Cotec Construction Joint Stock Company

Interim separate financial statements

30 June 2014

EY

Building a better working world

CONTENTS

Cotec Construction Joint Stock Company

GENERAL INFORMATION

THE COMPANY

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

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

The Company was listed 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 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 Quan Pham	Member

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. Nguyen Duc Canh	Member	
Mr. Ho Van Chi Thanh	Member	appointed on 24 April 2014
Mr. Tu Dai Phuc	Member	resigned on 24 April 2014

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	
Mr. Tu Dai Phuc	Deputy General Director	appointed on 2 April 2014

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.

Cotec Construction Joint Stock Company

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 2014.

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 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 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 2014 and of the interim separate results of its operations and its interim 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 interim separate financial statements.

The Company is the parent company with a subsidiary listed in Note 13.1 (together known as "the Group") and the interim consolidated financial statements of the Group prepared in accordance with the Vietnamese Accounting Standards and Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of interim financial statements have been issued separately.

Users of these interim separate financial statements should read them together with the interim consolidated financial statements of the Group for the six-month period ended 30 June 2014 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:

S.Đ.K.K.D: 0303443233 CÔNG TY CỔ PHẦN XÂY DỰNG (COTEC) Q. BÌNH THẠNH TP. HỒ CHÍ MINH

Nguyen Ba Duong
General Director

25 August 2014

Building a better
working world

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

Tel: +84 8 3824 5252
Fax: +84 8 3824 5250
ey.com

Reference: 60813343/16997613-LR

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 35 which comprise the interim separate balance sheet as at 30 June 2014, 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 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, in all material respects, of the interim separate financial position of the Company as at 30 June 2014, 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 interim separate financial statements.

Without modifying our conclusion, we draw attention to Note 2.1 of the interim separate financial statements which states that the Company prepared and issued its interim consolidated financial statements of the Company and its subsidiary ("the Group") for the six month period ended 30 June 2014 in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of interim consolidated financial statements. We have reviewed those interim consolidated financial statements and our review report dated 25 August 2014 expressed an unmodified conclusion. Users of the accompanying interim separate financial statements should read them together with the interim consolidated financial statements of the Group for the six month period ended 30 June 2014 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.

Ernst & Young Vietnam Limited

0104300183 S.G.C.N. CÔNG TY TRÁCH NHIỆM HỮU HẠN ERNST & YOUNG VIỆT NAM QUẬN 1 TP. HỒ CHÍ MINH

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

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

Ho Chi Minh City, Vietnam

25 August 2014

INTERIM SEPARATE BALANCE SHEET
as at 30 June 2014

VND

Code	ASSETS	Notes	30 June 2014	31 December 2013
100	**A. CURRENT ASSETS**		**3,366,631,805,067**	**3,232,885,344,969**
110	***I. Cash and cash equivalents***	***4***	***361,296,986,075***	***357,891,965,148***
111	1. Cash		321,296,986,075	277,891,965,148
112	2. Cash equivalents		40,000,000,000	80,000,000,000
120	***II. Short-term investments***	***5***	***1,105,300,000,000***	***1,045,500,000,000***
121	1. Short-term investments		1,105,300,000,000	1,045,500,000,000
130	***III. Current accounts receivable***		***1,307,428,578,703***	***1,606,345,934,488***
131	1. Trade receivables	6	1,407,183,503,163	1,678,117,277,900
132	2. Advances to suppliers		23,951,084,664	24,163,838,949
135	3. Other receivables	7	35,425,011,666	45,548,856,894
139	4. Provision for doubtful debts	6,7	(159,131,020,790)	(141,484,039,255)
140	***IV. Inventories***	***8***	***465,647,577,014***	***172,556,283,538***
141	1. Inventories		540,647,577,014	247,556,283,538
149	2. Provision for obsolete inventories		(75,000,000,000)	(75,000,000,000)
150	***V. Other current assets***		***126,958,663,275***	***50,591,161,795***
151	1. Short-term prepaid expenses		122,237,500	122,305,125
152	2. Value-added tax deductible		108,790,687,356	35,446,969,022
154	3. Tax and other receivables from the State		-	971,673,830
158	4. Other current assets	9	18,045,738,419	14,050,213,818
200	**B. NON-CURRENT ASSETS**		**543,092,353,690**	**590,650,644,351**
220	***I. Fixed assets***		***201,783,724,529***	***200,592,830,491***
221	1. Tangible fixed assets	10	113,142,540,569	112,479,172,005
222	Cost		271,276,853,576	259,366,657,518
223	Accumulated depreciation		(158,134,313,007)	(146,887,485,513)
227	2. Intangible assets	11	87,628,344,484	87,171,381,874
228	Cost		93,415,195,260	92,490,042,694
229	Accumulated amortisation		(5,786,850,776)	(5,318,660,820)
230	3. Construction in progress		1,012,839,476	942,276,612
240	***II. Investment properties***	***12***	***101,588,462,533***	***111,366,915,485***
241	1. Cost		113,082,873,449	121,784,729,574
242	2. Accumulated depreciation		(11,494,410,916)	(10,417,814,089)
250	***III. Long-term investments***		***194,011,143,701***	***194,011,143,701***
251	1. Investment in a subsidiary	13.1	112,086,980,000	112,086,980,000
252	2. Investments in associates	13.2	82,780,000,000	82,780,000,000
259	3. Provision for long-term investments	13	(855,836,299)	(855,836,299)
260	***IV. Other long-term assets***		***45,709,022,927***	***84,679,754,674***
261	1. Long-term prepaid expenses	14	43,126,403,244	81,622,055,936
262	2. Deferred tax assets	27.3	2,537,619,683	3,012,698,738
268	3. Other long-term assets		45,000,000	45,000,000
270	**TOTAL ASSETS**		**3,909,724,158,757**	**3,823,535,989,320**

