Cotec Construction Joint Stock Company

Interim separate financial statements

30 June 2013

Building a better
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CONTENTS

THE COMPANY

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

Amended Business Registration Certificate No.	*Date*
4103002611 – 1st	10 January 2005
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0303443233 – 12th	25 June 2013

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

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

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. Tran Quang Tuan	Member	
Mr. Tran Quang Quan	Member	
Mr. Huynh Ba Thang Long	Member	
Mr. Talgat Turumbayev	Member	
Mr. Huynh Le Duc	Member	
Mr. Brian Quang Pham	Member	Appointed on 6 August 2013
Mr. Nguyen Thanh Oai	Member	Resigned on 6 August 2013

BOARD OF SUPERVISION

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

Ms. Nghiem Bach Huong	Head of Board of Supervision
Mr. Tu Dai Phuc	Member
Mr. Nguyen Duc Canh	Member

MANAGEMENT

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

Mr. Nguyen Ba Duong	General Director
Mr. Tran Quang Quan	Deputy General Director
Mr. Tran Quang Tuan	Deputy General Director
Mr. Tran Van Chinh	Deputy General Director

LEGAL REPRESENTATIVE

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

AUDITORS

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

REPORT OF MANAGEMENT

Management of Cotec Construction Joint Stock Company ("the Company") is pleased to present its report and the interim separate financial statements of the Company for the six-month period ended 30 June 2013.

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 state of affairs of the Company and of the interim separate results of its operations and 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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the 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 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 2013 and of the interim separate results of its operations and its interim cash flows for the six-month period then ended in accordance with the Vietnamese Accounting Standards and System and comply with relevant statutory requirements.

The Company is the parent company with a subsidiary listed in Note 13.1 and it is in the process of completing the interim consolidated financial statements of the Company and its subsidiary ("the Group") as at and for the six-month period ended 30 June 2013 to meet the prevailing regulatory reporting requirements.

Users of these interim separate financial statements should read them together with the interim consolidated financial statements of the Group as at and for the six-month period ended 30 June 2013 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 as a whole.

For and on behalf of management:

CÔNG TY CỔ PHẦN XÂY DỰNG (COTEC)

Nguyen Ba Duong
General Director

20 August 2013

EY
Building a better working world

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Reference: 60813343/16359883

REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS

To: The shareholders of Cotec Construction Joint Stock Company

We have reviewed the interim separate financial statements of Cotec Construction Joint Stock Company ("the Company") as set out on pages 5 to 40 which comprise the interim separate balance sheet as at 30 June 2013, and the interim separate income statement and the interim separate cash flow statement for the six-month period then ended and the notes thereto.

The preparation and presentation of these interim separate financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these interim separate financial statements based on our review.

We conducted our review in accordance with Vietnamese Standard on Auditing No. 910 – Engagements to Review Financial Statements. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim separate financial statements are free from material misstatement. A review is limited primarily to inquiries of the Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

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 of the interim separate financial position of the Company as at 30 June 2013, 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 the Vietnamese Accounting Standards and System and comply with the relevant statutory requirements.

Without qualifying our opinion, we draw attention to Note 2.1 to the interim separate financial statements, which states that the Company is a parent company with a subsidiary and it is in the process of completing the interim consolidated financial statements of the Company and its subsidiary ("the Group") as at and for the six-month period ended 30 June 2013 to meet the prevailing regulatory reporting requirements. Users of these interim separate financial statements should read them together with the interim consolidated financial statements of the Group as at and for the six-month period ended 30 June 2013 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 as a whole.

Ernst & Young Vietnam Limited

0411043001833 CÔNG TY TRÁCH NHIỆM HỮU HẠN ERNST & YOUNG VIỆT NAM

Ernest Yoong Chin Kang	Le Vu Truong
Deputy General Director	Auditor
Audit Practicing Registration	Audit Practicing Registration
Certificate No. 1891-2013-004-1	Certificate No. 1588-2013-004-1

Ho Chi Minh City, Vietnam

20 August 2013

INTERIM SEPARATE BALANCE SHEET
as at 30 June 2013

VND

Code	*ASSETS*	*Notes*	*30 June 2013*	*31 December 2012*
100	**A. CURRENT ASSETS**		**3,086,964,266,746**	**3,047,895,090,991**
110	***I. Cash and cash equivalents***	***4***	***335,597,055,359***	***681,485,846,811***
111	1. Cash		160,597,055,359	94,314,871,184
112	2. Cash equivalents		175,000,000,000	587,170,975,627
120	***II. Short-term investments***	***5***	***926,211,320,000***	***515,339,420,000***
121	1. Short-term investments		928,116,192,450	517,616,192,450
129	2. Provision for short-term investments		(1,904,872,450)	(2,276,772,450)
130	***III. Current accounts receivable***		***1,526,285,797,872***	***1,457,889,671,264***
131	1. Trade receivables	6	1,529,573,764,941	1,447,503,573,573
132	2. Advances to suppliers		19,125,586,003	29,139,666,769
135	3. Other receivables	7	45,557,116,961	37,490,403,403
139	4. Provision for doubtful debts	6,7	(67,970,670,033)	(56,243,972,481)
140	***IV. Inventories***	***8***	***274,191,459,076***	***383,854,553,819***
141	1. Inventories		349,191,459,076	408,704,553,819
149	2. Provision for obsolete inventories		(75,000,000,000)	(24,850,000,000)
150	***V. Other current assets***		***24,678,634,439***	***9,325,599,097***
151	1. Short-term prepaid expenses		155,176,072	154,489,771
152	2. Value-added tax deductible		12,056,589,891	-
158	3. Other current assets	9	12,466,868,476	9,171,109,326
200	**B. NON-CURRENT ASSETS**		**598,115,562,623**	**565,177,836,852**
220	***I. Fixed assets***		***211,425,233,194***	***226,953,954,136***
221	1. Tangible fixed assets	10	120,436,473,357	138,599,650,290
222	Cost		255,373,842,002	266,499,895,843
223	Accumulated depreciation		(134,937,368,645)	(127,900,245,553)
227	2. Intangible assets	11	87,475,933,384	88,214,332,027
228	Cost		92,125,042,694	92,280,510,590
229	Accumulated amortisation		(4,649,109,310)	(4,066,178,563)
230	3. Construction in progress		3,512,826,453	139,971,819
240	***II. Investment properties***	***12***	***94,567,335,205***	***96,286,741,297***
241	1. Cost		103,164,365,665	103,164,365,665
242	2. Accumulated depreciation		(8,597,030,460)	(6,877,624,368)
250	***III. Long-term investments***		***201,656,793,409***	***111,812,313,409***
251	1. Investment in a subsidiary	13.1	112,086,980,000	-
252	2. Investments in associates	13.2	88,780,000,000	111,022,500,000
258	3. Other long-term investments	13.3	29,702,000,000	30,202,000,000
259	4. Provision for long-term investments	13	(28,912,186,591)	(29,412,186,591)
260	***IV. Other long-term assets***		***90,466,200,815***	***130,124,828,010***
261	1. Long-term prepaid expenses	14	87,187,986,374	125,565,391,034
262	2. Deferred tax assets	27.2	3,233,214,441	4,514,436,976
268	3. Other long-term assets		45,000,000	45,000,000
270	**TOTAL ASSETS**		**3,685,079,829,369**	**3,613,072,927,843**

