



**BAKER TILLY  
A&C**

**CÔNG TY TNHH KIỂM TOÁN VÀ TƯ VẤN A&C  
A&C AUDITING AND CONSULTING CO., LTD.**



**FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED 31 DECEMBER 2013**

**CONSTRUCTION INVESTMENT  
CORPORATION 3-2**

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**REPORT OF THE BOARD OF MANAGEMENT**

The Board of Management of Construction Investment Corporation 3-2 ('the company') presents this report together with the audited financial statements for the fiscal year ended 31 December 2013.

**Business highlights**

Construction Investment Corporation 3-2 is a joint stock company which was formed by equitizing the former State-owned Construction Investment Company 3-2 in line with the Decision No. 1214/QĐ-UBND dated 21 April 2008 of the People's Committee of Binh Duong Province. The company has been operating under the business registration certificate No. 3700146225, which was registered for the first time on 24 December 2008 and amended for the 6<sup>th</sup> time on 19 October 2012, granted by the Service of Planning and Investment of Binh Duong Province.

On 30 November 2012, the company's stocks were officially listed at Ho Chi Minh City Stock Exchange in accordance with the Decision No. 134/2012/QĐ-SGDHCM dated 06 September 2012 of Ho Chi Minh Stock Exchange under code of C32.

Charter capital as in the business registration certificate:

	Amount (VND)	Rate (%)
Shareholders	57.120.000.000	51,00
Protrade Corporation	54.880.000.000	49,00
Others		
<b>Total</b>	<b>112.000.000.000</b>	<b>100,00</b>

Head office  
 Address : 45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Town, Binh Duong Province  
 Tel. : (84-650) 3.759.446  
 Fax : (84-650) 3.755.605  
 Website : www.cic32.com  
 Tax code : 3700146225

**Affiliates:**

Affiliates	Address
Branch of Construction Investment Corporation 3-2- Mechanic and Concrete Workshop	5/138 Binh Duong Avenue, Hoa Lan 1 Quarter, Thuan Giao Ward, Thuan An Town, Binh Duong Province
Branch of Construction Investment Corporation 3-2 Real estate transaction floor	45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Town, Binh Duong Province
Branch of Construction Investment Corporation 3-2 Construction and Installation Workshop	9C Nguyen Van Tiet Street, Dong Tu Quarter, Lai Thieu Ward, Thuan An Town, Binh Duong Province
Branch of Construction Investment Corporation 3-2 Construction Stone Workshop	635/1A Highway 1K, Tan An Quarter, Tan Dong Hiep Ward, Di An Town, Binh Duong Province

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

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Main operations of the company as in the business registration certificate are:

- Building public utility works;
- Growing bulbs with starch content;
- Growing fruit trees;
- Growing plants or crops to obtain fruit containing oil;
- Growing cashew nuts;
- Growing rubber plantations;
- Planting and raising forests;
- Destroying and dismantling;
- Draining and treating sewage;
- Installing industrial machinery and equipment;
- Leasing construction machines and equipment;
- Growing other perennial plants or crops;
- Exploiting wood;
- Exploiting forest produce other than wood;
- Building houses of all types;
- Wholesale of machines, equipment and spare parts for ore-mining and construction;
- Wholesale of machines, equipment, electricity materials (generators, electric motors, electric wire and other devices used in electricity circuits);
- Wholesale of construction materials, installing equipment;
- Wholesale of iron, steel;
- Doing business in real-estate, land use rights of owner, users or leased land; doing business in real-estate;
- Consultancy, brokerage, real-estate auction, land use right auction;
- Growing rice;
- Growing corn and other seed cereals;
- Growing plants or crops with oil seeds or nuts containing oil;
- Building highways;
- Preparing construction sites;
- Installing water supply and drainage, radiator and air-conditioning systems;
- Completing construction works;
- Producing concrete and products from cement and gypsum;
- Producing beds, wardrobes, tables, chairs;
- Wholesale of computers, peripheral devices and software;
- Transporting cargo by road;
- Loading goods on roads;
- Leasing motor vehicle;
- Growing vegetables, fruit, flowers and ornamental flowers;

- Constructing irrigation works; installing low voltage electricity grids and stations of under 35 KV; installing lighting systems; Constructing water supply and drainage, radiator and air-conditioning systems; installing devices: security, alarm, fire preventing and fighting system, lightning arrester for construction works; mining stone, sand, pebbles and clay; processing stone; manufacturing bricks, tiles (in line with the Decision No. 15/2000/QĐ-BXD dated 24 July 2000 of the Ministry of Construction); forging, stamping, pressing and laminating metal; refining metal powder (not operating at the head office); processing mechanical products (except for plating); acting as an agent for trading and depositing goods, providing intermediary services, auctioning assets; engine fuel (not placing the petrol station at the head office); trading telecommunication equipment, audiovisual equipment; warehouse activities; investing and doing business in road and bridge transport, bridge and ferry waterway transport, road transport; contributing capital, buying shares; providing construction consultancy services (except for designing construction works).

**Material effects on the company's operations**

Both the company's revenue and profit in the current year have significantly increased in comparison with those of the previous year mainly due to the enhancement of its construction materials trading and construction activities.

**Financial position and financial performance**

The financial position as of 31 December 2013, the financial performance, and the cash flows for the fiscal year then ended of the company have been expressed in the financial statements attached to this report (from page 09 to page 39).

During the year, the company has distributed its profit of the year 2012 in line with the Resolution of the Shareholders' Meeting on 24 April 2013 as follows:

	Amount (VND)
- Second dividends distribution in 2012 (12% of charter capital)	13.440.000.000
- Appropriation for business promotion fund (20%/profit after tax)	8.618.963.511
- Appropriation for financial reserved fund (05%/ profit after tax)	2.154.740.877
- Appropriation for bonus and welfare funds (05%/ profit after tax)	2.154.740.877
- Appropriation for bonus fund for the Executive Officers (02% of profit after tax)	861.896.351

In addition, the company has temporarily given the dividends of the year 2013 in line with the Resolution No. 07/ NQ-HĐQT dated 24 October 2013 of the Board of Management for an amount of VND 13.440.000.000.

**Subsequent events**

The Board of Management of the company hereby confirms that there have been no events from 31 December 2013 to the date of this report, which need any adjustments on the figures or the disclosures in the financial statements.

**The Board of Management and the Executive Officers**

The Board of Management and the Executive Officers of the company during the year and as of the date of this report include:

**The Board of Management**

Full names	Position	Appointing date	Resigning date
Mr. Vo Van Lanh	Chairman	11 December 2008	-
Mr. Nguyen Thanh Xuan	Vice Chairman	11 December 2008	-
Mr. Nguyen The Phi	Member	11 December 2008	-
Mr. Mai Tien Trung	Member	02 July 2011	-
Mr. Nguyen The Su	Member	07 May 2012	-

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

***The Control Board***

Full names	Position	Appointing date	Resigning date
Mr. Van Hoang Tung	Head of the Board	11 December 2008	-
Mr. Bui Minh Hai	Member	11 December 2008	-
Mr. Huynh Huu Hung	Member	07 May 2012	-

***The Directors***

Full names	Position	Appointing date	Resigning date
Mr. Vo Van Lanh	General Director	11 December 2008	-
Mr. Nguyen Thanh Xuan	Deputy General Director	02 January 2009	-

**Auditors**

A&C Auditing and Consulting Company Limited has performed the audit on the company's financial statements for the fiscal year ended 31 December 2013 and expressed its willingness to be appointed the external auditor of the company in the coming year.

**Responsibilities of the Directors**

The Directors of the company are 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 company for each of the company's fiscal year. In order to prepare these financial statements, the 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 company 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 company on the basis of the going-concern assumption, 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 Directors hereby ensure that all the requirements mentioned above have been followed when the financial statements are prepared, that all the accounting books of the company have been fully recorded and can fairly reflect the financial position of the company at any time, and that all the financial statements have been prepared in compliance with the prevailing Vietnamese accounting system and standards, which were issued together with the Decision No. 15/2006/QĐ-BTC dated 20 March 2006 of the Minister of Finance and the Circulars guiding the implementation of the accounting system and standards of the Ministry of Finance.

The Directors are also responsible for protecting the assets of the company, and consequently have taken appropriate measures to prevent and to detect frauds and other irregularities.

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

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The Board of Management of the company has already approved the accompanying statements. These financial statements have given a true and fair view of the financial position as of 31 December 2013, the financial performance and the cash flows for the fiscal year then ended of Construction Investment Corporation 3-2 in compliance with the prevailing Vietnamese accounting standards and system, which were issued together with the Decision No. 15/2006/QĐ-BTC dated 20 March 2006 of the Minister of Finance and other Circulars giving guidance on the application of the accounting system and standards of the Ministry of Finance.

For and on behalf of the Board of Management,

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**Vo Van Lanh**  
**Chairman**

22 March 2014



No. 0234/2014/BCTC-KTTV

## INDEPENDENT AUDITOR'S REPORT

### THE SHAREHOLDERS, THE BOARD OF MANAGEMENT AND THE DIRECTORS OF CONSTRUCTION INVESTMENT CORPORATION 3-2

We have audited the accompanying financial statements of Construction Investment Corporation 3-2, which were prepared on 25 February 2014 (from page 09 to page 39), including the balance sheet as of 31 December 2013, the income statement, the cash flow statement for the fiscal year then ended and the notes to the financial statements.

#### The Directors' responsibility

The company's Directors are responsible for the preparation, true and fair presentation of the 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 the internal control as the company's Directors determine necessary to enable the preparation and presentation of the financial statements to be free from material misstatement due to fraud or error.

#### Auditor's Responsibility

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

The audit involves performing procedures in order to obtain audit evidences about the amounts and the 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 company's preparation and true and fair presentation of the financial statements in order to design audit procedures which are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. The audit also involves evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

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**Auditor's opinion**

In our opinion, the financial statements referred to above give a true and fair view, in all material respects, of the financial position as of 31 December 2013, the financial performance, and the cash flows for the fiscal year then ended of Construction Investment Corporation 3-2 in conformity with the Vietnamese accounting system and standards as well as the legal regulations related to the preparation and presentation of the financial statements.

