

2 0 1 4 A N N U A L R E P O R T

GROWTH ACCELERATION

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DURING 10 PAST YEARS OF ITS ESTABLISHMENT AND DEVELOPMENT, COTECCONS IS KNOWN AS ONE OF LEADING CONSTRUCTION GROUPS WITH BIG PROJECTS IMPLEMENTED BY A GENERAL CONTRACTOR AROUND VIETNAM AND THE REGION. ESPECIALLY PROJECTS IMPLEMENTED BY A GENERAL CONTRACTOR FOR DESIGNING AND BUILDING (D&B), COTECCONS BRAND NAME HAS NOW BECOME QUALITY ASSURANCE FOR BIG PROJECTS WITH INTERNATIONAL STANDARD.

COTECCONS ALWAYS KEEPS STABLE GROWTH OF ITS PRODUCTION AND BUSINESS ACTIVITIES. IN MANY CONSECUTIVE YEARS, COTECCONS HAS BEEN RANKED FIRST AMONG PRIVATE ENTERPRISES IN CONSTRUCTION INDUSTRY AND GAINED MANY GREAT PRIZES AWARDED BY PRESTIGIOUS LARGE ORGANIZATIONS.

BRAND DEVELOPMENT BASING ON FOUNDATION OF QUALITY AND PRESTIGE IS PERFORMANCE MOTTO OF COTECCONS.

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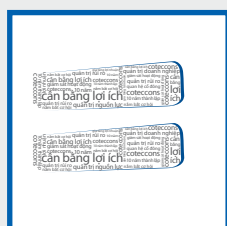
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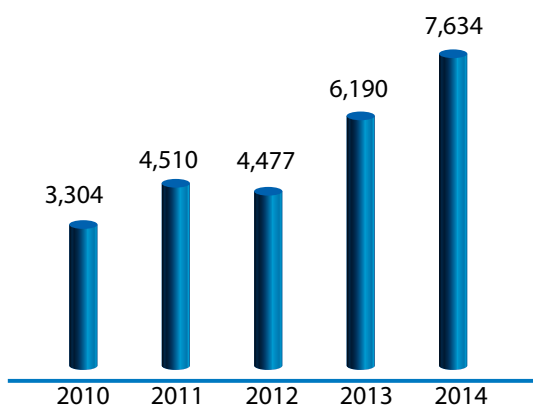
HIGHLIGHTED FINANCIAL INDICATORS

Year/Targets (billion VND)	2010	2011	2012	2013	2014	Average growth
Income statement						
Revenue	3,304	4,510	4,477	6,190	7,634	33%
Profit before tax	313	283	300	393	464	13%
Profit after tax	240	211	219	280	357	11%
Profit of the parent company's shareholders	240	211	219	257	327	8%
Shareholders' income						
Earning per share	7,816	6,812	5,596	6,103	7,769	2%
Cash dividends (%/ share capital)	20%	20%	20%	20%	(*)	
Balance sheets (billion VND)						
Total assets	2,017	2,459	3,613	4,552	4,863	23%
- Short-term assets	1,283	1,786	3,048	3,996	3,636	29%
- Long-term assets	733	673	565	556	1,227	23%
Liabilities and Equity	2,017	2,459	3,613	4,552	4,863	23%
- Current liabilities	749	1,022	1,535	2,084	2,154	27%
- Equity	1,269	1,438	2,078	2,302	2,527	19%
Financial ratio (%)						
Gross margin/ Revenue	8.5%	7.7%	7.2%	7.5%	7.3%	
EBIT/Revenue	6.2%	5.1%	4.5%	4.0%	4.5%	
EBITDA/Revenue	7.1%	6.0%	5.3%	4.6%	4.9%	
Profit before tax/Revenue	9.5%	6.3%	6.7%	6.4%	6.1%	
Profit after tax/Revenue	7.3%	4.7%	4.9%	4.5%	4.7%	
ROAA (EBIT/Average total assets)	10.8%	10.2%	6.6%	6.1%	7.2%	
ROEA (Profit of the parent company's shareholders/ Average equity)	20.3%	15.6%	12.4%	11.7%	13.6%	

(*) Not yet implemented

REVENUE

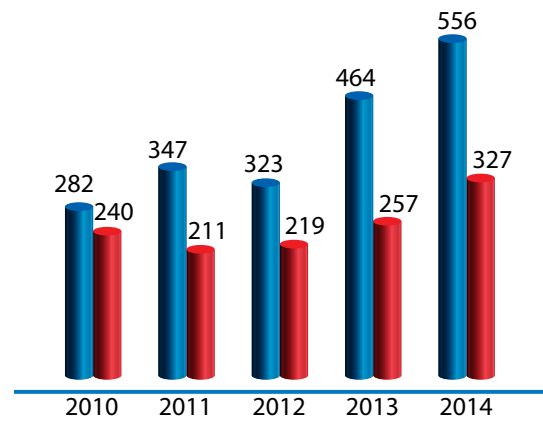
UNIT: Billion VND



PROFIT AFTER TAX

UNIT: Billion VND

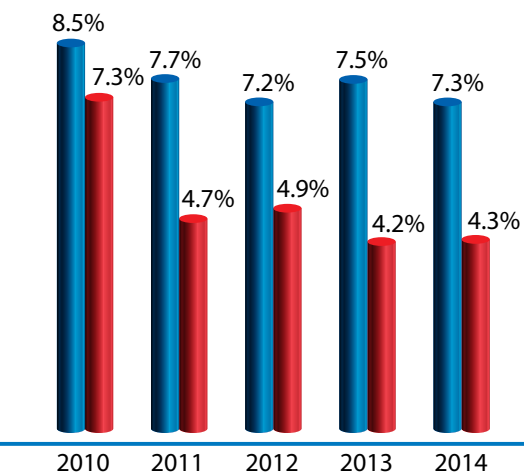
- Gross profit
- Profit of the parent company's shareholders



PROFIT MARGIN

UNIT: Billion VND

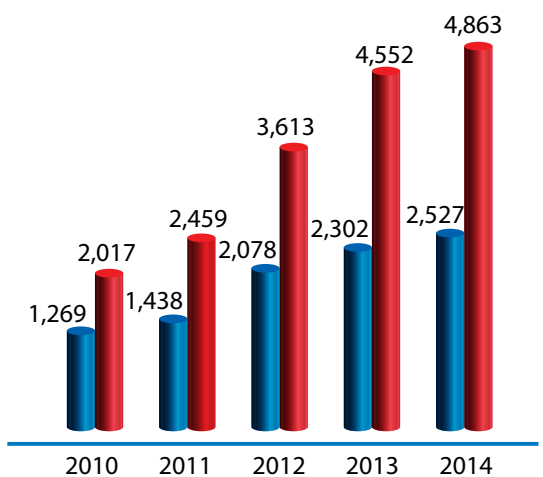
- Gross profit margin
- Rate of net profit after tax of the parent company's shareholders



TOTAL ASSETS, EQUITY

UNIT: Billion VND

- Equity
- Total assets





VISION, MISSION, CORE VALUES



VISION

To become the leading construction corporation in Vietnam with operation scope in domestic and international markets, specializing in Works implemented by general contractor, works by general contractor for designing & building, and infrastructure works.



MISSION

Using prestige, quality as measures for brand name's value, Coteccons is committed to providing clients with Works of high quality, at competitive price.



CORE VALUES

TRANSPARENCY

Transparency in every activity. Transparency in management, cooperation and benefits.

CREATIVENESS

Non-stop creativeness, improvements of method statements to satisfy ever-increasing requirements from clients.

COOPERATION

Cooperation with clients and partners for the goals and successes.

DEDICATION

Dedication in services with highest passion and enthusiasm.

COMMITMENT

Try our best efforts to carry out every commitment.



THE CHAIRMAN'S MESSAGE



7,634

CONSOLIDATED REVENUE 2014
OF COTECCONS (UNIT: BILLION VND)

Dear Shareholders,

The 2014 year ended with the picture of domestic and global economy remaining much volatile. Unsolved problems in the Eurozone continued to make headaches to leaders and economic experts of the European Union. Conflicts in the Middle East and North Africa made trading in this area to become almost paralyzed and caused the recorded decrease of oil price. Vietnam's economy still faced many difficulties and challenges, so domestic enterprises need more effort.

In that difficult context, Coteccons with its business stuff, long experience and natural capability has confidently developed on firm steps to thereby achieve much success encouragingly. In 2014, marking 10-year journey of foundation and development of Coteccons and 10-year effort in working tirelessly, Coteccons has involved in more than 500 projects in the country and the region. With its position and power, Coteccons made Coteccons brand name as a guarantee letter for quality of each project, bringing confidence to all investors.

Last year, besides restructuring organisation of office division in order to bring new energy to the organizational structure, Coteccons founded and developed the Design Management Center to provide excellent service for both design and project implementation to meet expectations of the investor in maximizing effectiveness of projects and investment capitals. The business field as a General Contractor of Designing and Building (Design & Build) has been really successful with dozens of large projects throughout Vietnam such as: Masteri Thao Dien residential - commercial luxury apartments complex in Ho Chi Minh City; IBIS Global Hotel System; Senior Resorts and VP Bank Apartments in Ha Noi; Regina International -The Largest & Modern Factory Area in The North - Hai Phong ... Not only those, in order to standardize skill of construction teams and improve quality of Works, Construction Workforce Development

“ In 2014 the consolidated revenues of Coteccons was VND7,634 billion, reached 103% of the plan and the profit after tax was VND327 billion or 109% of the plan. ”

Division was founded, has become a bridge between Coteccons and subcontractors, construction teams. The mission of the Department is to solve existing problems among subcontractors, construction teams and site executive unit, together aims to develop construction teams, improve working style, specialization and professionalization in each project.

Not only promote traditional construction field but Coteccons also extends to the fields of infrastructure such as the construction of the airport, station, seaport, ... Coteccons officially joined the infrastructure market through the decision of joint venture with Fecon and Cienco 1 company to establish the FCC Infrastructure investment JSC company started to invest and construct the National Highway 1 project and the bypass of Phu Ly city, Ha Nam province as BOT contract which was one of the National Highway 1 upgrade project. This has opened a new page in the corporate history, enhance the position of Coteccons as a private construction Group with largest market shares and business areas around Vietnam and regions.

In 2014, It was also seen that Coteccons brand name reputation was confirmed and the trust of the investors for Coteccons was constantly improved. Never before, Coteccons walked with vigorous and solid stride as this moment when continuously assigned to take over large-scale projects worth trillions VND. New project is commenced weekly. Work volumes of Coteccons always are more than other companies of the same industry.

Moreover, Coteccons has also strengthened collaboration among its subsidiaries in order to increase combination value to bring overall strength for sustainable growth and breakthrough of the group by establishing alliances in project management on site. In this alliance, Coteccons maximize available resources; utilize strengths in

construction to provide the best performance for project.

In 2014, the consolidated revenue of Coteccons was VND7,634 billion, reached 103% of the plan and the profit after tax was VND327 billion, or 109% of the plan. Revenue and profit 2015 of Coteccons is expected to have many breakthroughs with the revenue plan expected to increase more than 20%.

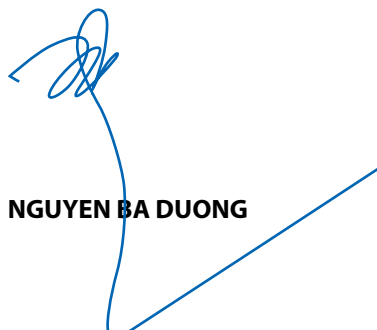
Dear Shareholders,

With the preponderant developments and constant growth of its position, for many consecutive years, Coteccons was honored as a private construction group which has had many positive contributions to the construction industry of Vietnam. Coteccons Group will continue future steps with a consistency on construction capacity and sustainable development orientation. Coteccons will continue to assert its position in market of Vietnam and the World, a proven brand name with prestige, quality and through time as a business result of constantly sustainable development.

On behalf of the Board of Directors, I would like to express my sincere thanks to the companion of Shareholders. Thank to your trust, support and close follow have empowered us to take next steps on the successful path.

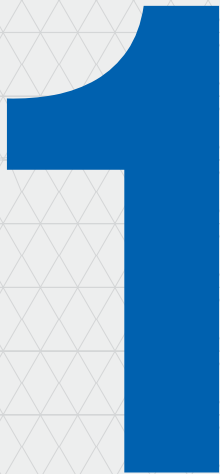
I wish dear shareholders much healthy, happy and successful.

**Sincerely,
CHAIRMAN OF THE BOARD OF DIRECTORS**



NGUYEN BA DUONG

GENERAL INFORMATION



- > Overview Information
- > History of establishment and development
- > Business industries and locations
- > Shareholder structure, change of owners' equity
- > Subsidiaries and joint ventures, associated
- > 10 memorable milestones in 10-year journey of Coteccons
- > Development orientation



“

Promote resources
to add efficiency

”



OVERVIEW INFORMATION



Coteccons building

COMPANY INFORMATION

- Vietnamese name : CÔNG TY CỔ PHẦN XÂY DỰNG (COTEC)
- English name : COTEC CONSTRUCTION JOINT STOCK COMPANY
- Abbreviation : COTECCONS
- Business Registration Certificate : 0303443233 issued first time in 24 August 2004 by the Department of Planning and Investment of HCMC
- Charter Capital : VND422 billion (Four hundred twenty-two billion VND)
- Address : 236/6 Dien Bien Phu, Ward 17, Binh Thanh District, HCMC
- Phone : (84 - 8) 3 5142255/66
- Fax : (84 - 8) 3 5142277
- Email : contact@coteccons.vn
- Website : www.coteccons.vn
- Stock Name : STOCK OF COTEC CONSTRUCTION JS. COMPANY
- Stock code : CTD



MAIN BUSINESS FIELDS

- Construct, install civil and industrial Works; urban infrastructure engineering Works and industrial parks; Traffic Works; Irrigation Works.
- Construct works of water drainage and supply, environmental treatment.
- Install MEP systems.
- Architectural activities and relevant technical consultancy: Design general layout plan of Works; Architectural design of civil and industrial Works; Indoor and outdoor design; Design of heating, ventilation, air conditioning for civil and industrial Works; Design ME part of Works; Design of civil - industrial construction; Design of urban infrastructure.
- Trading, brokerage, real estate consultancy, land use rights of owner.
- Specializing in in-export business, in-export rights: Iron, steel, building structures, materials, installation equipment, materials - machinery – standby equipment - spare parts, technological line of construction industry and production line of construction materials; construction machinery.



HISTORY OF ESTABLISHMENT AND DEVELOPMENT

TRANSFORMED TO JOINT STOCK COMPANY

Coteccons changed to Joint Stock Company under Decision No. 1242QĐ-BXD dated 30/07/2004 of Ministry of Construction. Charter capital was VND15.2 billion.

IPO (INITIAL PUBLIC OFFERING)

In order to raise additional capital for major projects and enhance its image, Coteccons launched IPO which attracted many foreign investors and organizations such as: Dragon Capital, Indochina Capital, Tainan Spinning Co.,...

Pioneer unit in Vietnam who researched and successfully applied top-down advanced construction method in order to accelerate construction progress, while ensuring quality of Works.

2004



2007



2006

OPENED A BRANCH IN BINH DUONG

Coteccons promoted the strategy focusing on the segment of large project types, while continuing to maintain and develop market share in the segment of medium-sized projects through joining investment capital to establish Uy Nam Construction Investment Joint Stock Company (Unicons).

Established a branch in Binh Duong specializing in maintenance, equipment maintenance under the operating license No. 4613000166 issued by Department of Planning and Investment of Binh Duong province dated 17 April 2006.

2009

COTECCONS SHARES WERE OFFICIALLY LISTED

The Commenced construction of Coteccons high-rise office building at 236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, Ho Chi Minh City invested by 100% capital of Coteccons.

Coteccons shares were officially listed on HCM Stock Exchange (Hose) by Decision No. 155/QĐ-SGDHCM dated 9 December 2009, which opened a new page in the history of Coteccons. The initial number of listed shares was 12,000,000. Its stock code is CTD.

AWARDED GOLD CUP ON VIETNAM CONSTRUCTION QUALITY

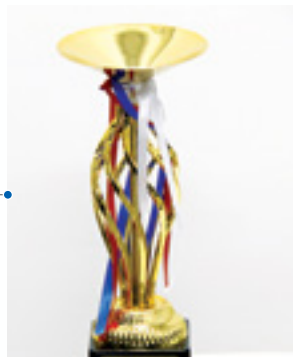
Coteccons was honored to get Gold Cup on Vietnam construction quality of Ministry of Construction.

Signing construction agreement as general contractor for Grand Ho Tram Project - an integrated resort project with the largest scale in Vietnam and the region, invested by 100% foreign capital (Asian Coast Development Limited ACDL-Canada) and the first time assigned to contractor of Vietnam as general contractor. Coteccons had implemented both construction and management of foreign subcontractors from Japan, Singapore, China...

SHARE ISSUANCE TO STRATEGIC SHAREHOLDERS FOR THE SECOND TIME

Expanding operation area, construction of overseas projects (Laos), the first step to conquer market in Indochina.

The share issuance to strategic shareholders for the second time. In the difficult economic status, the decline of stock market, but Coteccons has successfully negotiated and signed a strategic cooperation agreement with Kustocem Pte.Ltd (Singapore) and issued 10,430,000 shares. The total capital raised in the issuance is equivalent to 25 million USD.



2011



2012



2010

2013

PUT INTO OPERATION OF COTECCONS HIGH-RISE OFFICE BUILDING

Completed and put into operation of Coteccons high-rise office building. The new headquarter has satisfied the requirements of facility and operation plane of the Company, bringing a new position for Coteccons in the market.

The establishment of Coteccons representative office in Hanoi created a breakthrough in the North market.

SIGNED THE CONTRACT OF SC VIVOCITY VALUED AT VND1,200 BILLION

The general contractor contract signed for the international project: SC VivoCity-District 7 invested by Saigon Co.op Investment JSC (Vietnam) and Mapletree Company (Singapore), the total contract value is approximately VND1,200 billion.

Increased the share ownership rate of Coteccons in Uy Nam Construction Investment JSC (Unicons) to 51.24%.

2014



FCC COMPANY FOUNDING SHAREHOLDERS

Invested in constructing 23km NH1 at Phu Ly City bypass and improvement of NH1 road surface in the section at Km215+775-Km 235+885 valued more than VND2,000 billion.

WINNING MANY BIDS OF GENERAL CONTRACTOR PROJECT FOR DESIGN & BUILD

Thao Dien Masteri worth VND3,500 billion; Phase 1,2,3 of Regina plant: VND600 billion; Firsteam plant: VND171 billion.



BUSINESS LOCATIONS

10 years of establishment and development in construction field, the Works implemented by Coteccons has been present in most of big cities in the country and abroad.

DOMESTIC MARKET

Currently, projects constructed by Coteccons are located in as follows

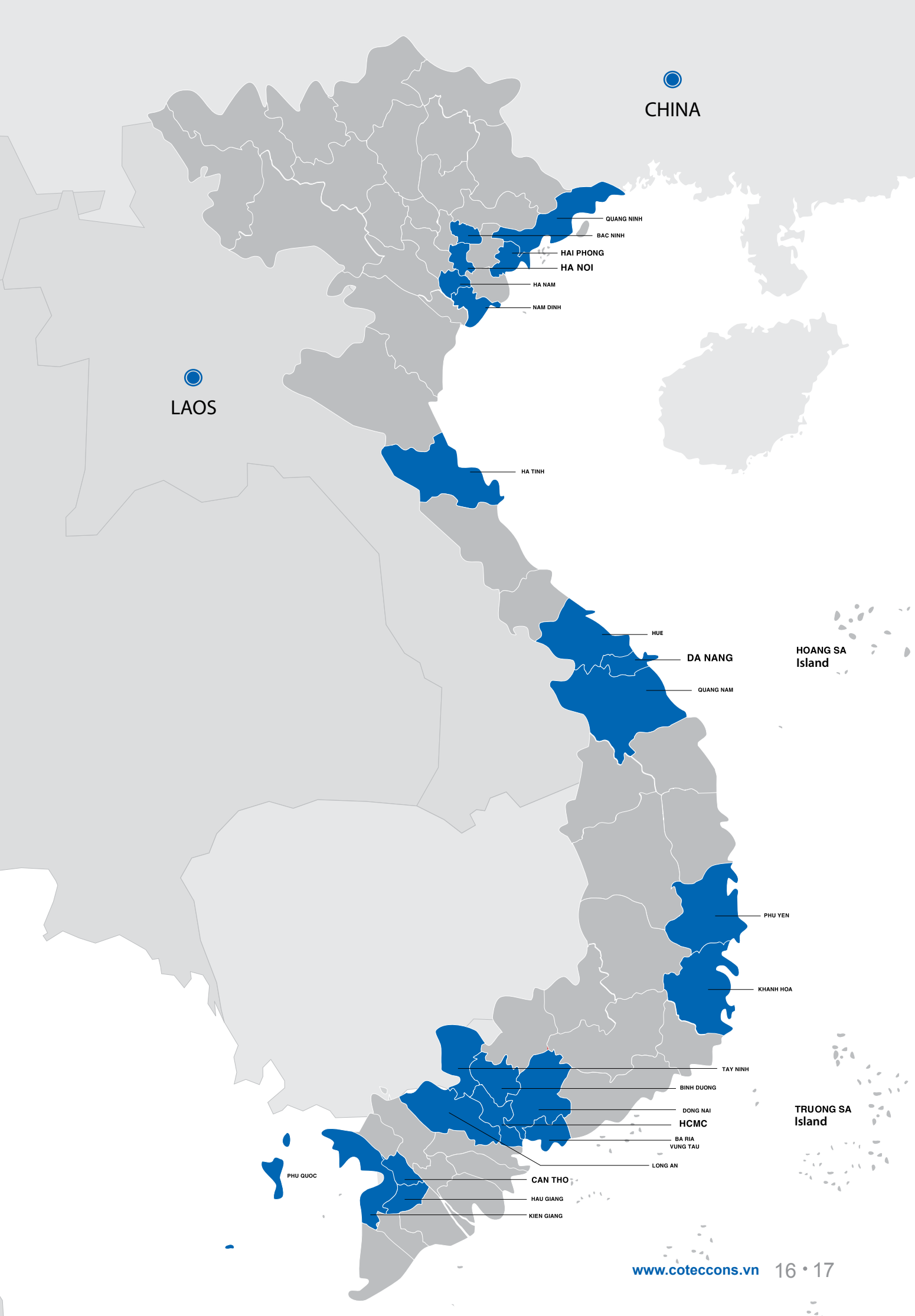
Southern region: Ho Chi Minh City, Binh Duong, Tay Ninh, Dong Nai, Vung Tau, Phu Quoc, Long An, Hau Giang, Can Tho, Kien Giang...

Central Region: Nha Trang, Phu Yen, Da Nang, Quang Nam, Hue, Ha Tinh...

Northern region: Ha Noi, Hai Phong, Bac Ninh, Quang Ninh, Nam Dinh, Ha Nam...

FOREIGN MARKET

Since 2012, Coteccons has expanded its business network to the Southeast Asia; carried out project in Laos. In 05 April 2014, Coteccons opened a representative office in Guangzhou - China.



CHINA

LAOS

QUANG NINH

BAC NINH

HAI PHONG

HA NOI

HA NAM

NAM DINH

HA TINH

HUE

DA NANG

QUANG NAM

HOANG SA Island

PHU YEN

KHANH HOA

TAY NINH

BINH DUONG

DONG NAI

HCMC

BA RIA VUNG TAU

LONG AN

TRUONG SA Island

PHU QUOC

CAN THO

HAU GIANG

KIEN GIANG



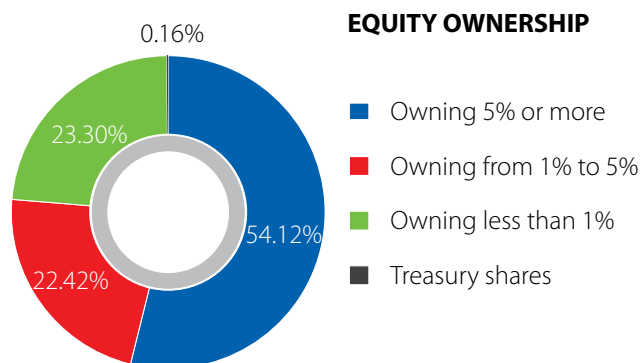
OWNERSHIP STRUCTURE (as of 16 March 2015)

SHARE INFORMATION

Charter Capital	: VND422,000,000,000
Number of listed shares	: 42,200,000 shares
Number of outstanding shares	: 42,133,344 shares
Treasury shares	: 66,656 shares
Par value	: VND10,000 per share

EQUITY OWNERSHIP

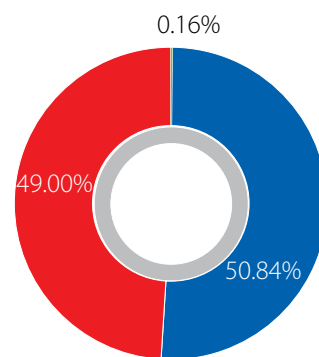
No.	Shareholders	Domestic shareholders		Foreign shareholders		Total	%
		Amount	%	Amount	%		
1	The State	-	-	-	-	-	-
2	Owning 5% or more	9,409,155	22.30%	13,430,000	31.82%	22,839,155	54.12%
3	Owning from 1% to 5%	4,994,162	11.83%	4,468,803	10.59%	9,462,965	22.42%
4	Owning less than 1%	7,052,035	16.71%	2,779,189	6.59%	9,831,224	23.30%
5	Treasury shares	66,656	0.16%		0.00%	66,656	0.16%
TOTAL		21,522,008	51.00%	20,677,992	49.00%	42,200,000	100.00%



SHAREHOLDERS' STRUCTURE

No.	Shareholders' structure	Amount	Number of shares	%
	Total shareholders	723	42,200,000	100.00%
1	Treasury shares	1	66,656	0.16%
2	Domestic shareholders	650	21,455,352	50.84%
	<i>Organization</i>	36	8,605,423	20.39%
	<i>Individual</i>	614	12,849,929	30.45%
3	Foreign shareholders	72	20,677,992	49.00%
	<i>Organization</i>	35	20,559,609	48.72%
	<i>Individual</i>	37	118,383	0.28%

SHAREHOLDERS' STRUCTURE



- Treasury shares
- Domestic shareholders
- Foreign shareholders

LIST OF SHAREHOLDERS OWNING CHARTER CAPITAL 5% OR MORE

No.	Shareholders	Address	Number of shares	%
1	NGUYEN BA DUONG	405/11 Xo Viet Nghe Tinh, Ward 24, Binh Thanh District	2,214,666	5.25%
2	THANH CONG BUSINESS AND INVESTMENT ONE MEMBER LIMITED COMPANY	Floor 11 th , Sailing Building, 111A Pasteur, Ben Nghe Ward, District 1, HCMC	7,194,489	17.05%
3	INDOCHINA HOLDINGS GROUP LIMITED	Quastisky Building, P0 Box 4389, Road.Town, Tortola, British Virgin Islands	3,000,000	7.11%
4	KUSTOCEM PTE. LTD.	80 Raffles Place, #32-01 UOB Plaza 1 Singapore 048624	10,430,000	24.72%



SUBSIDIARIES AND JOINT VENTURES, ASSOCIATED

OVERVIEW OF SUBSIDIARIES AND JOINT VENTURES, ASSOCIATED

The investment in Subsidiaries, associated Companies is to deploy the Company's strategy in market share expansion and business diversification. Members can share ideas, experiences, management skills, human resources, technical solutions for co-development.

