



CONSTRUCTING SUSTAINABLE VALUES

“ Throughout 12 years, Coteconcs has become a leader in **construction** in Vietnam market thanks to the outstanding **values** proposition brought to our customers and ourselves by designing and constructing activities. **Sustainable** construction from years to years represents strong commitment to our jobs. ”



CONSTRUCTING SUSTAINABLE VALUES



TRUST

Highlighted financial indicators	04
Vision, Mission, Core values	06
A foreword of our Chairman	08

GENERAL INFORMATION

General information	12
Business fields	12
History of establishment and development	14
Business area	16
Shareholder structure	18
Subsidiary - Associated Companies	22
A highlight of outstanding events of Coteccons in 2016	24
Awards won in 2016	26
Company's orientation and development strategy	28

COMMITMENT

ORGANIZATION AND HUMAN RESOURCES

Management system	32
Organizational structure	34
Overview of Board of Directors	36
Overview of Board of Supervisors	40
Overview of the Board of Management	42
Report of the human resources	46

INNOVATION

REPORT ON BUSINESS OPERATION IN 2016

Report of Board of Supervisors	54
Report of the Board of Management	58
Investment activities in 2016	70
Management orientation 2017	74
Report on the improvement of Departments/Divisions	76

VISION

REPORT OF BOARD OF DIRECTORS ON THE COMPANY'S OPERATION

Report of the Board of Directors	94
Summary report of the 2012 – 2017 Board of Directors	97
Supervisory report of the Board of Directors on the Board of Management	98
Strategic orientation of the Board of Directors in 2017	100

PRESTIGE

CORPORATE GOVERNANCE

Board of Directors and its operation in 2016	104
Operation of the BOD's Subcommittees	107
Remuneration of the BOD, BOM and BOS members in 2016	110
Stock transaction(s) of insiders and acquaintance	111
Risk management	112

SUSTAINABILITY

SUSTAINABLE DEVELOPMENT REPORT

An overview of sustainable development	122
Sustainable development activities in 2016	124
Sustainable engagement with Stakeholders	126
Feedback collecting system for Stakeholders	130
Evaluation on key areas	132
Sustainability orientation	134
A sustainable corporate	136
Human resource development	144
Environmental conservation	150
Coteccons' contribution to the social development	154

TRANSPARENCY

FINANCIAL STATEMENTS

General information	161
Report of Management	163
Independent auditor's report	164
Consolidated balance sheet	166
Consolidated income statement	168
Consolidated cash flow statement	169
Notes to the consolidated financial statements	171
Report on the use of proceeds from private placement for strategic shareholders	204

QUALITY

TYPICAL PROJECTS

A reference based on GRI4 Standard	212
	228

TOTAL ASSETS

11,741

BILLION VND

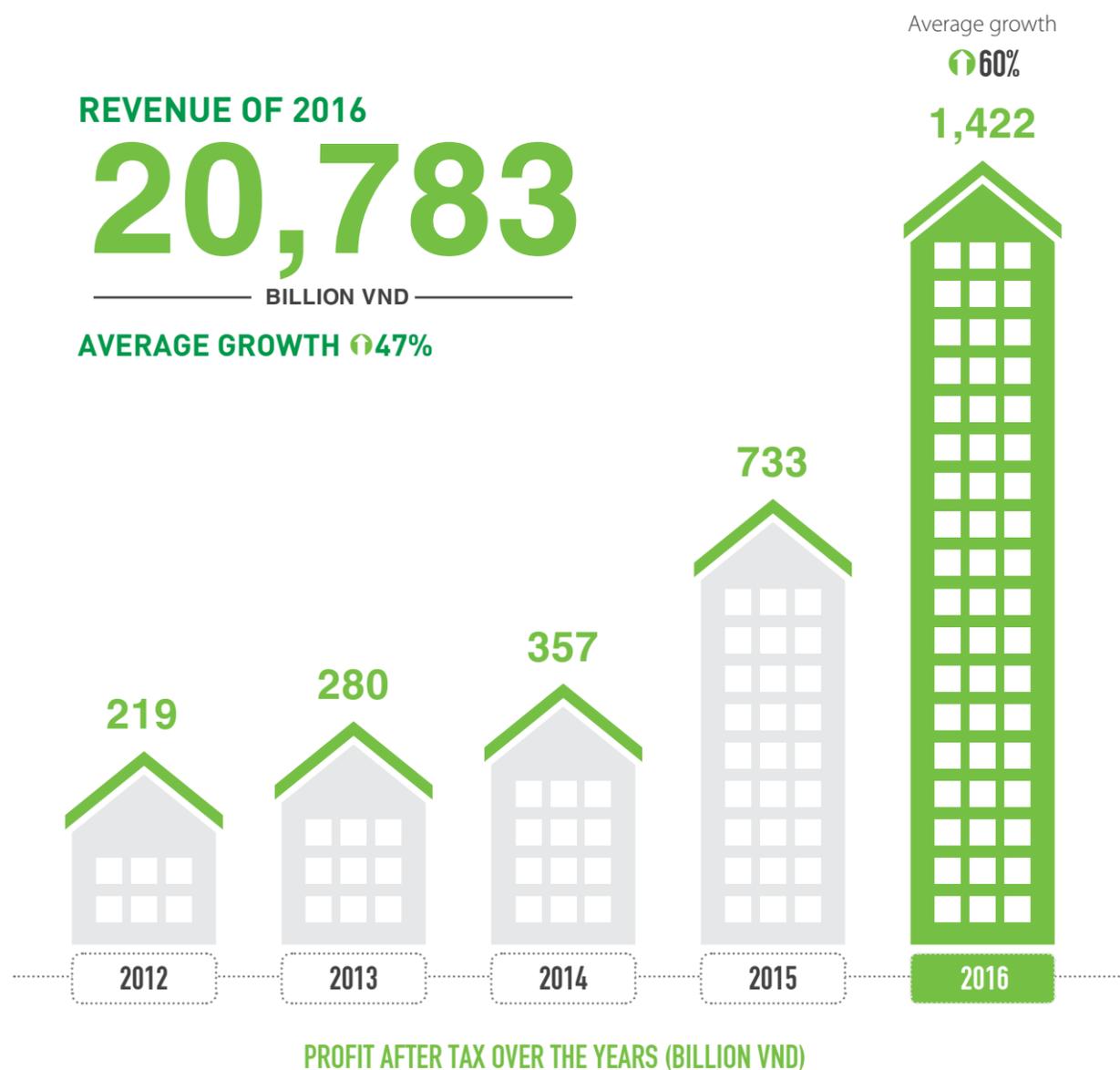
AVERAGE GROWTH \uparrow 34%

REVENUE OF 2016

20,783

BILLION VND

AVERAGE GROWTH \uparrow 47%



Year/Target (billion VND))	2012	2013	2014	2015	2016	Average growth
INCOME STATEMENT						
Revenue	4,477	6,190	7,634	13,669	20,783	47%
Profit before tax	300	393	464	927	1,763	56%
Profit after tax	219	280	357	733	1,422	60%
Profit after tax attributable to Shareholders of the Parent company	219	257	327	666	1,422	60%
SHAREHOLDERS' INCOME						
Earnings per share	5,596	6,103	7,769	10,708	20,669	39%
Dividend in cash (%/share capital)	20%	20%	50%	55%	30%*	
BALANCE SHEET						
Total assets	3,613	4,552	4,863	7,815	11,741	34%
- Current assets	3,048	3,996	3,658	6,486	9,944	34%
- Non-current assets	565	556	1,205	1,329	1,797	34%
Liabilities and equity	3,613	4,552	4,863	7,815	11,741	34%
- Liabilities	1,535	2,084	2,154	4,572	5,507	38%
- Equity	2,078	2,468	2,709	3,243	6,234	32%
FINANCIAL RATIOS (%)						
Gross profit margin	7.2%	7.5%	7.3%	8.1%	8.7%	
EBIT/Revenue	4.5%	4.0%	4.5%	5.5%	7.2%	
EBITDA/Revenue	5.3%	4.6%	4.9%	5.8%	7.5%	
Profit before tax/Revenue	6.7%	6.4%	6.1%	6.8%	8.5%	
Profit after tax/Revenue	4.9%	4.5%	4.7%	5.4%	6.8%	
ROAA (EBIT/Average total assets)	6.6%	6.1%	7.2%	11.8%	15.3%	
ROEA (Profit attributable to Shareholders of the Parent company/Average equity)	12.4%	11.3%	12.6%	22.4%	30.0%	

(*) Expected cash dividends approved by General Meeting of Shareholders 2016.



VISION

Coteccons positions itself in becoming a leading Construction Corporation of Viet Nam on both national and international scale, being in charge of General Contractor, D&B and EPC construction.



MISSION

Based on its prestige, quality and customer satisfaction for brand value measurement, Coteccons commits to offering well-qualified products, i.e. constructions with high efficiency in time, technology and art.



CORE VALUES



TRANSPARENCY

Transparency is well-focused in every activity, from management, cooperation to benefit.



CREATIVITY

Coteccons puts a strong emphasis on non-stop creation and improvement of quality control system in response to increasingly high demand from customers.



COMMITMENT

Coteccons proactively proposes solutions for better performance than earlier commitments.



COOPERATION

Mutual cooperation results in success.



CONSCIENTIOUSNESS

Coteccons strives to work with high sense of passion, enthusiasm and responsibility.



I HEARTILY BELIEVE THAT C O T E C C O N S ' SUSTAINABILITY IN THE LONG RUN IS AN INEVITABLE RESULT WHICH WE CAN HARVEST FROM OUR COMPREHENSIVE PREPARATION AND STRONG COOPERATION AMONG ALL INDIVIDUALS THROUGHOUT YEARS OF CONTINUOUS DEVELOPMENT OF THE COMPANY.

Dear Shareholders,

In 2016, the world witnessed many different political fluctuations, rendering slow recovery of the global economy in a complicated context of risks and instabilities. Vietnam was not ruled out off the trend while facing a myriad of challenges and difficulties along with below-expectation economic growth in the last period.

Coteccons, however, rejoiced a different story. In 2016, Coteccons continued to strengthen the leadership position in Vietnam's construction market with revenue reaching 1 billion dollars, profits increasing 113% in comparison with figures of 2015. In which, Design and Build model accounted for 40% of revenue, affirming Coteccons' superiority in design capability besides our existing prestige as the leading contractor in Vietnam. We surpassed many well-known foreign contractors to win the mega project of the highest building in Vietnam, the Landmark 81. This is a concrete milestone for Coteccons in particular and for Vietnam's construction industry as a whole, opening new doors to larger projects and bigger success in the future. Alongside our sustainable development, Coteccons has established many new functional departments such as Business Division, Department of Internal Control, Investment Board, Financial Supervisory Board, etc. to optimize the Company's management system. Also, the Company has always focused on improving our human resource quality and enhancing training activities. Coteccons proudly possesses a team of high-quality personnel with superior productivity. Coteccons' human capital is an unlimited source of energy enabling more brilliant successes for the Company in our next adventures.

In 2017, Coteccons shall continue rigorous improvements towards the goal of long-term sustainability. We shall refine the Design and Build model, strengthen R&D, and compete with other renowned contractors in the world. Furthermore, we shall focus on investment activities in order to make optimal uses of the Company's capital.

The future might accompany with challenges and the road ahead us is definitely not an easy one, I however heartily believe that Coteccons' sustainability in the long run is an inevitable result which we can harvest from our comprehensive preparation and strong cooperation among all individuals throughout years of continuous development of the Company towards the ultimate goal of bringing long-term benefits for our beloved Shareholders and providing more contributions to the society.

Coteccons' success would not be possible without a valuable companionship of beloved Shareholders. On behalf of the Board of Directors, I would like to take this opportunity to express our deepest gratitude to Shareholders. I look forward to receiving continuous trust and long-term engagement from Shareholders in our upcoming adventures.

Yours Sincerely,

Chairman


Nguyen Ba Duong



TRUST

In June 2016, Coteccons won over many famous foreign contractors and was entrusted to build Landmark 81. With a height of 461 meters upon completion, The Landmark 81 will be renowned as the 8th tallest building in the world, together with other ten world-class skyscrapers. With the Company's leading prestige earned through the commitment to accompanying the Owners on all project completion, Coteccons has continued many repeated contracts with its trusting clientele. **To Coteccons, Customer confidence is the foundation stone for our sustainability.**

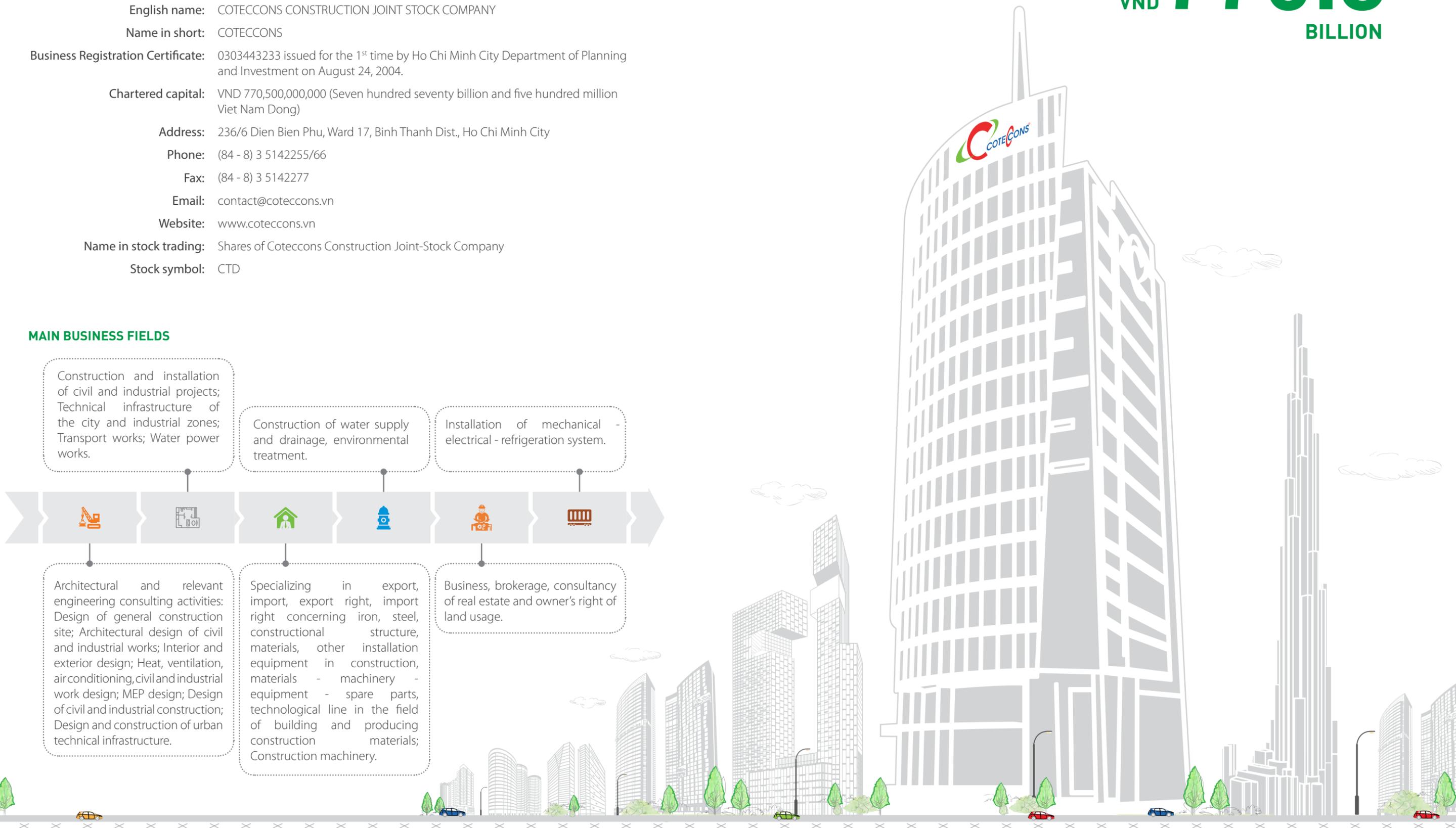
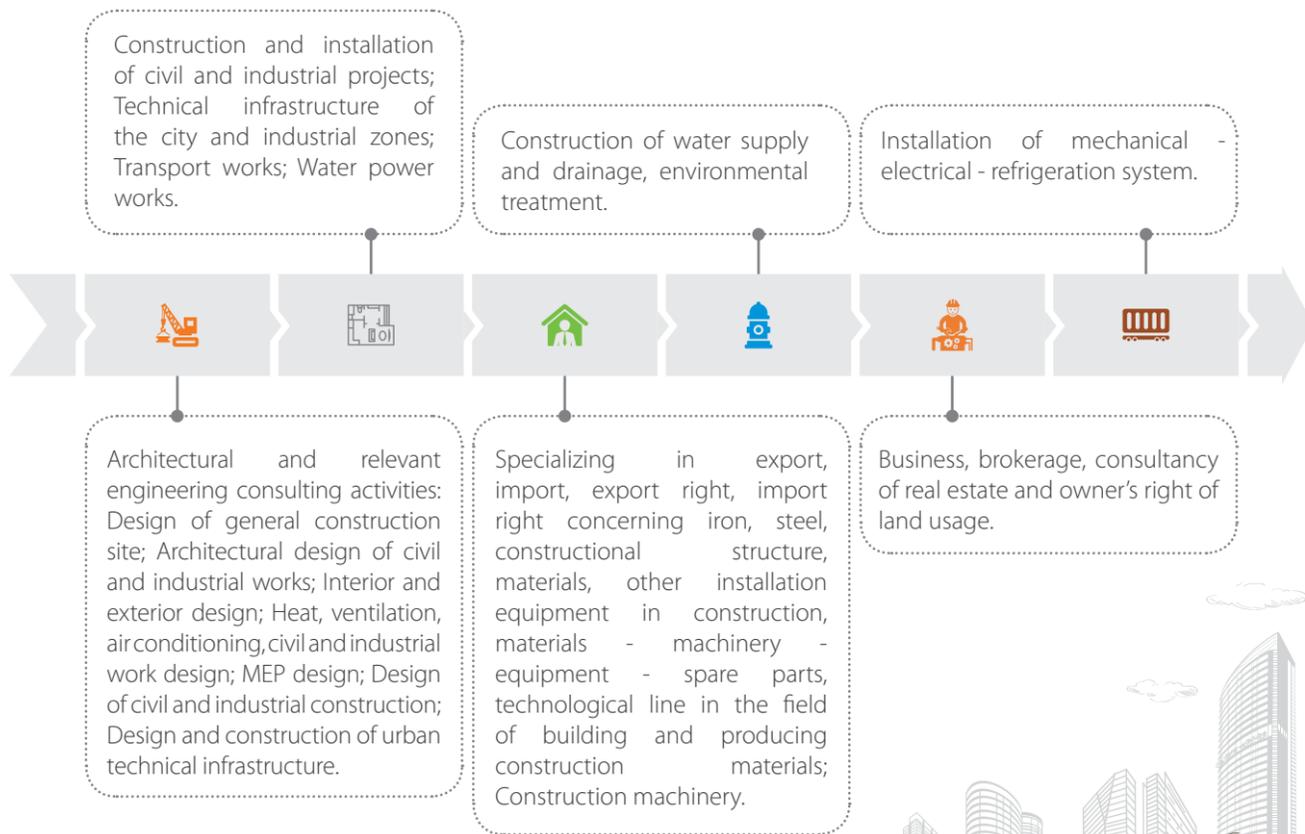


COMPANY INFORMATION

Vietnamese name: CÔNG TY CỔ PHẦN XÂY DỰNG COTECCONS
English name: COTECCONS CONSTRUCTION JOINT STOCK COMPANY
Name in short: COTECCONS
Business Registration Certificate: 0303443233 issued for the 1st time by Ho Chi Minh City Department of Planning and Investment on August 24, 2004.
Chartered capital: VND 770,500,000,000 (Seven hundred seventy billion and five hundred million Viet Nam Dong)
Address: 236/6 Dien Bien Phu, Ward 17, Binh Thanh Dist., Ho Chi Minh City
Phone: (84 - 8) 3 5142255/66
Fax: (84 - 8) 3 5142277
Email: contact@coteccons.vn
Website: www.coteccons.vn
Name in stock trading: Shares of Coteccons Construction Joint-Stock Company
Stock symbol: CTD

VND 770.5
BILLION

MAIN BUSINESS FIELDS



2004 TRANSFERRING TO JOINT STOCK COMPANY

Coteccons transformed its operating model into a joint stock company in accordance with Decision No. 1242 / QD-BXD dated 30 July 2004 of the Ministry of Construction with authorized capital of 15.2 billion.

2006 UNICONS BRANCH ESTABLISHED

Coteccons pushes its strategy to focus on the large segment of projects while maintaining and enhancing its market share in the mid-size segment through capital contribution to establishing Uy Nam Investment Construction Joint Stock Company (Unicons).

Coteccons holds 27% of Unicon's total initial charter capital.

2007 INITIAL PUBLIC OFFERING (IPO)

In order to improve corporate image and raise more capital for implementing big projects, Coteccons has issued shares to the public attracting many big foreign investors such as Dragon Capital, Indochina Capital, Tainan Spinning Co.,...

Coteccons is a Vietnamese pioneer in researching and applying successfully the Top-down advanced construction method to accelerate progress while still maintaining good quality of the whole works.

2009 COTECCONS' SHARES WERE OFFICIALLY LISTED

Coteccons invested 100% for the Commencement and Construction of Coteccons Office Building at 236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, Ho Chi Minh City.

In compliance with the Decision No. 155 / QD-SGDHCM dated December 9, 2009, Coteccons' shares were officially listed on the Ho Chi Minh City Stock Exchange (HOSE) marking a new milestone in the history of Coteccons' operation. The number of shares initially listed was 12 million. Stock code: CTD.

2010 COTECCONS OFFICE BUILDING PUT INTO OPERATION

Coteccons Office Building was constructionally completed and put into operation. The new office meets the needs for premises and operation facilities, bringing Coteccons a new position in the market. Moreover, Coteccons' Representative Office was also opened in Ha Noi, creating an outstanding step into the Northern Viet Nam market.

2011 GOLDEN CUP FOR THE VIET NAM CONSTRUCTION QUALITY

It was a great honour for Coteccons to receive the Golden Cup for the Viet Nam Construction Quality. Ministry of Construction.

Signing contract for General Contractor of the Grand Ho Tram – Casino Project, the largest complex resort project in Viet Nam and in the region with 100% foreign-invested capital from Asian Coast Development Limited ACDL – Canada). Coteccons was the first ever Vietnamese General Contractor to be in charge of building and managing other overseas subcontractors from Japan, Singapore, China ...

2012 2ND PRIVATE PLACEMENT OFFERING FOR STRATEGIC SHAREHOLDERS

The company expanded the area of operation with the construction of foreign projects (Laos), which is considered as the first step to conquer Indochina market.

Shares were issued to strategic shareholders for the second time. Despite the economic downturn and the stock market decline, Coteccons still succeeded in negotiating and signing a strategic cooperation agreement with Kustocem Pte.Ltd (Singapore) and issued 10.43 million shares. The total raised capital in the issuance is equivalent to US\$ 25 million.

2013 INCREASE IN EQUITY AT UNICONS UP TO 51.24%

Signing contract for international project contractor: SC VivoCity - District 7 by Saigon Co.op Investment Corporation (Viet Nam) and Mapletree (Singapore) as the Employer. The total contract value was around VND 1,200 billion.

Coteccons' equity in Uy Nam Investment Construction JSC (Unicons) rose considerably to 51.24%.

2014 FCC'S FOUNDING SHAREHOLDER

FCC has invested in building 23km of National Road 1 to avoid Phu Ly City and strengthening road section Km215+775 Km - Km 235+885, costing more than VND 2,000 billion.

Performing many design and build projects as general contractor:

Masteri Thao Dien, worth more than VND 3,316 billion, is the strong and large scale foundation, setting motivation for other Employers to trust and appoint Coteccon other D&B models such as Regina factory phase 1,2,3 (approximately VND 1,250 billion), First team factory (VND 171 billion).

2015 MOMENTUM FOR MERGER AND ACQUISITION STRATEGY

3,604,530 shares were issued to swap the entire number of shares of Uy Nam Investment Construction Joint Stock Company (Unicons) so that the percentage of Coteccons' ownership in Unicons has reached 100%.

Establishing the strongest growth level ever

2015 marked the highest growth rate in terms of revenue and within 11 years of operation, reaching a growth rate of nearly 100% over 2014. Many substantial D & B contracts signed and executed with new Employers such as: The Gold View, T & T Vinh Hung, Duc Viet Resort ...

Many large project contracts valued at over VND 1,000 billion were consecutively signed: TimesCity ParkHill, Vinhomes Central Park, Worldon ...

2016 ADDITIONS TO HISTORY OF ESTABLISHMENT AND DEVELOPMENT

The year 2016 continued to mark a milestone in Coteccons' economic development. The Company's revenue reached VND 20,783 billion, increasing by 52%. Profit increased 113% compared with that of 2015, reaching the level of VND 1,422 billion.

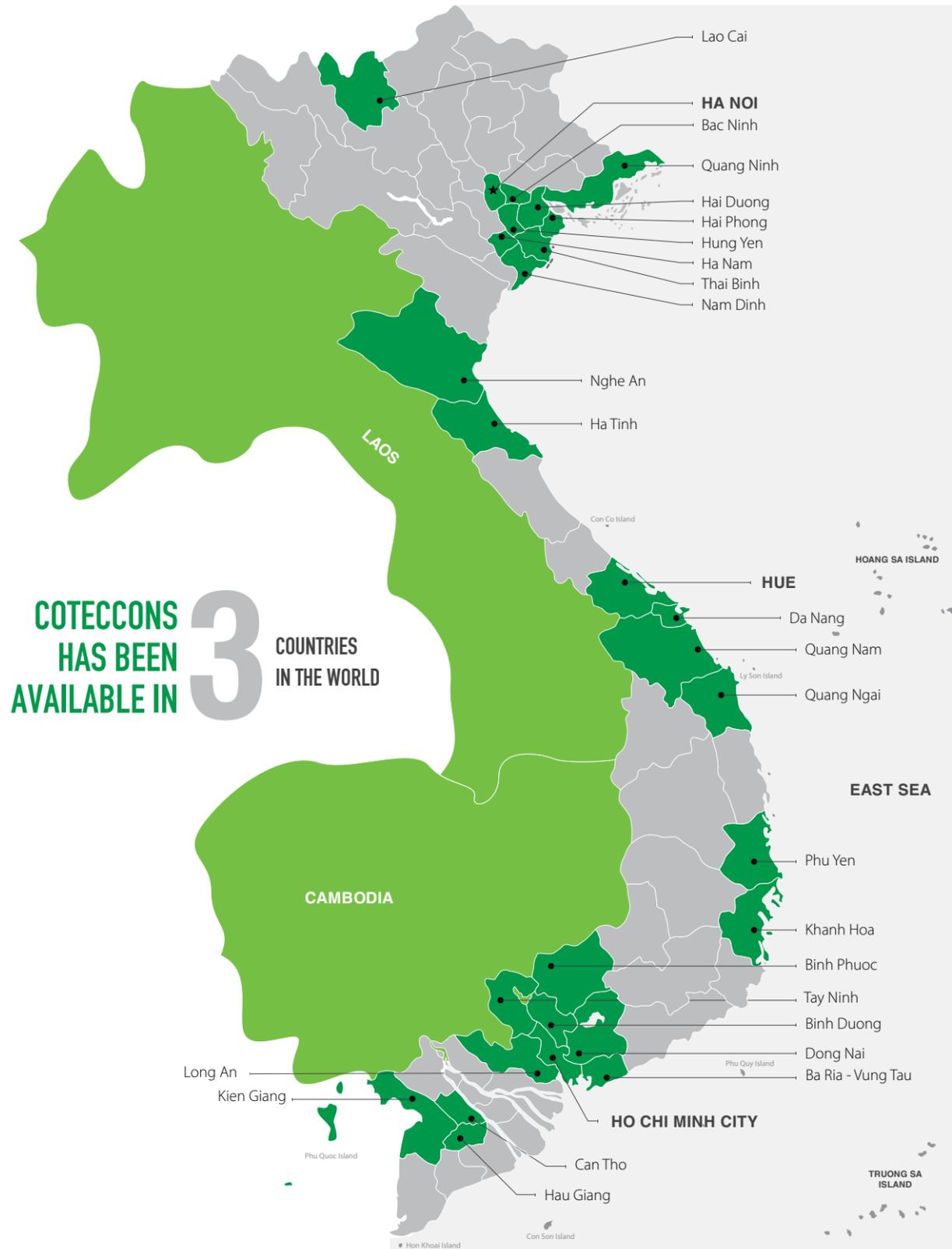
Coteccons surpassed many foreign contractors to win over the bid of The Landmark 81 project, the highest building in Vietnam and the 8th highest building in the world.

Many D&B projects were signed, accounting for 40% of the Company's total revenue. Some highlights to be mentioned hereafter are Vinhomes Thang Long, Regina Manufacture Phase 5, Panorama Nha Trang, Diamond Island Phase 2, The Millenium, and D'Capitale.

Coteccons performed the first private placement for strategic shareholders and raised VND 1,762 billion, increasing the Company's charter capital by VND 770.5 billion.

In terms of technical development, Coteccons has achieved remarkable improvements by the completion of many challenging projects, including base construction packages for The Landmark 81 and The Spirit of Saigon (formerly known as The One).

Moreover, the application of BIM into the transfer beam construction for the Landmark 81 project has marked initial successes.



COTECCONS HAS BEEN AVAILABLE IN 3 COUNTRIES IN THE WORLD

NORTHERN VIET NAM



D'Capitale - Ha Noi



Regina - Hai Phong



Vinhomes Times City - Ha Noi



CENTRAL VIET NAM



Vinmec - Da Nang



Condotel - Da Nang



Panorama - Nha Trang



SOUTHERN VIET NAM



Diamond Island - HCMC



Vinhomes Golden River - HCMC



Ho Tram - Vung Tau



AFTER 12 YEARS OF OPERATION IN THE FIELD OF CONSTRUCTION, WORKS CONSTRUCTED BY COTECCONS GROUP HAVE BEEN PRESENT IN MOST OF THE MAJOR CITIES AND PROVINCES IN THE COUNTRY AND READY TO EXPAND OVERSEAS.

DOMESTIC MARKET

Coteccons focuses on the following areas:

Southern Viet Nam: Ho Chi Minh City, Hau Giang, Long An, Binh Duong, Vung Tau, Tay Ninh, Dong Nai, Binh Phuoc, Phu Quoc, Can Tho, Kien Giang ...

Central Viet Nam: Da Nang, Quang Nam, Nghe An, Quang Ngai, Khanh Hoa, Phu Yen, Hue, Ha Tinh...

Northern Viet Nam: Ha Noi, Bac Ninh, Ha Nam, Quang Ninh, Hai Phong, Lao Cai, Hung Yen, Thai Binh, Hai Duong, Nam Dinh...

FOREIGN MARKETS

Since 2012, Coteccons has expanded its business to Southeast Asia and conducted building in Laos and Cambodia.

SHAREHOLDER STRUCTURE

As of 15th March 2017

STOCK INFORMATION

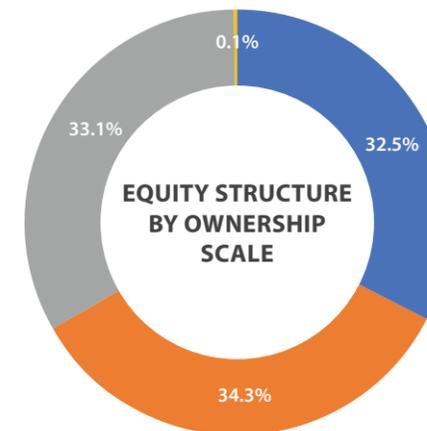
Chartered Capital	VND 770,500,000,000
Number of listed stocks	77,050,000 stocks
Number of outstanding stocks	76,983,344 stocks
Treasury stocks	66,656 stocks
Par value	VND 10,000/stock

SHAREHOLDER EQUITY RATIO

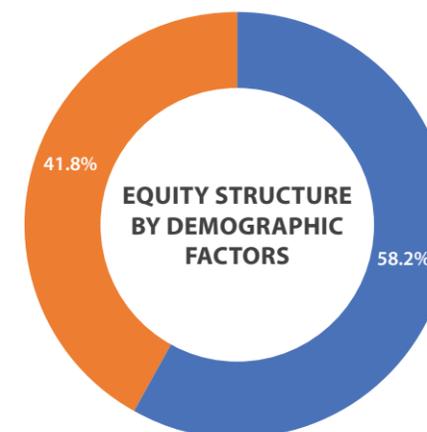
No.	Category	Domestic shareholders			Foreign shareholders			Total number of stocks	Proportion (%)
		Number of shareholders	Number of stocks	Proportion (%)	Number of shareholders	Number of stocks	Proportion (%)		
1	Municipals	-	-	-	-	-	-	-	
2	Owners of 5% or above	1	11,192,652	14.5%	1	13,906,666	18.0%	25,099,318	32.5%
3	Owners of 1-5%	11	15,108,733	19.6%	7	11,310,249	14.7%	26,418,982	34.3%
4	Owners of 1% or below	2,870	18,451,614	24%	212	7,013,430	9.1%	25,465,044	33.1%
5	Treasury stocks	1	66,656	0.1%	-	-	0.0%	66,656	0.1%
TOTAL		2,883	44,819,655	58.2%	220	32,230,345	41.8%	77,050,000	100%

SHAREHOLDER STRUCTURE

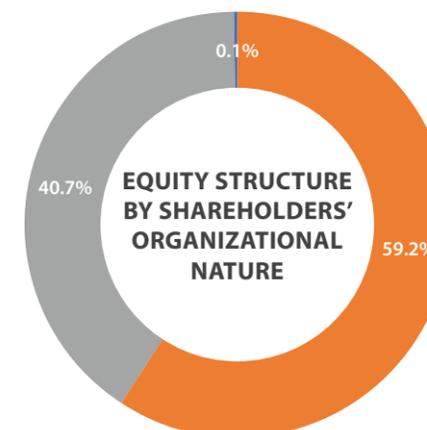
No.	Shareholder Structure	Number	Number of stocks	Percentage
1	Treasury Stocks	1	66,656	0.1%
2	Domestic shareholders	2,882	44,752,999	58.1%
2.1	Organizations	55	13,713,823	17.8%
2.2	Individuals	2,827	31,039,176	40.3%
3	Foreign shareholders	220	32,230,345	41.8%
3.1	Organizations	84	31,883,398	41.4%
3.2	Individuals	136	346,947	0.4%
TOTAL		3,103	77,050,000	100%



- Owners of 5% or above
- Owners of 1-5%
- Owners of 1% or below
- Treasury stocks



- Domestic shareholders
- Foreign shareholders

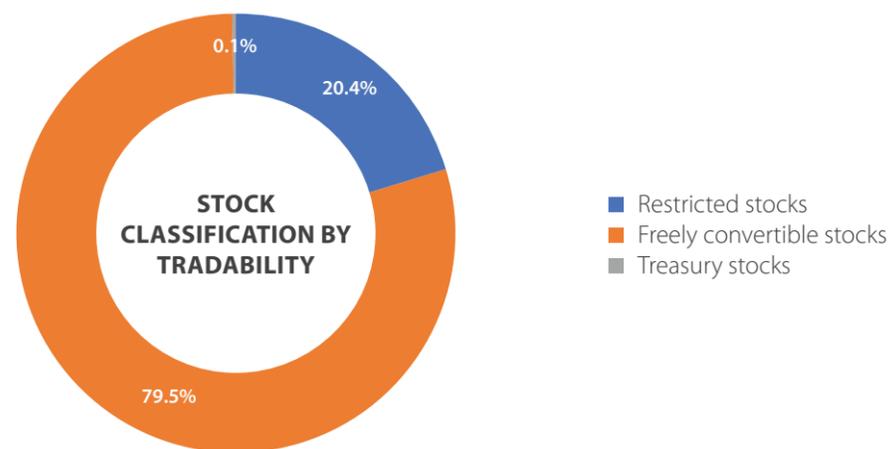


- Treasury stocks
- Organizations
- Individuals



FREELY CONVERTIBLE STOCKS AND RESTRICTED STOCKS

No.	Type of stock	Number	Proportion on charter capital	Time of restriction
I	Restricted stocks	15,703,168	20.4%	
1	Shares issued for Key Personnels of Coteccons (ESOP) 2015	1,053,000	1.4%	from 05/08/2015 to 05/08/2018
2	Swap shares of Unicons issued for Key Personnel (Unicons' ESOP) 2015	335,250	0.4%	from 04/12/2015 to 24/07/2018
3	Shares of Coteccons' Board of Management swapped from Unicons' shares	498,627	0.6%	from 02/06/2016 to 02/06/2017
4	Shares issued for Key Personnels of Coteccons (ESOP)2016	2,339,540	3.0%	from 25/08/2016 to 25/08/2018
5	Shares issued for strategic shareholders 2016	11,476,751	14.9%	from 17/11/2016 to 16/11/2017
II	Freely tradable stocks	61,280,176	79.5%	
III	Treasure stocks	66,656	0.1%	
TOTAL		77,050,000	100%	



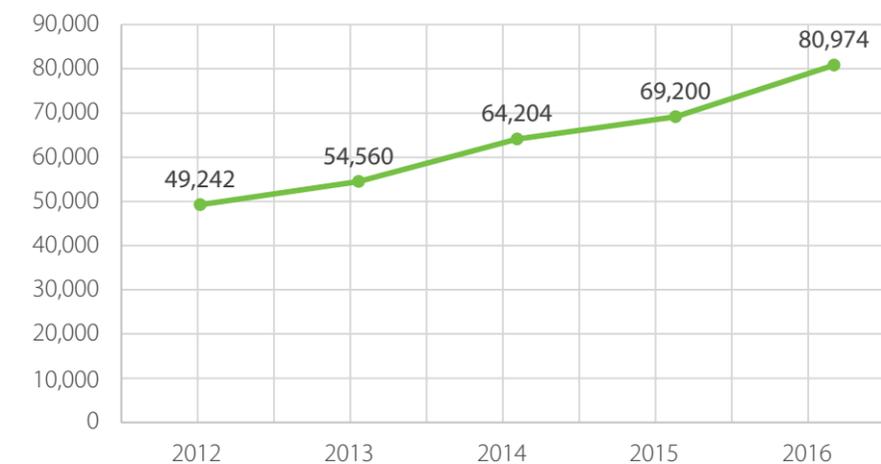
LIST OF MAJOR SHAREHOLDERS

No.	Shareholder structure	Address	Number of shares	Percentage
1	Nguyen Ba Duong	68A Hoang Hoa Tham Street, Ward 7, Binh Thanh District, Ho Chi Minh City	3,619,754	4.7%
2	Thanh Cong Trading and Investment MTV Ltd.	11 th Floor, Sailing Building, 111A Pasteur, Ben Nghe Ward, District 1, HCMC	11,192,652	14.5%
3	Kustocem Pte. Ltd.	80 Raffles Place, #32-01 UOB Plaza 1 Singapore 048624	13,906,666	18.0%

INFORMATION OF STOCK PRICE



BOOK VALUE OF SHARES



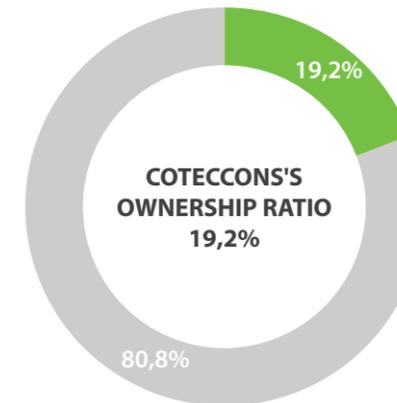
SUBSIDIARY – ASSOCIATED COMPANIES

ONE OF COTECCONS' COMPETITIVE ADVANTAGES IN PARTICIPATING IN SUPER-PROJECTS IS THE CAPACITY OF ITS SUBSIDIARIES AND ASSOCIATES.

Securing firm positions as leading contractors in Vietnam market, Coteccons' affiliates and subsidiaries are playing an important role in the development of Coteccons.

Coteccons and the Company's affiliates and subsidiaries shall work hand in hand to share experience, intelligence and new techniques under a shared goal of overcoming more limits and reaching new successes.

In addition, investments in subsidiaries, joint ventures, and affiliates also open up opportunities for Coteccons to expand its market share and diversify its business areas. These are important factors for the company's sustainable development goals in the future.



Business results in the year 2016

Revenue from sales of goods and services: VND 4,790 billion

Profit after tax: VND 192 billion

Total assets: VND 1,815 billion

Equity: VND 503 billion

RICONS INVESTMENT CONSTRUCTION JOINT STOCK COMPANY

Address: 236/6 Dien Bien Phu, Ward 17, Binh Thanh Dist. Ho Chi Minh City.

Authorized capital: VND 105 billion.

Established in 2004, Ricon's initial primary business activity was investing in development of real estate projects. There are many Ricon's outstanding works bringing about good impression today, including Botanic Towers and Saigon Pavillon. By the year of 2008, Ricon expanded its business to construction with a range of projects ranging from design to construction management in many forms such as: apartments, hotels, resorts, large-scale industrial plants.

In recent years, together with the continuous improvement of management system, facilitating modern equipment and training human resources for construction, Ricon also looked into the re-energizing real estate intermediary, construction materials trading. This not only brings in new income for Ricon, in particular, and Coteccons, in general, but also creates a great advantage for Coteccons when bidding or implementing the design and construction projects. Coteccons, along with Unicons and Ricon, have provided a closed service to employers ranging from design, construction to sales consultancy. This is the big advantage which hardly can any domestic contractors be up to.

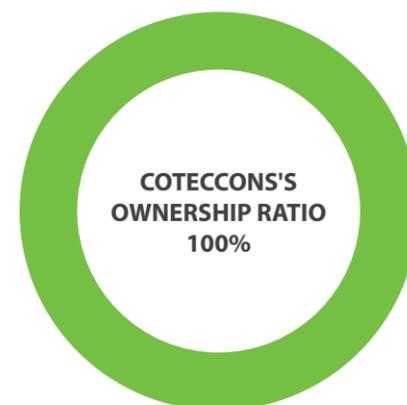
UNICONS INVESTMENT CONSTRUCTION CO., LTD



Address: Floor 5 - 6, 236/6 Dien Bien Phu, Ward 17, Binh Thanh Dist., Ho Chi Minh City.

Authorized capital: VND 94.5 billion.

Unicons was established in 2006 as a joint stock company, with current authorized capital of VND 94.5 billion. In 2016, after many times of increasing ownership ratio, Coteccons officially acquired 100% of Unicons' authorized capital. Unicons main business line is construction, strengthened by a team of talented professionals who are young and dynamic with the spirit of constantly improving the management system, contributing to creating a professional and scientific working environment. Inheriting from and enhancing the achievements of Coteccons, together with the effort from their own experience and core values, after more than 10 years of operation, Unicons has confirmed its position in the market by always remaining in the top largest private construction companies in Viet Nam with an average annual growth rate of over 20%. Over the past years, Unicons has been a major force devoting substantially to Coteccons' involvement in all the sites, from the North to the South of Viet Nam, from large to medium-scale projects. These greatly contribute to the outstanding growth of Coteccons not only at present but also in the future.



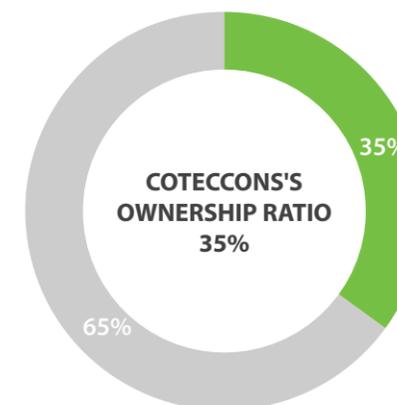
Business results in the year 2016

Revenue from sales and services: VND 4,188 billion

Profit after tax: VND 182 billion

Total assets: VND 2,237 billion

Equity: VND 712 billion



Business results in the year of 2016

Revenue from sales and services: VND 16 billion

Profit after tax: VND -315 billion

Total assets: VND 1,666 billion

Equity: VND 280 billion

FCC INFRASTRUCTURE INVESTMENT JOINT STOCK COMPANY

Address: 2nd Floor, CEO Tower, Pham Hung Street, Nam Tu Liem Dist., Ha Noi.

Authorized capital: 369 billion.

Coteccons contributed 98 billion VND in equity from FCC's establishment in 2014 to the end of 2016.

FCC's main business field is to build infrastructure, civil and industrial works, road construction, and public utility.

From 2014, the FCC has started to implement the investment project to build the National Highway 1 section which avoids Phu Ly City and reinforced road surface section Km215 + 775 ÷ Km235 + 885, Ha Nam province in the form of BOT contract worth more than VND 2,000 billion. The project has been conducted ahead of schedule, put into operation and started toll collection from November 2016. Although this is just a medium scale project, the capacity in infrastructure construction of Coteccons, in particular, and that of the FCC, in general, has initially been built and confirmed. This project is a solid launch platform for Coteccons to participate in more and more infrastructure projects in the future. Currently, FCC is proactively looking for, researching and developing other key infrastructure projects, contributing to promoting economic development, changing the country's outlook as well as responding to the whole Group's sustainable development goals.

A HIGHLIGHT OF OUTSTANDING EVENTS OF COTECCONS IN 2016

16th February 2016 ▶

Upon the signing of the 2016 Business Plan, Coteccons set an ambitious objective towards a successful completion of the Plan since the beginning of the year.



25th March 2016 ◀

Coteccons successfully organized the Cooperation and Development Conference in order to resolve concerns of subcontractors, suppliers, and construction teams, and further to strengthen their partnership with Coteccons.



12th April 2016 ▶

Coteccons successfully organized the 2016 Annual General Meeting, setting targets of VND 16,500 billion in revenue and of VND 800 billion in profit. The Company also managed to raise the Charter Capital via the 3 channels of offering bonus shares to existing shareholders, issuing shares to employees, and offering private placement to strategic partners.



14th June 2016 ◀

The company's name was officially changed into Coteccons Construction Joint Stock Company.



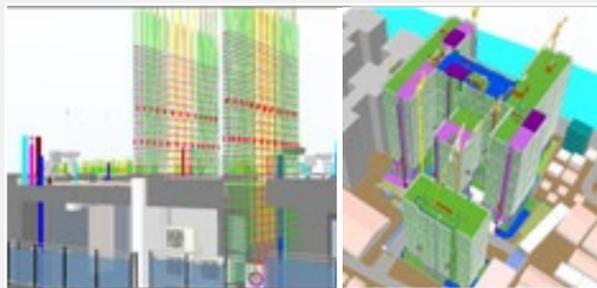
June 2016 ▶

Coteccons announced its winning bid over The Landmark 81 project, the highest tower of Viet Nam upon completion. July 2016: Coteccons completed the large volume concrete pours for The Landmark 81 project, with a scale of more than 17,000 m³ of concrete and about 5,000 tons of steel for the highest-to-be building in Viet Nam upon completion.



06th July 2016 ◀

Coteccons won the 3rd prize of the Gold View project in the Tekla BIM Awards 2016, a regional competition for participants in ASEAN and South Korea.



30th October 2016 ▶

Coteccons completed the large volume concrete pours for B6 basement (about 10,000 m² per platform) of the Spirit of Saigon project (formerly known as The One) at a depth of 29 meters, with many batches of mass concrete up to 5,000 m³.



8th November 2016 ◀

Coteccons was accredited as one of the Top 10 sustainable businesses by VCCI.



17th November 2016 ▶

Coteccons successfully issued 11,476,751 shares to strategic shareholders, raising VND 1,762 billion in capital.



24th November 2016 ◀

FCC Company - one of the Coteccons' affiliates - officially commenced its first toll collection for the National Highway 1 in Ha Nam after the completion of Phu Ly Crossover and the upgradation of Highway 1 via Phu Ly.



17th December 2016 ▶

The Company's Employee Engagement Conference with an attendance of more than 1,300 employees from all 3 regions of the country was organized to honor individuals and groups who had excellent achievements, contributing to Coteccons' overall success in 2016.



22nd December 2016 ◀

A Conference was organized to evaluate the business results in 2016 and the Management's development of the 2017 Business Plan.





