

**COTECCONS CONSTRUCTION JOINT STOCK COMPANY**

**SEPARATE INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019**



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FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019**

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# COTECCONS CONSTRUCTION JOINT STOCK COMPANY

## CORPORATE INFORMATION

### Enterprise Registration Certificate

Business Registration Certificate No. 4103002611 dated 24 August 2004 issued by the Department of Planning and Investment of Ho Chi Minh City, and subsequently amended under the Enterprise Registration Certificate No. 0303443233 dated 23 August 2010 and its latest 22st amended Enterprise Registration Certificate dated 8 March 2019.

### Board of Directors

Mr. Nguyen Ba Duong	Chairman
Mr. Nguyen Sy Cong	Member
Mr. Tran Quyet Thang	Member
Mr. Nguyen Quoc Hiep	Member
Mr. Talgat Turumbayev	Member
Mr. Tan Chin Tiong	Member
Mr. Yerkin Tatishev	Member

### Board of Supervision

Mr. Luis Fernando Garcio Agraz	Head
Mr. Dang Hoai Nam	Member
Mr. Nguyen Minh Nhut	Member

### Board of Management

Mr. Nguyen Sy Cong	General Director
Mr. Tran Quang Quan	Deputy General Director
Mr. Tu Dai Phuc	Deputy General Director
Mr. Phan Huy Vinh	Deputy General Director (to 8 July 2019)
Mr. Tran Van Chinh	Deputy General Director
Mr. Vo Thanh Liem	Deputy General Director

### Legal representative

Mr. Nguyen Ba Duong	Chairman
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### Registered office

236/6 Dien Bien Phu, Ward 17, Binh Thanh District,  
Ho Chi Minh City, Vietnam

### Auditor

PwC (Vietnam) Limited

## COTECCONS CONSTRUCTION JOINT STOCK COMPANY

### STATEMENT OF THE RESPONSIBILITY OF THE BOARD OF MANAGEMENT OF THE COMPANY IN RESPECT OF THE SEPARATE INTERIM FINANCIAL STATEMENTS

The Chairman has authorized the Board of Management of Coteccons Construction Joint Stock Company ("the Company") to be responsible for preparing separate interim financial statements which give a true and fair view of the separate interim financial position of the Company as at 30 June 2019 and the separate interim results of its operations and separate interim cash flows for the six-month period then ended. In preparing these separate interim financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the separate interim financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the separate interim financial position of the Company and which enable separate interim financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the separate interim financial statements. The Board of Management 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.

### APPROVAL OF THE SEPARATE INTERIM FINANCIAL STATEMENTS

We hereby approve the accompanying separate interim financial statements as set out on pages 5 to 44 which give a true and fair view of the separate interim financial position of the Company as at 30 June 2019 and of the separate interim results of its operations and its separate interim cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate interim financial statements.

Users of these separate interim financial statements of the Company should read them together with the consolidated interim financial statements of the Company and its subsidiaries (together, "the Group") for the six-month period ended 30 June 2019 in order to obtain full information of the consolidated financial position and consolidated results of operations and consolidated cash flows of the Group.

On behalf of the Board of Management



Nguyen Sy Cong  
General Director

Ho Chi Minh City, SR Vietnam  
9 August 2019

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## REPORT ON REVIEW OF SEPARATE INTERIM FINANCIAL INFORMATION TO THE SHAREHOLDERS OF COTECCONS CONSTRUCTION JOINT STOCK COMPANY

We have reviewed the accompanying separate interim financial statements of Coteccons Construction Joint Stock Company ("the Company") which were prepared on 30 June 2019 and approved by the Board of Management on 9 August 2019. These separate interim financial statements include the separate interim balance sheet as at 30 June 2019, the separate interim income statement and separate interim cash flow statement for the six-month period then ended and notes to these separate interim financial statements, as set out on pages 5 to 44.

### **The Board of Management' Responsibility**

The Board of Management is responsible for the preparation and the true and fair presentation of the separate interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate interim financial statements and for such internal control which the Board of Management determines is necessary to enable the preparation and fair presentation of separate interim financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express a conclusion on this separate interim financial information based on our review. We conducted our review in accordance with *Vietnamese Standard on Review Engagements 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

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





## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying separate interim financial information does not present fairly, in all material respects the separate interim financial position of the Company as at 30 June 2019, its separate interim financial performance and separate interim cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of the separate interim financial statements.

## Other Matter

The report on review of separate interim financial statements is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English copies, the Vietnamese copy shall take precedence.

## For and on behalf of PwC (Vietnam) Limited



Mai Viet Hung Tran  
Audit Practising Licence No.  
0048-2018-006-1  
Authorised signatory

Report reference number: HCM8548  
Ho Chi Minh City, 9 August 2019

## COTECCONS CONSTRUCTION JOINT STOCK COMPANY

Form B 01a – DN

## SEPARATE INTERIM BALANCE SHEET

Code	ASSETS	Note	As at	
			30.6.2019 VND	31.12.2018 VND
<b>100</b>	<b>CURRENT ASSETS</b>		<b>11,016,099,713,442</b>	<b>12,024,540,146,799</b>
<b>110</b>	<b>Cash and cash equivalents</b>	3	<b>573,842,948,057</b>	<b>389,131,880,525</b>
111	Cash		155,942,948,057	67,631,880,525
112	Cash equivalents		417,900,000,000	321,500,000,000
<b>120</b>	<b>Short-term investment</b>		<b>2,942,100,000,000</b>	<b>3,364,400,000,000</b>
123	Investments held to maturity	4	2,942,100,000,000	3,364,400,000,000
<b>130</b>	<b>Short-term receivables</b>		<b>5,985,355,196,390</b>	<b>6,708,359,624,291</b>
131	Short-term trade accounts receivable	5	5,611,222,522,537	6,503,313,239,606
132	Short-term prepayments to suppliers	6	430,769,254,659	206,675,324,919
136	Other short-term receivables	7	153,225,317,274	208,232,957,846
137	Provision for doubtful debts – short term	8	(209,861,898,080)	(209,861,898,080)
<b>140</b>	<b>Inventory</b>		<b>1,073,737,259,366</b>	<b>1,198,060,245,544</b>
141	Inventory	9	1,073,737,259,366	1,198,060,245,544
<b>150</b>	<b>Other current assets</b>		<b>441,064,309,629</b>	<b>364,588,396,439</b>
151	Short-term prepaid expenses	10(a)	1,328,750,337	2,264,893,751
152	Value Added Tax to be reclaimed		439,735,559,292	362,323,502,688

The notes on pages 10 to 44 are an integral part of these separate interim financial statements.

