

Coteccons Construction Joint Stock Company
(formerly known as Cotec Construction Joint Stock Company)

Consolidated financial statements

31 December 2016



Coteccons Construction Joint Stock Company
(formerly known as Cotec Construction Joint Stock Company)

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Coteccons Construction Joint Stock Company

(formerly known as Cotec Construction Joint Stock Company)

GENERAL INFORMATION

THE COMPANY

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

<u>Amended BRC/ERC No.</u>	<u>Date</u>
4103002611 – 1 st	10 January 2005
4103002611 – 2 nd	19 April 2006
4103002611 – 3 rd	24 October 2006
4103002611 – 4 th	5 June 2007
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4103002611 – 7 th	22 May 2009
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0303443233 – 18 th	30 November 2016

According to the 15th amended ERC, the Company's name has been changed to Coteccons Construction Joint Stock Company from Cotec Construction Joint Stock Company.

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 are to provide designing and 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. Giuseppe Maniscalco Ferrara	Member	
Mr. Bolat Duisenov	Member	appointed on 12 April 2016
Mr. Tran Quyet Thang	Member	appointed on 12 April 2016
Mr. Vu Duy Lam	Member	appointed on 1 June 2016
Mr. Talgat Turumbayev	Member	resigned on 12 April 2016
Mr. Tony Xuan Diep	Member	resigned on 12 April 2016
Mr. Hoang Xuan Chinh	Member	resigned on 1 June 2016

Coteccons Construction Joint Stock Company

(formerly known as Cotec Construction Joint Stock Company)

GENERAL INFORMATION (continued)

BOARD OF SUPERVISION

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

Mr. Nguyen Duc Canh	Head of Board of Supervision	appointed on 22 April 2016
Ms. Nghiem Bach Huong	Head of Board of Supervision	resigned on 12 April 2016
Ms. Nguyen Thi Phuc Long	Member	appointed on 12 April 2016
Ms. Phan Cam Ly	Member	appointed on 12 April 2016
Mr. Nguyen Duc Canh	Member	resigned on 22 April 2016
Mr. Ho Van Chi Thanh	Member	resigned on 12 April 2016

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
Mr. Phan Huy Vinh	Deputy General Director

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.

Coteccons Construction Joint Stock Company

(formerly known as Cotec Construction Joint Stock Company)

REPORT OF MANAGEMENT

Management of Coteccons 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 2016.

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 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 2016 and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements.

For and on behalf of management:

Nguyen Ba Duong
General Director

Ho Chi Minh City, Vietnam

28 February 2017





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

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ey.com

Reference: 60813343/18591958-HN

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of Coteccons Construction Joint Stock Company

We have audited the accompanying consolidated financial statements of Coteccons Construction Joint Stock Company ("the Company") and its subsidiary (collectively referred to as "the Group") as prepared on 28 February 2017 and set out on pages 6 to 42, which comprise the consolidated balance sheet as at 31 December 2016, and the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

Management's responsibility

The Company's 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 the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the 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 Group'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 Group'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 2016, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of the consolidated financial statements.

Ernst & Young Vietnam Limited



Tran Nam Dung
Deputy General Director
Audit Practicing Registration Certificate
No. 3021-2014-004-1

Ngo Hong Son
Auditor
Audit Practicing Registration Certificate
No. 2211-2013-004-01

Ho Chi Minh City, Vietnam

28 February 2017

Coteccons Construction Joint Stock Company
(formerly known as Cotec Construction Joint Stock Company)

B01-DN/HN

CONSOLIDATED BALANCE SHEET
as at 31 December 2016

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		9,943,464,944,899	6,485,874,716,823
110	I. Cash and cash equivalents	4	1,996,627,577,169	1,461,621,853,393
111	1. Cash		716,627,577,169	906,621,853,393
112	2. Cash equivalents		1,280,000,000,000	555,000,000,000
120	II. Short-term investment		2,675,000,000,000	928,100,000,000
123	1. Held-to-maturity investments	5	2,675,000,000,000	928,100,000,000
130	III. Current accounts receivable		3,483,690,579,494	2,608,589,628,142
131	1. Short-term trade receivables	6	3,345,759,405,855	2,605,698,634,082
132	2. Short-term advances to suppliers	7	175,416,870,761	202,857,498,603
136	3. Other short-term receivables	8	225,997,460,583	112,776,947,256
137	4. Provision for doubtful short-term receivables	6, 8	(263,483,157,705)	(312,743,451,799)
140	IV. Inventory	9	1,240,877,076,159	1,051,277,324,227
141	1. Inventories		1,240,877,076,159	1,051,277,324,227
150	V. Other current assets		547,269,712,077	436,285,911,061
151	1. Short-term prepaid expenses	10	4,005,229,349	18,026,746,448
152	2. Value-added tax deductibles		542,683,814,702	418,244,088,256
153	3. Tax and other receivables from the State	18	580,668,026	15,076,357
200	B. NON-CURRENT ASSETS		1,797,406,246,208	1,329,221,251,200
210	I. Long-term receivable		253,976,000	248,976,000
216	1. Other long-term receivables		253,976,000	248,976,000
220	II. Fixed assets		585,367,558,531	439,783,731,702
221	1. Tangible fixed assets	11	492,919,469,629	340,259,899,558
222	Cost		761,234,552,099	575,511,779,810
223	Accumulated depreciation		(268,315,082,470)	(235,251,880,252)
227	2. Intangible assets	12	92,448,088,902	99,523,832,144
228	Cost		102,365,530,801	108,679,038,268
229	Accumulated amortisation		(9,917,441,899)	(9,155,206,124)
230	III. Investment properties	13	78,054,175,594	91,813,818,041
231	1. Cost		95,184,189,935	105,619,003,648
232	2. Accumulated depreciation		(17,130,014,341)	(13,805,185,607)
240	IV. Long-term asset in progress		18,354,164,656	26,019,018,249
242	1. Construction in progress	14	18,354,164,656	26,019,018,249
250	V. Long-term investments		714,783,616,306	492,937,092,625
252	1. Investments in associates	15	194,783,616,306	124,937,092,625
255	2. Held-to-maturity investments	5	520,000,000,000	368,000,000,000
260	VI. Other long-term assets		400,592,755,121	278,418,614,583
261	1. Long-term prepaid expenses	10	396,065,656,914	274,878,346,127
262	2. Deferred tax assets	29.3	4,527,098,207	3,540,268,456
270	TOTAL ASSETS		11,740,871,191,107	7,815,095,968,023