INTERIM SEPARATE BALANCE SHEET (continued)
as at 30 June 2014

VND

Code	*RESOURCES*	*Notes*	*30 June 2014*	*31 December 2013*
300	**A. LIABILITIES**		**1,653,899,428,787**	**1,606,996,281,682**
310	***I. Current liabilities***		***1,631,461,448,799***	***1,526,914,231,755***
312	1. Trade payables	15	655,333,939,981	738,119,611,253
313	2. Advances from customers		113,594,366,105	40,674,968,149
314	3. Statutory obligations	16	24,702,380,826	49,366,767,235
316	4. Accrued expenses	17	550,103,129,317	522,171,328,913
319	5. Other payables	18	164,376,097,900	63,106,248,019
320	6. Short-term provision	19	63,234,282,065	59,882,331,442
323	7. Bonus and welfare fund		33,680,998,129	22,364,589,181
338	8. Unearned revenues	20	26,436,254,476	31,228,387,563
330	***II. Non-current liabilities***		***22,437,979,988***	***80,082,049,927***
333	1. Other long-term liabilities	21	13,322,102,808	14,882,118,741
337	2. Long-term provision	19	9,115,877,180	65,199,931,186
400	**B. OWNERS' EQUITY**		**2,255,824,729,970**	**2,216,539,707,638**
410	***I. Capital***	***22.1***	***2,255,824,729,970***	***2,216,539,707,638***
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		571,733,190,430	468,878,115,674
418	5. Financial reserve fund		79,867,991,518	67,011,107,173
420	6. Undistributed earnings		314,825,008,022	391,251,944,791
440	**TOTAL LIABILITIES AND OWNERS' EQUITY**		**3,909,724,158,757**	**3,823,535,989,320**

OFF BALANCE SHEET ITEM

ITEM	*30 June 2014*	*31 December 2013*
Foreign currencies:		
- United States dollar (US$)	2,281,051	3,743,694
- Euro (EUR)	449	455

CÔNG TY CỔ PHẦN XÂY DỰNG (COTEC) S.Đ.K.K.D: 0303443233 - C.T.C.P. * Q. BÌNH THẠNH TP. HỒ CHÍ MINH *

Vu Thi Hong Hanh
Preparer

Ha Tieu Anh
Chief Accountant

Nguyen Ba Duong
General Director

25 August 2014

Cotec Construction Joint Stock Company

B02a-DN

INTERIM SEPARATE INCOME STATEMENT
for the six-month period ended 30 June 2014

VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2014*	*For the six-month period ended 30 June 2013*
10	**1. Net revenue from rendering of services**	**23.1**	**2,281,704,397,592**	**2,010,147,640,506**
11	**2. Cost of services rendered**	**24**	**(2,101,782,418,831)**	**(1,844,191,108,818)**
20	**3. Gross profit from rendering of services**		**179,921,978,761**	**165,956,531,688**
21	**4. Finance income**	**23.2**	**55,219,216,306**	**50,248,761,191**
22	**5. Finance expenses**		**2,582,473**	**371,444,358**
25	**6. General and administrative expenses**	**25**	**(72,852,428,495)**	**(59,272,184,557)**
30	**7. Operating profit**		**162,291,349,045**	**157,304,552,680**
31	**8. Other income**	**26**	**11,486,696,955**	**13,127,172,684**
32	**9. Other expenses**	**26**	**-**	**(5,702,148,232)**
40	**10. Other profit**	**26**	**11,486,696,955**	**7,425,024,452**
50	**11. Profit before tax**		**173,778,046,000**	**164,729,577,132**
51	**12. Current corporate income tax expense**	**27.1**	**(36,894,372,268)**	**(51,858,052,118)**
52	**13. Deferred income tax expense**	**27.3**	**(475,079,055)**	**(1,281,222,535)**
60	**14. Net profit after tax**		**136,408,594,677**	**111,590,302,479**