Coteccons brand name has been gradually affirmed the position as the leading contractor in construction industry specializing in general contractor projects, design and build and turnkey contracts. This is also an advantage for Coteccons to gather resources for large projects. Accordingly, depending on strong points of each member and project scope, Coteccons will allocate resources sufficiently for project implementation to bring success and the highest satisfaction to its clients.



UY NAM CONSTRUCTION INVESTMENT JSC (UNICONS)

Address: Floor 5-6, No. 236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, Ho Chi Minh City.

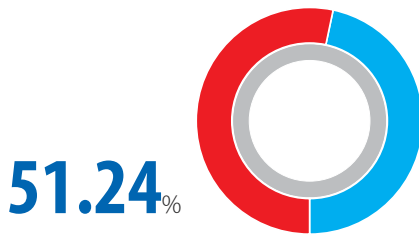
Founded in 2006, with the charter capital of 90 billion. Ownership percentage of Coteccons now is: 51.24%. Main business activities of Unicons include construction and building materials trade. Unicons has a team of highly skilled technical and professional personnel, through continuous improvements in the management system helping create a professional and dynamic working environment.

By successively promoting the achievements of Coteccons along with efforts based on its experience and core value, after nearly nine years of operation Unicons has confirmed its position in the market, in the top of the Company's largest private construction companies in Vietnam. In addition to construction activities, Unicons trades in building materials and is one of the major units supplying materials for Coteccons at competitive prices.

The business operation results of 2014

Sale volume of goods and services: VND2,506 billion, reached 100% of the plan.

Profit after tax : VND61 billion, reached 101% of the plan.



■ Ownership percentage of Coteccons



PHU HUNG GIA CONSTRUCTION INVESTMENT JS COMPANY

Address: 312 Nguyen Thuong Hien, Ward 5, Phu Nhuan District, HCMC

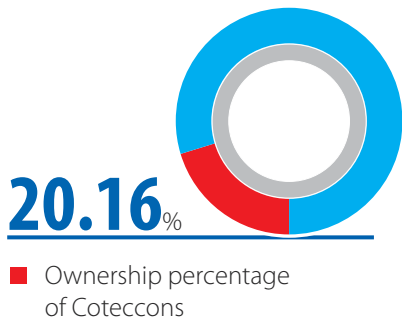
Phu Hung Gia Construction Investment JS Company was established since 2004 with VND100 billion of total charter capital. In which, Coteccons' ownership was 20.16%. The key activities of Phu Hung Gia Company initially were investment and real estate business. Due to the fluctuation of real estate market, in 2008, the Company extended the business activity to construction, building materials business.

Improving the management system to attract more resources, Phu Hung Gia Company has quickly stabilized and developed, acquired the ability to conduct high-skilled constructions, fast execution and fine arts. Phu Hung Gia brand gradually improved and gained high credibility on Vietnam construction market.

The business operation results of 2014

Sale volume of goods and services: VND1,590 billion, reached 104% of the plan.

Profit after tax : VND41 billion, reached 128% of the plan.



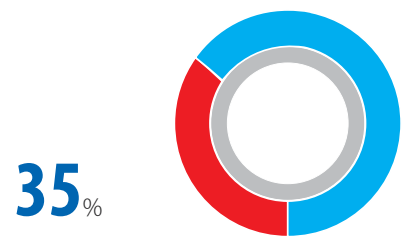
FCC INFRASTRUCTURE INVESTMENT JS COMPANY

Address: Floor 2nd, CEO Tower, Pham Hung street, Nam Tu Liem District, Hanoi City.

Founded since 2014, with 369 billion dong of charter capital. In which, ownership percentage of Coteccons: 35%. Contributed capital of Coteccons in 2014: VND47,915,000,000 billion.

Key activities of FCC were infrastructure construction, civil construction, industry, road construction, public construction.

In 2014, FCC has deployed the construction investment project of National Highway 1, the bypass of Phu Ly City and improved the road surface of National Highway 1 on Km215+775÷Km235+885, Ha Nam province according to BOT contract with over 2,000 billion VND contract value. The project is implemented on schedule and evaluated highly by the ministries, is a good premise for FCC to implement more major infrastructure projects.





10 MEMORABLE MILESTONES IN 10-YEAR JOURNEY OF COTECCONS



Partnership in building many major projects: RMIT University, The Manor, Grand View ...



Conquered the real estate market with senior products including the typical projects: Ho Tram Sanctuary, The EverRich 1, River Garden, The Centre Point...

2006

2008

2004

2007

2009

Changed the operation model into Construction Joint Stock Company (Cotec) by Decision No. 1242/QĐ-BXD on July 30th 2004 of the Ministry Minister of Construction.



Attracted investment from many large funds: Dragon Capital, Indochina Capital, Tainan Spinning.

Increased charter capital to VND120 billion.



On May 10th 2009, commenced the construction of Coteccons high-rise office headquarter building invested from 100% capital of Coteccons, valued totally at VND210 billion.





On January 20th 2010, began a new page in corporate history by the opening of Coteccons (code CTD) stock trading on HCMC Securities Exchange (HOSE).



Signed strategic cooperation agreements with Kustocem Pte. Ltd. (Singapore) to issue 10,430,000 shares (equal to USD25 million).



First step to success in the Design& Build (D&B) model. Many D&B contracts are signed with major Investors: Masteri Thao Dien, The EverRich 3, Regina...

2010

2012

2014

2011

On September 8th 2011 signed the general contract of Casino complex project-The Grand Ho Tram with the largest and advance scale in the region by Asia Coast Development Ltd (ACDL) invested.



2013

Raising the proportion of Coteccons' share owning in Unicons up to 51.24% and officially operated as Parent- subsidiary company model.





DEVELOPMENT ORIENTATION

“The medium and long-term development strategy of Coteccons is associated with the 5-year vision (2015 - 2020), namely, to push up development, expand operation scope and affirm its brand name as the leading construction position not only in Vietnam but also international outreach.”

By promoting the available advantages, Coteccons has focused on promoting development of general contractor project for Designing and Building (Design & Build), creating a solid springboard for synchronous development of operations such as: consulting, management ... aimed to perfect value chain from A - Z.

Marking the international markets that Coteccons were present: China, Laos ... Coteccons always strive towards its ambition to expand operations in countries with potential market in the region and the world.



Vinhomes Times City Park Hill - Ha Noi



Business center SC Vivo City - HCMC

MAIN OBJECTIVES OF THE COMPANY

To develop Coteccons under the model of international multifunctional construction corporation.

To promote resources, increase business efficiency, maximize value of the Company, brings the best interests to shareholders and employees.

To partly contribute to modernizing the country by providing product which is high quality Works with outstanding value at a reasonable investment capital.

To create jobs and stable income for employees, well fulfill contribution obligation to the state budget.

To actively participate in community activities, expressed a sense of responsibility for overall development of society.

MEDIUM AND LONG-TERM DEVELOPMENT STRATEGIES

The medium and long-term development strategy of Coteccons is associated with the 5-year vision (2013-2017), namely, to push up development, expand operation scope and affirm its brand name as the leading construction position not only in Region but also promote its influence in the region and internationally.

To improve service quality, promote the segment of general contractor Works, and general contractor Works for (Design & Build) to best satisfy needs of clients, as well as increase profitability for the Company.

To expand core construction industries, participate in investment and construction of transport infrastructure and energy works.

To enhance capability of human resources, technology, finance, control system and risk management system to ensure completion of the targets.

ORGANIZATIONAL STRUCTURE AND PERSONNEL

2

- > Governance model, organizational structure
- > Introduction of the Board of Directors
- > Introduction of the Board of Supervisors
- > Introduction of the Board of Management
- > Total employees
- > Remuneration, bonus policy and welfare scheme for employees
- > Employment and training



“ **Multiply** chances
increase achievements ”



ORGANIZATIONAL STRUCTURE AND PERSONNEL

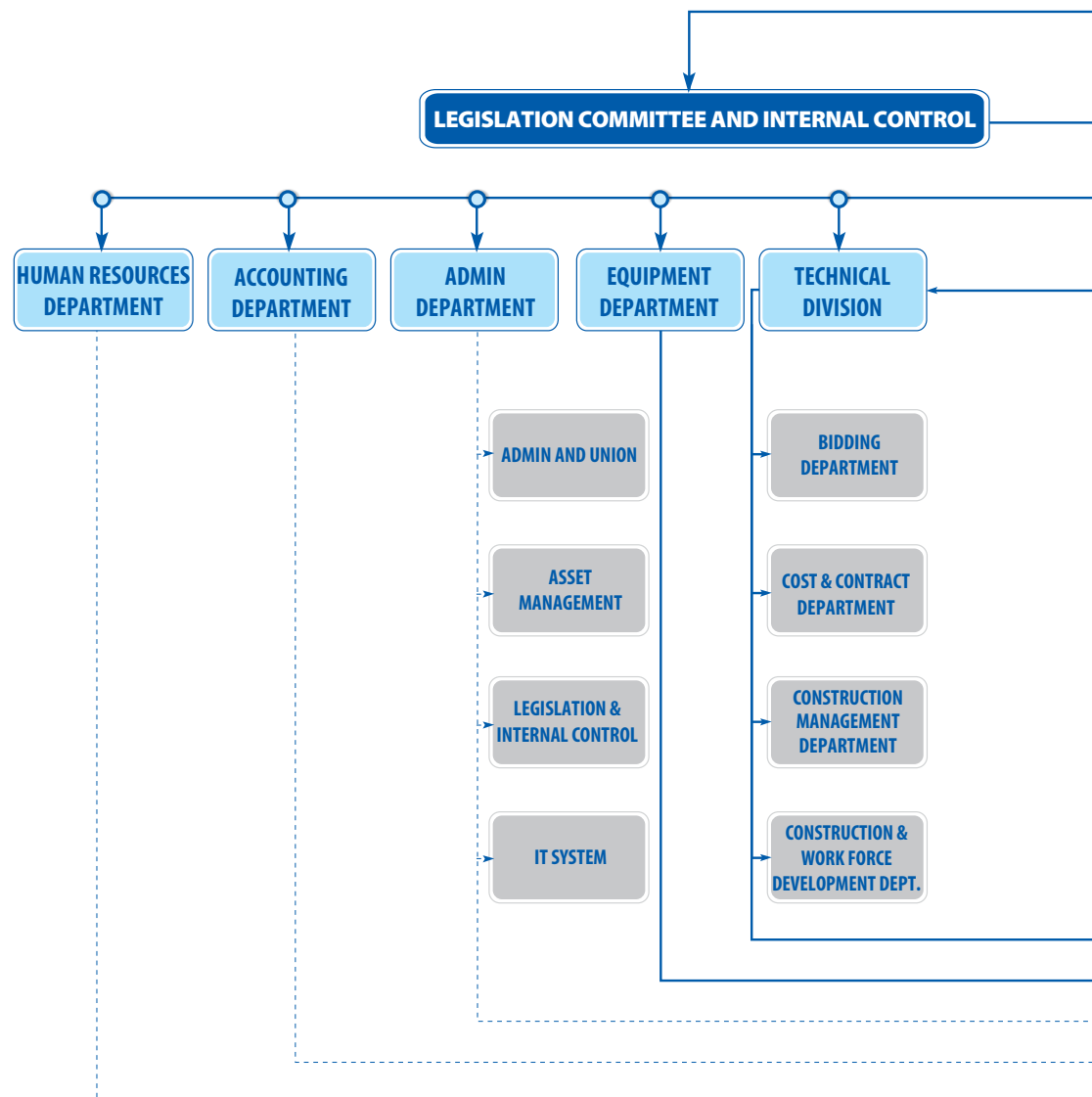
GOVERNANCE MODEL

The governance model of Coteccons is form of one Joint Stock Company. Along with the compliance with Vietnam laws and provisions, Coteccons' business activities also comply with the Charter adopted by Annual Shareholders Meeting. The organizational structure of Coteccons is as follows:

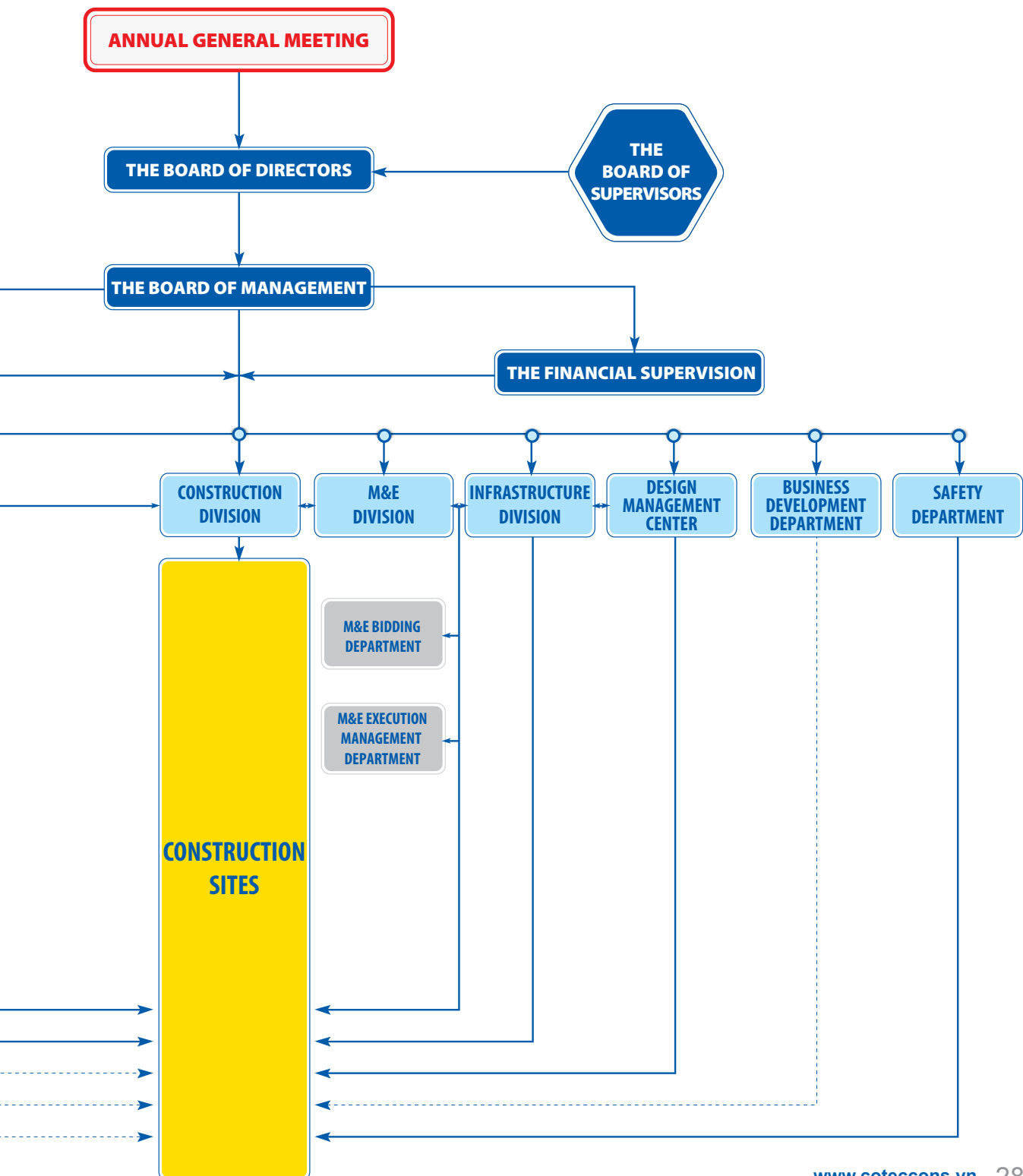
- **Annual General Meeting (AGM).**
- **Board of Directors (BOD):** Incumbent BOD of Coteccons consists of the Chairman and 6 members. Of which, 3 members are also concurrent members of BOM and 4 remaining members are non-executive ones.

- **Board of Supervisors (BOS):** Incumbent BOS includes the Head of BOS and 2 Members.
- **Board of Management (BOM):** Led by the CEO. Currently, the BOD Chairman is also concurrent CEO of the Company. Assisting the CEO are 4 Deputy CEOs, in charge of affairs: human resources, financial - accounting, business, design and construction.

The company has a full range of various functional departments.



ORGANIZATIONAL STRUCTURE





Condominium Trung Kinh Complex - Ha Noi



ORGANIZATIONAL STRUCTURE AND PERSONNEL (cont.)

INTRODUCTION OF THE BOARD OF DIRECTORS



“ Incumbent BOD of Coteccons in the current term (2012 - 2017) consists of 7 members. In which:

- Mr. Huynh Ba Thang Long submitted the resignation letter on 04 February 2015;
- Mr. Brian Quan Pham submitted the resignation letter on 23 March 2015;
- Mr. Huynh Le Duc submitted the resignation letter on 06 April 2015.

Members selected to replace will be formally elected in the AGM 2015. ”



ORGANIZATIONAL STRUCTURE AND PERSONNEL (cont.)

INTRODUCTION OF THE BOARD OF DIRECTORS

Mr. Nguyen Ba Duong

He graduated from the Faculty of Architecture, Kiev University of Civil Engineering (Ukraine). He has 30 years of experience in construction and held management positions in big construction companies.

He was the founder and managed Coteccons since 2002. Initially, the Company was Cotec Construction Enterprise. In 2004, after successful equitization of the company, he was appointed as CEO of the Company. Since 2005, he was elected as Chairman of the BOD and CEO of Coteccons.

He received Certificate of Merit of the Prime Minister for his achievements and contributions to the Socialism building cause; Certificate of Merit of the Minister of Construction for excellent task fulfillment. In 2013, he was honored among Top 50 Business Leaders of Vietnam.

Mr. Tran Quang Quan

He graduated in Civil Engineering, HCM City University of Technology with good academic achievement. After graduation, he has worked for foreign construction companies as Chief Engineer and Project Manager. He has over 18 years of experience in construction.

Joining Coteccons since its early days, Mr. Tran Quang Quan has significantly contributed to the construction method improvement, training for many talented Chief Engineers and Project Managers.

With profound experience in management and administration, in 2007, he was promoted to the position of Deputy General Director in charge of civil work and labor safety. Currently, he is responsible for business promotion, relationship building with foreign partners and investors.

Mr. Talgat Turumbayev

He holds a Master in Finance and Accounting. From 1994 - 1995: He worked as a consultant for Deloitte & Touche, and an accountant for Price Waterhouse Company, LLP.

From 1995 - 2002: He worked as Manager of Arthur Andersen Audit Division. During the period 2002 - 2005: He was appointed as CEO of Eurasia FM Consulting Ltd. With experience and competence in the management and administration, in 2005 - 2008: He served as Investment Director of BTA Bank.

From 2008 - 2010: He was CEO of Eurasia FM Consulting Ltd. From 2010 - 2011: He was CEO of Kusto Management Ltd. Since 2011, he has been Director of Kusto Real Estate Capital Private Ltd.



Mr. NGUYEN BA DUONG

BOD Chairman

DOB: 1959

Nationality: Vietnamese

Mr. TRAN QUANG QUAN

BOD Member

DOB: 1973

Nationality: Vietnamese

Mr. TALGAT TURUMBAYEV

BOD Member

DOB: 1971

Nationality: Kazakhstan

Mr. Tran Quang Tuan

He graduated in Civil Engineering from HCM City University of Technology and has over 18 years of experience in construction.

He has stayed with Coteccons since its early days. Besides his contribution to the promotion of Coteccons brand name in civil work sector, he has also played an important role in building the material and equipment management system and put it into operation in methodical way as seen today.

Since 2009, he was appointed as Deputy CEO being in charge of civil work sector, management of equipment investment and finance.

Mr. Huynh Ba Thang Long

He graduated in Mechanical Engineering from Hanoi University of Technology. From 1981 - 1985, he worked for Petec Trading & Investment Corporation (Petechim). From 1985 - 1991, he was promoted to the position of Hanoi Branch Manager, Petechim. With the purpose of business management skill improvement, in 1991 - 1993, he went abroad for professional training.

After returning home, from 1994 to 1999, he participated in the management of non-state companies. Since 2000 till now, he has held the position as BOD Chairman cum CEO of HB Trading Joint Stock Company.

Mr. Brian Quan Pham

He holds a Master in Finance and Accounting. From 1985 - 1988: He worked for Mass. Mutal Life Insurance. He then held the position as Financial Supervisor of Memorial Heart Sisters of Charity Healthcare Systems. From 1995 - 1998: He took over some positions: Director of Sales and Marketing for Southwestern Bell Telephone Co and CFO of Club Corp. of America.

In 1998, He was promoted to CEO cum CFO of Acnielsen. From 2002 - 2007: He held the position as Director of Marketing in Window Design Concepts. CFO of V - Trac Caterpillar. Since 2007, He has held the position as CEO cum CFO of Indochina Capital Corporation.

Mr. Huynh Le Duc

He graduated in Finance and Accounting. From 1994 - 1996: He was Auditor of KPMG. In 1996 - 1999: He worked as Head of Internal Audit Department in Deutsche Bank, HCMC.

In 1999, he was promoted to CFO of AIA Vietnam and held this position until the end of 2007. From 2007 - 2009: He worked as Assistant Vice President of Finance, Regional VP of AIA - Hong Kong. From 2009 - 2011, he was CFO of Prudential Vietnam and In the period 2012 - 2013, He served as CFO of BAT Investment Management Vietnam.



Mr. TRAN QUANG TUAN

BOD Member

DOB: 1974

Nationality: Vietnamese



Mr. HUYNH BA THANG LONG

BOD Member

DOB: 1956

Nationality: Vietnamese



Mr. BRIAN QUAN PHAM

BOD Member

DOB: 1962

Nationality: American



Mr. HUYNH LE DUC

BOD Member

DOB: 1973

Nationality: Vietnamese



ORGANIZATIONAL STRUCTURE AND PERSONNEL (cont.)

INTRODUCTION OF THE BOARD OF SUPERVISORS

Ms. Nghiem Bach Huong

She holds a University degree in Finance, Accounting and has 25 years of experience in management and finance. In 1985 - 1993: She worked as Chief Accountant of Manufacture Service Science Technology Import-Export Company (Scitechimex). During 1996 - 1999: She changed the job as Chief Accountant of Masan Joint Stock Company. In 1999, Mrs. Huong was promoted to Deputy CEO of Masan Joint Stock Company and held this position until 2004.

Since 2005, she has been Deputy CEO of Binh Thien An Real Estate Joint Stock Company.

Mr. Nguyen Duc Canh

He graduated from Faculty of Business - Accounting, Australia University and has 22 years of experience in management. In the period from 1992 - 2001, Mr. Nguyen Duc Canh was Regional Director of Hanson Australia.

In 2002, Mr. Canh joined BASF Construction Chemicals VN as CEO and held this position until 2008. Since 2009, he has been CEO of Viet My Construction Materials Technology Joint Stock Company.

Mr. Ho Van Chi Thanh

He graduated in Civil Engineering and holds Bachelor of Law and has 18 years of experience in construction field.

In the period from 1996 to 1998, he served as engineer in charge of technical supervision in Taisei company - Ho Chi Minh City. From 1998 to 1999, he served as Technical Supervisor in Contech - Nha Trang company. From 2000 to 2001, he served as Technical Supervisor No. 8 Construction Company. From 2001 to 2002, he served as Technical Supervisor at Descon company. From 2002 till now, he served as Head of Equipment Division, Head of HT& PC, Head of Finance supervision division and Head of General Division in Coteccons.

“The incumbent Board of Supervisors of Coteccons in current term (2012 - 2017) consists of three members. In which, Mr Ho Van Chi Thanh elected into the Board of Supervisors to replace for Mr. Tu Dai Phuc.”



Mr. NGUYEN DUC CANH

BOS Member
DOB: 1970
Nationality: Australian

Ms. NGHIEM BACH HUONG

Head of the Board of Supervisors
DOB: 1963
Nationality: Vietnamese

Mr. HO VAN CHI THANH

BOS Member
DOB: 1971
Nationality: Vietnamese

INTRODUCTION OF THE BOARD OF MANAGEMENT

Mr. Nguyen Ba Duong

CEO (See page 32)

Mr. Tran Quang Quan

Deputy CEO (See page 32)

Mr. Tran Quang Tuan

Deputy CEO (See page 33)

Mr. Tran Van Chinh

He graduated in Civil Engineering, Hanoi University of Civil Engineering. From 1981 to 2007, he worked for member units of Song Da Construction Corporation and experienced different positions such as Director of Enterprise, Director of the Company.

In 2007, he joined Coteccons as Director of Civil Work Division. In 2009, Mr. Chinh was appointed as Deputy CEO, in charge of several projects in the North. At the present, he concurrently holds the position of Chief Representative of Hanoi Office.

Mr. Tu Dai Phuc

He graduated from the Architecture Faculty of Ho Chi Minh City University of Architecture. From 1998 - 1999, Mr. Tu Dai Phuc worked for Southern Design Company - A.S.C.A. In the next two years, from 1999 - 2001, he was the Architecture Design Team Leader at as Head of Design at VCC Engineering Consultants Joint Stock Company.

Since 2002, he joined Coteccons and has held various positions such as Chief Engineer, Manager of Completion Department, Assistant to CEO and Business Development Director.

He was appointed as Deputy CEO in 25 March 2014.

“*Head of operations is the CEO. Currently, BOD Chairman concurrently holds the position of CEO. The CEO is assisted by 4 Deputy CEOs in charge of areas: Human resources, Finance, Business, Design and Construction.*”



Mr. NGUYEN BA DUONG

CEO

DOB: 1959

Nationality: Vietnamese

Mr. TRAN QUANG QUAN

Deputy CEO

DOB: 1973

Nationality: Vietnamese

Mr. TRAN QUANG TUAN

Deputy CEO

DOB: 1974

Nationality: Vietnamese

Mr. TU DAI PHUC

Deputy CEO

DOB: 1975

Nationality: Vietnamese

Mr. TRAN VAN CHINH

Deputy CEO

DOB: 1959

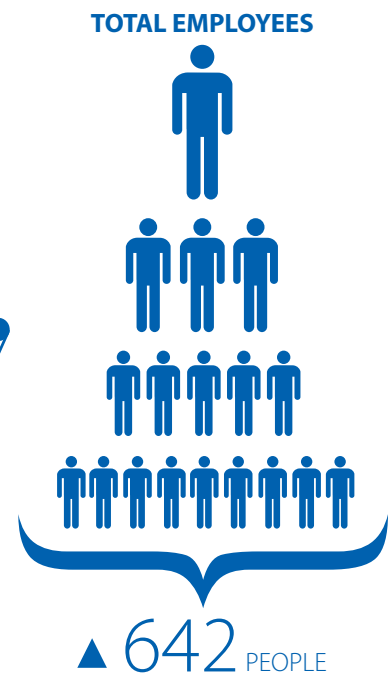
Nationality: Vietnamese



ORGANIZATIONAL STRUCTURE AND PERSONNEL (cont.)



