

Coteccons Construction Joint Stock Company

Interim separate financial statements

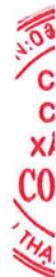
For the six-month period ended 30 June 2020



Coteccons Construction Joint Stock Company

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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 Business Registration Certificate ("BRC") No. 4103002611 issued by the Department of Planning and Investment 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 Enterprise Registration Certificates ("ERC").

The Company 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 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

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	appointed on 6 August 2020
Mr. Bolat Duisenov	

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 separate financial statements of the Company for the six-month period ended 30 June 2020.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE INTERIM SEPARATE FINANCIAL STATEMENTS

Management is responsible for the interim separate financial statements of each financial period which give a true and fair view of the interim separate financial position of the Company and of the interim separate results of its operations and its interim separate cash flows for the period. In preparing those interim separate 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 separate financial statements; and
- ▶ prepare the interim separate financial statements on the going concern basis unless it is inappropriate to presume that the Company 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 separate financial position of the Company and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

STATEMENT BY MANAGEMENT

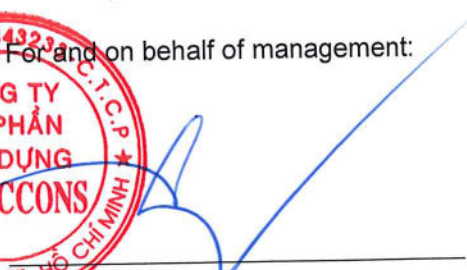
Management does hereby state that, in its opinion, the accompanying interim separate financial statements give a true and fair view of the interim separate financial position of the Company as at 30 June 2020 and of the interim separate results of its operations and its interim separate cash flows for 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 separate financial statements.

The Company has subsidiaries as disclosed in the interim separate financial statements. The Company prepared these interim separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular No. 155/2015/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Company has also prepared the interim consolidated financial statements of the Company and its subsidiaries ("the Group") for the six-month period ended 30 June 2020 dated 28 August 2020.

Users of the interim separate financial statements should read them together with the said interim consolidated financial statements in order to obtain full information on the interim consolidated financial position, interim consolidated results of operations and interim consolidated cash flows of the Group.

For and on behalf of management:




Vo Thanh Liem
Acting General Director

Ho Chi Minh City, Vietnam

28 August 2020

Reference: 60813343/22131253/LR

REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS

To: The Shareholders of Coteccons Construction Joint Stock Company

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

Management's responsibility

The Company's management is responsible for the preparation and fair presentation of the interim separate 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 separate financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of interim separate 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 separate 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 the interim separate 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 separate financial statements do not give a true and fair view, in all material respects, of the interim separate financial position of the Company as at 30 June 2020, and of the interim separate results of its operations and its interim separate 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 separate financial statements.

Other matter

The interim separate financial statements of the Company for the six-month period ended 30 June 2019 were reviewed by another audit firm which expressed an unmodified conclusion on those financial statements on 9 August 2019 . In addition, the separate financial statements of the Company as at 31 December 2019 were audited by this auditor who issued unqualified 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 SEPARATE BALANCE SHEET
as at 30 June 2020

VND

Code	ASSETS	Notes	30 June 2020	31 December 2019
100	A. CURRENT ASSETS		8,934,774,071,214	10,194,861,890,259
110	I. Cash and cash equivalents	4	196,831,111,849	666,404,061,868
111	1. Cash		176,831,111,849	92,404,061,868
112	2. Cash equivalents		20,000,000,000	574,000,000,000
120	II. Short-term investment		1,221,000,000,000	1,064,500,000,000
123	1. Held-to-maturity investments	5	1,221,000,000,000	1,064,500,000,000
130	III. Current accounts receivable		6,495,653,705,527	7,098,578,536,800
131	1. Short-term trade receivables	6.1	6,468,175,980,080	6,993,860,753,306
132	2. Short-term advances to suppliers	6.2	165,110,855,326	212,476,325,103
136	3. Other short-term receivables	7	78,732,978,835	106,749,221,210
137	4. Provision for doubtful short-term receivables	6.1, 7	(216,366,108,714)	(214,507,762,819)
140	IV. Inventory	8	872,251,172,213	1,187,898,968,197
141	1. Inventories		872,251,172,213	1,187,898,968,197
150	V. Other current assets		149,038,081,625	177,480,323,394
151	1. Short-term prepaid expenses	9	3,997,912,818	3,456,235,463
152	2. Value-added tax deductibles		145,040,168,807	174,024,087,931
200	B. NON-CURRENT ASSETS		3,355,146,879,243	3,402,173,385,825
220	I. Fixed assets		543,347,600,070	582,960,713,161
221	1. Tangible fixed assets	10	459,474,548,346	496,771,130,389
222	Cost		822,011,332,666	844,686,303,792
223	Accumulated depreciation		(362,536,784,320)	(347,915,173,403)
227	2. Intangible fixed assets	11	83,873,051,724	86,189,582,772
228	Cost		102,103,943,200	102,091,916,320
229	Accumulated amortisation		(18,230,891,476)	(15,902,333,548)
230	II. Investment properties	12	62,696,841,820	64,427,562,298
231	1. Cost		90,854,986,389	90,854,986,389
232	2. Accumulated depreciation		(28,158,144,569)	(26,427,424,091)
240	III. Long-term asset in progress		574,839,300	574,839,300
242	1. Construction in progress		574,839,300	574,839,300
250	IV. Long-term investments		2,643,510,497,287	2,658,303,138,176
251	1. Investments in subsidiaries	13.1	2,510,348,360,000	2,510,348,360,000
252	2. Investments in associates	13.2	177,600,000,000	235,560,000,000
253	3. Investments in other entity	13.3	57,960,000,000	-
254	4. Provision for long-term investments	13.2	(102,397,862,713)	(87,605,221,824)
260	V. Other long-term assets		105,017,100,766	95,907,132,890
261	1. Long-term prepaid expenses	9	86,882,278,967	94,651,883,634
262	2. Deferred tax assets	28.3	18,134,821,799	1,255,249,256
270	TOTAL ASSETS		12,289,920,950,457	13,597,035,276,084

