

Unicons Investment Construction Company Limited

Financial statements

31 December 2017



Unicons Investment Construction Company Limited

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Unicons Investment Construction Company Limited

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 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.

The Company's registered office is located at 5th – 6th 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 year and at the date of this report are:

Mr Nguyen Ba Duong	Chairman	
Mr Nguyen Sy Cong	Member	
Mr Tran Quang Quan	Member	
Mr Dang Hoai Nam	Member	
Mr Tran Quang Tuan	Member	resigned on 3 July 2017

BOARD OF SUPERVISION

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

Ms Ha Tieu Anh	Head of Board	
Mr Tran Van Tien	Member	resigned on 5 July 2017
Mr Vo Anh Tuan	Member	resigned on 5 July 2017

MANAGEMENT

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

Mr Tran Kim Long	General Director	appointed on 3 July 2017
Mr Nguyen Sy Cong	General Director	resigned on 3 July 2017
Mr Tran The Phuong	Deputy General Director	
Mr Le Chi Trung	Deputy General Director	

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report are:

Mr Tran Kim Long	appointed on 8 July 2017
Mr Nguyen Sy Cong	prior to 7 July 2017

AUDITORS

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

Unicons Investment Construction Company Limited

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 year ended 31 December 2017.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

Management is responsible for the financial statements of each financial year 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 year. 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 2017 and of the results of its operations and its cash flows for the year then ended 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:



Tran Kim Long
General Director

Ho Chi Minh City, Vietnam

23 March 2018

Reference: 60924548/19356223

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 23 March 2018 and set out on pages 5 to 27, which comprise the balance sheet as at 31 December 2017, and the income statement and the cash flow statement for the year then ended 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 the 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 2017, and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the financial statements.

Ernst & Young Vietnam Limited



Le Quang Minh
Deputy General Director
Audit Practicing Registration Certificate
No. 0426-2018-004-1



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

Ho Chi Minh City, Vietnam

23 March 2018

BALANCE SHEET
as at 31 December 2017

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		3,047,476,820,355	2,034,734,513,176
110	I. Cash and cash equivalents	4	180,572,993,859	209,958,856,715
111	1. Cash		20,572,993,859	49,958,856,715
112	2. Cash equivalents		160,000,000,000	160,000,000,000
120	II. Short-term investment		557,197,000,000	135,000,000,000
123	1. Held-to-maturity investments	5	557,197,000,000	135,000,000,000
130	III. Current accounts receivable		2,102,587,148,005	1,524,025,438,774
131	1. Short-term trade receivables	6	1,976,713,531,152	1,415,783,588,290
132	2. Short-term advances to suppliers	7	81,866,346,553	32,913,022,553
136	3. Other short-term receivables	8	44,007,270,300	75,584,428,811
137	4. Provision for doubtful short-term receivables	6	-	(255,600,880)
140	IV. Inventory	9	205,794,077,705	165,361,081,856
141	1. Inventories		205,794,077,705	165,361,081,856
150	V. Other current asset		1,325,600,786	389,135,831
151	1. Short-term prepaid expenses	10	1,325,600,786	389,135,831
200	B. NON-CURRENT ASSETS		212,916,083,743	201,799,926,165
210	I. Long-term receivable		-	253,976,000
216	1. Other long-term receivables		-	253,976,000
220	II. Fixed assets		127,147,570,343	108,451,270,050
221	1. Tangible fixed assets	11	114,498,155,391	96,563,019,647
222	Cost		173,289,258,218	143,278,285,979
223	Accumulated depreciation		(58,791,102,827)	(46,715,266,332)
227	2. Intangible assets	12	12,649,414,952	11,888,250,403
228	Cost		15,252,986,758	13,916,126,758
229	Accumulated amortisation		(2,603,571,806)	(2,027,876,355)
240	III. Long-term asset in progress		72,100,000	63,542,527
242	1. Construction in progress	13	72,100,000	63,542,527
260	IV. Other long-term assets		85,696,413,400	93,031,137,588
261	1. Long-term prepaid expenses	10	85,696,413,400	93,031,137,588
270	TOTAL ASSETS		3,260,392,904,098	2,236,534,439,341


