

COTECCONS CONSTRUCTION JOINT STOCK COMPANY

**SEPARATE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**



COTECCONS CONSTRUCTION JOINT STOCK COMPANY

SEPARATE INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018

TABLE OF CONTENTS	PAGE
Corporate information	1
Statement by the Board of Management	2
Report on review of separate interim financial information	3
Separate interim balance sheet (Form B 01a - DN)	5
Separate interim income statement (Form B 02a - DN)	8
Separate interim cash flow statement (Form B 03a - DN)	9
Notes to the separate interim financial statements (Form B 09a - DN)	10

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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 21st amended Enterprise Registration Certificate dated 30 January 2018

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 of Board
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
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 2018 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 2018 and of the separate interim results of its operations 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 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 2018 in order to obtain full information of the financial position and results of operations and cash flows of the Group.

On behalf of the Board of Management

Handwritten signature



Nguyen Sy Cong
General Director

Ho Chi Minh City, SR Vietnam
13 August 2018



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 2018 and approved by the Board of Management on 13 August 2018. These separate interim financial statements include the separate interim balance sheet as at 30 June 2018, 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 2018, 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 Matters

The separate financial statements of the Company for the year ended 31 December 2017 were audited by another auditor whose independent auditor's report dated 26 March 2018 expressed an unmodified opinion on those statements. In addition, the separate interim financial statements of the Company for the six-month period ended 30 June 2017 were also reviewed by this auditor whose review report dated 12 August 2017 expressed an unmodified conclusion on those interim statements.

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: HCM7397
Ho Chi Minh City, 13 August 2018

As indicated in Note 2.1 to the separate interim financial statements, the accompanying separate interim financial statements are not intended to present the separate interim financial position, separate interim results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than SR Vietnam, and furthermore their utilisation is not designed for those who are not informed about SR Vietnam's accounting principles, procedures and practices.

COTECCONS CONSTRUCTION JOINT STOCK COMPANY

Form B 01a – DN

SEPARATE INTERIM BALANCE SHEET

Code	ASSETS	Note	As at	
			30.6.2018 VND	31.12.2017 VND
100	CURRENT ASSETS		11,414,286,323,461	11,642,575,601,764
110	Cash and cash equivalents	3	481,478,341,514	1,040,282,200,445
111	Cash		171,478,341,514	264,282,200,445
112	Cash equivalents		310,000,000,000	776,000,000,000
120	Short-term investment		3,720,930,000,000	3,993,930,000,000
123	Investments held to maturity	4(a)	3,720,930,000,000	3,993,930,000,000
130	Short-term receivables		5,424,112,400,037	4,617,393,381,687
131	Short-term trade accounts receivable	5	5,143,092,510,466	4,475,143,770,800
132	Short-term prepayments to suppliers	6	275,280,101,767	88,021,890,579
136	Other short-term receivables	7	215,601,685,884	264,089,618,388
137	Provision for doubtful debts – short term	8	(209,861,898,080)	(209,861,898,080)
140	Inventory		1,503,426,064,739	1,676,372,158,168
141	Inventory	9	1,503,426,064,739	1,676,372,158,168
150	Other current assets		284,339,517,171	314,597,861,464
151	Short-term prepaid expenses	10(a)	5,517,756,752	8,740,001,546
152	Value Added Tax to be reclaimed		278,821,760,419	305,635,671,467
153	Other taxes receivable		-	222,188,451

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

COTECCONS CONSTRUCTION JOINT STOCK COMPANY

Form B 01a – DN

SEPARATE INTERIM BALANCE SHEET
(continued)

Code	ASSETS (continued)	Note	As at	
			30.6.2018 VND	31.12.2017 VND
200	LONG-TERM ASSETS		1,800,521,328,777	1,895,064,748,566
220	Fixed assets		599,265,973,930	624,101,520,780
221	Tangible fixed assets	11(a)	515,867,701,608	542,608,274,046
222	Historical cost		808,380,367,636	804,227,268,915
223	Accumulated depreciation		(292,512,666,028)	(261,618,994,869)
227	Intangible fixed assets	11(b)	83,398,272,322	81,493,246,734
228	Historical cost		94,373,641,842	91,093,751,820
229	Accumulated amortisation		(10,975,369,520)	(9,600,505,086)
230	Investment properties	12	69,619,723,732	66,286,542,365
231	Historical cost		90,854,986,389	84,223,105,188
232	Accumulated depreciation		(21,235,262,657)	(17,936,562,823)
240	Long-term asset in progress		8,655,617,500	-
242	Construction in progress		8,655,617,500	-
250	Long-term investments		913,308,360,000	932,508,360,000
251	Investments in subsidiaries	13	757,348,360,000	664,348,360,000
252	Investments in associates	14	173,960,000,000	136,160,000,000
254	Provision for long-term investments	15	(18,000,000,000)	(18,000,000,000)
255	Investments held to maturity	4(b)	-	150,000,000,000
260	Other long-term assets		209,671,653,615	272,168,325,421
261	Long-term prepaid expenses	10(b)	207,621,726,848	270,118,398,654
262	Deferred income tax assets	34	2,049,926,767	2,049,926,767
270	TOTAL ASSETS		13,214,807,652,238	13,537,640,350,330