For and on behalf of  
A&C Auditing and Consulting Company Limited



**Ly Quoc Trung - Deputy General Director**  
*Audit Practice Registration Certificate*  
No. 0099-2013-008-1

**Nguyen Ngoc Thanh - Auditor**  
*Audit Practice Registration Certificate*  
No. 1195-2013-008-1

Ho Chi Minh City, 22 March 2014

**CONSTRUCTION INVESTMENT CORPORATION 3-2**

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

**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2013

**BALANCE SHEET**

As of 31 December 2013

Unit: VND

ASSETS	Code	Note	Ending balance	Beginning balance
<b>A - CURRENT ASSETS</b>	<b>100</b>		<b>237.449.812.857</b>	<b>193.610.957.451</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>V.1</b>	<b>38.118.698.848</b>	<b>54.588.281.411</b>
1. Cash	111		2.601.438.574	4.054.459.972
2. Cash equivalents	112		35.517.260.274	50.533.821.439
<b>II. Short-term investments</b>	<b>120</b>		<b>34.800.000.000</b>	<b>100.000.000</b>
1. Short-term investments	121	V.2	34.800.000.000	100.000.000
2. Provisions for devaluation of short-term investments	129		-	-
<b>III. Short-term accounts receivable</b>	<b>130</b>		<b>85.692.511.019</b>	<b>63.336.035.655</b>
1. Receivable from customers	131	V.3	79.471.919.434	57.665.783.086
2. Prepayments to suppliers	132	V.4	2.187.641.221	1.430.635.504
3. Short-term inter-company receivable	133		-	-
4. Receivable according to the progress of construction contracts	134		-	-
5. Other receivable	135	V.5	5.264.257.400	5.537.153.316
6. Provisions for bad debts	139	V.6	(1.231.307.036)	(1.297.536.251)
<b>IV. Inventories</b>	<b>140</b>		<b>65.846.011.944</b>	<b>61.008.896.443</b>
1. Inventories	141	V.7	65.999.022.205	61.034.313.243
2. Provisions for devaluation of inventories	149	V.8	(153.010.261)	(25.416.800)
<b>V. Other current assets</b>	<b>150</b>		<b>12.992.591.046</b>	<b>14.577.743.942</b>
1. Short-term prepaid expenses	151		-	-
2. VAT to be deducted	152		-	-
3. Taxes and other accounts receivable from the State	154		-	-
4. Trading Government bonds	157		-	-
4. Other current assets	158	V.9	12.992.591.046	14.577.743.942

This statement should be read in conjunction with the notes to the financial statements

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**CONSTRUCTION INVESTMENT CORPORATION 3-2**

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

**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2013

**Balance sheet (cont.)**

ASSETS	Code	Note	<u>Ending balance</u>	<u>Beginning balance</u>
<b>B - LONG-TERM ASSETS</b>	<b>200</b>		<b>92.668.414.859</b>	<b>98.992.031.451</b>
<b>I. Long-term accounts receivable</b>	<b>210</b>		-	-
1. Long-term accounts receivable from customers	211		-	-
2. Working capital in affiliates	212		-	-
3. Long-term inter-company receivable	213		-	-
4. Other long-term receivable	218		-	-
5. Provisions for bad debts	219		-	-
<b>II. Fixed assets</b>	<b>220</b>		<b>91.166.985.803</b>	<b>96.424.548.650</b>
1. Tangible assets	221	V.10	42.063.471.672	41.482.953.193
<i>Historical costs</i>	222		98.683.660.880	92.202.797.160
<i>Accumulated depreciation</i>	223		(56.620.189.208)	(50.719.843.967)
2. Financial leasehold assets	224		-	-
<i>Historical costs</i>	225		-	-
<i>Accumulated depreciation</i>	226		-	-
3. Intangible assets	227	V.11	48.927.379.870	53.807.882.480
<i>Initial costs</i>	228		78.805.887.427	78.666.887.427
<i>Accumulated amortization</i>	229		(29.878.507.557)	(24.859.004.947)
4. Construction-in-progress	230	V.12	176.134.261	1.133.712.977
<b>III. Investment property</b>	<b>240</b>		-	-
Historical costs	241		-	-
Accumulated depreciation	242		-	-
<b>IV. Long-term investments</b>	<b>250</b>		<b>200.887.800</b>	<b>200.887.800</b>
1. Investments in affiliates	251		-	-
2. Investments in business concerns and joint ventures	252		-	-
3. Other long-term investments	258	V.13	200.887.800	200.887.800
4. Provisions for devaluation of long-term investments	259		-	-
<b>V. Other long-term assets</b>	<b>260</b>		<b>1.300.541.256</b>	<b>2.366.595.001</b>
1. Long-term prepaid expenses	261	V.14	1.300.541.256	2.366.595.001
2. Deferred income tax assets	262		-	-
3. Other long-term assets	268		-	-
<b>TOTAL ASSETS</b>	<b>270</b>		<b><u>330.118.227.716</u></b>	<b><u>292.602.988.902</u></b>

This statement should be read in conjunction with the notes to the financial statements

**CONSTRUCTION INVESTMENT CORPORATION 3-2**

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

**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2013

**Balance sheet (cont.)**

LIABILITIES AND OWNER'S EQUITY	Code	Note	Ending balance	Beginning balance
<b>A - LIABILITIES</b>	<b>300</b>		<b>110.128.827.641</b>	<b>109.334.773.548</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>110.128.827.641</b>	<b>81.334.773.548</b>
1. Short-term debts and loans	311	V.15	28.000.000.000	-
2. Payable to suppliers	312	V.16	16.587.945.684	19.871.206.236
3. Advances from customers	313	V.17	3.889.480.944	3.151.565.726
4. Taxes and other obligations to the State Budget	314	V.18	22.580.550.663	21.925.938.603
5. Payable to employees	315	V.19	8.871.165.055	7.250.345.076
6. Accrued expenses	316	V.20	17.120.152.869	1.909.021.823
7. Inter-company payable	317		-	-
8. Payable according to the progress of construction contracts	318		-	-
9. Other payable	319	V.21	6.428.134.501	18.367.185.137
10. Provisions for short-term accounts payable	320	V.22	910.267.928	1.980.741.688
11. Bonus and welfare fund	323	V.23	5.741.129.997	6.878.769.259
12. Trading Government bonds	327		-	-
<b>II. Long-term liabilities</b>	<b>330</b>		-	<b>28.000.000.000</b>
1. Long-term accounts payable to suppliers	331		-	-
2. Long-term inter-company payable	332		-	-
3. Other long-term payable	333		-	28.000.000.000
4. Long-term debts and loans	334		-	-
5. Deferred income tax payable	335		-	-
6. Provisions for unemployment allowances	336		-	-
7. Provisions for long-term accounts payable	337		-	-
8. Unrealized revenue	338		-	-
9. Science and technology development fund	339		-	-
<b>B - OWNER'S EQUITY</b>	<b>400</b>		<b>219.989.400.075</b>	<b>183.268.215.354</b>
<b>I. Owner's equity</b>	<b>410</b>		<b>219.989.400.075</b>	<b>183.268.215.354</b>
1. Capital	411	V.24	112.000.000.000	112.000.000.000
2. Share premiums	412		-	-
3. Other sources of capital	413		-	-
4. Treasury stocks	414		-	-
5. Differences on asset revaluation	415		-	-
6. Foreign exchange differences	416		-	-
7. Business promotion fund	417	V.24	30.594.328.540	21.975.365.029
8. Financial reserved fund	418	V.24	8.541.000.351	6.386.259.474
9. Other funds	419		-	-
10. Retained earnings	420	V.24	68.854.071.184	42.906.590.851
11. Construction investment fund	421		-	-
12. Business arrangement supporting fund	422		-	-
<b>II. Other sources and funds</b>	<b>430</b>		-	-
1. Sources of expenditure	432		-	-
2. Fund to form fixed assets	433		-	-
<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>	<b>440</b>		<b>330.118.227.716</b>	<b>292.602.988.902</b>

This statement should be read in conjunction with the notes to the financial statements

**CONSTRUCTION INVESTMENT CORPORATION 3-2**

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

**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2013

**Balance sheet (cont.)****OFF-BALANCE SHEET ITEMS**

ITEMS	Note	<u>Ending balance</u>	<u>Beginning balance</u>
1. Leasehold assets		-	-
2. Materials and goods kept or processed for others		-	2.785.955
3. Goods deposited by others		-	-
4. Bad debts already treated		735.217.883	166.194.412
5. Foreign currencies		-	-
6. Estimates for non-business and project expenditure		-	-

Binh Duong, 25 February 2014



\_\_\_\_\_  
**Nguyen Xuan Hieu**  
 Preparer



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**Tran Van Binh**  
 Chief Accountant



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**Vo Van Lanh**  
 General Director

*This statement should be read in conjunction with the notes to the financial statements*

**CONSTRUCTION INVESTMENT CORPORATION 3-2**

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

## FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2013

**INCOME STATEMENT**

For the fiscal year ended 2013

Unit: VND

ITEMS	Code	Note	Current year	Previous year
1. Sales	01	VI.1	427.551.359.291	333.154.184.768
2. Deductions	02	VI.1	16.633.810	-
3. Net sales	10	VI.1	427.534.725.481	333.154.184.768
4. Costs of goods sold	11	VI.2	313.656.181.684	257.509.707.619
5. Gross profit	20		113.878.543.797	75.644.477.149
6. Financial income	21	VI.3	3.135.310.106	2.726.961.991
7. Financial expenses	22		3.119.669.332	3.674.054.748
In which: Loan interest expenses	23		3.119.669.332	3.674.054.748
8. Selling expenses	24	VI.4	5.074.081.804	5.094.778.910
9. Administrative overheads	25	VI.5	13.654.600.824	12.857.691.892
10. Net operating profit	30		95.165.501.943	56.744.913.590
11. Other income	31	VI.6	1.061.008.336	607.286.460
12. Other expenses	32	VI.7	7.079.968.447	278.270.747
13. Other profit/ (loss)	40		(6.018.960.111)	329.015.713
14. Total accounting profit before tax	50		89.146.541.832	57.073.929.303
15. Current corporate income tax	51	V.18	22.528.719.883	13.979.111.746
16. Deferred corporate income tax	52		-	-
17. Profit after tax	60		<u>66.617.821.949</u>	<u>43.094.817.557</u>
18. Earning per share	70	VI.8	<u>5.948</u>	<u>3.848</u>