BALANCE SHEET (continued)
as at 31 December 2017

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		2,205,161,842,647	1,524,362,774,985
310	I. Current liabilities		2,205,161,842,647	1,524,362,774,985
311	1. Short-term trade payables	14	1,068,094,544,063	882,351,207,758
312	2. Short-term advances from customers	15	153,951,226,689	21,028,033,105
313	3. Statutory obligations	16	163,811,100,961	78,613,173,845
315	4. Short-term accrued expenses	17	709,771,721,620	465,314,920,585
319	5. Other short-term payables	18	86,763,688,821	40,783,593,913
321	6. Short-term provision	19	11,090,711,035	24,592,996,321
322	7. Bonus and welfare fund		11,678,849,458	11,678,849,458
400	D. OWNERS' EQUITY		1,055,231,061,451	712,171,664,356
410	I. Capital	20.1	1,055,231,061,451	712,171,664,356
411	1. Contributed charter capital		94,500,000,000	94,500,000,000
414	2. Other owners' 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		705,921,863,750	362,862,466,655
421a	- Undistributed earnings by the end of prior years		345,862,466,655	181,125,263,765
421b	- Undistributed earnings of current year		360,059,397,095	181,737,202,890
440	TOTAL LIABILITIES AND OWNERS' EQUITY		3,260,392,904,098	2,236,534,439,341


 Ngo Hong Nguyen
Preparer


 Nguyen Thi Phuc Long
Chief Accountant


 Tran Kim Long
General Director

23 March 2018

INCOME STATEMENT
for the year ended 31 December 2017

VND

Code	ITEMS	Notes	Current year	For the period from 16 May 2016 to 31 December 2016
10	1. Net revenue from sale of goods and rendering of services	21.1	7,778,201,445,395	4,188,004,391,828
11	2. Cost of goods sold and services rendered	22	(7,285,873,851,333)	(3,923,431,378,807)
20	3. Gross profit from sale of goods and rendering of services		492,327,594,062	264,573,013,021
21	4. Finance income	21.2	28,715,502,167	16,427,368,076
22	5. Finance expenses		(31,745,203)	(158,876,543)
23	- In which: Interest expense		-	(153,055,556)
25	6. Selling expenses		-	(419,570,755)
26	7. General and administrative expenses	23	(105,209,403,382)	(62,631,281,088)
30	8. Operating profit		415,801,947,644	217,790,652,711
31	9. Other income	24	38,864,330,061	11,877,268,952
32	10. Other expenses	24	(3,106,917,854)	(1,121,645,953)
40	11. Other profit	24	35,757,412,207	10,755,622,999
50	12. Accounting profit before tax		451,559,359,851	228,546,275,710
51	13. Current corporate income tax expense	25.1	(91,499,962,756)	(46,657,792,548)
52	14. Deferred tax expense			(151,280,272)
60	15. Net profit after tax		360,059,397,095	181,737,202,890



Ngo Hong Nguyen
Preparer



Nguyen Thi Phuc Long
Chief Accountant



Tran Kim Long
General Director

23 March 2018

CASH FLOW STATEMENT
for the year ended 31 December 2017


VND

Code	ITEMS	Notes	Current year	For the period from 16 May 2016 to 31 December 2016
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit before tax		451,559,359,851	228,546,275,710
	<i>Adjustments for:</i>			
02	Depreciation and amortisation of fixed assets	11, 12	17,141,451,484	9,421,991,202
03	Reversal of provisions		(13,757,886,166)	(16,477,860,121)
04	Foreign exchange gains arising from revaluation of monetary accounts denominated in foreign currency		98,129	(12,022,850)
05	Profit from investing activities		(28,975,022,958)	(16,382,729,227)
06	Interest expense		-	153,055,556
08	Operating profit before changes in working capital		425,968,000,340	205,248,710,270
09	Increase in receivables		(693,281,811,778)	(1,005,494,467,392)
10	(Increase) decrease in inventories		(40,432,995,849)	217,710,893,714
11	Increase in payables		805,686,896,224	592,835,610,260
12	Decrease (increase) in prepaid expenses		6,398,259,233	(18,106,499,425)
14	Interest paid		-	(153,055,556)
15	Corporate income tax paid	16	(81,518,218,388)	(27,045,492,711)
17	Other cash outflows for operating activities		(17,000,000,000)	-
20	Net cash flows from (used in) operating activities		405,820,129,782	(35,004,300,840)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase of fixed assets		(31,356,389,712)	(25,429,548,110)
22	Proceeds from disposals of fixed assets		2,452,401,384	1,732,319,332
23	Investments in term deposits		(422,197,000,000)	-
24	Proceeds from divestments term deposits		-	83,100,000,000
27	Interest received		15,895,456,202	20,559,594,464
30	Net cash flows (used in) from investing activities		(435,205,532,126)	79,962,365,686
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings		-	50,000,000,000
34	Repayment of borrowings		-	(50,000,000,000)
40	Net cash flows from financing activities		-	-


