

# **Coteccons Construction Joint Stock Company**

Interim consolidated financial statements

For the six-month period ended 30 June 2020



# Coteccons Construction Joint Stock Company

## CONTENTS

	<i>Pages</i>
General information	1 - 2
Report of management	3
Report on review of interim consolidated financial statements	4 - 5
Interim consolidated balance sheet	6 - 7
Interim consolidated income statement	8
Interim consolidated cash flow statement	9 - 10
Notes to the interim consolidated financial statements	11 - 40

394  
CÔNG  
CỐ  
XÂY  
CƠ  
THAN

# Coteccons 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 the Business Registration Certificate ("BRC") No. 4103002611 issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City on 24 August 2004, which was replaced by the Enterprise Registration Certificate ("ERC") No.0303443233 on 23 August 2010 and the subsequent amended BRCs and ERCs.

The Company listed on the Ho Chi Minh Stock Exchange with trading code "CTD" in accordance with Decision No. 155/QD-SGDHCM has been 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 and office leasing.

The Company's head office is located at No. 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 period and at the date of this report are:

Mr. Nguyen Ba Duong	Chairman	
Mr. Talgat Turumbayev	Member	
Mr. Yerkin Tatishev	Member	
Mr. Nguyen Quoc Hiep	Member	
Mr. Tan Chin Tiong	Member	
Mr. Bolat Duisenov	Member	appointed on 22 June 2020
Mr. Herwig Guido H. Van Hove	Member	appointed on 22 June 2020
Mr. Nguyen Sy Cong	Member	resigned on 21 June 2020
Mr. Tran Quyet Thang	Member	resigned on 20 June 2020

### BOARD OF SUPERVISION

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

Mr. Luis Fernando Garcia Agraz	Head of Board of Supervision
Mr. Dang Hoai Nam	Member
Mr. Nguyen Minh Nhut	Member

442  
G T  
PHÃ  
DUP  
:CC  
- TP.

# Coteccons Construction Joint Stock Company

## GENERAL INFORMATION (continued)

### MANAGEMENT

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

Mr. Vo Thanh Liem	Acting General Director	appointed on 6 August 2020
	Deputy General Director	
Mr. Nguyen Sy Cong	General Director	resigned on 5 August 2020
Mr. Tran Quang Quan	Deputy General Director	resigned on 5 August 2020
Mr. Tran Van Chinh	Deputy General Director	
Mr. Tu Dai Phuc	Deputy General Director	

### LEGAL REPRESENTATIVE

The legal representatives of the Company during the period and at the date of this report are:

Mr. Nguyen Ba Duong	
Mr. Bolat Duisenov	appointed on 6 August 2020

### AUDITORS

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



# Coteccons Construction Joint Stock Company

## REPORT OF MANAGEMENT

Management of Coteccons Construction Joint Stock Company ("the Company") is pleased to present this report and the interim consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 30 June 2020.

### MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the interim consolidated financial statements of each financial period which give a true and fair view of the interim consolidated financial position of the Group and of the interim consolidated results of its operations and its interim consolidated cash flows for the period. In preparing those interim consolidated financial statements, management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 interim consolidated financial statements; and
- prepare the interim 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 interim consolidated 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 interim consolidated financial statements.

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim consolidated financial statements give a true and fair view of the interim consolidated financial position of the Group as at 30 June 2020, and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the interim consolidated financial statements.

For and on behalf of management:



  
Vo Thanh Liem  
Acting General Director

Ho Chi Minh City, Vietnam

28 August 2020

Reference: 60813343/22131253/LR-HN

## **REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**To: The Shareholders of Coteccons Construction Joint Stock Company**

We have reviewed the accompanying interim consolidated financial statements of Coteccons Construction Joint Stock Company ("the Company") and its subsidiaries (collectively referred to as "the Group"), as prepared on 28 August 2020 and set out on pages 6 to 40, which comprise the interim consolidated balance sheet as at 30 June 2020, the interim consolidated income statement and the interim consolidated cash flow statement for the six-month period ended and the notes thereto.

### ***Management's responsibility***

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

### ***Auditors' responsibility***

Our responsibility is to express a conclusion on the interim consolidated financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements No. 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not give a true and fair view, in all material respects, of the interim consolidated financial position of the Group as at 30 June 2020, and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the interim consolidated financial statements.

### **Other matter**

The interim consolidated financial statements of the Group for the six-month period ended 30 June 2019 were reviewed by another audit firm which expressed an unmodified conclusion on those statements on 9 August 2019. In addition, the consolidated financial statements of the Group for the year ended 31 December 2019 were audited by another audit firm which expressed an unmodified opinion on those financial statements on 27 March 2020.

### **Ernst & Young Vietnam Limited**



Dương Lê Anthony  
Deputy General Director  
Audit Practicing Registration Certificate  
No: 2223-2018-004-1