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2016

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		5,507,243,351,828	4,572,560,185,669
310	I. Current liabilities		5,495,199,216,604	4,559,132,890,228
311	1. Short-term trade payables	16	3,228,154,146,494	1,962,369,570,532
312	2. Short-term advances from customers	17	795,653,018,908	1,107,822,409,888
313	3. Statutory obligations	18	244,479,991,421	116,914,020,796
315	4. Short-term accrued expenses	19	822,046,183,940	1,098,234,426,509
318	5. Short-term unearned revenues	20	95,301,132,287	24,026,122,901
319	6. Other short-term payables	21	147,219,837,037	121,558,744,015
321	7. Short-term provisions	22	60,163,598,312	71,491,247,162
322	8. Bonus and welfare fund		102,181,308,205	56,716,348,425
330	II. Non-current liabilities		12,044,135,224	13,427,295,441
337	1. Other long-term liabilities	21	1,794,179,213	2,458,289,430
342	2. Long-term provisions	22	10,249,956,011	10,969,006,011
400	D. OWNERS' EQUITY		6,233,627,839,279	3,242,535,782,354
410	I. Capital	23.1	6,233,627,839,279	3,242,535,782,354
411	1. Share capital		770,500,000,000	468,575,300,000
411a	- Shares with voting rights		770,500,000,000	468,575,300,000
412	2. Share premium		2,958,550,175,385	1,385,223,930,000
415	3. Treasury shares		(1,741,460,000)	(1,741,460,000)
418	4. Investment and development fund		1,070,951,960,122	751,424,960,122
421	5. Undistributed earnings		1,435,367,163,772	639,053,052,232
421a	- Undistributed earnings of prior years		13,223,245,232	250,480,097,719
421b	- Undistributed earnings of current year		1,422,143,918,540	388,572,954,513
440	TOTAL LIABILITIES AND OWNERS' EQUITY		11,740,871,191,107	7,815,095,968,023

Vu Thi Hong Hanh

Vu Thi Hong Hanh
Preparer

Vu Thi Hong Hanh

Vu Thi Hong Hanh
Chief Accountant



Nguyen Ba Duong

Nguyen Ba Duong
General Director

28 February 2017



CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2016

VND

Code	ITEMS	Notes	Current year	Previous year
10	1. Net revenue from sale of goods and rendering of services	24.1	20,782,721,033,541	13,668,916,257,891
11	2. Cost of goods sold and services rendered	25	(18,983,319,033,277)	(12,557,080,138,880)
20	3. Gross profit from sale of goods and rendering of services		1,799,402,000,264	1,111,836,119,011
21	4. Finance income	24.2	170,167,561,778	126,103,176,681
22	5. Finance expenses - In which: Interest expenses	26	(281,190,168) 153,055,556	(1,590,712,601) -
24	6. Share of profit of associates	15	32,592,114,614	13,861,863,201
25	7. Selling expenses		(1,887,854,700)	-
26	8. General and administrative expenses	27	(297,253,276,693)	(362,816,863,648)
30	9. Operating profit		1,702,739,355,095	887,393,582,644
31	10. Other income	28	62,697,300,620	41,100,416,921
32	11. Other expenses	28	(2,514,752,597)	(1,825,477,319)
40	12. Other profit	28	60,182,548,023	39,274,939,602
50	13. Accounting profit before tax		1,762,921,903,118	926,668,522,246
51	14. Current corporate income tax expense	29.1	(341,764,814,329)	(194,398,661,290)
52	15. Deferred corporate income tax income	29.3	986,829,751	532,792,461
60	16. Net profit after tax		1,422,143,918,540	732,802,653,417
61	17. Net profit after tax attributable to shareholders of the parent		1,422,143,918,540	666,080,628,989
62	18. Net profit after tax attributable to non-controlling interests		-	66,722,024,428
70	19. Basic earnings per share	31	20,669	10,708
71	20. Diluted earnings per share	31	20,669	10,708

Vu Thi Hong Hanh
Preparer

Vu Thi Hong Hanh
Chief Accountant



Nguyen Ba Duong
General Director

28 February 2017

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2016

VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit before tax		1,762,921,903,118	926,668,522,246
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	11, 12, 13	53,782,443,059	45,201,994,948
03	Provisions		(36,138,040,739)	89,928,869,020
04	Unrealised foreign exchange gains arisen from revaluation of monetary accounts denominated in foreign currency		(344,190,103)	(146,078,821)
05	Profit from investing activities		(205,141,007,759)	(142,310,719,120)
06	Interest expense	26	153,055,556	-
08	Operating profit before changes in working capital		1,575,234,163,132	919,342,588,273
09	Increase in receivables		(914,835,439,171)	(969,292,851,723)
10	Increase in inventories		(189,599,751,932)	(706,683,514,062)
11	Increase in payables		823,723,127,088	2,345,105,757,590
12	Increase in prepaid expenses		(100,137,187,236)	(187,083,189,824)
14	Interest paid		(153,055,556)	-
15	Corporate income tax paid	18	(289,098,318,843)	(164,187,105,229)
17	Other cash outflows from operating activities		(4,071,927,469)	(8,669,374,227)
20	Net cash flows from operating activities		901,061,610,013	1,228,532,310,798
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases and construction of fixed assets		(189,440,496,481)	(242,227,710,286)
22	Proceeds from disposals of fixed assets		6,459,592,060	1,504,193,579
23	Payments for term deposits at banks and bonds		(1,898,900,000,000)	-
24	Collections from bank term deposits		-	12,980,000,000
25	Payments for investments in another entity		(42,000,000,000)	(8,085,000,000)
26	Proceeds from sale of investments in another entity		-	38,238,062,386
27	Interest and dividends received		139,754,616,316	83,106,235,283
30	Net cash flows used in investing activities		(1,984,126,288,105)	(114,484,219,038)

CONSOLIDATED CASH FLOW STATEMENT (continued)
for the year ended 31 December 2016

VND

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Issuance of shares		1,875,250,945,385	45,815,000,000
33	Drawdown of borrowings		50,000,000,000	-
34	Repayment of borrowings		(50,000,000,000)	-
36	Dividends paid		(257,186,590,275)	(167,264,407,250)
40	Net cash flows from (used in) financing activities		1,618,064,355,110	(121,449,407,250)
50	Net increase in cash and cash equivalents		534,999,677,018	992,598,684,510
60	Cash and cash equivalents at beginning of year		1,461,621,853,393	469,023,469,430
61	Impact of exchange rate fluctuation		6,046,758	(300,547)
70	Cash and cash equivalents at end of year	4	1,996,627,577,169	1,461,621,853,393

Vu Thi Hong Hanh
Preparer

Vu Thi Hong Hanh
Chief Accountant



Nguyen Ba Duong
General Director

28 February 2017

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended 31 December 2016

1. CORPORATE INFORMATION

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

<u>Amended BRC/ERC No.</u>	<u>Date</u>
4103002611 – 1 st	10 January 2005
4103002611 – 2 nd	19 April 2006
4103002611 – 3 rd	24 October 2006
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According to the 15th amended ERC, the Company's name has been changed to Coteccons Construction Joint Stock Company from Cotec Construction Joint Stock Company.