Binh Duong, 25 February 2014

  
 \_\_\_\_\_  
 Nguyen Xuan Hieu  
 Preparer

  
 \_\_\_\_\_  
 Tran Van Binh  
 Chief Accountant

  
 \_\_\_\_\_  
 Vo Van Lanh  
 General Director

This statement should be read in conjunction with the notes to the financial statements

**CONSTRUCTION INVESTMENT CORPORATION 3-2**

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

## FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2013

**CASH FLOW STATEMENT**

(Direct method)

For the fiscal year ended 2013

Unit: VND

ITEMS	Code	Note	Current year	Previous year
<b>I. Cash flows from operating activities</b>				
1. Gains from sales of goods and service provisions and other gains	01		423.865.034.791	330.463.291.564
2. Payments to suppliers	02		(262.699.371.268)	(199.679.898.707)
3. Payments to employees	03		(36.226.489.132)	(38.825.566.688)
4. Loan interests already paid	04		(2.925.068.665)	(4.405.006.016)
5. Payments for corporate income tax	05	V.18	(24.075.617.171)	(8.048.460.445)
6. Other gains	06		14.087.306.757	11.468.161.967
7. Other disbursements	07		(46.841.386.569)	(41.274.169.896)
<i>Net cash flows from operating activities</i>	20		<u>65.184.408.743</u>	<u>49.698.351.779</u>
<b>II. Cash flows from investing activities</b>				
1. Purchases and construction of fixed assets and other long-term assets	21	V.10, V.11, V.12, VII	(9.709.328.187)	(3.610.136.143)
2. Gains from disposal and liquidation of fixed assets and other long-term assets	22	VI.6	55.726.275	17.454.545
3. Loans given and purchases of debt instruments of other entities	23		(55.300.000.000)	(100.000.000)
4. Recovery of loan given and disposals of debt instruments of other entities	24		20.500.000.000	-
5. Investments in other entities	25		-	-
6. Withdrawals of investments in other entities	26		-	-
7. Receipts of loan interests, dividends and profit shared	27	VI.3	3.117.600.606	2.695.208.455
<i>Net cash flows from investing activities</i>	30		<u>(41.336.001.306)</u>	<u>(997.473.143)</u>

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This statement should be read in conjunction with the notes to the financial statements

**CONSTRUCTION INVESTMENT CORPORATION 3-2**

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

**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2013

**Cash flow statement (cont.)**

ITEMS	Code	Note	Current year	Previous year
<b>III. Cash flows from financing activities</b>				
1. Gains from stock issuance and capital contributions from shareholders	31		-	-
2. Repayment for capital contributions and re-purchases of stocks already issued	32		-	-
3. Short-term and long-term loans received	33		-	9,000,000,000
4. Loan principal amounts repaid	34		-	(9,567,731,000)
5. Payments for financial leasehold assets	35		-	-
6. Dividends and profit already paid to the owners	36	V. 24	(40,317,990,000)	(21,278,149,525)
<i>Net cash flows from financing activities</i>	<b>40</b>		<u>(40,317,990,000)</u>	<u>(21,845,880,525)</u>
<b>Net cash flows during the year</b>	<b>50</b>		<b>(16,469,582,563)</b>	<b>26,854,998,111</b>
<b>Beginning cash and cash equivalents</b>	<b>60</b>		<b>54,588,281,411</b>	<b>27,733,283,300</b>
Effects of fluctuations in foreign exchange rates	61		-	-
<b>Ending cash and cash equivalents</b>	<b>70</b>		<u><b>38,118,698,848</b></u>	<u><b>54,588,281,411</b></u>

Binh Duong, 25 February 2014

  
 \_\_\_\_\_  
 Nguyen Xuan Hieu  
 Preparer

  
 \_\_\_\_\_  
 Tran Van Binh  
 Chief Accountant

  
 \_\_\_\_\_  
 Vo Van Lanh  
 General Director

This statement should be read in conjunction with the notes to the financial statements



## CONSTRUCTION INVESTMENT CORPORATION 3-2

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

### FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2013

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 2013

### I. OPERATION FEATURES

1. **Investment form** : A joint stock company.
2. **Operating field** : Manufacturing, construction, trading, doing business in real estates and service.
3. **Main operations** : Manufacturing stone, concrete and brick; completing construction works; trading construction materials; doing business in real estates; leasing vehicle, leasing construction tools.
4. **Employees**  
As of 31 December 2013, there have been 376 employees working for the company (at the end of the previous year: 382 employees).
5. **Material effects of the company's operation on the financial statements**  
Both the company's revenue and profit in the current year have significantly increased in comparison with those of the previous year mainly due to the enhancement of its construction materials trading and construction activities.

### II. FISCAL YEAR AND STANDARD CURRENCY UNIT USED IN ACCOUNTING

1. **Fiscal year**  
The company's fiscal year is from 01 January to 31 December annually.
2. **Standard currency unit**  
The standard currency unit used is Vietnam Dong (VND).

### III. ACCOUNTING SYSTEM AND STANDARDS

1. **Accounting system and standards**  
The company has been applying the Vietnamese Accounting System issued together with the Decision No. 15/2006/QĐ-BTC dated 20 March 2006 of the Minister of Finance and other Circulars giving guidance on the application of the Vietnamese accounting system and standards of the Ministry of Finance.
2. **Statement on the compliance with the Vietnamese accounting system and standards**  
The Directors ensure to follow all the requirements of the prevailing Vietnamese accounting system and standards, which were issued together with the Decision No. 15/2006/QĐ-BTC dated 20 March 2006 of the Minister of Finance as well as the circulars of the Ministry of Finance giving guidance on the implementation of the accounting system and standards in the preparation of these financial statements.
3. **Accounting form**  
General journal recording.

*These notes form an integral part of and should be read in conjunction with the financial statements*



## CONSTRUCTION INVESTMENT CORPORATION 3-2

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

### FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2013

Notes to the financial statements (cont.)

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#### IV. ACCOUNTING POLICIES

##### 1. Accounting convention

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

The company organizes and applied the concentrated accounting model, that requires all of supporting documents and figures of branches are gathered and accounted at the head office; therefore, its branches do not prepare their own financial statements.

##### 2. Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in bank, cash in transit and short-term investments of which the due dates cannot exceed 3 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.

##### 3. Inventories

Inventories are recorded at their original costs. Costs include purchasing expenses, processing expenses and other directly related costs to bring the inventories to the current positions and conditions.

Costs of inventories are determined in accordance with the weighted average method and are recorded in line with the perpetual method.

Provision for devaluation of inventories is recognized when their costs are higher than their net realizable values. Net realizable values are the estimated selling prices of inventories less the estimated expenses on product completion and other necessary expenses on product consumption.

Increase/(decrease) in the provision for devaluation of inventories is recorded into costs of goods sold during the year.

##### 4. Trade receivable and other receivable

Trade receivable and other receivable are recognized at the values on supporting documents and invoices.

Provision is made for each bad debt on the basis of the debt ages or estimated loss as follows:

- As for outstanding debts:
  - Provisions are made at the rate of 30% of the value of debts outstanding from over 6 months to under 1 year.
  - Provisions are made at the rate of 50% of the value of debts outstanding from 1 year to under 2 years.
  - Provisions are made at the rate of 70% of the value of debts outstanding from 2 years to under 3 years.
  - Provisions are made at the rate of 100% of the value of debts outstanding for over 3 years.
- As for doubtful debts: provisions are made basing on the estimated loss.

Increase/(decrease) in the provisions for bad debts is recorded into administrative overheads during the year.



## CONSTRUCTION INVESTMENT CORPORATION 3-2

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

### FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2013

Notes to the financial statements (cont.)

#### 5. Tangible fixed assets

Fixed assets are determined by their historical costs less accumulated depreciation. Historical costs of fixed assets include all the expenses of the company to have these fixed assets as of the dates they are ready to be put into use. Other expenses incurred subsequent to the initial recognition are included in historical costs of fixed assets only if they certainly bring more economic benefits in the future thanks to the use of these assets. Those, which do not meet the above conditions, will be recorded into expenses.

When a fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain/ (loss) arisen are posted into the income or the expenses during the year.

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 & structures	05 - 35
Machinery & equipment	05 - 10
Vehicles	06 - 08
Office equipment	03 - 05

#### 6. Intangible fixed assets

Intangible fixed assets are determined by their initial costs less accumulated amortization. Intangible fixed assets of the company include:

##### *Land use right*

Land use right includes all the actual expenses related to the land being used such as expenses to obtain the land use right, expenses for house removal and land clearance, expenses on ground leveling, registration fees, etc. The land use right is amortized in line with the period as in the land use right certificate. Particularly, the land use right at Tan Dong Hiep quarry is amortized until 31 December 2013 in line with the stipulated period for quarry exploitation. However, in 2012, the company has prepared a dossier to request an extension of the period for quarry exploitation until 2015.

##### *Computer software*

The expenses on purchasing computer software, which is not a part associated with the relevant hardware, will be capitalized. Computer software includes all the expenses paid until the date the software is put into use. Computer software is amortized according to the straight-line method in 02 years.

#### 7. Financial investment

Investments into securities are recorded at their original costs. Interest, dividends, profit during the period prior to the purchase of investment have been recorded as a decrease in the value of that investment. Interest, dividends, profit during the period after the purchase of investment have been recorded in the company's sales.

