A N N U A L R E P O R T 2 0 1 5

2016 will witness Hoa Binh’s great effort to successfully improve its entire international - standardized governance system. The improvement is supported by the foundation of sustainable value which was gained from the experience through many market events with many ups and downs in many years but it still flourished and has been written into the Value Proposition including: Vision, Mission, Business Philosophy and Core Value. The objective of the Board of Directors and Board of Management is to bring this value into the business, making it the nature of the Hoa Binh, the flesh and blood of each member and to create sustainable value of the group.

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MESSAGE FROM

THE CHAIRMAN

Currently, in the field of high-rise and super high-rise building, Hoa Binh is considered to be the Vietnamese contractors with best capacity to meet the highest requirements of the market. In 2015, Hoa Binh has received numerous awards and honors including the notable Top 50 largest brand value accredited by Brand Finance, an U.K international consultancy company.

Dear Shareholders,

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

The targeted after-tax profit was not obtained due to some objectives and subjective reasons: Firstly, the costs in some projects were not well managed. There was also the support for the customers when calculating arisen costs. Secondly, the debt collection was not successfully controlled. We have shared the difficulties with the investors. Thirdly, some of profits from real estate have not been accounted. Fourthly, the restructure process of parent company and some of subsidiaries did not bring the improvement and effectiveness as expected.

Although the planned after-tax profit was not archived, our great development was successfully initiated with extremely encouraging outcomes: Company management system has been increasingly improved; Technical expertise is getting more important steps, work quality has been increasingly improved; trust, customer appreciation and brand reputation of Hoa Binh are increasingly well-defined.

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

brand value accredited by Brand Finance, an U.K international consultancy company. We have been entrusted by customers to implement more and more large-scale contracts, with high technical and aesthetic requirements in which it was previously implemented by the world-class contractors from the developed countries.

In recent quarter I/2016, we were very excited to win contract and started building more new projects with a total value of over VND 4,000 billion. Up to now, the total value of the remaining contracts which will be carried out is over VND 15,000 billion. In the field of investment, Hoa Binh has been granted investment certificates of Hoa Binh Innovation Center and Up to now the area of 2.5 hectares (24,512m2) in the heart of Saigon Hi-Tech Park, District 9, Ho Chi Minh City. This strategic long-term investment aims to facilitate the Research and Development (R&D) to successfully access, develop and modernize the construction technology, improve the business performance and make more contribution to the construction industry’s development. Surely, it will facilitate Vietnam construction industry to go on-spar with development of the world construction industry and become a spear-head economic sector of the country .

Dear Shareholders,

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

The 2016 plan: revenue is VND 7,200 billion, in-crease by 42% and net profit is VND 252 bil-lion, increase by 200%

BOD and BOM will continue the efforts to perfect the company’s international- standardized management system and comprehensively improve the technical qualification, labor productivity and business performance for both the parent company and its subsidiaries. The 2016 goals include VND 7,200 billion and VND 252 billion of consolidated revenue and after-tax profit, respectively.

Finally, on behalf of BOD and BOM, I would like to express sincere and deepest gratitude to all shareholders and all employees; for trusting and closely accompanying with BOD and BOM in the past and making great contribution to the 2015 success, creating a reliable foundation for the sustainable development of 2016 and laters.

Best Regards,

CHAIRMAN & CEO

Le Viet Hai

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8VALUE PREPOSITION

4. SEVEN CORE VALUES

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

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

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AMBITION

1. EIgHT KEYS OF CIVILIZED CONDUCT Conscientious and Dedicated to Work Devoted and Faithful to our Company Cheerful and Considerate to our Clients Honorable and Self-Motivated

Demonstrating Leadership and Concern for Subordi-nates

Helpful and Cooperative with Colleagues Respectful and Obedient of Seniors Honest and Modest toward Others

4. COMPLYINg DISCIPLINE 6 NO’S No violation of the laws

No violation of charters

No violation of agreements No violation of regulations No violation of policies

No violation of procedures

5. INTEgRATINg QUINTESSENCES 5+1

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

MISSION

BUSINESS PHILOSOPHY

2. ETHICAL BEHAVIOR 4 KEYS Justice in arbitration

Honesty in income Equity in treatment

Fairness in reward and punishment

6. CREATIVITY ENCOURAgEMENT 4 AREAS Engineering

Art Governance Business

3. COMMITMENT FULFILLMENT 4 RIgHT’S Right quality

Right time Right quantity Right value

7. COOPERATION PROMOTION 4 REQUIREMENTS Openness

Sincerity Harmony Goodwill

1. AMBITION

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

2. MISSION

The mission of Hoa Binh is to provide the peace of mind and enhanced benefits to the customers; create a civilized society with the sustainable development by the products and services which have the dominated advantages, save the resources, and are friendly with the environment.

3. BUSINESS PHILOSOPHY

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

5. STRATEGY 2015 - 2024

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

The core sector is the construction with the motto: “High concentration” and “Specialization for difference”. It is assumed to continue maintaining and developing the related industry- - Real Estate including real es-tate trading and building management to support the construction industry.

6. BUSINESS STRATEGY

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

• Main products are the major projects in the field of civil construction, continuing and gradually developing the market of industry and infrastructure.

• Target customers are large investors (private, Government, local, foreign).

• The core benefit for the customers is the peace of mind and resonant benefit from Hoa Binh brand.

CHAPTER I

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HISTORICAL MILESTONES

From 1987 until now, over 29 years of history and development, Hoa Binh has been widely

recognized as the local leading general contractor and international contractor. Hoa Binh is the only construction enterprise in the country awarded with Vietnam (2008, 2010, 2012, 2014).

Invested personal computers serving management tasks and began constructing for state

1987 enterprises. 1992

Implemented the Quality Management System ISO 9000 and applied the lessons of Total Quality Management (TQM).

Became one of the first construction companies to receive ISO 9001:2000 Certificate.

2000

Became the only general construction contractor in the South selected to participate in

2006 Vietnam Value.

Awarded “Third Class Labor Medal”. Marked Hoa Binh’s expansion into foreign markets.

2009

HBC successfully issued 10 million private shares for the strategic partner PT. Nikko Securities Indonesia at the price of book value,

2012 equivalent to 10 million USD. 2014

Topping out GEMS Apartment Project at Yangon, Myanmar to mark the first project of Hoa Binh in Myanmar. This is also the first project that a Vietnamese contractor provided the service of construction management in Myanmar market. This is also a hinge year for the development plan in next 10 years (2015 - 2024).

Hoa Binh Construction 1988 Oice was established to

design and construct for interior decoration and private housing works.

Received many foreign 1997 investment

construction projects with relatively large scales.

Hoa Binh 2001 Construction

Oice was transformed into Hoa Binh Construction and Real Estate Corporation.

Became the first 2008 general

construction contractor in the South listed on Ho Chi Minh City Stock Exchange (HOSE) and its stock sticker is HBC.

Implemented the 2011 Enterprise Resource

Planning (ERP) System.

25th establishment anniversary, Hoa Binh was honorably awarded the “Vietnam Value” title for the third time.

2013 Main Contractor of 2015 Vietinbank Tower – the highest tower in Vietnam (363m) and Project Saigon Center – the building with the deepest basement in Vietnam (28m), demonstrating its competence in projects at international level.

“Fire proves gold, adversity proves men”.Hoa Binh’s strong and stable development history through a series of ups and down unveiled that Hoa Binh has successfully proved its enduring stamina on its solid foundation and increasingly improved Hoa Binh’s reputation and brand value.

With these achievements, the collective strength, solidarity and above all the spirit to overcome difficulties, Hoa Binh will attempt to successfully implement these strategic objectives, setting the stage feat for the next 10 years. Positive and effective contribution to the sustainable development of the Country under

3 aspects: Economy - Society -Environment; bringing joy, pride and beautiful life for every members of the Hoa Binh and investment performance for shareholders.

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CERTIFICATES AND AWARDS

The 29 years of history and development are recorded with a series of international and domestic honorable awards offered to Hoa Binh. This is the great honor and motivation for Hoa Binh to be confident in its chosen way.

2015 3. 1. Top 100 Vietnam Golden Star

2015

2. V1000 - Top 50 Largest 4. Corporate Taxpayer in Vietnam

in 5 consecutive years

3. Vietnam’s Top 50 Most Valuable Brands of 2015 (Brand Finance Evaluation Consultancy, UK)

4. Top 30 Best Annual Report 2015 5. Global ARC Best Annual Report

for 2 categories: Silver Award for

the design and concept of the 5. cover page, Bronze Award for

the Non - English annual report 6. FAST500 - Top 500 Fastest

Growing Enterprise in Vietnam 2015

7. Certificate of “Outstanding Grassroots Labor Union” in

2014 from Vietnam General

Federation of Labor 6.

2014

1. Vietnam Value 2014

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

Certificate of Merit by Ministry of Construction for many high – quality construction works Champion title of the futsal “Standard Chartered Cup 2014” in England, after overcoming 1,368 football teams from Europe, Asia, Africa and honorably received the Certificate of Merit by Ministry

of Culture – Sports – Tourism for this achievement.

Best Annual Report Award of 28th ARC (Anual Report

Competition) in construction sector; Bronze Prize for non-English Annual Report in the field of construction all over the world; and Consolation Prize for Information Graphics Design Sector.

2014 Golden Cup for 5 construction works of high – quality, including: Ree Tower, SAC Building, Trang

Tien Plaza, Lecture Halls 2 at RMIT International University and International Hanh Phuc Hospital for Women & Children

7. Top 50 Most Profitable Companies 2014

8. Top 30 Best Annual Report 9. Certificate of Merit awarded

by HCMC People’s Committee - “Good performance in the Campaign Vietnamese People use Vietnamese Goods”

10. Typical Entrepreneur in Ho Chi Minh City in 2014

2013

1. 2013 Vietnam Gold Star

2. 2013 HCMC Top Companies

3. 2012 Certificate of Merit, HCMC Tax Agency

4. Top 50 Most Profitable Companies in Vietnam

5. VNR500 – Largest Companies in Vietnam

6. Top 30 Best Annual Report in 2013 7. Certificate of Merit by An Giang

People’s Committee for the achievements contributing to construction, progress

improvement and completion of An Giang General Hospital

8. Recognition of the Typical and Advanced Unit in Patriotic

Emulation Movement in the period 2011 – 2013 by District 3 People’s Committee

9. Certificate of Recognition “For the first National Green Environment- 2013”

10. Certificate of Merit by Department of Labor – Invalids and Social Affairs for Occupational Safety and Hygiene 2013.

2012

1. The Title “Vietnam Value” – for the third consecutive time, awarded by Vietnam Council of Vietnam Value

2. The Title “Top 50 Most Effective Companies in Vietnam” – awarded by Investment Bridge Magazine.

3. Top 1000 enterprises of greatest tax payment in Vietnam – publicly reported by Vietnam Report

4. Top 500 largest enterprises in Vietnam publicly reported by Vietnam Report

5. Certificate of Merit awarded

by The Department of Occupational Safety – Ministry of Labor, Invalids and Social Affairs.

2011

1. The Third Class Labor Medal awarded by the National President, Mr. Truong Tan Sang. The Certificate of Merit awarded to the Chairman of BOD cum CEO, Mr. Le Viet Hai, by the Prime Minister.

2. Prize “The Best Annual Report of 2011” awarded by HCMC Stock Exchange

3. “Gold Star Award, Top 100, 2011” awarded by Vietnam Association of Young Enterprises.

4. The title “2011 Outstanding Saigon Enterprise” awarded by HCMC People’s Committee.

5. The 2011 Ernst & Young Prize – awarded to Mr. Le Viet Hai, the Chairman of BOD cum CEO by Vietnam Chamber Commerce & Industry (VCCI) in combination with Ernst & Young Co., Ltd.

2010

1. “Gold Star Award 2010, Top 100” 2. “Vietnam Value 2010” awarded

by Vietnam Council of Vietnam Value

3. Title of “Prestigious Stock Brand 2010” awarded by Vietnam Association of Stock Traders

4. Prize “Best Annual Report 2010” 5. Top 100 Typical Enterprises

of Trade and Services in 2010 awarded by Ministry of Industry and Trade

6. Certificate of “Golden Cup of Vietnam Construction Quality 2010” awarded by the Ministry of Construction

7. Certificate of Merit for excellent achievement in construction of Can Tho International Airport awarded by Can Tho City People’s Committee.

8. Certificate of Merit for a wide ranges of achievements in organization and establishment of Real Estate Association, great contribution to the local real estate market development in the period of 2005-2010 by HCMC People’s Committee.

OpERATION NETWORK

Construction

CHARTER CApITAL – OWNER’S

EquITy – CApITAL INCREASINg

and Issuing Periods in 2015

Date

Equity

Share premium

Treasury shares

Undistributed

earnings

Other capital,

funds

Equity

accumulated

Total equity

Accumulate on

31/12/2014

2015

Net Pofit 2015

83,473,544,889

1,079,546,372,720

Sale Treasury

shares 3,972,490

shares x 21,924

VND/share

Issue bonus shares

– rate 30%

Pay dividends 2014

Issue for employ-

ees 2011-2014:

981,830 share,

price 10,000 VND/

share

Bonus and welfare

fund 2015

Other capital,

funds 2015

Accumulate on

31/12/2015

996,072,827,831

1,166,557,855,477

1,166,557,855,477

1,080,505,004,977

1,090,323,304,977

1,073,941,042,107

1,073,132,204,607

1,073,132,204,607

Code of share: HBC

HCMC Stock Exchange (HOSE).

Business sector:

Hoa Binh is a synthetic contractors to do civil construction, industrial, and infrastructure projects. In particular, the company participated in many

super high-rise projects having international scale as well as high technical and aesthetics requirements (e.g. Saigon Centre, VietinBank Tower,

German House, etc)

Operational market:

In Vietnamese market and international markets such as Malaysia, Myanmar, the company is continuing to expand the market in Southeast Asia

according to the company’s development strategy.TUYEN QUANG

VINH PHUC BAC NINH

HANOI

HOA BINH

QUANG NINH

96,212,078,910

76,606,400

96,288,685,310HAI PHONG

NAM DINH

THANH HOA

135,048,838,697

(86,052,850,500)

(16,382,262,870)

(885,443,900)

115,201,826,316NGHE AN

HA TINH

MYANMAR

(110,073,072,979)

110,073,072,979VIETNAM HUE

DA NANG

QUANG NAM

301,199,313,203

(23,061,590,222)

(172,094,400,000)

106,043,322,981MALAYSIA

BINH DINH

LONG AN

DONG THAP

TIEN GIANG

AN GIANG

PHU QUOC

KIEN GIANG

CA MAU

GIA LAI

ĐAK LAK

DONG NAI

BINH DUONG

TAY NINH

573,685,670,000

172,094,400,000

9,818,300,000

755,598,370,000PHU YEN

KHANH HOA

LAM DONG NINH THUAN

BINH THUAN

HO CHI MINH CITY

BA RIA - VUNG TAU

BEN TRE

TRA VINH

VIN H LONG

31/12/2014

2015

2015

2015

2015

2015

2015

31/12/2015CAN THO

Dept.

Dept.Annual Report 2015 sustainable Value

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ORGANIZATIONAL CHART

BOARD OF

SUPERVISORS

GENERAL ASSEMBLY OF

SHAREHOLDERS

Governance Services Construction site Subsidiaries BOARD OF

ADVISORS

BOARD OF DIRECTORS

BOARD OF MANAGEMENT

INTERNAL CONTROL

DEPARTMENT

TECHNICAL

DIVISION

R&D Dept.

M & E Dept.

PROJECT MANAGEMENT

OFFICE (PMO)

ERP Dept.

IT Dept.

SUPPLY

DIVISION

CONTRACT Dept.

LEGAL Dept.

BUSINESS

DIVISION

TENDER Dept.

BUSINESS Dept.

FINANCIAL

DIVISION

FINANCIAL Dept.

ACCOUNTING Dept.

ADMINISTRATION

DIVISION

HUMAN RESOURCE

ADMINISTRATION

SUBSIDIARY

INVESTMENT DIVISION

D & B Dept.

PR-MARKETING Dept.

BUDGET Dept.

ISO Dept.

BOARD OF INTEGRATING

QUINTESSENCE

OFFICE IN HANOI

TECHNICAL Dept.

BIM SURVEYOR HSE Dept. Dept. Dept.

MAINTENANCE Dept.

QA/QC QS Dept. Dept.

SECURITY Dept.

PURCHASING Dept.

SUBCONTRACTOR MANAGEMENT Dept.

VITA

MATEC HIP PROJECT

CONSTRUCTION SITE NORTH CENTRAL SOUTH FOREIGN

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BOARD OF DIRECTORS

1. Mr. LE VIET HAI 2. Mr. TRUONg QUANg NHAT

3. Mr. LE QUOC DUY 4. Mr. PHAN VAN TRUONg

5. Mr.HA VU HOANg 6. Mr. IgNATIUS JOE BUDIMAN

7. Mr. TRAN SI CHUONg 8. Mr. PHAN NgOC THANH

1 4 7 2 5 8 3 6

MR. LE VIET HAI Chairman cum CEO

Born in 1958, Nationality: Vietnamese; Architect at HCMC University of Architecture.

From 1985 to 1987, worked at HCMC Housing Management Company. From1987, established and managed Hoa Binh Construction Office.

From 2000 to now: Changed into Hoa Binh Construction and Real Estate Corporation (HBC) and become Chairman cum CEO.

At present, Vice President of Vietnam’s

Association of Construction Contractors (VACC).

MR. TRUONg QUANg NHAT Vice Chairman of Board of Directors

Born in 1973; Nationality: Vietnamese; Construction Engineer of HCMC University of Technology.

From 1996, worked as Site Manager for many HBC’s projects.

From 2005, Project Director of HBC. From 2007 till now: Deputy General Director.

MR. LE QUOC DUY Member of Board of Directors

Born in 1981; Nationality: Vietnamese; BA - Washington University (US), MBA -Maastricht University (Holland).

From 2007 to 2010: Investment Director – Hoa Binh Corporation, General Director of Hoa Binh House.

From 02/2010 to now: Deputy General Director of Hoa Binh Construction & Real Estate Corporation cum General Director of Hoa Binh House; Chairman of Viet Ta Import and Export Corporation and Jesco

Hoa Binh Technology JSC.

MR. PHAN VAN TRUONg Independent Member of Board of Directors

Born in 1946; Nationality: French; Engineer at École des Ponts Paris – Tech; Master in Economics - Sorbonne University in Paris. Especially, Awarded the Knight of France: Order of Merit and Logion of Honor. In 1986, Asia region

President of Alsthom International Group; Asia region President of Sueg Group and Chairman/CEO of Lyonnoise South East Asia; Advisor of International Trade for the French Government; Chairman of Wah-Deong Vietnam ( a Malaysia oil and gas company).

Since 2008 till now, became Advisor of

HBC. In 2014, voted to be a member of Board of Directors.

MR. HA VU HOANg Member of BOD

Born in 1979; Nationality: Australian; graduated in Architect at Deakin University;

From 2010 to now: Senior Project Director of CEL Development and in 2012, voted to

be a Member of Board of Directors.

MR. IgNATIUS JOE BUDIMAN Member of Board of Directors

Born in 1961; Nationality: Indonesian; MBA in Finance, Wichita State University, Wichita, Kansas, USA. From 1993 to now, worked at PT Nikko Securities, Indonesia and has gone through many different positions;

1993 to 1994: Chief of Market Analyst & Research.

1994 to 1996: Senior Investment Manager

1996 to now: General Manager of Investment at PT Nikko Indonesia.

MR. TRAN SI CHUONg Independent Member of Board of Directors

Born in 1955; Nationality: Vietnamese; Graduated in Engineer of Electricity and IT at Berkeley California University, Master’s in Economics and Finance at London School of Economics, Master in International Business Economics and Diplomacy at Johns Hopkins University (USA).

Being the Consultant of Economics and Currency for US Congress Bank

Committee and then CEO of a consultancy company in international economic development, James Riedel Associates, Inc. in

Washington, D.C. Having more than 25-year consultancy experiences in economics and corporate development strategies in USA and for some domestic and multinational

enterprises in Vietnam. Currently, being Deputy to Chairman of HR Company Le &

Associates, Chairman of HDI Investment JSC.

MR. PHAN NgOC THANH Member of Board of Directors

Born in 1969; Nationality: Vietnamese; BA in Accounting – Finance at Da Nang University;

From 1992, worked at Hoa Binh Construction Office; in 2000, Chief Accountant.

From 2007 to now: Chief Financial Officer

of HBC.

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BOARDS OF ADVISORS & SupERVISORS

BOARDS OF ADVISORS 1. Mr. LE VIET HUNg

2. Mr. DANg DINH TUAN 3. Mr. PHAM MINH CHI

4. Mr. SATORU MATSUDA

BOARDS OF SUPERVISORS 1. Mr. HOANg TUNg THIEN 2. Ms. CAO THI DIEM CHAU

3. Mr. NgUYEN VIET HUNg

1 3 1 2 4 2 3

Mr.LE VIET HUNg Board of Advisors

Born in: 1955 Nationality: Vietnamese

Qualification: BA in Agricultural Statistics Working Experiences:

• 1996 – 2010: Member of Board of Management

• 2010 – now: Member of Board of Advisors

MR. DANg DINH TUAN Board of Advisors

Born in 1981

Nationality: Singaporean Qualification: Master in Hospitality Management, Cornell University (USA); Master in Financial Management in SIM University (Singapore); Engineer in Nanyang Technological University (Singapore).

Working Experience:

• 2004 – 2006: Assistant to Vice President of Royal Dutch Philips in Singapore

• 2006 – 2008: Vice president of Business Development in CapitaLand Group in Singapore

• 2008 – 2009: General Director of Phuong Trang Investment Corporation (Futa) in Vietnam, Chairman of Ky Nguyen JSC., Member of Board of Directors of Phu Gia JSC, Establishment Member of BOD in PVC – Thuan Phuoc JSC.

• 2011 – now: Advisor of Hoa Binh Construction & Real Estate Corporation, Chief of HBC’s Representative Office in Malaysia, Chairman of Hoa Binh JSC.

(Malaysia)

MR. PHAM MINH CHI Board of Advisors

Born in: 1947 Nationality: French

Qualification: Doctor in Applied Mathematics, Paris VI University; Engineer in École des Ponts Paris – Tech

Working experience:

• 1969 – 1973: Engineer at Setra Institution (Highway Doctrine) in Ministry of Equipment, Bagneux

• 1973 – 1983: Lecturer in Architectural University, simultaneously Director of Pham & Associates Co. (specialized in Structure), HCMC

• 1983 – 1991: Technical Advisor for Scetauroute Co. (Highway Design), St Quentin en Yvellines, France

• 1991 – 1997: Business Director in Apave Lyonnaise (Quality Survey), HCMC

• 1997 – 2003: Technical & Business Director in Lyonnaise Vietnam (water treatment), HCMC

• 2003 – 2007: Project Director for some projects in Vietnam

• 2007 – now: Member of BOA in Hoa Binh

Construction & Real Estate Corporation

MR. SATORU MASTUDA Board of Advisors

Born in: 1943 Nationality: Japanese

Qualification: Bachelor in Politics – Japan Working Experience:

• 1967 – 1977: Administration Unit in Nippon S.T Johnson in Japan

• 1978 – 1995: Business Development Director in TOA Corporation, Office in Iran, Saudi Arabia, Bangladesh, Tokyo

• 1996 – 2003: Chief Representative cum CEO of TOA Corporation, Hanoi Office

• 2003 – 2007: Advisor in Southeast Asia region, International Unit in TOA Corp. • 2007 – now: Advisor for Hoa Binh

Construction & Real Estate Corporation

MR. HOANg TUNg THIEN Head of Board of Supervisors

Born: in 1978 Nationality: Vietnamese

Qualification: BA in Finance & Accounting, Auditor

Working Experience:

• 2001 – 2004; Accountant, General Accountant in Vietnam Germany Steel Pipe JSC.

