



FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019

**CONSTRUCTION INVESTMENT
CORPORATION 3-2**

FINANCIAL STATEMENTS
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STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of Construction Investment Corporation 3-2 (hereinafter referred to as “the Corporation”) presents this statement together with the Financial Statements for the fiscal year ended 31 December 2019.

Business highlights

Construction Investment Corporation 3-2 is an enterprise which has been equitized from a State-owned enterprise - Construction Investment Company 3-2 under the Decision No. 1214/QĐ-UBND dated 21 April 2008 of the People’s Committee of Binh Duong Province. The Corporation has been operating under the Business Registration Certificate No. 3700146225, registered for the first time on 24 December 2008 and amended for the tenth time on 08 August 2018, 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 Town, 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 Construction Investment Corporation 3-2 Construction Stone Plant	No. 635/1A, 1K Highway, Tan An Quarter, Tan Dong Hiep Ward, Di An Town, Binh Duong Province
Branch of Construction Investment Corporation 3-2 Concrete Sewer Plant	No. 6, Hill Road 16, Cay Cham Quarter, Thanh Phuoc Ward, Tan Uyen Town, Binh Duong Province
Branch of Construction Investment Corporation 3-2 Unburnt Brick Plant	No. 5/138 Binh Duong Boulevard, Hoa Lan 1 Quarter, Thuan Giao Ward, Thuan An Town, Binh Duong Province

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

- Constructing road works;
- Growing rubber trees;
- Forest plantation, taking care and nursing forest trees;
- Dismantling;
- Drainage and waste water treatment;
- Installing industrial machinery and equipment;
- Leasing construction machinery and equipment;
- Growing other perennial plants;
- Wood exploitation;
- Exploiting other forest products except wood;
- Constructing residential houses;
- Constructing non-residential houses;
- 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;



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

- Preparing construction sites;
- Installing, constructing water supply, drainage, heating and air-conditioning systems;
- Completing construction works;
- Producing concrete and products from cement and plaster; producing bricks and tiles (with tunnel technology);
- Producing beds, wardrobes, tables, chairs.
- Wholesaling computers, peripheral devices and software;
- Providing goods transportation by road;
- Cargo loading and unloading for road transportation;
- Leasing motor vehicles;
- Growing flowers and ornamental plants;
- Constructing electrical works;
- Constructing water supply and drainage works;
- Constructing telecommunications and communication works;
- Constructing other public works;
- Constructing other civil engineering works;
- 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 metals; refining metal powder (not forging, stamping, pressing, laminating, refining metals 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);
- Constructing irrigation works; dredging canals, sewers and rivers; constructing waste treatment systems;
- Exploiting stone, sand, gravel, soil and clay (only after obtaining permits from competent agencies); processing stone;
- 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;
- Providing engine fuel (not setting up a gas station at the head office);
- Other unclassified specialized wholesaling: Trading instruments, equipment, materials for fire prevention and fighting;
- 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;
- 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;
- The Corporation must strictly comply with the provisions of the law on land, construction, fire protection, environmental protection and business conditions for conditional business lines.

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

Board of Management and Executive Officers

The Board of Management and the Executive Officers of the Corporation during the year 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	Re-appointed on 23 April 2019
Mr. Tran Van Binh	Member	Re-appointed on 23 April 2019
Mr. Nguyen Le Van	Member	Re-appointed on 23 April 2019
Mr. Nguyen Huu Nghia	Member	Appointed on 23 April 2019
Mr. Trinh Tien Bay	Member	Appointed on 23 April 2019
Ms. Le Thi Quyet	Member	Resigned on 23 April 2019
Mr. Thuong Van Huyen	Member	Resigned 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 year and as of the date of this statement is Mr. Vo Van Lanh - General Director (re-appointed on 25 March 2020).

Auditor

A&C Auditing and Consulting Co., Ltd. has been appointed to perform the audit on the Corporation's Financial Statements for the fiscal year ended 31 December 2019.

Responsibilities of the Board of Directors

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

- select the appropriate accounting policies and apply them consistently;
- make judgments and estimates prudently;
- state clearly whether the accounting standards applied to the Corporation are followed or not, and all the material differences from these standards are disclosed and explained in the Financial Statements;
- prepare the Financial Statements of the Corporation 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 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 Corporation have been fully recorded and can fairly reflect the financial position of the Corporation 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 Corporation'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 Financial Statements.



CONSTRUCTION INVESTMENT CORPORATION 3-2

STATEMENT OF THE BOARD OF MANAGEMENT (cont.)

Approval of the Financial Statements

The Board of Management hereby approves the accompanying Financial Statements, which give a true and fair view of the financial position as of 31 December 2019, the financial performance and the cash flows for the fiscal year then ended of the Corporation, in conformity with the Vietnamese Accounting Standards and System and other legal regulations related to the preparation and presentation of the Financial Statements.

For and on behalf of the Board of Management,



Vo Van Lanh
Chairman

Date: 03 April 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
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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. 1.0935/20/TC-AC

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying Financial Statements of Construction Investment Corporation 3-2 (hereinafter referred to as "the Corporation"), which were prepared on 29 March 2020 (from page 07 to page 46), including the Balance Sheet as of 31 December 2019, the Income Statement, the Cash Flow Statement for the fiscal year then ended and the Notes to the Financial Statements.

Responsibilities of the Board of Directors

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

Responsibilities of Auditors

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and true and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Corporation's Board of Directors, as well as evaluating the overall presentation of the Financial Statements.

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

Opinion of the Auditors

In our opinion, the Financial Statements referred to above give a true and fair view, in all material respects, of the financial position of Construction Investment Corporation 3-2 as of 31 December 2019, its financial performance and its cash flows for the fiscal year then ended, in accordance with Vietnamese Accounting Standards and System as well as the legal regulations related to the preparation and presentation of the Financial Statements.

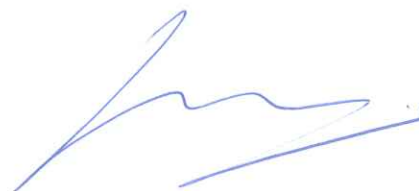
Other matter

The Corporation's Financial Statements for the fiscal year ended 31 December 2018 were audited by another audit firm whose auditors expressed an unqualified audit opinion on the Financial Statements for the fiscal year ended 31 December 2018 on 25 March 2019.

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



Nguyen Minh Tri - Deputy General Director
Audit Practice Registration Certificate No. 0089-2018-008-1



Phan Vu Cong Ba - Auditor
Audit Practice Registration Certificate No. 0197-2018-008-1

Ho Chi Minh City, 03 April 2020

CONSTRUCTION INVESTMENT CORPORATION 3-2

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

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

BALANCE SHEET

As of 31 December 2019

Unit: VND

ITEMS	Code	Note	Ending balance	Beginning balance
A - CURRENT ASSETS	100		428.246.963.655	407.803.391.493
I. Cash and cash equivalents	110	V.1	67.272.518.086	38.972.280.405
1. Cash	111		27.771.077.256	33.972.280.405
2. Cash equivalents	112		39.501.440.830	5.000.000.000
II. Short-term financial investments	120		104.533.489.605	98.468.222.182
1. Trading securities	121		-	-
2. Provisions for devaluation of trading securities	122		-	-
3. Held-to-maturity investments	123	V.2a	104.533.489.605	98.468.222.182
III. Short-term receivables	130		176.625.935.767	210.019.210.842
1. Short-term trade receivables	131	V.3	117.261.089.060	78.196.025.068
2. Short-term prepayments to suppliers	132	V.4	41.755.270.605	49.674.931.981
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	33.909.629.501	98.383.134.982
7. Allowance for short-term doubtful debts	137	V.6	(16.300.053.399)	(16.234.881.189)
8. Deficit assets for treatment	139		-	-
IV. Inventories	140	V.7	79.070.247.760	59.676.604.164
1. Inventories	141		79.227.943.713	59.929.857.789
2. Allowance for inventories	149		(157.695.953)	(253.253.625)
V. Other current assets	150		744.772.437	667.073.900
1. Short-term prepaid expenses	151	V.8a	744.772.437	667.073.900
2. Deductible VAT	152		-	-
3. Taxes and other receivables from the State	153		-	-
4. Trading Government bonds	154		-	-
5. Other current assets	155		-	-

CONSTRUCTION INVESTMENT CORPORATION 3-2

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

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

Balance Sheet (cont.)

