



**Ha Long Canned Food  
Joint Stock Corporation**

Consolidated Financial Statements for  
the year ended 31 December 2015



## Ha Long Canned Food Joint Stock Corporation Corporate Information

### Business Registration

Certificate No.

0200344752

5 March 1999

The Company's Business Registration Certificate has been amended several times, the most recent of which is by Business Registration Certificate No. 0200344752 dated 4 March 2014. The Business Registration Certificate was issued by the Hai Phong Department of Planning and Investment.

|                            |  |  |
|----------------------------|--|--|
| <b>Board of Management</b> | Mr. Pham Huu Quy Lam<br>Mr. Bui Quoc Hung<br>Mr. Nguyen Van Binh<br>Mr. Mai Xuan Phong<br>Mr. Tran Huu Hoang<br>Mr. Lam Hong Thanh | Chairman<br>Vice Chairman<br>Member<br>Member<br>Member <i>(from 10 April 2015)</i><br>Member <i>(until 9 April 2015)</i>  |
| <b>Board of Directors</b>  | Mr. Nguyen Van Binh<br>Ms. Pham Thi Thu Nga  | General Director<br>Deputy General Director  |
| <b>Supervisory Board</b>   | Mr. Dang Quoc Viet<br>Mr. Nguyen Thanh Chanh<br>Mr. Tran Phuoc Thai<br>Mr. Ngo Van Duy Nhat<br>Ms. Doan Thi Chin                   | Chairman <i>(from 13 August 2015)</i><br>Chairman <i>(until 12 August 2015)</i><br>Member<br>Member <i>(from 12 August 2015)</i><br>Member <i>(until 12 August 2015)</i> |
| <b>Registered Office</b>   | 71 Le Lai<br>Ngo Quyen District<br>Hai Phong City<br>Vietnam   |  |
| <b>Auditor</b>             | KPMG Limited<br>Vietnam  |  |

## **Ha Long Canned Food Joint Stock Corporation Statement of the Board of Directors**

The Board of Directors of Ha Long Canned Food Joint Stock Corporation (“the Company”) presents this statement and the accompanying consolidated financial statements of the Company for the year ended 31 December 2015.

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises and the relevant statutory requirements applicable to financial reporting. In the opinion of the Board of Directors:

- (a) the consolidated financial statements set out on pages 5 to 38 give a true and fair view of the consolidated financial position of the Company as at 31 December 2015, and of the consolidated results of operations and the consolidated cash flows of the Company for the year then ended in accordance with the Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Company will not be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised the accompanying consolidated financial statements for issue.

On behalf of the Board of Directors



Nguyen Van Binh  
General Director

Hai Phong, 28 MAR 2016



**KPMG Limited**

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Vietnam

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## **INDEPENDENT AUDITORS' REPORT**

### **To the Shareholders Ha Long Canned Food Joint Stock Corporation**

We have audited the accompanying consolidated financial statements of Ha Long Canned Food Joint Stock Corporation ("the Company"), which comprise the consolidated balance sheet as at 31 December 2015, the related consolidated statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Directors on 28 MAR 2016, as set out on pages 5 to 38.

### **Management's Responsibility**

The Company's Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises and the relevant statutory requirements applicable to financial reporting, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

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





## Auditor's Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Ha Long Canned Food Joint Stock Corporation as at 31 December 2015 and of its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises and the relevant statutory requirements applicable to financial reporting.

~~KPMG Limited~~  
Vietnam

Audit Report No. 15-02-084/d



Tran Anh Quan  
Practicing Auditor Registration  
Certificate No. 0306-2013-007-1  
*Deputy General Director*

Hanoi, 28 MAR 2016

Lai Thuy Linh  
Practicing Auditor Registration  
Certificate No. 2040-2013-007-1

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**Ha Long Canned Food Joint Stock Corporation**  
**Consolidated balance sheet as at 31 December 2015**

**Form B 01 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

|  | Code       | Note      | 31/12/2015<br>VND      | 1/1/2015<br>VND<br>Reclassified |
|--|------------|-----------|------------------------|---------------------------------|
| <b>ASSETS</b>  |            |           |                        |                                 |
| <b>Current assets</b><br>(100 = 110 + 120 + 130 + 140 + 150) | <b>100</b> |           | <b>170,043,297,574</b> | <b>136,657,037,795</b>          |
| <b>Cash and cash equivalents</b>                             | <b>110</b> | <b>6</b>  | <b>16,887,751,473</b>  | <b>14,127,622,047</b>           |
| Cash   | 111        |           | 16,887,751,473         | 14,127,622,047                  |
| <b>Short-term financial investments</b>                      | <b>120</b> | <b>7</b>  | <b>2,364,372,600</b>   | <b>2,079,449,600</b>            |
| Trading securities   | 121        |           | 5,648,780,000          | 5,648,780,000                   |
| Allowance for diminution in the value of trading securities  | 122        |           | (3,284,407,400)        | (3,569,330,400)                 |
| <b>Accounts receivable – short-term</b>                      | <b>130</b> |           | <b>27,174,054,889</b>  | <b>18,076,914,553</b>           |
| Accounts receivable from customers                           | 131        | 8         | 16,496,283,449         | 15,077,190,996                  |
| Prepayments to suppliers                                     | 132        |           | 2,014,073,875          | 2,391,755,316                   |
| Other receivables  | 136        | 9         | 15,381,659,578         | 7,439,877,443                   |
| Allowance for doubtful debts                                 | 137        | 10        | (6,919,350,415)        | (6,844,049,452)                 |
| Shortage of assets awaiting resolution                       | 139        |           | 201,388,402            | 12,140,250                      |
| <b>Inventories</b>   | <b>140</b> | <b>11</b> | <b>121,610,930,650</b> | <b>99,622,361,321</b>           |
| Inventories  | 141        |           | 123,000,514,046        | 101,045,473,773                 |
| Allowance for inventories                                    | 149        |           | (1,389,583,396)        | (1,423,112,452)                 |
| <b>Other current assets</b>                                  | <b>150</b> |           | <b>2,006,187,962</b>   | <b>2,750,690,274</b>            |
| Short-term prepaid expenses                                  | 151        | 15(a)     | 286,515,730            | 189,608,387                     |
| Deductible value added tax                                   | 152        |           | 1,719,672,232          | 2,192,388,415                   |
| Taxes and other receivables from State Treasury              | 153        | 17(b)     | -                      | 368,693,472                     |
| <b>Long-term assets (200 = 210 + 220 + 240 + 260)</b>        | <b>200</b> |           | <b>64,085,471,790</b>  | <b>59,564,363,399</b>           |
| <b>Accounts receivable – long-term</b>                       | <b>210</b> |           | <b>296,000,000</b>     | <b>318,000,000</b>              |
| Other long-term receivables                                  | 216        | 9         | 296,000,000            | 318,000,000                     |
| <b>Fixed assets</b>  | <b>220</b> |           | <b>60,218,326,497</b>  | <b>56,843,309,683</b>           |
| Tangible fixed assets  | 221        | 12        | 47,686,154,295         | 44,311,137,481                  |
| Cost   | 222        |           | 123,716,899,459        | 131,083,611,646                 |
| Accumulated depreciation                                     | 223        |           | (76,030,745,164)       | (86,772,474,165)                |
| Intangible fixed assets                                      | 227        | 13        | 12,532,172,202         | 12,532,172,202                  |
| Cost   | 228        |           | 12,532,172,202         | 12,532,172,202                  |
| <b>Long-term work in progress</b>                            | <b>240</b> |           | <b>1,833,461,590</b>   | <b>1,612,961,590</b>            |
| Construction in progress                                     | 242        | 14        | 1,833,461,590          | 1,612,961,590                   |
| <b>Other long-term assets</b>                                | <b>260</b> |           | <b>1,737,683,703</b>   | <b>790,092,126</b>              |
| Long-term prepaid expenses                                   | 261        | 15(b)     | 1,737,683,703          | 790,092,126                     |
| <b>TOTAL ASSETS (270 = 100 + 200)</b>                        | <b>270</b> |           | <b>234,128,769,364</b> | <b>196,221,401,194</b>          |

*The accompanying notes are an integral part of these consolidated financial statements*