• 2005 – 2007: Assistant to Auditor, Auditing Team Leader, Head of Audit in International Auditing & Finance Consulting Company (IFC).

• 2008 – 2011: Deputy Chief of Accounting & Financial Department, Assistant to Deputy Chief Financial Officer, Chief of Board of Supervisors in Geleximco Group. • 2011 – 2012: CFO in North – West Investment JSC.

• 2013 – now: Assistant to General Director cum Deputy Chief Officer in Song Hong

Corporation.

MS. CAO THI DIEM CHAU Member of Board of Supervisors

Born in: 1981 Nationality: Vietnamese

Qualification: BA in Business Management Working Experience:

• 2005 – 2007: Hongbetter Garments Ltd. Company

• 2007 – now: Deputy Chief of HR Department in Hoa Binh Construction &

Real Estate Corporation.

MR. NgUYEN VIET HUNg Member of Board of Supervisors

Born in: 1984 Nationality: Vietnamese Qualification: Master Working Experience:

• 2006 – 2008: Senior Financial Specialist Consultancy & Assessment at Ernst & Young Vietnam Company

• 2008 – 2010: Chief of Financial Investment Department at Indochina Capital Advisor Limited.

• 2010 – 2012: Chief of Corporate Finance Consulting Department at VP Bank Securities Ltd. Company

• 2012 – 2014: General Director of Sai Gon Capital.

• 2014 – now: Business Development Manager of Sapphire Vietnam Company

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BOARD OF MANAGEMENT

Mr. LE VIET HAI General Director

Mr. TRUONg QUANg NHAT Deputy General Director

Mr. LE QUOC DUY Deputy General Director

Mr. PHAN NgOC THANH Financial Director

(Details in page 21)

1. Mr.NgUYEN VAN TINH 2. Mr.NgUYEN VAN AN

3. Mr.NgUYEN TAN THO 4. Mr.LE VAN NAM

5. Mr.DUONg DINH THANH 6. Mr.VO DAC KHOI

7. Mr.NgUYEN LE TAN 8. Mr.HUYNH QUOC VU 9. Mr.LE VIET HA

10. Mr.LE VAN BICH

1 4 7 2 5 8 3 6 9

MR. NgUYEN VAN TINH Deputy General Director

Born in 1955; Nationality: Vietnamese; BSc. Hue College of Science, BA. Ha Noi Foreign Language University.

1977 - 1993: taught at Phan Boi Chau High School, Tam Ky, Quang Nam.

1993 - now: Working at Hoa Binh Corporation. Being Deputy General

Director since 2007

MR. NgUYEN VAN AN Deputy General Director

Born in 1972; Nationality: Vietnamese, Construction Engineer in Da Nang University of Technology

1996 - 2008: Director and Site Manager of Moc Hoa Binh JSC and H.B.T Company (HBC’s member companies), Project Director of various projects of Hoa Binh.

From 2008 - now: Deputy General Director

MR. NgUYEN TAN THO Deputy General Director

Born in 1965; Nationality: Vietnamese; Construction Engineer in HCMC University of Technology.

In 1989, worked at Construction Trade Company No.2, Ministry of Commerce. From 1995, worked at HBC as Assistant to CEO and Project Director.

From 02/2010 – now, Deputy General

Director.

MR. LE VAN NAM Deputy General Director

Born in 1976, Nationality: Vietnamese, Engineer graduated in Civil and Industrial Construction – HCMC University of Technology and completed CEO courses. 2001 – 2004, started working in HBC as Supervisor and Deputy Site Manager. 2004 – 2010, worked as Site Manager

and Project Director at several typical projects.

2011 – 9/2014, participated managing HBC’s projects in Malaysia.

In 10/2014, came back to Vietnam and became HBC’s Deputy General Director in

the Northern Region.

Mr. DUONg DINH THANH Deputy General Director

Born in 1956, Nationality: Vietnamese, he graduated in Bridge Engineer, Bachelor of Economics.

From 1976 to 1990, he was a bridge engineer.

From 1991 to 2007, he worked at Hue Traffic Design and Consulting Company and Hue Software Park as a director. From 2007 to 2011, he was an ODA

project’s director of Cuu Long Corporation for Investment, Development and

Project Management of Infrastructure (Department of Transport).

From 2012 to 2015, he was a Deputy Director of Project Management Consulting of Metro Line 2, HCMC. From 2015 until now, he is a Deputy Director of Hoa Binh Construction and

Real Estate Corporation.

MR. VO DAC KHOI Planning Director

Born in 1959; Nationality: Vietnamese; MBA graduated in Vanderbilt University, USA.

From 1982 to 1990, Team Leader at Phu Khanh Civil Engineering Surveying & Design Company.

From 1990 to 1994, Chief of Technical Dept. in Minexco Khanh Hoa Company. From 1997 to 1999, Senior Financial Specialist at the Chairman’s office of Asia Commercial Bank.

From 11/1999 to 06/2010, Director of Information Center of the US Consulate General in HCMC.

From 07/2010 to present: Planning

Director, Chief of Chairman/ CEO Office.

MR. NgUYEN LE TAN

Director of Contract – QS Dept

Born in 1969; Nationality: Vietnamese; BA in Accounting – Finance at Da Nang University;

From 1991, worked at Hoa Binh Construction Office.

Since 2000 till now: Director of Contract –

QS Departments.

MR. HUYNH QUOC VU Technical Director

Born in 1979, Nationality: Vietnamese, Honoured Bachelor’s Degree in Civil Engineering and Industrial in HCMC University of Technology; Doctor in Engineering – Geotechnics Lorraine Institute of Technology (INPL), France; Post-doctorate study in National Center for Scientific Research (CNRS)

2008 – 2010: Technical Manager in Meinhardt Ltd. Company.

2010 – 2012: Senior Design Engineer in Bauer Vietnam Ltd. Company.

8/2012 – now: Technical Manager, Technical Director in HBC, participating in largescale projects such as Saigon Centre,

Vietinbank Tower…

MR. LE VIET HA Internal Control Director

Born in 1960, Nationality: Vietnamese Qualification: Administration Specialist 2002 – 2004: Director at Hoa Binh Interior Decoration Limted Company

2004 – 2005: Director at Moc Hoa Binh JSC 2006 – 2008, Director at Hoa Binh Commercial Limted Company

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

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

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

Construction JSC

MR. LE VAN BICH Human Resource Manager

Born in 1974, Nationality: Vietnamese, graduated in Business Administration - Nha Trang University. MBA in Human

Resource Management - The University at Albany- Sunny, New York.

From 2002 to 2009, he was Head of IT Department, Head of HR Department at Hill Top Company (Binh Duong), Saitex Company (Dong Nai), Blue Gate (Long An). From 2009 to 2015, he was Head of Department, Human Resource Director at OI BJC - HCM Company (Vung Tau), OLAM Vietnam, Vietjet Air. From October 2015 until now, he is Human Resource Director

at HBC.

CHAPTER II

BUSINESS PERFORMANCE IN 2015

1. Overview General Business Activities 29 2. 2015 Business Performance 30 3. Financial Position and Financial Ratios 30 4. Asset and Capital Structure 36 5. Business performance by division 36 6. Shareholder Structure 39 7. The Project Investment and Implementation 41

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I. OVERVIEW

GENERAL BUSINESS ACTIVITIES:

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

PROFIT AFTER TAx IN 2015

83.REACHED 47

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

1,104EARNINGS PER SHARE (EPS) IN 2015 REACHED .7 VND/SHARE

Vietnam’s real estate market in 2015 is recorded with positive changes in term of growth rate and transaction volume, quite clearly reflecting the positive changes in the economy both in terms of growth rate and macroeconomic stability.

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

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

Total revenue in 2015 reached VND5,078 billion, up 44.3% compared to 2014 and approximately 96% of the

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

The statistics unveiled that construction companies in all sectors are listed on the two Stock exchanges, showed net sales, the top 10 companies with the largest revenue contribution of about 57% while the top 5 contribution to 49.5%. Hoa Binh stands at No.5, however, the analysis by revenue structure of Top 5 companies recognizes Hoa Binh as the leading civil engineering contractor.

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

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

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TOTAL ASSETS OWNER EQUITY

II. BUSINESS PERFORMANCE IN 2015:

TARgET 2015 2014

Net revenue 5,078,027.2 3,518,182.7

Operation expenses 4,957,560.7 3,429,053.0

% changes

44.3%

44.6%

Plan 2015

5,300,000

5,069,231

(Unit: Mil VND)

% Completed

Plan 2015 95.8%

97.8%

8,000

7,000

6,000

5,000 4,727

4,000

3,000

2,000

1,000

Unit: VND Billion 1.100 7,291 1.080

1.060 5,803 1.040

1.020

1.000

Unit: VND Billion

1.074

Profit before tax

Net profit after attributable to shareholders of the Parent

120,466.5

83,473.5

89,129.6

70,948.2

35.2% 230,769 52.2%

17.7% 180,000 46.4%

2013 2014 2015

NET REVENUE

2013 2014

PROFIT AFTER TAX

2015

Unit: VND Billion

BAlANCE ShEEt (MIllION VND)

Total Assets : 7,291,231.4

Unit: VND Billion

6,000 80

5,078 70 5,000

Owners’ Equity : 1,074,401.8 60

4,000 3,432 3,518 50

III. FINANCIAl POSItION

AND RATIO:

3,000 40

2,000 30 26

20 1,000

Overview of company’s business activities is shown by following financial ratios; 0 2013 2014 2015 0 2013 2014 2015

1. CONSOlIDAtED BAlANCE ShEEt 2013-2014-2015 (UNIt: BIllION VND)

thE VOlAtIlIty OF ShARE’S PRICE DURINg

thE lASt 12 MONthS (ExClUDINg DIlUtION)

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

Unit: VND Billion 8,000

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

Unit: VND Billion 8,000

02/15 05/15 07/15 300

250 200 150 100 50

02/15 05/15 07/15

09/15 12/15

09/15 12/15

REtURN ON ASSEtS AND EqUIty (ROA- ROE) 2013-2014-2015

9% 7.8 ROA 8% 7.1 ROE

4% 2.8 3%

2% 0.6 1.2 1.1

2013 2014 2015

7,000

1,145

6,000

845 5,000

741 6,146 4,000

3,000 4,958

2,000 3,986

1,000

2013 2014 2015

NON CURRENT ASSETS CURRENT ASSETS

7,000

411 6,000

5,000 317

4,000 91

3,000 5,806

4,489 2,000 3,679

1,000

2013 2014 2015

NON-CURRENT LIABILITIES CURRENT LIABILITIES

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2. CONSOlIDAtED INCOME StAtEMENt 2013-2014-2015 2013 2014 2015 (UNIt: BIllION VND)

ITEMS

Current Assets

Cash and cash equivalents

Short-term investments Accounts receivable Inventories

Other current assets) Non- Current Assets Long-term receivables

Fixed assets & Construction in progress

Long-term investments Other long-term assets Total Assets

Liabilities Current liabilities

Long-term liabilities Owner’s Equity

Equity

Amount

3,985.8 425.1

374.5 2,940.7 212.5 33.0 741.0

-432.2

248.8 60.0 4,726.8 3,769.7 3,679.2 90.6 957.1

950.5

Pro-portion %

84.3% 10.7%

9.4% 73.8% 5.3% 0.8% 15.7% 0.0% 58.3%

33.6% 8.1% 100.0% 79.8% 97.6% 2.4% 20.2%

99.3%

Amount

4,958.4 350.9

982.3 3,032.5 561.2 31.4 845.1 94.0 412.5

269.0 69.7 5,803.5 4,806.3 4,489.5 316.8 997.2

996.1

Proportion %

85.4% 8.8%

24.6% 76.1% 14.1% 0.8% 14.6% 12.7% 55.7%

36.3% 9.4% 100.0% 82.8% 119.1% 8.4% 17.2%

99.9%

Amount

6,146.4 149.0

799.7 4,212.4 923.0 62.3 1,144.8 9.4 680.1

276.0 179.2 7,291.2 6,216.8 5,805.7 411.1 1,074.4

1,073.1

Proportion %

84.3% 3.7%

20.1% 105.7% 23.2% 1.6% 15.7% 1.3% 91.8%

37.3% 24.2% 100.0% 85.3% 154.0% 10.9% 14.7%

99.9%

ITEMS

Net revenue Gross profit

Gross profit margin

Income from financial activities Expenses from financial activities In which: Interest expense

Selling expenses

General and administration expens-es

General and administration expenses per Revenue

Provision for bad debts

Other income & income from joint venture

Profit/(loss) before tax and interest Profit/(loss) before tax

Net Profit/(loss) after tax Net profit margin

Net Profit attributable to equity holders of HBC

2013 3,432.4 312.8 9.1% 40.9 111.8 109.4 15.7 112.1

3.3%

53.8 (16.6)

153.1 43.7 23.7 0.7%

26.4

2014 3,518.2 410.2 11.7% 69.7 99.2 96.7 8.9 135.2

3.8%

144.9 (2.6)

185.8 89.1 68.8 2.0%

70.9

2015 5,078.0 295.7 5.8% 87.2 131.7 129.8 25.8 172.3

3.4%

(52.5) 14.8

250.2 120.5 82.8 1.6%

83.5

Non-controlling 6.6 0.7% 1.1 0.1% 1.3 0.1%

interests 3. CONSOlIDAtED CASh FlOWS StAtEMENt 2013-2014-2015

Total Liabilities and 4,726.8 100.0% 5,803.5 100.0% 7,291.2 100.0% Owners’ Equity

(UNIt: BIllION VND) ITEMS

Net cash flows from operating activities

Net cash flows from investing activities

Net cash flows from financing activities

Net increase (decrease) in cash and cash equivalents

Cash and cash equivalents at end of year

2013 2014 67.1 109.9

(43.9) (1,039.6)

126.6 525.1

149.7 (404.6)

425.1 350.9

2015 (32.3)

(310.0)

140.3

(202.0)

149.0

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tion %

%5. ACtIVIty RAtIOS

ITEMS

Current Assets

Non- Current Assets

Total Assets

2013 Amount Propor-

3,985.8 84.3% 741.0 15.7%

4,726.8 100.0%

2014

Amount Proportion

4,958.4 85.4% 845.1 14.6%

5,803.5 100.0%

2015

Amount Proportion

6,146.4 84.3% 1,144.8 15.7%

7,291.2 100.0%

RATIO 2013 2014 2015 Inventory turnover ratio (times) 14.4 8.0 6.8

Account receivable turnover ratio 1.2 1.2 1.4 (times)

Account payable turnover ratio (times) 3.9 2.2 1.0

Current liabilities Long-term liabilities Owner’s Equity

Non-controlling interest

Total Liabilities and Owner’s Equity

Fixed assets & Construc-tion in progress

3,679.2 77.8% 90.6 1.9% 950.5 20.1% 6.6 0.1% 4,726.8 100.0%

432.2 58.3%

4,489.5 95.0% 316.8 6.7% 996.1 21.1% 1.1 0.0% 5,803.5 100.0%

412.5 55.7%

5,805.7 122.8% 411.1 8.7% 1,073.1 22.7% 1.3 0.0% 7,291.2 100.0%

680.1 91.8%

6. lIqUIDIty RAtIOS

RATIO

Current ratio (times) Quick ratio (times)

Cash ratio (times)

2013 2014 2015 1.1 1.1 1.1 1.0 1.0 0.9

0.2 0.3 0.2

Long-term investments Other long-term assets

Total Assets

248.8 33.6% 60.0 8.1%

4,726.8 100.0%

269.0 36.3% 69.7 9.4%

5,803.5 100.0%

276.0 37.3% 179.2 24.2%

7,291.2 100.0% BUSINESS PERFORMANCE 2013 - 2014 – 2015

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

4. tARgEt FOR ONE UNIt OF ShARE

Outstanding shares

Earnings per share EPS - VND

Book value per Share - VND

:75,559,837 shares : 1,105 VND/share

:14,202.4 VND/share

6,000

5,000

4,000

3,518.2 3,000

2,000

1,000

3,432.4

5,078.0

312.8

153.2

26.4

410.2

295.7

250.2 185.8

70.9 83.5

Market price on 31/12/2015 – 19,000 VND/share - P/E :17.2 times 2013 2014 2015 2013 2014 2015

Interest Rate for Shareholders :114%

NET REVENUE GROSS PROFIT PROFIT BEFORE TAX

NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF HBC

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IV. ASSEt AND CAPItAl StRUCtURE:

COSt StRUCtURE

ITEMS 2013 2014 2015 Net Revenue 100.0% 100.0% 100.0%

2. 2. OPERAtINg RESUltS OF INVEStMENt – SUBSIDIARIES

(Unit: Mil VND)

Plan% Com-

CONTENT 2015 2014 changed Plan pleted

2015 HBA

Costs of goods sold 90.9% Gross profit 9.1% Income from financial activities 1.2% Expenses from financial activities 3.3% Selling expenses 0.5% General and administration expenses 3.3% Provision for bad debts 1.6% Other income & income from joint venture -0.5% Profit/(loss) before tax and interest 4.5% Profit/(loss) before tax for HBC’s shareholder 0.8%

V. BUSINESS RESUltS :

88.3% 94.2% 11.7% 5.8% 2.0% 1.7% 2.8% 2.6% 0.3% 0.5% 3.8% 3.4% 4.1% -1.0% -0.1% 0.3% 5.3% 4.9%

2.0% 1.6%

Net revenue Profit after tax

Net revenue Profit after tax

Net revenue Profit after tax

VITA

Net revenue Profit after tax

9,261,904,820

420,878,011

27,848,346,034

(4,276,281,574)

25,977,042,590

1,323,074,137

26,176,675,763

(1,509,241,734)

6,190,390,951

890,713,855

23,172,080,992

1,338,351,250

21,772,029,704

1,438,528,981

39,806,666,341

(3,610,422,997)

49.62%

-52.75%

20.18%

-419.52%

19.31%

-8.03%

-34.24%

-58.20%

9,498,955,000

533,657,949

41,941,048,644

569,986,276

23,100,000,000

1,659,494,721

48,514,314,543

458,113,087

97.50%

78.87%

66.40%

-750.24%

112.45%

79.73%

53.96%

-329.45%

1. BUSINESS RESUltS OF PARENt COMPANy

(Unit: Mil VND)

Net revenue

Profit after tax

47,576,566,001

(13,270,395,709)

24,552,956,470

(24,953,485,516)

93.77%

-46.82%

44,571,213,619

(2,227,215,150)

106.74%

595.83%

CONTENT

Net revenue

Profit after tax

2015

5,413.1

171.8

2014

3,670.3

74.02

% changed

47.48%

132.07%

Plan

5,604.1

202.6

% Completed Plan 2015

96.59%

84.77%

Net revenue Profit after tax

Tien Phat Net revenue Profit after tax

Real Estate Net revenue Profit after tax

Vi Tam Net revenue

Profit after tax

113,675,537,816

(37,534,757,340)

-(16,319,906,788)

6,262,021,903 (864,661,242)

7,208,557

71,074,936,000

(19,047,345,849)

-(836,011,955)

11,750,992,605 955,378,098

(6,817,039)

(696,338,372)

59.94%

97.06%

1852.11%

-46.71% -190.50%

-100.00%

-101.04%

157,817,385,169

534,353,043

72.03%

-7024.34%

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CONTENT

HUNg YEN Net revenue Profit after tax

PHU YEN

2015 2014

16,372,188,035 -

(2,154,106,749) -

% changed

(VND)

% Com-

Plan pleted Plan 2015

VI. ShAREhOlDER StRUCtURE:

1. INFORMAtION OF ShARE

Charter Capital Number of shares

Number of outstanding shares Treasury Shares

Par Value

2. ShAREhOlDINg RAtE:

755,598,370,000 VND 75,559,837 shares 75,559,837 shares

0 shares

10,000 VND/ shares

Net revenue Profit after tax

HB HUE Net revenue

Profit after tax

MATEC Net revenue

Profit after tax

(29,185,414)

341,685,216,851

991,463,389

(276,154,851)

(104,551,127)

227,364,490,541

2,651,215,586

-72.09%

50.28%

-62.60%

270,500,000,000

825,151,387

126.32%

120.16%

No. Items

1 Government Shareholders

2 Shareholders own from 5% and above

3 Shareholders own from 1% to 5%

Domestic Shareholders

Number of Pos-Shares session

Ratio (%)

0 0

11,513,494 15.24

8,274,338 10.95

Foreign Shareholders

Number of Per-Shares cent(%)

0 0

25,370,618 33.58

8,521,706 11.28

Total Shares

36,884,112

16,796,044

Pos-session Ratio (%)

48.81

22.23

Net revenue Profit after tax

Net revenue

Profit after tax

(91,986,353)

(525,339,978)

17,682,579,234

(568,829,926)

-82.49%

0.00% -

0.00% -

4 Shareholders own lower 1%

5 Treasury Shares

5%TOTAL

18,747,720

38,535,552

24.81 3,131,961

0 0

51 37,024,285

4.15 21,879,681 28.96

0 0 0

49 75,559,837 100

CONSOLIDATED RESULT

Net revenue

Profit after tax

5,078,027,249,288

82,835.,223,246

3,518,182,711,007

68,776,917,208

44.34% 5,300,000,000,000 95.81%

20.44% 180,000,000,000 46.02%

22.23%

SHAREHOLDER

STRUCTURE BY 48.81%

SHAREHOLDING RATE

Shareholders own from 5% and above Shareholders own from 1% to 5%

Shareholders own lower 1%

28.96%

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VI. thE PROJECt INVEStMENt

AND IMPLEMENTATION:

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3. 2015 ShARE ChARt

SHAREHOLDER 51% STRUCTURE

1. thE ASCENt CONDOMINIUMS - lUxURyAPARtMENt PROJECt Address: 58 Quoc Huong, Thao Dien Ward, District 2, HCMC

Investor: Tien Phat Real Estate Investment Joint Stock Company

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

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

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

2. BINh AN RESIDENtIAl PROJECt Address: District 8, HCM City

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

Jan 15 Mar 15 Apr 15 May 15 Jun 15 Jul 15 Aug 15 Sep 15 Oct 15 Nov 15 Dec 15

4. ShAREhOlDER StRUCtURE

Number of

Rate %No. Shareholder Structure Shareholders 1 Treasury Shares 0 2 Domestic Shareholders 3,729 Organization 61

Individual 3,668

DOMESTIC SHAREHOLDERS FOREIGN SHAREHOLDERS

Number of Shares

0 0 38,535,552 51 2,585,435 3.42

35,950,117 47.58

3. SOhO RIVERVIEW APARtMENt PROJECtS Address: 533 Xo Viet Nghe Tinh Street, Binh Thanh District, HCMC

Scale of 108 luxury apartments with three commercial floors.

The Project is characterized by 60% of sold-out apartments and completion of infrastructure construction has finished the rough construction, finishing work is expected til October 2016 for handover.

4. lONg thOI RESIDENtIAl PROJECt Address: Long Thoi Commune, Nha Be district, HCM city.

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

Social housing projects are exempt from land use fee, l1/500 scaled land plan is available. Expected sale time is around quarter 4/2016.

3 Foreign Shareholders 265 37,024,285 49 Organization 26 35,580,025 47.09 Individual 239 1,444,260 1.91 TOTAL 3,994 75,559,837 100

5. lISt OF ShAREhOlDERS OWNINg ChARtER CAPItAl FROM 5% AND ABOVE

SharesNo. Shareholders Name Number of Rate %

5. PhUOC lOC thO RESIDENtIAl PROJECt Address: Nha Be District, HCMC

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

Project scope includes 100 townhouses and 33 villas.

