



**CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS**  
FOR THE FIRST 6 MONTHS  
OF THE FISCAL YEAR ENDING 31 DECEMBER 2020

**CIC39 CORPORATION**

## CONTENTS

	Page
1. Contents	1
2. Statement of the Board of Directors	2 - 5
3. Report on the Review of Consolidated Interim Financial Information	6
4. Consolidated Interim Balance Sheet as of 30 June 2020	7 - 10
5. Consolidated Interim Income Statement for the first 06 months of the fiscal year ending 31 December 2020	11
6. Consolidated Interim Cash Flow Statement for the first 06 months of the fiscal year ending 31 December 2020	12 - 13
7. Notes to the Consolidated Interim Financial Statements for the first 06 months of the fiscal year ending 31 December 2020	14 - 42
8. Appendices	43 - 46

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**STATEMENT OF THE BOARD OF DIRECTORS**

The Board of Directors of CIC39 Corporation (hereinafter referred to as “the Corporation”) presents this statement together with the Consolidated Interim Financial Statements for the first 06 months of the fiscal year ending 31 December 2020 including the Consolidated Interim Financial Statements of the Corporation and those of its subsidiaries (hereinafter collectively referred to as “the Group”).

**Business highlights**

CIC39 Corporation (renamed from Construction Investment Corporation 3-2) is an enterprise which was equitized from a State-owned enterprise - Construction Investment Company 3-2 under the Decision No. 1214/QĐ-UBND dated 21 April 2008 of People’s Committee of Binh Duong Province. The Corporation has been operating in accordance with the Business Registration Certificate No. 3700146225, registered for the first time on 24 December 2008 and amended for the 11<sup>th</sup> time on 18 May 2020, granted by the Department of Planning and Investment of Binh Duong Province.

**Head office**

- Address : No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An City, Binh Duong Province.
- Tel. : (84 - 274) 3 759 446
- Fax : (84 - 274) 3 755 605

The Corporation has the following affiliates:

Affiliates	Address
Branch of CIC39 Corporation - Construction Stone Plant	No. 635/1A, 1K Highway, Tan An Quarter, Tan Dong Hiep Ward, Di An City, Binh Duong Province
Branch of CIC39 Corporation - Concrete Sewer Pipe Plant	No. 6, Hill Road 16, Cay Cham Quarter, Thanh Phuoc Ward, Tan Uyen Town, Binh Duong Province
Branch of CIC39 Corporation - Concrete Brick Plant	No. 5/138 Binh Duong Boulevard, Hoa Lan 1 Quarter, Thuan Giao Ward, Thuan An City, Binh Duong Province
Business location of CIC39 Corporation - Long Nguyen Concrete Plant	No. 216B, Bung Thuoc Hamlet, Long Nguyen Commune, Bau Bang District, Binh Duong Province
Business location of CIC39 Corporation - 279 Construction Materials Trading Center	No. 1/278, No. 22, 12 Street, Hoa Lan 2 Quarter, Thuan Giao Ward, Thuan An City, Binh Duong Province

Principal business activities of the Corporation as in the Business Registration Certificate are:

- Growing rubber trees;
- Dismantling;
- Drainage and waste water treatment;
- Installing industrial machinery and equipment;
- Wholesaling mining and construction machinery, equipment and spare parts; wholesaling electrical machinery and equipment, electrical materials (generators, electric motors, wires and other equipment used in electrical circuits);
- Wholesaling materials, other installation equipment in construction;
- Trading iron and steel;
- Trading real estate; leasing land, offices, houses and workshops (in accordance with the planning); providing services related to traffic bridges, ferry bridges by waterways and by roads;
- Providing consultancy, brokerage on real estate, land use right auction;
- Preparing construction sites;
- Completing construction works;
- Producing beds, wardrobes, tables, chairs;
- Wholesaling computers, peripheral devices and software;
- Providing goods transportation by road;

## CIC39 CORPORATION

### STATEMENT OF THE BOARD OF DIRECTORS (cont.)

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- Cargo loading and unloading for road transportation;
- Leasing motor vehicles;
- Growing trees, urban grass;
- Installing low-voltage power grids and stations with lines of under 35KV; constructing lighting systems; installing equipment: protection, alarms, fire protection systems, lightning protection systems for construction works;
- Forging, stamping, pressing and laminating metal; refining metal powder (not forging, stamping, pressing, laminating, refining metal at the head office, the head office is only for transaction offices); mechanical processing (except for metal handling, coating, plating);
- Trading telecommunications equipment, audio-visual equipment;
- Warehouse operations (except for coal, scrap, chemicals);
- Exploiting stone, sand, gravel, soil and clay (only after obtaining permits from competent agencies); processing stone;
- Wholesaling engine fuel (not set up a gas station at the head office);
- Providing construction consultancy. Designing civil and industrial construction works, road traffic works; designing architecture for works; designing interior and exterior for works; designing landscape; designing construction structure; designing electrical - electromechanical works; designing water supply and drainage; designing ventilation - heat supply and drainage; designing information and communication networks in construction works; designing fire protection;
- Contributing capital, purchasing shares;
- Weighing goods in relation to transportation;
- Other unclassified wholesaling: Trading instrument, equipment, materials for fire prevention and fighting;
- Constructing road works;
- Wood exploitation;
- Constructing residential houses;
- Exploiting other forest products except wood;
- Constructing non-residential houses;
- Constructing electrical works;
- Growing other perennial plants;
- Constructing water supply and drainage works;
- Forest plantation, taking care and nursing forest trees;
- Constructing telecommunications and communication works;
- Constructing other public works;
- Constructing other public works; dredging canals, sewers and rivers; constructing waste treatment systems;
- Acting as an agent of sales and goods consignment, commercial brokerage, (except for real estate brokerage, securities brokerage; marriage brokerage involving foreign elements, brokerage for adoption of fathers, mothers, children, adoption involving foreign elements), properties auctions;
- Growing flowers and ornamental plants;
- Producing concrete and products from cement and plaster; producing bricks and tiles (with tunnel technology)
- Leasing construction machinery and equipment;
- Installing, constructing water supply, drainage, heating and air-conditioning systems;
- Providing consultancy, guidance and executive assistance to businesses and other organizations on management issues, such as strategy and operation plan, human resource policies, implementation and plan; production schedule and monitoring plan. This service provision may include consultancy, guidance or operational assistance to the business;
- Physical, chemical testing and other analyses of all materials and products include: testing sound and vibration; testing the composition and purity of minerals; testing the physical composition and efficiency of materials, such as strength, durability, thickness, radioactivity, etc.; testing welding techniques and welds; analyzing errors.



## CIC39 CORPORATION

### STATEMENT OF THE BOARD OF DIRECTORS (cont.)

#### Board of Management and Executive Officers

The Board of Management and the Executive Officers of the Corporation during the period and as of the date of this statement include:

#### *The Board of Management*

Full name	Position	Appointing/re-appointing/resigning date
Mr. Vo Van Lanh	Chairman	Resigned on 01 August 2020
Mr. Nguyen Le Van	Chairman	Appointed on 01 August 2020
Mr. Tran Van Binh	Member	Re-appointed on 23 April 2019
Mr. Vo Van Lanh	Member	Appointed on 01 August 2020
Mr. Nguyen Le Van	Member	Resigned on 01 August 2020
Mr. Nguyen Huu Nghia	Member	Appointed on 23 April 2019
Mr. Trinh Tien Bay	Member	Appointed on 23 April 2019

#### *The Board of Directors*

Full name	Position	Re-appointing date
Mr. Vo Van Lanh	General Director	25 March 2020
Mr. Tran Van Binh	Deputy General Director	25 March 2020

#### Legal Representative

The Corporation's legal representative during the period and as of the date of this statement is Mr. Vo Van Lanh - General Director (re-appointed on 25 March 2020).

#### Auditors

A&C Auditing and Consulting Co., Ltd. has been appointed to review the Group's Consolidated Interim Financial Statements for the first 6 months of the fiscal year ending 31 December 2020.

#### Responsibilities of the Board of Directors

The Board of Directors of the Corporation is responsible for the preparation of the Consolidated Interim Financial Statements to give a true and fair view of the consolidated financial position, the consolidated financial performance and the consolidated cash flows of the Group during the period. In order to prepare these Consolidated Interim Financial Statements, the Board of Directors must:

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

The Board of Directors hereby ensures that all the accounting books of the Group have been fully recorded and can fairly reflect the financial position of the Group at any time, and that all the accounting books have been prepared in compliance with the applicable Accounting System. The Board of Directors is also responsible for managing the Group's assets and consequently has taken appropriate measures to prevent and detect frauds and other irregularities.

The Board of Directors hereby commits to the compliance with the aforementioned requirements in preparation of the Consolidated Interim Financial Statements.

## CIC39 CORPORATION

### STATEMENT OF THE BOARD OF DIRECTORS (cont.)

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#### Approval on the Financial Statements

The Board of Directors hereby approves the accompanying Consolidated Interim Financial Statements, which give a true and fair view of the consolidated financial position as of 30 June 2020, the consolidated financial performance and the consolidated cash flows for the first 6 months of the fiscal year ending 31 December 2020 of the Group, in conformity with the Vietnamese Accounting Standards and System and other legal regulations related to the preparation and presentation of the Consolidated Interim Financial Statements.

For and on behalf of the Board of Directors,



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**Vo Van Lanh**  
General Director

Date: 26 August 2020



Head Office	: 02 Truong Son St., Tan Binh Dist., Ho Chi Minh City, Vietnam Tel: +84 (028) 3547 2972 Fax: +84 (028) 3547 2970	kttv@a-c.com.vn
Branch in Ha Noi	: 40 Giang Vo St., Dong Da Dist., Ha Noi City, Vietnam Tel: +84 (024) 3736 7879 Fax: +84 (024) 3736 7869	kttv.hn@a-c.com.vn
Branch in Nha Trang	: Lot STH 06A.01, Le Hong Phong II Urban Area, Phuoc Hai Ward, Nha Trang City, Vietnam Tel: +84 (0258) 246 5151 Fax: +84 (0258) 246 5806	kttv.nt@a-c.com.vn
Branch in Can Tho	: 15-13 Vo Nguyen Giap St., Cai Rang Dist., Can Tho City, Vietnam Tel: +84 (0292) 376 4995 Fax: +84 (0292) 376 4996	kttv.ct@a-c.com.vn

No. 1.1290/20/TC-AC

## **REPORT ON THE REVIEW OF CONSOLIDATED INTERIM FINANCIAL INFORMATION**

**To: THE SHAREHOLDERS, THE BOARD OF MANAGEMENT AND THE BOARD OF DIRECTORS  
CIC39 CORPORATION**

We have reviewed the accompanying Consolidated Interim Financial Statements of CIC39 Corporation and its subsidiaries (hereinafter collectively referred to as “the Group”), which were prepared on 24 August 2020 (from page 07 to page 46), including the Consolidated Interim Balance Sheet as of 30 June 2020, the Consolidated Interim Income Statement, the Consolidated Interim Cash Flow Statement for the first 06 months of the fiscal year ending 31 December 2020 and the Notes to the Consolidated Interim Financial Statements.

### **Responsibility of the Board of Directors**

The Board of Directors of the Corporation is responsible for the preparation, true and fair presentation of these Consolidated Interim Financial Statements in accordance with Vietnamese Accounting Standards and System as well as the legal regulations related to the preparation and presentation of the Consolidated Interim Financial Statements; and responsible for such internal control as the Board of Directors determines necessary to enable the preparation and presentation of the Consolidated Interim Financial Statements to be free from material misstatements due to frauds or errors.

### **Responsibilities of Auditors**

Our responsibility is to express conclusion on these Consolidated Interim Financial Statements based on our review. We have conducted the review in accordance with the Vietnamese Standard on Review Engagements No. 2410 – Review on interim financial information performed by independent auditor of the entity.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion of Auditors**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Consolidated Interim Financial Statements have not given a true and fair view, in all material respects, of the financial position as of 30 June 2020 of the Group, its consolidated financial performance, its consolidated cash flows for the first 06 months of the fiscal year ending 31 December 2020 in conformity with the Vietnamese Accounting Standards and System as well as other legal regulations related to the preparation and presentation of the Consolidated Interim Financial Statements.

