

**CONSTRUCTION INVESTMENT
CORPORATION 3-2**

**SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom - Happiness**

No.: 176/CTY-TGD

Binh Duong, 29th March 2019

About the explanation for data
difference of 2018 after auditing

**To: - State Securities Commission;
- Ho Chi Minh City Stock Exchange.**

Company's name: Construction Investment Corporation 3-2

Stock code: C32

Address of Headquarter: No.45A, Nguyen Van Tiet street, Lai Thieu ward,
Thuan An town, Binh Duong province.

Tel: 0274.3759446

Fax: 0274.3755605

According to Circular No. 155/2015/TT-BTC dated 06/10/2016 issued by the
Ministry of Finance guiding the disclosure of information on Securities Market;

According to Audited financial statements for year 2018 of Construction
Investment Corporation 3-2.

Construction Investment Corporation 3-2 would like to explain the
differences between some figures in audited financial statements for year 2018 and
accumulated figures in financial statements for Q4/2018 as follows:

In Statement of Income

- General and administrative expense increases VND 15.362 billion due to
adjustment of provision for prepayment to perform transactions between Mr. Tran
HuuNghia and the Company.
- Current CIT expense decreases VND 2.680 billion due to the increase of
General and administrative expense and taxable accrued expense under environment
protection agreement with local authorities which is not paid yet with the amount of
VND 1.985 billion.
- Profit after corporate income tax decreases VND 12.681 billion due to
above-mentioned reasons.

In Statement of financial position

- Short-term held-to-maturity investments decreases VND 4.5 billion due to reclassifying BIDV bond investment to long-term investment.
- Provision for short-term doubtful debts increases VND 15.632 billion due to adjustment of provision for prepayment to perform transactions between Mr. Tran HuuNghia and the Company.
- Long-term held-to-maturity investments increases VND 4.5 billion due to reclassifying BIDV bond investment to long-term investment.
- Tax and other payables to State budget decreases VND 2.680 billion due to the decrease of Corporate income tax payable after recalculating business results.
- Retained earnings decreases VND 12.681 billion due to the decrease of business results from above-mentioned reasons.

Those are some major reasons causing the differences between some figures in audited financial statements for year 2018 and accumulated figures in financial statements for Q4/2018./.

Yours sincerely!

Recipients :

- As above;
- Archived VT/TC/4

GENERAL DIRECTOR



Võ Văn Lĩnh



FINANCIAL STATEMENTS

CONSTRUCTION INVESTMENT CORPORATION 3-2

For the fiscal year ended as at 31/12/2018

(Audited)

A member of  International

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CONSTRUCTION INVESTMENT CORPORATION 3-2

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

REPORT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of Construction Investment Corporation 3-2 (the Company) presents its report and the Company's Financial Statements fiscal year ended as at 31/12/2018.

THE COMPANY

Construction Investment Corporation 3-2 is a joint stock company which was incorporated by equitizing the former State-owned Construction Investment Corporation 3-2 in line with the Decision No. 1214/QĐ-UBND dated 21 April 2008 issued by Binh Duong People's Committee.

The Corporation has been operating under the Business Registration Certificate No. 3700146225 dated 24 December 2008 issued by Planning and Investment Department of Binh Duong Province. The 10th amendment dated 08 August 2018.

The company's head office is located at 45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Town, Binh Duong Province.

BOARD OF MANAGEMENT, BOARD OF GENERAL DIRECTORS

The members of The Board of Management during the year and to the reporting date are:

Mr. Vo Van Lanh	Chairman	
Mr. Tran Van Binh	Member	
Mr. Nguyen Le Van	Member	(Appointed on 26/04/2018)
Mr. Thuong Van Huyen	Member	(Appointed on 26/04/2018)
Mrs. Le Thi Quyet	Member	
Mr. Nguyen Xuan Hieu	Member	(Resigned on 26/04/2018)
Mr. Nguyen The Phi	Member	(Resigned on 26/04/2018)

The members of The Board of General Directors in the year and to the reporting date are:

Mr. Vo Van Lanh	General Director
Mr. Tran Van Binh	Deputy General Director

Pursuant to Resolution No. 01/NQ-ĐHĐCĐ of 26/04/2018 day shareholder General Assembly in 2018, the Company has changed the company management model to apply administrative model defined at point b, paragraph 1, Article 134, 2014 including Business Law General Assembly of shareholders, the Board of Directors and the Internal Audit Committee directly under the Board and dismissed the Board of Control.

AUDITORS

The auditors of AASC Auditing Firm Company Limited take the audit of Financial Statements for the Company.

CONSTRUCTION INVESTMENT CORPORATION 3-2

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

STATEMENT OF THE BOARD OF GENERAL DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of General Directors is responsible for the Financial Statements of each financial year which give a true and fair view of the state of affairs of the Company and of results of its operation and its cash flows for the year. On preparing those Financial Statements, The Board of General Directors is required to:

- Establish and maintain an internal control system which is determined necessary by the Board of Directors and Those charged with governance to ensure the preparation and presentation of financial statements do not contain any material misstatement caused by errors or frauds;
- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- Prepare the Financial Statements on the basis of compliance with accounting standards and system and other related regulations
- Prepare the Financial Statements on going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

We, The Board of General Directors, confirm that the Financial Statements for the fiscal year ended as at 31/12/2018 prepared by us, give a true and fair view of the financial position at 31 December 2018, results of its operation and its cash flows in the fiscal year ended as at 31/12/2018 of Company accordance with the Vietnamese Accounting System and comply with relevant statutory requirements.

Other commitments

The Board of General Directors pledges that the company complies with Decree No. 71/2017/ND-CP dated 06 June 2017 guiding on corporate governance of public companies and the company does not violate the obligations of information disclosure in accordance with the regulations of the Circular No. 155/2015/TT-BTC dated 06 October 2015 issued by Ministry of Finance guiding the disclosure of information on Securities Market.

Binh Duong, 25 January 2019

**On behalf of The Board of General Directors
General Director**



INDEPENDENT AUDITOR'S REPORT

**To: Shareholders, The Board of Management and The Board of General Directors
Construction Investment Corporation 3-2**

We have audited the Financial statements of Construction Investment Corporation 3-2 prepared on 25 January 2019, as set out on pages 05 to 38, including: Statement of Financial position as at 31 December 2018, Statement of Income, Statement of Cash flows and Notes to the Financial statements for the fiscal year ended as at 31 December 2018.

The Board of General Directors' responsibility

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of Financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Financial statements.

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

Auditor's opinion

In our opinion, the Financial statements give a true and fair view, in all material respects, of the financial position of Construction Investment Corporation 3-2 as at 31 December 2018, and of the results of its operations and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of Financial statements.

Ho Chi Minh City, 25 March 2019

Branch of AASC Auditing Firm Company Limited



Director

Ngô Minh Quy

Certificate of registration to audit practice
No: 2434-2018-002-1

Auditor



Tran Trung Hieu

Certificate of registration to audit practice
No: 2202-2018-002-1

STATEMENT OF FINANCIAL POSITION*As at 31 December 2018*

Code	ASSETS	Note	31/12/2018	01/01/2018
			VND	VND
100	A. CURRENT ASSETS		407,136,317,593	393,966,307,882
110	I. Cash and cash equivalents	03	38,972,280,405	51,147,987,411
111	1. Cash		33,972,280,405	41,147,987,411
112	2. Cash equivalents		5,000,000,000	10,000,000,000
120	II. Short-term investments	04	98,468,222,182	96,647,486,557
123	1. Held - to - maturity investments		98,468,222,182	96,647,486,557
130	III. Short-term accounts receivable		210,019,210,842	163,091,482,277
131	1. Trade receivables	05	78,196,025,068	57,217,359,660
132	2. Advances to suppliers	06	49,674,931,981	44,072,440,937
136	3. Other receivables	07	98,383,134,982	62,593,444,478
137	4. Provisions for short-term bad debts		(16,234,881,189)	(791,762,798)
140	IV. Inventories	09	59,676,604,164	82,132,329,700
141	1. Inventories		59,929,857,789	82,339,343,362
149	2. Provision for obsolescence of inventories		(253,253,625)	(207,013,662)
150	V. Other current assets		-	947,021,937
153	1. Taxes and other receivables from the State	18	-	947,021,937
200	B. NON- CURRENT ASSETS		375,542,563,537	353,694,459,253
220	II. Fixed assets		156,908,280,346	160,937,774,738
221	1. Tangible fixed assets	11	114,105,485,592	117,125,030,650
222	- Historical costs		215,466,404,362	203,879,341,800
223	- Accumulated depreciation		(101,360,918,770)	(86,754,311,150)
227	2. Intangible fixed assets	12	42,802,794,754	43,812,744,088
228	- Historical costs		79,414,887,427	79,202,887,427
229	- Accumulated amortization		(36,612,092,673)	(35,390,143,339)
230	III. Investment properties	13	5,939,464,817	4,284,876,479
231	- Historical costs		8,331,392,116	4,823,833,632
232	- Accumulated depreciation		(2,391,927,299)	(538,957,153)
240	IV. Long-term assets in progress		17,872,494,298	6,634,747,405
242	1. Accumulated depreciation	10	17,872,494,298	6,634,747,405
250	IV. Long-term investments	04	126,060,788,737	119,432,983,970
252	1. Investments in joint-ventures, associates		91,233,200,663	89,067,963,688
253	2. Other long-term investments		30,365,020,282	30,365,020,282
254	3. Provision for devaluation of long-term investments		(37,432,208)	-
255	4. Held - to - maturity investments		4,500,000,000	-
260	V. Other long-term assets		68,761,535,339	62,404,076,661
261	1. Long-term prepaid expenses	14	66,587,716,793	60,230,258,115
262	2. Deferred income tax assets	34	2,173,818,546	2,173,818,546
270	TOTAL ASSETS		782,678,881,130	747,660,767,135

STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

(continue)