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

VND

Code	RESOURCES	Notes	30 June 2020	31 December 2019
300	C. LIABILITIES		5,138,136,384,612	6,364,228,000,289
310	I. Current liabilities		5,131,243,587,942	6,357,375,741,748
311	1. Short-term trade payables	14.1	2,544,515,410,689	3,828,970,090,260
312	2. Short-term advances from customers	14.2	502,514,974,509	672,338,835,120
313	3. Statutory obligations	15	51,605,463,063	61,827,487,223
315	4. Short-term accrued expenses	16	1,576,346,111,583	1,598,992,786,852
318	5. Short-term unearned revenue	17	43,749,582,912	52,996,977,238
319	6. Other short-term payables	18	268,018,967,270	32,317,782,262
321	7. Short-term provision	19	54,696,077,819	46,559,156,812
322	8. Bonus and welfare fund	20	89,797,000,097	63,372,625,981
330	II. Non-current liabilities		6,892,796,670	6,852,258,541
337	1. Other long-term liabilities	18	582,544,786	542,006,657
342	2. Long-term provision	19	6,310,251,884	6,310,251,884
400	D. OWNERS' EQUITY		7,151,784,565,845	7,232,807,275,795
410	I. Capital	21.1	7,151,784,565,845	7,232,807,275,795
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		3,454,338,701,543	3,165,476,350,792
421	5. Undistributed earnings		309,330,227,916	679,215,288,617
421a	- Undistributed earnings of prior period		120,024,268,808	228,483,347,506
421b	- Undistributed earnings of current period		189,305,959,108	450,731,941,111
440	TOTAL LIABILITIES AND OWNERS' EQUITY		12,289,920,950,457	13,597,035,276,084



Tran Thi Thanh Van
Preparer



Vu Thi Hong Hanh
Chief Accountant



Vu Thanh Liem
Acting General Director

28 August 2020

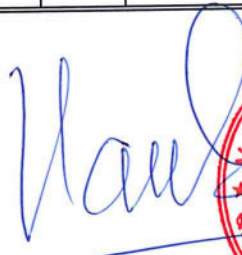
INTERIM SEPARATE INCOME STATEMENT
for the six-month period ended 30 June 2020

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
01	1. Revenue from sale of goods and rendering of services	22.1	5,499,453,131,332	7,775,385,578,101
10	2. Net revenue from sale of goods and rendering of services	22.1	5,499,453,131,332	7,775,385,578,101
11	3. Cost of goods sold and services rendered	23	(5,174,284,950,423)	(7,478,918,118,871)
20	4. Gross profit from sale of goods and rendering of services		325,168,180,909	296,467,459,230
21	5. Finance income	22.2	44,530,591,342	117,808,547,268
22	6. Finance expenses	24	(14,795,300,446)	-
26	7. General and administrative expenses	25	(134,436,471,088)	(158,352,745,637)
30	8. Operating profit		220,467,000,717	255,923,260,861
31	9. Other income	26	16,720,190,986	22,046,368,696
32	10. Other expenses	26	(1,639,101,863)	(1,104,375,938)
40	11. Other profit	26	15,081,089,123	20,941,992,758
50	12. Accounting profit before tax		235,548,089,840	276,865,253,619
51	13. Current corporate income tax expense	28.1	(63,121,703,275)	(54,426,802,192)
52	14. Deferred tax income	28.3	16,879,572,543	-
60	15. Net profit after tax		189,305,959,108	222,438,451,427