**Ha Long Canned Food Joint Stock Corporation**  
**Consolidated balance sheet as at 31 December 2015 (continued)**

**Form B 01 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

|   | Code       | Note      | 31/12/2015<br>VND      | 1/1/2015<br>VND<br>Reclassified |
|---|------------|-----------|------------------------|---------------------------------|
| <b>RESOURCES</b>                            |            |           |                        |                                 |
| <b>LIABILITIES (300 = 310 + 330)</b>        | <b>300</b> |           | <b>113,256,545,610</b> | <b>80,588,758,864</b>           |
| <b>Current liabilities</b>                  | <b>310</b> |           | <b>112,985,259,895</b> | <b>80,317,473,149</b>           |
| Accounts payable to suppliers               | 311        | 16        | 59,721,634,346         | 41,158,318,076                  |
| Advances from customers                     | 312        |           | 2,527,371,396          | 3,098,810,779                   |
| Taxes payable to State Treasury             | 313        | 17(a)     | 6,976,712,423          | 4,255,765,252                   |
| Payables to employees                       | 314        |           | 9,825,374,749          | 12,101,964,797                  |
| Accrued expenses                            | 315        | 18        | 2,828,837,612          | 5,310,815,200                   |
| Other payables – short-term                 | 319        | 19        | 605,711,720            | 457,349,988                     |
| Short-term borrowings                       | 320        | 20        | 21,780,000,000         | 5,916,339,109                   |
| Provisions – short-term                     | 321        | 21        | 5,458,254,250          | 5,458,254,250                   |
| Bonus and welfare fund                      | 322        | 22        | 3,261,363,399          | 2,559,855,698                   |
| <b>Long-term liabilities</b>                | <b>330</b> |           | <b>271,285,715</b>     | <b>271,285,715</b>              |
| Other payables – long-term                  | 337        |           | 271,285,715            | 271,285,715                     |
| <b>EQUITY (400 = 410)</b>                   | <b>400</b> |           | <b>120,872,223,754</b> | <b>115,632,642,330</b>          |
| <b>Owners' equity</b>                       | <b>410</b> | <b>23</b> | <b>120,872,223,754</b> | <b>115,632,642,330</b>          |
| Share capital                               | 411        | 24        | 50,000,000,000         | 50,000,000,000                  |
| - Ordinary shares with voting rights        | 411a       |           | 50,000,000,000         | 50,000,000,000                  |
| Capital surplus/Share premium               | 412        | 24        | 15,753,387,350         | 15,753,387,350                  |
| Investment and development fund             | 418        | 26        | 27,648,023,735         | 24,999,675,631                  |
| Retained profit                             | 421        |           | 27,470,812,669         | 24,879,579,349                  |
| - Retained profit brought forward           | 421a       |           | 13,748,448,544         | 7,223,925,317                   |
| - Retained profit for the current year      | 421b       |           | 13,722,364,125         | 17,655,654,032                  |
| <b>TOTAL RESOURCES</b><br>(440 = 300 + 400) | <b>440</b> |           | <b>234,128,769,364</b> | <b>196,221,401,194</b>          |

28 MAR 2016

Prepared by:



Vu Thi Thao  
Chief Accountant



Approved by:



Nguyen Van Binh  
General Director

*The accompanying notes are an integral part of these consolidated financial statements*



**Ha Long Canned Food Joint Stock Corporation**  
**Consolidated statement of income for the year ended 31 December 2015**

**Form B 02 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

|   | Code      | Note      | 2015<br>VND            | 2014<br>VND            |
|---|-----------|-----------|------------------------|------------------------|
| Revenue from sales of goods and provision of services                   | 01        | 28        | 439,460,172,707        | 416,635,534,640        |
| Revenue deductions  | 02        | 28        | 7,888,569,387          | 11,322,699,306         |
| <b>Net revenue (10 = 01 - 02)</b>                                       | <b>10</b> | <b>28</b> | <b>431,571,603,320</b> | <b>405,312,835,334</b> |
| Cost of sales   | 11        | 29        | 326,674,119,795        | 293,793,497,042        |
| <b>Gross profit (20 = 10 - 11)</b>                                      | <b>20</b> |           | <b>104,897,483,525</b> | <b>111,519,338,292</b> |
| Financial income  | 21        | 30        | 969,998,642            | 599,200,109            |
| Financial expenses  | 22        | 31        | 1,542,607,424          | 174,476,405            |
| <i>In which: Interest expense</i>                                       | 23        |           | 597,999,981            | 628,756,220            |
| Selling expenses  | 25        | 32        | 54,729,713,576         | 49,760,155,834         |
| General and administration expenses                                     | 26        | 33        | 35,453,359,965         | 39,022,139,097         |
| <b>Net operating profit</b><br><b>{30 = 20 + (21 - 22) - (25 + 26)}</b> | <b>30</b> |           | <b>14,141,801,202</b>  | <b>23,161,767,065</b>  |
| Other income  | 31        | 34        | 4,925,465,932          | 6,531,150,838          |
| Other expenses  | 32        | 35        | 621,538,027            | 6,682,206,379          |
| <b>Results of other activities (40 = 31 - 32)</b>                       | <b>40</b> |           | <b>4,303,927,905</b>   | <b>(151,055,541)</b>   |
| <b>Accounting profit before tax</b><br><b>(50 = 30 + 40)</b>            | <b>50</b> |           | <b>18,445,729,107</b>  | <b>23,010,711,524</b>  |
| Income tax expense – current  | 51        | 37        | 4,723,364,982          | 5,355,057,492          |
| <b>Net profit after tax (60 = 50 - 51)</b>                              | <b>60</b> |           | <b>13,722,364,125</b>  | <b>17,655,654,032</b>  |
| <b>Earnings per share</b>   |           |           |                        |                        |
| Basic earnings per share  | 70        | 38        | 2,607                  | 3,531                  |

**28 MAR 2016**

Prepared by:



Vu Thi Thao  
Chief Accountant



Approved by:



Nguyen Van Binh  
General Director

*The accompanying notes are an integral part of these consolidated financial statements*



**Ha Long Canned Food Joint Stock Corporation**  
**Consolidated statement of cash flows for the year ended 31 December 2015**  
**(Indirect method)**

**Form B 03 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

|  | Code      | Note | 2015<br>VND            | 2014<br>VND            |
|--|-----------|------|------------------------|------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |           |      |                        |                        |
| <b>Profit before tax</b>   | <b>01</b> |      | <b>18,445,729,107</b>  | <b>23,010,711,524</b>  |
| <b>Adjustments for</b>   |           |      |                        |                        |
| Depreciation and amortisation  | 02        |      | 7,326,366,192          | 7,816,962,781          |
| Allowances and provisions  | 03        |      | (243,151,093)          | (114,431,252)          |
| Exchange losses arising from revaluation of monetary items denominated in foreign currencies | 04        |      | 141,702,355            | -                      |
| Profits from investing activities  | 05        |      | (4,187,099,209)        | (615,110,409)          |
| Interest expense   | 06        |      | 597,999,981            | 628,756,220            |
| <b>Operating profit before changes in working capital</b>                                    | <b>08</b> |      | <b>22,081,547,333</b>  | <b>30,726,888,864</b>  |
| Change in receivables  | 09        |      | (8,659,986,293)        | (9,792,535,516)        |
| Change in inventories  | 10        |      | (21,955,040,273)       | (12,757,423,317)       |
| Change in payables and other liabilities   | 11        |      | 16,216,213,685         | 17,618,987,900         |
| Change in prepaid expenses   | 12        |      | (1,044,498,920)        | (262,739,360)          |
|  |           |      | <b>6,638,235,532</b>   | <b>25,533,178,571</b>  |
| Interest paid  | 14        |      | (578,816,931)          | (628,756,220)          |
| Income tax paid  | 15        |      | (4,493,306,960)        | (10,251,725,652)       |
| Other payments for operating activities  | 17        |      | (281,275,000)          | (1,481,450,316)        |
| <b>Net cash flows from operating activities</b>  | <b>20</b> |      | <b>1,284,836,641</b>   | <b>13,171,246,383</b>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |           |      |                        |                        |
| Payments for additions to fixed assets and other long-term assets                            | 21        |      | (10,944,839,121)       | (9,324,881,625)        |
| Proceeds from disposals of fixed assets and other long-term assets                           | 22        |      | 4,099,955,322          | 309,700,000            |
| Collections on investments in other entities   | 26        |      | -                      | 303,300,000            |
| Receipts of interests and dividends  | 27        |      | 110,100,002            | 305,410,409            |
| <b>Net cash flows from investing activities</b>  | <b>30</b> |      | <b>(6,734,783,797)</b> | <b>(8,406,471,216)</b> |

*The accompanying notes are an integral part of these consolidated financial statements*

**Ha Long Canned Food Joint Stock Corporation**  
**Consolidated statement of cash flows for the year ended 31 December 2015**  
**(Indirect method – continued)**

**Form B 03 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

|   | Code      | Note     | 2015<br>VND           | 2014<br>VND             |
|---|-----------|----------|-----------------------|-------------------------|
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                 |           |          |                       |                         |
| Proceeds from borrowings  | 33        |          | 71,465,717,147        | 43,101,001,730          |
| Payments to settle loan principals  | 34        |          | (55,756,873,256)      | (48,466,622,684)        |
| Payments of dividends   | 36        |          | (7,500,000,000)       | (7,500,000,000)         |
| <b>Net cash flows from financing activities</b>                             | <b>40</b> |          | <b>8,208,843,891</b>  | <b>(12,865,620,954)</b> |
| <b>Net cash flows during the year</b><br>(50 = 20 + 30 + 40)                | <b>50</b> |          | <b>2,758,896,735</b>  | <b>(8,100,845,787)</b>  |
| Cash and cash equivalents at the beginning of the year                      | 60        | 6        | 14,127,622,047        | 22,228,467,834          |
| Effect of exchange rate fluctuations on cash and cash equivalents           | 61        |          | 1,232,691             | -                       |
| <b>Cash and cash equivalents at the end of the year</b> (70 = 50 + 60 + 61) | <b>70</b> | <b>6</b> | <b>16,887,751,473</b> | <b>14,127,622,047</b>   |

28 MAR 2016

Prepared by:



Vu Thi Thao  
Chief Accountant

Approved by:



Nguyen Van Binh  
General Director

*The accompanying notes are an integral part of these consolidated financial statements*

**Ha Long Canned Food Joint Stock Corporation**  
**Notes to the consolidated financial statements for the year ended 31 December 2015**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

These notes form an integral part of and should be read in conjunction with the accompanying consolidated financial statements.