Provision for the loss of financial investments in other economic organizations is extracted when these organizations suffer from losses (except for the case of losses as in the plan made before the investment) with the extractions equal to the difference between the actual capital contributions of parties in these economic organizations and the actual owner's equity multiplying (x) by the company's rates of capital contributions in comparison with the total actual capital contribution of parties in these economic organizations.

## CONSTRUCTION INVESTMENT CORPORATION 3-2

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

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2013

Notes to the financial statements (cont.)

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Increase/(decrease) of provision for financial investments is recorded into "financial expenses" during the year.

When an investment is liquidated, the differences between net liquidation values and book values are recorded into income or expenses.

### 8. Long-term prepaid expenses

#### *Tool expenses*

Expenses on tools being put into use are allocated into expenses during the year in accordance with the straight-line method for the maximum period of 24 months.

#### *Expenses on exploring the quarry*

Expenses on exploring the quarry are allocated into expenses during the period in accordance with the straight-line method for the maximum period of 24 months.

#### *Other long-term prepaid expenses*

Other long-term prepaid expenses including expenses on repairing and renovating office, plant, showroom are allocated into expenses during the period in accordance with the straight-line method for the maximum period of 24 months.

### 9. Accrued expenses

Accrued expenses are recorded, based on reasonable estimates on the amounts payable for goods and services already used.

#### *Expenses on improving the quarry's environment*

Expenses on improving the quarry's environment are extracted based on the approved environmental impact report of the project concerning the more extensive and deeper exploitation at Tan Dong Hiep quarry. Accordingly, the death of costs -100m is approved in line with the Decision No. 725/QĐ-BTNMT dated 14 May 2013 of the Ministry of Natural Resources and Environment. According to this Decision, total estimate expenses on improving the environment at 3-2 quarry is VND 4,373,052,206 and will be extracted in 07 years (2009-2015); the amount extracted annually is VND 624,721,744. These expenses are recorded into general manufacturing expenses and included in costs during the year.

#### *Expenses on being granted the mineral exploitation right*

Expenses on improving the quarry's environment are extracted based on the Decree No. 203/2013/NĐ-CP dated 28 November 2013 of the Government on defining the method of calculation and charge of granting mineral exploitation right. According to this guidance, total expenses on getting grant of mineral exploitation right at Tan Dong Hiep quarry from July 2011 to the end of the year 2013, which are provisionally calculated for VND 11,313,225,223, are allocated according to the annual exploitation volume. These expenses are recorded into general manufacturing expenses and included in costs during the year.

### 10. Unemployment allowances and unemployment insurance

The company has to pay for severance and unemployment allowances to the employees who have worked for the company for over 12 months until 31 December 2008 at the rate of  $\frac{1}{2}$  of the average salary in 6 consecutive months before the resigning date, which is used as the basis for social insurance payment for each working year.

## CONSTRUCTION INVESTMENT CORPORATION 3-2

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### FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2013

Notes to the financial statements (cont.)

Pursuant to the Law on Social Insurance, from 01 January 2009, the employers have to pay to unemployment insurance fund managed by Vietnam Social Insurance Agency at the rate of 1% of the lower amount between the basic monthly salary of the employee and the amount equal to 20 times of the general minimum monthly salary as regulated by the Government in each particular period. With the application of the unemployment insurance system, the employers do not have to make any provision for unemployment allowances for the employees' working periods from 01 January 2009.

The unemployment fund is recorded into administrative overheads during the year.

#### 11. Provisions for accounts payable

Provisions are recorded when the company has legal obligations or joint obligations resulted from an event which has happened and has been able to make payment of the accounts. Provisions are determined on the basis of the estimates of necessary expenses to settle the obligation as of the balance sheet date. If time causes material effects, the provision will be determined by deducting the amount to be spent in future to settle the liability with the pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to this liability. The increase in provision due to the effect of time will be recognized as an interest expense.

#### *Expenses on warranty of construction and installation works*

Provision for warranty expenses is made for each type of construction and installation works under the commitment of warranty at the rate as committed to customers.

The extraction for warranty expenses on civil construction and technical infrastructure construction is estimated at the rate of 0,45% and 0,19% respectively on accumulated revenue from construction and installation works which are handed over during the year. These expenses are recorded into general manufacturing expenses and included in costs during the year.

#### 12. Capital

The company's source of capital is the investment capital which is recorded according to the amounts actually invested by the shareholders.

#### 13. Extraction for funds

The company's funds are extracted and used in line with the company's Charter and financial management regulations as follows:

	<u>Purposes</u>
• Business promotion fund	To expand the business operations or to make intensive investments.
• Financial reserved fund	To compensate losses and damages during the course of operation or unpredictable force majeure such as natural disaster, fire, etc.
• Bonus and welfare funds and bonus fund for the Executive Officers	To reward, encourage the material benefits, improve and raise the physical and moral lives for employees.

The rates of extraction for these funds are determined in line with the Decision of the Annual Shareholders' Meeting.

## CONSTRUCTION INVESTMENT CORPORATION 3-2

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

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2013

Notes to the financial statements (cont.)

### 14. Corporate income tax

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

#### *Current income tax*

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

#### *Deferred income tax*

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

Book values of deferred corporate income tax assets are considered at the balance sheet dates and will be reduced to the rates that ensure enough taxable income against which the benefits from a part of or all of the deferred income tax can be used. The deferred income tax assets, which were not recorded formerly, are re-considered at the balance sheet date and are then recorded when there is enough taxable profit to use these unrecorded deferred income tax assets.

Deferred income tax assets and deferred income tax liabilities are determined at the estimated rates 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 of the company.

### 15. Recognition of sales and income

#### *Sales of merchandises and finished goods*

Sales of merchandises and finished goods are recognized when most of risks and benefits associated with the ownership and the management rights of those merchandises and finished goods are transferred to customers and there are no uncertain factors related to payments, additional costs, or sales returns.

#### *Sales of service provision*

Sales of service provision are recognized when there are no uncertain factors related to payments or additional costs. In case that the services are to be provided in many accounting periods, the determination of sales in each period is done on the basis of the service completion rate as of the balance sheet date.

#### *Income from construction*

When the results from the contract implementations are reliably estimated,

- For the contracts stipulating that the contractors are paid according to the planned progress, income and expenses related to these contracts are recognized correspondingly to the works already completed as determined by the company itself.
- For the contracts stipulating that the contractors are paid according to the works actually done, income and expenses related to these contracts are recognized correspondingly to the works already completed as confirmed in the invoices made by the customers.

## CONSTRUCTION INVESTMENT CORPORATION 3-2

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

### FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2013

Notes to the financial statements (cont.)

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

When the results from the contract implementations cannot be reliably estimated,

- Income is recognized correspondingly to the expenses incurred, of which the repayment is rather reliably made.
- Expenses are only recognized during the period as actually incurred.

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

#### *Interests*

Interests are recorded based on the term and the interest rates applied in each particular period.

#### *Dividends and profit shared*

Dividends and profit shared are recognized when the company has the rights to receive dividends or profit from its capital contribution. In particular, the dividends received in form of shares are not recorded into income but are only followed up the additional quantity.

### 16. Financial assets

#### *Classification of financial assets*

The classification of these financial assets depends on the nature and the purpose of them and is determined at the date of initial recognition. The company's financial assets include investments held to maturity dates, loans given and receivables, and financial assets available for sale.

#### *Investments held to maturity dates*

Investments held to maturity dates are non-derivative financial assets with fixed or identified payments and fixed maturity periods which a company has the intention and ability to hold until the dates of maturity.

#### *Loans given and receivables*

Loans and receivables are non-derivative financial assets with fixed or identified payments, which are not listed on the market.

#### *Financial assets available for sale*

Available-for-sale financial assets are non-derivative financial assets determined as available for sale or not classified as financial assets recognized at fair values through profit or loss statement, investments held to maturity dates, loans given and receivables.

#### *Initial carrying amount of a financial asset*

Financial assets are recognized at the acquisition date and are stopped recognizing at the selling date. At the date of initial recognition, financial assets are determined at the issuing cost plus other costs directly related to the acquisition or issuance of that financial asset.

### 17. Financial liabilities and equity instruments

Financial instruments are classified as financial liabilities or equity instruments upon the dates of initial recognition in conformity with the natures and definitions of financial liabilities or equity instrument.

## CONSTRUCTION INVESTMENT CORPORATION 3-2

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

### FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2013

Notes to the financial statements (cont.)

#### *Financial liabilities*

The classification of these financial liabilities depends on the natures and purposes of the financial liabilities and is determined at the date of initial recognition. The company's financial liabilities include accounts payable to suppliers, loans and debts and other payable.

At the date of initial recognition, financial liabilities are recorded at their initial costs less other expenses directly related to those financial liabilities.

Allocated values are determined by taking the initial recognized value of financial liability minus to repaid principal amounts then plus/minus to the accumulated allocated amounts which is calculated by applying actual interest method to the difference between initial recognized value and the due values after discounting for the deductions (direct deductions or deductions by using a provisional account) due to devaluation or unrecovered amount.

The actual interest method is used to calculate the allocated value of one or a group of financial liabilities and to allocate the interest income or interest expenses in one period. The actual interest rate is the interest rate used for discounting the estimated cash flows to be paid or received in the future during the estimated life circle of the financial instrument or during a shorter period (if necessary) to get the current net book value of the financial liabilities.

#### *Equity instrument*

Equity instrument is the contract which can prove the remaining benefits in the assets of the company after deducting all of its liabilities.

#### 18. **Offsetting financial instruments against each other**

Financial assets and financial liabilities will be offset against each other and are reflected at their net values on the balance sheet when, and only when, the company:

- has a legal right to offset the recognized amounts; and
- has intention either to settle on a net basis, or to realize the asset and to settle the liability simultaneously.