CÔNG TY CỔ PHẦN XÂY DỰNG (COTEC)

Vu Thi Hong Hanh
Preparer

Ha Tieu Anh
Chief Accountant

Nguyen Ba Duong
General Director

25 August 2014

INTERIM SEPARATE CASH FLOW STATEMENT
for the six-month period ended 30 June 2014

VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2014*	*For the six-month period ended 30 June 2013*
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Profit before tax**		**173,778,046,000**	**164,729,577,132**
	Adjustments for:			
02	Depreciation and amortisation	10, 11, 12	14,587,377,754	17,869,153,487
03	Provisions		17,646,981,535	61,004,797,552
05	Profits from investing activities		(55,913,750,355)	(48,305,790,699)
08	**Operating profit before changes in working capital**		**150,098,654,934**	**195,297,737,472**
09	Decrease (increase) in receivables		188,458,303,220	(85,669,868,719)
10	(Increase) decrease in inventories		(293,091,293,476)	59,513,094,743
11	Increase in payables		25,550,678,795	41,977,691,606
12	Decrease in prepaid expenses		38,495,720,317	38,376,718,359
14	Corporate income tax paid	27.2	(36,448,247,334)	(47,782,340,173)
15	Other cash inflows from operating activities		740,000,000	855,472,182
16	Other cash outflows from operating activities		(44,811,584,699)	(2,885,979,338)
20	**Net cash flows from operating activities**		**28,992,231,757**	**199,682,526,132**
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(6,048,909,749)	(3,713,855,906)
22	Proceeds from disposals of fixed assets	26	766,363,636	1,310,958,500
23	Term deposits at banks		(59,800,000,000)	(410,500,000,000)
24	Collections from borrowers		-	500,000,000
25	Payments for investments in other entities		-	(89,844,480,000)
26	Proceeds from sale of investments in other entities		13,666,740,424	-
27	Interest and dividends received		57,508,759,809	40,892,764,722
30	**Net cash flows from (used in) investing activities**		**6,092,954,120**	**(461,354,612,684)**
	III. CASH FLOWS FROM A FINANCING ACTIVITY			
36	Dividends paid	22.2	(31,680,164,950)	(84,216,704,900)
40	**Net cash flows used in a financing activity**		**(31,680,164,950)**	**(84,216,704,900)**

INTERIM SEPARATE CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2014

VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2014*	*For the six-month period ended 30 June 2013*
50	**Net increase (decrease) in cash and cash equivalents**		**3,405,020,927**	**(345,888,791,452)**
60	**Cash and cash equivalents at beginning of period**		**357,891,965,148**	**681,485,846,811**
70	**Cash and cash equivalents at end of period**	**4**	**361,296,986,075**	**335,597,055,359**

CÔNG TY CỔ PHẦN XÂY DỰNG (COTEC)

Vu Thi Hong Hanh
Preparer

Ha Tieu Anh
Chief Accountant

Nguyen Ba Duong
General Director

25 August 2014

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:

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

The Company was listed 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 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 2014 was 512 (31 December 2013: 517).

2. BASIS OF PREPARATION

2.1 Accounting standards and system

The interim financial statements of the Company, expressed in Vietnam dong ("VND"), are prepared in accordance with the Vietnamese 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).

2. BASIS OF PREPARATION (continued)

2.1 *Accounting standards and system* (continued)

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.

The Company is the parent company with a subsidiary listed in Note 13.1 (together known as "the Group") and the interim consolidated financial statements of the Group prepared in accordance with the Vietnamese Accounting Standards and Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of interim separate financial statements have been issued separately.

Users of the interim separate financial statements should read them together with the interim consolidated financial statements of the Group for the six-month period ended 30 June 2014 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 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 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 *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 less 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 *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:

Construction materials	- cost of purchase on a weighted average basis.
Construction work-in-process	- cost of direct materials and labour plus attributable construction overheads.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 *Inventories* (continued)

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 construction materials and construction work-in-process 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.

3.3 *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.

3.4 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises of 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.

3.5 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible fixed asset comprises of 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, 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Depreciation and amortisation

Depreciation and amortisation of tangible fixed assets and intangible fixed 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
Software	3 years
Land use rights	45 - 49 years

3.7 Investment properties

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

Subsequent expenditure relating to an investment property that has already been 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
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.