ITEMS	Code	Note	Ending balance	Beginning balance
B- NON-CURRENT ASSETS	200		457.086.545.015	378.550.856.542
I. Long-term receivables	210		-	-
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		-	-
II. Fixed assets	220		181.416.876.555	156.908.280.346
1. Tangible fixed assets	221	V.9	139.804.211.575	114.105.485.592
- Historical cost	222		256.132.235.931	215.466.404.362
- Accumulated depreciation	223		(116.328.024.356)	(101.360.918.770)
2. Financial leased assets	224		-	-
- Historical cost	225		-	-
- Accumulated depreciation	226		-	-
3. Intangible fixed assets	227	V.10	41.612.664.980	42.802.794.754
- Initial cost	228		79.414.887.427	79.414.887.427
- Accumulated amortization	229		(37.802.222.447)	(36.612.092.673)
III. Investment property	230	V.11	5.379.883.601	5.939.464.817
- Historical costs	231		8.331.392.116	8.331.392.116
- Accumulated depreciation	232		(2.951.508.515)	(2.391.927.299)
IV. Long-term assets in process	240		25.634.284.603	17.872.494.298
1. Long-term work in process	241		-	-
2. Construction-in-progress	242	V.12	25.634.284.603	17.872.494.298
V. Long-term financial investments	250		177.992.494.865	126.060.788.737
1. Investments in subsidiaries	251	V.2b	3.000.000.000	-
2. Investments in joint ventures and associates	252	V.2b	97.592.800.663	91.233.200.663
3. Investments in other entities	253	V.2b	66.629.694.202	30.365.020.282
4. Provisions for devaluation of long-term financial investments	254	V.2b	-	(37.432.208)
5. Held-to-maturity investments	255	V.2b	10.770.000.000	4.500.000.000
VI. Other non-current assets	260		66.663.005.391	71.769.828.344
1. Long-term prepaid expenses	261	V.8b	66.052.071.959	65.920.642.893
2. Deferred income tax assets	262	V.13	610.933.432	5.849.185.451
3. Long-term components and spare parts	263		-	-
4. Other non-current assets	268		-	-
TOTAL ASSETS	270		885.333.508.670	786.354.248.035

CONSTRUCTION INVESTMENT CORPORATION 3-2

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

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

Balance Sheet (cont.)

ITEMS	Code	Note	<u>Ending balance</u>	<u>Beginning balance</u>
C - LIABILITIES	300		383.681.054.880	309.468.065.869
I. Current liabilities	310		337.380.463.380	267.657.237.869
1. Short-term trade payables	311	V.14	27.232.750.374	26.982.313.337
2. Short-term advances from customers	312	V.15	25.820.228.584	22.204.400.688
3. Taxes and other obligations to the State Budget	313	V.16	17.393.539.595	18.956.647.133
4. Payables to employees	314	V.17	10.233.525.776	12.687.484.518
5. Short-term accrued expenses	315	V.18	32.627.567.682	43.220.966.536
6. Short-term inter-company payables	316		-	-
7. Payable according to the progress of construction contracts	317		-	-
8. Short-term unearned revenue	318		-	-
9. Other short-term payables	319	V.19	11.137.287.446	9.885.132.543
10. Short-term borrowings and financial leases	320	V.20a	210.149.867.165	122.333.198.803
11. Provisions for short-term payables	321	V.21	594.328.619	94.827.498
12. Bonus and welfare funds	322	V.22	2.191.368.139	11.292.266.813
13. Price stabilization fund	323		-	-
14. Trading Government bonds	324		-	-
II. Non-current liabilities	330		46.300.591.500	41.810.828.000
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	46.300.591.500	41.810.828.000
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		-	-

CONSTRUCTION INVESTMENT CORPORATION 3-2

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

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

Balance Sheet (cont.)

ITEMS	Code	Note	Ending balance	Beginning balance
D - OWNERS' EQUITY	400		501.652.453.790	476.886.182.166
I. Owners' equity	410		501.652.453.790	476.886.182.166
1. Capital	411	V.23	150.301.450.000	150.301.450.000
- Ordinary shares carrying voting right	411a		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	166.930.637.926	130.069.054.885
9. Business arrangement supporting fund	419		-	-
10. Other funds	420		-	-
11. Retained earnings	421	V.23	182.230.365.864	194.325.677.281
- Retained earnings accumulated to the end of the previous period	421a		144.857.765.719	194.325.677.281
- Retained earnings of the current period	421b		37.372.600.145	-
12. Construction investment fund	422		-	-
II. Other sources and funds	430		-	-
1. Sources of expenditure	431		-	-
2. Fund to form fixed assets	432		-	-
TOTAL LIABILITIES AND OWNERS' EQUITY	440		885.333.508.670	786.354.248.035

Binh Duong, 29 March 2020


Do Viet Cuong
Preparer

Nguyen Xuan Hieu
Chief Accountant

Vo Van Lan
General Director

CONSTRUCTION INVESTMENT CORPORATION 3-2

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

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

INCOME STATEMENT

For the fiscal year ended 31 December 2019

Unit: VND

ITEMS	Code	Note	Current year	Previous year
1. Sales	01	VI.1a	802.277.757.403	722.333.337.591
2. Sales deductions	02	VI.2	164.895.739	-
3. Net sales	10		802.112.861.664	722.333.337.591
4. Cost of sales	11	VI.3	677.427.024.155	570.900.558.770
5. Gross profit	20		124.685.837.509	151.432.778.821
6. Financial income	21	VI.4	15.638.001.962	11.690.947.964
7. Financial expenses	22	VI.5	14.485.298.468	7.986.225.401
In which: Loan interest expenses	23		14.521.330.676	7.934.858.980
8. Selling expenses	25	VI.6	28.875.707.593	23.828.310.385
9. General and administration expenses	26	VI.7	21.377.250.515	35.616.207.647
10. Net operating profit	30		75.585.582.895	95.692.983.352
11. Other income	31	VI.8	11.785.798.851	1.261.062.197
12. Other expenses	32	VI.9	835.374.842	187.354.252
13. Other profit	40		10.950.424.009	1.073.707.945
14. Total accounting profit before tax	50		86.536.006.904	96.766.691.297
15. Current income tax	51	V.16	10.902.428.547	22.697.238.871
16. Deferred income tax	52	V.13	5.238.252.019	(3.675.366.905)
17. Profit after tax	60		<u>70.395.326.338</u>	<u>77.744.819.331</u>
18. Basic earnings per share	70	VI.10	-	-
19. Diluted earnings per share	71	VI.10	-	-


Do Viet Cuong
Preparer


Nguyen Xuan Hieu
Chief Accountant

Binh Duong, 29 March 2020


Vo Van Lanh
General Director

CONSTRUCTION INVESTMENT CORPORATION 3-2

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

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

CASH FLOW STATEMENT

(Indirect method)

For the fiscal year ended 31 December 2019

Unit: VND

ITEMS	Code	Note	Current year	Previous year
I. Cash flows from operating activities				
1. Profit before tax	01		86.536.006.904	96.766.691.297
2. Adjustments				
- Depreciation of fixed assets and investment properties	02	V.9, V.10, V.11	22.864.360.697	20.345.345.119
- Provisions and allowances	03	V.2, V.6, V.7, V.21	431.683.451	15.368.973.095
- Exchange gain/(loss) due to revaluation of monetary items in foreign currencies	04		-	-
- Gain/(loss) from investing activities	05	VI.4, VI.8	(15.781.442.945)	(11.878.448.106)
- Interest expenses	06	VI.5	14.521.330.676	7.934.858.980
- Others	07		-	-
3. Operating profit before changes of working capital	08		108.571.938.783	128.537.420.385
- Increase/(decrease) of receivables	09		29.902.189.511	(57.228.034.842)
- Increase/(decrease) of inventories	10		(19.298.085.924)	22.409.485.573
- Increase/(decrease) of payables	11		(9.560.770.919)	26.359.345.520
- Increase/(decrease) of prepaid expenses	12		(127.987.190)	(6.357.458.678)
- Increase/(decrease) of trading securities	13		-	-
- Interests paid	14	V.19, VI.5	(14.408.417.689)	(7.953.245.424)
- Corporate income tax paid	15	V.16	(10.937.238.871)	(24.569.511.177)
- Other cash inflows	16		-	-
- Other cash outflows	17	V.22	(18.657.605.388)	(5.776.924.061)
Net cash flows from operating activities	20		65.484.022.313	75.421.077.296
II. Cash flows from investing activities				
1. Purchases and construction of fixed assets and other non-current assets	21	V.9, V.12, VII	(50.538.246.519)	(34.036.173.384)
2. Proceeds from disposals of fixed assets and other non-current assets	22	V.9, VI.8	169.556.817	924.612.717
3. Cash outflow for lending, buying debt instruments of other entities	23		(12.335.267.423)	(6.320.735.625)
4. Cash recovered from lending, selling debt instruments of other entities	24		-	-
5. Investments in other entities	25		(45.624.273.920)	(2.165.236.975)
6. Withdrawals of investments in other entities	26		-	-
7. Interest earned, dividends and profits received	27	V.5, VI.4	14.913.453.091	11.592.319.140
Net cash flows from investing activities	30		(93.414.777.954)	(30.005.214.127)

CONSTRUCTION INVESTMENT CORPORATION 3-2

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FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

Cash Flow Statement (cont.)