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

COTECCONS CONSTRUCTION JOINT STOCK COMPANY

Form B 01a – DN

SEPARATE INTERIM BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at	
			30.6.2018 VND	31.12.2017 VND
300	LIABILITIES		6,293,175,610,864	6,750,661,650,903
310	Short-term liabilities		6,282,263,302,027	6,739,749,342,066
311	Short-term trade accounts payable	16	2,849,135,247,122	3,948,040,439,071
312	Short-term advances from customers	17	1,120,467,777,917	1,254,134,362,308
313	Tax and other payables to the State Budget	18	130,027,894,312	190,061,696,290
315	Short-term accrued expenses	19	1,013,846,977,330	929,582,799,054
318	Short-term unearned revenue	20	288,858,753,849	-
319	Other short-term payables	21(a)	588,328,876,226	194,671,501,761
321	Provision for short-term liabilities	22(a)	63,116,352,127	65,464,068,878
322	Bonus and welfare fund	23	228,481,423,144	157,794,474,704
330	Long-term liabilities		10,912,308,837	10,912,308,837
337	Other long-term payables	21(b)	662,352,826	662,352,826
342	Provision for long-term liabilities	22(b)	10,249,956,011	10,249,956,011
400	OWNERS' EQUITY		6,921,632,041,374	6,786,978,699,427
410	Capital and reserves		6,921,632,041,374	6,786,978,699,427
411	Owners' capital	24, 25	783,550,000,000	770,500,000,000
411a	- Ordinary shares with voting rights	24, 25	783,550,000,000	770,500,000,000
412	Share premium	25	2,997,645,175,385	2,958,550,175,385
415	Treasury shares	25	(1,741,460,000)	(22,832,460,000)
418	Investment and development fund	25	2,583,711,350,792	1,824,635,550,792
421	Undistributed earnings	25	558,466,975,197	1,256,125,433,250
421a	- Undistributed earnings of the previous years	25	32,053,413,250	-
421b	- Post-tax profit of current period/year	25	526,413,561,947	1,256,125,433,250
440	TOTAL RESOURCES		13,214,807,652,238	13,537,640,350,330



Nguyen Minh Tung
Preparer



Vu Thi Hong Hanh
Chief Accountant



Nguyen Sy Cong
General Director
13 August 2018

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

COTECCONS CONSTRUCTION JOINT STOCK COMPANY

Form B 02a – DN

SEPARATE INTERIM INCOME STATEMENT

Code		Note	For the six-month period ended 30 June	
			2018 VND	2017 VND
01	Revenue from sales of goods and rendering of services		9,792,536,274,382	8,878,284,533,237
02	Less deductions		-	-
10	Net revenue from sales of goods and rendering of services	28	9,792,536,274,382	8,878,284,533,237
11	Cost of goods sold and services rendered	29	(9,138,635,739,144)	(8,161,308,958,697)
20	Gross profit from sales of goods and rendering of services		653,900,535,238	716,975,574,540
21	Financial income	30	162,021,397,264	140,906,814,208
22	Financial expenses		(974,222)	(276,553)
26	General and administration expenses	31	(194,082,219,958)	(142,867,343,108)
30	Net operating profit		621,838,738,322	715,014,769,087
31	Other income	32	33,479,093,370	6,563,626,233
32	Other expenses	32	-	(577,533,341)
40	Net other income		33,479,093,370	5,986,092,892
50	Net accounting profit before tax		655,317,831,692	721,000,861,979
51	Business income tax - current	33	(128,904,269,745)	(145,126,994,585)
52	Business income tax - deferred	34	-	-
60	Net profit after tax		526,413,561,947	575,873,867,394



Nguyen Minh Tung
Preparer



Vu Thi Hong Hanh
Chief Accountant



Nguyen Sy Cong
General Director
13 August 2018

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

COTECCONS CONSTRUCTION JOINT STOCK COMPANY

Form B 03a – DN

SEPARATE INTERIM CASH FLOW STATEMENT
(Indirect method)