“ At its early establishment time, Coteccons has identified that human is a key factor for sustainable development and maintaining its leading position in the market. Over its 10-year history of establishment and development, Coteccons has built a team of experienced managers, a group of professional staffs who have been methodically trained and in-depth expertise to bring strong and stable development increasingly on the path ahead. ”



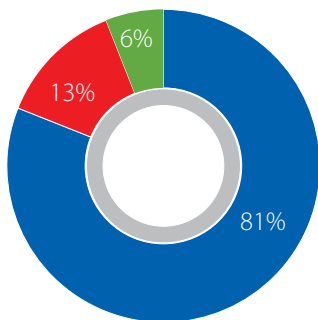


TOTAL EMPLOYEES AS OF 31/12/2014

"Human resource is the key to success" - Human resources is the most valuable asset of Coteccons. Thus, its priority is always given to development of a professional team of managers and staff to bring strong and stable development increasingly.

Each member's contribution is properly evaluated and recognized. Employees are always given the most favorable condition to promote their capabilities. As a result, Coteccons' staff is always well aware of their position, responsibilities. Their hardworking, creativeness and self-learning have been enhanced. Human resources policies are improved to ensure the best working environment for Coteccons' staff.

Total number of employees till present time: 642 people. In which:



- University and Postgraduate
- College/Vocational school
- Technical worker and others

Qualification	Number (people)	Proportion (%)
University and Postgraduate	521	81%
College/Vocational school	83	13%
Technical worker and others	38	6%

Labor force of the Company includes most young labors at age of 23 – 40, accounting for 90% of the Company's labor structure. At this age, employee's health can meet construction sector's requirements and contributing to business efficiency addition of the Company at present as well as in future.



ORGANIZATIONAL STRUCTURE AND PERSONNEL (cont.)



REMUNERATION, BONUS POLICY AND WELFARE SCHEME FOR EMPLOYEES

The salary, bonus policy and welfare regime applied are suitable with the Joint Stock Company model. Accordingly, salary and bonus based on performance evaluation and position. In addition, in order to encourage the employees to promote their abilities, the Company also developed and issued special bonus policy for teams and individuals with outstanding achievements.

Social insurance, health insurance, unemployment insurance policy is compliant with legal regulation. In addition, the Company also applies special healthcare insurance policy for only employees and their family members.

Due to specific nature of its business, the Company has suitable allowances for employees working at site: allowances for project duty, transport, on-site fees and special allowance for projects in remote area with difficulties in transport and unfavorable working conditions.

To keep connection among individuals as well as solidarity in Coteccons' subsidiaries, each year the Company hold vacations, travel in the country and abroad, sport movements, culture-sport-beauty programs, charity programs... so that employees have chance to meet, exchange and express concerns linked together.



Activities of Potential Leader Club

RECRUITMENT

Recruitment is done according to the recruitment process of the Company to recruit personnel in accordance with relevant requirements, ensuring a stable workforce, high quality and meet the requirements of business operation. Most of the technical personnel chosen graduated from prestigious universities such as: Universities of Technology, Architecture, Technical Teacher, Construction, .. with fair and good education level. Besides, the Company has also special priority to recruit talented individuals and personnel graduated from prestigious universities abroad, or those who have much experienced or excellent expertise, local and foreign experts. Currently, the Company has a personnel team with ethical nature, professional qualifications, expertise who contributed to excellent completion of the business objectives of the Company.

TRAINING

Coteccons ensures all employees are trained continuously to have enough skills and qualifications to complete tasks assigned. Training strategy of Coteccons is the focus on qualified staffs of management and supervision with high professionals to afford organizing and operating large-scale projects and projects of high requirement on progress, quality and labor safety.

Training courses in the Company are held regularly:

- Integration training for new employees.
- Training on construction manager, construction manager assistant.
- Training on the Company culture, strategic development orientation of the Company...

“Potential Leader Club” held periodically is place for training and introduction of potential managing officer for the Company.

REPORT ON BUSINESS OPERATION IN THE YEAR

3

- > Report of the Board of Supervisors
- > Report of the Board of Directors
- > Report of the Board of Management
- > Investment situation in 2014
- > Improvements in organization, management policy
- > Executive orientation for business operations in 2015



“

Reach success and
accelerate development

”



REPORT OF THE BOARD OF SUPERVISORS

ACTIVITIES OF THE BOARD OF SUPERVISORS IN 2014

Organize meetings to evaluate operational and financial accounting, the results of operations, administration and operation of the Company in each quarter in 2014.

Monitoring the implementation of resolutions of the Annual General Meeting.

Coordinate closely with the Board and Executive Committee of the executive management of all activities of Coteccons, always adhere to the provisions of law and the charter.

PERFORMANCE EVALUATION OF BUSINESS YEAR 2014

The Board of Supervisors agreed with the results reported data production and business activities in 2014 the Board was presented to the Annual General Meeting and Financial Report 2014 has been audited by Ernst & Young Vietnam Limited as follows:

Unit: VND billion

Item	Actual 2013	Planned 2014	Actual 2014	% of Completion	Increase/ Decrease) compared with 2013
Coteccons net revenue	4,781	/	5,700	/	19%
Cost of goods sold	4,400	/	5,255	/	19%
Revenue from financial activities	121	/	113	/	-7%
Coteccons profit after tax	234	/	295	/	26%
Consolidated revenue	6,190	7,400	7,634	103.16%	23%
Consolidated after tax profit of the parent company's shareholders	257	300	327	109%	27%
Dividend	20%	20%	(*)		

(*) The Company has not yet paid the dividend of 2014.

In 2014, although Vietnam's economy grew better, but many enterprises operating in construction sector have not still yet overcome the difficulties of capital and bad debts. Coteccons BOD has made efforts to improve and operate production and business activities. Thus, Coteccons completed and exceeded the targets of revenue and profit. Specifically, the consolidated revenues in 2014 reached VND7,634 billion, exceeded 3% of the plan and up 23% compared to 2013; the consolidated profit after tax in 2014 reached VND357 billion, up 27% compared to 2013; Profit of the parent company's shareholders exceeded 9% of the plan.

Regarding the cost of goods sold, the cost control and management of the Company has been kept stable to ensure the growth rate parallel with the sale volume target.



EVALUATION ON SOME BASIC FINANCIAL INDICATORS OF THE PARENT COMPANY

No.	Item	UNIT	2013	2014
I Profit margin				
1	Gross margin	%	7.96	7.81
2	Operating profit margin/Revenue	%	6.72	6.63
3	Pre-tax profit margin/Revenue	%	6.92	6.71
4	Pre-tax profit margin/Owners' equity	%	14.93	15.85
5	Pre-tax profit margin/Total assets	%	8.66	9.41
II Return on assets				
1	Average inventory turnover period	days	13.17	13.89
2	Average collection period	days	128.12	106.57
3	Average payment period	days	61.23	53.13
4	Average working capital turnover period	days	130.25	75.57
III Solvency				
1	Quick solvency	times	2.12	1.72
2	Instant solvency	times	2.00	1.59
3	Degree of financial leverage	%	42.03	40.65

The targets on profit margin of 2014 changed not significantly compared to 2013.

The targets on asset efficiency improved in 2014 compared to 2013, increasing working capital turnover.

The targets and solvency, the Company guarantees solvency status.



REPORT OF THE BOARD OF SUPERVISORS (cont.)

RISK CONTROL FOR BUSINESS OPERATIONS

The total funds, short-term financial investments and short-term receivables are much higher than total short-term liabilities. Thus, it is showed that the Company has very high liquidity.

Specifically:

Item	Parent company	Consolidated
Cash and cash equivalents	VND319 billion	VND469 billion
Short-term financial investment	VND515 billion	VND629 billion
Short-term receivables	VND1,640 billion	VND2,129 billion
Total	VND2,474 billion	VND3,227 billion
Short-term debt	VND1,640 billion	VND2,139 billion

The Company has implemented provision for bad receivables and provision for inventory devaluation of Works, compliance with the accounting principles and the current regulations on provisions.

Specifically: accumulation as of 31 December 2014 according to the parent company:

Provision for bad receivables	VND185 billion
Provision for inventory devaluation	VND75 billion

The Company has also implemented provisions for defect liability costs for the hand-over Works.

Total provisions in the end 2014	VND35.7 billion
Total provisions in the end 2013	VND125 billion
Reversal Amount in 2014	VND17.9 billion

Although the profit after tax in 2014 higher than in 2013 but net cash flow from business activities of 2014 (VND114 billion) was lower than in 2013 (VND265 billion). It is caused by the increase of long-term financial investments.

EVALUATION ON SITUATION OF IMPLEMENTING THE RESOLUTION OF THE BOARD OF DIRECTORS & THE ANNUAL GENERAL MEETING

To implement compliance to the resolution of the Annual General Meeting, the Company selected Ernst & Young Vietnam Limited Company as auditor for the financial statements in 2014. The Company has fully complied with the current accounting standards and accounting regime for Vietnam enterprises, established adequate financial reports quarterly to ensure honesty and fairness.

About the dividend payment: the Company has not yet paid the dividend of 2014.

RECOMMENDATIONS

Since the end of 2014, although the real estate market showing signs of recovery, but the overall economic situation of Vietnam was still difficult. The efforts of all Company's employees in general and the Board of Management in particular were decisive factor for the Company to achieve and exceeded the plan of revenue and profit.

The real estate market showed positive changes, but the supply has been still larger than the needs of the market when remaining still much inventories. Therefore, development of the real estate market is still potential risks; the Board of Management should take note and always give out suitable solutions to manage risks of bad debts or late payments.

The development of infrastructure construction, general contractor projects for Design & Build is necessary for the long-term development of Coteccons. But because this is a business area that The company has not have much experience, the Board of Management should have strict management measures and plans for sustainable development to avoid risks.

The Company needs to balance increase or decrease in receivables and payables to ensure stability of cash flows, being consistent with results of production and business.

Need to strengthen debt collection activities, especially for the debts predicted as bad debts. Avoid bad premise affecting debt collection of other clients.

Need to build regulations on management and usage of development investing fund, financial provision fund to use these funds more efficiently.



Aeon Mall shopping center - Binh Duong



REPORT OF THE BOARD OF DIRECTORS

“Overcoming the general difficulties of the economy, in 2014 Coteccons spent a year of outstanding growth by utilizing the existing advantages and seizing the opportunities. The result of business operations that Coteccons achieved in 2014 was an evidence to the sustainable growth of Coteccons together with creating much tremendous values for the Company, Shareholders and Employees.”

Coteccons implemented the plan in 2014 in the context of relative macroeconomic stability, the inflation control becoming tighter, the economic growth with recovery step but the business environment and productivity, efficiency the economy was low. The construction enterprises still faced many difficulties in approaching capital for production and business, investment and development, ...

The economic situation in 2014 has made significant improvements, GDP growth was 5.9%, the disbursements of FDI projects increased by 7.4% over the previous year. Particularly in the construction industry, the real estate inventories decreased by 22%, the real estate loans increased by 14%, the real estate business sector ranked second in attracting FDI capitals. Although the real estate market has changed positively but still unsolved problems, many difficulties and challenges, despite of the decrease in inventories but still large, especially in the medium and senior segments. There was still the status of cash redundancy but capital shortage in enterprises, the backlog of bad debt not yet completely settled. Through understanding the general difficulties, taking its own advantages and quickly seizing the opportunities, Coteccons has developed and well maintained business operations, paving the tremendous growth in next years.



Vinhomes Central Park - HCMC

327
BILLION VND
 PROFIT AFTER TAX OF PARENT
 COMPANY'S SHAREHOLDERS

**COTECCONS
 COMPLETED
 SUCCESSFULLY
 THE PLAN**

109 % OF
 REACHED THE PLAN

EVALUATION OF THE BOARD OF DIRECTORS ON THE ACTIVITIES OF THE COMPANY

With the operational goal "sustainable development, safe and effective business", accordingly, in 2014 the Board of Management has concentrated on instructing to follow up the key tasks set out, restructuring the personnel organization, controlling expenditure, and strengthening job search. The construction Works were ensured in schedule, quality and safety.

Coteccons brand name has been continued to be highly appreciated by investor and as the most prestigious one in the construction industry. The activities of the Company in 2014 kept stable growth; the organizational structure always appropriately innovated and met the business expansion needs of the Company.

In 2014, Coteccons also marked the year of opening for the activities of investment and infrastructure work construction in joint venture with 02 companies of Fecon and Cienco1 to found FCC Infrastructure Investment JSC (Capital contribution rate of Coteccons at 35%). Dated 12 October 2014, Coteccons held successfully the groundbreaking ceremony for construction investment project of NH1, Phu Ly City bypass and improvement of NH1 road surface in the section at Km215+775÷Km235+885 in Ha Nam Province under the BOT contract worth more than VND2,000 billion.

IMPLEMENTATION OF THE FINANCIAL INDICATORS

Total assets as of 31 Dec 2014 increased 6% compared to the same period of 2013. The consolidated revenues at 7,634 billion VND, reached 103% of the plan. The profit after tax at 327 billion VND, reached 109% of the plan. In general assessment, Coteccons completed the plan successfully. Despite of the exceeding rate not high, the business results were encouragingly recognized for the efforts of the Board of Managers and the employees throughout the year.

CONSOLIDATED REVENUE



▲ 7,634 BILLION VND

REACHED

103 %

OF THE PLAN



REPORT OF THE BOARD OF DIRECTORS (cont.)

CLIENT DEVELOPMENT



Coteccons has built its prestige by actual products, worked in the spirit of “co-success” (win - win), so always maintaining good relationships with its existing clients, many Works got the investor’s belief and continued to be assigned construction in next phase. In 2014, Coteccons has developed a new range of clients with large-scale projects, of which many Works carried out by Coteccons as General Contractor, General Contractor for Designing and Building (Design & Build) such as Masteri Thao Dien, Regina, Brotex ... This can be regarded as an outstanding effort of Coteccons’ Board of Management in the strategies of bidding as well as finding new clients.

Construction of infrastructure works



Along with its financial capacity and strong resources, in 2014 Coteccons also started the investment activities and infrastructure Work construction. NH1 construction investment project through Ha Nam Province implemented in the form of BOT contract by the joint venture between Coteccons and FCC (Coteccons’ capital contribution at 35%) has been being implemented on schedule and highly evaluated by the Ministries, would be premise for implementing key infrastructure projects of the country.

Investment focus on developing the segment of General Contractor for Design & Build

By continuous improvements to capture experience in construction, Coteccons invested in the application of BIM technical solutions (Building Information Modeling), focused on promoting the services of Design & Build. With its rich experience in construction, Coteccons got investors’ trust to be continuously assigned to perform large-scale projects under the form of General Contractor for Design & Build.

TASKS OF FINANCIAL SUPERVISION AND RISK MANAGEMENT

To strengthen financial management and risk management, the Finance Supervising Division combined with the Division of Legal & System have actively, effectively managed, closely monitored and controlled the works of debt collection, limitation of arising bad debts. Applying the measures of cost reduction, enhancing the role of Cost & Contract Management Division (Cost & Contract Management - CCM), in addition to coordinating with the cost control work also promoting research in Chinese construction material market, evaluating, selecting more capable subcontractors/suppliers with optimum cost to contribute increase of business performance of the Company.

In 2014, the Company also reviewed restructuring the investment portfolio, conducted the liquidation of investments in the associated companies, limited capital investment spread and inefficient investment.

ORGANIZATIONAL STRUCTURE

Identifying that building a suitable management system as a solid foundation to accelerate development, Coteccons always focus on innovation of management system, completion of organizational structure, establishment and development of specialized divisions such as the Division of construction and construction force development, the Division of infrastructure civil work, the research Division, and innovation and development of construction organization technology, has initially obtained the quite good results.

HUMAN RESOURCE - TRAINING AND WELFARE REGIME

With its point of view that training is strategy of maintaining, developing human resource and company development goal. Thus, the training tasks to improve professional qualifications for the management team and employees have always been paid attention by the Company. The training activity of the Company is very flexible, implemented through various ways such as sending its officers to visit actual works at home and abroad to research and learn from experience; organizing seminars with attendance of the leading experts; thematic workshops to share experiences; training sessions on professionals, soft skills, ...

The selection, planning, training potential managers for the Company are set out as an important task in parallel with the implementation of annual business & production plans of the Company. "Potential Leader Club" is organized periodically with many interesting and practical topics and is place for training and introducing potential managers.

Implementing well the welfare scheme for Employees, caring and concerning material and spiritual life of Employees. Union activities are interested by the Leaders and given the best conditions for performance. Through these, it express concern and care for life of Employees in the best way.

DISCLOSURE OF INFORMATION AND INVESTOR RELATION

Strictly complying with the rules on disclosure of information on the stock market of the State Securities Commission, the Stock Exchange and the current law. Maintaining activities of investor relation, ensuring timely treatment for information from shareholders and investors. Providing information adequately, accurately and timely is always the top priority of the Company's leaders to meet needs of monitoring and capturing information of investors, shareholders in business operations of Coteccons.





REPORT OF THE BOARD OF DIRECTORS (cont.)

“The positive results in 2014 will be a solid foundation for Coteccons to accelerate development, increase achievement in 2015. Coteccons always focuses on promoting brand name development through Works of large-scale and high quality, maintaining its prestige with clients, being flexible to seize opportunity to further expands its operation market at home and abroad.”

EVALUATION OF THE BOD ON THE OPERATION OF THE BOM

The Board of Management fully implemented the tasks and rights in accordance with the provisions of the Charter on operational organization of Coteccons and the current law. The Board of Directors established the mechanism of inspection, supervision for administration activities of The Board of Management through periodic, sudden reports, and direct reports at every meeting.

The BOM members expressed their sense of responsibility in the duties, assigning clear responsibilities, maintaining weekly meeting to get timely instructions and efficiently. BOM complied with the strategic goals, focused on core business areas including civil work, promoting the strong point of construction capability, project management. The ratio of general contractor Works, general contractor Works for Design and Build has gradually risen. In addition, the BOM had flexible decisions in business, timely seized the opportunities to overcome the difficulties of the market, typically such as the access to the large-scale

factory projects from the foreign enterprises invested in Vietnam for catching TPP Agreement (Pacific Three Closer Economic Partnership). With its relationships and construction experience, the segment of factory construction Works is expected to continue growing stronger when TPP agreement takes effect.

During the year, the decisions of BOD and ASM were implemented in accordance with the plan. Completed successfully the business targets, the activities of the Company have been constantly improved by BOM and more and more professionally.

Achieving the above results was thank to the good collaboration between the BOD and BOM in directing and executive, ensured the principle of democratic centralism, discussion and decision on the tasks openly and transparently, in compliance with the provisions of the laws and the Charter of Coteccons.



Masteri Thao Dien - HCMC (D&B)



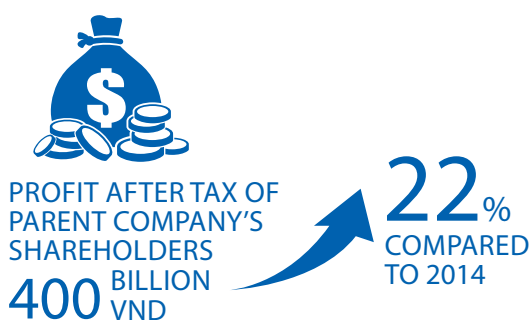
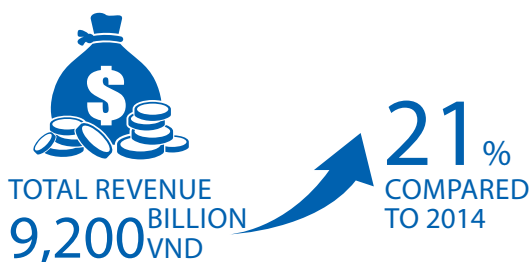
T2 station - Noi Bai

PLAN, STRATEGIC ORIENTATION OF BOD

In 2014, the real estate market continued to rebound positively, was reflected by the increased volume of transactions; the relatively stable prices; the real estate inventories continued to decline; the commodity structure of real estate shifted in the reasonable way, more suitable with the needs of the market; the credit growth of real estate higher than the general credit growth, the real estate sector was still attractive to funds. The positive signs of change in the real estate market would be premise for a new transformation in construction enterprises.

With the achievements in the recent years will be a solid foundation for Coteccons to accelerate development, raise achievement in coming years. On the basis of market assessment and internal capacity, the BOD set out the business targets in 2015.

The consolidated business target of Coteccons in 2015, in which:



In addition to strengthening risk management and monitoring expenditure, the BOD will focus on measures of directing and executive as follows:

- To focus on developing core business areas as civil work, to continue to increase value of services, namely model of General Contractor, General Contractor for Design and Build, to accelerate construction of infrastructure Works in cooperation, partnership, joint venture with domestic and foreign contractors who have experience in the field of infrastructure.
- To expand the existing domestic market and develop overseas market, to standardize the operational model, to promote the role of the representative offices, branches at home and abroad.
- To promote brand name development, keep relationship with the existing clients, to approach new clients through many channels and sources of information.

Toward to large-scale projects and to develop construction model, in which Coteccons will play a key role to connect members, strengthen competition by restructuring the operation segments of Coteccons and subsidiaries in the field of civil work based on scales of project and market to promote resources, increase competitive advantage, to best meet needs of clients. The task of resource development is always paid attention, especially on training, improving qualification for Employees. To transfer, appoint personnel to ensure efficient use of resources in Coteccons Group.



REPORT OF THE BOARD OF MANAGEMENT





“ The Company exceeded the profit target set out by the annual shareholders meeting, expanded market share into the field of general contractor for Design and Build (Design & Build), and added a lot of new clients.

Restructuring the personnel organization in compliance with the situation of business production of the Company, Perfected and developed the Design Management Center and the Division of Construction & construction force Development, established the research Division, innovated and developed construction organization technology. ”

2014 BUSINESS PERFORMANCE EVALUATION REPORT

In 2014, marked the great success of Coteccons in the business and production activities: exceeded the targets set out by the Annual Shareholders Meeting, (exceeded 3% of the planned revenue; exceed 9% of the planned profit), signed many general contractor Works for Design and Build (Design & Build) with the contract value accounting for 56% of the total value of the contracts signed in 2014. Archived these successes was thank to timely seizing the opportunities, evaluating, studying the market needs and the focus on building resources by the Board of Management over past years.

These successes are solid foundation, as a prerequisite for Coteccons to accelerate development in next years.



Gold Mark City - Ha Noi



REPORT OF THE BOARD OF MANAGEMENT (cont.)

INCOME STATEMENT

Year/Targets (billion VND)	2010	2011	2012	2013	2014	Average growth
Revenue	3,304	4,510	4,477	6,190	7,634	33%
Gross profit	282	347	323	464	556	17%
EBIT	205	229	200	248	341	10%
EBITDATA	235	269	239	285	375	10%
Profit before tax	313	283	300	393	464	13%
Profit after tax	240	211	219	280	357	11%
Profit of the parent company's shareholders	240	211	219	257	327	8%

BALANCE SHEETS

Year/Targets (billion VND)	2010	2011	2012	2013	2014	Average growth
Total assets	2,017	2,459	3,613	4,552	4,863	23%
- Short-term assets	1,283	1,786	3,048	3,996	3,636	29%
- Long-term assets	733.1	672.7	565.2	556.3	1,227	23%
Liabilities and Equity	2,017	2,459	3,613	4,552	4,863	23%
- Current liabilities	743	1,015	1,521	2,003	2,139	27%
- Non-current liabilities	6	7	14	81	14	120%
- Owner equity	1,269	1,438	2,078	2,302	2,527	19%
- Minority interests				166	182	10%

CASH FLOW STATEMENT

Year/Targets (billion VND)	2010	2011	2012	2013	2014
Cash flows from operating activities	(247)	(115)	442	368	131
Cash flows from investing activities	217	89	(445)	(343)	(209)
Cash flows from financing activities	(49)	(12)	432	(89)	(72)
Net cash flow	(79)	(38)	430	(63)	(150)
Balance of cash and cash equivalents	290	252	682	619	469

FINANCIAL INDICATORS

Year/Targets (billion VND)	2010	2011	2012	2013	2014
Profit ratio					
Gross margin/Revenue	8.5%	7.7%	7.2%	7.5%	7.3%
EBIT/Revenue	6.2%	5.1%	4.5%	4.0%	4.5%
EBITDA/Revenue	7.1%	6.0%	5.3%	4.6%	4.9%
Profit before tax/Revenue	9.5%	6.3%	6.7%	6.4%	6.1%
Profit after tax/ Revenue	7.3%	4.7%	4.9%	4.5%	4.7%
ROAA (EBIT/Average total assets)	10.8%	10.2%	6.6%	6.1%	7.2%
ROEA (Profit of the parent company's shareholders/ Average equity)	20.3%	15.6%	12.4%	11.7%	13.6%
Liquidity					
Current ratio	1.7x	1.7x	2.0x	1.9x	1.7x
Quick ratio	1.1x	1.4x	1.7x	1.8x	1.5x
Financial leverage					
Liabilities/owner's equity	59.0%	71.1%	73.9%	90.5%	85.2%
Dept/owner's equity	-	-	-	-	-
Total assets/owner's equity	159.0%	171.0%	173.9%	197.7%	192.4%



Lee & Man factory - Hau Giang

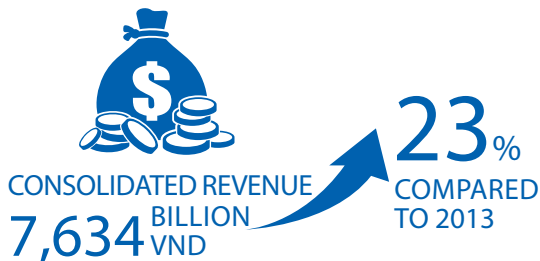


REPORT OF THE BOARD OF MANAGEMENT (cont.)

REVENUE GROWTH

In 2014, the consolidated revenues reached VND7,634 billion, exceeded 3% compared to the plan, up 23% compared to 2013. In which, the holding company contributed VND5,700 billion accounting for 75%, the Unicons contributed VND1,934 billion or 25% of the consolidated revenues.

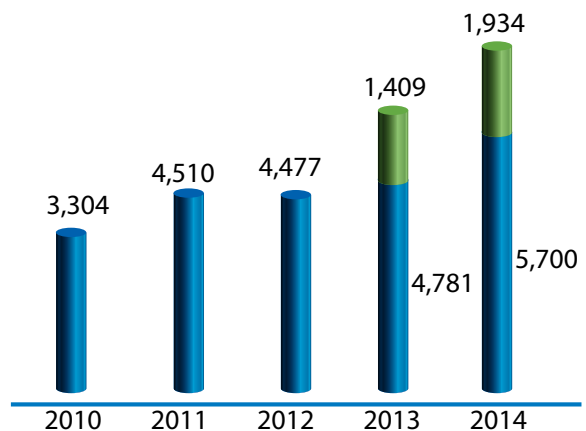
The percentage of revenue growth in 2014 of the Company is respectively: 19% of the holding Company, Unicons Company at 10%. In the general situation of the real estate market at present, the growth rate was quite high for both holding company and Unicons.



