

CONSTRUCTION INVESTMENT  
CORPORATION 3-2  
**BOARD OF DIRECTORS**

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

No.: 03/BC-HDQT

Binh Duong, January 29, 2019

**REPORT ON CORPORATE GOVERNANCE 2018****To:**

- State Security Commission of Vietnam;
- Ho Chi Minh City Stock Exchange.

- Listed company name: Construction investment corporation 3-2
- Head office address: No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Township, Binh Duong Province.
- Phone: (0274) 3759446 Fax: (0274) 3755605
- Email: cic32bd@gmail.com
- Charter capital: VND 150,301,450,000
- Stock code: C32.

**I. Activities of the General Meeting of Shareholders:**

No.	Resolution No.	Date	Content
1	01/NQ-DHDCD	April 26, 2018	<p><b>Annual General Meeting of Shareholders 2018 adopted the following contents:</b></p> <ul style="list-style-type: none"> <li>- Audited financial statements in 2017;</li> <li>- Report on Corporate Governance in 2017;</li> <li>- Report on operation of Board of Directors in 2017 and operation plan for 2018;</li> <li>- Report on operation of Supervisory Board in 2017;</li> <li>- Profit distribution and dividend payment plan for 2017; Profit distribution and dividend payment plan for 2018;</li> <li>- Remuneration for the Board of Directors and the Supervisory Board in 2017, the remuneration plan for the Board of Directors in 2018;</li> <li>- Issuance of bonus shares to increase share capital from owner's equity;</li> <li>- Addition of new business lines;</li> <li>- Issuance of Internal regulations on corporate governance;</li> <li>- Changes in governance structure from the Supervisory Board model to Internal Audit Board model under the Board of Directors and dismissal of the Supervisory Board;</li> <li>- Amendment and supplement to the VIII Company's Charter;</li> <li>- Position of Chairperson of the Board of Directors</li> </ul>



No.	Resolution No.	Date	Content
			<ul style="list-style-type: none"> <li>- cum General Director of the company in 2018;</li> <li>- Selection of AASC Auditing Firm Company Limited as an independent auditing company to review Financial statement for the first 6 months of 2018 and audit financial statement of 2018;</li> <li>- Dismissal of members of BOD for Mr. Nguyen Xuan Hieu and Nguyen The Phi from April 26, 2018;</li> <li>- Additional election results of BOD's members are Mr. Thuong Van Huyen and Mr. Nguyen Le Van;</li> </ul>

## II. Board of Directors (Report of the year 2018):

### 1. Information about members of the Board of Directors (BOD):

No.	Member of BOD	Position	Start date/no longer a member of BOD	Number of Board meetings attended	Attendance rate	Reason for no attendance
1	Mr. Vo Van Lanh	Chairman of BOD cum General Director	December 11, 2008	6/6	100%	
2	Mr. Tran Van Binh	Member of BOD cum Deputy General Director	April 21, 2017	6/6	100%	
3	Ms. Le Thi Quyet	Independent member of BOD	April 21, 2017	6/6	100%	
4	Mr. Thuong Van Huyen	Non-executive member of BOD	April 26, 2018	4/4	100%	Additional election from April 26, 2018
5	Mr. Nguyen Le Van	Independent member of BOD	April 26, 2018	4/4	100%	Additional election from April 26, 2018
6	Nguyen Xuan Hieu	Member of BOD cum Chief Accountant	April 21, 2017 April 26, 2018	2/2	100%	Dismissal from April 26, 2018
7	Nguyen The Phi	Member of BOD cum Head of Sales Department	December 11, 2008 April 26, 2018	2/2	100%	Dismissal from April 26, 2018

**Invitation to the meeting:** Board of General Directors attended all meetings of the Board of Directors.

In 2018, in addition to the 6 direct meetings mentioned above, the Chairperson of the Board of Directors also conducted 04 times to consult the members of the Board of Directors in writing to promptly issue resolutions and decisions for the Board of General Directors to implement as follows: Resolutions No. 16, 19, 20 and 21 of BOD (*please details in Part 4, Resolutions of BOD*).

### 2. Supervision activities of BOD for the Board of Management:

From January 1, 2018 to April 26, 2018, the Company applied the model of BOD and Supervisory Board (SB). From April 26, 2018, the Company applied Internal Audit Sub-



Board model under BOD and dismissed the SB after being approved by the 2018 Annual General Meeting of Shareholders.

Based on the Company's Charter and Internal Regulations on Corporate Governance, BOD has conducted the inspection and supervision of the Board of General Directors (BOGD) and other managers in management of production and business as well as implementation of resolutions of the General Meeting of Shareholders and BOD through exchanging, discussing and questioning the BOGD at quarterly and extraordinary meetings of BOD and via email, telephone and direct contact to ensure effectiveness, efficiency, suitability and timeliness. The specific contents were assigned by BOD to the Sub-Board under BOD to implement according to functions and powers as well as updating the operation results in the periodical reports.

Because the Chairman of BOD doubles as General Director of the company, it is very convenient in corporate governance, creating a close relationship between BOD and BOGD, bringing the consistency and high efficiency in management and operation activities of the company as well as convenient in the process of deploying and implementing resolutions of BOD, grasping fully the daily business situation of the company to promptly have appropriate adjustment, support and direction.

In operation activities, the Board of Directors shows a high sense of responsibility in the work; has good qualifications, capacity and moral qualities; is fully trained in professional skills as well as being knowledgeable about the field in charge; has many years of experience in managing and operating companies; complies with the monthly reporting regime on the production and business situation of the company; strategic orientations of BOD and Resolutions of the General Meeting of Shareholders were implemented by the General Director in accordance with the plan.

During the year, the BOGD of the company has implemented many appropriate and positive management solutions to complete the proposed business and production plan such as reviewing and adjusting the functions, tasks and powers of the Departments, Enterprises and merging the Construction and installation Enterprise and Investment Department into Investment and Construction Department and converting the use of labor through contracts with business households for production stages. This is a new work to streamline the apparatus, improve operational efficiency and bring economic efficiency. The company also completed and issued supplements to documents on management work; expanded its marketing and implemented a customer care program to recognize customers' opinions about the quality of products and services of the Company.

Business and production results in 2018 achieved as follows:

Revenue: VND 722,333/680,000 million, reaching 106% of the year's plan.

Profit after tax: VND 105,128/115,000 million, reaching 91.41% of the year's plan.

Taxes and amounts payable to the State: VND 72,000 million, reaching 85% of the year's plan.

Basic earnings per share: 6,994/ VND 8,416 / share, reaching 83% of the year's plan.

### **3. Activities of Sub-boards under BOD:**

**3.1. Development policy Sub-board:** Assist BOD to plan long-term policies and strategies of the Company; evaluate and report on the strategy implementation results in each stage.

#### *a. Operation situation in 2018:*

Monitor and urge the production and business situation in the units, propose to promote the business activities in the field of concrete culverts, construction and installation, construction materials business to compensate for decline in revenue of building stone sector