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



  
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**Nguyen Minh Tri**  
**Deputy General Director**

Audit Practice Registration Certificate No. 0089-2018-008-1

Ho Chi Minh City, 26 August 2020

**CIC39 CORPORATION**

Address: No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An City, Binh Duong Province

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the first 06 months of the fiscal year ending 31 December 2020

**CONSOLIDATED INTERIM BALANCE SHEET****(Full form)****As of 30 June 2020**

Unit: VND

ITEMS	Code	Note	Ending balance	Beginning balance
<b>A - CURRENT ASSETS</b>	<b>100</b>		<b>472.960.538.832</b>	<b>430.996.731.153</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>V.1</b>	<b>57.293.460.235</b>	<b>67.504.283.675</b>
1. Cash	111		20.641.204.254	28.002.842.845
2. Cash equivalents	112		36.652.255.981	39.501.440.830
<b>II. Short-term financial investments</b>	<b>120</b>		<b>109.366.470.142</b>	<b>104.533.489.605</b>
1. Trading securities	121		-	-
2. Provisions for devaluation of trading securities	122		-	-
3. Held-to-maturity investments	123	V.2a	109.366.470.142	104.533.489.605
<b>III. Short-term receivables</b>	<b>130</b>		<b>233.647.882.440</b>	<b>179.134.553.767</b>
1. Short-term trade receivables	131	V.3	145.988.093.413	117.261.089.060
2. Short-term prepayments to suppliers	132	V.4	45.858.069.036	41.755.270.605
3. Short-term inter-company receivables	133		-	-
4. Receivable according to the progress of construction contract	134		-	-
5. Receivables for short-term loans	135		-	-
6. Other short-term receivables	136	V.5	58.141.158.636	36.418.247.501
7. Allowance for short-term doubtful debts	137	V.6	(16.339.438.645)	(16.300.053.399)
8. Deficit assets for treatment	139		-	-
<b>IV. Inventories</b>	<b>140</b>	<b>V.7</b>	<b>71.849.372.378</b>	<b>79.070.247.760</b>
1. Inventories	141		71.965.132.676	79.227.943.713
2. Allowance for inventories	149		(115.760.298)	(157.695.953)
<b>V. Other current assets</b>	<b>150</b>		<b>803.353.637</b>	<b>754.156.346</b>
1. Short-term prepaid expenses	151	V.8a	436.196.923	744.772.437
2. Deductible VAT	152		9.427.439	9.383.909
3. Taxes and other receivables from the State	153		357.729.275	-
4. Trading Government bonds	154		-	-
5. Other current assets	155		-	-



**CIC39 CORPORATION**

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**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the first 06 months of the fiscal year ending 31 December 2020

**Consolidated Interim Balance Sheet (cont.)**

ITEMS	Code	Note	Ending balance	Beginning balance
<b>B - NON-CURRENT ASSETS</b>	<b>200</b>		<b>465.352.745.030</b>	<b>464.559.239.312</b>
<b>I. Long-term receivables</b>	<b>210</b>		-	-
1. Long-term trade receivables	211		-	-
2. Long-term prepayments to suppliers	212		-	-
3. Working capital in affiliates	213		-	-
4. Long-term inter-company receivables	214		-	-
5. Receivables for long-term loans	215		-	-
6. Other long-term receivables	216		-	-
7. Allowance for long-term doubtful debts	219		-	-
<b>II. Fixed assets</b>	<b>220</b>		<b>201.416.401.348</b>	<b>181.416.876.555</b>
1. Tangible fixed assets	221	V.9	138.512.466.598	139.804.211.575
- Historical cost	222		264.998.985.108	256.132.235.931
- Accumulated depreciation	223		(126.486.518.510)	(116.328.024.356)
2. Financial leased assets	224		-	-
- Historical cost	225		-	-
- Accumulated depreciation	226		-	-
3. Intangible fixed assets	227	V.10	62.903.934.750	41.612.664.980
- Initial cost	228		101.337.823.261	79.414.887.427
- Accumulated amortization	229		(38.433.888.511)	(37.802.222.447)
<b>III. Investment property</b>	<b>230</b>	<b>V.11</b>	<b>5.100.092.993</b>	<b>5.379.883.601</b>
- Historical costs	231		8.331.392.116	8.331.392.116
- Accumulated depreciation	232		(3.231.299.123)	(2.951.508.515)
<b>IV. Long-term assets in process</b>	<b>240</b>		<b>7.026.161.377</b>	<b>25.724.284.603</b>
1. Long-term work in process	241		-	-
2. Construction-in-progress	242	V.12	7.026.161.377	25.724.284.603
<b>V. Long-term financial investments</b>	<b>250</b>		<b>184.890.342.792</b>	<b>185.369.117.831</b>
1. Investments in subsidiaries	251		-	-
2. Investments in joint ventures and associates	252	V.2b	104.490.648.590	107.969.423.629
3. Investments in other entities	253	V.2c	66.629.694.202	66.629.694.202
4. Provisions for devaluation of long-term financial investments	254		-	-
5. Held-to-maturity investments	255	V.2a	13.770.000.000	10.770.000.000
<b>VI. Other non-current assets</b>	<b>260</b>		<b>66.919.746.520</b>	<b>66.669.076.722</b>
1. Long-term prepaid expenses	261	V.8	66.760.411.806	66.058.143.290
2. Deferred income tax assets	262	V.13	159.334.714	610.933.432
3. Long-term components and spare parts	263		-	-
4. Other non-current assets	268		-	-
5. Goodwill	269		-	-
<b>TOTAL ASSETS</b>	<b>270</b>		<b>938.313.283.862</b>	<b>895.555.970.465</b>

**CIC39 CORPORATION**

Address: No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An City, Binh Duong Province

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the first 06 months of the fiscal year ending 31 December 2020

**Consolidated Interim Balance Sheet (cont.)**

ITEMS	Code	Note	Ending balance	Beginning balance
<b>C - LIABILITIES</b>	<b>300</b>		<b>397.267.434.341</b>	<b>383.721.854.880</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>352.046.736.841</b>	<b>337.421.263.380</b>
1. Short-term trade payables	311	V.14	16.889.194.281	27.232.750.374
2. Short-term advances from customers	312	V.15	21.368.271.401	25.820.228.584
3. Taxes and other obligations to the State Budget	313	V.16	17.943.124.347	17.411.389.595
4. Payables to employees	314	V.17	3.279.985.531	10.256.475.776
5. Short-term accrued expenses	315	V.18	32.980.675.757	32.627.567.682
6. Short-term inter-company payables	316		-	-
7. Payable according to the progress of construction contracts	317		-	-
8. Short-term unearned revenue	318		14.545.452	-
9. Other short-term payables	319	V.19	29.372.524.373	11.137.287.446
10. Short-term borrowings and financial leases	320	V.20a	228.597.304.251	210.149.867.165
11. Provisions for short-term payables	321	V.21	559.984.371	594.328.619
12. Bonus and welfare funds	322	V.22	1.041.127.077	2.191.368.139
13. Price stabilization fund	323		-	-
14. Trading Government bonds	324		-	-
<b>II. Non-current liabilities</b>	<b>330</b>		<b>45.220.697.500</b>	<b>46.300.591.500</b>
1. Long-term trade payables	331		-	-
2. Long-term advances from customers	332		-	-
3. Long-term accrued expenses	333		-	-
4. Inter-company payables for working capital	334		-	-
5. Long-term inter-company payables	335		-	-
6. Long-term unearned revenue	336		-	-
7. Other long-term payables	337		-	-
8. Long-term borrowings and financial leases	338	V.20b	45.220.697.500	46.300.591.500
9. Convertible bonds	339		-	-
10. Preferred shares	340		-	-
11. Deferred income tax liability	341		-	-
12. Provisions for long-term payables	342		-	-
13. Science and technology development fund	343		-	-

**CIC39 CORPORATION**

Address: No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An City, Binh Duong Province

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the first 06 months of the fiscal year ending 31 December 2020

**Consolidated Interim Balance Sheet (cont.)**

ITEMS	Code	Note	Ending balance	Beginning balance
<b>D - OWNER'S EQUITY</b>	<b>400</b>		<b>541.045.849.521</b>	<b>511.834.115.585</b>
<b>I. Owner's equity</b>	<b>410</b>		<b>541.045.849.521</b>	<b>511.834.115.585</b>
1. Capital	411		150.301.450.000	150.301.450.000
- Ordinary shares carrying voting rights	411a	V.23	150.301.450.000	150.301.450.000
- Preferred shares	411b		-	-
2. Share premiums	412	V.23	2.190.000.000	2.190.000.000
3. Bond conversion options	413		-	-
4. Other sources of capital	414		-	-
5. Treasury stocks	415		-	-
6. Differences on asset revaluation	416		-	-
7. Foreign exchange differences	417		-	-
8. Investment and development fund	418	V.23	174.036.290.472	166.930.637.926
9. Business arrangement supporting fund	419		-	-
10. Other funds	420		-	-
11. Retained earnings	421	V.23	214.551.828.708	192.444.430.206
- Retained earnings accumulated to the end of the previous period	421a		165.425.463.507	192.444.430.206
- Retained earnings of the current period	421b		49.126.365.200	-
12. Construction investment fund	422		-	-
13. Benefits of non-controlling shareholders	429	V.23	(33.719.659)	(32.402.547)
<b>II. Other sources and funds</b>	<b>430</b>		<b>-</b>	<b>-</b>
1. Sources of expenditure	431		-	-
2. Fund to form fixed assets	432		-	-
<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>	<b>440</b>		<b>938.313.283.862</b>	<b>895.555.970.465</b>

Binh Duong, 24 August 2020


Do Viet Cuong  
Preparer

Nguyen Xuan Hieu  
Chief AccountantVo Van Lanh  
General Director

**CIC39 CORPORATION**

Address: No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An City, Binh Duong Province

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the first 06 months of the fiscal year ending 31 December 2020

**CONSOLIDATED INTERIM INCOME STATEMENT**

(Full Form)


For the first 06 months of the fiscal year ending 31 December 2020

Unit: VND

ITEMS	Code	Note	Accumulated from the beginning of the year	
			Current year	Previous year
1. Sales	01	VI.1	356.275.247.425	327.464.519.575
2. Sales deductions	02	VI.2	8.082.130	29.500.000
3. Net sales	10	VI.1	356.267.165.295	327.435.019.575
4. Cost of sales	11	VI.3	275.154.551.810	264.817.691.400
5. Gross profit	20		81.112.613.485	62.617.328.175
6. Financial income	21	VI.4	8.832.258.767	6.676.501.784
7. Financial expenses	22	VI.5	9.658.218.191	5.673.257.301
In which: Loan interest expenses	23		9.658.218.191	5.673.257.301
8. Gain or loss in joint ventures, associates	24	V.2b	2.975.753.248	1.962.480.132
9. Selling expenses	25	VI.5	17.477.629.888	13.732.308.113
10. General and administration expenses	26	VI.6	8.109.417.711	9.197.434.411
11. Net operating profit	30		57.675.359.710	42.653.310.266
12. Other income	31	VI.7	2.215.637.881	321.838.489
13. Other expenses	32	VI.8	80.595.088	663.790.722
14. Other profit/ (loss)	40		2.135.042.793	(341.952.233)
15. Total accounting profit before tax	50		59.810.402.503	42.311.358.033
16. Current income tax	51	V.16	10.233.755.697	4.745.492.775
17. Deferred income tax	52	V.13	451.598.718	2.653.668.634
18. Profit after tax	60		<u>49.125.048.088</u>	<u>34.912.196.624</u>
19. Profit after tax of the Parent Company	61		<u>49.126.365.200</u>	<u>34.917.870.716</u>
20. Profit after tax of non-controlling shareholders	62		<u>(1.317.112)</u>	<u>(5.674.092)</u>
21. Basic earnings per share	70	VI.9	<u>3.054</u>	<u>2.168</u>
22. Diluted earnings per share	71	VI.9	<u>3.054</u>	<u>2.168</u>

Binh Duong, 24 August 2020

  
 Do Viet Cuong  
 Preparer

  
 Nguyen Xuan Hieu  
 Chief Accountant

  
 Vo Van Lan  
 General Director


**CIC39 CORPORATION**

Address: No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An City, Binh Duong Province

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the first 06 months of the fiscal year ending 31 December 2020

**CONSOLIDATED INTERIM CASH FLOW STATEMENT****(Full form)****(Indirect method)****For the first 06 months of the fiscal year ending 31 December 2020**

Unit: VND

ITEMS	Code	Note	Accumulated from the beginning of the year	
			Current year	Previous year
<b>I. Cash flows from operating activities</b>				
			-	-
1. Profit before tax	01		59.810.402.503	42.311.358.033
2. Adjustments				
- Depreciation of fixed assets and investment properties	02	V.9, V.10, V.11	11.861.033.466	10.954.938.665
- Provisions and allowances	03	V.6, V.7, V.21	(36.894.657)	18.162.015
- Exchange gain/ (loss) due to revaluation of monetary items in foreign currencies	04		-	-
- Gain/ (loss) from investing activities	05	V.2b, VI.4, VI.7	(11.872.292.277)	(8.729.290.610)
- Interest expenses	06		9.658.218.191	5.673.257.301
- Others	07		-	-
3. Operating profit before changes of working capital	08		69.420.467.226	50.228.425.404
- Increase/ (decrease) of receivables	09		(50.007.485.224)	84.264.801.244
- Increase/ (decrease) of inventories	10		7.262.811.037	(30.826.601.433)
- Increase/ (decrease) of payables	11		(27.185.682.783)	(69.210.162.425)
- Increase/ (decrease) of prepaid expenses	12		(393.693.002)	4.372.867.515
- Increase/ (decrease) of trading securities	13		-	-
- Interests paid	14		(9.701.081.373)	(5.633.350.396)
- Corporate income tax paid	15	V.16	(4.874.478.547)	(6.387.238.871)
- Other cash inflows	16		-	-
- Other cash outflows	17	V.22	(2.698.417.927)	-
<b>Net cash flows from operating activities</b>	<b>20</b>		<b>(18.177.560.593)</b>	<b>26.808.741.038</b>
<b>II. Cash flows from investing activities</b>				
1. Purchases and construction of fixed assets and other non-current assets	21	V.9, V.12, VII	(11.992.145.386)	(47.185.208.874)
2. Proceeds from disposals of fixed assets and other non-current assets	22	V.9, VI.7	379.090.909	737.272.727
3. Cash outflow for lending, buying debt instruments of other entities	23	V.2a	(7.832.980.537)	(4.263.401.744)
4. Cash recovered from lending, selling debt instruments of other entities	24		-	-
5. Investments into other entities	25		-	(37.611.773.920)
6. Withdrawals of investments in other entities	26		-	-
7. Interest earned, dividends and profits received	27	V.5, VI.5	10.045.229.081	9.618.881.741
<b>Net cash flows from investing activities</b>	<b>30</b>		<b>(9.400.805.933)</b>	<b>(78.704.230.070)</b>

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**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the first 06 months of the fiscal year ending 31 December 2020

**Consolidated Interim Cash Flow Statement (cont.)**

ITEMS	Code	Note	Accumulated from the beginning of the year	
			Current year	Previous year
<b>III. Cash flows from financing activities</b>				
1. Proceeds from issuing stocks and capital contributions from owners	31		-	-
2. Repayment for capital contributions and re-purchases of stocks already issued	32		-	-
3. Proceeds from borrowings	33	V.20	236.232.878.739	230.370.944.934
4. Repayment for loan principal	34	V.20	(218.865.335.653)	(168.329.461.372)
5. Payments for financial leased assets	35		-	-
6. Dividends and profit paid to the owners	36		-	-
<i>Net cash flows from financing activities</i>	<b>40</b>		<u>17.367.543.086</u>	<u>62.041.483.562</u>
<b>Net cash flows during the period</b>	<b>50</b>		<b>(10.210.823.440)</b>	<b>10.145.994.530</b>
<b>Beginning cash and cash equivalents</b>	<b>60</b>	<b>V.1</b>	<b>67.504.283.675</b>	<b>38.972.280.405</b>
Effects of fluctuations in foreign exchange rates	61		-	-
<b>Ending cash and cash equivalents</b>	<b>70</b>	<b>V.1</b>	<u><b>57.293.460.235</b></u>	<u><b>49.118.274.935</b></u>

Binh Duong, 24 August 2020



**Do Viet Cuong**  
Preparer



**Nguyen Xuan Hieu**  
Chief Accountant



**Vo Van Lanh**  
General Director

## CIC39 CORPORATION

Address: No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An City, Binh Duong Province

### CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the first 06 months of the fiscal year ending 31 December 2020

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the first 06 months of the fiscal year ending 31 December 2020

### I. GENERAL INFORMATION

#### 1. Ownership form

CIC39 Corporation (hereinafter referred to as “the Corporation” or “the Parent Company”) is a joint stock company.