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 designing and construction services, equipment installation, interior decoration, office leasing, trading of real estate and trading of construction materials.

The Company's registered 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 2016 was 2,043 (31 December 2015: 1,573).

Group structure

Q[unicon] Company has a subsidiary, Unicons Investment Construction Company Limited ("Unicons"), a one-member limited liability company incorporated under the Law on Enterprise of Vietnam pursuant to BRC No. 4103005020 issued by the DPI of Ho Chi Minh City on 14 July 2006, as amended.

According to the 12th and 13th amended ERC issued by the DPI of Ho Chi Minh City on 16 May 2016 and 24 May 2016, Unicons has been transformed its ownership form from a shareholding company to a one-member limited liability company, and changed its name to Unicons Investment Construction Company Limited.

Unicons's registered office is located at 236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, Ho Chi Minh City, Vietnam. Unicons's principal activities are to providing construction services, equipment installation services and trading of construction materials.

As at 31 December 2016, the Company holds 100% equity interest in Unicons.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

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

2.2 *Applied accounting documentation system*

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

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 2016.

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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

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 Receivables

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

The provision for doubtful receivables represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expense in the consolidated income statement.

3.3 Inventories

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

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

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

Raw materials, 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 inventories owned by the Group, based on appropriate evidence of impairment available at the balance sheet date.

Increases or decreases to the provision balance are recorded into the cost of goods sold account 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, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

3.5 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Intangible assets (continued)

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

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 of tangible fixed assets and amortisation of 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	6 - 8 years
Office equipment	3 - 5 years
Land use rights	45 - 49 years
Softwares	3 years
Others	5 - 6 years

3.7 Investment properties

Investment properties are stated at cost including transaction costs less accumulated depreciation. Investment properties held for capital appreciation are not depreciated but subject to impairment review.

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 - 45 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.

3.8 Construction in progress

Construction in progress represents tangible fixed assets purchasing and under construction which have not yet been completed as at the balance sheet date and is stated at cost. This includes costs of construction, installation of equipment and other direct costs. Construction in progress is not depreciated until such time as the relevant assets are completed and put into use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Investments (continued)

Held-to-maturity investments

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

3.13 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.

3.14 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.

3.15 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 in service for more than 12 months up to the balance sheet date 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 and related implementing guidance. The average monthly salary used in this calculation is revised at the end of each reporting year following the average monthly salary of the 6-month period up to the reporting date. Increases or decreases to the accrued amount other than actual payment to employee 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.

3.16 Provisions

Provisions are recognized 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 project is estimated from 0.3% to 1% on value of project based on the specification of each project and actual experience.

3.17 Foreign currency transactions

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

- transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- transactions resulting in liabilities are recorded at the selling exchange rates of the transaction of commercial banks designated for payment; and
- payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Foreign currency transactions (continued)

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

- monetary assets are translated at buying exchange rate of the commercial bank where the Group conduct transactions regularly; and
- monetary liabilities are translated at selling exchange rate of the commercial bank where the Group conduct transactions regularly.

All foreign exchange differences incurred during the year and arisen from the revaluation of monetary accounts denominated in foreign currency at year-end are taken to the consolidated income statement.

3.18 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 Company (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Company (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.

3.19 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.

3.20 Appropriation of net profits

Net profit after tax is available for appropriation to investors as proposed by the Board of Director 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.

- *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 encouraging, common benefits and improvement of the employees' benefits, and presented as a liability on the consolidated balance sheet

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.21 Revenue recognition

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

Construction contracts

For the construction contracts specifying that the contractor will receive payments according to the completed work, where the outcome of a construction contract can be determined reliably and accepted by the customers, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date which is 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.

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.

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.

3.22 Taxation

Current income tax

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

Current income tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the 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 (continued)
as at and for the year ended 31 December 2016

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Taxation (continued)

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences. 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.

4. CASH AND CASH EQUIVALENTS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	419,131,108	179,130,421
Cash in banks	716,208,446,061	906,442,722,972
Cash equivalents (*)	<u>1,280,000,000,000</u>	<u>555,000,000,000</u>
TOTAL	<u>1,996,627,577,169</u>	<u>1,461,621,853,393</u>

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

5. HELD-TO-MATURITY INVESTMENTS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Term deposits (i)	2,575,000,000,000	928,100,000,000
Bonds (ii)	100,000,000,000	-
	<u>2,675,000,000,000</u>	<u>928,100,000,000</u>
Long-term		
Term deposits (iii)	520,000,000,000	368,000,000,000
TOTAL	<u>3,195,000,000,000</u>	<u>1,296,100,000,000</u>

(i) These represent deposits at commercial banks with original maturity of three (3) months or more but under one (1) year and earn an interest at the applicable rates.

(ii) Details of investments in bonds are as follows:

<i>Issuer</i>	<i>Ending balance</i>	<i>Maturity date</i>	<i>Interest</i>	<i>Collateral</i>
	VND		% p.a.	
ACB Securities Company Limited	<u>100,000,000,000</u>	One (1) year from 18 February 2016	8.5	Unsecured

(iii) These represent deposits at commercial banks with original maturity of more than one (1) year and earn an interest at the applicable rates.