**1. Reporting entity**

**(a) Ownership structure**

Ha Long Canned Food Joint Stock Corporation (“the Company”) is incorporated as a joint stock company in Vietnam. The consolidated financial statements of the Company for the year ended 31 December 2015 comprise the Company and its subsidiary.

**(b) Principal activities**

The principal activities of the Company and its subsidiary are:

- trading real estate, land use rights of land owners, land users or land lessees;
- producing, processing, packaging and exporting aquatic products, sea products, frozen animal husbandry products and other food products;
- importing equipment, technologies, raw materials, chemicals used for manufacturing the Company’s products;
- producing fish liver oil and processed soft capsules;
- producing processed products from marine algae: Agar – Alginate; and
- trading petrol, oil, gas and liquefied gas.

**(c) Normal operating cycle**

The normal operating cycle of the Company and its subsidiary is generally within 12 months.

**(d) Group structure**

As at 31 December 2015, the Company had 1 subsidiary (1/1/2015: 1 subsidiary) as follow:

| Name of subsidiary                        | Principal activities   | 31/12/2015 and 1/1/2015 |                            |
|---|--|-------------------------|----------------------------|
|   |  | Registered ownership    | Interest and voting rights |
| Ha Long Canfoco – Da Nang Company Limited | Processing and storage of fish and fish products, processing and storage of meat and meat products, processing and storage of vegetables and fruits, production of livestock and poultry feed and aquatic products, and acting as dealers and agents | 100%                    | 100%                       |

As at 31 December 2015, the Company and its subsidiary had 796 employees (1/1/2015: 842 employees).



**Ha Long Canned Food Joint Stock Corporation**  
**Notes to the consolidated financial statements for the year ended 31 December 2015**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**2. Basis of preparation**

**(a) Statement of compliance**

The consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises and the relevant statutory requirements applicable to financial reporting.

**(b) Basis of measurement**

The consolidated financial statements, except for the consolidated statement of cash flows, are prepared on the accrual basis using the historical cost concept. The consolidated statement of cash flows is prepared using the indirect method.

**(c) Annual accounting period**

The annual accounting period of the Company and its subsidiary is from 1 January to 31 December.

**(d) Accounting and presentation currency**

The Company's accounting currency is Vietnam Dong ("VND"), which is also the currency used for consolidated financial statement presentation purpose.

**3. Adoption of new guidance on accounting system for enterprises**

On 22 December 2014, the Ministry of Finance issued Circular No. 200/2014/TT-BTC providing guidance on Vietnamese Accounting System for Enterprises ("Circular 200"). Circular 200 replaces previous guidance on Vietnamese Accounting System for Enterprises under Decision No. 15/2006-QD/BTC dated 20 March 2006 and Circular No. 244/2009/TT-BTC dated 31 December 2009. Circular 200 is effective after 45 days from the signing date and applicable for annual accounting periods beginning on or after 1 January 2015.

On the same date of 22 December 2014, the Ministry of Finance also issued Circular No. 202/2014/TT-BTC providing guidance on preparation and presentation of consolidated financial statements ("Circular 202"). Circular 202 replaces previous guidance on preparation and presentation of consolidated financial statements provided in Part XIII of Circular No. 161/2007/TT-BTC dated 31 December 2007 of the Ministry of Finance. Circular 202 is also effective after 45 days from the signing date and applicable for annual accounting periods beginning on or after 1 January 2015.

The Company and its subsidiary have adopted the applicable requirements of Circular 200 and Circular 202 effective from 1 January 2015 on a prospective basis. The significant changes to the Company's and its subsidiary's accounting policies and the effects on the consolidated financial statements, if any, are disclosed in note 4(r) - Earnings per share.

#### **4. Summary of significant accounting policies**

The following significant accounting policies have been adopted by the Company and its subsidiary in the preparation of these consolidated financial statements.

##### **(a) Basis of consolidation**

###### **(i) Subsidiary**

A subsidiary is an entity controlled by the Company. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

###### **(ii) Transactions eliminated on consolidation**

Intra-company balances and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

###### **(iii) Business combination**

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

##### **(b) Foreign currency transactions**

Transactions in currencies other than VND during the year have been translated into VND at actual rates of exchange ruling at the transaction dates. The actual rates of exchange applied to account for foreign currency transaction are determined as follows:

- Exchange rate applied to buying or selling foreign currency is the exchange rate stipulated in the currency exchange contract between the Company or its subsidiary and the bank.
- Exchange rate applied to recognise trade and other receivables is the foreign currency buying rate at the transaction date quoted by the bank through which the Company or its subsidiary receives money from the customer or counterparty.
- Exchange rate applied to recognise trade and other payables is the foreign currency selling rate at the transaction date quoted by the bank through which the Company or its subsidiary intends to make payment for the liability.
- For asset acquisitions or expenses that are settled with immediate payment, the exchange rate applied is the foreign currency buying rate at the transaction date quoted by the bank through which the Company or its subsidiary makes payment.



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Monetary assets and liabilities denominated in currencies other than VND are translated into VND at actual rates of exchange ruling at the balance sheet date. The actual rates of exchange applied to retranslate monetary items denominated in foreign currency at reporting date are determined as follows:

- For monetary assets (cash on hand and receivables): the foreign currency buying rate at the reporting date quoted by the commercial bank where the Company most frequently conducts transactions. Cash at bank and bank deposits are retranslated using the foreign currency buying rate of the bank where the Company deposits the money or maintains those bank accounts.
- For monetary liabilities (payables and borrowings): the foreign currency selling rate at reporting date quoted by the commercial bank where the Company most frequently conducts transactions.

All foreign exchange differences are recorded in the consolidated statement of income.

**(c) Cash and cash equivalents**

Cash comprises cash balances and call deposits.

**(d) Investments**

***Trading securities***

Trading securities are those held by the Company for trading purpose i.e. purchased for resale with the aim of making profits over a short period of time. Trading securities are initially recognised at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at cost less allowance for diminution in value. An allowance is made for diminution in value of trading securities if market price of the securities item falls below its carrying amount. The allowance is reversed if the market price subsequently increases after the allowance was recognised. An allowance is reversed only to the extent that the securities' carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

**(e) Accounts receivable**

Trade and other receivables are stated at cost less allowance for doubtful debts.

**(f) Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. Cost in the case of finished goods and work in progress includes raw materials, direct labour and attributable manufacturing overheads. Net realisable value is the estimated selling price of inventory items, less the estimated costs of completion and selling expenses.

The Company and its subsidiary apply the perpetual method of accounting for inventories.



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**(g) Tangible fixed assets**

**(i) Cost**

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repair, maintenance and overhaul cost, is charged to the consolidated statement of income in the year in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

**(ii) Depreciation**

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

|                           |              |
|---------------------------|--------------|
| ▪ buildings               | 6 – 25 years |
| ▪ machinery and equipment | 4 – 12 years |
| ▪ motor vehicles          | 5 – 10 years |
| ▪ office equipment        | 3 – 4 years  |

**(h) Intangible fixed assets**

***Land use rights***

Land use rights comprise those acquired in a legitimate transfer. Land use rights are stated at cost. The initial cost of a land use rights comprises its purchase price and any directly attributable costs incurred in conjunction with securing the land use rights. No amortisation is provided for land use rights with indefinite useful life.

**(i) Construction in progress**

Construction in progress represents the costs of construction and machinery which have not been fully completed or installed. No depreciation is provided for construction in progress during the period of construction and installation.