#### 2. Operating field

The Corporation’s operating fields are manufacturing, constructing, trading, real estate trading and servicing.

#### 3. Principal business activities

Principal business activities of the Corporation are manufacturing stone, concrete and bricks; constructing works; trading construction materials; trading real estate; leasing car, construction tools.

#### 4. Normal operating cycle

Normal operating cycle of the Corporation is within 12 months.

#### 5. Structure of the Group

The Group includes the Parent Company and 01 subsidiary under the control of the Parent Company. The subsidiary is consolidated in these Consolidated Interim Financial Statements.

#### 5a. Information of Group’s reconstruction

During the period, the Group additionally invested an amount of VND 1.000.000.000 which is not change the capital contribution rate, the voting rate and benefit rate.

#### 5b. Subsidiaries to be consolidated

The Corporation only invested in Tien Phuoc Construction Mineral Joint Stock Company – a subsidiary, located at Nam Dong Phu Industrial Park, Tan Lap Commune, Dong Phu District, Binh Phuoc Province. Principal business activities of this subsidiary are exploiting and processing stone. As of the balance sheet date, the contribution rate of the Parent Company at this subsidiary is 80%, the voting rate and benefit rate is 83,38% (including the direct ownership rate of 80% and the indirect ownership rate of 3,38%).

#### 5c. List of associates reflected in Consolidated Interim Financial Statements at the owner’s equity method

Companies	Address	Principal business activities	Ownership rate		Voting rate	
			Ending balance	Beginning balance	Ending balance	Beginning balance
Mien Dong Joint-Stock Company	Road No. 1, Bien Hoa 1 Industrial Park, An Binh Ward, Bien Hoa City, Dong Nai Province.	Manufacturing, quarrying stone, trading real estate and construction and installation activities.	33,76%	33,76%	33,76%	33,76%
Thu Duc - Long An Centrifugal Concrete Joint Stock Company	Hamlet 3, An Thanh Commune, Ben Luc District, Long An Province.	Trading construction materials.	26,97%	24,33%	26,97%	24,33%

## **CIC39 CORPORATION**

Address: No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An City, Binh Duong Province

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the first 06 months of the fiscal year ending 31 December 2020

Notes to the Consolidated Interim Financial Statements (cont.)

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### **6. Statement of information comparability on the Consolidated Interim Financial Statements**

The figures in the current period can be comparable with corresponding figures in the previous period.

### **7. Headcount**

As of the balance sheet date, the Group's headcount is 292 (headcount at the beginning of the year: 269).

## **II. FISCAL YEAR AND ACCOUNTING CURRENCY**

### **1. Fiscal year**

The fiscal year of the Group is from 01 January to 31 December annually.

### **2. Accounting currency unit**

The accounting currency unit is Vietnamese Dong (VND) because the Group's transactions are primarily made in VND.

## **III. ACCOUNTING STANDARDS AND SYSTEM**

### **1. Accounting Standards and System**

The Group applies the Vietnamese Accounting Standards and System issued in accordance with the Circular No. 200/2014/TT-BTC dated 22 December 2014 guiding the Vietnamese Accounting System, the Circular No. 202/2014/TT-BTC dated 22 December 2014 giving guidance on the preparation and presentation of Consolidated Financial Statements and other Circulars guiding the implementation of Vietnamese Accounting Standards of the Ministry of Finance in preparation and presentation of the Consolidated Interim Financial Statements.

### **2. Statement of the compliance with the Accounting Standards and System**

The Board of Directors ensures to follow all the requirements of the Vietnamese Accounting Standards and System, which were issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014, the Circular No. 202/2014/TT-BTC dated 22 December 2014 as well as other Circulars guiding the implementation of Vietnamese Accounting Standards of the Ministry of Finance in preparation and presentation of the Consolidated Interim Financial Statements.

## **IV. ACCOUNTING POLICIES**

### **1. Accounting convention**

All the Consolidated Interim Financial Statements are prepared on the accrual basis (except for the information related to cash flows).

### **2. Consolidation bases**

The Consolidated Interim Financial Statements include the Interim Financial Statements of the Parent Company and those of its subsidiaries. A subsidiary is an enterprise that is controlled by the Parent Company. The control exists when the Parent Company has the power to directly or indirectly govern the financial and operating policies of the subsidiary to obtain economic benefits from its activities. In determining the control power, the potential voting right arising from options or debt and capital instruments that can be converted into common shares as of the balance sheet date should also be taken into consideration.



## **CIC39 CORPORATION**

Address: No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An City, Binh Duong Province

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the first 06 months of the fiscal year ending 31 December 2020

**Notes to the Consolidated Interim Financial Statements (cont.)**

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The financial performance of subsidiaries, which is bought or sold during the period, are included in the Consolidated Interim Income Statement from the date of acquisition or until the date of selling investments in those subsidiaries.

The Interim Financial Statements of the Parent Company and those of subsidiaries used for consolidation are prepared in the same fiscal year and apply consistently accounting policies to the same types of transactions and events in similar circumstances. In the case that the accounting policy of a subsidiary is different from the accounting policy applied consistently in the Group, the Financial Statements of that subsidiary will be properly adjusted before being used for the preparation of the Consolidated Interim Financial Statements.

Intra-group balances in the Balance Sheet and intra-group transactions and unrealized profits resulting from these transactions must be completely eliminated. Unrealized losses resulting from intra-group transactions are also eliminated unless costs cannot be recovered.

Benefits of non-controlling shareholders reflect profit or loss and net assets of subsidiary, which are not hold by the Group and presented in a separate item of the Consolidated Interim Income Statement and Consolidated Interim Balance Sheet (classified under "Owner's equity"). Benefits of non-controlling shareholders include the values of their non-controlling benefits at the initial date of business combination and those arise within the ranges of changes in owner's equity from the date of business combination. The losses arising in the subsidiaries are attributed equally to the ownership rate of non-controlling shareholders, even if such losses are higher than the interest owned by these shareholders in net assets of the subsidiaries.

### **3. Cash and cash equivalents**

Cash includes cash on hand and demand deposits in banks. Cash equivalents are short-term investments of which the due dates cannot exceed 03 months from the dates of the investments and the convertibility into cash is easy, and which do not have a lot of risks in the conversion into cash as of the balance sheet date.

### **4. Financial investments**

#### ***Held-to-maturity investments***

Investments are classified as held-to-maturity investments that the Group intends and is able to hold to maturity. Held-to-maturity investments include term deposits (including debentures and promissory note), bonds, preferred shares that the issuer are required to re-purchase at a certain date in the future and held-to-maturity loans for the purpose of receiving periodical interest as well as other held-to-maturity investments.

Held-to-maturity investments are initially recognized at cost including the purchase cost and other transaction costs. After initial recognition, these investments are recorded at recoverable value. Interest from these held-to-maturity investments after acquisition date is recognized in the profit or loss on the basis of the interest income to be received. Interests arising prior to the Group's acquisition of held-to-maturity investments are recorded as a decrease in the costs as at the acquisition time.

When there are reliable evidences proving that a part or the whole investment cannot be recovered and the loss are reliably determined, the loss is recognized as financial expenses during the period while the investment value is derecognized.

#### ***Investments in associates***

An associate is an entity which the Group has significant influence but not the control to govern the financial and operating policies. Significant influence is the right to participate in making the associate's financial and operating policies but not control those policies.

## CIC39 CORPORATION

Address: No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An City, Binh Duong Province

### CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the first 06 months of the fiscal year ending 31 December 2020

#### Notes to the Consolidated Interim Financial Statements (cont.)

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Investments in associates are recorded as in the owner's equity method. Accordingly, the investment into associate is initially recorded at costs on the Consolidated Financial Statements and then adjusted for the post acquisition change in the Group's share of net assets of the associate. If the Group's share of loss of an associate exceeds or equals the carrying amount of an investment, the investment is then reported at nil (0) value on the Consolidated Financial Statements, except when the Group has obligations to pay on behalf of the associate to satisfy obligations of the associate.

The Financial Statements of the associate are prepared for the accounting period that is the same with the Consolidated Financial Statements of the Group. In the case that the accounting policy of an associate is different from the accounting policy applied consistently in the Group, the Consolidated Financial Statements of that associate will be properly adjusted before being used for the preparation of the Consolidated Financial Statements.

Unrealized profits/(losses) arising from transactions with associates are eliminated in proportion to the amount under the Group's ownership in the preparation of the Consolidated Financial Statements.

#### *Investments in equity instruments of other entities*

Investments in equity instruments of other entities include such investments in equity instruments that do not enable the Group to have the control, joint control or significant influence on these entities.

Investments in equity instruments of other entities are initially recognized at costs, including cost of purchase plus other directly attributable transaction costs. Values of these investments are derecognized for dividends and profits arising in the periods prior to the acquisition of such investments. Dividends and profit arising in the periods after the acquisition of investments are recorded into the Group's revenue. Particularly, the dividends paid in form of shares are not recorded as an increase in values, but the increasing quantity of shares is followed up.

Provisions for impairment of investments in equity instruments of other entities are made as follows:

- For investments in listed shares or fair value of investments which is reliably measured, provisions are made on the basis of the market value of shares.
- For investments of which the fair value cannot be measured at the time of reporting, provisions are made on the basis of the losses suffered by investees, at the rate equal to the difference between the actual capital invested by owners and the owner's equity as of the balance sheet date multiplying (x) by the Corporation's rate of charter capital over the total actual charter capital invested in these investees.

Increases/(decreases) in the provisions for impairment of investments in equity instruments of other entities are recorded into "Financial expenses".

## 5. Receivables

Receivables are recognized at the carrying amounts less allowances for doubtful debts.

The classification of receivables as trade receivables and other receivables is made according the following principles:

- Trade receivables reflect receivables concerning the commercial nature arising from purchase and sale transactions between the Group and customers who are independent to the Group.
- Other receivables reflect receivables not concerning the commercial nature and irrelevant to purchase and sale transactions.

## CIC39 CORPORATION

Address: No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An City, Binh Duong Province

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the first 06 months of the fiscal year ending 31 December 2020

Notes to the Consolidated Interim Financial Statements (cont.)

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Allowance is made for each doubtful debt on the basis of the ages of debts after offsetting against liabilities (if any) or estimated loss as follows:

- As for outstanding debts:
  - 30% of the value of debts outstanding from over 06 months to under 01 year.
  - 50% of the value of debts outstanding from 01 year to under 02 years.
  - 70% of the value of debts outstanding from 02 years to under 03 years.
  - 100% of the value of debts outstanding from over 03 years.
- As for doubtful debts: Allowance is made on the basis of the estimated loss.

Increases/(decreases) in the obligatory allowance for doubtful debts as of the balance sheet date are recorded into "General and administration expenses".

### 6. Inventories

Inventories are recognized at the lower of cost or net realizable value.

Cost of inventories is determined as follows:

- For materials and merchandises: Costs comprise costs of purchases and other directly relevant costs incurred in bringing the inventories to their present location and conditions.
- Work-in-process: Costs comprise costs of main materials, labor and other directly relevant costs.
- For finished goods: Costs comprise costs of materials, direct labor and directly relevant general manufacturing expenses allocated on the basis of normal operations.

Stock-out costs are determined in accordance with the weighted average method and recorded in line with the perpetual method.

Net realizable value is the estimated selling price of inventories in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Allowance for inventories is recognized for each type of inventories when their costs are higher than their net realizable values. Increases/(decreases) in the obligatory allowance for inventories as of the balance sheet date are recorded into "Costs of sales".

### 7. Prepaid expenses

Prepaid expenses comprise actual expenses arising and relevant to financial performance in several accounting periods. Prepaid expenses of the Group mainly include expenses of tools, land rental, exploration materials and equipment, construction and repair expenses. These prepaid expenses are allocated over the prepayment period or period of corresponding economic benefits generated from these expenses.

#### *Tools*

Expenses of tools being put into use are allocated into expenses in accordance with the straight-line method for the maximum period of 03 years.

