



**BAKER TILLY
A&C**

**CÔNG TY TNHH KIỂM TOÁN VÀ TƯ VẤN A&C
A&C AUDITING AND CONSULTING CO., LTD.**



**INTERIM FINANCIAL STATEMENTS
FOR THE FIRST 6 MONTHS OF THE FISCAL YEAR
ENDING 31 DECEMBER 2014**

**CONSTRUCTION INVESTMENT
CORPORATION 3-2**

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REPORT OF THE BOARD OF MANAGEMENT

The Board of Management of Construction Investment Corporation 3-2 ('the company') presents this report together with the reviewed interim financial statements for the first 6 months of the fiscal year ending 31 December 2014.

Business highlights

Construction Investment Corporation 3-2 is a joint stock company which was formed by equitizing the former State-owned Construction Investment Company 3-2 in line with the Decision No. 1214/QĐ-UBND dated 21 April 2008 of the People's Committee of Binh Duong Province. The company has been operating under the business registration certificate No. 3700146225, which was registered for the first time on 24 December 2008 and amended for the 6th time on 19 October 2012, granted by the Service of Planning and Investment of Binh Duong Province.

On 30 November 2012, the company's stocks were officially listed at Ho Chi Minh City Stock Exchange in accordance with the Decision No. 134/2012/QĐ-SGDHCM dated 06 September 2012 of Ho Chi Minh Stock Exchange under code of C32.

Charter capital as in the business registration certificate:

	Amount (VND)	Rate (%)
Shareholders		
Protrade Corporation	57.120.000.000	51,00
Others	54.880.000.000	49,00
Total	112.000.000.000	100,00

Head office

Address : 45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Town, Binh Duong Province

Tel. : (84-650) 3.759.446

Fax : (84-650) 3.755.605

Website : www.cic32.com

Tax code : 3700146225

Affiliates:

Affiliates	Address
Branch of Construction Investment Corporation 3-2 Mechanic and Concrete Workshop	No. 5/138 Binh Duong Avenue, Hoa Lan 1 Quarter, Thuan Giao Ward, Thuan An Town, Binh Duong Province
Branch of Construction Investment Corporation 3-2 Real estate transaction floor	45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Town, Binh Duong Province
Branch of Construction Investment Corporation 3-2 Construction and Installation Workshop	9C Nguyen Van Tiet Street, Dong Tu Quarter, Lai Thieu Ward, Thuan An Town, Binh Duong Province
Branch of Construction Investment Corporation 3-2 Construction Stone Workshop	635/1A Highway 1K, Tan An Quarter, Tan Dong Hiep Ward, Di An Town, Binh Duong Province

Main operations of the company as in the business registration certificate are:

- Building public utility works;
- Growing bulbs with starch content;
- Growing fruit trees;
- Growing plants or crops to obtain fruit containing oil;



CONSTRUCTION INVESTMENT CORPORATION 3-2
REPORT OF THE BOARD OF MANAGEMENT (cont.)

- Growing cashew nuts;
- Growing rubber plantations;
- Planting and raising forests;
- Destroying and dismantling;
- Draining and treating sewage;
- Installing industrial machinery and equipment;
- Leasing construction machines and equipment;
- Growing other perennial plants or crops;
- Exploiting wood;
- Exploiting forest produce other than wood;
- Building houses of all types;
- Wholesale of machines, equipment and spare parts for ore-mining and construction;
- Wholesale of machines, equipment, electricity materials (generators, electric motors, electric wire and other devices used in electricity circuits);
- Wholesale of construction materials, installing equipment;
- Wholesale of iron, steel;
- Doing business in real-estate, land use rights of owner, users or leased land; doing business in real-estate;
- Consultancy, brokerage, real-estate auction, land use right auction;
- Growing rice;
- Growing corn and other seed cereals;
- Growing plants or crops with oil seeds or nuts containing oil;
- Building highways;
- Preparing construction sites;
- Installing water supply and drainage, radiator and air-conditioning systems;
- Completing construction works;
- Producing concrete and products from cement and gypsum;
- Producing beds, wardrobes, tables, chairs;
- Wholesale of computers, peripheral devices and software;
- Transporting cargo by road;
- Loading goods on roads;
- Leasing motor vehicle;
- Growing vegetables, fruit, flowers and ornamental flowers;
- Constructing irrigation works; installing low voltage electricity grids and stations of under 35 KV; installing lighting systems; Constructing water supply and drainage, radiator and air-conditioning systems; installing devices: security, alarm, fire preventing and fighting system, lightning arrester for construction works; mining stone, sand, pebbles and clay; processing stone; manufacturing bricks, tiles (in line with the Decision No. 15/2000/QĐ-BXD dated 24 July 2000 of the Ministry of Construction); forging, stamping, pressing and laminating metal; refining metal powder (not operating at the head office); processing mechanical products (except for plating); acting as an agent for trading and depositing goods, providing intermediary services, auctioning assets; engine fuel (not placing the petrol station at the head office); trading telecommunication equipment, audiovisual equipment; warehouse activities; investing and doing business in road and bridge transport, bridge and ferry waterway transport, road transport; contributing capital, buying shares; providing construction consultancy services (except for designing construction works).

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CONSTRUCTION INVESTMENT CORPORATION 3-2
REPORT OF THE BOARD OF MANAGEMENT (cont.)

Significant effects on the company's operations

Both the company's revenue and profit in the first 6 months of the year 2014 have significantly increased in comparison with those of the same period last year mainly due to the enhancement of its construction materials trading and construction activities.

Financial position and financial performance

The financial position as of 30 June 2014, the financial performance, and the cash flows for the first 6 months of the fiscal year ending 31 December 2014 of the company have been expressed in the interim financial statements attached to this report (from page 07 to page 37).

During the period, the company has distributed its profit of the year 2013 in line with the Resolution dated 25 April 2014 of the Shareholders' Council as follows:

	Amount (VND)
- Dividends distribution of 2013 (24% of charter capital)	26.880.000.000
- Extraction for business promotion fund (20% of profit after tax)	13.323.564.390
- Extraction for financial reserved fund (05% of profit after tax)	3.330.891.097
- Extraction for bonus and welfare funds (05% of profit after tax)	3.330.891.097
- Extraction for bonus fund for the Executive Officers (02% of profit after tax)	1.332.356.440

Subsequent events

The Board of Management of the company hereby confirms that there have been no events from 30 June 2014 to the date of this report, which need any adjustments on the figures or the disclosures in the interim financial statements.

The Board of Management and the Executive Officers

The Board of Management and the Executive Officers of the company during the period and as of the date of this report include:

The Board of Management

Full names	Position	Appointing date	Resigning date
Mr. Vo Van Lanh	Chairman	25 April 2014	-
Mr. Nguyen Thanh Xuan	Vice Chairman	11 December 2008	25 April 2014
Mr. Mai Tien Trung	Member	02 July 2011	25 April 2014
Mr. Nguyen The Phi	Member	25 April 2014	-
Mr. Nguyen The Su	Member	25 April 2014	-
Mr. Huynh Huu Hung	Member	25 April 2014	-
Mr. Phan Thanh Duc	Member	25 April 2014	-

The Control Board

Full names	Position	Appointing date	Resigning date
Mr. Van Hoang Tung	Head of the Board	25 April 2014	-
Mr. Bui Minh Hai	Member	11 December 2008	25 April 2014
Mr. Huynh Huu Hung	Member	07 May 2012	25 April 2014
Mr. Nguyen Luong Tam	Member	25 April 2014	-
Mr. Ly Thanh Chau	Member	25 April 2014	-

The General Directors

Full names	Position	Appointing date	Resigning date
Mr. Vo Van Lanh	General Director	11 December 2008	-
Mr. Nguyen Thanh Xuan	Deputy General Director	02 January 2009	25 April 2014
Mr. Tran Van Binh	Deputy General Director	25 April 2014	-

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Auditors

A&C Auditing and Consulting Co., Ltd. has been appointed to perform the review on the company's interim financial statements for the first 6 months of the fiscal year ending 31 December 2014.

Responsibilities of the Directors

The Directors of the company are responsible for the preparation of the financial statements to give a true and fair view of the financial position, the financial performance, and the cash flows of the company. In order to prepare these interim financial statements, the Directors must:

- select the appropriate accounting policies and apply them consistently;
- make judgments and estimates prudently;
- state clearly whether the accounting standards applied to the company are followed or not, and all the material differences from these standards are disclosed and explained in the interim financial statements;
- prepare the interim financial statements of the company on the basis of the going-concern assumption, except for the cases that the going-concern assumption is considered inappropriate; and
- design and implement effectively the internal control system in order to ensure that the preparation and presentation of the interim financial statements are free from material misstatements due to frauds or errors.

The Directors hereby ensure that all the requirements mentioned above have been followed when the interim financial statements are prepared, that all the accounting books of the company have been fully recorded and can fairly reflect the financial position of the company at any time, and that all the interim financial statements have been prepared in compliance with the prevailing Vietnamese accounting system and standards, which were issued together with the Decision No. 15/2006/QĐ-BTC dated 20 March 2006 of the Minister of Finance and the Circulars guiding the implementation of the accounting system and standards of the Ministry of Finance.

The Directors are also responsible for protecting the assets of the company, and consequently have taken appropriate measures to prevent and to detect frauds and other irregularities.