#### 19. **Segment reporting**

A business segment is a distinguishable component of the company that is engaged in production process and provision of 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 company that is engaged in production process and provision of 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.

#### 20. **Related parties**

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

Transactions with the related parties during the year are presented in Note VIII.1.





**CONSTRUCTION INVESTMENT CORPORATION 3-2**

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

**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2013

Notes to the financial statements (cont.)

**V. ADDITIONAL INFORMATION ON THE ITEMS OF THE BALANCE SHEET****1. Cash and cash equivalents**

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash in hand	1.490.445.315	82.696.485
Cash in bank	1.110.993.259	3.971.763.487
Cash equivalents (*)	35.517.260.274	50.533.821.439
<b>Total</b>	<b><u>38.118.698.848</u></b>	<b><u>54.588.281.411</u></b>

(\*) Under-3-month deposits.

**2. Short-term investments**

	<u>Ending balance</u>	<u>Beginning balance</u>
Term deposit from 03 months to 12 months	34.800.000.000	-
Loans given to individuals	-	100.000.000
<b>Total</b>	<b><u>34.800.000.000</u></b>	<b><u>100.000.000</u></b>

**3. Receivable from customers**

	<u>Ending balance</u>	<u>Beginning balance</u>
Transferring land use right	909.292.500	2.475.744.668
Executing construction works	59.095.642.769	34.184.464.906
Purchasing stone	5.538.607.775	8.948.566.390
Others	13.928.376.390	12.057.007.122
<b>Total</b>	<b><u>79.471.919.434</u></b>	<b><u>57.665.783.086</u></b>

**4. Prepayment to suppliers**

	<u>Ending balance</u>	<u>Beginning balance</u>
Executing construction works	965.427.319	125.051.409
Exploiting stone	818.288.902	511.084.000
Others	403.925.000	794.500.095
<b>Total</b>	<b><u>2.187.641.221</u></b>	<b><u>1.430.635.504</u></b>

**5. Other receivable**

	<u>Ending balance</u>	<u>Beginning balance</u>
Receivable for construction works provisionally calculated	5.085.632.727	5.201.937.272
Others	178.624.673	335.216.044
<b>Total</b>	<b><u>5.264.257.400</u></b>	<b><u>5.537.153.316</u></b>

**6. Provision for bad debts**

	<u>Ending balance</u>	<u>Beginning balance</u>
Provisions for outstanding debts	1.231.307.036	1.297.536.251
- Under-1-year outstanding debts	299.307.095	116.772.551
- Debts outstanding from 1 year to under 2 years	329.193.737	405.448.121

These notes form an integral part of and should be read in conjunction with the financial statements

**CONSTRUCTION INVESTMENT CORPORATION 3-2**

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

**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2013

Notes to the financial statements (cont.)

	<u>Ending balance</u>	<u>Beginning balance</u>
- Debts outstanding from 2 years to under 3 years	459.397.103	27.532.687
- Over-3-year outstanding debts	143.409.101	747.782.892
Provisions for doubtful debts	-	-
<b>Total</b>	<b><u>1.231.307.036</u></b>	<b><u>1.297.536.251</u></b>

The increases/decreases of provisions for bad debts are as follows:

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	1.297.536.251	735.733.573
Additional extraction	502.794.256	561.802.678
Writing off debts on which provision are already made	(569.023.471)	-
<b>Ending balance</b>	<b><u>1.231.307.036</u></b>	<b><u>1.297.536.251</u></b>

**7. Inventories**

	<u>Ending balance</u>	<u>Beginning balance</u>
Materials and supplies	11.454.618.576	11.818.850.015
Work-in-process	11.879.110.487	8.057.207.504
Finished goods	8.882.641.568	6.406.155.131
Real estates	33.364.806.574	34.591.766.382
Goods on consignment	417.845.000	160.334.211
<b>Total</b>	<b><u>65.999.022.205</u></b>	<b><u>61.034.313.243</u></b>

**8. Provisions for devaluation of inventories**

	<u>Ending balance</u>	<u>Beginning balance</u>
Materials and supplies	76.792.018	16.763.483
Finished goods	76.218.243	8.653.317
<b>Total</b>	<b><u>153.010.261</u></b>	<b><u>25.416.800</u></b>

The increases/decreases of provisions for devaluation of inventories are as follows:

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	25.416.800	82.246.498
Additional extraction	127.593.461	-
Reversal of provisions	-	(56.829.698)
<b>Ending balance</b>	<b><u>153.010.261</u></b>	<b><u>25.416.800</u></b>

**9. Other current assets**

	<u>Ending balance</u>	<u>Beginning balance</u>
Advances	11.082.124.707	12.573.844.804
Short-term deposits and mortgages	1.910.466.339	2.003.899.138
<b>Total</b>	<b><u>12.992.591.046</u></b>	<b><u>14.577.743.942</u></b>

These notes form an integral part of and should be read in conjunction with the financial statements

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

**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2013

Notes to the financial statements (cont.)

**10. Increases/(decreases) of tangible fixed assets**

	Buildings & structures	Machinery & equipment	Vehicles	Office equipment	Total
<b>Historical costs</b>					
Beginning balance	21.062.602.607	57.075.192.604	12.187.624.554	1.877.377.395	92.202.797.160
New purchases		352.972.727	1.450.000.000	93.641.818	1.896.614.545
Complete construction	1.183.268.750	1.363.902.092	5.048.231.818		7.595.402.660
Liquidation and disposal	-	(479.949.695)			(479.949.695)
Other decreases (*)	(495.957.102)	(1.108.178.829)	-	(927.067.859)	(2.531.203.790)
<b>Ending balance</b>	<b>21.749.914.255</b>	<b>57.203.938.899</b>	<b>18.685.856.372</b>	<b>1.043.951.354</b>	<b>98.683.660.880</b>
<i>In which:</i>					
Assets being fully depreciated but still in use	1.419.999.628	15.953.533.899	5.680.495.687	402.109.536	23.456.138.750
<b>Depreciation</b>					
Beginning balance	6.001.844.392	34.971.100.533	8.442.550.336	1.304.348.706	50.719.843.967
Depreciation	1.540.418.765	4.992.680.187	1.284.319.745	245.474.779	8.062.893.476
Liquidation and disposal	-	(387.504.491)	-	-	(387.504.491)
Other decreases (*)	(361.668.551)	(634.433.494)	-	(778.941.699)	(1.775.043.744)
<b>Ending balance</b>	<b>7.180.594.606</b>	<b>38.941.842.735</b>	<b>9.726.870.081</b>	<b>770.881.786</b>	<b>56.620.189.208</b>
<b>Net book values</b>					
Beginning balance	15.060.758.215	22.104.092.071	3.745.074.218	573.028.689	41.482.953.193
<b>Ending balance</b>	<b>14.569.319.649</b>	<b>18.262.096.164</b>	<b>8.958.986.291</b>	<b>273.069.568</b>	<b>42.063.471.672</b>
<i>In which:</i>					
Assets temporary not in use	-	-	-	-	-
Assets waiting for liquidation	-	-	-	-	-

(\*) The transfers of assets which do not meet the conditions to be fixed assets into item "long-term prepaid expenses" according to the guidance of Circular No. 45/2013/TT-BTC dated 25 April 2013 of the Ministry of Finance.

**11. Increases/(decreases) of intangible fixed assets**

	Land use right	Computer software	Total
<b>Initial costs</b>			
Beginning balance	78.581.967.427	84.920.000	78.666.887.427
Complete construction	-	139.000.000	139.000.000
<b>Ending balance</b>	<b>78.581.967.427</b>	<b>223.920.000</b>	<b>78.805.887.427</b>
<i>In which:</i>			
Fully amortized assets but being still in use	6.398.884.378	84.920.000	6.483.804.378
<b>Amortization</b>			
Beginning balance	24.774.084.947	84.920.000	24.859.004.947
Amortization	5.007.919.276	11.583.334	5.019.502.610
<b>Ending balance</b>	<b>29.782.004.223</b>	<b>96.503.334</b>	<b>29.878.507.557</b>
<b>Net book values</b>			
Beginning balance	53.807.882.480	-	53.807.882.480
<b>Ending balance</b>	<b>48.799.963.204</b>	<b>127.416.666</b>	<b>48.927.379.870</b>

These notes form an integral part of and should be read in conjunction with the financial statements

**CONSTRUCTION INVESTMENT CORPORATION 3-2**

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## FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2013

Notes to the financial statements (cont.)

	Land use right	Computer software	Total
<i>In which:</i>			
Assets temporary not in use	-	-	-
Assets waiting for liquidation	-	-	-

The land use right of which the historical costs and net book values are VND 36.541.395.723 and VND 31.020.778.760 respectively as in the accounting books have been mortgaged to secure the loans from VietinBank – Binh Duong branch.

**12. Construction-in-progress**

	Beginning balance	Increases	Inclusion in fixed assets	Inclusion in costs and expenses	Ending balance
Long Nguyen Concrete Manufacturing Workshop	830.209.959	462.771.337	(1.183.268.750)	(109.712.546)	-
Renovating stone mill No.1	-	1.095.000.000	(1.095.000.000)	-	-
Trucks, trailer-trucks	-	4.290.413.636	(4.290.413.636)	-	-
Others	303.503.018	1.161.121.235	(1.165.720.274)	(122.769.718)	176.134.261
<b>Total</b>	<b>1.133.712.977</b>	<b>7.009.306.208</b>	<b>(7.734.402.660)</b>	<b>(232.482.264)</b>	<b>176.134.261</b>

**13. Other long-term investments**

This item reflects the investment to hold 18.098 shares of Binh Duong Consultant Construction Joint Stock Company, accounting for 3,52% of charter capital of this company.