REVENUE CHART

Unit: Billion VND

- Consolidated revenue from Unicons
- Revenue of parent company

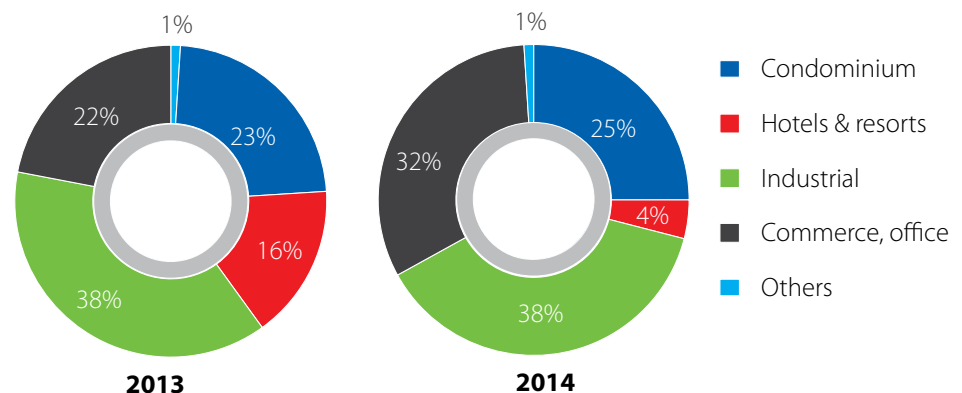


REVENUE STRUCTURE BY PROJECT TYPE

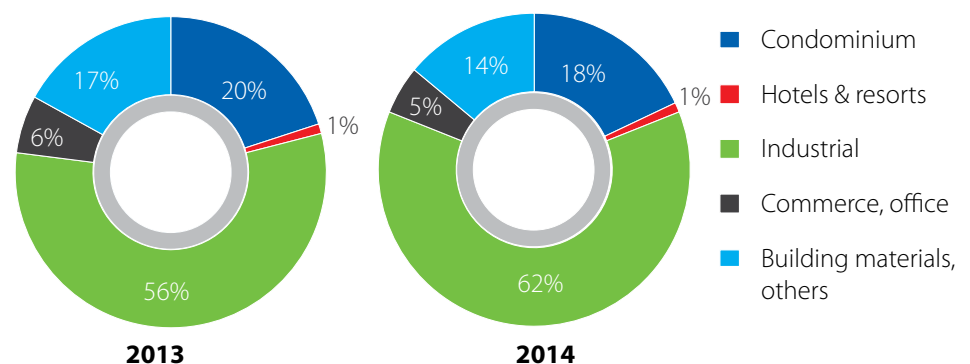
The situation of market segments from the mid-year got the adjustments, the proportion of condominium segment shown signs of recovery and rise again. Determining the actual demand in apartment which is still high at present, so the condominium projects restarted by Investors are consistent with the market demand. Besides increasing the segment of civil house market, Cotecons still keep maintaining and searching industrial building projects to contribute to the maintenance and growth of annual revenue.

The segment of industrial building projects still keeps accounting for a high proportion in the revenue structure of the holding Company and Unicons. Normally, industrial building projects show faster progress and cash flow turnover than in other segments.

REVENUE STRUCTURE OF THE PARENT COMPANY



REVENUE STRUCTURE OF UNICONS



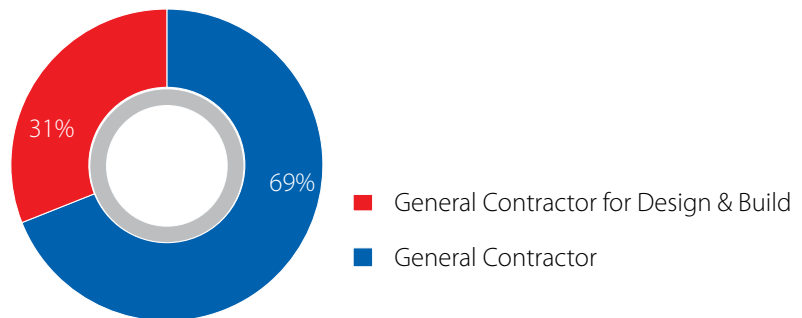


Salinda Premium resort - Phu Quoc

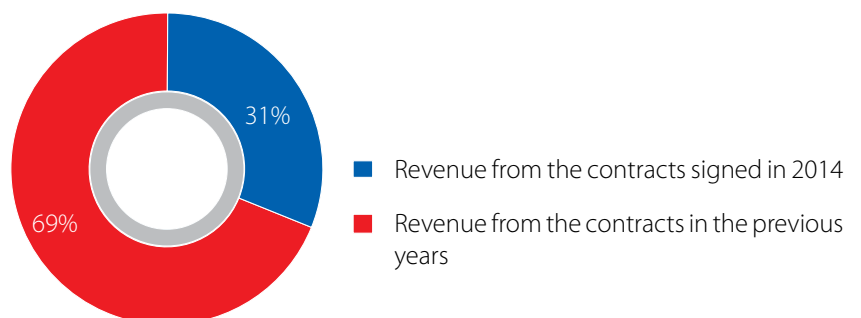
REVENUE STRUCTURE BY FORM OF CONTRACT IMPLEMENTATION

In order to increase competitiveness in the market, Cotecons towards value added services to best benefit our clients through the implementation of general contractor project for Design and Build (Design & Build). Beginning with receiving bid documents and price, so far Cotecons has been capable to provide consultancy service of comprehensive solution for investor, including construction method, building material selection and design consultancy for appropriate product with market demand.

REVENUE PROPORTION OF DESIGN & BUILD CONTRACT (THE PARENT COMPANY)



CIVIL WORK REVENUE STRUCTURE BY CONTRACT SIGNING TIME (THE PARENT COMPANY)





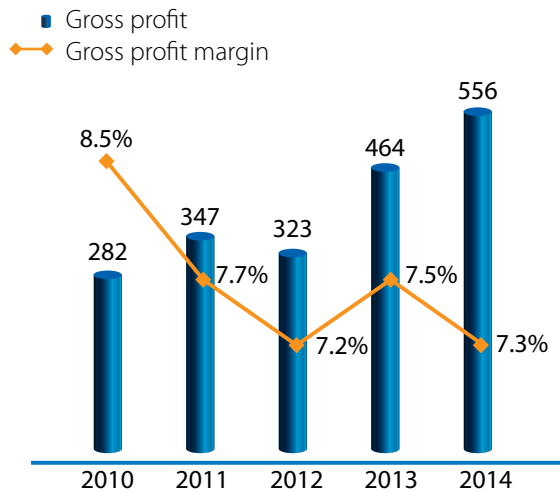
REPORT OF THE BOARD OF MANAGEMENT (cont.)

PROFIT MARGIN

The gross profit margin remained stable. In the context of the unfavorable market, more competition from enterprises in the same industries, the gross profit margin of the Company always remaining stable over the years showed that the Company's operation is safe and effective, with the strict cost management measures to increase competitiveness with rivals.

GROSS PROFIT & GROSS PROFIT MARGIN

UNIT: Billion VND

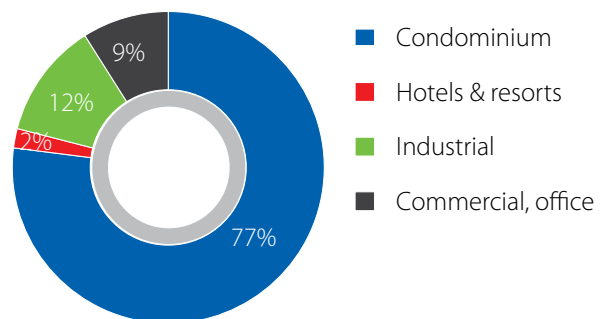


VALUE OF TRANSITION CONTRACT

In 2014, in the holding company, the value of construction contracts signed was VND6,543 billion, up 15% compared to 2013. In which, the implemented value created the revenue in 2014 at VND1,782 billion. The remaining value of the contracts signed in 2014 with the contracts signed in the previous years will bring an accumulated revenue in 2015 and 2016 at VND5,315 billion.

Particularly Unicons, the value of civil work contracts was VND2,268 billion, in which the implemented value in 2014 at VND520 billion, the rest value will be transferred for implementation in 2015 and 2016 at VND1,748 billion.

DESIGN AND CONSTRUCTION CONTRACT VALUE SIGNED IN 2014 (THE PARENT COMPANY)



“ In 2014, the value of the signed contracts for condominium segment accounted for the highest proportion at 77% (equivalent to VND5,025 billion). The condominium construction contracts including most projects with large-scale, quick construction progress, typically as: Masteri Thao Dien: VND3,500 billion; Lexington: VND630 billion; Van Phu Trung Kinh (Hanoi): VND465 billion. ”

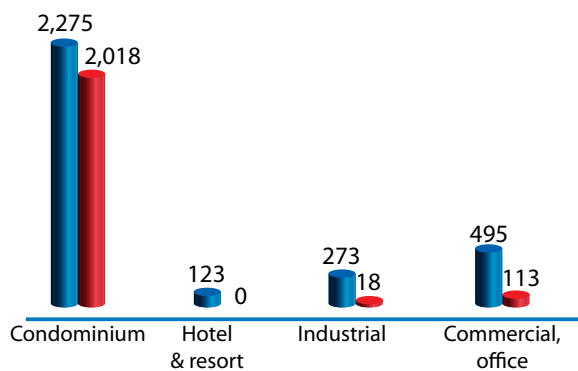
THE CONTRACT VALUE SIGNED FOR IMPLEMENTATION TRANSITION IN 2015 & 2016 (BILLION VND) - THE PARENT COMPANY

Based on the value of the transition contracts, It can be evaluated that revenue in 2015 will change; segments of industrial, hotel will be reduced because of moving into the condominium segment .

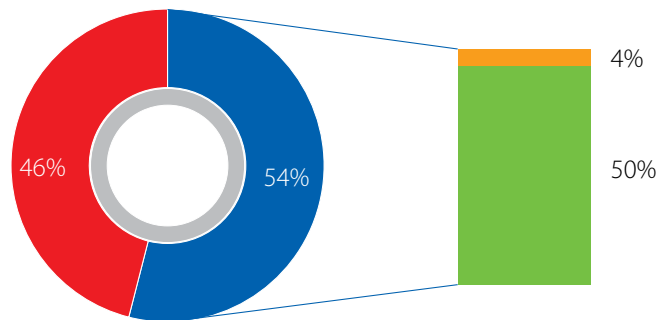
CLASSIFIED BY WORK SEGMENT

UNIT: Billion VND

- Implemented in 2015
- Implemented in 2016



CLASSIFIED BY TYPE OF CONTRACT



- Construction
- Design & Build
- Industrial
- Condominium

The type of General Contractor Contract for Design and Build (Design & Build) will contribute a large proportion of the Company's revenue in 2015. This is a difference of Coteccons in comparison with other contractors, is an important factor to push Coteccons to a new level, not only becoming professional contractor but also providing solutions, and increasing services in order to bring the highest benefits to clients.





REPORT OF THE BOARD OF MANAGEMENT (cont.)

ASSET STRUCTURE

The total assets increased by 6% compared with 2014. The asset structure of the Company shown safety, high liquidity. The short-term asset at VND3,636 billion, accounting for 75% of the total assets. Only cash and time deposits in bank (short-term investments) at VND1,098 billion, accounting for 23% of total assets.

Short-term financial investments had fluctuation (down VND628 billion compared with 2013, essentially just the time deposits in bank which adjusted to other long-term investments, up VND680 billion compared to 2013) because of the tendency to reduce the interest rate of bank deposit, so the Company implemented the deposits with over one year term to benefit the higher interest rate, increasing income for the Company from the

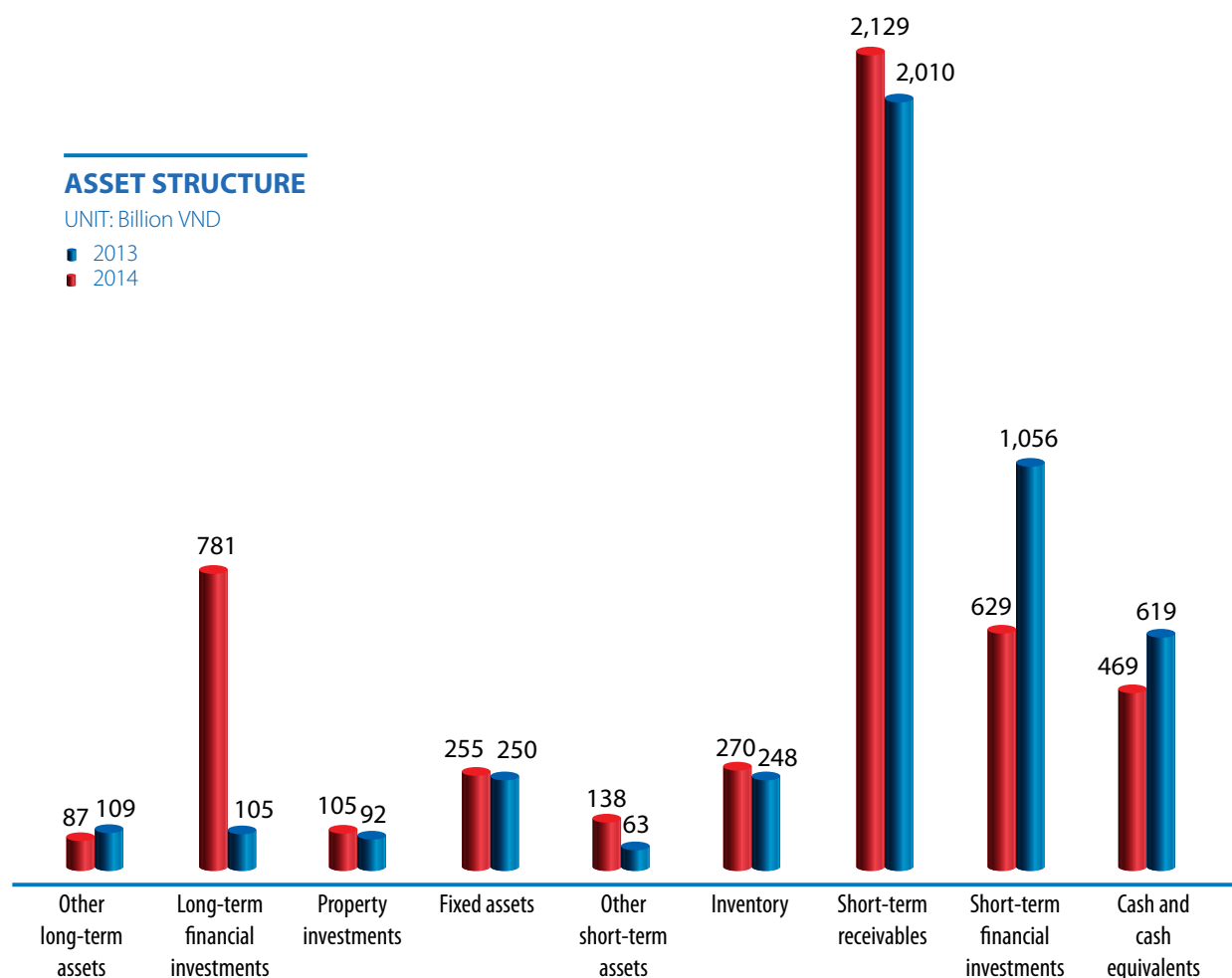
deposit interest. The total amount of cash and deposits of the Company was VND1,778 billion. With large cash amount has created a solid financial foundation for the development of the Company, help to gain advantage in bidding as well as actively in procurement of construction equipment, seizing opportunities of trading, merging when having favorable conditions.

The short-term assets increased by VND75.2 billion, primarily due to the fluctuation in the items with deducted value added tax. Because in the year, the Company received many packages of Investors from export & processing enterprises, output VAT at 0% caused the increase of the value of deducted input VAT of the Company.

ASSET STRUCTURE

UNIT: Billion VND

■ 2013
■ 2014



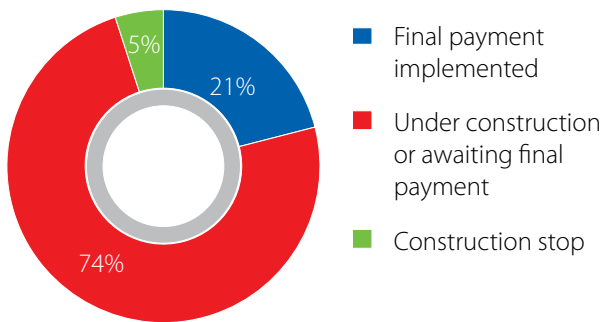
RECEIVABLES

By closely monitoring payment situation of Client, focusing on measures for debt collection as well as finding reasonable solutions to recover late payment debts, in 2014 the receivables situation of the Company was improved. The receivables increased slightly in 2014 compared with 2013 (up 6%) while the revenue growth by 23%, so the Company has controlled better debt collection.

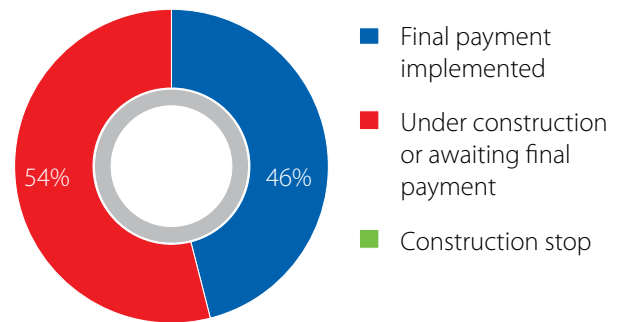
The receivables primarily come from the contracts under construction or awaiting final payment. For the Works completed final payment, most receivables are retained amounts for defects liability.

The Company has carried out fully risk assessment and provisions for bad debts in accordance with the regulations. The receivables for the construction-stop contracts have a provision of 100%.

RECEIVABLES STRUCTURE OF CONSTRUCTION CONTRACTS IN 2014 (According to project status)

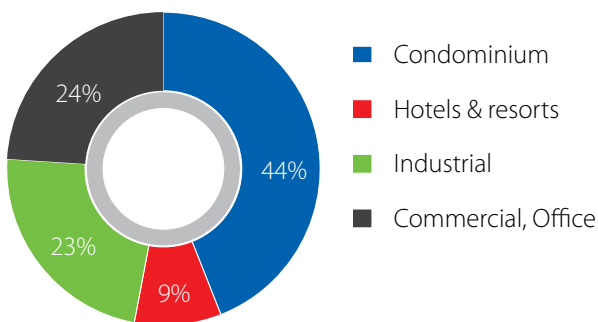


THE PARENT COMPANY

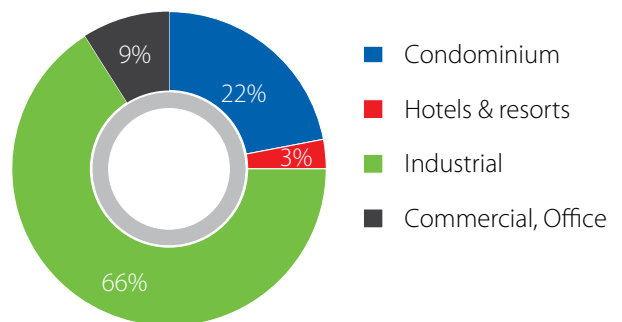


UNICONS COMPANY

RECEIVABLES STRUCTURE OF CONSTRUCTION CONTRACTS IN 2014 (According to project segment)



THE PARENT COMPANY



UNICONS COMPANY

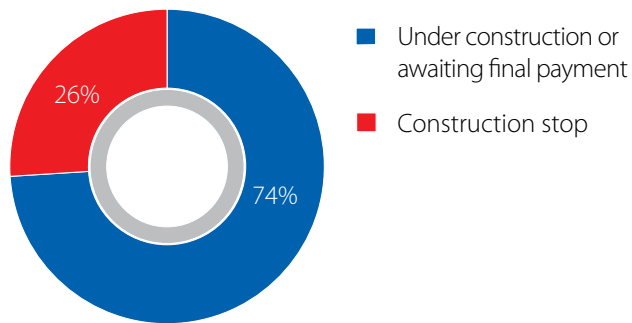


REPORT OF THE BOARD OF MANAGEMENT (cont.)

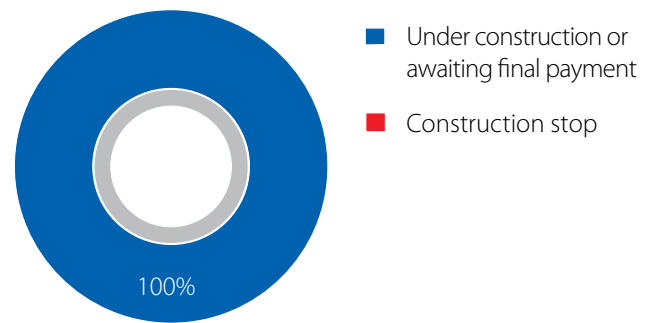
INVENTORY

The inventory of the Company mainly includes on-going construction values at Works. Calculating acceptance quantity timely as one of the criteria for the Company to evaluate Work Executive Unit. The Financial Supervision Division has closely monitored, controlled, pushed up quantity acceptance implementation, so inventory value of the Company per year is quite low, in 2014, despite of the increase but not significantly compared to 2013.

INVENTORY STRUCTURE OF CONSTRUCTION CONTRACTS IN 2014 (According to project status)

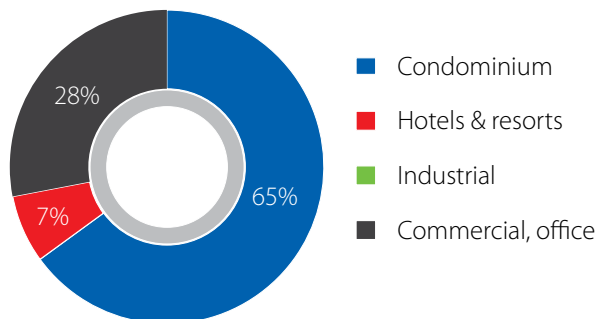


THE PARENT COMPANY

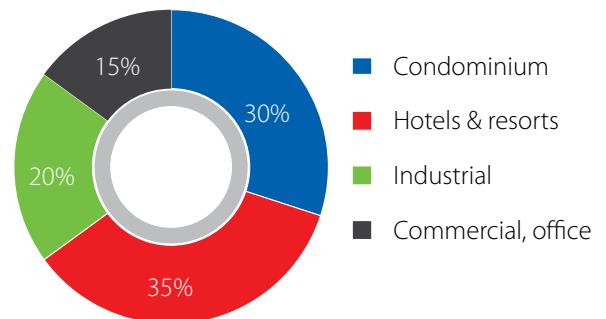


UNICONS COMPANY

INVENTORY STRUCTURE OF CONSTRUCTION CONTRACTS IN 2014 (According to project segment)



THE PARENT COMPANY



UNICONS COMPANY

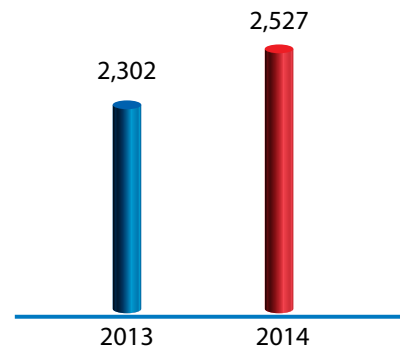
EQUITY

Equity volatility in increasing VND225 billion (~ 10%) affected by: Increased due to the profit created in 2014 at VND327 billion and reduced due to the dividend payment at VND84 billion; deduction for welfare fund at VND18 billion.

EQUITY

UNIT: Billion VND

■ 2013
■ 2014



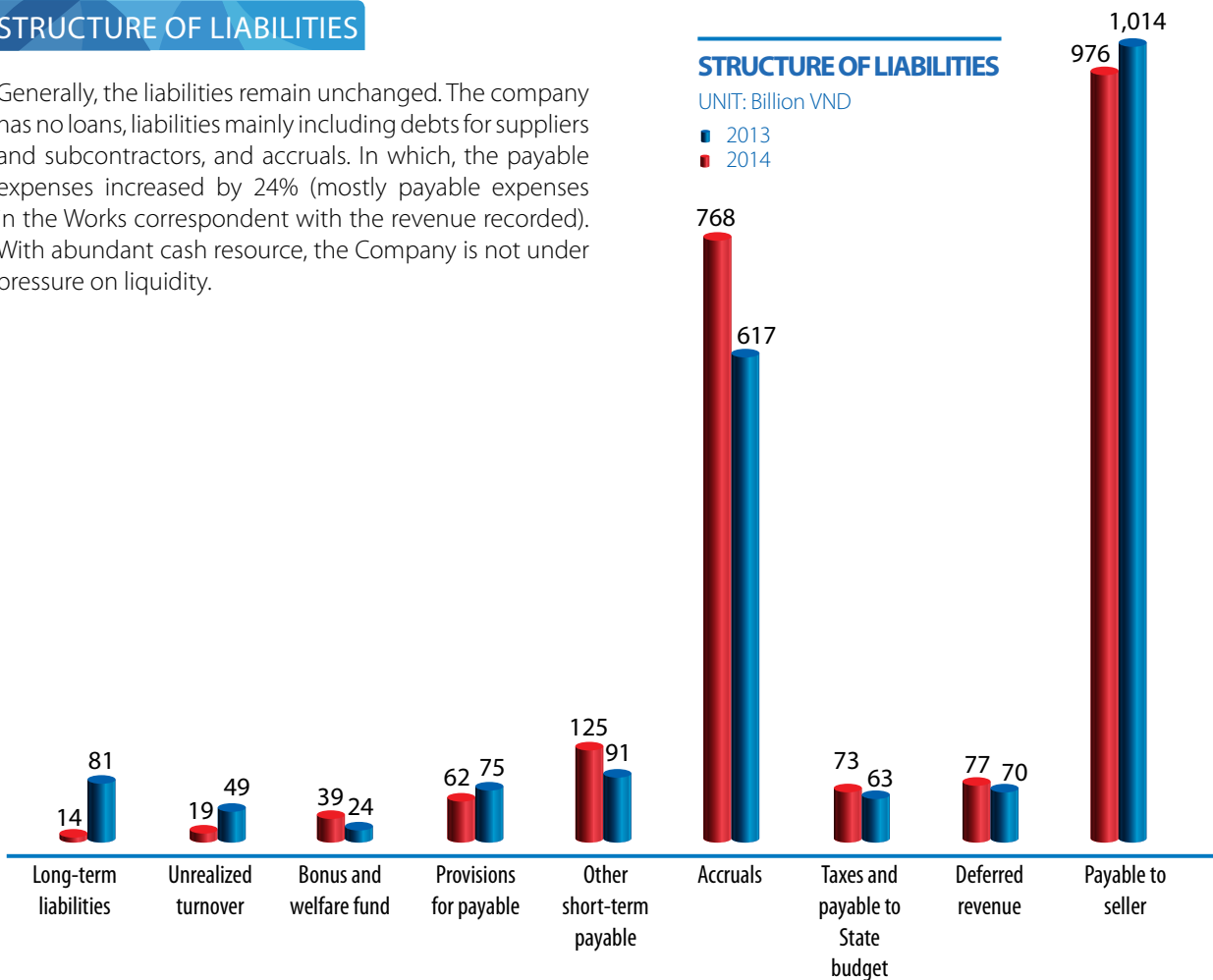
STRUCTURE OF LIABILITIES

Generally, the liabilities remain unchanged. The company has no loans, liabilities mainly including debts for suppliers and subcontractors, and accruals. In which, the payable expenses increased by 24% (mostly payable expenses in the Works correspondent with the revenue recorded). With abundant cash resource, the Company is not under pressure on liquidity.