Approval on the financial statements

The Board of Management of the company has already approved the accompanying interim financial statements. These interim financial statements have given a true and fair view of the financial position as of 30 June 2014, the financial performance and the cash flows for the first 6 months of the fiscal year ending 31 December 2014 of Construction Investment Corporation 3-2 in compliance with the prevailing Vietnamese accounting standards and system, which were issued together with the Decision No. 15/2006/QĐ-BTC dated 20 March 2006 of the Minister of Finance and other Circulars giving guidance on the application of the accounting system and standards of the Ministry of Finance.

For and on behalf of the Board of Management,



Vo Van Lanh
Chairman

Date: 12 August 2014





**BAKER TILLY
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Branch in Can Tho : 162C/4 Tran Ngoc Que St., Can Tho City
www.a-c.com.vn

No. 0666/2014/BCTC-KTTV

AUDITOR'S REPORT
ON THE REVIEW OF INTERIM FINANCIAL STATEMENTS
FOR THE FIRST 6 MONTHS OF THE FISCAL YEAR ENDING 31 DECEMBER 2014
OF CONSTRUCTION INVESTMENT CORPORATION 3-2

THE SHAREHOLDERS, THE BOARD OF MANAGEMENT AND THE DIRECTORS OF CONSTRUCTION INVESTMENT CORPORATION 3-2

We have reviewed the accompanying interim financial statements for the first 6 months of the fiscal year ending 31 December 2014 of Construction Investment Corporation 3-2, including the interim balance sheet as of 30 June 2014, the interim income statement, the interim cash flow statement and the notes to the interim financial statements for the first 6 months of the fiscal year ending 31 December 2014, which were prepared on 21 July 2014 (from page 07 to page 37).

The preparation and the presentation of these interim financial statements are the responsibility of the Directors of the company. Our responsibility is to express an opinion on these interim financial statements based on our review.

We have conducted the review on the accompanying interim financial statements in accordance with the Vietnamese Auditing Standards on financial statement reviews. These standards require that we plan and perform the review procedures to obtain a reasonable assurance that the interim financial statements are free from material mistakes. The review is developed on the bases of our discussions with responsible staff of the company and applying our analytical procedures on the financial information obtained. Consequently, this review provides less assurance than a final audit. We have not performed an audit, so we do not express any audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements have not been truly and fairly presented, in all material respects, in conformity with the prevailing Vietnamese accounting system and standards as well as other related regulations.

This report is made in two languages (Vietnamese and English), both of equal validity. The Vietnamese version is the original for reference when needed.

For and on behalf of
A&C Auditing and Consulting Co., Ltd.



Ly Quoc Trung - Deputy General Director
Audit Practice Registration Certificate No. 0099-2013-008-1

Nguyen Thi Phuoc Tien-Auditor
Audit Practice Registration Certificate No. 1199-2013-008-1

Ho Chi Minh City, 12 August 2014



CONSTRUCTION INVESTMENT CORPORATION 3-2

Address: 45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Town, Binh Duong Province

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2014

INTERIM BALANCE SHEET

(Full form)

As of 30 June 2014

Unit: VND

ASSETS	Code	Note	Ending balance	Beginning balance
A - CURRENT ASSETS	100		232.647.237.546	237.449.812.857
I. Cash and cash equivalents	110	V.1	4.337.109.369	38.118.698.848
1. Cash	111		1.337.109.369	2.601.438.574
2. Cash equivalents	112		3.000.000.000	35.517.260.274
II. Short-term investments	120		64.000.000.000	34.800.000.000
1. Short-term investments	121	V.2	64.000.000.000	34.800.000.000
2. Provisions for devaluation of short-term investments	129		-	-
III. Short-term accounts receivable	130		80.929.366.471	85.692.511.019
1. Receivable from customers	131	V.3	72.366.738.170	79.471.919.434
2. Prepayments to suppliers	132	V.4	867.010.869	2.187.641.221
3. Short-term inter-company receivable	133		-	-
4. Receivable according to the progress of construction contracts	134		-	-
5. Other receivable	135	V.5	9.205.791.837	5.264.257.400
6. Provisions for bad debts	139	V.6	(1.510.174.405)	(1.231.307.036)
IV. Inventories	140		67.594.019.200	65.846.011.944
1. Inventories	141	V.7	67.741.999.748	65.999.022.205
2. Provisions for devaluation of inventories	149	V.8	(147.980.548)	(153.010.261)
V. Other current assets	150		15.786.742.506	12.992.591.046
1. Short-term prepaid expenses	151		-	-
2. VAT to be deducted	152		-	-
3. Taxes and other accounts receivable from the State	154		-	-
4. Trading Government bonds	157		-	-
4. Other current assets	158	V.9	15.786.742.506	12.992.591.046

This statement should be read in conjunction with the notes to the interim financial statements

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CONSTRUCTION INVESTMENT CORPORATION 3-2

Address: 45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Town, Binh Duong Province

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2014

Interim balance sheet (cont.)

ASSETS	Code	Note	Ending balance	Beginning balance
B - LONG-TERM ASSETS	200		93.557.388.546	92.668.414.859
I. Long-term accounts receivable	210		-	-
1. Long-term accounts receivable from customers	211		-	-
2. Working capital in affiliates	212		-	-
3. Long-term inter-company receivable	213		-	-
4. Other long-term receivable	218		-	-
5. Provisions for bad debts	219		-	-
II. Fixed assets	220		88.184.456.297	91.166.985.803
1. Tangible assets	221	V.10	39.494.557.040	42.063.471.672
<i>Historical costs</i>	222		95.622.052.525	98.683.660.880
<i>Accumulated depreciation</i>	223		(56.127.495.485)	(56.620.189.208)
2. Financial leasehold assets	224		-	-
<i>Historical costs</i>	225		-	-
<i>Accumulated depreciation</i>	226		-	-
3. Intangible assets	227	V.11	48.343.539.640	48.927.379.870
<i>Initial costs</i>	228		78.805.887.427	78.805.887.427
<i>Accumulated amortization</i>	229		(30.462.347.787)	(29.878.507.557)
4. Construction-in-progress	230	V.12	346.359.617	176.134.261
III. Investment property	240		-	-
Historical costs	241		-	-
Accumulated depreciation	242		-	-
IV. Long-term investments	250		200.887.800	200.887.800
1. Investments in affiliates	251		-	-
2. Investments in business concerns and joint ventures	252		-	-
3. Other long-term investments	258	V.13	200.887.800	200.887.800
4. Provisions for devaluation of long-term investments	259		-	-
V. Other long-term assets	260		5.172.044.449	1.300.541.256
1. Long-term prepaid expenses	261	V.14	5.172.044.449	1.300.541.256
2. Deferred income tax assets	262		-	-
3. Other long-term assets	268		-	-
TOTAL ASSETS	270		326.204.626.092	330.118.227.716

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This statement should be read in conjunction with the notes to the interim financial statements

CONSTRUCTION INVESTMENT CORPORATION 3-2

Address: 45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Town, Binh Duong Province

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2014

Interim balance sheet (cont.)

LIABILITIES AND OWNER'S EQUITY	Code	Note	Ending balance	Beginning balance
A - LIABILITIES	300		90.696.999.431	110.128.827.641
I. Current liabilities	310		90.696.999.431	110.128.827.641
1. Short-term debts and loans	311	V.15	14.686.949.203	28.000.000.000
2. Payable to suppliers	312	V.16	18.639.112.870	16.587.945.684
3. Advances from customers	313	V.17	6.949.019.841	3.889.480.944
4. Taxes and other obligations to the State Budget	314	V.18	23.042.341.149	22.580.550.663
5. Payable to employees	315	V.19	3.197.426.616	8.871.165.055
6. Accrued expenses	316	V.20	11.195.557.857	17.120.152.869
7. Inter-company payable	317		-	-
8. Payable according to the progress of construction contracts	318		-	-
9. Other payable	319	V.21	6.131.042.558	6.428.134.501
10. Provisions for short-term accounts payable	320	V.22	774.400.484	910.267.928
11. Bonus and welfare fund	323	V.23	6.081.148.853	5.741.129.997
12. Trading Government bonds	327		-	-
II. Long-term liabilities	330		-	-
1. Long-term accounts payable to suppliers	331		-	-
2. Long-term inter-company payable	332		-	-
3. Other long-term payable	333		-	-
4. Long-term debts and loans	334		-	-
5. Deferred income tax payable	335		-	-
6. Provisions for unemployment allowances	336		-	-
7. Provisions for long-term accounts payable	337		-	-
8. Unrealized revenue	338		-	-
9. Science and technology development fund	339		-	-
B - OWNER'S EQUITY	400		235.507.626.661	219.989.400.075
I. Owner's equity	410		235.507.626.661	219.989.400.075
1. Capital	411	V.24	112.000.000.000	112.000.000.000
2. Share premiums	412		-	-
3. Other sources of capital	413		-	-
4. Treasury stocks	414		-	-
5. Differences on asset revaluation	415		-	-
6. Foreign exchange differences	416		-	-
7. Business promotion fund	417	V.24	43.917.892.930	30.594.328.540
8. Financial reserved fund	418	V.24	11.871.891.448	8.541.000.351
9. Other funds	419		-	-
10. Retained earnings	420	V.24	67.717.842.283	68.854.071.184
11. Construction investment fund	421		-	-
12. Business arrangement supporting fund	422		-	-
II. Other sources and funds	430		-	-
1. Sources of expenditure	432		-	-
2. Fund to form fixed assets	433		-	-
TOTAL LIABILITIES AND OWNER'S EQUITY	440		326.204.626.092	330.118.227.716

This statement should be read in conjunction with the notes to the interim financial statements

CONSTRUCTION INVESTMENT CORPORATION 3-2

Address: 45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Town, Binh Duong Province

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2014

Interim balance sheet (cont.)