3.8 Leased assets

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 *Leased assets* (continued)

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.

3.9 *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.

3.10 *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.

3.11 *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.

3.12 *Provision for investments*

Provision is made for any diminution in value of the investments into subsidiary and associates at the balance sheet date in accordance with the guidance Circular No. 89/2013/TT-BTC issued by the Ministry of Finance on 28 June 2013 that is amending and supplementing 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 expenses in the interim separate income statement.

3.13 *Payables and accruals*

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Accrual for severance pay

The severance pay to employee is provided at the end of each reporting period for all employees who have more than 12 months in service up to 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. 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.

3.15 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.

3.16 Foreign currency transactions

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 the end of the period, monetary assets and liabilities denominated in foreign currencies are translated at buying 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.

3.17 Treasury shares

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

3.18 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 of its operation or of in-depth investments.

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 is recognised as a liability.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 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 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.

3.20 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 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 off-set current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 *Taxation* (continued)

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the 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.

3.21 *Financial instruments*

Financial instruments – initial recognition and presentation

Financial assets

Financial assets within the scope of Circular No. 210/2009/TT-BTC issued by 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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.21 ***Financial instruments*** (continued)

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 2014	*31 December 2013*
Cash on hand	1,375,495,812	5,947,442
Cash in banks	319,921,490,263	277,886,017,706
Cash equivalents	40,000,000,000	80,000,000,000
TOTAL	**361,296,986,075**	**357,891,965,148**

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

5. SHORT-TERM INVESTMENTS

		VND
	30 June 2014	*31 December 2013*
Other short-term investments	1,105,300,000,000	1,045,500,000,000

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

6. TRADE RECEIVABLES

		VND
	30 June 2014	*31 December 2013*
Third parties	1,360,991,058,971	1,596,459,932,052
Related parties *(Note 28)*	46,192,444,192	81,657,345,848
TOTAL	**1,407,183,503,163**	**1,678,117,277,900**
Provision for doubtful debts	(158,213,739,279)	(141,484,039,255)
NET	**1,248,969,763,884**	**1,536,633,238,645**

Details of movements of provision for doubtful debts:

		VND
	For the six-month period ended 30 June 2014	*For the six-month period ended 30 June 2013*
At beginning of period	141,484,039,255	55,182,008,195
Provison created during the period	16,729,700,024	10,615,386,000
Utilization and reversal during the period	-	(1,128,132,066)
At end of period	**158,213,739,279**	**64,669,262,129**

7. OTHER RECEIVABLES

		VND
	30 June 2014	*31 December 2013*
Accrued interest receivable	17,562,863,885	19,926,819,448
Due from a related party *(Note 28)*	11,957,879,495	14,450,498,473
Receivables from disposal of investments	-	11,171,538,973
Others	5,904,268,286	-
TOTAL	**35,425,011,666**	**45,548,856,894**
Provision for doubtful debts	(917,281,511)	-
NET	**34,507,730,155**	**45,548,856,894**

8. INVENTORIES

	30 June 2014	31 December 2013
		VND
Construction work in process	540,647,577,014	247,556,283,538
Provision for obsolete inventories	(75,000,000,000)	(75,000,000,000)
NET	**465,647,577,014**	**172,556,283,538**

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

	30 June 2014	31 December 2013
		VND
South Saigon Commercial Complex - Vivo City	112,003,185,121	32,525,122,713
Tricon Tower	75,000,000,000	75,000,000,000
Thao Dien High-class Apartment	66,341,139,851	-
Viglacera High-class Apartment	40,908,404,916	5,910,580,290
Ho Chi Minh Stock Exchange Building	37,638,184,135	15,512,549,906
Backup Data Center	29,095,971,178	7,273,724,771
Everich District 7 High-class Apartment	26,156,363,512	13,426,410,247
An Phu Apartment	24,511,812,892	13,034,998,522
Salinda Phu Quoc Resort	21,007,359,947	15,637,775,494
Lexington District 2 High glass Apartment	19,429,375,569	-
Centec Five- star Hotel	14,209,583,860	3,771,860,762
Viettel Kien Giang Tower	9,844,964,459	11,163,485,854
Aeon Mall Long Bien Shopping Center	9,495,043,450	-
E6 Villa Project	7,616,794,808	14,008,912,460
Others	47,389,393,316	40,290,862,519
TOTAL	**540,647,577,014**	**247,556,283,538**

9. OTHER CURRENT ASSETS

	30 June 2014	31 December 2013
		VND
Advances to construction teams and employees	17,210,911,825	12,516,927,702
Deposits	834,826,594	1,533,286,116
TOTAL	**18,045,738,419**	**14,050,213,818**