Code	Note	For the six-month period ended 30 June	
		2018 VND	2017 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net accounting profit before tax	655,317,831,692	721,000,861,979
	Adjustments for:		
02	Depreciation and amortisation	38,701,048,029	27,043,680,394
03	(Reversal of provisions)/provisions	(2,347,716,751)	4,910,670,108
05	Profits from investing activities	(162,104,359,560)	(140,986,587,044)
08	Operating profit before changes in working capital	529,566,803,410	611,968,625,437
09	Increase in receivables	(838,465,912,496)	(111,131,630,376)
10	Decrease/(increase) in inventories	172,946,093,429	(80,916,454,137)
11	(Decrease)/increase in payables	(924,335,875,922)	264,277,482,696
12	Decrease in prepaid expenses	65,718,916,600	8,433,615,867
15	Business income tax paid	(116,101,660,393)	(153,942,876,557)
17	Other payments on operating activities	(2,867,551,560)	(2,971,856,364)
20	Net cash (outflows)/inflows from operating activities	(1,113,539,186,932)	535,716,906,566
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets	(31,874,393,558)	(74,781,124,699)
22	Proceeds from disposals of fixed assets	389,380,400	484,545,455
23	Term deposits purchases	(2,545,000,000,000)	(2,350,000,000,000)
24	Term deposits collections	2,968,000,000,000	1,730,000,000,000
25	Investments in other entities	(130,800,000,000)	(26,000,000,000)
27	Dividends and interest received	220,804,390,909	69,716,444,494
30	Net cash inflows/(outflows) from investing activities	481,519,377,751	(650,580,134,750)
CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from issue of shares	73,236,000,000	-
36	Dividends paid	(20,049,750)	(161,342,650)
40	Net cash inflows/(outflows) from financing activities	73,215,950,250	(161,342,650)
50	Net decrease in cash and cash equivalents	(558,803,858,931)	(115,024,570,834)
60	Cash and cash equivalents at beginning of period	1,040,282,200,445	1,366,668,720,454
61	Effect of foreign exchange differences	-	-
70	Cash and cash equivalents at end of period	481,478,341,514	1,251,644,149,620

Major non-cash transactions during the period were purchases of fixed assets amounting to VND 1,752,028,175 which have not been paid as at 30 June 2018 (As at 31 December 2017: VND7,465,703,583).



Nguyen Minh Tung
Preparer



Vu Thi Hong Hanh
Chief Accountant



Nguyen Sy Cong
General Director
13 August 2018

**NOTES TO THE SEPARATE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

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 21st amended Enterprise Registration Certificate dated 30 January 2018.

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 and leasing offices.

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

As at 30 June 2018, the Company had 2 subsidiaries and 3 associates as presented in Note 13 – Investments in subsidiaries and Note 14 – Investments in associates respectively.

As at 30 June 2018, the Company had 1,682 employees (as at 31 December 2017: 1,487 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 2018 in order to obtain full information of the financial position and results of operations and cash flows of the Group.

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 2018 to 30 June 2018.

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.

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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 - 42
Machinery and equipment	3 - 10
Motor vehicles	6 - 8
Office equipment	3 - 5
Software	3
Others	5 - 6
Land use rights	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

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 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 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.

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's best knowledge of current events and actions, actual results may differ from those estimates.

3 CASH AND CASH EQUIVALENTS

	30.6.2018	31.12.2017
	VND	VND
Cash on hand	1,657,041,836	120,116,595
Cash at bank	169,821,299,678	264,162,083,850
Cash equivalents (*)	310,000,000,000	776,000,000,000
	<u>481,478,341,514</u>	<u>1,040,282,200,445</u>

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

4 INVESTMENTS HELD-TO-MATURITY

	30.6.2018		31.12.2017	
	Cost VND	Book value VND	Cost VND	Book value VND
(a) Short-term				
Term deposits (i)	3,520,930,000,000	3,520,930,000,000	3,993,930,000,000	3,993,930,000,000
Bonds (ii)	200,000,000,000	200,000,000,000	-	-
	<u>3,720,930,000,000</u>	<u>3,720,930,000,000</u>	<u>3,993,930,000,000</u>	<u>3,993,930,000,000</u>
(b) Long-term				
Term deposits	-	-	50,000,000,000	50,000,000,000
Bonds	-	-	100,000,000,000	100,000,000,000
	<u>-</u>	<u>-</u>	<u>150,000,000,000</u>	<u>150,000,000,000</u>

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

(ii) Including the bonds of Saigon Securities Inc. and ACB Securities Company with the respective maturities on 19 January 2019 and 6 March 2019, earning applicable interest rates.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	30.6.2018 VND	31.12.2017 VND
Third parties (*)	5,140,804,248,019	4,457,169,194,899
Related parties (Note 37(b))	2,288,262,447	17,974,575,901
	<u>5,143,092,510,466</u>	<u>4,475,143,770,800</u>

(*) Details for customers accounting from 10% or more of the total balance of short-term trade accounts receivable – third parties are as follows:

	30.6.2018 VND	31.12.2017 VND
Viet Star Company Limited	688,765,220,923	366,971,842,384
VinFast Trading and Production LLC	684,900,580,510	-
	<u>688,765,220,923</u>	<u>366,971,842,384</u>

COTECCONS CONSTRUCTION JOINT STOCK COMPANY

Form B 09a – DN

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	30.6.2018 VND	31.12.2017 VND
Third parties	275,280,101,767	88,021,890,579

Details for suppliers accounting from 10% or more of the total balance of short-term prepayments to suppliers are as follows:

	30.6.2018 VND	31.12.2017 VND
UG M&E Vietnam Company Limited	82,636,698,174	-
Shinryo Vietnam Company Limited	65,821,165,001	-