CASH FLOW STATEMENT (continued)
for the year ended 31 December 2017

VND

Code	ITEMS	Notes	Current year	For the period from 16 May 2016 to 31 December 2016
50	Net (decrease) increase in cash and cash equivalents		(29,385,402,344)	44,958,064,846
60	Cash and cash equivalents at beginning of year		209,958,856,715	164,993,095,065
61	Impact of exchange rate fluctuation		(460,512)	7,696,804
70	Cash and cash equivalents at end of year	4	180,572,993,859	209,958,856,715


 Ngo Hong Nguyen
Preparer


 Nguyen Thi Phuc Long
Chief Accountant


 Tran Kim Long
General Director

23 March 2018

NOTES TO THE FINANCIAL STATEMENTS
as at and for the year ended 31 December 2017

1. CORPORATE INFORMATION

Unicons Investment Construction Company Limited ("the Company") is 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.

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

The Company's registered office is located at 5th - 6th 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 2017 was 1,053 (31 December 2016: 834).

2. BASIS OF PREPARATION

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

Accordingly, the accompanying 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.

2.2 Applied accounting documentation system

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

2.3 Fiscal year

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

2.4 Accounting currency

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2017

2. BASIS OF PREPARATION (continued)

2.5 Comparative information

The Company was officially transformed from a shareholding company into a one-member limited liability company from 16 May 2016, the Company's first 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 16 May 2016 to 31 December 2016 and the related notes thereto are presented for information purposes and are not comparable with the current year's figures.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 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.

3.2 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.

3.3 Inventories

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

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

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

- | | | |
|------------------------------|---|---|
| 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 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.

3.5 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, of which the land lease contracts have effectiveness prior to 2003 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.

3.6 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

3.7 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 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.

3.9 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 0.3% on value of projects.

3.10 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 year, 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 year and arising from the revaluation of monetary accounts denominated in foreign currency at year-end are taken to the income statement.

3.11 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 encouraging, common benefits and improvement of the employees' benefits, and presented as a liability on the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Revenue recognition

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

Construction contracts

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

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.

Interest

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

3.13 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior years 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 and for the year ended 31 December 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 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 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 year 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.

3.14 Related parties

Parties are considered to be related parties of the Company if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Company and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of the family of any such individual.

4. CASH AND CASH EQUIVALENTS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	101,003,603	223,934,350
Cash at banks	20,471,990,256	49,734,922,365
Cash equivalents (*)	160,000,000,000	160,000,000,000
TOTAL	180,572,993,859	209,958,856,715

(*) Cash equivalents represent deposits at commercial banks with original maturity of less than three (3) months and earn interest at the rates ranging from 4.6% 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 6% to 7.6% per annum.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2017**6. SHORT-TERM TRADE RECEIVABLES**

		VND
	Ending balance	Beginning balance
Other parties	1,601,393,751,019	812,552,841,915
- Thao Dien Investment JSC	558,658,064,305	82,360,371,796
- Dai Quang Minh Real Estate Investment JSC	428,037,986,165	202,310,456,395
- Vietnam TCO Investment JSC	87,797,200,785	198,777,782,474
- Other customers	526,900,499,764	329,104,231,250
Related parties (Note 26)	375,319,780,133	603,230,746,375
TOTAL	1,976,713,531,152	1,415,783,588,290
Provision for doubtful short-term receivables	-	(255,600,880)
NET	1,976,713,531,152	1,415,527,987,410

Movements of provision for doubtful short-term receivables:

		VND
	Current year	For the period from 16 May 2016 to 31 December 2016
Beginning balance	255,600,880	546,245,458
Less: Write-off during the year	(255,600,880)	(290,644,578)
Ending balance	-	255,600,880