Ho Chi Minh City, Vietnam

28 August 2020

INTERIM CONSOLIDATED BALANCE SHEET  
as at 30 June 2020

VND

Code	ASSETS	Notes	30 June 2020	31 December 2019
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>13,648,292,412,469</b>	<b>14,727,405,324,722</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>225,702,665,430</b>	<b>800,791,418,362</b>
111	1. Cash		188,632,665,430	116,191,418,362
112	2. Cash equivalents		37,070,000,000	684,600,000,000
<b>120</b>	<b>II. Short-term investment</b>		<b>3,455,990,000,000</b>	<b>3,241,650,000,000</b>
123	1. Held-to-maturity investments	5	3,455,990,000,000	3,241,650,000,000
<b>130</b>	<b>III. Current accounts receivable</b>		<b>8,517,922,669,753</b>	<b>8,797,679,575,624</b>
131	1. Short-term trade receivables	6.1	8,152,472,876,958	8,416,090,588,256
132	2. Short-term advances to suppliers	6.2	396,228,388,936	397,567,198,072
136	3. Other short-term receivables	7	185,587,512,573	198,529,552,115
137	4. Provision for doubtful short-term receivables	6.1, 7	(216,366,108,714)	(214,507,762,819)
<b>140</b>	<b>IV. Inventory</b>	<b>8</b>	<b>1,227,587,035,514</b>	<b>1,626,319,466,015</b>
141	1. Inventories		1,227,587,035,514	1,626,319,466,015
<b>150</b>	<b>V. Other current assets</b>		<b>221,090,041,772</b>	<b>260,964,864,721</b>
151	1. Short-term prepaid expenses	9	3,997,912,818	3,456,235,463
152	2. Value-added tax deductibles		217,092,128,954	257,508,629,258
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>1,348,795,637,048</b>	<b>1,471,429,330,005</b>
<b>220</b>	<b>I. Fixed assets</b>		<b>653,584,256,834</b>	<b>704,482,424,910</b>
221	1. Tangible fixed assets	10	558,486,738,075	606,653,633,812
222	Cost		1,033,177,328,539	1,055,852,299,665
223	Accumulated depreciation		(474,690,590,464)	(449,198,665,853)
227	2. Intangible assets	11	95,097,518,759	97,828,791,098
228	Cost		118,699,826,958	118,687,800,078
229	Accumulated amortisation		(23,602,308,199)	(20,859,008,980)
<b>230</b>	<b>II. Investment properties</b>	<b>12</b>	<b>48,225,594,049</b>	<b>49,603,357,264</b>
231	1. Cost		69,677,550,622	69,677,550,622
232	2. Accumulated depreciation		(21,451,956,573)	(20,074,193,358)
<b>240</b>	<b>III. Long-term asset in progress</b>		<b>161,115,839,300</b>	<b>161,115,839,300</b>
241	1. Long-term work in progress	13	160,541,000,000	160,541,000,000
242	2. Construction in progress		574,839,300	574,839,300
<b>250</b>	<b>IV. Long-term investments</b>		<b>350,094,461,107</b>	<b>394,287,974,564</b>
252	1. Investments in associates	14.1	77,934,461,107	394,287,974,564
253	2. Investment in another entity	14.2	272,160,000,000	-
<b>260</b>	<b>V. An other long-term asset</b>		<b>135,775,485,758</b>	<b>161,939,733,967</b>
261	1. Long-term prepaid expenses	9	135,775,485,758	161,939,733,967
<b>270</b>	<b>TOTAL ASSETS</b>		<b>14,997,088,049,517</b>	<b>16,198,834,654,727</b>




INTERIM CONSOLIDATED BALANCE SHEET (continued)  
as at 30 June 2020

VND

Code	RESOURCES	Notes	30 June 2020	31 December 2019
<b>300</b>	<b>C. LIABILITIES</b>		<b>6,575,885,248,336</b>	<b>7,729,313,976,168</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>6,527,617,071,132</b>	<b>7,710,283,750,131</b>
311	1. Short-term trade payables	15.1	3,287,657,656,051	4,571,387,201,404
312	2. Short-term advances from customers	15.2	595,297,818,375	720,914,499,291
313	3. Statutory obligations	16	81,569,326,830	87,849,950,894
315	4. Short-term accrued expenses	17	2,062,723,268,208	2,102,171,113,108
318	5. Short-term unearned revenues	18	48,975,396,009	54,781,130,228
319	6. Other short-term payables	19	270,777,573,932	41,603,836,458
321	7. Short-term provisions	20	78,099,539,963	65,205,053,085
322	8. Bonus and welfare fund	21	102,516,491,764	66,370,965,663
<b>330</b>	<b>II. Non-current liabilities</b>		<b>48,268,177,204</b>	<b>19,030,226,037</b>
337	1. Other long-term liabilities	19	582,544,786	542,006,657
341	2. Deferred tax liabilities	29.3	41,375,380,534	12,177,967,496
342	3. Long-term provision	20	6,310,251,884	6,310,251,884
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>8,421,202,801,181</b>	<b>8,469,520,678,559</b>
<b>410</b>	<b>I. Capital</b>	<b>22.1</b>	<b>8,421,202,801,181</b>	<b>8,469,520,678,559</b>
411	1. Share capital		792,550,000,000	792,550,000,000
411a	- Shares with voting rights		792,550,000,000	792,550,000,000
412	2. Share premium		3,038,990,175,385	3,038,990,175,385
415	3. Treasury shares		(443,424,538,999)	(443,424,538,999)
418	4. Investment and development fund		4,667,193,310,873	3,998,330,960,122
421	5. Undistributed earnings		311,719,684,235	1,029,019,001,156
421a	- Undistributed earnings by the end of prior period		31,098,885,856	318,128,283,386
421b	- Undistributed earnings of current period		280,620,798,379	710,890,717,770
429	6. Non-controlling interests		54,174,169,687	54,055,080,895
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>14,997,088,049,517</b>	<b>16,198,834,654,727</b>

  
Ha Thi Thuy Hang  
Preparer

  
Vu Thi Hong Hanh  
Chief Accountant

  
Vu Thanh Liem  
Acting General Director

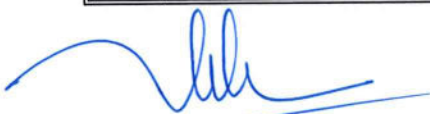


28 August 2020


INTERIM CONSOLIDATED INCOME STATEMENT  
for the six-month period ended 30 June 2020

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
01	1. Revenues from sale of goods and rendering of services	23.1	7,525,264,810,336	10,037,781,055,771
10	2. Net revenues from sale of goods and rendering of services	23.1	7,525,264,810,336	10,037,781,055,771
11	3. Cost of goods sold and services rendered	24	(7,087,299,376,424)	(9,580,576,824,248)
20	4. Gross profit from sale of goods and rendering of services		437,965,433,912	457,204,231,523
21	5. Finance income	23.2	123,879,716,519	144,656,786,630
22	6. Finance expenses	25	(29,689,460,508)	(5,193,551)
24	7. Share of profit of associates	14.1	(12,623,863,603)	(9,833,720,307)
26	8. General and administrative expenses	26	(180,156,475,863)	(222,403,499,607)
30	9. Operating profit		339,375,350,457	369,618,604,688
31	10. Other income	27	20,440,085,402	27,535,911,814
32	11. Other expenses	27	(5,799,768,408)	(4,166,717,507)
40	12. Other profit	27	14,640,316,994	23,369,194,307
50	13. Accounting profit before tax		354,015,667,451	392,987,798,995
51	14. Current corporate income tax expense	29.1	(92,807,462,733)	(79,058,911,205)
52	15. Deferred tax income (expense)	29.3	19,531,682,453	(1,311,458,841)
60	16. Net profit after tax		280,739,887,171	312,617,428,949
61	17. Net profit after tax attributable to shareholders of the parent		280,620,798,379	312,617,428,949
62	18. Net gain after tax attributable to non-controlling interests	22.1	119,088,792	-
70	19. Basic earnings per share	22.5	3,494	3,901
71	20. Diluted earnings per share	22.5	3,494	3,901

  
Ha Thi Thuy Hang  
Preparer

  
Vu Thi Hong Hanh  
Chief Accountant

  
Vu Thanh Liem  
Acting General Director



28 August 2020

INTERIM CONSOLIDATED CASH FLOW STATEMENT  
for the six-month period ended 30 June 2020


VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Accounting profit before tax</b>		<b>354,015,667,451</b>	<b>392,987,798,995</b>
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	10, 11, 12	54,335,060,635	53,340,482,878
03	Provisions (reversal of provisions)		16,010,580,830	(15,501,500,852)
04	Foreign exchange gains arisen from revaluation of monetary accounts denominated in foreign currency		(232,093,765)	(736,282,810)
05	Profit from investing activities		(82,261,607,963)	(134,481,926,597)
08	<b>Operating profit before changes in working capital</b>		<b>341,867,607,188</b>	<b>295,608,571,614</b>
09	Decrease in receivables		300,481,733,714	1,094,114,025,930
10	Decrease in inventories		398,732,430,501	32,137,964,245
11	Decrease in payables		(1,491,397,027,770)	(1,514,949,315,164)
12	Decrease in prepaid expenses		25,622,570,854	81,842,341,331
15	Corporate income tax paid	16	(62,349,844,862)	(129,017,413,469)
17	Other cash outflows from operating activities		(16,563,172,014)	(5,507,719,485)
20	<b>Net cash flows used in operating activities</b>		<b>(503,605,702,389)</b>	<b>(145,771,544,998)</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchases and of fixed assets		(1,445,401,344)	(66,070,356,466)
22	Proceeds from disposals of fixed assets		7,905,382,112	1,214,214,544
23	Net payments for term deposits at banks		(2,673,500,000,000)	(2,438,403,000,000)
24	Net collections from bank term deposits		2,459,160,000,000	2,679,900,000,000
25	Payments for investments in other entities		-	(61,600,000,000)
27	Interest received		136,313,820,285	177,427,897,828
30	<b>Net cash flows (used in) from investing activities</b>		<b>(71,566,198,947)</b>	<b>292,468,755,906</b>
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Issuance of shares	22.1	-	50,345,000,000
36	Dividends paid	22.4	(234,954,950)	(326,795,250)
40	<b>Net cash flows (used in) from financing activities</b>		<b>(234,954,950)</b>	<b>50,018,204,750</b>

INTERIM CONSOLIDATED CASH FLOW STATEMENT (continued)  
for the six-month period ended 30 June 2020

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
50	Net (decrease) increase in cash and cash equivalents		(575,406,856,286)	196,715,415,658
60	Cash and cash equivalents at beginning of period		800,791,418,362	552,833,230,980
61	Impact of exchange rate fluctuation		318,103,354	736,282,810
70	Cash and cash equivalents at end of period	4	225,702,665,430	750,284,929,448



Ha Thi Thuy Hang  
Preparer



Vu Thi Hong Hanh  
Chief Accountant



Võ Thanh Liêm  
Acting General Director

28 August 2020

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
as at 30 June 2020 and for the six-month period then ended

## 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, which was replaced by Enterprise Registration Certificate ("ERC") No.0303443233 on 23 August 2010 and the subsequent amended BRCs and ERCs.

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

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

The Company's registered head office is located at No. 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 June 2020 was 1,901 (31 December 2019: 2,272).

### **Group structure**

The Company has two direct subsidiaries and one indirect subsidiary, in which:

#### *Unicons Investment Construction Company Limited ("Unicons")*

Unicons is 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, which was replaced by Enterprise Registration Certificate ("ERC") No.0304472276 on 22 June 2018 and the subsequent amended BRCs and ERCs.

Unicons's registered office is located at No.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 and equipment installation services.

As at 30 June 2020, the Company holds 100% equity interest in Unicons.

#### *Covestcons Company Limited ("Covestcons")*

Covestcons is a one-member limited liability company incorporated under the Law on Enterprise of Vietnam pursuant to ERC No. 0314326002 issued by the DPI of Ho Chi Minh City on 31 March 2017.

Covestcons's registered office is located at No.236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, Ho Chi Minh City, Vietnam. Covestcons's principal activities are to providing commission services and trading of real estates.

As at 30 June 2020, the Company holds 100% equity interest in Covestcons.

#### *Phu Nhuan 168 Joint Stock Company ("Phu Nhuan 168")*

Phu Nhuan 168 is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to ERC No.0315807693 issued by the DPI of Ho Chi Minh City on 22 July 2019.

Phu Nhuan 168's registered office is located at No.236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, Ho Chi Minh City, Vietnam. Phu Nhuan 168's principal activities are to providing trading and lease of real estates.

As at 30 June 2020, the Company holds 69.98 % equity interest in Phu Nhuan 168.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

## 2. BASIS OF PREPARATION

### 2.1 *Applied accounting standards and system*

The interim consolidated financial statements of the Company and its subsidiaries ("the Group") expressed in Vietnam dong ("VND"), are prepared in accordance with the Vietnamese Enterprise Accounting System and Vietnamese Accounting Standard No. 27 - Interim Financial Reporting and other 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 interim consolidated financial statements, including their utilization are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

### 2.2 *Applied accounting documentation system*

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

### 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 interim consolidated financial statements are prepared in VND which is also the Company's accounting currency.

### 2.5 *Basis of consolidation*

The interim consolidated financial statements comprise the interim financial statements of the Company and its subsidiaries for the six-month period ended 30 June 2020.

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

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

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

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 *Cash and cash equivalents*

Cash and cash equivalent comprise cash on hand, cash at banks and short-term, highly liquid investments with an original maturity of no more than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

#### 3.2 *Receivables*

Receivables are presented in the interim 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 interim consolidated balance sheet date which are doubtful of being recovered. Increases and decreases to the provision balance are recorded into general and administrative expense in the interim 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 realizable value.

Net realizable 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 (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Group, based on appropriate evidence of impairment available at the consolidated balance sheet date.

Increases and decreases to the provision balance are recorded into the cost of goods sold in the interim 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 expenditures for maintenance and repairs are charged to the interim 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 interim consolidated income statement.



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.5 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortization.

The cost of an intangible fixed 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 interim consolidated income statement as incurred.

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 interim consolidated income statement.

##### *Land use rights*

Land use right is recorded as an intangible fixed 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.

#### 3.6 *Depreciation and amortisation*

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

Buildings & structures	5 - 45 years
Machinery & equipment	3 - 10 years
Means of transportation	6 - 10 years
Office equipment	3 - 6 years
Land use rights	45 - 49 years
Softwares	3 years
Others	3 - 8 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 are 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 interim consolidated income statement in the period 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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 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.

#### 3.9 *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 a specific asset 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 interim 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 interim consolidated balance sheet. Initial direct costs incurred in negotiating an operating lease are recognised in the interim consolidated income statement as incurred.