Tran Thi Thanh Van
Preparer



Vu Thi Hong Hanh
Chief Accountant



Vu Thanh Liem
Acting General Director

28 August 2020

INTERIM SEPARATE 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
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit before tax		235,548,089,840	276,865,253,619
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	10, 11, 12	43,402,962,913	41,482,349,116
03	Provisions (reversal of provisions)		26,045,655,848	(14,761,553,920)
05	Profits from investing activities		(47,345,136,797)	(119,068,216,357)
08	Operating profit before changes in working capital		257,651,571,804	184,517,832,458
09	Decrease in receivables		603,694,330,278	594,199,567,098
10	Decrease in inventories		315,647,795,984	124,322,986,178
11	Decrease in payables		(1,514,548,715,998)	(1,127,161,023,188)
12	Decrease in prepaid expenses		7,227,927,312	68,274,094,208
15	Corporate income tax paid	15	(38,482,390,127)	(76,469,450,452)
17	Other cash outflows from operating activities		(16,284,323,999)	(5,507,719,485)
20	Net cash flows used in operating activities		(385,093,804,746)	(237,823,713,183)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets		(1,445,401,344)	(58,644,444,591)
22	Proceeds from disposals of fixed assets		3,074,090,910	1,214,214,544
23	Term deposits at banks		(1,096,000,000,000)	(2,126,100,000,000)
24	Collections from term deposits at banks		939,500,000,000	2,548,400,000,000
25	Payment for investment in other entities		-	(161,600,000,000)
27	Interest received		70,627,120,111	169,246,806,012
30	Net cash flows (used in) from investing activities		(84,244,190,323)	372,516,575,965
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Issuance of shares	21.1	-	50,345,000,000
36	Dividends paid	21.4	(234,954,950)	(326,795,250)
40	Net cash flows (used in) from financing activities		(234,954,950)	50,018,204,750

INTERIM SEPARATE 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		(469,572,950,019)	184,711,067,532
60	Cash and cash equivalents at beginning of period		666,404,061,868	389,131,880,525
70	Cash and cash equivalents at end of period	4	196,831,111,849	573,842,948,057



Tran Thi Thanh Van
Preparer



Vu Thi Hong Hanh
Chief Accountant



Vũ Thanh Liêm
Acting General Director

28 August 2020

NOTES TO THE INTERIM SEPARATE 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 its shares on the Ho Chi Minh Stock Exchange with trading code "CTD" in accordance with Decision No. 155/QĐ-SGDHCM issued by the Ho Chi Minh Stock Exchange on 9 December 2009.

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

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 Company's employees as at 30 June 2020 was 1,172 (31 December 2019: 1,447).

Corporate 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 rental of real estates.

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

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

2. BASIS OF PREPARATION

2.1 Purpose of preparing the interim separate financial statements

The Company has subsidiaries as disclosed in *Notes 1 and 13.1*. The Company prepared these interim separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular No. 155/2015/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Company has also prepared the interim consolidated financial statements of the Company and its subsidiaries ("the Group") for the six-month period ended 30 June 2020 dated 28 August 2020.

Users of the interim separate financial statements should read them together with the said interim consolidated financial statements in order to obtain full information on the interim consolidated financial position, interim consolidated results of operations and interim consolidated cash flows of the Group.

2.2 Applied accounting standards and system

The interim separate financial statements of the Company 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 separate 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.

2.3 Applied accounting documentation system

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

2.4 Fiscal year

The Company's fiscal year applicable for the preparation of its separate financial statements starts on 1 January and ends on 31 December.

2.5 Accounting currency

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

NOTES TO THE INTERIM SEPARATE 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 equivalents comprise cash on hand, cash at banks and short-term, highly liquid investments with an original maturity of not 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 separate 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 separate balance sheet date which are doubtful of being recovered. Increases and decreases to the provision balance are recorded into the general and administrative expenses in the interim separate 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 realisable value ("NRV") 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	- cost of purchase on a weighted average basis.
Construction work-in-process	- cost of direct materials and labour plus attributable construction overheads.

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Company, based on appropriate evidence of impairment available at the separate balance sheet date.

Increases or decreases to the provision balance are recorded into the cost of goods sold in the separate 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 separate 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 separate income statement.

NOTES TO THE INTERIM SEPARATE 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 amortisation.

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 separate 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 separate income statement.

Land use rights

Land use right is recorded as an intangible fixed asset on the separate balance sheet when the Company 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 amortisation 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 - 8 years
Office equipment	3 - 6 years
Land use rights	45 - 49 years
Software	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 Company.

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 interim separate 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 SEPARATE 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 interim 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.

A lease is classified as a finance lease 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 Company is the lessee

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

Where the Company is the lessor

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

Lease income is recognised in the interim separate 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 separate 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*

Investment in subsidiaries

Investment in subsidiaries over which the Company has control are carried at cost.

Distributions from accumulated net profits of the subsidiary arising subsequent to the date of acquisition are recognised in the interim separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

Investment in associates

Investments in associates over which the Company has significant influence are carried at cost.

Distributions from accumulated net profits of the associates arising subsequent to the date of acquisition are recognised in the interim separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

NOTES TO THE INTERIM SEPARATE 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)

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 investments in entities

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

Increases and decreases to the provision balance are recorded as finance expense in the interim separate 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 Company.