**14. Long-term prepaid expenses**

	Beginning balance	Increases	Allocation	Ending balance
Tools	1.818.972.766	1.376.503.572	(2.017.369.275)	1.178.107.063
Security fence of Nguyen Van Tiet residential area	34.090.508		(34.090.508)	-
Car park and warehouse of Construction Installation Workshop	119.175.657		(90.916.806)	28.258.851
Expenses on constructing warehouse	109.191.362		(109.191.362)	-
Expenses on renovating showroom	87.339.566		(87.339.566)	-
Expenses on repairing motorbike	51.210.000		(25.605.000)	25.605.000
Expenses on exploring quarry	146.615.142		(146.615.142)	-
Expenses on houses for workers	-	109.712.546	(41.142.204)	68.570.342
<b>Total</b>	<b>2.366.595.001</b>	<b>1.486.216.118</b>	<b>(2.552.269.863)</b>	<b>1.300.541.256</b>

**15. Short-term loans and debts**

The long-term loan from Provincial Party Committee Office of Binh Duong is to invest in Long Nguyen Concrete Manufacturing Workshop at Ben Cat. This is the loan secured by trust receipt according to the agreement No. 01/HĐ/VV dated 15 February 2011. This loan is transferred to current portions of long-term loans because its maturity date is 15 February 2014.

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**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2013

Notes to the financial statements (cont.)

16. Payable to suppliers		Ending balance	Beginning balance
Executing construction works		7.654.134.339	5.815.769.684
Exploiting stone		6.686.204.863	12.535.155.949
Others		2.247.606.482	1.520.280.603
<b>Total</b>		<b>16.587.945.684</b>	<b>19.871.206.236</b>

  

17. Advances from customers		Ending balance	Beginning balance
Executing construction works		752.164.000	1.897.637.000
Purchasing stone		1.254.005.277	750.628.437
Others		1.883.311.667	503.300.289
<b>Total</b>		<b>3.889.480.944</b>	<b>3.151.565.726</b>

  

18. Taxes and other obligations to the State Budget				
	Beginning balance	Amount payable	Amount already paid	Ending balance
VAT on local sales	1.659.650.794	17.593.971.965	(15.953.470.564)	3.300.152.195
Corporate income tax (*)	16.527.729.097	22.576.607.957	(24.075.617.171)	15.028.719.883
Personal income tax	309.339.570	1.628.028.780	(1.409.020.472)	528.347.878
Natural resources tax	3.234.881.827	8.627.440.442	(8.399.784.427)	3.462.537.842
Other taxes	-	33.259.925	(33.259.925)	-
Fees, legal fees and other duties	194.337.315	2.402.980.947	(2.336.525.397)	260.792.865
<b>Total</b>	<b>21.925.938.603</b>	<b>52.862.290.016</b>	<b>(52.207.677.956)</b>	<b>22.580.550.663</b>

(\*) Corporate income tax payable during the year includes adjustments on corporate income tax of the previous years for an amount of VND 47.888.074.

**Value added tax (VAT)**

The company has paid VAT in accordance with the deduction method. The VAT rate is 10% applied to all activities.

**Corporate income tax**

The company is responsible for paying corporate income tax at the rate of 25% on taxable income.

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

	Current year	Previous year
Total accounting profit before tax	89.146.541.832	57.073.929.303
Increase/(decrease) of accounting profit to determine profit subject to corporate income tax:		
- Increases	2.487.092.861	2.531.230.359
- Decreases	(1.518.755.163)	(2.148.164.971)
Income subject to tax	90.114.879.530	57.456.994.691
Corporate income tax rate	25%	25%
<b>Corporate income tax subject to common tax rate</b>	<b>22.528.719.883</b>	<b>14.364.248.673</b>
<b>Corporate income tax being reduced</b>	<b>-</b>	<b>(385.136.927)</b>
<b>Corporate income tax payable</b>	<b>22.528.719.883</b>	<b>13.979.111.746</b>

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**CONSTRUCTION INVESTMENT CORPORATION 3-2**

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**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2013

Notes to the financial statements (cont.)

**Natural resources tax**

The company is responsible for paying natural resources tax on the exploitation of stones in accordance with the average selling price of freestones every month (the minimum price is VND 110.000/m<sup>3</sup>), at the tax rate of 6%.

**Other taxes**

The company has declared and paid other taxes in line with the prevailing regulations.

**19. Payable to employees**

This item reflects the monthly salary, annual leave, mid-shift meal and night-shift allowances payable to employees.

**20. Accrued expenses**

	<u>Ending balance</u>	<u>Beginning balance</u>
Expenses on construction works	4,168,341.987	1,543,400.548
Loan interest expenses	483,934.000	289,333.333
Expenses on improving the quarry's environment	3,123,608.720	-
Expenses on being granted the mineral exploitation right	9,050,580.177	-
Others	293,687.985	76,287.942
<b>Total</b>	<u><u>17,120,152.869</u></u>	<u><u>1,909,021.823</u></u>

**21. Other payable**

	<u>Ending balance</u>	<u>Beginning balance</u>
Social insurance, health insurance, unemployment insurance and Trade Union's expenditure	54,663.251	133,221.338
Construction teams and sub-contractors	3,663,309.163	2,775,296.511
Remunerations for the Board of Management	1,513,750.000	760,799.450
Compensation payable to households at Nguyen Van Tiet residential area	285,643.450	285,643.450
Dividends payable	13,723.155	13,451,713.155
Expenses on construction works provisionally calculated	-	151,478.500
Others	897,045.482	809,032.733
<b>Total</b>	<u><u>6,428,134.501</u></u>	<u><u>18,367,185.137</u></u>

**22. Provisions for short-term accounts payable**

	<u>Warranty of construction and installation works</u>	<u>Improvement in the quarry's environment</u>	<u>Total estimates</u>
Beginning balance	932,596.648	1,048,145.040	1,980,741.688
Increases due to extraction during the year	422,751.628	196,527.195	619,278.823
Amount already used during the year	(327,849.588)	-	(327,849.588)
Amount reserved	(117,230.760)	-	(117,230.760)
Allocation	-	(1,244,672.235)	(1,244,672.235)
<b>Ending balance</b>	<u><u>910,267.928</u></u>	<u><u>-</u></u>	<u><u>910,267.928</u></u>

*These notes form an integral part of and should be read in conjunction with the financial statements*

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**CONSTRUCTION INVESTMENT CORPORATION 3-2**

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**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2013

Notes to the financial statements (cont.)

**23. Bonus and welfare funds**

	Beginning balance	Increases due to extraction from profit	Disbursements during the year	Ending balance
Bonus fund	3.386.236.246	1.077.370.438	(980.318.000)	3.483.288.684
Welfare fund	3.397.613.045	1.077.370.439	(2.217.142.171)	2.257.841.313
Bonus fund for the Executive Officers	94.919.968	861.896.351	(956.816.319)	-
<b>Total</b>	<b>6.878.769.259</b>	<b>3.016.637.228</b>	<b>(4.154.276.490)</b>	<b>5.741.129.997</b>

**24. Owner's equity***Statement of fluctuations in owner's equity*

	Capital	Business promotion fund	Financial reserved fund	Retained earnings	Total
Beginning balance of the previous year	112.000.000.000	11.273.322.729	3.710.745.599	43.815.047.574	170.799.115.902
Profit during the year	-	-	-	43.094.817.557	43.094.817.557
Appropriation for funds during the year	-	10.702.042.300	2.675.513.875	(17.123.274.280)	(3.745.718.105)
Dividends shared of the previous year	-	-	-	(13.440.000.000)	(13.440.000.000)
Advances of dividends in the current year	-	-	-	(13.440.000.000)	(13.440.000.000)
<b>Ending balance of the previous year</b>	<b>112.000.000.000</b>	<b>21.975.365.029</b>	<b>6.386.259.474</b>	<b>42.906.590.851</b>	<b>183.268.215.354</b>
Beginning balance of the current year	112.000.000.000	21.975.365.029	6.386.259.474	42.906.590.851	183.268.215.354
Profit during the year	-	-	-	66.617.821.949	66.617.821.949
Appropriation for funds during the year	-	8.618.963.511	2.154.740.877	(13.790.341.616)	(3.016.637.228)
Dividends shared of the previous year	-	-	-	(13.440.000.000)	(13.440.000.000)
Advances of dividends in the current year	-	-	-	(13.440.000.000)	(13.440.000.000)
<b>Ending balance of the current year</b>	<b>112.000.000.000</b>	<b>30.594.328.540</b>	<b>8.541.000.351</b>	<b>68.854.071.184</b>	<b>219.989.400.075</b>

*Dividends*

Dividends already paid are as follows:

	Current year	Previous year
Dividends paid in the previous year	26.878.590.000	21.278.149.525
Advances of dividends	13.439.400.000	-
<b>Total</b>	<b>40.317.990.000</b>	<b>21.278.149.525</b>

*Shares*

	Ending balance	Beginning balance
Number of shares registered to be issued	11.200.000	11.200.000
Number of shares already sold to the public	11.200.000	11.200.000
- Common shares	11.200.000	11.200.000
- Preferred shares	-	-
Number of shares re-purchased	-	-

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**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2013

Notes to the financial statements (cont.)

	<u>Ending balance</u>	<u>Beginning balance</u>
- Common shares	-	-
- Preferred shares	-	-
Number of outstanding shares	11.200.000	11.200.000
- Common shares	11.200.000	11.200.000
- Preferred shares	-	-

Face value per outstanding share: VND 10.000.