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

#### 3.10 *Prepaid expenses*

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

#### 3.11 *Investments*

*Investments in associates*

The Group's investment in its associate 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 over 20% of the voting rights.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.11 *Investments* (continued)

##### *Investments in associates* (continued)

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

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

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

##### *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 finance expense in the interim separate income statement and deducted against the value of such investments.

##### *Investments in other entities*

Investments in other entities are stated at their acquisition costs.

##### *Provision for diminution in value of investments*

Provision of the investment is made when there are reliable evidences of the diminution in value of those investments at the consolidated balance sheet date.

Increases and decreases to the provision balance are recorded as finance expenses in the interim consolidated income statement.

#### 3.12 *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.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.13 *Accrual for severance allowance pay*

The severance pay to employee is accrued at the end of each reporting period for all employees who have been in service for more than 12 months 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 and related implementing guidance. The average monthly salary used in this calculation will be revised at the end of each reporting period following the average monthly salary of the 6-month period up to the reporting date. Any increase to the accrued amount will be taken to the interim 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.

#### 3.14 *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.

#### 3.15 *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; and
- Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment.

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

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

All foreign exchange differences incurred are taken to the interim consolidated income statement.

#### 3.16 *Earnings per share*

Basic earnings per share is computed by dividing net profit after tax for the period attributable to ordinary shareholders of the Group (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the period.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.17 *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, re-issue or cancellation of the Group's own equity instruments.

#### 3.18 *Appropriation of net profits*

Net profit after tax is available for appropriation to shareholders after approval in the shareholders' 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 its net profit after tax as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting:

▶ *Investment and development fund*

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

▶ *Bonus and welfare fund*

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

#### 3.19 *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 interim balance sheet date which is accepted by the customers and reflected in the sales invoices.

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 period 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.

*Rendering of services*

Revenue is recognized when services are rendered and completed.

*Rental income*

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.19 Revenue recognition (continued)

##### *Interest*

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

#### 3.20 Taxation

##### *Current income tax*

Current income tax assets and liabilities for current and prior periods 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 consolidated balance sheet date.

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

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.

##### *Deferred tax*

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- ▶ where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss; and
- ▶ in respect of taxable temporarily differences associated with investments in subsidiaries and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except:

- ▶ where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss; and
- ▶ in respect of deductible temporarily differences associated with investments in subsidiaries, associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each consolidated 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 deferred tax asset to be utilised. Previously unrecognized deferred tax assets are re-assessed at each consolidated 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.

323  
i TY  
HAI  
DUN  
CCC  
- TP.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.20 Taxation (continued)

##### *Deferred tax (continued)*

Deferred 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 consolidated balance sheet date.

Deferred tax is charged or credited to the interim consolidated income statement, except when it relates to items recognised directly to equity, in which case it 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 by the same taxation authority on either the same taxable entity or when the Group intends to either settle current tax liabilities and assets on a net basis or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### 3.21 Segment information

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

Group's business segment is derived mainly from sales of rendering construction services, equipments rental, office rental and other services. Management defines the Group's geographical segments to be based on the location of the Group's assets

#### 3.22 Related parties

Parties are considered to be related parties of the Group if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Group and other party are under common control or under common significant influence. These related parties can be enterprise or individual, including their close family members.

### 4. CASH AND CASH EQUIVALENTS

	VND	
	30 June 2020	31 December 2019
Cash on hand	64,977,638	1,985,476,702
Cash at banks	188,567,687,792	114,205,941,660
Cash equivalents (*)	37,070,000,000	684,600,000,000
<b>TOTAL</b>	<b><u>225,702,665,430</u></b>	<b><u>800,791,418,362</u></b>

(\*) Cash equivalents represent deposits at commercial banks with original maturity of no more than three (3) months and earn interest at the applicable interest rates.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

## 5. HELD-TO-MATURITY INVESTMENTS

Held to maturity investments include deposits at commercial banks with original maturity of three (3) months or more but under one (1) year and earn interest at the applicable interest rates.

## 6. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

### 6.1 Short-terms trade receivables

	VND	
	30 June 2020	31 December 2019
Receivables from other parties	7,999,945,758,428	8,239,982,359,374
- Hoi An South Development Co. Ltd.	817,909,240,103	1,052,674,643,124
- Others	7,182,036,518,325	7,187,307,716,250
Receivables from a related party (Note 30)	152,527,118,530	176,108,228,882
<b>TOTAL</b>	<b>8,152,472,876,958</b>	<b>8,416,090,588,256</b>
Provision for doubtful short-term receivables	(190,328,146,020)	(188,469,800,125)
<b>NET</b>	<b>7,962,144,730,938</b>	<b>8,227,620,788,131</b>

Movements of provision for doubtful short-term receivables:

	VND	
	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Beginning balance	(188,469,800,125)	(183,823,935,386)
Add: Provision made during the period	(1,858,345,895)	-
Ending balance	(190,328,146,020)	(183,823,935,386)

### 6.2 Short-term advances to suppliers

	VND	
	30 June 2020	31 December 2019
An Gia Real Estate Investment and Development Corporation	130,000,000,000	130,000,000,000
Others	266,228,388,936	267,567,198,072
<b>TOTAL</b>	<b>396,228,388,936</b>	<b>397,567,198,072</b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

## 7. OTHER SHORT-TERM RECEIVABLES

	VND	
	30 June 2020	31 December 2019
Interest receivable	130,518,585,515	143,191,829,835
Short-term deposits	33,249,477,959	33,114,069,591
Advances to construction teams and employees	18,990,592,199	19,678,975,560
Others	<u>2,828,856,900</u>	<u>2,544,677,129</u>
<b>TOTAL</b>	<b>185,587,512,573</b>	<b>198,529,552,115</b>
Provision for doubtful short-term receivables	<u>(26,037,962,694)</u>	<u>(26,037,962,694)</u>
<b>NET</b>	<b><u>159,549,549,879</u></b>	<b><u>172,491,589,421</u></b>

## 8. INVENTORIES

	VND	
	30 June 2020	31 December 2019
Construction work in process (*)	<u>1,227,587,035,514</u>	<u>1,626,319,466,015</u>

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

	VND	
	30 June 2020	31 December 2019
Crowne Plaza Phu Quoc project	196,679,496,249	144,224,212,448
Other constructions projects	<u>1,030,907,539,265</u>	<u>1,482,095,253,567</u>
<b>TOTAL</b>	<b><u>1,227,587,035,514</u></b>	<b><u>1,626,319,466,015</u></b>