7 OTHER SHORT-TERM RECEIVABLES

	30.6.2018 VND	31.12.2017 VND
Interests	149,688,489,672	208,471,483,317
Advances to construction team and employees	60,305,568,521	48,419,111,976
Short-term deposits	3,558,362,187	2,701,520,878
Others	2,049,265,504	4,497,502,217
	<u>215,601,685,884</u>	<u>264,089,618,388</u>

8 PROVISION FOR DOUBTFUL DEBTS – SHORT-TERM

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

	For the six-month period ended 30 June 2018 VND	For the year ended 31 December 2017 VND
Opening balance	209,861,898,080	263,227,556,825
Increase	-	314,247,295
Reversal	-	(53,679,906,040)
Closing balance	<u>209,861,898,080</u>	<u>209,861,898,080</u>

COTECCONS CONSTRUCTION JOINT STOCK COMPANY

Form B 09a – DN

9 INVENTORY

	30.6.2018	31.12.2017
	VND	VND
Construction works in progress	1,503,426,064,739	1,676,372,158,168

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

	30.6.2018	31.12.2017
	VND	VND
Office – Trade – Service Lot 5.5 building		
– Thu Thiem new urban area project	301,505,714,921	183,965,210,438
Iron and Steel Complex Hoa Phat		
– Dung Quat project	267,340,052,381	-
Government Head Office project	152,895,698,252	74,920,502,365
Others	781,684,599,185	1,417,486,445,365
	<u>1,503,426,064,739</u>	<u>1,676,372,158,168</u>

10 PREPAID EXPENSES

(a) Short-term

	30.6.2018	31.12.2017
	VND	VND
Office equipment	5,517,756,752	5,283,335,247
Others	-	3,456,666,299
	<u>5,517,756,752</u>	<u>8,740,001,546</u>

COTECCONS CONSTRUCTION JOINT STOCK COMPANY

Form B 09a – DN

10 PREPAID EXPENSES (continued)

(b) Long-term

	30.6.2018 VND	31.12.2017 VND
Construction equipment	177,610,752,533	243,247,160,419
Operating leases	30,010,974,315	26,871,238,235
	<u>207,621,726,848</u>	<u>270,118,398,654</u>

Movements of long-term prepaid expenses during the period/year are as follows:

	For the six-month period ended 30 June 2018 VND	For the year ended 31 December 2017 VND
Opening balance	270,118,398,654	303,034,519,326
Increase	9,750,453,026	108,798,466,368
Allocation	(72,247,124,832)	(141,714,587,040)
Closing balance	<u>207,621,726,848</u>	<u>270,118,398,654</u>



COTECCONS CONSTRUCTION JOINT STOCK COMPANY

Form B 09a – DN

11	FIXED ASSETS	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
(a)	Tangible fixed assets					
	Historical cost					
	As at 1 January 2018	189,350,704,969	564,601,889,065	29,128,446,784	21,146,228,097	804,227,268,915
	New purchases	2,731,765,264	10,630,507,182	-	862,938,182	14,225,210,628
	Transfers to investment properties (Note 12)	(6,631,881,201)	-	-	-	(6,631,881,201)
	Disposals	-	(3,440,230,706)	-	-	(3,440,230,706)
	As at 30 June 2018	185,450,589,032	571,792,165,541	29,128,446,784	22,009,166,279	808,380,367,636
	Accumulated depreciation					
	As at 1 January 2018	46,740,500,588	181,071,562,524	19,742,613,238	14,064,318,519	261,618,994,869
	Charge for the period	5,703,098,704	26,082,768,385	1,644,927,346	2,167,462,670	35,598,257,105
	Transfers to investment properties (Note 12)	(1,570,773,344)	-	-	-	(1,570,773,344)
	Disposals	-	(3,133,812,602)	-	-	(3,133,812,602)
	As at 30 June 2018	50,872,825,948	204,020,518,307	21,387,540,584	16,231,781,189	292,512,666,028
	Net book value					
	As at 1 January 2018	142,610,204,381	383,530,326,541	9,385,833,546	7,081,909,578	542,608,274,046
	As at 30 June 2018	134,577,763,084	367,771,647,234	7,740,906,200	5,777,385,090	515,867,701,608

Historical cost of fully depreciated tangible fixed assets but still in use as at 30 June 2018 was VND135,273,207,966 (as at 31 December 2017: VND129,387,250,812).

COTECCONS CONSTRUCTION JOINT STOCK COMPANY

Form B 09a – DN

11 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Land use rights VND	Software VND	Total VND
Historical cost			
As at 1 January 2018	81,539,243,238	9,554,508,582	91,093,751,820
New purchases	-	3,279,890,022	3,279,890,022
As at 30 June 2018	<u>81,539,243,238</u>	<u>12,834,398,604</u>	<u>94,373,641,842</u>
Accumulated amortisation			
As at 1 January 2018	3,478,202,991	6,122,302,095	9,600,505,086
Charge for the period	172,096,098	1,202,768,336	1,374,864,434
As at 30 June 2018	<u>3,650,299,089</u>	<u>7,325,070,431</u>	<u>10,975,369,520</u>
Net book value			
As at 1 January 2018	<u>78,061,040,247</u>	<u>3,432,206,487</u>	<u>81,493,246,734</u>
As at 30 June 2018	<u><u>77,888,944,149</u></u>	<u><u>5,509,328,173</u></u>	<u><u>83,398,272,322</u></u>

Historical cost of fully amortised intangible fixed assets as at 30 June 2018 and 31 December 2017 was VND4,144,897,055.