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

	<u>Current year</u>	<u>Previous year</u>
Gross sales	427.551.359.291	333.154.184.768
- Materials	20.413.976.922	17.140.827.460
- Finished goods	245.584.098.490	224.590.355.130
- Construction	133.761.140.986	77.598.164.207
- Service provision	4.468.624.182	5.010.490.997
- Real estates	3.288.094.984	1.987.301.995
- Merchandises	20.035.423.727	6.827.044.979
Deductions (sales returns)	(16.633.810)	-
<b>Net sales</b>	<b><u>427.534.725.481</u></b>	<b><u>333.154.184.768</u></b>
<i>In which:</i>		
- Materials	20.413.976.922	17.140.827.460
- Finished goods	245.567.464.680	224.590.355.130
- Construction	133.761.140.986	77.598.164.207
- Service provision	4.468.624.182	5.010.490.997
- Real estates	3.288.094.984	1.987.301.995
- Merchandises	20.035.423.727	6.827.044.979

**2. Costs of goods sold**

	<u>Current year</u>	<u>Previous year</u>
Costs of materials sold	19.611.134.768	16.627.130.812
Costs of finished goods sold	157.645.982.535	156.991.293.620
Costs of construction	110.419.557.155	71.130.300.947
Costs of services provided	4.616.846.659	4.860.582.184
Costs of real estate trading	2.013.795.808	1.277.841.197
Costs of merchandises	19.221.271.298	6.679.388.557
Provision for devaluation of inventories	127.593.461	(56.829.698)
<b>Total</b>	<b><u>313.656.181.684</u></b>	<b><u>257.509.707.619</u></b>

**3. Financial income**

	<u>Current year</u>	<u>Previous year</u>
Interest on term deposits	3.092.070.831	2.683.735.131
Interest on demand deposits	17.709.500	15.757.418
Dividends, profit shared	25.529.775	27.469.442
<b>Total</b>	<b><u>3.135.310.106</u></b>	<b><u>2.726.961.991</u></b>

These notes form an integral part of and should be read in conjunction with the financial statements



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## FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2013

Notes to the financial statements (cont.)

4. Selling expenses	<u>Current year</u>	<u>Previous year</u>
Expenses for employees	141.801.220	-
Goods transportation expenses	4.923.079.205	5.094.778.910
Others	9.201.379	-
<b>Total</b>	<b><u>5.074.081.804</u></b>	<b><u>5.094.778.910</u></b>
5. Administrative overheads	<u>Current year</u>	<u>Previous year</u>
Expenses for office staff	9.168.975.372	8.390.547.245
Office supplies	253.886.614	199.997.891
Depreciation of fixed assets	1.133.063.001	1.140.422.487
Taxes, fees and legal fees	11.084.176	11.084.176
Provision for bad debts	502.794.256	561.802.678
External service rendered	901.994.976	836.787.683
Other expenses	1.682.802.429	1.717.049.732
<b>Total</b>	<b><u>13.654.600.824</u></b>	<b><u>12.857.691.892</u></b>
6. Other income	<u>Current year</u>	<u>Previous year</u>
Fee for transfer of land lots	59.090.909	136.818.182
Fine for administrative violations of employees	55.568.026	44.797.344
Fine for contract violations	36.639.772	5.026.000
Reversal of warranty expenses on construction works	117.230.760	-
Gains from liquidation and disposal of fixed assets	55.726.275	18.454.545
Others	736.752.594	402.190.389
<b>Total</b>	<b><u>1.061.008.336</u></b>	<b><u>607.286.460</u></b>
7. Other expenses	<u>Current year</u>	<u>Previous year</u>
Fine for administrative violations	535.548.721	81.694.563
Fine for contract violations	337.986.255	151.478.500
Expenses on liquidation and disposal of fixed assets	92.445.204	1.000.000
Expenses on being granted the mineral exploitation right additionally paid of the previous years	5.730.872.752	-
Others	383.115.515	44.097.684
<b>Total</b>	<b><u>7.079.968.447</u></b>	<b><u>278.270.747</u></b>
8. Earnings per share	<u>Current year</u>	<u>Previous year</u>
Accounting profit after corporate income tax	66.617.821.949	43.094.817.557
Increase/(decrease) of accounting profit to determine profit attributable to holders of ordinary shares	-	-
Profit attributable to holders of ordinary shares	<u>66.617.821.949</u>	<u>43.094.817.557</u>

These notes form an integral part of and should be read in conjunction with the financial statements

**CONSTRUCTION INVESTMENT CORPORATION 3-2**

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**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2013

Notes to the financial statements (cont.)

	<u>Current year</u>	<u>Previous year</u>
Average ordinary shares outstanding during the year	11.200.000	11.200.000
Earnings per share	<u>5.948</u>	<u>3.848</u>
<b>9. Operating expenses</b>	<b><u>Current year</u></b>	<b><u>Previous year</u></b>
Materials and supplies	110.908.594.134	96.801.355.952
Labor	42.647.579.267	41.579.197.618
Depreciation of fixed assets	13.082.396.086	12.473.630.431
External service rendered	101.174.149.013	79.132.738.336
Others	33.761.345.298	19.256.550.433
<b>Total</b>	<b><u>301.574.063.798</u></b>	<b><u>249.243.472.770</u></b>

**VII. ADDITIONAL INFORMATION ON THE ITEMS OF THE CASH FLOW STATEMENT****Non-cash transactions**

During the year, the company has had following non-cash transactions:

	<u>Current year</u>	<u>Previous year</u>
Purchase of fixed assets and construction expenses not yet paid	-	803.407.434
Loan interest payable	483.934.000	289.333.333

**VIII. OTHER INFORMATION****1. Transactions with related parties****Transaction with key managers and related individuals**

The key managers and related individuals include: members of the Board of Management, the Directors, the Chief Accountant and their family members.

Income of the key managers is as follows:

	<u>Current year</u>	<u>Previous year</u>
Salary	1.323.460.000	1.330.748.148
Social insurance, health insurance	46.985.440	41.717.290
Others	1.601.914.351	1.677.284.000
<b>Total</b>	<b><u>2.972.359.791</u></b>	<b><u>3.049.749.438</u></b>

**Transactions with other related parties**

Other related parties of the company include:

**Related parties**

Provincial Party Committee Office of Binh Duong  
Protrade Corporation

**Relationship**

Governing body of Protrade Corporation  
Shareholder holding 51% of capital – directly under management of Provincial Party Committee Office of Binh Duong

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**CONSTRUCTION INVESTMENT CORPORATION 3-2**

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Notes to the financial statements (cont.)

During the year, the company has had the following transactions with other related parties:

	<u>Current year</u>	<u>Previous year</u>
<i>Provincial Party Committee Office of Binh Duong</i>		
Loan interest payable	3.119.669.332	3.604.222.220
Dividends	-	3.998.400.000
Liquidation of assets kept for others	40.631.818	-
<i>Protrade Corporation</i>		
Income from construction	964.916.000	3.721.973.000
Dividends shared	13.708.800.000	13.708.800.000
Receivable for sales of land lots at Nguyen Van Tiet residential area	-	1.353.040.000

As of the balance sheet date, the accounts payable to and receivable from other related parties are as follows:

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Protrade Corporation</i>		
Receivable for construction	-	1.419.649.000
<b>Total amount receivable</b>	<b>-</b>	<b>1.419.649.000</b>
<i>Provincial Party Committee Office of Binh Duong</i>		
Loans	28.000.000.000	28.000.000.000
Interests	483.934.000	289.333.333
<i>Protrade Corporation</i>		
Dividends payable	-	6.854.400.000
<b>Total amount payable</b>	<b>28.483.934.000</b>	<b>35.143.733.333</b>

**2. Information on segment**

Information on segment is presented as that of business segment and geographical segment. Segment reporting is mainly done on the basis of operating fields.

**Operating fields**

The company has following main operating fields:

- Business field 01: Construction activities.
- Business field 02: Production activities (materials: selling DO oil and finished goods: stone, sewer, brick, etc.).
- Business field 03: other activities (selling merchandises, real estates and leasing trucks, etc.)

Information on financial performance, fixed assets, other long-term assets and large non-cash expenses of each field-based segment of the company as follows:

	<u>Construction field</u>	<u>Production field</u>	<u>Other fields</u>	<u>Total</u>
<b>Current year</b>				
Net sales to external customers	133.761.140.986	265.981.441.602	27.792.142.893	427.534.725.481
Net sales among segments	-	-	-	-
<b>Total net sales</b>	<b>133.761.140.986</b>	<b>265.981.441.602</b>	<b>27.792.142.893</b>	<b>427.534.725.481</b>

These notes form an integral part of and should be read in conjunction with the financial statements

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**CONSTRUCTION INVESTMENT CORPORATION 3-2**

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

**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2013

**Notes to the financial statements (cont.)**

	Construction field	Production field	Other fields	Total
Segments' performance	23,341,583,831	88,724,324,299	1,812,635,667	113,878,543,797
Expenses not allocated according to segments				(18,728,682,628)
Operating profit				95,149,861,169
Financial income				3,135,310,106
Financial expenses				(3,119,669,332)
Other income				1,061,008,336
Other expenses				(7,079,968,447)
Current corporate income tax				(22,528,719,883)
Deferred corporate income tax				-
<b>Profit after tax</b>				<b>66,617,821,949</b>
<b>Total amount paid to purchase fixed assets and other long-term assets</b>	<b>141,019,181</b>	<b>8,184,045,117</b>	<b>1,310,912,527</b>	<b>9,635,976,825</b>
<b>Total amount of depreciation expenses, allocated long-term prepaid expenses</b>	<b>728,849,141</b>	<b>12,058,018,795</b>	<b>2,847,798,013</b>	<b>15,634,665,949</b>
<b>Previous year</b>				
Net sales to external customers	77,598,164,207	241,731,182,590	13,824,837,971	333,154,184,768
Net sales among segments	-	-	-	-
<b>Total net sales</b>	<b>77,598,164,207</b>	<b>241,731,182,590</b>	<b>13,824,837,971</b>	<b>333,154,184,768</b>
Segments' performance	6,487,973,185	68,149,477,931	1,007,026,033	75,644,477,149
Expenses not allocated according to segments				(17,952,470,802)
Operating profit				57,692,006,347
Financial income				2,726,961,991
Financial expenses				(3,674,054,748)
Other income				607,286,460
Other expenses				(278,270,747)
Current corporate income tax				(13,979,111,746)
Deferred corporate income tax				-
<b>Profit after tax</b>				<b>43,094,817,557</b>
<b>Total amount paid to purchase fixed assets and other long-term assets</b>	<b>39,151,942</b>	<b>3,010,062,395</b>	<b>1,861,150,885</b>	<b>4,910,365,222</b>
<b>Total amount of depreciation expenses, allocated long-term prepaid expenses</b>	<b>797,004,066</b>	<b>11,057,714,864</b>	<b>2,794,023,491</b>	<b>14,648,742,421</b>

**Geographical segment**

All the company's operations are taken place in Vietnam.