6. SHORT-TERM TRADE RECEIVABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Receivables from other parties	3,332,147,622,731	2,562,527,917,898
- TCO Vietnam Investment Joint Stock Company	551,463,238,291	-
- Other customers	780,684,384,44	2,562,527,917,898
Receivables from related parties (Note 30)	<u>13,611,783,124</u>	<u>43,170,716,184</u>
TOTAL	<u>3,345,759,405,855</u>	<u>2,605,698,634,082</u>
Provision for doubtful short-term receivables	<u>(237,445,195,011)</u>	<u>(286,705,489,105)</u>
NET	<u>3,108,314,210,844</u>	<u>2,318,993,144,977</u>

Movements of provision for doubtful short-term receivables:

	VND	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	286,705,489,105	193,214,749,815
Add: Provision created during the year	209,498,197	112,646,178,775
Less: Reversal of provision during the year	<u>(49,469,792,291)</u>	<u>(19,155,439,485)</u>
Ending balance	<u>237,445,195,011</u>	<u>286,705,489,105</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

7. SHORT-TERM ADVANCES TO SUPPLIERS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
QH Plus Joint Stock Company	41,049,888,814	-
BM Windows Joint Stock Company	31,939,082,148	-
Other suppliers	102,427,899,799	202,857,498,603
TOTAL	<u>175,416,870,761</u>	<u>202,857,498,603</u>

8. OTHER SHORT-TERM RECEIVABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Interest receivable	104,762,712,513	68,752,849,670
Advances to construction teams and employees	97,495,040,302	36,353,752,806
Short-term deposits	2,365,763,612	2,485,592,959
Others	21,373,944,156	5,184,751,821
TOTAL	<u>225,997,460,583</u>	<u>112,776,947,256</u>
Provision for doubtful short-term receivables	<u>(26,037,962,694)</u>	<u>(26,037,962,694)</u>
NET	<u>199,959,497,889</u>	<u>86,738,984,562</u>

Movements of provision for doubtful short-term receivables:

	VND	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	26,037,962,694	1,284,194,115
Add: Provision created during the year	<u>-</u>	<u>24,753,768,579</u>
Ending balance	<u>26,037,962,694</u>	<u>26,037,962,694</u>

9. INVENTORIES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Construction work in process (*)	1,240,877,076,159	1,049,794,658,824
Merchandise goods	<u>-</u>	<u>1,482,665,403</u>
TOTAL	<u>1,240,877,076,159</u>	<u>1,051,277,324,227</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

9. INVENTORIES (continued)

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

	VND	
	Ending balance	Beginning balance
Masteri Thao Dien High-class Apartment	132,193,863,779	162,782,230,796
The One Ho Chi Minh City Tower	107,520,142,497	31,323,472,415
T&T Vinh Hung Services, Trade and Apartment Complex Zone	106,235,853,675	14,883,840,102
Masteri Villas (Vinhomes Thang Long)	99,391,229,985	-
Dai Quang Minh Highrise, Office Tower	88,547,863,476	92,695,482,019
Vinhomes Metropolis Lieu Giai Tower	68,561,509,754	-
Vinhomes Times City Park Hill 9, 10	58,482,065,320	19,737,763,867
Park City Ha Noi - Area 2	52,711,282,702	7,841,543,600
Masteri Thao Dien High-class Apartment - CT 5 Tower	52,631,929,166	3,487,170,626
Panaroma Nha Trang Project	52,535,522,690	-
Preche Apartment	48,349,713,466	-
HH01 Nam Cuong Complex	40,923,045,201	-
The Goldview High-class Apartment	40,379,352,543	18,381,367,473
Diamond Island High-class Apartment	28,542,004,559	2,895,178,815
Others	263,871,697,346	695,766,609,111
TOTAL	<u>1,240,877,076,159</u>	<u>1,049,794,658,824</u>

10. PREPAID EXPENSES

	VND	
	Ending balance	Beginning balance
Short-term		
Office rental and maintenance expenses	3,616,093,518	2,857,903,244
Tools and supplies used for construction works	389,135,831	15,168,843,204
	<u>4,005,229,349</u>	<u>18,026,746,448</u>
Long-term		
Tools and supplies used for construction works	364,973,778,452	253,095,850,847
Others	31,091,878,462	21,782,495,280
	<u>396,065,656,914</u>	<u>274,878,346,127</u>
TOTAL	<u>400,070,886,263</u>	<u>292,905,092,575</u>

Coteccons Construction Joint Stock Company
(formerly known as Cotec Construction Joint Stock Company)

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

11. TANGIBLE FIXED ASSETS

	Buildings & structures	Machinery & equipment	Means of transportation	Office equipment	Others	Total	VND
Cost:							
Beginning balance	155,039,630,662	362,270,732,566	35,392,261,960	18,033,993,632	4,775,160,990	575,511,779,810	
New purchases	9,172,691,032	164,406,392,088	4,839,648,364	4,252,419,161	-	182,671,150,645	
Transfer from construction in progress	11,801,190,431	12,759,393,424	2,265,105,000	-	-	26,825,688,855	
Transfer to investment properties	(3,278,752,253)	-	-	-	-	(3,278,752,253)	
Disposal	-	(14,127,025,001)	(3,086,030,545)	(1,556,814,713)	(1,725,444,699)	(20,495,314,958)	
Ending balance	172,734,759,872	525,309,493,077	39,410,984,779	20,729,598,080	3,049,716,291	761,234,552,099	
<i>In which:</i>							
Fully depreciated	17,651,382,870	120,161,499,063	6,456,039,684	9,358,587,286	3,018,852,655	156,646,361,558	
Accumulated depreciation:							
Beginning balance	(38,254,622,886)	(160,848,961,536)	(19,358,374,525)	(12,042,387,852)	(4,747,533,453)	(235,251,880,252)	
Depreciation for the year	(7,081,675,257)	(33,716,369,973)	(4,662,126,405)	(3,233,903,657)	(7,715,904)	(48,701,791,196)	
Transfer to investment properties	72,861,161	-	-	-	-	72,861,161	
Disposal	-	10,880,239,096	1,403,229,309	1,556,814,713	1,725,444,699	15,565,727,817	
Ending balance	(45,263,436,982)	(183,685,092,413)	(22,617,271,621)	(13,719,476,796)	(3,029,804,658)	(268,315,082,470)	
Net carrying amount:							
Beginning balance	116,785,007,776	201,421,771,030	16,033,887,435	5,991,605,780	27,627,537	340,259,899,558	
Ending balance	127,471,322,890	341,624,400,664	16,793,713,158	7,010,121,284	19,911,633	492,919,469,629	



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

12. INTANGIBLE ASSETS

			VND
	<i>Land use rights</i>	<i>Software</i>	<i>Total</i>
Cost:			
Beginning balance	102,603,924,366	6,075,113,902	108,679,038,268
New purchase	-	1,153,697,500	1,153,697,500
Transfer from construction in progress	-	622,850,000	622,850,000
Disposal	-	(368,054,967)	(368,054,967)
Reclassification to long-term prepaid expenses	(7,722,000,000)	-	(7,722,000,000)
Ending balance	<u>94,881,924,366</u>	<u>7,483,606,435</u>	<u>102,365,530,801</u>
<i>In which:</i>			
Fully depreciated	-	3,154,970,119	3,154,970,119
Accumulated amortisation:			
Beginning balance	(4,934,163,270)	(4,221,042,854)	(9,155,206,124)
Amortisation for the year	(611,007,240)	(1,217,677,050)	(1,828,684,290)
Disposal	-	368,054,967	368,054,967
Reclassification to long-term prepaid expenses	698,393,548	-	698,393,548
Ending balance	<u>(4,846,776,962)</u>	<u>(5,070,664,937)</u>	<u>(9,917,441,899)</u>
Net carrying value:			
Beginning balance	<u>97,669,761,096</u>	<u>1,854,071,048</u>	<u>99,523,832,144</u>
Ending balance	<u>90,035,147,404</u>	<u>2,412,941,498</u>	<u>92,448,088,902</u>

Land use rights include the cost of land use rights with carrying amount of VND 64,662,555,400 which are indefinite and accordingly not amortised.

