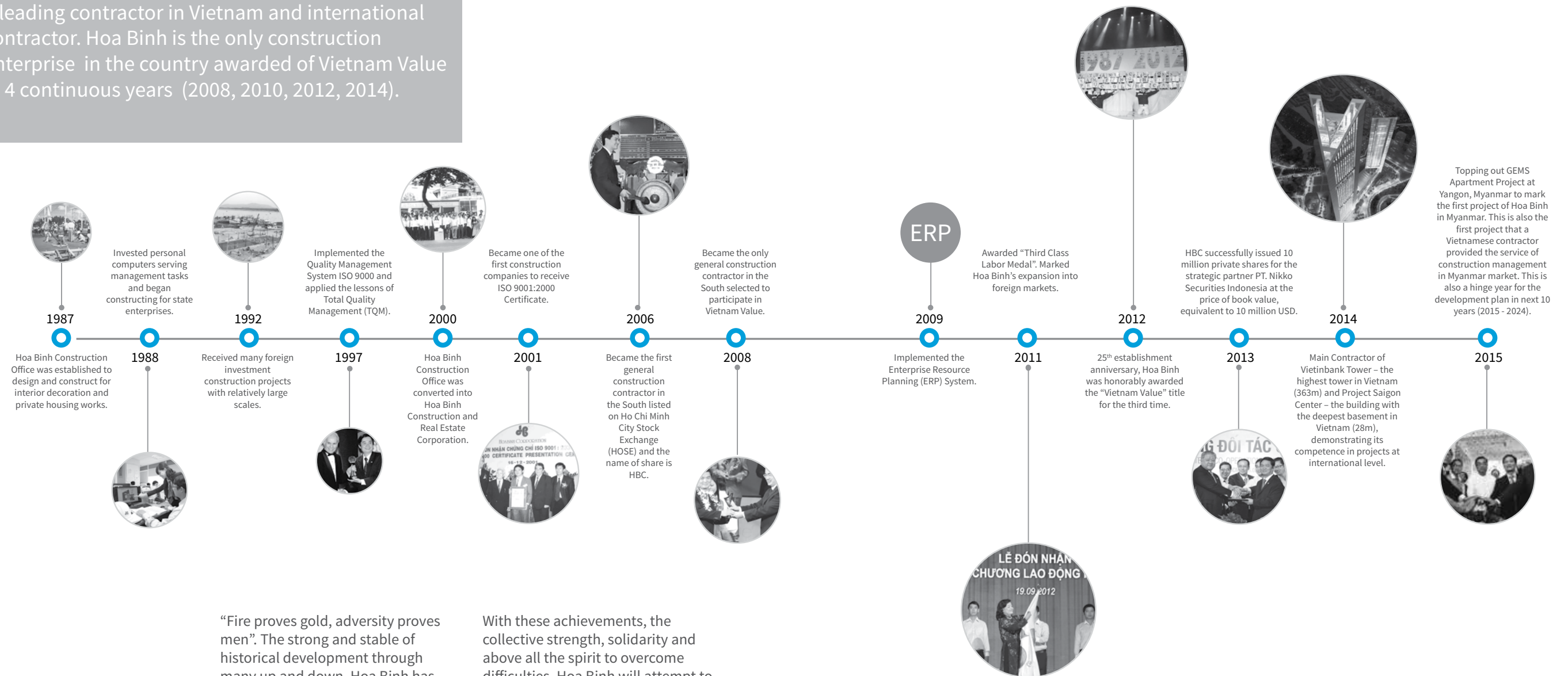
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OF COMPANY

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HISTORICAL MILESTONES

From 1987 until now, Hoa Binh has passed 29 establishment-and-development years to become a leading contractor in Vietnam and international contractor. Hoa Binh is the only construction enterprise in the country awarded of Vietnam Value in 4 continuous years (2008, 2010, 2012, 2014).



"Fire proves gold, adversity proves men". The strong and stable of historical development through many up and down, Hoa Binh has proved the enduring stamina on a solid foundation of the enterprise; increasingly improve reputation and brand value of Hoa Binh.

With these achievements, the collective strength, solidarity and above all the spirit to overcome difficulties, Hoa Binh will attempt to successfully implement these strategic objectives, setting the stage feat for the next 10 years. Positive and effective contribution to the sustainable development of the Country under 3 aspects: Economy - Society - Environment; bringing joy, pride and beautiful life for every members of the Hoa Binh and investment performance for shareholders.

CERTIFICATES AND AWARDS

During 29 years of establishment and development, Hoa Binh was proudly received many international and domestic awards. This is the great honor and motivation for Hoa Binh to be confident in its chosen way.



2015

1. Top 100 Vietnam Golden Star 2015
2. V1000 - Top 50 Largest Corporate Taxpayer in Vietnam in 5 consecutive years
3. Vietnam's Top 50 Most Valuable Brands of 2015 (Brand Finance Evaluation Consultancy, UK)
4. Top 30 Best Annual Report 2015
5. Global ARC Best Annual Report for 2 categories: Silver Award for the design and concept of the cover page, Bronze Award for the Non - English annual report
6. FAST500 - Top 500 Fastest Growing Enterprise in Vietnam 2015
7. Certificate of "Outstanding Grassroots Labor Union" in 2014 from Vietnam General Federation of Labor

2014

1. Vietnam Value 2014
2. Certificate of Merit by Ministry of Finance for excellent compliance of tax and legislation policies 2013

3. Certificate of Merit by Ministry of Construction several high - quality construction works
4. Champion title of the futsal "Standard Chartered Cup 2014" in England, after overcoming 1,368 football teams from Europe, Asia, Africa and honorably received the Certificate of Merit by Ministry of Culture - Sports - Tourism for this achievement.
5. Best Annual Report Award of 28th ARC (Annual Report Competition) in construction sector; Bronze Prize for non-English Annual Report in the field of construction all over the world; and Consolation Prize for Information Graphics Design Sector.
6. 2014 Golden Cup for 5 construction works of high - quality, including: Ree Tower, SAC Building, Trang Tien Plaza, Lecture Halls 2 at RMIT International University and International Hanh Phuc Hospital for Women & Children

7. Top 50 Most Profitable Companies 2014
8. Top 30 Best Annual Report
9. Certificate of Merit awarded by HCMC People's Committee - "Good performance in the Campaign Vietnamese People use Vietnamese Goods"
10. Typical Entrepreneur in Ho Chi Minh City in 2014

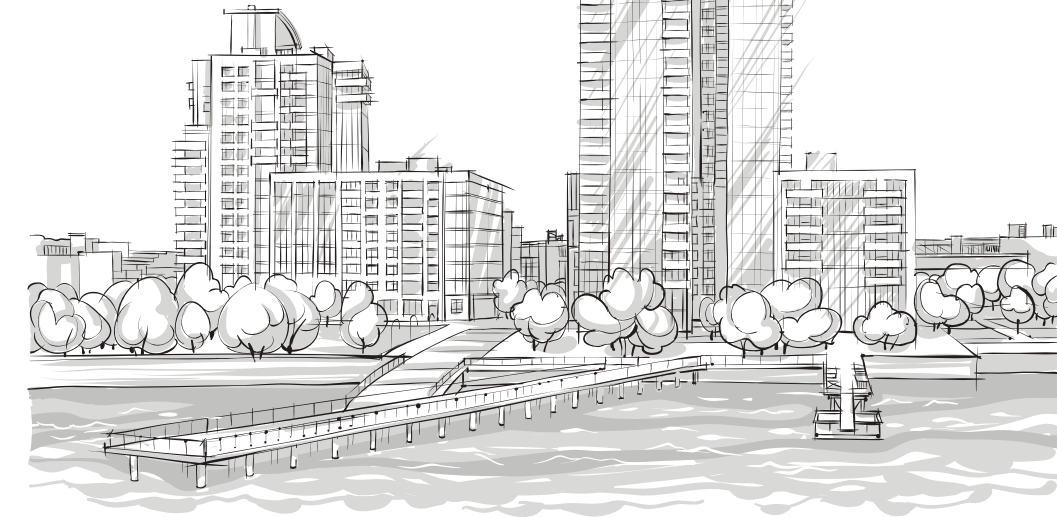
2013

1. 2013 Vietnam Gold Star
2. 2013 HCMC Top Companies
3. 2012 Certificate of Merit, HCMC Tax Agency
4. Top 50 Most Profitable Companies in Vietnam
5. VNR500 - Largest Companies in Vietnam
6. Top 30 Best Annual Report
7. Certificate of Merit by An Giang People's Committee for the achievements contributing to construction, progress improvement and completion of An Giang General Hospital
8. Recognition of the Typical and Advanced Unit in Patriotic

9. Certificate of Recognition "For National Green Environment 1st - 2013"
10. Certificate of Merit by Department of Labor - Invalids and Social Affairs for Occupational Safety and Hygiene 2013.

2012

1. The Title "Vietnam Value" - thirdly awarded by Vietnam Council of Vietnam Value
2. The Title "Top 50 Most Effective Companies in Vietnam" - awarded by Investment Bridge Magazine.
3. Top 1000 enterprises of greatest tax payment in Vietnam - publicly reported by Vietnam Report
4. Top 500 largest enterprises in Vietnam publicly reported by Vietnam Report
5. Certificate of Merit awarded by The Department of



Occupational Safety - Ministry of Labor, Invalids and Social Affairs.

2011

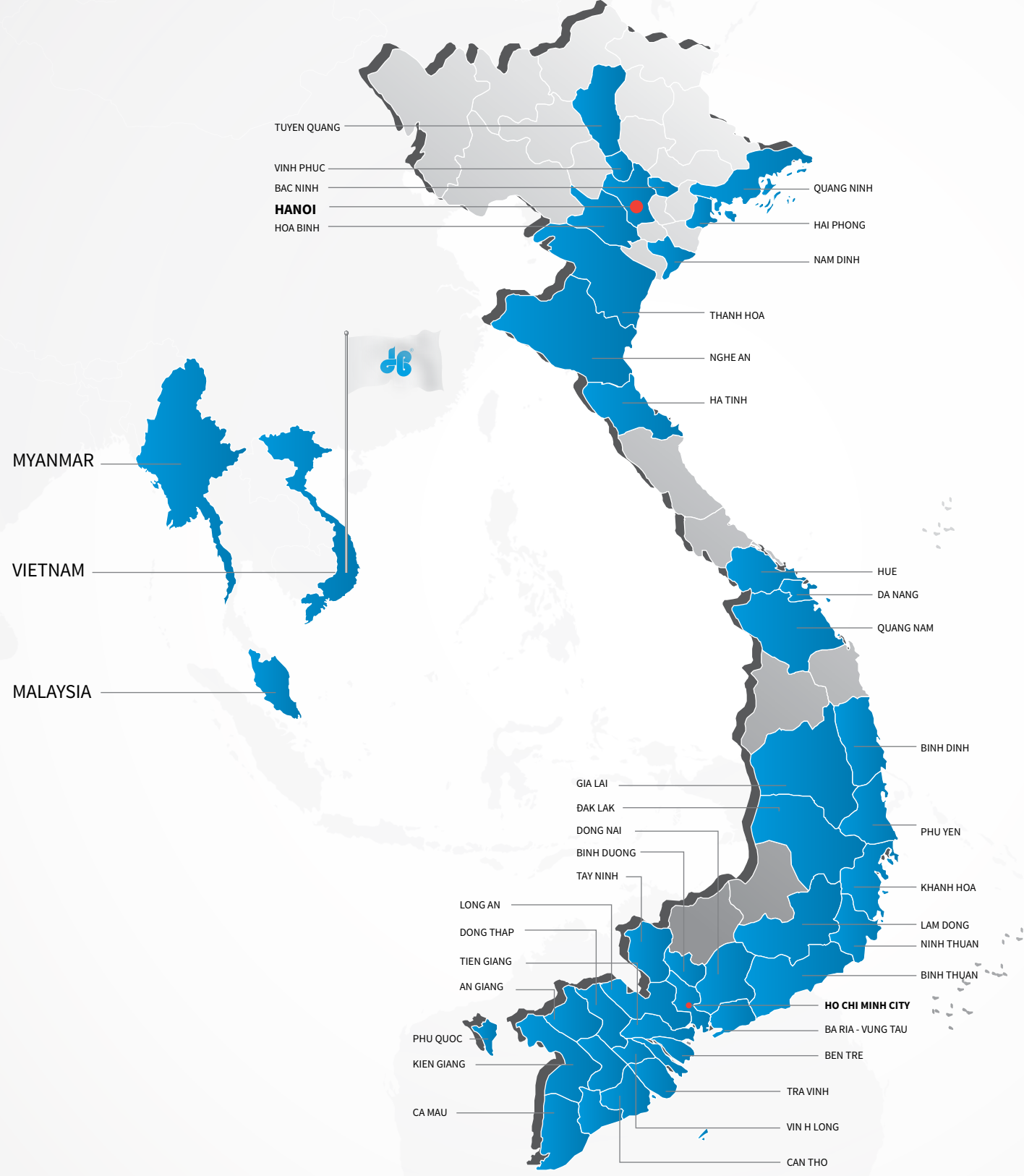
1. The Third Class Labor Medal awarded by the National President, Mr. Truong Tan Sang. The Certificate of Merit awarded by the Prime Minister to General Director, Mr. Le Viet Hai
2. Prize "The Best Annual Report of 2011" awarded by HCMC Stock Exchange
3. "Gold Star Award, Top 100, 2011" awarded by Vietnam Association of Young Enterprises.
4. The title "2011 Typical Saigon Enterprise" awarded by HCMC People's Committee.
5. Prize Ernst & Young 2011 - awarded by Vietnam Department of Trading and Industry together with Ernst & Young Ltd., Co. to the Chairman of B.O.D cum General Director, Mr. Le Viet Hai.

2010

1. "Gold Star Award 2010, Top 100"
2. "Vietnam Value 2010" awarded by Vietnam Council of Vietnam Value
3. Title of "Prestigious Stock Brand 2010" awarded by Vietnam Association of Stock Traders
4. Prize "Best Annual Report 2010"
5. Top 100 Typical Enterprises of Trade and Services in 2010 awarded by Ministry of Industry and Trade
6. Certificate of "Golden Cup of Vietnam Construction Quality 2010" awarded by the Ministry of Construction
7. Certificate of Merit of Can Tho City People's Committee for the excellent achievement in construction of Can Tho International Airport
8. Certificate of Merit by HCMC People's Committee for achievements in organization, establishment of Real Estate, actively contributing to the city real estate market in the period of 2005 - 2010.

OPERATION NETWORK

Construction



CHARTER CAPITAL – OWNER EQUITY – CAPITAL INCREASING and Issuing Periods in 2015

Date	Equity	Share premium	Treasury shares	Undistributed earnings	Other capital, funds	Equity accumulated	Total equity
31/12/2014	Accumulate on 31/12/2014	573,685,670,000	301,199,313,203	(110,073,072,979)	135,048,838,697	96,212,078,910	996,072,827,831
2015	Net Profit 2015			83,473,544,889		1,079,546,372,720	
2015	Sale Treasury shares 3,972,490 shares x 21,924 VND/share		(23,061,590,222)	110,073,072,979		1,166,557,855,477	
2015	Issue bonus shares – rate 30%	172,094,400,000	(172,094,400,000)		1,166,557,855,477		
2015	Pay dividends 2014 15%			(86,052,850,500)	1,080,505,004,977		
2015	Issue for employees 2011-2014: 981,830 share, price 10,000 VND/share				1,090,323,304,977		
2015	Bonus and welfare fund 2015			(16,382,262,870)	1,073,941,042,107		
2015	Other capital, funds 2015			(885,443,900)	76,606,400	1,073,132,204,607	
31/12/2015	Accumulate on 31/12/2015	755,598,370,000	106,043,322,981	-	115,201,826,316	96,288,685,310	1,073,132,204,607

Code of share: HBC

HCMC Stock Exchange (HOSE).

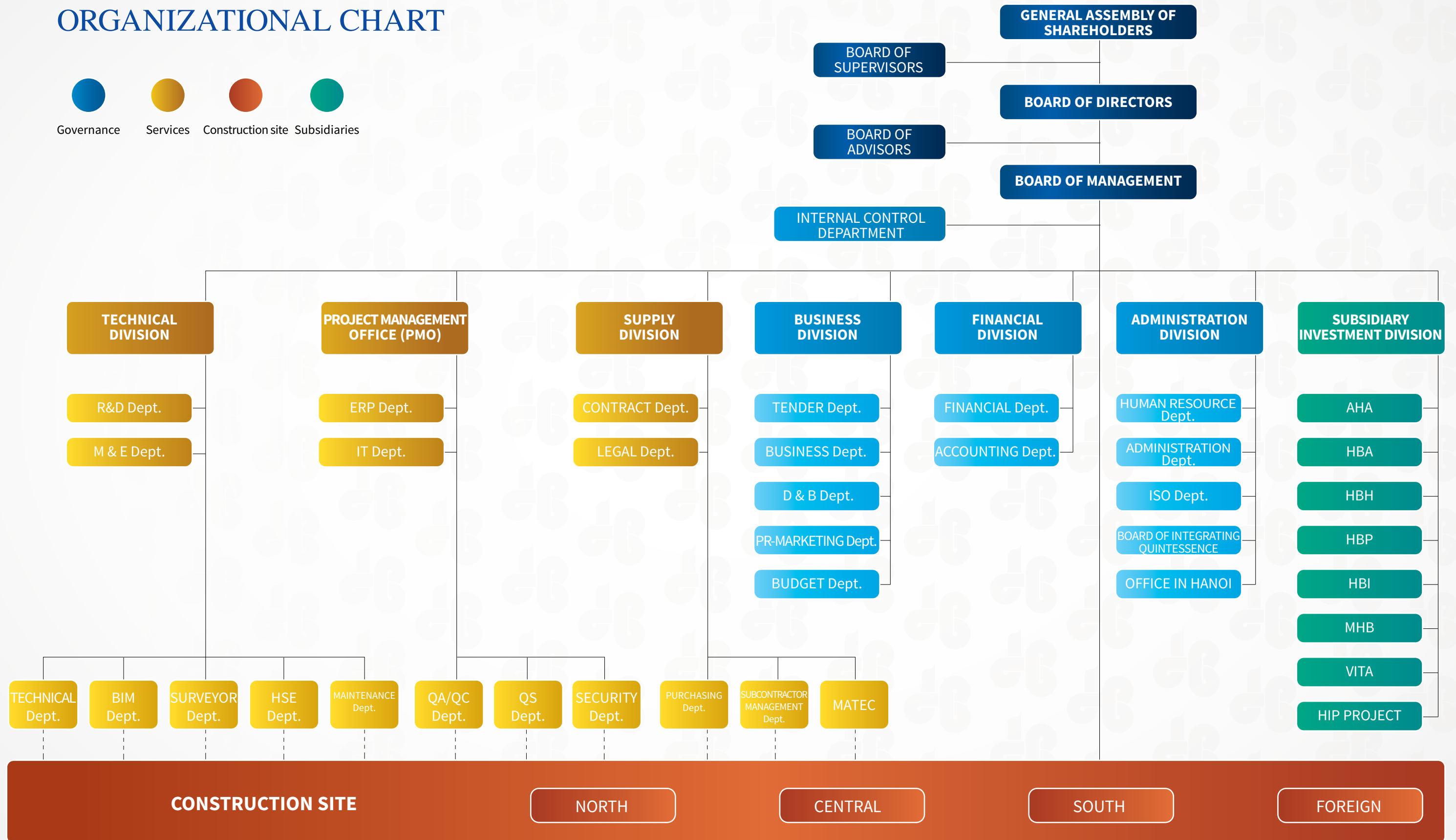
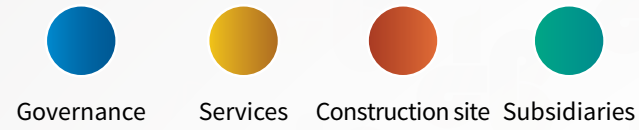
Business sector:

Hoa Binh is a synthetic contractors to do civil construction, industrial, and infrastructure projects. In particular, the company participated in many super high-rise projects having international scale as well as high technical and aesthetics requirements (e.g. Saigon Centre, VietinBank Tower, German House, etc)

Operational market:

In Vietnamese market and international markets such as Malaysia, Myanmar, the company is continuing to expand the market in Southeast Asia according to the company's development strategy.

ORGANIZATIONAL CHART



BOARD OF DIRECTORS

1. Mr. **LÊ VIET HAI**
2. Mr. **TTRUONG QUANG NHAT**
3. Mr. **LE QUOC DUY**
4. Mr. **PHAN VAN TRUONG**
5. Mr. **HA VU HOANG**
6. Mr. **IGNATIUS JOE BUDIMAN**
7. Mr. **TRAN SI CHUONG**
8. Mr. **PHAN NGOC THANH**



MR. LE VIET HAI

Chairman cum CEO

Born in 1958, Nationality: Vietnamese; Architect at HCMC University of Architecture. From 1985 to 1987, worked at HCMC Housing Management Company. From 1987, established and managed Hoa Binh Construction Office. From 2000 to now: Changed into Hoa Binh Construction and Real Estate Corporation (HBC) and become Chairman cum CEO. At present, Vice President of Vietnam's Association of Construction Contractors (VACC).

MR. TRUONG QUANG NHAT

Vice President of Board of Directors

Born in 1973; Nationality: Vietnamese; Construction Engineer of HCMC University of Technology. From 1996, worked as Site Manager for many HBC's projects. From 2005, Project Director of HBC. From 2007 till now: Deputy General Director.

MR. LE QUOC DUY

Member of Board of Directors

Born in 1981; Nationality: Vietnamese; BA - Washington University (US), MBA - Maastricht University (Holland). From 2007 to 2010: Investment Director - Hoa Binh Corporation, General Director of Hoa Binh House. From 02/2010 to now: Deputy General Director of Hoa Binh Construction & Real Estate Corporation cum General Director of Hoa Binh House; Chairman of Viet Ta Import and Export Corporation and Jesco Hoa Binh Technology JSC.

MR. PHAN VAN TRUONG

Independent Member of Board of Directors

Born in 1946; Nationality: French; Engineer at École des Ponts Paris - Tech; Master in Economics - Sorbonne University in Paris. Especially, Awarded the Knight of France: Order of Merit and Logion of Honor. In 1986, Asia region President of Alstom International Group; Asia region President of Sueg Group and Chairman/CEO of Lyonnoise South East Asia; Advisor of International Trade for the French Government; Chairman of Wah-Deong Vietnam (a Malaysia oil and gas company). Since 2008 till now, became Advisor of HBC. In 2014, voted to be a member of Board of Directors.

MR. HA VU HOANG

Born in 1979; Nationality: Australian; graduated in Architect at Deakin University; From 2010 to now: Senior Project Director of CEL Development and in 2012, voted to be a Member of Board of Directors.

MR. IGNATIUS JOE BUDIMAN

Member of Board of Directors

Born in 1961; Nationality: Indonesian; MBA in Finance, Wichita State University, Wichita, Kansas, USA. From 1993 to now, worked at PT Nikko Securities, Indonesia and has gone through many different positions; 1993 to 1994: Chief of Market Analyst & Research. 1994 to 1996: Senior Investment Manager 1996 to now: General Manager of Investment at PT Nikko Indonesia.

MR. TRAN SI CHUONG

Independent Member of Board of Directors

Born in 1955; Nationality: Vietnamese; Graduated in Engineer of Electricity and IT at Berkeley California University, Master's in Economics and Finance at London School of Economics, Master in International Business Economics and Diplomacy at Johns Hopkins University (USA). Being the Consultant of Economics and Currency for US Congress Bank Committee and then CEO of a consultancy company in international economic development, James Riedel Associates, Inc. in Washington, D.C. Having more than 25-year consultancy experiences in economics and corporate development strategies in USA and for some domestic and multinational enterprises in Vietnam. Currently, being Deputy to Chairman of HR Company Le & Associates, Chairman of HDI Investment JSC., and Chairman of Da Nang High Quality Hospital JSC.

MR. PHAN NGOC THANH

Member of Board of Directors

Born in 1969; Nationality: Vietnamese; BA in Accounting - Finance at Da Nang University; From 1992, worked at Hoa Binh Construction Office; in 2000, Chief Accountant. From 2007 to now: Chief Financial Officer of HBC.

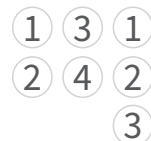
BOARDS OF ADVISORS & SUPERVISORS

BOARDS OF ADVISORS

1. Mr. **LE VIET HUNG**
2. Mr. **DANG DINH TUAN**
3. Mr. **PHAM MINH CHI**
4. Mr. **SATORU MATSUDA**

BOARDS OF SUPERVISORS

1. Mr. **HOANG TUNG THIEN**
2. Ms. **CAO THI DIEM CHAU**
3. Mr. **NGUYEN VIET HUNG**



Mr. **LE VIET HUNG**

HR Director

Born in: 1955
Nationality: Vietnamese
Qualification: BA in Agricultural Statistics
Working Experiences:
• 1996 – 2010: Member of Board of Management
• 2010 – now: Member of Board of Advisors

Mr. **DANG DINH TUAN**

Board of Advisors

Born in 1981
Nationality: Singaporean
Qualification: Master in Hospitality Management, Cornell University (USA); Master in Financial Management in SIM University (Singapore); Engineer in Nanyang Technological University (Singapore).
Working Experience:
• 2004 – 2006: Assistant to Vice President of Royal Dutch Philips in Singapore
• 2006 – 2008: Vice president of Business Development in CapitaLand Group in Singapore
• 2008 – 2009: General Director of Phuong Trang Investment Corporation (Futa) in Vietnam, Chairman of Ky Nguyen JSC., Member of Board of Directors of Phu Gia JSC, Establishment Member of BOD in PVC – Thuan Phuoc JSC.
• 2011 – now: Advisor of Hoa Binh Construction & Real Estate Corporation, Chief of HBC's Representative Office in Malaysia, Chairman of Hoa Binh JSC. (Malaysia)

Mr. **PHAM MINH CHI**

Board of Advisors

Born in: 1947
Nationality: French
Qualification: Doctor in Applied Mathematics, Paris VI University; Engineer in École des Ponts Paris – Tech
Working experience:
• 1969 – 1973: Engineer at Setra Institution (Highway Doctrine) in Ministry of Equipment, Bagnaux
• 1973 – 1983: Lecturer in Architectural University, simultaneously Director of Pham & Associates Co. (specialized in Structure), HCMC
• 1983 – 1991: Technical Advisor for Scetauroute Co. (Highway Design), St Quentin en Yvelines, France
• 1991 – 1997: Business Director in Apave Lyonnaise (Quality Survey), HCMC
• 1997 – 2003: Technical & Business Director in Lyonnaise Vietnam (water treatment), HCMC
• 2003 – 2007: Project Director for some projects in Vietnam
• 2007 – now: Member of BOA in Hoa Binh Construction & Real Estate Corporation

Mr. **SATORU MASTUDA**

Board of Advisors

Born in: 1943
Nationality: Japanese
Qualification: Bachelor in Politics – Japan
Working Experience:
• 1967 – 1977: Administration Unit in Nippon S.T Johnson in Japan
• 1978 – 1995: Business Development Director in TOA Corporation, Office in Iran, Saudi Arabia, Bangladesh, Tokyo
• 1996 – 2003: Chief Representative cum CEO of TOA Corporation, Hanoi Office
• 2003 – 2007: Advisor in Southeast Asia region, International Unit in TOA Corp.
• 2007 – now: Advisor for Hoa Binh Construction & Real Estate Corporation

Mr. **HOANG TUNG THIEN**

Head of Board of Supervisors

Born: in 1978
Nationality: Vietnamese
Qualification: BA in Finance & Accounting, Auditor
Working Experience:
• 2001 – 2004: Accountant, General Accountant in Vietnam Germany Steel Pipe JSC.
• 2005 – 2007: Assistant to Auditor, Auditing Team Leader, Head of Audit in International Auditing & Finance Consulting Company (IFC).
• 2008 – 2011: Deputy Chief of Accounting & Financial Department, Assistant to Deputy Chief Financial Officer, Chief of Board of Supervisors in Geleximco Group.
• 2011 – 2012: CFO in North – West Investment JSC.
• 2013 – now: Assistant to General Director cum Deputy Chief Officer in Song Hong Corporation.

Ms. **CAO THI DIEM CHAU**

Member of Board of Supervisors

Born in: 1981
Nationality: Vietnamese
Qualification: BA in Business Management
Working Experience:
• 2005 – 2007: Hongbetter Garments Ltd. Company
• 2007 – now: Deputy Chief of HR Department in Hoa Binh Construction & Real Estate Corporation.

Mr. **NGUYEN VIET HUNG**

Member of Board of Supervisors

Born in: 1984
Nationality: Vietnamese
Qualification: Master
Working Experience:
• 2006 – 2008: Senior Financial Specialist Consultancy & Assessment at Ernst & Young Vietnam Company
• 2008 – 2010: Chief of Financial Investment Department at Indochina Capital Advisor Limited.
• 2010 – 2012: Chief of Corporate Finance Consulting Department at VP Bank Securities Ltd. Company
• 2012 – 2014: General Director of Sai Gon Capital.
• 2014 – now: Business Development Manager of Sapphire Vietnam Company

BOARD OF
MANAGEMENT**Mr. LE VIET HAI**

General Director

Mr. TRUONG QUANG NHAT

Deputy General Director

Mr. LE QUOC DUY

Deputy General Director

Mr. PHAN NGOC THANH

Financial Director

(Details in page 21)

1. Mr. NGUYEN VAN TINH

2. Mr. NGUYEN VAN AN

3. Mr. NGUYEN TAN THO

4. Mr. LE VAN NAM

5. Mr. DUONG DINH THANH

6. Mr. VO DAC KHOI

7. Mr. NGUYEN LE TAN

8. Mr. HUYNH QUOC VU

9. Mr. LE VIET HA

10. Mr. LE VAN BICH

① ④ ⑦
② ⑤ ⑧
③ ⑥ ⑨
⑩

**MR. NGUYEN VAN TINH**

Deputy General Director

Born in 1955; Nationality: Vietnamese; BSc. Hue College of Science, BA. Ha Noi Foreign Language University. 1977 - 1993: taught at Phan Boi Chau High School, Tam Ky, Quang Nam. 1993 - now: Working at Hoa Binh Corporation. Being Deputy General Director since 2007

MR. NGUYEN VAN AN

Deputy General Director

Born in 1972; Nationality: Vietnamese, Construction Engineer in Da Nang University of Technology 1996 - 2008: Director and Site Manager of Moc Hoa Binh JSC and H.B.T Company (HBC's member companies), Project Director of various projects of Hoa Binh. From 2008 - now: Deputy General Director

MR. NGUYEN TAN THO

Deputy General Director

Born in 1965; Nationality: Vietnamese; Construction Engineer in HCMC University of Technology. In 1989, worked at Construction Trade Company No.2, Ministry of Commerce. From 1995, worked at HBC as Assistant to CEO and Project Director. From 02/2010 - now, Deputy General Director.

MR. LE VAN NAM

Deputy General Director

Born in 1976, Nationality: Vietnamese, Engineer graduated in Civil and Industrial Construction - HCMC University of Technology and completed CEO courses. 2001 - 2004, started working in HBC as Supervisor and Deputy Site Manager. 2004 - 2010, worked as Site Manager and Project Director at several typical projects. 2011 - 9/2014, participated managing HBC's projects in Malaysia. In 10/2014, came back to Vietnam and became HBC's Deputy General Director in the Northern Region.

Mr. DUONG DINH THANH

Deputy General Director

Born in 1956, Nationality: Vietnamese, he graduated in Bridge Engineer, Bachelor of Economics. From 1976 to 1990, he was a bridge engineer. From 1991 to 2007, he worked at Hue Traffic Design and Consulting Company and Hue Software Park as a director. From 2007 to 2011, he was an ODA project's director of Cuu Long Corporation for Investment, Development and Project Management of Infrastructure (Department of Transport). From 2012 to 2015, he was a Deputy Director of Project Management Consulting of Metro Line 2, HCMC. From 2015 until now, he is a Deputy Director of Hoa Binh Construction and Real Estate Corporation.

MR. VO DAC KHOI

Planning Director

Born in 1959; Nationality: Vietnamese; MBA graduated in Vanderbilt University, USA. From 1982 to 1990, Team Leader at Phu Khanh Civil Engineering Surveying & Design Company. From 1990 to 1994, Chief of Technical Dept. in Minexco Khanh Hoa Company. From 1997 to 1999, Senior Financial Specialist at the Chairman's office of Asia Commercial Bank. From 11/1999 to 06/2010, Director of Information Center of the US Consulate General in HCMC. From 07/2010 to present: Planning Director, Chief of Chairman/ CEO Office.

MR. NGUYEN LE TAN

Director of Contract - QS Dept Born in 1969; Nationality: Vietnamese; BA in Accounting - Finance at Da Nang University; From 1991, worked at Hoa Binh Construction Office. Since 2000 till now: Director of Contract - QS Departments.

MR. HUYNH QUOC VU

Technical Director

Born in 1979, Nationality: Vietnamese, Honoured Bachelor's Degree in Civil Engineering and Industrial in HCMC University of Technology; Doctor in Engineering - Geotechnics Lorraine Institute of Technology (INPL), France; Post-doctorate study in National Center for Scientific Research (CNRS) 2008 - 2010: Technical Manager in Meinhardt Ltd. Company. 2010 - 2012: Senior Design Engineer in Bauer Vietnam Ltd. Company. 8/2012 - now: Technical Manager, Technical Director in HBC, participating in largescale projects such as Saigon Centre, Vietinbank Tower...

MR. LE VIET HA

Internal Control Director

Born in 1960, Nationality: Vietnamese Qualification: Administration Specialist 2002 - 2004: Director at Hoa Binh Interior Decoration Limited Company 2004 - 2005: Director at Moc Hoa Binh JSC 2006 - 2008, Director at Hoa Binh Commercial Limited Company 2008 - 2010, General Director at Hai Dang Investment JSC (Corporation between Hoa Binh and PVFC) 2011 - 2013, General Director at Hoa Binh Investment and Development JSC 2013 until now: General Director at Hoa Binh Infrastructure Investment & Construction JSC

MR. LE VAN BICH

Human Resource Manager

Born in 1974, Nationality: Vietnamese, graduated in Business Administration - Nha Trang University. MBA in Human Resource Management - The University at Albany- Sunny, New York. From 2002 to 2009, he was Head of IT Department, Head of HR Department at Hill Top Company (Binh Duong), Saitex Company (Dong Nai), Blue Gate (Long An). From 2009 to 2015, he was Head of Department, Human Resource Director at OI BJC - HCM Company (Vung Tau), OLAM Vietnam, Vietjet Air. From October 2015 until now, he is Human Resource Director at HBC. He participated in many senior management courses in the country and foreign countries such as Balanced Scorecard - BSI Global; Organizational Restructuring and Development (North Carolina Wilmington University), Organizational Development Specialist (Pennsylvania State University - USA); International Training Specialist (CCMP).



CHAPTER II

BUSINESS RESULTS

IN 2015

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As a company with close ties to the real estate industry, Hoa Binh has consecutive won large scale and high requirements' construction contracts of high rise building in 2015. Along with the re-launch of the suspended projects because of financial difficulty, Hoa Binh had a busy year of construction to meet the requirements of the investors.



I. OVERVIEW

GENERAL BUSINESS ACTIVITIES:

Vietnam's real estate market in 2015 has made positive changes in term of growth rate and transaction volume, quite clearly reflect the positive changes in the economy both in terms of growth rate and macroeconomic stability.

As a company with close ties to the real estate industry, Hoa Binh has consecutive won large scale and high requirements' construction contracts of high rise building in 2015. Along with the re-launch of the suspended projects because of financial difficulty, Hoa Binh had a busy year of construction to meet the requirements of the investors.

As at 31st December 2015, the Company was awarded for 32 new contracts, bringing the number of projects implemented over 50 construction contracts throughout the country; especially, in the large cities, which is demand for highly urbanized cities like Ho Chi Minh, Hanoi, Phu Quoc, Thanh Hoa, Ha Tinh...

Total revenue in 2015 reached VND5,078 billion, up 44.3% compared to 2014 and

approximately 96% of the plan. Revenue of Hoa Binh primarily from construction activities, contributed the highest proportion, accounting for 99% of total revenue. This growth was due to the sustained brand reputation of HBC even in situations that many investors have difficulty in capital, extend the payment that cause of rising the receivables of HBC.

Statistics show that 104 construction companies in all sectors are listed on the two Stock Exchange, showed net sales, the top 10 companies with the largest revenue contribution of about 57% while the top 5 contribution to 49.5%. Hoa Binh stands at No.5, however, analysis of construction types according to revenue structure of the companies in top 5, Hoa Binh has played a leading position in the field of civil engineering.