## CONSTRUCTION INVESTMENT CORPORATION 3-2

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### FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2013

Notes to the financial statements (cont.)

### 3. Financial risk management

#### Overview

The company's activities are exposed to the following financial risks: credit risk, liquidity risk and market risk. The Directors are responsible for establishing policies and controls to minimize the financial risk as well as monitor the implementation of applied policies and controls. The risk management is carried out mainly by the Department of Accounting and Finance in line with the policies and procedures approved by the Directors.

#### Credit risk

Credit risk is the risk that one contractual party will cause a loss for the company by failing to pay for its obligation.

The company is exposed to credit risks mainly from receivable from its customers and cash in bank.

#### Receivable from customers

In order to manage the receivables from customers, the Directors have issued the sales regulations with the strict requirements on customers, sales limits, debt limit and debt collection period. On the monthly basis, the Directors check the compliance with these sales regulations. Additionally, the accountant in charge of accounts follows up the accounts receivable regularly to speed up the recovery.

Since the company's accounts receivable from customers are related to many companies operating in various fields and geographical areas, the credit risk from accounts receivable from customers is low.

#### Cash in bank

Term deposits and demand deposits of the company are in local banks. The Directors have not realized any material credit risk from these deposits.

The maximum credit risk level of financial assets is their book values (see Note VIII.4 regarding the book values of financial assets).

The analysis statement on outstanding period and devaluation of financial assets is as follows:

	Not yet overdue or devaluated	Overdue but not devaluated	Already overdue and/or devaluated	Not yet overdue but devaluated	Total
<b>Ending balance</b>					
Cash and cash equivalents	38.118.698.848	-	-	-	38.118.698.848
Investments held to maturity dates	34.800.000.000	-	-	-	34.800.000.000
Receivable from customers	77.016.150.967	-	2.455.768.467	-	79.471.919.434
Other receivable	7.174.723.739	-	-	-	7.174.723.739
Financial assets available for sale	200.887.800	-	-	-	200.887.800
<b>Total</b>	<b>157.310.461.354</b>	<b>-</b>	<b>2.455.768.467</b>	<b>-</b>	<b>159.766.229.821</b>

**CONSTRUCTION INVESTMENT CORPORATION 3-2**

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

**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2013

Notes to the financial statements (cont.)

	Not yet overdue or devaluated	Overdue but not devaluated	Already overdue and/or devaluated	Not yet overdue but devaluated	Total
<b>Beginning balance</b>					
Cash and cash equivalents	54.588.281.411	-	-	-	54.588.281.411
Receivable from customers	55.339.747.972	-	2.326.035.114	-	57.665.783.086
Loans given	100.000.000	-	-	-	100.000.000
Other receivable	7.541.052.454	-	-	-	7.541.052.454
Financial assets available for sale	200.887.800	-	-	-	200.887.800
<b>Total</b>	<b>117.769.969.637</b>	<b>-</b>	<b>2.326.035.114</b>	<b>-</b>	<b>120.096.004.751</b>

**Liquidity risk**

Liquidity risk is the risk that the company will have difficulties in paying its financial liabilities.

The company's liquidity risks mainly arise from the differences in maturity dates of financial assets and financial liabilities.

The company manages its liquidity risks by applying such methods as: regularly following the current payment requests as well as estimated payment requests in the future to maintain an appropriate amount of cash and loans, and supervising the actual cash flows in comparison with the budget in order to minimize the effects of the changes in cash flows to the company.

The terms of payments to non-derivative financial liabilities are on the undiscounted payments (including principal and interest) supposed to make according to the contracts. Details are as follows:

	Under 1 year	From 1 year to 5 years	Over 5 years	Total
<b>Ending balance</b>				
Loans and debts	28.476.000.000	-	-	28.476.000.000
Payable to suppliers	16.587.945.684	-	-	16.587.945.684
Other payable	24.403.892.047	-	-	24.403.892.047
<b>Total</b>	<b>69.467.837.731</b>	<b>-</b>	<b>-</b>	<b>69.467.837.731</b>
<b>Beginning balance</b>				
Loans and debts	-	32.155.666.667	-	32.155.666.667
Payable to suppliers	19.871.206.236	-	-	19.871.206.236
Other payable	22.256.948.648	-	-	22.256.948.648
<b>Total</b>	<b>42.128.154.884</b>	<b>32.155.666.667</b>	<b>-</b>	<b>74.283.821.551</b>

The company's Directors believe that the risk level from payments for financial liabilities is low. The company is able to settle their current portions of debts from operating cash flow and the gain from financial liabilities on due dates.

**Market risk**

Market risk is the risk that the fair value or cash flows in the future of a financial instrument will fluctuate due to changes in market prices.

**CONSTRUCTION INVESTMENT CORPORATION 3-2**

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**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2013

**Notes to the financial statements (cont.)**

Market risks related to the operation of the company include: interest rate risk and goods/materials price risk.

The sensitivity analyses and assessment below, which are related to the company's financial position as of 31 December 2013 and 31 December 2012, have been done on the basis of the value of net debts. Changes of interest rates, and goods/materials' prices used in analyzing the sensitivity are supposed on the assessment of their occurrence possibility in the coming year with observable conditions of the market at present.

*Interest rate risk*

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The company's interest rate risk is mainly related to term deposits and loans with floating interest rates.

The company controls the interest rate risk by analyzing the market situation on order to give appropriate decision on choosing the time for getting loans, choosing appropriate loan terms to get the most favorable interest rates as well as maintaining loan structure with appropriate floating and fixed interest rates.

The company's financial instruments with floating interest rates are as follows:

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash and cash equivalents	35.517.260.274	50.533.821.439
Investments held to maturity dates	34.800.000.000	-
Loans and debts	<u>(28.000.000.000)</u>	<u>(28.000.000.000)</u>
<b>Net assets/(liabilities)</b>	<b><u>42.317.260.274</u></b>	<b><u>22.533.821.439</u></b>

The company thinks that the effects of the fluctuations in interest rates on the company's profit after tax and owner's equity are not significant because the net assets are of small values.

*Goods/materials price risk*

The company has had the risks due to fluctuations in goods/materials' prices. The company manages the goods/materials price risk by following up the related information and situations in the market to control the time for purchasing materials, preparing manufacturing plan and keeping the volumes of inventories at reasonable level.

*Collaterals*

The company has had no collaterals to other entities as well as collaterals received from other entities as of 31 December 2013 and 31 December 2012.

**4. Fair values of financial assets and liabilities***Financial assets*

	Book values				Fair values	
	Ending balance		Beginning balance		Ending balance	Beginning balance
	Historical costs	Provision	Historical costs	Provision		
Cash and cash equivalents	38.118.698.848	-	54.588.281.411	-	38.118.698.848	54.588.281.411
Investments held to maturity dates	34.800.000.000	-	-	-	34.800.000.000	-

*These notes form an integral part of and should be read in conjunction with the financial statements*



**CONSTRUCTION INVESTMENT CORPORATION 3-2**

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

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For the fiscal year ended 31 December 2013

Notes to the financial statements (cont.)

	Book values				Fair values	
	Ending balance		Beginning balance		Ending balance	Beginning balance
	Historical costs	Provision	Historical costs	Provision		
Receivable from customers	79.471.919.434	(1.231.307.036)	57.665.783.086	(1.297.536.251)	78.240.612.398	56.368.246.835
Loans given	-	-	100.000.000	-	-	100.000.000
Other receivable	7.174.723.739	-	7.541.052.454	-	7.174.723.739	7.541.052.454
Financial assets available for sale	200.887.800	-	200.887.800	-	200.887.800	200.887.800
<b>Total</b>	<b>159.766.229.821</b>	<b>(1.231.307.036)</b>	<b>120.096.004.751</b>	<b>(1.297.536.251)</b>	<b>158.534.922.785</b>	<b>118.798.468.500</b>

**Financial liabilities**

	Book values		Fair values	
	Ending balance	Beginning balance	Ending balance	Beginning balance
Loans and debts	28.000.000.000	28.000.000.000	28.000.000.000	28.000.000.000
Payable to suppliers	16.587.945.684	19.871.206.236	16.587.945.684	19.871.206.236
Other payable	24.403.892.047	22.256.948.648	24.403.892.047	22.256.948.648
<b>Total</b>	<b>68.991.837.731</b>	<b>70.128.154.884</b>	<b>68.991.837.731</b>	<b>70.128.154.884</b>

Fair values of financial assets and liabilities of the company are reflected at the values which the financial instruments can be converted in a current transaction among parties having enough knowledge and expecting to involve in the transaction.

The company has applied the following method and assumption to estimate the fair value of financial assets and financial liabilities:

- Fair values of cash and cash equivalents, receivable from customers, loans given, other receivable, loans, payable to suppliers and other current liabilities are equivalent to the book values of these items (excluding the provisions for estimates on unrecoverable amounts) since these instruments have short-term periods.
- Fair values of receivable from customers, other receivable, loans, payable to suppliers and other long-term payable, investments held to maturity dates not yet listed on the stock exchange and not having transaction price disclosed by 3 securities companies are determined by discounting cash flows at the interest rate applied to loans of which the loan features and remaining loan periods are the same with the loans given.

The company has not officially assessed the financial assets available for sale. However, the Directors have assessed that the fair values of these financial assets are not materially different from the book values.

Binh Duong, 25 February 2014

  
 \_\_\_\_\_  
**Nguyen Xuan Hieu**  
 Preparer

  
 \_\_\_\_\_  
**Tran Van Binh**  
 Chief Accountant

  
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**Vo Van Lanh**  
 General Director

These notes form an integral part of and should be read in conjunction with the financial statements