TOP 30

BEST ANNUAL REPORTS

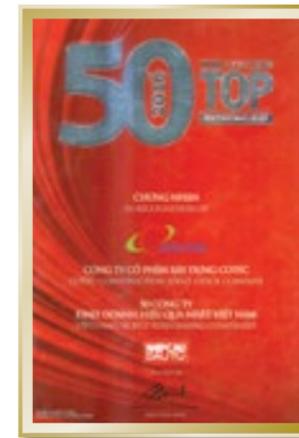
Ho Chi Minh Stock Exchange (HSX)



3RD PRIZE

IN THE TEKLA BIM AWARDS 2016

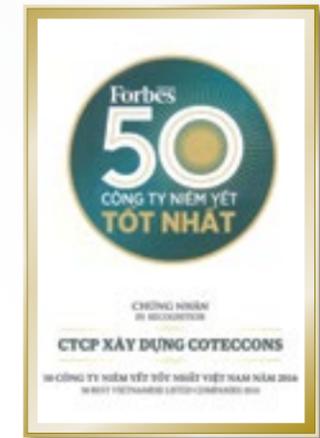
Trimble Tekla



TOP 50

BEST PERFORMING COMPANY IN VIET NAM

The Business Review – Nhip Cau Dau Tu magazine



TOP 50

BEST LISTED COMPANIES IN VIET NAM

Forbes



1ST PRIZE

THE BEST PLACE TO WORK IN THE CONSTRUCTION INDUSTRY

Anphabe



TOP 500

VIETNAMESE LARGEST ENTERPRISES IN 2016

VietnamNet - Vietnam Report



“TIN & DUNG 2016” AWARD BY VIET NAM ECONOMIC TIMES

Tieu & Dung Magazine – Viet Nam Economics Times

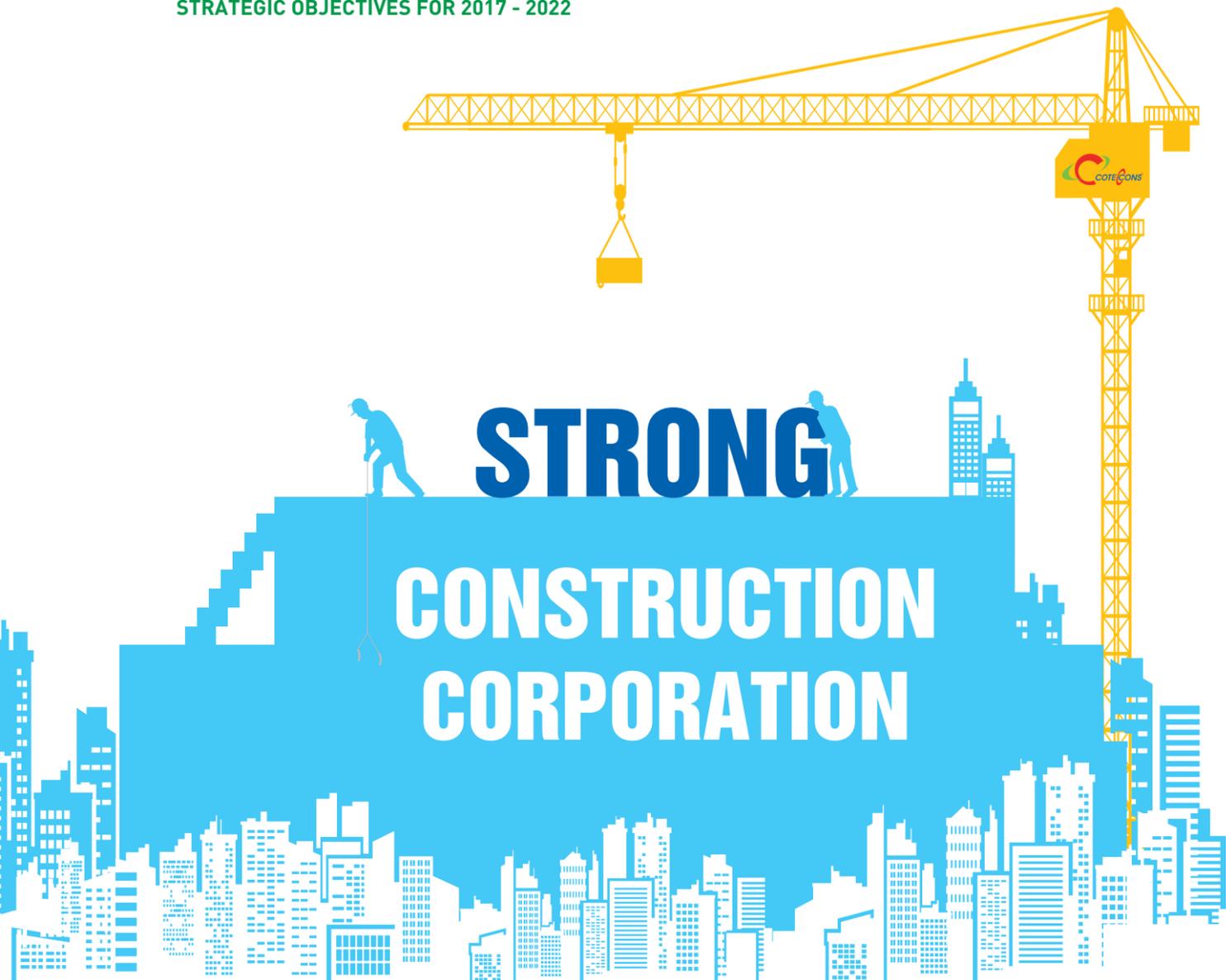


TOP 10 SUSTAINABLE BUSINESS IN 2016

Viet Nam Chamber of Commerce and Industry - VCCI



STRATEGIC OBJECTIVES FOR 2017 - 2022



EVALUATION OF THE 2012 - 2017 DEVELOPMENT STRATEGY

COTECCONS HAS SUCCESSFULLY COMPLETED THE COMPANY'S LONG-TERM STRATEGIC OBJECTIVES FOR THE PERIOD 2012 - 2017, DEVELOPING A STRONG AND SUSTAINABLE CONSTRUCTION CORPORATION CONSISTING OF THE PARENT COMPANY AND ITS AFFILIATES. COTECCONS' ORIENTATION FOR THIS PHASE WAS TO FOCUS ON ITS CORE BUSINESS, CONTINUOUSLY IMPROVING AND LEVERAGING OPPORTUNITIES TO INCREASE REVENUE AND PROFIT. THIS ORIENTATION LED TO COTECCONS' CONSISTENT LEADING POSITION IN THE CONSTRUCTION INDUSTRY AND THE COMPANY'S 3 PLACEMENTS LISTED IN THE TOP 10 LARGEST CONSTRUCTION COMPANIES IN VIET NAM.

PROPOSITION FOR THE 2017 - 2022 DEVELOPMENT STRATEGY

To continue Coteccons' successful growth, the Board of Directors set the orientations for the Company for the period of 2017 - 2022 as follows:

- 01** Strengthen the corporate governance system, increase transparency and focus on risk prevention in the pursuit of building a sustainable development for Coteccons and providing long-term benefits to shareholders, employees, customers and the community.
- 02** Continuously improve technology, increase productivity, and leverage the existing advantages of the Design & Build model to promote large-scale projects where Coteccons is the general contractor; continuously pursue the target for revenue and profit growth in construction operation with an average growth rate of 10% to 20% during 2017 - 2022, reinforcing Coteccons' leading position in the construction industry.
- 03** Focus on training and developing human resources in order to meet the development needs of the Company; especially, make a comprehensive preparation in human resources for the purpose of developing and managing investment activities and other potential business areas that the Company is targeting, inclusive of foreign market expansion.
- 04** Promote the creation of value chain in construction activities, utilizing the company's construction advantage to improve productivity and performance, yielding more profits for Coteccons in the value chain.
- 05** Make an efficient use of the capital raised from share issuance and the cash flow stemming from the Company's profit in its business operation to reinvest in infrastructure segment, conduct M&As with companies operating in similar industries, and create assets that will bring future cash flows to diversify the Company's revenue.

SUSTAINABLY DEVELOP COTECCONS AND ITS AFFILIATES UNDER THE FOLLOWING ORIENTATIONS

Development orientation for the parent company

- » Focus on building a strong management system and risk control.
- » Train and develop competent executive for the affiliates.
- » Develop and maintain the Company's corporate culture, ensuring that the culture values are promoted and widely spread over Coteccons and its affiliates.
- » Develop the incentive and bonus policies for the employees in accordance with business results.
- » Pioneer in improving and applying new technology, promoting productivity in order to reduce labor costs in construction process.

Development orientation for the subsidiaries and affiliates

- » Develop a strong subsidiary and affiliate system with the same corporate culture as parent company's.
- » Develop the construction management system for the affiliates in accordance with Coteccons standards.
- » Expand into new business activities in the construction value chain through the affiliates.

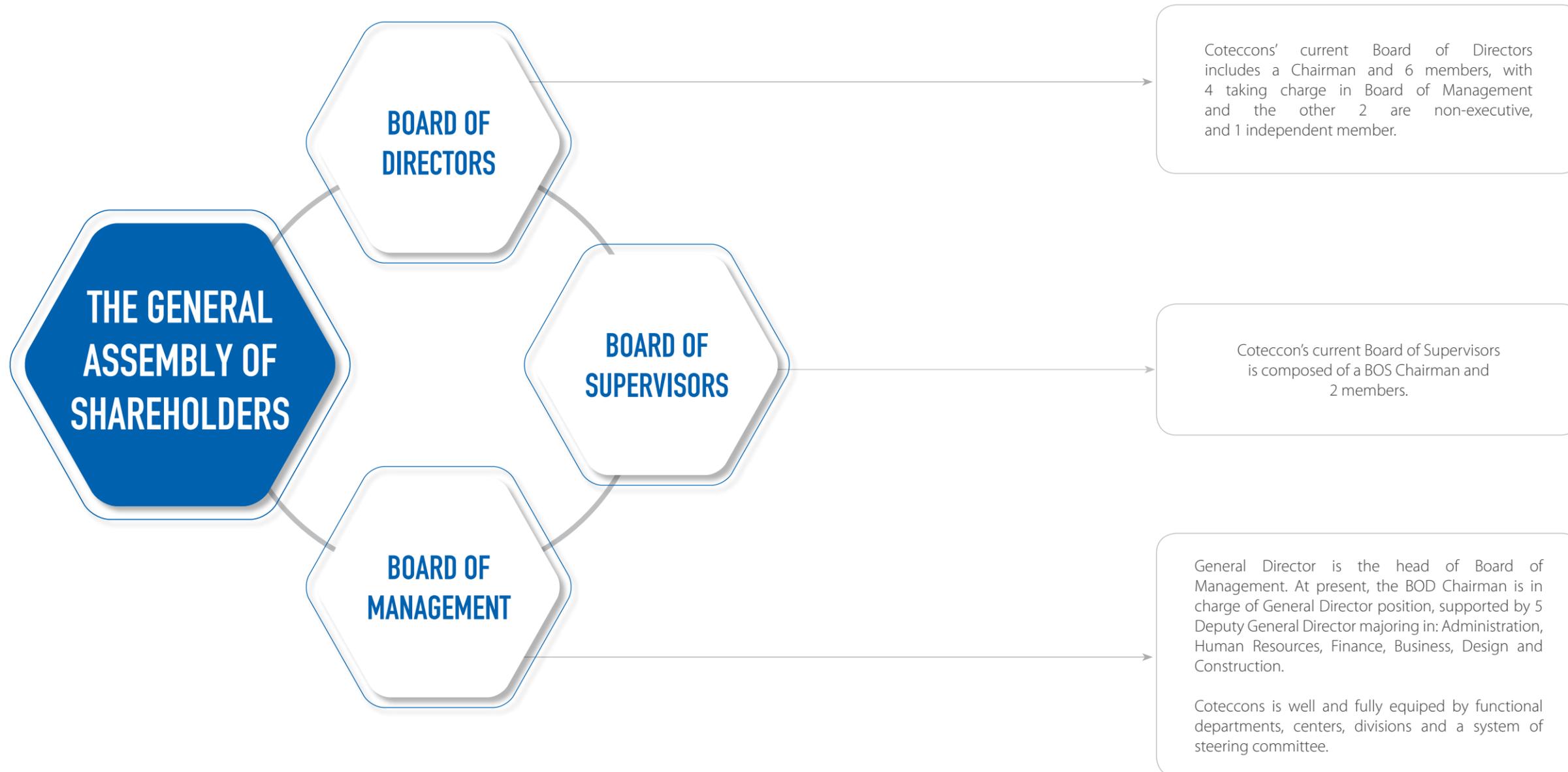


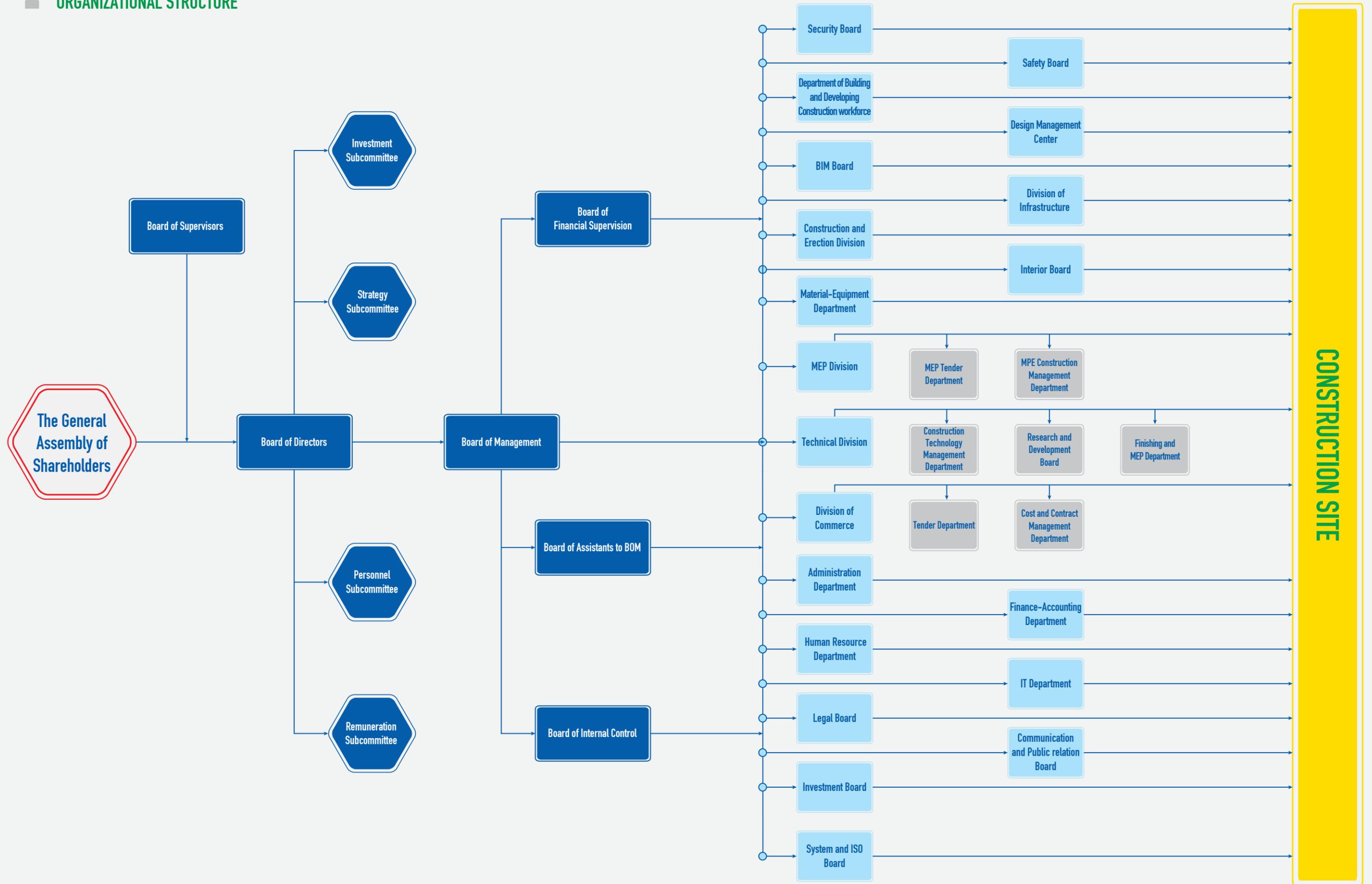
DEDICATION

2016 continued to be a successful year of Coteccons. With remarkable growth in revenue and profit while retaining new recruitment rate at the level of 30%, Coteccons is now possessing a high-quality workforce. Projects constructed by Coteccons such as Masteri Thao Dien and Vinhomes Thang Long were always guaranteed in quality and schedule. **A trustworthy workforce of experienced, intelligent and dedicated individuals shall contribute greatly to the achievement of sustainable values, ensuring Coteccons' significant success.**



COTECCONS OPERATES AS A JOINT STOCK CORPORATION. IN ADDITION TO BE IN COMPLIANCE WITH CURRENT LEGISTRATION, COTECCONS' BUSINESS OPERATION HAS TO BE IN CONFORMITY WITH REGULATIONS STIPULATED IN THE CHARTER APPROVED BY SHAREHOLDERS' MEETING. COTECCON' ORGANIZATIONAL STRUCTURE OF MANAGEMENT INCLUDES:





COTECCONS' CURRENT BOARD OF DIRECTORS INCLUDES CHAIRMAN AND 6 MEMBERS, WITH 4 TAKING CHARGE IN BOARD OF MANAGEMENT AND THE OTHER 2 ARE NON-EXECUTIVE, AND 1 INDEPENDENT MEMBER.



Mr. **NGUYEN BA DUONG**

Chairman

Year of birth: 1959
Nationality: Vietnamese

He graduated from Faculty of Architecture at Kiev University of Construction (Ukraine). With 32 years of experience in construction field and major positions in big corporations, he founded and has operated Coteccons since 2002, previously named Cotec Construction Firm. In 2004, he was appointed to General Director after the company went public under the name of Cotec Construction Joint stock company – Coteccons. Mr. Duong has maintained his position as the company's Chairman and General Director until now.

He received the Prime Minister's Certificate thanks to his contribution to the construction of Socialism, as well as Certificate from Minister of Construction for successful mission accomplishment. In 2013, he was proudly honored in the Top 50 Vietnamese Excellent Business Leaders by Forbes.

He was chosen as one among ten Excellent Team Developing Leaders in Viet Nam by Nhip Cau Dau Tu Magazine.

Mr. **TRAN QUANG QUAN**

Member of Board of Directors

Year of birth: 1973
Nationality: Vietnamese

He graduated as Construction Engineer from Ho Chi Minh City University of Technology. After his graduation, he worked in foreign construction companies as Project Manager and Project Director. Up to now, he has accumulated more than 20 years of experience in the construction industry.

Joining Coteccons from its very first day of establishment, Mr. Quan has played a very important role in research and renovated measures in construction, as well as training groups of excellent Project Manager and Project Director.

In 2007, together with his experience in management and administration, he was appointed to the position of Deputy General Director, being responsible for construction and labour safety. Currently, he is also accounted for promoting, expanding relation between Coteccons and Employers and Overseas partners, and directing other departments / sections internally.

Mr. **TRAN QUANG TUAN**

Member of Board of Directors

Year of birth: 1974
Nationality: Vietnamese

He graduated as Construction Engineer from Ho Chi Minh City University of Technology and had 20 years in the construction industry.

He has been together with the foundation and development of Coteccons from its early days. In addition to his efforts in strengthening Coteccons brand in construction industry, he also plays a vital part in building and enabling management of facility and material to be in as good condition as it is in the current time. He has been appointed to the position of Deputy General Director, being in charge of construction, management of facility investment and finance since 2009.

Recently, he has taken charge of many mega projects, hence contributing significantly to the strong growth and success of the Company.



Mr. BOLAT DUISENOV

Member of Board of Directors

Year of birth: 1981
Nationality: Kazakhstan

Graduating as Bachelor of Law, he has gained approximately 15 years of experience in managing banks, investment funds and financial corporations. As a representative from Kusto – a strategic shareholder and together with a thorough understanding towards Viet Nam market after spending 10 years living and working here, he is among the most proactive members in the Board of Directors in proposing the company's orientation and strategic planning.

Employment history: He served his career in the following positions: the Chief Legal Officer (CLO) of Caspian Bank (Kazakhstan) (2002 – 2003), member of Board of Management at Sberbank (Kazakhstan) (2003 – 2005), General Director of Tandem Real Estate Corporation (2005 – 2006), Founder of Atrix Capital Fund in Viet Nam (2005 – 2009) and Founding Member and General Director of Kusto Viet Nam (2009 – now).

In April 2016, he was appointed to the Board of Directors at Coteccons additionally (term 2012 – 2017).

Mr. GIUSEPPE M. FERRARA

Member of Board of Directors

Year of birth: 1962
Nationality: Italian

He holds a Master degree in Business Administration.

1997 - 1999: He was in charge of Deputy General Director of Material for CEMEX, the world's leading cement producer.

1999 - 2013: He, respectively, held positions of Director of CEMEX Costa Rica and General Regional Director of Central America; Director of CEMEX Puerto Rico Director; Deputy General Director of EMEAA & A for Construction materials division at Cemex (London & Madrid); General Director of Construction materials division in Spain, Director of Global Strategic Planning at CEMEX Central (Madrid, Spain).

In 2014, he was promoted to General Director at Kusto Cement Holding, Viet Nam.

Mr. TRAN QUYET THANG

Member of Board of Directors

Year of birth: 1962
Nationality: Vietnamese

He holds a Bachelor degree in Law and has over 30 years of experience in law, securities and real estate market. As an independent member of the Board of Directors, together with a wealth of management experience, he proactively joined in the improvement of management and administration efficiency with his great and objective ideas.

Employment history: From 1990 to 1995, he was Founder and Deputy General Director of Investconsult Group; in the period 1997 - 1999, he joined the establishment of T&A Law Office; in 2000 - 2003, he founded Saigon Securities Inc. with himself as General Director; from 2004 to now, he joined REFICO Real Estate Group as Chairman and General Director.

In April 2016 he was elected to the Coteccons' Board of Directors for the term of 2012 - 2017 as an independent member.

Mr. VU DUY LAM

Member of Board of Directors, Head of Investment Board

Year of birth: 1978
Nationality: Vietnamese

He holds a Bachelor degree of Commerce, majoring in Banking and Finance from Australian National University. He has obtained nearly 20 years of experience in the management of investment funds and financial companies. As a dynamic and experienced member in financial investment, he is expected to bring a new breeze to Coteccons investment.

Employment history: In the period of 1999 to 2007, he worked for Bates & Pickering Chartered Accountant, Canberra, Australia; in 2008 - 2010 he returned to Viet Nam and took the position of Deputy General Investment Director at Thai Think Capital; in 2010 - 2015 he joined VinaCapital and held the positions of Development Director (VinaProjects), Investment Director (VinaCapital Real Estate), Chief Executive Officer (VinaCapital Phuoc Dien), Member of the Board of Directors (Thang Loi Textile and Garment Joint Stock Company). In 2015, he was the Investment Director of Thanh Cong Trading and Investment Limited Company.

In 2016 he was additionally selected to the Coteccons' Board of Directors for the term 2012 - 2017, while also serving as the Head of Investment Board.



IN 2016, THE BOARD OF SUPERVISORS HAD 2 STRUCTURAL CHANGES: 02 MEMBERS RESIGNED IN MARCH 2016 AND 02 MEMBERS ASSIGNED LATER FOR A TERM OF 2012-2017 AT THE GENERAL MEETING OF SHAREHOLDERS.



Mr. **NGUYEN DUC CANH**

Head of Board of Supervisors

Year of birth: 1970
Nationality: Australia

He graduated from the University in Australia, majoring Business Accounting and has 24 years of experience in executive management. From 1992 to 2001, he served as Regional Director of Hanson Australia Building Materials Company.

In 2002, He moved to BASF Viet Nam Construction Chemical Company and held the position of General Director until the end of 2008. Since 2009, he has been working at Viet My Construction materials technology company as General Director.

Ms. **PHAM CAM LY**

Member of the Board of Supervisors

Year of birth: 1976
Nationality: Vietnamese

She graduated as a Master in Finance and has had nearly 20 years of experience in finance.

Employment history: In 1998 - 2004, she worked at the State Bank of Viet Nam, Ho Chi Minh City Branch; In 2004 -2006, she was a senior specialist at Ho Chi Minh City Investment Fund for Urban Development (HIFU); In 2008 - 2010, after completing her Master program in France, she joined Tri Tin International as an expert; From 2010 to present, she has been working for Kusto Viet Nam holding the position of a manager.

In April 2016 she was elected additionally to the Board of Supervisors at Coteccons for the term 2012 - 2017.

Ms. **NGUYEN THI PHUC LONG**

Member of the Board of Supervisors

Year of birth: 1975
Nationality: Vietnamese

She holds a BA in Corporate Finance & Monetary Trading and has had 20 years of experience in financial accounting management.

Working experience: in 1998 - 2002 she was the general accountant at Long An Post Office; In 2002 - 2010 she joined Coteccons and held the position of Vice Manager of Finance and Accounting Department; In 2010 - 2016 she was Chief Accountant of Ricons Construction Investment Joint Stock Company; Since 2016, she moved to work at Unicons Construction Investment Ltd., as Chief Accountant.

In April 2016 she was elected additionally to the Board of Supervisors at Coteccons for the term 2012 - 2017.



WITH A HIGH DEGREE OF RESPONSIBILITY, ALL MEMBERS OF THE BOARD OF MANAGEMENT HAVE BRILLIANTLY ACHIEVED STRATEGIC GOALS PROPOSED BOTH BY GENERAL BOARD OF SHAREHOLDERS AND BOARD OF DIRECTORS.



Mr. **TRAN VAN CHINH**
(1st from the left)

Deputy General Director
*For more information, please read
Overview of Board of Management
(page 44)*

Mr. **TU DAI PHUC**
(2nd from the left)

Deputy General Director
*For more information, please read
Overview of Board of Management
(page 45)*

Mr. **NGUYEN BA DUONG**
(3rd from the left)

General Director
*For more information, please read
Overview of Board of Directors
(page 36)*

Mr. **TRAN QUANG QUAN**
(4th from the left)

Deputy General Director
*For more information, please read
Overview of Board of Directors
(page 37)*

Mr. **TRAN QUANG TUAN**
(5th from the left)

Deputy General Director
*For more information, please read
Overview of Board of Directors
(page 37)*

Mr. **PHAN HUY VINH**
(6th from the left)

Deputy General Director
*For more information, please read
Overview of Board of Management
(page 45)*



WITH EFFORTS OF THE BOARD OF MANAGEMENT AND ALL EMPLOYEES, 2016 CONTINUED TO MARK GLORIOUS SUCCESS OF COTECCONS, BRILLIANTLY ACHIEVING THE BUSINESS PLAN PROPOSED BY THE GENERAL BOARD OF SHAREHOLDERS.



Mr. **TRAN VAN CHINH**

Deputy General Director

Year of birth: 1959
Nationality: Vietnamese

He graduated as Construction Engineer from the Ha Noi University of Construction. From 1981 to 2007, he worked at the units under Song Da Construction Corporation and held the position of Enterprise Director and Company Director.

Moving to Coteccons in 2007 as Director of Construction, and in 2009, he was appointed Deputy General Director in charge of some projects in the North of Viet Nam.

Mr. **PHAN HUY VINH**

Deputy General Director

Year of birth: 1972
Nationality: Vietnamese

He graduated from Water Resources Engineering major at Thuy Loi University.

In 1996 – 2002: He took the position of Technical Supervisor and Project Manager at Light Industry Construction Company No. 2.

In 2002 – 2008: He worked in Construction Division at Cotec Construction Joint Stock Company (Coteccons) with the position of Project Manager, Construction Division Director, Deputy General Director of Coteccons.

In 2008 - 2015: He was promoted to Deputy General Director, General Director of Phu Hung Gia Investment Construction JSC - precursor of Ricons Construction Investment Joint Stock Company. He was appointed to Deputy General Director on 01/9/2015.

Mr. **TU DAI PHUC**

Deputy General Director

Year of birth: 1975
Nationality: Vietnamese

He graduated from the Faculty of Architecture, Ho Chi Minh City University of Architecture.

1998 - 1999: He worked at Southern Design Company A.S.C.A. During the next two years, from 1999 to 2001, he continued his career as the Team Leader in Architectural Design at V.C.C.

From 2002, he moved to Coteccons and held positions as Project Manager, Head of Finishing Department, Assistant to General Director and Business Development Director. Since 3/2014 he has been in charge of Deputy General Director at Coteccons.

AN OVERVIEW ON THE WORKFORCE



IDENTIFYING HUMAN RESOURCE AS THE KEY DETERMINANT OF SUCCESS, THROUGHOUT THE PROCESS OF OUR FOUNDATION AND DEVELOPMENT, COTECCONS HAS FOCUSED ON ESTABLISHING AN EXPERIENCED AND PROFESSIONAL WORK FORCE, FOSTERING A STRONG AND COOPERATIVE CORPORATE CULTURE AND PROMOTING A FAIR AND COMPETITIVE WORKING ENVIRONMENT TO BEST FACILITATE THE SUSTAINABLE DEVELOPMENT OF THE COMPANY.

THE TOTAL NUMBER OF EMPLOYEES OF COTECCONS
1.209 EMPLOYEES

EMPLOYEE BASE

"People is the first and foremost key to success" _ Human resource is the most valuable asset of Coteccons. Throughout our history, Coteccons has always focused on developing a team of professional managers and employees to rigorously uplift Coteccons in the pursuit of sustainability. Along with growths in scale and the development of the Company, Coteccons' employee base has been expanding continuously over years. In 2016, to meet increasing demands for manpower in both the Company's vertical investment in the industry's supply chain and our horizontal expansion in infrastructure sector, Coteccons witnessed a considerable upsurge in the Company's workforce. By 31st Dec 2016, the total number of employees of Coteccons alone reached 1,209 employees inclusive of office staff, engineers and supervisors.

FIGURES OF EMPLOYEE BASE AT EACH OF COTECCONS' AFFILIATES WERE REPORTED AS FOLLOWS:

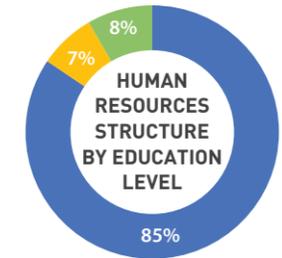


Inheriting the labor-intensive nature of the construction industry, Coteccons' workforce is predominantly young, aged from 23 to 40, accounting for over 90% of the Company's overall manpower. This is the golden age level for the construction industry, contributing to the Company's effectiveness at present and in the future.

HUMAN RESOURCES STRUCTURE

Human Resources Structure by Education Level

Education level	Number	Percentage (%)
University or above	1,021	84.45%
Colleges and Tertories	87	7.20%
Others	101	8.35%



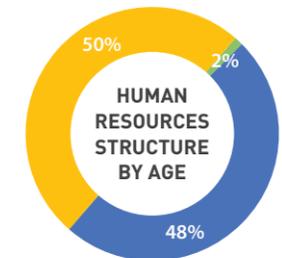
Human Resources Structure by Gender

Gender	Number	Percentage (%)
Male	1,108	91.65%
Female	101	8.35%



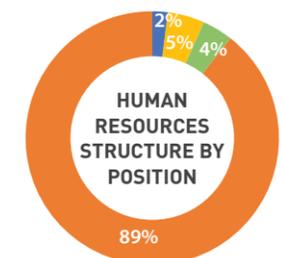
Human Resources Structure by Age

Age	Number	Percentage (%)
Under 30	589	48.72%
From 30-50	601	49.71%
Over 50	19	1.57%



Human Resources Structure by Position

Position	Number	Percentage (%)
The Management (from Project Managers and above)	25	2.07%
Department Manager/ Project Manager	63	5.21%
Department Vice Manager/ Project Vice Manager	43	3.56%
Employees/ Supervisors/ Others	1,078	89.16%



Human Resources Structure by Functional Division

Functional division	Number	Percentage (%)
Office	360	29.78%
On site	849	70.22%



REMUNERATION POLICIES AND BENEFIT PACKAGE FOR EMPLOYEES

REMUNERATION POLICIES

Coteccons objectively and righteously evaluates the contribution of each employee and provides the best conditions for employees to flourish. Therefore, each individual at Coteccons holds a high sense of responsibility, knowledge attainment, creativity and a right attitude towards perfection at all aspects. At the heart of Coteccons' continuous improvement lies human resource policies, oriented towards delivering the most productive yet engaging and suitable working environment for all employees.

With a requirement of high-quality human resources to facilitate the Company's expansion, Coteccons regularly considers and adjusts the Company's remuneration policies in accordance with employees' capabilities, consistently ensuring a competitive and favorable level above the industry's base line for Coteccons' employees.

Remuneration policies are implemented flexibly in a harmony with the Company's business picture, and based fundamentally on job performance and position held in order to effectively motivate employees' innovations, talents and contribution to the overall development of the Company.

In addition to salary, Coteccons has regular rewards on public holidays. Employees are also entitled to irregular bonuses and commendations for business innovations either in group or in person.



At the end of each fiscal year, based on business results, Coteccons will have reward policies for excellent individuals and groups upon the completion of KPI Evaluation. At the Annual Summation Meeting, based on votes, Reward Committee will award medals for excellent individuals and groups in recognition of their contribution to the Company's development. The purposes of this rewarding are:

- » To create a healthy competitive environment in which employees can develop themselves at the fullest capacity, contributing to the Company's solid growth.
- » To become a resonance medium for achievements and efforts of individuals and groups.

BENEFIT PACKAGE

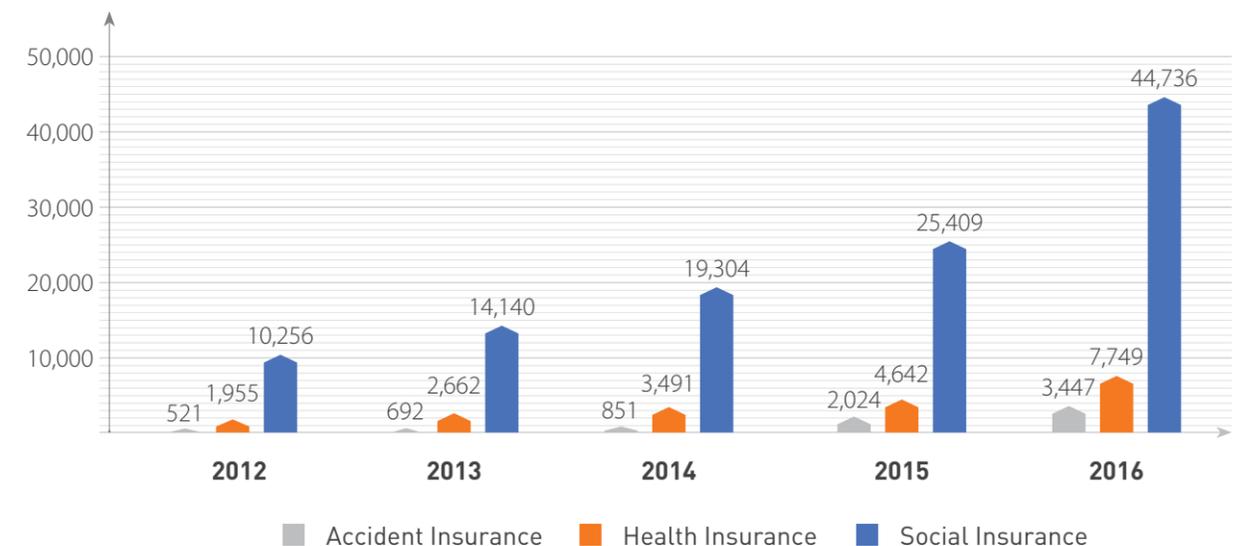
- » Besides fulfilling the Company's legal obligations related to labour insurance regulations, Coteccons goes further by paying special attention to employees' health. Each year, Coteccons liaises with reliable hospitals, both in Viet Nam and in foreign countries, to conduct general health checks for all employees. Also, the Company purchases comprehensive insurance policies for most of the employees and their immediate family members, allowing them an instant access to proper health services at their best convenience.
- » As a nature of the construction industry, Coteccons has a variety of proper allowance policies for employees working on and off sites, including: telephone allowance, meal allowance, on-site

- allowance, transportation allowance, and special allowance for projects in remote areas.
- » To connect individuals and establish unity not only in Coteccons but also among affiliates, each year Coteccons arranges company trips (both domestic and overseas), sport events, art events, charity events, etc. as opportunities for employees to meet, share and engage with each other.
- » Education sponsorships for children of managerial personnel and senior staff continued to gain the Company's investment in 2016. Such focus on education is not only a pride of Coteccons' employees about the Company's attention towards our staff but also a humble yet meaningful contribution of Coteccons to the national intellectual level, hence putting a solid ground for the development of Coteccons' future generations.



SPENDING ON SOCIAL INSURANCE, HEALTH INSURANCE AND ACCIDENT INSURANCE OVER

Unit: VND million

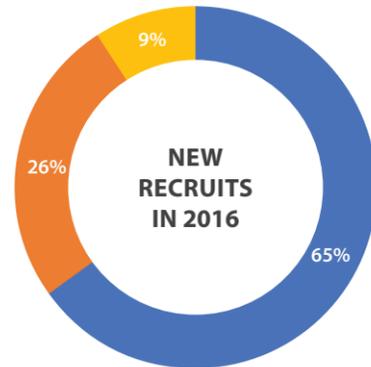


RECRUITMENT

In 2016, Coteccons recruited 300 new employees.

In 2016, Coteccons continued to focus on recruitment activities in order to attract a high-quality workforce by the implementation of the below-listed activities:

- » In 2016, the Human Resources strived to improve and complete the recruitment process to employ the most suitable yet capable employees, ensuring a stable and qualified workforce for the Company. As a result, Coteccons only brought in engineers graduating from prestigious universities in Viet Nam with fair academic achievements or above, and gave special priorities to experienced employees and foreign specialists as well as talented students graduating from widely-renowned universities, both in Viet Nam and in foreign countries.
- » In 2016, Coteccons continued the strategic partnership with many universities, including: Polytechnologies University of Ho Chi Minh City, Architecture University of Ho Chi Minh City, Construction University of Ha Noi, Polytechnologies University of Ha Noi through scholarships, internships and soft skill trainings for students as well as sharing events organized upon demands of both parties. Via these channels, Coteccons could prioritize outstanding students with fair academic achievements or above to work at Coteccons Group.
- » The partnership between Coteccons and the universities has brought practical values for both parties and students as well. This is a great combination of theories and practices, allowing students to understand knowledge and grow up more quickly so that they can start working right after graduation. It can be said that the Universities have been great contributors to the success of Coteccons in the aspect of providing a high-quality talent pool for Coteccons.



■ Construction supervisor: 194 people
 ■ MEP supervisor: 78 people
 ■ Others: 28 people



EMPLOYEE TRAINING AND DEVELOPMENT

So far, employee training and development have been performed systematically and effectively

INTEGRATION TRAINING

All newly-recruited employees receive an integration training in which they are introduced to Coteccons' environment and culture. Integration training offers new employees a job overview and opportunities to understand the foundation and development history, the benefit policies and the working environment of Coteccons, therefore nurturing a devoted engagement and long-term dedication.

PROFESSIONAL TRAINING AND DEVELOPMENT

For engineers and architects, specification trainings are organized and provided in form of various specialized subjects, including: Coteccons' construction equipment, reinforced concrete construction, construction finishing, MEP coordination (Mechanical, electrical, and plumbing coordination), etc. and other subjects from pile foundation installation to interior furnishing and handover and close out. As a nature of the construction industry where a great focal is placed on Labor Safety, all on-site Engineers and Supervisors are thoroughly trained and highly qualified in Labor Safety. Moreover, on-site Labor Safety trainings are organized on weekly basis for all employees and supervisors. As for Specialists at Divisions, proposals for special trainings in need shall be made to Human Resource Department for HR's arrangements of specialized trainings for each division. Moreover, skills such as management skills and meeting organization are also offered to key specialists and division staff as a preparation for Coteccons' next generation of successors.

Coteccons' training practices are diverse and flexible in such forms and methods including: inviting domestic and foreign experienced specialists in different fields of industry to deliver in-house trainings, sending employees to short-term and long-term training courses, internal training, mentoring and coaching. Contents of training are renovated on a regular basis, with a center of practical knowledge, experience, and advanced managerial practices.

EXCHANGING AND SHARING

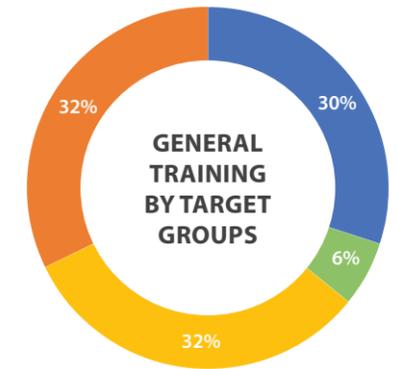
The Club of Potential Leaders with the attendance of nearly 200 members is held monthly, providing opportunities for key leaders and their successors to partake in different trainings in management and direction and to refine their managerial competence. These are key personnel who is expected to take over Coteccons' operation in the future. "Those who learnt teach those who don't and those who learnt more teach those who learnt less", that managers must provide support for employees' development, etc. are Coteccons' guidelines in employee training and development.

DEVELOPING A FRIENDLY AND FAIR WORKING ENVIRONMENT

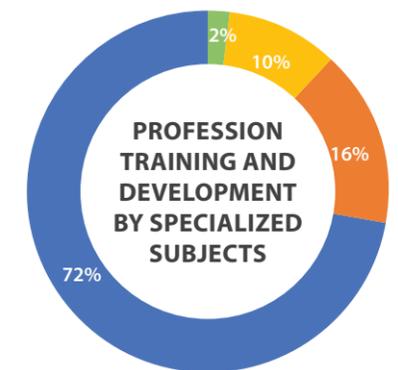
Lying at the heart of all HR policies is the ultimate goal of developing a friendly and fair working environment for all employees. Each year, Coteccons conducts surveys on employees' opinions about how to improve human resource policies. Several focals of these surveys are salary, benefits, job suitability, development opportunities, working environment, etc.

Results from 2016 Survey showed over 95% Coteccons' employees were satisfied with all above-mentioned categories. Besides, employees expressed their engagement with the Company both through sharing dedicated thoughts and wills and through proactively contributing constructive ideas to the development of Coteccons as a whole and to the operation of many specific aspects of the Company. All practical ideas were recorded and thoroughly considered by the Board of Management, then carefully selected to lay a firm background for Coteccons' management improvement.

With the Company's focus on establishing a professional working environment, in 2016, Coteccons was honored by Nielsen & Anphabe as the best work place in construction industry, and Top 100 best places to work across all industries in Vietnam.



■ Integration Training: 44 hours
 ■ Project Manager/ Club of Potential Leaders: 48 hours
 ■ Division Training: 48 hours
 ■ Soft skills Training: 8 hours



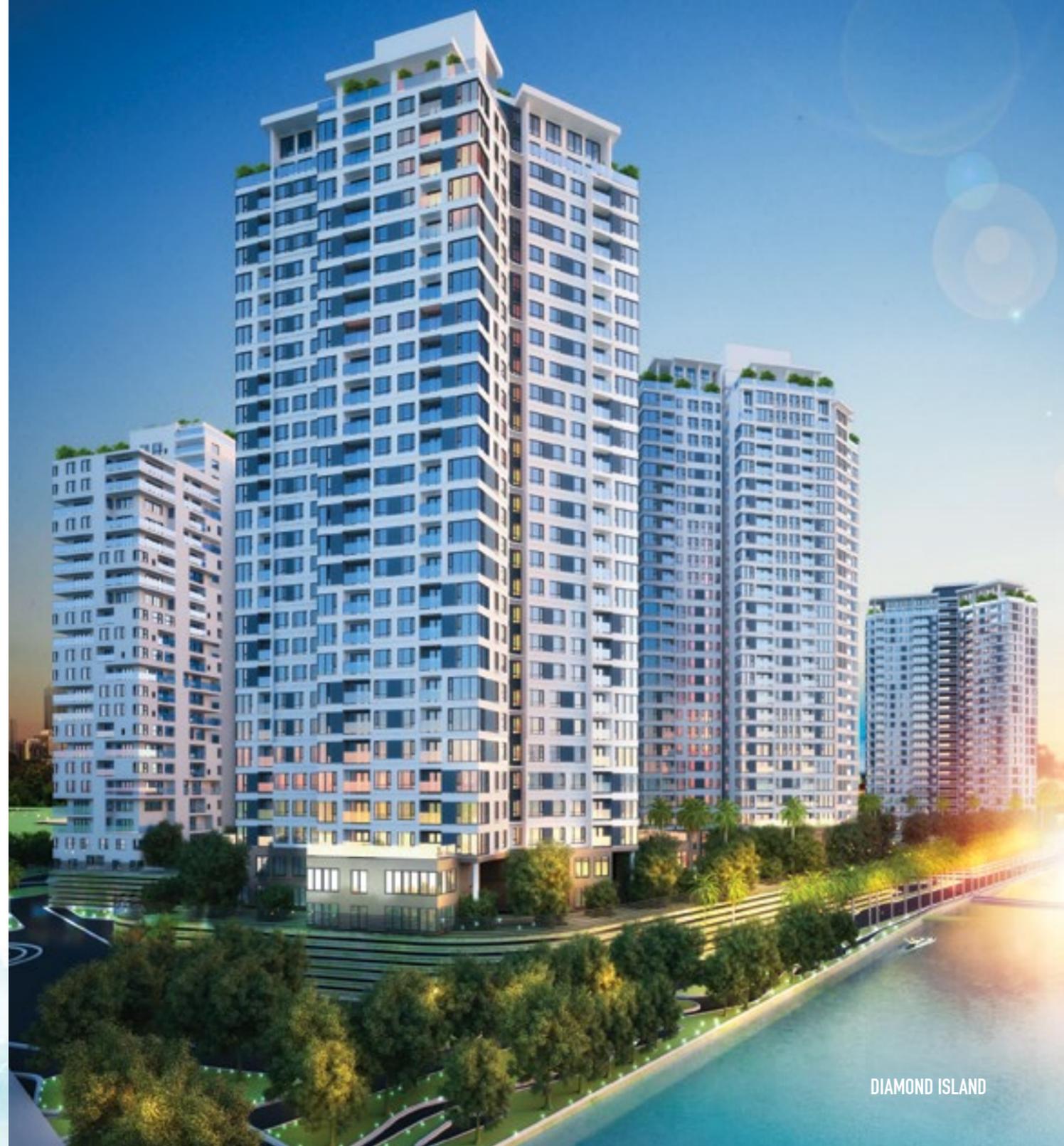
■ On-site training (structure, construction finishing, labour safety, etc.): 294 hours
 ■ QS, MEP- Intensive training: 64 hours
 ■ Construction Finishing - Intensive training: 40 hours
 ■ Structure - Intensive training: 8 hours

In 2016, the total hours dedicated to professional development and training at Coteccons was 406 hours, leaving the remaining of 148 hours for general training.



INNOVATION

Coteccons has applied BIM and Tekla software to achieve optimal designs and construction processes with a high level of accuracy and effectiveness. Construction practices are simulated by computed models. Information are being shared regularly among stakeholders at all stages. Possible solutions are made right from the design process to save time and costs. Thanks to these practices, The Gold View project surpassed many competitors in all over ASEAN region to win the 3rd prize in Tekla BIM Awards 2016 Competition. BIM has also contributed the success of Coteccons' D&B Model. **Solutions and advanced technologies deliver sustainable values in all Coteccons' projects.**



EVALUATION ON THE BUSINESS RESULT IN 2016

In year 2016, the stable Vietnamese economy, the falling interest rate, and the abundant loan capital for individual and institutional investors assisted the construction industry and the real estate trading to flourish. Many real estate projects which were frozen for years were reactivated and successfully sold. All of these factors together with determined attempts, the continuous improvements and the outstanding business strategies of the Board of Management contributed substantially to the accomplishments of Coteccons in the year.

The Board of Supervisors (BOS) are in absolute agreement with all financial data in the BOD's report on the 2016's results of operation, which was also presented to the Annual General Meeting and the Financial Statement audited by Ernst & Young Vietnam Co., Ltd.



OPERATION OF THE BOARD OF SUPERVISORS IN 2016

The membership of the Board of Supervisors experienced a few changes when two (02) of its members resigned in Mar 2016, and 02 new members were assigned as replacements by the Annual General Meeting for 2012 - 2017 term of office.

No.	Member	Position	Appointed day/ resignation day	Number of attended meetings	Attending rate	Reasons for absence
1.	Mr. Nguyen Duc Canh	Head of BOS	May 2012	4/4	100%	
2.	Ms. Phan Cam Ly	Member	April 12 2016	4/4	100%	
3.	Ms. Nguyen Thi Phuc Long	Member	April 12 2016	4/4	100%	
4.	Ms. Nghiem Bach Huong	Member	March 18 2016	0/4	0%	Resigned
5.	Mr. Ho Van Chi Thanh	Member	March 18 2016	0/4	0%	Resigned

In 2016, the Board of Supervisors held regular meetings to examine the resolution and corporate governance of the Board of Directors, the financial statements and to discuss with the Board of Management the operation results, the advantages and disadvantages in the Company's business, and the directions for upcoming periods.