INTERIM SEPARATE BALANCE SHEET (continued)
as at 30 June 2013

VND

Code	RESOURCES	Notes	30 June 2013	31 December 2012
300	**A. LIABILITIES**		**1,590,682,668,747**	**1,535,073,008,814**
310	***I. Current liabilities***		***1,503,111,167,874***	***1,520,648,739,204***
312	1. Trade payables	15	557,368,361,103	575,290,157,020
313	2. Advances from customers		229,295,704,917	81,791,209,675
314	3. Statutory obligations	16	42,080,274,104	43,101,396,504
316	4. Accrued expenses	17	504,265,002,155	628,009,600,025
319	5. Other payables	18	64,764,920,938	70,589,115,787
320	6. Short-term provision	19	33,915,264,926	6,439,049,691
323	7. Bonus and welfare fund		23,409,424,661	13,360,194,075
338	8. Unearned revenues	20	48,012,215,070	102,068,016,427
330	***II. Non-current liabilities***		***87,571,500,873***	***14,424,269,610***
333	1. Other long-term liabilities	21	14,051,500,873	14,424,269,610
337	2. Long-term provision	19	73,520,000,000	-
400	**B. OWNERS' EQUITY**		**2,094,397,160,622**	**2,077,999,919,029**
410	***I. Capital***	***22.1***	***2,094,397,160,622***	***2,077,999,919,029***
411	1. Share capital		422,000,000,000	422,000,000,000
412	2. Share premium		869,140,000,000	869,140,000,000
414	3. Treasury shares		(1,741,460,000)	(1,741,460,000)
417	4. Investment and development fund		468,878,115,674	381,467,132,588
418	5. Financial reserve fund		67,011,107,173	56,084,734,287
420	6. Undistributed earnings		269,109,397,775	351,049,512,154
440	**TOTAL LIABILITIES AND OWNERS' EQUITY**		**3,685,079,829,369**	**3,613,072,927,843**

OFF BALANCE SHEET ITEM

ITEM	*30 June 2013*	*31 December 2012*
Foreign currencies:		
- United States dollar (US$)	1,442,011	481
- Euro (EUR)	460	466

CÔNG TY CỔ PHẦN XÂY DỰNG (COTEC)

Vu Thi Hong Hanh
Preparer

Ha Tieu Anh
Chief accountant

Nguyen Ba Duong
General director

20 August 2013

INTERIM SEPARATE INCOME STATEMENT
for the six-month period ended 30 June 2013

VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2013*	*For the six-month period ended 30 June 2012*
10	**1. Net revenue from rendering of services**	**23.1**	**2,010,147,640,506**	**1,944,208,461,399**
11	**2. Cost of services rendered**		**(1,844,191,108,818)**	**(1,792,770,242,167)**
20	**3. Gross profit from rendering of services**		**165,956,531,688**	**151,438,219,232**
21	**4. Finance income**	**23.2**	**50,248,761,191**	**31,676,210,343**
22	**5. Finance expenses**	**24**	**371,444,358**	**(118,919,465)**
23	*In which: Interest expense*		-	*(444,017,567)*
25	**6. General and administrative expenses**	**25**	**(59,272,184,557)**	**(49,378,397,246)**
30	**7. Operating profit**		**157,304,552,680**	**133,617,112,864**
31	**8. Other income**	**26**	**13,127,172,684**	**1,349,153,824**
32	**9. Other expenses**	**26**	**(5,702,148,232)**	-
40	**10. Other profit**	**26**	**7,425,024,452**	**1,349,153,824**
50	**11. Profit before tax**		**164,729,577,132**	**134,966,266,688**
51	**12. Current corporate income tax expense**	**27.1**	**(51,858,052,118)**	**(34,547,887,222)**
52	**13. Deferred income tax (expense) income**	**27.2**	**(1,281,222,535)**	**2,152,728,095**
60	**14. Net profit after tax**		**111,590,302,479**	**102,571,107,561**

CÔNG TY CỔ PHẦN XÂY DỰNG (COTEC) Q. BÌNH THẠNH TP. HỒ CHÍ MINH

Vu Thi Hong Hanh
Preparer

Ha Tieu Anh
Chief accountant

Nguyen Ba Duong
General director

20 August 2013

INTERIM SEPARATE CASH FLOW STATEMENT
for the six-month period ended 30 June 2013

VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2013*	*For the six-month period ended 30 June 2012*
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Profit before tax**		**164,729,577,132**	**134,966,266,688**
	Adjustments for:			
02	Depreciation and amortisation of assets	10, 11, 12	17,869,153,487	19,972,606,822
03	Provisions		162,001,012,787	8,897,291,344
05	Profits from investing activities		(48,305,790,699)	(31,676,210,343)
06	Interest expense	24	-	444,017,567
08	**Operating profit before changes in working capital**		**296,293,952,707**	**132,603,972,078**
09	Increase in receivables		(85,669,868,719)	(277,706,431,089)
10	Decrease in inventories		59,513,094,743	57,530,197,571
11	(Decrease) increase in payables		(59,018,523,629)	105,785,699,023
12	Decrease in prepaid expenses		38,376,718,359	29,644,330,011
13	Interest paid		-	(444,017,567)
14	Corporate income tax paid	27.1	(47,782,340,173)	(37,301,222,736)
15	Other cash inflows from operating activities		855,472,182	27,711,915,119
16	Other cash outflows from operating activities		(2,885,979,338)	(27,042,706,408)
20	**Net cash flows from operating activities**		**199,682,526,132**	**10,781,736,002**
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(3,713,855,906)	(1,647,701,500)
22	Proceeds from disposals of fixed assets	26	1,310,958,500	-
23	Term deposits at banks		(410,500,000,000)	-
24	Collections from borrowers		500,000,000	-
25	Payments for investments in other entities		(89,844,480,000)	(478,000,000)
27	Interest and dividends received		40,892,764,722	26,628,436,104
30	**Net cash flows (used in) from investing activities**		**(461,354,612,684)**	**24,502,734,604**
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Issuance of shares		-	516,540,000,000
36	Dividends paid to equity holders		(84,216,704,900)	(63,309,065,000)
40	**Net cash flows (used in) from financing activities**		**(84,216,704,900)**	**453,230,935,000**