## 9. PREPAID EXPENSES

	VND	
	30 June 2020	31 December 2019
<b>Short-term</b>	<b>3,997,912,818</b>	<b>3,456,235,463</b>
Operating leases and office tools and equipment	3,997,912,818	3,456,235,463
<b>Long-term</b>	<b>135,775,485,758</b>	<b>161,939,733,967</b>
Construction tools and equipment	106,889,847,383	130,882,866,044
Operating leases and office tools and equipment	<u>28,885,638,375</u>	<u>31,056,867,923</u>
<b>TOTAL</b>	<b><u>139,773,398,576</u></b>	<b><u>165,395,969,430</u></b>



## Coteccons Construction Joint Stock Company

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

## 10. TANGIBLE FIXED ASSETS

	Buildings & structures	Machinery & equipment	Means of transportation	Office equipment	Others	Total	VND
<b>Cost:</b>							
As at 31 December 2019	238,603,456,623	728,225,105,988	50,394,067,902	35,579,952,861	3,049,716,291	1,055,852,299,665	
New purchases	698,542,464	-	-	1,348,560,000	-	2,047,102,464	
Disposal	-	(23,946,981,590)	-	(775,092,000)	-	(24,722,073,590)	
As at 30 June 2020	239,301,999,087	704,278,124,398	50,394,067,902	36,153,420,861	3,049,716,291	1,033,177,328,539	
<i>In which:</i>							
Fully depreciated	28,063,638,535	53,632,571,222	16,899,300,060	19,930,588,698	3,049,716,291	121,575,814,806	
<b>Accumulated depreciation:</b>							
31 December 2019	(85,238,929,804)	(303,327,617,212)	(30,820,742,588)	(26,761,659,958)	(3,049,716,291)	(449,198,665,853)	
Depreciation for the period	(6,596,000,470)	(38,176,029,646)	(2,766,769,152)	(2,675,198,933)	-	(50,213,998,201)	
Disposal	-	23,946,981,590	-	775,092,000	-	24,722,073,590	
As at 30 June 2020	(91,834,930,274)	(317,556,665,268)	(33,587,511,740)	(28,661,766,891)	(3,049,716,291)	(474,690,590,464)	
<b>Net carrying amount:</b>							
As at 31 December 2019	153,364,526,819	424,897,488,776	19,573,325,314	8,818,292,903	-	606,653,633,812	
As at 30 June 2020	147,467,068,813	386,721,459,130	16,806,556,162	7,491,653,970	-	558,486,738,075	

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

**11. INTANGIBLE FIXED ASSETS**

	<i>Land use rights</i>	<i>Software</i>	<i>VND Total</i>
<b>Cost:</b>			
As at 31 December 2019	94,881,924,366	23,805,875,712	118,687,800,078
New purchase	-	12,026,880	12,026,880
As at 30 June 2020	<u>94,881,924,366</u>	<u>23,817,902,592</u>	<u>118,699,826,958</u>
<i>In which:</i>			
Fully amortised	-	9,320,762,435	9,320,762,435
<b>Accumulated amortisation:</b>			
As at 31 December 2019	(6,679,868,057)	(14,179,140,923)	(20,859,008,980)
Amortisation for the period	(305,517,930)	(2,437,781,289)	(2,743,299,219)
As at 30 June 2020	<u>(6,985,385,987)</u>	<u>(16,616,922,212)</u>	<u>(23,602,308,199)</u>
<b>Net carrying value:</b>			
As at 31 December 2019	<u>88,202,056,309</u>	<u>9,626,734,789</u>	<u>97,828,791,098</u>
As at 30 June 2020	<u>87,896,538,379</u>	<u>7,200,980,380</u>	<u>95,097,518,759</u>

**12. INVESTMENT PROPERTIES**

	<i>Office building</i>	<i>Others</i>	<i>VND Total</i>
<b>Cost:</b>			
As at 31 December 2019 and 30 June 2020	51,057,186,713	18,620,363,909	69,677,550,622
<b>Accumulated depreciation:</b>			
As at 31 December 2019	(15,503,928,434)	(4,570,264,924)	(20,074,193,358)
Depreciation for the period	(1,005,355,929)	(372,407,286)	(1,377,763,215)
As at 30 June 2020	<u>(16,509,284,363)</u>	<u>(4,942,672,210)</u>	<u>(21,451,956,573)</u>
<b>Net carrying amount:</b>			
As at 31 December 2019	<u>35,553,258,279</u>	<u>14,050,098,985</u>	<u>49,603,357,264</u>
As at 30 June 2020	<u>34,547,902,350</u>	<u>13,677,691,699</u>	<u>48,225,594,049</u>

The fair value of the investment properties was not formally assessed and determined as at 30 June 2020. 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. LONG-TERM WORK IN PROGRESS**

This represent the Land use right that acquired for real estate project.

## Coteccons Construction Joint Stock Company

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

## 14. LONG-TERM INVESTMENTS

## 14.1 Investment in associates

Name	30 June 2020		31 December 2019	
	Ownership %	Amount VND	Ownership %	Amount VND
FCC Infrastructure Investment Joint Stock Company ("FCC")	42.36	75,208,736,303	42.36	90,000,220,565
Hitecons Investment Joint Stock Company ("Hitecons")	31.00	2,583,230,282	31.00	2,536,943,725
Quang Trong Commercial Joint Stock Company ("Quang Trong")	36.00	142,494,522	36.00	145,332,815
Ricons Construction Investment Joint Stock Company ("Ricons") (*)	-	-	14.30	301,605,477,459
<b>TOTAL</b>		<b>77,934,461,107</b>		<b>394,287,974,564</b>

Details of these investments in associates are as follows:

	Ricons (*)	FCC	Quang Trong	Hitecons	Total
<b>Cost of investment:</b>					
As at 31 December 2019	57,960,000,000	159,600,000,000	18,000,000,000	2,790,000,000	238,350,000,000
Decrease	(57,960,000,000)	-	-	-	(57,960,000,000)
As at 30 June 2020	-	159,600,000,000	18,000,000,000	2,790,000,000	180,390,000,000
<b>Accumulated share in post-acquisition profit (loss) of associates:</b>					
As at 31 December 2019	243,645,477,459	(69,599,779,435)	(17,854,667,185)	(253,056,275)	155,937,974,564
Share in post-acquisition profit (loss) of associates for the period	-	(14,791,484,262)	(2,838,293)	46,286,557	(14,748,035,998)
Unrealise profit in the period	2,124,172,395	-	-	-	2,124,172,395
Decrease	(245,769,649,854)	-	-	-	(245,769,649,854)
As at 30 June 2020	-	(84,391,263,697)	(17,857,505,478)	(206,769,718)	(102,455,538,893)
<b>Net carrying amount:</b>					
As at 31 December 2019	301,605,477,459	90,000,220,565	145,332,815	2,536,943,725	394,287,974,564
As at 30 June 2020	-	75,208,736,303	142,494,522	2,583,230,282	77,934,461,107

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

#### 14. LONG-TERM INVESTMENTS (continued)

##### 14.2 Investment in another entity

The details of investment in another entity are as follows:

	30 June 2020		31 December 2019	
	Ownership	Amount	Ownership	Amount
	%	(VND)	%	(VND)
Ricons Construction Investment Joint Stock Company (*)	14.30	272,160,000,000	-	-

(\*) The authorisation for 8.8% of voting right in Ricons given to the Company were expired on 31 December 2019. According the Company has no significant influence on Ricons then the investment in Ricons was reclassified as another investment.