OFF-BALANCE SHEET ITEMS

ITEMS	Note	Ending balance	Beginning balance
1. Leasehold assets		-	-
2. Materials and goods kept or processed for others		-	-
3. Goods deposited by others		-	-
4. Bad debts already treated		735.217.883	735.217.883
5. Foreign currencies		-	-
6. Estimates for non-business and project expenditure		-	-

Binh Duong, 21 July 2014



Do Viet Cuong
Preparer



Nguyen Xuan Hieu
Chief Accountant



Vo Van Lanh
General Director

CONSTRUCTION INVESTMENT CORPORATION 3-2

Address: 45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Town, Binh Duong Province

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2014

INTERIM INCOME STATEMENT

(Full form)

For the first 6 months of the fiscal year ending 31 December 2014

Unit: VND

ITEMS	Code	Note	Accumulated from the beginning of the year	
			Current year	Previous year
1. Sales	01	VI.1	203.513.509.329	155.349.449.349
2. Deductions	02	VI.1	-	-
3. Net sales	10	VI.1	203.513.509.329	155.349.449.349
4. Costs of goods sold	11	VI.2	152.634.165.706	110.076.693.027
5. Gross profit	20		50.879.343.623	45.272.756.322
6. Financial income	21	VI.3	2.377.179.805	1.364.909.790
7. Financial expenses	22		475.579.290	1.659.933.332
In which: Loan interest expenses	23		475.579.290	1.659.933.332
8. Selling expenses	24	VI.4	4.188.494.970	2.067.500.455
9. Administrative overheads	25	VI.5	5.989.271.105	5.998.838.239
10. Net operating profit	30		42.603.178.063	36.911.394.086
11. Other income	31	VI.6	884.890.505	124.084.345
12. Other expenses	32	VI.7	215.240.325	148.216.276
13. Other profit/ (loss)	40		669.650.180	(24.131.931)
14. Total accounting profit before tax	50		43.272.828.243	36.887.262.155
15. Current corporate income tax	51	V.18	9.651.354.120	9.511.419.269
16. Deferred corporate income tax	52		-	-
17. Profit after tax	60		<u>33.621.474.123</u>	<u>27.375.842.886</u>
18. Earning per share	70	VI.8	<u>3.002</u>	<u>2.444</u>

Binh Duong, 21 July 2014


Do Viet Cuong
Preparer


Nguyen Xuan Hieu
Chief Accountant


Vo Van Lanh
General Director

This statement should be read in conjunction with the notes to the interim financial statements

CONSTRUCTION INVESTMENT CORPORATION 3-2

Address: 45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Town, Binh Duong Province

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2014

INTERIM CASH FLOW STATEMENT

(Full form)

(Direct method)

For the first 6 months of the fiscal year ending 31 December 2014

Unit: VND

ITEMS	Code	Note	Accumulated from the beginning of the year	
			Current year	Previous year
I. Cash flows from operating activities				
1. Gains from sales of goods and service provisions and other gains	01		216.847.274.186	190.961.886.118
2. Payments to suppliers	02		(129.006.266.995)	(110.468.212.209)
3. Payments to employees	03		(27.069.803.091)	(20.368.616.093)
4. Loan interests already paid	04		(959.913.802)	(1.409.333.332)
5. Payments for corporate income tax	05	V.18	(17.528.719.883)	(19.075.617.171)
6. Other gains	06		3.837.114.221	7.545.166.882
7. Other disbursements	07		(26.063.652.591)	(26.138.834.178)
<i>Net cash flows from operating activities</i>	20		<u>20.056.032.045</u>	<u>21.046.440.017</u>
II. Cash flows from investing activities				
1. Purchases and construction of fixed assets and other long-term assets	21	V.10, V.12 VII	(940.687.035)	(2.580.548.275)
2. Gains from disposal and liquidation of fixed assets and other long-term assets	22	VI.6, VI.7	715.563.636	-
3. Loans given and purchases of debt instruments of other entities	23	V.2	(51.500.000.000)	(40.800.000.000)
4. Recovery of loan given and disposals of debt instruments of other entities	24	V.2	22.300.000.000	9.500.000.000
5. Investments in other entities	25		-	-
6. Withdrawals of investments in other entities	26		-	-
7. Receipts of loan interests, dividends and profit shared	27	VI.3	2.339.952.672	1.308.322.316
<i>Net cash flows from investing activities</i>	30		<u>(27.085.170.727)</u>	<u>(32.572.225.959)</u>

This statement should be read in conjunction with the notes to the interim financial statements

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CONSTRUCTION INVESTMENT CORPORATION 3-2

Address: 45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Town, Binh Duong Province

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2014

Interim cash flow statement (cont.)

ITEMS	Code	Note	Accumulated from the beginning of the year	
			Current year	Previous year
III. Cash flows from financing activities				
1. Gains from stock issuance and capital contributions from shareholders	31		-	-
2. Repayment for capital contributions and re-purchases of stocks already issued	32		-	-
3. Short-term and long-term loans received	33	V.15	68.048.652.994	-
4. Loan principal amounts repaid	34	V.15	(81.361.703.791)	-
5. Payments for financial leasehold assets	35		-	-
6. Dividends and profit already paid to the owners	36	V.21, V.24	(13.439.400.000)	(13.439.010.000)
<i>Net cash flows from financing activities</i>	40		<u>(26.752.450.797)</u>	<u>(13.439.010.000)</u>
Net cash flows during the year	50		(33.781.589.479)	(24.964.795.942)
Beginning cash and cash equivalents	60		38.118.698.848	54.588.281.411
Effects of fluctuations in foreign exchange rates	61		-	-
Ending cash and cash equivalents	70		<u>4.337.109.369</u>	<u>29.623.485.469</u>


Do Viet Cuong
Preparer

Nguyen Xuan Hieu
Chief Accountant

Binh Duong, 21 July 2014




Vu Van Linh
General Director

This statement should be read in conjunction with the notes to the interim financial statements

CONSTRUCTION INVESTMENT CORPORATION 3-2

Address: 45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Town, Binh Duong Province

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2014

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2014

I. OPERATION FEATURES

1. **Investment form** : A joint stock company.
2. **Operating field** : Manufacturing, construction, trading, doing business in real estates and service.
3. **Main operations** : Manufacturing stone, concrete and brick; completing construction works; trading construction materials; doing business in real estates; leasing vehicle, leasing construction tools.
4. **Employees**
As of 30 June 2014, there have been 409 employees working for the company (at the end of the previous year: 376 employees).
5. **The company's operations during the period affecting the financial statements**
Both the company's revenue and profit in the first 6 months of the year 2014 have significantly increased in comparison with those of the same period last year mainly due to the enhancement of its construction materials trading and construction activities.

II. FISCAL YEAR AND STANDARD CURRENCY UNIT USED IN ACCOUNTING

1. **Fiscal year**
The company's fiscal year is from 01 January to 31 December annually.
2. **Standard currency unit**
The standard currency unit used is Vietnam Dong (VND).

III. ACCOUNTING SYSTEM AND STANDARDS

1. **Accounting system and standards**
The company has been applying the Vietnamese Accounting System issued together with the Decision No. 15/2006/QĐ-BTC dated 20 March 2006 of the Minister of Finance and other Circulars giving guidance on the application of the Vietnamese accounting system and standards of the Ministry of Finance.
2. **Statement on the compliance with the Vietnamese accounting system and standards**
The General Directors ensure to follow all the requirements of the prevailing Vietnamese accounting system and standards, which were issued together with the Decision No. 15/2006/QĐ-BTC dated 20 March 2006 of the Minister of Finance as well as the circulars of the Ministry of Finance giving guidance on the implementation of the accounting system and standards in the preparation of these interim financial statements.
3. **Accounting form**
General journal recording.

These notes form an integral part of and should be read in conjunction with the interim financial statements



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INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2014

Notes to the interim financial statements (cont.)

IV. ACCOUNTING POLICIES

1. Accounting convention

All the interim financial statements are prepared on the accrual basis (except for the information related to cash flows).

The company organizes and applied the concentrated accounting model, that requires all of supporting documents and figures of branches are gathered and accounted at the head office; therefore, its branches do not prepare their own financial statements.

2. Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in bank, cash in transit and short-term investments of which the due dates cannot exceed 3 months from the dates of the investments and the convertibility into cash is easy, and which do not have a lot of risks in the conversion into cash.

3. Inventories

Inventories are recorded at their original costs. Costs include purchasing expenses, processing expenses and other directly related costs to bring the inventories to the current positions and conditions.

Costs of inventories are determined in accordance with the weighted average method and are recorded in line with the perpetual method.

Provision for devaluation of inventories is recognized when their costs are higher than their net realizable values. Net realizable values are the estimated selling prices of inventories less the estimated expenses on product completion and other necessary expenses on product consumption.

Any increase/(decrease) in the provision for devaluation of inventories is recorded into costs of goods sold during the period.

4. Trade receivable and other receivable

Trade receivable and other receivable are recognized at the values on supporting documents and invoices.