Code	CAPITAL	Note	31/12/2018	01/01/2018
			VND	VND
300	A. LIABILITIES		291,091,231,346	307,670,709,037
310	I. Short-term liabilities		249,280,403,346	267,676,461,037
311	1. Short-term trade payables	15	26,982,313,337	24,826,995,700
312	2. Short-term prepayments from customers	17	22,204,400,688	32,186,398,938
313	3. Tax payables and statutory obligations	18	18,956,647,133	21,051,105,064
314	4. Payables to employees		12,687,484,518	11,224,219,797
315	5. Short-term Accrued expenses	19	24,844,132,013	11,429,129,573
319	6. Other short-term payables	20	9,885,132,543	9,331,151,131
320	7. Short-term loans and finance lease liabilities	16	122,333,198,803	146,721,355,858
321	8. Short-term provisions for payables	21	94,827,498	252,644,965
322	9. Bonus and welfare fund		11,292,266,813	10,653,460,011
330	II. Long-term liabilities		41,810,828,000	39,994,248,000
338	1. Long-term loans and finance lease liabilities	16	41,810,828,000	39,994,248,000
400	B. OWNER'S EQUITY		491,587,649,784	439,990,058,098
410	I. Equity	22	491,587,649,784	439,990,058,098
411	1. Contributed legal capital		150,301,450,000	136,639,920,000
411a	- Ordinary shares with voting rights		150,301,450,000	136,639,920,000
412	2. Share capital surplus		2,190,000,000	2,190,000,000
418	3. Investment and development fund		130,069,054,885	105,322,664,416
421	4. Undistributed earnings		209,027,144,899	195,837,473,682
421a	- Undistributed profits accumulated by the end of the previous year		134,617,031,950	120,580,966,047
421b	- Undistributed profit after tax for the current year		74,410,112,949	75,256,507,635
440	TOTAL CAPITAL		782,678,881,130	747,660,767,135

Binh Duong, 25 January 2019

Preparer



Do Viet Cuong

Chief Accountant



Nguyen Xuan Hieu

General Director



Vo Van Lanh

STATEMENT OF INCOME
Year 2018

Code	Items	Note	Year 2018	Year 2017
			VND	VND
01	1. Revenues from sales and services rendered	24	722,333,337,591	560,103,641,852
02	2. Revenue deductions	25	-	357,632,000
10	3. Net revenues from sales and services rendered		722,333,337,591	559,746,009,852
11	4. Cost of goods sold	26	552,523,724,247	418,737,869,696
20	5. Gross profit from sale of goods and rendering		169,809,613,344	141,008,140,156
21	6. Revenue from financial activities	27	11,690,947,964	11,746,687,853
22	7. Financial expenses	28	7,986,225,401	6,526,460,217
23	<i>In which: Interest expenses</i>		7,934,858,980	6,514,592,185
24	8. Selling expenses	29	23,828,310,385	15,346,437,713
25	9. General administrative expenses	30	35,616,207,647	17,227,682,011
30	10. Net profit from operating activities		114,069,817,875	113,654,248,068
31	11. Other income	31	1,261,062,197	1,161,681,352
32	12. Other expense	32	187,354,252	140,475,163
40	13. Other profit		1,073,707,945	1,021,206,189
50	14. Total profit before tax		115,143,525,820	114,675,454,257
51	15. Current business income tax expenses	33	22,697,238,871	23,022,156,222
60	17. Profit after tax		<u>92,446,286,949</u>	<u>91,653,298,035</u>
70	18. Basic earnings per share	35	6,151	6,143

Preparer



Do Viet Cuong

Chief Accountant



Nguyen Xuan Hieu

Binh Duong, 25 January 2019

General Director



Vo Van Lanh

STATEMENT OF CASH FLOWS

Year 2018
(Direct method)

Code ITEM	Note	Year 2018	Year 2017
		VND	VND
I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Proceeds from sales and services rendered and other revenues	670,328,022,761	639,016,812,801
02	2. Expenditures paid to suppliers	(431,249,878,929)	(446,912,981,725)
03	3. Expenditures paid to employees	(56,291,741,123)	(59,061,516,715)
04	4. Interest paid	(9,342,394,633)	(6,514,592,185)
05	5. Corporate income tax paid	(24,569,511,177)	(23,576,547,382)
06	6. Other proceeds from operating activities	1,101,547,226	1,402,666,933
07	7. Other expenditures on operating activities	(78,687,348,120)	(60,326,485,027)
20	<i>Net cash flows from operating activities</i>	<i>71,288,696,005</i>	<i>44,027,356,700</i>
II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	1. Purchase or construction of fixed assets and other long-term assets	(29,890,000,778)	(65,713,762,852)
22	2. Proceeds from disposals of fixed assets and other long-term assets	883,636,364	-
23	3. Loans and purchase of debt instruments from other entities	(10,539,894,258)	(13,952,533,501)
24	4. Collection of loans and resale of debt instrument of other entities	4,219,158,633	40,400,750,069
25	5. Equity investments in other entities	(5,286,400,000)	(98,839,636,725)
26	6. Proceeds from equity investment in other entities	-	7,429,359,830
27	7. Interest and dividend received	14,740,667,203	11,872,453,011
30	<i>Net cash flows from investing activities</i>	<i>(25,872,832,836)</i>	<i>(118,803,370,168)</i>
III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	1. Proceeds from issuance of shares and receipt of contributed capital	-	4,430,000,000
33	2. Proceeds from borrowings	408,974,441,058	288,820,431,570
34	3. Repayment of principal	(431,546,018,113)	(164,784,934,213)
36	4. Dividends or profits paid to owners	(35,019,993,120)	(29,238,482,440)
40	<i>Net cash flows from financing activities</i>	<i>(57,591,570,175)</i>	<i>99,227,014,917</i>
50	Net cash flows within the year	(12,175,707,006)	24,451,001,449
60	Cash and cash equivalents at the beginning of year	51,147,987,411	26,696,985,962
70	Cash and cash equivalents at the end of year	38,972,280,405	51,147,987,411

Preparer


Do Viet Cuong

Chief Accountant


Nguyen Xuan Hieu

Binh Duong, 25 January 2019

General Director



Vo Van Lanh

NOTES TO THE FINANCIAL STATEMENTS

Year 2018

1 . BACKGROUND

Forms of Ownership

Construction Investment Corporation 3-2 is a joint stock company which was incorporated by equitizing the former State-owned Construction Investment Corporation 3-2 in line with the Decision No. 1214/QD-UBND dated 21 April 2008 issued by Binh Duong People's Committee.

The Corporation has been operating under the Business Registration Certificate No. 3700146225 dated 24 December 2008 issued by Planning and Investment Department of Binh Duong Province. The 10th amendment dated 08 August 2018.

The company's head office is located at 45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Town, Binh Duong Province.

Charter capital: VND 150,301,450,000, equivalent to 15,030,145 shares with the price of VND 10,000 per share.

Business field

Construction and manufacture of construction materials.

Business activities

Main business activity of the Corporation is:

- Leasing construction machines and equipment;
- Building houses of all types;
- Doing business in real estate, renting land, office, factory;
- Consultancy, brokerage, real estate auction, land use right auction (except real estate brokerage, security brokerage, brokerage in marriage, recognition of fathers, mothers, children, child adoption involving foreign elements);
- Completing construction works;
- Manufacture of concrete and products from cement and gypsum;
- Transporting cargo by road;
- Construction of irrigation works;
- Installing security, alarm devices, fire preventing and fighting system, lightning arrester for construction works;
- Warehouse activities;
- Construction of irrigation works;
- Mining stone, sand, pebbles and clay;
- Processing stone;
- Acting as agent for trading and depositing goods, providing intermediary services, auctioning assets;
- Providing construction consultancy services (except for designing construction works);
- Other monetary intermediation: capital contribution, buying shares.

Operations of the company in the fiscal year affecting the financial statements

In year, the Company has implemented the merger of Construction and Installation Workshop and Investment Department, termination of operations of the Branch of Construction Investment Corporation 3-2 - Construction and Installation Factory.

The Company released 1,366,153 bonus shares to current shareholders to increase charter capital from retained earnings and purchased 413,000 shares of Mien Dong JSC.

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Structure of enterprises

The Company's member entities are as follows:

Name	Address	Address
Branch of Construction Investment Corporation 3-2 - Construction Stone Factory	No. 635/1A Highway 1K, Tan An Quarter, Tan Dong Hiep Ward, Di An Town, Binh Duong Province	Exploitation, processing stone
Branch of Construction Investment Corporation 3-2 - Mechanic and Concrete Factory	No. 6, Road Hill 16, Cay Cham Quarter, Thanh Phuoc Ward, Tan Uyen Town, Binh Duong Province	Manufacture and business in centrifugal culvert

Supplement information of Associates, Joint ventures of the Company is provided in Note No 4

2 . ACCOUNTING SYSTEM AND ACCOUNTING POLICY

2.1 . Accounting period and accounting monetary unit

Annual accounting period commences from 1st January and ends on 31st December.
 The Company maintains its accounting records in VND.

2.2 . Accounting Standards and Accounting system

Accounting System

The company applies Enterprise Accounting System issued under Decision No.15/2006/QĐ-BTC dated 20 March, 2006 by Minister of Finance amended and supplemented in accordance 244/2009/TT-BTC 31/12/2009 Circular of the Minister of Finance.

Announcement on compliance with Vietnamese standards and accounting system

The company applies Vietnamese Accounting Standards and supplement documents issued by the State. Financial statements are prepared in accordance with regulations of each standard and supplement documents as well as with current accounting system.

2.3 . Basis for preparation of financial statements

Financial statements are presented based on historical cost principle.

In the Financial statements of the Company, the intra-group balances and transactions related to assets, equity, receivables and payable are eliminated in full.

2.4 . Financial Instruments

Initial recognition

Financial assets

Financial assets of the Company including cash and cash equivalents, trade receivables and other receivables, lending, long-term investments. At initial recognition, financial assets are identified by purchasing price/issuing cost plus other expenses directly related to the purchase and issuance of those assets.