#### *Expenses of non-permanent land use rights*

Expenses of non-permanent land use rights reflects the amount already paid for the transfer and prepaid rental for land being used by the Group. Expenses of non-permanent land use rights are allocated over the term regulated in Certificates of land use rights.

#### *Prepaid land rental*

Prepaid land rental reflects the rental already prepaid for the land being used by the Group and is allocated into expenses over the lease term as regulated in the land lease.

## CIC39 CORPORATION

Address: No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An City, Binh Duong Province

### CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the first 06 months of the fiscal year ending 31 December 2020

#### Notes to the Consolidated Interim Financial Statements (cont.)

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##### *Repair expenses*

Expenses of fixed asset repairs arising once with high value are allocated into expenses in accordance with the straight-line method in 03 years.

#### 8. Operating leased assets

A lease is classified as an operating lease if it transfers substantially all the risks and rewards incident to ownership belonging to the lessor. The lease expenses are allocated in the Group's operation costs in accordance with the straight-line method over the lease term and do not depend on the method of lease payment.

#### 9. Tangible fixed assets

Tangible fixed assets are determined by their historical costs less accumulated depreciation. Historical costs of tangible fixed assets include all the expenses paid by the Group to bring the asset to its working condition for its intended use. Other expenses arising subsequent to initial recognition are included into historical costs of fixed assets only if it can be clearly demonstrated that the expenditure has resulted in future economic benefits expected to be obtained from the use of these assets. Those which do not meet the above conditions will be recorded into operation costs during the period.

When a tangible fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain or loss arising from such disposal is included in the income or the expenses during the period.

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

<u>Fixed assets</u>	<u>Years</u>
Buildings and structures	06 – 25
Machinery and equipment	06 – 12
Vehicles	05 – 10
Office equipment	03 – 08

#### 10. Intangible fixed assets

Intangible fixed assets are determined by their initial costs less accumulated amortization.

Initial costs of intangible fixed assets include all the costs paid by the Group to bring the asset to its working condition for its intended use. Other costs relevant to intangible fixed assets arising subsequent to initial recognition are included into operation costs during the period only if these costs are associated with a specific intangible fixed asset and result in future economic benefits expected to be obtained from the use of these assets.

When an intangible fixed asset is sold or disposed, its initial costs and accumulated amortization are written off, then any gain or loss arising from such disposal is included in the income or the expenses during the period.

The Group's intangible fixed asset includes:

##### *Land use right*

Land use right includes all the actual expenses paid by the Group directly related to the land being used such as expenses to obtain the land use right, expenses for house removal, land clearance and ground leveling, registration fees, etc.

## CIC39 CORPORATION

Address: No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An City, Binh Duong Province

### CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the first 06 months of the fiscal year ending 31 December 2020

#### Notes to the Consolidated Interim Financial Statements (cont.)

The land use right of the Group is amortized as follows:

- Land use right assigned by the State with collection of land use fees is amortized in accordance with the straight-line method over the land assigned period (50 years); if the land use right is permanent, it is not amortized.
- Land use right legally transferred is amortized in accordance with the straight-line method over the term of land use right (42 – 50 years), if the land use right is permanent, it is not amortized.

#### *Computer software*

Expenses attributable to computer software, which is not a part associated with the relevant hardware, will be capitalized. Costs of computer software include all the expenses paid by the Group until the date the software is put into use. Computer software is amortized in accordance with the straight-line method in 03-08 years.

### 11. Investment properties

Investment property is property which is a building or part of a building, infrastructure held by the owner or by the lessee under a finance lease to earn rentals or for capital appreciation. Investment properties are measured at their historical costs less accumulated depreciation. Historical cost includes all the expenses paid by the Group or the fair value of other considerations given to acquire the assets up to the date of its acquisition or construction.

Expenses related to investment property arising subsequent to initial recognition should be added to the historical cost 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.

When the investment property is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain or loss arising from such disposals is included in the income or the expenses.

The transfer from owner-occupied property or inventories into investment property shall be made when, and only when, there is a change in use evidenced by the end of owner-occupation and the commencement of an operating lease to another party or the end of construction. The transfer from investment property to owner-occupied property or inventories shall be made when, and only when, there is a change in use evidenced by the commencement of owner-occupation or the commencement of development with a view to sale. The transfer from investment property to owner-occupied property or inventories does not change the historical cost or net book value of investment property at the date of transfer.

Investment property is depreciated in accordance with the straight-line method over their estimated useful lives. The depreciation years of the investment property are as follows:

<u>Fixed assets</u>	<u>Years</u>
Houses	25
Infrastructure	06 - 15

### 12. Construction-in-progress

Construction-in-progress reflects the expenses (including relevant loan interest expenses following the accounting policies of the Group) directly attributable to assets under construction, machinery and equipment under installation for purposes of production, leasing and management as well as the repair of fixed assets in progress. These assets are recorded at historical costs and not depreciated.



## CIC39 CORPORATION

Address: No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An City, Binh Duong Province

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the first 06 months of the fiscal year ending 31 December 2020

Notes to the Consolidated Interim Financial Statements (cont.)

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### 13. Business combination and goodwill

The business combination is accounted by applying acquisition method. The costs of business combination include the fair values as at the acquisition date of the exchanged assets, the incurred or assumed liabilities as well as the equity instruments issued by the Group in exchange for control of the acquiree, plus any cost directly attributable to the business combination. The acquired assets, the identifiable and contingent liabilities assumed from the business combination are recognized at their fair values as at the acquisition date.

If the business combination covers some accounting periods, the cost of business combination equals the total investment made at the date of obtaining the control of subsidiaries plus the amount of previous investments which are re-evaluated at fair value as at the date of obtaining the control of subsidiaries. The difference between the re-evaluated amount and the cost of investment shall be recorded in the financial performance provided that the Group does not have any significant influence on subsidiaries prior the date of obtaining the control and the investment in subsidiaries is presented in line with the cost method. In case where the Group has significant influence on the subsidiaries prior the date of obtaining the control the investment in subsidiaries is presented in line with the equity method, the difference between the re-evaluated amount and the cost of investment determined in line with the equity method shall be recorded in the financial performance; and the difference between the investment determined in line with the equity method and the cost of investment shall be directly recorded in "Retained earnings" of the Consolidated Interim Balance Sheet.

The excess of the cost of business combination over the ownership share of the Group in the net fair value of the assets, the identifiable and contingent liabilities of acquiree which are recognized at the date obtaining the control of subsidiaries is recognized as goodwill. If the ownership share of the Group in the net fair value of the assets, the identifiable and contingent liabilities of acquiree which are recognized at the date of obtaining the control of subsidiaries exceeds the cost of business combination, the difference will be included in the financial performance.

The benefit of non-controlling shareholders as at the date of business combination is initially measured on the basis of the ownership share of non-controlling shareholders in the fair values of the assets, the liabilities and the inherent liabilities recognized.

### 14. Payables and accrued expenses

Payables and accrued expenses are recorded for the amounts payable in the future associated with the goods and services already received. Accrued expenses are recorded based on reasonable estimates for the amounts payable.

The classification of payables as trade payables, accrued expenses, and other payables is made on the basis of following principles:

- Trade payables reflect payables of commercial nature arising from the purchase of goods, services, or assets, of which the seller is an independent entity with the Group.
- Accrued expenses reflect expenses for goods, services received from suppliers or supplied to customers but have not been paid, invoiced or lack of accounting records and supporting documents; pay on leave payable to employees; and accrual of operation expenses.
- Other payables reflect payables of non-commercial nature and irrelevant to purchase, sales of goods or provisions of services.

The payables and accrued expenses are classified as short-term and long-term items in the Consolidated Interim Balance Sheet on the basis of their remaining term as of the balance sheet date.

## **CIC39 CORPORATION**

Address: No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An City, Binh Duong Province

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the first 06 months of the fiscal year ending 31 December 2020

Notes to the Consolidated Interim Financial Statements (cont.)

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### **15. Provisions for payables**

Provisions are recorded when the Group has present obligations (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.

If time causes material effects, the provisions will be determined by deducting the amount to be spent in future to settle the liability at the pre-tax discount rate that reflects the assessments of the time value of money and the specific risks from this liability in the current market. The increase in provisions due to the effect of time will be recognized as a financial expense.

The Group's provisions for payables only include expenses on warranty of construction works:

Provisions for warranty expenses are made for each type of construction works under the commitment of warranty.

The extraction of provisions for warranty of is 0,19% on total value of warranty works for civil works, and 0,45% on total value of infrastructure works. This rate is estimated on the basis of the warranty expenses in the previous years and weighted rate of all the possible bad results with corresponding probability. Upon expiry of the warranty period, provisions for warranty of construction works which are not used or not used up are recorded in other income.

### **16. Owner's equity**

#### *Capital*

Capital is recorded according to the actual amounts invested by shareholders.

#### *Share premiums*

Share premiums are recorded in accordance with the difference between the issuance price and face value upon the IPO, additional issue or the difference between the re-issuance price and carrying value of treasury shares and the equity component of convertible bonds upon maturity date. Expenses directly related to the additional issue of shares and the re-issuance of treasury shares are recorded as a decrease in share premiums.

### **17. Profit distribution**

Profit after tax is distributed to the shareholders after appropriation for funds under the Charter of the Group as well as legal regulations and approved by the General Meeting of Shareholders.

The distribution of profits to the shareholders is made with consideration toward non-cash items in the retained earnings that may affect cash flows and payment of dividends such as profit due to revaluation of assets contributed as investment capital, profit due to revaluation of monetary items, financial instruments and other non-cash items.

Dividends are recorded as payables upon approval of the General Meeting of Shareholders and notice on dividend payment of the Board of Management.

## **CIC39 CORPORATION**

Address: No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An City, Binh Duong Province

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the first 06 months of the fiscal year ending 31 December 2020

Notes to the Consolidated Interim Financial Statements (cont.)

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### **18. Recognition of sales and income**

#### ***Sales of merchandises***

Sales of merchandises, finished goods shall be recognized when all of the following conditions are satisfied:

- The Group transfers most of risks and benefits incident to the ownership of products or goods to customers.
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods, products sold.
- The amount of sales can be measured reliably. When the contracts stipulate that buyers have the right to return products, goods purchased under specific conditions, sales are recorded only when those specific conditions are no longer exist and buyers retains no right to return products, goods (except for the case that such returns are in exchange for other goods or services).
- The Group received or shall probably receive the economic benefits associated with sale transactions.
- The cost incurred or to be incurred in respect of the sale transaction can be measured reliably.

#### ***Sales of service provision***

Sales of service provision shall be recognized when all of the following conditions are satisfied:

- The amount of sales can be measured reliably. When the contract stipulates that the buyer is entitled to return the services provided under specific conditions, sales is recognized only when these specific conditions are no longer existed and the buyer is not entitled to return the services provided.
- The Group received or shall probably receive the economic benefits associated with the provision of services.
- The stage of completion of the transaction at the end of reporting period can be measured reliably.
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

In the case that the services are provided in several accounting periods, the determination of sales is done on the basis of the volume of work done as of the balance sheet date.

#### ***Sales of real estates***

Sales of real estates that invested by the Group shall be recognized when all of the following conditions are satisfied:

- real estates are fully completed and handed over to the buyers, and the Group transfers most of risks and benefits incident to the ownership of real estate to the buyer.
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the real estates sold.
- the amount of sales can be measured reliably.
- the Group received or shall probably receive the economic benefits associated with the transaction.
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

In case the customer has the right to complete the interior of the real estate and the Group completes the interiors according to the designs, models as requested by customer under a separate contract on interior completion, revenues are recognized upon the completion and handover of the main construction works to customers.

#### ***Income from leasing operating assets***

Income from leasing operating assets is recognized in accordance with the straight-line method during the lease term. Rentals received in advance for several periods are allocated to revenues in consistence with the lease term.



## CIC39 CORPORATION

Address: No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An City, Binh Duong Province

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the first 06 months of the fiscal year ending 31 December 2020

Notes to the Consolidated Interim Financial Statements (cont.)

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### *Interest*

Interest is recorded, based on the term and the actual interest rate applied in each particular period.

### *Dividends and profit shared*

Dividends and profit shared are recognized when the Group has the right to receive dividends or profit from the capital contribution. Particularly, the dividends paid in form of shares are not recorded as an increase in value, but the increasing quantity is followed up.

## 19. Construction contracts

Construction contract is a contract agreed for acquisition of an asset or combined assets closely relevant or mutually dependent on their design, technology, function or basic using purpose.

When the outcome of the construction contracts is estimated reliably:

- For the construction contracts stipulating that the contractors are paid according to the planned progress, revenue and costs related to these contracts are recognized in proportion to the stage of completion of contract activity as determined by the Group itself.
- For the construction contracts stipulating that the contractors are paid according to the work actually performed, revenue and costs related to these contracts are recognized in proportion to the stage of completion of contract activity as confirmed in the invoices made by the customers.

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

When the results of the contract implementation cannot be estimated reliably:

- Contract revenue is recognized only to the extent that contract costs incurred are expected to be reliably recoverable.
- Contract costs are only recognized as actually incurred.

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

## 20. Sales deductions

Sales deductions include trade discounts, sales allowances, sales returns incurred in the same period of providing goods, merchandises, services, in which revenues are derecognized.

In case of goods, merchandises, services provided in the previous periods but trade discounts, sales allowances, sales returns incurred in the current period, revenues are derecognized as follows:

- If sales allowances, trade discounts, sales returns incur prior to the release of the Consolidated Interim Financial Statements, revenues are derecognized on the Consolidated Interim Financial Statements of the current period.
- If sales allowances, trade discounts, sales returns incur after the release of the Consolidated Interim Financial Statements, revenues are derecognized on the Consolidated Interim Financial Statements of the following period.