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## COTECCONS CONSTRUCTION JOINT STOCK COMPANY

Form B 01a – DN

SEPARATE INTERIM BALANCE SHEET  
(continued)

Code	ASSETS (continued)	Note	As at	
			30.6.2019 VND	31.12.2018 VND
<b>200</b>	<b>LONG-TERM ASSETS</b>		<b>2,092,090,486,440</b>	<b>1,982,327,235,027</b>
<b>220</b>	<b>Fixed assets</b>		<b>615,276,957,386</b>	<b>599,086,114,557</b>
221	Tangible fixed assets	11(a)	531,493,076,501	515,555,564,929
222	Historical cost		852,619,790,800	816,810,465,623
223	Accumulated depreciation		(321,126,714,299)	(301,254,900,694)
227	Intangible fixed assets	11(b)	83,783,880,885	83,530,549,628
228	Historical cost		97,890,965,600	95,997,011,742
229	Accumulated amortisation		(14,107,084,715)	(12,466,462,114)
<b>230</b>	<b>Investment properties</b>	12	<b>66,158,282,776</b>	<b>67,889,003,254</b>
231	Historical cost		90,854,986,389	90,854,986,389
232	Accumulated depreciation		(24,696,703,613)	(22,965,983,135)
<b>240</b>	<b>Long-term asset in progress</b>		<b>2,046,908,356</b>	<b>1,005,828,500</b>
242	Construction in progress		2,046,908,356	1,005,828,500
<b>250</b>	<b>Long-term investments</b>		<b>1,224,908,360,000</b>	<b>1,063,308,360,000</b>
251	Investments in subsidiaries	13	1,007,348,360,000	907,348,360,000
252	Investments in associates	14	235,560,000,000	173,960,000,000
254	Provision for long-term investments	15	(18,000,000,000)	(18,000,000,000)
<b>260</b>	<b>Other long-term assets</b>		<b>183,699,977,922</b>	<b>251,037,928,716</b>
261	Long-term prepaid expenses	10(b)	182,000,056,508	249,338,007,302
262	Deferred income tax assets	34	1,699,921,414	1,699,921,414
<b>270</b>	<b>TOTAL ASSETS</b>		<b>13,108,190,199,882</b>	<b>14,006,867,381,826</b>

The notes on pages 10 to 44 are an integral part of these separate interim financial statements.



SEPARATE INTERIM BALANCE SHEET  
(continued)

Code	RESOURCES	Note	As at	
			30.6.2019 VND	31.12.2018 VND
<b>300</b>	<b>LIABILITIES</b>		<b>6,100,069,713,771</b>	<b>6,984,877,728,142</b>
<b>310</b>	<b>Short-term liabilities</b>		<b>6,090,873,748,269</b>	<b>6,975,681,762,640</b>
311	Short-term trade accounts payable	16	3,866,097,899,996	5,066,989,649,021
312	Short-term advances from customers	17	672,100,253,456	645,206,774,425
313	Tax and other payables to the State Budget	18	26,036,437,519	71,477,202,611
315	Short-term accrued expenses	19	939,770,169,732	838,293,501,289
318	Short-term unearned revenue	20	5,724,249,965	5,135,013,358
319	Other short-term payables	21(a)	356,152,123,946	160,833,734,876
321	Provision for short-term liabilities	22(a)	48,178,332,414	63,173,236,334
322	Bonus and welfare fund	23	176,814,281,241	124,572,650,726
<b>330</b>	<b>Long-term liabilities</b>		<b>9,195,965,502</b>	<b>9,195,965,502</b>
337	Other long-term payables	21(b)	662,352,826	662,352,826
342	Provision for long-term liabilities	22(b)	8,533,612,676	8,533,612,676
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>7,008,120,486,111</b>	<b>7,021,989,653,684</b>
<b>410</b>	<b>Capital and reserves</b>		<b>7,008,120,486,111</b>	<b>7,021,989,653,684</b>
411	Owners' capital	24, 25	792,550,000,000	783,550,000,000
411a	- Ordinary shares with voting rights	24, 25	792,550,000,000	783,550,000,000
412	Share premium	25	3,038,990,175,385	2,997,645,175,385
415	Treasury shares	25	(439,558,938,999)	(439,558,938,999)
418	Investment and development fund	25	3,165,476,350,792	2,583,711,350,792
421	Undistributed earnings	25	450,662,898,933	1,096,642,066,506
421a	- Undistributed earnings of the previous years	25	228,224,447,506	32,053,413,250
421b	- Post-tax profit of current period/year	25	222,438,451,427	1,064,588,653,256
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>13,108,190,199,882</b>	<b>14,006,867,381,826</b>



Nguyen Minh Tung  
Preparer



Vu Thi Hong Hanh  
Chief Accountant

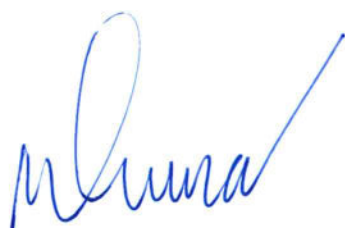


Nguyen Sy Cong  
General Director  
9 August 2019

The notes on pages 10 to 44 are an integral part of these separate interim financial statements.

## SEPARATE INTERIM INCOME STATEMENT

Code		Note	For the six-month period ended 30 June	
			2019 VND	2018 VND
01	Revenue from sales of goods and rendering of services		7,775,385,578,101	9,792,536,274,382
02	Less deductions		-	-
10	Net revenue from sales of goods and rendering of services	28	7,775,385,578,101	9,792,536,274,382
11	Cost of goods sold and services rendered	29	(7,478,918,118,871)	(9,138,635,739,144)
20	Gross profit from sales of goods and rendering of services		296,467,459,230	653,900,535,238
21	Financial income	30	117,808,547,268	162,021,397,264
22	Financial expenses		-	(974,222)
26	General and administration expenses	31	(158,352,745,637)	(194,082,219,958)
30	Net operating profit		255,923,260,861	621,838,738,322
31	Other income	32	22,046,368,696	33,479,093,370
32	Other expenses	32	(1,104,375,938)	-
40	Net other income		20,941,992,758	33,479,093,370
50	Net accounting profit before tax		276,865,253,619	655,317,831,692
51	Business income tax - current	33	(54,426,802,192)	(128,904,269,745)
52	Business income tax - deferred	34	-	-
60	Net profit after tax		222,438,451,427	526,413,561,947



Nguyen Minh Tung  
Preparer



Vu Thi Hong Hanh  
Chief Accountant



Nguyen Sy Cong  
General Director  
9 August 2019

The notes on pages 10 to 44 are an integral part of these separate interim financial statements.



SEPARATE INTERIM CASH FLOW STATEMENT  
(Indirect method)

Code	Note	For the six-month period ended 30 June	
		2019 VND	2018 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01		<b>276,865,253,619</b>	<b>655,317,831,692</b>
	Adjustments for:		
02	Depreciation and amortisation	41,482,349,116	38,701,048,029
03	Reversal of provisions	(14,761,553,920)	(2,347,716,751)
05	Profits from investing activities	(119,068,216,357)	(162,104,359,560)
08	<b>Operating profit before changes in working capital</b>	<b>184,517,832,458</b>	<b>529,566,803,410</b>
09	Decrease/(increase) in receivables	594,199,567,098	(838,465,912,496)
10	Decrease in inventories	124,322,986,178	172,946,093,429
11	Decrease in payables	(1,127,161,023,188)	(924,335,875,922)
12	Decrease in prepaid expenses	68,274,094,208	65,718,916,600
15	Business income tax paid	(76,469,450,452)	(116,101,660,393)
17	Other payments on operating activities	(5,507,719,485)	(2,867,551,560)
20	<b>Net cash outflows from operating activities</b>	<b>(237,823,713,183)</b>	<b>(1,113,539,186,932)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchases of fixed assets	(58,644,444,591)	(31,874,393,558)
22	Proceeds from disposals of fixed assets	1,214,214,544	389,380,400
23	Term deposits	(2,126,100,000,000)	(2,545,000,000,000)
24	Term deposits collections	2,548,400,000,000	2,968,000,000,000
25	Investments in subsidiary and associates	(161,600,000,000)	(130,800,000,000)
27	Dividends and interest received	169,246,806,012	220,804,390,909
30	<b>Net cash inflows from investing activities</b>	<b>372,516,575,965</b>	<b>481,519,377,751</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Proceeds from issue of shares and sales of treasury shares	50,345,000,000	73,236,000,000
36	Dividends paid	(326,795,250)	(20,049,750)
40	<b>Net cash inflows from financing activities</b>	<b>50,018,204,750</b>	<b>73,215,950,250</b>
50	<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>184,711,067,532</b>	<b>(558,803,858,931)</b>
60	<b>Cash and cash equivalents at beginning of period/year</b>	<b>389,131,880,525</b>	<b>1,040,282,200,445</b>
61	Effect of foreign exchange differences	-	-
70	<b>Cash and cash equivalents at end of period/year</b>	<b>573,842,948,057</b>	<b>481,478,341,514</b>

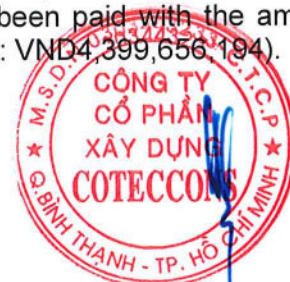
Non-cash transactions during the period are mainly sales of fixed assets but not yet been collected with the amount of VND45,454,545 as at 30 June 2019 (as at 31 December 2018: VND1,690,909,091) and purchases of fixed assets but not yet been paid with the amount of VND2,738,762,926 as at 30 June 2019 (as at 31 December 2018: VND4,399,656,194).