Profit after tax in 2015 reached VND83.47 billion, up 17.7% compared to 2014 and 46.4% of the plan. Earnings per share (EPS) in 2015 reached 1,104.7 VND/share.

Return on equity (ROE) reached 7.8%. Return on asset (ROA) reached 1.1%.

PROFIT AFTER TAX IN 2015
REACHED PROFIT AFTER TAX IN
2015 REACHED

83,47 VND BILLION

up 17.7% compared to 2014
and 46.4% of the plan. Earnings
per share (EPS) in 2015 reached
1,104.7 VND/share.

EARNINGS PER SHARE (EPS)
IN 2015 REACHED

1.104,7
VND/SHARE

II. BUSINESS RESULTS

IN 2015:

(Unit: Mil VND)

TARGET	2015	2014	% changes	Plan 2015	% Completed Plan 2015
Net revenue	5,078,027.2	3,518,182.7	44.3%	5,300,000	95.8%
Operation expenses	4,957,560.7	3,429,053.0	44.6%	5,069,231	97.8%
Profit before tax	120,466.5	89,129.6	35.2%	230,769	52.2%
Net profit after attributable to shareholders of the Parent	83,473.5	70,948.2	17.7%	180,000	46.4%

BALANCE SHEET (MILLION VND)

Total Assets	: 7,291,231.4
Owners' Equity	: 1,074,401.8

III. FINANCIAL SITUATION AND

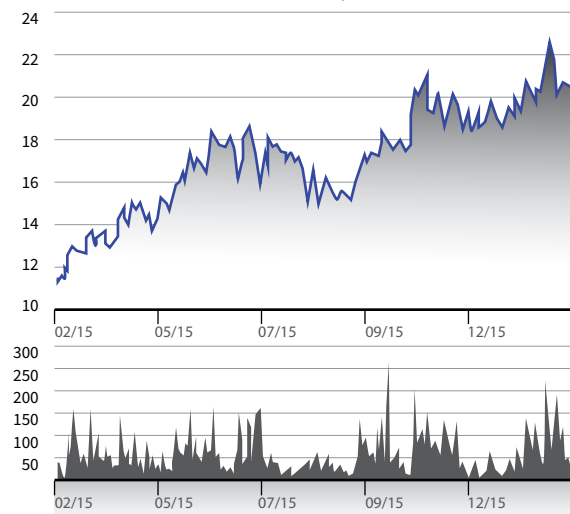
FINANCIAL INDICATORS:

Overview of company's business activities is shown by following financial indicators:

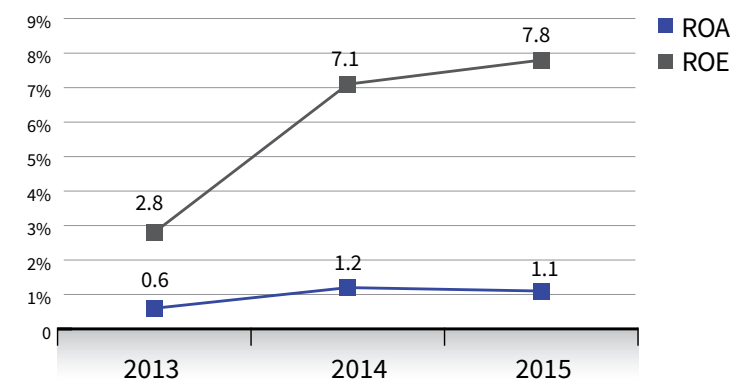
1. CONSOLIDATED BALANCE SHEET 2013-2014-2015

(UNIT: BILLION VND)

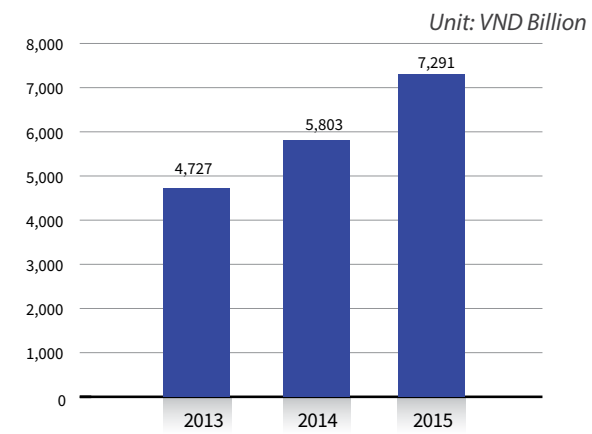
THE VOLATILITY OF SHARE'S PRICE DURING THE LAST 12 MONTHS (EXCLUDING DILUTION)



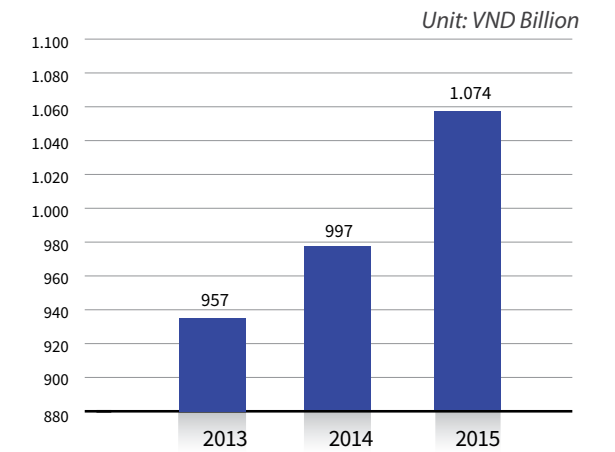
RETURN ON ASSETS AND EQUITY (ROA- ROE) 2013-2014-2015



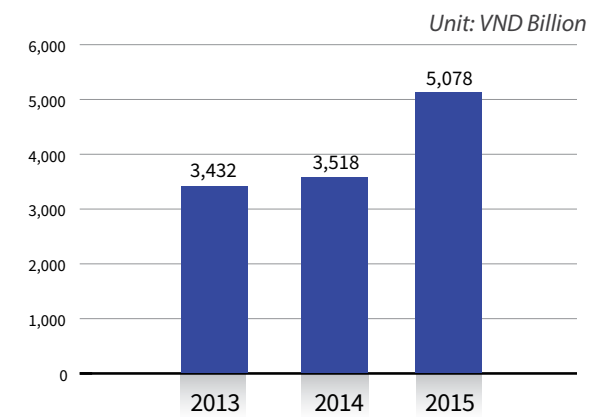
TOTAL ASSETS



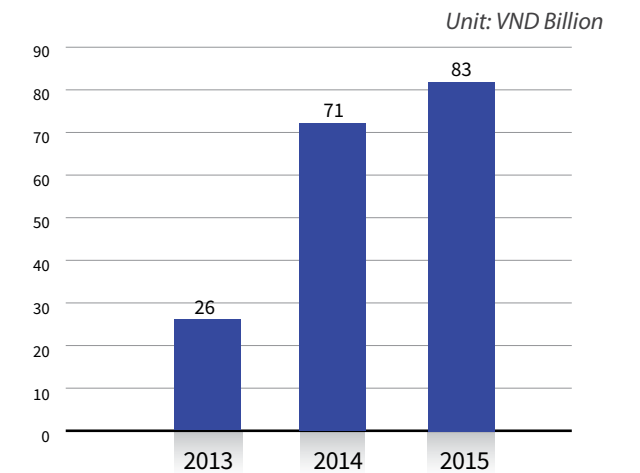
OWNER EQUITY



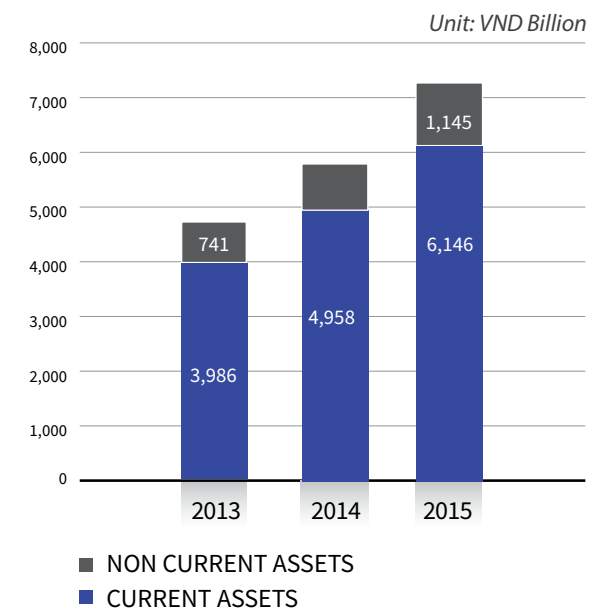
NET REVENUE



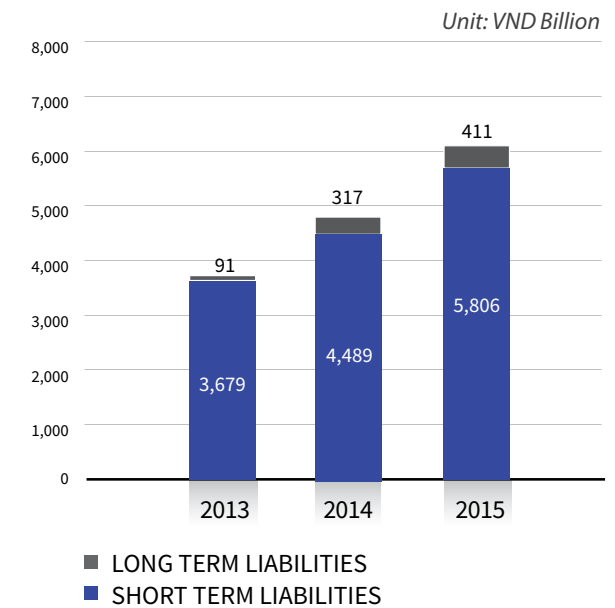
PROFIT AFTER TAX



VARIABLE NON CURRENT ASSETS, CURRENT ASSETS 2013-2014-2015



VARIABLE SHORT-TERM AND LONG-TERM LIABILITIES 2013-2014-2015



CATEGORIES	2013		2014		2015	
	Amount	Pro-portion %	Amount	Proportion %	Amount	Proportion %
Current Assets	3,985.8	84.3%	4,958.4	85.4%	6,146.4	84.3%
Cash and cash equivalents	425.1	10.7%	350.9	8.8%	149.0	3.7%
Short-term investments	374.5	9.4%	982.3	24.6%	799.7	20.1%
Accounts receivable	2,940.7	73.8%	3,032.5	76.1%	4,212.4	105.7%
Inventories	212.5	5.3%	561.2	14.1%	923.0	23.2%
Other current assets)	33.0	0.8%	31.4	0.8%	62.3	1.6%
Non- Current Assets	741.0	15.7%	845.1	14.6%	1,144.8	15.7%
Long-term receivables	-	0.0%	94.0	12.7%	9.4	1.3%
Fixed assets & Construction in progress	432.2	58.3%	412.5	55.7%	680.1	91.8%
Long-term investments	248.8	33.6%	269.0	36.3%	276.0	37.3%
Other long-term assets	60.0	8.1%	69.7	9.4%	179.2	24.2%
Total Assets	4,726.8	100.0%	5,803.5	100.0%	7,291.2	100.0%
Liabilities	3,769.7	79.8%	4,806.3	82.8%	6,216.8	85.3%
Current liabilities	3,679.2	97.6%	4,489.5	119.1%	5,805.7	154.0%
Long-term liabilities	90.6	2.4%	316.8	8.4%	411.1	10.9%
Owner's Equity	957.1	20.2%	997.2	17.2%	1,074.4	14.7%
Equity	950.5	99.3%	996.1	99.9%	1,073.1	99.9%
Non-controlling interests	6.6	0.7%	1.1	0.1%	1.3	0.1%
Total Liabilities and Owners' Equity	4,726.8	100.0%	5,803.5	100.0%	7,291.2	100.0%

2. CONSOLIDATED INCOME STATEMENT 2013-2014-2015 (UNIT: BILLION VND)

CATEGORIES	2013	2014	2015
Net revenue	3,432.4	3,518.2	5,078.0
Gross profit	312.8	410.2	295.7
Gross profit margin	9.1%	11.7%	5.8%
Income from financial activities	40.9	69.7	87.2
Expenses from financial activities	111.8	99.2	131.7
In which: Interest expense	109.4	96.7	129.8
Selling expenses	15.7	8.9	25.8
General and administration expenses	112.1	135.2	172.3
General and administration expenses per Revenue	3.3%	3.8%	3.4%
Provision for bad debts	53.8	144.9	(52.5)
Other income & income from joint venture	(16.6)	(2.6)	14.8
Profit/(loss) before tax and interest	153.1	185.8	250.2
Profit/(loss) before tax	43.7	89.1	120.5
Net Profit/(loss) after tax	23.7	68.8	82.8
Net profit margin	0.7%	2.0%	1.6%
Net Profit attributable to equity holders of HBC	26.4	70.9	83.5

3. CONSOLIDATED CASH FLOWS STATEMENT 2013-2014-2015 (UNIT: BILLION VND)

CATEGORIES	2013	2014	2015
Net cash flows from operating activities	67.1	109.9	(32.3)
Net cash flows from investing activities	(43.9)	(1,039.6)	(310.0)
Net cash flows from financing activities	126.6	525.1	140.3
Net increase (decrease) in cash and cash equivalents	149.7	(404.6)	(202.0)
Cash and cash equivalents at end of year	425.1	350.9	149.0

CATEGORIES	2013		2014		2015	
	Amount	Proportion %	Amount	Proportion %	Amount	Proportion %
Current Assets	3,985.8	84.3%	4,958.4	85.4%	6,146.4	84.3%
Non- Current Assets	741.0	15.7%	845.1	14.6%	1,144.8	15.7%
Total Assets	4,726.8	100.0%	5,803.5	100.0%	7,291.2	100.0%
Current liabilities	3,679.2	77.8%	4,489.5	95.0%	5,805.7	122.8%
Long-term liabilities	90.6	1.9%	316.8	6.7%	411.1	8.7%
Owner's Equity	950.5	20.1%	996.1	21.1%	1,073.1	22.7%
Non-controlling interest	6.6	0.1%	1.1	0.0%	1.3	0.0%
Total Liabilities and Owner's Equity	4,726.8	100.0%	5,803.5	100.0%	7,291.2	100.0%
Fixed assets & Construction in progress	432.2	58.3%	412.5	55.7%	680.1	91.8%
Long-term investments	248.8	33.6%	269.0	36.3%	276.0	37.3%
Other long-term assets	60.0	8.1%	69.7	9.4%	179.2	24.2%
Total Assets	4,726.8	100.0%	5,803.5	100.0%	7,291.2	100.0%

RETURN ON ASSET (ROA) REACHED 1.1%
RETURN ON EQUITY (ROE) REACHED 7.8%

4. TARGET FOR ONE UNIT OF SHARE

Shares in circulation	:75,559,837 shares
Earnings per share EPS - VND	: 1,105 VND/share
Giá trị sổ sách của 1 cổ phiếu - VND :	:14.202,4 đ/cp
Book value per Share - VND	: 14,202.4 VND/share
Market price on 31/12/2015 – 19,000 VND/share - P/E: 17.2 times	:114%

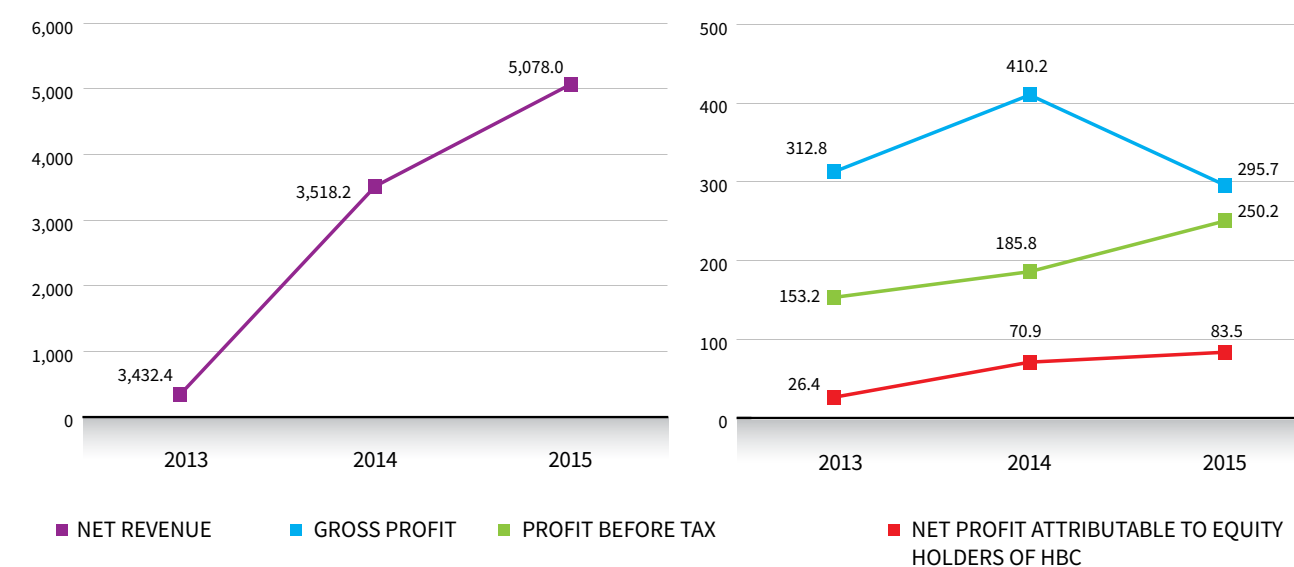
5. ACTIVITY RATIOS

RATIO	2013	2014	2015
Inventory turnover ratio (times)	14.4	8.0	6.8
Account receivable turnover ratio (times)	1.2	1.2	1.4
Account payable turnover ratio (times)	3.9	2.2	1.0

6. LIQUIDITY RATIOS

RATIO	2013	2014	2015
Current ratio (times)	1.1	1.1	1.1
Quick ratio (times)	1.0	1.0	0.9
Cash ratio (times)	0.2	0.3	0.2

BUSINESS RESULTS 2013 - 2014 - 2015



IV. ASSET AND CAPITAL STRUCTURE:

COST STRUCTURE

INDICATOR	2013	2014	2015
Net Revenue	100.0%	100.0%	100.0%
Costs of goods sold	90.9%	88.3%	94.2%
Gross profit	9.1%	11.7%	5.8%
Income from financial activities	1.2%	2.0%	1.7%
Expenses from financial activities	3.3%	2.8%	2.6%
Selling expenses	0.5%	0.3%	0.5%
General and administration expenses	3.3%	3.8%	3.4%
Provision for bad debts	1.6%	4.1%	-1.0%
Other income & income from joint venture	-0.5%	-0.1%	0.3%
Profit/(loss) before tax and interest	4.5%	5.3%	4.9%
Profit/(loss) before tax for HBC's shareholder	0.8%	2.0%	1.6%

V. BUSINESS RESULTS :

1. BUSINESS RESULTS OF PARENT COMPANY

(Unit: Mil VND)

CONTENT	2015	2014	% changed	Plan	Completed Plan 2015
Net revenue	5,413.1	3,670.3	47.48%	5,604.1	96.59%
Profit after tax	171.8	74.02	132.07%	202.6	84.77%

2. 2. OPERATING RESULTS OF INVESTMENT – SUBSIDIARIES

(Unit: Mil VND)

CONTENT	2015	2014	% changed	Plan	% Completed Plan 2015
HBA					
Net revenue	9,261,904,820	6,190,390,951	49.62%	9,498,955,000	97.50%
Profit after tax	420,878,011	890,713,855	-52.75%	533,657,949	78.87%
AHA					
Net revenue	27,848,346,034	23,172,080,992	20.18%	41,941,048,644	66.40%
Profit after tax	(4,276,281,574)	1,338,351,250	-419.52%	569,986,276	-750.24%
HBP					
Net revenue	25,977,042,590	21,772,029,704	19.31%	23,100,000,000	112.45%
Profit after tax	1,323,074,137	1,438,528,981	-8.03%	1,659,494,721	79.73%
VITA					
Net revenue	26,176,675,763	39,806,666,341	-34.24%	48,514,314,543	53.96%
Profit after tax	(1,509,241,734)	(3,610,422,997)	-58.20%	458,113,087	-329.45%
MHB					
Net revenue	47,576,566,001	24,552,956,470	93.77%	44,571,213,619	106.74%
Profit after tax	(13,270,395,709)	(24,953,485,516)	-46.82%	(2,227,215,150)	595.83%
HBH					
Net revenue	113,675,537,816	71,074,936,000	59.94%	157,817,385,169	72.03%
Profit after tax	(37,534,757,340)	(19,047,345,849)	97.06%	534,353,043	-7024.34%
Tien Phat					
Net revenue	-	-	-	-	-
Profit after tax	(16,319,906,788)	(836,011,955)	1852.11%	-	-
Real Estate					
Net revenue	6,262,021,903	11,750,992,605	-46.71%	-	-
Profit after tax	(864,661,242)	955,378,098	-190.50%	-	-
Vi Tam					
Net revenue	-	(6,817,039)	-100.00%	-	-
Profit after tax	7,208,557	(696,338,372)	-101.04%	-	-

(VND)

CONTENT	2015	2014	% changed	Plan	% Com- pleted Plan 2015
HUNG YEN					
Net revenue	16,372,188,035	-			
Profit after tax	(2,154,106,749)	-			
PHU YEN					
Net revenue	-	-		-	
Profit after tax	-	(276,154,851)		-	
HB HUE					
Net revenue	-	-		-	
Profit after tax	(29,185,414)	(104,551,127)	-72.09%	-	
MATEC					
Net revenue	341,685,216,851	227,364,490,541	50.28%	270,500,000,000	126.32%
Profit after tax	991,463,389	2,651,215,586	-62.60%	825,151,387	120.16%
HHN					
Net revenue	-	-		-	
Profit after tax	(91,986,353)	(525,339,978)	-82.49%	-	
HBE					
Net revenue	-	17,682,579,234	0.00%	-	
Profit after tax	-	(568,829,926)	0.00%	-	
CONSOLIDATED RESULT					
Net revenue	5,078,027,249,288	3,518,182,711,007	44.34%	5,300,000,000,000	95.81%
Profit after tax	82,835,223,246	68,776,917,208	20.44%	180,000,000,000	46.02%

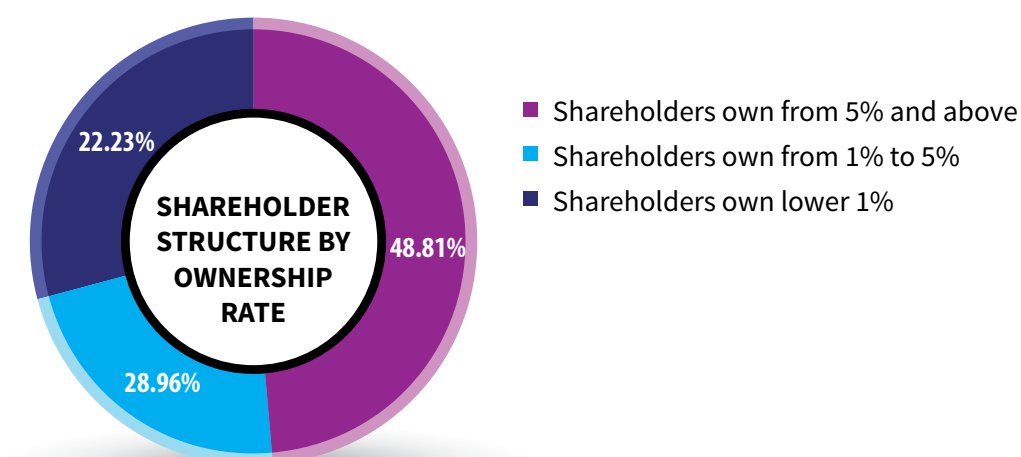
VI. SHAREHOLDER STRUCTURE:

1. INFORMATION OF SHARE

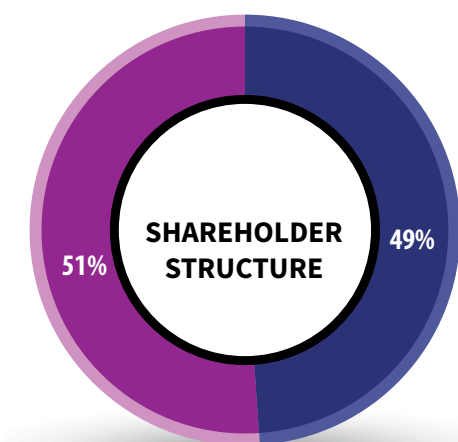
Charter Capital	755,598,370,000 VND
Number of shares	75,559,837 shares
Number of Shares in circulation	75,559,837 shares
Treasury Shares	0 shares
Par Value	10,000 VND/ shares

2. SHARE OWNERSHIP RATE:

No.	Categories	Domestic Shareholders		Foreign Shareholders		Total Shares	Pos- session Ratio (%)
		Number of Shares	Pos- session Ratio (%)	Number of Shares	Tỷ lệ/ VĐL (%)		
1	Government Shareholders	0	0	0	0	0	0
2	Shareholders own from 5% and above	11,513,494	15.24	25,370,618	33.58	36,884,112	48.81
3	Shareholders own from 1% to 5%	8,274,338	10.95	8,521,706	11.28	16,796,044	22.23
4	Shareholders own lower 1%	18,747,720	24.81	3,131,961	4.15	21,879,681	28.96
5	Treasury Shares	0	0	0	0	0	0
TOTAL		38,535,552	51	37,024,285	49	75,559,837	100



3. CHART OF SHARE 2015



■ DOMESTIC SHAREHOLDERS
■ FOREIGN SHAREHOLDERS

4. SHAREHOLDER STRUCTURE

No.	Shareholder Structure	Number of Shareholders	Number of Shares	Rate %
1	Treasury Shares	0	0	0
2	Domestic Shareholders	3,729	38,535,552	51
	Organization	61	2,585,435	3.42
	Individual	3,668	35,950,117	47.58
3	Foreign Shareholders	265	37,024,285	49
	Organization	26	35,580,025	47.09
	Individual	239	1,444,260	1.91
	TOTAL	3,994	75,559,837	100

5. LIST OF SHAREHOLDERS OWNING CHARTER CAPITAL FROM 5% AND ABOVE

No.	Shareholders Name	Number of Shares	Rate %
1	Lucerne Enterprise Ltd	14,300,000	18.93%
2	Le Viet Hai	11,513,494	15.24%
3	PYN Elite Fund	11,070,618	14.65%

VI. THE PROJECT INVESTMENT

AND IMPLEMENTATION:

1. THE ASCENT CONDOMINIUMS LUXURY APARTMENT PROJECT

Address: 58 Quoc Huong, Thao Dien Ward, District 2, HCMC

Investor: Tien Phat Real Estate Investment Joint Stock Company

This is 29-floor project with 278 apartments divided into 2 towers and one podium.

By the end of February 2016, the project was opened to sell and successfully sold 62% of total project's apartments.

The project is in the process of completing Tower A and Tower B that is being constructed at the 15th floor. It is estimated to provide the project's apartments at the end of 2016.

2. BINH AN RESIDENTIAL PROJECT

Address: District 8, HCM City

Project size of 2 hectares, including 3 towers of 15 floors with a total of 750 apartments and also has a building permit; Investor is currently seeking partners to implement the project.

3. SOHO RIVERVIEW APARTMENT PROJECTS

Address: 533 Xo Viet Nghe Tinh Street, Binh Thanh District, HCMC

Scale of 108 luxury apartments with three commercial floors.

Project has sold about 60% of the apartments, has finished the rough construction, finishing work is expected til October 2016 for handover.

4. LONG THOI RESIDENTIAL PROJECT

Address: Long Thoi Commune, Nha Be district, HCM city.

Full scale is 3ha, building density is 25% with 12 floors and 902 apartments.

Social housing projects are exempt from land use fee, land plan scaling 1/500 is available.

Expected sale time is around quarter 4/2016.

5. PHUOC LOC THO RESIDENTIAL PROJECT

Address: Nha Be District, HCMC

To receive approval according to the construction area permitted of 1/2000 plan; low-rise houses and villas, townhouses are allowed to be built. The total size is 4ha, project is a joint venture with the Son Company in District 7.

Project scope includes 100 townhouses and 33 villas.

The project is on its way completing legal procedures, land plan of 1/500 is waiting for approval.

6. BOT PROJECT FOR AN HAI PHU YEN BRIDGE

Address: Loan Lagoon, Tuy An district, Phu Yen province.

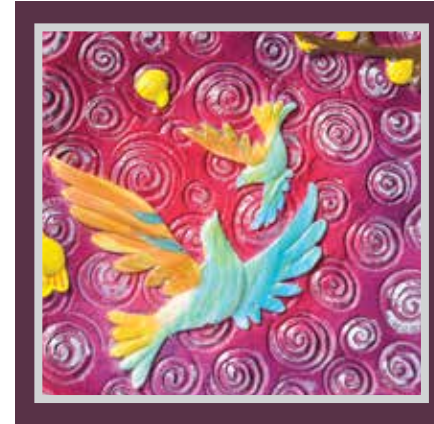
Completed and opened for traffic in late 2013. Following steps to switch from BOT to BT.

7. LONG HAU - HOA BINH INDUSTRIAL PROJECT

Address: Can Giuoc District, Long An Province

Scale of 135 ha, which has been completed the infrastructure and currently opened for business, HBC holds 49% of share.

By the end of 2017, the entire project is expected to be operated for the business.



CHAPTER III

REPORT

OF THE BOARD OF DIRECTORS

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2. Business plan in 2016	50
3. Action plan in 2016	57

Report of Business Activities in 2015

In 2015, HBC obtained the high growth in revenue and profit (revenue increased 44.5%, profit after tax increased 28.4%) because the company had the growth in scale of operations and focused on developing civil construction which is HBC's advantage.



I. EVALUATION OF BUSINESS ACTIVITIES:

In 2015, HBC obtained the high growth in revenue and profit (revenue increased 44.5%, profit after tax increased 28.4%) because the company had the growth in scale of operations and focused on developing civil construction which is HBC's advantage. However, the index of effectiveness in corporate governance fall (gross profit ratio decreased from 11.7% to 5.9%). Besides, the index of HBC's lever inclined towards the risk, (increased from 4.8 times to 5.9 times). The Board of Management recognized that the company needs to continue to develop the corporate governance system, including risk management system, business process improvement and management, as well as urgently implementing the activities of internal control department. Moreover, the company should focus on developing the next project leaders by the training courses to improve leadership skills and professional knowledge in order to obtain the harmonious growth in revenue and profit that are suitable with other companies in the industry.

- The responsibility for the failure in completing the business plan: The Board of Management recognized its responsibility in uncompleted business plan in many years according to the approved resolution of shareholders' meeting. It is the heavy responsibility for shareholders and company's staffs and relates to dividends and bonuses in the financial year. Furthermore, unsatisfactory business results might influence on the awareness of the investors towards HBC shares. Accordingly, the price in stock market does not reflect the true value of shares. This will make the difficulties for the plan of capital increase, share issuing for strategic shareholders to obtain the company's sustainable development. The Board of Management urgently reviewed the weaknesses that lead to the decrease in gross profit as well as suggested the urgent solutions (more details in Action Plan, page 57).

II. BUSINESS RESULT

ANALYSIS IN 2015:

Net sales in 2015: VND 5,078 billion, equivalent to 95.8% of the plan.

Profit after tax of parent company in 2015: VND83.47 billion, equivalent to 46.4% of the plan.

**** Reasons for not achieve the target revenue:**

+ Consolidated financial statements excluded VND240.5 billion in sales of construction works: VND132.8 billion of the Ascent; VND107.7 billion of Green Park project, because Tien Phat and HBH did not all handover apartments to customers. Moreover, revenue of T2 Noi Bai project decreased VND33.6 billion due to the settlement project revenue is not excluded EOT expenses.

+ Some construction works that delayed schedule such as: Saigon South Office Building.

**** Reasons for not achieve the targeted profit:**

+ A decrease in gross profit margin: in 2015, some construction works had suffered heavy losses such as:

* VND125.1 billion loss from Vietinbank Tower project: due to the collaboration between investors and advisors is not synchronized, the construction plans of large blocks and problems required by main contractor were delayed which led to increased costs. Although the project got loss but we had the opportunity to approach new technologies in order to obtain the valuable experiences in constructing the international-level projects. Vietinbank Tower project helped Hoa Binh to affirm that Vietnamese contractor has the good ability to meet the highest requirements in high-rise and super-high-rise sector.

* SSG Tower project suffered VND28.7 billion losses: problems arisen led to uncollected of money, due to prolonged construction time compared to the planned schedule, thereby wage, machine and equipment costs increased; There are some issues which delayed the collection of money.

+ Some subsidiaries, affiliates which are in the period of discontinued operation or restructuring activities; in which MHB suffered such negative profit of VND13.3 billion, Vita lost VND1.5 billion, HBP Hung Yen lost VND1.5 billion, AHA lost VND4.2 billion, Golden Lotus Securities Company lost VND2 billion.

+ Some business activities in real estate, real estate brokerage, leasing office were inefficient and affected by the real estate revenue which has not been recognized while the cost was recorded, as Tien Phat lost VND16.3 billion, HBH lost VND38.4 billion (it is expected that over the next year, these companies will record revenue of real estate projects sold in 2015, increasing profit is expected to be VND26.7 billion).

+ In the consolidated report, gross profit was excluded the construction works of the Ascent, equivalent to VND23.4 billion; Green Park project of VND6.1 billion, due to Tien Phat and HBH did not handover apartments to customers (these amounts will be recorded as profit for the year after, as Tien Phat and HBH will record all real estate revenue of the Ascent & Green Park).

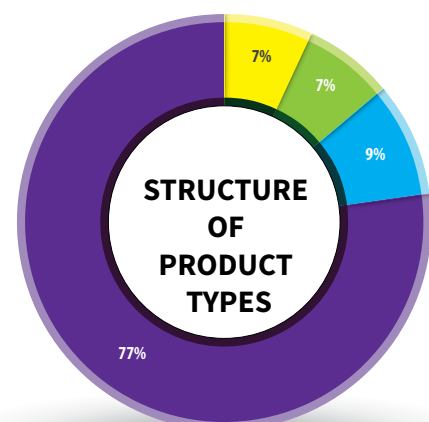
+ In the consolidated report, earnings is excluded the contracts between affiliated companies which had not yet been sold out of the system in terms of profit-excluded inventories, reducing profit of VND10.5 billion, including Hung Yen with parent company HBC: VND5.3 billion; HBA - Tien Phat with VND264 million; Tien Phat and HBH of VND4.9 billion. (These amounts will be recorded as profit for the next year, after HBC record construction revenue of the body of Vietinbank Tower, while Tien Phat will record real estate revenues the Ascent).

III. OTHER ACTIVITIES:

1.CONSTRUCTION BUSINESS

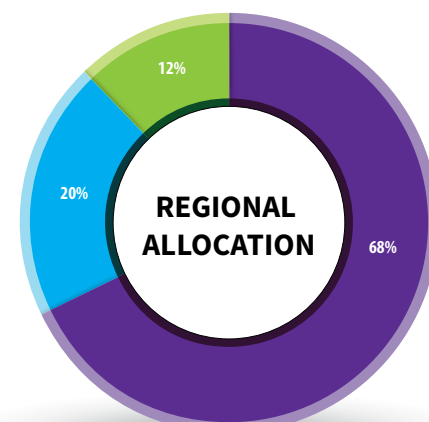
DIVISION

In 2015, Construction Business Division including the Proposal, Technical, BIM Legal - contract Department had attempted to implement of very large construction contracts. As of 31/12/2015, Hoa Binh signed 32 contracts with a total value of VND9,500 billion.



(*)

- HIGHRISE
- HOTEL & RESORT
- INDUSTRIAL & INFRASTRUCTURE
- OTHER CIVIL WORKS



(*)

- NORTH REGION
- CENTRAL REGION
- SOUTH REGION

* Based on the contract value in 2015

Most of the contracts are concentrated in high-rise segment (77% of proportion) and concentrated mainly in the South (68% of proportion). Especially for BIM department, in addition to serving part of the bid and construction, in 2015, the department had served 13 projects which were on bidding phase, 10 projects in the construction phase, and successfully implemented shop drawing on Revit model (more than 1 year and a half of tests and trials) and implemented of the “vertical model” of shop drawing.

In addition to 32 new contracts signed during the year, other departments of the company had put efforts to ensure the quality, value and progress of construction of more than 20 construction contracts from the previous year.

QA-QC department implemented the compliance testing of quality management process and professional training combined for 32 construction works nationwide and for one in Myanmar. Implementation of Project Quality Plan helped the construction management team to have an overview and fundamental of the works on controlling and ensuring quality execution. Organizing the thematic of quality, Spreading Decree 59CP on Project management and 46CP on quality management.

In 2015, QS Department and related departments actively supported the task of subcontractor selecting to highly meet the resource demand in the circumstance of scarce and competitive subcontractors.