No.	Meeting Date	Contents
1	April 22 2016	<ul style="list-style-type: none"> » Elect to the Chairman of the Board of Supervisors for 2012 - 2017 term of office (for the remaining tenure). » Assign tasks within the Board of Supervisors .
2	May 05 2016	<ul style="list-style-type: none"> » Examine the Annual General Meeting's resolution implementation. » Examine the Interim consolidated financial statements of the first quarter of 2016. » Discuss with the Board of Directors the operation results of the first quarter of 2016, the action plan for the second quarter of 2016, and all advantages and disadvantages to the Company's operation.
3	August 02 2016	<ul style="list-style-type: none"> » Examine the Annual General Meeting's resolution implementation. » Examine the Interim consolidated financial statements of the second quarter of 2016, and of the first half of 2016. » Examine the management of the receivables and the bad debtsDetermine management of liabiand solutions to bad debts of Corporate. » Examine the minutes of the BOD' meetings in the second quarter of 2016. » Discuss with the Board of Directors the operation results of the second quarter of 2016, the action plan for the second half of 2016, and potential risks to the Company's operation.
4	November 16 2016	<ul style="list-style-type: none"> » Examine the Annual General Meeting's resolution implementation. » Examine the Interim consolidated financial statements of the third quarter of 2016, and of the first 9 months of 2016. » Examine the minutes of the BOD' meetings in the third quarter of 2016. » Discuss with the Board of Directors the operation results of the third quarter of 2016, the action plan for the rest of 2016, and business goals for 2017.

EVALUATION ON SOME BASIC FINANCIAL INDICATORS IN THE CONSOLIDATED STATEMENT

No.	Indicator	Unit	2015	2016
I	Profit margin			
1	Gross profit margin	%	8.1%	8.7%
2	EBIT/Revenue ratio	%	5.5%	7.2%
3	Profit before tax/Revenue ratio	%	6.8%	8.5%
4	Profit before tax/ Equity ratio	%	28.6%	28.3%
5	Profit before tax/ Total assets ratio	%	11.9%	15.0%
II	Efficiency ratio			
1	Inventory days	Day	19	22
2	Accounts receivable days	Day	64	52
3	Accounts payable days	Day	43	50
4	Days working capital	Day	46	56
III	Liquidity			
1	Quick ratio	Times	1.4	1.8
2	Cash ratio	Times	1.2	1.6
3	Leverage ratio	%	59%	47%

Attaining record turnover, profit, with addition to outstanding liability and financial management in 2016 have contributed to the achieving the target of profit ratio, effect of assets usage and liquidity which is much more better than the previous year of 2015.

EVALUATION ON THE IMPLEMENTATION OF BOARD OF DIRECTORS' RESOLUTION AND ANNUAL GENERAL MEETING'S RESOLUTION

- 1 In accordance with the Annual General Meeting's resolution, the Company has appointed Ernst & Young Vietnam Co., LTD as the external auditor for the 2016 Financial Statement; Has always complied strictly with the current Vietnamese Accounting Standards and Vietnamese Enterprise Accounting System and prepared and presented in full all consolidated financial statements.
- 2 Implemented cash dividend payment with the rate of 55% of par value (5,500 VND/ share).
- 3 Listed 3,604,530 additional shares in an exchange for of Unicons' outstanding share, and hence, increased Coteccons' ownership in Unicons to 100%.
- 4 Completed registering the change of the Company's name into Coteccons Construction Joint Stock Company.
- 5 Issued 2,339,540 shares in the 2016's Employee Stock Ownership Plan for the Company's key staff.
- 6 Issued and listed 16,376,179 shares to current shareholders from owner's equity.
- 7 Issued and listed 11,476,751 shares, equivalent to 80% of the total shares offered, and raised VND 1,744,291,705,385 in cash.
- 8 Paid the total amount of VND 10.65 billion to the members of the Board of Directors, the Board of Supervisors and the BOD's Subcommittees, with the remuneration rate in 2016 being at 0.75% of the profit attributable to parent company shareholders.

RECOMMENDATION

- » The Company's remarkable success in 2016 was all attributable to the visionary business strategy and the consistent effort and striving of the Board of Directors in particular and the whole Company's staff in general. Nevertheless, the current heavy dependence on civil construction sector may consist of many potential risks because of its own periodicity.
- » Fluctuations in the economy in general and in the financial as well as banking markets in particular are in direct relation with the stability and the development of the real estate market, which is the main contributor to the Company's annual profit and sales. Hence, there is a need for researching, analysing, and assessing the macro-environment and the financial market, especially factors affecting the Company's operation, and sequentially making up appropriate business scenarios.
- » Successful capital raising through private placement offering in 2016, on the one hand, has shown investors' confidence in the potentialities and developmental abilities of the Company in the near future, and on the other hand, lays great pressure on the whole Company and the Board of Directors to build effective and efficient investment plan in the following phases. Investment strategies have be suitable for the Company's abilities and experiences and avoid spreading too much.
- » Coteccons' competence and sound business strategies have been proved throughout the years by evidence of the Company's staying static on the first place in civil construction sector. However, it is obviously a tough mission and a huge challenge to the Board of Directors, the Board of Management and the whole staff to sustain this trend in the following period. In light of that fact, strategies for appealing talents and developing human resources are at top priority to sustain the Company's competitive edge and further to boost the Company to a whole new level.
- » There is a need for concentrating on establishing a more transparent, effective and efficient corporate governance system to ensure the Shareholders' benefit and the Company's sustainable development.

WITH THE RELENTLESS EFFORTS OF THE BOARD OF MANAGEMENT AND THE WHOLE STAFF, 2016 CONTINUED TO BE A BRILLIANTLY SUCCESSFUL YEAR OF COTECCONS, MARKING THE COMPANY'S OUTSTANDING ACHIEVEMENT OF THE PROPOSED BUSINESS PLAN.

Revenue and profit growth increased by 52% and 113%, respectively, compared with those of the previous year, reaching a high level of VND 20,783 billion in revenue and VND 1,422 billion in profit. Many functional departments such as Division of Commerce, Technical Division, Board of Investment, Board of Internal Control, Board of Financial Supervision were established and developed, effectively supporting Coteccons' operation. The effective use of human resources, along with effective rotation, suitable job training and reasonable nomination



from time to time, helped to improve the overall productivity, which in turn, was clearly illustrated in a small increasing rate of 30% in the number of personnel in 2016. Projects performed by Coteccons in 2016 such as Maseri Thao Dien, Vinhomes Thang Long, Vinhomes Central Park, Times City, Duc Viet Resort, Regina, First Team, Phy Ly - Ha Nam highway, etc., in which 40% D&B projects, were all ahead of schedule, yet perfect in safety and excellent in quality, bringing considerable values to Customers and Coteccons.

EVALUATION ON THE GENERAL MANAGEMENT IN 2016

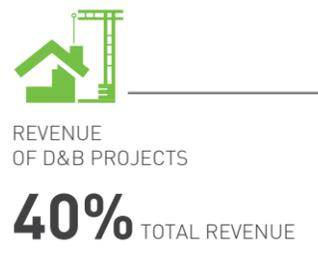
SINCE THE BEGINNING OF 2016, THE BOARD OF MANAGEMENT CLOSELY DIRECTED AND ASSIGNED MEMBERS OF THE BOARD OF MANAGEMENT TO UNDERTAKE THE DIRECT MANAGEMENT OF ALL DIVISIONS AND DEPARTMENTS OF THE COMPANY, PROVIDING IMMEDIATE SUPPORT AND TIMELY DIRECTION FOR ALL OPERATIONS.

With the emergence of various new functional Divisions and Departments taking charge of different professional operations, Coteccons' organizational structure has been improved considerably. Some Departments were restructured to be suitable with the development of Coteccons. The Board of Management delivered an excellent finance management, especially of the accounts receivable.

With an effective and efficient operation of the Board of Financial Supervision, bad debts were better managed and collected in 2016.

At the same time, the Board of Management has improved the investment activities by appointing Chief Investment Officer as a contact person who finds and implements investment activities in such fields as finance, infrastructure, occasional investment in real estate, etc. for the Company.

Coteccons also appointed Mrs. Vu Thi Hong Hanh as Chief Accountant in the middle of 2016, besides renovations in the personnel system, the Board of Management focused on improving the procedure, and on innovating and investing into technology used in both management and construction,



etc. to increase the productivity and operation efficiency. The research and application of BIM was conducted and swiftly deployed in all construction sites, bringing many noticeable values in practice. In an international competition named Tekla BIM Awards 2016, Coteccons' BIM Department successfully surpassed many ASEAN competitors to win the third prize.

Coteccons also invested a total value of VND 300 billion into new equipment and tools to upgrade the Company's construction capability.

Some highlights worth mentioning are the 24-tonne Potain Crain in The Landmark 81 project, high-speed suspension system, scaffold system and aluminum formwork used in all construction sites.

In terms of capital raising, in November 2016, Coteccons successfully conducted private placement for Strategic Investors, raising nearly VND 1,762 billion. This share issuance has helped Coteccons expand the Company's strategic investment activities, facilitating the Company's cooperation and development of large projects.

In 2016, Coteccons' affiliates made a profit of VND 32.6 billion, increasing by 135% compared with that of 2015. The figure showed an increased efficiency in the affiliates' performance, which partly contributed to Coteccons' overall achievements over the period. This improvement is expected to increase in the following years when Coteccons continues its investment into these affiliates. Coteccons' first infrastructure project at Phu Ly - Ha Nam was successfully completed 6 months ahead of schedule, and began to collect tolls

from November 2016. Coteccons is, therefore, confidently conquering the new front, completing the initial stage in the course of fulfilling the target to develop a strong hold in the infrastructure segment, which in turn will make greater and greater contribution to the Company's revenue.



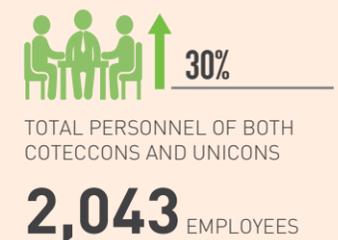
VND **300** BILLION

Organizational structure and the Board of Management

The foundation of Coteccons' success has always been lying in its employees. In 2016, the total personnel of both Coteccons and Unicons was 2,043 employees, increasing by 470 employees (nearly 30%) compared to that of the previous year. The Board of Management has always strictly overseen the human resource management, in the pursuit of the best Incentive and Bonus Policies for all employees. In 2016, the Board of Management focused greatly on the evaluation, rotation, and arrangement of Managerial Personnel of all levels, and the formation of lean Project Management Teams. Besides, regular training activities through professional training and development programs for supervisory engineers, or on labor safety, accounting and administration, etc. have offered opportunities for Coteccons' employees to be more mature and more effectively contribute to the company's development.

special priority to the training of Key Leaders and a team of capable managerial successors through the operation of Coteccons' Club of Potential Leaders (CPL). In the year of 2016, CPL Club held several sharing events about leadership and management skills for club members, with an active attendance of many famous speakers in management field at present.

Weekly and monthly meetings held by the Board of Management to deliver direct management and managerial decisions from all construction sites to Centers, Departments, Ha Noi Office, etc., have shaped a sense of urgency and responsibility in the whole Company. The number of projects being commenced, roof topped and completed has been increasing rapidly with a significant growth in scale, and thus once again affirm the Coteccons's leading position. Some of the most recognizable projects that can be listed are Masteri Thao Dien, The Landmark 81, Diamond Island, D'Capitale, Vinhomes Thang Long, City Garden, The Spirit of Saigon, The Millenium, Regina Phase 5, First Team Factory, etc.



ALL THE ABOVE-MENTIONED OPERATIONS OF THE BOARD OF MANAGEMENT WERE IMPORTANT FACTORS THAT COMPREHENSIVELY MOTIVATED COTECCONS' EMPLOYEES AT ALL LEVELS, THEREBY FORMING THE SHARED SPIRIT OF EARNEST STRIVING TO PRODUCE GREAT ACHIEVEMENTS IN THE YEAR OF 2016.

Wider network, greater trust



3,000 SUB

CONTRACTORS, SUPPLIERS,
CONSTRUCTION TEAMS
WORKING HAND IN HAND



70,000 LABOURS

In June 2016, Coteccons won several bids against famous foreign contractors and was entrusted by Vingroup to construct the Landmark 81 Tower. With the height of 461m, after completion, Landmark 81 will be renowned as one of the top 10 highest towers in the world. The winning of this important project once again confirmed a great trust of Vingroup Investors in Coteccons, strengthening the prestige of Coteccons in the market. Many new investors such as Doji Cooperation, Tan Hoang Minh Cooperation, Phuc Khang, Newtaco, Paihong, Nam Cuong, etc., were attracted to Coteccons and initiated solid business relationships with the Company afterwards.

Clients who had once worked with Coteccons, such as Vingroup, Refico, Phat Dat, Ho Tram, Regina Miracle, Brotex, etc. all became Coteccons's regular customers. None projects under Coteccons' construction failed to satisfy investors' requirements in terms of safety, quality and schedule. With Coteccons, it is nothing but Customer's trust that lays a sound foundation for the Company's sustainable development.

Accompanying Coteccons are nearly 3,000 Sub-contractors, Suppliers, Construction teams working hand in hand, creating jobs for more than 70,000 labours. Coteccons is acknowledged in the Top 1000 biggest tax payers in Viet Nam. At the heart of Coteccons' development lies the interests of shareholders, customers, workers, partners and the community. This is an ultimate guideline that nourishes Coteccons's sustainable yet flourishing growth from time to time.

ANALYSIS OF FINANCIAL INDICATORS

INTERIM CONSOLIDATED INCOME STATEMENT

Indicator (VND billion)	2012	2013	2014	2015	2016	Average growth
INCOME						
Revenue	4,477	6,190	7,634	13,669	20,783	47%
Profit before tax	300	393	464	927	1,763	56%
Profit after tax	219	280	357	733	1,422	60%
Profit attributable to shareholders of the parent company	219	257	327	666	1,422	60%
INCOME OF SHAREHOLDERS						
Earnings per share	5,596	6,103	7,769	10,708	20,669	39%
Dividend in cash (% of share capital)	20%	20%	50%	55%	30%*	

INTERIM CONSOLIDATED BALANCED SHEET

Indicator (VND billion)	2012	2013	2014	2015	2016	Average growth
Total assets	3,613	4,552	4,863	7,815	11,741	34%
» Current assets	3,048	3,996	3,658	6,486	9,944	34%
» Non-current assets	565	556	1,205	1,329	1,797	34%
Liabilities and Owner's Equity	3,613	4,552	4,863	7,815	11,741	34%
» Liabilities	1,535	2,084	2,154	4,572	5,507	38%
» Owner's Equity	2,078	2,468	2,709	3,243	6,234	32%

INTERIM CONSOLIDATED CASH FLOW STATEMENT

Indicator (VND billion)	2012	2013	2014	2015	2016
Cash flows from operating activities	442	368	131	1,229	901
Cash flows from investing activities	(445)	(343)	(209)	(114)	(1,984)
Cash flows from financing activities	432	(89)	(72)	(121)	1,618
Net cash flow	430	(63)	(150)	994	535
Balance of cash and cash equivalents	682	619	469	1,462	1,997

(*) Expected cash dividends approved by the General Meeting of Shareholders 2016



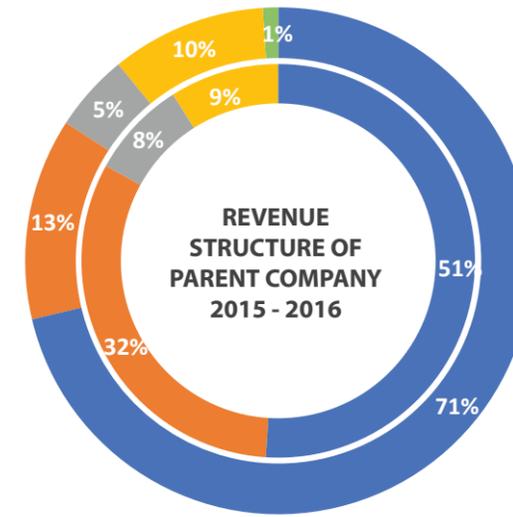
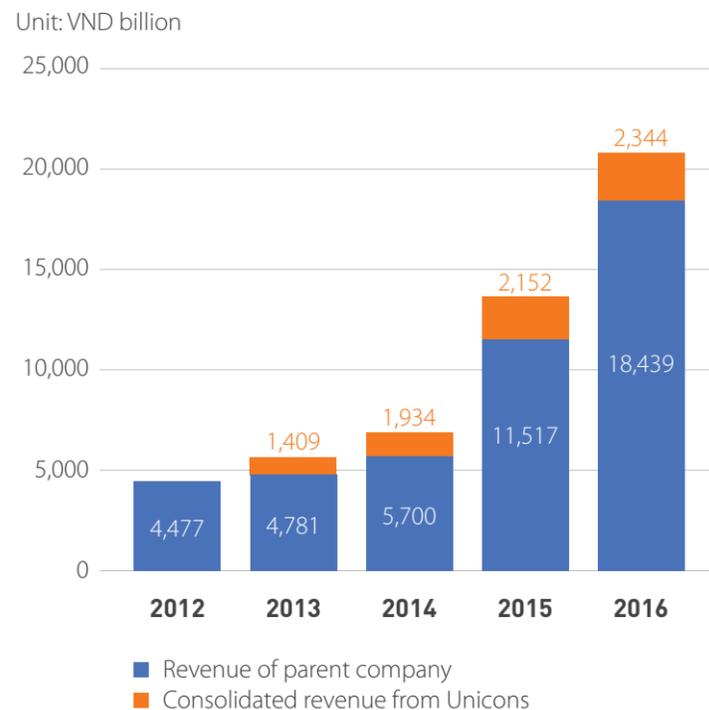
FINANCIAL INDICATORS

Main indicators	2012	2013	2014	2015	2016
Return ratios					
Consolidated profit/revenue ratio	7.2%	7.5%	7.3%	8.1%	8.7%
EBIT/revenue ratio	4.5%	4.0%	4.5%	5.5%	7.2%
EBITDA/Revenue ratio	5.3%	4.6%	4.9%	5.8%	7.5%
Profit before tax /revenue ratio	6.7%	6.4%	6.1%	6.8%	8.5%
Profit after tax/revenue ratio	4.9%	4.5%	4.7%	5.4%	6.8%
ROAA (EBIT/ average total assets)	6.6%	6.1%	7.2%	11.8%	15.3%
ROEA (Profit attributable to equity holders of the parent company/average equity)	12.4%	11.7%	13.6%	23.1%	30.0%
Liquidity					
Current liquidity ratio	198.5%	191.8%	168.8%	141.6%	180.5%
Quick liquidity ratio	174.6%	184.0%	150.9%	109.8%	148.4%
Financial leverage					
Debt/Equity ratio	73.9%	90.5%	85.2%	140.8%	88.4%
Loan/Equity ratio	0.0%	0.0%	0.0%	0.0%	0.0%
Total assets/Equity ratio	173.9%	197.7%	192.4%	240.8%	188.4%
(Cash + Short-term investments)/Total assets	33.0%	37.0%	23.0%	31.0%	40.0%

REVENUE GROWTH

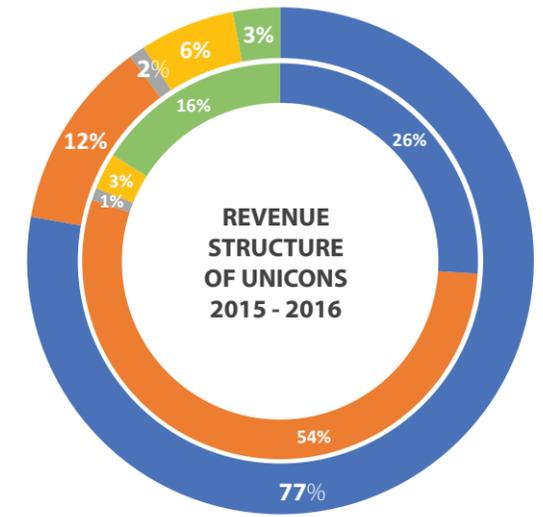
Consolidated revenue in 2016 reached VND 20,783 billion, which was 25.9% over the year's target, with revenue from parent company being VND 18,439 million, accounting for 88%, and consolidated revenue from Unicons being VND 2,344 million, equivalent to 12%.

The growth rate of consolidated revenue in 2016 was 52%, a remarkable growth compared to 2015. By comparison, this number was five times greater than the average growth rate of the whole construction industry in Viet Nam in 2016, which was at 10%. This remarkable increase was attributable to the combination of the Board of Management's sharp sense of business in responding and capturing opportunities in the changing market and the relentless effort of all employees.



- Apartment
- Industrial
- Hotel
- Commercial
- Others

Note: Inner circle: 2015, Outer circle: 2016

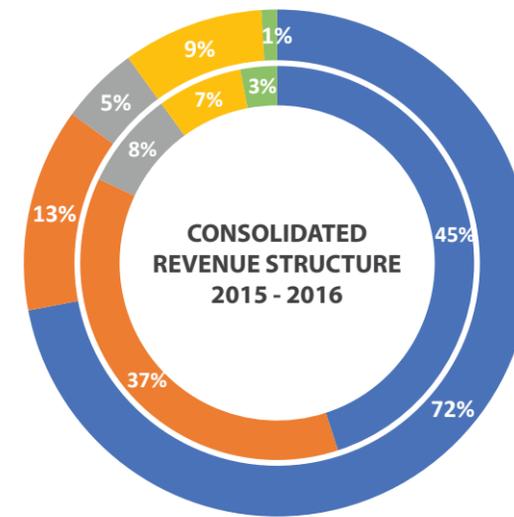


- Apartment
- Industrial
- Hotel
- Commercial
- Others

Note: Inner circle: 2015, Outer circle: 2016

REVENUE STRUCTURE BY PROJECT TYPES

Revenue structure has changed significantly since mid 2015 until now, towards an increasing trend in civil segment as the real estate market has been recovering. Besides, there are more and more large-scale projects with high technical and aesthetic requirements; and Coteccons has been proven to be one of the most reliable contractors for investors when executing these projects. In addition to increasing the proportion of residential projects, Coteccons continued to maintain and look for industrial projects which contribute considerably to the sustaining and boosting of revenue growth annually, as industrial projects often have quicker construction progress and faster cash flow than other segments.



- Apartment
- Industrial
- Hotel
- Commercial
- Others

Note: Inner circle: 2015, Outer circle: 2016



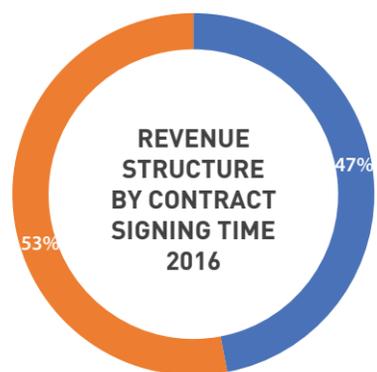
REVENUE FROM NEW CONTRACTS SIGNED IN 2016

VND **29,000** BILLION

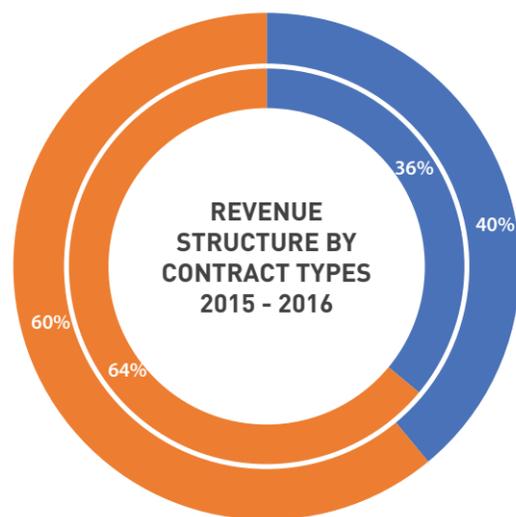


REVENUE STRUCTURE BY CONTRACT TYPES

Introduced in 2013-2014, the Design & Build (D&B) model has been an effective and profitable operation of Coteccons until now. Being the pioneer in D&B projects in Viet Nam, Coteccons has accumulated a great amount of experience and are trying to upgrade and complete the Model and to bring more and more benefits to investors. The contribution of Design & Build model into Coteccons' revenue in 2016 was 40% of the total revenue of the Company, an increase of 4% compared to that in 2015.



- Revenue from contracts signed in 2016
- Revenue from contract backlog

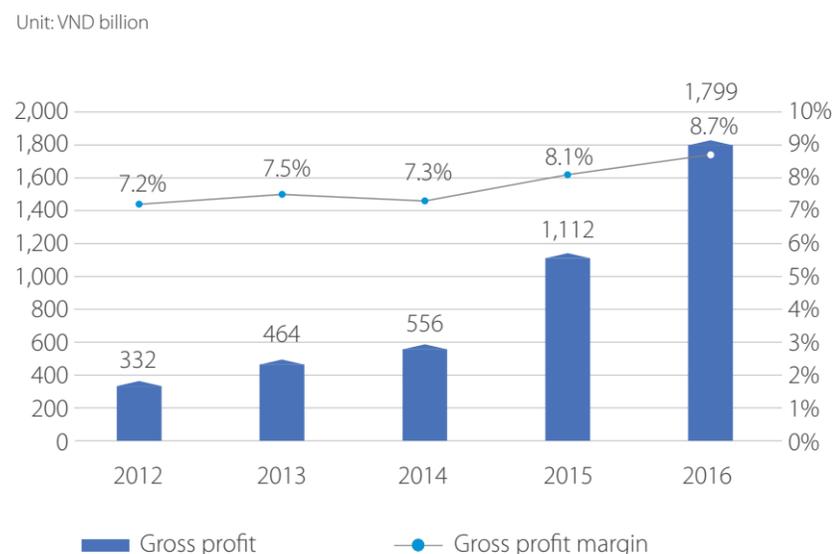


- D&B
- Bidding

Note: Inner circle: 2015, Outer circle: 2016

PROFIT MARGIN

Not only did Coteccons produce significant growth in revenue, but the Company also improved the gross profit margin in 2016, which was 8.7% (VND 1,799 billion) compared to 8.1% (VND 1,112 billion) in the year 2015. This resulted from the effectiveness of the Design & Build Model, and the ability to efficiently manage the supply chains in order to optimize costs of the Company's operation, as well as the recovery of the real estate market. This positive signal once again confirms the leading position of Coteccons in the construction market and lays a solid foundation for the Company's continuous development in the years to come.

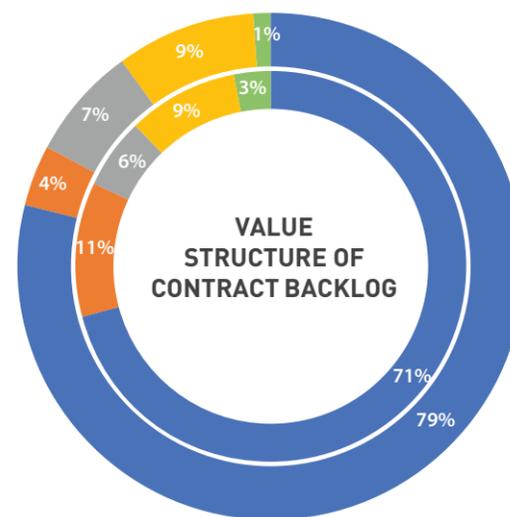


VALUE OF CONTRACT BACKLOG

Statistically, the value of construction contracts signed and carried forward to the coming years is at about VND 27,000 billion (including the consolidated data from Unicons), a year on year increase of 77.5%. According to the contracts' progress, it is expected that the value of VND 16,200 billion will be executed and recorded in 2017, the remaining VND 10,800 billion will be executed and recorded in 2018 and 2019.

The fact that the value of the contract backlog is able to maintain a healthy growth rate which is even higher than the that of revenue ensures the Company's continuous development in the next years. This is a good premise for the Board of Management to continue to improve the Company's position and value, bringing more benefits to its shareholders.

Regarding the structure of project types in the backlog mentioned above, residential projects (apartments and low rises) accounted for a high rate of 79% of the total value, with details described below in the chart about the value structure of contract backlog by project types.



- Residential
- Industrial
- Hotel and Resort
- Commercial
- Infrastructure

Note: Inner circle: 2015, Outer circle: 2016

LARGE-SCALE CONTRACTS SIGNED IN 2016



THE LANDMARK 81
VND 2,800 billion



D'CAPITALE
VND 3,800 billion



VINHOMES THANG LONG
VND 2,800 billion



STRUCTURE OF ASSETS

Together with the remarkable results in revenue and profit, the total asset of the Company did increase significantly by 50% over 2015, which was VND 11,741 billion (as in the chart below). Despite the fast growing pace, the Company's asset structure still reflected a high degree of safety and liquidity. Current assets reached VND 9,944 billion, accounting for 85% of the total assets.

Money and short-term investments (savings deposits) amounted to VND 4,672 billion, making up 40% of the total assets. A larger amount of free cash has created a solid financial foundation for the Company to gain advantage in bidding and to be proactive in investing in and procuring construction equipment as well, thus better grasping the investment opportunities.

Indicators (VND billion)	2012	2013	2014	2015	2016	Average growth (%)
Current assets	3,046.7	3,995.9	3,657.9	6,485.8	9,943.4	34%
Cash and cash equivalents	681.4	618.5	469.0	1,461.6	1,996.6	31%
Short-term investment	515.3	1,055.5	629.1	928.1	2,675.0	51%
Current accounts receivable	1,457.9	2,010.3	2,149.3	2,608.6	3,483.7	24%
Inventory	382.7	248.3	269.6	1,051.2	1,240.8	34%
Other current assets	9.4	63.3	140.9	436.3	547.3	178%
Non-current assets	632.1	556.3	1,205.1	1,329.2	1,797.4	34%
Fixed assets	226.8	249.4	249.0	439.8	585.3	27%
Construction in progress	0.1	0.9	5.7	47.8	18.3	403%
Investment properties	96.3	92.3	104.8	91.8	78.0	0%
Long-term investments	177.1	104.5	781.2	492.9	714.8	59%
Other long-term assets	131.8	109.2	64.4	256.9	401.0	32%
Total assets	3,678.8	4,552.2	4,863.0	7,815.0	11,740.8	34%

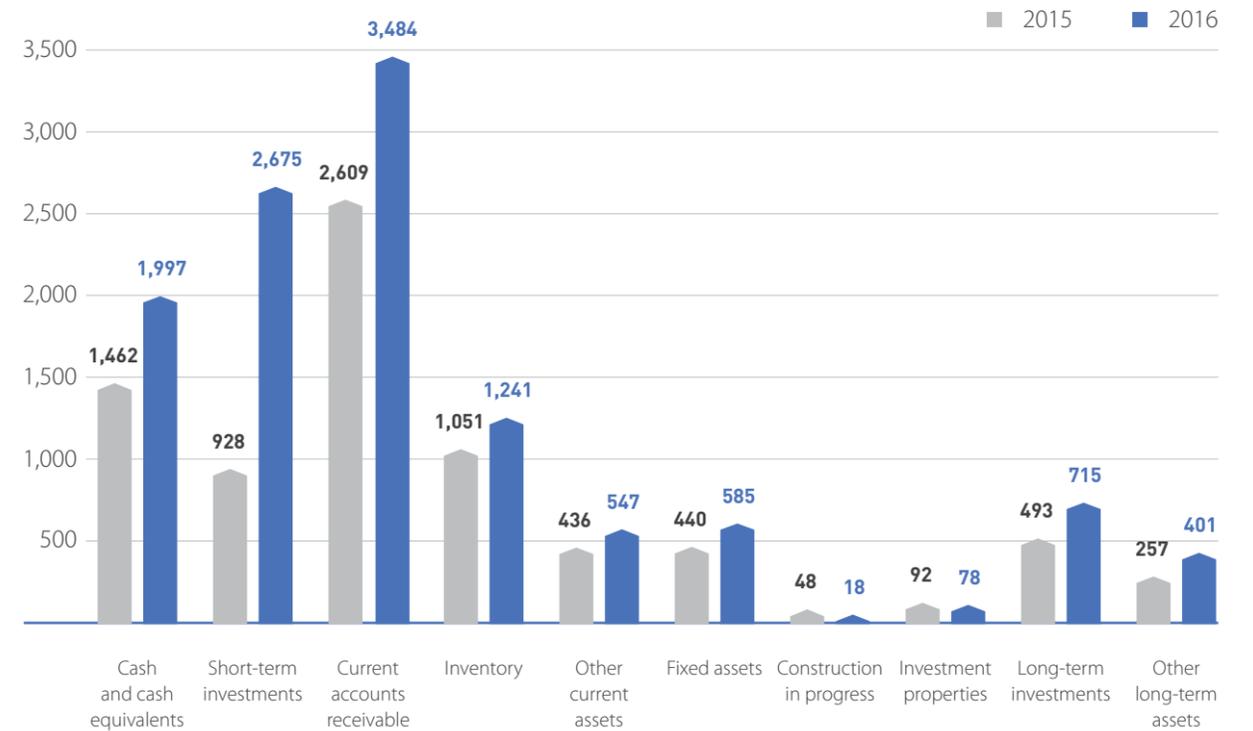
CURRENT ASSETS INCREASED MAINLY DUE TO THE POSITIVE FLUCTUATION IN CASH AND CASH EQUIVALENTS AND TO INVENTORY. THE REASON THE COMPANY HAD THIS GOOD FLUCTUATION IS MOSTLY BECAUSE OF ITS RECENT SHARE ISSUANCE. THE INVENTORY AT THE END OF 2016 INCREASED OVER 2015 WAS A RESULT OF MANY HIGH-VALUE CONSTRUCTION CONTRACTS SIGNED IN 2016.

The increase of Current assets was also because of increase in receivables and other current assets. However, taking the growth rate of Accounts Receivable into consideration, its growth rate of 33% was regarded safe when comparing to the revenue's growth rate of 52% in 2016. Moreover, the increase of VND 110 billion in other current assets was mainly due to the fluctuation of deductible value added tax - VAT. This was because in 2016, the Company was awarded with many contracts from investors in Export Processing Companies who could enjoy a 0% VAT on the output, resulting in an increase in the Company's deductible VAT on the input.

Non-current assets accounted for 15% of total assets of the Company and did not have much fluctuation between the two years, except for some major changes in two main categories. Firstly, fixed assets went up due to an increase in equipment investment, and secondly, long-term financial investments went up due to the increase in the long-term deposits with maturity of more than one (1) year, and the rise in the investment into the FCC Infrastructure Investment Joint Stock Company.

Assets structure 2015 - 2016

Unit: VND Trillion



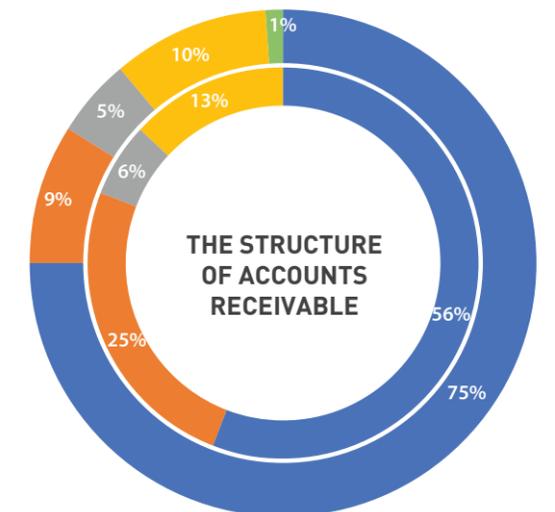
ACCOUNTS RECEIVABLE

Over years, thanks to the practices of selecting of reliable investors who have strong financial capability, close monitoring customers' payment, focusing on debt collection, and seeking appropriate measures to collect bad debts as well, the Company's Accounts Receivable in 2016 continued to be improved. From 2014 to 2016, the Receivable Days gradually reduced from 99 days in 2014 to 64 days in 2015 and finally to only 52 days in 2016.

Receivables came mainly from contracts under construction or pending settlement. For constructions which had already been settled, the majority is the amount of money retained for warranty.

The Company has assessed the risks and maintained reserves for bad debts in full and in accordance with regulations.

The structure of Receivables account by project types was almost corresponding with each type's contribution to the Company's revenue, which means that there was not much difference in debt collection practice among different types of projects.



- Residential
- Industrial
- Hotel and Resort
- Commercial
- Infrastructure

Note: Inner circle: 2015, Outer circle: 2016

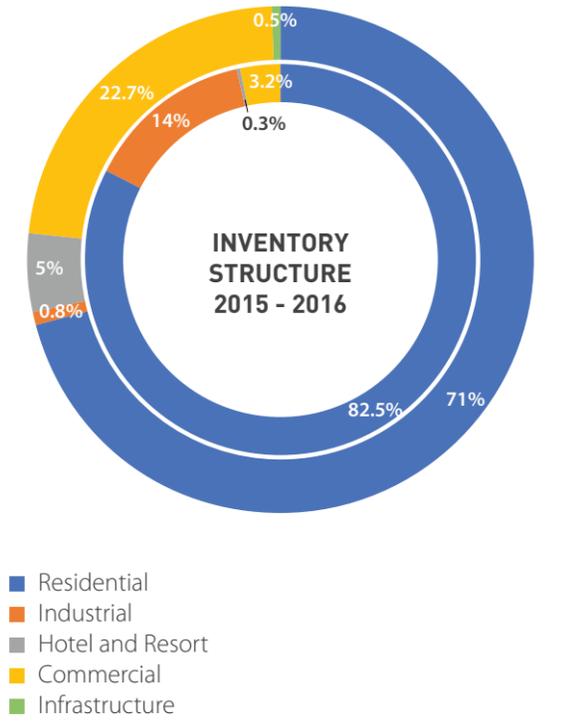


INVENTORY

The Company's Inventory is the very value of unfinished projects under construction. Making timely construction acceptance is one of the criteria for the Company to evaluate the Project Management Teams. The Finance Board, the Finance - Accounting Department and the Board of Financial Supervision closely monitored, strictly controlled and speeded up the weekly and monthly construction acceptance, depending on the contract's provisions on the acceptance volume, ensuring that there would be no completed work without acceptance. The Inventory value of the company as of 31 December 2016 was VND1,241 billion, a 18.1% increase compared to 2015. Although the Inventory value grew up, the growth rate was much smaller than that of the Company's revenue (52%). However, this is still a good signal. This shows that Coteccons Project Management Teams' capabilities on construction sites was significantly improved as the period of time for acceptance, and for approval of the volume and quality documents of Investors has been shortened.

The structure of the Company's Inventory account by project types was quite similar to its revenue structure, which means that the Company's management system of the construction acceptance is homogeneous. Risks were equally distributed among construction types, so there would be no concern when the sales structure has a tendency to be higher in residential and apartment construction types in recent years.

In addition, the Inventory value is 100% from projects that are either under construction or pending final settlement. None of the project was completed or halted.



- Residential
- Industrial
- Hotel and Resort
- Commercial
- Infrastructure

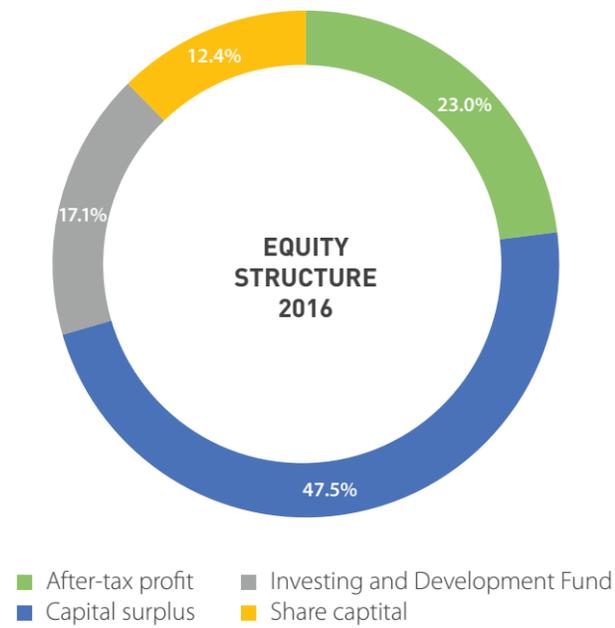
Note: Inner circle: 2015, Outer circle: 2016

EQUITY

Equity in 2016 increased by 92% over the year 2015, resulting from:

- » Increase due to increase in share capital in 2016 (VND 1,875 billion).
- » Decrease due to paying dividends to shareholders in 2014 (VND 257 billion) and spending on welfare and reward fund (VND 49 billion).
- » Increase due to gaining profit in 2016 (VND 1,422 billion).

The structure of the Company's Equity as of 31 December 2016 was as follows:

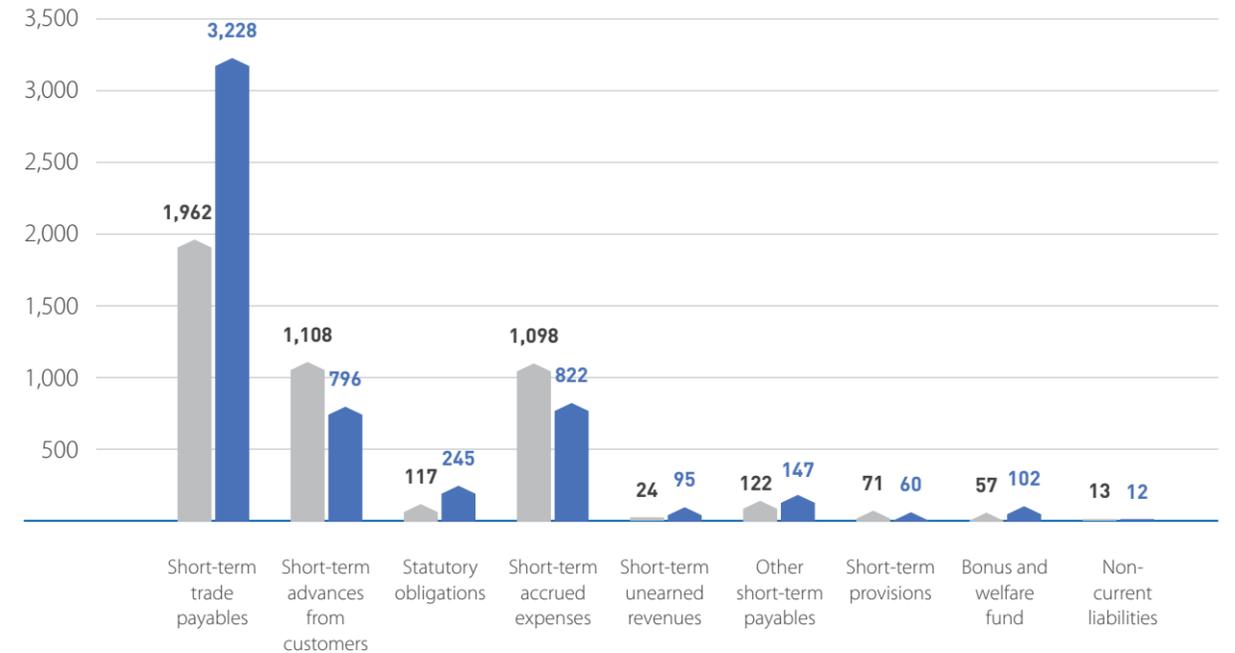


- After-tax profit
- Investing and Development Fund
- Capital surplus
- Share capital

STRUCTURE OF LIABILITIES

Unit: VND billion

■ 2015 ■ 2016



Accounts payable experienced many fluctuations in 2016. With sales going up by 52% was an increase in the number of contracts signed with subcontractors and suppliers, and the corresponding up surge of 65% in payables compared to 2015.

THE COMPANY HAD NO BANK LOAN; THE DEBTS ARE MAINLY TO SUPPLIERS, SUBCONTRACTORS AND OTHER PAYABLES.

THE STRUCTURE OF THE ACCOUNTS PAYABLE OVER YEARS

Indicators (VND billion)	2012	2013	2014	2015	2016
Current liabilities	1,521	2,003	2,139	4,559	5,495
Short-term trade payables	575	1,014	976	1,962	3,228
Short-term advances from customers	82	70	78	1,108	796
Statutory obligations	43	63	73	117	245
Short-term accrued expenses	628	617	768	1,098	822
Short-term unearned revenues	102	49	19	24	95
Other short-term payables	71	92	125	122	147
Short-term provisions	6	75	62	71	60
Bonus and welfare fund	13	24	39	57	102
Non-current liabilities	14	81	15	13	12
Other long-term liabilities	14	16	14	2	2
Long-term provisions	0	65	1	11	10
Total liabilities	1,535	2,084	2,154	4,573	5,507

INVESTMENT ACTIVITIES IN 2016

78
MASTERI
APARTMENTS SOLD

150
VND BILLION
PURCHASING BONDS

300
VND BILLION
EQUIPMENT INVESTMENT



INVESTMENT ACTIVITIES IN 2016 (CONTINUED)

AS FOR OCCASIONAL INVESTMENT IN REAL ESTATE, IN 2016, COTECCONS SUCCESSFULLY SOLD 100% APARTMENTS OF THE MASTERI PROJECT WITH A PROFIT MARGIN OF 23%. ADDITIONALLY, THE COMPANY HAS CONDUCTED IN-DEPTH RESEARCHES ON POTENTIAL REAL ESTATE BOTH IN HO CHI MINH AND HA NOI IN ORDER TO SELECT THE MOST FEASIBLE AND PROFITABLE PROJECTS FOR OCCASIONAL INVESTMENTS IN 2017.

- » Coteccons invested VND 100 billion to buy shares of ACB Securities Co. (ACBS);
- » Invested VND 50 billion for shares of Maritime Bank Securities Co. (MSI);

Interest rates higher than the 12-month deposit interest rate by nearly 2-3%. Moreover, the Company has researched about several potential companies specializing in furniture, M&E, etc. and other businesses inclusive in the Company's value chain in order to serve the Company's M&A strategy in the upcoming period.

In July 2014, Coteccons contributed capital to establish FCC Infrastructure Investment Corporation, FECON Foundation and Underground Construction Corporation and Transportation Infrastructure Construction Head Company 1. FCC is the contractor of the project "23km Highway No.1 of Phu Ly-Ha Nam Crossover" and the project "surface enhancement for Highway No.1 at Km215+775 to Km235+885. This is one of the key infrastructure projects of the country performed under BOT model (Build-Operate -Transfer). The project was completed ahead the schedule and was commenced its toll collection since November 2016. With a long-term vision in infrastructure industry, Coteccons is continuing our investment in other potential infrastructure projects in Ho Chi Minh and the North of Vietnam.

In 2016, Coteccons successfully carried out our private placement for strategic shareholders with the starting price at 153.520 VND/share, raising VND 1,762 billion. As a result of a great trust on not only Coteccons' long-term vision but also on our transparent management system,



the Company's share issuance in 2016 drew considerable attention from large investors, especially foreign investors. To ensure the balance in the Company's shareholder structure is in accordance with the Resolution of the Annual General Meeting, Coteccons carefully selected reliable strategic partners such as Amersham Industries Limited, DC Developing Markets Strategies Public Limited Company, VinaCapital, Andbanc Investments, SIF, SSI AM, and KITMC who compromise to closely accompany Coteccons over all strategies and development of the Company. Accounted alone, the private placement of Coteccons in 2016 raised VND 1,762 billion, increasing the number of Coteccons' listed shares up to 77.05 million shares which were equivalent to VND 770.5 billion in Charter Capital. With the earnings at the end of 2016, Coteccons shall concentrate the financial resource into 3 major investment channels:

No.	Major	Expected Investment Value (VND billion)
1	Establishing a new company, or buying shares (M&A) of appropriate companies to expand Coteccons' business.	600 - 700
2	Performing direct investment or cooperating with other companies to develop infrastructure projects and real estate projects including offices, hotels, and apartments.	600 - 700
3	Investing in equipment and tools to optimally facilitate the Company's business.	300 - 400

EXPENSES ON INVESTMENT IN 2016

Expenses (VND billion)	Parent Company		Unicons	
	2015	2016	2015	2016
Building & structures	22,97	9,17	13,00	3,24
Equipment & machine	144,94	139,06	37,00	37,33
Transportation method (cars)	3,98	4,84	4,00	-
Instruments & tools for management	4,68	3,75	1,30	0,50
Construction tool and instrument purchases	208,29	156,79	96,00	87,49
Investment in real estate	43,19	-	-	-
Investment in bonds/shares of other companies	-	150,00	-	-
Investment in affiliates and subsidiaries	-	42,00	-	-
Software	1,30	1,50	-	-
TOTAL	429,35	507,11	151,30	128,56

Aiming at a successful fulfilment of all objectives proposed by the Board of Directors in 2017, the Board of Management focuses on the implementation of the below-mentioned management practices:

- » The Board of Management sets specific business targets of the year for each department. Construction Division Director/ Project Director/ Head of Department/Board/Unit must develop corresponding action plans to achieve assigned targets and objectives. At the same time, control measures must be applied to achieve the general business plan of the Company. In the execution process, Construction Division Director/ Project Director/ Head of Department/Board/Unit must perform quarterly evaluation in a comparison with the Company's business plan of the year to either promptly adjust or change to more suitable management approaches to obtain all the proposed objectives in 2017.
- » In an accordance with directions of the Board of Directors, in 2017, Coteccons shall continue to focus on investment expansion, promoting partnerships with potential partners who are capable of medium and large projects, while utilizing available resources for office building projects, to create stable and sustainable earnings for Coteccons. Besides, Coteccons shall continue to leverage the company's advantage as a contractor to cooperate with investors in projects where Coteccons is a general contractor.
- » In the year of 2017, Coteccons shall continue to focus on Research and Development (R&D) investment, promoting comprehensive technology solutions ranging from construction methods, construction equipment to construction material selection and product design to best meet market demands, resulting in a high level of productivity for all Coteccons' projects.
- » In 2017, Coteccons shall continue to improve the Design and Build Model by intensively investing in manpower and facilities to develop a Design Management Center. Coteccons shall enhance the cooperation between the Design Management Center with Technical Division, Construction and Erection Division, MEP Division, Division of Commerce and designing partners to create high-quality design and construction products which satisfy all requirements of Investors and the market. Furthermore, research and application of BIM in construction management model shall be implemented extensively for all D&B projects.
- » With the initial success in the completion of Phu Ly – Ha Nam infrastructure project in 2016 on schedule and of high quality, Coteccons' infrastructure sector has actually entered a developing stage. Based on valuable experience gaining from the initial project combined with the Company's financial advantage, Coteccons shall continue to identify more investment opportunities and perform other infrastructure projects both in the South and in the North of Viet Nam.
- » The Investment Board established in 2016 starts to operate more stably. In 2017, the Investment Board, the Finance Board, the Board of Financial Supervision, the Finance Accounting Department will continue to enhance their roles in evaluating and controlling financial risk for the Company and all construction and investment projects.