Financial liabilities

Financial liabilities of the Company including loans, trade payables and other payables, accrued expenses. At initial recognition, financial liabilities are determined by issuing price plus other expense directly related to the issuance of those liabilities.

Value after initial recognition

There are currently no regulations on revaluation of financial instruments after initial recognition.

2.5 . Cash and cash equivalents

Cash includes cash on hand, demand deposits.

Cash equivalents is short-term highly liquid investments with maturity less than 3 months from the date investment, can be converted easily into a certain amount of cash and there is no risk in conversion into cash.

2.6 . Financial investments

Investments held to maturity include: term deposits held to maturity to earn profits periodically and other held to maturity investments.

Investments in associates are initially recognized in the ledger according to original cost. After initial recognition, the value of these investments is determined at original cost less provision for diminution in value of investments.

Investments in equity of other entities included: investments in equity of other entities but not control, joint control, or significant influence on the investee. Book value of these investments is determined at original cost. After initial recognition, the value of these investments is determined at original cost less provision for diminution in value of investments.

Allowances for devaluation of investments are made at the end of the year as follows:

- With regard to investments in associates: the provision shall be made based on the Financial Statements of associates at the provision date. Provision for investments is made when investment units were incurred losses, except where such losses have been in the plan for the investment decisions.
- With regard to long-term investments (other than trading securities) without significant influence on the investee: If the investment is made in listed shares or the fair value of the investment is determined reliably, the provisions shall be made on the basis of the market value of the shares; if the fair value of the investment is not determined at the reporting date, the provision shall be made based on the Financial Statements at the provision date of the investee.
- With regard to investments held to maturity: the provision for doubtful debts shall be made based on the recovery capacity in accordance with statutory regulations.

2.7 . Receivables

Receivables is presented on the Financial statements according to book value of trade receivable and other receivables after deducting provision for bad receivable debts.

The allowances for doubtful debts is created when: An overdue debt under an economic contract, a loan agreement, a contractual commitment or a promissory note and debts are not due but difficult recovery. Accordingly, the provisions for overdue debts shall be made according to time in which the principal is repaid according to the sale contract, exclusive of the debt rescheduling between contracting parties and the debts are not due but the debtor is close to bankruptcy or undergone procedures for dissolution, or the debtor is missing or makes fleeing.

2.8 . Inventories

Inventories are initially recognized at original cost included: the purchase price, costs of conversion and other costs incurred in bringing the inventories to their location and condition at the time of initial recognition. After initial recognition, at the time the financial statements are prepared if the net realizable value is lower than cost, inventories should be measured at the net realizable value.

The cost of inventory at the year-end is calculated by weighted average method.

Inventory is recorded by perpetual method.

Method for valuation of work in process at the end of the period:

- For construction: Work in progress is obtained for each construction project unfinished or related unrecognised revenue, corresponding to the workload unfinished at the end of the period.
- For mechanical production and concrete culvert: Work in progress is obtained based on actual cost incurred for each kind of main material cost for each unfinished products.

Provisions for devaluation of inventories made at the end of the year are the excess of original cost of inventory over their net realizable value.

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2.9 . Fixed assets

Tangible fixed assets, intangible fixed assets are stated at the historical cost. During the using time, tangible fixed assets, intangible fixed assets are recorded at cost, accumulated depreciation and net book value.

Depreciation is provided on a straight-line basis. Depreciation period is estimated as follows:

- Buildings, structures	06 - 25 years
- Machineries, equipments	06 - 12 years
- Vehicles, Transportation equipments	05 - 10 years
- Office equipments and furnitures	03 - 08 years
- Land use rights	48 - 50 years
- Softwares	03 - 08 years

2.1 . Investment properties

Investment property is recognised at historical cost.

For investment property operating lease are recognized at cost, accumulated depreciation and net carrying amount. In which depreciation is provided on a straight-line basis with the useful life of buildings is estimated to be 15 years.

2.11 . Cost of construction in progress

The assets in the process of building production purposes, leasing or management, or for any other purpose, are recorded at cost. Collection costs include expenses for experts and for qualifying assets, borrowing costs are recognized in accordance with the accounting policies of the Company. Depreciation of these assets, just as all kinds of other fixed assets, will begin to be extracted when the assets are ready for use.

2.12 . Operating lease

Operating lease is a type of lease of fixed assets that most of the risks and benefits associated with ownership of assets belong to the lessor. Payments made under operating leases are charged to the statement of income on a straight-line basis over the term of the lease.

2.13 . Prepaid expenses

The expenses incurred but related to results of business operations of several accounting periods are recorded as prepaid expenses and are amortised to the income statement in the following accounting periods.

The calculation and allocation of long-term prepaid expenses to operating expenses in each accounting period should be based on nature of those expenses to select a reasonable method and allocated factors. Prepaid expenses are allocated partly into operating expenses on a straight-line basis.

2.14 . Account payables

The payables shall be kept records in details according to period payables, entities payables, types of currency payable and other factors according to requirements for management of the Company.

2.15 . Loans

Loans shall be kept records in details according to entities loans, loan agreement and loans term. In case of loans in foreign currency shall be kept records in detail the currency.

2.16 . Borrowing costs

Borrowing costs are recognized as operating expenses in the year, in which it is incurred excepting those which are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset in accordance with VAS No. 16 "Borrowing costs".

2.17 . Accrued expenses

Payables to goods or services received from the seller or provided for the seller during a reporting period, but payments of such goods or services have not been made and other payables such as interest expenses... which are recorded to operating expenses of the reporting period.

The recording of accrued expenses to operating expenses during a period shall be carried out in conformity with revenues and expenses incurring during a period. Accrued expenses payable are settled with actual expenses incurred. The difference between accrualment and actual expenses are reverted.

2.18 . Provision for payables

Provision for payables only record when meet all following conditions:

- Enterprises have current debt obligation (legal obligation or jointly liable obligation) due to result from a fact happened;
- Decrease in economic benefits may happen leading to the requirement for payment of debt obligation;
- Giving a confident estimation on value of such debt obligation.

The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the end of year.

Only expenses related to the provision for payable set up initially shall be offset by that provision for payable.

Provisions for payables are recorded in business and production costs of the accounting period. In case provision set for the previous period but not used up exceeds the one set for the current period, the difference is recorded as decrease in production and operation expenditures. The bigger difference of the payables provision on insuring the construction is recorded into other revenue in the fiscal year. Provision for warranty of construction works is deducted at the rate of 0.19% for civil works and 0.45% for infrastructure works based on the evaluation of the Board of Directors on the rate of repair actual warranty.

2.19 . Owner's equity

Owner's equity is stated at actually contributed capital of owners.

Share premium shall record the difference between the par value, direct costs related to the issuing shares and issue price of shares (including the case of re-issuing stock fund) and can be a positive premium (if the issue price is higher than par value and direct costs related to the issuance of shares) or negative premium (if the issue price is lower than par value and direct costs related to the issuance of shares).

Undistributed profit after tax is used to record business results (profit, loss) after corporate income tax and situation of income distribution or loss handling of company. Undistributed profit after tax can be distributed to investors based on capital contribution rate after approval by General Meeting of Shareholders and after making appropriation to funds in accordance with the Company's Charter and Vietnamese regulatory requirements.

The Company sets up funds from profit after corporate income tax according to propose of the Board of Management and approved by the General Meeting of Shareholders:

- Development investment funds: This fund is set up for expanding Company operation and investment.
- Bonus and welfare funds: This fund is set up for bonus, material encouragement which bringing public benefits and enhance welfare for labours and recorded as a payable on separate statement of financial position.

Dividends to be paid to shareholders are recognised as a payable in Statement of financial position after declaration from the Board of Management and announcement of dividend record date from Securities Depository Center of VietNam.

2.20 . Revenue

Sale of goods

Revenue from sale of goods should be recognized when all the following conditions have been satisfied:

- The significant risks and rewards of ownership of the goods have been transferred to the buyer;
- The Company retains neither continuing managerial involvement as a neither owner nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- The economic benefits associated with the transaction of goods sold have flown or will flow to the Company;
- The costs incurred or to be incurred in respect of the transaction of goods sold can be measured reliably.

Rendering of services

Revenue from rendering of services is recognized when the outcome of that transaction can be measured reliably. Where a

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The stage of completion of the transaction at the balance sheet date can be measured reliably;
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

The stage of completion of a transaction may be determined by surveys of work completed method

Revenue from sales of real estate

For real estate divided into plots for sale, Company is recorded revenues for the plot sold if satisfy the following conditions:

- The real estate and the completion of the whole transaction to the buyer, the company transfer risks and benefits with ownership of the real estate to the buyers;
- Risks and benefits associated with the land use rights are transferred to the buyer;
- The turnover is determined reliably;
- Company has received or will receive economic benefits from sales of the plots;
- Costs related to sale of plots may be determined.

Revenue from construction contract

In case the construction contract defines that the contractor shall be entitled to payment basing on value of volume achieved, when achieved results of construction contract are estimated reliably and confirmed by customers, then revenues and expenditures related to the contract recorded in proportion to the completed work confirmed by the customer in period are recorded in the bills set up.

Financial income

Income from interest, royalties and dividends and other financial income earned by the Company should be recognized when these two conditions are satisfied:

- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The amount of the income can be measured reliably.

2.21 . Cost of goods sold

Cost of goods sold is recognized in accordance with revenue arising and ensure compliance with the prudence principle. Cases of loss of materials and goods exceeded the norm, abnormal expenses and losses of inventories after deducting the responsibility of collective and individuals concerned,... are recognized fully and promptly into cost of goods sold in the period.

2.22 . Financial expenses

Items recorded into financial expenses consist of:

- Expenses or losses relating to financial investment activities;
- Expenses of capital lending and borrowing;
- Exchange loss.

The above items are recorded by the total amount arising within the period without compensation to financial revenue.