The project is being completed with the legal procedures and its 1/500 scaled plan is submitted for approval.

6. BOt PROJECt FOR AN hAI PhU yEN BRIDgE Address: Loan Lagoon, Tuy An district, Phu Yen province.

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

1 Lucerne Enterprise Ltd 2 Le Viet Hai

3 PYN Elite Fund

14,300,000 18.93% 11,513,494 15.24%

11,070,618 14.65%

7. lONg hAU - hOA BINh INDUStRIAl PROJECt Address: Can Giuoc District, Long An Province

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

By the end of 2017, the entire project is expected to put into commercial operation.

CHAPTER III

REPORT

OF THE BOARD OF MANAGEMENT

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Report of Business Activities in 2015

2015 witnessed HBC’s high revenue and profit growth rate (revenue and after-tax profit increased 44.5% and 28.4%, respectively) thanks to the Company’s development in terms of operation coverage and active focus on developing the civil engineering segment as its strength.

I. EVAlUAtION OF BUSINESS ACTIVITIES:

2015 witnessed HBC’s high revenue and profit growth rate (revenue and after-tax profit increased 44.5% and 28.4%, respectively) thanks to the Company’s development in terms of operation coverage and active focus on developing the civil engineering segment as its strength. However, the index of effectiveness in corporate governance fall (gross profit ratio decreased from 11.7% to 5.8%). The Board of Management recognized that the company needs to continue to develop the corporate governance system, including risk management system, business process improvement and management, as well as urgently implementing the activities of internal control department. Moreover, the successor site managers should be strengthened to develop through training course to improve their leadership skills and qualification to archive the harmonious revenue and profit growth which is well matched with other companies in the industry.

II. BUSINESS

PERFORMANCE ANALYSIS IN 2015:

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

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

\*\* Reasons for not fulfilling the target revenue:

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

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

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

\*\* Reasons for not fulfilling the targeted profit:

+ A decrease in gross profit margin: 2015 was recorded with some heavy lost construction works such as:

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

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

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

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

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

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

III. OthER ACtIVItIES: 1.CONSTRUCTION BUSINESS DIVISON

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

STRUCTURE OF PRODUCT TYPES

(\*) HIGHRISE

HOTEL & RESORT

INUDSTRIAL & INFRASTRUCTURE OTHER CIVIL WORKS

20% REGIONAL ALLOCATION 68%

NORTH REGION

CENTRAL REGION SOUTH REGION

\* Based on the contract value in 2015

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

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

QA-QC department implemented the compliance testing of quality management process and professional training combined for 32 construction sites nationwide and for one in Myanmar. Implementation of Project Quality Plan helped the construction management team to have an overview and fundamental of the works on controlling and ensuring quality execution. It initiated the specific topics on quality and disseminated the Decree No. 59CP on Project Management and the Decree No. 46CP on Quality Management.

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

2. HUMAN RESOURCE MANAgEMENT

As of 31st December 2015, the Company was the home of 12,369 employees, including 2,212 of indirect and part-time indirect employees. The remaining (10,247 employees) varied by business requirements.

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

32AS OF 31/12/2015, HBC SIGNED

CONTRACTS With total value of 9,500 VND Billion

12,369ASOF 31/12/2015, HBC HAS

EMPLOYEES

In particular, indirect and part-time indirect employees include 2,212 people. The remaining includes 10,247 people varied by business requirements

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

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IV. IMPROVEMENtS AND ChANgES

OF ORGANIZATIONAL STRUCTURE AND ADMINISTRATION POLICY:

indicator emphasizes the important objectives: Budget Management - Effective Cost Management -Management of material wastage.

Attract additional resources:

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

Appointments and Transfers:

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

Especially, in 2015, the Company has appointed Infrastructure Deputy General Manager cum Director of Project Management Office (PMO) and established the Office of the PMO to manage and support the construction works most effectively. Moreover, it also established the Integrated Communication Board to widely spread 7 core values and value preposition of the company to every employee to thoroughly understand its corporate culture. The Budget Management Board was also established for the works division to obtain the increasingly high performance.

Setting and applying advanced and scientific human resource

management:

20.64%

28.5%

STRUCTURE OF WAgE COSTS

50.86%

Indirect wage costs Direct wage costs

Sub-contractor wage costs

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

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

important human resou ce policies:Setting, adjusting, and rissuing the

Recruitment policy, encouragement policy towards candidates, employee performance assessment, work performance preparation and assessment (KPIs), bonus policy, welfare regime.

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

THE CHART OF NUMBER OF EMPLOYEES AND HUMAN RESOURCE STRUCTURE:

STRUCTURE BY QUALIFICATIONS Qualifications Number Rate Doctor 3 0.18% Master’s 38 2.25% Bachelor’s 1,206 71.28% College 184 10.87% Intermediate 133 7.86%

Technical 128 7.57% workers

TOTAL 1.692 100.0%

STRUCTURE BY KINDS OF LABOR

Kinds of labor Number of Rate people

Indirect 1.692 13.68% Semi-Indirect 430 3.48%

Direct 2.294 18.55%

10,87%

7,86%

STRUCTURE BY 7,57% QUALIFICATIONS

71,28%

Doctor Master’s Bachelor’s College Intermediate

Technical workers

3,48% 13,68%

STRUCTURE BY KINDS OF LABOR

18,35%

64,30%

Indirect

Semi-Indirect Direct

Sub-Contractor

0,18% 2,25%

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

Sub-Contractor 7.953 64.30%

TOTAL 12.369 100%

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Business plan in 2016

I. thE MARKEt OUtlOOK AND SIGNIFICANT TRENDS IN 2016

1. RECOVERy AND gROWth IN thE REAl EStAtE INDUStRy

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

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

4% 6%

5% 5%

8% BUYINg REAL ESTATE

IN VIETNAM 56% 8%

VIETNAM KOREA SINGAPORE MALAYSIA HONG KONG U.S

JAPAN

OTHER

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

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

gROUP OF INVESTORS INTERESTED IN THE VIETNAM REAL ESTATE MARKET

100%

2014 2015

INVESTOR INSTITUTIONAL INVESTOR

COMPANY

REAL ESTATE COMPANIES HOTEL GROUP

OTHERS

Source: CBRE Research, Quarter 4/2015

Data from the investment requirements to CBRE Vietnam

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

2. thE RECOVERy OF StOCK MARKEt

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

3. SIgNIFICANt tRENDS IN

VIEtNAMESE ECONOMy IN 2016 • The ratio of public debt / GDP

VOLUME OF 2006-2015 REAL ESTATE TRANSACTIONS IN VIETNAM

USD MIL 2,000

1,600

1,200 HALF YEAR VALUE 800 FULL YEAR VALUE

H2 H1H2 H1H2 H1H2 H1H2 H1H2 H1H2 H1H2 H1H2 H1H2 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015

Source: VOLUME OF 2006-2015 REAL ESTATE TRANSACTIONS IN VIETNAM CBRE Research, Quarter 4/2015

Data from the investment required to CBRE Vietnam

Data includes Commercial property, Housing, Complex. Land

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

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

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

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

• Bad debt situation

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

• Global Monetary Crisis

THE REAL ESTATE TRANSACTIONS BY SECTOR, 2006 - 2015

2,500 USD MIL

2,500

1,500

1,000

Industrial Retail Hotels O

ices Housing area

17%3% 13% 22% 3%

6% FOREIgN INVESTORS ARE LOOKINg TO BUY

7% REAL ESTATE IN VIETNAM

8% 14%

Source: CBRE Research, Quarter 4/2015

Data from the investment required to CBRE Vietnam

JAPAN SINGAPORE KOREA

HONG KONG MALAYSIA TAIWAN AUSTRALIA CHINA

OTHER

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

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

Although Vietnam is not remarkably affected by the currency crisis risk available in other areas, its trade flow may be affected in a certain period due to global currency crisis is continuing.

• Mining commodity price crisis

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

Source: CBRE Research, Quarter 4/2015

Source: CBRE Research, Quarter 4/2015

Data from the investment required to CBRE Vietnam

basic goods mainly due to falling outside demand of commodities, due to worsen economic conditions of some countries.

• Economic growth of China continued to slow down

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

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II. MARKEt FACtORS AFFECtINg hBC’S 2016 BUSINESS PLAN

1. The development of the real estate • Infrastructure: the period 2012-2020, investment construction industry in road traffic reaches VND202.000 billion/ year, investment in electricity reaches VND125.000

2. Competitive SituationIn general, the development of domestic billion/year construction industry did have positive signs,

especially the civil engineering segment which is the strength of Hoa Binh.

Although many projects are expected to be • Housing: Most real needs of Vietnamese is launched in 2016, not because of that, the

still affordable housing with the average price of competition among construction companies might apartments. The supply of luxury apartments is be less fierce.

at the risk of becoming redundant in the short

term since the second half of 2016. • Competition between HBC with traditional rivals (Coteccons, Cofico, CC1);

• Real estate leasing boom keeps continue. Savills

Vietnam predicted the next two years will be • Competition between HBC and potential rivals recorded with the increase in office space demand with no strong brand but want to expand their in Hanoi and HCMC. market share (Unicons, Alphonsus, AGC, Descon,

DungTien ect.);

office

Hanoi Increase 11% Increase 15%

HCMC Increase 13% Increase14%Demand of 2016 2017 • Competition between HBC and foreign brands, who did not succeed in penetrating civil construction segment, are now looking for ways to win back the market (POSCO, CSCEC ...).

4. Customers

Hoa Binh has been through years of keeping relationships with great investors such as Novaland, Vincom ... Although there is a distinct differentiation between such investors and the others in Vietnam, Hoa Binh still focuses on developing the new investors in Vietnam such as M.I.K, VID, T & T, Kinh Do, and other investors. Meanwhile, sHoa Binh enhances the relationships with public investors in infrastructure projects and maintain the good relations with foreign investors who are focusing on promoting investment such as: Keppeland, Capitaland, Saphire...

SWOT ANALYSIS

STRENGTH

both inside and outside the country

especia ly competitive in the field of

- Completed management system with

international standards

and main subcontractors

construction

f eld of industrial construction

with total revenue

the purpose of developing fast and

- The sense of discipline and laborWEAKNESS - Limited capability in infrastructure

- Brand creditability has been confirmed - The company is not competitive in the

- Plentylof experience in civil construction; -iOwner’s equity is quite low in comparison high-rise and super high-rise building - Lack of skillful engineers with good ability advance technical expertise based on of foreign languages and high expertise for

- Plenty of customers in real estate sector expanding to international market - Strategic cooperation with many suppliers productivity of workers is not high

• Tourism properties significantly develop in Phu Quoc, Ha Long, Nha Trang, etc. According to recent statistics, Phu Quoc has 196 investment projects, with more than VND144,000 billion of total registered capital.

• Hospitals: many investors will exploit the hospital segment in 2016, such as the Hoa Lam Hospital, Kien Giang General Hospital, Can Tho General Hospital etc.

• Airports: Tan SonNhat airport expansion phase 2, construction of Vietstar cheap-airport.

• Industry: continue to develop, especially industries that benefit from TPP.

3. Suppliers

• Materials: Material price deflation may be sharply climbing, especially when steel prices hit the bottom line, affecting the profit plan. This development has already occurred in the March 2016, with price of coil, long steel imported from China had increased by 100 USD / ton, from $ 250 in the end of 2015, to 370-380 US dollars / ton in early March 2016.

• Machinery and equipment imported costs rose due to USD exchange rate increased.

• Subcontractors: scarce subcontractors, , especially in the context that HBC’s strategic subcontractor for cooperation is insufficient, resulting in virtual price.

THREAT

- Financial instability that impacts negatively to construction and real estate markets

- Material and labor costs

- Cut-throat competition with large building contractors within the country, with restructuring state construction companies and small dynamic construc-tion companies, international companies - The Agreement of Trans Pacific Partner-ship (TPP) is not applied yet by every country

- The regional peace and security are not realfully secured..

OPPORTUNITY

- High economic growth, real estate market recovers quickly

- Public investment is increasing in the field of infrastructure and social benefits, especially with many hospital projects

- Foreign investment wave from industrial sector is increasing in industrial sector, especially from Japan, Korea and China

- Developing the construction market internationally to countries in ASEAN and in cooperation with Trans Pacific Partnership

- Plenty of opportunities to cooperate with foreign companies who are leading and have expertise in many sectors of Construction and Real estate

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III. BUSINESS PlAN AND thE RISKS IN 2016 THAT MAY AFFECT THE COMPANY’S GOAL FULFILLMENT

7,200

NET REVENUE NET PROFIT

BILLION VND

252The 2016 business plan targets are designed and developed by HBC’s - Risk of labor safety: Due Management in accordance with the analysis on macroeconomic to the specific nature of the situation and internal conditions, concretely: construction industry, most workers need to work at height,

BILLIONso ifno qualified labor safety management system is put into place, it is very easy to have labor

accidents. Once the occurrence of

Up 42% compared to 2015 Up 200% compared with 2015 serious incidents on occupational safety happens, in addition to

The implementation plan proposed by the Board of Directors for fiscal the loss of human, mental and year 2016 is based on the analysis of market factors and the intrinsic material aspects also affected characteristics of HBC. In order to complete the plan, company seriously the confidence of leaders have to face environmental challenges, such as interest rates, investors, consulting firms and inflation, legislation, capital and especially labor safety issues during the prestige of the company in the construction. market.

2016 Action plan

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

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

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

- Legal risk: However, the bylaws system are still in the stage of modification and improvement with many terms which are changed and modified, these documents are currently lack of uniformity and consistency, so the capture and execution of the business will still faces many difficulties.

- Risk of raising and payment risk:: One of the events which drew concerns from real estate company in recent years is that the State Bank had introduced a draft circular on amending the Circular No. 36/2014 / TT -NHNN. Accordingly, there are two noteworthy points that will affect the real estate market, including change in risk factor for property business loan from 150% to 250% and the rate of using short-term deposits to the long-term loans decreased from 60% to 40%. If this regulation is adopted, the capital flows that banks use to lend to real estate investments will be limited.

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BuSINESS SECTOR

CUSTOMER SERVICE DEPARTMENT

According to the analysis of the market has shifted to products with a higher situation, in 2016, Vietnam will be the technological content.

investor’s destination. FDI prospects

are brighter than in 2015 in the context With the analysis above, the of a series of new generation free trade Procurement Department will cover agreements (FTA) which are continued the construction business and focus to be signed and taking effect, on launching the specific strategies especially TPP. Especially, Vietnam has for 03 key issues: customers, markets a large population, about 94 million and procurement.

people; the workforce is constantly

evolving, stable political conditions • Customer strategy: with strategic location in Asia.

According to forecasts, M & A market - Manage customer information in in 2016 will be very exciting, in which master database system “client list”. there will be many new investors who - Develop partnership agreement and implement acquisitions and mergers strategic partnership framework with in the Vietnam market. Besides, potential customers.

Government’s laws on housing will - Actively work to reach new customers continue to take effect, encouraging through direct visits by email, phone real estate market to bounce back or in person.

strongly. - Organize events to meet and gratitude to customers in order to

In the period of 2016 - 2020, investment tighten the relationship and promote demand for transportation and roads: the brand of Hoa Binh.

VND202,000 billion/year and electricity - Diversification of customer contact industry: VND125,000 billion/year. channels to expand the supply of Efforts to improve the legal framework information about customers.

for PPP to take effect will attract - Promote the after sale and customer private investment and contribute to care service.

economic growth in construction. - Develop the standard sales support According to Bloomberg about the toolkit.

growth prospects of 93 economies in

the world, Vietnam ranks second in • Market Strategy growth rate in 2016, at 6.6%, just lower

than 7.4% of India, in the context when - Maintain and develop existing China’s labor costs have risen and the markets. Focus on general contractor production platform of that country

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

- Focus on 03 market segments: Civil, Industrial & Infrastructure of Middle and High class. - Penetrate, develop new markets, new product segments.

+ Join, organize seminars / exhibitions in local markets.

+ Establish the relationships with Consultants and Investors in new markets.

+ In addition to the potential market such as Myanmar, Cambodia and Laos, HBC will target the Indonesian market where there is very high housing demand and take advantage of the strategic partners Nikko Indonesia.

• Tender Strategy

- Promote VALUE ENGINEERING cost savings to investors and increase the likelihood of winning the contract.

- Joint venture in implementing procurement projects: large scale; high complexity projects in new areas.

- Build Subcontractor/Strategic Supplier Relations to support and for co-development.

CONSTRuCTION SECTOR PROJECT MANAGEMENT

PMOAlong with the rapid growth in revenue, the challenges in the possibility PROJECT MANAgEMENT OFFICE of operating the projects are identified and defined by the measures

in order to meet the demand of production and business, as well as prevent the risks, improve labor productivity, and enhance the incomes

for the employees, such as: acts as the front office to receive, manage, analyze,

Establishing Project Management Office which is led by Deputy CEO and provide the project’s through rearranging the current functional departments, adding and information to help the improving the planning function, risk control during the construction. managers to make the decisions

and follow up the Project Project Management Office (PMO) acts as the front office to receive, Management processs. manage, analyze, and provide the project’s information to help the

managers to make the decisions and supervise the procedure of Project

Management. PMO is also responsible for ensuring and controlling the with the execution time has quality in order to guarantee HBC’s standards that were registered for been set to increase the ability all projects, as well as minimize the mistakes. to control and adjust to all In terms of costs, HBC Budget Committee has determined the target operation levels involved in cost distribution and execution time corresponding to the construction managing of the projects, ranging schedule, providing information for the PMO to monitor, control and from the construction direct take action timely if it detects any difference between the plan and work level to the General level, actual costs, increase initiative in operating costs. thereby increasing the autonomy Regarding other resources, planning functions which is associated and efficiency in the allocation

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and coordination of resources, to find, train, and develop the next generations of HBC’s leaders in the reducing the waiting time in future.

the field, improving employee

performance and partners Regarding the management of construction site, it is the rearrangement engagement with HBC in long- of division responsibility by using the “Matrix assignment” on the term. basis of the organizational chart of the current field in the personnel direction “good at one thing, knowing more things “, meanwhile,

Training human resources to implementation of staff rotation policy in management positions in minimize the phase difference the field is done to achieve the objective of” multitasking in the field, between revenue growth rate and in-depth at the office.” At the same time, the rotation of staff between quality of human resources, the the construction and the Office is also made to complement practical relevant department of the HBC: knowledge, improve professional skills for staff involved in managing Human Resource Department, the project.

Training Committee and PMO

Office has developed the In terms of business development, HBC has identified the need to Database site operating personnel expand the business through the field of infrastructure projects such as and planning personnel need energy, water supply, roads, bridges, etc. and has deployed assessment training to meet the construction and specific plan to enter into these fields.

requirements on both the legal

and practical expertise and The above measures are expected to create the foundation and training plan implemented. This orientation for the year 2017, HBC can expand at the average scale to is also an important contribution the international market, primarily in Southeast Asia.

WORK SECTOR MATERIAL SUPPLY

In 2016, Purchasing Department continues to operate and manage the buying management procedure, choose the strategic suppliers as consulted by PwC (since 2014). Accordingly, Purchasing Department plays the core role to serve for the project’s construction in order

to ensure the project’s timing and quality according to the signed contracts with the customers. The objectives are as follows:

- Ensuring purchasing budget of construction projects: The total actual cost / approved budget: 100%.

- Ensuring the timing of strategic and scarce commodities to supply for the projects: 100%

- Proportion of strategic commodities with strategic partners: 100% of strategic commodities have at least one strategic supplier.

- The rate of exchanged and returned products due to quality, specification, type, quantity, time, place of delivery does not exceed 3%.

KPIAPPLYING EVALUATION SYSTEM

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

DEVELOpINg THE quALIFIED HuMAN RESOuRCES AND SATISFYING THE DEVELOPMENT SPEED

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

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

In 2016, the company’s human resources will be organized and allocated in streamline manner with “multitasking” effect, closely associated with specific targets and KPIs assigned to each unit and individual. KPI evaluation system has been launched since 2015 and this year. It will continue to be improved in order to complete a comprehensive review of many aspects of capacity and working efficiency.

Planning and development of successor team are also being put at top priority by the Board of Management. By assigning

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work, creating challenges for staffs at the new work location, along with the tutelage and guidance of management and professional support from specialized departments; Creating opportunities for employees to face actual situation, rotating tthe concerned employees are facilitated to successfully perfect their skills and knowledge to satisfy the work requirements and challenges, update their knowledge to meet the requirements and challenges of the job.

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

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

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

BRANDINg AND IMPROVEMENT PLAN

The company always determines that Brand - Prestige of the bringing professional and friendly company is the worthy asset. Therefore, during last 29 years of image (USP - Unique Selling establishment and development, Hoa Binh has been putting Proposition). At the same time, efforts to build prestige, to become leading construction provider the maximum value that Hoa Binh domestically and reaching internationally. Continuing the 10-year may bring to customers is “peace period (2015-2024), Hoa Binh continued to build brand image in of mind and resonance benefit” accordance with the size and scale of development of the company from the brand of Hoa Binh (CVP -at stages, with the awareness level of brand (TOM Awareness) Customer Value Proposition). reached 80% (in the target customer group). Hoa Binh construction

brand positioning - Building Contractors is a world class brand; the number one of Vietnam in the field of super-high-rise building;

FINANCIAL pLAN, STABLE BALANCE AND

FINANCIAL INVESTMENT

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

In order to ensure appropriate capital resource matching with the contract revenue in 2016-2018, the ratio between revenue and equity must be guaranteed by 6 times, which requires the mobilization of capital increase of VND 400 billion, VND 500 billion and VND 600 billion in 2016, 2017 and 2018, respectively.

SuBSIDIARy Joint Venture (next page)

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

The company increases the purchase of tower crane, hoist, scaffolding and coffa to improve execution, improve business efficiency, and to improve competitive position. The investments in affiliated companies and joint ventures are limited. When investment is launched, the capital efficiency will be assured to obtain over 10%.

Annual Report 2015 sustainable Value

Annual Report 2015 sustainable Value

HOA BINH HOUSE CORPORATION (HBH)

Website: http://www.hoabinhhbh.com

Charter Capital: VND135 billion HBC’s ownership percentage: 99.85%

Mr. Le Quoc Duy General Director (Details in page 21)

“2015 was recorded with our new start in the construction and development roadmap to become a local leading professional real estate developer in HCMC”. “It’s the first step that counts”, however, the organization is still running following the plan. This is a good signal to create a stepping stone for a breakout year in 2016.”

A glANCE At thE COMPANy

Total asset as of 12/31/2015 of Hoa Binh House Corporation (HBH) was established in 2007 aiming HBH is VND713 billion, up 19.97% to develop the real estate business and satisfy the increasingly high compared to 31/12/2014. Total housing needs by providing realistic property products. Besides, HBH revenue in 2015 reached 113.7 constantly continues to develop and expand its strength to the field of billion, up 168% compared to last real estate leasing and has achieved some remarkable success. year.

Expanding the building 2015 BUSINESS PERFORMANCE management system with the

successful launch of Pax Sky III

2015 was a year of real estate in which the market has recovered strongly buildings but it still hides many challenges for the entire market in general and

HBH in particular. It witnessed the spectacular transformation step of Following orientation on the exclusive project distribution and marketing such as SHP Plaza, furthering the field of Property Green View. Especially in the field of leasing office, HBH also achieved Rental and Management by HBH, impressive numbers when receiving another Pax Sky 3 building in quarter namely office, Pax Sky Building 4/2015. In parallel, there still exists the difficulties and overall market System has been performing with impacts, thereby the expected outcome was not successfully archived. some particular success.