2. HUMAN RESOURCE MANAGEMENT

As of 31st December 2015, there are 12,369 people working for the company. In particular, indirect labors and part-time indirect labors are 2,212 people. Total number of employees is 10,247 people, fluctuates depending on business needs.

During the year, the company ensures payment of wage funds in accordance with the stipulated time: workers’ salaries, indirect salaries, payment policies (Development Fund - advanced payments, settlement mode for maternity - leave - sickness, accident insurance, bonuses, cost of labor union, labor contracts...).

HR Department had also carried out a survey of how satisfied employees are for the working environment of the company. Results showed that 88% of employees were satisfied with the salary, learning, colleague relations, job responsibilities, fair assessment of the company.

NĂM 2015, TÍNH ĐẾN
31/12/2015 HBC ĐÃ KÝ ĐƯỢC

32 HỢP ĐỒNG

với tổng giá trị 9.500 tỷ đồng

TÍNH ĐẾN 31/12/2015 HBC CÓ

12.369 CBCNV

Trong đó, lực lượng gián tiếp và bán gián tiếp 2.212 người. Số lao động còn lại 10.247 người, tăng giảm tùy theo nhu cầu công việc.

IV. IMPROVEMENTS AND CHANGES

OF ORGANIZATIONAL STRUCTURE AND ADMINISTRATION POLICY:

Attract additional resources:

In 2015, the Human Resources Department had recruited 642 new employees, including many key positions, such as: Deputy general manager, Project Manager, Director of functions, assistant of general director, commander in chief, Head of department... to restructure the organization, respond promptly to human resources needs for manufacturing operations, business and strategy of the company.

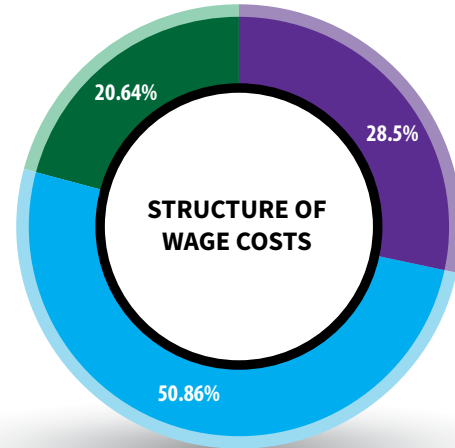
Appointments and Transfers:

Human Resources Department had made 1123 appointments and transfers throughout the system in order to maximize existing resources, to meet for the launch of 34 new projects, including major projects of international scale as Vietinbank Tower (Hanoi), Saigon Centre (HCMC), German House, Estella Heights which has attracted many qualified human resources with decent management and technical expertise.

Especially, in 2015, the Company has appointed Infrastructure Deputy General Manager cum Director of Project Management (PMO) and established the Office of the PMO to manage and support the construction works most effectively. Besides the establishment of Integrated Communication to spread 7 core values and statement of company values for all employees to understand the culture of the company. Establishment of budget management for the purpose construction management more effectively.

Setting and applying advanced and scientific human resource management:

3Ps wage scale, hierarchical positions based on the work value assessment, capacity building dictionary and deployment of capacity assessment



- Indirect wage costs
- Direct wage costs
- Sub-contractor wage costs

for 187 titles, deployment and completion of KPIs established in 2015 for all units throughout the company. In particular, KPIs deployment for construction division with 03 criteria: Economical, Social, and Environment. In there, economic indicator emphasizes the important objectives:



Budget Management - Effective Cost Management - Management of material wastage.

Completing the establishment of budget boundary and 2015 salary budget for the human resource of Office Division.

Setting, adjusting, and issuing the important human resource policies:

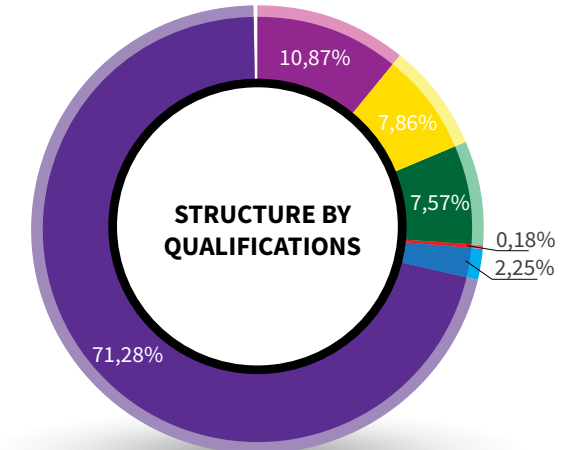
Recruitment policy, encouragement policy towards candidates, competency assessment of staffs, preparation and assessment of works (KPIs), bonus policy, welfare regime.

In 2015, the company had taken care of life of all employees: Organizing health checking and travel trip in Vung Tau for more than 1,000 employees (December 2015), buying Health Insurance for board of leaders.

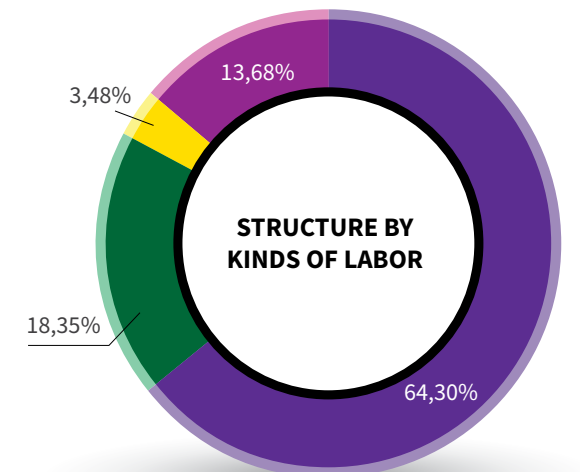
THE CHART OF NUMBER OF EMPLOYEES AND HUMAN RESOURCE STRUCTURE:

STRUCTURE BY QUALIFICATIONS		
Qualifications	Number	Rate
Doctor	3	0.18%
Master's	38	2.25%
Bachelor's	1,206	71.28%
College	184	10.87%
Intermediate	133	7.86%
Technical workers	128	7.57%
TOTAL	1.692	100.0%

STRUCTURE BY KINDS OF LABOR		
Kinds of labor	Number of people	Rate
Indirect	1.692	13.68%
Semi-Indirect	430	3.48%
Direct	2.294	18.35%
Sub-Contractor	7.953	64.30%
TOTAL	12.369	100%



- Doctor
- Master's
- Bachelor's
- College
- Intermediate
- Technical workers



- Indirect
- Semi-Indirect
- Direct
- Sub-Contractor

Business Plan in 2016

The construction industry is developing positively in the country. Especially, in the segment of residential construction where Hoa Binh has many advantages. Besides, the business plan for the financial year 2016 is based on the analysis of market factors and internal characteristics of HBC.

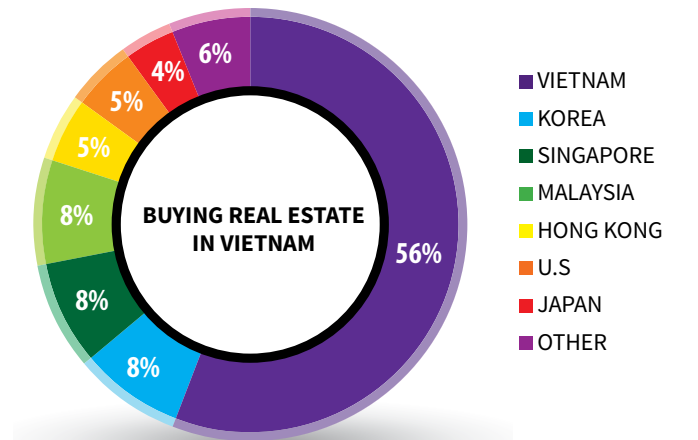


I. THE MARKET OUTLOOK AND SIGNIFICANT TRENDS IN 2016

1. RECOVERY AND GROWTH IN THE REAL ESTATE INDUSTRY

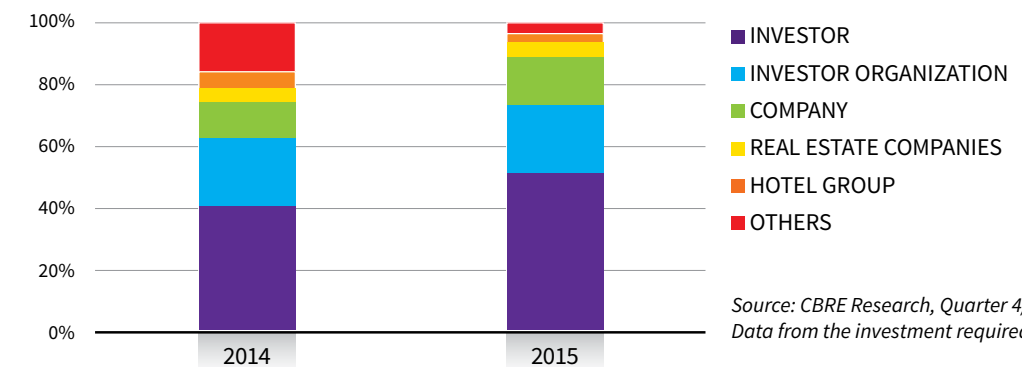
According to CBRE's report, Vietnam has the opportunity to break out in 2016 with foreign investment continued to be the driving force for the development of the economy. As reported by the Ministry of Finance, 66% of Vietnam's exports are generated by FDI. These companies contributed 22% of GDP and 26% of the government budget. Realized capital value in 2015 was estimated at \$14 billion, up 12% compared to 2014. FDI is expected to increase in most industries, especially textiles, construction, banking, high-tech and real estate thanks to TPP agreement which will be signed early in 2016.

In Southeast Asia, the increasing presence of the ASEAN Economic Community (AEC) will enhance the image of Vietnam domestically and internationally. AEC was officially formed on 01.01.2016. Vietnam is currently ranked No. 2 in value of FDI received in Asia, after China. Young population and low labor costs are important factors in attracting foreign investment.



Real estate bounced back strongly after 2014 due to inflation and low interest rates, along with the support from sources of foreign investment. As a result, mortgage credit has been strengthened and is expected to increase 18% - 20% compared to the same period last year, faster than the average growth rate of 14% - 15% in the period 2012-2014 when the background of economic growth slowed down. Interest rate of mortgage loan in 12/2015 is currently 8.4%, lower than the average interest rate of 9.87% of the previous quarter and 11.2% in 2007.

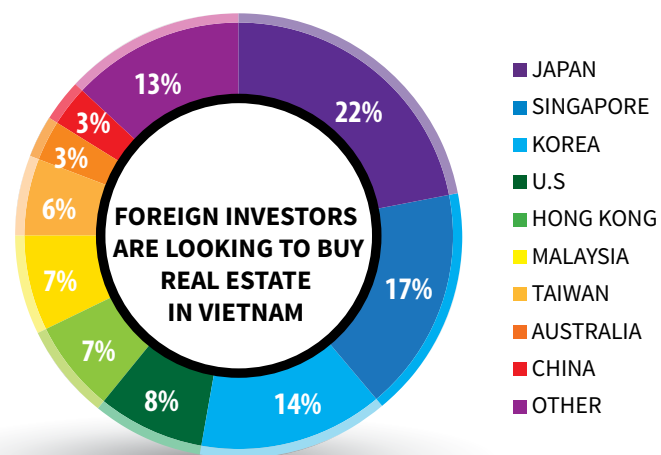
GROUP OF INVESTORS INTERESTED IN THE REAL ESTATE MARKET IN VIETNAM



Source: CBRE Research, Quarter 4/2015
Data from the investment required to CBRE Vietnam

Interest rates is expected to increase slightly in 2016, while inflation is expected to stabilize in the range permitted, but due to the impact of the Fed which is raising interest rates for the first time after a decade (though, as of 3/2016, the Fed has not yet announced raising interest rates). Vietnam Dong value is unlikely to decrease due to the impact of raising interest rates of the Fed, because this impact has been reflected in the present value of the currency. However, Vietnam Dong remains to be an important factor to keep an eye on in 2016, because by the end of 2015, the State Bank announced that it will apply the new exchange rate adjustment mechanism that being more dependent on the market. Accordingly, the exchange rate will fluctuate more closely to market volatility, especially fluctuations related to macroeconomic issues, supply and demand, and the impacts of other significant currencies.

Interest rates, inflation and mortgage lending rate will play a significant role in the real estate market. The trend of mortgage credit will be paid more attention in the future. The society class is growing in Vietnam, the middle and above middle class, will both promote both benefit from the mortgage loan.



Source: CBRE Research, Quarter 4/2015
Data from the investment required to CBRE Vietnam

2. THE RECOVERY OF STOCK MARKET

Unlike oil and gold prices, the stock market is expected to recover in 2016. The stock market is expected to reach 650-670 in 2016, thanks partly to the real estate stocks which accounts for 10% of the stock market. In addition, oil prices have stopped falling, reducing pressure on the oil companies. The decline in gold price, though not as drastic as oil prices, is expected to continue in 2016 and reaches the bottom in the next year before seeing any recovery.

3. SIGNIFICANT TRENDS IN VIETNAMESE ECONOMY IN 2016

• The ratio of public debt / GDP

Public debt as % of GDP has increased from 51.7% in 2010 to 60.3% today. As of 12.31.2015, the public debt was 61.3% of GDP Vietnam. Some of the factors hide behind the rapid increase in debt:

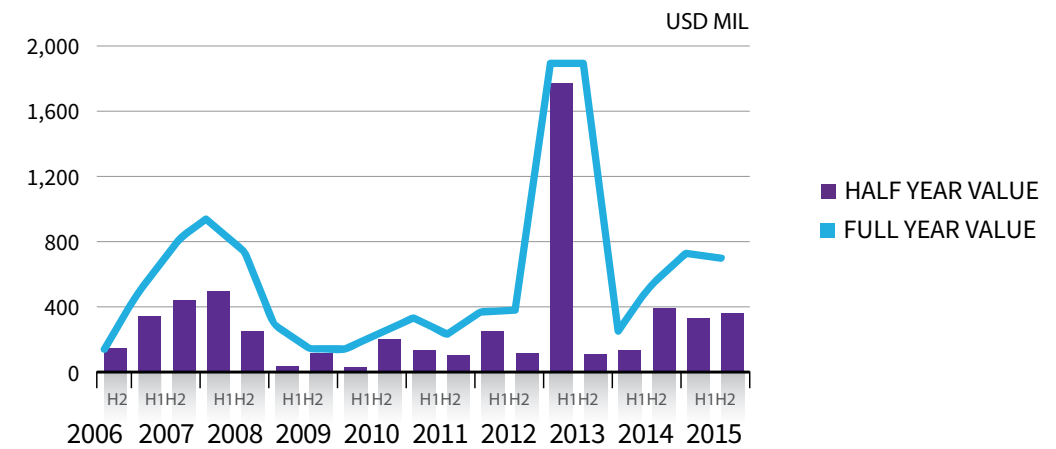
(A) Vietnam has maintained a budget deficit of 4.0 - 6.3% since 2010 (as determined by the Government), increase the need to borrow to offset the shortfall;

(B) Domestic bond market strengthened conditions for the issuance of additional and

(C) Low interest rates since 2011 has allowed the government to release more short-term loans.

Fiscal environment in 2016 is less optimistic due to gasoline prices fell which led to oil revenue reduction, which only contributed 12% of total revenue. Accordingly, the public debt will be able to increase more than planned and likely reaches the ceiling at the end of this year.

THE AMOUNT OF REAL ESTATE TRANSACTIONS IN VIETNAM 2006 - 2015



Source: CBRE Research, Quarter 4/2015
Data from the investment required to CBRE Vietnam
Data includes Commercial property, Housing, Complex, Land

• Bad debt situation

In 2015, only a small part of the bad debt was swapped away in which VAMC has been processed. Meanwhile, bad debts' objective in 2016 is also very modest. This leads to a concern that bad debts that VAMC swapped increases in long term, this situation is not sustainable.

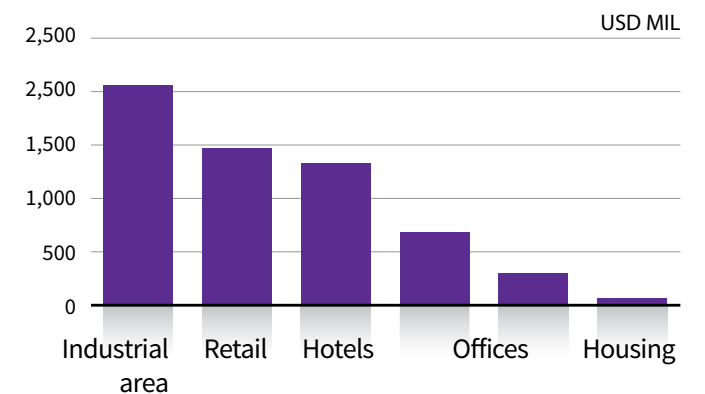
• Global Monetary Crisis

Although the risk of a currency crisis happening in other areas of Vietnam is quite limited, however, trade flows of Vietnam could be affected in a certain period due to global currency crisis is continuing.

• Mining commodity price crisis

Not many mining commodities are exported. Meanwhile, reducing input prices of basic commodities will benefit both manufacturing enterprises as well as domestic consumers. Therefore, the negative

THE REAL ESTATE TRANSACTIONS BY SECTOR, 2006 - 2015



Source: CBRE Research, Quarter 4/2015
Data from the investment required to CBRE Vietnam

impacts on Vietnam from downtrend basic goods mainly due to falling outside demand of commodities, due to worsen economic conditions of some countries.

• Economic growth of China continued to slow down

The impact of this risk for Vietnam is not yet clear. Vietnam is the last chain in the supply chain consists of many factories belonging to large manufacturing corporations in the region and in the world which is located in China and this relationship depends on world demand rather than just demand in China

II. MARKET FACTORS AFFECTING TO HBC'S BUSINESS PLAN IN 2016

1. The development of the real estate construction industry

In general, the development of domestic construction industry did have positive signs, particularly, in the civil construction segment, the Hoa Binh has many advantages.

- **Housing:** Most real needs of Vietnamese is still affordable housing with the average price of apartments. The supply of luxury apartments is at the risk of becoming redundant in the short term since the second half of 2016.
- Real estate leasing boom keeps continue. According to Savills Vietnam, it is predicted that demand for office space in Hanoi and HCMC will rise in the next two years.

Demand of office	2016	2017
Hanoi	Increase 11%	Increase 15%
HCMC	Increase 13%	Increase 14%

- Real Estate tourism thrive in Phu Quoc, Ha Long, Nha Trang ... According to recent statistics, Phu Quoc has 196 investment projects, with more than VND144,000 billion of total registered capital.
- **Hospitals:** many investors will exploit the hospital segment in 2016, such as the Hoa Lam Hospital, Kien Giang General Hospital, Can Tho General Hospital...
- **Airports:** Tan SonNhat airport expansion phase 2, construction of Vietstar cheap-airport.
- **Industry:** continue to develop, especially industries that benefit from TPP.

- Infrastructure: the period 2012-2020, investment in road traffic reaches VND202.000 billion/ year, investment in electricity reaches VND125.000 billion/year

2. Competitive Situation

Although it is predicted to have many projects implemented in 2016, but not because of that, the competition among construction companies might be less fierce.

- Competition between HBC with traditional rivals (Coteccons, Cofico, CC1);
- Competition between HBC and potential rivals with no strong brand but want to expand their market share (Unicons, Alphonsus, AGC, Descon, DungTien ...);
- Competition between HBC and foreign brands, who did not succeed in penetrating civil construction segment, are now looking for ways to win back the market (POSCO, CSCEC ...).

3. Suppliers

- **Materials:** depreciated prices could increase strongly, especially when steel prices have almost bottomed out, affecting the profit plan. This development has already occurred in the March 2016, with price of coil, long steel imported from China had increased by 100 USD / ton, from \$ 250 in the end of 2015, to 370-380 US dollars / ton in early March 2016.
- Machinery and equipment imported costs rose due to USD exchange rate increased.
- Subcontractors: scarce subcontractors, especially in situations when HBC is in lack strategic cooperation of subcontractor, which then led to virtual price..

4. Customers

Hoa Binh has been through years of keeping relationships with large investors such as Novaland, Vincom ... Although the country has a distinct differentiation between these investors and the remaining investors. Hoa Binh focus on developing relationships with several new investors in the country such as M.I.K, VID, T & T, Kinh Do, and other investors. Meanwhile, strengthen relationships with investors in public sector of infrastructure projects. Also, keep good relations with foreign investors who are focusing on promoting investment such as: Keppeland, Capitaland, Sapphire...

SWOT ANALYSIS



III. BUSINESS PLAN AND THE RISKS IN 2016

THAT MAY AFFECT THE IMPLEMENTATION OF GOALS OF THE COMPANY

From the analysis of macroeconomic situation and internal enterprise HBC Executive Board proposed the business plan targets in 2016 as follows:

NET REVENUE	NET PROFIT
VND 7.200 BILLION Up 42% compared to 2015	VND 252 BILLION Up 200% compared with 2015

The implementation plan proposed by the Board of Directors for fiscal year 2016 based on the analysis of market factors and the intrinsic characteristics of HBC. In order to complete the plan, company leaders have to face environmental challenges, such as interest rates, inflation, regulatory, capital and especially labor safety issues during construction.

- **Interest rate risk:** Currently, the ratio of debt / equity of HBC is relatively high. Therefore, the increase in interest expense as well as the ability to access capital from the bank credit risks is considered significant in HBC's business plan in the near future.

- **The risk of inflation:** The inflation caused great impact on the operation of enterprises, particularly enterprises operating in the construction sector. The strong appreciation of raw materials and steel inputs (mentioned above), etc. will cause significant impacts to the budget planning of the HBC.

- **Legal risk:** Currently, the highest legal document governing the operation of the business in general is the Enterprise Law. In addition, businesses in the construction sector have to comply with the Law on Construction and Land Law, and for HBC after officially listed on the stock market, it will have to comply with the Securities Act and the guiding document. However, the bylaws system are still in the stage of modification and improvement with many terms which are changed and modified, these documents are currently lack of uniformity and consistency, so the capture and execution of the business will still faces many difficulties.

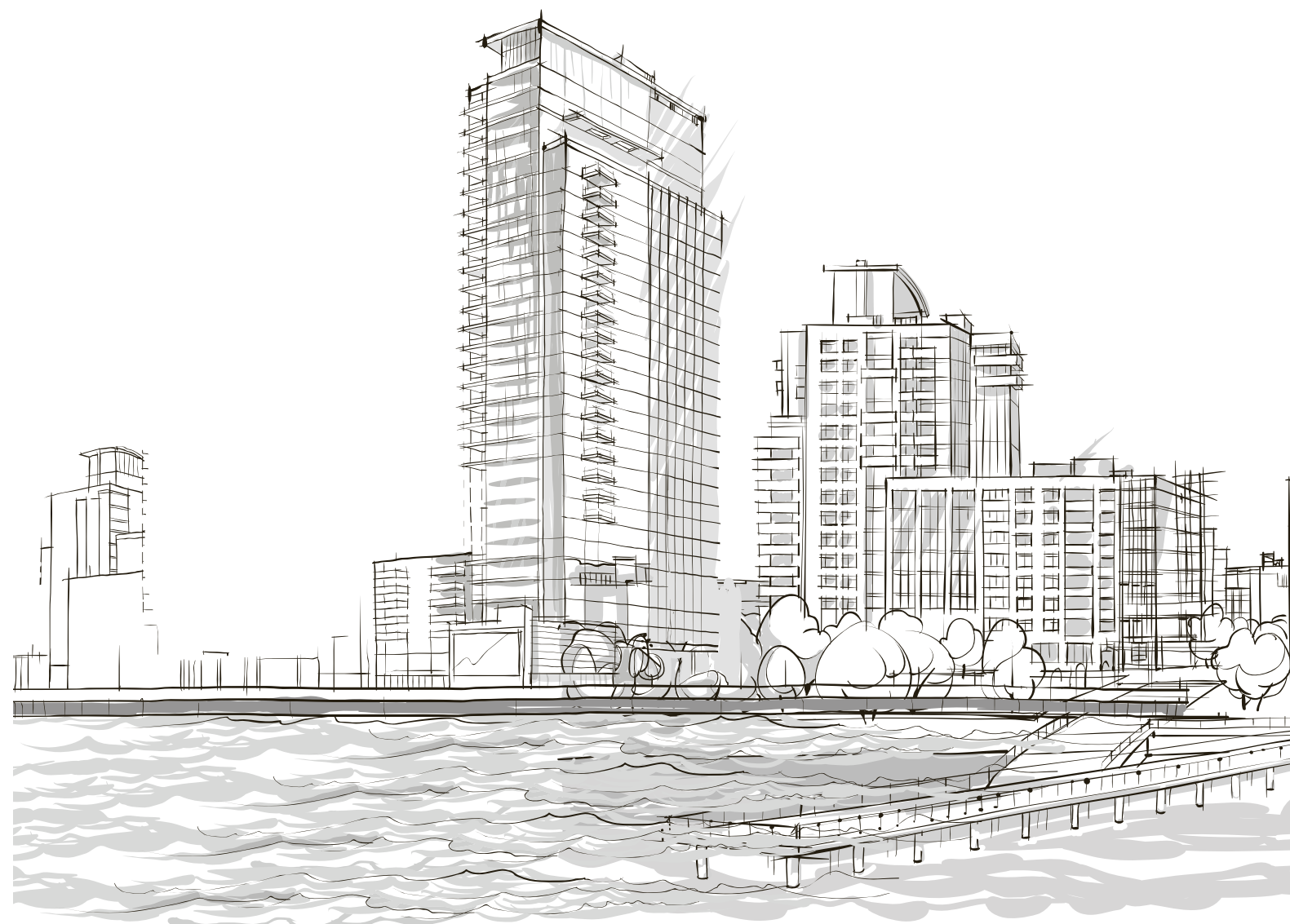
- **Risk of raising capital:** One of the events which drew concerns from real estate company in recent years is that the State Bank had introduced a draft circular amending Circular No. 36/2014 / TT -NHNN.

Accordingly, there are two noteworthy points that will affect the real estate market, which are changing the risk factor for the real estate lending business from 150% to 250% and the rate of using short-term deposits to the long-term loans decreased from 60% to 40%. If this regulation is adopted, the capital flows that banks use to lend to real estate investments will be limited. This causes significant impact on business activities of HBC, in particular, the construction period lasting works, the testing and handover is delayed, along with slow disbursement, the process of construction document as well as to approve the settlement agreed between the investor and the contractor usually takes more time, therefore the occupied capital will make it difficult for the cash of the business to flow.

- **Risk of labor safety:** Due to the specific nature of the construction industry, most workers need to work at height, so if no compliance management system for occupational safety is in place, it is very easy to have labor accidents. Once the occurrence of serious incidents on occupational safety happens, in addition to the loss of human, mental and material aspects also affected seriously the confidence of investors, consulting firms and the prestige of the company in the market.

Action Plan in 2016

It is the rearrangement of division responsibility by using the “Matrix assignment” on the basis of the organizational chart of the current field in the personnel direction “good at one thing, knowing more things “, meanwhile, implementation of staff rotation policy in management positions in the field is done to achieve the objective of” multitasking in the field, in-depth at the office.





BUSINESS SECTOR CUSTOMER SERVICE DEPARTMENT

According to the analysis of the market situation, in 2016, Vietnam will be the destination of choice for investors. FDI prospects are brighter than in 2015 in the context of a series of new generation free trade agreements (FTA) which are continued to be signed and taking effect, especially TPP. Especially, Vietnam has a large population, about 94 million people; the workforce is constantly evolving, stable political conditions with strategic location in Asia. According to forecasts, M & A market in 2016 will be very exciting, in which there will be many new investors who implement acquisitions and mergers in the Vietnam market. Besides, the laws of the government on housing will continue to take effect, encouraging real estate market to bounce back strongly.

In the period of 2016 - 2020, investment demand for transportation and roads: VND202,000 billion/year and electricity industry: VND125,000 billion/year. Efforts to improve the legal framework for PPP to take effect will attract private investment and contribute to economic growth in construction. According to Bloomberg about the growth prospects of 93 economies in the world, Vietnam ranks second in growth rate in 2016, at 6.6%, just lower than 7.4% of India, in the context when China's labor costs have risen and the production platform of that country

has shifted to products with a higher technological content.

With the analysis above, the Proposal Department is the unit that in charge of the construction business, the company will focus on implementing specific strategies for 03 key issues: customers, markets and procurement.

• Customer strategy:

- Manage customer information in master database system "client list".
- Develop partnership agreement and strategic partnership framework with potential customers.
- Actively work to reach new customers through direct visits by email, phone or in person.
- Organize events to meet and gratitude to customers in order to tighten the relationship and promote the brand of Hoa Binh.
- Diversification of customer contact channels to expand the supply of information about customers.
- Promote the after sale and customer care.
- Develop the sale support documentation standards.

• Market Strategy

- Maintain and develop existing markets. Focus on general contractor

to develop the strength of super high-rise and super high-rise buildings.

- Focus on 03 market segments: Civil, Industrial & Infrastructure of Middle and High class.
- Penetrate, develop new markets, new product segments.
- + Join, organize seminars / exhibitions in local markets.
- + Build relationships with Consultants and Investors in new markets.
- + In addition to the potential market such as Myanmar, Cambodia and Laos, HBC will target the Indonesian market where there is very high housing demand and take advantage of the strategic partners Nikko Indonesia.

• Tender Strategy

- Promote VALUE ENGINEERING cost savings to investors and increase the likelihood of winning the contract.
- Joint venture in implementing procurement projects: large scale; high complexity projects in new areas.
- Build Subcontractor/Strategic Supplier Relations to support and for co-development.



CONSTRUCTION SECTOR PROJECT MANAGEMENT

Along with the rapid growth in revenue, the challenges in the possibility of operating the projects are identified and defined by the measures in order to meet the demand of production and business, as well as prevent the risks, improve labor productivity, and enhance the incomes for the employees, such as:

Establishing Project Management Office which is in charged by Deputy CEO through rearranging the current functional departments, adding and improving the planning function, risk control during the construction.

Project Management Office (PMO) plays the role of the front office to receive, manage, analyze, and provide the project's information to help the managers to make the decisions and supervise the procedure of Project Management. PMO is also responsible for ensuring and controlling the quality in order to guarantee HBC's standards that were registered for all projects, as well as minimize the mistakes. In terms of costs, HBC Budget Committee has determined the target cost distribution and execution time corresponding to the construction schedule, providing information for the PMO to monitor, control and take action timely if it detects any difference between the plan and actual costs, increase initiative in operating costs.

PROJECT MANAGEMENT OFFICE

PMO

plays the role of the front office to receive, manage, analyze, and provide the project's information to help the managers to make the decisions and supervise the procedure of Project Management.

Regarding other resources, planning functions which is associated with the execution time has been set to increase the ability to control and adjust to all operation levels involved in managing of the projects, ranging from the construction direct work level to the General level,

thereby increasing the autonomy and efficiency in the allocation and coordination of resources, reducing the waiting time in the field, improving employee performance and partners engagement with HBC in long-term.

Training human resources to minimize the phase difference between revenue growth rate and quality of human resources, the relevant department of the HBC: Human Resource Department, Training Committee and PMO Office has developed the Database site operating personnel and planning personnel need training to meet the construction requirements on both the legal and practical expertise and



WORK SECTOR MATERIAL SUPPLYING

In 2016, Purchasing Department continues to operate and manage the buying management procedure, choose the strategic suppliers based on the consultancy strategy of PwC (since 2014). Accordingly, Purchasing Department plays the core role to serve for the project's construction in order to ensure the project's timing and quality according to the signed contracts with the customers. The objectives are as follows:

- Ensuring purchasing budget of construction projects: The total actual cost / approved budget: 100%.
- Ensuring the timing of strategic and scarce commodities to supply for the projects: 100%
- Proportion of strategic commodities with strategic partners: 100% of strategic commodities have at least one strategic supplier.
- The rate of exchanged and returned products due to quality, specification, type, quantity, time, place of delivery does not exceed 3%.



training plan implemented. This is also an important contribution to find, train, and develop the next generations of HBC's leaders in the future.

Regarding the management of construction site, it is the rearrangement of division responsibility by using the "Matrix assignment" on the basis of the organizational chart of the current field in the personnel direction "good at one thing, knowing more things ", meanwhile, implementation of staff rotation policy in management positions in the field is done to achieve the objective of " multitasking in the field, in-depth at the office." At the same time, the rotation of staff between the construction and the Office is also made to complement practical knowledge, improve professional skills for staff involved in managing the project.

In terms of business development, HBC has identified the need to expand the business through the field of infrastructure projects such as energy, water supply, roads, bridges, etc. and has deployed assessment and specific plan to enter into these fields.

The above measures are expected to create the foundation and orientation for the year 2017, HBC can expand at the average scale to the international market, primarily in Southeast Asia.



DEVELOPING THE QUALIFIED HUMAN RESOURCES AND MEETING THE DEVELOPMENT SPEED

USING EVALUATION SYSTEM

KPI

In 2016, the company will organize and allocate human resources in streamline, with "multitasking" effect associated with specific targets and KPIs for each individual unit.



HBC has always considered human resources as the core factor and valuable asset. The company's objective is to "improve" the governance and professional executive to equalize with industrialized countries; develop the effective organizational structure, select the staffs who must have both the good heart and view.

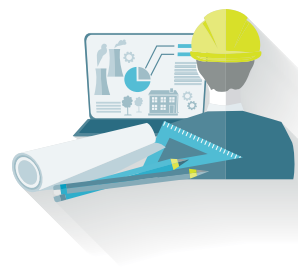
Seven core values of HBC have created a corporate culture of deeply humanity, a professional working environment that can help employees to promote their best ability. Staffs are always respected, listened to and shared; every employee feels that he is an important link in a collective and strong solidarity. All of the efforts and achievements of the company employees are recognized and rewarded in time - it is a great motivation to help employees to find inspiration and ready for new challenges at work.

In 2016, the company will organize and allocate human resources in streamline, with "multitasking" effect associated with specific targets and KPIs for each individual unit. KPI evaluation system was implemented since 2015 and this year. It will continue to be improved in order to complete a comprehensive review of many aspects of capacity and working efficiency.

Planning and development of inherit team are also being put at top priority by the Board of Directors. By assigning work,

creating challenges for staffs at the new work location, along with the tutelage and guidance of management and professional support from specialized departments; Creating opportunities for employees to face actual situation, rotating through various job positions, through which employees would have the opportunity to perfect skills, update their knowledge to meet the requirements and challenges of the job.

Human resource recruitment is to meet the new requirements of the business plan of the period 2016 - 2018. The objective of HBC recruitment is to attract and welcome all candidates who wish to work in a dynamic innovative and efficiency environment, where each individual can maximize capability and expertise. Every year, the company received hundreds of university graduates with good and excellent grades of the prestigious universities such as Ho Chi Minh City University of Technology, Ho Chi Minh City University of Architecture, Hanoi University of Construction,...



FINANCIAL PLAN, STABLE BALANCING AND FINANCIAL INVESTMENT

- Rearranging the strategy of funding to be appropriate for the contract revenue in 2016 – 2018. The next step to raise funds from the stock market:

In order to ensure appropriate capital resource matching with the contract revenue in 2016-2018, the ratio between revenue and equity must be guaranteed by 6 times, which requires the mobilization of capital increase of VND400 billion in 2016, VND500 billion in 2017, and VND600 billion in 2018.

- New direction for long-term investments to purchase assets and invest in subsidiaries and associated companies:

The company increases the purchase of tower crane, hoist, scaffolding and coffa to improve execution, improve business efficiency, and to improve competitive position. The investments in affiliated companies and joint ventures are limited. When investing, it must ensure the capital efficiency more than 10%.

HR Department continues to attract and select from the candidate resource having good qualification to establish the database with 5,000 candidates in the construction industry in order to timely provide the employees for current projects and new projects.

Continuing to apply the tools of best human resource management to motivate employees to devote their abilities to the Company with 80% of satisfaction, as well as striving to obtain the higher rank in Top 100 Best Working Places in Vietnam (by Alphabe and Nielsen research). In 2015, the company's rank is 84/100.



BRAND DEVELOPMENT AND IMPROVEMENT PLAN

The company always determines that Brand - Prestige of the company is the worthy asset. Therefore, during last 29 years of establishment and development, Hoa Binh has been putting efforts to build prestige, to become leading construction provider domestically and reaching internationally. Continuing the 10-year of period (2015-2024), Hoa Binh continued to build brand image in accordance with the size and scale of development of the company at stages, with the awareness level of brand (TOM Awareness) reached 80% (in the target customer group). Hoa Binh construction brand positioning - Building Contractors is a world class brand; the number one of Vietnam in the field of super-high-rise building;

bringing professional and friendly image (USP - Unique Selling Proposition). At the same time, the maximum value that Hoa Binh may bring to customers is “peace of mind and resonance benefit” from the brand of Hoa Binh (CVP - Customer Value Proposition).