2.23 . Corporate income tax

a) Deferred income tax assets

Deferred income tax assets is determined based on total deductible temporary difference and deductible value transferred to subsequent period of unused taxable losses or preferred taxes.

Deferred income tax assets and Deferred income tax payable are determined based on corporate income tax rate, based on tax rates and tax laws in effect at the balance sheet date.

b) Current tax expense

Current corporate income tax expenses are determined based on taxable income during period, and current corporate income tax rate.

c) Current corporate income tax rate

Company is subject to 20% Corporate income tax rate to main business activities for the fiscal year ended as on 31/12/2018

2.24 . Related parties

The parties are regarded as related parties if that party has the ability to control or significantly influence the other party in making decisions about the financial policies and activities. The Company's related parties include:

- Companies, directly or indirectly through one or more intermediaries, having control over the Company or being under the control of the Company, or being under common control with the Company, including the Company's parent, subsidiaries and affiliated companies;
- Individuals, directly or indirectly, holding voting power of the Company that have a significant influence on the Company, key management personnel including directors and employees of the Company, the close family members of these individuals;
- Enterprises due to the above-mentioned individuals directly or indirectly hold an important part of the voting rights or have significant influence on these enterprises.

In considering the relationship of related parties to serve for the preparation and presentation of financial statements, the Company should consider the nature of the relationship rather than the legal form of the relationship.

2.25 . Earnings per share

Basic earnings per share are calculated by dividing profit or loss after tax distributing to common shareholders (after adjusting for setting up to Bonus and welfare fund) by average number of outstanding common shares in circulation in the year.

2.26 . Segment information

A segment is a component can be determined separately by the Company engaged in providing products or services related (parts divided by operating activities), or providing products or services within a particular economic environment (parts are divided by geographic area). Each is subject to risks and benefits different from other parts.

Segment information is prepared and presented in accordance with accounting policies applicable to the preparation and presentation of financial statements of the Company aims to help users of financial statements to understand and evaluate the situation the operations of the company in a comprehensive way.

3 . CASH AND CASH EQUIVALENTS

	<u>31/12/2018</u>	<u>01/01/2018</u>
	VND	VND
Cash on hand	1,202,940,945	1,421,412,309
Cash at bank	32,769,339,460	39,726,575,102
Cash equivalents (*)	5,000,000,000	10,000,000,000
	<u>38,972,280,405</u>	<u>51,147,987,411</u>

(*) As at 31/12/2018, cash equivalents are one-month term deposits valued at VND 5,000,000,000 are deposited in JSC Bank for Investment and Development of Vietnam - Nam Binh Duong Branch with interest of 4.1%/year.

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CONSTRUCTION INVESTMENT CORPORATION 3-2

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

Financial Statements

For the fiscal year ended as at 31/12/2018

4 . FINANCIAL INVESTMENT
a) Held to maturity investments

	31/12/2018		01/01/2018	
	Original Cost	Book value	Original Cost	Book value
	VND	VND	VND	VND
Short-term investments				
- Term deposits (*)	98,468,222,182	98,468,222,182	96,647,486,557	96,647,486,557
Long-term investments				
- Bonds (**)	4,500,000,000	4,500,000,000		
	<u>102,968,222,182</u>	<u>102,968,222,182</u>	<u>96,647,486,557</u>	<u>96,647,486,557</u>

(*) At 31/12/2018, term deposits 12 months are deposited in commercial banks with interests from 6.4%/year.

At 31/12/2018, the term deposits valued at VND 93.886 billion was used as collateral for the overdrafts from JSC Bank for Investment and Development of Vietnam - Nam Binh Duong Branch (Details at Note No.17)

(**) Bonds issued by JSC Bank for Investment and Development of VietNam - Nam Binh Duong Branch, including 252 bonds with term of 7 years: VND 2,520,000,000 and 198 bonds with term of 10 years: VND 1,980,000,000.

b) Equity investments in other entities

	Stock Code	31/12/2018			01/01/2018		
		Original cost	Fair value	Provision	Original cost	Fair value	Provision
		VND	VND	VND	VND	VND	VND
Investments in joint ventures and associates		91,233,200,663	35,821,800,000	(37,432,208)	89,067,963,688	35,881,492,500	-
- Thu Duc-Long An Centrifugal Concrete JSC		55,373,968,455	-	-	55,373,968,455	-	-
- Mien Dong Joint Stock Company (*)	MDG	35,859,232,208	35,821,800,000	(37,432,208)	33,693,995,233	35,881,492,500	-
Investments in other entities		30,365,020,282	40,657,052,000	-	30,365,020,282	44,561,206,000	-
- Binh Duong Consultant & General Construction JSC		200,887,800	-	-	200,887,800	-	-
- Hoa An Joint Stock Company	DHA	30,164,132,482	40,657,052,000	-	30,164,132,482	44,561,206,000	-
		<u>121,598,220,945</u>	<u>76,478,852,000</u>	<u>(37,432,208)</u>	<u>119,432,983,970</u>	<u>80,442,698,500</u>	<u>-</u>

CONSTRUCTION INVESTMENT CORPORATION 3-2

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

Financial Statements

For the fiscal year ended as at 31/12/2018

The fair value of the investment in Mien Dong Joint Stock Company and Hoa An Joint Stock Company is determined based on the closing price at 31/12/2018 of Ho Chi Minh City Stock Exchange.

Investments in Thu Duc - Long An Centrifugal Concrete Joint Stock Company and Binh Duong Consultant Construction Joint Stock, Company have not determined the fair value of these financial investments by the Accounting Standards Vietnam has no detailed guidance on the valuation of Vietnamese enterprises.

(*) The reason to change the balance of investments in Mien Dong Corporation as follows:

- In the period, the Company acquired an additional 413,000 shares, equivalent to value of VND 4,130,000,000, the cost of this additional investment is VND 5,286,400,000;
- Adjusted reduction of cost investments in Mien Dong Corporation VND 3,121,163,025 because of dividends received by 2017, before the Company invested in this company.

Details of investments in associates companies of the Company on 31/12/2018 as follow:

Name of Company	Place of establishment and operation	Rate of interest	Rate of voting rights	Principle activities
- Thu Duc-Long An Centrifugal Concrete JSC	Long An Province	24.16%	24.16%	Production, doing business other concrete components
- Mien Dong Joint Stock Company	Dong Nai Province	28.91%	28.91%	Mining Minerals, Construction

Detail information on the Corporation's Investments in other entities as at 31/12/2018 as follows:

Name of Company	Place of establishment and operation	Rate of interest	Rate of voting rights	Principle activities
- Binh Duong Consultant & General Construction JSC	Binh Duong Province	3.91%	3.91%	Management consultant, professional design
- Hoa An Joint Stock Company	Dong Nai Province	8.94%	8.94%	Mining Minerals, Construction

5 . SHORT- TERM TRADE RECEIVABLES

	31/12/2018		01/01/2018	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Trade receivables detailed by large account balances			-	-
- Construction Investment Joint Stock Company No.14	3,987,609,955	-	6,759,426,459	-
- Project Management Board of Dau Tieng District	8,010,167,547	-	6,798,320,587	-
- Thu Duc Centrifugal Concrete JSC No. 1	4,348,685,450	-	4,883,209,328	-
- Project Management Board of Bau Bang District	10,107,316,000	-	-	-
- Hai Dang JSC	4,999,861,979	-	4,939,385,992	-
- Others	46,742,384,137	(872,381,189)	33,837,017,294	(791,762,798)
	78,196,025,068	(872,381,189)	57,217,359,660	(791,762,798)

6 . SHORT-TERM PREPAYMENTS TO SUPPLIERS

	31/12/2018		01/01/2018	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Mr. Tran Huu Nghia (*)	30,725,000,000	(15,362,500,000)	30,725,000,000	-
Phuc Tai Co-operative	-	-	8,723,052,669	-
Phu Dong Phat Commerce Construction Design Co., Ltd	3,795,296,583	-	-	-
PRINZING-PFEIFFER GMBH	2,700,000,000	-	-	-
Others	12,454,635,398	-	4,624,388,268	-
	49,674,931,981	(15,362,500,000)	44,072,440,937	-

(*) Prepayments to perform economic transaction between Mr. Tran Huu Nghia and Construction Investment Corporation 3-2 according to Contract dated 29/05/2017 and Appendix dated 31/12/2018. Progress of performing responsibilities in contract article depends on progress of the above-mentioned resolution of the People's Court of Long An Province because Mr Tran Huu Nghia has litigation with other party. Currently, the Court is accepting and has not had decision on this matter.

7 . OTHER SHORT-TERM RECEIVABLES

	31/12/2018		01/01/2018	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
- Advance (*)	35,710,597,993	-	53,002,608,212	-
- Mortgages	13,288,450,977	-	6,005,765,454	-
- Receivable from entrust investment contract (**)	45,740,710,067	-	-	-
- Receivable from social insurance	3,952,875	-	-	-
- Accrued interests	3,616,059,268	-	3,544,615,482	-
- Receivable from personal income tax	-	-	23,095,150	-
- Others	23,363,802	-	17,360,180	-
	98,383,134,982	-	62,593,444,478	-

(*) The advances balance as at 31/12/2018 including the advance of individual with the amount of VND 9.8 billion for the purpose of expanding the Company's business exploitation activities, based on Resolution No. 04/NQ-HDQT dated 03/09/2010.

(**) In the period, Construction Investment Corporation 3-2 (Party A) and Mr. Le Ngoc De (Party B) signed contracts for securities investment trusts No. 04A/4/HD dated 20/04/2018. Accordingly, Party A agrees to transfer capital to Party B's account to implement investment trust on the demand of Party B and Party A approves that the limitation is not to exceed VND 100 billion, the duration of the contract investment cooperation is 01 year, profits from investment cooperation will be divided periodically once per 6 months by document unification. As at 31/12/2018, the amount of investment trusts of Party A under the contract signed between the two parties was 45.080 billion, the value of the shares portfolio as at 31/12/2018 listed with the amount of 41.595 billion dong is blockaded by Vietnam Yuanta Securities JSC to secure the investment trust.