With the expansion and The 2015 business performance was lost and the 2016 targeted profit management of Pax Sky system is still low because the incurred expenses have to immediately posted, is being deployed very smoothly, meanwhile, the performance is not recognized due to incomplete real the revenue of 2015 has been estate transaction. Such business performance will be recognized in maintained stability in the 2017 and 2018. maximum since 11/2015. Pax Sky

brand has achieved the goal of expanding the system through the launch of Pax Sky III buildings, located at 225Bis Nam Ky Khoi Nghia Street, Ward 7, District 3, and complete criteria for lease 100% within 3 months.

With stable operations in the past year and the project’s active launch in 2016, Pax Sky system can bring the optimistic full-year revenue of VND50 billion.

Successful exclusive marketing and distribution of projects in 2015

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

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

Successful brokerage and distribution of real estate products

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

713Total asset as of 31/12/2015

VND BILLION increase 19.97% compared to

31/12/2014

8%TOTAL REVENUE IN 2015 16INCREASED

up 19.97% compared to 12/31/2014

In 2016, the brand Paxsky will accompany Okamura Japanese Company - a company that

has experience in real estate management. This is a stepping stone for Paxsky to become a leading organization in the field of office management and rental services in the near future.

Annual Report 2015 sustainable Value

Annual Report 2015 sustainable Value

BUSINESS DIRECtION IN 2016 Paxsky will accompany Okamura Japanese Company - a company

2015 marked the innovation in the real estate market, confidence is that has experience in real estate being restored in the market. The positive signals from the market management. This is a stepping show a new year with new opportunities, Hoa Binh House has set out a stone for Paxsky to become a number of objectives and measures to further strengthen its brand and leading organization in the field reputation in the market. of office management and rental

services in the near future. Promoting the role of investment and development in Strategic

apartment projects in 2016 Strengthening distribution and marketing

In order to develop the strength in the role of project investment and

development, HBH will continue to invest in strategic projects over the In 2016, the company will next year. Following the success of these projects in 2015, the company expand the transaction-floor will launch new projects such as Nam Ky Khoi Nghia, Hoang Hoa Tham system, develop the business Street, Lake Side, Soho Premierect. and some other projects. staffs to corporate development objectives floor-company into

Continuing to develop the field of office leasing a leading brokerage firm in the market. At the same time, the

In the continuing success of the office building Pax Sky I, II, III, HBH will company will also collaborate endeavor to promote and boost the potential in this field. It is expected with partners to provide quality in 2016, HBH will seek out 2 additional office building for lease. At products like GOTEC, Vingroup, the same time, the company will continue to build Pax Sky brand to Phat Dat ect. This plan will become the leading brand for lease in HCM City. In 2016, the brand successfully improve the company’s prestige and enhance

the trust with the customers.

2015 BUSINESS PERFORMANCE AND 2016 PlAN:

(UNIT: VND BILLION)

VND billion

Profit/

(loss) after

gross

Profit

marginProfit/(loss)

Net gross before EBIT Net Profit Revenue Profit tax and margin margin

interest

hOA BINh REAl EStAtE tRADINg lIMItED COMPANy (Subsidiary of HOA BINH HOUSE CORPORATION)

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

BUSINESS DIRECTION IN 2016

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

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

2015 Fulfillment 2016 Planning

2015 Fulfillment Real Estate Transaction

2015 Planning-Real Estate Transaction

113.7 16.9 401.7 51.7

6.2 2.7

35.4 23.0

(23.6) (37.5) 14.8% 14.5 (15.0) 12.9%

(0.8) (0.8) 43.5%

4.0 3.1 65%

(20.8%) (33%) 3.6% 3.7%

(13%) (14%)

11.3% 9%

DEtAIlS OF 2016 BUSINESS PlAN

(UNIT: VND BILLION)

No. Company Name

1 2015 Execution-Real Estate Transaction

2 2015 Planning-Real Estate Transaction

Total

Revenue 401.7

35.4

437.1

Cost Price 350.1

12.4

362.5

gross Margin 51.6

23.0

74.6

Annual Report 2015 sustainable Value

Annual Report 2015 sustainable Value

TIEN PHAT REAL ESTATE INVESTMETN JOINT STOCK COMPANY

Website: www.tienphatcorp.com

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

Mr. VO MINH HOANg Director

Born in: 1986 Nationality: Vietnamese Qualification:

- Construction Engineer, Ho Chi Minh University of Architecture

- Master in Real Estate Developer, George Mason University, U.S.A. Working Experiences:

- 2009 - 2011: Supervisor Engineer at Uyen Sang An Construction JSC, Design Specialist at Hydraulic Engineering Consultants Corp II

- 2014 - 2015: Member of Investment Committee of Toan Thinh Phat Architecture Investment Construction Joint Stock Company, Assistant to CEO of Hoa Binh House

- 2015 - now: Director of Tien Phat Real Estate Investment Joint Stock Company.

“Although Tien Phat is one of the youngest subsidiaries of Hoa Binh, it is cemented with the great significance in the Corporation’s development. With the purpose of sustainable development, Tien Phat is currently focusing on developing the medium-scale projects at good locations to restrict the risks of market. Besides, the company also is saving the capital and experiences, as well as building up the company brand to develop larger-scale projects.”

The Ascent - Thao DienA glANCE At thE COMPANy Condominiums Apartment Projects: The Ascent - Thao Dien

Tien Phat Real Estate Investment Joint Stock Company ( Subsidiary Condominiums Apartment is the of HBH) is incorporated toprovide the products, services, and new first project and typical project of technologies in the corporation in order to create the high-quality- the company in 2015. The project housing products with reasonable price. In addition, the company also is located at No. 58 Quoc Huong, solves the problems in management ability, distribution channels, Thao Dien Ward, District 2 with 02 capital, and market research for HBC’s customers. After nearly two towers of 29 floors and 278 luxury years of development, Tien Phat Real Estate Investment Joint Stock apartments with many facilities Company created bold mark on the real estate market of Ho Chi Minh such as warm-water pool, 03

City with the quality real estate projects such as: The Ascent - Thao Dien parking floors. The Ascent is Condominiums, Grand Riverside, Riva Park, etc. attracting the Eastern market. In

particular, the project obtained 169/278 apartments which were sold successfully in 2015.

grand Riverside Luxury Apartment Project

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

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

Riva Park Apartment Project

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

The Penta Apartment project

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

Ascent Lakeside Apartment Project

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

grand Central Apartment Project

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

798.49ExPECTED REVENUE IN 2016

BILLION VND

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

well as collect capital and experiences for the bigger projects in the future.

Annual Report 2015 sustainable Value

Annual Report 2015 sustainable Value

Premier Soho apartment project

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

Project

Plan

Cumulative

apartments of2016 Business % Profit after tax Total Value (+VAT) (VND Estimated

Billion) handover time Transactions in

year (apartment) project

JESCO HOABINH ENGINEERING (JESCO)

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

The Ascent Grand Riverside Riva Park

The Penta

878.33 T12/2016 330.40 Q3/2017 559.90 Q3/2017

175.95 Q2/2017

111/278 20/104 78/180

40/83

278/278 60/104 112/180

40/83

Mr. MITSUMOTOTOSHIYUKI General Director

Ascent Lakeside 595.53 Q2/2018 40/172 40/172 Grand Central 332.35 Q4/2018 38/48 38/48 Soho Premier 273.08 Q4/2017 110/150 110/150

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

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

Born in: 1948 Nationality: Japanese

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

2004 – 2011: Deputy Chairman / Chairman JESCO SE Vietnam

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

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

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

AglANCEAtthE COMPANy

DEtAIlS OF BUSINESS PlAN IN 2016

Profit/ (loss)

Target Net Revenue gross Profit before tax and

interest

2015 - - (15,79) Fulfillment

2016 798.49 88.97 (8,24) Planning

Profit/(loss) after tax

(16,32)

(35,25)

gross Profit margin

(UNIT: VND BILLION)

EBIT Net Profit margin margin

N/A N/A

(1%) (4%)

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

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

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

Annual Report 2015 sustainable Value

Annual Report 2015 sustainable Value

ACtIVItIES IN 2015 AND BUSINESS DIREC-tION IN 2016

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

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

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

The Tresor Project

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

Rivergate Residence Project

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

HOA BINH INFRASTRUCTURE INVESTMENT & CONSTRUCTION JSC (HBI)

Charter Capital: VND150 billion HBC ownership percentage: 97.8%

Mr. Le Viet Ha General Director

Born in 1960, Nationality: Vietnamese Qualification: Business administration Working experiences:

2002 – 2004: Director at Hoa Binh Interior Decoration Limted Company 2004 – 2005: Director at Moc Hoa Binh JSC

2006 – 2008, Director at Hoa Binh Commercial Limted Company

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

2011 – 2013, General Director at Hoa Binh Investment and Development JSC 2013 until now: General Director at Hoa Binh Infrastructure Investment & Construction JSC

“With the experiences in the investment in Long Hau – Hoa Binh Industrial Zone, HBI direction iis to launch the extensive development and take the larger scale industrial projects in Long An and other provinces in Vietnam.”

AglANCEAtthE COMPANy

DEtAIlS OF BUSINESS PlAN IN 2016

gross Profit

MarginProfit/(loss) VND million Net Revenue before tax and

interest

2015 Fulfillment 225 22.7 7.36

2016 Planning 291 32.1 18.9

(UNIT: VND BILLION)

Profit/(loss) Profit/(loss) before tax after tax

5.6 4.4

15.8 12.7

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

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

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

Annual Report 2015 sustainable Value

Annual Report 2015 sustainable Value

BUSINESS PERFORMANCE IN 2015

Following the success of 2014, the 2015 business plan goals were continued to be fulfilled as set forth by the HBI’s Board of Management and employees.: specifically, land area that has recorded revenues reached 121.7% of the target number, the filling rate of land reached 48.4% of total salable area, net sale reached 114% and profit after tax was 156.8% of the target amount.

Along with the good sales performance, tThe basic construction investment activities were also well managed by the HBI’s Board of Management and employees: by splitting the construction package and working directly with large suppliers which then helped HBI to reduce 10% - 15% of the investment cost of products.

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

OPPORtUNItIES, ChAllENgES AND BUSINESS DIRECtION OF 2016

Vietnam’s adhesion to the World Economic Agreements (TPP, FTA) offers a great opportunity to successfully attract the FDI into Vietnam, namely the land lease customers in the industrial parks. HBI has recognized that this is not only a business opportunity, but also a major challenge to Board of Management- as well as its employees in:

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

- Customer support in finding human resources.

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

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

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

- Achieve and exceed sales targets and profit in 2016.

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

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

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

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

MOC HOA BINH JSC (MHB)

Charter capital: VND50 billion HBC ownership percentage: 98.9%

Ms. Nguyen Thu Hoa Director

Born in 1976, Nationality: Vietnamese

Qualification: Marketing, HCMC University of Economics Working experiences:

2001 – 2003: Marketing Specialist at Unicharm Representative Office

2005 – 2010: Managing Director at 7979 Construction and Interior Company (Thailand) 2012 – 2015: Business Development Specialist at SB Furniture Company (Thailand) 2015 – now: Director at Moc Hoa Binh JSC

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

AglANCEAtthE COMPANy

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

BUSINESS PERFORMANCE IN 2015 AND PlAN IN 2016

gross Profit

MarginProfit/(loss) Target Net Revenue before tax and

interest

2015 Planning 129.6 50.5 34.4

2015 Execution 147.7 60 51

(UNIT: VND BILLION)

Profit/ Profit/(loss) (loss)

before tax after tax

33.8 26.4

50.2 41.4

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

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

2016 Planning 155.6 77.8 57.6 57.6 46.1

Annual Report 2015 sustainable Value

Annual Report 2015 sustainable Value

BUSINESS PERFORMANCE IN 2015

Although 2015 was characterized by market fluctuation, it was still the year marking the beginning of Moc Hoa Binh in making fireproof wooden door, outstanding products of the company to the market of Southeast Asia market, especially Myanmar.

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

BUSINESS ORIENtAtION IN 2016

- Building the showrooms in combination with product display and trading other furniture products of famous brands and self-produced products.

- Developing the packages of interior finishing with MHB brand

- Building the factories with medium and small scale with professional management procedures in order to ensure the quality of MHB products, as well as make sure the supply timing for the projects.

- Developing the material trading to obtain the good favorable offers from the partners, reduce input costs to provide for HBC the strategic products with competitive prices and good quality.

- Continuing to launch the intensive and extensive market expansion in the Southeast Asia area. that focuses on wood furniture installment and project finishing.

VIET TA IMPORT AND EXPORT CORPORATION (VITA)

Website: http://www.vitacorporation.vn

Charter capital: VND8 billion HBC ownership percentage: 58.2%

Ms.NgUYEN THU HOA Director

(Details in page 75)

Viet Ta Import and Export Joint Stock Company (abbreviated as VITA) It is not available in the original text!, is oriented to develop into a professional, reputable and comprehensive supplier on the construction and furniture market with business fields of coffa plywood, waterproofing additives, granite, wooden doors, flooring, sanitary equipment , etc.

BUSINESS PERFORMANCE IN2015 BUSINESS DIRECtION IN 2016

BUSINESS PERFORMANCE IN 2015 AND PlAN IN 2016

(UNIT: VND BILLION)

Rev Margin after tax marg

Profit/(loss) gross Net

interest margi margi

2015Target Net enue gross Profit before tax and Profit/(loss) Profit n EBIT in Profit n

Fulfillment 47.5 (1.6) (7.9) (13.3) (3%) (16.6%) (28%)

2016Planning 164.5 32.5 13.2 7.9 19.7% 8% 4.8%

Difficulties: 2015 witnessed an ocean of business difficulties struggled by the Company due to the world’s economic depression, adversely affecting the input material, while increasing customer demand is more difficult in terms of price as well as working progress. This is also the cause of the changes in human resources and organizational activities of the Company.

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

- Năm - Improving the retail, implementing full categories of furniture, meeting the demand of customers in building their home

- Coordinating with MHB to distribute the construction material products through distribution

channels and the relationships of MHB

BUSINESS PERFORMANCE IN 2015 AND PlAN IN 2016

(UNIT: VND BILLION)

Target

2015 Fulifillment

2016 Planning

Net Revenue

26.1

43.6

gross Profit Margin

Profit/(loss) before tax and interest

(1.5)

0.02

Profit/(loss) after tax

gross Profit margin

1.8%

EBIT margin

(6%)

0.05%

Net Profit margin

(28%)

4.8%

Annual Report 2015 sustainable Value

Annual Report 2015 sustainable Value

HOA BINH ARCHITECTURE CO., LTD (HBA)

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

Ms. VUONg KIM ANH Director

Born in: 1960 Nationality: Vietnamese

Qualification: Architect, Master in Planning Working Experiences:

30 years of experience in Construction Project Management, Designer, Manager of Construction Design Department, Board of Management of project, Project Manager, Leader of Architecture Design ofcivil and industrial engineering projects (Level 1), Construction Management of renovated projects, interior design and finishing for projects.

1989 – 2004: Architect – Head of Construction Design at District 11 House Development Company (Real Estate 11 Company)

2004 – 2008: Deputy Director of Board of Management of the projects at HCMC Young Volunteer Company 2008 – 2009: Deputy Director at Hoa Binh House Corporation

2009 – now: Director at Hoa Binh Architecture Co., Ltd

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

A glANCE At thE COMPANy

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

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

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

BUSINESS PERFORMANCE IN 2015

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

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

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

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

Outstanding projects in 2015

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

Typical projects:

1. Tien Phat Apartments - The Ascent condominiums invested by Tien Phat real estate Investment.

2. Expanding works of T2 terminal at Tan Son Nhat airport by Airports Corporation of Vietnam as main investor

3. Sajuco condominiums by JSC Saigon Mekong as main investor

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

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

BUSINESS ORIENtAtION IN 2016

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

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

Fields of operation:

• Construction surveys: Grade 1 civil projects, Grade 2 industrial and infrastructural projects;

• Project planning: Group A civil construction projects; industrial and group B infrastructural construction projects;

• Project management: Group B civil and industrial construction, group C infrastructural construction projects;

• Design consultancy and examination: Grade 1 civil projects, Grade 2 industrial and infrastructural projects;

BUSINESS PERFORMANCE IN 2015 AND PlAN IN 2016

before

margin

ProfitProfit/(loss) Profit/ gross VND billion Revenue gross Profit tax and (loss) after Profit

interest

2015 Fulfillment 9.2 2.0 0.5 0.4 22%

2016 Planning 9.9 2.6 0.7 0.5 26%

(UNIT: VND BILLION)

EBIT Net margin margin

5.4% 4.3%

9% 5%

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MATEC CONSTRUCTION MACHINERY CO., LTD (MATEC)

Charter capital: VND100 billion HBC ownership percentage: 100%

Mr.PHAM NgOC HUNg Director

Born in: 1967 Nationality: Vietnamese

Qualification: Construction Engineer, HCMC University of Technology Working Experiences:

2002 – 2009: Head of Engineering Department at Hoa Binh Construction & Real Estate Corporation 2010 – 2011: Construction Manager at Toan Thinh Phat Limited Company

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

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

- In 2003, the company became the Machinery Management Board under HBC, undertaking the following tasks:

- To transfer, maintenance, manage the entire construction equipment items for Hoa Binh.

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

3. Field of business:

Repair of machinery and equipment (except for mechanical processing, recycling, electroplating). • Other specialize construction.

• Trading in machinery, equipment and spare parts of agricultural machinery. • Cargo handling.

• Packing services (except packing the pesticide products).

• Production of metal structures (not operating in the Head Office). Installation of machinery and industrial equipment. Trading machinery, equipment and other machine parts. Road goods transportation service. Lease of motor vehicles, plants, equipment and other tangible items.

BUSINESS ORIENtAtION IN 2016

A glANCE At thE COMPANy

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

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

1. Forms of ownership:

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

2. Establishment and Development:

Matec construction machinery co.,ltd, called MATEC, was founded and officially went into operation on September 27, 2010. - In 1995, it was electro-mechanical workshop under HBC control, with the following tasks: † Management, maintenance, construction equipment mobilized for the construction of Hoa Binh Company.

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

-To classify and evaluate the market towards services.

- To improve maintenance and preservation of machinery.

- To comprehensively implement the ERP system, closely follow HBC’s construction site and be more proactive in the supply of machinery and equipment.

- To search for opportunities to cooperate with foreign companies in same industry and orientation. - To keep general and administrative expenses under 2.5%

- To reduce customers’ complaints to less than 10 rational complaints/ month.

- To improve management by continuing to maintain and promote quality management system ISO 9001: 2008.

BUSINESSPERFORMANCE IN 2015 AND PlAN IN 2016

(UNIT: VND BILLION)

Margin tax) taxTarget Net Revenue gross Profit Profit/(loss) before Profit/(loss) after

2015 Fulfillment 341.6 8.3 1.2 0.99

2016 Planning 461.4 10.4 2.3 1.8

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ANH HUY CO., LTD (AHA)

Website: www.hoabinhaha.com

Charter capital: VND 11 billion HBC ownership percentage: 99.55%

MR. PHAN HOANg TU Director

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

2001 – 2004: Architect at D&C Architecture Limited Company, Hoa Binh Company. 2004 – 2006: Deputy Project Leader, Project Leader at HBC’s projects.

2007 – 2009: Director at Hoa Binh Architecture Co., Ltd

2009 – 2015: Project Leader, Project Director at HBC’s projects, Head of Hoa Binh Representative Office in Da Nang

2015 – now: Director at Anh Huy Co., Ltd

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

A glANCE At thE COMPANy

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

BUSINESS PERFORMANCE IN 20155

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

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

BUSINESS ORIENtAtION IN 2016

- Closely cooperating with HBC to compete to other contractors - Finishing the interior and exterior for the projects

- Researching to develop new products made by premium aluminum, aluminum formwork

- Improving the quality management procedure, increasing the investment in equipment to to the highest satisfaction of the customers in terms of quality.

BUSINESS PERFORMANCE IN 2015 AND PlAN IN 2016

(UNIT: VND BILLION)

Items

before tax

(loss)

ProfitNet gross Profit Profit/(loss) Profit/ gross Profit EBIT Net Revenue Margin and interest after tax margin margin margin

2015 Fulfillment 27.8 1.6 (3.6) (4.3) 5.8% (13%) (15.5%)

HOA BINH PAINT CO., LTD (HBP)

Website: http://www.hodastone.com.vn

Charter capital: VND 7 billion HBC ownership percentage: 100%

Mr. HUYNHHUUTOT Director

Born in: 1952 Nationality: Vietnamese

Chemistry Engineer, HCMC University of Technology Working experiences:

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

-2001-now: Director Hoa Binh Painting Company

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

A glANCE At thE COMPANy

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

BUSINESS PERFORMANCE IN 2015

- 2015 is a remarkable year in development of sale activities with a well-connected process from producing, doing business, and marketing to speedy distributing products. Market demand grows up 15-20% yearly.

-Reputation, trademark and quality are highly recognized by well-known contractors such as: HBC, Cotecons, Cofico, An Phong, etc.

BUSINESS ORIENtAtION IN 2016 -Planning in distribution system instead of retailing

-Invest in expanding automatic chain system, increase productivity and products’ quality.

-Develop the contractions and chain of projects (Sala urban in district 2 Ho Chi Minh city in example) -Look for investment, cooperation and join-stock.

BUSINESS PERFORMANCE IN 2015 AND PlAN IN 2016

(UNIT: VND BILLION)

Target

before tax

(loss)

ProfitNet gross Profit Profit/(loss) Profit/ gross Profit EBIT Net Revenue Margin and interest after tax margin margin margin

2015 Fulfillment 25.97 8.36 2.17 1.32 32% 8.2% 5.1%

2016 Planning 25.3 9.61 2.5 1.94 38% 9.9% 7.7%

2016 Planning 50.7 7.6 2.1 1.3 15% 4.1% 2.6%

CHAPTER IV

REPORT OF BOARD OF DIRECTORS AND BOARD OF SUPERVISORS

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Report and Assessment of Board of Directors

I. ASSESSMENt OF BOARD OF DIRECtORS ABOUt BOARD OF MANAGEMENT AND BUSINESS ACTIVITIES IN 2015:

1.1 gENERAl ASSESSMENt

Together with the attempts on enhancing the Company’s profitability and performance, HBC’s Board of Management also highly builds the company with good management model that is appropriate with international practices.

The positive movement of the real estate market last year and the trust from investors and shareholders, especially the strategic shareholder as well as the great efforts of HBC team helped HBC to obtain the positive 2015 business performance compared to previous year.

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

Although the set after-tax profit in 2015 was not fulfilled, HBC always puts its whole heart to the Company’s sustainable development strategy. HBC’s Board of Management had the strong decisions in order to improve the company’s business performance in 2016.

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

4,3%THE BUSINESS PERFORMANCE 4IN 2015 INCREASED

The consolidated revenue of HBC reached VND 5,085 billion - increased 44.3% compared to

2014 and fulfilled approximately 96% of the target.

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

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invididual staff to each member of Board of Directors In 2015, HBC has strengthened the relationships and Board of Supervisors. between the enterprise and the universities in order In addition to complying with the regulations to improve the quality of human resources, prepare of current law, HBC completed and has been for next leader generations in the future. HBC has implementing the project of improving the business accompanied and supported the talent students of procedures; risk management activities; establishing Ho Chi Minh City University of Technology, Ho Chi the Internal Audit Division to audit each department Minh City University of Architecture, etc to intern at during the company’s operation; providing the the construction sites of the company.

adequate and transparent information with quality;

implementing the corporate responsibility towards Those respectful efforts and accomplishments have the society and the community. been recorded by many valuable awards in 2015: Vietnam’s Top 50 Most Valuable Brands of 2015

In addition to business development and corporate assessed by Brand Finance (UK), Top 100 Vietnam governance to contribute to develop the economy Gold Star in 2015, Top V1000 Largest Corporate of the country, HBC is also aware of its responsibility Taxpayer in Vietnam, Top FAST500 Fastest Growing for building and developing Vietnamese society and Enterprise in Vietnam, and Top VNR 500 Largest people, especially protecting the environment. Enterprises in Vietnam and other prestigious awards In coordination with Le Mong Dao Education Fund, (more details on page 14, Honours and Awards scholarships have been offered to many poor section).

students and pupils with the amount of money up to VND 1 billion.