Provision is made for each bad debt on the basis of the debt ages or estimated loss as follows:

- As for outstanding debts:
 - Provisions are made at the rate of 30% of the value of debts outstanding from over 6 months to under 1 year.
 - Provisions are made at the rate of 50% of the value of debts outstanding from 1 year to under 2 years.
 - Provisions are made at the rate of 70% of the value of debts outstanding from 2 years to under 3 years.
 - Provisions are made at the rate of 100% of the value of debts outstanding for over 3 years.
- As for doubtful debts: provisions are made basing on the estimated loss.

Any increase/(decrease) in the provisions for bad debts is recorded into administrative overheads during the period.



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INTERIM FINANCIAL STATEMENTS

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Notes to the interim financial statements (cont.)

5. Tangible fixed assets

Tangible fixed assets are determined by their historical costs less accumulated depreciation. Historical costs of fixed assets include all the expenses of the company to have these fixed assets as of the dates they are ready to be put into use. Other expenses incurred subsequent to the initial recognition are included in historical costs of fixed assets only if they certainly bring more economic benefits in the future thanks to the use of these assets. Those, which do not meet the above conditions, will be recorded into the expenses.

When a fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain/ (loss) arisen are posted into the income or the expenses during the period.

Fixed assets are depreciated in accordance with the straight-line method over their estimated useful lives. The depreciation years applied are as follows:

<u>Fixed assets</u>	<u>Years</u>
Buildings & structures	05 - 35
Machinery & equipment	05 - 10
Vehicles	06 - 08
Office equipment	03 - 05

6. Intangible fixed assets

Intangible fixed assets are determined by their initial costs less accumulated amortization. Intangible fixed assets of the company include:

Land use right

Land use right includes all the actual expenses the company has paid and directly related to the land being used such as expenses to obtain the land use right, expenses for house removal and land clearance, expenses on ground leveling, registration fees, etc. The land use right is amortized in line with the period as in the land use right certificate (50 years).

Computer software

The expenses on purchasing computer software, which is not a part associated with the relevant hardware, will be capitalized. Computer software includes all the expenses paid until the date the software is put into use. Computer software is amortized according to the straight-line method in 02 years.

7. Financial investment

Investments into securities are recorded at their original costs. Interest, dividends, profit during the period prior to the purchase of investment have been recorded as a decrease in the value of that investment. Interest, dividends, profit during the period after the purchases of investment have been recorded in the company's sales.

Provision for the loss of financial investments in other economic organizations is extracted when these organizations suffer from losses (except for the case of losses as in the plan made before the investment) with the extractions equal to the difference between the actual capital contributions of parties in these economic organizations and the actual owner's equity multiplying (x) by the company's rates of capital contributions in comparison with the total actual capital contribution of parties in these economic organizations.

Any increase/(decrease) of provision for financial investments is recorded into "financial expenses" during the period.

When an investment is liquidated, the differences between net liquidation values and book values are recorded into income or expenses.

These notes form an integral part of and should be read in conjunction with the interim financial statements

CONSTRUCTION INVESTMENT CORPORATION 3-2

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INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2014

Notes to the interim financial statements (cont.)

8. Long-term prepaid expenses

Tools

Expenses on tools being put into use are allocated into expenses during the year in accordance with the straight-line method for the maximum period of 24 months.

Fees on grant of the mineral exploitation right

These are the amounts payable to get the grant of mineral exploration right and are allocated into expenses during the period in accordance with the straight-line method for the period specified in the mineral exploration license.

Other long-term prepaid expenses

Other long-term prepaid expenses include expenses on repairing the parking lot, the warehouse of the construction and installation workshop; strategic consulting expenses; expenses on repairing motorbikes, exploring reserves, building temporary houses for workers. These expenses are allocated into the expenses during the period in accordance with the straight-line method for the maximum period of 24 months.

9. Accrued expenses

Accrued expenses are recorded, based on reasonable estimates on the amounts payable for goods and services already used.

Expenses on improving the quarry's environment

Expenses on improving the quarry's environment are extracted based on the approved environmental impact report of the project concerning the more extensive and deeper exploitation at Tan Dong Hiep quarry. Accordingly, the death of costs -100m is approved in line with the Decision No. 725/QĐ-BTNMT dated 14 May 2013 of the Ministry of Natural Resources and Environment. According to this Decision, total estimate expenses on improving the environment at 3-2 quarry is VND 4,373,052,206 and will be extracted in 07 years (2009-2015); the amount extracted annually is VND 624,721,744. These expenses are recorded into general manufacturing expenses and included in costs during the year.

10. Unemployment allowances and unemployment insurance

The company has to pay for severance and unemployment allowances to the employees who have worked for the company for over 12 months until 31 December 2008 at the rate of $\frac{1}{2}$ of the average salary in 6 consecutive months before the resigning date, which is used as the basis for social insurance payment for each working year.

Pursuant to the Law on Social Insurance, from 01 January 2009, the employers have to pay to unemployment insurance fund managed by Vietnam Social Insurance Agency at the rate of 1% of the lower amount between the basic monthly salary of the employee and the amount equal to 20 times of the general minimum monthly salary as regulated by the Government in each particular period. With the application of the unemployment insurance system, the employers do not have to make any provision for unemployment allowances for the employees' working periods from 01 January 2009.

The unemployment fund is recorded into administrative overheads upon payment to employees.

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INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2014

Notes to the interim financial statements (cont.)

11. Provisions for accounts payable

Provisions are recorded when the company has legal obligations or joint obligations resulted from an event which has happened and has been able to make payment of the accounts. Provisions are determined on the basis of the estimates of necessary expenses to settle the obligation as of the balance sheet date. If time causes material effects, the provision will be determined by deducting the amount to be spent in future to settle the liability with the pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to this liability. The increase in provision due to the effect of time will be recognized as an interest expense.

Expenses on warranty of construction and installation works

Provision for warranty expenses is made for each type of construction and installation works under the commitment of warranty at the rate as committed to customers.

The extraction for warranty expenses on civil construction and technical infrastructure construction is estimated at the rate of 0,45% and 0,19% respectively on accumulated revenue from construction and installation works which are handed over during the period. These expenses are recorded into general manufacturing expenses and included in costs during the period.

12. Capital

The company's source of capital is the owner's equity which is recorded according to the amounts actually invested by the shareholders.

13. Extraction for funds

The company's funds are extracted and used in line with the company's Charter and financial management regulations as follows:

	<u>Purposes</u>
• Business promotion fund	To expand the business operations or to make intensive investments.
• Financial reserved fund	To compensate losses and damages during the course of operation or unpredictable force majeure such as natural disaster, fire, etc.
• Bonus and welfare funds and bonus fund for the Executive Officers	To reward, encourage the material benefits, improve and raise the physical and mental life for employees.

The rates of extraction for these funds are determined in line with the Decision of the Annual Shareholders' Meeting.

14. Corporate income tax

Corporate income tax includes current income tax and deferred income tax.

Current income tax

Current income tax is the tax amount computed based on the taxable income. Taxable income is different from accounting profit due to the adjustments of temporary differences between tax and accounting figures, non-deductible expenses as well as those of non-taxable income and losses brought forward.

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CONSTRUCTION INVESTMENT CORPORATION 3-2

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INTERIM FINANCIAL STATEMENTS

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Notes to the interim financial statements (cont.)

Deferred income tax

Deferred income tax is the amount of corporate income tax payable or refundable due to temporary differences between book values of assets and liabilities serving the preparation of the financial statements and the values for tax purposes. Deferred income tax liabilities are recognized for all the temporary taxable differences. Deferred income tax assets are recorded only when there is an assurance on the availability of taxable income in the future against which the temporarily deductible differences can be used.

Book values of deferred corporate income tax assets are considered at the balance sheet dates and will be reduced to the rates that ensure enough taxable income against which the benefits from a part of or all of the deferred income tax can be used. The deferred income tax assets, which were not recorded formerly, are re-considered at the balance sheet date and are then recorded when there is enough taxable profit to use these unrecorded deferred income tax assets.

Deferred income tax assets and deferred income tax liabilities are determined at the estimated rates to be applied in the year when the assets are recovered or the liabilities are settled based on the effective tax rates as of the balance sheet date. Deferred income tax is recognized in the income statement. In the case that deferred income tax is related to the items of the owner's equity, corporate income tax will be included in the owner's equity of the company.

15. Recognition of sales and income

Sales of merchandises and finished goods

Sales of merchandises and finished goods are recognized when most of risks and benefits associated with the ownership and the management rights of those merchandises and finished goods are transferred to customers and there are no uncertain factors related to payments, additional costs, or sales returns.

Sales of service provision

Sales of service provision are recognized when there are no uncertain factors related to payments or additional costs. In case that the services are to be provided in many accounting periods, the determination of sales in each period is done on the basis of the service completion rate as of the balance sheet date.

Income from construction

When the results from the contract implementations are reliably estimated,

- For the contracts stipulating that the contractors are paid according to the planned progress, income and expenses related to these contracts are recognized correspondingly to the works already completed as determined by the company itself.
- For the contracts stipulating that the contractors are paid according to the works actually done, income and expenses related to these contracts are recognized correspondingly to the works already completed as confirmed in the invoices made by the customers.

Increases/(decreases) of sales of the works done, compensation receivable and other receivable are only recognized upon the agreement with customers.