INTERIM SEPARATE CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2013

VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2013*	*For the six-month period ended 30 June 2012*
50	**Net (decrease) increase in cash and cash equivalents**		**(345,888,791,452)**	**488,515,405,606**
60	**Cash and cash equivalents at beginning of period**	**4**	**681,485,846,811**	**251,978,411,295**
61	**Impact of exchange rate fluctuation**		**-**	**(11,209,384)**
70	**Cash and cash equivalents at end of period**	**4**	**335,597,055,359**	**740,482,607,517**

CÔNG TY CỔ PHẦN XÂY DỰNG (COTEC)

Vu Thi Hong Hanh	Ha Tieu Anh	Nguyen Ba Duong
Preparer	Chief accountant	General director

20 August 2013

1. CORPORATE INFORMATION

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

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

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

The number of the Company's employees as at 30 June 2012 was 636 (31 December 2012: 578).

2. BASIS OF PREPARATION

2.1 Accounting standards and system

The interim separate financial statements of the Company, expressed in Vietnam dong ("VND"), are prepared in accordance with the Vietnamese Accounting System and the Vietnamese Accounting Standard No. 27 - Interim Financial Reporting and other Vietnamese Accounting Standards issued by the Ministry of Finance as per the:

- 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 balance sheet, interim separate income statement, interim separate cash flow statement and related notes, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the interim separate financial position and interim separate results of operations and interim separate cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2. BASIS OF PREPARATION (continued)

2.1 *Accounting standards and system* (continued)

The Company is the parent company with a subsidiary listed in Note 13.1 and it is in the process of completing the interim consolidated financial statements of the Company and its subsidiary ("the Group") as at and for the six-month period ended 30 June 2013 to meet the prevailing regulatory reporting requirements.

Users of the interim separate financial statements should read them together with the interim consolidated financial statements of the Group as at and for the six-month period ended 30 June 2013 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 as a whole.

2.2 *Applied accounting documentation system*

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

2.3 *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.

2.4 *Accounting currency*

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Change in accounting policy*

The accounting policies adopted by the Company in preparation of the interim separate financial statements are consistent with those followed in the preparation of the Company's separate financial statements for the year ended 31 December 2012 and the interim separate financial statements for the six-month period ended 30 June 2012 except for the change in the accounting policy in relation to foreign currency transactions.

Starting from 31 December 2012, the Company has adopted VAS No. 10 - Effects of Changes in Foreign Exchange Rates and Circular No. 179/2012/TT-BTC providing guidance on recognition, measurement, treatment for foreign exchange differences issued by the Ministry of Finance on 24 October 2012 ("Circular 179").

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 *Change in accounting policy* (continued)

The VAS 10 and Circular 179 differs from the accounting policy adopted in prior period under Circular No. 201/2009/TT-BTC issued on 15 October 2009 by the Ministry of Finance ("the Circular 201") providing guidance for the treatment of foreign exchange differences relating to the recognition of unrealised foreign exchange differences as follows:

Transaction	***Accounting treatment under***	
	VAS 10	***Circular 201***
Translation of short-term monetary assets and liabilities denominated in foreign currencies at period end.	All unrealised foreign exchange differences are taken to the interim separate income statement.	All unrealised foreign exchange differences are taken to the "Foreign exchange differences reserve" account in the equity section of the interim separate balance sheet and will be reversed on the following period.
Translation of long-term monetary liabilities denominated in foreign currencies at period end.	All unrealised foreign exchange differences are taken to the interim separate income statement.	All unrealized foreign exchange gains are taken to the interim separate income statement. All foreign exchange losses will be charged to the interim separate income statement. However, if the charging of all foreign exchange losses results in net loss before tax for the Company, part of the exchange losses can be deferred and allocated to the interim separate income statement within the subsequent years. In any case, the total foreign exchange loss to be charged to current period's interim separate income statement must be at least equivalent to the foreign exchange losses arising from the translation of the current portion of the long-term liabilities, while the remaining portion of the foreign exchange losses can be deferred in the interim separate balance sheet and allocated to the interim separate income statement within the subsequent five years.
	Circular 179	
Exchange rate used for period-end translation.	Buying exchange rate announced at the balance sheet date by the commercial bank where the Company maintains bank accounts.	Inter-bank exchange rates ruling at balance sheet date.

The VAS 10 and Circular 179 are applied from 31 December 2012 on a prospective basis. Impact of the change from using interbank exchange rate to commercial bank exchange rate for transalation at balance sheet date to the interim separate financial statements as at and for the six-month period ended 30 June 2013 was not material as a whole.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 *Cash and cash equivalents*

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

3.3 *Inventories*

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

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

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

Raw materials	- cost of purchase on a weighted average basis.
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 balance sheet date.

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

3.4 *Receivables*

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

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

3.5 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use. Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the interim separate income statement as incurred.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Intangible assets

Intangible assets are stated at cost less accumulated amortisation.

The cost of an intangible asset comprises its purchase price and any directly attributable costs of preparing the intangible 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 tangible assets are sold or retired, their costs and accumulated amortisation are removed from the interim separate balance sheet and any gain or loss resulting from their disposal is included in the interim separate income statement.

Land use rights

Land use right is recorded as an intangible asset on the interim 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 and is not amortised when having indefinite useful life.

3.7 Depreciation and amortisation

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

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

3.8 Investment properties

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

Subsequent expenditure relating to an investment property that has already been recognized 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:

Buildings	30 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 specific assets and the arrangement coveys 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 Company is the lessee

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

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.

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

3.11 Short-term investments

Short-term investments are stated at their acquisition cost less provision where appropriate. A provision for the diminution in value of investments is created representing the excess of the acquisition cost over the market value at the end of period.

3.12 Investment in a subsidiary

Investment in a subsidiary 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.

3.13 Investment in associates

Investments in associates over which the Company has significant influence are accounted for under the cost method of accounting. Distributions from the accumulated profits of the associates arising subsequent to the date of acquisition by the Company are recognised as income 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Investments in securities and other investments

Investments in securities and other investments are stated at their acquisition costs. Provision is made for any diminution in value of the marketable investments at the balance sheet date representing the excess of the acquisition cost over the market value at that date in accordance with the guidance under Circular No. 228/2009/TT-BTC issued by the Ministry of Finance on 7 December 2009. Increases and decreases to the provision balance are recorded as finance expense in the interim separate income statement.

