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**Unicons Investment Construction Company Limited**  
(formerly known as Uy Nam Investment Construction Joint Stock Company)

Financial statements

31 December 2016

**Unicons Investment Construction Company Limited**  
(formerly known as Uy Nam Investment Construction Joint Stock Company)

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# Unicons Investment Construction Company Limited

(formerly known as Uy Nam Investment Construction Joint Stock Company)

## GENERAL INFORMATION

### THE COMPANY

Unicons Investment Construction Company Limited ("the Company"), formerly known as Uy Nam Investment Construction Joint Stock Company, is currently a one-member limited liability company incorporated under the Law on Enterprise of Vietnam pursuant to Business Registration Certificate ("BRC") No. 4103005020 issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City on 14 July 2006, as amended.

According to the 12<sup>th</sup> and 13<sup>rd</sup> amended Enterprise Registration Certificate issued by the DPI of Ho Chi Minh City on 16 May 2016 and 24 May 2016, respectively, the Company has been transformed its ownership form from a shareholding company to a one-member limited liability company, and changed its name to Unicons Investment Construction Company Limited.

The current principal activities of the Company are providing construction services, equipment installation services, and trading of construction materials.

The Company's registered office is located at 5<sup>th</sup> – 6<sup>th</sup> Floors, 236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, Ho Chi Minh City, Vietnam.

### MEMBERS' COUNCIL

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

Mr Nguyen Ba Duong	Chairman
Mr Nguyen Sy Cong	Member
Mr Tran Quang Quan	Member
Mr Tran Quang Tuan	Member
Mr Dang Hoai Nam	Member

### BOARD OF SUPERVISION

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

Ms Ha Tieu Anh	Head of Board
Mr Tran Van Tien	Member
Mr Vo Anh Tuan	Member

### MANAGEMENT

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

Mr Nguyen Sy Cong	General Director	
Mr Le Mien Thuy	Deputy General Director	
Mr Hoang Phuong Lam	Deputy General Director	
Mr Tran The Phuong	Deputy General Director	
Mr Le Chi Trung	Deputy General Director	appointed on 21 October 2016

### LEGAL REPRESENTATIVE

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

### AUDITORS

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

# Unicons Investment Construction Company Limited

(formerly known as Uy Nam Investment Construction Joint Stock Company)

## REPORT OF MANAGEMENT

Management of Unicons Investment Construction Company Limited ("the Company") is pleased to present its report and the financial statements of the Company for the period from 16 May 2016 to 31 December 2016.

### MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

Management is responsible for the financial statements of each financial period which give a true and fair view of the financial position of the Company and of the results of its operations and its cash flows for the period. In preparing those financial statements, management is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ▶ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2016 and of the results of its operations and its cash flows for the period from 16 May 2016 to 31 December 2016 in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of financial statements.



For and on behalf of management:

\_\_\_\_\_  
Nguyen Sy Cong  
General Director

Ho Chi Minh City, Vietnam

28 February 2017



Reference: 60924548/18590268

## INDEPENDENT AUDITORS' REPORT

**To: Members' Council of Unicons Investment Construction Company Limited**

We have audited the accompanying financial statements of Unicons Investment Construction Company Limited ("the Company") as prepared on 28 February 2017 and set out on pages 5 to 28, which comprise the balance sheet as at 31 December 2016, and the income statement and the cash flow statement for the period from 16 May 2016 to 31 December 2016 and the notes thereto.

### *Management's responsibility*

The Company's management is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of the financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Company as at 31 December 2016, and of the results of its operations and its cash flows for the period from 16 May 2016 to 31 December 2016 in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of the financial statements.

### ***Emphasis of matter***

We draw attention to Notes 2.6 and 3.1 of the accompanying financial statements, stating that the financial statements for the period from 16 May 2016 to 31 December 2016 are prepared to assist the Company in meeting the reporting requirements to relevant regulators following requirement of Circular No. 200/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014. Accordingly, the corresponding figures of the income statement and cash flow statement for the period from 1 January 2016 to 15 May 2016 and the related notes thereto are not comparable with the current period's figures.



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Tran Nam Dung  
Deputy General Director  
Audit Practicing Registration Certificate  
No. 3021-2014-004-1



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Nguyen Quoc Hoang  
Auditor  
Audit Practicing Registration Certificate  
No. 2787-2016-004-1