SUBSIDIARY Joint Venture (next page)

HOA BINH HOUSE CORPORATION (HBH)

Website: <http://www.hoabinhhbh.com>

Charter Capital: VND135 billion

HBC's ownership percentage: 99.85%



Mr. Le Quoc Duy

General Director

(Details in page 21)

"In 2015, we did a new start in the process of construction and development to become a professional real estate company in Vietnamese market. "The starting is difficult", however, the organization is still running following the plan. This is a good signal to create a stepping stone for a breakout year in 2016."

COMPANY OVERVIEW

Hoa Binh House Corporation (HBH) was established in 2007 aiming to develop the real estate business and meet increasing housing needs by providing realistic property products. Besides, HBH constantly continues to develop and expand its strength to the field of real estate leasing and has achieved some remarkable success.

2015 BUSINESS RESULT

2015 was a year of real estate in which the market has recovered strongly but it still hides many challenges for the entire market in general and HBH in particular. Witness the spectacular transformation step of the exclusive project distribution and marketing such as SHP Plaza, Green View. Especially in the field of leasing office, HBH also achieved impressive numbers when receiving another Pax Sky 3 building in quarter 4/2015. In parallel, there still exists the difficulties and overall market impacts, thereby result of HBH business has not achieved the expected figure.

Total asset as of 12/31/2015 of HBH is VND713 billion, up 19.97% compared to 31/12/2014. Total revenue in 2015 reached 113.7 billion, up 168% compared to last year.

Expanding the building management system with the successful launch of Pax Sky III buildings

Following orientation on furthering the field of Property Rental and Management by HBH, namely office, Pax Sky Building System has been performing with some particular success.

With the expansion and management of Pax Sky system is being deployed very smoothly, the revenue of 2015 has been maintained stability in the maximum since 11/2015. Pax Sky brand has achieved the goal of expanding the system through the launch of Pax Sky III buildings, located at 225Bis Nam Ky Khoi Nghia Street, Ward 7, District 3, and complete criteria for lease 100% within 3 months.

With stable operations in the past year and the project is being actively implemented in 2016, Pax Sky system can bring the optimistic full-year revenue of VND50 billion.

Successful exclusive marketing and distribution of projects in 2015

2015 really was a year marked by innovation of HBH in project marketing and distribution in the market. For Ho Chi Minh City area, the company successfully delivered projects Green View. After only three months of receiving, the company has successfully completed a investor targets. More than 95% of apartments handed to the hand its owner and the company earned more than VND 3 billion.

In particular, the company has successfully implemented project SHP Plaza and has been highly appreciated by the main investors. This is the first project that the company carried out the distribution and marketing in the northern region. After two opening round of selling which took place in 2015, more than 100% of apartments had been sold and more than VND2 billion revenue created for the company, which is outstanding and exceeded the target set for the investor.

Successful brokerage and distribution of real estate products

HBH continued to confirm successfully the role of distribution and brokerage of real estate projects in HCM City market; Providing the market with quality products while reassuring customers; also creating trust from strategic partners. Quite a number of successful transactions as well as exceeding the target set by company leaders such as project consumption of 100% of The Ascent apartment block A, 95% of Green View apartment project, 55% of Soho Riverview Apartments Project, 50% of Grand Riverside Apartments project, 40% of Riva Park apartment project in the first round of open sale and many successful transactions in other projects.

Total asset as of 31/12/2015

713 VND BILLION
Tăng 19,97% so với thời điểm
31/12/2014

TỔNG DOANH THU NĂM 2015
HBH TĂNG

168%

up 19.97% compared to
12/31/2014

In 2016, HBH will seek out 2 additional office building for lease. At the same time, the company will continue to build Pax Sky brand to become the leading brand for lease in HCM City. In 2016, the brand Paxsky will accompany Okamura Japanese Company - a company that has experience in real estate management. This is a stepping stone for Paxsky to become a leading organization in the field of office management and rental services in the near future.

BUSINESS DIRECTION IN 2016

2015 marked the innovation in the real estate market, confidence is being restored in the market. The positive signals from the market show a new year with new opportunities, Hoa Binh House has set out a number of objectives and measures to further strengthen its brand and reputation in the market.

Promoting the role of investment and development in Strategic apartment projects in 2016

In order to develop the strength in the role of project investment and development, Tien Phat will continue to invest in strategic projects over the next year. Following the success of these projects in 2015, the company will launch new projects such as Nam Ky Khoi Nghia, Hoang Hoa Tham Street, Lake Side, Soho Premier ... and some other projects.

Continuing to develop the field of office leasing

In the continuing success of the office building Pax Sky I, II, III, HBH will endeavor to promote and boost the potential in this field. It is expected in 2016, HBH will seek out 2 additional office building for lease. At the same time, the company will continue to build Pax Sky brand to become the leading brand for lease in HCM City. In 2016, the brand

Paxsky will accompany Okamura Japanese Company - a company that has experience in real estate management. This is a stepping stone for Paxsky to become a leading organization in the field of office management and rental services in the near future.

Strengthening distribution and marketing

In 2016, the company will expand the transaction-floor system, develop the business staffs to corporate development objectives floor-company into a leading brokerage firm in the market. At the same time, the company will also collaborate with partners to provide quality products like GOTEK, Vingroup, Phat Dat ... This plan will help change the face of the company and build trust with customers.

2015 BUSINESS RESULTS AND 2016 PLAN:

(UNIT: VND BILLION)

VND billion	Net Revenue	Gross Profit	Profit/(loss) before tax and interest	Profit/(loss) after tax	Gross Profit margin	EBIT margin	Net Profit margin
2015 Execution	113.7	16.9	(23.6)	(37.5)	14.8%	(20.8%)	(33%)
2016 Planning	401.7	51.7	14.5	(15.0)	12.9%	3.6%	3.7%
2015 Execution-Real Estate Transaction	6.2	2.7	(0.8)	(0.8)	43.5%	(13%)	(14%)
2015 Planning-Real Estate Transaction	35.4	23.0	4.0	3.1	65%	11.3%	9%

DETAILS OF 2016 BUSINESS PLAN

(UNIT: VND BILLION)

No.	Company Name	Revenue	Cost Price	Gross Margin
1	2015 Execution-Real Estate Transaction	401.7	350.1	51.6
2	2015 Planning-Real Estate Transaction	35.4	12.4	23.0
	Total	437.1	362.5	74.6

HOA BINH REAL ESTATE TRADING LIMITED COMPANY (Subsidiary of HOA BINH HOUSE CORPORATION)

Operated in 09/10/2013, only 3 years later Trading platform Real Estate Hoa Binh Limited Company already achieved 195% planned revenue in 2015 with 100 productive members. There are some examples of our successful projects: Grand Riverview, The Ascent, The Green View, Soho Riverview, Riva Park...

BUSINESS DIRECTION IN 2016

There are positive prediction in real estate market in year 2016, which allows us to set up our goals and plans to maximize our property. We aim to become one of the best name in distribution and marketing in real estate in Ho Chi Minh market.

Company predicts to develop our human resources from 100 members up to 200 members, and expand to other trading platforms in Ho Chi Minh area. Marketing and developing core projects such as: Soho Premier, SHP Plaza, Nam Ki Khoi Nghia, Hoang Hoa Tham...and more.



TIEN PHAT REAL ESTATE INVESTMENT JOINT STOCK COMPANY

Website: www.tienphatcorp.com

Charter capital: VND 152 billion
HBH's ownership percentage: 98,85%

Mr. VO MINH HOANG

Director

Born in: 1986

Nationality: Vietnamese

Qualification:

- Construction Engineering, Ho Chi Minh University of Architecture
- Master in Real Estate Developer, George Mason University, U.S.A.

Working Experiences:

- 2009 - 2011: Supervisor Engineer at Uyen Sang An Construction JSC, Design Specialist at Hydraulic Engineering Consultants Corp II
- 2014 - 2015: Member of Investment Committee of Toan Think Phat Architecture Investment Construction Joint Stock Company, Assistant to CEO of Hoa Binh House
- 2015 - now: Director of Tien Phat Real Estate Investment Joint Stock Company.



"As one of youngest subsidiaries of Hoa Binh but Tien Phat plays an important role in the development of the corporation. With the purpose of sustainable development, Tien Phat is currently focusing on developing the medium-scale projects at good locations to restrict the risks of market. Besides, the company also is saving the capital and experiences, as well as building up the company brand to develop larger-scale projects."

COMPANY OVERVIEW

Tien Phat Real Estate Investment Joint Stock Company (Subsidiary of HBH) is to provide the products, services, and new technologies in the corporation in order to create the high-quality-housing products with reasonable price. In addition, the company also solves the problems in management ability, distribution channels, capital, and market research for HBC's customers. After nearly two years of development, Tien Phat Real Estate Investment Joint Stock Company created bold mark on the real estate market of Ho Chi Minh City with the quality real estate projects such as: The Ascent - Thao Dien Condominiums, Grand Riverside, Riva Park...

The Ascent - Thao Dien Condominiums Apartment

Projects: The Ascent - Thao Dien Condominiums Apartment is the first project and typical project of the company in 2015. The project is located at No. 58 Quoc Huong, Thao Dien Ward, District 2 with 02 towers of 29 floors and 278 luxury apartments with many facilities such as warm-water pool, 03 parking floors. The Ascent is attracting the Eastern market. In particular, the project obtained 169/278 apartments which were sold successfully in 2015.

Grand Riverside Luxury Apartment Project

Acting as investment partner cooperation with Hong Ha, Tien Phat offered products to market with Grand Riverside apartments of classical European architecture style. Located at 278-283 Ben Van Don Street, Ward 2, District 4, Grand Riverside consists of 01 blocks with 22 floors with 240 apartments. With this project, Tien Phat reached VND105.1 billion revenue in 2015.

In 2016, the revenue plan was estimated at VND70.1 billion with the sale of 64 apartments of Grand Riverside.

Riva Park Apartment Project

With prime location at No. 504 Nguyen Tat Thanh, Ward 18 District 4, Riva Park has the scale of 01 block with 18 floors with 320 apartments. With 3 views of the beautiful river and excellence internal facility, apartment projects by Tien Phat cooperation with Vietcomreal will be an ideal choice for customers who is interested in the apartment segment of city center.

The Penta Apartment project

Located at 201 Hoang Hoa Tham Street, Ward 6, Binh Thanh District, the luxury The Penta apartment project consists of 01 block of 20 floors with 83 apartments and 02 commercial floors. This project is expected to open sale in 2016.

Ascent Lakeside Apartment Project

Also opened sale in 2016, the Ascent Lakeside project is expected to bring more choices for customers in District 7. Enjoying the facade of Nguyen Van Linh Boulevard, Tan Thuan Tay Ward, District 7, Ascent Lakeside apartment project scale with 01 block of 20 floors with 108 apartments and 60 office-tel apartments.

Grand Central Apartment Project

With the location in the center of the city, right at 194B - 202 Nam Ky Khoi Nghia Street, Ward 6, District 3, Grand Central apartment project brings elegance, luxurious with exquisite architectural design. Including 20 floors with 280 high-class apartments, Tien Phat is expected to hit the market with 38 apartments with the estimated revenue of VND261.4 billion in 2016.

EXPECTED REVENUE IN 2016

798,49

 BILLION VND

The strategic objective of Tien Phat Company in 2016 is to expand to invest in new projects but still focus on the segment of apartment building with the medium and small scales in order to restrict the risks of market. Besides that, the company also finds more potential projects to invest that would bring to the company many opportunities to develop the company brand as well as collect capital and experiences for the bigger projects in the future.



Premier Soho apartment project

Located at 636A Xo Viet Nghe Tinh Street, Ward 25, Binh Thanh District, Soho Premier apartment project includes 01 block with 15-floors of 168 apartments, which will be the selection criteria suitable for those customers who want to buy the apartments in the city center.

Project	Total Value (+VAT) (VND Billion)	Estimated handover time	2016 Business Plan		% Profit after tax Cumulative apartments of project
			Transactions in year (apartment)		
The Ascent	878.33	T12/2016	111/278		278/278
Grand Riverside	330.40	Q3/2017	20/104		60/104
Riva Park	559.90	Q3/2017	78/180		112/180
The Penta	175.95	Q2/2017	40/83		40/83
Ascent Lakeside	595.53	Q2/2018	40/172		40/172
Grand Central	332.35	Q4/2018	38/48		38/48
Soho Premier	273.08	Q4/2017	110/150		110/150

In 2016, Tien Phat sets the plan of revenue and profit for each project. According to financial reports, the profit of Tien Phat is still slow. There is just the revenue from The Ascent project which other projects are in the progress of construction.

The strategic objective of Tien Phat Company in 2016 is to expand to invest in new projects but still focus on the segment of apartment building with the medium and small scales in order to restrict the risks of market. Besides that, the company also finds more potential projects to invest that would bring to the company many opportunities to develop the company brand as well as collect capital and experiences for the bigger projects in the future. In the trend that foreign investors, especially Japanese investors are willing to participate in Vietnamese real estate market, Tien Phat found and signed the cooperation with SanyoHome to develop Ascent Lakeside Luxury Apartment Project in District 7. This cooperation brings to Tien Phat many opportunities to improve its positioning in HCMC real estate market.

DETAILS OF BUSINESS PLAN IN 2016

(UNIT: VND BILLION)

Target	Net Revenue	Gross Profit	Profit/(loss) before tax and interest	Profit/(loss) after tax	Gross Profit margin	EBIT margin	Net Profit margin
2015 Execution	-	-	(15,79)	(16,32)	N/A	N/A	N/A
2016 Planning	798.49	88.97	(8,24)	(35,25)	11%	(1%)	(4%)

JESCO HOABINH ENGINEERING
(JESCO)

Charter Capital: VND36.4 billion
HBC ownership percentage: 48%

Mr. MITSUMOTOTOSHIYUKI

General Director

Born in: 1948

Nationality: Japanese

Qualification: Electricity Industry at Kuchan University, Hokkaido (Japan)

Working Experiences:

2004 – 2011: Deputy Chairman / Chairman JESCO SE Vietnam

2011 – 2012: Mechanical Factory Management of JESCO SE Vietnam, Manager of Tokyo Representative Office at Long Hau Hoa Binh Industrial Zone

2013 – now: Chief Auditor of JESCO ASIA JSC, Manager of Tokyo Representative Office at Long Hau Hoa Binh Industrial Zone, General Director of JHE



“The company will promote its strengths and experiences of both Jesco and Hoa Binh to build the company brand in the business sector in Vietnam.”

COMPANY OVERVIEW

Jesco Hoa Binh Engineering (JHE), formerly known as the Hoa Binh Engineering Corporation was established in 2008 and specialized in construction and installation of construction equipment, electrical – light electric, air conditioning and ventilation systems, firefighting and prevention systems, drainage systems, etc. JHE always prioritizes quality, takes technology and technical arts as the center for its production and business activities, along with strategies to build the foundation for the sustainable growth of the company.

The year of 2013 marked the development with the association of Jesco Asia – a member company of the Jesco Holding Group from Japan which possesses senior experience in electrical design & construction. Jesco Asia has been in charge of consultancy, operation

and design; while Jesco Hoa Binh has been in charge of the general construction. This will utilize and develop the abilities, experiences and strengths of both sides. The close cooperation and clear task division make infrastructure constructions in Vietnam more convenient and speedy.

ACTIVITIES IN 2015 AND BUSINESS DIRECTION IN 2016

2015 marks an exciting development step of the real estate market with a lot of positive signs: rising real estate liquidity, ongoing projects start open sale, strong capital inflows into real estate, customer confidence is restored and strengthened by good macro background. With that momentum, the real estate market in 2016 is forecasted to continue to grow stronger with the favorable impacts from the economy and international agreements will be signed.

Based on this, Jesco Hoa Binh has set the target of special attention that fulfill the projects which are carried out in HCMC and Hanoi; try and continue the efforts to improve the technology and construction technology, complete on schedule and fully meet the requirements of investors and construction contractors. Besides, JHE will continue to improve the organizational structure, improve processes and build an effective and professional working environment.

With projects under construction (section M & E) including A1-A2 Tropic Garden, Galaxy 9, Green Park, Hanoi Viettinbank, The Ascent. Besides, JHE has won contracts in early 2016:

The Tresor Project

After successfully completed the construction of Tropic Garden project, as well as completed the progress of projects ICON 56, Galaxy 9 by Novaland, JHE has continued to be believed as subcontract part of M & E for project The Tresor with 33 floor scale. The Tresor apartment includes internal facility and modern luxury such as swimming pool, gym, sauna, restaurant, garden, and commercial...



Rivergate Residence Project

River Gate apartment project in District 4 is located at the end of Ong Lanh Bridge which is less than 200 meters far from District 1. This is the apartment with luxurious design and the most advanced modern scale of downtown area which is invested by Novaland. The project is a harmonious combination between offices, commercial centers and apartment blocks which together would form a perfect unity. JHE is undertaking the construction of refrigeration.

DETAILS OF BUSINESS PLAN IN 2016

(UNIT: VND BILLION)

VND million	Net Revenue	Gross Profit Margin	Profit/(loss) before tax and interest	Profit/(loss) before tax	Profit/(loss) after tax
2015 Execution	225	22.7	7.36	5.6	4.4
2016 Planning	291	32.1	18.9	15.8	12.7

HOA BINH INFRASTRUCTURE INVESTMENT & CONSTRUCTION JSC (HBI)

Charter Capital: VND150 billion
HBC ownership percentage: 97.8%

Mr. Le Viet Ha

General Director

Born in 1960, Nationality: Vietnamese

Qualification: Administration Specialist

Working experiences:

2002 – 2004: Director at Hoa Binh Interior Decoration Limited Company

2004 – 2005: Director at Moc Hoa Binh JSC

2006 – 2008, Director at Hoa Binh Commercial Limited Company

2008 – 2010, General Director at Hai Dang Investment JSC (Corporation between Hoa Binh and PVFC)

2011 – 2013, General Director at Hoa Binh Investment and Development JSC

2013 until now: General Director at Hoa Binh Infrastructure Investment & Construction JSC



“With the experiences in the investment in Long Hau – Hoa Binh Industrial Zone, HBI direction is to develop widely, find the industrial projects with bigger scale in Long An and other provinces in the country.”

COMPANY OVERVIEW

Hoa Binh Infrastructure and Construction Investment (HBI) was founded in 2008, with the goal of developing a strong position to invest in infrastructure construction and provide lease business of Industrial lands - Industrial buildings - transfer of residential land.

HBI's current project is the Long Hau - Hoa Binh Industrial Park located in the Thu Thua district of Long An province, which has been built 80% up to present, and received a lot of compliments about the quality of the landscape and infrastructure of the industrial zone. On that

basis, HBI has attracted many domestic and foreign investors into the industrial park land lease, thereby attract more foreign investment, create jobs and increase local budget revenues for the Government.

BUSINESS PERFORMANCE IN 2015

Following the success of 2014, the Board of Directors along with continuing employees of HBI had completed the business plan targets in 2015: specifically, land area that has recorded revenues reached 121.7% of the target number, the filling rate of land reached 48.4% of total salable area, net sale reached 114% and profit after tax was 156.8% of the target amount.

Along with the good sales performance, the Board of Directors together with HBI staff were also in good control basic investment and construction activities: by splitting the construction package and working directly with large suppliers which then helped HBI to reduce 10% - 15% of the investment cost of products.

Apart from the leased business, Infrastructure and industrial house construction and supervision team of HBI is also developing by learning through the experience of contractors and building contractors of HBI within the Industrial Park, which is the premise for the year 2016 - in which HBI will exploit the construction contract of factory for MATEC and leased factory of the zone.

OPPORTUNITIES, CHALLENGES AND BUSINESS DIRECTION OF 2016

By joining the World Economic Agreement (TPP, FTA), Vietnam has a great opportunity to attract foreign investment, namely the land lease customers in the industrial parks. HBI has recognized that this is not only a business opportunity, but also a major challenge to the board of directors - as well as its employees in:

BUSINESS RESULTS IN 2015 AND PLAN IN 2016

(UNIT: VND BILLION)

Target	Net Revenue	Gross Profit Margin	Profit/(loss) before tax and interest	Profit/(loss) before tax	Profit/(loss) after tax
2015 Planning	129.6	50.5	34.4	33.8	26.4
2015 Execution	147.7	60	51	50.2	41.4
2016 Planning	155.6	77.8	57.6	57.6	46.1

- Support the legal procedures related to investing in Vietnam for customers.

- Customer support in finding human resources.

- Ensure complete infrastructure and a favorable working environment for customers.

- Customer Care and provide the utility that came with the Industrial Park.

For business objectives in 2016, the board of directors and all HBI employees commit that to:

- Achieve and exceed sales targets and profit in 2016.

- Improve and develop infrastructure management activities and provide customer care with the aim of achieving 100% customer satisfaction.

- Improve the level of construction activities, construction of industrial infrastructure with the goal of creating a new revenue source for the company.

- Maintain and develop corporate culture, always create dynamic, self-discipline and efficiency working environment.

- Develop and reposition the brand of a Corporation who invested in infrastructure construction market in investment and development of industrial parks.

MOC HOA BINH JSC (MHB)

Charter capital: VND50 billion
HBC ownership percentage: 98.9%

Ms. Nguyen Thu Hoa

Director

Born in 1976, Nationality: Vietnamese

Qualification: Marketing, HCMC University of Economics

Working experiences:

2001 – 2003: Marketing Specialist at Unicharm Representative Office

2005 – 2010: Managing Director at 7979 Construction and Interior Company (Thailand)

2012 – 2015: Business Development Specialist at SB Furniture Company (Thailand)

2015 – now: Director at Moc Hoa Binh JSC



“We connect the large partners to distribute famous furniture brands in order to build up Moc Hoa Binh, improve business activities in the country and export the company’s main products which are the furniture and wood door to South East Asian market.”

COMPANY OVERVIEW

Moc Hoa Binh Manufacturing and Decoration specializes in supply and installation of furniture, and is launched with the motto of integration and leveraging mutual development between subsidiaries in Hoa Binh system.

Established in 1993, up until now, Moc Hoa Binh has made significant progress and has established its position in the country and Southeast Asia, especially Myanmar market with production items and installation of wooden doors, fireproof door.

MHB aims to become a leading furniture brand to support HBC in construction and interior design. The company will develop both the project segment and retail segment, as well as production and distribution in order to improve production quality management and reduce the price.

BUSINESS PERFORMANCE IN 2015

The year of 2015 had the market fluctuation but this is the year marking the beginning of Moc Hoa Binh in making fireproof wooden door, striking products of the company to the market of Southeast Asia, especially Myanmar.

The typical work of the company in 2015: Vietcombank Tower, The Golden Plaza, Thalyin Starcity Myanmar B- Zone, Star city Hotel Nha Trang, Nguyen Tri Phuong Hotel Ha Noi, Dong Phuong Hotel...

BUSINESS DIRECTION IN 2016

- Building the showrooms combined with product display and trading other furniture products of famous brands and self-produced products.
- Developing the packages of interior finishing with MHB brand
- Building the factories with medium and small scale with professional management procedures in order to ensure the quality of MHB products, as well as make sure the supply timing for the projects.
- Developing the material trading to obtain the good favorable offers from the partners, reduce input costs to provide for HBC the strategic products with competitive prices and good quality.
- Continuing to deeply and widely develop the market in South East Asian area that focuses on wood furniture installment and project finishing.

BUSINESS RESULTS IN 2015 AND PLAN IN 2016

(UNIT: VND BILLION)

Target	Net Revenue	Gross Profit Margin	Profit/(loss) before tax and interest	Profit/(loss) after tax	Gross Profit margin	EBIT margin	Net Profit margin
2015 Execution	47.5	(1.6)	(7.9)	(13.3)	(3%)	(16.6%)	(28%)
2016 Planning	164.5	32.5	13.2	7.9	19.7%	8%	4.8%

VIET TA IMPORT AND EXPORT CORPORATION (VITA)

Website: <http://www.vitacorporation.vn>

Charter capital: VND8 billion
HBC ownership percentage: 58.2%

Ms. NGUYEN THU HOA

Director
(Details in page 75)

Viet Ta Import and Export Joint Stock Company (abbreviated as VITA) with registered capital of VND8 billion, is directed to develop into a professional, reputable and comprehensive supplier on the construction and furniture market with business fields of coffa plywood, waterproofing additives, granite, wooden doors, flooring, sanitary equipment ...

BUSINESS PERFORMANCE IN 2015

Difficulties: In 2015, the Company faced many difficulties in business due to fluctuations of world economic markets which affected the price of input material, while increasing customer demand is more difficult in terms of price as well as working progress. This is also the cause of the changes in human resources and organizational activities of the Company.

Achievements: Besides the difficulties encountered, in 2015, Viet Ta Company also achieved a number of significant accomplishment in promoting waterproof construction, for projects and business of HBC in particular and of the construction market in general. In particular Vietinbank Tower (Hanoi), 56 Icon Condominium, The Ascent....

BUSINESS RESULTS IN 2015 AND PLAN IN 2016

(UNIT: VND BILLION)

Target	Net Revenue	Gross Profit Margin	Profit/(loss) before tax and interest	Profit/(loss) after tax	Gross Profit margin	EBIT margin	Net Profit margin
2015 Execution	26.1	0.3	(1.5)	1%	0%	(6%)	(28%)
2016 Planning	43.6	4.8	0.02	11%	1.8%	0.05%	4.8%

BUSINESS DIRECTION IN 2016

- Năm - Improving the retail, implementing full categories of furniture, meeting the demand of customers in building their home
- Coordinating with MHB to distribute the construction material products through distribution channels and the relationships of MHB

HOA BINH ARCHITECTURE CO., LTD (HBA)

Charter capital: VND 2 billion
HBC's ownership percentage: 74.67%

Ms. VUONG KIM ANH

Director

Born in: 1960
Nationality: Vietnamese
Qualification: Architect, Master in Planning
Working Experiences:



30 years experiences in Construction Project Management, Designer, Manager of Construction Design Department, Board of Management of project, Head of project, Leader of Architecture Design of residential and industrial projects (Level 1), Construction Management of renovated projects, interior design and finishing for projects.
1989 – 2004: Architect – Head of Construction Design at District 11 House Development Company (Real Estate 11 Company)
2004 – 2008: Deputy Director of Board of Management of the projects at HCMC Young Volunteer Company
2008 – 2009: Deputy Director at Hoa Binh House Corporation
2009 – now: Director at Hoa Binh Architecture Co., Ltd

“The warm architecture projects with nice views, fresh environment according to green standard of environment protection are the contributions that HBA expects in company’s design consultancy.”

COMPANY OVERVIEW

Hoa Binh Architecture Co., Ltd (HBA) has been operating since 2002 in the in the field of consultancy, design consultancy, project construction investment, construction design verification, construction supervision from 2002, according to the certificate of business registration by the Department of Planning and Investment of HCMC (code 0302607584 dated 07/5/2002 on initial registration, 17th change of registration on 06.24.2013).

The company has registered the capacity of building activities of the organization and published on the website of the Ministry of Construction with the serial number of 110, as follows:

Fields of operation:

- Construction surveys: Grade 1 civil projects, Grade 2 industrial and infrastructural projects;
- Project planning: Group A civil construction projects; industrial and group B infrastructural construction projects;
- Project management: Group B civil and industrial construction, group C infrastructural construction projects;
- Design consultancy and examination: Grade 1 civil projects, Grade 2 industrial and infrastructural projects;

- Quality monitoring: Grade 1 civil projects; grade 2 industrial and infrastructural projects.

BUSINESS RESULTS IN 2015

HBA consulting activities is mostly associated with the development of the real estate market. 2015 property market thrived up to bring out good results for the work of HBA consultant. HBA business result was relatively encouraging in 2015

Total asset as of 12/31/2015 of HBA was VND15.6 billion, up 290% compared to 31/12/2014. In 2015, HBA did not exploit interior construction, but rather focused on design consultancy, supervision and Design - Build Consultant, thereby, 2015 total revenue reached VND9.2 billion, up 50% compared to same period of last year.

In 2015, HBA had successfully completed the design consultancy contract for high-rise projects, met high technical requirements of the Investor, as well as art and design optimization to achieve project targets based on cost and quality.

Besides, HBA also promoted design consultant, especially acted as design role in the development of design-build packages of HBC, and successfully completed the task of project management consultancy and construction supervision for projects involved, which was highly appreciated by the investors.

Typical projects in 2015

Regarding the Design - Build: In 2015, HBA completed design tasks in the Design - Build Contract with HBC.

Typical projects:

1. Tien Phat Apartments - The Ascent condominiums invested by Tien Phat real estate Investment.
2. Expanding works of T2 terminal at Tan Son Nhat airport by Airports Corporation of Vietnam as main investor
3. Sajuco condominiums by JSC Saigon Mekong as main investor

BUSINESS RESULTS IN 2015 AND PLAN IN 2016

(UNIT: VND BILLION)

VND billion	Net Revenue	Gross Profit	Profit/(loss) before tax and interest	Profit/(loss) after tax	Gross Profit margin	EBIT margin	Net Profit margin
2015 Execution	9.2	2.0	0.5	0.4	22%	5.4%	4.3%
2016 Planning	9.9	2.6	0.7	0.5	26%	9%	5%

Regarding the supervision consultant: HBA has performed a supervisory role over the construction of typical projects follows:

1. Tien Phat Apartments - The Ascent condominiums invested by Tien Phat real estate Investment.
2. The Park Residence by Phu Hoang Anh Joint Stock Company as main Investor.

BUSINESS DIRECTION IN 2016

Along with the HBC, in 2016, HBA will continue working with Design & Build projects, promising and expecting many other developments during the New Year. At the same time, HBA will step up in supervision consultant and project management to increase business efficiency.

The technical experts at HBA along with BIM Department of HBC will try to implement Revit-based design, BIM to create competitive differentiation and for design work. HBA will also simultaneously strengthen the project management consultancy and supervision consultant work, alongside the design consultant. Besides of the design consultancy, HBA also promotes the project management consultancy and supervisory consultancy.

MATEC CONSTRUCTION MACHINERY CO., LTD (MATEC)

Charter capital: VND100 billion
HBC ownership percentage: 100%

Mr. PHAM NGOC HUNG

Director



Born in: 1967

Nationality: Vietnamese

Qualification: Construction Engineer, HCMC University of Technology

Working Experiences:

2002 – 2009: Head of Engineering Department at Hoa Binh Construction & Real Estate Corporation

2010 – 2011: Construction Manager at Toan Think Phat Limited Company

2011 – now: Director at Matec Construction Machinery Co., Ltd

“We focus on improving the organizational structure and working procedures according to ISO standard and apply Management by Objective (MBO). Enhancing the technical consultancy for the projects that have the solutions to effectively use the equipment with lowest costs.”

COMPANY OVERVIEW

Experiencing 5 years of operation, the company has gradually stabilized in operation, all the machinery and equipment is stored and regular maintenance at the company's warehouse, the supply and management of these property has been updated on the ERP system to improve efficiency and meet customer needs.

With the professional management of MATEC staff, the company spurred the growth in scale of quality management of the work and met customer needs.

1. Forms of ownership:

Matec construction machinery co.,ltd is a limited liability company (hereinafter referred to as the Company) which was established by certificate of business registration No. 0310341578 dated 27/09/2010 of initial registration, 1st change at 14/11/2011, 2nd change at 18/04/2012 by the Ho Chi Minh Department of Planning and Investment.

2. Establishment and Development:

Matec construction machinery co.,ltd, called MATEC, was founded and officially went into operation on September 27, 2010.

- In 1995, it was electro-mechanical workshop under HBC control, with the following tasks:

† Management, maintenance, construction equipment mobilized for the construction of Hoa Binh Company.

† Join fabrication, construction and installation of mechanical items for the construction of Hoa Binh Company.

- In 2003, the company became the Managing Board of machinery under HBC, with the following tasks:
† To transfer, maintenance, manage the entire construction equipment items for Hoa Binh.

- On September 27th, 2010, in the trend of specialization and diversification of business lines in order to meet the increasing demands of customers, the HBC has decided to establish a MATEC company with charter capital of VND100 billion.

3. Field of business:

Repair of machinery and equipment (except for mechanical processing, recycling, electroplating).

- Other specialize construction.
- Trading in machinery, equipment and spare parts of agricultural machinery.
- Cargo handling.
- Packing services (except packaging plant protection products).
- Production of metal structures (not working at Headquarter). Installation of machinery and industrial equipment. Trading machinery, equipment and other machine parts. Transportation of goods by road. Rental of motor vehicles. Rental of machinery, equipment and other tangible items.

BUSINESS DIRECTION IN 2016

- To classify and evaluate the market towards services.
- To improve maintenance and preservation of machinery.
- To comprehensively implement the ERP system, closely follow HBC's construction site and be more proactive in the supply of machinery and equipment.
- To search for opportunities to cooperate with foreign companies in same industry and orientation.
- To keep general and administrative expenses under 2.5%
- To reduce customers' complaints to less than 10 rational complaints/ month.
- To improve management by continuing to maintain and promote quality management system ISO 9001: 2008.

BUSINESS RESULTS IN 2015 AND PLAN IN 2016

(UNIT: VND BILLION)

Target	Net Revenue	Gross Profit Margin	Profit/(loss) before tax)	Profit/(loss) after tax
2015 Execution	341.6	8.3	1.2	0.99
2016 Planning	461.4	10.4	2.3	1.8

ANH HUY CO., LTD
(AHA)Website: www.hoabinhaha.comCharter capital: VND 11 billion
HBC ownership percentage: 99.55%**MR. PHAN HOANG TU**

Director

Born in 1978, Nationality: Vietnamese;
Architect, Hanoi Architectural University**Working experiences:**

2001 – 2004: Architect at D&C Architecture Limited Company, Hoa Binh Company.
 2004 – 2006: Deputy Project Leader, Project Leader at HBC's projects.
 2007 – 2009: Director at Hoa Binh Architecture Co., Ltd
 2009 – 2015: Project Leader, Project Director at HBC's projects, Head of Hoa Binh Representative Office in Da Nang
 2015 – now: Director at Anh Huy Co., Ltd

"We combine the creativity in our design to contribute to create modern, luxury, and convenient projects basing on the solutions of new, different, suitable designs that are harmonious with the environment and surround area following our working slogan: "Professional – Prestige – Quality".

COMPANY OVERVIEW

With the history of 20 years, AHA successfully implemented many projects from small scale to large scale in over the country including: residential, building, office, supermarket, hotel, school, hospital, airport...

BUSINESS PERFORMANCE IN 2015

There were many difficulties in 2015, so that the business results of the company are not really good.

Net revenue: VND28 billion, reached 57% of the plan. Total gross profit: VND1.6 billion, reached 20% of the plan.

BUSINESS DIRECTION IN 2016

- Closely cooperating with HBC to compete to other contractors
- Finishing the interior and exterior for the projects
- Researching to develop new products made by premium aluminum, aluminum formwork
- Improving the quality management procedure, increasing the investment in equipment to meet the demand of customers on quality

BUSINESS RESULTS IN 2015 AND PLAN IN 2016

(UNIT: VND BILLION)

Target	Net Revenue	Gross Profit Margin	Profit/(loss) before tax and interest	Profit/(loss) after tax	Gross Profit margin	EBIT margin	Net Profit margin
2015 Execution	27.8	1.6	(3.6)	(4.3)	5.8%	(13%)	(15.5%)
2016 Planning	50.7	7.6	2.1	1.3	15%	4.1%	2.6%

HOA BINH PAINT CO., LTD
(HBP)Website: <http://www.hodastone.com.vn>Charter capital: VND 7 billion
HBC ownership percentage: 100%**Mr. HUYNH HUU TOT**

Director

Born in: 1952
Nationality: Vietnamese
Chemistry Engineer, HCMC University of Technology**Working experiences:**

-1997-1998: Head of stone-paint office, Hoa Binh Construction Company
 -1998-2000: Owner of stone-paint – Hodastone
 -2001-now: Director Hoa Binh Painting Company

"We increase sale activities, expand market and develop contractions, projects chain in processing activities"

COMPANY OVERVIEW

Since 2011, for over 15 years has been operated, Son Hoa Binh Company with its main product - Hodastone stone-paint – as a well-recognized brand in building materials market.

BUSINESS PERFORMANCE IN 2015

- 2015 is a remarkable year in development of sale activities with a well-connected process from producing, doing business, and marketing to speedy distributing products. Market demand grows up 15-20% yearly.
 -Reputation, trademark and quality are highly recognized by well-known contractors such as: HBC, Cotecons, Cofico, An Phong...