COTECCONS CONSTRUCTION JOINT STOCK COMPANY

Form B 09a – DN

12 INVESTMENT PROPERTIES

	Office buildings VND	Others VND	Total VND
Historical cost			
As at 1 January 2018	65,602,741,279	18,620,363,909	84,223,105,188
Transferred from tangible fixed assets (Note 11(a))	6,631,881,201	-	6,631,881,201
As at 30 June 2018	<u>72,234,622,480</u>	<u>18,620,363,909</u>	<u>90,854,986,389</u>
Accumulated depreciation			
As at 1 January 2018	14,855,927,043	3,080,635,780	17,936,562,823
Charge for the period	1,355,519,204	372,407,286	1,727,926,490
Transferred from tangible fixed assets (Note 11(a))	1,570,773,344	-	1,570,773,344
As at 30 June 2018	<u>17,782,219,591</u>	<u>3,453,043,066</u>	<u>21,235,262,657</u>
Net book value			
As at 1 January 2018	<u>50,746,814,236</u>	<u>15,539,728,129</u>	<u>66,286,542,365</u>
As at 30 June 2018	<u>54,452,402,889</u>	<u>15,167,320,843</u>	<u>69,619,723,732</u>

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

	<u>For the six-month period ended 30 June</u>	
	2018 VND	2017 VND
Income from renting investment properties	7,839,257,865	6,821,894,457
Expenses regarding investment properties' renting	<u>4,835,527,267</u>	<u>3,749,539,324</u>

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

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COTECCONS CONSTRUCTION JOINT STOCK COMPANY

Form B 09a – DN

13 INVESTMENTS IN SUBSIDIARIES

Name	30.6.2018		31.12.2017	
	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	119,000,000,000	100	26,000,000,000
		757,348,360,000		664,348,360,000

(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 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 are real estate brokerage and trading.

As at 30 June 2018, 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.



COTECCONS CONSTRUCTION JOINT STOCK COMPANY

Form B 09a – DN

14 INVESTMENTS IN ASSOCIATES

Name	30.6.2018		31.12.2017		Cost VND
	Percentage of ownership %	Percentage of voting rights %	Percentage of ownership %	Percentage of voting rights %	
FCC Infrastructure Investment Joint Stock Company (i)	35	35	35	35	98,000,000,000
Ricons Construction Investment Joint Stock Company (ii)	14.87	24.03	18.58	35.75	20,160,000,000
Quang Trong Commercial Joint Stock Company (iii)	36	36	36	36	18,000,000,000
					<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 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 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 are real estate trading and provision of project management services.

As at 30 June 2018, 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 2018 and 31 December 2017, 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

	30.6.2018		31.12.2017	
	Book value VND	Able-to-pay amount VND	Book value VND	Able-to-pay amount VND
Third parties (*)	1,989,282,577,818	1,989,282,577,818	2,468,576,955,626	2,468,576,955,626
Related parties (Note 37(b))	859,852,669,304	859,852,669,304	1,479,463,483,445	1,479,463,483,445
	<u>2,849,135,247,122</u>	<u>2,849,135,247,122</u>	<u>3,948,040,439,071</u>	<u>3,948,040,439,071</u>

(*) Details for suppliers accounting from 10% or more of the total balance of short-term trade accounts payable – third parties are as follows:

	30.6.2018 VND	31.12.2017 VND
F.D.C Investment Construction Joint Stock Company	<u>446,709,137,205</u>	<u>657,504,248,707</u>

17 SHORT-TERM ADVANCES FROM CUSTOMERS

	30.6.2018 VND	31.12.2017 VND
Third parties (*)	1,118,825,046,455	1,254,134,362,308
Related parties (Note 37(b))	1,642,731,462	-
	<u>1,120,467,777,917</u>	<u>1,254,134,362,308</u>

(*) Details for customers accounting from 10% or more of the total balance of short-term advances from customers – third parties are as follows:

	30.6.2018 VND	31.12.2017 VND
Hoi An South Development Company Limited	263,651,620,996	419,123,879,755
Thao Dien Investment Joint Stock Company	249,292,065,106	250,496,531,749
Phuong Nam 3A-2 Joint Stock Company	137,867,175,440	138,999,917,590
Hoa Phat Dung Quat Steel Joint Stock Company	<u>119,234,705,295</u>	<u>-</u>