## **CIC39 CORPORATION**

Address: No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An City, Binh Duong Province

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the first 06 months of the fiscal year ending 31 December 2020

**Notes to the Consolidated Interim Financial Statements (cont.)**

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### **21. Borrowing costs**

Borrowing costs are interests and other costs that the Corporation directly incurs in connection with the borrowing.

Borrowing costs are recorded as an expense when it is incurred. In case the borrowing costs are directly attributable to the construction or the production of an asset in progress, which takes a substantial period of time (over 12 months) to get ready for intended use or sales of the asset, these costs will be included in the cost of that asset. To the extent that the borrowings are especially for the purpose of construction of fixed assets and investment properties, the borrowing cost is eligible for capitalization even if construction period is under 12 months. Incomes arisen from provisional investments as loans are recognized as a decrease in the costs of relevant assets.

In the event that general borrowings are partly used for the acquisition, construction or production of an asset in progress, the costs eligible for capitalization will be determined by applying the capitalization rate to average accumulated expenditure on construction or production of that asset. The capitalization rate is computed at the weighted average interest rate of the borrowings not yet paid during the period, except for particular borrowings serving the purpose of obtaining a specific asset.

### **22. Expenses**

Expenses are those that result in outflows of the economic benefits and are recorded at the time of transactions or when incurrence of the transaction is reliable regardless of whether payment for expenses is made or not.

Expenses and their corresponding revenues are simultaneously recognized in accordance with matching principle. In the event that matching principle conflicts with prudence principle, expenses are recognized based on the nature and regulations of accounting standards in order to guarantee that transactions can be fairly and truly reflected.

### **23. Corporate income tax**

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

#### ***Current income tax***

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

#### ***Deferred income tax***

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

Carrying values of deferred corporate income tax assets are considered as of the balance sheet date and will be reduced to the rate that ensures enough taxable income against which the benefits from part of or all of the deferred income tax can be used. Deferred corporate income tax assets, which have not been recorded before, are considered as of the balance sheet date and are recorded when there is certainly enough taxable income to use these unrecognized deferred corporate income tax assets.

## CIC39 CORPORATION

Address: No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An City, Binh Duong Province

### CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the first 06 months of the fiscal year ending 31 December 2020

#### Notes to the Consolidated Interim Financial Statements (cont.)

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

The Group shall offset deferred tax assets and deferred tax liabilities if:

- The Group has the legal right to offset current income tax assets against current income tax liabilities; and
- Deferred income tax assets and deferred income tax liabilities are relevant to corporate income tax which is under the management of one tax authority either:
  - Of the same subject to corporate income tax; or
  - The Group has intention to pay current income tax liabilities and current income tax assets on a net basis or recover tax assets and settle tax liability simultaneously in each future period to the extent that the majority of deferred income tax liabilities or deferred income tax assets are paid or recovered.

#### 24. Related parties

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

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

#### 25. Segment reporting

A business segment is a distinguishable component of the Group that is engaged in manufacturing or providing products or services and that is subject to risks and returns that are different from those of other business segments.

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

The segment information is prepared and presented in conformity with the accounting policies applicable to the preparation and presentation of the Consolidated Interim Financial Statements of the Group.

## V. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED INTERIM BALANCE SHEET

### 1. Cash and cash equivalents

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash on hand	847.437.112	536.052.549
Demand deposits in banks	19.793.767.142	27.466.790.296
Cash equivalents (*)	36.652.255.981	39.501.440.830
<b>Total</b>	<b><u>57.293.460.235</u></b>	<b><u>67.504.283.675</u></b>

(\*) Bank deposits of which the principal maturity is under 03 months.

## CIC39 CORPORATION

Address: No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An City, Binh Duong Province

### CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the first 06 months of the fiscal year ending 31 December 2020

#### Notes to the Consolidated Interim Financial Statements (cont.)

## 2. Financial investments

The financial investments of the Group include held-to-maturity investments and investments in other entities. The Corporation's financial investments are as follows:

### 2a. Held-to-maturity investments

	Ending balance		Beginning balance	
	Original costs	Carrying value	Original costs	Carrying value
<b>Short-term</b>				
Term deposits (*)	109.366.470.142	109.366.470.142	104.533.489.605	104.533.489.605
<b>Long-term</b>				
Bonds (**)	13.770.000.000	13.770.000.000	10.770.000.000	10.770.000.000
<b>Total</b>	<b>123.136.470.142</b>	<b>123.136.470.142</b>	<b>115.303.489.605</b>	<b>115.303.489.605</b>

(\*) This item reflects 12-month deposits. This deposit has been mortgaged to secure the overdraft loans from BIDV – Southern Binh Duong Branch (see Note No. V.20).

(\*\*) Bonds issued by the banks include:

Issuers	Year of issuance	Term (years)	Ending balance	Beginning balance
BIDV	2018	10 years	1.980.000.000	1.980.000.000
BIDV	2018	7 years	2.520.000.000	2.520.000.000
BIDV	2019	10 years	2.000.000.000	2.000.000.000
BIDV	2019	7 years	1.270.000.000	1.270.000.000
VietinBank	2019	10 years	3.000.000.000	3.000.000.000
VietinBank	2020	7 years	3.000.000.000	-
<b>Total</b>			<b>13.770.000.000</b>	<b>10.770.000.000</b>

### 2b. Investments in associates

	Ending balance			Beginning balance		
	Original costs	Profits generated after the investment date	Total	Original costs	Profits generated after the investment date	Total
Thu Duc - Long An Centrifugal Concrete Joint Stock Company (*)	49.248.403.455	4.221.598.596	53.470.002.051	55.373.968.455	3.374.535.129	58.748.503.584
Mien Dong Joint- Stock Company	42.218.832.208	8.801.814.331	51.020.646.539	42.218.832.208	7.002.087.837	49.220.920.045
<b>Total</b>	<b>91.467.235.663</b>	<b>13.023.412.927</b>	<b>104.490.648.590</b>	<b>97.592.800.663</b>	<b>10.376.622.966</b>	<b>107.969.423.629</b>

(\*) During the period, the Group decreased the purchase of 421.133 shares at the value of VND 6.125.565.000 because Thu Duc - Long An Centrifugal Concrete Joint Stock Company canceled the sales of stocks in 2016 and the canceled 2017 dividend payment in form of share to the Corporation for stock acquired in 2016. As of the balance sheet date, the Group held 3.246.135 shares, equivalent to 26,97% of charter capital of Thu Duc - Long An Centrifugal Concrete Joint Stock Company (Beginning balance: 3.667.268 shares, equivalent to 24,33% of charter capital).

The ownership of the Group at the associates is as follows:

	Beginning ownership value	Gain or loss during the period	Capital decrease during the period	Others	Ending ownership value
	Thu Duc - Long An Centrifugal Concrete Joint Stock Company	58.748.503.584	1.681.886.468	(6.125.565.000)	(834.823.001)
Mien Dong Joint- Stock Company	49.220.920.045	1.293.866.780	-	505.859.714	51.020.646.539
<b>Total</b>	<b>107.969.423.629</b>	<b>2.975.753.248</b>	<b>(6.125.565.000)</b>	<b>(328.963.287)</b>	<b>104.490.648.590</b>

## CIC39 CORPORATION

Address: No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An City, Binh Duong Province

### CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the first 06 months of the fiscal year ending 31 December 2020

#### Notes to the Consolidated Interim Financial Statements (cont.)

##### *Operation of associates*

The associates have been in the normal operation with profits and have not experienced any significant change compared to that of the previous year.

##### *Transactions with associates*

The Group only has transactions with Mien Dong Joint- Stock Company as follows:

	Accumulated from the beginning of the year	
	Current year	Previous year
Sales of merchandises	1.725.826.514	14.814.221.277
Sales of finished goods	1.051.534.898	-
Sales of service provisions	-	8.152.727
Sales of construction contracts	28.240.131.457	10.150.570.636
Purchases of materials	22.531.601	1.407.008.849
Dividends distribution	648.204.000	600.000.000
Dividends shared	-	1.394.060.000
Capital contribution	-	6.409.600.000
Liquidation of fixed assets	70.000.000	

##### 2c. *Investments in other entities*

	Ending balance			Beginning balance		
	Original costs	Provisions	Fair value	Original costs	Provisions	Fair value
Binh Duong General Construction and Consultation Joint Stock Company <sup>(a)</sup>	200.887.800	-	-	200.887.800	-	-
Hoa An Joint-Stock Company <sup>(b)</sup>	49.553.806.402	-	57.754.950.000	49.553.806.402	-	63.530.445.000
Dong Phu - Binh Duong Highway Building Operation Transfer Joint Stock Company <sup>(c)</sup>	16.875.000.000	-	-	16.875.000.000	-	-
<b>Total</b>	<b>66.629.694.202</b>	<b>-</b>	<b>-</b>	<b>66.629.694.202</b>	<b>-</b>	<b>-</b>

- (a) As of the balance sheet date, the Group held 18.098 shares, equivalent to 3,52% of charter capital of Binh Duong General Construction and Consultation Joint Stock Company.
- (b) As of the balance sheet date, the Group held 1.991.550 shares, equivalent to 13,17% of charter capital of Hoa An Joint-Stock Company (Beginning balance: 1.991.550 shares, equivalent to 13,17% of charter capital).
- (c) The Group has registered to purchase 3.375.000 shares at the purchasing price of VND 33.750.000.000 (accounted for 15% charter capital of Dong Phu - Binh Duong Highway Building Operation Transfer Joint Stock Company). As of the balance sheet date, the Group held 1.687.500 shares for the value of VND 16.875.000.000. The charter capital to be invested is VND 16.875.000.000.

##### *Fair value*

Fair value of investments with listed price is determined at the listed price as of the balance sheet date. The Group has not determined the fair value of the investments without listed price because there is no specific instruction on determination of fair value.

**CIC39 CORPORATION**

Address: No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An City, Binh Duong Province

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the first 06 months of the fiscal year ending 31 December 2020

**Notes to the Consolidated Interim Financial Statements (cont.)****3. Short-term trade receivables**

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Receivables from related parties</i>	<b>86.887.654.834</b>	<b>74.265.367.365</b>
Mien Dong Joint- Stock Company	86.887.654.834	74.265.367.365
<i>Receivables from other customers</i>	<b>59.100.438.579</b>	<b>42.995.721.695</b>
Management Board of Di An City Construction Investment Project	10.088.167.644	4.935.481.825
Management Board of Thu Dau Mot City Construction Investment Project	7.390.841.808	3.881.035.808
Other customers	41.621.429.127	34.179.204.062
<b>Total</b>	<b><u>145.988.093.413</u></b>	<b><u>117.261.089.060</u></b>

**4. Short-term prepayments to suppliers**

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Prepayments to related parties</i>	<b>3.957.439.280</b>	<b>2.614.532.301</b>
Phuc Tai Cooperative	3.957.439.280	2.614.532.301
<i>Prepayments to other suppliers</i>	<b>41.900.629.756</b>	<b>39.140.738.304</b>
Mr. Tran Huu Nghia	30.725.000.000	30.725.000.000
Other suppliers	11.175.629.756	8.415.738.304
<b>Total</b>	<b><u>45.858.069.036</u></b>	<b><u>41.755.270.605</u></b>

**5. Other short-term receivables**

	<u>Ending balance</u>		<u>Beginning balance</u>	
	Value	Allowance	Value	Allowance
<i>Receivables from related parties</i>	<b>11.676.105.000</b>	-	<b>5.380.540.000</b>	-
Mr. Tran Van Binh - Advance	5.550.540.000	-	5.380.540.000	-
Thu Duc - Long An Centrifugal Concrete Joint Stock Company - Receivables for repurchase of outstanding shares	6.125.565.000	-	-	-
<i>Receivables from other organizations and individuals</i>	<b>46.465.053.636</b>	-	<b>31.037.707.501</b>	-
Interest to be received	3.091.928.805	-	4.314.492.305	-
Short-term deposits and mortgages	6.725.034.802	-	6.724.526.519	-
Advances	36.456.647.271	-	19.271.608.747	-
Insurance premiums receivable	116.403.439	-	6.695.396	-
Other short-term receivables	75.039.319	-	720.384.534	-
<b>Total</b>	<b><u>58.141.158.636</u></b>	<b><u>-</u></b>	<b><u>36.418.247.501</u></b>	<b><u>-</u></b>

## CIC39 CORPORATION

Address: No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An City, Binh Duong Province

### CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the first 06 months of the fiscal year ending 31 December 2020

#### Notes to the Consolidated Interim Financial Statements (cont.)

#### 6. Doubtful debts

	Outstanding period	Ending balance		Outstanding period	Beginning balance	
		Original costs	Recoverable amount		Original costs	Recoverable amount
<i>Mr. Tran Huu Nghia</i>						
Prepayments to suppliers	From 01 to 02 years	30.725.000.000	15.362.500.000	From 01 to 02 years	30.725.000.000	15.362.500.000
<i>Quang Phuoc Co., Ltd.</i>						
Trade receivables	Over 3 years	264.782.117	-	Over 3 years	264.782.117	-
<i>Xuan Loan Private Enterprise</i>						
Trade receivables	Over 3 years	200.366.498	-	Over 3 years	200.366.498	-
<i>Other organizations and individuals</i>						
Trade receivables	Over 3 years	385.396.151	-	Over 3 years	325.396.866	-
Trade receivables		49.550.124	14.865.037	From 2 to 3 years	112.621.493	33.786.448
Trade receivables	From 01 to 02 years	145.527.738	72.763.869	From 01 to 02 years	14.550.124	7.275.062
Trade receivables	Under 01 year	63.149.741	44.204.818	Under 01 year	202.992.696	142.094.885
<b>Total</b>		<b>31.833.772.369</b>	<b>15.494.333.724</b>		<b>31.845.709.794</b>	<b>15.545.656.395</b>

Fluctuations in allowances for doubtful debts are as follows:

	Current period	Previous period
Beginning balance	16.300.053.399	16.234.881.189
Additional extraction	39.385.246	38.615.505
<b>Ending balance</b>	<b>16.339.438.645</b>	<b>16.273.496.694</b>

#### 7. Inventories

	Ending balance		Beginning balance	
	Original costs	Allowance	Original costs	Allowance
Materials and supplies	11.754.608.535	(21.839.062)	9.568.804.514	(21.839.062)
Tools	497.723.431	-	497.723.431	-
Work-in-process	16.288.793.721	-	27.192.284.845	-
Finished goods (*)	42.894.708.820	(93.921.236)	40.406.517.259	(135.856.891)
Merchandises	529.298.169	-	1.562.613.664	-
<b>Total</b>	<b>71.965.132.676</b>	<b>(115.760.298)</b>	<b>79.227.943.713</b>	<b>(157.695.953)</b>

(\*) Ending balance of finished goods which are real estates with the carrying value of VND 25.443.587.947 (Beginning balance: VND 23.745.260.285), has been mortgaged to secure the loans from BIDV – Southern Binh Duong Branch (see Note No. V.20).