**(j) Long-term prepaid expenses**

***Tools and instruments***

Tools and instruments include assets held for use by the Company and its subsidiary in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets. Cost of tools and instruments are amortised on a straight-line basis over 3 years.

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**(k) Trade and other payables**

Trade and other payables are stated at their cost.

**(l) Provisions**

A provision is recognised if, as a result of a past event, the Company and its subsidiary have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

***Severance allowance***

Under the Vietnamese Labour Code, when an employee who has worked for 12 months or more (“the eligible employees”) voluntarily terminates his/her labour contract, the employer is required to pay the eligible employee severance allowance calculated based on years of service and employee’s compensation at termination. Provision for severance allowance has been provided based on employees’ years of service and their current salary level.

Pursuant to Law on Social Insurance, effective from 1 January 2009 the Company and its subsidiary and their employees are required to contribute to an unemployment insurance fund managed by the Vietnam Social Insurance Agency. With the implementation of the unemployment insurance scheme, the Company and its subsidiary are no longer required to provide severance allowance for the service period after 1 January 2009. The severance allowance to be paid to the existing eligible employees as of 31 December 2015 will be determined based on the eligible employees’ years of service as of 31 December 2008 and their average salary for the six-month period prior to the termination date.

On 24 October 2012, the Ministry of Finance issued Circular No.180/2012/TT-BTC (“Circular 180”) guiding the financial treatment for redundancy allowance to employees of enterprises. Circular 180 provides that, in preparation of the 2012 financial statements, if an enterprise’s provision for redundancy allowance (Account 351- Provision for redundancy allowance) still has the outstanding balance, the enterprise must reverse the balance to other income for 2012 and must not carry forward balance to the following year. The Company’s and its subsidiary’s management believes that Circular 180 also applies to provision for severance allowance. Accordingly, the Company and its subsidiary reversed the outstanding balance of provision for severance allowance as at 31 December 2012 to other income for the year ended 31 December 2012 and will no longer make provision for severance allowance. This change in accounting policy has been applied prospectively from 2012.

Had the Company and its subsidiary adopted the previous accounting policy for provision for severance allowance in accordance with the Vietnamese Labour Code and Vietnamese Accounting Standard No. 18 – Provisions, Contingent Assets and Liabilities, non-current liabilities and retained profits as at 31 December 2015 would increase and decrease by VND3,071 million and VND2,457 million respectively (net of deferred income tax effect of VND614 million) (1/1/2015: non-current liabilities and retained profits would increase and decrease by VND3,313 million and VND2,584 million respectively, net of deferred income tax effect of VND729 million).



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**(m) Share capital**

***Ordinary shares***

Incremental costs directly attributable to the issue of shares, net of tax effects, are recognised as a deduction from share premium.

**(n) Taxation**

Income tax on the consolidated profit or loss for the year comprises current and deferred tax. Income tax is recognised in the consolidated statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**(o) Revenue and other incomes**

***(i) Goods sold***

Revenue from the sale of goods is recognised in the consolidated statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods. Revenue on sales of goods is recognised at the net amount after deducting sales discounts stated on the invoice.

***(ii) Rental income***

Rental income from leased property is recognised in the consolidated statement of income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

***(iii) Interest income***

Interest income is recognised on a time proportion basis with reference to the principal outstanding and the applicable interest rate.



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**(iv) Dividend income**

Dividend income is recognised when the right to receive dividend is established.

**(p) Operating lease payments**

Payments made under operating leases are recognised in the consolidated statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the consolidated statement of income as an integral part of the total lease expense.

**(q) Borrowing costs**

Borrowing costs are recognised as an expense in the year in which they are incurred.

**(r) Earnings per share**

The Company presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Prior to 1 January 2015, the profit or loss attributable to the ordinary shareholders of the Company included amounts appropriated to bonus and welfare funds, if any. Effective from 1 January 2015, the profit or loss attributable to the ordinary shareholders of the Company is determined after deducting any amounts appropriated to bonus and welfare funds. This change in accounting policy has been applied prospectively. As a result, basic earnings per share for the year ended 31 December 2015 had decreased by VND137.

**(s) Segment reporting**

A segment is a distinguishable component of the Company and its subsidiary that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company's and its subsidiary's primary format for segment reporting is based on geographical segments.

**(t) Related parties**

Parties are considered to be related to the Company and its subsidiary if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Company and its subsidiary and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

Related companies refer to the investors and their subsidiaries and associates.

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**5. Segment reporting**

**Geographical segments**

The Company and its subsidiary comprise the following main geographical segments:

|                              | Domestic sale          |                        | Export                |                       | Elimination             |                         | Consolidated           |                        |
|------------------------------|------------------------|------------------------|-----------------------|-----------------------|-------------------------|-------------------------|------------------------|------------------------|
|                              | 2015<br>VND            | 2014<br>VND            | 2015<br>VND           | 2014<br>VND           | 2015<br>VND             | 2014<br>VND             | 2015<br>VND            | 2014<br>VND            |
| External revenue             | 332,631,126,203        | 316,321,794,567        | 98,940,477,117        | 88,991,040,767        | -                       | -                       | 431,571,603,320        | 405,312,835,334        |
| Inter-segment revenue        | 33,676,875,243         | 28,454,791,861         | -                     | -                     | (33,676,875,243)        | (28,454,791,861)        | -                      | -                      |
| <b>Total segment revenue</b> | <b>366,308,001,446</b> | <b>344,776,586,428</b> | <b>98,940,477,117</b> | <b>88,991,040,767</b> | <b>(33,676,875,243)</b> | <b>(28,454,791,861)</b> | <b>431,571,603,320</b> | <b>405,312,835,334</b> |
| <b>Segment results</b>       | <b>10,747,361,972</b>  | <b>20,680,169,188</b>  | <b>2,191,335,727</b>  | <b>3,628,241,228</b>  | <b>1,203,103,503</b>    | <b>(1,146,643,351)</b>  | <b>14,141,801,202</b>  | <b>23,161,767,065</b>  |
| Other income                 | 5,165,269,072          | 6,638,634,792          | -                     | -                     | (239,803,140)           | (107,483,954)           | 4,925,465,932          | 6,531,150,838          |
| Other expenses               | (621,538,027)          | (6,682,206,379)        | -                     | -                     | -                       | -                       | (621,538,027)          | (6,682,206,379)        |
| Income tax                   | (4,076,964,019)        | (4,876,327,965)        | (646,400,963)         | (478,729,527)         | -                       | -                       | (4,723,364,982)        | (5,355,057,492)        |
| <b>Net profit after tax</b>  | <b>11,214,128,998</b>  | <b>15,760,269,636</b>  | <b>1,544,934,764</b>  | <b>3,149,511,701</b>  | <b>963,300,363</b>      | <b>(1,254,127,305)</b>  | <b>13,722,364,125</b>  | <b>17,655,654,032</b>  |

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|                                       | Domestic sale       |                     | Export              |                     | Elimination         |                     | Consolidated        |                     |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                       | 31/12/2015<br>VND   | 1/1/2015<br>VND     | 31/12/2015<br>VND   | 1/1/2015<br>VND     | 31/12/2015<br>VND   | 1/1/2015<br>VND     | 31/12/2015<br>VND   | 1/1/2015<br>VND     |
| Segment assets                        | 207,859,460,243     | 187,761,891,392     | 57,438,690,649      | 56,283,841,511      | (31,169,381,528)    | (47,824,331,709)    | 234,128,769,364     | 196,221,401,194     |
| Segment liabilities                   | 84,810,837,827      | 67,311,109,427      | 42,988,634,084      | 43,512,225,556      | (14,542,926,301)    | (30,234,576,119)    | 113,256,545,610     | 80,588,758,864      |
|                                       | <b>2015<br/>VND</b> | <b>2014<br/>VND</b> | <b>2015<br/>VND</b> | <b>2014<br/>VND</b> | <b>2015<br/>VND</b> | <b>2014<br/>VND</b> | <b>2015<br/>VND</b> | <b>2014<br/>VND</b> |
| Capital expenditure                   | 9,872,937,132       | 6,697,245,546       | 1,071,901,989       | 2,627,636,079       | -                   | -                   | 10,944,839,121      | 9,324,881,625       |
| Depreciation of tangible fixed assets | 6,007,602,905       | 6,533,861,724       | 1,318,763,287       | 1,283,101,057       | -                   | -                   | 7,326,366,192       | 7,816,962,781       |

**6. Cash and cash equivalents**

|               | 31/12/2015<br>VND     | 1/1/2015<br>VND       |
|---------------|-----------------------|-----------------------|
| Cash on hand  | 834,286,759           | 461,351,174           |
| Cash in banks | 16,053,464,714        | 13,666,270,873        |
|               | <b>16,887,751,473</b> | <b>14,127,622,047</b> |