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 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, the Law on Social Insurance and related implementing guidance. The average monthly salary used in this calculation will be revised at the end of each reporting period following the average monthly salary of the 6-month period up to the reporting date. Increase or decrease to the accrued amount other than actual payment to employee will be taken to the interim separate 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 recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provision for warranty obligation of construction projects is estimated from 0.3% to 1% on value of projects based on the specification of each project and actual experience.

3.15 *Foreign currency transactions*

Transactions in currencies other than the Company'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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 *Foreign currency transactions* (continued)

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

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

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

3.16 *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 Company's own equity instruments.

3.17 *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 Vietnam's regulatory requirements.

The Company maintains the following reserve funds which are appropriated from the Company's net profit after tax as proposed by the Board of Directors and subject to approval by shareholders at the Annual General Meeting:

- ▶ *Investment and development fund*

This fund is set aside for use in the Company'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 interim separate balance sheet.

3.18 *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Revenue recognition (continued)

Construction contracts (continued)

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 lease term.

Interest

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

3.19 Taxation

Current income tax

Current tax assets and liabilities for the current and prior period 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 by the separate balance sheet date.

Current income tax is charged or credited to the interim separate income statement, except when it relates to items recognized 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 Company to set off current tax assets against current tax liabilities and when the Company 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 separate balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purpose.



NOTES TO THE INTERIM SEPARATE 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 *Taxation* (continued)

Deferred tax (continued)

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;
- ▶ 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 utilized, 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;
- ▶ 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 utilized.

The carrying amount of deferred tax assets is reviewed at each separate 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 tax asset to be utilized. Previously unrecognized deferred tax assets are re-assessed at each separate balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company to off-set 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 Company 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.

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NOTES TO THE INTERIM SEPARATE 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 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	5,690,532	1,216,053,596
Cash at banks	176,825,421,317	91,188,008,272
Cash equivalents (*)	20,000,000,000	574,000,000,000
TOTAL	<u>196,831,111,849</u>	<u>666,404,061,868</u>

(*) Cash equivalents represent bank deposits with a term under three (3) months and earn interest at the applicable rates.

5. HELD TO MATURITY INVESTMENTS

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

6. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

6.1 Short-terms trade receivables

	VND	
	30 June 2020	31 December 2019
Trade receivables from other parties	6,311,723,985,486	6,815,198,748,180
- Hoi An South Development Co. Ltd.	817,909,240,103	1,052,674,643,124
- Others	5,493,814,745,383	5,762,524,105,056
Trade receivables from related parties (Note 29)	156,451,994,594	178,662,005,126
TOTAL	<u>6,468,175,980,080</u>	<u>6,993,860,753,306</u>
Provision for doubtful short-term receivables	(190,328,146,020)	(188,469,800,125)
NET	<u>6,277,847,834,060</u>	<u>6,805,390,953,181</u>

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

6. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS (continued)

6.1 Short-terms trade receivables (continued)

Details of 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 during the period	<u>(1,858,345,895)</u>	<u>-</u>
Ending balance	<u>(190,328,146,020)</u>	<u>(183,823,935,386)</u>

6.2 Short-term advances to suppliers

	VND	
	30 June 2020	31 December 2019
Bao Thach International Joint Stock Company	26,478,423,714	45,520,372,208
New Land Trading Service Joint Stock Company	20,691,162,924	1,549,850,611
Earth Arts Viet Nam Company Limited	15,696,006,270	-
R.E.E Refrigeration Electrical Engineering Technical and Service Joint Stock Company	12,216,843,989	28,600,000,000
TTT Construction and Trading Joint Stock Company	-	68,336,868,742
AsianTime International Ltd. (Vietnam)	-	29,076,245,494
Others	90,028,418,429	39,392,988,048
TOTAL	<u>165,110,855,326</u>	<u>212,476,325,103</u>

7. OTHER SHORT-TERM RECEIVABLES

	VND	
	30 June 2020	31 December 2019
Interest receivable	66,514,758,379	92,611,287,148
Advances to construction teams and employees	6,351,841,529	8,065,482,425
Short-term deposits	4,026,630,959	3,879,222,591
Others	<u>1,839,747,968</u>	<u>2,193,229,046</u>
TOTAL	<u>78,732,978,835</u>	<u>106,749,221,210</u>
Provision for doubtful short-term receivables	<u>(26,037,962,694)</u>	<u>(26,037,962,694)</u>
NET	<u>52,695,016,141</u>	<u>80,711,258,516</u>
<i>In which:</i>		
Receivables from other parties	78,732,978,835	72,618,536,279
Receivables from a related party (Note 29)	-	34,130,684,931

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

8. INVENTORIES

	VND	
	30 June 2020	31 December 2019
Construction work in process (*)	<u>872,251,172,213</u>	<u>1,187,898,968,197</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	144,237,154,283
58 Tay Ho project	104,869,886,209	111,440,096,700
Other constructions projects	<u>570,701,789,755</u>	<u>932,221,717,214</u>
TOTAL	<u>872,251,172,213</u>	<u>1,187,898,968,197</u>