ITEMS	Code	Note	Current year	Previous year
III. Cash flows from financing activities				
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	520.355.897.474	344.258.275.271
4. Repayment for loan principal	34	V.20	(428.049.465.612)	(366.829.852.326)
5. Payments for financial leased assets	35		-	-
6. Dividends and profit paid to the owners	36	V.19, V.23	(36.075.438.540)	(35.019.993.120)
<i>Net cash flows from financing activities</i>	40		<u>56.230.993.322</u>	<u>(57.591.570.175)</u>
Net cash flows during the year	50		28.300.237.681	(12.175.707.006)
Beginning cash and cash equivalents	60	V.1	38.972.280.405	51.147.987.411
Effects of fluctuations in foreign exchange rates	61		-	-
Ending cash and cash equivalents	70	V.1	<u>67.272.518.086</u>	<u>38.972.280.405</u>



Do Viet Cuong
Preparer



Nguyen Xuan Hieu
Chief Accountant



Binh Duong, 29 March 2020

Vo Van Lanh
General Director

CONSTRUCTION INVESTMENT CORPORATION 3-2

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FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

I. GENERAL INFORMATION

1. Ownership form

Construction Investment Corporation 3-2 (hereinafter referred to as “the Corporation”) 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 to manufacture stone, concrete and bricks; construct works; trade construction materials; trade real estate; lease car, construction tools.

4. Normal operating cycle

Normal operating cycle of the Corporation is within 12 months.

5. Structure of the Corporation

Subsidiaries

The Corporation only invests in a subsidiary, Tien Phuoc Construction Mineral Joint Stock Company headquartered at Nam Dong Phu Industrial Park, Tan Lap Commune, Dong Phu District, Binh Phuoc Province. Principal business activities of this subsidiary are to quarry and process stone. As of the balance sheet date, the contribution rate of the Corporation at this subsidiary is 80%, the voting rate and benefit rate is 83,38%.

Associates

Companies	Address	Principal business activities	Contribution rate	Ownership rate	Voting rate
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	32,01%	32,01%	32,01%
Thu Duc - Long An Centrifugal Concrete Joint Stock Company	Hamlet 3, An Thanh Commune, Ben Luc District, Long An Province	Trading construction materials	24,33%	24,33%	24,33%

Affiliates which are not legal entities and cannot do accounting works independently

Affiliates	Address
Branch of Construction Investment Corporation 3-2 - Construction Stone Plant	No. 635/1A, 1K Highway, Tan An Quarter, Tan Dong Hiep Ward, Di An Town, Binh Duong Province
Branch of Construction Investment Corporation 3-2 - Concrete Sewer Plant	No. 6, Hill Road 16, Cay Cham Quarter, Thanh Phuoc Ward, Tan Uyen Town, Binh Duong Province
Branch of Construction Investment Corporation 3-2 - Unburnt Brick Plant	No. 5/138 Binh Duong Boulevard, Hoa Lan 1 Quarter, Thuan Giao Ward, Thuan An Town, Binh Duong Province

6. Statement of information comparability on the Financial Statements

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

7. Headcount

As of the balance sheet date, the Corporation’s headcount is 267 (headcount at the beginning of the year: 338).

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FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

Notes to the Financial Statements (cont.)

II. FISCAL YEAR AND ACCOUNTING CURRENCY

1. Fiscal year

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

2. Accounting currency unit

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

III. ACCOUNTING STANDARDS AND SYSTEM

1. Accounting System

The Corporation applies the Vietnamese Accounting Standards and System, which were issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014 as well as other Circulars guiding the implementation of Vietnamese Accounting Standards of the Ministry of Finance in the preparation and presentation of 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 as well as other Circulars guiding the implementation of Vietnamese Accounting Standards of the Ministry of Finance in the preparation and presentation of the Financial Statements.

IV. ACCOUNTING POLICIES

1. Accounting convention

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

2. Foreign currency transactions

Transactions in foreign currencies are converted at the actual exchange rates ruling as of the transaction dates. The ending balances of monetary items in foreign currencies are converted at the actual exchange rates ruling as of the balance sheet date.

Foreign exchange differences arisen from foreign currency transactions during the year shall be included into financial income or financial expenses. Foreign exchange differences due to the revaluation of ending balances of the monetary items in foreign currencies after offsetting their positive differences against negative differences shall be included into financial income or financial expenses.

The exchange rate used to convert foreign currency transactions is the actual exchange rate ruling as at the time of these transactions. The actual exchange rates applied to foreign currency transactions are as follows:

- For the foreign currency trading contract (including spot contract, forward contract, future contract, option contract, currency swap): the exchange rate stipulated in the contracts of trading foreign currency between the Corporation and the Bank.
- For capital contribution made or received: the buying rate of the bank where the Corporation opens its account to receive capital contributed from investors as of the date of capital contribution.



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Notes to the Financial Statements (cont.)

- For receivables: the buying rate ruling as at the time of transaction of the commercial bank where the Corporation designates the customers to make payments.
- For payables: the selling rate ruling as at the time of transaction of the commercial bank where the Corporation supposes to make payments.
- For acquisition of assets or immediate payments in foreign currency (not included into payable accounts): the buying rate of the commercial bank where the Corporation makes payments.

The exchange rate used to re-evaluate ending balances of monetary items in foreign currencies is determined in accordance with following principles:

- For foreign currency deposits: the buying rate of the bank where the Corporation opens its foreign currency account.
- For monetary items in foreign currencies classified as other assets: the buying rate of BIDV – Binh Duong Branch where the Corporation frequently conducts transactions.
- For monetary items in foreign currencies classified as liabilities: the selling rate of BIDV – Binh Duong Branch where the Corporation frequently conducts transactions.

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 Corporation 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 Corporation'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 subsidiaries, associates

Subsidiary

Subsidiary is an entity that is controlled by the Corporation. Control is the Corporation's power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Associates

An associate is an entity which the Corporation 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.

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FINANCIAL STATEMENTS

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Notes to the Financial Statements (cont.)

Initial recognition

Investments in subsidiaries, associates are initially recognized at costs, including the cost of purchase or capital contributions plus other directly attributable transaction cost. In case of investment in non-monetary assets, the costs of the investment are recognized at the fair value of non-monetary assets at the arising time.

Dividends and profit of the periods prior to the acquisition of trading securities are recorded as a decrease in the value of such securities. Dividends and profit of the periods after the acquisition of such securities are recorded in the Corporation's revenues. Particularly, the dividends paid in form of shares are not recorded as an increase in values, but the increasing quantity is followed up.

Provisions for impairment of investments in subsidiaries, associates

Provisions for impairment of investments in subsidiaries, associates is made when the subsidiaries, associates suffer from losses at the rate equal to the difference between the actual capital invested by investors in subsidiaries, associates and the actual owner's equity multiplying (x) by the Corporation's rate of capital contribution over the total actual capital invested by investors in subsidiaries, associates. If the subsidiaries, associates are consolidated into Consolidated Financial Statements, the basis for impairment provisions is the Consolidated Financial Statements.

Increases/(decreases) in the provisions for impairment of investments in subsidiaries, associates as of the balance sheet date are recorded into "Financial expenses".

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 Corporation 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 Corporation'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 investors and the actual owner's equity multiplying (x) by the Corporation's rate of capital contribution over the total actual capital invested by investors in these investees.

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

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FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

Notes to the Financial Statements (cont.)

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 to the following principles:

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

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

- As for outstanding debt:
 - 30% of the value of debts outstanding from 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 but relevant to financial performance in several accounting periods. Prepaid expenses of the Corporation mainly include expenses of tools, land use right, land rental and repair expenses. These prepaid expenses are allocated over the prepayment period or period of corresponding economic benefits generated from these expenses.

Expenses of 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 Corporation. Expenses of non-permanent land use rights are allocated over the term regulated in Certificates of land use rights.

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Notes to the Financial Statements (cont.)

Prepaid land rental

Prepaid land rental reflects the rental already prepaid for the land being used by the Corporation and is allocated into expenses in accordance with the straight-line method over the lease term.

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 Corporation'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 Corporation 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 year.

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 year.

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
Other fixed assets	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 Corporation 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 year 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 year.

The Corporation's intangible fixed assets include:

Land use right

Land use right includes all the actual expenses paid by the Corporation 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.

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Notes to the Financial Statements (cont.)

The land use right of the Corporation 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 (i.e. 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 (i.e. 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 Corporation 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 Corporation or by the lessee under a finance lease to earn rentals. Investment properties for lease are measured at their historical costs less accumulated depreciation. Historical cost includes all the expenses paid by the Corporation 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 Corporation.