Nguyen Minh Tung  
Preparer



Vu Thi Hong Hanh  
Chief Accountant



Nguyen Sy Cong  
General Director  
9 August 2019

The notes on pages 10 to 44 are an integral part of these separate interim financial statements.



**NOTES TO THE SEPARATE INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019****1 GENERAL INFORMATION**

Coteccons Construction Joint Stock Company (“the Company”) was established in SR Vietnam pursuant to Business Registration Certificate No. 4103002611 dated 24 August 2004 issued by the Department of Planning and Investment of Ho Chi Minh City, and subsequently amended under the Enterprise Registration Certificate No. 0303443233 dated 23 August 2010 and its latest 22nd amended Enterprise Registration Certificate dated 8 March 2019, approving for increase in its charter capital to VND792,500 million.

The Company’s shares were listed in the Ho Chi Minh City Stock Exchange with trading code “CTD” in accordance with the Decision No. 155/QĐ-SGDHCM dated 9 December 2009 issued by the Ho Chi Minh City Stock Exchange.

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

The normal business cycle of the Company is within 12 months.

As at 30 June 2019, the Company had 2 subsidiaries (Note 13), 3 direct associates (Note 14) and 1 indirect associate which is Riland Investment Joint Stock Company (“Riland”). Riland, a subsidiary of Ricons Construction Investment Joint Stock Company, is a joint stock company established in Ho Chi Minh City pursuant to Enterprise Registration Certificate No. 0315066903 dated 23 May 2018 issued by the Department of Planning and Investment of Ho Chi Minh City. The principal activities of this company are real estate, rental or owner’s land use right trading.

As at 30 June 2019, the Company had 1,550 employees (as at 31 December 2018: 1,665 employees).

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****2.1 Basis of preparation of separate interim financial statements**

The separate interim financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate interim financial statements. The separate interim financial statements have been prepared under the historical cost convention.

The accompanying separate interim financial statements are not intended to present the separate interim financial position and separate interim results of operations and separate interim cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

Separately, the Company has also prepared consolidated interim financial statements of the Company and its subsidiaries (together, “the Group”) in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated interim financial statements. In the consolidated interim financial statements, subsidiaries undertaking – which are those companies over which the Group has the power to govern the financial and operating policies – have been fully consolidated.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.1 Basis of preparation of separate interim financial statements (continued)**

Users of these separate interim financial statements of the Company should read them together with the consolidated interim financial statements of the Group for the six-month period ended 30 June 2019 in order to obtain full information of the consolidated financial position and consolidated results of operations and consolidated cash flows of the Group.

The separate interim financial statements in Vietnamese language are the official statutory financial statements of the Company. The separate interim financial statements in English language have been translated from the Vietnamese language financial statements.

**2.2 Fiscal year**

The Company's fiscal year is from 1 January to 31 December. The separate interim financial statements were prepared for the six-month period from 1 January 2019 to 30 June 2019.

**2.3 Currency**

The separate interim financial statements are measured and presented in Vietnamese Dong ("VND").

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Foreign exchange differences arising from these transactions are recognised in the separate interim income statement.

Monetary assets and liabilities denominated in foreign currencies at the separate interim balance sheet date are respectively translated at the buying and selling exchange rates at the separate interim balance sheet date of the commercial bank where the Company regularly trades. Foreign currencies deposited in bank at the separate interim balance sheet date are translated at the buying exchange rate of the commercial bank where the Company opens the foreign currency accounts. Foreign exchange differences arising from these translations are recognised in the separate interim income statement.

**2.4 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash at bank, cash in transit, demand deposits and other short-term investments with an original maturity of three months or less.

**2.5 Trade receivables**

Trade receivables are carried at the original invoice amount less an estimate made for doubtful receivables based on a review by the Board of Management of all outstanding amounts at the period/year end. Bad debts are written off when identified.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.6 Inventories**

Construction works-in-progress are stated at the lower of cost and net realisable value. Cost comprises the original cost of purchase plus the cost of bringing the construction materials and construction costs to their present location and condition. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and necessary estimated hand-over expenses.

**2.7 Investments****(a) Investments held-to-maturity**

Investments held-to-maturity are investments which the Company's Board of Management has positive intention and ability to hold until maturity.

Investments held-to-maturity include term deposits and bonds held-to-maturity for interest earning. Those investments are accounted for at cost less provision.

Provision for diminution in value of investments held-to-maturity is made when there is evidence that part or the whole of the investment is uncollectible.

**(b) Investments in subsidiaries**

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

Investments in subsidiaries are accounted for at cost less provision for diminution in value. Provision for diminution in value is made when there is an impairment of the investments.

**(c) Investments in associates**

Associates are investments that the Company has significant influence but not control and would generally have from 20% to under 50% voting shares of the investee.

Investments in associates are accounted for at cost less provision for diminution in value. Provision for diminution in value is made when there is a reduction in value of the investments.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.8 Fixed assets***Tangible and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation/amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets.

*Depreciation and amortisation*

Fixed assets are depreciated and amortised using the straight-line method so as to write off the cost of the assets over their estimated useful lives. The principal annual rates used are:

	Year
Buildings and structures	6 - 45
Machinery and equipment	3 - 10
Motor vehicles	6 - 8
Office equipment	3 - 5
Software	3
Others	5 - 6
Land use rights	45 - 49

Land use right with indefinite useful life is record as historical cost and is not amortised.

*Disposals*

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are recognised as income or expense in the separate interim income statement.

**2.9 Investment properties**

Cost of an investment property means the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire the investment property at the time of its acquisition or completion of construction.

*Depreciation*

Investment properties are depreciated on the straight-line method to write off the cost of the assets over their estimated useful lives. The principal annual rates used are:

	Year
Office buildings	30 - 45
Others	25

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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.9 Investment properties (continued)***Disposals*

Gains or losses on disposals are determined by comparing net disposal proceeds with the net book value and are recognised as income or expense in the separate interim income statement.

**2.10 Leased assets**

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the separate interim income statement on a straight-line basis over the term of the lease.

**2.11 Prepaid expenses**

Prepaid expenses include short-term and long-term prepayments on the separate interim balance sheet. Prepaid expenses are recorded at historical cost and allocated using the straight line method over estimated useful lives.

**2.12 Payables**

Classifications of payables are based on their nature as follows:

- Trade accounts payable are trade payables arising from purchase of goods and services.
- Other payables including non-trade payables, and not relating to purchase of goods and services.

Payables are classified into long-term and short-term payables on the separate interim balance sheet based on remaining period from the separate interim balance sheet date to the maturity date.

**2.13 Accrued expenses**

Accrued expenses include liabilities for goods and services received in the period but not yet paid for due to pending invoice or insufficient records and documents. Accrued expenses are recorded as expenses in the reporting period.