9. PREPAID EXPENSES

	VND	
	30 June 2020	31 December 2019
Short-term	3,997,912,818	3,456,235,463
Operating leases and office tools and equipment	3,997,912,818	3,456,235,463
Long-term	86,882,278,967	94,651,883,634
Construction tools and equipment	58,306,470,067	64,969,649,007
Operating leases and office tools and equipment	<u>28,575,808,900</u>	<u>29,682,234,627</u>
TOTAL	<u>90,880,191,785</u>	<u>98,108,119,097</u>



Coteccons Construction Joint Stock Company

NOTES TO THE INTERIM SEPARATE 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	Total
Cost:					VND
As at 31 December 2019	185,267,053,122	587,922,028,800	41,456,537,573	30,040,684,297	844,686,303,792
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	185,965,595,586	563,975,047,210	41,456,537,573	30,614,152,297	822,011,332,666
<i>In which:</i>					
Fully depreciated	20,215,610,370	35,701,026,059	15,201,271,610	15,433,422,679	86,551,330,718
Accumulated depreciation:					
As at 31 December 2019	(67,295,520,325)	(233,065,725,152)	(25,954,042,980)	(21,599,884,946)	(347,915,173,403)
Depreciation for the period	(5,756,824,513)	(28,991,718,501)	(2,195,493,822)	(2,399,647,671)	(39,343,684,507)
Disposal	-	23,946,981,590	-	775,092,000	24,722,073,590
As at 30 June 2020	(73,052,344,838)	(238,110,462,063)	(28,149,536,802)	(23,224,440,617)	(362,536,784,320)
Net carrying amount:					
As at 31 December 2019	117,971,532,797	354,856,303,648	15,502,494,593	8,440,799,351	496,771,130,389
As at 30 June 2020	112,913,250,748	325,864,585,147	13,307,000,771	7,389,711,680	459,474,548,346

NOTES TO THE INTERIM SEPARATE 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>
Cost:			
As at 31 December 2019	81,539,243,238	20,552,673,082	102,091,916,320
New purchases	-	12,026,880	12,026,880
As at 30 June 2020	<u>81,539,243,238</u>	<u>20,564,699,962</u>	<u>102,103,943,200</u>
<i>In which:</i>			
Fully depreciated	-	7,201,520,805	7,201,520,805
Accumulated amortisation:			
As at 31 December 2019	(4,166,587,383)	(11,735,746,165)	(15,902,333,548)
Amortisation for the period	(172,096,098)	(2,156,461,830)	(2,328,557,928)
As at 30 June 2020	<u>(4,338,683,481)</u>	<u>(13,892,207,995)</u>	<u>(18,230,891,476)</u>
Net carrying value:			
As at 31 December 2019	<u>77,372,655,855</u>	<u>8,816,926,917</u>	<u>86,189,582,772</u>
As at 30 June 2020	<u>77,200,559,757</u>	<u>6,672,491,967</u>	<u>83,873,051,724</u>

12. INVESTMENT PROPERTIES

	<i>Office building</i>	<i>Others</i>	<i>VND Total</i>
Cost:			
As at 31 December 2019 and 30 June 2020	<u>72,234,622,480</u>	<u>18,620,363,909</u>	<u>90,854,986,389</u>
Accumulated depreciation:			
As at 31 December 2019	(21,857,159,167)	(4,570,264,924)	(26,427,424,091)
Depreciation for the period	(1,358,313,192)	(372,407,286)	(1,730,720,478)
As at 30 June 2020	<u>(23,215,472,359)</u>	<u>(4,942,672,210)</u>	<u>(28,158,144,569)</u>
Net carrying amount:			
As at 31 December 2019	<u>50,377,463,313</u>	<u>14,050,098,985</u>	<u>64,427,562,298</u>
As at 30 June 2020	<u>49,019,150,121</u>	<u>13,677,691,699</u>	<u>62,696,841,820</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 interim separate balance sheet date.

Coteccons Construction Joint Stock Company

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

13. LONG-TERM INVESTMENTS

	30 June 2020		31 December 2019		VND
	Cost	Provision	Cost	Provision	
Investments in subsidiaries (Note 13.1)	2,510,348,360,000	-	2,510,348,360,000	-	
Investments in associates (Note 13.2)	177,600,000,000	(102,397,862,713)	235,560,000,000	(87,605,221,824)	
Investment in another entity (Note 13.3)	57,960,000,000	-	-	-	
TOTAL	2,745,908,360,000	(102,397,862,713)	2,745,908,360,000	(87,605,221,824)	