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 during the year.

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 for lease is depreciated in accordance with the straight-line method and the depreciation years of houses and infrastructure are 25 years and 06 - 15 years respectively.

12. Construction-in-progress

Construction-in-progress reflects the expenses (including relevant loan interest expenses following the accounting policies of the Corporation) 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.

13. 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:

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Notes to the Financial Statements (cont.)

- 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 Corporation.
- 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 Balance Sheet on the basis of their remaining term as of the balance sheet date.

14. Provisions for payables

Provisions are recorded when the Corporation 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 Corporation'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.

15. 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.

16. Profit distribution

Profit after tax is distributed to the shareholders after appropriation for funds under the Charter of the Corporation 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.

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Notes to the Financial Statements (cont.)

17. Recognition of sales and income

Sales of merchandises, finished goods

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

- The Corporation transfers most of risks and benefits incident to the ownership of goods, products to customers.
- The Corporation 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 goods, products (except for the case that such returns are in exchange for other goods or services).
- The Corporation 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 Corporation 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 Corporation shall be recognized when all of the following conditions are satisfied:

- real estates are fully completed and handed over to the buyers, and the Corporation transfers most of risks and benefits incident to the ownership of real estate to the buyer.
- the Corporation 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 Corporation 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 Corporation 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.

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Notes to the Financial Statements (cont.)

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 Corporation 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.

18. 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 Corporation 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.

19. 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 years but trade discounts, sales allowances, sales returns incurred in the current years, revenues are derecognized as follows:

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

20. 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.

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Notes to the Financial Statements (cont.)

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.

21. 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.

22. Corporate income tax

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

Corporate 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.

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 Corporation shall offset deferred tax assets and deferred tax liabilities if:

- The Corporation 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:

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- Of the same subject to corporate income tax; or
- The Corporation 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.

23. Related parties

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

24. Segment reporting

A business segment is a distinguishable component of the Corporation 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 Corporation 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 Financial Statements of the Corporation.

V. ADDITIONAL INFORMATION ON THE ITEMS OF THE BALANCE SHEET

1. Cash and cash equivalents

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash on hand	536.052.549	1.202.940.945
Demand deposits in banks	27.235.024.707	32.769.339.460
Cash equivalents (Deposits of which the principal maturity is under 03 months)	39.501.440.830	5.000.000.000
Total	<u>67.272.518.086</u>	<u>38.972.280.405</u>

2. Financial investments

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

2a. Held-to-maturity investments

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<u>Original costs</u>	<u>Carrying value</u>	<u>Original costs</u>	<u>Carrying value</u>
<i>Short-term</i>				
Term deposits (*)	104.533.489.605	104.533.489.605	98.468.222.182	98.468.222.182
<i>Long-term</i>				
Bonds (**)	10.770.000.000	10.770.000.000	4.500.000.000	4.500.000.000
Total	<u>115.303.489.605</u>	<u>115.303.489.605</u>	<u>102.968.222.182</u>	<u>102.968.222.182</u>

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(*) 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	-
BIDV	2019	7 years	1.270.000.000	-
VietinBank	2019	10 years	3.000.000.000	-
Total			10.770.000.000	4.500.000.000

2b. Investments in other entities

	Ending balance			Beginning balance		
	Original costs	Provisions	Fair value	Original costs	Provisions	Fair value
<i>Investments in subsidiaries</i>	3.000.000.000	-	-	-	-	-
Tien Phuoc Construction Mineral Joint Stock Company ⁽ⁱ⁾	3.000.000.000	-	-	-	-	-
<i>Investments in associates</i>	97.592.800.663	-	-	91.233.200.663	37.432.208	-
Thu Duc - Long An Centrifugal Concrete Joint Stock Company ⁽ⁱⁱ⁾	55.373.968.455	-	-	55.373.968.455	-	-
Mien Dong Joint-Stock Company ⁽ⁱⁱⁱ⁾	42.218.832.208	-	43.564.375.000	35.859.232.208	37.432.208	35.821.800.000
<i>Investments in other entities</i>	66.629.694.202	-	-	30.365.020.282	-	-
Binh Duong General Construction and Consultation Joint Stock Company ^(iv)	200.887.800	-	-	200.887.800	-	-
Hoa An Joint-Stock Company ^(v)	49.553.806.402	-	63.530.445.000	30.164.132.482	-	40.657.052.000
Dong Phu - Binh Duong Highway Building Operation Transfer Joint Stock Company ^(vi)	16.875.000.000	-	-	-	-	-
Total	167.222.494.865	-	-	121.598.220.945	37.432.208	-

(i) According to the Business Registration Certificate No. 3801197314, registered for the first time on 27 March 2019 of Tien Phuoc Construction Mineral Joint Stock Company, the total charter capital is VND 69.000.000.0000. Construction Investment Corporation 3-2 registered for the direct capital contribution of VND 55.200.000.000, accounting for 80% of total charter capital. As of the balance sheet date, the Corporation contributed VND 3.000.000.000, equivalent to 4,35% of charter capital. The charter capital to be invested in Tien Phuoc Mineral and Construction Joint Stock Company is VND 52.200.000.000.

(ii) As of the balance sheet date, the Corporation held 3.667.268 shares, equivalent to 24,33% 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).

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- (iii) During the year, the Corporation additionally purchased 500.000 shares of Mien Dong Joint-Stock Company at the purchasing price of VND 6.409.600.000. As of the balance sheet date, the Corporation held 3.485.150 shares, equivalent to 32,01% of charter capital of Mien Dong Joint-Stock Company (beginning balance: 2.985.150 shares, equivalent to 27,41% of charter capital).
- (iv) As of the balance sheet date, the Corporation held 18.098 shares, equivalent to 3,52% of charter capital of Binh Duong General Construction and Consultation Joint Stock Company.
- (v) During the year, the Corporation additionally purchased 645.290 shares of Hoa An Joint-Stock Company at the purchasing price of VND 20.680.253.920. As of the balance sheet date, the Corporation held 1.991.550 shares, equivalent to 13,17% of charter capital of Hoa An Joint-Stock Company (beginning balance: 1.346.260 shares, equivalent to 8,9% of charter capital).
- (vi) During the year, the Corporation registered to purchase 3.375.000 shares at the purchasing price of VND 33.750.000.000 (accounting for 15% charter capital of Dong Phu - Binh Duong Highway Building Operation Transfer Joint Stock Company). As to 31 December 2019, the Corporation contributed VND 16.875.000.000 according to the capital contribution progress of the project. The charter capital to be invested is VND 16.875.000.000.

Fair value

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

Operation of subsidiaries and associates

Tien Phuoc Construction Mineral Joint Stock Company is currently in the stage of construction and has not generated revenue yet.

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

Provisions for investments in other entities

Fluctuations in provisions for investments in other entities are as follows:

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	37.432.208	-
Extraction for/(Reversal of) provisions	(37.432.208)	37.432.208
Ending balance	-	37.432.208

Transactions with subsidiaries and associates

Significant transactions between the Corporation and its subsidiaries and associates are as follows:

	<u>Current year</u>	<u>Previous year</u>
<i>Mien Dong Joint-Stock Company</i>		
Sales of merchandises	22.801.498.782	-
Sales of finished goods	204.923.000	58.166.223
Sales of service provisions	211.715.900	-
Sales of construction contracts	98.348.780.614	-
Liquidation of fixed assets	-	940.000.000
Purchases of materials	2.051.209.872	1.694.279.132
Purchases of fixed assets	-	260.000.000
Dividends distribution	1.200.000.000	600.000.000
Dividends shared	1.394.060.000	5.350.800.000
Capital contribution	6.409.600.000	5.294.329.600
<i>Tien Phuoc Mineral and Construction Joint Stock Company</i>		
Capital contribution	3.000.000.000	-

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Notes to the Financial Statements (cont.)