**2.14 Provisions**

Provisions are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provision is not recognised for future operating losses.

Provisions are measured at the expenditures expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as an interest expense.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.15 Provision for severance allowances**

In accordance with Vietnamese labour laws, employees of the Company who have worked regularly for full 12 months or longer, are entitled to a severance allowance. The working period used for the calculation of severance allowance is the period during which the employee actually works for the Company less the period during which the employee participates in the unemployment insurance scheme in accordance with the labour regulations and the working period for which the employee has received severance allowance from the Company.

The severance allowance is accrued at the end of the reporting period on the basis that each employee is entitled to half of an average monthly salary for each working year. The average monthly salary used for calculating the severance allowance is the employee's average salary for the six-month period prior to the separate interim balance sheet date.

This allowance will be paid as a lump sum when the employees terminate their labour contracts in accordance with current regulations.

**2.16 Unearned revenue**

Unearned revenue mainly comprises the amounts that customers paid in advance for one or many accounting periods for revenues corresponding to the value of goods, services. The Company records unearned revenue for the future obligations that the Company has to conduct.

**2.17 Owners' capital**

Contributed capital of the shareholders is recorded according to actual amount contributed and is recorded according to par value of the share.

Share premium is the difference between the par value and the issue price of shares and the difference between the repurchase price and re-issuing price of treasury shares.

Treasury shares are shares issued by the Company and bought-back by itself, but these are not cancelled and shall be re-issued in the period in accordance with the Law on securities.

Undistributed earnings record the Company's accumulated results after business income tax at the reporting date.

**2.18 Appropriation of net profit**

Net profit after income tax could be distributed to shareholders after approval at the Annual General Meeting, and after appropriation to other funds in accordance with the Company's charter and Vietnamese regulations.

**(a) Development and investment fund**

Development and investment fund is appropriated from net profit of the Company and subject to shareholders' approval at the Annual General Meeting. The fund is set aside for the use in the Company's expansion of its operation or in-depth investments.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.18 Appropriation of net profit (continued)****(b) Bonus and welfare fund**

Bonus and welfare fund is appropriated from the Company's net profit and subject to shareholders' approval at the Annual General Meeting. The fund is set aside for the purpose of pecuniary rewarding and encouragement, common benefits and improvement of the employees' benefits.

**(c) Dividend distribution**

Dividend of the Company is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's Annual General Meeting of shareholders.

**2.19 Revenue recognition****(a) Sales of goods**

Revenue from sale of goods is recognised in the separate interim income statement when all five (5) following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

Revenue is recognised based on principle of "substance over form" and allocated to each sales obligation. In case that the Company gives promotional goods to customers associated with customers' purchase, the Company allocates total consideration received for goods sold and promotional goods. Cost of promotional goods is recognised as cost of sales in the separate interim income statement.

**(b) Rendering of services**

Revenue from rendering of services is recognised in the separate interim income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue from rendering of services is only recognised when all four (4) following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The percentage of completion of the transaction at the separate interim balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.19 Revenue recognition (continued)****(c) Revenue from construction contracts**

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose of use.

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the amount of work completed and certified by customers. Claimable receivable and other receivable are included in revenue to the extent that they have been agreed and verified by the customers.

When the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred where it is probable those costs will be recoverable. Contract costs are only recognised when incurred during the period.

The aggregate of the costs incurred and the profit or loss recognised on each contract is compared against the progress billings up to the period end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is presented as construction contracts-in-progress receivables. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is presented as construction contracts-in-progress payables.

**(d) Interest income**

Interest income is recognised on an earned basis.

**(e) Dividend income**

Income from dividend is recognised when the Company has established the receiving right from investees.

**2.20 Cost of goods sold and services rendered**

Cost of goods sold and services rendered are cost of materials sold or services provided during the period, and recorded on the basis of matching with revenue and on prudent concept.

**2.21 General and administration expenses**

General and administration expenses represent expenses for administrative purposes which mainly include salary expenses of administrative staffs (salaries, wages, allowances,...); social insurance, medical insurance, labour union fees, unemployment insurance of administrative staff, expenses of office materials, tools and supplies, depreciation of fixed assets used for administration, provision for doubtful debts, outside services and other expenses.

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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.22 Current and deferred income tax**

Income taxes include all income taxes which are based on taxable profits including profits generated from production and trading activities in other countries with which the Socialist Republic of Vietnam has not signed any double taxation agreement. Income tax expense comprises current tax expense and deferred tax expense.

Current income tax is the amount of income taxes payable or recoverable in respect of the current year taxable profits at the current year tax rates. Current and deferred tax should be recognised as an income or an expense and included in the profit or loss of the period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate interim financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the separate interim balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

**2.23 Related parties**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering the related party relationship, the Company considers the substance of the relationship not merely the legal form.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.24 Segment reporting**

A segment is a component which can be separated by the Company engaged in providing products or services (business segment), or providing products or services within a particular economic environment (geographical segment). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment is the Company's business segment.

Segment reporting is prepared and presented in accordance with accounting policies applied to the preparation and presentation of the Company's separate interim financial statements in order to help users of separate interim financial statements understand and evaluate the Company's operations in a comprehensive way.

**2.25 Use of estimates**

The preparation of the separate interim financial statements in conformity with Vietnamese Accounting Standards requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of separate interim financial statements and the amounts of revenues and expenses during the period. Although these estimates are based on the Board of Management' best knowledge of current events and actions, actual results may differ from those estimates.

**3 CASH AND CASH EQUIVALENTS**

	30.6.2019 VND	31.12.2018 VND
Cash on hand	931,872,783	624,630,159
Cash at bank	155,011,075,274	67,007,250,366
Cash equivalents (*)	417,900,000,000	321,500,000,000
	<u>573,842,948,057</u>	<u>389,131,880,525</u>

(\*) Including term deposits with maturity of less than 3 months, earning applicable interest rates.

**4 INVESTMENTS HELD-TO-MATURITY**

	30.6.2019		31.12.2018	
	Cost VND	Book value VND	Cost VND	Book value VND
Term deposits (*)	2,942,100,000,000	2,942,100,000,000	3,164,400,000,000	3,164,400,000,000
Bonds	-	-	200,000,000,000	200,000,000,000
	<u>2,942,100,000,000</u>	<u>2,942,100,000,000</u>	<u>3,364,400,000,000</u>	<u>3,364,400,000,000</u>

(\*) Including term deposits with maturity of more than 3 months and less than 12 months, earning applicable interest rates.

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**5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE**

	<b>30.6.2019</b> <b>VND</b>	<b>31.12.2018</b> <b>VND</b>
Third parties (*)	5,513,912,054,991	6,498,758,027,949
Related parties (Note 37(b))	97,310,467,546	4,555,211,657
	<u>5,611,222,522,537</u>	<u>6,503,313,239,606</u>

(\*) As at 30 June 2019, details for customers accounting from 10% or more of the total balance of short-term trade accounts receivable – third parties are as follows:

	<b>30.6.2019</b> <b>VND</b>	<b>31.12.2018</b> <b>VND</b>
Viet Star Company Limited	788,840,171,003	1,029,465,656,275
Vinfast Trading and Production Company Limited	560,300,321,069	547,388,724,927
	<u>1,349,140,492,072</u>	<u>1,576,854,381,202</u>

**6 SHORT-TERM PREPAYMENTS TO SUPPLIERS**

	<b>30.6.2019</b> <b>VND</b>	<b>31.12.2018</b> <b>VND</b>
Third parties	430,769,254,659	206,675,324,919
	<u>430,769,254,659</u>	<u>206,675,324,919</u>

As at 30 June 2019, details for suppliers accounting from 10% or more of the total balance of short-term prepayments to suppliers are as follows:

	<b>30.6.2019</b> <b>VND</b>	<b>31.12.2018</b> <b>VND</b>
TTT Construction and Trading Joint Stock Company	132,297,700,565	-
Bao Thach International Joint Stock Company	43,396,942,208	-
	<u>175,694,642,773</u>	<u>-</u>

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**7 OTHER SHORT-TERM RECEIVABLES**

	<b>30.6.2019</b> <b>VND</b>	<b>31.12.2018</b> <b>VND</b>
Interests receivable	127,397,075,088	178,835,333,832
Advances to construction team and employees	19,114,791,358	23,768,155,483
Short-term deposits	3,652,371,552	3,779,595,821
Others	3,061,079,276	1,849,872,710
	<u>153,225,317,274</u>	<u>208,232,957,846</u>

**8 PROVISION FOR DOUBTFUL DEBTS – SHORT-TERM**

Movements of provision for doubtful debts – short-term during the period/year are as follows:

	<b>For the six-month</b> <b>period ended</b> <b>30.6.2019</b> <b>VND</b>	<b>For the</b> <b>year ended</b> <b>31.12.2018</b> <b>VND</b>
Opening balance	209,861,898,080	209,861,898,080
Closing balance	<u>209,861,898,080</u>	<u>209,861,898,080</u>

**9 INVENTORY**

	<b>30.6.2019</b> <b>VND</b>	<b>31.12.2018</b> <b>VND</b>
Construction works in progress	<u>1,073,737,259,366</u>	<u>1,198,060,245,544</u>

Details of construction works in progress by projects are as follows:

	<b>30.6.2019</b> <b>VND</b>	<b>31.12.2018</b> <b>VND</b>
Iron and Steel Complex Hoa Phat – Dung Quat	290,457,562,334	154,925,822,024
Viettel Head Office	109,100,066,612	53,171,844,034
Project of Commercial - services office tower - Lot 5.5 - Thu Thiem new urban area	90,077,919,535	78,006,759,113
Vinhomes Metropolis	69,183,278,324	141,781,616,171
Others	514,918,432,561	770,174,204,202
	<u>1,073,737,259,366</u>	<u>1,198,060,245,544</u>





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11	FIXED ASSETS	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
(a)	Tangible fixed assets					
	<b>Historical cost</b>					
	As at 1 January 2019	175,786,833,952	584,456,144,761	30,337,708,175	26,229,778,735	816,810,465,623
	New purchases	9,480,219,170	33,175,207,530	11,359,990,909	33,100,000	54,048,517,609
	Disposals	-	(16,947,433,757)	(943,797,875)	(347,960,800)	(18,239,192,432)
	As at 30 June 2019	<u>185,267,053,122</u>	<u>600,683,918,534</u>	<u>40,753,901,209</u>	<u>25,914,917,935</u>	<u>852,619,790,800</u>
	<b>Accumulated depreciation</b>					
	As at 1 January 2019	55,636,020,181	204,833,785,680	22,669,159,633	18,115,935,200	301,254,900,694
	Charge for the period	5,806,144,340	28,228,587,745	2,015,186,452	2,061,087,500	38,111,006,037
	Disposals	-	(16,947,433,757)	(943,797,875)	(347,960,800)	(18,239,192,432)
	As at 30 June 2019	<u>61,442,164,521</u>	<u>216,114,939,668</u>	<u>23,740,548,210</u>	<u>19,829,061,900</u>	<u>321,126,714,299</u>
	<b>Net book value</b>					
	As at 1 January 2019	<u>120,150,813,771</u>	<u>379,622,359,081</u>	<u>7,668,548,542</u>	<u>8,113,843,535</u>	<u>515,555,564,929</u>
	As at 30 June 2019	<u>123,824,888,601</u>	<u>384,568,978,866</u>	<u>17,013,352,999</u>	<u>6,085,856,035</u>	<u>531,493,076,501</u>

As at 30 June 2019, historical cost of fully depreciated tangible fixed assets but still in use was VND111,095,006,327 (as at 31 December 2018: VND123,083,833,670).



## 11 FIXED ASSETS (continued)

## (b) Intangible fixed assets

	Land use rights VND	Software VND	Total VND
<b>Historical cost</b>			
As at 1 January 2019	81,539,243,238	14,457,768,504	95,997,011,742
New purchases	-	1,893,953,858	1,893,953,858
As at 30 June 2019	<u>81,539,243,238</u>	<u>16,351,722,362</u>	<u>97,890,965,600</u>
<b>Accumulated amortisation</b>			
As at 1 January 2019	3,822,395,187	8,644,066,927	12,466,462,114
Charge for the period	172,096,098	1,468,526,503	1,640,622,601
As at 30 June 2019	<u>3,994,491,285</u>	<u>10,112,593,430</u>	<u>14,107,084,715</u>
<b>Net book value</b>			
As at 1 January 2019	<u>77,716,848,051</u>	<u>5,813,701,577</u>	<u>83,530,549,628</u>
As at 30 June 2019	<u>77,544,751,953</u>	<u>6,239,128,932</u>	<u>83,783,880,885</u>

As at 30 June 2019, historical cost of fully amortised intangible fixed assets but still in use was VND6,387,630,805 (as at 31 December 2018: VND5,445,630,805).

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## 12 INVESTMENT PROPERTIES

	Office buildings VND	Others VND	Total VND
<b>Historical cost</b>			
As at 1 January 2019 and 30 June 2019	72,234,622,480	18,620,363,909	90,854,986,389
<b>Accumulated depreciation</b>			
As at 1 January 2019	19,140,532,783	3,825,450,352	22,965,983,135
Charge for the period	1,358,313,192	372,407,286	1,730,720,478
As at 30 June 2019	20,498,845,975	4,197,857,638	24,696,703,613
<b>Net book value</b>			
As at 1 January 2019	53,094,089,697	14,794,913,557	67,889,003,254
As at 30 June 2019	51,735,776,505	14,422,506,271	66,158,282,776

The income and expenses from renting investment properties during the period are as follows:

	<u>For the six-month period ended 30 June</u>	
	2019 VND	2018 VND
Net revenue from investment property activities	7,900,501,290	7,839,257,865
Cost of investment property activities	4,694,879,526	4,835,527,267

At the date of these separate interim financial statements, the entire investment properties presented above are used for renting purpose.



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**13 INVESTMENTS IN SUBSIDIARIES**

Name	30.6.2019		31.12.2018	
	Percentage of ownership and voting right	Cost VND	Percentage of ownership and voting right	Cost VND
Unicons Investment Construction Company Limited (i)	100	638,348,360,000	100	638,348,360,000
Covestcons Company Limited (ii)	100	369,000,000,000	100	269,000,000,000
		1,007,348,360,000		907,348,360,000

(i) Unicons Investment Construction Company Limited, a one-member limited liability company established in Ho Chi Minh City pursuant to Business Registration Certificate No. 4103005020 dated 14 July 2006 issued by the Department of Planning and Investment of Ho Chi Minh City, subsequently changed to Enterprise Registration Certificate No. 0304472276 dated 6 October 2010. The principal activities of this company are construction and equipment installation services.

(ii) Covestcons Company Limited, a one-member limited liability company established in Ho Chi Minh City pursuant to Enterprise Registration Certificate No. 0314326002 dated 31 March 2017 issued by the Department of Planning and Investment of Ho Chi Minh City. The principal activities of this company are real estate brokerage and trading.

As at 30 June 2019, the Company was unable to determine its investments in subsidiaries' fair value as those investments are not listed on the stock exchange market, therefore, there was no available fair value information of those investments.