13. INVESTMENT PROPERTIES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Investment properties for rent (Note 13.1)	78,054,175,594	78,100,252,075
Investment properties for capital appreciation (Note 13.2)	<u>-</u>	<u>13,713,565,966</u>
TOTAL	<u>78,054,175,594</u>	<u>91,813,818,041</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

13. INVESTMENT PROPERTIES (continued)

13.1 Investment properties for rent

	Office building	Others	VND Total
Cost:			
Beginning balance	73,285,073,773	18,620,363,909	91,905,437,682
Transfer from tangible fixed assets	<u>3,278,752,253</u>	-	<u>3,278,752,253</u>
Ending balance	<u>76,563,826,026</u>	<u>18,620,363,909</u>	<u>95,184,189,935</u>
Accumulated depreciation:			
Beginning balance	(12,214,178,950)	(1,591,006,657)	(13,805,185,607)
Depreciation for the year	(2,507,153,013)	(744,814,560)	(3,251,967,573)
Transfer from tangible fixed assets	<u>(72,861,161)</u>	-	<u>(72,861,161)</u>
Ending balance	<u>(14,794,193,124)</u>	<u>(2,335,821,217)</u>	<u>(17,130,014,341)</u>
Net carrying amount:			
Beginning balance	<u>61,070,894,823</u>	<u>17,029,357,252</u>	<u>78,100,252,075</u>
Ending balance	<u>61,769,632,902</u>	<u>16,284,542,692</u>	<u>78,054,175,594</u>

The fair value of the investment properties was not formally assessed and determined as at 31 December 2016. However, given the present occupancy rate of these properties, it is management's assessment that these properties' market values are higher than their carrying value as at the balance sheet date.

13.2 Investment properties for capital appreciation

	Current year	VND Previous year
Beginning balance	13,713,565,966	23,507,517,231
Disposal during the year	<u>(13,713,565,966)</u>	<u>(9,793,951,265)</u>
Ending balance	<u>-</u>	<u>13,713,565,966</u>

14. CONSTRUCTION IN PROGRESS

Constructions in progress represent assets purchased during the year which are under installation and the value of warehouse which is under construction.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

15. INVESTMENTS IN ASSOCIATES

	VND	
	Ending balance	Beginning balance
Investments in associates	<u>194,783,616,306</u>	<u>124,937,092,625</u>

The details of investment in associates are as follows:

	<u>Ending balance</u>		<u>Beginning balance</u>	
	% of interest	Amount (VND)	% of interest	Amount (VND)
FCC Infrastructure Investment Joint Stock Company ("FCC")	35	98,051,443,745	35	55,825,749,951
Ricons Construction Investment Joint Stock Company ("Ricons")	19.20	96,563,534,057	20.16	68,937,394,271
Quang Trong Commercial Joint Stock Company ("Quang Trong")	36	<u>168,638,504</u>	36	<u>173,948,403</u>
TOTAL		<u>194,783,616,306</u>		<u>124,937,092,625</u>

FCC is a shareholding company established in accordance with BRC No. 0106605407 issued by the DPI of Ha Noi City on 21 July 2014 and as amended. FCC's principal activities are to provide civil and industrial construction services. According to ERC, the register charter capital of FCC is VND 369,000,000,000, in which the Group contributes VND 129,150,000,000 equivalent to 35% (Note 33.2).

Ricons, formerly known as Phu Hung Gia Construction Investment Joint Stock Company, is a shareholding company established in accordance with BRC No. 4103002810 issued by the DPI of Ho Chi Minh City on 27 October 2004 and amended BRC and Enterprise Registration Certificate ("ERC"). Ricons's principal activities are to provide civil and industrial construction services, trade of construction materials and trade real estate. The Group has significant influence on the financial and operating policies of Ricons.

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 amended BRC and ERC. Quang Trong's principal activities are to trade real estate and provide project management.

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15. INVESTMENTS IN ASSOCIATES (continued)

Details of investments in associates are as follows:

	VND
	<i>Total</i>
Cost of investment:	
Beginning balance	94,160,000,000
Increase during the year	42,000,000,000
Ending balance	<u>136,160,000,000</u>
Accumulated share in post-acquisition profit of the associates:	
Beginning balance	30,777,092,625
Share in post-acquisition profit of the associates for the year	32,592,114,614
Unrealised profits during the year	1,302,409,067
Dividend during the year	<u>(6,048,000,000)</u>
Ending balance	<u>58,623,616,306</u>
Net carrying amount:	
Beginning balance	<u>124,937,092,625</u>
Ending balance	<u>194,783,616,306</u>

16. SHORT-TERM TRADE PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Payables to other parties	2,564,002,861,778	1,716,847,501,185
Payables to related parties (Note 30)	<u>64,151,284,716</u>	<u>245,522,069,347</u>
TOTAL	<u>3,228,154,146,494</u>	<u>1,962,369,570,532</u>

17. SHORT-TERM ADVANCES FROM CUSTOMERS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Vinh Hoi Investment and Development Joint Stock Company	162,247,819,016	
Viet Star Co., Ltd	117,958,586,503	
Phu Hung Real Estate Investment Company Limited	104,388,827,700	
Tan Lien Phat Construction Investment Corporation	92,024,799,038	506,705,846,046
Saigon Garment - Match Joint Stock Company	86,349,301,230	-
Ho Chi Minh City Investment Service Trading Joint Stock Company	81,507,394,583	-
Other customers	<u>151,176,290,838</u>	<u>601,116,563,842</u>
TOTAL	<u>795,653,018,908</u>	<u>1,107,822,409,888</u>