Ho Chi Minh City, Vietnam

28 February 2017

BALANCE SHEET  
as at 31 December 2016

VND

Code	ASSETS	Notes	31 December 2016	16 May 2016
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>2,034,734,513,176</b>	<b>1,295,347,893,189</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>209,958,856,715</b>	<b>164,993,095,065</b>
111	1. Cash		49,958,856,715	24,993,095,065
112	2. Cash equivalents		160,000,000,000	140,000,000,000
<b>120</b>	<b>II. Short-term investment</b>		<b>135,000,000,000</b>	<b>218,100,000,000</b>
123	1. Held-to-maturity investments	5	135,000,000,000	218,100,000,000
<b>130</b>	<b>III. Current accounts receivable</b>		<b>1,524,025,438,774</b>	<b>516,102,040,934</b>
131	1. Short-term trade receivables	6	1,415,783,588,290	428,253,471,867
132	2. Short-term advances to suppliers	7	32,913,022,553	21,979,011,254
136	3. Other short-term receivables	8	75,584,428,811	66,415,803,271
137	4. Provision for doubtful short-term receivables	6	(255,600,880)	(546,245,458)
<b>140</b>	<b>IV. Inventory</b>	<b>9</b>	<b>165,361,081,856</b>	<b>383,071,975,570</b>
141	1. Inventories		165,361,081,856	383,071,975,570
<b>150</b>	<b>V. Other current assets</b>		<b>389,135,831</b>	<b>13,080,781,620</b>
151	1. Short-term prepaid expenses	10	389,135,831	6,716,112,417
152	2. Value-added tax deductible		-	6,364,669,203
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>201,799,926,165</b>	<b>162,292,698,785</b>
<b>210</b>	<b>I. Long-term receivable</b>		<b>253,976,000</b>	<b>253,976,000</b>
216	1. Other long-term receivables		253,976,000	253,976,000
<b>220</b>	<b>II. Fixed assets</b>		<b>108,451,270,050</b>	<b>83,888,274,125</b>
221	1. Tangible fixed assets	11	96,563,019,647	71,984,016,877
222	Cost		143,278,285,979	112,992,862,607
223	Accumulated depreciation		(46,715,266,332)	(41,008,845,730)
227	2. Intangible assets	12	11,888,250,403	11,904,257,248
228	Cost		13,916,126,758	13,735,876,758
229	Accumulated amortisation		(2,027,876,355)	(1,831,619,510)
<b>240</b>	<b>III. Long-term asset in progress</b>		<b>63,542,527</b>	<b>9,401,506,811</b>
242	1. Construction in progress	13	63,542,527	9,401,506,811
<b>260</b>	<b>IV. Other long-term assets</b>		<b>93,031,137,588</b>	<b>68,748,941,849</b>
261	1. Long-term prepaid expenses	10	93,031,137,588	68,597,661,577
262	2. Deferred tax assets	25.3	-	151,280,272
<b>270</b>	<b>TOTAL ASSETS</b>		<b>2,236,534,439,341</b>	<b>1,457,640,591,974</b>



Unicons Investment Construction Company Limited  
(formerly known as Uy Nam Investment Construction Joint Stock Company)

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BALANCE SHEET (continued)  
as at 31 December 2016

VND

Code	RESOURCES	Notes	31 December 2016	16 May 2016
<b>300</b>	<b>C. LIABILITIES</b>		<b>1,524,362,774,985</b>	<b>927,206,130,508</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>1,524,362,774,985</b>	<b>926,483,824,202</b>
311	1. Short-term trade payables	14	882,351,207,758	568,170,902,465
312	2. Short-term advances from customers	15	21,028,033,105	49,932,591,593
313	3. Statutory obligations	16	78,613,173,845	6,534,433,567
315	4. Short-term accrued expenses	17	465,314,920,585	227,751,997,277
319	5. Other short-term payables	18	40,783,593,913	22,357,144,284
321	6. Short-term provision	19	24,592,996,321	40,057,905,558
322	7. Bonus and welfare fund		11,678,849,458	11,678,849,458
<b>330</b>	<b>II. Non-current liability</b>		-	<b>722,306,306</b>
342	1. Long-term provision	19	-	722,306,306
<b>400</b>	<b>D. OWNER'S EQUITY</b>		<b>712,171,664,356</b>	<b>530,434,461,466</b>
<b>410</b>	<b>I. Capital</b>	<b>20.1</b>	<b>712,171,664,356</b>	<b>530,434,461,466</b>
411	1. Contributed charter capital		94,500,000,000	94,500,000,000
414	2. Other owner's capital		89,996,634,545	89,996,634,545
418	3. Investment and development fund		164,812,563,156	164,812,563,156
421	4. Undistributed earnings		362,862,466,655	181,125,263,765
421a	- Undistributed earnings of prior periods		181,125,263,765	141,616,561,192
421b	- Undistributed earnings of current period		181,737,202,890	39,508,702,573
<b>440</b>	<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>		<b>2,236,534,439,341</b>	<b>1,457,640,591,974</b>