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14 INVESTMENTS IN ASSOCIATES

Name	30.6.2019			31.12.2018		
	Percentage of ownership	Percentage of voting rights	Cost VND	Percentage of ownership	Percentage of voting rights	Cost VND
FCC Infrastructure Investment Joint Stock Company (i)	42.36	42.36	159,600,000,000	35.00	35.00	98,000,000,000
Ricons Construction Investment Joint Stock Company (ii)	14.87	4.03	57,960,000,000	14.87	4.03	57,960,000,000
Quang Trong Commercial Joint Stock Company (iii)	36.00	36.00	18,000,000,000	36.00	36.00	18,000,000,000
			<u>235,560,000,000</u>			<u>173,960,000,000</u>

- (i) FCC Infrastructure Investment Joint Stock Company, a joint stock company established in Hanoi City pursuant to Enterprise Registration Certificate No. 0106605407 dated 21 July 2014 issued by the Department of Planning and Investment of Hanoi City. The principal activities of this company are civil and industrial project constructions.
- (ii) Ricons Construction Investment Joint Stock Company, a joint stock company established in Ho Chi Minh City pursuant to Business Registration Certificate No. 4103002810 dated 27 October 2004 issued by the Department of Planning and Investment of Ho Chi Minh City, subsequently changed to Enterprise Registration Certificate No. 0303527596 dated 9 June 2011. The principal activities of this company are civil and industrial construction services, trading of construction materials and real estate.
- (iii) Quang Trong Commercial Joint Stock Company, a joint stock company established in Ba Ria Vung Tau Province pursuant to Business Registration Certificate No. 4903000474 dated 18 December 2007 issued by the Department of Planning and Investment of Ba Ria Vung Tau Province, subsequently changed to Enterprise Registration Certificate No. 3500740022. The principal activities of this company are real estate trading and provision of project management services.

As at 30 June 2019, the Company was unable to determine its investments in associates' fair value as those investments are not listed on the stock exchange market, therefore, there was no available fair value information of those investments.





**15 PROVISION FOR LONG-TERM INVESTMENTS**

As at 30 June 2019 and 31 December 2018, the balance represents the provision for diminution in value of investment in Quang Trong Commercial Joint Stock Company, an associate (Note 14).

**16 SHORT-TERM TRADE ACCOUNTS PAYABLE**

	30.6.2019		31.12.2018	
	Book value VND	Able-to-pay amount VND	Book value VND	Able-to-pay amount VND
Third parties (*)	2,343,336,456,824	2,343,336,456,824	2,526,810,529,016	2,526,810,529,016
Related parties (Note 37(b))	1,522,761,443,172	1,522,761,443,172	2,540,179,120,005	2,540,179,120,005
	<u>3,866,097,899,996</u>	<u>3,866,097,899,996</u>	<u>5,066,989,649,021</u>	<u>5,066,989,649,021</u>

(\*) As at 30 June 2019, details for suppliers accounting from 10% or more of the total balance of short-term trade accounts payable – third parties are as follow:

	30.6.2019 VND	31.12.2018 VND
Newtecons Investment Construction Joint Stock Company	<u>378,949,169,289</u>	<u>624,460,858,845</u>

**17 SHORT-TERM ADVANCES FROM CUSTOMERS**

	30.6.2019 VND	31.12.2018 VND
Third parties (*)	672,100,253,456	629,201,619,567
Related parties (Note 37(b))	-	16,005,154,858
	<u>672,100,253,456</u>	<u>645,206,774,425</u>

(\*) As at 30 June 2019, details for customers accounting from 10% or more of the total balance of short-term advances from customers – third parties are as follows:

	30.6.2019 VND	31.12.2018 VND
Phuong Nam 3A-2 Real estate Joint Stock Company	114,618,345,120	30,660,106,030
West Hanoi Urban Development and Trading Investment Joint Stock Company	108,620,269,915	-
Phu My Hung Development Company Limited	<u>82,436,151,326</u>	<u>-</u>

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18 TAX AND OTHER PAYABLES TO THE STATE BUDGET

	As at 1.1.2019 VND	Payable during the period VND	Net-off during the period VND	Paid during the period VND	As at 30.6.2019 VND
Business income tax	43,048,446,326	55,931,948,862	-	(76,469,450,452)	22,510,944,736
Personal income tax	28,428,756,285	17,991,030,975	-	(42,894,294,477)	3,525,492,783
Value added tax	-	743,673,220,070	(614,231,282,125)	(129,441,937,945)	-
Others	-	1,272,080,696	-	(1,272,080,696)	-
	<u>71,477,202,611</u>	<u>818,868,280,603</u>	<u>(614,231,282,125)</u>	<u>(250,077,763,570)</u>	<u>26,036,437,519</u>

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**19 SHORT-TERM ACCRUED EXPENSES**

	<b>30.6.2019</b>	<b>31.12.2018</b>
	<b>VND</b>	<b>VND</b>
Construction costs	937,970,169,732	838,293,501,289
Allowance for the Board of Directors and the Board of Supervision	1,800,000,000	-
	<u>939,770,169,732</u>	<u>838,293,501,289</u>

**20 SHORT-TERM UNEARNED REVENUE**

	<b>30.6.2019</b>	<b>31.12.2018</b>
	<b>VND</b>	<b>VND</b>
Unearned revenue from constructions	5,724,249,965	5,135,013,358
	<u>5,724,249,965</u>	<u>5,135,013,358</u>

**21 OTHER PAYABLES**

**(a) Short-term**

	<b>30.6.2019</b>	<b>31.12.2018</b>
	<b>VND</b>	<b>VND</b>
Dividend payables (Note 26)	229,657,666,675	847,842,925
Payables to construction teams and employees	113,747,566,860	147,352,774,469
Allowance for the Board of Directors and the Board of Supervision	6,238,530,000	8,062,530,000
Others	6,508,360,411	4,570,587,482
	<u>356,152,123,946</u>	<u>160,833,734,876</u>

**(b) Long-term**

	<b>30.6.2019</b>	<b>31.12.2018</b>
	<b>VND</b>	<b>VND</b>
Long-term deposits	662,352,826	662,352,826
	<u>662,352,826</u>	<u>662,352,826</u>



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22 PROVISION FOR LIABILITIES

(a) Short-term

	30.6.2019 VND	31.12.2018 VND
Provision for construction warranty	48,178,332,414	63,173,236,334

Movements of provision for construction warranty during the period/year are as follows:

	For the six-month period ended 30.6.2019 VND	For the year ended 31.12.2018 VND
Opening balance	63,173,236,334	65,464,068,878
Increase	3,824,009,200	29,651,017,018
Reversal	(9,755,718,668)	(10,531,366,891)
Utilisation	(9,063,194,452)	(21,410,482,671)
Closing balance	48,178,332,414	63,173,236,334

(b) Long-term

	30.6.2019 VND	31.12.2018 VND
Provision for severance allowance	8,533,612,676	8,533,612,676

Movements of provision for severance allowance during the period/year are as follows:

	For the six-month period ended 30.6.2019 VND	For the year ended 31.12.2018 VND
Opening balance	8,533,612,676	10,249,956,011
Increase	233,350,000	330,832,025
Reversal	-	(1,716,343,335)
Utilisation	(233,350,000)	(330,832,025)
Closing balance	8,533,612,676	8,533,612,676



**23 BONUS AND WELFARE FUND**

Movements of bonus and welfare fund during the period/year are as follows:

	<b>For the six-month period ended 30.6.2019 VND</b>	<b>For the year ended 31.12.2018 VND</b>
Opening balance	124,572,650,726	157,794,474,704
Increase	57,516,000,000	73,554,500,000
Utilisation	(5,274,369,485)	(106,776,323,978)
Closing balance	<u>176,814,281,241</u>	<u>124,572,650,726</u>