3. Short-term trade receivables

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Receivables from related parties</i>	74.265.367.365	7.561.275.035
Mien Dong Joint-Stock Company	74.265.367.365	805.459.945
Phuc Tai Cooperative	-	6.755.815.090
<i>Receivables from other customers</i>	42.995.721.695	70.634.750.033
Construction Investment Joint Stock Company No. 14	3.987.609.955	3.987.609.955
Project Management Board of Dau Tieng District	549.339.000	8.010.167.547
Thu Duc Centrifugal Concrete Joint Stock Company No. 1	1.445.242.415	4.348.685.450
Project Management Board of Bau Bang District	2.559.853.000	10.107.316.000
Hai Dang Joint Stock Company	-	4.999.861.979
Other customers	34.453.677.325	39.181.109.102
Total	<u>117.261.089.060</u>	<u>78.196.025.068</u>

4. Short-term prepayments to suppliers

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Prepayments to related parties</i>	2.614.532.301	-
Phuc Tai Cooperative	2.614.532.301	-
<i>Prepayments to other suppliers</i>	39.140.738.304	49.674.931.981
Mr. Tran Huu Nghia	30.725.000.000	30.725.000.000
Other suppliers	8.415.738.304	18.949.931.981
Total	<u>41.755.270.605</u>	<u>49.674.931.981</u>

5. Other short-term receivables

	<u>Ending balance</u>		<u>Beginning balance</u>	
	Value	Allowance	Value	Allowance
<i>Receivables from related parties</i>	5.380.540.000	-	5.380.540.000	-
Mr. Tran Van Binh - Advance	5.380.540.000	-	5.380.540.000	-
<i>Receivables from other organizations and individuals</i>	28.529.089.501	-	93.002.594.982	-
Receivables under the entrusted investment contract	-	-	45.740.710.067	-
Interest to be received	4.314.492.305	-	3.616.059.268	-
Short-term deposits and mortgages	6.724.526.519	-	13.288.450.977	-
Advances	16.762.990.747	-	30.330.057.993	-
Insurance premiums receivable	6.695.396	-	3.952.875	-
Other short-term receivables	720.384.534	-	23.363.802	-
Total	<u>33.909.629.501</u>	-	<u>98.383.134.982</u>	-

6. Doubtful debts

	<u>Ending balance</u>			<u>Beginning balance</u>		
	Outstanding period	Original costs	Recoverable amount	Outstanding period	Original costs	Recoverable amount
<i>Mr. Tran Huu Nghia</i>						
Prepayments to suppliers	From 1 to 2 years	30.725.000.000	15.362.500.000	Under 1 year	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	-

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Notes to the Financial Statements (cont.)

	Outstanding period	Ending balance		-	Outstanding period	Beginning balance	
		Original costs	Recoverable amount			Original costs	Recoverable amount
<i>Xuan Loan Pte.</i>							
Trade receivables	Over 3 years	200.366.498			Over 3 years	200.366.498	-
<i>Receivables from other organizations and individuals</i>							
Trade receivables	Over 3 years	325.396.866			Over 3 years	306.475.193	-
Trade receivables	From 2 to 3 years	112.621.493	33.786.448		From 2 to 3 years	36.559.996	10.967.999
Trade receivables	From 1 to 2 years	14.550.124	7.275.062		From 1 to 2 years	141.600.693	70.800.347
Trade receivables	Under 1 year	202.992.696	142.094.885		Under 1 year	14.550.124	10.185.087
Total		31.845.709.794	15.545.656.395			31.689.334.621	15.454.453.432

Fluctuations in allowances for doubtful debts are as follows:

	Current year	Previous year
Beginning balance	16.234.881.189	791.762.798
Additional extraction	65.172.210	15.443.118.391
Ending balance	16.300.053.399	16.234.881.189

7. Inventories

	Ending balance		Beginning balance	
	Original costs	Allowance	Original costs	Allowance
Materials and supplies	9.568.804.514	(21.839.062)	14.059.350.191	(22.363.264)
Tools	497.723.431		505.359.795	-
Work-in-process	27.192.284.845		9.858.718.145	-
Finished goods (*)	40.406.517.259	(135.856.891)	33.534.837.516	(230.890.361)
Merchandises	1.562.613.664		1.971.592.142	-
Total	79.227.943.713	(157.695.953)	59.929.857.789	(253.253.625)

The value of stagnant, unqualified and non-consumable inventories is as follows:

	Ending balance	Beginning balance
Materials and supplies	21.839.062	22.363.264
Finished goods	135.856.891	230.890.361
Total	157.695.953	253.253.625

Ending balance of finished goods which are real estates with the carrying value of VND 23.745.260.285 (beginning balance: VND 20.158.181.085) 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 year	Previous year
Beginning balance	253.253.625	207.013.662
Additional extraction for/(Reversal of) allowances	(95.557.672)	46.239.963
Ending balance	157.695.953	253.253.625

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8. Prepaid expenses

8a. Short-term prepaid expenses

	<u>Ending balance</u>	<u>Beginning balance</u>
Expenses of tools	336.435.942	457.129.900
Expenses of asset repairs	238.884.826	209.944.000
Other short-term prepaid expenses	169.451.669	-
Total	<u>744.772.437</u>	<u>667.073.900</u>

8b. Long-term prepaid expenses

	<u>Ending balance</u>	<u>Beginning balance</u>
Expenses of tools	3.006.620.624	4.175.996.159
Land use right of Thanh Phuoc	47.617.364.671	48.643.232.491
+ Expenses of land use rights transfer	41.808.111.031	42.708.824.371
+ Land rental paid once	5.809.253.640	5.934.408.120
Land rental paid once	14.480.233.997	6.629.962.814
Expenses of asset repairs	527.648.048	151.636.306
Expenses of granting mineral mining rights	-	3.696.430.948
Expenses for mineral exploitation survey	-	1.563.124.629
Other long-term prepaid expenses	420.204.619	1.060.259.546
Total	<u>66.052.071.959</u>	<u>65.920.642.893</u>

Some long-term prepaid expenses, i.e. land use rights and land rental paid once, of which the net book values are VND 60.107.169.438 (beginning balance: VND 53.229.563.319), have been mortgaged to secure loans from BIDV - Southern Binh Duong Branch, VietinBank - Binh Duong Branch and secure for guarantee letters at MB (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>
Historical costs					
Beginning balance	52.613.336.172	112.132.691.927	49.257.400.447	1.462.975.816	215.466.404.362
Acquisition during the year	-	24.013.940.966	1.176.501.727	-	25.190.442.693
Completed constructions	13.456.911.661	8.247.161.749	-	-	21.704.073.410
Liquidation and disposal	-	(5.308.258.049)	(819.526.485)	-	(6.127.784.534)
Transfer to tools	-	-	-	(100.900.000)	(100.900.000)
Ending balance	<u>66.070.247.833</u>	<u>139.085.536.593</u>	<u>49.614.375.689</u>	<u>1.362.075.816</u>	<u>256.132.235.931</u>
<i>In which:</i>					
Assets fully depreciated but still in use	7.747.093.773	31.582.206.397	11.721.865.593	1.142.251.270	52.193.417.033
Assets waiting for liquidation	-	-	-	-	-
Depreciation					
Beginning balance	15.064.748.133	58.713.916.013	26.344.672.429	1.237.582.195	101.360.918.770
Depreciation during the year	4.994.212.812	10.871.240.589	5.162.734.129	86.462.177	21.114.649.707
Liquidation and disposal	-	(5.308.258.049)	(819.526.485)	-	(6.127.784.534)
Transfer to tools	-	-	-	(19.759.587)	(19.759.587)
Ending balance	<u>20.058.960.945</u>	<u>64.276.898.553</u>	<u>30.687.880.073</u>	<u>1.304.284.785</u>	<u>116.328.024.356</u>
Net book values					
Beginning balance	37.548.588.039	53.418.775.914	22.912.728.018	225.393.621	114.105.485.592
Ending balance	<u>46.011.286.888</u>	<u>74.808.638.040</u>	<u>18.926.495.616</u>	<u>57.791.031</u>	<u>139.804.211.575</u>
<i>In which:</i>					
Assets temporarily not in use	-	-	-	-	-
Assets waiting for liquidation	-	-	-	-	-

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Some tangible fixed assets, of which the net book values are VND 9.480.108.910 (beginning balance: VND 10.093.438.085), have been mortgaged to secure the loans from BIDV - Southern Binh Duong Branch and VietinBank - Binh Duong Branch (see Note No. V.20).

10. Intangible fixed assets

	<u>Land use right</u>	<u>Computer software</u>	<u>Total</u>
Initial costs			
Beginning balance	78.581.967.427	832.920.000	79.414.887.427
Ending balance	<u>78.581.967.427</u>	<u>832.920.000</u>	<u>79.414.887.427</u>
<i>In which:</i>			
Assets fully amortized but still in use	24.866.741.751	481.920.000	25.348.661.751
Amortization			
Beginning balance	35.984.966.993	627.125.680	36.612.092.673
Amortization during the year	1.079.346.204	110.783.570	1.190.129.774
Ending balance	<u>37.064.313.197</u>	<u>737.909.250</u>	<u>37.802.222.447</u>
Net book values			
Beginning balance	42.597.000.434	205.794.320	42.802.794.754
Ending balance	<u>41.517.654.230</u>	<u>95.010.750</u>	<u>41.612.664.980</u>
<i>In which:</i>			
Assets temporarily not in use	-	-	-
Assets waiting for liquidation	-	-	-

Some intangible fixed assets, i.e. land use right, of which the net book values are VND 31.183.534.156 (beginning balance: VND 32.135.254.072), 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>
Historical costs			
Beginning balance	7.374.299.499	957.092.617	8.331.392.116
Ending balance	<u>7.374.299.499</u>	<u>957.092.617</u>	<u>8.331.392.116</u>
<i>In which:</i>			
Assets fully depreciated but still leasing	-	-	-
Depreciation			
Beginning balance	2.097.967.979	293.959.320	2.391.927.299
Depreciation during the year	400.065.780	159.515.436	559.581.216
Ending balance	<u>2.498.033.759</u>	<u>453.474.756</u>	<u>2.951.508.515</u>
Net book values			
Beginning balance	5.276.331.520	663.133.297	5.939.464.817
Ending balance	<u>4.876.265.740</u>	<u>503.617.861</u>	<u>5.379.883.601</u>

Investment properties for lease, of which the net book values are VND 1.809.915.240 (beginning balance: VND 1.943.277.420), have been mortgaged to secure the loans from BIDV - Southern Binh Duong Branch (see Note No. V.20).