7. SHORT-TERM ADVANCES TO SUPPLIERS

		VND
	Ending balance	Beginning balance
Ha Do 45 Joint Stock Company	19,713,366,300	-
Eurowindow Joint Stock Company	6,023,912,765	165,194,687
Sado Group Joint Stock Company	3,405,502,777	3,706,344,991
Other suppliers	52,723,564,711	29,041,482,875
TOTAL	81,866,346,553	32,913,022,553

8. OTHER SHORT-TERM RECEIVABLES

		VND
	Ending balance	Beginning balance
Advances to construction team and employees	26,290,757,480	72,299,638,385
Interest receivables	15,701,778,611	2,946,027,777
Others	2,014,734,209	338,762,649
TOTAL	44,007,270,300	75,584,428,811

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2017

9. INVENTORIES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Construction works in process (*)	<u>205,794,077,705</u>	<u>165,361,081,856</u>

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

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Vinhomes Riverside 2	44,400,776,940	-
A&B Central Square	26,255,484,462	-
Vincom Tay Ninh	26,147,448,911	-
Vinhomes Bac Ninh	22,788,552,978	-
Ha Do Centrosa Garden	21,843,271,881	-
Ha Long Ocean Park Plaza	18,157,687,270	-
Scenia Nha Trang Bay	16,704,318,259	-
Park City - Sector 2	-	52,753,019,851
Preche Project	5,440,545,945	45,509,164,926
Sarica Dai Quang Minh	-	18,693,791,585
Far Eastern - Binh Phuoc	-	17,733,149,256
Tan Kieng High-rise Building	-	10,059,867,318
Vinasoy - Binh Duong	-	5,414,002,615
Five Star Garden Apartment	-	2,692,929,346
Others	<u>24,055,991,059</u>	<u>12,505,156,959</u>
TOTAL	<u>205,794,077,705</u>	<u>165,361,081,856</u>

10. PREPAID EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Constructions tools and supplies	1,271,949,173	389,135,831
Others	<u>53,651,613</u>	<u>-</u>
	<u>1,325,600,786</u>	<u>389,135,831</u>
Long-term		
Constructions tools and supplies	76,396,512,103	89,596,760,497
Others	<u>9,299,901,297</u>	<u>3,434,377,091</u>
	<u>85,696,413,400</u>	<u>93,031,137,588</u>
TOTAL	<u>87,022,014,186</u>	<u>93,420,273,419</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2017

11. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Others	Total	VND
Cost:							
Beginning balance	32,158,967,734	93,712,187,009	10,509,810,722	3,847,604,223	3,049,716,291	143,278,285,979	
New purchases	-	28,392,232,319	6,524,388,034	1,712,856,886	-	36,629,477,239	
Disposal	-	-	(6,618,505,000)	-	-	(6,618,505,000)	
Ending balance	32,158,967,734	122,104,419,328	10,415,693,756	5,560,461,109	3,049,716,291	173,289,258,218	
<i>In which:</i>							
Fully depreciated	7,848,028,165	10,669,731,949	1,698,028,450	2,675,557,405	3,018,852,655	25,910,198,624	
Accumulated depreciation:							
Beginning balance	(8,381,203,702)	(25,754,275,722)	(6,536,740,570)	(3,013,241,680)	(3,029,804,658)	(46,715,266,332)	
Depreciation for the year	(1,264,100,220)	(13,655,755,414)	(1,049,410,643)	(588,773,852)	(7,715,904)	(16,565,756,033)	
Disposal	-	-	4,489,919,538	-	-	4,489,919,538	
Ending balance	(9,645,303,922)	(39,410,031,136)	(3,096,231,675)	(3,602,015,532)	(3,037,520,562)	(58,791,102,827)	
Net carrying amount:							
Beginning balance	23,777,764,032	67,957,911,287	3,973,070,152	834,362,543	19,911,633	96,563,019,647	
Ending balance	22,513,663,812	82,694,388,192	7,319,462,081	1,958,445,577	12,195,729	114,498,155,391	