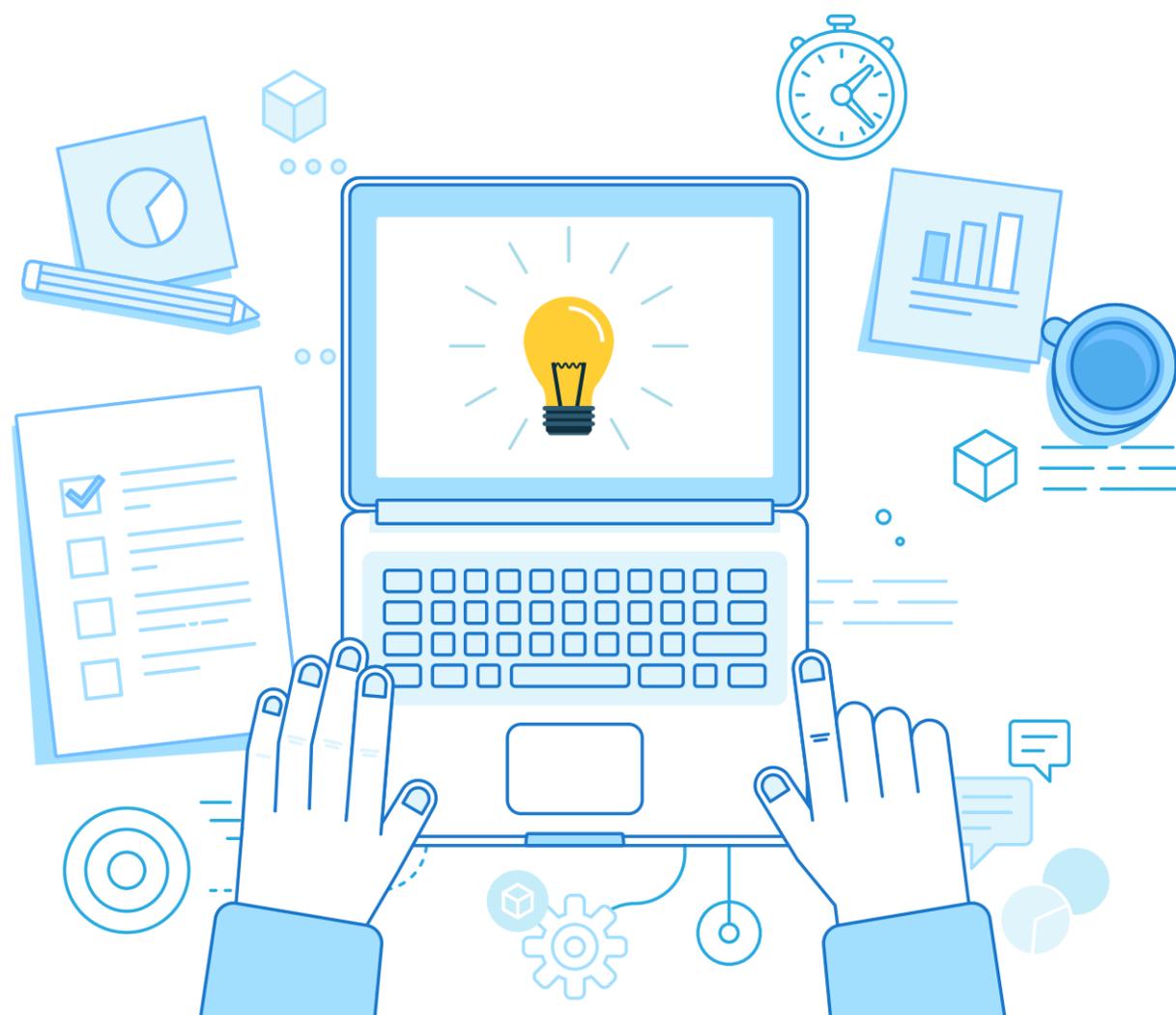


Vinhomes Central Park



- » Coteccons shall continue to take "innovation" as its maxim in all-level management activities of the Board of Management and Functional Departments. Coteccons shall also promote the operation of System Department and the Board of Internal Control to promptly address problems related to administrative management and task fulfilment among departments so as to alleviate adverse impacts on productivity and work progress of Divisions, Departments and Construction Sites.
- » Coteccons shall review and complete all regulations, and operation processes, and further refine the Company's organizational structure to meet the operation requirements of a large-scale cooperation. Coteccons shall update and upgrade all software applications and IT solutions facilitating document and data transfer among Departments and Divisions to promote better productivity, higher accuracy and swifter task achievement.
- » Coteccons shall continue to focus on training and improving professional skills for engineers, architects and all executives so that they can successfully perform their specialized tasks. Through activities of the Club for Potential Leaders, Coteccons shall continue to educate and develop a team of potential managers to prepare a capable pool of talents for the upcoming business expansion of the company.
- » Human resource operations shall be promoted, including: recruiting new employees to meet the Company's need for manpower both in quantity and quality; cooperating with universities to approach and recruit high-quality workforce; completing a suitable and practical appraisal process to motivate staff morale.
- » Conducting good practices in occupational safety, environmental protection, and corporate social responsibilities, and caretaking on both spiritual and physical lives of all employees... are being emphasized and improved continually to maintain the sustainable development of Coteccons.

FURTHER REFINE THE COMPANY'S ORGANIZATIONAL STRUCTURE TO MEET THE OPERATION REQUIREMENTS OF A LARGE-SCALE COOPERATION.



TO OBTAIN THE ACHIEVEMENT IN 2016 AS ANALYSED ABOVE, ALL DEPARTMENTS AND CONSTRUCTION SITES WERE UNITED, AND DETERMINED TO REALIZE AND OVERCOME NEW CHALLENGES UNDER THE ORIENTATION AND LEADERSHIP OF THE BOARD OF MANAGEMENT. MANY DEPARTMENTS FROM OFFICE TO CONSTRUCTION SITES HAVE MADE IMPORTANT IMPROVEMENT AND CONTRIBUTION TO MAINTAIN THE EFFECTIVENESS IN THE OPERATION FOR THE COMPANY, NAMELY FINISHING MORE COMPLICATED TASKS, DECREASING THE CONSTRUCTION TIME, SAVING COSTS, IMPROVING OCCUPATIONAL SAFETY, ENHANCING THE IMAGE AND QUALITY OF EACH PROJECT. THAT INNOVATION ACTIVITIES HAVE ALWAYS BEEN MENTIONED BY THE BOARD OF MANAGEMENT IN EVERY REGULAR MEETING AND IN EACH DIRECTION IS THE MOTIVATION FOR ALL COTECCONS' EMPLOYEES.



DESIGN MANAGEMENT CENTER

IN 2016, DESIGN & BUILD PROJECTS CONTINUED TO GROW IMPRESSIVELY IN NUMBER AND SCALE. COTECCONS DESIGN & BUILD HAS BECOME AN ENDORSED AND RENOWNED BRAND IN THE MARKET.



TO FACILITATE THE GROWTH IN THE SCALE AND NUMBER OF THESE PROJECTS, THE REFORM OF THE ORGANIZATIONAL STRUCTURE OF THE DESIGN MANAGEMENT CENTER WAS OF THE ESSENCE. THE BOARD OF MANAGEMENT APPOINTED A DEPUTY DIRECTOR OF THE DESIGN MANAGEMENT CENTER TO STRENGTHEN THE CONTROL OF THESE PROJECTS, TO TAKE CHARGE OF THE DIVISION OF COMMERCE AND TO IMPROVE THE SYSTEM, THEREBY INCREASING THE EFFECTIVENESS OF D&B PROJECTS. THE ADDITION OF HIGH QUALITY PERSONNEL FROM THE COMPANY'S AFFILIATES, AND NEW RECRUITS FROM FAMOUS DOMESTIC AND OVERSEAS DESIGN COMPANIES HAS MEET A PART OF CURRENT JOB DEMAND AT THE DESIGN MANAGEMENT CENTER.

With its constant development and growth, the BIM Department has also claimed its separation from the Design Management Center, and contributed to changes in the Board of Management and coordination not only in Design & Build projects but also in other activities. This has enabled BIM to become flexible and pro-active, which acts as momentum for BIM Department to progress further to a new level.

Over the last year, the number of new investors actively asking Coteccons about Design&Build projects increased significantly. The Internal Concept Design Team of Design Management Center was established under the direction of the General Director and

the Deputy General Director in charge of design. The Concept Design Team has demonstrated the capacity of no inferiority to any leading domestic and overseas design companies. The designs of Dragon Bay View, Panorama, Preche... received positive feedbacks from investors, with many of these projects being put forth. The proactiveness of an Internal Design Team, coupled with the Business Board, the Investment Board has resulted in an effective, flexible and proactive access for the Company's Design & Build projects to new investors. In the coming years, this model will be promoted, supplemented, adjusted, and improved continuously to bring about higher and higher efficiency.

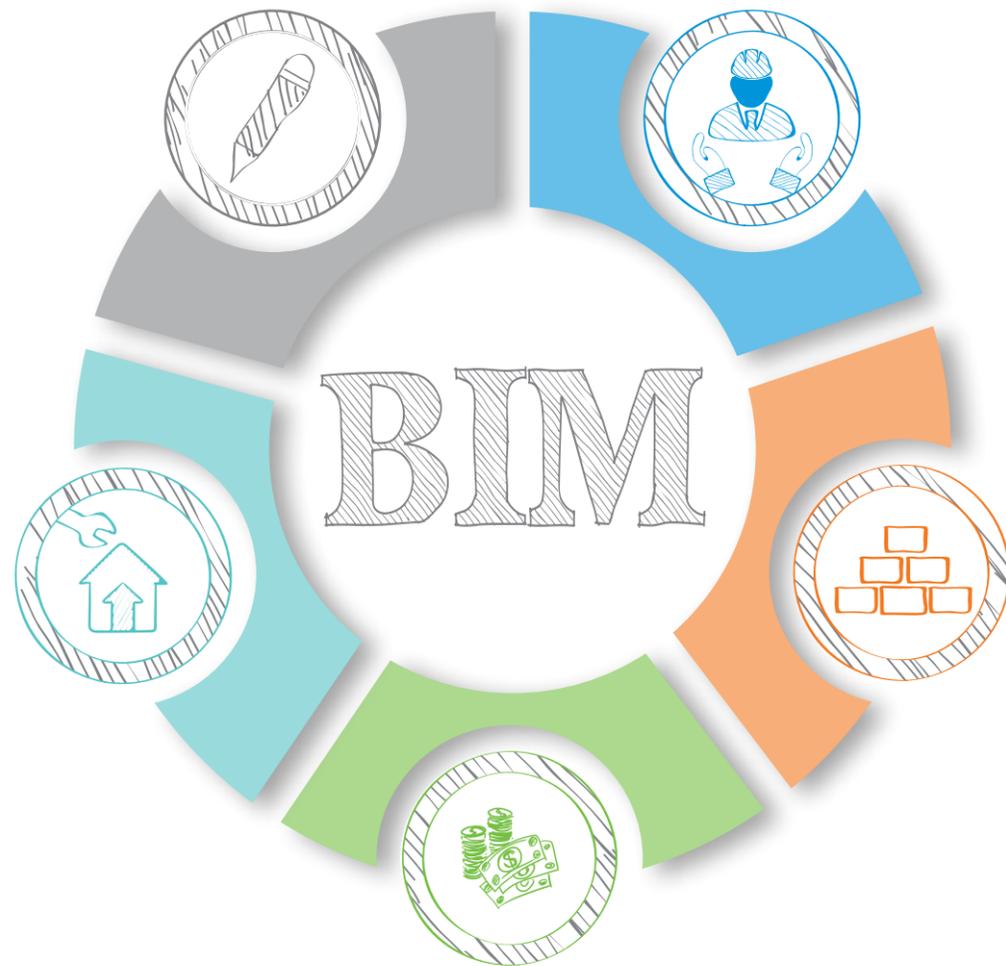
With the constant increase in terms of quantity, scale and revenue of all projects, the Design Management Center has been continuously changing and improving. The first thing worth mentioning was the design quality management system. Standardized designs, details and specifications were recompiled into manuals and documents to guide the leadings, Consultants, Departments/ Divisions and Construction Sites in the design, the Board of Management and the cooperation with the Center. Quality management system, form system, ISO system, and other activities related to inspection, controlling and reporting have been adjusted and standardized accordingly. As a result,

the leading architects and the leading experts have been more proactive in the managing, inspecting, and reporting, thereby creating more convenience for the inspection activities of the Board of Management. Besides, the coordination process in Design & Build projects between Design Management Center and Project Directors, Project Managers and Project Management Teams has also been completed and thoroughly discussed with Project Managers, which promoted the coordination between parties in a more skilfull, clever and flexible manner.

The Design Management Center also actively contacted and looked for some well-established and renowned design partners around the world, such as WATG, Broadway Malan, Yasui Sekkei, etc.

With the new target of raising the proportion of revenue earned from Design & Build projects and raising the design capability of Coteccons to a new level, in 2016, the Design Management Center participated into many large projects such as: The Gold View, Diamond Lotus, The Millenium, Diamond Island, D' Capitale, Everrich Infinity, First Team, Brotex, etc. The Center will continue to improve, upgrade and affirm the Design & Build brand value of Coteccons, thereby contributing more and more to the Company.

BIM DEPARTMENT (BUILDING INFORMATION MODELING)



BIM Department's activities marked the Company's practical application of BIM technology, which was proven to be an effective way to support design and construction projects.

BIM Department won the third prize in the Tekla BIM Award ASEAN with the Goldview project, which was considered to be an impressive project because it used a lot of practical applications in design and construction.

BIM Department will bring value in design quality control through the combination of Architecture – Structural Engineering - MEP, using the design model to coordinate the construction or to create construction model, and control the work.

A NUMBER OF TYPICAL PROJECTS OF BIM DEPARTMENT IN 2016



GOLDENVIEW PROJECT

In the Goldview project, BIM Departmen implemented the Goldview project with the goal of bringing as many applications as possible to the construction site by using the 3D BIM model created by the Tekla, Revit software. BIM Departmen defined the scope of BIM application, as well as the best approach to apply into and support for the construction, and especially to compare the model and the actual construction.



THE LANDMARK 81 PROJECT

The Landmark 81 project marked the maturity of the BIM Departmen when the Department assisted the Project Management Team in assessing the difficulty of the project completion from the fundament to the beam section. At the Landmark project, for the first time, the BIM Departmen offered its full-time participation with the construction site, bringing a certain degree of effectiveness and efficiency to the project.



DIAMOND ISLAND PROJECT

BIM Departmen also joined the Design Management Center and the Project Management Team in the implementation of the Design & Build projects. Especially, at the Diamond Island project, BIM Departmen extended the participation of supervising staff in construction sites, to instruct and control the using of the 3D BIM model and the extraction of construction drawings and the volume of structural, architectural and MEP components.



DIAMOND LOTUS PROJECT

In the Diamond Lotus project, the above coordination between Departemens/Divisions helped the project's BIM model to be up-to-date, be consistently accurate, and thereby be of great importance in the coordination between between the Design Management Center and the Project Management Team. Also, a new point in this project was the involvement of subcontractors in the BIM model during the construction.



DIVISION OF COMMERCE

WITH THE REPUTATION OF THE COMPANY AND THE PRESTIGE OF THE BOARD OF MANAGEMENT, THE BIDDING ACTIVITIES OF THE PAST YEAR ACHIEVED HIGH EFFICIENCY. MOST WERE QUOTING AND NEGOTIATIONS, WHILE OTHERS WERE PROJECTS AWARDED BY INVESTORS IN COMPETITIVE BIDS. ALSO, QUOTING FOR D&B WAS SHORTENED IN TIME YET ENHANCED IN ACCURACY.

Division of Commerce consists of the two departments of Tender Department and Cost and Contract Management Department and cost control department. Last year,

both departments worked effectively and contributed markedly to the overall success of the company. Contract and cost control activities of the whole company brought in considerable cost-saving effects. The department had good control and did not let any risk arise from any terms and conditions. Besides, the proportion of purchases made in large quantity increased gradually for the Company to gain more advantages over negotiations. The survey of advantageous markets, which was implemented effectively, also helped the purchasing department find good sources of imported goods with competitive prices, thereby bringing better efficiency.



Some highlights of the Tender Department were:

- » Reaching the contracted turnover of VND 29,000 billion, successfully achieving targets set in the 2016 business plan
- » Rotating 20-50% of senior personnel to other departments of the Company and recruiting new staff to train and replace the rotation.
- » Building up a team of passionate and enthusiastic personnel.
- » Shortening the quoting period for Design & Build projects but still ensuring the quotations' accuracy of over 90%.

Some highlights of the Contract and Cost Control Department were:

- » Controlling rigorously all project costs, with the total cost controlled being estimated at over VND 17.000 million, helping to increase the efficiency of projects after bidding.
- » Reducing costs with the total purchase value of imported goods being over VND 300 billion, equivalent to an average decrease of 6% compared to domestic purchases
- » Negotiating purchases made in large quantities to gain better discount and price reduction for the Company
- » Training skilled specialists to have good cost management expertise, providing the Company's affiliates with qualified labour force.

TECHNICAL DIVISION

THE TECHNICAL DIVISION WAS ESTABLISHED AT THE BEGINNING OF 2016 AND HAS GROWN STRONGLY INTO TWO FUNCTIONAL DEPARTMENTS, NAMED FINISHING AND MEP DEPARTMENT—MEP DEPARTMENT. THE DIVISION'S MAIN DUTIES ARE CONSULTING AND CONTROLLING THE QUALITY OF COTECCONS PROJECTS, ENSURING THE 100% COMPLIANCE ALL CONSTRUCTION SITES WITH THE METHOD AND PROCEDURE OF THE COMPANY, PREVENTING ANY SERIOUS INCIDENT, AND ULTIMATELY MAINTAINING THE PRESTIGE OF THE COMPANY.



Together with the outstanding growth of the company in 2016, the Technical Division has always been improving its system and activities. In addition to its main function of taking charge of technical issues, The Division has

also established a Training Unit, a Research and Development Department (R&D), etc. At the same time, it is also preparing to establish an MEP Department operating independently of the MEP Division of the company. The main target of this

board is to review and timely detect errors in the coordination between Structure – Finishing – MEP, thereby setting up more standardized and stricter construction processes to reduce waste and ensure the best quality of Coteccons' products.

The achievements that the Technical Division gained in 2016 were as follows:

Controlled the measure, process and quality of construction

With the volume of nearly 50 projects which were deployed simultaneously from the North to the South of Viet Nam, the Technical Division successfully completed the target of controlling and preventing technical incidents, which was set by the Board of Management, through boosting the supporting role of the Office, closely coordinating with all Project Management Teams, timely consulting technical solutions, controlling construction process, and optimizing human resources and construction time.

Besides, with a team of experienced and skilful experts, the Technical Division confidently persuaded investors, consulted complex construction measures and contributed to the successful completion or bid-winning of many mega projects such as The One (with 6 basements), Landmark 81 (which had large block fundament, accelerating tower blocks methods, erecting of the reinforced concrete), Sala Shopping Center (with 4 basements), D'Capital – Ha Noi...

Strongly reformed construction process, improved productivity and quality

The Finishing – MEP Department aimed at training and improving the internal quality, recruiting high quality personnel, coordinating and strictly controlling the construction process in all projects in order to achieve the highest completion quality.

Besides, the Research and Development Department (R&D) which was established directly under the Technical Division, has gradually made use of new construction tools, machines, and materials, thereby confirming Coteccons' strong determination to reform the finishing quality of the Company's products.

The Division also improved the construction methods to meet the actual demand of construction sites, created the coordination procedures between Construction and MEP, between mechanised operations and manual work, thereby reducing the time wasted, improving the productivity of workers, and increasing the efficiency of Project Management Teams.

Internal training

Having a sound technical knowledge and professional skills, the Technical Division is the focal point in technical training under direction of Board of Management. This group has already focused on the following tasks:

- » Gathering and systematizing the knowledge and experience; creating methodical and professional training materials, covering subjects of all levels, from basic to advanced, for various kinds of staff from workers to supervisors; and applying visual aids in training.
- » Organizing advanced training courses in the office or on each construction site for Project Management Teams.
- » Organizing presentations and discussion to solicit ideas on new techniques and special construction methods.
- » Building up model construction sites in order to be introduced to customers, partners and to be used for training workers on practical operation on construction sites.

MEP DIVISION

TOGETHER WITH THE OUTSTANDING GROWTH OF COTECCONS IN 2016, THE MEP DIVISION HAS MADE GREAT CONTRIBUTION TO THE OVERALL SUCCESS OF COMPANY WITH THE TURNOVER OF OVER VND 3,000 BILLION AND BID VALUE OF VND 6,000 BILLION. REVENUE EARNED BY MEP DIVISION IN 2016 SURPASSED THAT OF OTHERS IN THE MARKET. WITH A STRONG AND EXPERIENCED MANAGEMENT TEAM, THE MEP DIVISION ALSO CONTRIBUTED TO THE SUCCESS OF COMPANY THROUGH DESIGN AND BUILD PROJECTS, WITH ITS PARTICIPATION IN ALL STAGES RANGING FROM THE DESIGN, THE SOLUTION-FINDING TO THE MEP CONSTRUCTION OF THE PROJECTS.



Organizational structure

In order to meet the growing demand from the Company, MEP Division established some functional departments, including: BIM Department and MEP Technical Unit under Construction Management Department, Bidding Price Control Unit and D&B Projects Control Unit under MEP Tender Department. These Units are managed by experienced and dedicated management team to support and make the operation of MEP Division more and more professional.

BIM Department and MEP Technical Unit were established to not only assist construction sites in training and developing the workforce, but also support the MEP Division to control the construction techniques on construction sites, to give critical arguments in design, and provide expert advice for the MEP Tender Department.

In addition, the MEP Technical Unit will coordinate with the Finishing – MEP Department to study new techniques and give advice on improving construction method as well as construction process in order to reduce costs, ensure and improve the construction quality.

With the consistent development of projects both in quantity and scale, the Bidding Price Control Unit was established to control the uniformity and transparency of the bidding price among the projects.

Brand development

With the achievement of 2016 as a firm foundation, in 2017, the MEP Division will expand and further market the MEP construction to affirm the position of the Division in particular and Coteccons in general. Furthermore, the MEP Division will be developed into a private brand to be widely promoted in both domestic and foreign construction market.

BOARD OF INTERNAL CONTROL

THE COMPANY'S GROWTH ENTAILS THE NEED FOR MORE EFFECTIVE INTERNAL CONTROL. IT IS INCREASINGLY ESSENTIAL FOR COTECCONS TO COMPLY WITH THE CURRENT BODIES OF LAWS AND REGULATIONS ISSUED BY THE GOVERNMENT AS WELL AS ITS OWN POLICIES TO PREVENT ACCIDENTAL OR DELIBERATE MISTAKES, ENSURING THE CONSISTENCY IN MANAGING ITS ENTIRE OPERATION AS WELL AS EACH OF THE AFFILIATES. IN LIGHT OF THE SITUATION, THE BOARD OF INTERNAL CONTROL WAS ESTABLISHED AND PROMOTED.



In 2016, the Board of Internal Control was very pro-active and gained the following desirable results:

Improve the organizational structure and operational processes

Since mid-2016, in accordance with the direction of the Board of Management, the Board of Internal Control was established and gradually promoted. At first, although having only a humble number of employees, mainly part-time ones, the Board of Internal Control still successfully performed all the assigned tasks. In the spirit of constantly learning and improving the knowledge of this particular field, the Unit's members have undergone methodical training courses on the internal control system of Coso, which was trained by Deloitte. The Unit has gradually improved its operation and organizational structure with an aim to specialize its operation and accelerate the process in order to match with the rapid development of the Company.

Results

With the goal that all departments, divisions and project management teams are internally controlled at least once a year, the Board of Internal Control continuously improves its operation, reducing the internal controlling time but still achieving its goals.

Outstanding shortcomings, potential risks in management, and recommendations for system improvement were clearly revealed in the Internal Control. Based on the controlling results, each department adjusted and improved its own operation, which then received better evaluation on efficiency. Not only the departments and divisions but the Project Management Teams were also internally controlled to improve the operational efficiency, protecting the Company against potential risks in terms of finance, legislation, resources, etc.

With reference to the results achieved, the Board of Internal Control made timely recommendations for the Board of Management to select effective construction management models, to control and limit risks in the general operation of the Company.

Goals

After each round of internal control, monitoring and reporting on the implementation of the recommendations made by the Internal Control for each of the unit needs to receive more serious concern and systematically recorded to build a better "Quality Manual" for the Board of Internal Control. Simultaneously, the Board of Internal Control should carry out research on establishing regulations on handling detected breaches, and make recommendation on the introduction of such regulations, and ultimately ensure all departments' compliance with recommendations made by the Board of Internal Control.

A much more ambitious goal should be closely coordinating with affiliates' Board of Internal Control, synchronizing control regulations, running on a unified ticket, jointly internal controlling the implementation of the shared project, and ultimately ensuring consistency throughout the Coteccons Group. When assigned, the Board of Internal Control shall cooperate with the relevant functional departments to implement the control of bigger targets.

For the Company to develop sustainably, the goals set by the Board of Management is to build Coteccons into a corporation which is well-controlled in environment yet free and streamlined (within its own framework) in operation.



SYSTEM AND ISO DEPARTMENT

FORMERLY A PART OF THE ADMINISTRATION DEPARTMENT THE ISO DEPARTMENT IS RESPONSIBLE FOR ESTABLISHING AND MAINTAINING THE ISO 9001: 2008 MANAGEMENT SYSTEM. IN ORDER TO MEET THE REQUIREMENTS OF SUSTAINABLE DEVELOPMENT FOR THE YEARS TO COME, THE BOARD HAS BEEN UPGRADED IN QUALITY AND QUANTITY TO IMPLEMENT THE ISO 9001: 2015 MANAGEMENT SYSTEM EFFECTIVELY.

In order to maintain a rapid growth and sustainable development of the Company, the System Board has been focusing on the following tasks:

1

CONSULT THE BOARD OF MANAGEMENT ON THE IMPROVEMENT OF THE ORGANIZATIONAL STRUCTURE OF FUNCTIONAL DEPARTMENTS.

2

REVIEW THE ENTIRE BUSINESS PROCESS TO FULLY RECOGNIZE ANY SYSTEMIC RISKS THAT MAY ARISE WHEN THE CONSTRUCTION OUTPUT CONTINUOUSLY HITS RECORD, AND ULTIMATELY TO DEVISE SUITABLE CONTROLLING MEASURES.

3

COORDINATE WITH DEPARTMENTS / DIVISIONS TO IMPROVE THE PROCEDURES AND COOPERATION PROCEDURES TO SHORTEN THE PROCESSING TIME, AND ENHANCE THE ACCOUNTABILITY OF EACH TITLE THROUGHOUT THE BOARD OF MANAGEMENT SYSTEM OF THE COMPANY.

4

ACCELERATE THE APPLICATION OF INFORMATION TECHNOLOGY INTO THE CONTROL OF INTERNAL MANAGEMENT DOCUMENTS AND OPERATION SYSTEMS.

5

FOCUS ON TRAINING STAFF AND NEW MANAGERS IN AWARENESS ABOUT BUILDING, ESTABLISHING AND APPLYING THE SYSTEM IN ACCORDANCE WITH THE CORE PRINCIPLES OF ISO 9001: 2015.

Besides the ISO 9001: 2015, ISO 14001: 2015, OHSAS 18001: 2007 certification awarded to the Company by QMS in Australia on June 14, 2016, the upgradation of the System Board is also the premise guaranteeing the comprehensive and continuous improvement of the Company's PDCA management system.

OCCUPATIONAL SAFETY BOARD

THE OCCUPATIONAL SAFETY BOARD HAS ALSO MADE ENORMOUS IMPROVEMENTS TO MEET THE REQUIREMENTS SET BY THE BOARD OF MANAGEMENT, THEREBY CONTRIBUTING TO THE AFFIRMATION OF COTECCONS' BRAND, AND PROVIDING A SAFE WORKING ENVIRONMENT FOR WORKERS OVER THE PAST YEAR.



The personnel for the control of occupational safety and hygiene (OSH) has been developed both in quantity and quality, constantly trained internally as well as by the experts, both in Viet Nam and overseas, to improve the skills of guiding, controlling, assessing and identifying occupational safety hazards.

In order to control the occupational safety of more than 70,000 workers at the same time in Coteccons' projects, the Coteccons The Occupational Safety Board, in 2016, made drastic and vigorous changes in the following tasks:

Site rating

- » The Occupational Safety Board has issued regulations on periodic safety audit and achieved monthly implementation for all projects. The evaluation form requires a site to have a specific control plan for occupational safety and sanitation in accordance with Coteccons standards if that site wants to fully organize its construction activities. The results of the monthly evaluation will be reported to the Board of Management and reviewed quarterly to decide on excellent sites, thereby creating the effect of competing and learning about how to organize construction activities among sites.
- » In addition to the projects that Coteccons is directly responsible for, Coteccons' projects assigned to its affiliates must also comply with the above rating system to ensure uniform standards of safety throughout the Group. A professional image with distinct occupational safety of Coteccons is proven in most construction sites, creating peace of mind for employees, investors and consumers when paying visits to these sites.

Human Resources and Occupational Safety Management System.

- » The personnel of The Occupational Safety Board is supplemented and nearly double that of last year (from 11 to 19). Individual orientation is clear, ensuring career development and promotion of skills.
- » To create a team with a wide variety of professional capabilities, the Board has enhanced significantly internal training, by combining old and new factors and diversifying training contents across different professions.
- » The system of occupational safety and hygiene has been upgraded, promulgated and disseminated to 100% of sites in forms of safety handbook, manual on operating occupational safety system, reward and punishment regulations.
- » In accordance with the proposal of the Occupational Safety Board, the Company has policies to provide support for construction teams with full-time and part-time safety staff, recruit new personnel and improve the effective operation of the Occupational Safety Board on all sites.
- » Prior to construction, the Safety Board collaborates with the Management Teams at construction sites to control, evaluate and analyze risks.
- » All workers have to perform health check and attend daily/weekly safety trainings.

Strengthen coordination with other departments in occupational safety



The Occupational Safety Board cooperates with the Human Resource Department to train new staff for the Company, and in conjunction with the personnel assessment of the projects, timely equip inexperienced supervisors with occupational safety knowledge.

The Safety Board regularly communicates with the Construction Technology Management Department, Equipment and Material Department on the compliance of construction units with occupational safety in each project to make timely adjustments in managing occupational safety.

Currently, the Safety Board is working closely with the Security Board, the Human Resource Management Department, the IT Department, the Department of Building and Developing Construction workforce to implement the coding system of the Company's personnel and equipment management. This will entail greater control of people and equipment in projects and shorten the time needed. The program is to be introduced in the second quarter of 2017.

In addition, the Occupational Safety Board works in greater collaboration with those of Coteccons Group's affiliates, utilizing the resources and systems of the parties, and enhancing the effectiveness of safety management on the Group's sites.

The Safety Board also connects with Department of Building and Developing Construction workforce, to monitor workers, and update on the progress of occupational safety training for workers in every team.



Improve environmental sanitation

The Occupational Safety Board aims at building a professional, safe and hygienic working environment for all employees at Coteccons, minimizing the negative impacts on the environment through prevention of pollution and proper waste management.

The Occupational Safety Board promulgates rules and regulations to strictly prevent activities which put its staff in danger, or harm the environment.

Coteccons always seeks to classify and recycle waste in all projects, in collaboration with an independent committee that works on reducing waste disposal and considers such practice as a critical factor to reduce costs for all projects. At the same time, the Company focuses on the use of skilled workers, who get the work right on the first time, to reduce unnecessary waste of resources.

The main objective is to comply with the regulations on safety, health and environment of Vietnamese law.

Work Safety Action Plan

Continuing to bring into play the strength and continuous improvement to develop the safety control system, the Occupational Safety Board will carry out a series of tasks to further improve the occupational safety at Coteccons. The Board will focus on: conducting internal training, making contingency plans, rotating and replacing personnel, improving worker training system and worker supervising system; deploying the procedure for grading and issuing specialized certificates after training; continuously updating the document system of the Occupational Safety Board; promoting the coordination, the control, and the compliance with the Steering Board and relevant Departments/ Divisions; and analyzing and establishing risk prevention in occupational safety.

The Occupational Safety Board is responsible for advising, compiling, submitting, and promulgating occupational safety and hygiene directives to the Board of Management, to ensure that work at the sites is continuously alerted, that potential risks in practical construction are comprehensively identified, and that timely intervention is made at the highest level, with the aim of bringing safety to each of the Company's sites.

INTERIOR BOARD

ESTABLISHED IN 2015, AFTER NEARLY TWO YEARS OF OPERATION, THE INTERIOR BOARD HAS EFFECTIVELY PARTICIPATED IN D&B PROJECTS OF COTECCONS.



AND COOPERATED WITH THE DESIGN MANAGEMENT CENTER TO SUCCESSFULLY IMPLEMENT THE CONSTRUCTION OF RESORTS, APARTMENT BUILDINGS, ETC.

In all stages from design to construction. Duc Viet Resort and Masteri Thao Dien are just some of the examples. Also, the Interior Board did complete model homes of different projects, helping Investors boost sales, bringing added value for customers, and laying the very first foundation for the Coteccons Group's brand name in interior decoration.

In addition to the successful implementation of different projects, the Board succeeded in building a network of subcontractors, suppliers and major design partners to complete the value chain of D&B projects of Coteccons, creating high-quality construction works of great practical use and outstanding aesthetic value.

Besides, in the past year, the Interior Board also paid great attention to its workforce development. From the initial team of more than 10 people, the current number of staff has reached 40, 30% of whom were trained abroad and the others have experienced working at Coteccons or at large domestic and overseas furniture companies.

In addition to recruiting, short courses and internal training are regularly organized so that members of the Interior Board have the opportunity to develop themselves. The purpose of workforce development is to create sufficient human capital both in quality and quantity for the Company's expansion in the years to come.

MATERIAL – EQUIPMENT DEPARTMENT

SUCCEEDING 2015, 2016 IS A YEAR OF RENOVATION AND INNOVATION IN COTECCONS' CONSTRUCTION EQUIPMENT. INNOVATION WORK STARTED WITH SCREENING AND ADDING MORE PERSONNEL TO THE COMPANY'S EQUIPMENT MANAGEMENT SYSTEM.



Many of the qualified and experienced personnel from the sites have been deployed and appointed to be new managers of construction equipment, providing comprehensive services for construction sites, inclusive of designing construction measures, providing construction equipment, and such work as operating, repairing, maintaining and controlling the safe and effective use of these equipment.

In addition to improving the Board of Management system, in 2016, a series of modern machinery and equipment has been bought, especially the equipment for the "mega project of Landmark 81" with some the examples being tower cranes which can load up to 24

tonnes imported from France, the high-speed hoist from Sweden, sliding formwork from Korea, sliding scaffolding from German. It can be said that Landmark 81 project has used the most modern equipment used in European countries and a few developed Asian countries such as Korea and Japan.

With no exception to Landmark 81, the image of all construction sites throughout Viet Nam also became more professional. In order to speed up the process, reduce labor and save costs, traditional construction technologies are gradually replaced by new technologies; for example, H traditional scaffolding is gradually replaced by sliding scaffolding, Coma supporting post is gradually replaced by a lighter Ringlock

system, aluminum formworks are used 100% on all sites. As a result, the construction progress is accelerated, with 4-5 days per floor, which plays a significant role in establishing the Company's leading position and enhancing the reputation of Coteccons brand in the construction market.

In addition to investment in machinery, investment management activities also play an important role. In 2016, the exploitation and rotation of construction equipment in a logical way and finding good equipment rental partners have helped the Company make the best use of available equipment resources and increase the efficiency of its investment.

DEPARTMENT OF BUILDING AND DEVELOPING CONSTRUCTION WORKFORCE

COTECCONS' DEPARTMENT OF BUILDING AND DEVELOPING CONSTRUCTION WORKFORCE REPRESENTS COTECCONS IN CONSTRUCTING AND DEVELOPING NEW WORKFORCE TO ADD INTO THE COMPANY'S PERSONNEL SYSTEM, FORMING A STABLE AND SUSTAINABLE CONSTRUCTION WORKFORCE AVAILABLE FOR EVERY PROPOSED BUSINESS PLAN.

In 2017, acknowledging that securing an adequate construction workforce for all projects is a major objective, Department of Building and Developing Construction workforce will continue its cooperation with Project Management Teams and Construction teams to ensure timely execution for all business plans presented by the Board of Directors.

Planning and Consolidating

Department of Building and Developing Construction workforce shall: Perform supervision and gives updates about personnel information for potential projects to orient the general arrangement amongst Suppliers, Sub-contractors, and Construction teams. Design construction workforce planning both on geographical basis and on project type basis to improve the efficiency in coordinating and providing immediate and sufficient workforce upon any sites' requirements.



Construction workforce training and development

Department of Building and Developing Construction workforce shall: Recruit new construction workforce, in which prioritizes scalable and capable Construction teams and Sub-contractors for large projects. Orient, support, develop and upgrade Coteccons' available close-knit Construction teams into professional Sub-contractors who are capable of undertaking larger projects and taking full charge of some certain projects. Design policies to facilitate Coteccons' construction workforce's to improve their capability and to expand into a larger scale. Focus on sharing information about Coteccons' corporate culture to all Construction workforce to fertilize their best engagement and productivity. Liaises with Departments in charge of training and organization to deliver trainings to improve specialized knowledge about labor safety, technology, finance, accounting and management for individuals in construction teams (Project Manager, Accountant, Engineers).

Problem Solving and Improvement in Workforce Development

Department of Building and Developing Construction workforce delivers regular talks with the construction workforce to be able to provide immediate supports, allowing them to focus on the construction work and to satisfy all requirements of the Project Management team. sets up communication channels to quickly address reasonably all disagreements between construction workforce and Project Management Team as well as different Divisions/Departments in the company. Enhances two-way communication between the Board of Management and the construction workforce, ensuring the construction workforce understands and strictly follows new policies and strategies, and thus implements proper adjustments to successfully fulfil all the assigned tasks. Yearly holds Construction and Workforce Development Meeting to collect constructive ideas and to strengthen partnerships between Coteccons and the Suppliers, the Sub-Contractors, and the Construction team.

Department of Building and Developing Construction workforce continually improves workforce-related policies in all aspects, with an emphasis on supporting safety trainings, organizing skill competitions, improving living and working conditions, providing holiday supports, etc. in order to develop an attractive personnel policy, providing the best conditions for all individuals partaking and cooperating with Coteccons.

INFORMATION TECHNOLOGY DEPARTMENT

ACKNOWLEDGING THE IMPORTANCE OF INFORMATION MANAGEMENT AND THE EFFECTIVE APPLICATION OF INFORMATION TECHNOLOGY IN BUSINESS, THE BOARD OF MANAGEMENT DECIDED TO ESTABLISH INFORMATION TECHNOLOGY DEPARTMENT, SPLIT FROM A PART OF THE ADMINISTRATION DEPARTMENT.



Intensive investment in information technology infrastructure and graphic design applications, including the application of information technology in Coteccons' BIM and Design activities, has been changing Coteccons' management practices. Moreover, investment in copyright software has helped Coteccons not only contribute to a healthy competitive market, create highly reliable designs but also reinforce the Company's prestige with Investors and international customers.

Additionally, Coteccons' investment has been concentrated on other systems such as: Information Security Control System, Resource Management System, and Archive Management and Operation System. Upgrades in the archive system has yielded many values for the Company's management activities, securing information and optimally leveraging Coteccons' competitive edge in the market.

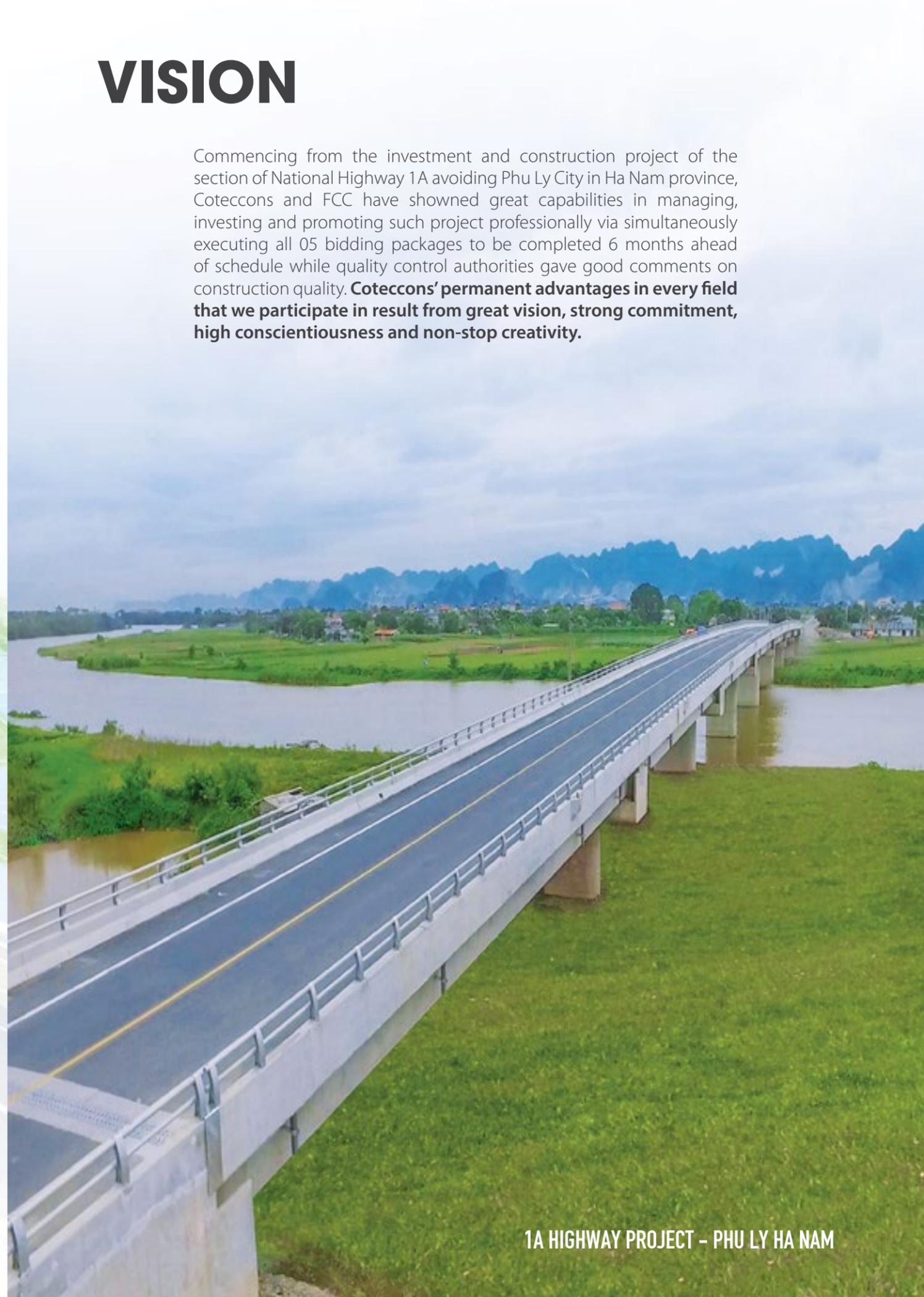
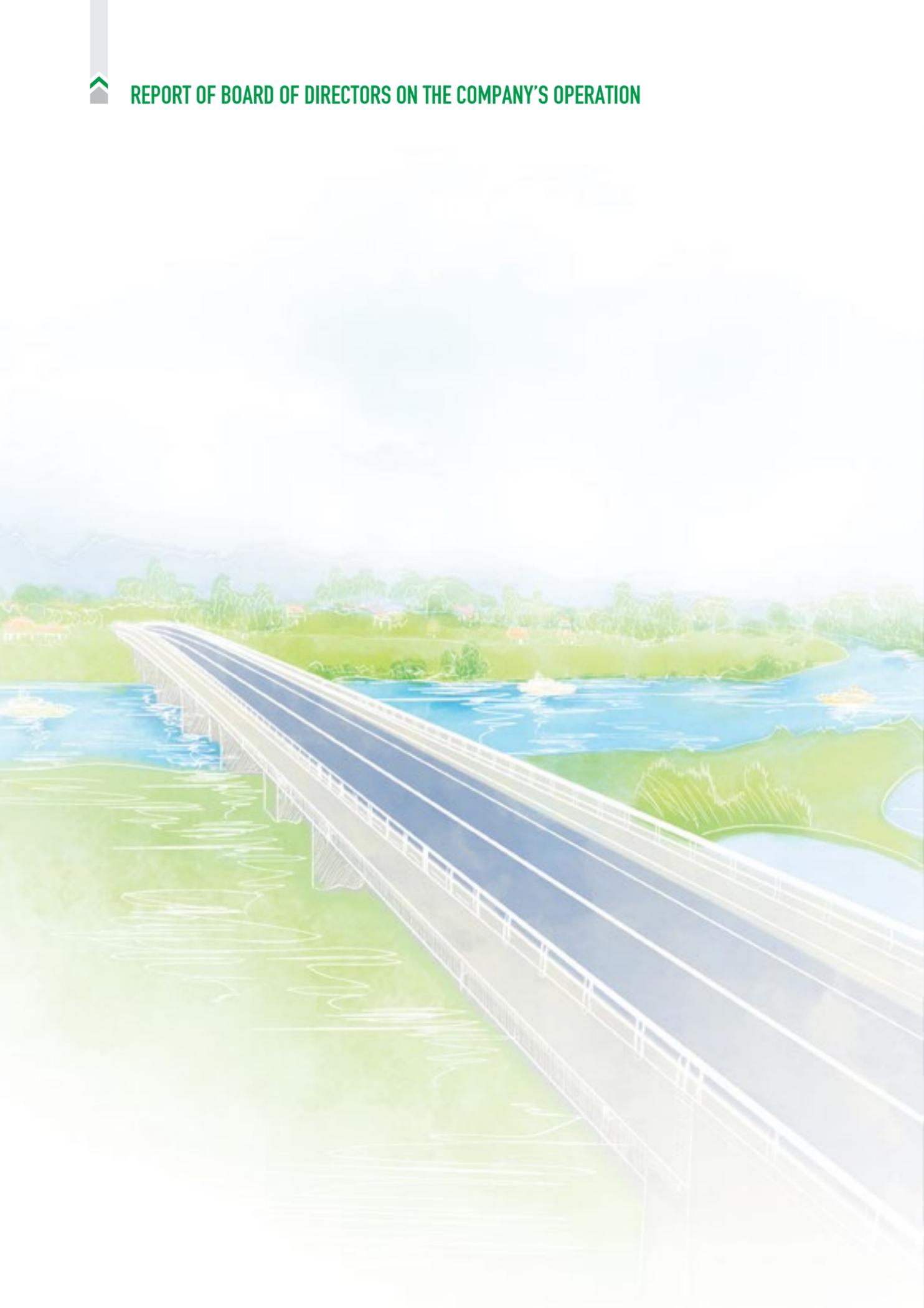
AT COTECCONS, EMPLOYEES HAVE ALWAYS BEEN GRANTED ACCESS INTO THE LATEST TECHNOLOGIES SO THAT THEY CAN FULLY LEVERAGE THEIR CAPABILITIES TO REALIZE ASSIGNED OBJECTIVES AND STRATEGIES.