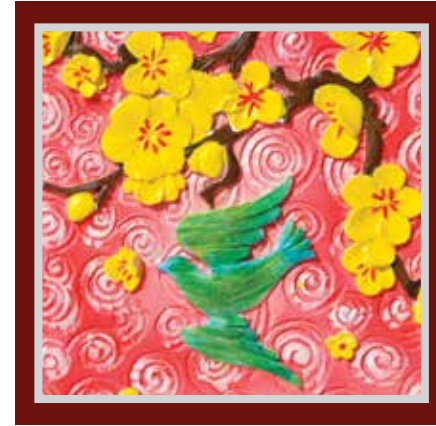
BUSINESS DIRECTION IN 2016

- Planning in distribution system instead of retailing
- Invest in expanding automatic chain system, increase productivity and products' quality.
- Develop the contractions and chain of projects (Sala urban in district 2 Ho Chi Minh city in example)
- Look for investment, cooperation and join-stock.

BUSINESS RESULTS IN 2015 AND PLAN IN 2016

(UNIT: VND BILLION)

Target	Net Revenue	Gross Profit Margin	Profit/(loss) before tax and interest	Profit/(loss) after tax	Gross Profit margin	EBIT margin	Net Profit margin
2015 Execution	25.97	8.36	2.17	1.32	32%	8.2%	5.1%
2016 Planning	25.3	9.61	2.5	1.94	38%	9.9%	7.7%



CHAPTER IV

REPORT OF BOARD OF DIRECTORS AND BOARD OF SUPERVISORS

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Report and Assessment of Board of Directors

Besides of focusing on the improvement in profitability and performance of the company, HBC's Board of Management also highly builds the company with good management model that is appropriate with international practices.



I. ASSESSMENT OF BOARD OF DIRECTORS ABOUT BOARD OF MANAGEMENT AND BUSINESS ACTIVITIES IN 2015:

1.1 GENERAL ASSESSMENT

The positive movement of the real estate market last year and the trust from investors and shareholders, especially the strategic shareholder as well as the great efforts of HBC team helped HBC to obtain the positive business results compared to previous year.

In particular, regarding to the business results in 2015, the consolidated revenue of HBC reached VND 5,085 billion – increased 44.3% compared to 2014 and approximately 96% of the target. Profit after tax of shareholders of the parent company is VND83.47 billion, approximately 46.4% compared to the plan and increased 17.7% compared to 2014.

Although the target after-tax profit in 2015 did not be completed but HBC is always confident with the company's strategy for sustainable development. HBC's Board of Management had the strong decisions in order to improve the company's business performance in 2016.

Besides of the core business, HBC also focus on the market opportunities in the medium real estate segment in order to achieve the comprehensive development. The highlight in 2015 is the implementation of ASCENT project transferred by the strategic shareholder – CHIP ENG SENG Singapore. The revenue and profit from this project and other real estate projects will be counted into the company's business results in 2016. We believe that the great efforts of HBC's Board of Management will contribute to improve the company's business performance in 2016.

Besides of focusing on the improvement in profitability and performance of the company, HBC's Board of Management also highly builds the company with good management model that is appropriate with international practices. This improvement is implemented from the bottom to the top,

THE BUSINESS RESULTS
IN 2015 INCREASED

44,3%

he consolidated revenue of HBC reached VND 5,085 billion - increased 44.3% compared to 2014 and approximately 96% of the target.

from each individual staff to each member of Board of Directors and Board of Supervisors.

In addition to complying with the regulations of current law, HBC completed and has been implementing the project of improving the business procedures; risk management activities; establishing the Internal Audit Division to audit each department during the company's operation; providing the adequate and transparent information with quality; implementing the corporate responsibility towards the society and the community.

In addition to business development and corporate governance to contribute to develop the economy of the country, HBC is also aware of its responsibility in building and developing Vietnamese society and people, especially protecting the environment. In coordination with Le Mong Dao Education Fund, the company has offered the scholarships to many poor students and pupils with the amount of money up to VND 1 billion.

1.2 MONITORING ACTIVITIES OF BOARD OF DIRECTORS TOWARDS BOARD OF MANAGEMENT

In 2015, Board of Directors implemented the monitoring activities of Board of Management when carrying out the resolution of Annual General Meeting and Board of Directors as follows:

1.2.1 Methods of monitoring

The members of Board of Directors do not involve in the management and the concurrent members attend most of the meetings of Board of Management. Closely cooperating with Board of Management, Board of Directors follows and manages the company's activities. From there, they will have the practical recommendations to help Board of Management to complete their missions assigned by Annual General Meeting and Board of Directors. Thereby, Board of Directors will appraise the action plan and solutions to provide more practical recommendations.

Board of Directors issues the resolutions after periodical meetings and non-periodical meetings as required to promptly meet the requirements of business operations. Board of Directors also supports Board of Management by providing the market appraisal. It will help Board of Management to review the business plan and other issues which need the approval from Board of Directors. From there, Board of Management will have the basis to implement the business activities.

In 2015, Board of Directors has strengthened the activities of risk management through the implementation of Finance and Investment subcommittee to provide the independent opinions towards the investment suggestions of Board of Management.

However, the effort of risk prevention of Board of Directors has not been realized through the establishment of Internal Audit Committee as well as the Operation Principle and the Charter of Internal Audit.

In 2015, HBC has strengthened the relationships between the enterprise and the universities in order to improve the quality of human resources, prepare for next leader generations in the future. HBC has accompanied and supported the talent students of Ho Chi Minh City University of Technology, Ho Chi Minh City University of Architecture, etc to intern at the construction sites of the company.

Those respectful efforts and accomplishments has been recorded by many valuable awards in 2015: Vietnam's Top 50 Most Valuable Brands of 2015 assessed by Brand Finance (UK), Top 100 Vietnam Gold Star in 2015, Top V1000 Largest Corporate Taxpayer in Vietnam, Top FAST500 Fastest Growing Enterprise in Vietnam, and Top VNR 500 Largest Enterprises in Vietnam and other prestigious awards (more details on page XX, Honours and Awards section).

1.2.2 The monitoring results

The year of 2015 could be seen as a positive year of HBC for both business results and corporate governance.

(UNIT: MILLION VND)

Target	Completed in 2014	Completed in 2015	Change	Plan	% completing the plan
Total revenue	3,518	5,078	44.3%	5,300	95.8%
Profit after tax	70.95	83.47	21.3%	180	46.4%

1.2.3 Conclusion

Regarding to the issued charter, rules, and regulations, Board of Directors empowers to Board of Management to make decisions in daily business activities of the company, as well as implement the decisions, business plans, and operation directions assigned by Board of Directors and Annual General Meeting.

Through the mechanism of checking, supervising by quarterly reports about the business results, business operations of the company and extraordinary reports when required, Board of Directors will evaluate Board of Management to ensure Board of Management implements their assigned rights and duties in accordance with current law, company charter, decisions of the Annual General Meeting and Board of Directors, as well as implement those rights and duties honestly, diligently in order to ensure maximum lawful benefits of the company and its shareholders. Accordingly, Board of Management has attempted to implement 2015 business plan that was approved by Annual General Meeting. Besides, they also build a good business environment based on the sustainable development, improving the company governance. However, Board of Management should focus on risk control to improve the business efficiency.

1.3 THE PLANS AND DIRECTIONS OF BOARD OF DIRECTORS

The year of 2016 is forecasted to remain the difficulties in the economy in general. However, there still has the opportunity to develop in the real estate market. Low interest rates, decreased inflation, estimated increase in GDP growth, and improved operating policies are the good signs for the economy in 2016.

The year of 2016 is considered as the year for Vietnam to deeply integrate into the international economy. TPP, AEC, and other free trade agreements have started that bring many opportunities and challenges for the enterprises. As a company having experiences in international cooperation in many years, Board of Directors believes Board of Management will take this advantage to internationalize HBC brand as well as maintain company's prestige of Vietnam Value in the country.

With those forecasts, in order to continue to improve the efficiency in using capital resources of shareholder and investors as well as maintain the position of the leading construction company in Vietnam, Board of Directors of the company will focus on the operation directions in 2016 as follows:

- Continuing to implement the strategic plan of business development in three-year-period 2016 - 2018;
- Strengthening and developing the core civil construction as well as exploiting the market opportunities to diversify products - services;
- Improving corporate governance and enhancing the role of risk management and control in financial

management, accounting, auditing, and enterprise risk management through the improvement of the qualification of Subcommittees under Board of Directors;

- Continuing to improve the transparency in the enterprise's operation, enhancing the role of members of independent Board of Directors;
- Focusing on standardizing the system of company's processes to be appropriate with company's business situation and current law, especially risk management, internal control;
- Improving the efficiency in capital usage through continuing to enhance the advantage of brand to issue the capital for strategic shareholders;
- Developing and improving the enterprise's value based on the sustainable development through building and developing the strategy of Corporate Social Responsibility (CSR); implementing the plan of developing the inherited human resources at management positions of the enterprise;
- Maximizing the benefits of shareholders, appropriately balancing with the benefits of related parties in company's management.

II. REPORT OF BOARD OF DIRECTORS IN 2015

1. BOARD OF DIRECTORS

1.1 Introduction of Board of Directors

According to Enterprise Law and HBC's Charter, Board of Directors is the management department of the company who has the rights to make decisions in implementing the rights and obligations of the company that is not under AGM's jurisdiction. In 2015, Board of Directors of HBC maintained the operations as defined in the Charter and management regulations of the company with eight (08) members of Board of Directors. In particular, there are (04) independent members and four (04) members involving in management.

Independent members include Mr. Tran Si Chuong (Head of Finance and Investment Subcommittee); Mr. Phan Van Truong (Head of Risk Management Subcommittee); Mr. Hoang Vu Ha is the representative of foreign shareholder – Chip Eng Seng Singapore;



and Mr. Ignatius Joe Budiman is the representative of foreign shareholder holding 18.93% of capital. The members of BOD involving in management comprise Mr. Le Viet Hai – Chairman cum CEO; Mr. Truong Quang Nhat – Deputy General Director; Mr. Le Quoc Duy – Deputy General Director; and Mr. Phan Ngoc Thanh, CFO.

1.2 The subcommittees of Board of Directors

In order to improve the efficiency of corporate governance in accordance with current regulations as well as international standards, Board of Directors established two (02) subcommittees under Board of Directors. The mission of these committees is to advise and assist Board of Directors in maintaining and strengthening the supervisory activities towards the company, including:

Risk Management Subcommittee and Finance and Investment Subcommittee

Risk Management Subcommittee lead by Mr. Phan Van Truong
Finance and Investment Subcommittee lead by Mr. Tran Si Chuong
The members of the above subcommittees are invited to join in the subcommittee depending on their professional. There are the financial investment specialists who assist to BOD and Head of Subcommittee.

1.3 The operation of Board of Directors

There is the different point of Board of Directors of HBC in company's operation in 2015. That is the frequent attendance of 2 Head of Subcommittees (Risk Management Subcommittee and Finance and

Investment Subcommittee) in 52 weekly meetings of Board of Management. In addition, BOD maintained the regular meetings to discuss and unify the decisions under BOD's jurisdiction in order to promptly provide the directions in business management of the company according to the market's fluctuation. Accordingly, BOD provided (19) decisions at these meetings. BOD's members contributed their ideas and voted. The decisions are made when a half of BOD's members agree on them.

All meetings of BOD have the participation of Head and/or members of Board of Supervisor as the observers. In particular, BOD's meetings as below:

No	Member of Board of Directors	Position	Number of attended meeting	Rate	Reason of absentation
1	Mr. Le Viet Hai	Chairman	19/19	100%	
2	Mr. Truong Quang Nhat	Member	18/19	94.7%	Busy with works
3	Mr. Phan Ngoc Thanh	Member	19/19	100%	
4	Mr. Le Quoc Duy	Member	19/19	100%	
5	Mr. Ha Vu Hoang	Member	0/19	0%	Busy with overseas business
6	Mr. Tran Si Chuong	Member	19/19	100%	
7	Mr. Phan Van Truong	Member	19/19	100%	
8	Mr. Ignatius Joe Budiman	Member	1/19	5.2%	Busy with overseas business

The decisions of Board of Directors in 2015

No	No of Resolution / Decision	Date	Content
1	03/2015/NQ-HĐQT.HBC	27/03/2015	Selling treasury shares
2	04/2015/NQ-HĐQT.HBC	06/04/2015	-Approving financial report audited in 2014
3	05/2015/NQ-HĐQT.HBC	06/04/2015	- Approving the targets presenting to Annual General Meeting in 2014.
4	06/2015/NQ-HĐQT.HBC	06/04/2015	Approving the loan approach and limit guarantee at Vietcombank
5	07/2015/NQ-HĐQT.HBC	06/04/2015	Approving the loan approach and limit guarantee at Vietinbank
6	08/2015/NQ-HĐQT.HBC	06/04/2015	Approving the loan approach and limit guarantee at TPBank
7	09/2015/NQ-HĐQT.HBC	06/04/2015	Purchasing assets, equipments
8	10/2015/NQ-HĐQT.HBC	25/04/2015	Approving the loan approach and limit guarantee at National Citizen Bank for Jesco Hoa Binh
9	12/2015/NQ-HĐQT.HBC	08/06/2015	Approving the selection of EY Vietnam to be the audit unit for HBC in 2015 and 2016; the approach to pay dividends in 2014; the approach to issue the bonus shares for existing shareholders
10	13/2015/NQ-HĐQT.HBC	16/06/2015	Approving the loan approach and limit guarantee at National Citizen Bank for Anh Huy Company

11	2006/2015/NQ-HĐQT.HBC	20/06/2015	Approving the loan approach and limit guarantee at VIB
12	13b/2015/NQ-HĐQT.HBC	29/06/2015	Approving account opening, the account representative, the loan approach and limit guarantee at HDBank
13	14/2015/NQ-HĐQT.HBC	03/08/2015	Implementing the credit relationship with BIDV Ba Chieu to make the loan guarantee for Matec (VND 35 billion)
14	15/2015/NQ-HĐQT.HBC	10/08/2015	Releasing the restriction of share transferring for Lucerne Enterprise Ltd.,
15	16/2015/NQ-HĐQT.HBC	08/09/2015	Issuing shares according to the selection program for company's employees
16	7b/2015/NQ-HĐQT.HBC	06/10/2015	Approving to share a part of credit limit at BIDV - HCMC Branch for Matec Company
17	17/2015/NQ-HĐQT.HBC	08/10/2015	Purchasing assets, equipments of HBC
18	18/2015/NQ-HĐQT.HBC	15/10/2015	Assigning the representative according to authorization and capital contribution in Green Living Vietnam
19	19/2015/NQ-HĐQT.HBC	30/11/2015	Approving the project of investment and construction of Hoa Binh Innovation Center

1.4 Activities of independent members of Board of Directors:

Currently, the structure of BOD's members of HBC ensures the balance between the members involving in management and non-executive members. In particular, a half (1/2) of total BOD's members is independent members. The compliance with this regulation can help Board of Directors to make the decisions objectively and independently. The BOD's members not involving in the management are mostly members of Subcommittees under the Board of Directors. Therefore, beside of the mutual mission of BOD, these members are also assigned other missions of their subcommittees.

1.5 Activities of BOD's subcommittees

Risk Management Subcommittee

Risk Management Subcommittee supports to monitor (i) risk management restructure of the company and company, (ii) the regulation, administration guideline, and evaluation towards risks, (iii) the level of risk acceptance, (iv) the capital resource and capital liquidity of the company.

Finance and Investment Subcommittee

Finance and Investment Subcommittee supports to monitor (i) the processes and procedures of approving the real estate projects implemented and continuing to finish, (ii) evaluating the risks - market, finance, legal, organizational structure (relationships between HBC and its subsidiaries, associated companies), and propose the solutions for Board of Management.

2.1.6 The participation of BOD's members in the programs of Company's Governance

Some of BOD's members fully participated in the programs of company's governance and have the training certification of corporate governance, except Mr. Hoang Vu Ha and Mr. Ignatius Joe Budiman who do not have the opportunity to participate in this program.

1.7 General appraisal about the activities of Board of Directors

In order to improve the quality of corporate governance in line with current regulations and international practice, in 2015, Board of Directors has made efforts to improve itself as well as quality and quantity management capacity including:

- Board of Directors maintains the regular activities in line with the provisions in Company's Charter, ensures the requirements of the number of meetings as well as the number of participants in order to meet the legality and the meeting's effectiveness.
- Board of Directors performs its role well. Accordingly, the roles of independent members and non-executive members are clearly shown to maximally ensure the benefits of minority of shareholders.
- Board of Directors supervises the implementation of BOD's decisions and AGM's resolutions.

• Establishing the subcommittees under Board of Directors, ensuring the compliance with the operation requirements of listed companies. However, the subcommittees should complement their operational principles and charter. From there, they maintain their activities in accordance with their regulations. Periodically, the subcommittees should submit their reports to Board of Directors. Each member of subcommittees needs to be active in their responsibilities and have more practical contributions in coming time.

2. THE TRANSACTIONS, SALARIES, AND BENEFITS OF BOARD OF DIRECTORS AND BOARD OF SUPERVISORS

2.1 The salaries of Board of Directors and Board of Supervisors

The salary payment for members of Board of Directors and Board of Supervisors complies with the norms of AGM's resolution in 2015. The salaries of members of Board of Directors and Board of Supervisors in 2015 as following:

No	Name	Position	Involving in management	Monthly salary
1	Le Viet Hai	Chairman/ General Director	X	VND 15 million
2	Truong Quang Nhat	Deputy Chairman/Deputy General Director	X	VND 8 million
3	Le Quoc Duy	Deputy General Director	X	VND 8 million
4	Phan Van Truong	Head of Subcommittee		VND 8 million
5	Tran Si Chuong	Head of Subcommittee		VND 8 million
6	Phan Ngoc Thanh	Finance Director	X	VND 8 million
7	Ignatius Joe Budiman	Member		VND 8 million
8	Hoang Vu Ha	Member		VND 8 million
9	Hoang Tung Thien	Head of Committee		VND 10 million
10	Cao Thi Diem Chau	Deputy Head of Organizer	X	VND 8 million
11	Nguyen Viet Hung	Member		VND 8 million

2.2.2 Bonus policy of members of Board of Directors and Board of Supervisors

Besides of above salaries of members of Board of Directors and Board of Supervisors, the independent BOD's who not involving in the management and members mentioned above, independent directors, non-executive and members of Board of Supervisors do not received any bonus from the company.

2.3 Other benefits of members of Board of Directors and Board of Supervisors

Currently, the allowances (usage of company’s cars; mobile phone cost; social insurance; health insurance; other insurances; periodic health checking ...) and other benefits mentioned in company’s internal regulations are only applied for Chairman and the members involving in the management. Other members of Board of Directors and Board of Supervisors are only offered the working allowances (if applicable).

2.4. Share transactions of internal shareholders and related people

Share transactions

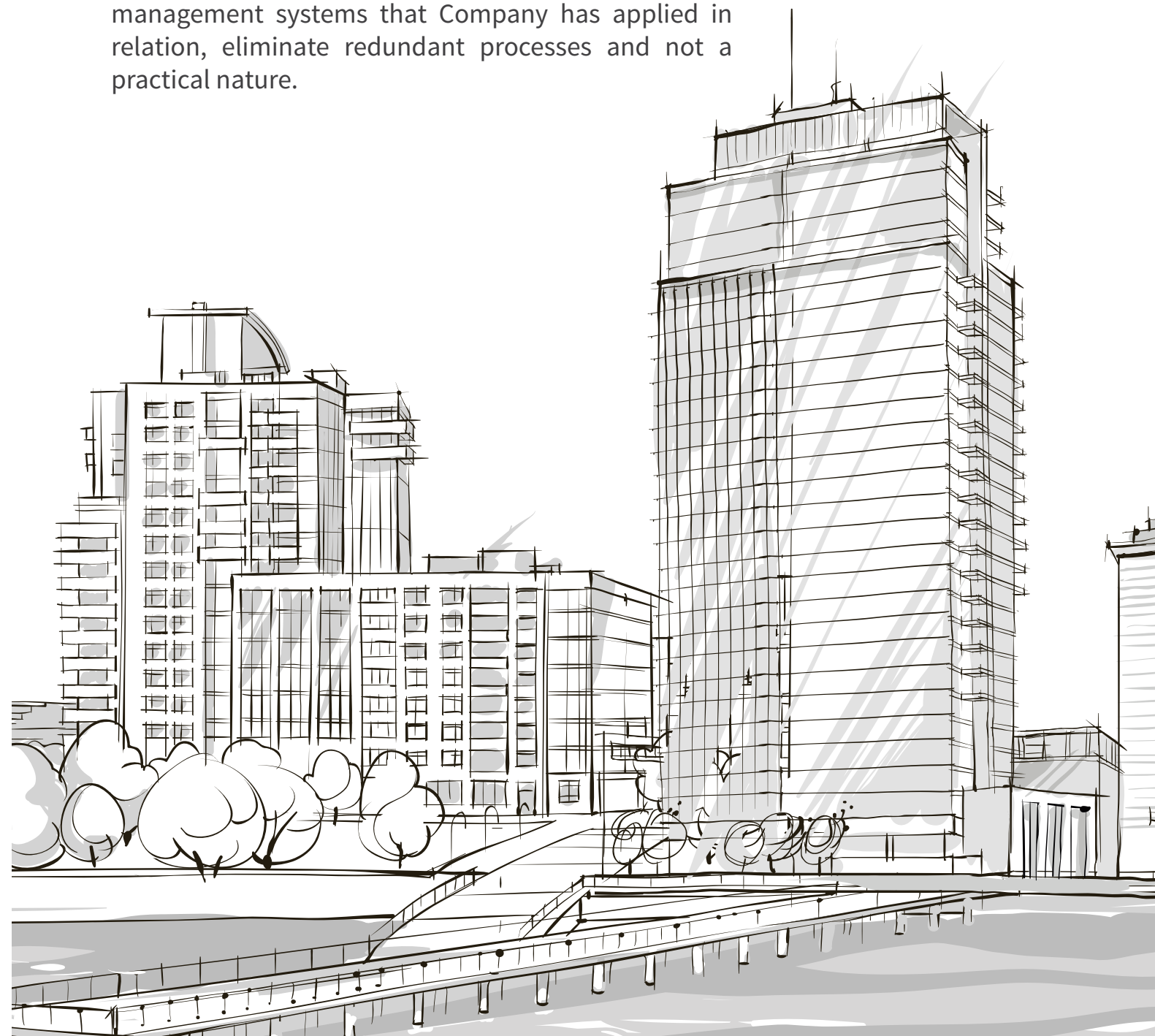
No	Transactor	Relation with internal Shareholders	Number of owned shares at the beginning term	Number of owned shares at the ending term	Reason of increase, decrease (buying, selling, exchanging, rewarding...)
			No. of Shares	No. of Shares	
1	Nguyen Van An	Deputy General Director	55,414	4	Selling
2	Do Thi Thanh Huyen	Wife of Nguyen Van An	8,678	8	Selling
3	Nguyen Van Binh	Brother of Nguyen Van An	10,227	7	Selling

Other transactions

- On 12/06/2015, Mutual Fund Elite Investment Fund bought 500,000 shares of HBC, raising their total holdings from 2,445,820 shares (4.26% of rate) to 2,945,820 shares, equivalent to 5.13% of holding rate and became the big shareholder of HBC.
- On 19/08/2015, PYN Fund Elite Investment Fund (Non-Ucits) bought 551,140 shares of HBC, increasing their total holdings from 2,945,820 shares (5.13% of rate) to 3,496,960 shares, equivalent to 6.10% of holding rate.
- On 06/10/2015, PYN Fund Elite Investment Fund (Non-Ucits) bought 857,680 shares of HBC and received 992,088 bonus shares, rising their total holdings from 3,496,960 shares (6,10% of rate) to 5,346,728 shares, equivalent to 7.17% of holding rate.
- On 08/10/2015, PYN Fund Elite Investment Fund (Non-Ucits) bought 822,540 shares of HBC, increasing their total holdings from 5,346,728 shares (7.17% of rate) to 6,169,268 shares, equivalent to 8.27% of holding rate.
- On 09/10/2015, PYN Fund Elite Investment Fund (Non-Ucits) bought 1,504,490 shares of HBC, raising their total holdings from 6,169,268 shares (8.27% of rate) to 7,673,758 shares, equivalent to 10.30% of holding rate.
- On 24/11/2015, PYN Fund Elite Investment Fund (Non-Ucits) bought 702,900 shares of HBC, increasing their total holdings from 7,673,758 shares (10.30% of rate) to 7,769,800 shares, equivalent to 11.32% of holding rate.
- On 08/12/2015, Lucerne Enterprise Ltd received 3.3 million rewarded shares of HBC, rising their total holdings after the transaction to 14.3 million units, equivalent to 18.93% of rate. The transaction was made on 04/12/2015.

Report and Appraisal of Board of Supervisors

Board of Management should evaluate all the quality management systems that Company has applied in relation, eliminate redundant processes and not a practical nature.



REPORT OF BOARD OF SUPERVISORS

I. SUPERVISING RESULTS TOWARDS

BOARD OF DIRECTORS AND BOARD OF MANAGEMENT

In 2015, Board of Directors and Board of Management have implemented operating activities, management as stipulated in the Charter with high degree of cautious for the benefits of the Company in general and benefits of partners and shareholders in particular. Board of Directors held 19 meetings, as detailed on page 91, belonging to the Report of Board of Directors to decide on important issues with the Company's jurisdiction. At the same time, the decisions of the Board of Directors, Board of Management has always adhered to the content as the resolution adopted by the Annual General Shareholders' Meeting 2015 for approval.

II. OPINIONS OF BOARD OF SUPERVISORS

ON BUSINESS RESULTS

Board of Supervisors agrees with the financial data presented in the separate financial statements, consolidated financial statements of the Company, have been audited by Ernst & Young Vietnam, as detailed from page 120 to page 171. We also reviewed the entire annual report and agree with the contents of the Board of Management submitted to the Annual General Shareholders' Meeting. However, we believe that Board of Management needs a deeper analysis of subjective reasons, in addition to objective reasons that not lead to achieving the basic financial indicators, especially profit targets by content submission from the Board of Directors, which was approved by the Annual General Shareholders' Meeting 2015. From there, there are appropriate solution actions for each reason

III. SOME FINANCIAL ANALYSIS INDICATORS

The followings are some financial analysis indicators which Board of Supervisors believed that meaningful to the Board of Management and shareholders to analyze, compare and evaluate business performance and establish the link connection with the strategic orientation "became the main contractor, Design & Build general contractor".

TARGET	Unit	2014	2015
Number of Labors	Person	10,834	12,369
Average revenue/ person	VND	324,735,000	394,686,000
Asset Turnover	Times	0.61	0.69
Fixed Asset Turnover	Times	9.59	7.96
Return on Sales	%	2.53	2.37
Return on Equity	%	7.11	7.77

IV. PETITIONS

As some of financial indicators listed above, we can see that the business performance of the Company is quite low. Board of Supervisors believed that business activities in 2015 as well as in previous years have been affected by two important factors:

Firstly, the system of governance, the general process management, and construction management in particular has not been standardized and require more powerful solutions to business plans, especially ensure the implementation of 2016 profit plan, Board of Management should evaluate all the quality management systems that Company has applied in relation, eliminate redundant processes and not a practical nature. On the other hand, the caused need to be analyzed in detail to the appropriate level of a corresponding solution which can be applied to the overall handling of the relationship between cause and solution.

Secondly, the Board of Management should study and clarify the concept of "main contractor, Design & Build general contractor", the required conditions, the current conditions and development strategy relation to the feasible conditions. Also, before going to the major decisions related to the business activities, the Board of Management should consider the relationship with the strategy "became the main contractor, leading Design & Build general contractor". Such as purchasing decisions of amortization in 2015, the investment project of Hoa Binh Innovation Center influences in connection with the strategic orientation.

As for the second factor, the Board of Supervisors said that to become the "main contractor, leading design & build general contractor", these strategic activities need to focus on high caliber managing staffs in company level in general and construction management capabilities in particular. Along with training activities, recruitment, the Company may have to consider large scale cut off in labor force directly to reducing the burden on capital management which is not really strong. At the same time, building the capable subcontractor workforce with improving construction management, including direct construction workforces are subcontractors. Management system in general, construction management capability in particular and defining strategic direction, consistently pursued the strategy are two key factors leading major impact on performance business over the years and in the future that the Board of Management should focus consideration.

Ho Chi Minh City, 30th March 2016

On behalf of BOARD OF SUPERVISORS
HEAD OF BOARD OF SUPERVISORS

(Signed)

HOANG TUNG THIEN



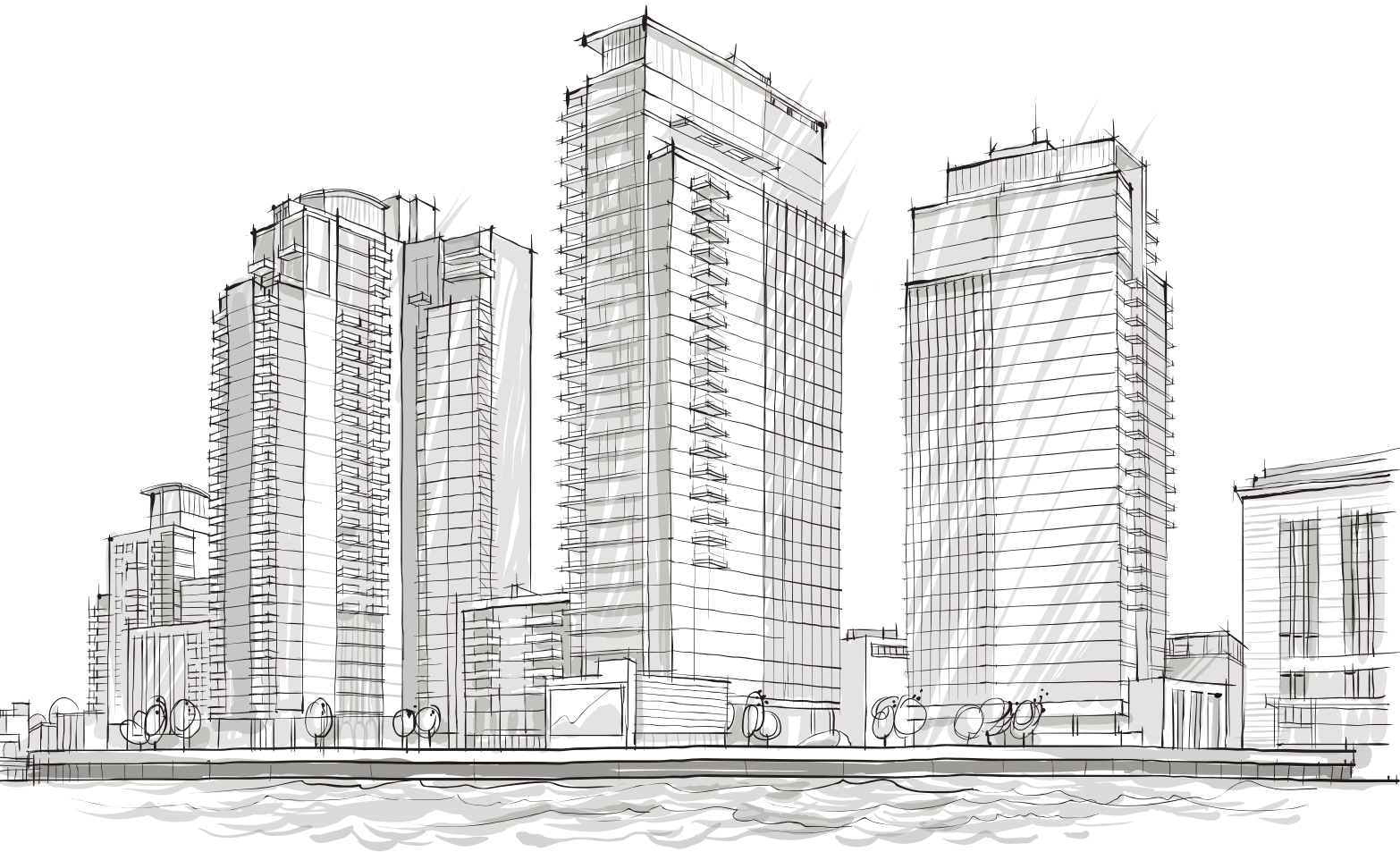
CHAPTER V

SUSTAINABLE

DEVELOPMENT REPORT

1. Introduction of Report	101
2. HBC and Sustainable Development Orientation	102
3. The Impacts of Sustainable Development	110

As one of leading construction companies in Vietnam, HBC is aware of its responsibility in linking the ambition and mission to the sustainable development orientation.



I. ABOUT THE REPORT

1. CONTENT OF THE REPORT

In 2015, Leaders and employees of Hoa Binh continued efforts to sustain the core cultural values of HBC, sowing and spreading good values, to become a significant contributor for the development of each individual, of the economy and society. Sustainable Development Report of 2015 reflected a trend of sustainable development as well as a look back at a year of active and effectiveness of HBC.

The content of the report focuses on the following areas: economic performance, human resources development, customer service, community sharing and environmental protection.

2. SCOPE OF THE REPORT

Sustainable Development Report of HBC in 2015 is seen as an additional material, closely linked with the Annual Report, Financial Report 2015 of the Company.

The report reflects the results of operation in 2015, also refers to the orientation and objectives of the HBC in the coming years with regard to sustainable development. The report was carried out for the entire company including the parent company and all its affiliates, subsidiaries on a national scale.

The implementation of sustainable development activities is closely related to the strategy of social responsibility of the business which comes from the mission and ambition of HBC.

3. CONTACT INFORMATION

For all information and suggestions for the Sustainable Development Report of HBC, please contact:
Mr: Nguyen Quang Huy - Investment Manager.
Phone: (+84 8) 3932 5030 (Ext 135)
Email: huy.nguyen@hbcr.vn
Address: 8th floor, PaxSky Building, 123 Nguyen Dinh Chieu Street, Ward 6, District 3, HCMC.

II. HBC AND SUSTAINABLE

DEVELOPMENT ORIENTATION

1. MODEL FOR SUSTAINABLE DEVELOPMENT

Along with global trend, Vietnamese enterprises are becoming interested in the sustainable development activities. The concept of sustainable development is increasingly expanding, not only in ensuring and maintaining economic interests, but also considers the interests of stakeholders. As one of the leading construction companies in Vietnam, HBC understand its responsibilities in aligning the mission and ambition for sustainable development orientation. With a mission to “bring peace to the mind and benefit to the customer, contributing actively to the creation of a civilized society of sustainable development, with products and services with outstanding features such as resource-saving, environment-friendly. Along with “the ambition” to become a prestigious, powerful and international corporation, contributing to raising the pride and brand value of Vietnam into global market, “sustainable development model is built by HBC based on the goal of creating a positive effect on three target groups: Business, market and society. This model is shared with stakeholders and the “guiding-star” for all activities of HBC.



2. GOVERNANCE STRUCTURE FOR SUSTAINABLE DEVELOPMENT

Sustainable development orientation of HBC is always connected with the objective of economic, social and environment, to ensure compliance with the policies of the State and internal policies.

At HBC, the Board is responsible for most of the sustainable development strategy of the company. CEO and Executive Board are responsible for the construction and implementation of the objectives and plans, and also share and ensure sustainable development issues are implemented throughout the company, from the function department to each every employee in the below model.

GOVERNANCE MODEL FOR SUSTAINABLE DEVELOPMENT



III. THE IMPACTS OF SUSTAINABLE DEVELOPMENT

1. POSITIVE IMPACTS IN THE ENTERPRISE

1.1 Stable growth

Through 29 years of development, now Hoa Binh has become one of the biggest companies in Vietnam in the field of construction. HBC has contributed greatly to the development of the construction industry and the prosperity of the country. From only a dozen people of employees, so far, Hoa Binh has a firm, bravery, determined and the dynamic team of leaders along with over 6,000 staffs who have professional qualifications, creativity, dedication to commit with the company. The company is constantly evolving and growing, particularly in the period of 10 years from 2006 (starts listing on the stock market) to 2015, the company had revenue growth of more than 20 times, from VND205 billion in 2006 to VND5,000 billion in 2015.

1.2 Ensuring income and economic benefits of the employees

Wages policy, employee rewards are always reviewed and updated to ensure the maintainance of following values:

- To meet the reasonable demands of life for employees.
- Relatively good value for the contributions of employees to the company's success.
- As an important factor for employees to be assured of working at their best capacity.

HBC's wage policy is developed in accordance with the value created from each position. At HBC, there are no policy differences between male and female employees. HBC is proud of its efforts that have brought good results in maintaining a stable level of staff, development the team that to attract more talented personnel, together with the development of the scale of company operation. This has been proved by the results of the survey of Nielsen and Anphabe: Hoa Binh Construction and Real Estate Corporation entered the "Vietnam 100 Best Places to Work 2015" and ranked second in the field of construction.

HBC always take care about the material needs and work arrangements in line with the capacity of each person, always ensure stable employment to create safety for employees for long-term commitment, to help them get to where they need to be.