3.15 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.

3.16 Accrual for severance allowance pay

The severance payment to employee is provided at the end of each reporting period for all employees who have more than 12 months in service up to 31 December 2008 at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code, the Law on Social Insurance and related implementing guidance. Commencing 1 January 2009, 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 balance sheet date. Any changes to the accrued amount 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.

3.17 Provisions

Provisions are recognized 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 1% to 3% on value of projects based on the specification of each project and actual experience.

3.18 Foreign currency transactions

The Company adopted VAS 10 and Circular 179 in relation to foreign currency transactions starting from 31 December 2012.

Transactions in currencies other than the Company's reporting currency of VND are recorded at the exchange rates ruling at the date of the transaction. At as 30 June 2013, monetary assets and liabilities denominated in foreign currencies are translated at exchange rate announced by the commercial bank where the Company maintains bank accounts at the balance sheet date. All realised and unrealised foreign exchange differences are taken to the interim separate income statement.

The above guidance related to unrealized foreign exchange differences provided by VAS 10 and Circular 179 is different from those stipulated in the Circular 201 as applied by the Company for the six-month period ended 30 June 2012. Differences between VAS 10/ Circular 179 and Circular 201 and the impacts of the change to the interim separate financial statements are immaterial as presented in Note 3.1.

3.19 Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss upon purchase, sale, issue or cancellation of the Company's own equity instruments.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Appropriation of net profits

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

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

Financial reserve fund

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

Investment and development fund

This fund is set aside for use in the Company's expansion or upgrading of its operation.

Bonus and welfare fund

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

3.21 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 balance sheet date which is accepted by the customers and reflected in the sales invoices.

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

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

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

Rental income

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

Interest

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

Dividend

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Taxation

Current income tax

Current income tax assets and liabilities for the 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 balance sheet date.

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

Current income tax assets and liabilities are offset when there is a legally enforceable right for the 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 liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.23 Financial instruments

Financial instruments – initial recognition and presentation

Financial assets

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

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

The Company's financial assets include cash and short-term deposits, trade and other receivables, loan receivables and quoted and unquoted financial instruments.

Financial liabilities

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

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

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

Financial instruments – subsequent re-measurement

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

Offsetting of financial instruments

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

4. CASH AND CASH EQUIVALENTS

		VND
	30 June 2013	*31 December 2012*
Cash on hand	19,597,050	54,541,675
Cash in banks	160,577,458,309	94,260,329,509
Cash equivalents	175,000,000,000	587,170,975,627
TOTAL	**335,597,055,359**	**681,485,846,811**

Cash equivalents represent bank deposits and earn interest at the applicable rates.

5. SHORT-TERM INVESTMENTS

	30 June 2013	*VND* 31 December 2012
Short-term investment securities	7,616,192,450	7,616,192,450
Other short-term investments	920,500,000,000	510,000,000,000
Provision for short-term investments	(1,904,872,450)	(2,276,772,450)
NET	**926,211,320,000**	**515,339,420,000**

5.1. Short-term investment securities

	30 June 2013		*31 December 2012*	
	Quantity	*Value (VND)*	*Quantity*	*Value (VND)*
Investment in listed companies:				
Hoa Binh Rubber Joint Stock Company	20,950	2,051,942,650	20,950	2,051,942,650
Dong Phu Rubber Joint Stock Company	10,550	637,871,300	10,550	637,871,300
PetroVietnam Fertilizer and Chemicals Company	45,000	2,542,808,500	45,000	2,542,808,500
Vietnam Dairy Products Joint Stock Company	90,000	2,383,570,000	60,000	2,383,570,000
TOTAL		**7,616,192,450**		**7,616,192,450**
Provision for diminution in short-term investment		(1,904,872,450)		(2,276,772,450)
NET		**5,711,320,000**		**5,339,420,000**

5.2. Other short-term investments

Other short-term investments include deposits in commercial banks with a term of three months or more and earn an interest at the applicable rates.

6. TRADE RECEIVABLES

	30 June 2013	*VND* 31 December 2012
Third parties	1,403,022,708,644	1,320,384,644,263
Related parties *(Note 28)*	126,551,056,297	127,118,929,310
TOTAL	**1,529,573,764,941**	**1,447,503,573,573**
Provision for doubtful debts	(64,669,262,129)	(55,182,008,195)
NET	**1,464,904,502,812**	**1,392,321,565,378**

7. OTHER RECEIVABLES

	30 June 2013	*VND* 31 December 2012
Interest receivable	33,595,112,466	23,491,004,361
Related parties *(Note 28)*	11,957,879,495	13,973,879,495
Others	4,125,000	25,519,547
TOTAL	**45,557,116,961**	**37,490,403,403**
Provision for doubtful debts	(3,301,407,904)	(1,061,964,286)
NET	**42,255,709,057**	**36,428,439,117**

8. INVENTORIES

	30 June 2013	*VND* 31 December 2012
Work in process	349,191,459,076	408,704,553,819
Provision for obsolete inventories	(75,000,000,000)	(24,850,000,000)
NET	**274,191,459,076**	**383,854,553,819**

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

	30 June 2013	*VND* 31 December 2012
Tricon Tower	75,000,000,000	73,438,243,737
Viettel Commercial Center and Operation Office	43,148,324,827	-
Ho Chi Minh Stock Exchange Building	38,018,804,100	35,269,168,789
Salinda Premium Spa and Resort	21,518,358,729	6,461,747,670
Diamond Island	19,019,784,613	49,386,391,147
Power Construction installation No.1's apartment	18,975,479,482	22,182,733,013
Kenton Tower	18,406,466,987	15,248,486,530
Mandarin	17,873,435,192	7,145,047,446
Brotex Colored Yarn Factory	15,337,214,383	-
381 Chuong Duong Port	14,372,099,198	9,055,406,725
The Everich II – District 7	12,815,906,387	11,916,834,772
Delta River	12,113,245,357	136,064,100
Eurowindows Tower	9,891,719,613	33,599,791,226
Noi Bai International Airport	8,101,718,752	7,254,094,016
Others	24,598,901,456	137,610,544,648
TOTAL	**349,191,459,076**	**408,704,553,819**

9. OTHER CURRENT ASSETS

	30 June 2013	*VND* 31 December 2012
Advances to construction teams and employees	10,356,013,954	7,142,026,804
Deposits	2,110,854,522	2,029,082,522
TOTAL	**12,466,868,476**	**9,171,109,326**