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**7. Investments**

**Trading securities**

|                     | 31/12/2015 |                      |                      |                                       | 1/1/2015 – Reclassified |                      |                      |                                       |
|---------------------|------------|----------------------|----------------------|---------------------------------------|-------------------------|----------------------|----------------------|---------------------------------------|
|                     | Quantity   | Cost VND             | Fair value VND       | Allowance for diminution in value VND | Quantity                | Cost VND             | Fair value VND       | Allowance for diminution in value VND |
| Shares              |            |                      |                      |                                       |                         |                      |                      |                                       |
| ▪ shares of MB Bank | 96,701     | 3,142,610,000        | 1,460,185,100        | 1,682,424,900                         | 96,701                  | 3,142,610,000        | 1,266,783,100        | 1,875,826,900                         |
| ▪ shares of VP Bank | 95,093     | 2,506,170,000        | 904,187,500          | 1,601,982,500                         | 82,411                  | 2,506,170,000        | 812,666,500          | 1,693,503,500                         |
|                     |            | <u>5,648,780,000</u> | <u>2,364,372,600</u> | <u>3,284,407,400</u>                  |                         | <u>5,648,780,000</u> | <u>2,079,449,600</u> | <u>3,569,330,400</u>                  |

The fair value of equity securities is determined by reference to their quoted closing bid price at the balance sheet date. The fair value of the instruments is determined for disclosure purposes only.

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**8. Accounts receivable from customers**

**Accounts receivable from customers detailed by significant customers**

|                                      | 31/12/2015<br>VND | 1/1/2015<br>VND |
|--------------------------------------|-------------------|-----------------|
| Delina GmbH                          | -                 | 1,610,595,522   |
| EB Services Limited Company          | 1,526,183,717     | 2,075,073,562   |
| METRO Cash & Carry Vietnam Co., Ltd. | 1,349,988,111     | 960,497,180     |
| Otto Franck Import KG                | 5,262,627,535     | -               |
| Other customers                      | 8,357,484,086     | 10,431,024,732  |
|                                      | 16,496,283,449    | 15,077,190,996  |

**9. Other receivables**

**(a) Other short-term receivables**

|   | 31/12/2015<br>VND | 1/1/2015<br>VND<br>Reclassified |
|---|-------------------|---------------------------------|
| Social insurance  | 74,781,887        | 164,488,800                     |
| Advances and receivables from employees   | 742,775,160       | 1,483,498,029                   |
| Receivables from individuals (*)  | 5,458,254,250     | 5,458,254,250                   |
| Receivables from Ha Long Foods Import Export Company Limited on inventories lending | 4,938,595,200     | -                               |
| Short-term deposits   | 3,105,040,878     | 10,000,000                      |
| Others  | 1,062,212,203     | 323,636,364                     |
|   | 15,381,659,578    | 7,439,877,443                   |

(\*) Receivables from individuals represent the value added tax payable to the State Treasury of VND5,458,254,250 recognised in accordance with appellate judgement No. 03/HSPT dated 12 and 13 January 2005.

**(b) Other long-term receivables**

|                    | 31/12/2015<br>VND | 1/1/2015<br>VND<br>Reclassified |
|--------------------|-------------------|---------------------------------|
| Long-term deposits | 296,000,000       | 318,000,000                     |
|                    |                   |                                 |

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**10. Bad and doubtful debts**

|   | Overdue days            | 31/12/2015           |                      |                        | Overdue days       | 1/1/2015             |                      |                        |
|---|-------------------------|----------------------|----------------------|------------------------|--------------------|----------------------|----------------------|------------------------|
|   |                         | Cost VND             | Allowance VND        | Recoverable amount VND |                    | Cost VND             | Allowance VND        | Recoverable amount VND |
| Overdue debts                               |                         |                      |                      |                        |                    |                      |                      |                        |
| Nhat Nam Joint Stock Company                | From 6 months to 1 year | 251,003,209          | 75,300,963           | 175,702,246            | -                  | -                    | -                    | -                      |
| Value added tax receivable from individuals | More than 10 years      | 5,458,254,250        | 5,458,254,250        | -                      | More than 10 years | 5,458,254,250        | 5,458,254,250        | -                      |
| Others                                      | More than 4 years       | 1,385,795,202        | 1,385,795,202        | -                      | More than 3 years  | 1,385,795,202        | 1,385,795,202        | -                      |
|   |                         | <u>7,095,052,661</u> | <u>6,919,350,415</u> | <u>175,702,246</u>     |                    | <u>6,844,049,452</u> | <u>6,844,049,452</u> | <u>-</u>               |
| <i>Of which:</i>                            |                         |                      |                      |                        |                    |                      |                      |                        |
| Allowance for doubtful debts – short-term   |                         |                      | <u>6,919,350,415</u> |                        |                    | <u>6,844,049,452</u> |                      |                        |

The Board of Directors assessed the recovery of accounts receivable from customers and other receivables based on the overdue days and allowance rates as provided in Circular 228/2009/TT-BTC dated 7 December 2009 issued by the Ministry of Finance.



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**11. Inventories**

|                      | 31/12/2015      |                  | 1/1/2015        |                  |
|----------------------|-----------------|------------------|-----------------|------------------|
|                      | Cost<br>VND     | Allowance<br>VND | Cost<br>VND     | Allowance<br>VND |
| Goods in transit     | 398,197,800     | -                | 686,430,073     | -                |
| Raw materials        | 70,653,592,624  | (902,095,480)    | 42,070,257,973  | (896,556,304)    |
| Tools and supplies   | 248,148,549     | -                | 139,364,982     | -                |
| Work in progress     | 18,123,772,568  | (82,832,291)     | 21,429,994,898  | (208,683,812)    |
| Finished goods       | 33,576,802,505  | (404,655,625)    | 34,512,790,561  | (317,872,336)    |
| Goods on consignment | -               | -                | 2,206,635,286   | -                |
|                      | 123,000,514,046 | (1,389,583,396)  | 101,045,473,773 | (1,423,112,452)  |

Included in inventories at 31 December 2015 was VND3,153 million (1/1/2015: VND3,622 million) of finished goods carried at net realisable value.

Included in inventories at 31 December 2015 was VND778 million (1/1/2015: VND628 million) of slow-moving inventories that are difficult to sell. These lots of goods have already expired or nearly expire. The Company will dispose these goods upon their expiry.

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**12. Tangible fixed assets**

|   | <b>Buildings<br/>VND</b> | <b>Machinery and<br/>equipment<br/>VND</b> | <b>Motor vehicles<br/>VND</b> | <b>Office equipment<br/>VND</b> | <b>Total<br/>VND</b> |
|---|--------------------------|--|-------------------------------|---------------------------------|----------------------|
| <b>Cost</b>                               |                          |  |                               |                                 |                      |
| Opening balance                           | 52,136,769,360           | 69,460,842,937                             | 7,149,148,329                 | 2,336,851,020                   | 131,083,611,646      |
| Additions                                 | -                        | 9,952,688,544                              | -                             | -                               | 9,952,688,544        |
| Transferred from construction in progress | -                        | 771,650,577                                | -                             | -                               | 771,650,577          |
| Disposal                                  | (759,116,491)            | (16,303,772,884)                           | (1,028,161,933)               | -                               | (18,091,051,308)     |
| Closing balance                           | 51,377,652,869           | 63,881,409,174                             | 6,120,986,396                 | 2,336,851,020                   | 123,716,899,459      |
| <b>Accumulated depreciation</b>           |                          |  |                               |                                 |                      |
| Opening balance                           | 29,383,436,821           | 49,986,433,478                             | 5,600,011,809                 | 1,802,592,057                   | 86,772,474,165       |
| Charge for the year                       | 2,564,474,222            | 3,921,700,152                              | 513,703,290                   | 326,488,528                     | 7,326,366,192        |
| Disposal                                  | (736,160,376)            | (16,303,772,884)                           | (1,028,161,933)               | -                               | (18,068,095,193)     |
| Closing balance                           | 31,211,750,667           | 37,604,360,746                             | 5,085,553,166                 | 2,129,080,585                   | 76,030,745,164       |
| <b>Net book value</b>                     |                          |  |                               |                                 |                      |
| Opening balance                           | 22,753,332,539           | 19,474,409,459                             | 1,549,136,520                 | 534,258,963                     | 44,311,137,481       |
| Closing balance                           | 20,165,902,202           | 26,277,048,428                             | 1,035,433,230                 | 207,770,435                     | 47,686,154,295       |

Included in tangible fixed assets were assets costing VND44,063 million which were fully depreciated as of 31 December 2015 (1/1/2015: VND49,372 million), but which are still in active use.

The net book value of temporarily idle equipment in tangible fixed assets amounted to VND7 million as of 31 December 2015 (1/1/2015: Nil).