Ngo Hong Nguyen  
Preparer

Nguyen Thi Phuc Long  
Chief Accountant



Nguyen Sy Cong  
General Director

28 February 2017

INCOME STATEMENT  
for the period from 16 May 2016 to 31 December 2016

VND

Code	ITEMS	Notes	Current period	Previous period
10	1. Net revenue from sale of goods and rendering of services	21.1	4,188,004,391,828	1,185,490,895,927
11	2. Cost of goods sold and services rendered	22	(3,923,431,378,807)	(1,121,591,778,162)
20	3. Gross profit from sale of goods and rendering of services		264,573,013,021	63,899,117,765
21	4. Finance income	21.2	16,427,368,076	6,126,252,264
22	5. Finance expenses		(158,876,543)	(398,960)
23	- In which: Interest expense		(153,055,556)	-
25	6. Selling expenses		(419,570,755)	(1,468,283,945)
26	7. General and administrative expenses	23	(62,631,281,088)	(26,044,739,145)
30	8. Operating profit		217,790,652,711	42,511,947,979
31	9. Other income	24	11,877,268,952	7,503,461,793
32	10. Other expenses	24	(1,121,645,953)	(517,683,475)
40	11. Other profit	24	10,755,622,999	6,985,778,318
50	12. Accounting profit before tax		228,546,275,710	49,497,726,297
51	13. Current corporate income tax expense	25.1	(46,657,792,548)	(9,996,498,322)
52	14. Deferred tax (expense) income	25.3	(151,280,272)	7,474,598
60	15. Net profit after tax		181,737,202,890	39,508,702,573

Ngo Hong Nguyen  
Preparer

Nguyen Thi Phuc Long  
Chief Accountant



Nguyen Sy Cong  
General Director

28 February 2017

CASH FLOW STATEMENT  
for the period from 16 May 2016 to 31 December 2016

VND

Code	ITEMS	Notes	Current period	Previous period
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Accounting profit before tax</b>		<b>228,546,275,710</b>	<b>49,497,726,297</b>
	<i>Adjustments for:</i>			
02	Depreciation and amortisation of fixed assets	11, 12	9,421,991,202	4,875,612,889
03	Provisions		(16,477,860,121)	(13,501,670,259)
04	Foreign exchange gains arising from revaluation of monetary accounts denominated in foreign currency		(12,022,850)	(6,153,902)
05	Profit from investing activities		(16,382,729,227)	(6,099,645,752)
06	Interest expense		153,055,556	-
08	<b>Operating profit before changes in working capital</b>		<b>205,248,710,270</b>	<b>34,765,869,273</b>
09	(Increase) decrease in receivables		(1,005,494,467,392)	406,762,118,616
10	Decrease (increase) in inventories		217,710,893,714	(228,506,122,581)
11	Increase (decrease) in payables		592,835,610,260	(165,177,453,679)
12	Increase in prepaid expenses		(18,106,499,425)	(10,093,794,730)
14	Interest paid		(153,055,556)	-
15	Corporate income tax paid	16	(27,045,492,711)	(21,763,521,916)
17	Other cash outflows for operating activities		-	(200,276,628)
20	<b>Net cash flows (used in) from operating activities</b>		<b>(35,004,300,840)</b>	<b>15,786,818,355</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase of fixed assets		(25,429,548,110)	(16,045,280,594)
22	Proceeds from disposals of fixed assets		1,732,319,332	9,090,909
23	Investments in term deposits		-	(90,000,000,000)
24	Proceeds from divestments term deposits		83,100,000,000	-
27	Interest received		20,559,594,464	4,810,015,955
30	<b>Net cash flows from (used in) investing activities</b>		<b>79,962,365,686</b>	<b>(101,226,173,730)</b>
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
33	Drawdown of borrowings		50,000,000,000	-
34	Repayment of borrowings		(50,000,000,000)	-
40	<b>Net cash flows from financing activities</b>		<b>-</b>	<b>-</b>



CASH FLOW STATEMENT (continued)  
for the period from 16 May 2016 to 31 December 2016

VND

Code	ITEMS	Notes	Current period	Previous period
50	Net increase (decrease) in cash and cash equivalents		44,958,064,846	(85,439,355,375)
60	Cash and cash equivalents at beginning of period		164,993,095,065	250,432,318,698
61	Impact of exchange rate fluctuation		7,696,804	131,742
70	Cash and cash equivalents at end of period	4	209,958,856,715	164,993,095,065



Ngo Hong Nguyen  
Preparer



Nguyen Thi Phuc Long  
Chief Accountant



Nguyen Sy Cong  
General Director

28 February 2017



NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2016 and for the period from 16 May 2016 to 31 December 2016

**1. CORPORATE INFORMATION**

Unicons Investment Construction Company Limited ("the Company"), formerly known as Uy Nam Investment Construction Joint Stock Company, is currently a one-member limited liability company incorporated under the Law on Enterprise of Vietnam pursuant to Business Registration Certificate ("BRC") No. 4103005020 issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City on 14 July 2006, as amended.

According to the 12th and 13rd amended Enterprise Registration Certificate issued by the DPI of Ho Chi Minh City on 16 May 2016 and 24 May 2016, respectively, the Company has been transformed its ownership form from a shareholding company to a one-member limited liability company, and changed its name to Unicons Investment Construction Company Limited.

The current principal activities of the Company are providing construction services, equipment installation services, and trading of construction materials.

The Company's registered office is located at 5<sup>th</sup> - 6<sup>th</sup> Floors, 236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, Ho Chi Minh City, Vietnam.

The number of the Company's employees as at 31 December 2016 was 834 (15 May 2016: 851).