When the results from the contract implementations cannot be reliably estimated,

- Income is recognized correspondingly to the expenses incurred, of which the repayment is rather reliably made.
- Expenses are only recognized during the period as actually incurred.

These notes form an integral part of and should be read in conjunction with the interim financial statements

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INTERIM FINANCIAL STATEMENTS

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Notes to the interim financial statements (cont.)

The difference between the accumulated income from the contract already recognized and the accumulated amount in the invoices according to the planned progress of contract implementation is recognized as an amount receivable or an amount payable according to the planned progress of implementation of the construction contracts.

Interests

Interests are recorded based on the term and the interest rates applied in each particular period.

Dividends and profit shared

Dividends and profit shared are recognized when the company has the rights to receive dividends or profit from its capital contribution. In particular, the dividends received in form of shares are not recorded into income but are only followed up the additional quantity.

16. Financial assets

Classification of financial assets

The classification of these financial assets depends on their nature and purpose and is determined at the date of initial recognition. The company's financial assets include investments held to maturity dates, loans given and receivables, and financial assets available for sale.

Investments held to maturity dates

Investments held to maturity dates are non-derivative financial assets with fixed or identified payments and fixed maturity periods which a company has the intention and ability to hold until the dates of maturity.

Loans given and receivables

Loans and receivables are non-derivative financial assets with fixed or identified payments, which are not listed on the market.

Financial assets available for sale

Available-for-sale financial assets are non-derivative financial assets determined as available for sale or not classified as financial assets recognized at fair values through profit or loss statement, investments held to maturity dates, loans given and receivables.

Initial carrying amount of financial assets

Financial assets are recognized at the acquisition date and are stopped recognizing at the selling date. At the date of initial recognition, a financial asset is determined at the historical cost plus other costs directly related to the acquisition or issuance of that financial asset.

17. Financial liabilities and equity instruments

Financial instruments are classified as financial liabilities or equity instruments upon the dates of initial recognition in conformity with the natures and definitions of financial liabilities or equity instrument.

Financial liabilities

The classification of these financial liabilities depends on the natures and purposes of the financial liabilities and is determined at the date of initial recognition. The company's financial liabilities include accounts payable to suppliers, loans and debts and other payable.

At the date of initial recognition, financial liabilities are recorded at their initial costs less other expenses directly related to those financial liabilities.



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INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2014

Notes to the interim financial statements (cont.)

Allocated values are determined by taking the initial recognized value of financial liability minus to repaid principal amounts then plus/minus to the accumulated allocated amounts which is calculated by applying actual interest method to the difference between initial recognized value and the due values after discounting for the deductions (direct deductions or deductions by using a provisional account) due to devaluation or unrecovered amount.

The actual interest method is used to calculate the allocated value of one or a group of financial liabilities and to allocate the interest income or interest expenses in one period. The actual interest rate is the interest rate used for discounting the estimated cash flows to be paid or received in the future during the estimated life circle of the financial instrument or during a shorter period (if necessary) to get the current net book value of the financial liabilities.

Equity instrument

Equity instrument is the contract which can prove the remaining benefits in the assets of the company after deducting all of its liabilities.

18. **Offsetting financial instruments**

Financial assets and financial liabilities will be offset against each other and are reflected at their net values on the balance sheet when, and only when, the company:

- has a legal right to offset the recognized amounts; and
- has intention either to settle on a net basis, or to realize the asset and to settle the liability simultaneously.

19. **Segment reporting**

A business segment is a distinguishable component of the company that is engaged in production process and provision of products or services and that is subject to risks and returns that are different from those of other business segments.

A geographical segment is a distinguishable component of the company that is engaged in production process and provision of products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

20. **Related parties**

A party is considered a related party of the company in case that party is able to control the company or to cause material effects on the financial decisions as well as the operations of the company. A party is also considered a related party of the company in case that party is under the same control or is subject to the same material effects.

Considering the relationship of related parties, the nature of relationship is focused more than its legal form.

Transactions with the related parties during the period are presented in Note VIII.1.



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INTERIM FINANCIAL STATEMENTS

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Notes to the interim financial statements (cont.)

V. ADDITIONAL INFORMATION ON THE ITEMS OF THE INTERIM BALANCE SHEET**1. Cash and cash equivalents**

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash in hand	549.079.712	1.490.445.315
Cash in bank	788.029.657	1.110.993.259
Cash equivalents (*)	3.000.000.000	35.517.260.274
Total	<u>4.337.109.369</u>	<u>38.118.698.848</u>

(*) Under-3-month deposits.

2. Short-term investments

This item reflects term deposit from 03 months to 12 months.

Particularly, the amount of VND 14.3 billion has been used to secure overdraft loans of Bank for Investment and Development of Vietnam JSC (BIDV) - South Binh Duong Branch.

3. Receivable from customers

	<u>Ending balance</u>	<u>Beginning balance</u>
Transferring land use right	1.056.281.000	909.292.500
Executing construction works	50.890.911.953	59.095.642.769
Purchasing stone	2.349.985.741	5.538.607.775
Others	18.069.559.476	13.928.376.390
Total	<u>72.366.738.170</u>	<u>79.471.919.434</u>

4. Prepayment to suppliers

	<u>Ending balance</u>	<u>Beginning balance</u>
Executing construction works	512.899.169	965.427.319
Exploiting stone	-	818.288.902
Others	354.111.700	403.925.000
Total	<u>867.010.869</u>	<u>2.187.641.221</u>

5. Other receivable

	<u>Ending balance</u>	<u>Beginning balance</u>
Receivable for construction works provisionally calculated	9.067.127.273	5.085.632.727
Others	138.664.564	178.624.673
Total	<u>9.205.791.837</u>	<u>5.264.257.400</u>

6. Provisions for bad debts

	<u>Ending balance</u>	<u>Beginning balance</u>
Provisions for outstanding debts	1.510.174.405	1.231.307.036
- Under-1-year outstanding debts	84.823.558	299.307.095
- Debts outstanding from 1 year to under 2 years	653.145.270	329.193.737
- Debts outstanding from 2 years to under 3 years	457.250.794	459.397.103

These notes form an integral part of and should be read in conjunction with the interim financial statements

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CONSTRUCTION INVESTMENT CORPORATION 3-2

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INTERIM FINANCIAL STATEMENTS

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Notes to the interim financial statements (cont.)

	<u>Ending balance</u>	<u>Beginning balance</u>
- Over-3-year outstanding debts	314.954.783	143.409.101
Provisions for doubtful debts	-	-
Total	<u>1.510.174.405</u>	<u>1.231.307.036</u>

The increases/decreases of provisions for bad debts are as follows:

	<u>Accumulated from the beginning of the year</u>	
	<u>Current year</u>	<u>Previous year</u>
Beginning balance	1.231.307.036	1.297.536.251
Additional extraction	278.867.369	254.718.509
Ending balance	<u>1.510.174.405</u>	<u>1.552.254.760</u>

7. Inventories	<u>Ending balance</u>	<u>Beginning balance</u>
Materials and supplies	10.845.258.332	11.454.618.576
Work-in-process	19.542.223.829	11.879.110.487
Finished goods	6.507.767.026	8.882.641.568
Real estates	29.032.154.513	33.364.806.574
Goods on consignment	1.814.596.048	417.845.000
Total	<u>67.741.999.748</u>	<u>65.999.022.205</u>

8. Provisions for devaluation of inventories	<u>Ending balance</u>	<u>Beginning balance</u>
Materials and supplies	101.578.641	76.792.018
Finished goods	46.401.907	76.218.243
Total	<u>147.980.548</u>	<u>153.010.261</u>

The increases/decreases of provisions for devaluation of inventories are as follows:

	<u>Accumulated from the beginning of the year</u>	
	<u>Current year</u>	<u>Previous year</u>
Beginning balance	153.010.261	25.416.800
Additional extraction	-	210.587.962
Reversal of provisions	(5.029.713)	-
Ending balance	<u>147.980.548</u>	<u>236.004.762</u>

9. Other current assets	<u>Ending balance</u>	<u>Beginning balance</u>
Advances	12.875.388.707	11.082.124.707
Short-term deposits and mortgages	2.911.353.799	1.910.466.339
Total	<u>15.786.742.506</u>	<u>12.992.591.046</u>

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INTERIM FINANCIAL STATEMENTS

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Notes to the interim financial statements (cont.)