IN 2017, INFORMATION TECHNOLOGY DEPARTMENT COLLABORATES WITH TECHNICAL DIVISION, SAFETY BOARD, HUMAN RESOURCE MANAGEMENT TO DEVELOP E-LEARNING PROGRAM.



VISION

Commencing from the investment and construction project of the section of National Highway 1A avoiding Phu Ly City in Ha Nam province, Coteccons and FCC have shown great capabilities in managing, investing and promoting such project professionally via simultaneously executing all 05 bidding packages to be completed 6 months ahead of schedule while quality control authorities gave good comments on construction quality. **Coteccons' permanent advantages in every field that we participate in result from great vision, strong commitment, high conscientiousness and non-stop creativity.**



VND **1,422** BILLION
PROFIT AFTER TAX
 ATTRIBUTABLE TO PARENT COMPANY'S SHAREHOLDERS

AFTER A GREAT SUCCESS YEAR OF 2015, COTECCONS CONTINUED TO MAINTAIN OUR STRONG GROWTH IN 2016 BY CLAIMING VARIOUS NEW RECORDS. THE SOLID DEVELOPMENT OF THE COMPANY WAS INDICATED BY NOT ONLY QUANTITATIVE FIGURES BUT ALSO QUALITATIVE VALUES INCLUDING THE REPUTATION, EXPERIENCE, AND ROBUSTNESS OF A LEADING CONSTRUCTION FIRM. WITH COTECCONS' BEING INCREASINGLY PROACTIVE IN DESIGN AND BUILD (D&B) MODEL WITH VARIOUS NEW PROJECTS, WINNING THE BID FOR THE GENERAL CONTRACTOR OF THE LANDMARK 81 AGAINST OTHER RENOWNED INTERNATIONAL RIVALS, AND SUCCESSFULLY COMPLETING OUR PRIVATE PLACEMENT FOR A TOTAL OF APPROXIMATELY VND 1,762 BILLION, THE COMPANY HAS DEFINITELY SET A STRONG FOUNDATION STONE FOR A LASTING AND SUSTAINABLE DEVELOPMENT IN THE FUTURE.



THE BOD'S ASSESSMENT OF THE TARGETS SET BY THE 2016 ANNUAL GENERAL MEETING

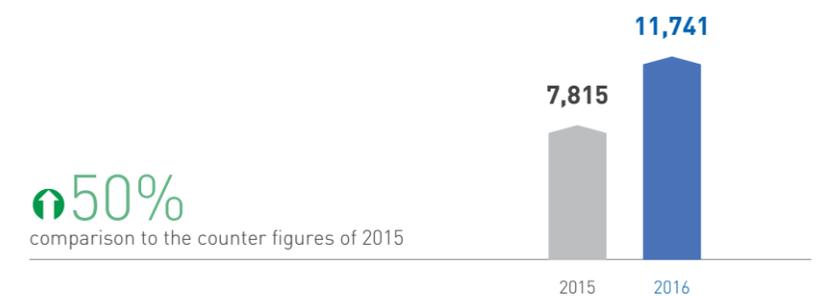
THE 2016 ANNUAL GENERAL MEETING SET A VARIETY OF TASKS IN ORDER TO MAINTAIN A STABLE AND SUSTAINABLE GROWTH FOR THE COMPANY. HAVING THE THOROUGH GRASP OF THE DIRECTION, SHORTLY AFTER THE 2016 ANNUAL GENERAL MEETING, THE BOARD OF DIRECTORS PROMPTED THE BOARD OF MANAGEMENT TO TAKE IMMEDIATE ACTIONS TO FULFILL THE TARGETS SET, INCLUDING SALES PERFORMANCE, DIVIDEND PAYMENT, MANAGEMENT REFINEMENT, TECHNICAL INNOVATION, AND THE EXECUTION OF ESOP, STOCK BONUS OFFERING, AND PRIVATE PLACEMENT OFFERING. AT THE END OF 2016, THE COMPANY ACCOMPLISHED SUCCESSFULLY ALL TARGETS SET BY THE ANNUAL GENERAL MEETING.

FINANCIAL PERFORMANCE

The total assets as of December 31st, 2016 was VND 11,741 billion, an increase by 50% over the year of 2015. The consolidated revenues reached VND 20,783 billion whereas net profit after tax of Coteccons was VND 1,422 billion, exceeding the target approved by the 2016 Annual General Meeting by 26% and 78%, respectively and, growing 52% and 113%, correspondingly in comparison to the counter figures of 2015. By doing so, Coteccons marked our fifth consecutive year of two-digit growth (over 20%) in both revenue and profit. In other words, in an unstable market like Viet Nam, this is an admirably sustainable and persistent growth.

Total assets at 31/12/2016

Unit: VND billion



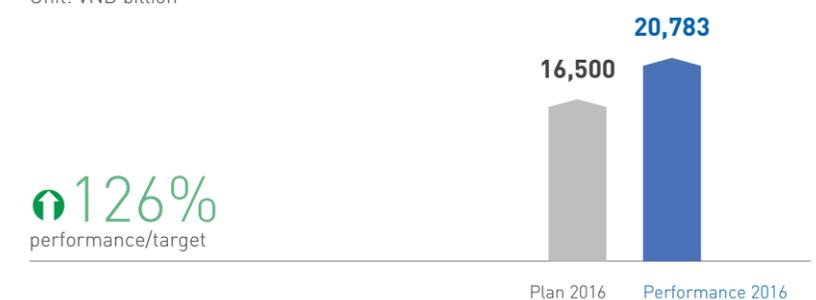
Profit after tax attributable to Parent Company's shareholders

Unit: VND billion



Consolidated revenues 2016

Unit: VND billion





PAID THE SHAREHOLDERS OF RECORD ON EX-DIVIDEND

55%

DIVIDEND PAYMENTS IN CASH AND BONUS SHARE TO SHAREHOLDERS

By sustaining the Company's commitment of generating more values for our Shareholders, in May 2016, the Company paid the Shareholders of record on ex-dividend date of May 18th 2016 an yearly dividend of 5,500 per share (i.e. 55% of par value). This rate hit the highest record of dividend payment in the industry ever.

After dividend payment, the Company moved to our next step of issuing bonus shares to current shareholders at the rate of 3:1 (i.e. shareholder holding three shares received one bonus share) in October 2016. This helped increase our charter capital, and at the same time, strengthen the Company's reliability, as well as bring higher values to shareholders.

EMPLOYEE STOCK OWNERSHIP PLAN FOR THE COMPANY'S KEY STAFF

Based on the Resolution of Annual General Meeting, the Board of Director successfully implemented the Employee Stock Ownership Plan for the Company's key staff. This policy is necessary and timely to enhance the loyalty, the enthusiasm and the solidarity amongst staff who is essential for the company's perpetual development in the upcoming period. Details of the issuance are as follows:

Number of shares issued	2,339,540 shares
Issue price	50% of the volume issued at 42,000 VND/share 50% of the volume issued at 70,000 VND/share
Number of key staffs participating into the issuance	358 personnel
Lock up time	02 years upon August 25, 2016



THE VALUE OF ISSUING SHARES TO STRATEGIC SHAREHOLDERS

VND **1,762** Billion

PRIVATE PLACEMENT

In order to be well-prepared for the Company's sustainable development in a new business cycle, especially in capital term, the 2016 Annual General Meeting targeted at searching for strategic investors to raise more fund as well as to mobilize more knowledge, experience and know-how from various parties. In November 2016, after a number of negotiations, the Company selected 6 suitable investors to cooperate with, and raised nearly VND 1,762 billion in cash. This fund is of great importance for the Company to reach our development targets in the upcoming time.

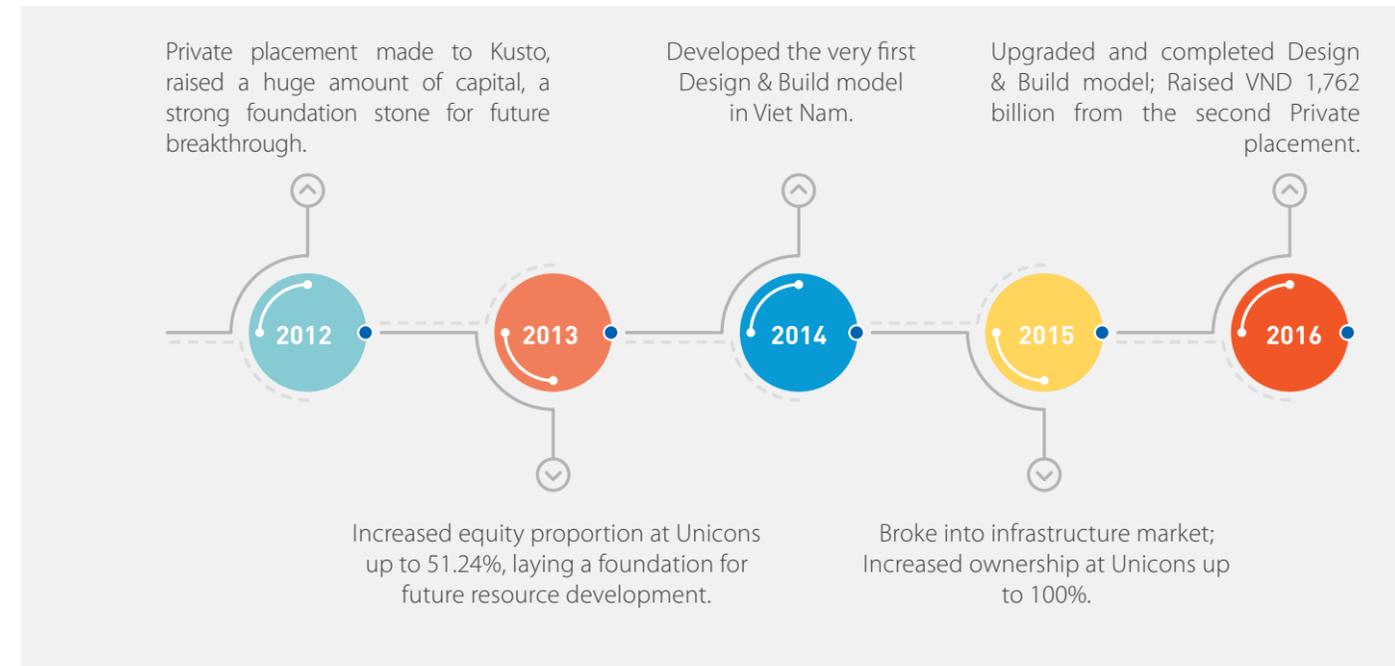
CHANGE OF COMPANY NAME

In the year of 2016, fully-aware of the importance of building and developing the Company's brand name, the Board of Directors and the Board of Management have, in accordance with the will of the 2016 Annual General Meeting, registered the change of the company name from Cotec Construction Joint-Stock Company into Coteccons Construction Joint-Stock Company, effective as of June, 2016.

SUMMARY REPORT OF THE 2012 – 2017 BOARD OF DIRECTORS

The tenure 2012 – 2017 of the Board of Directors started when the Vietnamese economy in particular and the global economy in general were unstable. In 2012, the real estate market was in extreme adversity. Condominium inventory and bad debt ratios were negatively high; hundreds of real estate developers and construction companies suffered lost and went bankrupt. However, with a sharp strategic

vision and a determined management style, the 2012 - 2017 Board of Directors managed to not only lead the company to overcome the difficulties and to maintain a high and stable growth rate, but also take advantage of the difficult time spurt and leave behind other competitors in the market. The following are notable milestones of the Company during that tenure:



47%/YEAR
Sales Average growth rate during the period from 2012 to 2016

60%/YEAR
Net profit Average growth attributable to parent company shareholders

However, apart from the achievements made so far, the 2012 - 2017 Board of Directors still recognizes that there are a few limitations that the Board of Directors of the next tenure has to resolve to improve the Company's corporate governance. Following are those limitations and their suggested solutions:

No.	Limitation	Solution
1	There is no Internal Audit established to assist the Board of Directors in auditing and supervising the company system and operation.	Promptly establish an Internal Audit Unit under the Board of Directors in 2017.
2	The number of independent member in the Board of Directors does not meet the required number as per Company's Charter (The Charter requires at least 02 independent members in the Board of Directors; however, currently there is only 01)	Search for at least one more candidate to be nominated and elected in this year's Annual General Meeting as an independent member of the future Board of Directors.

SUPERVISORY REPORT OF THE BOARD OF DIRECTORS ON THE BOARD OF MANAGEMENT

THE 2016 ANNUAL GENERAL MEETING SET MANY CHALLENGING TARGETS FOR THE BOARD OF MANAGEMENT; HOWEVER, THE BOARD OF MANAGEMENT SUCCESSFULLY COMPLETED THOSE TASKS. WITH THE BUSINESS RESULTS ACHIEVED, SHAREHOLDERS' BENEFITS ARE FURTHER ENHANCED, CUSTOMER RELATIONSHIPS ARE FIRMLY CONSOLIDATED, AND COTECCONS' REPUTATION AND POSITION IS STRONGLY ASSERT.

In details, the Board of Directors highly appreciates the following achievements made by the Board of Management .



ORGANIZATIONAL STRUCTURE AND PERSONNEL DEVELOPMENT

Current, the Board of Management consists of one (01) General Director and five (05) Deputy General Directors. In 2016, with the segregation of duties being clearly made, the Board of Management successfully practiced their rights and fulfilled their duties in accordance with the Company's Charter and the applicable laws and regulations.

The Board of Management regularly listened and discussed with lower managers in weekly meetings and timely rotated employees amongst Construction Divisions, Project Management Teams, and other Departments within the Company to optimize the Company's organizational structure, and thus improved the work efficiency.

The Board of Management also carried out various recruitment and training programs to develop a highly qualified workforce to handle projects of larger scale and of more technical complication. The human resources of the year increased approximately by 44% over the previous year.



TECHNICAL INNOVATION, CAPACITY EXPANSION AND NEW HEIGHT ACHIEVEMENT

Following the success in 2015, Coteccons still kept on innovating and improving our design and construction capacity. The year of 2016 marked numerous records that the Board of Management and the entire staff of Coteccons proudly achieved, including many great technical progresses made in completing the large volume concrete pours of the Landmark 81 project, in finishing the 6-level basement of The One project, and in achieving Tekla BIM International Awards for the application of technological modeling into the execution of the Gold View project... (the details are mentioned in "a highlight of outstanding events of Coteccons in 2016" on pages 24 - 25).

Moreover, the upgradation and completion of the Design & Build model into a new version further strengthened Coteccons' traditional competitive edge of remarkable design and construction capacity. The new version of the model proved its superiority by channeling more benefits to the Investors in terms of time and money efficiency and by instilling more confidence into the end users when they purchase Coteccons' products.



TRANSPARENCY ENHANCEMENT, MANAGEMENT REFINEMENT AND PROFIT EXCELLENCE

The management activities of the Board of Management throughout 2016 was considerably improved. In details, the Board of Management did build a stronger and clearer management system to better control all projects' finance, thus resulting in reduced construction costs and increased bottom lines. Gross profit margins for three consecutive years were consistently boosted up from 7.3% in 2014 to 8.1% and 8.7% in 2015 and 2016, respectively.

Relationships with subcontractors and suppliers have been built up on the principles of clarity, transparency, and sincerity for mutual cooperation and development. So far, Coteccons now has a large number of more than 3,000 partners who are always ready to accompany with Coteccons in any project. This is a great premise for sustainable development in the coming years.

The disclosure of information by the Board of Management to the stock market has always been made in a more accurate and prompt manner than any lawful requirements. Apart from financial information to be published on a quarterly basis, the company has also constantly updated operational status of both newly signed contracts, and the progress of ongoing projects on the Company's official website. Press conferences and shareholder meetings were also held regularly to provide information for investors.



SUSTAINABILITY ORIENTATION

In an independent ranking by The Sustainable Development Community (belonging to VCCI), Coteccons was honored as one of the 10 leading sustainable companies in Viet Nam amongst thousands of sustainable businesses of the year 2016, which was all thanks to the continuous efforts of the Board of Management in establishing the current operation and management systems, which has been bringing benefits all stakeholders including customers, shareholders, employees, suppliers, government and community.

OVERALL, WITH A HIGH SENSE OF RESPONSIBILITY IN THEIR WORK, ALL MEMBERS OF THE BOARD OF MANAGEMENT CLOSELY FOLLOWED THE STRATEGIC OBJECTIVES SET BY THE ANNUAL GENERAL MEETING AND THE BOARD OF DIRECTORS. NOT ONLY DID THE BOARD OF MANAGEMENT FOCUS ON THE CORE BUSINESSES, PROMOTING THE COMPANY'S STRENGTH IN CONSTRUCTION CAPACITY, BUT ALSO DEMONSTRATED GREAT INITIATIVE AND CREATIVENESS BOTH IN SEEKING FOR NEW BUSINESS OPPORTUNITIES, BOOSTING SALES AND PROFITS, AND ACCOMPLISHING THE TARGETS OF THE YEAR, AND IN TAKING NECESSARY MEASURES TO ENSURE THE SUSTAINABLE DEVELOPMENT OF THE COMPANY IN THE FUTURE.

STRATEGIC ORIENTATION OF THE BOARD OF DIRECTORS IN 2017

In 2017, together with new opportunities will come many a challenges that may affect the Company's business plan as follows:

- » Major political events that did and will take place such as Donald Trump's being elected as US President and his announcing to withdraw US from the TPP, Brexit, presidential election in some European countries, the relationships between the three superpowers of Russia, US and China.
- » World Bank's favorable forecast for the economic growth rate in the Asian Pacific developing countries in the next 3 years, with an average of 5.7% in the period of 2017-2018, and 6.3% for Viet Nam in particular.
- » Fed's raising of interest rates by about 2 to 3 times more in 2017 due to economic growth and inflation, causing the Dollar to be further appreciated against other currencies and Viet Nam Dong to be depreciated by 1-3% in 2017.
- » High demands for capital in infrastructure investment (intercity highways, municipal subways, civil infrastructure and other urban infrastructure projects) that offer plentiful opportunities for financially robust companies to invest into BOT, BT or public-private partnership (PPP) projects; New demands that is emerging in civil construction sector when Vingroup started developing medium-price condominiums.

The Board of Directors maintains the belief that the construction market in Viet Nam is still good and potential. Construction orders will constantly increase as the backlog of Coteccons at the end of 2016 carried forward to 2017-2018 totals approximately VND 22,000 billion (increased by 46% over the previous year). In the first 2 months of 2017 the Company has contracted about VND 5,000 billion more, bringing the current total figure to at nearly VND 27,000 billion (about 60% of this value is anticipated to be implemented in 2017).

Internally, Coteccons has successfully built and firmly affirmed our good reputation, our strong brand name, and our remarkable construction capacity facilitated by the collective strengths from the Company's affiliates to undertake large-scale and Mega projects. At the same time, Coteccons's capability in Design & Build projects has reached a higher level with its advantages proved expressly in the previous year. Currently, Design & Build projects of small scale can be handled and implemented by the such affiliates as Unicons and Ricons.

In the lights of the value of the construction backlog and the evaluation of the macro and micro environment, the Board of Directors puts forwards next year's business and action plans as follows:

						
<p>Continue to focus on construction activities, striving for a growth rate of at least 20% over the year of 2016 in sales and profits, with target revenue and profit being set at VND 25,000 billion and a VND 1,700 billion, respectively.</p>	<p>Focus on the member structure of the Board of Directors and its segregation of duties in preparation for the new tenure from 2017 to 2022); Strengthen the Company's corporate governance and the activities of the Board of Directors' subcommittees</p>	<p>Rewrite the Company's corporate governance regulations; Supervise the general compliance with the laws, the Company Charter and the regulations related to information disclosure to ultimately ensure the shareholders' equality.</p>	<p>Support and promote the activities of the Board of Management through the incentive and bonus policies; Create an optimal mechanism to develop competent additions to the Board of Management to best achieve the set goals.</p>	<p>Monitor the use of capital in investment activities; Enhance the value for shareholders besides construction activities.</p>	<p>Focus on business expansion orientation along with risk control.</p>	<p>Establish Internal Audit as the Company's third preventive line, using it as a tool to supervise the activities of the Board of Management.</p>





PRESTIGE

The year of 2016 continued seeing high profits for shareholders of CTD code. Furthermore, dividend was paid by cash at the rate of 55% in May 2016 and shareholders were entitled for an offering at 3:1 in October. On the other hand, new shares were also issued by Coteccons in 2016 targeting at strategic investors, resulting in an amount of 1,762 billion dong. **We always try our best for sustainable benefits of shareholders and investors.**



FIRST TEAM FACTORY

BOARD OF DIRECTORS AND ITS OPERATION IN 2016

BOARD OF DIRECTORS 2012 – 2017

(AS OF DECEMBER 31ST, 2016)

As of December 31st, 2016, the incumbent Board of Directors of Coteccons (for the term of 2012 - 2017) consists of 07 (seven) members, of whom 04 (four) are also the members of the Board of Management and the other 02 (two) are non-executive members and 01 (one) independent member.

No.	Name	Position	Duties	Note
1.	Mr. Nguyen Ba Duong	BOD Chairman	Being in charge of the Company's operation, strategy, and personnel.	cum General Director
2.	Mr. Tran Quang Quan	Member	Being in charge of the Company's operation	cum Deputy General Director
3.	Mr. Tran Quang Tuan	Member	Being in charge of the Company's operation and remuneration policies	cum Deputy General Director
4.	Mr. Bolat Duisenov	Member	Being in charge of the Company's strategy, remuneration, and investment.	Non-Executive member
5.	Mr. Vu Duy Lam	Member	Being in charge of the Company's investment activities.	cum Chief Investment Executive
6.	Mr. Tran Quyet Thang	Member	Contributing objective and critical ideas	Independent member
7.	Mr. Giuseppe Maniscalco Ferrara	Member	Contributing objective and critical ideas	Non-Executive member

CHANGE IN THE BOD'S MEMBERSHIP IN 2016

On March 30th, 2016 the Board of Directors had approved the resignation letter of Mr. Talgat Turumbayev and Mr. Tony Xuan Diep. Therefore, since the March 30th, 2016 Mr. Talgat Turumbayev and Mr. Tony Xuan Diep are no longer the members of the Company's Board of Directors. On the same day, Mr. Bolat Duisenov and Mr. Tran Quyet Thang were temporarily set to be appointed as Mr. Talgat Turumbayev and Mr. Tony Xuan Diep's replacement, correspondingly after an approval of the Board of Directors.

On April 12th, 2016 at the 2016 Annual General Meeting of Coteccons, the Board of Directors also called for an election for member replacement. Gaining high credibility with the Shareholders, Mr. Bolat Duisenov and Mr. Tran Quyet Thang officially became the members of Coteccons' Board of Directors for the term of 2012 - 2017.

On June 1st, 2016 the Board of Directors also appointed Mr. Vu Duy Lam to replace Mr. Hoang Xuan Chinh who resigned for personal reasons.

BOD'S OPERATION IN 2016

GENERAL OPERATION

The Board of Directors frequently hosted periodic meetings in order to review the business operation and direct the development of Coteccons. The approved resolutions all received high consensus from the members of the Board of Directors who had worked hard with high sense of responsibility and seriousness.

OPERATION OF INDEPENDENT BOD MEMBERS

Being actively involved in all of the meetings of the Board of Directors, the independent members contributed a body of profound and objective opinions, and played an important role of a serious critic in pointing out potential risks in the proposed policies and strategies of the Company, contributing significantly to the improvement of performance and the prevention of risks.

BOD'S MEETINGS

No.	Member	Position	Date of appointment/ Date of resignation	Number of attended meetings	Attending rate	Note
1	Mr. Nguyen Ba Duong	Chairman	24/08/2004	11/11	100%	
2	Mr. Tran Quang Quan	Member	02/05/2007	11/11	100%	
3	Mr. Tran Quang Tuan	Member	30/07/2009	11/11	100%	
4	Mr. Talgat Turumbayev	Member	30/03/2016	2/2	100%	With authorization representative, resigned on 30/03/2016
5	Mr. Hoang Xuan Chinh	Member	01/06/2016	5/5	100%	with authorization representative, resigned on 01/06/2016
6	Mr. Tony Xuan Diep	Member	30/03/2016	2/2	100%	with authorization representative, resigned on 30/03/2016
7	Mr. Giuseppe Maniscalco Ferrara	Member	14/04/2015	11/11	100%	
8	Mr. Bolat Duisenov	Member	30/03/2016	9/9	100%	
9	Mr. Tran Quyet Thang	Member	30/03/2016	9/9	100%	
10	Mr. Vu Duy Lam	Member	01/06/2016	6/6	100%	

All meetings of the Board of Directors focused on solving critical issues relating to proposing the business plan of 2016, guiding the organization of 2016 Annual General Meeting, directing the implementation of 2016 business plan, and following the guidance stated on the Resolution of the 2016 Annual General meeting. The BOD also approved important proposals and decisions in order to enable the Board of Management to operate the business effectively.

RESOLUTIONS APPROVED BY THE BOARD OF DIRECTORS IN 2016

No.	Code	Date	Decisions
1	01/2016/NQ-HĐQT	01/03/2016	Resolution to approve the plan to organize the XII Annual General Meeting – the year of 2016.
2	02/2016/NQ-HĐQT	30/03/2016	Resolution to approve the resignation from the Board of Directors of Mr. Talgat Turumbayev and Mr. Tony Xuan Diep.
3	03/2016/NQ-HĐQT	30/03/2016	Resolution to approve the new BOD member appointment of Mr. Bolat Duisenov and Mr. Tran Quyet Thang.
4 & 5	04/2016/NQ-HĐQT & 05/2016/NQ-HĐQT	19/04/2016 & 21/04/2016	Resolution to approve the dividend payment for the fiscal year of 2015.
6	06/2016/NQ-HĐQT	20/05/2016	Resolution to approve the auditing firm for Coteccons' financial statements in 2016.
7	07/2016/NQ-HĐQT	01/06/2016	Resolution to approve the resignation from BOD of Mr. Hoang Xuan Chinh.
8	08/2016/NQ-HĐQT	01/06/2016	Resolution to approve the new BOD member appointment of Mr. Vu Duy Lam.
9	09/2016/NQ-HĐQT	01/06/2016	Resolution to approve the dismissal of Ms. Ha Tieu Anh from the position of Chief Accountant and the appointment of Mrs. Vu Thi Hong Hanh as the new Chief Accountant.
10	10/2016/NQ-HĐQT	02/06/2016	Resolution to approve the change of the Company's name.
11	11/2016/NQ-HĐQT	16/06/2016	Resolution to approve the establishment of committees to support the Board of Directors.
12	12/2016/NQ-HĐQT	13/07/2016	Resolution to approve the capital contribution to found the Coteccons – Fecons Investment Joint Stock Company (CFIC).
13	13/2016/NQ-HĐQT	13/07/2016	Resolution to approve the 2016 Employment Stock Ownership Plan (ESOP).
14	14/2016/NQ-HĐQT	23/08/2016	Resolution to approve the selling plan of remaining stocks from the 2016 ESOP and the detailed results of 2016 ESOP.
15	15/2016/NQ-HĐQT	14/09/2016	Resolution to approve the temporary limit reduction of the foreign ownership in limit of Coteccons from 49% to 40% to serve our upcoming private placement offering.
16	16/2016/NQ-HĐQT	14/09/2016	Resolution to approve the implementation of the private placement offering to strategic investors. .
17	17/2016/NQ-HĐQT	04/10/2016	Resolution to approve the disbursement plan for new capital raised from the latest private placement offering to strategic investors.
18	18/2016/NQ-HĐQT	03/11/2016	Resolution to approve the registration of increasing charter capital of Cotecccon corresponding to the latest stock bonus offering for current shareholders to strategic investors.
19	19/2016/NQ-HĐQT	03/11/2016	Resolution to approve the final list of investors participating in the private placement offering and the offering price.
20	20/2016/NQ-HĐQT	29/11/2016	Resolution to approve the registration of increasing charter capital of Cotecccon corresponding to the equity raised from the latest private placement offering to strategic investors.

OPERATION OF THE BOD'S SUBCOMMITTEES

With the target of maintaining a solid and sustainable development of the firm, in the tenure of 2012 - 2017, the Board of Directors has found several subcommittees specializing in specific fields with an advisory role for the Board of Directors. As of December 31st, 2016 the Board of Directors has founded 4 subcommittees as follows:

STRATEGY SUBCOMMITTEE

STRATEGY SUBCOMMITTEE WAS ESTABLISHED TO ASSIST THE BOARD OF DIRECTORS IN RESEARCHING AND PROPOSING DEVELOPMENT PLANS OF THE COMPANY, INCLUDING BUT NOT LIMITED TO STUDYING NEW PROJECTS IN RELATION WITH THE DEVELOPMENT TREND OF THE COMPANY, EXPANDING OR DOWNSIZING RELEVANT BUSINESS ACTIVITIES, AND MAINTAINING RELATIONSHIPS WITH CLIENTS, PARTNERS, AND AUTHORITIES, AND ULTIMATELY CREATING THE STRATEGIC DEVELOPMENT ORIENTATIONS FOR THE WHOLE COMPANY.

Members

No.	Name	Position	Note
1	Nguyen Ba Duong	Chairman	BOD Chairman cum General Director
2	Bolat Duisenov	Member	BOD member

Duties

Strategy Subcommittee was established to assist the Board of Directors in researching and proposing development plans of the Company, including but not limited to studying new projects in relation with the development trend of the Company, expanding or downsizing relevant business activities, and maintaining relationships with clients, partners, and authorities, and ultimately creating the strategic development orientations for the whole Company. At the same time, the Strategy Subcommittee also oversees all business activities that might affect the strategic development orientations of the Cotecccons Group including those of our affiliates, divisions, boards, and departments, and finally manages all risks incurred in the Company's strategic planning.

The Strategy Subcommittee is responsible for researching, discussing and reporting to the Board of Directors on the issues relating to:

- » Reviewing the business environment, the industry and identifying the opportunities, the challenges, the strengths and the weaknesses of the Company;
- » Directing the Company development strategy in short term and long term, aiming for a sustainable growth of the Company and creating added-value for the shareholders;
- » Planning and constructing a suitable organizational structure for the Company in line with specific proposed strategies;
- » Advising on potential risks incurred in the implementation of strategies and proposing risk management and risk prevention plan;
- » Proposing development orientations of high consensus among the BOD members prior to submitting for approval in the Annual General Meeting.

Operation

In 2016, the Strategy Subcommittee hosted two meetings to discuss the following key issues:

- » Developing the Company plan for the year of 2016 and the development orientations for the period of 2017-2020.
- » Assisting the Board of Directors in the selection of a strategic partners for private placement offering.

REMUNERATION SUBCOMMITTEE

ENSURING THE COMPLIANCE AND APPROPRIATENESS OF THE PROVISIONS ON REMUNERATION AND INCENTIVES AS WELL AS THE KEY PERFORMANCE INDICATORS WITH THE VISION, THE VALUES AND THE OBJECTIVES OF THE BOD.

Members

No.	Name	Position	Note
1	Bolat Duisenov	Chairman	Non-executive BOD member
2	Tran Quang Tuan	Member	BOD member cum Deputy General Director
3	Dang Hoai Nam	Member	

Duties

Remuneration Subcommittee shall have the duties and responsibilities as follows:

- » Reviewing and proposing remuneration for Management Staff at all levels of the Company (from the position of Project Manager and above) and recommending the Board on the approval of the remuneration policies in share bonus or cash bonus (or other policies) based on annual business results.
- » Proposing general remuneration policy throughout the Company for the BOD's consideration and latter submission in the Annual General Meeting.
- » Reviewing the recommendations of the General Director on remuneration policies for Management Staff and recommending accordingly the Board of Directors consider policy changing if necessary.
- » Ensuring the alignment of the remuneration plan for Management Staff and the market level.
- » Supervising and reviewing work performance and performance indicators to assess the effectiveness of Management Staff to determine the non-wage benefits (bonus or ESOP).
- » Reviewing recommendations of management staff relating to their remuneration (if any).
- » Ensuring the compliance and appropriateness of the provisions on remuneration and incentives as well as

the key performance indicators with the vision, the values and the objectives of the BOD in order to:

- ♦ Motivate the Management Staff to work for long-term objectives and overall success of the Company.
- ♦ Demonstrate a clear relationship between Company achievements, personal performance and the remuneration for the Management Staff.

Operation

In 2016, Remuneration Subcommittee hosted four meetings to discuss the following key issues:

- » Building Incentive and Bonus Plans for the Board of Management in the period of 2016 - 2020 and submitting for approval in the 2016 Annual General Meeting.
- » Proposing the list of key employees who are qualified for purchasing 2016 ESOP and their corresponding allocation of shares. Supervising the ESOP offering.
- » Participating in discussion on how to allocate the remuneration to different Subcommittees from the compensation source of the Board of Directors, with the Board of Supervisors (BOS) approved by the Annual General Meeting. Improving the accountability of the Subcommittees.

INVESTMENT SUBCOMMITTEE

INVESTMENT SUBCOMMITTEE WAS ESTABLISHED TO OVERSEE THE INVESTMENT ACTIVITIES OF THE COMPANY, MANAGING INVESTMENT POLICIES AND GUIDELINES, RECRUITING AND SELECTING CHIEF INVESTMENT OFFICER, ESTABLISHING INVESTMENT CRITERIA, REVIEWING INVESTMENT PERFORMANCE AS WELL AS MONITORING OF INVESTMENT GUIDELINES TO MANAGE POTENTIAL RISKS.

Members

No.	Name	Position	Note
1	Bolat Duisenov	Chairman	Non-executive BOD member
2	Tu Dai Phuc	Member	Deputy General Director
3	Vu Duy Lam	Member	BOD Member

Duties

Investment Subcommittee shall have the duties and responsibilities as follows:

- » Evaluating investment activities of the Company and proposing critical ideas relating to the effectiveness and the risks of current investment activities of the Company to the Board of Directors;
- » Searching for investment opportunities (including

merger and acquisition, financial investment, investment in new technology and equipment, etc.) under the strategic orientations of the Company;

- » Drafting regulations and policies relating to investment activities, monitoring the compliance with those policies;
- » Assessing and analyzing potential risks and proposing preventive measures in the investment process to the Board of Directors for consideration; Monitoring the compliance with investment regulations in the Charter of the Company.

Operation

In 2016, the Investment Subcommittee hosted three meetings which mainly focused on building investment plan, and accessing potential investment projects and disbursement plan.

PERSONNEL SUBCOMMITTEE

PERSONNEL SUBCOMMITTEE SHALL REVIEW THE ORGANIZATIONAL STRUCTURE OF THE COMPANY AND REVIEW POLICIES AND GUIDELINES RELATING TO THE SELECTION AND RETENTION OF SENIOR PERSONNEL.

Members

No.	Name	Position	Note
1	Nguyen Ba Duong	Chairman	BOD Chairman cum General Director
2	Yerkin Tatishev	Member	Independent member

Duties

Personnel Subcommittee shall review the organizational structure of the Company and review policies and guidelines relating to the selection and retention of senior personnel.

- » Performing human resource planning to ensure the succession for key positions in companies of concern, optimally training and transferring personnel without affecting the normal operation of the Company.
- » Assisting the Board of Directors with their senior

personnel development policies, including:

- ♦ Proposing training program for senior personnel, including the rotation and training program (domestic and overseas);
- ♦ Recruiting and mobilizing qualified and appropriate personnel to supplement the management team in correspondence with the development strategy of the Company;
- ♦ Assessing work performance and competencies of senior personnel fairly in order to allocate the human resources efficiently;
- ♦ Reviewing the recommendations of the General Director relating to the recruitment, promotion, transfer and suspension of senior personnel.

Operation

In 2016, Personnel Subcommittee hosted one meeting in order to add new member to the BOD and to direct the development policies and strategies for senior personnel of the Company.

REMUNERATION OF THE BOD, BOM AND BOS MEMBERS IN 2016

No.	Name	Position	Working period (in months)	Remuneration per month (in million VND/month)	Total Remuneration in 2016 (in million VND)
A	BOD AND BOS				8,760
I	Board of Directors				7,320
*	Executive BOD member				5,520
1.1	Nguyen Ba Duong	BOD Chairman cum General Director	12	200	2,400
1.2	Tran Quang Quan	BOD member cum Deputy General Director	12	100	1,200
1.3	Tran Quang Tuan	BOD member cum Deputy General Director	12	100	1,200
1.4	Vu Duy Lam	BOD member cum Chief Investment Officer	12	60	720
*	Non-executive BOD member				1,800
1.5	Bolat Duisenov	BOD member	12	50	600
1.6	Tran Quyet Thang	BOD member	12	50	600
1.7	Giuseppe Maniscalco Ferrara	BOD member	12	50	600
II	Board of Supervisors				1,440
1	Nguyen Duc Canh	Chairman	12	60	720
2	Phan Cam Ly	Member	12	30	360
3	Nguyen Phuc Long	Member	12	30	360
B	COMMITTEES UNDER BOD/BOS				1,890
I	Strategic Subcommittee				240
1.1	Nguyen Ba Duong	Chairman	6	20	120
1.2	Bolat Duisenov	Member	6	20	120
II	Remuneration Subcommittee				360
2.1	Bolat Duisenov	Chairman	6	20	120
2.2	Tran Quang Tuan	Member	6	20	120
2.3	Dang Hoai Nam	Member	6	20	120
III	Investment Subcommittee				720
3.1	Bolat Duisenov	Chairman	6	40	240
3.2	Tu Dai Phuc	Member	6	40	240
3.3	Vu Duy Lam	Member	6	40	240
IV	Personnel Subcommittee				570
4.1	Nguyen Ba Duong	Chairman	6	50	300
4.2	Yerkin Tatishev	Member	6	45	270
*	TOTAL (A+B)				10,650

	Year 2016	Year 2015
Remuneration of the BOD, BOS and BOM members	28.57 billion VND	21.58 billion VND

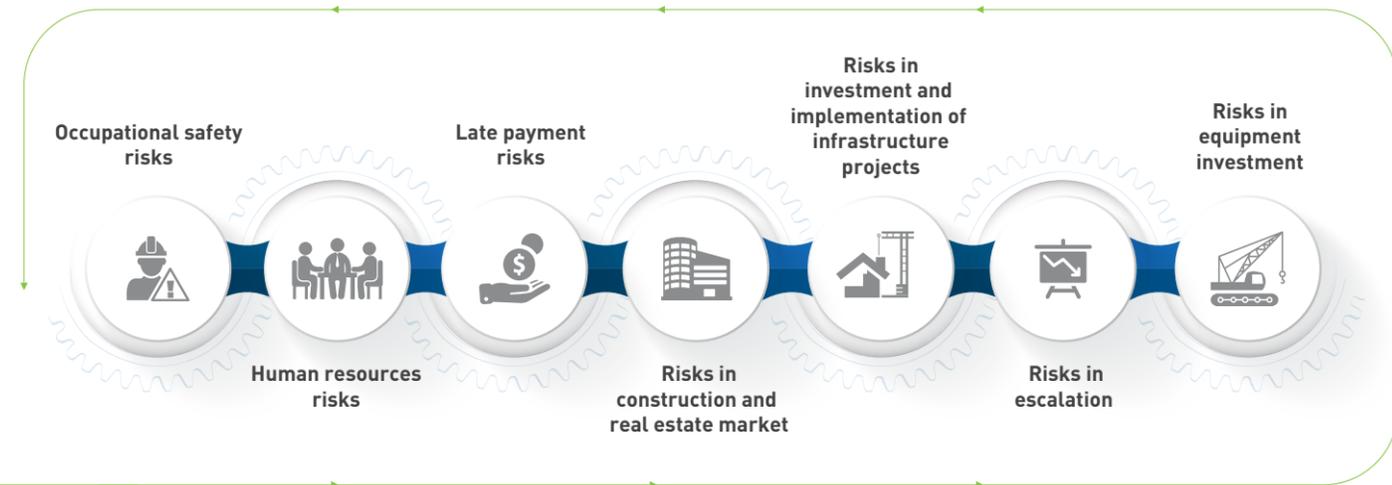
STOCK TRANSACTION(S) OF INSIDERS AND ACQUAINTANCE

No.	Name	Position/ Relation to insiders	Opening number of shares (from the time starting becoming insiders)		Closing number of shares		Reason(s) (purchasing, selling, transferring, bonus, etc.)
			Number of shares	%	Number of shares	%	
1	Nguyen Ba Duong	BOD Chairman cum General Director	2,479,816	5.29%	3,619,754	4.70%	Participating in ESOP offering and stock bonus offering
2	Nguyen Minh Hoang	Relevant people	-	0.00%	8,000	0.01%	Participating in ESOP offering and stock bonus offering
3	Nguyen Xuan Dao	Relevant people	186,632	0.40%	258,176	0.34%	Participating in ESOP offering and stock bonus offering
4	Nguyen Quoc Van	Relevant people	6,250	0.01%	8,333	0.01%	Participating in stock bonus offering
5	Tran Quang Tuan	BOD member cum Deputy General Director	442,702	0.94%	730,269	0.95%	Participating in ESOP offering and stock bonus offering
6	Tran Quoc Binh	Relevant people	4,566	0.01%	12,754	0.02%	Participating in ESOP offering and stock bonus offering
7	Tran Quang Quan	BOD member cum Deputy General Director	683,631	1.46%	1,051,507	1.36%	Participating in ESOP offering and stock bonus offering
8	Nguyen Duc Canh	BOS Chairman	6,666	0.01%	8,888	0.01%	Participating in stock bonus offering
9	Vu Quynh Nga	Relevant people	34,866	0.07%	8	0.00%	Selling shares
10	Nguyen Thi Phuc Long	BOS Member	76,291	0.16%	255,868	0.33%	Participating in stock bonus offering
11	Tran Van Chinh	Deputy General Director	41,000	0.09%	116,000	0.15%	Participating in ESOP offering and stock bonus offering
12	Tu Dai Phuc	Deputy General Director	78,546	0.17%	195,394	0.25%	Participating in ESOP offering and stock bonus offering
13	Phan Huy Vinh	Deputy General Director	537,138	1.15%	777,517	1.01%	Participating in ESOP offering and stock bonus offering
14	Ha Tieu Anh	Head of Financial Accounting Department	384,133	0.82%	569,510	0.74%	Participating in ESOP offering and stock bonus offering
15	Ha Giang Anh	Relevant people	-	0.00%	2,000	0.00%	Participating in ESOP offering and stock bonus offering
16	Vu Thi Hong Hanh	Chief Accountant	426,766	0.91%	600,714	0.78%	Participating in ESOP offering and stock bonus offering
17	Le Mien Thuy	Relevant people	194,948	0.42%	286,596	0.37%	Participating in ESOP offering and stock bonus offering

CONSTRUCTION IS A COMPLEX AND RISKY INDUSTRY. RISKS IN THE CONSTRUCTION INDUSTRY ARISE FROM LEGAL REQUIREMENTS, FINANCIAL ISSUES, PROJECT COMPLETION CAPABILITY, MARKET DEMANDS, LABOR RECRUITMENT AND ESPECIALLY CONSTRUCTION SOLUTION AND SAFETY CONTROL PRACTICES DURING PROJECTS ETC.

Well-controlled risk management will add more values for the enterprise, improve operation efficiency, create competitiveness and minimize errors in all activities. With Coteccons fully acknowledging its importance, risk management has always been of the foremost concern of the Board of Management. To ensure efficiency of risk management activities, risk management has been integrated into the internal control system of Coteccons.

POTENTIAL RISKS AFFECTING THE COMPANY



The Landmark 81



OCCUPATIONAL SAFETY RISKS

Safety risks at workplace arise from the particular nature of the construction industry. Workers must perform their labor-intensive work outdoors, on which the influence of climatic factors is inevitable, not to mention other potential risks when working at height. Therefore, without an effective labour safety management system at workplace, work accidents can easily occur. A scenario of any serious work accidents will not only cause human losses but also damage the Company's prestige and brand value, hence, resulting in loss of market share and posing challenges for on the Company's growth in the upcoming years.

In 2017, the Company will carry out more high-rise building projects, which means more risk will be involved. Therefore, managing risks from working at height shall be carefully concerned and appropriate adjustments in safety management system shall be made to control and prevent these potential risks effectively.



Management methods

Regular checks and proper maintenance for Coteccons' construction equipment shall be focused. The Company implements the policy that construction supervisors /take main responsibility for labor safety and every individual must strictly follow safety procedures in order to reduce accidents due to unsafe performance.

Since the early days of the Company, Coteccons' safety management system at workplace has been developed and continuously improved from time to time. Coteccons was honorably awarded the International Certificates of ISO 14001:2004 in environmental safety and OHSAS 18001:2007 in occupational safety and health. Safety policy has been promulgated and trained to all site workers to ensure that every individual can understand and strictly complies with the Company's requirements.

As for super high-rise building projects, the Company's Board of Safety together with the Site Management Team, Division of Technique and Construction Consultant of the Investors shall consent to apply special safety management model, increasing the rate of safety staff. Risk prevention is also strictly performed, from daily health examination for each manual worker before work to risk identification and assessment to provide a risk-free working environment for workers. The Company's Certificate System on Labor Safety is also strictly applied and conducted.



HUMAN RESOURCES RISKS

AS A NATURE OF THE CONSTRUCTION INDUSTRY, HUMAN-RESOURCE-RELATED RISKS ARE OF ESSENCE, AND REQUIRE CONTINUAL ATTENTION AND IMPROVEMENT.



Management methods

Human resources risks are among the most serious risks affecting the stability of the organizational structure and all operations of the Company. Excellent and skillful employees are usually being “hunted” and attracted by competitors. However, with effective management policies, “brain drain” shall not be a worrying risk of Coteccons in 2017.

The biggest challenge in human resources management of Coteccons in 2017 onward is how to attract and train more and more competent personnel to facilitate the Company’s goal for a ground-breaking growth in the 2017-2020 period.

Coteccons shall continually implement effective management practices such as issuing and applying appropriate salary, bonus and allowance policies based on performance and position; building non-recurring bonus and performance bonus policies for individuals and groups with outstanding achievements, and applying health insurance for the staff and their family members. Especially, since 2015, in order to encourage employees to invest in their children’s education, thereby nurturing a sustainable foundation for the future, Coteccons has applied educational sponsorship policy to managerial and senior personnel, who have considerable contributions to the Company’s development.

Moreover, the following practices are also important to be implemented:

- » Create the most favorable conditions for employees to enhance their competence. Further improve working environment to Coteccons’ become the second family for each employee, where they cannot leave for another working environment.
- » Attract excellent specialists and engineers both in Viet Nam and abroad; recruit newly-graduated engineers and architects via the Coteccons-universities partnership channel to train and prepare team of successors.
- » Promote internal training activities for new staff through Club of Potential Leaders, usually organize seminars and training courses to introduce, promote, and appoint managers, creating promotion chances for enthusiastic and talented young employees.



LATE PAYMENT RISKS

RECOVERING DEBTS IS EXTREMELY IMPORTANT TO ENSURE FINANCIAL EFFICIENCY OF CONSTRUCTION PROJECTS. THERE ARE MANY REASONS FOR CLIENTS TO DELAY PAYMENT SUCH AS INVESTOR’S INABILITY TO RAISE CAPITAL, DIFFICULTIES IN BUDGET WITHDRAWALS OR SLOW SALE OF CONSTRUCTION PRODUCTS... IN THOSE CIRCUMSTANCES, CLIENTS USUALLY DELIBERATELY PROLONG THE PAYMENT PERIOD.



Management methods

The risk of late payment is expected to increase in 2017, which is proportional to the increases of the Company’s revenue. On the other hand, civil construction segment (condominium or low-rise buildings) currently accounts for a high proportion in total revenue. Therefore, debt recovery ability will be affected by the general situation of real estate market and bank’s credit policies on loans for real estate business.

To minimize risk of late payment, besides studying and reviewing financial situation of clients and consumption possibility of products before making bidding decisions, the Company continues to apply the following solutions:

- » Carefully negotiate and explicitly stipulate the payment terms and conditions in the contract when making quotation (or bidding).
- » Assign the Financial Monitoring Board, which consists of members from the Legal Department and Finance - Accounting Department, to perform independent reviews on construction contracts before signing, to monitor the project financial progress and provides warnings on risks related to debts and payment settlement on a weekly basis to Deputy General Directors and Construction Division Directors.
- » Tightly control on the settlement process, organize quantity surveying apparatus (QS) and strictly work with clients.
- » Stop the project in case of insufficient cash flow as per the provisions of the contract (applicable to late payment cases).
- » Request clients to offer bank payment guarantee corresponding to the risk level evaluated by the Company.



RISKS IN CONSTRUCTION AND REAL ESTATE MARKET

MANY MEGA PROJECTS WERE SIMULTANEOUSLY DEVELOPED CREATED A HIGH CHANCE FOR A NEW REAL ESTATE BUBBLE TO HAPPEN AGAIN ESPECIALLY WHEN INVENTORY CAN SHOOT UP AND PAYMENT ABILITY OF SOME REAL ESTATE DEVELOPERS REMAIN A MYTH.