STRUCTURE OF LIABILITIES

UNIT: Billion VND

■ 2013
■ 2014





INVESTMENTS IN 2014

CONTRIBUTED CAPITAL TO ESTABLISH FCC INFRASTRUCTURE INVESTMENT JOINT STOCK COMPANY

Company name	: FCC INFRASTRUCTURE INVESTMENT JSC
Head office	: 2 nd Floor, CEO Tower, Pham Hung Str., Southern Tu Liem District, Hanoi City
Business Registration Certificate No.	: 0106605407
Charter capital	: VND369 billion
Coteccons' ownership rate	: 35%
Contributed capital in 2014	: VND47.915 billion



**OTHER INVESTMENTS IN 2014
(THE PARENT COMPANY)**

Construction machines, equipment	:VND10.7 billion
Means of transport (pick-up)	: VND3.8 billion
Machinery and equipment for management:	VND1.2 billion
Masteri Thao Dien Apartments Building	: VND83.9 billion
Buying construction machinery	: VND37.0 billion
Total	:VND136.6 billion

**OTHER INVESTMENTS IN 2014
UNICONS COMPANY**

Construction machines, equipment	: VND1.7 billion
Means of transport (pick-up)	: 0
Machinery and equipment for management:	VND1.3 billion
Buying construction machinery	: VND30.5 billion
Total	: VND33.5 billion



T2 station - Noi Bai



IMPROVEMENTS ON ORGANIZATION, MANAGEMENT POLICY

ESTABLISHING DIVISION OF CONSTRUCTION AND CONSTRUCTION FORCE DEVELOPMENT

The actual status of construction force use of Coteccons

Coteccons has flourished in past time, we can not help mentioning the construction force accompanying with the Company in overcoming the difficulties to achieve the strategic goals. With clear and prompt strategic vision, the Leaders of Coteccons realized that besides the difficulties, challenges, also existing many great opportunities, specifically its strategy planning of production scale change in order to gain domestic construction market share and ensure stable job.

Through realizing that force construction is a very important factor in ensuring the plan, the Leaders have paid deep attention and drastically instructed to change the current construction force model due to being inappropriate with the development requirements in coming time. That was an inevitable result in establishing the division of construction & construction force development to be on behalf of the Company to carry out construction and further develop new human resources with the aim of helping the construction force to maintain human resource in stability and sustainability, ensuring completion of the overall plan of the Company.

Specific tasks of the division of construction & construction force development in coming time

Tasks of planning - summarizing

Collecting adequate information, specific capability of current construction forces (construction team/group, subcontractor, supplier).

Planning and rearranging capability of each construction team, subcontractor, supplier according to the actual situation at present time.

Performing work allocation for each construction team, subcontractor, supplier according to actual capability to avoid overload or shortage of work, ensuring stable job status for the construction force.

Making orientation of construction model according to specific characteristic of each project.

Evaluating and selecting appropriate construction forces with actual status.

Coordinating closely with Executive unit in managing construction force on site of the Company as well as its subsidiaries.

Tasks of Construction Force Development

Searching more new construction forces, in which the search priority for large construction team and capable subcontractors in executing large projects.

Sharing the culture of the Company to construction forces to enhance coherence and best coordination.

Coordinating with Division/Department related to trainings on integration, construction method for new construction force.

Developing policies to help construction force enhance capability in construction as well as enhance its size more than present.

Coordinating more closely in sharing information with subsidiaries to keep using available construction forces so as to create stable jobs for the construction forces.

Tasks of solving outstanding matters

Regularly exchanging with construction force to be able to support timely in helping construction force work focus on construction duty satisfying requirements of projects.

Quickly solving outstanding matters between construction force and Work executive unit as well as Division/Department of the Company.

Combining with Division/Department in agreeing unit prices at the beginning, construction methods and responsibilities of parties before carrying out construction.

The Division will strengthen information share between leaders of Company and construction force to support them in well completing the assigned works.

RESEARCH, APPLICATION OF TECHNIC - TECHNOLOGY

The division of research, innovation and construction organization technological development established to assess construction organization capacity and existing equipment, acquire selective technologies, modern construction equipment and put into application in projects of Coteccons. In late 2014, the division held successful trips of working and exchanging with the partners in Malaysia, Thailand and Singapore. In 2015, it is expected to continue to assign short-term work management teams to directly acquire construction technology, management capacity in international projects in the US, Japan and Australia.



INVESTMENT IN EQUIPMENT IMPROVEMENT

The construction equipment system improved strongly to accelerate progress and reduce number of workers while improving safety level during construction process in projects of the Company.

The solution on monolithic concrete casting in structures: columns, walls, stairs and floor beam with use of aluminum - cast iron formwork system used for high-rise building projects to ensure progress at 6 days/floor and concurrently make construction plane more neat, clean and safe.

Ringlock scaffolding system against floor has been studied and implemented investment, which helps give out flexible measures against floor (Ringlock system can be combined with Coma scaffolding system and aluminum formwork system) and concurrently lead to reduce more than 30% of transport cost compared with Coma scaffolding system.

The working floor and the equipment & material shelving systems have been improved so that using them at site to become convenient, safe, cost savings and improvement of professional construction image of the Company.

Moreover, new equipment such as Luffing tower crane weighted 10-14 tons and high speed Hoist (90m/min) were studied for investing in 2015 in order to serve construction needs of super high-rise buildings, buildings in large cities with limited space.





IMPROVEMENTS ON ORGANIZATION, MANAGEMENT POLICY (cont.)

OPERATION SITUATION OF DIVISION OF COST CONTROL & CONTRACTS

Harmony with the general development of the Company, CCM Department was established officially in 2012 with the purpose of cost reduction, improving financial performance of construction. Following the successes of past years, in 2014, the CCM Department continued to promote its role in contributing to accomplish the overall business results. In addition, the Division has expanded its scale of operation in Hanoi, contributing to the increase of subcontractors/suppliers network, creating communication channels and connection between partners and Works in the North in particular, and Works across the country in general. Unit of Cost Control & Contract in Hanoi not only searches and timely provide material source for projects, but also facilitates the CCM Department to control/coordinate better and timely support for Works.

Also in 2014, with the policy of establishing representative office in China, the CCM Department acted as executive in controlling operations of the Office and effectively in finding diversified types of material at competitive costs, as the basis for cost control of domestic partners. Moreover, the representative office also represents a certain role in promoting image of the Company to Investors at home and abroad.

With a mission "optimize costs, increase profits for the Company and ensure Work quality," staff of the CCM Department always follow up works, ready to support duties in Work and Partners. Besides, members of the Division always improve and become flexible in work, constantly expand market of raw materials, exploit the best commodity sources. Closely monitoring production process and checking product quality are one of the important bases to propose new materials at a reasonable cost to provide efficiency for projects and specially bring the biggest benefits to Investors, contributing to enhance Coteccons brand name reputation with clients.

DIVISION OF INFRASTRUCTURE CIVIL WORK

After a short period of preparation, from mid-2013 the milestone was marked by the establishment of Infrastructure Division including six members. Till the second quarter of 2014, Coteccons organized in access to transportation infrastructure projects in joint venture with 02 companies of Fecon and

Cienco1 to found FCC Infrastructure Investment JSC (Capital contribution rate of Coteccons at 35%). Dated 12 October 2014, Coteccons held successfully the groundbreaking ceremony for construction investment project of NH1, Phu Ly City bypass and improvement of NH1 road surface in the section at Km215+775÷Km235+885 in Ha Nam Province under the BOT contract worth more than 2,000 billion VND. The project marked the successful cooperation among three companies: COTECCONS, FECON and CIENCO1 in the roles as Investors as well as Contractors in investing and renovating more than 40 kilometers of NH1 and the bypass section.

The construction team with the engineers experienced in infrastructure construction, who were urgently recruited and gathered by the Company for its quick project deployment. In December 2014, Division of Infrastructure Civil Work was officially launched and It quickly implemented the project works with 6 Engineers and 1 Master. In parallel with the objective of project construction quality, the personnel team development has been also focused, some managers have been circulated to participate in different roles in the projects to get practical experience.

The experience from investment and construction of the first infrastructure project is prerequisite for Coteccons to approach and prepare for transport infrastructure projects in particular and other infrastructure projects, keep sustainable development in infrastructure segment in future.

DESIGN MANAGEMENT CENTER

Affirming by the overall quality and investment efficiency to Investors for Design and Build projects or EPC which Coteccons successfully implemented in the past years. In 2014, marked the breakthrough change when Coteccons continuously is choice of many investors project implementation in the general contractor form for Design and Build (Design & Build) with the contract value up to hundreds of millions of USD signed, typically such as: Masteri Thao Dien, Brotex in phase 2, Regina Miracle in phase 1, 2, 3, Expanded Namtex, IBIS Style Hotel Nha Trang, Duc Viet Resort, ... Early in 2015, Design Management Center received some large projects such as: EverRich 3, EverRich infinity, Regina Miracle in phase 4, Brotex in phase 3.

Design Management Center and BIM Division (Building Information Modeling) established and operated for more than 1 years have proved to be an important part

of Coteccons in DB/EPC projects. In addition to its role as a traditional design management unit, the Design Management Center of Coteccons also gives Investors added values through comprehensive solutions consultancy including construction method, building materials selection, and specially Work design consultancy in accordance with market demand, BIM application in management and exploitation of project information.

The successes achieved by the Design Management Center needs to be maintained with the strategy in 2015 **“research effort, application and continuous improvement”** in the following areas:

Increasing quantity and quality of key personnel in Design and Build projects to satisfy large-scale projects.

Investing and developing the management system and exploiting Building Information Modeling (BIM) methodically, BIM application have gained initial success in the projects of Masteri, Icon D3, IBIS Hotel Nha Trang.

Building database library (data base) to help shorten design time and to budget for project.

Building exchange, management system of document, information in methodical and accurate way to meet design progress and standardize design sequences.

Developing and expanding design partners as a leading design company in Vietnam and around the world.

Organizing meetings with Site

Executive Division for questions about design, collecting information to improve consultancy and enhance design process.

With the preparation and the achieved results as above together with its improvement determination in coming time, the role of Design Management Center will contribute to Coteccons brand name development standardization as a pioneering contractor in Vietnam and as insurance certification to Works under the form of General Contractor for Design and Build at international level.



Gold Silk commercial center - Ha Noi



BUSINESS ORIENTATION IN 2015

On the basis of the objectives planned by the Board of Directors for 2014, to successfully fulfill the business targets, the Board of Mangers focused on the solutions of business production executive as follows:

ASSIGNING SPECIFIC TARGET AND PLAN OF BUSINESS FOR EACH DEPARTMENT

Directors of groups, Heads of Departments should build implementation plan for the assigned targets and have control measures to ensure the best completion of the overall business results of the Company.

CONSTRUCTION ACTIVITY

Besides improving quality, progress, Occupational safety in construction activities, Coteccons continues to promote role of a contractor who acts as both construction management unit and consultant for Investor in comprehensive technical solutions including construction method, selecting construction material and product design in accordance with market demand, in order to bring high efficiency to project.

EXPAND OPERATION LOCALITY IN COUNTRIES IN THE REGION

Coteccons continues to expand its operation area at home and abroad, to focus on bidding for projects with

good investment capital, to continue to promote the available advantages in the segment of industrial building projects with large scale, through the relationship with the Investors, especially Chinese Investors are now very good cooperation with Coteccons.

2014 Coteccons established representative office in Guangzhou to facilitate contacts with the Chinese Investors right from the beginning as well as easier to buy construction material and equipment directly from manufacturers at the best price.

PERFECTING AND PROMOTING ROLE OF DESIGN MANAGEMENT CENTER

Perfecting and promoting role of the Design Management Center in research and application of BIM technology in construction management models, concurrently incorporating Engineering Divisions, Construction Division along with design consulting companies outside to create full-package products and services for Design and Build in accordance with requests of Owner.

The General Contractor Model for Design and Build has been determined by the BOM to be a key factor in long-term growth for the Group.

To improve image, brand name of Coteccons in the market through selective channels; to consolidate resources and capability of search, to refine project information; to complete transparent bonus mechanism for individuals who contribute to success of project including from finding information to participating in implementation.



Brotex factory - Tay Ninh

IMPLEMENTATION OF INFRASTRUCTURE WORK CONSTRUCTION

Evaluating infrastructure projects as potential field but also much risky, projects often require large financial sources, as the area in which the State Companies, Groups holding mainly market share. To be successful in this field, it is required to take time, patience and resources, thorough researches in business model.

After a short period of preparation, from mid-2013 the milestone was marked by the establishment of Infrastructure Division including six members. Till the second quarter of 2014, Coteccons organized in access to transportation infrastructure projects in joint venture with 02 companies of Fecon and Cienco1 to found FCC Infrastructure Investment JSC (Capital contribution rate of Coteccons at 35%). Dated 12 October 2014, Coteccons held successfully the groundbreaking ceremony for construction investment project of NH1, Phu Ly City bypass and improvement of NH1 road surface in the section at Km215+775÷Km235+885 in Ha Nam Province under the BOT contract worth more than 2,000 billion VND. The project marked the successful cooperation among three companies: COTECCONS, FECON and CIENCO1 in the roles as Investors as well as Contractors in investing and renovating more than 40 kilometers of NH1 and the bypass section.

STRENGTHENING BUSINESS DEVELOPMENT

To improve image, brand name of Coteccons in the market through selective channels; to consolidate resources and capability of search, to refine project information; to complete transparent bonus mechanism for individuals who contribute to success of project including from

finding information to participating in implementation.

MANAGEMENT OF FINANCE AND RISK

To continue enhancing role of Finance Supervision Department in assessing and controlling financial risks of project; To Establish purchase unit in evaluating effectiveness of setting up and implementing policy and plan of concentrated purchase.

Currently, the majority of materials and construction equipment has been imported from China. The establishment of representative offices in Guangzhou created convenience to study the market, buy construction materials and equipment directly from manufacturer at good prices.

MANAGEMENT SYSTEM

To review and perfect organizational structure complying with development status of the Company. To supplement, build and complete rules and regulations in order to improve performance of Coteccons.

HUMAN RESOURCE - TRAINING

To focus on training, improve qualifications for Employees. To focus on retraining potential managers to meet development needs of the Company.

OTHER TASKS

Tasks of labor safety, environment protection, society and care for mental and physical life for Employees ... have always been interested and improved to ensure the sustainable development of Coteccons.



Gain Lucky factory - Tay Ninh

CORPORATE GOVERNANCE

4

- > Corporate Governance
- > Activities of the Board of Directors
- > Policy of salary, bonus, remuneration and benefits of the Board of Directors, the Board of Supervisors
- > Share transaction of internal shareholders and relevant persons
- > Risk Management

training
associate to develop
Phu Gia An
elite apparatus
coteccons
Phu Hung Gia
board of management
board of directors
Unicons

board of supervisors
coteccons
Unicons
Phu Hung Gia
board of management
board of directors
Phu Gia An
potential leadership club
board of directors
Unicons
PHG
associate to develop
Phu Hung Gia
shareholder's meeting
board of supervisors
Unicons
coteccons
training
elite apparatus
human
board of directors
total labor 25 thousand people
recruitment
coteccons
unicon
suicon
FCC
PHG
unicon
coteccons
elite apparatus
training
coteccons
Uy Nam
10-year establishment
Phu Gia An
total labor 25 thousand people
associate to develop
board of directors
training

Unicons
recruitment
board of supervisors
coteccons
shareholder's meeting
total labor 25 thousand people
Phu Hung Gia
training

“

Connect community
share values

”



CORPORATE GOVERNANCE

MEMBERS AND STRUCTURE OF THE BOARD OF DIRECTORS

Incumbent BOD of Coteccons in the current term (2012 - 2017) consists of 7 members. The brief biographical profile of the members listed on page 32-33.

In which:

- Mr. Huynh Ba Thang Long submitted the resignation letter on 04 February 2015;
- Mr. Brian Pham submitted the resignation letter on 23 March 2015;
- Mr. Huynh Le Duc submitted the resignation letter on 06 April 2015.

Members selected to replace will be formally elected in the AGM 2015.

OPERATION OF BOD

The Board of Directors performed their tasks in accordance with the functions and duties prescribed in the Charter of the Company. There are currently 3/7 BOD Members holding positions in the BOM. Therefore, so collaboration in task implementation becomes efficient.

BOD meetings held quarterly to evaluate work status as well as to direct and supervise the BOM in implementation of the resolutions of the ASM and the Resolutions of the BOD in business operations.

In the year, the BOD held the meeting and approved the following contents:

1. The meeting session of the BOD dated 21 March 2014

Approved the consolidated audited financial statements and the separate statements of Coteccons 2013.

Approved the business results in 2013.

Approved the submission contents to the AGM 2014.

Approved the procedures of house renting to set up exchange office of Company in Guangzhou - China in order to expand cooperation relationship with the Chinese Investors.

2. The meeting session of BOD dated 16 June 2014

Approved the 2nd dividend payment of 2013 (10%/par value). Performed in July 2014.

3. The meeting session of the BOD dated 18 June 2014

Approved the capital contribution to establish FCC Infrastructure Investment JSC with the capital ratio at 35%, capital amount at VND129,150,000,000.

4. The meeting session of the BOD dated 26 July 2014

Approved the design and construction of Thao Dien high-rise commercial residential complex project. The total contract value at VND3,500,000,000,000.

5. The meeting session of the BOD dated 23 Oct 2014

Approved selling the entire shares value of Coteccons invested in Phu An Gia (VND44,852,000,000, equivalent to 39% of the charter capital of Phu An Gia). The total value was recovered at VND47,797,577,982.

6. The meeting session of the BOD dated 11 Nov 2014

Approved the receipt and implementation of NH1 construction investment project, Phu Ly City bypass and NH1 road surface improvement in the section at Km215+775÷Km235+885, in Ha Nam Province under the form of BOT contract with a total investment of VND2,000 billion.



EverRich Infinity - HCMC (D&B)



CORPORATE GOVERNANCE (cont.)

SALARY, BONUS, REMUNERATION AND BENEFITS OF THE BOD AND THE BOS

Salary, bonus, remuneration and benefits of the BOD and the BOS complied with the resolution of the Annual General Meeting.

Details of remuneration of the BOD, BOS in 2014:

No.	FULL NAME	TITLE	REMUNERATION	UNIT
The BOD				
1.	Mr. Nguyen Ba Duong	BOD Chairman	180,000,000	VND
2.	Mr. Tran Quang Quan	BOD Member	120,000,000	VND
3.	Mr. Tran Quang Tuan	BOD Member	120,000,000	VND
4.	Mr. Talgat Turumbayev	BOD Member	120,000,000	VND
5.	Mr. Brian Quan Pham (*)	BOD Member	120,000,000	VND
6.	Mr. Huynh Le Duc (**)	BOD Member	120,000,000	VND
7.	Mr. Huynh Ba Thang Long (***)	BOD Member	120,000,000	VND
The BOS				
1.	Ms. Nghiem Bach Huong	Head of BOS	60,000,000	VND
2.	Mr. Nguyen Duc Canh	BOS Member	84,000,000	VND
3.	Mr. Tu Dai Phuc (****)	BOS Member	21,000,000	VND
4.	Mr. Ho Van Chi Thanh (*****)	BOS Member	63,000,000	VND

(*) Resigned on 23 March 2015.

(**) Resigned on 06 April 2015.

(***) Resigned on 12 March 2015.

(****) Resigned on 24 April 2014 and assigned to the position of Deputy CEO.

(*****) Appointed on 24 April 2014.



Sailun factory – Tay Ninh

SHARE TRADING OF INSIDE SHAREHOLDER AND RELATED PERSONS

Transactions of inside shareholder and related persons

No	Name	Relationship	Shares owned at beginning		Shares owned at ending		Actions
			Amount	%	Amount	%	
1	Mr. Nguyen Van Hung	Mr. Nguyen Ba Duong's brother	1,500	0.003%	0	0%	Sell

Transactions of internal shareholders/major shareholder and other transactions

No.	Organization	Relationship	Shares owned at beginning		Shares owned at ending		Actions
			Amount	%	Amount	%	
1	Thanh Cong Business and Investment One Member Co., Ltd.	Major shareholder	0	0%	3,400,768	8.07%	Buy
2	Tan Viet Construction Investment and Development Co., Ltd.	Major shareholder	3,517,420	8.34%	918,012	2.18%	Sell
3	Thanh Cong Business and Investment One Member Co., Ltd.	Major shareholder	3,400,768	8.07%	5,828,749	13.83%	Buy
4	Thanh Cong Business and Investment One Member Co., Ltd.	Major shareholder	5,828,749	13.83%	6,829,749	16.21%	Buy
5	Anh Sang Commercial Co., Ltd.	Major shareholder	2,565,740	6.09%	1,564,740	3.71%	Sell
6	Thanh Cong Business and Investment One Member Co., Ltd.	Major shareholder	6,829,749	16.21%	8,029,749	19.03%	Buy

ENFORCEMENT OF CORPORATE GOVERNANCE REGULATIONS

The corporate governance activities were in compliance with the provisions of law and regulations of the Securities Act for listed companies.



RISK MANAGEMENT

Construction is a complex field and inherently risky. Risks in construction industry formed by legal requirements, issues related to finance, capability of project implementation, needs of the market, recruitment and especially solutions and controls of Occupational safety during project construction ... If risk management is well organized, it will contribute to adding value to enterprise, improving operational efficiency, creating competitive advantage, reducing error of activity aspects in minimum. By understanding these problems, in Coteccons, risk management is top concern of the BOD of the Company. To ensure that risk management activities are carried out effectively, risk management has been put into a formal part of the internal control system of Coteccons.

RISKS AFFECTING THE COMPANY

RISK OF LABOR SAFETY

With specific nature of construction industry, majority of workers must perform heavy work at outdoor, so much influenced by weather factors as well as regularly working at height. Therefore, if no having an organizational system for managing Occupational safety effectively, it is very easy to happen labor accidents. Once occurrence of serious incident of labor safety, in addition to loss of human, spirituality and material, also another loss as declining credibility of Investors, Consulting Company, and the Company's reputation in the marketplace.

Management measures

To regularly ensure successful implementation of regimes of inspection, maintenance, curing of construction equipment, to carry out policy that supervising engineers should be mainly responsible for Occupational safety and every people should jointly implement safety tasks, thereby minimizing incidents out of labor safety.

In Coteccons, Occupational safety management system built right from first days of its establishment and more perfect. Coteccons achieved the International Certificate on Environmental Management - ISO 14.001 - 2004 and health safety system OHSAS 18001 - 2007. The safety policies have been disseminated and educated for all employees who work on sites to ensure that every individual have to understand and comply with the strict regulations on Occupational safety policy of the Company.

RISK ON HUMAN RESOURCE

Risk of personnel is a huge risk affecting stability of organizational structure as well as the whole operations of the Company. Good personnel with good capability often are "hunted" by other companies, especially opponent companies always trying to entice and offer. Thus, "brain drain" is also main reason that companies can not achieve business goals and plans set out.

Management measures

Human resource is the most valuable asset of Coteccons. Therefore, the Company is interested in building a team of managers and professional staff. The Company always makes objective, adequate assessment on contribution of each member, and makes the best conditions for employees to promote their talent.

HR Policy is always improved for Employees to have the best working environment. The Company has issued and applied the regulation on salary, bonus, allowance appropriately based on job performance and position assumed. The Company also builds special policy to give sudden bonus, effectiveness reward for teams and individuals who have outstanding achievements in their work. The insurance scheme is fully implemented for employees in accordance with law. In addition, the Company has also implemented a health insurance scheme exclusively for employees and their family members.

RISK ON DEFERRED PAYMENT

The payback in construction activity is a very complex issue, especially in the economic situation with more difficult at present. Late payment comes from many causes, including: Investor fails to raise capital; Investor finds difficult in loans disbursement; unsold construction product, or some investors intently extend payment term to occupy capital of contractor.

Management measures

In order to limit risk of late payment, each project of Coteccons should be studied, evaluated financial situation of Investor, product consumption possibility to decide to participate in bidding.

Strictly regulating and carefully negotiating terms relating to payment in contract within time of doing quotation documents. The Finance Supervising Division consisting



of members from the department of Legal and Finance - Accounting was established as an independent role to review before and after signing construction contract, supervise project finance status and warn relevant risks weekly to Deputy CEO, Directors about liabilities, Work final payment. Controlling process of payment, final payment, QS unit needs work with investor in methodical way. Requesting to stop construction when project's cash flow is not guaranteed in accordance with provisions of contract (applying to case of lasted late payment by investor).

RISK OF CONSTRUCTION AND REAL ESTATE MARKETS

Allowing foreigner to buy house will stimulate demand of real estate market, also is a good sign, but also will create enormous competitive pressure for all construction enterprises. Foreign construction companies with stable financial strength, modern technology will be fierce competitors for local contractors. Besides, remaining much inventories of medium and senior residential apartment segment will bring difficulties to new projects in selling products.

Management measures

Need to raise sense of responsibility in risk analysis, risk control and have countermeasure timely to risk in fields of construction and real estate; to be flexible in accessing and studying information on investor's capital, liquidity, product consumption possibility of project.

Coteccons has constantly learned and improved construction method, improved ways of management and way of executive professionally. The decisive factors for Coteccons ahead of foreign contractors in past time are prestige, technical solutions, progress management, quality and good safety, healthy financial source and understanding local culture, customs.

RISKS ON INFRASTRUCTURE INVESTMENT AND CONSTRUCTION

The biggest risk is ability to recover investment capital from using fees. Objects for fees collection has not been clear, so payback time lasted affecting financial plan. Land acquisition is a very difficult task which increases investment cost and extends project implementation. Besides, also many other unforeseen risks when this is the first time Coteccons has participated in investment

of infrastructure construction in status of not much experience.

Management measures

2014, Coteccons studied, participated in the infrastructure construction and also had certain experiences in controlling, managing risks of infrastructure investment and construction. When making decision of infrastructure project investment and construction, the Company always considers, searches for information, analyze and make feasibility report thoroughly, in which also analyzing possibilities of risk that may arise and remedies.