COTECCONS CONSTRUCTION JOINT STOCK COMPANY

Form B 09a – DN

18 TAX AND OTHER PAYABLES TO THE STATE BUDGET

	As at 1.1.2018 VND	Payable during the period VND	Net-off VND	Paid during the period VND	As at 30.6.2018 VND
Business income tax	70,901,176,038	128,904,269,745	-	(116,101,660,393)	83,703,785,390
Personal income tax	84,447,087,359	27,103,078,134	-	(107,314,918,478)	4,235,247,015
Value added tax	34,713,432,893	950,661,150,243	(811,776,509,647)	(131,509,211,582)	42,088,861,907
Others	-	4,000,000	-	(4,000,000)	-
	<u>190,061,696,290</u>	<u>1,106,672,498,122</u>	<u>(811,776,509,647)</u>	<u>(354,929,790,453)</u>	<u>130,027,894,312</u>

COTECCONS CONSTRUCTION JOINT STOCK COMPANY

Form B 09a – DN

19 SHORT-TERM ACCRUED EXPENSES

	30.6.2018	31.12.2017
	VND	VND
Construction costs	1,008,484,477,330	929,582,799,054
Others	5,362,500,000	-
	<u>1,013,846,977,330</u>	<u>929,582,799,054</u>

20 SHORT-TERM UNEARNED REVENUE

	30.6.2018	31.12.2017
	VND	VND
Unearned revenue from constructions	288,858,753,849	-
	<u>288,858,753,849</u>	<u>-</u>

21 OTHER PAYABLES

(a) Short-term

	30.6.2018	31.12.2017
	VND	VND
Dividend payables	391,780,969,175	359,298,925
Payables to construction teams and employees	189,087,043,618	147,406,386,737
Share option program for key management	-	40,058,000,000
Others	7,460,863,433	6,847,816,099
	<u>588,328,876,226</u>	<u>194,671,501,761</u>

(b) Long-term

	30.6.2018	31.12.2017
	VND	VND
Long-term deposits	662,352,826	662,352,826
	<u>662,352,826</u>	<u>662,352,826</u>



COTECCONS CONSTRUCTION JOINT STOCK COMPANY

Form B 09a – DN

22 PROVISION FOR LIABILITIES

(a) Short-term

	30.6.2018 VND	31.12.2017 VND
Provision for construction warranty	63,116,352,127	65,464,068,878

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

	For the six-month period ended 30 June 2018 VND	For the year ended 31 December 2017 VND
Opening balance	65,464,068,878	35,570,601,991
Increase	10,124,017,018	65,856,647,413
Reversal and utilisation	(12,471,733,769)	(35,963,180,526)
Closing balance	63,116,352,127	65,464,068,878

(b) Long-term

	30.6.2018 VND	31.12.2017 VND
Provision for severance allowance	10,249,956,011	10,249,956,011

23 BONUS AND WELFARE FUND

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

	For the six-month period ended 30 June 2018 VND	For the year ended 31 December 2017 VND
Opening balance	157,794,474,704	90,502,458,747
Increase	73,554,500,000	158,854,000,000
Utilisation	(2,867,551,560)	(91,561,984,043)
Closing balance	228,481,423,144	157,794,474,704

COTECCONS CONSTRUCTION JOINT STOCK COMPANY

Form B 09a – DN

24 OWNERS' CAPITAL

(a) Number of shares

	30.6.2018 Ordinary shares	31.12.2017 Ordinary shares
Number of shares registered	78,355,000	77,050,000
Number of shares issued	78,355,000	77,050,000
Number of shares repurchased	(66,656)	(515,156)
Number of existing shares in circulation	78,288,344	76,534,844

(b) Details of owners' shareholding

	30.6.2018		31.12.2017	
	Ordinary shares	%	Ordinary shares	%
Kustocem Pte Ltd.	13,906,666	17.76	13,906,666	18.17
Success Investment and Business One Member Limited Company	11,192,652	14.30	11,192,652	14.62
Others	53,189,026	67.94	51,435,526	67.21
	78,288,344	100	76,534,844	100

(c) Movement of share capital

	Number of shares
As at 1 January 2017	77,050,000
New shares issued	-
As at 31 December 2017	77,050,000
New shares issued	1,305,000
As at 30 June 2018	78,355,000

Par value per share: VND10,000.

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COTECCONS CONSTRUCTION JOINT STOCK COMPANY

Form B 09a – DN

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 2017	770,500,000,000	2,958,550,175,385	(1,741,460,000)	1,036,598,840,987	1,329,564,929,805	6,093,472,486,177
Purchase of treasury shares	-	-	(21,091,000,000)	-	-	(21,091,000,000)
Net profit during the year	-	-	-	-	1,256,125,433,250	1,256,125,433,250
Appropriation of investment and development fund	-	-	-	788,036,709,805	(788,036,709,805)	-
Appropriation of bonus and welfare fund	-	-	-	-	(158,854,000,000)	(158,854,000,000)
Dividend declared	-	-	-	-	(382,674,220,000)	(382,674,220,000)
As at 31 December 2017	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 (i)	13,050,000,000	39,095,000,000	-	-	-	52,145,000,000
Sales of treasury shares	-	-	21,091,000,000	-	-	21,091,000,000
Net profit during the period	-	-	-	-	526,413,561,947	526,413,561,947
Appropriation of investment and development fund (i)	-	-	-	759,075,800,000	(759,075,800,000)	-
Appropriation of bonus and welfare fund (ii)	-	-	-	-	(73,554,500,000)	(73,554,500,000)
Dividend declared (ii)	-	-	-	-	(391,441,720,000)	(391,441,720,000)
As at 30 June 2018	783,550,000,000	2,997,645,175,385	(1,741,460,000)	2,583,711,350,792	558,466,975,197	6,921,632,041,374