10. TANGIBLE FIXED ASSETS

VND

	Buildings & structures	*Machinery & equipment*	*Means of transportation*	*Office equipment*	*Others*	*Total*
Cost:						
As at 31 December 2012	72,380,815,033	163,950,221,022	18,398,354,070	11,667,894,738	102,610,980	266,499,895,843
Newly purchased	-	227,000,000	-	251,993,272	-	478,993,272
Disposed	-	(1,220,255,146)	-	(242,559,260)	-	(1,462,814,406)
Reclassified per Circular 45/2013/TT-BTC	-	(6,035,887,372)	-	(4,003,734,355)	(102,610,980)	(10,142,232,707)
As at 30 June 2013	72,380,815,033	156,921,078,504	18,398,354,070	7,673,594,395	-	255,373,842,002
In which:						
Fully depreciated	*1,124,079,348*	*40,516,993,507*	*1,581,058,784*	*2,382,454,309*	-	*45,604,585,948*
Accumulated depreciation:						
As at 31 December 2012	(11,662,015,047)	(100,070,290,418)	(8,150,682,008)	(7,959,539,370)	(57,718,710)	(127,900,245,553)
Depreciation for the period	(2,295,440,358)	(10,836,778,108)	(1,179,126,864)	(1,197,127,071)	(12,826,380)	(15,521,298,781)
Disposed	-	1,005,580,621	-	161,081,793	-	1,166,662,414
Reclassified per Circular 45/2013/TT-BTC	-	3,916,820,534	-	3,330,147,651	70,545,090	7,317,513,275
As at 30 June 2013	(13,957,455,405)	(105,984,667,371)	(9,329,808,872)	(5,665,436,997)	-	(134,937,368,645)
Net carrying amount:						
As at 31 December 2012	60,718,799,986	63,879,930,604	10,247,672,062	3,708,355,368	44,892,270	138,599,650,290
As at 30 June 2013	58,423,359,628	50,936,411,133	9,068,545,198	2,008,157,398	-	120,436,473,357

11. INTANGIBLE ASSETS

	Land use rights	*Computer software*	*Accounting software*	*VND* *Total*
Cost:				
As at 31 December 2012	89,367,812,334	2,437,918,469	474,779,787	92,280,510,590
Newly purchased	-	17,420,000	-	17,420,000
Disposed	(106,569,096)	-	-	(106,569,096)
Reclassified per Circular 45/2013/TT-BTC	-	(37,770,000)	(28,548,800)	(66,318,800)
As at 30 June 2013	89,261,243,238	2,417,568,469	446,230,987	92,125,042,694
Accumulated amortisation:				
As at 31 December 2012	(1,955,137,995)	(1,708,584,603)	(402,455,965)	(4,066,178,563)
Amortisation for the period	(258,619,307)	(333,514,079)	(36,315,228)	(628,448,614)
Disposed	14,861,680	-	-	14,861,680
Reclassified per Circular 45/2013/TT-BTC	-	6,686,458	23,969,729	30,656,187
As at 30 June 2013	(2,198,895,622)	(2,035,412,224)	(414,801,464)	(4,649,109,310)
Net carrying value:				
As at 31 December 2012	87,412,674,339	729,333,866	72,323,822	88,214,332,027
As at 30 June 2013	87,062,347,616	382,156,245	31,429,523	87,475,933,384

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

12. INVESTMENT PROPERTY

	VND
	Office building
Cost:	
As at 31 December 2012 and 30 June 2013	103,164,365,665
Accumulated depreciation:	
As at 31 December 2012	(6,877,624,368)
Depreciation for the period	(1,719,406,092)
As at 30 June 2013	(8,597,030,460)
Net carrying amount:	
As at 31 December 2012	96,286,741,297
As at 30 June 2013	94,567,335,205

The fair value of the investment property was not formally assessed and determined as at 30 June 2013. However, given the present occupancy rate of this property, it is management's assessment that this property's market value is higher than its carrying value as at the balance sheet date.

13. LONG-TERM INVESTMENTS

		VND
	30 June 2013	*31 December 2012*
Investments in subsidiary	112,086,980,000	-
Investments in associates	88,780,000,000	111,022,500,000
Other long-term investments	29,702,000,000	30,202,000,000
Securities	*25,202,000,000*	*25,202,000,000*
Loans	*4,500,000,000*	*5,000,000,000*
Provision for long-term investments	(28,912,186,591)	(29,412,186,591)
Investment in associates	*(912,186,591)*	*(912,186,591)*
Securities	*(23,500,000,000)*	*(23,500,000,000)*
Loans	*(4,500,000,000)*	*(5,000,000,000)*
NET	**201,656,793,409**	**111,812,313,409**

13. LONG-TERM INVESTMENTS (continued)

13.1 Investment in a subsidiary

On 2 May 2013, the Company acquired an additional shares of 2,640,000 from Uy Nam Investment & Construction Joint Stock Company ("Uy Nam"), increasing its total ownership in Uy Nam from 31% to 51.24%. Accordingly, the Company is parent company of Uy Nam.

As at 30 June 2013, the detail of investment is as follows:

	30 June 2013		*31 December 2012*	
	% of interest	*Amount (VND)*	*% of interest*	*Amount (VND)*
Uy Nam Investment & Construction Joint Stock Company	51.24	112,086,980,000	-	-
TOTAL		**112,086,980,000**		**-**

Uy Nam is a shareholding company established in accordance with Business Registration Certificate No. 4103005020 issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City on 14 July 2006. Uy Nam's principal activities are to provide construction services, instalment and repairing of civil and industrial works.

13.2 Investment in associates

As at 30 June 2013, the details of investment are as follows:

	At as 30 June 2013		*At as 31 December 2012*	
	% of interest	*Amount (VND)*	*% of interest*	*Amount (VND)*
Uy Nam Investment & Construction Joint Stock Company	-	-	31	22,242,500,000
Phu Hung Gia Construction & Investment Joint Stock Company	20.16	20,160,000,000	20.16	20,160,000,000
Quang Trong Commercial Joint Stock Company	36	18,000,000,000	36	18,000,000,000
Phu Gia An Investment Joint Stock Company	39	44,620,000,000	39	44,620,000,000
Trieu Hung Gia Construction Investment Joint Stock Company	30	6,000,000,000	30	6,000,000,000
TOTAL		**88,780,000,000**		**111,022,500,000**
Provision for long-term investments		(912,186,591)		(912,186,591)
NET		**87,867,813,409**		**110,110,313,409**

13. LONG-TERM INVESTMENTS (continued)

13.2 Investment in associates (continued)

Phu Hung Gia Construction & Investment Joint Stock Company ("Phu Hung Gia") is a shareholding company established in accordance with Business Registration Certificate No. 4103002810 issued by the DPI of Ho Chi Minh City on 27 October 2005. Phu Hung Gia's principal activities are to provide the civil and industrial construction services and trade real estate.