10. Increases/(decreases) of tangible fixed assets

	Buildings & structures	Machinery & equipment	Vehicles	Office equipment	Total
Historical costs					
Beginning balance	21.749.914.255	57.203.938.899	18.685.856.372	1.043.951.354	98.683.660.880
New purchases	375.049.000	341.682.000	585.818.182	51.660.909	1.354.210.091
Liquidation and disposal	-	(4.415.818.446)	-	-	(4.415.818.446)
Ending balance	22.124.963.255	53.129.802.453	19.271.674.554	1.095.612.263	95.622.052.525
<i>In which:</i>					
Assets being fully depreciated but still in use	1.898.493.799	19.027.666.611	5.680.495.687	365.791.354	26.972.447.451
Depreciation					
Beginning balance	7.180.594.606	38.941.842.735	9.726.870.081	770.881.786	56.620.189.208
Depreciation	771.972.483	2.123.193.415	948.159.543	79.799.282	3.923.124.723
Liquidation and disposal	-	(4.415.818.446)	-	-	(4.415.818.446)
Ending balance	7.952.567.089	36.649.217.704	10.675.029.624	850.681.068	56.127.495.485
Net book values					
Beginning balance	14.569.319.649	18.262.096.164	8.958.986.291	273.069.568	42.063.471.672
Ending balance	14.172.396.166	16.480.584.749	8.596.644.930	244.931.195	39.494.557.040
<i>In which:</i>					
Assets temporary not in use	-	-	-	-	-
Assets waiting for liquidation	-	-	-	-	-

11. Increases/(decreases) of intangible fixed assets

	Land use right	Computer software	Total
Initial costs			
Beginning balance	78.581.967.427	223.920.000	78.805.887.427
Ending balance	78.581.967.427	223.920.000	78.805.887.427
<i>In which:</i>			
Fully amortized assets but being still in use	23.168.663.534	84.920.000	23.253.583.534
Amortization			
Beginning balance	29.782.004.223	96.503.334	29.878.507.557
Amortization	549.090.228	34.750.002	583.840.230
Ending balance	30.331.094.451	131.253.336	30.462.347.787
Net book values			
Beginning balance	48.799.963.204	127.416.666	48.927.379.870
Ending balance	48.250.872.976	92.666.664	48.343.539.640
<i>In which:</i>			
Assets temporary not in use	-	-	-
Assets waiting for liquidation	-	-	-

These notes form an integral part of and should be read in conjunction with the interim financial statements

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For the first 6 months of the fiscal year ending 31 December 2014

Notes to the interim financial statements (cont.)

12. Construction-in-progress

This item reflects the expenses on mold sewer. The details of increase/(decrease) during the period are as follows:

Beginning balance	176.134.261
Increase during the period	<u>170.225.356</u>
Ending balance	<u>346.359.617</u>

13. Other long-term investments

This item reflects the investment to hold 18.098 shares of Binh Duong Consultant Construction Joint Stock Company, accounting for 3,52% of charter capital of this company.

14. Long-term prepaid expenses

	<u>Beginning balance</u>	<u>Increases</u>	<u>Inclusion into expenses during the period</u>	<u>Ending balance</u>
Tools	1.178.107.063	340.486.673	(697.372.067)	821.221.669
Fees on grant of the mineral exploration right	-	4.258.188.000	(1.064.547.000)	3.193.641.000
Expenses on repairing the parking lot and warehouse of Construction and Installation Workshop	28.258.851	-	(28.258.851)	-
Expenses on strategic consultation	-	261.725.000	(65.431.250)	196.293.750
Expenses on repairing motorbike	25.605.000	661.691.182	(136.807.837)	550.488.345
Expenses on exploring reserves	-	492.343.306	(123.085.826)	369.257.480
Expenses on temporary houses for workers	68.570.342	-	(27.428.137)	41.142.205
Total	<u>1.300.541.256</u>	<u>6.014.434.161</u>	<u>(2.142.930.968)</u>	<u>5.172.044.449</u>

15. Short-term loans and debts

	<u>Ending balance</u>	<u>Beginning balance</u>
Short-term bank loans (*)	14.686.949.203	-
Current portions of long-term loan (**)	-	28.000.000.000
Total	<u>14.686.949.203</u>	<u>28.000.000.000</u>

(*) This item includes overdraft loan at Bank for Investment and Development of Vietnam JSC (BIDV) – South Binh Duong Branch. This loan is secured by term deposits.

(**) This item reflects the current portion of long-term loan from Provincial Party Committee Office of Binh Duong to invest in Long Nguyen centrifugal concrete manufacturing workshop at Ben Cat. This loan is secured by trust receipt according to the agreement No. 01/HD/VV dated 15 February 2011.

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Notes to the interim financial statements (cont.)

The details of increase/(decrease) in short-term loans and debts during the period are as follows:

	<u>Beginning balance</u>	<u>Increase</u>	<u>Amount already repaid</u>	<u>Ending balance</u>
Short-term bank loans	-	68,048,652.994	(53,361,703.791)	14,686,949.203
Current portions of long-term loan	28,000,000.000	-	(28,000,000.000)	-
Total	28,000,000.000	68,048,652.994	(81,361,703.791)	14,686,949.203

16. Payable to suppliers

	<u>Ending balance</u>	<u>Beginning balance</u>
Executing construction works	4,701,404.744	7,654,134.339
Exploiting stone	9,516,729.062	6,686,204.863
Others	4,420,979.064	2,247,606.482
Total	18,639,112.870	16,587,945.684

17. Advances from customers

	<u>Ending balance</u>	<u>Beginning balance</u>
Executing construction works	2,713,394.000	752,164.000
Purchasing stone	1,189,398.101	1,254,005.277
Others	3,046,227.740	1,883,311.667
Total	6,949,019.841	3,889,480.944

18. Taxes and other obligations to the State Budget

	<u>Beginning balance</u>	<u>Amount payable</u>	<u>Amount already paid</u>	<u>Ending balance</u>
VAT on local sales	3,300,152.195	7,204,963.264	(9,914,479.397)	590,636.062
Corporate income tax	15,028,719.883	9,651,354.120	(17,528,719.883)	7,151,354.120
Personal income tax	528,347.878	1,054,426.678	(1,187,709.241)	395,065.315
Natural resources tax	3,462,537.842	3,077,118.088	(5,027,811.092)	1,511,844.838
Other taxes	-	20,158.683	(20,158.683)	-
Fees, legal fees and other duties	260,792.865	13,856,611.099	(723,963.150)	13,393,440.814
Total	22,580,550.663	34,864,631.932	(34,402,841.446)	23,042,341.149

Value added tax (VAT)

The company has paid VAT in accordance with the deduction method. The VAT rate applied to all activities is 10%.

Corporate income tax

The company is responsible for paying corporate income tax at the rate of 22% on taxable income (the same period last year: 25%).

Estimated corporate income tax payable during the period is as follows:

	<u>Accumulated from the beginning of the year</u>	
	<u>Current year</u>	<u>Previous year</u>
Total accounting profit before tax	43,272,828.243	36,887,262.155
Increase/(decrease) of accounting profit to determine profit subject to corporate income tax:		

These notes form an integral part of and should be read in conjunction with the interim financial statements



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	Accumulated from the beginning of the year	
	Current year	Previous year
- Increases	910.430.151	1.197.413.345
- Decreases	(313.466.939)	(38.998.425)
Income subject to tax	43.869.791.455	38.045.677.075
Corporate income tax rate	22%	25%
Corporate income tax payable	9.651.354.120	9.511.419.269

Natural resources tax

The company is responsible for paying natural resources tax on the exploitation stones in accordance with the average selling price of freestones every month (the minimum price is VND 110.000/m³), at the tax rate of 7%.

Fees on grant of the mineral exploration right

Fees on grant of the mineral exploration right is extracted under the Decree No. 203/2013/NĐ-CP dated 28 November 2013 of the Government on calculation method and the rates of fees on being granted the mineral exploration right.

Other taxes

The company has declared and paid other taxes in line with the prevailing regulations.

19. Payable to employees

This item reflects the salary in June and night-shift allowances payable to employees.

20. Accrued expenses

	Ending balance	Beginning balance
Expenses on construction works	6.972.274.293	4.168.341.987
Loan interest expenses	-	483.934.000
Expenses on improving the quarry's environment	3.387.029.282	3.123.608.720
Expenses on grant of the mineral exploitation right	-	9.050.580.177
Expenses on leasing the land for stone workshop	789.479.914	-
Others	46.774.368	293.687.985
Total	11.195.557.857	17.120.152.869

21. Other payable

	Ending balance	Beginning balance
Social insurance, health insurance, unemployment insurance and Trade Union's expenditure	131.472.142	54.663.251
Construction teams and sub-contractors	4.794.827.853	3.663.309.163
Remunerations for the Board of Management	695.000.000	1.513.750.000
Compensation payable to households at Nguyen Van Tiet residential area	285.643.450	285.643.450
Dividends payable	14.323.155	13.723.155
Others	209.775.958	897.045.482
Total	6.131.042.558	6.428.134.501

These notes form an integral part of and should be read in conjunction with the interim financial statements

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22. Provisions for short-term accounts payable

Beginning balance	910.267.928
Amount extracted during the period	172.569.782
Amount already used during the period	(308.437.226)
Ending balance	774.400.484

23. Bonus and welfare funds

	Beginning balance	Increases due to extraction from profit	Disbursements during the period	Ending balance
Bonus fund	3.483.288.684	1.665.445.548	(1.664.725.000)	3.484.009.232
Welfare fund	2.257.841.313	1.665.445.549	(1.326.147.241)	2.597.139.621
Bonus fund for the Executive Officers	-	1.332.356.440	(1.332.356.440)	-
Total	5.741.129.997	4.663.247.537	(4.323.228.681)	6.081.148.853

24. Owner's equity*Statement of fluctuations in owner's equity*

	Capital	Business promotion fund	Financial reserved fund	Retained earnings	Total
Beginning balance of the previous year	112.000.000.000	21.975.365.029	6.386.259.474	42.906.590.851	183.268.215.354
Profit during the year	-	-	-	66.617.821.949	66.617.821.949
Extraction for funds during the year	-	8.618.963.511	2.154.740.877	(13.790.341.616)	(3.016.637.228)
Dividends shared of the year 2012	-	-	-	(13.440.000.000)	(13.440.000.000)
Advances of dividends of the year 2013	-	-	-	(13.440.000.000)	(13.440.000.000)
Ending balance of the previous year	112.000.000.000	30.594.328.540	8.541.000.351	68.854.071.184	219.989.400.075
Beginning balance of the current year	112.000.000.000	30.594.328.540	8.541.000.351	68.854.071.184	219.989.400.075
Profit during the period	-	-	-	33.621.474.123	33.621.474.123
Extraction for funds during the period	-	13.323.564.390	3.330.891.097	(21.317.703.024)	(4.663.247.537)
Dividends shared of the year 2013	-	-	-	(13.440.000.000)	(13.440.000.000)
Ending balance	112.000.000.000	43.917.892.930	11.871.891.448	67.717.842.283	235.507.626.661

Dividends

Dividends already paid during the period are as follows:

	Accumulated from the beginning of the year	
	Current year	Previous year
Dividends paid in the previous year	13.439.400.000	13.439.220.000
Advances of dividends	-	-
Total	13.439.400.000	13.439.220.000

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Notes to the interim financial statements (cont.)