(i) The Company has issued new shares under employee stock option plan with 1,305,000 shares at the price of VND40,000 per share in accordance with the Annual General Meeting's Resolution No. 01/2017/INQ-DHCB dated 29 June 2017.

(ii) The Company has appropriated the bonus and welfare fund, investment and development fund and declared dividend from the 2017 post-tax undistributed earnings with the respective amounts of VND73,554,500,000, VND759,075,800,000 and VND391,441,720,000 in accordance with the Annual General Meeting's Resolution No. 01/2018/INQ-DHCB dated 2 June 2018.

25 MOVEMENTS IN OWNERS' EQUITY (continued)**Utilisation of New Share Capital**

As at 30 June 2018, 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	Item	Amount VND
1	The purchase of 12-month term deposits at the Vietnam Technological and Commercial Joint Stock Bank, earning interest at the rate of 6.9%p.a.	650,000,000,000
2	The purchase of term deposits with maturities from 12 months to 13 months at the Joint Stock Commercial Bank for Investment and Development of Vietnam, earning interest at the rate of 7%p.a.	413,092,139,940
3	The purchase of 12-month term deposits at the Vietnam Technological and Commercial Joint Stock Bank, earning interest at the rate of 7%p.a.	406,510,674,159
		<u>1,469,602,814,099</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	Item	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 (*)	119,000,000,000
2	Direct investments or join investments in infrastructure and real estate projects, including office buildings, hotels, apartment buildings	-
3	Purchases of machinery and equipment for business operation purposes	155,688,891,286
E	Accumulated capital expenditure from 11 March 2017 to 30 June 2018	274,688,891,286
F	Remaining capital as at 30 June 2018	<u>1,469,602,814,099</u>

(*) The Company has made a capital contribution of VND 119 billion to Covestcons Company Limited, a wholly owned subsidiary (Note 13).

26 DIVIDENDS

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

	For the six-month period ended 30 June 2018 VND	For the year ended 31 December 2017 VND
Opening balance	359,298,925	419,737,325
Dividend declared	391,441,720,000	382,674,220,000
Dividends paid in cash	(20,049,750)	(382,734,658,400)
Closing balance	<u>391,780,969,175</u>	<u>359,298,925</u>

27 OFF BALANCE SHEET ITEMS**(a) Foreign currency**

Included in cash and cash equivalents are balances held in foreign currency of USD2,090.19 as at 30 June 2018 (As at 31 December 2017: USD334.63).

(b) Capital contribution commitment

The Company had a capital obligation to Covestcons Company Limited, a subsidiary (Note 13) as at 30 June 2018 and as at 31 December 2017 with the respective amounts of VND1,753 billion and VND1,846 billion (Note 39).

28 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	For the six-month period ended 30 June	
	2018 VND	2017 VND
Net revenue from construction contracts (*)	9,772,573,891,617	8,861,070,084,997
Net revenue from leasing out construction equipment	4,494,287,242	9,529,826,510
Net revenue from investment property activities	7,839,257,865	6,821,894,457
Net revenue from other activities	7,628,837,658	862,727,273
	<u>9,792,536,274,382</u>	<u>8,878,284,533,237</u>

COTECCONS CONSTRUCTION JOINT STOCK COMPANY

Form B 09a – DN

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

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

	<u>For the six-month period ended 30 June</u>	
	2018 VND	2017 VND
Net revenue from completed construction contracts recognised during the period	107,057,754,890	104,337,177,292
Net revenue from outstanding construction contracts recognised during the period	9,665,516,136,727	8,756,732,907,705
	<u>9,772,573,891,617</u>	<u>8,861,070,084,997</u>
	30.6.2018 VND	31.12.2017 VND
Net accumulated revenue from outstanding construction contracts up to end of this period/year	<u>39,536,730,476,378</u>	<u>31,851,078,595,945</u>

29 COST OF GOODS SOLD AND SERVICES RENDERED

	<u>For the six-month period ended 30 June</u>	
	2018 VND	2017 VND
Cost of construction contracts	9,126,276,979,963	8,151,327,589,515
Cost of construction equipment leased out	4,243,595,716	5,455,058,858
Cost of investment property activities	4,835,527,267	3,749,539,324
Others	3,279,636,198	776,771,000
	<u>9,138,635,739,144</u>	<u>8,161,308,958,697</u>