8 . BAD DEBTS

	31/12/2018		01/01/2018	
	Value	Recoverable value	Value	Recoverable value
	VND	VND	VND	VND
Total value of receivables, overdue debts or not due but irrecoverable debts				
+ Mr. Tran Huu Nghia	30,725,000,000	15,362,500,000	-	-
+ Quang Phuoc Co., Ltd	264,782,117	-	264,782,117	-
+ Xuan Loan Enterprise	200,366,498	-	-	-
+ Others	499,186,006	91,953,432	567,030,073	40,049,392
	31,689,334,621	15,454,453,432	831,812,190	40,049,392

9 . INVENTORY

	31/12/2018		01/01/2018	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Raw material	14,059,350,191	(22,363,264)	12,496,664,835	(22,667,393)
Tools, supplies	505,359,795	-	497,723,431	-
Work in process (*)	9,858,718,145	-	31,222,333,312	-
Finished goods	33,534,837,516	(230,890,361)	38,122,621,784	(184,346,269)
Merchandise	1,971,592,142	-	-	-
	59,929,857,789	(253,253,625)	82,339,343,362	(207,013,662)

(*) Detail of work in process

	31/12/2018	01/01/2018
	VND	VND
Work in process of manufacturing	869,216,378	6,434,518,934
<i>Work in process of construction works</i>	8,989,501,767	24,787,814,378
+ <i>Project of Training center for cadres in finance sector in Ho Chi Minh City</i>	5,293,733,494	9,058,408,907
+ <i>Project Road 8B - Protrade International Industrial Park</i>	-	6,652,122,797
+ <i>Minh Hoa Secondary School construction</i>	-	1,951,083,479
+ <i>Tan Dong Hiep Secondary School construction</i>	1,459,136,332	-
+ <i>Others</i>	2,236,631,941	7,126,199,195
	9,858,718,145	31,222,333,312

10 . CONSTRUCTION IN PROGRESS

	31/12/2018	01/01/2018
	VND	VND
- Thanh Phuoc Concrete factory - Phase 2 ⁽¹⁾	7,183,192,757	6,590,611,880
- Cost transferred land use rights ⁽²⁾	7,450,513,026	-
- Others	3,238,788,515	44,135,525
	<u>17,872,494,298</u>	<u>6,634,747,405</u>

(1) The project of "Factory for production of precast concrete culvert and adobe bricks" located at Thanh Phuoc Ward, Tan Uyen Commune, Binh Duong Province, which was approved by the Corporation's Board of Management under Resolution No. 13/NQ-HDQT dated 13 August 2016. According to Decision No. 804/QD-UBND dated 11 April 2016, Binh Duong People's Committee has approved the investment plan of the Company. Detailed information of the project as follows:

- + Investor: Construction Investment Corporation 3-2;
- + Purpose: Production adobe brick, concrete culverts, terrazzo brick, interlocking concrete brick and concrete brick;
- + Total capital: VND 151.788 billion;
- + Maximum capacity of project: Concrete culverts of 50,000 unit/year; other concrete components of 2,200 m3/year; adobe brick of 18.5 billion unit/year;
- + Maturity of project: 50 years. Phase 1 of the project has been put into operation in the quarter IV of 2017, phase 2 is expected to be put into operation in 2019.

(2) The project of "Office for construction factory in Binh Phu Quarter, Binh Chuan Ward and Binh Chuan 1 Quarter, Thuan Giao Ward, Thuan An Commune, Binh Duong Province with Decision No.69/QD-CTY dated 31/07/2018. Some information related to the project as follows:

- + Investor: Construction Investment Corporation 3-2;
- + Area: 2,052.3 m2;
- + The purpose of the project: Construction for office of Construction factory;
- + Total capital: VND 13,250,000,000;
- + Maturity of project: Completed expectedly by the end of 2019.

11 . TANGIBLE FIXED ASSETS

	Buildings	Machinery, equipment	Transportation equipment	Management equipment	Total
	VND	VND	VND	VND	VND
Original cost					
Beginning balance	44,579,072,070	108,702,748,634	49,235,445,280	1,362,075,816	203,879,341,800
- Purchase in the year	-	3,087,471,218	3,187,910,370	100,900,000	6,376,281,588
- Finished construction investment	11,408,009,658	522,149,711	-	-	11,930,159,369
- Reclassification	-	140,000,000	(140,000,000)	-	-
- Transferred to investment property	(3,373,745,556)	-	-	-	(3,373,745,556)
- Liquidating, disposal	-	(319,677,636)	(3,025,955,203)	-	(3,345,632,839)
Ending balance	52,613,336,172	112,132,691,927	49,257,400,447	1,462,975,816	215,466,404,362
Accumulated depreciat					
Beginning balance	12,757,011,505	49,915,827,063	22,972,721,734	1,108,750,848	86,754,311,150
- Depreciation in the year	3,727,091,249	9,023,266,559	5,810,591,105	128,831,347	18,689,780,260
- Transferred to investment property	(1,419,354,621)	-	-	-	(1,419,354,621)
- Liquidating, disposal	-	(225,177,609)	(2,438,640,410)	-	(2,663,818,019)
Ending balance	15,064,748,133	58,713,916,013	26,344,672,429	1,237,582,195	101,360,918,770
Net carrying amount					
Beginning balance	31,822,060,565	58,786,921,571	26,262,723,546	253,324,968	117,125,030,650
Ending balance	37,548,588,039	53,418,775,914	22,912,728,018	225,393,621	114,105,485,592

Of which:

- Cost of fully depreciated tangible fixed assets but still in use at the end of the period: VND 75,771,864,341.

12 . INTANGIBLE FIXED ASSETS

	Land use rights	Computer software	Total
	VND	VND	VND
Original cost			
Beginning balance	78,581,967,427	620,920,000	79,202,887,427
- Purchase in the period	-	212,000,000	212,000,000
Ending balance	78,581,967,427	832,920,000	79,414,887,427
Accumulated depreciation			
Beginning balance	34,905,620,789	484,522,550	35,390,143,339
- Depreciation in the period	1,079,346,204	142,603,130	1,221,949,334
Ending balance	35,984,966,993	627,125,680	36,612,092,673
Net carrying amount			
Beginning balance	43,676,346,638	136,397,450	43,812,744,088
Ending balance	42,597,000,434	205,794,320	42,802,794,754

- Ending net book value of intangible fixed assets pledged as loan securities: VND 16,261,466,212.

13 . INVESTMENT PROPERTIES

As at 31/12/2018, Investment properties are An Phu Nursery School and kios at Nguyen Van Tiet Residential area, which being used for lease, the historical cost and accumulated depreciation is VND 8,331,392,116 and VND 2,391,927,299 respectively.

14 . LONG-TERM PREPAID EXPENSES

	31/12/2018	01/01/2018
	VND	VND
- Tools and consumables awaiting for allocation	4,633,126,033	3,997,932,869
- Repairing garage and warehouse of installation and construction factory	-	189,495,727
- The leased land use right at Thanh Phuoc Ward (*)	48,643,232,491	49,669,100,311
- + Cost of transferred land use right	42,708,824,371	43,609,537,711
- + Land rents in lump-sum for the entire lease term	5,934,408,120	6,059,562,600
- Land rents in lump-sum for the entire lease term	6,629,962,814	5,578,252,468
- Cost of repairing assets	1,421,839,878	795,476,740
- Cost of authorization of mining	3,696,430,948	-
- Cost of mining	1,563,124,629	-
	66,587,716,793	60,230,258,115

(*) The value of land use right for performing project Thanh Phuoc Concrete Factory, the transferred land with area of 45,161.7 m2 located at Thanh Phuoc Ward, Tan Uyen Commune, Binh Duong Province according to the Certificated of land use right No. CD 621056 dated 15 July 2016. In which, the value of VND 45.161 billion including transfer value and value of land rents in lump-sum is VND 6.216 billion, land use term to 03 June 2066 approved to Decision No. 2583/QD-UBND dated 30 September 2016 issued by Binh Duong People's Committee, approved Construction Investment Corporation 3-2 changed from land lease with annual land rental payment to land lease with full one-off land rental payment for the entire lease term.

At 31/12/2018, the value of land use rights are used as collateral for long-term loans at Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Branch (see detail in Note No.17).

15 . SHORT-TERM TRADE PAYABLES

	31/12/2018		01/01/2018	
	Outstanding	Amount can	Outstanding	Amount can
	balance	be paid	balance	be paid
	VND	VND	VND	VND
Trade payables detailed by large account balances				
Anh Khoa Mineral Joint Stock Company - Gia Lai Branch	1,114,781,000	1,114,781,000	1,651,415,565	1,651,415,565
Hoang Hung Trading & Services Transport One member Co.,Ltd	-	-	1,571,829,280	1,571,829,280
Phuoc Tien Construction Investment Joint Stock Company	4,019,612,036	4,019,612,036	-	-
Viet Nam Steel Commerce and Production Co., Ltd	2,849,757,305	2,849,757,305	-	-
Others	18,998,162,996	18,998,162,996	21,603,750,855	21,603,750,855
	26,982,313,337	26,982,313,337	24,826,995,700	24,826,995,700