Fluctuations in allowances for inventories are as follows:

	Current period	Previous period
Beginning balance	157.695.953	253.253.625
Additional extraction for/(Reversal of) allowances	(41.935.655)	19.783.220
<b>Ending balance</b>	<b>115.760.298</b>	<b>273.036.845</b>

## CIC39 CORPORATION

Address: No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An City, Binh Duong Province

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the first 06 months of the fiscal year ending 31 December 2020

Notes to the Consolidated Interim Financial Statements (cont.)

### 8. Prepaid expenses

#### 8a. Short-term prepaid expenses

	<u>Ending balance</u>	<u>Beginning balance</u>
Expenses of tools	312.243.734	336.435.942
Expenses of asset repairs	64.853.338	238.884.826
Other short-term prepaid expenses	59.099.851	169.451.669
<b>Total</b>	<b><u>436.196.923</u></b>	<b><u>744.772.437</u></b>

#### 8b. Long-term prepaid expenses

	<u>Ending balance</u>	<u>Beginning balance</u>
Expenses of tools	4.283.720.929	3.006.620.624
Land use right of Thanh Phuoc	47.104.430.761	47.617.364.671
+ Expenses of land use rights transfer	41.357.754.361	41.808.111.031
+ Land rental paid once	5.746.676.400	5.809.253.640
Land rental paid once	14.313.557.447	14.480.233.997
Expenses of asset repairs	698.604.771	527.648.048
Other long-term prepaid expenses	360.097.898	426.275.950
<b>Total</b>	<b><u>66.760.411.806</u></b>	<b><u>66.058.143.290</u></b>

Some long-term prepaid expenses, i.e. land use rights and land rental paid once, of which the net book values are VND 59.454.160.356 (Beginning balance: VND 60.107.169.438), have been mortgaged to secure loans from BIDV - Southern Binh Duong Branch, VietinBank - Binh Duong Branch and secure for guarantee letters at MBBank (see Note No. V.20).

### 9. Tangible fixed assets

	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Vehicles</u>	<u>Office equipment</u>	<u>Total</u>
<b>Historical costs</b>					
Beginning balance	66.070.247.833	139.085.536.593	49.614.375.689	1.362.075.816	256.132.235.931
Acquisition during the period	-	6.240.488.228	1.646.005.455	-	7.886.493.683
Completed constructions	2.076.555.595	-	-	-	2.076.555.595
Disposal and liquidation	-	-	(1.096.300.101)	-	(1.096.300.101)
Reclassification	-	500.000.000	(500.000.000)	-	-
<b>Ending balance</b>	<b><u>68.146.803.428</u></b>	<b><u>145.826.024.821</u></b>	<b><u>49.664.081.043</u></b>	<b><u>1.362.075.816</u></b>	<b><u>264.998.985.108</u></b>
<i>In which:</i>					
Assets fully depreciated but still in use	8.173.642.773	37.994.893.765	12.266.962.823	1.142.251.270	59.577.750.631
Assets waiting for liquidation	-	-	-	-	-
<b>Depreciation</b>					
Beginning balance	20.058.960.945	64.276.898.553	30.687.880.073	1.304.284.785	116.328.024.356
Depreciation during the period	2.780.522.429	6.414.035.881	1.721.297.728	33.720.756	10.949.576.794
Disposal and liquidation	-	-	(791.082.640)	-	(791.082.640)
Reclassification	-	125.231.473	(125.231.473)	-	-
<b>Ending balance</b>	<b><u>22.839.483.374</u></b>	<b><u>70.816.165.907</u></b>	<b><u>31.492.863.688</u></b>	<b><u>1.338.005.541</u></b>	<b><u>126.486.518.510</u></b>
<b>Net book values</b>					
Beginning balance	46.011.286.888	74.808.638.040	18.926.495.616	57.791.031	139.804.211.575
<b>Ending balance</b>	<b><u>45.307.320.054</u></b>	<b><u>75.009.858.914</u></b>	<b><u>18.171.217.355</u></b>	<b><u>24.070.275</u></b>	<b><u>138.512.466.598</u></b>
<i>In which:</i>					
Assets temporarily not in use	-	-	-	-	-
Assets waiting for liquidation	-	-	-	-	-



## CIC39 CORPORATION

Address: No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An City, Binh Duong Province

### CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the first 06 months of the fiscal year ending 31 December 2020

#### Notes to the Consolidated Interim Financial Statements (cont.)

Some tangible fixed assets, of which the net book values are VND 15.893.725.897 (Beginning balance: VND 9.480.108.910), have been mortgaged to secure the loans from BIDV - Southern Binh Duong Branch and VietinBank - Binh Duong Branch (see Notes No. V.20).

#### 10. Intangible fixed assets

	<u>Land use right</u>	<u>Computer software</u>	<u>Total</u>
<b>Initial costs</b>			
Beginning balance	78.581.967.427	832.920.000	79.414.887.427
Acquisition during the period	21.922.935.834	-	21.922.935.834
<b>Ending balance</b>	<b>100.504.903.261</b>	<b>832.920.000</b>	<b>101.337.823.261</b>
<i>In which:</i>			
Assets fully amortized but still in use	24.866.741.751	481.920.000	25.348.661.751
<b>Amortization</b>			
Beginning balance	37.064.313.197	737.909.250	37.802.222.447
Amortization during the period	596.332.730	35.333.334	631.666.064
<b>Ending balance</b>	<b>37.660.645.927</b>	<b>773.242.584</b>	<b>38.433.888.511</b>
<b>Net book values</b>			
Beginning balance	41.517.654.230	95.010.750	41.612.664.980
<b>Ending balance</b>	<b>62.844.257.334</b>	<b>59.677.416</b>	<b>62.903.934.750</b>
<i>In which:</i>			
Assets temporarily not in use	-	-	-
Assets waiting for liquidation	-	-	-

Some intangible fixed assets are land use right, of which the carrying values are VND 30.707.674.198 (Beginning balance: VND 31.183.534.156), have been mortgaged to secure the loans from BIDV - Southern Binh Duong Branch and VietinBank - Binh Duong Branch (see Note No. V.20).

#### 11. Investment property for lease

	<u>Houses</u>	<u>Infrastructure</u>	<u>Total</u>
<b>Historical costs</b>			
Beginning balance	7.374.299.499	957.092.617	8.331.392.116
<b>Ending balance</b>	<b>7.374.299.499</b>	<b>957.092.617</b>	<b>8.331.392.116</b>
<i>In which:</i>			
Assets fully depreciated but still leasing	-	-	-
<b>Depreciation</b>			
Beginning balance	2.498.033.759	453.474.756	2.951.508.515
Depreciation during the period	200.032.890	79.757.718	279.790.608
<b>Ending balance</b>	<b>2.698.066.649</b>	<b>533.232.474</b>	<b>3.231.299.123</b>
<b>Net book values</b>			
Beginning balance	4.876.265.740	503.617.861	5.379.883.601
<b>Ending balance</b>	<b>4.676.232.850</b>	<b>423.860.143</b>	<b>5.100.092.993</b>

Investment property for lease, of which the net book values are VND 1.743.234.150 (Beginning balance: VND 1.809.915.240), have been mortgaged to secure the loans from BIDV - Southern Binh Duong Branch (see Note No. V.20).

**CIC39 CORPORATION**

Address: No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An City, Binh Duong Province

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the first 06 months of the fiscal year ending 31 December 2020

**Notes to the Consolidated Interim Financial Statements (cont.)****12. Construction-in-progress**

	<b>Beginning balance</b>	<b>Increase during the period</b>	<b>Inclusion into fixed assets during the period</b>	<b>Ending balance</b>
Acquisition of fixed assets	21.922.935.834	-	(21.922.935.834)	-
Construction-in-progress	3.801.348.769	5.301.368.203	(2.076.555.595)	7.026.161.377
<i>Thanh Phuoc concrete workshop - Phase 2</i>	<i>2.544.338.622</i>	<i>2.234.131.724</i>	<i>(1.837.909.921)</i>	<i>2.940.560.425</i>
<i>Other constructions</i>	<i>1.257.010.147</i>	<i>3.067.236.479</i>	<i>(238.645.674)</i>	<i>4.085.600.952</i>
<b>Total</b>	<b><u>25.724.284.603</u></b>	<b><u>5.301.368.203</u></b>	<b><u>(23.999.491.429)</u></b>	<b><u>7.026.161.377</u></b>

**13. Deferred income tax assets**

Deferred income tax assets related to temporarily deductible differences. Details during the period are as follows:

	<b>Current period</b>	<b>Previous period</b>
Beginning balance	610.933.432	5.849.185.451
Inclusion into operation results	(451.598.718)	(2.653.668.634)
<b>Ending balance</b>	<b><u>159.334.714</u></b>	<b><u>3.195.516.817</u></b>

The corporate income tax rate used for determining deferred income tax assets is 20%.

**14. Short-term trade payables**

	<b>Ending balance</b>	<b>Beginning balance</b>
<i>Payables to related parties</i>	<i>9.380.502</i>	<i>66.469.293</i>
Mien Dong Joint- Stock Company	9.380.502	66.469.293
<i>Payables to other suppliers</i>	<i>16.879.813.779</i>	<i>27.166.281.081</i>
B.M.T Construction Investment Joint Stock Company	-	2.177.717.000
Hop Nhan Trading Transport and Mechanical Construction Joint Stock Company	2.606.811.920	1.932.218.460
Hao Thanh Service Trading Transport Company Limited	1.482.293.089	1.840.412.126
Other suppliers	12.790.708.770	21.215.933.495
<b>Total</b>	<b><u>16.889.194.281</u></b>	<b><u>27.232.750.374</u></b>

The Group has no outstanding trade payables.

**15. Short-term advances from customers**

	<b>Ending balance</b>	<b>Beginning balance</b>
Management Board of Thuan An City Construction Investment Project	11.046.472.235	16.500.000.000
Management Board of Dau Tieng District Construction Investment Project	6.051.009.440	2.732.247.000
Other customers	4.270.789.726	6.587.981.584
<b>Total</b>	<b><u>21.368.271.401</u></b>	<b><u>25.820.228.584</u></b>

## CIC39 CORPORATION

Address: No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An City, Binh Duong Province

### CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the first 06 months of the fiscal year ending 31 December 2020

#### Notes to the Consolidated Interim Financial Statements (cont.)

#### 16. Taxes and other obligations to the State Budget

	Beginning balance		Increase during the period		Ending balance	
	Payables	Receivables	Amount payable	Amount already	Payables	Receivables
				paid		
VAT on local sales	3.263.317.265	-	9.999.267.754	(5.529.991.925)	7.732.593.094	-
Corporate income tax	4.851.254.103	-	10.233.755.697	(4.874.478.547)	10.210.531.253	-
Personal income tax	970.261.457	-	47.247.147	(1.375.237.879)	-	357.729.275
Natural resource tax	6.260.569.000	-	-	(6.260.569.000)	-	-
Other taxes	-	-	63.355.612	(63.355.612)	-	-
Fees, legal fees, and other duties	2.065.987.770	-	20.406.835	(2.086.394.605)	-	-
- Environmental protection fee	2.065.987.770	-	11.112.000	(2.077.099.770)	-	-
- Other payables	-	-	9.294.835	(9.294.835)	-	-
<b>Total</b>	<b>17.411.389.595</b>	<b>-</b>	<b>20.364.033.045</b>	<b>(20.190.027.568)</b>	<b>17.943.124.347</b>	<b>357.729.275</b>

#### *Value added tax (VAT)*

The Group has to pay VAT in accordance with the deduction method at the rate of 10%.

#### *Corporate income tax*

The Group companies have to pay corporate income tax on taxable income at the rate of 20%.

Corporate income tax payable arising at each Group companies as follows:

	Accumulated from the beginning of the year	
	Current year	Previous year
Construction Investment Corporation 3-2	10.233.755.697	4.745.492.775
Tien Phuoc Construction Mineral Joint Stock Company	-	-
<b>Total</b>	<b>10.233.755.697</b>	<b>4.745.492.775</b>

Determination of corporate income tax liability of the Group is based on prevailing regulations on tax. Nonetheless, these tax regulations may change from time to time and tax regulations applicable to variety of transactions can be interpreted differently. Hence, the tax amounts presented in the Consolidated Interim Financial Statements can be changed upon the inspection of tax authorities.

#### *Natural resources tax*

The Group has to pay natural resources tax imposed on stone quarrying at the rate of 10% over the taxable value.