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18. STATUTORY OBLIGATIONS

	VND			
	<i>Beginning balance</i>	<i>Increase in the year</i>	<i>Payment in the year</i>	<i>Ending balance</i>
Payables				
Corporate income tax	62,243,845,728	341,764,814,329	(289,098,318,843)	114,910,341,214
Value-added tax	26,325,980,844	290,767,011,671	(235,012,724,575)	82,080,267,940
Personal income tax	28,344,194,224	80,557,871,917	(61,412,683,874)	47,489,382,267
Others	-	6,000,000	(6,000,000)	-
TOTAL	<u>116,914,020,796</u>	<u>713,095,697,917</u>	<u>(585,529,727,292)</u>	<u>244,479,991,421</u>
Receivable				
Import tax	<u>(15,076,357)</u>	<u>18,273,143,230</u>	<u>(18,838,734,899)</u>	<u>(580,668,026)</u>

19. SHORT-TERM ACCRUED EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Accrual for on-going construction projects	822,046,183,940	1,097,870,861,106
Others	-	363,565,403
TOTAL	<u>822,046,183,940</u>	<u>1,098,234,426,509</u>

20. SHORT-TERM UNEARNED REVENUE

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Unearned revenue from construction works	95,285,980,772	23,496,188,501
Unearned revenue from office leasing	15,151,515	529,934,400
TOTAL	<u>95,301,132,287</u>	<u>24,026,122,901</u>

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as at and for the year ended 31 December 2016

21. OTHER PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Payable to construction teams	136,784,948,612	119,209,888,142
Remuneration to Board of Directors, Board of Supervision	8,520,000,000	931,600,000
Dividend payables	419,737,325	256,520,600
Others	1,495,151,100	1,160,735,273
	<u>147,219,837,037</u>	<u>121,558,744,015</u>
Long-term		
Deposits	<u>1,794,179,213</u>	<u>2,458,289,430</u>
TOTAL	<u>149,014,016,250</u>	<u>124,017,033,445</u>

22. PROVISIONS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Provisions for construction warranty	<u>60,163,598,312</u>	<u>71,491,247,162</u>
Long-term		
Severance allowance	<u>10,249,956,011</u>	<u>10,969,006,011</u>

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23. OWNERS' EQUITY

23.1 Increase and decrease in owners' equity

	Share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Total
Previous year						VND
Beginning balance	422,000,000,000	869,140,000,000	(1,741,460,000)	677,695,028,874	560,147,617,787	2,527,241,186,661
Increase capital	46,575,300,000	516,083,930,000	-	-	-	562,659,230,000
Net profit for the year	-	-	-	-	666,080,628,989	666,080,628,989
Profit appropriation	-	-	-	73,729,931,248	(73,729,931,248)	-
Transfer to bonus and welfare fund	-	-	-	-	(20,860,024,888)	(20,860,024,888)
Dividends declared	-	-	-	-	(210,666,720,000)	(210,666,720,000)
Decrease due to changing ownership interest in a subsidiary	-	-	-	-	(281,918,518,408)	(281,918,518,408)
Ending balance	468,575,300,000	1,385,223,930,000	(1,741,460,000)	751,424,960,122	639,053,052,232	3,242,535,782,354
Current year						
Beginning balance	468,575,300,000	1,385,223,930,000	(1,741,460,000)	751,424,960,122	639,053,052,232	3,242,535,782,354
Increase capital (*)	301,924,700,000	1,573,326,245,385	-	-	-	1,875,250,945,385
Net profit for the year	-	-	-	-	1,422,143,918,540	1,422,143,918,540
Profit appropriation	-	-	-	319,527,000,000	(319,527,000,000)	-
Transfer to bonus and welfare fund	-	-	-	-	(48,953,000,000)	(48,953,000,000)
Dividends declared	-	-	-	-	(257,349,807,000)	(257,349,807,000)
Ending balance	770,500,000,000	2,958,550,175,385	(1,741,460,000)	1,070,951,960,122	1,435,367,163,772	6,233,627,839,279

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

23. OWNERS' EQUITY (continued)

23.1 Increase and decrease in owners' equity (continued)

(*) During the year, the Company issued an aggregate of 30,192,470 new shares, details are as follows:

- 2,339,540 new shares to its employees in accordance with the Employee Stock Ownership Plan program in accordance with the approved Shareholders' Resolution No. 01/2016/NQ-DHCD dated 12 April 2016 to increase its share capital. This increase was approved by the Department of Planning and Investment of Ho Chi Minh City through the issuance of the 16th amended Enterprise Registration Certificate dated 5 September 2016;
- 16,376,179 bonus shares to its existing shareholders at the bonus ratio of 3:1, equivalent to 3 existing shares were swapped for 1 new ordinary share in accordance with the approved Shareholders' Resolution No. 01/2016/NQ-DHCD dated 12 April 2016 to increase its share capital. This increase was approved by the Department of Planning and Investment of Ho Chi Minh City through the issuance of the 17th amended Enterprise Registration Certificate dated 10 November 2016; and
- 11,476,751 new shares to its strategic investors in accordance with the approved Shareholders' Resolution No. 01/2016/NQ-DHCD dated 12 April 2016 to increase its share capital. This increase was approved by the Department of Planning and Investment of Ho Chi Minh City through the issuance of the 18th amended Enterprise Registration Certificate dated 30 November 2016.

23.2 Capital transactions with owners and distribution of dividends

	VND	
	Current year	Previous year
Contributed share capital		
Beginning balance	468,575,300,000	422,000,000,000
Increase	301,924,700,000	46,575,300,000
Ending balance	770,500,000,000	468,575,300,000
Dividends		
Dividends declared	257,349,807,000	210,666,720,000
Dividends paid by cash	(257,186,590,275)	(158,487,607,250)
Dividends paid by net-off receivable	-	(73,010,000,000)

23.3 Shares

	Shares	
	Number of shares	
	Ending balance	Beginning balance
Authorised shares	77,050,000	46,857,530
Shares issued and fully paid	77,050,000	46,857,530
<i>Ordinary shares</i>	77,050,000	46,857,530
Treasury shares	(66,656)	(66,656)
<i>Ordinary shares</i>	(66,656)	(66,656)
Shares in circulation	76,983,344	46,790,874
<i>Ordinary shares</i>	76,983,344	46,790,874

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

24. REVENUES

24.1 Net revenues from sale of goods and rendering of services

	VND	
	Current year	Previous year
Rendering of construction services (*)	20,549,705,176,425	13,228,949,551,678
Revenue from sales of construction materials	130,902,685,758	403,912,845,442
Revenue relating to investment properties	80,926,401,380	24,137,591,131
Rental of construction equipment	21,186,769,978	11,916,269,640
TOTAL	<u>20,782,721,033,541</u>	<u>13,668,916,257,891</u>
<i>In which:</i>		
<i>Sales to other parties</i>	20,588,831,890,063	13,565,247,977,663
<i>Sales to related parties</i>	193,889,143,478	103,668,280,228