Management methods

Although the real estate market has been recovered and the new legislations have offered favorable conditions for real estate market re-blooming, the risk of a possible new crisis cannot be ignored. In 2016, that many mega projects were simultaneously developed created a high chance for a new real estate bubble to happen again especially when inventory can shoot up and payment ability of some real estate developers remain a myth. Any sudden decrease in real estate investment or project termination shall have certain effects on the achievement of revenue target and debt recovery of construction companies.

Identify, analyze, monitor and take timely actions to deal with risks related to the construction and real estates market.

Increase proportion of D&B projects and carefully conduct feasible survey on real estate projects before signing construction contracts to ensure investors that all projects constructed by Coteccons in whole or in part will always have high marketability.

Be proactive in approaching and studying about the capital sources of the clients, the liquidity and consumption ability of real estate projects, especially traditional tender projects.

Promote R&D activities, improve construction techniques, improve management system, develop competitive supply chain and enhance professional operation to increase the Company's competitiveness, thereby bringing the most reasonable cost to clients and consumers.



RISKS IN INVESTMENT AND IMPLEMENTATION OF INFRASTRUCTURE PROJECTS

ON THE OTHER HAND, GROUND CLEARANCE IS A DIFFICULT ISSUE THAT MAY LEAD TO COST INCREASE AND PROJECT PROLONGATION.

The largest risk is the recoverability of capital through toll fee when the objects who are subject to the fee are not clearly identified and long period of capital recovery also affects the Company's financial plan. On the other hand, ground clearance is a difficult issue that may lead to cost increase and project prolongation. Besides, there are many other unexpected risks in every to-be-invested infrastructure project because Coteccons has very little experience in the field.

Management methods

Coteccons participated in infrastructure project in Phu Ly, Ha Nam and gained certain experiences in controlling and managing risks in infrastructure investment and construction. However, before making investment into new infrastructure projects, the Company shall carefully review, collect information, analyze and conduct feasibility survey, in which possible risks and solution are identified.

Especially as for new project, the Company must get advice from reliable consultants before deciding to join. Concurrently, the Company shall continue.



RISKS IN ESCALATION

FLUCTUATIONS IN PRICES OF MATERIALS, MANPOWER AND EXCHANGE RATE HAVE DIRECT EFFECTS ON THE PROJECT PROFIT. GOOD MANAGEMENT OF ESCALATION RISK NOT ONLY HELPS THE COMPANY ACCOMPLISH OUR PROFIT TARGET BUT ALSO CONTRIBUTES TO COST MINIMIZATION FOR CLIENTS.



Risk of escalation is expected to climb up in 2017 due to the impact of the strong increase in large projects in big cities as well as the possibility of increase in crude oil price and the appreciation of US dollar.

Management methods

Apply adjustable price in payment terms for large projects which construction time are longer than 12 months.

Proactively collect information and deploy material procurement contracts prior to project implementation.



RISKS IN EQUIPMENT INVESTMENT

INCORRECT FORECAST AND EVALUATION OF THE CONSTRUCTION AND REAL ESTATE MARKET LEADING TO INVESTMENT INTO UNSUITABLE EQUIPMENT IS A SERIOUS RISK TO THE COMPANY.



Management methods

Investment in equipment is to serve the obvious investment risks in 2017 are those related to the development speed of the real estate market, with the greatest one being the investment into equipment specialized for high-rise construction among common concerns over the real estate market.

Prior to proposing for equipment investment, Investment Council together with Material and Equipment Department and the Board of Construction Research & Development shall and review the construction market, evaluate effectiveness of equipment investment, consider between purchasing and leasing, assess the ability of rotation and use of equipment, maintenance schedule, and equipment storage.

To ensure a comprehensive investment in equipment which is still in accordance with the Company's conditions, the Board of Construction Research & Development shall assess the construction competence and current equipment and then selectively study about suitable modern construction equipment and technologies to apply to Coteccons' projects

Besides, the Company always carefully performs beforehand evaluations of each investment decision prior to implementation. The ratio of purchased and outsourced instruments at construction sites is retained at 50-50 to prevent any sudden declines in jobs.



RISK IN FINANCIAL INVESTMENT AND MERGER & ACQUISITION

EXPANDING AND DIVERSIFYING BUSINESS ACTIVITIES REQUIRES THE COMPANY TO BE MORE AGGRESSIVE IN FINANCIAL INVESTMENTS AND ACQUISITIONS. HOWEVER, THIS IS A VERY RISKY AREA, ESPECIALLY WHEN COTECCONS HAS VERY LITTLE EXPERIENCE IN THIS FIELD.



Management methods

Main risks include the assessment of the feasibility of investment projects, and valuation and governance of target companies before and after acquisition, not to mention legal risks which cannot be ignored.

In order to properly manage the risks associated with financial investment and mergers and acquisitions, the Company has established the Board of Investment composed of experienced professionals and specialists from financial firms and investment funds. The Board of Investment is responsible for identifying and evaluating investment opportunities to advise the Board of Management prior to investments.

In addition to the establishment of the Board of Investment within the company, outsourcing experts and lawyers for investment advice is also essential. Financial investments and mergers and acquisitions, therefore, should be exercised with a great caution.



SUSTAINABILITY

Coteccons' workforce at the golden age of 25-40, filled with passion, dedication and experience lies at the heart of Coteccons's sustainable development. Mr.Nguyen Ba Duong, Coteccons' CEO, sincerely shared: "Human capital is the key determinant that defined Coteccons' today success. Therefore, I have always been concerning of how to provide best policies to our employees to express our deepest gratitude towards their contributions.". Accompanying with Coteccons is the presence of over 3.000 sub-contractors and 70.000 workers working hand in hand at all construction sites. **Sharing values with employees, partners and the community is the secret recipe that takes Coteccons further in the pursuit of sustainability.**



SOL BEACH RESORT (DUC VIET RESORT)



HAVING EXPERIENCED A PERIOD OF RAPID ECONOMIC GROWTH IN RECENT YEARS, COTECCONS HAS RECOGNIZED THE IMPORTANCE OF SUSTAINABLE DEVELOPMENT.

IN 2016, COTECCONS STARTED TO PAY MORE ATTENTION ON ISSUES RELATED TO SUSTAINABILITY IN ALL ACTIVITIES OF THE COMPANY AND TO PLAN STRATEGIES TOWARDS SUSTAINABLE DEVELOPMENT IN MEDIUM AND LONG TERM.

THE 2016 SUSTAINABILITY REPORT IS THE FIRST REPORT PREPARED IN ACCORDANCE WITH STANDARDS OF INFORMATION DISCLOSURE IN SUSTAINABILITY REPORTING GUIDELINES ISSUED BY GLOBAL REPORTING INITIATIVE (GRI). COTECCONS' SUSTAINABILITY REPORT IS CONDUCTED ANNUALLY TO REVIEW AND EVALUATE ALL SUSTAINABLE ACTIVITIES OF COTECCONS AND THE COMPANY'S AFFILIATES.

CONTENTS

Acknowledging and appreciating the role of sustainable development strategy in business, this year's report fully presents important issues, which affect the nature of business of the Company and meanwhile are of the highest concerns among stakeholders.

In the past year, Coteccons actively identified and analysed a list of influential factors which have been affecting both positively and negatively the Company's business. Coteccons then categorized and prioritized based on the levels of impact on all stakeholders and from this, eliminated insignificant issues. Identifying priorities in key areas has helped Coteccons improve the Company's management and control over every single issue to harmonize different interests of stakeholders, and at the same time to present more comprehensively in reports for next periods.

Data and information presented in the report comprise: Activities related to Coteccon's sustainable development in 2016, Medium and long-term strategies towards sustainable development in the upcoming years; and Coteccons' commitment with stakeholders. Some non-financial information presented in this report may not be as accurate as it is supposed to be due to the nature of quantitative measurement. However, Coteccons will strive to disclose the most accurate data and information available.

SCOPE OF THE REPORT

The report was made in Viet Nam, specializing in constructions industry, and presenting activities of Coteccons Joint Stock Construction Corporate and the Company's Affiliates.

The report was made annually in accordance with the length of a fiscal year, based on factual figures of Coteccons and the affiliates, starting from 01/01/2016 to the end of 31/12/2016. Financial figures in the report was referred from the Consolidated Financial Report audited in 2016.

The report was made by the editors of the Sustainability Report – Coteccons Joint Stock Construction Corporate. The report is published online at the website portal: www.coteccons.vn.

APPROACHING METHOD

Coteccons' approach towards sustainability originates from the Company's long-term goal towards a sustainable development along with social development and environmental protection goals, thereby contributing positively to the development of the society as a whole.

Issues related to sustainable development goals continue to be assessed and considered in a relationship with the present business picture of Coteccons. The Company clearly indentifies key areas to perform reviews and improvements, as well as to assure a more comprehensive presentation for the Sustainability Report for the fiscal year of 2017.

CONTACT INFORMATION

We are trying to meet all expectation of stakeholders and would be pleased to receive your sincere feedbacks. Should you have any constructive ideas or concerns related to the Company's sustainability, please kindly send to:

Coteccons Communication Department

Email: bantruyenthong@coteccons.vn

Telephone: (84) (8) 35142255 - (84) (8) 35142266

Address: 236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, Ho Chi Minh City.

COTECCONS IN IMPRESSIVE METRICS OF SUSTAINABLE DEVELOPMENT IN **2016**



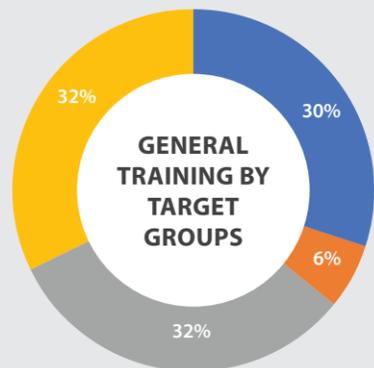
MILLION SAFE WORKING HOURS
for all national-wide projects.



HOURS OF GENERAL TRAINING
including Soft skills training, Integration Training, Division Training, Project Managers, Club for Potential Leaders.



HOURS OF PROFESSIONAL TRAINING AND DEVELOPMENT
including Structure – Intensive training course, Construction Finishing – Intensive training course, QS, MEP- Intensive training course, On-site training (Structure, Finishing, Labor Safety, etc.)



- Integration: 44 hours
- Soft skills: 8 hours
- Division training: 48 hours
- Project Managers/Club for Potential Leaders: 48 hours



- Structure – intensive training course: 8 hours
- Construction Finishing – intensive training course: 40 hours
- QS, MEP- Intensive training course: 64 hours
- On-site training (Structure, Finishing, Labor Safety, etc.): 294 hours



EVENTS **2016**



TOP 10 SUSTAINABLE BUSINESS IN 2016 AWARDED
by VCCI.

TOP 100 BEST PLACES TO WORK IN VIET NAM AWARDED
And the best place to work in the construction industry by Anphabe

(Kindly refer more details in a Highlight of Outstanding events of Coteccons in 2016, on pages 26 - 27).



SUSTAINABLE ENGAGEMENT WITH STAKEHOLDERS

SINCE THE VERY FIRST DAYS, COTECCONS HAS ACTIVELY DEVELOPED EXCELLENT RELATIONSHIPS WITH CUSTOMERS, INVESTORS, SUB-CONTRACTORS, SUPPLIERS, EMPLOYEES, LOCAL AUTHORITIES, ETC. COTECCONS IDENTIFIES OUR STAKEHOLDERS ON THE BASIS OF THE IMPORTANCE AND THE INFLUENCE OF EACH STAKEHOLDER ON THE COMPANY'S BUSINESS.

The Company has established and developed a sustainable engagement with stakeholders based on Coteccons' core cultural values: Transparency, Innovation, Cooperation, Dedication as well as Shared Benefits and Commitment to bring long-term values for all stakeholders who are in partnership with Coteccons.



WITH CUSTOMERS



In the Company's statement of quality policy, Coteccons firmly guarantees to deliver the best products for customers, perform better and better projects, continually and reasonably satisfy the increasing demands of customers. To successfully achieve this goal, Coteccons and our employees, sub-contractors, suppliers, and construction teams will work hand in hand under a shared guideline that prioritizes prestige as the first and foremost concern, continuously focusing on customer interests, and thereby fulfilling the Company's motto: "Cooperate to success".

WITH EMPLOYEES



Having created a professional, fair, friendly and safe working environment, Coteccons has actually become the second home for all employees. In Coteccons, employees are taken good care both physically and spiritually. Career development, self-improvement, job security and income stability are also focused in order to enable a work-life balance for all Coteccons' employees. Coteccons' lowest turnover of staff in the market is a prideful figure of the Company. With suitable remuneration policies and benefit package and a attentive care from Coteccons' the Board of Management with all employees, Coteccons has always been a favorable central point attracting high-quality workforce, including graduates in foreign countries and specialists both in Viet Nam and overseas.

WITH SHAREHOLDERS AND INVESTORS



Coteccons protects and fully enforces the rights of shareholders via sustainable business activities, efficient use of capital and value optimization, bringing increasing long-term benefits for our Shareholders.

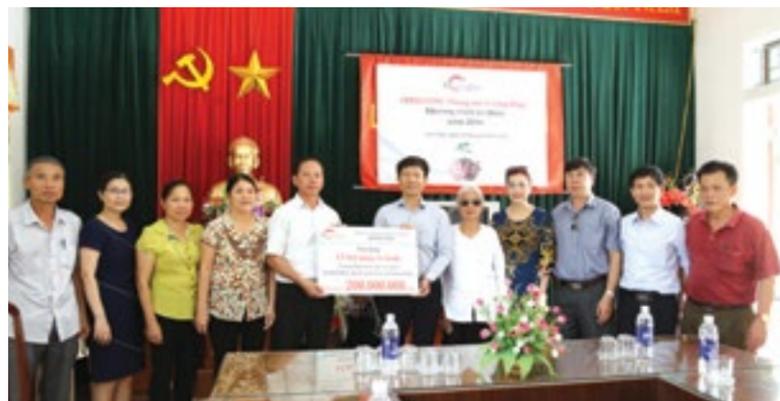
Coteccons always fully enforces the rights of Shareholders, including: organizing Annual General Meeting; ensuring Shareholders rights over dividend payment and information access in accordance with regulations; arranging welcomes and providing timely, adequate and accurate information to shareholders and investors; being actively transparent in information about the Company's operation, and in finance statements published on mass media, website, and company's publications; and equally engaging with all shareholders and investors.

WITH PARTNERS



Sub-contractors and Suppliers are among the stakeholders having an organic relationship with Coteccons and enormously influencing the sustainable development of the Company. Partnerships with Sub-contractors and Suppliers are being prioritized as a strategic foundation of Coteccons not only in several projects but also in a successful cooperation of all parties in the long term. Thanks to the absolute compliance with the principles of righteousness, fairness, shared benefit and mutual interest in the Company's partnerships with sub-contractors and suppliers, Coteccons has been accompanied by thousands of capable and reliable sub-contractors and suppliers working hand in hand in all challenging projects. Having developed a transparent system which is free of corruptions and disturbances out of personal interests, Coteccons' employees are always earnest and enthusiastic to cooperate with all partners to deliver the most effective and fastest projects.

WITH THE COMMUNITY AND SOCIETY



Coteccons is on our way to reach the target of USD 1 billion in revenue each year. Tens of thousands of jobs have been created on Coteccons' projects, bringing prosperous lives for all employees and their families. Building a favorable working environment in which individuals can be safe, healthy and happy with their families after work is a social responsibility that Coteccons has proudly achieved. Besides the Company's success in business, Coteccons clearly identifies our corporate social responsibilities. Every year, Coteccons spends a considerable proportion of our profit on organizing social activities, contributing to the social advancement towards a shared goal of a better and more humane society.

WITH AUTHORITIES AND THE GOVERNMENT



Coteccons' core business does not only strictly comply with the existing laws and regulations on principles and standards in construction industry but also continuously promotes the implementation of projects with higher standards to ensure that every project constructed by Coteccons reaches a sustainable quality. Besides, making sure the Company to fully comply with all current legal regulations, Coteccons duly completes all responsibilities with the National Budget, and closely follows the Government's directions in the next phases of development.

WITH MEDIA



Coteccons develops good relationships with all communication agencies on the basis of equality, transparency and legitimacy. Messages and information provided to media are accurate, clear, adequate and objective, providing a reliable source of information about the present business picture and upcoming strategies of the Company. Coteccons carefully resolves media problems with a right attitude towards the audience and with thoroughly-considered yet decent statements against objections and judgements.

FOLLOWING THE CURRENT REQUIREMENTS OF SUSTAINABILITY, COTECCONS HAS ALWAYS FOCUSED ON THE INFLUENCE OF ALL STAKEHOLDERS, REGARDLESS OF THEIR SIGNIFICANCE. THEREFORE, ANY FEEDBACKS FROM ANY STAKEHOLDERS HAS ALWAYS BEEN CONSIDERED AND RESOLVED BY THE COMPANY.

Since the Company's foundation, Coteccons has actively developed a strong and sustainable relationship with each stakeholder based on the core values of "Cooperation – Transparency – Dedication – Innovation – Commitment" and on corporate ethics in order to bring a long lasting value chain for all parties.

In 2016, issues related to sustainability continued to gain Coteccons' attention. Coteccons actively approached and communicated in depth with stakeholders via different communication channels. Coteccons's feedback collecting system for each type of stakeholders is listed in the below table.

STAKEHOLDERS	APPROACHING METHODS	MATTERS OF CONCERN
CUSTOMERS 	<ul style="list-style-type: none"> » Regularly communicate via communication channels, such as website, email, telephone, etc. » Annually organize Customer General Meeting » Regularly meet and directly communicate 	<ul style="list-style-type: none"> » Coteccons' brand and prestige in the market » Construction costs » Project quality and project schedule » Cooperation for mutual development » Construction techniques
EMPLOYEES 	<ul style="list-style-type: none"> » Conduct surveys on working environment, remuneration and benefit policies, jobs, supervisors, colleagues, etc. » Deliver internal notifications » Provide internal and external trainings » Organise Annual Employee Meeting 	<ul style="list-style-type: none"> » Job stability, career opportunities, working environment. » Remuneration, benefits, and health policies » Training and Development policies » Safety equipment for on-site workers
SHAREHOLDERS AND INVESTORS 	<ul style="list-style-type: none"> » Organize quarter meetings with investors » Organise Annual General Meeting and irregular meetings in case of important events » Regularly meet and provide direct consultations » Regularly communicate via communication channels: website, email, telephone, etc 	<ul style="list-style-type: none"> » The Company's business effectiveness & efficiency » Transparency, adequacy and accuracy in the Company's operation and information disclosed to Shareholders » Rights of shareholders
PARTNERS 	<ul style="list-style-type: none"> » Provide profession training and development courses for sub-contractors, suppliers and construction teams » Regularly communicate through other communication channels especially through website, email, telephone » Organise meetings and year-end celebrations for sub-contractors, suppliers and construction teams » Organise Annual Customer Meetings » Regularly meet and directly communicate 	<ul style="list-style-type: none"> » Transparency in information and equality among suppliers. » Process related to payment for sub-contractors, suppliers, and construction teams
COMMUNITY AND SOCIETY 	<ul style="list-style-type: none"> » Organise social activities in different locations throughout the country » Cooperate with local authorities to organize communal events » Cooperate with universities to grant scholarships to outstanding students and to recruit suitable employees for the Company 	<ul style="list-style-type: none"> » Investment policy in key economic sectors, and economic sustainability » The Company's active participation and contribution to charities, and social development. » Scholarships for students, internship opportunities and teaching facilities
AUTHORITIES AND THE GOVERNMENT 	<ul style="list-style-type: none"> » Partake in meetings and conventions related to construction industry organized by the Government and local authorities. » Contribute to the development of the Contractors Association, Ho Chi Minh Real Estates Association. » Continuously update new policies and regulations issued by the Government. » Regularly connect with local authorities of regions where projects are constructed to deliver immediate response and take timely measures toward environmental issues. 	<ul style="list-style-type: none"> » Strict obligation of the Laws, Regulations, Guidelines promulgated by the authorities. » The Company's fulfillment of our tax obligation » Constructive ideas to develop the market » Minimization of environment unfriendly activities.
PRESS MEDIA 	<ul style="list-style-type: none"> » Disclose transparent information and answer interviews. » Open press releases about upcoming events. » Regularly update important information on the Company's website. 	<ul style="list-style-type: none"> » A commitment to disclosing accurate and transparent information. » Accurate communication about all on-going and finished projects. » Calm responses and appropriate adjustments towards inaccurate information which is harmful to the Company's prestige.



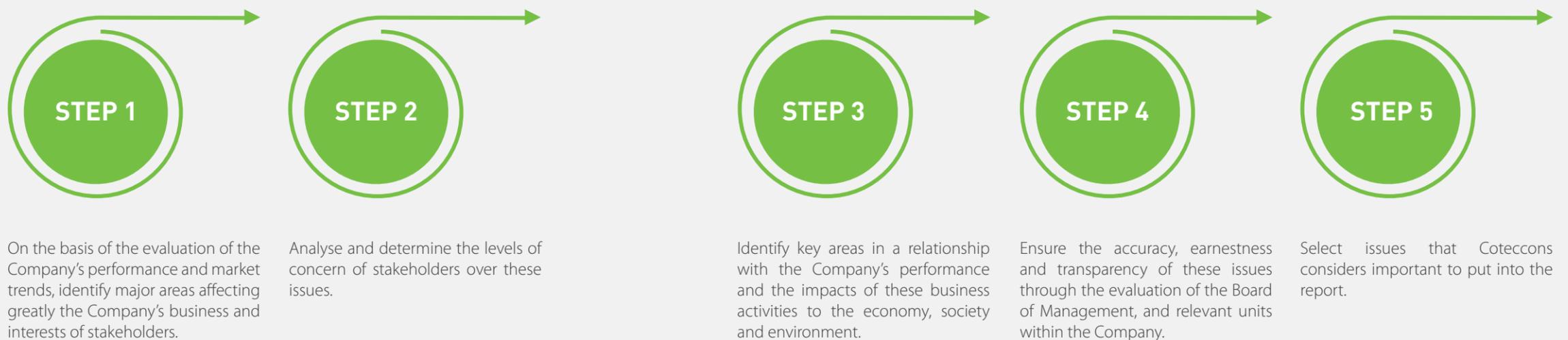
PRINCIPLES AND CRITERIA TO IDENTIFY KEY AREAS

To orient contents of corporate sustainability reports and periodical reports, Coteccons' Board of Management has run the process of identifying and evaluating key areas for the Company and stakeholders. Identification and evaluation of key areas are based on the Company's core values existing throughout the history of 12 years in business, in the context of the recovery in real estate market and the resulting developments of the construction industry in recent years compared with that of the last periods.

In 2016, Coteccons' Sustainability Report was prepared through evaluating key areas in a close relationship with the 3 pillars of Economy, Society and Environment which affect the Company's business as well as the satisfaction of stakeholders' expectations. An accurate identification of key areas is critical in ensuring a harmony of different interests of stakeholders.

A PROCESS FOR EVALUATING AND IDENTIFYING KEY AREAS

Following is the process to evaluate and identify key areas performed by Coteccons:



A MATRIX OF IMPORTANCE

A matrix evaluating the High-Low levels of the "Importance towards stakeholders" and the "Importance towards Coteccons"





DEVELOPMENT OF SUSTAINABLE VALUES

WHEN SUSTAINABILITY IS SPECIFIED IN EACH DEVELOPMENT GOAL OF COTECCONS, SUSTAINABLE VALUES HAVE ALWAYS BEEN THOROUGHLY CONSIDERED IN ALL ACTIVITIES OF THE COMPANY. IN COTECCONS' VALUE CHAIN, FROM THE INPUT TO THE OPERATION AND THE OUTPUT, THE COMPANY TAKES INTO CONSIDERATION THE 4 FOLLOWING PILLARS:



ECONOMY

A SUSTAINABLE CORPORATE

- » Operate effectively and efficiently: sustainable growth in profit and revenue
- » Guarantee the dividends and stock value for shareholders.
- » Act as a reliable contractor: pioneer in innovation to develop sustainably, and at the same time maintain and reinforce partnerships with partners to jointly deliver optimal and sustainable effectiveness for all parties involved.
- » Create stable jobs for employees.



SOCIETY

SOCIAL RESPONSIBILITIES

- » Perform social responsibility and contribute to the development of the society as a whole.
- » Create employment for local workers.



ENVIRONMENT

ENVIRONMENTAL PROTECTION

- » Efficiently use energy, water and strictly reduce sewage and dust from on-going projects.
- » Research and develop new construction techniques to minimize waste into the surrounding environment.



LABOR

TEAM BONDING

- » Coteccons' corporate culture: build a professional yet bonded working environment in which employees are mentored, supported and developed in order to reach the highest satisfaction both in professional and in life. Coteccons is also a place that treasures human capital as the most valuable asset of the Company.

A SUSTAINABLE CORPORATE

SUSTAINABILITY-ORIENTED MANAGEMENT

AT COTECCONS, CORPORATE GOVERNANCE IS DETERMINED AS A KEY FACTOR THAT ENABLES AN EFFECTIVE AND SUSTAINABLE GROWTH FOR THE COMPANY. THEREFORE, COTECCONS ESPECIALLY FOCUSES ON DEVELOPING OF A CAPABLE MANAGEMENT SYSTEM IN ACCORDANCE WITH VIETNAMESE LAWS AND INTERNATIONAL STANDARDS OF CORPORATE GOVERNANCE. IN 2017, COTECCONS SHALL INTRODUCE A UNIFIED AND CONSISTENT INTERNAL MANAGEMENT SYSTEM TO CONTROL AND MANAGE ALL ORGANIZATIONAL ACTIVITIES PROFESSIONALLY, TRANSPARENTLY AND EFFECTIVELY.



SYSTEM BUILDING

IN 2017, COTECCONS PLANS TO REFINE OUR COMPREHENSIVE RISK CONTROL SYSTEM TO FACILITATE THE COMPANY'S DEVELOPMENT GOALS AND BUSINESS STRATEGIES, AS WELL AS TO GRADUALLY DEVELOP AND DEPLOY ASSEST CONTROL SYSTEM IN ACCORDANCE WITH ISO 9001:2015.

In 2016, to strengthen the independent operation of the ISO Department, the Company separated the ISO Department and officialized it as an individual department with our own function of developing and maintaining the Company's compliance with the ISO 9001:2008 Standard on management.

Additionally, to enhance the supervision on the compliance with operational process, the Department of Internal Control was established with a function of supervising the compliance of divisions and departments in the system, preventing intentional or unintentional mistakes, and ensuring unity and comprehensiveness in the Company's management.

As part of the Company's regulations on risk management, each department/ division/ unit must assess risks and develop a risk control system for their specialized operations.

To keep up with the pace and scale of development in the following years, Coteccons shall focus on building up a corporate governance which is in line with international standards to quickly integrate into the international competitive market, effectively harness resources, and ultimately create sustainable values in the long term. In 2017, Coteccons plans to refine our comprehensive risk control system to facilitate the Company's development goals and business strategies, as well as to gradually develop and deploy Assest Control System in accordance with ISO 9001:2015.

Besides, Coteccons has developed and launched risk control strategies and policies, and regulations on risk assessment for all operations of the Company; adopted professional operation processes under international standards; and allocated resources in combination with internal control to ensure the highest compliance. In addition, to improve the employee awareness and to shape a culture of risk control, the Board of Management and Coteccons' employees always determine risks in daily business and managerial decisions.



RISK CONTROL

The Company has developed risk control policies, establishing functional departments and divisions to review and identify risks in a timely manner to promptly prevent and strictly control risks, which is in turn reinforced by the foundation of Board of Financial Supervision and the Department of Internal Control. For details of risks, please kindly refer to Risk Management (page 112 - 119).



DIVIDEND POLICIES

Cash dividends shall remain stable and proportionally increase over time. In the period of 2010-2014, average dividend rate stayed at 20%; in 2014-2016, along with outstanding business results the figure rapidly increased to 50-55%, which was high and stable compared with that of other businesses in the industry in particular and in the market in general. In 2015, dividend (as of 5/2016) was 55%, equivalent to VND 5.500 per share. Additionally, in 10/2016, Coteccons issued bonus shares for existing shareholders with a ratio of 3:1 (03 current shares to get 01 bonus share).



INVESTOR RELATIONS

In 2016, the Company extended the Investor Relations Division, as a part of Communication Department, functioning as a liaser between the Company and Shareholders and Investors.

Information about the Company are timely announced to Investors via the website portal: www.coteccons.vn and via information disclosure channel of Ho Chi Minh Stock Exchange (HOSE) and State Security Commission of Viet Nam. In which, information to be disclosed includes periodical information such as quarterly financial statements, management reports and annual reports. The Company makes sure to deliver information to Investors accurately, timely and transparently.

The Company actively communicates with domestic and foreign investors via meetings which are to announce quarterly business results or to introduce investment opportunities into the Company through the stock exchange. Besides, shareholders and investors can request the Company provide information which is legitimate for public disclosure, such as details of personnel in charge of information disclosure, of the Investor Relations Division as well as other direct communication channels, website, email, etc.

SUSTAINABLE ECONOMIC GROWTH

IN 2016, COTECCONS' CONSOLIDATED REVENUE REACHED VND 20,783 BILLION AND AFTER-TAX PROFIT REACHED VND 1,422 BILLION, WHICH WERE 26% AND 78% MORE THAN THE TARGETS PROPOSED IN THE 2016 SHAREHOLDER GENERAL ANNUAL MEETING, AND EQUIVALENT TO AN INCREASE OF 52% AND 113% OVER THE YEAR OF 2015, RESPECTIVELY. 2016 MARKED THE COMPANY'S 5TH CONSECUTIVE YEAR OF REMARKABLE GROWTH OF OVER 20% BOTH IN REVENUE AND PROFIT, SIGNALING A SUSTAINABLE DEVELOPMENT STAGE IN SUCH A FLUCTUATING MARKET AS VIET NAM.

Founded in 2004, after 12 years of operation and development, Coteccons has become the leading construction company in Viet Nam with impressive growth in revenue and profit over years. Even when the construction industry was struggling in its hard times, Coteccons always put significant efforts to conquer challenges and to find out effective business solutions in order to fulfill and excellently overachieve proposed business goals.

In 2016, Coteccons' consolidated revenue reached VND 20,783 billion and after-tax profit reached VND 1,422 billion, which were 26% and 78% more than the targets proposed in the 2016 Shareholder General Annual Meeting, and equivalent to an increase of 52% and 113% over the year of 2015, respectively. 2016 marked the Company's 5th consecutive year of remarkable growth of over 20% both in revenue and profit, signaling a sustainable development stage in such a fluctuating market as Viet Nam.

Indicator (Billion VND)	2012	2013	2014	2015	2016	Average growth
BUSINESS RESULTS						
Revenue	4,477	6,190	7,634	13,669	20,783	47%
Profit before tax	300	393	464	927	1,763	56%
Profit after tax	219	280	357	733	1,422	60%
Profit after tax attributable to Parent Company's shareholders	219	257	327	666	1,422	60%

Not only striving to reach business goals, during our development process, Coteccons has always been researching and applying new construction techniques and materials both in Viet Nam and around the world to improve the Company's construction capability and effectiveness, contributing to the development of Viet Nam construction industry as well as reducing product price.

With our achievements, Coteccons has always fulfilled the Company's tax obligation towards the National Budget. With the present development trend of the Company, the proportion of Coteccons' contribution to the National Budget will be increasing over years.

To maintain and continue the Company's sustainability in the upcoming years, Coteccons has devised 2 main strategies towards sustainable development as follows:

- 1 Continue developing the core business of construction**
 - » Research and develop Design and Build Model for new segments
 - » BIM
 - » Invest in new technologies and construction techniques
 - » Improve productivity
- 2 Expand business and lessen dependence on the business cycle of the construction industry**
 - » Establish the Board of Investment
 - » Diversify revenue sources: infrastructure, real estate, etc

CONTINUE DEVELOPING CONSTRUCTION AS A CORE BUSINESS

CURRENTLY, COTECCONS' REVENUE PREDOMINANTLY COMES FROM CONSTRUCTION, THE COMPANY'S CORE BUSINESS. THEREFORE, TO DEVELOP SUSTAINABLY IN THE FOLLOWING YEARS, COTECCONS MUST BE MORE SENSITIVE IN THE COMPANY'S BUSINESS STRATEGIES. TO TAKE ADVANTAGE OF NEW TRENDS IN REAL ESTATE MARKET, COTECCONS HAS BEEN RESEARCHING MANY DESIGN AND BUILD SOLUTIONS FOR NEW RESIDENTIAL SEGMENTS. IN THE MEANTIME, TO SAVE TIME AND MANPOWER, THEREBY INCREASING PROFIT MARGIN, THE COMPANY SHALL PROMOTE RESEARCH AND DEVELOPMENT IN TECHNOLOGIES AND CONSTRUCTION TECHNIQUES.

Research and develop Design and Build model for new residential segments

In 2013, Coteccons was the first construction company to implement Design and Build Model. So far, revenue from Design and Build projects has accounted for 40% of Coteccons' total revenue. Through practical implementation, Coteccons' Design and Build model in 2016 has been refined and upgraded into a new version, greatly improving designing and building capability of the Company.

Revenue coming from Design and Build projects is projected to increase significantly in the next 5 years until Investors get more familiar with the model. This projection is based on a state of affair that Design and Build not only offers more and more benefits for Investor in terms of cost efficiency and time saving, but also builds trust in end users for Coteccons' products.

Moreover, to take advantage of the new trends, Coteccons has initiated research and development of Design and Build model in other segments, especially middle-income residential houses which are expected to boom in the following years.



BIM DEPARTMENT MARKED THE YEAR OF 2016 WITH THE APPLICATION OF BIM INTO PRACTICE, PROVIDING A REMARKABLE SUPPORT FOR DESIGN AND BUILD PROJECTS.

» **Building Information Model**

In 2014, BIM Department was founded, aiming at bringing up advanced solutions for Coteccons' management of Design and Build projects. Currently, BIM Department has been invested in terms of human resources and the latest technologies to improve the simulation of designing and building process. Furthermore, BIM Department acts as a bridge linking subcontractors with construction teams in the implementation of detailed construction components through its function as a design consultancy.



Afterwards, BIM Department marked the year of 2016 with the application of BIM into practice, providing a remarkable support for Design and Build projects. Noteworthy, in The Landmark 81 project, BIM Department participated into the whole construction process for the first time and successfully supported Project Management Team in assessing the level of difficulty of project execution from the fundament to beam sections. With the great assistance of BIM, Coteccons completed 17 large beam sections with the height of 2,5m, the width of 2,5m and the length of 9m in sharp 15 days, ahead the usual schedule of other projects having less-complicated beam sections such as Novotel Saigon (18 days), Delta River (20 days), etc.

After years of continuous research and development, BIM Department has been affirming our increasing importance in supporting construction sites and creating a good reputation for Coteccons with the application of BIM in construction projects in Viet Nam market. Additionally, Coteccons is having a representative in the National BIM Board – Construction Department of Viet Nam. Coteccons has also significantly contributed to the technological development of Viet Nam's construction industry in general. In 2016, Coteccons won the 3rd prize in the competition named Tekla BIM Award Asean with the Goldview project, highly recognized for many practical applications such as the combination of various construction methods and the blue-prints for structure construction and MEP construction.

At present, Coteccons is expanding the application of BIM to the operation of the involved sub-contractors. In 2016, Coteccons experimented this idea with the Diamond Lotus project. The combination did help to upgrade BIM model, ensuring accuracy and connection among Design Management Center – Project Management Teams– Sub-contractors with BIM acting as a coordinator.

In 2017, Coteccons shall continue to implement BIM in a larger scale, especially with complicated projects. Meanwhile, Coteccons shall also encourage subcontractors to apply BIM in Design and Build projects, enabling an easier management of design and more updated yet consistent information in order to control the volume of designs, especially with MEP projects. In the business plan for the next 3 years, one of the sustainability criteria of the Company is investment in technologies. In 2017, Coteccons shall apply BIM in 50% of the Design and Build projects and in 2019, the target is 70%. (Please refer more information about BIM Department at page 78).

In the future, apart from BIM, Coteccons shall invest in new advanced technologies in the world to facilitate the implementation of large-scale projects. With an effective technological support, Coteccons can minimize mistakes in installation, improving quality and productivity. Correspondingly, construction schedule and manpower shall be reduced considerably.



» **Invest in technologies and new construction techniques**

In 2017, Coteccons shall accelerate the research and development in construction techniques through refinements, zoning and in-depth researches. Also, Coteccons shall experiment some new construction techniques such as concrete cover walls to connect the block with the floor and AAC brick (Autoclaved aerated concrete brick). The adoption of these new techniques shall reduce Coteccons' dependence on manpower and their skills. In the meantime, quality control shall be become easier because the durability of project surfaces is to be improved significantly.

Moreover, Coteccons shall carefully consider environment conservation activity by applying new construction techniques such as: using unbaked bricks, reducing plastering to diminish toxic fumes and dust on construction sites.

» **Improve productivity**

One of the first and foremost objective of Coteccons in 2017 is to find solutions to maintain the same construction time and project quality while reducing the number of workers required. In detail, Coteccons targets to use 3 employees, compared with the average of 5 on the market, to complete the same amount of work. Upon the fulfillment of this objective, Coteccons shall reduce considerably manpower, costs and effort needed, thereby providing the best benefits and profits for all stakeholders.





EXPAND BUSINESS AND REDUCE DEPENDENCE ON THE BUSINESS CYCLE OF THE CONSTRUCTION INDUSTRY

HAVING A STRONG BRAND NAME IN THE MARKET ALONG WITH ESTABLISHED EXPERIENCE AS A CONTRACTOR, COTECCONS STRONGLY BELIEVES THIS IS THE RIGHT TIME TO EXPAND THE COMPANY'S INVESTMENT INTO NEW MARKETS ESPECIALLY WHEN THE OPPORTUNITY SHOW ITSELF, WHICH WILL OFFER MORE ADDED VALUES TO THE COMPANY.



Establish the Board of Investment

In May 2016, Coteccons' Board of Investment was founded and has been functioning to research and consider investment opportunities which can yield new earnings for the Company in the future. With the Company's prestige and 12-year-experience history in the construction industry, Coteccons has certain competitive advantages when investing into real estates market.

In 2016, Coteccons successfully raised VND 1,762 billion from strategic investors, both in Viet Nam and overseas. With this capital, Coteccons is looking for new investment opportunities in 2017 onwards. Having a strong brand name in the market along with established experience as a contractor, Coteccons strongly believes this is the right time to expand the Company's investment into new markets especially when the opportunity show itself, which will offer more added values to the Company.

Besides, in the Company's medium and long-term orientation, Coteccons shall research on M&A with some companies or partners to expand the Company's value chain. This is also a rare opportunity for Coteccons to leverage our existing advantage to gain more active control on the input quality.

Diversify revenue sources

In November 2016, FCC Infrastructure Investment Joint Stock Company, one of the Coteccons' affiliates, completed and officially commenced the first toll collection for Phu Ly-Ha Nam Crossover. This success has laid a foundation for next infrastructure projects that Coteccons and the Company's partners are going after. Apart from income from the construction industry, other revenue sources have been developed in accordance with Coteccons' goal of increasing the contribution of other sources in Coteccons' income. For the next 5 years, these sources are projected to account for 50% the Company's profit. On this basis, Coteccons can mitigate the influence of the construction and real estate industries, which are periodical in nature, on the Company's business activities. This goal is completely feasible because of the high demand for infrastructure (intercity highways, municipal subways, civil infrastructure and other urban infrastructure projects, etc.) in such a developing country as Viet Nam, combined with Coteccons' advantage in human and financial capitals available for the proposed business plan.

HUMAN RESOURCE DEVELOPMENT

IDENTIFYING HUMAN CAPITAL AS THE KEY DETERMINANT OF THE COMPANY'S SUSTAINABLE DEVELOPMENT, THROUGHOUT THE PROCESS OF OUR FOUNDATION AND DEVELOPMENT, COTECCONS HAS FOCUSED ON ESTABLISHING A PROFESSIONAL – RESPONSIBLE – PRODUCTIVE WORKFORCE, WHICH HAS ALWAYS BEEN CONSIDERED AS ONE OF THE MOST IMPORTANT LONG-TERM OBJECTIVES OF THE COMPANY. THE ACHIEVEMENT OF THIS GOAL RELIES ON A FAVORABLE WORKING ENVIRONMENT WHICH NATURES AND PROMOTES EMPLOYEE ENGAGEMENT AND CONNECTION ON THE BASIS OF BEHAVIORAL STANDARDS, PROFESSIONAL TRAINING AND DEVELOPMENT, PROFESSIONAL ETHICS AND THE CORPORATE CULTURE.

Coteccons treasures every value created and contribution made by each employee to the overall success of the Company. Therefore, creating a favorable working environment which nourishes fairness, proactiveness, innovation regardless of position, age, gender, education level, social state, and origin where each individual rejoices the same opportunities for working and training towards their individual career development and success is the foremost important objective that Coteccons is targeting in the upcoming years.



HUMAN RESOURCE STRUCTURE; REMUNERATION AND BENEFIT POLICIES FOR EMPLOYEES

COTECCONS OBJECTIVELY AND RIGHTEOUSLY EVALUATES THE CONTRIBUTION OF EACH EMPLOYEE AND PROVIDES THE BEST CONDITIONS FOR EMPLOYEES TO FLOURISH. THEREFORE, EACH INDIVIDUAL AT COTECCONS HOLDS A HIGH SENSE OF RESPONSIBILITY, KNOWLEDGE ATTAINMENT, CREATIVITY AND A RIGHT ATTITUDE TOWARDS PERFECTION AT ALL ASPECTS. AT THE HEART OF COTECCONS' CONTINUOUS IMPROVEMENT LIES HUMAN RESOURCE POLICIES, ORIENTED TOWARDS DELIVERING THE MOST PRODUCTIVE YET ENGAGING AND SUITABLE WORKING ENVIRONMENT FOR ALL EMPLOYEES.

With a requirement of high-quality human resources to facilitate the Company's expansion, Coteccons regularly considers and adjusts the Company's remuneration policies in accordance with employees' capabilities, consistently ensuring a competitive and favorable level above the industry's base line for Coteccons' employees.

Remuneration policies are implemented flexibly in a harmony with the Company's business picture, and based fundamentally on job performance and position held in order to effectively motivate employees' innovations, talents and contribution to the overall development of the Company.

In addition to salary, Coteccons has regular rewards on public holidays. Employees are also entitled to irregular bonuses and commendations for business innovations either in group or in person.

(Please refer details in Human Resource Report, page 48)

DEVELOPMENT OF A PROFESSIONAL AND SKILLFUL WORKFORCE

A Professional - Responsible - Productive workforce is the key competitive edge of Coteccons. In the pursuit of a continuing leading position in Viet Nam market and a strong hold in the international playground, Coteccons has always focused on the development of a high-quality workforce capable of satisfying the increasingly strict demands of the market.

Coteccons always offers integration trainings for new recruits as Coteccons understands that the begin of an employee's journey with Coteccons is when he/she most needs trainings on both profession related issues and on the Company's corporate culture. Additionally, Coteccons organizes professional trainings and development for different target groups: On-site training, MEP training, Finishing training, On-job training, etc. not only to equip necessary knowledge and experience but also to inspire and motivate employees to produce better productivity. Especially, Coteccons

arranges regular occupational safety trainings for both the Company's employees and construction workers to improve their awareness about safety at work.

In our long-term strategies, human resource development shall always be at the heart of Coteccons' orientation to develop a Professional – Responsible – Effective workforce. In 2017, Coteccons' Technology Division shall build an E-Learning system which allows a quick access to knowledge and practical experience, better facilitating on-site training. Along with the development of E-Learning, the Company also builds up an online testing system.

Moreover, the Company shall pay more attention to the evaluation of training activities, especially for Supervisors and Project Managers. Training curriculum shall be amended on a regular basis to update and improve the employees' knowledge and skills.

Type	Function	Benefits
E-Learning	<ul style="list-style-type: none"> » Online learning » Online testing 	<ul style="list-style-type: none"> » Quick access » Consistent contents » Visual Aids » Time and manpower saving
Target Group	Courses in 2016	Courses in 2017
For Workers	<ul style="list-style-type: none"> » On-site training for new workers » Skill training, with completion certificates » Occupational Safety training 	<ul style="list-style-type: none"> » Tiếp tục đào tạo trực tiếp tại công trường cho công nhân mới, nâng cao tay nghề và ý thức an toàn lao động.
For Employees	<ul style="list-style-type: none"> » Finishing training » Structure training » MEP training » On-site training (to re-equip knowledge) » Training for trainers: soft skills 	<ul style="list-style-type: none"> » Training on the applications of BIM. » ISO education, risk management and internal control. » Soft-skill training: Conversation skills, Negotiation skills, Time management, and Teamwork, etc. » Foreign Language education. » Professional training and development.



IMPROVE EMPLOYEE AWARENESS ABOUT OCCUPATIONAL SAFETY



WITH RISKS BEING PART OF THE NATURE OF THE CONSTRUCTION INDUSTRY, ONE OF THE CORE OBJECTIVES TOWARDS COTECCONS' SUSTAINABILITY IS TO IMPROVE EMPLOYEES' AWARENESS ABOUT AND COMPLIANCE WITH OCCUPATIONAL SAFETY, ESPECIALLY THAT OF ON-SITE WORKERS, AND TO STRICTLY CONTROL THE OCCUPATIONAL SAFETY AND SANITATION AT CONSTRUCTION SITES TO ENSURE STRICTLY THE ABOVE MENTIONED COMPLIANCE.

Due to the shortage of a well-educated workforce in Viet Nam, controlling occupational safety and sanitation is not an easy task. Regular trainings and strict reward and penalty policies shall be emphasized to ensure the compliance of all employees and workers. The availability of safety equipment and a thorough training as well as a close supervision on the use of these equipment are important as well.

The Company's Safety Board has been functioning to train employee awareness about occupational safety and sanitation and to ensure employees' compliance via a system of rewards and penalties. In 2016, Coteccons' Safety Board gained noticeable improvements and fully met the the Board of Management's requirements, thereby bringing a safe working environment for employees and workers, and partly contributing to the affirmation of Coteccons' brand value.

In 2016, Coteccons collaborated with authorized units to improve the awareness of Fire Protection at construction sites. Meanwhile, Coteccons supervised on the compliance of Fire Protection at construction sites to prevent any fire or explosions.

On each construction site, Coteccons establishes a team of Fire Protection and the total number of Fire Protection teams in 2016 was 50, corresponding to the number of projects in the same year. Besides, a strict compliance of Fire Protection activity was always included in trainings about occupational safety which were organised for all construction employees on the weekly basis.

In 2017, Coteccons shall promote Fire Protection activity to make sure each employee is well aware of the importance of fire protection at his/her own work space. In which, Coteccons shall continue simulations and internal trainings about Fire Protection. Furthermore, Coteccons shall work with local Fire Protection Teams to deliver trainings and simulations on all construction sites. The goal is to completely prevent any possible fire and explosions on Coteccons' construction sites in 2017.

(Please refer details in Occupational Safety Board, page 85 - 87).

YEAR 2016

No.	Construction Site	Number of Simulation	Number of attendees	Collaborating unit	2017 plan
1	THE MILLENNIUM	1	30	Fire Protection Team - District 4	Work with the Fire Protection Team in District 4 to simulate how to extinguish fire and save lives (2017)
2	THE SPIRIT OF SAIGON	2	195	Internal training	
3	SAIGON SOUTH SERVICED APARTMENTS (SSSA)	1	25	Fire Protection Team- District 7	2 nd Simulation combined with another simulatino of how to save lives for all on-site workers
		1	100	Internal training	
4	DAI QUANG MINH	1	380	Fire Protection Team- District 2	2 nd Simulation combined with another simulatino of how to save lives for all on-site workers
5	VINHOME CENTRAL PARK- LANDMARK81(LM81)	1	61	Fire Protection Team - Binh Thanh District	Work with the Fire Protection Team in Binh Thanh District to simulate how to extinguish fire and save lives at the construction site (5/2017)
6	VINHOMES GOLDEN RIVER	1	50	Fire Protection Team - District 1	
7	THE GOLD VIEW	1	53	Fire Protection Team - District 4	Work with the Fire Protection Team in District 4 to simulate how to extinguish fire and save lives at the construction site (6/2017)
8	COTECCONS OFFICE	1	75	Fire Protection Team - Binh Thanh District	
9	VINHOME TAN CANG TOWER (L1, L2, L3, P2, P3, P4, P5, P6, P7, VINSCHOOL)	1	80	Fire Protection Team - Binh Thanh District	
TOTAL		11	1,049		

YEAR 2017

No.	Construction Site	2017 plan
1	M-ONE TAN KIENG	Work with the Fire Protection Team in District 7 to simulate how to extinguish fire and save lives at the construction site (6/2017)
2	PAIHONG MANUFACTURE	Work with the Fire Protection Team No.66 in Binh Duong to simulate fire protection at the construction site (4/2017)
3	DIAMOND LOTUS	Work with the Fire Protection Team in District 8 to simulate how to extinguish fire and save lives at the construction site (5/2017)
4	CONDOTEL DA NANG	Work with the Fire Protection Team in Son Tra, Da Nang to simulate fire protection at the construction site (7/2017)
5	PANORAMA NHA TRANG	Work with the Fire Protection Team in Nha Trang, Khanh Hoa to simulate fire protection at the construction site (8/2017)
6	BAC NINH WAREHOUSE	Work with the Fire Protection Team in Tien Son, Bac Ninh to simulate fire protection at the construction site (3/2017)

CLUB OF POTENTIAL LEADERS



DIFFERENT FROM OTHER PROFESSIONAL TRAINING AND DEVELOPMENT ACTIVITIES IN COTECCONS, CPL FOCUSES ON SOFT SKILLS SUCH AS NEGOTIATION, CONVINCING, CHANGE MANAGEMENT, ETC. MEANWHILE, THIS IS A VALUABLE OPPORTUNITY FOR COTECCONS' KEY LEADERS TO MEET, SHARE AND LEARN EXPERIENCE FROM EACH OTHER.