**2. BASIS OF PREPARATION**

**2.1 Purpose of preparing the financial statements**

Following requirement in the Circular No. 200/2014/TT-BTC providing guidance of the enterprise accounting system dated 22 December 2014 issued the Ministry of Finance ("Circular 200"), when transforming the enterprise's ownership form, the Company has to prepare the financial statements in accordance with guidance as presented in Note 3.1. Accordingly, the financial statements for the period from 16 May 2016 to 31 December 2016 are prepared to assist the Company in submitting the financial statements to relevant regulators required by Circular 200.

**2.2 Accounting standards and system**

The financial statements of the Company, expressed in Vietnam dong ("VND"), are prepared in accordance with the Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- ▶ Decision No. 149/2001/QĐ-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- ▶ Decision No. 165/2002/QĐ-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- ▶ Decision No. 234/2003/QĐ-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- ▶ Decision No. 12/2005/QĐ-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- ▶ Decision No. 100/2005/QĐ-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2016 and for the period from 16 May 2016 to 31 December 2016

**2. BASIS OF PREPARATION (continued)**

**2.3 *Applied accounting documentation system***

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

**2.4 *Fiscal year***

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

During the year 2016, the Company transformed the enterprise ownership, from a shareholding company into a one-member limited liability company, from 16 May 2016. Therefore, following requirement of Circular 200 relevant to preparation and presentation of financial statements in transformation of enterprise ownership, the Company's first fiscal period as a limited liability company started on 16 May 2016 and ended on 31 December 2016.

**2.5 *Accounting currency***

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

**2.6 *Comparative information***

As mentioned above, the Company was officially transformed from a shareholding company into a one-member limited liability company from 16 May 2016. Therefore, following requirement of Circular 200 relevant to preparation and presentation of financial statements in transformation of enterprise ownership form, the Company's current fiscal period applicable for preparation and presentation of these financial statements started on 16 May 2016 and ended on 31 December 2016. Accordingly, the corresponding figures of the income statement and cash flow statement for the period from 1 January 2016 to 15 May 2016 and the related notes thereto are presented for information purposes and are not comparable with the current period's figures.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 *Principles of preparation and presentation of financial statements in transformation of enterprise ownership form***

According to Circular 200, when transforming the enterprise's ownership form, in the first fiscal period after transformation, the Company has to prepare and present the financial statements in accordance with the following principles:

- ▶ For the balance sheet: All balances of assets, liabilities and owner's equity of the Company prior to transformation of ownership form, which are the balances as at 16 May 2016, are presented in the opening balance column. The ending balance column presents the balances of the end of the first reporting period, which are the balances as at 31 December 2016; and
- ▶ For income statement and cash flow statement: Cumulative figures from the date of transformation of ownership form up to the end of first reporting period, which are transactions for the period from 16 May 2016 to 31 December 2016, are presented in the current period column (hereinafter referred to as "Current period"). The previous period column presented the cumulative figures, for the period from 1 January 2016 to 15 May 2016 (hereinafter referred to as "Previous period").



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2016 and for the period from 16 May 2016 to 31 December 2016

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.2 Cash and cash equivalents**

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

**3.3 Receivables**

Receivables are presented in the financial statements at the carrying amounts due from customers and other debtors, along with the provision for doubtful receivables.

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

**3.4 Inventories**

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

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

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

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

*Provision for obsolete inventories*

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of construction materials, and construction work-in-process owned by the Company, based on appropriate evidence of impairment available at the balance sheet date.

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

**3.5 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the income statement as incurred.

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2016 and for the period from 16 May 2016 to 31 December 2016

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.6 Intangible assets**

Intangible assets are stated at cost less accumulated amortisation.

The cost of an intangible asset comprises its purchase price and any directly attributable costs of preparing the intangible asset for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the income statement as incurred.

When intangible assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the income statement.

*Land use rights*

The advance payment for land rental and land use right certificate being issued, are recorded as intangible asset according to Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013 guiding the management, use and depreciation of fixed assets.

**3.7 Depreciation and amortisation**

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

Buildings and structures	6 - 30 years
Machinery and equipment	3 - 10 years
Means of transportation	3 - 8 years
Office equipment	3 - 5 years
Others	5 - 6 years
Land use rights	50 years
Computer software	3 years

**3.8 Prepaid expenses**

Prepaid expenses are reported as short-term and long-term prepaid expenses on the balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

Tools and supplies used for construction are amortised to the income statement over the period of one (1) to five (5) years on the straight-line basis.

**3.9 Payables and accruals**

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

**3.10 Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provision for warranty obligation of construction projects is estimated at 0.5% on value of projects.



NOTES TO THE FINANCIAL STATEMENTS (continued)  
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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.11 Foreign currency transactions**

Transactions in currencies other than the Company's reporting currency of VND are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- transaction resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment; and
- payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

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

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

All exchange differences incurred during the period and arising from the revaluation of monetary accounts denominated in foreign currency at period-end are taken to the income statement.

**3.12 Appropriation of net profits**

Net profit after tax is available for appropriation to owners after their approval, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

*Investment and development fund*

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

*Bonus and welfare fund*

This fund is set aside for the purpose of pecuniary rewarding and encouragement, common benefits and improvement of the employees' benefits, and presented as a liability on the balance sheet.