**24 OWNERS' CAPITAL****(a) Number of shares**

	<b>30.6.2019 Ordinary shares</b>	<b>31.12.2018 Ordinary shares</b>
Number of shares registered	<u>79,255,000</u>	<u>78,355,000</u>
Number of shares issued	79,255,000	78,355,000
Number of shares repurchased	(2,876,127)	(2,876,127)
Number of existing shares in circulation	<u>76,378,873</u>	<u>75,478,873</u>

**(b) Details of owners' shareholding**

	<b>30.6.2019</b>		<b>31.12.2018</b>	
	<b>Ordinary shares</b>	<b>%</b>	<b>Ordinary shares</b>	<b>%</b>
Kustocem Pte Ltd.	13,906,666	18.21	13,906,666	18.42
Success Investment and Business One Member Limited Company	11,192,652	14.65	11,192,652	14.83
Others	51,279,555	67.14	50,379,555	66.75
	<u>76,378,873</u>	<u>100</u>	<u>75,478,873</u>	<u>100</u>

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**24 OWNERS' CAPITAL (continued)**

**(c) Movement of share capital**

	<b>Number of shares</b>
As at 1 January 2018	77,050,000
New shares issued	1,305,000
	<hr/>
As at 31 December 2018	78,355,000
New shares issued	900,000
	<hr/>
As at 30 June 2019	79,255,000
	<hr/> <hr/>
Par value per share: VND10,000.	

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25 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Treasury shares VND	Investment and development fund VND	Undistributed earnings VND	Total VND
As at 1 January 2018	770,500,000,000	2,958,550,175,385	(22,832,460,000)	1,824,635,550,792	1,256,125,433,250	6,786,978,699,427
New shares issued	13,050,000,000	39,095,000,000	-	-	-	52,145,000,000
Net profit during the year	-	-	-	-	1,064,588,653,256	1,064,588,653,256
Sales of treasury shares	-	-	21,091,000,000	-	-	21,091,000,000
Shares repurchases	-	-	(437,817,478,999)	-	-	(437,817,478,999)
Appropriation to investment and development fund	-	-	-	759,075,800,000	(759,075,800,000)	-
Appropriation to bonus and welfare fund	-	-	-	-	(73,554,500,000)	(73,554,500,000)
Dividend declared	-	-	-	-	(391,441,720,000)	(391,441,720,000)
As at 31 December 2018	783,550,000,000	2,997,645,175,385	(439,558,938,999)	2,583,711,350,792	1,096,642,066,506	7,021,989,653,684
New shares issued (i)	9,000,000,000	41,345,000,000	-	-	-	50,345,000,000
Net profit during the period	-	-	-	-	222,438,451,427	222,438,451,427
Appropriation to investment and development fund (ii)	-	-	-	581,765,000,000	(581,765,000,000)	-
Appropriation of bonus and welfare fund (ii)	-	-	-	-	(57,516,000,000)	(57,516,000,000)
Dividend declared (ii)	-	-	-	-	(229,136,619,000)	(229,136,619,000)
As at 30 June 2019	792,550,000,000	3,038,990,175,385	(439,558,938,999)	3,165,476,350,792	450,662,898,933	7,008,120,486,111

(i) According to Resolution No. 01/2018/NQ-DHCB dated 2 June 2018, the General Meeting of shareholders approved the Employee Stock Ownership Plan ("ESOP") for the Company's employees with total ordinary shares of 900,000 shares at the pair value and the issue price per share of VND56,000.

(ii) According to the Annual General Meeting's Resolution No. 01/2019/NQ-DHCB dated 9 April 2019, the Company has appropriated the investment and development fund, bonus and welfare fund, and declared dividend from the 2018 post-tax undistributed earnings with the respective amounts of VND581,765,000,000, VND57,516,000,000 and VND229,136,619,000.



## 25 MOVEMENTS IN OWNERS' EQUITY (continued)

## Utilisation of New Share Capital

As at 30 June 2019, the Company has managed the remaining capital from the new share issuance during the period from 18 October 2016 to 16 November 2016 as follows:

No	Items	Amount VND
1	The purchase of 12-month – 13-month term deposits at the Vietnam Technological and Commercial Joint Stock Bank, earning interest at the rate of 7%p.a.	600,000,000,000
2	The purchase of 12-month – 13-month term deposits at the Joint Stock Commercial Bank for Investment and Development of Vietnam, earning interest at the rate of 7.3%p.a – 7.4%p.a.	250,000,000,000
3	Demand deposits at the Vietnam Technological and Commercial Joint Stock Bank.	48,297,025,832
		<u>898,297,025,832</u>

In addition, the Company has reported the capital expenditure - the utilisation of the capital resulting from the new share issuance above - for the following approved investment purposes:

No	Items	Amount VND
A	Total capital resulting from new share issuance	1,761,910,813,520
B	Issuance fee	17,619,108,135
C	Net capital resulting from new share issuance	1,744,291,705,385
D	Remaining capital as at 11 March 2017	1,744,291,705,385
	Utilised for:	
1	Capital contribution to a newly established entity for business expansion purposes (*)	430,600,000,000
2	Purchases of machinery and equipment for business operation purposes	415,394,679,553
E	Accumulated capital expenditure from 11 March 2017 to 30 June 2019	845,994,679,553
F	Remaining capital as at 30 June 2019	<u>898,297,025,832</u>

(\*) The Company has made capital contributions with respective amounts of VND369 billion and VND61.6 billion to Covestcons Company Limited, a wholly owned subsidiary (Note 13) and FCC Infrastructure Investment Joint Stock Company, an associate (Note 14).

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**26 DIVIDENDS**

Movements of dividends payable during the period/year are as follows:

	<b>For the six-month period ended 30.6.2019 VND</b>	<b>For the year ended 31.12.2018 VND</b>
Opening balance	847,842,925	359,298,925
Dividend declared (Note 25)	229,136,619,000	391,441,720,000
Dividends paid in cash	(326,795,250)	(390,953,176,000)
Closing balance	<u>229,657,666,675</u>	<u>847,842,925</u>

**27 OFF BALANCE SHEET ITEMS**

**(a) Foreign currency**

As at 30 June 2019, included in cash and cash equivalents are balances held in foreign currency of USD2,076.99 (As at 31 December 2018: USD2,083.59).

**(b) Capital contribution commitment**

As at 30 June 2019, the Company had a capital obligation to Covestcons Company Limited, a subsidiary (Note 13) with an amount of VND1,503 billion (As at 31 December 2018: VND1,603 billion) (Note 39).

**28 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES**

	<b>For the six-month period ended 30 June</b>	
	<b>2019 VND</b>	<b>2018 VND</b>
Net revenue from construction contracts (*)	7,729,902,577,745	9,772,573,891,617
Net revenue from leasing out construction equipment	8,632,747,267	4,494,287,242
Net revenue from investment property activities	7,900,501,290	7,839,257,865
Net revenue from other activities	28,949,751,799	7,628,837,658
	<u>7,775,385,578,101</u>	<u>9,792,536,274,382</u>



**28 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES  
(continued)**

(\*) Net revenue from construction contracts are as follows:

	<b>For the six-month period ended 30 June</b>	
	<b>2019</b>	<b>2018</b>
	<b>VND</b>	<b>VND</b>
Net revenue from outstanding construction contracts recognised during the period	7,708,549,241,899	9,665,516,136,727
Net revenue from completed construction contracts recognised during the period	21,353,335,846	107,057,754,890
	<u>7,729,902,577,745</u>	<u>9,772,573,891,617</u>
	<b>30.6.2019</b>	<b>31.12.2018</b>
	<b>VND</b>	<b>VND</b>
Net accumulated revenue from outstanding construction contracts up to end of this period/year	<u>50,308,756,391,142</u>	<u>44,123,448,659,722</u>