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12. Construction-in-progress

	<u>Beginning balance</u>	<u>Increase during the year</u>	<u>Inclusion into fixed assets during the year</u>	<u>Other decrease (Inclusion into prepaid expenses)</u>	<u>Ending balance</u>
Acquisition of fixed assets	7.450.513.026	42.741.440.300	(20.112.855.035)	(8.156.162.457)	21.922.935.834
Construction-in-progress	10.421.981.272	15.730.490.390	(21.704.073.410)	(737.049.483)	3.711.348.769
<i>Thanh Phuoc concrete workshop - Phase 2</i>	7.183.192.757	5.322.662.538	(9.961.516.673)	-	2.544.338.622
<i>Semi-dry concrete batching plant 60m3/h</i>	-	3.815.424.632	(3.815.424.632)	-	-
<i>Other constructions</i>	3.238.788.515	6.592.403.220	(7.927.132.105)	(737.049.483)	1.167.010.147
Total	17.872.494.298	58.471.930.690	(41.816.928.445)	(8.893.211.940)	25.634.284.603

13. Deferred income tax assets

	<u>Beginning balance</u>	<u>Inclusion into operation results during the year</u>	<u>Ending balance</u>
Deferred income tax assets related to temporarily deductible differences			
<i>Amount for granting rights to quarry construction stone</i>	2.173.818.546	(2.173.818.546)	-
<i>Accrued expenses</i>	3.675.366.905	(3.064.433.473)	610.933.432
Total	5.849.185.451	(5.238.252.019)	610.933.432

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

14. Short-term trade payables

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Payables to related parties</i>	66.469.293	382.971.198
Mien Dong Joint-Stock Company	66.469.293	85.371.917
Phuc Tai Cooperative	-	297.599.281
<i>Payables to other suppliers</i>	27.166.281.081	26.599.342.139
Viet Steel Co., Ltd.	819.714.377	2.849.757.305
B.M.T Construction Investment Joint Stock Company	2.177.717.000	-
Construction Investment Corporation Phuoc Tien	-	4.019.612.036
Other suppliers	24.168.849.704	19.729.972.798
Total	27.232.750.374	26.982.313.337

The Corporation has no outstanding trade payable.

15. Short-term advances from customers

	<u>Ending balance</u>	<u>Beginning balance</u>
Management Board of Tan Uyen District Construction Investment Project	-	1.717.047.000
Management Board of Thu Dau Mot City Construction Investment Project	-	15.793.512.000
Management Board of Thuan An Town Construction Investment Project	16.500.000.000	-
Management Board of Dau Tieng District Construction Investment Project	2.732.247.000	-
Other customers	6.587.981.584	4.693.841.688
Total	25.820.228.584	22.204.400.688

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16. Taxes and other obligations to the State Budget

	Beginning balance	Amount payable during the year	Amount already paid during the year	Ending balance
VAT on local sales	2.041.402.482	14.160.591.126	(12.938.676.343)	3.263.317.265
VAT on imports	-	1.339.465.020	(1.339.465.020)	-
Export-import duties	-	262.640.200	(262.640.200)	-
Corporate income tax	4.886.064.427	10.902.428.547	(10.937.238.871)	4.851.254.103
Personal income tax	37.920.875	4.436.557.495	(3.522.066.913)	952.411.457
Natural resource tax	843.734.300	15.243.155.531	(9.826.320.831)	6.260.569.000
Land rental	-	696.621.000	(696.621.000)	-
Other taxes	-	198.500.200	(198.500.200)	-
Fees, legal fees, and other duties	11.147.525.049	(5.718.300.038)	(3.363.237.241)	2.065.987.770
- <i>Environmental protection fee</i>	278.432.319	5.038.638.792	(3.251.083.341)	2.065.987.770
- <i>Registration fee</i>	-	112.153.900	(112.153.900)	-
- <i>Amount for granting rights to quarry construction stone</i>	10.869.092.730	(10.869.092.730)	-	-
Total	18.956.647.133	41.521.659.081	(43.084.766.619)	17.393.539.595

Value added tax (VAT)

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

Export-import duties

The Corporation has declared and paid these duties in line with the Customs' notices.

Corporate income tax

The Corporation has to pay corporate income tax on taxable income at the rate of 20%.

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

	Current year	Previous year
Total accounting profit before tax	86.536.006.904	96.766.691.297
Increases/(decreases) of accounting profit to determine profit subject to corporate income tax:		
- <i>Increases</i>	1.226.884.614	21.645.411.774
- <i>Decreases</i>	(26.191.260.090)	-
Income subject to tax	61.571.631.428	118.412.103.071
Income exempted from tax	(7.059.488.694)	(4.925.908.716)
Taxable income	54.512.142.734	113.486.194.355
Corporate income tax rate	20%	20%
Corporate income tax payable	10.902.428.547	22.697.238.871

Determination of corporate income tax liability of the Corporation 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 Financial Statements can be changed upon the inspection of tax authorities.

Natural resources tax

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

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Land rental

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

Other taxes

The Corporation 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.

18. Short-term accrued expenses

	<u>Ending balance</u>	<u>Beginning balance</u>
Temporarily accrued costs of construction and installation	18.830.736.025	35.124.041.108
Expenses for rehabilitation of quarry environment	4.250.308.734	4.250.308.734
Land rental	7.525.603.470	1.026.852.420
Appropriation of local support expenses at Tan Dong Hiep quarry	1.639.949.999	1.958.204.000
Other short-term accrued expenses	380.969.454	861.560.274
Total	<u>32.627.567.682</u>	<u>43.220.966.536</u>

19. Other short-term payables

	<u>Ending balance</u>	<u>Beginning balance</u>
Trade Union's expenditure	96.519.140	100.014.220
Dividends payable	25.391.855	28.482.395
Payables for temporarily works warranty of construction teams, subcontractors	9.587.161.237	9.088.381.410
Loan interest expenses	294.780.904	181.867.917
Other short-term payables	1.133.434.310	486.386.601
Total	<u>11.137.287.446</u>	<u>9.885.132.543</u>

The Corporation has no other outstanding payables.

20. Short-term/long-term borrowings and financial lease

20a. Short-term borrowings

	<u>Ending balance</u>	<u>Beginning balance</u>
Short-term loan from BIDV – Southern Binh Duong Branch ⁽ⁱ⁾	199.930.079.165	114.053.126.803
Current portions of long-term loans (see Note No. V.20b)	10.219.788.000	8.280.072.000
Total	<u>210.149.867.165</u>	<u>122.333.198.803</u>

⁽ⁱ⁾ 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).

The Corporation is solvent over short-term loans.

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

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	122.333.198.803	146.721.355.858
Increase	505.161.416.974	334.063.597.271
Transfer from long-term borrowings	10.219.788.000	8.378.098.000
Amount already paid	<u>(427.564.536.612)</u>	<u>(366.829.852.326)</u>
Ending balance	<u>210.149.867.165</u>	<u>122.333.198.803</u>

20b. Long-term borrowings

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 prepaid expenses which are land use right, tangible fixed assets and intangible fixed assets (see Notes No. V.8, V.9 and V.10).