**3.13 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

NOTES TO THE FINANCIAL STATEMENTS (continued)  
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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.13 Revenue recognition (continued)**

*Construction contracts*

For the construction contracts specifying that the contractor will receive payments according to the completed work, where the outcome of a construction contract can be determined reliably and accepted by the customers, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date which is accepted by the customers and reflected in the sales invoices.

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

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

*Sale of merchandises*

Revenue is recognised when the significant risks and rewards of ownership of the merchandise goods have passed to the buyer, usually upon the delivery of the goods.

*Interest*

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

**3.14 Taxation**

*Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the balance sheet date.

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

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company to set off current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

*Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

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



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2016 and for the period from 16 May 2016 to 31 December 2016

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.14 Taxation (continued)

##### Deferred tax (continued)

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

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

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

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

### 4. CASH AND CASH EQUIVALENTS

		VND
	31 December 2016	16 May 2016
Cash on hand	223,934,350	1,010,278,276
Cash at banks	49,734,922,365	23,982,816,789
Cash equivalents (*)	160,000,000,000	140,000,000,000
<b>TOTAL</b>	<b>209,958,856,715</b>	<b>164,993,095,065</b>

(\*) Cash equivalents represent deposits at commercial banks with original maturity of less than three (3) months and earn interest at the rates ranging from 4.9% to 5.5% per annum.

### 5. HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investments represent deposits at commercial banks with original maturity of six (6) months to less than one (1) year and earn interest at the rates ranging from 5.4% to 6.8% per annum.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2016 and for the period from 16 May 2016 to 31 December 2016

**6. SHORT-TERM TRADE RECEIVABLES**

		VND
	31 December 2016	16 May 2016
Other parties	812,552,841,915	239,005,877,825
- Dai Quang Minh Real Estate Investment JSC	202,310,456,395	64,710,466,407
- Vietnam TCO Investment JSC	198,777,782,474	-
- Other customers	411,464,603,046	174,295,411,418
Related parties (Note 26)	603,230,746,375	189,247,594,042
<b>TOTAL</b>	<b>1,415,783,588,290</b>	<b>428,253,471,867</b>
Provision for doubtful short-term receivables	(255,600,880)	(546,245,458)
<b>NET</b>	<b>1,415,527,987,410</b>	<b>427,707,226,409</b>

**Movements of provision for doubtful short-term receivables:**

	VND	
	Current period	Previous period
Beginning balance	546,245,458	546,245,458
Less: Write-off during the period	(290,644,578)	-
Ending balance	255,600,880	546,245,458

**7. SHORT-TERM ADVANCES TO SUPPLIERS**

	VND	
	31 December 2016	16 May 2016
Sado Group	3,706,344,991	-
Hoan Thien Trading Production Co., Ltd	-	3,902,250,762
Other suppliers	29,206,677,562	18,076,760,492
<b>TOTAL</b>	<b>32,913,022,553</b>	<b>21,979,011,254</b>

**8. OTHER SHORT-TERM RECEIVABLES**

	VND	
	31 December 2016	16 May 2016
Advances to construction team and employees	72,299,638,385	42,230,458,378
Receivable from advance for housing purchase	-	16,475,318,000
Interest receivables	2,946,027,777	7,172,411,110
Others	338,762,649	537,615,783
<b>TOTAL</b>	<b>75,584,428,811</b>	<b>66,415,803,271</b>



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2016 and for the period from 16 May 2016 to 31 December 2016

**9. INVENTORIES**

		VND
	31 December 2016	16 May 2016
Construction works in process (*)	165,361,081,856	355,450,099,003
Construction materials	-	27,621,876,567
<b>TOTAL</b>	<b>165,361,081,856</b>	<b>383,071,975,570</b>

(\*) The details of work in process of on-going construction projects are as follows:

		VND
	31 December 2016	16 May 2016
Park City - Sector 2	52,753,019,851	22,700,011,156
Preche Project	45,509,164,926	-
Sarica Dai Quang Minh	18,693,791,585	22,982,407,635
Far Eastern - Binh Phuoc	17,733,149,256	-
Tan Kieng High-rise Building	10,059,867,318	65,825,148,161
Vinasoy - Binh Duong	5,414,002,615	8,464,272,711
Five Star Garden Apartment	2,692,929,346	53,487,374,144
Masteri Thao Dien - CT1 Tower	-	51,365,677,059
Others	12,505,156,959	130,625,208,137
<b>TOTAL</b>	<b>165,361,081,856</b>	<b>355,450,099,003</b>

**10. PREPAID EXPENSES**

		VND
	31 December 2016	16 May 2016
Short-term		
Constructions tools and supplies	389,135,831	6,276,167,037
Others	-	439,945,380
	<u>389,135,831</u>	<u>6,716,112,417</u>
Long-term		
Constructions tools and supplies	89,596,760,497	68,545,763,804
Others	3,434,377,091	51,897,773
	<u>93,031,137,588</u>	<u>68,597,661,577</u>
<b>TOTAL</b>	<b>93,420,273,419</b>	<b>75,313,773,994</b>