16 . LOANS

	01/01/2018		During the year		31/12/2018	
	Outstanding balance	Amount can be paid	Increase	Decrease	Outstanding balance	Amount can be paid
	VND	VND	VND	VND	VND	VND
a) Short-term loan						
- Bank for Investment and Development of Vietnam JSC - Nam Binh Duong Branch - Overdrafts	24,739,853,787	24,739,853,787	63,539,853,787	88,279,707,574	-	-
- Bank for Investment and Development of Vietnam JSC - Nam Binh Duong Branch ⁽¹⁾	114,877,742,071	114,877,742,071	334,063,597,271	334,888,212,539	114,053,126,803	114,053,126,803
- Current portion of long-term loans Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Branch ⁽²⁾	7,103,760,000	7,103,760,000	8,378,098,000	7,201,786,000	8,280,072,000	8,280,072,000
	146,721,355,858	146,721,355,858	405,981,549,058	430,369,706,113	122,333,198,803	122,333,198,803
b) Long-term loan						
- Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Branch ⁽²⁾	47,098,008,000	47,098,008,000	11,370,990,000	8,378,098,000	50,090,900,000	50,090,900,000
	47,098,008,000	47,098,008,000	11,370,990,000	8,378,098,000	50,090,900,000	50,090,900,000
Amounts come due within 12 months	(7,103,760,000)	(7,103,760,000)	(8,378,098,000)	(7,201,786,000)	(8,280,072,000)	(8,280,072,000)
Amounts come due after 12 months	39,994,248,000	39,994,248,000			41,810,828,000	41,810,828,000

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Detail information on short-term loans:

(1) Credit Contract No. 042/2017/87982/HD dated on 21 April 2017 under the following term are as follows:

- Credit line: VND 400 billion;
- Loan purpose: Working capital supplement;
- Loan term: 12 months;
- Interest rate: Varied among debt receipts;
- Method of security: The balance of term deposits VND 13 billion under Mortgage Contract and mortgaged land use right No.AP934448 in Long Nguyen Commune, Bau Bang District, Binh Duong Province, according to Mortgage contracts No.0154/2016/87982/HDBD, the value of asset mortgaged VND 22.7 billion;
- Principal balance as at 31/12/2018 is VND 114,053,126,803.

Detail information on long-term loans:

(2) The balance as at 30/06/2018 includes the following credit contract:

(2.1) Credit Contract No. 16.52.077/2016-HDTD/NHCT640-CTCP DAU TU XAY DUNG 3-2 dated 20 June 2016 under the following terms are as follows:

- Credit line: VND 8,000,000,000 ;
- Loan purpose: Investing 6 trucks for operation business;
- Maturity: 60 months;
- Interest rate: 8%/year for the first year, 10,5%/year for the subsequent years;
- Method of security: Mortgaged land use right No.T313585 according mortgage contracts No.09610202/HDTC dated 30 December 2009; the value of asset mortgaged under Memorandum of revaluation No. 02/BBDGL dated 19 December 2016 is VND 21,079,000,000;
- The principal balance as at 31/12/2018 is VND 4,010,000,000; amount come due within 12 months is VND 1,596,000,000.

(2.2) Credit Contract No. 16.51.0160/2016-HDTD/NHCT640-CTCP DAU TU XAY DUNG 3-2 dated 17 October 2016 under the following terms are as follows:

- Credit line: VND 1,698,000,000;
- Loan purpose: Investing 01 container and 01 truck;
- Maturity: 60 months;
- Interest rate: 7,5%/year for the first year, 10,5%/year for the subsequent years;
- Method of security: Mortgaged by assets as follows:
 - + Land use right No.T313585 according mortgage contracts No.09610202/HDTC dated 30 December 2009; the value of asset mortgaged under Memorandum of revaluation No. 02/BBDGL dated 19 December 2016 is VND 21,079,000,000;
 - + The balance of term deposits VND 3.5 billion under Mortgage Contract No. 16.51.0070/HDTC dated 06 April 2016, the balance of deposit worths VND 8 billions under Mortgage Contract No. 16.51.0151/HDTC dated 29/06/2016;
- The principal balance as at 31/12/2018 is VND 962,200,000, amounts come due to within 12 months is VND 339,600,000.

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(2.3) Credit Contract No. 16.51.0160/2016-HDTD/NHCT640-CTCP DAU TU XAY DUNG 3-2 dated 27 December 2016 under the following terms:

- Credit line: VND 8,362,000,000;
- Loan purpose: investing 2 trucks and 1 automatic welding machine;
- Maturity: 60 months;
- Interest rate: 7,5%/year for the first year, 10,5%/year for the subsequent years;
- Method of security: Mortgaged land use right No.T313585 according Mortgage Contracts No.09610202/HDTC dated 30 December 2009; the value of asset mortgaged under Memorandum of revaluation No. 02/BBDGL dated 19 December 2016 is VND 21,079,000,000;
- The principal balance as at 31/12/2018 is VND 5,017,120,000, amounts come due within 12 months is VND 1,672,440,000;

(2.4) Credit Contract No. 17.510090/2017-HDCVDADT/NHCT640-CTCP DAU TU XAY DUNG 3-2 dated 03 July 2017 under the following terms are as follows:

- Credit line: VND 91,305,000,000;
- Loan purpose: Payment for implementation costs of the investment project of the factory producing non-baked bricks and precast concrete slabs in Thanh Phuoc Ward, Tan Uyen Town, Binh Duong Province;
- Maturity: 120 months;
- Interest rate: 7.5% for the first year, the interest rate for the remaining years is equal to the interest rate of 12-month term deposit of VietinBank + 2.8%/year;
- Method of security: Mortgage land use rights and assets attached to land of the factory producing non-baked bricks and concrete slabs in Thanh Phuoc Ward, Tan Uyen Town, Binh Duong Province;
- The principal balance as at 31/12/2018 is VND 40,101,580,000; amounts come due within 12 months is VND 4,672,032,000.

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17 . SHORT-TERM PREPAYMENTS FROM CUSTOMERS

	31/12/2018	01/01/2018
	VND	VND
- Construcion Management Board of Bau Bang District	-	24,293,262,000
- Construcion Management Board of Thu Dau Mot City	15,793,512,000	-
- Others	6,410,888,688	7,893,136,938
	<u>22,204,400,688</u>	<u>32,186,398,938</u>

18 . TAX AND OTHER PAYABLES TO THE STATE BUDGET

	Tax receivable at beginning of year	Tax payable at beginning of year	Tax payable in the year	Tax paid in the year	Tax receivable end of the year	Tax payable end of the year
	VND	VND	VND	VND	VND	VND
Value added tax	-	2,842,260,961	27,770,697,409	28,571,555,888	-	2,041,402,482
Business income tax	-	6,758,336,733	22,697,238,871	24,569,511,177	-	4,886,064,427
Personal income tax	-	165,993,273	3,403,300,337	3,531,372,735	-	37,920,875
Natural resource tax	947,021,937	-	13,389,792,063	11,599,035,826	-	843,734,300
Property tax and land rental	-	-	1,195,275,100	1,195,275,100	-	-
Environmental protection tax	-	-	78,237,067	78,237,067	-	-
Fees and other obligations	-	11,284,514,097	8,312,249,871	8,449,238,919	-	11,147,525,049
	<u>947,021,937</u>	<u>21,051,105,064</u>	<u>76,846,790,718</u>	<u>77,994,226,712</u>	<u>-</u>	<u>18,956,647,133</u>

The Company's tax settlements are subject to examination by the tax authorities. Because the application of tax laws and regulations on many types of transactions is susceptible to varying interpretations, amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

19 . SHORT-TERM ACCRUED EXPENSES

	31/12/2018	01/01/2018
	VND	VND
- Construction works	16,747,206,585	7,278,497,534
- Stone quarry environment renovation	4,250,308,734	4,050,632,039
- Land rental	1,026,852,420	-
- Cost of supporting public at Tan Dong Hiep quarry	1,958,204,000	-
- Others	861,560,274	100,000,000
	24,844,132,013	11,429,129,573

20 . OTHER SHORT-TERM PAYABLES

	31/12/2018	01/01/2018
	VND	VND
- Funding of trade union	100,014,220	111,706,740
- Social insurance	-	14,083,133
- Dividends or profits payables	28,482,395	615,511,115
- Payables to construction teams and sub-contractors	9,088,381,410	6,796,421,832
- Remunerations for the Board of Management	-	1,374,000,000
- Interest	-	200,254,361
- Others	668,254,518	219,173,950
	9,885,132,543	9,331,151,131

21 . SHORT-TERM PROVISION FOR PAYABLES

	31/12/2018	01/01/2018
	VND	VND
- Provision for construction warranty	94,827,498	252,644,965
	94,827,498	252,644,965

22 . OWNER'S EQUITY

a) Changes in owner's equity

	Contributed legal capital	Share premium	Investment and development fund	Retained earnings	Total
	VND	VND	VND	VND	VND
Beginning balance of previous year	112,000,000,000	-	102,524,405,374	165,752,006,322	380,276,411,696
Profit of the year	-	-	-	91,653,298,035	91,653,298,035
Distributing to Investment and development fund	-	-	25,198,179,042	(25,198,179,042)	-
ESOP share issuing in 2017	2,240,000,000	2,190,000,000	-	-	4,430,000,000
Bonus share issuing in 2017	22,399,920,000	-	(22,399,920,000)	-	-
Paid dividends last year	-	-	-	(13,440,000,000)	(13,440,000,000)
Advance dividend from profit 2017	-	-	-	(16,396,790,400)	(16,396,790,400)
Distributing to Bonus and welfare fund	-	-	-	(4,666,329,452)	(4,666,329,452)
Distributing to Reward fund of management board	-	-	-	(1,866,531,781)	(1,866,531,781)
Ending balance of previous year	136,639,920,000	2,190,000,000	105,322,664,416	195,837,473,682	439,990,058,098
Beginning balance of current year	136,639,920,000	2,190,000,000	105,322,664,416	195,837,473,682	439,990,058,098
Profit of the year	-	-	-	92,446,286,949	92,446,286,949
Distributing to funds	-	-	24,746,390,469	(24,746,390,469)	-
Increase in capital (*)	13,661,530,000	-	-	(13,661,530,000)	-
Distributing to Bonus and welfare fund	-	-	-	(4,582,664,902)	(4,582,664,902)
Distributing to Reward fund of management board	-	-	-	(1,833,065,961)	(1,833,065,961)
2nd phase dividends distribution from profit 2017	-	-	-	(16,396,790,400)	(16,396,790,400)
Advance dividends from profit 2018 (**)	-	-	-	(18,036,174,000)	(18,036,174,000)
Ending balance of current year	150,301,450,000	2,190,000,000	130,069,054,885	209,027,144,899	491,587,649,784

(*) According to Resolution No. 01/NQ-DHDCD dated 25/04/2018 issued by the Annual General Meeting of the Shareholders 2018, the Company issued bonus shares to existing shareholders to increase charter capital as follows:

- + The amount of issuing shares: 1,366,153 shares equivalent to an increase in charter capital of VND 13,661,530,000.
- + Issuing purpose: issuing shares from Retained earnings to supplement working capital;
- + Issuing target: existing shareholders;
- + Complete date: 29/06/2018.