10. TANGIBLE FIXED ASSETS

VND

	Buildings & structures	*Machinery & equipment*	*Means of transportation*	*Office equipment*	*Total*
Cost					
As at 31 December 2013	75,946,985,585	156,105,016,600	19,494,570,029	7,820,085,304	259,366,657,518
Newly purchased	-	2,608,581,003	-	1,356,828,287	3,965,409,290
Transferred from construction in progress	1,038,694,120	-	-	-	1,038,694,120
Reclassification from investment properties	8,701,856,125	-	-	-	8,701,856,125
Disposed	-	(1,795,763,477)	-	-	(1,795,763,477)
As at 30 June 2014	85,687,535,830	156,917,834,126	19,494,570,029	9,176,913,591	271,276,853,576
In which:					
Fully depreciated	*1,124,079,348*	*59,109,711,700*	*2,560,056,602*	*4,790,058,595*	*67,583,906,245*
Accumulated depreciation					
As at 31 December 2013	(16,269,867,606)	(113,760,642,247)	(10,527,206,002)	(6,329,769,658)	(146,887,485,513)
Depreciation for the period	(2,604,398,352)	(7,827,419,043)	(1,202,492,230)	(538,095,733)	(12,172,405,358)
Reclassification from investment properties	(870,185,613)	-	-	-	(870,185,613)
Disposed	-	1,795,763,477	-	-	1,795,763,477
As at 30 June 2014	(19,744,451,571)	(119,792,297,813)	(11,729,698,232)	(6,867,865,391)	(158,134,313,007)
Net carrying amount					
As at 31 December 2013	59,677,117,979	42,344,374,353	8,967,364,027	1,490,315,646	112,479,172,005
As at 30 June 2014	65,943,084,259	37,125,536,313	7,764,871,797	2,309,048,200	113,142,540,569

11. INTANGIBLE ASSETS

	Land use rights	*Software*	*VND* *Total*
Cost			
As at 31 December 2013	89,261,243,238	3,228,799,456	92,490,042,694
Newly purchased	-	470,607,110	470,607,110
Transferred from construction in progress	-	454,545,456	454,545,456
As at 30 June 2014	89,261,243,238	4,153,952,022	93,415,195,260
Accumulated amortisation			
As at 31 December 2013	(2,456,772,430)	(2,861,888,390)	(5,318,660,820)
Amortisation for the period	(257,876,808)	(210,313,148)	(468,189,956)
As at 30 June 2014	(2,714,649,238)	(3,072,201,538)	(5,786,850,776)
Net carrying value			
As at 31 December 2013	86,804,470,808	366,911,066	87,171,381,874
As at 30 June 2014	86,546,594,000	1,081,750,484	87,628,344,484

12. INVESTMENT PROPERTY

	Office building	*Others*	*VND* *Total*
Cost			
As at 31 December 2013	103,164,365,665	18,620,363,909	121,784,729,574
Reclassification to tangible fixed assets	(8,701,856,125)	-	(8,701,856,125)
As at 30 June 2014	94,462,509,540	18,620,363,909	113,082,873,449
Accumulated depreciation			
As at 31 December 2013	(10,316,436,552)	(101,377,537)	(10,417,814,089)
Reclassification to tangible fixed assets	870,185,613	-	870,185,613
Depreciation for the period	(1,574,375,160)	(372,407,280)	(1,946,782,440)
As at 30 June 2014	(11,020,626,099)	(473,784,817)	(11,494,410,916)
Net carrying amount			
As at 31 December 2013	92,847,929,113	18,518,986,372	111,366,915,485
As at 30 June 2014	83,441,883,441	18,146,579,092	101,588,462,533

The fair value of the investment property was not formally assessed and determined as at 30 June 2014. 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 2014	*31 December 2013*
Investments in a subsidiary	112,086,980,000	112,086,980,000
Investments in associates	82,780,000,000	82,780,000,000
Provision for long-term investments	(855,836,299)	(855,836,299)
NET	**194,011,143,701**	**194,011,143,701**

13.1 Investment in a subsidiary

As at 30 June 2014, the details of investment are as follows:

	30 June 2014		*31 December 2013*	
	% of interest	*Amount (VND)*	*% of interest*	*Amount (VND)*
Uy Nam Investment & Construction Joint Stock Company	51.24	112,086,980,000	51.24	112,086,980,000
TOTAL		**112,086,980,000**		**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 and as amended. Uy Nam's principal activities are to providing construction services, equipment installation services and trading of construction materials.