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NOTES TO THE FINANCIAL STATEMENTS (continued)  
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**11. TANGIBLE FIXED ASSETS**

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Others	VND Total
<b>Cost:</b>						
As at 16 May 2016	20,357,777,303	71,148,878,148	12,589,570,722	4,121,475,444	4,775,160,990	112,992,862,607
New purchases	-	23,365,972,023	-	320,375,909	-	23,686,347,932
Transfer from construction in progress	11,801,190,431	-	-	-	-	11,801,190,431
Disposal	-	(802,663,162)	(2,079,760,000)	(594,247,130)	(1,725,444,699)	(5,202,114,991)
As at 31 December 2016	32,158,967,734	93,712,187,009	10,509,810,722	3,847,604,223	3,049,716,291	143,278,285,979
<i>In which:</i>						
Fully depreciated	4,236,735,526	3,061,007,630	2,278,278,450	2,501,069,565	3,018,852,655	15,095,943,826
<b>Accumulated depreciation:</b>						
As at 16 May 2016	(7,458,030,463)	(19,301,646,733)	(6,096,836,438)	(3,401,905,179)	(4,750,426,917)	(41,008,845,730)
Depreciation for the period	(923,173,239)	(7,255,292,151)	(836,862,896)	(205,583,631)	(4,822,440)	(9,225,734,357)
Disposal	-	802,663,162	396,958,764	594,247,130	1,725,444,699	3,519,313,755
As at 31 December 2016	(8,381,203,702)	(25,754,275,722)	(6,536,740,570)	(3,013,241,680)	(3,029,804,658)	(46,715,266,332)
<b>Net carrying amount:</b>						
As at 16 May 2016	12,899,746,840	51,847,231,415	6,492,734,284	719,570,265	24,734,073	71,984,016,877
As at 31 December 2016	23,777,764,032	67,957,911,287	3,973,070,152	834,362,543	19,911,633	96,563,019,647

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2016 and for the period from 16 May 2016 to 31 December 2016

## 12. INTANGIBLE ASSETS

	<i>Land use rights Computer software</i>		<i>VND Total</i>
<b>Cost:</b>			
As at 16 May 2016	13,342,681,128	393,195,630	13,735,876,758
New purchases	-	180,250,000	180,250,000
As at 31 December 2016	13,342,681,128	573,445,630	13,916,126,758
<i>In which:</i>			
Fully amortised	-	294,195,630	294,195,630
<b>Accumulated amortisation:</b>			
As at 16 May 2016	(1,545,953,717)	(285,665,793)	(1,831,619,510)
Amortisation for the period	(166,783,515)	(29,473,330)	(196,256,845)
As at 31 December 2016	(1,712,737,232)	(315,139,123)	(2,027,876,355)
<b>Net carrying amount:</b>			
As at 16 May 2016	11,796,727,411	107,529,837	11,904,257,248
As at 31 December 2016	11,629,943,896	258,306,507	11,888,250,403

## 13. CONSTRUCTION IN PROGRESS

Constructions in progress represent assets purchased during the period which are under installation.

## 14. SHORT-TERM TRADE PAYABLES

	<i>VND</i>	
	<i>31 December 2016</i>	<i>16 May 2016</i>
Other parties	823,746,601,449	523,235,587,085
- Pomina Steel Co., Ltd	63,761,669,840	-
- Viet Steel Producing & Trading Co., Ltd	5,978,076,830	102,257,976,938
- Thanh Loi Co., Ltd	-	54,664,820,889
- Other suppliers	754,006,854,779	366,312,789,258
Related parties (Note 26)	58,604,606,309	44,935,315,380
<b>TOTAL</b>	<b>882,351,207,758</b>	<b>568,170,902,465</b>



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2016 and for the period from 16 May 2016 to 31 December 2016

**15. SHORT-TERM ADVANCES FROM CUSTOMERS**

		VND
	31 December 2016	16 May 2016
Dragon Bay JSC	10,000,000,000	-
Vincom 1 Construction Managing Co., Ltd	8,786,398,431	-
Quang Ngai Sugar JSC	-	29,180,000,000
Five Star Kim Giang Co., Ltd	-	14,637,741,197
Vinpearl Phu Quoc One Member Limited Liability Company	-	5,000,000,000
Other customers	2,241,634,674	1,114,850,396
<b>TOTAL</b>	<b>21,028,033,105</b>	<b>49,932,591,593</b>

**16. STATUTORY OBLIGATIONS**

				VND
	16 May 2016	Increase in the period	Payment in the period	31 December 2016
Corporate income tax	4,683,732,286	46,657,792,548	(27,045,492,711)	24,296,032,123
Value-added tax	-	116,645,775,223	(69,275,520,615)	47,370,254,608
Personal income tax	1,850,701,281	15,191,530,764	(10,095,344,931)	6,946,887,114
<b>TOTAL</b>	<b>6,534,433,567</b>	<b>178,495,098,535</b>	<b>(106,416,358,257)</b>	<b>78,613,173,845</b>

**17. SHORT-TERM ACCRUED EXPENSES**

Accrued expenses mainly represent accrued costs for on-going construction projects.