Club of Potential Leaders (CPL) is a playground for experience sharing among key leaders and potential managerial personnel of Coteccons. CPL is considered as the most effective activity to improve bonding, and to nurture passion and commitment among all employees. Through this activity, Coteccons' corporate culture has been spread out widely. The year of 2016 is the 5th year of CPL's operation with the attendance of more than 200 members, with 45 new members and 80 members appointed into managerial positions in the Company. The Club is organized monthly focusing on different topics to satisfy the proposed goals as listed below:

- » Train soft skills for managerial personnel.
- » Provide a sharing environment and a thorough development orientation from leaders to members.
- » Reinforce the confidence in the Company's managerial personnel.
- » Evaluate and recommend competent personnel for managerial positions.
- » Design diverse and flexible programs that fit the Company's performance.

2017 Orientation for the Club of Potential Leaders:

- » Expand into more programs to attract more members.
- » Consider the application of transparent reward and penalty policies and fair evaluation.
- » Supervise on the development of each member.
- » Specilize topics after categorizing members.
- » Become a key determinant in personnel normination.

AS A MARKET LEADER, COTECCON DETERMINES TO FOCUS ON LONG-TERM SUSTAINABLE YET ENVIRONMENTAL FRIENDLY SOLUTIONS. THE COMPANY FULLY ACKNOWLEDGES THE IMPORTANCE OF BOTH DIRECT AND INDIRECT COOPERATION WITH THE COMMUNITY TO WORK HAND IN HAND TOWARDS A CLEAN, SAFE AND SUSTAINABLE ENVIRONMENT FOR THE GOOD OF OUR FUTURE GENERATIONS.

With the topic being “Constructing sustainable values”, 2016 was the first year Coteccons initiated a standardization of sustainable values in our business activities, including our commitments to environmental conservation. Environmental objective shall be emphasized in the evaluation of Coteccons’ supply chain, investment, and risk control. Coteccons believes that this goal shall be more achievable with a full involvement and collaboration of all stakeholders, especially those who are in the Company’s value chain such as Partners, Sub-contractors, and Construction teams. Hence,

besides evaluation criteria on management and social aspects, environment criterion is among Coteccons’ highest concerns in order to minimize adverse impacts on the environment.

At present, statistical figures about environment reports are not yet available as all evaluation criteria and processes are in the development stage and to be piloted in Coteccons and on several construction sites in 2017. To lay a premise for the standardization of sustainable values in the Company’s business activities, in 2016, Coteccons performed the following practices:

Construction site	Practice
<ul style="list-style-type: none"> » Promote education about environmental conservation. » Improve construction sanitation by covering construction sites to protect the neighborhood, and by cleaning the construction surface. » Educate about water, electricity and paper saving on construction sites. 	<ul style="list-style-type: none"> » Through communication and conversations on construction sites. » Through new processes proposed by Coteccons’ Safety Department for wide adoption and control. » Through encouragement on the efficient use of clean water to avoid excessiveness.
Office	Practice
<ul style="list-style-type: none"> » Educate and improve employee awareness about the efficient use of energy. » Promote water, electricity and paper saving in office buildings. 	<ul style="list-style-type: none"> » Through system-wide communication via different channels: online news, internal disclosures, etc. » Through encouragement on switching off the electricity and air conditioners if not in use.

In 2017, Coteccons shall actively partake and encourage employees’ participation in environmental movements such as planting trees at local areas or running for environment. To raise employee awareness, Coteccons shall apply strict regulations and principles to avoid any wasteful practices in offices and on construction sites.

Additionally, Coteccons shall continually research and develop new construction techniques and materials to minimize adverse impacts on the environment during

construction. With an upcoming trend of using 50% baked and 50% unbaked bricks, Coteccons shall experiment the use of ACC bricks (Autoclaved aerated concrete brick) in early 2017 on several construction sites. The Company is also planning to use 100% unbaked bricks within the course of 5 years to reduce emission gas into the surrounding environment.

Moreover, Coteccons is experimenting some new construction techniques such as concrete cover walls to connect

the block with the floor, reducing plastering and dust on construction sites and the neighborhood.

On the basis of evaluating Coteccons’ impacts on environment, in 2017, Coteccons shall conduct idea collection and develop “Environmental Conservation Guide” to alleviate severe impacts of the Company’s business activities on environment. The Guide provides instructions on technological and specific solutions in the environmental conservation aspect of Coteccons.



Pollution sources	Technological solutions	Specific solutions
<p>Solid waste from administrative activities: broken printer, pens, carton boxes, fruit peels, etc.</p>	<ul style="list-style-type: none"> » Appoint certain trash bins at each storey and collect trash at the end of office hour. » Regularly clean both the inside and the outside areas of the building. » Sign contracts with units specializing in domestic garbage collection. 	<ul style="list-style-type: none"> » Educate and improve employee awareness in printing to reduce the amount of paper waste » Encourage the use of recycled stationeries such as pen and plastic stationeries.
<p>Fumes from vehicles of employees and machines at construction sites.</p> <p>Dust coming from construction sites that worsens environmental pollution, eventually resulting in adverse health effects on the surrounding residents.</p>	<ul style="list-style-type: none"> » Equip air ventilation to control air flows in parking lots in building and on construction sites. » Carefully cover construction sites to prevent dust from affecting the neighborhood. 	<ul style="list-style-type: none"> » Partake in environmental activities organized by local authorities. » Promote 5S program: developing a green, clean and scientific working environment. » Adopt strictly regulations on occupational safety such as wearing safety clothes, protection glasses, masks, gloves, etc.
<p>Pollutants from construction activities such as liquid, dust, fumes and construction waste (slabs, cover canvas, etc.)</p>	<ul style="list-style-type: none"> » Carefully control procedures for environmental sanitation. » Carefully cover construction sites to prevent dust from affecting the neighborhood. » Sign contracts with units specializing in domestic garbage collection. » Each construction site has to plan how to use clean water and how to control waste water as well as how to treat sewage and construction waste in each stage of construction. 	<ul style="list-style-type: none"> » Educate on-site workers to use materials efficiently, and avoid excessiveness. » Adopt strictly regulations on occupational safety such as wearing safety clothes, protection glasses, masks, gloves, etc.
<p>Dangerous waste such as fluorescent bulbs, oily cloths and cleaning chemicals used in the construction process.</p>	<ul style="list-style-type: none"> » Contain, categorize and collect in accordance with the circular 12/2011/TT-BTNMT dated 18th April 2011 about hazardous waste. » Sign contracts with units specializing in containing and transporting hazardous waste. » Strictly comply with rules about the time allowed for containing hazardous waste and chemicals. 	<ul style="list-style-type: none"> » Plan for an efficient use, and avoid any excessive uses. » Contain hazardous waste and chemicals in separate containers in isolated places, and carefully label as dangerous. » Improve supervision on construction sites, especially at places containing hazardous materials and equipment. » Adopt strictly regulations about occupational safety such as wearing safety clothes, protection glasses, masks, gloves, etc.

RAW MATERIALS



All inputs have to go through a rigorous testing process from the very first step of choosing prestigious suppliers in order to ensure the fulfillment of all project requirements. The qualified materials will then be carefully tested for re-assessment before putting into a mass use for projects.

Regulations on using and testing materials are approved by Technology Division, and then instructed to Project Management Teams on construction sites before implementation.

PROCESS OF PROJECT QUALITY CONTROL



Check on the compatibility among Architecture Drawings, Structure and MEP. Develop detailed construction drawing to identify differences or incompatible features for prompt adjustment before implementation.

Based on the detailed construction drawing to make a construction sample and re-assess the compatibility and adjust accordingly (if necessary).

The detailed construction drawing is the basis for project construction and later acceptance. Construction must be performed in accordance with the detailed drawing to deliver a proper project quality.

CONTRIBUTION TO THE NATIONAL BUDGET IN 2016 VND **586** BILLION

Aside from direct economic values, in 2016, Coteccons and our affiliates continued to make a considerable contribution to the National Budget.

CREATING JOBS AT LOCAL AREAS



In 2016, Coteccons created jobs for approximately

70,000
LOCAL WORKERS

With 70 projects (on-going and finished) spreading from Quang Ninh to Phu Quoc, Coteccons is currently attracting a considerable number of workers to our construction sites. In 2016, Coteccons created jobs for approximately 70,000 local workers. The figure increased by 30% compared with that of 2015 and is projected to continually increase by another 30% in 2017. Creating jobs and offering stable earnings for tens thousands local households is a positive contribution of the Company to the society's prosperity and welfare.

COMMITTING TO CREATE A LONG-TERM WORKFORCE FOR PARTNERS



Coteccons has attracted nearly

3,000
partners committed to be a part of Coteccons' long-term partnerships.

As a leading construction company in Viet Nam, Coteccons always strives to maintain the most favorable policies and commitments for partners, including Suppliers, Sub-contractors and Construction teams. Our partnerships are built upon a concrete foundation of Clarity, Transparency and Sincerity towards long-term beneficial cooperative relationships. Every year, Coteccons organizes meetings to engage with construction teams and a year-end celebration to express our gratitude to partners, closing off a successful year of effective cooperation. Moreover, the Company arranges regular meetings to communicate Coteccons' policies and culture with construction teams to enhance their understanding and engagement with the Company. With nation – wide projects throughout different provinces in Viet Nam, Coteccons confidently commits to creating a stable and sustainable workforce for our partners. Thanks to our wholehearted commitments, Coteccons has attracted nearly 3,000 partners committed to be a part of Coteccons' long-term partnerships.

ENGAGING IN COMMUNAL AND SOCIAL ACTIVITIES

IN ADDITION TO BUSINESS SUCCESS, IN 2016, COTECCONS ACTIVELY CONTRIBUTED TO THE DEVELOPMENT OF THE COMMUNITY VIA SOCIAL CHARITY ACTIVITIES. THIS WAS A GOOD OPPORTUNITY FOR COTECCONS TO EXPRESS OUR GOODWILL AND RESPONSIBILITY TOWARDS THE SOCIETY DEVELOPMENT, AND OUR WISHES TO SHARE AND HELP DIFFICULT AND UNFORTUNATE CIRCUMSTANCES.



The charity was funded by voluntary donations partly from Coteccons' employees' salaries and partly from the Company's Union Fund with details as follows:

VND **1.6** BILLION

Total value of 600 gifts in Nghe An – Ha Tinh – Nam Dinh and Thai Binh

- » Gave more than 600 gifts for the poor and difficult households, severely ill people, solitary elderly, disabled children in Nghe An – Ha Tinh – Nam Dinh and Thai Binh with a total value of VND 1.6 billion.
- » Equipped 15 computers with a total value of VND 200,000,000 for students in Kindergartens, Primaries and Secondaries in Binh Minh Town, Nam Truc Ward, Nam Dinh Province with an aim of providing a proper access to and nurture the dreams of information technologies for students in remote areas.
- » Contributed to "Hearts Connect Hearts Fund" and sponsored "Binh Thanh Gratitude Fund" with a total amount of VND 200,000,000.

VND **1.5** BILLION

Total cash of Raised and contributed to the "To the Central of Viet Nam"

- » Raised and contributed a total of VND 1,500,000,000 in cash (equivalent to one-day salary per employee), and clothes as well as other necessities to the "To the Central of Viet Nam" program to support the 2 flood-prone areas of Quang Binh and Ha Tinh with a shared spirit of "The leaves protect tattered ones" to assist the local people in recovering from the passing flood and preparing for upcoming one.
- » In addition, Coteccons directly worked with Binh Thanh District Union to give presents for unfortunate children in Binh Loi Warmhouse (Binh Thanh District), bringing them a warm and cheerful Rooster New Year of 2017. Coteccons also sponsored hospital fees for severely-ill employees with a total value of 150,000,000 VND.

CONTRIBUTING TO UNIVERSITIES

Coteccons has been collaborating in a recruitment program named "Talented Engineers" with

5 BIG UNIVERSITIES IN VIET NAM

IN RECENT YEARS, COTECCONS HAS BEEN COLLABORATING WITH 5 BIG UNIVERSITIES IN VIET NAM, INCLUDING HCM POLYTECHNOLOGIES UNIVERSITY, HCM ARCHITECTURE UNIVERSITY, DANANG POLYTECHNOLOGIES UNIVERSITY, HN POLYTECHNOGY UNIVERSITY, AND CONSTRUCTION UNIVERSITY, IN A RECRUITMENT PROGRAM NAMED "TALENTED ENGINEERS": VND 3.5 BILLION.

With training courses and seminars organized by Coteccons at these Universities and scholarships and internship granted for the students, the collaboration between Coteccons and the universities did and will enable the Company to train and recruit selective talents.

In 2017, Coteccons shall continue the "Talented engineers" recruitment program not only to build up a young and talented team of employees but also to inspire students to follow their career in the construction industry, making the program ultimately become a necessary and practical contribution to the development of the community and society.





TRANSPARENCY

Since our first days, Coteccons' Board of Management has managed and operated the Company in accordance with a transparency orientation. Procedures of payment and signed contracts are clearly developed and disclosed for Investors and Shareholders. Every year, the Company organizes Development Cooperation Meeting for sub-contractors, construction workforce under a spirit of transparent and fair sharing of policies. In the meantime, as a listed company, Coteccons always obliges strictly regulations on information disclosure. **Transparency in management shall appeal more customers, partners and shareholders to join and accompany with Coteccons in the long run, as well shall lay a concrete foundation for the Company's sustainable development.**



COTECCONS CONSTRUCTION JOINT STOCK COMPANY
(FORMERLY KNOWN AS COTEC CONSTRUCTION JOINT STOCK COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS

31 December 2016

CONTENTS

	Pages
General information	161-162
Report of management	163
Independent auditors' report	164 - 165
Consolidated balance sheet	166 - 167
Consolidated income statement	168
Consolidated cash flow statement	169 - 170
Notes to the consolidated financial statements	171 - 203

GENERAL INFORMATION

THE COMPANY

Coteccons Construction Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to Business Registration Certificate ("BRC") No. 4103002611 issued by the Department of Planning and Investment of Ho Chi Minh City on 24 August 2004 and the following amended BRC and Enterprise Registration Certificate ("ERC"):

<u>Amended BRC/ERC No.</u>	<u>Date</u>
4103002611 – 1 st	10 January 2005
4103002611 – 2 nd	19 April 2006
4103002611 – 3 rd	24 October 2006
4103002611 – 4 th	5 June 2007
4103002611 – 5 th	20 August 2007
4103002611 – 6 th	5 January 2008
4103002611 – 7 th	22 May 2009
0303443233 – 8 th	7 September 2009
0303443233 – 9 th	23 August 2010
0303443233 – 10 th	10 September 2010
0303443233 – 11 th	7 May 2012
0303443233 – 12 th	25 June 2013
0303443233 – 13 th	24 August 2015
0303443233 – 14 th	6 May 2016
0303443233 – 15 th	9 June 2016
0303443233 – 16 th	5 September 2016
0303443233 – 17 th	10 November 2016
0303443233 – 18 th	30 November 2016

According to the 15th amended ERC, the Company's name has been changed to Coteccons Construction Joint Stock Company from Cotec Construction Joint Stock Company.

The Company was listed its shares on the Ho Chi Minh Stock Exchange with trading code as CTD in accordance with Decision No. 155/QD-SGDHCM issued by the Ho Chi Minh Stock Exchange on 9 December 2009.

The current principal activities of the Company are to provide designing and construction services, equipment installation, interior decoration, office leasing and trading of real estate.

The Company's head office is located at 236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, Ho Chi Minh City, Vietnam..

BOARD OF DIRECTORS

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

Mr. Nguyen Ba Duong	Chairman	
Mr. Tran Quang Tuan	Member	
Mr. Tran Quang Quan	Member	
Mr. Giuseppe Maniscalco Ferrara	Member	
Mr. Bolat Duisenov	Member	appointed on 12 April 2016
Mr. Tran Quyet Thang	Member	appointed on 12 April 2016
Mr. Vu Duy Lam	Member	appointed on 1 June 2016
Mr. Talgat Turumbayev	Member	resigned on 12 April 2016
Mr. Tony Xuan Diep	Member	resigned on 12 April 2016
Mr. Hoang Xuan Chinh	Member	resigned on 1 June 2016

BOARD OF SUPERVISION

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

Mr. Nguyen Duc Canh	Head of Board of Supervision	appointed on 22 April 2016
Ms. Ngkiem Bach Huong	Head of Board of Supervision	resigned on 12 April 2016
Ms. Nguyen Thi Phuc Long	Member	appointed on 12 April 2016
Ms. Phan Cam Ly	Member	appointed on 12 April 2016
Mr. Nguyen Duc Canh	Member	resigned on 22 April 2016
Mr. Ho Van Chi Thanh	Member	resigned on 12 April 2016

MANAGEMENT

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

Mr. Nguyen Ba Duong	General Director
Mr. Tran Quang Quan	Deputy General Director
Mr. Tran Quang Tuan	Deputy General Director
Mr. Tran Van Chinh	Deputy General Director
Mr. Tu Dai Phuc	Deputy General Director
Mr. Phan Huy Vinh	Deputy General Director

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr. Nguyen Ba Duong.

AUDITORS

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

REPORT OF MANAGEMENT

Management of Coteccons Construction Joint Stock Company ("the Company") is pleased to present its report and the consolidated financial statements of the Company and its subsidiary ("the Group") for the year ended 31 December 2016.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the consolidated financial statements of each financial year which give a true and fair view of the consolidated financial position of the Group and of consolidated results of its operations and its consolidated cash flows for the year. In preparing those consolidated 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 consolidated financial statements; and
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 Group and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Group 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 consolidated financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016 and of the consolidated results of its operations and its consolidated 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 consolidated financial statements.

For and on behalf of management:



Nguyen Ba Duong
General Director

Ho Chi Minh City, Vietnam

28 February 2017

INDEPENDENT AUDITORS' REPORT

Reference: 60813343/18591958-HN

TO: THE SHAREHOLDERS OF COTECCONS CONSTRUCTION JOINT STOCK COMPANY

We have audited the accompanying consolidated financial statements of Coteccons Construction Joint Stock Company ("the Company") and its subsidiary (collectively referred to as "the Group") as prepared on 28 February 2017 and set out on pages 6 to 42, which comprise the consolidated balance sheet as at 31 December 2016, and the consolidated income statement and the consolidated 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 consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated 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 Group'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 consolidated 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 consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 December 2016, and of the consolidated results of its operations and its consolidated 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 the consolidated financial statements.

ERNST & YOUNG VIETNAM LIMITED



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

Ho Chi Minh City, Vietnam

28 February 2017

Ngo Hong Son
Auditor
Audit Practicing Registration Certificate
No. 2211-2013-004-01

CONSOLIDATED BALANCE SHEET

as at 31 December 2016

B01-DN/HN

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		9,943,464,944,899	6,485,874,716,823
110	I. Cash and cash equivalents	4	1,996,627,577,169	1,461,621,853,393
111	1. Cash		716,627,577,169	906,621,853,393
112	2. Cash equivalents		1,280,000,000,000	555,000,000,000
120	II. Short-term investment		2,675,000,000,000	928,100,000,000
123	1. Held-to-maturity investments	5	2,675,000,000,000	928,100,000,000
130	III. Current accounts receivable		3,483,690,579,494	2,608,589,628,142
131	1. Short-term trade receivables	6	3,345,759,405,855	2,605,698,634,082
132	2. Short-term advances to suppliers	7	175,416,870,761	202,857,498,603
136	3. Other short-term receivables	8	225,997,460,583	112,776,947,256
137	4. Provision for doubtful short-term receivables	6, 8	(263,483,157,705)	(312,743,451,799)
140	IV. Inventory	9	1,240,877,076,159	1,051,277,324,227
141	1. Inventory		1,240,877,076,159	1,051,277,324,227
150	V. Other current assets		547,269,712,077	436,285,911,061
151	1. Short-term prepaid expenses	10	4,005,229,349	18,026,746,448
152	2. Value-added tax deductibles		542,683,814,702	418,244,088,256
153	3. Tax and other receivables from the State	18	580,668,026	15,076,357
200	B. NON-CURRENT ASSETS		1,797,406,246,208	1,329,221,251,200
210	I. Long-term receivable		253,976,000	248,976,000
216	1. Other long-term receivables		253,976,000	248,976,000
220	II. Fixed assets		585,367,558,531	439,783,731,702
221	1. Tangible fixed assets	11	492,919,469,629	340,259,899,558
222	Cost		761,234,552,099	575,511,779,810
223	Accumulated depreciation		(268,315,082,470)	(235,251,880,252)
227	2. Intangible assets	12	92,448,088,902	99,523,832,144
228	Cost		102,365,530,801	108,679,038,268
229	Accumulated amortisation		(9,917,441,899)	(9,155,206,124)
230	III. Investment properties	13	78,054,175,594	91,813,818,041
231	1. Cost		95,184,189,935	105,619,003,648
232	2. Accumulated depreciation		(17,130,014,341)	(13,805,185,607)
240	IV. Long-term asset in progress		18,354,164,656	26,019,018,249
242	1. Construction in progress	14	18,354,164,656	26,019,018,249
250	V. Long-term investments		714,783,616,306	492,937,092,625
252	1. Investments in associates	15	194,783,616,306	124,937,092,625
255	2. Held-to-maturity investments	5	520,000,000,000	368,000,000,000
260	VI. Other long-term assets		400,592,755,121	278,418,614,583
261	1. Long-term prepaid expenses	10	396,065,656,914	274,878,346,127
262	2. Deferred tax assets	29.3	4,527,098,207	3,540,268,456
270	TOTAL ASSETS		11,740,871,191,107	7,815,095,968,023

CONSOLIDATED BALANCE SHEET

as at 31 December 2016 (continued)

B01-DN/HN

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		5,507,243,351,828	4,572,560,185,669
310	I. Current liabilities		5,495,199,216,604	4,559,132,890,228
311	1. Short-term trade payables	16	3,228,154,146,494	1,962,369,570,532
312	2. Short-term advances from customers	17	795,653,018,908	1,107,822,409,888
313	3. Statutory obligations	18	244,479,991,421	116,914,020,796
315	4. Short-term accrued expenses	19	822,046,183,940	1,098,234,426,509
318	5. Short-term unearned revenues	20	95,301,132,287	24,026,122,901
319	6. Other short-term payables	21	147,219,837,037	121,558,744,015
321	7. Short-term provisions	22	60,163,598,312	71,491,247,162
322	8. Bonus and welfare fund		102,181,308,205	56,716,348,425
330	II. Non-current liabilities		12,044,135,224	13,427,295,441
337	1. Other long-term liabilities	21	1,794,179,213	2,458,289,430
342	2. Long-term provisions	22	10,249,956,011	10,969,006,011
400	D. OWNERS' EQUITY		6,233,627,839,279	3,242,535,782,354
410	I. Capital	23.1	6,233,627,839,279	3,242,535,782,354
411	1. Share capital		770,500,000,000	468,575,300,000
411a	- Shares with voting rights		770,500,000,000	468,575,300,000
412	2. Share premium		2,958,550,175,385	1,385,223,930,000
415	3. Treasury shares		(1,741,460,000)	(1,741,460,000)
418	4. Investment and development fund		1,070,951,960,122	751,424,960,122
421	5. Undistributed earnings		1,435,367,163,772	639,053,052,232
421a	- Undistributed earnings of prior years		13,223,245,232	250,480,097,719
421b	- Undistributed earnings of current year		1,422,143,918,540	388,572,954,513
440	TOTAL LIABILITIES AND OWNERS' EQUITY		11,740,871,191,107	7,815,095,968,023

Vu Thi Hong Hanh
Preparer

28 February 2017

Vu Thi Hong Hanh
Chief Accountant

Nguyen Ba Duong
General Director

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2016

B02-DN/HN

		VND		
Code	ITEMS	Notes	Current year	Previous year
10	1. Net revenue from sale of goods and rendering of services	24.1	20,782,721,033,541	13,668,916,257,891
11	2. Cost of goods sold and services rendered	25	(18,983,319,033,277)	(12,557,080,138,880)
20	3. Gross profit from sale of goods and rendering of services		1,799,402,000,264	1,111,836,119,011
21	4. Finance income	24.2	170,167,561,778	126,103,176,681
22	5. Finance expenses	26	(281,190,168)	(1,590,712,601)
	- In which: Interest expenses		153,055,556	-
24	6. Share of profit of associates	15	32,592,114,614	13,861,863,201
25	7. Selling expenses		(1,887,854,700)	-
26	8. General and administrative expenses	27	(297,253,276,693)	(362,816,863,648)
30	9. Operating profit		1,702,739,355,095	887,393,582,644
31	10. Other income	28	62,697,300,620	41,100,416,921
32	11. Other expenses	28	(2,514,752,597)	(1,825,477,319)
40	12. Other profit	28	60,182,548,023	39,274,939,602
50	13. Accounting profit before tax		1,762,921,903,118	926,668,522,246
51	14. Current corporate income tax expense	29.1	(341,764,814,329)	(194,398,661,290)
52	15. Deferred corporate income tax income	29.3	986,829,751	532,792,461
60	16. Net profit after tax		1,422,143,918,540	732,802,653,417
61	17. Net profit after tax attributable to shareholders of the parent		1,422,143,918,540	666,080,628,989
62	18. Net profit after tax attributable to non-controlling interests		-	66,722,024,428
70	19. Basic earnings per share	31	20,669	10,708
71	20. Diluted earnings per share	31	20,669	10,708

Vu Thi Hong Hanh
Preparer

Vu Thi Hong Hanh
Chief Accountant



Nguyen Ba Duong
General Director

28 February 2017

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2016

B03-DN/HN

		VND		
Code	ITEMS	Notes	Current year	Previous year
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	Accounting profit before tax		1,762,921,903,118	926,668,522,246
<i>Adjustments for:</i>				
02	Depreciation and amortisation	11, 12, 13	53,782,443,059	45,201,994,948
03	Provisions		(36,138,040,739)	89,928,869,020
04	Unrealised foreign exchange gains arisen from revaluation of monetary accounts denominated in foreign currency		(344,190,103)	(146,078,821)
05	Profit from investing activities		(205,141,007,759)	(142,310,719,120)
06	Interest expense	26	153,055,556	-
08	Operating profit before changes in working capital		1,575,234,163,132	919,342,588,273
09	Increase in receivables		(914,835,439,171)	(969,292,851,723)
10	Increase in inventories		(189,599,751,932)	(706,683,514,062)
11	Increase in payables		823,723,127,088	2,345,105,757,590
12	Increase in prepaid expenses		(100,137,187,236)	(187,083,189,824)
14	Interest paid		(153,055,556)	-
15	Corporate income tax paid	18	(289,098,318,843)	(164,187,105,229)
17	Other cash outflows from operating activities		(4,071,927,469)	(8,669,374,227)
20	Net cash flows from operating activities		901,061,610,013	1,228,532,310,798
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	Purchases and construction of fixed assets		(189,440,496,481)	(242,227,710,286)
22	Proceeds from disposals of fixed assets		6,459,592,060	1,504,193,579
23	Payments for term deposits at banks and bonds		(1,898,900,000,000)	-
24	Collections from bank term deposits		-	12,980,000,000
25	Payments for investments in another entity		(42,000,000,000)	(8,085,000,000)
26	Proceeds from sale of investments in another entity		-	38,238,062,386
27	Interest and dividends received		139,754,616,316	83,106,235,283
30	Net cash flows used in investing activities		(1,984,126,288,105)	(114,484,219,038)

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2016 (continued)

B02-DN/HN

		VND		
Code	ITEMS	Notes	Current year	Previous year
III. CASH FLOWS FROM FINANCING ACTIVITIES				
31	Issuance of shares		1,875,250,945,385	45,815,000,000
33	Drawdown of borrowings		50,000,000,000	-
34	Repayment of borrowings		(50,000,000,000)	-
36	Dividends paid		(257,186,590,275)	(167,264,407,250)
40	Net cash flows from (used in) financing activities		1,618,064,355,110	(121,449,407,250)
50	Net increase in cash and cash equivalents		534,999,677,018	992,598,684,510
60	Cash and cash equivalents at beginning of year		1,461,621,853,393	469,023,469,430
61	Impact of exchange rate fluctuation		6,046,758	(300,547)
70	Cash and cash equivalents at end of year	4	1,996,627,577,169	1,461,621,853,393

Vu Thi Hong Hanh
Preparer

28 February 2017

Vu Thi Hong Hanh
Chief Accountant

Nguyen Ba Duong
General Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2016

B09-DN/HN

1. CORPORATE INFORMATION

Coteccons Construction Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to Business Registration Certificate ("BRC") No. 4103002611 issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City on 24 August 2004 and the following amended BRCs and Enterprise Registration Certificate ("ERC"):

Amended BRC/ERC No.	Date
4103002611 - 1 st	10 January 2005
4103002611 - 2 nd	19 April 2006
4103002611 - 3 rd	24 October 2006
4103002611 - 4 th	5 June 2007
4103002611 - 5 th	20 August 2007
4103002611 - 6 th	5 January 2008
4103002611 - 7 th	22 May 2009
0303443233 - 8 th	7 September 2009
0303443233 - 9 th	23 August 2010
0303443233 - 10 th	10 September 2010
0303443233 - 11 th	7 May 2012
0303443233 - 12 th	25 June 2013
0303443233 - 13 th	24 August 2015
0303443233 - 14 th	6 May 2016
0303443233 - 15 th	9 June 2016
0303443233 - 16 th	5 September 2016
0303443233 - 17 th	10 November 2016
0303443233 - 18 th	30 November 2016

According to the 15th amended ERC, the Company's name has been changed to Coteccons Construction Joint Stock Company from Cotec Construction Joint Stock Company.

The Company was listed its shares on the Ho Chi Minh Stock Exchange with trading code as CTD in accordance with Decision No. 155/QD-SGDHCM issued by the Ho Chi Minh Stock Exchange on 9 December 2009.

The current principal activities of the Company and its subsidiary ("the Group") are to provide designing and construction services, equipment installation, interior decoration, office leasing, trading of real estate and trading of construction materials.

The Company's registered head office is located at 236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, Ho Chi Minh City, Vietnam.

The number of the Group's employees as at 31 December 2016 was 2,043 (31 December 2015: 1,573).

Group structure

The Company has a subsidiary, Unicons Investment Construction Company Limited ("Unicons"), a one-member limited liability company incorporated under the Law on Enterprise of Vietnam pursuant to BRC No. 4103005020 issued by the DPI of Ho Chi Minh City on 14 July 2006, as amended.

According to the 12th and 13th amended ERC issued by the DPI of Ho Chi Minh City on 16 May 2016 and 24 May 2016, Unicons 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.

Unicons's registered office is located at 236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, Ho Chi Minh City, Vietnam. Unicons's principal activities are to providing construction services, equipment installation services and trading of construction materials.

As at 31 December 2016, the Company holds 100% equity interest in Unicons.

2. BASIS OF PREPARATION

2.1 Accounting standards and system

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

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

Accordingly, the accompanying consolidated 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 Group's applied accounting documentation system is the General Journal.

2.3 Fiscal year

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

2.4 Accounting currency

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

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent company and its subsidiary as at and for the year ended 31 December 2016.

Subsidiary is fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continued to be consolidated until the date that such control ceases.

The financial statements of the subsidiary are prepared for the same reporting year as the parent company, using consistent accounting policies.

All intra-company balances, income and expenses and unrealised gains or losses resulting from intra-company transactions are eliminated in full.

Impact of change in the ownership interest of a subsidiary, without a loss of control, is recorded in undistributed earnings.

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 consolidated financial statements at the carrying amounts due from customers and other debtors, after 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 consolidated 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.

Raw materials, merchandise goods - 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 inventories owned by the Group, based on appropriate evidence of impairment available at the balance sheet date.

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

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 other expenditures for maintenance and repairs are charged to the consolidated 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 consolidated 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 are added to the carrying amount of the assets and other expenditures are charged to the consolidated income statement as incurred.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Intangible assets (continued)

When intangible 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 consolidated income statement.

Land use rights

Land use right is recorded as an intangible asset on the consolidated balance sheet when the Group obtained the land use right certificates. The costs of land use right comprise all directly attributable costs of bringing the land to the condition available for intended use and is not amortised when having indefinite useful life.

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 & structures	6 - 42 years
Machinery & equipment	3 - 10 years
Means of transportation	6 - 8 years
Office equipment	3 - 5 years
Land use rights	45 - 49 years
Softwares	3 years
Others	5 - 6 years

3.7 Investment properties

Investment properties are stated at cost including transaction costs less accumulated depreciation. Investment properties held for capital appreciation are not depreciated but subject to impairment review.

Subsequent expenditure relating to an investment property that has already been recognised is added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Group.

Depreciation of investment properties is calculated on a straight-line basis over the estimated useful life of each asset as follows:

Office building	30 - 45 years
Others	25 years

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in the consolidated income statement in the year of retirement or disposal.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. The transfer from investment property to owner-occupied property or inventories does not change the cost or the carrying value of the property for subsequent accounting at the date of change in use.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Construction in progress

Construction in progress represents tangible fixed assets purchasing and under construction which have not yet been completed as at the balance sheet date and is stated at cost. This includes costs of construction, installation of equipment and other direct costs. Construction in progress is not depreciated until such time as the relevant assets are completed and put into use.

3.9 Leased assets

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of specific assets and the arrangement conveys a right to use the asset.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Where the Group is the lessee

Rentals under operating leases are charged to the consolidated income statement on a straight-line basis over the lease term.

Where the Group is the lessor

Assets subject to operating leases are included as the Group's investment property in the consolidated balance sheet. Initial direct costs incurred in negotiating an operating lease are recognised in the consolidated income statement as incurred.

Lease income is recognised in the consolidated income statement on a straight-line basis over the lease term.

3.10 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs are recorded as expense during the year in which they are incurred, except to the extent that they are capitalized as explained in the following paragraph.

3.11 Prepaid expenses

Prepaid expenses are reported as short-term or long-term prepaid expenses on the consolidated 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 consolidated income statement over the period of two (2) to six (6) years on the straight-line basis.

3.12 Investments

Investments in associates

The Group's investment in its associates is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence that is neither subsidiaries nor joint ventures. The Group generally deems they have significant influence if they have over 20% of the voting rights.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Investments (continued)

Investments in associates (continued)

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment. Goodwill is not amortised and subject to annual review for impairment. The consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

The share of post-acquisition profit or loss of the associates is presented on face of the consolidated income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend or profit sharing received or receivable from associates reduces the carrying amount of the investment.

The financial statements of the associates are prepared for the same reporting year and use the same accounting policies as the Group's. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Held-to-maturity investments

Held-to-maturity investments are stated at their acquisition costs. After initial recognition, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognised as expense in the consolidated financial statements and deducted against the value of such investments.

3.13 Provision for diminution in value of investments

Provision is made for any diminution in value of the investments at the balance sheet date in accordance with the guidance under Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 28 June 2013 issued by the Ministry of Finance. Increases and decreases to the provision balance are recorded as finance expense in the consolidated income statement.

3.14 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 Group.

3.15 Accrual for severance allowance pay

The severance pay to employee is accrued at the end of each reporting year for all employees who have been in service for more than 12 months up to the balance sheet date at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code and related implementing guidance. The average monthly salary used in this calculation is revised at the end of each reporting year following the average monthly salary of the 6-month period up to the reporting date. Increases or decreases to the accrued amount other than actual payment to employee will be taken to the consolidated income statement.

This accrued severance pay is used to settle the termination allowance to be paid to employee upon termination of their labour contract following Article 48 of the Labour Code.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Provisions

Provisions are recognized when the Group 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 project is estimated from 0.3% to 1% on value of project based on the specification of each project and actual experience.

3.17 Foreign currency transactions

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

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

At the end of the year, monetary balances denominated in foreign currencies are translated at the actual transaction 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 Group conduct transactions regularly; and
- monetary liabilities are translated at selling exchange rate of the commercial bank where the Group conduct transactions regularly.

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

3.18 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit after tax for the year attributable to ordinary shareholders of the Company (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

3.19 Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss upon purchase, sale, issue or cancellation of the Group's own equity instruments.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.20 Appropriation of net profits

Net profit after tax is available for appropriation to investors as proposed by the Board of Director and subject to approval by shareholders at the Annual General Meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnamese regulatory requirements.

The Group maintains the following reserve funds which are appropriated from the Group's net profit as proposed by the Board of Directors and subject to approval by shareholders at the Annual General Meeting.

- Investment and development fund
This fund is set aside for use in the Group's expansion of its operation or of in-depth investment.
- 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 consolidated balance sheet.

3.21 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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.

For the construction contracts specifying that the progress payments are made as originally agreed, where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion.

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 year in which they are incurred.

Sale of goods

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

Rental income

Rental income arising from operating leases is accounted for on a straight line basis over the terms of the lease.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.21 Revenue recognition (continued)

Interest

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

Dividend

Revenue is recognised when the Group is entitled to receive dividends.

3.22 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 consolidated income statement, except when it relates to items recognised directly to equity, in which case the 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 Group to set off current tax assets against current tax liabilities and when the Group 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.

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the 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 consolidated 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 Group 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2016 (continued)

B09-DN/HN

4. CASH AND CASH EQUIVALENTS

	VND	
	Ending balance	Beginning balance
Cash on hand	419,131,108	179,130,421
Cash in banks	716,208,446,061	906,442,722,972
Cash equivalents (*)	1,280,000,000,000	555,000,000,000
TOTAL	1,996,627,577,169	1,461,621,853,393

(*) Cash equivalents represent deposits at commercial banks with original maturity of less than three (3) months and earn interest at the applicable rates.

5. HELD-TO-MATURITY INVESTMENTS

	VND	
	Ending balance	Beginning balance
Short-term		
Term deposits (i)	2,575,000,000,000	928,100,000,000
Bonds (ii)	100,000,000,000	-
	2,675,000,000,000	928,100,000,000
Long-term		
Term deposits (iii)	520,000,000,000	368,000,000,000
TOTAL	3,195,000,000,000	1,296,100,000,000

(i) These represent deposits at commercial banks with original maturity of three (3) months or more but under one (1) year and earn an interest at the applicable rates.

(ii) Details of investments in bonds are as follows:

Issuer	Ending balance	Maturity date	Interest	Collateral
	VND		% p.a.	
ACB Securities Company Limited	100,000,000,000	One (1) year from 18 February 2016	8.5	Unsecured

(iii) These represent deposits at commercial banks with original maturity of more than one (1) year and earn an interest at the applicable rates.

6. SHORT-TERM TRADE RECEIVABLES

	VND	
	Ending balance	Beginning balance
Receivables from other parties	3,332,147,622,731	2,562,527,917,898
- TCO Vietnam Investment Joint Stock Company	551,463,238,291	-
- Other customers	2,780,684,384,440	2,562,527,917,898
Receivables from related parties (Note 30)	13,611,783,124	43,170,716,184
TOTAL	3,345,759,405,855	2,605,698,634,082
Provision for doubtful short-term receivables	(237,445,195,011)	(286,705,489,105)
NET	3,108,314,210,844	2,318,993,144,977

Movements of provision for doubtful short-term receivables:

	VND	
	Current year	Previous year
Beginning balance	286,705,489,105	193,214,749,815
Add: Provision created during the year	209,498,197	112,646,178,775
Less: Reversal of provision during the year	(49,469,792,291)	(19,155,439,485)
Ending balance	237,445,195,011	286,705,489,105

7. SHORT-TERM ADVANCES TO SUPPLIERS

	VND	
	Ending balance	Beginning balance
QH Plus Joint Stock Company	41,049,888,814	-
BM Windows Joint Stock Company	31,939,082,148	-
Other suppliers	102,427,899,799	202,857,498,603
TOTAL	175,416,870,761	202,857,498,603

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2016 (continued)

B09-DN/HN

8. OTHER SHORT-TERM RECEIVABLES

	VND	
	Ending balance	Beginning balance
Interest receivable	104,762,712,513	68,752,849,670
Advances to construction teams and employees	97,495,040,302	36,353,752,806
Short-term deposits	2,365,763,612	2,485,592,959
Others	21,373,944,156	5,184,751,821
TOTAL	225,997,460,583	112,776,947,256
Provision for doubtful short-term receivables	(26,037,962,694)	(26,037,962,694)
NET	199,959,497,889	86,738,984,562

Movements of provision for doubtful short-term receivables:

	VND	
	Current year	Previous year
Beginning balance	26.037.962.694	1.284.194.115
Add: Provision created during the year	-	24.753.768.579
Ending balance	26.037.962.694	26.037.962.694

9. INVENTORIES

	VND	
	Ending balance	Beginning balance
Construction work in process (*)	1,240,877,076,159	1,049,794,658,824
Merchandise goods	-	1,482,665,403
TOTAL	1,240,877,076,159	1,051,277,324,227

9. INVENTORIES (CONTINUED)

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

	VND	
	Ending balance	Beginning balance
Masteri Thao Dien High-class Apartment	132,193,863,779	162,782,230,796
The One Ho Chi Minh City Tower	107,520,142,497	31,323,472,415
T&T Vinh Hung Services, Trade and Apartment Complex Zone	106,235,853,675	14,883,840,102
Masteri Villas (Vinhomes Thang Long)	99,391,229,985	-
Dai Quang Minh Highrise, Office Tower	88,547,863,476	92,695,482,019
Vinhomes Metropolis Lieu Giai Tower	68,561,509,754	-
Vinhomes Times City Park Hill 9, 10	58,482,065,320	19,737,763,867
Park City Ha Noi - Area 2	52,711,282,702	7,841,543,600
Masteri Thao Dien High-class Apartment - CT 5 Tower	52,631,929,166	3,487,170,626
Panaroma Nha Trang Project	52,535,522,690	-
Preche Apartment	48,349,713,466	-
HH01 Nam Cuong Complex	40,923,045,201	-
The Goldview High-class Apartment	40,379,352,543	18,381,367,473
Diamond Island High-class Apartment	28,542,004,559	2,895,178,815
Others	263,871,697,346	695,766,609,111
TOTAL	1,240,877,076,159	1,049,794,658,824

10. PREPAID EXPENSES

	VND	
	Ending balance	Beginning balance
Short-term		
Office rental and maintenance expenses	3,616,093,518	2,857,903,244
Tools and supplies used for construction works	389,135,831	15,168,843,204
	4,005,229,349	18,026,746,448
Long-term		
Tools and supplies used for construction works	364,973,778,452	253,095,850,847
Others	31,091,878,462	21,782,495,280
	396,065,656,914	274,878,346,127
TOTAL	400,070,886,263	292,905,092,575

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2016 (continued)

B09-DN/HN

11. TANGIBLE FIXED ASSETS

	Buildings & structures	Machinery & equipment	Means of transportation	Office equipment	Others	Total
						VND
Cost:						
Beginning balance	155,039,630,662	362,270,732,566	35,392,261,960	18,033,993,632	4,775,160,990	575,511,779,810
New purchases	9,172,691,032	164,406,392,088	4,839,648,364	4,252,419,161	-	182,671,150,645
Transfer from construction in progress	11,801,190,431	12,759,393,424	2,265,105,000	-	-	26,825,688,855
Transfer to investment properties	(3,278,752,253)	-	-	-	-	(3,278,752,253)
Disposal	-	(14,127,025,001)	(3,086,030,545)	(1,556,814,713)	(1,725,444,699)	(20,495,314,958)
Ending balance	172,734,759,872	525,309,493,077	39,410,984,779	20,729,598,080	3,049,716,291	761,234,552,099
<i>In which:</i>						
<i>Fully depreciated</i>	17,651,382,870	120,161,499,063	6,456,039,684	9,358,587,286	3,018,852,655	156,646,361,558
Accumulated depreciation:						
Beginning balance	(38,254,622,886)	(160,848,961,536)	(19,358,374,525)	(12,042,387,852)	(4,747,533,453)	(235,251,880,252)
Depreciation for the year	(7,081,675,257)	(33,716,369,973)	(4,662,126,405)	(3,233,903,657)	(7,715,904)	(48,701,791,196)
Transfer to investment properties	72,861,161	-	-	-	-	72,861,161
Disposal	-	10,880,239,096	1,403,229,309	1,556,814,713	1,725,444,699	15,565,727,817
Ending balance	(45,263,436,982)	(183,685,092,413)	(22,617,271,621)	(13,719,476,796)	(3,029,804,658)	(268,315,082,470)
Net carrying amount:						
Beginning balance	116,785,007,776	201,421,771,030	16,033,887,435	5,991,605,780	27,627,537	340,259,899,558
Ending balance	127,471,322,890	341,624,400,664	16,793,713,158	7,010,121,284	19,911,633	492,919,469,629

12. INTANGIBLE ASSETS

	Land use rights	Software	Total
			VND
Cost:			
Beginning balance	102,603,924,366	6,075,113,902	108,679,038,268
New purchase	-	1,153,697,500	1,153,697,500
Transfer from construction in progress	-	622,850,000	622,850,000
Disposal	-	(368,054,967)	(368,054,967)
Reclassification to long-term prepaid expenses	(7,722,000,000)	-	(7,722,000,000)
Ending balance	94,881,924,366	7,483,606,435	102,365,530,801
<i>In which:</i>			
<i>Fully depreciated</i>	-	3,154,970,119	3,154,970,119
Accumulated amortisation:			
Beginning balance	(4,934,163,270)	(4,221,042,854)	(9,155,206,124)
Amortisation for the year	(611,007,240)	(1,217,677,050)	(1,828,684,290)
Disposal	-	368,054,967	368,054,967
Reclassification to long-term prepaid expenses	698,393,548	-	698,393,548
Ending balance	(4,846,776,962)	(5,070,664,937)	(9,917,441,899)
Net carrying value:			
Beginning balance	97,669,761,096	1,854,071,048	99,523,832,144
Ending balance	90,035,147,404	2,412,941,498	92,448,088,902

Land use rights include the cost of land use rights with carrying amount of VND 64,662,555,400 which are indefinite and accordingly not amortised.

13. INVESTMENT PROPERTIES

	Ending balance	Beginning balance
		VND
Investment properties for rent (Note 13.1)	78,054,175,594	78,100,252,075
Investment properties for capital appreciation (Note 13.2)	-	13,713,565,966
TOTAL	78,054,175,594	91,813,818,041

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2016 (continued)

B09-DN/HN

13. INVESTMENT PROPERTIES (CONTINUED)

13.1 Investment properties for rent

	VND		
	Office building	Others	Total
Cost:			
Beginning balance	73,285,073,773	18,620,363,909	91,905,437,682
Transfer from tangible fixed assets	3,278,752,253	-	3,278,752,253
Ending balance	76,563,826,026	18,620,363,909	95,184,189,935
Accumulated depreciation:			
Beginning balance	(12,214,178,950)	(1,591,006,657)	(13,805,185,607)
Depreciation for the year	(2,507,153,013)	(744,814,560)	(3,251,967,573)
Transfer from tangible fixed assets	(72,861,161)	-	(72,861,161)
Ending balance	(14,794,193,124)	(2,335,821,217)	(17,130,014,341)
Net carrying amount:			
Beginning balance	61,070,894,823	17,029,357,252	78,100,252,075
Ending balance	61,769,632,902	16,284,542,692	78,054,175,594

The fair value of the investment properties was not formally assessed and determined as at 31 December 2016. However, given the present occupancy rate of these properties, it is management's assessment that these properties' market values are higher than their carrying value as at the balance sheet date.

13.2 Investment properties for capital appreciation

	VND	
	Current year	Previous year
Beginning balance	13,713,565,966	23,507,517,231
Disposal during the year	(13,713,565,966)	(9,793,951,265)
Ending balance	-	13,713,565,966

14. CONSTRUCTION IN PROGRESS

Constructions in progress represent assets purchased during the year which are under installation and the value of warehouse which is under construction.