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2017

12. INTANGIBLE ASSETS

	<i>Land use rights Computer software</i>		VND <i>Total</i>
Cost:			
Beginning balance	13,342,681,128	573,445,630	13,916,126,758
New purchases	-	1,336,860,000	1,336,860,000
Ending balance	13,342,681,128	1,910,305,630	15,252,986,758
<i>In which:</i>			
<i>Fully amortised</i>	-	294,195,630	294,195,630
Accumulated amortisation:			
Beginning balance	(1,712,737,232)	(315,139,123)	(2,027,876,355)
Amortisation for the year	(266,853,624)	(308,841,827)	(575,695,451)
Ending balance	(1,979,590,856)	(623,980,950)	(2,603,571,806)
Net carrying amount:			
Beginning balance	11,629,943,896	258,306,507	11,888,250,403
Ending balance	11,363,090,272	1,286,324,680	12,649,414,952

13. CONSTRUCTION IN PROGRESS

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

14. SHORT-TERM TRADE PAYABLES

	<i>Ending balance Beginning balance</i>		VND
Other parties	1,005,526,665,979	823,746,601,449	
- <i>Vincommerce General Commercial Services Joint Stock Company</i>	100,870,756,380	56,120,728,720	
- <i>Bac Hai Viet Nam Joint Stock Company</i>	79,244,002,301	29,182,644,953	
- <i>Pomina Steel Co., Ltd</i>	17,681,376,950	63,761,669,840	
- <i>Other suppliers</i>	807,730,530,348	674,681,557,936	
Related parties (Note 26)	62,567,878,084	58,604,606,309	
TOTAL	1,068,094,544,063	882,351,207,758	

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2017

15. SHORT-TERM ADVANCES FROM CUSTOMERS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Tetra Pak Joint Stock Company	69,322,694,724	-
Vincom 1 Construction Managing Co., Ltd	18,371,925,587	8,786,398,431
Dragon Bay Joint Stock Company	-	10,000,000,000
Other customers	66,256,606,378	2,241,634,674
TOTAL	153,951,226,689	21,028,033,105

16. STATUTORY OBLIGATIONS

	VND			
	<i>Beginning balance</i>	<i>Increase in year</i>	<i>Decrease in year</i>	<i>Ending balance</i>
Corporate income tax	24,296,032,123	91,499,962,756	(81,518,218,388)	34,277,776,491
Value-added tax	47,370,254,608	211,607,542,712	(142,352,938,551)	116,624,858,769
Personal income tax	6,946,887,114	35,717,745,446	(29,756,166,859)	12,908,465,701
Others	-	1,809,049,857	(1,809,049,857)	-
TOTAL	78,613,173,845	340,634,300,771	(255,436,373,655)	163,811,100,961

17. SHORT-TERM ACCRUED EXPENSES

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

18. OTHER SHORT-TERM PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Payable to construction teams	83,171,446,419	39,948,765,237
Others	3,592,242,402	834,828,676
TOTAL	86,763,688,821	40,783,593,913

19. PROVISIONS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Construction warranty	11,090,711,035	24,592,996,321

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2017

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
For the period from 16 May 2016 to 31 December 2016					
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
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
Current year					
Beginning balance	94,500,000,000	89,996,634,545	164,812,563,156	362,862,466,655	712,171,664,356
Net profit for the year	-	-	-	360,059,397,095	360,059,397,095
Bonus and welfare fund	-	-	-	(17,000,000,000)	(17,000,000,000)
Ending balance	94,500,000,000	89,996,634,545	164,812,563,156	705,921,863,750	1,055,231,061,451

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2017

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 year	Previous year
Contributed share capital		
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 year	For the period from 16 May 2016 to 31 December 2016
Revenue from rendering of construction services (*)	7,778,201,445,395	4,132,213,112,183
Revenue from sale of construction materials	-	55,791,279,645
TOTAL	7,778,201,445,395	4,188,004,391,828
<i>In which:</i>		
Sales to other parties	5,624,917,093,015	1,861,437,096,789
Sales to related parties (Note 26)	2,153,284,352,380	2,326,567,295,039

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

	VND	
	Current year	For the period from 16 May 2016 to 31 December 2016
Revenue from the on-going construction contracts recognised during the year	6,975,578,030,973	4,044,402,470,702
Revenue from the completed construction contracts recognised during the year	802,623,414,422	87,810,641,481
TOTAL	7,778,201,445,395	4,132,213,112,183

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2017

21. REVENUES (continued)

21.2 Finance income

		VND
		For the period from 16 May 2016 to 31 December 2016
	Current year	
Interest income	28,651,207,036	16,333,211,131
Foreign exchange gains	64,295,131	94,156,945
TOTAL	28,715,502,167	16,427,368,076