13.1 Investment in subsidiaries

Name	Address	30 June 2020		31 December 2019	
		Ownership %	Amount VND	Ownership %	Amount VND
Covestcons Company Limited	Ho Chi Minh City, Viet Nam	100	1,872,000,000,000	100	1,872,000,000,000
Unicons Investment Construction Company Limited	Ho Chi Minh City, Viet Nam	100	638,348,360,000	100	638,348,360,000
TOTAL			2,510,348,360,000		2,510,348,360,000

Coteccons Construction Joint Stock Company

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

13. LONG-TERM INVESTMENTS (continued)

13.2 Investment in associates

Name	30 June 2020		31 December 2019			
	Ownership %	Amount VND	Provision VND	Ownership %	Amount VND	Provision VND
FCC Infrastructure Investment Joint Stock Company	42.36	159,600,000,000	(84,397,862,713)	42.36	159,600,000,000	(69,605,221,824)
Quang Trong Commercial Joint Stock Company	36.00	18,000,000,000	(18,000,000,000)	36.00	18,000,000,000	(18,000,000,000)
Ricons Construction Investment Joint Stock Company ("Ricons") (*)	-	-	-	14.30	57,960,000,000	-
TOTAL		177,600,000,000	(102,397,862,713)		235,560,000,000	(87,605,221,824)

13.3 Investment in another entity

Name	30 June 2020		31 December 2019	
	Ownership %	Amount VND	Ownership %	Amount VND
Ricons Construction Investment Joint Stock Company ("Ricons") (*)	14.30	57,960,000,000	-	-

(*) 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.

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

14. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

14.1 Short-term trade payables

	VND	
	30 June 2020	31 December 2019
Trade payables to other parties	1,939,436,145,764	2,877,926,942,561
Trade payables from related parties (Note 29)	605,079,264,925	951,043,147,699
TOTAL	<u>2,544,515,410,689</u>	<u>3,828,970,090,260</u>

14.2 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 Sunny World Development and Management Joint Stock Company	60,302,973,277	69,089,850,597
Nam Long Investment Joint Stock Company	41,292,026,197	69,846,217,233
Others	-	81,985,535,472
	273,542,302,319	260,189,302,529
TOTAL	<u>502,514,974,509</u>	<u>672,338,835,120</u>

Coteccons Construction Joint Stock Company

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

15. STATUTORY OBLIGATIONS

	31 December 2019	Increase in the period	Offset in the period	Payment in the period	30 June 2020
					VND
Corporate income tax	24,358,389,946	64,247,642,739	-	(38,482,390,127)	50,123,642,558
Personal income tax	37,469,097,277	12,055,266,690	-	(48,042,543,462)	1,481,820,505
Value-added tax	-	544,941,851,712	(485,359,229,089)	(59,582,622,623)	-
Others	-	1,308,271,073	-	(1,308,271,073)	-
TOTAL	61,827,487,223	622,553,032,214	(485,359,229,089)	(147,415,827,285)	51,605,463,063

16. SHORT-TERM ACCRUED EXPENSES

	30 June 2020	31 December 2019
		VND
Cost of construction projects	1,574,586,111,583	1,598,432,786,852
Bonus for Board Of Directors, Board Of Supervision	1,760,000,000	560,000,000
TOTAL	1,576,346,111,583	1,598,992,786,852

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

17. SHORT-TERM UNEARNED REVENUE

	<i>30 June 2020</i>	<i>31 December 2019</i>
Unearned revenue from construction works	<u>43,749,582,912</u>	<u>52,996,977,238</u>

18. OTHER PAYABLES

	VND	
	<i>30 June 2020</i>	<i>31 December 2019</i>
Short-term	268,018,967,270	32,317,782,262
Dividend payables	229,339,928,425	697,164,375
Payable to construction teams and employees	30,163,549,762	22,362,884,539
Others	8,515,489,083	9,257,733,348
Long-term	582,544,786	542,006,657
Deposits	<u>582,544,786</u>	<u>542,006,657</u>
TOTAL	<u>268,601,512,056</u>	<u>32,859,788,919</u>

19. SHORT-TERM AND LONG-TERM PROVISIONS

	VND	
	<i>30 June 2020</i>	<i>31 December 2019</i>
Short-term		
Provisions for construction warranty	<u>54,696,077,819</u>	<u>46,559,156,812</u>
Long-term		
Severance allowance	<u>6,310,251,884</u>	<u>6,310,251,884</u>

20. BONUS AND WELFARE FUND

	VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Beginning balance	63,372,625,981	124,572,650,726
Increase in the period (Note 21.1)	41,450,950,058	57,516,000,000
Utilization of fund	<u>(15,026,575,942)</u>	<u>(5,274,369,485)</u>
Ending balance	<u>89,797,000,097</u>	<u>176,814,281,241</u>