At 31 December 2015, tangible fixed assets with a net book value of VND13,636 million (1/1/2015: VND14,358 million) were pledged with banks as security for loans granted to the Company and its subsidiary.

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**13. Intangible fixed assets**

Intangible fixed assets represent land use rights with indefinite useful life.

At 31 December 2015, intangible fixed assets with a carrying value of VND11,259 million (1/1/2015: VND11,259 million) were pledged at Saigon - Hanoi Commercial Joint Stock Bank as security for loans granted to Ha Long Canfoco – Da Nang Company Limited.

**14. Construction in progress**

|                                   | 2015<br>VND   | 2014<br>VND     |
|-----------------------------------|---------------|-----------------|
| Opening balance                   | 1,612,961,590 | 1,392,461,590   |
| Additions during the year         | 992,150,577   | 5,865,830,000   |
| Transfer to tangible fixed assets | (771,650,577) | (5,645,330,000) |
|                                   | <hr/>         | <hr/>           |
| Closing balance                   | 1,833,461,590 | 1,612,961,590   |
|                                   | <hr/>         | <hr/>           |

Constructions in progress balances represent mainly infrastructure under development for future lease.

**15. Prepaid expenses**

**(a) Short-term prepaid expenses**

|                                   | 31/12/2015<br>VND | 1/1/2015<br>VND |
|-----------------------------------|-------------------|-----------------|
| Prepaid insurance expenses        | 5,763,970         | 155,993,387     |
| Other short-term prepaid expenses | 280,751,760       | 33,615,000      |
|                                   | <hr/>             | <hr/>           |
|                                   | 286,515,730       | 189,608,387     |
|                                   | <hr/>             | <hr/>           |



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**(b) Long-term prepaid expenses**

|                           | <b>Tools and<br/>instruments<br/>VND</b> |
|---------------------------|--|
| Opening balance           | 790,092,126                              |
| Additions                 | 2,579,123,865                            |
| Disposals                 | (88,102,940)                             |
| Amortisation for the year | (1,543,429,348)                          |
| Closing balance           | <u>1,737,683,703</u>                     |

**16. Accounts payable to suppliers**

**(a) Accounts payable to suppliers detailed by significant suppliers**

|  | 31/12/2015            |   | 1/1/2015              |   |
|--|-----------------------|---|-----------------------|---|
|  | Cost<br>VND           | Amount within<br>payment<br>capacity<br>VND | Cost<br>VND           | Amount within<br>payment<br>capacity<br>VND |
| Ha Long Foods Import Export<br>Company Limited   | 8,147,448,150         | 8,147,448,150                               | 5,802,567,910         | 5,802,567,910                               |
| Brenntag Vietnam Co., Ltd.                       | 866,745,550           | 866,745,550                                 | 2,878,199,203         | 2,878,199,203                               |
| Bao Quang Production and<br>Trading Co., Ltd.    | 3,913,838,500         | 3,913,838,500                               | -                     | -   |
| My Chau Printing & Packaging<br>Holdings Company | 11,538,947,255        | 11,538,947,255                              | 7,742,501,184         | 7,742,501,184                               |
| Other suppliers                                  | 35,254,654,891        | 35,254,654,891                              | 24,735,049,779        | 24,735,049,779                              |
|  | <u>59,721,634,346</u> | <u>59,721,634,346</u>                       | <u>41,158,318,076</u> | <u>41,158,318,076</u>                       |

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**(b) Overdue accounts payable**

|  | 31/12/2015            |   | 1/1/2015             |   |
|--|-----------------------|---|----------------------|---|
|  | Cost<br>VND           | Amount within<br>payment<br>capacity<br>VND | Cost<br>VND          | Amount within<br>payment<br>capacity<br>VND |
| Ha Long Foods Import Export<br>Company Limited   | 6,202,956,702         | 6,202,956,702                               | 472,500,000          | 472,500,000                                 |
| My Chau Printing & Packaging<br>Holdings Company | 4,526,562,425         | 4,526,562,425                               | 808,503,267          | 808,503,267                                 |
| Xuan Viet Co., Ltd.                              | 3,501,488,551         | 3,501,488,551                               | 1,459,357,091        | 1,459,357,091                               |
| San Ha Co., Ltd.                                 | 2,788,240,000         | 2,788,240,000                               | -                    | -   |
| Other suppliers                                  | 8,712,642,691         | 8,712,642,691                               | 3,798,590,562        | 3,798,590,562                               |
|  | <u>25,731,890,369</u> | <u>25,731,890,369</u>                       | <u>6,538,950,920</u> | <u>6,538,950,920</u>                        |

**17. Taxes payable to State Treasury**

**(a) Taxes payable to State Treasury**

|                        | 1/1/2015<br>VND      | Incurred<br>VND       | Paid/Net-off<br>VND     | 31/12/2015<br>VND    |
|------------------------|----------------------|-----------------------|-------------------------|----------------------|
| Value added tax        | 1,965,268,839        | 36,904,297,944        | (37,121,778,667)        | 1,747,788,116        |
| Corporate income tax   | 1,173,442,223        | 4,723,364,982         | (4,862,000,432)         | 1,034,806,773        |
| Personal income tax    | 658,561,317          | 1,146,733,020         | (1,155,541,365)         | 649,752,972          |
| Land and housing taxes | 109,293,314          | 109,293,314           | (109,293,314)           | 109,293,314          |
| Land rental            | 349,199,559          | 3,385,871,689         | (300,000,000)           | 3,435,071,248        |
| Import-export tax      | -                    | 130,507,942           | (130,507,942)           | -                    |
| Other taxes            | -                    | 9,000,000             | (9,000,000)             | -                    |
|                        | <u>4,255,765,252</u> | <u>46,409,068,891</u> | <u>(43,688,121,720)</u> | <u>6,976,712,423</u> |

**(b) Taxes and others receivable from State Treasury**

|                      | 1/1/2015<br>VND | Incurred<br>VND | Net-off<br>VND | 31/12/2015<br>VND |
|----------------------|-----------------|-----------------|----------------|-------------------|
| Corporate income tax | 368,693,472     | -               | (368,693,472)  | -                 |

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**18. Accrued expenses**

|                                     | 31/12/2015<br>VND | 1/1/2015<br>VND |
|-------------------------------------|-------------------|-----------------|
| Accrual for marketing and promotion | 44,752,773        | 1,936,275,713   |
| Accrual for utilities               | 182,417,076       | 1,086,578,051   |
| Accrual for distributor allowance   | 1,715,519,297     | 796,231,402     |
| Accrual for interest expense        | 19,183,050        | -               |
| Others                              | 866,965,416       | 1,491,730,034   |
|                                     | 2,828,837,612     | 5,310,815,200   |

**19. Other payables – short-term**

|                                    | 31/12/2015<br>VND | 1/1/2015<br>VND |
|------------------------------------|-------------------|-----------------|
| Trade union fees                   | 227,514,224       | 100,065,428     |
| Social insurance                   | 79,514,497        | 113,443,463     |
| Surplus assets awaiting resolution | 191,363,501       | 30,321,399      |
| Others                             | 107,319,498       | 213,519,698     |
|                                    | 605,711,720       | 457,349,988     |

**20. Short-term borrowings**

|                       | 1/1/2015<br>Carrying<br>amount<br>VND | Movement during the year |                  | 31/12/2015<br>Carrying<br>amount<br>VND |
|-----------------------|---------------------------------------|--------------------------|------------------|---|
|                       |                                       | Addition<br>VND          | Decrease<br>VND  |   |
| Short-term borrowings | 5,916,339,109                         | 71,465,717,147           | (55,602,056,256) | 21,780,000,000                          |

The Board of Directors assessed that the Company and its subsidiary are able to pay all of these borrowings when they fall due.



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Terms and conditions of outstanding short-term borrowings were as follows:

|   | Currency | Annual<br>interest rate | 31/12/2015<br>VND | 1/1/2015<br>VND |
|---|----------|-------------------------|-------------------|-----------------|
| Loan from Saigon - Hanoi<br>Commercial Joint Stock Bank –<br>Da Nang Branch | USD      | 3%                      | 21,780,000,000    | -               |
| Loan from Indovinabank –<br>Da Nang Branch                                  | VND      | 3-3.25%                 | -                 | 5,916,339,109   |
|   |          |                         | 21,780,000,000    | 5,916,339,109   |

At 31 December 2015, the bank loans were secured over tangible fixed assets with a net book value of VND13,636 million (1/1/2015: VND14,358 million) and land use rights under the Company's ownership with a carrying value of VND11,259 million (Note 12 and Note 13).

**21. Provisions**

The amount VND5,458,254,250 represents the provision for Value Added Tax payable to State Treasury in accordance with appellate judgement No. 03/HSPT dated 12 and 13 January 2005. The Company has an obligation to pay this amount to State Treasury upon collection from individuals. As at reporting date, the Company was not able to collect this amount from individuals.