**29 COST OF GOODS SOLD AND SERVICES RENDERED**

	<b>For the six-month period ended 30 June</b>	
	<b>2019</b>	<b>2018</b>
	<b>VND</b>	<b>VND</b>
Cost of construction contracts	7,441,545,573,409	9,126,276,979,963
Cost of construction equipment leased out	8,065,251,297	4,243,595,716
Cost of investment property activities	4,694,879,526	4,835,527,267
Others	24,612,414,639	3,279,636,198
	<u>7,478,918,118,871</u>	<u>9,138,635,739,144</u>

**30 FINANCIAL INCOME**

	<b>For the six-month period ended 30 June</b>	
	<b>2019</b>	<b>2018</b>
	<b>VND</b>	<b>VND</b>
Interest income	117,808,547,268	148,413,397,264
Dividend income	-	13,608,000,000
	<u>117,808,547,268</u>	<u>162,021,397,264</u>

## 31 GENERAL AND ADMINISTRATION EXPENSES

	<u>For the six-month period ended 30 June</u>	
	2019 VND	2018 VND
Salary expenses	111,644,205,071	132,937,464,776
Depreciation and amortisation	12,050,298,185	11,713,358,731
Outside service expenses	16,051,400,130	19,735,363,752
Other expenses	18,606,842,251	29,696,032,699
	<u>158,352,745,637</u>	<u>194,082,219,958</u>

## 32 OTHER INCOME AND OTHER EXPENSES

	<u>For the six-month period ended 30 June</u>	
	2019 VND	2018 VND
<b>Other income</b>		
Reversal of provision for construction warranty	9,755,718,668	204,880,397
Reversal of over-accrued constructions costs	6,691,132,071	31,057,272,727
Net gains from disposal of fixed assets	1,259,669,089	82,962,296
Others	4,339,848,868	2,133,977,950
	<u>22,046,368,696</u>	<u>33,479,093,370</u>
<b>Other expense</b>		
Construction warranty expense	<u>1,104,375,938</u>	<u>-</u>

**33 BUSINESS INCOME TAX**

The business income tax ("BIT") on the Company's profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% are as follows:

	<b>For the six-month period ended 30 June</b>	
	<b>2019 VND</b>	<b>2018 VND</b>
Net accounting profit before tax	276,865,253,619	655,317,831,692
Tax calculated at a rate of 20%	55,373,050,724	131,063,566,338
Effect of:		
Income not subject to tax	-	(2,721,600,000)
Non-deductible expenses	533,790,512	415,069,438
(Over)/under-provision in previous years	(1,480,039,044)	147,233,969
BIT charge	<u>54,426,802,192</u>	<u>128,904,269,745</u>

The BIT charge for the period is based on estimated taxable income and is subject to review and possible adjustments by the tax authorities.

**34 DEFERRED INCOME TAX****Details of deferred tax assets**

	<b>30.6.2019 VND</b>	<b>31.12.2018 VND</b>
Deductible temporary differences	<u>1,699,921,414</u>	<u>1,699,921,414</u>

Deductible temporary differences mainly comprise provision for severance allowance.

The Company uses tax rate of 20% for determining deferred tax assets.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

**35 COST OF OPERATION BY FACTOR**

	<b>For the six-month period ended 30 June</b>	
	<b>2019 VND</b>	<b>2018 VND</b>
Raw materials	2,032,516,849,241	2,185,164,808,020
Salary expenses	388,113,296,772	1,030,102,037,571
Tools and supplies	108,269,410,045	130,382,113,543
Depreciation and amortisation	41,482,349,116	38,701,048,029
Outside service expenses	4,847,904,176,708	5,680,082,846,991
Other expenses	94,661,796,448	95,339,011,519
	<u>7,512,947,878,330</u>	<u>9,159,771,865,673</u>



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36 SEGMENT REPORTING

*Business segment:*

For the six-month period ended 30 June 2019

	Construction services VND	Leasing out of construction equipment VND	Investment properties activities VND	Others VND	Total VND
Net revenue from sales of goods and rendering of services	7,729,902,577,745	8,632,747,267	7,900,501,290	28,949,751,799	7,775,385,578,101
Cost of goods sold and services rendered	(7,441,545,573,409)	(8,065,251,297)	(4,694,879,526)	(24,612,414,639)	(7,478,918,118,871)
Gross profit from sales of goods and rendering of services	288,357,004,336	567,495,970	3,205,621,764	4,337,337,160	296,467,459,230

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36 SEGMENT REPORTING (continued)

*Business segment (continued):*

	For the six-month period ended 30 June 2018				Total VND
	Construction services VND	Leasing out of construction equipment VND	Investment properties activities VND	Others VND	
Net revenue from sales of goods and rendering of services	9,772,573,891,617	4,494,287,242	7,839,257,865	7,628,837,658	9,792,536,274,382
Cost of goods sold and services rendered	(9,126,276,979,963)	(4,243,595,716)	(4,835,527,267)	(3,279,636,198)	(9,138,635,739,144)
Gross profit from sales of goods and rendering of services	646,296,911,654	250,691,526	3,003,730,598	4,349,201,460	653,900,535,238

**Geographical segment**

The Company's activities are mainly segmented by domestic activities. Thus, the Company does not present geographical segmental reporting.

12/10/2018





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## 37 RELATED PARTY DISCLOSURES (continued)

## (b) Period/year end balances with related parties

	30.6.2019 VND	31.12.2018 VND
<b>Short-term trade accounts receivable (Note 5)</b>		
Ricons Construction Investment Joint Stock Company	87,979,992,270	-
Unicons Investment Construction Company Limited	9,330,475,276	4,555,211,657
	<u>97,310,467,546</u>	<u>4,555,211,657</u>
<b>Short-term trade accounts payable (Note 16)</b>		
Ricons Construction Investment Joint Stock Company	1,017,764,742,606	1,948,103,714,038
Unicons Investment Construction Company Limited	469,346,244,281	592,075,405,967
Riland Investment Joint Stock Company	35,650,456,285	-
	<u>1,522,761,443,172</u>	<u>2,540,179,120,005</u>
<b>Short-term advances from customers (Note 17)</b>		
Ricons Construction Investment Joint Stock Company	-	16,005,154,858

## 38 OPERATING LEASE COMMITMENT

The Company has been leasing out Coteccons building in accordance with operating lease contracts. The future minimum receivables under non-cancellable lease contracts are as follows:

	30.6.2019 VND	31.12.2018 VND
Within 1 year	12,014,495,292	9,187,086,900
From 1 to 5 years	12,758,014,650	9,798,894,900
	<u>24,772,509,942</u>	<u>18,985,981,800</u>

**39 CAPITAL CONTRIBUTION COMMITMENTS**

The Company had a capital contribution commitment to Covestcons Company Limited, a subsidiary as follows:

As at 30 June 2019			
Charter capital VND	Committed amount VND	Contributed amount VND	To be contributed VND
1,872,000,000,000	1,872,000,000,000	369,000,000,000	1,503,000,000,000

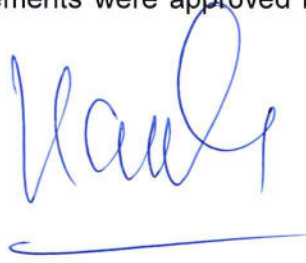
  

As at 31 December 2018			
Charter capital VND	Committed amount VND	Contributed amount VND	To be contributed VND
1,872,000,000,000	1,872,000,000,000	269,000,000,000	1,603,000,000,000

The separate interim financial statements were approved by the Board of Management on 9 August 2019.



Nguyen Minh Tung  
Preparer



Vu Thi Hong Hanh  
Chief Accountant



Nguyen Sy Cong  
General Director