13.2 Investment in associates

As at 30 June 2014, the details of investment in associates are as follows:

	At as 30 June 2014		*At as 31 December 2013*	
	% of interest	*Amount (VND)*	*% of interest*	*Amount (VND)*
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
TOTAL		**82,780,000,000**		**82,780,000,000**
Provision for long-term investments		(855,836,299)		(855,836,299)
NET		**81,924,163,701**		**81,924,163,701**

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 and the latest 15th Amended Business Registration Certificate No. 0303527596 dated 23 June 2014. Phu Hung Gia's principal activities are to provide civil and industrial construction services, trading of construction materials 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 and the latest 3rd Amended Business Registration Certificate No. 3500740022 dated 14 February 2011. Quang Trong's licensed 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 and the latest 3rd Amended Business Registration Certificate No. 0305004136 dated 8 September 2011. Phu Gia An's licensed principal activities are to trade real estate and provide project management.

14. LONG-TERM PREPAID EXPENSES

VND

	30 June 2014	*31 December 2013*
Tools & supplies used for construction works	43,126,403,244	81,622,055,936

15. TRADE PAYABLES

VND

	30 June 2014	*31 December 2013*
Third parties	471,326,055,808	489,643,551,968
Related parties *(Note 28)*	184,007,884,173	248,476,059,285
TOTAL	**655,333,939,981**	**738,119,611,253**

16. STATUTORY OBLIGATIONS

VND

	30 June 2014	*31 December 2013*
Corporate income tax (*Note 27.2*)	20,550,782,412	20,104,657,478
Value-added tax	3,572,126,744	6,263,014,798
Personal income tax	579,471,670	22,999,094,959
TOTAL	**24,702,380,826**	**49,366,767,235**

17. ACCRUED EXPENSES

	30 June 2014	31 December 2013
		VND
Cost of construction projects	549,739,563,914	521,807,763,510
Others	363,565,403	363,565,403
TOTAL	**550,103,129,317**	**522,171,328,913**

18. OTHER PAYABLES

	30 June 2014	31 December 2013
		VND
Payable to construction teams	111,252,876,913	62,231,141,568
Dividend payables	52,773,113,200	186,590,150
Others	350,107,787	688,516,301
TOTAL	**164,376,097,900**	**63,106,248,019**

19. SHORT-TERM AND LONG-TERM PROVISIONS

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

20. UNEARNED REVENUES

	30 June 2014	31 December 2013
		VND
Unearned revenue from construction works	25,338,557,541	30,690,871,481
Unearned revenue from office leasing	1,097,696,935	537,516,082
TOTAL	**26,436,254,476**	**31,228,387,563**

21. OTHER LONG-TERM LIABILITIES

	30 June 2014	31 December 2013
		VND
Severance allowance	10,249,956,011	10,249,956,011
Long-term deposits	3,072,146,797	4,632,162,730
TOTAL	**13,322,102,808**	**14,882,118,741**

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*	*Total*
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
For the six-month period ended 30 June 2014							
As at 31 December 2013	422,000,000,000	869,140,000,000	(1,741,460,000)	468,878,115,674	67,011,107,173	391,251,944,791	2,216,539,707,638
Net profit for the period	-	-	-	-	-	136,408,594,677	136,408,594,677
Profit appropriation	-	-	-	102,855,074,756	12,856,884,345	(115,711,959,101)	-
Transfer to bonus and welfare fund	-	-	-	-	-	(12,856,884,345)	(12,856,884,345)
Dividends declared	-	-	-	-	-	(84,266,688,000)	(84,266,688,000)
As at 30 June 2014	422,000,000,000	869,140,000,000	(1,741,460,000)	571,733,190,430	79,867,991,518	314,825,008,022	2,255,824,729,970

22. OWNERS' EQUITY (continued)

22.2 Capital transactions with owners and distribution of dividends

	For the six-month period ended 30 June 2014	For the six-month period ended 30 June 2013
		VND
Contributed share capital		
Beginning and ending balances	422,000,000,000	422,000,000,000
Dividends		
Dividends declared	84,266,688,000	84,266,688,000
Dividends paid	(31,680,164,950)	(84,216,704,900)

22.3 Shares

	30 June 2014	31 December 2013
		VND
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

	For the six-month period ended 30 June 2014	For the six-month period ended 30 June 2013
		VND
Rendering of construction services	2,266,125,282,174	1,986,910,417,867
Lease income from investment properties	9,119,006,151	10,357,269,520
Rental of construction equipment	6,460,109,267	12,879,953,119
TOTAL	**2,281,704,397,592**	**2,010,147,640,506**