Payment schedule of long-term borrowings is as follows:

	<u>Ending balance</u>	<u>Beginning balance</u>
Under 01 year	10.219.788.000	8.280.072.000
From 01 year to 05 years	29.220.232.000	25.069.408.000
Over 05 year	17.080.359.500	16.741.420.000
Total	<u>56.520.379.500</u>	<u>50.090.900.000</u>

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

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	41.810.828.000	39.994.248.000
Increase	15.194.480.500	10.194.678.000
Amount already paid	(484.929.000)	-
Transfer to short-term borrowings	<u>(10.219.788.000)</u>	<u>(8.378.098.000)</u>
Ending balance	<u>46.300.591.500</u>	<u>41.810.828.000</u>

21. Provisions for short-term payables

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

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	94.827.498	252.644.965
Increase due to extraction	574.491.489	151.547.405
Amount already used	<u>(74.990.368)</u>	<u>(309.364.872)</u>
Ending balance	<u>594.328.619</u>	<u>94.827.498</u>

22. Bonus and welfare funds

	<u>Beginning balance</u>	<u>Increase due to appropriation from profit</u>	<u>Disbursement during the year</u>	<u>Ending balance</u>
Bonus fund	5.270.617.404	3.413.109.540	(7.833.156.120)	850.570.824
Welfare fund	6.021.649.409	3.413.109.541	(9.004.411.880)	430.347.070
Bonus fund for the Executive Officers	-	2.730.487.633	(1.820.037.388)	910.450.245
Total	<u>11.292.266.813</u>	<u>9.556.706.714</u>	<u>(18.657.605.388)</u>	<u>2.191.368.139</u>

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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	7.456.910.000
America LLC	16.690.070.000	12.451.770.000
Peter Eric Dennis	12.220.640.000	12.220.640.000
PYN Elite Fund	11.018.480.000	11.018.480.000
Other shareholders	92.521.250.000	107.153.650.000
Total	<u>150.301.450.000</u>	<u>150.301.450.000</u>

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 year, the Corporation distributed profit in accordance with the Resolution No. 01/NQ-ĐHĐCĐ dated 23 April 2019 of 2019 Annual General Meeting of Shareholders as follows:

	<u>Amount distributed</u>	<u>Amount appropriated in the previous year</u>	<u>Amount appropriated in the current year</u>
• Dividends distributed to shareholders	36.072.348.000	18.036.174.000	18.036.174.000
• Appropriation for investment and development fund	24.960.497.476		24.960.497.476
• Appropriation for bonus and welfare funds	4.622.314.347		4.622.314.347
• Appropriation for bonus fund to the Executive Officers	1.848.925.739		1.848.925.739

In addition, the Corporation temporarily made the first dividend payment in 2019 in accordance with the Resolution No. 16/NQ-HĐQT dated 28 October 2019 of the Board of Management and temporarily appropriated funds from profit of 2019 according to the profit distribution plan of 2019 approved by the Resolution No. 01/NQ-ĐHĐCĐ dated 23 April 2019 of 2019 Annual General Meeting of Shareholders as follows:

• Dividends distributed to shareholders	18.036.174.000
• Appropriation for investment and development fund	11.901.085.565
• Appropriation for bonus and welfare funds	2.203.904.734
• Appropriation for bonus fund to the Executive Officers	881.561.894

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24. Off-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	648.000.000	-
From 01 year to 05 years	1.320.000.000	-
Total	<u>1.968.000.000</u>	<u>-</u>

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
Total	<u>2.294.654.191</u>	<u>2.294.654.191</u>	

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

	<u>Current year</u>	<u>Previous year</u>
Sales of merchandises	307.052.884.894	239.256.848.302
Sales of finished goods	250.149.565.326	282.459.522.555
Sales of service provisions	43.439.856.374	27.592.629.458
Sales of real estate trading	1.271.647.719	938.953.017
Sales of construction contracts	200.363.803.090	172.085.384.259
Total	<u>802.277.757.403</u>	<u>722.333.337.591</u>

1b. Sales to related parties

Apart from sales of goods and service provisions to subsidiaries and associates presented in Note No. V.2b, the Corporation also has service provisions to other related parties, i.e. Phuc Tai Cooperative, as follows:

	<u>Current year</u>	<u>Previous year</u>
Sales of goods	6.075.012.555	4.914.091.938
Sales of finished goods	37.904.880.821	29.446.121.000
Sales of services	14.933.911.336	12.660.837.473

2. Sales deductions

This item reflects sales returns.

3. Costs of sales

	<u>Current year</u>	<u>Previous year</u>
Costs of merchandises sold	253.350.744.011	169.863.794.760
Costs of finished goods sold	187.430.004.968	192.373.984.857
Costs of services provided	38.399.926.117	25.294.662.702
Costs of real estate trading	559.581.216	433.615.525
Costs of construction activities	197.782.325.515	182.887.956.834
Allowance for inventories	(95.557.672)	46.544.092
Total	<u>677.427.024.155</u>	<u>570.900.558.770</u>

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4. Financial income

	<u>Current year</u>	<u>Previous year</u>
Demand deposit interests	26.115.834	27.185.038
Term deposit interests	8.087.161.434	6.737.854.210
Dividends and profit received	7.059.488.694	4.925.908.716
Interest on bonds	465.236.000	-
Total	<u>15.638.001.962</u>	<u>11.690.947.964</u>

5. Financial expenses

	<u>Current year</u>	<u>Previous year</u>
Loan interest expenses	14.521.330.676	7.934.858.980
Exchange loss arising	1.400.000	13.934.213
Provisions/(Reversal of provisions) for impairment of investments	(37.432.208)	37.432.208
Total	<u>14.485.298.468</u>	<u>7.986.225.401</u>

6. Selling expenses

	<u>Current year</u>	<u>Previous year</u>
Expenses for employees	1.841.675.882	1.371.492.573
Tools, supplies	35.740.556	44.368.380
Depreciation/(amortization) of fixed assets	106.568.738	52.270.540
Shipping service expenses	17.938.963.195	14.318.398.666
Other expenses	8.952.759.222	8.041.780.226
Total	<u>28.875.707.593</u>	<u>23.828.310.385</u>

7. General and administration expenses

	<u>Current year</u>	<u>Previous year</u>
Employees	12.889.614.747	13.380.862.409
Office supplies	244.218.491	341.685.315
Depreciation/(amortization) of fixed assets	1.097.463.310	1.128.974.667
Taxes, fees and legal fees	21.232.814	36.562.645
Allowance for doubtful debts	65.172.210	15.443.118.391
External services rendered	2.166.847.254	1.780.623.048
Other cash expenses	4.892.701.689	3.504.381.172
Total	<u>21.377.250.515</u>	<u>35.616.207.647</u>

8. Other income

	<u>Current year</u>	<u>Previous year</u>
Proceeds from liquidation, disposal of fixed assets	169.556.817	214.685.180
Leasing land and house in Thuan Giao	92.885.746	81.037.637
Fines for violation of the contract	83.543.306	63.030.000
Amount for getting mineral mining rights exempted ^(*)	10.869.092.730	902.309.380
Other income	570.720.252	-
Total	<u>11.785.798.851</u>	<u>1.261.062.197</u>

(*) Amount for granting mineral mining rights from 01 July 2011 to 31 December 2013 is exempted (in accordance with the Resolution No. 101/2019/QH14 dated 27 November 2019 of the National Assembly).

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9. Other expenses

	<u>Current year</u>	<u>Previous year</u>
Fines for administrative violations	337.908.000	140.213.138
Expenses for surveying and exploration of construction stone	488.900.000	-
Other expenses	8.566.842	47.141.114
Total	<u>835.374.842</u>	<u>187.354.252</u>

10. Earnings per share

Information on the earnings per share is presented in the Consolidated Financial Statements.

11. Operating costs

	<u>Current year</u>	<u>Previous year</u>
Materials and supplies	218.934.718.954	152.420.308.645
Labor	59.267.471.417	66.108.211.151
Depreciation/(amortization) of fixed assets and investment property	22.864.360.697	20.345.345.119
External services rendered	144.009.461.072	140.356.378.802
Other expenses	55.732.877.241	68.120.246.215
Total	<u>500.808.889.381</u>	<u>447.350.489.932</u>

VII. ADDITIONAL INFORMATION ON THE ITEMS OF THE CASH FLOW STATEMENT

As of the balance sheet date, balances related to the acquisition, construction of fixed assets and other non-current assets are as follows:

	<u>Ending balance</u>	<u>Beginning balance</u>
- Payables for acquisition of fixed assets	-	6.286.502
- Prepayments for acquisition of fixed assets	-	4.124.346.391

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	1.014.454.542	747.090.909
From 01 year to 05 years	3.970.454.542	3.564.909.091
Total	<u>4.984.909.084</u>	<u>4.312.000.000</u>

2. Transactions and balances with related parties

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

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

The key managers include 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 Corporation has no sales of goods and service provisions and no other transactions with the key managers and their related individuals.