**22. Bonus and welfare fund**

This fund is established by appropriating from retained profits as approved by shareholders at shareholders' meeting. This fund is used to pay bonus and welfare to the Company's and its subsidiary's employees in accordance with the Company's and its subsidiary's bonus and welfare policies. Movements of bonus and welfare fund during the year were as follows:

|                         | 2015<br>VND   | 2014<br>VND   |
|-------------------------|---------------|---------------|
| Opening balance         | 2,559,855,698 | 2,278,859,343 |
| Appropriation (Note 23) | 882,782,701   | 636,853,991   |
| Utilisation             | (181,275,000) | (355,857,636) |
| Closing balance         | 3,261,363,399 | 2,559,855,698 |

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**23. Changes in owners' equity**

|   | Share capital<br>VND | Capital surplus<br>VND | Investment and<br>development<br>fund<br>VND | Financial<br>reserve<br>VND | Retained profit<br>VND | Total<br>VND    |
|---|----------------------|------------------------|--|-----------------------------|------------------------|-----------------|
| <b>Balance at 1/1/2014</b>                              | 50,000,000,000       | 15,753,387,350         | 12,232,663,256                               | 10,856,450,403              | 17,911,341,280         | 106,753,842,289 |
| Net profit for the year                                 | -                    | -                      | -  | -                           | 17,655,654,032         | 17,655,654,032  |
| Appropriation to equity funds                           | -                    | -                      | 1,273,707,981                                | 636,853,991                 | (1,910,561,972)        | -               |
| Appropriation to bonus and<br>welfare fund (Note 22)    | -                    | -                      | -  | -                           | (636,853,991)          | (636,853,991)   |
| Dividends (Note 25)                                     | -                    | -                      | -  | -                           | (7,500,000,000)        | (7,500,000,000) |
| Bonus for Board of Management and Board of<br>Directors | -                    | -                      | -  | -                           | (640,000,000)          | (640,000,000)   |
| <b>Balance at 31/12/2014 – as previously reported</b>   | 50,000,000,000       | 15,753,387,350         | 13,506,371,237                               | 11,493,304,394              | 24,879,579,349         | 115,632,642,330 |
| <i>Effect of Circular 200 adoption (Note 40)</i>        | -                    | -                      | 11,493,304,394                               | (11,493,304,394)            | -                      | -               |
| <b>Balance at 1/1/2015 – as reclassified</b>            | 50,000,000,000       | 15,753,387,350         | 24,999,675,631                               | -                           | 24,879,579,349         | 115,632,642,330 |
| Net profit for the year                                 | -                    | -                      | -  | -                           | 13,722,364,125         | 13,722,364,125  |
| Appropriation to equity funds                           | -                    | -                      | 2,648,348,104                                | -                           | (2,648,348,104)        | -               |
| Appropriation to bonus and<br>welfare fund (Note 22)    | -                    | -                      | -  | -                           | (882,782,701)          | (882,782,701)   |
| Dividends (Note 25)                                     | -                    | -                      | -  | -                           | (7,500,000,000)        | (7,500,000,000) |
| Bonus for Board of Management and Board of<br>Directors | -                    | -                      | -  | -                           | (100,000,000)          | (100,000,000)   |
| <b>Balance at 31 December 2015</b>                      | 50,000,000,000       | 15,753,387,350         | 27,648,023,735                               | -                           | 27,470,812,669         | 120,872,223,754 |



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**24. Share capital**

The Company's authorised and issued share capital is:

|                                 | 31/12/2015       |                | 1/1/2015         |                |
|---------------------------------|------------------|----------------|------------------|----------------|
|                                 | Number of shares | VND            | Number of shares | VND            |
| <b>Authorised share capital</b> | 5,000,000        | 50,000,000,000 | 5,000,000        | 50,000,000,000 |
| <b>Issued share capital</b>     |                  |                |                  |                |
| Ordinary shares                 | 5,000,000        | 50,000,000,000 | 5,000,000        | 50,000,000,000 |
| <b>Shares in circulation</b>    |                  |                |                  |                |
| Ordinary shares                 | 5,000,000        | 50,000,000,000 | 5,000,000        | 50,000,000,000 |

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive dividend as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets.

**25. Dividends**

The General Meeting of Shareholders of the Company on 10 April 2015 resolved to distribute dividends amounting to VND7,500 million (VND1,500 per share).

In the prior year, on 25 April 2014, the shareholders of the Company resolved to distribute dividends amounting to VND7,500 million (VND1,500 per share).

**26. Equity funds**

**Investment and Development Fund**

In accordance with the Company's Charter and the General Meeting of Shareholders on 10 April 2015, the shareholders of the Company resolved to appropriate 10% of the consolidated net profit after tax (VND1,766 million) to Investment and Development Fund in the equity section for the purpose of future business expansion, and appropriate 5% of the consolidated net profit after tax (VND882 million) to Financial Reserves. In accordance with Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance providing guidance on Vietnamese Accounting System for Enterprises, enterprises are no longer required to make appropriation to Financial Reserves and opening balance of the Financial Reserves shall be transferred to the Investment and Development Fund. Accordingly, the amount equivalent to 5% of the Company's consolidated net profit after tax appropriated to Financial Reserves is recognised as an increase in the Investment and Development Fund.

On 25 April 2014, the shareholders of the Company resolved to appropriate VND1,274 million and VND637 million to Investment and Development Fund and Financial Reserves, respectively, from net profit of 2013.



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**27. Off balance sheet items**

**(a) Lease**

The future minimum lease payments under non-cancellable operating leases were:

|                 | 31/12/2015<br>VND | 1/1/2015<br>VND |
|-----------------|-------------------|-----------------|
| Within one year | 250,750,000       | 1,210,200,000   |
|                 |                   | 1,460,950,000   |

**(b) Foreign currencies**

|     | 31/12/2015           |                   | 1/1/2015             |                   |
|-----|----------------------|-------------------|----------------------|-------------------|
|     | Original<br>currency | VND<br>equivalent | Original<br>currency | VND<br>equivalent |
| USD | 9,463                | 209,180,101       | 4,563                | 110,329,994       |
|     |                      | 218,640,202       |                      | 114,890,988       |

**(c) Capital expenditure commitments**

As at 31 December 2015, the Company and its subsidiary had the following outstanding capital commitments approved but not provided for in the balance sheet:

|                             | 31/12/2015<br>VND | 1/1/2015<br>VND |
|-----------------------------|-------------------|-----------------|
| Approved but not contracted | 13,456,072,727    | 7,990,000,000   |
|                             |                   | 21,446,072,727  |

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**28. Revenue from sales of goods and provision of services**

Total revenue represents the gross value of goods sold and services rendered exclusive of value added tax.

Net revenue comprised:

|                                 | <b>2015</b>           | <b>2014</b>            |
|---------------------------------|-----------------------|------------------------|
|                                 | <b>VND</b>            | <b>VND</b>             |
| Total revenue                   |                       |                        |
| ▪ Sales                         | 431,607,314,505       | 415,707,238,032        |
| ▪ Rental income                 | 846,563,845           | 928,296,608            |
| ▪ Sales of materials and scraps | 6,406,852,484         | -                      |
| ▪ Others                        | 599,441,873           | -                      |
|                                 | <hr/> 439,460,172,707 | <hr/> 416,635,534,640  |
| Less revenue deductions         |                       |                        |
| ▪ Sales discounts               | (7,649,126,967)       | (11,139,536,508)       |
| ▪ Sales returns                 | (239,442,420)         | (183,162,798)          |
|                                 | <hr/> (7,888,569,387) | <hr/> (11,322,699,306) |
| Net revenue                     | <hr/> 431,571,603,320 | <hr/> 405,312,835,334  |

**29. Cost of sales**

|                                 | <b>2015</b>           | <b>2014</b>           |
|---------------------------------|-----------------------|-----------------------|
|                                 | <b>VND</b>            | <b>VND</b>            |
| Total cost of sales             |                       |                       |
| ▪ Finished goods sold           | 319,183,029,759       | 292,960,468,853       |
| ▪ Rental costs                  | 40,183,528            | 306,472,041           |
| ▪ Costs of materials and scraps | 6,349,122,876         | -                     |
| ▪ Allowance for inventories     | (33,529,056)          | 526,556,148           |
| ▪ Others                        | 1,135,312,688         | -                     |
|                                 | <hr/> 326,674,119,795 | <hr/> 293,793,497,042 |