Coteccons Construction Joint Stock Company

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

21. OWNERS' EQUITY

21.1 Increase and decrease in owners' equity

	Share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Total
For the six-month period ended 30 June 2019						
As at 31 December 2018	783,550,000,000	2,997,645,175,385	(439,558,938,999)	2,583,711,350,792	1,096,642,066,506	7,021,989,653,684
Increase in capital	9,000,000,000	41,345,000,000	-	-	-	50,345,000,000
Net profit for the period	-	-	-	-	222,438,451,427	222,438,451,427
Profit appropriation	-	-	-	581,765,000,000	(581,765,000,000)	-
Transfer to bonus and welfare fund (Note 20)	-	-	-	-	(57,516,000,000)	(57,516,000,000)
Dividends declared	-	-	-	-	(229,136,619,000)	(229,136,619,000)
As at 30 June 2019	<u>792,550,000,000</u>	<u>3,038,990,175,385</u>	<u>(439,558,938,999)</u>	<u>3,165,476,350,792</u>	<u>450,662,898,933</u>	<u>7,008,120,486,111</u>
For the six-month period ended 30 June 2020						
As at 31 December 2019	792,550,000,000	3,038,990,175,385	(443,424,538,999)	3,165,476,350,792	679,215,288,617	7,232,807,275,795
Net profit for the period	-	-	-	-	189,305,959,108	189,305,959,108
Profit appropriation	-	-	-	288,862,350,751	(288,862,350,751)	-
Transfer to bonus and welfare fund (Note 20)	-	-	-	-	(41,450,950,058)	(41,450,950,058)
Dividends declared	-	-	-	-	(228,877,719,000)	(228,877,719,000)
As at 30 June 2020	<u>792,550,000,000</u>	<u>3,038,990,175,385</u>	<u>(443,424,538,999)</u>	<u>3,454,338,701,543</u>	<u>309,330,227,916</u>	<u>7,151,784,565,845</u>

VND

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

21. OWNERS' EQUITY (continued)

21.2 Capital transactions with owners and distribution of dividends

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

21.3 Shares

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

21.4 Dividends

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

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

22. REVENUES

22.1 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 contracts (*)	5,480,044,715,123	7,729,902,577,745
Rental of construction equipments	8,099,093,365	8,632,747,267
Revenue relating to office rental services	8,079,322,780	7,900,501,290
Others	3,230,000,064	28,949,751,799
TOTAL	<u>5,499,453,131,332</u>	<u>7,775,385,578,101</u>

(*) Revenue from construction contracts recognised during the period 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 period of the on-going construction contracts	5,419,239,613,960	7,708,549,241,899
Revenue recognised during the period of the completed construction contracts	60,805,101,163	21,353,335,846
TOTAL	<u>5,480,044,715,123</u>	<u>7,729,902,577,745</u>

22.2 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	<u>44,530,591,342</u>	<u>117,808,547,268</u>

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

23. 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 construction services	5,160,619,679,665	7,441,545,573,409
Cost of construction equipment leased	7,783,411,065	8,065,251,297
Operating cost of office rental services	4,948,182,325	4,694,879,526
Others	933,677,368	24,612,414,639
TOTAL	<u>5,174,284,950,423</u>	<u>7,478,918,118,871</u>

24. 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>
Provision for diminution in value of investment	14,792,640,889	-
Foreign exchange differences	2,659,557	-
TOTAL	<u>14,795,300,446</u>	<u>-</u>

25. 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	88,429,025,289	111,644,205,071
External services expenses	14,565,270,395	16,051,400,130
Depreciation and amortisation	12,912,520,179	12,050,298,185
Provision expense	1,858,345,895	-
Other expenses	16,671,309,330	18,606,842,251
TOTAL	<u>134,436,471,088</u>	<u>158,352,745,637</u>

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

26. OTHER INCOME AND EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
OTHER INCOME	16,720,190,986	22,046,368,696
Reversal of warranty provisions	6,336,223,369	9,755,718,668
Reversal of over accrued expenses	4,388,577,058	6,691,132,071
Gains from disposal of fixed assets	2,814,545,455	1,259,669,089
Others	3,180,845,104	4,339,848,868
OTHER EXPENSES	<u>(1,639,101,863)</u>	<u>(1,104,375,938)</u>
TOTAL	<u>15,081,089,123</u>	<u>20,941,992,758</u>

27. 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	3,352,790,494,730	4,847,904,176,708
Raw materials	1,150,119,580,579	2,032,516,849,241
Labour costs	310,674,436,494	388,113,296,772
Tools and supplies	53,425,464,375	108,269,410,045
Depreciation and amortization (Notes 10, 11 and 12)	43,402,962,913	41,482,349,116
Others	82,660,686,436	94,661,796,448
TOTAL	<u>4,993,073,625,527</u>	<u>7,512,947,878,330</u>

28. CORPORATE INCOME TAX

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

The tax returns filed by the Company are subject to examination by the tax authorities. Because the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, amounts reported in the interim separate financial statements could be changed at a later date upon final determination by the tax authorities.