23.2 Finance income

	For the six-month period ended 30 June 2014	For the six-month period ended 30 June 2013
		VND
Bank interest income	50,461,204,246	47,961,673,652
Dividends earned	4,683,600,000	2,281,400,000
Others	74,412,060	5,687,539
TOTAL	**55,219,216,306**	**50,248,761,191**

24. COST OF SERVICES RENDERED

VND

	For the six-month period ended 30 June 2014	*For the six-month period ended 30 June 2013*
Cost of rendering of construction services	2,093,650,345,813	1,831,181,580,453
Lease expense of investment properties	4,555,575,546	3,973,689,634
Cost of leased construction equipment	3,576,497,472	9,035,838,731
TOTAL	**2,101,782,418,831**	**1,844,191,108,818**

25. ADMINISTRATIVE EXPENSES

VND

	For the six-month period ended 30 June 2014	*For the six-month period ended 30 June 2013*
Labour costs	35,455,151,805	33,578,815,925
Provision expense	17,646,981,535	7,925,289,648
Depreciation and amortisation	7,452,934,625	8,494,207,448
Expenses for external services	6,178,690,112	4,814,538,155
Other expenses	6,118,670,418	4,459,333,381
TOTAL	**72,852,428,495**	**59,272,184,557**

26. OTHER INCOME AND EXPENSES

VND

	For the six-month period ended 30 June 2014	*For the six-month period ended 30 June 2013*
Other income	**11,486,696,955**	**13,127,172,684**
Reversal of warranty costs	7,376,846,414	643,352,086
Reversal of over accrual for construction expenses	1,475,646,379	1,190,755,777
Proceed from disposal of fixed assets	766,363,636	1,310,958,500
Cost reduction after project finalisation	-	5,597,897,308
Proceeds from disposal of tools and supplies	-	2,246,434,000
Others	1,867,840,526	2,137,775,013
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	**11,486,696,955**	**7,425,024,452**

27. CORPORATE INCOME TAX

The statutory Corporate Income Tax ("CIT") rate applicable to the Company is 22% 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

VND

	For the six-month period ended 30 June 2014	*For the six-month period ended 30 June 2013*
Current CIT expense	36,894,372,268	51,881,197,313
Adjustment for over accrual of tax from prior period	-	(23,145,195)
TOTAL	**36,894,372,268**	**51,858,052,118**

27.2 Current CIT

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 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 2014	*For the six-month period ended 30 June 2013*
Profit before tax	**173,778,046,000**	**164,729,577,132**
Adjustments		
Non-deductible expenses	1,232,974,796	49,453,106,260
Reversal of non-deductible expenses in previous period	(1,834,563,023)	-
Dividend	(4,683,600,000)	(2,281,400,000)
Change in taxable profit of unearned revenue	(516,160,029)	(4,376,494,141)
Adjusted net profit before loss carry forward	**167,976,697,744**	**207,524,789,251**
Loss from transfer of investment properties in previous year	(275,005,618)	-
Estimated current taxable profit	**167,701,692,126**	**207,524,789,251**
Current CIT expenses	36,894,372,268	51,881,197,313
CIT payable at beginning of period	20,104,657,478	29,475,076,465
Adjustment for over accrual of tax from prior years	-	(23,145,195)
CIT paid during the period	(36,448,247,334)	(47,782,340,173)
CIT payable at end of period	**20,550,782,412**	**33,550,788,410**

27. CORPORATE INCOME TAX (continued)

27.3 Deferred CIT

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

VND

	Interim separate balance sheet		*Charge to interim separate income statement*	
	30 June 2014	*31 December 2013*	*For the six-month period ended 30 June 2014*	*For the six-month period ended 30 June 2013*
Deferred tax assets				
Profit of unearned revenue	282,629,360	450,209,735	(167,580,375)	(1,281,222,535)
Accrual for severance allowance	2,254,990,323	2,562,489,003	(307,498,680)	-
	2,537,619,683	***3,012,698,738***		
Deferred income tax expense			***(475,079,055)***	***(1,281,222,535)***

28. TRANSACTIONS WITH RELATED PARTIES

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

VND

Related party	*Relationship*	*Nature of transaction*	*Amount*
Phu Hung Gia Construction & Investment Joint Stock Company	Associate	Purchase of construction materials	125,966,769,781
		Construction cost	66,834,490,551
		Equipment rental income	916,565,724
		Equipment rental expense	431,869,345
Uy Nam Investment Construction Joint Stock Company	Subsidiary	Construction cost	197,825,705,469
		Purchase of construction materials	97,697,374,599
		Dividend received	4,611,600,000
		Equipment rental income	2,635,119,562
		Office rental	2,278,079,174
		Equipment rental expense	364,027,145