#### *Land rental*

Land rental is paid according to the notices of the tax department.

#### *Other taxes*

The Group has declared and paid these taxes in line with the prevailing regulations.

#### 17. Payables to employees

This item reflects the salary to be paid to employees.

## CIC39 CORPORATION

Address: No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An City, Binh Duong Province

### CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the first 06 months of the fiscal year ending 31 December 2020

#### Notes to the Consolidated Interim Financial Statements (cont.)

#### 18. Short-term accrued expenses

	<u>Ending balance</u>	<u>Beginning balance</u>
Temporarily accrued costs of construction and installation	13.450.704.871	18.830.736.025
Expenses for rehabilitation of quarry environment	4.250.308.734	4.250.308.734
Land rental	10.983.007.530	7.525.603.470
Appropriation of local support expenses at Tan Dong Hiep quarry	1.639.949.999	1.639.949.999
Other short-term accrued expenses	2.656.704.623	380.969.454
<b>Total</b>	<b><u>32.980.675.757</u></b>	<b><u>32.627.567.682</u></b>

#### 19. Other short-term payables

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Payables to related parties</i>	<i>648.204.000</i>	-
Mien Dong Joint-Stock Company – Dividends payable	648.204.000	-
<i>Payables to other organizations and individuals</i>	<i>28.724.320.373</i>	<i>11.137.287.446</i>
Trade Union's expenditure	92.998.140	96.519.140
Dividends payable	17.413.361.855	25.391.855
Payables for temporarily works warranty of construction teams, subcontractors	9.839.608.152	9.587.161.237
Loan interest expenses	251.917.722	294.780.904
Other short-term payables	1.126.434.504	1.133.434.310
<b>Total</b>	<b><u>29.372.524.373</u></b>	<b><u>11.137.287.446</u></b>

The Group has no other outstanding debts.

#### 20. Borrowings and financial lease

##### 20a. Short-term borrowings

	<u>Ending balance</u>	<u>Beginning balance</u>
Short-term loans from banks	217.277.516.251	199.930.079.165
<i>Loan from BIDV – Southern Binh Duong Branch <sup>(i)</sup></i>	<i>200.290.665.505</i>	<i>199.930.079.165</i>
<i>Loan from Vietinbank - Binh Duong Branch <sup>(ii)</sup></i>	<i>16.986.850.746</i>	-
Current portions of long-term loans (see Note No. V.20b)	11.319.788.000	10.219.788.000
<b>Total</b>	<b><u>228.597.304.251</u></b>	<b><u>210.149.867.165</u></b>

<sup>(i)</sup> Loan from BIDV – Southern Binh Duong Branch is to supplement the working capital with credit line of VND 400.000.000.000 at the interest rate defined for each loan acknowledgement. The maximum loan term for each loan is 12 months. This loan is secured by mortgaging 12-month deposit balance, some other assets: finished real estate, prepaid expenses which are land use right, tangible fixed assets, intangible fixed assets and investment property (see Notes No. V.2a, V.7, V.8, V.9, V.10 and V.11).

<sup>(ii)</sup> Loan from Vietinbank - Binh Duong Branch is to supplement the working capital with credit line of VND 80.000.000.000 at the interest rate defined for each loan acknowledgement. The loan term is 06 months. This loan is secured by mortgaging some assets: prepaid expenses which are land use right, tangible fixed assets, intangible fixed assets (see Notes No. V.8, V.9 and V.10).

The Group is solvent over short-term loans.

## CIC39 CORPORATION

Address: No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An City, Binh Duong Province

### CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the first 06 months of the fiscal year ending 31 December 2020

#### Notes to the Consolidated Interim Financial Statements (cont.)

Details of increases/(decreases) of short-term borrowings during the period are as follows:

	<b>Current period</b>	<b>Previous period</b>
Beginning balance	210.149.867.165	122.333.198.803
Increase	230.832.878.739	230.370.944.934
Transfer from long-term borrowings	6.209.894.000	4.140.036.000
Amount already paid	(218.595.335.653)	(168.329.461.372)
<b>Ending balance</b>	<b>228.597.304.251</b>	<b>188.514.718.365</b>

#### 20b. Long-term borrowings

	<b>Ending balance</b>	<b>Beginning balance</b>
Loan from BIDV – Southern Binh Duong Branch <sup>(i)</sup>	4.050.000.000	-
Loan from Vietinbank - Binh Duong Branch <sup>(ii)</sup>	41.170.697.500	46.300.591.500
<b>Total</b>	<b>45.220.697.500</b>	<b>46.300.591.500</b>

<sup>(i)</sup> Loan from BIDV – Southern Binh Duong Branch is to refund of investment in machinery and equipment for the production of unburnt bricks at the floating interest rate. The loan term is 60 months, starting from the first disbursement date. This loan is secured by mortgaging some tangible fixed assets (see Note No. V.9).

<sup>(ii)</sup> The medium and long-term loans from VietinBank – Binh Duong Branch are to acquire fixed assets and invest in Thanh Phuoc Plant at the floating interest rate. The loan terms are 5 years and 10 years respectively, starting from the first disbursement date. This loan is secured by mortgaging some assets: prepaid expenses which are land use right, tangible fixed assets, intangible fixed assets (see Notes No. V.8, V.9 and V.10).

Payment schedule of long-term borrowings is as follows:

	<b>Ending balance</b>	<b>Beginning balance</b>
Under 01 year	11.319.788.000	10.219.788.000
From 01 year to 05 years	38.057.960.000	29.220.232.000
Over 05 year	7.162.737.500	17.080.359.500
<b>Total</b>	<b>56.540.485.500</b>	<b>56.520.379.500</b>

Details of increase/(decrease) of long-term borrowings during the period are as follows:

	<b>Current period</b>	<b>Previous period</b>
Beginning balance	46.300.591.500	41.810.828.000
Increase	5.400.000.000	-
Amount already paid	(270.000.000)	-
Transfer to short-term borrowings	(6.209.894.000)	(4.140.036.000)
<b>Ending balance</b>	<b>45.220.697.500</b>	<b>37.670.792.000</b>

#### 21. Provisions for short-term payables

This item reflects provisions for warranty of construction works. Details are as follows:

	<b>Current period</b>	<b>Previous period</b>
Beginning balance	594.328.619	94.827.498
Amount already used during the period	(34.344.248)	(40.236.710)
<b>Ending balance</b>	<b>559.984.371</b>	<b>54.590.788</b>

## CIC39 CORPORATION

Address: No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An City, Binh Duong Province

### CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the first 06 months of the fiscal year ending 31 December 2020

#### Notes to the Consolidated Interim Financial Statements (cont.)

## 22. Bonus and welfare funds

	<u>Beginning balance</u>	<u>Increase due to appropriation from profit</u>	<u>Disbursement during the period</u>	<u>Ending balance</u>
Bonus fund	850.570.824	394.758.475	(1.186.752.400)	58.576.899
Welfare fund	430.347.070	921.103.108	(368.900.000)	982.550.178
Bonus fund for the Executive Officers	910.450.245	232.315.282	(1.142.765.527)	-
<b>Total</b>	<b><u>2.191.368.139</u></b>	<b><u>1.548.176.865</u></b>	<b><u>(2.698.417.927)</u></b>	<b><u>1.041.127.077</u></b>

## 23. Owner's equity

### 23a. Statement of fluctuations in owner's equity

Information on the fluctuations in owner's equity is presented in the attached Appendix 01.

### 23b. Details of capital contribution of the owners

	<u>Ending balance</u>	<u>Beginning balance</u>
Hoa An Joint-Stock Company	17.851.010.000	17.851.010.000
America LLC	14.080.070.000	16.690.070.000
Peter Eric Dennis	8.988.140.000	12.220.640.000
PYN Elite Fund	11.018.480.000	11.018.480.000
Other shareholders	98.363.750.000	92.521.250.000
<b>Total</b>	<b><u>150.301.450.000</u></b>	<b><u>150.301.450.000</u></b>

### 23c. Shares

	<u>Ending balance</u>	<u>Beginning balance</u>
Number of shares registered to be issued	15.030.145	15.030.145
Number of shares already sold to the public	15.030.145	15.030.145
- Common shares	15.030.145	15.030.145
- Preferred shares	-	-
Number of shares repurchased	-	-
- Common shares	-	-
- Preferred shares	-	-
Number of outstanding shares	15.030.145	15.030.145
- Common shares	15.030.145	15.030.145
- Preferred shares	-	-

Face value of outstanding shares: VND 10.000.

### 23d. Profit distribution

During the period, the Parent Company has distributed profits in accordance with the Resolution No. 01/NQ-ĐHĐCĐ dated 20 April 2020 of the 2020 General Meeting of Shareholders and the Resolution No. 19/NQ-HĐQT dated 28 October 2019 of the Board of Management as follows:

	<u>Amount distributed</u>	<u>Amount appropriated in the previous year</u>	<u>Amount appropriated in the current year</u>
• Dividend distributed to shareholders	36.072.348.000	18.036.174.000	18.036.174.000
• Appropriation for investment and development fund	19.006.738.111	11.901.085.565	7.105.652.546
• Appropriation for bonus and welfare funds	3.519.766.317	2.203.904.734	1.315.861.583
• Appropriation for bonus fund to the Executive Officers	1.113.877.176	881.561.894	232.315.282

**CIC39 CORPORATION**

Address: No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An City, Binh Duong Province

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the first 06 months of the fiscal year ending 31 December 2020

**Notes to the Consolidated Interim Financial Statements (cont.)****24. Off-consolidated interim balance sheet items****24a. External leased assets**

The total minimum lease payment in the future for irrevocable leasing contracts will be settled as follows:

	<u>Ending balance</u>	<u>Beginning balance</u>
Under 01 year	564.000.000	648.000.000
From 01 year to 05 years	1.080.000.000	1.320.000.000
<b>Total</b>	<b><u>1.644.000.000</u></b>	<b><u>1.968.000.000</u></b>

**24b. Treated doubtful debts**

	<u>Ending balance</u>	<u>Beginning balance</u>	<u>Reasons for writing off</u>
Van Hai Construction Company Limited	484.735.894	484.735.894	Irrecoverable
Tien Phat Iron and Steel Construction Company Limited	660.504.913	660.504.913	Irrecoverable
Other subjects	1.149.413.384	1.149.413.384	Irrecoverable
<b>Total</b>	<b><u>2.294.654.191</u></b>	<b><u>2.294.654.191</u></b>	

**VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED INTERIM INCOME STATEMENT****1. Sales****1a. Gross sales**

	<u>Accumulated from the beginning of the year</u>	
	<u>Current year</u>	<u>Previous year</u>
Sales of merchandises	121.683.313.771	150.163.305.131
Sales of finished goods	144.100.214.563	121.576.982.521
Sales of service provisions	18.275.481.351	19.613.441.756
Sales of real estate trading	542.454.547	637.647.723
Sales of construction contracts	71.673.783.193	35.473.142.444
<b>Total</b>	<b><u>356.275.247.425</u></b>	<b><u>327.464.519.575</u></b>

**1b. Sales to related parties**

Apart from sales of goods and service provisions with associates are presented in Note. V.2b, the Group also has service provisions to other related parties which is Phuc Tai Cooperative, details are as follows:

	<u>Accumulated from the beginning of the year</u>	
	<u>Current year</u>	<u>Previous year</u>
Sales of goods	3.075.140.430	2.902.966.036
Sales of finished goods	19.594.970.000	18.548.443.821
Sales of services	6.580.956.000	7.655.293.013

**2. Sales deductions**

This item reflects sales returns.

**CIC39 CORPORATION**

Address: No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An City, Binh Duong Province

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the first 06 months of the fiscal year ending 31 December 2020

**Notes to the Consolidated Interim Financial Statements (cont.)****3. Costs of sales**

	<b>Accumulated from the beginning of the year</b>	
	<b>Current year</b>	<b>Previous year</b>
Costs of merchandises sold	96.605.272.224	124.482.377.403
Costs of finished goods sold	107.781.221.876	89.997.492.331
Costs of services provided	15.168.142.852	16.820.148.141
Costs of real estate trading	279.790.608	279.790.608
Costs of construction activities	55.362.059.905	33.218.099.697
Allowance for inventories	(41.935.655)	19.783.220
<b>Total</b>	<b>275.154.551.810</b>	<b>264.817.691.400</b>

**4. Financial income**

	<b>Accumulated from the beginning of the year</b>	
	<b>Current year</b>	<b>Previous year</b>
Demand deposit interests	9.593.186	14.065.033
Term deposit interests	4.393.283.581	3.776.916.751
Dividends and profit received	3.983.100.000	2.692.520.000
Interest on bonds and commercial bills	446.282.000	193.000.000
<b>Total</b>	<b>8.832.258.767</b>	<b>6.676.501.784</b>

**5. Selling expenses**

	<b>Accumulated from the beginning of the year</b>	
	<b>Current year</b>	<b>Previous year</b>
Expenses for employees	730.141.500	900.317.207
Tools, supplies	-	22.632.719
Depreciation/(amortization) of fixed assets	95.734.272	44.803.320
Shipping service expenses	14.766.448.744	11.979.493.828
Other expenses	1.885.305.372	785.061.039
<b>Total</b>	<b>17.477.629.888</b>	<b>13.732.308.113</b>

**6. General and administration expenses**

	<b>Accumulated from the beginning of the year</b>	
	<b>Current year</b>	<b>Previous year</b>
Expenses on employees	5.247.068.758	5.189.808.340
Office supplies	46.311.206	142.249.844
Depreciation/(amortization) of fixed assets	565.802.479	579.924.535
Taxes, fees and legal fees	18.817.180	22.232.814
Allowance for doubtful debts	39.385.246	38.615.505
External services rendered	837.732.371	1.198.530.102
Other cash expenses	1.354.300.471	2.026.073.271
<b>Total</b>	<b>8.109.417.711</b>	<b>9.197.434.411</b>



**CIC39 CORPORATION**

Address: No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An City, Binh Duong Province

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the first 06 months of the fiscal year ending 31 December 2020

**Notes to the Consolidated Interim Financial Statements (cont.)****7. Other income**

	Accumulated from the beginning of the year	
	Current year	Previous year
Proceeds from liquidation, disposal of fixed assets, investment properties	73.873.448	104.272.727
Recover spilled rock from the mine	1.968.085.538	-
Leasing land and house in Thuan Giao	50.009.072	42.362.346
Fines for violation of the contract	61.130.799	83.543.306
Other income	62.539.024	91.660.110
<b>Total</b>	<b>2.215.637.881</b>	<b>321.838.489</b>

**8. Other expenses**

	Accumulated from the beginning of the year	
	Current year	Previous year
Fines for administrative violation	74.670.000	166.908.000
Expenses for surveying and exploration of construction stone	-	488.900.000
Tax fines and tax collected in arrears	5.924.835	-
Other expenses	253	7.982.722
<b>Total</b>	<b>80.595.088</b>	<b>663.790.722</b>

**9. Earnings per share****9a. Basic/diluted earnings per share**

	Accumulated from the beginning of the year	
	Current year	Previous year
Accounting profit after corporate income tax of the Parent company's shareholders	49.126.365.200	34.917.870.716
Appropriation for estimated bonus and welfare funds	(3.231.005.379)	(2.328.990.065)
Profit used to calculate basic/diluted earnings per share	45.895.359.821	32.588.880.652
The average number of ordinary shares outstanding during the year	15.030.145	15.030.145
<b>Basic/diluted earnings per share</b>	<b>3.054</b>	<b>2.168</b>

**9b. Other information**

There is no transaction over the common share or potential common share from the balance sheet date until the date of these Consolidated Interim Financial Statements.