According to Resolution No 01/NQ-DHCD dated 26 April 2018 issued by General Meeting of shareholders, the Corporation announced its profit distribution of the year 2017 as follows:

	Rate (%)	Amount VND
2017 Profit after tax	100.00	195,837,473,682
Investment and development fund	12.64	24,746,390,469
Bonus and Welfare fund	2.34	4,582,664,902
Reward fund for the management board	0.94	1,833,065,961
Dividend payment of 24% charter capital		32,793,580,800
- <i>Advanced in the year 2017</i>		16,396,790,400
- <i>Paid in this year</i>	8.37	16,396,790,400
Increasing charter capital from undistributed profits	6.98	13,661,530,000
2017 Undistributed earnings	68.74	134,617,031,950

(**) The company will pay the first dividend in 2018 according to Resolution No. 23/NQ -DHCD dated 23/10/2018 of the Board of Management.

b) Details of owner's invested capital

	Rate (%)	31/12/2018 VND	Rate (%)	01/01/2018 VND
America LLC	6.82	10,243,370,000	6.77	9,251,160,000
PYN ELITE FUND (NON-UCITS)	7.33	11,018,480,000	5.41	7,396,800,000
PETER ERIC DENNIS	8.13	12,220,640,000	7.91	10,809,680,000
Others	77.72	116,818,960,000	79.91	109,182,280,000
	100.00	150,301,450,000	100.00	136,639,920,000

c) Capital transactions with owners and distribution of dividends and profits

	Year 2018 VND	Year 2017 VND
Owner's invested capital		
- <i>At the beginning of year</i>	136,639,920,000	112,000,000,000
- <i>Increase in the year</i>	13,661,530,000	24,639,920,000
- <i>At the closing of year</i>	150,301,450,000	136,639,920,000
Distributed dividends and profit		
- Dividends and profit payables at the beginning of the year	615,511,115	17,203,155
- Dividends and profit payables in the year	34,432,964,400	29,836,790,400
+ <i>Distributed dividends on previous year profit</i>	16,396,790,400	13,440,000,000
+ <i>Distributed dividends on current year profit</i>	18,036,174,000	16,396,790,400
- Distributed dividends paid by cash	35,019,993,120	29,238,482,440
+ <i>Distributed dividends on previous year profit</i>	16,396,790,400	29,238,482,440
+ <i>Distributed dividends on current year profit</i>	18,623,202,720	-
- Dividend payable at the end of the year	28,482,395	615,511,115

d) Stock	31/12/2018	01/01/2018
Quantity of Authorized issuing stocks	15,030,145	13,663,992
Quantity of issued stocks		
- Common stocks	15,030,145	13,663,992
Quantity of circulation stocks		
- Common stocks	15,030,145	13,663,992
Par value per stock (VND 10,000/ sotck)		
e) Company's funds	31/12/2018	01/01/2018
	VND	VND
Investment and development fund	130,069,054,885	105,322,664,416
	<u>130,069,054,885</u>	<u>105,322,664,416</u>

23 . OFF STATEMENT OF FINANCIAL POSITION ITEMS**a) Assets under operating lease**

The Company signed Land Rental Contracts in Tan Dong Hiep Ward, Di An District, Binh Duong Province with the purpose of making the factory. The area of land is 168,488 m². According to these contracts, the Company has to pay land rental fees manually until maturity by the current regulation of government.

b) Doubtful debts written-offs

	31/12/2018	01/01/2018
	VND	VND
- Van Hai Construction Co., Ltd	484,735,894	484,735,894
- Tien Phat Steel Construction Co., Ltd	660,504,913	660,504,913
- Others	1,149,413,384	1,149,413,384
	<u>2,294,654,191</u>	<u>2,294,654,191</u>

24 . TOTAL REVENUE FROM SALE OF GOODS AND RENDERING OF SERVICES

	Year 2018	Year 2017
	VND	VND
Revenue from sale of finished goods	476,806,561,852	370,527,734,260
Revenue from sale of goods	70,159,001,218	76,459,172,892
Revenue from services rendered	2,343,437,245	3,808,216,412
Revenue from business in property	938,953,017	746,254,533
Revenue from construction contracts	172,085,384,259	108,562,263,755
- Revenue from Construction contract recognized in the year.	172,085,384,259	108,562,263,755
- Accumulated revenue from construction contract recognized up to the reporting time.	449,814,440,355	421,162,410,816
	<u>722,333,337,591</u>	<u>560,103,641,852</u>

25 . REVENUE DEDUCTIONS

	Year 2018	Year 2017
	VND	VND
Sales returns	-	357,632,000
	<u>-</u>	<u>357,632,000</u>

26 . COSTS OF GOODS SOLD

	Year 2018	Year 2017
	VND	VND
Cost of finished goods sold	320,052,607,883	230,364,415,862
Cost of goods sold	64,869,852,527	71,698,578,519
Cost of services rendered	2,656,526,001	3,725,483,570
Cost of business in property	433,615,525	482,158,725
Cost of construction activities	164,511,122,311	112,464,139,992
Provision against devaluation of inventories	-	3,093,028
	552,523,724,247	418,737,869,696

27 . FINANCIAL INCOME

	Year 2018	Year 2017
	VND	VND
Interest income, interest from loans	6,765,039,248	8,709,145,400
Gain from investment of bonds, bills and treasury bills	-	482,661,670
Dividends, profits earned	4,925,908,716	2,551,840,000
Others	-	3,040,783
	11,690,947,964	11,746,687,853

28 . FINANCIAL EXPENSES

	Year 2018	Year 2017
	VND	VND
Interest expenses	7,934,858,980	6,514,592,185
Payment discount, interest from installment sales	-	11,868,032
Loss from sale of foreign currencies	13,934,213	-
Unrealized loss from foreign exchange difference	37,432,208	-
	7,986,225,401	6,526,460,217

29 . SELLING EXPENSES

	Year 2018	Year 2017
	VND	VND
Labor	1,371,492,573	786,407,474
Expenses from external services	22,456,817,812	14,560,030,239
	23,828,310,385	15,346,437,713

30 . ADMINISTRATIVE EXPENSES

	Year 2018	Year 2017
	VND	VND
Raw materials	341,685,315	410,783,814
Labor	13,380,862,409	10,433,148,520
Depreciation expenses	1,128,974,667	944,721,096
Provisions expenses	15,443,118,391	274,552,506
Taxes, fees and charges	36,562,645	17,000,000
Expenses from external services	1,780,623,048	1,569,241,143
Other expenses by cash	3,504,381,172	3,578,234,932
	35,616,207,647	17,227,682,011

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31 . OTHER INCOME

	Year 2018	Year 2017
	VND	VND
Income from fixed assets liquidating	214,685,180	-
Leasing land and buildings -Nguyen Van Tiet Residential area	77,037,637	186,949,534
Gain from doubtful debts written-offs	88,854,760	319,983,745
Gain from contract violation	63,035,901	207,618,280
Reversal of warranty expenses	-	74,845,128
Other income	817,448,719	372,284,665
	1,261,062,197	1,161,681,352

32 . OTHER EXPENSE

	Year 2018	Year 2017
	VND	VND
Fines	140,213,138	139,324,611
Others	47,141,114	1,150,552
	187,354,252	140,475,163

33 . CURRENT CORPORATE INCOME TAX EXPENSES

	Year 2018	Year 2017
	VND	VND
<i>Corporate income tax from main business activity</i>		
Total profit before tax	114,638,188,328	114,640,007,117
Increase	3,268,577,251	724,521,808
Decrease	(4,925,908,716)	(2,551,840,000)
Taxable income	112,980,856,863	112,812,688,925
Current corporate income tax expense	22,596,171,373	22,562,537,785
Adjustment of tax expenses in previous years and tax expenses in the current year	-	452,529,009
Tax payable at the beginning of year	6,758,336,733	7,312,727,893
Tax paid in the year	(24,468,443,679)	(23,569,457,954)
Corporate income tax payable at the end of the year from main business activities	4,886,064,427	6,758,336,733
<i>Corporate income tax from properties business activity</i>		
Total profit from properties business activity	505,337,492	35,447,140
Taxable income	505,337,492	35,447,140
Current corporate income tax expense	101,067,498	7,089,428
Tax payable at the beginning of year of real estate business	-	-
Tax paid in the year of real estate business	(101,067,498)	(7,089,428)
Corporate income tax payable end of the year from properties business activity	-	-
Total current corporate income tax expense	22,697,238,871	22,569,627,213
Corporate income tax payable at the end of the year	4,886,064,427	6,758,336,733

34 . DEFERRED INCOME TAX

	31/12/2018	01/01/2018
	VND	VND
- Corporate income tax rate used to determine the value of deferred income tax assets	20%	20%
- Deferred income tax assets related to deductible temporary differences	2,173,818,546	2,173,818,546
Deferred income tax assets	2,173,818,546	2,173,818,546

35 . BASIC EARNINGS PER SHARE

Basic earnings per share distributed to common shareholders of the company are calculated as follows:

	Year 2018	Year 2017
	VND	VND
Profit after tax	92,446,286,949	91,653,298,035
Profit distributed for common shares	92,446,286,949	91,653,298,035
Average circulated common shares in the year	15,030,145	14,919,376
Basic earnings per share	6,151	6,143

The Company has not planned to make any distribution to Bonus and Welfare fund from the net profit after tax for the fiscal year ended as at 31/12/2018.