#### 15. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

##### 15.1 Short-term trade payables

	VND	
	30 June 2020	31 December 2019
Payables to third parties	2,829,504,141,244	3,822,501,234,309
Payables to related parties (Note 30)	458,153,514,807	748,885,967,095
<b>TOTAL</b>	<b>3,287,657,656,051</b>	<b>4,571,387,201,404</b>

##### 15.2 Short-term advances from customers

	VND	
	30 June 2020	31 December 2019
Thai Son Construction Investment Joint Stock Company	63,772,114,033	76,609,584,169
Phuong Nam 3A-2 Real Estate Business Joint Stock Company	63,605,558,683	114,618,345,120
Phu My Hung Development Company Limited	60,302,973,277	69,089,850,597
Other customers	407,617,172,382	460,596,719,405
<b>TOTAL</b>	<b>595,297,818,375</b>	<b>720,914,499,291</b>

## Coteccons Construction Joint Stock Company

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

16. STATUTORY OBLIGATIONS	31 December 2019	Increase in period	Offset in the period	Payment in period	VND 30 June 2020
	Corporate income tax	47,889,740,881	93,933,402,197	-	(62,349,844,862)
Personal income tax	39,960,210,013	28,174,470,263	-	(66,038,651,662)	2,096,028,614
Value-added tax	-	791,542,531,358	(717,531,691,049)	(74,010,840,309)	-
Others	-	1,478,209,025	-	(1,478,209,025)	-
<b>TOTAL</b>	<b>87,849,950,894</b>	<b>915,128,612,843</b>	<b>(717,531,691,049)</b>	<b>(203,877,545,858)</b>	<b>81,569,326,830</b>

17. SHORT-TERM ACCRUED EXPENSES	30 June 2020	31 December 2019
	Accruals for on-going construction projects	2,060,963,268,208
Others	1,760,000,000	2,360,000,000
<b>TOTAL</b>	<b>2,062,723,268,208</b>	<b>2,102,171,113,108</b>

18. SHORT-TERM UNEARNED REVENUE	30 June 2020	31 December 2019
	Unearned revenue from construction works	48,975,396,009

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

**19. OTHER PAYABLES**

	VND	
	30 June 2020	31 December 2019
<b>Short-term</b>	<b>270,777,573,932</b>	<b>41,603,836,458</b>
Dividend payables	229,339,928,425	697,164,375
Payable to construction teams and employees	32,819,639,082	28,265,070,533
Others	8,618,006,425	12,641,601,550
<b>Long-term</b>	<b>582,544,786</b>	<b>542,006,657</b>
Deposits	582,544,786	542,006,657
<b>TOTAL</b>	<b><u>271,360,118,718</u></b>	<b><u>42,145,843,115</u></b>

**20. PROVISIONS**

	VND	
	30 June 2020	31 December 2019
<b>Short-term</b>	<b>78,099,539,963</b>	<b>65,205,053,085</b>
Provisions for construction warranty	78,099,539,963	65,205,053,085
<b>Long-term</b>	<b>6,310,251,884</b>	<b>6,310,251,884</b>
Severance allowance	6,310,251,884	6,310,251,884
<b>TOTAL</b>	<b><u>84,409,791,847</u></b>	<b><u>71,515,304,969</u></b>

**21. BONUS AND WELFARE FUND**

	VND	
	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Beginning balance	66,370,965,663	157,276,000,184
Increase in the period (Note 22.1)	51,450,950,058	75,520,000,000
Utilization of fund	<u>(15,305,423,957)</u>	<u>(5,274,369,485)</u>
Ending balance	<b><u>102,516,491,764</u></b>	<b><u>227,521,630,699</u></b>

## Coteccons Construction Joint Stock Company

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

## 22. OWNERS' EQUITY

## 22.1 Increase and decrease in owners' equity

	Share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Non-controlling interest	Total	VND
<b>For the six-month period ended 30 June 2019</b>								
As at 31 December 2018	783,550,000,000	2,997,645,175,385	(439,558,938,999)	3,016,565,960,122	1,604,291,002,386	-	7,962,493,198,894	
Increase capital	9,000,000,000	41,345,000,000	-	-	-	-	50,345,000,000	
Net profit for the period	-	-	-	-	312,617,428,949	-	312,617,428,949	
Profit appropriation	-	-	-	981,765,000,000	(981,765,000,000)	-	-	
Transfer to bonus and welfare fund (Note 21)	-	-	-	-	(75,520,000,000)	-	(75,520,000,000)	
Dividends declared	-	-	-	-	(229,136,619,000)	-	(229,136,619,000)	
As at 30 June 2019	792,550,000,000	3,038,990,175,385	(439,558,938,999)	3,998,330,960,122	630,486,812,335	-	8,020,799,008,843	
<b>For the six-month period ended 30 June 2020</b>								
As at 31 December 2019	792,550,000,000	3,038,990,175,385	(443,424,538,999)	3,998,330,960,122	1,029,019,001,156	54,055,080,895	8,469,520,678,559	
Net profit for the period	-	-	-	-	280,620,798,379	119,088,792	280,739,887,171	
Profit appropriation	-	-	-	668,862,350,751	(668,862,350,751)	-	-	
Transfer to bonus and welfare fund (Note 21)	-	-	-	-	(51,450,950,058)	-	(51,450,950,058)	
Dividends declared	-	-	-	-	(228,877,719,000)	-	(228,877,719,000)	
Other	-	-	-	-	(48,729,095,491)	-	(48,729,095,491)	
As at 30 June 2020	792,550,000,000	3,038,990,175,385	(443,424,538,999)	4,667,193,310,873	311,719,684,235	54,174,169,687	8,421,202,801,181	