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**30. Financial income**

|                                 | <b>2015</b><br><b>VND</b> | <b>2014</b><br><b>VND</b> |
|---------------------------------|---------------------------|---------------------------|
| Interest income from deposits   | 60,299,002                | 204,879,009               |
| Dividends                       | 49,801,000                | 100,531,400               |
| Realised foreign exchange gains | 859,898,640               | 293,789,700               |
|                                 | <hr/>                     | <hr/>                     |
|                                 | 969,998,642               | 599,200,109               |
|                                 | <hr/>                     | <hr/>                     |

**31. Financial expenses**

|   | <b>2015</b><br><b>VND</b> | <b>2014</b><br><b>VND</b> |
|---|---------------------------|---------------------------|
| Interest expense                          | 597,999,981               | 628,756,220               |
| Written back of allowance for investments | (284,923,000)             | (640,987,400)             |
| Realised foreign exchange losses          | 1,084,682,119             | 186,707,585               |
| Unrealised foreign exchange losses        | 141,702,355               | -                         |
| Other financial expenses                  | 3,145,969                 | -                         |
|   | <hr/>                     | <hr/>                     |
|   | 1,542,607,424             | 174,476,405               |
|   | <hr/>                     | <hr/>                     |

**32. Selling expenses**

|                               | <b>2015</b><br><b>VND</b> | <b>2014</b><br><b>VND</b> |
|-------------------------------|---------------------------|---------------------------|
| Staff costs                   | 30,391,376,376            | 23,995,205,849            |
| Depreciation and amortisation | 291,950,201               | 981,607,932               |
| Transportation expenses       | 9,981,580,223             | 8,525,596,718             |
| Sales commission              | 8,383,543,931             | 3,581,670,096             |
| Other outside services        | 3,415,441,057             | 11,302,741,653            |
| Other expenses                | 2,265,821,788             | 1,373,333,586             |
|                               | <hr/>                     | <hr/>                     |
|                               | 54,729,713,576            | 49,760,155,834            |
|                               | <hr/>                     | <hr/>                     |



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**33. General and administration expenses**

|                               | <b>2015<br/>VND</b>   | <b>2014<br/>VND</b>   |
|-------------------------------|-----------------------|-----------------------|
| Staff costs                   | 15,544,017,646        | 21,171,895,981        |
| Depreciation and amortisation | 1,428,044,338         | 2,042,209,293         |
| Outside services              | 7,007,739,256         | 5,952,515,173         |
| Taxes, fees and duties        | 3,646,673,187         | 1,739,858,362         |
| Allowance for doubtful debts  | 75,300,963            | -                     |
| Other expenses                | 7,751,584,575         | 8,115,660,288         |
|                               | <b>35,453,359,965</b> | <b>39,022,139,097</b> |

**34. Other income**

|  | <b>2015<br/>VND</b>  | <b>2014<br/>VND</b>  |
|--|----------------------|----------------------|
| Gain from disposals of tangible fixed assets | 4,076,999,207        | 309,700,000          |
| Proceeds from sales of tools and supplies    | 206,859,593          | 198,066,621          |
| Sales of scraps                              | -                    | 5,699,186,420        |
| Compensation received from other parties     | -                    | 64,939,000           |
| Others                                       | 641,607,132          | 259,258,797          |
|  | <b>4,925,465,932</b> | <b>6,531,150,838</b> |

**35. Other expense**

|                                     | <b>2015<br/>VND</b> | <b>2014<br/>VND</b>  |
|-------------------------------------|---------------------|----------------------|
| Cost of tools and supplies disposed | -                   | 27,613,105           |
| Cost of scraps                      | 363,492,975         | 5,699,186,420        |
| Penalties                           | 22,000,000          | -                    |
| Others                              | 236,045,052         | 955,406,854          |
|                                     | <b>621,538,027</b>  | <b>6,682,206,379</b> |

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**36. Production and business costs by element**

|   | <b>2015<br/>VND</b> | <b>2014<br/>VND</b> |
|---|---------------------|---------------------|
| Raw material costs included in production costs | 268,074,726,916     | 270,765,996,723     |
| Staff costs                                     | 77,569,125,253      | 74,277,086,078      |
| Depreciation and amortisation                   | 7,326,366,192       | 7,816,962,781       |
| Outside services                                | 27,198,770,945      | 30,619,729,238      |
| Other expenses                                  | 27,430,507,019      | 14,042,473,221      |

**37. Income tax**

**(a) Recognised in the consolidated statement of income**

|                                | <b>2015<br/>VND</b>  | <b>2014<br/>VND</b>  |
|--------------------------------|----------------------|----------------------|
| <b>Current tax expense</b>     |                      |                      |
| Current year                   | 4,405,161,210        | 5,355,057,492        |
| Under provision in prior years | 318,203,772          | -                    |
|                                | <b>4,723,364,982</b> | <b>5,355,057,492</b> |

**(b) Reconciliation of effective tax rate**

|                                 | <b>2015<br/>VND</b>  | <b>2014<br/>VND</b>  |
|---------------------------------|----------------------|----------------------|
| Accounting profit before tax    | 18,445,729,107       | 23,010,711,524       |
| Tax at the Company's tax rate   | 4,058,060,404        | 5,062,356,535        |
| Non-deductible expenses         | 569,983,106          | 538,789,179          |
| Tax exempt income               | (10,956,220)         | (22,116,908)         |
| Tax losses utilised             | -                    | (499,879,321)        |
| Effect of consolidation entries | (211,926,080)        | 275,908,007          |
| Under provision in prior years  | 318,203,772          | -                    |
|                                 | <b>4,723,364,982</b> | <b>5,355,057,492</b> |

**(c) Applicable tax rates**

Under the terms of Income Tax Law, the Company and its subsidiary have an obligation to pay the government income tax at the rate of 22% of taxable profits for the year ended 31 December 2015 (2014: 22%). The income tax rate will be reduced to 20% from 2016.

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**38. Earnings per share**

**(a) Basic earnings per share**

The calculation of basic earnings per share for the year ended 31 December 2015 was based on the profit attributable to ordinary shareholders, effective from 1 January 2015, after deducting the planned amounts appropriated to Bonus and welfare funds being 5% of consolidated profit after tax, of VND13,036,245,919 (2014: VND17,655,654,032) and a weighted average number of ordinary shares outstanding of 5,000,000 (2014: 5,000,000), calculated as follows:

**(i) Net profit attributable to ordinary shareholders**

|   | <b>2015</b>    | <b>2014</b>    |
|---|----------------|----------------|
|   | <b>VND</b>     | <b>VND</b>     |
| Net profit for the year                         | 13,722,364,125 | 17,655,654,032 |
| Planned appropriation to Bonus and welfare fund | (686,118,206)  | -              |
|   | 13,036,245,919 | 17,655,654,032 |

**(ii) Weighted average number of ordinary shares**

|  | <b>2015</b> | <b>2014</b> |
|--|-------------|-------------|
| Weighted average number of ordinary shares | 5,000,000   | 5,000,000   |

**39. Significant transactions with related parties**

In addition to related party balances disclosed in other notes to the consolidated financial statements, the Company and its subsidiary had the following significant transactions with related parties during the year:

|                                      | <b>Transaction value</b> |               |
|--------------------------------------|--------------------------|---------------|
|                                      | <b>2015</b>              | <b>2014</b>   |
|                                      | <b>VND</b>               | <b>VND</b>    |
| <b>Member of Board of Directors</b>  |                          |               |
| Compensation                         | 2,449,999,996            | 2,345,366,180 |
| <b>Member of Board of Management</b> |                          |               |
| Compensation                         | 2,443,549,679            | 2,178,437,196 |



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**40. Corresponding figures**

As described in Note 3, the Company and its subsidiary adopted Circular 200 and Circular 202 effective from 1 January 2015. As a result, the presentation of certain financial statement captions has been changed. Certain corresponding figures at 1 January 2015 have been reclassified to conform to the requirements of Circular 200 and Circular 202 in respect of financial statement presentation. A comparison of the amounts previously reported and as reclassified is as follows:

**Consolidated balance sheet**

|  | 1/1/2015<br>(as reclassified) | 1/1/2015<br>(as previously<br>reported) |
|--|-------------------------------|---|
|  | VND                           | VND                                     |
| Trading securities                     | 5,648,780,000                 | -                                       |
| Short-term investments                 | -                             | 5,648,780,000                           |
| Other receivables                      | 7,439,877,443                 | 6,800,020,894                           |
| Shortage of assets awaiting resolution | 12,140,250                    | -                                       |
| Other current assets                   | -                             | 651,996,799                             |
| Other receivables – long-term          | 318,000,000                   | -                                       |
| Other long-term assets                 | -                             | 318,000,000                             |
| Financial reserves                     | -                             | 11,493,304,394                          |
| Investment and development fund        | 24,999,675,631                | 13,506,371,237                          |

28 MAR 2016

Prepared by:



Vu Thi Thao  
*Chief Accountant*

Approved by:



Nguyen Van Binh  
*General Director*