1.2 SURVEIlANCE ACtIVItIES OF BOARD OF DIRECtORS tOWARDS BOARD OF MANAgEMENt

1.2.2 The monitoring surveilance

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

(UNIT: MILLION VND)

Items

Change PlanCompleted in Completed in % plan 2014 2015 fulfillment

Total revenue 3,518 5,078 44.3% 5,300 95.8%

Profit after tax 70.95 83.47 21.3% 180 46.4%

1.2.3 Conclusion1.3 thE PlANS AND DIRECtIONS OF BOARD OF DIRECtORS

The year of 2016 is forecasted to remain the

difficulties in the economy in general. However,Regarding to the issued charter, rules, and regulations, Board of Directors empowers to Board

activities of the company, as well as implement the

inflation, estimated increase in GDP growth, and

Meeting.of Management to make decisions in daily business there still has the opportunity to develop in the decisions, business plans, and operation directions real estate market. Low interest rates, decreased assigned by Board of Directors and Annual General improved operating policies are the good signs for

the economy in 2016.

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

1.2.1 Surveilance method

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

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

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

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

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

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

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

• Continuing to implement the strategic plan of business development in three-year-period 2016 -2018;

• Strengthening and developing the core civil construction as well as exploiting the market opportunities to diversify products - services;

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• Improving corporate governance and enhancing the role of risk management and control in financial management, accounting, auditing, and enterprise risk management through the improvement of the qualification of Subcommittees under Board of Directors;

• Continuing to improve the transparency in the enterprise’s operation, enhancing the role of members of independent Board of Directors;

• Focusing on standardizing the system of company’s processes to be appropriate with company’s business situation and current law, especially risk management, internal control;

• Improving the efficiency in capital usage through continuing to enhance the advantage of brand to issue the capital for strategic shareholders;

• Developing and improving the enterprise’s value based on the sustainable development through building and developing the strategy of Corporate Social Responsibility (CSR); implementing the plan of developing the inherited human resources at management positions of the enterprise;

• Maximizing the benefits of shareholders, appropriately balancing with the benefits of related parties in company’s management.

II. REPORt OF

BOARD OF DIRECTORS IN 2015

1. BOARD OF DIRECtORS

1.1 Introduction of Board of Directors

The Law on Enterprises and HBC’s Charter specify that Board of Directors is the management authority of the Company which has the rights to make decisions in implementing the rights and obligations of the company that is not under AGM’s jurisdiction. In 2015, Board of Directors of HBC maintained the operations as defined in the Charter and management regulations of the company with eight (08) members of Board of Directors. In particular, there are (04) independent members and four (04) members involving in management.

Independent members include Mr. Tran Si Chuong (Head of Finance and Investment Subcommittee); Mr. Phan Van Truong (Head of Risk Management

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

1.2 The subcommittees of

Board of Directors

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

Risk Management Subcommittee and Finance and Investment Subcommittee

Risk Management Subcommittee lead by Mr. Phan Van Truong

Finance and Investment Subcommittee lead by Mr. Tran Si Chuong

The members of the above subcommittees are invited to join in the subcommittee depending on their professional. There are the financial investment specialists who assist to BOD and Head of Subcommittee.

1.3 The operation of Board of Directors

There is the different point of Board of Directors of HBC in company’s operation in 2015. That is

the frequent attendance of 2 Head of Subcommittees (Risk Management Subcommittee and Finance and Investment Subcommittee) in 52 weekly meetings of Board of Management. In addition, BOD maintained the regular meetings to discuss and unify the decisions under BOD’s jurisdiction in order to promptly provide the directions in business management of the company according to the market’s fluctuation. Accordingly, BOD provided (19) decisions at these meetings. BOD’s members contributed their ideas and voted. The decisions are made when a half of BOD’s members agree on them.

All meetings of BOD are participated by Head and/or members of Board of Supervisor as the observers. In particular, BOD’s meetings are described as follows:

Directors

Number oNo Member of Board of Position attended f Rate Reason of absentation meeting

1 Mr. Le Viet Hai Chairman 19/19 100%

2 Mr. Truong Quang Nhat Member 18/19 94.7% Busy with works 3 Mr. Phan Ngoc Thanh Member 19/19 100%

4 Mr. Le Quoc Duy Member 19/19 100%

5 Mr. Ha Vu Hoang Member 0/19 0% Busy with overseas business

6 Mr. Tran Si Chuong Member 19/19 100% 7 Mr. Phan Van Truong Member 19/19 100%

8 Mr. Ignatius Joe Budiman Member 1/19 5.2% Busy with overseas business

The decisions of Board of Directors in 2015

No No of Resolution / Decision Date Content

1 03/2015/NQ-HĐQT.HBC 27/03/2015 Selling treasury shares

2 04/2015/NQ-HĐQT.HBC 06/04/2015 -Approving the 2014 audited financial statements

3 05/2015/NQ-HĐQT.HBC 06/04/2015 - Approving the goals to be submitted to Annual General Meeting in 2014.

4 06/2015/NQ-HĐQT.HBC 06/04/2015 Approving the loan plan and limit guarantee at Vietcombank

5 07/2015/NQ-HĐQT.HBC 06/04/2015 Approving the loan plan and limit guarantee at Vietinbank

6 08/2015/NQ-HĐQT.HBC 06/04/2015 Approving the loan plan and limit guarantee at TPBank

7 09/2015/NQ-HĐQT.HBC 06/04/2015 Purchasing assets, equipments

8 10/2015/NQ-HĐQT.HBC 25/04/2015 Approving the loan plan and limit guarantee at National Citizen Bank for Jesco Hoa Binh

9 12/2015/NQ-HĐQT.HBC 08/06/2015 Approving the selection of EY Vietnam to be the audit unit for HBC in 2015 and 2016; dividend distribution plan in 2014; plan

on issuing bonus shares to for existing shareholders

10 13/2015/NQ-HĐQT.HBC 16/06/2015 Approving the loan plan and limit guarantee at National Citizen Bank for Anh Huy Company

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11 2006/2015/NQ-HĐQT.HBC

12 13b/2015/NQ-HĐQT.HBC

13 14/2015/NQ-HĐQT.HBC

14 15/2015/NQ-HĐQT.HBC

15 16/2015/NQ-HĐQT.HBC

16 7b/2015/NQ-HĐQT.HBC

17 17/2015/NQ-HĐQT.HBC 18 18/2015/NQ-HĐQT.HBC

19 19/2015/NQ-HĐQT.HBC

20/06/2015

29/06/2015

03/08/2015

10/08/2015

08/09/2015

06/10/2015

08/10/2015 15/10/2015

30/11/2015

Approving the loan plan and limit guarantee at VIB

Approving account opening, the account representative, the lloan plan and limit guarantee at HDBank

Implementing the credit relationship with BIDV Ba Chieu to make the loan guarantee for Matec (VND 35 billion)

Releasing the restriction of share transferring for Lucerne Enterprise Ltd.,

Issuing shares according to the selection program for company’s employees

Approving to share a part of credit limit at BIDV – HCMC Branch for Matec Company

Purchasing assets, equipments of HBC

Assigning the representative according to authorization and capital contribution in Green Living Vietnam

Approving the project of investment and construction of Hoa Binh Innovation Center

• Establishing the subcommittees

1.7 general appraisal about the activities of Board of under Board of Directors,

Directors ensuring the compliance with the operation requirements

In order to improve the quality of corporate governance in line with of listed companies. However, current regulations and international practice, in 2015, Board of the subcommittees should Directors has made efforts to improve itself as well as quality and complement their operational quantity management capacity including: principles and charter. From there, • Board of Directors maintains the regular activities in line with the they maintain their activities in provisions in Company’s Charter, ensures the requirements of the accordance with their regulations. number of meetings as well as the number of participants in order to Periodically, the subcommittees meet the legality and the meeting’s effectiveness. should submit their reports to • Board of Directors outperforms its assigned roles. Accordingly, the Board of Directors. Each member roles of independent members and non-executive members are clearly of subcommittees needs to be shown to maximally ensure the benefits of minority of shareholders. active in their responsibilities and • Board of Directors supervises the implementation of BOD’s decisions have more practical contributions and AGM’s resolutions. in coming time.

2. thE tRANSACtIONS, REMUNERAtION,AND BENEFItS OF BOARD OF DIRECtORS AND BOARD OF SUPERVISORS

2.1 The remuneration of Board of Directors and Board of Supervisors

1.4 Activities of independent & non-executive members of Board of Directors:

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

1.5 Activities of BOD’s subcommittees

Risk Management Subcommittee

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

Finance and Investment Subcommittee

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

The salary payment for members of Board of Directors and Board of Supervisors complies with the norms of AGM’s resolution in 2015. The remunerations of members of Board of Directors and Board of Supervisors in 2015 are described as follows::

managemenNo Name Position Involving int Monthly salary 1 Le Viet Hai Chairman/ General Director X VND 15 million

2 Truong Quang Nhat Deputy Chairman/Deputy X VND 8 million General Director

3 Le Quoc Duy Deputy General Director X VND 8 million 4 Phan Van Truong Head of Subcommittee VND 8 million 5 Tran Si Chuong Head of Subcommittee VND 8 million 6 Phan Ngoc Thanh Chief Financial Officer X VND 8 million 7 Ignatius Joe Budiman Member VND 8 million 8 Hoang Vu Ha Member VND 8 million 9 Hoang Tung Thien Head of Committee VND 10 million 10 Cao Thi Diem Chau Deputy Head of Organizer Member X VND 8 million

11 Nguyen Viet Hung Member VND 8 million

2.1.6 The participation of BOD’s members in the programs of Company’s

governance

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

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

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

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

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

2.4. Share transactions of internal shareholders and related people

Share transactions

Report and Appraisal of Board of Supervisors

No Transactor

1 Nguyen Van An

2 Do Thi Thanh Huyen

3 Nguyen Van Binh

Relation with internal Shareholders

Deputy General Director

Wife of Nguyen Van An

Brother of Nguyen Van An

Number of owned

shares at the beginning term

No. of Shares

55,414

8,678

10,227

Number of owned shares at the ending term

No. of Shares

Reason of increase, decrease (buying, selling, exchanging, rewarding, etc.

Selling

Selling

Selling

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

Other transactions

• On 12/06/2015, Mutual Fund Elite Investment Fund bought 500,000 shares of HBC, raising their total holdings from 2,445,820 shares (4.26% of rate) to 2,945,820 shares, equivalent to 5.13% of holding rate and became the big shareholder of HBC.

• On 19/08/2015, PYN Fund Elite Investment Fund (Non-Ucits) bought 551,140 shares of HBC, increasing their total holdings from 2,945,820 shares (5.13% of rate) to 3,496,960 shares, equivalent to 6.10% of holding rate.

• On 06/10/2015, PYN Fund Elite Investment Fund (Non-Ucits) bought 857,680 shares of HBC and received 992,088 bonus shares, rising their total holdings from 3,496,960 shares (6,10% of rate) to 5,346,728 shares, equivalent to 7.17% of holding rate.

• On 08/10/2015, PYN Fund Elite Investment Fund (Non-Ucits) bought 822,540 shares of HBC, increasing their total holdings from 5,346,728 shares (7.17% of rate) to 6,169,268 shares, equivalent to 8.27% of holding rate.

• On 09/10/2015, PYN Fund Elite Investment Fund (Non-Ucits) bought 1,504,490 shares of HBC, raising their total holdings from 6,169,268 shares (8.27% of rate) to 7,673,758 shares, equivalent to 10.30% of holding rate.

• On 24/11/2015, PYN Fund Elite Investment Fund (Non-Ucits) bought 702,900 shares of HBC, increasing their total holdings from 7,673,758 shares (10.30% of rate) to 7,769,800 shares, equivalent to 11.32% of holding rate.

• On 08/12/2015, Lucerne Enterprise Ltd received 3.3 million rewarded shares of HBC, rising their total holdings after the transaction to 14.3 million units, equivalent to 18.93% of rate. The transaction was conducted on 04/12/2015.

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REpORT OF BOARD OF SupERVISORS

I. SURVEIlANCE RESUltS tOWARDS

BOARD OF DIRECTORS AND BOARD OF MANAGEMENT

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

II. OPINIONS OF BOARD OF SUPERVISORS ON BUSINESS PERFORMANCE

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

III. SOME FINANCIAlANAlySIS INDICAtORS

The followings are some financial analysis indicators which Board of Supervisors believed that it is mean-ingful to the Board of Management and shareholders to analyze, compare and evaluate business perfor-mance and establish the link connection with the strategic orientation “became the main contractor, Design & Build general contractor”.

IV. RECOMMENDAtIONS

Some above financial ratios unveiled the relatively low business performance obtained by the Company. Board of Supervisors believed that business activities in 2015 as well as in previous years have been affected by two important factors:

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

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

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

Ho Chi Minh City, 30th March 2016

ITEMS

Number of employees Average revenue/ person Asset Turnover

Fixed Asset Turnover Return on Sales

Return on Equity

Unit 2014

Person 10,834 VND 324,735,000 Times 0.61 Times 9.59 % 2.53

% 7.11

2015

12,369 394,686,000 0.69

7.96 2.37

7.77

On behalf of BOARD OF SUPERVISORS HEAD OF BOARD OF SUPERVISORS

(Signed)

HOANg TUNg THIEN

CHAPTER V

SUSTAINABLE DEVELOPMENT REPORT

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

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As one of the local leading developer in Vietnam, HBC is highly aware of its responsibility in close relation with the ambition and mission to the sustainable development orientation.

I. ABOUt thE REPORt

1. CONtENt OF thE REPORt

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

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

2. SCOPE OF thE REPORt

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

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

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

3. CONtACt INFORMAtION

For all information and suggestions for the Sustainable Development Report of HBC, please contact:

Mr: Nguyen Quang Huy - Investment Manager. Phone: (+84 8) 3932 5030 (Ext 135)

Email: huy.nguyen@hbcr.vn

Address: 8th floor, PaxSky Building, 123 Nguyen Dinh Chieu Street, Ward 6, District 3, HCMC.

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II. hBC AND SUStAINABlE DEVELOPMENT ORIENTATION

1. MODEl FOR SUStAINABlE DEVElOPMENt

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

2. gOVERNANCE StRUCtURE FOR SUStAINABlE DEVElOPMENt

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

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

gOVERNANCE MODEl FOR SUStAINABlE DEVElOPMENt

BOARD OF DIRECTORS

- Giving the general direction of the sustainable development strategy of the enterprise - Approving the objectives and plans of action

ENTERPRISE

MARKET

POSITIVE EFFECTS IN ENTERPRISE

• Stable growth

• Guaranteed income and economic benefits for employees

• Care for the employee’s life • Team building

• Risk management and compliance

• Increase motivation for development • Increase transparency

CHIEF EXECUTIVE OFFICER & BOARD OF MANAGEMENT

- Designing and submitting to the Board the targets and action plan on sustainable development - Sharing strategies, objectives and plans for sustainable development across the company - Ensuring sustainable development plans to achieve objectives

THE DIVISIONS, FUNCTION DEPARTMENTS

SOCIETY

POSITIVE EFFECTS ON

POSITIVE EFFECTS ON

MARKET

- Launching and realizing the sustainable development plans in accordance with direc-tion from the CEO and Board of Management

SOCIETY

• Complete responsibility for the State • Share with the community

• Environmental Protection

• Maintaining stable dividends for shareholders, customer service/ professional investor relations

• Contribution of sustainable development • Increase capital mobilization channel

• Join regional economic development

EMPLOYEES

- Fulfilling the specific daily tasks related the objectives of sustainable development and personal established KPIs.

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HBC always takes care about the material needs and duty assignements in line with the capacity of each person,

always ensure stable employment to create safety for employees for long-term loyalty and help them to successfully approach their desired location..

III. thE IMPACtS OF SUSTAINABLE DEVELOPMENT

1. POSItIVE IMPACtS IN thE ENtERPRISE 1.1 Stable growth

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

1.2 Ensuring income and economic benefits of the employees

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

- Satisfy the reasonable demands of life for employees.

- Relatively good value for the contributions of employees to the company’s success.

- As an important factor for employees to be assured of working at their best capacity.

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

1.3 Taking care of the employees’ life

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

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

1. Civilized Conduct 2. Ethical Behavior

3. Commitment Fulfillment 4. Complying Discipline

5. Integrating Quintessence 6. Creativity Encouragement 7. Cooperation Promotion

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

1.4 Team building

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

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

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1.5 Building teams

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

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

- Recruitment, training and team building of successors

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

2016 is the year to be focused on building a culture of HBC with the 7 updated core values, along with 7 general competencies and application of training of 7 habits to hone personality norms and behaviors which bring

the unique culture of Hoa Binh.

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

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

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

- Human resources

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

2016 is the year to be focused on implementing and applying the “comprehensive engineer” program, meaning that each engineer will supervise the construction site

part-time job positions in order to maximize the knowledge learned , help employees to have more opportunities to practice facing real situations to improve professional qualifications and job responsibilities.

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

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

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2.17%

SHAREHOLDER STRUCTURE

97.83%

Institutional Shareholders Individual Shareholders

3,994AS OF 04.12.2016, HBC HAS A TOTAL OF

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

2. POSItIVE EFFECtS ONthE MARKEt:

2.1 Serving the interest of investors

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

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

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

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

2.2 Professional and dedicated customer service

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

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

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

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

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

2.3 Contributing to develop the construction market

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

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

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

With the business philosophy that is always available to serve the client with the whole heart, passion, devotion and enthusiasm to the clients by all talents, HBC has always provided the product to the market that matching the demand, contributed to improving the quality of life for people.

22,734THE TOTAL CONTRACT VALUE OF PROJECTS UNDER CONSTRUCTION

VND BILLION

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

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

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

50%THE AMOUNT OF NON-CONFORMITY (NC) WHICH FELL

compared with 2014

22,43%THE NUMBER OF COMMENTS (OBS) REDUCED

compared to 2014

3. POSItIVE IMPACtS ON thE SOCIEty:

3.1 Completing the responsibility towards the Government

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

Hoa Binh is currently a member of the professional organization of social associations: Association of Construction Contractors Vietnam, Ho Chi Minh City Association of Architects, HCM City Business Association, ect. In his role as Vice Chairman contractors Association Construction of Vietnam (VACC), Hoa Binh Chairman Mr. Le Viet Hai has actively promote activities of VACC and enhance the reputation of the VACC

as well as contributing to the development of State are always outperformed. In 2015, Hoa Binh was the local contractors in the expand to oversea honored at a ceremony to announce V1000 enterprise with markets, bringing Vietnam’s construction highest income tax payment in Vietnam in 2015 and was become a key economic sector in the national awarded the Achievement Cup of Top 50 largest taxpayers economy. among Enterprises in Vietnam for years.

During Hoa Binh’s history of development, its tax responsibilities and obligations to the

3.2 The responsibility towards the employees on Safety and Health

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

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

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

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

3.3 Environment protection

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

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

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

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

3.4 Community sharing

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

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

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

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

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

3THE CONTRIBUTION OF HOA BINH FOR THE COMMUNITY AND THE SOCIETY IN 2015 REACHED A TOTAL BUDgET OF

VND BILLION

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

CHAPTER VI

FINANCIAL REPORT

Consolidated Financial Report on 31st Decmber 2015 117

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thE COMPANy

Hoa Binh Construction & Real Estate Corporation

General information Report of management

Independent auditors’ report Separate balance sheet Separate income statement Separate cash flow statement

Notes to the separate financial statements

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

AMENDED BUSINESS REGISTRATION CERTIFICATES DATE

• 1st amendment 8 August 2002 • 2nd amendment 25 March 2004 • 3rd amendment 2 March 2006 • 4th amendment 7 July 2006

• 5th amendment 4 September 2007 • 6th amendment 28 November 2008 • 7th amendment 16 September 2010 • 8th amendment 6 April 2011

• 9th amendment 18 May 2012 • 10th amendment 18 June 2012

• 11th amendment 21 August 2012 • 12thamendment 30 May 2013

• 13th amendment 2 June 2014 • 14th amendment 22 July 2014 • 15th amendment 15 July 2015 • 16th amendment 22 July 2015

• 17th amendment 11 September 2015 • 18th amendment 14 January 2016

• 19th amendment 19 January 2016

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

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

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

BOARD OF DIRECtORS

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

• Mr Le Viet Hai

• Mr Ignatius Joe Budiman • Mr Phan Ngoc Thanh

• Mr Truong Quang Nhat • Mr Le Quoc Duy

• Mr Ha Vu Hoang

• Mr Tran Si Chuong

• Mr Phan Van Truong

Chairman Member Member Member Member Member Member

Member

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BOARD OF SUPERVISION

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

• Mr Hoang Tung Thien Head of the Board of Supervision • Mr Nguyen Viet Hung Member

• Ms Cao Thi Diem Chau Member

MANAgEMENt

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

• Mr Le Viet Hai General Director

• Mr Le Viet Hung Advisor to the Board of Management • Mr Nguyen Van Tinh Deputy General Director

• Mr Truong Quang Nhat Deputy General Director • Mr Nguyen Van An Deputy General Director • Mr Nguyen Tan Tho Deputy General Director • Mr Le Quoc Duy Deputy General Director • Mr Le Van Nam Deputy General Director • Mr Duong Dinh Thanh Deputy General Director

lEgAl REPRESENtAtIVE

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

AUDItORS

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

REPORt OF MANAgEMENt

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

MANAgEMENt’S RESPONSIBIlIty IN RESPECt OF thE SEPARAtE FINANCIAl StAtEMENtS

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

• Select suitable accounting policies and then apply them consistently; • Make judgements and estimates that are reasonable and prudent;

• State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the separate financial statements; and

• Prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

StAtEMENt By MANAgEMENt

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

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

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

For and on behalf of management:

LE VIET HAI CEO

HCMC, March 31, 2015

Annual Report 2015 sustainable Value

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Ernst & Young Vietnam Limited 28th Floor, Bitexco Financial Tower 2 Hai Trieu Street, District 1

Ho Chi Minh City, S.R. of Vietnam

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

To: The Shareholders of Hoa Binh Construction& Real Estate Corporation Code ASSETS Notes Ending balance Beginning balance

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

notes thereto.