Quang Trong Commercial Joint Stock Company ("Quang Trong") is a shareholding company established in accordance with Business Registration Certificate No. 4903000474 issued by the DPI of Ba Ria – Vung Tau Province on 18 December 2007. Quang Trong's principal activities are to trade real estate and provide project management.

Phu Gia An Investment Joint Stock Company ("Phu Gia An") is a shareholding company established in accordance with Business Registration Certificate No. 4103006924 issued by the DPI of Ho Chi Minh City on 5 June 2007. Phu Gia An's principal activities are to trade real estate and provide project management.

Trieu Hung Gia Construction & Investment Joint Stock Company ("Trieu Hung Gia") is a shareholding company established in accordance with Business Registration Certificate No. 4103009051 issued by the DPI of Ho Chi Minh City on 11 January 2008. Trieu Hung Gia's principal activities are to trade real estate and provide project management.

13.3 Other long-term investments

	At as 30 June 2013		*At as 31 December 2012*	
	No. of shares	*Value (VND)*	*No. of shares*	*Value (VND)*
Investments in joint stock companies				
I.P.A Investment Corporation	500,000	25,000,000,000	500,000	25,000,000,000
Construction Investment Joint Stock Company No. 5	20,000	202,000,000	20,000	202,000,000
Loan				
Vitaly Joint Stock Company		4,500,000,000		5,000,000,000
TOTAL		**29,702,000,000**		**30,202,000,000**
Provision for long-term investments		(28,000,000,000)		(28,500,000,000)
NET		**1,702,000,000**		**1,702,000,000**

14. LONG-TERM PREPAID EXPENSES

		VND
	30 June 2013	*31 December 2012*
Tools & supplies used for construction works	86,969,259,798	124,909,211,298
Others	218,726,576	656,179,736
TOTAL	**87,187,986,374**	**125,565,391,034**

15. TRADE PAYABLES

		VND
	30 June 2013	*31 December 2012*
Third parties	443,679,167,793	429,326,794,486
Related parties *(Note 28)*	113,689,193,310	145,963,362,534
TOTAL	**557,368,361,103**	**575,290,157,020**

16. STATUTORY OBLIGATIONS

		VND
	30 June 2013	*31 December 2012*
Corporate income tax (*Note 27.1*)	33,550,788,410	29,475,076,465
Value-added tax	6,502,658,195	4,182,615,721
Personal income tax	2,026,827,499	9,443,704,318
TOTAL	**42,080,274,104**	**43,101,396,504**

17. ACCRUED EXPENSES

		VND
	30 June 2013	*31 December 2012*
Cost of construction projects	503,901,436,752	627,785,600,025
Others	363,565,403	224,000,000
TOTAL	**504,265,002,155**	**628,009,600,025**

18. OTHER PAYABLES

		VND
	30 June 2013	*31 December 2012*
Payable to construction teams	64,508,845,888	49,571,441,597
Dividend payables	218,275,050	168,291,950
Others	37,800,000	20,849,382,240
TOTAL	**64,764,920,938**	**70,589,115,787**

19. SHORT-TERM AND LONG-TERM PROVISIONS

These amounts represent the provision for warranty of construction projects.

20. UNEARNED REVENUES

		VND
	30 June 2013	*31 December 2012*
Unearned revenue from construction works	45,643,640,632	100,960,754,815
Unearned revenue from office leasing	2,368,574,438	1,107,261,612
TOTAL	**48,012,215,070**	**102,068,016,427**

21. OTHER LONG-TERM LIABILITIES

		VND
	30 June 2013	*31 December 2012*
Severance allowance	10,249,956,011	10,249,956,011
Long-term deposits received	3,801,544,862	4,174,313,599
TOTAL	**14,051,500,873**	**14,424,269,610**

22. OWNERS' EQUITY

22.1 Increase and decrease in owners' equity

VND

	Share capital	*Share premium*	*Treasury shares*	*Investment and development fund*	*Financial reserve fund*	*Undistributed earnings*	*Foreign exchange differences reserve*	*Total*
For the six-month period ended 30 June 2012								
As at 31 December 2011	317,700,000,000	456,900,000,000	(1,741,460,000)	297,041,491,648	45,531,529,169	322,320,793,615	(201,967,112)	1,437,550,387,320
Increase in capital	104,300,000,000	417,200,000,000	-	-	-	-	-	521,500,000,000
Issuance cost		(4,960,000,000)						(4,960,000,000)
Net profit for the period	-	-	-	-	-	102,571,107,561	-	102,571,107,561
Profit appropriation	-	-	-	84,425,640,940	10,553,205,118	(94,978,846,058)	-	-
Transfer to bonus and welfare fund	-	-	-	-	-	(10,553,205,118)	-	(10,553,205,118)
Dividends declared	-	-	-	-	-	(84,266,688,000)	-	(84,266,688,000)
Foreign exchange differences	-	-	-	-	-	-	201,967,112	201,967,112
As at 30 June 2012	422,000,000,000	869,140,000,000	(1,741,460,000)	381,467,132,588	56,084,734,287	235,093,162,000	-	1,962,043,568,875
For the six-month period ended 30 June 2013								
As at 31 December 2012	422,000,000,000	869,140,000,000	(1,741,460,000)	381,467,132,588	56,084,734,287	351,049,512,154	-	2,077,999,919,029
Net profit for the period	-	-	-	-	-	111,590,302,479	-	111,590,302,479
Profit appropriation	-	-	-	87,410,983,086	10,926,372,886	(98,337,355,972)	-	-
Transfer to bonus and welfare fund	-	-	-	-	-	(10,926,372,886)	-	(10,926,372,886)
Dividends declared	-	-	-	-	-	(84,266,688,000)	-	(84,266,688,000)
As at 30 June 2013	422,000,000,000	869,140,000,000	(1,741,460,000)	468,878,115,674	67,011,107,173	269,109,397,775	-	2,094,397,160,622

22. OWNERS' EQUITY (continued)

22.2 Capital transactions with owners and distribution of dividends

		VND
	For the six-month period ended 30 June 2013	*For the six-month period ended 30 June 2012*
Contributed share capital		
Beginning balance	422,000,000,000	317,700,000,000
Increase	-	104,300,000,000
Ending balance	422,000,000,000	422,000,000,000
Dividends		
Dividends declared	84,266,688,000	84,266,688,000
Dividends paid	(84,216,704,900)	(63,309,065,000)