The infrastructure investment and construction is a new field for Coteccons, the Company has to be very careful, have to both work and study to constantly collect experiences from Partners and the leading companies in infrastructure sector at home and abroad.

RISK OF EQUIPMENT INVESTMENT

The investment in equipment to meet construction requirements, speed up progress and reduce number of workers while improving level of safety during construction process in projects of the Company, creating trust from Investors and Consulting Company and enhancing Coteccons reputation in the market. However, if investment is not synchronized, inconsistent with professional skill of user, causes wasteful investment. Incorrect forecast and assessment on construction, real estate markets for equipment investment is a significant risk for the Company.

Management Method

Establishing Research, Innovation and Development Department of construction organization technology to assess construction organization capacity and existing equipment, selective approach of modern technologies, equipment of construction and applying in Coteccons' projects. The Investment Council along with the Research, Innovation and Development Department of construction organization technology before deciding equipment investment must analyze, evaluate construction market, assess effectiveness of equipment investment, consider investment ratio and rental equipment ratio, equipment effectiveness, equipment usability and equipment rotation, plan of maintenance, repair and warehouse to store equipment after being demobilized out of site ... in order to make suitable decision in investment.

SUSTAINABLE DEVELOPMENT REPORT

5

- > Overview report on sustainable development
- > Company culture
- > Investor relation
- > Safety, health and environmental protection
- > Social and community activities

10 years
friendly with environment
design & build
collaborative development
10 years
design
leed certification
coteccons
expanding scale
corporate culture
leed certification
share with the community
medical examination at Con Dao
visit tumour patients
friendly with environment
share with the community
the community
working safety
increase investment value
visit tumour patients
medical examination at Con Dao
coteccons
collaborative development
share with the community
design
corporate culture
coteccons
leed certification
design
working safety
10 years
working safety
corporate culture
10 years
coteccons
working safety
medical examination at Con Dao
visit tumour patients
design & build
10 years
design

“

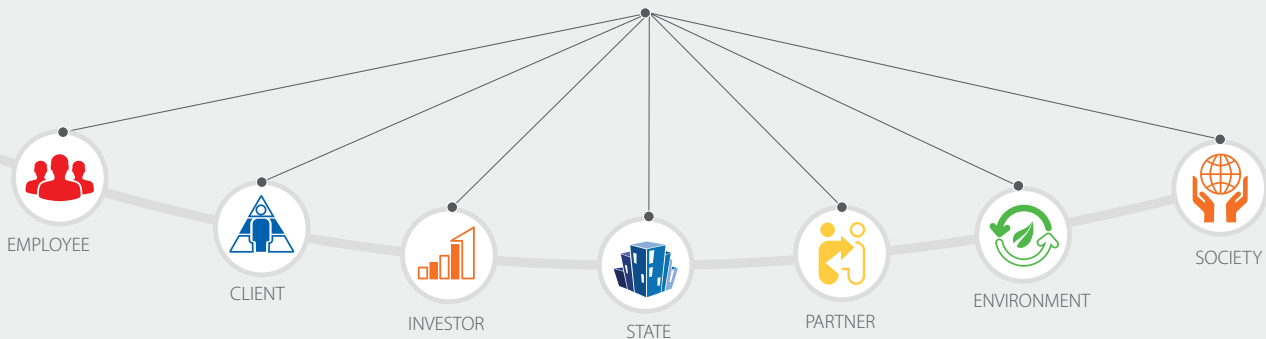
Expand scale
steady **advance**

”



SUSTAINABLE DEVELOPMENT REPORT

SUSTAINABLE DEVELOPMENT



FOR EMPLOYEES

Building a professional, equal, friendly and safe working environment. Ensuring that employees have stable jobs and incomes.

Taking care of material and spiritual life for employees, facilitating employees to develop their career and perfect themselves through training courses on professional skills. Maintaining to organize periodic conferences, workshops such as: Conference of Officers and employees, union congress, seminar on professions and development orientation in future, to promote democratic rights of employees.

Doing research and developing appropriate policies to attract high-quality workforce, oversea graduate return as well as experts in the country and abroad.

FOR CLIENTS

Sincere cooperation with the principle of putting prestige on the first position and always concerned about interests of clients. Implementing the cooperation motto "co-success" to have long-lasting attachment and co-development.

Continuously improving business operations in order to bring the best service value to client. Carrying out construction of Works professionally, satisfying requirements of progress, quality and labor safety. Coteccons always define that trust and satisfaction of client is success of the Company.

FOR SHAREHOLDERS, INVESTORS

Using capital efficiently, maximizing value of the Company, improving interests of shareholders.

Fully performing interests and benefits of shareholder: holding ASM, payment of dividends and the right to provide information in accordance with the regulations.

Holding organization and welcoming, providing information timely, adequately and accurately to shareholder and investor.

Being actively in transparent information announcement about operations of the Company, financial statements on mass media, websites and publications of the Company.

“SUSTAINABLE DEVELOPMENT IS ONE OF DEVELOPMENT FORM, IN WHICH RESOURCES ARE EXPLOITED AND USED TO SERVE NEEDS OF MANKIND PARALLEL WITH ENVIRONMENTAL PROTECTION, THEREBY THESE NEEDS NOT ONLY SATISFIED AT PRESENT BUT ALSO IN FUTURE”

(AS DEFINED BY THE BRUNDTLAND COMMISSION OF UNITED NATIONS DATED 20 MARCH 1987).



Australian delegation

FOR THE STATE

Ensuring business operation in full compliance with the regulations and the current law.

Well fulfilling the payment obligation to the state budget.

FOR SUPPLIERS, SUBCONTRACTORS

Doing business in cooperation of fairness, integrity, mutual benefit.

The process of selecting suppliers, subcontractors and contract signing is open and transparent.

Long-term cooperation with suppliers and subcontractors based on objective evaluation criteria such as capacity, competitive price, quality of service and warranty ...

FOR ENVIRONMENT

Coteccons has committed to controlling business operations of the Company to avoid violating the standards of environmental protection.

Complying with regulatory requirements and other requirements relating to environmental impact.

Raising awareness of all employees through educating knowledge on environmental protection.

FOR SOCIETY, COMMUNITY

Besides the success in its business, Coteccons has defined clearly the responsibility of enterprise towards society. Every year, the Company has always devoted a significant profit portion to carry out charitable activities with its desire to help and share with difficult situations, misfortunes in life ... to join hands to build a better and more humane society.



SUSTAINABLE DEVELOPMENT REPORT (cont.)

“Proud to be one of the leading brand names in the construction field, Coteccons always strives for a strong development cause on solid corporate culture foundation. With its own cultural identity formed since its early days of establishment and promoted from previous generation to next generation, each member of Coteccons family has committed to seriously perform the cultural norms of the Company for its brand reputation, longevity and sustainable development in future.”

COMPANY CULTURE

Coteccons culture formed from since its early days of establishment with the orientation of building specific business cultural identity. Each employee of Coteccons holds decisive role in creating a professional working environment, creativity, harmony between intellectuals and solidarity as well as transparency in all activities.

Over the 10-year journey of establishment and development, Coteccons culture has been constantly being improved. Coteccons subculture has become a priceless asset to ensure the Company to complete business objectives, become a building contractor with strong competitiveness in the market.

The typical activities in Coteccons culture

Developing and promulgating a code of internal conducts & behaviors to ensure Coteccons employees to strictly obey the provisions of the Company about conducts & behaviors in their work; conducts & behaviors when participating in meeting; asset protection of the Company.

Promulgating the standard regulations on foreign affairs and relations with client, partners. With a point of view “all employees are messengers of Coteccons”, each member of the Company once contact partner, and client will create good impression about the Company, attracting





interest and goodwill of client in cooperation with Coteccons.

To gain credibility, relationship, long-term cooperation with partners, customers, it should be represented that “speaking must be accompanied with action, complying with your commitment”, working with sincerity, integrity and transparency. This became the lodestar in all business activities of Coteccons.

Encouraging employees with innovative ideas at work, performing work in a professional, efficient and innovative way; reforming administrative procedures in handling affairs; raising awareness and thrift practice and waste combat.

Being concerned about spiritual life of employees, especially for employees assigned task away from home. Being interested and taking of personal issues such as birthday, wedding, funeral, sickness ... Under the direction of the BOM, the union, groups: Unions, Colleague Support Department, Human Resource Management Division has performed well this task in recent years.

Maintaining adherence operations of Coteccons employees through holding annual meeting party, organizing annual travel and periodic tourism program with participation of employees and their family members. In addition, to provide an opportunity to exchange and share information between the Leaders and employees, Coteccons holds annual conference of managers and employees to help people better understand operations of the Company and feel sense of solidarity, cohesion

between bodies and colleagues each other. Concurrently, facilitating employees to contribute comments on the Company activities as well as personal aspirations directly to leaders.

Sport contest of Coteccons Group taking place in September each year has become a major sport event, creating a healthy, useful playing ground, strengthening solidarity of employees within internal Coteccons Group. Actively participating in volunteer activities which are considered as a tribute, responsibility of the Company for social community.





SUSTAINABLE DEVELOPMENT REPORT (cont.)

INVESTOR RELATION

Understanding importance of information transparency, Coteccons' Investor Relations Department (IR) was founded right upon the Company's shares listed on HCMC Securities Exchange (Hose). IR Department in charge by Deputy CEO together with the members having expertise and knowledge on the Company including knowledge from finance- accounting department and the other departments to provide complete, accurate and timely information to investors.

In 2014, Coteccons has welcomed numerous financial institutions, fund management companies in the country, in the region and globally, 20 large investors at home and abroad. During the meetings, the IR department had satisfactory answers to questions of the investors, promptly update of operation situation as well as sharing the development orientations of Coteccons. Thereby, the Company has received much positive feedback about the enthusiasm and professionalism of Coteccons, creating lasting relationships between the Company and investors community.

Besides the direct communication and dialogue channel, Coteccons issued full update on the operation status of the Company, periodic financial reporting, and announcement of dividend payment on the official website: <http://www.coteccons.vn> and the mass media.

SAFETY MANAGEMENT

Contributing to the overall success of Coteccons by drawing out the short-term plan as well as long-term plan in detailed, Occupational safety Department has achieved certain successes in 2014.

100% of subcontractors, construction teams in each project of Coteccons have Safety Officer.

This is one step in the long-term plan: **"awareness propaganda and expanding safety force"**, the route specified as follows:

- 2011 to 2013: Engineer who was responsible for supervising Coteccons, assigned responsibility for safety work.
- In 2014: building safety officer system for subcontractor, construction team, clearly defined tasks and specific rights of this force. With nearly 700 safety officers from the construction units working with Coteccons trained by the competent Occupational safety Training Centre, combined with specialized training on each topic separately, this force will be core in safety implementation in project.



The signing ceremony of GP complex project - Ha Noi



Division Directors in the mission in Taiwan

- 2015: to continue training in order to promote capacity and role of safety force of subcontractor and construction team, this force will be person to directly carry out safety task at Work. Work Executive Department will be controller and Cotecons Safety Department will implement tasks of training, pushing up and evaluation.

Thus, the above long-term plan will solve two problems: the first is the problem of human and the second is the quality of safety forces of project.

100% electrical cabinet systems installed with high sensitive device against electrical leakage.

The Safety Board has collaborated with M & E Division to propose BOM to install ELR/EFR (system against shock - 4 levels of protection) which brings safety effectiveness higher than the old system.

With electrical cabinet systems installed leakage protection device (ELR/EFR) with high sensitivity, power taplo installed ELCB against electric shock. Once phenomenon of leakage, the system will automatically disconnect power that person who contacts leaked

equipment almost has no sense of electric current presence. Since the installation of this system, at least 4 cases of leakage in the projects but not happening accident. It can be said that this is the most effective electrical safety system in construction Work in Vietnam at present.

Some other results

To enhance capacity of safety officer force by: continuously refining safeguard force, organizing professional training classes (security professional training by Bureau of protection police C65 on fire protection professional, safety missions ...), transparent and publicly in discipline and reward and ultimately improving life quality of employees to help them feel well in work. The efficiency gained from series of the above improvements that the company has a force of security and safety officer enthusiasts to work.

Standardizing the safety table/warning system and forms to help the image of the Cotecons Works become professional, creating the difference with other companies in the same sector.

Regularly sending safety/security newsletters for warning and dissemination of experiences in safety work to help raise safety awareness of the employees in the Company.



SUSTAINABLE DEVELOPMENT REPORT (cont.)

ENSURE SAFE WORKING ENVIRONMENT

With the motto “Occupational safety” is everyone’s responsibility and together involved in implementation of safety tasks”, Coteccons has developed the plan and organized regular weekly training for engineers, construction site supervisors and all workers in Works. Training contents drafted in selective manner to convey to workers for understanding easily, catching knowledge and complying with the regulations of Labor Safety.

Allocating and being fully equipped with personal protective equipment (helmet, uniform, protection shoes, safety belts ...) for all employees working in warehouse and Works site. Not one of Coteccons’ employees has to work in an unsafe environment and not being equipped with personal protective equipment. In order to control working conditions of Employees in high-risk areas, Coteccons has retrofitted more machinery, instrumentations, such as gas meter, acoumeter, anemometer, electric meter and telephotometer. .. to ensure that Employee is working in the safest environment. This is one of the commitments that Coteccons BOM set out in its policy on healthy and environmental safety to prevent injuries may occur for Employees.



Besides, in 2014 the Safety Division collaborated with the Department of Fire Fight Police of HCMC Police and Hanoi Police in the organization of practice sessions, training for engineers and workers on the basic skills in rescue tasks. Carrying out the exercise organization with the fire fight police forces in the activities of fire prevention and fighting in the number of projects under construction by Coteccons. Regularly organizing rescue drills to guide for all employees on Work sites to be able to respond dangerous situations that may occur.

Periodically organizing “training class on aid skills and accident prevent” taught by HCMC Red Cross in the combination with the team of doctors and nurses of Safety Division so as to check health of all workers during construction task.



ENVIRONMENTAL HYGIENE

Building a professional working environment, also safe and clean for all employees working in Coteccons.

Minimizing negative impacts on environment through prevention of pollution and wastes management according to the regulations. The implementation resulted in two benefits:

- Reducing costs.
- Treating wastes before discharging into environment.

Promulgating rules and regulations to radically prevent activities that cause danger to people or damage to environment.

All projects from small to large scale, Coteccons always manage to classify and reuse waste. At the projects such as Grand Ho Tram, Garden City, VivoCity, Gain Lucky ... Coteccons has established a committee to consider reducing waste and regarded as a factor to reduce costs for the projects. The main goal was set out to be in compliance with the regulations



on safety, health and environment of the current Vietnamese law.

The main method to reduce waste is to focus on using skilled workers (doing only one time/doing right at the first time) to minimize creating unnecessary waste.

With its efforts in the implementation of activities of Occupational Safety and environmental hygiene, in 2014 Coteccons achieved the following accomplishments:

- Awarded the Certificate of Merit by the Bureau for Safe Work through the outstanding achievements in occupational safety. The achievement was recorded that more than 9 million hour of safety happening no serious occupational accident and major incident, minimizing medium and small Occupational safety incidents.
- The Investor (Formosa - Ha Tinh) awarded the certificate of merit for the management and control of safety system, hygiene and environment.
- QMS Organization (Australia) granted the Certificate "Standard for Environmental Management - ISO 14.001-2004" in combination with the re-certification of "health safety system Management - OHSAS 18001-2007". This is the commitment not only to bring good quality Works but also build occupational safety system effectively, ensuring health of Employees and construction activities to minimize impacts on environment surroundings.



SUSTAINABLE DEVELOPMENT REPORT (cont.)



The signing ceremony of the general contractor Casino - The Grand Ho Tram phase 2

2014 is the year marking 10-years of development path and strong growth of Coteccons with the impressive achievements. Along with the focus on developing business, Coteccons has also made continuous efforts in implementing the attachment commitment to community and society.

SOCIAL - COMMUNITY ACTIVITIES

2014 is the year marking 10-years of development path and strong growth of Coteccons with the impressive achievements. Along with the focus on developing business, Coteccons also defines its responsibilities to community and society.

With a point of view “not bombastic, no formalism, practical and effective”, each volunteer activity of Coteccons expresses deep humanity sentiment in the spirit of “the poor help the poorer” to jointly build a better and more civilized society.



Sponsoring Agent Orange/dioxin Victim's Fund in Ba Ria–Vung Tau

Some charity programs “Together for Community” Coteconcs made in 2014:

- Jointly implemented activities with HCMC Oncology Hospital.
- Organized the exchange program with all brothers and sisters staying and living in Hiep Binh Chanh - Thu Duc sponsorship centers for the disabled.
- Collaborated with the delegation of doctors from Children Hospital 2, delivered medicines in Con Dao District, Ba Ria Vung Tau Province.
- Joined in the program “stone contribution for building Truong Sa islands”.
- Contributed in the Fund “jointly protecting the sovereignty in the East Sea”.



FINANCIAL STATEMENTS

6

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- > Report of management
- > Independent auditors' report
- > Consolidated balance sheet
- > Consolidated income statement
- > Consolidated cash flow statement
- > Notes to the consolidated financial statements



“

Balancing interests
adding trust

”

COTEC CONSTRUCTION JOINT STOCK COMPANY

Consolidated financial statements

31 December 2014

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GENERAL INFORMATION

THE COMPANY

Cotec Construction Joint Stock Company (“the Company”) is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to Business Registration Certificate No. 4103002611 issued by the Department of Planning and Investment of Ho Chi Minh City on 24 August 2004 and the following Amended Business Registration Certificates:

<u>Amended Business Registration Certificate No.</u>	<u>Date</u>
4103002611 – 1 st	10 January 2005
4103002611 – 2 nd	24 August 2006
4103002611 – 3 rd	24 October 2006
4103002611 – 4 th	5 June 2007
4103002611 – 5 th	20 August 2007
4103002611 – 6 th	5 January 2008
4103002611 – 7 th	22 May 2009
0303443233 – 8 th	7 September 2009
0303443233 – 9 th	23 August 2010
0303443233 – 10 th	10 September 2010
0303443233 – 11 th	7 May 2012
0303443233 – 12 th	25 June 2013

The Company was listed its shares on the Ho Chi Minh Stock Exchange with trading code as CTD in accordance with Decision No. 155/QĐ-SGDHCM issued by the Ho Chi Minh Stock Exchange on 9 December 2009.

The current principal activities of the Company are to provide construction services, equipment installation, interior decoration, office leasing and trading of real estate.

The Company's head office is located at 236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, 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. Nguyen Ba Duong	Chairman	
Mr. Tran Quang Tuan	Member	
Mr. Tran Quang Quan	Member	
Mr. Talgat Turumbayev	Member	
Mr. Huynh Le Duc	Member	
Mr. Brian Quan Pham	Member	
Mr. Huynh Ba Thang Long	Member	resigned on 12 March 2015

BOARD OF SUPERVISION

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

Ms. Nghiem Bach Huong	Head	
Mr. Nguyen Duc Canh	Member	
Mr. Ho Van Chi Thanh	Member	appointed on 24 April 2014
Mr. Tu Dai Phuc	Member	resigned on 24 April 2014

GENERAL INFORMATION (continued)

MANAGEMENT

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

Mr. Nguyen Ba Duong	General Director	
Mr. Tran Quang Quan	Deputy General Director	
Mr. Tran Quang Tuan	Deputy General Director	
Mr. Tran Van Chinh	Deputy General Director	
Mr. Tu Dai Phuc	Deputy General Director	appointed on 2 April 2014

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr. Nguyen Ba Duong.

AUDITORS

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

REPORT OF MANAGEMENT

Management of Cotec Construction Joint Stock Company (“the Company”) is pleased to present its report and the consolidated financial statements of the Company and its subsidiary (“the Group”) for the year ended 31 December 2014.

MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the consolidated financial statements of each financial year which give a true and fair view of the consolidated financial position of the Group and of its consolidated results of its operations and its consolidated cash flows for the year. In preparing those consolidated 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 consolidated financial statements; and
- » prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Group and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Group 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 consolidated financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2014 and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements.

For and on behalf of management:



Nguyen Ba Duong
General Director

18 March 2015

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of Cotec Construction Joint Stock Company

We have audited the accompanying consolidated financial statements of Cotec Construction Joint Stock Company and its subsidiary ("the Group") as prepared on 18 March 2015 and set out on pages 100 to 137, which comprise the consolidated balance sheet as at 31 December 2014, and the consolidated income statement and consolidated 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 consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 December 2014, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements.

Ernst & Young Vietnam Limited



Le Quang Minh
Deputy General Director
Audit Practicing Registration Certificate
No. 0426-2013-004-1

Ho Chi Minh City, Vietnam
18 March 2015

A blue ink signature that reads 'Hong Son'.

Ngo Hong Son
Auditor
Audit Practicing Registration Certificate
No. 2211-2013-004-1

CONSOLIDATED BALANCE SHEET

as at 31 December 2014

B01-DN/HN

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		3,635,696,412,928	3,995,926,433,261
110	I. Cash and cash equivalents	4	469,023,469,430	618,518,444,081
111	1. Cash		378,018,518,751	310,513,540,907
112	2. Cash equivalents		91,004,950,679	308,004,903,174
120	II. Short-term investments	5	629,080,000,000	1,055,500,000,000
121	1. Short-term investments		629,080,000,000	1,055,500,000,000
130	III. Current accounts receivable		2,129,477,879,588	2,010,311,772,164
131	1. Trade receivables	6.1	2,154,169,888,369	2,076,043,856,872
132	2. Advances to suppliers	6.2	102,790,951,780	39,275,161,905
135	3. Other receivables	7	67,015,983,369	46,459,843,005
139	4. Provision for doubtful debts	6, 7	(194,498,943,930)	(151,467,089,618)
140	IV. Inventories	8	269,593,810,165	248,339,897,206
141	1. Inventories		344,593,810,165	326,253,897,206
149	2. Provision for obsolete inventories		(75,000,000,000)	(77,914,000,000)
150	V. Other current assets		138,521,253,745	63,256,319,810
151	1. Short-term prepaid expenses		440,701,321	122,305,125
152	2. Value-added tax deductible		118,279,740,041	35,446,969,022
154	3. Tax and other receivables from the State		-	971,673,830
158	4. Other current assets	9	19,800,812,383	26,715,371,833
200	B. NON-CURRENT ASSETS		1,227,365,452,521	556,333,955,189
220	I. Fixed assets		254,678,353,136	250,365,294,654
221	1. Tangible fixed assets	10	149,321,611,004	149,800,937,999
222	Cost		349,491,694,927	323,712,310,043
223	Accumulated depreciation		(200,170,083,923)	(173,911,372,044)
227	2. Intangible assets	11	99,666,230,035	99,622,080,043
228	Cost		107,411,072,018	106,095,331,452
229	Accumulated amortisation		(7,744,841,983)	(6,473,251,409)
230	3. Construction in progress		5,690,512,097	942,276,612
240	II. Investment properties	12	104,795,419,660	92,307,223,295
241	1. Cost		115,412,954,913	100,607,293,807
242	2. Accumulated depreciation		(10,617,535,253)	(8,300,070,512)
250	III. Long-term investments	13	781,240,497,580	104,524,316,290
252	1. Investments in associates		101,240,497,580	104,524,316,290
258	2. Other long-term investments		680,000,000,000	-
260	IV. Other long-term assets		86,651,182,145	109,137,120,950
261	1. Long-term prepaid expenses	14	83,598,706,150	103,812,944,392
262	2. Deferred tax assets	29.3	3,007,475,995	5,279,176,558
268	3. Other long-term assets		45,000,000	45,000,000
270	TOTAL ASSETS		4,863,061,865,449	4,552,260,388,450

CONSOLIDATED BALANCE SHEET (cont.)

as at 31 December 2014

B01-DN/HN

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	A. LIABILITIES		2,153,669,745,752	2,083,766,496,899
310	I. Current liabilities		2,139,242,012,076	2,002,895,871,972
312	1. Trade payables	15	975,592,525,919	1,013,608,167,423
313	2. Advances from customers	16	77,521,200,566	69,949,248,285
314	3. Statutory obligations	17	72,799,155,371	62,860,072,852
316	4. Accrued expenses	18	767,998,460,368	616,929,305,538
319	5. Other payables	19	125,410,598,469	91,772,615,151
320	6. Short-term provision	20	61,946,118,798	75,027,233,127
323	7. Bonus and welfare fund		39,382,464,193	23,899,854,867
338	8. Unearned revenues	21	18,591,488,392	48,849,374,729
330	II. Non-current liabilities		14,427,733,676	80,870,624,927
333	1. Other long-term liabilities	22	13,927,733,676	15,670,693,741
337	2. Long-term provision	20	500,000,000	65,199,931,186
400	B. OWNERS' EQUITY		2,527,241,186,661	2,302,477,289,437
410	I. Capital	23.1	2,527,241,186,661	2,302,477,289,437
411	1. Share capital		422,000,000,000	422,000,000,000
412	2. Share premium		869,140,000,000	869,140,000,000
414	3. Treasury shares		(1,741,460,000)	(1,741,460,000)
417	4. Investment and development fund		592,749,932,204	477,949,555,981
418	5. Financial reserve fund		84,945,096,670	69,165,584,180
420	6. Undistributed earnings		560,147,617,787	465,963,609,276
439	C. MINORITY INTERESTS		182,150,933,036	166,016,602,114
440	TOTAL LIABILITIES AND OWNERS' EQUITY		4,863,061,865,449	4,552,260,388,450

OFF BALANCE SHEET ITEMS

ITEMS	Ending balance	Beginning balance
Foreign currencies:		
- United States dollar (USD)	1,702,002	4,084,927
- Euro (EUR)	444	455



Vu Thi Hong Hanh
Preparer



Ha Tieu Anh
Chief Accountant



Nguyen Ba Duong
General Director

18 March 2015

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2014

B02-DN/HN

VND

Code	ITEMS	Notes	Current year	Previous year
10	1. Net revenue from sale of goods and rendering of services	24.1	7,633,621,860,050	6,189,651,406,151
11	2. Cost of goods sold and services rendered	25	(7,077,701,608,676)	(5,725,278,429,936)
20	3. Gross profit from sale of goods and rendering of services		555,920,251,374	464,372,976,215
21	4. Finance income	24.2	118,764,053,874	118,290,538,249
22	5. Finance expenses	26	(372,976,263)	956,344,811
25	6. General and administrative expenses	27	(214,752,054,120)	(216,761,609,146)
30	7. Operating profit		459,559,274,865	366,858,250,129
31	8. Other income	28	29,754,881,825	24,943,462,117
32	9. Other expenses	28	(15,759,859,703)	(8,175,260,737)
40	10. Other profit	28	13,995,022,122	16,768,201,380
45	11. Shares of (loss) profit of associates		(9,266,878,273)	9,524,664,331
50	12. Profit before tax		464,287,418,714	393,151,115,840
51	13. Current corporate income tax expense	29.1	(104,550,010,660)	(112,172,080,951)
52	14. Deferred corporate income tax expense	29.2	(2,271,700,563)	(1,101,372,511)
60	15. Net profit after tax		357,465,707,491	279,877,662,378
	Attributable to:			
61	15.1 Minority interests		30,112,412,296	22,739,975,488
62	15.2 Equity holders of the Company		327,353,295,195	257,137,686,890
70	16. Basic and diluted earnings per share	31	7,769	6,103




Vu Thi Hong Hanh
Preparer

18 March 2015




Ha Tieu Anh
Chief Accountant



Nguyen Ba Duong
General Director

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2014

B03-DN/HN

VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		464,287,418,714	393,151,115,840
	Adjustments for:			
02	Depreciation and amortisation	10,11,12	34,952,395,297	37,172,297,421
03	Provisions		40,117,854,312	140,822,450,015
04	Unrealised foreign exchange gains		(1,089,361,412)	(279,561,788)
05	Profit from investing activities		(109,470,328,119)	(127,118,999,531)
08	Operating profit before changes in working capital		428,797,978,792	443,747,301,957
09	Increase in receivables		(220,259,363,116)	(503,049,587,787)
10	(Increase) decrease in inventories		(18,339,912,959)	185,333,901,336
11	Increase in payables		28,201,675,010	327,757,426,523
12	Decrease in prepaid expenses		19,895,842,046	37,765,792,481
14	Corporate income tax paid	29.1	(99,077,091,719)	(118,358,659,072)
15	Other cash inflows from operating activities		980,168,000	4,670,034,155
16	Other cash outflows from operating activities		(9,640,017,322)	(9,732,226,558)
20	Net cash flows from operating activities		130,559,278,732	368,133,983,035
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases and construction of fixed assets		(31,828,283,506)	(8,509,069,758)
22	Proceeds from disposals of fixed assets	28	5,079,772,726	2,105,958,501
23	Term deposits at banks		(253,580,000,000)	(545,500,000,000)
24	Collections from borrowers		-	5,000,000,000
25	Payments for investments in other entities		(55,031,937,615)	81,178,250,155
26	Proceeds from sale of investments in other entities		23,226,256,020	10,168,260,338
27	Interest and dividends received		103,279,458,265	113,035,782,806
30	Net cash flows used in investing activities		(208,854,734,110)	(342,520,817,958)

VND

CONSOLIDATED CASH FLOW STATEMENT (continued)

for the year ended 31 December 2014

B03-DN/HN

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM A FINANCING ACTIVITY			
36	Dividends paid to equity holders of the parent		(63,365,870,300)	(84,248,389,800)
	Dividends paid to minority interest		(8,776,800,000)	(4,388,400,000)
40	Net cash flows used in a financing activity		(72,142,670,300)	(88,636,789,800)
50	Net decrease in cash and cash equivalents		(150,438,125,678)	(63,023,624,723)
60	Cash and cash equivalents at beginning of year		618,518,444,081	681,485,846,811
61	Impact of exchange rate fluctuation		943,151,027	56,221,993
70	Cash and cash equivalents at end of year	4	469,023,469,430	618,518,444,081




Vu Thi Hong Hanh
Preparer

18 March 2015



Ha Tieu Anh
Chief Accountant



Nguyen Ba Duong
General Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2014

B09-DN/HN

1. CORPORATE INFORMATION

Cotec Construction Joint Stock Company (“the Company”) is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to Business Registration Certificate No. 4103002611 issued by the Department of Planning and Investment of Ho Chi Minh City on 24 August 2004 and the following amended Business Registration Certificates:

<u>Amended Business Registration Certificate No.</u>	<u>Date</u>
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0303443233 – 10 th	10 September 2010
0303443233 – 11 th	7 May 2012
0303443233 – 12 th	25 June 2013

The Company was listed its shares on the Ho Chi Minh Stock Exchange with trading code as CTD in accordance with Decision No. 155/QD-SGDHCM issued by the Ho Chi Minh Stock Exchange on 9 December 2009.