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

## 22. OWNERS' EQUITY (continued)

### 22.2 Capital transactions with owners and distribution of dividends

	<i>For the six-month period ended 30 June 2020</i>	<i>VND For the six-month period ended 30 June 2019</i>
<b>Share capital</b>		
Beginning balance	792,550,000,000	783,550,000,000
Increase	-	9,000,000,000
Ending balance	<u>792,550,000,000</u>	<u>792,550,000,000</u>
<b>Dividends</b>		
Dividends declared	228,877,719,000	229,136,619,000

### 22.3 Shares

	<i>Number of shares</i>	
	<i>30 June 2020</i>	<i>31 December 2019</i>
Authorised shares	79,255,000	79,255,000
Shares issued and fully paid <i>Ordinary shares</i>	79,255,000 79,255,000	79,255,000 79,255,000
Treasury shares <i>Ordinary shares</i>	(2,962,427) (2,962,427)	(2,962,427) (2,962,427)
Shares in circulation <i>Ordinary shares</i>	76,292,573 76,292,573	76,292,573 76,292,573

### 22.4 Dividends

	<i>For the six-month period ended 30 June 2020</i>	<i>VND For the six-month period ended 30 June 2019</i>
<b>Dividends paid during the period</b>		
<i>Dividends on ordinary shares</i>		
Dividends by cash	234,954,950	326,795,250
Dividends by shares	-	-



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

## 22. OWNERS' EQUITY (continued)

### 22.5 Earnings per share

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

	VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Net profit after tax attributable to shareholders of the parent	280,620,798,379	312,617,428,949
Less: Bonus and welfare fund and allowance for Board of management (*)	<u>14,031,039,919</u>	<u>15,630,871,447</u>
Net profit after tax attributable to ordinary equity holders	266,589,758,460	296,986,557,502
Weighted average number of ordinary shares during the period ( <i>shares</i> )	76,292,573	76,128,873
Basic and diluted earnings per share ( <i>VND/share</i> )	3,494	3,901

(\*) Net profit used to compute earnings per share for the six-month period ended 30 June 2019 was adjusted for the provisional allocation to bonus and welfare fund from 2019 profit following the plan as approved in the resolution of the shareholders meeting dated 9 April 2019.

Net profit used to compute earnings per share for the six-month period ended 30 June 2020 was adjusted for the provisional allocation to bonus and welfare fund from 2020 profit following the plan as approved in the resolution of the shareholders meeting dated 30 June 2020.

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

## 23. REVENUES

### 23.1 Revenues from sale of goods and rendering of services

	VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Rendering of construction services (*)	7,513,334,971,134	9,999,440,430,084
Revenue relating to office rental services	5,994,028,799	5,716,253,447
Rental income of construction equipment	2,637,899,939	3,612,801,241
Others	<u>3,297,910,464</u>	<u>29,011,570,999</u>
<b>TOTAL</b>	<b><u>7,525,264,810,336</u></b>	<b><u>10,037,781,055,771</u></b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

**23. REVENUES (continued)**

**23.1 Net revenues from sale of goods and rendering of services (continued)**

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

	VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Revenue recognised during the year of the on-going construction contracts	7,356,013,230,294	9,946,746,388,134
Revenue recognised during the year of the completed construction contracts	<u>157,321,740,840</u>	<u>52,694,041,950</u>
<b>TOTAL</b>	<b><u>7,513,334,971,134</u></b>	<b><u>9,999,440,430,084</u></b>

**23.2 Finance income**

	VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Interest income from bank deposits	123,640,575,965	143,827,907,596
Foreign exchange gains	<u>239,140,554</u>	<u>828,879,034</u>
<b>TOTAL</b>	<b><u>123,879,716,519</u></b>	<b><u>144,656,786,630</u></b>

**24. COST OF GOODS SOLD AND SERVICES RENDERED**

	VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Cost of rendered of construction services	7,081,539,634,362	9,550,768,339,932
Cost of office rental services	3,363,253,995	3,099,958,522
Cost of construction equipment leased	1,462,810,699	2,096,111,155
Others	<u>933,677,368</u>	<u>24,612,414,639</u>
<b>TOTAL</b>	<b><u>7,087,299,376,424</u></b>	<b><u>9,580,576,824,248</u></b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

**25. FINANCE EXPENSES**

	VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Loss from revaluation of an investment	29,445,477,459	-
Foreign exchange differences arising from revaluation of monetary accounts denominated in foreign currency	<u>243,983,049</u>	<u>5,193,551</u>
<b>TOTAL</b>	<b><u>29,689,460,508</u></b>	<b><u>5,193,551</u></b>

**26. GENERAL AND ADMINISTRATIVE EXPENSES**

	VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Labour costs	119,802,505,122	154,587,288,834
Expenses for external services	18,278,415,988	21,048,013,247
Depreciation and amortisation	16,571,324,693	16,327,377,997
Provision expenses	1,858,345,895	-
Other expenses	<u>23,645,884,165</u>	<u>30,440,819,529</u>
<b>TOTAL</b>	<b><u>180,156,475,863</u></b>	<b><u>222,403,499,607</u></b>

**27. OTHER INCOME**

	VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
<b>Other income</b>	<b>20,440,085,402</b>	<b>27,535,911,814</b>
Reversal of over accrued construction costs	7,626,284,744	12,067,878,931
Reversal of warranty provisions	7,051,370,305	10,165,337,437
Gain from disposal of fixed assets	2,814,545,455	1,259,669,089
Others	2,947,884,898	4,043,026,357
<b>Other expenses</b>	<b>5,799,768,408</b>	<b>4,166,717,507</b>
Construction warranty expenses	4,829,485,006	2,368,856,708
Others	<u>970,283,402</u>	<u>1,797,860,799</u>
<b>TOTAL</b>	<b><u>14,640,316,994</u></b>	<b><u>23,369,194,307</u></b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

## 28. PRODUCTION AND OPERATING COSTS

	VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
External services	4,108,489,983,120	5,770,287,193,303
Raw materials	2,019,948,250,451	2,926,434,485,949
Labour costs	479,339,938,169	721,135,047,205
Tools and supplies	93,789,609,099	175,852,588,950
Depreciation and amortization (Notes 10, 11 and 12)	54,335,060,635	53,340,482,878
Others	111,779,433,828	123,792,561,325
<b>TOTAL</b>	<b><u>6,867,682,275,302</u></b>	<b><u>9,770,842,359,610</u></b>

## 29. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") rate applicable to the Group is 20% of taxable profits.

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

### 29.1 CIT expense

	VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
CIT expense of current period	93,597,298,397	80,173,934,879
Adjustments for over accrual of tax from prior periods	(789,835,664)	(1,115,023,674)
	92,807,462,733	79,058,911,205
Deferred tax (income) expense	(19,531,682,453)	1,311,458,841
<b>TOTAL</b>	<b><u>73,275,780,280</u></b>	<b><u>80,370,370,046</u></b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