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

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

Income of the key managers

	<u>Current year</u>	<u>Previous year</u>
The Board of Directors	1.491.465.394	1.962.197.698
The Board of Management and Executive Officers	3.230.632.445	3.300.539.103
Total	<u>4.722.097.839</u>	<u>5.262.736.801</u>

2b. Transactions and balances with other related parties

Other related parties of the Corporation include:

<u>Other related parties</u>	<u>Relationship</u>
Tien Phuoc Construction Mineral Joint Stock Company	Subsidiary
Mien Dong Joint-Stock Company	Associate
Thu Duc - Long An Centrifugal Concrete Joint Stock Company	Associate
Hoa An Joint-Stock Company	Major shareholder
Phuc Tai Cooperative	Founding shareholder

Transactions with other related parties

Apart from sales of goods and service provisions presented in Notes No. V.2b and VI.1b, the Corporation also has other following transactions with other related parties:

	<u>Current year</u>	<u>Previous year</u>
Phuc Tai Cooperative		
Purchases of goods (finished stone)	62.354.635.560	48.026.658.473
Land rental	480.000.000	480.000.000
Purchases of services	13.514.822.172	11.543.146.092

The prices of merchandises and services supplied to other related parties are mutually 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

The receivables from and payables to other related parties are presented in Notes No. V.3, V.4 and V.14.

The receivables from other related parties are unsecured and will be paid in cash. There are no allowances for doubtful debts made for the receivables from other related parties.



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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 Corporation 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 only take place in Vietnamese territory.

4. Comparative figures

In 2019, The Corporation reevaluated the depreciation period of some fixed assets, i.e. vehicles. The change of depreciation period affects the business results of the year for an amount of VND 695.062.007 (deduction of depreciation). The Board of Directors assessed that the change of depreciation period reflects the useful life of the assets matching the Corporation's actual operation situation.

Besides, the Corporation retrospectively adjusted the Financial Statements of the previous year due to the deficit accrual for cost of construction contracts and wrongly classification of prepaid expenses.

Effects of this retrospective adjustments on the comparative figures in the Financial Statements are as follows:

	<u>Code</u>	<u>Figures before adjustment</u>	<u>Adjustments</u>	<u>Figures after adjustment</u>
Balance Sheet				
Short-term prepaid expenses	151	-	667.073.900	667.073.900
Long-term prepaid expenses	261	66.587.716.793	(667.073.900)	65.920.642.893
Deferred income tax assets	262	2.173.818.546	3.675.366.905	5.849.185.451
Short-term accrued expenses	315	24.844.132.013	18.376.834.523	43.220.966.536
Retained earnings/(loss)	421	209.027.144.899	(14.701.467.618)	194.325.677.281
Income Statement				
Costs of sales	11	552.523.724.247	18.376.834.523	570.900.558.770
Deferred income tax	52	-	(3.675.366.905)	(3.675.366.905)
Profit/(loss) after tax	60	92.446.286.949	(14.701.467.618)	77.744.819.331

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5. Subsequent events

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

Binh Duong, 29 March 2020



Do Viet Cuong
Preparer



Nguyen Xuan Hieu
Chief Accountant



Võ Văn Lanh
General Director

CONSTRUCTION INVESTMENT CORPORATION 3-2

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


FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

Appendix 01: Statement of fluctuation in owner's equity

Unit: VND

	Capital	Share premiums	Investment and development fund	Retained earnings	Total
Beginning balance of the previous year	136.639.920.000	2.190.000.000	105.322.664.416	195.837.473.682	439.990.058.098
Increase of capital from profit	13.661.530.000	-	-	(13.661.530.000)	-
Profit in the previous year	-	-	-	77.744.819.331	77.744.819.331
Appropriation for funds	-	-	24.746.390.469	(31.162.121.332)	(6.415.730.863)
Dividends, profit shared	-	-	-	(34.432.964.400)	(34.432.964.400)
Ending 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
Beginning balance of the current year	150.301.450.000	2.190.000.000	130.069.054.885	194.325.677.281	476.886.182.166
Profit in the current year	-	-	-	70.395.326.338	70.395.326.338
Appropriation for funds	-	-	36.861.583.041	(46.418.289.755)	(9.556.706.714)
Dividends, profit shared	-	-	-	(36.072.348.000)	(36.072.348.000)
Ending balance of the current year	150.301.450.000	2.190.000.000	166.930.637.926	182.230.365.864	501.652.453.790



Do Viet Cuong
Preparer



Nguyen Xuan Hieu
Chief Accountant

Binh Duong, 29 March 2020



Vo Van Lanh
General Director

CONSTRUCTION INVESTMENT CORPORATION 3-2

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

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

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:

	<u>Construction</u>	<u>Manufacture</u>	<u>Construction materials</u>	<u>Others</u>	<u>Total</u>
Current year					
Net external sales	200.363.803.090	249.984.669.587	307.052.884.894	44.711.504.093	802.112.861.664
Net inter-segment sales	-	-	-	-	-
Total net sales	<u><u>200.363.803.090</u></u>	<u><u>249.984.669.587</u></u>	<u><u>307.052.884.894</u></u>	<u><u>44.711.504.093</u></u>	<u><u>802.112.861.664</u></u>
Segment financial performance	<u>2.581.477.575</u>	<u>62.650.222.291</u>	<u>53.702.140.883</u>	<u>5.751.996.760</u>	124.685.837.509
Expenses not attributable to segments					<u>(50.252.958.108)</u>
Operating profit					74.432.879.401
Financial income					15.638.001.962
Financial expenses					<u>(14.485.298.468)</u>
Other income					11.785.798.851
Other expenses					<u>(835.374.842)</u>
Current income tax					<u>(10.902.428.547)</u>
Deffered income tax					<u>(5.238.252.019)</u>
Profit after tax					<u><u>70.395.326.338</u></u>
Total expenses on acquisition of fixed assets and other non-current assets	<u><u>1.358.073.731</u></u>	<u><u>32.959.271.837</u></u>	<u><u>28.251.830.478</u></u>	<u><u>3.026.032.756</u></u>	<u><u>65.595.208.802</u></u>
Total depreciation/(amortization) and allocation of long-term prepayments	<u><u>698.816.709</u></u>	<u><u>16.959.675.564</u></u>	<u><u>14.537.392.736</u></u>	<u><u>1.557.089.430</u></u>	<u><u>33.752.974.439</u></u>
Total remarkable non-cash expenses (except for depreciation/(amortization) and allocation of long-term prepayments)	<u><u>11.690.915</u></u>	<u><u>283.728.372</u></u>	<u><u>243.204.580</u></u>	<u><u>26.049.463</u></u>	<u><u>564.673.330</u></u>

CONSTRUCTION INVESTMENT CORPORATION 3-2

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

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

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

	<u>Construction</u>	<u>Manufacture</u>	<u>Construction materials</u>	<u>Others</u>	<u>Total</u>
Previous year					
Net external sales	172.085.384.259	282.459.522.555	239.256.848.302	28.531.582.475	722.333.337.591
Net inter-segment sales	-	-	-	-	-
Total net sales	<u>172.085.384.259</u>	<u>282.459.522.555</u>	<u>239.256.848.302</u>	<u>28.531.582.475</u>	<u>722.333.337.591</u>
Segment financial performance	(10.802.572.575)	90.038.993.606	69.393.053.542	2.803.304.248	151.432.778.821
Expenses not attributable to segments					(59.444.518.032)
Operating profit					91.988.260.789
Financial income					11.690.947.964
Financial expenses					(7.986.225.401)
Other income					1.261.062.197
Other expenses					(187.354.252)
Current income tax					(22.697.238.871)
Deffered income tax					3.675.366.905
Profit after tax					<u>77.744.819.331</u>
<i>Total expenses on acquisition of fixed assets and other non-current assets</i>	<u>10.182.800.739</u>	<u>16.713.964.683</u>	<u>14.157.534.774</u>	<u>1.688.298.053</u>	<u>42.742.598.249</u>
<i>Total depreciation/(amortization) and allocation of long-term prepayments</i>	<u>11.641.912.600</u>	<u>19.108.938.791</u>	<u>16.186.193.435</u>	<u>1.930.217.322</u>	<u>48.867.262.148</u>
<i>Total remarkable non-cash expenses (except for depreciation/(amortization) and allocation of long-term prepayments)</i>	<u>3.679.097.757</u>	<u>6.038.840.547</u>	<u>5.115.189.403</u>	<u>609.990.683</u>	<u>15.443.118.390</u>



CONSTRUCTION INVESTMENT CORPORATION 3-2

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FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

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
Ending balance					
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					283.136.917.902
Total assets					885.333.508.670
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					2.191.368.139
Total liabilities					383.681.054.880
Beginning balance					
Direct assets of segment	-	-	-	-	-
Allocated assets	132.453.186.791	217.407.562.316	184.154.698.295	21.960.604.263	555.976.051.665
Unallocated assets					230.378.196.370
Total assets					786.354.248.035
Direct liabilities of segment	-	-	-	-	-
Allocated liabilities	71.036.035.978	116.597.960.326	98.764.099.910	11.777.702.842	298.175.799.056
Unallocated liabilities					11.292.266.813
Total liabilities					309.468.065.869



Do Viet Cuong
Preparer



Nguyen Xuan Hieu
Chief Accountant



Binh Duong, 29 March 2020

Vo Van Lanh
General Director



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for tomorrow**

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