**18. OTHER SHORT-TERM PAYABLES**

		VND
	31 December 2016	16 May 2016
Payable to construction teams	40,743,406,513	21,874,559,284
Others	40,187,400	482,585,000
<b>TOTAL</b>	<b>40,783,593,913</b>	<b>22,357,144,284</b>

**19. PROVISIONS**

		VND
	31 December 2016	16 May 2016
Short-term		
Construction warranty	24,592,996,321	40,057,905,558
Long-term		
Severance allowance	-	722,306,306



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NOTES TO THE FINANCIAL STATEMENTS (continued)  
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**20. OWNER'S EQUITY**

**20.1 Increase and decrease in owner's equity**

	Contributed charter capital	Other owner's capital	Investment and development fund	Undistributed earnings	VND Total
<b>For the period from 1 January 2016 to 15 May 2016</b>					
As at 31 December 2015	94,500,000,000	89,996,634,545	164,812,563,156	141,616,561,192	490,925,758,893
Net profit for the period	-	-	-	39,508,702,573	39,508,702,573
As at 15 May 2016	94,500,000,000	89,996,634,545	164,812,563,156	181,125,263,765	530,434,461,466
<b>For the period from 16 May 2016 to 31 December 2016</b>					
As at 16 May 2016	94,500,000,000	89,996,634,545	164,812,563,156	181,125,263,765	530,434,461,466
Net profit for the period	-	-	-	181,737,202,890	181,737,202,890
As at 31 December 2016	94,500,000,000	89,996,634,545	164,812,563,156	362,862,466,655	712,171,664,356

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2016 and for the period from 16 May 2016 to 31 December 2016

**20. OWNER'S EQUITY** (continued)

**20.2 Contributed charter capital**

	As per Enterprise Registration Certificate		Contributed charter capital (VND)	Uncontributed charter capital (VND)
	Charter capital amount (VND)	% of ownership		
Coteccons Construction Joint Stock Company	94,500,000,000	100	94,500,000,000	-

**20.3 Capital transactions with owner and distribution of profits**

	VND	
	Current period	Previous period
<b>Contributed share capital</b>		
Beginning and ending balances	94,500,000,000	94,500,000,000

**21. REVENUES**

**21.1 Net revenues from sale of goods and rendering of services**

	VND	
	Current period	Previous period
Revenue from rendering of construction services (*)	4,132,213,112,183	1,040,964,635,685
Revenue from sale of construction materials	55,791,279,645	144,526,260,242
<b>TOTAL</b>	<b>4,188,004,391,828</b>	<b>1,185,490,895,927</b>
<i>In which:</i>		
Sales to related parties	2,326,567,295,039	728,708,466,146
Sales to other parties	1,861,437,096,789	456,782,429,781

(\*) Revenue from construction contracts recognised during the period are as follows:

	VND	
	Current period	Previous period
Revenue from the completed construction contracts recognised during the period	87,810,641,481	10,336,472,183
Revenue from the on-going construction contracts recognised during the period	4,044,402,470,702	1,030,628,163,502
<b>TOTAL</b>	<b>4,132,213,112,183</b>	<b>1,040,964,635,685</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2016 and for the period from 16 May 2016 to 31 December 2016

**21. REVENUES (continued)**

**21.2 Finance income**

	VND	
	<i>Current period</i>	<i>Previous period</i>
Interest income	16,333,211,131	6,090,554,843
Foreign exchange gains	94,156,945	35,697,421
<b>TOTAL</b>	<b>16,427,368,076</b>	<b>6,126,252,264</b>

**22. COST OF SERVICES RENDERED**

	VND	
	<i>Current period</i>	<i>Previous period</i>
Cost of rendered construction services	3,868,036,081,916	979,773,424,340
Cost of sale construction materials	55,395,296,891	141,818,353,822
<b>TOTAL</b>	<b>3,923,431,378,807</b>	<b>1,121,591,778,162</b>

**23. ADMINISTRATIVE EXPENSES**

	VND	
	<i>Current period</i>	<i>Previous period</i>
Labour costs	34,342,361,194	16,428,934,563
Expense for external services	15,996,577,811	5,058,239,937
Depreciation and amortisation	1,328,892,910	1,155,086,773
Other expenses	10,963,449,173	3,402,477,872
<b>TOTAL</b>	<b>62,631,281,088</b>	<b>26,044,739,145</b>

**24. OTHER INCOME AND EXPENSES**

	VND	
	<i>Current period</i>	<i>Previous period</i>
<b>Other income</b>	<b>11,877,268,952</b>	<b>7,503,461,793</b>
Reversal of warranty provision	11,099,366,482	7,039,393,282
Gains from disposal of fixed assets	49,518,096	9,090,909
Others	728,384,374	454,977,602
<b>Other expenses</b>	<b>(1,121,645,953)</b>	<b>(517,683,475)</b>
Others	(1,121,645,953)	(517,683,475)
<b>NET INCOME</b>	<b>10,755,622,999</b>	<b>6,985,778,318</b>



NOTES TO THE FINANCIAL STATEMENTS (continued)  
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## 25. CORPORATE INCOME TAX

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

The tax returns filed by the Company are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the financial statements could change at a later date upon final determination by the tax authorities.