Management’s responsibility

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

Auditors’ responsibility

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

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

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

Opinion

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

100 A. CURRENT ASSETS

110 I.Cash and cash equivalents 4 111 1. Cash

112 2. Cash equivalents

120 II. Short-term investment 5.1 121 1. Held-to-maturity investments

130 III. Current accounts receivable

131 1. Short-term trade receivables 6 132 2. Short-term advances to suppliers 7 134 3. Construction contract receivables based

on agreed progress billings 8 135 4. Short-term loan receivables 9

136 5. Other short-term receivables 10

136 6. Provision for doubtful debts 6, 7, 8,

9, 10

140 IV. Inventories 11 141 1. Inventories

149 2. Provision for obsolete inventories

150 V. Other current assets

151 1. Short-term prepaid expenses 12 152 2. Value-added tax deductible

153 3. Tax and other receivables from the State 18

200 B. NON-CURRENT ASSETS 210 I. Long-term receivables

211 1. Long-term trade receivables 14 212 2. Long-term advance to suppliers

216 3. Other long-term receivables 10

220 II. Fixed assets

221 1. Tangible fixed assets 13 222 Cost

223 Accumulated depreciation

227 2. Intangible assets 14 228 Cost

229 Accumulated amortisation

6,146,399,711,936

148,979,583,605 143,979,583,605 5,000,000,000

799,677,260,000 799,677,260,000

4,212,399,847,452 1,037,542,739,968 1,134,346,838,365

2,049,623,726,887 33,476,000,245 121,392,079,358

(163,981,537,371)

923,006,622,938 926,751,798,556 (3,745,175,618)

62,336,397,941 37,327,660,276 24,662,239,349 346,498,316

1,144,831,671,703 9,445,287,695 173,200,250

-9,272,087,445

638,268,877,643 629,551,231,468 992,004,025,547 (362,452,794,079) 8,717,646,175 13,692,756,401 (4,975,110,226)

4,958,356,241,091

350,924,944,311 348,524,944,311 2,400,000,000

982,321,939,208 982,321,939,208

3,032,488,997,491 778,639,834,904 659,833,042,665

1,700,274,560,892 41,866,886,542 68,376,023,640

(216,501,351,152)

561,238,403,293 569,933,759,360 (8,695,356,067)

31,381,956,788 22,777,877,296 8,549,961,251 54,118,241

845,124,998,534 93,959,879,293 988,843,740 86,103,451,873 6,867,583,680

366,944,854,953 356,614,048,688 652,128,354,203 (295,514,305,515) 10,330,806,265 13,994,498,001 (3,663,691,736)

Deputy General Director

Audit Practicing Registration Certificate No. 1891-2013-004-1

Ho Chi Minh City, Vietnam 29 March 2016

Doan Thi Thu Thuy Auditor

Audit Practicing Registration Certificate No. 1070-2013-004-1

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SEPARAtE BAlANCE ShEEt as at 31 December 2015

Code ASSETS

240 III. Long-term asset in progress

242 1. Construction in progress

250 IV. Long-term investments

252 1. Investments in associates and a joint venture

253 2. Investment in other entities

254 3. Provision for long-term investments 255 4. Held-to-maturity investments

260 V. Other long-term assets

261 1. Long-term prepaid expenses 262 2. Deferred tax assets

270 TOTAL ASSETS 300 C. LIABILITIES

310 I. Current liabilities

311 1. Short-term trade payables

312 2. Short-term advances from customers

Ending

Notes balance 41,857,261,831

15 41,857,261,831

276,026,300,765

5.2 221,120,717,962 5.3 52,707,391,419 5.3 (78,390,676) 5.1 2,276,582,060 179,233,943,769

12 155,876,875,517 30.3 23,357,068,252

7,291,231,383,639 6,216,829,558,988 5,805,732,889,873

16 1,229,271,354,767

17 1,709,099,654,433

Beginning balance

45,521,237,461 45,521,237,461

268,954,330,308

217,606,250,013 51,707,391,419 (359,311,124)

-69,744,696,519 62,663,754,996 7,080,941,523

5,803,481,239,625 4,806,304,870,107 4,489,491,079,482 904,759,776,852

1,019,658,087,783

Code ASSETS

400 D. OWNERS’ EQUITY 410 I. Capital

411 1. Share capital

411a - Shares with voting rights 412 2. Share premium

415 3. Treasury shares

417 4. Foreign exchange differences reserve 418 5. Investment and development fund 421 6. Undistributed earnings

421a - Undistributed earnings up to the end of prior year

421b - Undistributed earnings of current year

429 7. Non-controlling interests

440 TOTAL LIABILITIES AND OWNERS’ EQUITY

Ending

Notes balance 1,074,401,824,651

1,074,401,824,651 23.1 755,598,370,000

755,598,370,000 23.1 106,043,322,981 23.1 -23.1 55,562,500 23.1 96,233,122,810 23.1 115,201,826,316

48,355,988,197

66,845,838,119

1,269,620,044

7,291,231,383,639

Beginning balance

997,176,369,518 997,176,369,518 573,685,670,000 573,685,670,000 301,199,313,203 (110,073,072,979) -

96,212,078,910 135,048,838,697

71,885,705,250

63,163,133,447

1,103,541,687

5,803,481,239,625

313 3. Statutory obligations 314 4. Payables to employees

315 5. Short-term accrued expenses

319 6. Other short-term payables

18 36,857,021,259 191,475,539,625

19 618,167,042,988

20 129,908,533,244

54,807,911,448 134,716,038,246 412,172,491,724

149,980,574,644

320 7. Short-term loans 21 1,890,230,703,346 1,812,755,306,217 322 8. Bonus and welfare fund 723,040,211 640,892,568 330 II. Non-current liabilities 411,096,669,115 316,813,790,625

332 1. Long-term advance from customers 337 2. Other long-term liabilities

338 3. Long-term loans 341 4. Deferred tax liability

342 5. Other long-term provisions

17 157,439,294,003 5,952,578,224

21 156,189,801,717 30.3 16,599,087,183

22 74,915,907,988

154,670,853,387 6,456,859,081 104,215,003,860 -

51,471,074,297

Le Thi Phuong Uyen

Preparer 30March 2016

Nguyen Thi Nguyen Thuy Chief Accountant

Le Viet Hai General Director

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CONSOlIDAtED INCOME StAtEMENt for the year ended 31 December 2015

CONSOlIDAtED CASh FlOW StAtEMENt for the year ended 31 December 2015

Code ITEMS Notes

01 1. Revenue from sale of goods

and rendering of services 25.1 02 2. Deductions 25.1 10 3. Net revenue from sale of goods and render-

ing of services 25.1 11 4. Cost of goods sold and services rendered 26 20 5. gross profit from sale of goods and render-

ing of services

21 6. Finance income 25.2 22 7. Finance expenses 27 23 - In which:Interest expense

24 8. Shares of profit (loss) of associates and a joint venture

25 9. Selling expenses

26 10. general and administrative expenses 28 30 11. Operating profit 16 31 12. Other income 29 32 13. Other expenses 29 40 14. Other profit (loss) 29 50 15. Accounting profit before tax 19

51 16. Current corporate income 30.1 tax expense

52 17. Deferred tax (expense) income 30.1 60 18. Net profit after tax

61 19. Net profit after tax attributable to shareholders of the parent

62 20. Net loss after tax attributable to non-con-trolling interests

70 21. Basic earnings per share 24

71 22. Lãi suy giảm trên cổ phiếu 24

Current year

5,132,816,941,833

(54,789,692,545)

5,078,027,249,288

(4,782,335,530,311)

295,691,718,977

87,206,752,356 (131,664,657,631) (129,763,438,392)

7,920,467,949

(25,811,016,365) (119,760,427,181) 113,582,838,105 29,781,451,767 (22,897,800,545) 6,883,651,222 120,466,489,327

(37,308,305,627)

(322,960,454) 82,835,223,246

83,473,544,889

(638,321,643)

Previous year

3,567,997,030,524

(49,814,319,517)

3,518,182,711,007

(3,107,976,317,522)

410,206,393,485

69,678,161,197 (99,169,399,510) (96,661,666,555)

(2,386,484,534)

(8,880,881,365) (280,108,037,725) 89,339,751,548 1,850,438,657 (2,060,605,279) (210,166,622) 89,129,584,926

(22,075,671,268)

1,723,003,550 68,776,917,208

70,948,169,706

(2,171,252,498)

Mã số CHỈ TIÊU

I. CASH FLOWS FROM OPERATINg ACTIVITIES 01 Profit before tax

Adjustments for:

02 Depreciation and amortisation

03 (Reversal of provisions) provisions

04 Foreign exchange losses arisen from revalu tion of monetary accounts denominated in for-eign currency

05 Profits from investing activities 06 Interest expense

08 Operating profitbefore changes in working capital

09 Increase in receivables 10 Increase in inventories 11 Increase in payables

12 Increase in prepaid expenses 14 Interest paid

15 Corporate income tax paid

16 Other cash inflows from operating activities 17 Other cash outflows from operating activities

20 Net cash flows (used in) from operating activities

II. CASH FLOWS FROM INVESTINg ACTIVITIES

21 Purchase and construction of fixed assets

22 Proceeds from disposals of fixed assets 23 Bank deposits, loans to other entities 24 Collections from borrowers

25 Payment for investments in other entities 27 Interest received

30 Net cash flows used in investing activities

Thuyết

minh

13, 14

30.2

Năm nay

120,466,489,327

95,597,202,382 (34,306,080,987)

135,631,177

(89,676,164,974) 129,763,438,392

221,980,515,317

(947,097,394,519) (356,818,039,196) 1,381,313,332,219 (107,762,903,501) (132,049,580,373) (38,095,548,900) 13,786,724,495 (67,512,772,879)

(32,255,667,337)

(373,874,242,875)

7,918,715,237 (325,527,919,687) 350,909,156,550 (5,267,540,327) 35,818,424,189

(310,023,406,913)

Năm trước

89,129,584,926

78,387,559,384 158,216,868,633

307,112

(64,256,559,963) 96,661,666,555

358,139,426,647

(245,158,962,269) (184,670,596,555) 323,429,411,790 (23,586,568,006) (93,698,836,363) (12,465,501,316) 1,036,803,569 (13,088,042,220)

109,937,135,277

(70,568,212,517)

11,071,019,764 (982,796,672,228) 26,323,093,622 (77,368,132,696) 53,705,065,554

(1,039,633,838,501)

Le Thi Phuong Uyen

Preparer 30March 2016

Nguyen Thi Nguyen Thuy Chief Accountant

Le Viet Hai General Director

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CONSOlIDAtED CASh FlOW StAtEMENt for the year ended 31 December 2015

NOtES tO thE CONSOlIDAtED FINANCIAl StAtEMENtS as at and for the year ended 31 December 2015

Code ITEMS Notes

III. CASH FLOWS FROM FINANCINg ACTIVITIES

31 Capital contribution

32 Reissuance of treasury shares

33 Drawdown of borrowings

Current year

9,818,300,000 87,011,482,757

4,135,981,012,280

Previous year

7,035,900,000 -

3,521,485,058,079

1. CORPORAtE INFORMAtION

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

34 36 40 50 60 61

Repayment of borrowings

Dividends paid 23.2 Net cash flows from financing activities

Net decrease in cash for the year

Cash and cash equivalents at beginning of year Impact of exchange rate fluctuation

Cash and cash equivalents at 4 end of year

(4,006,530,817,294) (85,985,657,475) 140,294,320,268 (201,984,753,982) 350,924,944,311 39,393,276

148,979,583,605

(2,978,632,084,351) (24,776,470,230) 525,112,403,498 (404,584,299,726) 755,407,101,356 102,142,681

350,924,944,311

AMENDED BUSINESS REGISTRATION CERTIFICATES

• 1st amendment • 2nd amendment • 3rd amendment • 4th amendment • 5th amendment • 6th amendment • 7th amendment • 8th amendment • 9th amendment

• 10th amendment • 11th amendment • 12th amendment • 13th amendment • 14th amendment • 15th amendment • 16th amendment • 17th amendment • 18th amendment • 19th amendment

DATE

8 August 2002 25 March 2004 2 March 2006 7 July 2006

4 September 2007 28 November 2008 16 September 2010 6 April 2011

18 May 2012 18 June 2012 21 August 2012 30 May 2013

2 June 2014 22 July 2014 15 July 2015 22 July 2015

11 September 2015 14 January 2016

19 January 2016

Le Thi Phuong Uyen

Preparer 30March 2016

Nguyen Thi Nguyen Thuy Chief Accountant

Le Viet Hai General Director

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

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

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

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

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NOtES tO thE CONSOlIDAtED FINANCIAl StAtEMENtS as at and for the year ended 31 December 2015

CORPORAtE StRUCtURE

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

Vi Tam Corporation

Hoa Binh Architec-ture

Co., Ltd.

Ho Chi Minh City Ho Chi

Minh City

Trading food and beverage

Providing construction con-sulting service, architectural, structural and technological designs services

Inactive 71.05

Operating 74.67

NAME OF SUBSIDIARIES

Hoa Binh House Corporation

LOCATION

Ho Chi Minh City

BUSINESS ACTIVITIES

Trading and developing real estate projects

STATUS

Operating

% OF INTEREST

99.85

Hoa Binh Real Estate Exchange Co., Ltd.

The Ascent Real Estate Investment Co., Ltd.

Ho Chi Minh City

Ho Chi

Minh City

Consult, agency and auction of land use right and real estate

Trading real estate properties

and land use rights and con-structing houses of all types

Operating 98.85

Operating 98.85

Hoa Binh Hanoi Con-struction &

Real Estate Co., Ltd.

Hoa Yen Investment and Development Joint Stock Company

Hoa Binh Wood Manufacturing and Decorating Joint Stock Company

MatecConstruction Machinery Co., Ltd.

Anh Huy Construc-tion Co., Ltd.

Viet Ta Import-Export Joint Stock Company

Ha Noi

Phu Yen Province

Ho Chi Minh City

Ho Chi Minh City Ho Chi Minh City

Ho Chi

Minh City

Providing industrial and civil construction services; surface levelling service; installing sewage system service; house renovation and interior decoration services; and trading real estate

Providing engineering and con-struction services

Manufacturing, selling, process-ing and fitting up household wooden and interior decoration products

Renting electrical machineries and construction equipment

Providing interior decoration services; manufacturing construction materials (aluminium windows); providing surface levelling service; and selling construction materials

Selling construction materials, interior decoration products; providing trading promotion service; agency for goods consignment service, adver-tisement service; fitting up and processing interior decoration product services

Inactive 100.00

Operating 99.53

Operating 98.90

Operating 100.00

Operating 99.55

Operating 58.20

Myanmar Co., LtdHoa Binh Myan- Providing design, construction, Pre-operating 100.00 architectural and engineering

quantitative surveyor services, construction management and project management services

2. BASIS OF PREPARAtION 2.1 Accounting standards and system

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

• Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);

• Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);

• Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);

• Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and

• Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

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

Hoa Binh Paint Co., Ltd.

Hoa Binh Hue Development Joint Stock Company

Ho Chi Minh City

Thua ThienHue Province

Manufacturing and selling con-struction materials; and

providing interior decoration services

Investment in Le Royal

An Nam Resort

Operating 100.00

Inactive 95.84

2.2 Applied accounting documentation system

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

Annual Report 2015 sustainable Value

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NOtES tO thE CONSOlIDAtED FINANCIAl StAtEMENtS as at and for the year ended 31 December 2015

2.3 Fiscal year

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

2. 4 Accounting currency

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

2.5 Basis of consolidation

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

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

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

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

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

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

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

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

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

3.2 Cash and cash equivalents

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

3.3 Inventories

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

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

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

3. SUMMARy OF SIgNIFICANtACCOUNtINg POlICIES

3.1 Changes in accounting policies and disclosures

Raw materials and merchandises

Work-in-process

cost of purchase on a first-in, first-out basis.

cost of direct materials and labour plus attributable con-struction overheads.

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

3.1.1 CircularNo. 200/2014/TT-BTC providing guidance on enterprise accounting system

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

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

Properties for sale cost of purchase on a specific identification basis

Provision for obsolete inventories

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

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

3.4 Receivables

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

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

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NOtES tO thE CONSOlIDAtED FINANCIAl StAtEMENtS as at and for the year ended 31 December 2015

3.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

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

3.8 Borrowing costs

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

3.9 Prepaid expenses

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

3.6 Intangible assets

Intangible assets are stated at cost less accumulated amortisation.

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

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

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

Land use rights

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

3.7 Depreciation and amortisation

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

Building and structure 44 - 50 years

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

3.10 Investments Investments in associates

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

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

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

Machinery and equipment Means of transportation Office equipment Computer software

Others

5 - 12 years 8 - 10 years 5 - 6 years 5 - 6 years

5 -10 years

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

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Interests in a joint venture

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

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

Investment in other entities

Investments in other entities are stated at their acquisition costs.

Provision for investment in other entities

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

Held-to-maturity investments

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

3.11 Payables and accruals

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

3.12 Accrual for severance pay

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

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

3.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.14 Foreign currency transactions

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

• Transaction resulting in assets are recorded at the buying exchange rates of the commercial banks designated for collection; and

• Transactions resulting in liabilities are recorded at the selling exchange rates of the transaction of commercial banks designated for payment.

• Capital contributions are recorded at the buying exchange rates of the commercial banks designated for capital contribution.

• Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

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

• Monetary assets are translated at buying exchange rate of the commercial bank where the Group conduct transactions regularly; and

• Monetary liabilities are translated at selling exchange rate of the commercial bank where the Group conduct transactions regularly.

• All foreign exchange differences incurred during the year and arisen from the translation of monetary accounts denominated in foreign currency at year-end are taken to the consolidated income statement

3.15 Treasury shares

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

3.16 Earnings per share Earnings per share

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

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

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3.17 Appropriation of net profits

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

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

• Investment and development fund

This fund is set aside for use in the Group’s expansion of its operation or of in-depth investments. • Bonus and welfare fund

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

3.18 Revenue recognition

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

Construction contracts

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

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

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

Revenue from sale of real estate properties

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

Rental income

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

Rendering of services

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

Interest

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

Dividends

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

3.19 Taxation Current income tax

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

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

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

Deferred tax

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

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

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

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5. INVESTMENTS

5.1 Held-to-maturity investments

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

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

Short-term Term deposits

Long-term Term deposits

TOTAL

Ending balance

799,677,260,000

2,276,582,060 801,953,842,060

Beginning balance

982,321,939,208

-982,321,939,208

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

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

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

5.2 Investments in associates and a joint venture

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

3.20 Segment information

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

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

4. CASH AND CASH EQUIVALENTS

Ending balance Beginning balance Cash on hand 2,296,127,470 6,303,604,273

Investments in associates

Hoa Binh Infrastructure Con-struction Investment Joint Stock Company

Hoa Binh Oseven Corporation

Golden Lotus Securities Corpo-ration

Jesco Hoa Binh Engineering Joint Stock Company

Investments in a joint venture Hoa Binh GS Joint Venture

TOTAL

% of interest

49.00

47.29

37,30

47,82

40,00

Ending balance

Amount (VND)

92,816,137,329

50,485,170,000

22,173,591,004

16,923,220,276

38,722,599,353

221,120,717,962

% of interest

49.00

47.29

31.85

47.82

40.00

Beginning balance

Amount (VND)

89,715,388,527

50,485,170,000

21,182,903,554

17,294,375,594

38,928,412,338

217,606,250,013

Cash at banks

Cash equivalents (\*) TOTAL

141,683,456,135 5,000,000,000 148,979,583,605

342,221,340,038 2,400,000,000 350,924,944,311

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

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

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

Associates and a joint venture

Cost of investment

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

5.3 Investment in other entities

Beginning balance 180,573,781,232 Increase 2,944,000,000 Ending balance 183,517,781,232 Accumulated share in post-acquisition profit of the associates and joint venture

Beginning balance 37,032,468,781

Share in post-acquisition profit of the associates and joint venture 7,920,467,949 for the year

Dividends received (7,350,000,000) Ending balance 37,602,936,730 Net carrying amount

Beginning balance 217,606,250,013

Binh An Plaza project (i) Peace Tour Company (ii)

Jesco Asia Joint Stock Company (iii)

Thanh Long Communication Co., Ltd. (iv)

TOTAL

Provision for investments in other entities

Ending balance 26,117,391,419 21,405,000,000 4,185,000,000

1,000,000,000 52,707,391,419

(78,390,676) 52,629,000,743

Beginning balance 26,117,391,419 21,405,000,000 4,185,000,000

-51,707,391,419

(359,311,124) 51,348,080,295

Ending balance 221,120,717,962

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

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

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

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

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

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

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

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

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Báo cáo tài chính

Thuyết minh báo cáo tài chính hợp nhất

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

Current year

Previous year

6. SHORT-TERM TRADE RECEIVABLES

Ending balance

Beginning balance

Beginning balance

Provision created during the year ENDINg BALANCE

(553,804,325) (9,643,071,291) (10,196,875,616)

(525,000,000) (28,804,325) (553,804,325)

Amounts due from third parties

Amounts due from related parties (Note 31)

1,037,542,739,968

776,754,224,945

1,885,609,959

8. CONSTRUCTION CONTRACT RECEIVABLES BASED ON AgREED PROgRESS

BILLINgS

TOTAL 1,037,542,739,968 778,639,834,904 Provision for doubtful debts (52,616,265,492) (43,658,618,800) NET 984,926,474,476 734,981,216,104

Short-term trade receivableswere pledged as collateral for short-termloans obtained from commercial banks (Notes21.1).