<i>Shares</i>	<u>Ending balance</u>	<u>Beginning balance</u>
Number of shares registered to be issued	11.200.000	11.200.000
Number of shares already sold to the public	11.200.000	11.200.000
- <i>Common shares</i>	11.200.000	11.200.000
- <i>Preferred shares</i>	-	-
Number of shares re-purchased	-	-
- <i>Common shares</i>	-	-
- <i>Preferred shares</i>	-	-
Number of outstanding shares	11.200.000	11.200.000
- <i>Common shares</i>	11.200.000	11.200.000
- <i>Preferred shares</i>	-	-

Face value per outstanding share: VND 10.000.

VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE INTERIM INCOME STATEMENT**1. Sales**

	<u>Accumulated from the beginning of the year</u>	
	<u>Current year</u>	<u>Previous year</u>
Materials	9.237.524.384	9.302.414.592
Finished goods	122.452.449.217	108.238.091.877
Construction activities	51.938.039.306	28.764.944.593
Service provisions	1.951.380.443	1.805.406.757
Real estates	3.796.317.309	757.473.454
Merchandises	14.137.798.670	6.481.118.076
Total	<u>203.513.509.329</u>	<u>155.349.449.349</u>

2. Costs of goods sold

	<u>Accumulated from the beginning of the year</u>	
	<u>Current year</u>	<u>Previous year</u>
Costs of materials consumed	8.780.209.657	8.988.854.978
Costs of finished goods consumed	78.475.541.232	67.864.357.619
Costs of construction activities	46.175.237.676	23.639.224.531
Costs of services provided	1.374.823.882	2.300.961.211
Costs of real estate trading	4.332.652.061	750.097.584
Costs of merchandises consumed	13.500.730.911	6.322.609.142
Provision for devaluation of inventories	(5.029.713)	210.587.962
Total	<u>152.634.165.706</u>	<u>110.076.693.027</u>

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Notes to the interim financial statements (cont.)

3. Financial income	Accumulated from the beginning of the year	
	Current year	Previous year
Interest on term deposits	2.339.952.672	1.316.851.964
Interest on demand deposits	24.702.331	38.782.326
Other financial income	12.524.802	9.275.500
Total	2.377.179.805	1.364.909.790
4. Selling expenses	Accumulated from the beginning of the year	
	Current year	Previous year
Goods transportation expenses	3.992.391.649	2.066.299.076
Expenses for employees	196.103.321	1.201.379
Total	4.188.494.970	2.067.500.455
5. Administrative overheads	Accumulated from the beginning of the year	
	Current year	Previous year
Office staff	3.792.052.914	3.783.806.662
Office supplies	154.012.298	150.429.030
Depreciation of fixed assets	564.665.861	554.715.370
Taxes, fees and legal fees	3.000.000	3.000.000
Provision for bad debts	278.867.369	254.718.509
External service rendered	365.427.337	442.607.744
Other expenses	831.245.326	809.560.924
Total	5.989.271.105	5.998.838.239
6. Other income	Accumulated from the beginning of the year	
	Current year	Previous year
Fee for transfer of land lots	4.545.455	50.000.000
Fine for administrative violations of employees	83.489.748	12.907.950
Fine for contract violations	34.159.121	10.987.272
Gains from liquidation of fixed assets	720.000.000	-
Others	42.696.181	50.189.122
Total	884.890.505	124.084.344
7. Other expenses	Accumulated from the beginning of the year	
	Current year	Previous year
Fine for administrative violations	49.830.000	118.738.787
Expenses on liquidation of fixed assets	4.436.364	1.454.545
Others	160.973.961	28.022.944
Total	215.240.325	148.216.276

These notes form an integral part of and should be read in conjunction with the interim financial statements

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Notes to the interim financial statements (cont.)

8. Earnings per share

	Accumulated from the beginning of the year	
	Current year	Previous year
Accounting profit after corporate income tax	33.621.474.123	27.375.842.885
Increase/(decrease) of accounting profit to determine profit attributable to holders of ordinary shares		
Profit attributable to holders of ordinary shares	33.621.474.123	27.375.842.885
Average ordinary shares outstanding during the period	11.200.000	11.200.000
Earnings per share	3.002	2.444

9. Operating expenses

	Accumulated from the beginning of the year	
	Current year	Previous year
Materials and supplies	57.985.035.740	47.899.112.801
Labor	21.462.404.625	17.562.466.097
Depreciation of fixed assets	4.506.964.953	6.446.067.310
External services rendered	52.749.673.320	42.791.111.418
Others	12.163.563.533	9.436.386.242
Total	148.867.642.171	124.135.143.868

VII. ADDITIONAL INFORMATION ON THE ITEMS OF THE INTERIM CASH FLOW STATEMENT**Non-cash transactions**

During the period, the company has had following non-cash transactions:

	Accumulated from the beginning of the year	
	Current year	Previous year
Personal income tax on dividends not yet paid	219.568.080	-
Purchase of fixed assets not yet paid	583.748.412	-

VIII. OTHER INFORMATION**1. Transactions with related parties****Transaction with key managers and related individuals**

The key managers and related individuals include: members of the Board of Management, the Directors, the Chief Accountant and their family members.

Income of the key managers is as follows:

	Accumulated from the beginning of the year	
	Current year	Previous year
Salary	533.220.120	539.226.584
Social insurance, health insurance	12.737.340	22.424.870
Others	1.385.394.440	1.068.516.351
Total	1.931.351.900	1.630.167.805

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Transactions with other related parties

Other related parties of the company include:

Related parties	Relationship
Provincial Party Committee Office of Binh Duong	Governing body of Protrade Corporation
Protrade Corporation	Shareholder holding 51% of capital – directly under management of Provincial Party Committee Office of Binh Duong

During the period, the company has had the following transactions with other related parties:

	Accumulated from the beginning of the year	
	Current year	Previous year
Provincial Party Committee Office of Binh Duong		
Loan interest payable	292.967.000	1.659.933.332
Protrade Corporation		
Dividends shared	6.854.400.000	6.854.400.000
Income from construction	-	964.916.000

As of the balance sheet date, the accounts payable to other related parties are as follows:

	Ending balance	Beginning balance
Provincial Party Committee Office of Binh Duong		
Loans payable	-	28.000.000.000
Interests payable	-	483.934.000
Total amount payable	-	28.483.934.000

2. Information on segment

Information on segment is presented as that of business segment and geographical segment. Segment reporting is mainly done on the basis of operating fields.

Operating fields

The company has following main operating fields:

- Business field 01: Construction activities.
- Business field 02: Production activities (materials: selling DO oil and finished goods: stone, sewer, brick, etc.).
- Business field 03: other activities (selling merchandises, real estates and leasing trucks, etc.)

Information on financial performance, fixed assets, other long-term assets and large non-cash expenses of each field-based segment of the company as follows:

	Construction field	Production field	Other fields	Total
Current period				
Net sales to external customers	51.938.039.306	131.689.973.601	19.885.496.422	203.513.509.329
Net sales among segments	-	-	-	-
Total net sales	51.938.039.306	131.689.973.601	19.885.496.422	203.513.509.329
Segments' financial performance	5.762.801.630	44.434.222.712	682.319.281	50.879.343.623
Expenses not allocated according to segments				(10.177.766.075)

These notes form an integral part of and should be read in conjunction with the interim financial statements

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	Construction field	Production field	Other fields	Total
Operating profit				40.701.577.548
Financial income				2.377.179.805
Financial expenses				(475.579.290)
Other income				884.890.505
Other expenses				(215.240.325)
Current corporate income tax				(9.651.354.120)
Deferred corporate income tax				-
Profit after tax				33.621.474.123
<i>Total amount paid to purchase fixed assets and other long-term assets</i>	<u>166.683.000</u>	<u>7.043.806.154</u>	<u>328.380.454</u>	<u>7.538.869.608</u>
<i>Total amount of depreciation expenses, allocated long-term prepaid expenses</i>	<u>294.055.226</u>	<u>5.216.542.278</u>	<u>1.139.298.417</u>	<u>6.649.895.921</u>
Previous period				
Net sales to external customers	28.764.944.593	117.540.506.469	9.043.998.287	155.349.449.349
Net sales among segments	-	-	-	-
Total net sales	<u>28.764.944.593</u>	<u>117.540.506.469</u>	<u>9.043.998.287</u>	<u>155.349.449.349</u>
Segments' performance	financial			
	5.125.720.062	40.687.293.872	(540.257.612)	45.272.756.322
Expenses not allocated according to segments				(8.066.338.694)
Operating profit				37.206.417.628
Financial income				1.364.909.790
Financial expenses				(1.659.933.332)
Other income				124.084.345
Other expenses				(148.216.276)
Current corporate income tax				(9.511.419.269)
Deferred corporate income tax				-
Profit after tax				27.375.842.886
<i>Total amount paid to purchase fixed assets and other long-term assets</i>	<u>294.055.226</u>	<u>5.216.542.278</u>	<u>1.139.298.417</u>	<u>6.649.895.921</u>
<i>Total amount of depreciation expenses, allocated long-term prepaid expenses</i>	<u>402.813.505</u>	<u>5.899.624.210</u>	<u>1.421.970.155</u>	<u>7.724.407.870</u>

Geographical segment

All the company's operations are taken place in Vietnam.