(*) Revenue from construction contracts recognised during the year are as follows:

	VND	
	Current year	Previous year
Revenue recognised during the year of the completed construction contracts	1,064,259,584,923	1,174,284,035,323
Revenue recognised during the year of the on-going construction contracts	19,485,445,591,502	12,054,665,516,355
TOTAL	<u>20,549,705,176,425</u>	<u>13,228,949,551,678</u>

24.2 Finance income

	VND	
	Current year	Previous year
Bank interest income	156,383,677,158	100,592,069,813
Late payment interest	13,332,802,001	25,178,394,514
Foreign exchange gains	451,082,619	332,712,354
TOTAL	<u>170,167,561,778</u>	<u>126,103,176,681</u>

24.3 Revenue and expense relating to investment properties

	VND	
	Current year	Previous year
Rental revenue from investment properties	14,445,902,426	14,535,092,129
Revenue from transferring of investment properties for capital appreciation	66,480,498,954	9,602,499,002
TOTAL	<u>80,926,401,380</u>	<u>24,137,591,131</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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25. COST OF GOODS SOLD AND SERVICES RENDERED

	VND	
	Current year	Previous year
Cost of rendered of construction services	18,781,543,879,308	12,141,612,759,314
Cost of construction materials sold	127,466,520,639	393,880,343,919
Operating cost of investment properties	62,572,524,519	16,153,990,431
Cost of construction equipment leased	11,736,108,811	5,433,045,216
TOTAL	<u>18,983,319,033,277</u>	<u>12,557,080,138,880</u>

26. FINANCE EXPENSES

	VND	
	Current year	Previous year
Interest expense	153,055,556	-
Foreign exchange losses	128,134,612	1,590,712,601
TOTAL	<u>281,190,168</u>	<u>1,590,712,601</u>

27. GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	Current year	Previous year
General and administrative expenses		
- Staff costs	222,459,436,467	161,763,233,259
- Expenses for external services	48,019,178,239	20,605,287,098
- Depreciation and amortisation	15,353,179,663	14,511,401,848
- Provision expense	209,498,197	137,399,947,354
- Other expenses	60,391,131,840	47,692,433,574
Deduction of general and administrative expenses		
- Reversal of provision for doubtful debts	(49,179,147,713)	(19,155,439,485)
TOTAL	<u>297,253,276,693</u>	<u>362,816,863,648</u>

28. OTHER INCOME AND EXPENSES

	VND	
	Current year	Previous year
Other income	62,697,300,620	41,100,416,921
Reversal of construction warranty provisions	21,000,770,524	24,408,226,383
Reversal of over accrued construction costs	20,098,320,752	6,618,592,622
Utilities	15,374,042,866	7,865,210,772
Proceeds from disposal of tools and supplies	3,343,263,500	-
Gain from disposal of fixed assets	1,530,004,919	928,659,748
Others	1,350,898,059	1,279,727,396
Other expense	(2,514,752,597)	(1,825,477,319)
Cost of disposed of tools and supplies	(875,423,169)	-
Others	(1,639,329,428)	(1,825,477,319)
NET OTHER PROFIT	<u>60,182,548,023</u>	<u>39,274,939,602</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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29. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") rate applicable to the Group is 20% of taxable profits (for the year ended 31 December 2015: 22%).

The tax returns filed by the Group are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the consolidated financial statements could change at a later date upon final determination by the tax authorities.

29.1 CIT expense

	<i>Current year</i>	<i>VND Previous year</i>
Current CIT expense	340,259,649,269	194,253,381,291
Adjustment for under accrual of tax from prior years	1,505,165,060	145,279,999
Deferred tax income	(986,829,751)	(532,792,461)
TOTAL	<u>340,777,984,578</u>	<u>193,865,868,829</u>

Reconciliation between CIT expense and the accounting profit multiplied by CIT rate is presented below:

	<i>Current year</i>	<i>VND Previous year</i>
Accounting profit before tax	<u>1,762,921,903,118</u>	<u>926,668,522,246</u>
At CIT rate	352,584,380,624	203,867,074,894
<i>Adjustments to increase (decrease):</i>		
Non-deductible expenses	(6,793,138,183)	(7,096,876,160)
Share of profit from associates	(6,518,422,923)	(3,049,609,904)
Adjustment for under accrual of tax from prior years	1,505,165,060	145,279,999
CIT expense	<u>340,777,984,578</u>	<u>193,865,868,829</u>

29.2 Current tax

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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29. CORPORATE INCOME TAX (continued)

29.3 Deferred tax

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

	Consolidated balance sheet		Consolidated income statement		VND
	Ending balance	Beginning balance	Current year	Previous year	
	Deferred tax assets				
Unrealised profit	2,553,747,800	1,423,112,375	1,130,635,425	837,844,403	
Severance allowance	2,049,991,203	2,193,801,203	(143,810,000)	(238,958,745)	
Profit of unearned revenue	-	-	-	(290,810,747)	
Unrealised foreign exchange differences	(64,436)	(68,762)	4,326	217,059,914	
Provision for investments	(76,576,360)	(76,576,360)	-	7,657,636	
	<u>4,527,098,207</u>	<u>3,540,268,456</u>			
Deferred tax income			<u>986,829,751</u>	<u>532,792,461</u>	



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30. TRANSACTIONS WITH RELATED PARTIES

Significant transactions of the Group with related parties during the current and previous years were as follows:

<i>Related party</i>	<i>Relationship</i>	<i>Nature of transaction</i>	<i>Current year</i>	<i>Previous year</i>
				<i>VND</i>
Ricons Construction Investment Joint Stock Company	Associate	Construction cost	2,515,804,510,845	1,242,043,301,719
		Purchase of construction materials	642,150,732,847	443,031,752,554
		Sales of construction materials	37,017,908,182	73,498,988,633
		Dividend received	6,048,000,000	-
		Equipment rental income	6,044,444,600	2,927,736,167
		Disposal of tools and supplies	5,075,582,832	-
		Office rental income	3,623,393,147	849,907,092
		Utilities	814,091,892	830,026,376
		Rental expense	544,470,264	-
		Equipment rental expense	55,869,550	595,366,842
Construction services	-	6,064,649,440		
FCC Infrastructure Investment Joint Stock Company	Associate	Construction services	147,203,397,549	19,496,972,520
		Capital contribution	42,000,000,000	8,085,000,000

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30. TRANSACTIONS WITH RELATED PARTIES (continued)

The outstanding balances due from and due to related parties as at balance sheet dates were as follows:

<i>Related party</i>	<i>Relationship</i>	<i>Nature of transaction</i>	<i>Ending balance</i>	<i>VND</i>
				<i>Beginning balance</i>
<i>Short-term trade receivables</i>				
FCC Infrastructure Investment Joint Stock Company	Associate	Construction services	9,168,524,076	21,446,669,772
Ricons Construction Investment Joint Stock Company	Associate	Construction services, equipment rental	4,443,259,048	21,724,046,412
			<u>13,611,783,124</u>	<u>43,170,716,184</u>
<i>Short-term trade payable</i>				
Ricons Construction Investment Joint Stock Company	Associate	Construction cost and purchase of materials	<u>664,151,284,716</u>	<u>245,522,069,347</u>

Transactions with other related parties

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

	<i>VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Remuneration, salaries and bonus	<u>28,572,438,362</u>	<u>21,575,959,498</u>

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31. EARNINGS PER SHARE

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	VND	
	Current year	Previous year (restated)
Net profit after tax attributable to shareholders of the parent	1,422,143,918,540	666,080,628,989
Less: Bonus and welfare fund (*)	<u>(71,107,195,927)</u>	<u>(31,953,000,000)</u>
Net profit after tax attributable to ordinary equity holders	1,351,036,722,613	634,127,628,989
Weighted average number of ordinary shares during the year (<i>shares</i>) (**)	65,364,583	59,219,499
Basic and diluted earnings per share (<i>VND/share</i>)	20,669	10,708

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

(*) Profit used to compute earnings per share for the year 2016 was adjusted for the provisional allocation to bonus and welfare fund from 2016 profit following the plan as approved in the resolution of the shareholders meeting No. 01/2016/NQ-DHCD dated 12 April 2016.

Profit used to compute earnings per share for the year 2015 as presented in the financial statements for the year 2015 was restated to reflect the actual allocation to bonus and welfare fund from 2015 profit following the resolution of the shareholders meeting No. 01/2016/NQ-DHCD dated 12 April 2016.

(**) The weighted average number of ordinary shares for the year ended 31 December 2015 was adjusted to reflect the additional issuance of 16,376,179 bonus shares on 27 October 2016 appropriated from share premium following the plan as approved in the resolution of the shareholders meeting No. 01/2016/NQ-DHCD dated 12 April 2016.

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 other parties. Segment revenue, segment expense and segment result include transfers between business segments. Those transfers are eliminated in preparation of the consolidated financial statements.

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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:

	Construction services	Construction materials trading	Investment properties activities	Elimination	Total
For the year ended 31 December 2016					
Revenue					VND
Revenue from sale of goods and rendering of services	23,526,970,423,499	200,317,539,887	85,329,684,427	(3,029,896,614,272)	20,782,721,033,541
Results					
Segment net profit before tax	1,782,977,584,914	1,216,034,474	19,352,541,456	(6,032,015,280)	1,797,514,145,564
Unallocated income					(34,592,242,446)
Net profit before income tax					1,762,921,903,118
Income tax expense					(340,777,984,578)
Net profit for the year					1,422,143,918,540
Assets and liabilities					
Segment assets	6,195,370,684,518	-	97,784,992,376	(611,786,248,840)	5,681,369,428,054
Unallocated assets					6,059,501,763,053
Total assets					11,740,871,191,107
Segment liabilities	5,749,591,952,011	590,863,480	1,500,641,115	(611,786,248,840)	5,139,897,207,766
Unallocated liabilities					367,346,144,062
Total liabilities					5,507,243,351,828



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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)

	Construction services	Construction materials trading	Office leasing	Elimination	Total	VND
For the year ended 31 December 2015						
Revenue						
Revenue from sale of goods and rendering of services	14,893,437,463,319	660,890,866,463	28,378,532,934	(1,913,790,604,825)	13,668,916,257,891	
Results						
Segment net profit before tax	1,049,676,537,291	533,734,377	9,386,080,154	(2,518,921,235)	1,057,077,430,587	
Unallocated expenses					(130,408,908,341)	
Net profit before income tax					926,668,522,246	
Income tax expense					(193,865,868,829)	
Net profit for the year					732,802,653,417	
Assets and liabilities						
Segment assets	4,636,167,021,994	122,040,485,886	109,615,988,467	(438,408,078,545)	4,429,415,417,802	
Unallocated assets					3,385,680,550,221	
Total assets					7,815,095,968,023	
Segment liabilities	4,714,221,033,830	98,184,908,368	3,708,616,411	(438,408,078,545)	4,377,706,480,064	
Unallocated liabilities					194,853,705,605	
Total liabilities					4,572,560,185,669	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

33. COMMITMENTS

33.1 Operating lease commitments

The Group leases premises and office under operating lease arrangements. The minimum lease commitments as at the balance sheet dates under the operating lease agreements are as follows:

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Less than 1 year	251,614,067	626,482,069
From 1 to 5 years	392,959,090	569,564,637
More than 5 years	<u>2,414,322,489</u>	<u>2,477,168,194</u>
TOTAL	<u>3,058,895,646</u>	<u>3,673,214,900</u>

The Group lets out its Cotecons Building property under operating lease arrangements. The future minimum rental receivable as at the balance sheet dates under the operating lease agreements is as follows:

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Less than 1 year	4,245,645,110	6,496,221,360
From 1 to 5 years	<u>5,067,993,112</u>	<u>1,043,595,000</u>
TOTAL	<u>9,313,638,222</u>	<u>7,539,816,360</u>

33.2 Capital commitment

As at 31 December 2016, the Company had capital contribution commitment as follows:

<i>Name of investee</i>	<i>Charter capital</i>	<i>Capital contribution commitment</i>		<i>Contributed amount</i>	VND	
					<i>Remaining commitment</i>	
		<i>Amount</i>	<i>%</i>			
FCC Infrastructure Investment Joint Stock Company	<u>369,000,000,000</u>	<u>129,150,000,000</u>	<u>35</u>	<u>98,000,000,000</u>	<u>31,150,000,000</u>	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

34. EVENTS AFTER THE BALANCE SHEET DATE

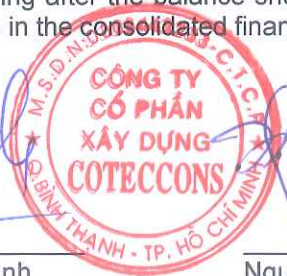
There have been no significant events occurring after the balance sheet date which would require adjustments or disclosures to be made in the consolidated financial statements.



Vu Thi Hong Hanh
Preparer



Vu Thi Hong Hanh
Chief Accountant



Nguyen Ba Duong
General Director

28 February 2017