1.3 Taking care of the employees' life

Working at HBC, all employees are guaranteed a safe working environment, regular health checks and insurance are helpfully entitled. Every year, the company organizes vacation for employees in order to reproduce the labor force, mounted internal solidarity between construction-field divisions and office divisions. 2015, the company has organized tourism in Binh Chau - Long Hai (2 days and 1 night) for the entire southern region staffs, and travelling to Sapa, Halong for the staffs at Northern areas.

HBC always take care about the material needs and work arrangements in line with the capacity of each person, always ensure stable employment to create safety for employees for long-term commitment, to help them get to where they need to be. The seven core values of HBC is the guideline for all employees towards:

1. Civilized Conduct
2. Ethical Behavior
3. Commitment Fulfillment
4. Complying Discipline
5. Integrating Quintessence
6. Creativity Encouragement
7. Cooperation Promotion

Staffs are always respected, listened to and shared; every employee feels that he is a vital link in a solidarity and strong society. All the efforts and achievements of the employees are recognized and rewarded in time - it is a great motivation to help employees to find inspiration and be ready for new challenges at work. The extraordinary bonus decisions for teams and individuals are widely published on Monday morning, through flag-raising message throughout construction field in the country.

1.4 Development of teams

In 2015, the Board of Education has successfully organized 68 training courses - specialized training and professional skills for 1,629 people from the departments within the company. In particular, knowledge training: 31 courses, 15 skills courses; Number of qualified practitioners / training of participation: 1,547 people. The total budget was spent: VND 1,795,316,170.

Identify strategic objectives and improve the quality of human resources in the stage of immediate and long-term (10-year vision). The training will refine team of staffs when it is no longer conform to the real situation; supervisors training, mentoring, guidance will increase productivity for employees; It is the Addition essential skills of communication, drafting, planning & problem solving ...; Clearly defining appropriate attitudes, processes and skills to properly prepare for job creation and manners, professional interaction with the departments within the company as well as with the partners of the company.

1.5 Building teams

In addition to employee retention by material such as salaries, rewarding which is competitive than the market. Besides, 2016 is the year that we focus on building a culture of HBC with the 7 updated core values, along with 7 general competencies and application of training of 7 habits to hone personality norms and behaviors which bring the unique culture of Hoa Binh. It is also a difference and creates a competitive advantage for team sustainable development.

Material comes as wages, bonuses ... at any company have only more or less, diversified or not diversified. But at HBC, besides the material life of HBC employees to assure working commitment, mental factors and working culture with passionate dedication is the part that rise above all. Because we perceive elements of wages, bonuses ... are factors governed by the market, but the corporate culture, value systems and development practices to create positive habits, employers realize the meaning of work and responsibility to the community, society, environment, as well as meaningful purpose in life to bring happiness and peace to HBC as their second home.

- Inheritance recruitment, training and team building

An HSBC recruitment goal is to attract and welcome all candidates who wish to work in a dynamic, innovative and efficient environment - where each individual can maximize the capability and expertise. Every year, the company receives hundreds of university graduates with good and excellent grades or “talented students” of the prestigious universities such as Ho Chi Minh City University of Technology, Ho Chi Minh University of Arts, Hanoi University of Construction,...

The company’s HR department regularly has programs of cooperation with major universities to widely introduce HBC, thereby selectively recruit and choose sources of good quality candidates, the objective of building a database to store 5000 candidates in the construction industry, in order to timely service recruitment activities for projects and new projects domestically and internationally.

For enterprise development, the training of inheritance human resources is a very important task. The company always creates professional development opportunities for staff through appropriate training programs to help employees improve working

2016 is the year that we focus on building a culture of HBC with the 7 updated core values, along with 7 general competencies and application of training of 7 habits to hone personality norms and behaviors which bring the unique culture of Hoa Binh.

HBC has maintained respect and to equal treatment with employees, and does not discriminate on gender, region and religion.



efficiency. Boldly assigning work, creating challenges for staff at the new job positions along with tutelage and guidance of management and professional support from specialized departments; Create opportunities for employees to face actual situation, rotating through various job positions, through which employees would have the opportunity to perfect skills, update their knowledge to meet the requirements and challenges of the job.

2016 is the year in which the company focus on implementing and applying the “comprehensive engineer” program, meaning that each engineer will supervise the construction site part-time job positions in order to maximize the knowledge learned , help employees to have more opportunities to practice facing real situations to improve professional qualifications and job responsibilities.

- Labor force

HBC’s total labor force in 2015 (table page 49) diverse in professions, ages, and qualifications. HBC has maintained respect and to equal treatment with employees, and does not discriminate on gender, region and religion. Every person, no matter at what level or in what area are all creating conditions to express their values and is part of the company’s overall success.



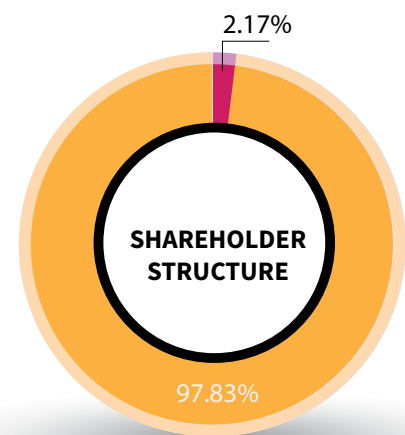
2016 is the year in which the company focus on implementing and applying the “comprehensive engineer” program, meaning that each engineer will supervise the construction site part-time job positions in order to maximize the knowledge learned , help employees to have more opportunities to practice facing real situations to improve professional qualifications and job responsibilities.



2. POSITIVE EFFECTS ON THE MARKET:

2.1 Serving the interest of investors

As of the date of 04.12.2016, a total of 3,994 HBC shareholders, including institutional shareholders of 87 and 3,907 individual shareholders. From 2011 to present, dividend payout ratio all is at least 10% or more are, HBC ensure regular income and stability for shareholders. Besides, HBC focus on developing inner strength to add value to the company thereby increasing the benefit to shareholders.



■ Institutional Shareholders
■ Individual Shareholders

AS OF THE DATE OF 04.12.2016,
HBC HAS A TOTAL OF

3.994

SHAREHOLDERS
Including 87 institutional
shareholders and 3,907
individual shareholders.

The transparency of information for investors is done by HBC through focusing on shareholder relations, guarantee access to information rights of shareholders. Annual General Meeting of Shareholders and Annual Report are the two main activities that HBC focus on improving quality over the years for investors and shareholders who are well-informed about the business situation, strategy, reach, view, mission, ambitions and activities of HBC in years.

Besides, the company website www.hbc.vn is an official portal of HBC. Website does not stop at providing financial statements, interim reports, annual reports, dividend history, and information about shareholders' meeting ... where news site also offer investors the most updated information on the activities of the company through internal newsletter category. Chart stock price on the home page of the HBC is also linked to the home page of HOSE which is convinces for investors in updating information on HBC's shares.

Additionally, HBC also regularly hold meetings directly with investment funds to share information on the financial situation as well as the plans and strategies of the company in the future. HBC is also willing to meet and answer questions from investors who are interested in the activities of HBC.

2.2 Professional and dedicated customer service

HBC is always sincere in cooperation with prestigious principles put in the forefront and are always interested in the interests of investors, for the mission statement of the successful cooperation for long-term engagement and development. Constantly improving the technology to provide the best benefits to the investor. Implementation

of professional projects, meeting the requirements of the quality and safety progress. HBC is always determined that confidence and satisfaction of investors is the success of the Company.

The most evidence is the quality commitment of HBC with customers in all the projects that the company participates in the construction. HBC always please and meet customer requirements, which is highly valuable and praised by customers. Thereby, the image shows a domestic leading construction contractor, reaching for international market, which has held the construction management of scientific and international standards.

The dedicated customer service is also reflected in the spirit of willing to join hands to share difficulties with clients such as rescheduling for the proactive search for solutions to support the main investor to overcome the crisis, recommend international partner to investors to finance projects suspended for lack of funds. From this goodwill, HBC always get the trust and credibility, thereby receive consecutive contract from investors.

With the business philosophy of customer service is ready with all the passion, the passion for the job and devote to the society by all talents and enthusiasm, HBC has always provided the product to the market that matching the demand, contributed to improving the quality of life for people.

2.3 Contributing to develop the construction market

As one of the reputed builders in Vietnam, HBC realize its role in contributing to the development of the construction industry and real estate market of Vietnam and the region.

HBC as direct subject who create construction projects: residential, industrial, commercial, service to produce goods for the real estate market. Specifically in terms of quantity, the total contract value of projects under construction as of today is VND22,734 billion, including VND6,819 billion as of 31st December 2015, estimated production in 2016 is VND7,810 billion.

In terms of quality, HBC is proactive in application of modern technologies in construction, construction sites of HBC are always adhere to the general regulations on fire safety, occupational safety, occupational health and the environment.

With the business philosophy of customer service is ready with all the passion, the passion for the job and devote to the society by all talents and enthusiasm, HBC has always provided the product to the market that matching the demand, contributed to improving the quality of life for people.

THE TOTAL CONTRACT VALUE OF
PROJECTS UNDER CONSTRUCTION

22.734

VND BILLION
Including VND6,819 billion as of
31st December 2015, estimated
production in 2016 is VND7,810
billion.

In 2015, HBC reaches such results: Top 50 most valuable brand in Vietnam by valuation consulting firm Brand Finance (UK) announced on October 2015, Top FAST500 fastest growing company and TOP1000 enterprise who contribute largest income tax payment in Vietnam in 2015, the 6th consecutive HBC honored with the top award of Vietnam Gold Star in 2015. This is the result of the contribution recorded in the market of HBC in the field of construction and real estate.

In 2015, Hoa Binh was honored at a ceremony to announce V1000 enterprise with highest income tax payment in Vietnam in 2015 and was awarded the Achievement Cup of Top 50 largest taxpayers among Enterprises in Vietnam for years.

3. POSITIVE IMPACTS ON THE SOCIETY:

3.1 Completing the responsibility towards the Government

With a vision that promotes sustainable development, Hoa Binh always take problem seriously and efforts to perform the role of a tiny individual in society. For 28 years, Hoa Binh has maintained and strengthened the relationship between the company and the agencies from the central to local, social organizations and unions in the country.

Hoa Binh is currently a member of the professional organization of social associations: Association of Construction Contractors Vietnam, Ho Chi Minh City Association of Architects, HCM City Business Association,... In his role as Vice Chairman contractors Association Construction of Vietnam (VACC), Hoa Binh Chairman Mr. Le Viet Hai has actively promote activities of VACC and enhance the reputation of the VACC as well as contributing to the development of the local contractors in the expand to oversea markets, bringing Vietnam's construction become a key economic sector in the national economy.

During the construction process and its development, Hoa Binh has always done responsibility and obligation to pay taxes to



the state. In 2015, Hoa Binh was honored at a ceremony to announce V1000 enterprise with highest income tax payment in Vietnam in 2015 and was awarded the Achievement Cup of Top 50 largest taxpayers among Enterprises in Vietnam for years.

THE AMOUNT OF NON-CONFORMITY (NC) WHICH FELL

50% compared with 2014

THE NUMBER OF COMMENTS (OBS) REDUCED

22.43% compared to 2014

3.2 The responsibility towards the employees on Safety and Health

HBC represents employees' responsibility for Safety and Health Management System according to OHSAS 18001: 2007 and Environmental Management System - ISO 14001: 2004. With the principle of PDCA (Plan - Do - Check - Act), the training and coaching are at the forefront with the following criteria: "Every worker is a safety member on the site."

In 2015, the company's HSE Board is in collaboration with the Institute of Labor Protection Scientific and Technical Research, to continue to organize Safety - Occupational health training courses for subjects in group 1, group 3, group 4 (according to Circular 27/2013 / TT-MOLISA) and certification for total of 539 employees. Machinery and equipment (machine and equipment) which put into use at the site are tightly controlled. For machine and equipment that have strict requirements (air compressors, cranes, hoist ...) are full profile testing, performance testing, and maintenance 1 time / 1 month as prescribed. In the course of use, inspection, maintenance, processes are recognized in full in the record of each machine.

In 2015, HSE internal evaluations under OHSAS 18001: 2007 System and ISO 14001: 2004 System with the amount of non-conformity (NC) which fell 50% compared with 2014, the number of comments (Obs) reduced 22.43% compared to 2014. The total number of hours of work safety in 2015 was 19,677,226 hours; Percentage of working hours lost: 0.0003%.

In particular, on 12/10/2015, the HSE has set up Safety and Occupational Science and Technology Group under the Safety and Occupational Science and Technology Association of Vietnam with the mission of participation in research, exchanging of professional knowledge in the field of working safety, advocacy, education, awareness-raising for workers and employers, ensuring safety and occupational health, preventing labor accidents and occupational disease for workers.

3.3 Environment protection

As the enterprise operating in the construction sector with specific characteristics as a lots of dust and noise that are generated during the construction. However, Hoa Binh is always aware of building a green, clean, and safe working environment, as well as the image of the construction projects which is friendly with the environment.

With the synchronization of scientific and technical applications as well as management and technical software systems, using advanced equipment and technology, environmental friendliness helped Hoa Binh take initiative and meet the criteria for building sustainable development, water savings, energy efficient use and protection of the environment. In 2013, Hoa Binh successfully applied standards of the LEED Green Building Association (United States) for the first time at the Esquel Apparel factory in Hoa Binh province. Later, these standards continued to be applied at Hoa Binh works of Vietinbank Tower in Hanoi,

Saigon Centre Phase 2 and 3. In addition, the Singapore Standards has also been successfully applied in the Celadon City project. In 2015, The Ascent Project in which Hoa Binh was general contractor was awarded a certificate of EDGE by International Finance Corporation (IFC) - a member of the World Bank group on "Effective Use of Resources". Project German House with Hoa Binh as the main contractor was also designed aiming to become the green office buildings, high-top in the city to achieve Gold LEED certification (Leadership in Design of energy and environment) and certified by the German equivalent - DGNB.

Currently, ISO 14001: 2004 has been popular, successfully applied at Hoa Binh. Before that, Hoa Binh has been awarded this certificate in 2011 and continued to be renewed in 2013. It is the set of standards for environmental management by the International Organization for Standardization (ISO) issued to help organizations / enterprises minimize damaging impacts on the environment and are constantly improving the performance of the environment. With the application of ISO 14001: 2004, Hoa Binh identified and managed environmental issues in a comprehensive manner; actively controlled to ensure meeting the requirements of environmental legislation; hedging loss from environmental incidents and hazardous waste. Besides, the work of 5S (Screening - Organize - Clean - Care - Ready), the work of HSE (Health - Safety - Environment) will be fully implemented in order to contribute to minimize cell infection in working environment, reduce impact on workers' health as well as the surrounding area. Also in the construction site of Hoa Binh, space space is always cared in order to build green - clean - beautiful working environment.

3.4 Community sharing

During the long history of nearly 30 years of construction and development, Hoa Binh is not just focused on business development, contributing to employment for thousands of workers, promoting social welfare but also always had sense of responsibility to society by actively participating in social programs and charity in the country with a total.

In 2015, Hoa Binh has participated successfully in the auction of the painting named "Gac Ma - immortal Circle" at the Memorial of heroic martyrs, in which 64 people were killed at Gac Ma Island, held by the Central Buddhist Church of Vietnam at Vinh Nghiem pagoda, Ho Chi Minh City. The entire amount of VND1.28 billion auction from Hoa Binh has been awarded directly to support 64 Gac Ma martyrs' families in 11 provinces and cities nationwide. Also in 2015, Hoa Binh awarded 100

In 2015, The Ascent Project in which Hoa Binh was general contractor was awarded a certificate of EDGE by International Finance Corporation (IFC) - a member of the World Bank group on "Effective Use of Resources". Project German House with Hoa Binh as the main contractor was also designed aiming to become the green office buildings, high-top in the city to achieve Gold LEED certification (Leadership in Design of energy and environment) and certified by the German equivalent - DGNB.

gifts which worth VND50 million for poor families in District 12, Ho Chi Minh city for Tet holiday, supported the Fund of Chau Thanh district - An Giang to build 2 houses of Solidarity with total of VND70 million, support Mai Nha orphans Fund with the amount of VND50 million, ...

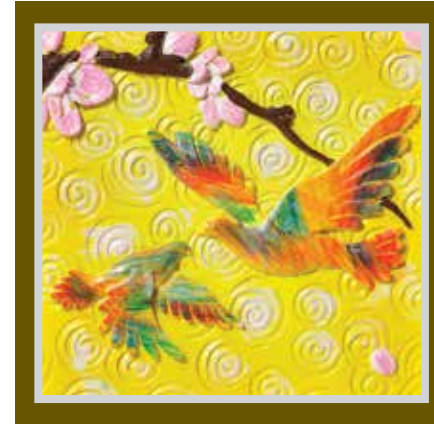
Besides, in 2015, Hoa Binh also participated in community activities through specific programs: Lawrence S. Ting Charity Walk, red flower program, moon fairy, always-a-hero, full-moon night, light up your dreams, hearts without disabilities... Along with the charity activities for community, in 2015, Le Mong Dao Education Fund has awarded 470 student scholarships with a total of more than VND863 million for the pupils to overcome poverty to study well in the country. In addition, Hoa Binh also has funded programs and activities for the students of universities such as: Sponsor for the Contest of Ton Duc Thang University student with the amount of VND20 million, Da Nang University of Technology with VND100 million.

The contribution of Hoa Binh for the community and the society in 2015 reached a total budget of about VND3 billion.

THE CONTRIBUTION OF HOA BINH FOR THE COMMUNITY AND THE SOCIETY IN 2015 REACHED A TOTAL BUDGET OF

3 VND BILLION





CHAPTER VI

FINANCIAL REPORT

Consolidated Financial Report on 31st Decmber 2015

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Hoa Binh Construction & Real Estate Corporation

General information
Report of management
Independent auditors' report
Separate balance sheet
Separate income statement
Separate cash flow statement
Notes to the separate financial statements



THE COMPANY

Hoa Binh Construction & Real Estate Corporation (“the Company”) is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 4103000229 issued by the Department of Planning and Investment of Ho Chi Minh City on 1 December 2000 and the following Amended Business Registration Certificates:

AMENDED BUSINESS REGISTRATION CERTIFICATES	DATE
• 1st amendment	8 August 2002
• 2nd amendment	25 March 2004
• 3rd amendment	2 March 2006
• 4th amendment	7 July 2006
• 5th amendment	4 September 2007
• 6th amendment	28 November 2008
• 7th amendment	16 September 2010
• 8th amendment	6 April 2011
• 9th amendment	18 May 2012
• 10th amendment	18 June 2012
• 11th amendment	21 August 2012
• 12th amendment	30 May 2013
• 13th amendment	2 June 2014
• 14th amendment	22 July 2014
• 15th amendment	15 July 2015
• 16th amendment	22 July 2015
• 17th amendment	11 September 2015
• 18th amendment	14 January 2016
• 19th amendment	19 January 2016

The Company was listed on the Ho Chi Minh Stock Exchange in accordance with Decision No. 80/UBCK-GPNY issued by the State Securities Commission of Vietnam on 22 November 2006.

The current principal activities of the Company are to provide industrial and civil construction services; surface levelling; construction consulting services; manufacture and trade of construction materials; interior decoration products; house renovation and interior decoration services; and to trade real estate.

The Company’s head office is located at 235 Vo Thi Sau Street, Ward 7, District 3, Ho Chi Minh City, Vietnam.

BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are:

- | | |
|---------------------------|----------|
| • Mr Le Viet Hai | Chairman |
| • Mr Ignatius Joe Budiman | Member |
| • Mr Phan Ngoc Thanh | Member |
| • Mr Truong Quang Nhat | Member |
| • Mr Le Quoc Duy | Member |
| • Mr Ha Vu Hoang | Member |
| • Mr Tran Si Chuong | Member |
| • Mr Phan Van Truong | Member |

BOARD OF SUPERVISION

Members of the Board of Supervision during the year and at the date of this report are:

- Mr Hoang Tung Thien Head of the Board of Supervision
- Mr Nguyen Viet Hung Member
- Ms Cao Thi Diem Chau Member

MANAGEMENT

Members of the Management during the year and at the date of this report are:

- Mr Le Viet Hai General Director
- Mr Le Viet Hung Advisor to the Board of Management
- Mr Nguyen Van Tinh Deputy General Director
- Mr Truong Quang Nhat Deputy General Director
- Mr Nguyen Van An Deputy General Director
- Mr Nguyen Tan Tho Deputy General Director
- Mr Le Quoc Duy Deputy General Director
- Mr Le Van Nam Deputy General Director
- Mr Duong Dinh Thanh Deputy General Director

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr Le Viet Hai.

AUDITORS

The auditor of the Company is Ernst & Young Vietnam Limited.

REPORT OF MANAGEMENT

Management of Hoa Binh Construction & Real Estate Corporation (“the Company”) is pleased to present its report and the separate financial statements of the Company for the year ended 31 December 2015.

MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

Management is responsible for the separate financial statements of each financial year which give a true and fair view of the separate financial position of the Company and of the separate results of its operation and separate cash flows for the year. In preparing those separate financial statements, management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the separate financial statements; and
- Prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Management confirmed that it has complied with the above requirements in preparing the accompanying separate financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying separate financial statements give a true and fair view of these separate financial position of the Company as at 31 December 2015 and of the separate results of its operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of separate financial statements.

The Company is the parent company of the subsidiaries presented in Note 5.2.1 and it is in the process of preparation of the consolidated financial statements of the Company and its subsidiaries (“the Group”) for the year ended 31 December 2015 prepared in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the relevant statutory requirements.

Users of these accompanying separate financial statements should read them together with the said consolidated financial statements of the Group for the year ended 31 December 2015 in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Group as a whole.

For and on behalf of management:



LE VIET HAI
CEO

HCMC, March 31, 2015



Ernst & Young Vietnam Limited
28th Floor, Bitexco Financial Tower
2 Hai Trieu Street, District 1
Ho Chi Minh City, S.R. of Vietnam

Tel: +84 8 3824 5252
Fax: +84 8 3824 5250
Website: www.ey.com

To: The Shareholders of Hoa Binh Construction & Real Estate Corporation

We have audited the accompanying separate financial statements of Hoa Binh Construction & Real Estate Corporation (“the Company”) as prepared on 29 March 2016 and set out on pages 6 to 49, which comprise the separate balance sheet as at 31 December 2015, and the separate income statement and separate cash flow statement for the year then ended, and the notes thereto.

Management’s responsibility

Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of separate financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ responsibility

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

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

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

Opinion

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



Ernest Young Chin Kang
Deputy General Director
Audit Practicing Registration Certificate
No. 1891-2013-004-1
Ho Chi Minh City, Vietnam
29 March 2016

Doan Thi Thu Thuy
Auditor
Audit Practicing Registration Certificate
No. 1070-2013-004-1

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		6,146,399,711,936	4,958,356,241,091
110	I. Cash and cash equivalents	4	148,979,583,605	350,924,944,311
111	1. Cash		143,979,583,605	348,524,944,311
112	2. Cash equivalents		5,000,000,000	2,400,000,000
120	II. Short-term investment	5.1	799,677,260,000	982,321,939,208
121	1. Held-to-maturity investments		799,677,260,000	982,321,939,208
130	III. Current accounts receivable		4,212,399,847,452	3,032,488,997,491
131	1. Short-term trade receivables	6	1,037,542,739,968	778,639,834,904
132	2. Short-term advances to suppliers	7	1,134,346,838,365	659,833,042,665
134	3. Construction contract receivables based on agreed progress billings	8	2,049,623,726,887	1,700,274,560,892
135	4. Short-term loan receivables	9	33,476,000,245	41,866,886,542
136	5. Other short-term receivables	10	121,392,079,358	68,376,023,640
136	6. Provision for doubtful debts	6, 7, 8, 9, 10	(163,981,537,371)	(216,501,351,152)
140	IV. Inventories	11	923,006,622,938	561,238,403,293
141	1. Inventories		926,751,798,556	569,933,759,360
149	2. Provision for obsolete inventories		(3,745,175,618)	(8,695,356,067)
150	V. Other current assets		62,336,397,941	31,381,956,788
151	1. Short-term prepaid expenses	12	37,327,660,276	22,777,877,296
152	2. Value-added tax deductible		24,662,239,349	8,549,961,251
153	3. Tax and other receivables from the State	18	346,498,316	54,118,241
200	B. NON-CURRENT ASSETS		1,144,831,671,703	845,124,998,534
210	I. Long-term receivables		9,445,287,695	93,959,879,293
211	1. Long-term trade receivables	14	173,200,250	988,843,740
212	2. Long-term advance to suppliers		-	86,103,451,873
216	3. Other long-term receivables	10	9,272,087,445	6,867,583,680
220	II. Fixed assets		638,268,877,643	366,944,854,953
221	1. Tangible fixed assets	13	629,551,231,468	356,614,048,688
222	Cost		992,004,025,547	652,128,354,203
223	Accumulated depreciation		(362,452,794,079)	(295,514,305,515)
227	2. Intangible assets	14	8,717,646,175	10,330,806,265
228	Cost		13,692,756,401	13,994,498,001
229	Accumulated amortisation		(4,975,110,226)	(3,663,691,736)

SEPARATE BALANCE SHEET

as at 31 December 2015

Code	ASSETS	Notes	Ending balance	Beginning balance
240	III. Long-term asset in progress		41,857,261,831	45,521,237,461
242	1. Construction in progress	15	41,857,261,831	45,521,237,461
250	IV. Long-term investments		276,026,300,765	268,954,330,308
252	1. Investments in associates and a joint venture	5.2	221,120,717,962	217,606,250,013
253	2. Investment in other entities	5.3	52,707,391,419	51,707,391,419
254	3. Provision for long-term investments	5.3	(78,390,676)	(359,311,124)
255	4. Held-to-maturity investments	5.1	2,276,582,060	-
260	V. Other long-term assets		179,233,943,769	69,744,696,519
261	1. Long-term prepaid expenses	12	155,876,875,517	62,663,754,996
262	2. Deferred tax assets	30.3	23,357,068,252	7,080,941,523
270	TOTAL ASSETS		7,291,231,383,639	5,803,481,239,625
300	C. LIABILITIES		6,216,829,558,988	4,806,304,870,107
310	I. Current liabilities		5,805,732,889,873	4,489,491,079,482
311	1. Short-term trade payables	16	1,229,271,354,767	904,759,776,852
312	2. Short-term advances from customers	17	1,709,099,654,433	1,019,658,087,783
313	3. Statutory obligations	18	36,857,021,259	54,807,911,448
314	4. Payables to employees		191,475,539,625	134,716,038,246
315	5. Short-term accrued expenses	19	618,167,042,988	412,172,491,724
319	6. Other short-term payables	20	129,908,533,244	149,980,574,644
320	7. Short-term loans	21	1,890,230,703,346	1,812,755,306,217
322	8. Bonus and welfare fund		723,040,211	640,892,568
330	II. Non-current liabilities		411,096,669,115	316,813,790,625
332	1. Long-term advance from customers	17	157,439,294,003	154,670,853,387
337	2. Other long-term liabilities		5,952,578,224	6,456,859,081
338	3. Long-term loans	21	156,189,801,717	104,215,003,860
341	4. Deferred tax liability	30.3	16,599,087,183	-
342	5. Other long-term provisions	22	74,915,907,988	51,471,074,297

Code	ASSETS	Notes	Ending balance	Beginning balance
400	D. OWNERS' EQUITY		1,074,401,824,651	997,176,369,518
410	I. Capital		1,074,401,824,651	997,176,369,518
411	1. Share capital	23.1	755,598,370,000	573,685,670,000
411a	- Shares with voting rights		755,598,370,000	573,685,670,000
412	2. Share premium	23.1	106,043,322,981	301,199,313,203
415	3. Treasury shares	23.1	-	(110,073,072,979)
417	4. Foreign exchange differences reserve	23.1	55,562,500	-
418	5. Investment and development fund	23.1	96,233,122,810	96,212,078,910
421	6. Undistributed earnings	23.1	115,201,826,316	135,048,838,697
421a	- Undistributed earnings up to the end of prior year		48,355,988,197	71,885,705,250
421b	- Undistributed earnings of current year		66,845,838,119	63,163,133,447
429	7. Non-controlling interests		1,269,620,044	1,103,541,687
440	TOTAL LIABILITIES AND OWNERS' EQUITY		7,291,231,383,639	5,803,481,239,625

Le Thi Phuong Uyen
Preparer
30 March 2016

Nguyen Thi Nguyen Thuy
Chief Accountant

Le Viet Hai
General Director

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2015

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	25.1	5,132,816,941,833	3,567,997,030,524
02	2. Deductions	25.1	(54,789,692,545)	(49,814,319,517)
10	3. Net revenue from sale of goods and rendering of services	25.1	5,078,027,249,288	3,518,182,711,007
11	4. Cost of goods sold and services rendered	26	(4,782,335,530,311)	(3,107,976,317,522)
20	5. Gross profit from sale of goods and rendering of services		295,691,718,977	410,206,393,485
21	6. Finance income	25.2	87,206,752,356	69,678,161,197
22	7. Finance expenses	27	(131,664,657,631)	(99,169,399,510)
23	- In which: Interest expense		(129,763,438,392)	(96,661,666,555)
24	8. Shares of profit (loss) of associates and a joint venture		7,920,467,949	(2,386,484,534)
25	9. Selling expenses		(25,811,016,365)	(8,880,881,365)
26	10. General and administrative expenses	28	(119,760,427,181)	(280,108,037,725)
30	11. Operating profit	16	113,582,838,105	89,339,751,548
31	12. Other income	29	29,781,451,767	1,850,438,657
32	13. Other expenses	29	(22,897,800,545)	(2,060,605,279)
40	14. Other profit (loss)	29	6,883,651,222	(210,166,622)
50	15. Accounting profit before tax	19	120,466,489,327	89,129,584,926
51	16. Current corporate income tax expense	30.1	(37,308,305,627)	(22,075,671,268)
52	17. Deferred tax (expense) income	30.1	(322,960,454)	1,723,003,550
60	18. Net profit after tax		82,835,223,246	68,776,917,208
61	19. Net profit after tax attributable to shareholders of the parent		83,473,544,889	70,948,169,706
62	20. Net loss after tax attributable to non-controlling interests		(638,321,643)	(2,171,252,498)
70	21. Basic earnings per share	24	914	903
71	22. Lãi suy giảm trên cổ phiếu	24	914	903

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2015


Mã số	CHỈ TIÊU	Thuyết minh	Năm nay	Năm trước
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	Profit before tax		120,466,489,327	89,129,584,926
<i>Adjustments for:</i>				
02	Depreciation and amortisation	13, 14	95,597,202,382	78,387,559,384
03	(Reversal of provisions) provisions		(34,306,080,987)	158,216,868,633
04	Foreign exchange losses arisen from revaluation of monetary accounts denominated in foreign currency	27	135,631,177	307,112
05	Profits from investing activities		(89,676,164,974)	(64,256,559,963)
06	Interest expense	27	129,763,438,392	96,661,666,555
08	Operating profit before changes in working capital		221,980,515,317	358,139,426,647
09	Increase in receivables		(947,097,394,519)	(245,158,962,269)
10	Increase in inventories		(356,818,039,196)	(184,670,596,555)
11	Increase in payables		1,381,313,332,219	323,429,411,790
12	Increase in prepaid expenses		(107,762,903,501)	(23,586,568,006)
14	Interest paid		(132,049,580,373)	(93,698,836,363)
15	Corporate income tax paid	30.2	(38,095,548,900)	(12,465,501,316)
16	Other cash inflows from operating activities		13,786,724,495	1,036,803,569
17	Other cash outflows from operating activities		(67,512,772,879)	(13,088,042,220)
20	Net cash flows (used in) from operating activities		(32,255,667,337)	109,937,135,277
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	Purchase and construction of fixed assets		(373,874,242,875)	(70,568,212,517)
22	Proceeds from disposals of fixed assets		7,918,715,237	11,071,019,764
23	Bank deposits, loans to other entities		(325,527,919,687)	(982,796,672,228)
24	Collections from borrowers	24	350,909,156,550	26,323,093,622
25	Payment for investments in other entities		(5,267,540,327)	(77,368,132,696)
27	Interest received		35,818,424,189	53,705,065,554
30	Net cash flows used in investing activities		(310,023,406,913)	(1,039,633,838,501)



Le Thi Phuong Uyen
Preparer
30 March 2016



Nguyen Thi Nguyen Thuy
Chief Accountant




Le Viet Hai
General Director

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2015

Code	ITEMS	Notes	Current year	Previous year
III. CASH FLOWS FROM FINANCING ACTIVITIES				
31	Capital contribution		9,818,300,000	7,035,900,000
32	Reissuance of treasury shares		87,011,482,757	-
33	Drawdown of borrowings		4,135,981,012,280	3,521,485,058,079
34	Repayment of borrowings		(4,006,530,817,294)	(2,978,632,084,351)
36	Dividends paid	23.2	(85,985,657,475)	(24,776,470,230)
40	Net cash flows from financing activities		140,294,320,268	525,112,403,498
50	Net decrease in cash for the year		(201,984,753,982)	(404,584,299,726)
60	Cash and cash equivalents at beginning of year		350,924,944,311	755,407,101,356
61	Impact of exchange rate fluctuation		39,393,276	102,142,681
70	Cash and cash equivalents at end of year	4	148,979,583,605	350,924,944,311

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2015

1. CORPORATE INFORMATION

Hoa Binh Construction & Real Estate Corporation (“the Company”) is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 4103000229 issued by the Department of Planning and Investment (“DPI”) of Ho Chi Minh City on 1 December 2000 and the following Amended Business Registration Certificates:

AMENDED BUSINESS REGISTRATION CERTIFICATES	DATE
• 1st amendment	8 August 2002
• 2nd amendment	25 March 2004
• 3rd amendment	2 March 2006
• 4th amendment	7 July 2006
• 5th amendment	4 September 2007
• 6th amendment	28 November 2008
• 7th amendment	16 September 2010
• 8th amendment	6 April 2011
• 9th amendment	18 May 2012
• 10th amendment	18 June 2012
• 11th amendment	21 August 2012
• 12th amendment	30 May 2013
• 13th amendment	2 June 2014
• 14th amendment	22 July 2014
• 15th amendment	15 July 2015
• 16th amendment	22 July 2015
• 17th amendment	11 September 2015
• 18th amendment	14 January 2016
• 19th amendment	19 January 2016

The Company was listed on the Ho Chi Minh Stock Exchange in accordance with Decision No. 80/UBCK-GPNY issued by the State Securities Commission of Vietnam on 22 November 2006.

The current principal activities of the Company are to provide industrial and civil construction services; surface levelling; construction consulting services; manufacture and trade of construction materials; interior decoration products; house renovation and interior decoration services; and to trade real estate.

The Company’s head office is located at No. 235 Vo Thi Sau Street, Ward 7, District 3, Ho Chi Minh City, Vietnam.

The number of the Group’s employees as at 31 December 2015 was 5,299 (31 December 2014: 3,959).



Le Thi Phuong Uyen
Preparer
30 March 2016

Nguyen Thi Nguyen Thuy
Chief Accountant

Le Viet Hai
General Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2015

CORPORATE STRUCTURE

The Company's corporate structure includes 14 subsidiaries, as follows

NAME OF SUBSIDIARIES	LOCATION	BUSINESS ACTIVITIES	STATUS	% OF INTEREST
Hoa Binh House Corporation	Ho Chi Minh City	Trading and developing real estate projects	Operating	99.85
Hoa Binh Hanoi Construction & Real Estate Co., Ltd.	Ha Noi	Providing industrial and civil construction services; surface levelling service; installing sewage system service; house renovation and interior decoration services; and trading real estate	Inactive	100.00
Hoa Yen Investment and Development Joint Stock Company	Phu Yen Province	Providing engineering and construction services	Operating	99.53
Hoa Binh Wood Manufacturing and Decorating Joint Stock Company	Ho Chi Minh City	Manufacturing, selling, processing and fitting up household wooden and interior decoration products	Operating	98.90
Matec Construction Machinery Co., Ltd.	Ho Chi Minh City	Renting electrical machineries and construction equipment	Operating	100.00
Anh Huy Construction Co., Ltd.	Ho Chi Minh City	Providing interior decoration services; manufacturing construction materials (aluminium windows); providing surface levelling service; and selling construction materials	Operating	99.55
Viet Ta Import-Export Joint Stock Company	Ho Chi Minh City	Selling construction materials, interior decoration products; providing trading promotion service; agency for goods consignment service, advertisement service; fitting up and processing interior decoration product services	Operating	58.20
Hoa Binh Paint Co., Ltd.	Ho Chi Minh City	Manufacturing and selling construction materials; and providing interior decoration services	Operating	100.00
Hoa Binh Hue Development Joint Stock Company	Thua Thien Hue Province	Investment in Le Royal An Nam Resort	Inactive	95.84

Vi Tam Corporation	Ho Chi Minh City	Trading food and beverage	Inactive	71.05
Hoa Binh Architecture Co., Ltd.	Ho Chi Minh City	Providing construction consulting service, architectural, structural and technological designs services	Operating	74.67
Hoa Binh Real Estate Exchange Co., Ltd.	Ho Chi Minh City	Consult, agency and auction of land use right and real estate	Operating	98.85
The Ascent Real Estate Investment Co., Ltd.	Ho Chi Minh City	Trading real estate properties and land use rights and constructing houses of all types	Operating	98.85
Hoa Binh Myanmar Co., Ltd	Myanmar	Providing design, construction, architectural and engineering quantitative surveyor services, construction management and project management services	Pre-operating	100.00

2. BASIS OF PREPARATION**2.1 Accounting standards and system**

The consolidated financial statements of the Group, expressed in Vietnam dong ("VND"), are prepared in accordance with the Vietnamese Enterprise Accounting System and Vietnamese Accounting Standard issued by the Ministry of Finance as per:

- Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying consolidated financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 Applied accounting documentation system

The Group's applied accounting documentation system is the General Journal system.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2015

2.3 Fiscal year

The Group's fiscal year applicable for the preparation of its consolidated financial statements starts on 1 January and ends on 31 December.