30 FINANCIAL INCOME

	<u>For the six-month period ended 30 June</u>	
	2018 VND	2017 VND
Interest income	148,413,397,264	140,906,814,208
Dividend income	13,608,000,000	-
	<u>162,021,397,264</u>	<u>140,906,814,208</u>

COTECCONS CONSTRUCTION JOINT STOCK COMPANY

Form B 09a – DN

31 GENERAL AND ADMINISTRATION EXPENSES

	For the six-month period ended 30 June	
	2018	2017
	VND	VND
Salary expenses	132,937,464,776	110,763,344,256
Depreciation and amortisation	11,713,358,731	7,633,187,288
Reversal of provision for doubtful debts	-	(14,172,679,527)
Outside service expenses	19,735,363,752	11,378,428,314
Other expenses	29,696,032,699	27,265,062,777
	<u>194,082,219,958</u>	<u>142,867,343,108</u>

32 OTHER INCOME AND OTHER EXPENSES

	For the six-month period ended 30 June	
	2018	2017
	VND	VND
Other income		
Reversal of over-accrued constructions costs	31,057,272,727	5,102,025,981
Reversal of provision for construction warranty	204,880,397	1,036,270,365
Net gains from disposal of fixed assets	82,962,296	79,772,836
Others	2,133,977,950	345,557,051
	<u>33,479,093,370</u>	<u>6,563,626,233</u>
Other expense		
Construction warranty expense	-	577,533,341
	<u>-</u>	<u>577,533,341</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:

	For the six-month period ended 30 June	
	2018 VND	2017 VND
Net accounting profit before tax	655,317,831,692	721,000,861,979
Tax calculated at a rate of 20%	131,063,566,338	144,200,172,396
Effect of:		
Income not subject to tax	(2,721,600,000)	(1,817,641,089)
Non-deductible expenses	415,069,438	927,221,907
Under-provision in previous years	147,233,969	1,817,241,371
BIT charge	<u>128,904,269,745</u>	<u>145,126,994,585</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**

	30.6.2018 VND	31.12.2017 VND
Deductible temporary differences	<u>2,049,926,767</u>	<u>2,049,926,767</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

	For the six-month period ended 30 June	
	2018 VND	2017 VND
Raw materials	2,185,164,808,020	1,793,938,346,871
Salary expenses	1,030,102,037,571	786,043,008,642
Tools and supplies	130,382,113,543	122,107,612,594
Depreciation and amortisation	38,701,048,029	27,043,680,394
Outside service expenses	5,680,082,846,991	5,585,414,328,294
Other expenses	95,339,011,519	84,909,011,733
	<u>9,159,771,865,673</u>	<u>8,399,455,988,528</u>

COTECCONS CONSTRUCTION JOINT STOCK COMPANY

Form B 09a – DN

36 SEGMENT REPORTING

Business segment:

For the six-month period ended 30 June 2018

	Leasing out of				Total VND
	Construction services VND	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

COTECCONS CONSTRUCTION JOINT STOCK COMPANY

Form B 09a – DN

37 RELATED PARTY DISCLOSURES (continued)

(b) Period/year end balances with related parties

	30.6.2018	31.12.2017
	VND	VND
Short-term trade accounts receivable		
(Note 5)		
Unicons Investment Construction Company Limited	2,288,262,447	10,124,837,987
Ricons Construction Investment Joint Stock Company	-	7,849,737,914
	<u>2,288,262,447</u>	<u>17,974,575,901</u>
Short-term trade accounts payable		
(Note 16)		
Unicons Investment Construction Company Limited	274,651,029,692	375,203,896,717
Ricons Construction Investment Joint Stock Company	585,201,639,612	1,104,259,586,728
	<u>859,852,669,304</u>	<u>1,479,463,483,445</u>
Short-term advances from customers		
(Note 17)		
Ricons Construction Investment Joint Stock Company	1,642,731,462	-
	<u>1,642,731,462</u>	<u>-</u>

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:

	30.6.2018	31.12.2017
	VND	VND
Within 1 year	7,960,661,850	10,229,781,900
From 1 to 5 years	6,384,900,300	9,804,513,000
	<u>14,345,562,150</u>	<u>20,034,294,900</u>

39 CAPITAL CONTRIBUTION COMMITMENTS

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

As at 30 June 2018			
Charter capital VND	Committed amount VND	Contributed amount VND	To be contributed VND
1,872,000,000,000	1,872,000,000,000	119,000,000,000	1,753,000,000,000
As at 31 December 2017			
Charter capital VND	Committed amount VND	Contributed amount VND	To be contributed VND
1,872,000,000,000	1,872,000,000,000	26,000,000,000	1,846,000,000,000

40 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to current separate interim financial statement's presentation.

The separate interim financial statements were approved by the Board of Management on 13 August 2018.



Nguyen Minh Tung
Preparer



Vu Thi Hong Hanh
Chief Accountant



Nguyen Sy Cong
General Director