15. INVESTMENTS IN ASSOCIATES

	VND	
	Ending balance	Beginning balance
Investments in associates	194,783,616,306	124,937,092,625

The details of investment in associates are as follows:

	Ending balance		Beginning balance	
	% of interest	Amount (VND)	% of interest	Amount (VND)
FCC Infrastructure Investment Joint Stock Company ("FCC")	35	98,051,443,745	35	55,825,749,951
Ricons Construction Investment Joint Stock Company ("Ricons")	19.20	96,563,534,057	20.16	68,937,394,271
Quang Trong Commercial Joint Stock Company ("Quang Trong")	36	168,638,504	36	173,948,403
TOTAL		194,783,616,306		124,937,092,625

FCC is a shareholding company established in accordance with BRC No. 0106605407 issued by the DPI of Ha Noi City on 21 July 2014 and as amended. FCC's principal activities are to provide civil and industrial construction services. According to ERC, the register charter capital of FCC is VND 369,000,000,000, in which the Group contributes VND 129,150,000,000 equivalent to 35% (Note 33.2).

Ricons, formerly known as Phu Hung Gia Construction Investment Joint Stock Company, is a shareholding company established in accordance with BRC No. 4103002810 issued by the DPI of Ho Chi Minh City on 27 October 2004 and amended BRC and Enterprise Registration Certificate ("ERC"). Ricons's principal activities are to provide civil and industrial construction services, trade of construction materials and trade real estate. The Group has significant influence on the financial and operating policies of Ricons.

Quang Trong is a shareholding company established in accordance with BRC No. 4903000474 issued by the DPI of Ba Ria - Vung Tau Province on 18 December 2007 and amended BRC and ERC. Quang Trong's principal activities are to trade real estate and provide project management.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2016 (continued)

B09-DN/HN

15. INVESTMENTS IN ASSOCIATES (CONTINUED)

Details of investments in associates are as follows:

	VND
	Total
Cost of investment:	
Beginning balance	94,160,000,000
Increase during the year	42,000,000,000
Ending balance	136,160,000,000
Accumulated share in post-acquisition profit of the associates:	
Beginning balance	30,777,092,625
Share in post-acquisition profit of the associates for the year	32,592,114,614
Unrealised profits during the year	1,302,409,067
Dividend during the year	(6,048,000,000)
Ending balance	58,623,616,306
Net carrying amount:	
Beginning balance	124,937,092,625
Ending balance	194,783,616,306

16. SHORT-TERM TRADE PAYABLES

	VND	
	Ending balance	Beginning balance
Payables to other parties	2,564,002,861,778	1,716,847,501,185
Payables to related parties (Note 30)	664,151,284,716	245,522,069,347
TOTAL	3,228,154,146,494	1,962,369,570,532

17. SHORT-TERM ADVANCES FROM CUSTOMERS

	VND	
	Ending balance	Beginning balance
Vinh Hoi Investment and Development Joint Stock Company	162,247,819,016	-
Viet Star Co., Ltd	117,958,586,503	-
Phu Hung Real Estate Investment Company Limited	104,388,827,700	-
Tan Lien Phat Construction Investment Corporation	92,024,799,038	506,705,846,046
Saigon Garment - Match Joint Stock Company	86,349,301,230	-
Ho Chi Minh City Investment Service Trading Joint Stock Company	81,507,394,583	-
Other customers	151,176,290,838	601,116,563,842
TOTAL	795,653,018,908	1,107,822,409,888

18. STATUTORY OBLIGATIONS

	VND			
	Beginning balance	Số phải nộp trong năm	Số đã nộp trong năm	Ending balance
Payables				
Corporate income tax	62,243,845,728	341,764,814,329	(289,098,318,843)	114,910,341,214
Value-added tax	26,325,980,844	290,767,011,671	(235,012,724,575)	82,080,267,940
Personal income tax	28,344,194,224	80,557,871,917	(61,412,683,874)	47,489,382,267
Others	-	6,000,000	(6,000,000)	-
TOTAL	116,914,020,796	713,095,697,917	(585,529,727,292)	244,479,991,421
Receivable				
Import tax	(15,076,357)	18,273,143,230	(18,838,734,899)	(580,668,026)

19. SHORT-TERM ACCRUED EXPENSES

	VND	
	Ending balance	Beginning balance
Accrual for on-going construction projects	822,046,183,940	1,097,870,861,106
Others	-	363,565,403
TOTAL	822,046,183,940	1,098,234,426,509

20. SHORT-TERM UNEARNED REVENUE

	VND	
	Ending balance	Beginning balance
Unearned revenue from construction works	95,285,980,772	23,496,188,501
Unearned revenue from office leasing	15,151,515	529,934,400
TOTAL	95,301,132,287	24,026,122,901

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2016 (continued)

B09-DN/HN

21. OTHER PAYABLES

	VND	
	Ending balance	Beginning balance
Short-term		
Payable to construction teams	136,784,948,612	119,209,888,142
Remuneration to Board of Directors, Board of Supervision	8,520,000,000	931,600,000
Dividend payables	419,737,325	256,520,600
Others	1,495,151,100	1,160,735,273
	147,219,837,037	121,558,744,015
Long-term		
Deposits	1,794,179,213	2,458,289,430
TOTAL	149,014,016,250	124,017,033,445

22. PROVISIONS

	VND	
	Ending balance	Beginning balance
Short-term		
Provisions for construction warranty	60,163,598,312	71,491,247,162
Long-term		
Severance allowance	10,249,956,011	10,969,006,011

23. OWNERS' EQUITY

23.1 Increase and decrease in owners' equity

	VND					
	Share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Total
Previous year						
Beginning balance	422,000,000,000	869,140,000,000	(1,741,460,000)	677,695,028,874	560,147,617,787	2,527,241,186,661
Increase capital	46,575,300,000	516,083,930,000	-	-	-	562,659,230,000
Net profit for the year	-	-	-	-	666,080,628,989	666,080,628,989
Profit appropriation	-	-	-	73,729,931,248	(73,729,931,248)	-
Transfer to bonus and welfare fund	-	-	-	-	(20,860,024,888)	(20,860,024,888)
Dividends declared	-	-	-	-	(210,666,720,000)	(210,666,720,000)
Decrease due to changing ownership interest in a subsidiary	-	-	-	-	(281,918,518,408)	(281,918,518,408)
Ending balance	468,575,300,000	1,385,223,930,000	(1,741,460,000)	751,424,960,122	639,053,052,232	3,242,535,782,354
Current year						
Beginning balance	468,575,300,000	1,385,223,930,000	(1,741,460,000)	751,424,960,122	639,053,052,232	3,242,535,782,354
Increase capital (*)	301,924,700,000	1,573,326,245,385	-	-	-	1,875,250,945,385
Net profit for the year	-	-	-	-	1,422,143,918,540	1,422,143,918,540
Profit appropriation	-	-	-	319,527,000,000	(319,527,000,000)	-
Transfer to bonus and welfare fund	-	-	-	-	(48,953,000,000)	(48,953,000,000)
Dividends declared	-	-	-	-	(257,349,807,000)	(257,349,807,000)
Ending balance	770,500,000,000	2,958,550,175,385	(1,741,460,000)	1,070,951,960,122	1,435,367,163,772	6,233,627,839,279

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2016 (continued)

B09-DN/HN

23. OWNERS' EQUITY (CONTINUED)

23.1 Increase and decrease in owners' equity (continued)

(*) During the year, the Company issued an aggregate of 30,192,470 new shares, details are as follows:

- 2,339,540 new shares to its employees in accordance with the Employee Stock Ownership Plan program in accordance with the approved Shareholders' Resolution No. 01/2016/NQ-DHCD dated 12 April 2016 to increase its share capital. This increase was approved by the Department of Planning and Investment of Ho Chi Minh City through the issuance of the 16th amended Enterprise Registration Certificate dated 5 September 2016;
- 16,376,179 bonus shares to its existing shareholders at the bonus ratio of 3:1, equivalent to 3 existing shares were swapped for 1 new ordinary share in accordance with the approved Shareholders' Resolution No. 01/2016/NQ-DHCD dated 12 April 2016 to increase its share capital. This increase was approved by the Department of Planning and Investment of Ho Chi Minh City through the issuance of the 17th amended Enterprise Registration Certificate dated 10 November 2016; and
- 11,476,751 new shares to its strategic investors in accordance with the approved Shareholders' Resolution No. 01/2016/NQ-DHCD dated 12 April 2016 to increase its share capital. This increase was approved by the Department of Planning and Investment of Ho Chi Minh City through the issuance of the 18th amended Enterprise Registration Certificate dated 30 November 2016.

23.2 Capital transactions with owners and distribution of dividends

	VND	
	Current year	Previous year
Contributed share capital		
Beginning balance	468,575,300,000	422,000,000,000
Increase	301,924,700,000	46,575,300,000
Ending balance	770,500,000,000	468,575,300,000
Dividends		
Dividends declared	257,349,807,000	210,666,720,000
Dividends paid by cash	(257,186,590,275)	(158,487,607,250)
Dividends paid by net-off receivable	-	(73,010,000,000)

23.3 Shares

	Shares	
	Number of shares	
	Ending balance	Beginning balance
Authorised shares	77,050,000	46,857,530
Shares issued and fully paid	77,050,000	46,857,530
<i>Ordinary shares</i>	77,050,000	46,857,530
Treasury shares	(66,656)	(66,656)
<i>Ordinary shares</i>	(66,656)	(66,656)
Shares in circulation	76,983,344	46,790,874
<i>Ordinary shares</i>	76,983,344	46,790,874

24. REVENUES

24.1 Net revenues from sale of goods and rendering of services

	VND	
	Current year	Previous year
Rendering of construction services (*)	20,549,705,176,425	13,228,949,551,678
Revenue from sales of construction materials	130,902,685,758	403,912,845,442
Revenue relating to investment properties	80,926,401,380	24,137,591,131
Rental of construction equipment	21,186,769,978	11,916,269,640
TOTAL	20,782,721,033,541	13,668,916,257,891
<i>In which:</i>		
<i>Sales to other parties</i>	20,588,831,890,063	13,565,247,977,663
<i>Sales to related parties</i>	193,889,143,478	103,668,280,228

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

	VND	
	Current year	Previous year
Revenue recognised during the year of the completed construction contracts	1,064,259,584,923	1,174,284,035,323
Revenue recognised during the year of the on-going construction contracts	19,485,445,591,502	12,054,665,516,355
TOTAL	20,549,705,176,425	13,228,949,551,678

24.2 Finance income

	VND	
	Current year	Previous year
Bank interest income	156,383,677,158	100,592,069,813
Late payment interest	13,332,802,001	25,178,394,514
Foreign exchange gains	451,082,619	332,712,354
TOTAL	170,167,561,778	126,103,176,681

24.3 Revenue and expense relating to investment properties

	VND	
	Current year	Previous year
Rental revenue from investment properties	14,445,902,426	14,535,092,129
Revenue from transferring of investment properties for capital appreciation	66,480,498,954	9,602,499,002
TOTAL	80,926,401,380	24,137,591,131

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2016 (continued)

B09-DN/HN

25. COST OF GOODS SOLD AND SERVICES RENDERED

	VND	
	Current year	Previous year
Cost of rendered of construction services	18,781,543,879,308	12,141,612,759,314
Cost of construction materials sold	127,466,520,639	393,880,343,919
Operating cost of investment properties	62,572,524,519	16,153,990,431
Cost of construction equipment leased	11,736,108,811	5,433,045,216
TOTAL	18,983,319,033,277	12,557,080,138,880

26. FINANCE EXPENSES

	VND	
	Current year	Previous year
Interest expense	153,055,556	-
Foreign exchange losses	128,134,612	1,590,712,601
TOTAL	281,190,168	1,590,712,601

27. CHI PHÍ QUẢN LÝ DOANH NGHIỆP

	VND	
	Current year	Previous year
General and administrative expenses		
- Staff costs	222,459,436,467	161,763,233,259
- Expenses for external services	48,019,178,239	20,605,287,098
- Depreciation and amortisation	15,353,179,663	14,511,401,848
- Provision expense	209,498,197	137,399,947,354
- Other expenses	60,391,131,840	47,692,433,574
Deduction of general and administrative expenses		
- Reversal of provision for doubtful debts	(49,179,147,713)	(19,155,439,485)
TOTAL	297,253,276,693	362,816,863,648

28. OTHER INCOME AND EXPENSES

	VND	
	Current year	Previous year
Other income	62,697,300,620	41,100,416,921
Reversal of construction warranty provisions	21,000,770,524	24,408,226,383
Reversal of over accrued construction costs	20,098,320,752	6,618,592,622
Utilities	15,374,042,866	7,865,210,772
Proceeds from disposal of tools and supplies	3,343,263,500	-
Gain from disposal of fixed assets	1,530,004,919	928,659,748
Others	1,350,898,059	1,279,727,396
Other expense	(2,514,752,597)	(1,825,477,319)
Cost of disposed of tools and supplies	(875,423,169)	-
Others	(1,639,329,428)	(1,825,477,319)
NET OTHER PROFIT	60,182,548,023	39,274,939,602

29. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") rate applicable to the Group is 20% of taxable profits (for the year ended 31 December 2015: 22%).

The tax returns filed by the Group 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 consolidated financial statements could change at a later date upon final determination by the tax authorities.

29.1 CIT expense

	VND	
	Current year	Previous year
Current CIT expense	340,259,649,269	194,253,381,291
Adjustment for under accrual of tax from prior years	1,505,165,060	145,279,999
Deferred tax income	(986,829,751)	(532,792,461)
TOTAL	340,777,984,578	193,865,868,829

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

	VND	
	Current year	Previous year
Accounting profit before tax	1,762,921,903,118	926,668,522,246
At CIT rate	352,584,380,624	203,867,074,894
<i>Adjustments to increase (decrease):</i>		
Non-deductible expenses	(6,793,138,183)	(7,096,876,160)
Share of profit from associates	(6,518,422,923)	(3,049,609,904)
Adjustment for under accrual of tax from prior years	1,505,165,060	145,279,999
CIT expense	340,777,984,578	193,865,868,829

29.2 Current tax

The current tax payable is based on taxable profit for the current year. The taxable profit of the Group for the year differs from the profit as reported in the consolidated 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 Group's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2016 (continued)

B09-DN/HN

29. CORPORATE INCOME TAX (CONTINUED)

29.3 Deferred tax

The following are the deferred tax assets and liabilities recognized by the Group, and the movements thereon, during the current and previous years:

	VND			
	Consolidated balance sheet		Consolidated income statement	
	Ending balance	Beginning balance	Current year	Previous year
Deferred tax assets				
Unrealised profit	2,553,747,800	1,423,112,375	1,130,635,425	837,844,403
Severance allowance	2,049,991,203	2,193,801,203	(143,810,000)	(238,958,745)
Profit of unearned revenue	-	-	-	(290,810,747)
Unrealised foreign exchange differences	(64,436)	(68,762)	4,326	217,059,914
Provision for investments	(76,576,360)	(76,576,360)	-	7,657,636
	4,527,098,207	3,540,268,456		
Deferred tax income			986,829,751	532,792,461

30. TRANSACTIONS WITH RELATED PARTIES

Significant transactions of the Group with related parties during the current and previous years were as follows:

Related party	Relationship	Nature of transaction	VND	
			Current year	Previous year
Ricons Construction Investment Joint Stock Company	Associate	Construction cost	2,515,804,510,845	1,242,043,301,719
		Purchase of construction materials	642,150,732,847	443,031,752,554
		Sales of construction materials	37,017,908,182	73,498,988,633
		Dividend received	6,048,000,000	-
		Equipment rental income	6,044,444,600	2,927,736,167
		Disposal of tools and supplies	5,075,582,832	-
		Office rental income	3,623,393,147	849,907,092
		Utilities	814,091,892	830,026,376
		Rental expense	544,470,264	-
		Equipment rental expense	55,869,550	595,366,842
		Construction services	-	6,064,649,440
FCC Infrastructure Investment Joint Stock Company	Associate	Construction services	147,203,397,549	19,496,972,520
		Capital contribution	42,000,000,000	8,085,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2016 (continued)

B09-DN/HN

30. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

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

VND				
Related party	Relationship	Nature of transaction	Ending balance	Beginning balance
Short-term trade receivables				
FCC Infrastructure Investment Joint Stock Company	Associate	Construction services	9,168,524,076	21,446,669,772
Ricons Construction Investment Joint Stock Company	Associate	Construction services, equipment rental	4,443,259,048	21,724,046,412
			13,611,783,124	43,170,716,184
Short-term trade payable				
Ricons Construction Investment Joint Stock Company	Associate	Construction cost and purchase of materials	664,151,284,716	245,522,069,347

Transactions with other related parties

Remuneration to members of the Board of Directors, Board of Supervision and Board of Management:

VND		
	Current year	Previous year
Remuneration, salaries and bonus	28,572,438,362	21,575,959,498

31. EARNINGS PER SHARE

The following reflects the income and share data used in the basic and diluted earnings per share computations:

VND		
	Current year	Previous year (restated)
Net profit after tax attributable to shareholders of the parent	1,422,143,918,540	666,080,628,989
Less: Bonus and welfare fund (*)	(71,107,195,927)	(31,953,000,000)
Net profit after tax attributable to ordinary equity holders	1,351,036,722,613	634,127,628,989
Weighted average number of ordinary shares during the year (shares) (**)	65,364,583	59,219,499
Basic and diluted earnings per share (VND/share)	20,669	10,708

There have been no potential dilutive ordinary shares during the year and up to the date of these consolidated financial statements.

(*) Profit used to compute earnings per share for the year 2016 was adjusted for the provisional allocation to bonus and welfare fund from 2016 profit following the plan as approved in the resolution of the shareholders meeting No. 01/2016/NQ-DHCD dated 12 April 2016.

Profit used to compute earnings per share for the year 2015 as presented in the financial statements for the year 2015 was restated to reflect the actual allocation to bonus and welfare fund from 2015 profit following the resolution of the shareholders meeting No. 01/2016/NQ-DHCD dated 12 April 2016.

(**) The weighted average number of ordinary shares for the year ended 31 December 2015 was adjusted to reflect the additional issuance of 16,376,179 bonus shares on 27 October 2016 appropriated from share premium following the plan as approved in the resolution of the shareholders meeting No. 01/2016/NQ-DHCD dated 12 April 2016.

32. SEGMENT INFORMATION

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services rendered. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Construction services segment

Construction materials trading segment

Investment properties activities segment

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with other parties. Segment revenue, segment expense and segment result include transfers between business segments. Those transfers are eliminated in preparation of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2016 (continued)

B09-DN/HN

32. SEGMENT INFORMATION (CONTINUED)

The following tables present revenue and profit and certain assets and liability information regarding the Group's business segment:

	Construction services	Construction materials trading	Investment properties activities	Elimination	Total	VND
For the year ended 31 December 2016						
Revenue						
Revenue from sale of goods and rendering of services	23,526,970,423,499	200,317,539,887	85,329,684,427	(3,029,896,614,272)	20,782,721,033,541	
Results						
Segment net profit before tax	1,782,977,584,914	1,216,034,474	19,352,541,456	(6,032,015,280)	1,797,514,145,564	
Unallocated income					(34,592,242,446)	
Net profit before income tax					1,762,921,903,118	
Income tax expense					(340,777,984,578)	
Net profit for the year					1,422,143,918,540	
Assets and liabilities						
Segment assets	6,195,370,684,518	-	97,784,992,376	(611,786,248,840)	5,681,369,428,054	
Unallocated assets					6,059,501,763,053	
Total assets					11,740,871,191,107	
Segment liabilities	5,749,591,952,011	590,863,480	1,500,641,115	(611,786,248,840)	5,139,897,207,766	
Unallocated liabilities					367,346,144,062	
Total liabilities					5,507,243,351,828	

32. SEGMENT INFORMATION (CONTINUED)

The following tables present revenue and profit and certain assets and liability information regarding the Group's business segment: (continued)

	Construction services	Construction materials trading	Office leasing	Elimination	Total	VND
For the year ended 31 December 2015						
Revenue						
Revenue from sale of goods and rendering of services	14,893,437,463,319	660,890,866,463	28,378,532,934	(1,913,790,604,825)	13,668,916,257,891	
Results						
Segment net profit before tax	1,049,676,537,291	533,734,377	9,386,080,154	(2,518,921,235)	1,057,077,430,587	
Unallocated expenses					(130,408,908,341)	
Net profit before income tax					926,668,522,246	
Income tax expense					(193,865,868,829)	
Net profit for the year					732,802,653,417	
Assets and liabilities						
Segment assets	4,636,167,021,994	122,040,485,886	109,615,988,467	(438,408,078,545)	4,429,415,417,802	
Unallocated assets					3,385,680,550,221	
Total assets					7,815,095,968,023	
Segment liabilities	4,714,221,033,830	98,184,908,368	3,708,616,411	(438,408,078,545)	4,377,706,480,064	
Unallocated liabilities					194,853,705,605	
Total liabilities					4,572,560,185,669	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2016 (continued)

B09-DN/HN

33. COMMITMENTS

33.1 Operating lease commitments

The Group leases premises and office under operating lease arrangements. The minimum lease commitments as at the balance sheet dates under the operating lease agreements are as follows:

	Ending balance	Beginning balance
Less than 1 year	251,614,067	626,482,069
From 1 to 5 years	392,959,090	569,564,637
More than 5 years	2,414,322,489	2,477,168,194
TOTAL	3,058,895,646	3,673,214,900

VND

The Group lets out its Coteccons Building property under operating lease arrangements. The future minimum rental receivable as at the balance sheet dates under the operating lease agreements is as follows:

	Ending balance	Beginning balance
Less than 1 year	4,245,645,110	6,496,221,360
From 1 to 5 years	5,067,993,112	1,043,595,000
TOTAL	9,313,638,222	7,539,816,360

VND

33.2 Capital commitment

As at 31 December 2016, the Company had capital contribution commitment as follows:

Name of investee	Charter capital	Capital contribution commitment		Contributed amount	Remaining commitment
		Amount	%		
FCC Infrastructure Investment Joint Stock Company	369,000,000,000	129,150,000,000	35	98,000,000,000	31,150,000,000

VND

34. EVENTS AFTER THE BALANCE SHEET DATE

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



Vu Thi Hong Hanh

Preparer

28 February 2017



Vu Thi Hong Hanh

Chief Accountant

Nguyen Ba Duong

General Director

REPORT ON THE USE OF CAPITAL RAISED FROM PRIVATE PLACEMENT FOR STRATEGIC PARTNERS

On 10th March 2017

CONTENTS

	Page
General Information	205
Report from the Board of Management	206
Report on empirical findings	207 - 208
Report on the use of capital	209 - 210
Description on the use of capital	211

GENERAL INFORMATION

ABOUT THE COMPANY

Coteccons Construction Joint Stock Company ("The Company") is a joint stock enterprise established in accordance with Vietnam Corporate Law as per the Business Registration Certificate (BRC) no.4103002611 issued by the Department of Planning and Investment of Ho Chi Minh City on 24th August 2005 and other BRCs and Enterprise Registration Certificate amended afterwards.

The Company was listed at Ho Chi Minh Stock Exchange with the stock symbol of CTD in accordance with the Decision No.155/QĐ-SGDHCM issued by Ho Chi Minh Stock Exchange on 9th December 2009.

At present, the Company's core business is to provide design and construction service, MEP installation, interior decoration, office leasing and real estates.

The Company's Head Office is located at No.236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, Ho Chi Minh City, Vietnam.

BOARD OF DIRECTORS

Members of the Board of Directors in tenure and on the date of this report are listed as follows:

Mr. Nguyen Ba Duong	Chairman
Mr. Tran Quang Tuan	Member
Mr. Tran Quang Quan	Member
Mr. Giuseppe Maniscalco Ferrara	Member
Mr. Bolat Duisenov	Member
Mr. Tran Quyet Thang	Member
Mr. Vu Duy Lam	Member

BOARD OF SUPERVISORS

Members of the Board of Supervisors in tenure and on the date of this report are listed as follows:

Mr. Nguyen Duc Canh	Chairman
Mrs. Nguyen Thi Phuc Long	Member
Mrs. Phan Cam Ly	Member

BOARD OF MANAGEMENT

Members of the Board of Management in tenure and on the date of this report are listed as follows:

Mr. Nguyen Ba Duong	General Director
Mr. Tran Quang Quan	Deputy General Director
Mr. Tran Quang Tuan	Deputy General Director
Mr. Tran Van Chinh	Deputy General Director
Mr. Tu Dai Phuc	Deputy General Director
Mr. Phan Huy Vinh	Deputy General Director

LEGAL REPRESENTATIVE

The Company's legal representative in tenure and on the date of this report is Mr. Nguyen Ba Duong

AUDITOR

The Company's authorised auditor is Ernst & Young Vietnam Ltd. Company.

REPORT OF THE BOARD OF MANAGEMENT

The Board of Management of Coteccons Construction Joint Stock Company ("The Company") pleisurably presents this report and the report on the schedule of using the capital as of 10th March 2017, raised from the private placement for strategic partners from 18th October 2016 to 16th November 2016, with the proceeds of VND 1.761.910.813.520 to increase the Company's charter capital ("Report on the Use of Capital").

REPONSIBILITIES OF THE BOARD OF MANAGEMENT

The Board of Management is responsible for preparing and presenting the Report on the Use of Capital, genuinely and appropriately reflecting the Company's use of capital.

The Board of Management is responsible for ensuring that accounting books are recorded properly to appropriately reflect the schedule of using capital as of 10th March 2017, raised from private stock placement for strategic partners from 18th October 2016 to 16th November 2016, with proceeds of VND 1.761.910.813.520 to increase the Company's charter capital and for ensuring that the Report on the Use of Capital were prepared properly to genuinely and appropriately reflect the Company's use of capital in accordance with Vietnamese Accounting Standards and Vietnamese Enterprise Accounting System, the Decree No. 58/2012/NĐ-CP dated on 20th July 2012 of the Government ("Decree 58") specifying and instructing the practice of some regulations in the Securities Law and the Amendment of the Securities Law, and the Decree No. 60/2015/NĐ-CP dated on 26th June 2015 of the Government amending and supplementing the Decree 58; and in accordance with the foundation of preparing and presenting the Report on the Use of Capital on page 209.

On behalf of the Board of Management:



Nguyen Ba Duong
General Director

Ho Chi Minh, Vietnam

10th March, 2017.

Reference no.: 60813343/18591958-CTD-AUP

REPORT ON EMPIRICAL FINDINGS

TO: SHAREHOLDERS OF COTECCONS CONSTRUCTION JOINT STOCK COMPANY

We successfully fulfilled the agreed procedures stipulated in the Appendix of the Contract No. 60813343/18591958-CTD-AUP dated on 8th March 2017 with Coteccons Construction Joint Stock Company ("The Company") and pleisurably presents hereafter a report on the schedule of using capital as of 10th March 2017, raised from private placement for stratetic partners from 18th October 2016 to 16th November 2016, with proceeds of VND1.761.910.813.520 to increase the Company's charter capital, presented from page 5 to page 7 (which is hereby called "Report on the Use of Capital"). Our duty was performed in accordance with Vietnam Standards of Relevant Services No. 4400 – Contract of conducting the agreed procedures for financial information. The procedures were conducted to facilitate the Company in evaluating the compatibility of the above-mentioned Report on the Use of Capital and were presented briefly as follows:

1. We collected the Report on the Use of Capital prepared by the Company's Board of Management;
2. We compared the purposes of using capital presented by the Company's Board of Management with the purposes of using capital approved and announced in the Resolution of the Annual General Meeting No. 01/2016/NQ-ĐHCEĐ dated 12th April 2016, the Resolution of the Board of Directors No. 17/2016/NQ-HĐQT dated 4th October 2016 and relevant records of capital increase; and
3. We carefully reviewed details of all documents ranging from capital raising to spending as listed in the Report on the Use of Capital collected as mentioned in Section 1 above, with relevant accouting documents such as contracts, records, receipts, etc.

We would like to present our empirical findings as below:

1. The Report on the Use of Capital is presented on page 5 and page 6;
2. According to the clarification of the Company's Board of Management, the purpose of using capital is to perform business expansion and below are three main investment categories:
 - a. To establish a new company, or to buy shares (M&A) of appropriate companies to expand Coteccons' business.
 - b. To perform direct investment or cooperate with other companies to develop infrastructure projects and real estate projects including offices, hotels, and apartments.
 - c. To invest in equipment and tools to optimally facilitate the Company's business.

These above-mentioned purposes were correspondent with the Resolution of the Annual General Meeting No. 01/2016/NQ-ĐHCEĐ dated 12th April 2016, the Resolution of the Board of Directors No. 17/2016/NQ-HĐQT dated 4th October 2016 and relevant records of capital increase.

3. We carefully reviewed details of the following documents:
 - The proceeds of VND 1.761.910.813.520: we reviewed and compared its compatibility with relevant accounting document such as bank notes, bank sub-books; and
 - The spending of VND 1.761.910.813.520: we reviewed and compared its compatibility with relevant accounting document such as payment receipts, bank notes, contracts, records, etc.

Because the above-mentioned procedures did not lead to an official audit or review of financial statement in accordance with Vietnam Accounting Standards or Vietnam Standards on Contract of Financial Review Service, we did not give any auditing opinions or conclusions about The Report on the Use of Capital.

Our report is for the Company to present to the Shareholders and the State Security Commission of Vietnam in accordance with regulations in Section II, Term 8, Circular No. 155/2015/TT-BTC dated 6th October 2015 of the Department of Finance about the Guidelines for information disclosure on stock market; and is not used for any other purposes or disclosed to any other parties. This report should be referred separately and irrelevantly from the Company's Financial Statement.

VIETNAM ERNST & YOUNG LTD.CO.



Tran Nam Dung
Deputy General Director
Certified Financial Service Auditor Certification
No: 3021-2014-004-1

Ho Chi Minh, Vietnam

10th March, 2017

REPORT ON THE USE OF CAPITAL

on 10th March 2017

1. REPORT ON THE RESULT OF PRIVATE PLACEMENT

No.	Contents	Information
1	Stock name	Stock of Cotecccons Construction Joint Stock Company
2	Stock symbol	CTD
3	Stock type	Common share
4	Par value	VND 10.000 per share
5	Number of stock registered to be issued	14.430.000 shares
6	Number of issued stock	11.476.751 shares
7	Total capital raised	VND1.761.910.813.520
8	Opening date	18 th October 2016
9	Closing date	16 th November 2016

2. THE USE OF CAPITAL RAISED FROM PRIVATE STOCK PLACEMENT

2.1 The announced purpose of the private placement and use of capital

In accordance with the Resolution of the Annual General Meeting No. 01/2016/NQ-ĐHCD dated 12th April 2016, the Resolution of the Board of Directors No. 17/2016/NQ-HĐQT dated 4th October 2016, the purpose of private placement was to increase charter capital for business expansion. In particular, the capital raised was projected to range from VND 1.500 to 1.800 billion and to be invested in the following categories:

No.	Description	Projected value (billion VND)
1	To establish a new company, or to buy shares (M&A) of appropriate companies to expand Cotecccons' business.	from 600 to 700
2	To perform direct investment or cooperate with other companies to develop infrastructure projects and real estate projects including offices, hotels, and apartments.	from 600 to 700
3	To invest in equipment and tools to optimally facilitate the Company's business.	from 300 to 400

The Board of Directors is authorised to manage the raised capital for each purpose as mentioned above, to decide the allocation and adjustment for each purpose, to decide proper schedule and disbursement timeframe corresponding to real demands of the Company's strategy.

REPORT ON THE USE OF CAPITAL

on 10th March 2017 (continued)

2. THE USE OF CAPITAL RAISED FROM PRIVATE PLACEMENT (Cont.)

2.2 Current schedule of using capital

On the date of this report, the Company distributed capital raised from private placement into the following categories:

No.	Contents	Amount (VND)
1	Deposit at Techcombank Vietnam with a term of 12 months dated from 1 st December 2016 and annual interest of 6,8%.	650,000,000,000
2	Deposit at BIDV Vietnam with a term of 13 months dated from 1 st December and annual interest of 7,0% (*)	644,291,705,385
3	Deposit at Techcombank Vietnam with a term of 12 months dated from 27 th February 2017 and annual interest of 6,8%.	450,000,000,000
	TOTAL	1,744,291,705,385

(*) The deposit balance at BIDV Vietnam on 10th March 2017 was VND 650.000.000.000. Of which, capital raised from private placement was VND 644.291.705.385.

Besides, the Company reported the use of capital raised from the above private placement for purposes approved by Shareholders Annual General Meeting as follows:

No.	Contents	Amount (VND)
A	Capital raised from private placement	1,761,910,813,520
B	Cost of stock issuance	17,619,108,135
C	Net capital from private stock placement	1,744,291,705,385
	Capital allocation:	
1	To establish a new company, or to buy shares (M&A) of appropriate companies to expand Coteccons' business.	-
2	To perform direct investment or cooperate with other companies to develop infrastructure projects and real estate projects including offices, hotels, and apartments; and	-
3	To invest in equipment and tools to optimally facilitate the Company's business.	-
D	Cummulated capital used within the period (1+2+3)	-
E	Capital Balance (C-D)	1,744,291,705,385

DESCRIPTION OF REPORT ON THE USE OF CAPITAL

on 10th March 2017

1. FOUNDATION OF PREPARING AND PRESENTING

1.1 Foundation of preparing and presenting

The Report on the schedule of using capital raised from private placement for strategic partners ("Report on the Use of Capital") was prepared in accordance with regulations in the Decree No. 58/2012/NĐ-CP dated 20th July 2012 specifying and instructing the practice of some regulations in the Securities Law and the Amendment of Securities Law, and the Decree No. 60/2015/NĐ-CP dated on 26th June 2015 of the Government amending and supplementing Decree 58, and relevant legislature of preparing and presenting the Report on the Use of Capital.

The Report on the Use of Capital was prepared on the basis of the real earning and spending considered as a vital part of the Company's cash flow.

1.2 Report term

The Report on the Use of Capital was prepared for the use of capital raised from private placement for strategic partners with the proceeds of VND 1.761.910.813.520 to increase the Company's charter capital from 18th October 2016 to 16th November 2016, and for the use of capital from 17th November 2016 to 10th March 2017.

1.3 Purpose of Report

The Report on the Use of Capital is used only for presenting the schedule of using capital in accordance with the Resolution of the Annual General Meeting No. 01/2016/NQ-ĐHCE dated 12th April 2016, the Resolution of the Board of Directors No. 17/2016/NQ-HĐQT dated 4th October 2016.

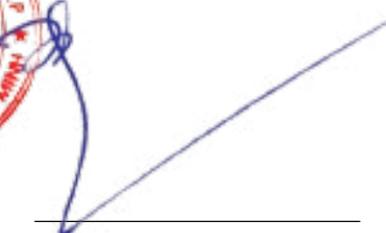
The Report on the Use of Capital was prepared for the Company to present to the Annual General Meeting and to the State Security Commission of Vietnam in accordance with the Circular No. 155/2015/TT-BTC dated 6th October 2015 of the Department of Finance about Guidelines of information disclosure on stock market. Therefore, the Report on the Use of Capital is not suitable for any other purposes.



Ha Thi Thuy Hang
Commissioner



Vu Thi Hong Hanh
Chief Accountant

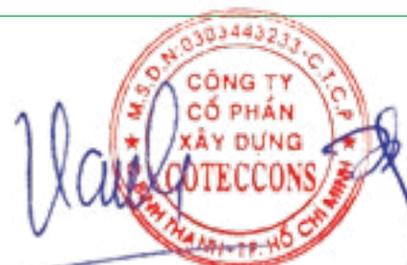


Nguyen Ba Duong
General Director

10th March, 2017



Ha Thi Thuy Hang
Commissioner



Vu Thi Hong Hanh
Chief Accountant

Nguyen Ba Duong
General Director

10th March, 2017



QUALITY

With the area of 3,000 square meters and the depth of 8.4m, including 17,000 cubic meters of concrete and nearly 5,000 tons of steel, the approximated weight of concrete foundation of the Landmark 81 Tower can be compared or even superior than many world-known buildings. Initial evaluation shows that the foundation of The Landmark 81 is the biggest foundation in Vietnam up to date and ranked 2nd in the world. With the participation of hundreds of engineers and more than 800 skillful workers working continuously 3 shifts a day, making up the total working time to 41 hours, The Landmark 81's foundation was made to successfully support the rise of the 8th world's highest building. **Coteccons has been recited by our unstoppable learning and challenge-welcoming attitude which in their turns, lay the most concrete foundation for the Company's future developments.**



CONDOTEL DA NANG



CITY GARDEN - HCM CITY



NOVOTEL PHU QUOC



DAI QUANG MINH - HCM CITY



DIAMOND LOTUS - HCM CITY



PANORAMA NHA TRANG



THE MILLENNIUM



THE GOLDVIEW - HCM CITY



GP COMPLEX TRANG AN - HA NOI



HO TRAM - VUNG TAU



HH01 NAM CUONG - HA NOI



VINHOMES THANG LONG - HA NOI



T&T VINH HUNG - HA NOI



VINHOMES GARDENIA - HA NOI



SSSA - HCM CITY



VINHOMES METROPOLIS - HA NOI



VINHOMES GOLDEN RIVER - HCM CITY



VINMEC DANANG



VINHOMES TIMES CITY PARK HILL - HA NOI



REGINA - HAI PHONG



GRI index	GRI description	Available in AR 2016	Reference Page
GENERAL STANDARD DISCLOSURES			
STRATEGY AND ANALYSIS			
G4-1	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	★	8-9
G4-2	Provide a description of key impacts, risks, and opportunities.	★	134-143
ORGANIZATIONAL PROFILE			
G4-3	Report the name of the organization.	★	12
G4-4	Report the primary brands, products, and services.	★	12
G4-5	Report the location of the organization's headquarters.	★	12
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	★	14-17
G4-7	Report the nature of ownership and legal form.	★	32-35
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	★	17, 63
G4-9	Report the scale of the organization.	★	16
G4-10	Report the human resource.	★	46-47
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	★	46-47
G4-12	Report the percentage of total employees covered by collective bargaining agreements.	★	
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	★	
COMMITMENTS TO EXTERNAL INITIATIVES			
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	★	112-119
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	★	26-27
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization.	★	131, 140
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	★	22-23

GRI index	GRI description	Available in AR 2016	Reference Page
G4-18	Explain the process for defining the report content and the Aspect Boundaries. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	★	122-123
G4-19	List all the material Aspects identified in the process for defining report content.	★	122-123
G4-20	For each material Aspect, report the Aspect Boundary within the organization.	★	123
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	★	123
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	★	199
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	★	16-17
STAKEHOLDER ENGAGEMENT			
G4-24	Provide a list of stakeholder groups engaged by the organization.	★	126-129
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	★	126-129
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	★	130-131
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	★	130-131
REPORT PROFILE			
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	★	123
G4-29	Date of most recent previous report (if any)	★	123
G4-30	Reporting cycle (such as annual, biennial).	★	123
G4-31	Provide the contact point for questions regarding the report or its contents.	★	123
G4-32	a. Report the 'in accordance' option the organization has chosen. b. Report the GRI Content Index for the chosen option (see tables below). c. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the guidelines.	★	228-239

GRI index	GRI description	Available in AR 2016	Reference Page
ASSURANCE			
G4-33	a. Report the organization's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organization and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	★	
GOVERNANCE			
G4-34	Report the governance structure of the organization, including committees of the highest governance body.	★	104-109
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	★	
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	★	
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	★	131-132
G4-38	Report the composition of the highest governance body and its committees.	★	36-45
G4-39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	★	36
G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.	★	
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders.	★	
G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	★	
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	★	

GRI index	GRI description	Available in AR 2016	Reference Page
G4-44	a. Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment. b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.	★	100-101
G4-45	a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.	★	112-119
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	★	112-119
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	★	106
G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	★	
G4-49	Report the process for communicating critical concerns to the highest governance body.	★	
G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	★	
G4-51	Report the remuneration policies for the highest governance body and senior executives for the below types of remuneration. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.	★	110
G4-52	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	★	108
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals.	★	108, 110
G4-54	Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	★	
G4-55	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	★	

GRI index	GRI description	Available in AR 2016	Reference Page
ETHICS AND INTEGRITY			
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	★	136-149
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	★	144-149
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	★	
CATEGORY: ECONOMIC			
ECONOMIC PERFORMANCE			
G4-DMA	Disclosures on Management Approach.	★	136
EC1	Direct economic value generated and distributed.	★	61-62
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	★	
EC3	Coverage of the organization's defined benefit plan obligations.	★	154-157
EC4	Financial assistance received from government.	★	
MARKET PRESENCE			
G4-DMA	Disclosures on Management Approach.	★	
EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	★	
EC6	Proportion of senior management hired from the local community at significant locations of operation.	★	
INDIRECT ECONOMIC IMPACTS			
G4-DMA	Disclosures on Management Approach.	★	
EC7	Development and impact of infrastructure investments and services supported.	★	154-157
EC8	Significant indirect economic impacts, including the extent of impacts.	★	154-157
PROCUREMENT PRACTICES			
G4-DMA	Disclosures on Management Approach	★	
EC9	Proportion of spending on local suppliers at significant locations of operation	★	

GRI index	GRI description	Available in AR 2016	Reference Page
CATEGORY: ENVIRONMENTAL			
MATERIALS			
G4-DMA	Disclosures on Management Approach.	★	153
EN1	Materials used by weight or volume.	★	153
EN2	Percentage of materials used that are recycled input materials.	★	
ENERGY			
G4-DMA	Disclosures on Management Approach.	★	151
EN3	Energy consumption within the organization.	★	
EN4	Energy consumption outside of the organization.	★	
EN5	Energy intensity.	★	
EN6	Reduction of energy consumption.	★	151
EN7	Reductions in energy requirements of products and services.	★	
WATER			
G4-DMA	Disclosures on Management Approach.	★	151
EN8	Total water withdrawal by source.	★	
EN9	Water sources significantly affected by withdrawal of water.	★	
EN10	Percentage and total volume of water recycled and reused.	★	
BIODIVERSITY			
G4-DMA	Disclosures on Management Approach.	★	
EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	★	
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	★	
EN13	Habitats protected or restored.	★	
EN14	Total number of IUCN red list species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	★	
EMISSIONS			
G4-DMA	Disclosures on Management Approach.	★	
EN15	Direct greenhouse gas (GHG) emissions (Scope 1).	★	

GRI index	GRI description	Available in AR 2016	Reference Page
EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2).	★	
EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3).	★	
EN18	Greenhouse gas (GHG) emissions intensity.	★	
EN19	Reduction of greenhouse gas (GHG) emissions.	★	
EN20	Emissions of ozone-depleting substances (ODS).	★	
EN21	NOx, SOx, and other significant air emissions.	★	
EFFLUENTS AND WASTE			
G4-DMA	Disclosures on Management Approach.	★	
EN22	Total water discharge by quality and destination.	★	
EN23	Total weight of waste by type and disposal method.	★	
EN24	Total number and volume of significant spills.	★	
EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the basel convention 2 annex i, ii, iii, and viii, and percentage of transported waste shipped internationally.	★	
EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff.	★	
PRODUCTS AND SERVICES			
G4-DMA	Disclosures on Management Approach.	★	
EN27	Extent of impact mitigation of environmental impacts of products and services.	★	
EN28	Percentage of products sold and their packaging materials that are reclaimed by category.	★	
COMPLIANCE			
G4-DMA	Disclosures on Management Approach.	★	
EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	★	
TRANSPORT			
G4-DMA	Disclosures on Management Approach.	★	
EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce.	★	
OVERALL			
G4-DMA	Disclosures on Management Approach.	★	

GRI index	GRI description	Available in AR 2016	Reference Page
EN31	Total environmental protection expenditures and investments by type.	★	
SUPPLIER ENVIRONMENTAL ASSESSMENT			
G4-DMA	Disclosures on Management Approach.	★	
EN32	Percentage of new suppliers that were screened using environmental criteria.	★	
EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken.	★	
ENVIRONMENTAL GRIEVANCE MECHANISMS			
G4-DMA	Disclosures on Management Approach.	★	
EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms.	★	
CATEGORY: SOCIAL			
LABOR PRACTICES AND DECENT WORK			
EMPLOYMENT			
G4-DMA	Disclosures on Management Approach.	★	144-146
LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region.	★	50-51
LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	★	48-49
LA3	Return to work and retention rates after parental leave, by gender.	★	
LABOR/MANAGEMENT RELATIONS			
G4-DMA	Disclosures on Management Approach.	★	
LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements.	★	
OCCUPATIONAL HEALTH AND SAFETY			
G4-DMA	Disclosures on Management Approach.	★	85
LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	★	85-86 113
LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	★	
LA7	Workers with high incidence or high risk of diseases related to their occupation.	★	
LA8	Health and safety topics covered in formal agreements with trade unions.	★	85-87

GRI index	GRI description	Available in AR 2016	Reference Page
TRAINING AND EDUCATION			
G4-DMA	Disclosures on Management Approach.	★	50-51
LA9	Average hours of training per year per employee by gender, and by employee category.	★	51
LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	★	
LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	★	
DIVERSITY AND EQUAL OPPORTUNITY			
G4-DMA	Disclosures on Management Approach.	★	
LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	★	47
EQUAL REMUNERATION FOR WOMEN AND MEN			
G4-DMA	Disclosures on Management Approach.	★	
LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	★	
SUPPLIER ASSESSMENT FOR LABOR PRACTICES			
G4-DMA	Disclosures on Management Approach.	★	
LA14	Percentage of new suppliers that were screened using labor practices criteria.	★	
LA15	Significant actual and potential negative impacts for labor practices in the supply.	★	
LABOR PRACTICES GRIEVANCE MECHANISMS			
G4-DMA	Disclosures on Management Approach.	★	
LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms.	★	
HUMAN RIGHTS			
INVESTMENT			
G4-DMA	Disclosures on Management Approach.	★	
HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	★	
HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	★	

GRI index	GRI description	Available in AR 2016	Reference Page
NON-DISCRIMINATION			
G4-DMA	Disclosures on Management Approach.	★	
HR3	Total number of incidents of discrimination and corrective actions taken.	★	
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING			
G4-DMA	Disclosures on Management Approach.	★	
HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights.	★	
CHILD LABOR			
G4-DMA	Disclosures on Management Approach.	★	
HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	★	
FORCED OR COMPULSORY LABOR			
G4-DMA	Disclosures on Management Approach.	★	
HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	★	
SECURITY PRACTICES			
G4-DMA	Disclosures on Management Approach.	★	
HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations.	★	
INDIGENOUS RIGHTS			
G4-DMA	Disclosures on Management Approach.	★	
HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken.	★	
ASSESSMENT			
G4-DMA	Disclosures on Management Approach.	★	
HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	★	
SUPPLIER HUMAN RIGHTS ASSESSMENT			
G4-DMA	Disclosures on Management Approach.	★	
HR10	Percentage of new suppliers that were screened using human rights criteria.	★	
HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken.	★	

GRI index	GRI description	Available in AR 2016	Reference Page
HUMAN RIGHTS GRIEVANCE MECHANISMS			
G4-DMA	Disclosures on Management Approach.	★	
HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.	★	
SOCIETY			
LOCAL COMMUNITIES			
G4-DMA	Disclosures on Management Approach.	★	154-157
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	★	154-157
SO2	Operations with significant actual and potential negative impacts on local communities.	★	
ANTI-CORRUPTION			
G4-DMA	Disclosures on Management Approach.	★	
SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	★	
SO4	Communication and training on anti-corruption policies and procedures.	★	
SO5	Confirmed incidents of corruption and actions taken.	★	
PUBLIC POLICY			
G4-DMA	Disclosures on Management Approach.	★	
SO6	Total value of political contributions by country and recipient/beneficiary.	★	
ANTI-COMPETITIVE BEHAVIOR			
G4-DMA	Disclosures on Management Approach.	★	
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	★	
COMPLIANCE			
G4-DMA	Disclosures on Management Approach.	★	
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	★	
SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY			
G4-DMA	Disclosures on Management Approach.	★	
SO9	Percentage of new suppliers that were screened using criteria for impacts on society.	★	
SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken.	★	

GRI index	GRI description	Available in AR 2016	Reference Page
GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY			
G4-DMA	Disclosures on Management Approach.	★	
SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms.	★	
PRODUCT RESPONSIBILITY			
CUSTOMER HEALTH AND SAFETY			
G4-DMA	Disclosures on Management Approach	★	
PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	★	
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.	★	
PRODUCT AND SERVICE LABELING			
G4-DMA	Disclosures on Management Approach.	★	
PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements.	★	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	★	
PR5	Results of surveys measuring customer satisfaction.	★	
MARKETING COMMUNICATIONS			
G4-DMA	Disclosures on Management Approach.	★	
PR6	Sale of banned or disputed products.	★	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	★	
CUSTOMER PRIVACY			
G4-DMA	Disclosures on Management Approach.	★	
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	★	
COMPLIANCE			
G4-DMA	Disclosures on Management Approach.	★	
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	★	



COTECONS CONSTRUCTION JOINT STOCK COMPANY

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

[T] (84) (8) 3514 2255 - 3514 2266

[F] (84) (8) 35142277

[E] contact@cotecons.vn

[W] www.cotecons.vn