22.3 Shares

		VND
	30 June 2013	*31 December 2012*
Shares authorised to be issued	42,200,000	42,200,000
Shares issued and fully paid	42,200,000	42,200,000
Ordinary shares	*42,200,000*	*42,200,000*
Treasury shares	(66,656)	(66,656)
Ordinary shares	*(66,656)*	*(66,656)*
Outstanding shares	42,133,344	42,133,344
Ordinary shares	*42,133,344*	*42,133,344*

23. REVENUE

23.1 Net revenue from rendering of services

		VND
	For the six-month period ended 30 June 2013	*For the six-month period ended 30 June 2012*
Rendering of construction services	1,986,910,417,867	1,917,205,369,927
Rental of construction equipment	12,879,953,119	15,520,501,810
Rental of office building	10,357,269,520	11,482,589,662
TOTAL	**2,010,147,640,506**	**1,944,208,461,399**

23. REVENUE (continued)

23.2 Finance income

	For the six-month period ended 30 June 2013	*VND* *For the six-month period ended 30 June 2012*
Interest income	47,961,673,652	29,404,860,343
Dividend earned	2,281,400,000	2,271,350,000
Others	5,687,539	-
TOTAL	**50,248,761,191**	**31,676,210,343**

24. FINANCE EXPENSES

	For the six-month period ended 30 June 2013	*VND* *For the six-month period ended 30 June 2012*
Loan interest	-	444,017,567
Reversal of provision for diminution in value of investments	(371,900,000)	(329,420,000)
Other	455,642	4,321,898
TOTAL	**(371,444,358)**	**118,919,465**

25. ADMINISTRATIVE EXPENSES

	For the six-month period ended 30 June 2013	*VND* *For the six-month period ended 30 June 2012*
Labour costs	33,578,815,925	22,802,996,243
Depreciation and amortisation	8,494,207,448	7,778,289,697
Provision expense	7,925,289,648	9,226,711,344
Expenses for external services	4,814,538,155	5,462,114,201
Other expenses	4,459,333,381	4,108,285,761
TOTAL	**59,272,184,557**	**49,378,397,246**

26. OTHER INCOME AND EXPENSES

	For the six-month period ended 30 June 2013	*VND* *For the six-month period ended 30 June 2012*
Other income	**13,127,172,684**	**1,349,153,824**
Cost reduction after project finalisation	5,597,897,308	-
Proceeds from disposal of tools and supplies	2,246,434,000	-
Proceed from disposal of fixed assets	1,310,958,500	-
Reversal of over accrued expenses	1,190,755,777	849,012,650
Reversal of warranty costs	643,352,086	113,243,146
Others	2,137,775,013	386,898,028
Other expenses	**(5,702,148,232)**	**-**
Cost of disposal of tools and supplies	(950,916,634)	-
Cost of disposal of fixed assets	(387,859,408)	-
Other	(4,363,372,190)	-
NET	**7,425,024,452**	**1,349,153,824**

27. CORPORATE INCOME TAX

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

The tax returns filed by Company 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 separate financial statements could change at a later date upon final determination by the tax authorities.

27.1 Current CIT expense

	For the six-month period ended 30 June 2013	*VND* *For the six-month period ended 30 June 2012*
Current CIT expense	51,881,197,313	34,513,530,323
Adjustment for (over) under accrual of tax from prior year	(23,145,195)	34,356,899
TOTAL	**51,858,052,118**	**34,547,887,222**

27. CORPORATE INCOME TAX (continued)

27.1 *Current CIT expense* (continued)

The current tax payable is based on taxable profit for the period. The taxable profit of the Company for the period differs from the profit 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 interim balance sheet date.

A reconciliation between the taxable profit and profit before tax on the interim separate income statement is presented below:

		VND
	For the six-month period ended 30 June 2013	*For the six-month period ended 30 June 2012*
Profit before tax	**164,729,577,132**	**134,966,266,688**
Adjustments:		
Non-deductible expenses	49,453,106,260	1,708,292,224
Cost of share issuance	-	(4,960,000,000)
Dividend	(2,281,400,000)	(2,271,350,000)
Change in taxable profit of unearned revenue	(4,376,494,141)	8,610,912,380
Estimated current taxable profit	**207,524,789,251**	**138,054,121,292**
Current CIT expenses	51,881,197,313	34,513,530,323
CIT payable at beginning of period	29,475,076,465	21,214,852,770
Adjustment for (over) under accrual of tax from prior years	(23,145,195)	34,356,899
CIT paid during the period	(47,782,340,173)	(37,301,222,736)
CIT payable at end of period	**33,550,788,410**	**18,461,517,256**

27. CORPORATE INCOME TAX (continued)

27.2 *Deferred CIT*

The following is the major deferred tax asset recognised by the Company as at the separate interim balance sheet date.

	Interim separate balance sheet		*Charge to interim separate income statement*	
	30 June 2013	*31 December 2012*	*For the six-month period ended 30 June 2013*	*For the six-month period ended 30 June 2012*
				VND
Deferred tax assets				
Profit of unearned revenue	670,725,438	1,951,947,973	(1,281,222,535)	2,152,728,095
Accrual for severance allowance	2,562,489,003	2,562,489,003	-	-
	3,233,214,441	***4,514,436,976***		
Deferred income tax (expense) benefit			***(1,281,222,535)***	***2,152,728,095***

28. TRANSACTIONS WITH RELATED PARTIES

Significant transactions of the Company with related parties during the period were as follows:

Related party	*Relationship*	*Nature of transaction*	*Amount* (*VND*)
Phu Hung Gia Construction & Investment Joint Stock Company	Associate	Construction cost	132,231,831,575
		Equipment rental	2,959,649,780
Uy Nam Investment Construction Joint Stock Company	Subsidiary	Construction cost	144,947,428,026
		Equipment rental	5,910,112,849
		Office rental	2,339,753,820
		Dividend received	1,971,600,000

28. TRANSACTIONS WITH RELATED PARTIES (continued)

The outstanding balances due from and due to related parties as at 30 June 2013 as follows:

	Relationship	*Transaction*	*VND* *Amount*
Trade receivables			
Phu Hung Gia Construction & Investment Joint Stock Company	Associate	Construction service, rental, maintenance and delivery fee of machinery and equipment	120,393,515,403
Uy Nam Investment Construction Joint Stock Company	Subsidiary	Office rental, maintenance, delivery fee and rental fee of machinery and equipment	6,157,540,894
			126,551,056,297
Other receivable			
Phu Gia An Investment Joint Stock Company	Associate	Loan interest	**11,957,879,495**
Trade payables			
Phu Hung Gia Construction & Investment Joint Stock Company	Associate	Construction cost and purchase of material	82,477,826,412
Uy Nam Investment Construction Joint Stock Company	Subsidiary	Construction cost and purchase of material	31,211,366,898
			113,689,193,310

29. OPERATING LEASE COMMITMENTS

The Company leases its office and warehouse lease under the operating lease agreements. The minimum lease commitment as at 30 June 2013 under operating lease agreements are as follows:

	30 June 2013	*VND* *31 December 2012*
Less than 1 year	171,311,475	668,110,170

29. OPERATING LEASE COMMITMENTS (continued)

In addition, the Company leases out its Coteccons Building property under operating lease arrangements. The future minimum rental receivable as at 30 June 2013 under the operating lease agreements is as follows:

		VND
	30 June 2013	*31 December 2012*
Less than 1 year	9,323,328,236	18,204,470,831
From 1 to 5 years	7,361,373,900	22,972,514,758
More than 5 years	2,522,866,500	-
TOTAL	**19,207,568,636**	**41,176,985,589**

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company has other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Company also holds available-for-sale investment. The Company does not hold or issue derivative financial instruments.

The Company is exposed to market risk, credit risk and liquidity risk.

Management reviews and agrees policies for managing each of these risks which are summarized below.

Market risk

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

Interest rate risk

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

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

No analysis on interest sensitivity was performed for the year ended 31 December 2012 since the Company's term deposits are fixed interest rate and there are no bank loans.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

Foreign currency risk

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

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

No analysis on interest sensitivity was performed for the six-month period ended 30 June 2013 since the Company's purchases and rendering of service were mainly denominated in VND during the period.

Commodity price risk

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

Equity price risk

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainty about future values of the investment securities. The Company manages equity price risk by placing a limit on equity investments. The Company's management reviews and approves all equity investment decisions.

At the balance sheet date, the exposure to listed equity securities at fair value was VND 5,711,320,000 (31 December 2012: VND 5,339,420,000). A decrease of 10% on the stock market index could have an impact of approximately by VND 571,132,000 (31 December 2012: VND 533,942,000) on the Company's profit before tax, depending on whether or not the decline is significant or prolonged. An increase of 10% in the value of the listed securities would have an impact on Company's profit before tax appropriately by VND 571,132,000 (31 December 2012: VND 533,942,000).

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

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

Trade receivables

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

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

Bank deposits

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

Liquidity risk

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

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

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual payment terms:

VND

	Less than 1 year	*From 1 to 5 years*	*Total*
30 June 2013			
Trade payables	557,368,361,103	-	557,368,361,103
Other payables and accrued expenses	602,945,188,019	77,321,544,862	680,266,732,881
	1,160,313,549,122	**77,321,544,862**	**1,237,635,093,984**
31 December 2012			
Trade payables	575,290,157,020	-	575,290,157,020
Other payables and accrued expenses	698,598,715,812	4,174,313,599	702,773,029,411
	1,273,888,872,832	**4,174,313,599**	**1,278,063,186,431**

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

Collateral

The Company did not hold collateral at 30 June 2013 and 31 December 2012.

31. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

VND

	Carrying amount				*Fair value*	
	30 June 2013		*31 December 2012*		*30 June 2013*	*31 December 2012*
	Cost	*Provision*	*Cost*	*Provision*		
Financial assets						
Available for sell	32,818,192,450	(25,404,872,450)	32,818,192,450	(25,776,772,450)	7,413,320,000	7,041,420,000
- *Listed shares*	*7,616,192,450*	*(1,904,872,450)*	*7,616,192,450*	*(2,276,772,450)*	*5,711,320,000*	*5,339,420,000*
- *Unlisted shares*	*25,202,000,000*	*(23,500,000,000)*	*25,202,000,000*	*(23,500,000,000)*	*1,702,000,000*	*1,702,000,000*
Other short-term investments	920,500,000,000	-	510,000,000,000	-	920,500,000,000	510,000,000,000
Trade receivables	1,403,022,708,644	(64,669,262,129)	1,320,384,644,263	(55,182,008,195)	1,338,353,446,515	1,265,202,636,068
Receivable from related parties	138,508,935,792	-	141,092,808,805	-	138,508,935,792	141,092,808,805
Other receivables	35,710,091,988	(3,301,407,904)	25,545,606,430	(1,061,964,286)	32,408,684,084	24,483,642,144
Other non-current financial assets	4,545,000,000	(4,500,000,000)	5,045,000,000	(5,000,000,000)	45,000,000	45,000,000
Cash and cash equivalents	335,597,055,359	-	681,485,846,811	-	335,597,055,359	681,485,846,811
TOTAL	**2,870,701,984,233**	**(97,875,542,483)**	**2,716,372,098,759**	**(87,020,744,931)**	**2,772,826,441,750**	**2,629,351,353,828**
Financial liabilities						
Trade payables	443,679,167,793	-	429,326,794,486	-	443,679,167,793	429,326,794,486
Payable to related parties	113,689,193,310	-	145,963,362,534	-	113,689,193,310	145,963,362,534
Other current financial liabilities	602,945,188,019	-	698,598,715,812	-	602,945,188,019	698,598,715,812
Other non-current financial liabilities	77,321,544,862	-	4,174,313,599	-	77,321,544,862	4,174,313,599
TOTAL	**1,237,635,093,984**	**-**	**1,278,063,186,431**	**-**	**1,237,635,093,984**	**1,278,063,186,431**

31. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following method and assumption were used to estimate the fair values:

- The fair value of listed shares have been determined based on their closing price in the Ho Chi Minh Stock Exchange ("HOSE") as at the balance sheet date.
- Fair values of un-listed shares, which have active market, are the average price quoted by three independent securities companies as at the balance sheet date.
- Except for items noted in preceding paragraph the fair values of the financial assets and liabilities had not yet been formally assessed and determined as at 30 June 2013 and 31 December 2012. However, it is management's assessment that the fair values of these financial assets and liabilities are approximately the same as their carrying value as at balance sheet date.

32. EVENTS AFTER THE BALANCE SHEET DATE

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

CÔNG TY CỔ PHẦN XÂY DỰNG (COTEC)

Vu Thi Hong Hanh Preparer	Ha Tieu Anh Chief accountant	Nguyen Ba Duong General director

20 August 2013

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