Detail of movements of provision for doubtful debts:

Amounts due from third parties

Amount due from a related party(Note 31)

TOTAL

Provision for doubtful debts NET

Ending balance 2,049,623,726,887

-2,049,623,726,887 (91,707,756,794) 1,957,915,970,093

Beginning balance 1,700,235,621,600

38,939,292 1,700,274,560,892 (156,312,420,201) 1,543,962,140,691

Current year Beginning balance (43,658,618,800)

Previous year (44,034,437,608)

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

Provision created during the year Reversal of provision during the year

Reduction due from deemed disposal of a subsidiary

ENDINg BALANCE

(21,912,940,434) 12,955,293,742

-(52,616,265,492)

(31,728,622,353) 28,095,323,148

4,009,118,013 (43,658,618,800)

Detail of movements of provision for doubtful debts: :

Beginning balance

Provision created during the year

Current year (156,312,420,201)

(113,499,348,593)

VND Previous year

(17,778,563,628)

(200,983,988,965)

7. SHORT-TERM ADVANCES TO SUPPLIERS

Ending balance

Beginning balance

Reversal of provision during the year Write-off of provision during the year

ENDINg BALANCE

146,730,667,949 31,373,344,051

(91,707,756,794)

62,450,132,392 -

(156,312,420,201)

Advances to suppliers

Advances to a related party (Note 31) TOTAL

Provision for short-term advances to suppliers

1,038,359,426,478 95,987,411,887 1,134,346,838,365

(10,196,875,616) 1,124,149,962,749

624,356,323,596 35,476,719,069 659,833,042,665

(553,804,325) 659,279,238,340

9. SHORT-TERM LOAN RECEIVABLES

Loan receivables from third parties

Loan receivables from a related par-ty(Note 31)

TOTAL

Provision for doubtful debts NET

Ending balance 30,369,972,467

3,106,027,778 33,476,000,245 (3,788,313,792) 29,687,686,453

VND Beginning balance

41,866,886,542

-41,866,886,542 (589,459,515) 41,277,427,027

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NOtES tO thE CONSOlIDAtED FINANCIAl StAtEMENtS as at and for the year ended 31 December 2015

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

Detail of movements of provision for doubtful debts:

Beginning balance

Provision created during the year Write-off during the year

Reversal of provision during the year

Current year (15,387,048,311) (3,187,687,771) 12,416,689,791

485,720,614

VND Previous year

(8,939,727,648) (6,447,320,663) -

Detail of movements of provision for doubtful debts:

Beginning balance

Provision created during the year Reversal of provision during the year ENDINg BALANCE

Current year (589,459,515) (7,548,729,645) 4,349,875,368 (3,788,313,792)

VND Previous year

(289,459,515) (300,000,000) -

(589,459,515)

ENDINg BALANCE

11. INVENTORIES

Work in process

Cost

648,487,914,454

(5,672,325,677) (15,387,048,311)

VND Ending balance Beginning balance

Provision Cost Provision

- 339,781,610,157 -

10. OTHER RECEIVABLES

Short-term

Ending balance Beginning balance

In which:

The Ascent project (\*)

Construction projects

312,613,885,560

335,874,028,894

- 179,552,738,640 -

- 160,228,871,517 -

Deposits

Interest receivables from others Interest receivables from banks Advance to employees

Other receivables from employees Receivable from related parties (Note 31) Others

TOTAL

Provision for doubtful debts NET

Long-term Deposits Others TOTAL

36,405,904,235 25,022,137,775 17,807,134,353 17,200,342,843 8,081,477,807 -16,875,082,345

121,392,079,358 (5,672,325,677) 115,719,753,681

9,086,833,783 185,253,662 9,272,087,445

124,991,841,126

3,717,161,972 15,573,413,943 16,985,532,887 10,878,615,722 4,312,178,580 367,231,543 16,541,888,993 68,376,023,640 (15,387,048,311) 52,988,975,329

6,472,379,959 395,203,721 6,867,583,680

59,856,559,009

materialsConstruction 185,302,094,383 (461,129,988) 102,961,069,070 (235,777,450)

Properties

available 81,691,424,598 (2,653,462,514) 119,115,755,536 (7,828,995,501) for sales

Tools an

transitFinished goods 9,118,199,802 (45,245,293) 2,766,777,057 (45,245,293) Merchandises 1,759,753,244 (585,337,823) 4,920,795,557 (585,337,823) suppliesd 392,412,075 - 362,668,083 -Goods in - - 25,083,900 -

TOTAL 926,751,798,556 (3,745,175,618) 569,933,759,360 (8,695,356,067)

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

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Báo cáo tài chính

Thuyết minh báo cáo tài chính hợp nhất

Annual Report 2015 sustainable Value

13. TANgIBLE FIXED ASSETS

Building and

structure

Machinery and

equipment

Means of trans-

portation

Office equipment

Total

Cost

Beginning balance

New purchase

Transfer from construc-

tion in progress

Disposal

Ending balance

In which:

Fully depreciated

Accumulated depreciation

Beginning balance

(1.845.475.982)

Depreciation for the year

(133.804.147)

Disposal

645.000.000

Ending balance

(1.334.280.129)

Net carrying amount

Beginning balance

Ending balance

In which:

Pledged as loan security

(Notes 21)

652.128.354.203

221.128.352.659

(37.662.547.161)

992.004.025.547

(295.514.305.515)

(94.219.115.723)

27.280.627.159

(362.452.794.079)

356.614.048.688

629.551.231.468

156.409.865.846

17.574.554.278

151.541.587.262NOtES tO thE CONSOlIDAtED FINANCIAl StAtEMENtS as at and for the year ended 31 December 2015

Detail of movements of provision for obsolete inventories:

Beginning balance

Provision created during the year

Utilisation of provision during the year

Current year (8,695,356,067) (577,094,089)

5,527,274,538

VND Previous year

11.240.124.282

889.728.696

(156.437.765)

11.973.415.213

(4.147.556.811)

(1.822.379.166)

104.290.760

(5.865.645.217)

7.092.567.471

6.107.769.996

1.195.209.972

-(375,807,175) (8,319,548,892)

ENDINg BALANCE (3,745,175,618) (8,695,356,067)

12. PREPAID EXPENSES

Short-term

Tools and equipment used for construction works

Guarantee fees Others

TOTAL Long-term

Tools and equipment used for construction works

Promotion and commission expenses Guarantee fees

Prepaid land rental Others

TOTAL

Ending balance

28,676,992,071 2,029,202,273 6,621,465,932 37,327,660,276

100,129,113,903

27,042,160,045 12,229,487,364 5,860,198,321 10,615,915,884 155,876,875,517

193,204,535,793

14.830.084.974

3.953.626.343

(1.367.880.432)

23.342.693.586

(9.374.378.840)

(2.227.224.852)

1.055.959.976

(10.545.643.716)

5.455.706.134

12.797.049.870

5.926.862.701

2.829.163.143

880.404.209VND Beginning balance

623.393.195.622

216.284.997.620

(35.493.228.964)

954.667.967.423

(280.146.893.882)

(90.035.707.558)

25.475.376.423

(344.707.225.017)

343.246.301.740

609.960.742.406

150.483.003.145

13.195.018.890

150.476.925.45215,577,576,526 944,169,253 6,256,131,517 22,777,877,296

39,533,303,511

-6,901,641,002 5,998,628,202

2.664.949.325

(645.000.000)

2.019.949.325

819.473.343

685.669.196

355.162.273

184.257.60110,230,182,281 62,663,754,996

85,441,632,292

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NOtES tO thE CONSOlIDAtED FINANCIAl StAtEMENtS as at and for the year ended 31 December 2015

14. INTANgIBLE ASSETS

Land use rights

Cost

balanceBeginning 4.950.924.600

Disposal -

Computer software

7.827.568.043

(301.741.600)

Others

1.216.005.358

Total

13.994.498.001

(301.741.600)

15. CONSTRUCTION IN PROgRESS

An Hai Bridge project Lang Co Villa project

Equipment under installation Others

TOTAL

Ending balance 34,948,122,042 5,583,015,779 730,981,718 595,142,292

41,857,261,831

VND Beginning balance

34,422,119,519 5,583,015,779 4,920,959,871 595,142,292

45,521,237,461

Ending bal-ance

In which:

Fully amortised

Accumulated amortisation

Beginning balance

Amortisation for the year

Disposal

Ending balance

Net carrying amount

Beginning balance

Ending bal-ance

In which:-Pledged as loan security (Notes 21.1)

4.950.924.600

9.118.199.802

4.950.924.600

4.950.924.600

4.500.924.600

7.525.826.443

703.656.206

(45.245.293)

(3.177.582.494)

(1.194.750.155)

66.668.169

(4.305.664.480)

4.649.985.549

3.220.161.963

1.216.005.358

2.766.777.057

(486.109.242)

(183.336.504)

(669.445.746)

729.896.116

546.559.612

13.692.756.401

703.656.206

(45.245.293)

(3.663.691.736)

(1.378.086.659)

66.668.169

(4.975.110.226)

10.330.806.265

8.717.646.175

4.500.924.600

16. SHORT-TERM TRADE PAYABLES

Trade payables to third parties

Trade payables to related parties(Note 31) TOTAL

17. ADVANCES FROM CUSTOMERS

Short-term

Advances from third parties In which:

Vietnam Aviation Corporation

Vietnam Joint Stock Commercial

Bank for Industry and Trade FLC Corporation

Others Long-term

Advances from third parties

TOTAL

Ending balance 1,145,256,175,631 84,015,179,136 1,229,271,354,767

Ending balance

1,709,099,654,433

276,144,546,000

184,303,783,812 118,168,294,024 1,130,483,030,597

157,439,294,003

1,866,538,948,436

VND Beginning balance

871,656,111,863 33,103,664,989 904,759,776,852

VND Beginning balance

1,019,658,087,783

298,668,097,500 16,500,000,000 704,489,990,283

154,670,853,387

1,174,328,941,170

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NOtES tO thE CONSOlIDAtED FINANCIAl StAtEMENtS as at and for the year ended 31 December 2015

18. STATUTORY OBLIgATIONS

Beginning balance

Receivable

500,000Personal income tax

Increase in year

Payment in year

(292,380,075)

Ending balance

292,880,075

20. OTHER SHORT-TERM PAYABLES

Payable to Viet Investment Link Joint Stock Company

Depositsreceived from customers

Dividend payables

Ending balance

106,230,000,000 8,148,298,464

600,061,065

VND Beginning balance

109,345,000,000 29,137,921,981

532,868,040

Corporate income tax (Note 30.2)

Payables

Corporate income tax (Note 30.2)

Value added tax

Personal income tax

Others

TOTAL

53,618,241

54,118,241

18,744,455,503

35,524,275,081

538,587,501

593,363 54,807,911,448

54,753,793,207

39,245,452,892

584,589,270,424

17,911,136,625

6,531,923,033 648,277,782,974

648,277,782,974

(292,380,075)

(38,095,548,900)

(604,986,038,821)

(16,748,109,022)

(6,398,976,420) (666,228,673,163)

(666,521,053,238)

53,618,241

346,498,316

19,894,359,495

15,127,506,684

1,701,615,104

133,539,976 36,857,021,259

36,510,522,943

Payable to a related party (Note 31) Others

TOTAL

21. LOANS

Short- term

Loans from banks (Note 21.1)

Loans from other parties (Note 21.2)

Current portion of long-term loans (Note 21.3)

Long-term

Loans from banks (Note 21.3)

-14,930,173,715

129,908,533,244

Ending balance

1,782,961,882,289 9,122,723,304

98,146,097,753 1,890,230,703,346

254,335,899,470

20,000,000 10,944,784,623 149,980,574,644

VND Beginning balance

1,792,815,620,199 15,463,586,018

4,476,100,000 1,812,755,306,217

108,691,103,860

19. SHORT-TERM ACCRUED EXPENSES

Construction costs due to sub-contractors In which:

Other parties

A related party (Note 31) Interest expenses Others

TOTAL

Ending balance 592,858,443,270

478,851,458,523 114,006,984,747 2,793,171,212 22,515,428,506 618,167,042,988

VND Beginning balance

390,775,175,746

348,689,295,394 42,085,880,352 5,079,313,193 16,318,002,785 412,172,491,724

In which: Current portion

Non-current portion

TOTAL

98,146,097,753 156,189,801,717

2,046,420,505,063

4,476,100,000 104,215,003,860

1,916,970,310,077

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NOtES tO thE CONSOlIDAtED FINANCIAl StAtEMENtS as at and for the year ended 31 December 2015

21.1 Short-term loans from banks

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

Banks

Vietnam Joint Stock Commer-cial Bank for Industry and Trade – Branch 1

Bank for In-vestment and Development of Vietnam – Ho Chi Minh Branch

Joint Stock Commercial Bank for For-eign Trade of Vietnam – Ho Chi Minh City Branch

Nation-al Citizen

Commercial Joint Stock Bank– Sai Gon Branch

Ending balance

745,234,160,460

563,973,034,116

252,424,673,736

73,300,898,207

Maturity date

From 17 July 2016 to 24 November 2016

From 14 January 2016 to4 May 2016

From 22 January 2016 to 19 Novem-ber 2016

From 3 February 2016 to 25 June 2016

Interest rate

Basic interest rate plus 2.0% p.a.

Applicable interest rate per drawdown

Applicable interest rate per drawdown

Basic interest rate plus 4.0% p.a.

Description of collater-al(Notes 4, 5.1,6, 8, 13 and 14)

Short-term trade receiv-ables

Land use rights; building and structures; cash in banks and term deposits; and short-term trade receiv-ables

Short-term trade receiv-ables

Short-term trade receiv-ables

Banks

Standard Chartered Bank (Viet-nam) Limit-ed – Ha Noi Branch

Ho Chi Minh City Devel-opment Joint Stock Bank - Ha Noi Branch

HSBC Bank (Vietnam) Ltd. - Ho Chi Minh Branch

Vietnam International Commercial Joint Stock Bank

Military Com-mercial Joint Stock Bank

- Ho Chi Minh Branch

TOTAL

Ending balance

52,008,263,480

44,533,876,303

34,737,910,929

10,189,116,058

6,559,949,000

1,782,961,882,289

Maturity date

From 18 March 2016 to 16 April 2016

From 4 August 2016 to 25 October 2016

From 1 February 2016 to 18 February 2016

19 May 2016

5 May 2016

Interest rate

Basic interest rate plus

Applicable interest rate per drawdown

Basic interest rate plus 2.0% p.a.

Applicable interest rate per drawdown

5.5% p.a.

Description of collater-al(Notes 4, 5.1,6, 8, 13 and 14)

Short-term trade receiv-ables

Short-term trade receiv-ables

Cash at banks; and short-term trade receiv-ables

Short-term trade receiv-ables

Short-term trade receiv-ables

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NOtES tO thE CONSOlIDAtED FINANCIAl StAtEMENtS as at and for the year ended 31 December 2015

21.2 Short-term loans fromother parties

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

ance(VND) (% p.a.)

collateralLenders Ending bal- Maturity date Interest rate Description of

Individuals From 10 March

6,052,922,481 2016to 7.5-14.5 Unsecured 9November 2016

Employees 1,549,800,823 On demand 9,0 Unsecured

Vietlink

bution in TheJoint Stock 1,520,000,000 Capital contri-Company 31 October 2016 Nil Ascent Real Estate Invest-

ment Co., Ltd.

TOTAL 9,122,723,304

21.3 Long-term loans from banks

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

(VND)

tion ofEnding balance Descrip-

Bank Maturity date Interest rate collateral (Notes 11

and 13)

National Citizen Commercial Joint Stock Bank – Sai Gon Branch

March 2016 to

30 DecemberLoan Agreement From 30 12-month term de- The No.636/14/HDTD/ 134,000,113,747 posit interest rate Ascent 101-11 2018 plus 3.5% p.a. project

In which:

Current portion 66,800,000,000 Non-current portion 67,200,113,747

Ending balance

Bank (VND) Maturity date Interest rate

Bank for Investment and Development of Vietnam – Ho Chi Minh City Branch

Loan Agreement

HDTD and the

Appendix No.No.20/2015/101285/ From 4 January 12-month term de-102,783,350,859 2016 to 4 De- posit interest rate

PL01/20/2015/101285/ cember 2020 plus 3.0% p.a. HDTD

In which:

Current portion 20,937,349,249 Non-current portion 81,846,001,610

The Maritime Commercial Joint Stock Bank – Ho Chi Minh Branch

6,514,641,004Loan Agreement No. 25 December Applicable interest 194/2015/HDDCV 2016 rate per drawdown

In which:

Current portion 6,514,641,004 Non-current portion -

Vietnam Joint Stock Commercial Bank for Industry and Trade - District 1 Branch

From 25 Janu-

Basic interest

26/2012 HDTD-NDLLoan Agreement No. 5,215,003,860 ary 2016 to 25 rate plus 4.5% p.a. July 2017

In which:

Current portion 3,312,000,000

Descrip-tion of collateral (Notes 11 and 13)

Machinery and equip-ment

Rights and rewards related to deposit for purchase of Grand River Side apart-ments

Machinery and equip-ment

Non-current portion 1,903,003,860

23.1

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Sharecapital

Sharepremium

Treasury

shares

Foreign

exchange

differences

reserve

Investment and

development

fund

Financial

reserve fund

Undistributed

earnings

Previous year

Beginning balance

518,754,940,000

301,199,313,203

(110,073,072,979)

66,359,647,632

26,045,977,512

148,212,994,786

Issuance of new

shares

7,035,900,000

Net profit for the year

70,948,169,706

Bonus issuance

47,894,830,000

(47,894,830,000)

Dividends declared

(24,086,005,770)

Profit appropriation

3,806,453,766

(3,806,453,766)

Transfers to bonus

and welfare fund

Transfers to bo-

nus and welfare

fund

(7,785,036,259)

Board of supervision

remuneration

(540,000,000)

Ending balance

573,685,670,000

301,199,313,203

(110,073,072,979)

66,359,647,632

29,852,431,278

135,048,838,697

Current year

Beginning balance

(previously present-

Current year

Current year

573,685,670,000

301,199,313,203

(110,073,072,979)

66,359,647,632

29,852,431,278

135,048,838,697

Reclassification

(Note 34)

29,852,431,278

(29,852,431,278)

Beginning balance

(reclassified)

573,685,670,000

301,199,313,203

(110,073,072,979)

96,212,078,910

135,048,838,697

Bonus issuance

172,094,400,000

(172,094,400,000)

Issuance of new

shares

9,818,300,000

Re-issuance of trea-

sury shares

(23,061,590,222)

110,073,072,979

-NOtES tO thE CONSOlIDAtED FINANCIAl StAtEMENtS as at and for the year ended 31 December 2015

Ending balance

Bank (VND) Maturity date

Descrip-tion of

Interest rate collateral (Notes 11

and 13)

Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh City Branch

Loan Agreement No.0044/DTDA/15CD

In which Current portion

Non-current portion

5,185,290,000

432,107,500

4,753,182,500

From 22 March 2016 to 21 De-cember 2021

Applicable interest rate per drawdown

Machinery and equip-ment

Vietnam Joint Stock Public Bank - Thu Thiem Branch

LoanAgreement No. 0203/2015/HDTD-PVB-DN.TT

In which: Current portion

Non-current portion TOTAL

In which: Current portion

Non-current portion

637,500,000

150,000,000 487,500,000 254,335,899,470

98,146,097,753

156,189,801,717

60 months from 27 March 2015

12-month term deposit interest rateplus

3.5% p.a.

Increases and decreases in owners’ equityMeans of transporta-tion

22. OTHER LONg-TERM PROVISIONS

Construction warranty Severance allowance

TOTAL

Ending balance 56,187,695,438 18,728,212,550

74,915,907,988

VND Beginning balance

OWNERS’ EQUITY36,876,185,133 14,594,889,164

51,471,074,297

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Net profit for the year

83,473,544,889

Dividends declared

(86,052,850,500)

Profit appropriation

21,043,900

(21,043,900)

Foreign exchange

differences reserve

55,562,500

Capital transaction

with non-controlling

interest in subsidiar-

ies without changing

control

(224,400,000)

Transfers to bonus

and welfare fund (\*)

(16,382,262,870)

Board of supervision

remuneration

(640,000,000)

Ending balance

755,598,370,000

106,043,322,981

55,562,500

96,233,122,810

115,201,826,316NOtES tO thE CONSOlIDAtED FINANCIAl StAtEMENtS as at and for the year ended 31 December 2015

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

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

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

23.2 Capital transactions with shareholders and distribution of dividends

Contributed share capital Beginning balance Increase

Ending balance Dividends declared Dividends payable in cash

Dividends paid by cash

Current year

573,685,670,000 181,912,700,000 755,598,370,000

86,052,850,500

85,985,657,475

Previous year

518,754,940,000 54,930,730,000 573,685,670,000

24,086,005,770

24,776,470,230

23.3 Shares

Authorised shares

Shares issued and fully paid Ordinary shares

Treasury shares Ordinary shares

Shares in circulation Ordinary shares

Ending balance (shares)

75,559,837

75,559,837

75,559,837

Beginning balance (shares)

57,368,567

57,368,567

(3,972,490)

53,396,077

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NOtES tO thE CONSOlIDAtED FINANCIAl StAtEMENtS as at and for the year ended 31 December 2015

24. EARNINgS PER SHARE

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

25. REVENUE

25.1 Revenue from sale of goods and rendering of services

Current year

Previous year

Basic and diluted earnings per share are calculated as follows:

Current year Previous year

gross revenue In which:

Revenue from sale of construction contracts

5,132,816,941,833

4,965,567,830,791

3,567,997,030,524

3,421,198,618,065

Net profit for the year attributable to the Company’s shareholders (VND)

Appropriation to bonus and welfare fund (VND) (\*)

Net profit attributable to ordinary share-holders of the Company (VND)

Weighted average number of shares (share) (\*\*)

Basic and diluted earnings per share (VND/ share)

83,473,544,889

(16,382,262,870)

67,091,282,019

73,395,226

70,948,169,706

(7,785,036,259)

63,163,133,447

69,973,250

Revenue from sale of real estate properties Revenue from sale of merchandises

Others Less

In which:

Sales returns from construction contracts Sales returns from real estate properties Net revenue

In which:

Revenue from construction contracts (\*)

106,713,550,448 14,850,673,752 45,684,886,842 (54,789,692,545)

(54,789,692,545) -

5,078,027,249,288

4,910,778,138,246

77,389,011,517 22,921,176,512 46,488,224,430 (49,814,319,517)

(39,711,797,493) (10,102,522,024) 3,518,182,711,007

3,381,486,820,572

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

Revenue from sale of real estate properties

Revenue from sale of merchandises

106,713,550,448

14,850,673,752

67,286,489,493

22,921,176,512

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

Others 45,684,886,842 46,488,224,430

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

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

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

Revenue recognised during the year

of the on-going construction contracts

Revenue recognised during the year

of the completed construction contracts

TOTAL

Cumulative revenue recognised up to end of year of the on-going construction con-tracts

Current year

3,313,026,254,512

1,597,751,883,734 4,910,778,138,246

6,665,032,184,953

Previous year

976,316,302,178

2,405,170,518,394 3,381,486,820,572

7,396,161,097,763

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NOtES tO thE CONSOlIDAtED FINANCIAl StAtEMENtS as at and for the year ended 31 December 2015

25.2 Finance income

Current year Interest income 84,453,975,221 Dividend earned 247,198,500 Realised foreign exchange gains 21,596,531 Others 2,483,982,104 TOTAL 87,206,752,356

26. COST OF gOODS SOLD AND SERVICES RENDERED

VND Previous year

66,201,789,174 470,554,500 11,965,627 2,993,851,896 69,678,161,197

28. gENERAL AND ADMINISTRATIVE EXPENSES

Current year Labour cost 115,675,406,846 External services expenses 21,241,007,082 Prepayment allocation 15,566,459,508 Depreciation and amortisation 5,262,649,834

(Reversal of provisions) provisions

for doubtful debts (52,519,813,781)

Others 14,534,717,692

VND Previous year

77,493,801,986 14,605,032,717 12,790,142,615 3,354,609,357

144,923,622,468

26,940,828,582

Cost of construction contracts Cost of real estate properties sold Costs of merchandises sold Others

TOTAL

27. FINANCE EXPENSES

Interest expense

Realised foreign exchange losses

Current year 4,639,265,180,429 95,170,346,717 8,321,354,699 39,578,648,466 4,782,335,530,311

Current year 129,763,438,392

1,613,166,879

Previous year 2,987,744,917,459 66,497,720,680 17,847,658,896 35,886,020,487 3,107,976,317,522

VND Previous year

96,661,666,555

2,060,630,979

TOTAL

29. OTHER INCOME AND EXPENSES

Other income

Compensation for late payment Others

Other expenses

Write-off of late payment receivables Loss from disposal of tools and supplies

Loss from disposal of fixed assets

119,760,427,181

Current year 29,781,451,767 25,638,505,754 4,142,946,013 (22,897,800,545) (12,416,689,791) (3,073,839,282)

(2,698,278,196)

280,108,037,725

VND Previous year

1,850,438,657 160,605,165 1,689,833,492 (2,060,605,279) -

(295,963,888)

(520,725,466)

Foreign exchange losses arisen from reval-uation of monetary accounts denominat-ed in foreign currency

(Reversal of provision) provision for diminution in value of investments

Others

TOTAL

135,631,177

(280,920,448) 433,341,631

131,664,657,631

307,112

444,754,563 2,040,301

99,169,399,510

Others (4,708,993,276) (1,243,915,925) OTHER PROFIT (LOSS) 6,883,651,222 (210,166,622)

30. CORPORATE INCOME TAX

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

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NOtES tO thE CONSOlIDAtED FINANCIAl StAtEMENtS as at and for the year ended 31 December 2015

30.1 CIT expenses

Current CIT expense

Adjustments for under accrual of tax from previous years

Deferred income tax expense (income)

TOTAL

Current year 36,260,738,939

1,047,566,688 322,960,454

37,631,266,081

VND Previous year

22,395,802,727

(320,131,459) (1,723,003,550)

20,352,667,718

Estimated current CIT CIT deduction

Estimated CIT after reduction CIT payable at beginning of year

Change in provisional CIT on cash collection

Adjustments for under(over)accrual of CIT from previous years

Adjustments for CIT from deemed disposal of a subsidiary

36,260,738,939 -36,260,738,939 18,690,837,262 1,937,147,265 1,047,566,688

22,430,918,966 (35,116,239) 22,395,802,727 8,942,284,784 (421,456,871) (320,131,459)

559,839,397

30.2 Current tax

CIT paid during the year

CIT payable at end of year

(38,095,548,900)

19,840,741,254

(12,465,501,316)

18,690,837,262

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

In which: CIT payable

CIT receivable

30.3 Deferred tax

19,894,359,495

(53,618,241)

18,744,455,503

(53,618,241)

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

Current year Previous year Accounting profit before tax 120.466.489.327 89.129.584.926 Adjustments to increase (decrease) accounting profits