The current principal activities of the Company and its subsidiary (“the Group”) are to provide construction services, equipment installation, interior decoration, office leasing, trading of real estate and trading of construction materials.

The Company’s head office is located at 236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, Ho Chi Minh City, Vietnam.

The number of the Group’s employees as at 31 December 2014 was 1,065 (31 December 2013: 1,014).

Group structure

The Company has a subsidiary, Uy Nam Investment Construction Joint Stock Company (“Uy Nam”), a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to Business Registration Certificate No. 4103005020 issued by the Department of Planning and Investment of Ho Chi Minh City on 14 July 2006, as amended. Uy Nam’s registered office is located at 236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, Ho Chi Minh City, Vietnam. Uy Nam’s principal activities are to providing construction services, equipment installation services and trading of construction materials.

As at 31 December 2014, the Company holds 51.24% equity interest in Uy Nam.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

as at and for the year ended 31 December 2014

B09-DN/HN

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 Standards issued by the Ministry of Finance as per:

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

Accordingly, the accompanying consolidated balance sheet, consolidated income statement, consolidated cash flow statement and related notes, 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 consolidated financial position and consolidated results of operations and consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 Applied accounting documentation system

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

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 subsidiary as at and for the year ended 31 December 2014.

Subsidiary is 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 subsidiary 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.

Minority 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

as at and for the year ended 31 December 2014

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

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

3.2 Inventories

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

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

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

Raw materials, merchandise goods	–	cost of purchase on a weighted average basis
Construction work-in-process	–	cost of direct materials and labour plus attributable construction overheads

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, merchandise goods and construction work-in-process owned by the Group, based on appropriate evidence of impairment available at the balance sheet date.

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

3.3 Receivables

Receivables are presented in the consolidated financial statements at the carrying amounts due from customers and other debtors, after 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. Increases and decreases to the provision balance are recorded as general and administrative expense in the consolidated income statement.

3.4 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 other expenditures for maintenance and repairs are charged to the consolidated income statement as incurred.

When tangible fixed assets are sold or retired, their costs and accumulated depreciation are removed from the consolidated balance sheet and any gain or loss resulting from their disposal is included in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

as at and for the year ended 31 December 2014

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 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 fixed 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, their costs and accumulated amortisation are removed from the consolidated balance sheet and any gain or loss resulting from their disposal is included in the consolidated income statement.

Land use rights

Land use right 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 right 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.

3.6 Depreciation and amortisation

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

Buildings & structures	6 - 42 years
Machinery & equipment	3 - 10 years
Means of transportation	3 - 8 years
Office equipment	3 - 5 years
Others	5 - 6 years
Land use rights	45 - 49 years
Softwares	3 years

3.7 Investment properties

Investment properties are stated at cost including transaction costs less accumulated depreciation.

Subsequent expenditure relating to an investment property that has already been recognised is added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Group.

Depreciation of investment properties is calculated on a straight-line basis over the estimated useful life of each asset as follows:

Office building	30 years
Others	25 years

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in the consolidated income statement in the year of retirement or disposal.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. The transfer from investment property to owner-occupied property or inventories does not change the cost or the carrying value of the property for subsequent accounting at the date of change in use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

as at and for the year ended 31 December 2014

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Leased assets

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of specific assets and the arrangement conveys a right to use the asset.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Where the Group is the lessee

Rentals under operating leases are charged to the consolidated income statement on a straight-line basis over the lease term.

Where the Group is the lessor

Assets subject to operating leases are included as the Group's investment property in the consolidated balance sheet. Initial direct costs incurred in negotiating an operating lease are recognised in the consolidated income statement as incurred.

Lease income is recognised in the consolidated income statement on a straight-line basis over the lease term.

3.9 Prepaid expenses

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

Tools and supplies used for construction are amortised to the consolidated income statement over the period of two (2) to six (6) years on the straight-line basis.

3.10 Investment in associates

The Group's investment in its 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 subsidiaries nor joint ventures. The Group generally deems they have significant influence if they have from 20% or above 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 associates (if any) is included in the carrying amount of the investment and is amortised over 10-year period. The consolidated income statement reflects the share of the post-acquisition results of operation of the associates.

The share of post-acquisition profit (loss) of the associates is presented on the face of the consolidated income statement. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of the change and discloses this, where applicable, in the equity section of the consolidated balance sheet. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates reduce the carrying amount of the investment.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

as at and for the year ended 31 December 2014

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Other investments

Other investments are stated at their acquisition costs.

3.12 Provision for diminution in value of investments

Provision is made for any diminution in value of the investments at the balance sheet date in accordance with the guidance under Circular No. 228/2009/TT-BTC dated 7 December 2009 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.

3.13 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.

3.14 Accrual for severance allowance pay

The severance pay to employee is accrued at the end of each reporting year for all employees who have been being 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 in 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.

3.15 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.

Provision for warranty obligation of construction projects is estimated from 0.5% to 3% on value of project based on the specification of each project and actual experiences.

3.16 Foreign currency transactions

Transactions in currencies other than the Group's reporting currency of VND are recorded at the exchange rates ruling at the date of the transaction. At the end of the year, monetary assets and liabilities denominated in foreign currencies are translated at exchange rate announced by the commercial bank where the Group maintains bank accounts at the balance sheet date. All realised and unrealised foreign exchange differences are taken to the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

as at and for the year ended 31 December 2014

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Earnings per share

Basic earnings per share amount is computed by dividing net profit for the year attributable to ordinary shareholders, before appropriation for funds by the weighted average number of ordinary outstanding shares during the year, where applicable.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Group (after adjusting for interest on the convertible preference shares) 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.

3.18 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.

3.19 Appropriation of net profit

Net profit after tax is available for appropriation to investors as proposed by the Board of Directors and subject to approval by shareholders at the Annual General Meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnamese regulatory requirements.

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

Financial reserve fund

This fund is set aside to protect the Group's normal operations from business risks or losses, or to prepare for unforeseen losses or damages for objective reasons and force majeure, such as fire, economic and financial turmoil of the country or elsewhere.

Investment and development fund

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

Bonus and welfare fund

This fund is set aside for the purpose of pecuniary rewarding and encouragement, common benefits and improvement of the employees' material and spiritual benefits and it is recognised as a liability.

3.20 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:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

as at and for the year ended 31 December 2014

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Revenue recognition (continued)

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 accepted by the customers and reflected in the sales invoices.

For the construction contracts specifying that the progress payments are made as originally agreed, where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion.

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

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 year in which they are incurred.

Rental income

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

Interest

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

Dividend

Revenue is recognised when the Group is entitled to receive dividends.

3.21 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 or substantively enacted as at the balance sheet date.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

as at and for the year ended 31 December 2014

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.21 Taxation (continued)

Deferred tax

Deferred tax is provided using the balance sheet 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. 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.

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

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

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

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

3.22 Financial instruments

Financial instruments – initial recognition and presentation

Financial assets

Financial assets within the scope of Circular No. 210/2009/TT-BTC dated 6 November 2009 issued by the Ministry of Finance providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210") are classified, for disclosures in the notes to the consolidated financial statements, as financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables or available-for-sale financial assets as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at cost plus directly attributable transaction costs.

The Group's financial assets include cash and cash equivalents, bank deposits, trade and other receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

as at and for the year ended 31 December 2014

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Financial instruments (continued)

Financial instruments – initial recognition and presentation (continued)

Financial liabilities

Financial liabilities within the scope of Circular 210 are classified, for disclosures in the notes to the consolidated financial statements, as financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at cost net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables.

Financial instruments – subsequent re-measurement

There is currently no guidance in Circular 210 in relation to subsequent re-measurement of financial instruments. Accordingly, the financial instruments are subsequently re-measured at cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4. CASH AND CASH EQUIVALENTS

VND

	Ending balance	Beginning balance
Cash on hand	717,470,248	9,279,848
Cash in banks	377,301,048,503	310,504,261,059
Cash equivalents (*)	91,004,950,679	308,004,903,174
TOTAL	469,023,469,430	618,518,444,081

(*) Cash equivalents mainly represent bank deposits with original maturity of less than three (3) months and earn interest at the applicable rates.

5. SHORT-TERM INVESTMENTS

VND

	Ending balance	Beginning balance
Other short-term investments	629,080,000,000	1,055,500,000,000

Other short-term investments include deposits at commercial banks with a term of three (3) months or more but under one (1) year and earn an interest at the applicable rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

as at and for the year ended 31 December 2014

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6. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

6.1 Trade receivables

VND

	Ending balance	Beginning balance
Due from third parties	2,108,986,654,538	1,998,828,648,247
Due from a related party (Note 30)	45,183,233,831	77,215,208,625
TOTAL	2,154,169,888,369	2,076,043,856,872
Provision for doubtful debts	(193,214,749,815)	(151,467,089,618)
NET	1,960,955,138,554	1,924,576,767,254

Movements of provision for doubtful debts:

VND

	Current year	Previous year
At beginning of year	151,467,089,618	55,182,008,195
<i>Add: Provision created during the year</i>	41,747,660,197	95,306,068,841
<i>Add: Provision created due to business combination</i>	-	979,012,582
At end of year	193,214,749,815	151,467,089,618

6.2 Advances to suppliers

VND

	Ending balance	Beginning balance
Advances to other parties	102,790,951,780	39,275,161,905

7. OTHER RECEIVABLES

VND

	Ending balance	Beginning balance
Receivables from disposal of investments	38,238,062,386	11,171,538,973
Interest receivable	26,088,620,626	20,837,805,559
Related parties	-	14,450,498,473
Others	2,689,300,357	-
TOTAL	67,015,983,369	46,459,843,005
Provision for doubtful debts	(1,284,194,115)	-
NET	65,731,789,254	46,459,843,005

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

as at and for the year ended 31 December 2014

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8. INVENTORIES

VND

	Ending balance	Beginning balance
Construction work in process	338,081,081,771	322,050,142,218
Merchandise goods	6,512,728,394	4,203,754,988
TOTAL	344,593,810,165	326,253,897,206
Provision for obsolete inventories	(75,000,000,000)	(77,914,000,000)
NET	269,593,810,165	248,339,897,206

The details of work in process of on-going construction projects are as follows:

VND

	Ending balance	Beginning balance
Tricon Tower	75,000,000,000	75,000,000,000
Lexington District 2 High Class Apartment	50,444,873,832	-
Aeon Mall Long Bien shopping center	34,419,572,739	-
Van Phu - Trung Kinh Complex Apartment	19,739,202,544	-
Ho Chi Minh Stock Exchange Building	16,192,909,457	15,507,648,907
Reu Island - Vinpearl Ha Long	12,040,126,970	-
WaterMark Residences	10,590,931,770	-
Novotel Phu Quoc Resorts	9,080,115,684	-
Gentherm Greenfield Factory	8,662,403,573	-
Everich District 7 High Class Apartment	8,417,017,706	13,426,410,247
Backup Data Center	8,292,736,416	7,273,724,771
E6 Villa Project	7,623,132,019	14,008,912,460
Times City T16	7,277,358,856	-
Vinhomes Riverside	5,283,791,960	-
Goldmark City	5,070,226,314	-
Tuyen Son Entertainment Center	5,000,000,000	7,157,832,081
An Phu Apartment	4,461,729,965	13,034,998,522
Aeon Shopping Mall	4,423,253,603	-
Vinpearl Phu Quoc	4,380,199,159	-
South Saigon Commercial Complex - Vivo City	-	35,767,247,833
Others	41,681,499,204	140,873,367,397
TOTAL	338,081,081,771	322,050,142,218

9. OTHER CURRENT ASSETS

VND

	Ending balance	Beginning balance
Advances to construction teams and employees	16,334,404,429	24,429,701,717
Deposits	3,466,407,954	2,285,670,116
TOTAL	19,800,812,383	26,715,371,833

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

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10. TANGIBLE FIXED ASSETS

VND

	Buildings & structures & equipment	Machinery & equipment	Means of transportation	Office equipment	Others	Total
Cost:		Others	Total			
Beginning balance	104,972,449,517	177,380,889,967	25,573,271,206	11,041,401,999	4,744,297,354	323,712,310,043
Newly purchased	5,298,113,000	12,180,804,416	3,802,254,545	1,814,670,672	-	23,095,842,633
Reclassified from investment properties	8,701,856,125	-	-	-	-	8,701,856,125
Transfer from construction in progress	2,619,373,913	-	-	-	-	2,619,373,913
Disposal	(3,020,435,000)	(3,374,022,788)	(2,243,229,999)	-	-	(8,637,687,787)
Ending balance	118,571,357,555	186,187,671,595	27,132,295,752	12,856,072,671	4,744,297,354	349,491,694,927
<i>In which:</i>						
<i>Fully depreciated</i>	1,342,329,348	66,006,183,018	4,144,942,324	6,434,424,090	4,744,297,354	82,672,176,134
Accumulated depreciation:						
Beginning balance	(22,089,607,608)	(124,667,358,978)	(14,132,659,116)	(8,751,878,700)	(4,269,867,642)	(173,911,372,044)
Depreciation for the year	(7,456,068,814)	(17,953,242,117)	(3,010,578,632)	(1,598,835,094)	(474,429,712)	(30,493,154,369)
Reclassified from investment properties	(870,185,613)	-	-	-	-	(870,185,613)
Disposal	110,749,287	2,948,730,291	2,045,148,525	-	-	5,104,628,103
Ending balance	(30,305,112,748)	(139,671,870,804)	(15,098,089,223)	(10,350,713,794)	(4,744,297,354)	(200,170,083,923)
Net carrying amount:						
Beginning balance	82,882,841,909	52,713,530,989	11,440,612,090	2,289,523,299	474,429,712	149,800,937,999
Ending balance	88,266,244,807	46,515,800,791	12,034,206,529	2,505,358,877	-	149,321,611,004

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

as at and for the year ended 31 December 2014

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11. INTANGIBLE ASSETS

VND

	Land use rights	Software	Total
Cost:			
Beginning balance	102,603,924,366	3,491,407,086	106,095,331,452
Transferred from construction in progress	-	771,545,456	771,545,456
Newly purchased	-	544,195,110	544,195,110
Ending balance	102,603,924,366	4,807,147,652	107,411,072,018
<i>In which:</i>			
<i>Fully depreciated</i>	-	3,093,667,086	3,093,667,086
Accumulated amortisation:			
Beginning balance	(3,368,948,790)	(3,104,302,619)	(6,473,251,409)
Amortisation for the year	(782,607,240)	(488,983,334)	(1,271,590,574)
Ending balance	(4,151,556,030)	(3,593,285,953)	(7,744,841,983)
Net carrying value:			
Beginning balance	99,234,975,576	387,104,467	99,622,080,043
Ending balance	98,452,368,336	1,213,861,699	99,666,230,035

Land use rights include the cost of land use rights with carrying amount of VND64,662,555,400 which are indefinite and accordingly not amortised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

as at and for the year ended 31 December 2014

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12. INVESTMENT PROPERTIES

VND

	Office building	Others	Total
Cost:			
Beginning balance	81,986,929,898	18,620,363,909	100,607,293,807
Additions	-	23,507,517,231	23,507,517,231
Reclassified to tangible fixed assets	(8,701,856,125)	-	(8,701,856,125)
Ending balance	73,285,073,773	42,127,881,140	115,412,954,913
Accumulated depreciation:			
Beginning balance	(8,198,692,975)	(101,377,537)	(8,300,070,512)
Depreciation for the year	(2,442,835,794)	(744,814,560)	(3,187,650,354)
Reclassified to tangible fixed assets	870,185,613	-	870,185,613
Ending balance	(9,771,343,156)	(846,192,097)	(10,617,535,253)
Net carrying amount:			
Beginning balance	73,788,236,923	18,518,986,372	92,307,223,295
Ending balance	63,513,730,617	41,281,689,043	104,795,419,660

The fair value of the investment property was not formally assessed and determined as at 31 December 2014. However, given the present occupancy rate of this property, it is management's assessment that the property's market value is higher than its carrying value as at the balance sheet date.

13. LONG-TERM INVESTMENTS

VND

	Ending balance	Beginning balance
Investments in associates (Note 13.1)	101,240,497,580	104,524,316,290
Other long-term investments (Note 13.2)	680,000,000,000	-
NET	781,240,497,580	104,524,316,290

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

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13. LONG-TERM INVESTMENTS (CONTINUED)

13.1 Investments in associates

As at 31 December 2014, the details of investment are as follows:

	Ending balance		Beginning balance	
	% of interest	Amount (VND)	% of interest	Amount (VND)
Phu Hung Gia Construction & Investment Joint Stock Company	20.16	53,060,220,056	20.16	47,981,890,157
FCC Infrastructure Investment Joint Stock Company	35	47,917,846,315	-	-
Quang Trong Commercial Joint Stock Company	36	262,431,209	36	17,510,424,919
Phu Gia An Investment Joint Stock Company	-	-	39	39,032,001,214
TOTAL		101,240,497,580		104,524,316,290

VND

	Total
Cost of investment:	
Beginning balance	82,780,000,000
Increase	48,147,000,000
Decrease	(44,852,000,000)
Ending balance	86,075,000,000
Accumulated share in post-acquisition profit of the associates:	
Beginning balance	21,744,316,290
Share in post-acquisition loss of the associates for the year	(9,266,878,273)
Unrealised profits	122,720,033
Dividends for the year	(3,024,000,000)
Decrease	5,589,339,530
Ending balance	15,165,497,580
Net carrying amount:	
Beginning balance	104,524,316,290
Ending balance	101,240,497,580

Phu Hung Gia Construction & Investment Joint Stock Company ("Phu Hung Gia") is a shareholding company established in accordance with Business Registration Certificate ("BRC") No. 4103002810 issued by the DPI of Ho Chi Minh City on 27 October 2005 and as amended.

FCC Infrastructure Investment Joint Stock Company ("FCC") is a shareholding company established in accordance with BRC No. 0106605407 issued by the DPI of Ha Noi City on 21 July 2014. According to BRC, the register charter capital of FCC is VND369,000,000,000, in which the Group contributes VND129,000,000,000 equivalent to 35% (Note 31).

Quang Trong Commercial Joint Stock Company ("Quang Trong") is a shareholding company established in accordance with BRC No. 4903000474 issued by the DPI of Ba Ria – Vung Tau Province on 18 December 2007 and as amended.

On 8 December 2014, the Group entered into the agreement to transfer its equity interest in Phu Gia An Investment Joint Stock Company ("Phu Gia An") at the selling price of VND47,797,577,982. Accordingly, Phu Gia An is no longer the Group's associate at 31 December 2014.

13. LONG-TERM INVESTMENTS (CONTINUED)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

as at and for the year ended 31 December 2014

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13.2 Other long-term investments

Other long-term investments include deposits at commercial banks with a term of more than one (1) year and earn interest at the applicable rates.

14. LONG-TERM PREPAID EXPENSES

VND

	Ending balance	Beginning balance
Tools & supplies used for construction works	83,088,018,364	103,151,192,721
Others	510,687,786	661,751,671
TOTAL	83,598,706,150	103,812,944,392

15. TRADE PAYABLES

VND

	Ending balance	Beginning balance
Due to a related party (Note 30)	94,302,391,604	121,025,561,054
Due to other parties	881,290,134,315	892,582,606,369
TOTAL	975,592,525,919	1,013,608,167,423

16. ADVANCE FROM CUSTOMERS

VND

	Ending balance	Beginning balance
Due to a related party (Note 30)	3,464,000,000	3,464,000,000
Due to other parties	74,057,200,566	66,485,248,285
TOTAL	77,521,200,566	69,949,248,285

17. STATUTORY OBLIGATIONS

VND

	Ending balance	Beginning balance
Corporate income tax (Note 29.1)	32,032,289,667	26,559,370,726
Value-added tax	22,131,331,675	12,768,846,978
Personal income tax	18,625,053,466	23,531,855,148
Other	10,480,563	-
TOTAL	72,799,155,371	62,860,072,852

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

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18. ACCRUED EXPENSES

VND

	Ending balance	Beginning balance
Cost of construction projects	767,634,894,965	616,565,740,135
Others	363,565,403	363,565,403
TOTAL	767,998,460,368	616,929,305,538

19. OTHER PAYABLES

VND

	Ending balance	Beginning balance
Payable to construction teams	103,974,308,286	90,681,394,730
Dividend payables	21,087,407,850	186,590,150
Others	348,882,333	904,630,271
TOTAL	125,410,598,469	91,772,615,151

20. SHORT-TERM AND LONG-TERM PROVISIONS

These amounts represent the short-term and long-term provisions for warranty of completed construction projects.