### 25.1 CIT expense

	VND	
	Current period	Previous period
Current tax expense	46,107,552,272	9,996,498,322
Adjustment for under accrual of tax from prior periods	550,240,276	-
Deferred tax expense (income)	151,280,272	(7,474,598)
<b>TOTAL</b>	<b>46,809,072,820</b>	<b>9,989,023,724</b>

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

	VND	
	Current period	Previous period
<b>Accounting profit before tax</b>	<b>228,546,275,710</b>	<b>49,497,726,297</b>
At CIT rate of 20%	45,709,255,142	9,899,545,259
<i>Adjustments:</i>		
Adjustment for under accrual of tax from prior year	550,240,276	-
Non-deductible expenses	549,577,402	89,478,465
<b>CIT expense</b>	<b>46,809,072,820</b>	<b>9,989,023,724</b>

### 25.2 Current tax

The current tax payable is based on taxable profit for the current period. The taxable profit of the Company for the period differs from the profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
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**25. CORPORATE INCOME TAX (continued)**

**25.3 Deferred tax**

The following is the deferred tax assets recognised by the Company, and the movement thereon, during the current and previous periods:

	<i>Balance sheet</i>		<i>Income statement</i>	
	<i>31 December 2016</i>	<i>16 May 2016</i>	<i>Current period</i>	<i>Previous period</i>
<b>Deferred tax assets</b>				
Provision for severance allowance	-	151,018,765	(151,018,765)	7,208,765
Unrealised foreign exchange differences	-	261,507	(261,507)	265,833
	<u>-</u>	<u>151,280,272</u>		
<b>Deferred income tax (expense) income</b>			<u><b>(151,280,272)</b></u>	<u><b>7,474,598</b></u>

**26. TRANSACTIONS WITH RELATED PARTIES**

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

<i>Related parties</i>	<i>Relationship</i>	<i>Nature of transaction</i>	<i>Current period</i>	<i>Previous period</i>
Coteccons Construction Joint Stock Company	Parent company	Rendering of construction services	2,279,797,176,914	669,045,821,960
		Sales of construction materials	17,838,783,811	51,576,070,318
		Rental of construction equipment	6,325,046,740	1,297,797,654
		Rental of office	2,553,093,543	1,850,189,504
		Utilities	306,951,740	115,140,820
Ricons Construction Investment Joint Stock Company	Related party	Purchases of construction materials	176,897,018,783	48,152,815,258
		Sales of construction materials	28,931,334,314	8,086,573,868
		Disposal of fixed assets	1,732,319,332	-
		Rental of construction equipment	43,710,050	4,100,850

NOTES TO THE FINANCIAL STATEMENTS (continued)  
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**26. TRANSACTIONS WITH RELATED PARTIES (continued)**

The outstanding balances due from and due to related parties as at balance sheet dates were as follows:

Related party	Relationship	Transaction	VND	
			31 December 2016	16 May 2016

**Short-term trade receivables**

Coteccons Construction Joint Stock Company	Parent company	Rendering of construction services and sales of construction materials	603,230,746,375	184,540,632,915
Ricons Construction Investment Joint Stock Company	Related party	Sales of construction materials and rental of construction equipment	-	4,706,961,127
			<b>603,230,746,375</b>	<b>189,247,594,042</b>

**Short-term trade payables**

Ricons Construction Investment Joint Stock Company	Related party	Purchase of construction materials and rental of construction equipment	50,049,103,844	43,573,796,602
Coteccons Construction Joint Stock Company	Parent company	Rental of construction equipment and office	8,555,502,465	1,361,518,778
			<b>58,604,606,309</b>	<b>44,935,315,380</b>

Remuneration to members of Board of Directors, Board of Supervision and Management are as follows:

	VND	
	Current period	Previous period
Remuneration, salaries and bonus	<b>6,310,354,001</b>	<b>1,248,400,000</b>



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2016 and for the period from 16 May 2016 to 31 December 2016

## 27. OPERATING LEASE COMMITMENTS

Operating lease commitments represent committed amounts relating to office and warehouse lease under the operating lease agreement. Future rental amounts due as at the balance sheet dates are as follows:

	VND	
	31 December 2016	16 May 2016
Less than 1 year	3,138,176,362	3,219,936,000
From 1 to 5 years	141,576,271	1,876,896,000
<b>TOTAL</b>	<b>3,279,752,633</b>	<b>5,096,832,000</b>

## 28. EVENTS AFTER THE BALANCE SHEET DATE

There are no other significant events occurring after the balance sheet date which would require adjustments or disclosures to be made in the financial statements.

  
\_\_\_\_\_  
Ngo Hong Nguyen  
Preparer

  
\_\_\_\_\_  
Nguyen Thi Phuc Long  
Chief Accountant

  
\_\_\_\_\_  
Nguyen Sy Cong  
General Director

28 February 2017