Basic earnings per share have been adjusted retroactively as defined in Vietnamese Accounting Standards No. 30 – Basic earnings per share.

36 . BUSINESS AND PRODUCTIONS COST BY ITEMS

	Year 2018	Year 2017
	VND	VND
Raw materials	243,265,797,866	150,878,706,917
Labour	71,690,339,478	64,077,897,944
Depreciation expenses	20,345,345,119	13,780,362,305
Expenses from external services	121,755,273,067	111,711,981,128
Other expenses by cash	66,061,826,929	63,287,592,502
	523,118,582,459	403,736,540,796

37 . FINANCIAL INSTRUMENTS

The types of financial instruments of the Company

	Carrying amount			
	31/12/2018		01/01/2018	
	Original Cost	Provision	Original Cost	Provision
	VND	VND	VND	VND
Financial Assets				
Cash and cash equivalents	38,972,280,405	-	51,147,987,411	-
Trade and other receivables Lending	176,579,160,050	(872,381,189)	119,810,804,138	(791,762,798)
Lending	102,968,222,182	-	96,647,486,557	-
Long term investments	30,164,132,482	-	30,164,132,482	-
	348,683,795,119	(872,381,189)	297,770,410,588	(791,762,798)

	Carrying amount	
	31/12/2018	01/01/2018
	VND	VND
Financial Liabilities		
Loans and debts	164,144,026,803	186,715,603,858
Trade and other payables	36,867,445,880	34,158,146,831
Accrued expenses	24,844,132,013	11,429,129,573
	225,855,604,696	232,302,880,262

The Company does not assess fair value of financial assets and financial liabilities at the year ended because Circular No. 210/2009/TT-BTC and prevailing statutory regulations require to present Financial Statements and additional note for financial instruments but do not provide any relevant instructions for assessment and recognition of fair value of financial assets and liabilities, excluding provisions for bad debts and provision for devaluation of securities investments which are presented in relevant notes.

Financial risk management

The Company's financial risks including market risk, credit risk and liquidity risk. The Company has developed its control system to ensure the reasonable balance between cost of incurred risks and cost of risk management. The Board of Directors of the Company is responsible for monitoring the risk management process to ensure the appropriate balance between risk and risk control.

Market risk

The Company's business operations will bear the risks of changes on prices, exchange rates and interest rates.

Price Risk

The Company bears price risk of equity instruments from short-term and long-term security investments due to uncertainty on future prices of the securities. Long-term securities are held for long-term strategies, at the end of the fiscal year, the Company has no plans to sell these investments.

	Under 1 year	From 1 to 5 years	From more than 5 years	Total
	VND	VND	VND	VND
As at 31/12/2018				
Long-term investments	-	30,164,132,482	-	30,164,132,482
	-	30,164,132,482	-	30,164,132,482
As at 31/12/2018				
Long-term investments	-	30,164,132,482	-	30,164,132,482
	-	30,164,132,482	-	30,164,132,482

Interest rate risk

The Company bears the risk of interest rates due to fluctuation in fair value of future cash flow of a financial instrument according to changes in market interest rates if the Company has time or demand deposits, loans and debts subject to floating interest rates. The Company manages interest rate risk by analyzing the market competition situation to obtain any interest profitable for its operation purpose.



Credit Risk

Credit risk is risk in which the potential loss may be incurred if a counterpart fails to perform its obligations under contractual terms or financial instruments. The Company has credit risk from operating activities (mainly for trade receivables) and financial activities (including bank deposits, loans and other financial instruments), detailed as follows:

	Under 1 year	From 1 to 5 years	From more than 5 years	Total
	VND	VND	VND	VND
As at 31/12/2018				
Cash and cash equivalents	38,972,280,405	-	-	38,972,280,405
Trade and other receivables	175,706,778,861	-	-	175,706,778,861
Lending	98,468,222,182	4,500,000,000	-	102,968,222,182
Long-term investments	-	30,164,132,482	-	30,164,132,482
	313,147,281,448	34,664,132,482	-	347,811,413,930
As at 01/01/2018				
Cash and cash equivalents	51,147,987,411	-	-	51,147,987,411
Trade and other receivables	119,019,041,340	-	-	119,019,041,340
Lending	96,647,486,557	-	-	96,647,486,557
Long-term investments	-	30,164,132,482	-	30,164,132,482
	266,814,515,308	30,164,132,482	-	296,978,647,790

Liquidity Risk

Liquidity risk is the risk in which the Company has trouble in settlement of its financial obligations due to lack of funds. Liquidity risk of the Company is mainly from different maturity of its financial assets and liabilities.

Due date for payment of financial liabilities based on expected payment under the contracts (based on cash flow of the original debts) as follows:

	Under 1 year	From 1 to 5 years	From more than 5 years	Total
	VND	VND	VND	VND
As at 31/12/2018				
Loans and borrowings	122,333,198,803	41,810,828,000	-	164,144,026,803
Trade and other payables	36,867,445,880	-	-	36,867,445,880
Accrued expenses	24,844,132,013	-	-	24,844,132,013
Total	184,044,776,696	41,810,828,000	-	225,855,604,696
As at 01/01/2018				
Loans and borrowings	146,721,355,858	39,994,248,000	-	186,715,603,858
Trade and other payables	34,158,146,831	-	-	34,158,146,831
Accrued expenses	11,429,129,573	-	-	11,429,129,573
Total	192,308,632,262	39,994,248,000	-	232,302,880,262

The Company believes that risk level of loan repayment is low. The Company has the ability to pay debts matured from cash flows from its operating activities and cash received from matured financial assets.

38 . OTHER INFORMATION

The Corporation has been operating on mineral mining field (stone). According to Article No. 77 of Mineral Law No. 60/2010/QH12 dated 17 November 2010 and Decree No. 203/ND-CP dated 28 November 2013 by Government, the Corporation have to pay a fee for the grant of the mining right under Notice on payment for charge for granting the mineral mining right issued by Tax Department.

From the year 2013, the Corporation has recorded the charge for granting the mineral mining right since the Mineral Law 2010 took effect, The value of the charge for granting the mineral mining right has recorded as follows:

The charge for granting the mineral mining right	Value	Value already paid	Value payable as at 31/12/2018
	VND	VND	VND
Year 2013	10,869,092,730	-	10,869,092,730 (*)
Year 2014	3,221,030,340	(3,221,030,340)	-
Year 2015	7,986,260,880	(7,986,260,880)	-
Year 2016	13,682,990,880	(13,682,990,880)	-
Year 2018	4,928,574,600	(4,928,574,600)	- (**)
Total	22,076,383,950	(11,207,291,220)	10,869,092,730

(*) The charge recorded from 2011 (the time that Mineral Law took effect) to 2013. According to the Decision No 2370/QĐ-UBND dated 18 September 2015, Binh Duong People's Committee approved the charge for granting the mineral mining right for exploitation level down to cote -100m, the Corporation has not temporarily paid for this charge until receiving official announcement on payment from competent state management agencies.

(**) The charge for granting the mineral mining right according to the Decision No 2455/QĐ-UBND dated 04/09/2018, Binh Duong People's Committee approved the charge for granting the mineral mining right for exploitation level down to cote -150m, the reserves to calculate charge for granting the mineral mining right is 1,216,932 m3.

39 . EVENTS AFTER THE REPORTING FISCAL YEAR

There have been no significant events occurring after the reporting yearperiod, which would require adjustments or disclosures to be made in the Financial statements.

40 . SEGMENT REPORTING

Under business fields:

	Construction	Production	Others	Total
	VND	VND	VND	VND
Net revenue from sales to external customers	172,085,384,259	476,806,561,852	73,441,391,480	722,333,337,591
Gross profit from business activity	7,574,261,948	156,753,953,969	5,481,397,427	169,809,613,344
The total cost to acquire fixed assets	-	29,756,187,850	133,812,928	29,890,000,778
Segment assets	186,461,830,019	516,640,181,097	79,576,870,014	782,678,881,130
Total assets	186,461,830,019	516,640,181,097	79,576,870,014	782,678,881,130
Segment liabilities	69,348,241,032	192,147,035,143	29,595,955,171	291,091,231,346
Total liabilities	69,348,241,032	192,147,035,143	29,595,955,171	291,091,231,346

Under geographical areas:

The entire activities of the Corporation are taken place in Vietnam so that the segment reporting under geographical areas was not prepared.



41 . TRANSACTION WITH RELATED PARTIES

In the fiscal year, the Company has the transactions and balances with related parties as follows:

	Relation	Year 2018	Year 2017
		VND	VND
Mien Dong Joint Stock Company	Associate		
- Revenues from sales of goods		58,166,223	-
- Liquidating, disposal		940,000,000	-
- Purchase of goods		1,954,279,132	-
- Dividends and profits earned		3,858,225,000	-
- Capital contribution		5,294,329,600	33,693,995,233

Outstanding balance up to the reporting date as follows:

	Relation	Year 2018	Year 2017
		VND	VND
Mien Dong Joint Stock Company	Associate		
- Short-term trade receivables		805,459,945	-
- Short-term trade payables		85,371,917	569,993

Transactions with other related parties:

	Year 2018	Year 2017
	VND	VND
Remuneration to General Directors	1,962,197,698	1,919,194,664
- Remuneration to members of The Board of Management and other managers	3,300,539,103	3,986,179,118

42 . COMPARATIVE FIGURES

The comparative figures are figures in the Financial Statements for the fiscal year ended as at 31 December 2017, which was audited by AASC Auditing Firm Company Limited.

Preparer



Do Viet Cuong

Chief Accountant



Nguyen Xuan Hieu

Binh Duong, 25 January 2019

Chief Accountant



Vo Van Lanh

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