**29. CORPORATE INCOME TAX (continued)**

**29.1 CIT expense (continued)**

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

	<i>For the six-month period ended 30 June 2020</i>	<i>VND For the six-month period ended 30 June 2019</i>
<b>Accounting profit before tax</b>	<b>354,015,667,451</b>	<b>392,987,798,995</b>
CIT at applicable tax rate	70,803,133,490	78,597,559,800
<i>Adjustments:</i>		
Non-deductible expenses	312,875,254	921,089,859
Share of profit from associates	2,949,607,200	1,966,744,061
Adjustments for over accrual of tax from previous periods	<u>(789,835,664)</u>	<u>(1,115,023,674)</u>
<b>CIT expense</b>	<b><u>73,275,780,280</u></b>	<b><u>80,370,370,046</u></b>

**29.2 Current tax**

The current CIT payable is based on taxable income for the current period. Taxable income differs from accounting profit as reported in the interim consolidated income statement because it excludes items of income or expense that are taxable or deductible in other periods 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.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

## 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 periods:

	<i>Interim consolidated balance sheet</i>		<i>Interim consolidated income statement</i>		VND
	<i>30 June 2020</i>	<i>31 December 2019</i>	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>	
Revaluation of an investment	(42,840,000,000)	-	5,889,095,491	-	
Severance allowance	1,262,050,377	1,262,050,377	-	-	
Unrealised profit	285,946,569	564,403,973	(278,457,404)	(1,311,458,841)	
Provision for investments	(76,576,359)	(13,997,620,725)	13,921,044,366	-	
Foreign exchange differences arising from revaluation of monetary accounts denominated in foreign currency	(6,801,121)	(6,801,121)	-	-	
<b>Net deferred tax liabilities</b>	<b>(41,375,380,534)</b>	<b>(12,177,967,496)</b>			
<b>Deferred tax income (expense)</b>			<b>19,531,682,453</b>	<b>(1,311,458,841)</b>	

## Coteccons Construction Joint Stock Company

B09a-DN/HN

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

### 30. TRANSACTIONS WITH RELATED PARTIES

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

<i>Related party</i>	<i>Relationship</i>	<i>Nature of transaction</i>	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Ricons Construction Investment Joint Stock Company	Related party	Construction cost Construction services Equipment rental income Equipment rental expense Office rental income Others	64,850,188,378 21,359,291,693 565,682,410 2,945,947,853 2,269,405,459 440,027,770	413,556,310,399 - 2,611,506,891 1,588,968,957 2,232,594,624 364,322,511
FCC Infrastructure Investment Joint Stock Company Riland Investment Joint Stock Company	Associate Related party	Purchase of construction material Capital contribution Purchase of construction materials and services	- - 241,473,969,226	61,600,000,000 - 106,564,662,034
The outstanding balances due from and due to related parties as at interim balance sheet dates were as follows:				
<i>Related parties</i>	<i>Relationship</i>	<i>Nature of transaction</i>	<i>30 June 2020</i>	<i>31 December 2019</i>
<i>VND</i>				
<b>Short-term trade receivables</b>				
Ricons Construction Investment Joint Stock Company	Related party	Sale of construction materials and construction services	152,527,118,530	176,108,228,882
<b>Short-term trade payables</b>				
Ricons Construction Investment Joint Stock Company	Related party	Purchase of construction materials and construction cost	361,351,380,940	594,123,185,007
Riland Investment Joint Stock Company	Related party	Purchase of construction materials and construction cost	96,802,133,867	154,762,782,088
			<b>458,153,514,807</b>	<b>748,885,967,095</b>



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

### 30. TRANSACTIONS WITH RELATED PARTIES (continued)

#### *Transactions with other related parties*

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

	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
		VND
Remuneration of the Board of Directors, Board of Supervision and salaries, bonus of Board of Management	<u>18,277,744,117</u>	<u>20,789,459,234</u>

### 31. COMMITMENTS

The Group leases out its Coteccons 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:

	<i>30 June 2020</i>	<i>31 December 2019</i>
		VND
Less than 1 year	9,436,241,977	9,098,747,924
From 1 to 5 years	<u>29,535,511,258</u>	<u>32,788,984,563</u>
<b>TOTAL</b>	<b><u>38,971,753,235</u></b>	<b><u>41,887,732,487</u></b>

### 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; and*

*Other 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 interim consolidated financial statements.



## Coteccons Construction Joint Stock Company

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

## 32. SEGMENT INFORMATION (continued)

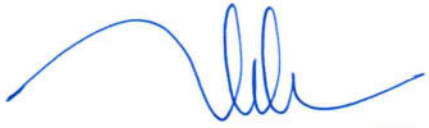
The following tables present revenue and profit information regarding the Group's business segment:

	Construction services	Rental of construction equipment	Investment properties services	Others	Total
<b>For the six-month period ended 30 June 2019</b>					
Net revenue	9,999,440,430,084	3,612,801,241	5,716,253,447	29,011,570,999	10,037,781,055,771
Cost of goods sold/ services rendered	(9,550,768,339,932)	(2,096,111,155)	(3,099,958,522)	(24,612,414,639)	(9,580,576,824,248)
Gross profit	448,672,090,152	1,516,690,086	2,616,294,925	4,399,156,360	457,204,231,523
<b>For the six-month period ended 30 June 2020</b>					
Net revenue	7,513,334,971,134	2,637,899,939	5,994,028,799	3,297,910,464	7,525,264,810,336
Cost of goods sold/ services rendered	(7,081,539,634,362)	(1,462,810,699)	(3,363,253,995)	(933,677,368)	(7,087,299,376,424)
Gross profit	431,795,336,772	1,175,089,240	2,630,774,804	2,364,233,096	437,965,433,912

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

**33. EVENTS AFTER THE INTERIM CONSOLIDATED BALANCE SHEET DATE**

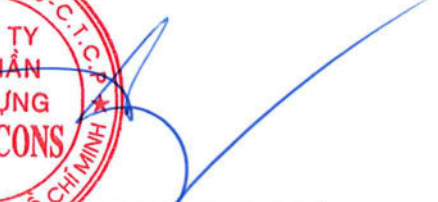
There is no matter or circumstance that has arisen since the interim consolidated balance sheet date that requires adjustment or disclosure in the interim consolidated financial statements of the Group.



Ha Thi Thuy Hang  
Prepare



Vu Thi Hong Hanh  
Chief Accountant



Vo Thanh Liem  
Acting General Director

28 August 2020