Losses of subsidiaries 83,731,752,966 50,449,316,633 Unrealised loss (profit) 24,522,237,454 (187,926,319) Change in provision for severance allowance 3,855,000,479 2,150,340,092 Change in accruals 817,726,075 (24,088,786)

Provision for long-term investments (58,801,655,275) (37,255,776,126)

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

Consolidated Consolidated balance sheet income statement

balanceEnding balance Beginning Current year Previous year

for sever-Deferred tax assets Provision

ance allow- 3,752,251,105 3,271,260,916 480,990,189 447,177,224 ance

Share of (profit) loss from associates and a joint venture

Tools and supplies expenses Dividend received

Others

Estimated current taxable profit before tax loss carried forward

Tax loss carried forward

Estimated current taxable profit after tax loss carried forward

(7,920,467,949)

(278,391,630) (247,198,500) (2,735,273,664) 163,410,219,283

163,410,219,283

2,386,484,534

(173,964,895) (470,554,500) (1,646,667,537) 104,356,748,022

(2,398,025,449)

101,958,722,573

Unrealised profit

Provision for obsolete inventories

Accruals

8,983,852,563

47,155,490

20,940,762

3,472,737,311

47,155,490

20,940,762

5,511,115,252

1,339,326,885

2,608,149

13,942,522

Annual Report 2015 sustainable Value

Annual Report 2015 sustainable Value

NOtES tO thE CONSOlIDAtED FINANCIAl StAtEMENtS as at and for the year ended 31 December 2015

Tools and supplies expenses

Provision for doubtful debts

Unearned revenue

Tax losses carried forward of subsidiaries

Consolidated balance sheet

balanceEnding balance Beginning

(61,246,159) (38,272,277)

- 307,119,321

- -

10,614,114,491 -

Consolidated income statement

Current year Previous year

(22,973,882) 7,622,473

(307,119,321) 164,893,613

- (252,567,316)

10,614,114,491 -

31. TRANSACTIONS WITH RELATED PARTIES

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

servicesRelated party Relationship Transaction Current year Sub-construction 216,291,493,345

Jesco Hoa BinhLoans 13,100,000,000

expenseEngineering Joint Associate Reimbursement 366,016,152 Stock Company Interest income 43,944,445

-Capital contribu-tion

Golden Lotus

tionSecurities Corpo- Associate Capital contribu- 2,944,000,000 ration

VND Previous year

105,256,863,601

4,500,000,000

33,284,215

49,614,849

318,280,055

23,357,068,252 Deferred tax liability

ments inProvision for invest-

subsidiaries (16,599,087,183) and associ-

ates

Deferred income tax (expense) income

7,080,941,523

16,276,126,729

(16,599,087,183)

(322,960,454)

1,723,003,550

1,723,003,550

Viet Ta Living Corporation

Hoa Binh Infra-structure Invest-ment and Con-struction Joint Stock Company

Jesco Asia Joint Stock Company

Peace Tour Com-pany

Related party

Associate

Related party

Related party

Construction services

Sales of equip-ment

Sub-construction services

Loans

Interest income

Capital contribution

Dividend received

Purchase of service

Construction services

610,592,409

58,002,876

247,198,500

103,446,636

321,601,649

38,939,292

2,030,000,000

179,098,265

2,100,000,000

368,328,697

126,931,594

Annual Report 2015 sustainable Value

Annual Report 2015 sustainable Value

NOtES tO thE CONSOlIDAtED FINANCIAl StAtEMENtS as at and for the year ended 31 December 2015

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

balanceRelated party Relationship Transaction Ending balance Beginning

Short-term trade receivables

Jesco Hoa Binh Associate Construction - 842,776,738 Engineering Joint services

Stock Company

Fico Building Related party Construction - 1,000,000,000 Materials Trading services

Company

Hoa Binh Infra- Associate Construction - 42,833,221 structure Invest- services

ment and Con-struction Joint Stock Company

- 1,885,609,959 Short-term advance to a supplier

Jesco Hoa Binh Associate Sub-construction 95,987,411,887 35,476,719,069 Engineering Joint services

Stock Company

Short-term trade payables

Jesco Hoa Binh Associate Engineering Joint

Stock Company

Hoa Binh Infra- Associate structure Invest-

ment and Con-struction Joint Stock Company

Peace Tour Related party Company

Viet Ta Living Cor- Related party poration

Short-term accrued expense

Jesco Hoa Binh Associate Engineering Joint

Stock Company

Other short-term payable

Viet Ta Living Cor- Related party poration

Sub-construction services

Sub-construction services

Sub-construction services

Purchase of ma-terials

Sub-construction services

Deposit

84,001,747,509

13,431,627

84,015,179,136

114,006,984,747

32,675,268,306

267,221,683

161,175,000

33,103,664,989

42,085,880,352

20,000,000

Construction contract receivable based on agreed progress billings

Hoa Binh Infra- Associate Construction -structure Invest- services

ment and Con-struction Joint Stock Company

Short-term loan receivable

Jesco Hoa Binh Associate Lending 3,106,027,778 Engineering Joint

Stock Company

Other short-term receivables

Hoa Binh GS Joint Joint venture Guarantee fees -Venture

38,939,292

355,173,511

Remuneration to members the Board of Directors, Board of Supervisor and Management

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

32. COMMITMENTS Operating lease commitments

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

Ending balance Beginning balance

Jesco Hoa Binh Engineering Joint Stock Company

Associate Expenses paid on behalf

- 12,058,032

- 367,231,543

Less than 1 year From 1 to 5 years Over 5 years

TOTAL

35,441,259,469 106,684,514,325 65,369,214,984

207,494,988,778

26,873,161,867 92,841,285,452 61,307,177,022

181,021,624,341

Annual Report 2015 sustainable Value

Annual Report 2015 sustainable Value

NOtES tO thE CONSOlIDAtED FINANCIAl StAtEMENtS as at and for the year ended 31 December 2015

Construction commitments

The total construction commitments that the Group has entered into in relation to its rendering of construction services as at 31 December 2015 wasVND15,368,365,800,132(31 December 2014: VND 9,801,859,911,970).

Other short-term payables

Long-term advance from customers

Long-term unearned revenues

Other long-term liabilities

Other long-term provisions

Financial reserve fund

Investment and development fund

150.069.185.304

135.021.359.109

20.963.137.585

36.876.185.133

29.852.431.278

66.359.647.632

(88.610.660)

154.670.853.387

(135.021.359.109)

(14.506.278.504)

14.594.889.164

(29.852.431.278)

29.852.431.278

149.980.574.644

154.670.853.387

6.456.859.081

51.471.074.297

96.212.078.910

33. OFF BALANCE SHEET ITEM

Foreign currency - United State Dollar (USD)

Ending balance

23,940

Beginning balance

904,762

CONSOLIDATED INCOME STATEMENT

Other income 12,921,458,421 Other expenses (13,131,625,043)

CONSOLIDATED CASH FLOW STATEMENT

(11,071,019,764)

11,071,019,764

1,850,438,657

(2,060,605,279)

34. RECLASSIFICATION OF CORRESPONDINg FIgURES

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

Provisions 157,457,754,592 Increase in payables 324,188,525,831

35. EVENTS AFTER THE BALANCE SHEET DATE

759,114,041

(759,114,041)

158,216,868,633

323,429,411,790

CONSOLIDATED BALANCE SHEET Cash equivalents

Short-term investments

Provision for short-term investments

Held-to-maturity investments

Short-term trade receivables

Beginning balance(previ-ously present-ed)

330.125.000.000

696.463.825.750

(300.000.000)

779.628.678.644

Reclassifica-tion

(327.725.000.000)

(696.463.825.750)

300.000.000

982.321.939.208

(988.843.740)

Beginning balance (reclassified)

2.400.000.000

982.321.939.208

778.639.834.904

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

Short-term advances to suppliers

Short-term loan receivables

Other short-termreceivables

Provision for doubtful debts

Short-term prepaid expenses

Other current assets

Long-term trade receivables

Long-term advance to suppliers

Other long-term receivables

Long-term prepaid expenses

Other long-term assets

Short-term advances

from customers

745.936.494.538

53.780.245.946

(216.201.351.152)

22.741.627.296

14.595.777.694

62.700.004.996

6.867.583.680

1.039.307.582.061

(86.103.451.873)

41.866.886.542

14.595.777.694

(300.000.000)

36.250.000

(14.595.777.694)

988.843.740

86.103.451.873

6.867.583.680

(36.250.000)

(6.867.583.680)

(19.649.494.278)

659.833.042.665

41.866.886.542

68.376.023.640

(216.501.351.152)

22.777.877.296

988.843.740

86.103.451.873

6.867.583.680

62.663.754.996

1.019.658.087.783

Le Thi Phuong Uyen

Preparer 30March 2016

Nguyen Thi Nguyen Thuy Chief Accountant

Le Viet Hai General Director

CHAPTER VII

TYPICALCONSTRUCTION PROJECTS IN 2015

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

4. Typical Construction Projects in The Foreign countries

Annual Report 2015 sustainable Value

Annual Report 2015 sustainable Value

VIETINBANK TOWER Main Contractor

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

The total floor area: 330,113.59 m2 Location: Ciputra Tay Ho Urban Area, Hanoi

Investor: Vietnam Joint Stock Commercial Bank for Industry and Trade (VietinBank) Commencement Date: December 2013

Completion Date: May 2017

HD MON CITY Main Contractor

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

HD Mon City project is located in the prime location of My Dinh urban area. The project consist of two towers with 2 basements and 31-strorey tower on an area over 7 ha at the intersection

Le Duc Tho – Ham Nghi. 100% of HD Mon City’s apartments have intelligently designed with accessing to nature light, green area and infrastructure accounted for more than 13,962m2. Once completed, HD Mon City promises to be the ideal retreat for the residents. Joining this project, HBC is the main contractor for the raw and finishing construction package CT1A, CT1B.

Location: My Dinh Urban Area, Tu Liem, Hanoi

Investor: HAI DANG REI., JSC Commencement Date: July 2015 Estimated Completion Date: April 2017

Annual Report 2015 sustainable Value

Annual Report 2015 sustainable Value

D’. PALAIS DE LOUIS Main Contractor

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

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

Investor: Tan Hoang Minh Group

Location: Nguyen Van Huyen Street, Cau Giay District, Hanoi. Estimated Completion Date: 2017

Annual Report 2015 sustainable Value

Annual Report 2015 sustainable Value

IMPERIA GARDEN CONDOMINIUM Contractor

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

Location: 203 Nguyen Huy Tuong, Thanh Xuan District, Hanoi. Investor: HBI Joint Stock Company

Commencement Date: July 2015 Estimated Completion Date: April 2017

SHP HAI PHONG Main Contractor

The project of SHP Plaza is a Complex Building of 4-star hotel – Shopping mall and largest luxurious

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

Investor: Apachem Joint Stock Company (member of VLC Group)

Commencement Date: March 2015 Estimated Completion Date: May 2017

FLC SAM SON BEACH & GOLF RESORT Main Contractor

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

Location: Quang Cu Ward, Sam Son City, Thanh Hoa Province. Client: FLC Group Joint Stock Company

Commencement Date: May 2014 Completion Date: July 2015

Annual Report 2015 sustainable Value

Annual Report 2015 sustainable Value

FORMOSA NEW HOUSING PROJECT Main Contractor Design & Build

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

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

Investor: FORMOSA HA TINH STEEL CORPORATION Commencement Date: April 2016

Estimated Completion Date: January 2017

MIPEC NHA TRANG Main Contractor

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

Location: 62 Tran Phu, Loc Tho Ward, Nha Trang City Investor: 319 Corporation và Miliraty Petrochemical Joint Stock

Company Commencement Date: April 2015

Estimated Completion Date: September 2016

PEARL PLAZA (SSG) Main Contractor

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

Location: 561 Dien Bien Phu Street, Binh Thanh District, HCMC Investor: SSG Van Thanh Joint Stock Company Commencement Date: October 2013

Completion Date: July 2015

Annual Report 2015 sustainable Value

Annual Report 2015 sustainable Value

SAIGON CENTRE PHASE 2&3

General Contractor

(GERMAN HOUSE) General Contractor

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

Location: 33 Le Duan, District 1, HCMC

Investor: DEUTSCHES HAUS HO CHI MINH STADT LTD. Commencement Date: November 2015

Estimated Completion Date: March 2017

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

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

Estimated Completion Date: December 2017

ESTELLA HEIGHS PHASE 2 Main Contractor

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

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

Estimated Completion Date: June 2017

Annual Report 2015 sustainable Value

Annual Report 2015 sustainable Value

5 STAR HOTEL LE MERIDIEN General Contractor

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

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

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

Annual Report 2015 sustainable Value

Annual Report 2015 sustainable Value

METROLINE 1 Sub-Contractor

Metroline 1 Ben Thanh – Suoi Tien project is the transportation

infrastructure project which received full research support in 2006 from Japan Bank for International Cooperation (JB IC) and approved by HCMC People’s Committee. JB IC agreed to lend

ODA investment capital by the Loan Agreement No. VNX IV-III signed with the Government of Vietnam on 30th March, 2007.

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

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

HOLM RESIDENCES Main Contractor

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

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

Location: Thao Dien Ward, District 2, HCMC

Investor: Sapphire Vietnam Commencement Date: September 2015 Estimated Completion Date: September 2016

Annual Report 2015 sustainable Value

Annual Report 2015 sustainable Value

DEPOT THAM LUONG (METROLINE 2 BEN THANH – THAM LUONG)

Main Contractor

Office building and ancillary works at Depot Tham Luong belong to the Metroline 2 Ben Thanh – Tham Luong project. Hoa Binh is the main contractor for the whole architecture and structure, M&E, and technical infrastructure. The project has the scale of one 8-storey tower and 1 basement.

Location: District 12, HCMC

Investor: HCMC Management Agent of Urban Railways Commencement Date: January 2015

Estimated Completion Date: June 2016

GALAXY 9 Main Contractor

The Galaxy 9 Apartment Project has the scale of 1 basement and 2 towers of 21-storey height. Hoa Binh is the main contractor of the whole structure, finishing and M&E work packages with the total value of more than VND 350 billion.

Location: No.9 Nguyen Khoai Street, Ward 1, District 4, HCMC

Investor: Tan Thuan Viet Commercial and Real Estate Joint Stock Company

Commencement Date: April 2014 Completion Date: December 2015

THE ASCENT CONDOMINIUMS D&B General Contractor

The Ascent Condominiums has the scale of two

29-storey towers with 280 apartments in accordance with Singaporean standards and was built on the area of 6,677 m2. Hoa Binh is the main contractor in the role of the Design & Build (D&B) contractor. Besides, Hoa Binh House Corporation (HBH) will exclusively distribute this project.

Location: No. 58 Quoc Huong Street, Thao Dien Ward, District 2, HCMC

Investor: Tien Phat Real Estate Investment Limited Company

Commencement Date: January 2015 Estimated Completion Date: December 2016

Annual Report 2015 sustainable Value

Annual Report 2015 sustainable Value

VENICA VILLAS Main Contractor

The Venica project has only 43 villas in the area of 3ha, located on an island with 4 sides of natural canal system which has been renovated by investors. This project will become a very ideal living space. Hoa Binh is the main contractor of raw and finishing package.

Location: Do Xuan Hop Street, District 9, HCMC

Investor: Khang Dien House Trading and Investment Joint Stock Company

Commencement Date: April 2015 Estimated Completion Date: May 2016

Annual Report 2015 sustainable Value

Annual Report 2015 sustainable Value

THE PROJECT OF EXPANSION TERMINAL 2 – TAN SON NHAT INTERNATIONAL AIRPORT (PHASE 1) Main Contractor

The project Terminal 2 – Tan Son Nhat International Airport is divided into 2 phases. Phase 1: expansion to the East and Phase 2: expansion to the West after Phase 1 is brought in use.

In Phase 1, Hoa Binh leads the joint venture of 5 domestic contractors and takes charge of constructing the whole structure, architecture, M&E and infrastructure with specific airport equipment.

After the expansion, Terminal 2 – Tan Son Nhat International Airport promises a loading capacity of around 13 million passengers/ year, 3 million increases compared to the previous one.

Location: Truong Son Street, Tan Binh District, HCMC Investor: Tổng Công ty Cảng Hàng không Việt Nam Commencement Date: June 2015

Estimated Completion Date: August 2016

SUNRISE CITY PLOT CENTRAL Main Contractor

Sunrise City Plot Central is the commercial and luxury apartment complex, with the scale of a 5-storey podium of and 4 buildings of 30, 31 storey heights. Novaland has trusted and assigned the project tender to Hoa Binh after Hoa Binh excellently completed the project Sunrise City Plot V as the subcontractor.

Location: Nguyen Huu Tho Street, Tan Hung Ward, District 7, HCMC Investor: Novaland Group

Commencement Date: January 2013 Completion Date: October 2015

Annual Report 2015 sustainable Value

Annual Report 2015 sustainable Value

ICON 56 Main Contractor

The project of ICON 56 apartment is located in area of 3,000m2, with the scale of 25 storey building and 2 basements with 300 apartments and many utilities attached as rooftop pool, gym, convenience stores, shopping mall and entertainment. Hoa Binh is the main contractor for the structure, finishing and MEP system.

Location: 56 Ben Van Don, District 4, HCMC

Investor: Novaland Investment Joint Stock Company Commencement Date: April 2014

Completion Date: September 2015

SORA GARDENS 1 Main Contractor

Sora Gardens 1 is a luxury apartment with scale of 400 apartments with 4-storey podium, 24-storey of tower A and B. Location: Hoa Phu Ward, Binh Duong New City, Binh Duong Province.

Investor: Becamex Tokyu Co., Ltd Commencement Date: July 2013 Completion Date: March 2015

Annual Report 2015 sustainable Value

Annual Report 2015 sustainable Value

AN GIANG GENERAL HOSPITAL Main Contractor

An Giang General Hospital has the scale of 600 beds and 10-storey height with the investment capital of 1,282 billion VND. This is the first hospital in the Western region of Vietnam which has a helipad. In June 2013, An Giang People’s Committee awarded Certificate of Merit for Excellent Completion of the construction packages.

Location: My Phuoc Ward, Long Xuyen City, An Giang Province Investor: An Giang General Hospital

Commencement Date: June 2012 Completion Date: April 2016

PHU QUOC CASINO Contractor

Phu Quoc Casino is located in the community of resort, sightseeing, entertainment which is comprehensive with Vinpearl Phu Quoc. Hoa Binh is the contractor constructs two 4 and 5-star hotel buildings and basement with an area of 12,000m2.

Location: Bai Dai, Phu Quoc Island, Kien Giang Province, Investor: Vingroup

Commencement Date: January 2016 Estimated Completion Date: December 2016

Annual Report 2015 sustainable Value

Annual Report 2015 sustainable Value

INTERCONTINENTAL RESORT PHU QUOC Main Contractor

Intercontinental Resort Phu Quoc is a 5-star hotel project, with the scale of a main 20-storey tower and five small 7-storey towers. Hoa Binh is the main contractor of reinforced concrete for the structure and basic finishing.

Location: Duong To Commune, Phu Quoc Island District, Kien Giang Province Investor: Phu Quoc Syrena Property Joint Stock Company

Commencement Date: January 2015

JW MARRIOTT HOTEL PHU QUOC Main Contractor

JW Marriot is located within the project area of Eco-tourism and high end resort on Bai Khem Phu Quoc Sun. According to the master plan, the Eco-resort and luxury resort Bai Khem Phu Quoc Sun with the area of over 138 ha will be divided into 4 projects with well-known brands from experienced hotel and restaurant management groups in the world such as JW Marriot, Intercontinental, Sofitel, and Pullman. Hoa Binh is the main contractor for foundation construction from block B1 to B8 of JW Marriot Hotel.

Location: Bai Khem, Phu Quoc Island, Kien Giang Province Investor: Phu Quoc Sun Company Limited Commencement Date: December 2014

Estimated Completion Date: June 2016

Annual Report 2015 sustainable Value

Annual Report 2015 sustainable Value

GEMS – MYANMAR Construction Management

On 6th March 2015, after 19 months with full of hard construction work and responsibility, Hoa Binh made efforts to complete tasks, met every strict requirement from the client, successfully built the model of construction organization and management. Especially, Hoa Binh also succeeded in enhancing labor productivity and work efficiency for local sub-contractors, which helped shorten the concrete progress from 19 days/ floor to 6 days/ floor.

GEMS is Hoa Binh’s first project in Myanmar, as well as the first project of Vietnamese construction contractor provided such project management service in Myanmar. Currently, GEMS is one of the 2 high rise projects in Yangon City, Myanmar.

Location: Yangon, Myanmar

Investor: Capital Development Limited (CDL) Commencement Date: August 2013 Completion Date: October 2015

DESA GREEN Project Management

LE YUAN RESIDENCE Project Management

Le Yuan project is luxury condominium with 670 apartments and the first project has the artificial beach in Kuala Lumpur.

The total investment value of approximately USD125 million.

Location: Kuala Lumpur, Malaysia Investor: UOA Group (Malaysia) Commencement Date: March 2012 Completion Date: October 2014

The project consists of 2,080 apartments including 3 blocks, 7 basements and 42-storey tower with the building area of 235,000m2.

Location: Kuala Lumpur, Malaysia Investor: UOA Group (Malaysia) Commencement Date: January 2013 Completion Date: February 2016

Annual Report 2015 sustainable Value

SUBSIDIARY COMPANIES

Hoa Binh Representative office in Hanoi

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Tel: (603) 246 0843 Fax: (603) 246 0844

AHA ANH HUY CO., LTD

Address: 1700/3C Highway 1A, An Phu Dong Ward, District 12, HCMC

Tel: (84.8) 3719 5343; Fax: (84.8) 3719 5342

Website: http://www.hoabinhaha.com

MATEC MATEC CONSTRUCTION MACHINERY CO., LTD Address: 37/8 Phan Van Hon, Quarter 5,

Tan Thoi Nhat Ward, District 12, HCMC Tel: (84.8) 3883 3792;

Fax: (84.8) 3883 3757

MHB MOC HOA BINH JSC

Address: 235 Vo Thi Sau, Ward 7, 3 District, HCMC Tel: (84.8) 3795 3127;

Fax: (84.8) 379 53137

Website: http://www.mochoabinh.com.vn

HBH HOA BINH HOUSE CORPORATION (HBH)

Address: 104 Nguyen Du, Da Kao Ward, District 1, HCMC

Tei: (84.8) 3910 7572; Fax: (84.8) 3910 7637

Website: http://www.hoabinhhbh.com

HBI HOA BINH INFRASTRUCTURE INVESTMENT & Construction JSC (HBI)

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HPD HOA BINH INVESTMENT AND DEVELOPMENT JSC Address: 439 Tran Hung Dao, Tuy Hoa City, Phu Yen Province

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JHE HBP HOA BINH PAINT CO., LTD

Address: 37/5A Phan Van Hon, Quarter 5, Tan Thoi Nhat Ward, District 12, HCMC

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Website: http://www.hodastone.com.vn

JESCO HOA BINH TECHNOLOGY JOINT STOCK COMPANY

Address: 60 Truong Son, Ward 2, District Tan Binh, HCMC

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Website: http://www.hbe.com.vn

HHN HOA BINH HANOI CONSTRUCTION & REAL ESTATE CO., LTD Address: 15B Nguyen Thuong Hien, Ward Nguyen Du, Hai Ba Trung District , Hanoi

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Tell: (84.8) 3930 8882; Fax: (84.8) 39308884

Website: http://www.vitacorporation.vn

HOA BINH CONSTRUCTION & REAL ESTATE CORPORATION Pax Sky Building, 123 Nguyen Dinh Chieut Street, Ward 6, Distric 3, HCMC Tel: (84-8) 39325030; Fax: (84-8) 39302097; Email: info@hbcr.vn w w w . h b c r . v n.