3. Financial risk management**Overview**

The company's business operations are exposed to the following financial risks: credit risk, liquidity risk and market risk. The Directors are responsible for establishing policies and controls to minimize the financial risk as well as monitor the implementation of applied policies and controls. The risk management is carried out mainly by the Department of Accounting and Finance in line with the policies and procedures approved by the Directors.

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Credit risk is the risk that one contractual party will cause a loss for the company by failing to pay for its obligation.

The company is exposed to credit risks mainly from receivable from its customers and cash in bank.

Receivable from customers

In order to manage the receivables from customers, the Directors have issued the sales regulations with the strict requirements on customers, sales limits, debt limit and debt collection period. On the monthly basis, the Directors check the compliance with these sales regulations. Additionally, the accountant in charge of accounts follows up the accounts receivable regularly to speed up the recovery.

Since the company's accounts receivable from customers are related to many companies operating in various fields and geographical areas, the credit risk from accounts receivable from customers is low.

Cash in bank

It includes term deposits and demand deposits of the company are in local banks. The Directors have not realized any material credit risk from these deposits.

The maximum credit risk level of financial assets is their book values (see Note VIII.4 regarding the book values of financial assets).

The analysis statement on outstanding period and devaluation of financial assets is as follows:

	Not yet overdue or devaluated	Overdue but not devaluated	Already overdue and/or devaluated	Not yet overdue but devaluated	Total
Ending balance					
Cash and cash equivalents	4.337.109.369	-	-	-	4.337.109.369
Investments held to maturity dates	64.000.000.000	-	-	-	64.000.000.000
Receivable from customers	69.939.296.835	-	2.427.441.335	-	72.366.738.170
Other receivable	12.117.145.636	-	-	-	12.117.145.636
Financial assets available for sale	200.887.800	-	-	-	200.887.800
Total	150.594.439.640	-	2.427.441.335	-	153.021.880.975
Beginning balance					
Cash and cash equivalents	38.118.698.848	-	-	-	38.118.698.848
Receivable from customers	34.800.000.000	-	-	-	34.800.000.000
Loans given	77.016.150.967	-	2.455.768.467	-	79.471.919.434
Other receivable	7.174.723.739	-	-	-	7.174.723.739
Financial assets available for sale	200.887.800	-	-	-	200.887.800
Total	157.310.461.354	-	2.455.768.467	-	159.766.229.821

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Liquidity risk

Liquidity risk is the risk that the company will have difficulties in paying its financial liabilities.

The company's liquidity risks mainly arise from the differences in maturity dates of financial assets and financial liabilities.

The company manages its liquidity risks by applying such methods as: regularly following the current payment requests as well as estimated payment requests in the future to maintain an appropriate amount of cash and loans, and supervising the actual cash flows in comparison with the budget in order to minimize the effects of the changes in cash flows to the company.

The terms of payments to non-derivative financial liabilities are on the undiscounted payments supposed to make according to the contracts. Details are as follows:

	Under 1 year	From 1 year to 5 years	Over 5 years	Total
Ending balance				
Loans and debts	14.686.949.203	-	-	14.686.949.203
Payable to suppliers	18.639.112.870	-	-	18.639.112.870
Other payable	17.969.528.757	-	-	17.969.528.757
Total	51.295.590.830	-	-	51.295.590.830
Beginning balance				
Loans and debts	28.000.000.000	-	-	28.000.000.000
Payable to suppliers	16.587.945.684	-	-	16.587.945.684
Other payable	24.403.892.047	-	-	24.403.892.047
Total	68.991.837.731	-	-	68.991.837.731

The company's Directors believe that the risk level from payments for financial liabilities is low. The company is able to settle their current portions of debts from operating cash flow and the gain from financial liabilities on due dates.

Market risk

Market risk is the risk that the fair value or cash flows in the future of a financial instrument will fluctuate due to changes in market prices.

Market risks related to the operation of the company include: interest rate risk and goods/materials price risk.

The sensitivity analyses and assessment below, which are related to the company's financial position as of 30 June 2014 and 31 December 2013, have been done on the basis of the value of net debts. Changes of interest rates, and goods/materials' prices used in analyzing the sensitivity are supposed on the assessment of their occurrence possibility in the coming year with observable conditions of the market at present.

Interest rate risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The company's interest rate risk is mainly related to term deposits and loans with floating interest rates.



CONSTRUCTION INVESTMENT CORPORATION 3-2

Address: 45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Town, Binh Duong Province

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2014

Notes to the interim financial statements (cont.)

The company controls the interest rate risk by analyzing the market situation in order to give appropriate decision on choosing the time for getting loans, choosing appropriate loan terms to get the most favorable interest rates as well as maintaining loan structure with appropriate floating and fixed interest rates.

The company's financial instruments with floating interest rates are as follows:

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash and cash equivalents	3.000.000.000	35.517.260.274
Investments held to maturity dates	64.000.000.000	34.800.000.000
Loans and debts	(14.686.949.203)	(28.000.000.000)
Net assets/(liabilities)	<u>52.313.050.797</u>	<u>42.317.260.274</u>

The company thinks that the effects of the fluctuations in interest rates on the company's profit after tax and owner's equity are not significant because the net assets are of small values.

Goods/materials price risk

The company has had the risks due to fluctuations in goods/materials' prices. The company manages the goods/materials price risk by following up the related information and situations in the market to control the time for purchasing materials, preparing manufacturing plan and keeping the volumes of inventories at reasonable level.

*Collaterals**Collaterals to other entities*

The company has mortgaged its term deposits to secure for loans from Bank for Investment and Development of Vietnam JSC (BIDV) – South Binh Duong Branch (see note V.1 and V.15). As of 30 June 2014, the book values of collaterals are VND 14.300.000.000.

Collaterals received from other entities

The company has had no collaterals received from other entities as of 30 June 2014 and 31 December 2013.

4. Fair values of financial assets and liabilities*Financial assets*

	Book values				Fair values	
	Ending balance		Beginning balance		Ending balance	Beginning balance
	Historical costs	Provision	Historical costs	Provision		
Cash and cash equivalents	4.337.109.369	-	38.118.698.848	-	4.337.109.369	38.118.698.848
Investments held to maturity dates	64.000.000.000	-	34.800.000.000	-	64.000.000.000	34.800.000.000
Receivable from customers	72.366.738.170	(1.510.174.405)	79.471.919.434	(1.231.307.036)	70.856.563.765	78.240.612.398
Other receivable	12.117.145.636	-	7.174.723.739	-	12.117.145.636	7.174.723.739
Financial assets available for sale	200.887.800	-	200.887.800	-	200.887.800	200.887.800
Total	<u>153.021.880.975</u>	<u>(1.510.174.405)</u>	<u>159.766.229.821</u>	<u>(1.231.307.036)</u>	<u>151.511.706.570</u>	<u>158.534.922.785</u>



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INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2014

Notes to the interim financial statements (cont.)

Financial liabilities

	Book values		Fair values	
	Ending balance	Beginning balance	Ending balance	Beginning balance
Loans and debts	14.686.949.203	28.000.000.000	14.686.949.203	28.000.000.000
Payable to suppliers	18.639.112.870	16.587.945.684	18.639.112.870	19.871.206.236
Other payable	17.969.528.757	24.403.892.047	17.969.528.757	22.256.948.648
Total	51.295.590.830	68.991.837.731	51.295.590.830	70.128.154.884

Fair values of financial assets and liabilities of the company are reflected at the values which the financial instruments can be converted in a current transaction among parties having enough knowledge and expecting to involve in the transaction.

The company has applied the following method and assumption to estimate the fair value of financial assets and financial liabilities:

- Fair values of cash and cash equivalents, receivable from customers, loans given, other receivable, loans, payable to suppliers and other current liabilities are equivalent to the book values of these items (excluding the provisions for estimates on unrecoverable amounts) since these instruments have short-term periods.
- Fair values of receivable from customers, other receivable, loans, payable to suppliers and other long-term payable, investments held to maturity dates not yet listed on the stock exchange and not having transaction price disclosed by 3 securities companies are determined by discounting cash flows at the interest rate applied to loans of which the loan features and remaining loan periods are the same with the loans given.

The company has not officially assessed the financial assets available for sale. However, the Directors have assessed that the fair values of these financial assets are not materially different from the book values.


Do Viet Cuong
Preparer


Nguyen Xuan Hieu
Chief Accountant

Binh Duong, 21 July 2014

Vo Van Lanh
General Director


CHI MINH