2.4 Accounting currency

The consolidated financial statements are prepared in VND which is also the Group's accounting currency.

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent company and its subsidiaries for the year ended 31 December 2015.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continued to be consolidated until the date that such control ceases.

The financial statements of the parent company and its subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

All intra-company balances, income and expenses and unrealised gains or losses resulting from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity.

Impact of change in the ownership interest of a subsidiary, without a loss of control, is recorded in undistributed earnings.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Changes in accounting policies and disclosures

The accounting policies adopted by the Group in preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2014 except for the changes in the accounting policies in relation to the followings:

3.1.1 Circular No. 200/2014/TT-BTC providing guidance on enterprise accounting system

On 22 December 2014, the Ministry of Finance issued the Circular No. 200/2014/TT-BTC providing guidance on enterprise accounting system ("Circular 200") replacing Decision No. 15/2006/QĐ-BTC dated 20 March 2006 and Circular No. 244/2009/TT-BTC dated 31 December 2009 of the Ministry of Finance. Circular 200 is effective for the financial year beginning on or after 1 January 2015.

The effects of the change in accounting policies in accordance with Circular 200 to the Group are applied on a prospective basis as Circular 200 does not require for retrospective application. The Group also reclassifies certain corresponding figures of prior year following the presentation of the current year's consolidated financial statements in accordance with Circular 200 as disclosed in Note 34.

3.1.2 Circular No. 202/2014/TT-BTC providing guidance on preparation and presentation of consolidated financial statements

On 22 December 2014, the Ministry of Finance issued the Circular No. 202/2014/TT-BTC providing guidance on preparation and presentation of consolidated financial statements ("Circular 202") replacing section XIII of Circular No. 161/2007/TT-BTC dated 31 December 2007. Circular 202 is effective for the preparation and presentation of consolidated financial statements for the financial years beginning on or after 1 January 2015.

The effects of the change in accounting treatment in accordance with Circular 202 are applied on prospective as this Circular does not require for retrospective application..

3.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks and short-term, highly-liquid investments with an original maturity of less than three (3) months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.3 Inventories

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories, which are valued as follows:

Raw materials and merchandises	cost of purchase on a first-in, first-out basis.
Work-in-process	cost of direct materials and labour plus attributable construction overheads.
Properties for sale	cost of purchase on a specific identification basis

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, work-in-process, merchandise goods, and properties for sales owned by the Group, based on appropriate evidence of impairment available at the balance sheet date.

Increases and decreases to the provision balance are recorded into the cost of goods sold account in the consolidated income statement.

3.4 Receivables

Receivables are presented in the consolidated financial statements at the carrying amounts due from customers and other debtors, after the provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered, in accordance with the guidance under Circular No. 228/2009/TT-BTC date 7 December 2009 ("Circular 228"). Increases and decreases to the provision balance are recorded as general and administrative expense in the consolidated income statement.

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3.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the consolidated income statement as incurred.

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

3.6 Intangible assets

Intangible assets are stated at cost less accumulated amortisation.

The cost of an intangible asset comprises its purchase price and any directly attributable costs of preparing the intangible asset for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the consolidated income statement as incurred.

When intangible assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

Land use rights

Land use rights is recorded as an intangible asset on the consolidated balance sheet when the Group obtained the land use right certificates. The costs of land use rights comprise all directly attributable costs of bringing the land to the condition available for intended use and is not amortised when having indefinite useful life.

3.7 Depreciation and amortisation

Depreciation of tangible fixed assets and amortization of intangible assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Building and structure	44 - 50 years
Machinery and equipment	5 - 12 years
Means of transportation	8 - 10 years
Office equipment	5 - 6 years
Computer software	5 - 6 years
Others	5 -10 years

The useful life of the fixed assets and depreciation and amortisation rates are reviewed periodically to ensure that the method and the period of the depreciation and amortisation are consistent with the expected pattern of economic benefits that will be derived from the use of fixed assets.

3.8 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and are recorded as expenses when incurred.

3.9 Prepaid expenses

Prepaid expenses are reported as short-term or long-term prepaid expenses on the consolidated balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

Tools and supplies used for construction are amortised to the consolidated income statement over the period of 6 - 36 months on the straight-line basis.

3.10 Investments

Investments in associates

The Group's investment in associates is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence that is neither subsidiary nor joint venture. The Group generally deems they have significant influence if they have over 20% of the voting rights.

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment. Goodwill is not amortised and subject to annual review for impairment. The consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

The share of post-acquisition profit(loss) of the associates is presented on face of the consolidated income statement and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend/profit sharing receivable from associates reduces the carrying amount of the investment.

The financial statements of the associates are prepared for the same reporting period and use the same accounting policies as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group

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Interests in a joint venture

The Group's investment in a joint venture is accounted for using the equity method of accounting. Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post joint venture changes in the Group's share of net assets of the joint venture. The consolidated income statement reflects the share of the post-acquisition results of operation of the joint venture. The share of profit(loss) of the joint venture is presented in the consolidated income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend/profit sharing receivable from joint venture reduces the carrying amount of the investment.

The financial statements of the joint venture are prepared for the same reporting period and use the same accounting policies as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Investment in other entities

Investments in other entities are stated at their acquisition costs.

Provision for investment in other entities

Provision is made for any diminution in value of the investment in capital of other entities at the balance sheet date in accordance with the guidance under Circular 228 and Circular No. 89/2013/TT-BTC dated 28 June 2013 issued by the Ministry of Finance. Increases and decreases to the provision balance are recorded as finance expense in the consolidated income statement.

Held-to-maturity investments

Held-to-maturity investments are stated at their acquisition costs. After initial recognition, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognised as expense in the consolidated income statements and deducted against the value of such investments.

3.11 Payables and accruals

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.

3.12 Accrual for severance pay

The severance pay to employee is accrued at the end of each reporting year for all employees who have been more than 12 months in service up to 31 December 2008 at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code, the Law on Social Insurance and related implementing guidance. The average monthly salary used in this calculation will be revised at the end of each reporting year following the average monthly salary of the 6-month period up to the reporting date. Any increase to the accrued amount will be taken to the consolidated income statement.

This accrued severance pay is used to settle the termination allowance to be paid to employee upon termination of their labour contract following Article 48 of the Labour Code.

3.13 Provisions

Provisions are recognised when the Group has a present obligation (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.

3.14 Foreign currency transactions

Transactions in currencies other than the Group's reporting currency of VND are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- Transaction resulting in assets are recorded at the buying exchange rates of the commercial banks designated for collection; and
- Transactions resulting in liabilities are recorded at the selling exchange rates of the transaction of commercial banks designated for payment.
- Capital contributions are recorded at the buying exchange rates of the commercial banks designated for capital contribution.
- Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

At the end of the year, monetary balances denominated in foreign currencies are translated at the exchange rates at the balance sheet dates which are determined as follows:

- Monetary assets are translated at buying exchange rate of the commercial bank where the Group conduct transactions regularly; and
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Group conduct transactions regularly.
- All foreign exchange differences incurred during the year and arisen from the translation of monetary accounts denominated in foreign currency at year-end are taken to the consolidated income statement

3.15 Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss upon purchase, sale, issue or cancellation of the Group's own equity instruments.

3.16 Earnings per share Earnings per share

Basic earnings per share amount is computed by dividing net profit for the year (after appropriation for bonus and welfare fund) attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

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3.17 Appropriation of net profits

Net profit after tax is available for appropriation to shareholders upon proposal by the Board of Management and after approval by the shareholders in the annual general meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

The Group maintains the following reserve funds which are appropriated from the Group's net profit after tax as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting.

- **Investment and development fund**

This fund is set aside for use in the Group's expansion of its operation or of in-depth investments.

- **Bonus and welfare fund**

This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits, and presented as a liability on the consolidated balance sheet.

3.18 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

Construction contracts

For the construction contracts specifying that the contractor will receive payments according to the completed work, where the outcome of a construction contract can be determined reliably and accepted by the customers, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date which is certified by the customers. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Difference between the cumulative revenue of a construction contract recognised to date and the cumulative amount of progress billings of that contract is presented as construction contractor receivable based on agreed progress billings in the consolidated balance sheet.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

Revenue from sale of real estate properties

Revenue is recognised when the significant risks and rewards of ownership of the properties have passed to the buyer.

Rental income

Rental income arising from operating leases is accounted for the consolidated income statement on a straight line basis over the terms of the lease.

Rendering of services

Revenue from rendering of services is recognized when the services are rendered.

Interest

Interest is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

Dividends

Income is recognised when the Group's entitlement as an investor to receive the dividend is established.

3.19 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the balance sheet date.

Current income tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the deferred current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset current tax assets against current tax liabilities and when the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss.

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Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to set off current tax assets against current tax liabilities and when they relate to income taxes levied on the same taxable entity by the same taxation authority.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

3.20 Segment information

A segment is a component determined separately by the Group which is engaged in providing products or related services (business segment), or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments.

As the Group's revenue and profit are derived mainly from construction services rendered in Vietnam while other sources of revenue is not material as a whole, the management accordingly believed that the Group operates in a sole business segment of providing construction services. Geographical segment of the Group is in Vietnam only.

4. CASH AND CASH EQUIVALENTS

	VND	
	Ending balance	Beginning balance
Cash on hand	2,296,127,470	6,303,604,273
Cash at banks	141,683,456,135	342,221,340,038
Cash equivalents (*)	5,000,000,000	2,400,000,000
TOTAL	148,979,583,605	350,924,944,311

(*) Cash equivalents represent term deposits at commercial banks with the original maturity of less than three months and earn interest at the applicable interest rate.

Cash at banks and cash equivalents were pledged as collateral for short-term loans obtained from commercial banks (Note 21.1).

5. INVESTMENTS

5.1 Held-to-maturity investments

	Ending balance	Beginning balance
Short-term		
Term deposits	799,677,260,000	982,321,939,208
Long-term		
Term deposits	2,276,582,060	-
TOTAL	801,953,842,060	982,321,939,208

Short-term deposits represent more than three-month to seven-month term deposits at commercial banks. Long-term deposit represents twenty-one-month term deposit at commercial bank. These term deposits earn interest at applicable interest rates. Term deposits amounting to VND 801,953,842,060 were pledged as collateral for short-term loans from commercial banks (Note 21.1). However, the Group has no restriction to withdraw these term deposits.

5.2 Investments in associates and a joint venture

Details of investments in associates and a joint venture are as follows:

	Ending balance		Beginning balance	
	% of interest	Amount (VND)	% of interest	Amount (VND)
Investments in associates				
Hoa Binh Infrastructure Construction Investment Joint Stock Company	49.00	92,816,137,329	49.00	89,715,388,527
Hoa Binh Oseven Corporation	47.29	50,485,170,000	47.29	50,485,170,000
Golden Lotus Securities Corporation	37.30	22,173,591,004	31.85	21,182,903,554
Jesco Hoa Binh Engineering Joint Stock Company	47.82	16,923,220,276	47.82	17,294,375,594
Investments in a joint venture				
Hoa Binh GS Joint Venture	40.00	38,722,599,353	40.00	38,928,412,338
TOTAL		221,120,717,962		217,606,250,013

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Details of investments in associates and a joint venture as at 31 December 2015 are presented as follows:

	VND
	Associates and a joint venture
Cost of investment	
Beginning balance	180,573,781,232
Increase	2,944,000,000
Ending balance	183,517,781,232
Accumulated share in post-acquisition profit of the associates and joint venture	
Beginning balance	37,032,468,781
Share in post-acquisition profit of the associates and joint venture for the year	7,920,467,949
Dividends received	(7,350,000,000)
Ending balance	37,602,936,730
Net carrying amount	
Beginning balance	217,606,250,013
Ending balance	221,120,717,962

Hoa Binh Infrastructure Construction Investment Joint Stock Company (“HBI”), a shareholding company was incorporated under the Law on Enterprise of Vietnam pursuant to Business Registration Certificate No. 5003000324 issued by the DPI of Long An Province on 19 March 2008, as amended. HBI’s registered office is located at Village 7, Nhi Thanh Commune, Thu Thua District, Long An Province, Vietnam. HBI’s principal activity is to construct and develop industrial zones.

Hoa Binh Oseven Corporation (“HB Oseven”), a shareholding company was incorporated in accordance with Business Registration Certificate No. 0309478144 issued by the DPI of Ho Chi Minh City on 1 October 2009. HB Oseven’s registered office is located at 235 Vo Thi Sau Street, Ward 7, District 3, Ho Chi Minh City, Vietnam. HB Oseven’s principal activity is to provide construction services.

Golden Lotus Securities Corporation (“GLS”) is a shareholding company was incorporated in accordance with Establishment License No 74/UBCKOGPHDDKD issued by the Ho Chi Minh Stock Exchange on 21 December 2007. GLS’s registered office is located at Floor 2-3, 13-15-17, Truong Dinh Street, Ward 6, District 3, Ho Chi Minh City, Vietnam. GLS’s principal activities are to trade securities and to provide brokerage and investment advisory services.

Jesco Hoa Binh Engineering Joint Stock Company (“JHE”), a shareholding company was incorporated under the Law on Enterprise of Vietnam pursuant to Business Registration Certificate No. 4103009338 issued by the DPI of Ho Chi Minh City on 2 February 2008. JHE’s registered office is located at 235/2 Vo Thi Sau Street, Ward 7, District 3, Ho Chi Minh City, Vietnam. JHE’s principal activities are to build and fit up construction equipment, electric and water systems, prevention and fighting fire systems, cold system.

Hoa Binh GS Joint Venture, a joint venture was established between the Company and GS Engineering & Construction Corp. in accordance with a Collaboration Agreement for Joint Operation in November 2009. This joint venture’s principal activity is only to construct a project named Angsana Hotel to Laguna (Vietnam) Co., Ltd.

5.3 Investment in other entities

	Ending balance	Beginning balance
Binh An Plaza project (i)	26,117,391,419	26,117,391,419
Peace Tour Company (ii)	21,405,000,000	21,405,000,000
Jesco Asia Joint Stock Company (iii)	4,185,000,000	4,185,000,000
Thanh Long Communication Co., Ltd. (iv)	1,000,000,000	-
TOTAL	52,707,391,419	51,707,391,419
Provision for investments in other entities	(78,390,676)	(359,311,124)
NET	52,629,000,743	51,348,080,295

(i) This represents the Group’s investment to develop Binh An Plaza apartment project at Ward 7, District 8, Ho Chi Minh City in accordance with the Business Corporation Contract dated 19 December 2007.

(ii) This represents the Group’s investment of 10% ownership interest in Peace Tour Company in accordance with the Principal Contract No. 02/HDNT/DLHB-HBG dated 25 December 2010.

(iii) This represents the Group’s investment of 6.15% ownership interest in Jesco Asia Joint Stock Company in accordance with the third Amended Investment Certificate No. 411032000117 issued by People’s Committee of Ho Chi Minh City on 31 December 2014.

(iv) This represents the Group’s investment to develop a celluloid film named “Queen” with Thanh Long Communication Co., Ltd. in accordance with the Business Cooperation Contract No. 06/HDHTKD dated 29 September 2015.

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6. SHORT-TERM TRADE RECEIVABLES

VND

	Ending balance	Beginning balance
Amounts due from third parties	1,037,542,739,968	776,754,224,945
Amounts due from related parties (Note 31)	-	1,885,609,959
TOTAL	1,037,542,739,968	778,639,834,904
Provision for doubtful debts	(52,616,265,492)	(43,658,618,800)
NET	984,926,474,476	734,981,216,104

Short-term trade receivables were pledged as collateral for short-term loans obtained from commercial banks (Notes 21.1).

Detail of movements of provision for doubtful debts:

	Current year	Previous year
Beginning balance	(43,658,618,800)	(44,034,437,608)
Provision created during the year	(21,912,940,434)	(31,728,622,353)
Reversal of provision during the year	12,955,293,742	28,095,323,148
Reduction due from deemed disposal of a subsidiary	-	4,009,118,013
ENDING BALANCE	(52,616,265,492)	(43,658,618,800)

7. SHORT-TERM ADVANCES TO SUPPLIERS

VND

	Ending balance	Beginning balance
Advances to suppliers	1,038,359,426,478	624,356,323,596
Advances to a related party (Note 31)	95,987,411,887	35,476,719,069
TOTAL	1,134,346,838,365	659,833,042,665
Provision for short-term advances to suppliers	(10,196,875,616)	(553,804,325)
NET	1,124,149,962,749	659,279,238,340

Detail of movements of provision for short-term advances to suppliers

VND

	Current year	Previous year
Beginning balance	(553,804,325)	(525,000,000)
Provision created during the year	(9,643,071,291)	(28,804,325)
ENDING BALANCE	(10,196,875,616)	(553,804,325)

8. CONSTRUCTION CONTRACT RECEIVABLES BASED ON AGREED PROGRESS BILLINGS

VND

	Ending balance	Beginning balance
Amounts due from third parties	2,049,623,726,887	1,700,235,621,600
Amount due from a related party (Note 31)	-	38,939,292
TOTAL	2,049,623,726,887	1,700,274,560,892
Provision for doubtful debts	(91,707,756,794)	(156,312,420,201)
NET	1,957,915,970,093	1,543,962,140,691

Construction contract receivables based on agreed progress billings were pledged as collateral for the short-term loans obtained from commercial banks (Notes 21.1)

Detail of movements of provision for doubtful debts :

VND

	Current year	Previous year
Beginning balance	(156,312,420,201)	(17,778,563,628)
Provision created during the year	(113,499,348,593)	(200,983,988,965)
Reversal of provision during the year	146,730,667,949	62,450,132,392
Write-off of provision during the year	31,373,344,051	-
ENDING BALANCE	(91,707,756,794)	(156,312,420,201)

9. SHORT-TERM LOAN RECEIVABLES

VND

	Ending balance	Beginning balance
Loan receivables from third parties	30,369,972,467	41,866,886,542
Loan receivables from a related party (Note 31)	3,106,027,778	-
TOTAL	33,476,000,245	41,866,886,542
Provision for doubtful debts	(3,788,313,792)	(589,459,515)
NET	29,687,686,453	41,277,427,027

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Short-term loan receivables represent loans with a maturity of less than one year and earn interest at applicable interest rates.

Detail of movements of provision for doubtful debts:

	VND	
	Current year	Previous year
Beginning balance	(589,459,515)	(289,459,515)
Provision created during the year	(7,548,729,645)	(300,000,000)
Reversal of provision during the year	4,349,875,368	-
ENDING BALANCE	(3,788,313,792)	(589,459,515)

10. OTHER RECEIVABLES

	VND	
	Ending balance	Beginning balance
Short-term		
Deposits	36,405,904,235	3,717,161,972
Interest receivables from others	25,022,137,775	15,573,413,943
Interest receivables from banks	17,807,134,353	16,985,532,887
Advance to employees	17,200,342,843	10,878,615,722
Other receivables from employees	8,081,477,807	4,312,178,580
Receivable from related parties (Note 31)	-	367,231,543
Others	16,875,082,345	16,541,888,993
TOTAL	121,392,079,358	68,376,023,640
Provision for doubtful debts	(5,672,325,677)	(15,387,048,311)
NET	115,719,753,681	52,988,975,329
Long-term		
Deposits	9,086,833,783	6,472,379,959
Others	185,253,662	395,203,721
TOTAL	9,272,087,445	6,867,583,680
NET	124,991,841,126	59,856,559,009

Detail of movements of provision for doubtful debts:

	VND	
	Current year	Previous year
Beginning balance	(15,387,048,311)	(8,939,727,648)
Provision created during the year	(3,187,687,771)	(6,447,320,663)
Write-off during the year	12,416,689,791	-
Reversal of provision during the year	485,720,614	-
ENDING BALANCE	(5,672,325,677)	(15,387,048,311)

11. INVENTORIES

	VND			
	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Work in process	648,487,914,454	-	339,781,610,157	-
<i>In which:</i>				
<i>The Ascent project (*)</i>	312,613,885,560	-	179,552,738,640	-
<i>Construction projects</i>	335,874,028,894	-	160,228,871,517	-
Construction materials	185,302,094,383	(461,129,988)	102,961,069,070	(235,777,450)
Properties available for sales	81,691,424,598	(2,653,462,514)	119,115,755,536	(7,828,995,501)
Finished goods	9,118,199,802	(45,245,293)	2,766,777,057	(45,245,293)
Merchandises	1,759,753,244	(585,337,823)	4,920,795,557	(585,337,823)
Tools and supplies	392,412,075	-	362,668,083	-
Goods in transit	-	-	25,083,900	-
TOTAL	926,751,798,556	(3,745,175,618)	569,933,759,360	(8,695,356,067)

(*) This represents construction cost of The Ascent project at Thao Dien Ward, District 2, Ho Chi Minh City which was pledged as collateral for a long-term loan obtained from a commercial bank (Note 21.3).

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Detail of movements of provision for obsolete inventories:

	VND	
	Current year	Previous year
Beginning balance	(8,695,356,067)	(375,807,175)
Provision created during the year	(577,094,089)	(8,319,548,892)
Utilisation of provision during the year	5,527,274,538	-
ENDING BALANCE	(3,745,175,618)	(8,695,356,067)

12. PREPAID EXPENSES

	VND	
	Ending balance	Beginning balance
Short-term		
Tools and equipment used for construction works	28,676,992,071	15,577,576,526
Guarantee fees	2,029,202,273	944,169,253
Others	6,621,465,932	6,256,131,517
TOTAL	37,327,660,276	22,777,877,296
Long-term		
Tools and equipment used for construction works	100,129,113,903	39,533,303,511
Promotion and commission expenses	27,042,160,045	-
Guarantee fees	12,229,487,364	6,901,641,002
Prepaid land rental	5,860,198,321	5,998,628,202
Others	10,615,915,884	10,230,182,281
	155,876,875,517	62,663,754,996
TOTAL	193,204,535,793	85,441,632,292

13. TANGIBLE FIXED ASSETS

	VND			
	Building and structure	Machinery and equipment	Means of transportation	Office equipment
	Total			
Cost				
Beginning balance	2.664.949.325	623.393.195.622	14.830.084.974	11.240.124.282
New purchase	-	216.284.997.620	3.953.626.343	889.728.696
Transfer from construction in progress	-	150.483.003.145	5.926.862.701	-
Disposal	(645.000.000)	(35.493.228.964)	(1.367.880.432)	(156.437.765)
Ending balance	2.019.949.325	954.667.967.423	23.342.693.586	11.973.415.213
<i>In which:</i>				
Fully depreciated	355.162.273	13.195.018.890	2.829.163.143	1.195.209.972
Accumulated depreciation				
Beginning balance	(1.845.475.982)	(280.146.893.882)	(9.374.378.840)	(4.147.556.811)
Depreciation for the year	(133.804.147)	(90.035.707.558)	(2.227.224.852)	(1.822.379.166)
Disposal	645.000.000	25.475.376.423	1.055.959.976	104.290.760
Ending balance	(1.334.280.129)	(344.707.225.017)	(10.545.643.716)	(5.865.645.217)
Net carrying amount				
Beginning balance	819.473.343	343.246.301.740	5.455.706.134	7.092.567.471
Ending balance	685.669.196	609.960.742.406	12.797.049.870	6.107.769.996
<i>In which:</i>				
Pledged as loan security (Notes 21)	184.257.601	150.476.925.452	880.404.209	-
	-	-	-	17.574.554.278
	-	-	-	156.409.865.846
	-	-	-	(37.662.547.161)
	-	-	-	992.004.025.547
	-	-	-	27.280.627.159
	-	-	-	(362.452.794.079)
	-	-	-	356.614.048.688
	-	-	-	629.551.231.468
	-	-	-	151.541.587.262

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14. INTANGIBLE ASSETS

				VND
	Land use rights	Computer software	Others	Total
Cost				
Beginning balance	4.950.924.600	7.827.568.043	1.216.005.358	13.994.498.001
Disposal	-	(301.741.600)	-	(301.741.600)
Ending balance	4.950.924.600	7.525.826.443	1.216.005.358	13.692.756.401
<i>In which:</i>				
<i>Fully amortised</i>	-	703.656.206	-	703.656.206
Accumulated amortisation	9.118.199.802	(45.245.293)	2.766.777.057	(45.245.293)
Beginning balance	-	(3.177.582.494)	(486.109.242)	(3.663.691.736)
Amortisation for the year	-	(1.194.750.155)	(183.336.504)	(1.378.086.659)
Disposal	-	66.668.169	-	66.668.169
Ending balance	-	(4.305.664.480)	(669.445.746)	(4.975.110.226)
Net carrying amount				
Beginning balance	4.950.924.600	4.649.985.549	729.896.116	10.330.806.265
Ending balance	4.950.924.600	3.220.161.963	546.559.612	8.717.646.175
<i>In which:-</i>				
<i>Pledged as loan security (Notes 21.1)</i>	4.500.924.600	-	-	4.500.924.600

15. CONSTRUCTION IN PROGRESS

	VND	
	Ending balance	Beginning balance
An Hai Bridge project	34,948,122,042	34,422,119,519
Lang Co Villa project	5,583,015,779	5,583,015,779
Equipment under installation	730,981,718	4,920,959,871
Others	595,142,292	595,142,292
TOTAL	41,857,261,831	45,521,237,461

16. SHORT-TERM TRADE PAYABLES

	VND	
	Ending balance	Beginning balance
Trade payables to third parties	1,145,256,175,631	871,656,111,863
Trade payables to related parties (Note 31)	84,015,179,136	33,103,664,989
TOTAL	1,229,271,354,767	904,759,776,852

17. ADVANCES FROM CUSTOMERS

	VND	
	Ending balance	Beginning balance
Short-term		
Advances from third parties	1,709,099,654,433	1,019,658,087,783
<i>In which:</i>		
Vietnam Aviation Corporation	276,144,546,000	-
Vietnam Joint Stock Commercial Bank for Industry and Trade	184,303,783,812	298,668,097,500
FLC Corporation	118,168,294,024	16,500,000,000
Others	1,130,483,030,597	704,489,990,283
Long-term		
Advances from third parties	157,439,294,003	154,670,853,387
TOTAL	1,866,538,948,436	1,174,328,941,170

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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18. STATUTORY OBLIGATIONS

VND				
	Beginning balance	Increase in year	Payment in year	Ending balance
Receivable				
Personal income tax	500,000	-	(292,380,075)	292,880,075
Corporate income tax (Note 30.2)	53,618,241	-	-	53,618,241
	54,118,241	-	(292,380,075)	346,498,316
Payables				
Corporate income tax (Note 30.2)	18,744,455,503	39,245,452,892	(38,095,548,900)	19,894,359,495
Value added tax	35,524,275,081	584,589,270,424	(604,986,038,821)	15,127,506,684
Personal income tax	538,587,501	17,911,136,625	(16,748,109,022)	1,701,615,104
Others	593,363	6,531,923,033	(6,398,976,420)	133,539,976
	54,807,911,448	648,277,782,974	(666,228,673,163)	36,857,021,259
TOTAL	54,753,793,207	648,277,782,974	(666,521,053,238)	36,510,522,943

19. SHORT-TERM ACCRUED EXPENSES

VND		
	Ending balance	Beginning balance
Construction costs due to sub-contractors	592,858,443,270	390,775,175,746
In which:		
Other parties	478,851,458,523	348,689,295,394
A related party (Note 31)	114,006,984,747	42,085,880,352
Interest expenses	2,793,171,212	5,079,313,193
Others	22,515,428,506	16,318,002,785
TOTAL	618,167,042,988	412,172,491,724

20. OTHER SHORT-TERM PAYABLES

VND		
	Ending balance	Beginning balance
Payable to Viet Investment Link Joint Stock Company	106,230,000,000	109,345,000,000
Deposits received from customers	8,148,298,464	29,137,921,981
Dividend payables	600,061,065	532,868,040
Payable to a related party (Note 31)	-	20,000,000
Others	14,930,173,715	10,944,784,623
TOTAL	129,908,533,244	149,980,574,644

21. LOANS

VND		
	Ending balance	Beginning balance
Short-term		
Loans from banks (Note 21.1)	1,782,961,882,289	1,792,815,620,199
Loans from other parties (Note 21.2)	9,122,723,304	15,463,586,018
Current portion of long-term loans (Note 21.3)	98,146,097,753	4,476,100,000
	1,890,230,703,346	1,812,755,306,217
Long-term		
Loans from banks (Note 21.3)	254,335,899,470	108,691,103,860
In which:		
Current portion	98,146,097,753	4,476,100,000
Non-current portion	156,189,801,717	104,215,003,860
TOTAL	2,046,420,505,063	1,916,970,310,077

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21.1 Short-term loans from banks

The Group obtained these loans to finance for its working capital requirements. Details are as below:

Banks	Ending balance	Maturity date	Interest rate	Description of collateral(Notes 4, 5.1,6, 8, 13 and 14)
Vietnam Joint Stock Commercial Bank for Industry and Trade – Branch 1	745,234,160,460	From 17 July 2016 to 24 November 2016	Basic interest rate plus 2.0% p.a.	Short-term trade receivables
Bank for Investment and Development of Vietnam – Ho Chi Minh Branch	563,973,034,116	From 14 January 2016 to 4 May 2016	Applicable interest rate per drawdown	Land use rights; building and structures; cash in banks and term deposits; and short-term trade receivables
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh City Branch	252,424,673,736	From 22 January 2016 to 19 November 2016	Applicable interest rate per drawdown	Short-term trade receivables
National Citizen Commercial Joint Stock Bank– Sai Gon Branch	73,300,898,207	From 3 February 2016 to 25 June 2016	Basic interest rate plus 4.0% p.a.	Short-term trade receivables

Banks	Ending balance	Maturity date	Interest rate	Description of collateral(Notes 4, 5.1,6, 8, 13 and 14)
Standard Chartered Bank (Vietnam) Limited – Ha Noi Branch	52,008,263,480	From 18 March 2016 to 16 April 2016	Basic interest rate plus	Short-term trade receivables
Ho Chi Minh City Development Joint Stock Bank - Ha Noi Branch	44,533,876,303	From 4 August 2016 to 25 October 2016	Applicable interest rate per drawdown	Short-term trade receivables
HSBC Bank (Vietnam) Ltd. - Ho Chi Minh Branch	34,737,910,929	From 1 February 2016 to 18 February 2016	Basic interest rate plus 2.0% p.a.	Cash at banks; and short-term trade receivables
Vietnam International Commercial Joint Stock Bank	10,189,116,058	19 May 2016	Applicable interest rate per drawdown	Short-term trade receivables
Military Commercial Joint Stock Bank - Ho Chi Minh Branch	6,559,949,000	5 May 2016	5.5% p.a.	Short-term trade receivables
TOTAL	1,782,961,882,289			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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21.2 Short-term loans from other parties

The Group obtained these loans to finance for its working capital requirements. Details are as follows:

Lenders	Ending balance (VND)	Maturity date	Interest rate (% p.a.)	Description of collateral
Individuals	6,052,922,481	From 10 March 2016 to 9 November 2016	7.5-14.5	Unsecured
Employees	1,549,800,823	On demand	9,0	Unsecured
Vietlink Joint Stock Company	1,520,000,000	31 October 2016	Nil	Capital contribution in The Ascent Real Estate Investment Co., Ltd.
TOTAL	9,122,723,304			

21.3 Long-term loans from banks

The Group obtained these loans to finance for its purchase of machinery and equipment used for construction works. Details are as below:

Bank	Ending balance (VND)	Maturity date	Interest rate	Description of collateral (Notes 11 and 13)
National Citizen Commercial Joint Stock Bank – Sai Gon Branch				
Loan Agreement No.636/14/HDTD/101-11	134,000,113,747	From 30 March 2016 to 30 December 2018	12-month term deposit interest rate plus 3.5% p.a.	The Ascent project
<i>In which:</i>				
<i>Current portion</i>	<i>66,800,000,000</i>			
<i>Non-current portion</i>	<i>67,200,113,747</i>			

Bank	Ending balance (VND)	Maturity date	Interest rate	Description of collateral (Notes 11 and 13)
Bank for Investment and Development of Vietnam – Ho Chi Minh City Branch				
Loan Agreement No.20/2015/101285/HDTD and the Appendix No. PL01/20/2015/101285/HDTD	102,783,350,859	From 4 January 2016 to 4 December 2020	12-month term deposit interest rate plus 3.0% p.a.	Machinery and equipment
<i>In which:</i>				
<i>Current portion</i>	<i>20,937,349,249</i>			
<i>Non-current portion</i>	<i>81,846,001,610</i>			
The Maritime Commercial Joint Stock Bank – Ho Chi Minh Branch				
Loan Agreement No. 194/2015/HDDCV	6,514,641,004	25 December 2016	Applicable interest rate per drawdown	Rights and rewards related to deposit for purchase of Grand River Side apartments
<i>In which:</i>				
<i>Current portion</i>	<i>6,514,641,004</i>			
<i>Non-current portion</i>	<i>-</i>			
Vietnam Joint Stock Commercial Bank for Industry and Trade - District 1 Branch				
Loan Agreement No. 26/2012 HDTD-NDL	5,215,003,860	From 25 January 2016 to 25 July 2017	Basic interest rate plus 4.5% p.a.	Machinery and equipment
<i>In which:</i>				
<i>Current portion</i>	<i>3,312,000,000</i>			
<i>Non-current portion</i>	<i>1,903,003,860</i>			

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Bank	Ending balance (VND)	Maturity date	Interest rate	Description of collateral (Notes 11 and 13)
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh City Branch				
Loan Agreement No.0044/DTDA/15CD	5,185,290,000	From 22 March 2016 to 21 December 2021	Applicable interest rate per drawdown	Machinery and equipment
<i>In which</i>				
Current portion	432,107,500			
Non-current portion	4,753,182,500			
Vietnam Joint Stock Public Bank – Thu Thiem Branch				
Loan Agreement No. 0203/2015/HDTD-PVB-DN.TT	637,500,000	60 months from 27 March 2015	12-month term deposit interest rate plus 3.5% p.a.	Means of transportation
<i>In which:</i>				
Current portion	150,000,000			
Non-current portion	487,500,000			
TOTAL	254,335,899,470			
<i>In which:</i>				
Current portion	98,146,097,753			
Non-current portion	156,189,801,717			

22. OTHER LONG-TERM PROVISIONS

	VND	
	Ending balance	Beginning balance
Construction warranty	56,187,695,438	36,876,185,133
Severance allowance	18,728,212,550	14,594,889,164
TOTAL	74,915,907,988	51,471,074,297

23. OWNERS' EQUITY

23.1 Increases and decreases in owners' equity

	Share capital	Share premium	Treasury shares	Foreign exchange differences reserve	Investment and development fund	Financial reserve fund	Undistributed earnings
Previous year							
Beginning balance	518,754,940,000	301,199,313,203	(110,073,072,979)	-	66,359,647,632	26,045,977,512	148,212,994,786
Issuance of new shares	7,035,900,000	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	-	70,948,169,706
Bonus issuance	47,894,830,000	-	-	-	-	-	(47,894,830,000)
Dividends declared	-	-	-	-	-	-	(24,086,005,770)
Profit appropriation	-	-	-	-	-	3,806,453,766	(3,806,453,766)
Transfers to bonus and welfare fund	-	-	-	-	-	-	(7,785,036,259)
Board of supervision remuneration	-	-	-	-	-	-	(540,000,000)
Ending balance	573,685,670,000	301,199,313,203	(110,073,072,979)	-	66,359,647,632	29,852,431,278	135,048,838,697
Current year							
Beginning balance (previously presented)	573,685,670,000	301,199,313,203	(110,073,072,979)	-	66,359,647,632	29,852,431,278	135,048,838,697
Reclassification (Note 34)	-	-	-	-	29,852,431,278	(29,852,431,278)	-
Beginning balance (reclassified)	573,685,670,000	301,199,313,203	(110,073,072,979)	-	96,212,078,910	-	135,048,838,697
Bonus issuance	172,094,400,000	(172,094,400,000)	-	-	-	-	-
Issuance of new shares	9,818,300,000	-	-	-	-	-	-
Re-issuance of treasury shares	-	(23,061,590,222)	110,073,072,979	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Net profit for the year	83,473,544,889				
Dividends declared	(86,052,850,500)				
Profit appropriation		21,043,900			
Foreign exchange differences reserve		55,562,500			
Capital transaction with non-controlling interest in subsidiaries without changing control				(224,400,000)	
Transfers to bonus and welfare fund (*)					(16,382,262,870)
Board of supervision remuneration					(640,000,000)
Ending balance	755,598,370,000	106,043,322,981	55,562,500	96,233,122,810	115,201,826,316

On 30 July 2015, the Company issued 17,209,440 bonus shares at par value of 10,000 VND/share from share premium to existing shareholders. The transaction was approved under the Shareholders' Resolution No. 01/2015/NQ-DHCD.HBC dated 22 April 2015, and the Board of Director's Resolutions No. 12/2015/NQ-HDQT.HBC dated 8 June 2015. On 11 September 2015, the Department of Planning and Investment of Ho Chi Minh City issued the Amendment Business Registration Certificate approving the increase of share capital. Accordingly, the Company's share capital has been increased from VND 573,685,670,000 to VND 745,780,070,000.