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

28. CORPORATE INCOME TAX (continued)

28.1 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>
Current tax expense	64,247,642,739	55,906,841,236
Adjustment for over accrual of tax from prior periods	<u>(1,125,939,464)</u>	<u>(1,480,039,044)</u>
	63,121,703,275	54,426,802,192
Deferred tax income	<u>(16,879,572,543)</u>	<u>-</u>
TOTAL	<u>46,242,130,732</u>	<u>54,426,802,192</u>

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

	VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Accounting profit before tax	<u>235,548,089,840</u>	<u>276,865,253,619</u>
At CIT rate of 20% applicable to the Company	47,109,617,968	55,373,050,724
<i>Adjustments:</i>		
Non-deductible expenses	258,452,228	533,790,512
Adjustment for over accrual of tax from prior periods	<u>(1,125,939,464)</u>	<u>(1,480,039,044)</u>
Estimated current CIT expense	<u>46,242,130,732</u>	<u>54,426,802,192</u>

28.2 Current tax

The current tax payable is based on taxable income for the current period. The taxable income of the Company for the period differs from the accounting profit before tax as reported in the interim separate 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 Company's liability for current tax is calculated using tax rates that have been enacted by the separate balance sheet date.

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

28. CORPORATE INCOME TAX (continued)

28.3 Deferred tax

The followings are the major deferred tax assets recognised by the Company, and the movements thereon, during the current and previous period:

	VND			
	<i>Interim separate balance sheet</i>		<i>Interim separate income statement</i>	
	<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>
Provision for investments	16,879,572,543	-	16,879,572,543	-
Severance allowance	1,262,050,377	1,262,050,377	-	-
Foreign exchange differences arising from revaluation of monetary accounts denominated in foreign currency	(6,801,121)	(6,801,121)	-	-
Net deferred tax assets	<u>18,134,821,799</u>	<u>1,255,249,256</u>		
Deferred tax income			<u>16,879,572,543</u>	<u>-</u>

Coteccons Construction Joint Stock Company

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

29. TRANSACTIONS WITH RELATED PARTIES

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

Related parties	Relationship	Nature of transaction	VND	
			For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Unicons Investment Construction Company Limited	Subsidiary	Construction cost	355,743,312,370	355,355,978,170
		Equipment rental income	5,724,986,590	5,977,163,977
		Office rental income	2,085,293,981	2,184,247,843
		Equipment rental expense	602,786,118	-
		Others	307,685,767	296,822,511
Ricons Construction Investment Joint Stock Company	Related party	Construction cost	64,850,188,378	413,556,310,399
		Construction services	21,359,291,693	167,026,687,520
		Office rental income	2,269,405,459	2,232,594,624
		Equipment rental cost	2,218,904,323	794,484,245
		Equipment rental income	548,932,410	1,648,609,676
		Purchase of construction materials	-	47,182,939,442
		Utilities fee	440,027,770	364,322,511
FCC Infrastructure Investment Joint Stock Company	Associate	Capital contribution	-	61,600,000,000
Covestcons Company Limited	Subsidiary	Capital contribution	-	100,000,000,000
Riland Investment Joint Stock Company	Associate	Purchase of construction materials	143,178,841,081	55,419,477,201

Coteccons Construction Joint Stock Company

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

29. TRANSACTIONS WITH RELATED PARTIES (continued)

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>
VND				
Short-term trade receivables				
Ricons Construction Investment Joint Stock Company	Related party	Construction services, office rental, equipment rental	152,518,703,530	176,096,844,135
Unicons Investment Construction Company Limited	Subsidiary	Office rental, equipment rental	3,933,291,064	2,565,160,991
			156,451,994,594	178,662,005,126
Other short-term receivables				
Covestcons Company Limited	Subsidiary	Interest	-	34,130,684,931
Short-term trade payables				
Ricons Construction Investment Joint Stock Company	Related party	Construction cost, purchase of construction materials and equipment rental	360,728,977,341	593,792,393,704
Unicons Investment Construction Company Limited	Subsidiary	Construction cost and equipment rental	191,934,967,383	264,012,053,673
Riland Investment Joint Stock Company	Related party	Construction cost, purchase of construction materials	52,415,320,201	93,238,700,322
			605,079,264,925	951,043,147,699

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

29. 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>
Remuneration of the Board of Directors, Board of Supervision and salaries, bonus of Board of Management	<u>13,795,288,783</u>	<u>16,045,624,621</u>

30. COMMITMENTS

The Company leases out its Coteccons Building property under operating lease arrangements. The future minimum rental receivables as at the interim balance sheet dates under the operating lease agreements are as follows:

	VND	
	<i>30 June 2020</i>	<i>31 December 2019</i>
Less than 1 year	12,879,292,777	12,541,798,724
From 1 to 5 years	<u>40,725,426,358</u>	<u>45,700,425,063</u>
TOTAL	<u>53,604,719,135</u>	<u>58,242,223,787</u>


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

31. EVENTS AFTER THE INTERIM SEPARATE BALANCE SHEET DATE

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



Tran Thi Thanh Van
Preparer



Vu Thi Hong Hanh
Chief Accountant



Vu Thanh Liem
Acting General Director



28 August 2020