21. UNEARNED REVENUES

VND

	Ending balance	Beginning balance
Unearned revenue from construction works	17,800,000,000	48,311,858,647
Unearned revenue from office leasing	791,488,392	537,516,082
TOTAL	18,591,488,392	48,849,374,729

22. OTHER LONG-TERM PAYABLES

VND

	Ending balance	Beginning balance
Severance allowance	11,057,999,761	11,038,531,011
Long-term deposits received	2,869,733,915	4,632,162,730
TOTAL	13,927,733,676	15,670,693,741

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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23. OWNERS' EQUITY

23.1 Increase and decrease in owners' equity

VND

	Share capital	Share premium	Treasury shares	Investment and development fund	Financial reserve fund	Undistributed earnings	Total
Previous year:							
Beginning balance	422,000,000,000	869,140,000,000	(1,741,460,000)	381,467,132,588	56,084,734,287	416,813,971,556	2,143,764,378,431
Net profit for the year	-	-	-	-	-	257,137,686,890	257,137,686,890
Profit appropriation	-	-	-	96,482,423,393	13,080,849,893	(109,563,273,286)	-
Transfer to bonus and welfare fund	-	-	-	-	-	(14,158,087,884)	(14,158,087,884)
Dividend declared	-	-	-	-	-	(84,266,688,000)	(84,266,688,000)
Ending balance	422,000,000,000	869,140,000,000	(1,741,460,000)	477,949,555,981	69,165,584,180	465,963,609,276	2,302,477,289,437
Current year:							
Beginning balance	422,000,000,000	869,140,000,000	(1,741,460,000)	477,949,555,981	69,165,584,180	465,963,609,276	2,302,477,289,437
Net profit for the year	-	-	-	-	-	327,353,295,195	327,353,295,195
Profit appropriation	-	-	-	114,800,376,223	15,779,512,490	(130,579,888,713)	-
Transfer to bonus and welfare fund	-	-	-	-	-	(18,322,709,971)	(18,322,709,971)
Dividends declared	-	-	-	-	-	(84,266,688,000)	(84,266,688,000)
Ending balance	422,000,000,000	869,140,000,000	(1,741,460,000)	592,749,932,204	84,945,096,670	560,147,617,787	2,527,241,186,661

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

as at and for the year ended 31 December 2014

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23. OWNERS' EQUITY (continued)

23.2 Capital transactions with owners and distribution of dividends

VND

	Current year	Previous year
Contributed share capital		
Beginning and ending balances	422,000,000,000	422,000,000,000
Dividends		
Dividends declared	84,266,688,000	84,266,688,000
Dividends paid	(63,365,870,300)	(84,248,389,800)

23.3 Shares

	31 December 2014 (Shares)	31 December 2013 (Shares)
Shares authorised to be issued	42,200,000	42,200,000
Shares issued and fully paid	42,200,000	42,200,000
<i>Ordinary shares</i>	42,200,000	42,200,000
Treasury shares	(66,656)	(66,656)
<i>Ordinary shares</i>	(66,656)	(66,656)
Outstanding shares	42,133,344	42,133,344
<i>Ordinary shares</i>	42,133,344	42,133,344

24. REVENUES

24.1 Net revenue from sale of goods and rendering of services

VND

	Current year	Previous year
Rendering of construction services	7,444,767,793,280	6,027,922,780,401
Revenue from sales of construction materials	157,608,269,716	119,454,043,232
Revenue from investment properties activities	22,613,943,290	24,240,356,825
Rental of construction equipment	8,631,853,764	18,034,225,693
TOTAL	7,633,621,860,050	6,189,651,406,151

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

as at and for the year ended 31 December 2014

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24. REVENUES (continued)

24.2 Finance income

VND

	Current year	Previous year
Bank interest income	108,458,273,332	106,178,462,479
Gain on disposal of investments	8,534,917,512	9,688,295,000
Unrealised foreign exchange gains	1,089,361,412	279,561,788
Realised foreign exchange gains	609,501,618	222,230,911
Others	72,000,000	1,921,988,071
TOTAL	118,764,053,874	118,290,538,249

25. COST OF GOODS SOLD AND SERVICES RENDERED

VND

	Current year	Previous year
Cost of rendering of construction services	6,905,558,524,484	5,586,017,265,213
Cost of construction materials sold	155,396,517,823	115,005,536,804
Cost of investment properties activities	13,816,577,310	8,105,013,864
Cost of construction equipment leased	2,929,989,059	16,150,614,055
TOTAL	7,077,701,608,676	5,725,278,429,936

26. FINANCE EXPENSES

VND

	Current year	Previous year
Realised foreign exchange loss	375,558,736	150,508,131
Loss from disposal of investments	(2,582,473)	378,801,598
Reversal of provision for diminution in value of investments	-	(1,485,654,540)
TOTAL	372,976,263	(956,344,811)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

as at and for the year ended 31 December 2014

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27. ADMINISTRATIVE EXPENSES

VND

	Current year	Previous year
Labour costs	109,862,084,850	78,570,699,224
Provision expense	43,031,854,312	89,244,104,555
Expenses for external services	20,561,081,746	13,099,026,119
Depreciation and amortisation	16,543,937,821	17,511,758,866
Other expenses	24,753,095,391	18,336,020,382
TOTAL	214,752,054,120	216,761,609,146

28. OTHER INCOME AND EXPENSES

VND

	Current year	Previous year
Other income	29,754,881,825	24,943,462,117
Reversal of warranty provisions	15,850,007,415	8,651,037,049
Proceeds from disposal of fixed assets	5,079,772,726	2,268,458,501
Compensation and penalty received	2,366,631,933	-
Reversal of over accrued construction costs	2,082,715,970	1,190,755,777
Others	4,375,753,781	12,833,210,790
Other expenses	(15,759,859,703)	(8,175,260,737)
Write-off receivables	(11,957,879,495)	-
Cost of disposed of fixed assets	(3,533,059,684)	(1,316,496,148)
Others	(268,920,524)	(6,858,764,589)
NET	13,995,022,122	16,768,201,380

29. CORPORATE INCOME TAX

The statutory Corporate Income Tax ("CIT") rate applicable to the Group is 22% (2013: 25%) of taxable profits.

The tax returns filed by 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.

29.1 CIT expense

VND

	Current year	Previous year
Current CIT expense	104,516,472,685	112,183,519,782
Adjustment for under (over) accrual of tax from prior years	33,537,975	(11,438,831)
Deferred tax expense	2,271,700,563	1,101,372,511
TOTAL	106,821,711,223	113,273,453,462

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

as at and for the year ended 31 December 2014

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29. CORPORATE INCOME TAX (continued)

29.2 Current CIT

The current tax payable is based on taxable profit for the year. The taxable profit 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 by the consolidated balance sheet date.

A reconciliation between the taxable profit and profit before tax is presented below:

	VND	
	Current year	Previous year
Profit before tax	464,287,418,714	393,151,115,840
<i>Adjustment to increase (decrease) in accounting profit</i>		
Non-deductible expenses	10,410,908,451	70,393,088,078
Share of loss (profit) from associates	9,266,878,273	(9,524,664,331)
Change in provision for investment	472,954,500	56,350,292
Change in provision for severance allowance	19,468,750	47,730,000
Dividend received	(72,000,000)	(1,078,125,000)
Change in unrealised foreign exchange differences	(742,272,453)	(208,778,770)
Change in unrealised profits	(1,109,022,422)	590,020,467
Change in taxable profit of unearned revenue	(1,595,112,825)	(4,142,416,031)
Gain (loss) from disposal of investment	(5,589,339,530)	11,615,042
Negative goodwill	-	(561,856,461)
Adjusted net profit before loss carry forward	475,349,881,458	448,734,079,126
Tax loss carried forward from sales of investment properties in previous year	(275,005,618)	-
Estimated current taxable profit	475,074,875,840	448,734,079,126
Estimated current CIT expenses	104,516,472,685	112,183,519,782
Adjustment for (over) under accrual of tax from prior years	33,537,975	(11,438,831)
Current CIT expenses	104,550,010,660	112,172,080,951
CIT payable at beginning of year	26,559,370,726	29,475,076,465
Pre-acquisition CIT payable from a subsidiary	-	3,270,872,382
CIT paid during the year	(99,077,091,719)	(118,358,659,072)
CIT payable at end of year	32,032,289,667	26,559,370,726

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

as at and for the year ended 31 December 2014

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29. CORPORATE INCOME TAX (continued)

29.3 Deferred CIT

The following are the deferred tax assets and liabilities recognised by the Group, and the movements thereon, during the current and previous years:

VND

	Consolidated balance sheet		Consolidated income statement	
	Ending balance	Beginning balance	Current year	Previous year
Deferred tax assets				
Severance allowance	2,432,759,948	2,759,632,753	(326,872,805)	11,932,500
Profit of unearned revenue	290,810,747	729,244,964	(438,434,217)	(1,222,703,009)
Unrealised profit	585,267,972	2,065,426,935	(1,480,158,963)	147,505,117
Provision for investments	(84,233,996)	(213,959,075)	129,725,079	14,087,573
Unrealised foreign exchange differences	(217,128,676)	(61,169,019)	(155,959,657)	(52,194,692)
TOTAL	3,007,475,995	5,279,176,558		
Deferred income tax expense			(2,271,700,563)	(1,101,372,511)

30. TRANSACTIONS WITH RELATED PARTIES

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

VND

Related party	Relationship	Nature of transaction	Amount
Phu Hung Gia Construction & Investment Joint Stock Company	Associate	Purchase of construction material	242,622,274,213
		Construction cost	169,165,707,011
		Construction services	10,505,398,667
		Sales of construction material	10,337,954,008
		Dividend received	3,024,000,000
		Equipment rental income	2,678,455,290
		Equipment rental expense	1,331,416,581
FCC Infrastructure Investment Joint Stock Company	Associate	Capital contribution	47,915,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

as at and for the year ended 31 December 2014

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30. TRANSACTIONS WITH RELATED PARTIES (continued)

The outstanding balances due from and due to related parties as at 31 December 2014 as follows:

VND

Related party	Relationship	Nature of transaction	Receivable (payable)
Trade receivable			
Phu Hung Gia Construction & Investment Joint Stock Company	Associate	Construction services, rental, maintenance and delivery fee of machinery and equipment	45,183,233,831
Trade payable			
Phu Hung Gia Construction & Investment Joint Stock Company	Associate	Construction cost and purchase of material	(94,302,391,604)
Advance from customer			
Phu Hung Gia Construction & Investment Joint Stock Company	Associate	Advance for rendering of construction services	3,464,000,000

Remuneration to members of the Board of Directors and Board of Supervision:

VND

	Current year	Previous year
Remuneration of Board of Directors and Board of Supervision	1,788,000,000	1,320,000,000

31. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit after tax for the year attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

	Current year	Previous year
Net profit after tax attributable to ordinary equity holders for basic earnings (VND)	327,353,295,195	257,137,686,890
Weighted average number of ordinary shares during the year	42,133,344	42,133,344
Basic and diluted earnings per share (VND)	7,769	6,103

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

as at and for the year ended 31 December 2014

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32. SEGMENT INFORMATION

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services rendered. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Construction services segment

Construction materials trading segment

Investment properties activities segment

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expense and segment result include transfers between business segments. Those transfers are eliminated in preparation of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2014

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32. SEGMENT INFORMATION (continued)

The following tables present revenue and profit and certain assets and liability information regarding the Group's business segment:

VND

	Construction services	Construction materials trading	Investment properties activities	Elimination	Total
As at and for the year ended 31 December 2014					
Revenue					
Revenue from sale of goods and rendering of services	7,815,950,679,587	363,630,613,361	26,973,140,115	(572,932,573,013)	7,633,621,860,050
Results					
Segment net profit (loss) before tax	497,673,715,178	(4,533,977,272)	10,257,646,081	(525,676,387)	502,871,707,600
Unallocated income					(38,584,288,886)
Net profit before income tax					464,287,418,714
Income tax expense					(106,821,711,223)
Net profit for the year					357,465,707,491
Assets and liabilities					
Segment assets	2,741,842,974,334	93,814,075,027	123,844,398,620	(164,086,748,947)	2,795,414,699,034
Unallocated assets					2,067,647,166,415
Total assets					4,863,061,865,449
Segment liabilities	2,055,799,936,567	113,619,426,317	3,661,222,307	(164,086,748,947)	2,008,993,836,244
Unallocated liabilities					144,675,909,508
Total liabilities					2,153,669,745,752

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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32. SEGMENT INFORMATION (continued)

The following tables present revenue and profit and certain assets and liability information regarding the Group's business segment: (continued)

VND

	Construction services	Construction materials trading	Office leasing	Elimination	Total
As at and for the year ended 31 December 2013					
Revenue					
Revenue from sale of goods and rendering of services	6,317,916,707,862	282,328,442,561	27,385,256,026	(437,979,000,298)	6,189,651,406,151
Results					
Segment net profit (loss) before tax	421,732,532,696	(546,181,918)	9,139,291,079	(2,702,943,573)	427,622,698,284
Unallocated expenses					(34,471,582,444)
Net profit before income tax					393,151,115,840
Income tax expense					(113,273,453,462)
Net profit for the year					279,877,662,378
Assets and liabilities					
Segment assets	2,648,276,394,849	91,370,772,096	112,059,076,302	(155,174,603,753)	2,696,531,639,494
Unallocated assets					1,855,728,748,956
Total assets					4,552,260,388,450
Segment liabilities	2,001,635,202,986	134,035,114,703	5,169,678,812	(155,174,603,753)	1,985,665,392,748
Unallocated liabilities					98,101,104,151
Total liabilities					2,083,766,496,899

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

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33. OPERATING LEASE COMMITMENTS

Operating lease commitments represent committed amounts relating to office lease under the operating lease agreement. Future rental amounts due as at 31 December 2014 are as follows:

VND

	31 December 2014	31 December 2013
Less than 1 year	854,545,455	1,884,384,000
From 1 to 5 years	405,000,000	2,097,352,000
TOTAL	1,259,545,455	3,981,736,000

In addition, the Group leases out its Coteccons Building property under operating lease arrangement. The future minimum rental receivable as at 31 December 2014 under the operating lease agreements is as follows:

VND

	31 December 2014	31 December 2013
Less than 1 year	8,083,860,438	10,338,781,728
From 1 to 5 years	5,773,322,760	7,171,285,878
More than 5 years	1,227,574,560	5,175,748,200
TOTAL	15,084,757,758	22,685,815,806

34. CAPITAL COMMITMENT

As at 31 December 2014, the Company had capital contribution commitment as follows:

VND

Name of investee	Charter capital	Capital contribution commitment		Contributed amount	Remaining commitment
		Amount	%	Amount	Amount
FCC Infrastructure Investment Joint Stock Company	369,000,000,000	129,150,000,000	35	47,915,000,000	81,235,000,000

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group has trade and other receivable, and cash and short-term deposits that arise directly from its operations. The Group does not hold or issue any derivative financial instruments.

The Company is exposed to market risk, commodity price risk, credit risk and liquidity risk. Management reviews and agrees policies for managing each of these risks which are summarized below.

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35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include bank deposits.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to market risk for changes in interest rate relates primarily to the Group's cash and short-term deposits. These investments are mainly short term in nature and they are not held for speculative purposes.

The Group manages interest rate risk by looking at the competitive structure of the market to obtain rates which are favorable for its purposes within its risk management limits.

No analysis on interest sensitivity was performed for the year ended 31 December 2014 since the Group's term deposits are fixed interest rates.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk in relation to purchases of goods which are denominated in currencies other than its accounting currency as disclosed in Note 2.4. The Group manages its foreign currency exposure by considering the prevailing and expected market situation when it plans for future purchases and sales of goods denominated in foreign currencies, other than increasing natural-hedged proportion. The Group does not employ any derivative financial instruments to hedge its foreign currency exposure.

No analysis on interest sensitivity was performed for the year ended 31 December 2014 since the Group's purchases of goods, purchases and rendering of service were mainly denominated in VND during the year.

Commodity price risk

The Group is exposed to commodity price risk in relation to purchase of certain commodities for rendering of construction services. The Group manages its commodity price risk by keeping close watch on relevant information and situation of commodity market in order to properly manage timing of purchases, construction plans and inventories level. The Group does not employ any derivative financial instruments to hedge its commodity price risk.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

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35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Trade receivables

Customer credit risk is managed by the Group based on its established policy, procedures and control relating to customer credit risk management.

Outstanding customer receivables are regularly monitored. The requirement for impairment is analyzed at each reporting date on an individual basis for major clients. The Group seeks to maintain strict control over its outstanding receivables to minimize credit risk. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

Bank deposits

The Group's bank balances are mainly maintained with well-known banks in Vietnam. Credit risk from balances with banks is managed by the Group's management in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties.

Liquidity risk

The liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligation due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of maturities of financial assets and liabilities.

The Group monitors its liquidity risk by maintain a level of cash and cash equivalents to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	Less than 1 year	From 1 to 5 years	Total
Ending balance			
Trade payables	975,592,525,919	-	975,592,525,919
Other payables and accrued expenses	893,409,058,837	2,869,733,915	896,278,792,752
	1,869,001,584,756	2,869,733,915	1,871,871,318,671
Beginning balance			
Trade payables	1,013,608,167,423	-	1,013,608,167,423
Other payables and accrued expenses	708,701,920,689	4,632,162,730	713,334,083,419
	1,722,310,088,112	4,632,162,730	1,726,942,250,842

VND

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently to finance for its debt maturing within 12 months.

Collateral

The Group did not pledge its assets as well as hold collateral as at 31 December 2014 and 31 December 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2014

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36. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are carried in the consolidated financial statements. VND

	Carrying amount				Fair value	
	Ending balance		Beginning balance		Ending balance	Beginning balance
	Cost	Provision	Cost	Provision		
Financial assets						
Other short-term investments	629,080,000,000	-	1,055,500,000,000	-	629,080,000,000	1,055,500,000,000
Other long-term investments	680,000,000,000	-	-	-	680,000,000,000	-
Trade receivables	2,108,986,654,538	(193,214,749,815)	1,998,828,648,247	(151,467,089,618)	1,915,771,904,723	1,847,361,558,629
Receivables from related parties	45,183,233,831		91,665,707,098		45,183,233,831	91,665,707,098
Other receivables	70,482,391,323	(1,284,194,115)	34,295,014,648	-	69,198,197,208	34,295,014,648
Other non-current financial assets	45,000,000	-	45,000,000	-	45,000,000	45,000,000
Cash and cash equivalents	469,023,469,430	-	618,518,444,081	-	469,023,469,430	618,518,444,081
TOTAL	4,002,800,749,122	(194,498,943,930)	3,798,852,814,074	(151,467,089,618)	3,808,301,805,192	3,647,385,724,456
Financial liabilities						
Trade payables	94,302,391,604	-	892,582,606,369	-	94,302,391,604	892,582,606,369
Payables to related parties	881,290,134,315	-	121,025,561,054	-	881,290,134,315	121,025,561,054
Other current financial liabilities	893,409,058,837	-	708,701,920,689	-	893,409,058,837	708,701,920,689
Other non-current financial liabilities	2,869,733,915	-	4,632,162,730	-	2,869,733,915	4,632,162,730
TOTAL	1,871,871,318,671	-	1,726,942,250,842	-	1,871,871,318,671	1,726,942,250,842

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

as at and for the year ended 31 December 2014

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36. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair values of the financial assets and liabilities had not yet been formally assessed and determined as at 31 December 2014 and 31 December 2013. However, it is Management's assessment that the fair values of these financial assets and liabilities are approximately the same as their carrying value as at the balance sheet date.

37. EVENTS AFTER THE BALANCE SHEET DATE

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




Vu Thi Hong Hanh
Preparer

18 March 2015



Ha Tieu Anh
Chief Accountant



Nguyen Ba Duong
General Director



THE LIST OF TYPICAL PROJECTS IN 2014



MASTERI THAO DIEN

Owner : Thao Dien Investment Company
Project scope : Basements: 02, Number of storey: 44
Area : The total construction floor area 330,000 m²
Package : D&B
Value : VND3,500 billion
Address : Thao Dien Ward, District 2, HCMC





THE LIST OF TYPICAL PROJECTS IN 2014 (cont.)



REGINA MIRACLE INTERNATIONAL VIETNAM

Owner : REGINA MIRACLE VIETNAM INTERNATIONAL LIMITED
Project scope : Factory, office, infrastructure
Area : 7.4 ha
Package : D&B
Value : Over VND1,000 billion
Address : VSIP Urban area in Hai Phong City





THE LIST OF TYPICAL PROJECTS IN 2014 (cont.)



AEON MALL

Owner : Aeon Group - Japan - Main Contractor: Obayashi VN
Project scope : Structure, Architecture
Area : 10 ha
Package : Commercial center, restaurant, office, entertainment center
Value : VND146 billion
Address : Information Technology Park in Hanoi

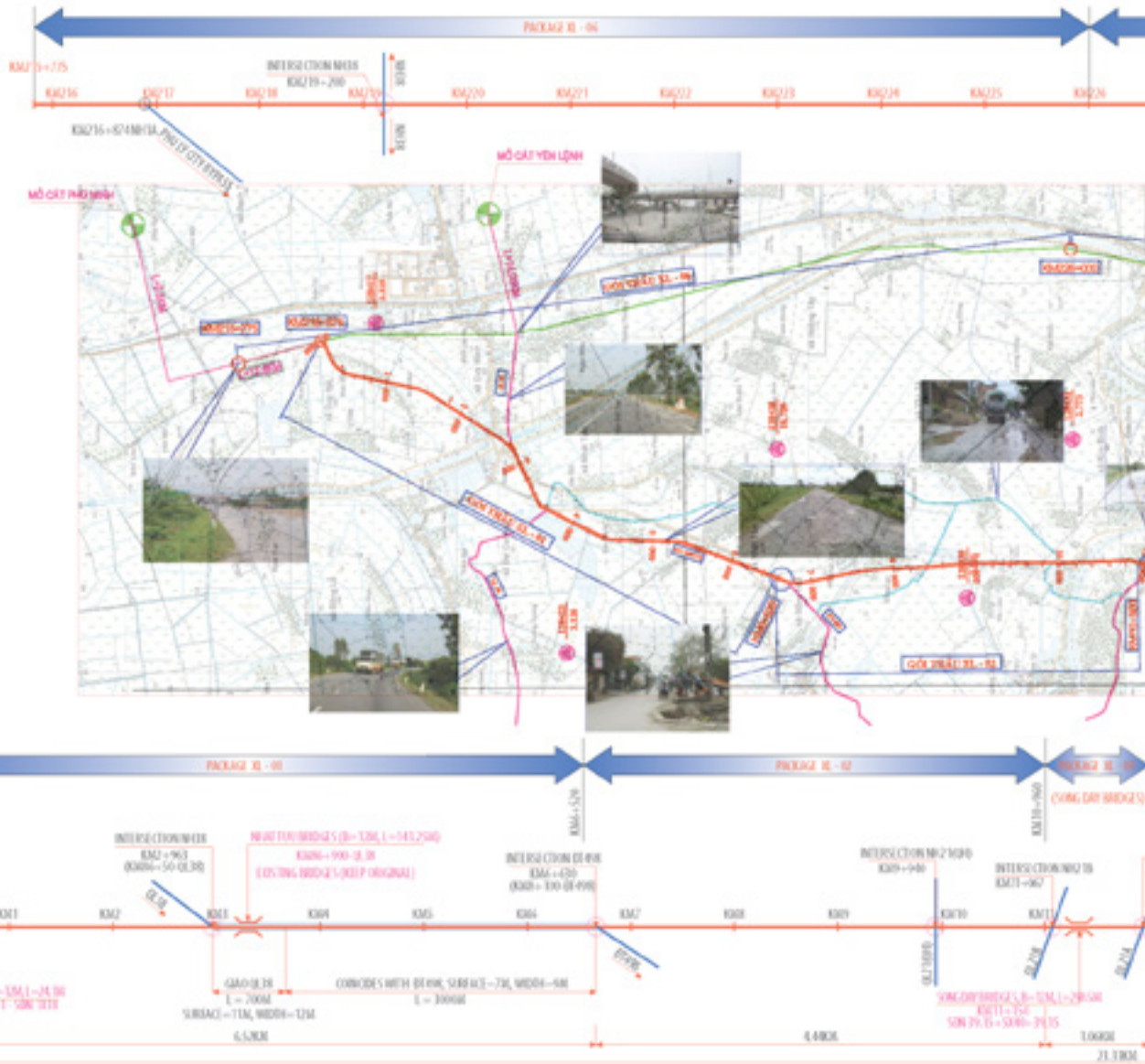




THE LIST OF TYPICAL PROJECTS IN 2014 (cont.)

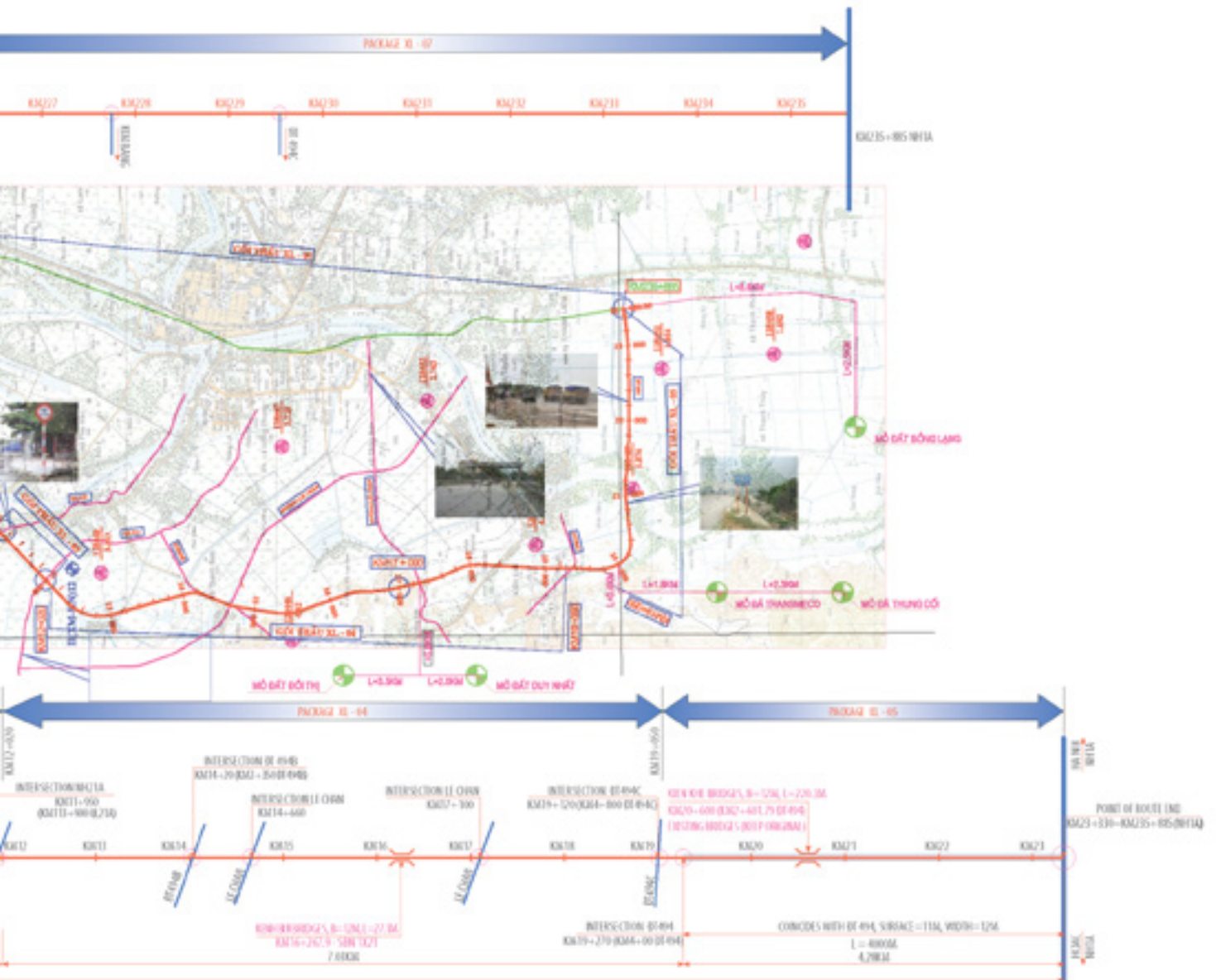
CONSTRUCTION AREAS FOR CIVIL WORK PACKAGES

PROJECT: CONSTRUCTION INVESTMENT IN NH1 WORKS IN PHU LY BYPASS AND IMPROVEMENT OF ROAD PAVEMENT OF NATIONAL HIGHWAY 1 IN THE SECTION AT KM 215 + 775 - KM 235 + 885, IN HANAM PROVINCE UNDER THE FORM OF BOT CONTRACT



INFRASTRUCTURE PROJECT (PHU LY CITY, HA NAM PROVINCE)

Owner : FCC Infrastructure Investment JSC
Project scope : Construction investment in 23 km of National Highway 1 in Phu Ly City bypass and improvement of road surface of National Highway 1 in the section at Km 215 + 775 - Km 235 + 885.
Package : BOT
Value : VND2,100 billion
Address : Phu Ly City, Ha Nam Province





THE LIST OF TYPICAL PROJECTS IN 2014 (cont.)



Deputy Prime Minister Hoang Trung Hai gave speech at the ceremony





Mr. Nguyen Ba Duong awarded passbook to former TNXP of Ha Nam province



Deputy Prime Minister Hoang Trung Hai, Vice Chairwoman of National Assembly Nguyen Thi Kim Ngan, Minister of Transport Dinh La Thang pressed the start button of the project Phu Ly City bypass and improvement of NH1 pavement in the section at Km215+775÷Km235+885.



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