28. TRANSACTIONS WITH RELATED PARTIES (continued)

The outstanding balances due from and due to related parties as at 30 June 2014 as follows:

	Relationship	*Transaction*	*VND* *Amount*
Trade receivables			
Phu Hung Gia Construction & Investment Joint Stock Company	Associate	Construction service and rental fee of equipment	44,478,937,091
Uy Nam Investment Construction Joint Stock Company	Subsidiary	Office rental and rental fee of equipment	1,713,507,101
			46,192,444,192
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 , purchase of construction material and equipment rental expense	87,171,544,245
Uy Nam Investment Construction Joint Stock Company	Subsidiary	Construction cost , purchase of construction material and equipment rental expense	96,836,339,928
			184,007,884,173

29. OPERATING LEASE COMMITMENTS

The Company leases its office under the operating lease agreements. The minimum lease commitment as at 30 June 2014 under operating lease agreements are as follows:

	30 June 2014	*VND* *31 December 2013*
Less than 1 year	540,000,000	540,000,000
From 1-5 years	675,000,000	1,080,000,000
TOTAL	**1,215,000,000**	**1,620,000,000**

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 2014 under the operating lease agreements is as follows:

		VND
	30 June 2014	*31 December 2013*
Less than 1 year	12,506,494,392	13,556,317,728
From 1 to 5 years	7,150,250,550	10,120,693,878
More than 5 years	2,417,856,000	5,175,748,200
TOTAL	**22,074,600,942**	**28,852,759,806**

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 trade and other receivables, and cash and short-term deposits that arise directly from its operations. 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.

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 period ended 30 June 2014 since the Company's term deposits earn fixed interest rates.

Foreign currency risk

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

The Company is exposed to foreign currency risk in relation to purchases of machinery and equipment 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 of machinery and equipment 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 2014 since the Company's purchases were mainly denominated in VND during the period.

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 each client. 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 2014			
Trade payables	655,333,939,981	-	655,333,939,981
Other payables and accrued expenses	714,479,227,217	3,072,146,797	717,551,374,014
	1,369,813,167,198	**3,072,146,797**	**1,372,885,313,995**
31 December 2013			
Trade payables	738,119,611,253	-	738,119,611,253
Other payables and accrued expenses	585,277,576,932	4,632,162,730	589,909,739,662
	1,323,397,188,185	**4,632,162,730**	**1,328,029,350,915**

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 2014 and 31 December 2013.

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 2014		*31 December 2013*		*30 June 2014*	*31 December 2013*
	Cost	*Provision*	*Cost*	*Provision*		
Financial assets						
Other short-term investments	1,105,300,000,000	-	1,045,500,000,000	-	1,105,300,000,000	1,045,500,000,000
Trade receivables	1,360,991,058,971	(158,213,739,279)	1,596,459,932,052	(141,484,039,255)	1,202,777,319,692	1,454,975,892,797
Receivable from related parties	58,150,323,687	-	96,107,844,321	-	58,150,323,687	96,107,844,321
Other receivables	24,301,958,765	(917,281,511)	32,631,644,537	-	23,384,677,254	32,631,644,537
Other non-current financial assets	45,000,000	-	45,000,000	-	45,000,000	45,000,000
Cash and cash equivalents	361,296,986,075	-	357,891,965,148	-	361,296,986,075	357,891,965,148
TOTAL	**2,910,085,327,498**	**(159,131,020,790)**	**3,128,636,386,058**	**(141,484,039,255)**	**2,750,954,306,708**	**2,987,152,346,803**
Financial liabilities						
Trade payables	471,326,055,808	-	489,643,551,968	-	471,326,055,808	489,643,551,968
Payable to related parties	184,007,884,173	-	248,476,059,285	-	184,007,884,173	248,476,059,285
Other current financial liabilities	714,479,227,217	-	585,277,576,932	-	714,479,227,217	585,277,576,932
Other non-current financial liabilities	3,072,146,797	-	4,632,162,730	-	3,072,146,797	4,632,162,730
TOTAL	**1,372,885,313,995**	**-**	**1,328,029,350,915**	**-**	**1,372,885,313,995**	**1,328,029,350,915**

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 fair values of the financial assets and liabilities had not yet been formally assessed and determined as at 30 June 2014 and 31 December 2013. However, it is Management's assessment that the fair values of these financial assets and liabilities are approximately the same as their carrying value as at the balance sheet date.

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) 0303443233 Q. BÌNH THẠNH TP. HỒ CHÍ MINH

Vu Thi Hong Hanh	Ha Tieu Anh	Nguyen Ba Duong
Preparer	Chief Accountant	General Director

25 August 2014