**10. Operating costs**

	Accumulated from the beginning of the year	
	Current year	Previous year
Materials and supplies	77.485.762.269	108.835.655.959
Labor	24.000.752.892	25.699.797.003
Depreciation/(amortization) of fixed assets and investment property	11.861.033.466	10.954.938.665
External services rendered	73.314.360.586	35.945.495.591
Other expenses	7.315.498.077	20.299.390.560
<b>Total</b>	<b>193.977.407.290</b>	<b>201.735.277.778</b>

## CIC39 CORPORATION

Address: No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An City, Binh Duong Province

### CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the first 06 months of the fiscal year ending 31 December 2020

Notes to the Consolidated Interim Financial Statements (cont.)

## VII. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED INTERIM CASH FLOW STATEMENT

During the period, the Group has purchased by receiving debts of some fixed assets valued at VND 1.195.716.500 (Beginning balance: VND 0).

## VIII. OTHER DISCLOSURES

### 1. Operating leased assets

As at the balance sheet date, the total minimum rental in the future for irrevocable operating leases is paid as follows:

	<u>Ending balance</u>	<u>Beginning balance</u>
Less than 01 year	2.214.181.815	1.014.454.542
From 01 year to 05 years	7.207.181.817	3.970.454.542
<b>Total</b>	<b><u>9.421.363.632</u></b>	<b><u>4.984.909.084</u></b>

### 2. Transactions and balances with related parties

The Group's related parties include the key managers, their related individuals and other related parties.

#### 2a. Transactions and balances with the key managers and their related individuals

The key managers include members of the Board of Management and the Executive Officers (the Board of Directors and the Chief Accountant). The key managers' related individuals are their close family members.

##### *Transactions with the key managers and their related individuals*

The Group has no sales of goods and service provisions as well as other transactions with the key managers and their related individuals.

##### *Receivables from and payables to the key managers and their related individuals*

Receivables from and payables to the key managers and their related individuals are presented in the Note No. V.5.

##### *Income of the key managers*

	<u>Accumulated from the beginning of the year</u>	
	<u>Current year</u>	<u>Previous year</u>
General Director	846.808.200	1.134.418.194
The Board of Management and Executive Officers	1.696.535.800	2.546.983.645
<b>Total</b>	<b><u>2.543.344.000</u></b>	<b><u>3.681.401.839</u></b>

#### 2b. Transactions and balances with other related parties

Other related parties of the Group include:

<u>Other related parties</u>	<u>Relationship</u>
Mien Dong Joint- Stock Company	Associate
Thu Duc - Long An Centrifugal Concrete Joint Stock Company	Associate
Phuc Tai Cooperative	Founding shareholders

## CIC39 CORPORATION

Address: No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An City, Binh Duong Province

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the first 06 months of the fiscal year ending 31 December 2020

Notes to the Consolidated Interim Financial Statements (cont.)

### *Transactions with other related parties*

Apart from sales of goods and service provisions presented in Notes No. V.2b and VI.1b, the Group also has other transactions with Phuc Tai Cooperative as follows:

	Accumulated from the beginning of the year	
	Current year	Previous year
Purchase of goods (finished stone)	31.333.472.982	30.423.075.967
Land rental	240.000.000	240.000.000
Purchase of services	5.531.595.075	5.770.801.146

The prices of merchandises and services supplied to other related parties at the agreed prices. The purchases of merchandises and services from other related parties are done at the agreed prices.

### *Receivables from and payables to other related parties*

Receivables from and payables to other related parties are presented in Notes No. V.3, V.4, V.5, V.14 and V.19.

The receivables from other related parties are unsecured and will be paid in cash. No provision has been made for the receivables from other related parties.

### 3. Segment information

The segment information is presented according to business segment and geographical segments. The primary reporting format is the business segments.

#### 3a. Information on business segment

The Group has the following main business segments:

- Segment 01: Manufacture.
- Segment 02: Construction.
- Segment 03: Construction materials.
- Segment 04: Others

Segment information on business segment of the Corporation is presented in the attached Appendix 02.

#### 3b. Information on geographical segment

All operations of the Corporation take place only in Vietnamese territory.

### 4. Subsequent events

There is no material subsequent event which is required to adjust figures or disclosures in the Consolidated Interim Financial Statements.



Do Viet Cuong  
Preparer



Nguyen Xuan Hieu  
Chief Accountant



Binh Duong, 24 August 2020



Vo Van Lan  
General Director

**CIC39 CORPORATION**

Address: No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An City, Binh Duong Province

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the first 06 months of the fiscal year ending 31 December 2020

**Appendix 01: Statement on fluctuation in owner's equity**


Unit: VND

	Capital	Share premiums	Investment and development fund	Retained earnings	Benefits of non-controlling shareholders	Total
Beginning balance of the previous year	150.301.450.000	2.190.000.000	130.069.054.885	194.325.677.281	-	476.886.182.166
Profit in the previous period	-	-	-	34.917.870.716	(5.674.092)	34.912.196.624
Extraction for funds in the previous period	-	-	24.960.497.476	(31.431.737.562)	-	(6.471.240.086)
Dividends, profit shared in the previous period	-	-	-	(18.036.174.000)	-	(18.036.174.000)
Other increase	-	-	-	5.799.756.443	-	5.799.756.443
<b>Ending balance of the previous period</b>	<b>150.301.450.000</b>	<b>2.190.000.000</b>	<b>155.029.552.361</b>	<b>185.575.392.878</b>	<b>(5.674.092)</b>	<b>493.090.721.147</b>
Beginning balance of the current year	150.301.450.000	2.190.000.000	166.930.637.926	192.444.430.206	(32.402.547)	511.834.115.585
Profit in the current period	-	-	-	49.126.365.200	(1.317.112)	49.125.048.088
Extraction for funds in the current period	-	-	7.105.652.546	(8.653.829.411)	-	(1.548.176.865)
Dividends, profit shared in the current period	-	-	-	(18.036.174.000)	-	(18.036.174.000)
Other decrease	-	-	-	(328.963.287)	-	(328.963.287)
<b>Ending balance of the current period</b>	<b>150.301.450.000</b>	<b>2.190.000.000</b>	<b>174.036.290.472</b>	<b>214.551.828.708</b>	<b>(33.719.659)</b>	<b>541.045.849.521</b>


Do Viet Cuong  
Preparer

Nguyen Xuan Hieu  
Chief Accountant

Binh Duong, 24 August 2020

  
Vo Van Lan  
General Director

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## CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the first 06 months of the fiscal year ending 31 December 2020

**Appendix 02: Segment information according to business segments**

Unit: VND

The information on financial performance, fixed assets, other non-current assets and remarkable non-cash expenses according to business segments of the Corporation is as follows:

	Construction	Manufacture	Construction materials	Others	Total
<b>Current period</b>					
Net external sales	71.673.783.193	144.092.132.433	121.683.313.771	18.817.935.898	356.267.165.295
Net inter-segment sales	-	-	-	-	-
<b>Total net sales</b>	<b>71.673.783.193</b>	<b>144.092.132.433</b>	<b>121.683.313.771</b>	<b>18.817.935.898</b>	<b>356.267.165.295</b>
Segment financial performance	16.311.723.288	36.352.846.212	25.078.041.547	3.370.002.438	81.112.613.485
Expenses not attributable to segments					(25.587.047.599)
Operating profit					55.525.565.886
Financial income					8.832.258.767
Financial expenses					(9.658.218.191)
Gain or loss in joint ventures and associates					2.975.753.248
Other income					2.215.637.881
Other expenses					(80.595.088)
Current income tax					(10.233.755.697)
Deffered income tax					(451.598.718)
<b>Profit after tax</b>					<b>49.125.048.088</b>
<b>Total expenses on acquisition of fixed assets and other non-current assets</b>	<b>3.226.671.173</b>	<b>7.191.066.135</b>	<b>4.960.763.024</b>	<b>666.630.345</b>	<b>16.045.130.677</b>
<b>Total depreciation/ (amortization) and allocation of long-term prepayments</b>	<b>2.818.355.248</b>	<b>6.281.079.755</b>	<b>4.333.008.154</b>	<b>582.272.265</b>	<b>14.014.715.422</b>
<b>Total remarkable non-cash expenses (except for depreciation/ (amortization) and allocation of long-term prepayments)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**CIC39 CORPORATION**

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**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the first 06 months of the fiscal year ending 31 December 2020

**Appendix 02: Segment information according to business segments**

	<u>Construction</u>	<u>Manufacture</u>	<u>Construction materials</u>	<u>Others</u>	<u>Total</u>
<b>Previous year</b>					
Net external sales	35.473.142.444	121.547.482.521	150.163.305.131	20.251.089.479	327.435.019.575
Net inter-segment sales	-	-	-	-	-
<b>Total net sales</b>	<u><u>35.473.142.444</u></u>	<u><u>121.547.482.521</u></u>	<u><u>150.163.305.131</u></u>	<u><u>20.251.089.479</u></u>	<u><u>327.435.019.575</u></u>
Segment financial performance	<u>2.255.042.747</u>	<u>31.703.649.438</u>	<u>25.680.927.728</u>	<u>2.977.708.262</u>	62.617.328.175
Expenses not attributable to segments					<u>(22.929.742.524)</u>
Operating profit					39.687.585.651
Financial income					6.676.501.784
Financial expenses					(5.673.257.301)
Gain or loss in joint ventures and associates					1.962.480.132
Other income					321.838.489
Other expenses					(663.790.722)
Current income tax					(4.745.492.775)
Deffered income tax					<u>(2.653.668.634)</u>
<b>Profit after tax</b>					<u><u>34.912.196.624</u></u>
<b>Total expenses on acquisition of fixed assets and other non-current assets</b>	<u><u>160.072.093</u></u>	<u><u>55.166.248.104</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>55.326.320.197</u></u>
<b>Total depreciation/ (amortization) and allocation of long-term prepayments</b>	<u><u>117.915.311</u></u>	<u><u>16.839.676.250</u></u>	<u><u>51.176.700</u></u>	<u><u>279.790.608</u></u>	<u><u>17.288.558.869</u></u>
<b>Total remarkable non-cash expenses (except for depreciation/ (amortization) and allocation of long-term prepayments)</b>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

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**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the first 06 months of the fiscal year ending 31 December 2020

**Appendix 02: Segment information according to business segments (cont.)**

The Corporation's assets and liabilities according to business segments are as follows:

	Construction	Manufacture	Construction materials	Others	Total
<b>Ending balance</b>					
Direct assets of segment	-	-	-	-	-
Allocated assets	128.775.241.408	258.888.233.778	218.626.635.962	33.809.911.101	640.100.022.249
Unallocated assets					298.213.261.613
<b>Total assets</b>					<b>938.313.283.862</b>
Direct liabilities of segment	-	-	-	-	-
Allocated liabilities	79.712.758.314	160.253.593.655	135.331.388.261	20.928.567.034	396.226.307.264
Unallocated liabilities					1.041.127.077
<b>Total liabilities</b>					<b>397.267.434.341</b>
<b>Beginning balance</b>					
Direct assets of segment	-	-	-	-	-
Allocated assets	150.425.713.015	187.679.219.427	230.523.919.147	33.567.739.179	602.196.590.768
Unallocated assets					293.359.379.697
<b>Total assets</b>					<b>895.555.970.465</b>
Direct liabilities of segment	-	-	-	-	-
Allocated liabilities	95.294.226.197	118.894.207.846	146.036.193.246	21.265.059.452	381.489.686.741
Unallocated liabilities					2.232.168.139
<b>Total liabilities</b>					<b>383.721.854.880</b>


Do Viet Cuong  
Preparer

Nguyen Xuan Hieu  
Chief Accountant

Binh Duong, 24 August 2020

Vo Van Lanh  
General Director



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for tomorrow**

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