In addition, on 30 October 2015, the Company issued additional 981,830 new shares to its employees under Employee Stock Ownership Plan program at the price of VND 10,000 per share. The transaction was approved under the Shareholders' Resolution No. 01/2015/NQ-DHCD.HBC dated 22 April 2015, and the Board of Director's Resolutions No. 16/2015/NQ-HDQT.HBC dated 8 September 2015. On 14 January 2016, the Department of Planning and Investment of Ho Chi Minh City issued the Amendment Business Registration Certificate approving the increase of share capital. Accordingly, the Company's share capital has been increased from VND 745,780,070,000 to VND 755,598,370,000.

(*) During the year, the Group has temporarily provided investment and development fund and bonus and welfare fund amounting to VND 21,043,900 and VND 16,382,262,870, respectively, appropriated from undistributed earnings in accordance with the Company's charter.

23.2 Capital transactions with shareholders and distribution of dividends

	VND	
	Current year	Previous year
Contributed share capital		
Beginning balance	573,685,670,000	518,754,940,000
Increase	181,912,700,000	54,930,730,000
Ending balance	755,598,370,000	573,685,670,000
Dividends declared		
Dividends payable in cash	86,052,850,500	24,086,005,770
Dividends paid by cash	85,985,657,475	24,776,470,230

23.3 Shares

	Ending balance (shares)	Beginning balance (shares)
Authorised shares	75,559,837	57,368,567
Shares issued and fully paid		
Ordinary shares	75,559,837	57,368,567
Treasury shares		
Ordinary shares	-	(3,972,490)
Shares in circulation		
Ordinary shares	75,559,837	53,396,077

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24. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit after tax for the year (after appropriation for bonus and welfare fund) attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Basic and diluted earnings per share are calculated as follows:

	Current year	Previous year
Net profit for the year attributable to the Company's shareholders (VND)	83,473,544,889	70,948,169,706
Appropriation to bonus and welfare fund (VND) (*)	(16,382,262,870)	(7,785,036,259)
Net profit attributable to ordinary shareholders of the Company (VND)	67,091,282,019	63,163,133,447
Weighted average number of shares (share) (**)	73,395,226	69,973,250
Basic and diluted earnings per share (VND/share)	914	903

(*) Bonus and welfare fund of VND 16,382,262,870 is appropriated from undistributed earnings in accordance with the Company's charter.

Profit after tax used to compute earnings per share for the year 2014 as presented in the financial statements for the year 2014 was restated to reflect the actual allocation to bonus and welfare fund from 2014 retained earnings following the resolution of the Annual General Meeting 2014's Resolution dated 22 April 2015.

(**) The weighted average number of shares in circulation for the year ended 31 December 2014 was adjusted to reflect the issuance of 17,209,440 bonus shares on 30 July 2015 as disclosed in Note 23.1 above.

There have been no dilutive potential ordinary shares during the year and up to the date of these consolidated financial statements.

25. REVENUE

25.1 Revenue from sale of goods and rendering of services

	VND	
	Current year	Previous year
Gross revenue	5,132,816,941,833	3,567,997,030,524
<i>In which:</i>		
Revenue from sale of construction contracts	4,965,567,830,791	3,421,198,618,065
Revenue from sale of real estate properties	106,713,550,448	77,389,011,517
Revenue from sale of merchandises	14,850,673,752	22,921,176,512
Others	45,684,886,842	46,488,224,430
Less	(54,789,692,545)	(49,814,319,517)
<i>In which:</i>		
Sales returns from construction contracts	(54,789,692,545)	(39,711,797,493)
Sales returns from real estate properties	-	(10,102,522,024)
Net revenue	5,078,027,249,288	3,518,182,711,007
<i>In which:</i>		
Revenue from construction contracts (*)	4,910,778,138,246	3,381,486,820,572
Revenue from sale of real estate properties	106,713,550,448	67,286,489,493
Revenue from sale of merchandises	14,850,673,752	22,921,176,512
Others	45,684,886,842	46,488,224,430

(*) Revenue from construction contracts recognised during the year and cumulative revenue of the on-going construction contracts are as follows:

	VND	
	Current year	Previous year
Revenue recognised during the year of the on-going construction contracts	3,313,026,254,512	976,316,302,178
Revenue recognised during the year of the completed construction contracts	1,597,751,883,734	2,405,170,518,394
TOTAL	4,910,778,138,246	3,381,486,820,572
Cumulative revenue recognised up to end of year of the on-going construction contracts	6,665,032,184,953	7,396,161,097,763

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25.2 Finance income

	VND	
	Current year	Previous year
Interest income	84,453,975,221	66,201,789,174
Dividend earned	247,198,500	470,554,500
Realised foreign exchange gains	21,596,531	11,965,627
Others	2,483,982,104	2,993,851,896
TOTAL	87,206,752,356	69,678,161,197

26. COST OF GOODS SOLD AND SERVICES RENDERED

	VND	
	Current year	Previous year
Cost of construction contracts	4,639,265,180,429	2,987,744,917,459
Cost of real estate properties sold	95,170,346,717	66,497,720,680
Costs of merchandises sold	8,321,354,699	17,847,658,896
Others	39,578,648,466	35,886,020,487
TOTAL	4,782,335,530,311	3,107,976,317,522

27. FINANCE EXPENSES

	VND	
	Current year	Previous year
Interest expense	129,763,438,392	96,661,666,555
Realised foreign exchange losses	1,613,166,879	2,060,630,979
Foreign exchange losses arisen from revaluation of monetary accounts denominated in foreign currency	135,631,177	307,112
(Reversal of provision) provision for diminution in value of investments	(280,920,448)	444,754,563
Others	433,341,631	2,040,301
TOTAL	131,664,657,631	99,169,399,510

28. GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	Current year	Previous year
Labour cost	115,675,406,846	77,493,801,986
External services expenses	21,241,007,082	14,605,032,717
Prepayment allocation	15,566,459,508	12,790,142,615
Depreciation and amortisation	5,262,649,834	3,354,609,357
(Reversal of provisions) provisions for doubtful debts	(52,519,813,781)	144,923,622,468
Others	14,534,717,692	26,940,828,582
TOTAL	119,760,427,181	280,108,037,725

29. OTHER INCOME AND EXPENSES

	VND	
	Current year	Previous year
Other income	29,781,451,767	1,850,438,657
Compensation for late payment	25,638,505,754	160,605,165
Others	4,142,946,013	1,689,833,492
Other expenses	(22,897,800,545)	(2,060,605,279)
Write-off of late payment receivables	(12,416,689,791)	-
Loss from disposal of tools and supplies	(3,073,839,282)	(295,963,888)
Loss from disposal of fixed assets	(2,698,278,196)	(520,725,466)
Others	(4,708,993,276)	(1,243,915,925)
OTHER PROFIT (LOSS)	6,883,651,222	(210,166,622)

30. CORPORATE INCOME TAX

The Group has the obligation to pay corporate income tax ("CIT") at the rate of 22% of taxable profits. The tax returns filed by the Group are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the consolidated financial statements could change at a later date upon final determination by the tax authorities.

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30.1 CIT expenses

	VND	
	Current year	Previous year
Current CIT expense	36,260,738,939	22,395,802,727
Adjustments for under accrual of tax from previous years	1,047,566,688	(320,131,459)
Deferred income tax expense (income)	322,960,454	(1,723,003,550)
TOTAL	37,631,266,081	20,352,667,718

30.2 Current tax

The current tax payable is based on taxable profits for the current year. The taxable profits of the Group for the year differs from the profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted at consolidated balance sheet date.

A reconciliation between the accounting profit before tax and taxable profit is presented in the consolidated income statement as below:

	VND	
	Current year	Previous year
Accounting profit before tax	120,466,489,327	89,129,584,926
Adjustments to increase (decrease) accounting profits		
Losses of subsidiaries	83,731,752,966	50,449,316,633
Unrealised loss (profit)	24,522,237,454	(187,926,319)
Change in provision for severance allowance	3,855,000,479	2,150,340,092
Change in accruals	817,726,075	(24,088,786)
Provision for long-term investments	(58,801,655,275)	(37,255,776,126)
Share of (profit) loss from associates and a joint venture	(7,920,467,949)	2,386,484,534
Tools and supplies expenses	(278,391,630)	(173,964,895)
Dividend received	(247,198,500)	(470,554,500)
Others	(2,735,273,664)	(1,646,667,537)
Estimated current taxable profit before tax loss carried forward	163,410,219,283	104,356,748,022
Tax loss carried forward	-	(2,398,025,449)
Estimated current taxable profit after tax loss carried forward	163,410,219,283	101,958,722,573

Estimated current CIT	36,260,738,939	22,430,918,966
CIT deduction	-	(35,116,239)
Estimated CIT after reduction	36,260,738,939	22,395,802,727
CIT payable at beginning of year	18,690,837,262	8,942,284,784
Change in provisional CIT on cash collection	1,937,147,265	(421,456,871)
Adjustments for under(over)accrual of CIT from previous years	1,047,566,688	(320,131,459)
Adjustments for CIT from deemed disposal of a subsidiary	-	559,839,397
CIT paid during the year	(38,095,548,900)	(12,465,501,316)
CIT payable at end of year	19,840,741,254	18,690,837,262
<i>In which:</i>		
CIT payable	19,894,359,495	18,744,455,503
CIT receivable	(53,618,241)	(53,618,241)

30.3 Deferred tax

The following are the deferred tax assets and liability recognised by the Group, and the movements thereon, during the current and prior reporting years.

	Consolidated balance sheet		Consolidated income statement	
	Ending balance	Beginning balance	Current year	Previous year
Deferred tax assets				
Provision for severance allowance	3,752,251,105	3,271,260,916	480,990,189	447,177,224
Unrealised profit	8,983,852,563	3,472,737,311	5,511,115,252	1,339,326,885
Provision for obsolete inventories	47,155,490	47,155,490	-	2,608,149
Accruals	20,940,762	20,940,762	-	13,942,522

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2015

	Consolidated balance sheet		Consolidated income statement	
	Ending balance	Beginning balance	Current year	Previous year
Tools and supplies expenses	(61,246,159)	(38,272,277)	(22,973,882)	7,622,473
Provision for doubtful debts	-	307,119,321	(307,119,321)	164,893,613
Unearned revenue	-	-	-	(252,567,316)
Tax losses carried forward of subsidiaries	10,614,114,491	-	10,614,114,491	-
	23,357,068,252	7,080,941,523	16,276,126,729	1,723,003,550
Deferred tax liability				
Provision for investments in subsidiaries and associates	(16,599,087,183)	-	(16,599,087,183)	-
Deferred income tax (expense) income			(322,960,454)	1,723,003,550

31. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties during the year were as follows:

Related party	Relationship	Transaction	VND	
			Current year	Previous year
		Sub-construction services	216,291,493,345	105,256,863,601
		Loans	13,100,000,000	4,500,000,000
Jesco Hoa Binh Engineering Joint Stock Company	Associate	Reimbursement expense	366,016,152	33,284,215
		Interest income	43,944,445	49,614,849
		Capital contribution	-	318,280,055
Golden Lotus Securities Corporation	Associate	Capital contribution	2,944,000,000	-
		Construction services	610,592,409	103,446,636
Viet Ta Living Corporation	Related party	Sales of equipment	-	321,601,649
		Sub-construction services	58,002,876	38,939,292
	Associate	Loans	-	2,030,000,000
		Interest income	-	179,098,265
Jesco Asia Joint Stock Company	Related party	Capital contribution	-	2,100,000,000
		Dividend received	247,198,500	-
Peace Tour Company	Related party	Purchase of service	-	368,328,697
		Construction services	-	126,931,594

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2015

Amounts due to and due from related parties at the balance sheet date were as follows:

				VND
Related party	Relationship	Transaction	Ending balance	Beginning balance
Short-term trade receivables				
Jesco Hoa Binh Engineering Joint Stock Company	Associate	Construction services	-	842,776,738
Fico Building Materials Trading Company	Related party	Construction services	-	1,000,000,000
Hoa Binh Infrastructure Investment and Construction Joint Stock Company	Associate	Construction services	-	42,833,221
			-	1,885,609,959
Short-term advance to a supplier				
Jesco Hoa Binh Engineering Joint Stock Company	Associate	Sub-construction services	95,987,411,887	35,476,719,069
Construction contract receivable based on agreed progress billings				
Hoa Binh Infrastructure Investment and Construction Joint Stock Company	Associate	Construction services	-	38,939,292
Short-term loan receivable				
Jesco Hoa Binh Engineering Joint Stock Company	Associate	Lending	3,106,027,778	-
Other short-term receivables				
Hoa Binh GS Joint Venture	Joint venture	Guarantee fees	-	355,173,511
Jesco Hoa Binh Engineering Joint Stock Company	Associate	Expenses paid on behalf	-	12,058,032
			-	367,231,543

Short-term trade payables

Jesco Hoa Binh Engineering Joint Stock Company	Associate	Sub-construction services	84,001,747,509	32,675,268,306
Hoa Binh Infrastructure Investment and Construction Joint Stock Company	Associate	Sub-construction services	13,431,627	-
Peace Tour Company	Related party	Sub-construction services	-	267,221,683
Viet Ta Living Corporation	Related party	Purchase of materials	-	161,175,000
			84,015,179,136	33,103,664,989

Short-term accrued expense

Jesco Hoa Binh Engineering Joint Stock Company	Associate	Sub-construction services	114,006,984,747	42,085,880,352
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Other short-term payable

Viet Ta Living Corporation	Related party	Deposit	-	20,000,000
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Remuneration to members the Board of Directors, Board of Supervisor and Management

			VND
	Current year	Previous year	
Salaries and bonus	18,465,817,690	10,954,444,610	

32. COMMITMENTS

Operating lease commitments

The Group leases office premises under operating lease arrangements. The minimum lease commitment as at the balance sheet date under the operating lease arrangement is as follows:

			VND
	Ending balance	Beginning balance	
Less than 1 year	35,441,259,469	26,873,161,867	
From 1 to 5 years	106,684,514,325	92,841,285,452	
Over 5 years	65,369,214,984	61,307,177,022	
TOTAL	207,494,988,778	181,021,624,341	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2015

Construction commitments

The total construction commitments that the Group has entered into in relation to its rendering of construction services as at 31 December 2015 was VND15,368,365,800,132 (31 December 2014: VND 9,801,859,911,970).

33. OFF BALANCE SHEET ITEM

	Ending balance	Beginning balance
Foreign currency - United State Dollar (USD)	23,940	904,762

34. RECLASSIFICATION OF CORRESPONDING FIGURES

Certain corresponding figures on the consolidated financial statements as at and for the year ended 31 December 2014 have been reclassified to reflect the presentation of the current year's consolidated financial statements in accordance with Circular 200. Details are as follows:

	Beginning balance (previously presented)	Reclassification	Beginning balance (reclassified)
CONSOLIDATED BALANCE SHEET			
Cash equivalents	330.125.000.000	(327.725.000.000)	2.400.000.000
Short-term investments	696.463.825.750	(696.463.825.750)	-
Provision for short-term investments	(300.000.000)	300.000.000	-
Held-to-maturity investments	-	982.321.939.208	982.321.939.208
Short-term trade receivables	779.628.678.644	(988.843.740)	778.639.834.904
Short-term advances to suppliers	745.936.494.538	(86.103.451.873)	659.833.042.665
Short-term loan receivables	-	41.866.886.542	41.866.886.542
Other short-term receivables	53.780.245.946	14.595.777.694	68.376.023.640
Provision for doubtful debts	(216.201.351.152)	(300.000.000)	(216.501.351.152)
Short-term prepaid expenses	22.741.627.296	36.250.000	22.777.877.296
Other current assets	14.595.777.694	(14.595.777.694)	-
Long-term trade receivables	-	988.843.740	988.843.740
Long-term advance to suppliers	-	86.103.451.873	86.103.451.873
Other long-term receivables	-	6.867.583.680	6.867.583.680
Long-term prepaid expenses	62.700.004.996	(36.250.000)	62.663.754.996
Other long-term assets	6.867.583.680	(6.867.583.680)	-
Short-term advances from customers	1.039.307.582.061	(19.649.494.278)	1.019.658.087.783

Other short-term payables	150.069.185.304	(88.610.660)	149.980.574.644
Long-term advance from customers	-	154.670.853.387	154.670.853.387
Long-term unearned revenues	135.021.359.109	(135.021.359.109)	-
Other long-term liabilities	20.963.137.585	(14.506.278.504)	6.456.859.081
Other long-term provisions	36.876.185.133	14.594.889.164	51.471.074.297
Financial reserve fund	29.852.431.278	(29.852.431.278)	-
Investment and development fund	66.359.647.632	29.852.431.278	96.212.078.910

CONSOLIDATED INCOME STATEMENT

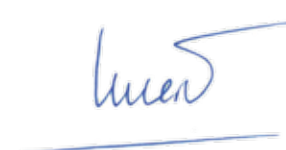
Other income	12,921,458,421	(11,071,019,764)	1,850,438,657
Other expenses	(13,131,625,043)	11,071,019,764	(2,060,605,279)

CONSOLIDATED CASH FLOW STATEMENT

Provisions	157,457,754,592	759,114,041	158,216,868,633
Increase in payables	324,188,525,831	(759,114,041)	323,429,411,790

35. EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events occurring after the balance sheet date which would require adjustments or disclosures to be made in the consolidated financial statements.



Le Thi Phuong Uyen
Preparer
30 March 2016



Nguyen Thi Nguyen Thuy
Chief Accountant



Le Viet Hai
General Director



CHAPTER VII

TYPICAL CONSTRUCTION

PROJECTS IN 2015

1. Typical Construction Projects in The North
2. Typical Construction Projects in The Central
3. Typical Construction Projects in The South
4. Typical Construction Projects in The Foreign countries



VietinBank Tower is currently the highest building in Vietnam (363m). This project requires extreme construction technicality and high accuracy. In particular, the foundation of the 68-storey tower has the concrete block of 5.85 m height and concrete volume of 5300 m³. Hoa Binh has proved that professional capacity of a domestic contractor is good enough to implement such a complex and international level project.



VIETINBANK TOWER

Main Contractor

VietinBank Tower is a complex building with the area of 4 ha, with the scale of 2 basements, 9-storey podium, a 48 storeys luxurious hotel tower and a 68-storey office building. Hoa Binh – Agrimeco joint venture is the main contractor of basement, superstructure and finishing packages.

The total floor area: 330,113.59 m²
 Location: Ciputra Tay Ho Urban Area, Hanoi
 Investor: Vietnam Joint Stock Commercial Bank for Industry and Trade (VietinBank)
 Commencement Date: December 2013
 Completion Date: May 2017

HD MON CITY

Main Contractor



HD Mon City project is located in the prime location of My Dinh urban area. The project consist of two towers with 2 basements and 31-storey tower on an area over 7 ha at the intersection Le Duc Tho – Ham Nghi. 100% of HD Mon City's apartments have intelligently designed with accessing to nature light, green area and infrastructure accounted for more than 13,962m². Once completed, HD Mon City promises to be the ideal retreat for the residents. Joining this project, HBC is the main contractor for the raw and finishing construction package CT1A, CT1B.

Location: My Dinh Urban Area, Tu Liem, Hanoi
 Investor: HAI DANG REI., JSC
 Commencement Date: July 2015
 Estimated Completion Date: April 2017



These “Kingly” apartments of D’ Palais de Louis project covered in gold to form a flawless space and sole in Vietnam, a perfect detailed work, sustainable quality, luxury materials and interiors.



D’ PALAIS DE LOUIS

Main Contractor

D’ PALAIS DE LOUIS is such as a “Timeless Masterpiece”. This is a luxury 27-storey residential tower, with classical architecture simulation Royal Palace of Versailles, luxury furniture and equipment, 5 star standard utilities and services offers the ultimate high class life for each apartment owner.

Investor: Tan Hoang Minh Group
Location: Nguyen Van Huyen Street, Cau Giay District, Hanoi.
Estimated Completion Date: 2017



IMPERIA GARDEN CONDOMINIUM

Contractor

Imperia Garden consists of luxury apartments, duplexes villas and complex area with modern facilities.

Location: 203 Nguyen Huy Tuong, Thanh Xuan District, Hanoi.
Investor: HBI Joint Stock Company
Commencement Date: July 2015
Estimated Completion Date: April 2017

SHP HAI PHONG

Main Contractor

The project of SHP Plaza is a Complex Building of 4-star hotel – Shopping mall and largest luxurious apartments in Hai Phong currently. The project has 2 basements and 28-storey building in the area of more than 3,000m². With intelligent architecture and sophisticated, SHP Plaza is expected upon completion will become the “Jewel of the Port City”
Location: 12 Lach Tray, Ngo Quyen Ward, Hai Phong City.

Investor: Apachem Joint Stock Company (member of VLC Group)
Commencement Date: March 2015
Estimated Completion Date: May 2017



FLC SAM SON BEACH & GOLF RESORT

Main Contractor

FLC Samson Beach & Golf Resort is the largest Golf Court – Resort – Hotel Complex in the Central region with total investment value up to VND 5,500 billion, total area up to 200 ha. With the prestige and construction capacity, the investor has trusted and assigned Hoa Binh to be the main contractor of this super project and complete it in 14 months.

Location: Quang Cu Ward, Sam Son City, Thanh Hoa Province.
Client: FLC Group Joint Stock Company
Commencement Date: May 2014
Completion Date: July 2015



FORMOSA NEW HOUSING PROJECT

Main Contractor Design & Build

New housing project is a area of adjacent 2-storey townhouse includes infrastructure, kindergartens, department stores and wastewater treatment plant on an area of 5.9 ha. Hoa Binh is participating as Design and Build contractor.

Location: Vung Anh Economic Zone, Ky Long Commune, Ky Anh District, Ha Tinh Province

Investor: FORMOSA HA TINH STEEL CORPORATION

Commencement Date: April 2016

Estimated Completion Date: January 2017

MIPEC NHA TRANG

Main Contractor

MIPEC Nha Trang is a hotel complex consists of one basement and 26 storeys which is divided into 2 main buildings: 26-storey buildings including serviced apartments and hotel rooms; podium including shopping mall, public utilities and hotel services.

Location: 62 Tran Phu, Loc Tho Ward, Nha Trang City

Investor: 319 Corporation và Miliraty Petrochemical Joint Stock Company

Commencement Date: April 2015

Estimated Completion Date: September 2016



PEARL PLAZA (SSG)

Main Contractor

Pearl Plaza is located at the previous position of Van Thanh market. This is the first project at gold land plots in HCMC in which the City's People Committee selected the project development investor by public tenders. Pearl Plaza has the scale of 4 basements and 32 storeys.

Location: 561 Dien Bien Phu Street, Binh Thanh District, HCMC

Investor: SSG Van Thanh Joint Stock Company

Commencement Date: October 2013

Completion Date: July 2015



SAIGON CENTRE PHASE 2&3

General Contractor

Saigon Centre phase 2&3 has the deepest basement in Vietnam currently (28m depth). The project consists of 6 basements and a 37-storeys building. After completion, the project will become an ideal destination for shopping and lifestyle in Ho Chi Minh City. Saigon Centre phase 2&3 is one of the key projects of Hoa Binh. This is the project that Hoa Binh has participated in international tender and become the domestic contractor who has won this large scale project.

Location: No. 92-97 Nam Ky Khoi Nghia Street, District 1, HCMC.
Investor: Keppel Land WATCO II and Keppel Land WATCO III
Commencement Date: March 2014
Estimated Completion Date: December 2017

(GERMAN HOUSE)

General Contractor

German House consists of 4 basements, 25-storeys building; when completed will be the work place of Consulate General, enterprises of Federal Republic of Germany in Ho Chi Minh City, a great base for German companies located their offices, investment and promote the relationship between Vietnam and Germany. This project is considered as pioneering creative high-grade office building and energy savings. The project will also be the first building in Vietnam to achieve LEED gold standard which is granted by the US Green Building Council.

Location: 33 Le Duan, District 1, HCMC
Investor: DEUTSCHES HAUS HO CHI MINH STADT LTD.
Commencement Date: November 2015
Estimated Completion Date: March 2017



ESTELLA HEIGHTS PHASE 2

Main Contractor

Estella Heights Phase 2 consists of 2 basements, 2 facade 34-storeys buildings and 2 inside 33-storeys buildings. This project is aimed at the market segment for high-income people and meets the growing demand for complete planning residential areas. EstellaHeights project was built according to the BCA Green Mark Standards (Residential Building).

Location: Hanoi Highway, An Phu Ward, District 2, HCMC
Investor: Keppel Land and Tien Phuoc Joint Venture
Commencement Date: November 2015
Estimated Completion Date: June 2017





With luxurious and modern architecture, the building make up a beautiful highlight landscape contributes to the modernization of the city and operated by Starwood (USA) with Le Meridien Brand. Specially, this is the first 5-star international standard hotel project in HCMC by Vietnamese company as an investor and main constructed by domestic contractor.



5 STAR HOTEL LE MERIDIEN

General Contractor

Le Meridien is a complex building of 5-star international standard hotel and class A office building. The project has a total floor area of 43,625 m², including 3 basements, 24 storeys, 350 rooms, 13,972 m² of class A office floors with a total investment of about USD 120 million.

Location: 3C Ton Duc Thang, District 1, HCMC
Investor: TIEN PHUOC& 990 CO., LTD
Commencement Date: October 2010
Completion Date: August 2015



METROLINE 1, which marked the Company’s transition to the infrastructure construction, paved the way for Hoa Binh to win the tender of DEPOT THAM LUONG project – the first construction project that HCMC Management Agent of Urban Railways assigned a domestic contractor as the main contractor.



METROLINE 1 Sub-Contractor

Metroline 1 Ben Thanh – Suoi Tien project is the transportation infrastructure project which received full research support in 2006 from Japan Bank for International Cooperation (JB IC) and approved by HCMC People’s Committee. JB IC agreed to lend ODA investment capital by the Loan Agreement No. VNX IV-III signed with the Government of Vietnam on 30th March, 2007.

Hoa Binh has participated in construction of 6 stops along Hanoi Highway, starting from Sai Gon Bridge to Hi-Tech Park in District 9, including: Thao Dien, Phuoc Long, Rach Chiec Bridge, Binh Thai, Thu Duc, Hi-Tech Park District 9.

During the construction process, Joint Venture NJPT – Consultants, the representative of the Client in Project Metroline 1 sent commendation letter to Safety Agency of Hoa Binh at this construction site. Particularly, Hoa Binh’s Safety Agency had the initiative of taking advantage of construction wastes to be recycled into tools and equipments of highly efficient safety equipments, which helped to save cost and labor. They have evaluated this project as the epitome of professionalism, contributing to protect the living and working environment; simultaneously they also suggested other contractors in the project should learn and apply those initiatives by Hoa Binh.



HOLM RESIDENCES Main Contractor

Holm Residences project is considered beautiful riverside residential areas including 29 villas which designed in 3 different architectural styles: Riverside villas, pool villas and garden villas. Hoa Binh is the main contractor of the raw construction and finishing as well as all the items of the field, infrastructure and outside utilities.

Location: Thao Dien Ward, District 2, HCMC

Investor: Sapphire Vietnam

Commencement Date: September 2015

Estimated Completion Date: September 2016



DEPOT THAM LUONG (METROLINE 2 BEN THANH – THAM LUONG)

Main Contractor

Office building and ancillary works at Depot Tham Luong belong to the Metroline 2 Ben Thanh – Tham Luong project. Hoa Binh is the main contractor for the whole architecture and structure, M&E, and technical infrastructure. The project has the scale of one 8-storey tower and 1 basement.

Location: District 12, HCMC
Investor: HCMC Management Agent of Urban Railways
Commencement Date: January 2015
Estimated Completion Date: June 2016



GALAXY 9

Main Contractor

The Galaxy 9 Apartment Project has the scale of 1 basement and 2 towers of 21-storey height. Hoa Binh is the main contractor of the whole structure, finishing and M&E work packages with the total value of more than VND 350 billion.

Location: No.9 Nguyen Khoai Street, Ward 1, District 4, HCMC
Investor: Tan Thuan Viet Commercial and Real Estate Joint Stock Company
Commencement Date: April 2014
Completion Date: December 2015



THE ASCENT CONDOMINIUMS

D&B General Contractor

The Ascent Condominiums has the scale of two 29-storey towers with 280 apartments in accordance with Singaporean standards and was built on the area of 6,677 m². Hoa Binh is the main contractor in the role of the Design & Build (D&B) contractor. Besides, Hoa Binh House Corporation (HBH) will exclusively distribute this project.

Location: No. 58 Quoc Huong Street, Thao Dien Ward, District 2, HCMC
Investor: Tien Phat Real Estate Investment Limited Company
Commencement Date: January 2015
Estimated Completion Date: December 2016



The Venica project has only 43 villas in the area of 3ha, located on an island with 4 sides of natural canal system which has been renovated by investors. This project will become a very ideal living space. Hoa Binh is the main contractor of raw and finishing package.

Location: Do Xuan Hop Street, District 9, HCMC
Investor: Khang Dien House Trading and Investment Joint Stock Company
Commencement Date: April 2015
Estimated Completion Date: May 2016

VENICA VILLAS

Main Contractor



THE PROJECT OF EXPANSION TERMINAL 2 – TAN SON NHAT INTERNATIONAL AIRPORT (PHASE 1)

Main Contractor

The project Terminal 2 – Tan Son Nhat International Airport is divided into 2 phases. Phase 1: expansion to the East and Phase 2: expansion to the West after Phase 1 is brought in use.

In Phase 1, Hoa Binh leads the joint venture of 5 domestic contractors and takes charge of constructing the whole structure, architecture, M&E and infrastructure with specific airport equipment.

After the expansion, Terminal 2 – Tan Son Nhat International Airport promises a loading capacity of around 13 million passengers/ year, 3 million increases compared to the previous one.

Location: Truong Son Street, Tan Binh District, HCMC

Investor: Tổng Công ty Cảng Hàng không Việt Nam

Commencement Date: June 2015

Estimated Completion Date: August 2016



SUNRISE CITY PLOT CENTRAL

Main Contractor

Sunrise City Plot Central is the commercial and luxury apartment complex, with the scale of a 5-storey podium and 4 buildings of 30, 31 storey heights. Novaland has trusted and assigned the project tender to Hoa Binh after Hoa Binh excellently completed the project Sunrise City Plot V as the subcontractor.

Location: Nguyen Huu Tho Street, Tan Hung Ward, District 7, HCMC

Investor: Novaland Group

Commencement Date: January 2013

Completion Date: October 2015



ICON 56
Main Contractor

The project of ICON 56 apartment is located in area of 3,000m², with the scale of 25 storey building and 2 basements with 300 apartments and many utilities attached as rooftop pool, gym, convenience stores, shopping mall and entertainment. Hoa Binh is the main contractor for the structure, finishing and MEP system.

Location: 56 Ben Van Don, District 4, HCMC
Investor: Novaland Investment Joint Stock Company
Commencement Date: April 2014
Completion Date: September 2015



SORA GARDENS 1
Main Contractor

Sora Gardens 1 is a luxury apartment with scale of 400 apartments with 4-storey podium, 24-storey of tower A and B. Location: Hoa Phu Ward, Binh Duong New City, Binh Duong Province.

Investor: Becamex Tokyu Co., Ltd
Commencement Date: July 2013
Completion Date: March 2015



AN GIANG GENERAL HOSPITAL

Main Contractor

An Giang General Hospital has the scale of 600 beds and 10-storey height with the investment capital of 1,282 billion VND. This is the first hospital in the Western region of Vietnam which has a helipad. In June 2013, An Giang People's Committee awarded Certificate of Merit for Excellent Completion of the construction packages.

Location: My Phuoc Ward, Long Xuyen City, An Giang Province

Investor: An Giang General Hospital

Commencement Date: June 2012

Completion Date: April 2016



PHU QUOCCASINO

Contractor

Phu Quoc Casino is located in the community of resort, sightseeing, entertainment which is comprehensive with Vinpearl Phu Quoc. Hoa Binh is the contractor constructs two 4 and 5-star hotel buildings and basement with an area of 12,000m².

Location: Bai Dai, Phu Quoc Island, Kien Giang Province,

Investor: Vingroup

Commencement Date: January 2016

Estimated Completion Date: December 2016



INTERCONTINENTAL RESORT PHU QUOC

Main Contractor

Intercontinental Resort Phu Quoc is a 5-star hotel project, with the scale of a main 20-storey tower and five small 7-storey towers. Hoa Binh is the main contractor of reinforced concrete for the structure and basic finishing.

Location: Duong To Commune, Phu Quoc Island District, Kien Giang Province

Investor: Phu Quoc Syrena Property Joint Stock Company

Commencement Date: January 2015



JW MARRIOTT HOTEL PHU QUOC

Main Contractor

JW Marriot is located within the project area of Eco-tourism and high end resort on Bai Khem Phu Quoc Sun. According to the master plan, the Eco-resort and luxury resort Bai Khem Phu Quoc Sun with the area of over 138 ha will be divided into 4 projects with well-known brands from experienced hotel and restaurant management groups in the world such as JW Marriot, Intercontinental, Sofitel, and Pullman. Hoa Binh is the main contractor for foundation construction from block B1 to B8 of JW Marriot Hotel.

Location: Bai Khem, Phu Quoc Island, Kien Giang Province

Investor: Phu Quoc Sun Company Limited

Commencement Date: December 2014

Estimated Completion Date: June 2016



GEMS – MYANMAR

Construction Management

On 6th March 2015, after 19 months with full of hard construction work and responsibility, Hoa Binh made efforts to complete tasks, met every strict requirement from the client, successfully built the model of construction organization and management. Especially, Hoa Binh also succeeded in enhancing labor productivity and work efficiency for local sub-contractors, which helped shorten the concrete progress from 19 days/ floor to 6 days/ floor.

GEMS is Hoa Binh's first project in Myanmar, as well as the first project of Vietnamese construction contractor provided such project management service in Myanmar. Currently, GEMS is one of the 2 high rise projects in Yangon City, Myanmar.

Location: Yangon, Myanmar
Investor: Capital Development Limited (CDL)
Commencement Date: August 2013
Completion Date: October 2015

DESA GREEN

Project Management

The project consists of 2,080 apartments including 3 blocks, 7 basements and 42-storey tower with the building area of 235,000m².

Location: Kuala Lumpur, Malaysia
Investor: UOA Group (Malaysia)
Commencement Date: January 2013
Completion Date: February 2016



LE YUAN RESIDENCE

Project Management

Le Yuan project is luxury condominium with 670 apartments and the first project has the artificial beach in Kuala Lumpur.

The total investment value of approximately USD125 million.

Location: Kuala Lumpur, Malaysia
Investor: UOA Group (Malaysia)
Commencement Date: March 2012
Completion Date: October 2014

SUBSIDIARY COMPANIES

Hoa Binh Representative office in Hanoi
Address: 15B Nguyen Thuong Hien Street, Nguyen Du Ward, Hai Ba Trung District, Hanoi
Tel: (84.4) 3975 8690 – 3795 8692;
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MATEC MATEC CONSTRUCTION MACHINERY CO., LTD
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MHB MOC HOA BINH JSC
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HBP HOA BINH PAINT CO., LTD
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Website: <http://www.hodastone.com.vn>

HHN HOA BINH HANOI CONSTRUCTION & REAL ESTATE CO., LTD
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