22. COST OF SERVICES RENDERED

		VND
		For the period from 16 May 2016 to 31 December 2016
	Current year	
Cost of rendered construction services	7,285,873,851,333	3,868,036,081,916
Cost of sale construction materials	-	55,395,296,891
TOTAL	7,285,873,851,333	3,923,431,378,807

23. ADMINISTRATIVE EXPENSES

		VND
		For the period from 16 May 2016 to 31 December 2016
	Current year	
Labour costs	68,253,679,858	34,342,361,194
Expense for external services	14,697,343,590	15,996,577,811
Depreciation and amortisation	2,338,212,004	1,328,892,910
Other expenses	19,920,167,930	10,963,449,173
TOTAL	105,209,403,382	62,631,281,088

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2017

24. OTHER INCOME AND EXPENSES

		VND
		For the period from 16 May 2016 to
	Current year	31 December 2016
Other income	38,864,330,061	11,877,268,952
Reversal of warranty provision	20,574,298,132	11,099,366,482
Reversal of over accrued expenses	15,894,999,901	-
Utilities income	1,543,214,269	-
Gain from disposal of fixed assets	289,575,922	49,518,096
Others	562,241,837	728,384,374
Other expenses	(3,106,917,854)	(1,121,645,953)
Warranty expense	(1,315,344,666)	(549,431,610)
Others	(1,791,573,188)	(572,214,343)
NET INCOME	35,757,412,207	10,755,622,999

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
		For the period from 16 May 2016 to
	Current year	31 December 2016
Current tax expense	90,842,636,105	46,107,552,272
Adjustment for under accrual of tax from prior years	657,326,651	550,240,276
Deferred tax expense	-	151,280,272
TOTAL	91,499,962,756	46,809,072,820

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2017

25. CORPORATE INCOME TAX (continued)

25.1 CIT expense (continued)

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

		VND
		For the period from 16 May 2016 to 31 December 2016
	Current year	
Accounting profit before tax	451,559,359,851	228,546,275,710
At CIT rate of 20%	90,311,871,970	45,709,255,142
<i>Adjustments:</i>		
Adjustment for under accrual of tax from prior year	657,326,651	550,240,276
Non-deductible expenses	530,764,135	549,577,402
CIT expense	91,499,962,756	46,809,072,820

25.2 Current tax

The current tax payable is based on taxable profit for the current year. 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 years 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.

26. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties during the current year and for the period from 16 May 2016 to 31 December 2016 were as follows:

			VND
			For the period from 16 May 2016 to 31 December 2016
Related parties	Relationship	Nature of transaction	Current year
Coteccons Construction Joint Stock Company	Parent company	Rendering of construction services	2,153,284,352,380
		Rental of construction equipment	5,334,215,925
		Rental of office	4,155,256,015
		Sales of construction materials	-
			2,279,797,176,914
Ricons Construction Investment Joint Stock Company	Related party	Purchases of construction materials	287,912,603,146
		Equipment rental income	323,539,100
		Equipment rental expenses	253,220,560
		Sales of construction materials	-
			176,897,018,783
			43,710,050
			28,931,334,314

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2017

26. TRANSACTIONS WITH RELATED PARTIES (continued)

Amount due to and due from related parties at balance sheet dates were as follows:

			VND	
<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term trade receivables				
Coteccons Construction Joint Stock Company	Parent company	Rendering of construction services	375,203,896,717	603,230,746,375
Ricons Construction Investment Joint Stock Company	Related party	Rendering of construction services	115,883,416	-
			375,319,780,133	603,230,746,375
Short-term trade payables				
Coteccons Construction Joint Stock Company	Parent company	Purchase of construction materials and rental of construction equipment	10,124,837,987	8,555,502,465
Ricons Construction Investment Joint Stock Company	Related party	Purchase of construction materials and rental of construction equipment	52,443,040,097	50,049,103,844
			62,567,878,084	58,604,606,309

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	
		<i>Ending balance</i>	<i>Beginning balance</i>
Less than 1 year		3,717,959,891	3,138,176,362
From 1 to 5 years		6,599,180,700	141,576,271
TOTAL		10,317,140,591	3,279,752,633

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2017

28. EVENTS AFTER THE BALANCE SHEET DATE

There are no 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 Phue Long
Chief Accountant




Tran Kim Long
General Director



23 March 2018